



July & August 2018 Financial Reports

MANAGEMENT DISCUSSION AND ANALYSIS

Finance and Appropriations Committee presentation

September 14, 2017

Board presentation and acceptance:

September 19, 2017

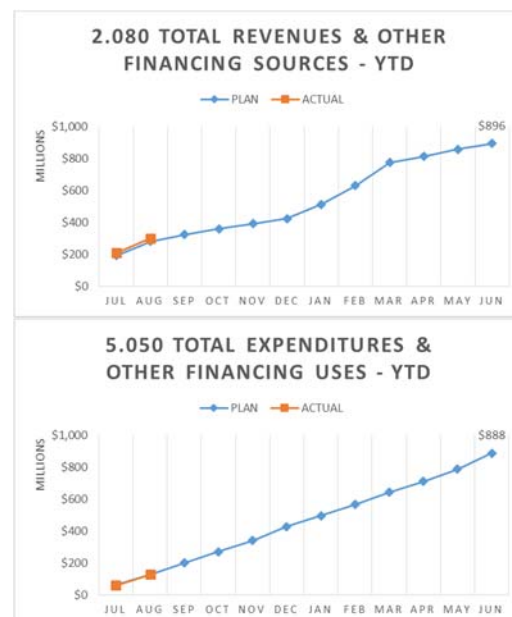
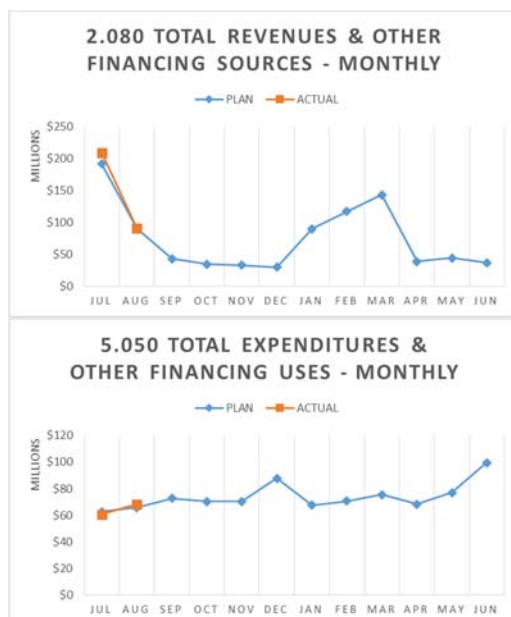
Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

Year to Date Revenues and Expenditures Overview¹²

This is the first presentation of the monthly financial report for FY18. The monthly plan for FY18 is based on 5 prior fiscal years of actual revenue and expenditure activity. Using blended percentages for each line item works to smooth out month to month variances from one year to the next solely due to timing and not specifically indicative of behavioral changes. The plan is based on the preliminary October 2017 Five-Year Forecast (FYF) which at the time of preparing this report has not been presented to or approved by the Board of Education. Most importantly, the preliminary FYF does not include wage increases that may result from currently ongoing negotiations with the district's two bargaining units. Therefore, variances to plan are preliminary and subject to change.

Year to date revenues through August of \$300 million are \$18 million over plan; +6% to plan. Year to date expenditures through August of \$129 million are \$250,000 under plan; 0% to plan. Ending cash balance is \$18 million over plan at \$309 million.

CATEGORY	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
REVENUES	\$ 300,406,623	\$ 282,150,800	\$ 18,255,823	6%
EXPENDITURES	\$ 128,900,006	\$ 128,649,000	\$ 251,006	0%
END. CASH BAL.	\$ 308,903,732	\$ 290,898,916	\$ 18,004,817	6%



¹ Monthly financial reports are prepared in alignment with the five year forecast and as such include revenue and expenditures of the General Fund plus certain debt service activity that is General Fund related.

² Numbers in graph titles, e.g. "2.080", reference the corresponding line number in the financial report and FYF.

