



ZIONSVILLE
—COMMUNITY SCHOOLS—

2022 Budget Presentation

Budget Hearing:
October 4, 2021

Budget Adoption:
October 18, 2021

2022 Budget Adoption Timeline

1. September 13, 2021 – Permission to Advertise
2. September 15, 2021 – Advertised through Gateway (DLGF) and the ZCS website
3. October 4, 2021 – Budget Hearing
4. October 18, 2021 – Budget Adoption
5. October 20, 2021 – Filing of adopted budget
6. December 2021 – Receive 1782 Notice and budget order from DLGF

THE FIVE THINGS YOU NEED TO KNOW

ABOUT EVERY PUBLIC BUDGET:

1. How much do we need to spend and what are the details of these expenditures?
2. What revenues and resources will we have to support the needed expenditures?
3. Will our budget be balanced?
4. What does all of this mean to the taxpayer?
5. What is our long-term outlook?

FIRST:

The Required State of
Indiana Budget Forms and
Related Budget Documents



DLGF's State Budget Forms for 2022

- ✓ Form 1 – Detail of Appropriations
- ✓ Form 2 – Projected Revenues

Full copies of all state-required budget forms and documents for 2022 are available on our website (hard copy available upon request).

- ✓ Form 4B – Calculation of Levies
- ✓ Required Supporting Documents:
 - Current Year Worksheets
 - Debt Service Worksheets
 - Capital Projects and Bus Replacement Plans



“Advertised” and “Actual”

The “Advertised” Budget

- Required format
- Required forms
- Rates, levies, calculations pre-ordained or strongly recommended because of statutory process and state level oversight/direction

The “Actual” Budget

- Anticipated revenues

Projections!

oblig

About those Projections:

The purpose of our projections is to inform the Board that in our opinion:
If the Board adopts “X” the result will be “Y.”

“Y” may not always be the result we would like, but “X” has been carefully formulated to yield the optimum “Y” we can achieve from the state’s budget process.

T
DIFF

Structure of our Primary Funds

Instructional uses – salaries and benefits for teachers, certain other employee groups, and costs of instructional materials.



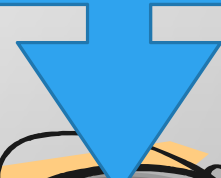
Education Fund

Operational uses – salaries and benefits for most non-instructional employees, maint., equipment, transportation, utilities, non-instructional supplies, plus Capital Projects and Bus Replacement Plans.

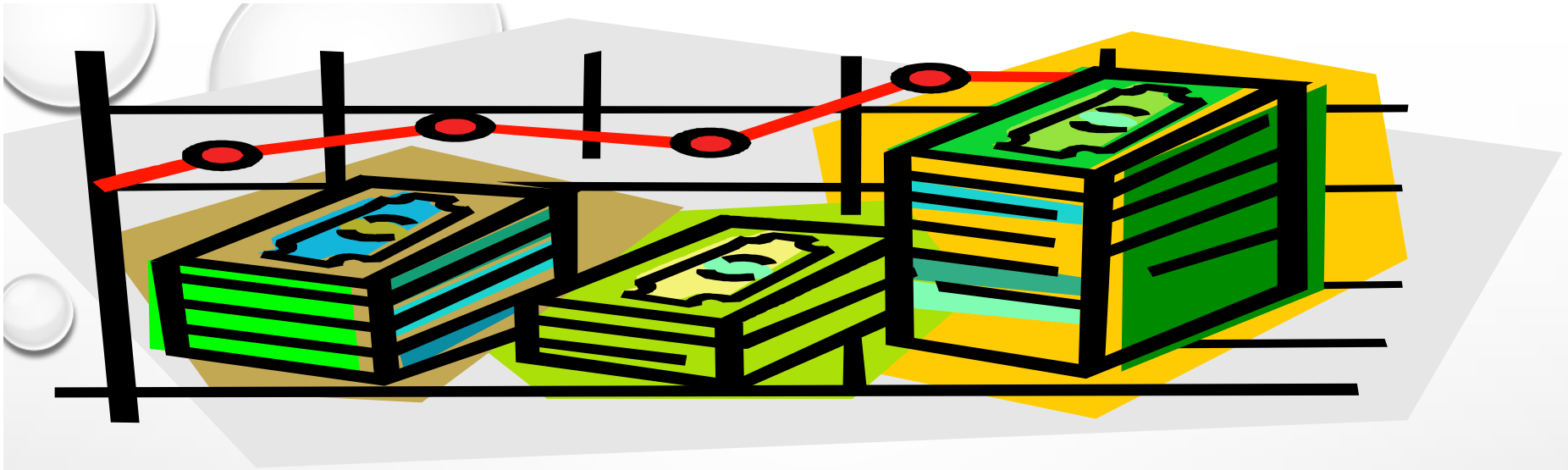


Operations Fund

Principal and interest payments on outstanding debt.



