



November 2017 (FY18) Financial Reports

MANAGEMENT DISCUSSION AND ANALYSIS

Finance and Appropriations Committee presentation

December 14, 2017

Board presentation and acceptance:

December 19, 2017

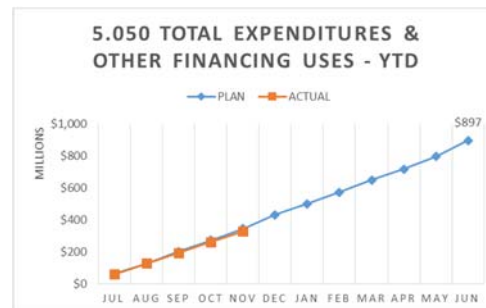
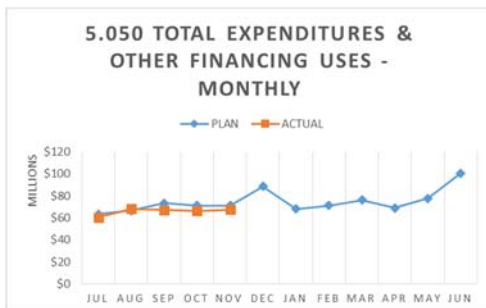
Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

Year to Date Revenues and Expenditures Overview¹²

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. The plan is based on the October 2017 Five-Year Forecast (FYF) as approved by the Board of Education on October 17, 2017.

For the month, total revenues came in \$2.7 million below plan, -7.5%, decreasing the YTD favorable variance to \$18.5 million over plan, +5%, on total YTD revenues of \$417 million. Total expenditures for the month ran \$3.5 million under plan, -5%, bringing YTD expenditures to \$16 million under plan, -5%, on total expenditures of \$330 million YTD³. Ending cash balance is \$34 million over plan at \$224 million.

CATEGORY	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
REVENUES	\$ 416,816,625	\$ 398,308,900	\$ 18,507,725	5%
EXPENDITURES	\$ 329,856,037	\$ 345,462,000	\$ (15,605,963)	-5%
END. CASH BAL.	\$ 224,357,704	\$ 190,244,016	\$ 34,113,688	18%



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.

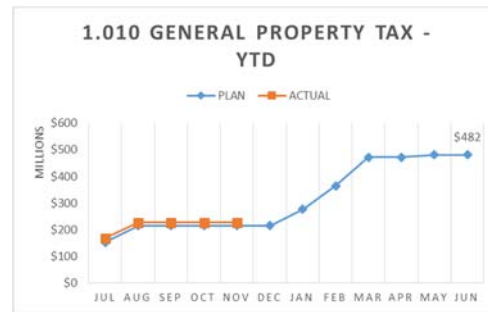
² Numbers in graph titles and charts, e.g. "2.080", reference the corresponding line number in the financial report and FYF.

³ Last month revenues were +\$21 million, 6%, and expenditures were -\$12 million, -4%, YTD to plan.

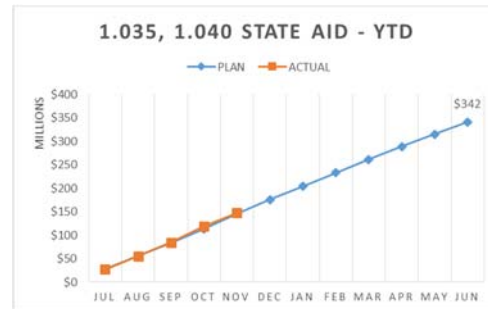
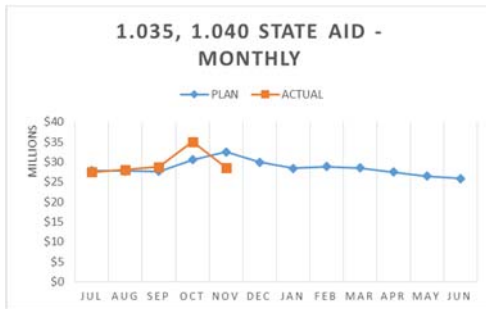
Revenues Year to Date

