

TENTATIVE BUDGET AND MILLAGE FOR ADVERTISING

July 21, 2022

TRUTH IN MILLAGE TIMELINES

Date	Activity
Tuesday July 19 th	CALC 2 and Millage Certification received from the DOE
Wednesday July 20 th	Tentative Budget sent to Board for review
Thursday July 21 th	Board approves Tentative Budget for advertising
Friday July 29 th	Budget Advertisement runs in the <u>Gainesville Sun</u>
Tuesday August 2 nd	Public Hearing to Approve the Tentative Millage and Budget
Tuesday September 6 th	Public Hearing to Approve the Final Millage and Budget

GENERAL FUND FISCAL YEAR CLOSEOUT - ENERGY SERVICES

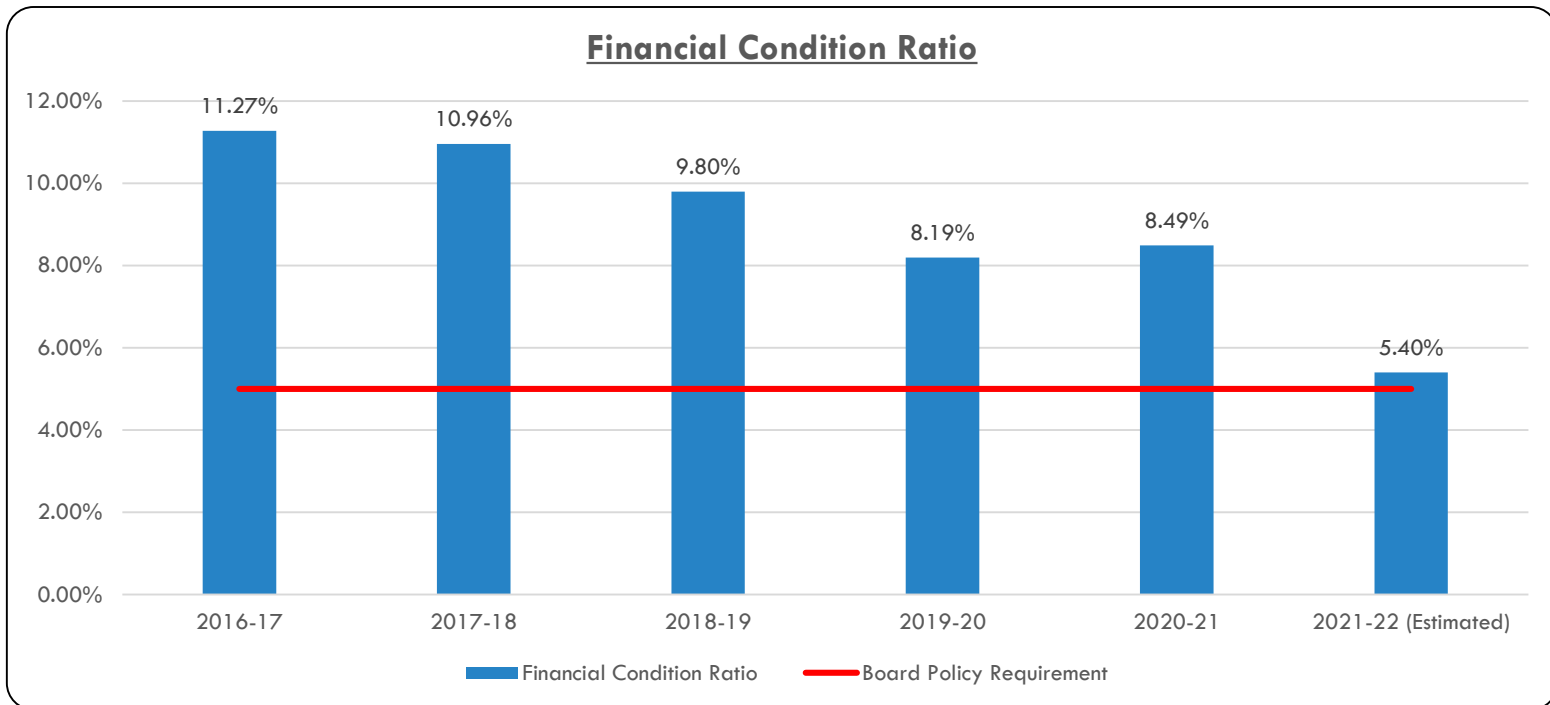
Expense Category	2021-22 Budget	2021-22 Expenditures	Available Funds
TELEPHONE/INTERNET	\$791,200	\$882,813	(\$91,613)
WATER	305,478	355,029	(49,550)
SEWAGE	342,354	404,767	(62,413)
GARBAGE COLLECTION	261,387	319,490	(58,103)
NATURAL GAS	331,962	396,168	(64,206)
BOTTLED GAS	155,389	213,913	(58,524)
ELECTRICITY	6,659,435	8,044,652	(1,385,217)
GASOLINE	142,503	201,996	(59,493)
DIESEL	766,800	1,278,970	(512,170)
Total	\$9,756,509	\$12,097,798	(\$2,341,290)

GENERAL FUND FISCAL YEAR CLOSEOUT - REVENUE

Funding Source	2021-22 Estimated	2021-22 Actual	Variance
FEFP	\$110,556,960	\$101,865,097	(8,691,863)
Class Size Reduction	28,196,393	27,556,026	(640,367)
Voluntary Pre-K	600,000	418,315	(181,685)
Property Taxes	99,989,699	98,429,245	(1,560,454)
Interest on Investments	400,000	164,693	(235,307)
Transfer from Capital	6,340,538	12,045,101	5,704,563
Total	246,083,590	240,478,477	(5,605,113)

FISCAL YEAR CLOSEOUT

Financial Condition Ratio: Assigned and Unassigned General Fund balance as a percentage of revenue. Florida Statute requires a minimum ratio of 3% and Board Policy requires the Superintendent to develop a recovery plan if the ratio is projected to fall below 5%.



