



DISCUSSION OF FUND BALANCES



Finance Committee

01/30/2024



FY2023 - Transition to Modified Accrual

Using the FY2023 year as an opportunity for a balance restatement and a reset. Following two years of deficit spending, we need to make some adjustments to our budgeting strategy as we move into FY2025.

Recent Conditions Having a Negative Impact on Our Fund Balances

While our actual expenditures have come in under budget overall, unanticipated delays and shortages in projected revenues have led to deficit spending.

Multi-Year Grants

Multi-year pandemic related revenues and expenditures have been challenging to navigate as they spanned multiple fiscal years.



Property Tax Revenue Delays

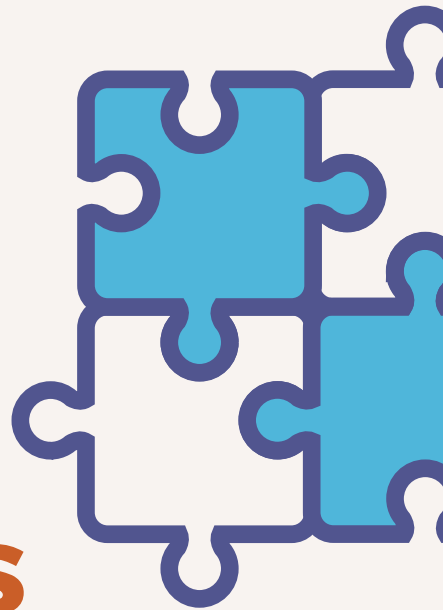
Delays of both current and prior year property tax payments and refunds have caused revenues to be less than anticipated

Unanticipated SpEd Services and Student Placements

As teachers go out on leaves, filling specialized positions has been difficult and often results in paying a premium for contracted service providers. At any time, the District may need to relocate or welcome in a student with special needs.



Impact of Property Tax Delays on Fund Balances



Late Property Tax Payments

Should the County be late in distributing taxes, a district's fund balance can be much less than expected on June 30th. While revenues typically do come in, we are still receiving revenues from 2018-19.

Delayed Reimbursements

Receipt of State payments or disbursement schedules, make fund balance comparisons inconsistent from district to district and year to year. Late reimbursements for districts on an accrual or modified accrual basis are impacted differently than districts that use a cash based accounting method.

Moving Forward...



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Permanent Fund Transfers

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Adjusted Budgetary Strategy

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Understanding WHAT we are Monitoring

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Next Steps...



Permanent Fund Transfers



I. Working Cash Transfers to Capital Projects

- \$2.4M Bond Proceeds for Windows & Siding
- \$700,000 Referendum Design Work
- Levied Funds and Interest to Remain



