


To: Board of Education  
Superintendent Sally Pryor

From: Rebecca Allard, Business Manager 

Date: June 14, 2010

Subject: Update on 2010-11 Tentative Budget

The first draft of the tentative budget for 2010-11 was presented at the Committee of the Whole meeting on May 24. The tentative budget is scheduled for adoption on June 28. This memo is intended to provide additional information requested during the discussion on May 24 and to update the Board on other recent developments that may impact District 64 finances.

### **State Budget**

State lawmakers recently passed the FY2011 budget, however, State Superintendent of Education Christopher Koch warns that legislators likely will need to return to Springfield "later this year for future legislative action that could have additional fiscal impacts." He announced that the budget as passed now would maintain the General State Aid foundation level, but mandated categorical reimbursements would be reduced by approximately \$330 million of the approximately \$1.9 billion requested by Secretary Koch or about 17%.

As discussed in the tentative budget draft presented on May 24, District 64 is an alternative formula district for GSA and receives \$391 per student of the \$6,619 foundation level. The District had budgeted a decrease of \$133,701 in GSA based on the Governor's proposed budget reduction. Once official confirmation on the GSA level is received from the Illinois State Board of Education, future budget drafts will be modified to reinstate this amount.

The mandated categorical reimbursements provide funding for a range of special education services, including personnel reimbursement, private tuition and transportation. District 64 is awaiting further direction on how the reduction in the categorical reimbursements will be applied. Hopefully this information will be received over the summer, so that it can be incorporated into the final budget adopted in September.

### **Cook County Property Taxes**

A recent report from the Maine Township Assessor Tom Rueckert noted that: "It is possible that taxpayers may not receive their real estate tax bills until early 2011." If this

proves true, this delay would impact the monthly cash flow projections included with the May 24 draft. The analysis prepared by our Maine Township School Treasurer was based on receiving tax revenues beginning in December 2010. District 64 will continue monitoring this situation carefully.

**Additional Information Requested on May 24**

During the discussion on May 24, Board members requested additional information to clarify the District’s actual overall budget increase and the actual growth in salaries.

- What is the actual all funds budget increase from the prior year when special grants and “one-time” expenses are removed?

As the chart below describes, the tentative budget indicates an increase of 14.81% in all funds expenditures. The chart identifies significant Federal Aviation Administration (FAA) and American Recovery & Reinvestment Act (ARRA) grants – in both the current and upcoming fiscal years – that distort the actual growth in the District’s budget for its actual, ongoing operations. In addition, several “one-time” expenses related to the transition to new financial and human resources software, strategic planning and other items also have been identified.

When these items are removed, the actual growth is 6.35% or just under \$4 million.

<b>EXPENDITURES</b>	<b>2009-10 Budget</b>	<b>2010-11 Tentative Budget</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>Grand Total All Funds</b>	<b>\$65,721,535</b>	<b>\$75,456,871</b>	<b>\$9,735,336</b>	<b>14.81%</b>
Less One Time Expenses:				
Skyward	(\$0)	(\$84,384)		
Technology Upgrades	(\$0)	(\$250,000)		
Strategic Planning	(\$0)	(\$195,000)		
ARRA - IDEA	(\$629,490)	(\$404,975)		
State Grant - Jefferson	(\$25,000)	(\$25,000)		
FAA-Architect & Construction Manager	(\$0)	(\$556,828)		
FAA - Roosevelt	(\$0)	(\$4,880,412)		
FAA - Washington	(\$2,100,000)	(\$2,428,544)		
<b>Total One Time Expenses</b>	<b>(\$2,754,490)</b>	<b>(\$8,825,143)</b>		
<b>Net Budget</b>	<b>\$62,967,045</b>	<b>\$66,966,112</b>	<b>\$3,999,067</b>	<b>6.35%</b>

- Similarly, what is the actual increase in the Education Fund salaries line item when changes due to accounting requirements are removed?

As the chart below describes, the Education Fund salaries line item is expected to increase by 7.62%. For 2010-11, District 64 is reallocating some salaries into the Education Fund from other funds or line items. This will allow District 64 to comply with TRS reporting requirements to ensure that all TRS creditable earnings are reported accurately. In addition, salaries previously allocated to the Tort Fund also are being moved to the Education Fund.


When these items are removed, the actual increase in the Education Fund is 5.71%

	<b>2009-10 Budget</b>	<b>2010-11 Tentative Budget</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>Education Fund - Salaries</b>	<b>\$36,805,273</b>	<b>\$39,609,365</b>	<b>\$2,804,092</b>	<b>7.62%</b>
<b>Less reallocations:</b>		<b>(\$701,446)</b>		
<b>Net Budget</b>	<b>\$36,805,273</b>	<b>\$38,907,919</b>	<b>\$2,102,646</b>	<b>5.71%</b>

In the Education Fund, the average salary increase for all employee groups (PREA, PRTAA, Secretaries and Custodians) who receive step movement is 5.05%. For all other employee categories (Administrative, Exempt and Technologists), the average salary increase is 2.5%.

Please feel free to contact me prior to the meeting with any additional questions you may have about the tentative budget, so that I can be better prepared to respond at the Committee of the Whole meeting on June 14.

To: Board of Education  
Superintendent Sally Pryor

From: Rebecca Allard, Business Manager 

Subject: 2010-11 Tentative Budget Draft #1

Date: May 24, 2010

The 2010-11 tentative budget is one of controlled growth, which continues to fulfill referendum initiatives and provides for the implementation of the first year of activities scheduled under the District's new strategic plan.


The adoption of a school district budget is required by the end of the first quarter of the fiscal year (September 30). By satisfying the legal requirement, a school district may expend funds and levy taxes. But more importantly, the budget tells a story of the opportunities and services available to the children of Park Ridge-Niles District 64.

