



Washington County Schools

FIRST QUARTER
FISCAL YEAR 2016
GENERAL FUND - BUDGET REVIEW



FISCAL YEARS 2015 & 2016 TOTAL BUDGET AND FIRST QUARTER ACTUALS - SUMMARY ALL FUNDS

FUND	PRIOR FISCAL YEAR 2015 FIRST QUARTER				CURRENT FISCAL YEAR 2016 FIRST QUARTER			
	PRIOR FY 2015 Q1 TOTALS	FY 2015 REVISED BUDGET	FY 2015 AVAILABLE BUDGET	FY 2015 BUDGET % REMAINING	CURRENT FY 2016 Q1 TOTALS	CURRENT FY 2016 REVISED BUDGET	CURRENT FY 2016 BUDGET REMAINING	FY 2016 BUDGET % REMAINING
Revenue								
312 - General Fund-School	\$15,049,463	\$76,513,908	\$61,464,445	80.3%	\$15,819,998	\$75,920,474	\$60,100,476	79.2%
315 - School Textbook	108,906	1,926,180	1,817,274	94.3%	1,931,893	2,515,717	583,824	23.2%
316 - School Facilities	-	1,587,978	1,587,978	100.0%	873,795	873,795	0	0.0%
317 - School Cafeteria	370,823	4,191,390	3,820,567	91.2%	776,752	3,555,636	2,778,885	78.2%
Revenue Total	15,529,192	84,219,456	68,690,264	81.6%	19,402,438	82,865,622	63,463,185	76.6%
Expense								
312 - General Fund-School	15,667,180	76,513,908	59,505,004	79.5%	15,820,033	75,920,474	60,100,441	79.2%
315 - School Textbook	22,239	1,926,180	1,744,607	98.8%	237,655	2,515,717	2,278,062	90.6%
316 - School Facilities	96,139	1,587,978	1,480,250	93.9%	-	873,795	873,745	100.0%
317 - School Cafeteria	670,891	4,191,390	3,520,499	84.0%	642,227	3,555,636	2,913,409	81.9%
Expense Total	16,456,449	84,219,456	67,763,077	80.5%	16,699,915	82,865,622	66,165,707	79.8%
Total	(\$927,257)		\$927,257		\$2,702,523			



