



Financial Report Card

FISCAL YEAR 2010

APRIL 2010

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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Vice President
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Superintendent of Schools

Daniel W. Lukich, Ph.D.



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.

Quick Links

[Financial Information](#)

[Auditors Report FY 2009](#)

[Annual Statement of Affairs FY 2009](#)

[2009-10 Tentative Amended District 15 Budget](#)

[Five-Year Projections](#)

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

[Academic](#)

[Strategic Vision 2010](#)

[Academic Report Cards](#)

[CONNECTIONS newsletter](#)

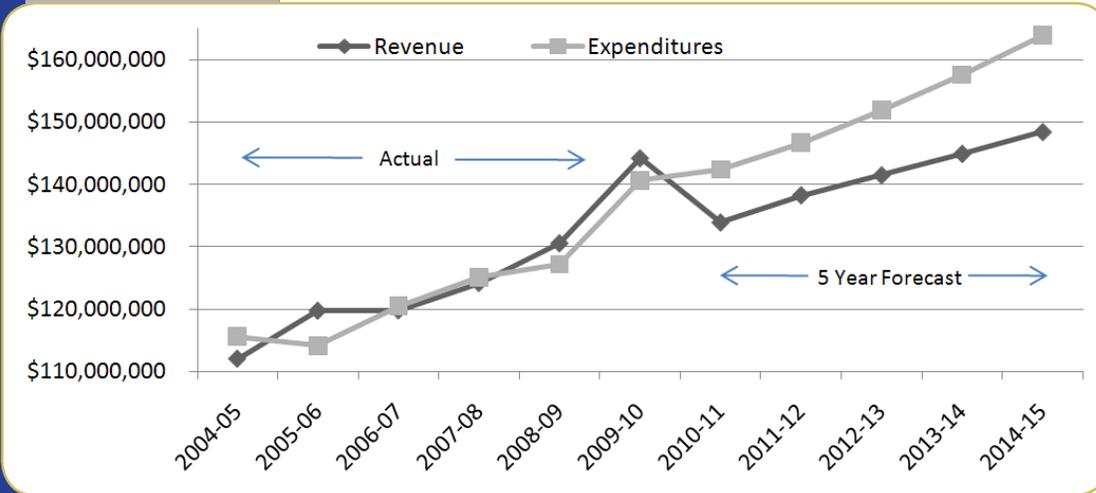
[School Improvement Plans](#)

District 15 Financial Status

Actual Annual Financial History, 2009-10 Amended 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 12,150 students. The graph below 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 2009-10 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—History of the Audited Financials (1999-00 to 2008-09)

Between the 1999 and 2005 fiscal years District 15 expenditures exceeded revenues. Deficit spending totaled \$74M, and was financed by spending down reserves and issuing working cash bonds. After a failed referendum in 2005-06, program reductions, including 70 teachers and 30 additional staff, resulted in higher class sizes. As a result of the actions taken by the Board of Education, the 2005-06 fiscal year saw revenues exceed expenditures for the first time since 1998-99. In 2006-07, with the return of 50 teachers and other staff, class sizes decreased. The District has been able to maintain a balanced budget during the last several years, up to and including the current fiscal year (2009-10).

B—Budget (2009-10)

The District continues to see a reduction in total student enrollment, keeping class size within the Board’s targets, while reducing staff. A one-time, significant increase in federal funds (ARRA) has allowed the District to target at-risk students by expanding after-school educational programs, supplement our technology needs, and supplant some of the instructional program costs. The District is in the second year of a two-year project to upgrade its technology infrastructure.

C—Five-Year Financial Forecast (2009-10 to 2014-15)

The current economy is affecting all forms of governmental entities. Schools are primarily funded by local property taxes. The calculation of the tax extension is limited by the previous December’s consumer Price index (CPI-U). Future property tax levies are projected using a CPI-U of 2.7% and 2.5% thereafter. The District will be impacted by declining revenues, which will be partially offset by teacher retirements and declining enrollment. Beginning with the 2010-11 fiscal year, the District is projected to deficit spend unless cost containment efforts are implemented. The 2010-11 budget is scheduled for review and adoption by the Board of Education in early summer of 2010.