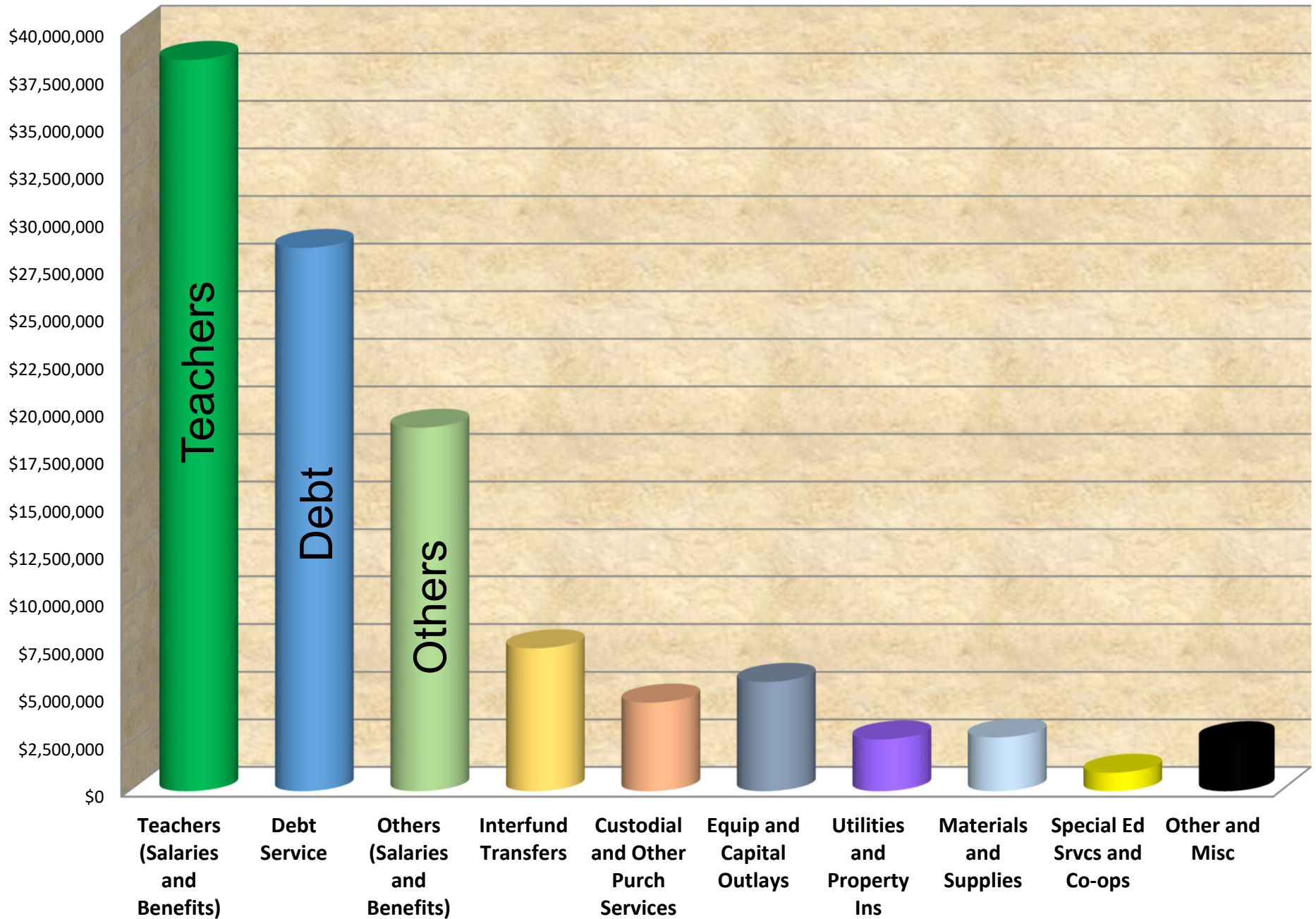
Debt Service



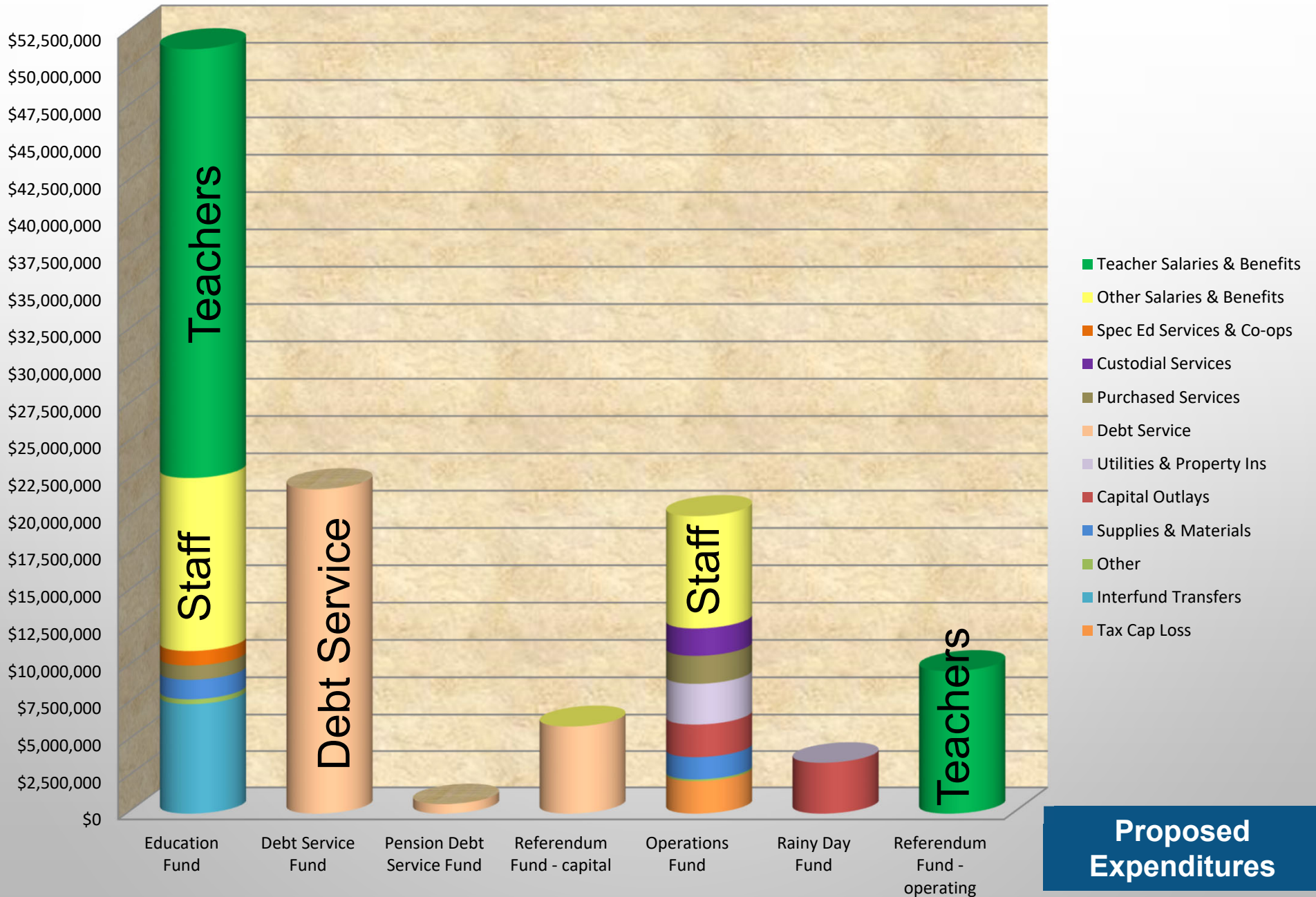
2022 BUDGET: EXPENDITURES

HOW MUCH WILL WE SPEND
AND ON WHAT WILL WE
SPEND IT?

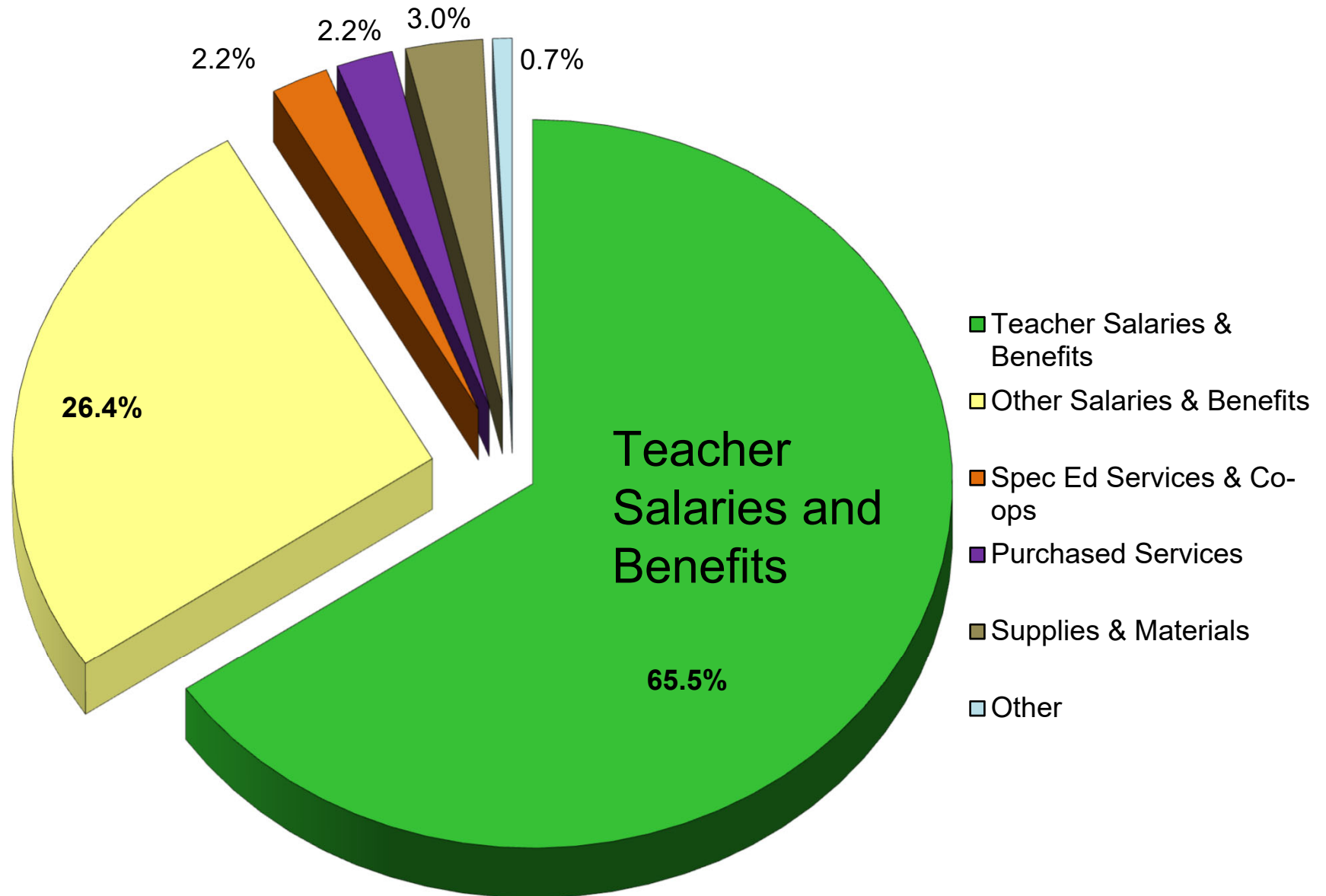
2022 Projected Expenditures By Function - All Funds



2022 Projected Expenditures By Fund and Category



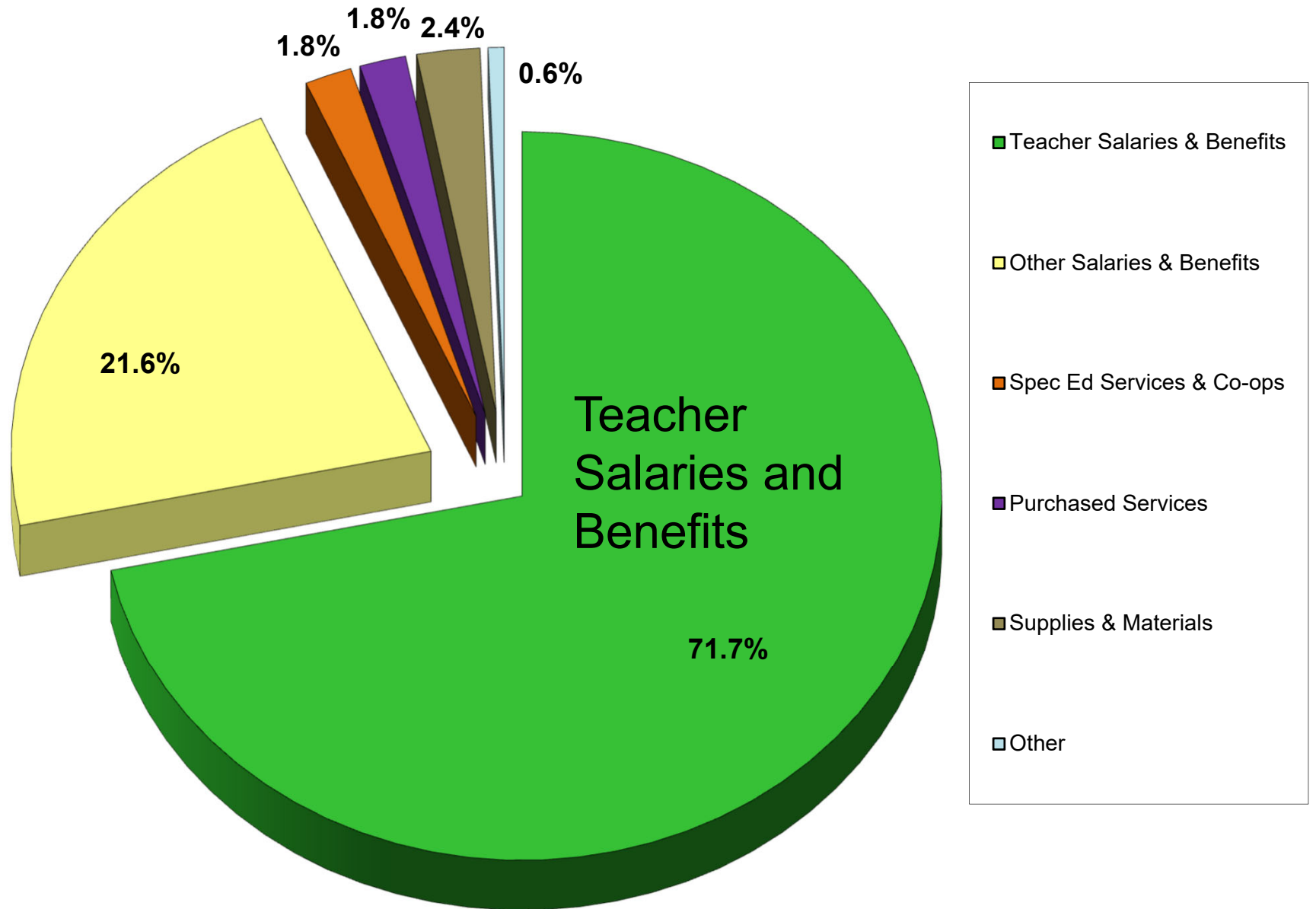
2022 Education Fund Estimated Expenditures



But See Next 2 Slides!!!

