



**PROSPECT HEIGHTS DISTRICT 23
FINANCE COMMITTEE
MEMORANDUM**

Date: September 5, 2023
Title: Plan for Interfund Transfers Working Cash & Transportation to Education
Contact: Amy McPartlin, Assistant Superintendent for Finance & Operations

Background

Again this year, we have worked to stay in front of the delay in Cook County's issuance of the second installment of property tax bills, we have been working with a number of partners, including Elizabeth Hennessy (Raymond James) Nick Cavaliere (Baker Tilly) and Kyle Harding (Chapman & Cutler) to make the best decision for the District.

Unfortunately, many, if not most, Cook County School Districts with less than 50% fund balances are finding themselves in the same predicament as District 23. We remain dependent on our local tax revenues to come in on schedule and keep the district operating. Any delay of more than a few months is potentially detrimental. Currently, our expectation is that tax bills will be issued on/around November 1st. Revenues should be coming in within two weeks of issuance, typically less than a week. However, according to our current cash flow projections, at that time, we will be in need of additional funds.

Fortunately, because of the expedited issuance of Working Cash Bonds last year, we have a temporary solution in place to provide these funds until the County catches up with tax revenues.

Administrative Consideration

In order to mitigate the consequences of the potential shortfall and continue to meet our current obligations of payroll, accounts payable and our December bond payment, we will be bringing forth two resolutions to authorize for Board action.

- Resolution to Authorize Interfund Transfers (2) between Transportation and Working Cash into the Education Fund. These transfers allow us to shift the existing fund balances to the fund in the most need, in this case, the Education Fund. By exercising the option to transfer, we can lessen the amount of the revenue needed to fill the gap and transfer the funds back into Transportation and Working Cash once the revenues come in.

- The goal of the Working Cash balance is to be utilized toward the Windows, Siding and Doors Phase I work this summer.

Administrative Recommendation:

The Administration will recommend the approval of the resolution items for interfund transfers at the Board of Education meeting on September 14, 2023.