



Financial Report Card

FISCAL YEAR 2011

FEBRUARY 2011

Community Consolidated School District 15

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Serving all or part of:

Palatine
Rolling Meadows
Inverness
Arlington Heights
Hoffman Estates
Schaumburg
South Barrington

The Mission of School District 15

is to Produce
World-Class Learners
by Building a
Connected-Learning
Community

Board of Education

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President
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Superintendent of Schools

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A Connected Learning Community

The mission of School District 15 is to produce world-class learners by building a connected learning community. District 15 (D15) is committed to keeping the community informed about district operations, the stewardship of its financial resources, its objectives, and its educational programs. An enlightened community is an essential part of maintaining the educational programs in D15 so the District can meet the unique needs of all children. You will find many resources in this newsletter to help you become better informed about D15.

Financial Accountability

In order to serve our educational mission, the D15 school board must be wise stewards of taxpayer funds that support D15's educational mission. This Financial Report Card provides a snapshot of the financial status of D15, including a brief history of the district finances, the current budget, and a projection of district finances for the next five years. The Financial Report Card is intended to make district finances accessible and easy to understand, thereby increasing accountability to the taxpayers. Being accountable to D15 residents helps build a connected learning community, which furthers D15's goal of producing world-class learners.

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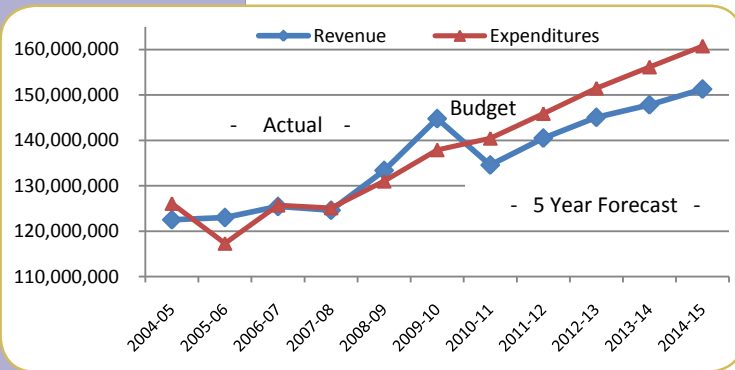
[School Improvement Plans](#)

District 15 Financial Status

Actual Annual Financial History—2010-11 Budget and 5-Year Financial Forecast for D15

As the third largest elementary district in the state of Illinois, D15 spends about \$140M educating

approximately 12,165 students. The graph (left) shows the total operating funds revenue brought into D15 and the operating fund expenditures that support D15’s educational programs. The financial history of D15 as shown below is taken from the audited Annual Financial Reports (AFRs) filed every year with the Illinois State Board of Education (ISBE). The 2010-11 operating fund budget represents D15’s estimated revenues and expenditures for the current school year. The 5-year Forecast represents D15’s best estimate of future revenues and expenditures.



A—Ten-Year History of the Audited Financial Statements

District 15 expenditures exceeded revenues in six of the last 10 years. The excess expenditures were financed by the issuance of working cash bonds in the 2001-02 school year and the spending down of district reserves, also referred to as fund balances. Major reductions occurred during the 2005-06 school year following a failed referendum, which included the reduction of 70 teaching positions and 30 other staff positions. The reduction in teaching positions resulted in larger class sizes for D15. The district reversed the trend of deficit spending during the 2005-06 school year and brought back 50 teachers and other staff for the 2006-07 school year. The district had small deficits during the 2006-07 and 2007-08 school years, but was able to maintain balanced budgets during the last two (2008-09 and 2009-10) school years.

B—Current Year Budget (2010–11)

The district has adopted a deficit budget for the 2010-11 school year. Despite making budget reductions of \$2.2 million, D15 anticipates expenditures to exceed revenues by approximately \$3.7 million for the current school year. The district was able to take advantage of a significant one-time only increase in federal stimulus (ARRA) funds last year. In addition, Cook County changed how property taxes were paid last year, and the district received a one-time only increase in property tax revenue last year. The current year budget reflects lower revenues due to the expiration of these one-time only adjustments.

