



MEMORANDUM

TO: Dr. Mark Hatchell, Superintendent
Board of Education

FROM: Tom Gregory, Deputy Superintendent/CFO

DATE: October 9, 2018

SUBJECT: September Financial Report

REVENUES

Graph #1 and Table #1 show that through September we have collected about 14.5% 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 15.5%. The state Special Education payment of approximately \$3.5m (which accounts for 95% of the entire annual payment) was not received by the end of September. This accounts for the variance in the year-over-year percentages. 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 FY2018. It is in these months that the majority of property taxes are paid to the district. Collections for FY2019 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 3 months of the year complete (25.0%), spending, which includes total appropriation, is at 24.5%. 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 2017-2018 salary schedule and will require an accrual for July and August 2019 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 2018-2019 services billed and paid early in the year.

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 (28.0%) are comparable to last year (27.9%). 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 FY2018-2019 revenues and expenditures to FY2017-2018. Budget information presented for FY2017-2018 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 2018. The main reasons were due to the property taxes not collected until the spring 2018 and that the full transfers are made to the CRCP, Transportation and Technology Funds in July 2017. It is important to note that in March 2018, 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 of revenues received 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 seventeen fiscal years were such that we did not borrow funds from any external source. On June 21, 2018 the Board passed interfund borrowing resolution 186-18 for fiscal year 2018-2019. 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.

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 will transfer \$17,629,841, the required amounts for December principal and interest payments, to our bond paying agents. The current account balance is sufficient to provide the amount necessary for the December 2018 payments.

3rd, the Series 2017 and 2018 bond proceeds plus premium were 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	Sep-18	Aug-18	Jul-18	Jun-18	May-18
General Fund Account					
Colostrust	39,440,091	45,585,923	50,992,850	59,039,772	68,972,632
CSIP (proceeds)	25,000,000	25,000,000	25,000,000	25,000,000	0
CSIP (est interest earnings)	155,439	107,142	57,234	5,255	0
Total General Fund	64,595,530	70,693,065	76,050,084	84,045,027	68,972,632
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	25,217,042	25,106,283	24,860,635	24,734,978	22,868,604
Total Bond Redemption	25,217,042	25,106,283	24,860,635	24,734,978	22,868,604
Building Fund Accounts					
Colostrust (proceeds)	62,398,870	73,516,206	83,161,899	92,855,796	138,346,006
Colostrust (interest)	3,601,091	3,535,640	3,386,843	3,221,918	2,989,090
CSIP (proceeds)	50,000,000	50,000,000	50,000,000	50,000,000	0
CSIP (est interest earnings)	311,182	214,591	114,781	8,533	0
Total Building Fund	116,311,143	127,266,437	136,663,523	146,086,247	141,335,096
Total Investments	\$211,749,715	\$228,691,784	\$243,200,242	\$260,492,252	\$238,802,332

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 first quarterly projection for the June 30, 2019 fund balance. There are 4 components used in this fund balance projection:

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

The actual fund balance from the prior year is not established until the audit for the year is completed. The audit for FY2017-2018 is in the final stages and will be presented to the Board in November. Anticipated unassigned fund balance for June 30, 2018 is \$32,070,593, an increase of \$527,169 over June 30, 2017.

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 FY2018-2019 projection is to assume revenues will be 100% of adopted budget. Salary/Benefit projections use YTD actuals and are projected forward based on September (which is the first month of the 18-19SY contracts). Non-salary/benefit expenditures are projected at 100% of adopted budget.

Using these assumptions, the June 30, 2019 fund balance projection shows an increase of approximately \$1.2m in unassigned fund balance. Since school has only been in session for about six weeks, this projection is not based on a significant amount of actual transaction data for the year. As the year goes on, actual activity will be used to modify and refine the projection.

