



**Date:** November 5, 2024  
**To:** Monica Merritt, PhD, Superintendent  
**From:** Jill Minnick, Chief Finance & Operations Officer  
Jody Malbon, Executive Director of Finance and Accounting  
**Subject:** Summary Financial Update for Period Ending September 30, 2024

Attached is the financial report as of September 30, 2024, which details the General Fund Original Budget vs. Actual with percentage of budget and variance at the function and object levels.

Although July through September accounts for 25% 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 proforma September 30, 2024 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 September 30 is 15.5% of the total budget. This percentage is greater than the three year historical average due to the following:

- **Local Sources** – Local source revenues are trending higher than the three-year historical average primarily due to an increase in property tax values and timing of local property tax revenue collections.
- **State Sources** – State Aid Payments are received in 11 equal payments from October through August, therefore, we have not yet received a State School Aid payment for this fiscal year.
- **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 September are 20.7% of budgeted amounts, which is fairly consistent with the three-year historical average for this point in the fiscal year. Please note the following:

- **Instruction** – Instructional salary and benefit expenditures are trending in line with the three-year historical average. We will continue to monitor employee contracts as the year progress and adjust the corresponding budgets accordingly.
- **Pupil Support and Instructional Support** – Expenditures under this category are trending a bit less than the three-year historical average due to the timing of purchase services and supplies when compared to the district’s three-year historical average.
- **General Administration** – Expenditures under this category are trending higher than the three-year historical average due to the timing of year-to-date contracted audit and legal service payments when compared to prior years.
- **Maintenance & Operations** – Maintenance and Operations expenditures are trending higher than our three-year historical average due to higher salary and benefits, custodial contracted services since ABM is now at full staff, and contracted services costs for repairs.
- **Transportation** - Expenditures under this category are trending behind the three-year historical average due to the timing of the monthly invoice payments and prior year categorical classifications.
- **Non-Voted Debt** - Expenditures under this category are trending slower than the three-year historical average due to capital lease payments over prior years. PCCS made the final payments for leases in 2022-23.

### Net Change in Fund Balance

Overall, the net change in fund balance is in line with our preliminary expectations, given the timing of several revenue types. In addition, the net fund balance be adjusted for the annual audited fund equity during the first amendment process.

We hope this enhanced reporting provides more information to you and the Board of Education as we proceed through this fiscal year.