

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: February 18, 2021

MESSAGE:

Attached please find the monthly financial reports for January 2021. As we would expect for the first month of 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.

It should be noted when looking at our reports, given we have only January's data, that it is too early to identify any major trends for the 2021 budget year. However, we note that January was a month which contained three payrolls. While the effect of three payrolls, rather than the more common two payrolls per month, was taken into account in our projections, the overall expenses for pay and benefits are considerably larger than the range of the last several previous months' figures that we are used to seeing. We do take these calendar cycles into account when planning our cash management and cash flows. In 2021, the only other month which will also have three payrolls will be July.

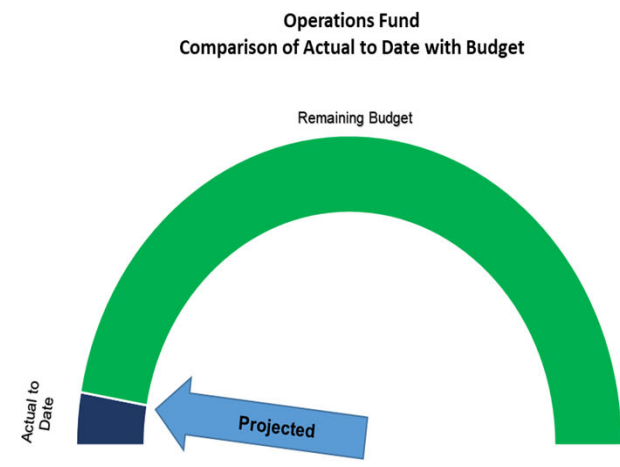
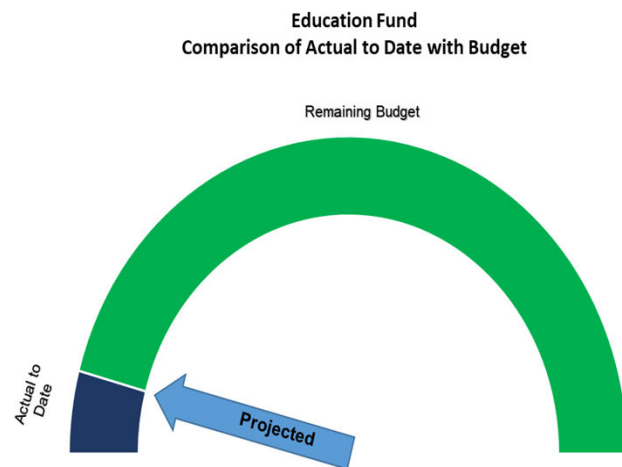
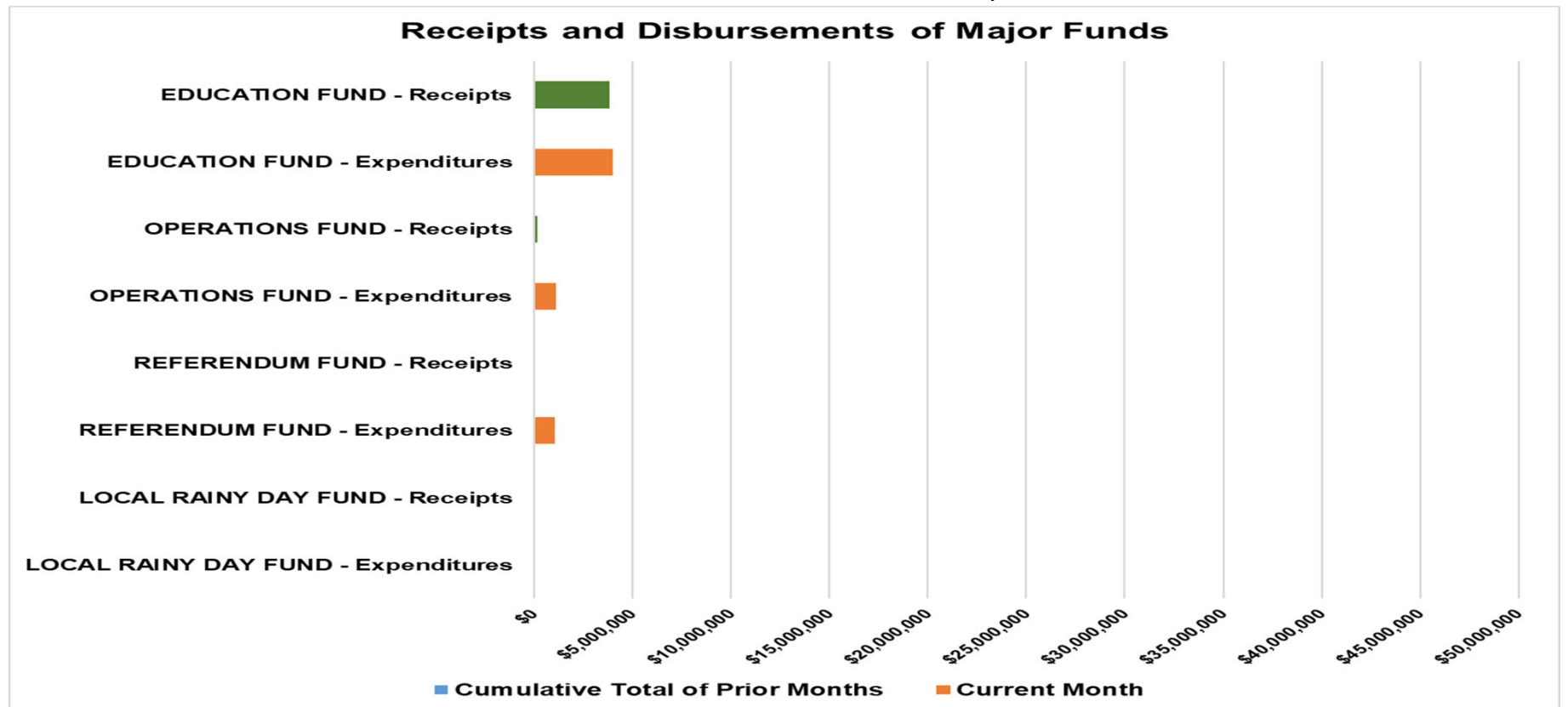
Last week in the legislature, the House released their proposed biennial state budget and school funding formula for FY2022 and FY2023. The fiscal results are quite interesting. Notable items included are increases to the foundation amount for both 2022 and 2023, going from \$5,703 to \$5,771 and then to \$5,913, while the complexity base amount is held steady at the same \$3,675 as was used for FY2021. For ZCS, the budget run indicates an increase per pupil of 1.2% for FY2022, with an additional 1.2% for FY2023. In actual dollars we would see an increase in FY22 to \$5,814 from our current \$5,747, a total of \$67 per pupil. In FY23 we would increase by \$142 to \$5,956. We of course will remain at the dead last position in the state in terms of base per pupil funding. The amounts for us are \$583 and \$565, respectively, below the state per pupil average for the two years of the biennium.

