

# GLEN ELLYN SCHOOL DISTRICT 41

Board of Education  
School Finance Workshop  
June 23, 2008

# District 41 Finances

- Fund accounting
- Return to segregation of Funds for Education, Operations & Maintenance and Transportation
- Basis of accounting
- Budget Process
- FY2008/09 Tentative Budget
- Future Initiatives

# District 41

## Basis of Accounting

- Budget Reports - Cash Basis
  - Daily transactions
  - Monthly reports
- Annual Audited Reports -Modified Accrual Basis based on GASB (Governmental Accounting Standards Board) Standards

# District 41

## Account Number Structures

- Revenue Account Number structure composed of Fund, Source of Revenue
- Expenditure Account Number structure composed of Fund, Function, Object, Location, Source
- Account Number Structures are based on the Illinois Program Accounting Manual (IPAM)

# District 41

## Budget Funds

- Fund Accounting
  - Education Fund
  - Operations & Maintenance Fund
  - Debt Service Fund
  - Transportation Fund
  - IMRF/Social Security Fund
  - Capital Projects/Developer Donations Fund
  - Working Cash Fund
  - Tort Fund

# District 41

## Budget Influences for 2008-2009

- Conversion of prior years use of a General Fund to segregated funds for Education, Operation & Maintenance and Transportation
  - General Fund was used for FY2007 and FY2008 budgets and 2006 and 2007 levies
  - Formula used to adjust General Fund -Fund Balances to segregated funds
    - Levy amounts for 2006 and 2007 were proportioned back to O&M and Transportation based on 2005 Levy proportions
    - Same proportion used for Interest Earnings from June 2007 – June 2008
    - Other revenues and all expenditures were already segregated by the account number used in the transactions

# District 41

## Budget Influences for 2008-2009

- New Illinois Program Accounting Manual Rules effective July 1, 2008
  - Costs for Operating Leases are to be posted in the Debt Service Fund.
    - Requires an Inter Fund transfer from the Education Fund to the Debt Service fund
  - Creation of Tort Fund
    - Tort was a sub-fund to the Education Fund.
    - Requires an Inter Fund Transfer from the Education Fund to the new Tort Fund
  - Combines objects for Tuition costs with Dues and Fees and Other

# District 41

## Revenues Sources

- Local
  - Property Taxes
  - Corporate Replacement Taxes
  - Interest Earnings
  - Student Fees
- State
  - General State Aid
- Federal
  - Title Programs

# District 41

## Expenditure Functions

- 1000 Direct Instruction
  - 1100 Regular Programs
  - 1200 Special Programs
- 2000 Support Services
  - 2100 Pupil Support Services
  - 2200 Curriculum Support Services
  - 2300 General Administration
    - » Board of Education
    - » Superintendent's Office
  - 2400 Office of the Principal

# District 41

## Expenditure Functions (cont'd)

- 2500      **Business/Building services**
  - » FFO
  - » Buildings & Grounds
- 2600      **Internal Services**
  - » Teams for Excellence
  - » Human Resources
  - » Network Systems/IT Services
- 3000      **Community Services**
- 4000      **Other Public School Entities**
  - » Special Ed Placements to another School District
  - » CASE Membership Fee
- 5000      **Bond Principal & Interest Payments**

# District 41

## Expenditure Objects

- Objects
  - 100 Salaries
  - 200 Benefits
  - 300 Contracted Services
  - 400 Supplies/Materials/Utilities
  - 500 Equipment/Capital Projects
  - 600/700 Other/Dues & Fees  
/Transfers/Tuition

# District 41

## Financial Reports

- Monthly (Local)
- State and Federal
  - Quarterly Reporting on Grants
  - Annual Claim Reporting (GSA, Transportation)
- Annual
  - Audit
  - Annual Financial Report
  - Comprehensive Annual Financial Report