MOODY'S RATING ACTION

- The District receives an annual review and update of its credit rating.
- Moody's has downgraded the District's issuer rating from Aa2 (High Grade) to Aa3 (High Grade).
- Moody's has downgraded the District's certificates of participation (COPS) rating from Aa3 (High Grade) to A1 (Upper Medium Grade).
- This rating action will only effect new debt issuances such as COPS.

Moody's	Grade
Aaa	Investment grade: <i>Prime</i>
Aa1	<i>High Grade</i>
Aa2	
Aa3	
A1	<i>Upper Medium Grade</i>
A2	
A3	
Baa1	<i>Lower Medium Grade</i>
Baa2	
Baa3 (India)*	
Ba1	Non-Investment Grade: <i>Speculative</i>
Ba2	
Ba3	

MOODY'S RATING ACTION

Ratings Rational:

The downgrade of the rating is largely driven by deterioration of the district's financial position due to its recent enrollment losses.

The district's inability to achieve structural operating balance, coupled with reserve levels that were already weak compared to similarly-rated districts, is a key driver of this rating action.

Factors that could lead to an upgrade:

- Improved cash and fund balances in line with budgetary growth
- Improved enrollment trend

Factors that could lead to a downgrade:

- Further erosion of cash or fund balances
- Significant additional debt

TAXABLE VALUE OF PROPERTY

2022 Gross Taxable Value	\$ 22,665,241,640
2021 Final Gross Taxable Value	<u>19,237,861,834</u>
Change in Taxable Value	<u><u>\$ 3,427,379,806</u></u>
Percent Increase	17.82%

GENERAL FUND BUDGETED STAFFING

Employee Type	2021-22 Budgeted Staffing	2022-23 Proposed Staffing	Change
Instructional	1,892.46	1,884.85	(7.61)
Educational Support	1,066.71	1,050.88	(16.83)
Professional & Tech	149.15	154.15	5.00
Administrative	149.66	149.20	(0.46)
Total	3,257.98	3,239.08	(18.90)

FEDERAL FUNDS BUDGETED STAFFING

Employee Type	2021-22 Budgeted Staffing	2022-23 Proposed Staffing	Change
Instructional	117.75	119.76	2.01
Educational Support	400.02	437.38	37.36
Professional & Tech	79.39	795.65	(3.74)
Administrative	19.35	21.80	2.45
Total	616.50	654.59	38.09

EXPLANATION OF ROLLED-BACK RATE

The “rolled-back rate” is the rate that will raise the same amount of revenue as the prior year if applied to the current year tax roll, less new construction, additions and other adjustments.

	(1)	(2)	(3)
	<u>Prior Year</u>	<u>Rolled-Back Rate</u>	<u>Current Year</u>
Taxable Value	\$ 100,000	\$ 120,000	\$ 120,000
Millage Rate	1.00	0.8333	1.00
Dollars Generated	\$100	\$100	\$120

Explanation of proposed rate as a percent (%) of the Rolled-Back Rate $(3-2)/(2) = 20\%$

ROLLED-BACK RATES

Millage	2021-22 Actual Rate	2022-23 Rolled-Back Rate	2022-23 Proposed Rate
Required Local Effort	3.5950	3.1275	3.2500
Voter Approved Operating	1.0000	0.6507	1.0000
Discretionary Operating	0.7480	0.8700	0.7480
Capital Outlay	1.5000	1.3049	1.5000
Total	6.8430	5.9531	6.4980

Current year total proposed rate as a percent change of the rolled-back rate is 9.15%

MILLAGE RATE HISTORICAL

Millage Rate	2018-19	2019-20	2020-21	2021-22	2022-23 Proposed	Variance
Per State Law	3.980	3.876	3.660	3.571	3.217	(0.354)
Prior Period Adjustment	0.036	0.020	0.007	0.024	0.033	0.009
Total RLE	4.016	3.896	3.667	3.595	3.250	(0.345)
Disc. Operating	0.748	0.748	0.748	0.748	0.748	-
Voter Approved	1.000	1.000	1.000	1.000	1.000	-
Capital Outlay	1.500	1.500	1.500	1.500	1.500	-
Total Millage	7.264	7.144	6.915	6.843	6.498	(0.345)

2022-23 BUDGET

Fund Category	Total Budget for 2022-23
General Operating Fund	\$ 291,186,607
Special Revenue Fund	111,611,166
Debt Service Fund	7,570,625
Capital Project Fund	121,736,559
Total	\$ 532,104,957

BUDGET APPROPRIATIONS APPROVED FOR ADVERTISEMENT

**THE SUPERINTENDENT RECOMMENDS THAT THE
SCHOOL BOARD APPROVE THE 2022-2023
PROPOSED TENTATIVE MILLAGE AND BUDGET
FOR ADVERTISING.**