



MEMORANDUM

TO: Dr. Mark Hatchell, Superintendent
Board of Education

FROM: Tom Gregory, Deputy Superintendent/CFO

DATE: March 6, 2018

SUBJECT: February Financial Report

REVENUES

Graph #1 and Table #1 show that through February we have collected about 40.0% of budgeted revenue with the majority from state equalization. The district's major revenue sources include state equalization, property tax and vehicle ownership tax. At this time last year, the revenue collection percentage was about 39.3%. Graph #2, illustrates the monthly comparisons between last fiscal year and the current fiscal year. An important note about this graph is that it shows a straight-line trend in revenue collections through February and then large jumps in March through June for FY2017. It is in these months that the majority of property taxes are paid to the district. Collections for FY2018 should follow a similar trend each month during the year.

EXPENDITURES

General Fund year-to-date expenditures compared to budget are shown in graphs #3, 4 & 5 as well as in Table #1. Graph #3 shows that with 8 months of the year complete (66.7%), spending, which includes total appropriation, is at 57.5%. There are several items that contribute to the spending percentage at this time of the year.

- 1) The full transfer amounts were made to the Capital Reserve Capital Projects (CRCP), Transportation and Technology Funds in the month of July
- 2) teacher salaries for July and August are paid from their 2016-2017 salary schedule and will require an accrual for July and August 2018, so their salaries are lower as a percentage of budget spent than the other job classifications
- 3) New teachers added to the payroll for this school year received their first paycheck in August with their pay divided over 13 months instead of 12 months
- 4) Many of the purchased services contracts are front-loaded with the entire 2017-2018 services billed and paid early in the year.
- 5) A significant portion of the reserves (including TABOR) are unspent.

Costs included in the Major Program Categories reported in Graph #4 are defined below.

Instruction, Student & Staff Support and Site Management includes:

- all instructional, co-curricular and extracurricular programs
- all pupil support programs (counseling, social work, nursing, etc.)
- all staff support programs (library /media, staff development, and instructional program supervision
- the office of the principal and school office staff

Charter Schools include the direct flow through payments required by charter contracts

School Support includes custodians, crossing guards, maintenance and utilities

District Admin includes:

- the office of the superintendent and board of education
- business services (finance and budget, payroll, accounting, purchasing and warehouse)
- public information services
- human resources

Reserves include:

- TABOR 3% emergency reserve
- Encumbrance and carryover reserves
- Unassigned reserves

Year-to-date expenditures, excluding reserves, of (66.7%) are comparable to last year (66.6%). Graph #5 compares the year-to-date expenditure between last fiscal year and the current fiscal year. As shown in the graph, our expenditure trend for FY2017 was virtually a straight line. The trend for FY2018 should follow a very similar pattern.

Table #1 of the report compares General Fund original budget, adjusted budget, year-to-date actual and variance information for FY2017-2018 revenues and expenditures to FY2016-2017. Budget information presented for FY2016-2017 includes all adjustments for the Midyear modification as well as contingency reserve transfers made during the year.

CASH and INVESTMENTS

Graph #6 compares last fiscal year's total resources and expenditures from operations by month. As shown in this graph, expenditures exceeded resources by January 2017. The main reasons were due to the property taxes not collected until the spring 2017 and that the full transfers are made to the CRCP, Transportation and Technology Funds in July 2016. It is important to note that in March 2017, total resources for the year exceed total expenditures. This is a common trend based on our property tax collection cycle.

Graph #7 is similar to Graph #6 but it compares the current year resources and expenditures from operations by month. In FY2009-2010 expenditures exceeded resources by the end of September 2009, this stretched to November 2010 in FY2010-2011, remained at November in FY2011-2012 and moved again to January 2013 in FY2012-2013 because of the District's healthier cash position over the years, as evidenced in Graph #8 titled "Cash & Investments Available to Meet Operating Needs". Given our

current operations, our cash flow should follow a very similar pattern as last year.

On Table #1 the line titled “Total Resources Over (Under) Total Expenditures” shows our cash flow position from operations with a comparison between fiscal years. This amount represents the total resources (revenues received plus fund balance) net of expenditures paid and does not represent the total cash balances on hand to pay for operations.

Given legislative requirements for the state cash flow loan program, the district is not eligible to participate this year. Cash flows for the last sixteen fiscal years were such that we did not borrow funds from any external source. On June 15, 2017 the Board passed interfund borrowing resolution 177-17 for fiscal year 2017-2018. The resolution permits the district to use unencumbered cash balances in other funds, excluding debt service funds, on a short term basis to fund district operations. Cash balance requirements and availability of other funds was closely monitored during the year in order to manage the cash flow needs of the district.

Investment information for the General Fund and the Bond Redemption Fund and the Building Fund is illustrated in the following table. There are three important items to note related to this table.

1st, the Colotrust balance for the General Fund Account provides operating cash flow until consumed, at which time other bank balances would be accessed pursuant to the interfund borrowing resolution. The district’s TABOR 3% emergency reserve is in a separate account to comply with C.R.S. 22-44-105 and has been set as required by the June 30, 2017 audited fund balance. The TABOR balance was updated in November, after the audited financial statements were complete.

2nd, C.R.S. 22-44-103 requires the district to use a 3rd party bank trust department, with offices in Colorado, to oversee the property taxes collected for the district’s Bond Redemption Fund, which is used to accumulate funds for debt payments in June and December. This statute permits the district to direct investments within the trust account. Wells Fargo Bank has been designated as the trustee, and has been directed to place available funds with Colotrust for investment. Wells Fargo Bank transferred \$20,196,688, the required amounts for December principal and interest payments, to our bond paying agents.

