

Finance Committee Meeting
Adlai E. Stevenson High School District Administration Center
May 13, 2021 – 5:00 p.m.

President Frost called the meeting to order at 5:03 p.m. On roll call, Mrs. Neault, Mr. Frost, Mr. Weisberg and Mrs. Moons answered. Also, in attendance were Superintendent Twadell, Mr. Carney and Mrs. Tjardes.

There were no visitors' statements.

Review of End of Year Forecast

Revenues, expenditures and fund balance were reviewed. There is a projected \$20M decrease in fund balance, for a fiscal year-end fund balance of \$106M. Discussions focused on the key drivers, which include: late property tax money, timing of construction EBA2 and Summer 2020 projects. It was noted that no budget amendment is necessary.

Review of Draft 2021-2022 Budget

The tentative 2021-22 budget will be put on display Monday, May 17th, with a public hearing and approval of the final 2021-22 budget on Monday, June 21st. In total, the final 2021-22 budget remains unchanged from the 2021-22 tentative budget. Below is a summary of the 2021-22 final budget:

- Given the return to in person learning in the 2021-22 school year, it is expected that revenues will be consistent with a "normal" school year. Projected revenues are up 2.44% and in line with the CPI reflected for this year's tax levy at 2.3%.
- Expenditures are budgeted to decrease by 6.35% including EBA2 construction and annual Summer maintenance and remodeling. Excluding construction costs, expenditures are up 2.62%. The CPI for expenditures was 1.4%.
- Also, \$700,000 was budgeted in revenues for the third round of ESSER (COVID) Federal Funding. Likewise, there are offsetting expenditures of \$700,000. Per the grant requirements, the District must spend 20% of the fund to remedy student learning loss due to COVID.

Long-Term Financial Planning

Discussions focused on trends, revenue assumptions, staffing assumptions, expenditure assumptions and projected fund balances.

Discussions focused on the recommendation to change accounting method. Pursuant to the Illinois School Code, each school district shall elect either a cash or accrual basis of accounting. Currently, the District operates on a cash basis of accounting. It was noted by Liz Hennessey, Managing Director of Public Finance for Raymond James, that Moody's will begin to discount a school district's bond rating if they still operate on a cash basis, with S&P likely following practice. While Liz does not believe this will affect us in the short term, she did recommend that we move to an accrual basis in the long term. Finally, the accrual method is the recommended accounting method by the Governmental Accounting Standards Board (GASB). At the August Board meeting, Board will be asked to take formal action to switch our basis for Accounting.

Mr. Weisberg moved, seconded by Mrs. Moons that the meeting be adjourned. By voice vote, the motion carried unanimously. (7:15 p.m.)

SECRETARY

PRESIDENT