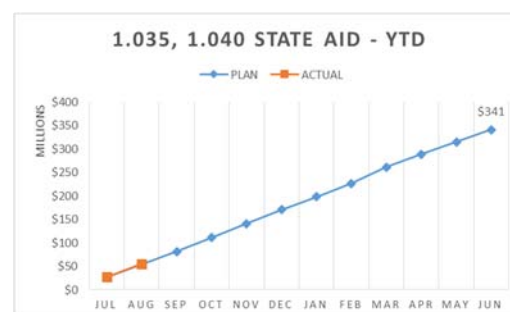
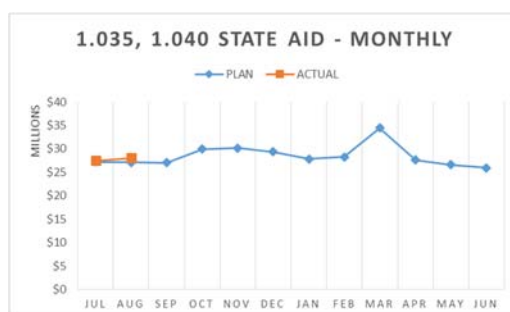
Revenues Year to Date

REVENUES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PROPERTY TAXES (1.010)	\$ 227,128,458	\$ 214,800,000	\$ 12,328,458	6%
STATE AID (1.035 & 1.40)	\$ 55,544,295	\$ 54,340,000	\$ 1,204,295	2%
RESTR. FED. GRANT (1.045)	\$ -	\$ -	\$ -	n/a
PROPERTY TAX ALLOC. (1.050)	\$ -	\$ 530,000	\$ (530,000)	-100%
OTHER REVENUES (1.060)	\$ 4,551,943	\$ 1,838,800	\$ 2,713,143	148%
OTHER FINANCING SOURCES (2.070)	\$ 13,181,927	\$ 10,642,000	\$ 2,539,927	24%
TOTAL REVENUES (2.080)	\$ 300,406,623	\$ 282,150,800	\$ 18,255,823	6%

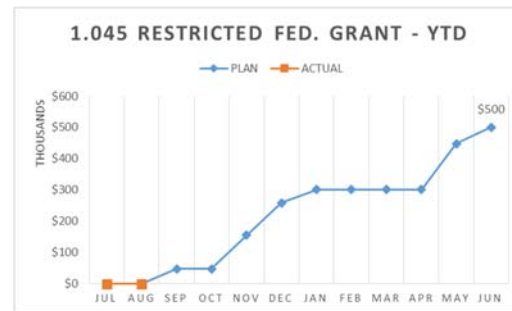
Property Taxes (1.010) – 2nd half tax settlement for calendar year 2017 has been received. Favorable variance may be the result of a low estimate or the calculation of projected monthly percentages. Taxes are collected on a calendar year basis but the monthly cash flow was based on fiscal year receipts. Whether or not this favorable variance carries forward to the end of the fiscal year will depend on the results of calendar year 2018 1st half collections.



State Aid (1.035 & 1.040) – revenue through August is on target at just \$1.2 million or 2% above the plan. State Aid for July – September is usually based on FY17 enrollment data. We typically anticipate that ODE will begin using FY18 enrollment data sometime in October. Back in March of FY15 there was a substantial recalculation of poverty based aid which tends to distort the monthly cash flow percentages, therefore, any favorable variances early in this fiscal year may well be offset by under plan variances in March of 2018. We could adjust our plan for this by ignoring FY15 behavior and recalculate if the FAC so chooses.



Restricted Federal Grants (1.045) – the federal reimbursement for interest on Qualified School Construction Bonds (QSCBs). Typically received in 2 payments but the month(s) of receipt has varied over the years hence the monthly cash flow percentages based on prior activity indicate sporadic receipt over several months. The plan could be adjusted for this and project that we would receive these payments in January and May like last year.



Property Tax Allocation (1.050) – revenue received through the state for rollback and homestead exemption and reimbursement for the loss of tangible personal property taxes (TPP). Nothing received through August.