Current economic conditions at the local, state and national levels have hampered budget planning this year. Therefore, the 2010-11 tentative budget is based on the best information known as of May 5, 2010. Modifications will be made as new information is obtained from Cook County and the Illinois State Board of Education (ISBE), and as additional staff are hired for the new school year due to enrollment changes.

The schedule describes the timeline that will be followed in coming months as we move through a new budget cycle.

I look forward to presenting the first draft of the tentative budget at the Committee-of-the-Whole on Finance meeting on May 24. Please feel free to contact me in advance to clarify any of the information presented.

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Task Completed	Date (2010)	Budget Milestone
•	January 25	Board approves preparation of 2010-11 tentative budget.
•	February 8	Board reviews long-range financial projections.
•	February 22	Board approves 2010-11 staffing plan.
•	May 10	<ul style="list-style-type: none"> <li>▪ Board approves District 64 Strategic Plan</li> <li>▪ Board approves 2010-11 Strategic Plan implementation schedule and budget.</li> </ul>
	May 24	Board reviews 2010-11 tentative budget.
	June 14	Board reviews 2010-11 tentative budget.
	June 28	<ul style="list-style-type: none"> <li>▪ Board adopts 2010-11 tentative budget.</li> <li>▪ Board sets date of Public Hearing for final budget adoption.</li> <li>▪ Board places tentative budget on public display for 30 days prior to public hearing and final budget adoption.</li> </ul>
	July 12	Board reviews 2010-11 tentative budget.
	August 9	Board reviews 2010-11 tentative budget.
	September 13	Board reviews 2010-11 tentative budget.
	September 27	<ul style="list-style-type: none"> <li>▪ Board conducts a public hearing on the 2010-11 final budget.</li> <li>▪ Board adopts the 2010-11 budget.</li> <li>▪ District files the adopted budget with the County Clerk and State Board of Educational within 30 days of budget adoption.</li> </ul>
	November 8	<ul style="list-style-type: none"> <li>▪ Board reviews the 2010 tentative tax levy.</li> <li>▪ Board sets date of public hearing for the 2010 tax levy.</li> </ul>
	December 13	<ul style="list-style-type: none"> <li>▪ Board conducts a public hearing to adopt the 2010 tax levy.</li> <li>▪ Board approves the 2010 tax levy.</li> <li>▪ District files tax levy with County Clerk prior to the last Tuesday in December.</li> </ul>

## 2010-11 Tentative Operating Fund Budget Recap

### Revenues:

Overall, operating fund revenues are expected to increase by 8.85%, which includes federal funding for the Federal Aviation Administration (FAA) summer projects at Roosevelt and Washington schools. Without the FAA federal funding, the revenue budget is expected to increase by 4.86%. Detailed explanations of the budget-to-budget changes are provided throughout this document.

### Expenses:

Overall, operating fund expenditures are expected to increase by 15.36%, which includes the FAA projects at Roosevelt and Washington schools. Without these projects, the expenditure budget is expected to increase by 11.14%.

Other than the anomaly of the FAA summer projects, the largest expense category for District 64 is salaries. The salary category is expected to increase by 7.06% from \$39,264,833 to \$42,035,136. Other expense categories such as employee benefits, purchased services, supplies, capital outlay and other expenses are projected to increase at a total combined rate of 18.5%. Detailed explanations of the budget-to-budget changes are provided throughout this document.

## Highlights of the 2010-11 Tentative Operating Fund Budget

### REVENUES

#### Real Estate Property Taxes:

District 64's property tax receipts will be affected by two important factors in 2010-11.

First, District 64 tax revenues will be subject to the limitations of the tax cap as in 2008; District 64's levies in 2006 and 2007 had been filed according to a higher rate authorized by the successful referendum in April 2007. Since 1994, schools in Cook County have been subject to the Property Tax Extension Limitation Law (tax cap). Unfortunately, the tax cap formula does not take into account changes in a school district's budgetary needs, but limits the increase in taxes to the lesser of 5% or the rate of inflation as measured by the Consumer Price Index (CPI-U) issued by the Department of Labor. In addition, the tax cap formula allows for an increase above the CPI-U for new construction.

The following table identifies the most recent CPI-U factors:

<b>Tax Year</b>	<b>CPI-U (Tax year previous December)</b>
<b>2006</b>	3.4
<b>2007</b>	2.5
<b>2008</b>	4.1
<b>2009</b>	0.1
<b>2010</b>	2.7

The second factor that will impact tax collections for the 2010-11 budget is an additional change enacted for Cook County tax entities. For the 2009 tax year, the early tax collection (spring 2010) rate increased from 50.0% of the prior year tax extension to 55.0%, thus providing additional revenues to the current 2009-10 budget.

This change, however, puts District 64 in a peculiar situation. The 2009 early collection of taxes (55.0%) is being paid on a 2008 tax extension that used a CPI-U for that year of 4.1%. The actual 2009 tax extension will be calculated using a CPI-U factor of 0.1%; this is the factor that will be applied for the final bill in fall 2010. In essence, on a percentage basis, the tax collections in the fall of 2010 will be lower than in previous years.

Tax Year	% of Tax Collections
2003	99.1%
2004	98.2%
2005	98.5%
2006	98.9%
2007	98.7%
2008	97.3%
	(As of May 5)
<b>Average Collections</b>	<b>98.7%</b>

**Corporate Personal Property Replacement Taxes (CPPRT):**

Funds that have personal property replacement taxes as a revenue source are the educational and the municipal retirement/social security fund. CPPRT is driven by the health of the state’s economy. The following table identifies the most recent collections of CPPRT:

Fiscal Year	PPRT
2007-08	\$1,327,617
2008-09	\$1,163,859
2009-10	\$1,000,000
2010-11	\$966,375 (estimated)

**State Revenue:**

The State of Illinois has not finalized the state budget, therefore all state revenues are subject to change.

