



# memo

To: The Board of Education and Dr. Patrick Broncato, Superintendent  
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO  
Date: July 18, 2025  
Subject: FY2024-25 Fund Balance Analysis and Review

---

Attached is the FY 2024-2025 year-end fund balance analysis and review spreadsheet, with footnotes, as well as a historical fund balance summary showing our ending, adjusted fund balance reserves as of 6/30/24 and 6/30/25, with footnotes. After factoring out about \$25.3M in deferred revenues from early property tax receipts (up from \$24.3M last year), and accounting for \$3.8M in fund balance transfers to the Capital Projects Fund, \$27.5K to the IMRF Fund and \$117K to the Debt Service Fund, you can see that we have about 70% of a year's worth of anticipated expenses in reserves in all of our funds combined, as well as 42% in our three main operating funds (Education, O&M and Transportation), and about 51% in our special purpose funds. We will monitor the balances in our special purpose funds (Debt Services, IMRF/SS and Tort) and adjust them, as needed, by under or over levying in future years. In total, we have about \$40.9M in reserves to support about \$58.2M in planned spending, or about 256 days (or 8.5 months) of total cash on hand. We also have about \$9.1M in the Capital Projects Fund and will be spending that balance down over the next two years, with \$8.5M in planned projects.

We will try to grow fund balances to 6-12 months of cash on hand in each fund (ISBE's recommended target range for most funds), wherever possible. We plan to grow the Working Cash Fund gradually over time to hopefully cover about 3-6 months of operating expenses (it currently covers about 1.6 months). It is important to note that the Capital Projects Fund was established seven years ago and is used to support our Capital Improvement Plan. We are beginning our third Five Year CIP cycle this summer. We do not levy any property taxes in this fund, but instead accumulate monies identified specifically for capital projects such as impact fees, State school construction and maintenance grant revenues, excess reserves from other funds needed for capital projects but not needed for regular operations, potential construction and building related bond proceeds, interest income, insurance reimbursements and other sources, as available. This work may also include State approved health life safety renovation and repair projects that must be completed from time to time. All in all, our goal is to fund the CIP as we go, without borrowing externally if possible, and to be able to maintain one year's worth of



# memo

reserves in each of our five other active funds (Education, O&M, Transportation, IMRF/SS, and Tort), while gradually building up our Working Cash Fund (rainy day savings account, so to speak) over time. Currently, we have no long term debt outstanding and we only use the Debt Service Fund to pay for copier leases deemed to be capital leases (about \$115K per year) via an end of year Education Fund transfer.

Overall, we increased our total year-end fund balance position this past year by about \$2.37M, from \$63.84M to \$66.21M. This increase is largely due to the timing of completing and paying for capital projects currently in process and the fact that we received about \$1M more in early property tax receipts this year over last year. We also continue to stabilize fund balance reserves at appropriate, but not excessive, levels in other funds in order to minimize potential Miller Ratio violations that can lead to excess accumulation tax objections. Based on our solid reserve levels and operating projections, we are therefore recommending transferring interest earned in all other funds for the upcoming year to the Education Fund to help cover some anticipated short term operating deficits in that fund.

Overall, we are in a strong and healthy financial position, with adequate fund balance reserves available to not only meet existing needs, but also attend to some long term capital and infrastructure needs. Over time, we hope to balance out those reserves among all of our funds to targeted levels through a variety of methods, strategies and practices. Once targeted reserve levels have been achieved, and all normal operations and needed capital projects have been funded and accounted for, any remaining funds may be either transferred to our Working Cash Fund to be “saved for a rainy day” or abated back to our taxpayers in a responsible manner. We are getting closer to that point as we complete much needed work without accessing any external borrowing. Our goal is to stay debt free and allow us flexibility to finance any major capital projects in the long term, if needed. We will keep you apprised of our ongoing CIP work, as well as updated budgets and operating plans for next year.

As always, if you have any questions, please do not hesitate to let me know. Thank you.