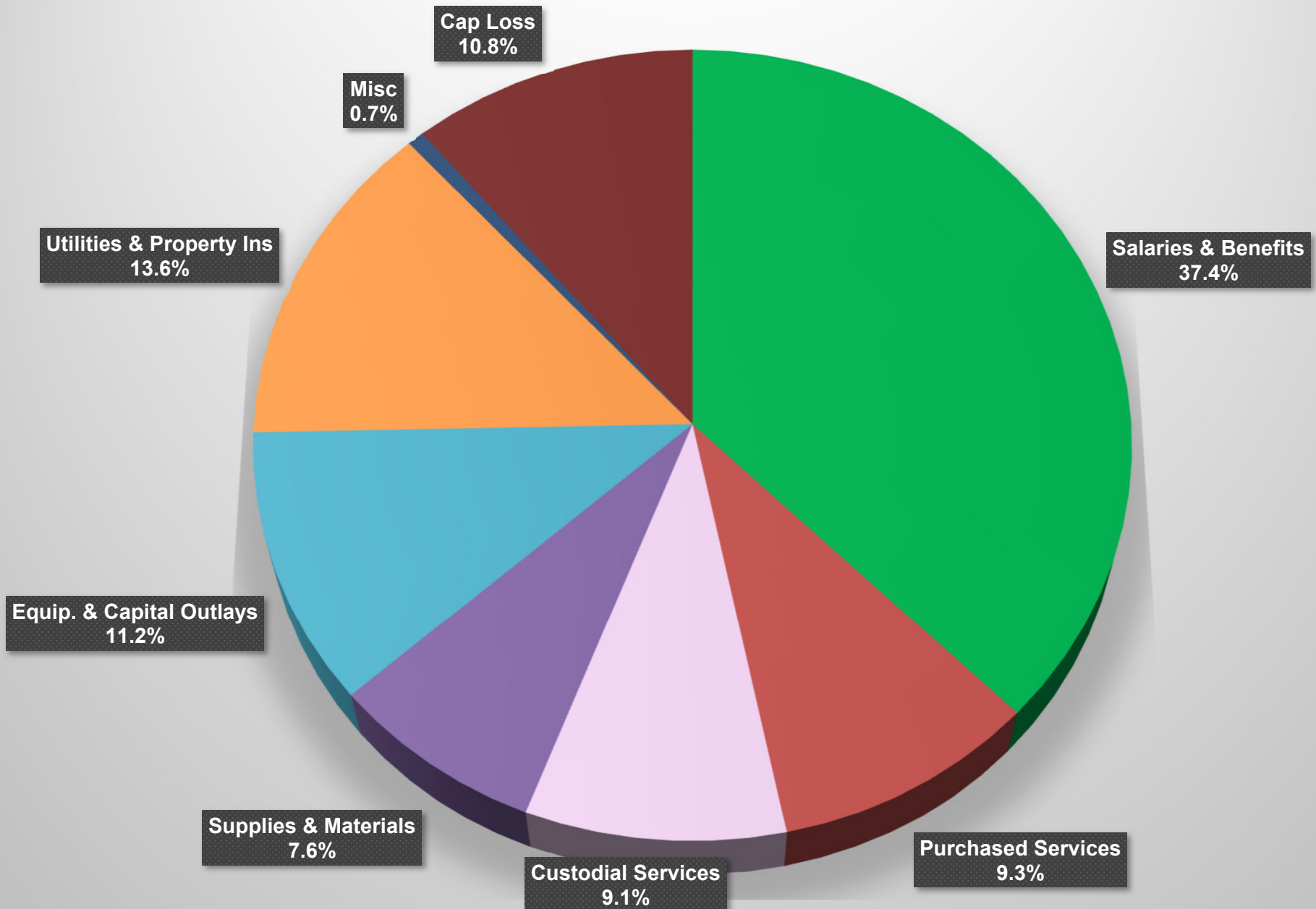
**100% of the Operating
Referendum Fund will be
used for teacher salaries
and benefits! These are
direct instructional costs!**