In particular, General State Aid is one component of District 64’s state funding that is under review. The General State Aid (GSA) formula is designed to ensure that all students in Illinois have access to educational services valued at a basic “foundation level.” The GSA formula factors a local school district’s wealth (Equalized Assessed Valuation per student) and then categorizes each Illinois school district into one of three classifications:



GSA Classification	Number of Schools in Illinois Per Classification
<b>Foundation Formula</b>	735 Schools (77.94%)
<b>Alternate Formula</b>	147 Schools (15.59%)
<b>Flat Grant</b>	61 Schools (6.47%)

The 2009-10 foundation level is \$6,619. District 64 is an alternate formula district and receives approximately \$391 per student (based on the prior year's average daily attendance). Governor Quinn's 2010-11 recommended budget calls for a \$500 reduction in the foundation level; the estimated loss of GSA to District 64 would be \$133,701.

**Federal Revenue:**

Funds that have Federal Aid as a revenue source are the educational and the operations & maintenance fund. ARRA funds will be phased out during the 2010-11 school year. The largest increase in this area is the FAA funding for the Roosevelt and Washington projects.

**EXPENSES**

This year's tentative budget reflects the second year of the ongoing contractual agreements with the PREA, PRTAA, secretarial staff and custodial and maintenance staff. The base salary increase for all categories is 2.5%. In addition to the base salary increase, all employees receive a "step" increment as they move through the salary schedule.

Currently, the staffing levels are budgeted at the 2009-10 levels. Final staffing levels will be determined in August when the student enrollment is clear.

**District 64**  
**2010-11 Statement of Position** (May 24, 2010)

Fund	Estimated Beginning Balance July 1, 2010	Add Budgeted Revenues	Less Budgeted Expenditures	Excess / Deficiency of Revenues Over Expenditures	Estimated Ending Balance June 30, 2011
Educational	\$18,685,556	\$53,903,021	\$53,501,985	\$401,036	\$19,086,592
Tort Immunity	\$289,855	\$1,304,815	\$700,303	\$604,512	\$894,367
Operations & Maintenance	(\$616,267)	\$14,699,162	\$14,508,711	\$190,451	(\$425,816)
Transportation	\$1,500,439	\$2,659,393	\$1,819,399	\$839,994	\$2,340,433
Municipal retirement / social security Fund	\$1,132,587	\$2,459,904	\$2,043,373	\$416,531	\$1,549,118
Working Cash	\$12,623,335	\$755,819	\$234,300	\$521,519	\$13,144,854
<b>Total – Operating Funds</b>	<b>\$33,615,505</b>	<b>\$75,782,114</b>	<b>\$72,808,071</b>	<b>\$2,974,043</b>	<b>\$36,589,548</b>
<b>**Estimated Expense to Fund Balance Ratio</b>	<b>53.26%</b>				<b>50.25%</b>
Debt Service Fund	\$3,025,369	\$2,589,044	\$2,648,800	(\$59,756)	\$2,965,613
<b>Total – All Funds</b>	<b>\$36,640,875</b>	<b>\$78,371,158</b>	<b>\$75,456,871</b>	<b>\$2,914,287</b>	<b>\$39,555,162</b>

*\*\*Fund Balance Policy: The District's operating fund balances shall end each fiscal year with four (4) months of operating expenditures for the fiscal year ended. Expenses shall be measured against a cumulative total operating fund that includes: educational, operations and maintenance, transportation, municipal retirement / social security and working cash.*

## **ALL FUND BUDGET DRIVERS**

The following analysis provides notes to the detailed tables of revenues and expenditures by objects. Comparison percentages are measured against the 2009-10 budgeted amounts. After the close of the current fiscal year, the comparisons will be restated against unaudited actual 2009-10 amounts.

### **Educational Fund (10)**

**Purpose:** *The most varied and the largest volume of transactions will be recorded in the Educational Fund. This is due mostly because the Educational Fund covers transactions that are not specifically covered in another fund. Certain expenditures that must be charged to this fund include the direct costs of instruction, health and attendance services, lunch programs, all costs of administration and related insurance costs. Certain other revenues that must be credited to this fund include educational tax levies, tuition and textbook rentals.*

#### **Revenue Review**

- Anticipated increase is 0.85% or \$453,973. Property taxes have the greatest impact on the variance, and, as previously mentioned, are once again restricted by the tax cap legislation.
- Corporate Personal Property Replacement Taxes (CPPRT) are expected to decline by (8.18%). The state has not issued data about estimated collections.
- General state aid will be collected within the state revenue category. Several of the GSA payments were issued through federal resources during the 2009-10 budget year.
- An interest transfer totaling \$295,200 is budgeted from the working cash and the debt service funds.

#### **Expenditure Review**

- **Salary:**  
The salary category represents 74% of the education fund budget. Contractual agreements with the PREA, PRTAA, and the secretarial staff determine actual step and lane movement. The base salary increase in all categories is 2.5%. In addition to the base salary increase, all employees receive a "step" increment as they move through the salary schedule.

Currently, the staffing levels are budgeted at the 2009-10 levels. Final staffing levels will be determined in August when student enrollment is known.

- **Benefits:**  
The benefit area is the second largest category of the education fund budget. The benefit line item accounts for 10.5% of the total education fund budget and is anticipated to increase by 18.12%. The following identifies the factors contributing to the increase.

Benefit Category	% Change	Contributing Factors
Health & Dental Insurance	9.0%	The final renewal for health and dental will not be known until June or July.
Retirement Benefits	9.12%	Early retirements and contractual agreements providing post-retirement benefits.

- **Purchased Services, Supplies and Capital Outlay:**

The areas of purchased services, supplies and capital outlay account for 9.6% of the total educational fund budget and are expected to increase by approximately 1.2%.

Purchase services pay for staff development, the food service contract, and legal fees.

Supplies and capital outlay provide the needed resources for student learning.

