

Geneva Community Unit School District No. 304

Management's Discussion and Analysis

For the Year Ended June 30, 2024

The discussion and analysis of Geneva Community Unit School District 304's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2024. Management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A"), however not in the initial year of implementation.

Financial Highlights

- As of June 30, 2024, the District fund balance totaled \$82,428,373. Of this amount, \$61,161,032 may be used to meet the District's general ongoing future obligations in the general fund.
- As of June 30, 2024, the District's total fund balance decreased by \$1,979,202 from the previous fiscal year.
- As of June 30, 2024, the District's operating funds, which include all governmental funds except the debt service fund, showed a fund balance of \$74,229,867 or 56.8% of the operating fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as the underlying event giving rise to the change occurring, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Geneva Community Unit School District No. 304

Management's Discussion and Analysis

For the Year Ended June 30, 2024

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements. The District's fiduciary funds are comprised of scholarship accounts.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

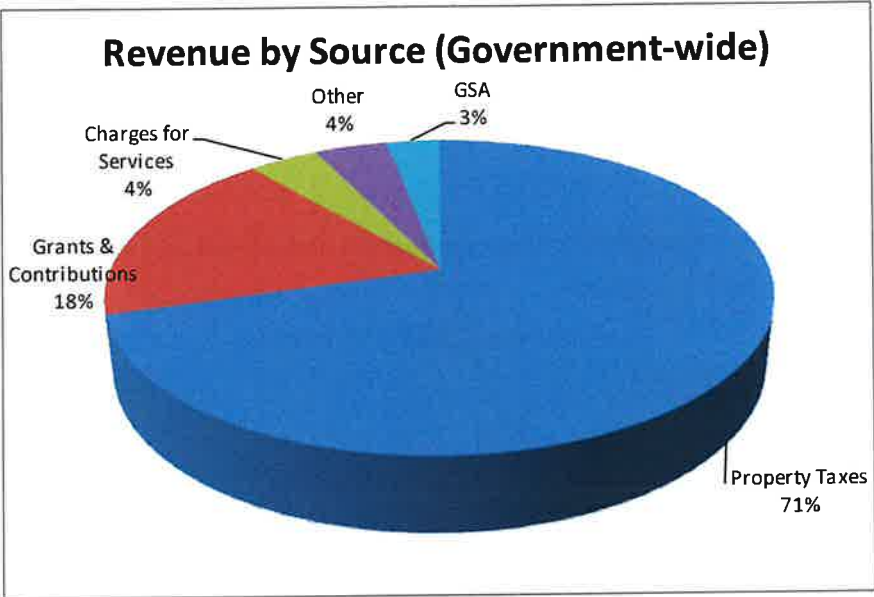
District-Wide Financial Analysis

Table 1			
Condensed Statement of Net Position			
(in millions of dollars)			
	2024	2023	% Increase (Decrease)
Current and other assets	\$ 140.1	\$ 137.0	2.3%
Capital assets	105.1	98.8	6.4%
Total assets	245.2	235.8	4.0%
Deferred amount on refunding	4.7	5.4	-13.0%
Deferred outflows related to pensions/OPEB	7.5	8.8	-14.8%
Total deferred outflows	12.2	14.2	-14.1%
Long-term debt outstanding	115.5	128.2	-9.9%
Other liabilities	11.6	8.2	41.5%
Total liabilities	127.1	136.4	-6.8%
Property taxes levied for subsequent year	45.5	43.7	4.1%
Deferred inflows related to pensions/OPEB	30.9	36.8	-16.0%
Total deferred inflows	76.4	80.5	-5.1%
Net position:			
Net investment in capital assets	15.3	(1.2)	-1375.0%
Restricted	20.4	24.3	-16.0%
Unrestricted	18.2	10.0	82.0%
Total net position	53.9	33.1	62.8%

Geneva Community Unit School District No. 304
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Financial Analysis of the District's Funds

The District's governmental funds have a combined fund balance of \$82,428,373, a decrease of 2.3% over the prior year.



Revenues for the District's General Fund's Educational Account, excluding state "on-behalf" revenues, can be broken down by source, and can be shown in relation to the prior year's receipts:

Educational Account Revenues

	2023-2024 Actual Revenues	2022-2023 Actual Revenues	Increase (Decrease)
Local sources	\$ 74,798,035	\$ 71,456,432	4.7%
State sources	3,248,753	3,314,561	-2.0%
Federal sources	2,782,586	3,049,659	-8.8%
Total	\$ 80,829,374	\$ 77,820,652	3.9%

Geneva Community Unit School District No. 304

Management's Discussion and Analysis For the Year Ended June 30, 2024

Instructional Service increases in FY 2024 were due to staffing, salary and employee insurance benefit increases per negotiated agreements. The District maintains funding to meet the needs in Special Education, Summer School, and Accelerated and Enrichment programs. Student Support Services continue to meet the needs for services in social emotional learning as addressed through professional development. Community Services increased from the prior year as many opportunities for programming were restored post COVID-19. The decrease in the non-programmed area is a result of decreased costs, enrollment, and support for special needs student's enrollment at our Mid Valley Special Education Co-operative and private placement students as more of these programs have been brought within the district.

