

2010-2011 Budget



Budget Hearing
September 27, 2010
7:00 p.m.

Homewood SD 153 provides service to children pre-K to Grade 8.

This presentation provides an overview of our financial plan for the 2010-2011 school year.

The FY11 Budget has been on display since August 24, 2010.



Agenda

- 2009-2010 Recap
- 2010-2011 Budget Development
- Changes from Display Budget
- Education Fund
- O&M Fund
- Other Funds
- Fiscal Year Goals

2009-2010 Budget Recap *

- The 2009-2010 operating funds (Ed, O&M, Trans., & W.C) had revenues of \$21,200,000 and expenses of \$21,400,000.
- The 2009-2010 aggregate budget had an actual surplus of \$7,900.

** Excludes \$1.3M on-behalf TRS payments by State of Illinois*

2009-2010 Budget Recap *

(Actual Unaudited)

| | <u>REVENUE</u> | <u>EXPENDITURES</u> |
|-----------------|---------------------|---------------------|
| EDUCATION | \$19,182,900 | \$19,418,900 |
| OPERATION/MAINT | 830,300 | 834,300 |
| BOND & INTEREST | 1,363,000 | 1,209,500 |
| TRANSPORTATION | 932,500 | 964,200 |
| IMRF | 673,400 | 709,400 |
| WORKING CASH | 296,800 | 152,300 |
| TORT | 247,600 | 230,800 |
| LIFE SAFETY | 800 | 0 |
| TOTAL | \$23,527,300 | \$23,519,400 |
| | Surplus | \$7,900 |

* Excludes \$1.3M on-behalf TRS payments by State of Illinois

2009-2010 Budget vs. Actual

| | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>Surplus/ Deficit</u> |
|---------------|----------------|---------------------|-----------------------------|
| BUDGET | \$24,950,300 | \$25,737,800 | (\$787,500) |
| ACTUAL | 23,527,300 | 23,519,400 | \$7,900 |

Outstanding State Payments as of 6/30/2010

| | <u>1 - 30</u> <u>Days</u> | <u>31-60</u> <u>Days</u> | <u>61-90</u> <u>Days</u> | <u>91+</u> <u>Days</u> | <u>Total</u> |
|---------------------------------------|------------------------------|-----------------------------|-----------------------------|---------------------------|------------------|
| Sped Priv Facility Tuition | 0 | 0 | 0 | 82,413 | 82,413 |
| Sped Children Funding (Extraordinary) | 0 | 66,795 | 0 | 133,590 | 200,385 |
| Sped Summer School | 0 | 0 | 0 | 15,919 | 15,919 |
| Sped Personnel | 0 | 0 | 0 | 211,158 | 211,158 |
| Sped Orphanage | 0 | 0 | 0 | 5,312 | 5,312 |
| State Free Lunch | 967 | 829 | 824 | 751 | 3,371 |
| Transporation - Regular | 0 | 0 | 0 | 190,244 | 190,244 |
| Transporation - Sped | 0 | 0 | 0 | 157,566 | 157,566 |
| Early Childhood - Block Grant | 0 | 15,751 | 15,751 | 62,391 | 93,893 |
| Reading Improvement | 0 | 0 | 35,163 | 0 | 35,163 |
| ADA | 0 | 0 | 8,487 | 0 | 8,487 |
| TOTAL | 967 | 83,375 | 60,225 | 859,344 | 1,003,911 |

- 47% of outstanding payments were received July 28, 2010
- Remaining 53% remains outstanding

Aggregate Fund Balance 6/30/10

(unaudited)

- 6/30/10 Fund Balance Total = \$9,365,700
- This represents 40% of the total aggregate expenditures for 2009-2010 which were \$23,519,400.
- Auditors generally recommend that school districts target and maintain at least a 25% fund balance to meet cash flow needs during any particular fiscal year.
- Long-term projections anticipate annual shortfalls which will negatively impact future cash flows and fund balances.
 - CPI at 0.1%
 - States ability to fund Education

