



Date: January 16, 2024
To: Monica Merritt, Superintendent
From: Jill Minnick, Chief Finance & Operations Officer
Jody Malbon, Director of Finance and Accounting
Subject: Summary Financial Update for Period Ending December 31, 2023

Attached is the financial report as of December 31, 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 December accounts for 50% 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 December 31, 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 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 December is 41.34% of the total budget. This percentage is higher than the three-year historical average. Please note the following:

- **Local Sources** – Local source revenues are trending lower than the three-year historical average primarily due to the timing of local property tax revenue collections. The amount due to increases in property tax values above those budgeted will be amended in the mid-year budget amendment process.
- **State Sources** – State Aid Payments are received in 11 equal payments from October 2023 through August 2024; therefore, we have received the third State School Aid payment for this fiscal year as of December 31, 2023. The amounts for the current fiscal year will also be amended to reflect the current year's values. Please note that the prior year's actual values and final budget amendment for the year ended June 30, 2023 are inflated by the one-time section 147(c)2 payment totaling \$11,477,270, which has skewed the percentages slightly.
- **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 typically received in January, 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 December 31 are 49.46% of budgeted amounts, which is about 5% faster than the three-year historical average for this point in the fiscal year. Please note the following:

- **Instruction** – Instructional salary and benefit expenditures are trending ahead of the three-year historical average. We will review instructional placements, true up employee contracts and review those charged to federal and state programming as the year progresses and adjust the corresponding budgets accordingly as we proceed to the mid-year amendment. Please note that the prior year's actual values and final budget amendment for the year ended June 30, 2023 are inflated by the one-time section 147(c)2 payment totaling \$11,477,270, which has skewed the percentages slightly (from 34% to 38%).
- **Pupil Support and Instructional Support** – Expenditures under this category are trending higher than the three-year historical average due to salary and benefits costs for final staff placements and the timing of purchase services and supplies when compared to the districts three-year historical average.
- **Maintenance & Operations** – Maintenance and Operations expenditures are trending higher than our three-year historical average due to higher-than-expected contracted services for outstanding work orders, including the expenditures for the 3 flood events that occurred over the summer due to inclement weather. In addition, both Maintenance and Operations and Security have spent their allocated equipment budgets faster this year than in prior years for a forklift, two mowers and security equipment. Additionally, the purchase of transportation radios was preliminarily expensed to the general fund until approval of 31aa funds is received.
- **School Activities** - Expenditures under this category are trending ahead of the three-year historical average due to payments for coaches and transportation costs higher than anticipated to date.
- **Salaries and Fringe Benefits** – These object categories are trending faster and higher than originally anticipated for the final placement and employee staff contracts in the current year that will be revised during the upcoming budget amendment. In addition, we may need to produce a second set of statements to account for the one-time MPSERS payment received and paid in the prior year to enhance the financial reporting.

Net Change in Fund Balance

Overall, the net change in fund balance will be adjusted for the annual audited fund equity during the mid-year amendment process.

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, 2023 to DECEMBER 31, 2023**

