

To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel

Date: Monday, September 23, 2019

Re: Adoption of the 2019-20 Fiscal Year Budget

Recommendation

It is recommended that the Board of Education approve the budget for the 2019-20 fiscal year.

Background

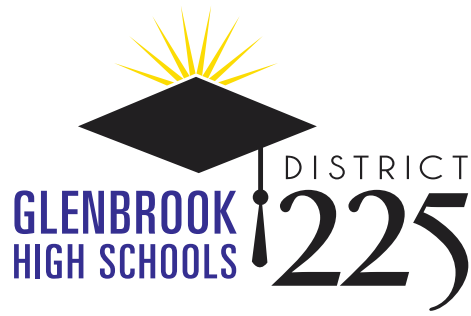
In accordance with the Illinois School Code (105 ILCS 5/17-1), each school district is responsible for adopting and filing an annual budget before the end of the first quarter of the fiscal year with the Illinois State Board of Education. Prior to adopting an annual budget, a tentative budget shall be made available for public inspection for at least 30 days, and a public hearing be held. Both requirements have been fulfilled, and at this time, a final budget has been prepared by the Business Services leadership team for consideration by the Board of Education.

The final budget was first presented to the Finance Committee on Tuesday, September 17, 2019. Feedback from the committee was incorporated into the attached document. In an effort to illustrate the differences between the tentative and final budgets, we have added summary comments and charts within the following sections:

- **Key Findings**
 - PDF Pages 12-13; Printed Pages 2-3

- **Tentative Budget to Final Budget Summary**
 - PDF Pages 49-50; Print Pages 36-37
 - Illustrates changes that were made to the budget since the tentative budget was created.

During the meeting on Monday evening, Dr. Ptak, Ms. Tarver, and I will provide an overview of the final budget, and will be available to answer any questions.



Final Budget

2019-20 Fiscal Year

Updated: Thursday, September 19, 2019

***Northfield Township High School District 225 /
Glenbrook High School District 225***

3801 W. Lake Avenue

Glenview, Illinois 60026

(847) 998-6100 | www.glenbrook225.org

**Northfield Township High School District 225
Notice of Public Hearing**

Notice is hereby given by the Board of Education of Northfield Township High School District Number 225, in the County of Cook, State of Illinois, that the tentative budget for said School District for the fiscal year beginning July 1, 2019, will be on file and conveniently available for public inspection on the District's website (www.glenbrook225.org), or at the District Administration Building located at 3801 W. Lake Avenue, Glenview, Illinois from and after 8:00 AM, on the 1st day of August, 2019.

Notice is further hereby given that a public hearing on said budget will be held at 7:00 PM, on the 9th day of September 2019, at the District Administration Building located at 3801 W. Lake Avenue, Public Meeting Room, Glenview, Illinois in this School District Number 225.

Dated this 30th day of July, 2019. Board of Education of Northfield Township High School District Number 225, in the County of Cook, State of Illinois.

Rosanne Williamson
Secretary, Board of Education

This page left intentionally blank.

I. Key Findings

- Overview **2**
- Reconciliation of the 2018-19 Budget **2**
- Summary of the 2019-20 Final Budget **3**

II. Executive Summary

Organizational Component

- About the District **3**
 - Introduction **3**
 - Financial Recognitions **3**
- Board of Education **5**
 - Overview **5**
 - Members **5**
 - Major Powers and Duties **5**
 - Meetings and Committee Structure **7**
- District Leadership Team **8**
 - Organizational Chart **8**
 - Senior Leadership Team **8**
- Budget Development Process **9**
 - Budget Calendar **9**
 - Collective Bargaining Agreements **10**
 - Accounting Basis **10**
 - Budget Structure **10**
 - Budgeting Approach **11**
- Personnel Resource Allocations **13**
 - Overview **13**

Informational Component

- Enrollment Trends and Projections **14**
 - Overview **14**
 - Glenbrook Cohort Survival Method **14**
 - Dr. Jerome McKibben Population Forecast **14**
 - Comparison of Enrollment Methodologies **15**
- Tax Base and Rate Trends **16**
 - Overview **16**
 - Equalized Assessed Value (EAV) **17**
 - Property Tax Extension Limitation Law (PTELL) **19**
 - Outstanding Debt **19**
 - Tax Rate **20**
 - Operating Fund Extension Calculation **20**

Debt Service Extension Calculation **20**

Total Tax Rate **21**

Tax Rate History **21**

Financial Component

Accounting Structure **25**

Overview of the General Ledger **25**

Explanation of Funds **26**

Funds Included within Financial Statements **26**

Funds Excluded from Financial Statements **26**

Explanation of Programs **27**

Reconciliation of the 2018-19 Budget **30**

Combined Statement of Revenues, Expenditures, & Changes in Fund Balance **30**

Combined Statement of Revenues, Expenditures, & Changes in Fund Balance –
Operating Funds **32**

Comments Regarding the 2018-19 Budget **30**

Key Takeaways **33**

Summary of the 2019-20 Budget **36**

Tentative Budget to Final Budget Revenue Summary – All Funds **36**

Tentative Budget to Final Budget Expenditure Summary – All Funds **36**

Comments Regarding the Tentative Budget to Final Budget **37**

Revenue Summary – All Funds **38**

Expenditures Summary – All Funds **38**

Comments Regarding the 2019-20 Budget **38**

Key Revenue Takeaways **40**

Key Expenditure Takeaways **40**

Revenue and Expenditures Summary – Operating Fund **41**

Revenue and Expenditures Summary – Debt Services Fund **42**

Revenue and Expenditures Summary – Capital Projects Fund **42**

Revenue and Expenditures Summary – Community Programs Fund **43**

Revenues Sources **47**

Local Revenue Sources **47**

Property Taxes **47**

Tax Increment Financing District (TIF) **48**

Corporate Personal Property Replacement Tax (CPPRT) **48**

Interest Earnings **49**

Student Fees **49**

Other Local Revenue **50**

State Revenue Sources **51**

	General State Aid	51
	State Categorical Programs	52
	Federal Revenue Sources	54
	Federal Categorical Programs	54
	Other Revenue Sources	54
	Transfers	54
	Expenditure Types	57
	Salaries	57
	Benefits	57
	Pension Benefits and Legislative Cost-Shifts	57
	On-behalf Contributions to TRS	58
	Introduction of Tier III Pension Program for TRS Members	58
	Employee Health Benefits	59
	Purchased Services	59
	Supplies and Materials	59
	Capital Outlay	59
	Dues, Fees, and Other	60
	Tuition	60
	Other Uses – Transfers	60
	Contingency	60
	Non-Capitalized Outlay	60
	Post-Retirement Benefits	60
	5-Year Financial Forecast	65
	Financial Forecast Model	65
	Revenue Assumptions	63
	Expenditure Assumptions	64
	5-Year Financial Forecast	65
III.	Operating Fund	
	Education Fund (10)	Operations and Maintenance Fund (20)
	Transportation Fund (40)	Illinois Municipal Retirement Fund (50)
	Medicare Fund (51)	Working Cash Fund (70)
IV.	Debt Service Fund	
	Debt Service Fund (30)	
V.	Capital Projects Fund	
	Capital Projects Fund (60)	Fire Prevention and Life Safety (90)
VI.	Agency Fund	
	Agency Fund (99)	

This page left intentionally blank.

FY 2019-20

Key Findings

This page left intentionally blank.

Overview

The Board of Education adopts an annual budget each year, with the goal of matching estimated revenue and expenditures resulting in a balanced budget. This year's budget also includes expenditures that utilize existing reserves for the purposes of one-time expenses such as construction and renovation projects.

By definition, the budget represents the school district's best estimate of revenues and expenditures for a period of 12 months between July 1st and June 30th. Throughout the school year, the Business Services leadership team provides updates regarding the financial condition through monthly expenditure reports, revenue trends, and financial projections.

The following is a list of important points that summarize the success of the prior year and provide context for the new year's budget.

Reconciliation of the 2018-19 Budget

Beginning on Page 30

Overall

- Based on preliminary audited figures, the district ended the 2018-19 fiscal year with \$185.9M in revenues and \$186.4M in expenditures.
- The 2018-19 fiscal year budget estimated that the school district would end the year utilizing \$5.9M of existing fund balance (reserve), primarily for capital projects. However, as a result of savings elsewhere within the budget, the school district decreased that amount to \$472K.

Revenue

- Actual direct revenues indicated that the school district is 94% locally funded, primarily through property taxes.
- The school district's revenue receipt targets have been generally consistent with actual receipts. As of September 19, 2019, the school district still is awaiting the receipt of approximately \$64k in outstanding state and federal categorical payments. Based on trend, we anticipate these payments will be received by October 2019, which will be recorded within the 2019-20 fiscal year.

Expenditures

- Actual direct expenditures for salaries and benefits (inclusive of the employer's pension contributions) represented 68% of expenditures.
- The Board of Education entered into a settlement with Allstate Insurance Company for property tax objections for tax years 2004-2009. The \$6M settlement is scheduled to be paid in \$2M installments over three years. The first installment was paid during the 2018-19 fiscal year, which was not previously budgeted, resulting in a substantial variance between budgeted and actual figures for dues and fees.
- The school district's self-insured health benefits program experienced \$1.2 million less in expenditures than originally projected across three separate benefit plan years (e.g. July 1, 2018 – August 31, 2018; September 1, 2018 – December 31, 2018; January 1, 2019 – June 30, 2019).
- The 2018-19 fiscal year budget included \$6.5M in one-time expenditures for approved life safety and school facility enhancement projects. These projects were funded primarily through bond proceeds from the 2016 and 2017 refunding (refinancing) of existing debt.

Summary of the 2019-20 Final Budget

Beginning on Page 38

Overall

- The 2019-20 fiscal year budget includes \$188.9M in revenues and \$198.0M in expenditures. The \$9.1M difference is attributed to the purposeful use of existing reserves for a negotiated legal settlement and capital projects.
 - The Board of Education entered into a settlement with Allstate Insurance Company for property tax objections for tax years 2004-2009.
 - The \$6M settlement is scheduled to be paid in \$2M installments over three years, the second installment will be paid during the 2019-20 fiscal year.
 - As a result of this expense resulting from the collection of property tax receipts in fiscal years 2005-2010, which were originally deposited into the Education Fund (10), this expense will be paid for through the purposeful use of existing fund balance.
 - In addition, the Board of Education approved the purposeful use of Capital Projects Fund (60) and Life Safety Fund (90) fund balance in the amount of \$7.1M for approved projects, including \$2.4M safety and security projects.
- Through the consistent application of a zero-based budgeting approach, supported through a formula-based decision-making process, the school district remains financially strong.
- The school district remains on track to become debt free on January 1, 2028.

Revenue

- The 2019-20 final budget reflects an increase in local property tax receipts for operating funds in the amount of \$288K. This is partly attributed to growth in new property equalized assessed value of \$45.8M.
- The Village of Glenview's contribution through "The Glen Make Whole Payments" is estimated to provide an additional \$9.6M in revenue, which is consistent with 2018-19 receipts.
- State and federal revenue estimates remain consistent with 2018-19 levels.
- The school district's direct revenue represents 94% local and other funding, primarily through property taxes, with 6% of funding provided by state and federal sources.

Expenditures

- Salary expenditures represent current negotiated rates between the school district's three collective bargaining units (e.g. GEA, GESPA, GESSA), and Board-approved increases for non-union, non-licensed personnel and administrators. The year-over-year increase also represents anticipated increases in FTE as approved by the Board of Education.
- The health benefits budget has been increased to reflect changes to the expenses as a result of personnel transitions, and an estimated 5% premium increase for the 2020 plan year.
- In consultation with the Finance Committee, the contingency budget has been slowly phased-out over the past four years. For 2019-20, no contingency budget has been allocated. Should an unbudgeted expense be incurred, it will be absorbed into the current budget and/or be addressed with the Board of Education through a possible use of fund balance (e.g. Allstate settlement).

FY 2019-20

Executive Summary

This page left intentionally left blank.

Introduction

Northfield Township High School District 225, doing business as Glenbrook High School District 225, located approximately twenty-five miles north of downtown Chicago, Illinois, is a high school district serving students in grades 9 – 12. During fiscal year 2019, the District served 5,198 students¹ in two traditional high schools, Glenbrook North, located in Northbrook, and Glenbrook South, located in Glenview, as well as in a therapeutic day school (Glenbrook Off-Campus) and an evening high school program (Glenbrook Evening High School) also located in Glenview. This represented an increase of 47 students compared to fiscal year 2018.

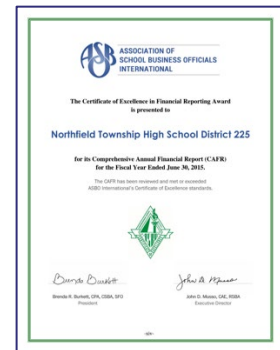
The governing body consists of a seven-member Board of Education elected from within Glenbrook's boundaries, who each serve a four-year term. Board members are volunteers who do not receive a salary for their services.

Financial Recognitions

Certificate of Excellence in Financial Reporting

Glenbrook High School District 225 has been awarded the Certificate of Excellence in Financial Reporting (COE) recognition from Association of School Business Officials International (ASBO International) for the past 10 years. The District first received the award in conjunction with the Comprehensive Annual Financial Report from the 2007-2008 fiscal year.

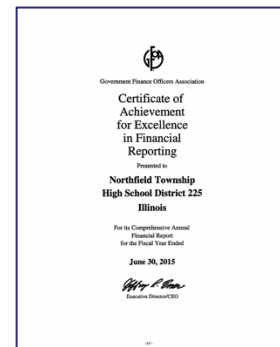
In addition to nationwide recognition, the COE program provides school districts with additional feedback for use in continuing to improve the quality of financial reporting and recognizes districts for their commitment to excellent in financial management and reporting.



Certificate of Achievement for Excellence in Financial Reporting

Glenbrook High School District 225 has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the past 9 years. The District first received the award in conjunction with our Comprehensive Annual Financial Report from the 2008-2009 fiscal year.

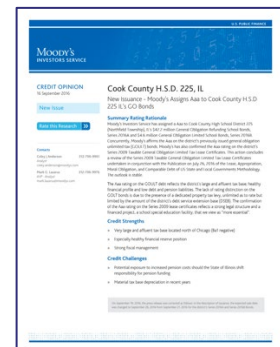
This recognition is awarded to state and local governments that go beyond the minimum requirements of financial reporting, by providing comprehensive financial reports that provide transparency and full disclosure.



Moody's Investors Services - Aaa Bond Rating

Glenbrook High School District 225 has received the highest bond rating available for the District's outstanding debt from Moody's Investors Services.

The rating of 'Aaa' indicates that our obligations have been judged to be of the highest quality, subject to the lowest level of credit risk.



¹ Enrollment data based on October 1, 2018 actual counts.

S&P Global Ratings - AAA Bond Rating

Glenbrook High School District 225 has received the highest bond and management rating available for the District's outstanding debt from S&P Global Ratings.

The rating of 'AAA' indicates that our capacity to meet our financial commitments of our obligations is extremely strong. Additionally, a financial management assessment (FMA) rating of 'Strong' indicates that our management practices are strong, well embedded, and likely sustainable.

Summary:
Cook County Township High School District No. 225 (Northfield, Illinois: General Obligation)

Rating	AAA-Rate	AAA-Rate
Global Rating	AAA	AAA
Long-Term Rating	AAA	AAA
Short-Term Rating	AAA	AAA

Rationale:
S&P Global Ratings assigned its AAA rating to Cook County Township High School District No. 225 (Northfield, IL), an AA- rated general obligation (GO) financing bond and series 2018 GO revenue advance bond. In the summary, S&P Global Ratings affirmed its AAA rating on the District's 2018 bond offering. The rating is based on the District's strong financial performance, its strong management practices, and its strong financial position. The District's strong financial performance is supported by its strong revenue base, its strong management practices, and its strong financial position. The District's strong financial performance is supported by its strong revenue base, its strong management practices, and its strong financial position.

Illinois State Board of Education – Financial Recognition Status

Glenbrook High School District was issued the status of “Financial Recognition” for 2018 from the Illinois State Board of Education. The numeric rating of 4.00 indicates that the District is in the highest category of financial strength. This rating was issued based on the 2017-18 Annual Financial Report data.

	School District Financial Profile (Original Calculations)	School District Financial Profile (Adjusted for Delayed Payments)
Recognition	4.00	4.00
Revenue	185	185
Early Warning	57	47
Wash	25	19

5-Year Profile Analysis of each school district's Profile Score & Indicator

The Illinois State Board of Education takes into consideration (5) factors when assigning a financial profile designation²: fund balance to revenue ratio; expenditures to revenue ratio; days cash on hand; percent of short-term borrowing maximum remaining; percent of long-term debt margin remaining.