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)	\$ 147,925,812	\$ 146,061,000	\$ 1,864,812	1%
RESTR. FED. GRANT (1.045)	\$ 242,326	\$ -	\$ 242,326	n/a
PROPERTY TAX ALLOC. (1.050)	\$ 20,198,692	\$ 19,980,000	\$ 218,692	1%
OTHER REVENUES (1.060)	\$ 8,072,508	\$ 5,080,900	\$ 2,991,608	59%
OTHER FINANCING SOURCES (2.070)	\$ 13,223,457	\$ 12,387,000	\$ 836,457	7%
TOTAL REVENUES (2.080)	\$ 416,816,625	\$ 398,308,900	\$ 18,507,725	5%

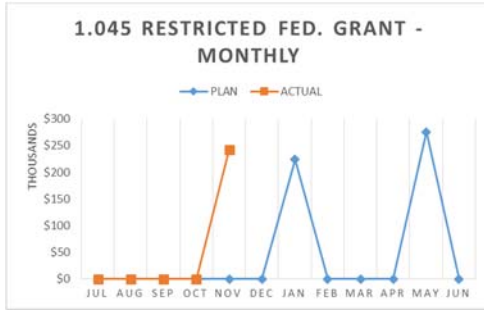
Property Taxes (1.010) – No change from previous month.



State Aid (1.035 & 1.040) – for the month came in \$3.8 million under plan as anticipated given last month when ODE began to fully implement factors from the new state budget bill and to utilize current fiscal year enrollment numbers there was a spike in the monthly distribution as a “catch up” to prior distributions. We expect the monthly distribution to level out fairly close to November’s amount. For the year, State Aid is \$1.9 million above plan, +1%.



Restricted Federal Grants (1.045) – 1st payment of QSCB interest subsidy received this month but planned for January. Timing of receipt has varied year to year historically.



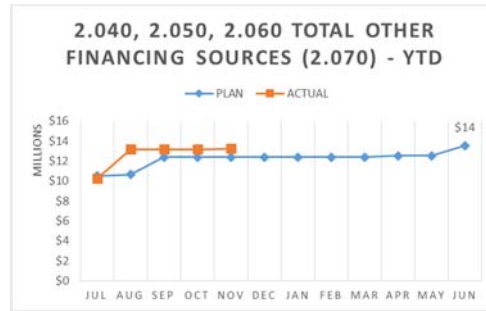
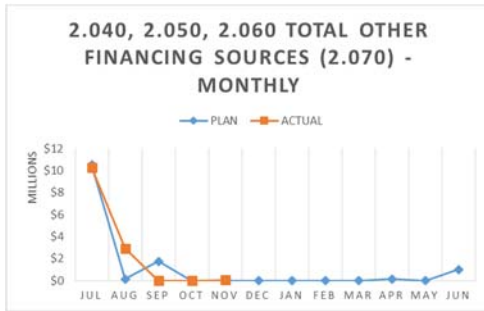
Property Tax Allocation (1.050) – revenue received through the state for rollback and homestead exemption and reimbursement for the loss of tangible personal property taxes (TPP). \$6,270 for rollback on manufactured homes and \$3.1 million in tangible personal property reimbursement from the state was received this month. This is the last significant revenue we expect in this category for the calendar year. YTD this category is within 1% of plan at +\$218,692 on YTD revenue of \$20 million.



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. At \$456,789, investment income led the way in this category for the month. YTD investment income is just over \$2 million against the full year estimate of \$2.5 million – clearly we will exceed the annual estimate as often we do when conservatively projecting this line item. Payments in lieu of taxes was \$395,803, 2nd highest monthly amount thus far for PILOTs. YTD we have received just over \$2 million which is the full year estimate – again, we will be above plan for the year on this item. YTD favorable variance increase modestly to +\$3 million from +\$2.6 million last month.



