

School Board Workshop:

May 8, 2017

Subject:

Quarterly Financial Update

Presenter:

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SUGGESTED SCHOOL BOARD ACTION:

For School Board review.

DESCRIPTION:

Attached is the March 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 & Expenditures

The operating and non-operating funds are listed in the quarterly financial update: General Fund, Food Service, Community Service, Capital Outlay, Building Fund, and Debt Service and Alternative Facilities. Revenues as a percentage of the budget are 62.75%, 60.60%, 73.97%, 61.82%, and 60.92% respectively for the last five years.

In 2014-15 we experienced an increase in the Fund 06 Building Fund due to the sale of the bond. Absent Fund 06 the budget and year-to-date revenues would have been 61.96% in 2014-15, 60.55% in 2015-16, and 62.47% in 2016-17, which is more comparable to the previous years.

Overall, the expenditures as a percentage of the budget are similar from year to year. Expenditures as a percentage of the budget are 68.49%, 67.80%, 65.82%, 69.72%, and 46.11% respectively for the last five years.

Although it appears in 2012-13 that the expenditures spent as a percentage of the budget were down, the percentage was lower as a result of year-to-date expenditures being divided over a larger budget in comparison to previous years. The increased budget was the result of the refunding bond in the Debt Service Fund 07 (\$34,825,672) and Alternative Facilities Fund 16 (\$780,000). With those two items removed from the calculation the percentage would have been a more comparable 70.54%. In 2014-15, as with the revenues, we experienced an increase in the Fund 06 Building Fund expenditures. The percentage without Fund 06 included would have been more comparable at 69.42% in 2014-15, 68.14% in 2015-16, and 69.39% in 2016-17.

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.

You can see the General Fund's budget compared to the year-to-date expenditures are pretty consistent. The bottom graph demonstrates an increase in the current year in both the revenues and expenditures. Revenues have increased due to our state aid payments. We are seeing an increase in our pupil units by about 72 as well as an increase in our special education revenue. On the expenditure side, we are seeing about a \$1.5 million dollar increase in instruction-related expenses when compared to last year at this time.

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, we are no longer seeing those big swings due to the state aid shift, but we are seeing the increase in the state payments when compared to last year. The monthly expenditures are relatively consistent for the General Fund over the last five years, but we do see the increases in 2014-15 and 2016-17 which are both the result of the instruction-related budget and year-to-date expenditures.

Attachments:

YTD 033117 Comparison – Rev & Exp

YTD 033117 Comparison – Graphs 1, 2 & 3