



February 2018 (FY18) Financial Reports

MANAGEMENT DISCUSSION AND ANALYSIS

Finance and Appropriations Committee presentation

March 15, 2018

Board presentation and acceptance:

March 20, 2018

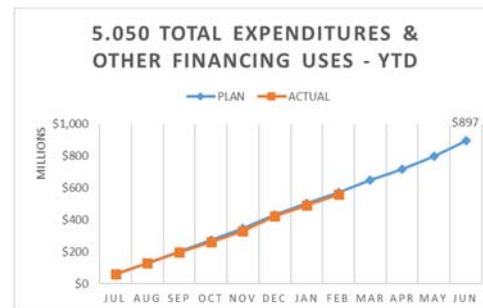
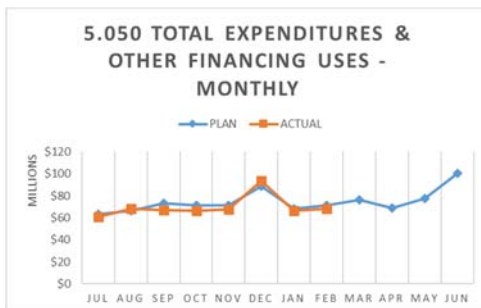
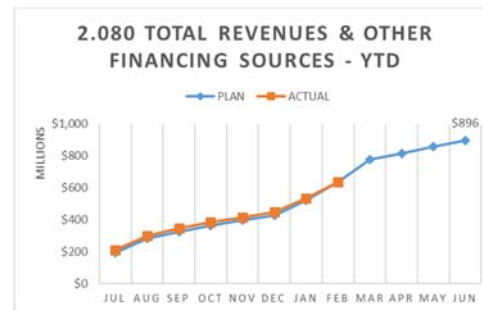
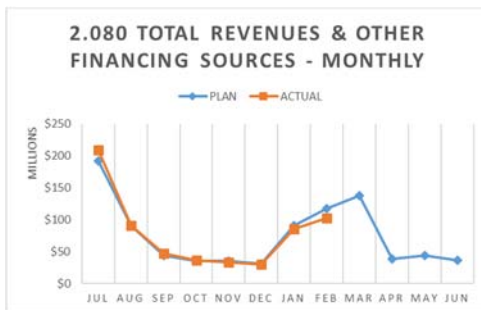
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Year to Date Revenues and Expenditures Overview¹²

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 \$15.9 million under plan, -13.4%, decreasing the YTD favorable variance to \$3.0 million under plan, -0.5%, on total YTD revenues of \$635 million. Total expenditures for the month ran \$3.0 million under plan, -4.1%, bringing YTD expenditures to \$15.5 million under plan, -3%, on total expenditures of \$558 million YTD³. Ending cash balance is \$12.5 million over plan at \$214.5 million.

CATEGORY	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
REVENUES	\$ 635,287,046	\$ 638,293,300	\$ (3,006,254)	0%
EXPENDITURES	\$ 558,154,785	\$ 573,675,000	\$ (15,520,215)	-3%
END. CASH BAL.	\$ 214,529,376	\$ 202,015,416	\$ 12,513,961	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 and charts, e.g. "2.080", reference the corresponding line number in the financial report and FYF.

³ Last month revenues were +\$12.9 million, +2%, and expenditures were -\$12.6 million, -3%, YTD to plan.

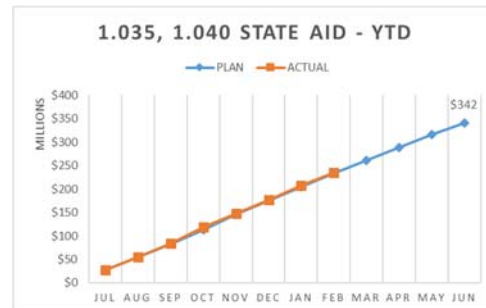
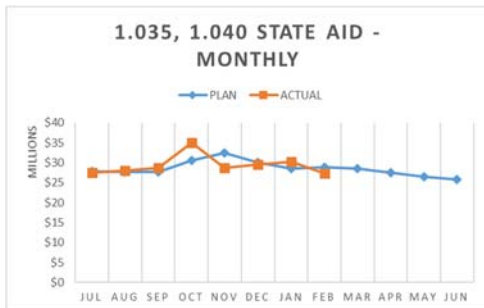
Revenues Year to Date

