



December 2017 (FY18) Financial Reports

MANAGEMENT DISCUSSION AND ANALYSIS

Finance and Appropriations Committee presentation

January 18, 2017

Board presentation and acceptance:

January 23, 2017

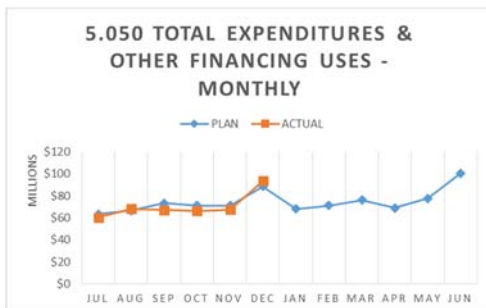
Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

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 \$131,781 below plan, -0.4%, decreasing the YTD favorable variance to \$18.4 million over plan, +4%, on total YTD revenues of \$448 million. Total expenditures for the month ran \$4.9 million over plan, +6%, bringing YTD expenditures to \$11 million under plan, -2%, on total expenditures of \$423 million YTD³. Ending cash balance is \$29 million over plan at \$161 million.

CATEGORY	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
REVENUES	\$ 447,538,645	\$ 429,164,700	\$ 18,373,945	4%
EXPENDITURES	\$ 423,447,708	\$ 434,117,000	\$ (10,669,292)	-2%
END. CASH BAL.	\$ 161,488,052	\$ 132,444,816	\$ 29,043,237	22%



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 +\$18.5 million, +5%, and expenditures were -\$15.6 million, -5%, YTD to plan.

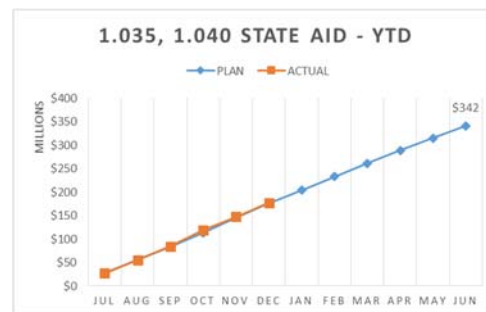
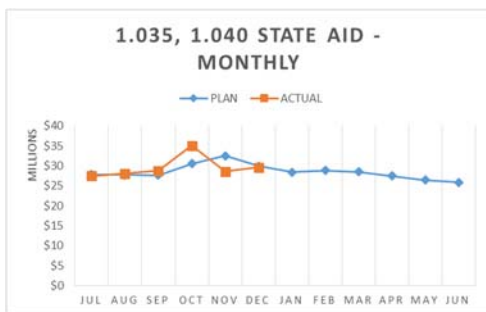
Revenues Year to Date

REVENUES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PROPERTY TAXES (1.010)	\$ 227,191,563	\$ 214,800,000	\$ 12,391,563	6%
STATE AID (1.035 & 1.40)	\$ 177,490,632	\$ 176,045,000	\$ 1,445,632	1%
RESTR. FED. GRANT (1.045)	\$ 242,326	\$ -	\$ 242,326	n/a
PROPERTY TAX ALLOC. (1.050)	\$ 20,198,692	\$ 19,990,000	\$ 208,692	1%
OTHER REVENUES (1.060)	\$ 9,190,928	\$ 5,942,700	\$ 3,248,228	55%
OTHER FINANCING SOURCES (2.070)	\$ 13,223,477	\$ 12,387,000	\$ 836,477	7%
TOTAL REVENUES (2.080)	\$ 447,538,645	\$ 429,164,700	\$ 18,373,945	4%

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



State Aid (1.035 & 1.040) – for the month came in \$419,180 under plan reducing the YTD variance to \$1.4 million over plan, +1%. As with the current month, we continue to expect the monthly distribution to level out fairly close to November’s amount.



Restricted Federal Grants (1.045) – No change from previous month. It is expected that since the planned receipt for January was received in November, the YTD variance should dropped to close to zero at the end of January.



