



# Oregon City School District No. 62

*Learning to be our Best*

PO Box 2110 (1417 12<sup>th</sup> St.), Oregon City, Oregon 97045-5010

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Larry Didway, Superintendent

DATE: November 13, 2017

TO: Board Members

FROM: Susan Dodd, CFO

A handwritten signature in cursive script that reads "Susan Dodd".

RE: Financial Update for the Quarter Ended September 30, 2017

The attached report summarizes updated preliminary financial statements for the General Fund for Oregon City School District for the first quarter ended September 30, 2017 for fiscal 2017-18. The information in this memo summarizes the financial trends for the quarter in comparison with the District's Adopted Budget and presents a projection for year-end. A new projection will be provided after the second quarter results from December once a Supplemental Budget is adopted by the Board.

## **Prior Year 2016-17 Recap**

The District's audited financial statements are in the process of being finalized and will be presented in the Comprehensive Annual Financial Report (CAFR) in late December. The projected ending fund balance has increased slightly in the amount of \$75,084 from the District's year-end projected Financial Statement. The current projected ending fund balance for 2016-17 and beginning fund balance for 2017-18 is \$3,058,947 versus \$2,983,863 projected earlier.

## **Comparison of the 2017-18 Original Adopted Budget to Projected Financial Results**

- **Revenue** – There is a \$1.6 million increase in revenue collection over budgeted revenue. The majority of this is comprised of a \$1.5 million increase in the State School Fund. The state's budget was not finalized until July of 2017. There is a pick-up in forecasted property tax revenues over budgeted revenues of \$.3 million. The remaining difference, a decrease of \$.2, is other adjustments in other revenue categories including the beginning fund balance. Recall that the beginning fund balance for the adopted budget was projected in the spring of 2017.
- **Expenditures** - Expenditures are forecasted based on realization rates for prior years and known approved expenditures. The Adopted Budget included a reduction of expenditures for employee reductions based on the State's estimated budget for the State School Fund in the Spring of 2017. Current expenditures are trending at \$.5 million under the Adopted Budget. This will be corrected once the Board approves a Supplemental Budget.
- **Summary and Look Ahead** – Currently the District does not have ratified employee contracts in place. Enrollment has increased slightly by 50 students from October of the prior year; however our final funding for the current year will not be determined until the Spring. District finances for 2018-19 look bleak. The district is forecasting employee reductions based on contractual increases with the current status of state funding and greater reductions if the state school fund is reduced from the passage of Measure 101 in January 2018.

**OREGON CITY SCHOOL DISTRICT #62**  
**YTD ACTIVITY AND FORECAST**  
**GENERAL FUND**  
**FOR THE PERIOD ENDED September 30, 2017**  
*(\$ In millions)*

	Prior Year Actuals				Budget-Adopted	Actuals	Forecast				Notes
	Fiscal Year 2013-14	Fiscal Year 2014-15 *	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	YTD Actuals Through September	Forecast Through 9/30/2017	Forecast Through 12/31/2017	Forecast Through 3/31/2018	Forecast Through 6/30/2018	September
<b>REVENUES:</b>											
Beginning Fund Balance	\$ 3.0	\$ 3.7	\$ 3.9	\$ 4.5	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	
<b>Formula Revenue and Specialized State Grants</b>											
State School Fund:											(1)
State School Fund	42.7	45.3	47.2	45.2	48.1	16.4	49.6				
Property Taxes	20.9	22.3	23.4	24.5	25.3	0.1	25.6				
Common School Fund	0.3	1.1	0.9	0.9	1.0	-	1.0				
County School Fund	-	-	-	-	-	-	-				
Federal Forest Fees	-	-	0.1	-	-	-	-				
High Cost Disabilities	0.4	0.2	0.5	0.7	0.7	-	0.7				
<b>Total State/Formula Revenue</b>	<b>64.3</b>	<b>68.9</b>	<b>72.1</b>	<b>71.3</b>	<b>75.1</b>	<b>16.5</b>	<b>76.9</b>				
<b>Exempt Revenue</b>											
CESD Transit Payments	-	0.4	0.8	0.8	0.9	-	0.8				
Fees Charged and Rental Income	1.0	0.9	1.0	1.0	1.1	0.2	1.0				
Investment Earnings	0.1	-	0.2	0.2	0.2	0.1	0.2				
Other	0.5	0.6	0.4	0.4	0.4	-	0.4				
Transfers in	0	0.3	-	-	-	-	-				
<b>Total Exempt Revenue</b>	<b>1.9</b>	<b>2.2</b>	<b>2.4</b>	<b>2.4</b>	<b>2.6</b>	<b>0.3</b>	<b>2.4</b>				
<b>Total</b>	<b>\$ 69.2</b>	<b>\$ 74.8</b>	<b>\$ 78.4</b>	<b>\$ 78.2</b>	<b>\$ 80.8</b>	<b>\$ 19.9</b>	<b>\$ 82.4</b>	<b>\$ 3.1</b>	<b>\$ 3.1</b>	<b>\$ 3.1</b>	
<b>EXPENDITURES:</b>											
Salaries	\$ 33.2	\$ 35.6	\$ 37.3	\$ 38.3	\$ 38.2	\$ 4.3	39.3				(2)
Benefits	18.8	20.5	20.5	20.9	24.1	2.6	23.5				(2)
Purchased Services	11.4	12.3	13.2	13.3	14.5	2.8	14.8				(2)
Supplies & Materials	2.0	1.9	2.4	2.0	2.4	0.5	2.3				(2)
Capital Outlay	-	-	-	0.0	0.1	0.0	-				(2)
Other	0.4	0.5	0.4	0.4	0.2	0.1	0.2				(2)
Transfers out	0.1	0.1	0.1	0.2	0.3	-	0.3				
Subtotal	65.9	70.9	73.9	75.1	79.8	10.3	80.3	\$ -	\$ -	\$ -	
CONTINGENCY:	-	-	-	-	1.1	-	-				
<b>Total</b>	<b>\$ 65.9</b>	<b>\$ 70.9</b>	<b>\$ 73.9</b>	<b>\$ 75.1</b>	<b>\$ 80.8</b>	<b>\$ 10.3</b>	<b>\$ 80.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
		* Prior Period Adjustment				* Measure 98 Adjustment					
Ending fund balance	3.3	3.9	4.5	3.1			3.1				
	4.77%	5.21%	5.74%	3.91%							
<b>Projected ending fund balance percentage of actual (forecast) revenue</b>							<b>3.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	

NOTES: DIFFERENCE IN CURRENT QUARTERLY FORECAST OVER ORIGINAL BUDGET

(1) Based on Estimated Supplemental Budget  
(2) Based on Estimated Trending Through Year End

REPORT OF CHANGES IN FUND BALANCE	2017-18		June 30, 2018
	Budget	Projected	Projected
Beginning Unreserved Undesignated Fund Balance	\$ 3,120,000	\$ 3,058,947	\$ 3,058,947
Resources	77,676,348	79,383,305	79,383,305
Expenditures	79,736,348	80,360,000	80,360,000
Less Measure 98 Reimbursement		(986,710)	(986,710)
Budgeted Reserve	1,060,000	-	-
<b>UNRESERVED FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 3,068,962</b>	<b>\$ 3,068,962</b>
		Percent of Total Resources	3.72%