

# Symmes Valley Local School District, Ohio

## Treasurer's Financial Summary and Analysis

July, 2014

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### GENERAL FUND

	2014	2013	2012
Beginning Balance 7/1	\$3,258,198	\$3,203,566	\$3,399,454
Revenues	612,820	557,067	535,522
Expenditures	809,398	645,734	597,881
Ending Balance 7/31	<u>\$3,061,620</u>	<u>\$3,114,899</u>	<u>\$3,337,095</u>
Monthly Change	(\$196,578)	(\$88,667)	(\$62,359)
Yearly Change	(\$196,578)	(\$88,667)	(\$62,359)

#### **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 July is presented above. A summary of July'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 July 2014**

July 2014 General Fund Revenues were above historical trends. The increase for the current fiscal year can be attributed to growth in State Foundation revenue combined with the \$40,000 transfer from the Self Insurance Fund. The increases in Foundational Revenue are due to increased State Funding. The Transfer was from funds the District had paid into the Self Insurance Fund four years ago and this money was used for the projector project in the Elementary School.

However, serving to completely offset the positive trends noted in July revenues is the increase in expenditures for July over historical patterns. The majority of this increase is attributable to capital improvements, SCOCA, textbook, severance, and paper purchases made in 2014 that just have not been made in previous fiscal years. The projector/I-Pad project (\$80,000) was an investment made by the District toward our technology needs. The SCOCA expenditures (\$28,000) were the result of changing billing patterns at the A-site. These are expenditures we have made in the past, just not all of them hit in July in previous years. The textbooks (\$19,818) noted were ordered earlier than would normally be expected, but due to previous year experiences with late textbook arrivals, the counselor suggested we get this order out sooner. The severance payment (\$25,000) was made to Mrs. Bowling. The paper (\$10,900) expenditure is one we make approximately every two years, so this expenditure was not made in the previous fiscal year. Additionally, we should keep in mind that though expenditures were higher than I would have liked, these are expenditures the District needed to make, and were budgeted appropriately.

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

July has historically been a down month for the District and results in negative cash flow. This will continue to be the case. The only revenue ordinarily received in the month is State Foundation and this is not enough to cover our monthly expenses. The additional expenses noted earlier only serves to compound this truth. We did budget accordingly for these expenditures and they were built into current year expectations. Unfortunately, looking forward, the news for the short-term will not be much different than July. Though we would expect our second-half property tax settlement in August, we will have three pay periods and additional remaining textbook purchases made for the school year. On a brighter note, Foundation revenue is expected to increase between \$120,000 and \$150,000 over the 2013-2014 school year which will bring total new State Funding to \$400,000. We are still in-line with previous five year forecast expectations.