

# HARVEY PUBLIC SCHOOLS

## DISTRICT #152

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# FINANCIAL ANALYSIS

JANUARY 2019

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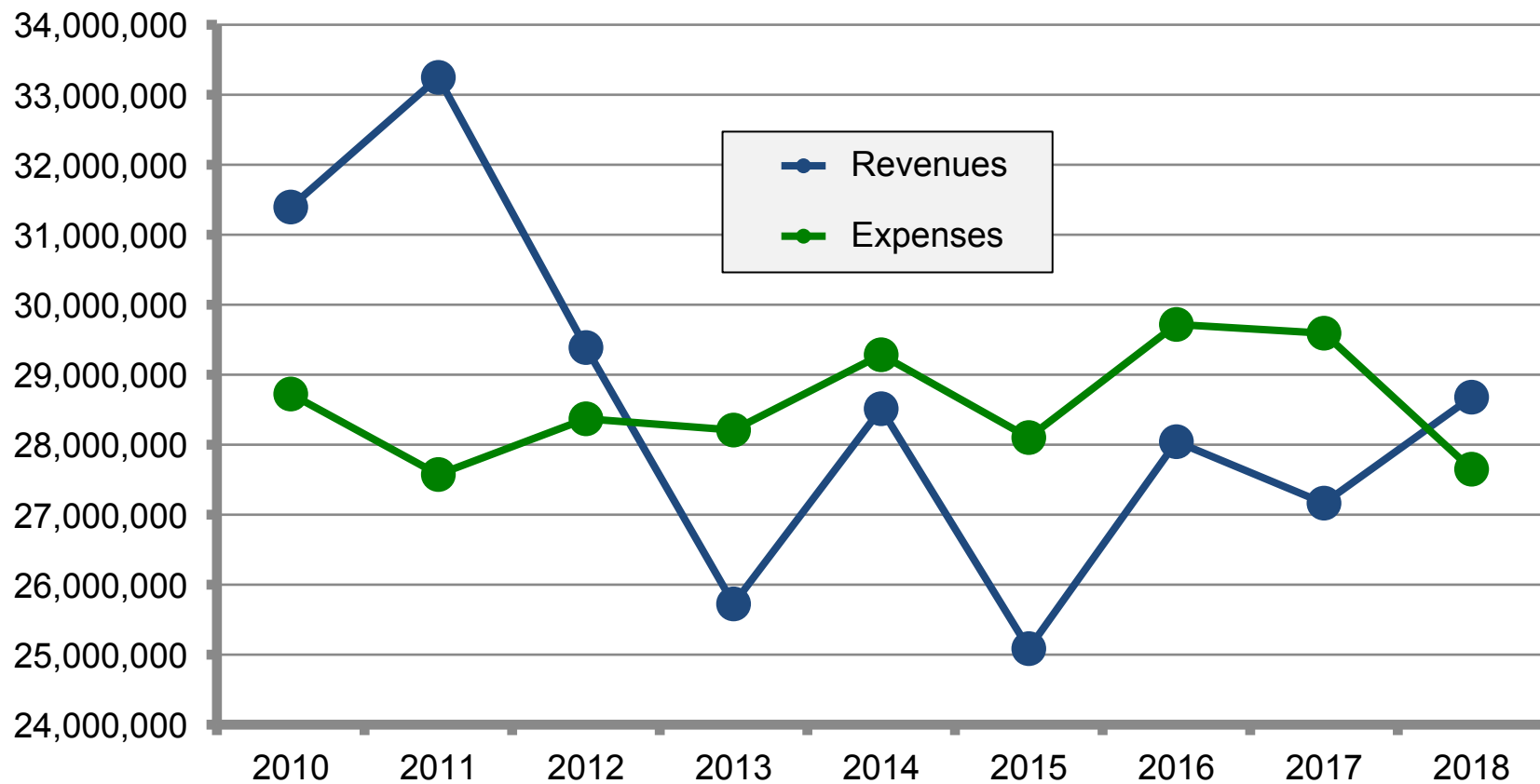
# FINANCIAL SUMMARY

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FISCAL YEAR 2010 THROUGH FISCAL YEAR 2018

