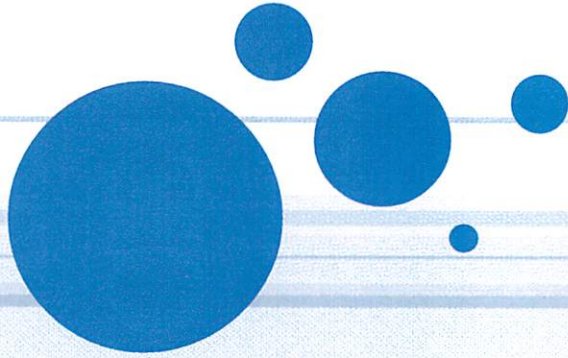


MONTHLY FINANCE REPORT 4/25/16



GENERAL FUND REVIEW

		ACTUAL	2016 FY % YTD	2015 FY % YTD	% CHANGE 2015 to 2016 FY
TOTAL REVENUE through March 30, 2016		\$316,922,514	71%	69%	2%
TOTAL EXPENDITURES through March 30, 2016		<u>\$217,633,200</u>	49%	50%	-1%
GENERAL FUND BALANCE as of March 30, 2016		\$99,289,314			
Add RESERVED FOR ENCUMBERANCES		<u>\$3,759,103</u>			
TOTAL GENERAL FUND BALANCE March 30, 2016		<u>\$103,048,417</u>			

REVENUE SUMMARY

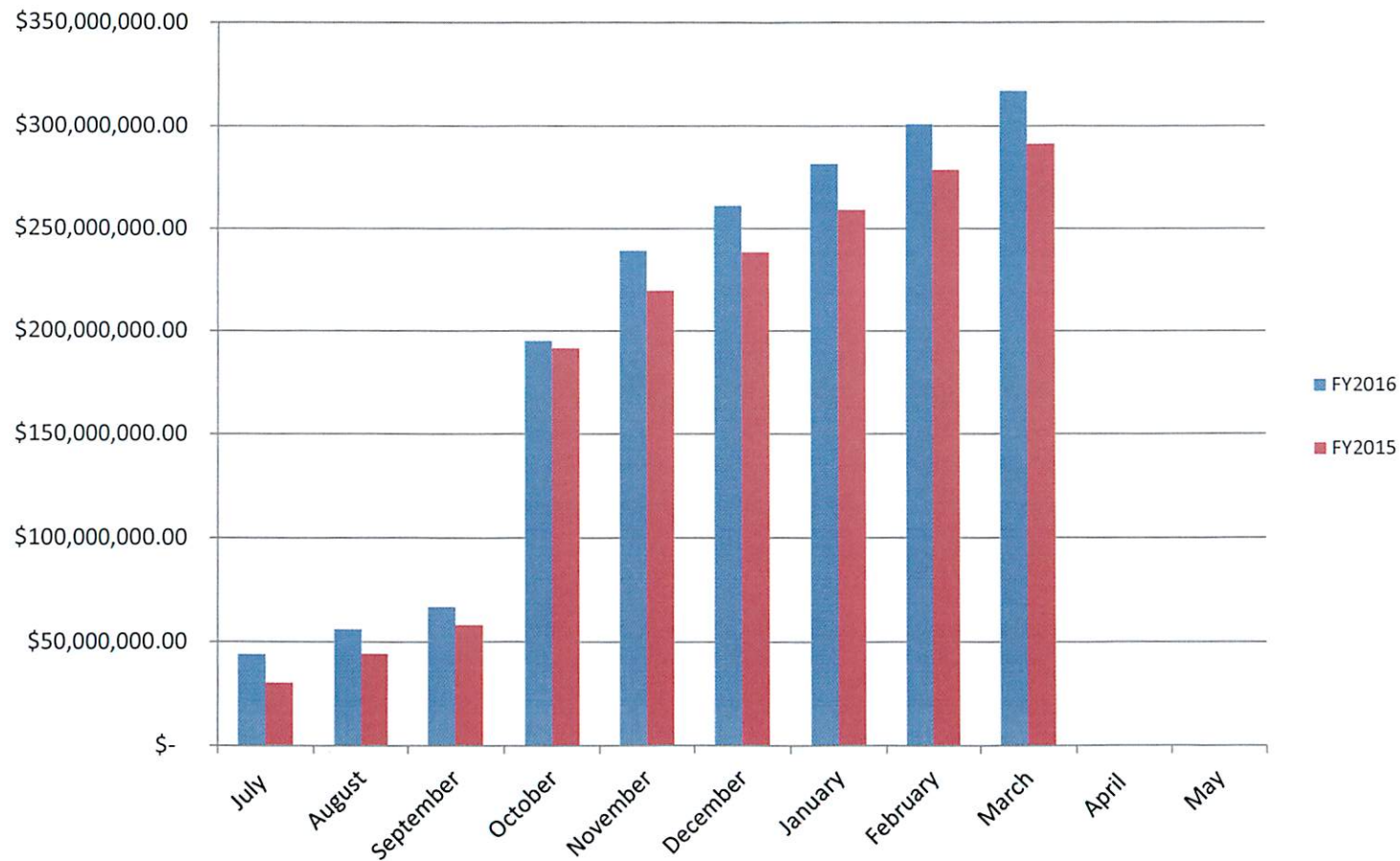
FAYETTE COUNTY BOARD OF EDUCATION
FINANCIAL SUPPORT SERVICES TREASURER'S REPORT
FOR THE MONTH ENDING MARCH 31, 2016

