ZIONSVILLE COMMUNITY SCHOOLS

MEMORANDUM

To: All Members, Board of School Trustees; Dr. Scott Robison, Superintendent
From: Michael A. Shafer, C.P.A., Chief Financial Officer
RE: Financial Update for the Board of School Trustees
Date: March 22, 2021

MESSAGE:

Attached please find the monthly financial reports for February 2021. As we would expect this early in a budget year, the financial results are generally within the normal ranges of fluctuations we consistently experience. Comments on certain items are shown in the notes which accompany the reports.

We have been looking at the provisions of the recently passed American Rescue Plan Act (ARPA), the new federal $1.9 trillion COVID-19 relief act. It appears that this latest federal statute will follow the same Title I formula methodology in distributing federal aid for schools that the previous COVID-19 act did.

According to a new national survey by the Association of School Business Officials, this will result in 5.8% of all public school districts receiving no federal funding at all from the ARPA. Unfortunately, ZCS is in this group and will receive zero dollars again from this latest federal windfall to schools, which is expected to average $2,500 - $2,600 per pupil for the eligible 94.2% of the school districts across the country.

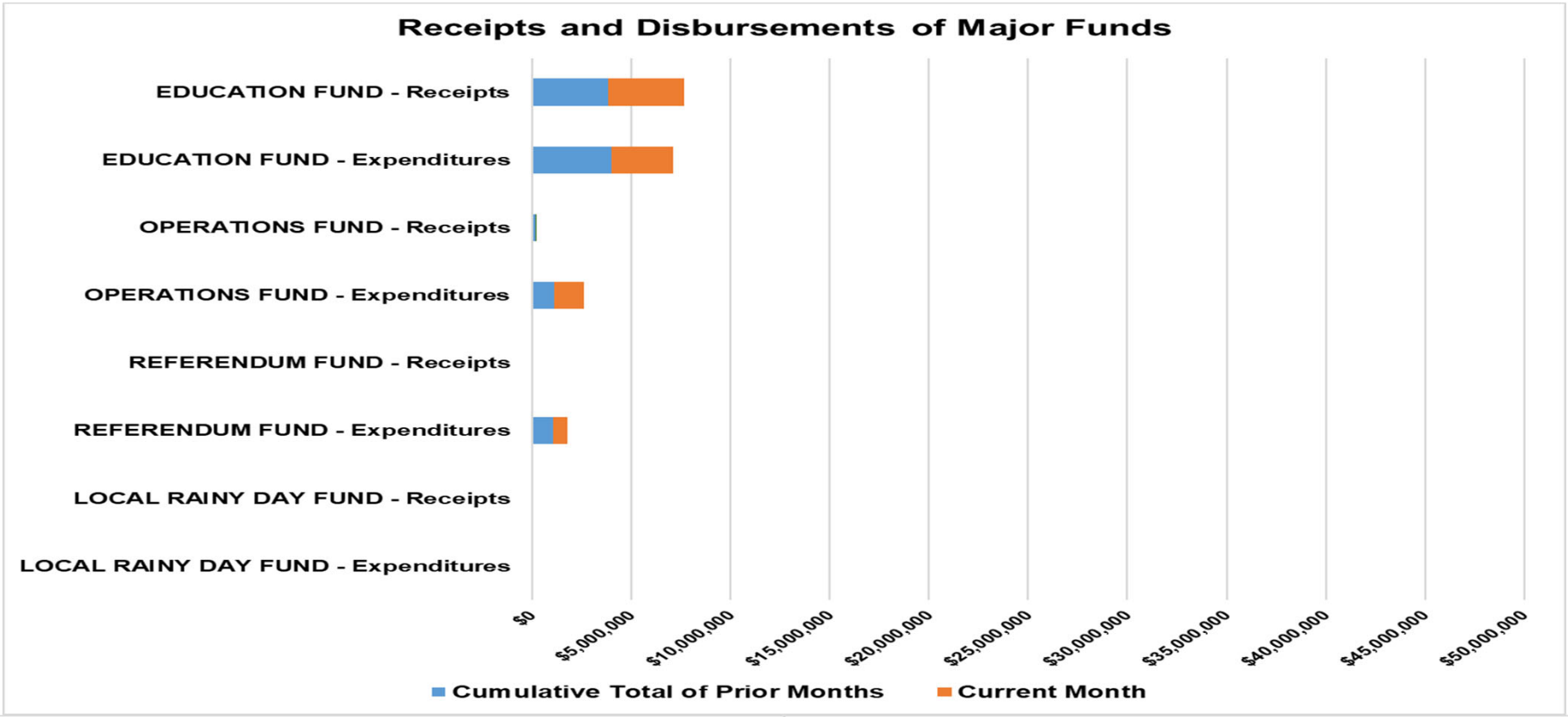
We did learn that the federal statute uses a different formula for the amounts to be allocated to cities, towns, counties, and states. This formula has poverty as a major factor, but considers other factors as well. As a result, published estimates show that the Town of Zionsville will receive $5.91 million, and the Town of Whitestown will get $1.89 million. Boone County is in line for $13.16 million for county government.