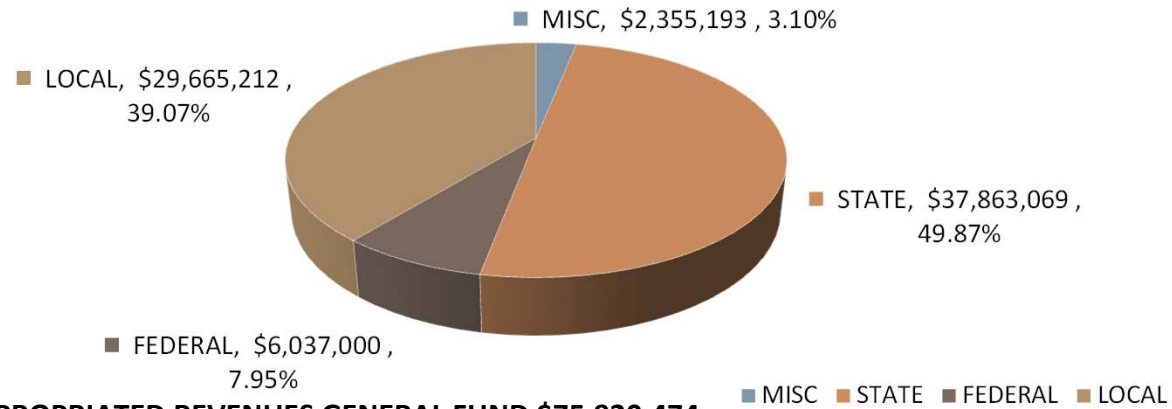
REVENUES GENERAL FUND

FIRST QUARTER
FISCAL YEAR 2016



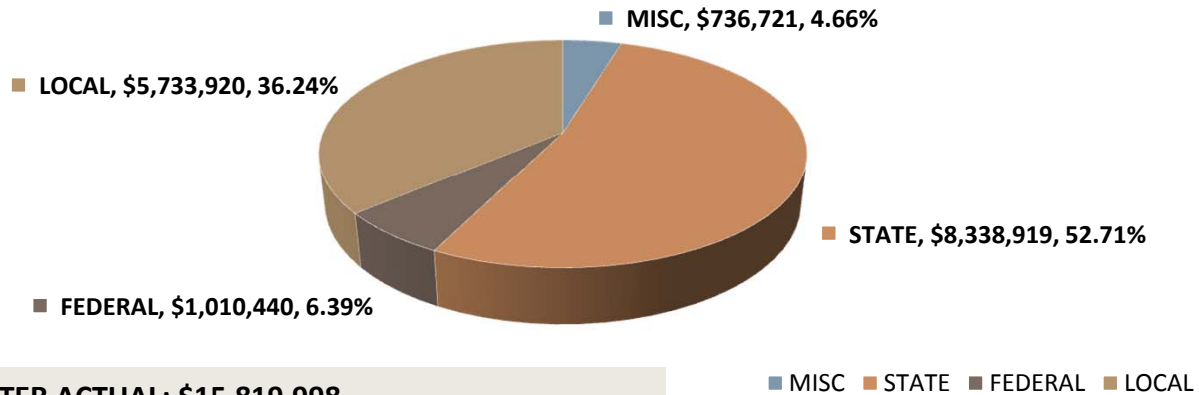
REVENUES

312 GENERAL FUND - 2016 APPROPRIATED BUDGET



FISCAL YEAR 2016 APPROPRIATED REVENUES GENERAL FUND \$75,920,474

312 GENERAL FUND REVENUES - 2016 FIRST QUARTER

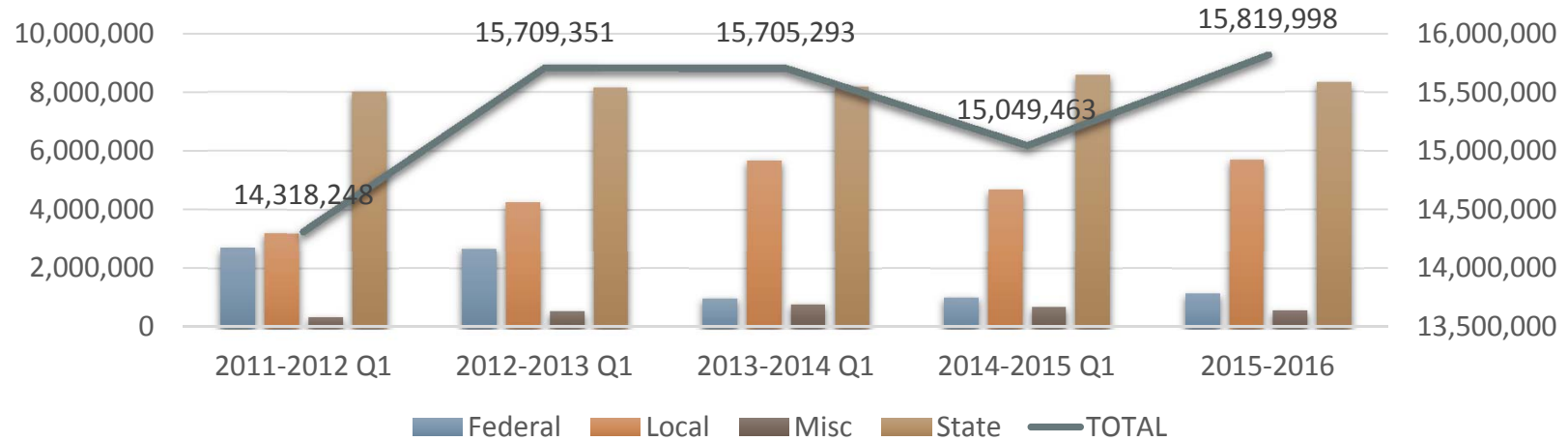


FY 2016 FIRST QUARTER ACTUAL: \$15,819,998



Revenues-Prior Year Comparatives

GENERAL FUND - FIVE YEAR COMPARATIVE



	2011-2012 Q1	2012-2013 Q1	2013-2014 Q1	2014-2015 Q1	2015-2016 Q1	Variance Current Yr vs. Previous Yr	% Variance
Federal	2,711,196	2,703,435	1,001,255	1,036,294	1,010,440	-25,854	-2.49%
Local	3,218,108	4,269,035	5,702,374	4,706,496	5,733,920	1,027,424	21.83%
Misc	348,105	554,766	797,917	697,360	736,720	39,360	5.64%
State	8,040,839	8,182,115	8,203,747	8,609,312	8,338,919	-270,394	-3.14%
TOTAL	14,318,248	15,709,351	15,705,293	15,049,463	15,819,998	770,536	5.12%



REVENUES

First Quarter FYE 2015-16 Review of Material Differences

- General Fund Revenues 1st quarter current year (FYE 15/16) increased over first quarter last year (FYE 14/15) by \$770,536 (5.12% increase).

❖ Miscellaneous Revenues

Misc. revenues are up \$39,360 (5.64%) over this quarter last fiscal year.

- Medicaid reimbursements were down \$130,942.30 FY 2016 from FY 2015.
- Annual administrative fees from Governor School down \$49,000. This is a timing difference to be reversed in the second fiscal quarter.
- \$143,648.50 was received in August for the sale of Highpoint Elementary School land.
- VACORP Insurance claims reimbursement for \$32,253.53 was received 8/14/15.

❖ Federal Revenues

Federal revenues are down from first quarter prior year by \$25,854 (-2.49%)