2010-2011 Budget Development

- Reflects Board of Education & District Goals
- Reflects renegotiated agreement between Board of Education and HEA to freeze staff salaries
- Concentrates on Instruction and Technology
- Support of Special Education Services
- F&P reviewed 5-year projections, July 2010
- Site-based budgeting

HIGHLIGHTS of FY11 BUDGET *

| | <u>Revenue</u> | <u>Expenditure</u> | <u>Difference</u> |
|-----------------|---------------------|---------------------|--------------------|
| EDUCATION | \$19,261,800 | \$19,548,500 | (\$286,700) |
| OPERATION/MAINT | 734,400 | 962,000 | (\$227,600) |
| BOND & INTEREST | 1,282,300 | 1,204,300 | \$78,000 |
| TRANSPORTATION | 901,500 | 1,048,300 | (\$146,800) |
| IMRF | 618,600 | 748,100 | (\$129,500) |
| WORKING CASH | 283,400 | 150,000 | \$133,400 |
| TORT | 221,700 | 253,700 | (\$32,000) |
| LIFE SAFETY | 800 | 0 | \$800 |
| TOTAL | \$23,304,500 | \$23,914,900 | (\$610,400) |

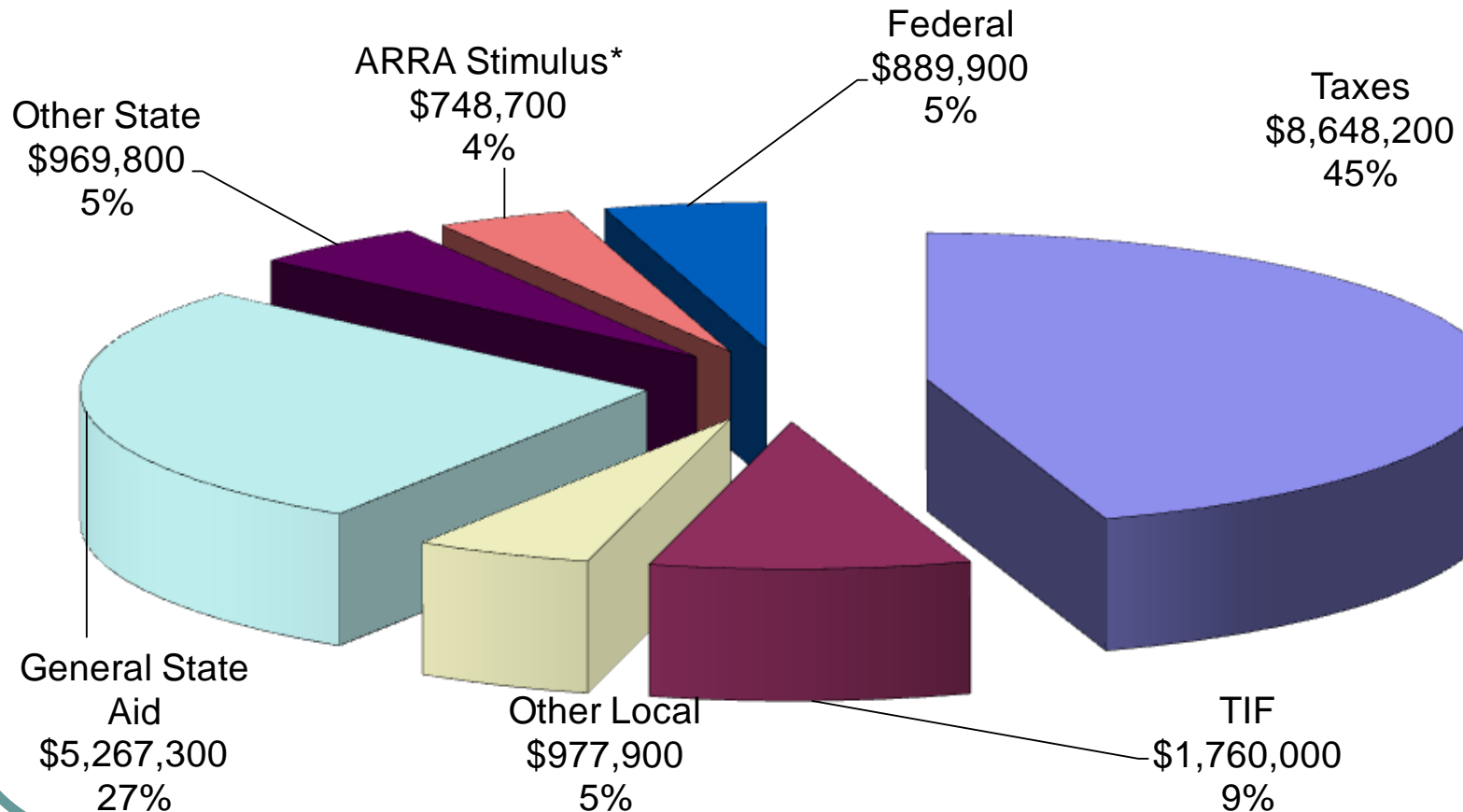
****Excludes \$1.3M on-behalf TRS payments by State of Illinois***