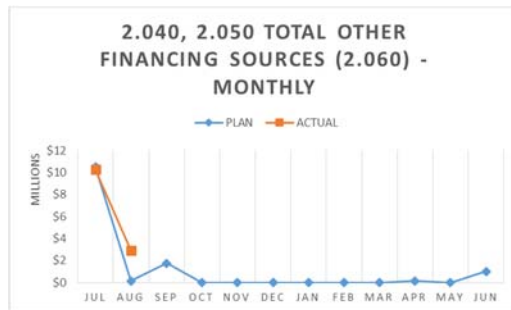


All Other Revenues (1.060) – comprised of items such as tuition, fees, and investment income the significant contributors are the Medicaid reimbursement and direct payments to the district for property tax settlements and income tax sharing. Win-Win payments are also include on this line. The \$2.7 million (+148%) variance above plan is in large part due to a \$1.5 million income tax sharing payment from the City of Columbus. This favorable variance is expected to resolve over the course of the fiscal year.



Other Financing Sources (2.060) – this includes lines 2.040 and 2.050, Transfers-In and Advances-In. The \$2.5 million favorable variance is timing related to the \$2.9 million transfer in August from the General Fund to the Debt Service Fund for the debt payment on bonds issued to purchase buses. This is typically one transaction having been executed in September (FYs 15, 16, & 17) but occurred in August in FY14. FY13 had partial transfers in September and June. These timing differences (like in line 1.045) resulted in projected average monthly cash flow percentages that don't reflect the single payment behavior. This variance should work itself out next month or, should FAC choose, we could adjust the plan to reflect the nature of a single transaction.

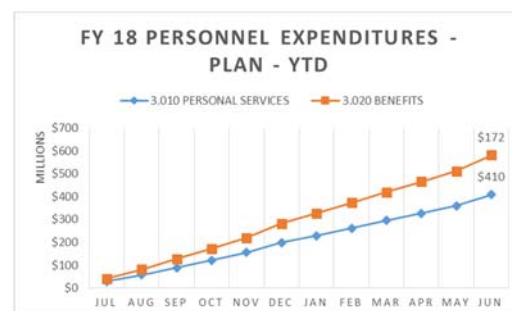
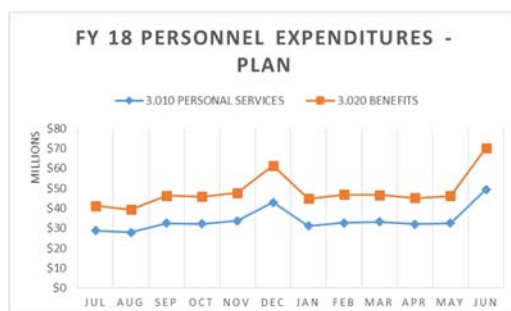
The return of \$10.2 in Advances from other funds was on target to the July projection of \$10.5 million.