- The \$25,854 negative variance in federal receipts are timing differences for the first quarter of the fiscal year.
- The majority of the federal variance was due to Title VI-B Flow Through funds.

❖ State Revenues

- State revenues were down \$270,394 from the first quarter of the prior fiscal year 2015 mainly due to decreased state ADM projections which impact basic aid (down \$203,505) and other enrollment based funding (down \$28,706).
- First quarter state sales taxes were up over prior fiscal year by \$77,207.



REVENUES

First Quarter FYE 2015-16 Overview

❖ State Revenue Variances Continued

- State revenues included additional \$31,844 in the state's share of the 1.5% compensation supplement to employees that is offset by a reduction of \$32,536 in funding for retirement due to the slight decrease in VRS for fiscal year 2016.
- Total budgeted state revenues are \$37,863,069, first quarter FY 2016 state revenues of \$8,338,918 are 22.02% of our budgeted state revenues compared with the first quarter of last fiscal year of 22.81%. Therefore, while state revenues are down from the prior fiscal year, the decrease is mainly due to ADM as projected. State revenues are on target as projected for FY 2016.
- Our FYE 15/16 budget was prepared based on ADM of 7,082.02. This amount will be reconciled with the actual March '16 ADM submission & reimbursements will be adjusted accordingly in the fourth quarter.

❖ Local Revenues

- Local transfers are up over last year by \$1,027,424.
- Total General Fund first quarter county receipts were \$5,733,933. This amount is 25.03% of the local appropriations for FYE 15/16 and within target of the annual plan.