C—Five-Year Financial Forecast (2010–11 through 2014–15)

An integral planning tool for the Board is the five-year financial forecast. Using the audited 2009–10 financial statements as a basis, certain assumptions are used to forecast out the major sources of revenues and expenditures for all funds for the district. A majority of the districts revenue (75%) is derived from local property taxes. The Property Tax Extension Limitation Act (PTELA) limits the growth of property tax revenue to no greater than the rate of inflation or 5%, whichever is less. For the 2010 levy year, the PTELA limit is 2.7%. Due to the continued economic recession, the district expects this increase to be no more than between 2.0% and 2.50% for the next five years. The district is greatly concerned with the future of state funding, which accounts for approximately 16% of district revenue. The district did not receive its final state aid payment for the year ended June 30, 2010, until December 15. Because of the state’s precarious financial position, district officials have been told to expect to receive only 25% of state categorical funding by the end of the current fiscal year (June 30, 2011). The state’s ability to honor its funding commitments will have a major impact on the district’s five-year financial forecast.

Quick Links

[Annual Financial Reports \(AFRs\)](#)

[2010-11 Budget](#)

[5-Year Financial Forecast](#)

District Statistics

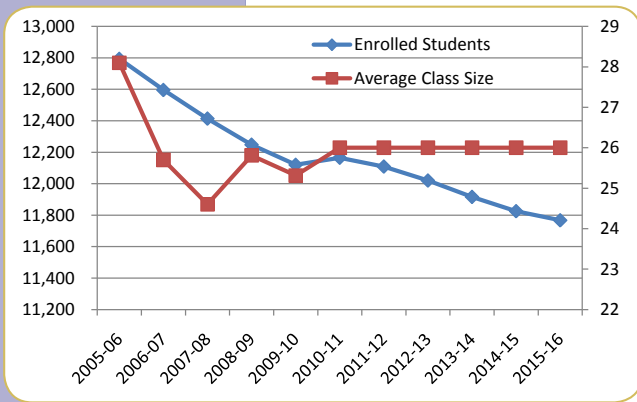
	2008-09 Actual	2009-10 Budget	% Increase	2010-11 Budget	% Increase
Total Employees	1,714	1,752	2.2%	1,724	-1.6%
Teachers/Social Workers/Psychologists	825	829	0.5%	824	-0.6%
Program Assistants	319	353	10.7%	343	-2.8%
Bus Drivers/Aides	190	185	-2.6%	185	0.0%
Enrolled Students	12,248	12,120	-1.0%	12,165	0.4%
Average Class Size (Grades 1-8)	25.4	25.3	-0.5%	26.0	2.8%
Average Class Size K-3 (Target = 24)	23.3	23.6	1.3%	23.4	-0.8%
Average Class Size 4-6 (Target = 26)	25.6	25.7	0.4%	26.1	1.6%
Average Class Size 7-8 (Target = 28)	27.4	27.0	-1.5%	27.3	1.1%
Operating Expense Per Pupil	11,025	11,584	5.1%	--	--
Bus Fleet	162	162	0.0%	162	0.0%
Bus Replacement	2	22		16	-27.3%
Additions to Fleet	14	0		0	
Technology Purchases	\$2.1M	\$2.8M	33.3%	\$2.2M	-21.4%
Hardware (computers, servers*)	\$1.3M	\$1.5M	15.4%	\$1.3M	-13.3%
Technology services, repair, software	\$1.0M	\$1.3M	30.0%	\$0.9M	-30.8%
*includes	Network	Servers, laptops, student info system, projectors		Increase bandwidth, asset tracking, school servers and backup systems, IP phone migration, replace student computers	

Enrollment

The graph below shows the historic and projected numbers of enrolled students and average class size across the district. The target class sizes by grade are set by the Board of Education and in 2010-11, the average class size (26.0) is at exactly the district-wide goal (of 26 students).

Employees

The number of teachers is adjusted each year in keeping with student enrollment and class size targets established by the Board. The 2010-11 school year has a slight decrease in certified staff with minimal impact on class sizes. Class sizes remain at or below the targeted class sizes set by the Board. The number of program assistants is adjusted each year per contract or state guidelines. The number of other support staff is set by need and within budget parameters established by the Board. The 2010-11 school year saw a reduction in support staff in keeping with the District's cost containment initiative.



Enrollment

The Board of Education has established the following average class size target: 20 students in Kindergarten; 24 students in grades one through three; 26 students in grades four through six; and 28 students in grades seven and eight. The overall average class size target is 26. The graph (left) shows the historic and projected number of enrolled students compared to the average class size targets. Enrollment increased by 0.4 percent from 2009-10 to 2010-11. The grade level average changed from 25.3 to 26.0 students over the same time period.

