



September 2017 (FY18) Financial Reports

MANAGEMENT DISCUSSION AND ANALYSIS

Finance and Appropriations Committee presentation

October 12, 2017

Board presentation and acceptance:

October 17, 2017

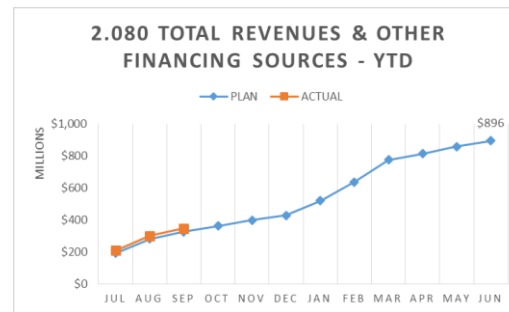
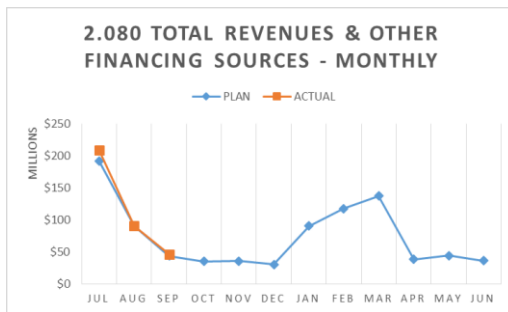
Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

Year to Date Revenues and Expenditures Overview¹²

The monthly plan for FY18 is based on, in most cases, 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. Several anomalies in prior years' experience patterns noted last month have been adjusted within the plan for this month. 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. A change from last month, the preliminary FYF now includes wage increases both actual and estimated as negotiations with the one of the bargaining units has concluded but is ongoing with others. The inclusion of an estimated increase was necessary as the FYF is scheduled to be reviewed by the FAC on October 12th and approved by the Board on October 17th.

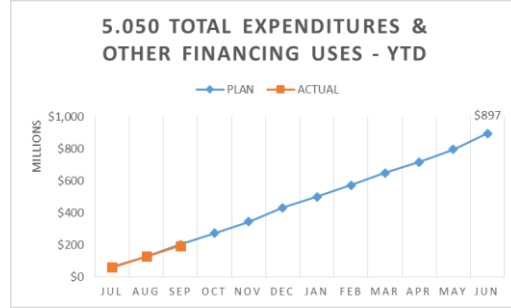
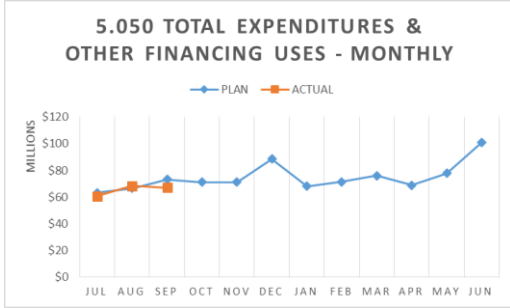
Year to date revenues through September of \$347 million are \$20 million over plan; +6% to plan. Year to date expenditures through September of \$196 million are \$7 million under plan; -4% to plan. Ending cash balance is \$27 million over plan at \$289 million.

CATEGORY	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
REVENUES	\$ 347,274,743	\$ 327,292,900	\$ 19,981,843	6%
EXPENDITURES	\$ 196,005,162	\$ 203,229,000	\$ (7,223,838)	-4%
END. CASH BAL.	\$ 288,666,696	\$ 261,461,016	\$ 27,205,680	10%



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.

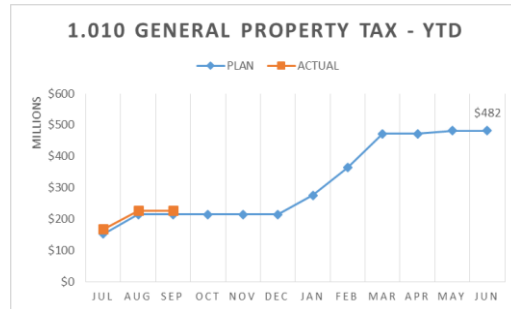
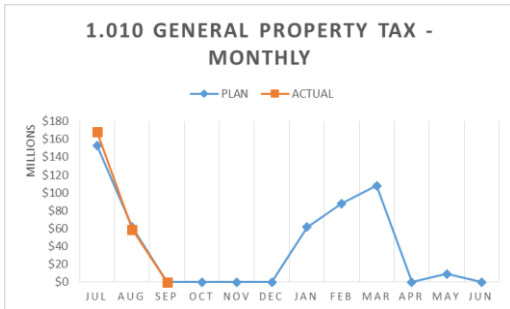
² Numbers in graph titles and charts, e.g. "2.080", reference the corresponding line number in the financial report and FYF.