3rd, the Series 2017 bond proceeds of \$160,000,000 plus premium was deposited in a separate Colotrust Building Fund account and will be invested to meet cash flow requirements of the various approved and budgeted projects, in accordance with the Colorado Public Deposit Protection Act (C.R.S. 11-10.5). Building Fund expenditure detail is presented separately each month.

Investments	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17
General Fund Account					
Colostrust	41,021,100	41,033,847	46,138,106	53,554,998	57,047,610
Total General Fund	41,021,100	41,033,847	46,138,106	53,554,998	57,047,610
TABOR Account					
Colostrust	5,626,000	5,626,000	5,626,000	5,626,000	5,387,000
Total TABOR	5,626,000	5,626,000	5,626,000	5,626,000	5,387,000
Bond Redemption Account					
Wells Fargo - Colostrust	7,534,905	6,346,051	6,328,958	26,507,274	26,385,240
Total Bond Redemption	7,534,905	6,346,051	6,328,958	26,507,274	26,385,240
Building Fund Accounts					
Colostrust (proceeds)	152,995,639	157,701,269	160,309,068	164,932,479	169,560,978
Colostrust (interest)	2,276,066	2,083,384	1,877,834	1,685,558	1,506,499
Total Building Fund	155,271,705	159,784,653	162,186,902	166,618,037	171,067,477
Total Investments	\$209,453,710	\$212,790,551	\$220,279,966	\$252,306,309	\$259,887,327

Tax collections from the county treasurer are deposited directly with Wells Fargo Bank for the Bond Redemption Fund and to Colostrust for the General Fund. Collections from state aid are deposited directly into the Chase district checking account. Periodically, as operating funds are needed, electronic transfers are initiated to move funds from Colostrust into the Chase account.

