

Board Finance Committee Meeting

Thursday, July 9, 2020 1:00 PM

Board Room, 11611 NE Ainsworth Circle, Portland, OR 97220

1. **Call to Order**

2. **Budget Update**

3. **Review Financial Report**

4. **Review Board/Superintendent Expense Reports**

MESD BUSINESS SERVICES

Financial Update Summary 7/8/20 Board Finance Committee

May 31, 2020 FINANCIAL REPORT

Legal Compliance: As of the end of May, all expenditures are within budget appropriation and in compliance with legal requirements.

Cash Balance, All Funds: The MESD's combined cash balance for all funds was \$20.5 million at the end of May. This is 12% higher than our cash balance last year at this point. The majority of the variance is in the Resolution Services Fund.

Resolution Services Fund 1: Fund 1 shows an increase of \$1.5 million from last year. This reflects the districts growing ending balance. As of the end of May, the districts' projected year-end balance is \$3 million more than in FY 2019.

Contracted Services Fund 2: Fund 2 continues to show a negative cash balance due to timing issues from revenue collection for reimbursable expenses. Doana is actively working with ODE in conjunction with other ESD business managers to change contracting procedures to enable earlier access to funds.

Operating Fund 6: Fund 6 cash balance is about \$130 thousand or 2% higher than last year. The single largest factor is the increase in Beginning Fund Balance.

Revenues: Recorded revenues in Funds 1, 2, and 6 through the end of May total \$66.5 million, an increase of \$6 million or 9.9% from this time last year.

Expenditures: Agency expenditures through the end of May total \$50.8 million, an increase of \$3.8 million or 8.2% more than last year. The largest single factor is expansion at The Creeks. Additional factors include: 1) network upgrades and student information system upgrades 2) expansion in School Health Services Population Nurses and School Health Assistants, and 3) expansion in Special Education Related Services. Finally, agency-wide, personnel roll-up from FY 2019 to FY 2020 was projected to be 7.71%.

Transits: Through May transit requests have totaled \$9.1 million. This compares with \$8.2 million in FY 2019.

Transfers Out: To date, \$4.3 million in SSF and property tax funds (10% of total receipts, as per statute) has been transferred to the Operating Fund to offset FY 2020 operating costs.

Multnomah Education Service District
Monthly Board Financial Report
For May 2020

This report represents the combined efforts of the Business Services Department and the Board Finance Committee to help increase understanding of MESD finances. It is presented in five parts:

1. Summary of Budget and Actual Expenditures by Fund and Major Function

Compares the current budget to the year to date actual expenditures at the legal level of budgetary control.

2. Monthly Cash Dashboard

Depicts the MESD's cash balances by month and compares the current fiscal year against the prior fiscal year.

3. Monthly Revenues Dashboard

Provides three views of MESD's revenues and compares the current fiscal year against the prior fiscal year.

4. Monthly Expenditures Dashboard

Depicts the MESD's year to date actual expenditures, and the expenditures by category for the MESD's major funds.

5. Individual Fund Financial Reports

Provides the current financial status for each of the MESD's funds including; the current budget, projected actual revenues and expenditures, year to date actual revenues and expenditures, and the percentage of year to date to the projections. The prior year to date is shown for comparison.

If you have any comments or suggestions, please contact Doana Anderson, Director of Business Services at danderso@mesd.k12.or.us or (503) 257-1520

