

## Narrative for May 2022 Monthly Reporting Package

The period ending May 31, 2022 represents eleven months or 91.67% of the fiscal year.

### Revenues

- The proposed final budgeted revenues are \$11,602,870 (includes \$2.92m PY carryover)
- Revenues collected to-date are \$11,566,178. This amount represents 99.7% of the total budgeted revenue and in line with budget.
- During the month of May the following receipts were received:
  - State Mental Health \$14,717
  - School Activities \$1,628
  - Federal Funds \$(4,824)
  - Total May Receipts \$11,521
- Material Revenue Outstanding with Expected Receipt Date: None

### Expenses

- The proposed final budgeted expenses are \$9,505,389.
- Expenses to-date are \$8,090,707 with outstanding encumbrances of \$16,506 the total of which represents 85.29% of the budgeted expenditures.
- The annual Debt Service of \$764,340 was paid in July. If this amount is normalized over the twelve months of the year expenses are 84.62% year-to-date and in line with budget.

### General

- Local Revenue has been finalized.
- State Revenue has been finalized.

### Reserves

- The current school reserve accounts held in the state finance system (FSF):
    - Summer Pay Reserve \$941,468
    - Project Reserve \$200,000
    - Maintenance/Building Reserve \$125,000
- TOTAL RESERVES \$1,266,468

- In addition to the reserve funds in FSF there is a \$100,000 Repair and Replacement Reserve held by the bond investors.
- Final Budget Reserves are expected to be increased \$111,330 for summer deferred pay and \$25,000 for building reserves for a total of \$1,402,798 reducing operating cash and increasing restricted cash.

### **Operating Surplus/Deficit**

- The school began the fiscal year with \$2,216,563 in operating cash and is projecting a fiscal year end cash balance of \$2,416,620 (assuming contingency is not spent). The year end cash balance assumes \$282,662 of restricted cash and also \$111,330 and \$25,000 added to the reserves.
- The tuition tax billing most likely will not be settled in the near future. No funds are reflected in the June 30<sup>th</sup> projection.
- The debt service covenant calculation is projected to be to 1.41, which meets the requirement.

### **The Preliminary 2023 Budget has the following key assumptions:**

- Enrollment increases 30 students from 600 in '22 to 630 in '23
- State Appropriation per student increase ~ 2% per student, pending finalization from state on June 30<sup>th</sup>
- Local revenue per student held flat until rates are published by the district
- 27 Pay period impact of ~ \$294k increase to expenses expected to be included
- Wage merit increase of 2% on the state scale plus step increase
- Includes addition of a business manager, teacher and secretary the last half of the year
- ESSER funds of \$260k carried over from '22 and spent
- Building maintenance expense flat YoY at \$150k
- Transportation costs increase \$27k, or ~ 5%, to \$569k to account for higher gas prices (negotiations ongoing)
- No money received from districts for prior period billing dispute
- Bond payment made in beginning of year that saves \$9k in interest expense
- Net decrease to cash of (\$119k) but first pass was conservative and expect final cash flow to be positive and meet bond covenants