WOODRIDGE
SCHOOL DISTRICT 68

memo

To:	The Board of Education and Dr. Patrick Broncato, Superintendent
From:	Curt Saindon, Assistant Superintendent for Business Services/CSBO
Date:	July 16, 2026
Subject:	FY2025-26 Fund Balance Analysis and Review

Attached is the FY 2025-2026 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 6/30/25 and 6/30/26, with footnotes. After factoring out about $26.3M in deferred revenues from early property tax receipts (up from $25.2M last year), and accounting for $71K in expense reclassifications, $44K in revenue reclassifications, $1M in fund balance transfers and $815K in interest transfers, you can see that overall we have about 54% ($33.2M) of a year's worth of anticipated normal expenses ($61.5M) in reserves (in all funds combined). We will monitor the balances in both our operating funds (Education, O&M and Transportation) as well as our special purpose funds (Debt Services, IMRF/SS and Tort) and adjust them, as needed, based on the tools available to us. In total we have about $33.22M in reserves to support about $62.50M in planned spending, or about 194 days (or 6.5 months) of total cash on hand. We also have about $1.6M in the Capital Projects Fund and will be spending that balance down over the next two years with $3M in planned projects upcoming.

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 nine years ago and is used to support our Capital Improvement Plan. We are in Year 2 of 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, solar incentives, 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 reserves in each of our other 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.

Overall, we decreased our total adjusted year-end fund balance position this past year by about $6.76M, from $66.21M to $59.45M. This decrease is due to the completion of several large capital projects costing almost $8M, especially the solar array installations at Edgewood, Meadowview and Goodrich, that were somewhat offset by 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 all funds in order to minimize potential Miller Ratio violations that can lead to excess accumulation tax objections. Based on our solid reserve levels and responsible operating projections, we are therefore recommending transferring interest earned in all funds for the upcoming year to the Education Fund, to help cover an anticipated operating shortfall 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 to attend to some long term capital projects 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 appraised 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.