

**Thornton Township High School District 205**  
**Tentative Budget**  
**Fiscal Year Ending June 30, 2016**

	<u>Education</u>	<u>Operations &amp; Maint.</u>	<u>Bond &amp; Interest</u>	<u>Trans- portation</u>	<u>Municipal Retirement</u>	<u>Capitol Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Life Safety</u>	<u>Total</u>
Fund Balance - July 1, 2015	1,406,000	9,035,000	3,169,000	10,774,000	1,706,000	6,235,000	5,202,000	490,000	1,494,000	39,511,000
Revenues:										
Real Estate Taxes	35,700,000	5,150,000	6,570,000	9,000,000	2,200,000	-	480,000	905,000	960,000	60,965,000
Other Local Sources	5,500,000	100,000	15,000	100,000	100,000	40,000	25,000	5,000	5,000	5,890,000
Flow Through	35,000									35,000
General State-Aid	26,034,000	-	-	-	-	-	-	-	-	26,034,000
Other State Sources	2,300,000	-	-	3,600,000	-	-	-	-	-	5,900,000
Federal Sources	<u>5,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,400,000</u>
Total Revenues	74,969,000	5,250,000	6,585,000	12,700,000	2,300,000	40,000	505,000	910,000	965,000	104,224,000
Expenditures:										
Salaries	49,100,000	1,250,000	-	-	-	-	-	-	-	50,350,000
Employee Benefits	10,500,000	-	-	-	1,900,000	-	-	-	-	12,400,000
Purchased Services	10,725,000	4,150,000	1,000	8,000,000	-	-	-	1,300,000	-	24,176,000
Supplies and Materials	2,410,000	2,200,000	-	-	-	-	-	-	-	4,610,000
Capital Outlay	250,000	550,000	-	-	-	3,000,000	-	-	200,000	4,000,000
Other Objects	300,000	1,000	6,903,000	-	-	-	-	-	-	7,204,000
Non-Capitalized Equipment	600,000	200,000	-	-	-	-	-	-	-	800,000
Tuition	<u>9,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,500,000</u>
Total Expenditures	<u>83,385,000</u>	<u>8,351,000</u>	<u>6,904,000</u>	<u>8,000,000</u>	<u>1,900,000</u>	<u>3,000,000</u>	<u>-</u>	<u>1,300,000</u>	<u>200,000</u>	<u>113,040,000</u>
Revenue Over (Under) Expenditures	(8,416,000)	(3,101,000)	(319,000)	4,700,000	400,000	(2,960,000)	505,000	(390,000)	765,000	(8,816,000)
Transfers	<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>(8,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2015	<u>990,000</u>	<u>5,934,000</u>	<u>2,850,000</u>	<u>7,474,000</u>	<u>2,106,000</u>	<u>3,275,000</u>	<u>5,707,000</u>	<u>100,000</u>	<u>2,259,000</u>	<u>30,695,000</u>



# Thornton Township High School District 205

## Presentation of 2015-16 Tentative Budget

Preparing Today for the Challenges of Tomorrow

August 2015

# Major Budget Assumptions:

## Revenues

- ❑ R/E Taxes will increase approximately 3.5% as net collections (after non payments and tax appeals) are projected to stabilize.
- ❑ General State-Aid will increase \$862,000 due to decrease in proration from 13% to 8%.
- ❑ State grant revenues will increase due to timing of State payments.
- ❑ Federal grants will remain relatively flat.

## Expenses

- ❑ Total salaries are projected to increase 1.4%. It is assumed that staff size will decrease by 15 as most retirements will not be replaced. It is also assumed that certified staff will receive two 2% raises during the fiscal year.
- ❑ Employee benefits are projected to increase 3.8%.
- ❑ Transportation expenses are projected to increase significantly.
- ❑ Debt payments will increase \$1.6 million due to the timing of payments.
- ❑ Major capital expenses will decrease from \$4.5 million in FY 2015 to \$4 million.

