

School Board Workshop:

October 12, 2020

Subject:

End of Year 2020

Presenter:

**Gary Kawlewski, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

For Board Review Only.

DESCRIPTION:

Attached is a preliminary look at the school district's financial results for the year ending June 30, 2020. A presentation from the auditors at BergankDV is scheduled for the October 28th meeting. Due to some pending guidance for all of the federal funds that have been granted through the CARES Act, the Single Audit Compliance Report will need to be approved at the November 2020 meeting separately. The numbers for the audit report won't change but the auditors want to review the pending guidance to make sure that they have performed their review in accordance with the latest guidance prior to issuing their Single Audit Compliance Report.

The school district's main operating fund is the General Fund. General Fund revenues net of other funding sources came in .62% more than budgeted (\$428,604), and expenditures net of other funding uses were 2.90% under budget (\$2,011,783). Overall, including all other sources and uses, the general fund balance went up \$1,072,382. The unassigned/non-spendable fund balance went up \$1,699,051 or 2.74%, and ended the 2019-20 school year at \$8,409,807 or 12.48% of the General Fund's expenditures. The revised budget projection showed this number at 9.40% or 3.07% better than projected. Restricted, committed and assigned fund balances went down a total of \$626,669. The leading reasons for those changes are as follows:

1. Higher property tax revenue collections than anticipated
2. Higher interest earnings than anticipated
3. Slightly higher enrollment totals resulting in slightly higher general education revenue
4. Higher revenue than projected for federal programs due to the CARES Act
5. Lower than budgeted expenditures for substitutes, coaches, and extended time
6. Lower than projected expenditures for supplies and equipment for the MESI grant
7. Lower than projected supplies and materials purchases resulting in higher carryover balances
8. Lower than projected costs for transportation and travel budgets
9. Lower than projected expenditures for utilities

The Business office has three Dashboard indicators for our department and all are in the area of Fiscal Responsibility/Accountability. The first is that the district will have an unqualified opinion and the results of the preliminary audit review are that the district will receive an unqualified opinion. The second category is that the district will spend at least 75% of the General Fund expenditures on instructional costs. The district was just short of this target at 73.27% of all costs going into instruction. Pulling out Long-Term Facilities revenue expenditures, the percentage was 75.17%. The third Dashboard Indicator category is to have the final results for revenues and expenditures be within 2% of the General fund budget. The combined budget variance for revenues and expenditures is 2.28% and is slightly outside the dashboard target.

Attachments:

- End of Year 2019-20