- **Other Objects**

The other object category accounts for 5.9% of the total educational fund budget and is expected to increase by 7.8%. The major expenditure in this category is special education tuition.

## Operations & Maintenance Fund (20)

**Purpose:** All costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or for the payment of premiums for insurance on school buildings are charged to the Operations and Maintenance Fund and paid from the tax levied for that purpose.

### Revenue Review

- The anticipated increase is 62.98% or \$5,606,611. Property taxes have the greatest impact on the variance, and, as previously mentioned, are restricted by the tax cap legislation.
- FAA funding is anticipated to increase by 119.16% or \$4,881,985 because of the new funding for the Roosevelt sound insulation project.

### Expenditure Review

For a fair comparison of the ongoing expenses in the operations & maintenance fund the following analysis is net of capital outlay (construction).

	2009-10 Budget	2010-11 Tentative Budget	% Increase
<b>Total Budget</b>	\$8,902,100	\$14,508,711	62.98%
<b>Less Capital Outlay</b>	(\$4,097,100)	(\$8,979,085)	119.16%
<b>Architect, Construction Manager and other Engineering Fees</b>	\$0	(\$556,828)	NA
<b>Net Operations &amp; Maintenance Budget</b>	\$4,805,000	\$4,972,798	3.49%

- **Salary**  
The salary category represents 48.36% of the operation & maintenance fund budget. Agreements with the custodial and maintenance staff determine actual step and lane movement. The base salary increase in all categories is 2.5%. In addition to the base salary increase, all employees receive a "step" increment as they move through the salary schedule. No additions to staff are anticipated in this area.
- **Benefits**  
The benefit line item accounts for 5.32% of the total operation & maintenance fund budget and is anticipated to decrease by 18.42%. All staff are properly accounted for in this category.
- **Purchased Services**  
The purchased service line item accounts for 15.8% of the total operations & maintenance fund. In addition to architect, construction manager, and other

engineering fees, the purchased service area covers the following types of expenses: repair and maintenance of equipment, telephones, water fees and crossing guards.

- **Supplies**

The supply line item accounts for 30.48% of the total operations & maintenance fund. The supply area covers the following types of expenses: gasoline for district vehicles, natural gas, electricity, and custodial and maintenance supplies.

- **Capital Outlay**

The capital outlay area covers the expenses for the capital projects at Roosevelt, Washington, Lincoln and Jefferson schools.

- **Other Expense**

The other object category accounts for 0.04% of the total operations & maintenance fund budget.

### **Debt Service Fund (30)**

**Purpose:** *Bonds are generally issued to finance the construction of buildings, but may also be issued for other purposes. Taxes are levied to provide cash to retire these bonds and to pay related interest. To protect the bondholders, these tax collections must be accounted for in the Debt Service Fund and maintained in separate bond and interest accounts for each bond issue.*

#### **Revenue Review**

The levy in this fund has been reduced to correspond to the debt repayment schedule. The District's current obligations will be retired with a final payment in fiscal year 2016-17.

#### **Expenditure Review**

Consistent with past practice, an interest transfer of \$60,900 to the educational fund is budgeted.

### **Transportation Fund (40)**

**Purpose:** *Costs of transportation, including the purchase of vehicles and insurance on buses, are to be paid from this fund. Moneys received for transportation purposes from any source must be deposited into this fund.*

#### **Revenue Review**

- Revenues are anticipated to decline by 8.16% or \$236,383. Property taxes have the greatest impact on the variance, and, as previously mentioned, are once again restricted by the tax cap legislation.
- The state transportation reimbursement claim has two separate reimbursement formulas, one for regular education and one for special education transportation. As previously reported to the Board, ISBE has issued a prior year (2007-08) audit adjustment for regular and special education transportation. The 2010-11 anticipated reimbursement has been reduced by \$133,627 in regular and \$7,761 in special education reimbursement.

#### **Expenditure Review**

- Expenditures are expected to remain at the 2009-10 level.

### **Municipal Retirement / Social Security Fund (50)**

**Purpose:** *This fund is created if a separate tax is levied for the school district's share of municipal retirement / social security benefits for covered employees or a separate tax is levied for the purpose of providing resources for the district's share of Social Security and/or Medicare only payments for covered employees. If any of these taxes are not levied, payments for such purposes shall be charged to the fund where the salaries are charged.*

#### **Revenue Review**

- Revenues are anticipated to increase by 5.71% or \$132,804 due to the District's higher levy in this fund.
- As discussed earlier, CPPRT are expected to decline overall, although the portion earmarked for this fund is increasing slightly from the 2009-10 budget.

#### **Expenditure Review**

- All expenditures are salary driven.
- The Medicare portion of the Social Security rate is charged to all certified staff.
- IMRF and social security are charged to all support staff.
- The IMRF rate includes a "catch-up" factor for the loss of investment income over the last several years.

### **Working Cash Fund (70)**

**Purpose:** *If a separate tax is levied for working cash purposes or if bonds are sold for this purpose, this fund shall be created. Cash available in this fund may be loaned to any fund for which taxes are levied.*

#### **Revenue Review**

The District has reduced the levy in this fund, which will decrease revenues by 44.5%

#### **Expenditure Review**

Consistent with past practice, an interest transfer of \$234,300 to the educational fund is budgeted.

### **Tort Immunity Fund (80)**

**Purpose:** *This fund is created if taxes are levied or bonds are sold for tort immunity or tort judgment purposes. The tort immunity fund provides for the risk management activities of the District. Insurance policies such as workers compensation, property casualty, and school board legal liability are the major expenditures of this fund.*

#### **Revenue Review**

The tort immunity fund is expected to decrease by over 17%.

#### **Expenditure Review**

Expenses previously charged in this area have been transferred to the educational and operations & maintenance fund because of new rules and regulations.



