



Memorandum

To: Board of Education and Dr. Debbie Jones
From: Janet Schwanhausser, Ed.D.
Date: August 20, 2019
RE: Financial Report for Period Ending July 31, 2019

First Period in Fiscal Year 2020

This is the first monthly financial report for the fiscal year 2019-20. The beginning fund balances reported are preliminary, as we have not performed final close of the prior fiscal year. The fund balance for all funds is \$102,349,870. This is \$18.0M more than at this time last year. The difference is primarily due to additional funds held in Fund 3 (Building Fund) for the construction of Junior High #4. Property tax revenues are coming in more slowly this year than last year, but still at a more accelerated rate than in the past. Considering only operating funds, the current fund balance is \$1.4M more than at this time last year.

Budget amounts for 2019-20 are blank until the Board approves the budget on September 17. When the budget for 2019-20 is presented, corrected and unaudited fund balances will be reported.

Closing Fiscal Year 2019

The process of closing FY 19 is coming to an end. As of August 12th, the ending balance considering all operating funds is \$35,034,120 or 20.3%. The net legal balance (subtracting categorical funds) is \$34,695,892 or 20.5%. As described in the July 2018 financial report, an unusually high proportion of tax revenues were received in June of last year. Typically, 45.6% to 47.2% of the calendar year's tax receipts are received prior to the close of the fiscal year. In FY 18, 56.3% of the calendar year's taxes were received before June 30th. These funds were not unexpected revenues. The timing was simply earlier than anticipated. The result of the early payments was an ending fund balance greater than 20%. The Board approved to leave bond proceeds in the amount of \$5,526,400 in Fund 3 (Building Fund) to lower the fund balance, which was artificially high due to the early receipt of tax revenue. In FY 19, the phenomenon continued, but with a slower pace. By June 30 of 2019, 51.3% of the calendar year's tax revenues were received. This is \$3.7M more than the District would have received in the pace of revenue aligned with historical rates. Again, the fund balance is artificially high due to the early tax revenues. Administration recommends moving the \$3.7M to Fund 3 (Building Fund). Doing so will lower the fund balance to 18.3%.

The second purpose served by this recommendation is to set aside funds for future construction. The legislature passed a modification to the facilities wealth index formula that will reduce the State's share of new construction by at least half. If District growth slows, the State's share will drop to almost zero. Further, cost of construction is expected to continue to increase at rates higher than anticipated when

the construction plan was developed. Moving the funds will ensure that the District is able to complete all four buildings promised to voters.

Recommended Motions

Motion to approve the July 2019 Financial Report.

Motion to approve moving \$3,700,000 in operating funds to Fund 3 (Building Fund) for future construction.

Bentonville Public Schools

	05/31/19	06/30/19	07/31/19
Bank Balance	112,631,547.93	116,720,198.13	104,829,745.12
Outstanding Deposits	-	-	-
Outstanding Checks	<u>(1,846,534.33)</u>	<u>(6,559,387.79)</u>	<u>(970,938.35)</u>
Adjusted Bank Balance	110,785,013.60	110,160,810.34	103,858,806.77
General Ledger Balance	110,785,013.60	110,160,810.34	103,858,806.77
Adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted General Ledger	\$110,785,013.60	\$110,160,810.34	\$103,858,806.77
Difference	\$0.00	\$0.00	\$0.00

Michael Forrest

Michael Forrest, Director of Accounting

8/2/2019

Date

Janet Schwanhausser

Janet Schwanhausser, Deputy Superintendent & CFO

08-02-19

Date

Debbie Jones

Debbie Jones, Superintendent

08-05-19

Date

Outstanding items at 07/31/19 greater than \$100,000:

Outstanding items at 06/30/19 greater than \$100,000:

Employee Benefits Division \$ 533,562.62

Outstanding items at 5/31/19 greater than \$100,000:

Flintco LLC \$ 1,310,805.38

Bentonville School District
Budget to Actual - Summary of All Funds
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Actual Thru July 31, 2018 8%
Revenues				
Local property taxes	\$ -	\$ 1,947,049	-	\$ 2,576,452
Investment income	-	135,731	-	38,993
Other local revenues	-	6,350,994	-	6,079,947
Federal and state assistance	-	295,314	-	54,366
Total revenues	-	<u>8,729,088</u>	-	<u>8,749,757</u>
Expenditures				
Current				
Instruction	-	813,854	-	698,200
Support services	-	2,973,770	-	4,687,456
Other	-	2,042,876	-	3,532,099
Total expenditures	-	<u>5,830,501</u>	-	<u>8,917,755</u>
Changes in fund balances	<u>\$ -</u>	<u>\$ 2,898,588</u>		<u>\$ (167,997)</u>
Beginning Fund Balance, July 1				
Unrestricted and State Programs		34,695,892		33,122,047
Restricted				
Categorical		338,228		457,664
Building		51,317,478		38,887,170
Capital Outlay		3,960,253		3,136,123
Federal Funds		4,435,692		4,287,648
Activity		3,333,463		3,036,561
Food services		1,370,277		1,550,422
		<u>99,451,283</u>		<u>84,477,634</u>
Ending Fund Balance				
Unrestricted and State Programs		39,053,314		37,585,326
Restricted				
Categorical		320,806		420,604
Building		49,966,538		36,132,585
Capital Outlay		3,846,305		1,514,122
Federal Funds		4,528,076		4,146,209
Activity		3,490,680		3,056,659
Food services		1,144,153		1,454,132
		<u>\$ 102,349,870</u>		<u>\$ 84,309,637</u>

NOTES/

Above summary represents all funds of the District.

Bentonville School District
Budget to Actual - Operating Funds 1, 2, and 4
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Notes	Actual Thru July 31, 2018 8%
Revenues					
Property Taxes - July - December	\$ -	\$ 1,764,739	-		\$ 2,358,410
Property Taxes - January - June	-	-	-		-
Property Taxes - Delinquent	-	79,151	-		91,956
Other Local Taxes	-	38,834	-		32,500
Interest	-	135,731	-		38,993
Child Care	-	235,096	-		247,813
Other Local Sources	-	66,907	-		59,711
State Foundation	-	5,387,380	-		5,329,488
Student Growth	-	3,356	-		-
Categorical	-	-	-		-
State ABC Grants	-	124,195	-		121,365
Other State Sources	-	114,880	-		21,154
Debt Service	-	46,221	-		63,259
	-	-	-		-
Total Revenue	<u>-</u>	<u>7,996,491</u>	-		<u>8,364,649</u>
Expenses - Function					
Instruction	-	804,093	-		652,852
Student Services - Students	-	15,817	-		18,670
Student Services - Instruction	-	394,023	-		315,630
General Administration	-	92,955	-		121,854
School Administration	-	115,730	-		107,684
Central Services	-	547,038	-		358,456
Maintenance & Operations	-	1,181,409	-		1,696,840
Transportation	-	258,935	-		231,127
Non-instruction Operation	-	246,492	-		222,099
Facilities/land Acquisition	-	-	-		213,217
Debt Service	-	-	-		-
Other Uses	-	-	-		-
	-	-	-		-
Total Expenditures	<u>-</u>	<u>3,656,491</u>	-		<u>3,938,429</u>
Net Revenues over Expenditures	<u>\$ -</u>	<u>\$ 4,340,000</u>			<u>\$ 4,426,220</u>
Beginning Fund Balance, July 1					
Unrestricted and State Programs		34,695,892			33,122,047
Categorical		338,228			457,664
		<u>35,034,120</u>			<u>33,579,710</u>
Ending Fund Balance					
Unrestricted and State Programs		39,053,314			37,585,326
Categorical		320,806			420,604
		<u>\$ 39,374,120</u>			<u>\$ 38,005,930</u>

NOTES/

The operating fund accounts for the operations of the District, including debt service requirements.

Eight percent of the year reported

Bentonville School District
Budget to Actual - Building Fund 3
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Notes	Actual Thru July 31, 2018 8%
Revenues					
Local property taxes	\$ -	\$ -	-		\$ -
Investment income	-	-	-		-
Other local revenues	-	-	-		-
Federal and state assistance	-	93,649	-		-
Total revenues	<u>-</u>	<u>93,649</u>	-		<u>-</u>
Expenditures					
Instruction	-	-	-		-
Support services	-	135,559	-		-
Other	-	1,309,030	-		2,754,585
Total expenditures	<u>-</u>	<u>1,444,589</u>	-		<u>2,754,585</u>
Changes in fund balances	-	(1,350,940)			(2,754,585)
Beginning Fund Balance, July 1	<u>-</u>	<u>51,317,478</u>			<u>38,887,170</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 49,966,538</u>			<u>\$ 36,132,585</u>

NOTES/

The building fund accounts for the acquisition of fixed assets or construction of major capital projects.