# Breakdown of Total Budget by Fund

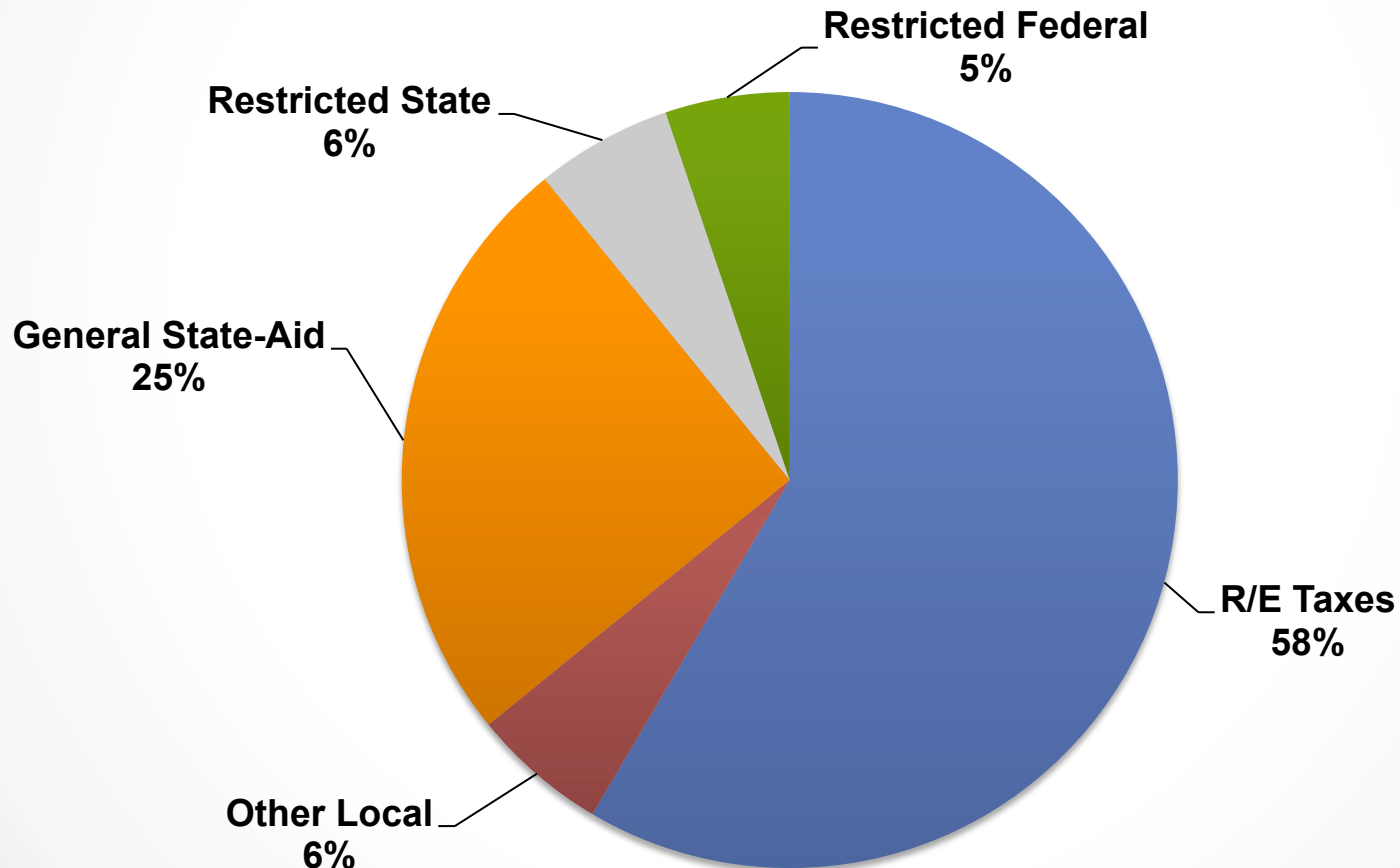
	Beginning Balance	Revenues	Expenses	Transfers	Ending Balance
Education	\$ 1,406,000	\$74,969,000	\$83,385,000	\$ 8,000,000	\$ 990,000
Building	9,035,000	5,250,000	8,351,000		5,934,000
Bond & Int.	3,169,000	6,585,000	6,904,000		2,850,000
Transportation	10,774,000	12,700,000	8,000,000	(8,000,000)	7,474,000
IMRF/SS	1,706,000	2,300,000	1,900,000		2,106,000
Capital Projects	6,235,000	40,000	3,000,000		3,275,000
Working Cash	5,202,000	505,000			5,707,000
Tort	490,000	910,000	1,300,000		100,000
Life Safety	1,494,000	965,000	200,000		2,259,000
Total	\$ 39,511,000	\$104,224,000	\$113,040,000	\$ 0	\$ 30,695,000