Changes from Budget on Display

| <u>Explanation of Changes</u> | <u>Revenue</u> | <u>Expenditure</u> | <u>Difference</u> |
|--------------------------------------|-----------------------|---------------------------|--------------------------|
| Contributions and Donations | \$ 26,500 | \$ - | \$ 26,500 |
| General State Aid | 146,000 | - | 146,000 |
| Special Ed Reimbursements | 39,100 | - | 39,100 |
| Other State Categorical Grants | 57,800 | - | 57,800 |
| Federal Title I Grant | 20,500 | - | 20,500 |
| ARRA - Education Jobs Program | 470,800 | - | 470,800 |
| ARRA - COBRA 65% | 4,600 | - | 4,600 |
| Transportation Reimbursement | 109,300 | - | 109,300 |
| Salaries | - | 59,400 | (59,400) |
| Benefits | - | 15,400 | (15,400) |
| Purchased Services | - | 6,600 | (6,600) |
| Supplies | - | 9,800 | (9,800) |
| Capital Outlay | - | (6,600) | 6,600 |
| Other Objects | - | 500 | (500) |
| | <hr/> | <hr/> | <hr/> |
| | \$ 874,600 | \$ 85,100 | \$ 789,500 |

Education Fund – Revenues

REVENUE BY SOURCE - FY11



***ARRA Stimulus/Jobs Program: not new \$**

Changes in Ed Fund Revenue

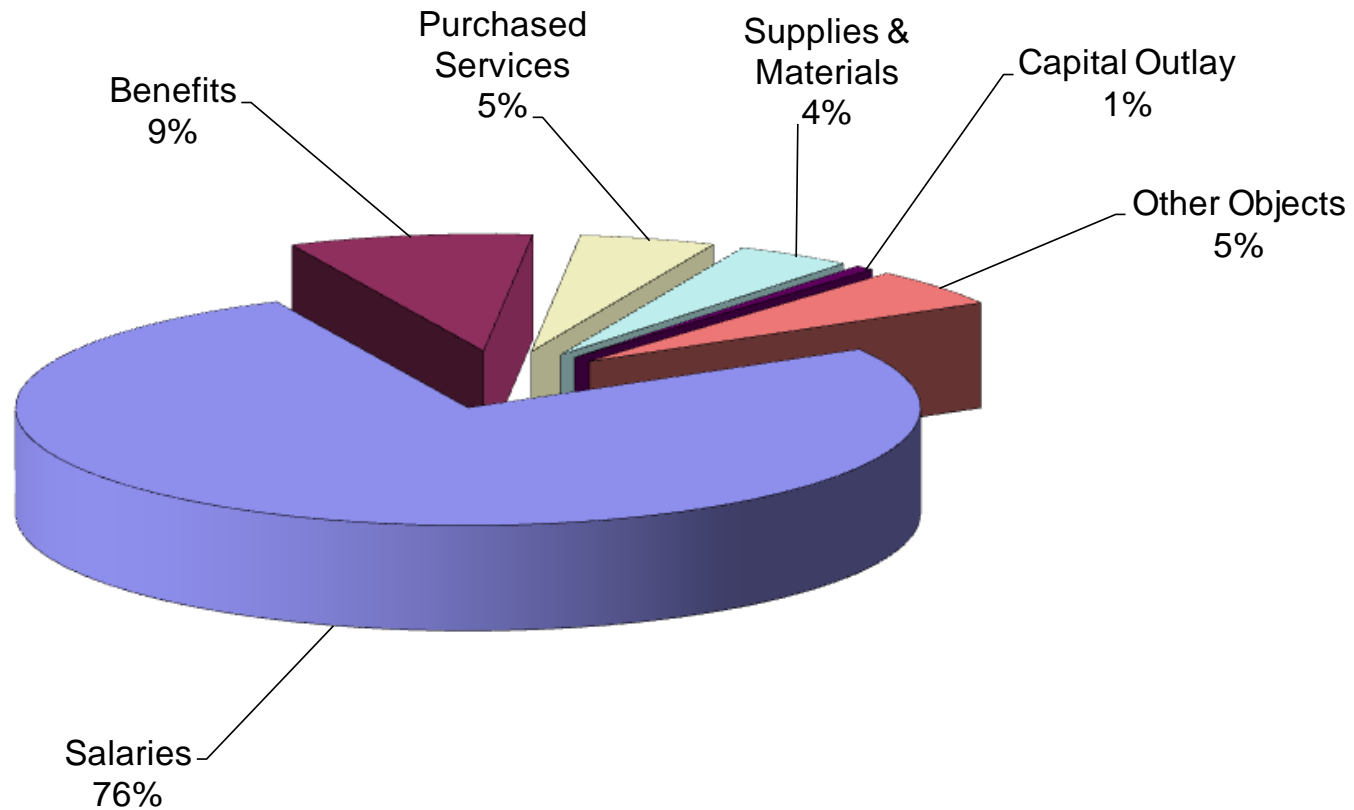
- Tax Receipts:
 - Decrease of \$1,100,000 for FY2011
 - Estimated tax receipts based on a 95% collection rate
 - CPI for 2010 Levy = 2.7%; 2009 Levy = 0.1%
- Debits to tax receipts to continue in FY11 (Property Tax Appeals Board, Board of Review, etc.).
- Corporate Personal Property Replacement Tax (CPPRT) increase = \$10K
- Reductions in State Grants
 - ADA, Reading Improvement and Transportation
- General State Aid = \$5,267,300
 - \$274K reduction from FY10

Changes in Ed Fund Revenue

- TIF funding; \$1.7M from Washington Park District
- **ARRA IDEA & Title I = \$273,000**
- ARRA GSA funds no longer distributed = \$1.0M; in lieu of regular GSA payments
- State payments will continue to lag 90+ days.