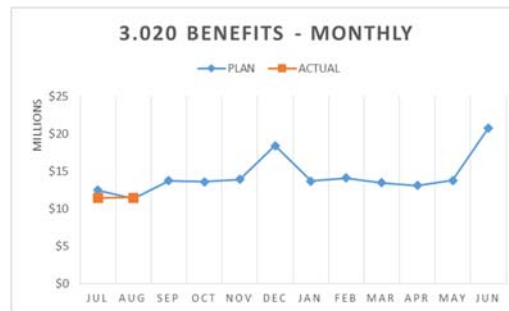


Expenditures Year to Date

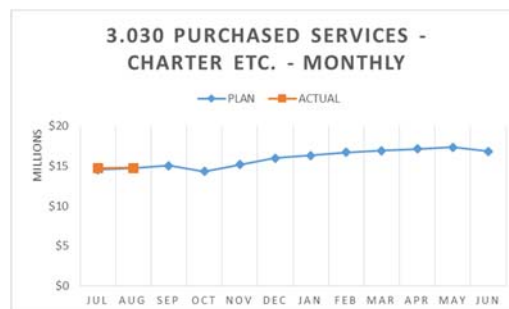
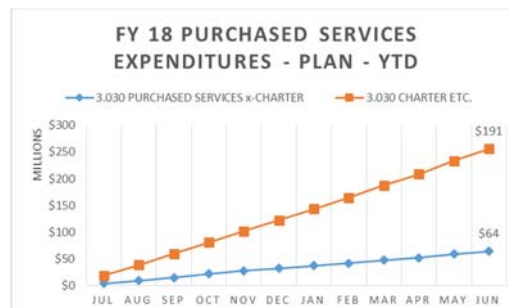
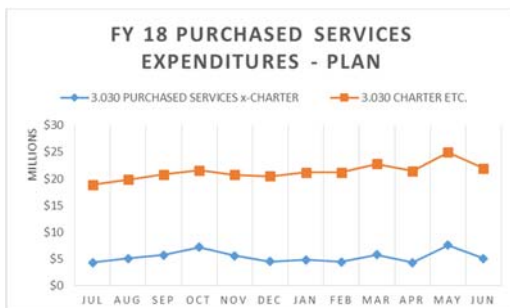
EXPENDITURES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PERSONNEL (3.010 & 3.020)	\$ 77,856,609	\$ 80,678,000	\$ (2,821,391)	-3%
PURCHASED SERVICES x-CHARTER (3.030)	\$ 9,995,640	\$ 9,401,000	\$ 594,640	6%
CHARTER, STEM, SCHOLARSHIP (3.030)	\$ 29,558,388	\$ 29,304,000	\$ 254,388	1%
SUPPLIES & MATERIALS (3.040)	\$ 3,062,261	\$ 3,873,000	\$ (810,739)	-21%
CAPITAL OUTLAY (3.050)	\$ 1,321,494	\$ 647,000	\$ 674,494	104%
DEBT SERVICE RELATED (4.020, 4.055, 4.060)	\$ -	\$ -	\$ -	n/a
OTHER OBJECTS (4.300)	\$ 3,523,927	\$ 3,838,000	\$ (314,073)	-8%
OTHER FINANCING USES (5.040)	\$ 3,581,688	\$ 908,000	\$ 2,673,688	294%
TOTAL EXPENDITURES (5.050)	\$ 128,900,006	\$ 128,649,000	\$ 251,006	0%

Personnel (3.010 & 3.020) – the plan does not contemplate any wage increase for FY17, therefore, pending the outcome of negotiations an adjustment may be necessary. Additionally, new staff will be reflected beginning in September the magnitude of which is different than the prior year. These two factors may well distort the monthly cash flow projection making the interpretation of any variance at this time suspect. Nonetheless, conservative forecasting generally results in actual expenditures running modestly under plan which is the case through August.



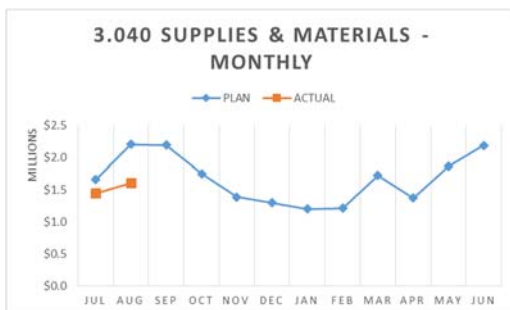


Purchased Services (3.030) – both purchase services-xCharter and Charter, Stem, and Scholarship lines are running close to plan at \$595,000 (+6%) and \$254,000 (+1%) to plan. As with state aid, the deductions for charter, stem and scholarships are based on last year's enrollment. An October update with current enrollment is anticipated. There are no particular expenditure lines within purchase services worthy of note through August.





Supplies & Materials (3.040) – running \$810,000 (-21%) under plan year to date, this variance is likely due to timing and best evaluated on a quarterly basis.