² Illinois State Board of Education. (2018). School District Financial Profile. Retrieved from: <https://www.isbe.net/Pages/School-District-Financial-Profile.aspx>

Overview

In accordance with Illinois School Code (105 ILCS 5/33-1), Glenbrook High School District 225 is governed by an elected, 7-member Board of Education. All members are elected at-large to four-year terms, representing all residents in the District's boundaries. Board elections are held during the month of April as part of the consolidated election cycle in odd numbered years. Board members are volunteers who do not receive a salary for their services.

Members

The Board of Education includes three officers: president, vice president, and secretary. The president and vice president are elected annually by the Board membership, the secretary role is typically filled by the Assistant Superintendent for Educational Services.

Current Board of Education members are as follows:



Bruce Doughty
President
(2021)



Peter Glowacki
Vice President
(2021)



Sonia Kim
Member
(2021)



Skip Shein
Member
(2023)



Karen Stang
Hanley
Member
(2021)



Marcelo Sztainberg
Member
(2023)



Joel Taub
Member
(2023)

Major Powers and Duties

As stated in Board Policy 1020: School Board Legal Status Authority, the major powers and duties of the Board include, but are not limited to:

1. Formulating, adopting, and modifying Board policies, at its sole discretion, subject only to mandatory collective bargaining agreements, other agreements entered into by the Board, and State and federal law.
2. Employing a Superintendent and other personnel, making employment decisions, disciplining and dismissing personnel, and establishing an equal employment opportunity policy that prohibits unlawful discrimination.

3. Through policies or directives issued by the Board, direct the Superintendent, in his or her charge of the District as the chief executive of the District.
4. Approving the annual budget, tax levies, major expenditures, payment of obligations, annual audit, and other aspects of the District's financial operation; and making available a statement of financial affairs as provided in State law.
5. Entering into contracts including using the public bidding procedure when required.
6. Indemnifying, protecting, and insuring against any loss or liability of the District, Board members, employees, and agents as provided or authorized by State law.
7. Providing, constructing, controlling, and maintaining adequate physical facilities; making school buildings available for use as civil defense shelters; and establishing a resource conservation policy.
8. Establishing an equal educational opportunities policy that prohibits unlawful discrimination.
9. Approving the curriculum, textbooks, and educational services.
10. Evaluating the educational program and approving School Improvement and District Improvement Plans.
11. Presenting the District report card and School report card(s) to parents/guardians and the community; these documents report District, School and student performance as required by state statute.
12. Establishing and supporting student discipline policies designed to maintain an environment conducive to learning, including deciding individual student discipline brought before it.
13. Establishing attendance units (schools) within the District and assigning students to the schools.
14. Establishing the school year and calendar.
15. Requiring a moment of silence to recognize veterans during any type of school event held at a District school on November 11.
16. Entering into joint agreements with other boards and other governmental agencies to establish cooperative educational programs or to provide educational facilities.
17. Complying with requirements in the Abused and Neglected Child Reporting Act. Specifically, each individual Board member must, if an allegation is raised to the member during an open or closed Board meeting that a student is an abused child as defined in the Act, bring to the attention of the Board to direct the Superintendent or other equivalent school administrator to comply with the Act's requirements concerning the reporting of child abuse.
18. Communicating the schools' activities and operations to the community and representing the needs and desires of the community in matters pertaining to the District.

Meetings and Committee Structure

To fulfill their duties, the Board of Education meets regularly on the second and fourth Mondays of each month. All meetings of the Board of Education are open to the public and are organized in accordance with the Illinois Open Meetings Act (5 ILCS 120). During each meeting members of the public are invited to address the Board in accordance with Board Policy 2030.

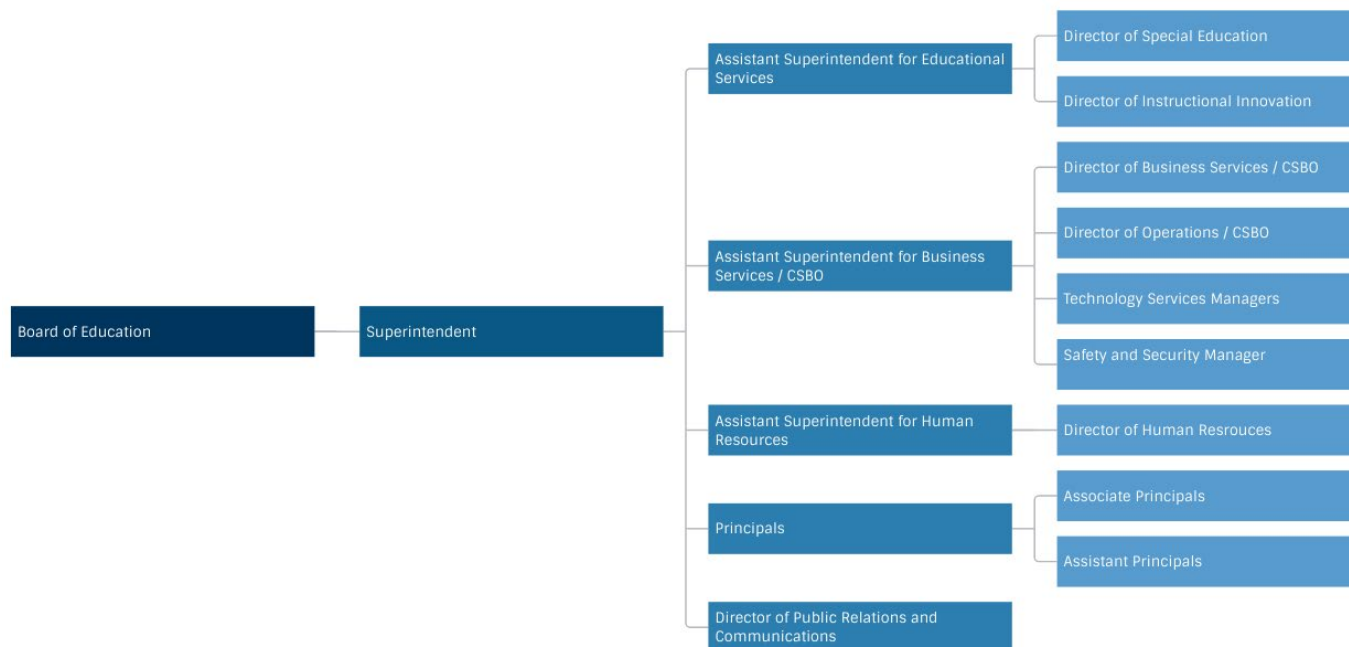
In addition to the regular meetings, the Board of Education has established three standing committees to facilitate the review of topics relevant to the operation of the school district. These committees include:

- Facilities,
- Finance, and
- Technology.

Each committee includes up to three (3) members of the Board of Education, as well as members of the District and School leadership teams (e.g. Superintendent, Principals, Associate Principals, Assistant Superintendents, Directors, Managers). Board committees meet periodically throughout the school year and provide an opportunity to review draft proposals and recommendations from the Administration in a working group setting. Proposals and recommendations are then revised as needed, and typically presented to the full Board at the next regular meeting.

Organizational Chart

The Board of Education is responsible for employing a Superintendent and other personnel, including the District’s leadership team. An organizational chart outlining the District’s leadership team is presented as follows:



Senior Leadership Team

Current senior leadership team members include:

District Office Positions

Superintendent	Dr. Charles Johns
Assistant Superintendent for Business Services / CSBO	Dr. R.J. Gravel
Assistant Superintendent for Educational Services	Dr. Rosanne Williamson
Assistant Superintendent for Human Resources	Mr. Brad Swanson
Director of Business Services / CSBO	Ms. Vicki Tarver
Director of Human Resources	Mrs. Alice Raffles
Director of Instructional Innovation	Mr. Ryan Bretag
Director of Operations / CSBO	Dr. Kim Ptak
Director of Public Relations	Ms. Karen Geddeis
Director of Special Education	Dr. Jennifer Pearson
Safety and Security Manager	Mr. Joel Reyes
Technology Services Manager	Mr. Zia Ahmed
Technology Services Manager	Mr. Ryan Manly

School Positions

Principal – Glenbrook North High School	Dr. John Finan
Principal – Glenbrook South High School	Dr. Lauren Fagel
Associate Principal – Glenbrook North High School – Administrative Services	Mr. Scott Williams
Associate Principal – Glenbrook North High School – Curriculum and Instruction	Dr. Ed Solis
Associate Principal – Glenbrook South High School – Administrative Services	Mr. Casey Wright
Associate Principal – Glenbrook South High School – Curriculum and Instruction	Mr. Cameron Muir

Budget Calendar

Developing a budget is a year-long process that dynamically adjusts in response to local and external changes. At the core of the budget development process is a series of action items driven by state and federal guidelines, as well as a rich history of consistent and timely planning practices in our District. These action items are outlined in the annual budget development calendar that follows:

July

- Fiscal Year Begins
- BOE Action: Approval to Make Available the Tentative Budget and to Schedule a Public Hearing on the Budget (105 ILCS 5/17-1)

August

- Conduct Independent Audit of Financial Statements from Prior Fiscal Year (105 ILCS 5/3-7)

September

- BOE Action: Hold Public Hearing on the Tentative Budget (105 ILCS 5/17-1)
- BOE Action: Adoption of the Final Budget (105 ILCS 5/17-1)

October

- BOE Informational Item: Annual Audit Update
- BOE Informational Item: Master Facilities Plan Update
- BOE Action: Approval of the Annual Financial Report
- BOE Action: Approval of Capital Projects; Authorize Architectural Services and Bid

November

- BOE Informational Item: Enrollment Forecast Update
- BOE Action: Approval to Publish the Estimated Tax Levy (105 ILCS 5/17-1, et seq.) and to Schedule a Public Hearing on the Estimated Levy (35 ILCS 200/18-55)
- BOE Action: Approval of Health Insurance Renewal

December

- BOE Action: Hold Public Hearing on the Estimated Tax Levy (35 ILCS 200/18-55)
- BOE Action: Approval of the Tax Levy (105 ILCS 5/17-1, et seq.)
- BOE Informational Item: Updated 5-Year Financial Projection

January

February

- BOE Action: Approval of the School Operating Budgets and Small Building Projects
- BOE Action: Approval of Student Fees

March

- BOE Action: Approval of Certified Staffing FTE
- BOE Action: Approval of Contracted Services Contracts (If Applicable)

April

- BOE Action: Approval of Non-Certified Staffing FTE
- BOE Action: Approval of Capital Project and Life Safety Bids

May

- BOE Informational Item: Updated 5-Year Financial Projection

June

- BOE Action: Approval of Administrative and Non-Union Salaries
- Fiscal Year Ends

Those items listed as BOE Action represent topics that will be presented to the Board of Education by the Administration for consideration. These items will always include an administrative recommendation for action and will also denote any statutory timelines that might apply.

Items listed as BOE Informational Item represent topics that will be discussed at a Finance Committee meeting, as well as a regular Board of Education meeting. These items do not require formal action by the Board, but often are presented with the goal of receiving feedback and direction from its members.

Collective Bargaining Agreements

While not specified in the budget development calendar, the District has three collective bargaining units that are on a regular contract cycle. During the 2017-18 fiscal year, the Board of Education entered into new agreements with each unit. The current terms for the agreements are as follows:

Association	Current Contract	Negotiation Topics
Glenbrook Education Association (GEA)	July 1, 2018 – June 30, 2023	2022-23 School Year ▪ All Contract Language
Glenbrook Educational Support Paraprofessional Association (GESPA)	July 1, 2018 – June 30, 2022	2019-20 School Year ▪ Compensation 2021-2022 School Year ▪ All Contract Language
Glenbrook Educational Support Staff Association (GESSA)	July 1, 2018 – June 30, 2022	2021-22 School Year ▪ All Contract Language

Traditionally the Board of Education and Associations enter into new agreements during the summer months, applicable to the first day of the fiscal year in which a new contract is approved.

Accounting Basis

In accordance with the National Council on Governmental Accounting (NCGA) and the Governmental Accounting Standards Board (GASB), the District prepares its financial statements using a modified accrual basis of accounting. As defined in GASB Interpretation No. 6, “The general purpose of these standards is to adapt accrual-basis recognition and measurement of the effects of certain types of transactions and events as necessary to measure and report *flows of current financial resources*—the measurement focus of governmental fund financial statements”³. As of fiscal year 2017-18, the District accrues expenditures occurring within 45 days of the close of the fiscal year.

Budget Structure

Glenbrook’s budget is organized first by site (e.g. District; Glenbrook North; Glenbrook South) and second by program (e.g. English instruction; psychological services; technology services). Of the programs, several have been identified by the Board of Education as self-sufficient, meaning, they are responsible for covering all of their expenses through separate revenue source (e.g. summer school). All other programs are financially supported through the District’s regular revenue sources. These sources include property taxes, state/federal grants, student/user fees, and other local revenue types. A listing of programs is presented on page 27.

Beginning with the 2018-19 fiscal year, the Illinois State Board of Education (ISBE) required school districts to report expenditures at the school level. This requirement is associated with the State’s efforts to implement the federal Every Student Succeeds Act (ESSA). As stated by ISBE, this reporting, “is not

³ Governmental Accounting Standards Board. 2000. Interpretation No. 6 of the Governmental Accounting Standards Board. Retrieved from: <http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824062796&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs>

intended to be used for state accountability purposes; rather, ISBE expects the resulting data to be used at the local level to inform decision making while also meeting federal requirements⁴. Site-based expenditure data will be reported as part of the school report card published in the fall of 2020. It is important to note that a school is considered any institution within a school district, serving students in grades Pre-K to 12, that is considered a stand-alone school. For Glenbrook, this includes the following:

Local Education Agency (LEA)	RCDS (State Identifier)
Glenbrook Evening High School	050162250173001
Glenbrook North High School	050162250170001
Glenbrook Off-Campus Center	050162250173002
Glenbrook South High School	050162250170002

In fulfilling the reporting requirements, “all district expenditures, including but not limited to personnel costs, transportation, security, administration, and those that are funded privately” should be classified as either a Site-Level or District Centralized expenditure⁴.

Site-Level Expenditures include all of those expenses that can be associated with the operation of an LEA. For example, this includes the personnel, instructional materials, and operational expenses that are tied to a specific site.

District Centralized Expenditures include expenses that cannot be associated with an individual entity, based on how they are billed, assessed, or otherwise calculated. For the 2018-19 fiscal year, each school district has been granted authority to determine how centralized expenditures should be divided.

The general calculation is as follows:

Expenses Supported through Federal Dollars

$$\begin{aligned}
 & \text{Site-Level Expenditures} \\
 + & \text{ Site's Share of District Centralized Expenditures} \\
 \div & \text{ Number of School Site Students} \\
 = & \text{ Per-Pupil Expenditure}
 \end{aligned}$$

Expenses Supported through State/Local Dollars

$$\begin{aligned}
 & \text{Site-Level Expenditures} \\
 + & \text{ Site's Share of District Centralized Expenditures} \\
 \div & \text{ Number of School Site Students} \\
 = & \text{ Per-Pupil Expenditure}
 \end{aligned}$$

The structure of the school district’s general ledger already provides for this level of reporting, requiring minimal modifications. ISBE will be facilitating guidance sessions throughout the region this fall, to support individual school districts as part of this new requirement. The Business Services leadership team has worked with federal grant managers, the school leadership teams, and ISBE to ensure that the district meets all compliance requirements for the fiscal year budget.

Budgeting Approach

There are many ways to define a budget. Merriam-Webster defines a budget as, “A statement of the financial position [of an organization] for a definite period of time based on estimates of expenditures during the period and proposals for financing them⁵”. In an effort to provide the best estimate of

⁴ Illinois State Board of Education. (2018). Every Student Succeeds Act Site-Based Expenditure Reporting Guidance. Retrieved from: <https://www.isbe.net/Documents/ISBE-Site-Based-Expenditure-Reporting-Guidance.pdf>

⁵ Merriam-Webster. (2017). Definition of Budget. Retrieved from: <https://www.merriam-webster.com/dictionary/budget>

expenditures and revenues, the District utilizes a variety of resources and tools including line-item trend analysis, estimated financial impact of pending legislation, and consistent calculation methods over time. While a budget is only an estimate of the expenditures and revenues, it represents the annual financial plan that is developed and consistently managed throughout the school year to ensure the financial stability of the District.

There are many parts of the District's expenditures which are formula-driven and reviewed by the Board of Education on a consistent schedule (as illustrated through the budget development calendar).

Examples of formula-driven components of the budget include:

- School Operating Budget (Base Allocation; Per Student Allocation; Facility Allocation);
- Certified Staff Personnel Allocation;
- Special Education Staff Personnel Allocation;
- Non-Certified Staff Personnel Allocation.

Through the use of formula-driven budget allocations, the District is able to make consistent, responsible, and fair financial decisions that ensure generational equity, and reflect its commitment to long-term, strategic planning. Budget components that are not formula-driven are developed using a modified, zero-based budgeting approach. Using this approach, budget managers start the budget development process by considering:

- Historical data presented within the general ledger (e.g. trends in purchasing activities within certain expenditure objects);
- Review of current and future year individual program and school initiatives;
- Review of District-wide strategic plan initiatives;
- Requests from department staff and students.