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). No change from previous month. YTD this category is within 1% of plan at +\$208,692 on YTD revenue of \$20.2 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 \$566,183, investment income led the way in this category for the month. YTD investment income is \$2.6 million against the full year estimate of \$2.5 million – we will certainly exceed the annual estimate as often we do when conservatively projecting this line item. Payments in lieu of taxes for the month were \$399,585, 2nd highest monthly amount thus far for PILOTs. YTD we have received over \$2.4 million which now exceeds the full year estimate of \$2 million – again, we will be above plan for the year on this item. YTD favorable variance increase modestly to +\$3.2 million from +\$3 million last month.



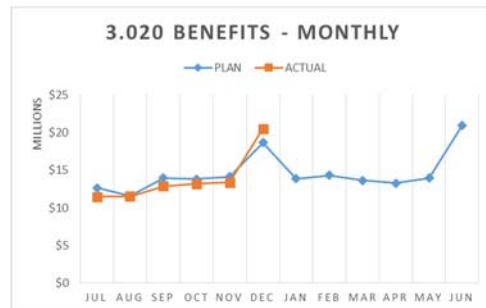
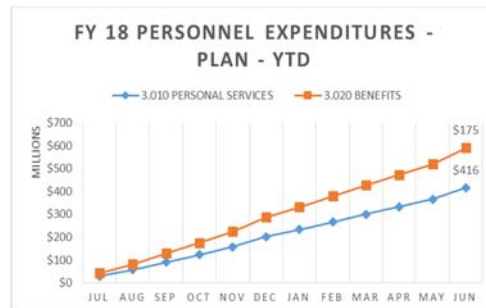
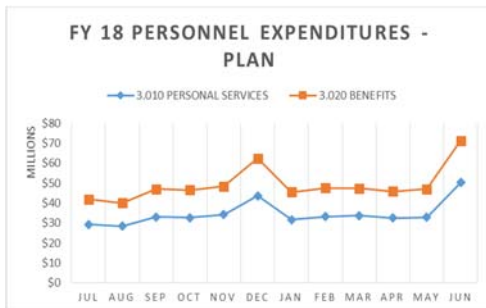
Other Financing Sources (2.070) – this includes lines 2.040 and 2.050, Transfers-In and Advances-In, and 2.060 All Other Financing Sources. No significant change in this line from the previous month.



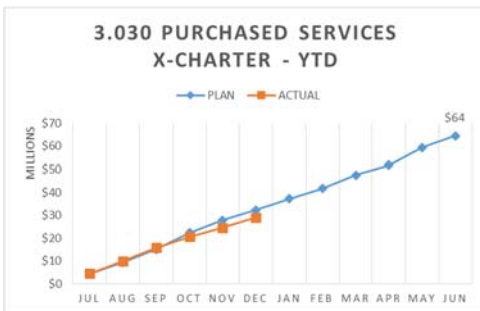
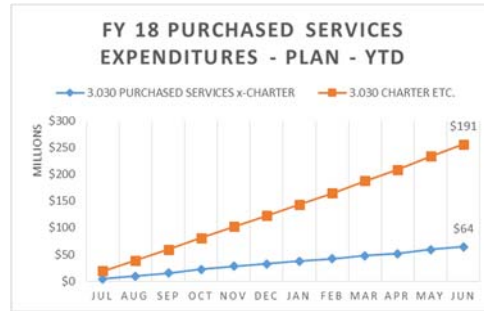
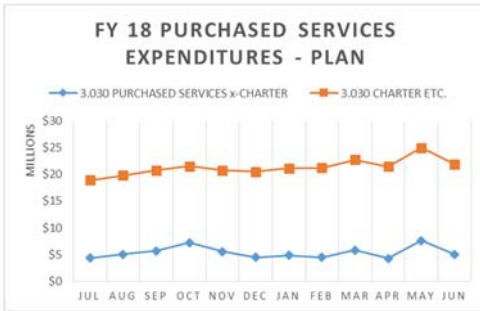
Expenditures Year to Date