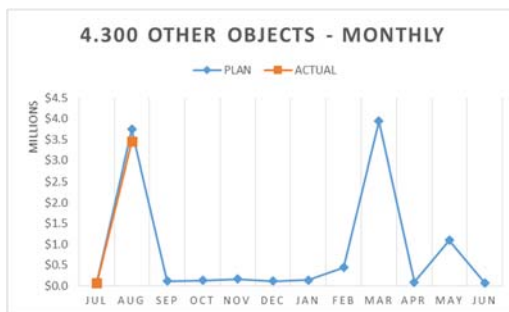
Capital Outlay (aka equipment, 3.050) – \$1.26 million of the \$1.32 million YTD expended is related to orders made in FY17 carrying forward into FY18. These payments were made sooner than prior years' experience would indicate, therefore, this variance is due to timing.



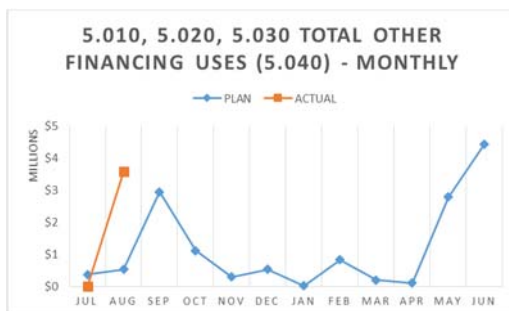
Debt-Service Related (4.020, 4.055, & 4.060) – these expenditures are for payments on the bus purchase bonds and QSCBs mentioned as well in the revenue section. This General Fund related debt while recorded in the Debt Service Fund on district accounting records, are required to be restated within this report (FYF format) to reflect their relationship with General Fund operations. There is no activity in this category year-to-date.



Other Objects (4.300) – just over 90% of the expenditures in this category are for County Auditor & Treasurer fees related to property tax billing and collections. Approximately \$3.3 million in such fees for the 2nd half collection period is the major driver of activity through August.



Other Financing Uses (5.030) – Transfers-Out and Advances-Out are included here. These are related to Transfers-In and Advances-In within the revenue section. Variance is due solely to timing.