75% of the 2015-2016 FISCAL YEAR IS COMPLETE

	BOARD APPROVED TENTATIVE BUDGET 15-16	BOARD APPROVED WORKING BUDGET 15-16	YTD BUDGET BALANCE 15-16	YTD REVENUE 3/31/2016	AVAILABLE BUDGET BALANCE	% RECEIVED OR EXPENDED
GENERAL FUND 1 REPORT						
REVENUE						
Beginning Balance (audited)	\$30,000,000	\$35,000,000	\$36,459,042	\$36,459,042	\$0.00	100.00%
AD VALOREM TAXES	\$177,154,490	\$178,205,251	\$178,205,251	\$170,133,797	(\$8,071,453.51)	95.47%
UTILITY TAXES	\$22,616,123	\$22,010,073	\$22,010,073	\$14,155,624	(\$7,854,449.45)	64.31%
OCCUPATIONAL LIC TAXES	\$33,711,903	\$34,367,326	\$34,367,326	\$17,831,026	(\$16,536,300.35)	51.88%
REVENUE IN LIEU OF TAXES	\$11,781	\$11,781	\$11,781	\$24,409	\$12,627.78	207.19%
OMITTED TAXES & PENALTIES	\$1,250,000	\$1,250,000	\$1,250,000	\$322,702	(\$927,298.09)	25.82%
TUITION	\$110,940	\$110,940	\$110,940	\$122,165	\$11,225.27	110.12%
TELECOMMUNICATIONS	\$967,633	\$967,633	\$967,633	\$725,623	(\$242,009.58)	74.99%
INTEREST	\$170,228	\$150,644	\$150,644	\$34,981	(\$115,663.43)	23.22%
OTHER REVENUE LOCAL SRS	\$3,941,721	\$3,941,721	\$5,142,165	\$1,711,157	(\$3,431,008.11)	33.28%
SEEK REVENUE	\$96,837,946	\$96,837,946	\$97,888,919	\$72,451,155	(\$25,437,764.00)	74.01%
OTHER STATE FUNDING	\$91,775	\$91,775	\$91,775	\$157,218	\$65,443.00	171.31%
INTERFUND TRANSFERS (indirect cost)	\$1,088,408	\$1,046,275	\$1,088,408	\$725,843	(\$362,565.25)	66.69%
MEDICAID	\$183,000	\$332,608	\$183,000	\$103,743	(\$79,256.87)	56.69%
SALE OF ASSETS	\$0	\$0	\$0	\$0	\$0.00	0.00%
ON BEHALF	\$70,000,000	\$68,223,149	\$68,223,149	\$0	(\$68,223,148.51)	0.00%
OTHER - NBC REIMB	\$225,000	\$225,000	\$225,000	\$0	(\$225,000.00)	0.00%
OTHER - CAPITAL LEASE PROCEEDS	\$0	\$0	\$1,964,029	\$1,964,029	\$0	0.00%
TOTAL OPERATING REVENUE	\$438,360,948	\$442,772,122	\$448,339,135	\$316,922,514	(\$131,416,621)	71%

