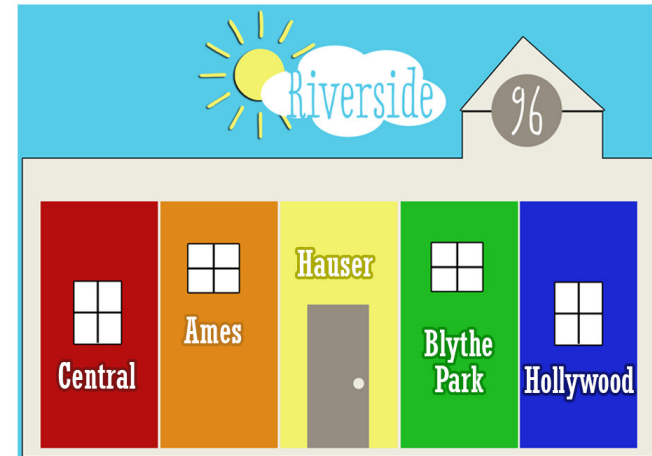


**RIVERSIDE SCHOOL DISTRICT 96**  
*Five Schools • One District • Optimizing Excellence*



**RIVERSIDE PUBLIC SCHOOL DISTRICT 96**  
**THIRD QUARTER BUDGET TO ACTUAL ANALYSIS**  
**MAY 06, 2014**

# INTRODUCTION

- A quarterly presentation is an unaudited document reporting financial results for the quarter and noting any significant changes or events that occurred within the quarter. Quarterly reports contain financial statements and a discussion from management.
- The District's quarterly presentation is designed to show the reader the current financial status of the District, with the focus on balances in three major District funds (**Education, Operations and Transportation**).

# ALL FUNDS

- Riverside District 96 uses fund accounting to track its receipts and expenditures on the Cash Basis of Accounting. Fund accounting is a system of accounting used primarily by non-profit or government organizations. For these and other similar organizations, it is more important for them to keep a record of how their money was spent, rather than how it was earned, unlike corporations.

The accounting records take the form of a:

- Collection of funds
- District purpose of funds
- Operating expenditures
- The funding of various activities of the organization.

# ALL FUNDS (CONT.)

- The District utilizes nine (9) funds. They are defined as follows by the Illinois Program Accounting Manual (IPAM):
  - **Education (Fund 10)** - District's general fund.
  - **Operations (Fund 20)** – Operations and maintenance.
  - **Debt Service (Fund 30)** – To retire bond principal or to pay bond interest.
  - **Transportation (Fund 40)** –Transporting pupils for any purpose.
  - **IMRF (Fund 50)** –Contributions to municipal retirement systems.
  - **Social Security (Fund 51)** – Social Security or Medicare.
  - **Capital Projects (Fund 60)** – Including impact fee agreements.
  - **Working Cash (Fund 70)** – Working cash purposes.
  - **TORT (Fund 80)** –Tort immunity or tort judgment purposes.

# REVENUE FUNDS THROUGH MARCH 31, 2014

	2013-2014			2012-2013		
	Budget	YTD Activity	% of Budget	Budget	YTD Activity	% of Budget
<b><u>Revenues</u></b>						
<b>Education</b>	19,985,606.00	20,942,324.00	104.79%	19,511,700.00	19,585,657.00	100.38%
<b>Operations</b>	2,525,612.00	2,647,160.00	104.81%	3,135,000.00	2,679,789.00	85.48%
<b>Debt Service</b>	1,000.00	376.00	37.60%	10,000.00	1,023.00	10.23%
<b>Transportation</b>	1,010,763.00	998,696.00	98.81%	671,000.00	562,272.00	107.92%
<b>IMRF</b>	719,915.00	761,485.00	105.77%	541,000.00	576,200.00	106.51%
<b>Capital Projects</b>	10,000.00	8,815.00	88.15%	10,000.00	2,349.00	23.49%
<b>Working Cash</b>	239,976.00	258,179.00	107.59%	260,000.00	246,164.00	94.68%
<b>TORT</b>	230,407.00	146,085.00	63%	240,500.00	270,580.00	112.51%
<b>TOTAL</b>	<b>24,723,279.00</b>	<b>25,763,120.00</b>	<b>103.95%</b>	<b>24,379,200.00</b>	<b>23,924,034.00</b>	<b>98.74%</b>