# Budgeted Revenues – All Funds:

## Comparison of Budget Verses Prior Years

Source	FY 2012	FY 2013	FY 2014	FY 2015	BUDGET FY 2016
Real Estate Taxes	\$ 62,181,000	\$ 60,644,000	\$ 59,531,000	\$ 58,900,000	<b>\$ 60,965,000</b>
Other Local Revenues	6,221,000	5,860,000	7,009,000	6,145,000	<b>5,890,000</b>
General State-Aid	31,121,000	27,439,000	26,053,000	25,138,000	<b>26,034,000</b>
Other State Grants	7,122,000	9,146,000	7,550,000	5,294,000	<b>5,935,000</b>
Federal Grants	5,397,000	5,892,000	6,213,000	5,594,000	<b>5,400,000</b>
Non-Reoccurring Federal Grants	<u>3,615,000</u>	<u>742,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	\$115,657,000	\$109,723,000	\$106,356,000	\$101,071,000	<b>\$104,224,000</b>

# Breakdown of Budgeted Revenues by Source



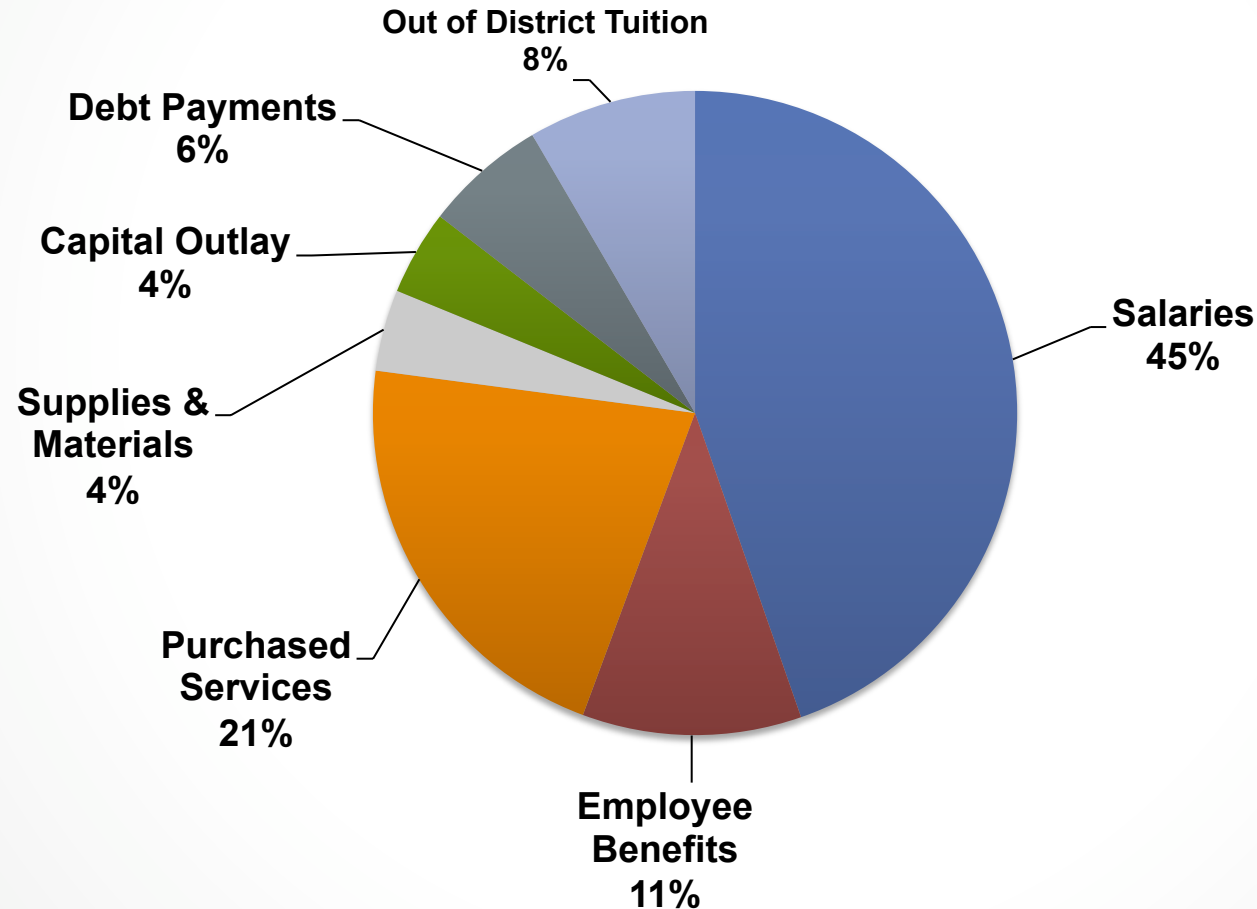
# Budgeted Expenditures – All Funds

## Comparison of Budget Verses Prior Years

(Actual and Budget Figures Exclude Major Capital Expenses)