**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64**  
**2010-11 Tentative Budget (May 24, 2010)**  
**COMPARISON OF REVENUES BY OBJECTS**

<b>EDUCATIONAL FUND</b>	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 37,362,058	\$ 42,407,522	\$ 42,902,700	\$ 43,446,748	1.27%
CORP. PERS. PROP. TAX	1,215,770	1,041,508	900,000	826,375	-8.18%
INTEREST INCOME	313,379	320,775	287,300	297,300	3.48%
OTHER LOCAL REVENUES	3,345,350	3,320,974	3,229,514	3,417,976	5.84%
GENERAL STATE AID	1,678,094	1,254,697	1,368,039	1,538,850	12.49%
OTHER STATE AID	1,933,936	2,088,065	2,067,975	2,573,634	24.45%
FEDERAL AID	1,108,367	1,396,145	2,449,420	1,506,938	-38.48%
TRANSFERS IN	7,528,559	407,089	244,100	295,200	20.93%
<b>TOTAL</b>	<b>\$ 54,485,513</b>	<b>\$ 52,236,774</b>	<b>\$ 53,449,048</b>	<b>\$ 53,903,021</b>	<b>0.85%</b>
% of Change	37.92%	-4.13%	2.32%	0.85%	
<b>TORT FUND</b>	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 1,064,181	\$ 1,217,938	\$ 1,306,000	\$ 1,291,815	-1.09%
INTEREST INCOME	1,731	412	0	13,000	NA
<b>TOTAL</b>	<b>\$ 1,065,912</b>	<b>\$ 1,218,349</b>	<b>\$ 1,306,000</b>	<b>\$ 1,304,815</b>	<b>-0.09%</b>
% of Change	98.71%	14.30%	7.19%	-0.09%	
<b>OPERATIONS &amp; MAINTENANCE FUND</b>	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 5,197,818	\$ 5,968,996	\$ 6,355,900	\$ 6,811,852	7.17%
INTEREST INCOME	13,380	2,772	3,300	2,000	-39.39%
OTHER LOCAL REVENUES	26,837	19,997	32,000	33,500	4.69%
OTHER STATE AID	-	-	25,000	-	NA
FEDERAL AID	-	93,142	2,100,000	7,851,810	273.90%
TRANSFERS IN	-	-	-	-	NA
<b>TOTAL</b>	<b>\$ 5,238,035</b>	<b>\$ 6,084,907</b>	<b>\$ 8,516,200</b>	<b>\$ 14,699,162</b>	<b>72.60%</b>
% of Change	11.09%	16.17%	39.96%	72.60%	
<b>TRANSPORTATION FUND</b>	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 1,592,300	\$ 1,826,920	\$ 1,955,600	\$ 1,960,056	0.23%
INTEREST INCOME	4,213	2,683	20,400	2,500	-87.75%
OTHER LOCAL REVENUES	77,293	117,189	98,000	67,200	-31.43%
OTHER STATE AID	642,123	586,452	821,776	629,637	-23.38%
<b>TOTAL</b>	<b>\$ 2,315,929</b>	<b>\$ 2,533,244</b>	<b>\$ 2,895,776</b>	<b>\$ 2,659,393</b>	<b>-8.16%</b>
% of Change	32.56%	9.38%	14.31%	-8.16%	
<b>ILL. MUNICIPAL RETIREMENT FUND</b>	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 1,803,797	\$ 2,070,515	\$ 2,216,000	\$ 2,314,404	4.44%
CORP. PERS. PROP. TAX	111,847	122,351	100,000	140,000	40.00%
INTEREST INCOME	4,785	5,418	11,100	5,500	-50.45%
<b>TOTAL</b>	<b>\$ 1,920,428</b>	<b>\$ 2,198,284</b>	<b>\$ 2,327,100</b>	<b>\$ 2,459,904</b>	<b>5.71%</b>
% of Change	39.31%	14.47%	5.86%	5.71%	
<b>WORKING CASH FUND</b>	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 378,286	\$ 877,423	\$ 939,600	\$ 521,519	-44.50%
INTEREST INCOME	408,559	364,034	184,200	234,300	27.20%
TRANSFERS IN/SALE OF BONDS	-	-	0	-	NA
<b>TOTAL</b>	<b>\$ 786,845</b>	<b>\$ 1,241,456</b>	<b>\$ 1,123,800</b>	<b>\$ 755,819</b>	<b>-32.74%</b>
% of Change	43.73%	57.78%	-9.48%	-32.74%	
<b>TOTAL, OPERATING FUNDS</b>					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 BUDGET	2010-11 TENTATIVE BUDGET	% Change From 2009-10 Budget
PROPERTY TAXES	\$ 47,398,440	\$ 54,369,313	\$ 55,875,800	\$ 56,346,394	1.20%
CORP. PERS. PROP. TAX	1,327,617	1,163,859	1,000,000	966,375	-3.36%
INTEREST INCOME	746,047	696,093	506,300	554,600	9.54%
OTHER LOCAL REVENUES	3,449,480	3,458,160	3,359,514	3,518,676	4.74%
GENERAL STATE AID	1,678,094	1,254,697	1,368,039	1,538,850	12.49%
OTHER STATE AID	2,576,059	2,674,517	2,914,751	3,203,271	9.90%
FEDERAL AID	1,108,367	1,489,287	4,549,420	9,358,748	105.71%
TRANSFERS IN	7,528,559	407,089	244,100	295,200	20.93%
<b>TOTAL</b>	<b>\$ 65,812,664</b>	<b>\$ 65,513,015</b>	<b>\$ 69,617,924</b>	<b>\$ 75,782,114</b>	<b>8.85%</b>
% of Change	35.90%	-0.46%	6.27%	8.85%	

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64**  
**2010-11 Tentative Budget (May 24, 2010)**  
**COMPARISON OF REVENUES BY OBJECTS**