REVENUES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PROPERTY TAXES (1.010)	\$ 351,868,063	\$ 364,400,000	\$(12,531,937)	-3%
STATE AID (1.035 & 1.40)	\$ 234,921,642	\$ 233,303,000	\$ 1,618,642	1%
RESTR. FED. GRANT (1.045)	\$ 242,326	\$ 224,200	\$ 18,126	8%
PROPERTY TAX ALLOC. (1.050)	\$ 20,198,692	\$ 19,990,000	\$ 208,692	1%
OTHER REVENUES (1.060)	\$ 14,809,356	\$ 7,989,100	\$ 6,820,256	85%
OTHER FINANCING SOURCES (2.070)	\$ 13,245,941	\$ 12,387,000	\$ 858,941	7%
TOTAL REVENUES (2.080)	\$ 635,287,046	\$ 638,293,300	\$ (3,006,254)	0%

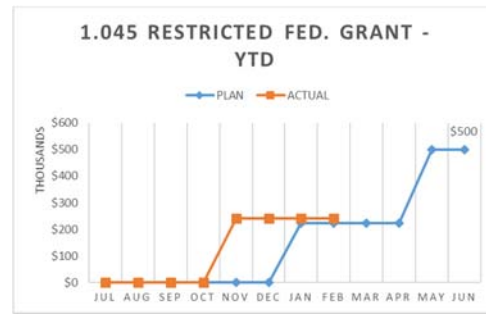
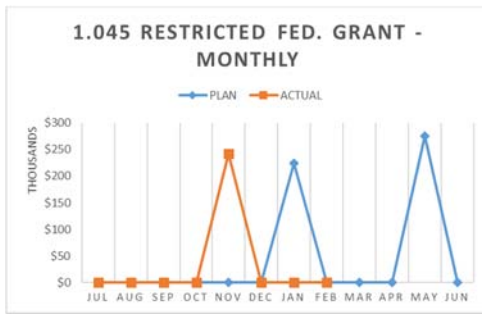
Property Taxes (1.010) – Advances on the 1st half property tax collections continue this month. Advances lagged the estimate by \$16.9 million for the month taking the previously \$4 million favorable variance last month to \$12.5 million unfavorable. However, we have received settlement in March of \$149 million, \$32 over the monthly plan. As a result, property taxes YTD through March (next month) will be \$19.4 million favorable and likely to remain so for the balance of the fiscal year. Keep in mind property taxes year to date were \$12.4 million favorable after the August 2017 settlement. This February settlement added \$7 million to that favorable variance. The original plan included activity in May which was the result of an anomaly in FY15. The plan has been adjusted; anticipated revenue in May has been moved to March.



State Aid (1.035 & 1.040) – for the month came in \$1.5 million under plan decreasing the YTD variance to \$1.5 million over plan, just +0.7%. The most recent calculation from the state indicates approximately \$339.9 million to be received for the fiscal year versus the plan amount of \$341.5 million; or about \$1.6 million less than plan. If this holds true, the current favorable variance should burn off over the coming months similar to this month’s experience.



Restricted Federal Grants (1.045) – No activity this month.



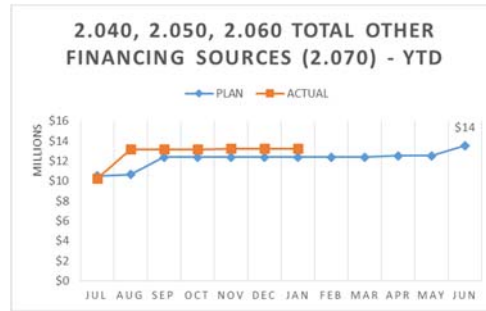
Property Tax Allocation (1.050) –No change from previous month. YTD this category remains within 1% of plan at +\$208,692 on YTD revenue of \$20.2 million.



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 included on this line. The favorable variance for this line increased by \$2.5 million this month driven by \$3.1 million in Medicaid reimbursement largely anticipated for June. Should March, April and May revenues come in on plan at \$4.3 million total, the year to date plan amount of \$19 million should be achieved.



