



MEMORANDUM

TO: Dr. Mark Hatchell, Superintendent
Board of Education

FROM: Tom Gregory, Deputy Superintendent/CFO

DATE: April 10, 2018

SUBJECT: March Financial Report

REVENUES

Graph #1 and Table #1 show that through March we have collected about 55.4% 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 55.1%. 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 9 months of the year complete (75.0%), spending, which includes total appropriation, is at 63.8%. 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 (73.9%) are comparable to last year (73.9%). 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.

Table #2 discloses quarterly financial information on funds in addition to the General Fund. Total Resources includes Beginning Fund Balances, Revenue, and Transfers; Total Appropriation includes Expenditures, Transfers and Ending Fund Balances.

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	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17
General Fund Account					
Colostrust	64,808,418	41,021,100	41,033,847	46,138,106	53,554,998
Total General Fund	64,808,418	41,021,100	41,033,847	46,138,106	53,554,998
TABOR Account					
Colostrust	5,626,000	5,626,000	5,626,000	5,626,000	5,626,000
Total TABOR	5,626,000	5,626,000	5,626,000	5,626,000	5,626,000
Bond Redemption Account					
Wells Fargo - Colostrust	17,276,817	7,534,905	6,346,051	6,328,958	26,507,274
Total Bond Redemption	17,276,817	7,534,905	6,346,051	6,328,958	26,507,274
Building Fund Accounts					
Colostrust (proceeds)	146,146,862	152,995,639	157,701,269	160,309,068	164,932,479
Colostrust (interest)	2,502,936	2,276,066	2,083,384	1,877,834	1,685,558
Total Building Fund	148,649,798	155,271,705	159,784,653	162,186,902	166,618,037
Total Investments	\$236,361,033	\$209,453,710	\$212,790,551	\$220,279,966	\$252,306,309

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.

PROJECTED FUND BALANCE

This is the third quarterly projection for the June 30, 2018 fund balance. There are 4 components used in this fund balance projection:

- 1) the audited fund balance from the prior year,
- 2) an assumed revenue collections percentage,
- 3) assumed expenditure percentages,
- 4) the projected increase in the TABOR reserve.

The audit for FY2016-2017 has been completed and was delivered to the Board in November 2017. The audited unassigned fund balance is \$31,543,424. This amount reflects an increase of \$2,908,143 over June 30, 2016.

Projections for actual revenue and expenditures are based on assumptions until all activity in the fiscal year is completed and audited. At this time, although revenues have exceeded budgets in prior years, the most conservative approach for the FY2017-2018 projection is to assume revenues will be 100% of adopted budget. The averages of FY2012 through FY2017 year-to-date expenditures as a percentage of audited year-end expenditures were used for the projected fund balance calculation.

Using these assumptions, the June 30, 2018 fund balance projection shows a decrease of approximately \$880k in unassigned fund balance. As the year goes on, actual activity will be used to modify and refine the projection. The actual activity for the next quarter may be used to modify the fund balance projection used in the 2018-2019 adopted budget.

