

BOARD OF DIRECTORS

Mike Spence  
Patty Fielding  
Tim Kinhead  
Mev Hoberg  
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SUPERINTENDENT  
Faith A. Chapel

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8489 Madison Avenue NE \* Bainbridge Island, Washington 98100 \* (206) 842-4714 \* Fax: (206) 842-2928

MEMORANDUM

To: Faith Chapel, Superintendent Date: March 20, 2014  
From: Peggy Paige, Director of Business Services  
RE: Monthly Financial Reports – February

Attached are the financial reports for the month ending February 28, 2014

1. General Fund
  - a. Analysis
2. Summary of Fund Balances
  - a. Budget Status Reports

Analysis of General Fund

Revenue

Total General Fund revenues to February 28 were \$18.6 million, 5% more than for the same period last year and at the average. While tax collections are slightly higher than the expected average we don't expect to collect more than budgeted. Local nontax revenues are below the 3 year average. A donation from the Bainbridge Schools Foundation was received earlier in a prior year so the expected percentage is inflated. When compared to last year at this time, we have actually collected more in local revenues. State revenues related to Basic Ed are beginning to move above the expected average since we will receive more than budget estimates with our increased enrollment. Special Ed is still below the average but enrollment (and funding) tends to increase as we progress through the year and Safety Net revenues are not received until year end. Transportation has been adjusted for actual funding and we expect to receive about \$7000 less than budget estimates in this area. Federal revenues are up compared to prior year at this time due to the submittal of previously delayed reimbursement claims.

## Expenditure

Expenditures for the year to February 28 total \$19.7 million, which is 8.6% higher than for the same period last year. Year-to-date expenditures are above the average.

Total expense for Regular (Basic) Education increased 10 % over last year and is above the average. While some of this increase is due to salary adjustments (restoration of previous year reductions) and payment for extra professional development days at the beginning of the school year we are spending at a pace that suggests that we will exceed budgeted salary estimates. A review of actual FTE staffing indicates that we are about 3 FTE above original budget. It is important to remember that we are getting additional revenues to offset the additional staffing costs.

Total special education costs are up 7.2% compared to last year and are above the 3-year average. This area is also impacted by salary restoration and payment for extra days and is being reviewed to compare budgeted FTE to actual FTE, as are payments for outside services to determine the extent to which they may exceed budget estimates. Some of these excess costs *may* be offset with an increase in Safety Net revenues.

Vocational expense is down from last year and the average. We do expect to see a change in this area in March after posting an adjustment for salaries coded in error to Basic Ed.

Compensatory education is as expected per the annual budget. This category fluctuates throughout the year due to the fact that certain expense items (such as teacher certification bonus) do not occur in a regular monthly pattern.

Other Instruction reflects expenditures for the Highly Capable Program. In prior years this category also included professional development expenditures funded by a Math/Science grant. Since many of these activities took place near the end of the fiscal year the 3 year average is lower than current year.

Total Support Services is above last year and the average. Transportation/Motor Pool expenditures are below last February, primarily in the purchase of supplies (including diesel). Operation, Buildings is down from last year but above the average. Benefit costs were under-budgeted in this area. Utilities are up from prior year and above the expected average due to a sharp increase in the cost of propane. Substitute costs are up in Food Service but the program is not expected to exceed budget estimates. Maintenance is up from prior year primarily due to some necessary (but unbudgeted) repairs. A transfer in March to reimburse the General Fund for Capital Projects salaries should bring the YTD percentage closer to the expected average. Information Services increases are related to the timing of payment for contract renewals, leave payoffs and Tech Levy purchases. Central Office expenditures are up from prior year and are currently running above the average. There have been unbudgeted expenditures (review of all certificated personnel files, leasehold tax due on parking revenues) and atypical levels of expense in substitute costs, overtime and legal fees.

## Cash Flow

Net cash outflow during February was \$422,622. As of February 28, 2014, the closing cash balance in the general fund was \$1,636,208.