# District 41

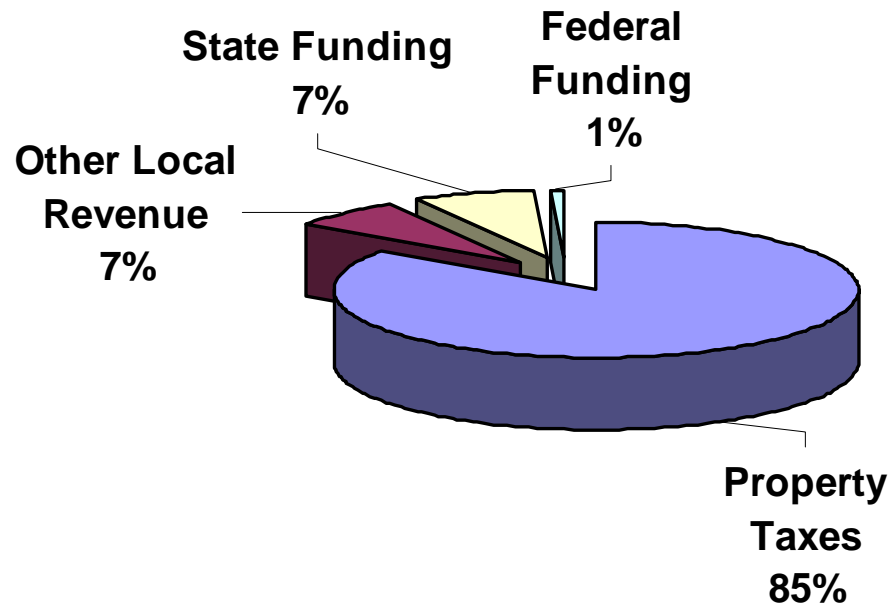
## Budget Process

- Calendar of events and deadlines
- Philosophy of budgeting
- Educational decisions and resources
- Cost centers and budget requests
- BOE oversight and involvement

# District 41 – FY2009 Budget Revenues

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## 2008-2009 Tentative Budget Revenues - All Funds



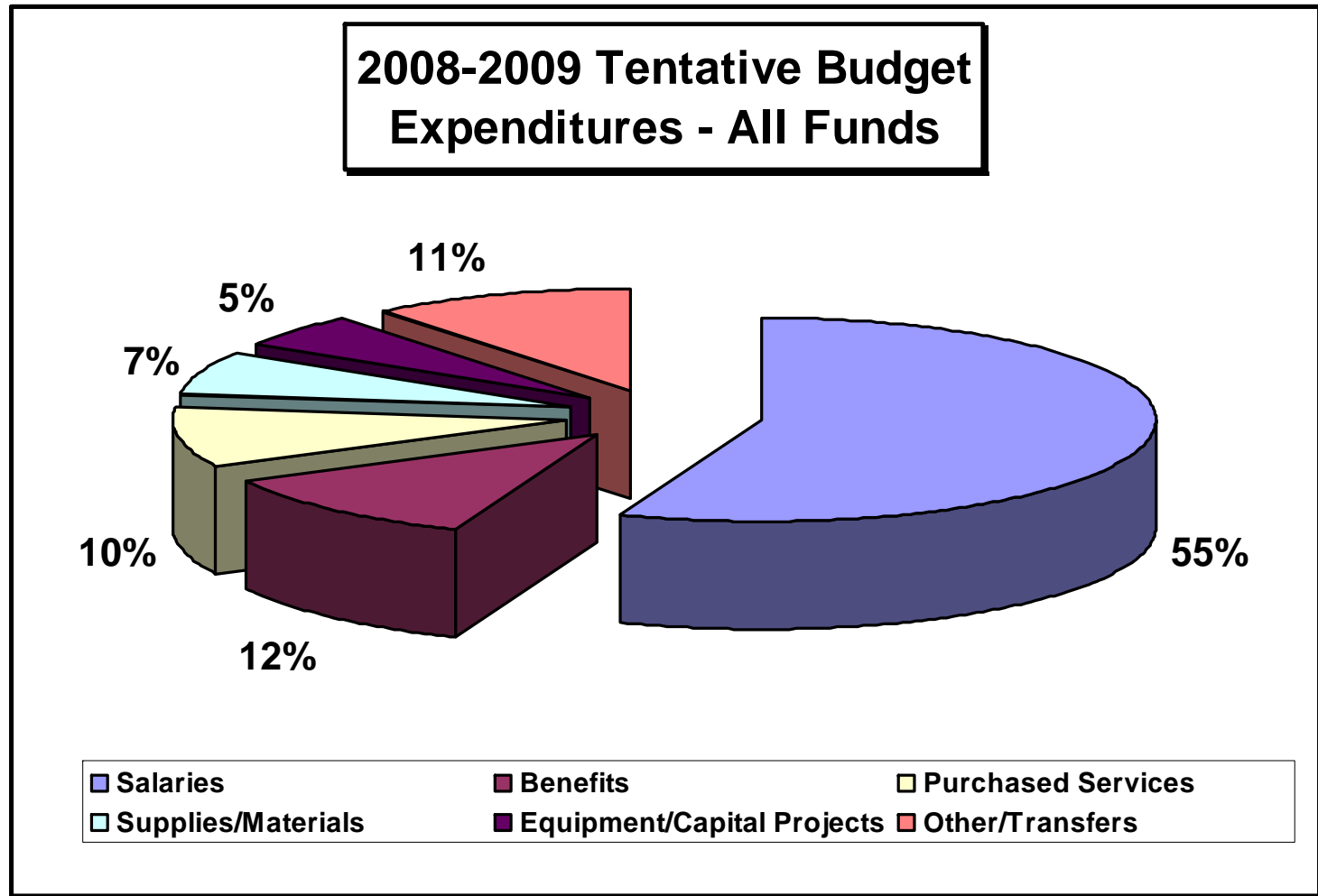
# District 41 - FY2009 Revenue Line Items

