



2nd Quarterly Financial

BOARD OF EDUCATION
July 1, 2014- December 31, 2014

ADAMS COUNTY SCHOOL DISTRICT 14
5291 East 60th Ave
Commerce City CO. 80022



Division of Financial Services
Educational Support Services
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TO: *Pat Sánchez*
Superintendent

FROM: *Sandy Rotella CPA SFO*
Chief Financial Operations Officer

DATE: *February 24, 2015*

SUBJECT: *Second Quarter Fiscal year 14-15 All Funds Financial Reports*

Comparative budget reports for all funds are presented on the following pages for the Board of Education review. The actual year-to-date expenditures (July through December) for fiscal year 2014-2015 are compared to the actual year-to-date expenditures for 2013-2014. The percentage of revenue and expenditures collected or expended to date are for comparative purposes. While not all revenues and expenditures are recorded in one-twelfth each month it is a measure that can be used to review the financial position of the District.

GENERAL FUND

REVENUE:

We have completed half (50%) of our fiscal year and received 34.9% of our budgeted revenues which is less than 50%. This apparent shortfall is neither unexpected nor unreasonable because we receive property taxes as they are collected by the Adams County Treasurer in April. Most taxpayers pay their property taxes in the five month window from February through June. Explanations of revenue classifications are identified below:

- About 95% of the District's Property Tax Revenues are received in the third and fourth quarters of our fiscal year. We have currently received 3.3%, and last year we had collected 2.8% of property tax revenue. This is not an unreasonable variance for this time of year, as majority of collections are received from February through April. The District will participate in the state's interest free loan program beginning in November through February by requesting approximately \$2.5 million dollars. The District will repay this loan amount in March/April when property taxes are collected.
- Collections for Specific Ownership Tax are slightly less than a year ago, but at this point do not anticipate specific ownership tax being below projections.
- Other Local Revenue is higher from prior year to current year due to the timing of E-Rate revenue. Amounts appear reasonable and comparable to prior year, which is a result of a change made to the way E-Rate expenditures are paid.
- Our largest revenue source, State Equalization, is paid in twelve (approximately equal) installments. The amount is comparable to budgeted amount and prior year collection rates.
- In the State Other category, accounts for mainly the state categorical funding. The timing of payment varies from year to year and for the second quarter of 2014-15 the collection of 86% is less than the prior year collection of 131%. Collections are reasonable based on anticipated revenues and are comparable to prior year collections.
- The majority of the Federal revenues budget consists of Section 8002 Impact Aid payments. Although the timing and exact dollar amount of Impact Aid payments are unpredictable, we anticipate a payment be made in April. Payments received during the second quarter are payouts from prior year awards that the Federal Government is distributing.



EXPENDITURES:

In total, second quarter expenditures are tracking as expected.

- Actual salary expenditures are 47.9% of budgeted expenditures. This is on track to the budget amount and comparable to prior year. Actual benefit expenditures are 46.0% of budgeted expenditures and is also as expected. The percentage is expected to increase throughout the remainder of the year due to the 0.9% increase to the employer contribution rate for PERA that went into effect January 1, 2015.
- Purchased Services and Supplies and Materials are collectively at or slightly over 51.7% of the budgeted amounts, which is less than last year spending at 57.07%. Schools and departments typically spend more in the beginning of the school year compared to the other quarters in the fiscal year. Amounts appear reasonable.
- Capital Outlay total expenditures are reasonable and comparable to the same time period from last year. Equipment, furniture and technology continue to be purchased as budgeted for and as needed to support optimal instruction of our students.
- The Other expenditure classification is reasonable and comparable to the prior year amounts.

FUND BALANCE:

The ending fund balance for FY2014-2015 is projected to remain constant at approximately \$10 million. The use of fund balance was Board approved on June 10, 2014, with Resolution #14-006 and revised January 27, 2015 Resolution #15-001.

