

PARK RIDGE – NILES CCSD 64  
MAY 7, 2012  
COMMITTEE OF THE WHOLE MEETING



# Budget Presentation

Draft 1

## A Budget



*...is designed to meet the budgetary requirements  
established under provisions of Section 17-1 of the  
Illinois School Code (105 ILCS 5/17-1)...*

## A Budget

**...is required by the end of the first quarter of the fiscal year (September 30).**

- *Must be on public display for 30 days prior to Public Hearing and Board action*
- *Must advertise in a publication of general circulation*
  - ✦ *Public Review*
  - ✦ *Date, Time, Location of Public Hearing*
- *Satisfies the minimum level of financial/program information for state, local, and federal governments*
- *It provides the authority to expend funds & tax property*

## A Budget

*...should be clear, reliable, understandable, and...*

*Once adopted, the annual budget is the plan to accomplish the educational and financial goals of the School Board*

## *What is the Legal Format of the Budget?*

### **Fund Accounting**

○ *A fund is:*

- ✦ *an independent fiscal accounting entity requiring its own set of books*
- ✦ *governed by statutes, regulations, and restrictions that limit its use to a specific activity or certain objective*
- ✦ *must be accounted for so the identity of its resources and obligations and its revenue and expenditures is continually maintained*

## **Budget Recap**

## Revenues

- **Operating Fund revenues:**
  - Expected to decrease by .01%
  - Reason:
    - ✦ *Reduction in Corporate Personal Property Replacement Tax*
    - ✦ *Elimination of Elementary Lunch Supervision fee*
    - ✦ *Reduction of State funds*
    - ✦ *Reduction of Federal funds*

## Expenditures

**During a collective bargaining period two methods can be used for budgeting:**

- Budget per the previous negotiated agreement or
- Use a zero based approach.

**The first draft of the budget uses the zero based method**

**The salary category has been adjusted for:**

- Retirement savings
- New positions approved by the Board
- MTSEP dissolution

*Does not include a contingency for increases in student enrollment*

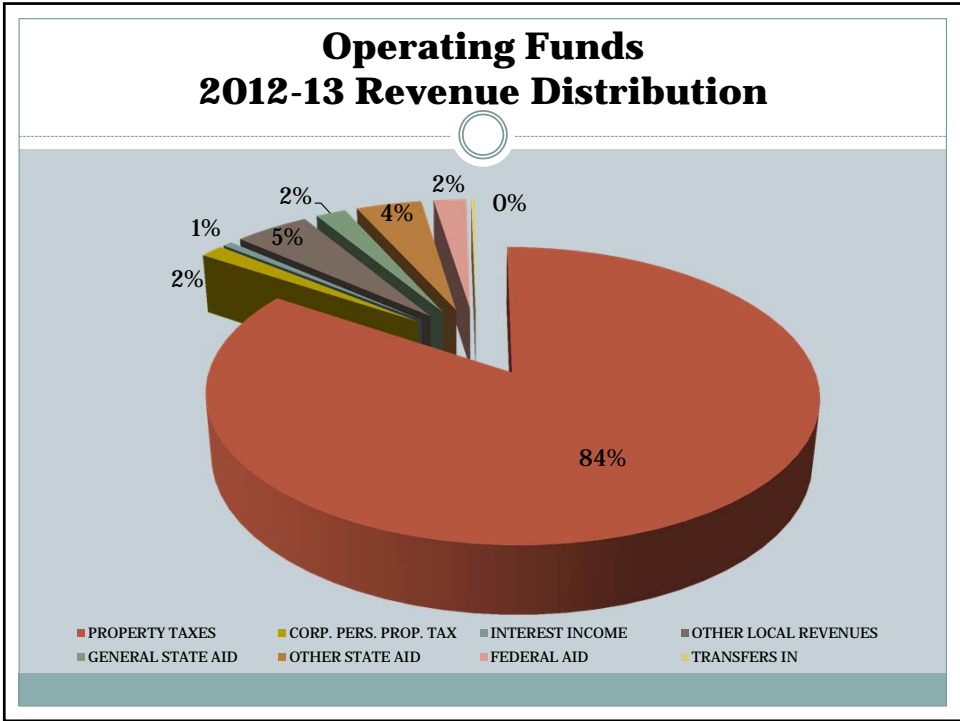
## Expenditures

- **Operating Fund expenditures are expected to decrease by 6.2%**
  - ✦ *No increase in salaries*
  - ✦ *Transfer of capital improvements to the Capital Projects Fund*
- **The total budgeted expenditures are expected to decrease by 2.5%**

