

School Board Workshop:

February 12, 2018

Subject:

Quarterly Financial Update

Presenter:

Miranda Kramer, Controller

SUGGESTED SCHOOL BOARD ACTION:

For School Board review.

DESCRIPTION:

Attached is the December 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 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 41.87%, 37.53%, 38.02%, 35.41%, and 39.44% respectively for the last five years.

Compared to last year at this time, the revenues appeared to increase by a little under \$5 million. In 2017-18 the percentage was higher as a result of the state aid audit entry that was reversed in the previous year end. Had the reversal been included with the first quarter the percentage of 41.87 would be at a more comparable 36.06%. In 2016-17 we were seeing a decrease in the General Fund due to a timing issue of when we receive the county tax breakdown for reclassification and when receipts were entered.

Overall, the expenditures as a percentage of the budget are similar from year to year. Expenditures as a percentage of the budget are 39.65%, 41.41%, 40.18%, 38.42%, and 40.88% respectively for the last five years. In the 2013-14 fiscal year we had budget and expenditures in the Alternative Facilities Fund. Absent that, the Alternative Facilities Fund would have been 39.01%. In 2017-18 we are seeing a decrease in percentage due to the budget and expense change in the Building Fund. For comparison purposes, if the budget and expenditures mirrored the previous year the percentage would be at an increased 40.12%.

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, both increasing slightly over time. In the bottom graph you will notice that it appears that for the first time in a five-year period, we received more in revenue than what we had spent to date in the second quarter, but had the reversal been included with the first quarter it would appear very comparable to the previous year. We are actually spending more than the amount of revenue we are receiving.

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 adjustment is noticeable in the first month. The property tax shift has finally leveled out and is showing some consistency looking back over the last few years. The monthly expenditures are relatively comparable for the General Fund over the last five years with an increase of about only \$64,000 in the current year over last.

Attachments:

YTD 123117 Comparison – Rev & Exp

YTD 123117 Comparison – Graphs 1, 2 & 3