|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  | **CASH FLOW BORROWING** |  |
|  |  |  |

**WHITEHALL DISTRICT SCHOOLS BOARD OF EDUCATION June 18, 2018**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| We will need to borrow money for cash flow purposes again this year. We are not a deficit district and have a balanced budget. However, our cash flow coming into the district does not match the cash flow going out. We do not collect summer taxes which is a significant part of the budget. In addition, the State pays once per month but not in September. Our payrolls are twice per month. This mismatch causes many districts to borrow for certain periods of the year.  Our borrowing history is below. While our fund balance has improved, our need for borrowing has been significantly less. I believe this is due to more regular and timely requests for grant funds. We have also billed other districts for services (alternative education) more regularly.   |  |  | | --- | --- | | 2013-14 | $4.25 million | | 2014-15 | $3.75 million | | 2015-16 | $3.25 million | | 2016-17 | $2.75 million | | 2017-18 | $2.50 million | | 2018-19 | $2.00 million |   My first projection showed a need of $2.30 million. In the past couple years, we have not used about $500,000 of the borrowed funds. I plan to update it over the next several weeks to monitor the need level.  The resolution authorizes us to seek a maximum of $2.00 million. I plan to contact the same banks as last year, including local banks. We will need to have a loan in place by August 21 when the current loan is due. After receiving the bids, we’ll need to pass a resolution to authorize the loan.  Recommended Motion:  . . . to adopt as presented the resolution authorizing the issuance of State Aid Notes for cash flow purposes in amount not to exceed $2.00 million |