

To: Board of Education  
From: Rebecca Allard, Business Manager *ba*  
Date: January 25, 2010  
Subject: 2009-10 Fiscal Year 2<sup>nd</sup> Quarter Financial Update

The attached spreadsheets provide a summary of the District's financial position as of December 31, 2009.

- Statement of Position
- Operating Funds Quarterly Financial Update
- Total Funds Quarterly Financial Update
- Investment Summary

### Statement of Position

The State of Illinois continues to have a cash-flow problem. To date, the Illinois State Board of Education (ISBE) has issued vouchers of \$2,580,304.15 but the comptroller has only paid \$910,157.01, 35.27% of what the District is due.

The late issuance of Cook County property tax bills resulted in tax collections (taxes - 1<sup>st</sup> prior year) being approximately one month later than previous years. Tax collections as of December 31, 2009, were 94.6%, which is 4.2% less than the same period last year. It is anticipated that tax collections will continue into January 2010.

The 2009 tax levy early collections, starting in March, will be collected at 55% of the previous year tax bill; this is a legislative change effective this year. This higher percentage was incorporated into the budget (taxes - current)

The Operations & Maintenance Fund is anticipating the receipt of \$922,047 from the FAA for expenses incurred on the 2009 summer project at Washington and the architect expenses for the Roosevelt project.

It is typical, at this point of the fiscal year, that revenues exceed expenditures because of tax collections.

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

- As stated above, property tax collections are pacing lower than previous years.
- Personal Property Tax collections (actual dollars) are less than the prior year. The reduction of this revenue source is driven by the current economic condition.
- Interest income is higher than the prior year. The FYTD 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. Interest income is likely to exceed the budgeted amount by the end of the fiscal year.
- Other local income is pacing above last year. Collections as of December 31 last year were 48.26% and this year collections are 67.83%. Three factors contributed to higher than normal collections:
  - Early receipt of special education tuition payments from Districts 62 & 63.
  - A procedural change for posting student fees (lunch & registration).
  - Audit adjustments from the prior year.
- All general state aid (GSA) payments due the District as of December 31 have been received. GSA is the only source of State revenue that is legislatively mandated to be paid twice a month. Total collections of GSA will be less than budgeted this fiscal year due to a prior year adjustment of \$75,497.95.
- Other state aid collections are pacing slightly lower than last year. Collections as of December 31 last year were 62.57% and this year's collections are 58.72%. Two factors are contributing to the lower collections:
  - State of Illinois cash-flow problems, as previously noted, and
  - Illinois State Board of Education transportation claim audit adjustments for fiscal years 2007 & 2008. The audit adjustment for regular transportation is \$249,895 and for special education is \$10,442. These amounts will be deducted from the amounts due and payable in the 2009-10 fiscal year.
- At the federal level, the collection rate is slightly below last year. ARRA funds have not been received by the District as of December 31.
- Overall, revenue collections are slightly lower than last year, 45.84% versus 51.76% in 2008-09.

**Total Operating Expenses**

- Salary expenses for FY 10 are pacing at the same level as last year.
- Benefit expenses are trending higher as of December 31, 2009, as compared to December 31, 2008, 50.24% versus 39.32% because:
  - Timing of payments, last fiscal year 5 payments made in the first six months, this fiscal year 6 payments were made on schedule.
  - Increase in the number of staff and the coverage selected under the health insurance plan. The Districts exposure has changed according to the following table:

Single	Plus 23
Single plus 1	Minus 9
Family	Plus 19

- 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 expense which includes the payment of tuition for special needs students is pacing slightly less than prior years; this is caused by the timing related to payments of private school tuition.

