


To: Board of Education
From: Rebecca Allard, Business Manager 
Date: August 9, 2010
Subject: 2009-10 Fiscal Year 4th Quarter Financial Update

The attached spreadsheets provide a summary of the District's financial position as of June 30, 2010.

- Statement of Position (page 7)
- Operating Funds Quarterly Financial Update (page 8)
- Total Funds Quarterly Financial Update (page 9)
- Summary of Investments (page 10)

Statement of Position

As shown on page 7, the operating fund expense to fund balance ratio for the period ending June 30, 2010, is 55.45% or \$34,314,692. During 2009-10, the operating fund balance increased by \$7,203,645. This is almost \$700,000 more than budgeted for the year. District 64 has positioned itself, from a cash-flow perspective, to fulfill all financial obligations without short-term borrowing based on what is currently known as the 2010-11 fiscal year gets underway. The successful passage of the 2007 referendum is the principle reason that District 64 continues to improve its financial condition in very difficult economic times.

In addition to the operating fund balance noted above, as of June 30, the State of Illinois owed District 64 \$1,916,065.06 or 38.21% of the total amount of the vouchers issued (\$5,014,906.91). Although these funds are due and payable to District 64, District 64 budgeted conservatively in light of the state's ongoing cash flow crisis and did not assume these payments would be received during the 2009-10 fiscal year.

As of June 30, the collection rate of the 2008 tax extension is 97.67%. The collection rate of the 2008 levy is about 1% less than previous tax year collections.

The early collection of the 2009 tax extension (current) is 52.20% of the 2008 tax extension. Last year legislative changes increased the percentage of collections from 50% of the prior year tax extension to 55%.

The Operations & Maintenance Fund is anticipating the receipt of \$1,570,796.09 from the FAA for expenses incurred on the 2009 and 2010 summer projects at Roosevelt and Washington schools.

Summary of Investments

As of June 30, the Maine Township School Treasurer has \$19.8 million invested on behalf of District 64, which includes \$8.8 million in the Education Fund and \$11 million in the Working Cash Fund. As shown on page 9, the total yield is 2.8206% for these investments.

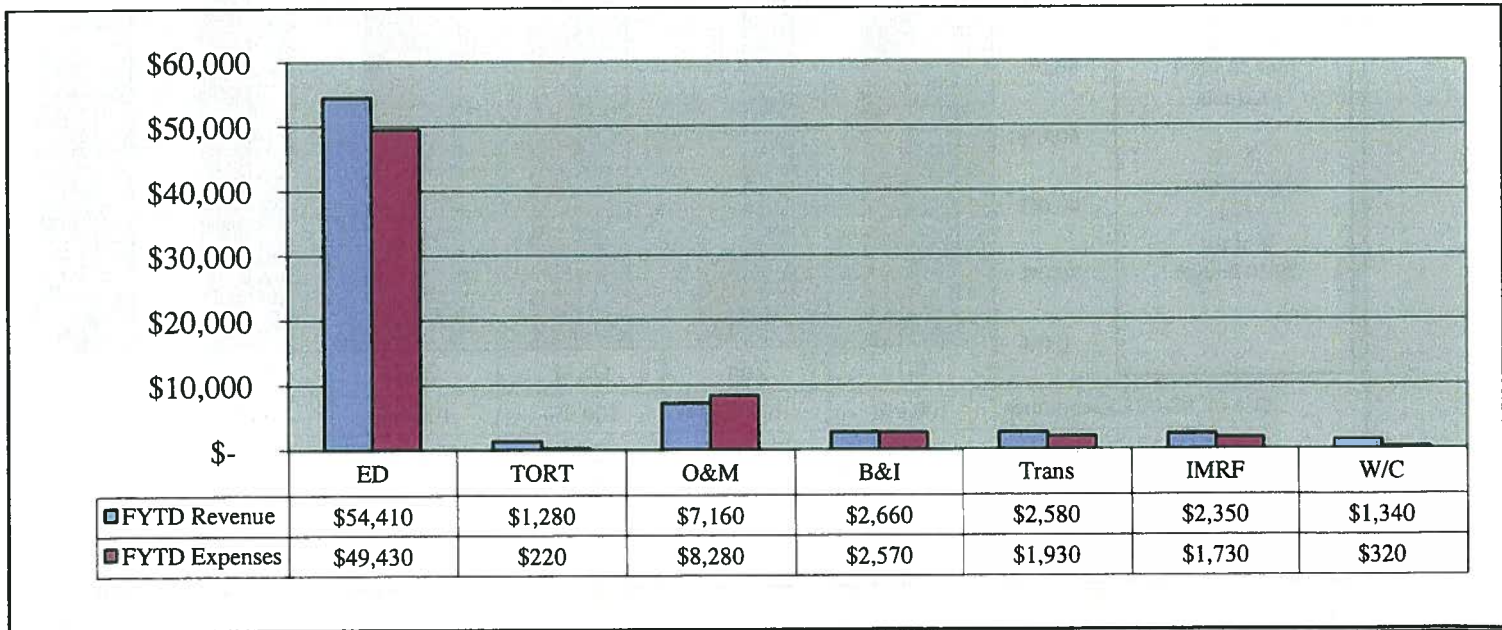
In addition to the long-term investment account, the Township School Treasurer has \$17,175,624.24 invested in money market funds. Funds held at Chase are invested at 0.5% and funds held at MB Financial are invested at 0.3%. The money market funds are used to provide for the District's short-term cash flow needs.

