

**Monthly Financial  
Report for:**

**September 2006**



**General Fund Financial Statements  
Investment Portfolio  
Self Insurance Fund Financial Statement**

## **Notes to the Financial Statements – September 30, 2006**

### ***Balance Sheet – General Fund***

The September 30, 2006 Balance Sheet for the General Fund shows us that our cash balance is higher this year compared to last year. The main reason is the \$5,000,000 Tax Anticipatory Warrant that was issued in July. These funds were used to maintain our cash flow during the summer months and are due to be repaid at the end of the fiscal year. In addition, we have received more Property Taxes so far this year compared to last year. This increased our cash and decreased the amount of the Property Tax Receivable as of 9/30/06.

Receivables are reported on an accrual basis and are listed by the major revenue sources. Property taxes, State Foundation Aid receivable amounts are based upon budgeted amounts. The Property Tax Receivable amount is less than last year because our actual receipts are more than last year's. There is no receivable to report for Interest because we held no investments as of 9/30/06. The prepaid expense is for the lease at Children's Village West and has been adjusted for last year's amount and the current year amount.

The Accounts Payable amount is mainly composed of an accrual amount of \$3,000,000 that is based upon the prior fiscal year-end accounts payable balance. It will be adjusted to actual at fiscal year-end. This is the same amount that we carried on the books during last fiscal year. We issued a Tax Anticipatory Warrant at the beginning of the fiscal year and are reporting this as a payable; the warrant will be repaid in its entirety at the end of the fiscal year.

The accrual for contractual salaries is less than last year due to the reduction of 33 teaching positions (media specialists, Children's Villages, facilitators, Special Ed literacy coaches, and others). This staff reduction is also reflected on the Statement of Revenues & Expenditures in the Contractual Salaries line that decreased from last year. Benefits Payable has increased as our insurance rates have increased. Deferred Revenues record the amount of grant funds that we have received in advance and have not yet spent or recorded as revenue. This amount will change from year to year as the grants change.

As of 9/30/06, the Fund Balance in the General Fund is \$6,619,997. We have reserved fund balances for the Talented and Gifted Program, Inventory, and Prepaid Expenses per State requirements.

Following the Balance Sheet (page 1) are three pages with graphical representations of the Balance Sheet information. The Total Assets Comparison graph shows the amount of total assets at the end of each month of the prior fiscal year and for the current fiscal year-to-date. The Total Liabilities Comparison graph shows the same information for the liability balances. The Fund Balance Comparison graph shows the trend throughout the fiscal year and allows you to compare the current fiscal year to the prior fiscal year.

## ***Statement of Revenue, Expenditures, and Changes in Fund Balance – General Fund***

Revenues are reported on the modified accrual basis and have increased 6.4% from the same period last year. State Foundation Aid and Property Taxes are both higher than the previous year. Charges for Services are also higher than last year due to an increase in Open Enrollment tuition and Service Fees. Interest Revenue is reported on actual; interest rates have increased over last year and more detail is provided in the Investment Portfolio Summary. Other Revenue includes local grants.

Expenditures are also reported on the modified accrual basis and have increased 3.3% from the same period last year. Salaries and benefits are up 2% over last year; salaries have decreased because of a decrease in 33 teaching positions and the restructuring of the Summer School/Adult Ed office and the Out of School Time program, while benefits have increased due to the increase in health premiums.

All other expenditures have increased by 7.9% over last year. We are reporting \$3,000,000 in accounts payable, which is the same amount we carried on the books last fiscal year.

Following the Statement of Revenue and Expenditures are two pages with graphical representations of the revenues and expenditures. The amounts shown on the graphs are the monthly amounts of revenues and expenditures. These graphs allow you to compare the prior fiscal year to the current fiscal year, and also to see trends throughout the fiscal year.

## ***Budget to Actual Comparison – Revenues and Expenditures***

### Revenues:

Overall revenues are coming in at 4.45% over budget for the month. One area that will be adjusted is earnings on investments. When budget was established back in March/April of 2006, the interest rate for investments was still unstable. Since interest rates have somewhat stabilized, the revenue for this area will be adjusted to more accurately reflect the going rate.

The other areas in the revenue section that are over budget are all areas associated with grant funding at either the local, state or federal level. Since grants are awarded throughout the year and have various ending dates, it is still difficult to determine when we will be recognizing the revenues.

### Expenditures:

Overall, we are running 2.78% above budget, mostly attributable to two areas: tuition and categorical. Tuition payables are billed according to receiving districts, some quarterly and some semi-annually. Categorical includes the expenditures associated with grants. As in the revenue section, it is difficult to determine when grant funding will be expended and when the ending date of the grant is in relation to time of year.

## ***Special Education Financial Statement***

### ***Special Education Financial Statement***

The special education statement has been modified for this year. We have condensed the revenue section to reflect the amount we receive through the state foundation formula and an "other" category. The "other" category contains revenue from Medicaid, Part B, Tuition In, Phase II, High Cost Fund, Foster Care Claim and District Court Placed Claim.

If you would like to see these categories broken out, we can expand the detail in this area.

We have also condensed the amount of detail in the expenditure section. We have grouped the expenditures into summary areas, similar to what is presented on the overall general fund revenue and expenditures report.

The budget to date through the month of September is coming in at 72.08% of budget. As of the end of September we were still verifying staff and benefit costs and will have a new budget amount for the end of October.

As of the end of September we were projecting a 2007-08 fund balance of (\$2,394,356). We feel confident that once we have staff and benefit costs verified this amount will be lowered.

## ***Schedule of Grants Receivable and Deferred Revenues***

This statement shows the detail of the grants receivable and deferred amounts that are reported on the balance sheet. This is not a complete list of all the grants that the district receives; it is a report of those grants that we have incurred expenditures but have not yet received the funds (receivables), or those grant funds that have been received by the district but not yet expended (deferred).

## ***Investment Portfolio***

This statement shows activity from July 1<sup>st</sup> through September 30<sup>th</sup>. We had two certificates of deposit mature in July and August along with commercial paper that matured in August; these investments were timed to mature at the point the funds were needed. During the months of July and August we do not receive any State Aid payments and our excess cash is needed during that time to meet operational expenditures. New investments typically occur at the beginning of November after the State Aid payments have started back up as well as receiving Property Tax payments in mid-October.

At September 30<sup>th</sup>, the majority (99.88%) of our investments were in IPAS and ISJIT funds, both of which are earning very competitive rates. The graph shows our current interest rates compared to the last two years.

### ***Self Insurance Fund Statement of Revenues and Expenses***

Our revenues are 10.25% higher than last year which reflects the increase in the rates that were established for this year. The expenses are 10.35% higher than last year. Our administrative costs are slightly lower than last year at this time and are currently 4.5% of our claims costs.

At September 30, 2006 our Self Insurance Fund has a fund balance of \$2,285,149; our IBNR requirement is \$2,255,000 which leaves an Unreserved Fund Balance of \$30,149.

Following the Self Insurance Fund Statement of Revenues and Expenses are three pages with graphical representations of the revenues, expenditures, and fund balance. The Revenues – Accumulated Total shows the revenues throughout the year for the current year and the two prior years. The Fund Expenses – Accumulated Totals shows the expenses throughout the year for the current year and the two prior years. The final graph shows the history of the fund balance for each month during the fiscal year and for the two prior years.