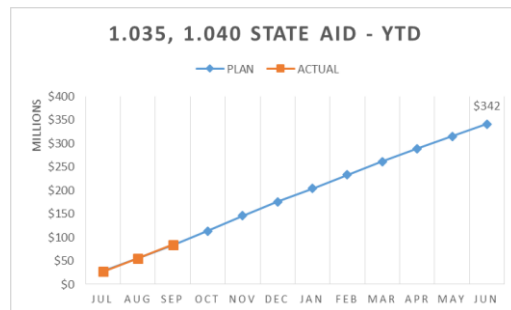
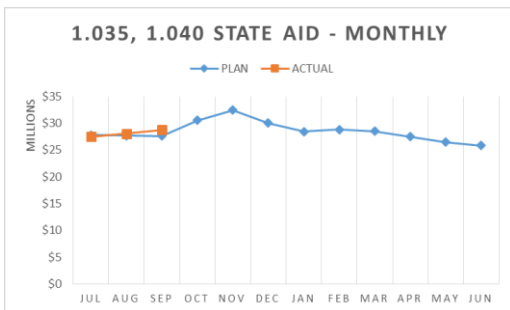
Revenues Year to Date

REVENUES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PROPERTY TAXES (1.010)	\$ 227,152,803	\$ 214,800,000	\$ 12,352,803	6%
STATE AID (1.035 & 1.40)	\$ 84,290,392	\$ 83,093,000	\$ 1,197,392	1%
RESTR. FED. GRANT (1.045)	\$ -	\$ -	\$ -	n/a
PROPERTY TAX ALLOC. (1.050)	\$ 17,076,332	\$ 14,010,000	\$ 3,066,332	22%
OTHER REVENUES (1.060)	\$ 5,572,480	\$ 3,002,900	\$ 2,569,580	86%
OTHER FINANCING SOURCES (2.070)	\$ 13,182,735	\$ 12,387,000	\$ 795,735	6%
TOTAL REVENUES (2.080)	\$ 347,274,743	\$ 327,292,900	\$ 19,981,843	6%

Property Taxes (1.010) – Manufactured home tax of \$24,345 was received this month.

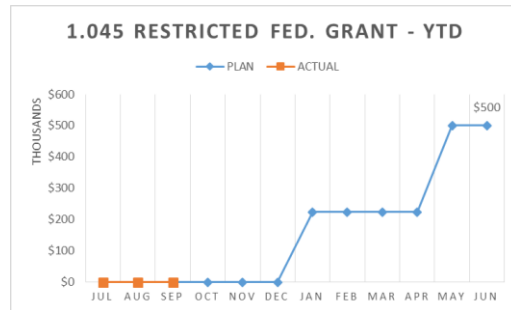
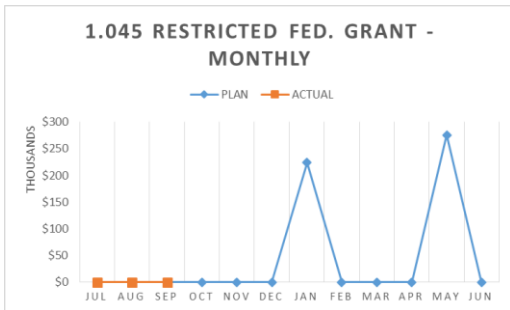


State Aid (1.035 & 1.040) – revenue through September remains on target at just \$1.2 million or 1% above the plan, essentially unchanged from last month. The plan has been adjusted to remove the distortion caused by the substantial recalculation of poverty based aid in March FY15 mentioned in last month’s MD&A.

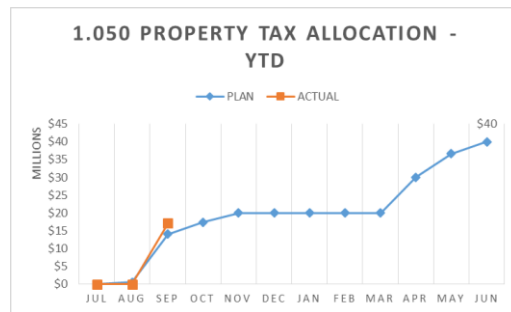
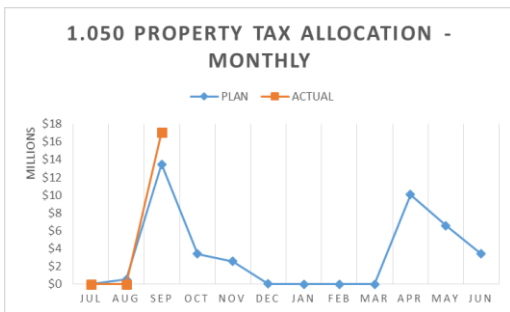


Restricted Federal Grants (1.045) – the federal reimbursement for interest on Qualified School Construction Bonds (QSCBs). The plan has been adjusted to reflect these funds are received in 2

payments and assumes January and May as was the experience in FY17. Last month it was noted that historically the 2 payments did not always occur in the same months causing it to appear in the plan as if these funds were received over multiple months. This distortion has been removed from the plan, therefore, future variances will be solely due to timing.

