



REPORT OF THE FINANCE COMMITTEE

The Finance Committee met on Thursday, September 17, 2020, at 1:30 PM via the Blue Jeans Video Conferencing Tool.

The public viewed the meeting via Video Conference.

ATTENDEES

Finance Committee Members

Chairperson Eve Bolton, Melanie Bates, Ben Lindy

Administrators

Laura Mitchell, Superintendent; Jennifer Wagner, Treasurer/CFO; Kevin Ashley, Director of Financial Reporting; Vera Brooks, Director of Early Childhood; Dan Hoying, General Counsel; Loren Johnson, Director of Transportation; Sarah Trimble-Oliver; Chief Strategy Officer; Nathan Tyahur, Accounts Receivable Supervisor

Cincinnati Preschool Promise

Chara Jackson, Executive Director

Hector Polanco, Finance Director

Community Members/Parents/Students

Jen Checco

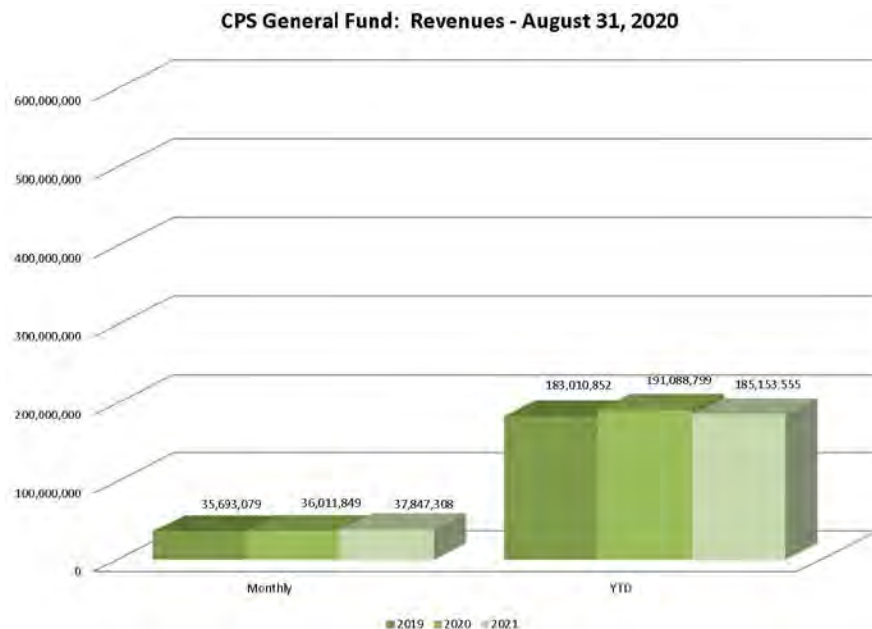
CPS Government Liaisons

Eric Kearney, CEO, Kearney and Kearney

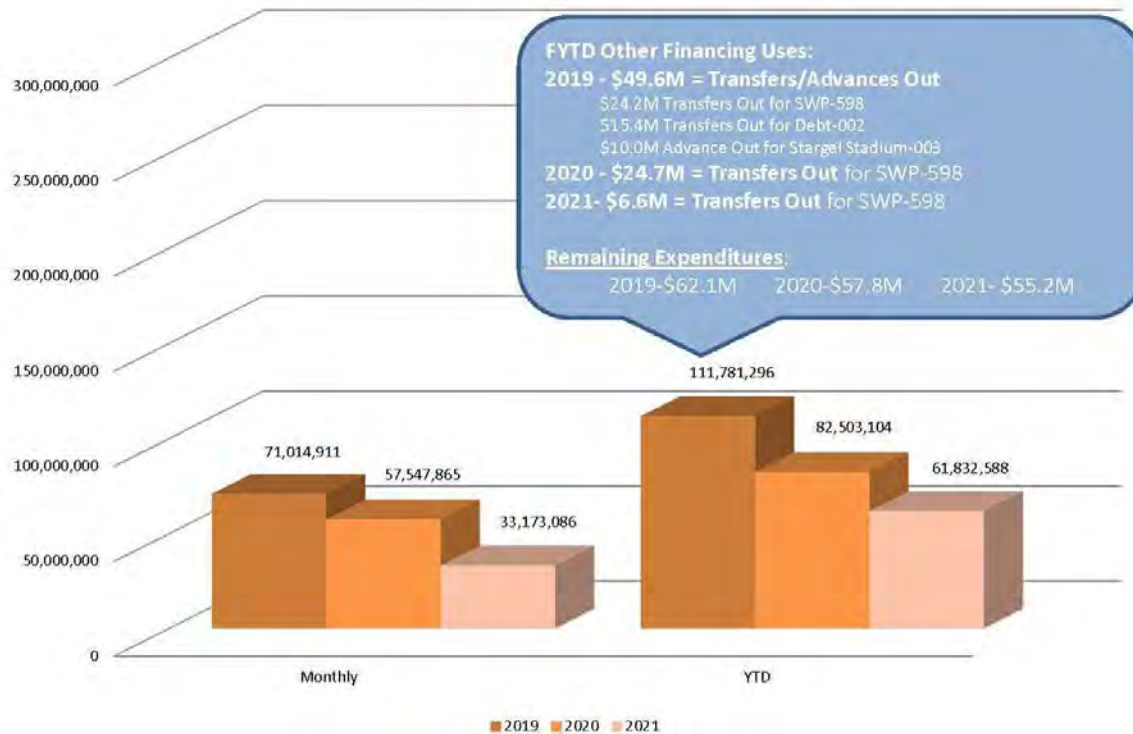
George Glover, Co-Managing Director, Focused Capital Solutions