Month of July - Fiscal Year 2018

		Month To Date			Year To Date						Actual Percent	
		Current Year Estimate	Current Year Actual	Act. Over(Under) Est.	Current Year Estimate	Current Year Actual	Act. Over(Under) Est.	Oct '17 FYF (Preliminary - Not Adopted)	Total Plan Estimate Based on Oct '17 FYF	Percent Variance from Plan YTD	of Plan Received or Expended YTD	
Revenues												
1.010	General Property Tax (Real Estate)	\$ 153,100,000	\$ 168,332,500	\$ 15,232,500	\$ 153,100,000	\$ 168,332,500	\$ 15,232,500	\$ 481,500,000	\$ 481,500,000	10%	35%	
1.020	Tangible Personal Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	0%	
1.035 + 1.040	State Aid	\$ 27,220,000	\$ 27,475,086	\$ 255,086	\$ 27,220,000	\$ 27,475,086	\$ 255,086	\$ 341,500,000	\$ 341,500,000	1%	8%	
1.045	Restricted Fed. Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	n/a	0%	
1.050	Property Tax Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,100,000	\$ 40,100,000	n/a	0%	
1.060	All Other Revenues	\$ 985,200	\$ 3,506,191	\$ 2,520,991	\$ 985,200	\$ 3,506,191	\$ 2,520,991	\$ 18,700,000	\$ 18,670,000	256%	19%	
1.070	Total Revenues	\$ 181,305,200	\$ 199,313,777	\$ 18,008,577	\$ 181,305,200	\$ 199,313,777	\$ 18,008,577	\$ 882,300,000	\$ 882,270,000	10%	23%	
Other Financing Sources												
2.040	Operating Transfers-In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,900,000	\$ 2,900,000	n/a	0%	
2.050	Advances-In	\$ 10,500,000	\$ 10,241,811	\$ (258,189)	\$ 10,500,000	\$ 10,241,811	\$ (258,189)	\$ 10,500,000	\$ 10,500,000	-2%	98%	
2.060	All Other Financing Sources	\$ -	\$ 1,557	\$ 1,557	\$ -	\$ 1,557	\$ 1,557	\$ 150,000	\$ 150,000	n/a	1%	
2.070	Total Other Financing Sources	\$ 10,500,000	\$ 10,243,368	\$ (256,632)	\$ 10,500,000	\$ 10,243,368	\$ (256,632)	\$ 13,550,000	\$ 13,550,000	-2%	76%	
2.080	Total Revenues and Other Financing Sources	\$ 191,805,200	\$ 209,557,144	\$ 17,751,944	\$ 191,805,200	\$ 209,557,144	\$ 17,751,944	\$ 895,850,000	\$ 895,820,000	9%	23%	
Expenditures												
3.010 + 3.020	Personnel related	\$ 41,289,000	\$ 39,179,555	\$ (2,109,445)	\$ 41,289,000	\$ 39,179,555	\$ (2,109,445)	\$ 582,000,000	\$ 581,960,000	-5%	7%	
3.030	Purchased Services	\$ 4,335,000	\$ 4,515,150	\$ 180,150	\$ 4,335,000	\$ 4,515,150	\$ 180,150	\$ 64,500,000	\$ 64,480,000	4%	7%	
3.030	Charter Schools, STEM, Scholarship, etc. (478, 479)	\$ 14,564,000	\$ 14,763,058	\$ 199,058	\$ 14,564,000	\$ 14,763,058	\$ 199,058	\$ 191,200,000	\$ 191,220,000	1%	8%	
3.040	Supplies and Materials	\$ 1,665,000	\$ 1,450,224	\$ (214,776)	\$ 1,665,000	\$ 1,450,224	\$ (214,776)	\$ 20,100,000	\$ 20,100,000	-13%	7%	
3.050	Capital Outlay	\$ 407,000	\$ 600,058	\$ 193,058	\$ 407,000	\$ 600,058	\$ 193,058	\$ 1,900,000	\$ 1,870,000	47%	32%	
3.060	Intergovernmental											
Debt Service:												
4.020	Principal-Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000	\$ 2,400,000	n/a	0%	
4.055	Principal-Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000	n/a	0%	
4.060	Interest and Fiscal Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	n/a	0%	
4.300	Other Objects	\$ 95,000	\$ 74,993	\$ (20,007)	\$ 95,000	\$ 74,993	\$ (20,007)	\$ 10,200,000	\$ 10,200,000	-21%	1%	



Month of July - Fiscal Year 2018

	Month To Date			Year To Date			Oct '17 FYF (Preliminary - Not Adopted)	Total Plan Estimate Based on Oct '17 FYF	Percent Variance from Plan YTD	Actual Percent of Plan Received or Expended YTD
	Current Year Estimate	Current Year Actual	Act. Over(Under) Est.	Current Year Estimate	Current Year Actual	Act. Over(Under) Est.				
4.500 Total Expenditures	\$ 62,355,000	\$ 60,583,039	\$ (1,771,961)	\$ 62,355,000	\$ 60,583,039	\$ (1,771,961)	\$ 874,100,000	\$ 874,030,000	-3%	7%
Other Financing Uses										
5.010 Operating Transfers-Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600,000	\$ 3,600,000	n/a	0%
5.020 Advances-Out	\$ 374,000	\$ -	\$ (374,000)	\$ 374,000	\$ -	\$ (374,000)	\$ 10,500,000	\$ 10,500,000	-100%	0%
5.030 All Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 104,000	n/a	0%
5.040 Total Other Financing Uses	\$ 374,000	\$ -	\$ (374,000)	\$ 374,000	\$ -	\$ (374,000)	\$ 14,200,000	\$ 14,204,000	-100%	0%
5.050 Total Expenditures and Other Financing Uses	\$ 62,729,000	\$ 60,583,039	\$ (2,145,961)	\$ 62,729,000	\$ 60,583,039	\$ (2,145,961)	\$ 888,300,000	\$ 888,234,000	-3%	7%
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 129,076,200	\$ 148,974,105	\$ 19,897,905	\$ 129,076,200	\$ 148,974,105	\$ 19,897,905	\$ 7,550,000	\$ 7,586,000		
Beginning Cash Balance	\$ 137,397,116	\$ 137,397,116	\$ -	\$ 137,397,116	\$ 137,397,116	\$ -	\$ 137,397,116	\$ 137,397,116		
Ending Cash Balance	\$ 266,473,316	\$ 286,371,221	\$ 19,897,905	\$ 266,473,316	\$ 286,371,221	\$ 19,897,905	\$ 144,947,116	\$ 144,983,116		