**GENERAL FUND CASH FLOW FORECAST 2013-14**  
**February 2014**

	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January	Actual February
<b>OPENING CASH BALANCE</b>							
Imprest	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00
Cash on hand	(466.44)	151,796.11	135,962.79	77,387.54	92,129.47	66,956.45	97,967.27
Warrants outstanding	1,143,553.36	1,575,365.97	1,726,806.39	3,740,316.24	1,920,488.67	1,328,195.69	1,317,972.89
Investments	(937,667.93)	(1,256,735.52)	(1,406,631.35)	(1,250,590.74)	(1,107,944.64)	(1,218,613.08)	(1,092,129.70)
<i>Total opening cash balance</i>	3,122,187.97	2,623,531.67	1,824,622.57	1,825,447.92	2,526,251.72	2,527,211.48	1,728,219.06
	3,334,406.96	3,100,758.23	2,287,560.40	4,399,360.96	3,437,725.22	2,710,550.54	2,058,829.52
<b>Cash Inflows</b>							
Local taxes	50,026.73	274,788.31	2,872,732.60	816,891.19	50,401.84	47,109.61	182,622.47
Local Support nontax	12,977.88	588,945.10	223,441.65	176,718.73	175,445.68	176,548.02	191,550.57
State, general purpose	1,901,633.82	1,805,717.59	1,807,744.97	1,104,737.51	1,807,752.28	1,991,646.20	1,852,828.66
State, special purpose	559,214.76	298,939.77	304,082.70	188,433.61	308,680.90	288,427.97	365,529.92
Federal, general purpose	-	-	-	-	-	-	-
Federal, special purpose	290,737.33	(3,154.43)	109,641.59	130,250.81	92,108.80	110,799.52	166,694.76
Other Financing Sources	50,013.62	-	-	-	159,863.97	-	-
Adjustments (accruals, receivables due)	(68,977.42)	204,939.98	2,589.85	-	-	-	-
<i>Total cash inflows</i>	2,795,626.72	3,170,176.32	5,320,233.36	2,417,031.85	2,594,253.47	2,614,531.32	2,759,226.38
<b>Cash Outflows</b>							
Regular Instruction	(2,079,156.22)	(2,280,623.77)	(1,882,448.34)	(1,983,276.17)	(1,774,473.50)	(1,921,138.66)	(1,848,774.47)
Special Education Instruction	(400,177.87)	(437,658.68)	(462,705.33)	(493,461.85)	(476,465.43)	(481,792.77)	(481,956.28)
Vocational Education Instruction	(83,038.80)	(58,612.47)	(77,256.82)	(61,825.65)	(62,461.74)	(60,896.03)	(67,000.39)
Compensatory Education Instruction	(36,378.34)	(36,990.65)	(36,163.17)	(40,094.74)	(35,779.41)	(60,144.88)	(35,389.37)
Other Instructional Programs	(73,401.13)	(573.77)	(2,346.09)	(11,347.45)	(3,130.97)	(1,247.97)	(2,110.55)
Support services	(729,549.09)	(596,957.69)	(754,254.80)	(849,249.81)	(900,428.19)	(739,155.52)	(746,529.04)
Adjustments (accruals, payables due)	372,426.00	(571,957.12)	6,741.75	60,588.08	(68,688.91)	(1,876.51)	(88.18)
<i>Total cash outflows</i>	(3,029,275.45)	(3,983,374.15)	(3,208,432.80)	(3,378,667.59)	(3,321,428.15)	(3,266,252.34)	(3,181,848.28)
<b>Net change in cash balance</b>	<b>(233,648.73)</b>	<b>(813,197.83)</b>	<b>2,111,800.56</b>	<b>(961,635.74)</b>	<b>(727,174.68)</b>	<b>(651,721.02)</b>	<b>(422,621.90)</b>
<b>CLOSING CASH BALANCE</b>	<b>3,100,758.23</b>	<b>2,287,560.40</b>	<b>4,399,360.96</b>	<b>3,437,725.22</b>	<b>2,710,550.54</b>	<b>2,058,829.52</b>	<b>1,636,207.62</b>
<b>Composition of closing cash balance</b>							
Imprest	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00
Cash on hand	151,796.11	135,962.79	77,387.54	92,129.47	66,956.45	97,967.27	161,767.68
Warrants outstanding	1,143,553.36	1,575,365.97	1,726,806.39	3,740,316.24	1,328,195.69	1,317,972.89	1,301,000.26
Investments	(937,667.93)	(1,256,735.52)	(1,406,631.35)	(1,250,590.74)	(1,107,944.64)	(1,092,129.70)	(1,112,247.68)
<i>Total closing cash balance</i>	3,100,758.23	2,287,560.40	4,399,360.96	3,437,725.22	2,710,550.54	2,058,829.52	1,636,207.62