Budget managers are cognizant that each line in their budget starts at \$0. Using the information available to them, as well as a team-based decision-making process that takes place within each program, budget managers submit a budget request to their school leadership team, or in the case of a District program, the Business Services department leadership team. Budget requests are subsequently reviewed by the leadership teams, compared to previous year expenditures (in an effort to prevent incremental budgeting), and prioritized within the larger school or District scope of needs, wants, and limited resources.

As illustrated in the budget development calendar presented, the majority of the District's budget is reviewed by the Board of Education between the months of February and April, prior to the start of the new fiscal year on July 1st. Taking this into consideration, most budget managers schedule their budget development processes based on these milestone dates, with most first drafts created during the months of December and January.

Overview

Glenbrook High School District 225 has implemented a formula-based approach to determining personnel resource allocations for each school year. The allocations processes are separated into three groups: certificated staff, special education certificated staff, and non-certificated staff. In general, all personnel decisions take into consideration:

- Enrollment projections;
- Student course requests and actual course enrollments;
- School and District academic goals;
- Negotiated class sizes and State-mandated case load ratios;
- Board of Education-approved assignments and releases.

Recommendations for personnel resource allocations, commonly referred to as FTE allocations, are prepared by the Human Resources leadership team, in partnership with the Superintendent and the school leadership teams. FTE allocations are presented to the Board of Education in the spring prior to the start of the fiscal year. To ensure that FTE allocations are not exceeded, a review procedure has been established as follows:

- Step 1** Recommendation for FTE presented to the Board of Education.
- Step 2** Any newly hired personnel presented the Board of Education along with an initial salary placement.
- Step 3** A payroll directive is created by a Human Resources specialist, approved by a Human Resources administrator, and submitted to the Payroll Team.
- Step 4** The Payroll Team verified the payroll directive with prior Board action and create the compensation agreement in the financial management software (Skyward), if available FTE is available, and prior approvals have been received.

Overview

Every year, using October 1st fall housing enrollment data the District updates its enrollment projections using a cohort survival method. Additionally, for the last few years, the District has hired Dr. Jerome McKibben to update his population forecast calculation. The results of the two methodologies are within one percent of each other for the first three years, after that, Dr. McKibben’s forecast has proven more accurate.

Glenbrook Cohort Survival Forecast

The cohort survival forecast uses feeder enrollment figures and extrapolates the past and present into the future by following and tracking cohorts of students as they progress from one grade to the next. The following chart compares the recent projection using October 1, 2018 fall housing data with the projection calculated a year ago using October 1, 2017 fall housing data. Calculations using the cohort survival method have been most accurate projecting three years out, as such the below table shows projections for the next three fiscal years.

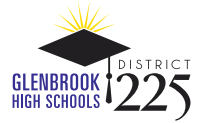
	District			Glenbrook North			Glenbrook South		
	10/1/2018	10/1/2017	O/(U)	10/1/2018	10/1/2017	O/(U)	10/1/2018	10/1/2017	O/(U)
2018-19	5,198 actual	5,207 projection	(9)	2,059 actual	2,059 projection	(0)	3,139 actual	3,148 projection	(9)
2019-20	5,245	5,269	(24)	2,061	2,063	(2)	3,184	3,206	(22)
2020-21	5,208	5,238	(30)	2,035	2,047	(12)	3,173	3,191	(18)
2021-22	5,158	n/a	n/a	2,069	n/a	n/a	3,089	n/a	n/a

Dr. Jerome McKibben Population Forecast

The population forecast methodology differs from the District’s cohort methodology in that it primarily assesses the impact of factors such as fertility rates, housing patterns, mortgage rate, mortality rates, census data, migration patterns, unemployment rates and the dynamics of local private schools while also taking feeder data into consideration. This comprehensive approach lends itself to increased accuracy in long-term forecasts.

	District			Glenbrook North			Glenbrook South		
	10/1/2018	10/1/2017	O/(U)	10/1/2018	10/1/2017	O/(U)	10/1/2018	10/1/2017	O/(U)
2018-19	5,198 actual	5,199 estimate	(1)	2,059 actual	2,053 estimate	6	3,139 actual	3,146 estimate	(7)
2019-20	5,250	5,256	(6)	2,060	2,057	3	3,190	3,199	(9)
2020-21	5,218	5,209	9	2,035	2,032	3	3,183	3,177	6
2021-22	5,158	5,174	(16)	2,062	2,059	3	3,096	3,115	(19)

Enrollment Trends and Projections



Comparison of Enrollment Methodologies

The following chart compares the results of the two methodologies for calculating enrollment projections. District-wide, the two methodologies are within .2% of each other over the next three years.

	District			Glenbrook North			Glenbrook South		
	Pop. Forecast	Cohort Survival	O/(U)	Pop. Forecast	Cohort Survival	O/(U)	Pop. Forecast	Cohort Survival	O/(U)
2019-20	5,250	5,245	5	2,060	2,061	(1)	3,190	3,184	6
2020-21	5,218	5,208	10	2,035	2,035	0	3,183	3,173	10
2021-22	5,158	5,158	0	2,062	2,069	(7)	3,096	3,089	7

Overview

Northfield Township is located in Cook County, Illinois, and is comprised of the Villages of Glenview, Northbrook, and unincorporated parts of northern Cook County. In addition to its residential real estate, the Township houses numerous national and international businesses. An analysis of several economic datasets⁶ identified the following as the District's largest employers, within or near the District:

Employer	Product or Service	Location	Approximate Employees
Allstate Corporation, The	Insurance	Northbrook	8,000
Walgreens Boots Alliance, Inc.	Distributor of pharmaceuticals and home healthcare supplies	Northbrook	6,500
Walgreen Co.	Retail convenience & drug stores	Deerfield	2,500
Underwriters Laboratories, LLC	Independent nonprofit testing & certification	Northbrook	2,000
Baxter International, Inc.	Medical products, devices & services	Deerfield	1,700
CVS Caremark	Integrated health care services	Northbrook	1,400
Takeda Pharmaceuticals U.S.A., Inc.	Pharmaceuticals	Deerfield	1,400
Abt Electronics, Inc.	Retail consumer electronics & major household appliances	Glenview	1,200
Astellas Parma US, Inc.	Wholesale pharmaceutical products	Northbrook	1,150
Anixter, Inc.	Distributor of voice, video, data & power wiring systems products	Glenview	1,000
Kraft Heinz Foods Co., Technology Ctr.	Food products research, development & kitchen testing	Glenview	1,000
Baxter Healthcare Corp.	Corporate HQ & medical supplies & related products	Deerfield	800
Essendant	Wholesale furniture and general use products	Deerfield	800
Allstate Life Insurance Co.	Life insurance	Northbrook	750
College of American Pathologists	Pathologists' membership association	Northfield	600
Midwest Industrial Packaging	Packaging tools & dispensers for industrial application	Glenview	600

⁶ Source: Illinois Manufacturers Directory, 2017 Illinois Services Directory and the Illinois Department of Commerce and Economic Opportunities.

Equalized Assessed Value (EAV)

The equalized assessed valuation of all real property located within the boundaries of Northfield Township is as follows:

Tax Year	Total EAV	EAV by Status	
		Existing Property	New Property
2018	5,272,721,056	5,272,721,056	45,843,135
2017	5,436,852,518	5,368,343,040	68,509,478
2016*	5,264,632,513	5,228,661,177	35,971,336
2015	4,390,619,134	4,350,789,183	39,829,951
2014	4,541,507,704	4,499,001,072	42,506,632
2013*	4,482,911,139	4,450,689,601	32,221,538
2012	5,037,187,441	4,985,843,731	51,343,710

* Denotes a triennial reassessment year in Cook County, Illinois

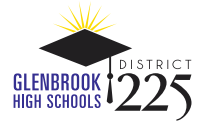
The continued growth of new property within Northfield Township signifies a thriving economy and a growing residential community. According to the most recent information available from the Cook County Clerk⁷, the composition of the District's tax base is as follows:

Tax Year	Total Valuation	EAV by Property Class				
		Residential	Farm	Commercial	Industrial	Railroad
2017	5,436,852,518	3,847,864,406	82,437	1,245,922,686	340,388,538	2,594,451
		70.7%	0%	22.9%	6.3%	0.1%
2016*	5,264,632,513	3,756,709,770	80,043	1,180,395,777	324,897,921	2,549,002
		71.3%	0%	22.4%	6.2%	0.1%
2015	4,390,619,134	2,991,516,817	124,429	1,099,941,610	296,538,704	2,497,570
		68.1%	0.1%	25.0%	6.7%	0.1%
2014	4,541,507,704	3,061,139,557	127,014	1,206,076,671	272,105,588	2,058,874
		67.4%	0.1%	26.5%	5.9%	0.1%
2013*	4,482,911,139	3,192,189,440	3,700	805,924,983	482,846,272	1,946,744
		71.2%	0%	18.0%	10.7%	0.1%

* Denotes a triennial reassessment year in Cook County, Illinois

⁷ Cook County Clerk. (2018). Cook County Agency EAV and Extension by Class for Tax Year. Retrieved from: <http://www.cookcountyclerk.com/tsd/extensionsandrates/pages/default.aspx>

Tax Base and Rate Trends



Acknowledging the presence of several large corporations in the District's tax base, the following is a list of the District's largest taxpayers⁸:

Taxpayer	Description	2016 Equalized Assessed Value	Percent of District's EAV
Westcoast Estates	Commercial, retail & residential property	54,416,851	1.033%
CLF 1000 Milwaukee Avenue	Commercial	27,333,849	0.519%
Astellas US Holdings	Wholesale pharmaceutical products	18,318,890	0.347%
Willow Festival Regency	Retail (840-1090 Willow)	16,134,395	0.306%
Northshore University	General hospital	14,930,620	0.283%
GK Edens Corp Ctr LLC	Retail	14,645,411	0.278%
Globe Patriot LLC	Commercial, Retail	14,649,220	0.278%
Lk Cook Rd & Mid America	Retail	14,340,473	0.272%
James Campbell Co LLC	Commercial	13,950,896	0.264%
Cole Of Glenview IL	Commercial	12,990,043	0.246%
Total		\$366,909,869	3.826%

⁸ Cook County Clerk's Office. (2018). Tax Payers for Northfield Township High School District 225 – 2016 Tax Year.

Property Tax Extension Limitation Law (PTELL)

In February 1995, the Illinois General Assembly passed tax cap legislation (P.A. 89-1) for Cook County making it retroactive to the 1994 tax year. This legislation, known as the Property Tax Extension Limitation Law (PTELL), controls the District’s ability to generate property tax revenues. PTELL permits school districts to increase its non-bond property tax extension by the change in the Consumer Price Index (CPI) or 5%, whichever is less. Additionally, school districts have the opportunity each year to increase its property tax extension by capturing new property that has come onto the tax rolls. This is accomplished by multiplying the limiting rate (non-bond property tax rate) by the amount of new property identified by the County in the extension preparation process.

In addition to P.A. 89-1, the Illinois General Assembly amended Article 20, which limits the amount of taxes for debt service that can be generated through the sale of non-referendum bonds, to the district’s 1994 aggregate non-referendum debt service amount, increased annually by the change in the Consumer Price Index (CPI). This amount is referred to as the Debt Service Extension Base (DSEB). For the 2018 tax year, the DSEB limit is \$2,375,106.

Outstanding Debt

In November 2006, the voters of District 225 approved a \$94 million building bond referendum increasing the debt service tax rate by 8.5 cents. As outlined in the District’s pre-referendum planning process, initial proceeds were used to restructure debt, with the balance of funds invested for future capital projects. As a result of these transactions, approximately \$4 million was replenished to the District’s operating funds that had previously been restricted for alternate revenue bond payments, building maintenance and infrastructure.

In October 2016, the District approved the refunding of existing debt from the 2006 referendum, to maximize debt service funds given historically low interest rates. The District was able to save approximately \$6.6M in interest expenses as a result of the refunding activities. With access to these savings, and additional DSEB capacity, the District was able to raise approximately \$15M through the sale of limited life safety bonds, for the purposes of performing necessary facility and learning space projects.

In January 2018, the District approved the refunding of existing debt from the 2006 referendum (Series 2008 bonds), to maximize low interest rates. The District was able to save approximately \$1.7M through a uniform debt restructure. The savings of this debt issue was wholly passed on to the school district’s taxpayers, through slightly lower debt service rates for tax years 2025, 2026, and 2027.

A goal of both the 2016 and 2018 debt restructuring was to positively position the District to become debt free after tax year 2027, or on January 1, 2028.

As of July 2019, the District is carrying the following debt:

Series	Debt Type	Total Outstanding	Final Tax Year
2018	General Obligation Refunding School Bonds	\$13,075,000	2026
2017	Limited Tax Life Safety Bonds	\$10,000,000	2026
2016A	Refunding Bonds	\$33,005,000	2024
2016B	Limited Tax Life Safety Bonds	\$4,485,000	2026
2010	Taxable General Obligation School Bonds	\$10,190,000	2026
2002B	General Obligation Refunding Limited Bonds	\$2,196,131	2020
Total		\$72,951,131	

Tax Rate

The District's tax rate is determined as part of the Cook County tax extension preparation process. The tax rate is composed of two parts: operating funds extension; debt service extension. Each part is explained in detail.

Operating Funds Extension Calculation

The operating funds extension starts with the assumption that the District is entitled to receive the prior tax year's extension, increased by the change in CPI or 5%, whichever is less. This amount is subsequently divided by the equalized assessed value (EAV) for the current tax year, minus any new growth that has come onto the tax roll. This amount results in a limiting rate, which, when multiplied by 100, results in the operating funds tax rate.

Below is an illustration of this calculation for the 2018 tax year.

Application of PTELL Calculation to Determine Property Tax Extension for Operating Funds

Operating Funds Extension for Existing Property	Last Year's OFs Extension \$105,344,455	x	Factor (Extension 1 + CPI 0.021) 1.021	=	This Year's OFs Extension \$107,556,689	+	This Year's EAV (Minus New Growth) \$5,272,721,056	=	Limiting Rate x 100 2.040	This is the tax rate that is assessed for every \$100 in EAV; This cannot be calculated until the County announces the EAV in May
Operating Funds Extension for New Growth Recognized by County Clerk in Tax Year 2017	Limiting Rate 0.02040	x	This Year's EAV from New Growth \$45,843,135	=	\$935,200					
					\$108,491,889					

Debt Service Extension

The debt service extension is calculated by taking the total amount of debt service to be paid, along with any Loss and Cost factor⁹ that has been requested, divided by the total EAV for the current tax year. This amount, when multiplied by 100, results in the debt service tax rate.

Below is an illustration of this calculation for the 2018 tax year.

Calculation of the Debt Service Property Tax Extension

Debt Service Extension	Debt Service Rate 0.1759	x	This Year's Total EAV (Including New Growth) \$5,318,564,191	=	This Year's DS Extension \$9,355,354
					\$9,355,354

Note about Debt Service: Unlike the operating funds extension, the debt service extension is not limited by PTELL. This is because debt can only be issued by a voter-approved referendum, or through use of the debt service extension base (DSEB), which has been excluded from PTELL consideration.

⁹ The County Clerk has the authority when determining tax rates for the extension of tax levies to impose an additional rate factor to account for the loss and cost of uncollected taxes. The rate applied depends on the historical trend of uncollected taxes for the county. As a result, Cook County can add 5% to debt service levies to account for anticipated shortfalls. This factor further ensures that the District will collect sufficient property taxes as are necessary to fund operations and make all required debt payments.

Tax Base and Rate Trends

Total Tax Rate

The District's total tax rate is the combination of the operating funds tax rate and the debt service tax rate.

Below is an illustration of the total tax rate for the 2018 tax year, as well as a sample impact analysis on a home that is valued at \$500,000.

Calculation of the Overall Tax Rate

Operating Funds Tax Rate	2.04	<i>This is the limiting rate shown above</i>
Debt Service Tax Rate +	1.759	<i>This is the debt service rate shown above</i>
District 225 Tax Rate =	<u>2.216</u>	

Impact of Property Tax Extension on a \$500,000 Home

Assessor's Fair Market Value	\$500,000	<i>Cook County assesses <u>all</u> real property at least once every three years</i>
Cook County Assessment % x	0.10	
Assessed Value =	\$50,000	
State Equalizer - Multiplier (Final 2018 Used) x	2.9109	<i>This Illinois Department of Revenue announces the real property equalization factor for Cook County each spring for the previous tax year</i>
Equalized Assessed Value =	\$145,545	
Homestead Exemption -	\$10,000	<i>P.A. 100-0401 increased the General Homestead Exemption from \$7,000 to \$10,000</i>
Other Exemptions -	\$0.00	
EAV After Exemptions =	<u>\$135,545</u>	<i>This is the value of real property that will be taxed</i>
District 225 Tax Rate =	2.216	
EAV After Exemptions x	\$135,545	
District 225 Tax Obligation =	<u>\$3,004</u>	<i>This is the amount a taxpayer will owe in District 225 taxes</i>

Tax Rate History

Below is a summary of the District's tax rate by fund. A notation of the statutory maximum rates is identified for those funds that are limited.