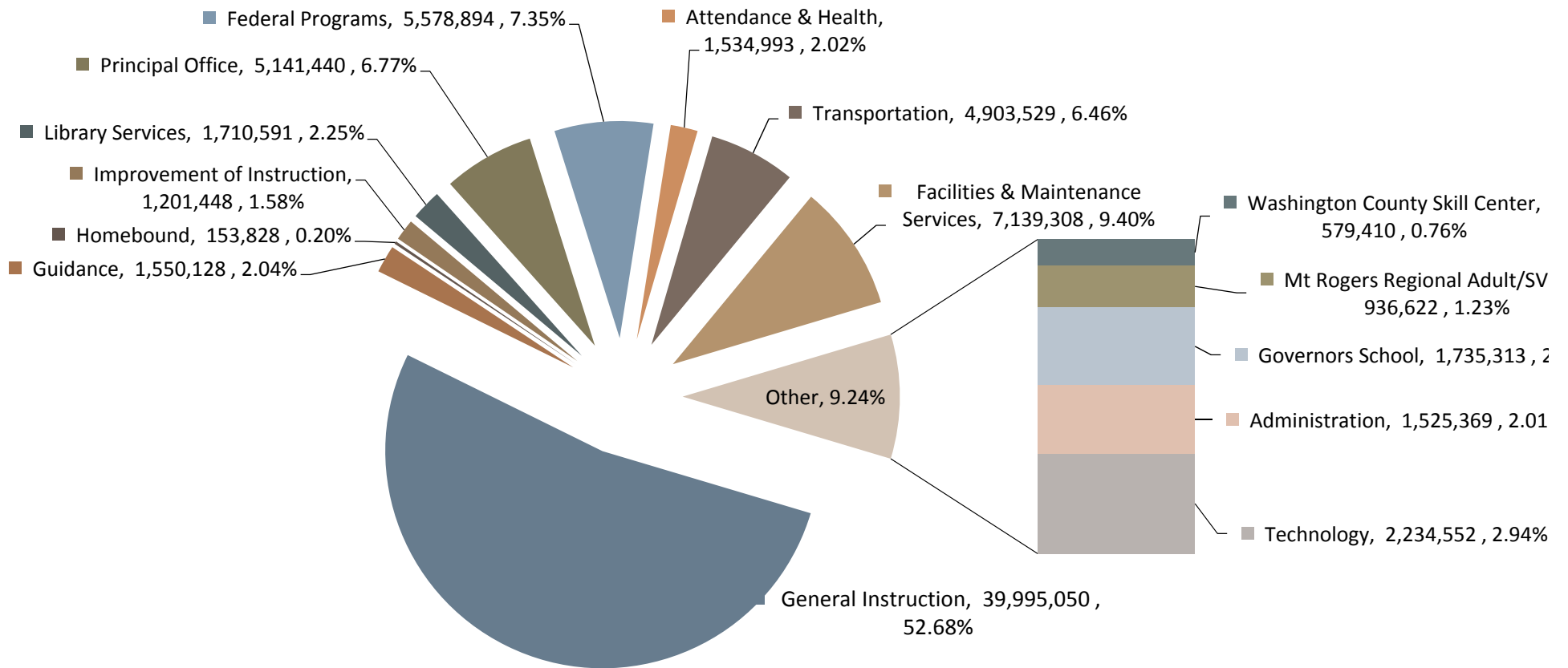
EXPENDITURES GENERAL FUND

FIRST QUARTER
FISCAL YEAR 2016



EXPENDITURES General Fund

Total Fiscal Year 2016 Budget – General Fund Appropriated Expenditures: \$75,920,474



