



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

FROM: *Sandy Rotella CPA SFO*
Chief Financial Officer

DATE: *April 22, 2014*

SUBJECT: *Third Quarter General Fund 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 March) for fiscal year 2013-2014 are compared to the actual year-to-date expenditures for 2012-2013. 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 75% of our fiscal year and received 58.4% of our budgeted revenues which is less than 75%. 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 29.7%, and last year we had collected 49.8% of property tax revenue. This was due to a large property owner paying their taxes early in the 2012-13 fiscal year. The District participated in the state's interest free loan program in January and February by requesting approximately \$2.5 million dollars. The District has repaid this loan amount in March.
- Collections for Specific Ownership Tax are exceeding the projected collections and are anticipated to remain higher than originally projected.
- Other Local Revenue is lower from prior year to current year due to a decrease in E-Rate revenue, which is a result of a change made to the way E-Rate expenditures are paid. Historically, the District would pay the E-Rate costs the District was liable for and record it as an expenditure on the financials. The reimbursement would be received and recorded as a revenue on the financials. The new contracts have the vendors paying the E-Rate portion directly, which is better for District cash flows and reporting purposes.
- Our largest revenue source, State Equalization, is paid in twelve (approximately equal) installments. Although the District's October count came in higher than the District anticipated, it was lower than the enrollment figures Colorado Department of Education used to calculate our State Equalization payment. The State Equalization revenue budget will be adjusted in the revised budget.
- In the State Other category, we have already received the ECEA and Transportation reimbursements and the Career and Technical Education reimbursements for the year. We expect to receive the ELPA and remaining Career and Technical Education reimbursements in the fourth quarters. This is comparable to the prior year.
- 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.



EXPENDITURES:

In total, third quarter expenditures are tracking as expected.

- Salaries and Benefits are below 75% of budget. This is due to the delayed step increase that occurred during the third quarter payroll for any current District employee who was working for the District on January 1, 2013 and eligible for a step. Benefits are currently 72.5% of overall expenditures and we expect that percentage 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, 2014.
- Purchased Services and Supplies and Materials are both at or slightly over 75%, which is fairly comparable to prior year. Schools and departments are encouraged to have at least 75% of their controllable budgets spent by March 31 in order to ensure that this year's student are benefitting from this year's budget.
- Capital Outlay total expenditures are higher compared to prior year at approximately \$769,000 spent year-to-date. Equipment, furniture and technology continue to be purchased as budgeted for and as needed to support optimal instruction of our students.
- The Other expenditure classifications no longer reflect school wide allocations of Title dollars, which was accounted for in other expenditures in the prior fiscal year. This change results in a more accurate presentation of expenses by category in the current year.

FUND BALANCE:

The ending fund balance for FY2013-2014 is projected to decrease by \$5,828,220. This use of fund balance was Board approved on June 11, 2013, with Resolution #13-010. This will change during the third quarter as Board approved budget revisions are implemented based on the audited ending fund balance for FY2012-13.

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 third quarter ending March 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 appear reasonable.

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 a decline in student participation. 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.