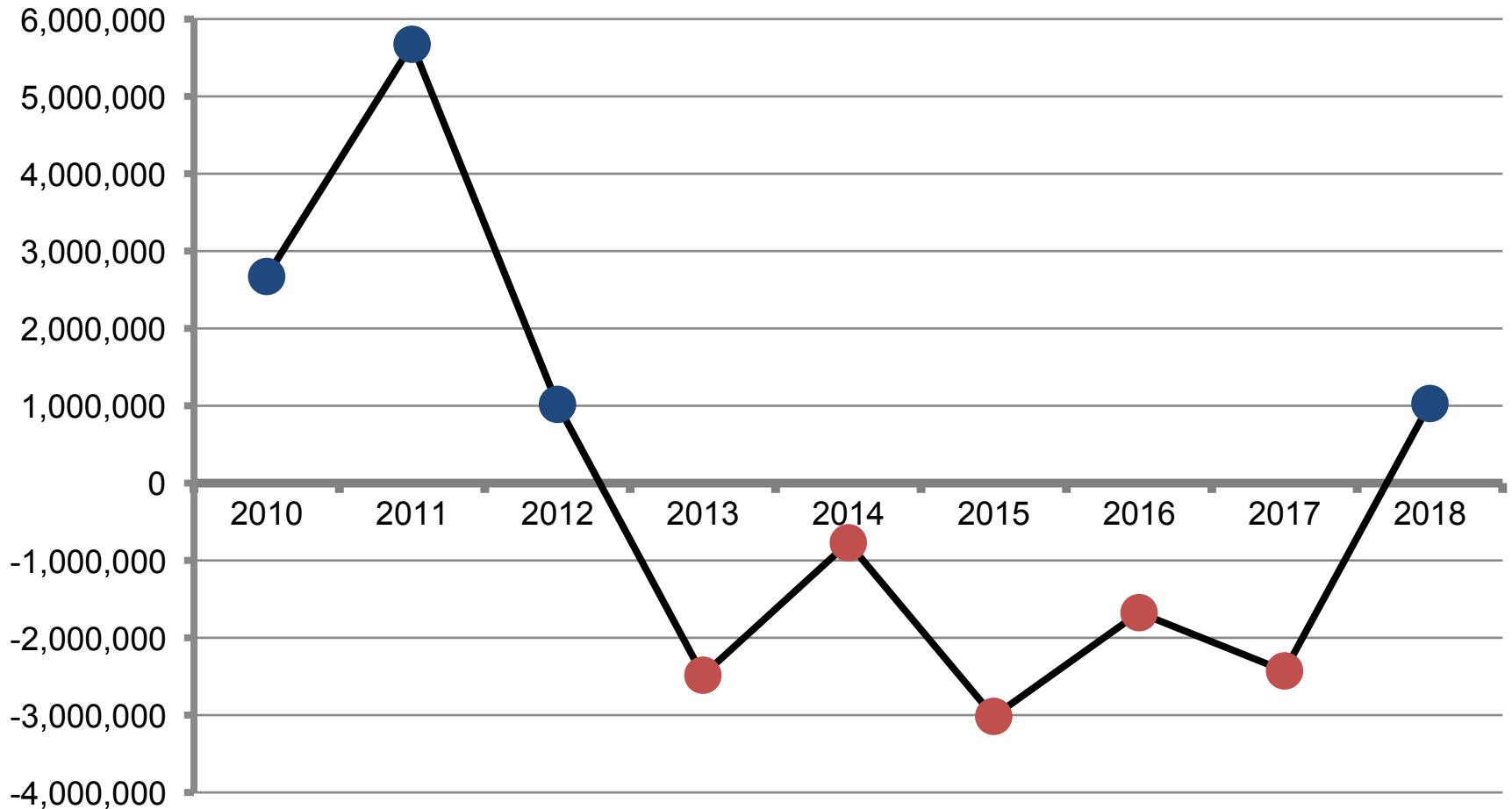
# FINANCIAL HISTORY

TRENDS IN REVENUES AND EXPENSES - EXCLUDING DEBT AND MAJOR CAPITAL EXPENSES



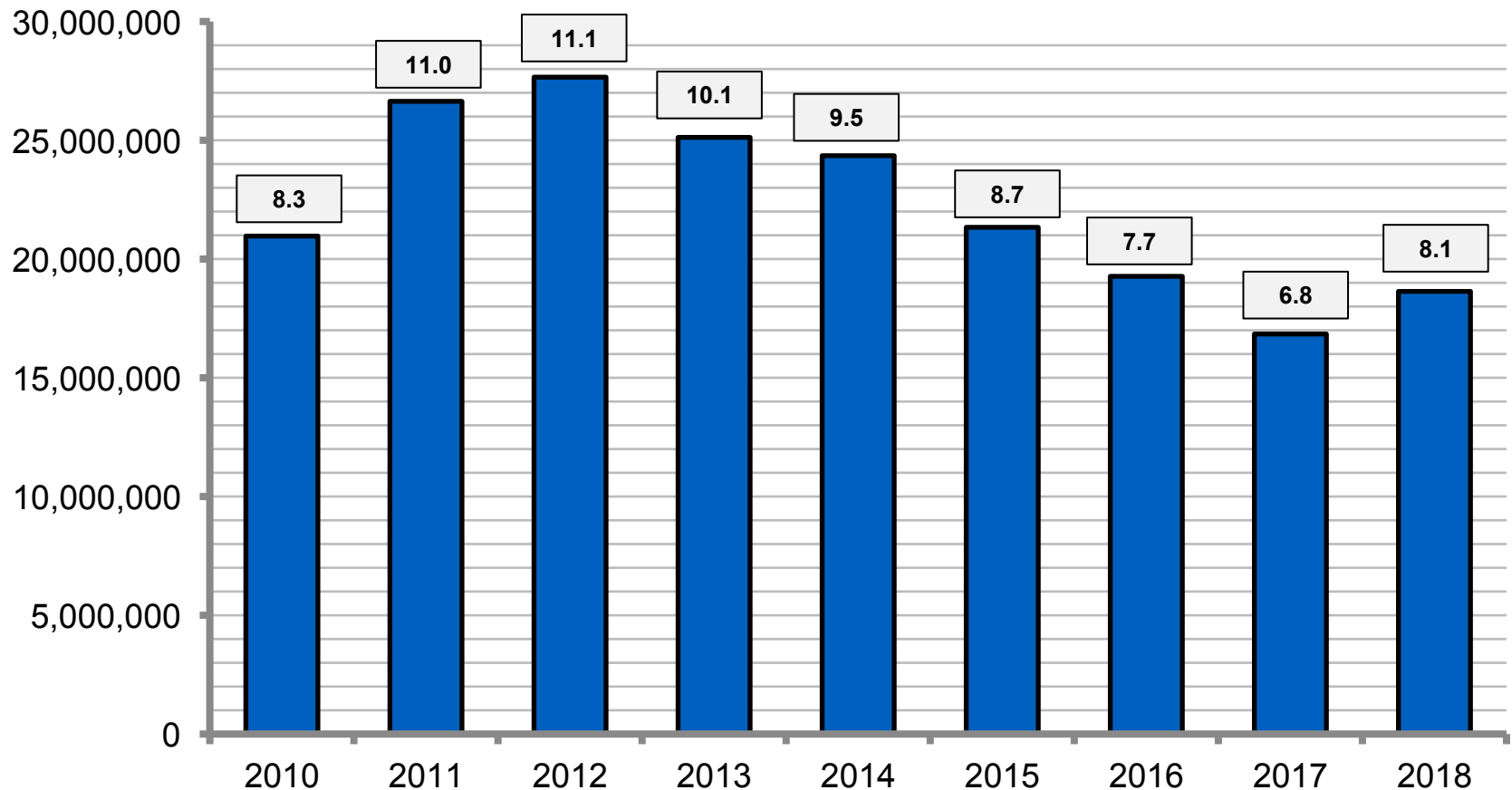
# REVENUES VERSUS EXPENSES

ANNUAL SURPLUS DEFICITS



# FUND BALANCE HISTORY

## ALL FUNDS



Number in boxes represent months of expense reserves (total fund balances divided by the average monthly adjusted expenses)

