

Warren Township High School District 121
Budget - Executive Summary
Fiscal Year Ending June 30, 2011

District Profile

Warren Township High School District 121 is located in Lake County, Illinois, which is approximately 40 miles north of Chicago, Illinois. The District contains approximately 54 square miles and covers all or part of Gurnee, Wadsworth, Waukegan, Park City, Old Mill Creek, Grayslake and Beach Park as well as the unincorporated areas known as Druce Lake, Gages Lake, Grandwood Park, Millburn and Wildwood. This high school district of approximately 4,500 students has two campuses. The O'Plaine Campus for freshmen and sophomores is located at 500 N. O'Plaine Road, Gurnee. The Almond Road Campus for juniors and seniors is at 34090 Almond Road, Gurnee. Current staff is approximately 423 employees.

Members of the Board of Education are:

John R. Anderson, President	Term Expires 2013
David J. Grum, Vice President	Term Expires 2011
Chuck Crowley, Secretary	Term Expires 2013
Richard E. Conley, Member	Term Expires 2011
Michael B. Munda, Member	Term Expires 2011
Jeanette Thommes, Member	Term Expires 2013
Larry Stried, Member	Term Expires 2013

Objectives Set by the Board of Education

The Board of Education sets both short-term and long-term budgetary objectives for the District.

The Board of Education is focusing on four objectives to achieve its long-term vision for Warren Township High School District 121. These are:

- To maintain the current quality of the education program
- To practice fiscal responsibility
- To embrace the Warren community's input during the decision-making process
- To maintain a safe and cooperative climate

Executive Summary

The budget presented for adoption on September 28, 2010 is a culmination of the efforts of the Board of Education, Superintendent's Office, Business Office, District Administration and other staff during the past eight months. This process included presentations to the Board by the administration and other staff responsible for the more than 65 program areas of the District. Recommendations by the Board of Education are reflected in the adopted budget presented.

The District's budget is made up of the District's operating funds, which include Education, Tort, Leasing, Operations and Maintenance, Transportation, and IMRF fund. Other funds include the Bond and Interest fund, Site and Construction fund and Working Cash fund.

Operating Funds

The operating funds represent monies received and disbursed for the daily operations of the District. The largest of those funds is the Education fund.

The tentative operating fund budget includes revenues and expenditures of \$47 million for the 2011

fiscal year. Ending fund balances for the same funds are projected to be \$12.1 million or 26% of annual fund expenditures. Revenues in these funds are projected to decrease (1.8%) compared to prior year levels. Expenditures are budgeted to decrease (1.8%) compared to the prior year. The District has a "balanced budget" for the 2010-2011 school year. A balanced budget is defined as revenue equaling expenditures for the operating funds.

Operating Revenue

Operating and Working Cash fund revenues are budgeted to be \$47 million. Property taxes make up about 70% of the District's Operating fund revenues. One-half of taxes are based on the taxes levied by Lake County for the 2009 levy. The remaining one-half is estimated based on a Consumer Price Index of 2.5%, an decrease in overall equalized assessed value and \$20 million in new construction. These numbers are based on estimates received by the township assessors. Fees received from pupils include registration, course fees, food service sales and summer school fees. Budget estimates are dependent upon changing enrollment, any fee changes and an increasing low-income population. Interest earnings follow economic trends. We are predicting a level environment for short-term interest rates.

State and Federal Funding

The District receives about 30% of its operating funds from state and federal governments. The Illinois House of Representatives and Senate have approved a state budget which includes decreased funding to schools. The State continues to delay committed payments to the District and it is uncertain at this time if all obligated funding will be received at Warren. The budget does include funds we hope to receive. At this time the District still has not received nearly \$1 million from last year.

The state revenue presented in Warren's tentative budget is based on proposed state budget increases in general state aid and decreases in transportation and other aid. We have included ARRA new jobs funds of about \$70,000 as our only source of federal stimulus money.