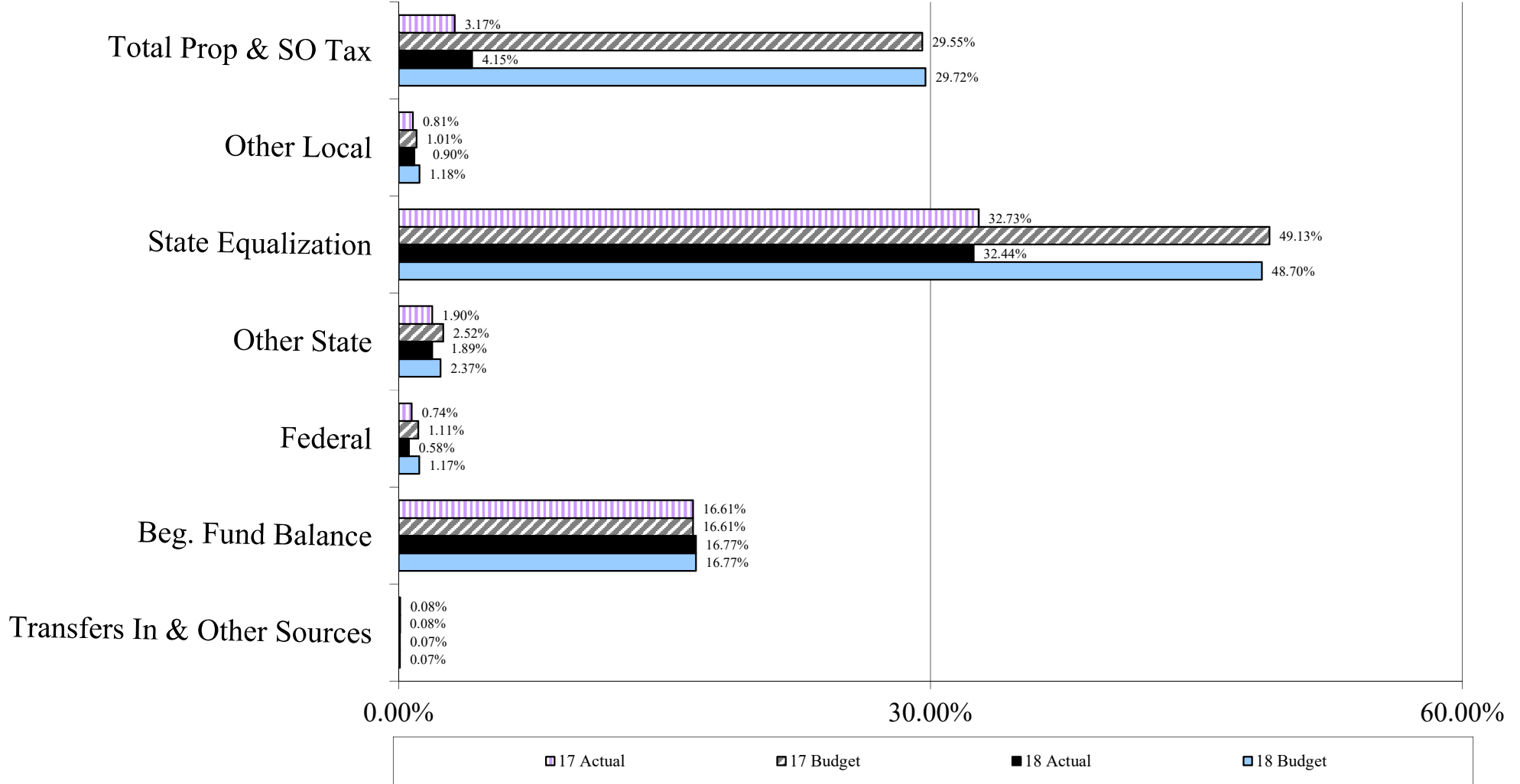
February 2018

General Fund

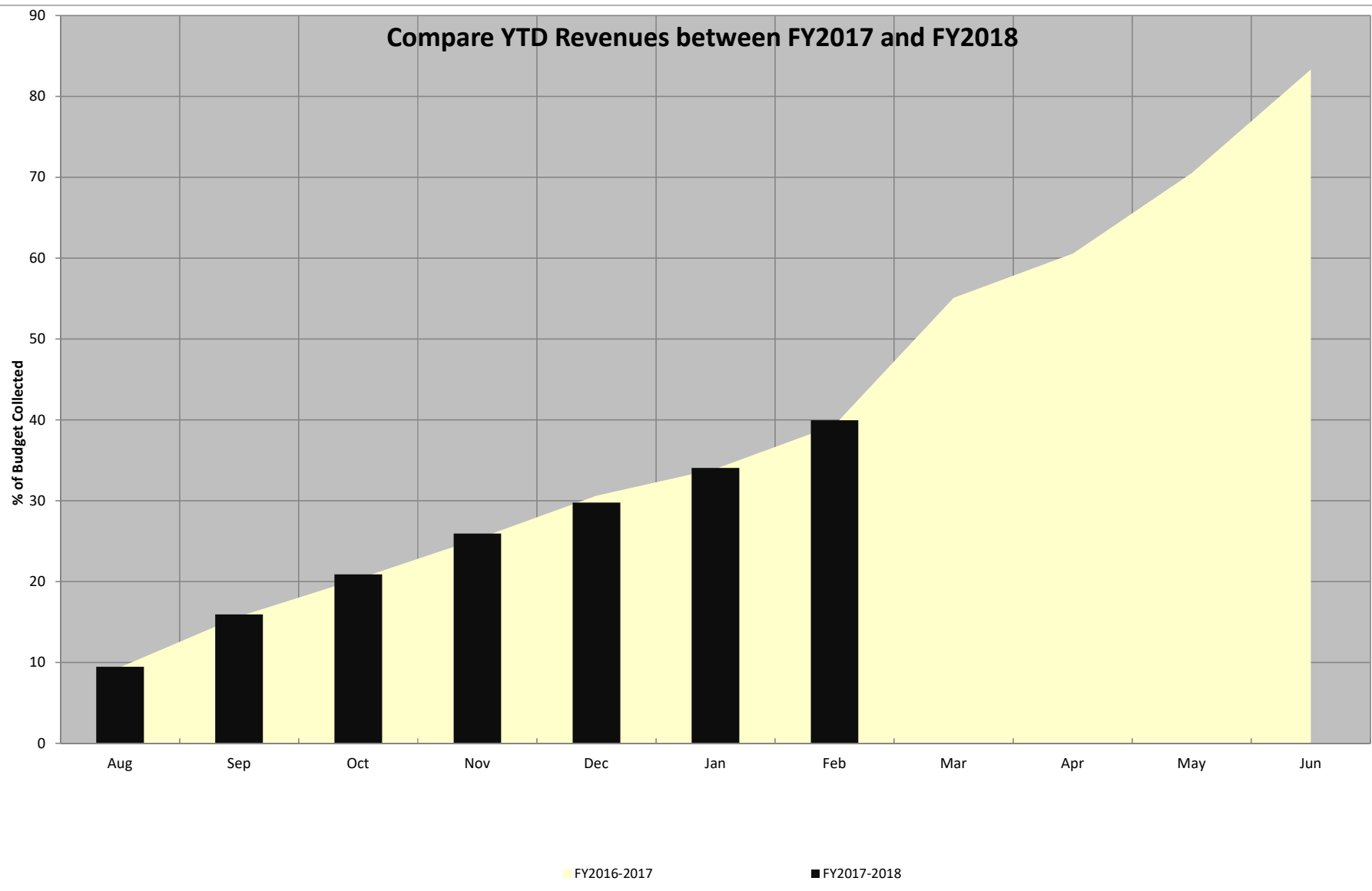
Financial Report

General Fund Major Revenue Categories

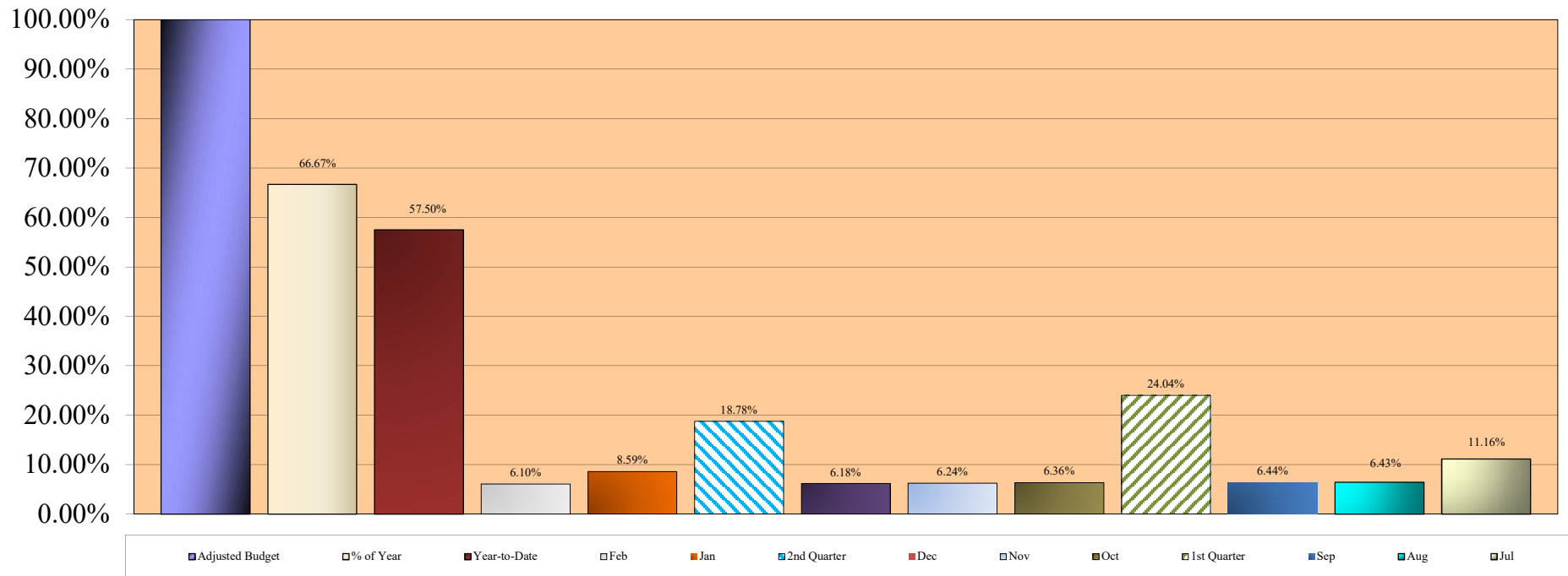
Year-to-Date Budget to Actual through February 2018 Compared to Year-to-Date Budget to Actual through February 2017