# REVENUE FUNDS

- **Education Fund** – We received \$18,735,675 in real estate taxes distributed through March 31, 2014. Real estate taxes are received in two installments (March 1 and September 1) subsequent to the year of the levy.
- A significant distributions of tax receipts in the months of July, August and September for taxes levied in 2012 and February and March for taxes levied in 2013.
- **Transportation Fund** – Through Q3, the District received \$344,312 in State funding due to the FY2014 Transportation claim. Regardless of those payments, the State currently owes the District \$221,917 for those programs for the FY2014 program year.
- **IMRF/SS Fund** – Due to deficit spending in these funds, the District has levied more to increase the amount of receipts to begin to build back the declining fund balance. The District will continue to appropriately levy in future years to maintain an adequate fund balance.
- **TORT Fund** – The TORT fund has been experiencing a surplus in the past several years. Over the last three years, the District continued to levy in the fund intentionally but did not apply any expenditures to spend down the fund balance. The Resolution for the 2013 levy that was presented and approved by the Board of Education in December 2013 was to not levy for the TORT fund.

# EXPENDITURE FUNDS THROUGH MARCH 31, 2014

	2013-2014			2012-2013		
	Budget	YTD Activity	% of Budget	Budget	YTD Activity	% of Budget
<b><u>Expenditures</u></b>						
<b>Education</b>	19,890,800.00	12,669,721.00	63.68%	18,853,200.00	11,836,894.00	62.78%
<b>Operations</b>	2,477,000.00	1,362,130.00	54.99%	3,110,000.00	1,229,968.00	39.55%
<b>Debt Service</b>	1,147,025.00	1,043,163.00	90.95%	1,040,000.00	1,034,036.00	99.43%
<b>Transportation</b>	860,000.00	518,572.00	60.30%	599,000.00	521,796.00	87.11%
<b>IMRF</b>	718,400.00	480,325.00	66.86%	623,000.00	432,646.00	69.45%
<b>Capital Projects</b>	6,500,000.00	6,290,152.00	96.77%	9,200,000.00	13,783,119.00	149.82%
<b>Working Cash</b>	0.00	0.00	0.00%	0.00	0.00	0.00%
<b>TORT</b>	235,000.00	104,806.00	44.60%	92,000.00	0.00	0.00%
<b>TOTAL</b>	<b>31,828,225.00</b>	<b>22,464,671.00</b>	<b>70.58%</b>	<b>33,517,200.00</b>	<b>28,838,459.00</b>	<b>86.04%</b>

# EXPENDITURE FUNDS

- **Education Fund** - The District is trending extremely well in its largest fund. Outside of personnel costs, the budgets for the Education Fund are front-end loaded with expenditures occurring from July to December. Over the next quarter, spending in all objects outside of salaries will decrease. The District has issued a Purchase Order cut-off date of May 02, 2014. This means that no departmental purchasing will be allowed outside of utilities/customary expenditures or emergencies until the fiscal year end close at June 30, 2014.
- **Debt Service Fund** – The District’s debt continues to be paid down. By Fiscal Year 2021, the District will have no debt.
- **Tort Fund** – This fund covers all the District’s insurance policies (Property/Casualty, Worker’s Compensation, etc.). Payments for these coverages are due in August and December of each year, so expenditures in this fund are front-end loaded.



# Q3 IS THE BUSIEST QUARTER

- January, February and March are the busiest months in regards to Tax Revenue. District averages about 50% of its total collections:
  - The tax levy payments are completed Q3. The District will not receive new levy monies until Q1 (September 2014).
  - Purchase order spending done Friday, May 2.
  - State payments continue to be received.

# Q3 IS THE BUSIEST QUARTER (CONT.)

- On the expenditure side, the District averages about 26% of its total expenditures during these three months for the following reason:
  - The only consistent expenditures are from salaries/benefits and utilities.
- Q3 demonstrates perfectly how the District's financial cycle works in the public sector.
- The majority of the District receipts are received in Q1 and Q3.
- Consistent spend-down of those receipts with little to no new revenue coming in.
- Revenue streams are predictable and expenses are fixed.

- **The End is in Sight and All Looks Great:**

- The District is trending extremely well for Q3 of Fiscal Year 2014.
- The District's financial position could be improved if the State of Illinois releases funds that it has already vouchered the District in Q3.
- The amount due from the state is over \$850,000.00 and would positively affect the Education and Transportation funds.
- On the expenditure side, all expenditure objects fall within usual and customary trending levels for the District at this time.

# EDUCATION FUND (10) THROUGH MARCH 31, 2014

- The Education fund is delineated further by revenue functions and expenditure objects comparing the current quarter to last year at the same time. Financial notes are provided at the end of the table for further clarification.

