

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: December 16, 2020

MESSAGE:

Attached please find the monthly financial reports for November 2020. The financial results remain much the same as in prior months. These are within acceptable ranges for this point in the year. We do continue to exhibit occasional differences from budget projections caused by the COVID-19 pandemic and its assorted ramifications. However, we look to finish the budget year at the end of December without any major disruptions to our overall budget and financial plans.

As a final update on our 2020 bond sale, the bond closing took place on December 11 as scheduled and proceeded exactly as planned. We will begin work on the next installment, the 2021 Series A bonds, shortly after the first of the year. In the meantime, we can enjoy the feeling that this first round has gone exactly as we had hoped and worked to accomplish.

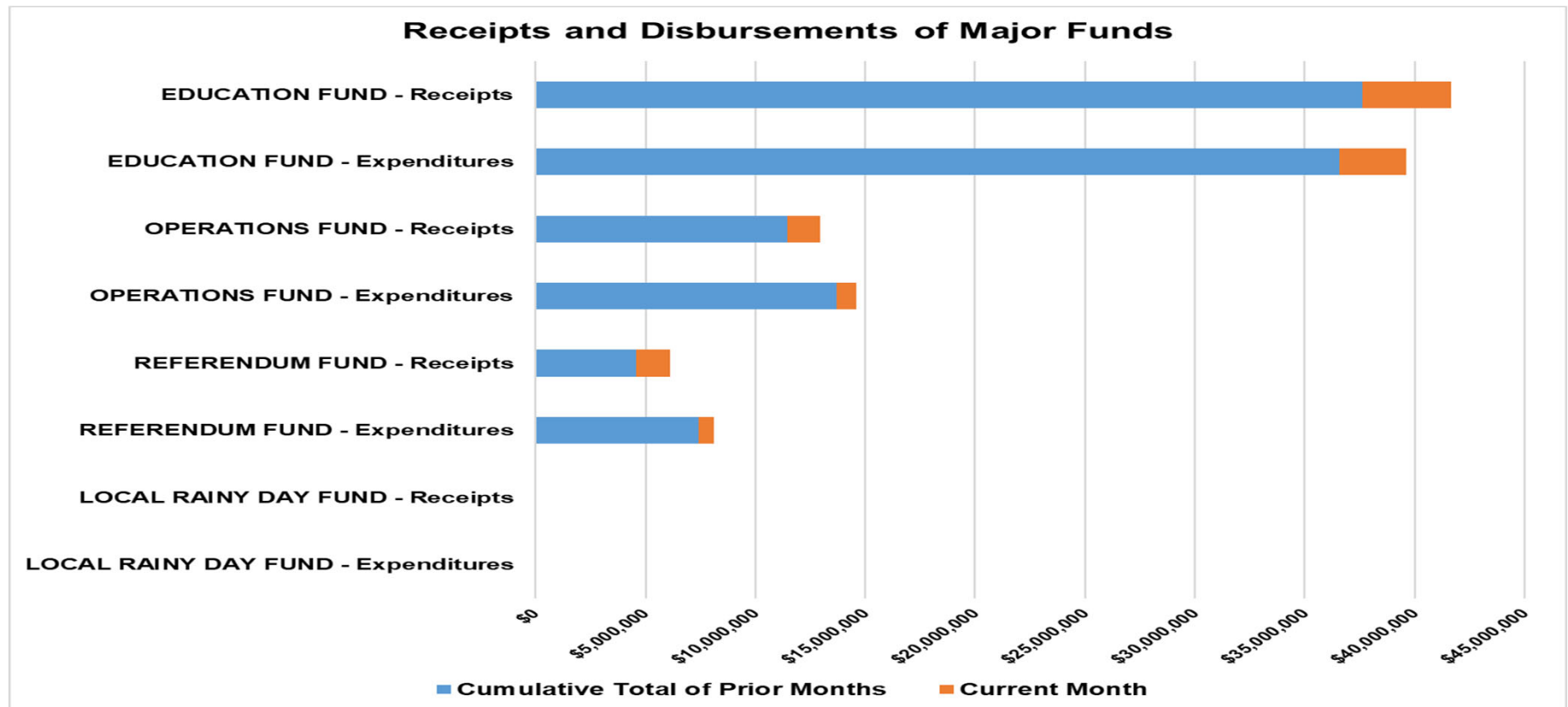
The Indiana State Budget Agency's Budget Committee met today to receive the report of the Revenue Forecast Technical Committee. This is the body that prepares and presents the official revenue forecasts. The new state revenue projections were very interesting. The major projections essentially point to a flatline of state revenues over the next biennium. The forecast is for a revenue decline of 2.9% in FY22 followed by a revenue increase of 3.0% in FY23. These will basically cancel each other out and leave revenues overall about where they are for FY21. While this is certainly not the most optimistic news one could hope for, it is a much more favorable forecast than had been expected last fall.

