

Emailed questions dated 10/27/22 (email 1)

Hello,

Thanks for all your work on the budget process; I know how overwhelming it can be!

I do have the following initial questions:

- 1) Can we please add the Year-to-Date Actual column back in to the overall budget sheet? Through the end of the last quarterly statements (9/30) would be fine. **Bob will bring the QuickBooks report up to September 30th to the meeting. We will add the Year to Date column once he has produced the 3rd quarter financial report. You will be receiving the 3rd quarter quarterly report next week. Our budget process started in September; we used an Actual as of August 31 date at that time. The PYE includes the anticipated revenue and expenses for the remaining September 1st through December 31 fiscal year. The financials for November will include everything through October 31.**
- 2) Can you provide an insight into the more holistic aspect of the program operations? It appears the overall program revenue for PYE 2022 is ~\$415K and the overall program expenses are \$667K plus \$615k in PT wages (including FICA) and \$27K for independent contractors. This would indicate that programs cost us three times the revenue, and that does not account for the other association fixed expenses like FT salaries, etc. Inclusion and non-program revenue should offset and SLSF salaries and grants probably offset. Just trying to see the bigger picture on the overall cost of programming. **Great question! The long and short of it is... it costs more for an SRA to run programs for several reasons. First, SRA's ratios for staff to participants is much smaller than at a park district. However, we cannot charge the costs for additional staff and adapted resources and behaviors supports that are needed to provide the programs and services in the program fee. Your 1 staff per 8 to 10 participants equals our 1 staff to 3 participants ratio, a 1 staff to 2 participants ratio or a 1 staff to 1 participant ratio depending on the needs of the participants. We do not charge for all the direct costs in our fees. The fee would be way too high compared to our park district counterparts if we included all staff full and part time and all adaptive equipment etc., and ADA prohibits charging more for a program due to the additional support needed for that individual with a disability to participate. You are accurate with your assumption that it costs us more to run an SRA program and to provide the services like transportation. Therefore, the SLSF grant, and any other income revenue sources offsets the costs. We make money when higher functioning participants who need less direct staff support and adaptations register for our programs, but we are seeing that number dropping due to the increase of participants with mental health, behavioral and physical needs registering.**
- 3) What is the overall net cost to NWSRA for providing the Clearbrook operations? **The Net expenses for the PURSUIT program include a handful of things. While we do get reimbursed for the Collaborative Coordinator, it is only a portion of their salary, NWSRA pays \$57,171.41 for the 6 coordinators in addition to the employees' health benefits and FICA.**

Over the last two and half years the Day Programming world has shifted, and both agencies have been putting in expense. We have been functioning at a loss due to many factors. IDHS kept many mandates in place much longer for Community Day Programs, including the mask mandate, this caused many clients to not be able to return to program or return on a limited schedule. Because of this, the PURSUIT program has not seen any profit in the last two years, but we are slowly climbing out of that and expect to see profit come in 2023. Prior to COVID,

we were lucrative, since then we have been maintaining. As of October, we have been working towards full numbers, where we will start seeing a net revenue for both agencies. Prior to COVID we only had three PURSUIT locations and we are now up to six locations.