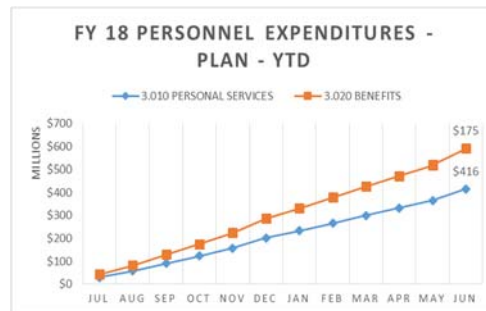
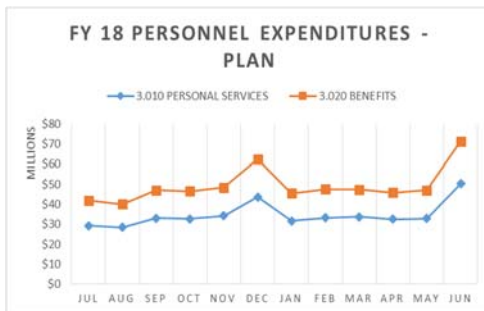
Other Financing Sources (2.070) – this includes lines 2.040 and 2.050, Transfers-In and Advances-In, and 2.060 All Other Financing Sources. No significant change in this line from the previous month.



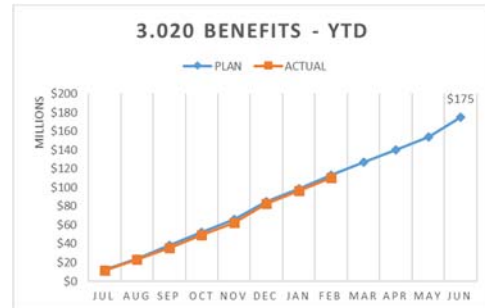
Expenditures Year to Date

EXPENDITURES	YTD ACTUAL	YTD PLAN	VARIANCE	PCT VAR.
PERSONNEL (3.010 & 3.020)	\$ 372,335,525	\$ 379,455,000	\$ (7,119,475)	-2%
PURCHASED SERVICES x-CHARTER (3.030)	\$ 39,255,943	\$ 41,701,000	\$ (2,445,057)	-6%
CHARTER, STEM, SCHOLARSHIP (3.030)	\$ 121,621,909	\$ 122,914,000	\$ (1,292,091)	-1%
SUPPLIES & MATERIALS (3.040)	\$ 11,096,330	\$ 12,940,000	\$ (1,843,670)	-14%
CAPITAL OUTLAY (3.050)	\$ 2,466,005	\$ 1,383,000	\$ 1,083,005	78%
DEBT SERVICE RELATED (4.020, 4.055, 4.060)	\$ 3,601,762	\$ 3,651,000	\$ (49,238)	-1%
OTHER OBJECTS (4.300)	\$ 4,195,482	\$ 4,969,000	\$ (773,518)	-16%
OTHER FINANCING USES (5.040)	\$ 3,581,830	\$ 6,662,000	\$ (3,080,171)	-46%
TOTAL EXPENDITURES (5.050)	\$ 558,154,785	\$ 573,675,000	\$ (15,520,215)	-3%

Personnel (3.010 & 3.020) – for the month ran \$1.2 million under plan increasing the YTD favorable variance⁴ to \$7.1 million under plan; -2%. On the full year plan estimate of \$591 million, a 2% variance at the end of the year equates to approximately \$11.8 million. 8 months through the fiscal year (67% of the way through the year), total personnel expenditures stand at 63% of the annual estimate. We expect to be under plan by 1%-2% for the year.

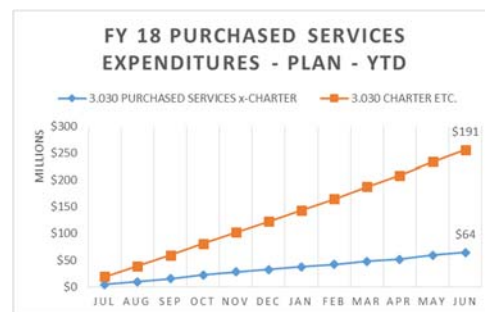
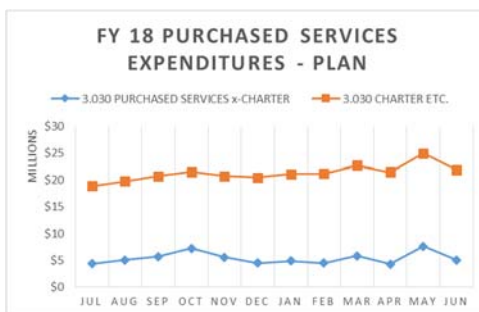