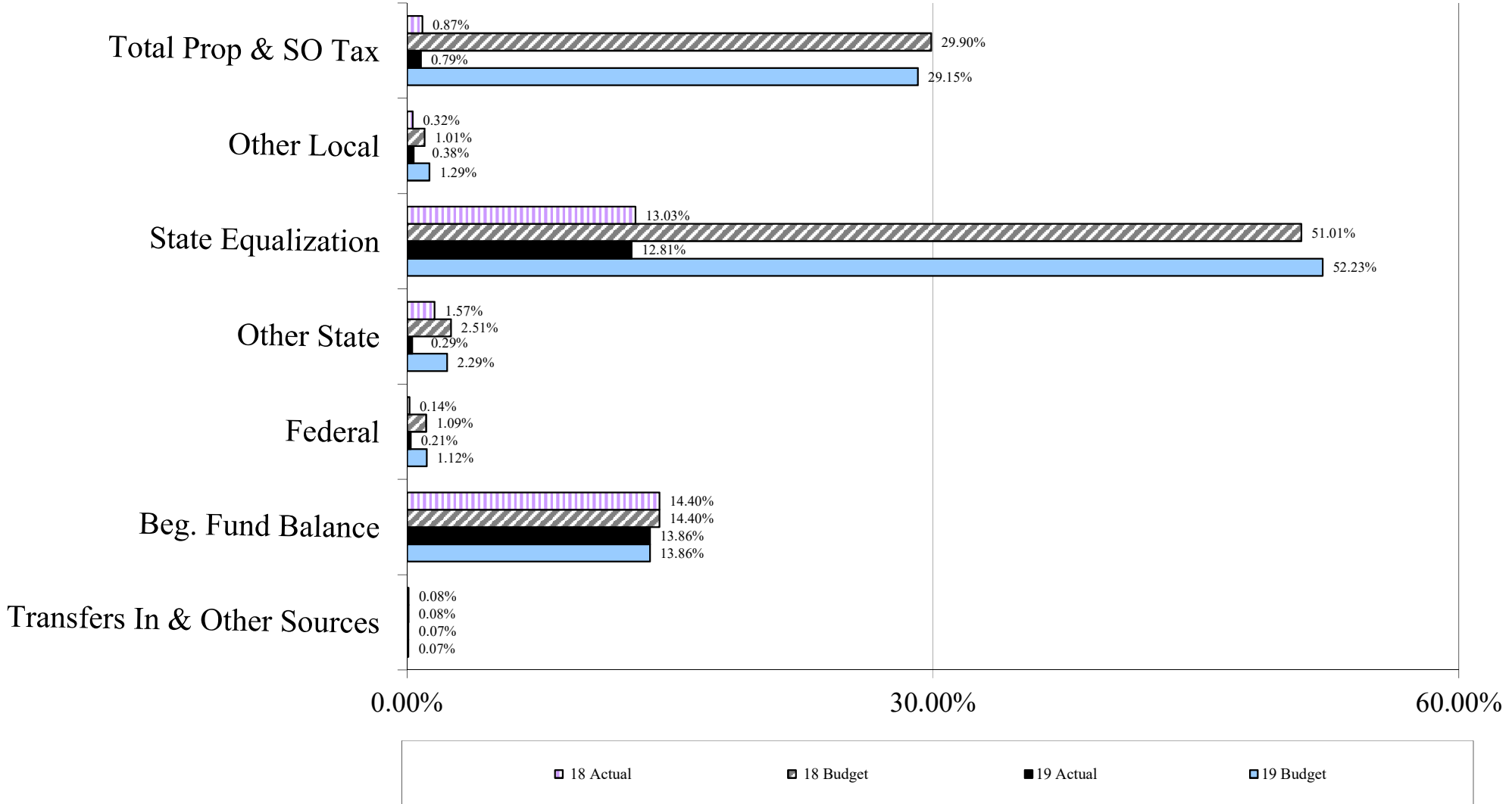
September 2018

General Fund

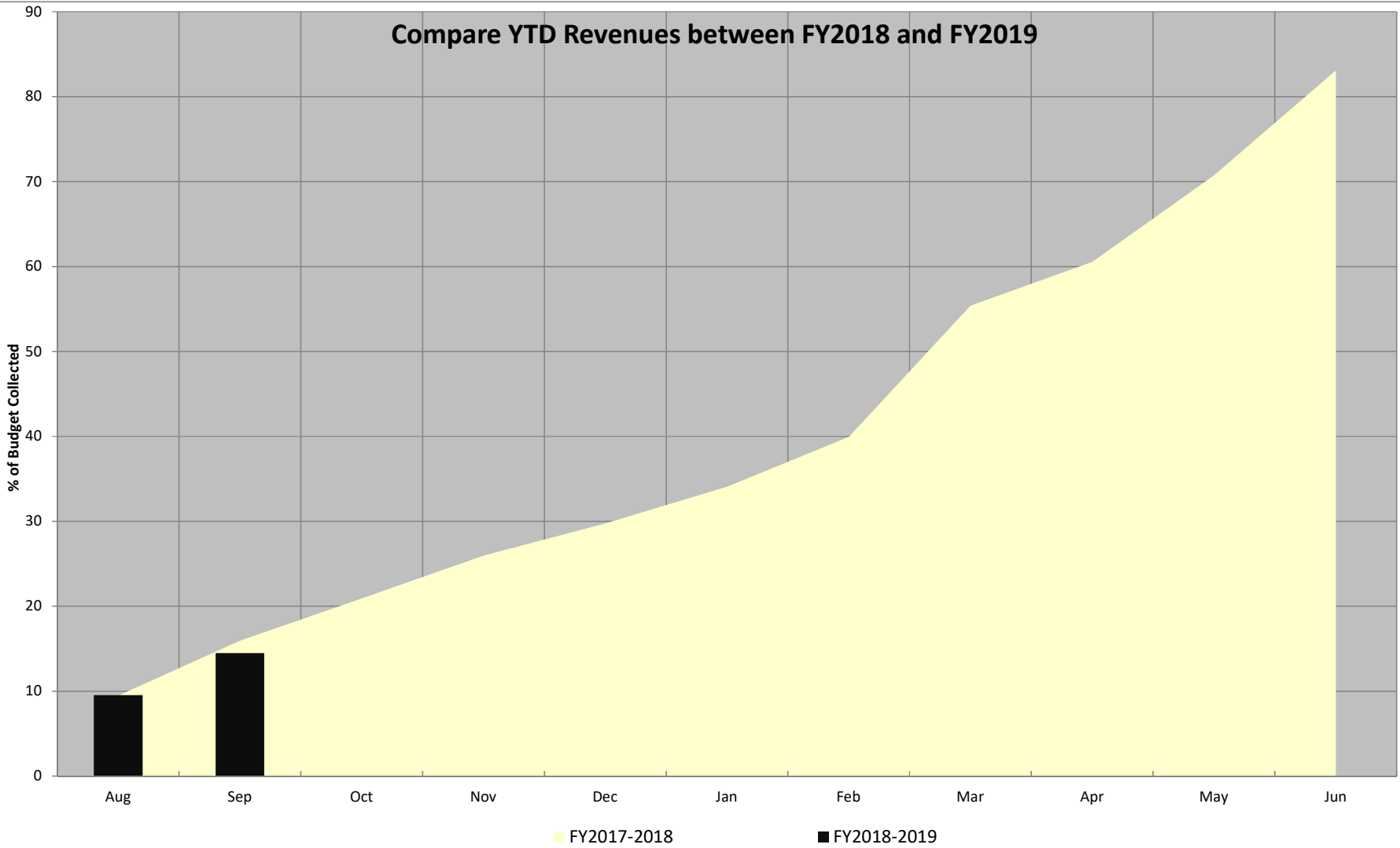
Financial Report

General Fund Major Revenue Categories

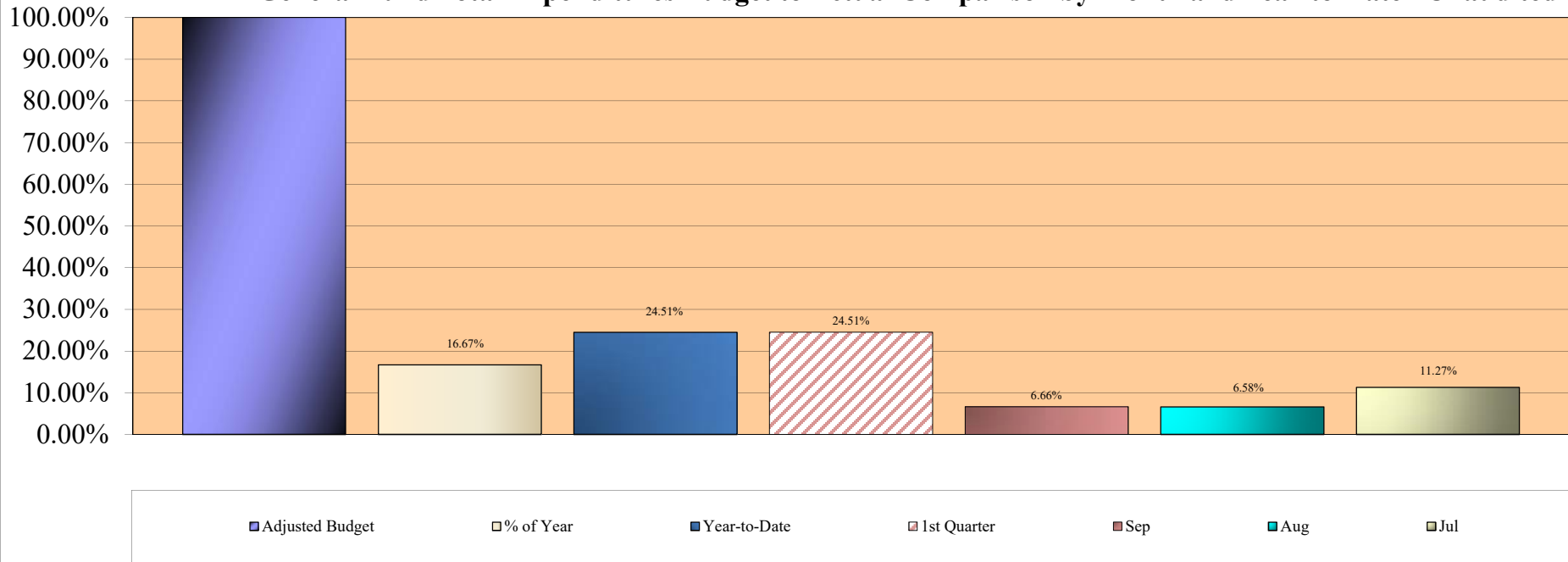