Treasurer Financial Update

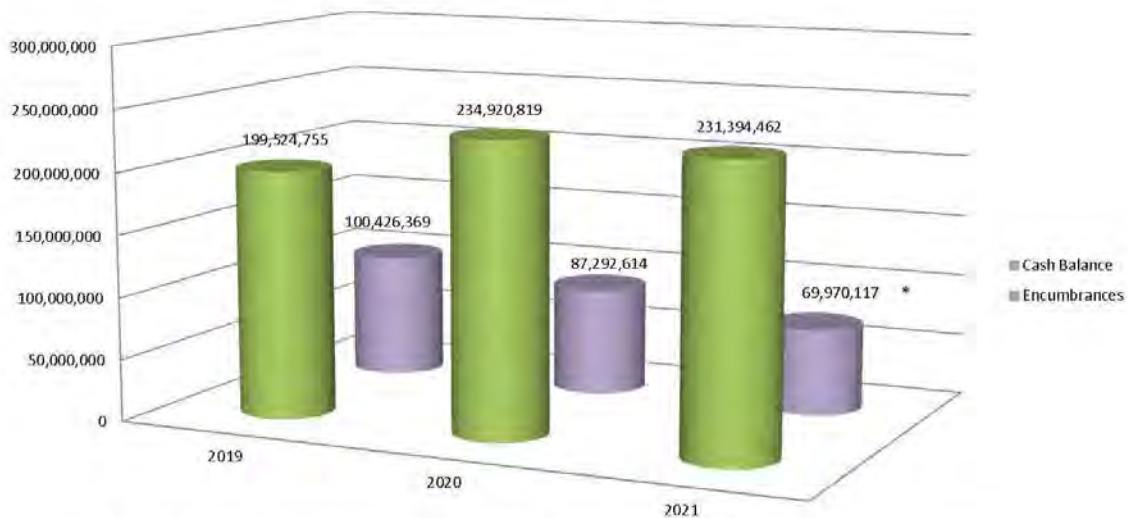
Kevin Ashley, Director of Financial Reporting, updated the Committee on the following financials.



CPS General Fund: Expenditures - August 31, 2020



CPS General Fund - Cash & Encumbrances - August 31, 2020



* - FY21 Current Encumbrances compared to Prior Year Encumbrance levels were lower, due to Temporary Appropriation resulting in Encumbrances for a 90 day period vs for the full fiscal year

State & Federal Grants

August 2020 (FY21)

	State	Federal	Combined FY21 August 2020	PRIOR FY20 August 2019
Beg Cash, July 1	\$11,162,779	\$14,424,711	\$25,587,490	\$7,425,983
FYTD Receipts	2,441,565	445,456	2,887,021	10,733,307
FYTD Expenditures	1,950,250	6,757,956	8,708,206	7,760,227
Current Encumbrances	4,676,272	8,269,738	12,946,010	6,255,474
Current Ending Cash	\$6,977,822	(\$157,527)	\$6,820,295	\$4,143,589

Note: FY21 Beginning Balance includes additional funds related to CARES Act funds allocated to Fund 507; increased Title I Funds and Student Wellness & Success Funds received later in the Prior Year. FY21 Receipts related to Reimbursements are currently delayed. FY21 Expenditures are higher, due in part, to Student Wellness & Success Funds.

CPS Preschool Expansion

	BUDGET FY21	CURRENT FY21 FYTD AUGUST 2020	PRIOR FY20 FYTD AUGUST 2019
Revenues:	In process	\$7,193,750	\$7,263,976
Expenses:			
CPS Tuition Assistance #		0	249,728
Payments to United Way @		777,901	0
Workforce Development		1,820	8,558
Special Education Support		108,875	89,886
Administrative Support		16,423	12,373
PS Classroom Expansion		0	5,739
Professional Development		0	0
Total Expenses	In process	905,019	366,284
Net Income	In process	\$6,288,731	\$6,897,692

– Classes began August 31, 2020 (FY21) versus mid-August, 2019 (FY20)

@ – Due to Prior Year CPP underspend, payment schedule differs from Year to Year.

Mr. Ashley updated the Committee on the following 2018 Certificates of Participation (COPS). COPS is a debt issuance that works like a lease. The District makes lease or debt payments.