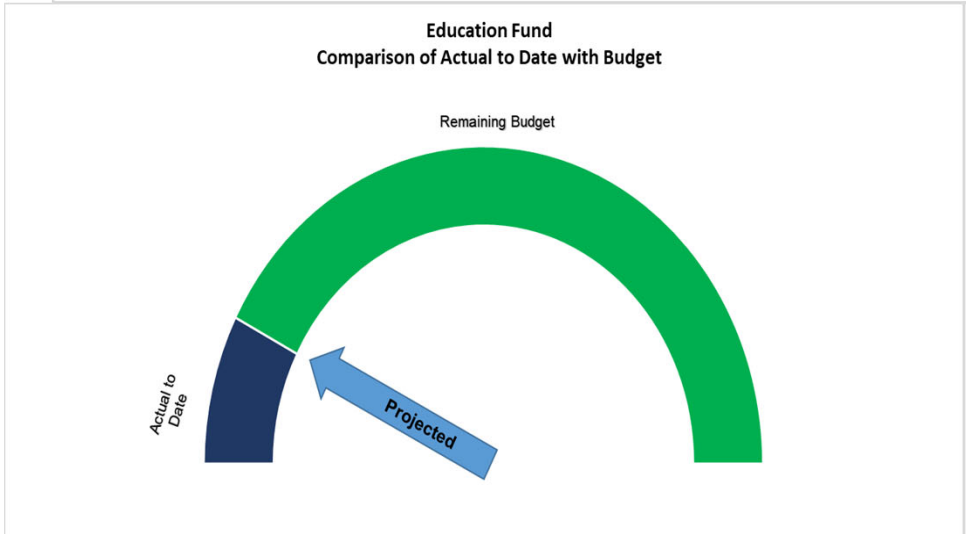
In other news, the legislative session is in full swing, with the legislative leadership having recently published a goal of ending the session on April 21. However, it appears that a special session will be necessary for the decennial redistricting, due to the delay in receiving the needed population data from the U.S. Census Bureau.

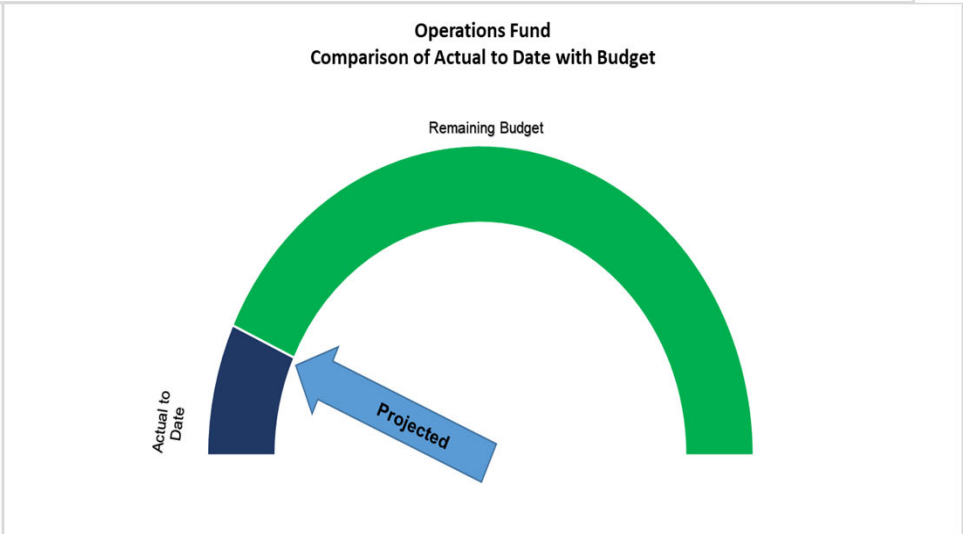
Right now, it looks like there will be the usual photo-finish of hectic activity as legislators receive the final state revenue forecasts (due on or about April 15), then attempt to finalize the state biennial budget within just the last few days of the session. They must reconcile the different budget proposals currently in play from the Senate, the House, and the Governor, all the while dealing with a myriad of highly important bills on other topics.

