



Davenport School District

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Business Manager's Report

October 12, 2020

2019-20 Ending Fund Balance

This year we need to have a discussion regarding our end of year financial statements. 19-20 is the first year we are required to categorize local funds separately. In the past, we categorized federal, state and local revenues and expenditures by programs, basic education, title I, food service, transportation etc. Now we need to categorize within those programs what portion was funded by the State, local and federal dollars.

With this new accounting requirements, we are left with the choice to categorize our ending fund balance as state, local or federal. There are considerations the District needs to make when deciding how to categorize this balance. If we categorize the ending fund balance as state dollars, then the State could believe that we are overfunded. If we categorize these funds as local dollars, then the community could believe our levy is too high. I am informing the Board that we need to discuss this so I know what the Board and superintendent would like the ending fund balance to represent.

Lunch Program Update

The summer food program has been extended through the end of June. With this change we are facing a dilemma. We still need to collect free and reduced information for state and federal funding programs. We have already seen a fewer families turning in paperwork for free and reduced lunches, and now we will struggle to gather the data even further. I think we need to compile a list of benefits of qualifying for free and reduced benefits and send out a mailer to families to try and get them to apply. I will work with Alison, Rita, Chad and Noelle to see if we can put something together to mail home to parents. I am also hoping that the will extend the pandemic ECT program which allocates extra monthly payments to families who qualify for free and reduced meals. I have a webinar tomorrow, so hopefully I will find out more then.

2020-21 Enrollment

Enrollment for September increased due to the accommodations made by OSPI. We ended up having 521.26 FTE and then we lost a few students, two to homeschool, one moved and one unknown. For October we are at 516.86. SPED enrollment increased by one.

2020-21 Variance to Budget

(Changes are in purple) I will keep working on this report, but for now, I have a simple table (blue table) outlining the variances I have identified. The budget column includes budgeted unfilled positions as well as positions that have been vacated since budget. It also includes our leave of absence and budgeted amounts for the categories I have identified as areas of variance and possible variance. The final column takes all the changes and totals up the

net variance from budget. The green table shows where we are going to start the year and if all of these budget variances occur, where we will end the year. It's a little simpler version of the blue table and it also includes our original budgeted deficit of \$29,504.

- We budgeted a beginning fund balance of \$735,454 and we actually have a beginning fund balance of \$921,658.
- We budgeted \$96,625 for curriculum and to date we have spent \$421, with K12/Fuel expected to be around \$250,000.
- Enrollment is calculated to reduce our revenues by approximately \$90,388. I am not budgeted a loss of three FTE from our current average as well since we trend down. This gives us a possible budget impact of \$125,069.
- Certificated staff budget includes the salary for our leave of absence for fall and a budgeted unfilled position. Changes from budget include adding .10 to our SLP position, two staff that moved over on the education side of the salary schedule, the cost difference of our new teacher from budget, and extra time for part-time teachers due to schedule changes. I am now tracking the differences in extra hours and substitutes from last year as well. We saw an increase in extra hours in September of almost \$9,000.
- Classified employees budget includes salaries for the two staff that resigned after budget, our prior maintenance employee, budgeted extra positions and a salary increase. Changes to budget include the cost difference of the new maintenance employee versus the budgeted amount, the cost of four new para-professionals, the possible hiring of a part-time custodian (currently we are using a substitute, but we will have to open a position soon if we want that to continue) and the cost of the increase to the salary schedule. I am now tracking the differences in extra hours and substitutes from last year as well. We do have reduced hours due to no trips but we have increased hours for custodial and our health aide.
- Extra-curricular salaries are probably not going to be reduced as much as originally thought. Some coaches are running some practices this fall and will be eligible for the 30% payment now and then the 70% payment when and if their season happens in the spring. I am estimating the reduction will only be for activities that are currently on hold. See the recommended advisors list on this months' board packet.
- Last spring, we saved \$2,500 over the prior year on copier costs. With K12, there is potential that we could save on the cost of copies.
- Energy was budgeted at a reduction of \$55,000 due to the anticipated savings from our retro-commissioning and energy audit. However, last spring we saw a dramatic drop in energy usage saving us about \$28,000. Since the buildings are only partially occupied and we are using chrome books and not desktops, I am hopeful we will see some savings this year as well.
- Other? I am sure there are other potential savings areas, that are not yet confirmed. Supplies other than curriculum, workshops and travel and substitutes are just a few. I will have more time to devote to tracking these changes once my end of year financial reports are completed.

Leslie Oliver