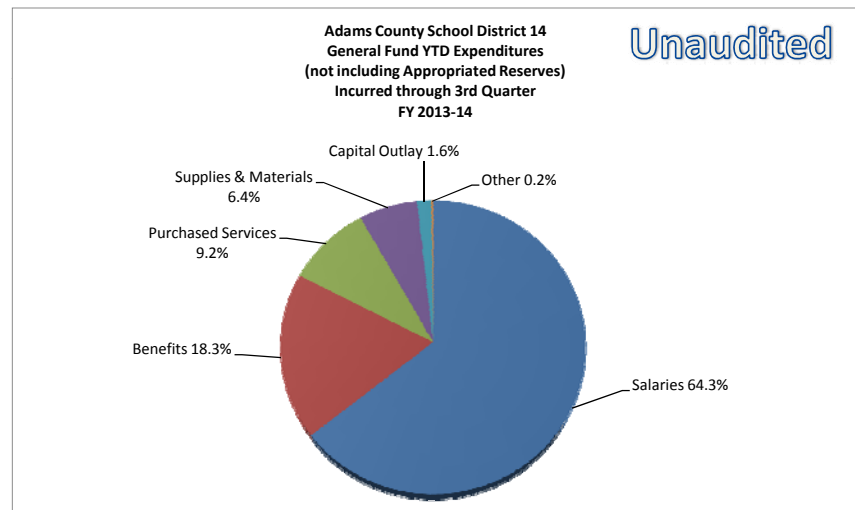
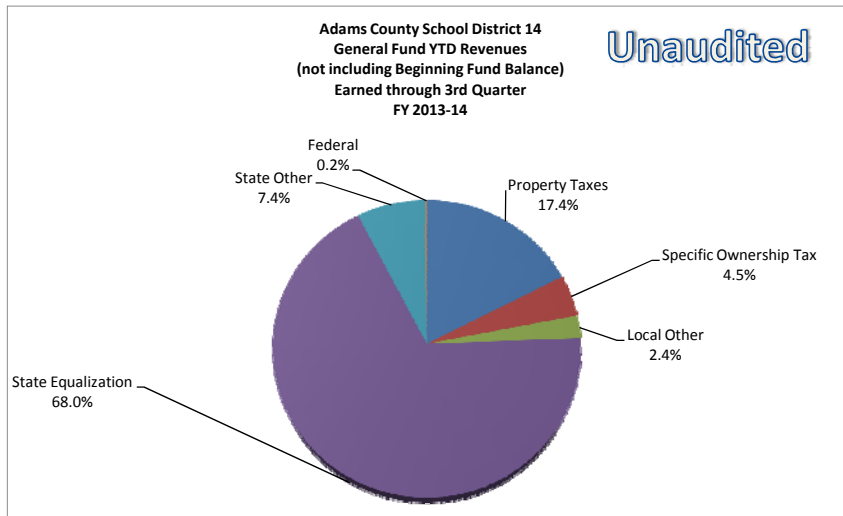
District operations and finances will be continually monitored throughout the year to ensure that departments stay within their budgets and unused budgeted resources are reallocated based on need.

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2013-2014
 General Fund - Third Quarter Report
 Nine Month Period Ending March 31, 2014

