



Thornton Township High School District 205

Presentation of 2014-15 Final Budget

Preparing Today for the Challenges of Tomorrow

September 2014

Major Budget Assumptions:

Revenues

- ❑ R/E Taxes will grow pursuant to tax cap restrictions (CPI = 1.5%).
- ❑ General State-Aid will decrease \$374,000.
- ❑ State grant revenues will decrease due to:
 - ❑ Timing of payments
 - ❑ Elimination of grant programs
 - ❑ Reimbursements due to audit findings
- ❑ Federal grants will increase as increase as carryover dollars due from Title 1 and Title 2 grants will more than offset reimbursements due from audit finding.

Expenses

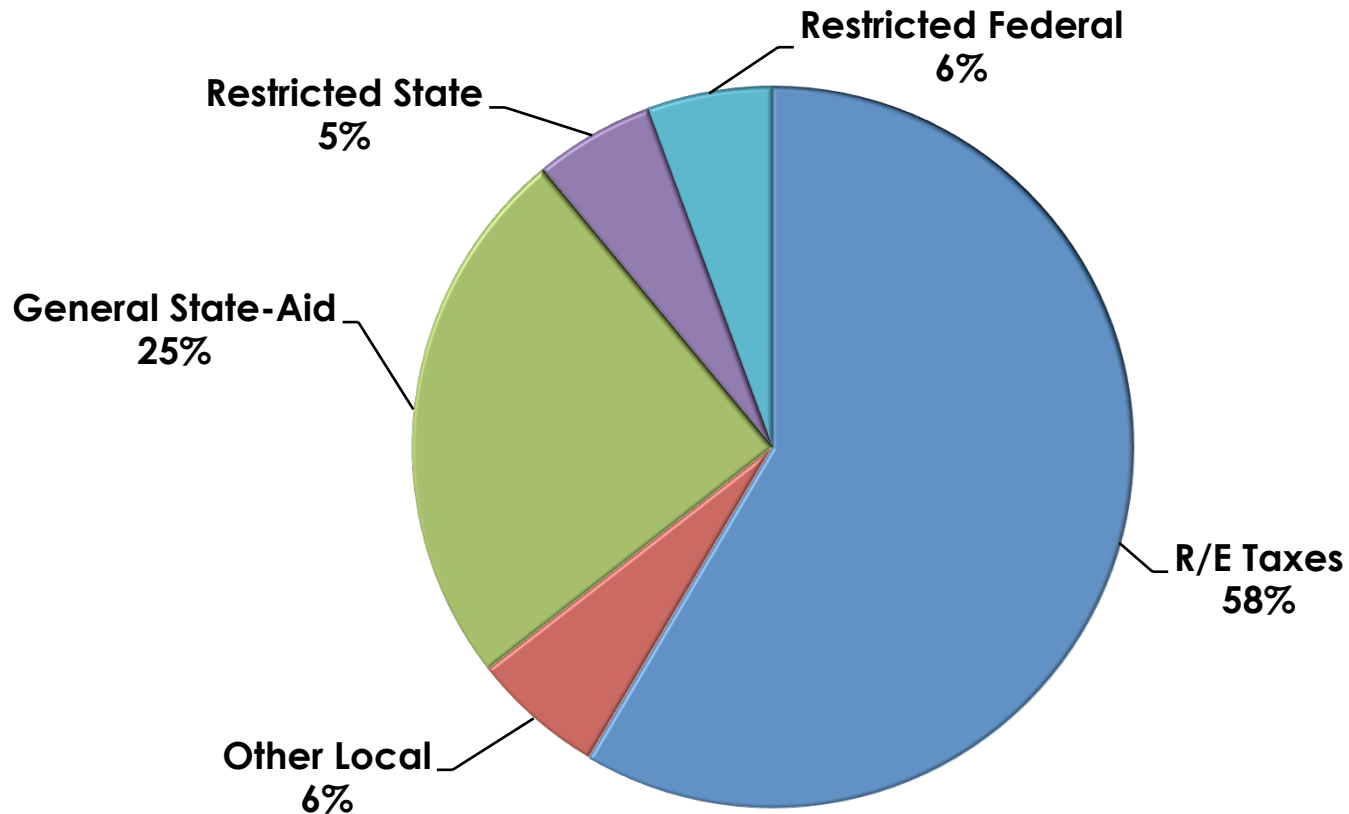
- ❑ District debt payments will decrease by \$1.2 million.
- ❑ District will spend \$5 million in total capital expenses.
- ❑ Primary increases in expenses due to grant expenses.