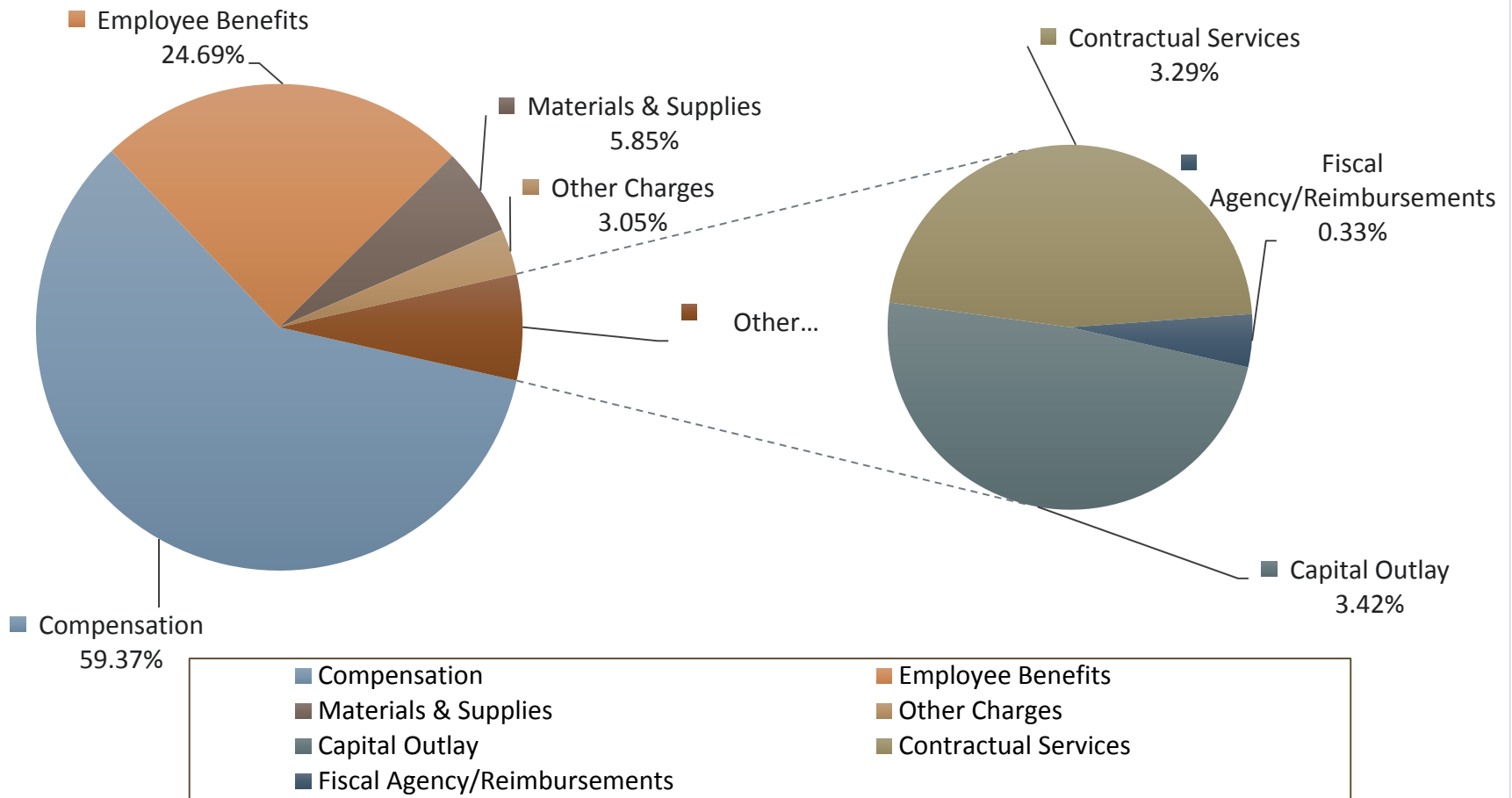
DEPARTMENTS

- | | | | |
|-----------------------|-------------------------------------|----------------------------------|----------------------------------|
| ■ General Instruction | ■ Guidance | ■ Homebound | ■ Improvement of Instruction |
| ■ Library Services | ■ Principal Office | ■ Federal Programs | ■ Attendance & Health |
| ■ Transportation | ■ Facilities & Maintenance Services | ■ Washington County Skill Center | ■ Mt Rogers Regional Adult/SVETN |
| ■ Governors School | ■ Administration | ■ Technology | |



