



PEOTONE CUSD 207U

2020-2021 SCHOOL DISTRICT BUDGET



SEPTEMBER 21, 2020

A SCHOOL YEAR LIKE NO OTHER

As we all know, this has been an unprecedented time for the world. Planning for this year has been incredibly difficult and it is likely to change several times throughout the year. What is being presented is the best estimate at this time.



BASIC BUDGETING CONCEPTS



WHAT IS A SCHOOL DISTRICT BUDGET?

“The budget is much more than a collection of numbers; it is an important tool for school administrators to understand and use in achieving their basic mission—educating children in the most effective and cost-efficient manner”¹

GOALS FOR THIS BUDGET AND FUTURE YEARS

- Integrating long term-planning with the budget.
- Establishing measures and ongoing monitoring of performance.
- Obtaining citizen and other stakeholder involvement early in the budget process.
- Effectively communicating goals, assumptions, and tradeoffs to citizens and other stakeholders.
- Providing incentive and a sense of empowerment to managers to implement effective practices and achieve goals.
- Incorporating realistic revenue and expenditure forecasts.

BARRIERS TO ACHIEVING THESE GOALS

- Integrating long term-planning with the budget.
 - Annual operating deficits and unreliable revenue sources makes multi-year planning difficult.
- Establishing measures and ongoing monitoring of performance.
 - Improving account level budgeting and expense progress is an ongoing priority.
- Obtaining citizen and other stakeholder involvement early in the budget process.
 - Held department and building meetings on budget in April.
- Effectively communicating goals, assumptions, and tradeoffs to citizens and other stakeholders.
 - More active and productive community involvement at public meetings will be required.
- Providing incentive and a sense of empowerment to managers to implement effective practices and achieve goals.
 - Principals and Directors have had more input this year, so staying within budget numbers is the expected.
- Incorporating realistic revenue and expenditure forecasts.
 - New account codes to categorize expenses means less accurate historical data.