The District will schedule its annual presentation from the Township School Treasurer in early fall.

Revenue and Expenses by Fund

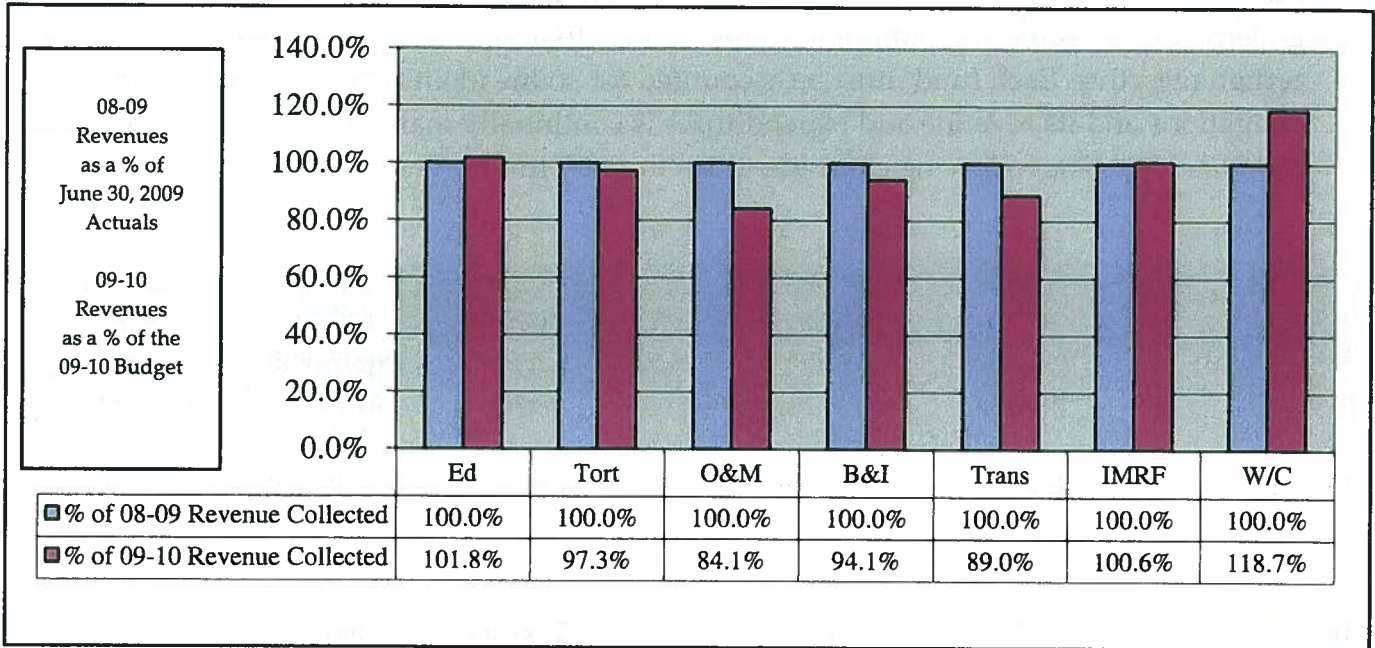
School districts in Illinois must maintain financial records in accordance with Generally Accepted Account Principals (GAAP), which includes the requirement of fund accounting. A fund is an independent fiscal accounting entity requiring its own set of books. A fund is governed by statutes, regulations, and restrictions that limit its use to a specific activity or certain objective. Each fund must be accounted for so the identity of its resources and obligations and its revenue and expenditures is continually maintained. 23 Ill. Admin. Code 110.110 et seq. The following chart identifies fund by fund revenue and expenditures:

Fund	09-10 Revenue Budget	09-10 FYTD Revenue as of June, 2010	% of Budget Received	2009-10 Expense Budget	09-10 FYTD Expense as of June 2010	% of Budget Expended	09-10 FYTD Revenue over Expenses
Education	\$53,449,048	\$54,400,749	101.78%	\$49,544,722	\$49,423,192	99.75%	\$4,977,557
Tort	\$1,306,000	\$1,271,279	97.34%	\$844,423	\$210,932	24.98%	\$1,060,346
O&M	\$8,516,200	\$7,158,988	84.06%	\$8,902,100	\$8,277,245	92.98%	(\$1,118,258)
B&I	\$2,821,700	\$2,656,481	94.14%	\$2,608,069	\$2,561,860	98.23%	\$94,621
Trans	\$2,895,776	\$2,576,061	88.96%	\$1,835,076	\$1,925,167	104.91%	\$650,895
IMRF	\$2,327,100	\$2,341,560	100.62%	\$1,802,944	\$1,723,772	95.61%	\$617,788
Working Cash	\$1,123,800	\$1,333,584	118.67%	\$184,200	\$318,266	172.78%	\$1,015,318
	\$72,439,624	\$71,738,702	99.03%	\$65,721,534	\$64,440,436	98.05%	\$7,298,267

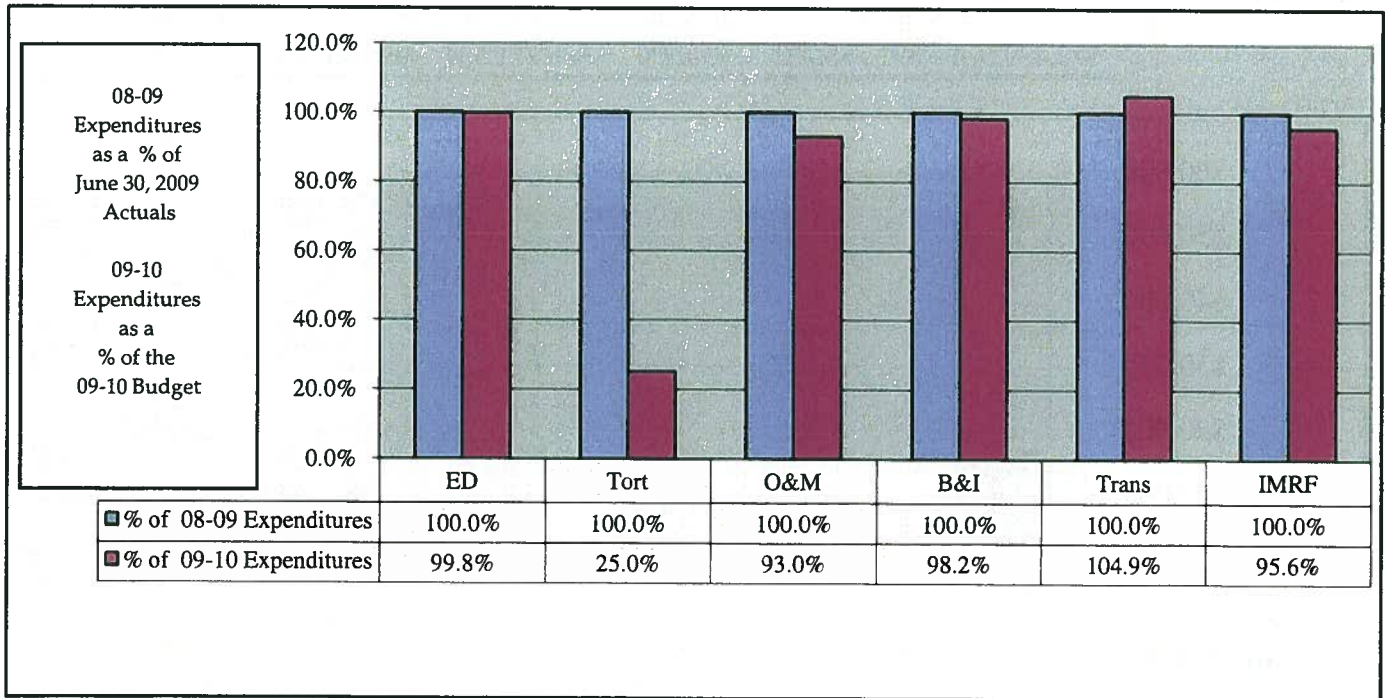


The following two charts show comparative information between the 2008-09 fiscal year and the 2009-10 fiscal year.