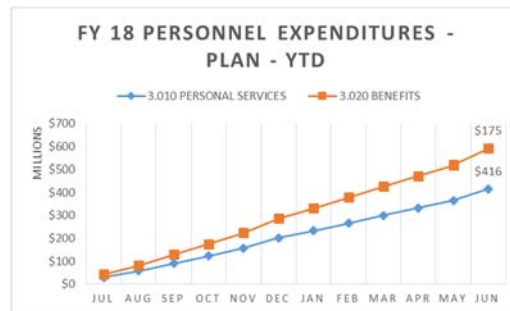
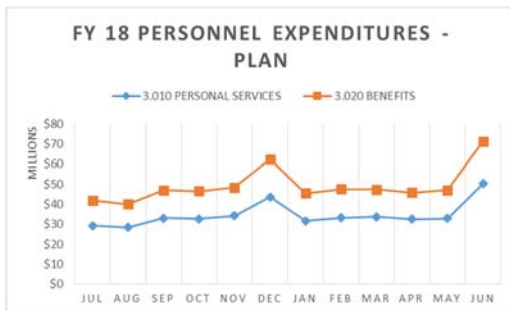
Other Financing Sources (2.070) – this includes lines 2.040 and 2.050, Transfers-In and Advances-In, and 2.060 All Other Financing Sources. No significant change in this line from the previous month.



Expenditures Year to Date

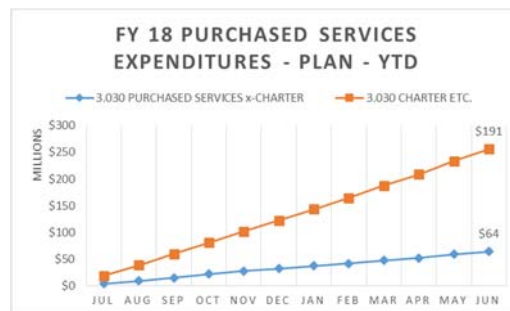
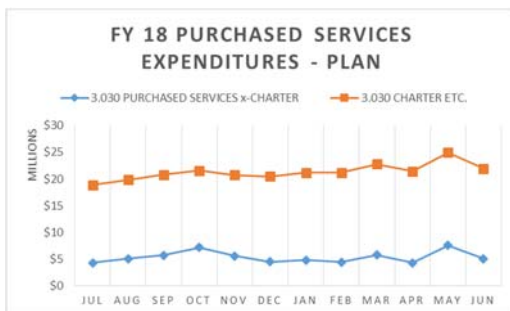
EXPENDITURES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PERSONNEL (3.010 & 3.020)	\$ 213,770,616	\$ 223,950,000	\$ (10,179,384)	-5%
PURCHASED SERVICES x-CHARTER (3.030)	\$ 24,566,390	\$ 27,902,000	\$ (3,335,610)	-12%
CHARTER, STEM, SCHOLARSHIP (3.030)	\$ 74,557,265	\$ 73,874,000	\$ 683,265	1%
SUPPLIES & MATERIALS (3.040)	\$ 7,293,415	\$ 9,215,000	\$ (1,921,585)	-21%
CAPITAL OUTLAY (3.050)	\$ 2,198,892	\$ 980,000	\$ 1,218,892	124%
DEBT SERVICE RELATED (4.020, 4.055, 4.060)	\$ -	\$ -	\$ -	n/a
OTHER OBJECTS (4.300)	\$ 3,887,630	\$ 4,263,000	\$ (375,370)	-9%
OTHER FINANCING USES (5.040)	\$ 3,581,830	\$ 5,278,000	\$ (1,696,171)	-32%
TOTAL EXPENDITURES (5.050)	\$ 329,856,037	\$ 345,462,000	\$ (15,605,963)	-5%

