



**Garfield RE-2 Board Meeting and Workshop  
for  
FY2022-23 Supplemental Budget Adjustments  
And  
FY2023-24 Budget Adoption**

**Presented by:  
Jason Lynch, Controller  
and  
Jeff Blanford, CFO**



# **Tonight's Discussion/Action Items**

- Update Year-End Projections and Cash Flows
- Fiscal Year 2022-23 Budget Supplemental Adjustments
- FY2023-24 Budget Adoption



## Update to FY2022-23 Year-End Projections

- Still on track to spend significantly less in FY22-23 than last year.
  - Salaries and Benefits increased significantly, but are projected to be approximately \$790,000 under budget
  - Total Expenditures are projected to be \$1.8 million less than projected for FY22-23.
- Property tax revenue
  - FY21-22 Tax Collections as of May 1 were 69% versus 53% in the current year
  - Collections as of May 31<sup>st</sup> are still below expectations 35% of local tax revenue still outstanding.
  - The full collection period is through August 31, and we still expect collections to recover.



# Updated Year-End Projections FY2022-23

	Adopted Budget FY22-23	YTD May	Projected 6/30/2023	Variance
<b>Revenues:</b>				
<b>Local Taxes:</b>				
Local property taxes	14,856,811	10,143,760	15,809,499	952,688
Specific Ownership taxes	1,350,000	1,474,246	1,497,808	147,808
<b>State sources:</b>				
Equalization	37,014,826	33,558,565	36,581,175	(433,651)
Other state sources	2,884,870	3,421,299	3,421,299	536,429
<b>Other sources:</b>				
Federal sources	3,885,000	915,241	3,205,241	(679,759)
All Other	544,999	923,951	923,951	378,952
<b>Total Revenues</b>	60,536,506	50,437,061	61,438,973	902,467
<b>Expenditures:</b>				
Salaries	36,147,950	36,412,809	36,412,809	(264,859)
Employee benefits	14,039,602	12,983,383	12,983,383	1,056,219
Purchased services	6,674,533	4,721,605	6,753,560	252,928
Supplies	4,580,059	4,494,758	4,494,758	85,301
Property	404,001	170,339	170,339	233,662
Transportation/Dues/Fees	(69,197)	(43,665)	(52,398)	(16,799)
Other expenditures	154,050		258,965	(104,915)
<b>Tot. Exps Before Transfers</b>	61,930,998	58,739,229	61,021,416	1,241,537
<b>Net Rev/(Exp) Before Transfer</b>	(1,394,492)	(8,302,168)	417,557	1,812,049
<b>Transfers to other funds</b>	2,800,000	2,800,000	2,800,000	0
 Total Exps After Transfers	64,730,998	61,539,229	63,821,416	1,241,537
<b>Net Rev/(Exp) After Transfers</b>	(4,194,492)	(11,102,168)	(2,382,443)	1,812,049



# Deficit Spending

## What is deficit spending?

- Spending more than we bring in
- When Expenses > Revenue
- Requires that we spend Fund Balance

## Why would we deficit spend?

- To stay competitive in the hiring market
- To honor our employees
- To honor the wishes of our community

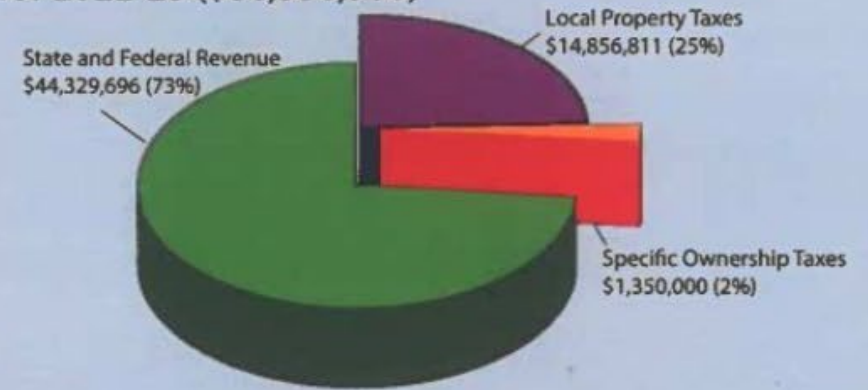
## How does deficit spending affect our decisions?

