

School Board Workshop:

May 13, 2013

Subject:

Quarterly Financial Update

Presenter:

Miranda Kramer

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, Debt Service and Alternative Facilities. Revenues as a percentage of the budget are 60.92%, 52.03%, 51.85%, 59.03%, and 71.81%, respectively for the last five years. In 2008-09 the Debt Service fund received the refunding bond proceeds which caused the overall percentage to be higher than normal. Without the refunding bond, the percentage would have been approximately 63.18% which is more comparable to the previous years.

We are experiencing about a \$7.9 million dollar increase in revenues compared to last year at this time which is a result of the percentage change of state aids payable. The percentage increase we experienced in the previous quarter from 64.3% to 82.5% has had an additional increase due to further improvement in the state's budget outlook. The percentage reviewed by the state in February has increased from 82.5% to 86.5% starting with the March 15th payment.

Overall, the expenditures as a percentage of the budget are similar from year to year. Expenditures as a percentage of the budget are 46.30% 68.86%, 69.27%, 72.80%, and 77.67%, respectively for the last five years. Again, if we remove the debt refunding activity in 2008-09 the overall percentage would have been approximately 70.13% which is closer to the previous years. The 46.30% in the current year looks lower as a result of the expenditures being divided over a larger budget than previous years. The budget increase is the refunding bond in Debt Service Fund 07 in the amount of \$34,825,672 and the \$780,000 that is shown in the Alternative Facilities Fund 16. For comparison purposes, the percentage of expenses to date in the current year would be 70.54% if those two items were removed from the calculation.

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. There is a spike in the 2009-10 totals because of the OPEB bond proceeds and transfer to the trust. You can see the General Fund's budget compared to the year-to-date expenditures are pretty

consistent. The bottom graph demonstrates that for the first time in five years our revenue slightly exceeded our spending. Again, the state aid payment shift and federal reimbursements affect how our revenues are coming in during the year, so it's crucial for us to keep monitoring state revenues and request the federal reimbursements in a timely manner.

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 state aid and property tax shifts are noticeable in the 2009-10, 2010-11, and 2011-12 school years. The monthly expenditures are relatively consistent for the General Fund the last five years.

Attachments:

YTD 123113 Comparison – Rev & Exp

YTD 123113 Comparison – Graphs 1, 2 & 3

Graphs 2 & 3

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Attachments:

YTD 033112 Comparison – Rev & Exp

YTD 033112 Comparison – Graphs 1, 2 & 3