

Treasurer's Board Report

March 18th, 2024

Kyle Kiffer

February General Fund Review - FY24

Cash Balance

Monthly Revenue Analysis

Fiscal Year-to-Date Revenue Analysis

Monthly Expenditure Analysis

Fiscal Year-to-Date Expenditure Analysis

Financial Focus - Mr. Mike Russ

E-Rate Universal Service Program for Schools and Libraries

NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

Cash Balance

FY24

FY23

Month End Cash:

\$ 14,559,625

\$ 23,426,992

Encumbrances:

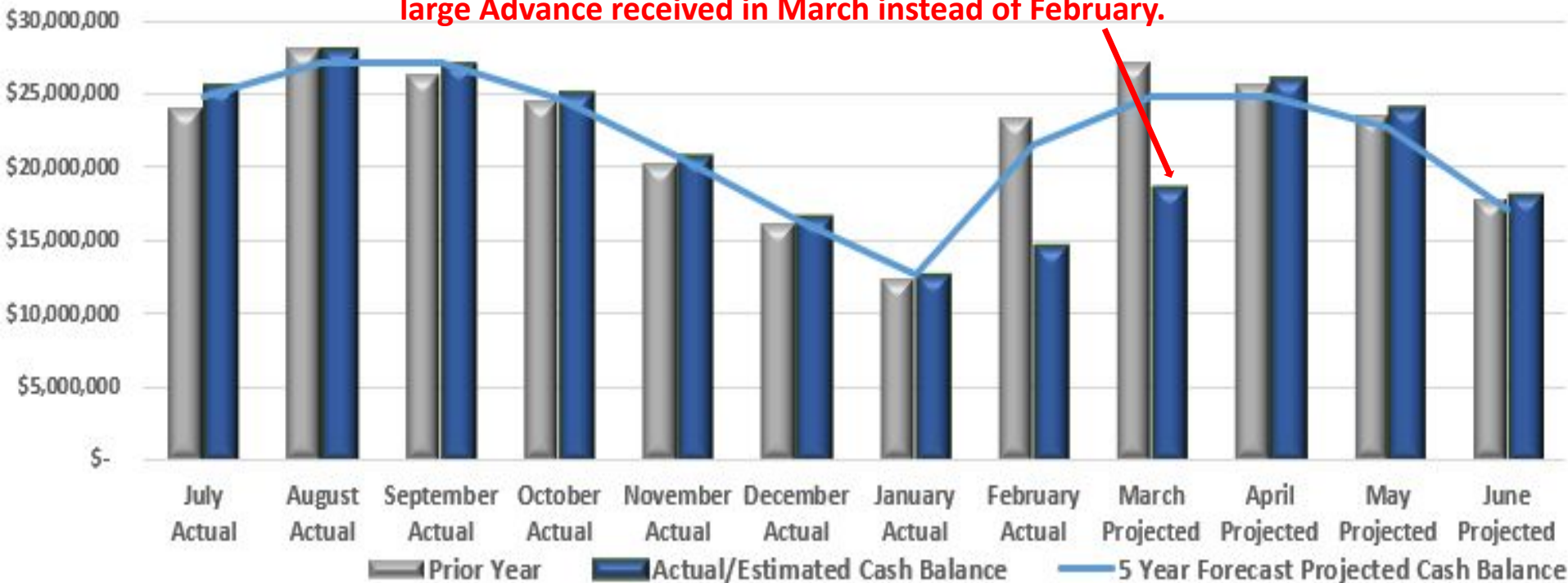
\$ (3,944,882)

\$ (4,258,560)

Unencumbered Fund Balance: \$ 10,614,743

\$ 19,168,392

Note: February comparison is skewed from prior year. A large Advance received in March instead of February.



FY24 February Revenue Analysis

	Actual Revenue Collections For February	Prior Year Revenue Collections	Actual Compared to Last Year
Local Taxes/Reimbursements	3,411,103	12,169,846	▼ (8,758,743)
State Revenue	377,476	373,915	▲ 3,561
All Other Revenue	2,685,722	3,196,134	▼ (510,412)
Total Revenue	6,474,301	15,739,895	▼ (9,265,594)

A large Summit County advance was received by the District in February of 2022 (last Fiscal year), which was not received until March 1st of this year. Indicates slower collections and/or processing by the County.

Key changes:

- Advance Date from last year
- All Other Rev remain up i in the YTD comparison

Fiscal Year Revenue Analysis July through February

	Actual Revenue Collections For July - February	Prior Year Revenue Collections For July - February	Current Year Compared to Last Year
Local Taxes/Reimbursements	24,219,600	33,654,393	▼ (9,434,793)
State Revenue	3,532,586	3,211,272	▲ 321,314
All Other Revenue	5,857,498	5,131,895	▲ 725,603
Total Revenue	33,609,684	41,997,560	▼ (8,387,876)

A large Summit County advance was received by the District in February of 2022 (last Fiscal year), which was not received until March 1st of this year. Indicates slower collections and/or processing by the County.

Key changes:

- State Aid: \$ 321,314 higher

FY24 February Expenditure Analysis

	Actual Expenses For February	Prior Year Expenditure Incurred	Actual Compared to Last Year
Salaries and Benefits	3,667,448	3,647,531	▲ 19,918
Purchased Services	838,136	860,062	▼ (21,926)
All Other Expenses	100,410	150,133	▼ (49,723)
Total Expenditures	4,605,995	4,657,725	▼ (51,731)

Overall total expenses for February are down 1.1% (- \$ 51,731) in comparison to February of 2023

Fiscal Year Expenditure Analysis July through February

	Actual Expenses For July - February	Prior Year Expenditures Incurred	Actual Compared to Last Year
Salaries and Benefits	29,251,438	28,431,710	▲ 819,729
Purchased Services	5,833,476	5,327,600	▲ 505,875
All Other Expenses	1,885,609	2,338,874	▼ (453,265)
Total Expenditures	36,970,522	36,098,184	▲ 872,339

Fiscal year-to-date General Fund expenses totaled \$ 36,970,522 through February, which is \$ 872,339 or 2.4 % higher than the amount expended through February last year.