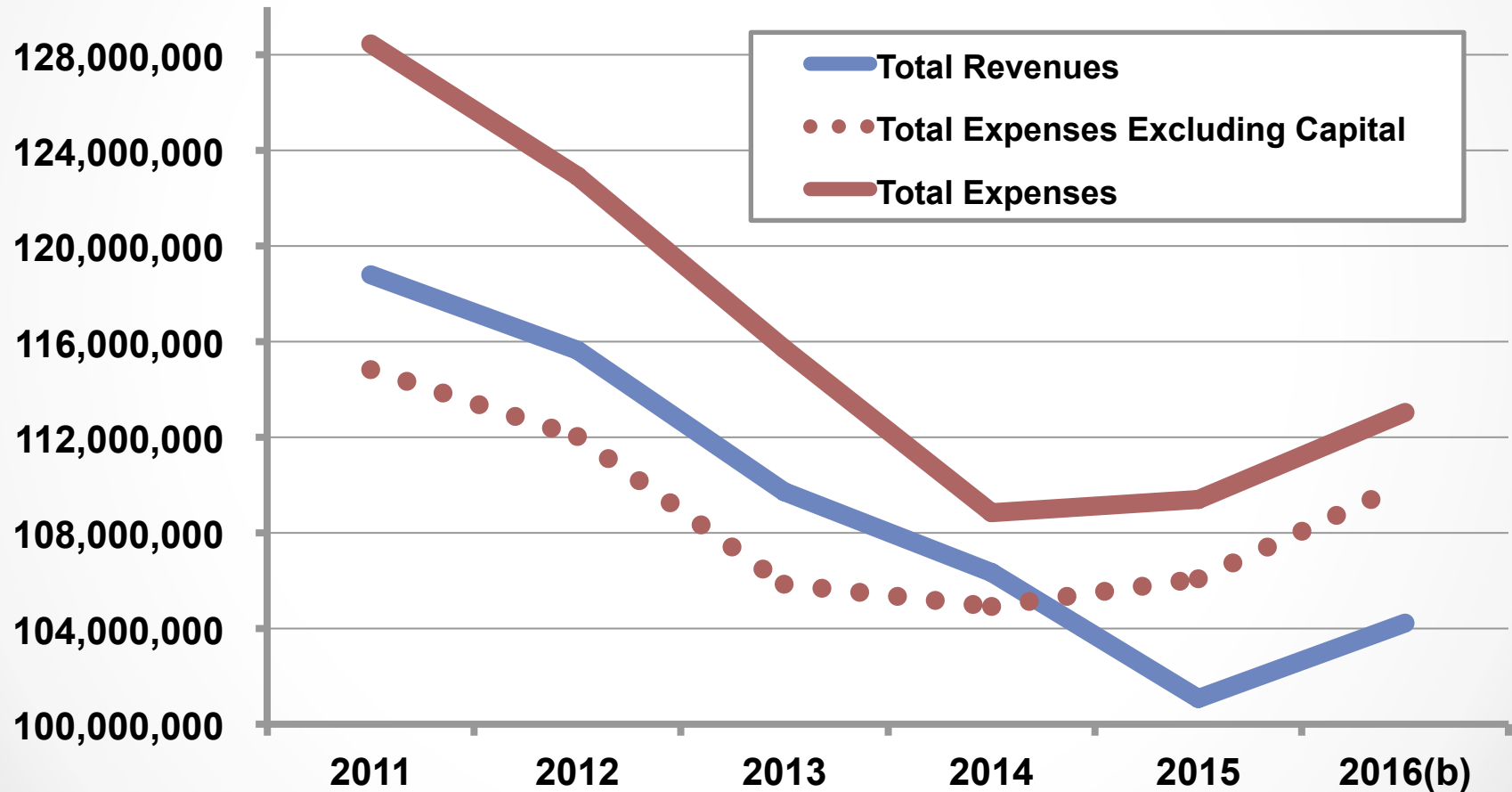
Source	FY 2012	FY 2013	FY 2014	FY 2015	BUDGET FY 2016
Salaries	\$ 48,028,000	\$ 46,926,000	\$ 48,803,000	\$ 49,653,000	\$ <b>50,350,000</b>
Employee Benefits	10,520,000	11,075,000	11,186,000	11,950,000	<b>12,400,000</b>
Purchased Services	20,046,000	21,190,000	21,856,000	22,956,000	<b>24,176,000</b>
Supplies and Materials	4,590,000	4,099,000	4,443,000	4,519,000	<b>4,610,000</b>
Capital Outlay	4,448,000	3,325,000	1,079,000	2,219,000	<b>1,800,000</b>
Out of District Tuition & Other	11,072,000	10,904,000	10,574,000	9,502,000	<b>9,801,000</b>
Debt Service	<u>8,328,000</u>	<u>8,330,000</u>	<u>6,984,000</u>	<u>5,284,000</u>	<u><b>6,903,000</b></u>
Total Expenses	\$107,032,000	\$105,849,000	\$104,925,000	\$106,083,000	<b>\$110,040,000</b>