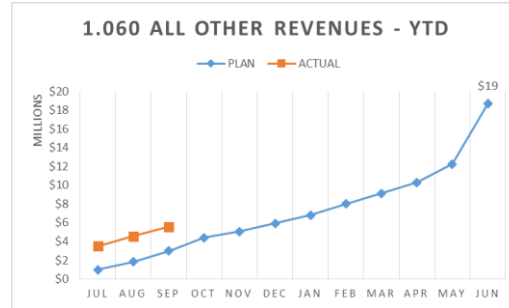
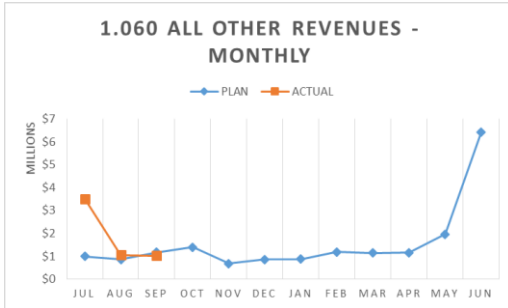


Property Tax Allocation (1.050) – revenue received through the state for rollback and homestead exemption and reimbursement for the loss of tangible personal property taxes (TPP). Funds from the August settlement were all received in September. Based on prior year experience, the plan called for funds to be received over several months, September through November. The plan anticipates another \$3.3 million during those future months which will fully offset this month’s YTD favorable variance of \$3 million. The next significant receipt of funds in this line will be after the February 2018 tax settlement.

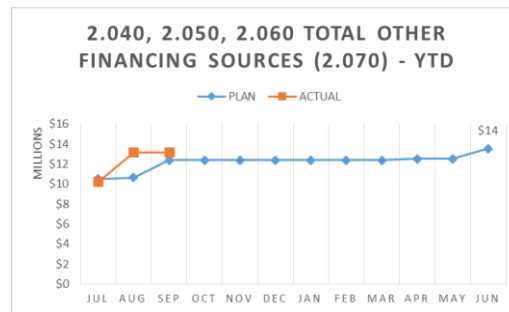
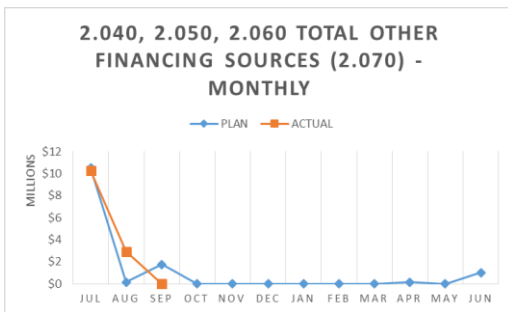


All Other Revenues (1.060) – comprised of items such as tuition, fees, and investment income the significant contributors are the Medicaid reimbursement and direct payments to the district for property tax settlements and income tax sharing. Win-Win payments are also include on this line. Back on plan for this month, it is still anticipated that the \$2.6 million (+86%) variance³ above plan (due to a \$1.5 million income tax sharing payment from the City of Columbus in August) will resolve itself over the course of the fiscal year.

³ \$2.7 million, +148% last month.



