



Financial Report
Executive Summary
March 14th, 2022
Year-to-Date
Month Ending February 2022

Attached to this board agenda item are the following reports:

- Revenue/Expense Report for January 2021 - Closed
- Revenue/Expense Report for February 2021 - Before Closed
- Revenue Fund Account - Year-to-Date Through January 2021 - Closed
- Expense Fund Account - Year-to-Date Through January 2021 - Closed
- Check Registry - January 2021 - Closed

Introduction

This Executive Summary reflects year-to-date (YTD) activity and the month of February 2022 revenue, expenses and cash balances.

After eight months of the fiscal year, YTD revenues are up \$28M while expenditures are up \$708K. The result is a \$27M improvement to balances compared to February 2021. The month of February experienced higher revenues (\$17.8M) but a decrease of expenditures (\$1.5M) compared to last year with the monthly balance being \$19.3M more than February 2021.

These figures are astonishing but inflated due to the sale of \$15.1M in bond proceeds with \$2.6M in premium. A more accurate reflection is to compare the sub-categories discussed later in the report.

Year-to-Date (YTD) for Fiscal Year 2022 (July 1, 2021-June 30, 2022)

Revenues

Overall revenues for the year are up \$28M from FY21. A high percentage of that increase is in Capital and Operating revenues, \$16.9M and \$9.4M respectively. Debt service revenue is also up, \$1.8M.



Expenditures

Overall expenditures are up slightly \$708K. Operating expenditures are up \$9.6M. This is a result of the board approved pay increase of 5.3691% for all staff, increased summer school pay, a one-time \$500 stipend for each employee for additional duties, additional staff to support student recovery as well as the purchase of secondary level virtual courses, contracted transportation (SPED and homeless), bus leases, out-of-district placement (SPED), food service contracted personnel, water/sewer and bus repairs. Debt service expenditures are down \$2.7M while capital expenditures are down \$6.3M. The decline in debt service expenditures is a result of lower scheduled principal and interest payments. The decrease in capital expenditures are due to fewer capital projects being completed.

Balances

Overall, Debt Service and Capital balances are positive compared to FY21. Operating balances are slightly negative to FY21.

YTD - Revenues	FY22	FY21	Variance
All Funds	\$ 111,669,830.01	\$ 83,585,415.92	\$ 28,084,414.09
Operational	\$ 83,492,412.99	\$ 74,098,868.12	\$ 9,393,544.87
Debt Service	\$ 9,677,498.75	\$ 7,872,963.54	\$ 1,804,535.21
Capital	\$ 18,499,918.27	\$ 1,613,584.26	\$ 16,886,334.01
YTD - Expenditures	FY22	FY21	Variance
All Funds	\$ 86,472,150.14	\$ 85,763,369.46	\$ 708,780.68
Operational	\$ 74,095,989.64	\$ 64,446,515.96	\$ 9,649,473.68
Debt Service	\$ 6,898,870.00	\$ 9,558,255.00	\$ (2,659,385.00)
Capital	\$ 5,477,290.50	\$ 11,758,598.50	\$ (6,281,308.00)
YTD - Balances	FY22	FY21	Variance
All Funds	\$ 25,197,679.87	\$ (2,177,953.54)	\$ 27,375,633.41
Operational	\$ 9,396,423.35	\$ 9,652,352.16	\$ (255,928.81)
Debt Service	\$ 2,778,628.75	\$ (1,685,291.46)	\$ 4,463,920.21
Capital	\$ 13,022,627.77	\$ (10,145,014.24)	\$ 23,167,642.01

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Year-to-Date Compared to Budgeted

