

# FINANCE COMMITTEE



Year End Report

April 2012

Approved CAC Executive Committee – 3/22/12

Approved CAC General – 4/12/12

Presented U-46 Board of Education – 6/18/12

## **Committee Members**

Sandy Bach – Spring Trail Elementary School  
Dan Blake – Co Chair - Eastview Middle School  
Karen Hartman - Co Chair - South Elgin High School  
Sue Kerr – South Elgin High School  
Tim Krzyzanowski – Sunnydale Elementary School

## **Administration Liaison**

Dale Burnidge - Director of Financial Operations

## **Acknowledgements**

The committee would like to thank Dale Burnidge for providing financial updates at every meeting. While the Finance Committee does not make any financial decisions for the district, the meetings are an opportunity to provide feedback on financial reporting and other issues.

## **Objective**

The objective of the Citizens' Advisory Council (CAC) Finance Committee was to help the district do a better job communicating financial information to the community.

## **2011 - 2012 Committee Work**

The committee accomplished three goals this year.

### **Monthly Financial Update**

Last year the Finance Committee recommended the district communicate its financial status in an easy to understand format. Starting with the April 2011 financial data, the Monthly Financial Update has been produced presenting U-46's financial position in a summary or dashboard format. This year several suggestions were made by the committee to make the Monthly Financial Update easier to read.

Appendix A-1 is the September 2011 Monthly Financial Update before the committee's suggestions and Appendix A-2 is the October 2011 Monthly Financial Update with the committee's suggestions.

### **Finance Sound Bites**

One idea by the committee to get U-46 financial information out to parents and the rest of the community was to do it in short pieces or sound bites. Since changes made to high school transportation were a concern by some at the beginning of the school year, the committee focused on sound bites addressing the financial situation of the U-46 Transportation Fund. Possible avenues discussed to broadcast finance sound bites were CAC General Meetings, parent and teacher organizations, school newsletters, local newspapers, social media and U-46 communications. Following are two finance sound bites that were published at CAC General Meetings.

### October 13, 2011 CAC General Meeting

*The governor's amendatory veto of the current budget bill reduces U-46's transportation reimbursement by \$1,950,000. This amount is equivalent to the salaries of 32 teachers!*

*Contact your state legislators and encourage them to override the governor's amendatory veto of budget bill HB327.*

### February 9, 2012 CAC General Meeting

*The Transportation Fund is used to account for the costs associated with transporting students. On 12/31/11 the fund was running a deficit of \$23 million, a \$4 million increase in the deficit since July 1. While the state has traditionally been responsible for the majority of transportation revenue, recent deep cuts and late payments have severely impacted this fund. As of 12/31, the state had made no payments for transportation for the current fiscal year. Because of its deficit, the Transportation Fund has been forced to borrow from other funds, further impacting the education of students.*

### **Understanding District U-46 Finances**

School finance in Illinois is complicated and full of excessive financial detail. An ongoing intention of the Finance Committee has been to provide the U-46 community with a basic understanding of Illinois school finance. In 2005, the Finance Committee prepared "Understanding U-46 Finances" to increase knowledge of the U-46 Budget. This year's committee updated that document based on questions gathered from CAC members about finance in U-46. The questions were collected from CAC members in a survey distributed at the December 2011 CAC General Meeting and from posts on the CAC and U-46 Facebook group pages. The December 2011 survey follows.

#### **CAC Finance Committee**

#### **Understanding U-46 Finances Survey**

*We need your help! The committee wants to prepare a document to help everyone have a better understanding of finance in U-46. We want the document to answer the most common questions you have about finance in U-46. We'll take your questions and comments and use them as a guideline for our publication.*

*Surveys will be collected at the December and January CAC General Meetings. You can also email your surveys, questions and comments to [u46cacfinance@gmail.com](mailto:u46cacfinance@gmail.com) by January 12, 2012.*

Responses from the survey are listed below.