Transportation

The Board of Education has authorized the replacement of school buses in accordance with a previously approved bus replacement schedule. In the current budget year the District replaced 16 buses. The district transported 10,416 students in 2010-11.

Technology

The technology department continues to update the technology in the District and is in the second year of a two-year upgrade to the technology infrastructure throughout the District. Technology enhancements are typically completed during the summer months.

Operating Funds Revenue Budget

	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Budget
Education Fund				
Local Taxes	78,185,271	79,062,353	86,766,304	83,569,217
Other Local	5,941,978	4,973,285	4,752,226	4,242,166
State Sources	12,024,245	11,185,461	11,289,343	12,550,716
Federal Sources	6,435,589	7,262,404	8,013,147	7,735,830
Federal ARRA	--	1,400,625	3,801,118	1,034,253
Transfer In	--	600,000	--	--
Total	\$102,587,083	\$104,484,128	\$114,622,138	\$109,132,182
% increase/(Decrease)		1.85%	9.70%	-4.79%
Operations & Maintenance Fund				
Local Taxes	7,960,425	8,662,015	10,245,591	10,650,447
Other Local	1,487,187	1,382,997	884,264	802,162
Total	\$9,447,612	\$10,045,012	\$11,129,855	\$11,452,609
% increase/(Decrease)		6.32%	10.80%	2.90%
Transportation Fund				
Local Taxes	3,077,745	3,345,502	4,077,057	3,287,075
Other Local	566,690	387,336	265,250	261,377
State Sources	5,048,918	6,089,733	6,384,424	4,318,964
Total	\$8,693,353	\$9,822,571	\$10,726,731	\$7,867,416
% increase/(Decrease)		12.99%	9.20%	-26.66%
Municipal Retirement/Social Security Fund				
Local Taxes	3,233,720	4,245,944	4,953,258	4,830,781
Other Local	199,091	119,723	80,085	83,042
Total	\$3,432,811	\$4,365,667	\$5,033,343	\$4,913,823
% increase/(Decrease)		27.17%	15.29%	-2.37%
Tort Immunity Judgement Fund				
Local Taxes	--	2,326,003	1,013,497	668,760
Other Local	--	91,130	12,350	8,754
Transfer In		200,000		
Total	--	\$2,617,133	\$1,025,847	\$677,514
% increase/(Decrease)		0.00%	-60.80%	-33.96%
Working Cash Fund				
Local Taxes	--	--	--	--
Other Local	4,521	2,754	862	1,043
Total	\$4,521	\$2,754	\$862	\$1,043
% increase/(Decrease)		-39.08%	-68.70%	21.00%
Capital Projects Fund				
Local Taxes	--	--	--	--
Other Local	55,064	26,653	1,081,519	522,703
Transfer In		2,000,000	1,150,000	--
Total	\$55,064	\$2,026,653	\$2,231,519	\$522,703
% increase/(Decrease)		3580.54%	10.11%	-76.58%
Life Safety Fund				
Local Taxes	374,350	(4,354)		--
Other Local	17,084	19,642	4,818	7,441
Total	\$391,434	\$15,288	\$4,818	\$7,441
% increase/(Decrease)		-96.09%	-68.49%	54.44%
Total Revenue	\$124,611,878	\$133,379,206	\$144,775,113	\$134,574,731
% increase/(Decrease)		7.04%	8.54%	-7.05%

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[2009-10 Audited
Financial Report](#)