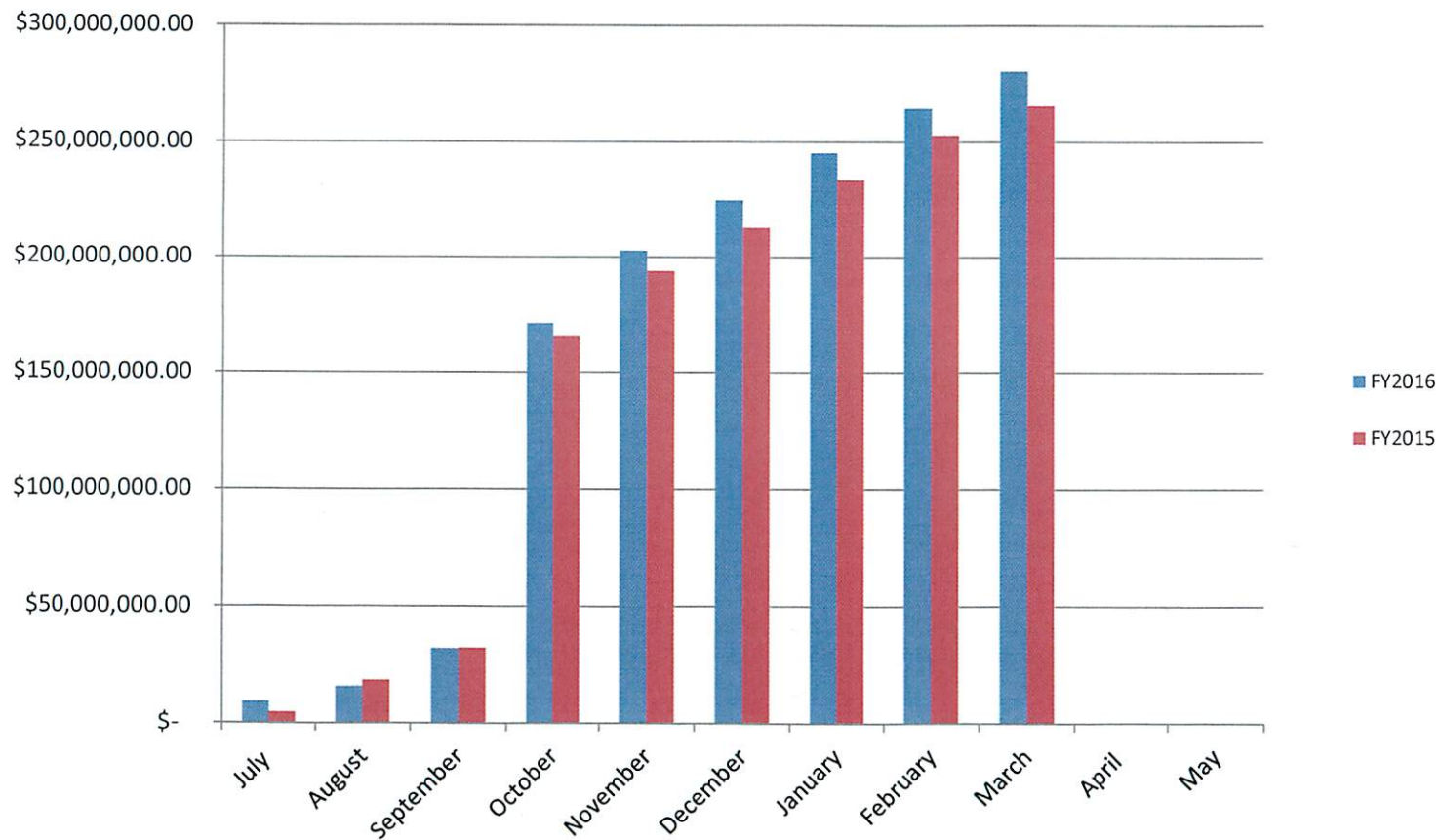
REVENUE WITH BEGINNING BALANCE

Total Operating Revenue



REVENUE WITHOUT BEGINNING BALANCE

Total Operating Revenue - Beginning Balance



