

FINANCIAL OVERVIEW

2021-2022 Budget Presentation



September 21, 2021

**Board of Education
Regular Meeting**

Prepared by:

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Assistant Superintendent for Business & Operations/CSBO

Introduction

The annual budget, as adopted by the Board of Education, sets the plan for accomplishing the financial goals of the District.

The Board of Education is being presented with the 2021-22 Tentative Budget for review and public comment, and a recommendation for approval at the regular Board of Education meeting on September 21, 2021. According to the Illinois School Code, the Board of Education is required to approve an annual budget by September 30th of each year.

Lastly, the Budget is designed to:

- Meet all requirements imposed by Illinois law and applicable rules;
- Provide expending and taxing authority by the District;
- Satisfy a level of financial information provided to the community by state, local and federal governments.

Budget Development

A combination of budgeting methods was used to was used in the creation of the budget:

- **Incremental Budgeting**
Taking the previous year's budget and adding or subtracting an amount or percentage to obtain the current year's budget.
- **Value Proposition Budgeting**
Entering values into the budget and making sure that everything that is included in the budget delivers value for the District.
- **Zero-Based Budgeting**
Starts with the assumption that all department budgets are zero and must be rebuilt from scratch. Principals and department heads must be able to justify every expenditure.

The Budget is built around what is needed, regardless of whether the Budget is higher or lower than the previous year.

Each account was analyzed and detailed expenditures were inputted into an account in order to develop a sum for each account. The resulting sum has been inputted into Skyward, our financial software, and used to monitor expenditures.

The development of the Budget involved the following stakeholders:

- Assistant Superintendents;
- Directors and Department Heads;
- Principals and Building Administrators.

Revenue and Expenditures

Most transactions incurred by the District will either be a revenue or expenditure that will be recorded in the appropriate account based on its purpose.

Definitions

Revenue

A transaction that represents the receipt of cash without creating a liability or canceling an asset.

Sources of Revenue

Property Taxes: Money received from within the District's boundaries through the tax levy process

Other Revenue: Additional sources of revenues that are not classified as Property Taxes or from state or federal sources

State Revenue: Receipts received from the State of Illinois that may be for specific purposes or not.

Federal Revenue: Receipts received from the federal government that may be for specific purposes or not.

Expenditures

A transaction that usually represents the payment of cash or the establishment of an obligation.

Types of Expenditures

Salaries: Gross salary for personal services rendered while on the payroll of the district.

Benefits: Fringe benefits paid by the district on behalf of the employee.

Purchased Services: Amounts paid for personal services rendered by personnel who are not district employees, and other services that the district may purchase.

Supplies & Materials: Amount paid for material items of an expendable nature.

Capital Outlay: Amount paid for the acquisition of fixed assets or additions to fixed assets.

Other Objects: Amounts for goods and services not otherwise classified above.

Non-Capital Equipment: Items that would be classified as capital assets except that they cost less than the capitalization threshold adopted by the school board but more than \$500.

Termination Benefits: Limited solely to payments made to terminated or retiring employees as compensation for unused sick or vacation days.

Tax Levy

The amount of the District's need for property taxes as certified by the Board of Education's annual levy resolution in December.

Tax Extension

The process by which the County Clerk calculates the District's tax rate

Debt Limit

13.8% of the District's equalized assessed valuation (\$776,701,174).