March 2018

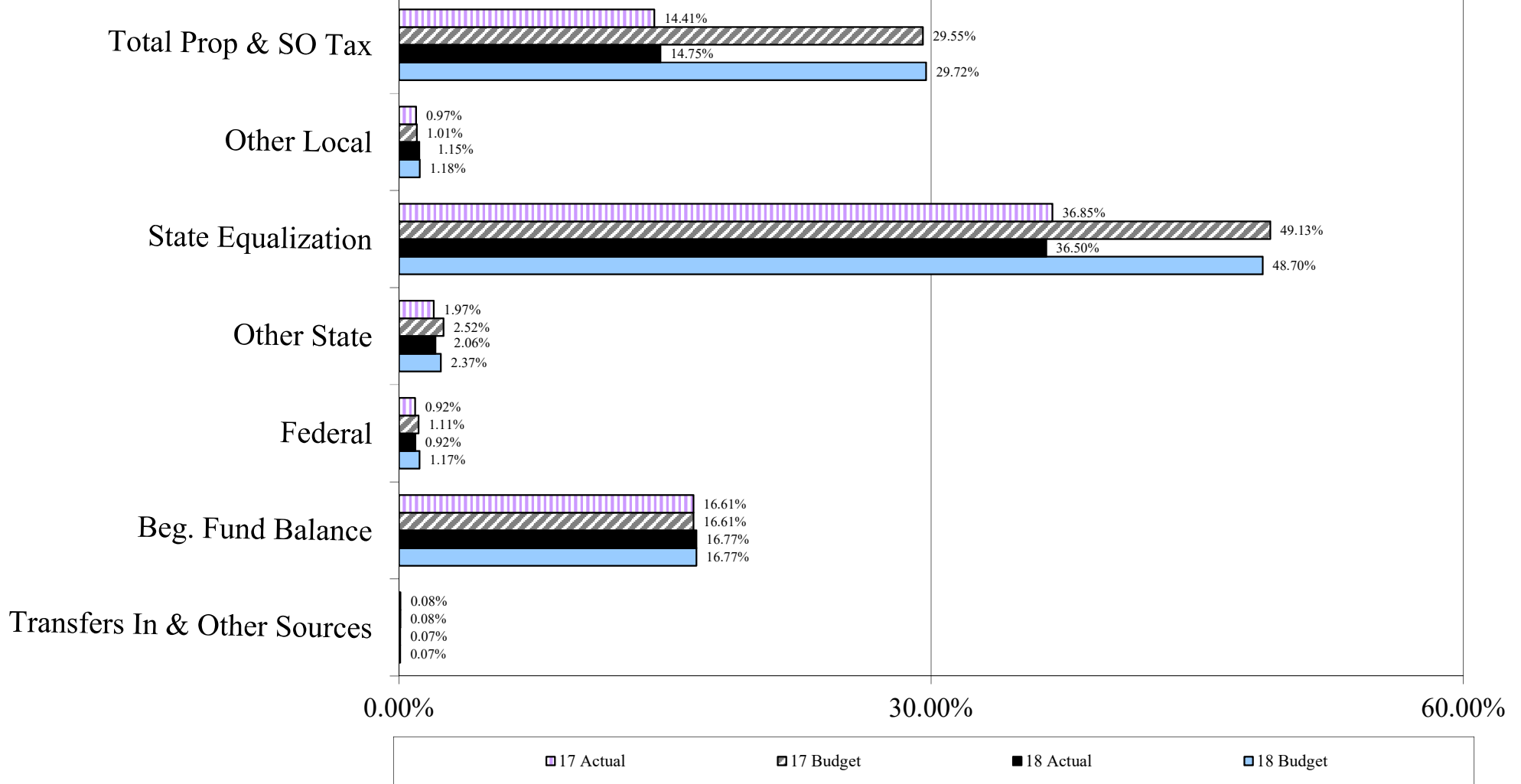
General Fund

Financial Report

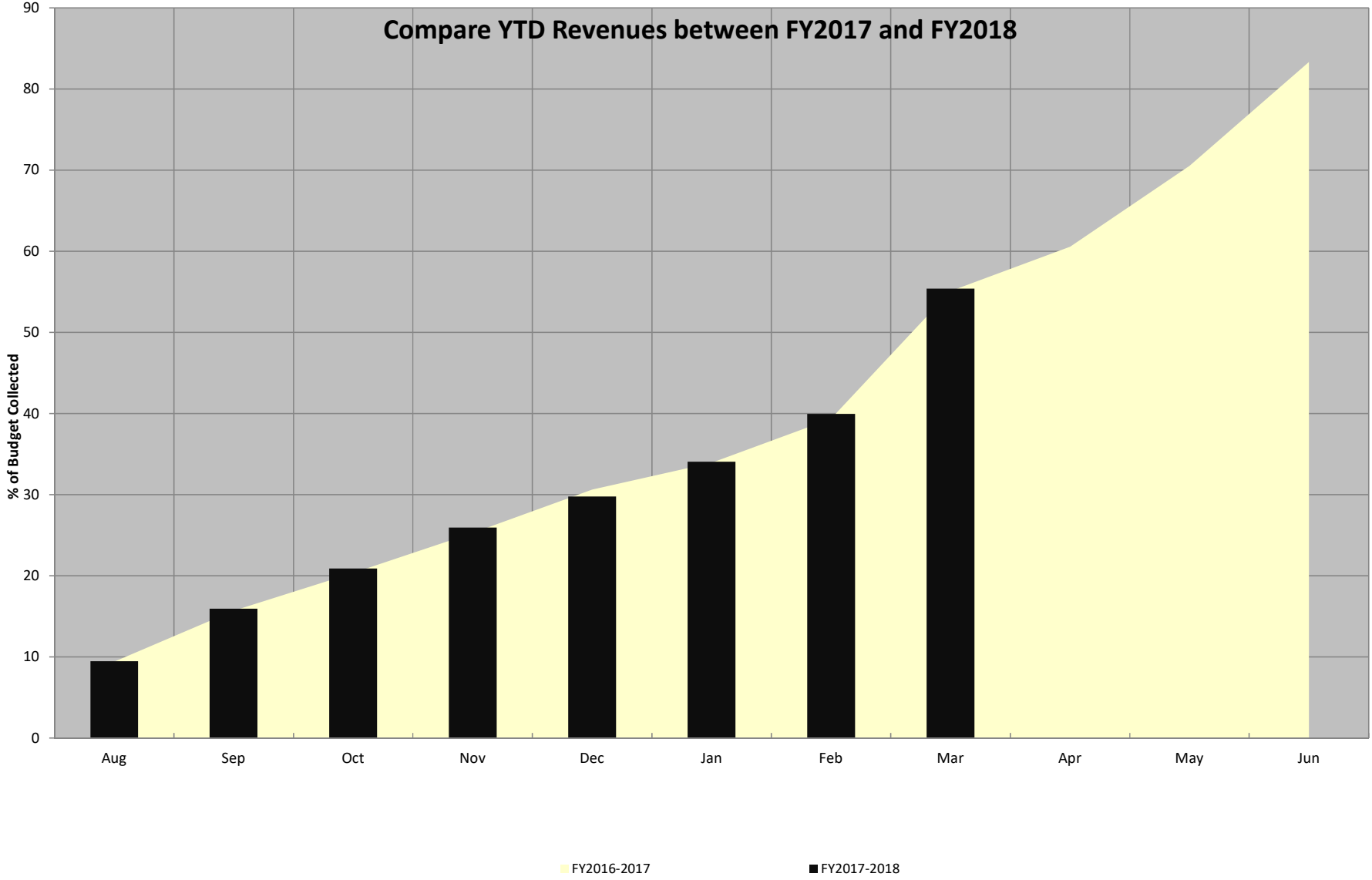
General Fund Major Revenue Categories

Year-to-Date Budget to Actual through March 2018