EXPENSE SUMMARY

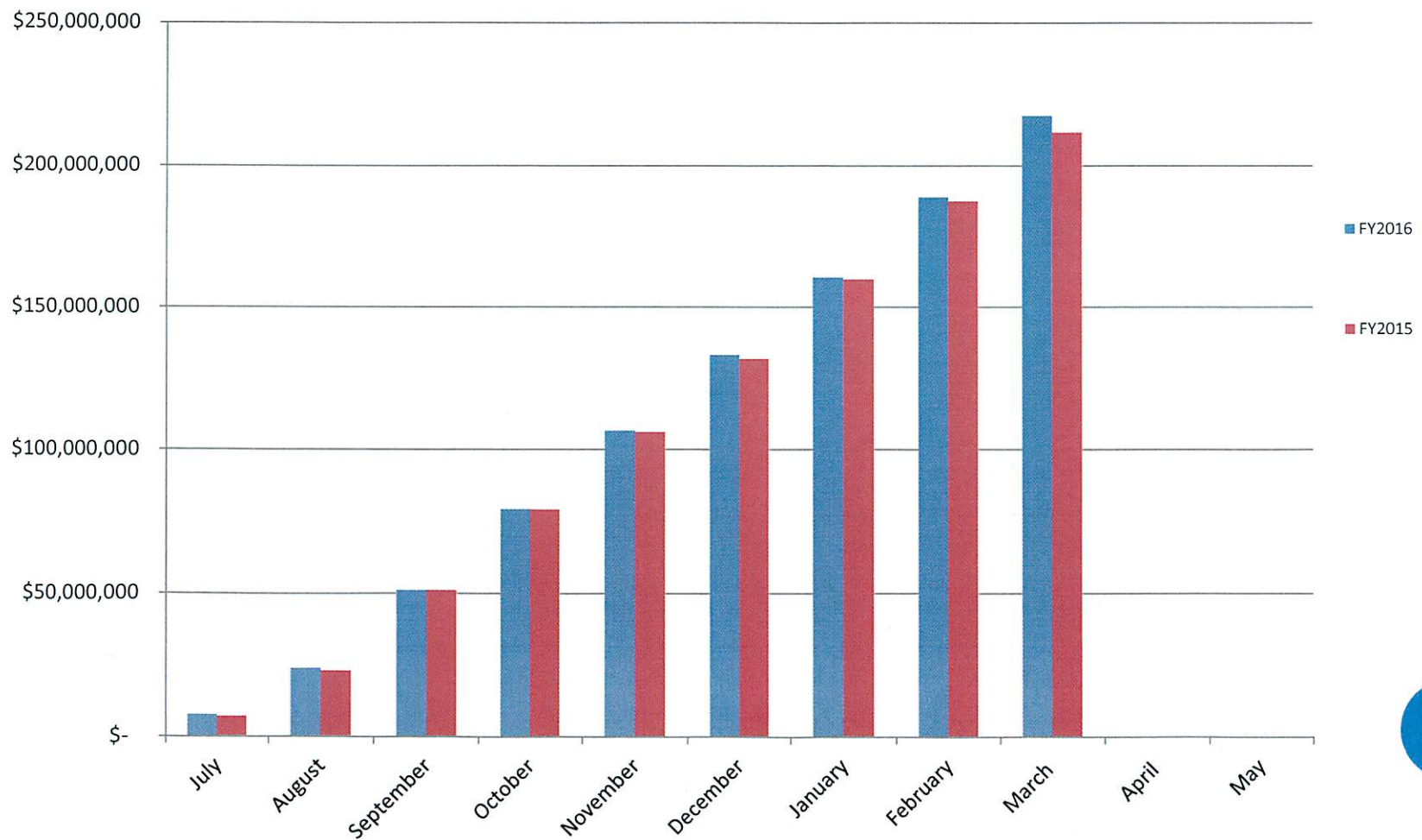
FAYETTE COUNTY BOARD OF EDUCATION
FINANCIAL SUPPORT SERVICES TREASURER'S REPORT
FOR THE MONTH ENDING MARCH 31, 2016

