

# Symmes Valley Local School District, Ohio

## Treasurer's Financial Summary and Analysis

February, 2016

### GENERAL FUND

	2016	2015	2014
Beginning Balance 2/1	\$3,719,409	\$3,076,637	\$2,906,563
Revenues	700,103	569,257	650,312
Expenditures	600,009	600,401	616,671
Ending Balance 2/28	<u>\$3,819,503</u>	<u>\$3,045,493</u>	<u>\$2,940,204</u>
Monthly Change	\$100,094	(\$31,144)	\$33,641
Yearly Change	\$612,419	(\$212,705)	(\$261,362)

### **Introduction**

A school district's General Fund is its main operating fund containing most of its operational costs and the revenues to support those operations. This is why the emphasis of this financial summary and its comments is the General Fund. A comparative view of three years activity for the General Fund for the month of February is presented above. A summary of February's results, particularly concerning any financial events causing a variance from the normal cash flow cycle, is included below. Any review of the District's should include an understanding of our cash flow cycle. The District receives only State funding during most months of the year and State aid is not enough to cover monthly operational costs, resulting in operating deficits.

### **General Fund, Cash Flow Results in February 2016**

February 2016 General Fund Revenues were in line with current estimates, but well above historical trends. The change from 2015 to 2016 is entirely due to the State Foundation payments and the additional "Capacity Aid" funding that the School District is receiving this year. Capacity Aid is a measurement that the Ohio Department of Education uses to determine each school district's ability to raise revenue on its own. It is a measurement of Symmes Valley LSD's property tax value and how much we would raise in new taxes with each one mill of additional levy. This amount is then compared to the state-wide average. We are well below this average, and as a result, additional revenue is forthcoming from the State. This year it amounts to approximately \$1,000,000. Keep in mind though, as I have stressed previously, this is not a part of opportunity funding, transportation, etc. and exists outside the "Cap", and therefore easily lost by the District. Only time will be able to tell us if this funding will continue beyond the current biennium.

The expenditures are unchanged from previous fiscal years. Additionally, overall expenditure levels are exactly where we would expect them to be at this point in the fiscal year. We need to keep in mind that some additional expenditures that we have discussed recently (technology, tractor, etc.) were not entirely budgeted in the current fiscal year, and will negatively impact total expenditure amounts.

### **February Summary and Outlook for remaining Fiscal Year**

February has historically been a down month for the District that results in negative cash flow, but the current State biennium budget has completely upset the proverbial cart. These results include the loss in ADM, and has still yet to include the increase expected in Economic Disadvantaged funding as a result of the CEP Program. It is my belief this funding will begin flowing to our foundation statement in March. Additional revenues from what was estimated must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the five-year forecast. Though we can and should use this additional funding for the capital needs to District has held off investing in previously, we still must carefully consider the value of any additional spending and how that will impact the District's future fiscal soundness.