

PARK RIDGE – NILES CCSD 64
MAY 9, 2011
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 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 are expected to decrease by 11.51%**
 - Reason:
 - ✦ *Reduction of FAA funding*
 - ✦ *Reduction of ARRA funding*
 - ✦ *State funding*
- **Without the reductions; the operating fund revenues are expected to decrease by 0.05%**

Expenditures

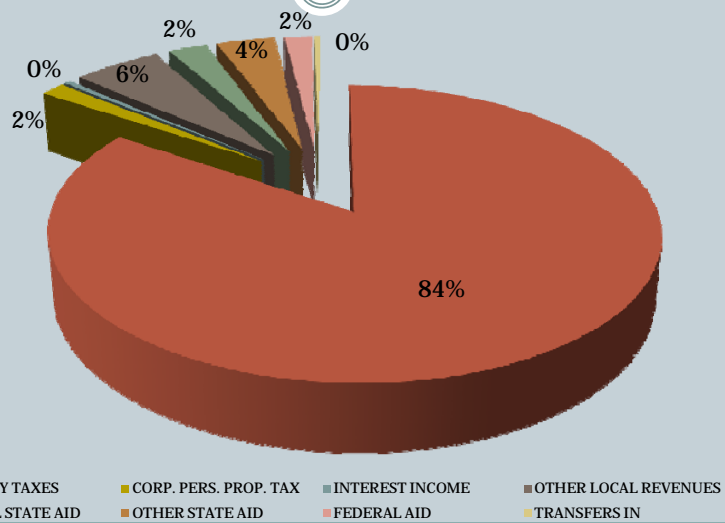
- **Operating Fund expenditures are expected to decrease by 7.82%**
 - ✦ *Reduction of FAA expenditures*
 - ✦ *Reduction of ARRA expenditures*
- **Without the reductions; the operating budget expenditures are expected to increase by 2.6%**
 - Salaries and employee benefits account for 78% of the operating fund budget
 - ✦ Salaries (+ 5.43%)
 - ✦ Benefits (+9.44%)

Estimated June 30, 2012, Statement of Position

Fund	Est. Fund Balance July 1, 2011	Add Proposed Revenues	Less Proposed Expenditures	Excess / Surplus Revenues	Est. Ending Balance June 30, 2012
Education	\$20,729,937	\$54,469,366	\$55,397,879	\$928,513	\$19,801,424
Tort	\$1,489,136	\$707,300	\$681,303	\$25,997	\$1,515,133
Operations Maintenance	\$83,310	\$7,583,500	\$7,564,258	\$19,242	\$102,552
TRANS	\$1,608,819	\$2,386,336	\$1,581,659	\$804,677	\$2,413,496
Retirement	\$1,642,750	\$2,236,100	\$2,109,373	\$126,727	\$1,769,477
Working Cash	\$11,871,947	\$144,607	\$144,607	\$0	\$11,871,947
Total Operating Funds	\$37,425,899	\$67,527,209	\$67,479,079	\$48,130	\$37,474,029
		<i>Estimated Expense to Fund Balance Ratio</i>			<i>55.53%</i>

Revenue Overview

Operating Funds 2011-12 Revenue Distribution



Property Taxes

- **Cook County – *Property Tax Extension Limitation Law***
 - Subject to the lesser of 5% or the CPI-U
 - CPI-U (*Tax Year – previous December*)
 - ✦ 2006 – 3.4
 - ✦ 2007 – 2.5
 - ✦ 2008 – 4.1
 - ✦ 2009 – 0.1
 - ✦ 2010 – 2.7
 - ✦ 2011 – 1.5

Property Tax Collections

Tax Year	% of Collections
2003	99.1%
2004	98.2%
2005	98.5%
2006	98.7%
2007	98.1%
2008	98.9%
2009	97.8%
2010 <i>(first installment)</i>	49.3%

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

2011-12 Fiscal Impact

- **2010 Tax Extension (fall 2011)**
 - ✦ 2nd installment
 - ✦ collected at 98.5% less amount received prior to July 1
 - ✦ CPI-U used for calculation of tax extension - 2.7%

- **2011 Tax Extension (spring 2012)**
 - ✦ 1st installment
 - ✦ Collected at 55% of a 2.7% tax extension
 - ✦ Final 2011 levy calculated at 1.5%

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	\$1,032,753
2011-12 <i>(estimated)</i>	\$1,032,753

General State Aid (GSA)

- **2010-11 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
- **2011-12 Estimated Foundation Level - \$6,119**