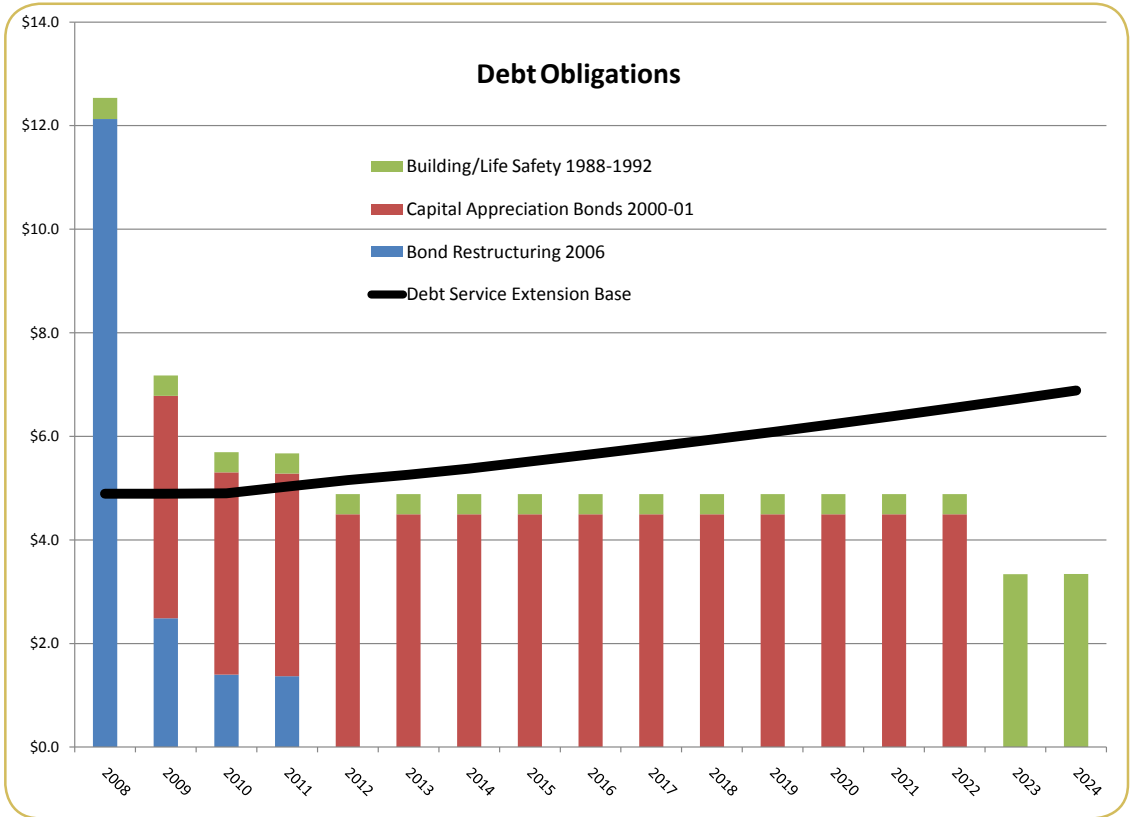
[2010-11 Budget](#)

Operating Funds Expenditure Budget

	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 Budget
Educational Fund				
Salaries	79,542,690	77,961,372	82,701,673	84,504,185
Benefits	12,465,116	14,712,493	14,346,862	16,098,576
Purchased Services	4,288,925	2,751,995	3,180,010	3,924,281
Supplies	3,873,332	3,760,168	4,426,057	4,410,702
Capital Outlay	2,251,716	2,137,350	2,656,757	1,801,725
Other Expenses	371,747	472,914	538,437	1,389,715
Total	\$102,793,526	\$101,796,292	\$107,849,796	\$112,129,184
% increase/(Decrease)		-0.97%	5.95%	3.97%
Operations & Maintenance Fund				
Salaries	2,898,798	4,362,414	4,447,369	4,386,445
Benefits	633,078	779,135	843,641	892,595
Purchased Services	850,434	1,283,825	1,583,268	1,621,980
Supplies	3,096,597	3,536,326	2,975,096	3,611,400
Capital Outlay	789,912	934,749	529,452	523,340
Other Expenses	--	--	--	54,520
Transfer		2,000,000	1,150,000	
Total	\$8,268,819	\$12,896,449	\$11,528,826	\$11,090,280
% increase/(Decrease)		55.96%	-10.60%	-3.80%
Transportation Fund				
Salaries	5,064,936	5,135,098	5,019,286	4,986,365
Benefits	1,404,404	1,601,307	1,695,286	1,813,225
Purchased Services	506,629	371,730	389,735	448,750
Supplies	1,154,270	1,054,894	1,059,425	1,055,000
Capital Outlay	1,655,204	1,032,624	1,538,695	1,188,942
Other Expenses	--	--	--	38,245
Transfer Out		600,000		
Total	\$9,785,443	\$9,795,653	\$9,702,427	\$9,530,527
% increase/(Decrease)		0.10%	-0.95%	-1.77%
Municipal Retirement/Social Security Fund				
Benefits	4,277,935	4,233,115	4,541,584	4,965,843
Total	\$4,277,935	\$4,233,115	\$4,541,584	\$4,965,843
% increase/(Decrease)		-1.05%	7.29%	9.34%
Tort Immunity Judgement Fund				
Purchased Services	--	1,060,712	992,413	1,253,650
Other Expenses	--	--	15,500	26,000
Total	--	\$1,060,712	\$1,007,913	\$1,279,650
% increase/(Decrease)			-4.98%	26.96%
Working Cash Fund				
Total	--	--	--	--
Capital Projects Fund				
Purchased Services	--	6,070	110,035	--
Capital Outlay	--	1,055,061	3,163,648	857,890
Total	--	\$1,061,131	\$3,273,683	\$857,890
% increase/(Decrease)			208.51%	-73.79%
Life Safety Fund				
Purchased Services	--	13,238	--	--
Capital Outlay	--	150,335	--	600,000
Total	--	\$163,573	--	\$600,000
% increase/(Decrease)			-100.00%	100.00%
Total Expenditures	\$125,125,723	\$131,006,925	\$137,904,229	\$140,453,374
% increase/(Decrease)		4.70%	5.26%	1.85%