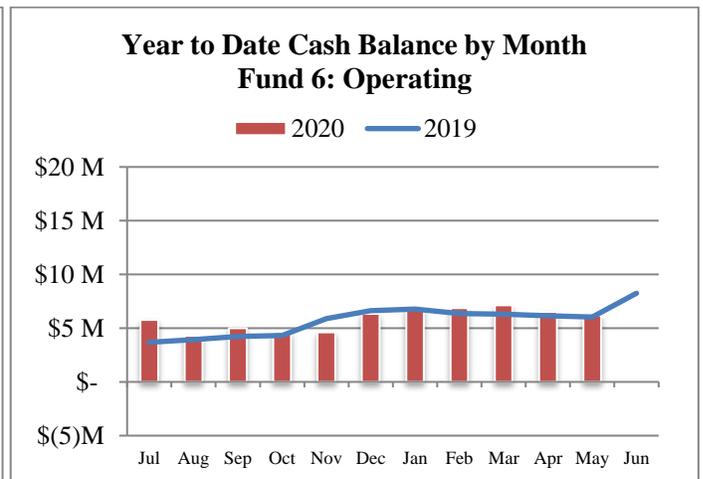
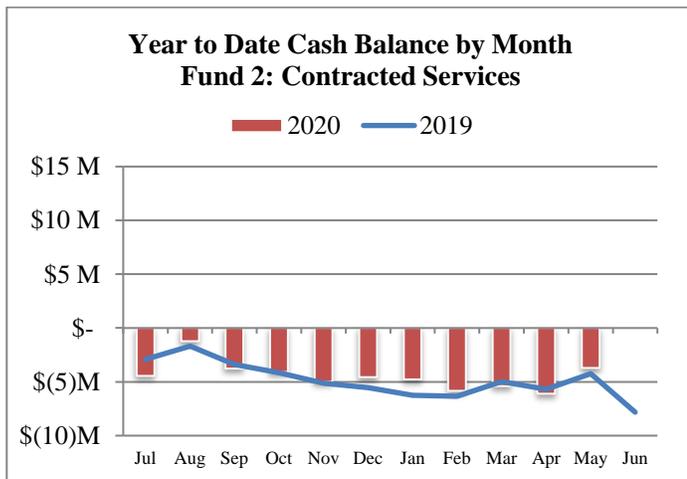
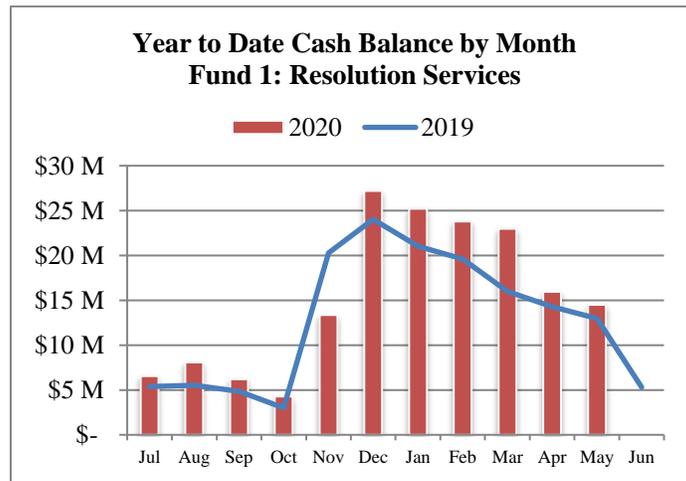
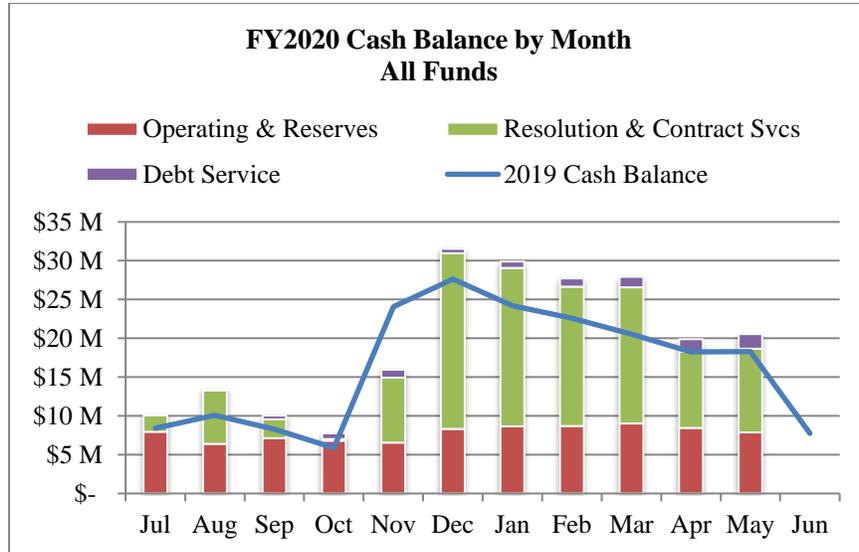
Multnomah Education Service District
Monthly Board Financial Report
As of May 31, 2020