Quick Links

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

[2009-10 Amended Budget](#)

[5-Year Financial Forecast](#)

District Statistics

	2007-08 Actual	2008-09 Actual	% Increase	2009-10 Budget	% Increase
Total Employees	1756	1714	-2.4%	1715	0.1%
Teachers/Social Workers/Psychologists	842	825	-2.0%	823	-0.2%
Program Assistants	310	319	2.9%	337	5.6%
Bus Drivers/Aides	159	190	19.5%	190	0.0%
Enrolled Students	12,302	12,215	-0.7%	12,128	-0.7%
Average Class Size (Grades 1-8)	24.4	25.4	4.2%	25.3	-0.5%
Average Class Size K-3 (Target = 24)	22.1	23.3	5.4%	23.6	1.3%
Average Class Size 4-6 (Target = 26)	24.5	25.6	4.5%	25.7	0.4%
Average Class Size 7-8 (Target = 28)	26.5	27.4	3.4%	27.0	-1.5%
Operating Expense Per Pupil	10,641	11,025	3.6%	--	--
Bus Fleet	148	162	9.5%	162	0.0%
Bus Replacement	12	2		22	
Additions to Fleet	10	14		0	
Technology Purchases	\$2.7M	\$2.1M	-22.2%	\$2.8M	33.3%
Hardware (computers, servers*)	\$1.3M	\$1.3M	0.0%	\$1.5M	15.4%
Technology services, repair, software	\$1.0M	\$0.8M	-20.0%	\$1.3M	62.5%
*includes	1,100 staff computers, 720 laptops	Network		Servers, laptops, student information system, projectors	

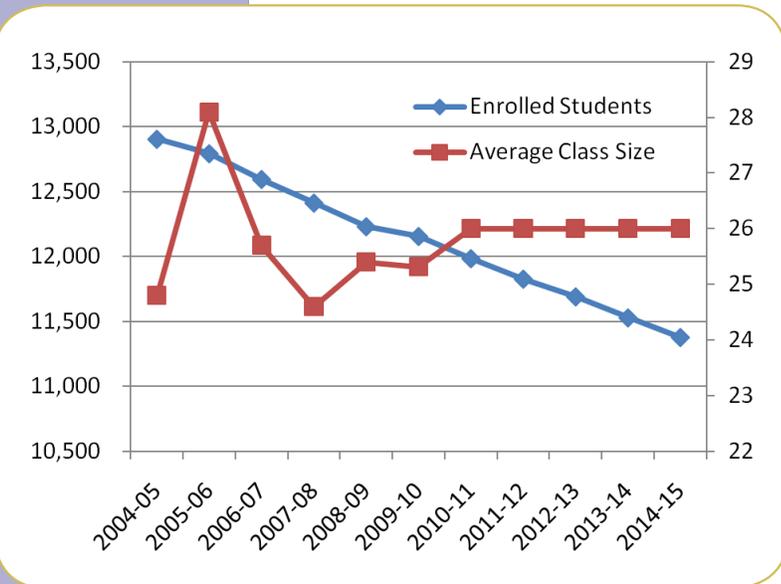
Enrollment

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 2009-10, the average class size (25.3) is below the district wide goal of 26.

Employees

Additional teaching staff were added in the 2007-08 budget to lower class sizes. The number of program assistants are adjusted each year per contract or state guidelines.

In 2008-09, declining enrollment reduced certified staff somewhat, but this had very little impact on class size. Class sizes remained below the targeted class sizes set by the Board of Education.



Enrollment

In 2009-10 student enrollment continued an 8-year decline. The rate of decline between the 2008-09 and the 2009-10 school years was 0.6%.

Class size averages are calculated by grade-level range and decreased slightly in 2009-10 from 25.4 to 25.3.

Transportation

The Board of Education has authorized the replacement of school buses in accordance with a 10-year bus replacement schedule. In the current budget year the District replaced 22 buses.

Technology

The technology department continues to update the technology in the District and has embarked on a two-year upgrade to the technology infrastructure throughout the District. Technology enhancements are typically done during the summer months.

Quick Links

[2008-09](#)[Audited Financial Report](#)[2009-10](#)[Amended Budget](#)

