



Financial Report Card

FISCAL YEAR 2016

MARCH 2016

Community Consolidated School District 15

580 N. 1st Bank Drive
Palatine IL 60067
Phone: 847-963-3000
Fax: 847-963-3200
www.ccsd15.net

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

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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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[Auditor's Report FY 2015](#)

[Annual Statement of Affairs FY 2015](#)

[2015-16 District 15 Budget](#)

[Five-Year Projections](#)

[Illinois State Board of Education Annual Financial Reports](#)

[Academic](#)

[BOE Annual Goals](#)

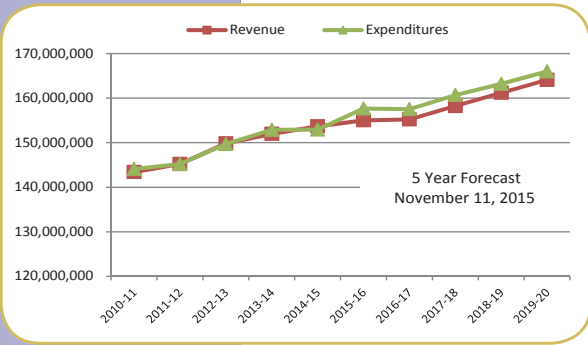
[BOE Mission/Strategic Goal Map/Core Values](#)

[Illinois State Report Cards](#)

[CONNECTIONS newsletter](#)

District 15 Financial Status

Actual Annual Financial History—2014-15 Budget and Five-Year Financial Forecast for D15



As the third largest elementary district in the state of Illinois, D15 spent \$153.0 million educating approximately 12,221 students in 2014-15. The graph shows the total revenue brought into D15 and the expenditures that support D15’s educational programs. The financial history of D15 as shown is taken from the audited Annual Financial Reports (AFRs) filed every year with the Illinois State Board of Education (ISBE). The 2015-16 budget represents D15’s estimated revenues and expenditures for the current school year. The Five-Year Financial Forecast represents D15’s best estimate of future revenues and expenditures.

Quick Links

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

[2015-16 District 15 Budget](#)

[5-Year Financial Forecast](#)

A—Ten-Year History of the Audited Financial Statements

District 15 expenditures exceeded revenues in 4 of the last 10 years. 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, and was able to maintain balanced budgets during the 2008-09 and 2009-10 school years. The balanced budgets were due in part to a change in the property tax collection method in 2009-10 only, and the receipt of federal government stimulus funds or ARRA in the 2009-10 and 2010-11 school years. The District had a small deficit for the 2010-11 school year. The District realized a small increase in its operating fund balance for the 2011-12 and 2012-13 school years. The 2012-13 results are attributed primarily to a higher than anticipated collection rate of property taxes. The 2013-14 school year resulted in a small deficit with the main factor being that the District spent an additional \$3.2 million on capital projects. The 2014-15 school year realized a small increase in its operating fund balance of \$0.78 million due from a supplemental GSA payment.

B—Current Year Budget (2015-16)

The District has adopted a deficit budget for the 2015-16 school year. District 15 anticipates expenditures to exceed revenues by approximately \$1.59 million for the current school year, excluding debt. The budget reflects slightly lower federal revenues, coupled with small increases in the budget for property taxes and total state aid. It also provides for salary increases in accordance with the district’s collective bargaining agreements, as well as other increases per the District’s budgeting guidelines. The budget in the Capital Projects fund is \$0.55 million lower than last year’s actual costs of \$4.19 million.

C—Five-Year Financial Forecast (2015-16 through 2019-20)

An integral planning tool for the Board is the Five-Year Financial Forecast. Using the Audited 2014-15 Financial Statement 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 District’s revenue (77%) is derived from local property taxes. All Cook County taxing jurisdictions are subject to the Property Tax Extension Limitation Act (PTELA), which limits the growth of property tax revenue to no greater than the rate of inflation or 5%, whichever is less. The 2014 CPI of .80%, which is used to calculate the 2015 tax levy, will impact property tax collections for the 2016-17 fiscal year.

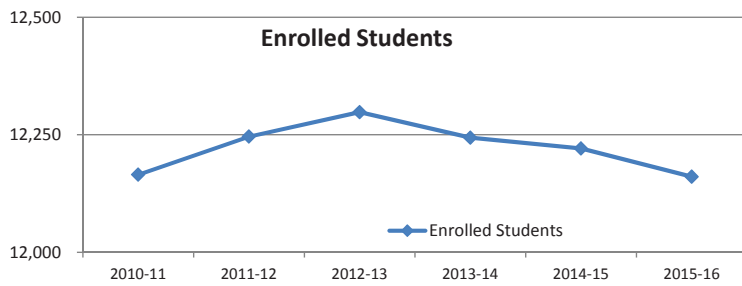
The District is greatly concerned with the future of state funding, which accounts for approximately \$19.3 million, or 12.6% of District revenue. The state’s ability to honor its funding commitments will have an impact on the District’s five-year financial forecast.