Year-to-Date Budget to Actual through September 2018 Compared to Year-to-Date Budget to Actual through September 2017



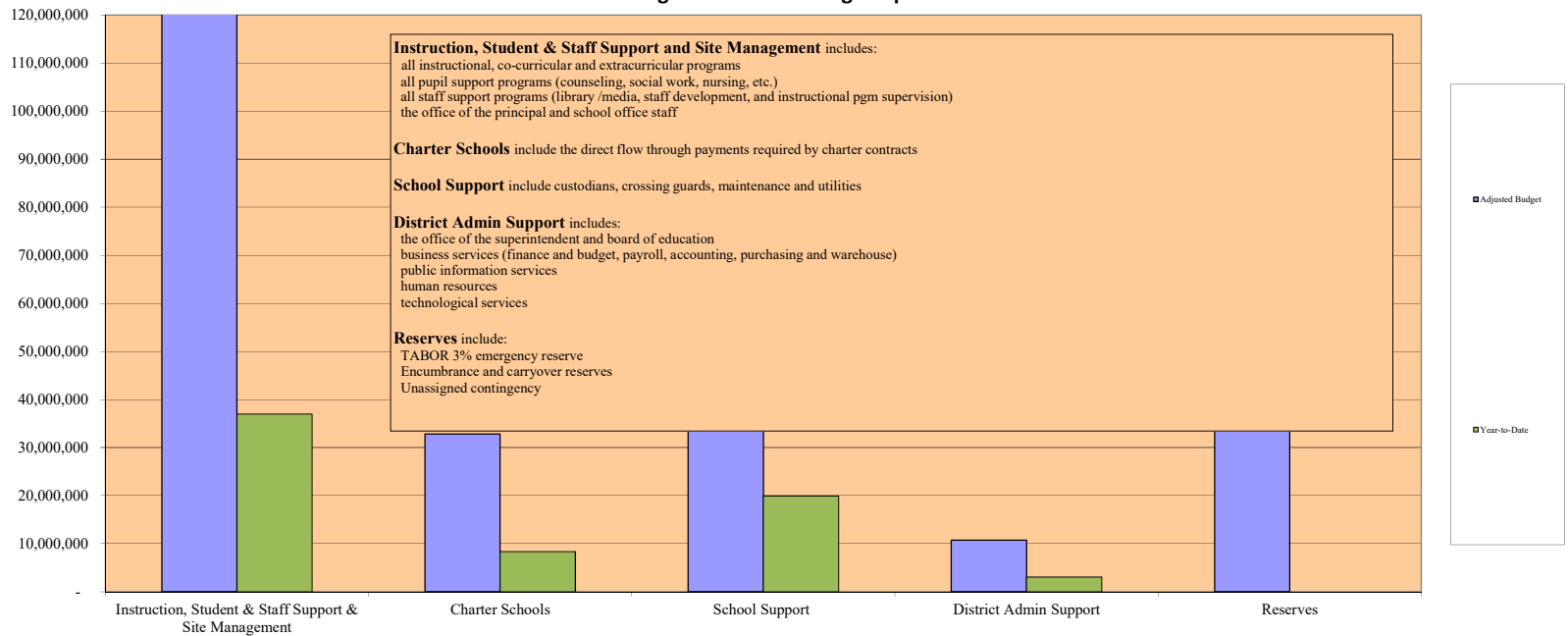
Compare YTD Revenues between FY2018 and FY2019