Fund - Revenue	FY22 Actual	FY22 Budgeted	Remaining	Percent of Budget
All Funds	\$ 111,669,830.01	\$ 147,136,609.00	\$ 35,466,778.99	75.90%
Operational	\$ 83,492,412.99	\$ 118,680,441.00	\$ 35,188,028.01	70.35%
Debt Service	\$ 9,677,498.75	\$ 10,331,943.00	\$ 654,444.25	93.67%
Capital	\$ 18,499,918.27	\$ 18,124,225.00	\$ (375,693.27)	102.07%
Fund - Expenditure	FY22 Actual	FY22 Budgeted	Remaining	Percent of Budget
All Funds	\$ 86,472,150.14	\$ 136,394,812.27	\$ 49,922,662.13	63.40%
Operational	\$ 74,095,989.64	\$ 119,597,388.27	\$ 45,501,398.63	61.95%
Debt Service	\$ 6,898,870.00	\$ 6,901,749.00	\$ 2,879.00	99.96%
Capital	\$ 5,477,290.50	\$ 9,895,675.00	\$ 4,418,384.50	55.35%

Month of February

Revenues

Overall revenues are up \$17.8M. A very high percentage of the increase is a result of the sale of remaining 2019 voter approved bonds (Series 2022). There is an increase (\$751K) in monthly operating revenue and a small decrease (\$11K) in debt service revenue.

Expenditures

Overall expenditures are down for February (\$1.5M). Operating expenditures are up \$1M. As noted earlier, this increase is due to staff raises, increased staffing and increased purchases services. There was a \$4.6M debt service expenditure in February. This is the second of the district's semi-annual debt service payment. Capital expenditures were up \$55K. Capital expenditures will increase beginning in March and last through October. This is due to the 2022 board approved bond projects.

Balances

Overall, debt service and capital balances are positive compared to FY21. Operating balances are negative.

February - Revenues	FY22	FY21	Variance
All Funds	\$ 26,047,607.00	\$ 8,200,195.94	\$ 17,847,411.06
Operational	\$ 7,489,680.28	\$ 6,738,730.51	\$ 750,949.77
Debt Service	\$ 315,353.08	\$ 326,263.90	\$ (10,910.82)
Capital	\$ 18,242,573.64	\$ 1,135,201.53	\$ 17,107,372.11
February - Expenditures	FY22	FY21	Variance
All Funds	\$ 14,382,814.87	\$ 15,844,271.24	\$ (1,461,456.37)
Operational	\$ 9,093,172.69	\$ 8,055,522.54	\$ 1,037,650.15
Debt Service	\$ 4,958,885.00	\$ 7,513,427.50	\$ (2,554,542.50)
Capital	\$ 330,757.18	\$ 275,321.20	\$ 55,435.98
February - Balances	FY22	FY21	Variance
All Funds	\$ 11,664,792.13	\$ (7,644,075.30)	\$ 19,308,867.43
Operational	\$ (1,603,492.41)	\$ (1,316,792.03)	\$ (286,700.38)
Debt Service	\$ (4,643,531.92)	\$ (7,187,163.60)	\$ 2,543,631.68
Capital	\$ 17,911,816.46	\$ 859,880.33	\$ 17,051,936.13



Year-to-Date Fund Balances by Fund

	Fund 1	Fund 2	Fund 3	Fund 4	Total
August 1, 2021 Balance	\$ 30,581,841.18	\$ 420,000.00	\$ 4,860,424.50	\$ 10,892,522.73	\$ 46,754,788.41
Revenues	\$ 46,084,180.12	\$ 37,430,524.15	\$ 9,677,498.75	\$ 18,499,918.27	\$ 111,692,121.29
Projected Balances and Revenues	\$ 76,666,021.30	\$ 37,850,524.15	\$ 14,537,923.25	\$ 29,392,441.00	\$ 158,446,909.70
Expenditures	\$ (32,744,805.68)	\$ (41,351,298.12)	\$ (6,898,870.00)	\$ (5,477,290.50)	\$ (86,472,264.30)
Transfer(s) From (Minus)	\$ -				\$ -
Transfer(s) To (Plus)		\$ -			\$ -
YTD Balances	\$ 43,921,215.62	\$ (3,500,773.97)	\$ 7,639,053.25	\$ 23,915,150.50	\$ 71,974,645.40
Restricted Balances	\$ 180,000.00	\$ 420,000.00		\$ 18,394,337.90	\$ 1,641,616.56
Budgeted Revenues	\$ 57,752,407.00	\$ 60,928,034.00	\$ 10,331,943.00	\$ 18,124,225.00	\$ 147,136,609.00
YTD Revenues	\$ 46,084,180.12	\$ 37,430,524.15	\$ 9,677,498.75	\$ 18,499,918.27	\$ 111,692,121.29
Budgeted Revenues % Realized	79.80%	61.43%	93.67%	102.07%	75.91%
Budgeted Expenditures	\$ 53,016,335.27	\$ 66,581,053.00	\$ 6,901,749.00	\$ 9,895,675.00	\$ 136,394,812.27
YTD Expenditures	\$ 32,744,805.68	\$ 41,351,298.12	\$ 6,898,870.00	\$ 5,477,290.50	\$ 86,472,264.30
Budgeted Expenditures % Realized	61.76%	62.11%	99.96%	55.35%	63.40%