- 4) Can you detail what the \$40K 2022 shortfall is in non-program revenue (Clearbrook)? August reimbursement from Clearbrook was received late in the amount of \$36,651.37. The August invoice payment has since been received and is now included in the budget worksheets under PYE 2022. New budget worksheets will be provided at the Finance Committee meeting and posted to the website. The PYE 2022 is \$415,233.09, this includes the \$36,651.37. The remaining loss of \$8,333.11 is due to the delay in Hoffman Estates Opening.
- 5) What caused the PYE loss in SLSF grant revenue (\$218K budgeted \$102K actual)? The was loss in revenue from 2021 and 2022 events and grants and the costs of the Vogelei restoration meant more money was needed to pay for that so NWSRA took less. Next year we hope to get back to SLSF's granting level from the past years.
- 6) Are we disposing of two buses in 2023? Wouldn't this have a pretty significant revenue (more than \$500 each)? Do we auction these? We do auction these vehicles off with Obenauf Auction Service and the revenue that we have gotten is around \$500. The vans that we are auctioning are not in the best shape. Fingers crossed we could get more but our track record has shown a gain of \$500 each for vans we have auctioned.
- 7) Can you detail the extra \$6k in 2023 bank fees (4x budget)? This line item is budgeted based on credit card transactional fees for FY2023. It is budget at an increase of 4,550.00 due to the increase in credit card traffic the agency is witnessing.
- 8) Can you detail the increase in health insurance? Is this due to new staff? We have not been fully staffed for most of 2022, the health insurance costs has decreased but we anticipate (knock on wood) being fully staffed in 2023. We are also seeing more of our staff coming off of their parent's insurance and taking ours.
- 9) What was the \$55k decrease in rent during 2022? The budgeted FY 2022 is \$180,276.00, with the budget worksheets stating a PYE 2022 of \$124,683.00. These questions had us go back and re-check the formulas. We found a formula error in the budget worksheets and the PYE 2022 should have been \$164,121. This correction will be reflected in the budget worksheets and will be updated on our website upon conclusion of the Finance Committee meeting. Also, the Buffalo Grove Park District was over budget by \$5,000 at \$35,000. The \$5,000 was double booked and has been corrected.

The remaining decrease is attributed to Hoffman Estates rent being budgeted as an expense in April and September but not being paid until July and January 2023 from the Clearbrook due to the site opening later than anticipated.

- 10) Can you detail the extra \$30K in unbudgeted Computer Hardware? Should any of this be Capital? From the #421902 Work sheet: This line item is anticipated to be over budget due to the overlap of Excal Tech and SNI. As well as the costs for installing technology once we switch to SNI. These specific improvements were included in the Technology plan approved at the July Board meeting.
- 11) The \$6,000 contingency for vehicle maintenance in capital should just be a part of the maintenance line item. This line item may be inaccurately named. It is the one time wrapping of the vehicle.
- 12) Can you detail the additional \$40k over budget for the recruitment efforts? This is due to increased recruitment efforts. Staff are attending additional job fairs/open houses/events to plug job openings, postings for full and part time, as well as the first ever post card

employment mailing targeting 105,000 households in Arlington Heights, Palatine and Schaumburg.

- 13) Can you detail the additional ~640k in FT salaries for 2023 versus the PYE 2022? The PYE 2022 is ~\$1,840k (I would think this should be used to add the increase pool plus any vacant positions to get the 2023 budget number). **The difference is based on being fully staffed in 2023 (again... send good vibes for this). So, the 2023 number represents us at full staff including the salary compensation pool % approved at the Personnel Committee Meeting.**
- 14) Can you clarify the reason for the 2022 IDES late penalty fee for \$10,615? **The past Finance Manager did not pay it on time, and we incurred the late fee.**
- 15) Can you confirm our 2023 IMRF rate is the 3.82%? **This budget has been calculated based on the preliminary rate sheet provided to NWSRA by IMRF in October. (see attached)**
- 16) Inclusion is down by 25% for 2023, is there an offset to funding this? How are these numbers calculated per District? **There is no offset for inclusion, if the inclusion line-item expenses go over what is budgeted in 2023, those funds will have to come from another line item in the budget, decreasing that line items budgeted amount for 2023.**

Due to the lack of part-time staff, our 2022 PYE is lower than budgeted and represents the current state we are in. 2022 PYE was determined using the actuals from each payroll per district (multiplied by how many payrolls are left). This also accounted for all day Thanksgiving and Winter Break camps. Thanksgiving and Winter Break staffing needs were determined based on previous seasons and school days off as we often see those registered for after care, also register for break camps.

In the past (prior to COVID), the budget was calculated by averaging the number of requests/staffs needed per district from the past three years. This would be calculated for all seasons. Since COVID, the process has been simplified by using actuals. The 2023 proposed budget directly reflects the 2022 PYE, as we cannot predict when a return of part time staff will happen, so we used 2022 as the benchmark.

