

School Board Workshop:

November 11, 2013

Subject:

Quarterly Financial Update

Presenter:

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SUGGESTED SCHOOL BOARD ACTION:

For School Board review.

DESCRIPTION:

Attached is the September 30th 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 15.17%, 8.38%, 9.04%, 7.02%, and 10.55%, respectively, for the last five years. We are currently experiencing higher revenues in 2013-14 than we have in the previous years at this time. The main factor attributing to this is the state aid shift. We have seen it move from 90/10 in 2010-11 to 64/36 in 2011-12. Last year resulted in multiple changes from 64/36 to 83/17 and then to 86/14. In the current year we will experience a change in the next quarter increasing to 90/10 which means we will see slightly higher aid payments than last year for the remainder of the year and more consistent payments for 2013-14 compared to 2012-13.

While revenues in total to date have increased, the Debt Service Fund is seeing a significant decrease compared with the previous year. The decrease is due to the timing of receiving the tax payments. Property tax payments that we have historically received in July in previous years were received and receipted in June of the prior year.

The expenditures as a percentage of the budget are slightly higher this year due to a decrease in the debt service fund budget reducing the total budgeted amount by \$35 million. Expenditures as a percentage of the budget are 17.77%, 10.13%, 14.76%, 15.40%, and 15.13%, respectively, for the last five years. When taking the debt service into account the percentage would be at a more comparable 11.97%. Overall expenses to date are similar from year to year with only a slight increase from last year.

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 is gradually increasing, and the year-to-date expenditures are pretty consistent but increasing slightly. The bottom graph demonstrates that for the first time in five years we are receiving more revenue than what we are spending at the start of the school year. Revenues were in excess of expenditures as of September 30th for 2012-13 unlike the previous four years. Again, the state aid payment shift is affecting how our revenues are coming in during the year and that increase is noticeable here.

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 seeing the fluctuating state aid shift which is noticeable throughout the five year comparison. The monthly expenditures are relatively consistent for the General Fund with only a slight increase over the last five years.

Attachments:

YTD 093013 Comparison – Rev & Exp, Graphs 1-3