2022 Combined Education Fund and Referendum Fund Estimated Expenditures



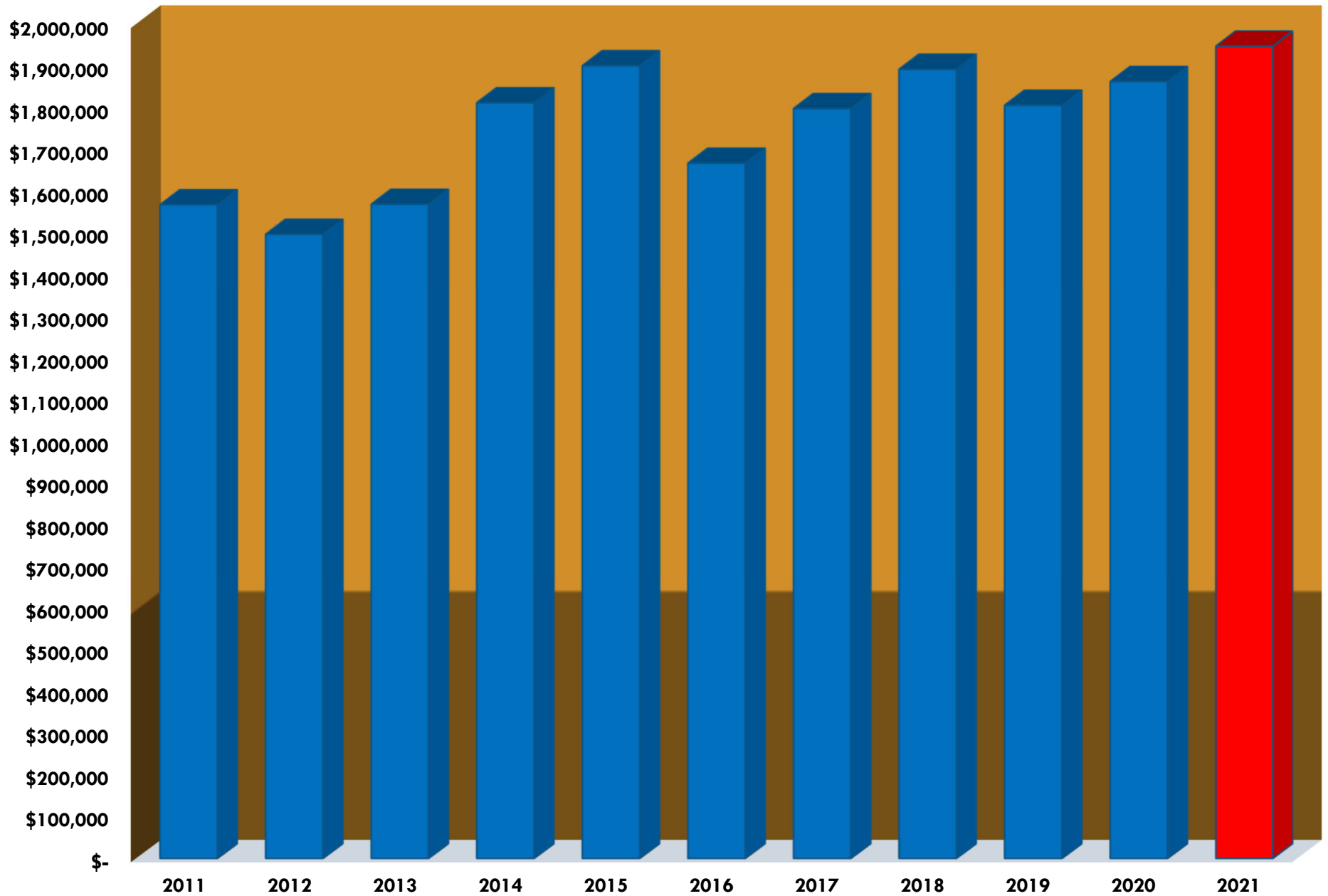
**Proposed
Expenditures**

2022 Operations Fund Estimated Expenditures



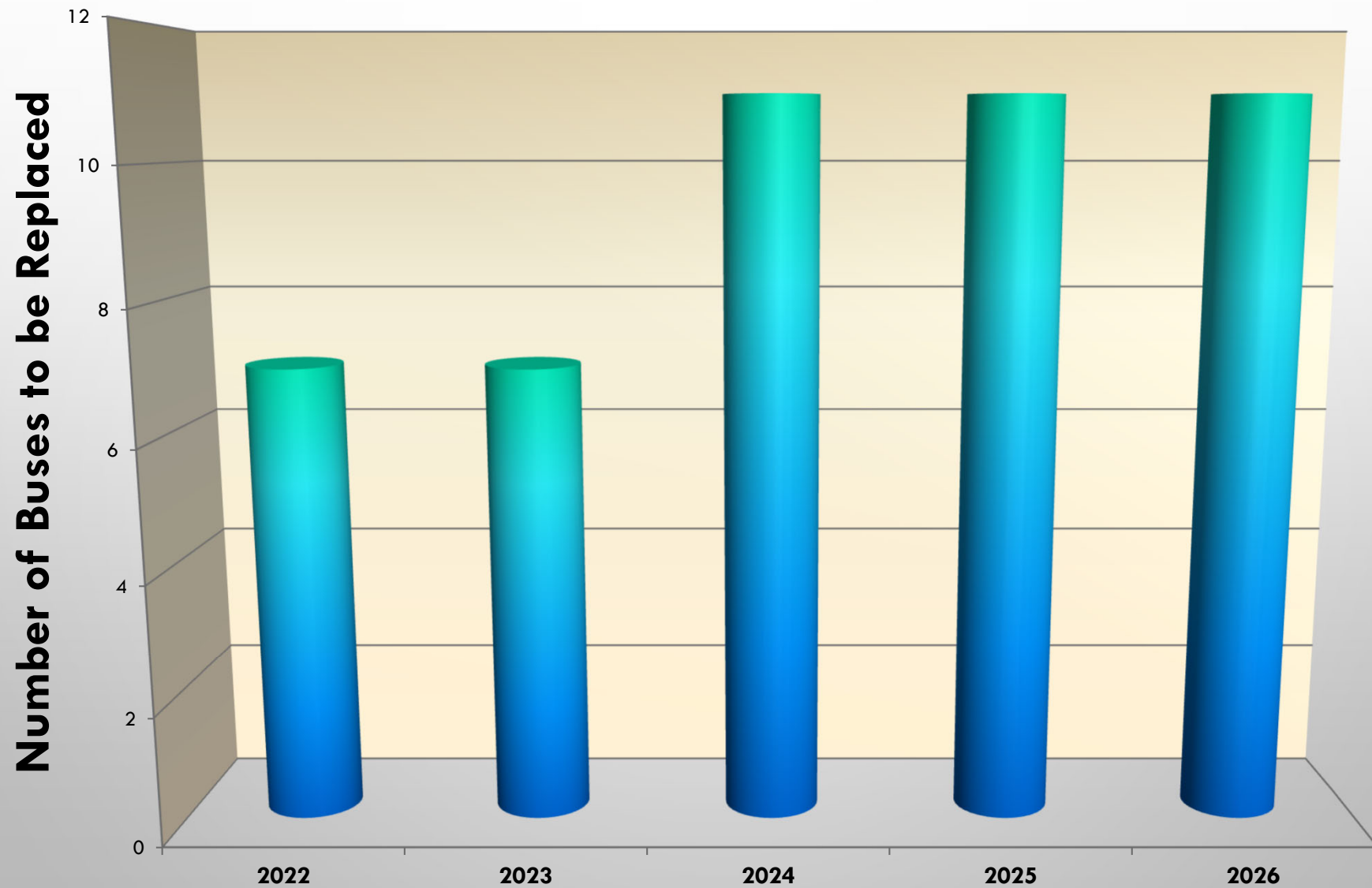
ANNUAL UTILITY COSTS

2011 THROUGH 2020 WITH PROJECTION FOR 2021



2022 Bus Replacement Plan

Buses to be Replaced



Zionsville Community Schools
Summary of Debt
As of June 30, 2021 and for 2022 Budget Year

	Total Outstanding Debt as of <u>06/30/21</u>	Scheduled Principal to be Paid 7/1/2021 to <u>12/31/21</u>	Projected Total Outstanding Debt as of <u>12/31/21</u>	Scheduled Principal to be Paid 1/1/2022 to <u>12/31/22</u>	Projected Total Outstanding Debt as of <u>12/31/22</u>
<u>General Obligation Bonds:</u>					
Refunding Pension Bond of 2013	\$ 2,355,000	\$ 300,000	\$ 2,055,000	\$ 600,000	\$ 1,455,000
General Obligation Bond of 2017A	\$ 160,000	\$ 160,000	\$ -	\$ -	\$ -
General Obligation Bond of 2017B	\$ 160,000	\$ 160,000	\$ -	\$ -	\$ -
General Obligation Bond of 2018A	\$ 2,335,000	\$ 765,000	\$ 1,570,000	\$ 1,570,000	\$ -
General Obligation Bond of 2018B	\$ 795,000	\$ 260,000	\$ 535,000	\$ 535,000	\$ -
Subtotals - General Obligation Bonds	\$ 5,805,000	\$ 1,645,000	\$ 4,160,000	\$ 2,705,000	\$ 1,455,000
<u>Lease-Rental Bonds:</u>					
Lease Rental of 1999 CABS	\$ 1,271,220	\$ 437,073	\$ 834,147	\$ 834,147	\$ -
Lease Rental of 2002 CABS	\$ 2,250,411	\$ 352,661	\$ 1,897,750	\$ 672,212	\$ 1,225,538
Lease Rental of 2003Z CABS	\$ 1,127,853	\$ -	\$ 1,127,853	\$ -	\$ 1,127,853
Lease Rental of 2005Z	\$ 3,650,054	\$ -	\$ 3,650,054	\$ -	\$ 3,650,054
Refunding of 2007	\$ 7,900,000	\$ 1,605,000	\$ 6,295,000	\$ 2,530,000	\$ 3,765,000
Refunding of 2012A	\$ 4,020,342	\$ -	\$ 4,020,342	\$ -	\$ 4,020,342
Refunding of 2012B	\$ 4,749,476	\$ -	\$ 4,749,476	\$ -	\$ 4,749,476
Refunding of 2014A	\$ 755,000	\$ 5,000	\$ 750,000	\$ 750,000	\$ -
Refunding of 2014B	\$ 60,985,000	\$ 3,985,000	\$ 57,000,000	\$ 8,260,000	\$ 48,740,000
Subtotals - Lease-Rental Bonds	\$ 86,709,356	\$ 6,384,734	\$ 80,324,622	\$ 13,046,359	\$ 67,278,263
2020-21 Lease-Rental Bonds to be issued in multiple series by 12/31/2021*	\$ 47,370,000	\$ -	\$ 93,000,000	\$ 6,000,000	\$ 87,000,000
TOTAL LONG-TERM DEBT	\$ 139,884,356	\$ 8,029,734	\$ 177,484,622	\$ 21,751,359	\$ 155,733,263

* Exact dates and final amounts of each series TBD.

The background features a light yellow grid with blue horizontal and vertical lines. Three stylized, green and grey banknotes are scattered across the grid. A thick grey crosshair is visible in the bottom-left corner.

2022

BUDGET:

REVENUES

How much revenue will we have? What are the sources of our revenues?

A BRIEF TOUR OF REVENUES

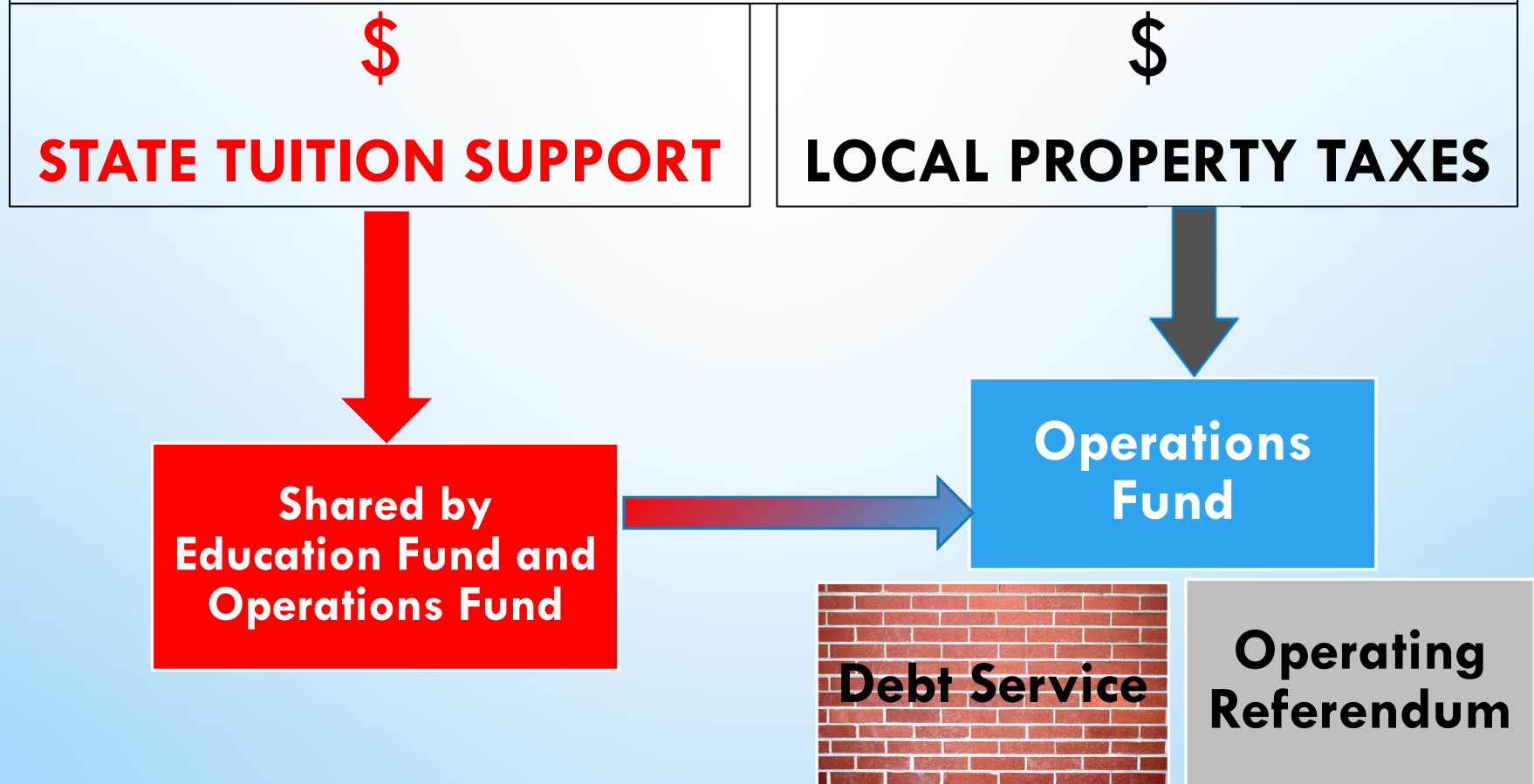
□ OUR MAIN FOCUS IS ON THE TWO LARGEST SOURCES OF REVENUES:

- PROPERTY TAXES
- STATE SUPPORT

□ A NUMBER OF SMALLER, MISCELLANEOUS REVENUE SOURCES ARE ALSO CONSIDERED IN BUDGETING:

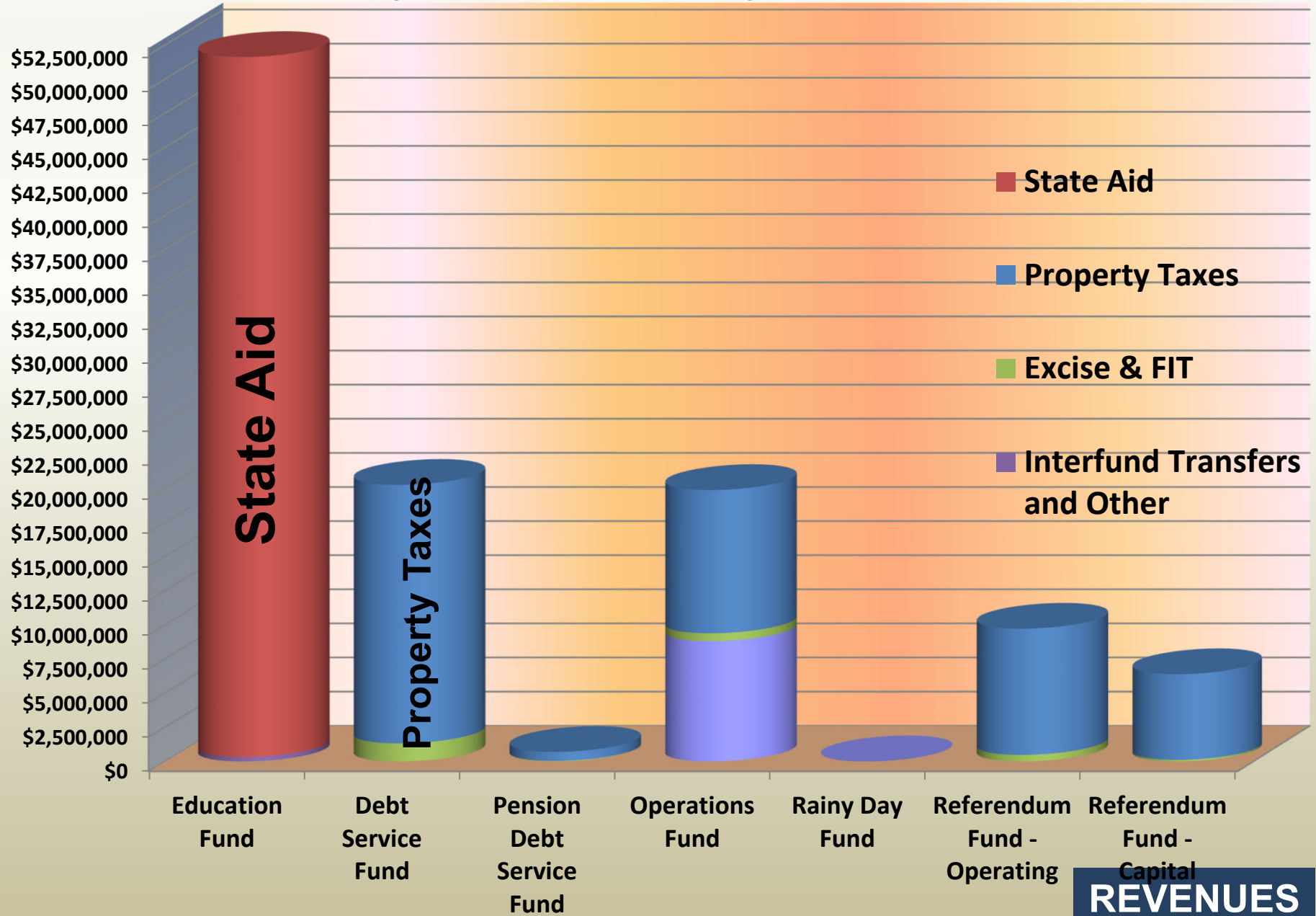
- EXCISE TAXES
- INTEREST INCOME
- FACILITIES RENTALS

THE REVENUE STRUCTURE



Interfund Transfers are an important part of our fund accounting and budgeting processes!

2022 Projected Revenues by Fund and Source



State Funding Formula for Tuition Support

Five Basic Components:

The two major items:

Foundation
Complexity

Unrestricted

Approx. 90% of
Total State Funding

The three minor items:

Special Education
Career and Tech
Academic Honors

Restricted

Approx. 10% of
Total State Funding



Basic State Funding Formula

State Funding Per Pupil = State Foundation
(State Complexity Amount X Pct. of Students in Poverty)

Here's the Math for

2022 State Foundation Amount = \$5,995

2022 State Complexity Amount = \$3,775

ZCS Percentage of Students in Poverty = 1.19%

(Students in Poverty are those in TANF, SNAP, or Foster Care)

\$5,995 + (\$45) = \$6,040 per pupil

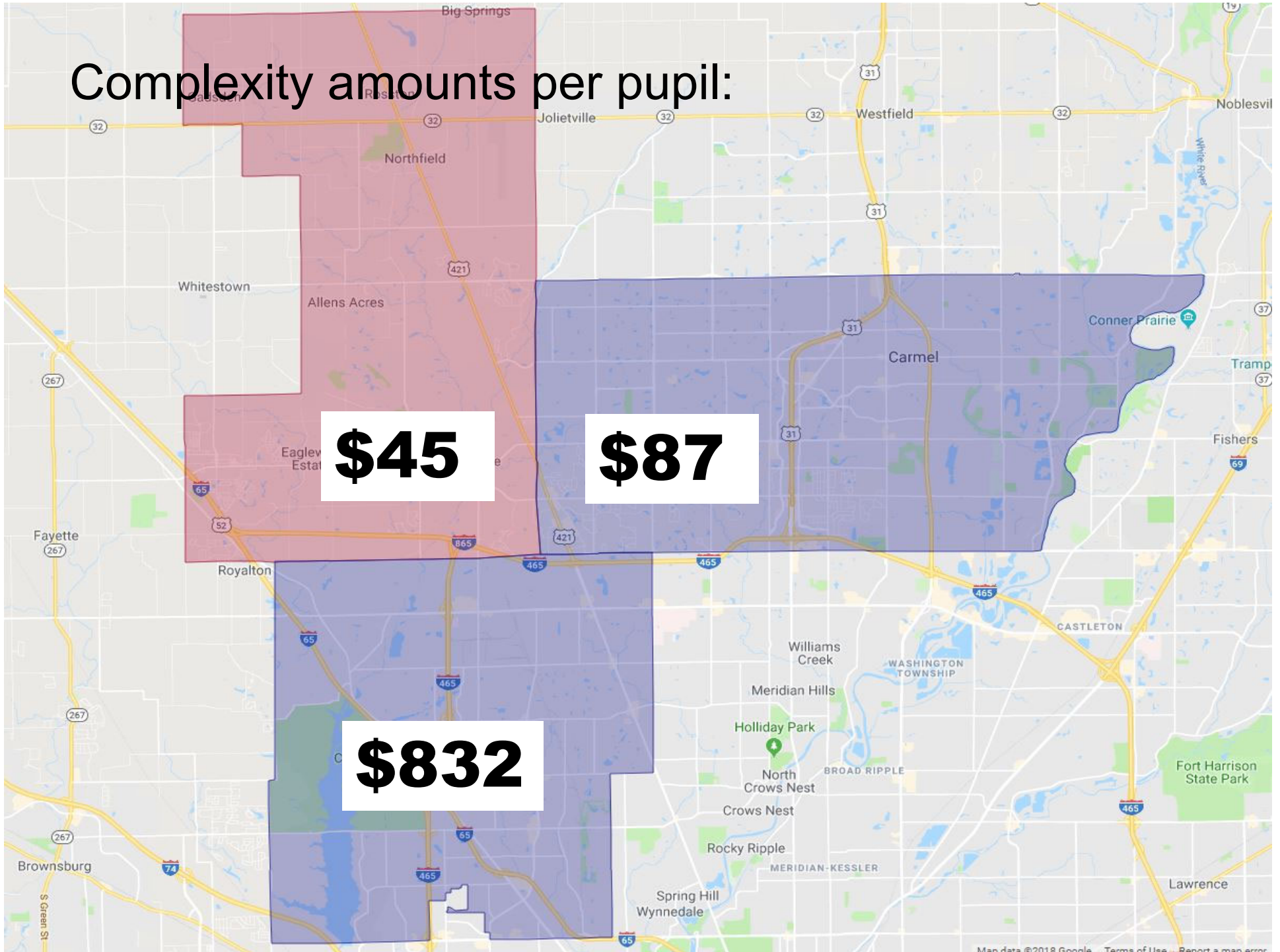
Lowest Pct.
in Indiana -
the state
FY2021
average is
19.00%