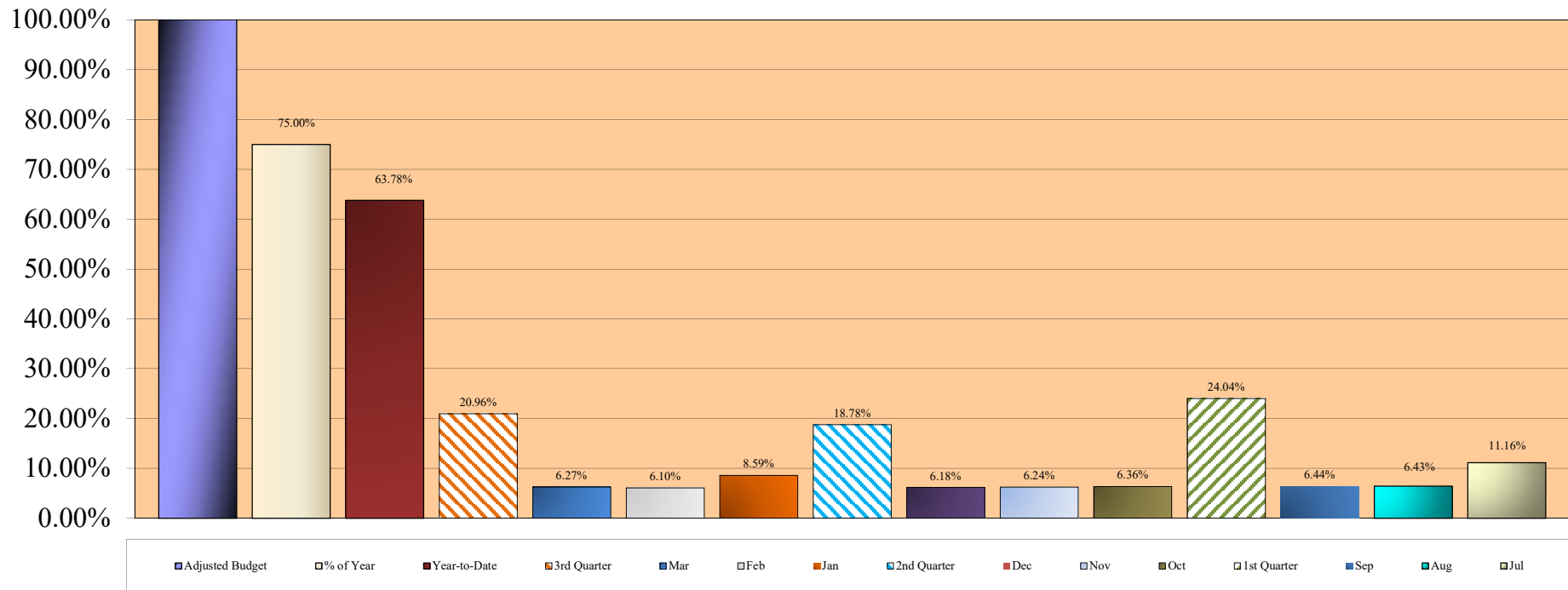
Compared to Year-to-Date Budget to Actual through March 2017



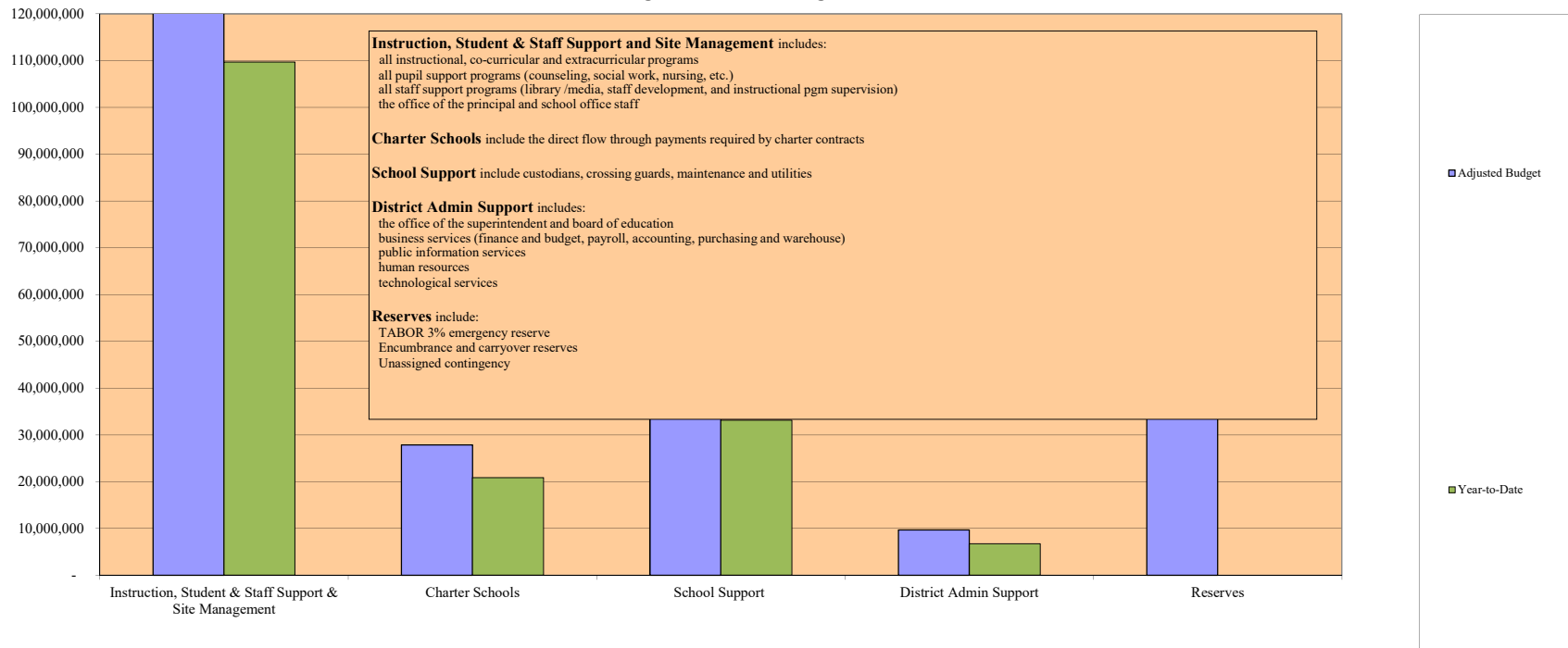
Compare YTD Revenues between FY2017 and FY2018

