

School Board Workshop:

November 10, 2014

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 19.12%, 15.17%, 8.38%, 9.04%, and 7.02%, respectively, for the last five years. We are currently experiencing higher revenues in 2014-15 than we have in the previous first quarters. The main factor attributing to this is the state aid shift. Last year at this time we were experiencing the state aid shift at 86/14 and in the current year we are at 90/10. Over the last five years we have experienced 90/10 in 2010-11, a drop to 64/36 in 2011-12, multiple changes in 2012-13 ranging from 64/36 to 83/17 and then to 86/14. Now that we are at 90/10, we should experience more consistency and comparability in our revenue payments going forward.

While revenues in total to date have increased, the Food Service Fund is seeing a significant decrease compared with the previous year at this time. Although the decrease is continuous over the last 9 years, the current quarter is nearly half the amount received last year at this time.

The expenditures as a percentage of the budget are slightly higher this year due to the decrease in the alt facilities fund budget and expenditures as well as the increase to the general fund budget. Expenditures as a percentage of the budget are 15.31%, 17.77%, 10.13%, 14.76%, and 15.40%, respectively, for the last five years. In 2013-14 we had the debt service decrease of \$35 million in budget making expenditures appear high in comparison to the other five years when in actuality they were comparable at 11.97%. In the current year, taking into account the reduction of the alt facilities budget and expenditures and the increase in the general fund budget, a more comparable 12.12% would result. The overall expenses to date are similar from year to year with only a slight increase from last year.

Graph 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 slightly increasing as well. The bottom graph demonstrates that for the second 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 2014-15 for the second year in a row. 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 093014 Comparison – Rev & Exp

YTD 093014 Comparison Graphs 1-3