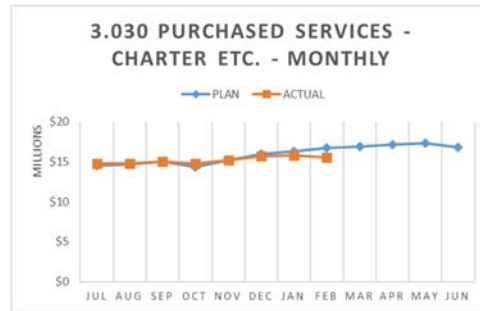
⁴ For expenditures, running under plan is favorable, whereas for revenue, under plan would be considered unfavorable. The reverse is true for running over plan; unfavorable for expenditures but favorable for revenue.



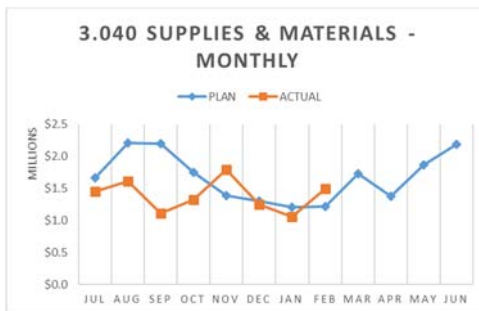
Purchased Services (3.030) – purchase services-xCharter YTD ran \$323,586 (+7%) over plan for the month taking the YTD variance to \$2.4 under plan (-6%) from \$2.8 million (-7%) under plan last month. As seen in the annual plan, we expect wide swings in the monthly expenditures but have no indication yet that the annual projected amount should be adjusted. As a reference point, a ±5% variance on an annual basis is roughly equal to ±\$3.2 million.

Charter, Stem, and Scholarship lines came in \$1.2 million under plan for the month, driving the YTD variance negative: -\$1.3 million (-1%) on \$123 million planned. Data from ODE for the 2nd payment in February estimates just over \$182 million for the year – about \$9 million less than Plan (\$191 million). The annual deduction for ECOT has dropped \$4.7 million to \$4.1 million from \$8.8 million in January making it the largest contributor to the change ODE’s annual number. We now believe that these deductions will close to \$9 million under plan for the year.





Supplies & Materials (3.040) – ran over plan for the month (+\$277,566), bringing the YTD variance to \$1.8 million, -14%, under plan. Software continues to lead the under plan line items. Operation & Maintenance Supplies/Materials remains among the top 3 with General Supplies entering the top 3 for the first time. These 3 categories account for 80% of the \$1.8 million variance. Budgetary data indicates that while these line items may be lagging against the spending plan, they are highly encumbered for this time of year⁵.



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

⁵ Overall 81% expended/encumbered through 67% (8 months) of the fiscal year.



Object Detail

AS OF FEBRUARY	YTD PLAN	YTD ACTUAL	YTD VARIANCE
510 - GENERAL SUPPLIES	\$3,446,000.00	\$3,094,848.24	(\$351,151.76)
512 - OFFICE SUPPLIES	\$0.00	\$913.62	\$913.62
514 - HEALTH & HYGIENE SUPPLIES	\$10,000.00	\$11,925.52	\$1,925.52
516 - SOFTWARE MATERIAL	\$2,501,000.00	\$1,708,431.12	(\$792,568.88)
519 - OTHER GENERAL SUPPLIES	\$0.00	\$1,206.09	\$1,206.09
520 - TEXTBOOKS	\$0.00	\$14,075.49	\$14,075.49
524 - SUPPLEMENTAL TEXTBOOKS	\$589,000.00	\$307,490.96	(\$281,509.04)
525 - ELECTRONIC INST SUPPLY AND MAT	\$0.00	\$0.00	\$0.00
530 - LIBRARY BOOKS	\$193,000.00	\$177,143.49	(\$15,856.51)
540 - NEWSPAPERS PERIODICALS FILMS S	\$96,000.00	\$36,154.43	(\$59,845.57)
550 - SUPPLIES & MATERIALS RESALE	\$16,000.00	(\$6,100.44)	(\$22,100.44)
560 - FOOD AND RELATED SUPPLIES/MATE	\$36,000.00	\$28,481.24	(\$7,518.76)
570 - SUPPLY/MATERIAL OPERATION/MNT/	\$1,689,000.00	\$1,349,326.74	(\$339,673.26)
573 - EQUIPMENT/FURNITURE OP/MNT/REP	\$0.00	\$0.00	\$0.00
581 - SUPPLIES & PARTS FOR MNT & RP	\$933,000.00	\$1,147,675.63	\$214,675.63
582 - FUEL TO OPERATE MOTOR VEHICLES	\$2,810,000.00	\$2,847,967.95	\$37,967.95
583 - TIRES AND TUBES	\$194,000.00	\$279,908.36	\$85,908.36
590 - OTHER SUPPLIES & MATERIALS	\$427,000.00	\$96,881.41	(\$330,118.59)
TOTAL	\$12,940,000.00	\$11,096,329.85	(\$1,843,670.15)