- Deficit spending reduces our Fund Balance
- Any reduction in deficit spending is good
- Reductions extend the life of the FB

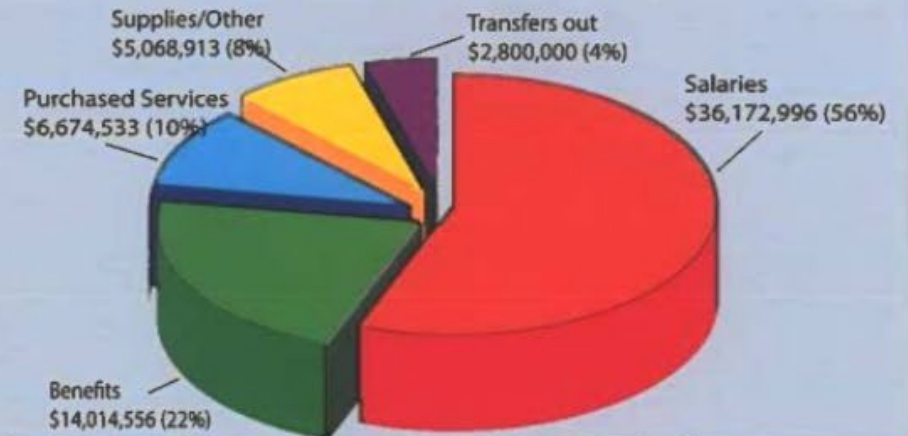


## Garfield Re-2 Finances

### Garfield Re-2 School District Budgeted General Fund Revenue for 2022-23 (\$60,536,506)



### Garfield Re-2 School District Budgeted General Fund Expenditures for 2022-23 (\$64,730,998)



The 2022-23 budget was approved by the School Board at their June 22, 2022 school board meeting. Below is a summary of the projected revenues and expenditures for the 2022-23 school year. The budgeted revenue and expenditures for the General Fund are presented here.

You can see the entire approved 2022-23 budget including the Food Service Fund, Designated Purpose Fund, Student Activity Fund, Debt Service Fund and Capital Projects Fund at

<https://bit.ly/re2financialtransparency>



# Fiscal Year 2022-23 Budget Adjustments-- Supplementals

- Grant budgets have been increased for several competitive grants received in FY22-23 that will be spent through next fiscal year. \$400,000.
- Student Activity Fund revenue increased by \$30,000
- The Capital Projects Fund has adjustments for the JCI project:
  - \$5.2 million in FY22-23
  - \$9.67 million in FY23-24
  - \$15 million for the total project—recognized in full when signed





# Supplemental Budget Adjustments FY2022-23

(Please See Appendix A for Resolutions)