Crete Monee CUSD 201U | Initial Data Upload

All Funds: Historical Summary

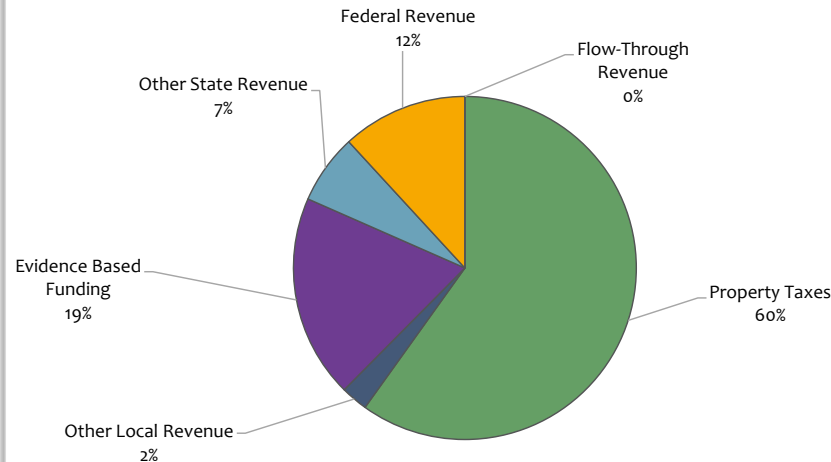
	AFR FY 2019	AFR FY 2020	% Δ	Amended FY 2021	% Δ	Tentative Budget FY 2022	Projected FY 2023	\$ Δ	% Δ
REVENUE									
Local	\$54,280,982	\$55,326,778	1.93%	\$54,825,621	-0.91%	\$59,304,043			
State	\$22,528,665	\$23,771,910	5.52%	\$22,905,108	-3.65%	\$24,438,467			
Federal	\$3,879,764	\$4,326,532	11.52%	\$7,541,164	74.30%	\$11,246,000			
Other	\$0	\$0		\$0		\$0			
TOTAL REVENUE	\$80,689,411	\$83,425,220	3.39%	\$85,271,892	2.21%	\$94,988,510			
EXPENDITURES									
Salary and Benefit Costs	\$48,627,463	\$50,381,871	3.61%	\$49,258,914	-2.23%	\$57,066,708			
Other	\$35,375,351	\$33,002,629	-6.71%	\$34,201,017	3.63%	\$41,997,146			
TOTAL EXPENDITURES	\$84,002,814	\$83,384,500	-0.74%	\$83,459,932	0.09%	\$99,063,854			
SURPLUS / DEFICIT	(\$3,313,403)	\$40,720		\$1,811,960		(\$4,075,344)			
OTHER FINANCING SOURCES / USES									
Other Financing Sources	\$531,813	\$807,189		\$37,214,494		\$0			
Other Financing Uses	(\$188,576)	(\$287,189)		(\$19,278,722)		\$0			
TOTAL OTHER FIN. SOURCES / USES	\$343,237	\$520,000		\$17,935,772		\$0			
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	(\$2,970,166)	\$560,720		\$19,747,733		(\$4,075,344)			
BEGINNING FUND BALANCE	\$33,423,962	\$30,453,796		\$31,014,516		\$50,762,249			
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0		\$0		\$0			
YEAR END FUND BALANCE	\$30,453,796	\$31,014,516		\$50,762,249		\$46,686,905			
FUND BALANCE AS % OF EXPENDITURES	36.25%	37.19%		60.82%		47.13%			
FUND BALANCE AS # OF MONTHS OF EXPEND.	4.35	4.46		7.30		5.66			

Crete Monee CUSD 201U | Initial Data Upload

All Funds: Revenue Analysis

	AFR FY 2019	AFR FY 2020	% Δ	Amended FY 2021	% Δ	Tentative Budget FY 2022	Projected FY 2023	\$ Δ	% Δ
LOCAL									
Property Taxes	\$51,028,766	\$52,561,679	3.00%	\$51,079,883	-2.82%	\$56,896,311			
Other Local Revenue	\$3,252,216	\$2,765,099	-14.98%	\$3,745,737	35.46%	\$2,407,732			
TOTAL LOCAL REVENUE	\$54,280,982	\$55,326,778	1.93%	\$54,825,621	-0.91%	\$59,304,043			
STATE									
Evidence Based Funding	\$16,511,350	\$17,410,104	5.44%	\$17,409,799	0.00%	\$18,198,582			
Other State Revenue	\$6,017,315	\$6,361,806	5.72%	\$5,495,309	-13.62%	\$6,239,885			
TOTAL STATE REVENUE	\$22,528,665	\$23,771,910	5.52%	\$22,905,108	-3.65%	\$24,438,467			
TOTAL FEDERAL REVENUE	\$3,879,764	\$4,326,532	11.52%	\$7,541,164	74.30%	\$11,246,000			
FLOW-THROUGH REVENUE	\$0	\$0		\$0		\$0			
TOTAL REVENUE	\$80,689,411	\$83,425,220	3.39%	\$85,271,892	2.21%	\$94,988,510			