Month of August - Fiscal Year 2018

		Month To Date			Year To Date						Actual Percent	
		Current Year Estimate	Current Year Actual	Act. Over(Under) Est.	Current Year Estimate	Current Year Actual	Act. Over(Under) Est.	Oct '17 FYF (Preliminary - Not Adopted)	Total Plan Estimate Based on Oct '17 FYF	Percent Variance from Plan YTD	of Plan Received or Expended YTD	
Revenues												
1.010	General Property Tax (Real Estate)	\$ 61,700,000	\$ 58,795,958	\$ (2,904,042)	\$ 214,800,000	\$ 227,128,458	\$ 12,328,458	\$ 481,500,000	\$ 481,500,000	6%	47%	
1.020	Tangible Personal Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	0%	
1.035 + 1.040	State Aid	\$ 27,120,000	\$ 28,069,209	\$ 949,209	\$ 54,340,000	\$ 55,544,295	\$ 1,204,295	\$ 341,500,000	\$ 341,500,000	2%	16%	
1.045	Restricted Fed. Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	n/a	0%	
1.050	Property Tax Allocation	\$ 530,000	\$ -	\$ (530,000)	\$ 530,000	\$ -	\$ (530,000)	\$ 40,100,000	\$ 40,100,000	-100%	0%	
1.060	All Other Revenues	\$ 853,600	\$ 1,045,752	\$ 192,152	\$ 1,838,800	\$ 4,551,943	\$ 2,713,143	\$ 18,700,000	\$ 18,670,000	148%	24%	
1.070	Total Revenues	\$ 90,203,600	\$ 87,910,919	\$ (2,292,681)	\$ 271,508,800	\$ 287,224,696	\$ 15,715,896	\$ 882,300,000	\$ 882,270,000	6%	33%	
Other Financing Sources												
2.040	Operating Transfers-In	\$ 142,000	\$ 2,938,763	\$ 2,796,763	\$ 142,000	\$ 2,938,763	\$ 2,796,763	\$ 2,900,000	\$ 2,900,000	1970%	101%	
2.050	Advances-In	\$ -	\$ -	\$ -	\$ 10,500,000	\$ 10,241,811	\$ (258,189)	\$ 10,500,000	\$ 10,500,000	-2%	98%	
2.060	All Other Financing Sources	\$ -	\$ (203)	\$ (203)	\$ -	\$ 1,354	\$ 1,354	\$ 150,000	\$ 150,000	n/a	1%	
2.070	Total Other Financing Sources	\$ 142,000	\$ 2,938,559	\$ 2,796,559	\$ 10,642,000	\$ 13,181,927	\$ 2,539,927	\$ 13,550,000	\$ 13,550,000	24%	97%	
2.080	Total Revenues and Other Financing Sources	\$ 90,345,600	\$ 90,849,478	\$ 503,878	\$ 282,150,800	\$ 300,406,623	\$ 18,255,823	\$ 895,850,000	\$ 895,820,000	6%	34%	
Expenditures												
3.010 + 3.020	Personnel related	\$ 39,389,000	\$ 38,677,054	\$ (711,946)	\$ 80,678,000	\$ 77,856,609	\$ (2,821,391)	\$ 582,000,000	\$ 581,960,000	-3%	13%	
3.030	Purchased Services	\$ 5,066,000	\$ 5,480,490	\$ 414,490	\$ 9,401,000	\$ 9,995,640	\$ 594,640	\$ 64,500,000	\$ 64,480,000	6%	16%	
3.030	Charter Schools, STEM, Scholarship, etc. (478, 479)	\$ 14,740,000	\$ 14,795,329	\$ 55,329	\$ 29,304,000	\$ 29,558,388	\$ 254,388	\$ 191,200,000	\$ 191,220,000	1%	15%	
3.040	Supplies and Materials	\$ 2,208,000	\$ 1,612,037	\$ (595,963)	\$ 3,873,000	\$ 3,062,261	\$ (810,739)	\$ 20,100,000	\$ 20,100,000	-21%	15%	
3.050	Capital Outlay	\$ 240,000	\$ 721,435	\$ 481,435	\$ 647,000	\$ 1,321,494	\$ 674,494	\$ 1,900,000	\$ 1,870,000	104%	71%	
3.060	Intergovernmental											
Debt Service:												
4.020	Principal-Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,000	\$ 2,400,000	n/a	0%	
4.055	Principal-Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000	n/a	0%	
4.060	Interest and Fiscal Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	n/a	0%	
4.300	Other Objects	\$ 3,743,000	\$ 3,448,934	\$ (294,066)	\$ 3,838,000	\$ 3,523,927	\$ (314,073)	\$ 10,200,000	\$ 10,200,000	-8%	35%	



