

A message from Dr. Lynda C. Andre, Superintendent of Edwardsville School District 7

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SUPERINTENDENT'S COMMENTS

Dr. Lynda C. Andre

Tuesday, July 19, 2016

Registration for the 2016-17 School Year

All District 7 schools begin registration for the 2016-17 school year next week. Parents are encouraged to visit the District 7 website at www.ecusd7.org or a school website for details regarding dates and times for students entering prekindergarten-12th grade. The staff has been working diligently all summer to prepare classrooms for the new year and we look forward to seeing families next week!

Update on 2015-2016 Preliminary Year-End Results

On September 28, 2015, and June 20, 2016, both the Finance Committee and Board of Education approved the original and amended 2015-2016 budget for the school district, respectively. As had been discussed with the Board, it was expected that the District would be facing a similar budget deficit in 2015-2016 as it had experienced during the 2014-2015 school year.

Education Fund

The 2015-2016 amended budget showed the transfer of all remaining working cash funds (\$3.9 million) to offset the Education Fund deficit, along with an increase in the Education Fund negative fund balance of approximately \$500,000 to a negative \$4.5 million.

In fact, all working cash funds have been transferred to the Education Fund to offset the 2015-2016 Education Fund deficit. As the District begins the 2016-2017 school year, there are no remaining working cash reserves.

However, the District was able, through the efforts of many, to significantly lower the projected growth of the Education Fund negative fund balance. The negative Education Fund balance at the end of the 2015-2016 school year is less than a negative \$4.1 million.

Areas of improvement include increases in facility rental income (\$35,000) and decreases in:

- Food Costs \$100,000
- Custodial Salaries \$75,000 (including substitutes and overtime)
- Legal, Insurance \$85,000
- Supplies, etc. \$115,000 (all departments)

Operations and Maintenance Fund

The Operations and Maintenance Fund will end the 2015-2016 with a positive fund balance; excluding the wrestling endowment due to the following areas of improvement:

Areas of improvement include decreases in:

- Utility Costs \$150,000
- Maintenance \$105,000 (purchased services, supplies, etc.)
- Delay of Maintenance Projects \$ 75,000
- Grounds Supplies \$ 40,000

Transportation Fund

As was previously discussed with the Board, the Transportation Fund ended the 2014-2015 school year with a negative fund balance of approximately \$150,000.

The 2015-2016 amended budget showed an approximate \$100,000 reduction of the negative Transportation Fund balance to a projected negative \$44,000 at year-end.

However, the District was able, through the efforts of many, to restore a positive fund balance of over \$131,000 to the Transportation Fund as of June 30, 2016.

Areas of improvement include decreases in:

- Fuel Costs \$168,000
- Charter/Field Trip Expenses \$ 30,000

2015-2016 Preliminary Year-End Summary

Despite some improvement in the District's operating fund balances at the end of the 2015-2016 school year, the District will still end the year with a negative operating fund balance of close to \$4 million. This will again place the District on the Financial Watch List and will continue the monitoring that was initiated by the Illinois State Board of Education during the 2015-2016 school year.

In addition, while the District was not recommended for certification of financial difficulty by the State Board last year, the District will be eligible for certification as a result of ending the 2015-2016 school year with negative operating fund balances for the second consecutive year.

2016-2017 Budget Summary

As the District enters the 2016-2017 school year, it will again be facing an Education Fund deficit of between \$2 and \$2.5 million despite approximately \$2 million in operating expenditure reductions and fee increases implemented for the upcoming school year.

As a result, the District is estimating that its negative operating fund balance will be between \$6 and \$6.5 million at the end of the 2016-2017 school year. While the District was able to avoid borrowing in June to finish the 2015-2016 school year, it will not be able to avoid borrowing through the use of tax anticipation warrants to complete the 2016-2017 school year.