One bill of concern is the voucher expansion bill, HB1005, which is highly controversial to say the least. It has drawn very heavy opposition from literally dozens of public school boards (including ZCS). This bill's estimated price tag of $144 million (per the Indiana School Boards Association) would come out of the total money to be allocated to K-12 education in the next state budget, and reduce the additional money available to public schools by about 1/3 for the biennium. However, this bill is still moving straight through the legislative process and appears to be headed for passage. I will provide a detailed analysis of the final budget and school funding formula, as well as the effects of HB1005, as soon as the final versions are available.

Financial Overview – February 2021







Zionsville Community Schools
Monthly Financial Summary
Report of Revenues, Expenditures, Transfers and Balances
Budgeted and Special Funds - February 2021

Fund Title	Beginning Balance Jan. 1, 2021	Previous YTD Receipts	Previous YTD Expenditures	Ending Balance Jan. 31, 2021	February Receipts	February Expenditures	Ending Balance Feb. 28, 2021
EDUCATION FUND	$13,642,334.36	$ 3,818,072.35	$ 3,981,409.10	$ 13,478,997.61	$ 3,842,704.16	$ 3,112,196.46	$ 14,209,505.31
REFERENDUM FUND	$ 5,557,420.33	$ -	$ 1,026,118.91	$ 4,531,301.42	$ -	$ 747,321.04	$ 3,783,980.38
DEBT SERVICE FUND	$ 8,145,345.32	$ -	$ -	$ 8,145,345.32	$ -	$ -	$ 8,145,345.32
PENSION BOND D.S. FUND	$ 341,289.57	$ -	$ -	$ 341,289.57	$ -	$ -	$ 341,289.57
OPERATIONS FUND	$ 4,479,480.19	$ 176,793.51	$ 1,091,640.30	$ 3,564,633.40	$ 32,436.48	$ 1,485,650.29	$ 2,111,419.59
RAINY DAY FUND	$ 1,404,469.36	$ -	$ -	$ 1,404,469.36	$ -	$ -	$ 1,404,469.36
2017 A BOND FUND	$ 33,260.95	$ 0.12	$ -	$ 33,261.07	$ 0.12	$ -	$ 33,261.19
2017 B BOND FUND	$ 109,264.00	$ 0.77	$ -	$ 109,264.77	$ 0.69	$ -	$ 109,265.46
2018 A BOND FUND	$ 319,595.94	$ -	$ -	$ 319,595.94	$ -	$ -	$ 319,595.94
2018 B BOND FUND	$ 275,873.09	$ -	$ -	$ 275,873.09	$ -	$ -	$ 275,873.09
2020 BOND FUND	$22,698,573.06	$ -	$ -	$ 22,698,573.06	$ 2,301,426.94	$ 17,961.90	$ 24,982,038.10
LILLY COUNSELING GRANT	$ 93,324.74	$ -	$ -	$ 93,324.74	$ -	$ 230.12	$ 93,094.62
TOTALS	$57,100,230.91	$ 3,994,866.75	$ 6,099,168.31	$ 54,995,929.35	$ 6,176,568.39	$ 5,363,359.81	$ 55,809,137.93

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Zionsville Community Schools
Monthly Financial Summary
Actual Revenues and Expenditures Compared to Monthly Projections
Budgeted Funds and Special Funds - February 2021