Budgetary Data

Description	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
510 - GENERAL SUPPLIES	\$6,708,160	\$3,094,848	\$1,816,768	\$1,796,544	46%	73%
512 - OFFICE SUPPLIES	\$1,978	\$914	\$1,065	\$0	46%	100%
514 - HEALTH & HYGIENE SUPPLIES	\$14,389	\$11,926	\$963	\$1,500	83%	90%
516 - SOFTWARE MATERIAL	\$3,445,172	\$1,708,431	\$626,442	\$1,110,299	50%	68%
519 - OTHER GENERAL SUPPLIES	\$2,432	\$1,206	\$1,226	\$0	50%	100%
520 - TEXTBOOKS	\$39,121	\$14,075	\$21,504	\$3,541	36%	91%
524 - SUPPLEMENTAL TEXTBOOKS	\$662,443	\$307,491	\$60,913	\$294,040	46%	56%
530 - LIBRARY BOOKS	\$411,345	\$177,143	\$54,146	\$180,055	43%	56%
540 - NEWSPAPERS PERIODICALS FILMS S	\$112,075	\$36,154	\$4,687	\$71,234	32%	36%
550 - SUPPLIES & MATERIALS RESALE	\$26,590	(\$6,100)	\$3,951	\$28,740	-23%	-8%
560 - FOOD AND RELATED SUPPLIES/MATE	\$103,682	\$28,481	\$39,133	\$36,068	27%	65%
570 - SUPPLY/MATERIAL OPERATION/MNT/	\$3,030,769	\$1,349,327	\$1,439,907	\$241,535	45%	92%
581 - SUPPLIES & PARTS FOR MNT & RP	\$1,965,476	\$1,147,676	\$796,785	\$21,015	58%	99%
582 - FUEL TO OPERATE MOTOR VEHICLES	\$5,201,642	\$2,847,968	\$2,353,074	\$600	55%	100%
583 - TIRES AND TUBES	\$382,755	\$279,908	\$25,346	\$77,500	73%	80%
590 - OTHER SUPPLIES & MATERIALS	\$533,494	\$96,881	\$59,997	\$376,616	18%	29%
Grand Total	\$22,641,523	\$11,096,330	\$7,305,906	\$4,239,287	49%	81%

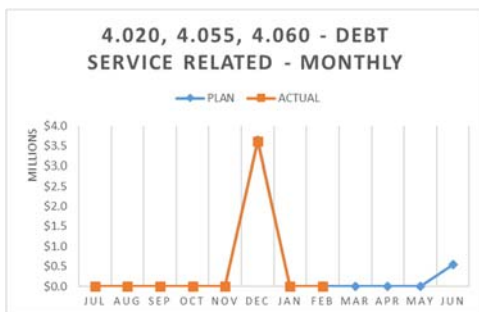
Capital Outlay (aka equipment, 3.050) – YTD variance over Plan was unchanged at +\$1.0 million this month. As noted previously, YTD expenditures have exceeded the annual plan amount⁶. Expenditures could easily reach the \$3 million mark by year end. This over plan variance, though, is likely to be offset by under plan variances in purchased services and supplies and materials.