Enrollment

The graph below shows the historic and projected numbers of enrolled students. The target class sizes by grade are set by the Board of Education and in 2015-16, the average class size (24.9) meets the district-wide goal (of 26 students).

District Statistics

	2013-14 Actual	2014-15 Actual	% Increase	2015-16 Budget	% Increase
Total Employees	1,737	1,778	2.4%	1,775	-0.2%
Teachers/Social Workers/Psychologists	862	882	2.3%	888	0.7%
Program Assistants	329	334	1.5%	339	1.5%
Bus Drivers/Aides	174	185	6.3%	177	-4.3%
Enrolled Students (as of August 2015)	12,244	12,221	-0.2%	12,161	-0.5%
Average Class Size (Grades 1-8)	25.4	25.4	0.0%	24.9	-4.3%
Average Class Size K-3 (Target = 24)	24.1	22.5	-6.5%	22.1	-1.8%
Average Class Size 4-6 (Target = 26)	25.1	24.9	-0.6%	24.8	-0.4%
Average Class Size 7-8 (Target = 28)	27.2	28.7	5.4%	26.1	-9.1%
Operating Expense Per Pupil	12,363.13	12,536.23	1.4%	--	--
Bus Fleet	162	162	0.0%	162	0.0%
Bus Replacement	11	11	0.0%	11	0.0%
Additions to Fleet	0	0		0	
Technology Purchases	\$1.40M	\$1.20M	-14.3%	\$3.00M	150.0%
Hardware (computers, servers)	\$0.70M	\$0.66M	-5.7%	\$0.80M	21.2%
Technology services, repair, software	\$0.70M	\$0.56M	-20.0%	\$2.20M	292.9%



*Enrollment figures based on annual Fall Student Assignment Report

Enrollment

The Board of Education has established the following average class size targets: 20 students at Kindergarten, 24 students in Grades 1-3, 26 students in Grades 4-6, and 28 students in Grades 7-8. The overall average class size target is 26 students. The graph (left) shows the historic number of enrolled students. Enrollment decreased by 60 students, or 0.49% from 2014-15 to 2015-16.

Employees

The number of teachers is adjusted each year in keeping with student enrollment and class size targets established by the Board. There is an increase of 6 certified staff from the 2014-15 (882) to 2015-16 (888) school year. 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.

Transportation

The Board of Education has authorized the replacement of school buses in accordance with a previously approved bus replacement schedule. In the 2014-15 school year the District replaced 11 buses. D15 transported 11,079 students almost 1.755 million miles during the 2014-15 fiscal period.

Technology

The technology department continues to update the technology in the District. Routine technology enhancements are performed throughout the school year with many major projects. During 2014-15, D15 continued the enhancement of the iPads, laptops, and student computers; deployed 800 new staff laptops; automated student accounts in Google apps; and deployed a new help desk application. Projects for 2015-16 include: increasing bandwidth, refreshing data center equipment, upgrading network switches, enhancement of the wireless network, and preparing computers for online MAP, PARCC, and ACCESS testing.



All Funds Revenue Budget

Quick Links

[Audited Financial Report FY 2015](#)

[2015-16 District 15 Budget](#)