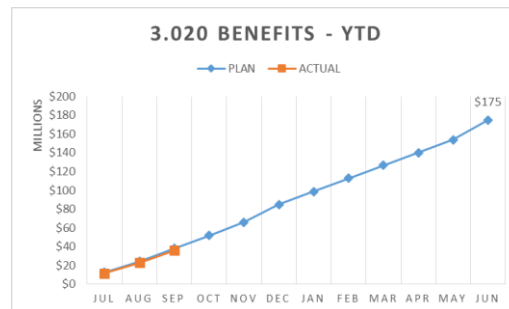
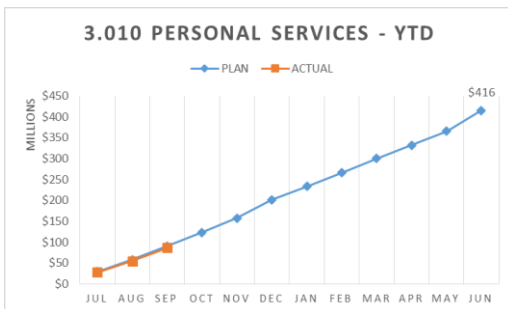
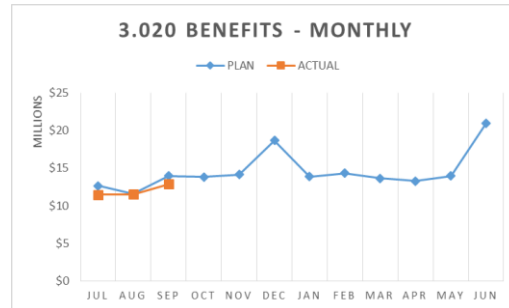
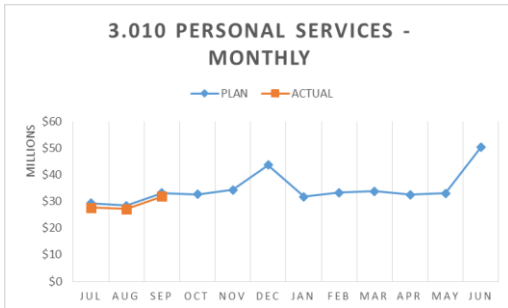
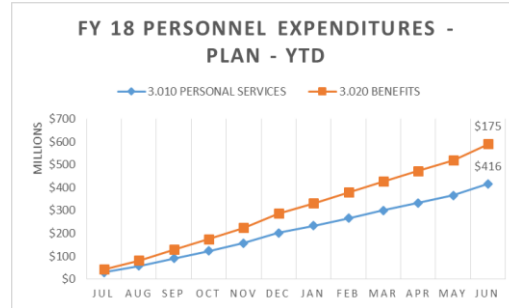
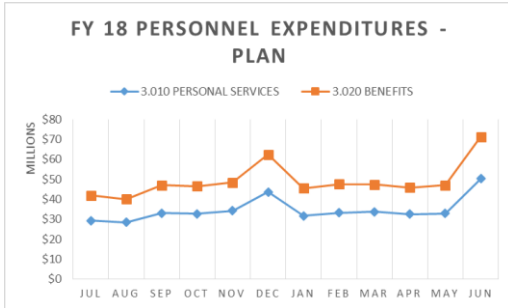
Other Financing Sources (2.070) – this includes lines 2.040 and 2.050, Transfers-In and Advances-In, and 2.060 All Other Financing Sources. As anticipated in last month’s report, this line is back on plan through September. The plan has not been adjusted for the impact of prior year variances as mentioned in last month’s report.



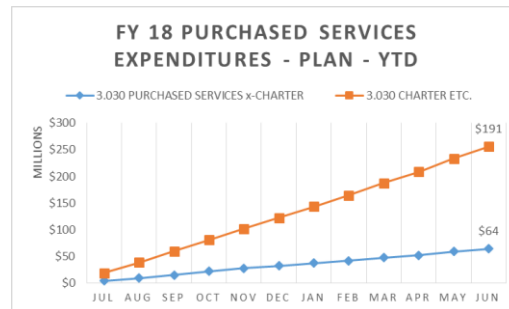
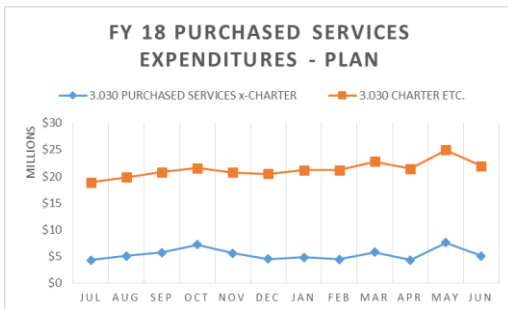
Expenditures Year to Date

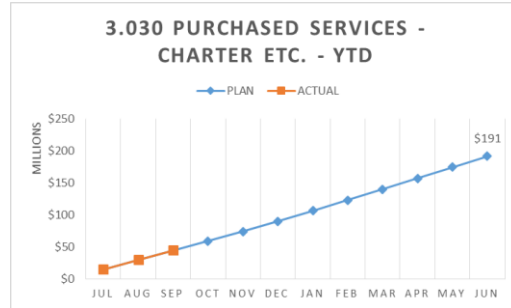
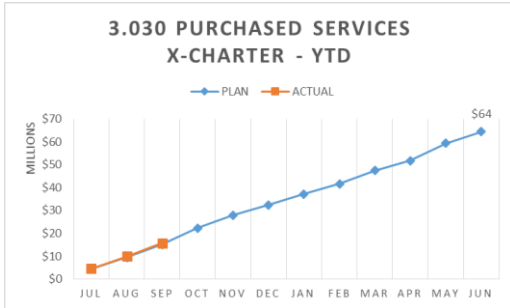
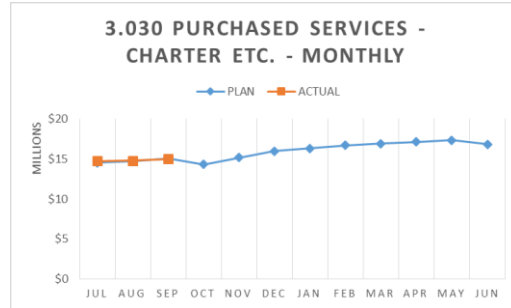
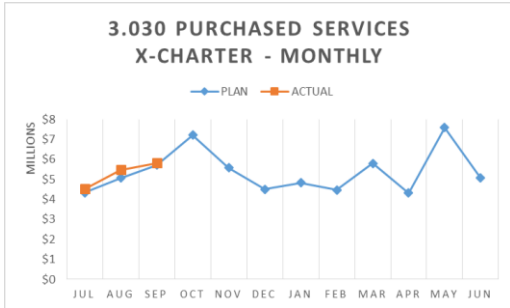
EXPENDITURES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PERSONNEL (3.010 & 3.020)	\$ 122,634,034	\$ 129,032,000	\$ (6,397,966)	-5%
PURCHASED SERVICES x-CHARTER (3.030)	\$ 15,808,327	\$ 15,115,000	\$ 693,327	5%
CHARTER, STEM, SCHOLARSHIP (3.030)	\$ 44,574,408	\$ 44,357,000	\$ 217,408	0%
SUPPLIES & MATERIALS (3.040)	\$ 4,173,631	\$ 6,069,000	\$ (1,895,369)	-31%
CAPITAL OUTLAY (3.050)	\$ 1,581,605	\$ 842,000	\$ 739,605	88%
DEBT SERVICE RELATED (4.020, 4.055, 4.060)	\$ -	\$ -	\$ -	n/a
OTHER OBJECTS (4.300)	\$ 3,651,471	\$ 3,958,000	\$ (306,530)	-8%
OTHER FINANCING USES (5.040)	\$ 3,581,688	\$ 3,856,000	\$ (274,313)	-7%
TOTAL EXPENDITURES (5.050)	\$ 196,005,162	\$ 203,229,000	\$ (7,223,838)	-4%