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		10	20	30	40	50	60	70	80		
	Description	Education Fund (Formerly included Operations and Maintenance,Transportation)	Operations & Maintenance	Debt Service	Transportation	IMRF/Soc Sec	Capital Projects	Working Cash	Tort	Fire Prevention Safety	Total
<b>Local Revenues</b>											
-	General Property Tax Levy	31,394,763	1,924,221	2,597,697	351,317	831,300			-		37,099,298
1140	Special Ed Levy	297,897									297,897
	<b>Total Property Tax Levies</b>	<b>31,692,660</b>	<b>1,924,221</b>	<b>2,597,697</b>	<b>351,317</b>	<b>831,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,397,195</b>
1230	Corporate Personal Property Taxes	1,200,000				30,000					1,230,000
1342	Special Ed Tuition	231,750									231,750
1510	Interest Income	534,000	25,000	36,500	10,000	13,000	10,000	50,000			678,500
1611	Food Service - Hadley	180,000									180,000
1690	Milk Program - K-5	22,600									22,600
1720	Student Fees	423,000			25,500						448,500
1910	Building Rentals										-
1999	Other Revenues	45,950	134,000		500		23,000				203,450
	<b>Total Other Local Revenue</b>	<b>2,637,300</b>	<b>159,000</b>	<b>36,500</b>	<b>36,000</b>	<b>43,000</b>	<b>33,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>2,994,800</b>
	<b>Total Local Revenue</b>	<b>34,329,960</b>	<b>2,083,221</b>	<b>2,634,197</b>	<b>387,317</b>	<b>874,300</b>	<b>33,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>40,391,995</b>
<b>State Revenues</b>											
		34,329,960									
3001	General State Aid	1,300,000									1,300,000
	Restricted Grants-In-Aid										
3100-3199	Special Education	1,108,636									1,108,636
3305/3310	Bi-lingual/ESL	74,143									74,143
3360	Free Lunch/Milk	2,636									2,636
3500	Regular Transportation				25,194						25,194
3510	Spec Ed Transportation				216,256						216,256
3705	Pre-K At Risk	288,529			52,398	17,099					358,026
3715	Reading Improvement	118,405									118,405
3775	Safety/ADA Block Grant	60,631									60,631
3999	Library Grant	2,575									2,575
3999	Other State Revenue	13,000				2,698					15,698
	<b>Total Restricted Grants-In-Aid</b>	<b>1,668,555</b>	<b>-</b>	<b>-</b>	<b>293,848</b>	<b>19,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,982,200</b>
	<b>Total State Revenue</b>	<b>2,968,555</b>	<b>-</b>	<b>-</b>	<b>293,848</b>	<b>19,797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,282,200</b>
<b>Federal Revenues</b>											
4100	Title V - Innovative Programs	-									-
4215	Milk Program - K-5	29,300									29,300
4300	Title I - Low Income	105,235				23,000					128,235
4400	Title IV - Safe Schools	9,976			1,720						11,696
4905	Title III - Emergency Immigrant	28,790			3,000	2,500					34,290
4909	Title III - English Language	45,041			2,000	1,000					48,041
4932	Title II - Teacher Quality	102,079				941					103,020
4991	Medicaid - Admin Outreach	60,000				450					60,450
4999	Other Federal Revenue	4,343									4,343
	<b>Total Federal Revenue</b>	<b>384,764</b>	<b>-</b>	<b>-</b>	<b>6,720</b>	<b>27,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>419,375</b>
											-
	<b>Total Revenues</b>	<b>37,683,279</b>	<b>2,083,221</b>	<b>2,634,197</b>	<b>687,885</b>	<b>921,988</b>	<b>33,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>44,093,570</b>