Budgetary Data

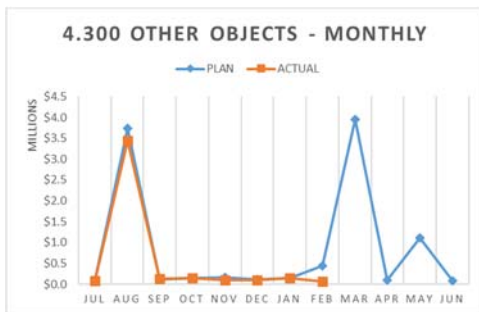
Description	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT EXPENDED	PCT EXP & ENC
620 - BUILDING ACQUISITIONS/ADDITION	\$0	\$925,678	\$925,678	\$820,787	\$104,883	\$8	89%	100%
630 - IMPROVEMENT OTHER THAN BUILDIN	\$0	\$3,774	\$3,774	\$3,774	\$0	\$0	100%	100%
640 - EQUIPMENT	\$248,387	\$819,404	\$1,067,791	\$714,880	\$85,010	\$267,901	67%	75%
644 - TECHNICAL EQUIPMENT	\$1,578,134	\$877,639	\$2,455,773	\$926,565	\$204,767	\$1,324,441	38%	46%
650 - VEHICLE PURCHASE (NOT SCHOOL B	\$37,700	(\$3,500)	\$34,200	\$0	\$0	\$34,200	0%	0%
660 - SCHOOL BUS PURCHASES	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	#DIV/0!
Grand Total	\$1,864,221	\$2,622,996	\$4,487,217	\$2,466,005	\$394,660	\$1,626,551	55%	64%

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. No activity in January.

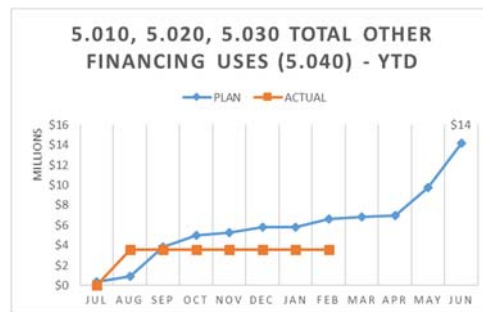


⁶ \$1.9 million planned; \$2.4 million expended year-to-date.

Other Objects (4.300) – Minimal activity of \$70,677 in February running under plan for the month by \$376,323. YTD variance doubled to \$773,518 under plan. The spike in expenditures anticipated next month is related to the first half settlement of property taxes, e.g. auditor and treasurer fees.



Other Financing Uses (5.040) – Transfers-Out and Advances-Out are included here. No activity for the month against a plan of \$836,000. YTD variance now stands at \$3 million under plan. As indicated in the graphs below, end of the year Advances-Out will be the major determinant of how this line ends the year.