Personnel (3.010 & 3.020) – the plan has been modified to include an estimate for wage increases anticipated to result from both completed and ongoing collective bargaining agreements negotiations. Pay under the new agreements will not be made until October and later. The impact of payroll for new staff is reflected in the September numbers but may not be factored into the plan appropriately. We will have to watch monthly variances closely and assess whether or not expenditures are on target with the plan, the FYF and the appropriations resolution.



Purchased Services (3.030) –purchase services-xCharter YTD variance at +\$693,327 is slightly higher than last month but less on a percentage basis (+5% this month vs. +6% last month). Charter, Stem, and Scholarship lines are running close to plan at \$217,408 (+0%) to plan.





Supplies & Materials (3.040) – while it is believed that the \$1.9 million under plan variance (- 31%) is largely due to time, the magnitude is worthy of further examination. Staff will report more detail on their deeper dive into this line next month. Three supply categories (software, supplemental textbooks, and fuel) constitute 97% of this variance.



[See next page for detail data on supplies and materials]



Object Detail

<i>AS OF SEPTEMBER</i>	<i>YTD PLAN</i>	<i>YTD ACTUAL</i>	<i>YTD VARIANCE</i>
510 - GENERAL SUPPLIES	\$1,561,000.00	\$1,550,234.50	(\$10,765.50)
512 - OFFICE SUPPLIES	\$0.00	\$913.62	\$913.62
514 - HEALTH & HYGIENE SUPPLIES	\$0.00	\$108.00	\$108.00
516 - SOFTWARE MATERIAL	\$1,964,000.00	\$827,503.50	(\$1,136,496.50)
519 - OTHER GENERAL SUPPLIES	\$0.00	\$647.70	\$647.70
520 - TEXTBOOKS	\$0.00	\$614.04	\$614.04
524 - SUPPLEMENTAL TEXTBOOKS	\$475,000.00	\$107,097.74	(\$367,902.26)
525 - ELECTRONIC INST SUPPLY AND MAT	\$0.00	\$0.00	\$0.00
530 - LIBRARY BOOKS	\$104,000.00	\$86,155.18	(\$17,844.82)
540 - NEWSPAPERS PERIODICALS FILMS S	\$41,000.00	\$15,381.85	(\$25,618.15)
550 - SUPPLIES & MATERIALS RESALE	\$6,000.00	(\$695.55)	(\$6,695.55)
560 - FOOD AND RELATED SUPPLIES/MATE	\$13,000.00	\$11,248.52	(\$1,751.48)
570 - SUPPLY/MATERIAL OPERATION/MNT/	\$657,000.00	\$627,763.41	(\$29,236.59)
573 - EQUIPMENT/FURNITURE OP/MNT/REP	\$0.00	\$0.00	\$0.00
581 - SUPPLIES & PARTS FOR MNT & RP	\$339,000.00	\$453,028.39	\$114,028.39
582 - FUEL TO OPERATE MOTOR VEHICLES	\$651,000.00	\$315,935.20	(\$335,064.80)
583 - TIRES AND TUBES	\$74,000.00	\$138,480.47	\$64,480.47
590 - OTHER SUPPLIES & MATERIALS	<u>\$184,000.00</u>	<u>\$39,214.36</u>	<u>(\$144,785.64)</u>
TOTAL	\$6,069,000.00	\$4,173,630.93	(\$1,895,369.07)