Debt Obligation

District 15 long-term debt for Building, Life/Safety, and Working Cash



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[Illinois State Board of Education, School Finance](#)

[ILEARN](#)

[\(Illinois Local Education Agency Retrieval Network\)](#)

The District is subject to the Illinois School Code, which limits the amount of indebtedness to 6.9 percent of the most recent equalized assessed valuation. As of June 30, 2010, the statutory debt limit for District 15 was \$318,625,750. According to the independent auditors report, dated June 30, 2010, the District has a debt margin of \$286,958,533. As of June 30, 2010, the District was in compliance with all significant bond covenants, including federal arbitrage regulations.

In FY 2010 the district retired \$5.24M in long-term debt. The district is allowed to levy taxes to pay off bond Principal and Interest payments.

Payments for Capital Appreciation Bonds issued in 2000-2001 continue until 2022. In 2006, a portion of the district's Capital Appreciation Bonds were restructured; payments for these bonds will continue until 2024.



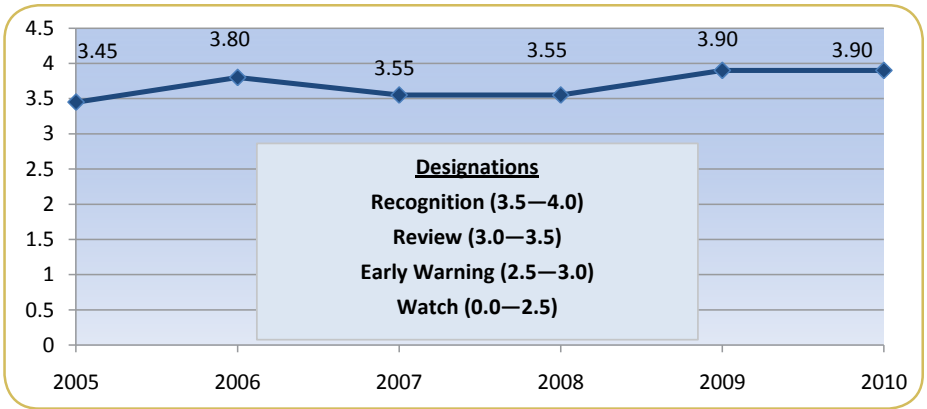
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Financial Health Measures

Financial Profile Designation

The Illinois State Board of Education (ISBE) computes annually a financial profile for all districts in Illinois. For the 2010 fiscal year, D15 received a financial profile rating of 3.90, marking the fifth year in a row that District 15 has received “Recognition” status from ISBE. D15 exceeded ISBE targets for Fund Balance to Revenue and Expenditure to Revenue Ratios. Delayed state aid payments were a factor in the district not achieving the ISBE target of at least 180 days of cash on hand. Prior year budget reductions, along with continual cost control and effective Board governance has helped the district maintain a strong fund balance, allowing the district to maintain high marks for financial responsibility.



ISBE Financial Indicator	FY 2008 Value	FY 2009 Value	FY 2010 Value	ISBE Target Value
Fund Balance to Revenue Ratio	35.70%	34.80%	36.90%	Greater than 25%
Days Cash on Hand	137 Days	131 Days	141 Days	Greater than 180 Days
Expenditure to Revenue Ratio	1.001	0.985	0.937	Equal to or less than 1.0