Operating Expenditures

The Operating fund expenditures budget is \$47 million. The largest expenditures in the budget are salaries and benefits, which account for approximately 70% of total operating expenditures. The Union generously assisted the District in reducing overall salary and benefit costs by opening up the contract for this year. Without this assistance, the District would have had to deficit spend and use existing reserves.

Warren has over the last five years taken significant steps to control cost which has paid off in the economic recession. The changes reflect increased class sizes and operating efficiencies. Staff increases were limited to the special education area because of state mandates and where the District brought back programs in-house to save costs.

Site and Construction Expenditures

Warren recently completed a \$30 million expansion and renovation at both campuses. The budget includes approximately \$9 million in remaining payouts to contractors for work completed after June 30, 2010. The District also purchased approximately 100 acres for \$7,990,000 at Stearns School and Hunt Club Road. This parcel would be used if a third high school was needed in the future. The parcel originally sold for approximately \$12 million four years ago and is one of the few parcels in our District that would be large enough for a high school site.

Overall

Non-operating funds include the Bond and Interest fund and Site and Construction fund. These funds are restricted to bond principal and interest payments on debt obligations, land acquisition and building construction.

The overall revenue budget is \$53.4 million and the expenditure budget is \$70.3 million.

The District's budget will be posted on our website at www.wths.net.

**Warren Township High School
Comparison of Fiscal Year 2010 Actual to Fiscal Year 2011 Budget**

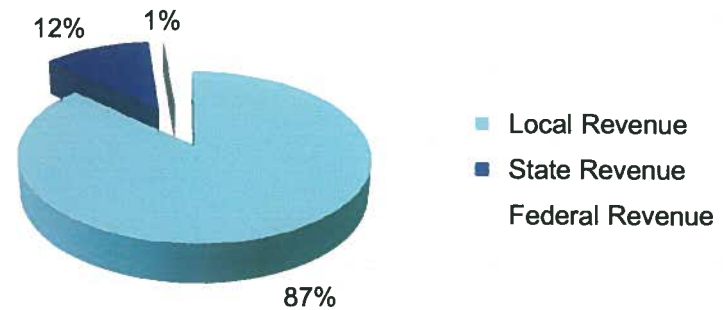
Operating Funds:	FY 2010 Actual	FY 2011 Budget	Change	% Change
Revenue by Source:				
Local Revenue	40,384,225.00	40,849,493.00	465,268.00	1.15%
State Revenue	5,843,076.00	5,531,568.00	(311,508.00)	-5.33%
Federal Revenue	1,638,447.00	618,375.00	(1,020,072.00)	-62.26%
Total Revenue	47,865,748.00	46,999,436.00	(866,312.00)	-1.81%
Expenditures by Category:				
Salaries	26,719,624.00	26,742,436.00	22,812.00	0.09%
Benefits	5,272,023.00	5,490,645.00	218,622.00	4.15%
Purchased Services	6,630,857.00	6,185,168.00	(445,689.00)	-6.72%
Supplies	2,631,244.00	2,488,687.00	(142,557.00)	-5.42%
Capital Assets	980,186.00	476,904.00	(503,282.00)	-51.35%
Tuition and Other	4,510,200.00	4,332,549.00	(177,651.00)	-3.94%
Non-capital Purchases	332,716.00	109,392.00	(223,324.00)	-67.12%
Transfers for Debt Service	768,624.00	1,173,655.00	405,031.00	0.00%
Total Expenditures:	47,845,474.00	46,999,436.00	(846,038.00)	-1.77%
(Deficit) Surplus Operating Funds	20,274.00	-		