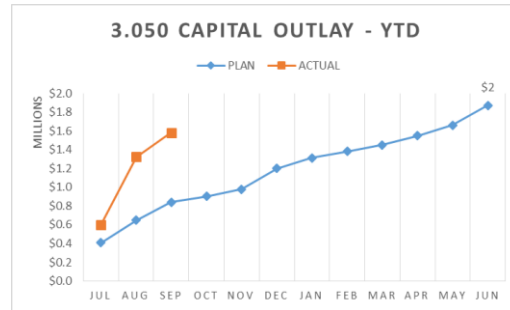
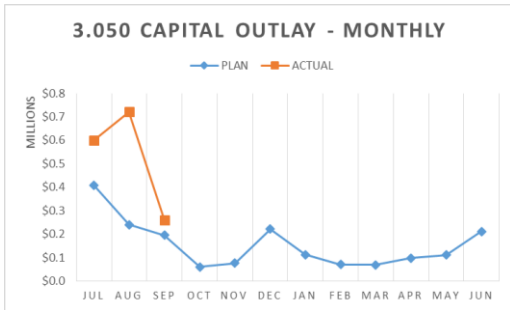
Budgetary Data

Description	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
510 - GENERAL SUPPLIES	6,943,857	1,550,235	2,601,870	2,791,753	22%	60%
512 - OFFICE SUPPLIES	1,978	914	1,065	0	46%	100%
514 - HEALTH & HYGIENE SUPPLIES	14,389	108	12,781	1,500	1%	90%
516 - SOFTWARE MATERIAL	3,395,620	827,504	745,269	1,822,848	24%	46%
519 - OTHER GENERAL SUPPLIES	2,432	648	1,784	0	27%	100%
520 - TEXTBOOKS	22,118	614	21,504	0	3%	100%
524 - SUPPLEMENTAL TEXTBOOKS	856,881	107,098	112,371	637,412	12%	26%
525 - ELECTRONIC INST SUPPLY AND MAT	0	0	0	0	#DIV/0!	#DIV/0!
530 - LIBRARY BOOKS	480,955	86,155	25,433	369,367	18%	23%
540 - NEWSPAPERS PERIODICALS FILMS S	129,427	15,382	14,897	99,148	12%	23%
550 - SUPPLIES & MATERIALS RESALE	26,590	-696	5,012	22,274	-3%	16%
560 - FOOD AND RELATED SUPPLIES/MATE	102,875	11,249	47,534	44,093	11%	57%
570 - SUPPLY/MATERIAL OPERATION/MNT/	2,997,576	627,763	2,063,787	306,026	21%	90%
573 - EQUIPMENT/FURNITURE OP/MNT/REP	0	0	0	0	#DIV/0!	#DIV/0!
581 - SUPPLIES & PARTS FOR MNT & RP	1,950,250	453,028	1,435,137	62,085	23%	97%
582 - FUEL TO OPERATE MOTOR VEHICLES	5,201,642	315,935	4,885,107	600	6%	100%
583 - TIRES AND TUBES	407,255	138,480	117,774	151,000	34%	63%
590 - OTHER SUPPLIES & MATERIALS	631,990	39,214	96,621	496,155	6%	21%
Grand Total	23,165,834	4,173,631	12,187,944	6,804,260	18%	71%

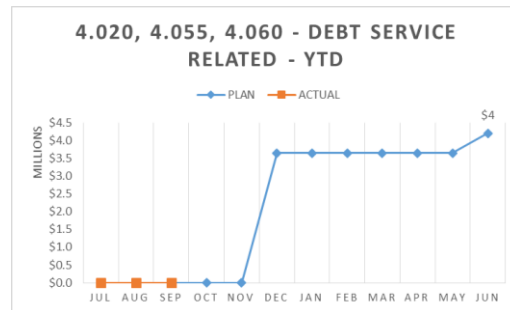
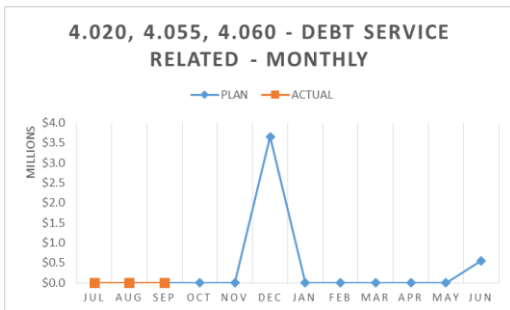
The Columbus City School District does not discriminate based upon sex, race, color, national origin, religion, age, disability, sexual orientation, gender identity/expression, ancestry, familial status or military status with regard to admission, access, treatment or employment. This policy is applicable in all district programs and activities.

The budgetary data seems to indicate that while supplies & materials are running under plan based on YTD expenditures, almost all of the detail lines are already well encumbered for the year. This would tend to indicate a matter of timing relative to the expenditure plan and variances should work themselves out over the course of the year.