<b>DEBT SERVICE FUND</b>	<b>2007-08 ACTUAL</b>	<b>2008-09 ACTUAL</b>	<b>2009-10 BUDGET</b>	<b>2010-11 TENTATIVE BUDGET</b>	<b>% Change From 2009-10 Budget</b>
PROPERTY TAXES	\$ 4,398,801	\$ 3,789,699	\$ 2,761,800	\$ 2,528,144	-8.46%
INTEREST INCOME	120,660	43,056	59,900	60,900	1.67%
OTHER LOCAL REVENUES		948.6	-	-	NA
GENERAL STATE AID		-	-	-	NA
<b>TOTAL</b>	<b>\$ 4,519,460</b>	<b>\$ 3,833,703</b>	<b>\$ 2,821,700</b>	<b>\$ 2,589,044</b>	<b>-8.25%</b>
<i>% of Change</i>	13.22%	-15.17%	-26.40%	-8.25%	

<b>SITE &amp; CONSTRUCTION FUND</b>	<b>2007-08 ACTUAL</b>	<b>2008-09 ACTUAL</b>	<b>2009-10 BUDGET</b>	<b>2010-11 TENTATIVE BUDGET</b>	<b>% Change From 2009-10 Budget</b>
INTEREST INCOME	-	-	-	-	NA
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>NA</b>
<i>% of Change</i>	NA	NA	NA	NA	

<b>TOTAL, ALL FUNDS</b>					
	<b>2007-08 ACTUAL</b>	<b>2008-09 ACTUAL</b>	<b>2009-10 BUDGET</b>	<b>2010-11 TENTATIVE BUDGET</b>	<b>% Change From 2009-10 Budget</b>
PROPERTY TAXES	\$ 51,797,240	\$ 58,159,011	\$ 58,437,600	\$ 58,874,538	0.75%
CORP. PERS. PROP. TAX	1,327,617	1,163,859	1,000,000	966,375	-3.36%
INTEREST INCOME	866,707	739,148	566,200	615,500	8.71%
OTHER LOCAL REVENUES	3,449,480	3,459,109	3,359,514	3,518,676	4.74%
GENERAL STATE AID	1,678,094	1,254,697	1,368,039	1,538,850	12.49%
OTHER STATE AID	2,576,059	2,674,517	2,914,751	3,203,271	9.90%
FEDERAL AID	1,108,367	1,489,287	4,549,420	9,358,748	105.71%
TRANSFERS IN	7,528,559	407,089	244,100	295,200	20.93%
<b>TOTAL</b>	<b>\$ 70,332,124</b>	<b>\$ 69,346,718</b>	<b>\$ 72,439,624</b>	<b>\$ 78,371,158</b>	<b>8.19%</b>
<i>% of Change</i>	34.11%	-1.40%	4.46%	8.19%	

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64**  
**2010-11 BUDGET (May 24, 2010)**  
**COMPARISON OF EXPENDITURES BY OBJECTS**

EDUCATIONAL FUND	2007-08	2008-09	2009-10	2010-11	% Change from 2009-10 Budget
	Actual	Actual	Budget	Tentative Budget	
SALARIES	\$ 32,208,393	\$ 34,301,494	\$ 36,805,273	\$ 39,609,365	7.62%
EMPLOYEE BENEFITS	3,821,190	4,530,922	4,761,176	5,623,989	18.12%
PURCHASED SERVICES	1,570,356	2,384,705	2,230,954	2,085,456	-6.52%
SUPPLIES & MATERIALS	1,641,146	1,689,440	2,007,434	2,023,830	0.82%
CAPITAL OUTLAY	141,606	111,850	807,035	997,845	23.64%
OTHER	7,094,775	1,844,592	2,932,850	3,161,500	7.80%
TUITION	1,813,085	-	-	-	-
<b>TOTAL</b>	<b>\$ 48,290,551</b>	<b>\$ 44,863,003</b>	<b>\$ 49,544,723</b>	<b>\$ 53,501,985</b>	<b>7.99%</b>
<b>% Change</b>	<b>26.16%</b>	<b>-7.10%</b>	<b>10.44%</b>	<b>7.99%</b>	

TORT FUND	2007-08	2008-09	2009-10	2010-11	% Change from 2009-10 Budget
	Actual	Actual	Budget	Tentative Budget	
SALARIES	\$ 536,856	\$ 416,716	\$ 166,531	\$ -	-100.00%
EMPLOYEE BENEFITS	91,309	81,044	-	30,000	NA
PURCHASED SERVICES	631,877	887,976	666,956	670,303	0.50%
SUPPLIES & MATERIALS	6,871	7,192	10,936	-	-100.00%
OTHER	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,266,914</b>	<b>\$ 1,392,928</b>	<b>\$ 844,423</b>	<b>\$ 700,303</b>	<b>-17.07%</b>
<b>% Change</b>	<b>19.02%</b>	<b>9.95%</b>	<b>-39.38%</b>	<b>-17.07%</b>	

OPERATIONS & MAINTENANCE FUND	2007-08	2008-09	2009-10	2010-11	% Change from 2009-10 Budget
	Actual	Actual	Budget	Tentative Budget	
SALARIES	\$ 1,894,447	\$ 1,992,701	\$ 2,254,761	\$ 2,404,680	6.65%
EMPLOYEE BENEFITS	288,312	288,642	324,358	264,599	-18.42%
PURCHASED SERVICES	567,744	614,601	706,118	1,342,478	90.12%
SUPPLIES & MATERIALS	1,135,987	1,170,687	1,519,763	1,515,869	-0.26%
CAPITAL OUTLAY	886,044	2,266,148	4,097,100	8,979,085	119.16%
OTHER	-	-	-	2,000	NA
<b>TOTAL</b>	<b>\$ 4,772,533</b>	<b>\$ 6,332,779</b>	<b>\$ 8,902,100</b>	<b>\$ 14,508,711</b>	<b>62.98%</b>
<b>% Change</b>	<b>-5.61%</b>	<b>32.69%</b>	<b>40.57%</b>	<b>62.98%</b>	