# EDUCATION FUND

	2013-2014		
	Budget	YTD Activity	% of Budget
<b>Revenues</b>			
Local Taxes	17,313,606.00	18,735,675.00	108.00%
Other Local	466,000.00	456,367.00	98.00%
General State Aid	790,000.00	583,803.00	74.00%
Restricted State Aid	940,000.00	866,073.00	92.00%
Federal Aid	465,000.00	290,934.00	86.00%
Other Sources	11,000.00	9,468.00	63.00%
<b>TOTAL</b>	<b>19,985,606.00</b>	<b>20,942,320.00</b>	<b>105.00%</b>

	2012-2013		
	Budget	YTD Activity	% of Budget
	17,500,000.00	17,626,727.00	101.00%
	523,700.00	408,484.00	78.00%
	370,000.00	324,299.00	88.00%
	894,000.00	812,710.00	91.00%
	215,000.00	389,676.00	181.00%
	9,000.00	23,761.00	264.00%
<b>TOTAL</b>	<b>19,511,700.00</b>	<b>19,585,657.00</b>	<b>102.00%</b>

	2013-2014		
	Budget	YTD Activity	% of Budget
<b>Expenditures</b>			
Education	19,890,800.00	12,665,523.00	63.68%
Operations	2,477,000.00	1,362,130.00	54.99%
Debt Service	1,147,025.00	1,043,163.00	90.95%
Transportation	860,000.00	518,572.00	60.30%
IMRF	718,400.00	480,325.00	66.86%
Capital Projects	6,500,000.00	6,290,152.00	96.77%
Working Cash	0.00	0.00	0.00%
TORT	235,000.00	104,806.00	44.60%
<b>TOTAL</b>	<b>31,828,225.00</b>	<b>22,464,671.00</b>	<b>70.58%</b>

	2012-2013		
	Budget	YTD Activity	% of Budget
	18,853,200.00	11,836,894.00	62.78%
	3,110,000.00	1,229,968.00	39.55%
	1,040,000.00	1,034,036.00	99.43%
	599,000.00	521,796.00	87.11%
	623,000.00	432,646.00	69.45%
	9,200,000.00	13,783,119.00	149.82%
	0.00	0.00	0.00%
	92,000.00	0.00	0.00%
<b>TOTAL</b>	<b>33,517,200.00</b>	<b>28,838,459.00</b>	<b>86.04%</b>

# THIRD QUARTER NOTES

- Local Taxes:
  - In Fiscal Year 2014, the District budgets for the 48% of the real estate taxes from 2012 levy and 52% of the real estate taxes from the 2013 levy.
  - The District receives these real estate taxes in two installments (March 1 and September 1) subsequent to the year of the levy.
  - The District receives significant distributions of tax receipts in the months of July, August and September for taxes levied in 2012 and February and March for taxes levied in 2013.
- Increase in local property tax for Fiscal Year 2014 compared to Fiscal Year 2013 is mainly due to the reduction in the amount resulting from PTAB/Tax Objections. By the third quarter of 2013, the District lost approximately \$600,000 compared to approximately \$60,000 for the third quarter of 2014.
- Increase in General State Aide is due to the change in the Districts foundation allocation from Flat Grant formula to Alternate Method formula. Foundation allocation is dependent upon the equalized assessed valuation of property within the District.
- Education Fund Expenditures: In the District's largest fund, expenditures objects are trending within targeted ranges. With the majority of department budgets being spent down between July and December, only personnel costs are consistent through June 30, 2014. During the beginning of the fourth quarter, the District proposed a Departmental Budget freeze.

# O&M FUND (20)

## THROUGH MARCH 31, 2014

- The Operations Fund is delineated further by revenue and expenditure objects comparing the current quarter to last year at the same time. Financial notes are provided at the end of the table for further clarification.

# O&M FUND THROUGH MARCH 31, 2014

	2013-2014			2012-2013		
	Budget	YTD Activity	% of Budget	Budget	YTD Activity	% of Budget
<b><u>Revenues</u></b>						
Local Taxes	2,345,612.00	2,507,760.00	107.00%	2,900,000.00	2,544,660.00	88.00%
Other Local	180,000.00	139,400.00	77.00%	235,000.00	135,129.00	58.00%
Transfers (out)	0.00	0.00	0.00%	0.00	0.00	0.00%
<b>TOTAL</b>	<b>2,525,612.00</b>	<b>2,647,160.00</b>	<b>105.00%</b>	<b>3,135,000.00</b>	<b>2,679,789.00</b>	<b>85.00%</b>
	2013-2014			2012-2013		
	Budget	YTD Activity	% of Budget	Budget	YTD Activity	% of Budget
<b><u>Expenditures</u></b>						
Salaries	895,000.00	664,043.00	74.00%	782,000.00	597,310.00	76.00%
Employee Benefits	175,000.00	141,191.00	81.00%	142,000.00	119,414.00	84.00%
Purchased Services	855,000.00	279,213.00	33.00%	1,645,000.00	287,862.00	17.00%
Supplies	125,000.00	83,350.00	67.00%	124,000.00	96,495.00	78.00%
Nicor Gas	142,000.00	105,197.00	74.00%	188,000.00	30,924.00	16.00%
Electric Service	195,000.00	89,136.00	46.00%	139,000.00	87,413.00	63.00%
Capital Outlay	90,000.00	0.00	0.00%	90,000.00	10,547.00	12.00%
Other Objects	0.00	0.00	0.00%	0.00	0.00	0.00%
Non-Cap Equipment	0.00	0.00	0.00%	0.00	0.00	0.00%
Perm Transfers	0.00	0.00	0.00%	0.00	0.00	0.00%
Transfers	0.00	0.00	0.00%	0.00	0.00	0.00%
<b>TOTAL</b>	<b>2,477,000.00</b>	<b>1,362,130.00</b>	<b>55.00%</b>	<b>3,110,000.00</b>	<b>1,229,965.00</b>	<b>40.00%</b>