# District 41 – FY2009 Budget Expenditures

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# District 41 - FY2009 Expenditure Line Items

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Function	Description	100 Salaries	200 Benefits	300 Purchased Services	400 Supplies/ Materials	500 Equipment	600 Other Objects	Total
<b>Education Fund</b>								
Direct Instruction Programs								
1100	Regular Instruction	12,465,703	1,600,966	90,896	1,144,471	142,027	3,100	15,447,163
1125	Pre-K At Risk	208,872	37,432	2,000	10,200			258,504
1200	Special Programs							
	EBD/GIP/MIP	430,204	88,748	750	7,500	500		527,702
	ECE	448,433	82,313	450	4,350			535,546
	Resource/Inclusion	1,716,492	343,336	35,612	17,815	6,000		2,119,255
1251	Title I	135,312	57,483	10,000				202,795
1252	Reading Improvement Program	101,369	30,655	437	12,275			144,736
1500	Interscholastic	57,552	697	9,500	25,095	4,000	4,505	101,349
1600	Summer School	8,200	948					9,148
1650	Gifted	408,851	51,109	7,800	8,200			475,960
1800	ESL/Bi-Lingual	986,829	169,480	16,740	40,690		25,000	1,238,739
1912	Spec Ed Tuition Private Facility						350,000	350,000
	Sub-total	16,967,817	2,463,167	174,185	1,270,596	152,527	382,605	21,410,897
Support Services - Student								
2110	Social Work Services	449,667	53,699	5,186	2,950			511,502
2120	Guidance Services	241,606	22,591		500			264,697
2130	Health Services	321,843	73,963	2,124	4,370	2,820		405,120
2140	Psychological Services	210,044	19,454	4,800	4,000			238,298
2142	Pre-School Screening	4,920		8,000	500			13,420
2150	Speech Services	244,340	27,507	1,130	2,935			275,912
	Sub-total	1,472,420	197,214	21,240	15,255	2,820	-	1,708,949
Support Services - Instructional Staff								
2210	Improvement of Instruction	590,038	87,972	98,067	31,040	55,000	1,000	863,117
2220	Educational Media Services	633,915	115,392	56,769	79,897	1,700		887,673
2230	Assessment Services			8,000	10,000	250		18,250
	Sub-total	1,223,953	203,364	162,836	120,937	56,950	1,000	1,769,040
Support Services - General Administration								
2310	Board of Education Services		124,173	588,385	16,900	1,000	15,000	745,458
2320	Executive Administration Services	341,336	61,760	29,000	13,418		6,000	451,514
2330	Special Area Administration Services	166,290	43,624	6,500	2,250		1,000	219,664
	Sub-Total	507,626	229,557	623,885	32,568	1,000	22,000	1,416,636
Support Services - Building Administration								
2410	Office of the Principal	1,488,677	377,084	28,227	15,238	1,500	6,000	1,916,726
Support Services - Business								
2510	Direction of Business	118,811	27,607	1,000	500		1,000	148,918
2520	Fiscal Services	325,257	47,766	46,000	6,500	1,000	11,000	437,523
2540	Building Operations	1,134,018	249,738	33,100	715,900			2,132,756
2560	Food Services	167,741	822	130,900	168,000		750	468,213
2570	Internal Services			180,950	17,500			198,450
	Sub-total	1,745,827	325,933	391,950	908,400	1,000	12,750	3,385,860
Support Services Central								
2620	Planning, Research, Development	339,089	44,899	99,500	47,850		1,000	532,338
2630	Information Services	99,443	9,953	34,250	300		810	144,756
2640	Human Resources	241,832	156,549	45,600	3,980	500	412,354	860,815
2660	Network/IT Services	353,622	48,257	174,900	295,000	152,390	800	1,024,969
	Sub-total	1,033,986	259,658	354,250	347,130	152,890	414,964	2,562,878