Proposed Revenue Allocation by Source

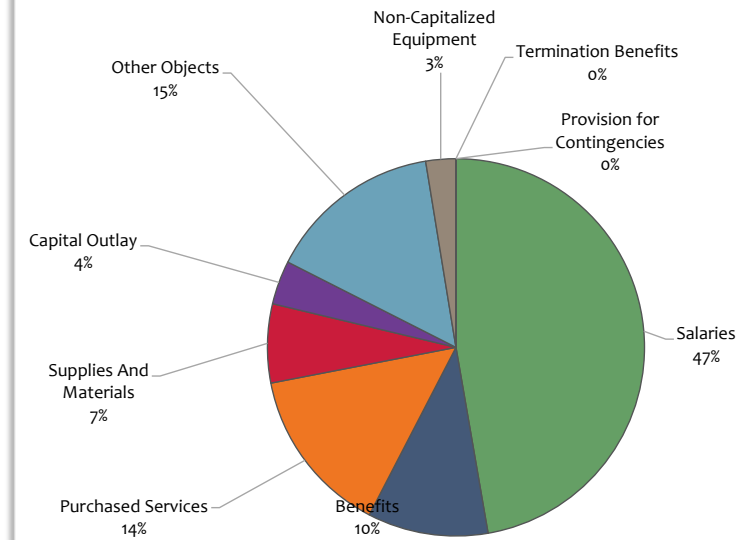


Crete Monee CUSD 201U | Initial Data Upload

All Funds: Expenditure Analysis

	AFR FY 2019	AFR FY 2020	% Δ	Amended FY 2021	% Δ	Tentative Budget FY 2022	Projected FY 2023	\$ Δ	% Δ
Salaries	\$39,829,107	\$41,510,629	4.22%	\$40,691,884	-1.97%	\$46,830,815			
Benefits	\$8,798,356	\$8,871,242	0.83%	\$8,567,031	-3.43%	\$10,235,893			
TOTAL SALARIES & BENEFITS	\$48,627,463	\$50,381,871	3.61%	\$49,258,914	-2.23%	\$57,066,708			
Purchased Services	\$13,288,164	\$10,801,571	-18.71%	\$10,631,680	-1.57%	\$14,222,027			
Supplies And Materials	\$5,263,654	\$3,914,988	-25.62%	\$4,323,883	10.44%	\$6,691,473			
Capital Outlay	\$588,578	\$1,207,155	105.10%	\$610,508	-49.43%	\$3,715,120			
Other Objects	\$15,953,948	\$15,593,128	-2.26%	\$15,329,685	-1.69%	\$14,817,748			
Non-Capitalized Equipment	\$276,647	\$1,475,088	433.20%	\$3,264,371	121.30%	\$2,546,029			
Termination Benefits	\$4,360	\$10,699	145.39%	\$40,890	282.19%	\$4,750			
Provision For Contingencies	\$0	\$0		\$0		\$0			
TOTAL ALL OTHER	\$35,375,351	\$33,002,629	-6.71%	\$34,201,017	3.63%	\$41,997,146			
TOTAL EXPENDITURES	\$84,002,814	\$83,384,500	-0.74%	\$83,459,932	0.09%	\$99,063,854			