IDEAL STRUCTURE OF A DISTRICT BUDGET

Educational
Programs

Revenues

Expenditures

DISASTROUS BUDGET SITUATION

Revenues

Educational
Programs

Expenditures

PEOTONE CUSD 207U'S BUDGET SITUATION

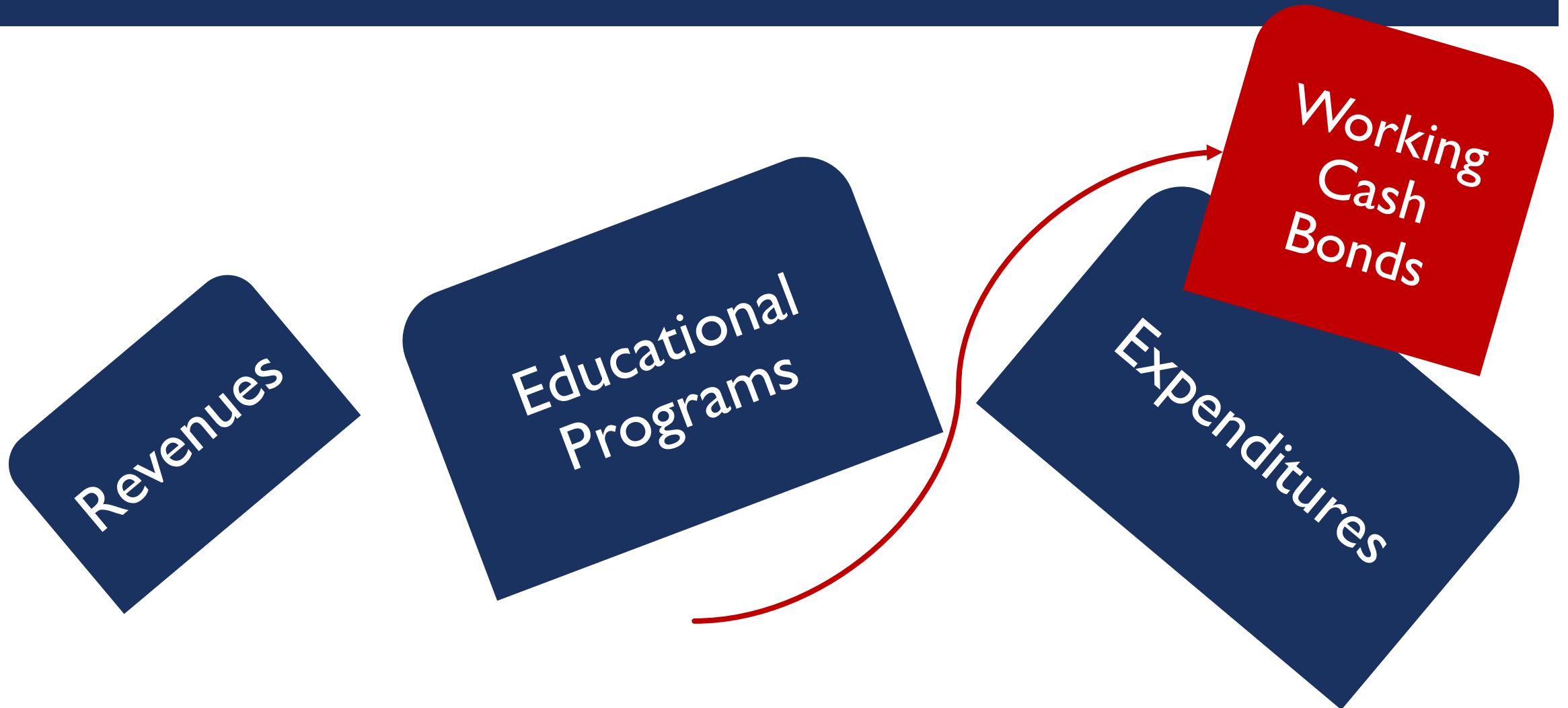
Educational
Programs

Revenues

Working
Cash
Bonds

Expenditures

PEOTONE'S BUDGET SITUATION WITHOUT WORKING CASH

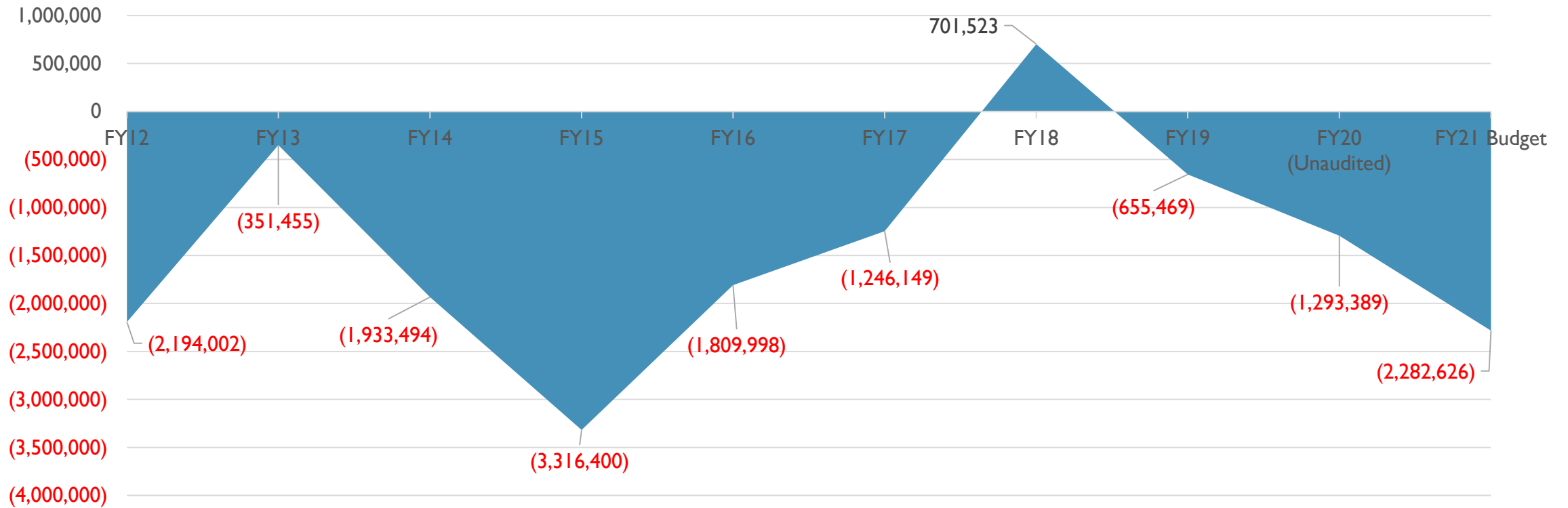




CURRENT FINANCIAL SITUATION



HISTORICAL OPERATING SURPLUS OR (DEFICIT)