Summary of Budget and Actual Expenditures by Fund and Major Function

Current Budget vs Actual Total Expenses	Current Budget	May 31 2020 YTD Actuals	May 31 2020 Balance
Fund: 1 Resolution Services			
1000 Instruction	\$9,257,725	\$6,947,906	\$2,309,819
2000 Support Services	20,328,312	16,582,502	3,745,810
3000 Enterprise & Community Services	526,261	315,186	211,075
5000 Other Uses	13,990,000	9,137,273	4,852,727
5200 Transfers Out	4,601,695	4,461,104	140,591
6000 Contingencies	5,902,470	-	5,902,470
Fund: 1 Resolution Services Total	\$54,606,463	\$37,443,972	\$17,162,491
Fund: 2 Contracted Services			
1000 Instruction	\$16,733,105	\$11,306,905	\$5,426,201
2000 Support Services	12,327,464	7,998,771	4,328,693
3000 Enterprise & Community Services	833,003	331,734	501,269
5200 Transfers Out	33,541	-	33,541
6000 Contingencies	1,728,848	-	1,728,848
Fund: 2 Contracted Services Total	\$31,655,961	\$19,637,409	\$12,018,552
Fund: 6 Operating			
2000 Support Services	\$6,039,239	\$4,973,639	\$1,065,600
5200 Transfers Out	259,200	259,200	-
6000 Contingencies	165,599	-	165,599
Fund: 6 Operating Total	\$6,464,038	\$5,232,839	\$1,231,199
Fund: 3 Debt Service			
5100 Debt Service	\$3,223,364	\$693,761	\$2,529,603
Fund: 3 Debt Service Total	\$3,223,364	\$693,761	\$2,529,603
Fund: 4 Facilities & Equipment Reserve			
2000 Support Services	\$1,167,208	\$847,992	319,216
4000 Facilities Acquisition/Construction	\$5,000	-	5,000
6000 Contingencies	\$470,218	-	470,218
Fund: 4 Facilities & Equipment Reserve Total	\$1,642,426	\$847,992	\$794,434
Fund: 7 Risk Management Reserve			
2000 Support Services	\$938,290	\$809,770	\$128,520
6000 Contingencies	\$430,145	-	\$430,145
Fund: 7 Risk Management Reserve Total	\$1,368,435	\$809,770	\$558,665