Eight percent of the year reported

A\ Revenues include bond proceeds of \$40,438,228 received in Period 9 for Junior High #4 construction.

Bentonville School District
Budget to Actual - Capital Outlay Fund 5
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Notes	Actual Thru July 31, 2018 8%
Revenues					
Local property taxes	\$ -	\$ 64,324	-	A	\$ 93,586
Investment income	-	-	-		-
Other local revenues	-	-	-		-
Federal and state assistance	-	-	-		-
Total revenues	<u>-</u>	<u>64,324</u>	-		<u>93,586</u>
Expenditures					
Instruction	-	-	-		-
Support services	-	178,272	-	B	1,715,587
Other	-	-	-		-
Total expenditures	<u>-</u>	<u>178,272</u>	-		<u>1,715,587</u>
Changes in fund balances	-	(113,948)			(1,622,001)
Beginning Fund Balance, July 1	<u>-</u>	<u>3,960,253</u>			<u>3,136,123</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 3,846,305</u>			<u>\$ 1,514,122</u>

NOTES/

The capital outlay fund accounts for the expenditures of building projects funded by millage for dedicated M & O purposes.

Eight percent of the year reported

A\ Amount represents property taxes collected during the year based on the 2 mil.

B\ Primarily consists of repairs and maintenance expenses to maintain and upgrade the facilities and purchase technology equipment.

Bentonville School District
Budget to Actual - Federal Fund 6
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Notes	Actual Thru July 31, 2018 8%
Revenues					
Local property taxes	\$ -	\$ -	-		\$ -
Investment income	-	-	-		-
Other local revenues	-	-	-		-
Federal and state assistance	-	156,178	-		25,241
Total revenues	-	156,178	-	A	25,241
Expenditures					
Instruction	-	9,761	-		45,348
Support services	-	54,033	-		121,332
Other	-	-	-		-
Total expenditures	-	63,794	-	B	166,680
Changes in fund balances	-	92,384			(141,439)
Beginning Fund Balance, July 1	-	4,435,692			4,287,648
Ending Fund Balance	\$ -	\$ 4,528,076			\$ 4,146,209

NOTES/

The federal fund accounts for the revenue and expenses related to federal programs such as Title I; Title VI-B; Medicaid, etc.

Eight percent of the year reported

A\ Amount represents revenue received from various federal agencies. Revenue is received on a reimbursement basis (with the exception of Medicaid). For example, May expenses are not reimbursed until June.

B\ Expenses incurred for federal programs. Expenses range from salaries and benefits to supplies and technology to be used in the classroom.

Bentonville School District
Budget to Actual - Activity Fund 7
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Notes	Actual Thru July 31, 2018 8%
Revenues					
Local property taxes	\$ -	\$ -	-		\$ -
Investment income	-	-	-		-
Other local revenues	-	365,314	-	A	230,126
Federal and state assistance	-	-	-		-
Total revenues	<u>-</u>	<u>365,314</u>	-		<u>230,126</u>
Expenditures					
Instruction	-	-	-		-
Support services	-	-	-		-
Other	-	208,097	-	A	210,028
Total expenditures	<u>-</u>	<u>208,097</u>	-		<u>210,028</u>
Changes in fund balances	-	157,217			20,098
Beginning Fund Balance, July 1	<u>-</u>	<u>3,333,463</u>			<u>3,036,561</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 3,490,680</u>			<u>\$ 3,056,659</u>

NOTES/

The activity fund accounts for revenues generated from fundraising activities; student fees, athletic gates and donations. Expenses are used for various student activities; scholarships, etc.

Eight percent of the year reported

A\ Amounts can vary from year to year based on the schools' fundraising activities.