Fund Comparison of Revenues through June 30, 2010



Fund Comparison of Expenditures through June 30, 2010



NOTE: The change in methodology of comparing current fiscal year revenues and expenditures to the prior fiscal year will reflect the June 30, 2009 actual revenues collected and expenses incurred at 100%. Therefore, the comments that follow are reflective of the 2009-10 unaudited operating fund revenues and expenditures compared to the budget.

Total Operating Fund Revenues

- Property tax collections (current, 1st prior and refunds) exceeded the budget by \$62,592.
- Corporate Personal Property Tax collections were under budget by \$33,625. The reduction of this revenue source is driven by the current economic condition.
- Interest income exceeded the budget by \$181,697. This amount is attributable to the long-term investment strategy of the Township Treasurer.
- Other local income exceeded the budget by \$768,890. The additional income is a result of: \$250,000 private donation; \$126,000 in tuition paid by Districts 62 and 63; \$80,000 extended day program; \$192,000 unrecorded revenues from prior year; \$22,000 in the middle school lunch program; and \$99,000 in student fees.
- General State Aid and other state revenues were under budget by \$137,929.
- Federal income was under budget by \$1,473,307, including: \$1,266,000 in unreimbursed expenses by the FAA and \$190,000 in IDEA-ARRA funds that were not expensed by June 30. These amounts are expected to be received in the 2010-11 fiscal year.
- Transfer of interest from other funds exceeded the budget by \$95,979.79.

SUMMARY:

- Operating fund revenues were only \$535,703 under the \$69,617,924 budget, or 99.23%.
- The actual increase in operating fund revenues over the 2008-09 fiscal year was \$8,570,970 or 14.2%.

Total Operating Fund Expenses

- Total operating fund salaries exceeded the \$39,264,833 budget by \$150,902 or 100.38% of the budget. The areas that caused the overage are: lunchroom program; paid vacation pay for terminating employees; substitute teachers; stipends; retirement incentives; and interns.
- Benefits exceeded the \$6,888,478 budget by \$83,868 or 101.22% of the budget. As stated throughout the year, there has been an increase in the number of employees who are accessing the health insurance benefit.
- Operating fund purchased services were under spent by \$234,874 or 95.85% of the budget. The savings were achieved in: legal fees; middle school lunch program; staff development and consulting fees.
- Supplies also were under spent by \$459,355 or 87.03% of the budget due to reduced energy costs.
- Capital improvements were under spent by \$1,104,870 or 77.47% of the budget. Specifically, capital improvements in the O & M Fund were under spent due to timing of invoices received for FAA projects.
- Expenses in the "other" category exceeded the \$2,932,850 budget by \$184,381 or 106.29% of the budget due to higher tuition billings.
- The operating fund interest transfer exceeded the \$184,200 budget by \$134,066 or 172.78% of the budget. This line represents the transfer of interest income earned in one fund and transferred to the education fund.

SUMMARY:

- Operating fund expenditures were lower than the \$63,113,465 budget by \$1,234,890 or 98.04% of the operating fund expenditure budget.
- The actual increase in 2009-10 operating fund expenditures over the previous fiscal year was \$5,176,914 or 9.13%.

Park Ridge - Niles Community Consolidated School District 64
Statement of Position as of June 30, 2010

Fund	* Audited Fund Balance June 30, 2009	2009-10 FYTD Revenues	2009-10 FYTD Expenditures	Excess / Deficiency of Revenues Over Expenditures	Fund Balance June 30, 2010 (Unaudited)
Education	\$14,781,231	\$54,400,749	(\$49,423,192)	\$4,977,557	\$19,758,788
Tort Immunity	(\$171,722)	\$1,271,279	(\$210,932)	\$1,060,346	\$888,624
Operations & Maintenance	(\$230,367)	\$7,158,988	(\$8,277,245)	(\$1,118,258)	(\$1,348,625)
Transportation	\$439,739	\$2,576,061	(\$1,925,167)	\$650,895	\$1,090,634
Retirement (IMRF & SS)	\$608,431	\$2,341,560	(\$1,723,772)	\$617,788	\$1,226,219
Working Cash	\$11,683,735	\$1,333,584	(\$318,266)	\$1,015,318	\$12,699,053
Total Operating Funds	\$27,111,047	\$69,082,221	(\$61,878,575)	\$7,203,645	\$34,314,692
<i>Expense to Fund Balance Ratio**</i>	<i>47.83%</i>				<i>55.45%</i>
Capital Projects	\$0	\$0	\$0	\$0	\$0
Debt Service	\$2,811,738	\$2,656,481	(\$2,561,860)	\$94,621	\$2,906,359
Total All-Funds	\$29,922,785	\$71,738,702	(\$64,440,436)	\$7,298,267	\$37,221,052