Expenditures- General Fund

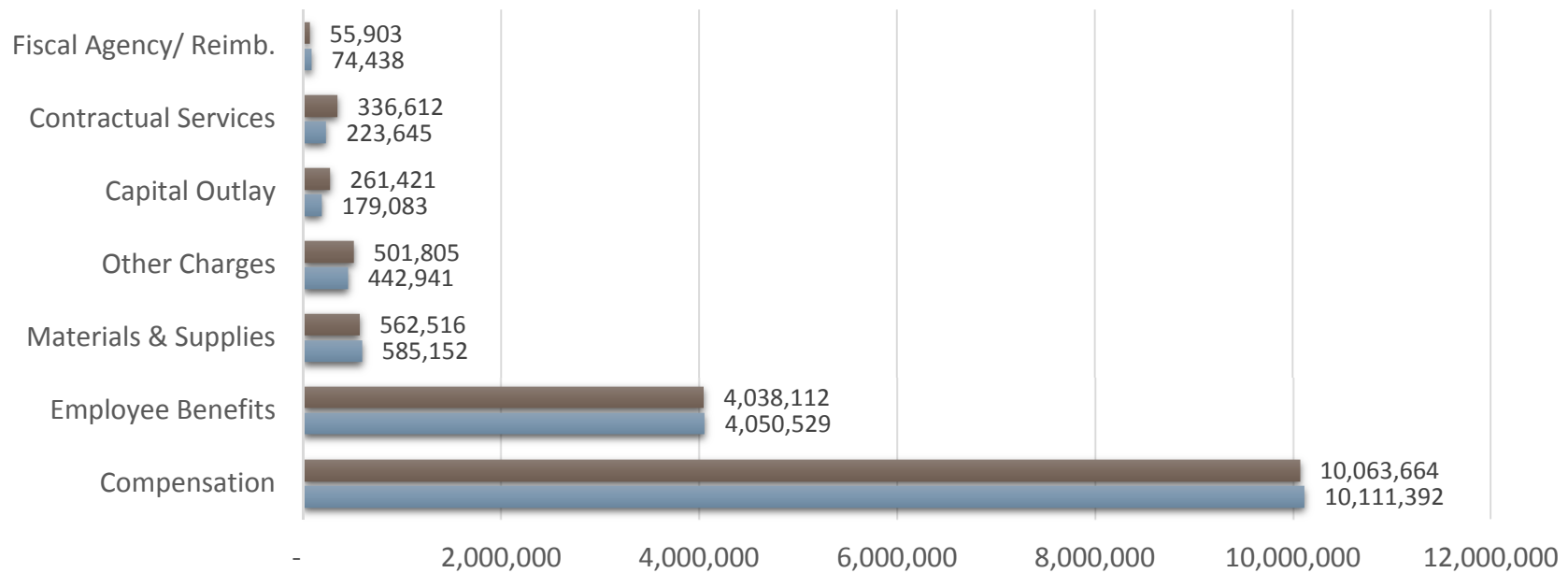
FISCAL YEAR 2016 BUDGET BY MAJOR ACCOUNT GROUP





Expenditures-Prior Year Comparatives

FIRST QUARTER TOTALS CURRENT VS PRIOR YEAR COMPARISON



	Compensation	Employee Benefits	Materials & Supplies	Other Charges	Capital Outlay	Contractual Services	Fiscal Agency/ Reimb.
■ 2016 Q1 ACTUAL	10,063,664	4,038,112	562,516	501,805	261,421	336,612	55,903
■ 2015 Q1 ACTUAL	10,111,392	4,050,529	585,152	442,941	179,083	223,645	74,438

■ 2016 Q1 ACTUAL ■ 2015 Q1 ACTUAL



EXPENDITURES

First Quarter FYE 2015-16 Review of Material Accounts

- General Fund expenditures first quarter current year (FYE 15/16) increased over first quarter last year (FYE 14/15) by \$152,853.

❖ Compensation & Benefits

Total employee compensation was down \$47,728 for the first quarter FY 2016 vs. first quarter FY 2015. Accordingly employee benefits were down \$12,417 for the same period.

- Compensation and benefits were lower this fiscal year for the quarter partly due to more than average number of retirees. A 1.5% fiscal year compensation increase is budgeted to reverse the decreased compensation variance in subsequent quarters.
- The 1.5% compensation increase for fiscal year 2016 began on July 1, 2015 for twelve month employees. However, non-260 day employee increases did not begin until August.
- Maintenance part-time employee compensation was down \$35,600. Temporary employee summer labor was suspended this fiscal year contributing to the variance over last fiscal year.
- Health insurance actual paid claims and costs were down \$399,641. The reserve balance in the health insurance fund was \$3,470,094 as of September 30, 2015.

❖ Contractual Services were up \$112,967 over last fiscal year.

- The majority of this variance was for \$75,510 in paving paid on 7/13/15. Services were performed prior to June 30, 2015 and funds were encumbered however, the invoice for paving was not received before June 30th and therefore could not be paid in the prior fiscal year.



EXPENDITURES

First Quarter FYE 2015-16 Review of Material Accounts

Other charges include utilities, gas, coal, oil, telecommunications, liability insurance, etc. Expenditures classified as “Other Charges” were increased slightly over the same quarter last fiscal year.