# District 41 - FY2009 Budget Fund Summary Comparison

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	2007-2008 Final Budget	2008-2009 Tentative Budget	Amount Change	% Change
<b>Revenues</b>				
General Fund	38,401,762		(38,401,762)	
Education		37,683,279	37,683,279	
Operations & Maintenance		2,083,221	2,083,221	
Transportation		687,885	687,885	
Sub-Total General Fund	38,401,762	40,454,385	2,052,623	5.35%
Bond & Interest	2,602,526	2,634,197	31,671	1.22%
IMRF/Social Security	914,169	921,988	7,819	0.86%
Capital Projects/Developer Donations	35,000	33,000	(2,000)	-5.71%
Working Cash	279,178	50,000	(229,178)	-82.09%
Tort		-	-	
Fire Prevention & Safety		-	-	
<b>Total</b>	<b>42,232,635</b>	<b>44,093,570</b>	<b>1,860,935</b>	<b>4.41%</b>
<b>Expenditures</b>				
General Fund	38,123,546		(38,123,546)	
Education		35,341,800	35,341,800	
Operations & Maintenance		3,556,362	3,556,362	
Transportation		1,120,301	1,120,301	
Sub-Total General Fund	38,123,546	40,018,463	1,894,917	4.97%
Bond & Interest	2,488,982	2,816,705	327,723	13.17%
IMRF/Social Security	912,039	984,309	72,270	7.92%
Capital Projects/Developer Donations	22,204	-	(22,204)	-100.00%
Working Cash			-	
Tort		-	-	
Fire Prevention & Safety		-	-	
<b>Total</b>	<b>41,546,771</b>	<b>43,819,477</b>	<b>2,272,706</b>	<b>5.47%</b>
<b>Surplus (Deficit)</b>				
General Fund	278,216			
Education		2,341,479		
Operations & Maintenance		(1,473,141)		
Transportation		(432,416)		
Sub-Total General Fund	278,216	435,922		
Bond & Interest	113,544	(182,508)		
IMRF/Social Security	2,130	(62,321)		
Capital Projects/Developer Donations	12,796	33,000		
Working Cash	279,178	50,000		
Tort		-		
Fire Prevention & Safety		-		
<b>Total</b>	<b>685,864</b>	<b>274,093</b>		
NOTES:				
2008-2009 budget reflects returning to segregated Funds for Education, Operations & Maintenance and Transportation				
Revenues above do not reflect interfund transfer amounts shown in the Tentative Budget - Cash Summary Report				

# District 41 FY2009 Budget Source & Object Comparisons

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	2007-2008 Final Budget	2008-2009 Tentative Budget	Amount Change	% Change	Amount Change Expressed as a % of Total Tentative Budget
Revenues					
Property taxes	35,866,755	37,397,195	1,530,440	4.27%	3.47%
Other Local Revenues	3,237,265	2,994,800	(242,465)	-7.49%	-0.55%
State Funding	2,715,275	3,282,200	566,925	20.88%	1.29%
Federal Funding	413,340	419,375	6,035	1.46%	0.01%
<b>Total</b>	<b>42,232,635</b>	<b>44,093,570</b>	<b>1,860,935</b>	<b>4.41%</b>	<b>4.22%</b>
Expenditures					
Salaries	23,725,969	24,489,450	763,481	3.22%	1.74%
Benefits	5,341,107	5,040,663	(300,444)	-5.63%	-0.69%
Purchased Services	4,146,870	4,202,679	55,809	1.35%	0.13%
Supplies/Materials	2,705,169	2,973,374	268,205	9.91%	0.61%
Capital Equipment/Projects	1,397,937	2,332,287	934,350	66.84%	2.13%
Other/Dues & Fees/Transfers	4,229,719	4,781,024	551,305	13.03%	1.26%
<b>Total</b>	<b>41,546,771</b>	<b>43,819,477</b>	<b>2,272,706</b>	<b>5.47%</b>	<b>5.19%</b>