	General Fund			Food Service Fund			Designated Purpose/Federal Funds		
	FY22-23 Budget	FY22-23 Supplemental Adjustment	Adjusted FY22-23 Budget	FY22-23 Budget	FY22-23 Supplemental Adjustment	Adjusted FY22-23 Budget	FY22-23 Budget	FY22-23 Supplemental Adjustment	Adjusted FY22-23 Budget
Beginning Fund Balance	21,904,800	-	21,904,800	537,866	-	537,866	-		-
Revenue:									
Property Taxes	14,856,811	-	14,856,811			-			-
Specific Ownership Taxes	1,350,000	-	1,350,000			-			-
Other Revenue	544,999	-	544,999	426,277	-	426,277	225,000	-	225,000
State/Federal revenue	43,784,696	-	43,784,696	1,490,000	-	1,490,000	1,280,000	400,000	1,680,000
Debt Refunding				-		-			-
Transfer in (out)			-	-		-			-
Total Revenue	60,536,506	-	60,536,506	1,916,277	-	1,916,277	1,505,000	400,000	1,905,000
Total Available	82,441,306	-	82,441,306	2,454,143	-	2,454,143	1,505,000		1,905,000
Expenditures:									
Salaries	36,172,996		36,172,996	845,539	-	845,539	680,000	180,700	860,700
Benefits	14,014,556		14,014,556	299,284	-	299,284	275,000	73,100	348,100
Purchased Services	6,674,533		6,674,533	96,277	-	96,277	300,000	79,700	379,700
Supplies/Other	5,068,913	-	5,068,913	698,265	-	698,265	250,000	66,500	316,500
Debt service/Lease payments	-		-	-		-	-		-
Capital Outlay	-		-	-		-	-		-
Transfers out	2,800,000	-	2,800,000	-		-	-		-
Total expenditures	64,730,998	-	64,730,998	1,939,365	-	1,939,365	1,505,000	400,000	1,905,000
Change in Fund Balance	(4,194,492)	-	(4,194,493)	(23,088)	-	(23,089)	-	-	-
Ending Fund Balance	17,710,308	-	17,710,308	514,778	-	514,778	-		-



## FY22-23 Supplemental Budget Adjustments con't.

	Student Activity Fund				Debt Service Fund				Capital Projects Fund		
	FY22-23 Budget	FY22-23 Supplemental Adjustment	Adjusted FY22-23 Budget		FY22-23 Budget	FY22-23 Supplemental Adjustment	Adjusted FY22-23 Budget		FY22-23 Budget	FY22-23 Supplemental Adjustment	Adjusted FY22-23 Budget
Beginning Fund Balance	499,390	-	499,390		11,123,649	-	11,123,649		3,578,249	-	3,578,249
Revenue:											
Property Taxes		-	-		8,800,000	-	8,800,000		-		-
Specific Ownership Taxes			-		-		-		-		-
Other Revenue	835,000	30,000	865,000	(2)	-		-		-	15,866,779	15,866,779
State/Federal revenue			-		-		-		2,736,572	-	2,736,572
Debt Refunding			-		-		-		-		-
Transfer in (out)			-				-		2,800,000	-	2,800,000
Total Revenue	835,000	30,000	865,000		8,800,000	-	8,800,000		5,536,572	15,866,779	21,403,351
Total Available	1,334,390	30,000	1,364,390		19,895,372	-	19,923,649		9,519,019	15,866,779	24,981,600
Expenditures:											
Salaries	-	-	-		-		-		-		-
Benefits	-		-		-		-		-		-
Purchased Services	-		-				-		-	18,500	18,500
Supplies/Other	800,000	30,000	830,000	(2)			-		-	-	-
Debt service/Lease payments	-		-		8,800,000	-	8,800,000		-	-	-
Capital Outlay	-		-		-		-		7,746,572	5,229,932	12,976,504
Transfers out	-		-		-		-		-		-
Total expenditures	800,000	30,000	830,000		8,800,000	-	8,800,000		7,746,572	5,248,432	12,995,004
Change in Fund Balance	35,000	-	35,000		-	-	-		(2,210,000)	10,618,347	8,408,347
Ending Fund Balance	534,390	-	534,390		11,095,372	-	11,123,649		1,772,447	10,618,347	11,986,596





# Fiscal Year 2023-24

## Budget Highlights/Assumptions

- The district's Total Program is projected to increase by \$2.6 million in FY23-24 based on estimates provided by CDE.
- The FY23-24 budget was set based on the FY22-23 results with some adjustments. The district has spent significantly less in FY22-23 than in FY21-22.
- The projected FY2022-23 deficit is \$1.8 million less than the adopted budget.
- The grant budgets include increases (\$400,000) for several competitive grants received in FY22-23 that will be spent through next fiscal year.
- Activity Fund revenues increased slightly (\$30,000) in FY22-23, and that increase is carried into FY23-24
- The JCI project will increase the district's capital budget by \$9.67 million in FY23-24.