## GENERAL FUND CASH FLOW FORECAST 2013-14 February 2014

	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Budget 2013-14
<b>OPENING CASH BALANCE</b>							
Imprest							
Cash on hand							
Cash on deposit							
Warrants outstanding							
Investments							
<i>Total opening cash balance</i>	1,636,207.62	1,782,914.72	3,882,048.75	3,582,667.02	2,561,791.67	2,014,156.42	
<b>Cash Inflows</b>							
Local taxes	307,803.34	2,840,908.00	1,124,061.69	134,571.78	46,053.77	46,290.36	8,806,000.00
Local Support nontax	660,796.77	224,367.01	256,993.32	233,250.91	110,119.26	144,330.15	3,157,900.00
State, general purpose	1,853,406.60	1,850,921.17	1,129,336.35	1,234,606.79	2,058,627.33	2,051,406.05	20,090,000.00
State, special purpose	364,195.12	350,708.27	218,686.08	271,691.58	392,209.80	416,957.99	3,983,900.00
Federal, general purpose							
Federal, special purpose	104,617.89	88,366.05	168,736.63	173,661.00	112,315.66	152,738.86	1,188,700.00
Other Financing Sources	40,000.00			35,000.00		35,000.00	271,000.00
Adjustments (accruals, receivables due)		50,000.00	6,000.00	2,000.00		140,000.00	
<i>Total cash inflows</i>	3,330,819.73	5,405,270.49	2,903,814.07	2,084,782.06	2,719,325.82	2,986,723.42	37,497,500.00
<b>Cash Outflows</b>							
Regular Instruction	(1,913,123.41)	(1,995,110.03)	(1,907,503.97)	(1,907,606.41)	(1,876,848.53)	(1,821,556.51)	23,306,725.00
Special Education Instruction	(464,870.64)	(463,317.90)	(464,779.21)	(467,428.50)	(435,036.63)	(440,043.00)	5,235,414.00
Vocational Education Instruction	(76,848.15)	(78,356.17)	(73,274.29)	(75,057.11)	(70,916.98)	(69,391.66)	933,855.00
Compensatory Education Instruction	(32,581.27)	(33,841.78)	(32,044.64)	(51,307.62)	(105,478.15)	(153,154.69)	670,646.00
Other Instructional Programs	(3,407.47)	(3,569.52)	(4,608.50)	(2,394.28)	(13,574.14)	(11,169.40)	66,407.00
Support services	(693,281.70)	(731,941.06)	(720,985.19)	(601,863.48)	(765,106.63)	(553,889.61)	8,374,738.00
Adjustments (accruals, payables due)						75,000.00	
<i>Total cash outflows</i>	(3,184,112.63)	(3,306,136.46)	(3,203,195.80)	(3,105,657.41)	(3,266,961.07)	(2,974,204.87)	38,587,785.00
<b>Net change in cash balance</b>	146,707.10	2,099,134.03	(299,381.73)	(1,020,875.35)	(547,635.25)	12,518.54	(1,090,285.00)
<b>CLOSING CASH BALANCE</b>	1,782,914.72	3,882,048.75	3,582,667.02	2,561,791.67	2,014,156.42	2,026,674.97	
Composition of closing cash balance							
Imprest							
Cash on hand							
Cash on deposit							
Warrants outstanding							
Investments							
<i>Total closing cash balance</i>							