	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget
Education Fund				
Local Taxes	88,380,070	90,091,667	91,630,066	92,163,445
Other Local	4,237,334	3,958,848	3,563,483	3,908,620
State Sources	13,236,640	14,149,138	14,733,697	15,440,916
Federal Sources	10,219,395	10,470,577	10,288,749	9,269,031
Federal ARRA	--	--	--	--
Total	\$116,073,439	\$118,670,230	\$120,215,995	\$120,782,012
% Increase/(Decrease)		2.24%	1.30%	0.47%
Operations & Maintenance Fund				
Local Taxes	10,596,427	10,919,627	11,833,350	12,433,225
Other Local	1,155,103	1,016,049	1,127,127	1,151,286
State Sources	4,825	--	--	--
Federal Sources	--	--	--	--
Total	\$11,756,355	\$11,935,676	\$12,960,477	\$13,584,511
% Increase/(Decrease)		1.53%	8.59%	4.81%
Debt Retirement Fund				
Local Taxes	4,999,317	4,919,257	4,912,224	4,885,850
Other Local	15,775	15,622	10,792	17,000
Total	\$5,015,092	\$4,934,879	\$4,923,016	\$4,902,850
% Increase/(Decrease)		-1.60%	-0.24%	-0.41%
Transportation Fund				
Local Taxes	3,820,599	3,936,541	4,092,236	4,156,816
Other Local	237,007	243,727	201,023	217,500
State Sources	5,172,679	4,552,404	4,626,634	4,476,638
Total	\$9,230,285	\$8,732,672	\$8,919,893	\$8,850,954
% Increase/(Decrease)		-5.39%	2.14%	-0.77%
Municipal Retirement/Social Security Fund				
Local Taxes	5,113,153	5,215,387	5,309,652	5,341,819
Other Local	126,131	131,715	131,053	132,500
Total	\$5,239,284	\$5,347,102	\$5,440,705	\$5,474,319
% Increase/(Decrease)		2.06%	1.75%	0.62%
Tort Immunity Judgment Fund				
Local Taxes	1,462,280	1,373,458	1,133,504	1,005,081
Other Local	14,132	3,105	2,173	1,300
Total	\$1,476,412	\$1,376,563	\$1,135,677	\$1,006,381
% Increase/(Decrease)		-6.76%	-17.50%	-11.38%
Working Cash Fund				
Other Local	296	235	237	250
Total	\$296	\$235	\$237	\$250
% Increase/(Decrease)		-20.61%	0.85%	5.49%
Capital Projects Fund				
Other Local	1,046,864	914,140	94,556	400,700
State Sources	--	50,000	--	--
Total	\$1,046,864	\$964,140	\$94,556	\$400,700
% Increase/(Decrease)		-7.90%	-90.19%	323.77%
Life Safety Fund				
Other Local	50	40	40	50
Total	\$50	\$40	\$40	\$50
% Increase/(Decrease)		-20.00%	0.00%	25.00%
Revenue	\$149,838,077	\$151,961,537	\$153,690,596	\$155,002,027
% Increase/(Decrease)		1.42%	1.14%	0.85%
Transfers/Other	3,657,000	8,900,000	6,400,000	4,573,063
Total Revenue - All Sources	\$153,495,077	\$160,861,537	\$160,090,596	\$159,575,090

All Funds Expenditure Budget



	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget
Educational Fund				
Salaries	86,483,211	89,036,739	90,656,178	91,606,621
Benefits	16,077,163	15,235,585	15,715,060	16,932,073
Purchased Services	2,850,886	3,528,815	3,164,253	3,108,545
Supplies	4,627,695	4,544,570	4,563,304	6,076,159
Capital Outlay	3,855,536	1,154,936	1,123,788	2,742,059
Other Expenses	1,134,953	1,042,497	1,116,492	1,349,193
Total	\$115,029,444	\$114,543,142	\$116,339,073	\$121,814,650
% Increase/(Decrease)		-0.42%	1.57%	4.71%
Operations & Maintenance Fund				
Salaries	4,881,099	5,013,155	5,186,284	5,130,727
Benefits	935,766	895,830	893,809	918,111
Purchased Services	1,451,391	1,571,430	1,787,996	1,462,565
Supplies	2,811,015	3,285,577	3,324,897	3,009,879
Capital Outlay	460,209	332,934	611,665	548,859
Total	\$10,539,480	\$11,098,926	\$11,804,654	\$11,070,141
% Increase/(Decrease)		5.31%	6.36%	-6.22%
Debt Retirement Fund				
Interest Payment	391,200	391,200	341,996	300,250
Principal Payment	4,495,000	4,495,000	4,695,000	4,495,000
Total	\$4,886,200	\$4,886,200	\$4,966,996	\$4,795,250
% Increase/(Decrease)		0.00%	1.65%	-3.46%
Transportation Fund				
Salaries	4,759,669	4,719,049	4,663,760	5,018,749
Benefits	1,841,254	1,727,149	1,753,115	1,843,790
Purchased Services	462,860	744,811	669,872	592,884
Supplies	1,294,374	1,339,609	1,110,421	1,165,904
Capital Outlay	789,793	869,072	940,964	837,693
Total	\$9,147,950	\$9,399,690	\$9,138,132	\$9,459,020
% Increase/(Decrease)		2.75%	-2.78%	3.51%
Municipal Retirement/Social Security Fund				
Benefits	5,337,981	5,451,443	5,392,691	5,666,492
Total	\$5,337,981	\$5,451,443	\$5,392,691	\$5,666,492
% Increase/(Decrease)		2.13%	-1.08%	5.08%
Tort Immunity Judgment Fund				
Purchased Services	1,131,085	1,222,250	1,109,952	1,223,641
Total	\$1,131,085	\$1,222,250	\$1,109,952	\$1,223,641
% Increase/(Decrease)		8.06%	-9.19%	10.24%
Working Cash Fund				
Total	--	--	--	--
Capital Projects Fund				
Purchased Services	193,432	4,802,656	1,004,157	1,168,288
Supplies	--	87,310	209,851	--
Capital Outlay	3,414,822	1,393,982	2,980,935	2,469,929
Total	\$3,608,254	\$6,283,948	\$4,194,943	\$3,638,217
% Increase/(Decrease)		74.15%	-33.24%	-13.27%
Life Safety Fund				
Capital Outlay	--	--	--	--
Total	--	--	--	--
% Increase/(Decrease)		--	--	--
Expenditures	\$149,680,394	\$152,885,599	\$152,946,441	\$157,667,411
% Increase/(Decrease)		2.14%	0.04%	3.09%
Transfers/Other	3,657,000	8,900,000	6,400,000	3,400,000
Total Expenditures - All Uses	\$153,337,394	\$161,785,599	\$159,346,441	\$161,067,411