## Estimated June 30, 2013 Statement of Position

Fund	Estimated Beginning Balance July 1, 2012	Add Tentative Budgeted Revenues	Less Tentative Budgeted Expenditures	Excess / Deficiency of Revenues Over Expenditures	Estimated Ending Balance June 30, 2013
Education	\$17,801,563	\$55,762,693	\$53,607,051	\$2,155,642	\$19,957,205
Tort Immunity	1,427,902	648,500	700,500	(52,000)	1,375,902
Operations & Maintenance	771,731	7,928,002	5,146,478	2,781,524	3,553,255
Transportation	2,381,968	2,005,832	1,574,878	430,954	2,812,922
Retirement	1,874,004	1,704,868	2,259,375	(554,507)	1,319,497
Working Cash	13,127,739	698,500	200,000	498,500	13,626,239
<b>Total – Operating Funds</b>	<b>\$37,384,907</b>	<b>\$68,748,395</b>	<b>\$63,488,282</b>	<b>\$5,260,113</b>	<b>\$42,645,020</b>
<i>**Estimated Expense to Fund Balance Ratio</i>	<i>59.2%</i>				<i>67.2%</i>

# Revenue Overview



### Property Taxes

#### Cook County – *Property Tax Extension Limitation Law* Subject to the lesser of 5% or the CPI-U

Year of CPI Issuance	Levy Year	CPI Factor	Fiscal Year Early Collections (Spring)	Fiscal Year 2 <sup>nd</sup> Installment (Fall)
2005	2006	3.4	2006 - 07	2007 - 08
2006	2007	2.5	2007 - 08	2008 - 09
2007	2008	4.1	2008 - 09	2009 - 10
2008	2009	0.1	2009 - 10	2010 - 11
2009	2010	2.7	2010 - 11	2011 - 12
2010	2011	1.5	2011 - 12	2012 - 13
2011	2012	3.0	2012 - 13	2013 - 14

### Property Tax Collections

**Change in Collection Rate:**  
Effective with the 2009 Tax Levy – early collections changed from 50% to 55% of the prior year tax extension.

Tax Year	% of Collections
2003	99.1%
2004	98.2%
2005	98.5%
2006	98.7%
2007	98.1%
2008	98.8%
2009	98.9%
2010	98.4%
2011 <i>(first installment)</i>	<i>To be updated in July</i>

### Personal Property Replacement Tax (PPRT)

- The new Illinois Constitution (1979) directed the legislature to abolish personal property taxes on corporations, partnerships, and other business.
- PPRT are revenues that are paid by the State of Illinois to compensate local governments...
- Economy Driven

Fiscal Year	PPRT
2008-09	\$1,163,859
2009-10	\$926,354
2010-11	\$1,192,124
2011-12 <i>(as of April 30)</i>	\$804,448



## General State Aid (GSA)

- **2011-12 Foundation Level - \$6,119**
  - ✦ Based on the Average Daily Attendance
  - ✦ Three Types of Grants
    - Foundation Formula (735 schools – 77.94%)
    - Alternate Formula (147 schools – 15.59%)
    - Flat Grant (61 schools – 6.47%)
  - ✦ District 64 – Alternate Formula
  - ✦ District 64 amount per student - \$397
  - ✦ Prorated to 95%
  
