

Quarterly Financial Report March 2004

FY 2005 Budget

A rough draft for discussion purposes (no action) will be presented for discussion.

Current Revenue

We have experienced a serious reduction in our anticipated property tax extension. The 2002 Tax Levy and extension was to bring in \$8,184,355 in property tax revenues. We usually get the last small payments in January. The county had distributed all but about \$290,000 of the tax money to us. I called in late January to see when the final payment(s) would be made. To my surprise, they said there is no more money coming. Three things came into play. First, IDOT purchased about \$4 million in EAV from a private owner thereby taking the property off the rolls. Second, the owners of Nordic got a significant reduction in their EAV sometime before 2002, when the property was vacant. Finally, about \$76,000 is tied up in litigation: people requesting a reduction in EAV while Barry fights it on our behalf.

It is my understanding in discussing this with Barry that this reduction is not cumulative in the sense that our starting point for next year's levy is going to be \$290,000 lower. That tax burden is spread back out over existing property owners.

If you have been reading the "From the Floor to Your Door" from Ed-Red, you will recall this issue of refund recovery from prior years as well as property tax appeal. This really came out of left field for us. I looked back at last year, and we had only \$6,000 lost through these processes.

Current Expenditures

Expenditure are tracking as expected. Cash flow issues, as predicted by the daily cash flow report you have been receiving in your packet, will peak in April requiring a transfer from our Working Cash. Obviously, the \$290,000 short-fall outlined above will most likely increase our need.

Comment

I believe the Board must have an open and frank discussion about how you would like the administration to proceed over the next two or three years. In my opinion, now that we can no longer count on the full value of the levy, the "rules" for budgeting and funding our programs have significantly changed. I would not want to cut any teaching positions for FY05. That being said, I believe must start looking at the FY06 budget immediately this fall.