TRANSPORTATION FUND	2007-08	2008-09	2009-10	2010-11	% Change from 2009-10 Budget
	Actual	Actual	Budget	Tentative Budget	
SALARIES	\$ 182,263	\$ 219,789	\$ 38,268	\$ 21,091	-44.89%
EMPLOYEE BENEFITS	43,497	45,354	-	-	NA
PURCHASED SERVICES	1,580,937	1,797,007	1,792,708	1,798,308	0.31%
SUPPLIES & MATERIALS	16,529	14,657	4,100	-	-100.00%
CAPITAL OUTLAY	25,409	43,427	-	-	NA
TRANSFERS OUT	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 1,848,635</b>	<b>\$ 2,120,234</b>	<b>\$ 1,835,076</b>	<b>\$ 1,819,399</b>	<b>-0.85%</b>
<b>% Change</b>	<b>3.24%</b>	<b>14.69%</b>	<b>-13.45%</b>	<b>-0.85%</b>	

ILL. MUNICIPAL RETIREMENT FUND	2007-08	2008-09	2009-10	2010-11	% Change from 2009-10 Budget
	Actual	Actual	Budget	Tentative Budget	
EMPLOYEE BENEFITS	1,530,145	1,610,113	1,802,944	2,043,373	13.34%
<b>TOTAL</b>	<b>\$ 1,530,145</b>	<b>\$ 1,610,113</b>	<b>\$ 1,802,944</b>	<b>\$ 2,043,373</b>	<b>13.34%</b>
<b>% Change</b>	<b>8.64%</b>	<b>5.23%</b>	<b>11.98%</b>	<b>13.34%</b>	

WORKING CASH FUND	2007-08	2008-09	2009-10	2010-11	% Inc / Dec from 08-09
	Actual	Actual	Budget	Tentative Budget	
TRANSFERS OUT	408,559	364,034	184,200	234,300	27.20%
<b>TOTAL</b>	<b>\$ 408,559</b>	<b>\$ 364,034</b>	<b>\$ 184,200</b>	<b>\$ 234,300</b>	<b>27.20%</b>
<b>% Change</b>	<b>-81.15%</b>	<b>-10.90%</b>	<b>-49.40%</b>	<b>27.20%</b>	

OPERATING FUNDS					
	2007-08	2008-09	2009-10	2010-11	% Inc / Dec from 08-09
	Actual	Actual	Budget	Tentative Budget	
Salaries	\$ 34,821,959	\$ 36,930,701	\$ 39,264,833	\$ 42,035,136	7.06%
Employee Benefits	5,774,453	6,556,075	6,888,478	7,961,961	15.58%
Purchased Services	4,350,914	5,684,289	5,396,736	5,896,545	8.26%
Supplies & Materials	2,800,533	2,881,975	3,542,234	3,539,699	-0.07%
Capital Outlay	167,015	155,277	4,904,135	9,976,930	103.44%
Other	7,094,775	1,844,592	2,932,850	3,163,500	7.86%
Tuition	1,813,085	-	-	-	NA
Transfer Out	408,559	364,034	184,200	234,300	27.20%
<b>Grand Total Operating Fund</b>	<b>\$ 57,231,294</b>	<b>\$ 54,416,942</b>	<b>\$ 63,113,466</b>	<b>\$ 72,808,071</b>	<b>15.36%</b>

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT 64**  
**2010-11 BUDGET (May 24, 2010)**  
**COMPARISON OF EXPENDITURES BY OBJECTS**

<b>Other Funds</b>					
<b>DEBT SERVICE</b>	2007-08	2008-09	2009-10	2010-11	<i>% Change from 2009-10 Budget</i>
	Actual	Actual	Budget	Tentative Budget	
OTHER	\$ 4,053,423	\$ 4,305,080	\$ 2,548,169	\$ 2,587,900	1.56%
TRANSFERS OUT	120,000	-	59,900	60,900	NA
<b>TOTAL</b>	<b>\$ 4,173,423</b>	<b>\$ 4,305,080</b>	<b>\$ 2,608,069</b>	<b>\$ 2,648,800</b>	<b>1.56%</b>

<b>SITE &amp; CONSTRUCTION</b>	2007-08	2008-09	2009-10	2010-11	<i>% Change from 2009-10 Budget</i>
	Actual	Actual	Budget	Tentative Budget	
OTHER	\$ -	\$ -	\$ -	\$ -	NA
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>NA</b>

<b>GRAND TOTAL ALL FUNDS</b>					
Salaries	\$ 34,821,959	\$ 36,930,701	\$ 39,264,833	\$ 42,035,136	7.06%
Employee Benefits	\$ 5,774,453	\$ 6,556,075	\$ 6,888,478	\$ 7,961,961	15.58%
Purchased Services	\$ 4,350,914	\$ 5,684,289	\$ 5,396,736	\$ 5,896,545	9.28%
Supplies & Materials	\$ 2,800,533	\$ 2,881,975	\$ 3,542,234	\$ 3,539,699	-0.07%
Capital Outlay	\$ 167,015	\$ 155,277	\$ 4,904,135	\$ 9,976,930	103.44%
Other	\$ 11,148,198	\$ 6,149,672	\$ 5,481,019	\$ 5,751,400	4.93%
Tuition	\$ 1,813,085	\$ -	\$ -	\$ -	NA
Transfer Out	\$ 528,559	\$ 364,034	\$ 244,100	\$ 295,200	20.93%
<b>Grand Total Operating Funds</b>	<b>\$ 61,404,717</b>	<b>\$ 58,722,023</b>	<b>\$ 65,721,535</b>	<b>\$ 75,456,871</b>	<b>14.81%</b>

