Narrative for June 2024 Monthly Reporting Package

The period ending June 30, 2024, represents twelve months, or 100% of the fiscal year.

Revenues

- The final budgeted revenues are $13,726,499 (including $3.14M PY carryover)
- Revenues collected to date are $14,049,727. This amount represents 102% of the total budgeted revenue and is over budget.

- During the month the following receipts were received:

PPL Sub Reimbursement (expired funds)	$ (3,436)
School Activities	$ 2,467
Federal Funds (final allocation)	$ 3,842
Local Funds (tuition reimbursement)	$ 3,938
6% Salary Supplement	$ 3,956
Cafeteria	$ 9,026
Local Interest Earned	$ 23,396
	$ 43,188

- Material Revenue Outstanding with Expected Receipt Date:
  - N/A

Expenses

- The final budgeted expenses are $10,786,447.
- Expenses to date are $9,922,731 with no outstanding encumbrances. The total represents 95% of the budgeted expenditures. Expenses for FY24 came in under budget.

General

- Our annual audit has begun. They will be on-site the week of July 22.
- The annual debt service payment for FY25 was issued to Zion's on July 8, 2024.

Reserves

- The current school reserve accounts held in the state finance system (FSF):

Maintenance/Building Reserve	$175,000
Project Reserve	$200,000
Summer Pay Reserve	$1,245,685
TOTAL RESERVES	$1,620,685

- In addition to the reserve funds in FSF, bond investors hold a $100,000 Repair and Replacement Reserve.
- Final reserves are expected to be increased by $89,935 for summer deferred pay and $25,000 for building reserves for a total of $1,663,919.

Operating Surplus/Deficit

- The school began the fiscal year with $3,143,607 in operating cash. The year-end cash balance increased by $977,584 to $4,121,191 including restricted cash and funds to be reserved.

Cash Balance	$ 4,121,191
Less Restricted Cash (federal funds)	$ 49,582
Less Amount Projected to be Reserved	$ 112,935
FY25 Operating Cash Carryover	$ 3,958,674

- The debt service covenant calculation is 2.13. We are satisfying the minimum requirement of 1.10.
- There are 201 days of cash on hand exceeding the 45-day covenant requirement.

The Proposed Budget FY25 has the following key assumptions:

- Enrollment will increase to 650 students this year.
- State Operations assumes a 2% operational increase plus the state's salary scale increases.
- Local Funds assumes $150k interest earned.
- Last year's 6% salary supplement is being replaced by year 1 of PECC implementation.
- Per the state's bond bill we will receive additional Minor Capital Improvement (MCI) funds and can qualify for Enhanced Minor Capital Improvement funds.
    - To qualify: FY25 and PY MCI funds must be spent.
- FY24 carryover to FY25 is $3,956,674.
- Donations are reduced to align with previous years that did not include a major fundraising night.
- Per the state's preliminary federal allocation report, FSMA has been allocated additional federal funds. Allocation is based on students' needs and qualifications statewide.
- ESSER funds were exhausted during FY24.
- Salaries reflect the state's salary increase and staff's step year increases.
- Renewal contracts will be discussed for insurance, & custodial services in upcoming months. The budget reflects estimated contractual rates.
    - Increased insurance costs to cover possible rate increases and possible deductible payments.
- A new meal entry system is being implemented for the upcoming school year. The one-time startup rate is reflected in the food service costs.
- To give a clearer view of instructional costs we have split all software and digital purchases into a separate line item.
- $550,000 has been set aside for the lower school improvements that are being made over the summer.
- The bond debt service payment was reduced by the amount of interest earned on the repair and replacement reserves Zion's holds for the school.
- Before the lower school renovations cost the budget reflected a cash surplus of $755,353.