Month of August - Fiscal Year 2018

	Month To Date			Year To Date				Oct '17 FYF (Preliminary - Not Adopted)	Total Plan Estimate Based on Oct '17 FYF	Percent Variance from Plan YTD	Actual Percent of Plan Received or Expended YTD
	Current Year Estimate	Current Year Actual	Act. Over(Under) Est.	Current Year Estimate	Current Year Actual	Act. Over(Under) Est.					
4.500 Total Expenditures	\$ 65,386,000	\$ 64,735,280	\$ (650,720)	\$ 127,741,000	\$ 125,318,319	\$ (2,422,681)	\$ 874,100,000	\$ 874,030,000	-2%	14%	
Other Financing Uses											
5.010 Operating Transfers-Out	\$ 489,000	\$ 3,581,563	\$ 3,092,563	\$ 489,000	\$ 3,581,563	\$ 3,092,563	\$ 3,600,000	\$ 3,600,000	632%	99%	
5.020 Advances-Out	\$ 44,000	\$ -	\$ (44,000)	\$ 418,000	\$ -	\$ (418,000)	\$ 10,500,000	\$ 10,500,000	-100%	0%	
5.030 All Other Financing Uses	\$ 1,000	\$ 125	\$ (875)	\$ 1,000	\$ 125	\$ (875)	\$ 100,000	\$ 104,000	-88%	0%	
5.040 Total Other Financing Uses	\$ 534,000	\$ 3,581,688	\$ 3,047,688	\$ 908,000	\$ 3,581,688	\$ 2,673,688	\$ 14,200,000	\$ 14,204,000	294%	25%	
5.050 Total Expenditures and Other Financing Uses	\$ 65,920,000	\$ 68,316,967	\$ 2,396,967	\$ 128,649,000	\$ 128,900,006	\$ 251,006	\$ 888,300,000	\$ 888,234,000	0%	15%	
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 24,425,600	\$ 22,532,511	\$ (1,893,089)	\$ 153,501,800	\$ 171,506,617	\$ 18,004,817	\$ 7,550,000	\$ 7,586,000			
Beginning Cash Balance	\$ 266,473,316	\$ 286,371,221	\$ 19,897,905	\$ 137,397,116	\$ 137,397,116	\$ -	\$ 137,397,116	\$ 137,397,116			
Ending Cash Balance	\$ 290,898,916	\$ 308,903,732	\$ 18,004,817	\$ 290,898,916	\$ 308,903,732	\$ 18,004,817	\$ 144,947,116	\$ 144,983,116			