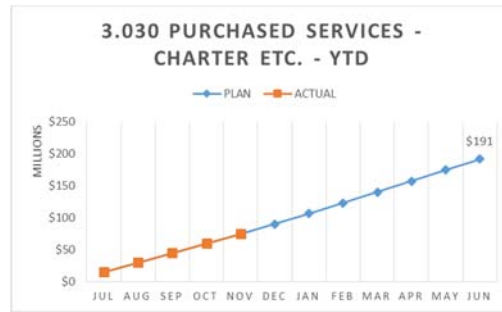
Personnel (3.010 & 3.020) – we are still implementing the wage/salary increases recently agreed to. This process of adjusting pay amounts and issuing retro pay should be completed by the end of December which will give us a better look YTD how these expenses are running vs. plan. The under plan variance jumped \$2.3 million to -\$10.2 million from -\$7.8 million in October. As noted, this variance is expected to move closer to plan in the next two months.



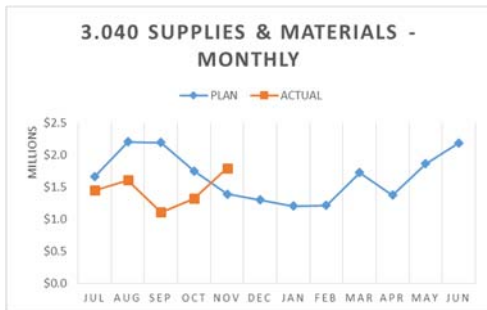


Purchased Services (3.030) – purchase services-xCharter YTD dropped further under plan this month to -\$3.3 million, -12% vs Plan. As seen in the annual plan, we expect fairly wide swings in the monthly expenditures but have no indication yet that the annual projected amount should be adjusted. Charter, Stem, and Scholarship lines came in on plan for the month, leaving the YTD variance unchanged at +1%, +\$683,265. The most recent data from ODE estimates \$184 million for the year – about \$7 million less than Plan (\$191 million). The plan anticipates a slight rise in the average monthly deduction to \$16.8 million from \$14.8 million in the first 5 months of the fiscal year. As always, data for the formula varies month to month so it is not guaranteed that the current ODE estimate will hold true for the balance of the fiscal year.





Supplies & Materials (3.040) – over Plan for the month, this line continues to run significantly under plan: -\$1.9 million, -21%. Like last month, three supply categories (software, supplemental textbooks, and fuel) constitute 82% of this variance. Budgetary data indicates that while these line items may be lagging against the spending plan, they are highly encumbered for this time of year.



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

Object Detail

AS OF NOVEMBER	YTD PLAN	YTD ACTUAL	YTD VARIANCE
510 - GENERAL SUPPLIES	\$2,457,000.00	\$2,384,170.71	(\$72,829.29)
512 - OFFICE SUPPLIES	\$0.00	\$913.62	\$913.62
514 - HEALTH & HYGIENE SUPPLIES	\$5,000.00	\$8,217.94	\$3,217.94
516 - SOFTWARE MATERIAL	\$2,285,000.00	\$1,292,504.07	(\$992,495.93)
519 - OTHER GENERAL SUPPLIES	\$0.00	\$1,206.09	\$1,206.09
520 - TEXTBOOKS	\$0.00	\$614.04	\$614.04
524 - SUPPLEMENTAL TEXTBOOKS	\$549,000.00	\$230,942.84	(\$318,057.16)
525 - ELECTRONIC INST SUPPLY AND MAT	\$0.00	\$0.00	\$0.00
530 - LIBRARY BOOKS	\$123,000.00	\$95,681.07	(\$27,318.93)
540 - NEWSPAPERS PERIODICALS FILMS S	\$79,000.00	\$26,291.49	(\$52,708.51)
550 - SUPPLIES & MATERIALS RESALE	\$10,000.00	\$5,931.30	(\$4,068.70)
560 - FOOD AND RELATED SUPPLIES/MATE	\$23,000.00	\$17,504.18	(\$5,495.82)
570 - SUPPLY/MATERIAL OPERATION/MNT/	\$1,089,000.00	\$933,195.27	(\$155,804.73)
573 - EQUIPMENT/FURNITURE OP/MNT/REP	\$0.00	\$0.00	\$0.00
581 - SUPPLIES & PARTS FOR MNT & RP	\$566,000.00	\$709,121.28	\$143,121.28
582 - FUEL TO OPERATE MOTOR VEHICLES	\$1,603,000.00	\$1,334,949.42	(\$268,050.58)
583 - TIRES AND TUBES	\$109,000.00	\$187,359.85	\$78,359.85
590 - OTHER SUPPLIES & MATERIALS	<u>\$317,000.00</u>	<u>\$64,812.14</u>	<u>(\$252,187.86)</u>
TOTAL	\$9,215,000.00	\$7,293,415.31	(\$1,921,584.69)