Taken on its face, the new revenue forecast leaves open the possibility that the legislature will be able to write a new biennial budget for the 2022 and 2023 fiscal years that does not reduce K-12 education funding. While we have been planning for the necessity of absorbing funding reductions, we would welcome a "flatline" scenario as much preferable. We must remember that another updated revenue forecast will be presented in the middle of next April that will be the real determinant as to what the legislature does with school funding in the budget for the next biennium. However, this initial indicator is more favorable than expected and gives us some hope.

In other news from the state, this week also saw the release of the report of Governor Holcomb's blue ribbon panel on teacher pay, "The Final Report of the Next Level Teacher Compensation Commission." In my own curmudgeonly way I have described this report as "A strange roadmap that runs through a financial fairyland from the unachievable to the merely ineffective with an occasional swerve over into the just plain stupid lane."

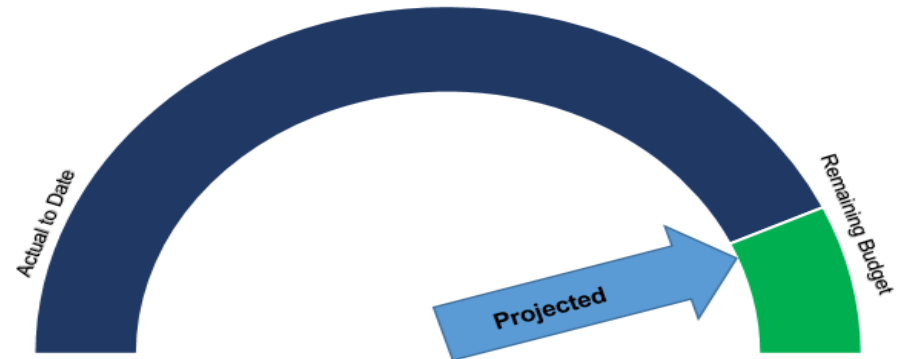
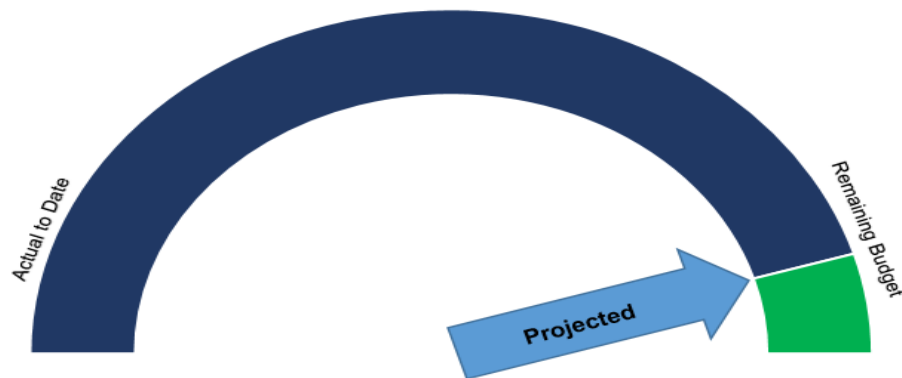
Seriously, while I believe that the majority of the 37 recommendations in the report are at best of limited value with significant questions about whether they could ever be practical in the real world, I will concede that there are some good ideas contained in the report. The interesting part is that all of these are things that we here at ZCS have been advocates of for quite a number of years. The ideas of making TIF districts more accountable and transparent (Recommendation No. 22), making operating referenda open-ended (Recommendation No. 25), and implementing local residential construction impact fees (Recommendation No. 27) are all worth pursuing. Board members will also recall the efforts that Dr. Robison and I have made in regard to Recommendation No. 7, sharing services (particularly administrative services) with other districts. We will provide more information on the full report as it continues to be a topic of discussion.