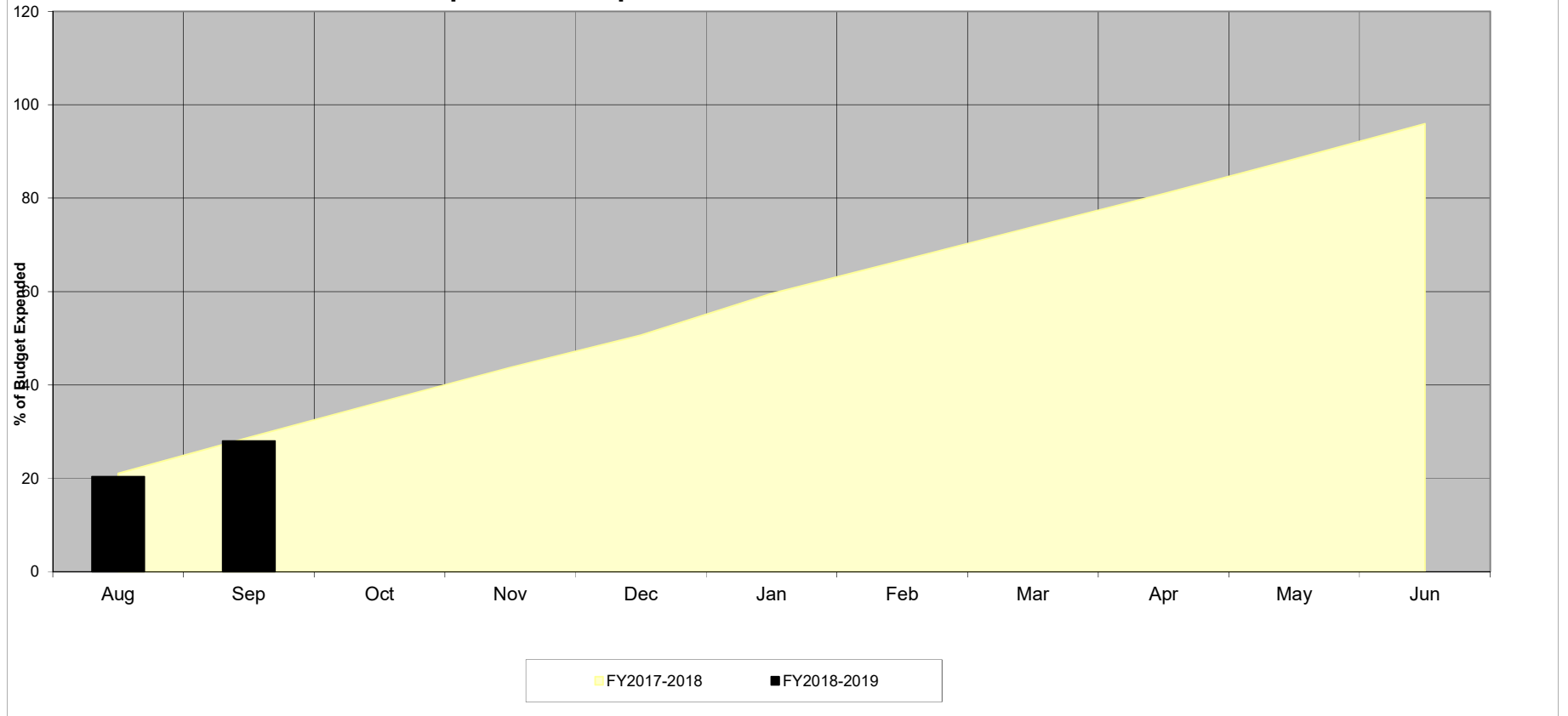
General Fund Total Expenditures Budget to Actual Comparison by Month and Year-to-Date - Unaudited



