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: September 28, 2020

MESSAGE:

Attached please find the monthly financial reports for August 2020. The overall financial results remain within acceptable ranges for this point in the year. The Operations Fund in particular continues to exhibit some differences from budget projections caused by the COVID-19 pandemic and its assorted ramifications. The costs to start up the school year did impact our finances in a direct way, with extra purchases of specialized items (sanitizer, disinfectants, masks and personal protective equipment, and so on). Other costs and expenses associated with combatting COVID-19 (including extra cleaning, specialized software, and so on) are also likely to have continued large impacts on us.

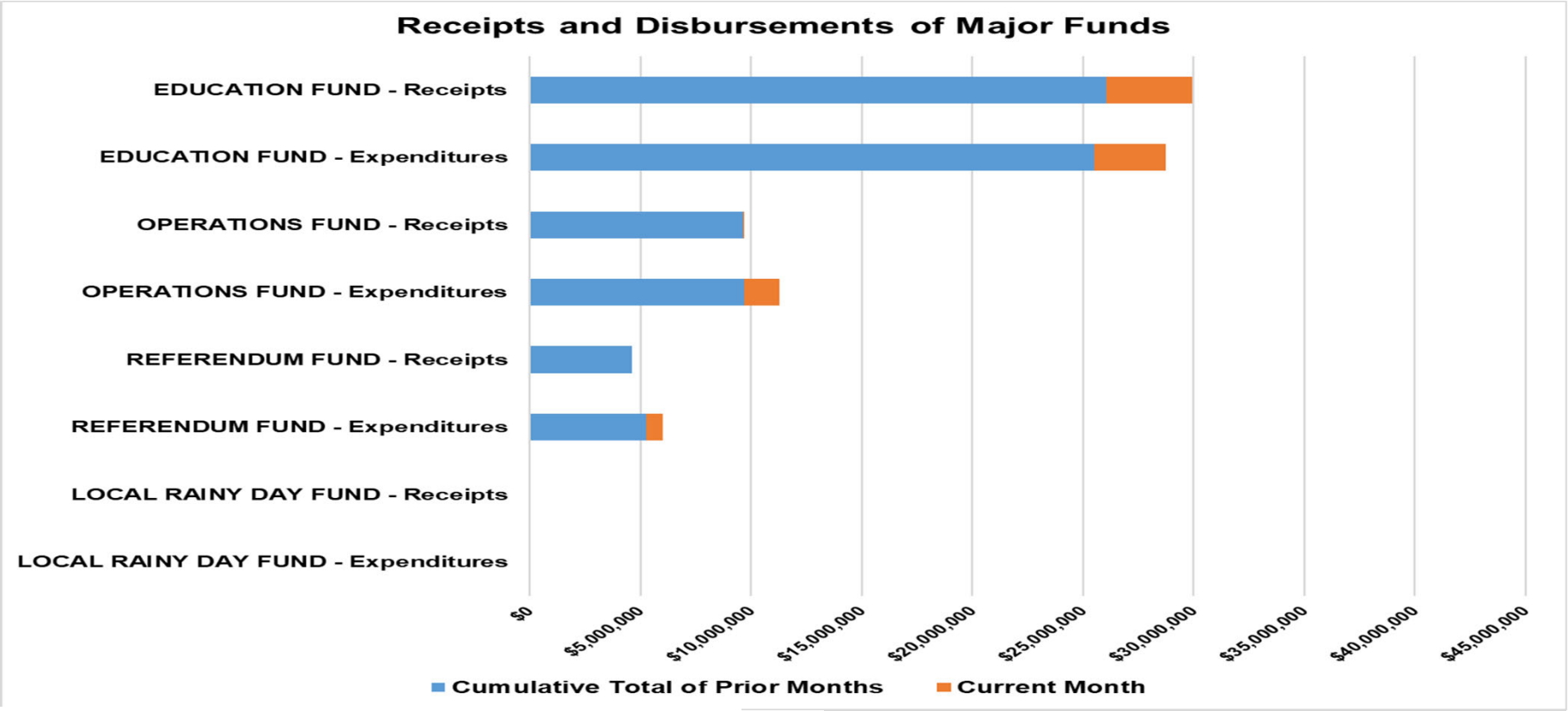
At this point we are in the home stretch with budget preparation. The executive summary and the full book are on our website. The formal public hearing is scheduled for October 5, 2020. The adoption meeting will occur two weeks later on October 19, 2020, with final submission to the Indiana Department of Local Government Finance (DLGF) to follow within 48 hours as required by statute.

I would appreciate receiving any feedback you may have in regard to the public presentation materials as soon as possible. The power point for the meeting is nearly complete at this point, but can still be altered as necessary to ensure coverage of any topics of particular interest. Also, I would be glad to meet with any interested Board member to address any questions or elaborate on any details desired.