Also, can you confirm we have advertised this meeting publicly (OMA), and when you answer the questions, they may be sent to all Board, but please make sure all emails are blind copied. **All meetings for the Board have been advertised on the website and posted on our door for the public. This includes all NWSRA Board Meetings, Committee Meetings and all Special Meetings that have occurred or have been scheduled. Do we need this to go to the full board since they did not directly receive the Finance Committee packet yet. They typically get an abbreviated version after the Finance Committee and staff make the recommended changes? I would like the opportunity to just talk with the Finance Committee, get feedback, and if needed make adjustments before it goes to the full Board in the November packet. Their packet will not be as detailed as the Finance Committee's packet. It is posted, so they certainly have access to the information. I recommend these questions and answers go to the Finance Committee.**

Thanks for all your efforts, and I appreciate your taking your time for my questions! **You're welcome and thank you for sending them. It certainly helps for fresh eyes to see it.**

Emailed questions dated 10/27/22 (email 2) are below in black and italics

- 1) Was looking more for an overall analysis of PURSUIT and what it costs us, including staffing and payroll expenses and IT, etc. I know we don't make any money from revue, I just wanted to determine the actual cost. ***That requires conversation with Clearbrook, because they are the fiscal agent. We have scheduled a full program analysis with Tony DiVittorio, his team and my team will sit down at the first of the year to get a good program and budget analysis together. I ask that you give me some grace and let me work with my team and Clearbrook to address all that is currently in the budget and what we would like to add to the budget as we move to a revenue positive Post COVID state. We will present a full analysis following the first of the year.***
- 2) Please check into GovDeals to auction future assets. The busses should be worth at least \$10K-\$20K. Here is a current bid on an ADA (granted 27 passengers not 14) but still relative: ***We certainly will check into it! We do not currently use this account as a revenue generating account. But hey, if we could get 10-20K then this will certainly offset our expenses for next year. At this time, we are comfortable putting in the budget what we have received in the past which has been \$500 per bus.***



The screenshot shows a GovDeals auction page for a 2009 Chevrolet/Odyssey 26 Pass. Bus. The page includes a search bar, a large photo of the bus, and a table of auction details. The table lists the following information:

2009 Chevrolet/Odyssey 26 Pass. Bus	
Auction Ends	11/8/22 5:00 PM ET
Remaining	12 Days 5 Hrs
This item is subject to an auto extension of the auction end time.	
Refresh Bid & Time	
Tax	See Payment Instructions
Buyer's Premium	12.50%
Starting Bid	\$5,000.00
Bids	14
High Bidder	****
Current Bid	\$16,200.00
Bid Increment	\$200.00
Minimum Bid	\$16,400.00

- 3) What was the total cost of the recruitment post card? ***We spent \$18,893.42 for postage and \$14,000 for printing and sorting.***
- 4) The IDEWS late penalty of \$10,635 does not make sense. Can you provide a breakdown of the past quarterly charges for unemployment and do you have a copy of that bill? I would think this was probably a bill with a late fee, and is therefore miscoded. Hopefully it is not also a duplicate payment? ***We misspoke it is not IDES. This is the penalty fees to the IRS for not filing our 941 Reports on time. The IRS fees were \$8,281.51. She was supposed to file them quarterly and she missed filing them. These are from 2021 that came in 2022 for payment. The other \$2,533.16 was late penalty fees for not filing the IDES Employee Deduction reports, which we believe stemmed from 2021 as well.***
- 5) Can you provide the data or method used to calculate the Inclusion Service by District? ***In the past (prior to COVID), the budget was calculated by averaging the number of requests/staff***

*needed per district from the past three years. Once that number was determined, the Inclusion staff would multiple that by hours per weeks and how many weeks total, in addition to the pay per staff. Here is an example of how they would have calculated a Winter/Spring Season, including typical hours for after care, before care, and one-hour programs:
(4 staff x 15 hrs/wk x 22 wks x \$16.50 avg = \$21,780, 3 staff x 1 hr/wk x 22 wks x \$16.50 avg = \$1,089 - TOTAL: \$22,869)*

They would also do this for Summer & Fall Seasons as well. This total for all three seasons would determine how much is needed for that given district for the fiscal year.

- 6) I am still unsure of the calculation for FT salaries. It would probably be easiest if I can see the actual numbers so I can feel comfortable with the calculation.
Can you please send me a list of all current FT staff and respective salaries including any anticipated adjustments they will receive? (Also, I recall you stating we probably would not fill the Office Support Clerk position is that correct?) **You are correct, we are not filling the Office Support Clerk position.**