Complexity amounts per pupil:

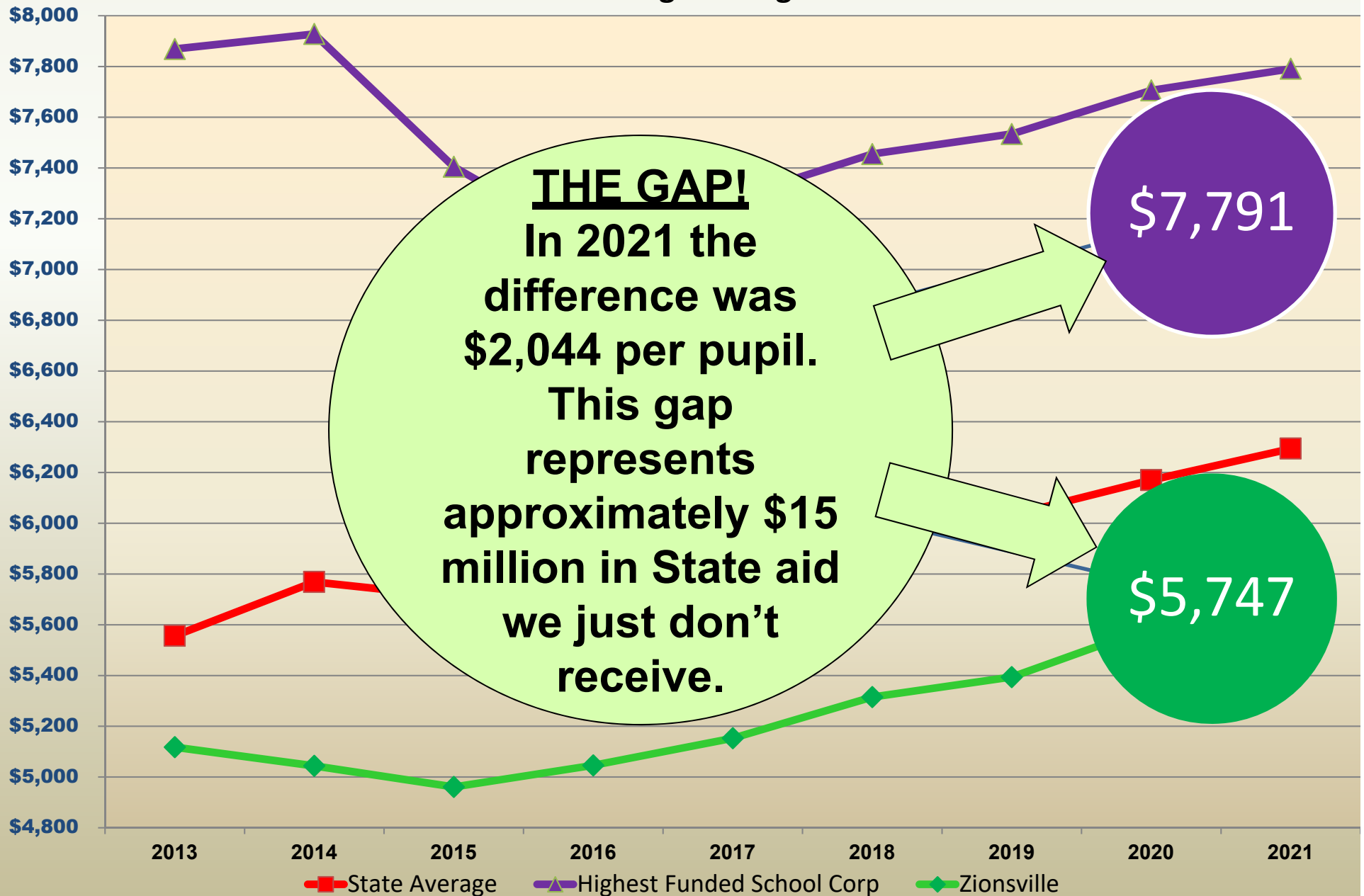
\$45

\$87

\$832

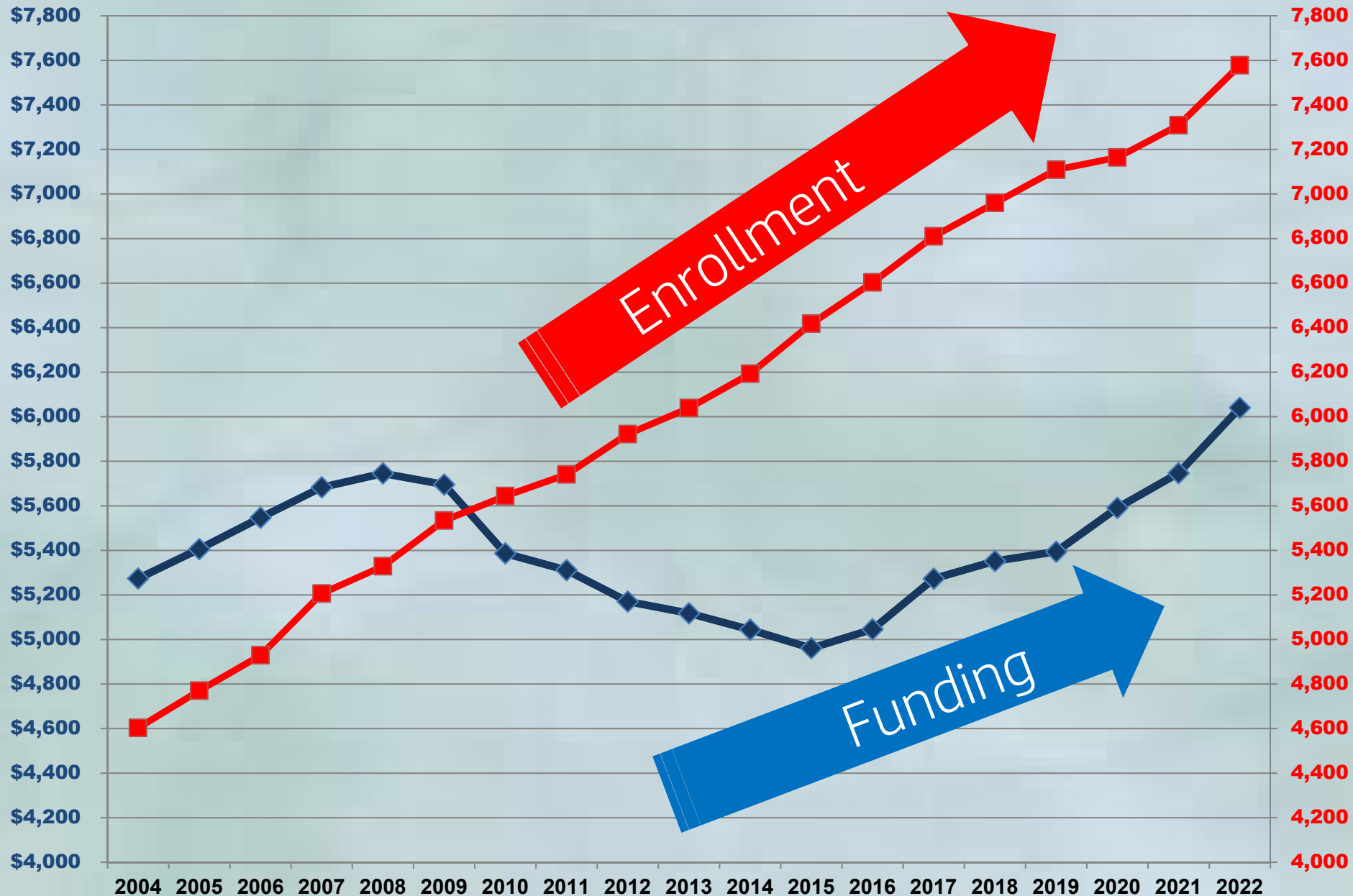


State Aid - Per Pupil Funding
ZCS vs. State Average vs. Highest Funded

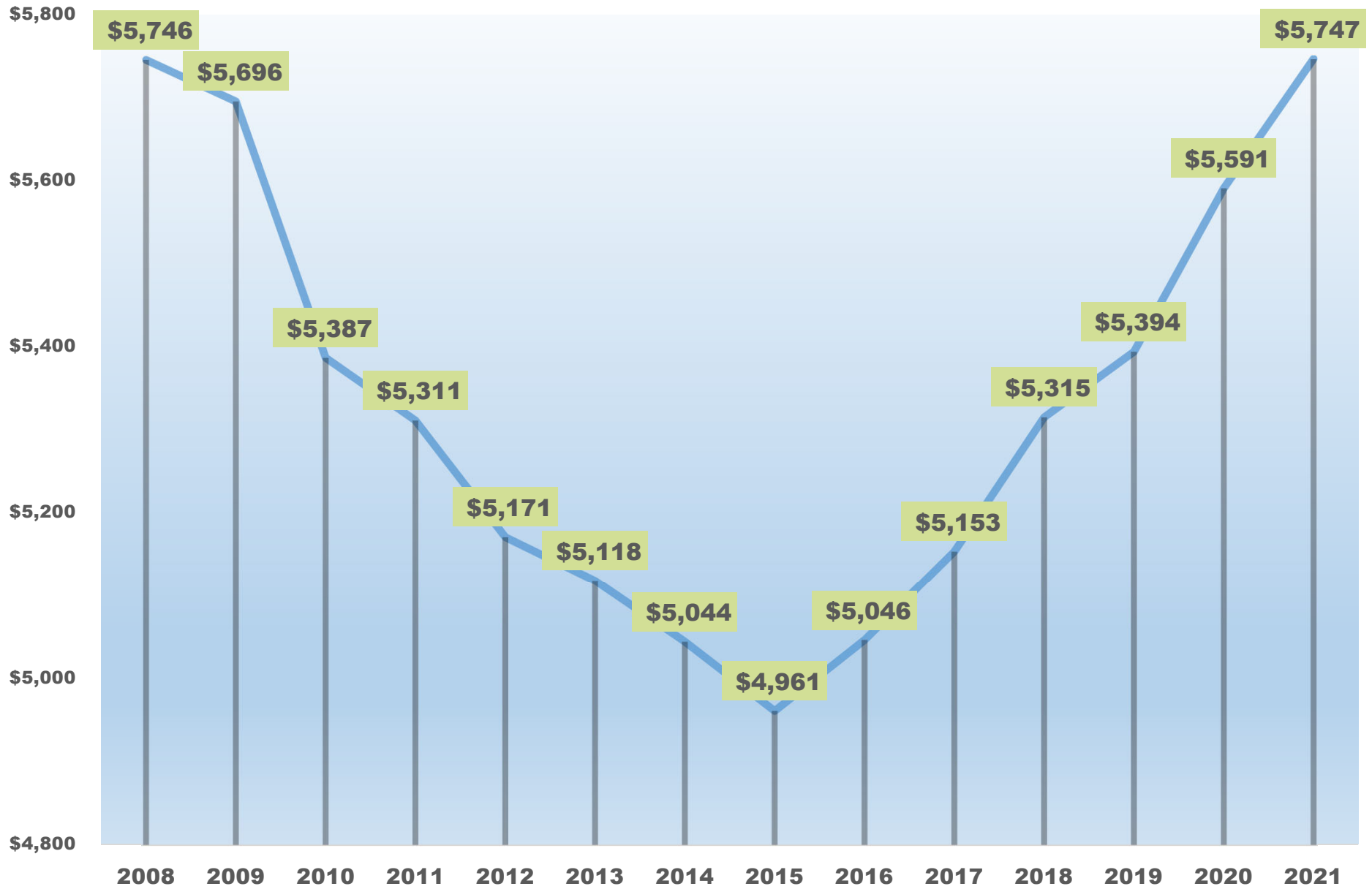


REVENUES

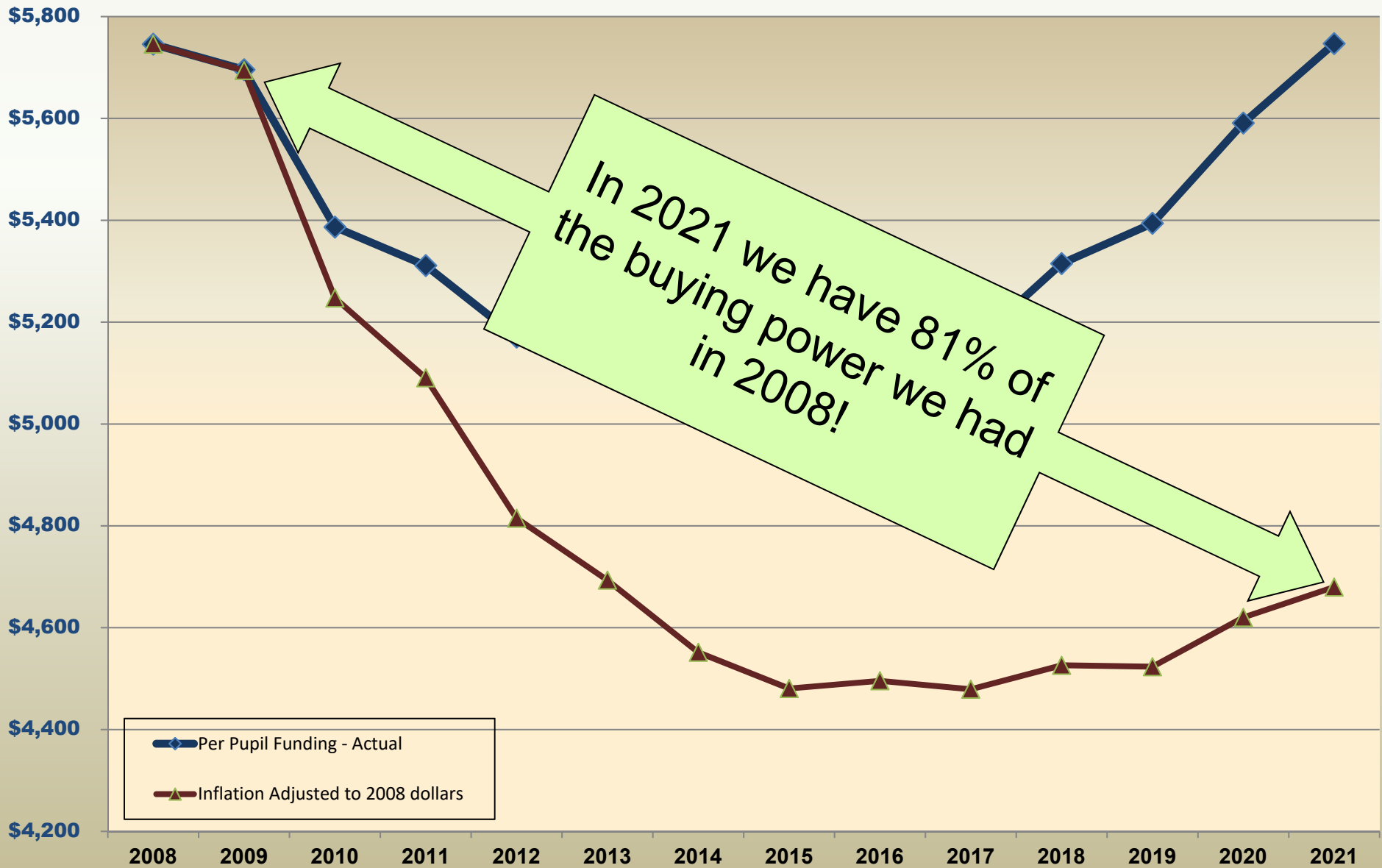
Zionsville Community Schools Base Per Pupil Funding vs. Enrollment



**Zionsville Community Schools
State Aid Per Pupil Funding
Actual 2008 to 2021**



**Zionsville Community Schools
Per Pupil Funding in Constant Dollars
(Adjusted for Inflation to 2008)
Compared to Actual Funding**



2022 BUDGET: **CASH FLOWS AND** **CASH BALANCES**

Will our budget be balanced?



Zionsville Community Schools
PROJECTED RESULTS
FOR 2022 BUDGET YEAR AND THE PERIODS SHOWN

	Projected Calendar Year 2022	Projected Calendar Year 2023	Projected School Year 2022-2023
<u>Projected Sources:</u>			
Education Fund	\$ 51,624,520	\$ 54,658,781	\$ 53,141,650
Debt Service Funds (Combined) *	\$ 22,551,962	\$ 18,173,252	\$ 20,362,607
Operations Fund	\$ 19,879,213	\$ 20,475,589	\$ 20,177,401