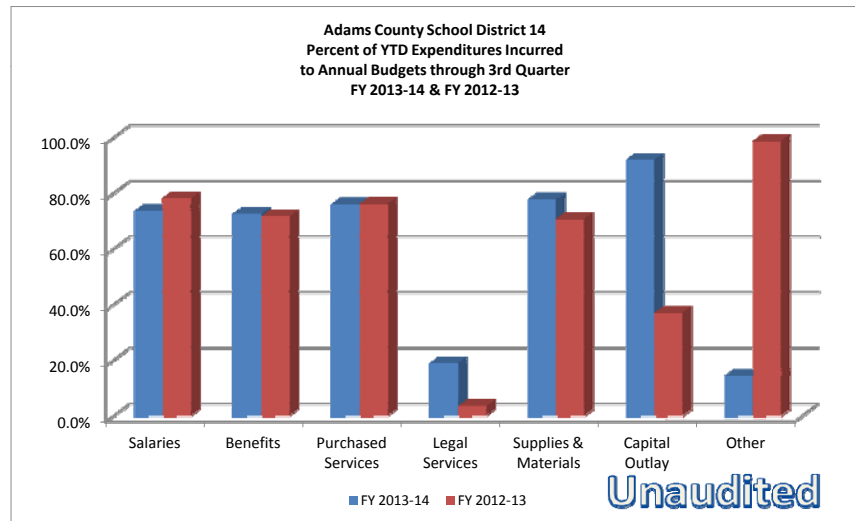
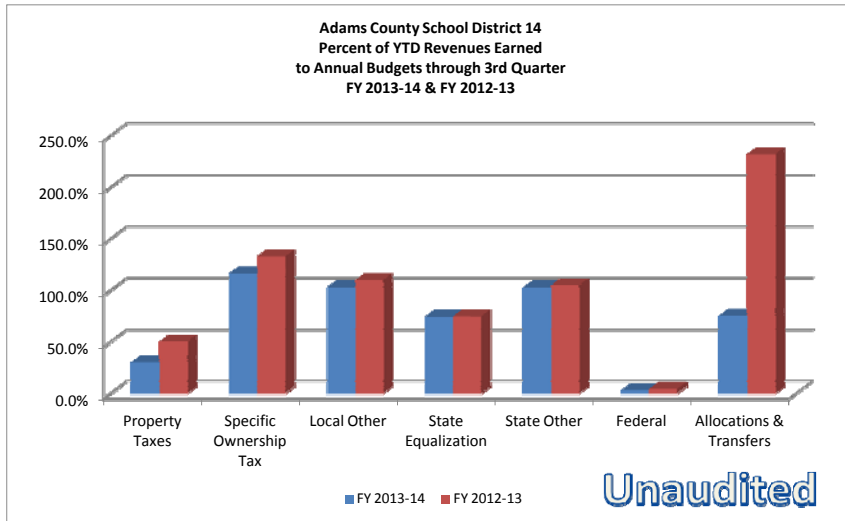
	Fiscal Year 2013-14			Fiscal Year 2012-13			PROJECTED
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	FY 2013-14 ACTUAL
REVENUES:							
Property Taxes	\$ 20,087,014	\$ 5,961,351	29.7%	\$ 18,818,760	\$ 9,370,893	49.8%	\$ 20,055,331
Specific Ownership Tax	1,321,559	1,532,650	116.0%	998,380	1,325,591	132.8%	2,213,828
Local Other	814,500	836,055	102.6%	960,670	1,052,467	109.6%	1,037,180
State Equalization	32,850,237	24,335,034	74.1%	32,760,037	24,447,481	74.6%	32,451,258
State Other	2,468,882	2,530,178	102.5%	2,104,330	2,197,546	104.4%	2,540,869
Federal	2,391,000	62,272	2.6%	1,885,000	79,124	4.2%	2,383,030
Allocations & Transfers	(1,460,000)	(1,095,000)	75.0%	(1,902,500)	(4,407,500)	231.7%	(1,460,000)
TOTAL	\$ 58,473,192	\$ 34,162,540	58.4%	\$ 55,624,677	\$ 34,065,602	61.2%	\$ 59,221,496
EXPENDITURES:							
Salaries	\$ 43,209,622	\$ 31,770,314	73.5%	\$ 40,643,828	\$ 31,740,278	78.1%	\$ 42,355,679
Benefits	12,481,684	9,045,200	72.5%	11,900,962	8,518,176	71.6%	12,059,436
Purchased Services	6,024,829	4,571,358	75.9%	6,256,351	4,752,454	76.0%	5,634,501
Legal Services	167,250	31,376	18.8%	175,000	5,992	3.4%	41,835
Supplies & Materials	4,068,276	3,156,265	77.6%	4,760,181	3,360,916	70.6%	3,968,979
Capital Outlay	836,696	768,948	91.9%	1,576,482	580,589	36.8%	864,368
Other	638,412	90,782	14.2%	(1,208,160)	(1,191,249)	98.6%	124,918
TOTAL	\$ 67,426,769	\$ 49,434,243	73.3%	\$ 64,104,644	\$ 47,767,155	74.5%	\$ 65,049,716
REVENUES OVER (UNDER) EXPENDITURES	\$ (8,953,577)	\$ (15,271,703)		\$ (8,479,967)	\$ (13,701,553)		\$ (5,828,220)
FUND BALANCE:							
Beginning Fund Balance	13,193,222	14,762,681		19,228,960	18,933,987		14,762,681
Ending Fund Balance	4,239,645	(509,022)		10,748,993	5,232,434		8,934,461
ANALYSIS OF FUND BALANCE:							
Current Year-to-Date Fund Balance:							
Reserved for TABOR Amendment		\$ 2,154,269		\$ 2,157,882		\$ 2,154,269	
Restricted for Risk Mgmt		526,648				906,645	
Board Designated Reserves:							
Operating Contingency (5.00%)		2,471,712		2,388,360		3,252,490	
Unreserved:		(5,661,651)		686,192		2,621,057	
Current Year-to-Date Fund Balance		\$ (509,022)		\$ 5,232,434		\$ 8,934,461	
Audited Year-End FY2013-14		14,762,681		Audited Year-End FY2011-12		14,762,681	
Increase (Decrease) in Fund Balance		\$ (15,271,703)		\$ (13,701,553)		\$ (5,828,220)	