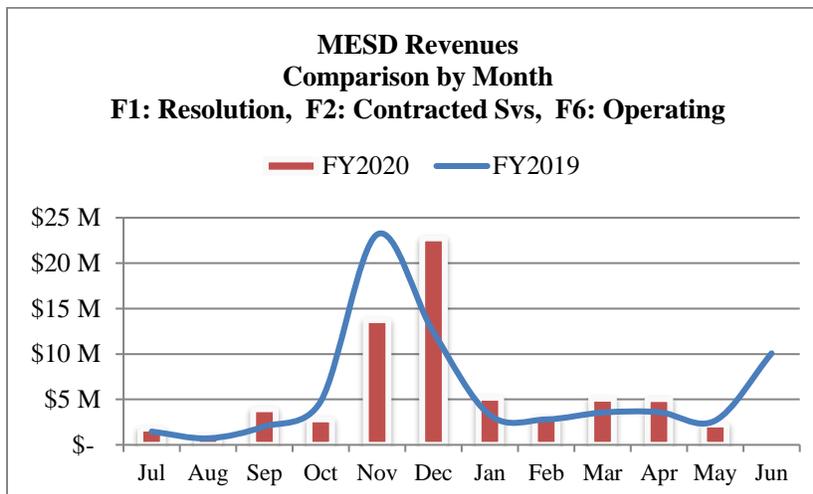
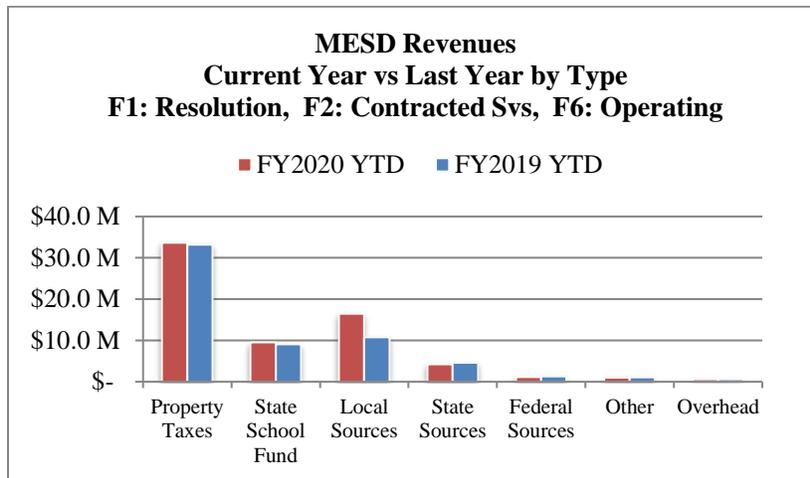
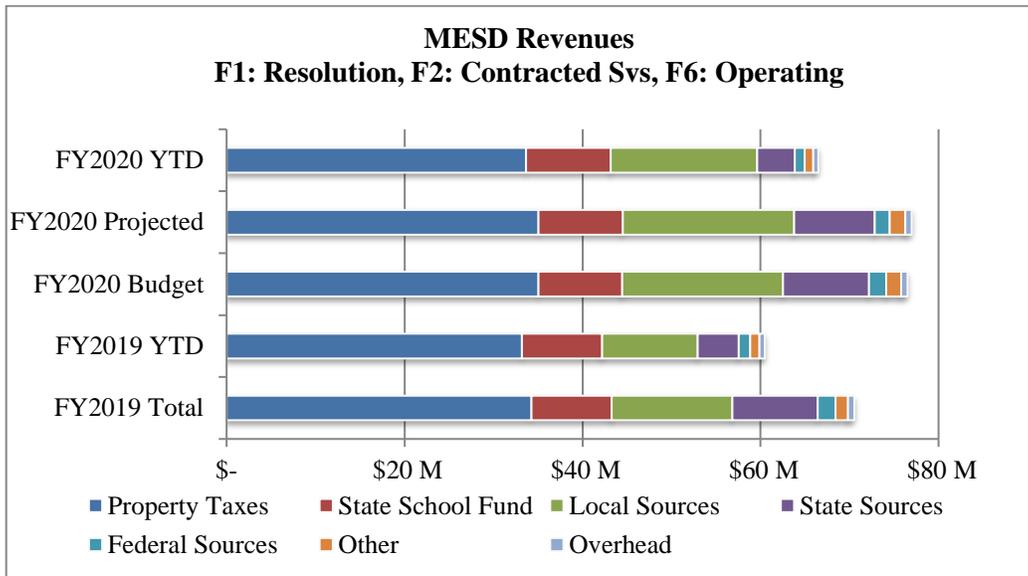
Multnomah Education Service District
 Monthly Board Financial Report
 As of May 31, 2020