**2018 Certificates of Participation (COPS) Debt Issuance
Spend Down of Proceeds - Status**

Spend Down Deadline = 09/27/21

As of August 31, 2020				Through August 31, 2020	As of August 31, 2020		
Fund-SCC	Building Improvement Project	Object Description	Total Project Budget	All Years Total Expenditures	Current Outstanding Encumbrances	Total Expenditures Plus O/S Enc	Unencumbered/ Remaining Balance
003-1321C	Mercy	Other Prof Tech Services	\$352,449.78	\$349,984.28	\$0.00	\$349,984.28	\$2,465.50
		Buildings	10,955,432.49	10,832,291.77	123,886.34	10,956,178.11	(745.62)
		Equipment	1,156,154.65	1,156,154.65	0.00	1,156,154.65	0.00
			12,464,036.92	12,338,430.70	123,886.34	12,462,317.04	1,719.88
003-1322C	CANS	Other Prof Tech Services	172,578.49	158,812.07	12,022.88	170,834.95	1,743.54
		Buildings	4,504,631.68	4,457,693.59	42,574.93	4,500,268.52	4,363.16
		Improvements (Non Bldg)	108,687.47	96,404.10	0.00	96,404.10	12,283.37
		Equipment	32,258.36	32,258.36	0.00	32,258.36	0.00
			4,818,156.00	4,745,168.12	54,597.81	4,799,765.93	18,390.07
003-1323C	Carthage/LEAP	Other Prof Tech Services	34,250.00	32,971.83	1,278.17	34,250.00	0.00
		Buildings	1,985,750.00	850,133.82	1,135,616.18 *	1,985,750.00	0.00
			2,020,000.00	883,105.65	1,136,894.35	2,020,000.00	0.00
003-1324C	North Fairmount	Other Prof Tech Services	34,250.00	30,060.54	4,189.46	34,250.00	0.00
		Buildings	1,985,750.00	1,985,750.00	0.00 *	1,985,750.00	0.00
			2,020,000.00	2,015,810.54	4,189.46	2,020,000.00	0.00
		Totals	\$21,322,192.92	\$19,982,515.01	\$1,319,567.96	\$21,302,082.97	\$20,109.95

Footnote:

* - Contracts related to these Improvement projects exceed available COPS Proceed Funds and the remaining contract expenses are encumbered in the General Fund.

He also informed the Committee about the Appropriations vs Expenditures for fiscal year 2021.

Appropriations vs Expenditures - FY21

As of August 31, 2020		FY 21 Total (Temp)	FY 21 Total	
Fund #	Fund Description	Appropriations +PY C/O Enc (Rounded)	Expenditures + Encumbrances (Rounded)	Difference (Rounded)
001	GENERAL FUND	\$185,829,689 #	\$131,802,705	\$54,026,983
	SPECIAL REVENUE FUNDS			
018	Public School Support Fund	102,206	15,529	86,677
019	Other Grant Fund	1,372,961	357,334	1,015,627
034	Classroom Fac Maintenance Fund	2,146,891	2,180,617	(33,726) *
300	District Managed Stud Act Fund	1,590,852	649,657	941,195
401	Auxiliary Services (NPSS) Fund	11,328,641	3,319,732	8,008,909
439	Public School Preschool Fund	539,000	3,227	535,773
461	Voc Ed Enhancement Fund	16,656	5,163	11,493
467	Student Wellness and Success Fund	3,179,000	3,160,386	18,614
499	Misc. State Grants Fund	78,719	135,816	(57,096) *
501	Adult Basic Education	319,565	183,974	135,591
507	ESSER Elem & Secondary Emergency	9,797,000	4,780,274	5,016,726
516	IDEA, Part B Spec Ed of H.C Fd	5,981,539	3,335,465	2,646,074
524	Voc Ed: Carl D Perkins 1984 Fd	726,731	598,397	128,334
525	Project Head-Start	1,200,504	409,744	790,760
536	Title 1 Sch Improve Stimulus A	312,471	245,970	66,501
551	Title III - LEP	215,639	178,197	37,443
572	Title I Disadv Children Fund	13,755,043	4,474,819	9,280,224
587	IDEA Presch Grant Handicap Fd	44,837	10,694	34,143
590	Improving Teacher Quality Fund	1,433,607	438,933	994,673
598	Schoolwide Building Program	64,439,438	29,382,114	35,057,324
599	Misc. Federal Grant Fund	1,241,353	373,426	867,927
	TOTAL SPECIAL REVENUE FUNDS	119,822,651	54,239,466	65,583,185

002 BOND RETIREMENT	15,250,000	0	15,250,000
CAPITAL PROJECTS			
003 Permanent Improvement Fund	6,006,176	5,728,688	277,488
TOTAL CAPITAL PROJECTS	6,006,176	5,728,688	277,488
ENTERPRISE			
006 Food Services Fund	14,203,770	9,581,440	4,622,330
009 Uniform School Supplies Fund	263,580	26,281	237,299
011 Rotary Special Services Fund	453,519	249,778	203,741
012 Adult Education Fund	7,824	574	7,250
TOTAL ENTERPRISE FUNDS	14,928,693	9,858,073	5,070,620
INTERNAL SERVICE			
014 Internal Services Rotary Fund	814,567	968,184	(153,617) *
021 Intra District Services Fund	15,400,195	8,106,005	7,294,191
024 Emp Ben Self Insurance Fund	17,258,596	13,497,965	3,760,632
TOTAL INTERNAL SERVICE FUNDS	33,473,359	22,572,153	10,901,206
007 Special Trust Fund	116,591	5,696	110,895
008 Endowment Fund	125,000	0	125,000
TOTAL FIDUCIARY FUNDS	241,591	5,696	235,895
200 Student Managed Activity Fund	109,761	41,313	68,448
TOTAL AGENCY FUNDS	109,761	41,313	68,448
TOTAL ALL FUNDS	\$375,661,920	\$224,248,095	\$151,413,825

Footnotes:

* - For negative variances, these are being reviewed by staff and we expect closing or adjustment to carryover and/or current outstanding encumbrances. Also, these will be factored in once Permanent Appropriations are loaded in September.

- Total General Fund - Appropriations as of September 14, 2020:

Carryover Encumbrances - PY 6/30/20:	\$29,579,689
Permanent Appropriations - Approved 9/14/20:	\$625,000,000
	\$654,579,689

Mr. Ashley also reported that there was not a financial impact on student wellness due to COVID-19. The District received \$8 million last year and an allocation of \$12 million for this year. Items were expended from the \$12 million fund this year.