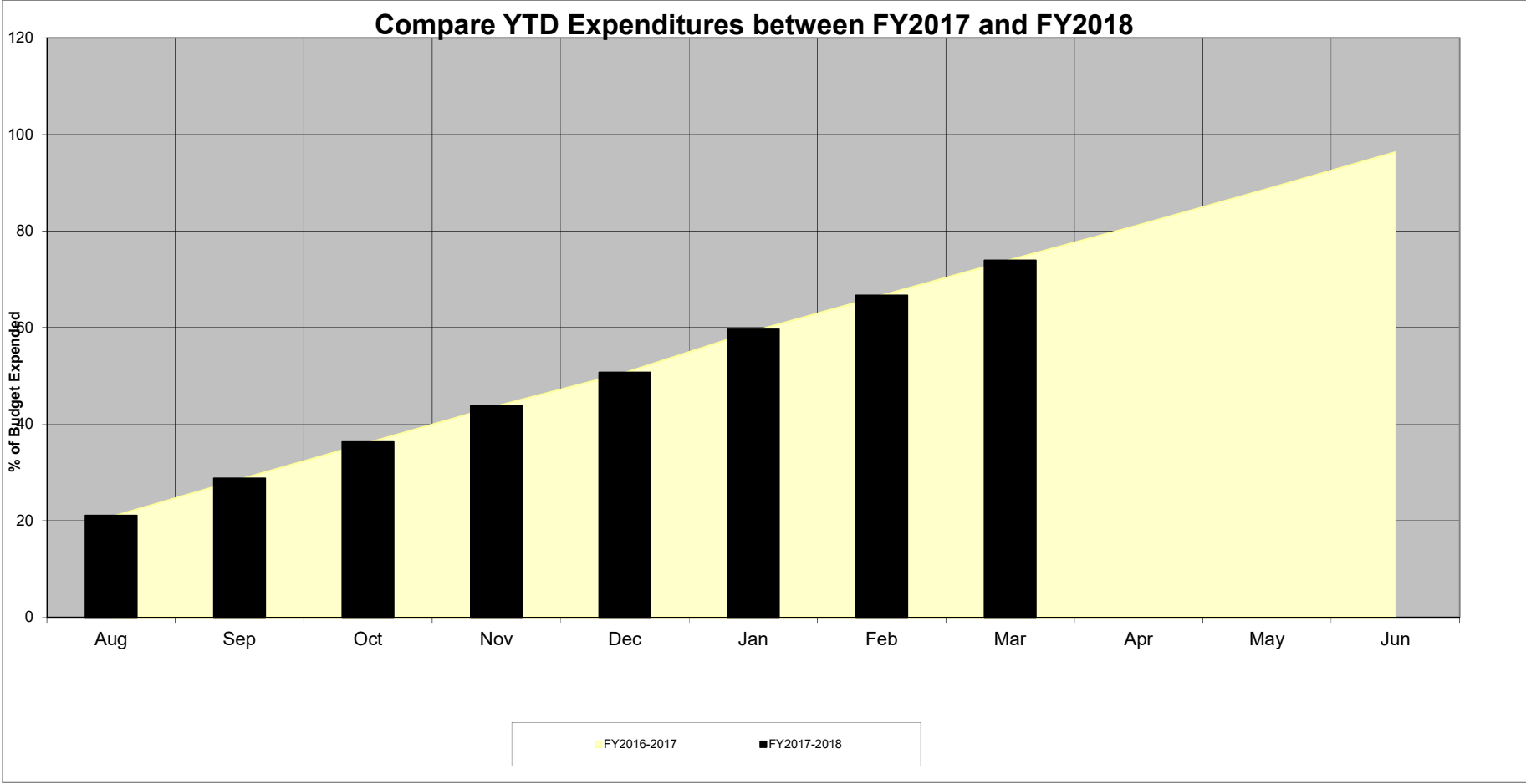


General Fund Total Expenditures Budget to Actual Comparison by Month and Year-to-Date - Unaudited