Proposed Expenditure Allocation by Object



Crete Monee CUSD 201U | Initial Data Upload

Operational Funds: Historical Summary

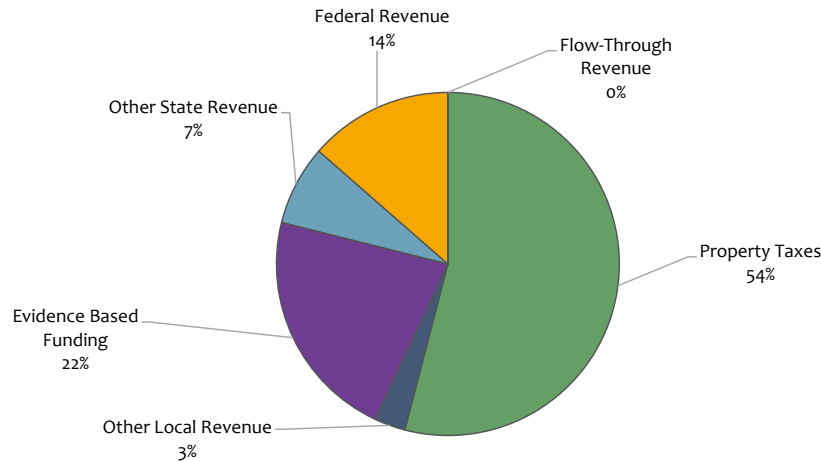
	AFR FY 2019	AFR FY 2020	% Δ	Amended FY 2021	% Δ	Tentative Budget FY 2022	Projected FY 2023	\$ Δ	% Δ
REVENUE									
Local	\$42,400,476	\$43,320,861	2.17%	\$42,698,237	-1.44%	\$47,195,492			
State	\$22,528,665	\$23,771,910	5.52%	\$22,905,108	-3.65%	\$24,438,467			
Federal	\$3,879,764	\$4,326,532	11.52%	\$7,541,164	74.30%	\$11,246,000			
Other	\$0	\$0		\$0		\$0			
TOTAL REVENUE	\$68,808,905	\$71,419,303	3.79%	\$73,144,509	2.42%	\$82,879,959			
EXPENDITURES									
Salary and Benefit Costs	\$48,627,463	\$50,381,871	3.61%	\$49,258,914	-2.23%	\$57,066,708			
Other	\$22,597,592	\$19,674,815	-12.93%	\$21,036,011	6.92%	\$26,379,945			
TOTAL EXPENDITURES	\$71,225,055	\$70,056,686	-1.64%	\$70,294,925	0.34%	\$83,446,653			
SURPLUS / DEFICIT	(\$2,416,150)	\$1,362,617		\$2,849,583		(\$566,694)			
OTHER FINANCING SOURCES / USES									
Other Financing Sources	\$343,237	\$520,000		\$34,114,494		\$0			
Other Financing Uses	(\$188,576)	(\$287,189)		(\$19,278,722)		\$0			
TOTAL OTHER FIN. SOURCES / USES	\$154,661	\$232,811		\$14,835,772		\$0			
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	(\$2,261,489)	\$1,595,428		\$17,685,356		(\$566,694)			
BEGINNING FUND BALANCE	\$26,512,047	\$24,250,558		\$25,845,986		\$43,531,342			
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0		\$0		\$0			
YEAR END FUND BALANCE	\$24,250,558	\$25,845,986		\$43,531,342		\$42,964,648			
FUND BALANCE AS % OF EXPENDITURES	34.05%	36.89%		61.93%		51.49%			
FUND BALANCE AS # OF MONTHS OF EXPEND.	4.09	4.43		7.43		6.18			