Operating Funds Revenue Budget

Operating fund (all funds excluding debt) revenues increased from \$147.02 million in 2013-14 to \$148.77 million in 2014-15. The District saw an increase of \$2.45 million in property taxes. The District realized an increase in total state aid of \$0.60 million. These increases were offset by a revenue decline in other local sources and federal funding for a \$1.33 million decrease. 2014-15 transportation funding is based on prior year costs. The state funds special education transportation at approximately 78% of eligible costs. Regular education transportation reimbursement levels have decreased since the 2009-10 school year. Prior year and EAV adjustments made to the annual claim result in annual fluctuations of the actual amount of revenue received. The state reimbursed regular education transportation at only 35.2% of the prior year cost. The continuing current economic downturn is affecting all districts. The historically low interest rates that the District earns on its investments are expected to continue through at least the end of 2016, which has greatly impacted the amount of interest revenue the District realizes. Although investment income for the 2015 fiscal year was \$142,132, a decrease of \$12,222 from the prior year, it was well below the \$1.912 million earned in the 2006 fiscal year.

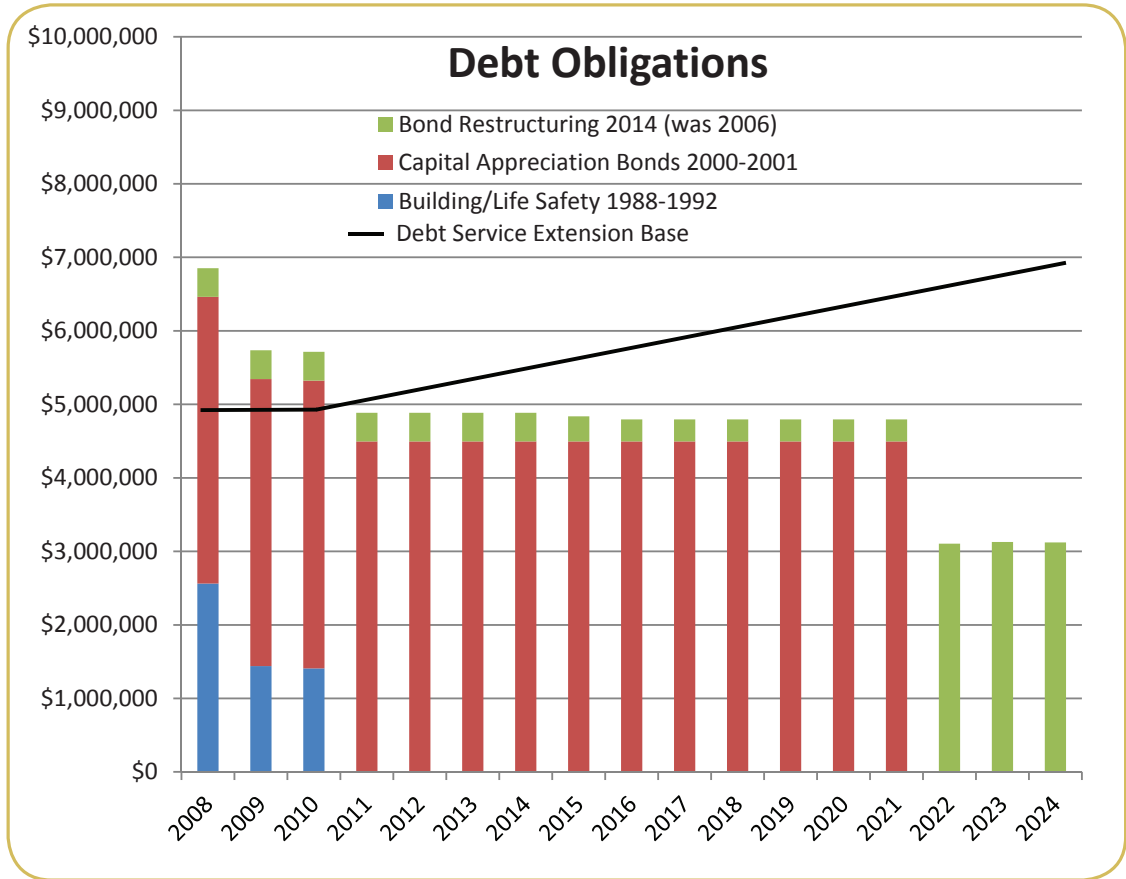
Operating Funds Expenditure Budget

Operating fund (all funds excluding debt) expenditures decreased from \$147.99 million in 2013-14 to \$147.97 million in 2014-15. Salaries, benefits, capital outlay, and other miscellaneous expenditures account for an increase of \$4.16 million. These expenditures were offset by \$4.18 million decrease in purchase services and supplies. The capital projects fund saw a decrease of \$2.09 million from 2013-14 to 2014-15. Projects include finishing plumbing work at four schools, new chiller system at Winston Campus, HVAC controls district wide, parking lot improvements and water line replacement at Stuart R. Paddock, new running track at Walter R. Sundling, and door and frame replacement district wide. The capital projects fund decrease is attributed to the Board realigning to their commitment of spending \$3.0 million on capital improvements per fiscal year.



