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Christy Perry, Superintendent

Date April 24, 2019  
TO: Christy Perry, Superintendent  
FROM: Michael D. Wolfe, Chief Operations Officer  
RE: Financial Update for the Quarter Ended March 31, 2019

Board Policy EL-8, Item 6 sets out a provision for the School Board to receive quarterly financial reports that include a recap of changes between the current and previous report in expenditures, revenue, enrollment and a projected ending fund balance. The information provided in this memo summarizes the highlights of the third quarterly report for the 2018-19 fiscal year.

#### **Comparison of December 31, 2018 Report to March 31, 2019 Report**

As of March 2019, the District is estimating an increase of \$2.5 million to the General Fund projected ending fund balance over the December quarterly financial report attributed primarily to adjusted State School Fund (SSF) estimates from Oregon Department of Education (ODE). The projected 2018-19 General Fund ending fund balance is \$51.5 million or 10.15% as a percent of operating revenue and will fluctuate throughout the remainder of the year based on changes in revenues and expenditures.

#### **Current Year (2018-19) Outlook:**

- **Revenue** – The District is forecasting a \$3.0 million increase in General Fund revenues as compared to the December Financial Update. This increase is comprised of an increase in SSF per student, due to a decrease in the number of students statewide.
- **Expenditures** – The District is forecasting a slight increase in General Fund expenditures of about \$0.5 million as compared to the December forecast. This increase is due to budgetary transfer of appropriations for boundary adjustments approved on February 12, which was offset by declines in other projected expenses.
- **Enrollment** – The April enrollment includes 41,335 students compared to 41,521 from last April, a decrease of 186 students. The monthly comparison with the previous year does not change the long-term growth projection for the district as provided by Portland State University Population Research Center and confirmed by FLO Analytics through the recent Boundary Adjustment Task Force recommendations. The District is closely monitoring this situation to determine the long-term impact to financial forecasting.

#### **Summary and Look Ahead**

The District is projecting a General Fund ending fund balance of \$51.5 million, or 10.15%, for 2018-19. The District will continue to closely monitor the changes in revenue estimates from ODE as they close out the 2017-19 biennium. Adjustments will likely occur between this report and the quarter ending June 30, 2018.

**Salem-Keizer Public Schools**  
**General Fund Revenue & Expenditure Projection**  
**Fiscal Year Ending June 30, 2019**  
**Quarter Ended March 31, 2019**

	<b>2018-19</b>
State Formula Revenue	\$ 423,010,038
Exempt Revenue	18,260,834
Fund Transfers	4,600,002
Total Revenue	<b>\$ 445,870,874</b>
Beginning Fund Balance	46,000,000
Total Budgeted Resources	<b>\$ 491,870,874</b>
Total Expenditure Budget	<b>\$ 491,870,874</b>
Total Budgeted Resources	\$ 491,870,874
Less: Budgeted Beginning Fund Balance	(46,000,000)
Add: Actual Ending Fund Balance 2017-18	51,478,033
Total Budgeted Operating Revenue - Prior to Year End	<b>\$ 497,348,907</b>
Year End Revenue Increase (Decrease)	9,446,132
Total Operating Revenue	<b>\$ 506,795,039</b>
<b><u>Fund Balance Projection</u></b>	
Actual Beginning Fund Balance	\$ 51,478,033
Less Budgeted Carryforward - Fund Balance	(46,000,000)
Adjust Increase (Decrease) - Projected Revenue	9,446,132
Adjust Decrease (Increase) - Projected Expenses - Includes Contingency	36,537,166
Projected Ending Fund Balance	<b>\$ 51,461,331</b>

Projected Ending Fund Balance as a Percent of Operating Revenue 10.15%  
*Administrative Policy ADM-A001 5.1 (5%-7% Targeted Ending Fund Balance)*