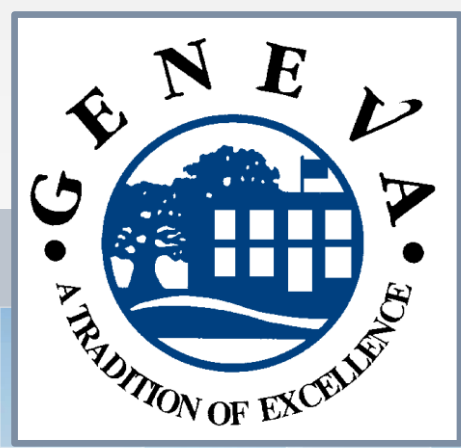


June 21, 2020



DRAFT BUDGET

2021-2022

DRAFT BUDGET

OVERVIEW

The “Draft Budget” is the initial design for the new school year’s annual budget. At this point in the budget development process, the Board of Education Finance Committee has participated in financial assumptions development and reviewed the preliminary budgets for Operations & Maintenance, Technology, Transportation and the Education Fund as a whole. Building upon this data, the “Draft Budget” incorporates all District Funds and includes Revenues and Expenses for each of the funds below:

OPERATING FUNDS:

- 10 - Education Fund
- 20 - Operations & Maintenance Fund
- 40 - Transportation
- 70 - Working Cash
- 80 - Tort

OTHER FUNDS:

- 30 - Debt Services
- 50 - IMRF/Social Security
- 60 - Capital Projects
- 90 - Life Safety

BUDGET DEVELOPMENT

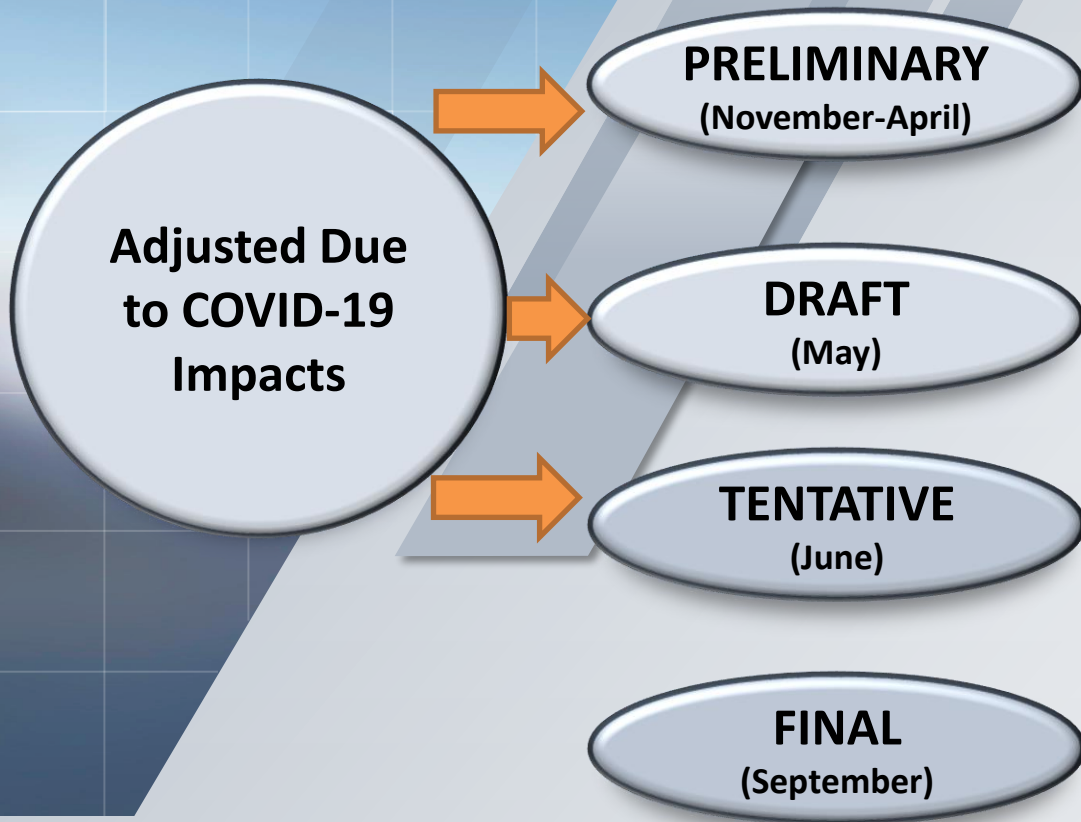
Annual Development Components



- Estimates are developed for the coming school year based on current enrollment by building, past trends, and housing data.
- Staffing levels are determined for each building using class size targets, program needs, and service level expectations.
- Estimates are generated pertaining to the tax levy, federal and state funding and general receipts.
- Estimated expenditure needs are developed for salaries, benefits, purchased services, supplies and materials, capital outlay and other objects using both known data and assumptions.
- All financial estimates are combined and preliminary, draft, and tentative budgets are developed.
- A final proposed budget is created in accordance with Board of Education policy in support of the Strategic Plan and then approved by the Board of Education.