Note: Operating deficit only includes funds 10, 20, and 40

KEY FACTORS CONTRIBUTING TO BUDGET DEFICIT

- Estimated that local revenues will increase by CPI with will be 2.3% (plus new property)
 - This is considerably less than employment costs generally increase
- State funding is expected to be the same (no new money and assuming no proration)
- Continuation of attending to our facility needs
 - Still focusing on immediate needs that could close school or cause further facility damage
 - The only major facility project included is our share of the new roof at CSC (\$50,000 received from State grant)
- Salaries are estimated to increase 3%-4% due to the collective bargaining agreement and minimum wage laws (at \$11 per hour for this school year)

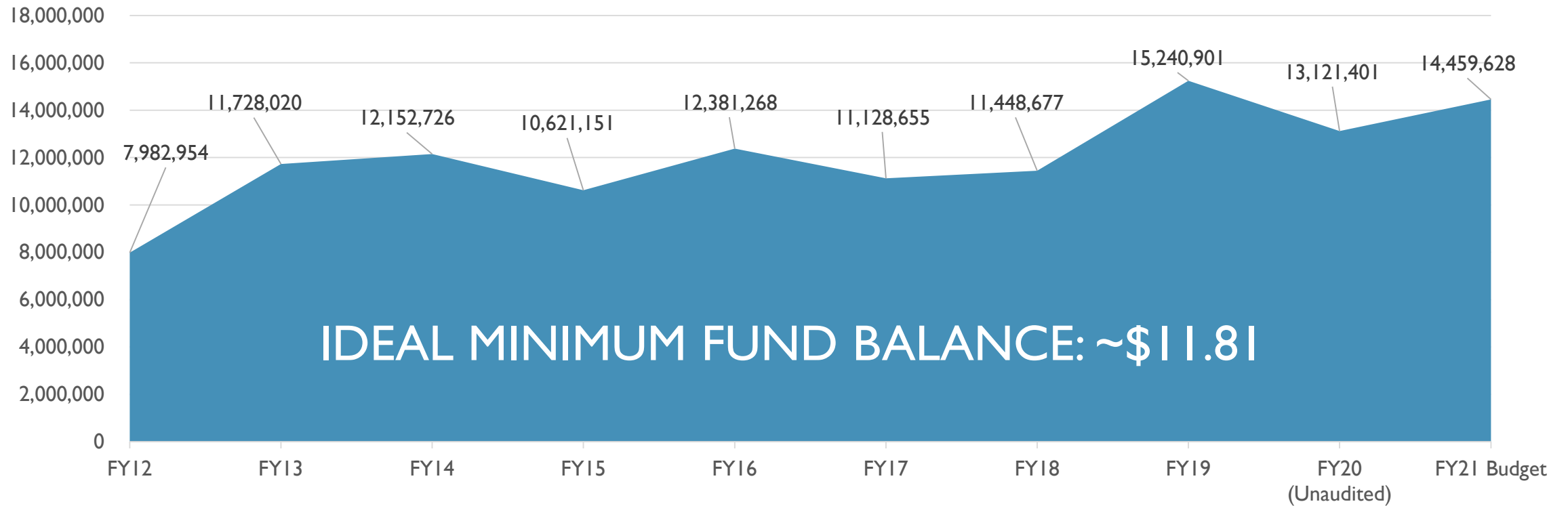
KEY FACTORS CONTRIBUTING TO BUDGET DEFICIT

- We entered into a new 5-year bus lease with considerably higher costs than 5 years ago
- Chromebook purchase was approved this summer to aid distance learning
 - Estimated to be approximately
- We have hired several new staff members to assist with COVID related challenges
- To date, we have spent approximately \$120,000 in COVID related expenses beyond Chromebooks
- Due to the uncertainty of in person learning and shorter day, several revenue sources are expected to be reduced

REVENUES COMPARED TO ADEQUACY

- Estimated total local revenues (without debt service) is \$13.51 million
- Current adequacy target is \$17.76 million
- Even with a projected deficit, our revenues do not match what students require for an adequate education
- It is not expected that there will be a significant increase in State funding in future years
 - Currently sit at 99% adequacy (Tier 3)
 - Once we hit 100% of adequacy (which is likely to be next year), additional State funding is minimal

FUND BALANCE HISTORY (AS OF JULY 1)



