



Prospect Heights School District 23
Board Memorandum
Action/Discussion Item

Date: April 29, 2019

Subject: Amended Budget Background Details

Prepared by: Micheal DeBartolo, Assistant Superintendent for Finance & Operations

Before the Board is a recommendation to amend the FY2019 budget. The original 2018-19 Budget for Prospect Heights School District 23 was adopted by the Board at its September 2018 meeting. Due to changes in anticipated revenues, expenditures and other sources of funds, it is recommended that the FY2019 budget be amended.

The Board of Education is asked to schedule a public hearing on the amended FY2019 budget and give notice to the community. The hearing is to take place on June 12, 2019. Updates to the 2018-19 Tentative Amended Budget may be necessary before the hearing on June 12th.

Currently, the 2018-19 Tentative Amended Budget includes the following changes:

1. Revenue- OVERALL increase approximately \$2.635 million

- a. Interest on Investments - *increased* approximately \$95K
Interest earnings on investments are projected to be greater than the level assumed in the original budget. Interest income has been adjusted up to current levels.
- b. Local Revenue – *decreased* approximately \$400K
Ad valorem property tax collections are lagging and being estimated at 97%. However, receipts for this tax year AND previous tax years are continuing to be received. For April 2019, we collected approximately \$100K, so this number may still meet its original projection.
- c. State revenue- *decreased* approximately \$135k
Revenues for the transportation reimbursements, which still are considerably up from previous years, and the lagging ad valorem property taxes account for this decrease.
- d. Federal revenue – *increased* approximately \$75K
IDEA Room and Board reimbursement on student with outside residential placement.
- e. Bond revenue -- increased by \$3M
Issued bonds for capital improvements – to be transferred from Working Cash Fund to Capital Projects Fund.

2. Expenditures- increased approximately \$100K

- a. Tuition - *increased* approximately \$100K
Tuition expense has increased due to student placements.

- b. Capital projects – *increased* approximately \$125K
The summer 2019 construction projects reflect the outcome of the bond issuance site work to date.
- c. Employee salary and insurance cost - *decreased* approximately \$165K
The cost of employee salary and health insurance has been updated to reflect the outcomes of the FY2019 employee hiring and insurance selections.
- d. Federal Title Grants – *increased* approximately \$40,000
This occurred due to rollover funds and reallocated unused funds from other school districts

3. **Fund Transfers- approximately \$70K to be transferred**

Based upon the facility rentals, it is likely that the District can once again transfer monies from the Operations & Maintenance Fund to the Capital Projects Fund. This will be monitored and brought forward in June.

The Business Office will continue to monitor these monies closely between now and the May BOE meeting where the final presentation of dollars and amended budget will be reported. In addition, the Business Office will continue to monitor payments of expenditures and receipts of revenues before approval of the amended budget at the June BOE meeting.