



## Executive Summary Finance Committee Meeting

DATE: June 21, 2018  
TOPIC: 2018-2019 Preliminary Budget  
PREPARED BY: Bob Ciserella

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### Recommended Action:

Action:

Discussion:

Information:

### Purpose:

Annually, the Board of Education must approve the School District Budget.

### Background:

#### Revenues:

- Property taxes account for 85% of total revenue. The District anticipates receiving approximately \$416,889 in additional revenue due to the proration of taxes that occurs in Cook County. Additionally, the budget includes additional revenue associated with the Life Safety Levy.
- Other local revenues account for 8% of total revenue. The District anticipates receiving approximately \$80,787 less in local revenue.
- State revenues account for 5% of total revenue. The District expects the revenue to be accounted for in the Education and Transportation Fund.
- Federal revenues account for 2% of total revenue. The District anticipates receiving approximately \$82,617 in additional receipts based on current year receipts.

#### Expenditures:

- Salary - Overall expected to increase \$172,867. The business office conducted an in depth review of all salaries and benefits accounts. Factors weighing on this estimate include increases to member's of the LTA and LSSU contract
- Benefits - PPO medical insurance decreased by 2.1%; HMO medical decreased by 1% and dental decreased by .3%.
- Purchased Services – Decreased by \$312,754. This is due to significant savings from the recent Worker's Compensation bid and year to date transportation expenditures.

- Supplies & Materials – Increased by \$7,220.
- Capital Projects costs for phase III work are estimated at \$8,300,000. Also included are painting and carpet replacement at Rutledge Hall, as part of the five-year facility plan.
- Other/Dues & Fees/Transfers – Overall increase of \$432,110. The District has the 2018 bond interest payment due on June 1, 2019 in the amount of \$215,386. The payment was not able to be included in the 2017 levy request, but will be in the future. Additionally, after reviewing out of District tuition payments, the amount allocated for the 2018-2019 budget has been increased.

**Fund Balances:**

On page 9 of the attached budget document is the 2018-2019 preliminary fund balance summary. The spreadsheet demonstrates that if the District were not completing major renovations at Lincoln Hall, the District would be operating with a surplus of approximately \$264,471.

**General Comments:**

The District has taken a series of actions that will affect the 2018-2019 budget. In June 2018 the District sold \$3,000,000 in Working Cash Bonds and \$3,000,000 in Life Safety Bonds. The sale will be recognized in the 2018-2019 budget. Additionally, to complete Phase III of the Lincoln Hall project a series of inter-fund transfers will be required. These steps are set forth below:

- Repayment of the loan to Working Cash from the Education Fund will be made in the amount of \$1,500,000.
- Inter-fund transfer will be made to the Education Fund from the Working Cash Fund in the amount of \$1,500,000 to maintain adequate fund balances.
- Inter-fund transfer from the Education Fund through the Operations and Maintenance Fund to the Capital Fund in the amount of \$1,500,000.
- Inter-fund transfer from the Education Fund through the Operations and Maintenance Fund to the Capital Fund in the amount of \$4,500,000.

The budget that is being presented on June 21, 2018 is preliminary in nature. The preliminary budget will be presented to the Board of Education at the June 28, 2018 meeting. At the June meeting the Administration will request permission to post the budget. Illinois School Code requires a 30-day posting period prior to approval.

The final budget will be presented to the Board of Education for approval at the August 3, 2018 meeting.

**Fiscal Impact:**

Please see attached 2018-2019 Preliminary Budget

**Recommendation:**

It is the Administrative recommendation that the Finance Committee support the posting of the Preliminary 2018-2019 Lincolnwood School District Budget and present at the June 28, 2018 Board of Education meeting for the 30-day posting period.