

## **Superintendent and Staff Report**

### **Monthly Financial Review/ED and O&M Update**

The following report is through March 2021 and compares prior year to date numbers to the final, audited results. It also compares the current year to date actuals to the Board approved budget. The report is highly summarized with revenues being broken out by property taxes, other local revenues, state revenue, and federal revenue. The expenditures are summarized at a high functional level. The comparisons allow you to see how the district is doing relative to the approved budget and how the current year results compare to the prior year. The highlights are as follows:

#### **Property Tax Collections**

All funds' property tax collections are trending slightly higher compared to the same point last year. Tax collections in several of the funds are slightly different due to shifting levy dollars amongst the funds. The next round of property taxes will not be collected until late May or early June. The County Board did approve the 2020 property tax bills to be split into four installments just like last spring. This is still not anticipated to impact the district's cash flow in any significant way, but it will be monitored.

#### **State Funding**

The third categorical payment was vouchered in late March and could arrive at any time. The state has been timelier with making these payments than in recent prior years. The state continues to make the payments for EBF on time. Flat funding is again expected to come from Springfield due in part to the defeat of the graduated income tax amendment last November.

#### **Ed Fund Expenditures**

The contract with the certified staff has been fully implemented. All financial impacts such as the one-time \$300 payment, salary retro pay back to the start of the year, and the increase to the family insurance pool are now reflected in the numbers that are presented. Expenditures compare favorably to the same point in the prior year and also when compared against the budget.

#### **ESSER Funds**

The stimulus bill passed in mid-March will provide more federal funding for the district. ESSER III funding will not be available for this budget year but rather for fiscal 2022. The preliminary allocation to the district is around \$900,000. There is a set aside of 20% of the allocation, or around \$180,000, to address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students' academic, social, and emotional needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups.

### Ed Fund Projected June 30, 2021 Balances

<b>Ed Fund - Original budget</b>			
Beginning fund balance			10,756,969.00
Revenue			30,040,690.00
Expenditures			(30,754,149.00)
Surplus/(defecit)			(713,459.00)
Ending fund balance			<u>10,043,510.00</u>
Fund balance to revenue ratio			33.43%
<b>Ed Fund - Estimated June 30, 2021</b>			
Beginning fund balance			10,756,969.00
Revenue			30,398,689.00
Expenditures			(31,156,695.00)
Surplus/(defecit)			(758,006.00)
Ending fund balance			<u>9,998,963.00</u>
Fund balance to revenue ratio			32.89%

The estimated June 30, 2021 balances shown above were derived from taking the actual year to date expenditures and estimating the remaining spending through June 30. The increases in certified staff salary and benefits were factored in when projecting the remaining spending.

As of this analysis, it appears that the anticipated deficit has only grown slightly. ESSER I and II funds have helped mitigate the unforeseen expenditures for opening school to in-person learning and other pandemic related spending.

While the fund balance to revenue ratio is still well above the target (15%-20%) stated in Board policy 4:20, continued spending at this rate will rapidly deplete the fund balance to below the target. This will necessitate decisions to be made on future spending for staffing, programs, and other areas that could impact students. The situation is not dire at the present time, but planning and actionable steps should be considered to mitigate this decline in fund balance and to preserve the student experience as much as possible.

**O&M Fund Projected June 30, 2021 Balances**

<b>O&amp;M Fund - Original budget</b>			
Beginning fund balance			1,325,432.00
Revenue			4,373,439.00
Expenditures			(4,573,531.00)
Surplus/(defecit)			(200,092.00)
Ending fund balance			<u>1,125,340.00</u>
Fund balance to revenue ratio			25.73%
<b>O&amp;M Fund - Estimated June 30, 2021</b>			
Beginning fund balance			1,325,432.00
Revenue			4,373,439.00
Expenditures			(4,465,228.00)
Surplus/(defecit)			(91,789.00)
Ending fund balance			<u>1,233,643.00</u>
Fund balance to revenue ratio			28.21%

The estimated June 30, 2021 balances shown above were derived from taking the actual year to date expenditures and estimating the remaining spending through June 30. The project deficit is smaller than anticipated in the budget. The only large project planned for the summer is the roof restoration at Hilda Walker School. Barring the unforeseen, the remaining expenditures in this fund should only consist of routine repairs and maintenance, utilities, and supply purchases.