| | 6/30/2023 AUDITED ACTUAL | 6/30/2024 ORIGINAL BUDGET | 12/31/2023 PROJECTED BUDGET | 12/31/2023 ACTUAL | Projected % of Budget | Actual % of Budget | Percentage Variance Favorable/ (Unfavorable) | Dollar Variance Favorable/ (Unfavorable) |
|-------------------------------------|-----------------------------|---------------------------------|-----------------------------------|-----------------------|-----------------------------|-----------------------|---|--|
| REVENUE | | | | | | | | |
| Local Sources | \$ 36,444,407 | \$ 38,257,214 | 35,277,859 | \$ 35,092,534 | 92.21% | 91.73% | -0.48% | \$ (185,325) |
| State Sources | 160,620,414 | 153,720,940 | 40,717,643 | 43,830,368 | 26.49% | 28.51% | 2.02% | 3,112,725 |
| Federal Sources | 430,274 | 391,602 | 164,680 | 203,798 | 42.05% | 52.04% | 9.99% | 39,118 |
| Interdistrict Sources & other * | 11,118,941 | 11,286,798 | 5,397,229 | 5,024,728 | 47.82% | 44.52% | -3.30% | (372,500) |
| Transfers from Other Funds | 244,672 | 25,000 | 58 | 46,273 | 0.23% | 185.09% | 184.86% | 46,215 |
| TOTAL REVENUE | \$ 208,858,708 | \$ 203,681,554 | \$ 81,557,469 | \$ 84,197,702 | 39.46% | 41.34% | 1.88% | \$ 2,640,233 |
| EXPENDITURES | | | | | | | | |
| INSTRUCTION | | | | | | | | |
| Basic Programs | \$ 108,727,696 | \$ 99,515,742 | \$ 44,236,101 | \$ 49,322,343 | 44.45% | 49.56% | -5.11% | \$ (5,086,242) |
| Added Needs | 16,429,375 | 16,631,802 | 7,447,588 | 8,299,521 | 44.78% | 49.90% | -5.12% | (851,933) |
| Adult Education | - | - | - | 959 | 0.00% | 0.00% | 0.00% | (959) |
| Total Instruction | 125,157,071 | 116,147,544 | 51,683,689 | 57,622,823 | 44.48% | 49.61% | -5.14% | (5,939,134) |
| SUPPORTING SERVICES | | | | | | | | |
| Pupil Support | 15,725,434 | 18,152,142 | 8,600,327 | 8,784,154 | 47.38% | 48.39% | -1.01% | (183,827) |
| Instructional Support | 15,252,919 | 16,210,086 | 7,315,119 | 8,390,260 | 45.13% | 51.76% | -6.63% | (1,075,141) |
| General Administration | 1,142,336 | 1,109,553 | 444,124 | 592,944 | 40.03% | 53.44% | -13.41% | (148,820) |
| School Administration | 12,085,583 | 13,681,013 | 6,531,044 | 6,686,018 | 47.74% | 48.87% | -1.13% | (154,974) |
| Business | 1,914,315 | 2,074,364 | 1,049,003 | 1,095,500 | 50.57% | 52.81% | -2.24% | (46,497) |
| Maintenance & Operations | 18,598,494 | 19,121,748 | 8,589,088 | 10,928,954 | 44.92% | 57.15% | -12.24% | (2,339,866) |
| Transportation | 9,124,088 | 10,357,772 | 4,030,817 | 3,092,762 | 38.92% | 29.86% | 9.06% | 938,055 |
| Central Support Services | 4,548,615 | 4,862,649 | 2,330,029 | 2,612,801 | 47.92% | 53.73% | -5.82% | (282,772) |
| School Activities | 2,372,357 | 2,624,637 | 999,547 | 1,166,983 | 38.08% | 44.46% | -6.38% | (167,436) |
| Community Services | 856,941 | 907,525 | 439,636 | 448,874 | 48.44% | 49.46% | -1.02% | (9,238) |
| Facility Improvements | 103,807 | 287,055 | 66,277 | - | 23.09% | 0.00% | 23.09% | 66,277 |
| Non-voted Debt Service | 882,840 | 881,740 | 284,353 | 677,620 | 32.25% | 76.85% | -44.60% | (393,267) |
| Total Supporting Services | 82,607,729 | 90,270,284 | 40,679,364 | 44,476,870 | 44.46% | 49.27% | -4.81% | (3,797,506) |
| TOTAL OPERATING EXPENDITURES | 207,764,800 | 206,417,828 | 92,363,053 | 102,099,693 | 44.45% | 49.46% | -5.02% | (9,736,640) |
| 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 | \$ 207,764,800 | \$ 206,417,828 | \$ 92,363,053 | \$ 102,099,693 | 44.45% | 49.46% | -5.02% | \$ (9,736,640) |
| NET CHANGE IN FUND BALANCE | 1,093,908 | (2,736,274) | (10,805,584) | (17,901,991) | | | | (7,096,407) |
| BEGINNING FUND BALANCE | 45,920,794 | 42,041,142 | | | | | | |
| ENDING FUND BALANCE | \$ 47,014,702 | \$ 39,304,868 | | | | | | |
| | 22.6% | 19.0% | | | | | | |

Information Only:

