

Notes of Interest
September 30, 2015

Update on 2014-15 fiscal year-end

- Year-end closing and audit continues and additional adjustments may be necessary before our financial statements are issued. The fund balances for all funds have decreased \$21 million, of which \$15 million was in the Construction Fund. This fund varies greatly with the timing of the construction and funding these projects, often by selling bonds. We now anticipate our ending General Fund fund balance to reduce approximately \$700 thousand. While this is positive news for General Fund as a whole, our unassigned fund balance, the portion that is completely unrestricted and unencumbered, will reduce approximately \$8.4 million.

Notes for 15-16 YTD Actuals

- September is a month where all the preparation, training, and stocking up opens into our first full month of teaching and operations. At this time, our operational costs like supplies and equipment, are a higher percent of our expenses than they will be later when our salaries and wages convert those costs into lesson plans and services for students.
- We have not yet begun recording the monthly expenses for employee benefits paid on our behalf by the state (KTRS employer match and employee health insurance). As in previous years, we will records these estimates when the previous fiscal year's contributions have been verified and finalized.

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- KSFCC Allocation revenues have decreased over previous years due to refunded bonds that moved the KSFCC payment dates later in the year. We forecast this revenue source increasing over the remainder of the year compared to prior fiscal years.
- Other Sources of revenues has decreased due to the timing of bond sales and construction funding.

Page 7 – General Fund

- Plant Operations & Maintenance expenses are negative in the Other Purchased Services category due to the collection of federal Universal Service Fund (eRate) expense reimbursements. These appear to be consistent with prior years in dollar amount, though they have normally been collected later in the year.
- Transportation expenses in the Professional/Technical Services category also show negative expenses. This is due to reimbursements for transporting grant-funded early childhood and summer boost students where the majority of the expenses were recorded last fiscal year, however reimbursement was received this year.

Page 10 – Special Revenue Fund

- Special Revenue Fund shows the effects of the grant payments mentioned in the preceding bullet, with Transportation expenses higher than previous years and a corresponding increase in federal grants.
- Additionally, Federal Grants Through the State are higher than previous years because we submitted the Kentucky Department of Education's required District Assurances earlier than in the past.

Page 16 – Food Service Enterprise Fund

- Food Service's revenue category Federal Grants Through the State generally lag about a month due to the effort required to reconcile all cafeterias in the district and submit the claim.