



# UNDERSTANDING DISTRICT 211 FINANCIAL RESERVES

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Township High School District 211



What are financial reserves?

**Revenue in excess of expenditures at the end of each fiscal year become reserves (savings) for future use**

# Why does D211 have reserves?

## Board Policy

- Equal to 4 months of next year's expenditures
- Established to avoid short-term borrowing; financial stability

## Savings

- Planned savings for specific expenses (building improvements, etc.)
- Provides stability for future financial unknowns

## Financial Ratings

- ISBE Financial Profile Scoring
- Credit Rating for borrowing

***District 211 has received the highest level of distinction for its financial stability from the ISBE and has achieved a AA+ Credit Rating***

# Board of Education Policy- Operating Fund Balance (DCA)

- Targets 33% (4 months) of next year's expenditures for the combined operating funds (Educational, Operations/Maintenance, Transportation, IMRF, and Working Cash) and also for the Educational Fund individually
- Measured as of June 30 each year
- Provides stability due to timing of property tax receipts (avoid the need to issue debt if tax bills are distributed late)
- Ensures long-term financial stability with savings in hand

# Financial Reserves

Non-Recurring  
Expenditures (Long-term  
capital improvements)

Recurring Expenditures  
(Supplies, Salaries, etc.)

**Financial reserves are utilized for non-  
recurring expenditures**

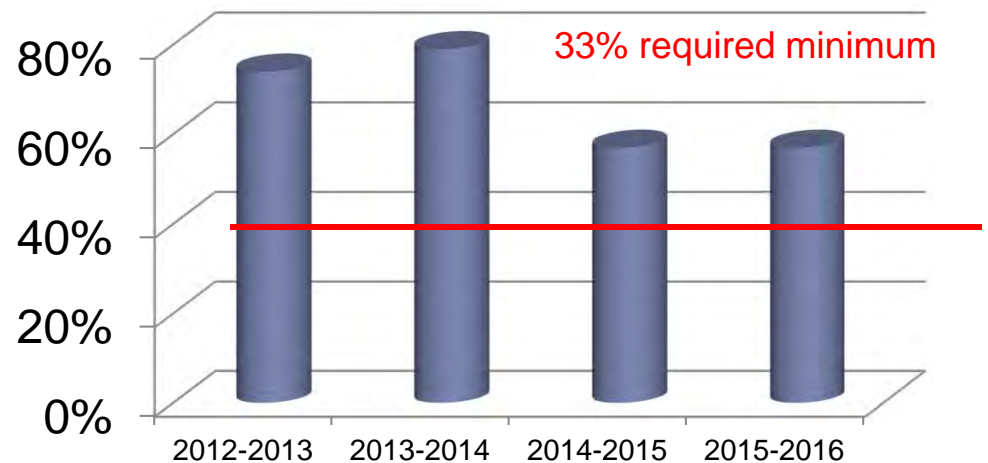
**NO reliance on them to fund normal operating  
costs**

# D211 Reserve History

- Acquired through prudent financial management
- Prior budget reductions implemented to generate savings for future use
- Recent reserves have funded \$50 million in capital improvement projects without the need to issue debt

*Reserves have been intentionally utilized to fund major capital improvements over the past several years*

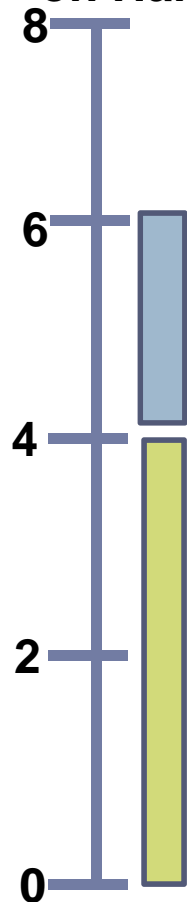
## Operating Fund Reserves



# District 211 Financial Reserves

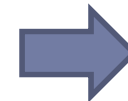
(As of June 30, 2015)