Ms. Wagner reported that the Cares Act 1 allocation was \$23 million and CPS received \$16 million of those dollars.

She also reported that Cares Act 2 was a \$2.2 million grant, which is a total of \$18.5 million of Cares Act dollars. Approximately \$42 million have either been spent or encumbered to date. She is hopeful of receiving more federal funding to assist with pandemic-related expenses.

Community Reinvestment Act (CRA)

Nathan Tyahur, Accounts Receivable Supervisor, informed the Committee about the following three CRA Agreements related to the Community Reinvestment Act. These three Agreements are still under the 1999 Master Agreement.

Agreement	Years of Agreement	Estimated Annual Revenue	Estimated Total Agreement Revenue
(A.) Traction Partners, LLC	15-years	\$270,104.51	\$4,051,567.59
Description: the improvements made to the real property located at 432 Walnut Street in downtown Cincinnati, in connection with the remodeling of an existing building into a hotel and first-floor restaurant, which remodeling shall be completed in compliance with LEED Silver, Gold, or Platinum standards or LBC standards - Ordinance #459-2019, Contract #15x2021-177.			

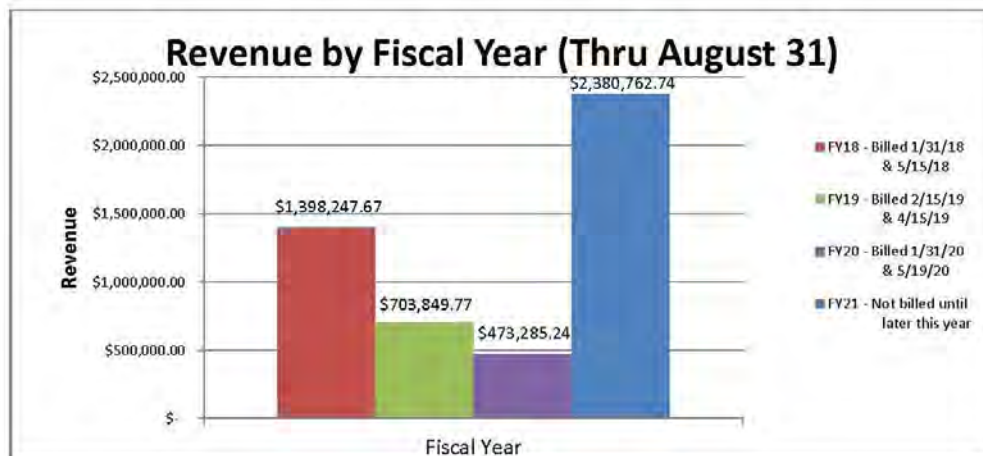
(B.) Willkommen Holding, LLC (New) 15-years \$159,529.45 \$2,392,941.79

Description: the improvements made to the real property located at Pleasant Street, Race Street, Woodward Street, Yukon Street, West Liberty Street, Moore Street, Walnut Street, East Liberty Street, and East 15th Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the remodeling of 17 buildings into 95 residential units and approximately 15,700 square feet of commercial space - Ordinance #522-2019, Contract #05x2020-333.

(C.) Willkommen Holding, LLC (Rehab) 15-years \$114,424.21 \$1,716,363.17

Description: the improvements made to the real property located at 1521 Vine Street; 1602 Pleasant Street; and 1512, 1514, 1516, 1518, 1520 Republic Street in the Over-the-Rhine neighborhood of Cincinnati, in connection with the construction of three new buildings containing approximately 7,921 square feet of commercial space and 68 residential units, which construction shall be completed in compliance with LEED Silver, Gold, or Platinum standards or LBC standards - Ordinance #523-2019, Contract #05x2020-332.

- CRA Revenues Collected



*Note: FY21 revenues are increased due to COVID shutdown (delayed billing and collection).

- Billed But Not Collected (Aging)

Billed But Not Collected (Thru August 31)

Year	0-30 Days Old	31-60 Days Old	61-90 Days Old	90+ Days Old	Total
FY18	\$ 142,079.97	\$ -	\$ 38,097.64	\$ 6,650.39	\$ 186,828.00
FY19	\$ 231.18	\$ -	\$ -	\$ 230,168.34	\$ 230,399.52
FY20	\$ 8,964.48	\$ -	\$ 269,668.51	\$ 232,203.86	\$ 510,836.85
FY21	\$ -	\$ -	\$ -	\$ 164,351.93	\$ 164,351.93