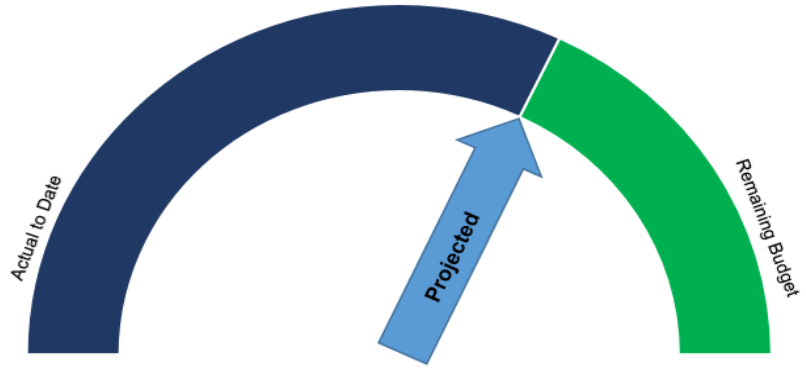
We now have data on our 2021 assessed values (AV). DLGF reports that the numbers were submitted to their agency by the Boone County Auditor's office on September 9, 2020. This is later than last year, and later than the statutory deadline of August 1. DLGF is now reviewing Boone County's data. I did find a rather large typo in the County's submission which erroneously raised the figure by $1 billion. I notified the Auditor, and this has since been corrected. Assuming that no additional errors are found the new data shows an increase of our combined AV for the TIF (Tax Increment Financing) districts of 17.1%. The non-TIF AV for the school district is up by 6.2%. Taken together, the combined $242 million increase would be an increase in our total AV of 7.2%. These are very strong numbers, and if verified during the DLGF review, will almost certainly cause our 2021 tax rates to come in below our projections.

On the state funding scene, we note that the latest revenue report for August indicates a continued recoupment of revenues that were lost to delayed tax payments. The August state revenues came in above prediction to the extent that the cumulative revenues over the past 14 months are now only about $500 million below projection. While it seems a bit odd to say "only" in connection with a $500 million state budget shortfall, this in fact is a large improvement. The state ended the 2020 fiscal year on June 30, 2020 with a shortfall of $1.4 billion. Essentially $900 million of this has now been made up. The state has new revenue projections expected later this fall, as well as in December and next April that will be the real determinants as to what the legislature does with school funding in the next biennium.

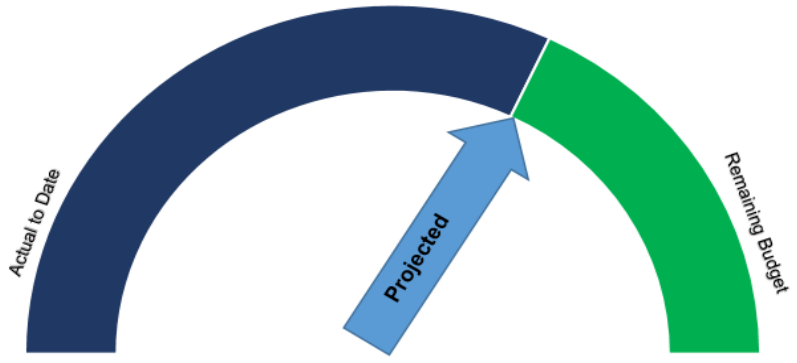
Financial Overview – August 2020



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 - August 2020

Fund Title	Beginning Balance Jan. 1, 2020	Previous YTD Receipts	Previous YTD Expenditures	Ending Balance July 31, 2020	August Receipts	August Expenditures	Ending Balance August 31, 2020
EDUCATION FUND	$12,640,088.90	$26,086,069.76	$25,528,268.14	$ 13,197,890.52	$ 3,850,259.40	$ 3,234,572.93	$ 13,813,576.99
REFERENDUM FUND	$ 5,795,926.70	$ 4,593,350.57	$ 5,275,882.84	$ 5,113,394.43	$ -	$ 735,543.87	$ 4,377,850.56
DEBT SERVICE FUND	$ 6,379,693.54	$15,152,988.61	$13,347,945.27	$ 8,184,736.88	$ -	$ -	$ 8,184,736.88
PENSION BOND D.S. FUND	$ 355,133.71	$ 342,884.75	$ 327,759.50	$ 370,258.96	$ -	$ -	$ 370,258.96
OPERATIONS FUND	$ 3,819,065.23	$ 9,630,811.65	$ 9,691,773.24	$ 3,758,103.64	$ 85,622.92	$ 1,600,683.49	$ 2,243,043.07
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	$ 3.74	$ 5.00	$ 48,226.72	$ 294.05	$ -	$ 48,520.77
2017 B BOND FUND	$ 110,212.37	$ 7.77	$ 5.00	$ 110,215.14	$ 567.37	$ -	$ 110,782.51
2018 A BOND FUND	$ 515,286.24	$ -	$ 174,809.30	$ 340,476.94	$ -	$ -	$ 340,476.94
2018 B BOND FUND	$ 338,184.47	$ -	$ 17,441.38	$ 320,743.09	$ -	$ -	$ 320,743.09
LILLY COUNSELING GRANT	$ 191,511.10	$ 1,386.00	$ 69,977.57	$ 122,919.53	$ -	$ 1,363.00	$ 121,556.53
TOTALS	$31,576,618.72	$55,821,352.72	$54,433,867.24	$ 32,964,104.20	$ 3,936,743.74	$ 5,572,163.29	$ 31,328,684.65