The amounts reported in the Actual Year-to-Date column reflect the negative cash flow (cash outflows exceed cash inflows) that we normally experience this time of year. This is comparable to prior years and will align more closely to our projected fund balance as we collect the property tax revenues in the third and fourth quarters.

OTHER FUNDS:

Grant Fund

This fund represents the accounting for federal, state and local grants. Revenues and expenditures appear reasonable when compared to prior year.

Bond Fund

This fund represents the accounting for the collection of property taxes to make the annual principal and interest payments on voter approved debt. Payments are made semi-annually in December and June. The change in expenditures is due to the refinancing of outstanding General obligation Bonds. The refinancing lowered the interest rate paid on outstanding debt. Revenue and expenditures appear reasonable for the second quarter ending December 31, 2014.

Capital Projects Fund

This fund accounts for capital reserve projects. The variance from last year to the current year is due to the timing of capital projects. The difference appears reasonable and comparable.

Nutrition Fund

This fund accounts for the Food and Nutrition Services operations. This is a self supporting fund that operates from the sales of school breakfast and lunch and federal reimbursements. This program's leadership is reorganizing the department in order to increase student participation. Both revenue and expenditures are below last year's levels that reflect timing of federal revenue collection. Expenditures are down from prior year, due to a change in operations to operate this fund more efficiently. Finance will continue to monitor this fund.



Adult Education Fund

The Adult Education Fund accounts for the adult learning program. The fiscal plan for this fund is to use beginning reserves. Revenues and expenditures are comparable to actual levels for the same time period last year. Finance will continue to monitor this fund.

District operations and finances will be continually monitored throughout the year to ensure that departments stay within their budgets and unused budgeted resources are reallocated based on need. We are happy to assist with any questions and concerns you may have.

Adams County School District 14
Division of Financial Services
Fiscal Year 2014-2015
General Fund - Second Quarter Report
Six Month Period Ending December 31, 2014

	Fiscal Year 2014-15			Fiscal Year 2013-14		
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget
REVENUES:						
Property Taxes	\$ 20,503,990	\$ 682,749	3.3%	\$ 20,047,628	\$ 560,502	2.8%
Specific Ownership Tax	1,932,704	994,442	51.5%	1,321,559	868,715	65.7%
Local Other	1,006,200	517,335	51.4%	2,305,000	495,401	21.5%
State Equalization	36,200,777	17,859,102	49.3%	33,099,119	16,172,715	48.9%
State Other	3,197,057	2,751,026	86.0%	1,018,882	1,334,482	131.0%
Federal	2,382,500	157,394	6.6%	2,391,000	41,126	1.7%
Allocations & Transfers	(1,300,000)	(649,998)	50.0%	(1,460,000)	(730,000)	50.0%
TOTAL	\$ 63,923,228	\$ 22,312,050	34.9%	\$ 58,723,188	\$ 18,742,941	31.9%
EXPENDITURES:						
Salaries	\$ 42,543,998	\$ 20,383,708	47.9%	\$ 43,334,296	\$ 21,166,713	48.8%
Benefits	12,595,801	5,795,946	46.0%	12,483,500	5,917,283	47.4%
Purchased Services	5,931,627	3,470,497	58.5%	6,162,527	3,552,566	57.6%
Supplies & Materials	3,689,078	1,622,183	44.0%	3,776,318	2,110,248	55.9%
Capital Outlay	944,888	502,029	53.1%	813,938	513,941	63.1%
Other	339,613	39,263	11.6%	78,758	4,842	6.1%
TOTAL	\$ 66,045,004	\$ 31,813,626	48.2%	\$ 66,649,337	\$ 33,265,593	49.9%
REVENUES OVER (UNDER) EXPENDITURES	\$ (2,121,776)	\$ (9,501,576)		\$ (7,926,149)	\$ (14,522,652)	
FUND BALANCE:						
Beginning Fund Balance	10,140,799	10,140,799		14,762,681	14,762,681	
Ending Fund Balance	8,019,023	639,223		6,836,532	240,029	