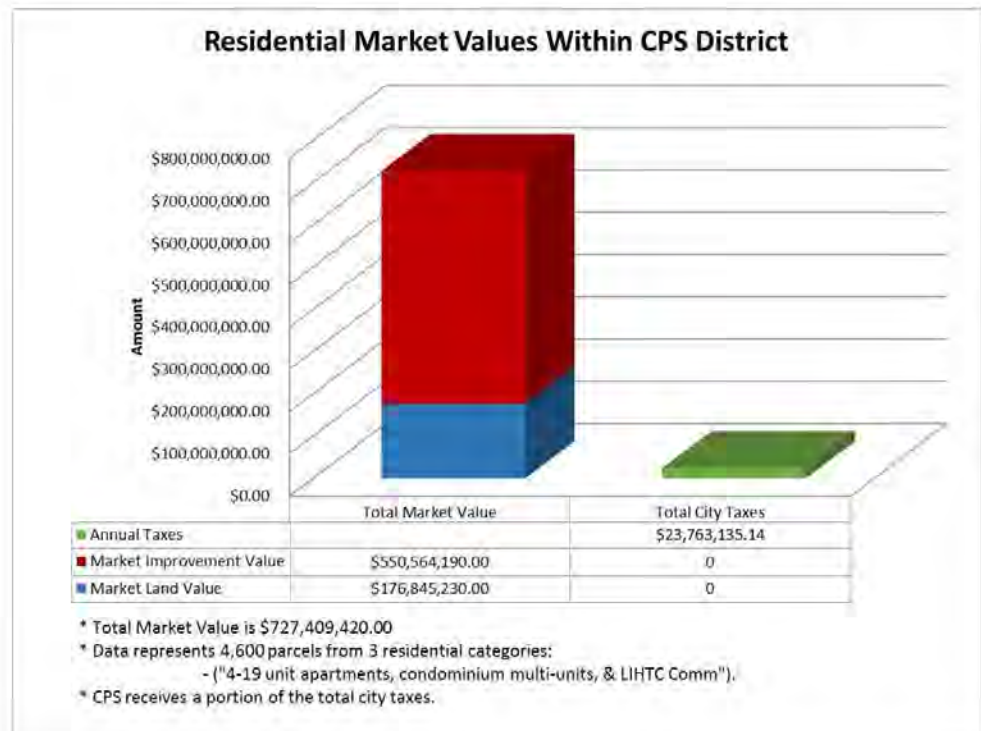
*Note: FY data is YTD for comparative purposes.

*Note: Collection escalation procedures are being performed:

- 1) Mailing invoices
- 2) Phone calls, & emails.
- 3) Involve the city for additional help
- 4) Recommendation for termination of agreement

Residential Properties Review

- Residential Properties 4-Family Units
 - The Property Tax Working Group is recommending properties with 4-family units that apply for an abatement to fall under the Residential CRA agreement vs the current Commercial CRA agreement.
 - Under a Residential CRA agreement, CPS receives zero revenue from taxes.
 - Under the current Commercial CRA agreement, CPS receives 25% of anticipated taxes under the old 1999 master agreement or 33% of anticipated taxes under the new 2020 master agreement.
 - The City of Cincinnati Economic Growth & Zoning Committee met on September 15, 2020 and failed to adopt a motion, submitted by Councilmembers Landsman and Sittenfeld, to update the city's residential property tax abatement program. Voting was listed as one "absent", one "no", and one "abstained".
 - CPS currently has commercial CRA agreements with 4 parcels (3 active and 1 pending) that are considered 4-family units.
 - Total Market Value is \$1,606,900.00.
 - Total Annual CPS Revenue (25% CRA agreement) is \$8,533.62.
 - A review of how many total properties are under this category within CPS District was completed. Data from Hamilton County showed:
 - Total market value from those parcels is \$727,409,420.00.
 - Unit dwellings are listed in categories and not separate to the number each property has. The categories that 4-family units are included in are "4-19 unit apartments, condominium multi-units, or LIHTC Comm." The total number of parcels within those categories is 4,600. 3 of those parcels are abated under a commercial CRA. The 4th parcel is not abated yet (project not completed).
 - The taxes that the city of Cincinnati collects are \$23,763,135.14 and CPS receives a portion of that according to our levy millage.



Chairperson Bolton added to Mr. Tyahur's report that all motions (as distributed to all school Board members last month) submitted by the City's Property Tax Working Group passed the finance committee and are now under Council staff. The motions included the proposed transition of four families only to commercial classification. She was also pleased with the Treasurer's Office's research and was encouraged that the Treasurer's Office will continue such research so the Board may have specific dollar and property amounts to report back.

Governmental Liaison Report on Particular and Immediate Legislative Topics

George Glover, Focused Capital Solutions; Eric Kearney, Kearney and Kearney

Mr. Kearney provided the Committee with the following information that is contained in his September 2020 Legislative Report. A copy of the full report is available in the Board office and upon request.

Focus of Work

- Execute against CPS 2020 Government Relations Strategy
- Meet with Superintendent Laura Mitchell regarding CPS Priorities
- Create and Cultivate Strategic Relationships
- Local Delegation Meeting
- Statehouse Update

Of Note

Mr. Kearney updated the Committee on the following:

CPS, Loren Michael Johnson, CPS Director of Transportation Provide Testimony

S.B. 350 (Brenner) To prohibit school districts from providing vouchers for public transportation to students enrolled in grades kindergarten through eight for the 2020-2021 school year. Education Committee. 2nd Hearing on September 16, 2020. CPS testimony is found in the link above. We have spoken with Senators Lehner and Brenner about CPS's position to exclude seventh and eighth grade students.

Senate Bill 358

Mr. Kearney updated the Committee on the below Senate Bill 358 (Fedor, Manning) that is contained in his monthly report.

S.B. 358 Assembly, Section 31 of H.B. 197 of the 133rd General Assembly, Section 17 of H.B. 197 of the 133rd General Assembly, as subsequently amended, and Section 7 of S.B. 216 of the 132nd General Assembly, as subsequently amended, to make changes to education law for the 2020-2021 school year in response to implications from COVID-19 and to declare an emergency. Education Committee. 2nd Hearing September 16, 2020.

- * This Bill would extend the exemption from administering the state achievement assessments for 2020-2021 school year.
- * Extends the exemption for schools from retaining a student under the third-grade reading guarantee based solely on the student's academic performance in reading in the 2020-2021 school year, unless the student's principal and reading teacher determine the student is not reading at grade level and is not prepared for fourth grade.
- * Extends the permission for public and nonpublic schools to grant a diploma to any student on track to graduate for the 2020-2021 school year and for whom the principal, in consultation with

teachers and counselors, determines has successfully completed the high school curriculum or individualized education program.