Debt Obligation

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



Quick Links

[Illinois School Code](#)

[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.

In FY2015 the district retired \$4.625 million 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 2000-01 continue until 2022. In September 2014, the District restructured all of the 2006 Bonds; payments for these bonds will continue until 2024. The results will be reflected in next year's Financial Report Card.



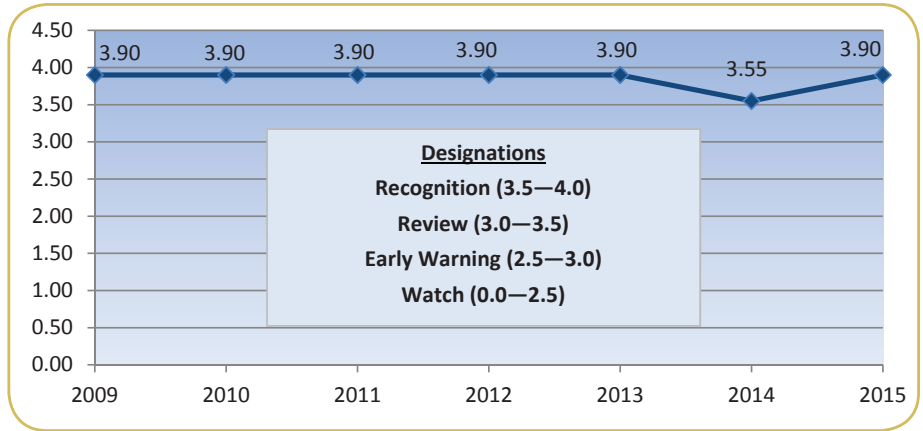
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[Illinois State Board of Education](#)

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 2015 fiscal year, District 15 received a financial profile rating of 3.90 out of a possible 4.0, marking the tenth year in a row that District 15 has received “Recognition” status from ISBE. District 15 exceeded ISBE targets for Fund Balance to Revenue; Percent of Short-Term Borrowing; and Percent of Long-Term Debt Ratios.



ISBE Financial Indicator	FY 2012 Value	FY 2013 Value	FY 2014 Value	FY 2015 Value	ISBE Target Value
Fund Balance to Revenue Ratio	39.40%	40.20%	39.60%	37.50%	Greater than 25%
Days of Cash on Hand	157 Days	163 Days	166 Days	157 Days	Greater than 180 Days
Expenditure to Revenue Ratio	0.988	0.998	1.010	0.966	Equal to or less than 1.0

The ratios where the district did not exceed ISBE targets was Days of Cash on Hand. Despite missing the Days of Cash on Hand target, the District has improved in this metric for five of the last six fiscal years. The Expenditures to Revenue ratio increased a level due to the District reducing spending in the Capital Projects fund by \$2.09 million from prior year spending of \$6.28 million. Previous 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.