Fund	Description	2014	2015	2016	2017	2018	Max. Rate
10	Education	2.0028	2.1114	1.7885	1.7447	1.8427	None ¹⁰
20	Operations & Maintenance	0.0661	0.0683	0.0587	0.0758	0.0775	0.5500
30	Building Bonds	0.1492	0.1581	0.1263	0.1193	0.0775	None
30	Limited Bonds	0.0459	0.0487	0.0406	0.0393	0.0402	None
30	Limited Life Safety Bonds	0.000	0.000	0.0051	0.0058	0.0067	None
40	Transportation	0.0110	0.0114	0.0098	0.0379	0.0387	None
50	IMRF	0.0330	0.0342	0.0245	0.0284	0.0290	None
51	Medicare/Social Security	0.0396	0.0410	0.0352	0.0341	0.0349	None
70	Working Cash	0.0187	0.0194	0.0166	0.0161	0.0165	0.0500
Total District Tax Rate¹¹		2.3663	2.4925	2.1053	2.1014	2.216	

¹⁰ Public Act 100-465 removed the specific rate limit for the Educational Fund levy for all school districts subject to PTELL.

¹¹ For Tax Year 2016 and prior, the Cook County Clerk's office rounds the thousandths place value up, if the ten thousandths place value equals an amount greater than 0 (e.g. 2.1101 = 2.111). This rounded value serves as the published tax rate for the taxing agency.

This page left intentionally blank.

FY 2019-20

Accounting Structure

This page left intentionally blank.

Overview of the General Ledger

Illinois School Code and Illinois Administrative Code outlines a series of requirements for developing and managing school district financial records. Each account within the District's general ledger follows a prescribed format composed of state and locally defined components:

10	E	200	1130	4100	00	001040
Fund	Type	Location	Source / Function	Object	Subject	Program+

+ Programs are defined by the district and are not a required accounting element by the state.

The Illinois State Board of Education as prescribed by the Illinois Program Accounting Manual requires the use of specific account dimensions. Asset, Liability, Fund Balance, and Revenue accounts must include, at minimum, the Fund and Function account dimensions. Expenditure accounts must include, at minimum, the Fund, Function, and Object account dimensions.

The District's financial software program has the functionality to further define the Chart of Accounts with addition account dimensions; Type, Location, Subject, and Program.

Fund

A "fund" is an independent fiscal and accounting entity requiring its own set of self-balancing accounts, which are created in accordance with special regulations, restrictions, and limitations that earmark each fund for a specific activity or for attaining certain objectives. Each fund must be accounted for so that the identity of its resources and obligations and its revenues and expenditures is continually maintained.

Type

The type account dimension identifies balance sheet accounts: Asset (A), Liabilities (L), or Fund Balance (Q); and operating statement accounts: Expenditures (E) and Revenue (R).

Location

The location account dimension allows the District to identify activity related to a specific building and/or entity: District (100), Glenbrook North (200), Glenbrook South (300), Glenbrook Evening (400), Glenbrook Off-Campus (500), Glenbrook Transition (600), Glenbrook Aquatics (950).

Function

An account's function (for expenditure accounts) or source (for revenue accounts) represents the purpose for the account, and the types of activities that are recorded within the account's ledger.

- Revenue sources are classified into four broad categories; Local (1000s), State (3000s), Federal (4000s), and Other Sources (7000s).
- Expenditure functions are classified into seven broad categories; Instruction, Support Services, Community Services, Payments to other Districts/Government Units, Debt Service, Contingencies, and Other Financing Uses. Examples of functions include Property Tax Collections, Regular High School Programs, and Technology Services.

Object

An expenditure account's object represents a specific expenditure category within a function. Examples of expenditure objects include Teacher Salaries, Equipment Purchases, and Non-Consumable Supplies.

Subject

The subject account dimension identifies budgetary responsibility for an account: (10) District Office, (20) Glenbrook North, (30) Glenbrook South, (40) Glenbrook Evening, (50) Glenbrook Off-Campus.

Program

A program is an accounting element used by the District to classify and group accounts together for an individual program or purpose. It also provides the capability of exercising budgetary control and the preparation of special reports.

Explanation of Funds

Funds Included within Financial Statements

Operating Fund

The Operating Fund is composed of the Education (10), Food Service (19), Operations & Maintenance (20), Transportation (40), Illinois Municipal Retirement Fund (50), Social Security (51), Working Cash funds (70), Glenbrook Aquatics (95), and Community Programs (96) funds. The Operating Fund provides for the day-to-day services necessary to operate the school district.

The Board of Education has established a budget policy that requires unassigned reserves in the operating funds be maintained at a level equal to approximately 33% of the next year's projected operating expense budget. For the 2019-20 fiscal year, this amount equals \$55,789,291 (note: direct expenditures).

Debt Services Fund

The Debt Services Fund is composed solely of Debt Service (30). This fund is required when taxes are levied to retire bond principal or to pay bond interest, or if other revenue is pledged to pay principal, interest, or service charges on other long-term debt instruments.

Capital Projects Fund

The Capital Projects Fund is composed solely of Capital Projects (60) and Life Safety (90) funds. This fund is utilized to record capital improvements to facilities.

This fund is also utilized to record improvements to facilities as outlined by an approved life safety plan filed with the Regional Office of Education and the Illinois State Board of Education.

Funds Excluded from Financial Statements

Agency Fund

The Agency Fund (99) is utilized to record revenue and expenditures resulting from student activities, programs, parent organizations, or other designated staff programs approved by the Board of Education. Agency funds are considered property of the students and/or groups, and not the Board of Education.

Explanation of Programs

Instructional Programs							
1000	General Instruction	1001	Financial Aid	1005	Visual Arts	1010	Drama Instruction
1015	Driver Education	1020	English	1025	Evening HS Instruction	1030	World Language
1035	Health Education	1040	Mathematics	1045	Music/Performing Arts	1050	Physical Education
1055	Science	1057	STEM	1060	Social Studies	1065	Team
1150	Reading Improvement	1152	Academic Resource Center	1155	Titan Learning Center	1160	Summer School
1162	Summer Service Learning	1170	Extended School Year	1180	English Language Learners	1300	Special Education Services
1305	District SpEd Placements	1310	Assistive Technology	1312	Social/Emotional	1320	Dev. Learning Skills
1322	Learning Disabilities	1325	Special Education Resource	1330	SpEd Job Coaching	1350	Transition Services
1360	Off Campus Instruction	1370	Hospital Instruction Svcs.	1380	Glenbrook United	1400	Vocational Education
1405	Technical Education	1410	Broadcasting	1415	Business Education	1425	Family/Consumer Science
1435	Preschool	1650	Academy	1900	Alternative Programs	1911	Rental of Facilities
1999	Contingency						

Support Services							
2100	Student Activities	2110	Dean's Office	2114	Residency	2116	GEA
2120	Guidance Services	2123	Guided Studies	2125	College Resource Center	2126	Peer Group
2130	Health Services	2135	SLP Services	2140	Social Work Services	2150	Psychological Services
2190	Supervision/Security	2210	Improvement of Instruction	2213	Glenbrook Days	2220	Library Services
2310	Board of Education	2311	Tort	2320	Superintendent's Office	2324	Educational Services
2410	Principal's Office	2510	Business Services	2520	Fiscal Services	2530	Debt Service
2550	Transportation	2560	Food Service	2573	Bookstore	2574	Printing and Duplicating
2600	Support Services - Central	2610	General Administration	2630	PR/Communications	2640	Human Resources Dept.
2645	Employee Benefits	2649	Employee Wellness Prog.	2660	Technology Services	2664	Student 1:1 Technology
2665	Instructional Innovation						

Community Programs							
1165	Summer Science Camp	5500	GBS Community Swim	5505	Glenbrook Aquatics	5510	Swim America
5515	Glenbrook Aquatics-Diving	5520	Aquatics-Water Polo				

Athletic Programs							
5100	Athletics	5110	Training Room	5200	Athletics - Boys	5210	Baseball
5215	Boys Basketball	5216	Boys Bowling	5220	Boys Cross Country	5225	Football
5230	Boys Golf	5235	Boys Gymnastics	5240	Boys Lacrosse	5245	Boys Soccer
5260	Boys Swimming	5270	Boys Tennis	5280	Boys Track	5285	Boys Volleyball
5290	Boys Water Polo	5295	Wrestling	5300	Athletics - Girls	5305	Badminton
5315	Girls Basketball	5316	Girls Bowling	5318	Cheerleading	5320	Girls Cross Country
5323	Field Hockey	5330	Girls Golf	5335	Girls Gymnastics	5340	Girls Lacrosse
5345	Girls Soccer	5350	Softball	5355	Poms - Competitive	5360	Girls Swimming
5370	Girls Tennis	5380	Girls Track	5390	Girls Water Polo	5395	Girls Volleyball
5400	Summer Athletic Camp						

Student Activities							
5800	Extra/Co-Curricular Act.	5805	Auditorium	5810	Chess Team	5815	Poms/Cheerleading Club
5820	Debate	5825	Drama Productions	5830	DECA	5835	Forensics
5840	FCCLA	5850	Mathletes	5870	Scholastic Bowl	5890	Extra-Activities/Disc.

State / Federal Grants							
3000	State/Federal Grants	3001	General State Aid	3220	CTEI Grant	3235	Agricultural Ed. Grant
3298	Elementary STEM Grant	3299	PLTW Grant	3305	Bilingual TBE/TPI	3651	National Board Certified
3992	Innovation Talent Grant	3995	Library Per Capita Grant	4090	Drug Free Communities	4300	Title I - Basic
4400	Title IV A SSAE	4620	IDEA-PL 94-142	4745	Carl Perkins Grant	4905	Title III IEP
4909	Title III LipLeps	4932	Title II Grant	4951	DORS-Step Program	4990	Medicaid

Plant Operations							
9000	Plant Operations	9005	Utilities	9010	Custodial Services	9015	Safety Committee
9050	Building Maintenance	9080	Grounds Maintenance	9823	Construction Projects	9827	Life Safety Amendments
9830	Special Building Projects						

This page left intentionally blank.

FY 2018-19

Reconciliation of the 2018-2019 Budget

Final Budget Reconciliation of the 2018-19 Budget

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance

Presented in this section is a combined statement of revenues, expenditures, and changes in fund balance for all District budgeted funds. **Please note that information presented is preliminary audited.** Audited numbers will be presented in October 2019 as part of the 2018-19 Annual Financial Report.

All Funds Revenues	2018-19 Budget	2018-19 Actual	Over Budget (Under Budget)	% of Budget
Local Sources				
Property Taxes	113,254,462	113,401,054	146,592	0.13%
CPPRT	2,300,024	2,473,470	173,446	7.54%
The Glen Make Whole Payments	9,100,000	9,739,985	639,985	7.03%
Tuition	R1 300,000	485,982	185,982	61.99%
Transportation Fees	R2 400,000	302,070	(97,930)	-24.48%
Student & Program Fees	2,300,500	2,273,989	(26,511)	-1.15%
Interest Earnings	1,894,000	2,639,411	745,411	39.36%
Other Local Revenue	R3 804,000	1,427,815	623,815	77.59%
State Sources				
Evidence Based Funding	3,310,052	3,364,000	53,948	1.63%
Mandated Categorical Programs	1,315,000	1,358,617	43,617	3.32%
Other Categorical Programs	R5 147,556	363,992	216,436	146.68%
Federal Sources				
Categorical Programs	R4 3,517,319	2,662,436	(854,883)	-24.30%
Total Direct Receipts	138,642,913	140,492,820	1,849,907	1.33%
Other Sources of Funds				
On-Behalf Payments	39,625,742	44,794,981	5,169,239	13.05%
Transfers	265,746	612,935	347,189	130.65%
Proceeds from Sale of Bonds	0	0	0	0.00%
Sale of Fixed Assets	R6 25,000	72,720	47,720	190.88%
Total Other Sources of Funds	39,916,488	45,480,636	5,564,148	13.94%
Total Revenues	178,559,401	185,973,456	7,414,055	4.15%
All Funds Expenditures				
1000 - Salaries				
Certified FTE Salaries	57,758,531	56,785,542	(972,989)	-1.68%
Non-Certified FTE Salaries	15,096,360	14,739,042	(357,318)	-2.37%
Non-FTE Salaries	7,459,773	7,005,238	(454,535)	-6.09%
2000 - Benefits				
Insurance and Wellness	E1 14,096,350	12,361,015	(1,735,335)	-12.31%
Retirement and Payroll Taxes	5,556,522	5,096,042	(460,480)	-8.29%
Other Benefits	174,500	166,353	(8,147)	-4.67%
3000 - Purchased Services				
	11,803,601	10,898,745	(904,856)	-7.67%
4000 - Supplies & Materials				
	E2 3,968,110	3,332,462	(635,648)	-16.02%
5000 - Capitalized Outlay				
	E3 9,403,090	5,994,065	(3,409,025)	-36.25%
6000 - Dues, Fees, and Other				
Dues & Fees	E4 331,036	2,439,593	2,108,557	636.96%
Redemption of Principal	E5 4,768,943	6,286,253	1,517,310	31.82%
Payment of Interest on Bonds	E5 4,274,928	3,522,376	(752,552)	-17.60%
Tuition Payments	7,585,000	7,157,787	(427,213)	-5.63%
Other Misc.	E6 7,000	48,293	41,293	589.91%
Contingencies	297,627	0	(297,627)	-100.00%
7000 - Non-Capitalized Outlay				
	E8 1,130,876	4,429,652	3,298,776	291.70%
8000 - Post-Employment Benefits				
	850,000	775,310	(74,690)	-8.79%
Total Direct Disbursements	144,562,247	141,037,768	(3,524,479)	-2.44%
Other Uses of Funds				
On-Behalf Payments	39,625,742	44,794,981	5,169,239	13.05%
Transfers	265,746	612,935	347,189	130.65%
Total Other Uses of Funds	39,891,488	45,407,916	5,516,428	13.83%
Total Expenditures	184,453,735	186,445,684	1,991,949	1.08%
Net Effect on Fund Balance				
Change to Overall Fund Balance	2018-19 Budget (5,894,334)	2018-19 Actual (472,228)		

Comments Regarding the 2018-19 Budget

Explanation of Revenue Variances between Budget and Actual

- R1** Non-resident tuition was received and/or invoiced in the amount of \$85K. In addition, the timing of Summer School tuition receipts resulted in an additional \$100K in revenue than anticipated.
- R2** The district experienced more than anticipated students receiving financial assistance benefits, resulting in lower than anticipated Transportation Fee revenue.
- R3** The district received an additional \$600K in refunds and/or rebates related to prior years' expenditures
- R4** There remains a backlog of categorical payments yet to be released from the comptroller's office. For additional information, see pages 52 and 54.
- R5** The "Build America Bonds" sequestration (rebate) was inadvertently left out of the 2018-19 Final Budget (\$194K), and additional Elementary STEM Program grant monies were received (\$15K).
- R6** The increase in revenue for Sale of Fixed Assets is attributable to the sale of laptop devices to staff as part of the workstation replacement initiative for the 2019-20 fiscal year.

Explanation of Expenditure Variances between Budget and Actual

- E1** The realignment of premiums and the good claims experience across three health plan years attribute to the lower than budgeted expenditures
- E2** Supplies & Materials expenditures were consistently under budget across all objects within this series.
- E3** The \$3.4M under-budget expenditures for Capital Outlay are related, in part, to the over budget Non-Capitalized Outlay, as initiatives were budgeted within Capital Outlay but ultimately recorded as Non-Capitalized Outlay as the costs were less than the Capitalized threshold established by the Board of Education. (See note E7.)
- E4** The Board of Education entered into a settlement with Allstate Insurance Company for property tax objections for tax years 2004-2009. The \$6M settlement is scheduled to be paid in \$2M installments over three years. The first installment was paid during the 2018-19 fiscal year, which was not previously budgeted, resulting in a substantial variance between budgeted and actual figures for dues and fees.
- E5** The variances in Budget to Actual for Redemption of Principal and Payment of Interest in Bonds are the result of audit adjustments related to Capital Lease expenditures. These expenditures were previously recorded as Purchases Services.
- E6** The \$40K variance in Other Misc. expenditures is attributed to the rental of outside facilities for Glenbrook Aquatics programs.
- E7** The additional \$3.2M expenditures for Non-Capitalized Outlay are related, in part, to the under-budget Capital Outlay, as initiatives were budgeted within Capital Outlay but ultimately recorded as Non-Capitalized Outlay as the costs were less than the Capitalized threshold established by the Board of Education. (See note E3.)

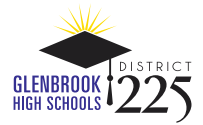
Final Budget Reconciliation of the 2018-19 Budget

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Operating Funds

Presented in this section is a combined statement of revenues, expenditures, and changes in fund balance for all District budgeted funds. **Please note that information presented is preliminary audited.** Audited numbers will be presented in October 2019 as part of the 2018-19 Annual Financial Report.