Financial Focus

E-Rate Universal Service Program for Schools and Libraries

<https://www.usac.org/e-rate/>

E-Rate, Nordonia and Networks

- What is eRate?
 - E-Rate is a federal program designed to make telecommunications and internet services more affordable for schools and libraries.
 - Administered by the Universal Service Administrative Company (USAC), E-Rate provides discounts ranging from 20% to 90% on eligible services.
 - Divided in different Categories. Most relevant are Category 1 and Category 2.
 - Category 1 - services that provide the basic conduit access to the internet.
 - Category 2 - hardware, connection and services that provide internal access to the internet

E-Rate, Nordonia and Networks

- Continued:
 - Cyber Security is currently NOT eligible for funding with E-Rate - possible for future years.
 - Nordonia's E-Rate funding is calculated by using enrollment and free and reduced lunch percentage (~15%).
 - FY24 funding from the government was \$4.45 billion nationwide. E-Rate is funded annually - or until the government halts the program.
 - Local Libraries are also eligible for funding.

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E-Rate, Nordonia and Networks

INCOME: Measured by % of students eligible for the National School Lunch Program	CATEGORY ONE		CATEGORY TWO	
	URBAN Discount	RURAL Discount	URBAN Discount	RURAL Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

E-Rate, Nordonia and Networks

- Why is it important?
 - Ohio schools rely on E-Rate to bridge the digital divide and ensure equitable access to technology for all students.
 - E-Rate funding helps Ohio schools upgrade their network infrastructure, procure necessary equipment, and access high-speed internet services.
 - Core network performance has never been more important in K-12 and is vital to 1:1

E-Rate, Nordonia and Networks

- Who is in charge of E-Rate?
 - In Nordonia - E-Rate falls under the Technology Department and Business Department.
 - Nordonia (like many districts) contracts with a consultant to ensure complete accuracy and compliance regulations / requirements.
 - Lack of accuracy can lead to funding denial.
 - The Technology Department will evaluate bids that are submitted and use a matrix to determine who the bid will be awarded to.

E-Rate, Nordonia and Networks

- **Why now?**
 - Existing core network infrastructure is nearing 10 years old. Normal lifespan is 7-10 years
 - While lifetime warranties exist on our existing equipment, software support has expired for much of our fleet.
 - Replacement inquiries were paused due to the bond issue in November of 2022

E-Rate, Nordonia and Networks

- What is needed? What do we already have?
 - New core / edge network switches, new internal fiber lines in 5 of the 6 buildings, configuration services and UPS systems for every network closet.
 - Existing fiber lines were installed in 2001 - and must be replaced to support new network hardware. New Infrastructure won't even interface with the old cabling.
 - High School fiber lines were replaced with E-Rate funding in 2020.
 - Wireless Access points were replaced with the help of E-Rate funding in Spring / Summer of 2020
 - 10GB Internet Connection through NEOnet to every building (Category 1 Funded - upgraded in Spring of 2021)

E-Rate, Nordonia and Networks

- How would this be funded? What is the cost?
 - Nordonia's available E-Rate Budget is ~\$568,000
 - A project cost of ~1.42 Million would be needed to use all available funding.
 - Proposed to be funded by Permanent Improvement Dollars.
 - We've estimated the cost of the project to range anywhere from 1,000,00 - 1,200,000 for everything needed. Competitive bidding will hopefully lower these estimates.
 - BEAR Method would be used as opposed to SPI method.
 - BEAR (Billed Entity Applicant Reimbursement) - the district pays the full amount of the project. Then USAC reimburses the district for the discounted amount of 40%.
 - Can allow for quicker timelines
 - Money is reimbursed within a few weeks of hardware invoicing
 - SPI (Service Provider Invoicing) - limits the funding allotted to the project invoice.
 - Can cause delays in project timelines
 - Valuable option for districts that do not have available capital up front.

E-Rate, Nordonia and Networks

- Looking ahead - what else is needed?
 - Many of our buildings have outdated network cabling. Bottlenecks could occur in the future.
 - If no new buildings are slated to be built, we will need to invest thousands of dollars into replacing this antiquated cabling with the newest standards. E-Rate funding would also be used going forward so assist with this cost (this is not being done at this time).

E-Rate, Nordonia and Networks

- **Important Considerations:**
 - Accepting a bid does NOT obligate the district to pay or complete the project.
 - This sets aside the funding dollars available for this funding year
 - Funds are available until September of 2025
 - Extension can be filed.
 - Equipment purchased can be moved to a new facility should one be built. E-Rate funding is no longer building specific.

- **Special Board Meeting Needed on 03/26 or 03/27**
 - 28 day window to accept bids - bid window closes on 03/26 @ 12:00pm
 - Accepted bid must be submitted to USAC by 11:59pm on 03/27
 - Deadlines were pushed to gather as much information as possible given the magnitude of this project

Questions

Kyle Kiffer

Treasurer/CFO

Kyle.Kiffer@nordoniaschools.org

Mike Russ

Director of Technology

Mike.Russ@nordoniaschools.org