One interesting side note is that the budget proposal would provide 100% funding for all virtual students, which would eliminate the current 85% vs. 100% concerns we have had since the COVID-19 pandemic forced us and many other districts into hybrid school models. That would greatly help with our planning going forward as we continue to face uncertainties for the 2021-2022 school year, and may yet have additional waves of COVID-19, with or without new mutated versions of the virus, with which to contend.

Other proposed budget components include the voucher expansion (which the latest estimate by the Indiana School Boards Association pegs at a cost of \$144 million) as proposed in HB1005. This bill has widespread opposition from public school districts, but passed the House by a vote of 61-38 earlier this week and appears to be on its way to enactment this session. Also included in the budget is a provision for counting mid-year graduates as full year students for purposes of the spring ADM count.

The House version of the biennial budget is just the opening round in the process for this legislative session. The Senate will have its own version, which should be released sometime in the next two weeks. As usual, a final conference committee will re-formulate the budget at the end of the session, after a final revenue forecast is received on or about April 15. We should have more detailed information once that occurs.

Financial Overview – January 2021



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

<u>Fund Title</u>	Beginning Balance <u>Jan. 1, 2021</u>	January <u>Receipts</u>	January <u>Expenditures</u>	Ending Balance <u>January 31, 2021</u>
EDUCATION FUND	\$ 13,642,334.36	\$ 3,818,072.35	\$ 3,981,409.10	\$ 13,478,997.61
REFERENDUM FUND	\$ 5,557,420.33	\$ -	\$ 1,026,118.91	\$ 4,531,301.42
DEBT SERVICE FUND	\$ 8,145,345.32	\$ -	\$ -	\$ 8,145,345.32
PENSION BOND D.S. FUND	\$ 341,289.57	\$ -	\$ -	\$ 341,289.57
OPERATIONS FUND	\$ 4,479,480.19	\$ 176,793.51	\$ 1,088,793.71	\$ 3,567,479.99
RAINY DAY FUND	\$ 1,404,469.36	\$ -	\$ -	\$ 1,404,469.36
2017 A BOND FUND	\$ 33,260.95	\$ 0.12	\$ -	\$ 33,261.07
2017 B BOND FUND	\$ 109,264.00	\$ 0.77	\$ -	\$ 109,264.77
2018 A BOND FUND	\$ 319,595.94	\$ -	\$ -	\$ 319,595.94
2018 B BOND FUND	\$ 275,873.09	\$ -	\$ -	\$ 275,873.09
2020 BOND FUND	\$ 22,698,573.06	\$ -	\$ -	\$ 22,698,573.06
LILLY COUNSELING GRANT	\$ 93,324.74	\$ -	\$ -	\$ 93,324.74
TOTALS	\$ 57,100,230.91	\$ 3,994,866.75	\$ 6,096,321.72	\$ 54,998,775.94