Education Fund - Expenditures

EXPENDITURES BY OBJECT - FY11



Changes in Ed Fund Expenditures

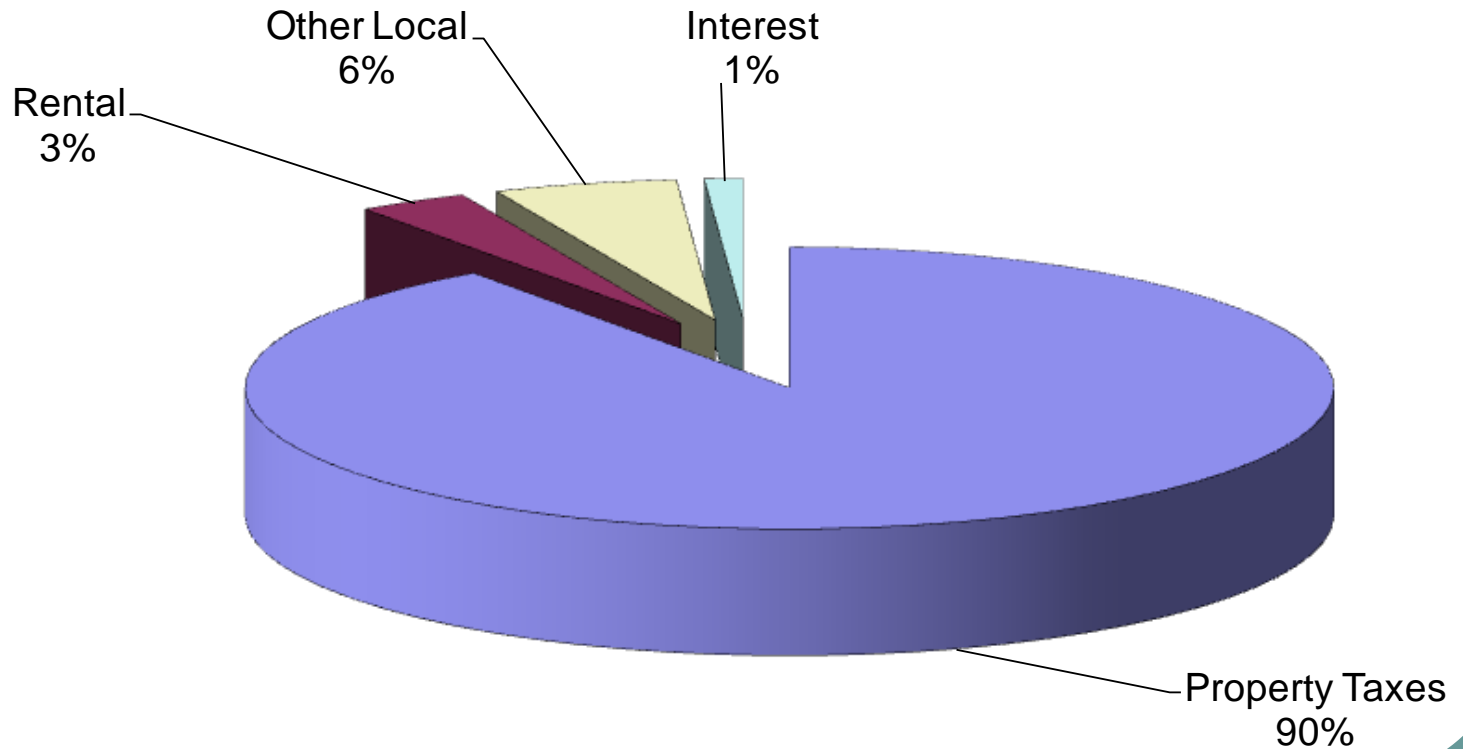
- Reflects renegotiated HEA contract (freeze)
- Implements other budget reductions
- ERO payment = \$66K
- Stimulus Provision, 65% COBRA = \$25K
- 2 additional teaching positions due to enrollment

Changes in Ed Fund Expenditures

| School Board Approved--Adm/HEA Supported | Estimated Reductions | Actual Reductions |
|---|-----------------------------|--------------------------|
| TOTAL REDUCTIONS | \$1,404,000 | \$1,551,124 |
| Known/eliminated costs | \$285,000 | \$273,123 |
| Known/budgeted reductions | \$1,046,500 | \$1,205,501 |
| Estimated/budgeted reductions | \$72,500 | \$72,500 |