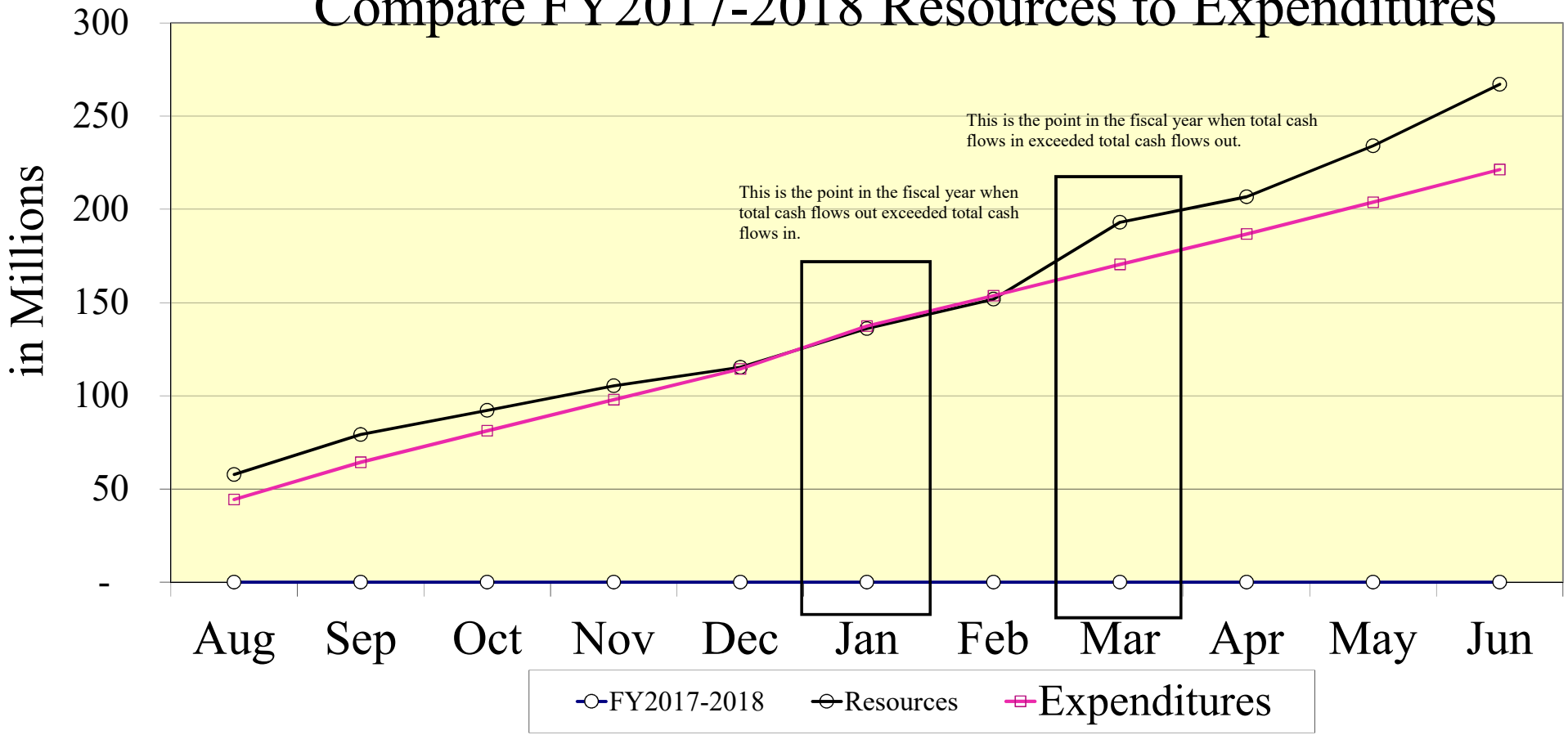
**General Fund Expenditures Budget To Actual by Major Program Category
Year-to-Date Budget to Actual through September 2018**



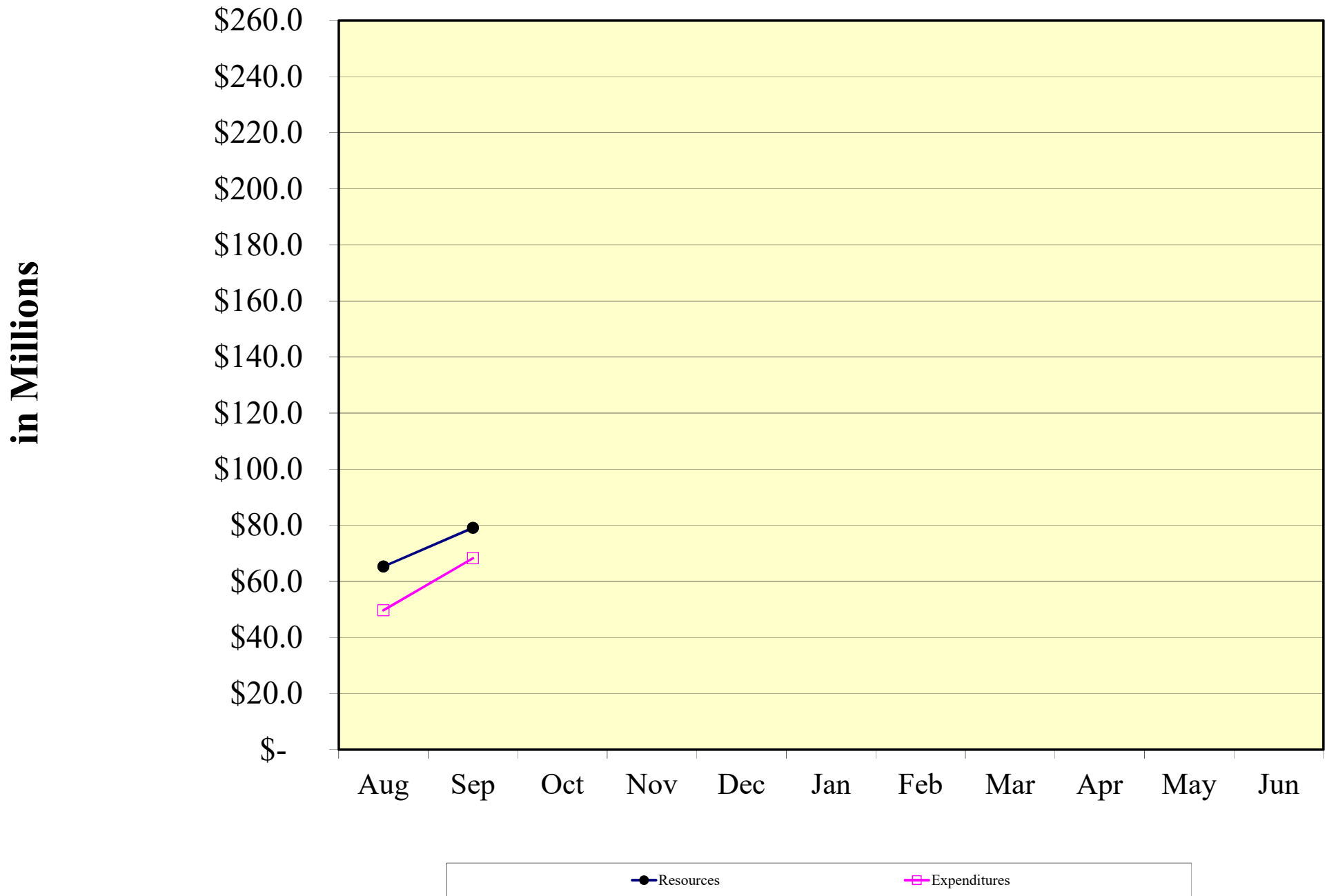
Compare YTD Expenditures between FY2018 and FY2019