Operating Funds Revenues	2018-19 Budget	2018-19 Actual	Over Budget (Under Budget)	% of Budget
Local Sources				
Property Taxes	104,269,884	104,465,614	195,730	0.19%
CPPRT	2,300,024	2,473,470	173,446	7.54%
The Glen Make Whole Payments	8,118,966	5,765,463	(2,353,503)	-28.99%
Tuition	300,000	485,982	185,982	61.99%
Transportation Fees	400,000	302,070	(97,930)	-24.48%
Student & Program Fees	2,300,500	2,273,989	(26,511)	-1.15%
Interest Earnings	1,814,000	2,552,742	738,742	40.72%
Other Local Revenue	604,000	1,278,290	674,290	111.64%
State Sources				
General State Aid	3,310,052	3,364,000	53,948	1.63%
Mandated Categorical Programs	1,315,000	1,358,617	43,617	3.32%
Other Categorical Programs	147,556	170,324	22,768	15.43%
Federal Sources				
Categorical Programs	3,517,319	2,662,436	(854,883)	-24.30%
Total Direct Receipts	128,397,301	127,152,996	(1,244,305)	-0.97%
Other Sources of Funds				
On-Behalf Payments	39,625,742	44,794,981	5,169,239	13.05%
Transfers	0	0	0	0.00%
Proceeds from Sale of Bonds	0	0	0	0.00%
Sale of Fixed Assets	25,000	72,720	47,720	190.88%
Total Other Sources of Funds	39,650,742	44,867,701	5,216,959	13.16%
Total Revenues	168,048,043	172,020,697	3,972,654	2.36%
Operating Funds Expenditures				
1000 - Salaries				
Certified FTE Salaries	57,758,531	56,785,542	(972,989)	-1.68%
Non-Certified FTE Salaries	15,096,360	14,739,042	(357,318)	-2.37%
Non-FTE Salaries	7,459,773	7,005,238	(454,535)	-6.09%
2000 - Benefits				
Insurance and Wellness	14,096,350	12,361,015	(1,735,335)	-12.31%
Retirement and Payroll Taxes	5,556,522	5,096,042	(460,480)	-8.29%
Other Benefits	174,500	166,353	(8,147)	-4.67%
3000 - Purchased Services				
	11,597,148	10,859,040	(738,108)	-6.36%
4000 - Supplies & Materials				
	3,968,110	3,332,462	(635,648)	-16.02%
5000 - Capitalized Outlay				
	2,322,056	51,798	(2,270,258)	-97.77%
6000 - Dues, Fees, and Other				
Dues & Fees	331,036	2,439,593	2,108,557	636.96%
Redemption of Principal	0	0	0	0.00%
Payment of Interest on Bonds	0	0	0	0.00%
Tuition Payments	7,585,000	7,157,787	(427,213)	-5.63%
Other Misc.	7,000	48,293	41,293	589.91%
Contingencies	297,627	0	(297,627)	-100.00%
7000 - Non-Capitalized Outlay				
	1,130,876	2,323,268	1,192,392	105.44%
8000 - Post-Employment Benefits				
	850,000	775,310	(74,690)	-8.79%
Total Direct Disbursements	\$128,230,889	\$123,140,784	(\$5,090,105)	-3.97%
Other Uses of Funds				
On-Behalf Payments	39,625,742	44,794,981	5,169,239	13.05%
Transfers	265,746	612,935	347,189	130.65%
Total Other Uses of Funds	\$39,891,488	\$45,407,916	\$5,516,428	13.83%
Total Expenditures	\$168,122,377	\$168,548,700	\$426,323	0.25%
Net Effect on Fund Balance				
Change to Overall Fund Balance	(74,334)	3,471,997		

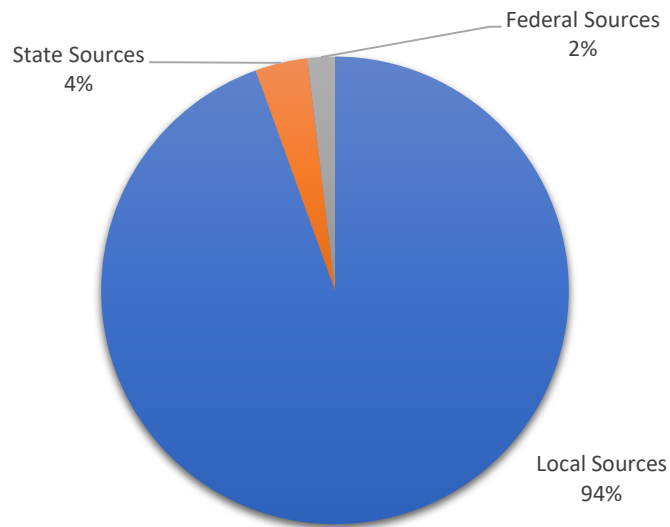
Final Budget Reconciliation of the 2018-19 Budget



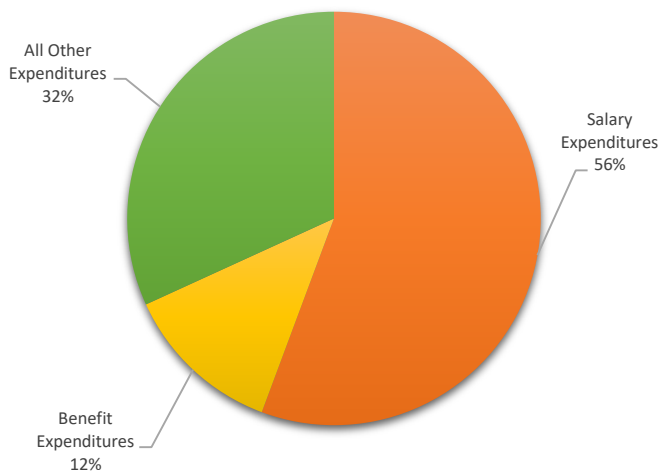
Key Takeaways

The following graphs have been created to illustrate key takeaways from the 2018-2019 reconciliation.

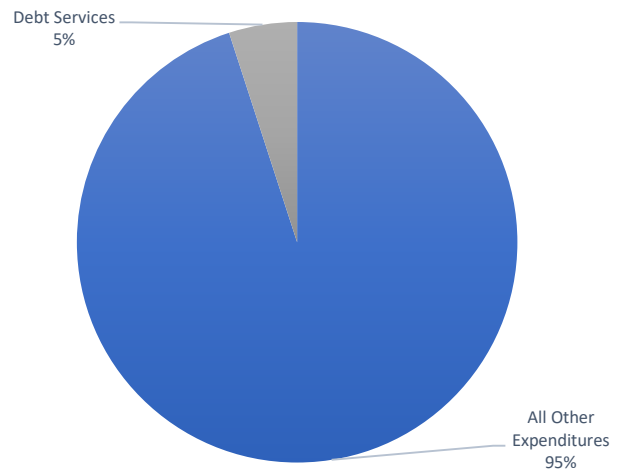
**2018-19 Actual Revenue by Source
(Direct Receipts)**



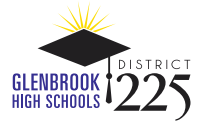
**2018-19
Actual Salary and Benefit Expenditures
Compared to All Other Expenditures
(Direct Disbursements)**



**2018-19
Actual Debt Services Expenditures
Compared to All Other Expenditures
(Direct Disbursements)**



Final Budget
Reconciliation of the 2018-19 Budget



This page left intentionally blank.

FY 2019-20

Summary of the 2019-20 Budget

Final Budget Summary of the 2019-20 Budget

Tentative Budget to Final Budget Revenue Summary – ALL FUNDS

All Funds Revenues		2019-20 Tentative	2019-20 Final	Difference	% Change
Local Sources					
Property Taxes		113,689,548	113,689,548	0	0.00%
CPPRT	R1	2,326,550	2,863,397	536,847	23.07%
The Glen Make Whole Payments		9,579,994	9,579,994	0	0.00%
Tuition		400,000	400,000	0	0.00%
Transportation Fees		400,000	400,000	0	0.00%
Student & Program Fees		2,695,000	2,695,000	0	0.00%
Interest Earnings		1,536,077	1,536,077	0	0.00%
Other Local Revenue		768,000	768,000	0	0.00%
State Sources					
General State Aid		3,364,000	3,364,000	0	0.00%
Mandated Categorical Programs		1,315,000	1,315,000	0	0.00%
Other Categorical Programs	R2	271,469	367,821	96,352	35.50%
Federal Sources					
Categorical Programs	R3	2,449,964	2,529,135	79,171	3.23%
Total Direct Receipts		138,795,602	139,507,972	712,370	0.51%
Other Sources of Funds					
On-Behalf Payments	R4	39,625,742	49,274,479	9,648,737	24.35%
Transfers		0	0	0	0.00%
Proceeds from Sale of Bonds		0	0	0	0.00%
Sale of Fixed Assets		175,000	175,000	0	0.00%
Total Other Sources of Funds		39,800,742	49,449,479	9,648,737	24.25%
Total Revenues		178,596,344	188,957,451	10,361,107	5.80%

Tentative Budget to Final Budget Expenditure Summary – All Funds

All Funds Expenditures		2019-20 Tentative	2019-20 Final	Difference	% Change
1000 - Salaries					
Certified FTE Salaries	E1	60,546,420	60,586,167	39,747	0.07%
Non-Certified FTE Salaries	E1	15,502,903	15,792,797	289,894	1.87%
Non-FTE Salaries	E2	7,581,381	8,047,857	466,476	6.15%
2000 - Benefits					
Insurance and Wellness	E3	13,856,425	13,133,872	(722,553)	-5.21%
Retirement and Payroll Taxes	E3	4,844,403	4,913,760	69,357	1.43%
Other Benefits		181,500	181,500	0	0.00%
3000 - Purchased Services					
		11,964,504	11,957,968	(6,536)	-0.06%
4000 - Supplies & Materials					
		3,793,720	3,860,433	66,713	1.76%
5000 - Capitalized Outlay					
	E4	7,133,718	7,636,680	502,962	7.05%
6000 - Dues, Fees, and Other					
Dues & Fees		2,513,995	2,513,995	0	0.00%
Redemption of Principal		4,799,425	4,799,425	0	0.00%
Payment of Interest on Bonds		4,449,585	4,449,585	0	0.00%
Tuition Payments		7,600,000	7,600,000	0	0.00%
Other Misc.		31,500	31,500	0	0.00%
Contingencies		0	0	0	0.00%
7000 - Non-Capitalized Outlay					
		2,493,087	2,499,397	6,310	0.25%
8000 - Post-Employment Benefits					
		797,000	797,000	0	0.00%
Total Direct Disbursements		148,089,566	148,801,936	712,370	0.48%
Other Uses of Funds					
On-Behalf Payments	E5	39,625,742	49,274,479	9,648,737	24.35%
Transfers		0	0	0	0.00%
Total Other Uses of Funds		39,625,742	49,274,479	9,648,737	24.35%
Total Expenditures		187,715,308	198,076,415	10,361,107	5.52%
Minus Ed Fund Use of Fund Balance		(2,000,000)	(2,000,000)		
Minus Life Safety Projects Use of Fund Balance		(7,118,964)	(7,118,964)		
Total Expenditures - Use of Fund Balance		178,596,344	188,957,451	10,361,107	5.80%

Comments Regarding the Tentative Budget to Final Budget

Explanation of Revenue Variances between Tentative Budget and Final Budget

- R1** In mid-August 2019, the Illinois Department of Revenue released updated estimated CPPRT disbursements for the 2019-20 fiscal year. These new estimated reflect a 23% increase in 2019-20 receipts for the district.
- R2** Between Tentative and Final Budget, the Career and Technical Education Improvement (CTEI) grant was approved for the 2019-20 fiscal year. As has been practice in the school district, grant-funded revenue and expenditures are added to the budget after they have been approved, which is typically after the tentative budget has been presented.
- R3** Between Tentative and Final Budget, Title III-LipLeps and Carl Perkins grants were approved for the 2019-20 fiscal year. As has been practice in the school district, grant-funded revenue and expenditures are added to the budget after they have been approved, which is typically after the tentative budget has been presented.
- R4** The 2019-20 fiscal year On-Behalf Payments were increased in relation to the increase in 2018-19 Budgeted to Actual amounts. (See page 58 for more information on the TRS On-Behalf Payments.)

Explanation of Expenditure Variances between Tentative Budget and Final Budget

- E1** Between Tentative and Final Budget staffing of both licensed and non-licensed personnel was finalized creating a combined increase of 0.43% in budgeted expenditures
- E2** Between Tentative and Final Budget, non-FTE related personnel needs (i.e., athletics, activities, security) were finalized.
- E3** In correlation with finalized staffing, related benefits were adjusted.
- E4** The majority of the additional CPPRT Revenue was allocated for future capital outlay expenditures for the purposes of safety and security related projects.
- E5** The 2019-20 fiscal year On-Behalf Payments were increased in relation to the increase in 2018-19 Budgeted to Actual amounts. (See page 58 for more information on the TRS On-Behalf Payments.)

Final Budget Summary of the 2019-20 Budget

Revenue Summary – All Funds

Overall, the 2019-20 Final Budget reflects a decrease in direct revenues of -0.70% over 2018-19 actual revenues.

All Funds Revenues	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
Local Sources				
Property Taxes	\$113,401,054	\$113,689,548	288,494	0.25%
CPPRT	2,473,470	2,863,397	389,927	15.76%
The Glen Make Whole Payments	9,739,985	9,579,994	(159,991)	-1.64%
Tuition	485,982	400,000	(85,982)	-17.69%
Transportation Fees	R1 302,070	400,000	97,930	32.42%
Student & Program Fees	R2 2,273,989	2,695,000	421,011	18.51%
Interest Earnings	R3 2,639,411	1,536,077	(1,103,334)	-41.80%
Other Local Revenue	R4 1,427,815	768,000	(659,815)	-46.21%
State Sources				
Evidence Based Funding	3,364,000	3,364,000	0	0.00%
Mandated Categorical Programs	1,358,617	1,315,000	(43,617)	-3.21%
Other Categorical Programs	363,992	367,821	3,829	1.05%
Federal Sources				
Categorical Programs	2,662,436	2,529,135	(133,301)	-5.01%
Total Direct Receipts	\$140,492,820	\$139,507,972	(\$984,848)	-0.70%
Other Sources of Funds				
On-Behalf Payments	R5 44,794,981	49,274,479	4,479,498	10.00%
Transfers	R6 612,935	0	(612,935)	-100.00%
Proceeds from Sale of Bonds	0	0	0	0.00%
Sale of Fixed Assets	R7 72,720	175,000	102,280	140.65%
Total Other Sources of Funds	\$45,480,636	\$49,449,479	\$3,968,843	8.73%
Total Revenues	\$185,973,456	\$188,957,451	\$2,983,995	1.60%

Expenditure Summary – All Funds

Overall, the 2019-20 Final Budget reflects an increase in direct expenditures of 5.51% over 2018-19 actual expenditures.

All Funds Expenditures	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
1000 - Salaries				
Certified FTE Salaries	\$56,785,542	\$60,586,167	\$3,800,625	6.69%
Non-Certified FTE Salaries	14,739,042	15,792,797	1,053,755	7.15%
Non-FTE Salaries	E1 7,005,238	8,047,857	1,042,69	14.88%
2000 - Benefits				
Insurance and Wellness	E2 12,361,015	13,133,872	772,857	6.25%
Retirement and Payroll Taxes	5,096,042	4,913,760	(182,282)	-3.58%
Other Benefits	166,353	181,500	15,147	9.11%
3000 – Purchased Services				
	10,989,745	11,957,968	1,059,223	9.72%
4000 - Supplies & Materials				
	E3 3,332,462	3,860,433	527,971	15.84%
5000 - Capitalized Outlay				
	E4 5,994,065	7,636,680	1,642,615	27.40%
6000 – Dues, Fees, and Other				
Dues & Fees	2,439,593	2,513,995	74,402	3.05%
Redemption of Principal	E5 6,286,253	4,799,425	(1,486,828)	-23.65%
Payment of Interest on Bonds	E5 3,522,376	4,449,585	927,209	26.32%
Tuition Payments	7,157,787	7,600,000	442,213	6.18%
Other Misc.	E6 48,293	31,500	(16,793)	-34.77%
Contingencies	0	0	0	0.00%
7000 - Non-Capitalized Outlay				
	E4 4,429,652	2,499,397	(1,930,255)	-43.58%
8000 - Post-Employment Benefits				
	775,310	797,000	21,690	2.80%
Total Direct Disbursements	\$141,037,768	\$148,801,936	\$7,764,168	5.51%
Other Uses of Funds				
On-Behalf Payments	E7 44,794,981	49,274,479	4,479,498	10.00%
Transfers	E8 612,935	0	(612,935)	-100.00%
Total Other Uses of Funds	\$45,407,916	\$49,274,479	\$3,866,563	8.52%
Total Expenditures	\$186,445,684	\$198,076,415	\$11,630,731	6.24%
Minus Ed Fund Use of Fund Balance		-2,000,000		
Minus Capital Projects Use of Fund Balance		-7,118,964		
Total Expenditures Less Use of Fund Balance		\$188,957,451		

Comments Regarding the 2019-20 Budget

Revenue

- R1** Transportation Fees Revenue is based on ridership projections and Board of Education approved fees.
- R2** A change in accounting systems enables parents to have the option to pay for Chromebooks in full, or over three-four years. The increase in the Student & Program Fees revenue budget reflects the likelihood of parents choosing the option to pay for their student's Chromebook in full.
- R3** As we begin the fiscal year, we are in a decreasing interest market. As a result, the Interest Earnings budget was developed based on current and future anticipated market trends.
- R4** During the 2018-19 fiscal year, the district received an additional \$600K in refunds and/or rebates related to prior years' expenditures. These additional receipts for refunds and/or rebates are not anticipated for the current fiscal year.
- R5** The On-Behalf Payments revenue budget was increased in relation to the increase in FY2018-19 actual amounts. (See page 58 for more information on the TRS On-Behalf Payments.)
- R6** The final Capital Lease payment for the 3801 W. Lake Ave. property was made during the 2018-19 fiscal year. As a result, this transfer is no longer required to be budgeted.
- R7** The increase in revenue for Sale of Fixed Assets is attributable to the sale of laptop devices to staff as part of the workstation replacement initiative for the 2019-20 fiscal year.

