


To: Board of Education  
From: Rebecca Allard, Business Manager   
Date: November 9, 2009  
Subject: 2009-10 Fiscal Year 1<sup>st</sup>-Quarter Financial Update

The attached spreadsheets provide a summary of the District's financial position as of September 30, 2009. The comments below apply to the *Total Operating Funds*.

### **Statement of Position**

To date, the Illinois State Board of Education (ISBE) has issued vouchers of \$1,232,523.90 but the comptroller has only paid \$386,745.92, 31.4% of what is due the District.

The late issuance of Cook County tax bills will result in tax collections being approximately one month later than previous years. The successful passage of the 2007 referendum has positioned the District, from a cash-flow perspective, to fulfill all financial obligations without short-term borrowing.

### **Total Operating Fund Revenues**

- Tax collections continue at the same pace as prior years.
- Personal Property Tax collections are less than the prior year. The reduction of this revenue source is driven by the current economic condition.
- Interest income is slightly higher than the prior year. The YTD pacing percentage appears higher but it should be noted that the 2009-10 budget was adjusted downward to reflect the current trend in interest rates.
- Other local income is pacing lower than last year. Collections as of September 30 last year were 33.45% and this year collections are 23.09%; the posting of day care and lunch supervision fees was later than typical.
- All general state aid payments have been paid. One payment has been received under federal stimulus funding.
- Other state aid collections are pacing slightly ahead of last year. Collections as of September 30 last year were 28.66% and this year's collections are 31.91%

- At the federal level, the collection rate reflects one payment for American Recovery and Reinvestment Act (ARRA) stimulus funds for general state aid.
- Overall, revenue collections are slightly ahead of last year, 5.39% versus 5.17% in 2008-09.

#### **Total Operating Expenses**

- Salary expenses for FY 10 decreased by 3.89% when compared to the prior year. The timing of negotiated settlements has pushed the impact of salary increases into the months of October and November. Salary increases, which will be reflected in the 2<sup>nd</sup> quarter, can be attributed to contractual increases and additional employees.
- Benefit expenses for FY 10 increased by 2.84%. This increase is attributable to the increase in premium rates and additional staff.
- The budgets for purchased services, supplies & materials and capital outlay are pacing slightly less than last year. This can be accounted for by timing of purchase orders issued and invoices received and paid.
- Other expenses include the payment of tuition for special needs students and are pacing at the same level as prior years.

#### **Summary**

- It is typical, at this point of the fiscal year, that expenditures exceed revenues especially in Cook County when tax payments are due in the second quarter of the fiscal year.

**Park Ridge - Niles Community Consolidated School District 64**  
**Statement of Position as of September 30, 2009**

Fund	*Audited Fund Balance June 30, 2009	FY 2009-10 FYTD Revenues	FY 2009-10 Expenditures	Excess / Deficiency of Revenues Over Expenditures	Fund Balance September 30, 2009
Education	\$14,781,231	\$3,172,531	(\$7,624,799)	(\$4,452,269)	\$10,328,962
Tort Immunity	(\$171,722)	\$14,561	(\$130,334)	(\$115,773)	(\$287,495)
Operations & Maintenance	(\$230,367)	\$84,331	(\$3,040,880)	(\$2,956,550)	(\$3,186,917)
Transportation	\$439,739	\$367,158	(\$269,313)	\$97,845	\$537,584
Retirement (IMRF & SS)	\$608,431	\$26,134	(\$241,838)	(\$215,704)	\$392,727
Working Cash	\$11,683,735	\$88,397	\$0	\$88,397	\$11,772,132
<b>Total Operating Funds</b>	<b>\$27,111,047</b>	<b>\$3,753,111</b>	<b>(\$11,307,165)</b>	<b>(\$7,554,054)</b>	<b>\$19,556,993</b>
<i>Expense to Fund Balance Ratio**</i>	<i>47.83%</i>				
Capital Projects	\$0	\$0	\$0	\$0	\$0
Debt Service	\$2,811,738	\$52,182	\$0	\$52,182	\$2,863,920
<b>Total All-Funds</b>	<b>\$29,922,785</b>	<b>\$3,805,293</b>	<b>(\$11,307,165)</b>	<b>(\$7,501,872)</b>	<b>\$22,420,913</b>