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|----------------------------------|-----------------------|-----------------------|----------------------|-----------------------|---------------|---------------|---------------|-----------------------|
| OBJECT LEVEL EXPENDITURES | | | | | | | | |
| Salaries & Fringe Benefits | \$ 174,683,731 | \$ 170,492,008 | \$ 78,235,645 | \$ 84,347,371 | 45.65% | 49.47% | -3.82% | \$ (6,111,726) |
| Purchased Services | 21,784,082 | 23,318,954 | 9,431,086 | 10,546,394 | 40.44% | 45.23% | -4.78% | (1,115,308) |
| Supplies & Materials | 8,823,542 | 9,446,204 | 3,772,282 | 5,130,077 | 39.93% | 54.31% | -14.37% | (1,357,795) |
| Capital Outlay & Equipment | 1,016,638 | 1,342,280 | 268,396 | 1,012,206 | 20.00% | 75.41% | -55.41% | (743,810) |
| Other Expenditures | 1,456,807 | 1,818,382 | 655,645 | 1,063,645 | 36.06% | 58.49% | -22.44% | (408,000) |
| TOTAL EXPENDITURES | \$ 207,764,800 | \$ 206,417,828 | \$ 92,363,053 | \$ 102,099,693 | 44.45% | 49.46% | -5.02% | \$ (9,736,640) |

PLYMOUTH-CANTON COMMUNITY SCHOOLS
GENERAL FUND BUDGETS
DECEMBER 31ST BUDGETS FOR YEARS ENDING 2020, 2021 & 2022

| | 6/30/2021 FINAL BUDGET | 12/31/2020 ACTUAL | % of Budget | 6/30/2022 FINAL BUDGET | 12/31/2021 ACTUAL | % of Budget | 6/30/2023 FINAL BUDGET | 12/31/2022 ACTUAL | % of Budget | Average % of Budget |
|-------------------------------------|---------------------------|----------------------|----------------|---------------------------|----------------------|----------------|---------------------------|----------------------|----------------|------------------------|
| REVENUE | | | | | | | | | | |
| Local Sources | \$ 32,249,433 | \$ 29,802,453 | 92.4% | \$ 33,151,184 | \$ 30,683,611 | 92.6% | \$ 36,420,840 | \$ 33,386,248 | 91.7% | 92.2% |
| State Sources | 134,967,867 | 36,799,127 | 27.3% | 138,960,471 | 37,861,947 | 27.2% | 161,116,523 | 40,202,468 | 25.0% | 26.5% |
| Federal Sources | 204,808 | 9,021 | 4.4% | 541,689 | 377,469 | 69.7% | 418,957 | 218,153 | 52.1% | 42.1% |
| Interdistrict Sources & other | 10,794,510 | 5,723,198 | 53.0% | 12,647,843 | 4,763,056 | 37.7% | 10,899,205 | 5,752,415 | 52.8% | 47.8% |
| Transfers from Other Funds | 131,442 | 917 | 0.7% | 144,842 | - | 0.0% | 69,272 | - | 0.0% | 0.2% |
| TOTAL REVENUE | \$ 178,348,060 | \$ 72,334,716 | 40.6% | \$ 185,446,029 | \$ 73,686,083 | 39.7% | \$ 208,924,797 | \$ 79,559,283 | 38.1% | 39.5% |
| EXPENDITURES | | | | | | | | | | |
| INSTRUCTION | | | | | | | | | | |
| Basic Programs | \$ 89,366,028 | \$ 39,412,821 | 44.1% | \$ 96,193,496 | \$ 46,130,622 | 48.0% | \$ 110,209,420 | \$ 45,511,333 | 41.3% | 44.5% |
| Added Needs | 16,138,657 | 6,755,337 | 41.9% | 15,779,625 | 7,502,189 | 47.5% | 16,467,700 | 7,399,922 | 44.9% | 44.8% |
| Adult Education | - | 180 | 0.0% | - | - | 0.0% | - | - | 0.0% | 0.0% |
| Total Instruction | 105,504,685 | 46,168,338 | 43.8% | 111,973,121 | 53,632,811 | 47.9% | 126,677,120 | 52,911,255 | 41.8% | 44.5% |
| SUPPORTING SERVICES | | | | | | | | | | |
| Pupil Support | 13,143,281 | 5,891,184 | 44.8% | 16,356,798 | 7,341,676 | 44.9% | 16,092,753 | 8,437,438 | 52.4% | 47.4% |
| Instructional Support | 11,199,607 | 5,202,867 | 46.5% | 11,893,379 | 5,389,190 | 45.3% | 15,626,236 | 6,815,001 | 43.6% | 45.1% |
| General Administration | 978,529 | 439,248 | 44.9% | 1,023,067 | 365,128 | 35.7% | 1,198,336 | 473,387 | 39.5% | 40.0% |
| School Administration | 11,203,510 | 5,407,685 | 48.3% | 11,567,085 | 5,520,606 | 47.7% | 12,684,290 | 5,989,448 | 47.2% | 47.7% |
| Business | 1,913,185 | 971,526 | 50.8% | 1,931,603 | 992,583 | 51.4% | 2,021,699 | 1,001,602 | 49.5% | 50.6% |
| Maintenance & Operations | 15,673,746 | 6,821,121 | 43.5% | 17,798,757 | 8,074,317 | 45.4% | 19,448,208 | 8,920,855 | 45.9% | 44.9% |
| Transportation | 8,080,951 | 2,881,869 | 35.7% | 7,399,349 | 2,681,088 | 36.2% | 9,554,948 | 4,285,490 | 44.9% | 38.9% |
| Central Support Services | 3,653,784 | 1,867,562 | 51.1% | 3,873,839 | 1,737,765 | 44.9% | 4,578,847 | 2,187,706 | 47.8% | 47.9% |
| School Activities | 2,649,782 | 950,902 | 35.9% | 2,492,538 | 1,037,716 | 41.6% | 2,785,060 | 1,022,975 | 36.7% | 38.1% |
| Community Services | 749,594 | 374,770 | 50.0% | 823,309 | 394,944 | 48.0% | 888,642 | 420,891 | 47.4% | 48.4% |
| Facility Improvements | - | - | 0.0% | 3,798,130 | 166,459 | 4.4% | 137,055 | 88,925 | 64.9% | 23.1% |
| Non-voted Debt Service | 1,177,519 | 499,117 | 42.4% | 1,010,216 | 314,439 | 31.1% | 882,840 | 205,120 | 23.2% | 32.2% |
| Total Supporting Services | 70,423,488 | 31,307,851 | 44.5% | 79,968,070 | 34,015,911 | 42.5% | 85,898,914 | 39,848,839 | 46.4% | 44.5% |
| TOTAL OPERATING EXPENDITURES | 175,928,173 | 77,476,189 | 44.0% | 191,941,191 | 87,648,722 | 45.7% | 212,576,034 | 92,760,094 | 43.6% | 44.4% |
| 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 | \$ 175,928,173 | \$ 77,476,189 | 44.0% | \$ 191,941,191 | \$ 87,648,722 | 45.7% | \$ 212,576,034 | \$ 92,760,094 | 43.6% | 44.4% |
| NET CHANGE IN FUND BALANCE | 2,419,887 | (5,141,473) | | (6,495,162) | (13,962,639) | | (3,651,237) | (13,200,812) | | |
| BEGINNING FUND BALANCE | 39,511,465 | | | 45,920,796 | | | 40,947,248 | | | |
| ENDING FUND BALANCE | \$ 41,931,352 | | | \$ 39,425,634 | | | \$ 37,296,011 | | | |
| | 23.83% | | | 20.54% | | | 17.54% | | | |