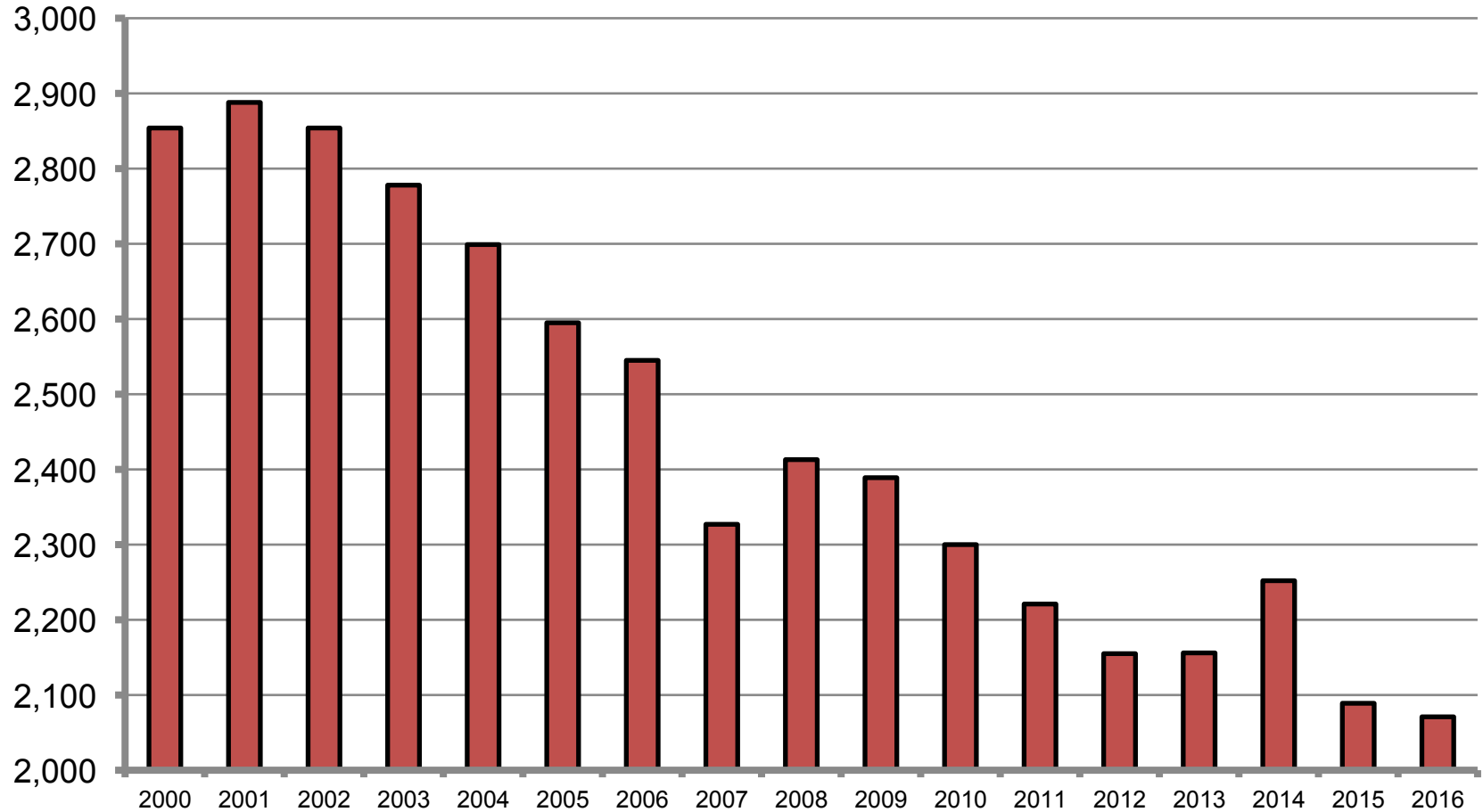


# MAJOR EVENTS AFFECTING DISTRICT'S FINANCIAL CONDITION

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DECREASING ENROLLMENT AND DECREASING TAX COLLECTION PERCENTAGES

# DECREASING DAILY STUDENT ATTENDANCE

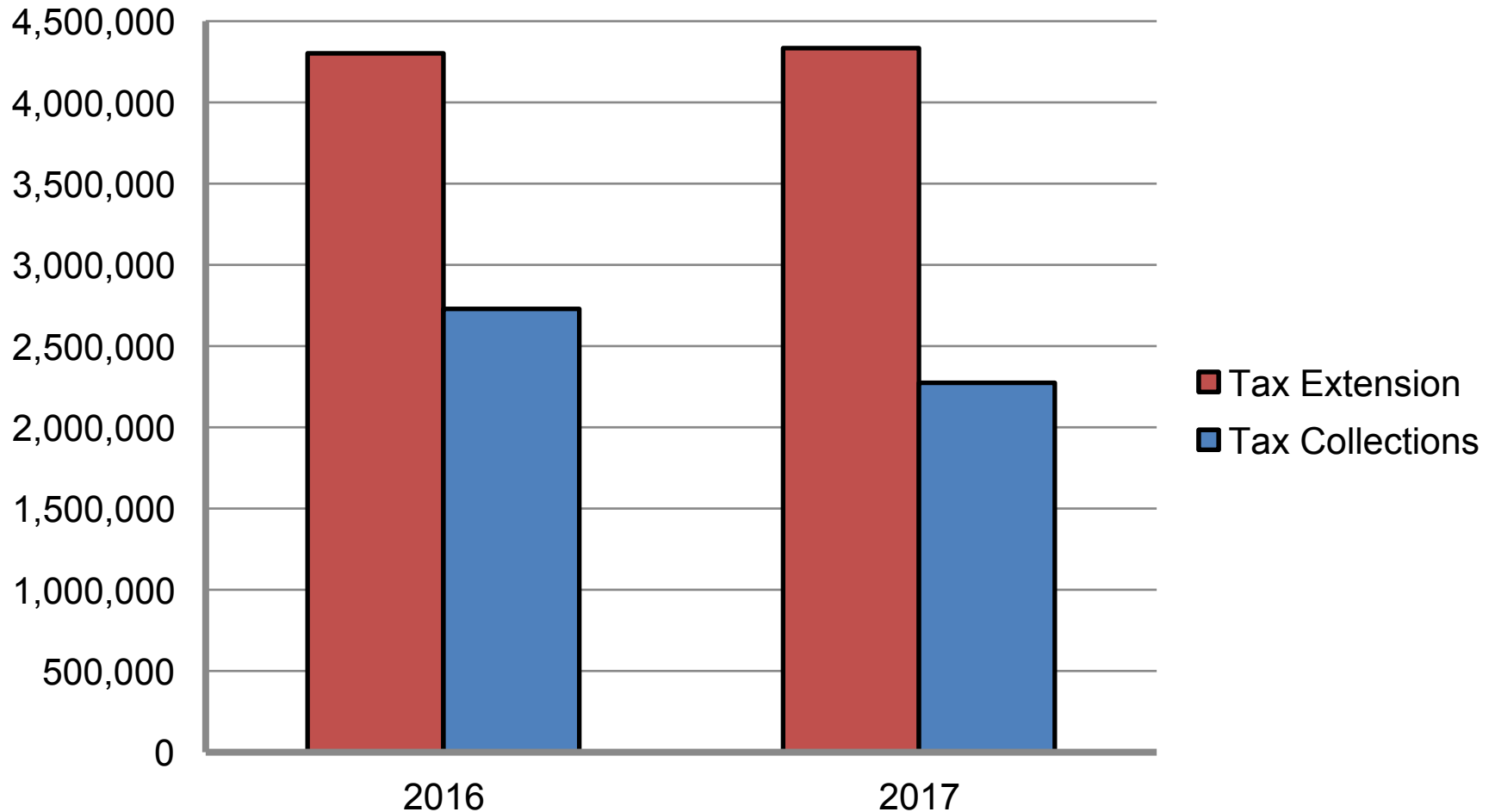


# RECENT MONTHLY ENROLLMENT STATISTICS

Month	2014-15	2015-16	2016-17	2017-18	2018-19	2019 v. 2014
10 <sup>th</sup> Day	2252	1907	1999	1935	1859	<b>-393</b>
August	2398	2197	2050	1944	1898	<b>-500</b>
September	2421	2375	2210	2051	1962	<b>-459</b>
October	2409	2414	2269	2092	1982	<b>-427</b>
November	2385	2542	2277	2110	1999	<b>-386</b>
December	2465	2435	2218	2123	2015	<b>-450</b>
January	2492	2463	2241	2124		
February	2493	2440	2225	2125		
March	2495	2456	2249	2140		
April	2444	2463	2267	2152		
May	2444	2473	2269	2152		



