

Date: October 17, 2022
To: Finance Committee
From: Tracey Crawford, Executive Director
Re: Proposed FY 2023 Line-Item Descriptions/Budget Assumptions

FY2022 Budget Analysis vs. Projected Year End

In reviewing the budget year FY2022 compared to Projected Year End (PYE), the overall revenue was down \$1.2 million for the following reasons:

- COVID rebate of \$864,061.46
- program revenue was down due to lack of part time staffing
- SLSF revenue was below anticipated

In reviewing the budget year FY2022 compared to PYE, overall expenses were down \$968,050.65. The represented difference is due to the following reasons:

- Salaries were down:
 - Full-Time openings
 - Part-Time staffing
 - Inability to hire staff
- Inclusion was down:
 - Inability to hire Inclusion Aids
 - Reduced inclusion expenses

Overall, NWSRA shows FY2022 PYE of (\$674,815.34) loss.

FY2023 Proposed Budget

In September, the Administrative Team started the FY2023 budget process by developing a budget calendar and budget worksheets. The Administrative and Finance Teams met in the beginning of October, to discuss FY2023 budget process and confirm the budget calendar. Finance and Administrative Teams recommended each Superintendent base their proposed FY2023 budget off the FY2022 projected year end totals. Lauterbach and Amen (L & A) then met with each Superintendent to conduct a preliminary review of their perspective revenue and expense line items. During this review, L & A reviewed each Superintendent line items and made recommendations based on projected year end and prior year actuals.

The next step in the process was for the Management, Administrative and L & A teams met to conduct a thorough review of each line item at the Budget Lock-in. During this Lock-in, recommendations were made to streamline the revenue and expenses to present a more balanced budget for FY2023.

Below is the line by line description and budget explanations for FY2023.

Income

310000 Member District Annual Assessment (MDAA)

The NWSRA Member Districts approved the Member District Annual Assessments in July 2022 to take to each of their individual Boards for approval freezing the assessment rates for FY2023 for each member district in the amount of \$4,320,307.35.

320000 – Program Fees

This line item includes fees collected for Clubs, Weekly programs, Leisure Ed., Summer Camps, Special Events and the Adult Day Program.

This line has a conservative projection of \$480,400, the increase is due to scheduling of programs at a pre-COVID level.

321000 Transportation- Door to Door

This line item includes fees collected for participants receiving transportation from their residence and then dropped off at the same location at the end of the program.

This line item has a conservative projection due to more programming and attempting to return to pre-COVID levels.

321100 Transportation- Pick up Points

This line item includes fees collected for participants receiving transportation from a designated pick-up location and then dropped off at the same location at the end of the program. Pick up points were set in NWSRA quadrant for a regional approach.

This line item has a conservative projection due to more transportation needs and attempting to return to pre-COVID levels.

340000 Non-Program Revenue

This line item includes the revenue that comes into the agency such as the P-card rebate checks, speaker honorarium for speaking fees, PDRMA Accreditation award and PURSUIT reimbursements (rent, staff and drivers).

This line item is higher due to and increase in elementary schools requesting ability awareness assemblies and Hoffman Estates rent being reimbursed for a full year as well as a collab coordinator position through the adult day program.

350000 SLSF Grant Contributions

This line item includes grant funding requested by NWSRA for Lightning Athletes, Accessible Vehicles, Scholarship, Inclusion, General Program Support and Adaptive Equipment.

This line item represents SLSF events returning to pre-COVID revenue status.

360000 Sale of Fixed Assets

This line represents the sale of equipment, furniture, or vehicles.

This line item represents a conservative sale of two vehicles.

370000 Interest

This line item includes interest earned on the Operating and Investment accounts.

This line item is budgeted based on the current market conditions.

380000 Revenue SLSF

This line item includes donations to SLSF received via the NWSRA registration form, Booster Club, and any other form of donation to SLSF through an NWSRA platform. This amount will be transferred to SLSF Booster Club at the end of the year.

Administration Expenses

421000 Professional Fees

This line item is for professional fees such as legal fees, HR Source annual fee and file retention.

This line item has increased due to additional attorney fees and a full year of the Lauterbach and Amen contract.

421100 Office Supplies

This line item includes expenses for locksmith/keys, office furniture, office supplies and miscellaneous office needs.

421150 Credit Card & Bank Fees

This line item includes all fees associated with credit card processing and banking fees.