# Proposed FY2023-24 General Fund Budget

	Adopted Budget FY22-23	Projected 6/30/2023	Proposed FY2023-24	Change
<b>Revenues:</b>				
<b>Local Taxes:</b>				
Local property taxes	14,856,811	15,809,499	18,682,556	2,873,057
Specific Ownership taxes	1,350,000	1,497,808	1,500,000	2,192
<b>State sources:</b>				
Equalization	37,014,826	36,581,175	36,989,034	407,859
Other state sources	2,884,870	3,421,299	3,500,000	78,701
<b>Other sources:</b>				
Federal sources	3,885,000	3,205,241	3,000,000	205,241
All Other	544,999	923,951	950,000	26,049
<b>Total Revenues</b>	<b>60,536,506</b>	<b>61,438,973</b>	<b>64,621,590</b>	<b>3,593,099</b>
<b>Expenditures:</b>				
Salaries	36,147,950	36,412,809	38,233,450	1,820,640
Employee benefits	14,039,602	12,983,383	13,632,552	649,169
Purchased services	6,674,533	6,753,560	6,700,000	(471,605)
Supplies	4,580,059	4,494,758	4,800,000	305,242
Property	404,001	170,339	340,000	169,661
Transportation/Dues/Fees	(69,197)	(52,398)	(22,000)	30,398
Other expenditures	154,050	258,965	130,000	(128,965)
<b>Tot. Exps Before Transfers</b>	<b>61,930,998</b>	<b>61,021,416</b>	<b>63,814,001</b>	<b>2,374,541</b>
<b>Net Rev/(Exp) Before Transfer</b>	<b>(1,394,492)</b>	<b>417,557</b>	<b>807,588</b>	<b>390,032</b>
<b>Transfers to other funds</b>	<b>2,800,000</b>	<b>2,800,000</b>	<b>1,200,000</b>	<b>(1,600,000)</b>
Total Exps After Transfers	64,730,998	63,821,416	65,014,001	774,541
<b>Net Rev/(Exp) After Transfers</b>	<b>(4,194,492)</b>	<b>(2,382,443)</b>	<b>(392,412)</b>	<b>(1,990,032)</b>



# Fiscal Year 2023-24 Proposed Budget

(Please See Appendix A for Resolution Documents)

General Fund				Food Service Fund				Designated Purpose/Federal Funds			
	FY22-23 Budget	FY22-23 Actual Projected Year-End	Proposed FY23-24 Budget		FY22-23 Budget	FY22-23 Actual Projected Year-End	Proposed FY23-24 Budget		FY22-23 Budget	FY22-23 Actual Projected Year- End	Proposed FY23-24 Budget
Beginning Fund Balance	21,904,800	21,904,800	19,522,357		537,866	537,866	501,211		-		-
Revenue:											
Property Taxes	14,856,811	15,809,499	18,682,556						225,000	225,000	225,000
Specific Ownership Taxes	1,350,000	1,497,808	1,500,000						1,280,000	1,680,000	1,680,000
Other local revenue	544,999	923,951	950,000		426,277	392,952	425,000				
State/Federal revenue	43,784,696	43,207,715	43,489,034		1,490,000	1,233,441	1,220,318				
Debt Refunding					-		-				
Transfer in (out)			-		-		-				
Total Revenue	60,536,506	61,438,973	64,621,590		1,916,277	1,626,393	1,645,318		1,505,000	1,905,000	1,905,000
Total Available	82,441,306	83,343,773	84,143,947		2,454,143	2,164,259	2,146,529		1,505,000	1,905,000	1,905,000
Expenditures:											
Salaries	36,172,996	36,412,809	38,233,450		845,539	780,572	845,539		680,000	860,700	860,700
Benefits	14,014,556	12,983,383	13,632,552		299,284	261,314	273,073		275,000	348,100	348,100
Purchased Services	6,674,533	6,753,560	6,700,000		96,277	58,263	65,000		300,000	379,700	379,700
Supplies/Other	5,068,913	4,871,664	5,248,000		698,265	562,900	600,000		250,000	316,500	316,500
Debt service/Lease payments	-		-		-		-		-		-
Capital Outlay	-		-		-		-		-		-
Transfers out	2,800,000	2,800,000	1,200,000	(7)	-		-		-		-
Total expenditures	64,730,998	63,821,416	65,014,001	(1)	1,939,365	1,663,049	1,783,612	(2)	1,505,000	1,905,000	1,905,000
Change in Fund Balance	(4,194,492)	(2,382,443)	(392,412)	(8)	(23,088)	(36,657)	(138,294)	(9)	-	-	-
Ending Fund Balance	17,710,308	19,522,357	19,129,946		514,778	501,211	362,917		-		-