Month of February - 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)	\$ 88,100,000	\$ 71,232,000	\$ (16,868,000)	\$ 364,400,000	\$ 351,868,063	\$ (12,531,937)		\$ 481,500,000	\$ 481,500,000	-3%	73%
1.020 Tangible Personal Property	\$ -	\$ -	\$ -	\$ -	\$ 1,026	\$ 1,026		\$ -	\$ -	n/a	0%
1.035 + 1.040 State Aid	\$ 28,813,000	\$ 27,280,044	\$ (1,532,956)	\$ 233,303,000	\$ 234,921,642	\$ 1,618,642		\$ 341,500,000	\$ 341,500,000	1%	69%
1.045 Restricted Fed. Grants	\$ -	\$ -	\$ -	\$ 224,200	\$ 242,326	\$ 18,126		\$ 500,000	\$ 500,000	8%	48%
1.050 Property Tax Allocation	\$ -	\$ -	\$ -	\$ 19,990,000	\$ 20,198,692	\$ 208,692		\$ 40,100,000	\$ 40,000,000	1%	50%
1.060 All Other Revenues	\$ 1,180,600	\$ 3,710,769	\$ 2,530,169	\$ 7,989,100	\$ 14,809,356	\$ 6,820,256		\$ 18,700,000	\$ 18,670,000	85%	79%
1.070 Total Revenues	\$ 118,093,600	\$ 102,222,813	\$ (15,870,787)	\$ 625,906,300	\$ 622,041,105	\$ (3,865,195)		\$ 882,300,000	\$ 882,170,000	-1%	71%
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	\$ -	\$ 2,501	\$ 2,501	\$ -	\$ 65,368	\$ 65,368		\$ 150,000	\$ 150,000	n/a	44%
2.070 Total Other Financing Sources	\$ -	\$ 2,501	\$ 2,501	\$ 12,387,000	\$ 13,245,941	\$ 858,941		\$ 13,550,000	\$ 13,550,000	7%	98%
2.080 Total Revenues and Other Financing Sources	\$ 118,093,600	\$ 102,225,314	\$ (15,868,286)	\$ 638,293,300	\$ 635,287,046	\$ (3,006,254)		\$ 895,850,000	\$ 895,720,000	0%	71%
Expenditures											
3.010 + 3.020 Personnel related	\$ 47,585,000	\$ 46,410,535	\$ (1,174,465)	\$ 379,455,000	\$ 372,335,525	\$ (7,119,475)	\$ 586,546,562	\$ 591,100,000	\$ 590,970,000	-2%	63%
3.030 Purchased Services	\$ 4,469,000	\$ 4,792,586	\$ 323,586	\$ 41,701,000	\$ 39,255,943	\$ (2,445,057)	\$ 64,341,660	\$ 64,500,000	\$ 64,480,000	-6%	61%
3.030 Charter Schools, STEM, Scholarship, etc. (478, 479)	\$ 16,715,000	\$ 15,560,096	\$ (1,154,904)	\$ 122,914,000	\$ 121,621,909	\$ (1,292,091)	\$ 191,185,374	\$ 191,200,000	\$ 191,220,000	-1%	64%
3.040 Supplies and Materials	\$ 1,218,000	\$ 1,495,566	\$ 277,566	\$ 12,940,000	\$ 11,096,330	\$ (1,843,670)	\$ 19,098,470	\$ 20,100,000	\$ 20,100,000	-14%	55%
3.050 Capital Outlay	\$ 70,000	\$ 65,843	\$ (4,157)	\$ 1,383,000	\$ 2,466,005	\$ 1,083,005	\$ 2,284,095	\$ 1,900,000	\$ 1,870,000	78%	132%
3.060 Intergovernmental											
Debt Service:											
4.020 Principal-Notes	\$ -	\$ -	\$ -	\$ 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	\$ 700,000	-6%	94%
4.060 Interest and Fiscal Charges	\$ -	\$ -	\$ -	\$ 551,000	\$ 574,097	\$ 23,097	\$ -	\$ 1,100,000	\$ 1,100,000	4%	52%
4.300 Other Objects	\$ 447,000	\$ 70,677	\$ (376,323)	\$ 4,969,000	\$ 4,195,482	\$ (773,518)	\$ 10,237,416	\$ 10,200,000	\$ 10,200,000	-16%	41%
4.500 Total Expenditures	\$ 70,504,000	\$ 68,395,303	\$ (2,108,697)	\$ 567,013,000	\$ 554,572,956	\$ (12,440,044)	\$ 873,693,577	\$ 883,200,000	\$ 883,040,000	-2%	63%

Other Financing Uses



Month of February - 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	\$ 807,000	\$ -	\$ (807,000)	\$ 3,600,000	\$ 3,581,563					
5.020 Advances-Out	\$ 29,000	\$ -	\$ (29,000)	\$ 2,959,000	\$ -	\$ (2,959,000)	\$ -	\$ 10,500,000	\$ 10,500,000	-100%	0%
5.030 All Other Financing Uses	\$ -	\$ -	\$ -	\$ 103,000	\$ 267	\$ (102,733)	\$ 984,476	\$ 100,000	\$ 104,000	-100%	0%
5.040 Total Other Financing Uses	\$ 836,000	\$ -	\$ (836,000)	\$ 6,662,000	\$ 3,581,830	\$ (3,080,171)	\$ 4,684,476	\$ 14,200,000	\$ 14,204,000	-46%	25%
5.050 Total Expenditures and Other Financing Uses	\$ 71,340,000	\$ 68,395,303	\$ (2,944,697)	\$ 573,675,000	\$ 558,154,785	\$ (15,520,215)	\$ 878,378,053	\$ 897,400,000	\$ 897,244,000	-3%	62%
6.010 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 46,753,600	\$ 33,830,011	\$ (12,923,589)	\$ 64,618,300	\$ 77,132,261	\$ 12,513,961		\$ (1,550,000)	\$ (1,524,000)		
Beginning Cash Balance	\$ 155,261,816	\$ 180,699,365	\$ 25,437,550	\$ 137,397,116	\$ 137,397,116	\$ -		\$ 137,397,116	\$ 137,397,116		
Ending Cash Balance	\$ 202,015,416	\$ 214,529,376	\$ 12,513,961	\$ 202,015,416	\$ 214,529,376	\$ 12,513,961		\$ 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