Crete Monee CUSD 201U | Initial Data Upload

Operational Funds: Revenue Analysis

	AFR FY 2019	AFR FY 2020	% Δ	Amended FY 2021	% Δ	Tentative Budget FY 2022	Projected FY 2023	\$ Δ	% Δ
LOCAL									
Property Taxes	\$39,207,932	\$40,635,480	3.64%	\$38,953,519	-4.14%	\$44,793,860			
Other Local Revenue	\$3,192,544	\$2,685,381	-15.89%	\$3,744,718	39.45%	\$2,401,632			
TOTAL LOCAL REVENUE	\$42,400,476	\$43,320,861	2.17%	\$42,698,237	-1.44%	\$47,195,492			
STATE									
Evidence Based Funding	\$16,511,350	\$17,410,104	5.44%	\$17,409,799	0.00%	\$18,198,582			
Other State Revenue	\$6,017,315	\$6,361,806	5.72%	\$5,495,309	-13.62%	\$6,239,885			
TOTAL STATE REVENUE	\$22,528,665	\$23,771,910	5.52%	\$22,905,108	-3.65%	\$24,438,467			
TOTAL FEDERAL REVENUE	\$3,879,764	\$4,326,532	11.52%	\$7,541,164	74.30%	\$11,246,000			
FLOW-THROUGH REVENUE	\$0	\$0		\$0		\$0			
TOTAL REVENUE	\$68,808,905	\$71,419,303	3.79%	\$73,144,509	2.42%	\$82,879,959			

Proposed Revenue Allocation by Source

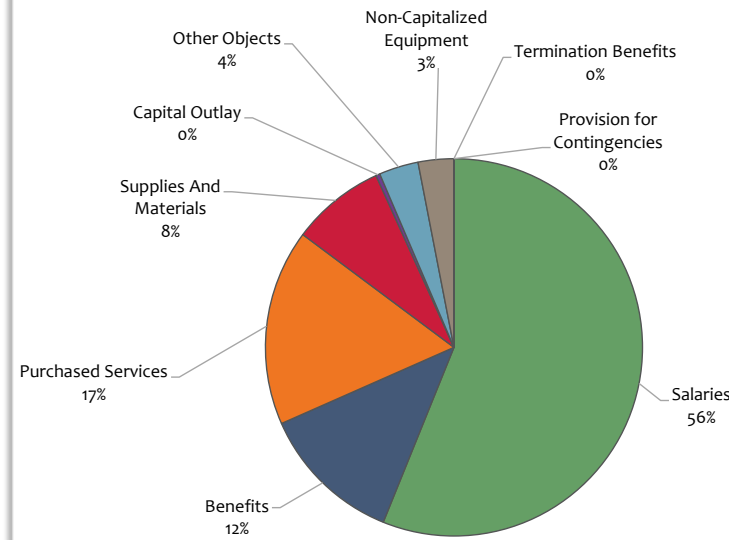


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Benefits	\$8,798,356	\$8,871,242	0.83%	\$8,567,031	-3.43%	\$10,235,893			
TOTAL SALARIES & BENEFITS	\$48,627,463	\$50,381,871	3.61%	\$49,258,914	-2.23%	\$57,066,708			
Purchased Services	\$12,691,181	\$10,708,146	-15.63%	\$10,263,421	-4.15%	\$14,027,027			
Supplies And Materials	\$5,263,654	\$3,914,988	-25.62%	\$4,323,883	10.44%	\$6,691,473			
Capital Outlay	\$588,578	\$257,155	-56.31%	\$105,043	-59.15%	\$290,120			
Other Objects	\$3,773,172	\$3,308,739	-12.31%	\$3,038,403	-8.17%	\$2,820,547			
Non-Capitalized Equipment	\$276,647	\$1,475,088	433.20%	\$3,264,371	121.30%	\$2,546,029			
Termination Benefits	\$4,360	\$10,699	145.39%	\$40,890	282.19%	\$4,750			
Provision For Contingencies	\$0	\$0		\$0		\$0			
TOTAL ALL OTHER	\$22,597,592	\$19,674,815	-12.93%	\$21,036,011	6.92%	\$26,379,945			
TOTAL EXPENDITURES	\$71,225,055	\$70,056,686	-1.64%	\$70,294,925	0.34%	\$83,446,653			