All Funds:	FY 2010 Actual	FY 2011 Budget	Change	% Change
Revenue by Source:				
Local Revenue	46,080,296.00	46,636,958.00	556,662.00	1.21%
State Revenue	5,843,076.00	5,531,568.00	(311,508.00)	-5.33%
Federal Revenue	2,199,002.00	1,220,334.00	(978,668.00)	-44.51%
Total Revenue	54,122,374.00	53,388,860.00	(733,514.00)	-1.36%
Expenditures by Category:				
Salaries	26,719,624.00	26,742,436.00	22,812.00	0.09%
Benefits	5,272,023.00	5,490,645.00	218,622.00	4.15%
Purchased Services	6,630,857.00	6,185,168.00	(445,689.00)	-6.72%
Supplies	2,631,244.00	2,488,687.00	(142,557.00)	-5.42%
Capital Assets	18,948,812.00	16,839,507.00	(2,109,305.00)	-11.13%
Tuition and Debt Service	12,759,571.00	11,228,988.00	(1,530,583.00)	-12.00%
Non-capital Purchases	332,716.00	109,392.00	(223,324.00)	-67.12%
Transfers	768,624.00	1,173,655.00	405,031.00	0.00%
Total Expenditures:	74,063,471.00	70,258,478.00	(3,804,993.00)	-5.14%
(Deficit) Surplus All Funds	(19,941,097.00)	(16,869,618.00)		

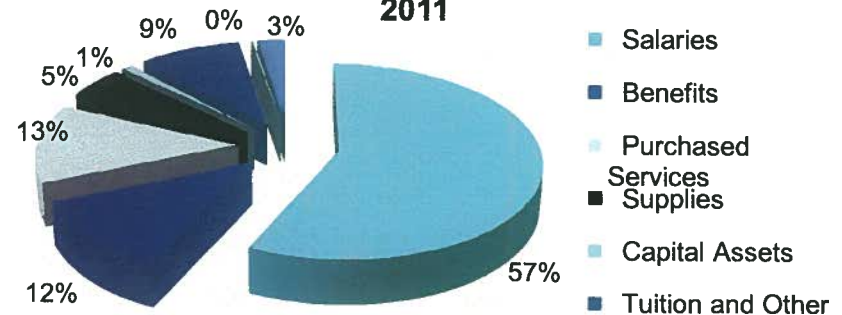
Warren Township High School Financial Overview

- **2010-2011 Total Budget**
\$70.3 million
- **Operations** \$47 million
- **Debt and Capital**
\$23.3 million
- **Fund Balances at 6/30/2010 (total)**
\$41.7 million
- **2010 Operating Rate per Student**
\$10,173
- **ISBE Financial Profile Financial Recognition Since 2008**
- **2009 Assessed Valuation**
\$2,551,630,910
- **2009 Tax Rate**
1.620 per \$100 assessed valuation
- **Bond Rating**
Moody's A2
S&P AA

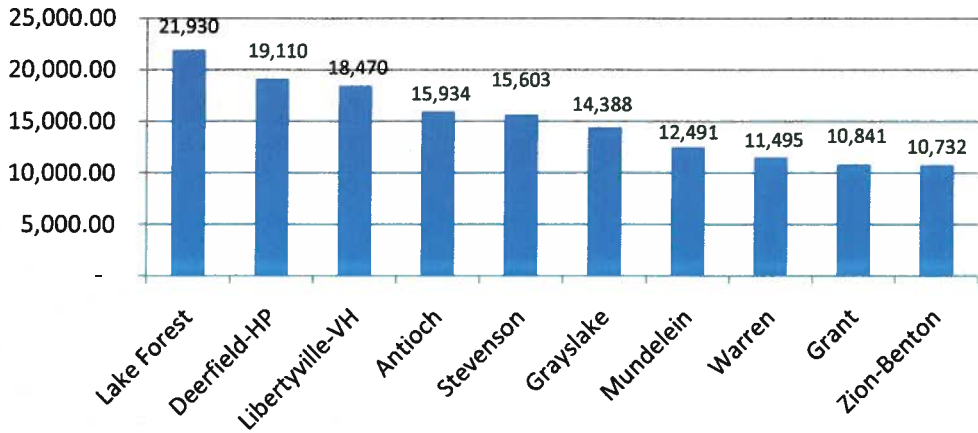
Operating Funds Total Revenue FY 2011



Operating Funds Total Expenditures FY 2011



Operating Cost per Pupil FY 2010



Tax Rate per Pupil Levy Year 2009

