School Board Workshop: February 10, 2014

Subject: Quarterly Financial Update

Presenter: Miranda Kramer

SUGGESTED SCHOOL BOARD ACTION:
For School Board review.

DESCRIPTION:
Attached is the December 31st quarterly financial update. Expenditures are summarized by fund with the exception of the General Fund. Administration includes all administrative expenditures. Instruction Related expenditures consist of regular instruction, vocational instruction, and special education instruction. Instructional support and pupil support (transportation) are in the Student Support Services category, and the buildings & grounds, transfers, and insurance expenditures are in the Maintenance & Operations category. Capital Outlay expenditures have been removed from each program to make its own category. The last category is Property Insurance and Short-term Debt Service.

Revenues and Expenditures
The operating and non-operating funds that are listed in the quarterly financial update include: General Fund, Food Service, Community Service, Capital Outlay, Building Fund, and Debt Service. Revenues as a percentage of the budget are 39.44%, 36.64%, 31.79%, 30.21%, and 42.08%, respectively for the last five years. In 2009-10, we had OPEB bond proceeds that affected the General, Food Service and Community Service Funds. Taking the OPEB bond proceeds out of the equation, the overall percentage of revenue received during that year would be approximately 33%.

We are experiencing about a million dollar increase in revenues compared to last year at this time which is a result of the state aid shift. Our state aid payments are currently at 90/10. The state's November forecast remains positive. We are projected to see repayment of the remaining portion of the tax shift in the current school year on June 20, 2014.

Overall, the expenditures as a percentage of the budget are similar from year to year. Expenditures as a percentage of the budget are 40.88%, 25.97%, 37.49%, 38.83%, and 46.30% respectively for the last five years. Again, the 2009-10 percentage is a little skewed due to the OPEB bond. If the OPEB bond transfer to the trust was removed from the totals, the overall percentage would be about 37%. In 2012-13, the 25.97% looks lower as a result of the expenditures being divided over a larger budget than previous years. The budget increase is the refunding bond in Debt Service Fund 07 in the amount of $34,825,672 and the $780,000 that is shown in the Alternative Facilities Fund 16. For comparison purposes the percentage of expenses to date would be 38.04% if those two items were removed from the calculation. In the current year the Alternative Facilities Funds budget and expenditures have greatly increased. If the Alternative Facilities Fund mirrored last year, the expenditures as a percentage of the budget would be 38.61%.

Graphs 1
The two graphs include only the General Fund since it is the main operating fund. They are very simple and easy to read graphs on how the District is operating financially. There is a spike in the 2009-10 totals because of the OPEB bond proceeds and transfer to the trust. You can see the General Fund's budget compared to the year-to-date expenditures are pretty consistent. The bottom graph demonstrates that we are spending more than the amount of

revenue we are receiving. Although we saw an increase in revenue to date at this time, we did see an increase in our expenses to date as well.

Graphs 2 & 3

The attachments labeled Graph 2 & Graph 3 are the General Fund's monthly revenue and expenditure balance for the last five years and as a percentage of the budget. The comparison sheets also give you an idea of what is going on during the months between the quarterly updates. On the Revenue Comparison chart, the state aid and property tax shifts are noticeable over the last five school years. The monthly expenditures are relatively consistent for the General Fund the last five years.

Attachments:

YTD 123113 Comparison – Rev & Exp

YTD 123113 Comparison – Graphs 1, 2 & 3