



Date: April 4, 2023
To: Monica Merritt, Superintendent
From: Deborah J. Piesz, Chief Finance & Operations Officer
Subject: Summary Financial Update for Period Ending February 28, 2023

Attached is the financial report as of February 28, 2023, which details the General Fund Original Budget vs. Actual with percentage of budget and variance at the function and object levels.

Although July through February accounts for 66.7% of the calendar year, School Districts don't receive or expend resources pro-rata throughout the year. Therefore, we have applied a three-year historical average to the annual budget to determine a projected February 28, 2023 budget and compared that to the actual results to indicate variances to you and the Board of Education. Variances between projected budgets and actual results may be due to timing differences, receipt or expenditure of funds in a period of time that is different than anticipated, that will resolve over time; or permanent differences, unanticipated receipts or expenditure of resources not planned, which may require a budget amendment.

General Fund Revenues

The overall revenue received as of February is 55.88% of the total budget. Although this percentage is somewhat higher than the three year historical average, we would like to note the following:

- **Local Sources** – Local source revenues are trending slower than the three year historical average primarily due to the timing of when we receive our local property tax revenue. The taxable values will be adjusted during the final budget amendment.
- **State Sources** – State Aid Payments are received in 11 equal payments from October 2022 through August 2023, therefore, we have received our 5th State School Aid payment for this fiscal year. The additional categorical state school aid for special education, student mental health and safety and security is causing this positive variance.
- **Federal Sources** – Federal sources of revenue in the General Fund consist of Medicaid Outreach funds and a federal interest subsidy related to our 2010 Qualified School Construction Bonds (QSCB). The QSCB interest subsidy is received twice per year, at the time the related debt service payments are due (November & May). The Medicaid Outreach funds are received sporadically throughout the year with no control over timing on the District's part.
- **Interdistrict Sources** – This category of revenue is primarily attributable to the Wayne RESA Enhancement Millage and Act 18 funding for Independence Paraprofessionals. The Enhancement Millage is levied in July and December and the timing of receipt varies by municipalities in the county. The Act 18 funding is received shortly after the final cost report is filed after year-end.
- **Transfers from Other Funds** – The budgeted amount is related to Indirect Cost Recovery between the General Fund and the Food Service, Funded Projects & Community Services Funds. These adjustments will be made at year-end.

Expenditures

The overall expenditures through January are 63.48% of budgeted amounts, which is higher than the three-year historical average for this point in the fiscal year due to the following:

- **Instruction** – Instructional salary and benefit expenditures are trending higher than the three-year historical average due in large part to the adjustment of employee contracts during the amendment process. We have included all unfilled positions as well and we anticipate some positions may not be filled. We will continue to monitor budgets accordingly as we move toward the final budget amendment.
- **Pupil and Instructional Support** – Expenditures under these categories are trending higher than the three year historical average due to the actual salary and benefit costs of current staff in excess of that anticipated; and the outstanding transfer of costs to the newly awarded grant funds for student mental health (section 31aa). We will continue to review employee contracts as the year progresses and adjust the corresponding budgets during the final budget amendment, particularly with the volume of grants awarded to the District.
- **School Administration** – Expenditures under this category are trending lower than the three year historical average due to the actual salary and benefit costs of current staff in excess of that originally anticipated, which was adjusted in the budget amendment process.
- **Maintenance & Operations** – Maintenance and Operations expenditures are trending higher than our three year historical average due to higher than expected custodial contracted services since ABM is now fully staffed (and we are no longer receiving credits for the lack of staff) compared to the prior year. We have experienced higher than anticipated work orders for repairs and supplies in the current year, which we will continue to monitor as we move to the final budget amendment. We will continue to review and analyze these budgets in anticipation of the final budget amendment.
- **Non-Voted Debt** - Expenditures under this category are trending lower than the three-year historical average due to a lack of capital lease payment this year versus that in the prior years. PCCS made the final payments for these leases in the 2022-23 fiscal year and the budget was adjusted to reflect this during the first amendment.

