



NEWS

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District 64 Expects Deficit Again in 2006-07 Budget

District 64 expects a deficit again this year in its Operating Fund of about \$612,000, according to the fiscal year 2006-07 budget presented for approval to the Board of Education at its meeting on September 25, 2006. The District forecasts about \$48.6 million in Operating Fund expenditures matched against revenues of just over \$48 million, according to Business Manager Bruce Martin.

"This is the third of the last four years that the Operating Fund has operated at a deficit, the exception being last year when we issued \$4.9 million in Working Cash bonds," Martin noted.

The estimated Operating Fund balance at the end of the fiscal year on June 30 is expected to be about \$5.8 million, or just under 12%. The Board of Education earlier this year adopted an Operating Fund balance objective of 33% or four months of operating expenses.

Martin noted that about 80% of Operating Fund revenues for the coming year will be from local property taxes, with state sources accounting for about 8%. On the expenditure side, salaries and benefits represent about 76% of the Operating Fund outlays for the year.

"The District expects to hold the increase in Operating Fund expenses to just over 3%, which the Board of Education has requested, when a Federal sound abatement grant and Life Safety projects are excluded," Martin pointed out. He noted that the District expects a 7% decrease in its employee benefits expenses this year due to its shift from being self-insured to fully-funded with an outside carrier. Operating Fund revenues are expected to decline by 1.58% from the previous fiscal year.

When all funds are considered, the District expects a deficit of about \$200,000, with revenues of about \$52.6 million narrowly below expenses in all funds of \$52.8 million. The all funds ending balance will be \$11.3 million, Martin noted. Overall, District 64 expenses in all funds will rise about 6.2% above the previous fiscal year, when the Federal sound abatement grant and Life Safety projects are removed. Much of this increase is due to interest and repayment of the three-year Working Cash bonds issued in October 2005.

For more information, please see the District 64 Web site: www.d64.org.

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