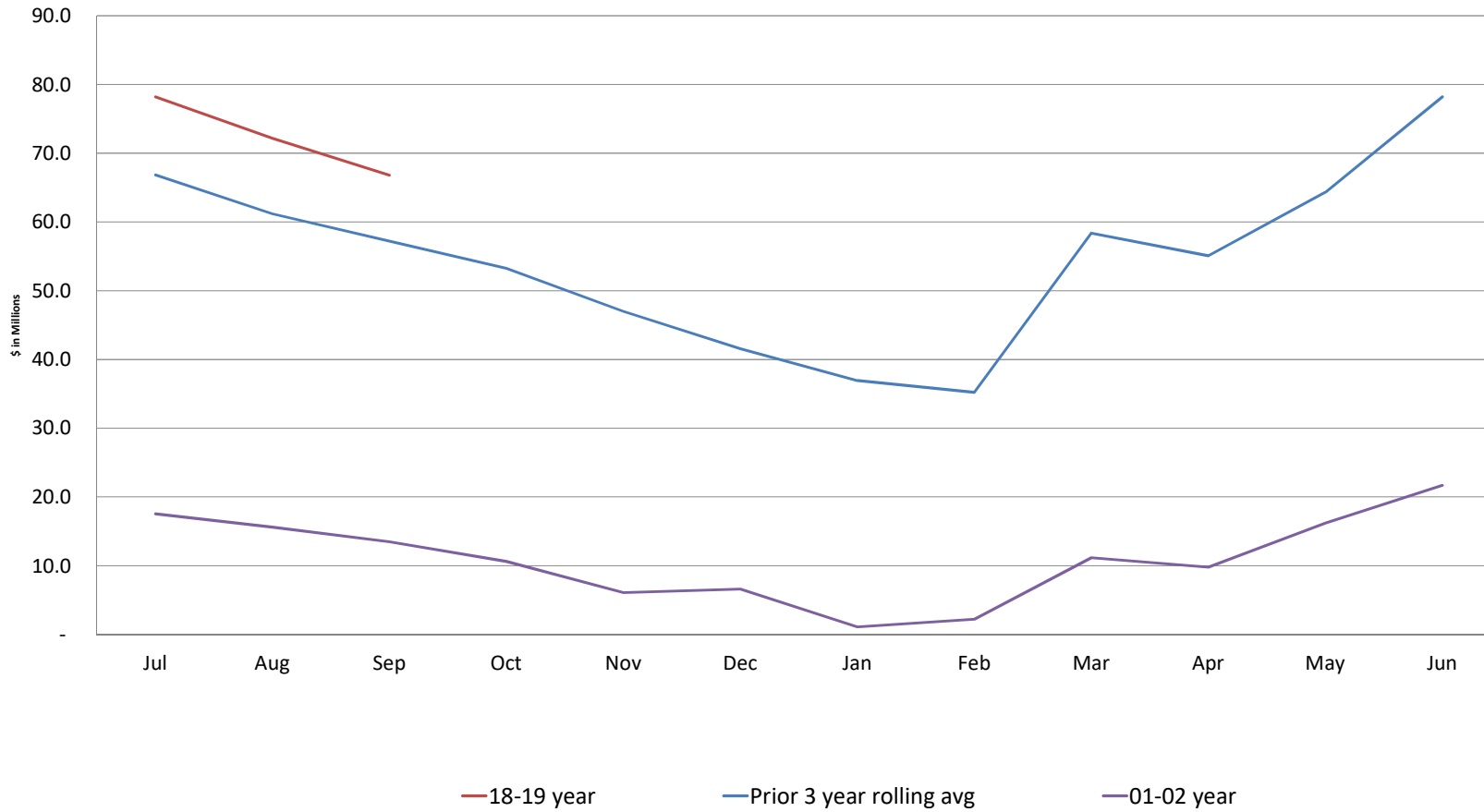
Compare FY2017-2018 Resources to Expenditures



Compare FY 2018-2019 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 September 2018
Percent of Year Completed - 25.0%

