



Department of Finance

Fiscal Year 2017 Financial Status Report

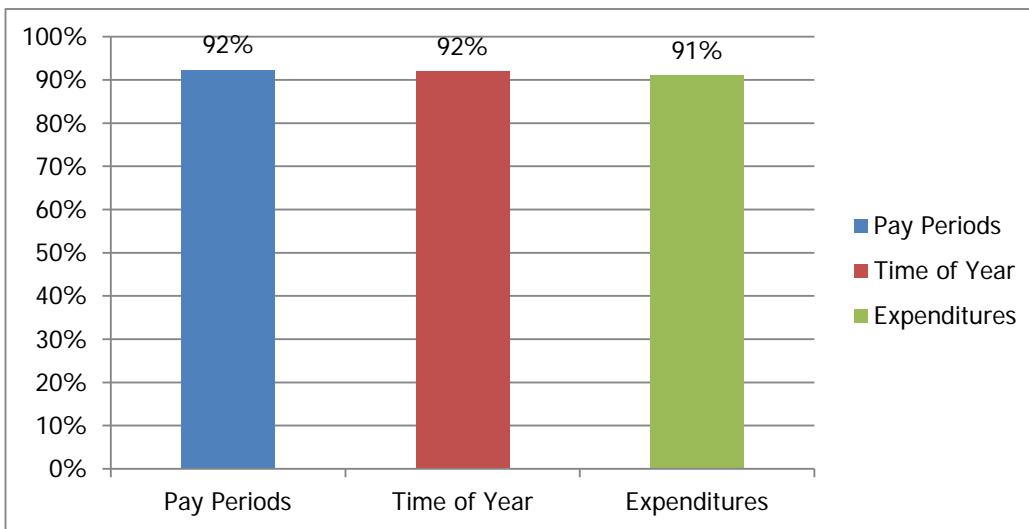
As of May 31, 2017

Expenditure Summary

The fiscal year 2017 adopted General Fund budget for the District is \$734,470,976. This budget, coupled with carryover encumbrances of \$18,625,395, resulted in a \$753,096,372 appropriation for FY 2017. The following information is a financial update of the status of this appropriation through May 31, 2017.

Through May 31, 2017 the District has expended \$654,600,567 and has outstanding encumbrances of \$29,460,428. This total of \$684,060,995 reflects 91.00% of the District's total appropriation (see Exhibit A). A statistical spending range for the District is based on two analyses: first, time elapsed is eleven months, or 91.67%, of the fiscal year. Secondly, 24 of the 26, or 92.31%, of the total pay periods have passed. Figure 3 illustrates these points.

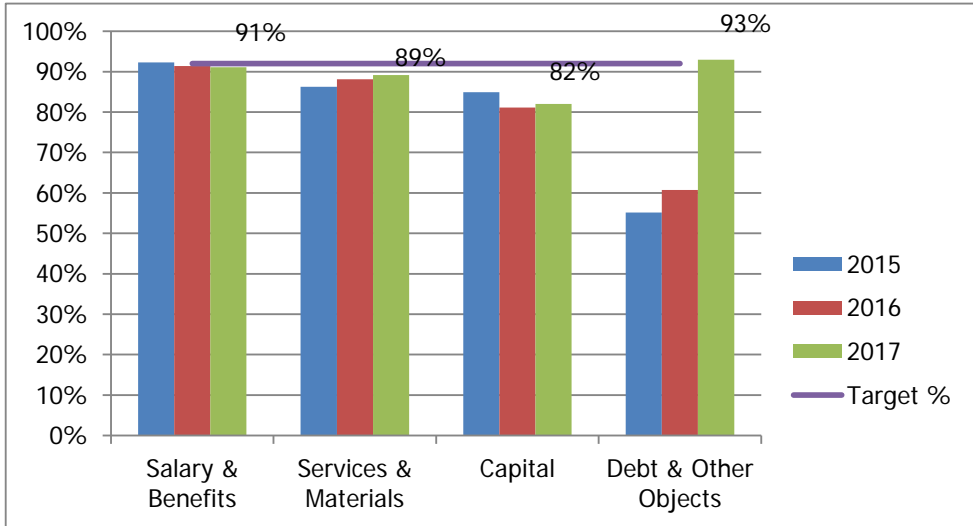
Figure 3: Encumbrance/Expenditure Level Through May



Overall, the District's encumbrance/expenditure level through May is trending below target based on the above analysis. As an examination of the categories of expenditures is performed, cyclical variances are noted between categories which related specifically to school opening activities.