*If the district is so short of money they have to make a bunch of cuts where do they find the money to hire a new 6 figure salaried administrator?*

*I have lots of questions about budgets and spending. Here are few that come to mind: How does the district prioritize its spending? Why doesn't each school have the same resources available to its students, for example why do some children have textbooks in all subject areas and some children don't? I want to applaud the district for having lots of community discussions around budget cuts over the last years. I especially like that we got to learn more about budget items and vote on what we thought they should cut first, second, etc...*

*I would like to know why the taxes I pay that go to U-46 continually go up (this year alone additional \$500) and the services our children receive go down. If I add in the extra gas and car maintenance that I am having to pay to drive my son to high school due to the cuts in bus service, I would say that I am easily paying out another \$500. This is a very expensive school district to live in for the level of service that is provided and the administration continues to pass on costs to parents that the district can't afford. I would also like to know the entire costs of the new position that they added this year and what services may have been restored if they did not hire that position (possibly librarians?).*

The committee would like future Finance Committees to update the data in "Understanding U-46 Finances" every year. Suggestions for possible additions to the document by future committees include a frequently asked questions (FAQ) section to address some of the questions collected above and a glossary.

### **Recommendation**

Continue to work on ways to communicate financial information to the public to foster constructive dialog between the community and the district.

Appendix A-1

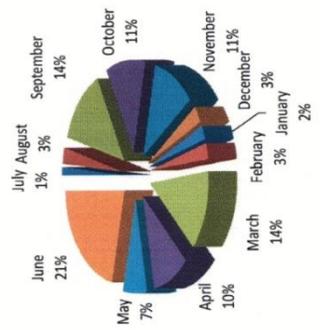
SEPTEMBER 2011 MONTHLY FINANCIAL UPDATE

Revenue	Current Month Actual	YTD Actual	Annual Budget	% Collected/Expended Annual	Prior YTD Actual	% Change in YTD Amount
Local	\$ 70,262,150.00	\$ 77,659,502.00	\$ 299,469,379.00	25.93%	\$ 71,836,070.00	8.11%
State	\$ 14,175,897.00	\$ 21,321,265.00	\$ 99,904,833.00	21.34%	\$ 10,050,983.00	112.13%
Federal	\$ 2,674,783.00	\$ 3,281,113.00	\$ 29,717,683.00	11.04%	\$ 864,699.00	279.45%
Other/Financing	\$ 1,198,870.00	\$ 1,288,870.00	\$ 16,212,000.00	0.00%	\$ 6,675.00	19208.91%
<b>Total Revenue</b>	<b>\$ 88,311,700.00</b>	<b>\$ 103,550,750.00</b>	<b>\$ 445,303,895.00</b>	<b>23.25%</b>	<b>\$ 82,758,427.00</b>	<b>25.12%</b>
<b>Expenditures</b>						
Salaries	\$ 20,746,048.00	\$ 27,217,215.00	\$ 221,284,481.00	12.30%	\$ 27,059,293.00	0.58%
Benefits	\$ 6,934,554.00	\$ 18,139,595.00	\$ 84,787,888.00	21.39%	\$ 19,491,921.00	-6.94%
Purchased Services	\$ 2,952,501.00	\$ 5,232,705.00	\$ 35,201,653.00	14.86%	\$ 5,374,283.00	-2.63%
Supplies & Materials	\$ 1,793,508.00	\$ 5,903,030.00	\$ 25,016,570.00	23.60%	\$ 3,677,685.00	60.51%
Capital Outlay	\$ 2,439,984.00	\$ 5,934,470.00	\$ 10,237,136.00	57.97%	\$ 3,669,846.00	61.71%
Other Objects	\$ 1,650,150.00	\$ 7,350,301.00	\$ 57,778,163.00	12.72%	\$ 7,402,544.00	-0.71%
<b>Total Expenditures</b>	<b>\$ 36,516,745.00</b>	<b>\$ 69,777,316.00</b>	<b>\$ 434,305,891.00</b>	<b>16.07%</b>	<b>\$ 66,675,572.00</b>	<b>4.65%</b>
Revenue less Expenditures	\$ 51,794,955.00	\$ 33,773,434.00	\$ 10,998,004.00		\$ 16,082,855.00	