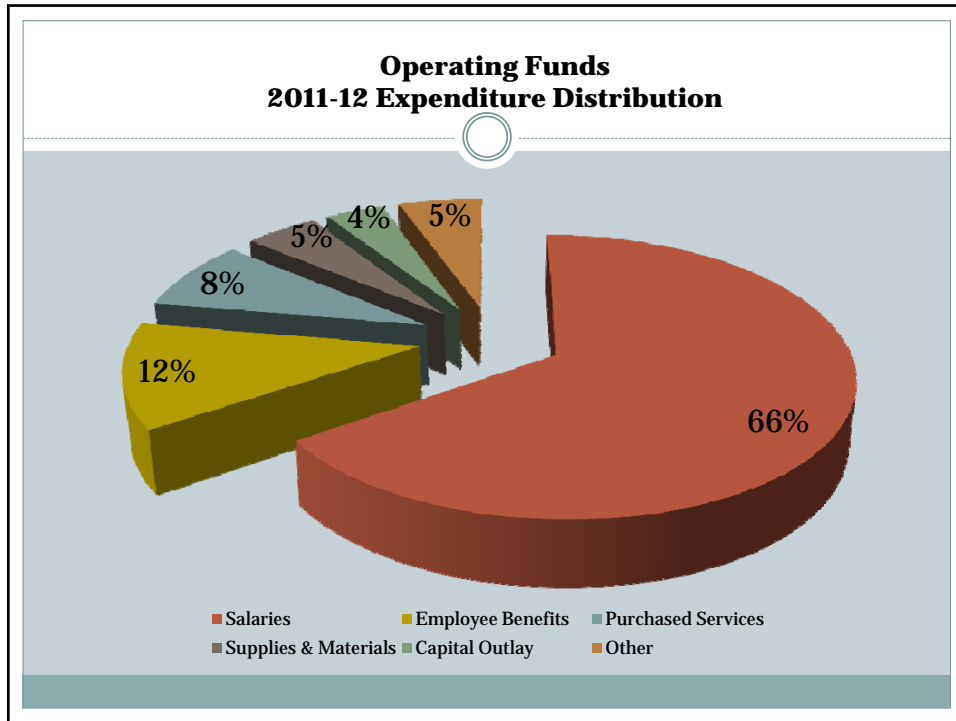
Other Local Income

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

Other State & Federal Revenue

- **State**
 - Cash-flow problems continue
 - Delay in paying categorical obligations (2) (3)
 - 2011-12 budget is estimating that three payments from 2010-11 will be received
 - Elimination of grants
 - Reading Improvement and ADA & Educational Safety
- **Federal**
 - ARRA funding
 - FAA funding

Expenditure Overview



Operating Funds Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Salary	\$41,899,389	\$44,175,008	5.43%
Benefit	\$7,579,031	\$8,294,827	9.44%
Purchased Services	\$6,217,300	\$5,561,117	<10.55%>
Supplies	\$3,637,950	\$3,205,939	<11.88%>
Capital	\$9,909,683	\$2,566,254	<74.10%>
Other	\$3,958,302	\$3,675,934	<7.13%>
Total	\$73,201,655	\$67,479,079	<7.82%>

Education Fund Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Salary	\$39,409,394	\$41,614,288	5.59%
Benefit	\$5,149,189	\$5,757,697	11.82%
Purchased Services	\$2,125,164	\$2,126,733	0.07%
Supplies	\$2,225,081	\$2,081,589	<6.45%>
Capital	\$930,598	\$288,245	<69.03%>
Other	\$3,720,002	\$3,529,327	<5.13%>
Total	\$53,559,428	\$55,397,879	3.43%

Operations & Maintenance Fund Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Salary	\$2,468,904	\$2,530,092	2.48%
Benefit	\$356,469	\$387,757	8.78%
Purchased Services	\$1,398,525	\$1,244,050	<11.05%>
Supplies	\$1,410,869	\$1,122,350	<20.45%>
Capital	\$8,979,085	\$2,278,009	<74.63%>
Other	\$2,000	\$2,000	<0.00%>
Total	\$14,615,852	\$7,564,258	<48.25%>

Operations & Maintenance Fund Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Total	\$14,615,852	\$7,564,258	<48.25%>
LESS: Capital Outlay	\$8,979,085	\$2,278,009	<74.63%>
LESS: Architect, CM, and Engineering Fees	\$646,828	\$475,000	<26.56%>
Net Budget	\$4,989,939	\$4,811,249	<3.58%>

Transportation Fund Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Salary	\$21,091	\$30,628	45.22%
Purchased Services	\$2,023,308	\$1,551,031	<23.34%>
Total	\$2,044,399	\$1,581,659	<22.63%>

Retirement Fund Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Benefit	\$2,043,373	\$2,109,373	3.23%

Tort Fund Expenditure Budget

Type of Expenditure	2010-11 Budget	2011-12 Proposed Budget	% Change
Benefit	\$30,000	\$40,000	33.33%
Purchased Services	\$670,303	\$639,303	<4.62%>
Supplies	\$2,000	\$2,000	0.00%
Other	\$2,000	\$0.00	NA
Total	\$704,303	\$681,303	<3.27%>

Questions

COMMENTS

CONCERNS