The Committee was pleased to hear that Mr. Loren Johnson of the CPS Transportation Department had testified regarding the terrible burden to CPS if 7/8 graders were excluded from public transport, by Metro under the newly proposed legislation. The Committee urged that the Administration and our government liaison representatives follow up on the transportation and COVID allowances issues.

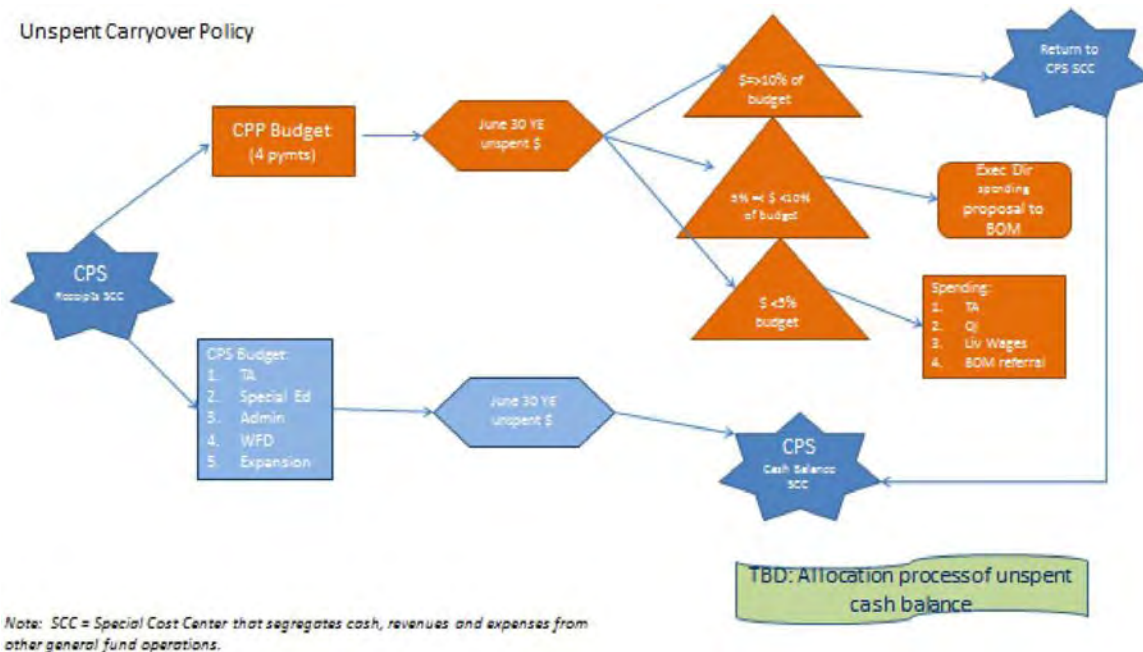
Fiscal Year (FY) 21 Finance Report

Treasurer Wagner updated the Committee on the following elements contained in her FY21 Finance Report.

ACTION: Mrs. Wagner reported that she will be providing monthly updates on state and federal grants, the Cares Act, and student wellness on an ongoing basis.

Cincinnati Preschool Promise / Cincinnati Public Schools Preschool Finances

Treasurer Wagner updated the Committee on the unspent carry over flowchart of how preschool dollars flow from CPS to CPP.



She also stated that a process is needed on how to allocate unspent dollars. Hector Polanco, CPP Finance Director, stated if too much money remains in CPP because it was unspent in a given year, it should be returned to a common pool in order for both entities to have a discussion on how to spend the dollars.

Mrs. Wagner updated the Committee on following unspent funds analysis.

Preschool Expansion:

DRAFT

Unspent funds analysis

	Revenues	Combined Spend	Excess Revenue over Expenses	Cumulative
FY17	7,947,353	1,549,838	6,397,515	6,397,515
FY18	16,162,880	8,665,366	7,497,514	13,895,029
FY19	15,260,529	10,901,294	4,359,234	18,254,263
FY20	15,767,475	15,249,065	518,410	18,772,673*
FY21 (est)	15,767,475	17,031,554	-1,264,079	17,508,593
FY22 (est)	7,883,737	17,177,138	-9,293,400	8,215,192
Total	\$ 78,789,448	\$ 70,574,256	\$8,215,192	

*As of FY20 – CPP Underspend
= \$ 7,549,984

*As of FY20 – CPS Underspend
= \$ 210,720

*As of FY20 – unallocated cash
reserve = \$ 11,011,968

Joint or Dual Resolution on Carry Over Funds CPS/CPP

Treasurer Wagner presented the following options for allocation of unspent reserve.

- Options for allocation of unspent reserve:
 - 50/50 split
 - # of students participating in TA
 - # of Classrooms
 - % of annual consumption of funds
 - Annual planning basis (project based)

The Committee discussed a draft of the following resolution and discussed removing the word “coordination” from the third **Whereas** that references unspent funds. The Committee also agreed to remove language “mutually agree” and replace it with “inform” contained in the second **Resolved**.

CPS’ General Counsel and CPP will meet to collaborate on concerns discussed by the Committee and submit an updated draft of the document to the Committee.