	Actual For Month	Projection For Month	Variance Favorable (Unfavorable) February, 2021	Notes on Significant Variances & Comments	Comparison: State Approved 2021 Annual Budget
REVENUES:					
Education Fund					
State Aid	$ 3,842,692.16	$ 3,845,974.00	$ (3,281.84)		$ 47,275,243.00
Other	$ 12.00	$ -	$ 12.00		
Subtotal - Education Fund	$ 3,842,704.16	$ 3,845,974.00	$ (3,269.84)		$ 47,275,243.00
Debt Service Fund	$ -	$ -	$ -		$ 22,970,142.00
P.B. Debt Service Fund	$ -	$ -	$ -		$ 648,104.00
Operations Fund					
Rental and Earned Income	$ 31,949.37	$ 44,674.00	$ (12,724.63)	1	$ 1,302,972.00
Property and Excise Taxes	$ -	$ -	$ -		$ 10,001,257.00
Other	$ 487.11	$ 1,402.00	$ (914.89)		$ 6,819,524.00
Subtotal - Operations Fund	$ 32,436.48	$ 46,076.00	$ (13,639.52)		$ 18,123,753.00
Referendum Fund	$ -	$ -	$ -		$ 9,162,393.00
Rainy Day Fund	$ -	$ 417.00	$ (417.00)		$ 5,000.00
2017A Bonds - Construction Fund	$ 0.12	$ -	$ 0.12		$ -
2017B Bonds - Construction Fund	$ 0.69	$ -	$ 0.69		$ -
2018A Bonds - Construction Fund	$ -	$ -	$ -		$ -
2018B Bonds - Construction Fund	$ -	$ -	$ -		$ -
2020 Bond Fund	$ 2,301,426.94	$ -	$ 2,301,426.94	2	$ -
Lilly Counseling Grant	$ -	$ -	$ -		$ -
TOTAL REVENUES	$ 6,176,568.39	$ 3,892,467.00	$ 2,284,101.39		$ 98,184,635.00
EXPENDITURES:					
Education Fund					
Personnel Salaries and Benefits	$ 2,867,213.15	$ 2,860,212.97	$ (7,000.18)		
Contracted Services	$ 137,758.66	$ 140,046.00	$ 2,287.34		
Supplies and Materials	$ 106,890.01	$ 108,616.00	$ 1,725.99		
All Other	$ 334.64	$ 4,045.00	$ 3,710.36		
Subtotal - Education Fund	$ 3,112,196.46	$ 3,112,919.97	$ 723.51		$ 46,524,915.00
Debt Service Fund	$ -	$ -	$ -		$ 22,642,671.00
P.B. Debt Service Fund	$ -	$ -	$ -		$ 656,500.00
Operations Fund					
Personnel Salaries and Benefits	$ 529,557.24	$ 535,941.00	$ 6,383.76		
Building and Equip. Maintenance	$ 29,718.28	$ 29,039.00	$ (679.28)		
Contracted Services	$ 163,896.98	$ 168,364.00	$ 4,467.02		
Utilities and P&C Ins	$ 564,695.44	$ 548,803.00	$ (15,892.44)	3	
Supplies and Materials	$ 189,403.09	$ 182,098.00	$ (7,305.09)		
All Other	$ 8,379.26	$ 5,000.00	$ (3,379.26)		
Subtotal - Operations Fund	$ 1,485,650.29	$ 1,469,245.00	$ (16,405.29)		$ 18,665,771.00
Referendum Fund					
Personnel Salaries and Benefits	$ 747,321.04	$ 1,023,785.97	$ 276,464.93		$ 10,907,932.00
Rainy Day Fund	$ -	$ -	$ -		$ 5,000.00
2017A Bonds - Construction Fund	$ -	$ -	$ -	4	
2017B Bonds - Construction Fund	$ -	$ -	$ -	4	
2018A Bonds - Construction Fund	$ -	$ -	$ -	4	
2018B Bonds - Construction Fund	$ -	$ -	$ -	4	
2020 Bond Fund	$ 17,961.90	$ -	$ (17,961.90)	4	
Lilly Counseling Grant Fund	$ 230.12	$ -	$ (230.12)	5	
TOTAL EXPENDITURES	$ 5,363,359.81	$ 5,605,950.94	$ 242,591.13		$ 99,397,789.00
COMBINED SURPLUS (DEFICIT) FOR THE PERIOD	$ 813,208.58	$ (1,713,483.94)	$ 2,526,692.52		$ (1,213,154.00)

Zionsville Community Schools
Monthly Financial Summary
February, 2021
Notes on Variances and Other Comments

Notes:

1. Revenues from rental activities are still below projections. However, the gap is decreasing as we see more activities resumed and restrictions in general reduced as a result of the ongoing mitigations of the effects of the COVID-19 pandemic.

2. The 2020 Bond Fund was reimbursed by the Building Corporation for the costs of the purchase of the Peters Property. The real estate will be held in the name of the Building Corporation through the remaining life of the 2020 bond issue. This is a non-budget item.

3. The actual expenditures for utilities this month were greater than projected. This is a normal variation resulting from seasonal patterns and should not be significant for the entire year taken as a whole.

4. Construction projects are still continuing for the 2017 and 2018 bond issues. Invoices submitted for payment will continue through the remaining life of the projects. The 2020 bond issue is still in its early stages of expenditures and will continue to have activity for at least the remainder of 2021 and 2022.

5. The Lilly Counseling Grant's expenditures will continue intermittently through 2021 as the grant-funded activities occur. Differences between estimated and actual expenditures occur from time to time, but are merely timing differences between the actual grant activities and the original timeline projected in the grant application. These are not expected to affect the total grant expenditures by the end of the grant period.