BUDGET PHASES

Annual Development Components



- A “Preliminary” budget is developed for the Technology, Operations & Maintenance, Transportation and Education Fund components of the budget. These budgetary considerations are used as initial assumptions prior to a complete view of the overall budget is completed. – Timeline adjusted to November – **May**.
- A “Draft” budget combines all assumptions across all components of the proposed budget and represents the first look at an all encompassing District Budget. – Timeline adjusted to **June**.
- A “Tentative” budget is required by statute and is made available to interested parties as part of the approval process of a final District budget. This version of the budget builds on the “Draft” budget taking into account newly incorporated data or other improvements made to the previous version. – Timeline adjusted to **July**.
- The “Final” budget is required to be adopted by the Board of Education no later than the month of September within the fiscal year (June-July) it represents. This “Final” budget further improves upon the “Tentative” budget incorporating the most current data available and final enhancements from the previous version.

REVENUE ASSUMPTIONS

- CPI:
 - CY20: 2.3%
 - CY21: 1.4%
- CY20 New Const.: \$9,431,432 / CY21: \$12,000,000
- Evidence Based Funding (State): No Change
- Mandated Categorical Payments: 4 of 4
- Sp. Ed./Grant Funding (State/Federal): No Change
- Local revenues (fees): 5% Reduction
- Trans Reimbursement: Notable Reduction
- Bus Buy Back Values Est.: 39% down from 85%

COLLECTION RATE: **99.6%**

EXPENSE ASSUMPTIONS

- Salary costs projected at current contract increases
- Health benefits projected at:
 - PPO: 2.6% increase & HMO: -0.6% increase
 - Dental: 0.2% increase
- Purchased services projected at 2.0% increase
- Supplies & Materials projected at 2.0% increase
- Technology preliminary budget included – Capital Increase of \$470,000 year to year change
- P&C Coverage: 19% inc. / WC coverage: 19% inc.

EDUCATION FUND

Draft Budget

| Revenues Education Fund (10) | 2021 Current | 2022 Projected | Expenses by Object Education Fund (10) | 2021 Current | 2022 Projected |
|---------------------------------|-----------------|-------------------|---|-----------------|-------------------|
| 1000 Local Sources | \$62,943,376 | \$64,281,994 | 000 Transfer | \$254,050 | \$385,550 |
| 3000 State Sources | \$3,175,171 | \$3,298,605 | 100 Salaries | \$48,452,414 | \$49,457,562 |
| 4000 Federal Sources | \$2,502,842 | \$4,343,624 | 200 Employee Benefits | \$9,286,631 | \$10,061,905 |
| | \$68,621,389 | \$71,924,223 | 300 Purchased Services | \$5,447,462 | \$5,192,198 |
| | | | 400 Supplies & Materials | \$1,281,103 | \$1,192,222 |
| | | | 500 Capital Outlay | \$511,980 | \$557,078 |
| | | | 600 Other Objects | \$4,617,205 | \$4,951,237 |
| | | | 700 Non-Capitalized Equipment | \$124,830 | \$125,782 |
| | | | | \$69,975,674 | \$71,923,535 |
| FY20 ED Fund Balance: | | | | | |
| \$26,796,349 | | | | | |

(**\$**) Rev - Exp
\$689

Expense
Increase of
2.8%

OPERATIONS & MAINTENANCE FUND

Draft Budget

| Revenues O&M Fund (20) | 2021 Current | 2022 Projected | Expenses by Object O&M Fund (20) | 2021 Current | 2022 Projected |
|---------------------------|--------------------|--------------------|-------------------------------------|------------------|-------------------|
| 1000 Local Sources | \$11,716,323 | \$11,977,604 | 000 Transfer | \$1,500,000 | \$1,500,000 |
| 3000 State Sources | <u>\$1,531,335</u> | <u>\$1,591,586</u> | 100 Salaries | \$5,139,551 | \$5,043,252 |
| | \$13,247,658 | \$13,569,190 | 200 Employee Benefits | \$1,066,535 | \$987,007 |
| | | | 300 Purchased Services | \$2,023,730 | \$2,003,430 |
| | | | 400 Supplies & Materials | \$3,069,500 | \$3,089,500 |
| | | | 500 Capital Outlay | \$29,500 | \$500,000 |
| | | | 600 Other Objects | \$216,717 | \$76,000 |
| | | | 700 Non-Capitalized Equipment | <u>\$370,000</u> | <u>\$370,000</u> |
| | | | | \$13,415,533 | \$13,569,190 |