Operating Funds Revenue Budget

	2006-07 Actual	2007-08 Actual	2008-09 Actual	% Increase	2009-10 Amended Budget	% Increase
Ed Fund						
Local Taxes	\$74,383,075	\$78,185,271	\$79,062,353	1.12%	\$88,056,876	11.38%
Other Local	\$7,723,645	\$5,941,978	\$4,973,285	-16.30%	\$4,152,309	-16.51%
State	\$10,993,088	\$12,024,245	\$11,185,461	-6.98%	\$12,591,308	12.57%
Federal ARRA	--	--	\$1,400,625	--	\$3,539,297	152.69%
Federal	\$6,564,706	\$6,435,589	\$7,262,404	12.85%	\$7,668,108	5.59%
Transfers	--	--	--	--	\$0	
Total	\$99,664,514	\$102,587,083	\$103,884,128	1.26%	\$116,007,898	11.67%
% increase	1.40%	2.93%	1.26%		11.67%	
O&M Fund						
Local Taxes	\$7,354,336	\$7,960,425	\$8,662,015	8.81%	\$10,443,179	20.56%
Other Local	\$1,291,587	\$1,487,187	\$1,382,997	-7.01%	\$920,875	-33.41%
Total	\$8,645,923	\$9,447,612	\$10,045,012	6.32%	\$11,364,054	13.13%
% increase	-2.59%	9.27%	6.32%		13.13%	
Transp. Fund						
Local Taxes	\$3,069,835	\$3,077,745	\$3,345,502	8.70%	\$4,163,745	24.46%
Other Local	\$228,862	\$566,690	\$387,336	-31.65%	\$275,500	-28.87%
State	\$4,774,967	\$5,048,918	\$6,089,733	20.61%	\$6,116,984	0.45%
Total	\$8,073,664	\$8,693,353	\$9,822,571	12.99%	\$10,556,229	7.47%
% increase	-1.02%	7.68%	12.99%		7.47%	
Retirement Fund						
Local Taxes	\$3,277,164	\$3,233,720	\$4,245,944	31.30%	\$5,055,784	19.07%
Other Local	\$95,052	\$199,091	\$119,723	-39.87%	\$94,600	-20.98%
Total	\$3,372,216	\$3,432,811	\$4,365,667	27.17%	\$5,150,384	17.97%
% increase	-23.05%	1.80%	27.17%		17.97%	
Tort Fund						
Local Taxes	\$0	\$0	\$2,326,003		\$1,105,522	-52.47%
Other Local	\$0	\$0	\$91,130		\$10,700	-88.26%
Total	\$0	0%	\$2,417,133		\$1,116,222	-53.82%
% increase					-53.82%	
Operating Funds	\$119,756,317	\$124,160,859	\$130,534,511	5.13%	\$144,194,787	10.46%
% increase	0.05%	3.68%	5.13%		10.46%	

The 2009-10 operating fund budgeted revenues are projected to increase 10.46%. This is a significant increase in revenue, and is due to (1) a change in the property tax collection rate of 5% more than prior years; and (2) an infusion of federal grant monies (ARRA). Both of these changes affect the 2009-10 fiscal year only. The largest portion of the District's revenues is local property taxes (75%). The remaining funds come from state, federal, and other local sources.

The Property Tax Extension Limitation Act (PTELA) continues to limit the growth of tax revenue. The 2009 CPI-U of 2.7% will impact property tax collections for the district beginning with fiscal year 2010-11.

The current economy is affecting all school districts. The current economic downturn is expected to continue through the 2010-11 school year. The decline in interest rates will continue to impact interest revenue for the foreseeable future.

Revenue from other local sources (textbook fees, pupil activities) is expected to remain relatively constant.

State revenue includes general state aid and categorical aid such as Special Ed and state transportation. General state aid received by the district for 2009-10 is \$412.42 per student. It is difficult to project an increase or decrease in state and federal resources because the economy is affecting all forms of government.

Not reflected in the table is the transfer of \$3M from the Operations and Maintenance Fund to the Capital Projects Fund to cover projects approved for bid by the Board of Education in January 2009 for completion in the summers of 2009 and 2010. The capital projects include carpeting at one school, roofing at two schools, mechanical and electrical repairs at three schools, curtain wall replacement at two schools, and plumbing upgrades at all buildings.