MONTHLY CASH DASHBOARD



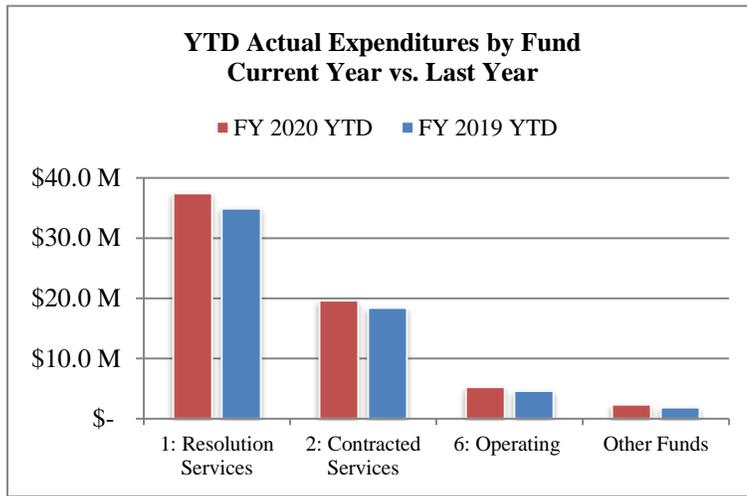
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MONTHLY REVENUES DASHBOARD

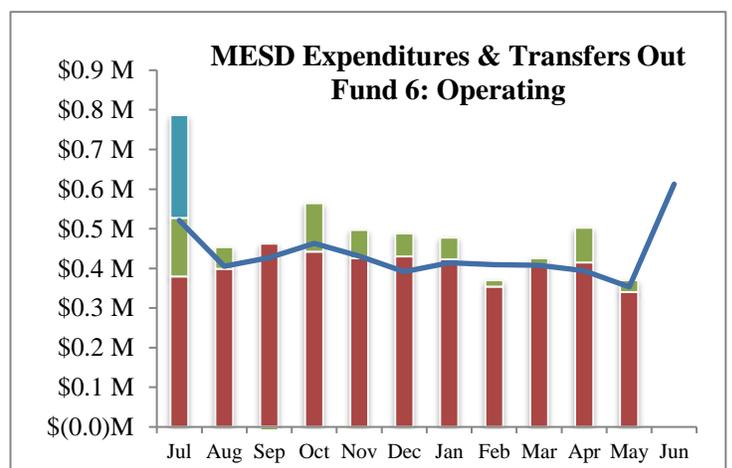
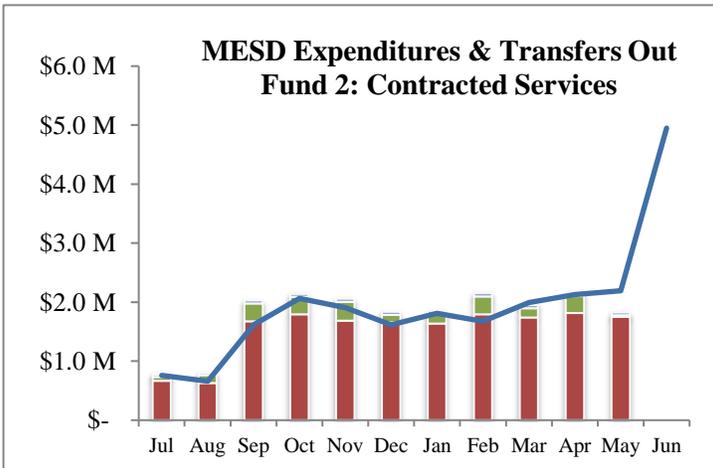
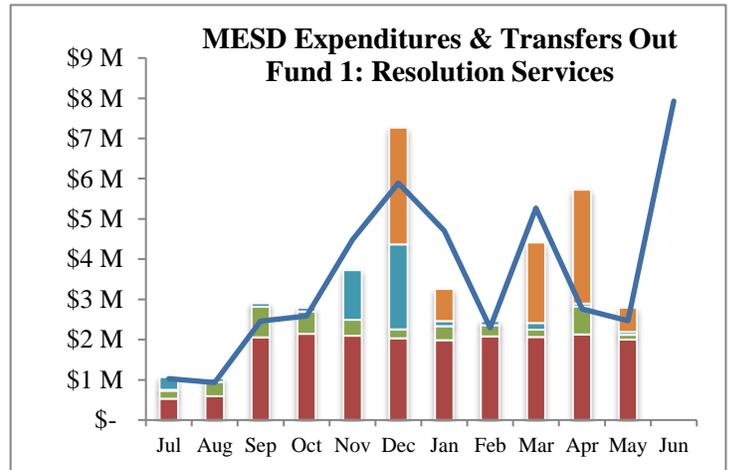
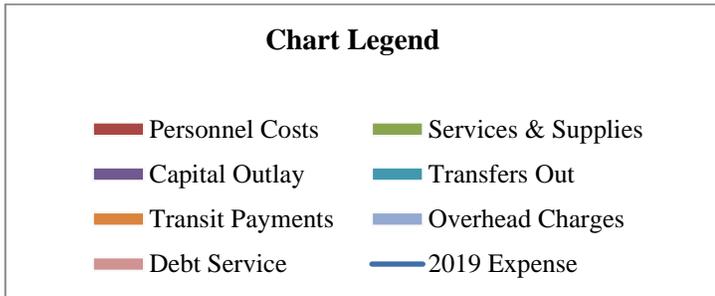