Information Only:

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|----------------------------------|-----------------------|----------------------|--------------|-----------------------|----------------------|--------------|-----------------------|----------------------|--------------|--------------|
| OBJECT LEVEL EXPENDITURES | | | | | | | | | | |
| Salaries & Fringe Benefits | \$ 147,979,296 | \$ 66,838,669 | 45.2% | \$ 159,131,597 | \$ 75,644,766 | 47.5% | \$ 176,650,229 | \$ 78,168,156 | 44.3% | 45.7% |
| Purchased Services | 18,660,873 | 7,286,223 | 39.0% | 18,392,797 | 7,628,233 | 41.5% | 22,972,981 | 9,375,757 | 40.8% | 40.4% |
| Supplies & Materials | 6,816,356 | 2,510,177 | 36.8% | 8,137,209 | 3,310,146 | 40.7% | 9,879,864 | 4,179,003 | 42.3% | 39.9% |
| Capital Outlay & Equipment | 613,358 | 100,799 | 16.4% | 4,540,146 | 473,626 | 10.4% | 1,427,832 | 472,908 | 33.1% | 20.0% |
| Other Expenditures | 1,858,290 | 740,321 | 39.8% | 1,739,442 | 591,951 | 34.0% | 1,645,128 | 564,271 | 34.3% | 36.1% |
| TOTAL EXPENDITURES | \$ 175,928,173 | \$ 77,476,189 | 44.0% | \$ 191,941,191 | \$ 87,648,722 | 45.7% | \$ 212,576,034 | \$ 92,760,094 | 43.6% | 44.4% |