(**\$**) Rev - Exp
\$0

Expense
Increase of
1.1%

TRANSPORTATION FUND

Draft Budget

| Revenues | 2021 | 2022 | Expenses by Object | 2021 | 2022 |
|------------------------------|--------------------|--------------------|-------------------------------|-----------------|-----------------|
| Transportation Fund (40) | Current | Projected | Transportation Fund (40) | Current | Projected |
| 1000 Local Sources | \$2,247,250 | \$2,295,698 | 100 Salaries | \$2,296,698 | \$2,664,491 |
| 3000 State Sources | \$1,935,615 | \$1,402,000 | 200 Employee Benefits | \$85,802 | \$64,789 |
| 7000 Other Financing Sources | <u>\$1,700,000</u> | <u>\$1,292,500</u> | 300 Purchased Services | \$1,022,397 | \$310,164 |
| | \$5,882,865 | \$4,990,198 | 400 Supplies & Materials | \$290,968 | \$318,871 |
| | | | 500 Capital Outlay | \$2,070,000 | \$2,115,000 |
| | | | 600 Other Objects | \$30,000 | \$31,700 |
| | | | 700 Non-Capitalized Equipment | <u>\$87,000</u> | <u>\$88,740</u> |
| | | | | \$5,882,865 | \$5,593,756 |

(**\$**) Rev - Exp
-\$603,558

Expense
 Decrease of
4.9%



WORKING CASH & TORT FUNDS

Draft Budget

| Revenues | 2021 | 2022 |
|------------------------|-----------------|-----------------|
| Working Cash Fund (70) | Current | Projected |
| 1000 Local Sources | <u>\$31,500</u> | <u>\$31,658</u> |
| | \$31,500 | \$31,658 |

| Expenses by Object | 2021 | 2022 |
|------------------------|------------|------------|
| Working Cash Fund (70) | Current | Projected |
| | <u>\$0</u> | <u>\$0</u> |
| | \$0 | \$0 |

(\$) Rev - Exp
\$31,658

| Revenues | 2021 | 2022 |
|--------------------|-------------|-------------|
| Tort Fund (80) | Current | Projected |
| 1000 Local Sources | <u>\$50</u> | <u>\$50</u> |
| | \$50 | \$50 |

| Expenses by Object | 2021 | 2022 |
|--------------------|------------|------------|
| Tort Fund (80) | Current | Projected |
| | <u>\$0</u> | <u>\$0</u> |
| | \$0 | \$0 |

(\$) Rev - Exp
\$50



DEBT SERVICES, IMRF/SS, CAPITAL PROJECTS & LIFE SAFETY FUNDS

Draft Budgets

| Revenues | 2021 | 2022 |
|------------------------------|------------------|------------------|
| Debt Services Fund (30) | Current | Projected |
| 1000 Local Sources | \$14,837,219 | \$14,785,410 |
| 7000 Other Financing Sources | <u>\$254,050</u> | <u>\$385,550</u> |
| | \$15,091,269 | \$15,170,960 |

| Expenses by Object | 2021 | 2022 |
|-------------------------|---------------------|---------------------|
| Debt Services Fund (30) | Current | Projected |
| 300 Purchased Services | \$254,050 | \$385,550 |
| 600 Other Objects | <u>\$14,781,610</u> | <u>\$14,781,610</u> |
| | \$15,035,660 | \$15,167,160 |

(\$) Rev - Exp
\$3,800

| Revenues | 2021 | 2022 |
|--------------------|--------------------|--------------------|
| IMRF/SS Fund (70) | Current | Projected |
| 1000 Local Sources | <u>\$2,846,727</u> | <u>\$2,931,983</u> |
| | \$2,846,727 | \$2,931,983 |

| Expenses by Object | 2021 | 2022 |
|-----------------------|--------------------|--------------------|
| IMRF/SS Fund (70) | Current | Projected |
| 200 Employee Benefits | <u>\$2,906,186</u> | <u>\$3,143,531</u> |
| | \$2,906,186 | \$3,143,531 |