- ❖ Telecommunications were up \$45,911 over last year.
- ❖ Vehicle fuels cash outflows were \$58,196 this fiscal year. This same quarter last fiscal year, \$59,673 was paid for these expenditures (a \$1,477 variance).
- ❖ Electricity, waste, gas, coal and oil expenditures increased \$15,536.

Fund 315 – Textbook Fund

Total Textbook Fund first quarter paid expenditures were \$237,654. Encumbered but not paid textbook expenditures were \$238,734.48 as of September 30th leaving a fund balance of 2,039,327. The beginning of the year fund balance was \$2,515,717.

Fund 317 – School Nutrition Fund

Year-to-date (first fiscal quarter) Food Service Fund expenditures were \$642,227, 18.1% of the \$3,555,626 FYE 2016 annual budget.



Fund 316 – School Construction Fund

- ❖ The fiscal year beginning School Construction Fund balance was \$873,206. There was no activity in this fund during the first fiscal quarter.
- ❖ In November 2015 individual school bids were obtained for roofing needs at the following schools:
 - Meadowview Elementary School
 - Watauga Elementary School
 - Rhea Valley Elementary School
 - Damascus Middle School
 - Patrick Henry High School
- ❖ The School Board approved the bids for these schools totaling \$1,262,664.
- ❖ Other capital projects on the long-term Capital Improvement Plan scheduled for FY 2016 include projects required to address the facility renovations and improvements cited by the Office of Federal Program Monitoring resulting from a Civil Rights Compliance Review conducted in March and April of 2014. Washington County Schools have five years from the date of the audit to comply and correct the facility citations.
- ❖ The FY 2016 Capital Improvement Plan's facility requires capital funding at approximately \$2.2 million (updated to reflect bids costs for roofs).
- ❖ Of these requirements, in addition to the roofs and ADA project costs, the replacement of a sewer treatment plant at Greendale Elementary School (\$250,000) and a chiller at Wallace Middle School (\$120,000) are critical and require immediate attention.
- ❖ The total funds reserved in the county held Reserve for School Capital as of September 30, 2015 is \$780,600. These funds are not reflected in the Fund 316 \$873,206 and must be directly requested by the School Board to the Washington County Board of Supervisors for appropriation to Fund 316.



Supplemental Retirement Plan Committee

Washington County Supplemental Retirement Plan

The Washington County Supplemental Retirement Plan Committee convened on October 29, 2015 to discuss FYE 2015 and current plan performance.

✓ **Note: All individual plan retirees are fully funded and bear no risk due to market volatility. Payments to retirees are guaranteed for the amount and duration of each individual's selected payout period .**

✓ Representatives from SunTrust attended in person and via teleconference.

✓ The market value of the portfolio composition at fiscal year end June 30, 2015 was \$7,302,996.

✓ According to the plan objectives established at the 2006 inception of the plan by the committee, the assets have been held in conservative investments allocated to 86.5% in a high grade bond fixed income fund and 13.5% in short term money market funds.

Investment Performance

	3 Months	Year to Date	One Year	Three Years	Five Years	Inception 87 Months
Total Portfolio	0.00%	1.08%	3.65%	4.03%	3.43%	4.28%



SUPPLEMENTAL INFORMATION

➤ **Composite Index**

- Washington County's 2012-2014 composite index is currently 38.13%. The biennial 2016-2018 calculated composite index released in October 2015 and updated on December 11, 2015. The composite index decreases to 34.94%. This 3.19% decrease does not impact the current fiscal year revenues. The fiscal impact on the upcoming FY 2017-2018 budget is undetermined until the Governor releases his budget proposal. The Governor's proposal is schedule for release December 17th.

➤ **Enrollment/ADM**

- The current FY 2016's budget is based upon enrollment of 7,082.02. The 2015-2016 Fall membership data collection submitted to the Department of Education in October reflected enrollment of 7,098.25. This change in enrollment, and the enrollment submission in March of 2016 will impact the final state funding for the current fiscal year. The impact of enrollment changes on our state basic aid funding will not be reflected in the revenues until the last quarter (two months) of the fiscal year. Enrollment changes can potentially have a significant impact on State Basic Aid and other enrollment based revenues.