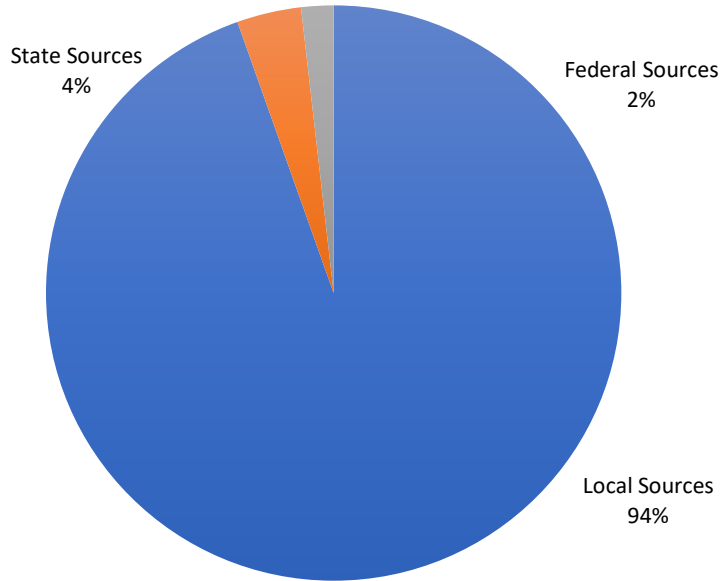
Expenditures

- E1** The increase in budgeted expenditures for Non-FTE Salaries is due to the increased staffing needs related to event/building supervision/security coverage.
- E2** The health benefits budget has been increased to reflect changes to the expenses as a result of personnel transitions, and an estimated 5% premium increase for the 2020 plan year.
- E3** The increase in budgeted expenditures for Supplies & Materials is the results of needs identified within the building allocated budgets particularly related to instructional and staff development materials.
- E4** The decrease and increases to Capital and Non-Capitalized Outlay expenditures are relational in regard to anticipated costs. When actual costs are realized, expenditures will be recorded to the appropriate general ledger account.
- E5** The 2019-20 budgeted expenditures for both Redemption of Principal and Payment of Interest on Bonds are based on the Bond Payment Schedules for the fiscal year.
- E6** The decrease in budgeted expenditures is the result a one-time, non-reoccurring expenditure experienced in FY2018-19.
- E7** The On-Behalf Payments expenditure budget was increased in relation to the increase in FY2018-19 actual amounts. (See page 58 for more information on the TRS On-Behalf Payments.)
- E8** The final Capital Lease payment for the 3801 W. Lake Ave. property was made during the 2018-19 fiscal year. As a result, this expenditure is no longer budgeted.

Key Revenue Takeaways

The following graphs have been created to provide an illustration of key takeaways regarding the revenues anticipated for the fiscal year 2019-20 budget.

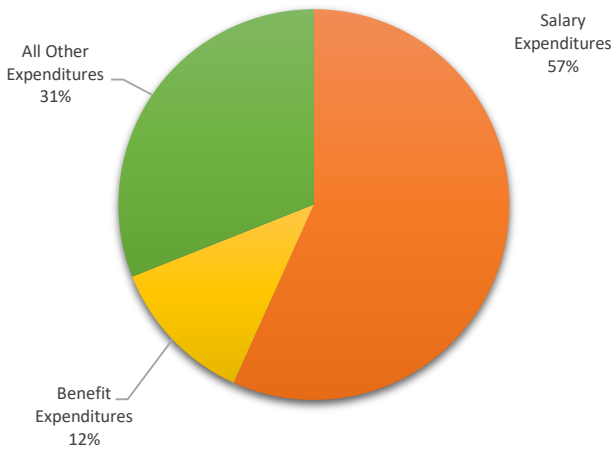
2019-20 Budgeted Revenue by Source (Direct Receipts)



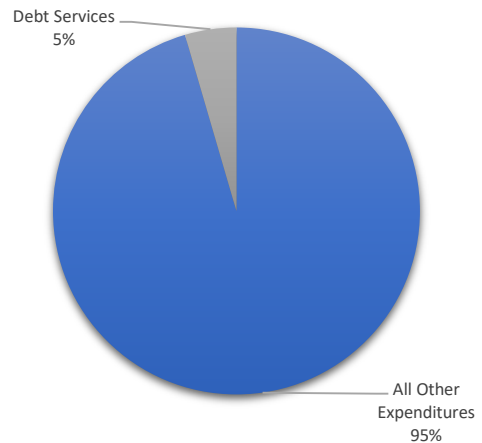
Key Expenditure Takeaways

The following graphs have been created to provide an illustration of key takeaways regarding the expenditures anticipated for the fiscal year 2019-20 budget.

2019-20 Budgeted Salary and Benefit Expenditures Compared to All Other Expenditures (Direct Disbursements)



2019-20 Budgeted Debt Services Expenditures Compared to All Other Expenditures (Direct Disbursements)



Final Budget Summary of the 2019-20 Budget

Revenue Summary – Operating Fund

Overall, the 2019-20 Final Budget reflects an increase in direct revenues of 2.22% over 2018-19 actual revenues.

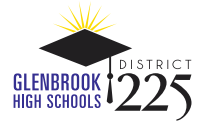
Operating Fund Revenues	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
Local Sources				
Property Taxes	\$104,465,614	\$104,500,710	\$35,096	0.03%
CPPRT	2,473,470	2,863,397	389,927	15.76%
The Glen Make Whole Payments	5,765,463	9,579,994	3,814,531	66.16%
Tuition	485,982	400,000	(85,982)	-17.69%
Transportation Fees	302,070	400,000	97,930	32.42%
Student & Program Fees	2,273,989	2,695,000	421,011	18.51%
Interest Earnings	2,552,742	1,533,500	(1,019,242)	-39.93%
Other Local Revenue	1,278,290	628,000	(650,290)	-50.87%
State Sources				
Evidence Based Funding	3,364,000	3,364,000	0	0.00%
Mandated Categorical Programs	1,358,617	1,315,000	(43,617)	-3.21%
Other Categorical Programs	170,324	161,352	(8,972)	-5.27%
Federal Sources				
Categorical Programs	2,662,436	2,529,135	(133,301)	-5.01%
Total Direct Receipts	\$127,152,996	\$129,970,088	\$2,817,092	2.22%
Other Sources of Funds				
On-Behalf Payments	44,794,981	49,274,479	4,479,498	10.00%
Transfers	0	0	0	0.00%
Proceeds from Sale of Bonds	0	0	0	0.00%
Sale of Fixed Assets	72,720	175,000	102,280	140.65%
Total Other Sources of Funds	\$44,867,701	\$49,449,479	\$4,581,778	10.21%
Total Revenues	\$172,020,697	\$179,419,567	\$7,398,870	4.30%

Expenditure Summary – Operating Fund

Overall, the 2019-20 Final Budget reflects an increase in direct expenditures of 7.31% over 2018-19 actual expenditures.

Operating Fund Expenditures	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
1000 - Salaries				
Certified FTE Salaries	\$56,785,542	\$60,586,167	\$3,800,625	6.69%
Non-Certified FTE Salaries	14,739,042	15,792,797	1,053,755	7.15%
Non-FTE Salaries	7,005,759	8,047,857	1,042,619	14.88%
2000 - Benefits				
Insurance and Wellness	12,361,015	13,133,872	772,857	6.25%
Retirement and Payroll Taxes	5,096,042	4,913,760	(182,282)	-3.58%
Other Benefits	166,353	181,500	15,147	9.11%
3000 – Purchased Services				
	10,859,040	11,781,671	922,631	8.50%
4000 - Supplies & Materials				
	3,332,462	3,860,433	527,971	15.84%
5000 - Capitalized Outlay				
	51,798	1,433,221	1,381,423	2666.92%
6000 – Dues, Fees, and Other				
Dues & Fees	2,439,593	2,513,995	74,402	3.05%
Redemption of Principal	0	0	0	0.00%
Payment of Interest on Bonds	0	0	0	0.00%
Tuition Payments	7,157,787	7,600,000	442,213	6.18%
Other Misc.	48,293	31,500	(16,793)	-34.77%
Contingencies	0	0	0	0.00%
7000 - Non-Capitalized Outlay				
	2,323,268	1,471,315	(851,953)	-36.67%
8000 - Post-Employment Benefits				
	775,310	797,000	21,690	2.80%
Total Direct Disbursements	\$123,140,784	\$132,145,088	\$9,004,304	7.31%
Other Uses of Funds				
On-Behalf Payments	44,794,981	49,274,479	4,479,498	10.00%
Transfers	612,935	0	(612,935)	-100.00%
Total Other Uses of Funds	\$45,407,916	\$49,274,479	\$3,866,563	8.52%
Total Expenditures	\$168,548,700	\$181,419,567	\$12,870,867	7.64%
<i>Minus Ed. Fund Use of Fund Balance</i>		-2,000,000		
Total Expenditures Excluding Use of Fund Balance		\$179,419,567		

Final Budget Summary of the 2019-20 Budget



Revenue Summary – Debt Services Fund

Overall, the 2019-20 Final Budget reflects an increase in direct revenues of 2.92% over 2018-19 actual revenues.

Debt Services Revenues	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
Local Sources				
Property Taxes	\$8,935,440	\$9,188,838	\$253,398	2.84%
CPPRT	0	0	0	0.00%
The Glen Make Whole Payments	0	0	0	0.00%
Tuition	0	0	0	0.00%
Transportation Fees	0	0	0	0.00%
Student & Program Fees	0	0	0	0.00%
Interest Earnings	0	0	0	0.00%
Other Local Revenue	0	0	0	0.00%
State Sources				
General State Aid	0	0	0	0.00%
Mandated Categorical Programs	0	0	0	0.00%
Other Categorical Programs	193,667	206,469	12,802	6.61%
Federal Sources				
Categorical Programs	0	0	0	0.00%
Total Direct Receipts	\$9,129,107	\$9,395,307	\$266,200	2.92%
Other Sources of Funds				
On-Behalf Payments	0	0	0	0.00%
Transfers	612,935	0	(612,935)	-100.00%
Proceeds from Sale of Bonds	0	0	0	0.00%
Sale of Fixed Assets	0	0	0	0.00%
Total Other Sources of Funds	\$612,935	\$0.00	(\$612,935)	-100.00%
Total Revenues	\$9,742,042	\$9,395,307	(\$346,735)	-3.56%

Expenditure Summary – Debt Services Fund

Overall, the 2019-20 Final Budget reflects a decrease in direct expenditures of 4.26% over 2018-19 actual expenditures.

Debt Services Expenditures	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
1000 - Salaries				
Certified FTE Salaries	\$0.00	\$0.00	\$0.00	0.00%
Non-Certified FTE Salaries	0	0	0	0.00%
Non-FTE Salaries	0	0	0	0.00%
2000 - Benefits				
Insurance and Wellness	0	0	0	0.00%
Retirement and Payroll Taxes	0	0	0	0.00%
Other Benefits	0	0	0	0.00%
3000 – Purchased Services	4,625	146,297	141,672	3063.18%
4000 - Supplies & Materials	0	0	0	0.00%
5000 - Capitalized Outlay	0	0	0	0.00%
6000 – Dues, Fees, and Other				
Dues & Fees	0	0	0	0.00%
Redemption of Principal	6,286,253	4,799,425	(1,486,828)	-23.65%
Payment of Interest on Bonds	3,522,376	4,449,585	927,209	26.32%
Tuition Payments	0	0	0	0.00%
Other Misc.	0	0	0	0.00%
Contingencies	0	0	0	0.00%
7000 - Non-Capitalized Outlay	0	0	0	0.00%
8000 - Post-Employment Benefits	0	0	0	0.00%
Total Direct Disbursements	\$9,813,254	\$9,395,307	(\$417,947)	-4.26%
Other Uses of Funds				
On-Behalf Payments	0	0	0	0.00%
Transfers	0	0	0	0.00%
Total Other Uses of Funds	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditures	\$9,813,254	\$9,395,307	(\$417,947)	-4.26%

Final Budget Summary of the 2019-20 Budget

Revenue Summary – Capital Projects

Overall, the 2019-20 Final Budget reflects a decrease in direct revenues of 96.61% over 2018-19 actual revenues.

Capital Projects Revenues	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
Local Sources				
Property Taxes	0	0	0	0.00%
CPPRT	0	0	0	0.00%
The Glen Make Whole Payments	3,974,522	0	(3,974,522)	-100.00%
Tuition	0	0	0	0.00%
Transportation Fees	0	0	0	0.00%
Student & Program Fees	0	0	0	0.00%
Interest Earnings	86,669	2,577	(84,092)	-97.03%
Other Local Revenue	149,526	140,000	(9,526)	-6.37%
State Sources				
General State Aid	0	0	0	0.00%
Mandated Categorical Programs	0	0	0	0.00%
Other Categorical Programs	0	0	0	0.00%
Federal Sources				
Categorical Programs	0	0	0	0.00%
Total Direct Receipts	\$4,210,717	\$142,577	(\$4,068,140)	-96.61%
Other Sources of Funds				
Transfers	0	0	0	0.00%
Proceeds from Sale of Bonds	0	0	0	0.00%
Sale of Fixed Assets	0	0	0	0.00%
Total Other Sources of Funds	\$0.00	\$0.00	\$0.00	0.00%
Total Revenues	\$4,210,717	\$142,577	(\$4,068,140)	-96.61%

Expenditure Summary – Capital Projects

Overall, the 2019-20 Final Budget reflects a decrease in direct expenditures of 10.17% over 2018-19 actual expenditures.

Capital Projects Expenditures	2018-19 Actual	2019-20 Budget	Difference (Budget-Actual)	% Change
1000 - Salaries				
Certified FTE Salaries	0	0	0	0.00%
Non-Certified FTE Salaries	0	0	0	0.00%
Non-FTE Salaries	0	0	0	0.00%
2000 - Benefits				
Insurance and Wellness	0	0	0	0.00%
Retirement and Payroll Taxes	0	0	0	0.00%
Other Benefits	0	0	0	0.00%
3000 – Purchased Services	35,079	30,000	(5,079)	-14.48%
4000 - Supplies & Materials	0	0	0	0.00%
5000 - Capitalized Outlay	5,942,266	6,203,459	261,193	4.40%
6000 – Dues, Fees, and Other				
Dues & Fees	0	0	0	0.00%
Redemption of Principal	0	0	0	0.00%
Payment of Interest on Bonds	0	0	0	0.00%
Tuition Payments	0	0	0	0.00%
Other Misc.	0	0	0	0.00%
Contingencies	0	0	0	0.00%
7000 - Non-Capitalized Outlay	2,106,384	1,028,082	(1,078,302)	-51.19%
8000 - Post-Employment Benefits	0	0	0	0.00%
Total Direct Disbursements	\$8,083,730	\$7,261,541	(\$822,189)	-10.17%
Other Uses of Funds				
On-Behalf Payments	0	0	0	0.00%
Transfers	0	0	0	0.00%
Total Other Uses of Funds	\$0.00	\$0.00	\$0.00	0.00%
Total Expenditures	\$8,083,730	\$7,261,541	(822,189)	-10.17%
<i>Minus Life Safety Projects Use of Fund Balance</i>		(7,118,964)		
Total Expenditures Excluding Use of Fund Balance		\$142,577		

This page left intentionally blank.

FY 2019-20

Revenue Sources

This page left intentionally blank.