GENERAL FUND  
Summary of Revenues & Expenses  
February 28, 2014

	Feb-14 Actual YTD \$	% Incr/Decr prior year	Feb-13 Actual YTD \$	Annual Budget Budget	% YTD	Avg %
Revenues - By Revenue Source						
Local Taxes	4,244,546	-0.8%	4,279,189	8,806,000	48.2%	47.9%
Local Nontax	1,532,650	0.8%	1,520,074	3,157,900	48.5%	53.3%
State, General Purpose						
Basic Education	10,159,004	9.9%	9,432,480	19,665,000	51.7%	51.0%
Special Education	211,423	7.3%	197,081	425,000	49.7%	50.5%
State, Special Purpose						
Special Education	1,176,592	2.4%	1,148,797	2,645,000	44.5%	46.7%
Transportation	474,379	11.5%	425,639	945,000	50.2%	50.5%
Other	262,988	26.2%	208,413	664,900	39.6%	42.6%
Federal, Special Purpose	606,341	6.0%	571,961	1,188,700	51.0%	44.8%
<b>TOTAL</b>	<b>18,667,923</b>	<b>5.0%</b>	<b>17,783,633</b>	<b>37,497,500</b>	<b>49.8%</b>	<b>49.7%</b>

	Actual YTD \$	% Incr/Decr prior year	Actual YTD \$	Budget	% YTD	Avg %
Expenses - By program code						
Regular Instruction*						
Teaching	8,755,833	10.6%	7,916,282	17,679,639	49.5%	48.6%
Principal	1,135,106	5.4%	1,076,991	2,303,166	49.3%	49.2%
Guidance/Counseling	534,439	14.2%	467,920	1,049,612	50.9%	47.0%
Learning Resources	367,398	9.7%	334,969	651,939	56.4%	50.9%
Extracurricular	363,381	-4.0%	378,474	610,369	59.5%	55.6%
Other	544,061	15.6%	470,779	1,012,000	53.8%	50.0%
<b>Total Regular (Basic) Ed.</b>	<b>11,700,217</b>	<b>9.9%</b>	<b>10,645,416</b>	<b>23,306,725</b>	<b>50.2%</b>	<b>48.9%</b>
Special Education						
Teaching	2,014,840	7.4%	1,876,274	3,625,388	55.6%	49.7%
Other	809,718	6.7%	758,526	1,610,026	50.3%	49.8%
<b>Total Special Ed.</b>	<b>2,824,558</b>	<b>7.2%</b>	<b>2,634,799</b>	<b>5,235,414</b>	<b>54.0%</b>	<b>49.7%</b>
Vocational Education	388,053	-16.9%	466,867	933,855	41.6%	49.2%
Compensatory Education	244,562	20.6%	202,828	670,646	36.5%	39.8%
Other Instruction	20,757	-9.8%	23,002	36,407	57.0%	30.6%
Support Services						
Transportation/Motor Pool	709,923	-2.8%	730,363	1,407,692	50.4%	51.6%
Operation Buildings	737,023	-1.6%	748,975	1,426,972	51.6%	49.5%
Utilities	637,442	21.9%	522,884	1,290,000	49.4%	46.5%
Food Services	497,848	-0.5%	500,518	956,526	52.0%	51.6%
Maint/Grounds	534,887	7.7%	496,705	844,249	63.4%	57.7%
Information Services	450,527	21.5%	370,883	705,129	63.9%	57.4%
Central Office	731,777	24.9%	585,777	1,437,068	50.9%	49.1%
Other	287,148	8.3%	265,130	337,102	85.2%	82.7%
<b>Total Support Services</b>	<b>4,586,575</b>	<b>8.7%</b>	<b>4,221,234</b>	<b>8,404,738</b>	<b>54.6%</b>	<b>52.5%</b>
<b>TOTAL</b>	<b>19,764,722</b>	<b>8.6%</b>	<b>18,194,147</b>	<b>38,587,785</b>	<b>51.2%</b>	<b>49.7%</b>