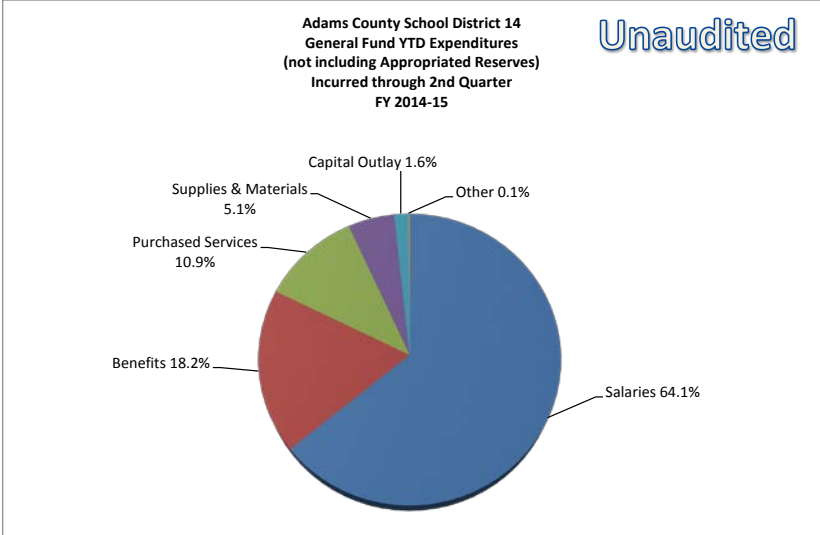
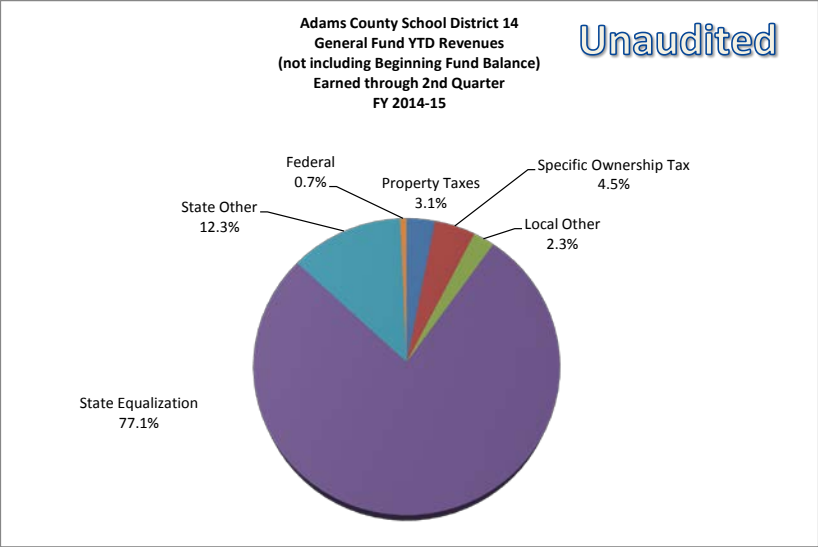
ANALYSIS OF FUND BALANCE:

Current Year-to-Date Fund Balance:

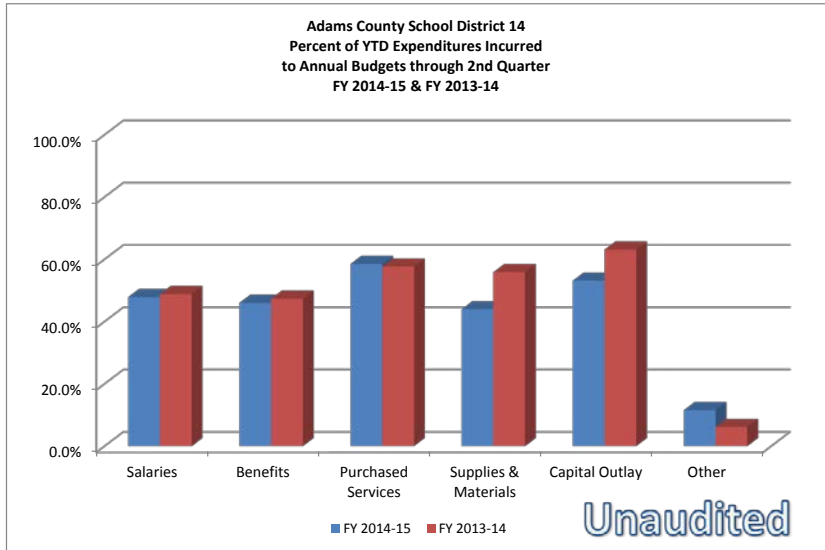
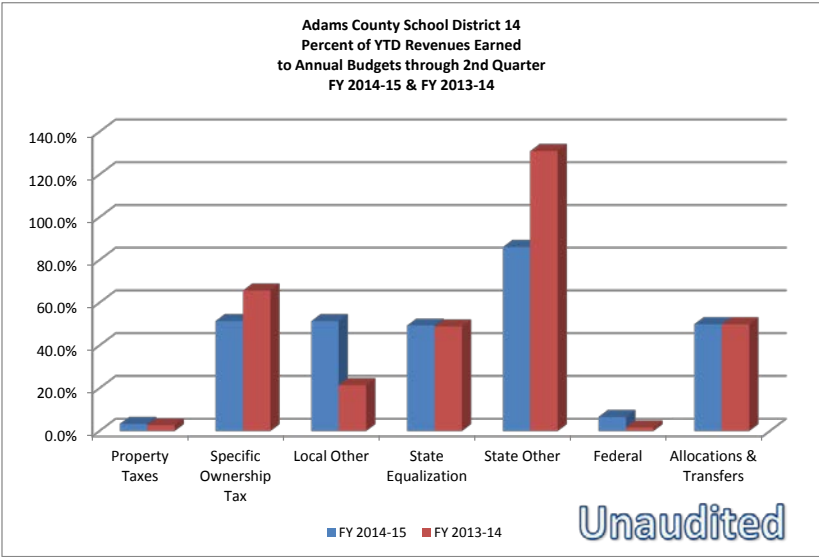
Reserved for TABOR Amendment	\$ 3,088,733	\$ 2,157,882
Restricted for Risk Mgmt	954,440	
Board Designated Reserves:		
Operating Contingency (5.00%)	1,590,681	1,663,280
Unreserved:	(4,994,631)	(3,581,133)
Current Year-to-Date Fund Balance	\$ 639,223	\$ 240,029
Audited Year-End FY2013-14	10,140,799	Audited Year-End FY2012-13 14,762,681
Increase (Decrease) in Fund Balance	\$ (9,501,576)	\$ (14,522,652)

NOTES:

FOR MANAGEMENT PURPOSES ONLY
(Unaudited)



FOR MANAGEMENT PURPOSES ONLY
(Unaudited)



Adams County School District 14
 Division of Financial Services
 Fiscal Year 2014-2015
 Grant Fund - Second Quarter Report
 Six Month Period Ending December 31, 2014

	Fiscal Year 2014-15			Fiscal Year 2013-14		
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget
REVENUES:						
Federal	\$ 9,024,706	1,294,764.00	14.3%	\$ 8,508,857	\$ 1,436,327	16.9%
State	684,801	623,569.00	91.1%	201,681	167,022	82.8%
Local	495,493	184,827.00	37.3%	503,493	407,212	80.9%
TOTAL	\$ 10,205,000	2,103,160.23	<u>20.6%</u>	\$ 9,214,031	\$ 2,010,561	<u>21.8%</u>
EXPENDITURES:						
Salaries	\$ 5,186,779	1,598,311.00	30.8%	\$ 4,490,770	\$ 1,673,712	37.3%
Benefits	1,270,121	442,887.00	34.9%	1,173,855	449,037	38.3%
Purchased Services	2,473,276	596,917.00	24.1%	1,707,842	541,967	31.7%
Supplies & Materials	542,833	201,138.00	37.1%	506,958	212,513	41.9%
Capital Outlay	36,600	15,791.00	43.1%	256,003	196,425	76.7%
Other	695,392	178,432.00	25.7%	525,979	140,526	26.7%
TOTAL	\$ 10,205,000	3,033,476.00	<u>29.7%</u>	\$ 8,661,407	\$ 3,214,180	<u>37.1%</u>
REVENUES OVER (UNDER) EXPENDITURE	\$ -	\$ (930,316)		\$ 552,624	\$ (1,203,619)	
FUND BALANCE:						
Beginning Fund Balance	-	-		-	-	
Ending Fund Balance	-	(930,316)		552,624	(1,203,619)	