Local Revenue Sources

Property Taxes

Each December, the Board of Education formalizes its request for property tax revenue for the upcoming tax year. To complete the levy process, the school district reviews the prior year's aggregate extension (amount of money scheduled to be collected by the County) and determines if tax amounts levied in the prior year should be decreased, left at the same level, or increased. Historically, our school district has increased the tax levy based on the maximum amount allowable (CPI-U level for prior year) and estimated new growth that has recently been added to the tax base. New growth revenue is essential to the District in order to meet the economic challenges resulting from the new growth. It is also important to emphasize that once the value of new real estate becomes part of the overall tax base, it is limited by the tax cap. As a result, it is extremely important for a school district to capture all new growth as it becomes part of the tax base, as it cannot be captured retroactively.

For budgeting purposes, the District utilizes two levy years to determine property tax revenues. For the 2019-20 fiscal year, the following levy information has been utilized:

2018 Levy and Extension

The 2018 levy was approved by the Board of Education and submitted to the County Clerk in December 2018.

Due to delays in processing the levy and calculating the 2018 extension at the County Clerk's office, the County Treasurer mailed first installment bills to taxpayers on or around January 31st in the amount of 55% of the prior year's assessment. The final Agency Tax Rate Report reflecting changes in EAV and the application of Property Tax Extension Limitation Law formula was issued by the County Clerk on June 11, 2018. Using this information, the County Treasurer mailed second installment bills to taxpayers on or around July 1st which represent the remainder of the taxpayer's liability.

All revenue received from the 2017 extension by June 30, 2018 is recorded in the general ledger for fiscal year 2018-19 as "Gen Taxes-Current Year". All revenue received from the 2018 levy after June 30, 2019 is recorded in the general ledger for fiscal year 2019-20 as "Gen Taxes-Prior Year".

It is estimated that the District will collect:

- 97.5% of the 2017 tax extension, or \$115,099,232;
- 52% (\$59,851,600) will be collected in fiscal year 2018-19;
- 48% will be collected in fiscal year 2019-20 (\$55,247,631).

2019 Levy and Extension

The 2019 estimated levy will be presented to the Board of Education in November 2019. In accordance with Truth in Taxation law (35 ILCS 200/18-56), taxing bodies with estimated tax levies that are more than 105% of the preceding year's extension, are required to publish the estimated amounts, and hold a public hearing. While our estimated levies do not typically require us to perform these two activities, the District continues to publish the levy, and holds a public hearing to provide an opportunity for our community to express their thoughts regarding the proposal.

Considering the CPI-U level for 2017 (1.9%), the District prepared a tax levy projection for budgeting purposes that:

- Estimates a levy extension of 101.9% of the 2018 aggregate extension;
- Assumes a collection rate of 97.5%, and that 48% of the anticipated collection will be received in fiscal year 2019-20.

It should be noted that PA 100-0465 provide a mechanism for voters to initiate a referendum to lower taxes for educational purposes by up to 10%. This mechanism is accessible in any school district that is above 110% of adequacy, as determined by the Evidence-Based Funding Model (EBFM). As of July 2018, there were 62,608 registered voters in the boundaries of the District. In order for the question to be

included on the ballot, 10% of registered voters (6,261) would need to sign a petition. Referenda can only be considered in odd number years at the consolidated election in April. The first time the question could have been considered by voters is April 2019. Additionally, if a referendum fails, it may not be repeated until after two future consolidated elections (effectively once every 6 years).

Tax Increment Financing District (TIF)

Tax Increment Financing (TIF) districts are created by municipalities to improve areas of a community that are “blighted, decaying, and underperforming . . . in need of development or redevelopment”¹² Prior to the creation of a TIF, the municipality must prove that the proposed property meets certain criteria established by the State. Once established, the existing value of the property is frozen, and all new value and property “go to the project fund controlled by the TIF district, not to the . . . schools, or any other taxing body”¹³ for a 23-year period. (Note: Taxing bodies continue to receive tax revenue based on the original assessed value of the property.)

The following TIF districts are active within the District’s boundaries¹⁴:

Municipality	TIF Name	Start	End	Frozen EAV	Total 2015 EAV
Glenview	Naval Air Station	1999	2022	26,882,825	469,838,455
Northbrook	Dundee Rd / Skokie Blvd	2005	2028	3,115,141	11,537,899
Northbrook	Northbrook Court (Macy’s)	2019	2042	TBD	TBD

The largest TIF district within the District’s boundaries is the Glenview Naval Air Station redevelopment project known as The Glen. The Glen is a multi-use development built on the original Glenview Naval Air Station property plus an additional 200 acres. Recognizing the impact of this development on taxing bodies including school districts, the Village of Glenview entered into an inter-governmental agreement to provide annual impact payments. These payments are known as “make whole payments” and are based on the number of students enrolled at Glenbrook South High School living within The Glen development. The Glen’s property is anticipated to become part of the District’s EAV in tax year 2022. It should be noted that tax year 2022 is a triennial reassessment year, and as such, the EAV will likely adjust based on inflation and trend for the regional area.

For budgetary purposes, the District utilizes make-whole payment revenue to first fund its annual capital project initiatives (Fund 60), and second to support the educational program (Fund 10).

Corporate Personal Property Replacement Tax (CPPRT)

Corporate Personal Property Replacement Tax (CCPRT) is paid by corporations, partnerships, trusts, S corporations, and public utilities within the district¹⁵. These taxes supplant lost revenue as a result of the elimination of a corporate tax on all property that was not ‘real’ (e.g. movable machinery, automobiles, livestock and furniture¹⁶) in 1979. Taxing bodies receive a portion of actual taxes collected, based on the portion of personal property taxes that was received in 1976¹⁷. As a result of the statutory formula, the District receives 0.360661 of the total 51.65% of CPPRT collections allocated for Cook County.

For budgetary purposes, the District utilizes CPPRT estimates that are prepared and published by the Illinois Department of Revenue’s Local Tax Allocation Division and actual historical receipts. It is important to note, however, that CPPRT estimates are prepared based on trend analysis; disbursements

¹² Illinois Tax Increment Association. (2017). About TIF. Retrieved from: <http://www.illinois-tif.com/about-tif/>

¹³ Cook County Clerk. (2017). TIFs 101: A Taxpayer’s Primer for Understanding TIFs. Retrieved from: <http://www.cookcountyclerk.com/tsd/tifs/Pages/TIFs101.aspx>

¹⁴ Cook County Clerk. (2017). TIF Reports. Retrieved from: <http://www.cookcountyclerk.com/tsd/tifs/Pages/TIFReports.aspx>

¹⁵ State of Illinois Department of Revenue. (2017). Personal Property Replacement Tax. Retrieved from: <http://tax.illinois.gov/LocalGovernment/Overview/HowDisbursed/replacement.htm>

¹⁶ State of Illinois Department of Local Government Affairs. (1979). Illinois Property Tax Statistics 1976. Retrieved from: <http://tax.illinois.gov/AboutIdor/TaxStats/PropertyTaxStats/PreviousYears/>

¹⁷ State of Illinois Department of Revenue. (2017). How is Personal Property Tax Money Distributed to Local Governments? Retrieved from: <http://tax.illinois.gov/QuestionsAndAnswers/245.htm>

of CPPRT are based on actual tax receipts recorded since the last payment was issued to taxing bodies (January, March, April, May, July, August, October, and December).

In accordance with the State Revenue Sharing Act (30 ILCS 115/12), a taxing body is required to apply the portion of CPPRT revenue to, “the proportionate share of the pension or retirement obligations of the taxing district which were previously levied and collected from extensions against personal property”. In the first full fiscal year that personal property taxes were not assessed (1980-1981), the District recorded CPPRT receipts in the amounts of \$945,764 (97%) in Fund 10, and \$26,660 (3%) in Fund 50. Using these figures, the District continues to budget, and ultimately allocate 97% of CPPRT collections as revenue in Fund 10 and 20 (based on needs), and 3% in Fund 50.

Interest Earnings

Interest revenue comes from two sources: interest earnings on District bank accounts; interest earnings on District investments.

In accordance with the Illinois Public Funds Investment Act (30 ILCS 235/0.01 *et seq.*), the Northfield Township School Treasurer is responsible for managing the investment of District funds. Investment decisions are governed by policies enacted by the Board of Trustees of the Northfield Township School Treasurer. There are several objectives that have been established by their Board Policy¹⁸:

- Safety of Principal
- Liquidity
- Return on Investments
- Maintaining the Public’s Trust
- Diversification

Investments are permitted using common instruments (e.g. bonds, notes, certificates of indebtedness, treasury bills, interest bearing savings accounts and certificates of deposits, the Illinois School District Liquid Asset Fund). The Treasurer has established a routine investment schedule that complies with each school district’s cash flow needs and is responsible for reporting investment activity to each district on a monthly basis. Interest earnings from investment activities are deposited in each school district’s general fund upon maturity of the investment.

Upon receipt of interest earnings, the District distributes the revenue based on the proportion of fund balances defined in the school district’s Annual Financial Report for the preceding year (e.g. interest earnings received in November 2017 and distributed based on fund balances reported in the Fiscal Year 2016-2017 Annual Financial Report).

Student Fees

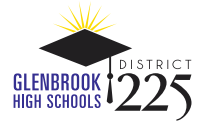
In accordance with Board Policy 4040, the Board of Education is presented each year with a list of recommended student fees for approval. In addition to Board-approved fees, students enrolled in specific courses may be assessed additional “course fees” which are reviewed and approved by the school principal on an annual basis.

All students attending a Glenbrook High Schools have historically been assessed two general fees: Chromebook fee and registration fee. These fees are deposited into District revenue accounts and used for the purpose designated.

Additional user fees are assessed to students and families upon request. These fees are deposited into District revenue accounts and used for the purpose designated. The majority of our user fees are calculated based on the total amount of estimated expenses for the upcoming school year. Examples of these fees include driver education behind the wheel, instrument rental, parking fee, transportation fee.

¹⁸ Northfield Township School Treasurer. (2016). Board Policy: Investment of School District Funds. Retrieved from: <https://drive.google.com/file/d/oBzKIplgx-c4MZlFtTVFNdnktN3M/view?usp=sharing>

Revenues – Fiscal Year 2019-20 Budget



Other Local Revenue

Other Local Revenue reflects all receipts not associated with property taxes, student fees, or instructional program fees. Some of these other revenues include pre-school tuition, Glenbrook University fees, building/facility rentals (including Quest), Intergovernmental Services Agreements, Refunds and/or Rebates, and other local fees.

State Revenue Sources

General State Aid Payments

The Illinois Association of School Boards defines General State Aid as, “[Funds] which combines with “available local resources” to provide a minimum foundation level of income per pupil [to be] used at the discretion of the school district for any legal school purpose”¹⁹. General State Aid is primarily unrestricted; however, an Annual Spending Plan is submitted by the District each year to identify how funds designated for certain populations (e.g. students receiving special education services; low-income; English learners) are being spent each year.

The Illinois General Assembly took action last year to restructure the school funding formula through the following pieces of legislation:

- Senate Bill 6 (SB6) > PA 100-0021
PA 100-0021 established a budget for the State of Illinois. This legislation included increases to the education budget. However, it should be noted that PA 100-0021 provides \$6.7 billion for the Evidence-Based Funding Model.
- Senate Bill 1 > Senate Bill 1947 > PA 100-0465
PA 100-0465 included a redesign of the school funding formula to reflect the Evidence-Based Funding Model (EBFM). This model provides financial support from the State’s budget to support the education of all students in PreK-12 school. It is designed in a manner that acknowledges that individual student needs require different amounts of resources, and that each district’s ability to financially support its operations are different (e.g. local property wealth). The new funding formula is intended to be a sustainable school funding system that strives to get all districts to adequate funding.

Often advertised as #norednumbers, the EBFM includes provisions to ensure that:

- All districts are kept whole based on FY2017 funding
 - If the Illinois General Assembly is unable to appropriate sufficient funds in the future to cover every district’s base funding minimum, the most adequately funded districts will lose funds first; if this action is not enough, further reductions will be made on a per-pupil basis for all districts
- All new dollars go to the neediest districts first (e.g. 50% to Tier 1; 49% to Tier 2; 0.9% to Tier 3; 0.1% to Tier 4)
- All Districts are treated the same (e.g. Chicago Public Schools)

To determine future State-funding, the EBFM considers the cost of the 27 essential elements²⁰ that are written into the statute, and the local capacity to support the funding of ‘adequate’ educational services through local property taxes and CPPRT.

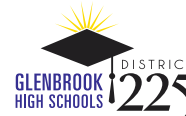
For the 2018-19 fiscal year, Glenbrook received a base-funding minimum (BFM) of \$3,340,936.72 in the form of Evidence-Based Funding, and \$6,400.85 in tier funding. The Illinois State Board of Education has also assigned Glenbrook an adequacy level of 145%, placing it in Tier 4 (Districts above adequacy).

As a Tier 4 district, our access to additional evidence-based funding from the State is significantly limited. 99.9% of all new funding will be distributed to Tier 1-3 school districts. Tier 4 districts only have access to a shared distribution of the remaining of 0.1% (one tenth of one percent) of any new dollars. As a result, the District is not estimated to see any notable increase in funding in the near future. However, assuming the Illinois General Assembly provides at least the funding necessary for each school district’s BFM, the District will continue to receive at least \$3,340,936.72).

¹⁹ Braun, B. (2016). *Illinois School Law Survey*. Springfield, IL: Illinois Association of School Boards.

²⁰ The 27 Essential Elements were identified based on their statistically meaningful correlations to enhancing student achievement over time.

Revenues – Fiscal Year 2019-20 Budget



For budgetary purposes, the District utilizes the assumption that we will receive the base-funding minimum established by PA 100-0465, in addition to the final tier funding (new money) as stated by ISBE.

Fiscal Year	Base Funding Minimum	Tier Funding	Total Evidence-Based Funding
2017-18	\$3,327,731	-\$17,679*	\$3,310,052
2018-19	\$3,334,720	\$6,217	\$3,340,937
2019-20	TBD	TBD	TBD

* Glenbrook received \$6,989 in new tier funding, but there was an adjustment made by ISBE in the amount of -\$24,668.

State Categorical Payments

The Illinois General Assembly has identified several programs to be supported by State funds. Several of these programs are referred to as mandated categorical programs (MCATs). The Illinois State Board of Education defines these State-funded programs as, “In general, a mandated categorical program and the funds appropriated for it are earmarked by statute for a particular purpose or population and may be used for that purpose or population only”²¹ In addition to mandated categorical programs, there are other State-funded programs that are classified as categorical payments.

Recognizing the financial challenges faced by the State of Illinois, the Illinois General Assembly has often pro-rated mandated categorical programs and/or delayed funding disbursement. This has resulted in funding being unpredictable, presenting challenges to the budgeting process.

At the end of the 2018-19 fiscal year, many school districts were still owed funds from the State. The charts shown below identify the applicable funding streams, as well as the outstanding payments owed to the District.

The following is a summary of the District’s mandated categorical payment status as of June 30, 2019:

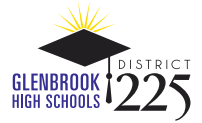
State Mandated Categorical Programs	Fiscal Year 2018-19 Outstanding Payments
Private Facility Tuition (Students with Disabilities) (105 ILCS 5/14-7.02)	\$0
Special Transportation (105 ILCS 5/14-13.01(b))	\$0
Orphanage Tuition (Students with Disabilities) (105 ILCS 5/14-7.03)	\$0
Regular Transportation (105 ILCS 5/29)	n/a
School Breakfast and Lunch Program (105 ILCS 125)	n/a
Regular Education Orphanage Program (105 ILCS 5/18-3)	n/a
Total	\$0

For budgeting purposes, the District typically budgets for the total amount owed from the prior fiscal year, plus two payments (depending on payment trend). This is because the State is required to budget (and ideally, pay) its deficit carry-forward balances from the previous fiscal year²²

²¹ Illinois State Board of Education. (2017). Overview of Mandated Categorical Program Funding. Retrieved from: <https://www.isbe.net/Documents/mcat-narrative.pdf>

²² Center for Tax and Budget Accountability. (2017). Illinois Fiscal System and Education Funding. Retrieved from: <https://drive.google.com/file/d/oBzKIplgx-c4MOG5hd01PY1NtdVk/view?usp=sharing>

Revenues – Fiscal Year 2019-20 Budget

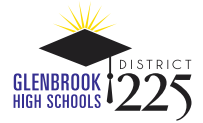


The Illinois General Assembly has also provided for the participation in other categorical programs. Funding for these programs is typically timelier, compared to the MCATs.

The following is a summary of the District's other State categorical payment status as of June 30, 2019:

Other State Categorical Programs	Fiscal Year 2018-19 Outstanding Payments
Career and Technical Education Secondary Program Improvement (CTEI)	\$30,192.35
Driver Education (105 ILCS 5/27-24.4)	\$21,069.30
Total	\$51,261.65

Revenues – Fiscal Year 2019-20 Budget



Federal Revenue Sources

Federal Categorical Payments

The United States Congress has also identified funding priorities in the form of restricted grants. Many of these grants are coordinated by the Illinois Department of Education, whereas others are facilitated by our special education cooperative, NSSSED, or other State agencies. Given that most of the grants are designed as flow-through grants, where federal funds are collected by an administration agency, and then passed-on to local school districts, they are paid in a very timely fashion.