Conclusion

The district is in a strong financial position. Balances are positive in all categories for the year. Revenues are running as expected. Overall expenditures are running as expected but operating expenditures are running a little more than expected. This will likely result in an amendment to the expenditure budget later this year. As we move forward, we will continue to track and report all categories.

The below tables reflect the impact of ESSER I and II funds on our FY21 balances.



FY21 With ESSER II Funds (\$8.3M) - 29.28% Operating Balances

	Fund 1	Fund 2	Fund 3	Fund 4	Total
July 1, 2020 Balance	\$ 24,188,652.75	\$ 420,000.00	\$ 5,545,370.95	\$ 21,821,115.68	\$ 51,975,139.38
Revenues	\$ 54,262,948.67	\$ 58,026,892.78	\$ 8,874,458.55	\$ 2,364,348.64	\$ 123,528,648.64
Projected Balances and Revenues	\$ 78,451,601.42	\$ 58,446,892.78	\$ 14,419,829.50	\$ 24,185,464.32	\$ 175,503,788.02
Expenditures	\$ (43,583,614.48)	\$ (62,313,038.54)	\$ (9,559,405.00)	\$ (13,292,941.59)	\$ (128,748,999.61)
Transfer(s) From (Minus)	\$ (4,286,145.76)				\$ (4,286,145.76)
Transfer(s) To (Plus)		\$ 4,286,145.76			\$ 4,286,145.76
YE Balances	\$ 30,581,841.18	\$ 420,000.00	\$ 4,860,424.50	\$ 10,892,522.73	\$ 46,754,788.41
Restricted Balances	\$ 180,000.00	\$ 420,000.00		\$ 4,681,416.73	\$ 5,281,416.73
Budgeted Revenues	\$ 55,582,351.00	\$ 55,094,527.00	\$ 9,011,933.00	\$ 1,807,500.00	\$ 121,496,311.00
YE Revenues	\$ 54,262,948.67	\$ 58,026,892.78	\$ 8,874,458.55	\$ 2,364,348.64	\$ 123,528,648.64
Budgeted Revenues % Realized	97.63%	105.32%	98.47%	130.81%	101.67%
Budgeted Expenditures	\$ 51,978,217.00	\$ 62,620,000.00	\$ 9,560,834.00	\$ 15,800,305.00	\$ 139,959,356.00
YE Expenditures	\$ 43,583,614.48	\$ 62,313,038.54	\$ 9,559,405.00	\$ 13,292,941.59	\$ 128,748,999.61
Budgeted Expenditures % Realized	83.85%	99.51%	99.99%	84.13%	91.99%

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FY21 Without ESSER II Funds - 21.43% Operating Balances

