



**Prospect Heights School District 23
Board Memorandum
Action/Discussion Item**

Date: June 2, 2019

Subject: Recommendation for Fund Transfers

Prepared by: Micheal DeBartolo, Assistant Superintendent for Finance & Operations

Operations & Maintenance Fund Transfer to Capital Projects Fund

The District had another successful year within its facility rental program. The three (3) major, long term contracts the District has secured with the two (2) foreign language group and one spiritual group provided \$70,169 in revenue. To date, \$13,114 in expenses have been incurred for the weekend custodians needed to facilitate the building use. As such, these 3 major contracts have provided a net profit to the District of over \$57,000. In addition, the District has collected an additional \$23,648 from other facility rentals. Therefore, to date, the District has increased its profits by over \$80,000. Without May or June revenues being added to the District's financial position, the Operations and Maintenance Fund has collected more revenues than budgeted expenditures for FY19.

It is recommended that the BOE transfer the net revenues received in excess of budgeted expenditures in the amount of \$80,000 to its capital projects fund at the June 2019 meeting.

Education Fund Transfer to Capital Projects Fund

The District currently is over \$700,000 under the projected expenditures for FY19. Last year, FY18, the Education Fund had less than \$200,000 in expenses for the month of June. Therefore, the District conservatively assumes that it will be approximately \$500,000 under budget for FY19 with approximately 1% of contingency funds being spent from the Education Fund.

As for revenues, the May revenues will be booked for the month by June 5th. Currently the District is \$1,000,000 under budget BUT from the unofficial FRIS totals, the EBF dollars have been paid on time for each of the 22/24 payments to date with the remaining 2 payments being booked. That is \$320,000 that will be collected between May 1st and June 30th. FRIS also shows another \$116,985 in revenues from the month of May in the following programs: National School Lunch, State Lunch, State Breakfast, Titles I, II, III, IV, School Improvement Grant and Room & Board claim. This does not include additional Title Grant funding due upon reports being filed OR local property tax collection (May AND June), EDP fees or lunch fees for the months of May and June (EDP and lunch fees will be minimal for May and June, but will be sizable for May).

The Budget had projected a deficit in the Education Fund of \$255,000. That deficit included the expenditure of \$185,000 in contingency funds.

Based on these projections holding true to form, I recommend that the District transfer \$150,000 from the Education Fund to the Capital Projects Fund unless the vouchers scheduled for payment on June 11th (vouchers issued June 7th) fail to materially follow the trend of FY18.