Net Change in Fund Balance

Overall, the net change in fund balance is tracking lower than expected. We hope this enhanced reporting provides more information to you and the Board of Education as we proceed through this fiscal year.

**PLYMOUTH-CANTON COMMUNITY SCHOOLS
GENERAL FUND BUDGET VS. ACTUAL
JULY 1, 2022 to FEBRUARY 28, 2023**

	6/30/2022 AUDITED ACTUAL	6/30/2023 AMENDED BUDGET	2/28/2023 PROJECTED BUDGET	2/28/2023 ACTUAL	Projected % of Budget	Actual % of Budget	Percentage Variance Favorable/ (Unfavorable)	Dollar Variance Favorable/ (Unfavorable)
REVENUE								
Local Sources	\$ 33,522,317	\$ 36,268,421	33,991,355	\$ 33,811,271	93.72%	93.23%	-0.50%	\$ (180,084)
State Sources	138,981,534	148,696,569	67,593,490	69,193,985	45.46%	46.53%	1.08%	1,600,495
Federal Sources	410,920	242,724	107,891	233,808	44.45%	96.33%	51.88%	125,917
Interdistrict Sources & other *	12,654,259	10,796,135	6,624,592	6,359,186	61.36%	58.90%	-2.46%	(265,406)
Transfers from Other Funds	780	144,842	457	-	0.32%	0.00%	-0.32%	(457)
TOTAL REVENUE	\$ 185,569,809	\$ 196,148,691	\$ 108,130,751	\$ 109,598,250	55.13%	55.88%	0.75%	\$ 1,280,466
EXPENDITURES								
INSTRUCTION								
Basic Programs	\$ 96,950,314	\$ 97,351,733	\$ 61,832,910	\$ 62,441,717	63.51%	64.14%	-0.63%	\$ (608,807)
Added Needs	15,145,108	15,940,509	9,854,473	10,337,841	61.82%	64.85%	-3.03%	(483,368)
Adult Education	-	-	-	-	0.00%	0.00%	0.00%	-
Total Instruction	112,095,422	113,292,242	71,687,383	72,779,558	63.26%	64.24%	-0.98%	(1,092,175)
SUPPORTING SERVICES								
Pupil Support	16,155,991	17,025,839	10,625,357	11,565,779	62.41%	67.93%	-5.52%	(940,422)
Instructional Support	11,664,171	15,454,286	9,436,793	9,458,960	61.06%	61.21%	-0.14%	(22,167)
General Administration	918,156	1,057,378	611,463	628,404	57.83%	59.43%	-1.60%	(16,941)
School Administration	11,378,847	12,794,988	8,172,960	8,072,082	63.88%	63.09%	0.79%	100,879
Business	1,876,936	2,018,097	1,294,530	1,283,740	64.15%	63.61%	0.53%	10,790
Maintenance & Operations	17,247,342	18,943,472	11,680,134	12,540,927	61.66%	66.20%	-4.54%	(860,793)
Transportation	7,218,106	10,126,465	5,411,926	5,398,960	53.44%	53.32%	0.13%	12,966
Central Support Services	3,853,005	4,538,809	3,007,269	2,985,534	66.26%	65.78%	0.48%	21,735
School Activities	2,504,318	2,574,399	1,233,606	1,313,177	47.92%	51.01%	-3.09%	(79,571)
Community Services	770,162	881,542	575,137	563,683	65.24%	63.94%	1.30%	11,454
Facility Improvements	3,796,350	287,055	85,010	90,124	29.61%	31.40%	-1.78%	(5,114)
Non-voted Debt Service	1,064,547	881,740	387,585	205,120	43.96%	23.26%	20.69%	182,465
Total Supporting Services	78,447,933	86,584,070	52,521,770	54,106,489	59.80%	62.49%	-2.69%	(1,584,719)
TOTAL OPERATING EXPENDITURES	190,543,355	199,876,312	124,209,153	126,886,047	61.84%	63.48%	-1.64%	(2,676,894)
OTHER FINANCING USES								
Transfers to Other Funds	-	-	-	-	0.00%	0.00%	0.00%	-
Total Other Financing Uses	-	-	-	-	0.00%	0.00%	0.00%	-
TOTAL EXPENDITURES	\$ 190,543,355	\$ 199,876,312	\$ 124,209,153	\$ 126,886,047	61.84%	63.48%	-1.64%	\$ (2,676,894)
NET CHANGE IN FUND BALANCE	(4,973,546)	(3,727,621)	(16,078,402)	(17,287,797)				(1,209,395)
BEGINNING FUND BALANCE	45,920,794	40,947,248						
ENDING FUND BALANCE	\$ 40,947,248	\$ 37,219,627						
	21.5%	18.6%						