Adams County School District 14
Division of Financial Services
Fiscal Year 2014-2015
Bond Fund - Second Quarter Report
Six Month Period Ending December 31, 2014

	Fiscal Year 2014-15			Fiscal Year 2013-14		
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget
<u>REVENUES:</u>						
Taxes	\$ 7,100,000	\$ 233,172	3.3%	\$ 6,669,489	\$ 150,500	2.3%
Payments in Lieu of Taxes	10,000	-	0.0%	\$ 4,000	23,158	579.0%
Miscellaneous	-	-	0.0%	\$ -	-	0.0%
Investment Income	3,000	2,015	67.2%	2,000	9,533	476.7%
TOTAL	\$ 7,113,000	\$ 235,187	<u>3.3%</u>	\$ 6,675,489	\$ 183,191	<u>2.7%</u>
<u>EXPENDITURES:</u>						
Principal Retirement	\$ 3,690,000	\$ 3,690,000	100.0%	\$ 3,745,000	\$ 3,745,000	100.0%
Interest and Fiscal Charges	3,387,949	1,726,689	51.0%	3,400,506	2,352,493	69.2%
Bond Issue Costs	3,500	646	18.5%	-	(8,089)	N/A
TOTAL	\$ 7,081,449	\$ 5,417,335	<u>76.5%</u>	\$ 7,145,506	\$ 6,089,404	<u>85.2%</u>
<u>REVENUES OVER (UNDER) EXPENDITURE</u>	\$ 31,551	\$ (5,182,148)		\$ (470,017)	\$ (5,906,213)	
<u>FUND BALANCE:</u>						
Beginning Fund Balance	<u>6,292,697</u>	<u>6,292,697</u>		<u>7,003,628</u>	<u>6,215,033</u>	
Ending Fund Balance	<u>6,324,248</u>	<u>1,110,549</u>		<u>6,533,611</u>	<u>308,820</u>	

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2014-2015
 Capital Projects Fund - Second Quarter Report
 Six Month Period Ending December 31, 2014

	Fiscal Year 2014-15			Fiscal Year 2013-14		
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget
REVENUES:						
Miscellaneous	\$ -	\$ -	100.0%	\$ -	\$ -	100.0%
Investment Income	1,500	1,204	80.3%	-	1,196	100.0%
TOTAL	\$ 1,500	\$ 1,204	<u>100.0%</u>	\$ -	\$ 1,196	<u>100.0%</u>
EXPENDITURES:						
Operations and Maintenance	\$ 210,000	\$ 69,001	32.9%	\$ 778,019	\$ 1,605,060	206.3%
Capital Outlay	1,789,000	109,678	6.1%	815,392	350,572	43.0%
Debt Service Principal	179,454	88,864	49.5%	146,000	78,990	54.1%
Debt Service Interest	70,546	36,136	51.2%	92,000	40,010	43.5%
TOTAL	\$ 2,249,000	\$ 303,679	<u>13.5%</u>	\$ 1,831,411	\$ 2,074,632	<u>113.3%</u>
OTHER FINANCING SOURCES						
Transfers In	1,300,000	650,000		1,460,000	730,000	
TOTAL	\$ 1,300,000	\$ 650,000	<u>50.0%</u>	\$ 1,460,000	\$ 730,000	<u>50.0%</u>
REVENUES OVER (UNDER) EXPENDITURE	\$ (947,500)	\$ 347,525		\$ (371,411)	\$ (1,343,436)	
FUND BALANCE:						
Beginning Fund Balance	159,663	159,663		796,976	1,503,099	
Ending Fund Balance	(787,837)	507,188		425,565	159,663	