NOTES:

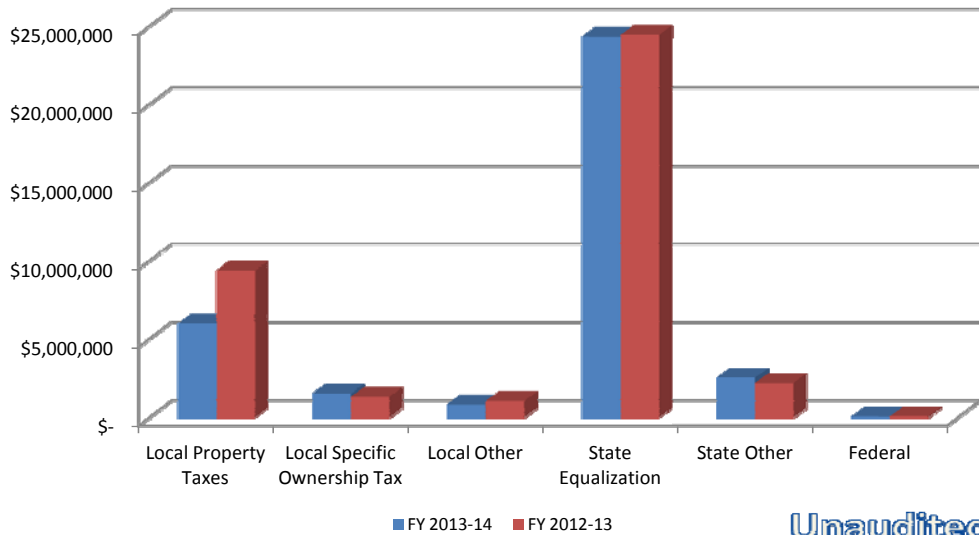
FOR MANAGEMENT PURPOSES ONLY
(Unaudited)



FOR MANAGEMENT PURPOSES ONLY
(Unaudited)



**Adams County School District 14
Comparison of 3rd Quarter General Fund Revenues**



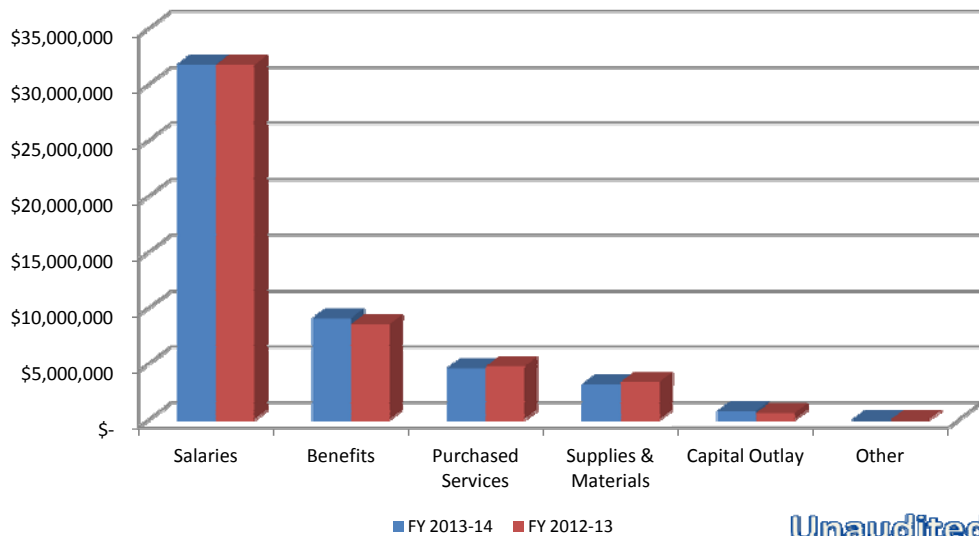
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FOR MANAGEMENT PURPOSES ONLY
(Unaudited)