# Fiscal Year 2023-24 Proposed Budget con't.

	Student Activity Fund			Debt Service Fund			Capital Projects Fund		
	FY22-23 Budget	FY22-23 Actual Projected Year- End	Proposed FY23-24 Budget	FY22-23 Budget	FY22-23 Actual Projected Year- End	Proposed FY23-24 Budget	FY22-23 Budget	FY22-23 Actual Projected Year- End	Proposed FY23-24 Budget
Beginning Fund Balance	499,390	499,390	555,651	11,123,649	11,123,649	11,454,655	3,578,249	3,578,249	14,880,816
Revenue:									
Property Taxes				8,800,000	8,796,741	8,425,305	-	-	-
Specific Ownership Taxes				-		-	-	-	-
Other local revenue	835,000	865,000	865,000	-		-	-	15,866,779	-
State/Federal revenue				-		-	2,736,572	1,748,208	-
Debt Refunding				-		-	-	-	-
Transfer in (out)							2,800,000	2,800,000	1,200,000 (7)
Total Revenue	835,000	865,000	865,000	8,800,000	8,796,741	8,425,305	5,536,572	20,414,987	1,200,000
Total Available	1,334,390	1,364,390	1,420,651	19,895,372	19,920,390	19,879,960	9,519,019	23,993,236	16,080,816
Expenditures:									
Salaries	-	-	-	-		-	-	-	-
Benefits	-		-	-		-	-	-	-
Purchased Services	-		-				-	18,500	-
Supplies/Other	800,000	808,739	835,000				-	272,591	272,591
Debt service/Lease payments	-		-	8,800,000	8,465,735	8,425,305	-	-	-
Capital Outlay	-		-	-		-	7,746,572	8,821,329	13,924,332
Transfers out	-		-	-		-	-	-	-
Total expenditures	800,000	808,739	835,000 (4)	8,800,000	8,465,735	8,425,305 (5)	7,746,572	9,112,420	14,196,923 (6)
Change in Fund Balance	35,000	56,261	30,000	-	331,006	-	(2,210,000)	11,302,567	(12,996,923) (10)
Ending Fund Balance	534,390	555,651	585,651	11,095,372	11,454,655	11,454,655	1,772,447	14,880,816	1,883,893



# Next Steps/Discussion

- Vote on the proposed FY2022-23 supplementals and the FY2023-24 district budget.
- Continue to build on the discoveries, improvements, and corrections made to the budget in FY2022-23.
- Monitor the state and federal revenue outlook.