Budgeted Revenues – All Funds:

Comparison of Budget Verses Prior Years

Source	FY 2011	FY 2012	FY 2013	FY 2014	BUDGET FY 2015
Real Estate Taxes	\$ 59,358,000	\$ 62,181,000	\$ 60,644,000	\$ 59,580,000	\$ 61,166,000
Other Local Revenues	8,050,000	6,221,000	5,860,000	7,041,000	6,229,000
General State-Aid	29,573,000	31,121,000	27,439,000	26,053,000	25,679,000
Other State Grants	10,148,000	7,122,000	9,146,000	8,095,000	5,660,000
Federal Grants	7,176,000	5,397,000	5,892,000	5,418,000	5,846,000
Non-Reoccurring Federal Grants	<u>4,505,000</u>	<u>3,615,000</u>	<u>742,000</u>	<u>0</u>	<u>0</u>
Total Revenues	\$118,810,000	\$115,657,000	\$109,723,000	\$106,187,000	\$104,580,000

Breakdown of Budgeted Revenues by Source

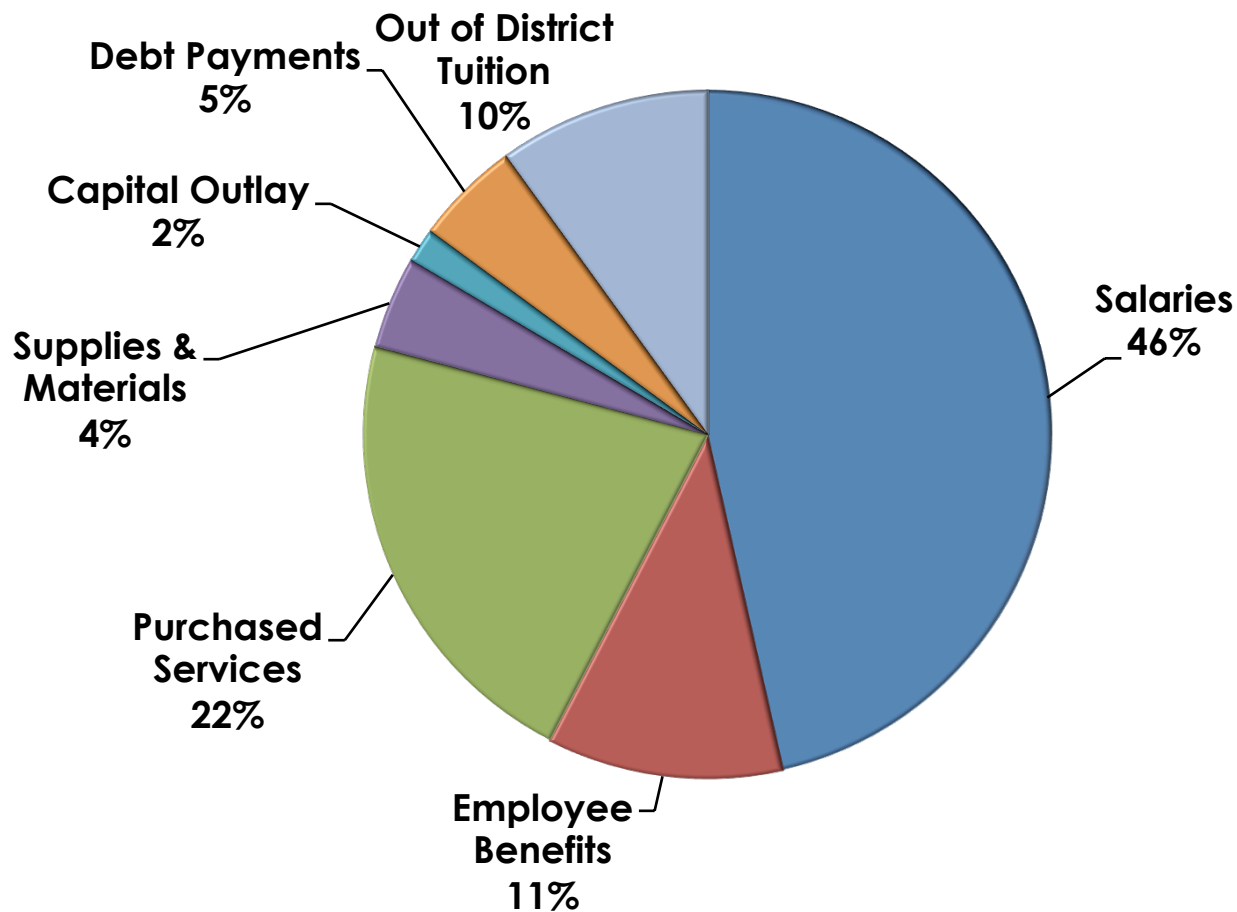


Budgeted Expenses – All Funds:

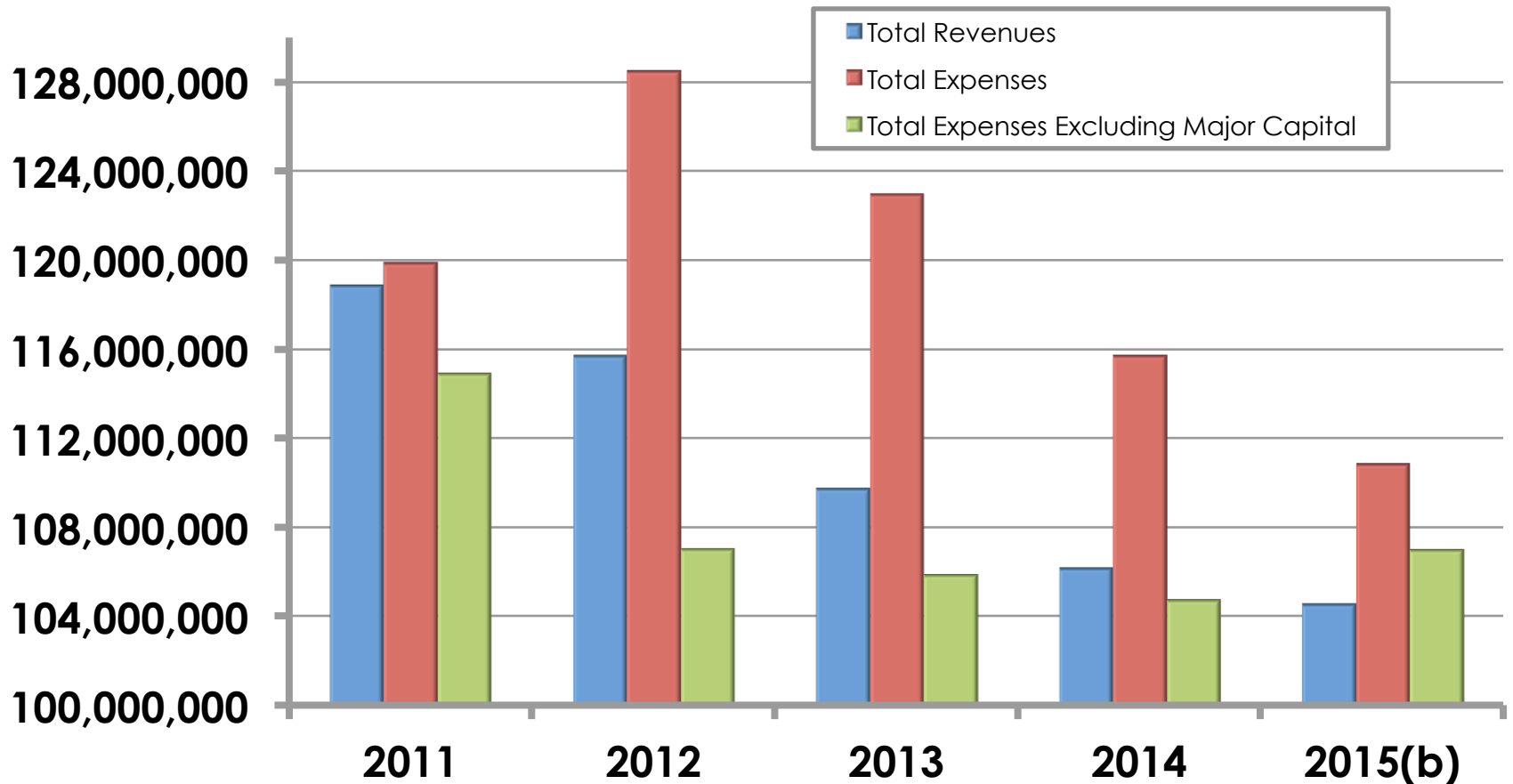
Comparison of Budget Verses Prior Years – Excluding Major Capital Expenses

