



2016-2017 Final Budget

September 20, 2016

2016 – 2017 Budget Timeline

January 2016	Board Adopts the FY17 Budget Calendar
March 2016	Staffing Plan for 2016-2017
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Budget Philosophy

- Minimize contingencies
- Invest in innovation, teaching and learning
- Maintain appropriate programs
- Maintain facilities

Operational Factors

- Curriculum Initiatives
 - Science, Reading, KW/Health, Math
- Increased Need for Outside Services
 - Tuition & Placements
- Strategic Planning Impacts
 - STEAM, Kindergarten, 21st Century Environmental Design
- Technology Initiatives
 - Infrastructure Upgrades
 - Student Management Software Enhancements

Operational Factors

- Facility Improvement Considerations
 - Long Term Facility Improvement Plan Implementation; HW
 - Space Utilization; Enrollment/Demographic Study
- Personnel & Enrollment Impacts
 - Internal Sections, Special Education Requirements
- Regulatory Compliance
 - ACA, FMLA and Other Changes

Financial Factors

- Property Tax 2016 Levy Considerations
 - CPI at 0.7%
 - EAV & New Property changes not known
 - Pending Legislation could significantly reduce revenue
 - Budget based on normal estimates; distribution on Fund needs
 - Abatement determination
- Federal & State Revenues & Expenditures
 - Revenues based on internal calculations subject to approval and possible further reductions; \$1mil ?
 - Expenditures generally based on internal calculations in coordination with service providers; Continued Refinement

Financial Factors

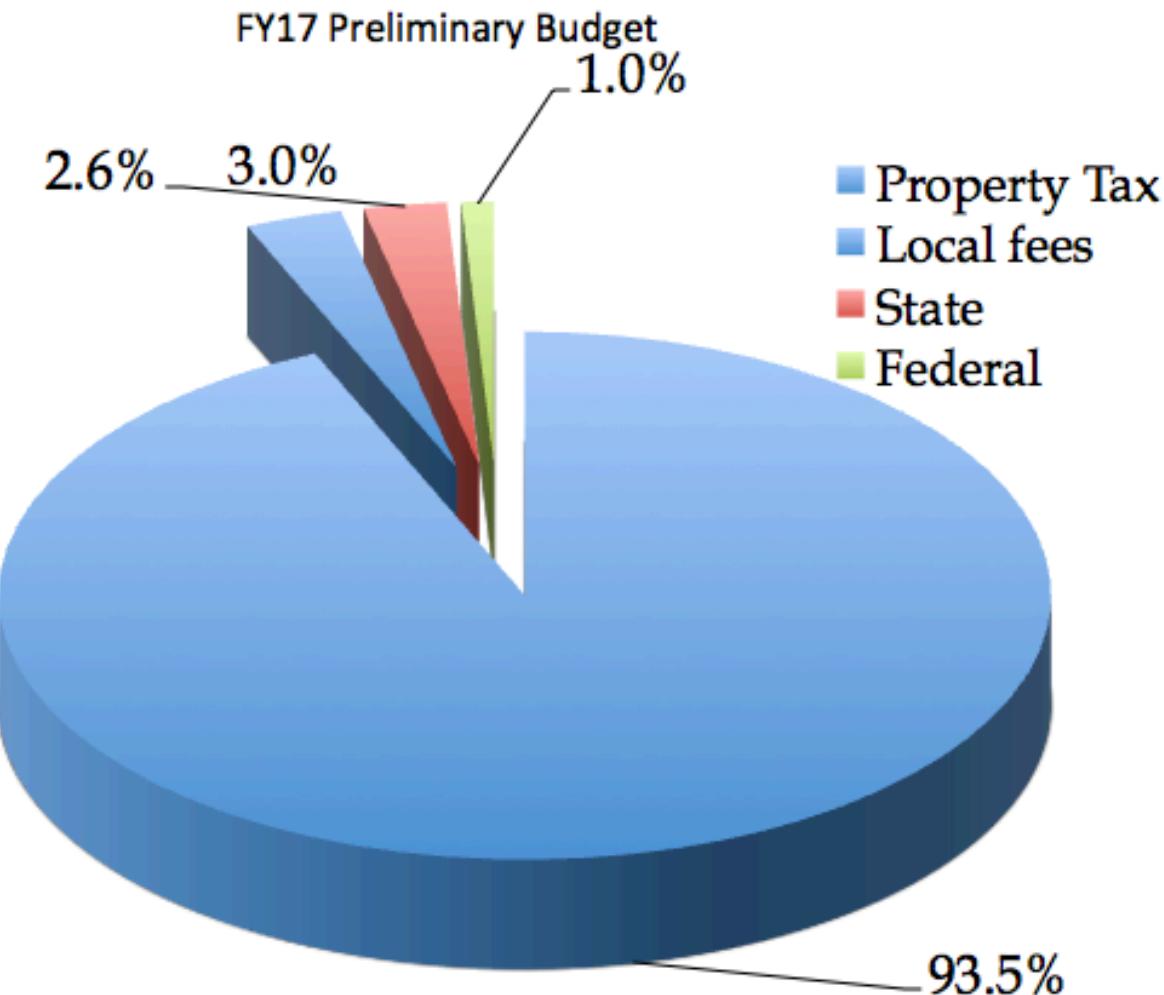
- Bond Redemption & Refinancing
 - Mid-Year Board discussion & decision
 - Effect on reserves and future operations
- Future Funding of Facility Needs
 - Long Term plan provides for approx. \$1.5 million/yr for 5yrs; annual school rotation
 - Develop a plan for furniture maintenance & refresh; meet needs of 21st century educational programing
 - Monitor & address Deferred & Major Maintenance items in aged facilities