	Adjusted Budget	Actual	% of Actual Revenue to Adjusted Budget	Variance Adjusted Budget to Actual	% of Budget	FY2018 Final Budget	FY2018 Actual	Variance Adjusted Budget to Actual	FY2018 % of Budget
Local Revenue	\$84,733,434	\$3,258,894	3.85%	(\$81,474,540)	1.17%	\$82,595,190	\$3,087,056	(\$79,508,134)	1.16%
State Revenue	151,783,025	36,482,989	24.04%	(115,300,036)	13.10%	136,480,701	38,053,145	(98,427,556)	14.24%
Federal Revenue	3,130,000	588,983	18.82%	(2,541,017)	0.21%	3,130,000	365,479	(2,764,521)	0.14%
Total Revenue Budget	239,646,459	40,330,866	16.83%	(199,315,593)	14.49%	222,205,891	41,505,680	(180,700,211)	15.53%
Fund Balance & Transfers	38,775,840	38,775,840		0	13.93%	45,022,304	37,715,457	(7,306,847)	14.11%
Total Revenue & Fund Balance	\$278,422,299	\$79,106,706		(\$199,315,593)	28.41%	\$267,228,195	\$79,221,137	(\$188,007,058)	29.65%
Object and Job Class									
Administrators									
Salaries	\$13,135,355	\$3,168,058		\$9,967,297	24.12%	\$12,262,390	\$2,984,863	\$9,277,527	24.34%
Benefits	3,329,670	799,472		2,530,198	24.01%	3,049,070	737,619	2,311,451	24.19%
Subtotal	16,465,025	3,967,530		12,497,495	24.10%	15,311,460	3,722,482	11,588,978	24.31%
Teachers									
Salaries	93,071,682	20,839,413		72,232,269	22.39%	86,119,346	20,393,848	65,725,498	23.68%
Benefits	25,661,360	5,785,645		19,875,715	22.55%	22,890,292	5,534,715	17,355,577	24.18%
Subtotal	118,733,042	26,625,058		92,107,984	22.42%	109,009,638	25,928,563	83,081,075	23.79%
Non-teaching Professionals									
Salaries	2,216,010	569,962		1,646,048	25.72%	1,987,027	472,520	1,514,507	23.78%
Benefits	673,990	162,553		511,437	24.12%	511,600	135,946	375,654	26.57%
Subtotal	2,890,000	732,515		2,157,485	25.35%	2,498,627	608,466	1,890,161	24.35%
Paraprofessionals									
Salaries	7,940,597	1,738,108		6,202,489	21.89%	7,302,789	1,644,546	5,658,243	22.52%
Benefits	2,707,610	584,626		2,122,984	21.59%	2,279,193	549,913	1,729,280	24.13%
Subtotal	10,648,207	2,322,734		8,325,473	21.81%	9,581,982	2,194,459	7,387,523	22.90%
Office & Admin Support									
Salaries	7,287,352	1,758,419		5,528,933	24.13%	6,841,228	1,621,791	5,219,437	23.71%
Benefits	2,297,824	536,588		1,761,236	23.35%	1,998,531	490,470	1,508,061	24.54%
Subtotal	9,585,176	2,295,007		7,290,169	23.94%	8,839,759	2,112,261	6,727,498	23.90%
Skilled Trades									
Salaries	8,204,560	1,929,501		6,275,059	23.52%	7,582,025	1,713,630	5,868,395	22.60%
Benefits	2,618,820	602,517		2,016,303	23.01%	2,277,860	530,122	1,747,738	23.27%
Subtotal	10,823,380	2,532,018		8,291,362	23.39%	9,859,885	2,243,752	7,616,133	22.76%
Total Salaries & Benefits									
Salaries	131,855,556	30,003,461		101,852,095	22.75%	122,094,805	28,831,198	93,263,607	23.61%
Benefits	37,289,274	8,471,401		28,817,873	22.72%	33,006,546	7,978,785	25,027,761	24.17%
Subtotal	169,144,830	38,474,862		130,669,968	22.75%	155,101,351	36,809,983	118,291,368	23.73%

General Fund
Operating Summary by Object
Year to Date through September 2018
Percent of Year Completed - 25.0%

	Adjusted Budget	Actual	% of Actual Revenue to Adjusted Budget	Variance Adjusted Budget to Actual	% of Budget	FY2018 Final Budget	FY2018 Actual	Variance Adjusted Budget to Actual	FY2018 % of Budget
Non-Salaries									
Purchased Professional & Technical Svcs	3,693,204	540,934		3,152,270	14.65%	4,018,892	891,168	3,127,724	22.17%
Purchased Property Services	3,237,580	892,467		2,345,113	27.57%	3,218,854	943,725	2,275,129	29.32%
Other Purchased Services	8,152,861	1,919,359		6,233,502	23.54%	8,172,529	1,640,600	6,531,929	20.07%
Subtotal	15,083,645	3,352,760		11,730,885	22.23%	15,410,275	3,475,493	11,934,782	22.55%
Supplies	10,507,292	2,245,203		8,262,089	21.37%	11,299,521	2,634,436	8,665,085	23.31%
Equipment	322,267	235,274		86,993	73.01%	732,396	192,009	540,387	26.22%
Other Expenses	611,977	194,794		417,183	31.83%	572,199	170,655	401,544	29.82%
Subtotal	11,441,536	2,675,271		8,766,265	23.38%	12,604,116	2,997,100	9,607,016	23.78%
Subtotal Expenditure Accounts	195,670,011	44,502,893		151,167,118	22.74%	183,115,742	43,282,576	139,833,166	23.64%
Transfer - Charter Schools	32,789,044	8,341,797		24,447,247	25.44%	27,827,316	6,979,602	20,847,714	25.08%
Transfer - CRCP Fund	2,775,125	2,775,125		0	100.00%	8,579,244	2,777,875	5,801,369	32.38%
Transfer - Transportation Fund	6,300,155	6,300,155		0	100.00%	5,340,230	5,340,230	0	100.00%
Transfer - Technology Fund	6,332,644	6,332,644		0	100.00%	5,812,604	5,960,925	-148,321	102.55%
Subtotal	48,196,968	23,749,721		24,447,247	49.28%	47,559,394	21,058,632	26,500,762	44.28%
Total Expenditure Accounts & Transfers/Allocations	243,866,979	68,252,614		175,614,365	27.99%	230,675,136	64,341,208	166,333,928	27.89%
TABOR Reserve	5,866,000			5,866,000	0.00%	5,626,000	0	5,626,000	0.00%
Contingency & Other Reserves	6,311,320			6,311,320	0.00%	5,463,609	0	5,463,609	0.00%
Reserve for encumbrance & unanticipated re	22,378,000			22,378,000	0.00%	25,463,450	0	25,463,450	0.00%
Subtotal	34,555,320	0		34,555,320	0.00%	36,553,059	0	36,553,059	0.00%
Total Appropriated Budget	\$278,422,299	\$68,252,614		\$210,169,685	24.51%	\$267,228,195	\$64,341,208	\$202,886,987	24.08%
Total Resources Over (Under) Total Expenditures		\$10,854,092					\$14,879,929		