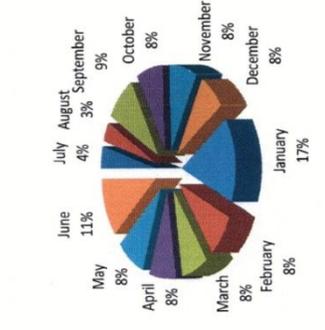
  

Total Amount State Currently Owes the District:	\$6,856,055
Current Cash Balance:	\$158,629,628
Days Cash On Hand:	132
Total Dollars Encumbered:	\$7,227,791
Operating Funds Beg Balance 7/01/2011:	\$5,406,706
Current year (FY2012) surplus(deficit):	\$30,551,770
Operating Funds End Balance 9/30/2011:	\$35,958,476

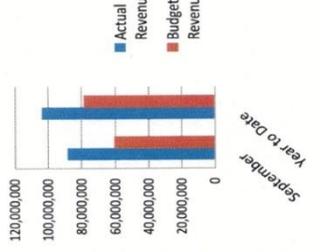
Revenue Received by Month - FY 2012



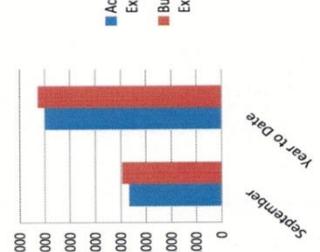
Expenditures by Month - FY 2012



Revenues (in millions)



Expenditures (in millions)



Appendix A-2

OCTOBER 2011 MONTHLY FINANCIAL UPDATE

Revenue	Current Month Actual	YTD Actual	Annual Budget	% Actual/Annual Budget	Prior YTD Actual	% Change in YTD Amount
Local	\$ 27,371,393	\$ 105,030,896	\$ 299,469,379	35.07%	\$ 91,239,561	15.12%
State	\$ 9,133,236	\$ 30,454,501	\$ 99,904,833	30.48%	\$ 16,537,795	84.15%
Federal	\$ 2,970,575	\$ 6,251,688	\$ 29,717,683	21.04%	\$ 5,579,782	12.04%
Other/Financing	\$ -	\$ 1,288,870	\$ 16,212,000	7.95%	\$ 6,675	19208.91%
<b>Total Revenue</b>	<b>\$ 39,475,204</b>	<b>\$ 143,025,954</b>	<b>\$ 445,303,895</b>	<b>32.12%</b>	<b>\$ 113,363,813</b>	<b>26.17%</b>
<b>Expenditures</b>						
Salaries	\$ 21,204,226	\$ 48,421,442	\$ 221,284,481	21.88%	\$ 48,171,158	0.52%
Benefits	\$ 5,656,469	\$ 23,796,064	\$ 84,787,888	28.07%	\$ 24,586,277	-3.21%
Purchased Services	\$ 2,775,374	\$ 8,008,079	\$ 35,201,653	22.75%	\$ 7,760,198	3.19%
Supplies & Materials	\$ 2,033,818	\$ 7,936,848	\$ 25,016,570	31.73%	\$ 5,149,825	54.12%
Capital Outlay	\$ 117,557	\$ 6,052,027	\$ 10,237,136	59.12%	\$ 4,390,012	37.86%
Other Objects	\$ 1,005,954	\$ 8,356,255	\$ 57,778,163	14.46%	\$ 9,454,694	-11.62%
<b>Total Expenditures</b>	<b>\$ 32,793,397</b>	<b>\$ 102,570,714</b>	<b>\$ 434,305,891</b>	<b>23.62%</b>	<b>\$ 99,512,165</b>	<b>3.07%</b>
<b>Revenue less Expenditures</b>	<b>\$ 6,681,807</b>	<b>\$ 40,455,241</b>	<b>\$ 10,998,004</b>		<b>\$ 13,851,648</b>	

Total Amount State Currently Owes the District:	\$7,818,795
Current Cash Balance:	\$166,452,655
Days Cash On Hand:	139
Total Dollars Encumbered:	\$7,436,969
Operating Funds Beg Balance 7/01/2011	\$5,406,706
Current year (FY2012) surplus(deficit):	\$34,589,852
Operating Funds End Balance 10/31/2011:	\$39,996,558

