

June 25, 2014

## Community Consolidated School District 15



Serving all or part of:  
 Palatine • Rolling Meadows • Inverness  
 Arlington Heights • Hoffman Estates  
 Schaumburg • South Barrington

Joseph M. Kiszka Educational Service Center  
 580 North First Bank Drive  
 Palatine, IL 60067

Michael M. Adamczyk  
 Chief School Business Official

(847) 963-3032 • Fax (847) 963-3061  
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**MEMORANDUM**

**DATE:** June 18, 2014  
**TO:** Board of Education  
**FROM:** Michael Adamczyk  
**RE:** Tentative Budget

Attached is the tentative budget for the 2014-15 fiscal year. The budget provides for expenditures in excess of revenues of \$3,573,631. The five year forecast presented at the March 12, 2014, board meeting had expenditures in excess of revenues of \$1,313,675. The difference of \$2,259,956 is attributable mostly to the following items.

- Transportation Reimbursement decreased by approximately \$390,000.
- Capital Outlay projects increased by approximately \$1,764,000.
- Medicaid revenue decreased by \$575,000.
- Health expenditures decreased by approximately \$770,000.
- Property taxes decreased by approximately \$90,000.
- Tuition charges increased by approximately \$179,000.

The budget will be reviewed in detail at the June 25, 2014, board meeting.

# Community Consolidated School District 15

Agenda Item No. 14-603  
June 25, 2014

## Tentative Budget 2014-15

Michael M. Adamczyk  
Chief School Business Official  
June 25, 2014



# Major Assumptions – Revenue

- Incorporates the budget guidelines approved by the Board of Education at the January 15, 2014, board meeting.
- Based on HB 6093, which increases K-12 funding by about \$118 million.
- Basically a “flat budget”. Total K-12 budget is \$6.8 billion.
- State budget does not include revenues from extension of the current income tax rates.
  - Legislature may revisit this issue during the fall veto session (November 19-21 and December 2-4).



# Major Assumptions – Revenue

- **Maintains General State Aid foundation allowance of \$6,119 and proration at 89%.**
  - Loss of approximately \$1.1 million if funded at 100%.
- **Maintains current funding levels for Regular/Vocational transportation, which is approximately 72% of the FY 2014 claim amount.**
- **General Assembly did not act on SB 16. This issue will be studied by the House over the summer.**
  - Loss of approximately \$11.1 million to District 15 if enacted in its current form.



# Major Assumptions — Expenditures

- **Open enrollment for health benefit plan changes ended May 30, 2014. Effect of any changes will not be known until September.**
- **Program Assistants based on FY 14 staffing levels. District has until October 15 to notify CTC with number of students who qualify for reading intervention and corresponding program assistants.**
- **Approximately 13 teaching positions remain unfilled. Will not know the final certified staff count and budget until September.**



# Revenue Summary

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
Educational	\$116,073,439	\$ 118,217,270	\$ 118,294,957	
Operations and Maintenance	11,756,355	11,858,090	12,216,017	
Transportation	9,230,285	8,613,393	8,792,529	
IMRF/Social Security	5,239,284	5,298,194	5,369,569	
Working Cash	296	250	250	
Tort Immunity	1,476,412	1,475,019	1,280,278	
Capital Projects	1,046,864	910,220	511,350	
Health & Life Safety	50	50	50	
	144,822,985	146,372,486	146,465,000	0.06%
Debt	5,015,092	4,888,862	4,902,850	
Total All Funds	\$ 149,838,077	\$ 151,261,348	\$ 151,367,850	0.07%



# Expenditure Summary

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
Educational	\$115,029,444	\$115,950,109	\$118,201,582	
Operations and Maintenance	10,539,480	10,646,545	10,808,317	
Transportation	9,147,950	9,314,642	9,441,106	
IMRF/Social Security	5,337,981	5,541,423	5,600,966	
Working Cash	-	-	-	
Tort Immunity	1,131,085	1,233,028	1,222,295	
Capital Projects	3,608,254	5,930,590	4,764,365	
Health & Life Safety	-	-	-	
	144,794,194	148,616,337	150,038,631	0.96%
Debt	4,886,200	4,886,200	4,886,200	
<b>Total All Funds</b>	<b>\$149,680,394</b>	<b>\$153,502,537</b>	<b>\$154,924,831</b>	<b>0.93%</b>



# Fund Balance Summary

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
Proceeds - Apple Lease	1,557,000	-	-	
Net change in Fund Balance Excluding Debt Service	1,585,791	(2,243,851)	(3,573,631)	
Beginning Fund Balance	55,498,245	57,084,036	54,840,185	-3.93%
Ending Fund Balance	57,084,036	54,840,185	51,266,554	-6.52%
All Funds % of Expenditures	39.42%	36.90%	34.17%	
Ending Fund Balance including Debt Services	62,031,361	59,790,172	56,233,191	
Ending Fund Balance including Debt Services as % of Expenditures	41.44%	38.95%	36.30%	
Revenues over/(under) Expenditures Including Debt	1,714,683	(2,241,189)	(3,556,981)	