Payment of these grants is initiated after the District submits claims with the required documentation, to the facilitating agency. These grants include:

Federal Categorical Programs	Fiscal Year 2018-19 Outstanding Payments
Perkins Grant Vocational Education	\$12,555.14
Title I Low Income	\$0
Title II Teacher Quality	\$0
Title III Immigrant Education Program IEP	\$0
Title III Limited English Proficiency LIPLEP	\$0
Step Grant	\$0
Medicaid Admin Outreach	\$0
Medicaid Fee for Service (FFS)	\$0
Total	\$12,555.14

Other Revenue Sources

Transfers

There are no transfers anticipated at this time for the 2019-20 fiscal year.

FY 2019-20

Expenditure Types

This page left intentionally blank.

Salaries

The salaries budget represents wages paid for both Certified and Non-Certified district employees including substitutes. Certified staff includes administration, teaching, and counselors. Non-Certified staff includes instructional assistants, paraprofessionals, secretarial, maintenance, and other educational support personnel. Staffing is based on enrollment and special program allocations.

Benefits

The benefits budget, which is separated in the general ledger from the salaries budget, includes expenditures for health, dental, life, and disability insurances, payroll taxes, and pension costs. Also included in this category are tuition reimbursements, employee assistance and wellness programs.

Pension Benefits and Legislative Cost-Shifts

Depending on the type of work performed, employees and employers may be required to contribute to a pension fund. Employees working in a licensed capacity (e.g. required to hold a Professional Educator License, Educator License with Stipulations, Substitute Teaching Licensing in order to perform a designated service²³) contribute to the Teachers’ Retirement System (TRS). Employees working at least 600 hours per calendar year in a non-licensed capacity (e.g. instructional assistants, clerical, maintenance, and technology staff), contribute to the Illinois Municipal Retirement Fund (IMRF).

The amount due to a pension fund for credible earnings²⁴ is divided into two portions: employer and employee. The chart inserted below, illustrates the contribution amounts required for each pension system.

Earnings	Purpose	Employee Portion	Employer Portion
IMRF	Pension Fund	9%	7.87%*^
TRS	Pension Fund	9%	0.58% +
TRS	Teachers’ Health Insurance Security Fund	1.18%	0.88% +

* The employer also contributes 6.2% for FICA benefits for all IMRF-eligible earnings.

^ The employer rate for the 2018-19 fiscal year is presented; a District-specific rate is set each spring by IMRF.

+ The employer portion for TRS-credible earnings may vary due to legislative cost shifts.

As a result of recent actions by the Illinois General Assembly, some TRS earnings are subject to additional employer contributions:

- If an employee working in a licensed capacity is paid by federal funds (e.g. Perkins Grant, Title I), the school district must also contribute an amount equal to the “employer normal cost”.
- If an employee working in a licensed capacity earns an amount in a year (July 1st – June 30th) that is in excess of the salary set for the Governor of the State of Illinois (\$177,412 for 2019-20), the school district must also contribute an amount equal to the “employer normal cost”, for the amount of salary in excess of the amount of the salary set for the Governor (e.g. if an employee earns \$180,000, the employer normal cost additional contribute would be calculated on \$2,588).

The Institute for Illinois’ Fiscal Sustainability defines the normal cost as, “an actuarially-calculated amount representing that portion of the present value of pension plan benefits and administrative expenses which is allocated to a given valuation year . . . typically refers to the employer’s remaining cost

²³ Illinois State Board of Education. (2016). ELIS Frequently Asked Questions. Retrieved from: <https://www.isbe.net/Documents/ELIS-faq.pdf>

²⁴ Compensation which is considered by a pension fund as part of a member’s retirement annuity calculation; compensation for which the employee and employer must pay their required contributions to the pension fund.

after employee contributions are taken into account.”²⁵ This amount is calculated by TRS each year. For the 2019-20 fiscal year, it is estimated that this amount will be 10.66%²⁶.

On-Behalf Contributions to TRS

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2019, state of Illinois contributions recognized by the employer were based on the state’s proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$44,794,981 in pension contributions from the State of Illinois. This amount is represented within the budget as an equal revenue and expenditure line item.

Introduction of Tier III Pension Program for TRS Members

One portion of recent legislation passed by the Illinois General Assembly that has not received a lot of news is the creation of a new Tier III pension benefit. Once implemented, this new benefit will be available to current Tier II members, and new members in SERS, SURS, and TRS. It is important to note that guidance from TRS states that new pension system members will automatically be enrolled into Tier III, unless they opt into Tier II. Members will have a one-time, irrevocable opportunity to switch to Tier II.

What is the Tier III pension benefit?

Tier III is a “hybrid” retirement plan that is composed of two benefits:

- A small life-long defined benefit (DB) pension
 - Employees will contribute an amount no more than 6.2% of their salary (actual amount to be contributed will be determined on an annual basis by TRS based on the normal cost of benefits)
 - Prior to the 2020-21 year, the State will contribute 2% of each employee’s salary to the system, and the Employer will contribute the remaining pension costs (0.58%)
 - Beginning with the 2021-22 year, the Employer will contribute 2.58% of each employee’s salary to the system
- A defined contribution (DC) plan which is similar to a 403(b).
 - Employees will contribute a minimum of 4% of their salary
 - Employers will contribute a minimum of 2% of the employee’s salary, but can contribute up to a maximum of 6%
 - Benefits from positive activity in the stock market, but carries risk
 - The DC plan is portable

Tier III member’s normal retirement age will be aligned with the Social Security eligibility date (as of today, 67 years). The final average salary calculations will be based on the member’s average salary during the last 10 years of service. The initial pension calculation will be the final average salary multiplied by 1.25%. (Note: Tier II pensions are multiplied by 2.2%.) Once retired, members will receive an annual increase of one-half of the previous year’s consumer price index, not compounded.

When will Tier III become available?

Tier III will become available after it receives approval from the Internal Revenue Service. In addition, TRS will need to develop procedures and systems for managing a defined contribution (DC) plan, which it has never managed previously.

²⁵ Institute for Illinois’ Fiscal Sustainability. (2011). What Would it Mean to Shift More Illinois Teacher Pension Costs to School Districts? Retrieved from: <https://www.civicfed.org/iifs/blog/what-would-it-mean-shift-more-illinois-teacher-pension-costs-school-districts>

²⁶ Teachers’ Retirement System of the State of Illinois. (2017). Employer Bulletin 18-05: Employer Cost for Salaries Over Governor’s Statutory Salary. Retrieved from: <https://www.trsil.org/sites/default/files/documents/1805.pdf>

The District continues to monitor the implementation progress and availability of the Tier III benefit.

Employee Health Benefits

The District entered into a consortium program for health benefits during the 2007-2008 plan year. The consortium was structured as an extension of the Secondary School Cooperative Risk Management Program (SSCRMP, which was formed in the late 1980s in an effort to reduce costs and share risk for liability insurance. Currently, the SSCRMP health program consists of three (3) member districts: Glenbrook High School District 225, Maine Township High School District 207, and Township High School District 214. Unlike the liability insurance program, each school district manages its own health program which includes plan design, open enrollment dates, coverage options, and contribution amounts. Additionally, the health program is not a risk-sharing program. Each school district is responsible for the payment of its own claims and contract expenses. However, the consortium provides each district with lower rates for fixed costs than could be achieved independently. Additionally, the consortium has entered into a joint broker agreement, for the purposes of managing elements of the self-insured plans.

In an effort to monitor the cost of employee health benefit programs, and to review and consider plan design changes, Glenbrook High School District established a local Cost Containment Committee. The Cost Containment Committee is comprised of members from the Glenbrook Education Association (GEA), Glenbrook Educational Support Staff Association (GESSA), the Glenbrook Educational Support Paraprofessional Association (GESPA) and representatives from non-unionized support groups. The Cost Containment Committee meets several times each year and presents recommendations to the Board of Education for plan design changes on an annual basis.

The amount employees contribute towards health insurance premiums are based on Board Policy (for employees not represented by bargaining units), and the current bargaining agreement for each respective association. During the 2018-19 school year, the District transitioned its plan year to begin on January 1st, and end on December 31st. This provided greater consistency with IRS-driven benefit limits (e.g. flexible spending accounts) and will also provide better continuity for employee benefit awareness and education.

Purchased Services

The Illinois Program Accounting Manual (IPAM) defines purchased services as amounts paid for professional services rendered by personnel who are not on the district's payroll, and other services the district may purchase. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided in order to obtain the desired results.

Such services include expenditures for professional and technical services, such as consultants, legal services, and other service contracts (e.g. Beck's Bookstore; First Student; Xerox professional services).

Supplies and Materials

The Illinois Program Accounting Manual (IPAM) defines supplies and materials as amounts paid for material items of an expenditure nature that are consumed, worn out, or deteriorated in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

Such supplies materials include expenditures for all instructional and operational purposes. Included in this category are utilities, consumable supplies, electronic resources, and instructional or testing materials.

Capital Outlay

Depending on the value of an individual asset, a purchase may need to be recorded and charged to a capital outlay expenditure account. Purchases charged to a capital outlay account are considered capital assets of the Districts and are included on the District's annual financial statements. Each capital asset is assigned to an appropriate depreciation schedule as defined by 23 Illinois Administrative Code 100.60, and its value depreciated on an annual basis as appropriate.

The Board of Education updated its capitalization threshold through Board action on June 26, 2017. The current threshold defines capital assets as those assets with:

- An individual cost of more than \$5,000, and
- An estimated useful life of at least 5 years,
- Unless otherwise required by State or Federal guidelines.

Purchases that are most likely to be charged to a capital outlay account include: building improvements, site improvements, architect services, construction management, capitalized equipment, and vehicles.

Dues, Fees, and Other

Includes expenditures for dues/fees and other miscellaneous expenditures not otherwise classified as salaries, benefits, purchased services, supplies and materials, capital outlay, and non-capital outlay.

Tuition

Represents the district's payments to outside agencies for special education tuition. Outside agencies can include public schools as well as private day and/or residential facilities.

Other Uses - Transfers

From time to time, the District will need to transfer funds from one fund to another. A transfer will typically take place when one fund does not have sufficient combined revenue and fund balance to meet its current year expenditures. A transfer may be temporary, in the form of a loan from one fund to another, or permanent.

Contingency

A contingency is defined as an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the acquisition of an asset or the reduction of a liability or the loss or impairment of an asset or the incurrence of a liability.

In consultation with the Finance Committee, the contingency budget has been slowly phased-out over the past four years. For 2019-20, no contingency budget has been allocated. Should an unbudgeted expense be incurred, it will be absorbed into the current budget and/or be addressed with the Board of Education through a possible use of fund balance (e.g. Allstate settlement).

Non-Capitalized Outlay

Expenditures for items that would otherwise be classified as capital assets except that they cost less than the capitalization threshold.

Post-Retirement Benefits

Expenditures related to terminated or retiring employees including compensation for unused sick or vacation days and post-employment insurance benefits.

FY 2019-20

5-Year Financial Forecast

This page left intentionally blank.

Financial Forecast Model

During the fall of 2017, the Business Services team partnered with Forecast5 Analytics to implement a financial forecast tool, 5Cast. This tool has been widely adopted by school districts and other municipal organizations throughout our region. A primary reason for the high adoption rate is the solution’s overall toolset, comprehensive reporting suite, and ability to develop multiple ‘what-if’ scenarios to predict the impact of different local, state, and federal conditions. As part of Forecast5’s commitment to projection integrity, their product 5Cast references several data sources to develop a projection, including:

- Audited, historical budget performance and fund balances from the Annual Financial Report;
- Current year budget as stated on the ISBE Budget Form
- Current and future year tax extension as stated on the Cook County Levy Report
- General ledger data including budgeted and actual account activity
- Calculated revenue and salary/benefit expenditures based on District-defined values entered into 5Cast’s calculators
- Revenue and expenditures projections based on District-defined values

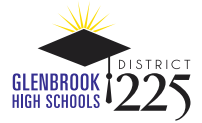
In an effort to develop a working 5Cast projection model for review by the Board, we utilized a set of assumptions. These assumptions are similar to those which have been historically utilized by the District, with some modifications due to actual budget performance, and trend analysis. The assumptions utilized are outlined below.

Revenue Assumptions

The following assumptions were utilized for the 5-year financial forecast presented, which are consistent with the assumption implemented since the 2017-18 fiscal year.

Assumption	2018-19 Model
Property Tax Revenue	52% of “Current Year” Levy 48% of “Prior Year” Levy 97.5% Collection Rate CPI of 2.1% for LY2017 CPI of 2.0% for LY2018+
Make-Whole Payments	Actual Calculation for FY2018 Anticipated Trend for FY2019+
Interest Income	Remain Flat
Student Fees	Estimated Collections
General State Aid	ISBE-Defined Base Funding Minimum for FY 2017-18
State and Federal Categorical Grants	Outstanding Payments and Estimated New Payments to be Received
Debt Service	Debt Book Values

5-Year Financial Forecast



Expenditure Assumptions

The following assumptions were utilized for the 5-year financial forecast presented, which are consistent with the assumption implemented since the 2017-18 fiscal year.

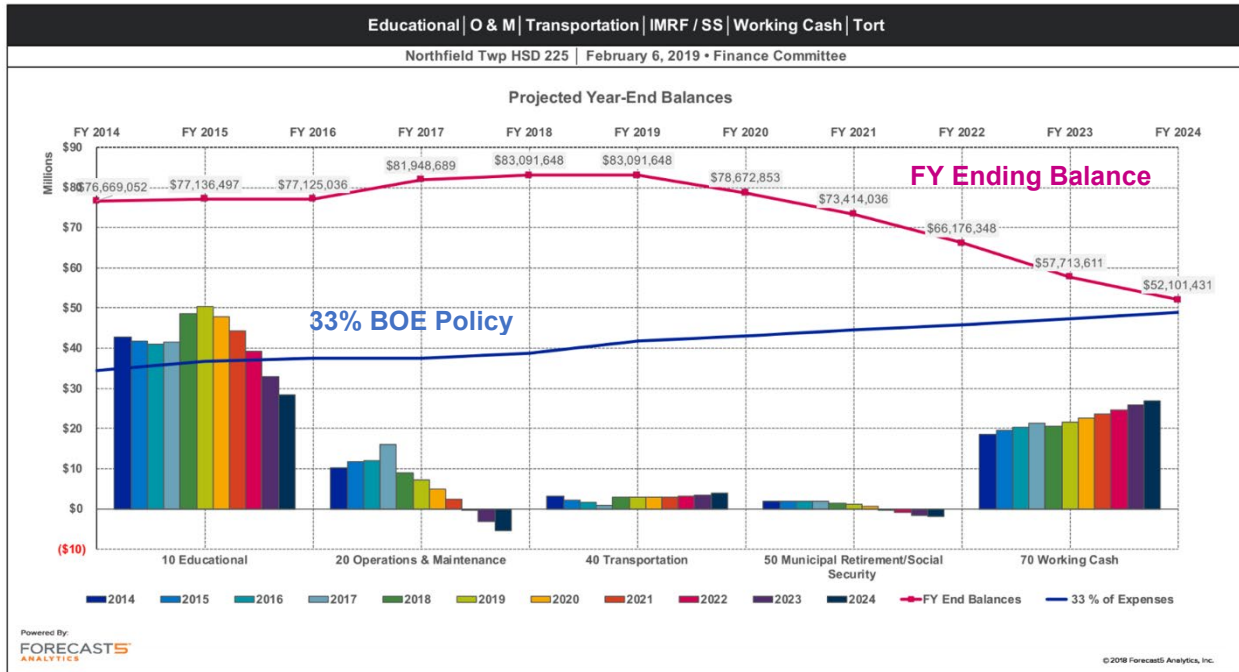
Assumption	2018-19 Model
Staffing Projections	Maintain Current Ratios
Salaries and FICA / Medicare (Increase w/ Lane and Step)	3.5% for Teachers for FY2018+ 2.0% for Administration for FY2018+ 3.75% for Non-Licensed for FY2018+ 2.0% for Extra Duty for FY2018+
Employer IMRF	10%
Health Benefits	7% for Medical / Dental for FY2018+ 3% for Life / LTD for FY2018+
Retirement Contributions	\$100,000
Non-Personnel Expenditures	Based on Contractual Agreements, New Initiatives, and CPI 0.7% for FY2018+ 2.1% for FY2019+ 1.2% for FY2020+
Capital Projects	\$1,000,000
Life Safety Projects	Based on Schedule

5-Year Financial Forecast

5-Year Financial Forecast

This 5-Year financial forecast was prepared for review by the Finance Committee and the Board of Education in February 2019.

It should be noted that the 2019-20 budget has not been incorporated in the forecast presented below. The District's 5-year financial forecast will be updated after the audit has been finalized for the fiscal year ended June 30, 2019, and any closing entries have been recorded for the prior fiscal year.



This page left intentionally blank.

FY 2019-20

Operating Fund

FY 2019-20

Debt Service Fund

FY 2019-20

Capital Projects Fund

FY 2019-20

Agency Fund