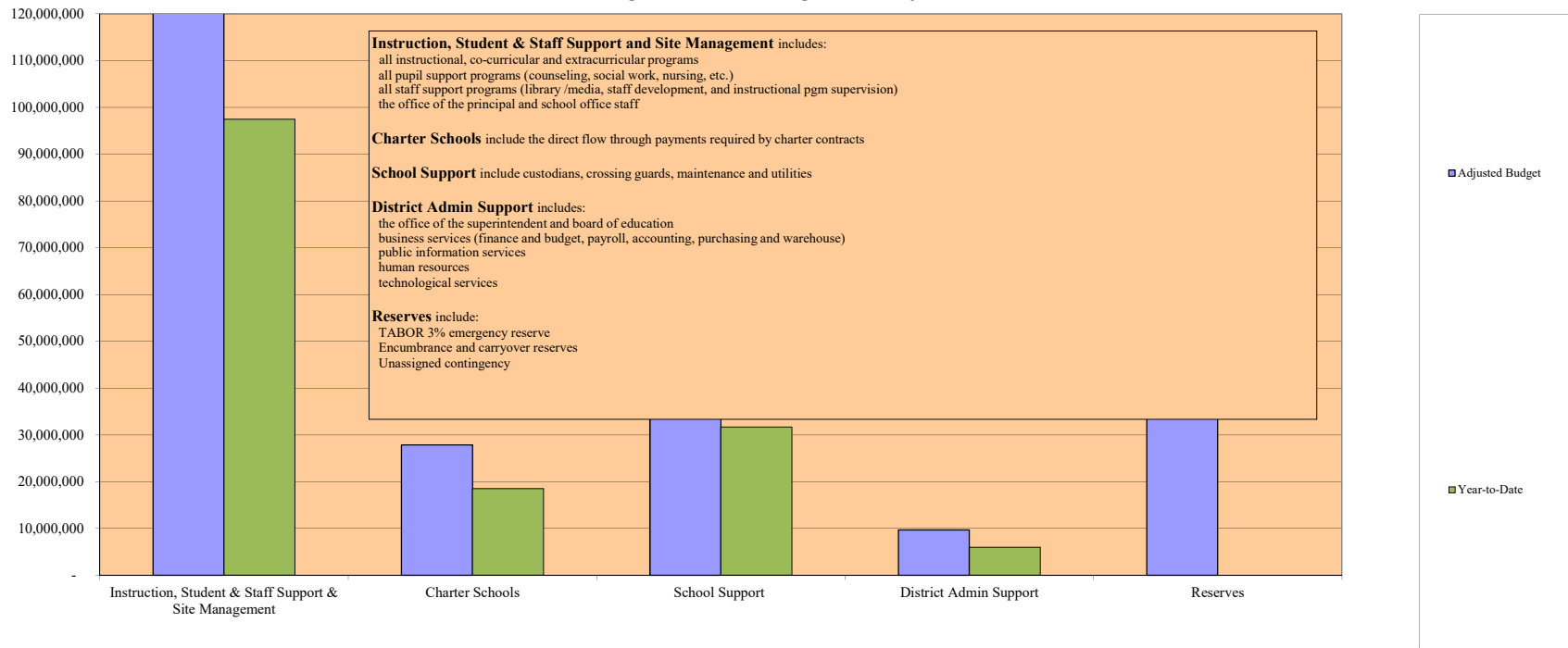
Compare YTD Revenues between FY2017 and FY2018