75% of the 2015-2016 FISCAL YEAR IS COMPLETE

	BOARD APPROVED TENTATIVE BUDGET 15- 16	BOARD APPROVED WORKING BUDGET 15-16	YTD BUDGET BALANCE 16	YTD EXPENSES 3/31/2016	AVAILABLE BUDGET BALANCE	% RECEIVED or EXPENDED
GENERAL FUND 1 REPORT						
EXPENDITURES						
INSTRUCTION	\$253,204,202	\$248,422,766	\$253,062,676	\$118,992,811	(\$134,069,865)	47.02%
STUDENT SUPPORT SERVICES	\$22,067,718	\$22,293,062	\$22,778,410	\$11,901,076	(\$10,877,333)	52.25%
INSTRUCTIONAL STAFF SUPP SERVICES	\$15,842,220	\$16,464,378	\$16,967,121	\$9,407,482	(\$7,559,639)	55.45%
DISTRICT ADMIN SUPPORT	\$7,627,921	\$8,472,312	\$8,197,501	\$5,354,910	(\$2,842,591)	65.32%
SCHOOL ADMIN SUPPORT	\$24,879,380	\$24,782,592	\$26,666,918	\$15,683,074	(\$10,983,844)	58.81%
BUSINESS SUPPORT SERVICES	\$23,637,855	\$24,951,192	\$25,419,187	\$15,069,909	(\$10,349,278)	59.29%
PLANT OPERATIONS AND MAINTENANCE	\$42,639,608	\$44,732,304	\$45,240,997	\$24,756,012	(\$20,484,985)	54.72%
STUDENT TRANSPORTATION	\$20,607,598	\$21,439,758	\$23,254,342	\$13,792,337	(\$9,462,005)	59.31%
OTHER INSTRUCTIONAL	\$0	\$0	\$0	\$0	\$0	0.00%
FOOD SERVICE OPERATION	\$0	\$0	\$0	\$0	\$0	0.00%
COMMUNITY SERVICES	\$247,857	\$255,868	\$253,895	\$91,758	(\$162,137)	36.14%
DEBT SERVICE	\$1,445,320	\$1,745,320	\$1,445,320	\$1,251,392	(\$193,928)	86.58%
FUND TRANSFERS	\$3,024,169	\$3,024,169	\$1,915,669	\$1,332,439	(\$583,229)	69.55%
CONTINGENCY	\$23,137,100	\$25,965,252	\$23,137,100	\$0	(\$23,137,100)	0.00%
TOTAL EXPENDITURES	\$438,360,948	\$442,548,973	\$448,339,135	\$217,633,200	(\$230,705,935)	49%

EXPENDITURE COMPARISON

Total Expenditures



REVENUE AND EXPENSE SUMMARY

- **Special Revenue Fund 2 (Grants)**

- Total Revenue received to date is \$22,280,459
- Total Expenses to date is \$23,736,069
- **District Activity Fund 22 (NEW)**
 - \$1,058,662 Revenue and \$717,626 Expenses

- **Capital Outlay Fund 310**

- Revenue from this source is received usually twice a year. To date we have received \$1,800,495 including interest and beginning balance.
- There are \$1,639,811 expenditures to date and the expenses are primarily for debt service and fund transfers.

- **Building Fund 320**

- Revenue we have received month to date is \$27,634,516
- Expenses for this fund are related to Debt Service and Fund Transfers for paying debt service on construction bonds. To date we have transferred \$18,412,656



REVENUE AND EXPENSE SUMMARY

- **Construction Fund 360 & Debt Service Fund 400**

- All revenue and expenses in these funds are related to Construction and Renovation payments of actual expenses and paying off debt service. The detail of these funds are reflected in the enclosed Monthly Report and Balance Sheet.

- **Food Service Fund 51**

- Revenue received to date \$16,376,216
- Expenditures to date total \$13,477,935

- **After School Program Fund 52**

- Revenue received to date \$2,910,176
- Expenditures to date total \$1,960,392

- **Fund 80 & 81**

- Are fixed asset fund accounts for Governmental Activities and Food Service



BALANCE SHEET SUMMARY

- **General Fund**

- The balance sheet reflects that total assets are \$106,903,626
- The balance sheet also reflects that total liabilities are \$3,855,209.
- Our financial position remains sound in relation to assets versus liabilities.

- **Fund 7000 Trust Funds has the following balances:**

- Marcie Thomason \$188,597
- Dorothy Smith \$19,339
- All other trust funds are reconciled and sent to Bluegrass Community Foundation as received.