Information Only:

OBJECT LEVEL EXPENDITURES

Salaries & Fringe Benefits	\$ 158,725,388	\$ 165,278,368	\$ 105,577,174	\$ 106,405,759	63.70%	64.38%	-0.68%	\$ (828,585)
Purchased Services	18,304,678	22,380,425	12,440,801	13,579,979	55.59%	60.68%	-5.09%	(1,139,178)
Supplies & Materials	7,614,444	9,161,764	5,024,697	5,726,269	54.84%	62.50%	-7.66%	(701,572)
Capital Outlay & Equipment	4,421,452	1,375,573	415,603	540,739	30.21%	39.31%	-9.10%	(125,136)
Other Expenditures	1,477,392	1,680,182	750,878	633,301	44.69%	37.69%	7.00%	117,577
TOTAL EXPENDITURES	\$ 190,543,355	\$ 199,876,312	\$ 124,209,153	\$ 126,886,047	61.84%	63.48%	-1.64%	\$ (2,676,894)

**PLYMOUTH-CANTON COMMUNITY SCHOOLS
GENERAL FUND BUDGETS
FEBRUARY 28TH BUDGETS FOR YEARS ENDING 2020, 2021 & 2022**

	6/30/2020 FINAL BUDGET	2/28/2020 ACTUAL	% of Budget	6/30/2021 FINAL BUDGET	2/28/2021 ACTUAL	% of Budget	6/30/2022 FINAL BUDGET	2/29/2022 ACTUAL	% of Budget	Average % of Budget
REVENUE										
Local Sources	\$ 32,012,690	\$ 30,206,889	94.4%	\$ 32,249,433	\$ 30,009,816	93.1%	\$ 33,151,184	\$ 31,079,385	93.8%	93.72%
State Sources	133,109,397	60,587,845	45.5%	134,967,867	61,115,502	45.3%	138,960,471	63,328,647	45.6%	45.46%
Federal Sources	368,677	192,129	52.1%	204,808	18,090	8.8%	541,689	392,206	72.4%	44.45%
Interdistrict Sources & other	10,824,510	6,070,117	56.1%	10,794,510	6,588,684	61.0%	12,647,843	8,469,936	67.0%	61.36%
Transfers from Other Funds	493,976	1,224	0.2%	131,442	917	0.7%	144,842	-	0.0%	0.32%
TOTAL REVENUE	\$ 176,809,250	\$ 97,058,204	54.9%	\$ 178,348,060	\$ 97,733,010	54.8%	\$ 185,446,029	\$ 103,270,174	55.7%	55.13%
EXPENDITURES										
INSTRUCTION										
Basic Programs	\$ 91,281,983	\$ 58,909,131	64.5%	\$ 89,366,028	\$ 55,087,617	61.6%	\$ 96,193,496	\$ 61,916,725	64.4%	63.51%
Added Needs	16,004,129	9,744,341	60.9%	16,138,657	9,640,910	59.7%	15,779,625	10,230,963	64.8%	61.82%
Adult Education	31	133	0.0%	-	-	0.0%	-	-	0.0%	0.00%
Total Instruction	107,286,143	68,653,605	64.0%	105,504,685	64,728,527	61.4%	111,973,121	72,147,688	64.4%	63.26%
SUPPORTING SERVICES										
Pupil Support	12,445,760	7,980,237	64.1%	13,143,281	8,094,150	61.6%	16,356,798	10,062,320	61.5%	62.41%
Instructional Support	11,136,813	6,764,066	60.7%	11,199,607	6,963,914	62.2%	11,893,379	7,168,353	60.3%	61.06%
General Administration	977,715	626,523	64.1%	978,529	554,595	56.7%	1,023,067	539,441	52.7%	57.83%