Budgetary Data

Description	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
510 - GENERAL SUPPLIES	6,851,018	2,384,171	2,063,956	2,402,891	35%	65%
512 - OFFICE SUPPLIES	1,978	914	1,065	0	46%	100%
514 - HEALTH & HYGIENE SUPPLIES	14,389	8,218	4,671	1,500	57%	90%
516 - SOFTWARE MATERIAL	3,456,352	1,292,504	877,247	1,286,601	37%	63%
519 - OTHER GENERAL SUPPLIES	2,432	1,206	1,226	0	50%	100%
520 - TEXTBOOKS	22,118	614	21,504	0	3%	100%
524 - SUPPLEMENTAL TEXTBOOKS	841,402	230,943	97,695	512,764	27%	39%
530 - LIBRARY BOOKS	476,059	95,681	44,465	335,912	20%	29%
540 - NEWSPAPERS PERIODICALS FILMS S	120,247	26,291	9,667	84,288	22%	30%
550 - SUPPLIES & MATERIALS RESALE	26,590	5,931	92	20,567	22%	23%
560 - FOOD AND RELATED SUPPLIES/MATE	108,196	17,504	42,515	48,177	16%	55%
570 - SUPPLY/MATERIAL OPERATION/MNT/	3,000,769	933,195	1,816,820	250,754	31%	92%
581 - SUPPLIES & PARTS FOR MNT & RP	1,965,476	709,121	1,183,588	72,766	36%	96%
582 - FUEL TO OPERATE MOTOR VEHICLES	5,201,642	1,334,949	3,866,092	600	26%	100%
583 - TIRES AND TUBES	382,755	187,360	44,395	151,000	49%	61%
590 - OTHER SUPPLIES & MATERIALS	632,335	64,812	79,056	488,466	10%	23%
Grand Total	23,103,757	7,293,415	10,154,055	5,656,286	32%	76%

Capital Outlay (aka equipment, 3.050) – YTD variance over Plan jumped to +\$1.2 million this month. At \$2.1 million expended this month, we have exceeded the original plan’s yearly amount of

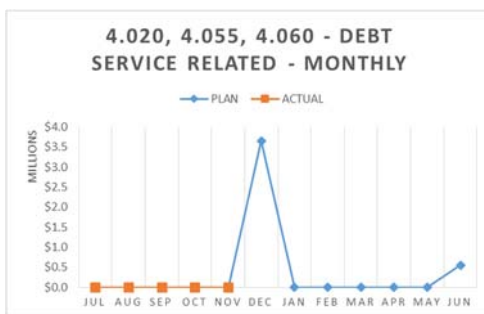
\$1.9 million. Taking a look at the budgetary data reveals that there has been an increase in the budgets for capital outlay of approximately \$2.5 million – while some of these adjustments are for carry forward purchase orders, the remainder represents transfers in from other budget lines. The net result is that the annual expenditure liability is \$4.4 million rather than \$2 million in the plan.