# EXTREMELY LOW TAX COLLECTIONS



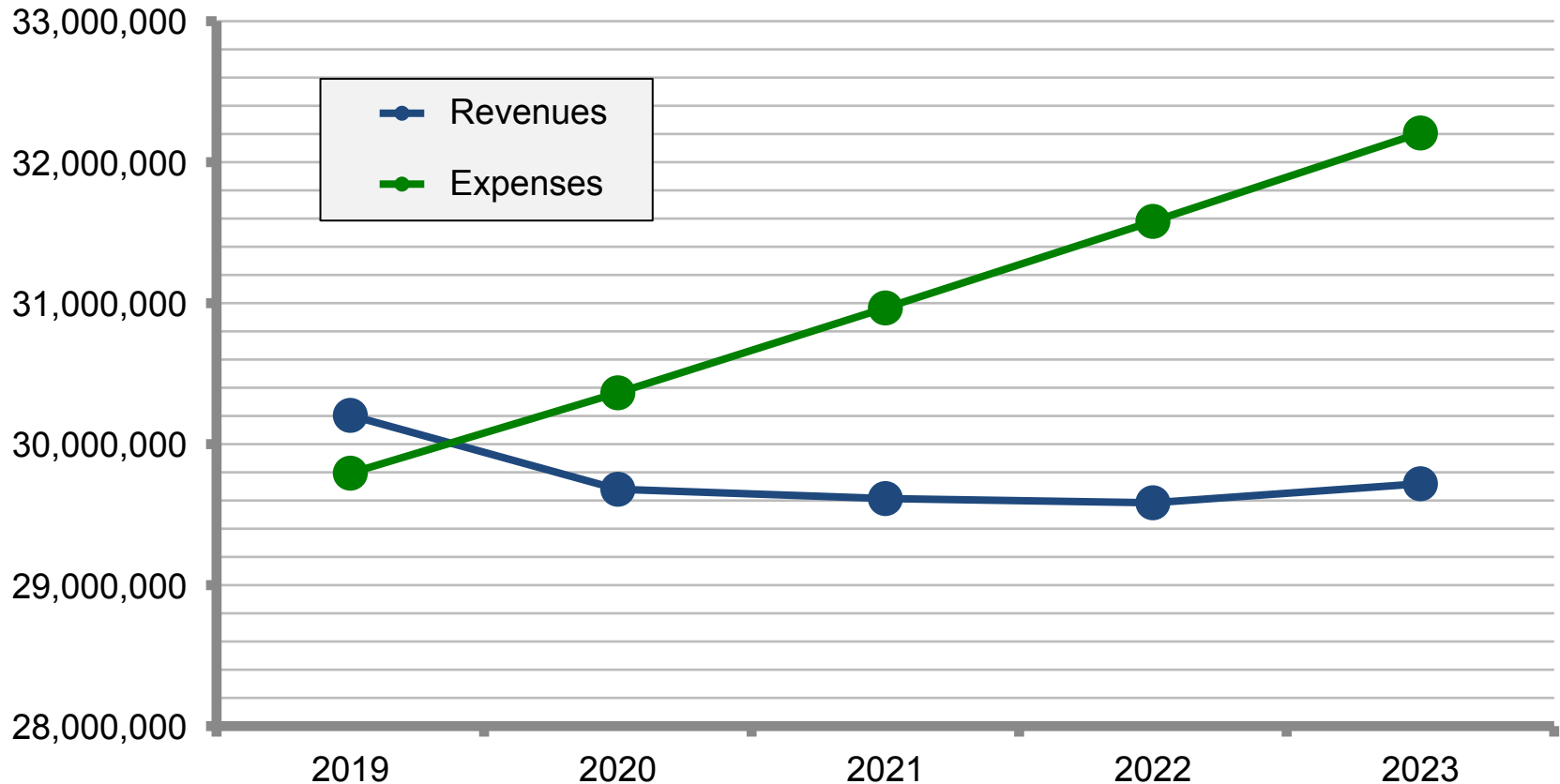


# FINANCIAL PROJECTION

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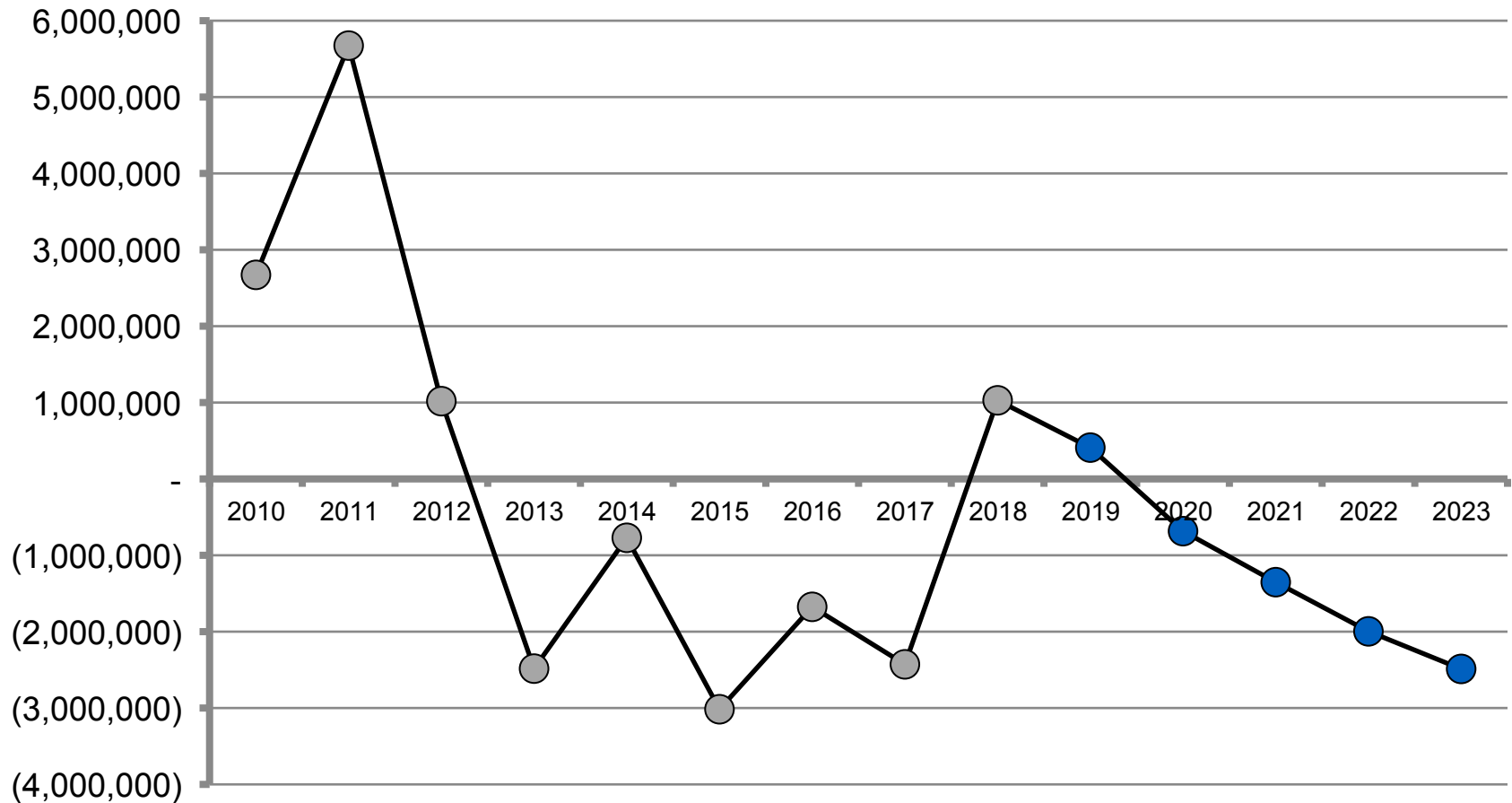
FISCAL YEAR 2019 THROUGH FISCAL YEAR 2023