EXPENDITURES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PERSONNEL (3.010 & 3.020)	\$ 282,177,011	\$ 286,301,000	\$ (4,123,989)	-1%
PURCHASED SERVICES x-CHARTER (3.030)	\$ 29,063,662	\$ 32,403,000	\$ (3,339,338)	-10%
CHARTER, STEM, SCHOLARSHIP (3.030)	\$ 90,242,494	\$ 89,859,000	\$ 383,494	0%
SUPPLIES & MATERIALS (3.040)	\$ 8,545,800	\$ 10,518,000	\$ (1,972,200)	-19%
CAPITAL OUTLAY (3.050)	\$ 2,250,773	\$ 1,201,000	\$ 1,049,773	87%
DEBT SERVICE RELATED (4.020, 4.055, 4.060)	\$ 3,601,762	\$ 3,651,000	\$ (49,238)	-1%
OTHER OBJECTS (4.300)	\$ 3,984,376	\$ 4,378,000	\$ (393,624)	-9%
OTHER FINANCING USES (5.040)	\$ 3,581,830	\$ 5,806,000	\$ (2,224,171)	-38%
TOTAL EXPENDITURES (5.050)	\$ 423,447,708	\$ 434,117,000	\$ (10,669,292)	-2%

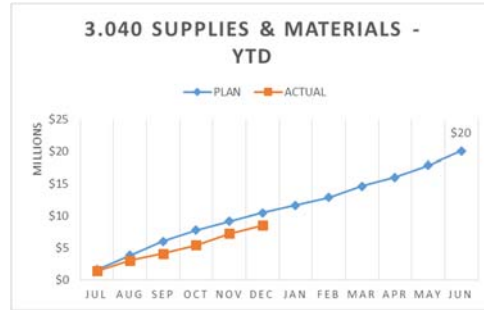
Personnel (3.010 & 3.020) – for the month came in \$6 million over plan dropping the YTD variance to \$4.1 million under plan from more than \$10 million under plan last month. As previously explained, wage increases effective near the beginning of the fiscal year were not implemented until the Nov/Dec timeframe due to the timing of collective bargaining negotiations. Yet to be implemented are increases granted to supervisory and administrative staff. This should be accomplished in January and February. YTD personnel expenditures are within 1% of plan; an acceptable variance should it hold for the balance of the fiscal year.



Purchased Services (3.030) – purchase services-xCharter YTD were unchanged for this month remaining -\$3.3 million, -10% 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 under plan for the month, dropping the YTD variance to +0.4%, +\$383,494. The most recent data from ODE estimates just over \$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 \$16.9 million from \$14.9 million in the first 6 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) – although on Plan for the month, this line continues to run significantly under plan: -\$1.9 million, -19%. Similar to last month, three supply categories (software, supplemental textbooks, and other) constitute 72% of this variance. Fuel, previously in the top 3 for under plan, fell to 3.5% below plan with a YTD variance of just -\$73,356. 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]