- **2012-13 Estimated Foundation Level - \$6,119**
  - Possible pro-ration

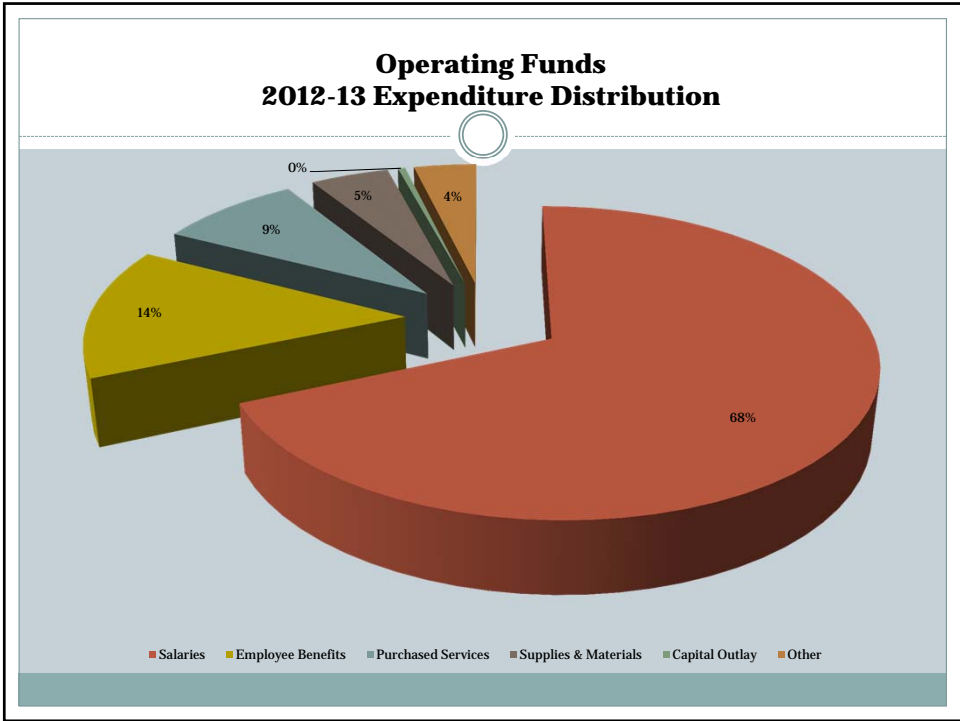
## Other Local Income

- **Tuition**
  - Jefferson Pre-school
  - Summer School
  - Other LEA
- **Student Fees**
  - Lunch
  - Registration
- **Other Student Fees**
  - Extended Day
  - Before-school Day Care
  - City of Park Ridge TIF Payment

## Other State & Federal Revenue

- **State**
  - Cash-flow problems continue
  - Delay in paying categorical obligations
  
- **Federal**
  - IDEA Funding
  - Title II Funding
  - Special Milk

## Expenditure Overview



### Operating Funds Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Salary	\$43,872,576	\$43,499,648	<0.9%>
Benefit	\$8,462,726	\$8,923,276	5.4%
Purchased Services	\$5,447,300	\$5,409,970	<0.7%>
Supplies	\$3,197,316	\$2,991,613	<6.4%>
Capital	\$2,992,304	\$280,550	<90.6%>
Other	\$3,699,066	\$2,383,225	<35.6%>
<b>Total</b>	<b>\$67,671,288</b>	<b>\$63,488,282</b>	<b>&lt;6.2%&gt;</b>

## Education Fund Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Salary	\$41,311,856	\$40,905,928	<1.0%>
Benefit	\$5,923,594	\$6,224,495	5.1%
Purchased Services	\$2,182,027	\$2,173,140	<0.4%>
Supplies	\$2,069,966	\$1,949,713	<5.8%>
Capital	\$214,295	\$172,550	<19.5%>
Other	\$3,529,327	\$2,181,225	<38.2%>
<b>Total</b>	<b>\$55,231,065</b>	<b>\$53,607,051</b>	<b>&lt;2.9%&gt;</b>

## Operations & Maintenance Fund Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Salary	\$2,530,092	\$2,563,092	1.3%
Benefit	\$389,757	\$399,406	2.5%
Purchased Services	\$1,068,330	\$1,037,080	<2.9%>
Supplies	\$1,122,350	\$1,036,900	<7.6%>
Capital	\$2,778,009	\$108,000	<96.1%>
Other	\$2,000	\$2,000	<0.00%>
<b>Total</b>	<b>\$7,890,538</b>	<b>\$5,146,478</b>	<b>&lt;34.8%&gt;</b>

### Operations & Maintenance Fund Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Total	\$7,890,538	\$5,146,478	<34.8%>
LESS: Capital Outlay	\$2,586,909	\$0	<100.0%>
LESS: Architect, CM, and Engineering Fees	\$300,000	\$200,000	<33.3%>
Net Budget	\$5,003,629	\$4,946,478	<0.1%>

*Capital Expenditures and associated Architect & Engineering fees have been transferred to the Capital Projects Fund.*

### Transportation Fund Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Salary	\$30,628	\$30,628	0.0%
Purchased Services	\$1,555,031	\$1,544,250	<0.7%>
Total	\$1,585,659	\$1,574,878	<0.7%>

## Retirement Fund Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Benefit	\$2,109,375	\$2,259,375	7.1%

## Tort Fund Expenditure Budget

Type of Expenditure	2011-12 Budget	2012-13 Tentative Budget	% Change
Benefit	\$40,000	\$40,000	0.0%
Purchased Services	\$641,912	\$655,500	2.1%
Supplies	\$5,000	\$5,000	0.00%
Other	\$0	\$0.00	NA
<b>Total</b>	<b>\$686,912</b>	<b>\$700,500</b>	<b>2.0%</b>

# Questions



**COMMENTS**

**CONCERNS**