*Source of Information: Virchow Krause & Company audited financial statements as of June 30, 2009

**Fund Balance Objective at Fiscal Year End = 33% (4-months (120 days) of operating expenses)

OPERATING FUNDS QUARTERLY FINANCIAL UPDATE						
For the Period Ending June 30, 2010						
	June 30, 2009 Actual	Prior FYTD Activity	Prior FYTD Pacing	2009-10 Adopted Budget	FYTD Activity	FYTD Pacing
REVENUES						
Taxes - Current	\$25,752,919	\$25,752,919	100.00%	\$28,096,100	\$28,131,872	100.13%
Taxes - 1st Prior	\$29,005,343	\$29,005,343	100.00%	\$28,044,200	\$27,613,271	98.46%
Prior Year Taxes/Refunds	(\$55,385)	(\$55,385)	100.00%	(\$466,000)	(\$8,251)	1.77%
Personal Property	\$1,145,070	\$1,145,070	100.00%	\$1,000,000	\$966,375	96.64%
Interest Income	\$1,139,734	\$1,139,734	100.00%	\$506,300	\$687,997	135.89%
Other Local Revenue	\$3,413,172	\$3,413,172	100.00%	\$3,361,014	\$4,129,904	122.88%
Interest Transfer	\$407,090	\$407,090	100.00%	\$244,100	\$340,080	139.32%
General State Aid	\$1,254,697	\$1,254,697	100.00%	\$1,368,039	\$1,412,280	103.23%
Other State Aid	2,553,098	\$2,553,098	100.00%	\$2,914,751	\$2,732,581	93.75%
Federal Aid	\$1,447,037	\$1,447,037	100.00%	\$4,549,420	\$3,076,113	67.62%
TOTAL REVENUES	\$66,062,775	\$66,062,775	100.00%	\$69,617,924	\$69,082,221	99.23%
EXPENSES						
Salaries	\$36,930,701	\$36,930,701	100.00%	\$39,264,833	\$39,415,735	100.38%
Employee Benefits	\$6,942,531	\$6,942,531	100.00%	\$6,888,478	\$6,972,346	101.22%
Retirement Benefits	\$0	\$0	NA	\$0	\$0	NA
Purchased Services	\$5,767,054	\$5,767,054	100.00%	\$5,396,736	\$5,172,862	95.85%
Materials & Supplies	\$2,853,346	\$2,853,346	100.00%	\$3,542,233	\$3,082,878	87.03%
Capital Outlay	\$2,142,956	\$2,142,956	100.00%	\$4,904,135	\$3,799,256	77.47%
Other	\$1,701,039	\$1,701,039	100.00%	\$2,932,850	\$3,117,231	106.29%
Tuition	\$0	\$0	NA	\$0	\$0	NA
Interest Transfer	\$364,034	\$364,034	100.00%	\$184,200	\$318,266	172.78%
TOTAL EXPENSES	\$56,701,661	\$56,701,661	100.00%	\$63,113,465	\$61,878,575	98.04%
			Net Income	\$6,504,459	\$7,203,645	