**Park Ridge - Niles Community Consolidated School District 64**  
**Statement of Position as of December 31, 2009**

Fund	*Audited Fund Balance June 30, 2009	2009-10 FYTD Revenues	2009-10 FYTD Expenditures	Excess / Deficiency of Revenues Over Expenditures	Fund Balance December 31, 2009
Education	\$14,781,231	\$25,454,796	(\$19,915,829)	\$5,538,967	\$20,320,198
Tort Immunity	(\$171,722)	\$587,511	(\$345,894)	\$241,617	\$69,895
Operations & Maintenance	(\$230,367)	\$3,010,553	(\$4,514,222)	(\$1,503,669)	(\$1,734,036)
Transportation	\$439,739	\$1,244,911	(\$808,982)	\$435,929	\$875,668
Retirement (IMRF & SS)	\$608,431	\$1,000,249	(\$712,452)	\$287,797	\$896,228
Working Cash	\$11,683,735	\$600,605	\$0	\$600,605	\$12,284,340
<b>Total Operating Funds</b>	<b>\$27,111,047</b>	<b>\$31,898,625</b>	<b>(\$26,297,379)</b>	<b>\$5,601,246</b>	<b>\$32,712,293</b>
<i>Expense to Fund Balance Ratio**</i>	<i>47.83%</i>				
Capital Projects	\$0	\$0	\$0	\$0	\$0
Debt Service	\$2,811,738	\$1,289,912	(\$2,097,597)	(\$807,684)	\$2,004,054
<b>Total All-Funds</b>	<b>\$29,922,785</b>	<b>\$33,188,538</b>	<b>(\$28,394,976)</b>	<b>\$4,793,562</b>	<b>\$34,716,347</b>

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

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

**OPERATING FUNDS QUARTERLY FINANCIAL UPDATE**

For the Period Ending December 31, 2009

<b>REVENUES</b>	<b>Prior Year Budget</b>	<b>Prior FYTD Activity</b>	<b>Prior FYTD Pacing</b>	<b>2009-10 Adopted Budget</b>	<b>FYTD Activity</b>	<b>FYTD Pacing</b>
	Taxes - Current	\$25,380,968	\$0	0.00%	\$28,096,100	\$0
Taxes - 1st Prior	\$28,245,488	\$28,025,309	99.22%	\$28,044,200	\$25,806,520	92.02%
Prior Year Taxes/Refunds	(\$463,500)	\$230,532	-49.74%	(\$464,500)	\$258,173	-55.58%
Personal Property	\$1,299,838	\$538,645	41.44%	\$1,000,000	\$448,367	44.84%
Interest Income	\$628,000	\$317,884	50.62%	\$369,000	\$331,429	89.82%
Other Local Revenue	\$3,309,390	\$1,597,183	48.26%	\$3,496,814	\$2,371,801	67.83%
Interest Transfer	\$500,000	\$0	0.00%	\$244,100	\$0	0.00%
General State Aid	\$1,339,561	\$743,333	55.49%	\$1,368,039	\$715,059	52.27%
Other State Aid	2,823,091	1,766,445	62.57%	2,889,751	\$1,696,802	58.72%
Federal Aid	\$1,345,518	\$115,675	8.60%	\$4,549,420	\$270,475	5.95%
<b>TOTAL REVENUES</b>	<b>\$64,408,354</b>	<b>\$33,335,005</b>	<b>51.76%</b>	<b>\$69,592,924</b>	<b>\$31,898,625</b>	<b>45.84%</b>

<b>EXPENSES</b>	<b>Prior Year Budget</b>	<b>Prior FYTD Activity</b>	<b>Prior FYTD Pacing</b>	<b>2009-10 Adopted Budget</b>	<b>FYTD Activity</b>	<b>FYTD Pacing</b>
	Salaries	\$37,115,753	\$14,075,766	37.92%	\$39,264,833	\$14,772,386
Employee Benefits	\$6,647,269	\$2,613,913	39.32%	\$6,888,478	\$3,460,647	50.24%
Retirement Benefits	\$0	\$0	NA	\$0	\$0	NA
Purchased Services	\$4,972,443	\$1,975,623	39.73%	\$5,396,736	\$2,264,769	41.97%
Materials & Supplies	\$3,118,260	\$1,687,926	54.13%	\$3,542,233	\$1,816,337	51.28%
Capital Outlay	\$2,533,405	\$1,668,086	65.84%	\$4,904,135	\$2,437,847	49.71%
Other	\$2,082,850	\$1,283,819	61.64%	\$2,932,850	\$1,545,393	52.69%
Tuition			NA		\$0	NA
Interest Transfer	\$400,000	\$0	0.00%	\$184,200	\$0	0.00%
<b>TOTAL EXPENSES</b>	<b>\$56,869,979</b>	<b>\$23,305,134</b>	<b>40.98%</b>	<b>\$63,113,465</b>	<b>\$26,297,379</b>	<b>41.67%</b>