# Breakdown of Budgeted Expenditures by Type





# Revenues vs. Expenses – All Funds



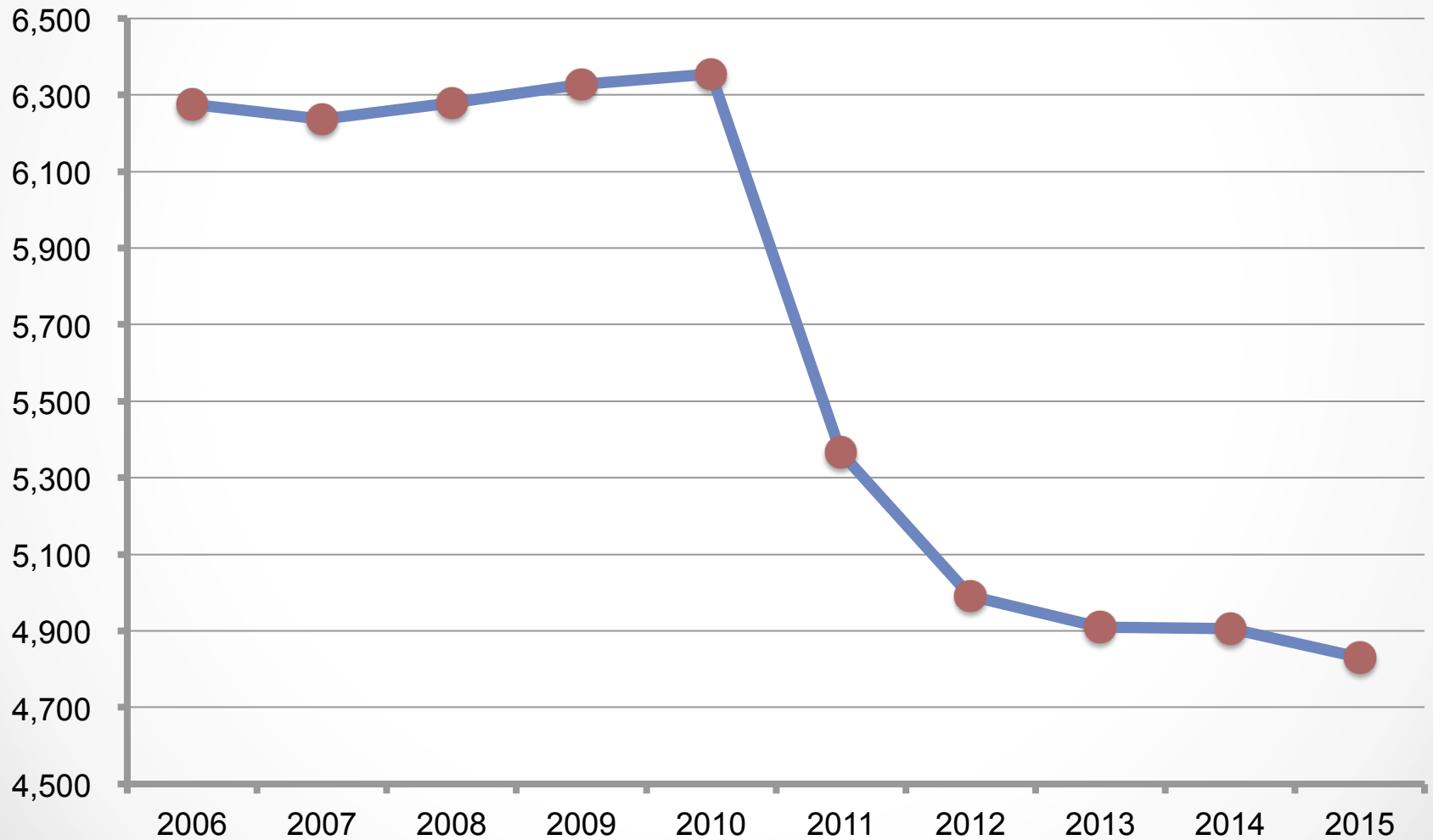
# Revenues Versus Expenses (FY 2007 - FY 2016)