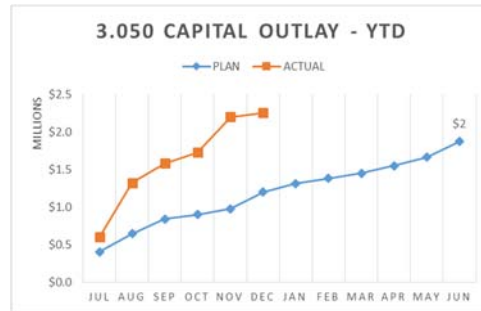
Object Detail

AS OF DECEMBER	YTD PLAN	YTD ACTUAL	YTD VARIANCE
510 - GENERAL SUPPLIES	\$2,762,000.00	\$2,615,929.21	(\$146,070.79)
512 - OFFICE SUPPLIES	\$0.00	\$913.62	\$913.62
514 - HEALTH & HYGIENE SUPPLIES	\$6,000.00	\$8,217.94	\$2,217.94
516 - SOFTWARE MATERIAL	\$2,352,000.00	\$1,338,148.05	(\$1,013,851.95)
519 - OTHER GENERAL SUPPLIES	\$0.00	\$1,206.09	\$1,206.09
520 - TEXTBOOKS	\$0.00	\$2,072.59	\$2,072.59
524 - SUPPLEMENTAL TEXTBOOKS	\$560,000.00	\$236,878.01	(\$323,121.99)
525 - ELECTRONIC INST SUPPLY AND MAT	\$0.00	\$0.00	\$0.00
530 - LIBRARY BOOKS	\$139,000.00	\$103,521.85	(\$35,478.15)
540 - NEWSPAPERS PERIODICALS FILMS S	\$85,000.00	\$27,300.30	(\$57,699.70)
550 - SUPPLIES & MATERIALS RESALE	\$12,000.00	\$2,247.26	(\$9,752.74)
560 - FOOD AND RELATED SUPPLIES/MATE	\$28,000.00	\$22,204.50	(\$5,795.50)
570 - SUPPLY/MATERIAL OPERATION/MNT/	\$1,305,000.00	\$1,055,528.28	(\$249,471.72)
573 - EQUIPMENT/FURNITURE OP/MNT/REP	\$0.00	\$0.00	\$0.00
581 - SUPPLIES & PARTS FOR MNT & RP	\$692,000.00	\$832,935.42	\$140,935.42
582 - FUEL TO OPERATE MOTOR VEHICLES	\$2,092,000.00	\$2,018,643.75	(\$73,356.25)
583 - TIRES AND TUBES	\$140,000.00	\$205,110.15	\$65,110.15
590 - OTHER SUPPLIES & MATERIALS	\$345,000.00	\$74,942.55	(\$270,057.45)
TOTAL	\$10,518,000.00	\$8,545,799.57	(\$1,972,200.43)

Budgetary Data

Description	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
510 - GENERAL SUPPLIES	6,808,842	2,615,929	1,947,371	2,245,542	38%	67%
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	3,452,452	1,338,148	832,477	1,281,827	39%	63%
519 - OTHER GENERAL SUPPLIES	2,432	1,206	1,226	0	50%	100%
520 - TEXTBOOKS	34,121	2,073	33,507	-1,459	6%	104%
524 - SUPPLEMENTAL TEXTBOOKS	639,638	236,878	105,867	296,893	37%	54%
530 - LIBRARY BOOKS	478,424	103,522	81,619	293,283	22%	39%
540 - NEWSPAPERS PERIODICALS FILMS S	118,892	27,300	9,123	82,469	23%	31%
550 - SUPPLIES & MATERIALS RESALE	26,590	2,247	92	24,251	8%	9%
560 - FOOD AND RELATED SUPPLIES/MATE	105,515	22,205	39,440	43,870	21%	58%
570 - SUPPLY/MATERIAL OPERATION/MNT/	3,000,769	1,055,528	1,700,454	244,787	35%	92%
581 - SUPPLIES & PARTS FOR MNT & RP	1,965,476	832,935	1,082,000	50,540	42%	97%
582 - FUEL TO OPERATE MOTOR VEHICLES	5,201,642	2,018,644	3,182,398	600	39%	100%
583 - TIRES AND TUBES	382,755	205,110	51,145	126,500	54%	67%
590 - OTHER SUPPLIES & MATERIALS	623,740	74,943	77,466	471,331	12%	24%
Grand Total	22,857,654	8,545,800	9,149,920	5,161,934	37%	77%

Capital Outlay (aka equipment, 3.050) – YTD variance over Plan was slightly improved to +\$1.0 million this month. At \$2.3 million expended YTD 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 \$2.6 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 \$4.5 million rather than \$2 million in the plan.



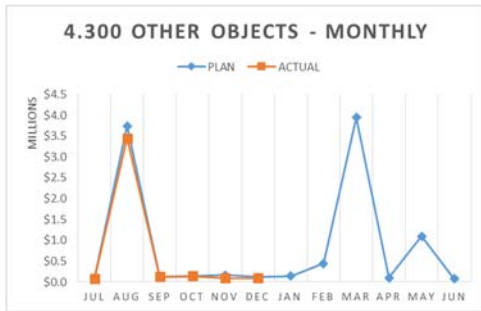
Budgetary Data

Description	ORIGINAL APPROP	TRANFRS/ADISMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
620 - BUILDING ACQUISITIONS/ADDITION	0	967,227	967,227	792,730	174,489	8	82%	100%
630 - IMPROVEMENT OTHER THAN BUILDIN	0	3,774	3,774	3,774	0	0	100%	100%
640 - EQUIPMENT	248,387	798,983	1,047,370	642,174	110,747	294,449	61%	72%
644 - TECHNICAL EQUIPMENT	1,578,134	837,771	2,415,905	812,094	220,619	1,383,192	34%	43%
650 - VEHICLE PURCHASE (NOT SCHOOL B	37,700	-3,500	34,200	0	0	34,200	0%	0%
Grand Total	1,864,221	2,604,255	4,468,476	2,250,773	505,855	1,711,849	50%	62%

