



Financial Report  
Executive Summary  
October 14, 2019  
Year-to-Date  
Month Ending September 2019  
and  
End of First Fiscal Quarter

Attached to this board agenda item are the following reports::

- Revenue/Expense Report for August 2019 - Closed
- Revenue/Expense Report for September 2019 - Before Closed
- Revenue Fund Account - Year-to-Date Through August 2019 - Closed
- Expense Fund Account - Year-to-Date Through August 2019 - Closed
- Check Registry - August 2019 - Closed

**Year-to-Date and First Quarter for Fiscal Year 2020 (July 1, 2019-June30, 2020)**

At this point in the fiscal year the report consists of three months, July, August and September. This ends the first quarter of the fiscal year.

**Revenues**

The district has received \$18,566,602.15 in overall revenues. This is an increase of \$1,862,958.88 from FY19. Operational revenue received was \$18,276,858.08 compared to \$16,452,320.11 last year. Debt service revenue rose \$43,550.68 to \$257,122.12 while capital revenue dropped \$5,129.87 to \$32,621.95.

As you can see, the largest percentage of our revenues come in the Operational Funds of Fund 1 (General - Incidental) and Fund 2 (Special Teacher Fund). Overall we are running 11.1% ahead of last year. Most of which can be found in the Operational Funds (11.09% increase). Please be aware this increase is a result of a one-time rebate payment from Blue Cross and Blue Shield (\$1,370,146.05). We have not received this rebate in the past and will not receive it again in the future.

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## Expenditures

Expenditures for all funds rose \$4,046,923.89 to \$30,266,101.00. This is an overall increase of 15.4% from last year. Operational expenditures were slightly down at \$22,040,837.24 compared to \$22,586,231.62 in FY19. Debt service expenditures increased by \$326,828.16. Capital expenditure rose \$4,265,490.11 to \$6,497,849.35.

The overall increase in year-to-date expenditures can be attributed to capital spending (bond projects) and debt service payments. Operational expenditures dropped 2.4%. Our operational expenditure decrease is noteworthy. This \$545,394.38 decrease is due in large part to the staffing reductions we made last year. Our payroll and benefits spend is averaging over \$181,000 less each month compared to last year. To date, we have spent \$543,753.82 less in payroll and benefits in fiscal year 2020 compared to fiscal year 2019.

## Balances

Please note all funds and each sub fund are deficit. This is common for the first quarter (July, August, and September) of the fiscal year as nearly 37% of our revenues are realized in the months of December, January and February when taxpayers submit their property tax payments.

Additionally it is noteworthy to mention the positive move in our operational balances. This change represents a 38.6% improvement from last year at this time. As mentioned earlier, this change is a result of the one-time rebate payment from Blue Cross and Blue Shield as well as our monthly reduction in payroll and benefits. As expected, the difference in our capital balances is attributed to our capital improvements.



Year to Date (First Quarter) - Revenues	FY20	FY19	Variance
All Funds	\$18,566,602.15	\$16,703,643.27	\$1,862,958.88
Operational	\$18,276,858.08	\$16,452,320.11	\$1,824,537.97
Debt Service	\$257,122.12	\$213,571.44	\$43,550.68
Capital	\$32,621.95	\$37,751.82	-\$5,129.87
Year to Date (First Quarter) - Expenditures	FY20	FY19	Variance
All Funds	\$30,266,101.00	\$26,219,177.11	\$4,046,923.89
Operational	\$22,040,837.24	\$22,586,231.62	-\$545,394.38
Debt Service	\$1,727,414.41	\$1,400,586.25	\$326,828.16
Capital	\$6,497,849.35	\$2,232,359.24	\$4,265,490.11
Year to Date (First Quarter) - Balances	FY20	FY19	Variance
All Funds	-\$11,699,498.85	-\$9,515,533.84	-\$2,183,965.01
Operational	-\$3,763,979.16	-\$6,133,911.51	\$2,369,932.35
Debt Service	-\$1,470,292.29	-\$1,187,014.81	-\$283,277.48
Capital	-\$6,465,227.40	-\$2,194,607.42	-\$4,270,619.98

## **Monthly Report for September 2019**

### **Revenues**

September 2019 revenues are running 6.2% (\$418,361.05) ahead of September 2018. This increase is found in our operations revenues which realized an increase of \$417,968.98. This change is a result of the one-time Blue Cross and Blue Shield rebate received in September which is being off-set by a large Title I payment received in September of 2018. This year that Title I payment was received in July.