# Looking Ahead and Questions





# Appendix A

## Supplementals and FY2023-24 Budget Adoption References

**Garfield RE-2 School District  
Budget Amendment Cross Reference  
Fiscal Year 2022-23**

	<u><b>Amount</b></u>
<b>(1)</b> Adjust Designated Purpose/Federal Funds for additional revenue and expenditures Expenditures have been allocated across expense categories proportionally	400,000
<b>(2)</b> Adjust Student Activity Fund revenue and expenditures by \$30,000. We have additional collections for this year in the student activity funds, and we are requesting the board's approval for the increase, so that the schools can use these funds.	30,000
<b>(3)</b> Adjust the Capital Projects Fund for JCI project both revenue and expenditures	
--Adjust revenues by \$15,866,779 for the full balance of the escrow construction account	15,866,779
--Adjust Personal Services expenditures by \$18,500 for the bond due diligence and other legal costs.	18,500
--Adjust FY22-23 Capital Outlay expenditures by \$5,229,932, which is the first payment to JCI for FY22-23.	5,229,932

**Garfield RE-2 School District  
FY22-23 Budget Resolution #1  
Supplemental 6/28/2023**

**Fund 22: Designated Purpose/Federal Funds**

SOURCE OF MONEY FOR A SPECIFIC PURPOSE AND NATURE OF PROJECT

Some new grants for FY22-23 were not originally budgeted for, therefore this resolution will increase REVENUES:

			Totals
Sources of Revenue			
Local			
State			
Federal	(1)		400,000
Total Revenues			400,000
EXPENDITURES:			
Expenditure Categories			
Salaries	(1)		180,700
Benefits	(1)		73,100
Purchased Services	(1)		79,700
Supplies	(1)		66,500
Total Expenditures			400,000

***RESOLUTION***

AUTHORIZING A SUPPLEMENTAL BUDGET AND APPROPRIATION AUTHORIZED BY COLORADO

BE IT RESOLVED, that the additional expenditure amount of \$ 400,000 , as shown above, be appropriated to the Designated Purpose/Federal Funds: Fund 22 for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

Adopted this June 28, 2023

Garfield School District No. RE-2

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(Signature, President of the Board) in accordance with 22-44-110(4).

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(Signature of person attesting to the Board President signature)

**Garfield RE-2 School District  
FY22-23 Budget Resolution #2  
Supplemental 6/28/2023**

**Fund 23: Student Activities Fund**

SOURCE OF MONEY FOR A SPECIFIC PURPOSE AND NATURE OF PROJECT

The Student Activity Fund generated more revenue than originally projected for FY22-23, therefore, this REVENUES:

	Totals
Sources of Revenue	
Local	(2) 30,000
State	
Federal	
Total Revenues	30,000

EXPENDITURES:

Expenditure Categories	
Salaries	
Benefits	
Purchased Services	
Supplies	(2) 30,000
Total Expenditures	30,000

**RESOLUTION**

AUTHORIZING A SUPPLEMENTAL BUDGET AND APPROPRIATION AUTHORIZED BY COLORADO

BE IT RESOLVED, that the additional expenditure amount of \$ 30,000 , as shown above, be appropriated to the Student Activities Fund: Fund 23 for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

Adopted this June 28, 2023

Garfield School District No. RE-2

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(Signature, President of the Board) in accordance with 22-44-110(4).

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(Signature of person attesting to the Board President signature)

**Garfield RE-2 School District  
FY22-23 Budget Resolution #3  
Supplemental 6/28/2023**

**Fund 43: Capital Projects Fund**

SOURCE OF MONEY FOR A SPECIFIC PURPOSE AND NATURE OF PROJECT

The Johnson Controls Inc, Equipment Lease/Purchase Agreement created a multiple year project and REVENUES:

		Totals
Sources of Revenue		
Local	(3)	15,866,779
State		
Federal		
Total Revenues		15,866,779

EXPENDITURES:

Expenditure Categories		
Salaries		
Benefits		
Purchased Services	(3)	18,500
Supplies	(3)	5,229,932
Total Expenditures		5,248,432

**RESOLUTION**

AUTHORIZING A SUPPLEMENTAL BUDGET AND APPROPRIATION AUTHORIZED BY COLORADO

BE IT RESOLVED, that the additional expenditure amount of \$ 5,248,432 , as shown above, be appropriated to the Capital Projects Fund: Fund 43 for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

Adopted this June 28, 2023

Garfield School District No. RE-2

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(Signature, President of the Board) in accordance with 22-44-110(4).