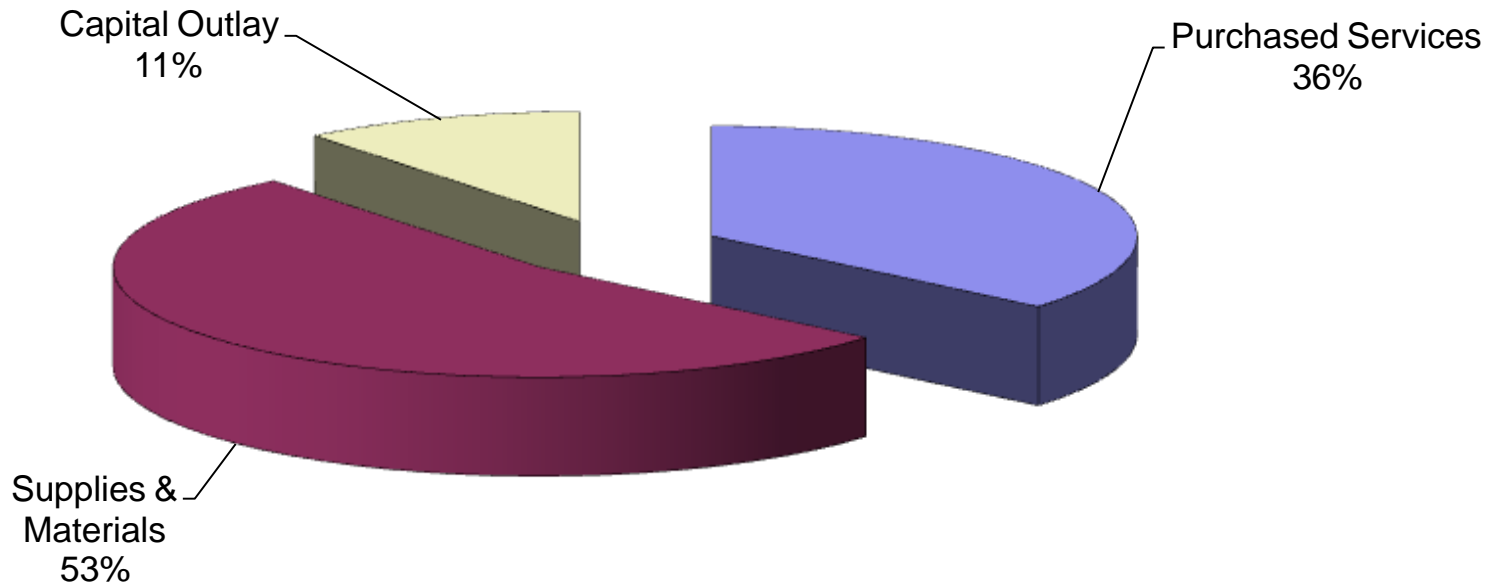
O&M Fund - Revenues

REVENUE BY SOURCE - 2011



O&M Fund - Expenditures

EXPENDITURES BY OBJECT - FY11



Changes in O&M Fund Expenditures

- **Building Maintenance**
 - Roof patching – Where needed
 - Equipment maintenance – Where needed. Some equipment is nearing end of life

- **Grounds Maintenance**
 - Seal coating parking lots – All schools
 - Playground maintenance

- **Projects**
 - Replacement of playground equipment at Willow and Churchill

Changes in Other Funds

FUND 40 – TRANSPORTATION

- Increased overall costs – **Special Ed** & Regular Trans.
- Continue expending a portion of Business Mgr. & Transportation Coord. salary & benefits out of the Transportation Fund. Allows District to include on FY11 Transportation Claim

FUND 50 – IMRF

- IMRF suffered a negative 25% rate of return on investment
- Employer rate increase, 8.74% (2009) to 11.89% (2010) to 12.18% (2011)

FUND 80 – TORT

- **Unemployment = \$60K**

Fiscal Year Goals

- Work creatively to manage the deficit budget
 - Challenges from state funding, state legislation and the economy
- Monitor Ed Fund Expenditures & Revenues
 - Continue to evaluate educational needs each year
 - Monitor enrollment & instructional staff
 - Look for cost reduction opportunities
- Update Plan for Building Infrastructure Improvements
 - Continue preventative maintenance throughout district
 - Revise long-range facilities upgrade plan
- Continue to Align Budget to District Goals

Fiscal Year Goals

We will continue to monitor the state for additional information and closely observe our cash flow.

Thank you!