This line item is budgeted based on credit card transactional fees for FY2023.

421200 Postage

This line item includes all postage expenses and rental of the postage machine.

421300 Telephone/Fax

This line item includes agency phone service, Director phone and staff cell phone expenses.

This line has increased due to upgraded agency phone service and hotspots.

421400 Conference/Education

This line item includes expenses for the NRPA conference, State Conference, Continuing Education Workshops /CEU/ Professional Development Schools, IPRA/IAPD, ITRS, SPRA, ILTRA professional meetings, ATRA, local meetings, and evaluation meetings for staff.

This line item is higher than FY2022 due to NWSRA is predicting to fully staffed and all staff will attend conferences and workshops to retain their certifications.

421500 Memberships/Certifications

This line item includes expenses for IPRA, NRPA, SPRA memberships, CTRS exams and annual maintenance, CPRP exam and renewal fees, safety training, CDL reimbursement and renewal, and miscellaneous membership fees (ATRA, ILTRA, other disability organizations and associations).

Many memberships are moving from individual memberships to agency or bulk memberships. As well as, not all certifications are annual renewal.

421600 Health Insurance

This line item includes expenses for Health Insurance for Full Time employees.

421700 Maintenance/Utilities

This line item includes services from the Rolling Meadows Park District for Condo maintenance, internet, natural gas, electric and cleaning supplies for the offices and all programming spaces.

This line item is higher due to the addition of the Vogelei House programming space as well as upgraded internet at all programming spaces.

421800 Rent

This line item includes Park Central Condo fees as well as rent for the NWSRA programming spaces at RMCC, HPCC, MPCC, WCC, BGCC and HEPD.

421900 Computer

This line item includes computer service and repairs, software, hardware, framework support and website hosting.

Program Expenses

422100 Rental Municipal

This line item includes Member District rentals, NSSEO, School Districts, SRA rentals and churches.

422200 Rental Commercial

This line item includes expenses for ticketed events and community outings.

This line item is higher due to the return of long trips that require airfare. As well as increase programming opportunities.

422300 Program Development

This line item includes expenses for new programming endeavors.

This line item is lower due to no adult day programming sites being opened in FY2023.

422400 Program Supplies

This line item includes paper products, t-shirts / apparel / uniforms, nametags / Business cards, awards / recognition / incentives, Library resources, AV, general recreation supplies / crafts, food, meetings, orientations, program supplies and miscellaneous.

This line item is lower due to a conservative approach to supply expenses until program revenue increases to pre-COVID levels.

422500 Commercial Transportation

This line item includes expenses for transportation services for Summer Day Camp and Leisure Education.

This line item is higher due to the Transportation Bid being higher than FY2022.

422600 Mileage

This line item is for the mileage reimbursement based on the Federal rate.

This line item is higher due to Full Time staff having to drive their personal vehicles to conduct programs more often.

422700 Transportation Maintenance

This line item includes vehicle service fees and maintenance fees.

422800 Gas/Tolls

This line item is the expense of gasoline for the NWSRA vehicle fleet, tolls and parking.

422900 Printing

This line item includes program brochures, day camp brochures, copier leases, printer supplies, paper and other printed materials for PR and marketing.

423100 Public Awareness/Subscriptions/Ads

This line item includes expenses for awards and recognition, ads, online advertising, staff recognition, recruitment, and outreach.

This line item is higher due to additional efforts in recruitment.

Salary Expenses

424100 Full Time Salaries

This line item includes salary expenses for full time staff.

Approved during the October 2022 Personnel Committee meeting.

424200 Part Time Salaries

This line item includes the wages for all hourly part time employees.

Approved during the October 2022 Personnel Committee meeting.

424300 Payroll Processing

This line item includes expenses for direct deposit fees, FSA fees, and W-2 processing.

424400 Independent Contractors

This line item includes expenses for independent contractors of Day Camps, General Programs, Office, Trips, PURSUIT, STAR Academy, Athletics and Leisure Ed.

This line item is lower due to not using as many independent contractors for programming.

424500 Car Allowance

This line item includes the car allowance for the Director.

Liability

441000 Liability

This line item includes expenses for Property, Liability, Workers Compensation, employment and pollution, unemployment INS, background checks, safety incentives, physicals, and drug screenings.

This line item is higher due to the PDRMA Liability increase.