Financial Overview – November 2020



Education Fund
Comparison of Actual to Date with Budget

Operations Fund
Comparison of Actual to Date with Budget



Zionsville Community Schools
Monthly Financial Summary
Report of Revenues, Expenditures, Transfers and Balances
Budgeted and Special Funds - November 2020

<u>Fund Title</u>	<u>Beginning Balance Jan. 1, 2020</u>	<u>Previous YTD Receipts</u>	<u>Previous YTD Expenditures</u>	<u>Ending Balance October 31, 2020</u>	<u>Nov ember Receipts</u>	<u>Nov ember Expenditures</u>	<u>Ending Balance Nov ember 30, 2020</u>
EDUCATION FUND	\$12,640,088.90	\$37,620,462.67	\$36,560,298.07	\$ 13,700,253.50	\$ 4,048,879.43	\$ 3,060,609.87	\$ 14,688,523.06
REFERENDUM FUND	\$ 5,795,926.70	\$ 4,593,350.57	\$ 7,429,660.45	\$ 2,959,616.82	\$ 1,529,353.56	\$ 701,912.80	\$ 3,787,057.58
DEBT SERVICE FUND	\$ 6,379,693.54	\$15,152,988.61	\$13,347,945.27	\$ 8,184,736.88	\$ 4,799,889.36	\$ -	\$ 12,984,626.24
PENSION BOND D.S. FUND	\$ 355,133.71	\$ 342,884.75	\$ 327,759.50	\$ 370,258.96	\$ 126,600.40	\$ -	\$ 496,859.36
OPERATIONS FUND	\$ 3,819,065.23	\$11,474,570.88	\$13,684,654.24	\$ 1,608,981.87	\$ 1,463,553.24	\$ 919,085.92	\$ 2,153,449.19
LOCAL RAINY DAY FUND	\$ 1,383,288.48	\$ 13,849.87	\$ -	\$ 1,397,138.35	\$ -	\$ -	\$ 1,397,138.35
2017 A BOND FUND	\$ 48,227.98	\$ 14,409.59	\$ 27,234.90	\$ 35,402.67	\$ 0.14	\$ 5.00	\$ 35,397.81
2017 B BOND FUND	\$ 110,212.37	\$ 580.13	\$ 1,520.00	\$ 109,272.50	\$ 0.74	\$ 5.00	\$ 109,268.24
2018 A BOND FUND	\$ 515,286.24	\$ 750.00	\$ 174,809.30	\$ 341,226.94	\$ -	\$ -	\$ 341,226.94
2018 B BOND FUND	\$ 338,184.47	\$ 750.00	\$ 17,441.38	\$ 321,493.09	\$ -	\$ -	\$ 321,493.09
LILLY COUNSELING GRANT	\$ 191,511.10	\$ 1,386.00	\$ 86,554.81	\$ 106,342.29	\$ -	\$ -	\$ 106,342.29
TOTALS	\$31,576,618.72	\$69,215,983.07	\$71,657,877.92	\$ 29,134,723.87	\$11,968,276.87	\$ 4,681,618.59	\$ 36,421,382.15

Zionsville Community Schools
Monthly Financial Summary
Actual Revenues and Expenditures Compared to Monthly Projections
Budgeted Funds and Special Funds - November 2020

REVENUES:

	Actual For Month	Projection For Month	Variance Favorable (Unfavorable) November, 2020	Notes on Significant Variances & Comments	Comparison: State Approved 2020 Annual Budget
Education Fund					
State Aid	\$ 4,048,859.43	\$ 4,063,301.00	\$ (14,441.57)	1	\$ 44,808,251.00
Other	\$ 20.00	\$ -	\$ 20.00		
Subtotal - Education Fund	\$ 4,048,879.43	\$ 4,063,301.00	\$ (14,421.57)		\$ 44,808,251.00
Debt Service Fund	\$ 4,799,889.36	\$ -	\$ 4,799,889.36	2	\$ 23,847,862.00
P.B. Debt Service Fund	\$ 126,600.40	\$ -	\$ 126,600.40	2	\$ 627,373.00
Operations Fund					
Rental and Earned Income	\$ 48,724.03	\$ 176,972.83	\$ (128,248.80)	3	\$ 1,253,984.00
Property and Excise Taxes	\$ 1,406,832.92	\$ -	\$ 1,406,832.92	2	\$ 8,356,088.00
Transfers In from Education Fund	\$ -	\$ -	\$ -		
Other	\$ 7,996.29	\$ -	\$ 7,996.29		\$ 8,572,714.00
Subtotal - Operations Fund	\$ 1,463,553.24	\$ 176,972.83	\$ 1,286,580.41		\$ 18,182,786.00
Referendum Fund	\$ 1,529,353.56	\$ -	\$ 1,529,353.56	2	\$ 8,321,673.00
Rainy Day Fund	\$ -	\$ 417.00	\$ (417.00)		\$ 5,000.00
2017A Bonds - Construction Fund	\$ 0.14	\$ -	\$ 0.14		\$ -
2017B Bonds - Construction Fund	\$ 0.74	\$ -	\$ 0.74		\$ -
2018A Bonds - Construction Fund	\$ -	\$ -	\$ -		\$ -
2018B Bonds - Construction Fund	\$ -	\$ -	\$ -		\$ -
Lilly Counseling Grant	\$ -	\$ -	\$ -		\$ -
TOTAL REVENUES	\$ 11,968,276.87	\$ 4,240,690.83	\$ 7,727,586.04		\$ 95,792,945.00
EXPENDITURES:					
Education Fund					
Personnel Salaries and Benefits	\$ 2,743,524.27	\$ 2,740,109.43	\$ (3,414.84)		
Contracted Services	\$ 192,822.08	\$ 199,468.00	\$ 6,645.92		
Supplies and Materials	\$ 124,263.52	\$ 127,100.00	\$ 2,836.48		
Transfers Out to Operations Fund	\$ -	\$ -	\$ -		
All Other	\$ -	\$ 6,632.00	\$ 6,632.00		
Subtotal - Education Fund	\$ 3,060,609.87	\$ 3,073,309.43	\$ 12,699.56		\$ 46,339,253.00
Debt Service Fund	\$ -	\$ -	\$ -		\$ 22,578,252.00
P.B. Debt Service Fund	\$ -	\$ -	\$ -		\$ 651,729.00
Operations Fund					
Personnel Salaries and Benefits	\$ 473,872.66	\$ 483,191.00	\$ 9,318.34		
Building and Equip. Maintenance	\$ 12,571.08	\$ 43,392.84	\$ 30,821.76	4	
Contracted Services	\$ 82,838.33	\$ 79,196.25	\$ (3,642.08)		
Utilities and P&C Ins	\$ 277,369.84	\$ 265,000.00	\$ (12,369.84)	5	
Supplies and Materials	\$ 66,587.06	\$ 62,500.00	\$ (4,087.06)		
All Other	\$ 5,846.95	\$ 4,166.67	\$ (1,680.28)		
Subtotal - Operations Fund	\$ 919,085.92	\$ 937,446.76	\$ 18,360.84		\$ 17,634,866.00
Referendum Fund					
Personnel Salaries and Benefits	\$ 701,912.80	\$ 710,735.00	\$ 8,822.20		\$ 9,823,964.00
Rainy Day Fund	\$ -	\$ -	\$ -		\$ 5,000.00
2017A Bonds - Construction Fund	\$ 5.00	\$ -	\$ (5.00)		\$ -
2017B Bonds - Construction Fund	\$ 5.00	\$ -	\$ (5.00)		\$ -
2018A Bonds - Construction Fund	\$ -	\$ -	\$ -		\$ -
2018B Bonds - Construction Fund	\$ -	\$ -	\$ -		\$ -
Lilly Counseling Grant Fund	\$ -	\$ -	\$ -		\$ -
TOTAL EXPENDITURES	\$ 4,681,618.59	\$ 4,721,491.19	\$ 39,872.60		\$ 97,028,064.00
COMBINED SURPLUS (DEFICIT) FOR THE PERIOD	\$ 7,286,658.28	\$ (480,800.36)	\$ 7,767,458.64		\$ (1,235,119.00)

Zionsville Community Schools
Monthly Financial Summary
November, 2020

Notes:

1. DOE's calculations of the amounts due for our estimated Fall 2020 ADM counts are being adjusted downward per the actual 2020-2021 ADM figures as processed by DOE. Additional adjustments will occur monthly through March 2021.
2. An Advance Tax Draw was received in November. This is a matter of timing only and will not affect the total tax settlements that will be received for the 2020 budget year.
3. Earned Income, particularly for rentals, has been curtailed dramatically by the COVID-19 pandemic. We will not likely see a return to our projected budget levels, which were based on historic data, until sometime in 2021.
4. The effects of the closure and subsequent re-opening of our buildings due to the COVID-19 pandemic has caused wide variations on a monthly basis in our expenditures, particularly in the Operations Fund. We expect to continue to see swings both over and under budget in relatively unpredictable intervals over the next few months.
5. Utility costs for the Operations Fund were more than projected this month. This appears to be a routine seasonal weather-related variation as occurs several times during each budget year.