Multnomah Education Service District
 Monthly Board Financial Report
 As of May 31, 2020

MONTHLY EXPENDITURES DASHBOARD



Expenditures by Category



**Multnomah Education Service District
Board Financial Report
Fund 1: Resolution Services**

	Fiscal Year 2018-2019			Fiscal Year 2019-2020			
	Year End Actuals	YTD May 2019	% of Total	Current Budget	Projected Actual	YTD May 2020	% of Projected
Revenues							
Property Taxes	34,266,248	33,168,427	96.80 %	35,033,000	35,033,000	33,656,089	96.07 %
State School Fund	8,993,013	9,031,073	100.42 %	9,409,865	9,504,952	9,504,952	100.00 %
Local Sources	61,238	19,846	32.41 %	17,500	17,500	20,865	119.23 %
State Sources	1,699,632	6,022	0.35 %	1,794,784	1,789,468	55,123	3.08 %
Federal Sources		(4,865)	0.00 %				0.00 %
Other Revenues	239,365	177,261	74.05 %	276,361	246,412	189,323	76.83 %
Total Revenues	45,259,496	42,397,764	93.68 %	46,531,510	46,591,332	43,426,352	93.21 %
Expenditures							
Instruction	8,149,546	6,650,225	81.60 %	9,257,725	9,361,868	6,947,905	74.21 %
Support Services	17,690,711	15,262,040	86.27 %	20,328,312	20,368,009	16,582,520	81.41 %
Enterprise & Community Services	410,916	391,436	95.26 %	526,261	442,867	315,186	71.17 %
Contingencies			0.00 %	5,788,395			0.00 %
Total Expenditures	26,251,173	22,303,701	84.96 %	35,900,693	30,172,744	23,845,611	79.03 %
Other Financing Sources (Uses)							
Apportionment of Funds	(12,016,370)	(8,216,667)	68.38 %	(13,990,000)	(13,990,000)	(9,137,273)	65.31 %
Transfers Out	(4,530,926)	(4,349,582)	96.00 %	(4,591,683)	(4,598,795)	(4,461,104)	97.01 %
Total Other Financing Sources (Uses)	(16,547,296)	(12,566,249)	75.94 %	(18,581,683)	(18,588,795)	(13,598,377)	73.15 %
Net Change in Fund Balance	2,461,034	7,527,819		(7,950,866)	(2,170,207)	5,982,381	
Beginning Fund Balances	5,489,831	5,489,831		7,950,866	7,950,866	7,950,865	
Ending Fund Balances	7,950,865	13,017,651			5,780,659	13,933,247	

The Resolution Services Fund accounts for the various programs provided to the component districts as specified by the resolutions. The major sources of revenues for this fund come exclusively from local property taxes and the State School Fund. In accordance with Oregon Revised Statute 334.177, a maximum of 10% of these revenues are transferred to the Operating Fund and used to pay for the general operating costs of the agency. The remaining 90% is apportioned to the eight component school districts according to extended average daily membership weighted (ADMw).