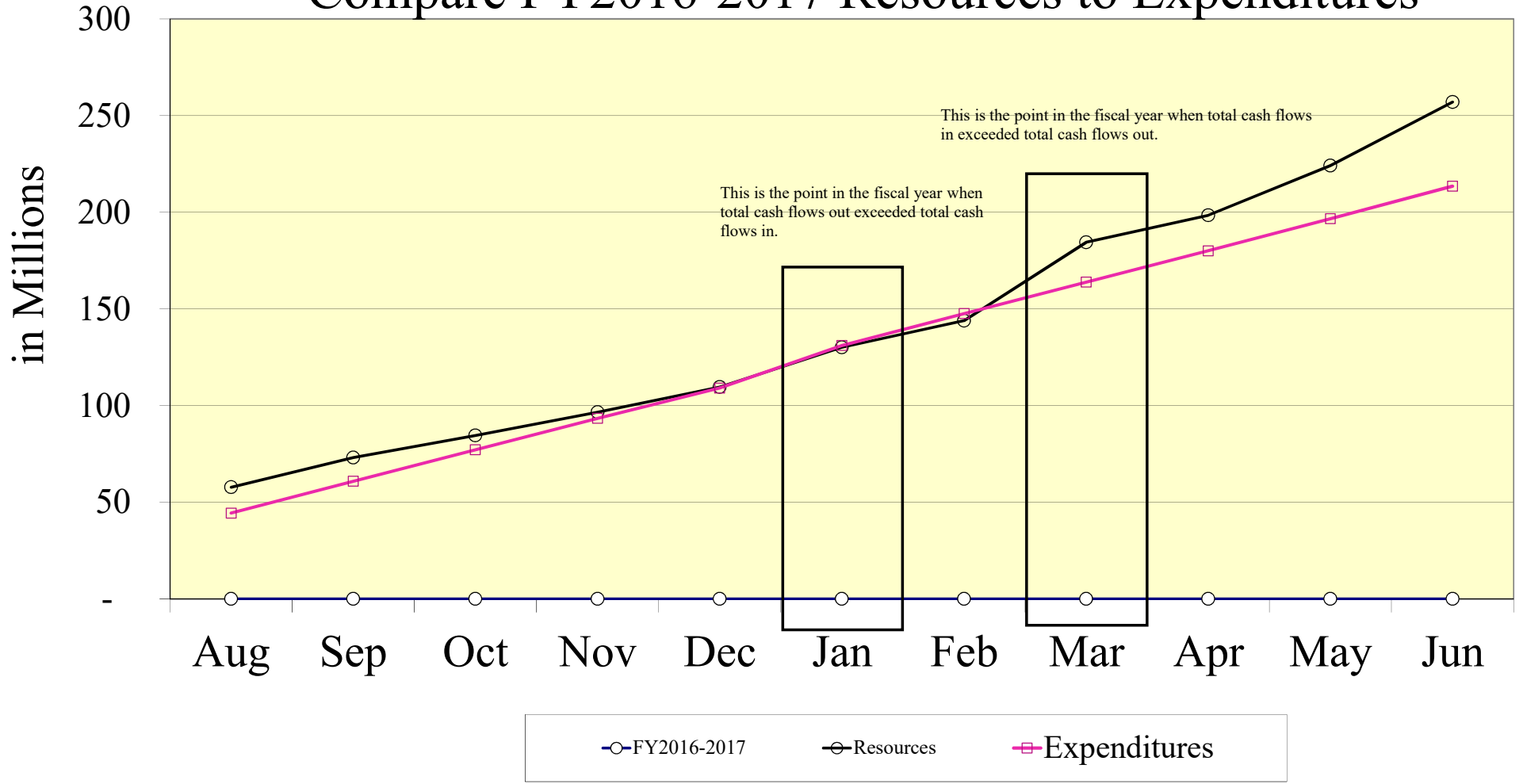


**General Fund Expenditures Budget To Actual by Major Program Category
Year-to-Date Budget to Actual through March 2018**