Operating Funds Expenditure Budget

	2006-07 Actual	2007-08 Actual	2008-09 Actual	% Increase	2009-10 Amended Budget	% Increase
Ed Fund						
¹ Salaries	\$75,732,623	\$79,542,690	\$77,961,372	-1.99%	\$82,818,054	6.23%
² Benefits	\$12,723,705	\$12,465,116	\$14,712,493	18.03%	\$15,084,261	2.53%
³ Purchased Svcs	\$4,732,669	\$4,288,925	\$2,751,995	-35.83%	\$3,649,350	32.61%
⁴ Supplies	\$3,427,263	\$3,873,332	\$3,760,168	-2.92%	\$4,983,193	32.53%
⁵ Capital Outlay	\$2,861,754	\$2,251,716	\$1,568,980	-30.32%	\$2,376,192	51.45%
⁶ Other Expense	\$40,302	\$18,262	\$472,914	2489.61%	\$1,102,550	133.14%
⁷ Non-Capitalized (ARRA)	\$4,437	\$6,000	\$568,370	9372.83%	\$2,198,481	286.80%
⁸ Termination Benefits	\$472,105	\$347,485	\$0		\$0	
Total	\$99,994,858	\$102,793,526	\$101,796,292	-0.97%	\$112,212,081	10.23%
% increase	8.28%	2.80%	-0.97%		10.23%	
O&M Fund						
¹ Salaries	\$2,769,444	\$2,898,798	\$4,362,414	50.49%	\$4,537,370	4.01%
² Benefits	\$642,016	\$633,078	\$779,135	23.07%	\$771,940	-0.92%
³ Purchased Svcs	\$810,055	\$850,434	\$1,283,825	50.96%	\$1,262,500	-1.66%
⁴ Supplies	\$2,851,550	\$3,096,597	\$3,536,326	14.20%	\$3,797,000	7.37%
⁵ Capital Outlay	\$2,159,066	\$789,912	\$917,432	16.14%	\$1,579,995	72.22%
⁶ Other Expense	\$0	\$0	\$17,317		\$57,845	234.04%
Total	\$9,232,131	\$8,268,819	\$10,896,449	31.78%	\$12,006,650	10.19%
% increase	-18.34%	-10.43%	31.78%		10.19%	
Transp. Fund						
¹ Salaries	\$4,539,276	\$5,064,936	\$5,135,098	1.39%	\$5,178,200	0.84%
² Benefits	\$1,217,343	\$1,404,404	\$1,601,307	14.02%	\$1,579,485	-1.36%
³ Purchased Svcs	\$280,171	\$506,629	\$371,730	-26.63%	\$426,020	14.60%
⁴ Supplies	\$886,477	\$1,154,270	\$1,054,894	-8.61%	\$1,092,000	3.52%
⁵ Capital Outlay	\$282,651	\$1,655,204	\$1,030,711	-37.73%	\$1,622,970	57.46%
⁶ Other Expense	\$0	\$0	\$1,913		\$38,245	1899.22%
Total	\$7,205,918	\$9,785,443	\$9,195,653	-6.03%	\$9,936,920	8.06%
% increase	6.11%	35.80%	-6.03%		8.06%	
Retirement Fund						
² Benefits	\$4,051,178	\$4,277,935	\$4,233,115	-1.05%	\$4,727,056	11.67%
Total	\$4,051,178	\$4,277,935	\$4,233,115	-1.05%	\$4,727,056	11.67%
% increase	16.81%	5.60%	-1.05%		11.67%	
Tort Fund						
³ Purchased Svcs	\$0	\$0	\$1,060,712		\$1,727,940	62.90%
⁶ Other Expense	\$0	\$0	\$0		\$18,410	
Total	\$0	\$0	\$1,060,712		\$1,746,350	64.64%
% increase					64.64%	
Operating Funds	\$120,484,085	\$125,125,723	\$127,182,221		\$140,629,057	
% increase	5.59%	3.85%	1.64%		10.57%	

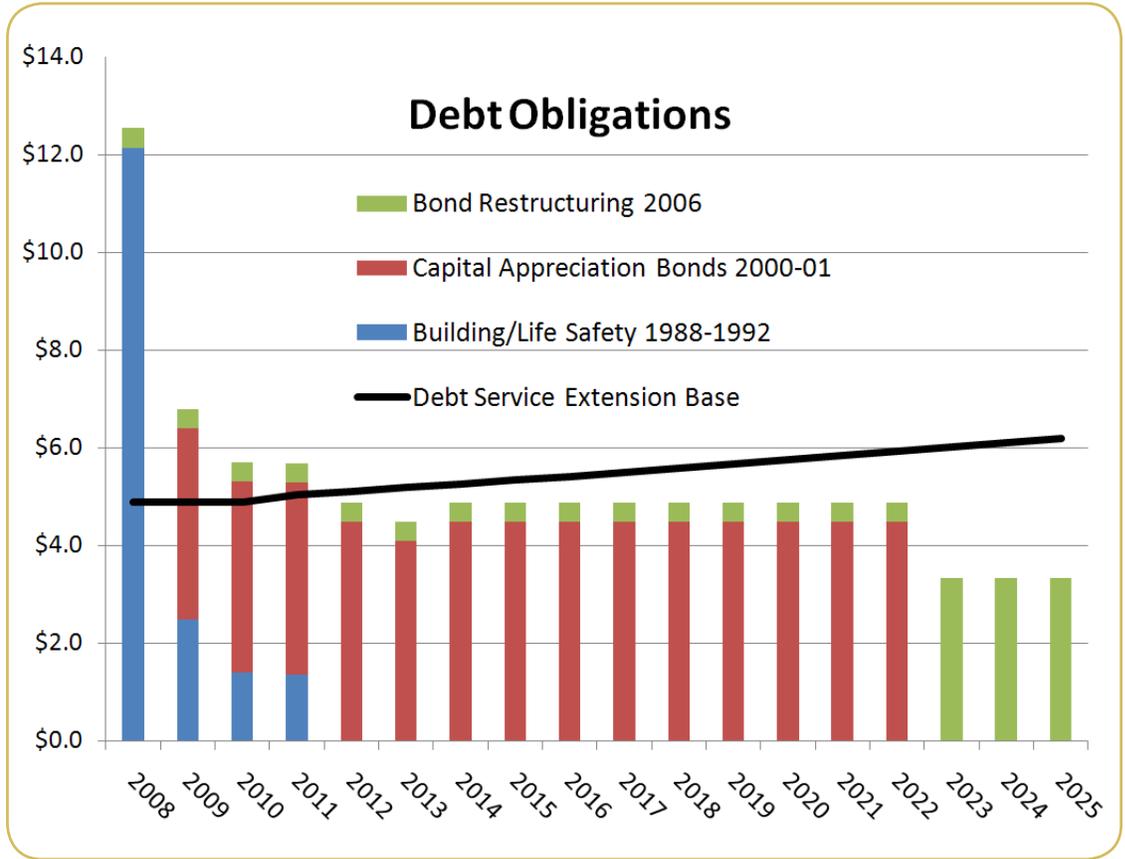
In the 2009-10 amended budget, expenditures in the Ed Fund increased by 10.23% (\$10.4M) due to an increase in state and federal grants as well as technology expenditures.

