

**School Board Workshop:**

**February 12, 2024**

**Subject:**

Quarterly Financial Update

**Presenter:**

**Miranda Kramer, Controller**

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**SUGGESTED SCHOOL BOARD ACTION:**

For School Board review.

**DESCRIPTION:**

Attached is the December 31<sup>st</sup> 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 33.98%, 34.34%, 44.63%, 35.69%, and 37.53% respectively for the last five years. In 2021-22, we had a bond refunding which increased debt service by \$8.6 million. While the expenditures increased, the budget remained constant producing a percentage of budget of 44.63%. Had the revenues been in line with the previous years the percentage would have been a more comparable 34.72%.

Overall, the expenditures as a percentage of the budget are similar from year to year. Expenditures as a percentage of the budget are 39.67%, 38.66%, 37.83%, 39.09%, and 37.55% respectively for the last five years. In 2020-21 we were seeing close to a \$1.7 million dollar increase in expenditures related to the Cares Act with a zero budget at that time prior to revision. The percentage would have decreased 39.09% to 37.10% absent those technology and other COVID related expenditures. In 2022-23, capital outlay and Fund 05 had increased percentages of budget spent year to date. The increased expenditures combined with decreased budgets from the prior year resulted in increases of 21.97% and 12.55% for Fund 01 and Fund 05 respectively. In the current year the food service fund is seeing an increase in expenditures of close to \$624,000, most notably in equipment.

Graphs 1

The two graphs include only the General Fund since it is the main operating fund. They are a visual representation 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, both in budget and year to date expenditures. In the bottom graph you will notice that in the second quarter, we are spending more than the amount of revenue we are receiving to date which is consistent with the previous years.

#### 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 property tax shift has leveled out and is showing consistency looking back over the last five years. The monthly expenditures are relatively comparable for the General Fund over the last five years while slightly increasing over the last couple of years. Most notably that increase is in the area of instruction related, student support services and administration expenditures which has an increase in budget of close to \$2,500,000 and an increase in expenses of \$2,270,152.

#### **ATTACHMENTS:**

- YTD 123123 Comparison – Rev & Exp
- YTD 123123 Comparison – Graphs 1, 2 & 3