**ALL FUNDS - QUARTERLY FINANCIAL UPDATE**

*For the Period Ending December 31, 2009*

REVENUES	Prior Year Budget	Prior FYTD Activity	Prior FYTD Pacing	2009-10 Adopted Budget	FYTD Activity	FYTD Pacing
Taxes - Current	\$27,629,632	\$0	0.00%	\$29,493,300	\$0	0.00%
Taxes - 1st Prior	\$30,747,938	\$30,508,253	99.22%	\$29,438,800	\$27,056,903	91.91%
Prior Year Taxes/Refunds	(\$493,500)	\$252,780	-51.22%	(\$494,500)	\$281,183	-56.86%
Personal Property	\$1,299,838	\$538,645	41.44%	\$1,000,000	\$448,367	44.84%
Interest Income	\$728,000	\$344,525	47.32%	\$428,900	\$348,706	81.30%
Other Local Revenue	\$3,309,390	\$1,597,183	48.26%	\$3,496,814	\$2,371,043	67.81%
Interest Transfer	\$500,000	\$0	0.00%	\$244,100	\$0	0.00%
General State Aid	\$1,463,304	\$743,333	50.80%	\$1,368,039	\$715,059	52.27%
Other State Aid	\$2,823,091	\$1,766,445	62.57%	\$2,889,751	\$1,696,802	58.72%
Federal Aid	\$1,345,518	\$115,675	8.60%	\$4,549,420	\$270,475	5.95%
<b>TOTAL REVENUE</b>	<b>\$69,353,211</b>	<b>\$35,866,839</b>	<b>51.72%</b>	<b>\$72,414,624</b>	<b>\$33,188,538</b>	<b>45.83%</b>
<b>EXPENSES</b>	<b>Prior Year Budget</b>	<b>Prior FYTD Activity</b>	<b>Prior FYTD Pacing</b>	<b>2009-10 Budget</b>	<b>FYTD Activity</b>	<b>FYTD Pacing</b>
Salaries	\$37,115,753	\$14,075,766	37.92%	\$39,264,833	\$14,772,386	37.62%
Employee Benefits	\$6,647,269	\$2,613,913	39.32%	\$6,888,478	\$3,460,647	50.24%
Purchased Services	\$4,972,443	\$1,975,623	39.73%	\$5,396,736	\$2,264,769	41.97%
Materials & Supplies	\$3,118,260	\$1,687,926	54.13%	\$3,542,233	\$1,816,337	51.28%
Capital Outlay	\$2,533,405	\$1,668,086	65.84%	\$4,904,135	\$2,437,847	49.71%
Other	\$6,368,110	\$5,078,671	79.75%	\$5,481,019	\$3,642,990	66.47%
Tuition	\$0	\$0	NA	\$0	\$0	NA
Interest Transfer	\$500,000	\$0	0.00%	\$244,100	\$0	0.00%
<b>TOTAL EXPENSES</b>	<b>61,255,239</b>	<b>\$27,099,985</b>	<b>44.24%</b>	<b>65,721,534</b>	<b>28,394,976</b>	<b>43.20%</b>

SCHOOL DISTRICT 64  
Summary of Investments  
12/31/2009

EDUCATION FUND

MATURITY DATE	DATE PURCHASED	YIELD	DAYS HELD	AMOUNT INVESTED	INTEREST EARNED	TYPE OF INVESTMENT	INTEREST PAID
09-12-12	03-12-09	2.0000%	1280	\$1,000,000.00	\$71,111.11	AGENCY	S
07-23-14	10-29-08	4.0530%	2093	\$2,500,000.00	\$843,013.89	AGENCY	S
10-15-10	01-15-09	2.2500%	638	\$400,000.00	\$15,950.00	MM	MAT
12-12-14	12-23-09	2.7500%	1815	\$2,000,000.00	\$277,291.67	AGENCY	S
06-22-15	12-23-09	3.2425%	2007	\$1,000,000.00	\$177,285.00	AGENCY	S
TOTAL		3.1558%	1,567	\$6,900,000.00	\$1,384,651.67		

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
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%	1284	\$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
06-22-15	12-23-09	3.2425%	2007	\$1,000,000.00	\$177,285.00	AGENCY	S
TOTAL		2.8353%	1,367	\$11,000,000.00	\$1,487,514.17		

GRAND TOTAL 2.9588% 1,434 \$17,900,000.00 \$2,872,165.84