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## Expenditures

Comparing September 2019 to September 2018, we spent \$2,142,707.31 more. The largest portion of this increase is capital improvements through bond projects. This accounted for \$1,199,254.26 of the increase. The other \$943,453.05 increase is found in operational expenditures. The operational increase was caused by an increase in food service product as a result of expanded services. It is also a result of an increase in vehicle lease payments related to the additional buses needed to address our aging fleet. Additionally, this lease payment was made in September this year. Last fiscal year, this lease payment was made in July..

## Balances

The variance in balances is attributed to the significant increase in capital improvement spending as well as food service purchases and vehicle lease payments.

September - Revenues	FY20	FY19	Variance
All Funds	\$7,171,042.80	\$6,752,681.75	\$418,361.05
Operational	\$7,112,659.46	\$6,694,690.48	\$417,968.98
Debt Service	\$58,383.34	\$57,990.29	\$393.05
Capital	\$0.00	\$0.98	-\$0.98
September - Expenditures	FY20	FY19	Variance
All Funds	\$11,658,142.90	\$9,515,435.59	\$2,142,707.31
Operational	\$9,375,013.93	\$8,431,560.88	\$943,453.05
Debt Service	\$0.00	\$0.00	\$0.00
Capital	\$2,283,128.97	\$1,083,874.71	\$1,199,254.26
September - Balances	FY20	FY19	Variance
All Funds	-\$4,487,100.10	-\$2,762,753.84	-\$1,724,346.26
Operational	-\$2,262,354.47	-\$1,736,870.40	-\$525,484.07
Debt Service	\$58,383.34	\$57,990.29	\$393.05
Capital	-\$2,283,128.97	-\$1,083,873.73	-\$1,199,255.24

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### **Financial Items of Interest:**

- The State Adequacy Target (SAT) is budgeted for \$6375. The September payment transmittal from the Department of Elementary and Secondary Education (DESE) was paid at \$6316. This amount is higher by \$3 from last month but well under the anticipated \$6375. As mentioned last month, the state takes a conservative approach to paying out formula monies. They would rather catch us up later in the fiscal year assuming revenues come in rather than withhold funds in the event there are revenue shortfalls. DESE expects to pay out the SAT at \$6375 by sometime in the spring.
- Local revenues are coming in typically low for this time of year. We receive the bulk of our local funds in December, January, and February after taxpayers pay their property taxes.
- Bond Spending and Balance
  - FY19 Spent: \$12,323,823.86
  - FY20 Spent: \$ 6,314,315.72 (Paid 7/1/2019 through 9/30/2019)
  - Total Spent: \$18,638,139.58 (all monies paid from bond through 9/30/2019)
  
  - Bond Proceeds Overview
  - Bond Starting Amount: \$44,533,659.50
  - Bond Spent Amount: - \$18,638,139.58
  - Bond Balance: \$25,895,519.92
- Since student enrollment is one of the foundational components of the funding formula, we are monitoring the number of students being enrolled. The last Wednesday in September was Membership Count Day. As of the creation of this summary, the preparation of Membership Report is still be completed. I hope to have this information in the Superintendent's Report.
- The following policies have been reviewed by the Policy Review Committee (PRC) and will come before the board for consideration. Please feel free to contact me if you have questions.
  - DA - Fiscal Responsibility
  - DFA - Revenues from Investments/Use of Surplus Funds

- In an effort to provide more financial transparency, members of the administrative team continue our year long work of creating a budget document that will be available in both hard copy and electronically. This document will be proactively provided to patrons, parents, staff and students. It's my hope to have a rough draft for the Finance Committee to review in December. It will consist of an:
  - Executive Summary
  - Organization Section
  - Financial Section
  - Information Section
  - Glossary
- The auditor completed the final audit the week of September 16th. Mrs. Plank and Mr. Thode met with the auditor during that time. Mr. Landers met with the auditor in June. The audit document is scheduled to come before the Finance Committee in December then brought before the entire board in January.

#### **Upcoming Meetings:**

- Finance Committee
  - December 9th, 2019 - 4:00 - Administration Building
  - March 9th, 2020 - 4:00 - Administration Building
  - June 8th, 2020 - 4:00 - Administration Building
- Benefits Committee
  - November 11th, 2019 - 4:30 - Administration Building
  - February 10th, 2020 - 4:30 - Administration Building
- Rayteam
  - October 23rd, 2019 -1:30 - Administration Building
  - An additional 5-7 meetings are scheduled.

If you have any questions, please feel free to contact me prior to the October 14th board meeting.

Respectfully Submitted,