OTHER KEY BUDGET NUANCES

- Looking at July 1 fund balance is often deceiving when evaluating the overall financial health
 - First half of property taxes are received in June, just before the end of the fiscal year (earmarked for next school year)
 - Lowest balance is usually in April
 - Traditionally has been between \$1.5 million and \$3 million at its lowest point
- There are many expenses listed that have offsetting revenues with use restrictions (there is a narrative needed to truly understand the complex budget)
 - For instance, PHS Agriculture teacher was awarded a grant for professional development by a private company
 - These travel expenses and conference registration costs look large, but they wouldn't exist without revenues that are included in the "Private Donations" revenue line
 - All restricted grants are an example of this



BUDGET DETAILS



REVENUE DETAILS

2019-2020 Amended Budget

- **Total Revenue: \$21,775,570**
- Local Revenue: \$18,336,428 (84.2%)
- State Revenue: \$2,879,159 (13.2%)
- Federal Revenue: \$559,983 (2.6%)

2020-2021 Budget

- **Total Revenue: \$20,352,109**
- Local Revenue: \$16,667,005 (81.9%)
- State Revenue: \$3,027,833 (14.9%)
- Federal Revenue: \$657,271 (3.2%)

EXPENSE DETAILS

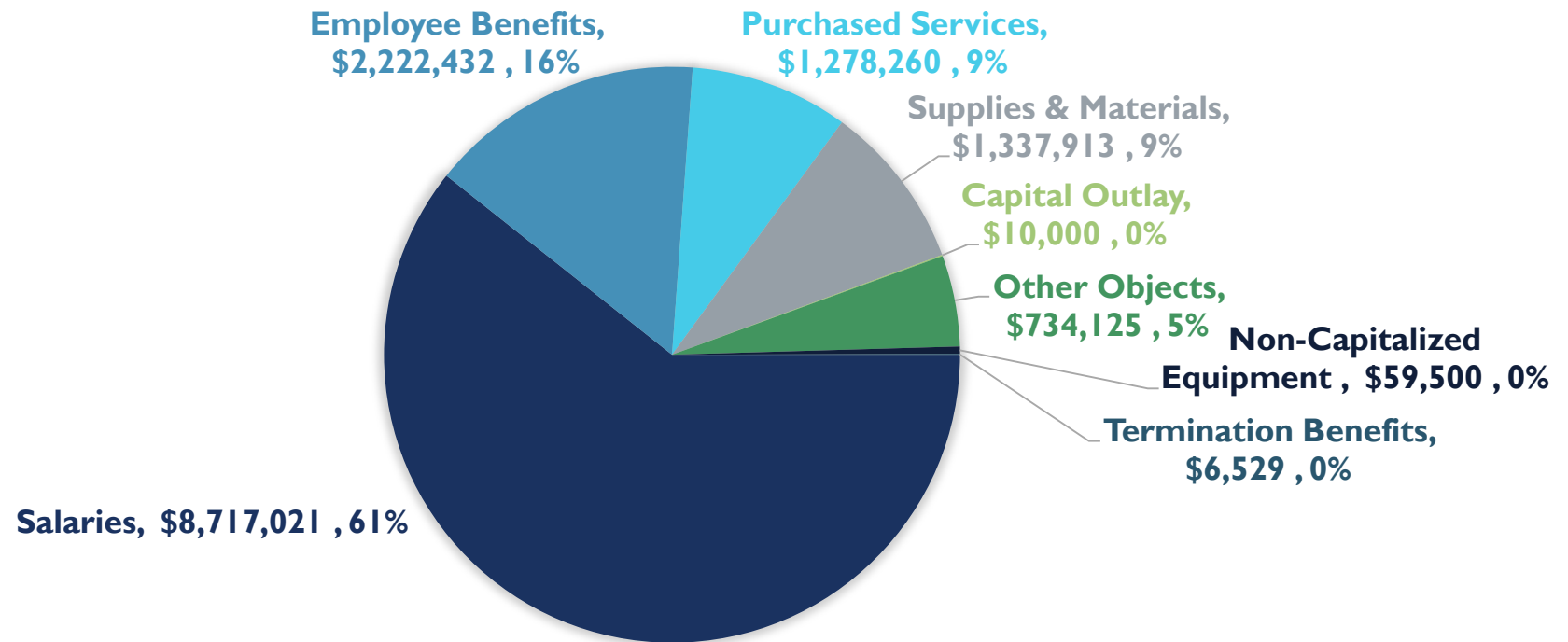
2019-2020 Amended Budget

Object	Amount	Percentage
Salaries	\$ 9,877,649	40.6%
Employee Benefits	\$ 2,845,901	11.7%
Purchased Services	\$ 2,769,683	11.4%
Supplies & Materials	\$ 1,522,747	6.3%
Capital Outlay	\$ 976,212	4.0%
Other Objects	\$ 6,261,588	25.8%
Non-Capitalized Equipment	\$ 87,431	0.4%
Termination Benefits	\$ 0	0.0%
Total	\$ 24,341,211	