Expenditures in the Operations and Maintenance Fund increased by 10.19% due to health and life safety improvements in our buildings.

The Transportation Fund expenditures increased 8% from prior year actual. Included in the 2009-10 budget is the purchase of the 22 replacement buses.

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% of the most recent equalized assessed valuation. As of June 30, 2009, the statutory debt limit for District 15 was \$299,194,413. According to the independent auditors report, dated June 30, 2009, the District has a debt margin of \$263,973,513. A referendum would be required to access these funds.

In FY 2009 the district retired \$5.2M in long-term debt with the retirement of Life/Safety bonds. The district is allowed to levy taxes to pay off bond Principal and Interest payments.

Payments for Capital Appreciation Bonds issued in 2000-2001, used to finance deficit spending at that time, continue until 2022. In 2006, a portion of the district’s Capital Appreciation Bonds were restructured; payments for these bonds will continue until 2024.



Quick Links

[Illinois State Board of Education](#)

Financial Health Measures

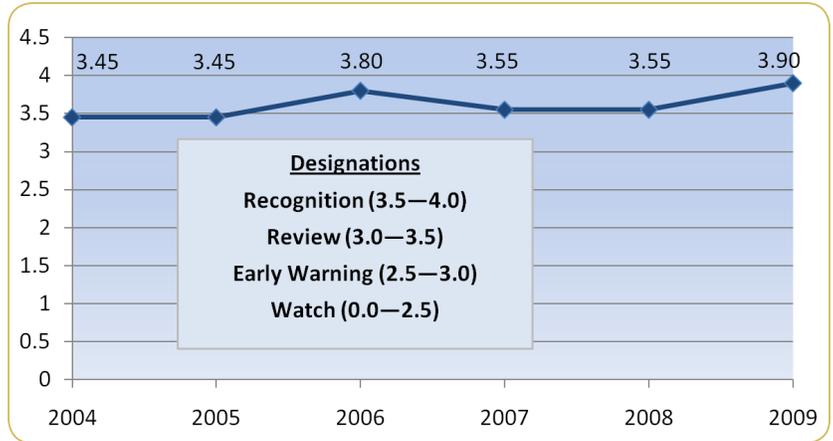
Financial Profile Designation

The Illinois State Board of Education (ISBE) computes a financial profile for school districts in Illinois.

The financial profile designation of District 15 remains at “Recognition” status for the fourth consecutive year due to continued budget management and cost containment.

Budget reductions in prior years along with continued cost control has helped maintain a strong fund balance for the district. In fiscal year 2006, the district realized increased property tax revenues, higher investment

returns, and the retirement of \$15 million in long-term debt. These measures improved District 15’s financial profile designation to “Recognition” of 3.8. In FY09 the District maintained a strong rating for its finances of 3.9.



ISBE Financial Indicator	FY 2007 Value	FY 2008 Value	FY 2009 Value	ISBE Target Value
Fund Balance to Revenue Ratio	37.20%	35.70%	34.80%	Greater than 25%
Days Cash on Hand	155 Days	137 Days	131 Days	Greater than 180 Days
Expenditure to Revenue Ratio	1.000	1.001	0.985	Equal to or less than 1.0