Expense Type	FY 2011	FY 2012	FY 2013	FY 2014	Budget FY 2015
Salaries	\$ 50,484,000	\$ 48,028,000	\$ 46,926,000	\$ 48,799,000	\$ 49,592,000
Employee Benefits	11,434,000	10,520,000	11,075,000	11,177,000	11,813,000
Purchased Services	24,723,000	20,046,000	21,190,000	21,674,000	22,985,000
Supplies and Materials	4,288,000	4,590,000	4,099,000	4,091,000	4,635,000
Capital Outlay	3,848,000	4,448,000	3,325,000	1,238,000	1,750,000
Out of District Tuition & Other	11,419,000	11,072,000	10,904,000	10,786,000	10,905,000
Debt Service	<u>8,623,000</u>	<u>8,328,000</u>	<u>8,330,000</u>	<u>6,985,000</u>	<u>5,284,000</u>
Total Expenses	\$114,819,000	\$107,032,000	\$105,849,000	\$104,750,000	\$106,964,000

Breakdown of Expenses by Type



Revenues vs. Expenses – All Funds

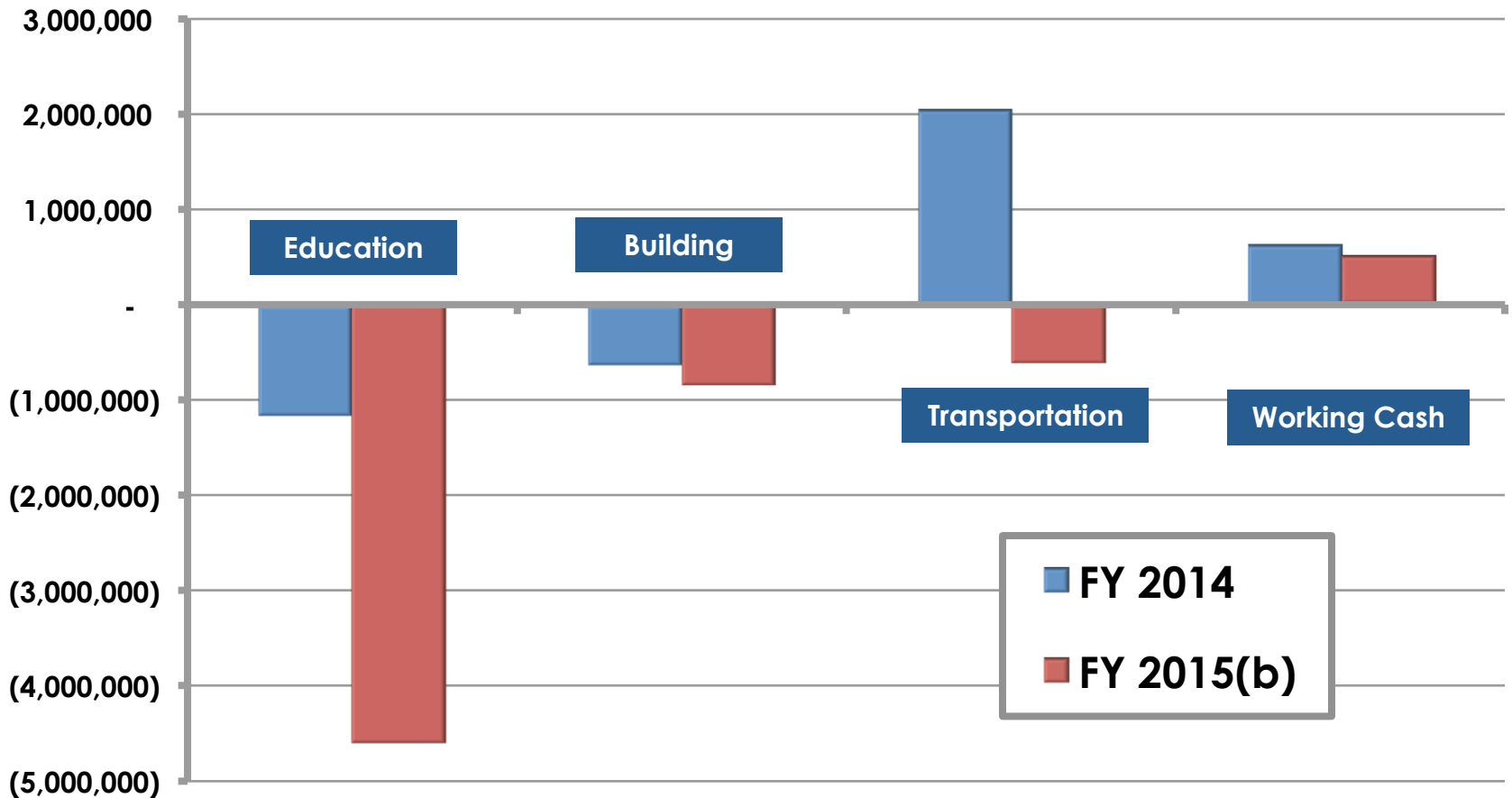


Breakdown of Budget by Fund

	Beginning Balance	Revenues	Expenses	Transfers	Ending Balance
Education	\$ (97,000)	\$78,259,000	\$82,855,000	\$ 5,600,000	\$ 907,000
Building	12,019,000	6,477,000	7,339,000		11,157,000
Bond & Int.	2,154,000	6,721,000	5,285,000		3,590,000
Transportation	17,303,000	7,663,000	8,290,000	(5,600,000)	11,076,000
IMRF/SS	1,255,000	2,639,000	2,154,000		1,740,000
Capital Projects	9,242,000	251,000	3,900,000		5,593,000
Working Cash	4,684,000	505,000			5,189,000
Tort	783,000	1,062,000	891,000		954,000
Life Safety	499,000	1,003,000	150,000		1,352,000
Total	\$ 47,842,000	\$104,580,000	\$110,864,000	\$ 0	\$ 41,558,000