## Surpluses/Deficits Excluding Capital Project Activity



# Condition

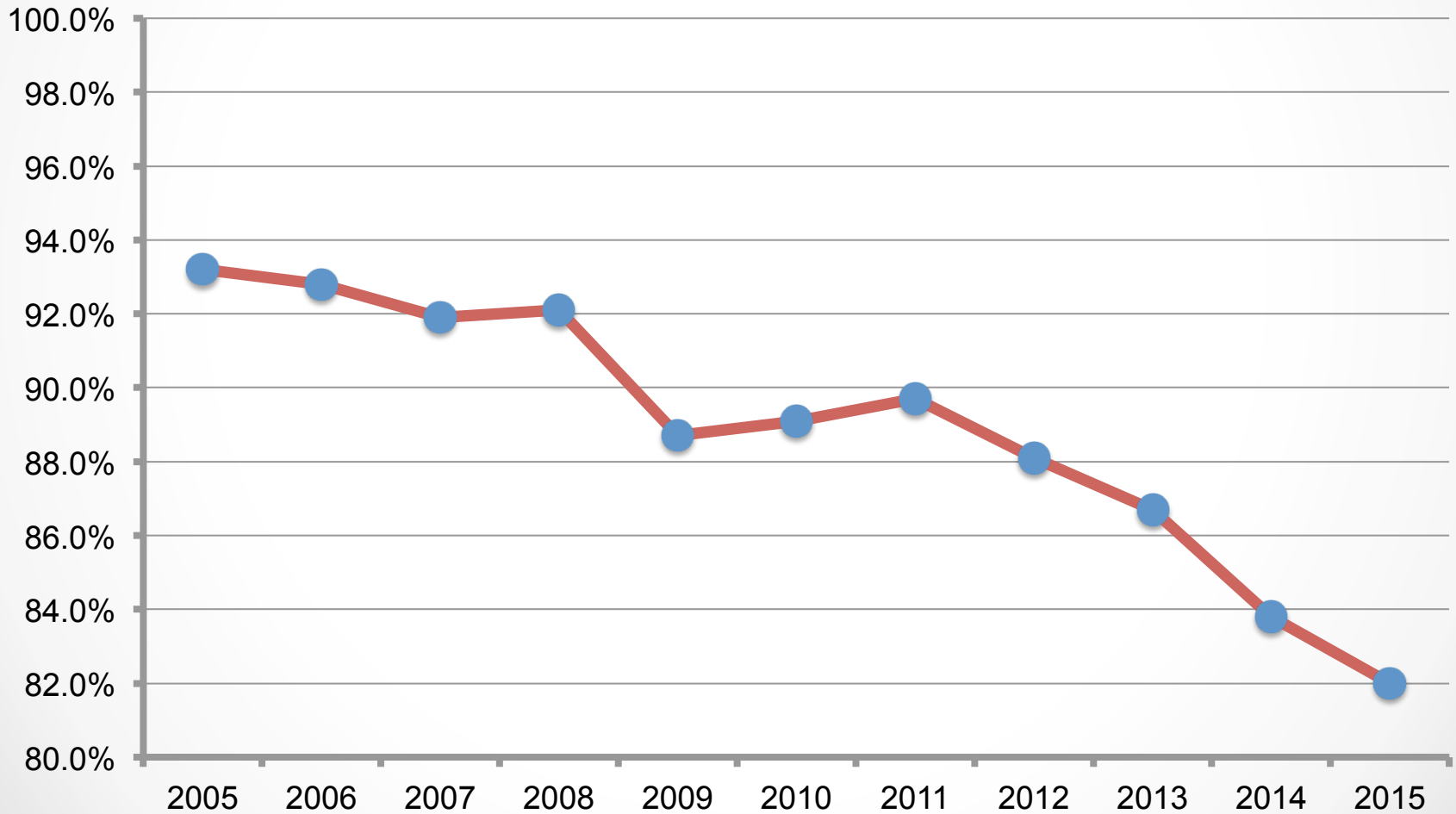
## Declining Average Daily Attendance



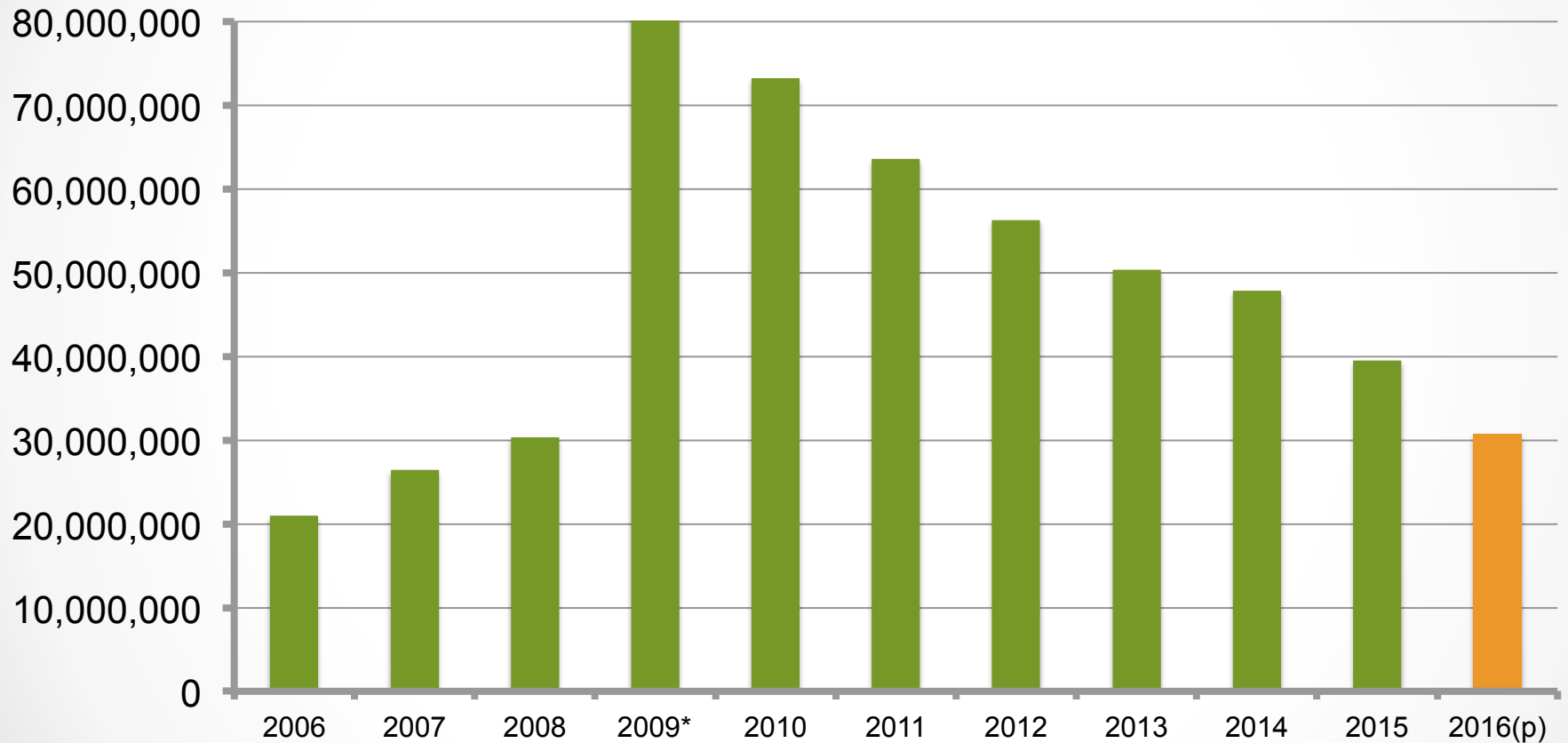
# Major Factors Impacting Financial Condition

## Decreasing Tax Collection Percentages

Net Collections After Refunds, Foreclosures and Non-Payments



# Historical and Budgeted Fund Balances



*\*District received \$51 million in bond proceeds in FY 2009.*

# Major Financial Threats Facing District

- **Growing structural deficit.**
  - Expenses needed to fund current operations are approximately \$6 million more than annual revenues the District receives. Fund balances alone are not sufficient to sustain current levels of deficit spending.
- **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 \$1.6 - \$3.6 million annually (est.).
- **Creation of charter school.**
  - Estimated Impact: If a charter school is approved within the District, the District stands to lose \$4 - \$6 million annually.
- **Continued decrease in average daily attendance.**
  - Estimated Impact: The District's "ADA" has decreased by 1,525 students over past five years. The District loses approximately \$5,500 for every student lost in this calculation.
- **Major capital projects need to be addressed.**
  - The District has major capital needs that will drain critical fund balances. The District may consider borrowing to pay for these expenses going forward.

# End of Presentation

Questions and Comments