# PROJECTED REVENUES AND EXPENSES



While expenses are projected to increase approximately 2% annually, revenues are projected to be flat

# PROJECTED DEFICITS



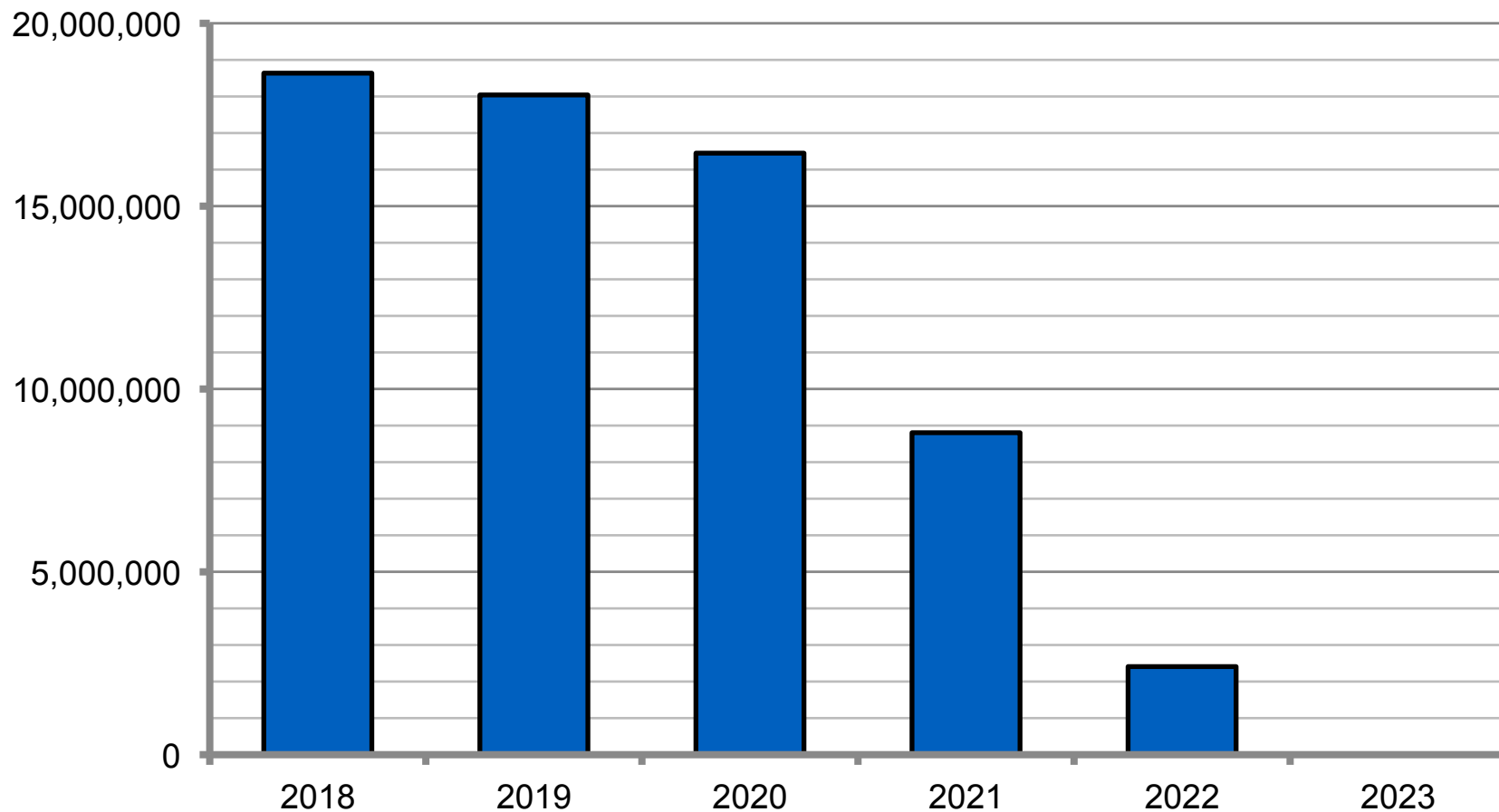
## IMPACT OF DEFICITS AND MAJOR CAPITAL NEEDS OVER NEXT FIVE YEARS

- If District expenses increase by 2% annually and revenues are flat, the District is projected to incur cumulative deficits of \$6.1 million over the next five years.
- If the District addresses all of its major life safety needs in all of its buildings, it must spend \$12.6 million over the next five years.

**So how will this impact fund balance reserves?**

# PROJECTED FUND BALANCES

## ALL FUNDS





# ADDRESSING MAJOR CAPITAL NEEDS

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# ISSUES FOR CONSIDERATION :

The District cannot incur significant annual deficits and use fund balance reserves to pay for all capital projects.