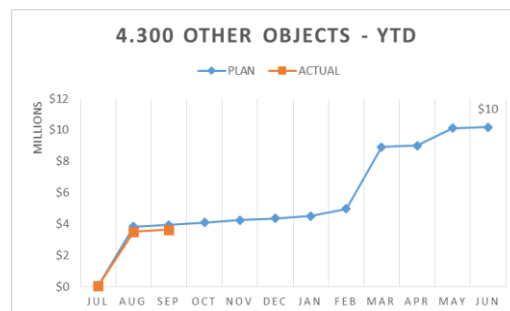
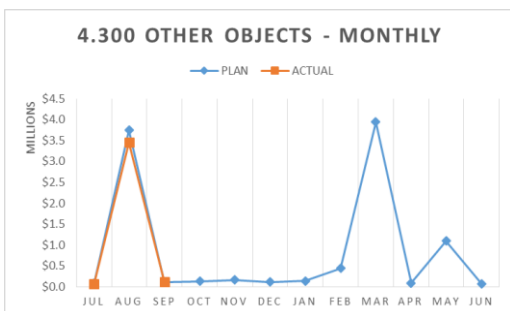
Capital Outlay (aka equipment, 3.050) – Back to slightly over plan for the month with the YTD variance slightly higher at +\$739,605, +88% to plan. As noted last month, orders made in FY17 carrying forward and being expended in FY18 explain this timing variance.



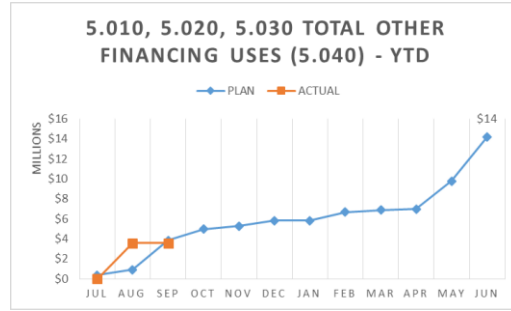
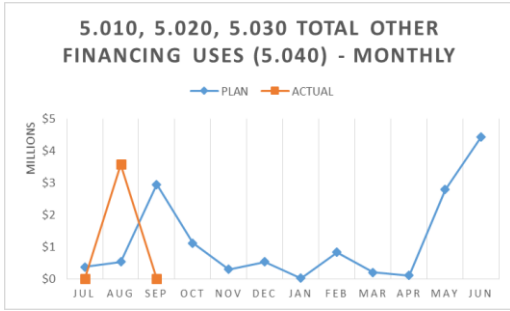
Debt-Service Related (4.020, 4.055, & 4.060) – these expenditures are for payments on the bus purchase bonds and QSCBs mentioned as well in the revenue section. This General Fund related debt while recorded in the Debt Service Fund on district accounting records, are required to be restated within this 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. No significant activity for September; \$306,530 under plan YTD.



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. Last month’s variance due solely to timing resolved itself this month.