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

\*\*Fund Balance Objective as of Fiscal Year End = 33% (4-months of operating expenses)

QUARTERLY FINANCIAL UPDATE		For the Period Ending September 30, 2009 2009			
TOTAL OPERATING FUNDS					
	Prior Year Budget	Prior Y.T.D. Activity	Prior Y.T.D. Pacing	2009-10 Adopted Budget	Y.T.D. Activity Pacing
<b>REVENUES</b>					
Taxes - Current	\$25,380,968	\$0	0.00%	\$28,096,100	\$0
Taxes - 1st Prior	\$28,245,488	\$289,371	1.02%	\$28,044,200	\$393,603
Prior Year Taxes/Refunds	(\$463,500)	\$291,056	-62.80%	(\$464,500)	\$255,841
Personal Property	\$1,299,838	\$305,434	23.50%	\$1,000,000	\$197,056
Interest Income	\$628,000	\$160,159	25.50%	\$369,000	\$171,967
Other Local Revenue	\$3,309,390	\$1,106,978	33.45%	\$3,496,814	\$807,452
Interest Transfer	\$500,000	\$0	0.00%	\$244,100	\$0
General State Aid	\$1,339,561	\$305,020	22.77%	\$1,368,039	\$228,006
Other State Aid	2,823,091	809,018	28.66%	5,014,751	\$1,600,309
Federal Aid	\$1,345,518	\$64,492	4.79%	\$2,449,420	\$98,876
<b>SUB-TOTAL REVENUES</b>	<b>\$64,408,354</b>	<b>\$3,331,528</b>	<b>5.17%</b>	<b>\$69,617,924</b>	<b>\$3,753,111</b>
TAW Proceeds	\$0	\$0	NA	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$64,408,354</b>	<b>\$3,331,528</b>	<b>5.17%</b>	<b>\$69,617,924</b>	<b>\$3,753,111</b>
<b>EXPENSES</b>					
Salaries	\$37,115,753	\$5,354,366	14.43%	\$39,264,833	\$4,140,077
Employee Benefits	\$6,647,269	\$1,586,889	23.87%	\$6,888,478	\$1,839,605
Retirement Benefits	\$0	\$0	NA	\$0	\$0
Purchased Services	\$4,972,443	\$1,014,500	20.40%	\$5,396,736	\$836,139
Materials & Supplies	\$3,118,260	\$1,300,949	41.72%	\$3,542,233	\$1,233,471
Capital Outlay	\$2,533,405	\$1,377,734	54.38%	\$4,904,135	\$2,051,930
Other	\$2,082,850	\$873,055	41.92%	\$2,932,850	\$1,205,944
Tuition			NA		\$0
Interest Transfer	\$400,000	\$0	0.00%	\$184,200	\$0
<b>SUB-TOTAL EXPENSES</b>	<b>\$56,869,979</b>	<b>\$11,507,493</b>	<b>20.23%</b>	<b>\$63,113,465</b>	<b>\$11,307,165</b>
TAW Repayment	0	0	NA	0	-
<b>TOTAL EXPENSES</b>	<b>\$ 56,869,979</b>	<b>\$ 11,507,493</b>	<b>20.23%</b>	<b>\$ 63,113,465</b>	<b>\$ 11,307,165</b>
<b>TOTAL EXPENSES</b>	<b>\$ 56,869,979</b>	<b>\$ 11,507,493</b>	<b>20.23%</b>	<b>\$ 63,113,465</b>	<b>\$ 11,307,165</b>
<b>TOTAL EXPENSES</b>	<b>\$ 56,869,979</b>	<b>\$ 11,507,493</b>	<b>20.23%</b>	<b>\$ 63,113,465</b>	<b>\$ 11,307,165</b>