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

	Actual For Month	Projection For Month	Variance Favorable (Unfavorable) January, 2021	Notes on Significant Variances & Comments	Comparison: State Approved 2021 Annual Budget
REVENUES:					
Education Fund					
State Aid	\$ 3,807,617.50	\$ 3,841,807.00	\$ (34,189.50)	1	\$ 47,275,243.00
Other	\$ 10,454.85	\$ 19,526.00	\$ (9,071.15)		
Subtotal - Education Fund	\$ 3,818,072.35	\$ 3,861,333.00	\$ (43,260.65)		\$ 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	\$ 125,886.27	\$ 123,244.00	\$ 2,642.27		\$ 1,302,972.00
Property and Excise Taxes	\$ -	\$ -	\$ -		\$ 10,001,257.00
Other	\$ 50,907.24	\$ 46,402.00	\$ 4,505.24		\$ 6,819,524.00
Subtotal - Operations Fund	\$ 176,793.51	\$ 169,646.00	\$ 7,147.51		\$ 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	\$ 0.77	\$ -	\$ 0.77		\$ -
2018A Bonds - Construction Fund	\$ -	\$ -	\$ -		\$ -
2018B Bonds - Construction Fund	\$ -	\$ -	\$ -		\$ -
2020 Bond Fund	\$ -	\$ -	\$ -		\$ -
Lilly Counseling Grant	\$ -	\$ -	\$ -		\$ -
TOTAL REVENUES	\$ 3,994,866.75	\$ 4,031,396.00	\$ (36,529.25)		\$ 98,184,635.00
EXPENDITURES:					
Education Fund					
Personnel Salaries and Benefits	\$ 3,866,967.96	\$ 3,871,186.83	\$ 4,218.87	2	
Contracted Services	\$ 97,113.35	\$ 96,013.00	\$ (1,100.35)		
Supplies and Materials	\$ 16,436.17	\$ 32,912.00	\$ 16,475.83		
All Other	\$ 891.62	\$ -	\$ (891.62)		
Subtotal - Education Fund	\$ 3,981,409.10	\$ 4,000,111.83	\$ 18,702.73		\$ 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	\$ 646,943.83	\$ 647,941.00	\$ 997.17		
Building and Equip. Maintenance	\$ 13,567.19	\$ 5,039.00	\$ (8,528.19)		
Contracted Services	\$ 190,244.64	\$ 192,364.00	\$ 2,119.36		
Utilities and P&C Ins	\$ 180,313.81	\$ 173,803.00	\$ (6,510.81)		
Supplies and Materials	\$ 45,187.47	\$ 47,098.00	\$ 1,910.53		
All Other	\$ 12,536.77	\$ 5,000.00	\$ (7,536.77)		
Subtotal - Operations Fund	\$ 1,088,793.71	\$ 1,071,245.00	\$ (17,548.71)		\$ 18,665,771.00
Referendum Fund					
Personnel Salaries and Benefits	\$ 1,026,118.91	\$ 1,023,785.97	\$ (2,332.94)		\$ 10,907,932.00
Rainy Day Fund	\$ -	\$ -	\$ -		\$ 5,000.00
2017A Bonds - Construction Fund	\$ -	\$ -	\$ -	3	
2017B Bonds - Construction Fund	\$ -	\$ -	\$ -	3	
2018A Bonds - Construction Fund	\$ -	\$ -	\$ -	3	
2018B Bonds - Construction Fund	\$ -	\$ -	\$ -	3	
2020 Bond Fund	\$ -	\$ -	\$ -	3	
Lilly Counseling Grant Fund	\$ -	\$ -	\$ -	4	
TOTAL EXPENDITURES	\$ 6,096,321.72	\$ 6,095,142.80	\$ (1,178.92)		\$ 99,397,789.00
COMBINED SURPLUS (DEFICIT) FOR THE PERIOD	\$ (2,101,454.97)	\$ (2,063,746.80)	\$ (37,708.17)		\$ (1,213,154.00)

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

Notes:

1. State support is being adjusted by DOE to reflect various student counts. There will be some variability compared to our original budget estimates over each of the next two to three months as these are phased in. The largest factor for ZCS is the growth in enrollment for fall 2021 being only about half of what was projected due to the effects of the COVID-19 pandemic.
2. The actual expenditures for supplies and materials this month were less than projected. This is a normal variation resulting from seasonal activity patterns and should not be significant for the entire year taken as a whole.
3. 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.
4. 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.