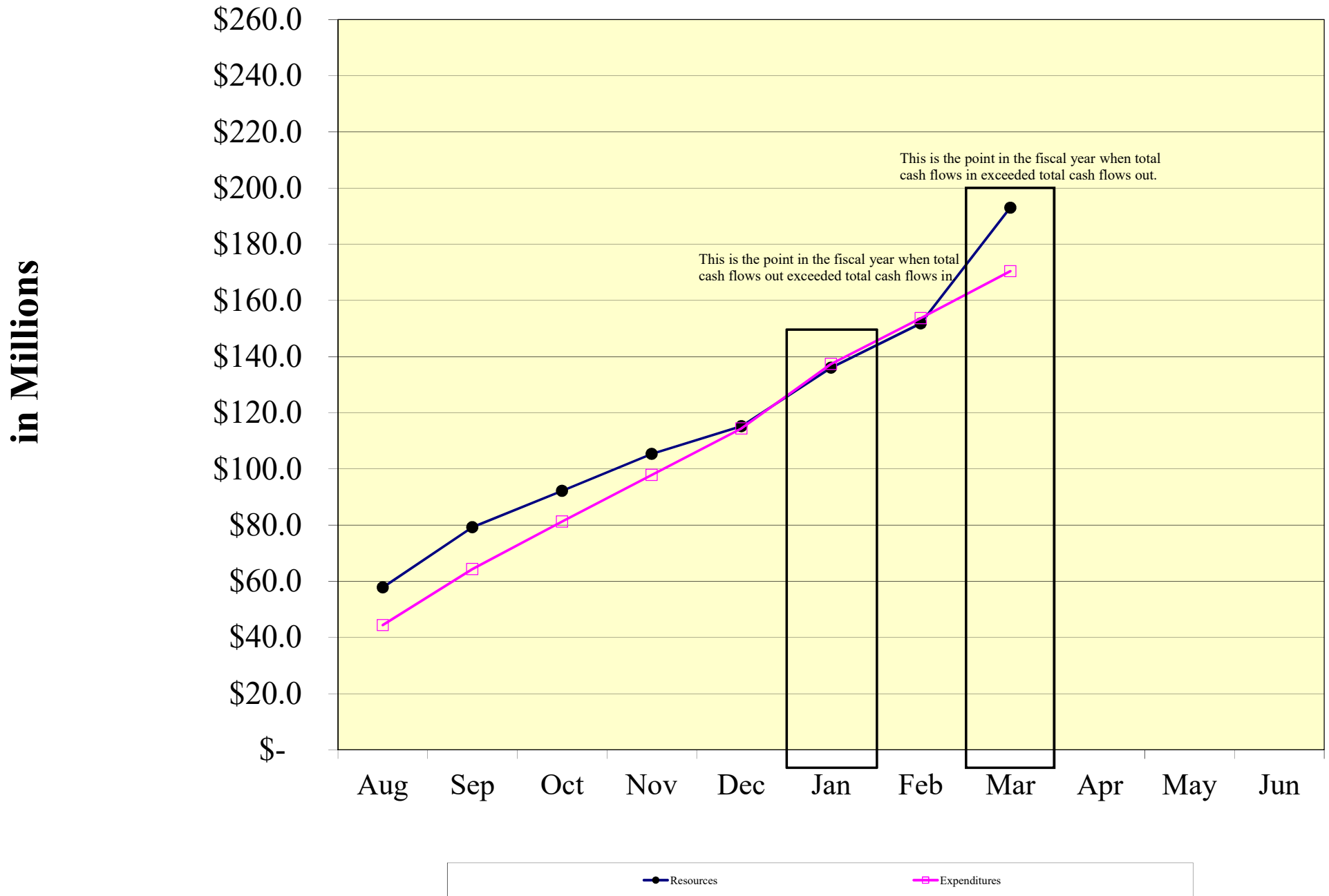




Compare FY2016-2017 Resources to Expenditures

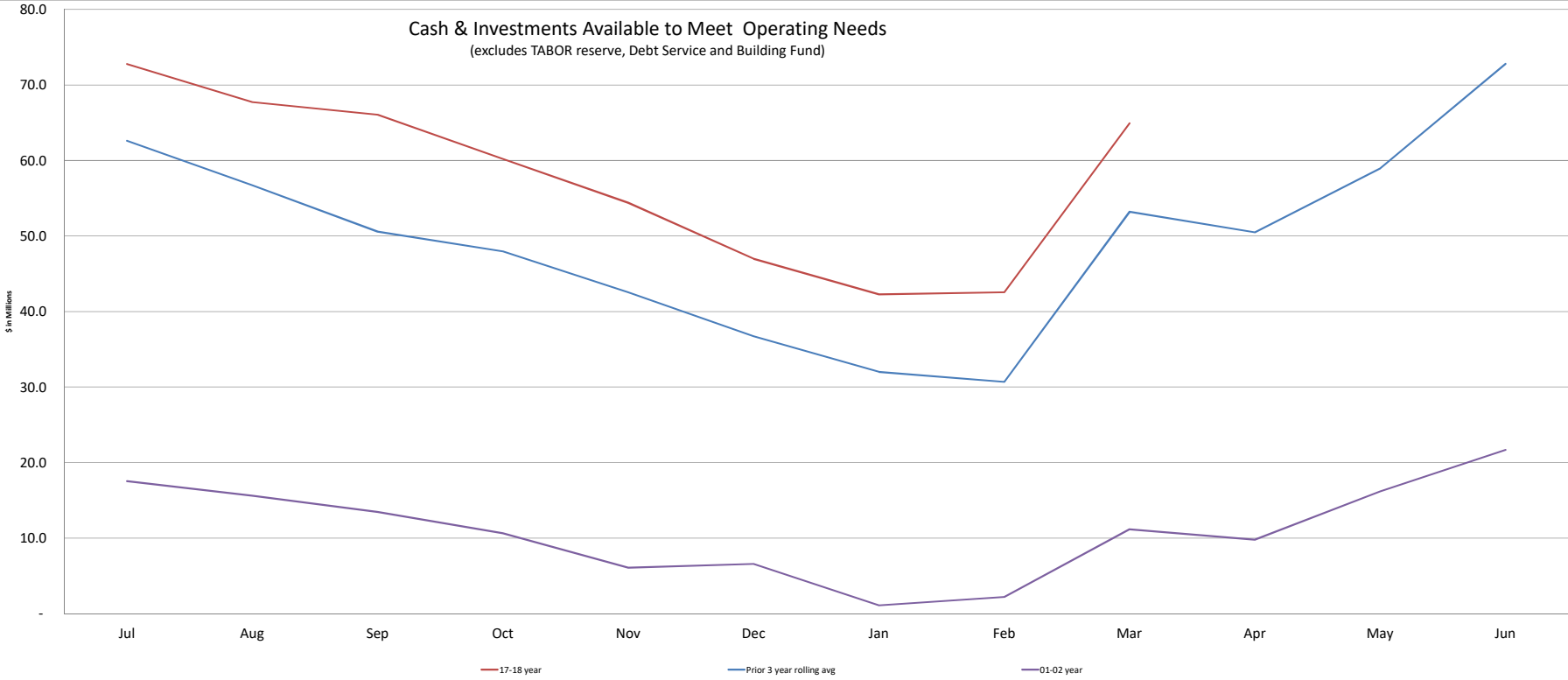


Compare FY 2017-2018 Resources to Expenditures



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 March 2018
Percent of Year Completed - 75.0%