Referendum Fund - Operating	\$ 9,715,049	\$ 10,103,651	\$ 9,909,350
Referendum Fund - Capital	\$ 6,378,936	\$ 6,634,093	\$ 6,506,515
Rainy Day Fund *	\$ 3,505,000	\$ 5,000	\$ 1,755,000
Total Sources	\$ 113,654,680	\$ 110,050,366	\$ 111,852,523

Zionsville Community Schools
PROJECTED RESULTS
FOR 2022 BUDGET YEAR AND THE PERIODS SHOWN

	Projected Calendar Year 2022	Projected Calendar Year 2023	Projected School Year 2022-2023
<u>Projected Expenditures:</u>			
Education Fund	\$ 51,370,045	\$ 53,938,547	\$ 52,654,296
Debt Service Funds (Combined) *	\$ 22,551,962	\$ 18,629,494	\$ 20,590,728
Operations Fund	\$ 19,755,862	\$ 20,200,369	\$ 19,978,115
Referendum Fund - Operating	\$ 9,715,049	\$ 10,103,651	\$ 9,909,350
Referendum Fund - Capital	\$ 6,000,000	\$ 6,395,000	\$ 6,197,500
Rainy Day Fund *	\$ 3,505,000	\$ -	\$ 1,752,500
Total Expenditures	\$ 112,897,918	\$ 109,267,061	\$ 111,082,489
Projected Net Combined	\$ 756,762	\$ 783,305	\$ 770,034

2022 BUDGET: **TAX RATES AND** **TAX LEVIES**

What does all of this mean
to the taxpayer?