Financial Factors

- Salaries; general increases
 - Certified & Non-Certified bargained; 4% + annual increase
 - Projected offset of retirement savings to achieve overall 3% average
 - Administrators; ~3% norm
- Benefits; Healthcare
 - Certified & Non-Certified pay 10% of HMO cost
 - Rate Increase for FY17; PPO~5.5%, HMO minor decrease
 - Trend toward coverage with higher District cost

Typical Sources of Revenues

Revenues - All Funds



Local Revenue Categories

- Real Estate Taxes
- Corporate Replacement Taxes
- Interest
- Student Fees & Tuition
- Food Service
- Facility Rentals

Federal & State Revenue Categories

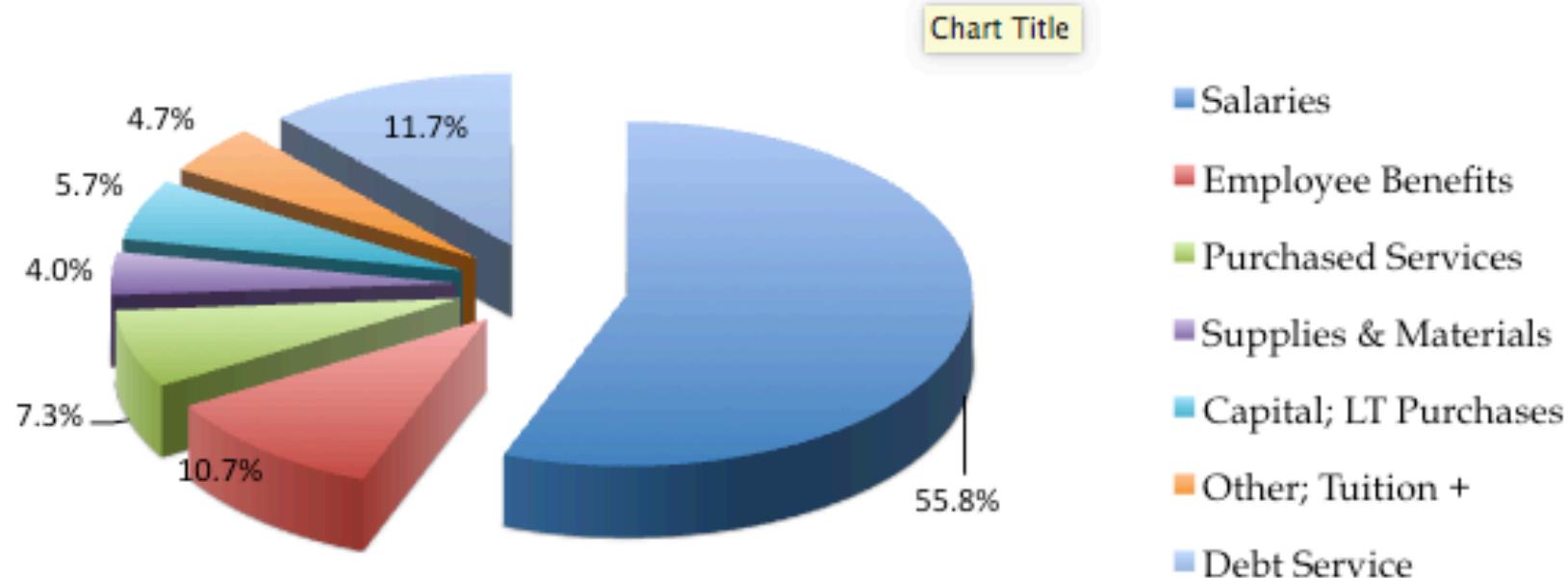
- General State Aid
- Special Education Aid
- Title 2; Teacher Quality
- Student Milk
- E-Rate
- Library

Final Budgeted Revenues; All Funds (Excluding Fund Transfers)

• Education	\$36,295,750
• Operations & Maintenance	955,707
• Debt Service	4,933,531
• Transportation	322,364
• FICA/IMRF	1,301,317
• Capital Projects	15,000
• Working Cash	577,478
• Tort	207,949
• Life Safety	<u>580</u>
Total Budgeted Revenues	<u>\$44,609,676</u>

Typical Categories of Expenditures

Operating Fund Expenses by Object, All Funds - FY17 Preliminary Budget