	Adjusted Budget	Actual	% of Actual Revenue to Adjusted Budget	Variance Adjusted Budget to Actual	% of Budget	FY2017 Budget	Final	FY2017 Actual	Variance Adjusted Budget to Actual	FY2016 % of Budget
Local Revenue	\$82,595,190	\$42,502,271	51.46%	(\$40,092,919)	15.90%	\$78,505,546	\$39,506,156		(\$38,999,390)	15.38%
State Revenue	136,480,701	103,042,276	75.50%	(33,438,425)	38.56%	132,715,328	99,732,048		(32,983,280)	38.82%
Federal Revenue	3,130,000	2,464,567	78.74%	(665,433)	0.92%	2,850,000	2,356,908		(493,092)	0.92%
Total Revenue Budget	222,205,891	148,009,114	66.61%	(74,196,777)	55.39%	214,070,874	141,595,112		(72,475,762)	55.11%
Fund Balance & Transfers	45,022,304	45,022,304		0	16.85%	42,864,125	42,864,125		0	16.68%
Total Revenue & Fund Balance	\$267,228,195	\$193,031,418		(\$74,196,777)	72.23%	\$256,934,999	\$184,459,237		(\$72,475,762)	71.79%
Object and Job Class										
Administrators										
Salaries	\$12,262,390	\$9,115,179		\$3,147,211	74.33%	\$11,550,220	\$8,574,215		\$2,976,005	74.23%
Benefits	3,049,070	2,240,595		808,475	73.48%	2,879,690	2,099,586		780,104	72.91%
Subtotal	15,311,460	11,355,774		3,955,686	74.17%	14,429,910	10,673,801		3,756,109	73.97%
Teachers										
Salaries	86,043,325	62,165,403		23,877,922	72.25%	82,869,907	60,453,131		22,416,776	72.95%
Benefits	22,864,493	16,866,780		5,997,713	73.77%	22,329,902	15,991,310		6,338,592	71.61%
Subtotal	108,907,818	79,032,183		29,875,635	72.57%	105,199,809	76,444,441		28,755,368	72.67%
Non-teaching Professionals										
Salaries	1,960,808	1,502,543		458,265	76.63%	2,078,302	1,567,698		510,604	75.43%
Benefits	506,684	422,718		83,966	83.43%	608,211	416,648		191,563	68.50%
Subtotal	2,467,492	1,925,261		542,231	78.03%	2,686,513	1,984,346		702,167	73.86%
Paraprofessionals										
Salaries	7,307,784	5,082,961		2,224,823	69.56%	6,885,973	4,790,157		2,095,816	69.56%
Benefits	2,285,374	1,690,664		594,710	73.98%	2,487,135	1,555,325		931,810	62.53%
Subtotal	9,593,158	6,773,625		2,819,533	70.61%	9,373,108	6,345,482		3,027,626	67.70%
Office & Admin Support										
Salaries	6,804,485	4,883,207		1,921,278	71.76%	6,601,683	4,806,093		1,795,590	72.80%
Benefits	1,997,848	1,495,246		502,602	74.84%	2,070,368	1,418,575		651,793	68.52%
Subtotal	8,802,333	6,378,453		2,423,880	72.46%	8,672,051	6,224,668		2,447,383	71.78%
Skilled Trades										
Salaries	7,563,067	5,442,005		2,121,062	71.96%	6,602,499	4,863,299		1,739,200	73.66%
Benefits	2,277,860	1,685,270		592,590	73.98%	2,098,650	1,449,366		649,284	69.06%
Subtotal	9,840,927	7,127,275		2,713,652	72.42%	8,701,149	6,312,665		2,388,484	72.55%
Total Salaries & Benefits										
Salaries	121,941,859	88,191,298		33,750,561	72.32%	116,588,584	85,054,593		31,533,991	72.95%
Benefits	32,981,329	24,401,273		8,580,056	73.99%	32,473,956	22,930,810		9,543,146	70.61%
Subtotal	154,923,188	112,592,571		42,330,617	72.68%	149,062,540	107,985,403		41,077,137	72.44%

General Fund
Operating Summary by Object
Year to Date through March 2018
Percent of Year Completed - 75.0%

	Adjusted Budget	Actual	% of Actual Revenue to Adjusted Budget	Variance Adjusted Budget to Actual		FY2017 Budget	Final Actual	FY2017 Actual	Variance Adjusted Budget to Actual		FY2016 % of Budget
				Budget to Actual	% of Budget				Budget to Actual	% of Budget	
Non-Salaries											
Purchased Professional & Technical Services	3,994,655	2,741,679		1,252,976	68.63%	2,815,937	2,546,266	269,671	90.42%		
Purchased Property Services	3,218,263	1,995,005		1,223,258	61.99%	4,100,860	2,505,653	1,595,207	61.10%		
Other Purchased Services	8,100,726	4,845,764		3,254,962	59.82%	7,667,297	4,908,937	2,758,360	64.02%		
Subtotal	15,313,644	9,582,448		5,731,196	62.57%	14,584,094	9,960,856	4,623,238	68.30%		
Supplies	11,717,937	6,657,665		5,060,272	56.82%	11,370,331	6,245,724	5,124,607	54.93%		
Equipment	512,454	488,775		23,679	95.38%	673,314	526,810	146,504	78.24%		
Other Expenses	648,519	508,272		140,247	78.37%	555,554	512,183	43,371	92.19%		
Subtotal	12,878,910	7,654,712		5,224,198	59.44%	12,599,199	7,284,717	5,314,482	57.82%		
Subtotal Expenditure Accounts	183,115,742	129,829,731		53,286,011	70.90%	176,245,833	125,230,976	51,014,857	71.05%		
Transfer - Charter Schools	27,827,316	20,870,487		6,956,829	75.00%	27,132,214	20,334,240	6,797,974	74.95%		
Transfer - CRCP Fund	8,579,244	8,579,244		0	100.00%	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	0	100.00%		
Transfer - Technology Fund	5,812,604	5,812,604		0	100.00%	5,242,475	5,242,475	0	100.00%		
Subtotal	47,559,394	40,602,565		6,956,829	85.37%	45,434,908	38,636,934	6,797,974	85.04%		
Total Expenditure Accounts & Transfers/Allocations	230,675,136	170,432,296		60,242,840	73.88%	221,680,741	163,867,910	57,812,831	73.92%		
TABOR Reserve	5,626,000	0		5,626,000	0.00%	5,387,000	0	5,387,000	0.00%		
Contingency & Other Reserves	5,463,609	0		5,463,609	0.00%	5,498,132	0	5,498,132	0.00%		
Reserve for encumbrance & unanti	25,463,450	0		25,463,450	0.00%	24,369,126	0	24,369,126	0.00%		
Subtotal	36,553,059	0		36,553,059	0.00%	35,254,258	0	35,254,258	0.00%		
Total Appropriated Budget	\$267,228,195	\$170,432,296		\$96,795,899	63.78%	\$256,934,999	\$163,867,910	\$93,067,089	63.78%		
Total Resources Over (Under)											
Total Expenditures		\$22,599,122					\$20,591,327				

