

**School Board Workshop:**

**November 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 September 30<sup>th</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 and 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 9.41%, 9.48%, 10.56%, 10.64%, and 11.65% respectively, for the last five years. In the current year we have the addition of the Building Fund 06 revenue budget of \$1.8 million, but overall across the funds in total revenues have remained fairly consistent. The increase in budget has been closely matched to the increase in actual revenues to date which results in a very similar percentage when compared to the prior year. In 2023-24 the reduction in percentage that we were seeing resulted from the Food Service category. This was due to the change to universal school meals and the timing of when we received those payments. In 2021-22, we also saw changes in percentage due to the Food Service category as we shifted away from the summer delivery model as a result of COVID-19. In 2020-21, the 11.65% would have decreased to 11.05% absent the timing of audit entries.

Also, the revenues represented continue to show a comparable state aid shift of 90/10 over a five-year period. The result of the state aid shift is the timing of our payments which makes up a large part of our revenue. In the past, we have seen everything from 86/14, 64/36 and back to the 90/10 where it has remained stable for more than ten years.

The expenditures as a percentage of the budget are higher compared to the previous year. While expenses to date are normally similar from year to year, we are experiencing an increase in all funds, most notably in the general fund in the areas of Instruction Related, Maintenance and Operations, and Insurance and Debt Service. Expenditures, as a percentage of the budget, are 15.87%, 14.70%, 14.27%, 14.01%,

and 14.67% respectively, for the last five years. In the current year we have the addition of the Building Fund which makes up a little over \$7 million in budget and close to \$1.8 million in year-to-date expenditures. In 2022-23 we also saw increased expenditures in the instruction related and student support services as well as in the Insurance & Debt Service category which is the result of a prepaid insurance audit entry that was made at year end. Absent the prepaid the percentage of 14.27% would have been a more comparable 14.02%. In 2020-21 the percentage was slightly higher due to an increase in the General Fund areas of Administration and Instruction-Related areas due to COVID technology expenditures, certified extended time and an increase in property and casualty insurance.

#### 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 gradual increase of the year-to-date General Fund expenditures along side the increase in budget. The bottom graph demonstrates that at the start of the school year we are spending more than the amount of revenue we are receiving.

#### Graphs 2 & 3

The attachments labeled Graphs 2 & Graphs 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 a change in the five-year comparison reflecting the increase to date in state aid, special ed aid, and direct federal revenue. On the Expenditure Comparison chart the general fund reflects the increases in insurance, operations and maintenance, and transportation in the current year and the prementioned increases in 2020-21 and 2022-23.

#### **ATTACHMENTS:**

- **YTD 093024 Comparison – Rev & Exp**
- **YTD 093024 Comparison –Graphs 1-3**