~~September 23~~

~~2020~~

JOINT RESOLUTION WITH CINCINNATI PRESCHOOL PROMISE REGARDING UNSPENT PRESCHOOL EXPANSION FUNDS

Effective: June 1, 2020

~~The undersigned, being Managers of Cincinnati Preschool Promise, LLC, an Ohio limited liability company (“CPP”), and members of the Board of Education of the Cincinnati City School District (“CPS”) (the CPS board and the CPP board, collectively, the “Boards”) hereby adopt the following resolutions by this writing, as of the date set forth above.~~

~~WHEREAS, in 2016, voters approved a \$48 million emergency levy for the Cincinnati Public Schools, and the Board of Education committed to spending \$15 million per year of the levy funds on preschool expansion CPS receives certain public tax levy funds (the "Preschool Expansion Funds"), which are allocated between CPS and CPP on an annual basis. The Board of Education later entered into a Master Agreement for Preschool Expansion Services by which a portion of the funds would be allocated to the Cincinnati Preschool Promise ("CPP") to assist CPS in its efforts to expand preschool. The Preschool Expansion Funds are to be used exclusively for the preschool expansion goals outlined in the Master Agreement for Preschool Expansion Services, to which CPS and CPP are parties.~~

~~WHEREAS, to ensure that Preschool Expansion Funds are used exclusively for such preschool expansion goals, CPS and CPP have each adopted guidelines for the use of Preschool Expansion Funds that were budgeted for use but unspent and un-accrued at the end of a given budget period ("Unspent Funds"). Pursuant to such guidelines, CPS and CPP each deposit such Unspent Funds Preschool Expansion revenues in separate reserve accounts earmarked exclusively for preschool expansion services (each, an "Unspent Funds Account").~~

~~WHEREAS, the Boards agree that coordination and communication with respect to the use of Unspent Funds deposited in each Unspent Funds Account is required to maximize the impact of such funds on preschool expansion. (not sure how CPS Board feels about this)~~

~~NOW THEREFORE, the Boards agree as follows:~~

~~RESOLVED, that CPP and CPS hereby adopt the Policy Regarding Unspent Funds at Fiscal Year End, attached hereto as Exhibit A (the "Policy") and Exhibit B the Flowchart, and agree to comply with the same; and~~

~~RESOLVED, that CPP and CPS shall consult in good faith and mutually agree-inform prior to accessing or using any such Unspent Funds that are deposited to an Unspent Funds Account; and~~

~~RESOLVED, that at all times sufficient Unspent Funds must be kept in each respective Unspent Funds Account (as defined by the Carryover policy) so as to address the following in the event public levy funding for preschool expansion services ceases: (i) to pay all customary costs and expenses for the final period of the school year after such funding stops; and (ii) to pay for an orderly wind down and liquidation process of CPP and associated programs. After which, all unspent CPP funds shall be returned to CPS within 30 days after the final financial audit is concluded.~~

Further discussion regarding the resolution will be conducted at the combined CPS/ CPP board meeting on September 23, 2020. It would be good to have the resolution on unspent funds and the shared vision long before we ask our voters to renew the preschool levy.

Strategic Growth Plan Over and Focus on Rawson Farm House

(Measures 5.1, 5.2, 5.3, 5.4; 5.A; 5.B; 5.C)

Jan Checco updated the Committee on her following proposal to create a Community Learning Center in the Rawson Farmhouse.

"A Hilltop Campus in Clifton" (3/2017)

We propose the creation of a Community Learning Center (the "CLC") in the Rawson Farmhouse to provide support to CANS and Fairview Clifton elementary schools while linking them to the Clifton Recreation Center.

This CLC would seek partnerships with a wide variety of local cultural, educational and service institutions and would create a curriculum and schedule of activities for before, during and after-school hours, as well as for evenings and during school vacation periods.

The main focus of CLC programming would be:

- Nature & Science
- Citizens of the 21st Century
- Life Skills
- Community Support.

This facility could also contain an office for managing enrichment programming for the schools and is uniquely equipped on the second floor for lodging and studio space for caretakers, visiting artists and scholars.



Committee member Bates recommended renovating the Carriage House and making it into a pavilion for outdoor leaning. The venue could be used by Cincinnati Recreation Commission, CANS, Fairview and the community.

ACTION: The Committee expressed great interest in following up with the community proposal and encouraged General Counsel to pursue the needed zoning changes to allow the use of Rawson for educational purposes.

Transportation: 1-2-2 and 3-2 Plans for Transportation

Loren Johnson, Transportation Director, gave a “ball park” report and stated that there may be a 13 percent difference between the two models by taking off one day a week. This will still need to take into account that charter and other service routes are still running.

Mr. Johnson also stated that the net would be about \$150 thousand a week and a ball park savings of about \$3.9 million over the next 26 weeks.

Ongoing Budget Adjustments - Budget Timeline and Format

Treasurer Wagner updated the Committee on the following budget adjustment items that are contained in the report attached to these minutes.

- Instructional Model Cost Analysis
- Oversight “Urgent Necessity”
- COVID Lessons Learned – Finance
- Budget Update Timeline
 - 09/30 Public Presentation on FY21 Revised Budget
 - 10/05 Budget Hearing
 - 10/10 Board Workshop (Growth, Budget)
 - 10/19 Budget Submission for Board Adoption

- Budget Adjustments to Date
- May Forecast Review
- 2 Choices
- Other News

Mrs. Wagner reported that the increase of enrollment in the Cincinnati Digital Academy CDA was an unexpected expense.

Strategic Discussion on In-Person versus Virtual Model

Mrs. Wagner reported that the virtual instructional delivery model is the least expensive as there are employee roles not needed when students are not physically present in the building, additionally we would see a reduction in transportation costs while students are in a virtual learning environment.