Budgetary Data

Description	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
620 - BUILDING ACQUISITIONS/ADDITION	0	967,227	967,227	778,230	188,989	8	80%	100%
630 - IMPROVEMENT OTHER THAN BUILDIN	0	3,774	3,774	3,774	0	0	100%	100%
640 - EQUIPMENT	248,387	733,025	981,412	629,462	57,547	294,404	64%	70%
644 - TECHNICAL EQUIPMENT	1,578,134	791,931	2,370,065	787,425	172,075	1,410,565	33%	40%
650 - VEHICLE PURCHASE (NOT SCHOOL B	37,700	-3,500	34,200	0	0	34,200	0%	0%
Grand Total	1,864,221	2,492,457	4,356,678	2,198,892	418,610	1,739,177	50%	60%

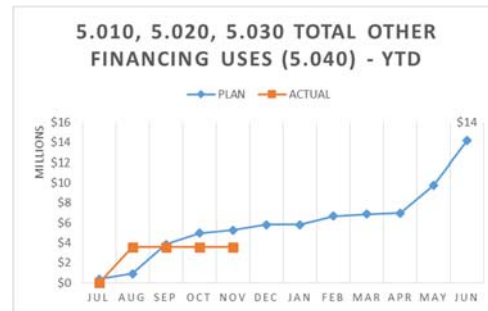
Debt-Service Related (4.020, 4.055, & 4.060) – these expenditures are for payments on the bus purchase bonds and QSCBs mentioned as well in the revenue section. This General Fund related debt while recorded in the Debt Service Fund on district accounting records, are required to be restated within this 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. Minimal activity of \$96,682 for November, under plan for the month by \$69,318. YTD variance remains at relatively unchanged at \$375,370 under plan.



Other Financing Uses (5.030) – Transfers-Out and Advances-Out are included here. The absence of the need for Advances Out this month versus the Plan drove the YTD variance to \$1.7 million from \$1.4 million under plan in October.





Month of November - Fiscal Year 2018

	Month To Date			Year To Date			FY18 Rev'd Budget (Approp. Res. - Expend. ONLY)	Oct '17 FYF	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)	\$ -	\$ -	\$ -	\$ 214,800,000	\$ 227,152,803	\$ 12,352,803	\$ 481,500,000	\$ 481,500,000	6%	47%	
1.020	Tangible Personal Property	\$ -	\$ -	\$ -	\$ -	\$ 1,026	\$ 1,026	\$ -	\$ -	n/a	0%	
1.035 + 1.040	State Aid	\$ 32,460,000	\$ 28,617,599	\$ (3,842,402)	\$ 146,061,000	\$ 147,925,812	\$ 1,864,812	\$ 341,500,000	\$ 341,500,000	1%	43%	
1.045	Restricted Fed. Grants	\$ -	\$ 242,326	\$ 242,326	\$ -	\$ 242,326	\$ 242,326	\$ 500,000	\$ 500,000	n/a	48%	
1.050	Property Tax Allocation	\$ 2,570,000	\$ 3,107,665	\$ 537,665	\$ 19,980,000	\$ 20,198,692	\$ 218,692	\$ 40,100,000	\$ 40,000,000	1%	50%	
1.060	All Other Revenues	\$ 678,700	\$ 1,027,117	\$ 348,417	\$ 5,080,900	\$ 8,072,508	\$ 2,991,608	\$ 18,700,000	\$ 18,670,000	59%	43%	
1.070	Total Revenues	\$ 35,708,700	\$ 32,994,706	\$ (2,713,994)	\$ 385,921,900	\$ 403,593,168	\$ 17,671,268	\$ 882,300,000	\$ 882,170,000	5%	46%	
Other Financing Sources												
2.040	Operating Transfers-In	\$ -	\$ -	\$ -	\$ 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	\$ -	\$ 40,712	\$ 40,712	\$ -	\$ 42,884	\$ 42,884	\$ 150,000	\$ 150,000	n/a	29%	
2.070	Total Other Financing Sources	\$ -	\$ 40,712	\$ 40,712	\$ 12,387,000	\$ 13,223,457	\$ 836,457	\$ 13,550,000	\$ 13,550,000	7%	98%	
2.080	Total Revenues and Other Financing Sources	\$ 35,708,700	\$ 33,035,419	\$ (2,673,281)	\$ 398,308,900	\$ 416,816,625	\$ 18,507,725	\$ 895,850,000	\$ 895,720,000	5%	47%	
Expenditures												
3.010 + 3.020	Personnel related	\$ 48,425,000	\$ 46,060,690	\$ (2,364,310)	\$ 223,950,000	\$ 213,770,616	\$ (10,179,384)	\$ 586,700,000	\$ 591,100,000	\$ 590,970,000	-5%	36%
3.030	Purchased Services	\$ 5,582,000	\$ 4,001,798	\$ (1,580,202)	\$ 27,902,000	\$ 24,566,390	\$ (3,335,610)	\$ 64,531,323	\$ 64,500,000	\$ 64,480,000	-12%	38%
3.030	Charter Schools, STEM, Scholarship, etc. (478, 479)	\$ 15,180,000	\$ 15,191,713	\$ 11,713	\$ 73,874,000	\$ 74,557,265	\$ 683,265	\$ 191,215,374	\$ 191,200,000	\$ 191,220,000	1%	39%
3.040	Supplies and Materials	\$ 1,391,000	\$ 1,796,941	\$ 405,941	\$ 9,215,000	\$ 7,293,415	\$ (1,921,585)	\$ 19,241,298	\$ 20,100,000	\$ 20,100,000	-21%	36%
3.050	Capital Outlay	\$ 77,000	\$ 472,205	\$ 395,205	\$ 980,000	\$ 2,198,892	\$ 1,218,892	\$ 2,154,849	\$ 1,900,000	\$ 1,870,000	124%	118%
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	\$ 166,000	\$ 96,682	\$ (69,318)	\$ 4,263,000	\$ 3,887,630	\$ (375,370)	\$ 10,270,063	\$ 10,200,000	\$ 10,200,000	-9%	38%
4.500	Total Expenditures	\$ 70,821,000	\$ 67,620,029	\$ (3,200,971)	\$ 340,184,000	\$ 326,274,208	\$ (13,909,792)	\$ 874,112,907	\$ 883,200,000	\$ 883,040,000	-4%	37%