As of June 30, 2024, the General Fund's Operation & Maintenance Account had a fund balance of \$10,432,305. Revenues in the General Fund's Operations and Maintenance Account were higher than the budget by \$715,339.

The General Fund's Operation & Maintenance Account expenditures as compared to the previous fiscal year are as follows:

Operations & Maintenance Fund Expenditures

	2023-2024 Actual Expenditures	2022-2023 Actual Expenditures	Expenditure Increase (Decrease)
Salaries	\$ 4,855,336	\$ 4,727,910	2.7%
Benefits	952,653	881,999	8.0%
Purchased Services	3,409,082	2,836,082	20.2%
Supplies	2,439,503	2,619,879	-6.9%
Capital Outlay	348,457	190,089	83.3%
Other	1,094	690	58.6%
Non-Capitalized Equipment	430,704	367,239	17.3%
Total	<u>\$ 12,436,829</u>	<u>\$ 11,623,888</u>	<u>7.0%</u>

The General Fund's Operation and Maintenance Account expenditures increased for FY 2024. Salary increases from FY 2023 were a result of a minimum wage increase, wage inflation, and working agreements. Benefits for employees realized large cost increases in PPO, HMO, and dental benefits. Purchased services increased 20.2% because of architectural and engineering fees, repair and maintenance, and service agreements. Supplies decreased 6.9% as the need for supplies were reduced in a post covid environment. Capital Outlay increased 83.3% for land acquisition to expand the Transportation Center and improvement to the existing parking area. Operations and Maintenance Non-Capital equipment increased 17.3% to acquire replacement and new equipment that had reached its useful life.

As of June 30, 2024, the Debt Service Fund had a fund balance of \$8,198,506. The Debt Service Fund balance increased by \$966,213 for the year end June 30, 2024. The District repaid principal of \$9,766,164 and paid interest and fees of \$4,775,513 in FY24.

As of June 30, 2024, the Transportation Fund had a fund balance of \$7,267,257. The Transportation Fund balance decreased by \$2,199,595 for the year ended June 30, 2024. This fund balance decrease was due to bus purchases and capital improvements.

As of June 30, 2024, the General Fund's Working Cash Account had a fund balance of \$16,151,911. The District maintains the General Fund's Working Cash Account for cash-flow purposes. The General Fund's Working Cash Account earned interest income of \$749,486.

Geneva Community Unit School District No. 304

Management's Discussion and Analysis

For the Year Ended June 30, 2024

Table 4			
Outstanding Long-Term Debt			
(in millions of dollars)			
	2024	2023	Increase (Decrease)
General obligation bonds, leases & notes	\$ 94.0	\$ 105.5	-10.9%
Pension and OPEB liabilities	21.5	22.7	-5.3%
Total	\$ 115.5	\$ 128.2	-9.9%

For additional information on capital assets and debt administration, please refer to the accompanying notes to Basic Financial Statements.

Factors Bearing on the District's Future

The District continues its efforts to review and reduce expenses to protect the District's fund balance reserve. This has enabled the District to continue to maintain its "tradition of excellence" that prepares our students to become self-directed, collaborative, creative and adaptive citizens. The District has provided relief to taxpayers and community members by lowering the debt services portion of their property taxes through refunding and retiring bonds. The District has experienced a declining student enrollment. Ongoing review of program needs, and operation efficiencies is a core component of the District's efforts to ensure the highest level of interest earnings income. Evidence Based Funding formula is anticipated to be constant as a Tier 4 district receiving very limited levels of new resources. ESSER funding will come to an end and the District will return to local funding that may increase expenditures.

Technology Plan outlays are anticipated to increase slightly in the new school year and then continue to grow at a managed pace to support the replacement of technology infrastructures. The District Facility Capital Plans forecasts \$11.5 million in funding to address aging facility-based infrastructure, facility improvements, and needed repairs as roofs, equipment, and facility components reach the end of their lifecycles. Human resource costs are also expected to rise in accordance with approved collective bargaining and working agreements. Additionally, employee benefit costs are anticipated to rise over the coming years with continued increases for the FY2024-2025 school year. The District is prepared to continue to manage overall cashflow with laddered investments while balancing inflationary increases. Any property tax freeze or pension shift would force the District to restructure district revenue and expenditure expectations, and lead to impacts on both operational and educational experience required for their success. The District will continue to monitor its expenses with a continuous improvement mindset searching for enhancements in experiences for our students while seeking operational efficiencies.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Assistant Superintendent for Business Services, 227 North Fourth Street, Geneva, Illinois 60134.