ALL FUNDS - QUARTERLY FINANCIAL UPDATE						
						For the Period Ending June 30, 2010
	June 30, 2009 Actual Revenues	Prior FYTD Activity	Prior FYTD Pacing	2009-10 Adopted Budget	FYTD Activity	FYTD Pacing
REVENUES						
Taxes - Current	\$27,024,232	\$27,024,232	100.00%	\$29,493,300	\$29,436,189	99.81%
Taxes - 1st Prior	\$31,574,973	\$31,574,973	100.00%	\$29,438,800	\$28,943,002	98.32%
Prior Year Taxes/Refunds	(\$60,730)	(\$60,730)	100.00%	(\$496,000)	(\$8,982)	1.81%
Personal Property	\$1,145,070	\$1,145,070	100.00%	\$1,000,000	\$966,375	96.64%
Interest Income	\$1,190,600	\$1,190,600	100.00%	\$566,200	\$711,919	125.74%
Other Local Revenue	\$3,414,121	\$3,414,121	100.00%	\$3,361,014	\$4,129,146	122.85%
Interest Transfer	\$407,090	\$407,090	100.00%	\$244,100	\$340,080	139.32%
General State Aid	\$1,254,697	\$1,254,697	100.00%	\$1,368,039	\$1,412,280	103.23%
Other State Aid	\$2,553,098	\$2,553,098	100.00%	\$2,914,751	\$2,732,581	93.75%
Federal Aid	\$1,447,037	\$1,447,037	100.00%	\$4,549,420	\$3,076,113	67.62%
TOTAL REVENUE	\$69,950,188	\$69,950,188	100.00%	\$72,439,624	\$71,738,702	99.03%
EXPENSES						
	June 30, 2009 Actual Expenditures	Prior FYTD Activity	Prior FYTD Pacing	2009-10	FYTD Activity	FYTD Pacing
Salaries	\$36,930,701	\$36,930,701	100.00%	\$39,264,833	\$39,415,735	100.38%
Employee Benefits	\$6,942,531	\$6,942,531	100.00%	\$6,888,478	\$6,972,346	101.22%
Purchased Services	\$5,767,054	\$5,767,054	100.00%	\$5,396,736	\$5,172,862	95.85%
Materials & Supplies	\$2,853,346	\$2,853,346	100.00%	\$3,542,233	\$3,082,878	87.03%
Capital Outlay	\$2,142,956	\$2,142,956	100.00%	\$4,904,135	\$3,799,256	77.47%
Other	\$6,092,251	\$5,490,895	90.13%	\$5,481,019	\$5,657,278	103.22%
Tuition	\$0	\$0	NA	\$0	\$0	NA
Interest Transfer	\$407,090	\$364,034	89.42%	\$244,100	\$340,080	139.32%
TOTAL EXPENSES	61,135,929	\$60,491,517	98.95%	65,721,534	64,440,436	98.05%

EDUCATION FUND

MATURITY DATE	DATE PURCHASED	YIELD	DAYS HELD	AMOUNT INVESTED	INTEREST EARNED	TYPE OF INVESTMENT	INTEREST PAID
07-23-14	10-29-08	4.0530%	2093	\$2,500,000.00	\$843,013.89	AGENCY	S
08-18-14	01-15-10	1.1004%	1676	\$1,000,000.00	\$157,125.00	AGENCY	S
10-15-10	01-15-09	2.2500%	638	\$400,000.00	\$15,950.00	MM	MAT
01-30-14	01-04-10	2.5304%	1487	\$1,900,000.00	\$392,402.78	AGENCY	S
12-12-14	12-23-09	2.7500%	1815	\$2,000,000.00	\$277,291.67	AGENCY	S
12-21-15	03-26-10	3.1606%	2096	\$1,000,000.00	\$291,111.11	AGENCY	S
TOTAL		2.9092%	1,634	\$8,800,000.00	\$1,976,894.45		

WORKING CASH FUND

MATURITY DATE	DATE PURCHASED	YIELD	DAYS HELD	AMOUNT INVESTED	INTEREST EARNED	TYPE OF INVESTMENT	INTEREST PAID
09-10-10	08-12-08	3.3945%	759	\$500,000.00	\$35,578.13	AGENCY	S
09-29-10	10-13-06	5.0838%	1447	\$500,000.00	\$102,998.26	AGENCY	S
12-17-12	12-17-09	1.7000%	1096	\$3,000,000.00	\$155,266.67	AGENCY	S
02-04-11	05-12-08	3.0010%	998	\$500,000.00	\$67,226.39	AGENCY	S
03-17-10	03-17-10	2.3001%	1826	\$1,000,000.00	\$152,166.67	AGENCY	S
10-13-11	05-02-08	3.2805%	1259	\$1,000,000.00	\$174,861.11	AGENCY	S
05-15-12	10-29-08	4.0764%	1294	\$2,000,000.00	\$413,361.11	AGENCY	S
09-30-12	05-05-09	2.0013%	1244	\$1,000,000.00	\$133,902.78	AGENCY	S
09-12-14	12-03-09	2.3509%	1744	\$1,000,000.00	\$157,444.44	AGENCY	S
12-12-14	12-16-09	2.6408%	1822	\$500,000.00	\$69,590.28	AGENCY	S
TOTAL		2.7496%	1,349	\$11,000,000.00	\$1,462,395.84		

GRAND TOTAL 2.8206% 1,456 \$19,800,000.00 \$3,439,290.29