## **Board of Education 2010-11 Budget Actions through May 24, 2010**

### **Revenue Actions**

- **Certificate of Tax Levy –**
  - 2009 levy adopted totaling \$56.9 million (December 14, 2009)
- **Educational Fund**
  - 2010 summer school fees (November 9, 2009)
  - 2010-11 student fees (April 26, 2009)
  - City of Park Ridge – Deferment of December 2010 TIF Payment (April 26, 2010)

### **Expense Actions**

#### **Educational Fund**

- Approved 2010-11 budget development calendar (January 25, 2010)
- Staffing increases for 2009-10 (February 22, 2009)
  - ½ Social Worker – Lincoln Middle School
  - Change in position descriptions:
    - Director of Technology
    - Coordinator of Extended Day and Pre-School Services
  - Staffing modifications will be incorporated into final budget adoption
- Approved purchase of art, paper and general supplies (February 22, 2010)
- Approved financial and human resources software (March 8, 2010)
- Approved the FLES & foreign language materials (March 8, 2010)
- Approved a one year extension for the food service contract (April 5, 2010)
- Award bid for PE uniforms (April 26, 2010)
- Approval of 2010-11 implementation schedule and budget for the strategic plan (May 10, 2010)

#### **Operations & Maintenance Fund**

- FAA Construction Manager to oversee Roosevelt & Lincoln summer projects (November 23, 2009)
- Lincoln Middle School Life Safety projects (March 8, 2010)
- ARRA Jefferson School improvement projects (March 8, 2010)
- FAA Roosevelt School sound abatement project (April 5, 2010)
- FAA Roosevelt School asbestos abatement project (April 5, 2010)
- Lincoln Middle School Locker Room renovation (April 5, 2010)
- Approval of Direct Purchase of Natural Gas (April 5, 2010)
- Contract for purchase and management of natural gas (April 5, 2010)
- Summer 2009 life safety projects at all schools (April 13, 2009)
- Summer 2009 life safety asbestos abatement projects (May 26, 2009)

#### **Transportation Fund**

- One-year renewal with Cook County School Bus (December 14, 2009)

## Investments in Student Learning

- A multi-year investment in technology is continuing. Interactive smart boards will be added to more classrooms, and the District will continue a phased program to replace outdated computers. In addition, the District's connectivity needs will be addressed by providing upgraded switches at all schools and wireless connection ports to support a reliable and robust local network area connection at each building. This work is being done in tandem with the strategic plan goal of accelerating the advanced use of technology as an integral component of the District's educational program and to effectively manage our system.
- Implementation of the first year activities under the District's new strategic plan, *A Journey of Excellence*, will get underway. Activities in each of the five strategies will be undertaken and will include involvement of all certified staff and administrators in some aspect of the strategic plan, especially activities related to: finalizing the technology scope and sequence; student goal-setting; developing power standards for student learning and related common assessments; differentiating instruction; and use of assessment data.
- Realignment of responsibilities at Jefferson School will provide greater administrative oversight of both its preschool services and the extended day program offerings for kindergartners from across the District. After school, the extended day program has students from grades K-5.
- The final payment of the two-year Harcourt *StoryTown* purchase contract will be made and additional materials will be purchased to support the District's new Reading Framework and Response to Intervention (RtI) initiative.
- New materials in the *Being a Writer* program will be provided to support the writing curriculum in grades 1-5 at all elementary schools based on the recommendation of the Language Arts Committee following a two-year pilot.
- Additional instructional materials will be purchased as part of the Middle School Review's new grade 6 schedule supporting the integration of reading instruction in all content areas.
- Based on the Foreign Language Elementary School (FLES) program review, a new textbook series *Viva el español!* is being adopted and materials added for foreign language study in grades 2-5.
- The learning environment will be enhanced through the continued, selective replacement of classroom desks / chairs and classroom re-painting.
- Life Safety list projects will be completed, including extensive work at Lincoln Middle School this summer (new roof, locker room renovation, health assistant area renovation).

## **Fund Balance Policy**

As stated in Board Policy 4:20: The District's operating fund balances shall end each fiscal year with four (4) months of operating expenditures for the fiscal year then ended. Expenses shall be measured against a cumulative total of operating funds that include: educational, operations and maintenance, transportation, Illinois municipal retirement/ social security and working cash.

The tentative budget projects an operating fund balance of 50.6% as of June 30, 2011 or almost \$36.6 million. This is approximately \$3 million more than the expected ending balance on June 30 of the current fiscal year.

## Other Financial Indicators

### Illinois State Board of Education Financial Profile

The goal of the financial profile is to objectively assess the financial health of all school districts in order for the public to gain a better understanding of where their schools rank in comparison to others. This is done through a process of benchmarking five indicators for school districts. The highest ranking given by the state board is "4.0 Recognition". Park Ridge-Niles District 64 was awarded this highest designation in the spring of 2010.

Fiscal Year	ISBE Financial Profile Designation	ISBE Financial Profile Score
2009	Financial Recognition	4.00
2008	Financial Recognition	3.90
2007	Financial Recognition	3.55
2006	Financial Review	3.45
2005	Financial Early Warning	2.75

### Rating Services

- Standard & Poor's (S&P) long-term bond rating affirmed as AA/Stable (December 10, 2008).
- Moody's has moved to the Global Rating System, meaning that they are now rating issuers on the likelihood of default, not their more stringent municipal rating. As of Monday, April 19, all Illinois issuer ratings were "migrated" to this new scale resulting in an upgrade for the District from "A1" to "Aa2" on all outstanding bond issues.

### Cash Flow Projection for 2010-11

The attached chart was prepared by the Maine Township School Treasurer to estimate the District's month-end cash balances based on the tentative budget for 2010-11. It also presents a history of the District's actual cash flow over the previous three fiscal years beginning with 2007-08.

Based on this analysis, it appears the District's Working Cash Fund should have sufficient cash to meet the low point of the Operating Fund balance projected in November 2010.



## Month End Cash Balances Operating Funds Analysis of Cash Flow Needs Through June 30, 2011