Bentonville School District
Budget to Actual - Food Service Fund 8
One Month Ended July 31, 2019

	Annual Budget	Actual Thru July 31, 2019 8%	% of Budget	Notes	Actual Thru July 31, 2018 8%
Revenues					
Local property taxes	\$ -	\$ -	-		\$ -
Investment income	-	-	-		-
Other local revenues	-	7,645	-	A	7,031
Federal and state assistance	-	45,487	-	B	29,125
Total revenues	<u>-</u>	<u>53,133</u>	-		<u>36,155</u>
Expenditures					
Instruction	-	-	-		-
Support services	-	-	-		275
Other	-	279,257	-	C	132,170
Total expenditures	<u>-</u>	<u>279,257</u>	-		<u>132,445</u>
Changes in fund balances	-	(226,124)			(96,290)
Beginning Fund Balance, July 1	<u>-</u>	<u>1,370,277</u>			<u>1,550,422</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 1,144,153</u>			<u>\$ 1,454,132</u>

NOTES/

The food service fund accounts for transactions related to the food service program of the District.

Eight percent of the year reported

A\ Other local revenue consists of fees charged to students and staff for food.

B\ Amount represents federal reimbursements for free/reduced students.

C\ Amount represents expenses paid to Aramark to manage food service department. Costs include salaries, food costs, management fees and supplies.

Bentonville School District
Budget to Actual - Operating Funds 1, 2, and 4
One Month Ended July 31, 2019

	Annual Budget		Actual Thru July 31, 2019	%	Notes	Actual Thru July 31, 2018
61110 Certified Salaries	\$ -	\$	204,549	-		\$ 170,400
61120 Classified Salaries	-		654,400	-		618,151
62X10 Certified and Classified Benefits	-		237,226	-		237,613
62321 Outsourcing Surcharge (0.50 %)	-		2,968	-		1,512
63100 Purchased Services	-		-	-		-
63200 Instructional Services	-		908	-		-
63220 Substitute Service	-		-	-		336
63310 Cert. Prof. Development	-		7,520	-		10,671
63320 Class. Prof Development	-		-	-		30
63410 Pupil Services	-		-	-		-
63430 Accounting	-		-	-		-
63440 Legal	-		3,180	-		12,229
63450 Medical	-		3,648	-		4,380
63460 Info Tech	-		-	-		-
63490 Other Professional	-		15,057	-		12,664
63530 Software Support	-		215,925	-		185,990
63900 Other Purchase Service	-		881	-		11,095
64100 Water & Sewer	-		34,692	-		45,095
64210 Sanitation	-		31,787	-		44,751
64230 Cleaning Services	-		7,683	-		426,180
64240 Lawn Care	-		141,803	-		141,803
64300 Repairs & Maintenance	-		125,082	-		159,390
64400 Rental	-		13,134	-		50,432
64900 Other Property Service	-		875	-		213,097
65210 Property & Liability Insurance	-		431,831	-		363,852
65240 Fleet Insurance	-		133,300	-		115,457
65250 Student Accident Ins	-		19,520	-		-
65310 Telephone	-		13,259	-		8,241
65320 Postage	-		4,691	-		15,607
65330 Network Systems	-		20,256	-		16,642
65400 Advertising	-		84	-		-
65500 Printing & Binding	-		25,257	-		25,291
65600 Tuitions	-		-	-		-
65800 Travel expenses	-		74,852	-		42,681
66100 General Supplies & Materials	-		305,092	-		433,720
66150 Allocation (\$500) Supplies	-		1,583	-		1,215
66210 Natural Gas	-		23,497	-		17,256
66220 Electricity	-		238,433	-		312,046
66260 Gasoline & Diesel	-		529	-		60
66410 Textbooks	-		154,328	-		22,360
66420 Library Books & Periodicals	-		38	-		894
66500 Technology Supplies	-		22,684	-		1,959
66510 Software	-		276,447	-		76,446
66520 Other Supplies-Tech	-		6,612	-		4,616
67000 Bldg & Land Improvement	-		-	-		-
67300 Equipment	-		83,650	-		1,830
68100 Dues & Fees	-		117,061	-		130,905
68300 Interest/Principal	-		-	-		-
68600 Penalties and Interest	-		-	-		-
68800 Taxes	-		-	-		-
68900 Misc Expenditures	-		2,170	-		1,532
	<u>\$ -</u>	<u>\$</u>	<u>3,656,491</u>	-		<u>\$ 3,938,429</u>

NOTE/

Eight percent of the year reported

Budget to Actual - Operating Funds 1, 2 and 4 Expenditures Thru July 31, 2019

■ Budget ■ Actual ■ Prior Year



Budget to Actual - Operating Funds 1, 2 and 4 Revenues Thru July 31, 2019

■ Budget ■ Actual ■ Prior Year