Months of Expenditures on Hand



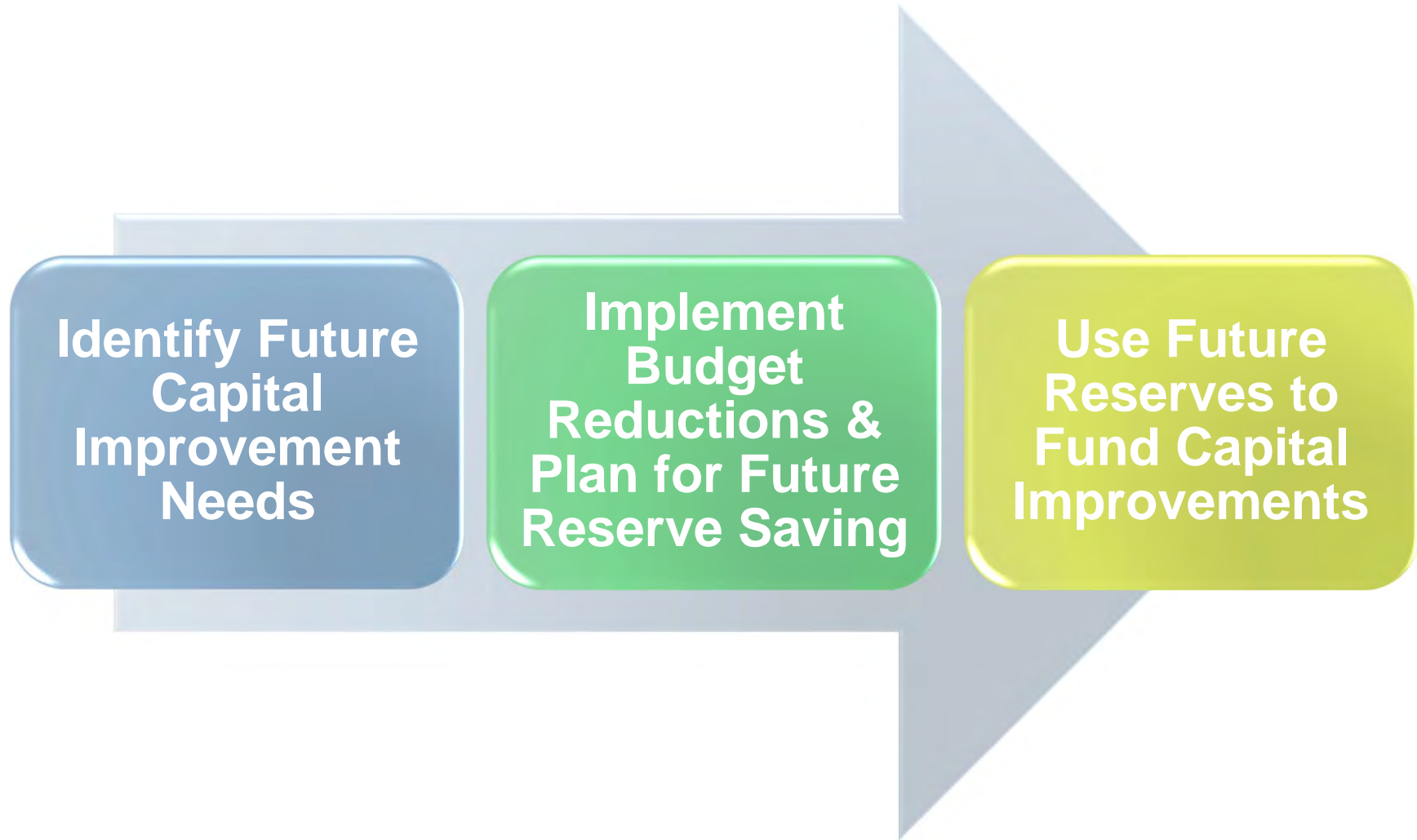
**Additional reserves**  
=  
**Future Improvements, Legislative Changes, Unforeseen Events**