Excess (Deficiency) of Revenues over Expenditures	(1,096,800)	(410,514)	(1,090,285)
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**SUMMARY OF FUND BALANCES**

28-Feb-14

	Feb-14 YTD Actual	2013-14 Annual Budget
<b>General Fund</b>		
Opening fund balance		
Reserved for Inventory	165,000.00	200,000.00
Restricted for Carryover	-	-
Committed to Minimum Fund Balance	1,100,000.00	1,100,000.00
Assigned to Other Purposes	1,265,000.00	1,100,000.00
Unassigned	<u>326,741.53</u>	<u>300,000.00</u>
Total opening fund balance	2,856,741.53	2,700,000.00
Revenue	18,667,922.87	37,497,500.00
Expenditure	<u>(19,764,722.42)</u>	<u>(38,587,785.00)</u>
Excess (Deficiency) of Revenues over Expenditures	(1,096,799.55)	(1,090,285.00)
Reserved for Inventory	165,000.00	200,000.00
Restricted for Carryover	-	-
Committed to Minimum Fund Balance	1,100,000.00	1,100,000.00
Assigned to Other Purposes	1,265,000.00	150,000.00
Unassigned	<u>(770,058.02)</u>	<u>159,715.00</u>
Total closing fund balance	<u>1,759,941.98</u>	<u>1,609,715.00</u>
<b>Capital Projects Fund</b>		
Opening fund balance	5,944,861.46	6,000,000.00
Revenue	7,771,823.64	8,575,000.00
Expenditure	<u>(1,839,896.21)</u>	<u>(9,067,516.00)</u>
Reserve of bond proceeds	10,473,781.28	4,746,345.00
Reserve of levy proceeds	1,157,773.17	482,139.00
Unreserved Fund Balance	<u>245,234.44</u>	<u>279,000.00</u>
Closing fund balance	<u>11,876,788.89</u>	<u>5,507,484.00</u>
<b>Debt Service Fund</b>		
Opening fund balance	3,608,198.52	3,570,000.00
Revenue	3,935,259.39	8,355,000.00
Expenditure		
Principal	(2,115,000.00)	(5,040,000.00)
Interest	(1,739,378.88)	(3,585,000.00)
Other	-	<u>(5,000.00)</u>
Closing fund balance	<u>3,689,079.03</u>	<u>3,295,000.00</u>
<b>ASB Fund</b>		
Opening fund balance	309,891.04	283,000.00
Revenue	277,399.01	643,800.00
Expenditure	<u>(182,519.30)</u>	<u>(881,319.00)</u>
Closing fund balance	<u>404,770.75</u>	<u>45,481.00</u>
<b>Transportation Vehicle Fund</b>		
Opening fund balance	416,493.32	410,000.00
Revenue		
Depreciation	-	40,000.00
Investment Earnings	906.37	1,500.00
Grant Revenue	-	-
Sale of Equipment	-	-
Expenditure	-	<u>(340,000.00)</u>
Closing fund balance	<u>417,399.69</u>	<u>111,500.00</u>

10--General Fund-- FUND BALANCE -- AGENCY ACCOUNTS -- Revised -- BUDGET-STATUS-REPORT  
 Fiscal Year 2013 (September 1, 2013 - August 31, 2014)

for the BAINBRIDGE ISLAND SD #303 School District for the Month of February, 2014