442000 Audit

This line item includes expenses for Auditor fees based on the 2022 bid for three years of services. Increases gradually over the three-year contract.

This line has increased due to current bid prices.

442100 FICA

This line item includes expenses for FICA.

442200 IMRF

This line item includes expenses for IMRF.

Inclusion

450000 Inclusion Salaries and Inclusion Expenses

This line item includes expenses for Inclusion Aide support, Member Park District inclusion reimbursements, Behavior Specialist/Rover salary, training/orientation, and misc. supplies.

This line item was budgeted off PYE 2022.

The proposed budget for FY2023 will leave a deficit of **\$105,672.09**. To rectify this deficit staff will work to increase potential revenue sources and closely monitor expenses. If needed, L & A has recommended to staff, a general reserve transfer to balance the budget.

Capital Improvement Plan

The Capital Improvement Plan is a five year projection for annual capital Improvement project expenditures for FY2021 through FY2025.

FY2022 Budgeted ACP Analysis vs. Projected Year End

In reviewing the Capital Plan for budget year FY2022 compared to PYE and planning for FY 2023, the following expenses were incurred:

- Projects:
 - Hoffman Estates Construction (Vogelei House) spent \$120,705.30
 - Contingency for Vogelei House was not spent \$110,000
 - Safety Equipment \$14,736.65
 - Saving of \$1,236.55
 - Security Camera Project spent budgeted amount of \$4,211.62
 - ADA Transition plan spent budgeted amount of \$38,982.57
- Vehicle/Maintenance:
 - FY2021 Vehicle final payment and delivery of three vehicles in FY2022 in the amount of \$270,445.00
 - FY2022 Vehicle bid down payment for two vehicles with delivery in FY2023 in the amount of \$23,460.00
 - IDOT bus received in FY2021 vehicle wrapping costs \$3,000
- Technology/Hardware:
 - Computer (Lease Purchase):
 - FY2022 Budgeted \$34,667.32 – spent \$25,030.64
 - FY2023 Budgeted \$34,900 – additional computer replacements included in the approved IT infrastructure plan
 - Server:

- FY2023 – Server is nearing end of life – needs to be replaced budgeted \$28,000 for hardware
 - Technology Infrastructure:
 - FY2022 Budgeted and spent \$80,573.73
 - FY2023 Budgeted \$36,722.41 included in the approved IT infrastructure plan
 - iPads:
 - Budgeted \$2,500 – spent \$11,692.96 due delivery delays and not receiving in FY2021 (FY2021 carryover of \$9,192.96)
 - Budgeted \$2,500
 - Printer Lease:
 - Budgeted \$15,164.64 – spent \$15,080.64
 - Budgeted \$15,080.64 (2nd and 3rd floor copier)
 - Printer Replacements:
 - Budgeted \$2,200 - several nearing end of life – needs to be replaced
 - Finance System update:
 - Budgeted \$23,250 – new software for Financial needs (Finance system with Payroll)
- Building/Maintenance:
 - Hanover Park Maintenance:
 - Budgeted and spent \$9,936.00
 - Rolling Meadows Maintenance:
 - Budgeted \$27,000 – spent \$21,595
 - Mount Prospect Maintenance:
 - Budgeted and spent \$9,099
 - Wheeling Maintenance:
 - Budgeted and spent \$8,098.20
 - Buffalo Grove Cleaning:
 - Budgeted \$4,194 – spent \$3,896
 - Other Infrastructure:
 - Budgeted and spent \$1,810
 - Office Update:
 - Budgeted and spent \$38,720.82

Overall, the FY2022 in the Capital Improvement Plan was budgeted to spend \$949,536.43. Actual expenditures were \$701,074.13, leaving a carry over \$248,462.30.

For FY2023, staff recommends that of the \$248,462.30 carryover, \$110,000 be allocated to the Wheeling Greenhouse construction with the remainder of \$138,462.30 being allocated to the following:

- Some of inflation cost on the purchase of vehicles from FY2022
- server upgrade
- finance system upgrade

The proposed FY2023 Annual Capital Improvement Plan reflects a budgeted amount of \$856,860.60 which includes all the above in addition to \$109,826.65 needed for the remaining inflationary cost for the purchase of vehicles and vehicle wrapping.

Motion:

Finance Committee recommends the proposed FY2023 budget as presented to be presented to the NWSRA Board of Directors.