## Community Consolidated School District 15

# Report to the Board of Education

## Tentative Budget FY 2015

June 25, 2014

Scott Thompson, Ed.D.  
*Superintendent of Schools*

Michael M. Adamczyk  
*Chief School Business Official*



## Tentative Budget for 2014-15

### Educational Fund

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Property Tax	\$ 88,380,070	\$ 89,295,173	\$ 90,406,799	
State	13,236,640	14,093,795	14,706,108	
Federal	10,219,395	10,811,310	9,410,711	
Interest on Investments	137,081	125,000	125,000	
CPPR Tax	738,991	803,839	803,839	
Other	3,361,262	3,088,153	2,842,500	
	<u>\$ 116,073,439</u>	<u>\$ 118,217,270</u>	<u>\$ 118,294,957</u>	0.07%
<b>Expenditures</b>				
Salaries*	\$ 86,483,211	\$ 89,062,079	\$ 90,981,209	2.15%
Benefits*	16,077,163	15,462,859	16,320,566	5.55%
Purchased Services	2,850,886	4,072,978	3,322,697	-18.42%
Supplies	4,627,695	4,747,875	4,753,245	0.11%
Equipment	3,855,536	1,764,143	1,787,390	1.32%
Tuition/Dues/Fees	1,134,953	840,175	1,036,475	23.36%
Other	-	-	-	
	<u>\$ 115,029,444</u>	<u>\$ 115,950,109</u>	<u>\$ 118,201,582</u>	1.94%
Transfers In/(Out) <sup>1</sup>	1,557,000	(3,250,000)	(2,000,000)	
Net change in Fund Balance	<u>2,600,995</u>	<u>(982,839)</u>	<u>(1,906,625)</u>	
Beginning Fund Balance	\$ 39,117,709	\$ 41,718,704	\$ 40,735,865	
Ending Fund Balance	\$ 41,718,704	\$ 40,735,865	\$ 38,829,240	

<sup>1</sup> Proceeds from Apple Lease in 2012-13

<b>Salaries*</b>				
Administration	5,562,017	5,926,324	6,280,968	5.98%
Certified Staff	64,111,735	65,970,341	67,431,840	2.22%
OT/PT	599,346	585,967	570,452	-2.65%
Program Assistants	5,609,812	5,478,683	5,651,352	3.15%
Secretary/Clerical	2,925,779	2,884,745	2,933,103	1.68%
Food Service	716,722	733,814	763,979	4.11%
Substitute Teachers	1,571,547	1,706,529	1,636,545	-4.10%
Miscellaneous	5,386,253	5,775,676	5,712,970	-1.09%
	<u>86,483,211</u>	<u>89,062,079</u>	<u>90,981,209</u>	2.15%
<b>Benefits*</b>				
TRS	1,667,890	1,604,433	1,546,930	-3.58%
Medical	14,304,676	13,634,426	14,648,076	7.43%
Tuition Reimbursement	104,597	224,000	125,560	-43.95%
	<u>16,077,163</u>	<u>15,462,859</u>	<u>16,320,566</u>	5.55%

## Tentative Budget for 2014-15

### Operations & Maintenance Fund

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Property Tax	\$ 10,596,427	\$ 10,705,648	\$ 11,063,575	
CPPR Tax	761,311.00	803,839	803,839	
Interest on Investments	22,214	22,500	22,500	
Other	376,403	326,103	326,103	
	\$ 11,756,355	\$ 11,858,090	\$ 12,216,017	3.02%
<b>Expenditures</b>				
Salaries	\$ 4,881,099	\$ 4,705,139	\$ 4,780,515	
Benefits	935,766	812,046	889,987	
Purchased Services	1,451,391	1,666,831	1,664,868	
Supplies	2,811,015	2,911,981	2,914,088	
Equipment	460,209	550,548	558,859	
Other	-	-	-	
	\$ 10,539,480	\$ 10,646,545	\$ 10,808,317	1.52%
Transfer In	-	3,250,000	2,000,000	
Transfers Out	(2,100,000)	(5,650,000)	(4,400,000)	
Net change in Fund Balance	(883,125)	(1,188,455)	(992,300)	
Beginning Fund Balance	\$ 6,447,448	\$ 5,564,323	\$ 4,375,868	
Ending Balance	\$ 5,564,323	\$ 4,375,868	\$ 3,383,568	