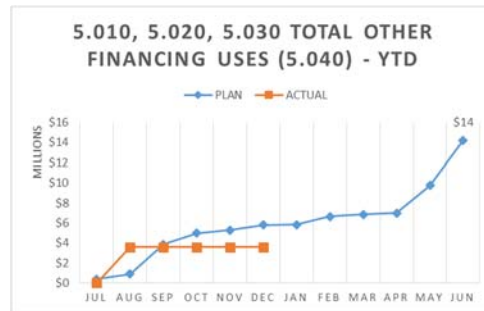
Debt-Service Related (4.020, 4.055, & 4.060) – these expenditures are for payments on the bus purchase bonds and QSCBs mentioned as well in the revenue section. This General Fund related debt while recorded in the Debt Service Fund on district accounting records, are required to be restated within this report (FYF format) to reflect their relationship with General Fund operations. December 1st is the main payment due date for debt service and expenditures were on target; within -\$49,238 on just over \$6 million.



Other Objects (4.300) –Minimal activity of \$96,746 for November, under plan for the month by \$18,254. YTD variance remains at relatively unchanged at \$393,624 under plan.



Other Financing Uses (5.030) – Transfers-Out and Advances-Out are included here. The absence of the need (like last month) for Advances Out this month versus the Plan drove the YTD variance to \$2.2 million from \$1.7 million under plan in October.