Month of September - Fiscal Year 2018

	Month To Date			Year To Date			FY18 Rev'd Budget (Approp. Res. - Expend. ONLY)	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.					
Revenues											
1.010 General Property Tax (Real Estate)	\$ -	\$ 24,345	\$ 24,345	\$ 214,800,000	\$ 227,152,803	\$ 12,352,803		\$ 481,500,000	\$ 481,500,000	6%	47%
1.020 Tangible Personal Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	n/a	0%
1.035 + 1.040 State Aid	\$ 27,601,000	\$ 28,746,097	\$ 1,145,097	\$ 83,093,000	\$ 84,290,392	\$ 1,197,392		\$ 341,500,000	\$ 341,500,000	1%	25%
1.045 Restricted Fed. Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 500,000	\$ 500,000	n/a	0%
1.050 Property Tax Allocation	\$ 13,480,000	\$ 17,076,332	\$ 3,596,332	\$ 14,010,000	\$ 17,076,332	\$ 3,066,332		\$ 40,100,000	\$ 40,000,000	22%	43%
1.060 All Other Revenues	\$ 1,164,100	\$ 1,020,537	\$ (143,563)	\$ 3,002,900	\$ 5,572,480	\$ 2,569,580		\$ 18,700,000	\$ 18,670,000	86%	30%
1.070 Total Revenues	\$ 42,245,100	\$ 46,867,312	\$ 4,622,212	\$ 314,905,900	\$ 334,092,007	\$ 19,186,107		\$ 882,300,000	\$ 882,170,000	6%	38%
Other Financing Sources											
2.040 Operating Transfers-In	\$ 1,745,000	\$ -	\$ (1,745,000)	\$ 1,887,000	\$ 2,938,763	\$ 1,051,763		\$ 2,900,000	\$ 2,900,000	56%	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	\$ -	\$ 808	\$ 808	\$ -	\$ 2,162	\$ 2,162		\$ 150,000	\$ 150,000	n/a	1%
2.070 Total Other Financing Sources	\$ 1,745,000	\$ 808	\$ (1,744,192)	\$ 12,387,000	\$ 13,182,735	\$ 795,735		\$ 13,550,000	\$ 13,550,000	6%	97%
2.080 Total Revenues and Other Financing Sources	\$ 43,990,100	\$ 46,868,120	\$ 2,878,020	\$ 327,292,900	\$ 347,274,743	\$ 19,981,843		\$ 895,850,000	\$ 895,720,000	6%	39%
Expenditures											
3.010 + 3.020 Personnel related	\$ 47,086,000	\$ 44,777,425	\$ (2,308,575)	\$ 129,032,000	\$ 122,634,034	\$ (6,397,966)	\$ 586,700,000	\$ 591,100,000	\$ 590,970,000	-5%	21%
3.030 Purchased Services	\$ 5,714,000	\$ 5,812,687	\$ 98,687	\$ 15,115,000	\$ 15,808,327	\$ 693,327	\$ 64,463,100	\$ 64,500,000	\$ 64,480,000	5%	25%
3.030 Charter Schools, STEM, Scholarship, etc. (478, 479)	\$ 15,053,000	\$ 15,016,020	\$ (36,980)	\$ 44,357,000	\$ 44,574,408	\$ 217,408	\$ 191,215,374	\$ 191,200,000	\$ 191,220,000	0%	23%
3.040 Supplies and Materials	\$ 2,196,000	\$ 1,111,370	\$ (1,084,630)	\$ 6,069,000	\$ 4,173,631	\$ (1,895,369)	\$ 19,632,767	\$ 20,100,000	\$ 20,100,000	-31%	21%
3.050 Capital Outlay	\$ 195,000	\$ 260,111	\$ 65,111	\$ 842,000	\$ 1,581,605	\$ 739,605	\$ 1,981,300	\$ 1,900,000	\$ 1,870,000	88%	85%
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	\$ 120,000	\$ 127,543	\$ 7,543	\$ 3,958,000	\$ 3,651,471	\$ (306,530)	\$ 10,265,367	\$ 10,200,000	\$ 10,200,000	-8%	36%
4.500 Total Expenditures	\$ 70,364,000	\$ 67,105,156	\$ (3,258,844)	\$ 199,373,000	\$ 192,423,475	\$ (6,949,525)	\$ 874,257,908	\$ 883,200,000	\$ 883,040,000	-3%	22%

Other Financing Uses



Month of September - Fiscal Year 2018

	Month To Date			Year To Date			FY18 Rev'd Budget (Approp. Res. - Expend. ONLY)	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.					
5.010 Operating Transfers-Out	\$ 2,304,000	\$ -	\$ (2,304,000)	\$ 2,793,000	\$ 3,581,563	\$ 788,563	\$ 3,700,000	\$ 3,600,000	\$ 3,600,000	28%	99%
5.020 Advances-Out	\$ 644,000	\$ -	\$ (644,000)	\$ 1,062,000	\$ -	\$ (1,062,000)	\$ -	\$ 10,500,000	\$ 10,500,000	-100%	0%
5.030 All Other Financing Uses	\$ -	\$ -	\$ -	\$ 1,000	\$ 125	\$ (875)	\$ 420,145	\$ 100,000	\$ 104,000	-88%	0%
5.040 Total Other Financing Uses	\$ 2,948,000	\$ -	\$ (2,948,000)	\$ 3,856,000	\$ 3,581,688	\$ (274,313)	\$ 4,120,145	\$ 14,200,000	\$ 14,204,000	-7%	25%
5.050 Total Expenditures and Other Financing Uses	\$ 73,312,000	\$ 67,105,156	\$ (6,206,844)	\$ 203,229,000	\$ 196,005,162	\$ (7,223,838)	\$ 878,378,053	\$ 897,400,000	\$ 897,244,000	-4%	22%
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (29,321,900)	\$ (20,237,036)	\$ 9,084,864	\$ 124,063,900	\$ 151,269,580	\$ 27,205,680		\$ (1,550,000)	\$ (1,524,000)		
Beginning Cash Balance	\$ 290,782,916	\$ 308,903,732	\$ 18,120,817	\$ 137,397,116	\$ 137,397,116	\$ -		\$ 137,397,116	\$ 137,397,116		
Ending Cash Balance	\$ 261,461,016	\$ 288,666,696	\$ 27,205,680	\$ 261,461,016	\$ 288,666,696	\$ 27,205,680		\$ 135,847,116	\$ 135,873,116		

Note: Lines 4.020, 4.055 & 4.060 are appropriated for in the Debt Service fund but reflected in the FYF & this report as General Fund related.

Adjustment: Add in Lines 4.020, 4.055 & 4.060

\$ 4,200,000

NOTE: Line 5.020 Advances-Out is not required to be part of the Appropriation Resolution.

Adjustment: Add in Line 5.020

\$ 10,500,000

Adjusted Total

\$ 893,078,053 \$ 897,400,000