**Targeted reserves required by Board Policy**  
=  
**4 Months Expenditures**



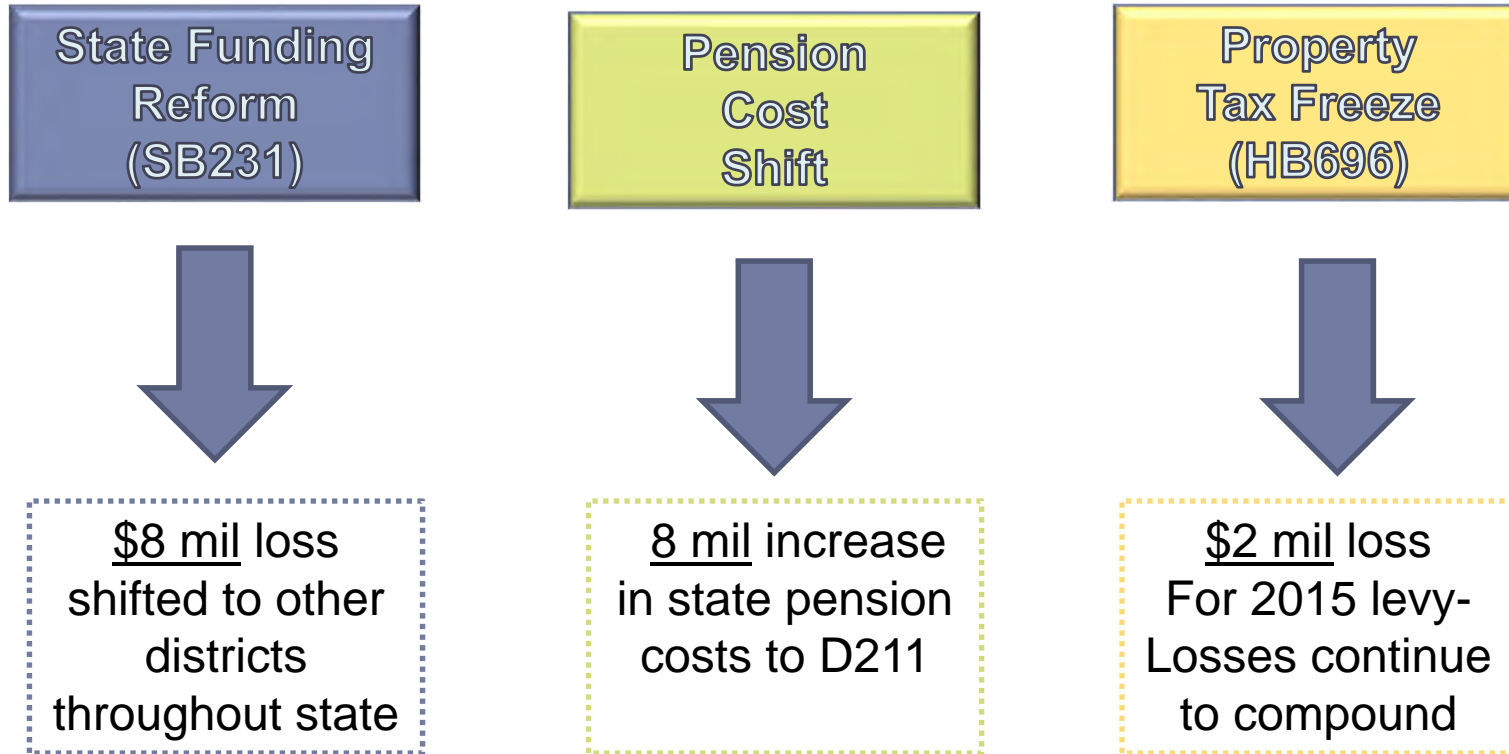
**Current and Future Reserves Saved**  
=  
**Capital Improvements Completed without Need for Debt**

# Future Planning





# Proposed Legislative Uncertainties



***District 211 continues to monitor pending legislation for its possible impact on the District's financial position and need to maintain different levels of reserves or allocate them toward other uses***