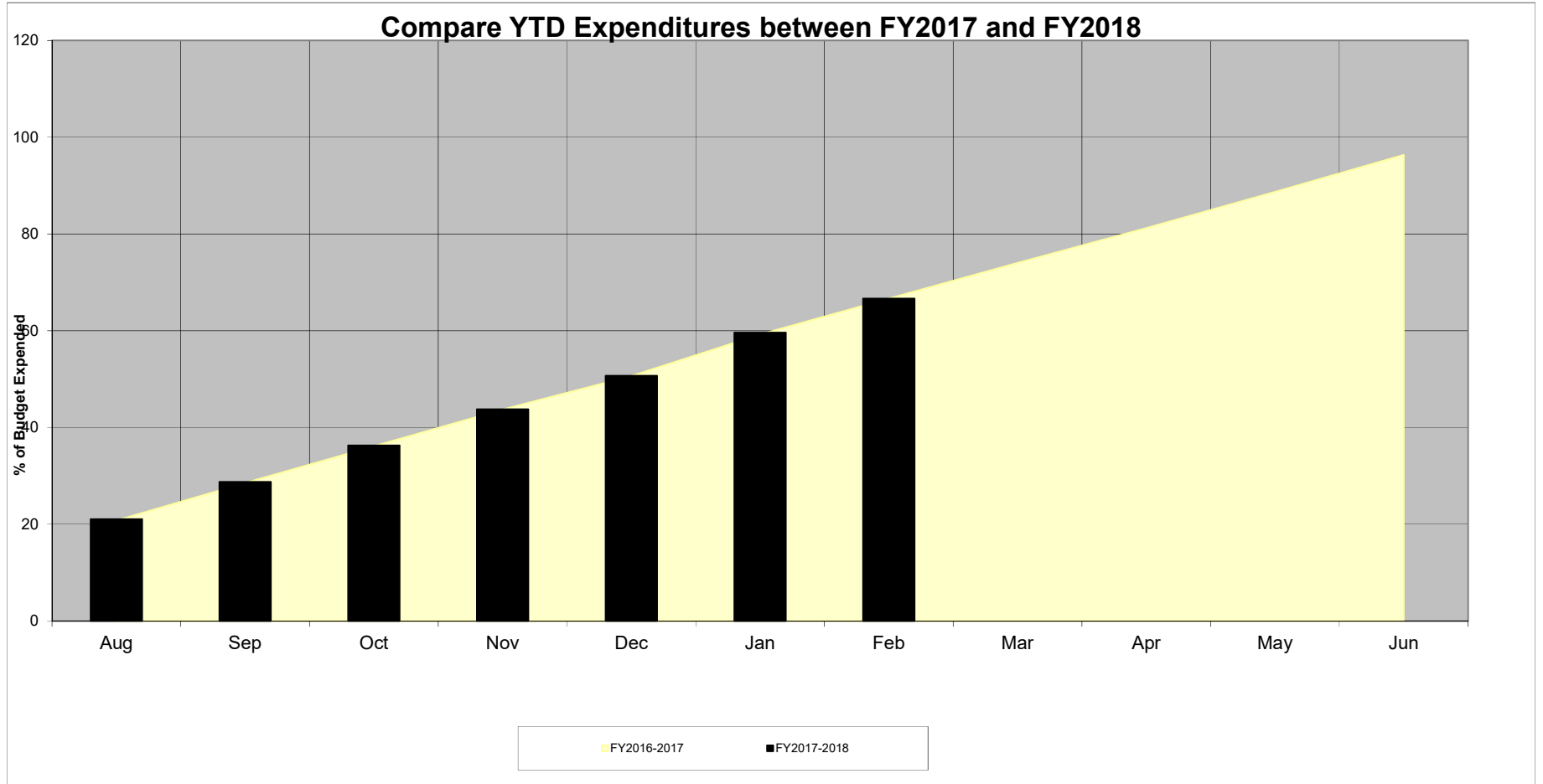
General Fund Total Expenditures Budget to Actual Comparison by Month and Year-to-Date - Unaudited



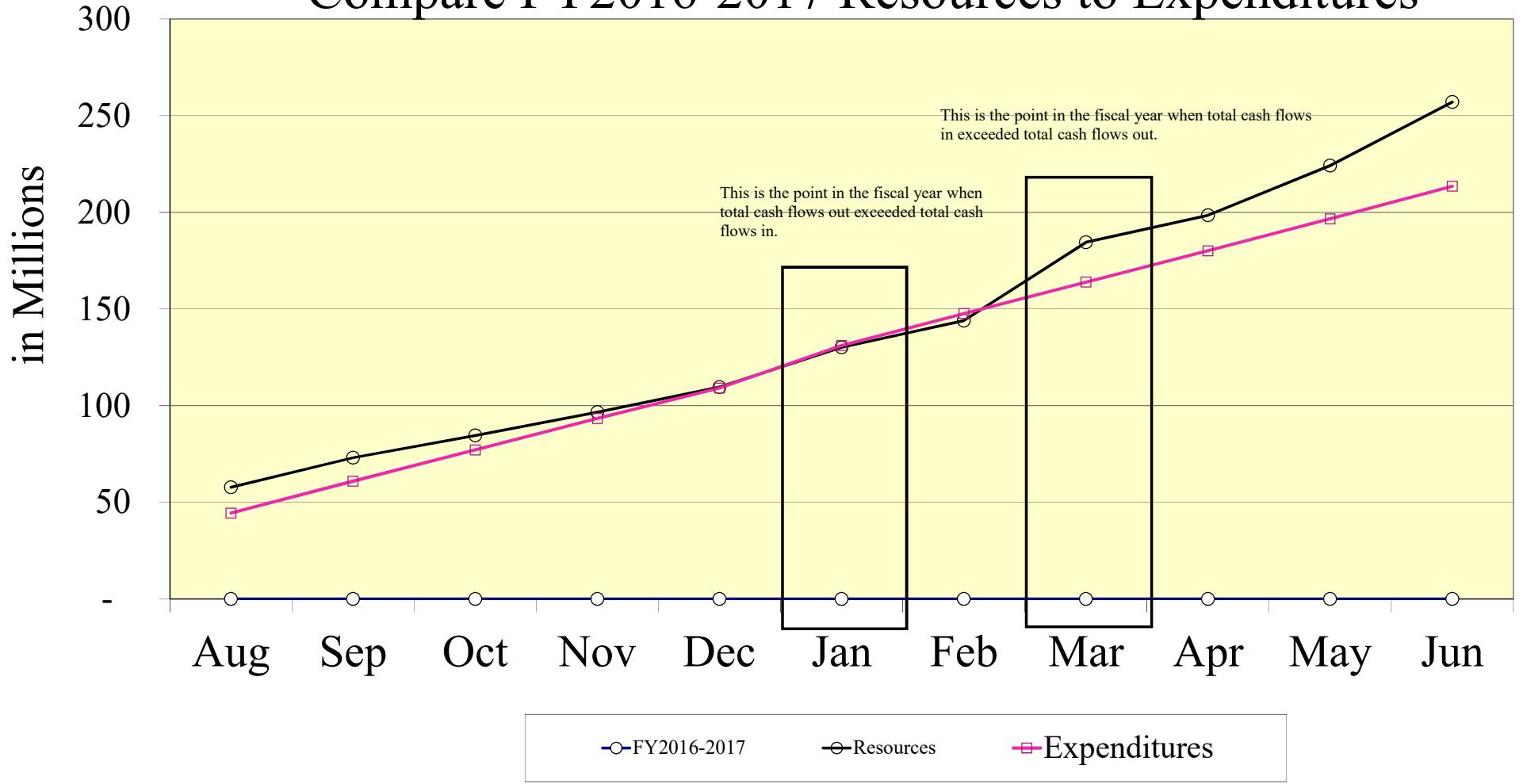
**General Fund Expenditures Budget To Actual by Major Program Category
Year-to-Date Budget to Actual through February 2018**