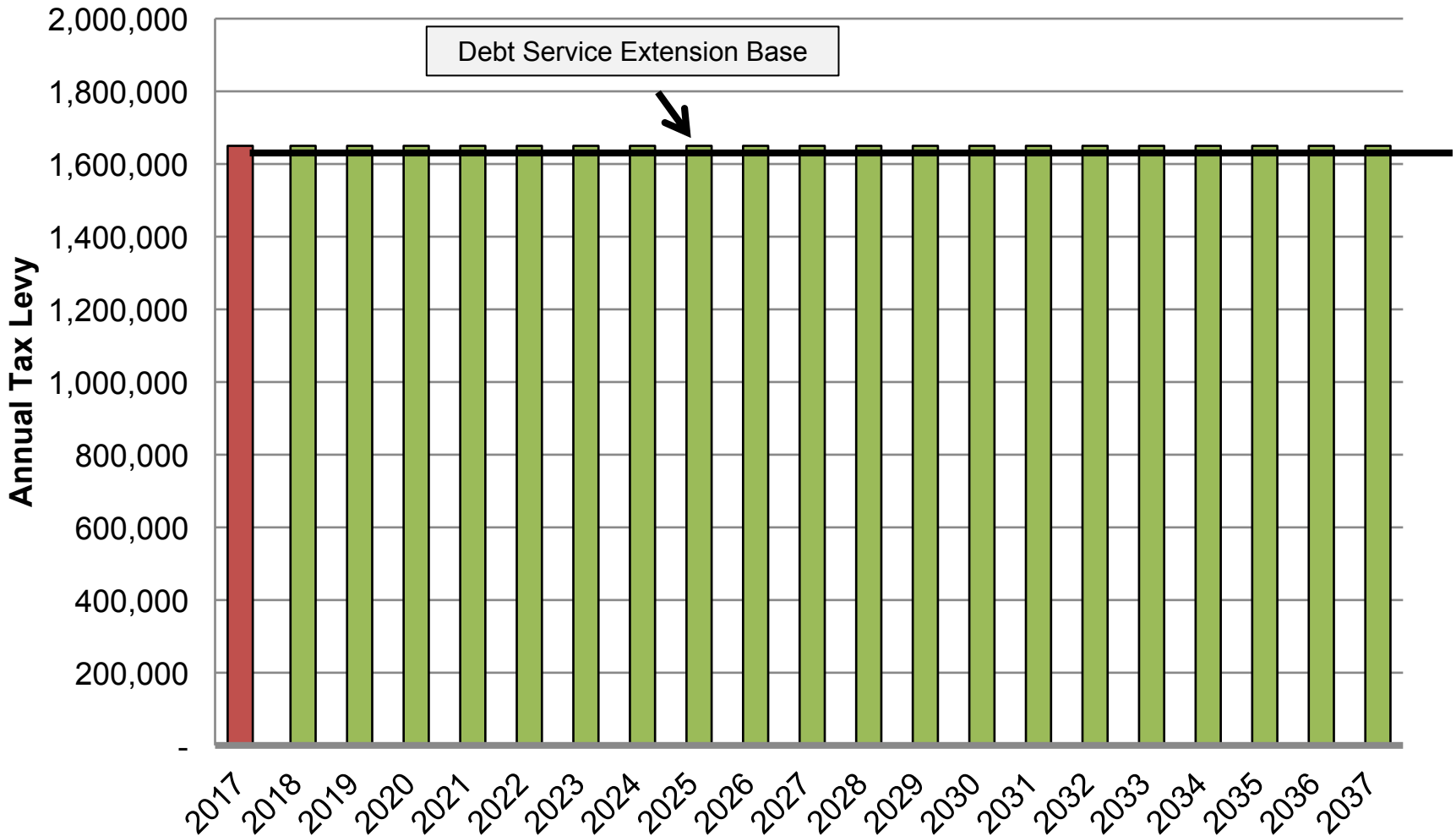
So what are its options?

- ① Issue debt (borrow funds) to pay for projects.
- ② Close buildings rather than renovating the buildings to decrease capital needs.

**Note: Under any option, the District must strive to achieve balanced budgets**



# MAXIMUM ABILITY TO BORROW FUNDS FOR CAPITAL PROJECTS – APPROXIMATELY \$18 MILLION





# CRITICAL DECISION AREAS

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# RECOMMENDED ACTION

The District must strongly consider closing additional buildings in order to reduce both operating expenses and major capital expenses.

Specifically, the following questions should be addressed soon:

- How and what buildings to close down?
- How will the newly designed district be configured? Grade centers? Boundaries?
- How can the District reduce expenses dramatically without adversely impacting students?

**THESE DECISIONS SHOULD BE MADE PRIOR TO ANY FURTHER MAJOR CAPITAL EXPENDITURES**

# End of Presentation