Month of December - 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)	\$ -	\$ 38,760	\$ 38,760	\$ 214,800,000	\$ 227,191,563	\$ 12,391,563	\$ 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	\$ 29,984,000	\$ 29,564,820	\$ (419,180)	\$ 176,045,000	\$ 177,490,632	\$ 1,445,632	\$ 341,500,000	\$ 341,500,000	1%	52%	
1.045	Restricted Fed. Grants	\$ -	\$ -	\$ -	\$ -	\$ 242,326	\$ 242,326	\$ 500,000	\$ 500,000	n/a	48%	
1.050	Property Tax Allocation	\$ 10,000	\$ -	\$ (10,000)	\$ 19,990,000	\$ 20,198,692	\$ 208,692	\$ 40,100,000	\$ 40,000,000	1%	50%	
1.060	All Other Revenues	\$ 861,800	\$ 1,118,420	\$ 256,620	\$ 5,942,700	\$ 9,190,928	\$ 3,248,228	\$ 18,700,000	\$ 18,670,000	55%	49%	
1.070	Total Revenues	\$ 30,855,800	\$ 30,721,999	\$ (133,801)	\$ 416,777,700	\$ 434,315,167	\$ 17,537,467	\$ 882,300,000	\$ 882,170,000	4%	49%	
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	\$ -	\$ 20	\$ 20	\$ -	\$ 42,904	\$ 42,904	\$ 150,000	\$ 150,000	n/a	29%	
2.070	Total Other Financing Sources	\$ -	\$ 20	\$ 20	\$ 12,387,000	\$ 13,223,477	\$ 836,477	\$ 13,550,000	\$ 13,550,000	7%	98%	
2.080	Total Revenues and Other Financing Sources	\$ 30,855,800	\$ 30,722,019	\$ (133,781)	\$ 429,164,700	\$ 447,538,645	\$ 18,373,945	\$ 895,850,000	\$ 895,720,000	4%	50%	
Expenditures												
3.010 + 3.020	Personnel related	\$ 62,351,000	\$ 68,406,396	\$ 6,055,396	\$ 286,301,000	\$ 282,177,011	\$ (4,123,989)	\$ 586,700,000	\$ 591,100,000	\$ 590,970,000	-1%	48%
3.030	Purchased Services	\$ 4,501,000	\$ 4,497,272	\$ (3,728)	\$ 32,403,000	\$ 29,063,662	\$ (3,339,338)	\$ 64,531,323	\$ 64,500,000	\$ 64,480,000	-10%	45%
3.030	Charter Schools, STEM, Scholarship, etc. (478, 479)	\$ 15,985,000	\$ 15,685,230	\$ (299,770)	\$ 89,859,000	\$ 90,242,494	\$ 383,494	\$ 191,215,374	\$ 191,200,000	\$ 191,220,000	0%	47%
3.040	Supplies and Materials	\$ 1,303,000	\$ 1,252,384	\$ (50,616)	\$ 10,518,000	\$ 8,545,800	\$ (1,972,200)	\$ 19,241,298	\$ 20,100,000	\$ 20,100,000	-19%	43%
3.050	Capital Outlay	\$ 221,000	\$ 51,881	\$ (169,119)	\$ 1,201,000	\$ 2,250,773	\$ 1,049,773	\$ 2,154,849	\$ 1,900,000	\$ 1,870,000	87%	120%
3.060	Intergovernmental											
Debt Service:												
4.020	Principal-Notes	\$ 2,400,000	\$ 2,370,000	\$ (30,000)	\$ 2,400,000	\$ 2,370,000	\$ (30,000)	\$ -	\$ 2,400,000	\$ 2,400,000	-1%	99%
4.055	Principal-Other	\$ 700,000	\$ 657,665	\$ (42,335)	\$ 700,000	\$ 657,665	\$ (42,335)	\$ -	\$ 700,000	\$ 700,000	-6%	94%
4.060	Interest and Fiscal Charges	\$ 551,000	\$ 574,097	\$ 23,097	\$ 551,000	\$ 574,097	\$ 23,097	\$ -	\$ 1,100,000	\$ 1,100,000	4%	52%
4.300	Other Objects	\$ 115,000	\$ 96,746	\$ (18,254)	\$ 4,378,000	\$ 3,984,376	\$ (393,624)	\$ 10,270,063	\$ 10,200,000	\$ 10,200,000	-9%	39%
4.500	Total Expenditures	\$ 88,127,000	\$ 93,591,671	\$ 5,464,671	\$ 428,311,000	\$ 419,865,879	\$ (8,445,121)	\$ 874,112,907	\$ 883,200,000	\$ 883,040,000	-2%	48%

Other Financing Uses



Month of December - 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					
5.020 Advances-Out	\$ 528,000	\$ -	\$ (528,000)	\$ 2,910,000	\$ -	\$ (2,910,000)	\$ -	\$ 10,500,000	\$ 10,500,000	-100%	0%
5.030 All Other Financing Uses	\$ -	\$ -	\$ -	\$ 103,000	\$ 267	\$ (102,733)	\$ 565,146	\$ 100,000	\$ 104,000	-100%	0%
5.040 Total Other Financing Uses	\$ 528,000	\$ -	\$ (528,000)	\$ 5,806,000	\$ 3,581,830	\$ (2,224,171)	\$ 4,265,146	\$ 14,200,000	\$ 14,204,000	-38%	25%
5.050 Total Expenditures and Other Financing Uses	\$ 88,655,000	\$ 93,591,671	\$ 4,936,671	\$ 434,117,000	\$ 423,447,708	\$ (10,669,292)	\$ 878,378,053	\$ 897,400,000	\$ 897,244,000	-2%	47%
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (57,799,200)	\$ (62,869,652)	\$ (5,070,452)	\$ (4,952,300)	\$ 24,090,937	\$ 29,043,237		\$ (1,550,000)	\$ (1,524,000)		
Beginning Cash Balance	\$ 190,244,016	\$ 224,357,704	\$ 34,113,688	\$ 137,397,116	\$ 137,397,116	\$ -		\$ 137,397,116	\$ 137,397,116		
Ending Cash Balance	\$ 132,444,816	\$ 161,488,052	\$ 29,043,237	\$ 132,444,816	\$ 161,488,052	\$ 29,043,237		\$ 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