# OPERATION AND MAINTENANCE FUND REVENUE

- **Revenues:**

- **Local Taxes** – The District receives real estate taxes in two installments (March 1 and September 1) subsequent to the year of the levy. The District receives significant distributions of tax receipts in the months of July, August and September for taxes levied in 2012 and February and March for taxes levied in 2013.

- **Expenditures:**

- **Salaries** – This expenditure object is on target at the end of the Third Quarter. The 11% increase in salaries is the result of 3% annual raises that were effective July 1, 2013, of portion of Director of Finance salary allocated to O&M and overtime for snow removal.
- **Benefits** – Increase is the result of hiring of 2 full time custodians during Fiscal Year 2014.

# TRANSPORTATION FUND (40)

## THROUGH MARCH 31, 2014

- The Transportation fund is delineated further by revenue and expenditure objects comparing the current third quarter to the third quarter of last year. Financial notes are provided at the end of the table for further clarification.

	2013-2014			2012-2013		
	Budget	YTD Activity	% of Budget	Budget	YTD Activity	% of Budget
<b><u>Revenues</u></b>						
Local Taxes	666,763.00	652,161.00	98.00%	270,000.00	225,738.00	84.00%
State	350,000.00	344,312.00	98.00%	250,000.00	334,940.00	134.00%
Other	1,000.00	2,223.00	222.00%	151,000.00	1,594.00	1.00%
<b>TOTAL</b>	<b>1,017,763.00</b>	<b>998,696.00</b>	<b>98.00%</b>	<b>671,000.00</b>	<b>562,272.00</b>	<b>84.00%</b>

	2013-2014			2012-2013		
	Budget	YTD Activity	% of Budget	Budget	YTD Activity	% of Budget
<b><u>Expenditures</u></b>						
Salaries	0.00	0.00	0.00%	0.00	0.00	0.00%
Employee Benefits	0.00	0.00	0.00%	0.00	0.00	0.00%
Purchased Services	860,000.00	518,572.00	60.00%	599,000.00	521,796.00	87.00%
Supplies	0.00	0.00	0.00%	0.00	0.00	0.00%
Capital Outlay	0.00	0.00	0.00%	0.00	0.00	0.00%
Other Objects	0.00	0.00	0.00%	0.00	0.00	0.00%
Transfers	0.00	0.00	0.00%	0.00	0.00	0.00%
<b>TOTAL</b>	<b>860,000.00</b>	<b>518,572.00</b>	<b>60.00%</b>	<b>599,000.00</b>	<b>521,796.00</b>	<b>87.00%</b>

# TRANSPORTATION FUND

## REVENUE

- **Revenues:**

- **Local Taxes** – The District receives real estate taxes in two installments (March 1 and September 1) subsequent to the year of the levy. The District receives significant distributions of tax receipts in the months of July, August and September for taxes levied in 2012 and February and March for taxes levied in 2013.
- **Regular/Special Ed Transportation** – Through Q3, the District received \$344,3121 in State funding due to the FY2014 Transportation claim. Regardless of those payments, the State currently owes the District \$221,917 for those programs for the FY2014 program year. It is interesting to note at this time there are discussions currently going on indicating that the State will make all Categorical payments from Project Year 2014 in FY14. If this happens, the District will have a greater surplus than originally budgeted.

- **Expenditure:**

- **Purchase Services** – Based on numbers received in August of 2013, the District anticipated Special Education transportation cost to amount to approximately \$800,000. Beginning in October of 2013, Interim Directors of Special Education reviewed the requirements for students qualified for Special Education transportation. During this review process, it was determined that there were a number of students that did not meet the requirements and were not provided transportation through the District. This has resulted in a significant cost savings.