

The following questions reference documents posted on Elmhurst Community Unit School District 205's website at: www.elmhurst205.org/finance

These documents can be found in the section entitled *Hearing on Adoption of Budget to be held on 9/22/09, 2009-10 Budget Book *New**. The documents referenced in these questions are:

Introduction and Information on FY08-09 Activity and FY 09-10 Fund Balances
2009-10 Budgeted Expenditures
2009-10 Budgeted Expenditures by Fund and Object
Historical Analysis of Staff and Salaries
Historical % Growth of Staff Students & Budget All Funds
Summary

Introduction and Information on FY08-09 Activity and FY 09-10 Fund Balances:

Page 8 – *Budget Summary*

Question: Are you using a 100% reimbursement figure from the state for transportation for the 2009-2010 budget? What reimbursement percentages has the state paid for transportation over each of the last five years?

Answer: We do not use percentages, but use the figures provided from the Illinois State Board of Education. Included in that budget figure are the late 08-09 transportation payments paid after June 30 of this year. Ordinarily, special education transportation is reimbursed at the 80-85% level, while regular transportation has been as low as 10% and as high as 50%.

2009-10 Budgeted Expenditures:

Page 7 – *Expenditures by Location*

Question: The graph shows 70% of Capital Projects budget will be spent at York and with the remaining 30% to be spent District Wide. Could you please be more specific about where the 30% will be spent?

Answer: The 30% pertains to remaining payouts for projects from this summer including the middle school Home EC labs, and other smaller capital projects throughout the District.

Question: Does the 70% allocated to York cover more than the stadium project?

Answer: No

2009-10 Budgeted Expenditures by Fund and Object:

Education Fund

Page 1 – Salaries

Question: Line #111 How/Why does the District Administrator line item decrease by 0.7%?

Answer: The Change reflects the difference in salaries paid in FY 08-09 and salaries expected to be paid in 09-10. Changes in personnel and compensation are responsible for the difference.

Question: How many administrators has the District employed each year for the last 5 years and how much did the District spend on administration salaries each of those 5 years?

*Answer: Please see **Finance Page-Historical Analysis of Staff and Salaries***

Question: Line#116 Does the mentor figure refer to teacher mentors? How many are there?

Answer: Yes. There are 96 teacher mentors for the upcoming school year.

Question: Line#117 How many District Support Staff has the District employed over the last 5 years and how much did the District spend on Support Staff salaries during that time?

*Answer: Please see **Finance Page-Historical Analysis of Staff and Salaries***

Question: Line#140 Why is the secretary line item being reduced by almost \$90,000?

Answer: There has been a reduction in salaries due to removal of overtime and salary attrition from retirements and new hires.

Page 4 – Supplies and Materials

Question: Line#419 How is the duplicating paper expense being reduced by 67%, for the 2009-10 budget? Is this for the whole District?

Answer: This is an optional line account for principals, who may or may not budget their paper purchases to this account. Some use the account and others just use their general supply account. It is their choice each year, and this year, many opted to just use the general supply account.

Page 6 – Other Objects

Question: Line#646 Lease Payments - According to the *Budgeted Expenditures* narrative, *Transfers from the Education Fund in the amount of \$1,173,543 were for the payment of Technology Leases. These payments were formerly paid directly from the Education Fund but are now transferred into the Debt Service Fund, and paid out of that fund.*

Please explain why the 2009-10 Budget includes \$160,000 Lease Payments.

Answer: This payment is for 2 different Illinois State Board of Education Technology Revolving Loan Programs that the District was awarded. This is the account from which we are required by law to make these payments

Operations and Maintenance Fund

Page 8 – Salaries

Question: Line#166 How does District 205 propose to reduce overtime by almost 40% (from 08-09 expenditure of \$414,000 to \$250,000)?

Answer: This year, we negotiated a new contract which significantly reduces overtime in 3 ways: 1) by moving two maintenance workers to second shift; 2) by moving up to 7 custodians to

Saturday and Sunday shifts; and, 3) by hiring substitute custodians to work instead of asking regular custodians to come in early or stay late to cover an absence.

Page 11 – Supplies and Materials

Question: Line#414 Gasoline - Why is there no expenditure for gasoline in the 09-10 budget when the District spent \$48,000 for gasoline in 2008-09?

Answer: Gasoline has been included in the general supply account.

Page 17 – Transportation

Question: Line#331 Purchased Services - How is regular transportation being reduced by almost \$200,000 from last year's expenditure? (\$1,261,577 to \$1,083,432)?

Answer: In the 2008-09 school year, First Student received 13 monthly payments instead of the usual 12, because they billed us late for May and June, 2008 service.

Page 26 – Capital Project Fund

Question: Line#319 Contractual Services - The document lists 08-09 expenditures of \$2,461,961 and the 09-10 budgeted expenditure of \$633,000. How is this a 389% increase?

Answer: We corrected a formula error on the document.

Historical % Growth of Staff Students & Budget All Funds

Question: Please explain this graph, specifically, the FY 09 budget bar.

Answer: This is a graph of annual percentage growth of staff, enrollment and budgeted expenditures.

Summary

Question: Please explain why the summary appears to contradict established District 205 policy regarding fund balances.

The Summary says,

"The District's goal has been to establish a policy that sets operating fund balances at no less than 30% of the year's expenditures."

However, current District Policy #3130 (III - 7) states:

The Board shall pursue Financial Management policies, practices, and plans that will result in fund balances of no less than 30 percent of the actual revenue for the Operating Funds (Educational Operations and Maintenance, Transportation, and Working Cash) on July 1 at the beginning of the fiscal year. The Board must unanimously agree to authorize fund balances of less than 10%. When fund balances are below 30%, the board shall adopt a multi-year financial plan that addresses liquidity risks and restores fund balances to desired levels over a reasonable time period.

Is there a multi-year financial plan to increase fund balances to at least 30% of actual revenue?

Answer: Currently, the Board of Education is conducting a comprehensive review and rewrite of Board policy. Before this policy work can be completed, and a new policy put in place, a

thorough review of the changes in school fund accounting as they pertain to fund balances must be undertaken. Best practice suggests that the need for and amount of optimal fund balance is directly linked to the amount of expenditures annually. While this review takes place, and as part of the budget process, we provide the Board with long range financial projections as a means of developing a financial plan that will help us find the means to reach optimal fund balances without compromising the level and quality of educational services provided to our students.