- **All other funds balance sheets are presented accordingly. Please let me know if you have any questions or concerns.**

CREDIT OVERVIEW

- Fayette County SD has a sound credit position. However, **its A1 rating** is slightly below the median rating of Aa3 for school districts nationwide. The notable credit factors include a very substantial tax base with a healthy socioeconomic profile, and a narrow financial position. It also takes into account a low debt liability with an affordable pension burden. Lease revenue ratings are generally notched down from what the government's GO rating would be due to the lease revenue bonds' relatively weaker security features. Most leases, unlike GO bonds, are not supported by pledged ad valorem taxes or a full, faith and credit pledge, and they are typically subject to annual appropriation risk, abatement clauses or other factors that lower their relative credit quality



FINANCES

- **Finances:** The district has a narrow financial position, which is somewhat weak for an A1 rating. The cash balance as a percent of revenues (9.8%) is materially below the US median and fell slightly between 2012 and 2015. Moreover, the fund balance as a percent of operating revenues (8.0%) is materially lower than other Moody's-rated school districts nationwide.



MOODY'S KEY INDICATORS EXHIBIT

burdens will remain below average if the state continues to fund costs of the Kentucky Teachers' Retirement System.

Exhibit 1

Key Indicators^{4 5}

Fayette County SD, KY

	2012	2013	2014	2015	US Median	Credit Trend
Economy / Tax Base						
Total Full Value	\$26,770M	\$27,149M	\$27,428M	\$28,073M	\$1,835M	Stable
Full Value Per Capita	\$90,206	\$90,242	\$91,169	\$93,315	\$78,230	Stable
Median Family Income (% of US Median)	106.5%	106.5%	106.5%	106.5%	103.1%	Stable
Finances						
Fund Balance as % of Operating Revenues	10.2%	3.1%	5.8%	8.0%	14.6%	Stable
Cash Balance as % of Operating Revenues	14.4%	12.8%	8.1%	9.8%	19.1%	Stable
Debt / Pensions						
Net Direct Debt / Full Value	1.0%	1.4%	1.4%	1.7%	1.5%	Weakening
Net Direct Debt / Operating Revenues	0.74x	0.94x	0.91x	1.08x	0.73x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.72%	0.81%	0.91%	N / A	2.6%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	0.51x	0.56x	0.61x	N / A	1.41x	Stable

Source: Moody's

Exhibit 2

Fund balance as a percent of operating revenues decreased between 2012 and 2015

RATING AGENCY ANALYSIS

Moody's Medians for School Districts with Population Greater than 200,000							
Criteria			Aaa	Aa	A		Fayette County
Total General Fund Revenues			\$390,290,000	\$364,902,000	\$358,786,000		\$401,633,223
General Fund Balance as % of Revenues			32.8%	16.5%	9.1%		8.6%
Available Operating Fund Balance as % of Revenues			32.1%	15.3%	6.4%		8.6%
Direct Net Debt as % of Full Value			1.8%	1.2%	1.4%		1.6%
Total Full Assessed Value			\$35,508,819,000	\$27,282,290,000	\$22,806,583,000		\$28,728,443,582
Population (2010 Census)			254,145	284,811	331,298		295,803
Full Assessed Value Per Capita			\$87,409	\$80,901	\$60,958		\$97,120
Ten Largest Taxpayers as % of AV			4.8%	5.8%	5.2%		2.0%

FUND & CASH BALANCE PERCENTAGE (%) OF OPERATING REVENUE

○ Fund balance as percentage of Operating Revenue

- Their calculation is $\$36,459,042 / \$426,408,439.03$ (including on-behalf)=8.6%
- FCPS true calculation for 2015 is $\$36,459,042 / \$355,345,905.23$ (excluding on-behalf)=**10.3%**

○ Cash balance as percentage of Operating Revenue

- Their calculation is $\$41,975,651 / \$426,408,439.03$ (including on-behalf)=9.8%
- FCPS true calculation for 2015 is $\$41,975,651 / \$355,345,905.23$ (excluding on-behalf)=**11.8%**



MEDIAN ANALYSIS CONCLUSION

- Percentage of Revenue **10.3 % needs to increase by 4.3% to equal 14.6%** (This would have been approximately \$52 million for 2015 fiscal year for us to meet the median)
- Percentage of Cash **11.8% needs to increase by 7.3% to equal 19.1%** (This would have been approximately \$69 million for 2015 for us to meet the median)



PROJECTED ENDING FUNDING BALANCE
JUNE 30, 2016

\$48.5 MILLION



QUESTIONS?