Other Financing Uses



Month of November - Fiscal Year 2018

	Month To Date			Year To Date			FY18 Rev'd Budget (Approp. Res. - Expend. ONLY)	Oct '17 FYF	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	\$ -	\$ -	\$ -	\$ 2,793,000	\$ 3,581,563	\$ 788,563	\$ 3,700,000	\$ 3,600,000	\$ 3,600,000	28%	99%
5.020 Advances-Out	\$ 303,000	\$ -	\$ (303,000)	\$ 2,382,000	\$ -	\$ (2,382,000)	\$ -	\$ 10,500,000	\$ 10,500,000	-100%	0%
5.030 All Other Financing Uses	\$ 1,000	\$ -	\$ (1,000)	\$ 103,000	\$ 267	\$ (102,733)	\$ 565,146	\$ 100,000	\$ 104,000	-100%	0%
5.040 Total Other Financing Uses	\$ 304,000	\$ -	\$ (304,000)	\$ 5,278,000	\$ 3,581,830	\$ (1,696,171)	\$ 4,265,146	\$ 14,200,000	\$ 14,204,000	-32%	25%
5.050 Total Expenditures and Other Financing Uses	\$ 71,125,000	\$ 67,620,029	\$ (3,504,971)	\$ 345,462,000	\$ 329,856,037	\$ (15,605,963)	\$ 878,378,053	\$ 897,400,000	\$ 897,244,000	-5%	37%
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (35,416,300)	\$ (34,584,610)	\$ 831,690	\$ 52,846,900	\$ 86,960,588	\$ 34,113,688		\$ (1,550,000)	\$ (1,524,000)		
Beginning Cash Balance	\$ 225,660,316	\$ 258,942,314	\$ 33,281,998	\$ 137,397,116	\$ 137,397,116	\$ -		\$ 137,397,116	\$ 137,397,116		
Ending Cash Balance	\$ 190,244,016	\$ 224,357,704	\$ 34,113,688	\$ 190,244,016	\$ 224,357,704	\$ 34,113,688		\$ 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