Third Quarter

REVENUE SOURCE	FY13-14		FY12-13	
	Actual \$ rounded to thousands	% of Annual Budget	Actual \$ rounded to thousands	% of Annual Budget
Local Property Taxes	\$ 5,961,351	29.7%	\$ 9,370,893	49.8%
Local Specific Ownership Tax	1,532,650	116.0%	1,325,591	132.8%
Local Other	836,055	102.7%	1,052,467	109.6%
State Equalization	24,335,034	74.1%	24,447,481	74.6%
State Other	2,530,178	102.5%	2,197,546	104.4%
Federal	62,272	2.6%	79,124	4.2%
Allocations & Transfers	(1,095,000)	75.0%	(4,407,500)	231.7%
Total Collected	<u>\$ 34,162,540</u>	<u>58.4%</u>	<u>\$ 34,065,602</u>	<u>61.2%</u>

**Adams County School District 14
Comparison of 3rd Quarter General Fund Expenditures**



Unaudited

**FOR MANAGEMENT PURPOSES ONLY
(Unaudited)**

Third Quarter

EXPENDITURES	FY13-14		FY12-13	
	Actual \$ rounded to thousands	% of Annual Budget	Actual \$ rounded to thousands	% of Annual Budget
Salaries	\$ 31,770,314	73.5%	\$ 31,740,278	78.1%
Benefits	9,045,200	72.5%	8,518,176	71.6%
Purchased Services	4,602,734	74.3%	4,758,445	74.0%
Supplies & Materials	3,156,265	77.6%	3,360,916	70.6%
Capital Outlay	768,948	91.9%	580,589	36.8%
Other	(5,917)	-1.1%	(1,191,249)	85.0%
Total Expended	\$ 49,337,544	73.3%	\$ 47,767,155	74.8%

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2013-2014
 Grant Fund - Third Quarter Report
 Nine Month Period Ending March 31, 2014

	Fiscal Year 2013-14			Fiscal Year 2012-13			PROJECTED FY 2013-14 ACTUAL
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	
REVENUES:							
Federal	\$ 8,163,301	\$ 3,548,147	43.5%	\$ 9,208,305	\$ 4,590,871	49.9%	\$ 5,915,068
State	201,681	194,341	N/A	1,918,943	1,064,291	55.5%	259,121
Local	495,493	468,986	N/A	917,342	871,545	95.0%	625,315
TOTAL	\$ 8,860,475	\$ 4,211,474	47.5%	\$ 12,044,590	\$ 6,526,707	54.2%	\$ 6,799,504
EXPENDITURES:							
Salaries	\$ 4,602,867	\$ 2,587,906	56.2%	\$ 3,154,479	\$ 1,933,741	61.3%	\$ 3,450,541
Benefits	1,174,018	699,424	59.6%	806,951	519,201	64.3%	932,565
Purchased Services	1,612,825	1,008,114	62.5%	3,029,452	1,689,302	55.8%	1,344,152
Supplies & Materials	513,958	311,316	60.6%	719,186	438,928	61.0%	415,088
Capital Outlay	257,003	228,600	88.9%	1,728,460	896,254	51.9%	304,800
Other	699,804	264,268	37.8%	2,606,062	1,605,235	61.6%	352,357
TOTAL	\$ 8,860,475	\$ 5,099,628	57.6%	\$ 12,044,590	\$ 7,082,661	58.8%	\$ 6,799,504
REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ (888,154)		\$ -	\$ (555,954)		\$ -
FUND BALANCE:							
Beginning Fund Balance	-	-		-	-		-
Ending Fund Balance	-	(888,154)		-	(555,954)		-

Adams County School District 14
Division of Financial Services
Fiscal Year 2013-2014
Bond Fund - Third Quarter Report
Nine Month Period Ending March 31, 2014