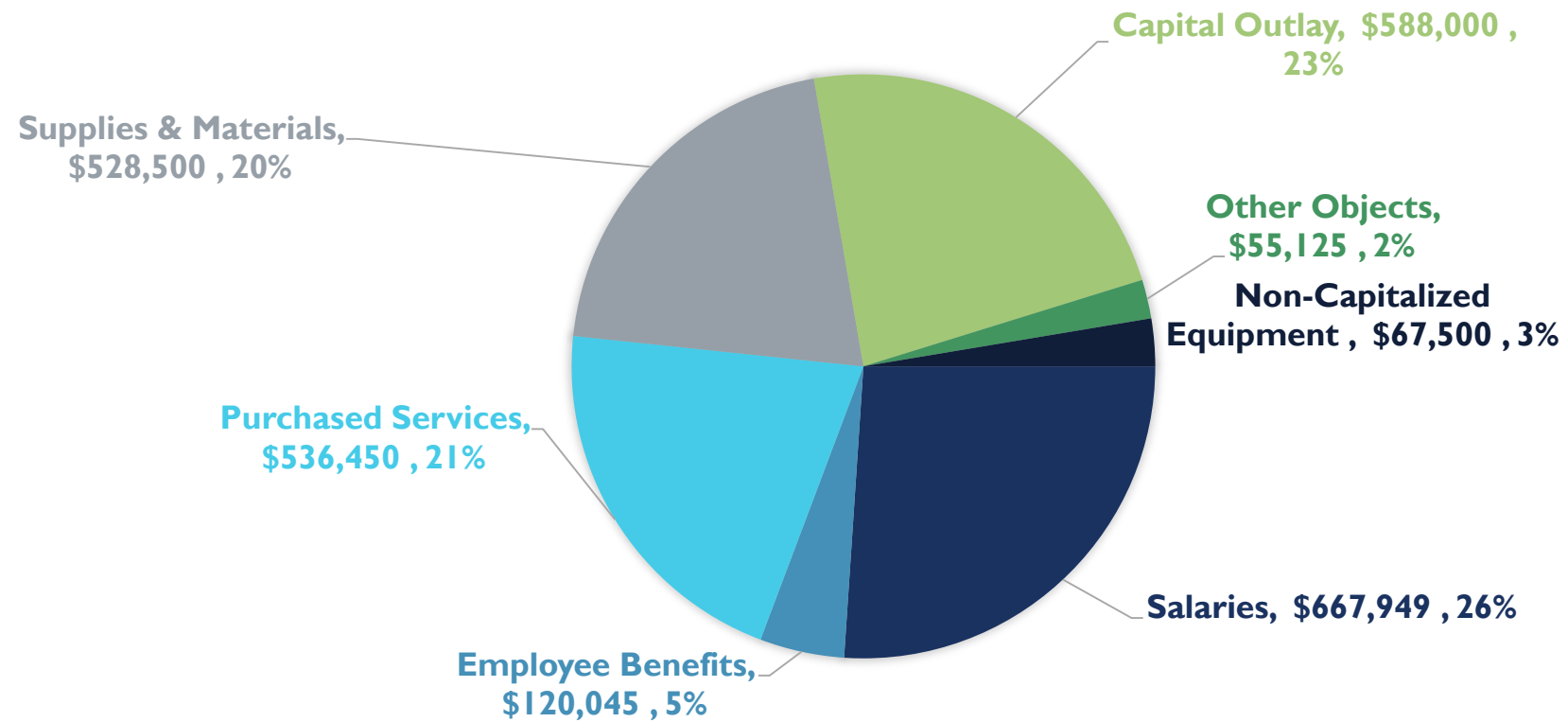
2020-2021 Budget

Object	Amount	Percentage
Salaries	\$ 10,343,864	43.8%
Employee Benefits	\$ 2,973,339	12.6%
Purchased Services	\$ 2,560,410	10.8%
Supplies & Materials	\$ 2,135,413	9.0%
Capital Outlay	\$ 658,000	2.8%
Other Objects	\$ 4,817,543	20.4%
Non-Capitalized Equipment	\$ 127,000	0.5%
Termination Benefits	\$ 6,529	0.03%
Total	\$ 23,622,098	