	Fund 1	Fund 2	Fund 3	Fund 4	Total
July 1, 2020 Balance	\$ 24,188,652.75	\$ 420,000.00	\$ 5,545,370.95	\$ 21,821,115.68	\$ 51,975,139.38
Revenues	\$ 49,993,255.58	\$ 53,990,170.87	\$ 8,874,458.55	\$ 2,364,348.64	\$ 115,222,233.64
Projected Balances and Revenues	\$ 74,181,908.33	\$ 54,410,170.87	\$ 14,419,829.50	\$ 24,185,464.32	\$ 167,197,373.02
Expenditures	\$ (43,583,614.48)	\$ (62,313,038.54)	\$ (9,559,405.00)	\$ (13,292,941.59)	\$ (128,748,999.61)
Transfer(s) From (Minus)	\$ -				\$ -
Transfer(s) To (Plus)		\$ -			\$ -
YE Balances	\$ 30,598,293.85	\$ (7,902,867.67)	\$ 4,860,424.50	\$ 10,892,522.73	\$ 38,448,373.41
Restricted Balances	\$ 180,000.00	\$ 420,000.00		\$ 4,681,416.73	\$ 5,281,416.73
Budgeted Revenues	\$ 55,582,351.00	\$ 55,094,527.00	\$ 9,011,933.00	\$ 1,807,500.00	\$ 121,496,311.00
YE Revenues	\$ 49,993,255.58	\$ 53,990,170.87	\$ 8,874,458.55	\$ 2,364,348.64	\$ 115,222,233.64
Budgeted Revenues % Realized	89.94%	98.00%	98.47%	130.81%	94.84%
Budgeted Expenditures	\$ 51,978,217.00	\$ 62,620,000.00	\$ 9,560,834.00	\$ 15,800,305.00	\$ 139,959,356.00
YE Expenditures	\$ 43,583,614.48	\$ 62,313,038.54	\$ 9,559,405.00	\$ 13,292,941.59	\$ 128,748,999.61
Budgeted Expenditures % Realized	83.85%	99.51%	99.99%	84.13%	91.99%

Financial Items of Interest:

- Bond Spending and Balance
 - FY19 Spent: \$12,323,823.86
 - FY20 Spent: \$16,930,401.24
 - FY21 Spent: \$11,146,800.32
 - FY22 Spent: \$3,915,488.88 (Paid 7/1/2021 through 2/28/2022)
 - Total Spent: \$44,316,514.30 (All monies paid from bond through 2/28/2022)
- Bond Proceeds Overview
 - Bond 2019 Starting Amount: \$44,533,659.50
 - Bond 2022 Starting Amount: \$17,655,863.95
 - Bond Spent Amount: - \$44,316,514.30
 - Bond Int (less 2019 disc): + \$ 521,328.75 (*Through FY21)
 - Bond Balance: \$18,394,337.90
- The state legislature appropriated the \$1.9B of ARP ESSER III funds on February 23rd. The district is now able to request the allocated \$18M in ESSER III funds.
- The Finance Committee met on February 14th. A report will be provided to the board at the March 14th meeting.
- Budgeting for FY23, FY24, FY25 and FY26.
 - FY23
 - Revenue
 - Local Revenue
 - We will receive our preliminary assessed valuation in March which will drive our local property tax collections.
 - Prop C should be strong.
 - County Revenue
 - State Assess Railroad and Utilities should be similar to this year
 - State
 - The State Adequacy Target will remain the same \$6,375 for FY23 and FY24. It has not increased since FY19.
 - The district will lose 436 students from the foundation formula. That will result in a decrease of \$1.8M.
 - Transportation payments will be similar to this year.

- Federal
 - The district has not received our Title allocation yet.
 - Food service reimbursement has not been determined.
 - The availability of ESSER III funds will be determined by how much we request this year, FY22.
- Expenditures
 - We are in the Budget Request Phase. This is the first phase of budgeting expenditures. It is highlighted by gathering requests from administrators around the district.
 - It will be followed by the Budget Proposed, Budget Approved and Budget Adopted phases.
- Long Range Forecasting - FYs 24, 25, and 26
 - I'm very concerned about the significant gap in revenues and expenditures for FYs 24, 25 and 26. I am projecting significant deficit spending that will greatly reduce our balances and put the district in financial distress.
 - I am preparing a document to be shared with the Finance Committee in April. I encourage all board members to attend.

Upcoming Meetings:

- Finance Committee
 - April 11, 2022 - 4:00 - Administration Building
 - I highly encourage all board members to attend this meeting. We will discuss the need to balance our expenditures with our sustainable revenues.
 - June 13th, 2022 - 4:00 - Administration Building
- Rayteam
 - April 7th, 2022 - Administration Buildings

If you have any questions, please feel free to contact me prior to the February 14th board meeting.

Respectfully Submitted,