	ANNUAL BUDGET	ACTUAL FOR MONTH	ACTUAL FOR YEAR	ENCUMBRANCES	BALANCE	PERCENT
<u>REVENUES/OTHER FIN. SOURCES</u>						
00 LOCAL TAXES	8,806,000	182,622.47	4,244,546.02		4,561,453.98	48.20
00 LOCAL SUPPORT NONTAX	3,157,900	191,550.57	1,532,649.75		1,625,250.25	48.53
00 STATE, GENERAL PURPOSE	20,090,000	1,852,828.66	10,370,427.21		9,719,572.79	51.62
00 STATE, SPECIAL PURPOSE	3,983,900	365,529.92	1,754,094.87		2,229,805.13	44.03
00 FEDERAL, GENERAL PURPOSE	0	.00	.00		.00	0.00
00 FEDERAL, SPECIAL PURPOSE	1,188,700	166,694.76	606,341.05		582,358.95	51.01
00 REVENUES FR OTH SCH DIST	0	.00	.00		.00	0.00
00 OTHER AGENCIES AND ASSOCIATES	0	.00	.00		.00	0.00
00 OTHER FINANCING SOURCES	271,000	.00	159,863.97		111,136.03	58.99
<u>Total REVENUES/OTHER FIN. SOURCES</u>	37,497,500	2,759,226.38	18,667,922.87		18,829,577.13	49.78
<u>EXPENDITURES</u>						
Regular Instruction	23,304,625	1,858,256.71	11,700,217.15	10,264,464.41	1,339,943.44	94.25
Federal Stimulus	0	.00	.00	0.00	.00	0.00
Special Ed Instruction	5,236,914	472,474.04	2,824,558.10	2,641,095.61	228,739.71-	104.37
Voc. Ed Instruction	933,855	67,000.39	388,053.10	334,109.03	211,692.87	77.33
Skills Center Instruction	0	.00	.00	0.00	.00	0.00
+60 Compensatory Ed Instruct.	670,646	35,389.37	244,562.22	212,129.80	213,953.98	68.10
Other Instructional Pgms	36,907	2,110.55	20,756.80	12,840.56	3,309.64	91.03
Community Services	30,000	.00	.00	0.00	30,000.00	0.00
Support Services	8,374,838	746,529.04	4,586,575.05	3,613,432.80	174,830.15	97.91
<u>Total EXPENDITURES</u>	38,587,785	3,181,760.10	19,764,722.42	17,078,072.21	1,744,990.37	95.48
<u>OTHER FIN. USES TRANS. OUT (GL 536)</u>	0	.00	.00			
<u>OTHER FINANCING USES (GL 535)</u>	0	.00	.00			
<u>EXCESS OF REVENUES/OTHER FIN.SOURCES</u>						
<u>OVER (UNDER) EXP/OTH FIN USES (A-B-C-D)</u>	1,090,285-	422,533.72-	1,096,799.55-		6,514.55-	0.60
<u>TOTAL BEGINNING FUND BALANCE</u>	2,700,000		2,856,741.53			
<u>G/L 898 PRIOR YEAR ADJUSTMENTS (+OR-)</u>	XXXXXXXXX		.00			
<u>TOTAL ENDING FUND BALANCE</u>	1,609,715		1,759,941.98			
<u>(E+F + OR - G)</u>						

ENDING FUND BALANCE ACCOUNTS:

L 810 Restricted For Other Items	0	.00
L 815 Restrict Unequalized Deduct Rev	0	.00
L 821 Restrictd for Carryover	0	.00
L 825 Restricted for Skills Center	0	.00
L 828 Restricted for C/O of FS Rev	0	.00
L 830 Restricted for Debt Service	0	.00
L 835 Restrictd For Arbitrage Rebate	0	.00
L 840 Nonspnd FB - Invent/Prepd Itms	200,000	165,000.00
L 845 Restricted for Self-Insurance	0	.00
L 850 Restricted for Uninsured Risks	0	.00
L 870 Committed to Other Purposes	0	.00
L 872 Committd to Min Fnd Bal Policy	1,100,000	1,100,000.00
L 875 Assigned Contingencies	0	.00
L 884 Assigned to Other Cap Projects	0	.00
L 888 Assigned to Other Purposes	150,000	1,265,000.00
L 890 Unassigned Fund Balance	159,715	770,058.02-
<u>TOTAL</u>	1,609,715	1,759,941.98