Final Budgeted Expenditures; All Funds (Excluding Fund Transfers)

• Education	\$32,213,399
• Operations & Maintenance	4,019,329
• Debt Service	5,225,800
• Transportation	453,188
• FICA/IMRF	1,262,487
• Capital Projects	1,638,600
• Working Cash	0
• Tort	136,000
• Life Safety	0
Total Budgeted Expenditures	<u>\$44,948,803</u>

Budgeted Net Fund Balance Incr (Decr); All Funds (Excluding Fund Transfers)

• Education	\$4,082,351
• Operations & Maintenance	(3,063,622)
• Debt Service	(292,269)
• Transportation	(130,824)
• FICA/IMRF	38,830
• Capital Projects	(1,623,600)
• Working Cash	577,478
• Tort	71,949
• Life Safety	<u>580</u>
Total Fund Balance Decrease	<u><u>\$ (339,127)</u></u>

Major Capital Construction Projects

- Hubbard Woods
 - Various improvements; primarily L/S \$1,638,600
 - Flood Remediation \$55,500
- Washburne
 - Cafeteria remodeling \$170,000
 - Chiller & enclosure \$45,000
 - Parking lot improvements \$10,800

Major Capital Construction Projects

- Crow Island
 - Temporary classroom installation \$281,300
- Greeley
 - Stage ceiling \$40,000
 - Kindergarten playground \$20,000
- Skokie
 - HVAC unit \$18,000

Operating Funds

(Revised with working cash)