The meeting adjourned at 3:35 p.m.

Finance Committee

Eve Bolton, Chair
Melanie Bates
Ben Lindy

Staff Liaisons

Jennifer Wagner, CFO/Treasurer
Laura Mitchell, Superintendent

FY21 Finance Committee

September 17, 2020

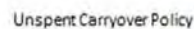
Jennifer M. Wager

New Financial Reporting

- Coming soon.....
 - State & Federal Grants Financial Reports
 - Cares Act Reporting
 - Student Wellness Reporting

Sample reports

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Note: SCC = Special Cost Center that segregates cash, revenues and expenses from other general fund operations.

Preschool Expansion:

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Unspent funds analysis

	Revenues	Combined Spend	Excess Revenue over Expenses	Cumulative
FY17	7,947,353	1,549,838	6,397,515	6,397,515
FY18	16,162,880	8,665,366	7,497,514	13,895,029
FY19	15,260,529	10,901,294	4,359,234	18,254,263
FY20	15,767,475	15,249,065	518,410	18,772,673*
FY21 (est)	15,767,475	17,031,554	-1,264,079	17,508,593
FY22 (est)	7,883,737	17,177,138	-9,293,400	8,215,192
Total	\$ 78,789,448	\$ 70,574,256	\$8,215,192	

*As of FY20 – CPP Underspend
= \$ 7,549,984

*As of FY20 – CPS Underspend
= \$ 210,720

*As of FY20 – unallocated cash
reserve = \$ 11,011,968

Resolution Review

- See Word document
- Options for allocation of unspent reserve:
 - 50/50 split
 - # of students participating in TA
 - # of Classrooms
 - % of annual consumption of funds
 - Annual planning basis (project based)

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- Resolution Adopted –Aug 3
 - Waiver requirements for multiple quotes, RFPS due to urgent necessity of COVID related expenditures
- New “Requisition Code”
- Year to date - \$ 5,803,069 (88)

	July		August	
	#	\$	#	\$
Contracts	16	\$2,826,302	11	2,654,653
Requisitions	6	\$ 238,520	55	83,595
Total	22	\$3,064,821	66	2,738,248

COVID Lessons learned - Finance

- Payroll
 - Time and leave reporting
 - Convert from "Batch reporting" to Individual employee reporting
 - *Aug 19: Systems are ready to go, communication to employees in draft*
 - *Sept 16: Engaging stakeholders to establish a pilot group, anticipated kickoff -Oct 1 Retraining of Ed Center, Iowa St, Nov 1st School Pilot*
- Vendor payments
 - Invoices & incomplete requisitions
 - Remote work environment – recentralize procurement and invoice processing
 - *Aug 19: Currently all spending decisions go through Treasurer (90 day Approp)*
 - *Sept 16: Planned presentations to create/recruit -Pilot volunteers (3rd week Oct)*
 - *Urgent Necessity Resolution adopted*

Lessons learned cont.

- Paper based forms
 - Delays in processing & approvals
 - Speed up conversion to online forms
 - Personnel Requisitions, Schedule E, Stipends, Application for professional development
 - *Aug 19:*
 - *Personnel Reqs: completely online (extended time only), updated based on user feedback*
 - *Schedule E: by Winter season*
 - *Sept 17th:*
 - *Personnel Reqs to date 485 entered by end users, 209 approved*

Budget Update

New Timeline

- 9/30 Public Presentation on FY21 Revised Budget
- 10/5 Budget Hearing
- 10/10 Board Workshop (Growth, Budget)
- 10/19 Budget Submission for Board Adoption

Budget Adjustments to date

- Vendor contract reductions \$6.7M general fund
- Position Reductions -179 ftes \$16.5M
- Travel - \$1.4
- Office Supplies – \$259K *(central budgets only)*
- Technology – \$113k *(central budgets only)*
- Facility Projects \$1.5M + \$1M Lighthouse renovation
- Schedule E reduction (elementary) \$1M
- Transportation (delayed start) \$1M
- Other non-personnel \$280K

- Total to date – \$29.8M

May Forecast Review

	May Forecast	Possible Adj	Sep Revision
Property Taxes	311.3		311.3
State Aid	207.3	6.0	213.2
Property Tax Alloc	24.6		24.6
Other operating revenue*	34.2	5.4	39.6
Transfers In	5.1		5.1
Advances In	3.1	6.2	9.3
Other sources**	6.2		6.2
Total Revenues	591.7	17.5	609.3

*TIF revenue & Medicaid reimbursement, Interest revenue

**Prior period adjustments, mostly Erate reimbursements

2 Choices

FY21	May Forecast	June Actual (unaudited) Option A	June Actual (unaudited) Option B
Beginning Cash	106.6	108.1	108.1
Add Revenues	591.7	609.3	609.3
Available Resources	698.3	717.4	717.4
Required Cash Bal	73.5	73.5	73.5
Allowable Expenditures	624.8	625.0	625.0
Add to Cash Balance		18.9 (rev 92.4)	
Increase allowable spending			18.9 (max 643.9)

May 2020 FY22 Cash Balance – 35.2M

FY23 Cash Balance - \$ 260K

FY24 Cash Balance - (30.3M)

Other News

- FY20 Financial Auditors – in house
- FY21 School Supplies
 - Since Aug 16th – 1,428 orders processed - \$1,914,976
 - Total orders – 2,180 for \$ 32,288,984