The background of the slide features a light gray surface with orange circuit lines and several white, 3D-rendered bubbles of varying sizes. A large purple rectangle is positioned in the lower half of the slide.

Multi-Year Financial Forecasting?

**20-Year Strategic Plan for
Tax Rate Management**

2022 is Year Eight!

2014 Total local property tax rates compared with peer communities

Rank	Locality	2013-Pay-2014 Tax Rate
1	Sheridan	\$ 3.6854
2	Kokomo	\$ 3.6153
3	Avon	\$ 3.2445
4	Westfield	\$ 3.0960
5	Noblesville	\$ 3.0184
6	Brownsburg	\$ 2.9910
7	IPS	\$ 2.9550
8	MSD Wayne Twp	\$ 2.9268
9	MSD Washington Twp	\$ 2.9037
10	MSD Pike Township	\$ 2.8930
11	Clark-Pleasant	\$ 2.8855
12	West Lafayette	\$ 2.8239
13	Lafayette	\$ 2.5215
14	Zionsville	\$ 2.4989
15	Tippecanoe	\$ 2.4718
16	Lebanon	\$ 2.2074
17	HSE	\$ 2.1830
18	MSD SW Allen	\$ 2.0322
19	Carmel	\$ 2.0053
20	Center Grove	\$ 1.9553

14th Place!

2021 Total local property tax rates compared with peer communities

Rank	Locality	2020-Pay-2021 Tax Rate
1	Kokomo	\$ 4.0822
2	Sheridan	\$ 3.0497
3	IPS	\$ 2.9616
4	Avon	\$ 2.9613
5	MSD Wayne Twp	\$ 2.9362
6	MSD Washington Twp	\$ 2.9163
7	MSD Pike Township	\$ 2.9057
8	West Lafayette	\$ 2.8847
9	Noblesville	\$ 2.7898
10	Brownsburg	\$ 2.7875
11	Lafayette	\$ 2.6611
12	Tippecanoe	\$ 2.5909
13	Westfield	\$ 2.5633
14	Clark-Pleasant	\$ 2.5436
15	Fishers/HSE	\$ 2.3119
16	Center Grove	\$ 2.1435
17	Lebanon	\$ 2.1147
18	Carmel	\$ 2.0727
19	Zionsville	\$ 2.0677
20	MSD SW Allen	\$ 1.7334

19th out of 20!

22

~~2021~~ UPDATE:

*We are sustaining rates at
a level 30 cents below the
2014 rate.*

*Further, this tax rate level
of about \$1.30 can be
maintained for the next
decade and beyond.*

Assessed Valuation Mix Matters!

Property Tax Caps!

1% cap*



RESIDENTIAL

69.60%

2% cap*



**FARM and
RENTAL**

13.56%

3% cap*

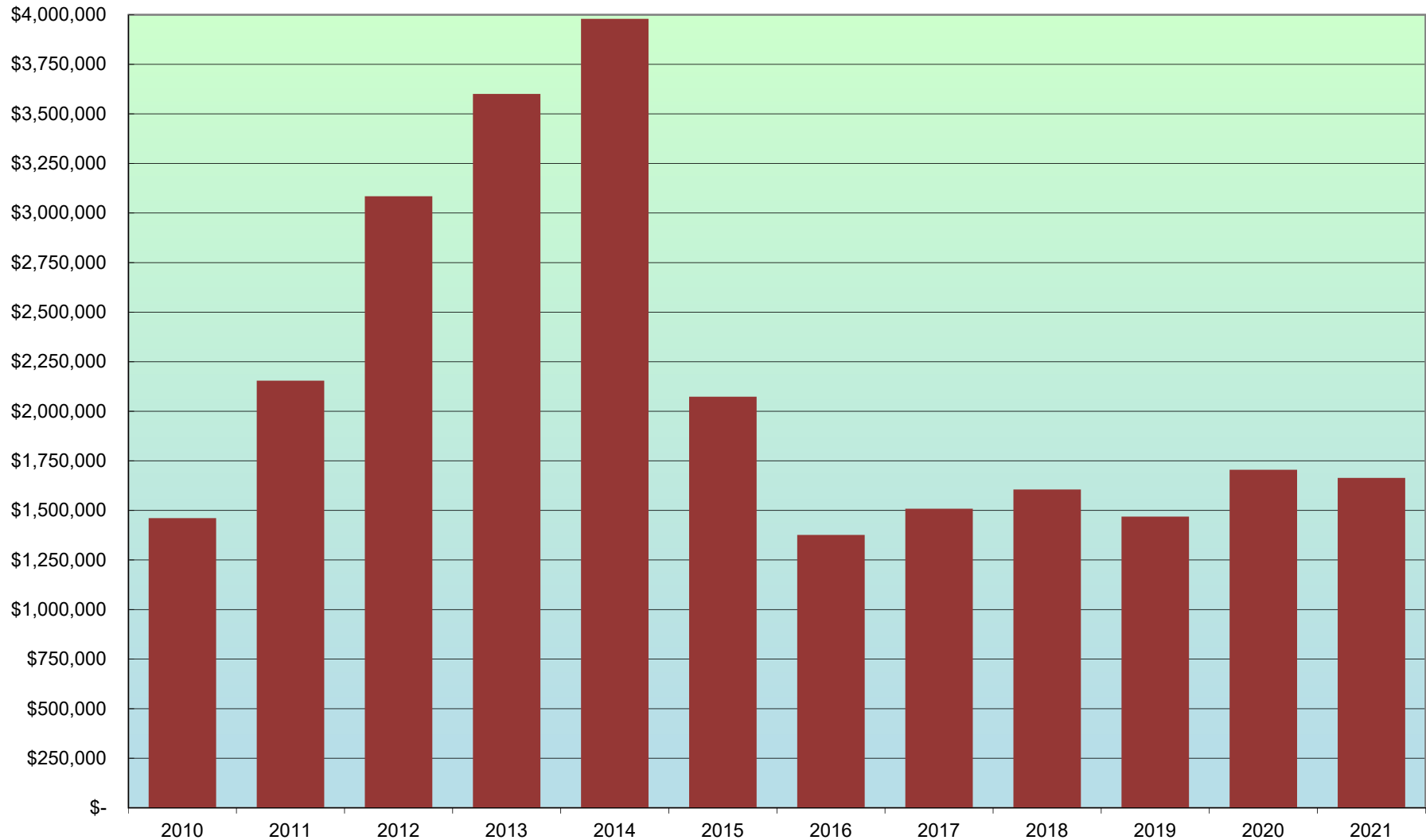


**COMMERCIAL
and All OTHER**

16.84%

**Caps are applied to the GROSS Assessed Value*

ZCS Property Tax Cap Losses Per DLGF Property Tax Cap Reports



Zionsville Community School Corp., Indiana; General Obligation; General Obligation Equivalent Security; School State Program

Credit Profile

US\$5.0 mil GO bnds ser 2018A due 01/15/2023

<i>Long Term Rating</i>	AA/Stable	New
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<i>Underlying Rating for Credit Program</i>	AA/Stable	New
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US\$2.0 mil GO bnds ser 2018B due 01/15/2023

<i>Long Term Rating</i>	AA/Stable	New
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<i>Underlying Rating for Credit Program</i>	AA/Stable	New
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Eagle-Union Middle Sch Bldg Corp, Indiana

Zionsville Comnty Sch Corp, Indiana

Eagle-Union Middle Sch Bldg Corp (Zionsville Comnty Sch Corp) GO

<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Upgraded
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Zionsville Comnty Sch Bldg Corp, Indiana

Zionsville Comnty Sch Corp, Indiana

Zionsville Comnty Sch Bldg Corp (Zionsville Comnty Sch Corp) 1st mtg (MBIA) (National)

<i>Unenhanced Rating</i>	AA(SPUR)/Stable	Upgraded
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2022 BUDGET PRESENTATION SUMMARY:

The five questions about the proposed budget:

1. How much would we actually spend and what will we spend it on? ***An estimated \$113 million will be expended. The major expenditure categories will be: personnel costs 51%, debt service 25%, professional and contractual services 5%, interfund transfers 7%, utilities and insurance 2%, supplies, equipment and capital outlays 8%, and other and misc. 2%.***
2. What revenues and resources will we have? ***All combined, our revenues should be about \$109 million, which will be made up of approximately 47% state funding, 42% property taxes, and 11% other.***
3. Will our 2022 budget be balanced? ***YES - with the caveats that the Debt Service Fund will continue to adjust its cash balance to comply with DLGF regulations. We also have budgeted appropriations in the Rainy Day Fund to enable the Board to quickly respond to an emergency or immediate need if one should surface in 2022. All other funds will be balanced.***

2022 BUDGET PRESENTATION SUMMARY:

The five questions about the proposed budget:

4. What does all this mean to the taxpayer? ***The total school tax rate for 2022 should be very close to the 2021 rate. Taxation changes that occur would involve the capital referendum rate, and variables of the individual property assessed valuation and taxing district location. The school tax rate is not the entire tax rate for any taxpayer, and material changes in another taxing entity's rate will not alter the school rate, and are not attributable to school related taxation.***
5. What is our long-term outlook? ***Our outlook is fair but guarded. Our financial position remains stable unless COVID creates ongoing issues, or we experience another issue that leads to a weak-case scenario.***



ZIONSVILLE
— COMMUNITY SCHOOLS —

Thank You for Your Kind Attention!