Proposed Expenditure Allocation by Object



Pupil Transportation Claim Revenue and Expenditures: Historical Perspective

	Revenue			Allowable Expenses	Revenue	Allowable Expenses	Revenue	Allowable Expenses	Revenue	Budgeted Expenses
	2016-17	2017-18	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21	2021-22	2021-22
	from expenses in 2015-16	from expenses in 2016-17	from expenses in 2017-18		from expenses in 2018-19		from expenses in 2019-20		from expenses in 2020-21	
Regular/Vocational Reimbursement	\$1,619,479	\$1,867,072	\$2,642,964	\$3,817,453	\$2,954,881	\$2,849,211	\$2,355,832	\$3,252,421	\$2,434,532	\$3,960,461
Special Education Reimbursement	\$1,629,332	\$1,989,975	\$1,572,938	\$2,107,354	\$1,746,438	\$1,388,690	\$1,183,741	\$409,190	\$331,444	\$2,250,000
Total Reimbursement Received	\$3,248,811	\$3,857,047	\$4,215,903	\$5,924,807	\$4,701,319	\$4,237,901	\$3,539,572	\$3,661,611	\$2,765,976	\$6,210,461
						District in full remote March 2020 - June 2020		District in full remote August 2020 - March 2021		

2021 - 22 Department of Business Goals

Provide our students with equitable, safe, and well-maintained facilities
 Prioritize our financial resources to meet our short and long-term goals

Complete the Fiscal Year 2021 Audit by December 15, 2021

According to the Illinois School Code, School Districts are required to submit their annual audit for the previous fiscal year by October 15th. However, School Districts may request a 60-day extension to December 15th. The request needs to come from the auditing firm.

The primary goal of the Department of Business & Operations is to complete the fiscal year 2021 audit by November 30, 2021. This will allow time to be presented to the Board of Education for its approval during the December meeting and submitted to the Illinois State Board of Education in a timely manner.

Transition Business Suite Platforms from Skyward SMS to Skyward Qmlative

Skyward Qmlative is the most current platform and the goal is to transition from our current platform to Skyward Qmlativ in February 2022. An implementation team the includes the Departments of Personnel & Culture, Business, Special Education, and Technology has been developed and is meeting to plan the transition.

Develop end-of-the-month closing procedures

The Department of Business & Operations is to develop consistent procedures in order to close the month. This will be an ongoing process that will conclude on June 30, 2022 with final procedures.

Analyze and restructure the District's Amazon Business Account

The Department of Business will review the current Amazon Business Account and structure the account to align with best practices in purchasing and accounting.

Facility Planning and Capital Projects

The Department of Business will present a short-term facility plan to complete the outstanding life-safety projects and install new HVAC systems in non-air-conditioned buildings that includes year-round climate control.

Draft Budget Comments and Recommendations

At this time, the 2021-22 Annual Budget is a “DRAFT” budget that is presented to the Board of Education and is not final until it is approved on September 21, 2021.

- The 2021-22 Annual Budget is a work in progress and is approximately 95% complete.
- Final adjustments will be made in the next month as final grant allocations are determined by the state and federal governments and expenditures are analyzed with department heads.
- The Board of Education will receive the final 2021-22 Annual Budget at the Committee of the Whole Meeting on September 14, 2021. This is also the date of the Public Hearing for the budget.
- An evaluation of staffing positions and levels needs to take place within the District to reduce any projected budget deficits.

Capital Projects and Construction Services

The current Draft 2021-22 Annual Budget contains \$3,125,000 in Board-approved Facility Construction projects:

- Life/Safety Projects and Asbestos Abatement at ELC and Talala: \$2,700,000
- CMHS Gym Floor Refinishing: \$35,000
- Football Field Light Replacement: \$315,000
- CMHS Cooling Tower Maintenance: \$75,000

It is the administration’s recommendation that the following capital project plans are discussed in the Superintendent’s Operations Committee with recommendations coming from the Committee to the Board of Education:

- **Short-Term Facility Improvement Plan: June, 2021 – August, 2024**
 - The plan will prioritize the completion of Life-Safety Projects, HVAC preparation, HVAC installation, Electric Upgrades and Cosmetics Improvements.
- **Long-Term Facility Plan: 5 – 7 years**
 - Two options will be developed to present to the Board of Education in October, 2021 to determine the future facility structure of the District.