	Unassigned	Restricted/ Assigned	Total
July 1, 2018 Unaudited Fund Balance (FB)	\$ 32,070,593	\$ 14,535,460	\$ 46,606,053
Projected Revenues	239,646,459	-	239,646,459
Projected Expenditures	(237,898,329)		(237,898,329)
Net Increase in TABOR Restrictions	(200,000)	200,000	-
Net Increase in other Assignments	(342,000)	342,000	-
Projected June 30, 2019 Unassigned FB	\$ 33,276,723	\$ 15,077,460	\$ 48,354,183
Projected Change in Unassigned Fund Balance	\$ 1,206,130	\$ 542,000	\$ 1,748,130

Academy District 20
 Budget to Actual Comparisons 2018-2019 and Prior Year 2017-2018
 as of September 30, 2018

Results as of end of quarter:	2018-2019				Results as of end of quarter:	2017-2018					
	Adopted Budget	YTD Actual	YTD Variance	% Spent		Adopted Budget	YTD Actual	YTD Variance	% Spent		
General (10)	Total Resources	278,422,299	79,106,706	199,315,593	28.4%	General (10)	Total Resources	260,526,489	79,221,137	181,305,352	30.4%
	Total Expenditures	278,422,299	15,407,924	263,014,375	5.5%		Total Expenditures	260,526,489	64,341,208	196,185,281	24.7%
	Surplus (deficit)	-	63,698,782	(63,698,782)			Surplus (deficit)	-	14,879,929	(14,879,929)	
Food Service (21)	Total Resources	6,084,060	1,368,144	4,715,916	22.5%	Food Service (21)	Total Resources	5,744,771	1,455,020	4,289,751	25.3%
	Total Expenditures	6,084,060	546,777	5,537,283	9.0%		Total Expenditures	5,744,771	565,206	5,179,565	9.8%
	Surplus (deficit)	-	821,367	(821,367)			Surplus (deficit)	-	889,814	(889,814)	
Designated Purpose Grants (22)	Total Resources	7,500,000	2,163,963	5,336,037	28.9%	Designated Purpose Grants (22)	Total Resources	7,400,000	2,137,443	5,262,557	28.9%
	Total Expenditures	7,500,000	745,983	6,754,017	9.9%		Total Expenditures	7,400,000	717,275	6,682,725	9.7%
	Surplus (deficit)	-	1,417,980	(1,417,980)			Surplus (deficit)	-	1,420,168	(1,420,168)	
Transportation (25)	Total Resources	10,623,547	8,656,981	1,966,566	81.5%	Transportation (25)	Total Resources	9,450,434	7,450,927	1,999,507	78.8%
	Total Expenditures	10,623,547	1,842,966	8,780,581	17.3%		Total Expenditures	9,450,434	1,825,570	7,624,864	19.3%
	Surplus (deficit)	-	6,814,015	(6,814,015)			Surplus (deficit)	-	5,625,357	(5,625,357)	
Bond Redemption (31)	Total Resources	50,365,203	25,217,894	25,147,309	50.1%	Bond Redemption (31)	Total Resources	49,007,105	26,350,002	22,657,103	53.8%
	Total Expenditures	50,365,203	852	50,364,351	0.0%		Total Expenditures	49,007,105	1,250	49,005,855	0.0%
	Surplus (deficit)	-	25,217,042	(25,217,042)			Surplus (deficit)	-	26,348,752	(26,348,752)	
Building (41)	Total Resources	138,386,694	137,643,904	742,790	99.5%	Building (41)	Total Resources	153,568,929	180,599,407	(27,030,478)	0.0%
	Total Expenditures	138,386,694	16,024,965	122,361,729	11.6%		Total Expenditures	153,568,929	6,120,739	147,448,190	0.0%
	Surplus (deficit)	-	121,618,939	(121,618,939)			Surplus (deficit)	-	174,478,668	(174,478,668)	
CRCP (43)	Total Resources	7,720,162	13,620,816	(5,900,654)	176.4%	CRCP (43)	Total Resources	7,514,412	10,941,805	(3,427,393)	145.6%
	Total Expenditures	7,720,162	2,876,548	4,843,614	37.3%		Total Expenditures	7,514,412	2,635,549	4,878,863	35.1%
	Surplus (deficit)	-	10,744,268	(10,744,268)			Surplus (deficit)	-	8,306,256	(8,306,256)	
Technology (44)	Total Resources	15,544,382	15,893,934	(349,552)	102.2%	Technology (44)	Total Resources	15,166,618	14,693,980	472,638	96.9%
	Total Expenditures	15,544,382	3,065,557	12,478,825	19.7%		Total Expenditures	15,166,618	2,927,519	12,239,099	19.3%
	Surplus (deficit)	-	12,828,377	(12,828,377)			Surplus (deficit)	-	11,766,461	(11,766,461)	