### Debt Service Fund

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Property Tax	\$ 4,999,317	\$ 4,871,862	\$ 4,885,850	
Interest on Investments	15,775	17,000	17,000	
	\$ 5,015,092	\$ 4,888,862	\$ 4,902,850	0.29%
<b>Expenditures</b>				
Interest Payment	\$ 4,495,000	\$ 4,495,000	\$ 4,495,000	
Principal Payment	390,850	390,850	390,850	
Other	350	350	350	
	\$ 4,886,200	\$ 4,886,200	\$ 4,886,200	0.00%
Transfers In/(Out)				
Net change in Fund Balance	128,892	2,662	16,650	
Beginning Fund Balance	\$ 4,818,433	\$ 4,947,325	\$ 4,949,987	
Ending Fund Balance	\$ 4,947,325	\$ 4,949,987	\$ 4,966,637	

## Tentative Budget for 2014-15

### Transportation Fund

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Property Tax	\$ 3,820,599	\$ 3,858,276	\$ 3,988,549	
Interest on Investments	19,203	17,500	17,500	
Other Local	217,804	200,000	200,000	
Other State	82,215	42,815	23,850	
State Reimbursement	5,090,464	4,494,802	4,562,630	
	<u>\$ 9,230,285</u>	<u>\$ 8,613,393</u>	<u>\$ 8,792,529</u>	2.08%
<b>Expenditures</b>				
Salaries	\$ 4,759,660	\$ 4,901,271	\$ 4,913,363	
Benefits	1,841,254	1,642,241	1,782,019	
Purchased Services	462,860	496,052	554,237	
Supplies	1,294,374	1,306,070	1,327,692	
Equipment	789,802	969,008	863,795	
Other	-	-	-	
	<u>\$ 9,147,950</u>	<u>\$ 9,314,642</u>	<u>\$ 9,441,106</u>	1.36%
Transfers In/(Out)				
Net change in Fund Balance	<u>82,335</u>	<u>(701,249)</u>	<u>(648,577)</u>	
Beginning Fund Balance	\$ 6,813,581	\$ 6,895,916	\$ 6,194,667	
Ending Fund Balance	\$ 6,895,916	\$ 6,194,667	\$ 5,546,090	

### IMRF/Social Security Funds

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Property Taxes	\$ 5,113,153	\$ 5,165,694	\$ 5,237,069	
CPPR Taxes	117,100	125,000	125,000	
Interest on Investments	9,031	7,500	7,500	
	<u>\$ 5,239,284</u>	<u>\$ 5,298,194</u>	<u>\$ 5,369,569</u>	1.35%
<b>Expenditures</b>				
IMRF	\$ 2,645,758	\$ 2,755,322	\$ 2,742,042	
FICA/Medicare	2,692,223	2,786,101	2,858,924	
	<u>\$ 5,337,981</u>	<u>\$ 5,541,423</u>	<u>\$ 5,600,966</u>	1.07%
Net change in Fund Balance	<u>(98,697)</u>	<u>(243,229)</u>	<u>(231,397)</u>	
Beginning Fund Balance	\$ 2,628,740	\$ 2,530,043	\$ 2,286,814	
Ending Fund Balance	\$ 2,530,043	\$ 2,286,814	\$ 2,055,417	

## Tentative Budget for 2014-15

### Capital Projects Funds

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Impact Fees	\$ 54,933	\$ 77,000	\$ 20,000	
Interest on Investments	127	100	100	
Other Local	250,000	50,000	-	
State Grant	-	50,000	-	
TIF Revenue	741,804	733,120	491,250	
	<u>\$ 1,046,864</u>	<u>\$ 910,220</u>	<u>\$ 511,350</u>	-43.82%
<b>Expenditures</b>				
Purchased Services	\$ 2,971,524	\$ 4,934,278	\$ 674,000	
Supplies	-	299,845	172,000	
Equipment	636,730	526,467	3,744,049	
Contingency	-	170,000	174,316	
	<u>\$ 3,608,254</u>	<u>\$ 5,930,590</u>	<u>\$ 4,764,365</u>	-19.66%
Transfers In/(Out)	2,100,000	5,650,000	4,400,000	
Net change in Fund Balance	<u>(461,390)</u>	<u>629,630</u>	<u>146,985</u>	
Beginning Fund Balance	\$ 83,728	\$ (377,662)	\$ 251,968	
Ending Fund Balance	\$ (377,662)	\$ 251,968	\$ 398,953	
Capital Projects:				
A/E Fees			320,000	
Chiller Installation			354,000	
Exterior Door Replacement			172,000	
Life Safety			2,673,000	
Asphalt Paving			234,300	
Track			341,185	
Water Line Replacement			120,000	
Chiller			375,564	
Contingency			174,316	
			<u>4,764,365</u>	