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2014-2015
 Nutrition Fund - Second Quarter Report
 Six Month Period Ending December 31, 2014

	Fiscal Year 2014-15			Fiscal Year 2013-14		
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget
REVENUES:						
Federal Aid	\$ 3,850,200	\$ 1,379,837	35.8%	\$ 4,026,086	\$ 1,721,933	42.8%
State Match	\$ 82,500	12,617	15.3%	37,000	48,968	132.3%
Interest	\$ 650	262	40.3%	-	357	100.0%
Food Sales	\$ 74,000	42,054	56.8%	86,790	21,045	24.2%
TOTAL	\$ 4,007,350	\$ 1,434,770	<u>35.8%</u>	\$ 4,149,876	\$ 1,792,303	<u>43.2%</u>
EXPENDITURES:						
Salaries	\$ 1,214,131	\$ 629,909	51.9%	\$ 1,182,430	\$ 568,825	48.1%
Benefits	412,910	206,489	50.0%	406,750	190,384	46.8%
Purchased Services	134,500	64,286	47.8%	139,850	44,721	32.0%
Supplies & Materials	2,210,032	911,961	41.3%	1,999,283	1,163,906	58.2%
Capital Outlay	226,000	139,062	61.5%	534,000	409,138	76.6%
Other	299,000	170,474	57.0%	148,300	88,548	59.7%
TOTAL	\$ 4,496,573	\$ 2,122,181	<u>47.2%</u>	\$ 4,410,613	\$ 2,465,522	<u>55.9%</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ (489,223)	\$ (687,411)		\$ (260,737)	\$ (673,219)	
FUND BALANCE:						
Beginning Fund Balance	1,207,834	1,207,834		1,916,323	1,881,053	
Ending Fund Balance	<u>718,611</u>	<u>520,423</u>		<u>1,655,586</u>	<u>1,207,834</u>	

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2014-2015
 Adult Ed Fund - Second Quarter Report
 Three Month Period Ending December 31, 2014

	Fiscal Year 2014-15			Fiscal Year 2013-14		
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget
REVENUES:						
Tuition and Fees	\$ 30,000	\$ 21,767	72.6%	\$ 27,000	\$ 17,130	63.4%
General Fund Transfer	-	-	0.0%	-	-	N/A
Investment Income	500	635	127.0%	200	322	161.0%
TOTAL	\$ 30,500	\$ 22,402	<u>73.4%</u>	\$ 27,200	\$ 17,452	<u>64.2%</u>
EXPENDITURES:						
Salaries	\$ 160,510	\$ 86,551	53.9%	\$ 155,750	\$ 57,335	36.8%
Benefits	42,940	25,858	60.2%	25,230	13,057	51.8%
Purchased Services	34,050	12,580	36.9%	29,300	6,752	23.0%
Supplies & Materials	31,500	8,149	25.9%	44,000	6,328	14.4%
Capital Outlay	12,000	7,404	61.7%	27,000	10,663	39.5%
Other	9,000	1,980	22.0%	98,500	3,061	3.1%
TOTAL	\$ 290,000	\$ 142,522	<u>49.1%</u>	\$ 379,780	\$ 97,196	<u>25.6%</u>
REVENUES OVER (UNDER) EXPENDITURE	\$ (259,500)	\$ (120,120)		\$ (352,580)	\$ (79,744)	
FUND BALANCE:						
Beginning Fund Balance	268,179	268,179		347,923	347,923	
Ending Fund Balance	<u>8,679</u>	<u>148,059</u>		<u>(4,657)</u>	<u>268,179</u>	