<b>TOTAL "ALL" FUNDS - QUARTERLY FINANCIAL UPDATE</b>						
<i>For the Period Ending September 30, 2009</i>						
<b>REVENUES</b>	<b>Prior Year Budget</b>	<b>Prior Y.T.D. Activity</b>	<b>Prior Y.T.D. Pacing</b>	<b>2009-10 Adopted Budget</b>	<b>Y.T.D. Activity</b>	<b>Y.T.D. Pacing</b>
Taxes - Current	\$27,629,632	\$0	0.00%	\$29,493,300	\$0	0.00%
Taxes - 1st Prior	\$30,747,938	\$314,968	1.02%	\$29,438,800	\$412,576	1.40%
Prior Year Taxes/Refunds	(\$493,500)	\$319,145	-64.67%	(\$494,500)	\$278,508	-56.32%
Personal Property	\$1,299,838	\$305,434	23.50%	\$1,000,000	\$197,056	19.71%
Interest Income	\$728,000	\$177,114	24.33%	\$428,900	\$182,827	42.63%
Other Local Revenue	\$3,309,390	\$1,106,978	33.45%	\$3,496,814	\$807,134	23.08%
Interest Transfer	\$500,000	\$0	0.00%	\$244,100	\$0	0.00%
General State Aid	\$1,463,304	\$305,020	20.84%	\$1,368,039	\$228,006	16.67%
Other State Aid	\$2,823,091	\$809,018	28.66%	\$5,014,751	\$1,600,309	31.91%
Federal Aid	\$1,345,518	\$64,492	4.79%	\$2,449,420	\$98,876	4.04%
<b>SUB-TOTAL REVENUE</b>	<b>\$69,353,211</b>	<b>\$3,402,168</b>	<b>4.91%</b>	<b>\$72,439,624</b>	<b>\$3,805,293</b>	<b>5.25%</b>
TAW Proceeds	\$0	\$0	NA	\$0	\$0	NA
<b>TOTAL REVENUE</b>	<b>\$69,353,211</b>	<b>\$3,402,168</b>	<b>4.91%</b>	<b>\$72,439,624</b>	<b>\$3,805,293</b>	<b>5.25%</b>
<b>EXPENSES</b>	<b>Prior Year Budget</b>	<b>Prior Y.T.D. Activity</b>	<b>Prior Y.T.D. Pacing</b>	<b>2009-10</b>	<b>Y.T.D. Activity</b>	<b>Y.T.D. Pacing</b>
Salaries	\$37,115,753	\$5,354,366	14.43%	\$39,264,833	\$4,140,077	10.54%
Employee Benefits	\$6,647,269	\$1,586,889	23.87%	\$6,888,478	\$1,839,605	26.71%
Purchased Services	\$4,972,443	\$1,014,500	20.40%	\$5,396,736	\$836,139	15.49%
Materials & Supplies	\$3,118,260	\$1,300,949	41.72%	\$3,542,233	\$1,233,471	34.82%
Capital Outlay	\$2,533,405	\$1,377,734	54.38%	\$4,904,135	\$2,051,930	41.84%
Other	\$6,368,110	\$875,809	13.75%	\$5,481,019	\$1,205,944	22.00%
Tuition	\$0	\$0	NA	\$0	\$0	NA
Interest Transfer	\$500,000	\$0	0.00%	\$244,100	\$0	0.00%
<b>SUB-TOTAL EXPENSES</b>	<b>61,255,239</b>	<b>\$11,510,247</b>	<b>18.79%</b>	<b>65,721,534</b>	<b>11,307,165</b>	<b>17.20%</b>
TAW Repayment	\$0	\$0	NA	\$0	\$0	NA
<b>TOTAL EXPENSES</b>	<b>\$61,255,239</b>	<b>\$11,510,247</b>	<b>18.79%</b>	<b>\$65,721,534</b>	<b>\$11,307,165</b>	<b>17.20%</b>