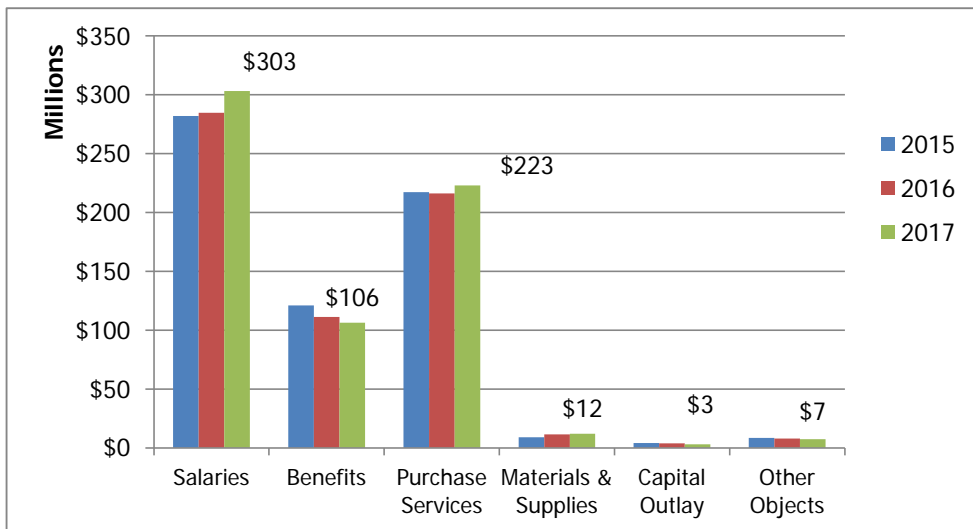
Figure 4 compares the various expenditure categories to the expected level and to the prior two years. Figure 5 provides the year to date expenditure level by category for the current year as well as the prior two. The three years of data will be beneficial for trend analysis performed throughout the year. Further discussion of these two figures is included on the following page.

Figure 4: % Spend to Budget for YTD Expenditures



Target percent of 91.67% is based on the # of months completed in the current year.

Figure 5: Expenditure by Category



Data labels represent figures for current FY

As Figures 4 and 5 illustrate, overall salaries and fringe benefits are trending on target for this time of year. Salaries are higher than last year for this time of year which is primarily due to the differentiated compensation system and less open positions. Salaries are trending above budget, but are expected to even out. We will continue to closely monitor this area the remainder of the fiscal year. Salaries averaged \$14.9 million in May which is higher than the \$12.5 million average in April. Fringe benefits are below last year for this time of year. Health care costs are forecasted to increase 9.8% in FY 17 from FY 16.

The current year Purchased Services and Materials categories indicate an 89% encumbrance/expenditure level for this month. This is consistent with prior years and the cyclical nature of school operations.

The Capital encumbrance/expenditure level, whose budget comprises only .7% of the total General Fund budget, indicates a 82% encumbrance/expenditure level for this month. It should be noted that the vast majority of on-going construction projects are accounted for in other funds and therefore not reflected in the encumbrances/expenditures above.

Finally, the debt service and other objects category of encumbrance/expenditures, which mainly reflects the payment of principal and interest for the energy conservation notes and QZAB notes, treasurer and auditor fees, and the transfer of monies to other District funds (as required by State regulations), is as expected as of May 31, 2017. Debt payments occur in July and April while the transfer of monies to other District funds will occur in June.