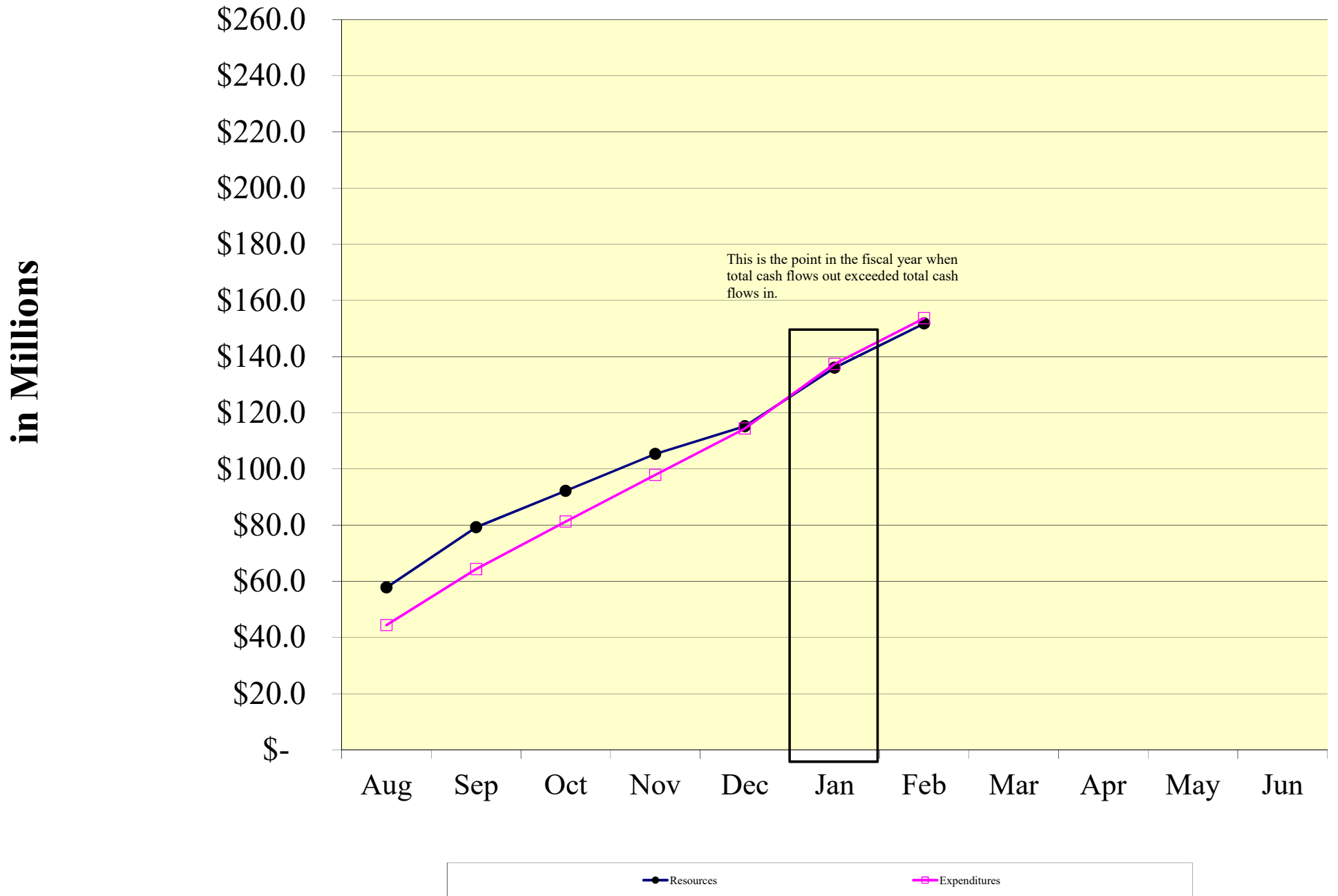
Compare YTD Expenditures between FY2017 and FY2018