	Unassigned	Restricted/Assigned	Total
July 1, 2017 Audited Fund Balance (FB)	\$ 31,543,424	\$ 13,278,880	\$ 44,822,304
Projected Revenues	222,205,891	-	222,205,891
Projected Expenditures	(222,850,256)		(222,850,256)
Net Increase in TABOR Restrictions	(240,000)	240,000	-
Projected June 30, 2018 Unassigned FB	\$ 30,659,059	\$ 13,518,880	\$ 44,177,939
Projected Change in Unassigned Fund Balance	\$ (884,365)	\$ 240,000	\$ (644,365)

Academy District 20
Budget to Actual Comparisons 2017-2018 and Prior Year 2016-2017
as of March 31, 2018

Results as of end of quarter:	2017-2018					Results as of end of quarter:	2016-2017						
	Adopted Budget	YTD Final Budget	YTD Actual	YTD Variance	% Spent		Adopted Budget	YTD Final Budget	YTD Actual	YTD Variance	% Spent		
General (10)	Total Resources	260,526,489	267,228,195	193,031,418	63,903,581	75.1%	General (10)	Total Resources	244,760,333	256,934,999	184,459,237	72,475,762	71.8%
	Total Expenditures	260,526,489	267,228,195	170,432,296	86,502,703	66.3%		Total Expenditures	244,760,333	256,934,999	163,867,910	93,067,089	63.8%
	Surplus (deficit)		-	22,599,122	(22,599,122)			Surplus (deficit)		-	20,591,327	(20,591,327)	
Food Service (21)	Total Resources	5,744,771	6,174,060	4,686,626	988,145	82.6%	Food Service (21)	Total Resources	5,413,468	5,674,771	4,669,370	1,005,401	82.3%
	Total Expenditures	5,744,771	6,174,060	3,710,817	1,963,954	65.4%		Total Expenditures	5,413,468	5,674,771	3,798,040	1,876,731	66.9%
	Surplus (deficit)		-	975,809	(975,809)			Surplus (deficit)		-	871,330	(871,330)	
Designated Purpose Grants (22)	Total Resources	7,400,000	7,400,000	3,604,085	3,895,915	48.1%	Designated Purpose Grants (22)	Total Resources	7,500,000	7,500,000	3,416,011	4,083,989	45.5%
	Total Expenditures	7,400,000	7,400,000	3,395,219	4,104,781	45.3%		Total Expenditures	7,500,000	7,500,000	3,543,003	3,956,997	47.2%
	Surplus (deficit)		-	208,866	(208,866)			Surplus (deficit)		-	(126,992)	126,992	
Transportation (25)	Total Resources	9,450,434	9,707,092	9,547,298	(287,444)	103.1%	Transportation (25)	Total Resources	8,789,392	9,259,854	9,047,836	212,018	97.7%
	Total Expenditures	9,450,434	9,707,092	5,712,355	3,547,499	61.7%		Total Expenditures	8,789,392	9,259,854	5,467,657	3,792,197	59.0%
	Surplus (deficit)		-	3,834,943	(3,834,943)			Surplus (deficit)		-	3,580,179	(3,580,179)	
Bond Redemption (31)	Total Resources	49,007,105	50,691,372	37,477,904	9,417,630	79.9%	Bond Redemption (31)	Total Resources	42,530,196	46,895,534	35,484,266	11,411,268	75.7%
	Total Expenditures	49,007,105	50,691,372	20,201,087	26,694,447	43.1%		Total Expenditures	42,530,196	46,895,534	15,984,612	30,910,922	34.1%
	Surplus (deficit)		-	17,276,817	(17,276,817)			Surplus (deficit)		-	19,499,654	(19,499,654)	
Building (41)	Total Resources	153,568,929	182,066,464	181,780,678	1,985,751	98.9%	Building (41)	Total Resources	-	183,766,429	184,843,624	(184,843,624)	0.0%
	Total Expenditures	153,568,929	182,066,464	32,024,418	151,742,011	17.4%		Total Expenditures	-	183,766,429	1,044,997	(1,044,997)	0.0%
	Surplus (deficit)		-	149,756,260	(149,756,260)			Surplus (deficit)		-	183,798,627	(183,798,627)	
CRCP (43)	Total Resources	7,514,412	16,941,488	17,092,334	(4,639,701)	137.3%	CRCP (43)	Total Resources	5,679,557	12,452,633	12,464,883	(12,250)	100.1%
	Total Expenditures	7,514,412	16,941,488	5,352,996	7,099,637	43.0%		Total Expenditures	5,679,557	12,452,633	3,738,614	8,714,019	30.0%
	Surplus (deficit)		-	11,739,338	(11,739,338)			Surplus (deficit)		-	8,726,269	(8,726,269)	
Technology (44)	Total Resources	15,166,618	16,381,442	16,586,710	(1,461,242)	109.7%	Technology (44)	Total Resources	14,072,587	15,125,468	15,404,904	(279,436)	101.8%
	Total Expenditures	15,166,618	16,381,442	5,783,489	9,341,979	38.2%		Total Expenditures	14,072,587	15,125,468	5,375,415	9,750,053	35.5%
	Surplus (deficit)		-	10,803,221	(10,803,221)			Surplus (deficit)		-	10,029,489	(10,029,489)	