	Fiscal Year 2013-14			Fiscal Year 2012-13			PROJECTED FY 2013-14 ACTUAL
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	
REVENUES:							
Taxes	\$ 6,671,489	\$ 3,725,996	55.8%	\$ 6,272,790	\$ 3,215,139	51.3%	\$ 6,671,489
Payments in Lieu of Taxes	-	23,158		-	43,606		30,877
Miscellaneous	-	-		-	33,717		-
Investment Income	4,000	2,192	54.8%	2,000	3,573	178.7%	2,923
TOTAL	\$ 6,675,489	\$ 3,751,346	56.2%	\$ 6,274,790	\$ 3,296,035	52.5%	\$ 6,705,289
EXPENDITURES:							
Principal Retirement	\$ 3,745,000	\$ 3,745,000	100.0%	\$ 2,525,000	\$ 2,525,000	100.0%	\$ 3,745,000
Interest and Fiscal Charges	4,080,682	2,345,504	57.5%	4,062,660	3,108,140	76.5%	4,080,682
Bond Issue Costs	-	-	N/A	-	541,451	N/A	-
TOTAL	\$ 7,825,682	\$ 6,090,504	77.8%	\$ 6,587,660	\$ 6,174,591	93.7%	\$ 7,825,682
OTHER SOURCES AND USES							
Refunding Bonds Issued	\$ -	\$ -	N/A	\$ -	62,797,630	N/A	\$ -
Issuance Premium	-	-	N/A	-	8,721,976	N/A	-
Payment to Refunding Bond Escrow Agent	-	-	N/A	-	(70,978,155)	N/A	-
TOTAL	\$ -	\$ -	N/A	\$ -	\$ 541,451	N/A	\$ -
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,150,193)	\$ (2,339,158)		\$ (312,870)	\$ (2,337,105)		\$ (1,120,393)
FUND BALANCE:							
Beginning Fund Balance	6,175,675	6,292,697		5,533,929	5,533,929		6,292,697
Ending Fund Balance	5,025,482	3,953,539		5,221,059	3,196,824		5,172,304

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2013-2014
 Capital Projects Fund - Third Quarter Report
 Nine Month Period Ending March 31, 2014

	Fiscal Year 2013-14			Fiscal Year 2012-13			PROJECTED FY 2013-14 ACTUAL
	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	Annual Budget	Actual Year-to-date	Actual as % of Annual Budget	
REVENUES:							
Miscellaneous	\$ -	\$ -	N/A	\$ -	\$ 127,016	100.0%	\$ -
Investment Income	-	1,369	100.0%	2,000	1,317	65.9%	1,825
TOTAL	\$ -	\$ 1,369	100.0%	\$ 2,000	\$ 128,333	6416.7%	\$ 1,825
EXPENDITURES:							
Operations and Maintenance	\$ 2,640,075	\$ 1,750,081	66.3%	\$ 1,177,387	\$ 901,444	76.6%	\$ 2,640,075
Capital Outlay	264,511	411,628	155.6%	3,830,669	753,373	19.7%	264,511
Debt Service Principal	146,000	159,983	109.6%	152,648	152,648	100.0%	146,000
Debt Service Interest	92,000	78,017	84.8%	79,546	85,352	107.3%	92,000
TOTAL	\$ 3,142,586	\$ 2,399,709	76.4%	\$ 5,240,250	\$ 1,892,817	36.1%	\$ 3,142,586
OTHER FINANCING SOURCES							
Transfers In	1,460,000	1,460,000		4,825,000	4,368,750		1,460,000
TOTAL	\$ 1,460,000	\$ 1,460,000	100.0%	\$ 4,825,000	\$ 4,368,750	90.5%	\$ 1,460,000
REVENUES OVER (UNDER) EXPENDITURES	\$ (1,682,586)	\$ (938,340)		\$ (413,250)	\$ 2,604,266		\$ (1,680,761)
FUND BALANCE:							
Beginning Fund Balance	710,982	2,193,505		796,976	734,885		2,193,505
Ending Fund Balance	(971,604)	1,255,165		383,726	3,339,151		512,744