Compare FY2016-2017 Resources to Expenditures

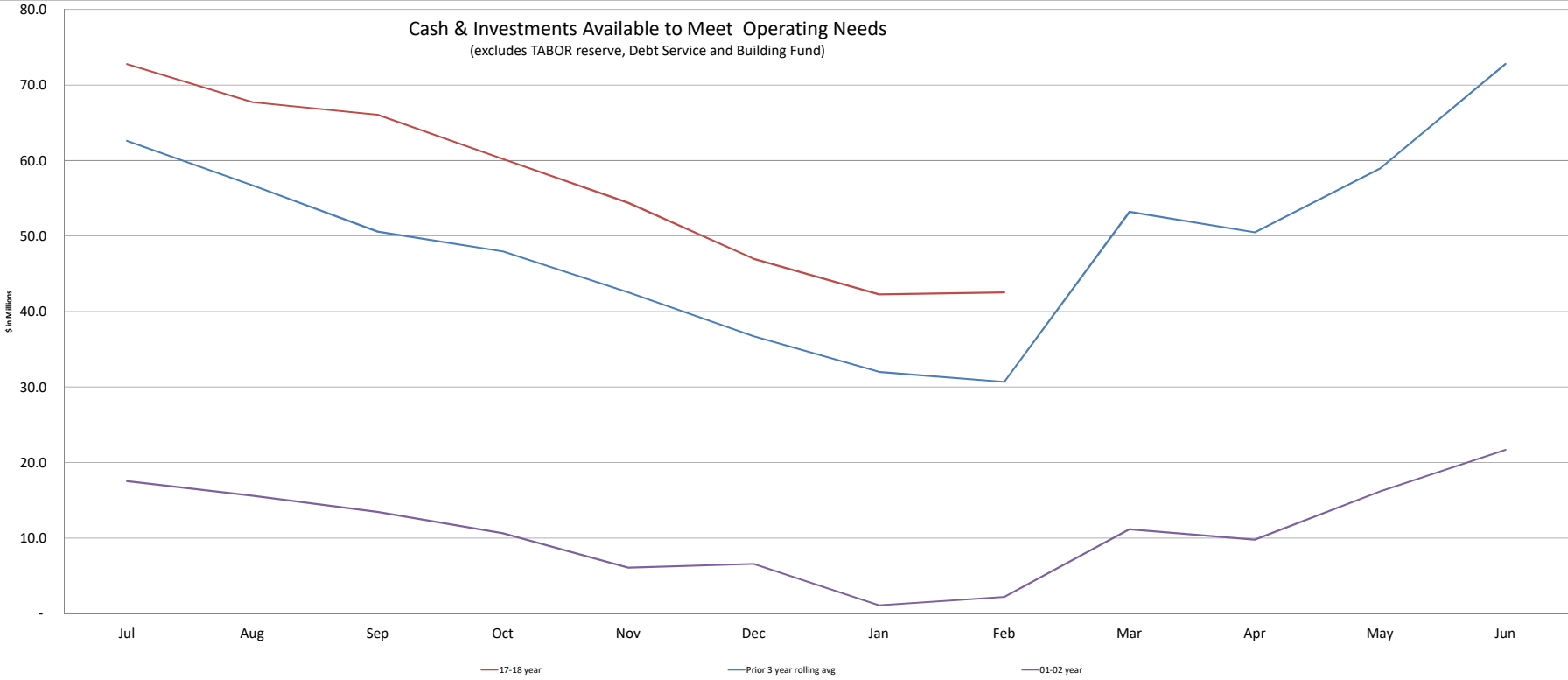


Compare FY 2017-2018 Resources to Expenditures



Cash & Investments Available to Meet Operating Needs

(excludes TABOR reserve, Debt Service and Building Fund)



General Fund
Operating Summary by Object
Year to Date through February 2018
Percent of Year Completed - 66.7%

	Adjusted Budget	Actual	% of Actual Revenue to Adjusted Budget	Variance Adjusted Budget to Actual		FY2017 Budget	Final	FY2017 Actual	Variance Adjusted Budget to Actual		FY2016 % of Budget
				Actual	% of Budget				Actual	% of Budget	
Local Revenue	\$82,595,190	\$13,493,343	16.34%	(\$69,101,847)	5.05%	\$78,505,546	\$10,203,172	\$10,203,172	(\$68,302,374)	3.97%	
State Revenue	136,480,701	91,756,087	67.23%	(44,724,614)	34.34%	132,715,328	88,962,793	88,962,793	(43,752,535)	34.62%	
Federal Revenue	3,130,000	1,544,303	49.34%	(1,585,697)	0.58%	2,850,000	1,908,401	1,908,401	(941,599)	0.74%	
Total Revenue Budget	222,205,891	106,793,733	48.06%	(115,412,158)	39.96%	214,070,874	101,074,366	101,074,366	(112,996,508)	39.34%	
Fund Balance & Transfers	45,022,304	45,022,304		0	16.85%	42,864,125	42,864,125	42,864,125	0	16.68%	
Total Revenue & Fund Balance	\$267,228,195	\$151,816,037		(\$115,412,158)	56.81%	\$256,934,999	\$143,938,491	\$143,938,491	(\$112,996,508)	56.02%	
Object and Job Class											
Administrators											
Salaries	\$12,262,390	\$8,109,731		\$4,152,659	66.13%	\$11,550,220	\$7,611,157	\$7,611,157	\$3,939,063	65.90%	
Benefits	3,049,070	1,986,659		1,062,411	65.16%	2,879,690	1,860,704	1,860,704	1,018,986	64.61%	
Subtotal	15,311,460	10,096,390		5,215,070	65.94%	14,429,910	9,471,861	9,471,861	4,958,049	65.64%	
Teachers											
Salaries	86,028,750	55,159,671		30,869,079	64.12%	82,869,907	53,699,655	53,699,655	29,170,252	64.80%	
Benefits	22,860,627	14,924,037		7,936,590	65.28%	22,329,902	14,188,565	14,188,565	8,141,337	63.54%	
Subtotal	108,889,377	70,083,708		38,805,669	64.36%	105,199,809	67,888,220	67,888,220	37,311,589	64.53%	
Non-teaching Professionals											
Salaries	1,954,808	1,317,640		637,168	67.41%	2,078,302	1,405,900	1,405,900	672,402	67.65%	
Benefits	505,388	370,336		135,052	73.28%	608,211	370,540	370,540	237,671	60.92%	
Subtotal	2,460,196	1,687,976		772,220	68.61%	2,686,513	1,776,440	1,776,440	910,073	66.12%	
Paraprofessionals											
Salaries	7,307,764	4,514,177		2,793,587	61.77%	6,885,973	4,261,038	4,261,038	2,624,935	61.88%	
Benefits	2,285,374	1,497,803		787,571	65.54%	2,487,135	1,374,868	1,374,868	1,112,267	55.28%	
Subtotal	9,593,138	6,011,980		3,581,158	62.67%	9,373,108	5,635,906	5,635,906	3,737,202	60.13%	
Office & Admin Support											
Salaries	6,804,569	4,340,573		2,463,996	63.79%	6,601,683	4,277,625	4,277,625	2,324,058	64.80%	
Benefits	1,997,844	1,326,738		671,106	66.41%	2,070,368	1,256,632	1,256,632	813,736	60.70%	
Subtotal	8,802,413	5,667,311		3,135,102	64.38%	8,672,051	5,534,257	5,534,257	3,137,794	63.82%	
Skilled Trades											
Salaries	7,561,844	4,816,643		2,745,201	63.70%	6,602,499	4,331,336	4,331,336	2,271,163	65.60%	
Benefits	2,277,860	1,488,913		788,947	65.36%	2,098,650	1,288,222	1,288,222	810,428	61.38%	
Subtotal	9,839,704	6,305,556		3,534,148	64.08%	8,701,149	5,619,558	5,619,558	3,081,591	64.58%	
Total Salaries & Benefits											
Salaries	121,920,125	78,258,435		43,661,690	64.19%	116,588,584	75,586,711	75,586,711	41,001,873	64.83%	
Benefits	32,976,163	21,594,486		11,381,677	65.49%	32,473,956	20,339,531	20,339,531	12,134,425	62.63%	
Subtotal	154,896,288	99,852,921		55,043,367	64.46%	149,062,540	95,926,242	95,926,242	53,136,298	64.35%	

