



PROSPECT HEIGHTS DISTRICT 23 BOARD OF EDUCATION INFORMATION ITEM

Date: October 10, 2024

Title: Compliance with Excess Fund Accumulation Report - Public Act 103-0394

Contact: Amy McPartlin, Assistant Superintendent for Finance & Operations

SUMMARY

In accordance with Pubic Act 103-0394, school districts shall calculate the combined, annual average expenditures of its operational funds for the previous 3 fiscal years, as reported in the school district's most recently audited annual financial reports. Operational funds shall include the district's Educational, Transportation, and Operations & Maintenance funds. The school board shall annually present a written report covering the annual average expenditures of its operational funds for the previous 3 fiscal years at a board meeting. If this combined amount exceeds 2.5 times the district's average combined expenditures in the three principal operating funds over the prior three fiscal years, a plan must be submitted to the Illinois State Board of Education (ISBE). As of June 30, 2024, District 23 does not meet the threshold which requires a plan to reduce its principal operating fund balances.

BACKGROUND

The district's AFR is scheduled to be accepted by the Board of Education at its November, 2024 meeting. As that has not yet been finalized, we have used the 2021-23 AFR's for the calculation, as recommended by Baker, Tilly. As of June 30, 2024, the combined fund balances in the Educational (\$2,602,889), Operations & Maintenance (\$1,064,340), and Transportation (\$624,070.49) is \$4,291,301. Whereas, the combined fund average expenditures of these funds for fiscal years 2021 (\$23,070,222), 2022 (\$24,986,117), and 2023 (\$25,836,751) is \$24,631,030.

Fiscal Expenditures					
Principal Operating Funds	2021 AFR	2022 AFR	2023 AFR	3-Year Average	Fund Balance 06/30/2024
Education	\$19,502,563.00	\$21,512,237.00	\$21,969,029.00	\$20,994,609.67	\$2,602,889.98
Operations & Maintenance	\$1,891,162.00	\$1,852,160.00	\$1,940,684.00	\$1,894,668.67	\$1,064,340.83
Transportation	\$1,676,497.00	\$1,621,720.00	\$1,927,038.00	\$1,741,751.67	\$624,070.49
Total	\$23,070,222.00	\$24,986,117.00	\$25,836,751.00	\$24,631,030.00	\$4,291,301.30

Since the principal operating funds of the district are not equal to or greater than 2.5 times the district's average combined expenditures in those funds over the prior three years, no further action is required.

RECOMMENDATION

That the Board of Education discuss the requirement of Public Act 103-0394 and acknowledge no further action is required at this time.