

School Board Workshop:

May 13, 2019

Subject:

Quarterly Financial Update

Presenter:

Miranda Kramer, Controller

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 61.02%, 62.14%, 62.75%, 60.60%, and 73.97% 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 60.93%, 62.13%, 62.47%, 60.55%, and 61.96% which is more comparable.

Overall, the expenditures as a percentage of the budget are similar from year to year. Expenditures as a percentage of the budget are 75.89%, 69.15%, 68.49%, 67.80%, and 65.82% respectively for the last five years. In the current year the MN Trust refunding bond matured, absent that the percentage would have decreased from 75.89% to a more comparable 68.84%. Also in the current year, we are seeing an increase in the general fund in the instruction related category due to the approved curriculum purchases, increases in salaries and benefits and tuition.

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 expenditures in the current year. We are seeing an increase of about \$3.3 million when compared to last year at this time. The most notable increase is in the instruction related expenditures as well as an increase in student support services. On the revenue side, previous year increases were due to our state aid payments. We were seeing an increase in the per pupil amount as well as an increase in the general education formula.

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. In the current year, we are seeing an increase of about \$260,000 over last year. The monthly expenditures are relatively consistent for the General Fund over the last five years, but we do see the increases in 2016-17 and 2018-19 which are both the result of the instruction-related budget and year-to-date expenditures.

ATTACHMENTS:

- YTD 033119 Comparison – Rev & Exp
- YTD 033119 Comparison – Graphs 1, 2 & 3