General Fund
Operating Summary by Object
Year to Date through February 2018
Percent of Year Completed - 66.7%

	Adjusted Budget	Actual	% of Actual Revenue to Adjusted Budget	Variance Adjusted Budget to Actual	% of Budget	FY2017 Budget	Final Actual	FY2017 Actual	Variance Adjusted Budget to Actual	FY2016 % of Budget
Non-Salaries										
Purchased Professional & Technical Services	3,991,969	2,388,955		1,603,014	59.84%	2,815,937	2,249,148	2,249,148	566,789	79.87%
Purchased Property Services	3,073,770	1,864,289		1,209,481	60.65%	4,100,860	2,347,568	2,347,568	1,753,292	57.25%
Other Purchased Services	8,101,689	4,333,893		3,767,796	53.49%	7,667,297	4,193,587	4,193,587	3,473,710	54.69%
Subtotal	15,167,428	8,587,137		6,580,291	56.62%	14,584,094	8,790,303	8,790,303	5,793,791	60.27%
Supplies	11,723,071	6,027,781		5,695,290	51.42%	11,370,331	5,573,690	5,573,690	5,796,641	49.02%
Equipment	513,865	445,701		68,164	86.74%	673,314	484,063	484,063	189,251	71.89%
Other Expenses	665,792	465,686		200,106	69.94%	555,554	448,333	448,333	107,221	80.70%
Subtotal	12,902,728	6,939,168		5,963,560	53.78%	12,599,199	6,506,086	6,506,086	6,093,113	51.64%
Subtotal Expenditure Accounts	182,966,444	115,379,226		67,587,218	63.06%	176,245,833	111,222,631	111,222,631	65,023,202	63.11%
Transfer - Charter Schools	27,827,316	18,551,544		9,275,772	66.67%	27,132,214	18,070,784	18,070,784	9,061,430	66.60%
Transfer - CRCP Fund	8,579,244	8,579,244		0	100.00%	7,954,039	7,954,039	7,954,039	0	100.00%
Transfer - Transportation Fund	5,340,230	5,340,230		0	100.00%	5,106,180	5,106,180	5,106,180	0	100.00%
Transfer - Technology Fund	5,812,604	5,812,604		0	100.00%	5,242,475	5,242,475	5,242,475	0	100.00%
Subtotal	47,559,394	38,283,622		9,275,772	80.50%	45,434,908	36,373,478	36,373,478	9,061,430	80.06%
Total Expenditure Accounts & Transfers/Allocations	230,525,838	153,662,848		76,862,990	66.66%	221,680,741	147,596,109	147,596,109	74,084,632	66.58%
TABOR Reserve	5,626,000	0		5,626,000	0.00%	5,387,000	0	0	5,387,000	0.00%
Contingency & Other Reserves	5,612,907	0		5,612,907	0.00%	5,498,132	0	0	5,498,132	0.00%
Reserve for encumbrance & unanticipated	25,463,450	0		25,463,450	0.00%	24,369,126	0	0	24,369,126	0.00%
Subtotal	36,702,357	0		36,702,357	0.00%	35,254,258	0	0	35,254,258	0.00%
Total Appropriated Budget	\$267,228,195	\$153,662,848		\$113,565,347	57.50%	\$256,934,999	\$147,596,109	\$147,596,109	\$109,338,890	57.44%
Total Resources Over (Under)										
Total Expenditures		(\$1,846,811)					(\$3,657,618)			