# District 41 FY2009 Budget Projected Fund Balances

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	Education Fund (Formerly included Operations and Maintenance, and Transportation)	Operations & Maintenance	Debt Service	Transportation	IMRF/Soc Sec	Capital Projects/ Developer Donations	Working Cash	Tort	Fire Prevention Safety	Totals
Projected Cash Balance as of 6/30/2008	18,156,587.00	-	1,820,153.00	-	500,935.00	385,644.00	2,954,759.00	-	-	23,818,078.00
Revenues 2008-2009	37,683,279.00	2,083,221.00	2,634,197.00	687,885.00	921,988.00	33,000.00	50,000.00	-	-	44,093,570.00
Fund Transfers										
Convert to Segregated Funds	(6,455,889.00)	5,251,361.00		1,204,528.00						-
Transfer Tort from Education Fund	(67,159.00)							67,159.00		-
Transfer Operating Leases to Debt Services	(279,492.00)		279,492.00							-
Sub-total Fund Transfers:	(6,802,540.00)	5,251,361.00	279,492.00	1,204,528.00	-	-	-	67,159.00	-	-
Total Revenue 2008-2009	30,880,739.00	7,334,582.00	2,913,689.00	1,892,413.00	921,988.00	33,000.00	50,000.00	67,159.00	-	44,093,570.00
Expenditures 2008-2009	35,341,800.00	3,556,362.00	2,816,705.00	1,120,301.00	984,309.00	-	-	-	-	43,819,477.00
Excess (Deficit) for the Year	(4,461,061.00)	3,778,220.00	96,984.00	772,112.00	(62,321.00)	33,000.00	50,000.00	67,159.00	-	274,093.00
Projected Ending Cash Balances	13,695,526.00	3,778,220.00	1,917,137.00	772,112.00	438,614.00	418,644.00	3,004,759.00	67,159.00	-	24,092,171.00
Less:										
Projected June 2009 Taxes Received	14,383,963.00	1,924,221.00	1,285,244.00	351,317.00	411,278.00	-	-			16,080,485.00
Pending Stormwater Projects		650,000.00	-			-	-			-
Undesignated Fund Balance	(688,437.00)	1,203,999.00	631,893.00	420,795.00	27,336.00	418,644.00	3,004,759.00	67,159.00	-	8,011,686.00

# District 41 – FY2009/2008 Budget Comparisons

- Revenues
  - Overall Increase of 4% (\$1,860,935)
- Real Estate Taxes +4% (\$1,530,440)
- Other Local -8% (\$-242,465)
  - Interest Earnings Budget reflecting current trends
- State/Federal Revenues +21% (\$566,925)
  - Reflects all FY2008 grants received assumed to be renewed at the same level for FY2009

# District 41 – FY2009/2008 Budget Comparisons

- Expenditures
  - Overall Increase 5% (\$2,272,706)
- Salaries +3% (\$763,481)
  - Continuation of a staff neutral budget philosophy
- Benefits -6% (\$-300,444)
  - Reflects -6.3% Health Insurance renewal
- Services +1% (\$55,809)
  - Includes ongoing contracted services for Transportation, Food service, Legal, Architectural and other professional areas
  - Reflects budget dollars allocated for various studies to be initiated/completed during 2008/2009
    - Master Facility Study, Curriculum Program Evaluations including Hadley New Horizons

# District 41 – FY2009/2008 Budget Comparisons

- Supplies/Materials +10%  
(\$268,205)
  - Math and Literacy Textbook Adoption
- Equipment/Projects 67%  
(\$934,350)
  - Includes Installation of Modular Classroom Unit at Hadley Junior High
- Other/Tuition +13% (\$551,305)
  - 3.5 FTE allocated for potential future staffing needs

# District 41 - FY2009 Budget Highlights

- 2008-2009 Capital Expenditures Budget (Includes preventive maintenance items)
  - Back-up Generator installation at CSO
  - Electrical Panel Replacement at all schools except Lincoln
  - HVAC projects at Hadley, Lincoln and Churchill
  - Modular Classroom Installation at Hadley
  - Churchill Playground replacement in partnership with Churchill PTA

# District 41 – FY 2009

## Budget Highlights

- 2008-2009 Capital Expenditures Budget (Includes preventive maintenance items) (cont'd)
  - Vehicle Replacement
    - 2 Maintenance Vehicles
  - Security Audit Implementation
  - Curriculum Based Program Needs
    - Allocation of funds for potential Hadley New Horizons Program Needs
    - Bookcases and Easels for Literacy Materials

# District 41 - FY2009

## Budget Highlights

- Program Evaluations
  - English as a New Language Program (ENL)
  - Special Education Services Program
  - Continuation of the Hadley New Horizons
- Master Facilities Study

# District 41

## Finance Initiatives

- Five Year Plan
- Employee Benefit Analysis
- Facilities Planning
- Policy Review/Update

# Additional School District Finance Resources

- Finance, Facilities and Operations Team
- Publications
  - Local, State and Federal Financing, ISBE
  - Essentials of Illinois School Finance, James Fritts
- Websites
  - D41
  - ISBE, IASB, NSBA, IASBO, ASBO
- Professional Services
  - Financial Projection Models
  - Auditors
  - Bond Advisors
  - Legal
  - Architects & Engineers

# District 41 Finances

- What's next
  - Review of levy process
  - Review of use of Financial Projection Models
  - Review of 2-year/5-year strategic plans

# District 41 Finances

Questions????

Thank you!