II. Transportation Transfer to Education

- \$1M from Transportation to Education



III. Spend Down of Tort



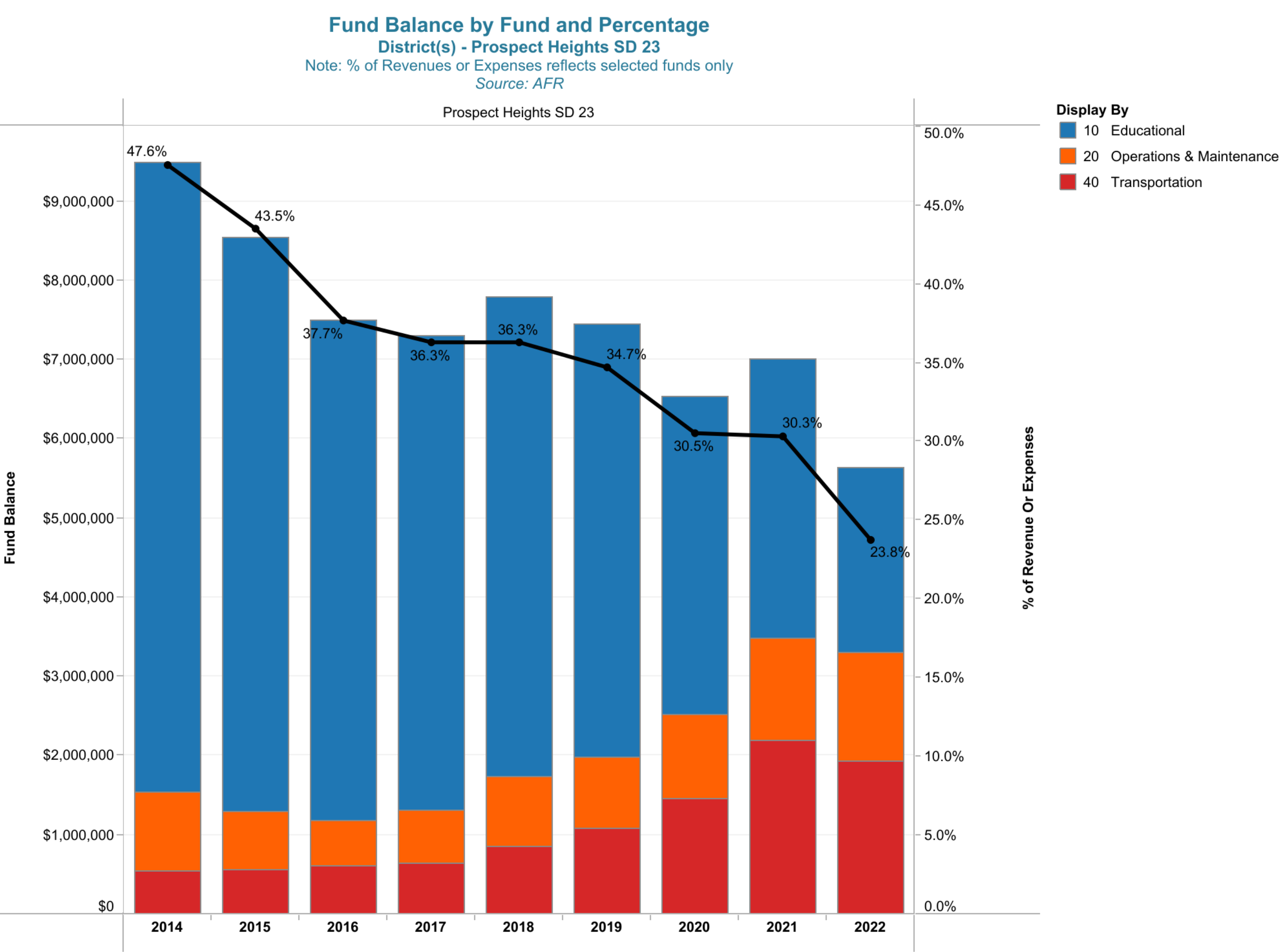
Budgetary Strategies for FY2025

- Discussion of Expenditure Budgeting
- Discussion of Revenue Budgeting
- Opportunities for Savings
- Discussion of Utilization of Contingency
Accounts

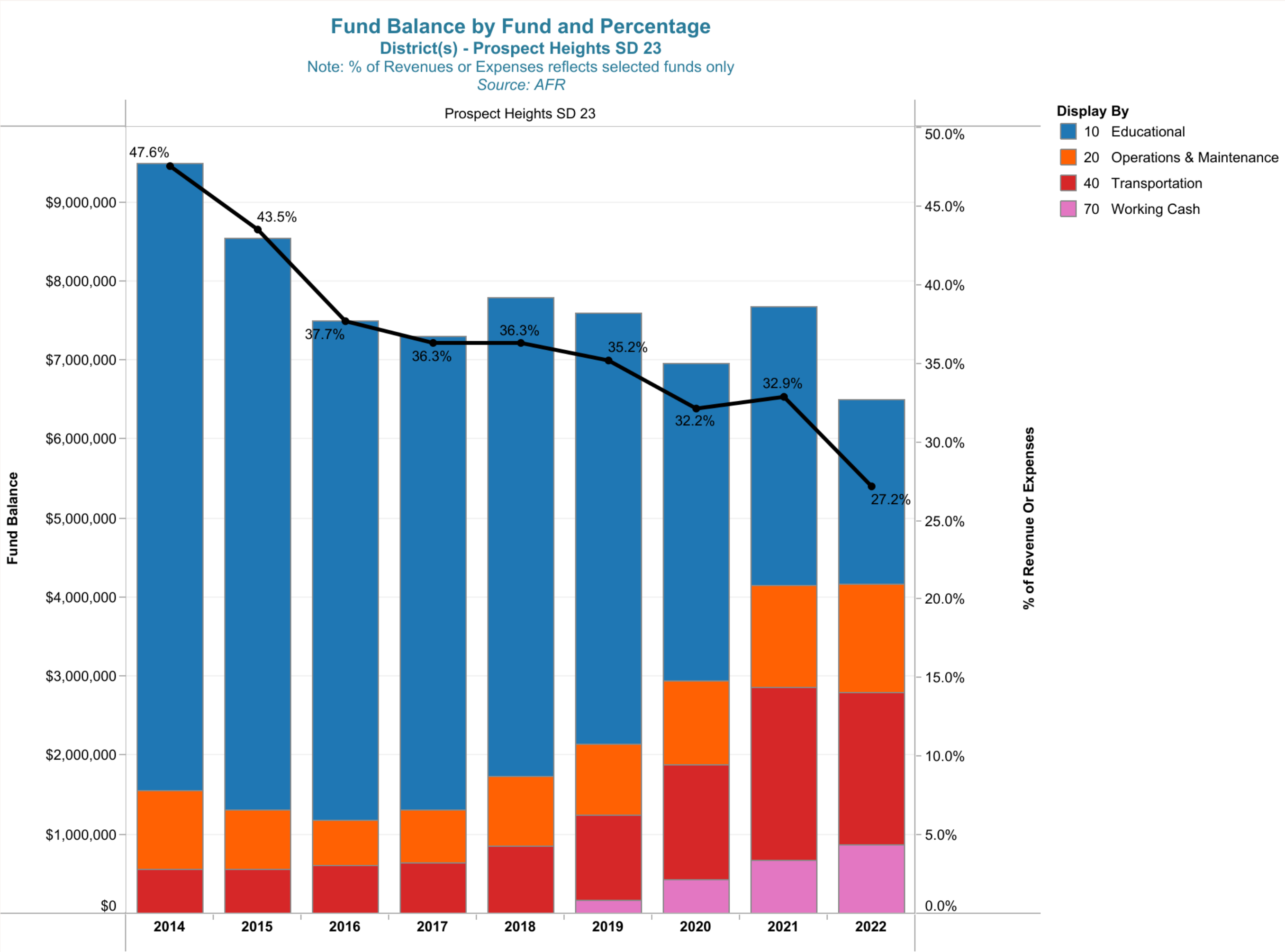
Fund Balances ...What Are WE Monitoring?

- ISBE includes the following under Operating Funds: 10, 20, 40, 70
- Minimum of 25% Operating Fund Balance for ISBE Financial Recognition
- Forecast5 references Operating Funds as 10, 20, 40, 50 70 and 80, though their Operating Expenditures do not include Fund 70 (Working Cash).
- Recommendation is to include Working Cash (following transfers for dedicated capital projects)
- Continue to Target 33% Operating Fund Balances

Fund
Balances
No
Working
Cash
Fund



Fund Balances With Working Cash Fund



Next Steps...

- Discussion at the February BOE Meeting
- Review of Scenarios and Policy in March
- Post-Referendum Projection Models in April