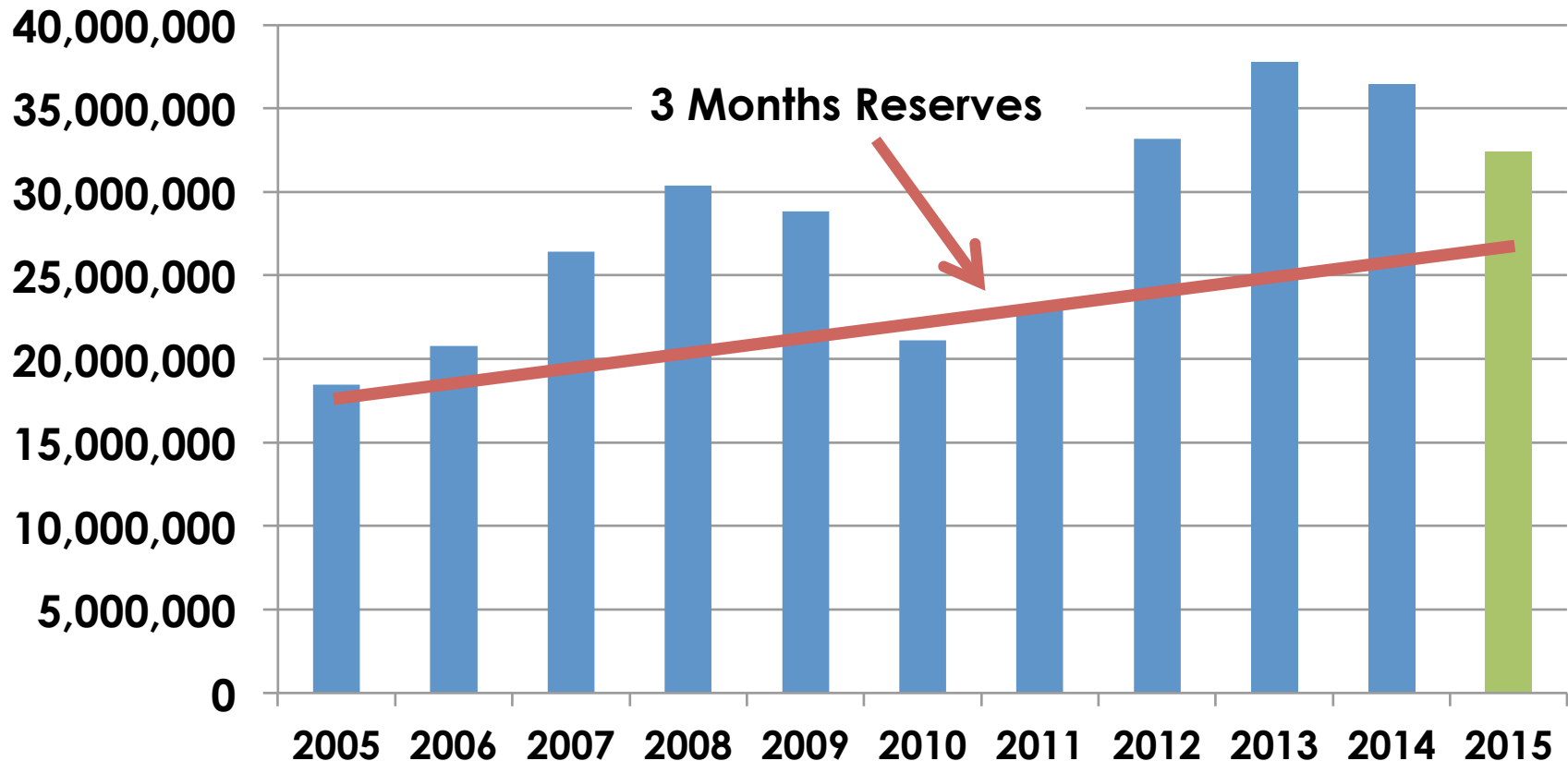
Surplus/Deficit – Operating Funds Only

Comparison of Revenues Versus Expenses by Fund



Historical and Budgeted Fund Balance

Excluding Bond Fund and Capital Reserve Fund



Major Factors That Have Already Impacted District's Financial Condition:

- **Dramatic decrease in average daily student attendance.**
 - **Impact:** *Decrease in average daily student attendance of 1,448 students over past four years has resulted in millions of dollars in lost General State-Aid revenues.*

- **Dramatic decrease in taxable property values.**
 - **Impact:** *Decline in property values in excess of 34% over past six years have dramatically decreased the ability of the District to allocate tax revenues into the education and building funds.*

- **Proration of General State-Aid dollars.**
 - **Impact:** *District will lose \$3.1 million in FY 2015 due to proration and will have lost in excess of \$11 million over past four years.*

Current Financial Threats Facing District

▣ Shifting of teacher pension costs from State to District.

- **Estimated Impact:** *Consensus is that the State will shift pension obligations to school districts. This would increase District expenses by an estimated \$1.6 - \$3.6 million annually.*

▣ Passage of Senate Bill 16.

- **Estimated Impact:** *Senate Bill 16 passed the Senate last year and is currently being considered by House. Based on estimates from ISBE, if the bill passes, the District would lose \$3.6 million annually in State revenues.*

▣ Creation of charter school.

- **Estimated Impact:** *If a charter school is approved within the District, the District stands to lose \$4 - \$6 million annually.*

End of Presentation

▣ Questions and Comments