Adams County School District 14
 Division of Financial Services
 Fiscal Year 2013-2014
 Nutrition Fund - Third Quarter Report
 Nine Month Period Ending March 31, 2014

	Fiscal Year 2013-14			Fiscal Year 2012-13			PROJECTED FY 2013-14 ACTUAL
	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	\$ 4,050,376	\$ 2,501,956	61.8%	\$ 4,226,267	\$ 2,994,795	70.9%	\$ 4,050,376
State Match	37,000.00	32,041	86.6%	37,000	33,488	90.5%	37,000
Interest	-	513	0.0%	-	681	100.0%	-
Food Sales	62,500.00	20,284	32.5%	63,890	31,795	49.8%	62,500
TOTAL	\$ 4,149,876	\$ 2,554,794	61.6%	\$ 4,327,157	\$ 3,060,759	70.7%	\$ 4,149,876
EXPENDITURES:							
Salaries	\$ 1,182,430	\$ 865,595	73.2%	\$ 1,119,657	\$ 900,924	80.5%	\$ 1,182,430
Benefits	406,750	288,625	71.0%	386,275	290,127	75.1%	406,750
Purchased Services	139,850	70,947	50.7%	138,700	98,169	70.8%	139,850
Supplies & Materials	1,999,283	1,098,378	54.9%	2,365,733	1,467,545	62.0%	1,999,283
Capital Outlay	534,000	140,594	26.3%	630,600	435,200	69.0%	534,000
Other	148,300	127,001	85.6%	148,200	170,166	114.8%	148,300
TOTAL	\$ 4,410,613	\$ 2,591,140	58.7%	\$ 4,789,165	\$ 3,362,131	70.2%	\$ 4,410,613
REVENUES OVER (UNDER) EXPENDITURES	\$ (260,737)	\$ (36,346)		\$ (462,008)	\$ (301,372)		\$ (260,737)
FUND BALANCE:							
Beginning Fund Balance	1,454,315	1,677,364		1,916,323	1,916,323		1,677,364
Ending Fund Balance	1,193,578	1,641,018		1,454,315	1,614,951		1,416,627

Adams County School District 14
Division of Financial Services
Fiscal Year 2013-2014
Adult Ed Fund - Third Quarter Report
Nine Month Period Ending March 31, 2014

	Fiscal Year 2013-14			Fiscal Year 2012-13			PROJECTED FY 2013-14 ACTUAL
	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	\$ 377,200	\$ 34,941	9.3%	\$ 585,654	\$ 21,547	3.7%	\$ 46,588
General Fund Transfer	-	-	N/A	482,582	361,937	75.0%	
Investment Income	-	388	N/A	200	594	297.0%	517
TOTAL	\$ 377,200	\$ 35,329	9.4%	\$ 1,068,436	\$ 384,078	35.9%	\$ 47,105
EXPENDITURES:							
Salaries	\$ 155,750	\$ 105,595	67.8%	\$ 302,190	\$ 164,324	54.4%	\$ 140,793
Benefits	25,230	29,100	115.3%	136,285	38,564	28.3%	38,800
Purchased Services	29,300	7,279	24.8%	60,282	16,222	26.9%	9,705
Supplies & Materials	44,000	8,872	20.2%	39,000	21,212	54.4%	11,829
Capital Outlay	27,000	23,702	87.8%	44,000	3,179	7.2%	31,603
Other	98,500	6,147	6.2%	101,767	8,608	8.5%	8,196
TOTAL	\$ 379,780	\$ 180,695	47.6%	\$ 683,524	\$ 252,109	36.9%	\$ 240,927
REVENUES OVER (UNDER) EXPENDITURES	\$ (2,580)	\$ (145,366)		\$ 384,912	\$ 131,969		\$ (193,821)
FUND BALANCE:							
Beginning Fund Balance	234,080	440,433		331,750	331,750		440,433
Ending Fund Balance	231,500	295,067		716,662	463,719		246,612