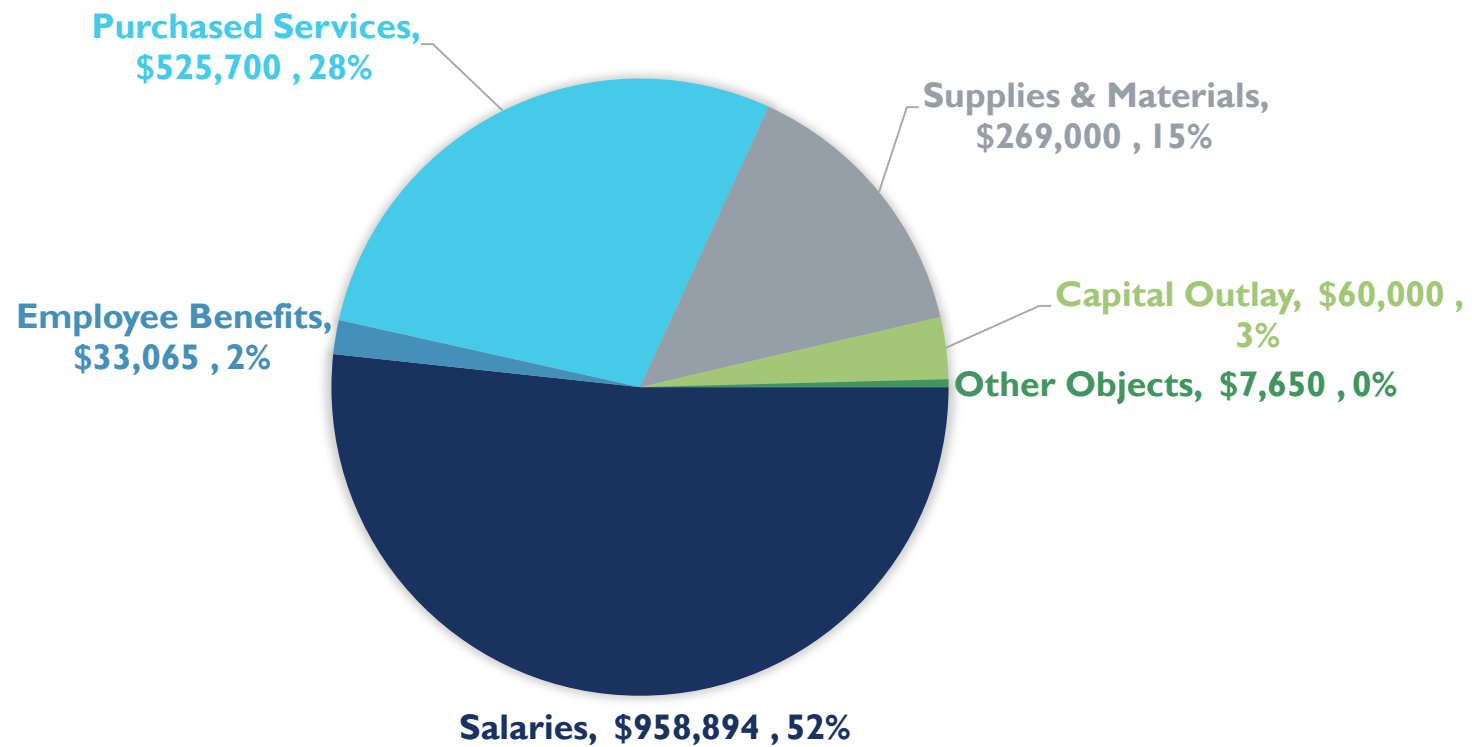
EDUCATION FUND EXPENDITURES



OPERATIONS AND MAINTENANCE FUND EXPENDITURES



TRANSPORTATION FUND EXPENDITURES



QUESTIONS AND ANSWERS

THANK YOU FOR YOUR TIME AND PARTICIPATION

TREVOR J. MOORE
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