### Working Cash Funds

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Interest on Investments	\$ 296	\$ 250	\$ 250	
	<u>\$ 296</u>	<u>\$ 250</u>	<u>\$ 250</u>	0.00%
<b>Expenditures</b>				
	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in Fund Balance	<u>\$ 296</u>	<u>\$ 250</u>	<u>\$ 250</u>	
Beginning Fund Balance	\$ 109,994	\$ 110,290	\$ 110,540	
Ending Fund Balance	\$ 110,290	\$ 110,540	\$ 110,790	

## Tentative Budget for 2014-15

### Tort Immunity Fund

	Audited Actual		Amended Budget			
	2012-13		2013-14 Adopted 9/25/13		Proposed Amended Budget 2013-14	Increase/(Decrease) Budget to Amended
<b>Revenue</b>						
Property Tax	\$	1,462,280	\$	1,473,719	\$	1,278,978
Other		12,541		-		-
Interest on Investments		1,591		1,300		1,300
	\$	1,476,412	\$	1,475,019	\$	1,280,278
						-13.20%
<b>Expenditures</b>						
Purchased Services	\$	1,131,085	\$	1,233,028	\$	1,222,295
Other		-		-		-
	\$	1,131,085	\$	1,233,028	\$	1,222,295
						-0.87%
Transfers In/(Out)		-		-		-
Net change in Fund Balance		345,327		241,991		57,983
Beginning Fund Balance	\$	278,471	\$	623,798	\$	865,789
Ending Fund Balance	\$	623,798	\$	865,789	\$	923,772

### Health Life Safety Fund

	Audited Actual		Amended Budget		Tentative Budget		
	2012-13		2013-14		2014-15		Increase/(Decrease) Budget to Tentative
<b>Revenue</b>							
Interest on Investments	\$	50	\$	50	\$	50	
	\$	50	\$	50	\$	50	0.00%
<b>Expenditures</b>							
Purchased Services	\$	-	\$	-	\$	-	
Building Improvement		-		-		-	
		-		-		-	
Net change in Fund Balance		50		50		50	
Beginning Fund Balance	\$	18,574	\$	18,624	\$	18,674	
Ending Fund Balance	\$	18,624	\$	18,674	\$	18,724	

Health Life/Safety Projects:

## Tentative Budget for 2014-15

### Summary

	Audited Actual 2012-13	Amended Budget 2013-14	Tentative Budget 2014-15	Increase/(Decrease) Budget to Tentative
<b>Revenue</b>				
Educational	\$ 116,073,439	\$ 118,217,270	\$ 118,294,957	
Operations and Maintenance	11,756,355	11,858,090	12,216,017	
Transportation	9,230,285	8,613,393	8,792,529	
IMRF/Social Security	5,239,284	5,298,194	5,369,569	
Working Cash	296	250	250	
Tort Immunity	1,476,412	1,475,019	1,280,278	
Capital Projects	1,046,864	910,220	511,350	
Health & Life Safety	50	50	50	
	<u>144,822,985</u>	<u>146,372,486</u>	<u>146,465,000</u>	0.06%
Debt	5,015,092	4,888,862	4,902,850	
Total All Funds	\$ 149,838,077	\$ 151,261,348	\$ 151,367,850	0.07%
<b>Expenditures</b>				
Educational	\$ 115,029,444	\$ 115,950,109	\$ 118,201,582	
Operations and Maintenance	10,539,480	10,646,545	10,808,317	
Transportation	9,147,950	9,314,642	9,441,106	
IMRF/Social Security	5,337,981	5,541,423	5,600,966	
Working Cash	-	-	-	
Tort Immunity	1,131,085	1,233,028	1,222,295	
Capital Projects	3,608,254	5,930,590	4,764,365	
Health & Life Safety	-	-	-	
	<u>144,794,194</u>	<u>148,616,337</u>	<u>150,038,631</u>	0.96%
Debt	4,886,200	4,886,200	4,886,200	
Total All Funds	\$ 149,680,394	\$ 153,502,537	\$ 154,924,831	0.93%
Proceeds - Apple Lease	\$ 1,557,000	\$ -	\$ -	
<b>Net change in Fund Balance</b>				
Excluding Debt Service	1,585,791	(2,243,851)	(3,573,631)	
Beginning Fund Balance	\$ 55,498,245	\$ 57,084,036	\$ 54,840,185	-3.93%
Ending Fund Balance	\$ 57,084,036	\$ 54,840,185	\$ 51,266,554	-6.52%
All Funds % of Expenditures	39.42%	36.90%	34.17%	
<b>Ending Fund Bal including Debt Services:</b>				
	\$ 62,031,361	\$ 59,790,172	\$ 56,233,191	
<b>Ending Fund Bal including Debt Svcs. as % of Expend.</b>				
	41.44%	38.95%	36.30%	
<b>Revenues over/(under) Expenditures incl. Debt</b>				
	\$ 1,714,683	\$ (2,241,189)	\$ (3,556,981)	