(\$) Rev - Exp
-\$211,548

| Revenues | 2021 | 2022 |
|----------------------------|--------------------|--------------------|
| Capital Projects Fund (60) | Current | Projected |
| 1000 Local Sources | <u>\$1,500,000</u> | <u>\$1,500,000</u> |
| | \$1,500,000 | \$1,500,000 |

| Expenses by Object | 2021 | 2022 |
|----------------------------|--------------------|--------------------|
| Capital Projects Fund (60) | Current | Projected |
| 500 Capital Outlay | <u>\$1,918,700</u> | <u>\$2,683,153</u> |
| | \$1,918,700 | \$2,683,153 |

(\$) Rev - Exp
-\$1,183,153

| Revenues | 2021 | 2022 |
|------------------------------------|--------------|--------------|
| Fire Prevention & Safety Fund (90) | Current | Projected |
| 1000 Local Sources | <u>\$250</u> | <u>\$251</u> |
| | \$250 | \$251 |

| Expenses by Object | 2021 | 2022 |
|------------------------------------|------------------|------------|
| Fire Prevention & Safety Fund (90) | Current | Projected |
| 300 Purchased Services | \$0 | \$0 |
| 500 Capital Outlay | <u>\$162,000</u> | <u>\$0</u> |
| | \$162,000 | \$0 |

(\$) Rev - Exp
\$251

BUDGET DEVELOPMENT

Next Actions

- Develop 2021-2022 Tentative Budget (July)
 - Update all grant allocations
 - Update all FEMA, ESSER 1, ESSER 2 grant allocations
 - Add estimated ESSER 3 grant allocations
 - Confirm Food Service estimates (SFSP eligibility)
 - Adjust line-item allocations to improve budget accuracy
 - Update all budget line items as new data is available
 - Adjust Capital Projects Fund Expenditures to match available funds based on fall interfund transfer

Multi-Year Projections

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

Geneva CUSD 304 | FY22 Draft Budget Projection Scenario v49 (BOE)

| | PROJECTED | | PROJECTED | | PROJECTED | |
|---|---------------------|--------------|----------------------|--------------|----------------------|--------------|
| | FY 2022 | % Δ | FY 2023 | % Δ | FY 2024 | % Δ |
| REVENUE | | | | | | |
| Local | \$81,518,986 | 4.27% | \$83,382,809 | 2.29% | \$85,621,294 | 2.68% |
| State | \$6,292,191 | -3.26% | \$6,890,191 | 9.50% | \$6,890,191 | 0.00% |
| Federal | \$4,343,624 | 27.32% | \$3,029,140 | -30.26% | \$3,029,140 | 0.00% |
| Other | \$0 | | \$0 | | \$0 | |
| TOTAL REVENUE | \$92,154,802 | 4.60% | \$93,302,140 | 1.25% | \$95,540,626 | 2.40% |
| EXPENDITURES | | | | | | |
| Salary and Benefit Costs | \$71,422,538 | 3.00% | \$73,954,900 | 3.55% | \$76,336,159 | 3.22% |
| Other | \$20,921,923 | 5.03% | \$21,281,508 | 1.72% | \$21,648,284 | 1.72% |
| TOTAL EXPENDITURES | \$92,344,461 | 3.45% | \$95,236,408 | 3.13% | \$97,984,443 | 2.89% |
| SURPLUS / DEFICIT | (\$189,659) | | (\$1,934,268) | | (\$2,443,817) | |
| OTHER FINANCING SOURCES / USES | | | | | | |
| Other Financing Sources | \$1,292,500 | | \$1,292,500 | | \$1,565,100 | |
| Other Financing Uses | (\$1,885,550) | | (\$1,885,550) | | (\$1,885,550) | |
| TOTAL OTHER FIN. SOURCES / USES | (\$593,050) | | (\$593,050) | | (\$320,450) | |
| SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES | (\$782,709) | | (\$2,527,318) | | (\$2,764,267) | |
| BEGINNING FUND BALANCE | \$53,904,930 | | \$53,122,221 | | \$50,594,903 | |
| AUDIT ADJUSTMENTS TO FUND BALANCE | \$0 | | \$0 | | \$0 | |
| PROJECTED YEAR END BALANCE | \$53,122,221 | | \$50,594,903 | | \$47,830,636 | |
| FUND BALANCE AS % OF EXPENDITURES | 57.53% | | 53.13% | | 48.81% | |
| FUND BALANCE AS # OF MONTHS OF EXPEND. | 6.00 | | 6.28 | | 5.86 | |

NOTE:

Projection modeling does not include any ESSER 3 funding or expenses. ESSEF 3 Funding is estimated to provide for approximately \$2.6M in resources that can be expended through 2024