Operating Funds		FY16	FY17
OBJECT		Est Accrual	Final
		Actual *	Budget
REVENUE FROM LOCAL SOURCES		36,901,509	37,974,098
REVENUE FROM STATE SOURCES		1,166,705	1,214,100
REVENUE FROM FEDERAL SOURCES		504,156	472,367
Total operating fund revenues		38,572,370	39,660,565
			2.8%
		FY16	FY17
OBJECT		Est Accrual	Final
		Actual *	Budget
SALARIES		24,163,346	25,069,853
BENEFITS		4,540,804	4,708,555
PURCHASED SERVICES		2,585,535	2,970,685
SUPPLIES & MATERIALS		1,320,358	1,471,986
CAPITAL OUTLAY & EQUIPMENT		1,193,486	1,555,115
OTHER		1,858,883	2,308,209
Total operating fund expenditures		35,662,412	38,084,403
			6.8%
Net operating revenues over <under> expenditures		2,909,958	1,576,162
* Without offsetting capital lease revenue and expense			

Operating Funds

(Historic without working cash; Pro-forma abatement)

Operating Funds		FY16	FY17
		Est Accrual	Final
ADJUSTED RESULTS		Actual	Budget
Net operating revenues over <under> expenditures		2,909,958	1,576,162
Less: Working Cash revenue; comparable to prior year		(593,525)	(577,478)
1 Historic Net operating revenues; w/o working cash		2,316,433	998,684
Net operating revenues over <under> expenditures		2,909,958	1,576,162
Less: Abatements; actual & projected		(550,000)	(1,275,000)
Add: Revenue reclassification			
2 Net operating revenues; with wc & abatement		2,359,958	301,162
Net operating revenues over <under> expenditures		2,909,958	1,576,162
Less: Working Cash revenue; comparable to prior year		(593,525)	(577,478)
Less: Abatements; actual & projected		(550,000)	(1,275,000)
Add: Revenue reclassification			
3 Net operating revenues; w/o wc & with abatement		1,766,433	(276,316)

Larger Operating Variances

- Local revenue increase primarily due to more realistic collection rate estimates for taxes & the accounting effect of the county's acceleration of payments within 60 days of year end
- Salary 3.8% increase; near 3% target avg without additional section for FY17
- Benefits 3.7% increase includes avg 5.5% premium increase; update for new hire coverage selections
- State and federal revenue variances are minor

Larger Operating Variances

- Items that impact increases in costs other than payroll & benefits include:
 - Increased Special Ed services \$330,000
 - STEAM \$146,000
 - Temporary classroom installation costs allocated to FY17 \$281,000

Larger Operating Variances

- Washburne cafeteria upgrade \$170,000
- Hubbard Woods remediation \$55,000
- Considering the above, a 2.3% increase of non-payroll expenditures is less than the 3% targeted limit

Current Year Operating Fund Variances

- Overall expect ~ \$485,000 or 1.3% decrease of expenses from budget without Working Cash
- Due primarily to normal culture of creating ambitious plans resulting in unspent funds
- Revenue effect should be ~ \$595,000 or 1.6% higher than budget; conservative collection assumptions, variable effect of 60 day payment period of taxes & abatement allocation per audit
- Actual results may differ from current estimates

Current Year Operating Fund Variances

- Continue to encourage more accurate budgeting practices; itemized plans at District level
- Some areas harder to estimate; Spec Ed, Utilities, Major Repairs
- Based on current year results, certain areas received closer attention for FY17; professional development and providers, projects & supplies
- It is a work-in progress; we can do better; understanding and changing culture takes time

Areas of Fluctuation

- Levy Revenues
- Federal & State Aid
- Interest Rates & Investments
- Enrollment & Staffing
- Facility Needs
- Flood cost resolution and prevention

Areas of Fluctuation

- Tax Abatement Determination
- Bond Redemption Determination
- Kindergarten & Enrollment Balancing Plans
- New Administrators' Budget Needs
- Expenditure Refinements
- Accomplishing Intended Tasks

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