---

(Signature of person attesting to the Board President signature)

**Garfield RE-2 School District**  
**Appropriations and Use of Fund Balance Cross Reference**  
**Adopted Budget for Fiscal Year 23-24**

	<u><b>Amount</b></u>
<b>(1)</b> Fiscal Year 2023-24 General Fund appropriation (total allowable expenditures).	65,014,001
<b>(2)</b> Fiscal Year 2023-24 Food Service Fund appropriation	1,783,612
<b>(3)</b> Fiscal Year 2023-24 Designated Purpose/Federal Funds appropriation	1,905,000
<b>(4)</b> Fiscal Year 2023-24 Student Activity Fund appropriation	835,000
<b>(5)</b> Fiscal Year 2023-24 Debt Service Fund appropriation	8,425,305
<b>(6)</b> Fiscal Year 2023-24 Capital Projects appropriation	14,196,923
<b>(7)</b> Annual transfer to Capital Projects reduced by the annual payment to JCI	1,200,000
<b>(8)</b> Fiscal Year 2023-24 use (reduction) of General Fund balance	392,412
<b>(9)</b> Fiscal Year 2023-24 use of Nutrition Services Fund balance	138,294
<b>(10)</b> Fiscal Year 2023-24 Use of Capital Projects Fund balance	12,996,923



**Garfield RE-2 School District  
Appropriation Resolution  
Fiscal Year 2023-24**

***APPROPRIATION RESOLUTION***

Be it resolved by the Board of Education of Garfield School District No. Re-2 in Garfield County, that the amounts shown in the following schedule be appropriated to each fund as specified in the Adopted Budget for the ensuing fiscal year beginning July 1, 2023 and ending June 30, 2024.

<b>FUND</b>	<b>APPROPRIATION AMOUNT</b>	
General Fund	65,014,001	(1)
Special Revenue Funds:		
Food Service Special Revenue Fund	1,783,612	(2)
Governmental Designated-Purpose Grants Fund	1,905,000	(3)
Pupil Activity Special Revenue Fund	835,000	(4)
Bond Redemption Fund		
Bond Redemption Fund	8,425,305	(5)
Capital Projects Funds:		
Capital Reserve Capital Projects Fund	14,196,923	(6)
TOTAL APPROPRIATION	<u>92,159,841</u>	

Adopted this 28th day of June 2023

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

**Garfield RE-2 School District**

**Budget Resolution**

**Fiscal Year 2023-24**

***Fund Balance Resolution***

AUTHORIZING THE USE OF A PORTION OF BEGINNING FUND BALANCE AS AUTHORIZED BY COLORADO STATUTES

WHEREAS, C.R.S. 22-44-105 states that a budget, duly adopted pursuant to this article, shall not provide for expenditures, interfund transfers, or reserves, in excess of available revenues and beginning fund balance.

WHEREAS, the Board of Education may authorize the use of a portion of the beginning expenditure is needed, and the district's plan to ensure that the use of the beginning fund balance will not lead to an ongoing deficit.

WHEREAS, the Board of Education has determined the beginning fund balances in the General Fund, the Food Service Special Revenue Fund, and the Capital Reserve Capital Projects Fund. are sufficient to allow for the one-time expenditures and these action will not lead to an ongoing deficit

NOW, THEREFORE, BE IT RESOLVED:

IN ACCORDANCE with C.R.S. 22-44-105, the Board of Education authorizes the use of a portion of the FY2023-2024 beginning fund balance for the planned use of one time expenditures from the following funds:

General Fund	392,412	(8)
Food Service Special Revenue Fund	138,294	(9)
Capital Reserve Capital Project Fund	12,996,923	(10)

BE IT FURTHER RESOLVED, the use of this portion of these beginning fund balances for the purpose/s set forth above will not lead to ongoing deficits in the funds.

Adopted this 28th day of June 2023

Garfield School District No. Re-2

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President

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Secretary