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

	Actual For Month	Projection For Month	Variance Favorable (Unfavorable) August, 2020	Notes on Significant Variances & Comments	Comparison: State Approved 2020 Annual Budget
REVENUES:					
Education Fund					
State Aid	$ 3,849,986.48	$ 3,788,301.00	$ 61,685.48	1	$ 44,808,251.00
Other	$ 272.92	$ -	$ 272.92		
Subtotal - Education Fund	$ 3,850,259.40	$ 3,788,301.00	$ 61,958.40		$ 44,808,251.00
Debt Service Fund	$ -	$ -	$ -		$ 23,847,862.00
P.B. Debt Service Fund	$ -	$ -	$ -		$ 627,373.00
Operations Fund					
Rental and Earned Income	$ 65,093.66	$ 176,972.83	$ (111,879.17)	2	$ 1,253,984.00
Property and Excise Taxes	$ -	$ -	$ -		$ 8,356,088.00
Transfers In from Education Fund	$ -	$ -	$ -		
Other	$ 20,529.26	$ 17,500.00	$ 3,029.26		$ 8,572,714.00
Subtotal - Operations Fund	$ 85,622.92	$ 194,472.83	$ (108,849.91)		$ 18,182,786.00
Referendum Fund	$ -	$ -	$ -		$ 8,321,673.00
Rainy Day Fund	$ -	$ 417.00	$ (417.00)		$ 5,000.00
2017A Bonds - Construction Fund	$ 294.05	$ -	$ 294.05		$ -
2017B Bonds - Construction Fund	$ 567.37	$ -	$ 567.37		$ -
2018A Bonds - Construction Fund	$ -	$ -	$ -		$ -
2018B Bonds - Construction Fund	$ -	$ -	$ -		$ -
Lilly Counseling Grant	$ -	$ -	$ -		$ -
TOTAL REVENUES	$ 3,936,743.74	$ 3,983,190.83	$ (46,447.09)		$ 95,792,945.00
EXPENDITURES:					
Education Fund					
Personnel Salaries and Benefits	$ 2,806,508.31	$ 2,810,982.64	$ 4,474.33		
Contracted Services	$ 342,678.85	$ 342,508.00	$ (170.85)		
Supplies and Materials	$ 85,385.77	$ 83,314.00	$ (2,071.77)		
Transfers Out to Operations Fund	$ -	$ -	$ -		
All Other	$ -	$ -	$ -		
Subtotal - Education Fund	$ 3,234,572.93	$ 3,236,804.64	$ 2,231.71		$ 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	$ 371,826.55	$ 386,104.00	$ 14,277.45		
Building and Equip. Maintenance	$ 3,241.35	$ 338,392.84	$ 335,151.49		
Contracted Services	$ 151,558.27	$ 261,318.28	$ 109,760.01		
Utilities and P&C Ins	$ 169,264.61	$ 175,000.00	$ 5,735.39		
Supplies and Materials	$ 904,192.71	$ 862,909.58	$ (41,283.13)	3	
All Other	$ 600.00	$ -	$ (600.00)		
Subtotal - Operations Fund	$ 1,600,683.49	$ 2,023,724.70	$ 423,041.21		$ 17,634,866.00
Referendum Fund					
Personnel Salaries and Benefits	$ 735,543.87	$ 742,735.00	$ 7,191.13		$ 9,823,964.00
Rainy Day Fund	$ -	$ -	$ -		$ 5,000.00
2017A Bonds - Construction Fund	$ -	$ -	$ -		$ -
2017B Bonds - Construction Fund	$ -	$ -	$ -		$ -
2018A Bonds - Construction Fund	$ -	$ -	$ -		$ -
2018B Bonds - Construction Fund	$ -	$ -	$ -		$ -
Lilly Counseling Grant Fund	$ 1,363.00	$ -	$ (1,363.00)		$ -
TOTAL EXPENDITURES	$ 5,572,163.29	$ 6,003,264.34	$ 431,101.05		$ 97,028,064.00
COMBINED SURPLUS (DEFICIT) FOR THE PERIOD	$ (1,635,419.55)	$ (2,020,073.51)	$ 384,653.96		$ (1,235,119.00)

Zionsville Community Schools
Monthly Financial Summary
August, 2020

Notes:

1. The larger-than-expected receipt reflects the initial payment by DOE for tuition support for the new 2021 fiscal year. This appears to be based on DOE's calculations of the amounts due for our estimated Fall 2020 ADM counts. This monthly amount is likely to be adjusted downward once actual 2020-2021 ADM figures are known.

2. 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, for a significant time.

3. 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 for supplies and materials, particularly in the Operations Fund. We now expect to see swings both over and under budget in relatively unpredictable intervals over the next few months, with start-up costs for the upcoming 2020-2021 school year significantly in excess of normally budgeted amounts.