School Administration	11,035,610	6,999,901	63.4%	11,203,510	7,199,069	64.3%	11,567,085	7,396,155	63.9%	63.88%
Business	1,896,824	1,175,939	62.0%	1,913,185	1,210,301	63.3%	1,931,603	1,297,689	67.2%	64.15%
Maintenance & Operations	16,155,295	10,216,991	63.2%	15,673,746	9,430,859	60.2%	17,798,757	10,957,155	61.6%	61.66%
Transportation	7,781,575	4,638,880	59.6%	8,080,951	3,742,009	46.3%	7,399,349	4,025,984	54.4%	53.44%
Central Support Services	3,264,548	2,159,504	66.2%	3,653,784	2,476,990	67.8%	3,873,839	2,511,323	64.8%	66.26%
School Activities	2,606,383	1,206,362	46.3%	2,649,782	1,179,371	44.5%	2,492,538	1,320,085	53.0%	47.92%
Community Services	732,493	484,236	66.1%	749,594	491,422	65.6%	823,309	527,414	64.1%	65.24%
Facility Improvements	75,000	63,426	84.6%	-	-	0.0%	3,798,130	162,382	4.3%	29.61%
Non-voted Debt Service	538,816	314,439	58.4%	1,177,519	499,117	42.4%	1,010,216	314,439	31.1%	43.96%
Total Supporting Services	68,646,832	42,630,504	62.1%	70,423,488	41,841,798	59.4%	79,968,070	46,282,740	57.9%	59.80%
TOTAL OPERATING EXPENDITURES	175,932,975	111,284,109	63.3%	175,928,173	106,570,325	60.6%	191,941,191	118,430,427	61.7%	61.84%
OTHER FINANCING USES										
Transfers to Other Funds	-	-	0.0%	-	-	0.0%	-	-	0.0%	0.0%
Total Other Financing Uses	-	-	0.0%	-	-	0.0%	-	-	0.0%	0.0%
TOTAL EXPENDITURES	\$ 175,932,975	\$ 111,284,109	63.3%	\$ 175,928,173	\$ 106,570,325	60.6%	\$ 191,941,191	\$ 118,430,427	61.7%	61.8%
NET CHANGE IN FUND BALANCE	876,275	(14,225,905)		2,419,887	(8,837,315)		(6,495,162)	(15,160,254)		
BEGINNING FUND BALANCE	37,794,296			39,511,465			45,920,796			
ENDING FUND BALANCE	\$ 38,670,571			\$ 41,931,352			\$ 39,425,634			
	21.98%			23.83%			20.54%			

Information Only:

OBJECT LEVEL EXPENDITURES										
Salaries & Fringe Benefits	\$ 146,913,916	\$ 94,569,735	64.4%	\$ 147,979,296	\$ 92,187,853	62.3%	\$ 159,131,597	\$ 102,526,283	64.4%	63.7%
Purchased Services	18,336,835	10,979,524	59.9%	18,660,873	9,671,458	51.8%	18,392,797	10,126,937	55.1%	55.6%
Supplies & Materials	8,241,354	4,385,248	53.2%	6,816,356	3,776,386	55.4%	8,137,209	4,550,370	55.9%	54.8%
Capital Outlay & Equipment	1,045,418	574,053	54.9%	613,358	136,986	22.3%	4,540,146	608,110	13.4%	30.2%
Other Expenditures	1,395,452	775,549	55.6%	1,858,290	797,641	42.9%	1,739,442	618,728	35.6%	44.7%
TOTAL EXPENDITURES	\$ 175,932,975	\$ 111,284,109	63.3%	\$ 175,928,173	\$ 106,570,325	60.6%	\$ 191,941,191	\$ 118,430,427	61.7%	61.8%