**Multnomah Education Service District
Board Financial Report
Fund 2: Contracted Services**

	Fiscal Year 2018-2019			Fiscal Year 2019-2020			
	Year End Actuals	YTD May 2019	% of Total	Current Budget	Projected Actual	YTD May 2020	% of Projected
Revenues							
Local Sources	13,519,456	10,717,474	79.27 %	17,956,223	19,089,807	16,286,281	85.31 %
State Sources	7,875,114	4,586,650	58.24 %	7,854,818	7,265,636	4,163,708	57.31 %
Federal Sources	2,011,070	1,304,042	64.84 %	1,925,001	1,681,024	1,120,618	66.66 %
Investment Earnings	13		0.00 %				0.00 %
Sales of Goods & Services	1,337	1,175	87.88 %	9,122	9,122	13	0.14 %
Other Revenues	439,948	258,745	58.81 %	797,344	818,359	56,921	6.96 %
Total Revenues	23,846,938	16,868,086	70.73 %	28,542,508	28,863,948	21,627,541	74.93 %
Expenditures							
Instruction	12,992,170	10,063,484	77.46 %	15,483,105	15,503,694	11,306,924	72.93 %
Support Services	9,310,238	7,356,266	79.01 %	12,047,464	11,232,172	7,998,771	71.21 %
Enterprise & Community Services	741,839	677,974	91.39 %	833,003	804,489	331,733	41.24 %
Facilities Acquisition/Construction	323,219	320,356	99.11 %				0.00 %
Contingencies			0.00 %	1,728,848			0.00 %
Total Expenditures	23,367,466	18,418,080	78.82 %	30,092,420	27,540,355	19,637,428	71.30 %
Other Financing Sources (Uses)							
Transfers Out			0.00 %	(33,541)	(33,541)		0.00 %
Total Other Financing Sources (Uses)			0.00 %	(33,541)	(33,541)		0.00 %
Net Change in Fund Balance	479,506	(1,549,981)		(1,583,453)	1,290,052	1,990,129	
Beginning Fund Balances	1,103,947	1,103,947		1,583,453	1,583,453	1,583,453	
Ending Fund Balances	1,583,453	(446,034)			2,873,505	3,573,583	

The Contracted Services Fund accounts for activities carried on for the benefit of participating local school districts, as well as food dispensing programs. The fund is self-supporting through grants and other reimbursements, mainly from the state and participating school districts. A maximum surcharge of 10% is added to the cost of services from this fund in order to cover the operating costs of the agency. Where grants specify a different overhead rate the lower rate is applied.

**Multnomah Education Service District
Board Financial Report
Fund 3: Debt Service**

	Fiscal Year 2018-2019			Fiscal Year 2019-2020			
	Year End Actuals	YTD May 2019	% of Total	Current Budget	Projected Actual	YTD May 2020	% of Projected
Revenues							
Investment Earnings	39,481	35,177	89.10 %	30,000	30,000	30,765	102.55 %
Services to Other Funds	2,971,237	2,404,266	80.92 %	3,185,951	3,185,951	2,543,751	79.84 %
Total Revenues	3,010,718	2,439,443	81.03 %	3,215,951	3,215,951	2,574,516	80.05 %
Expenditures							
Debt Service	3,067,786	736,633	24.01 %	3,223,364	3,223,364	693,761	21.52 %
Total Expenditures	3,067,786	736,633	24.01 %	3,223,364	3,223,364	693,761	21.52 %
Other Financing Sources (Uses)							
Total Other Financing Sources (Uses)			0.00 %				0.00 %
Net Change in Fund Balance	(57,068)	1,702,810		(7,413)	(7,413)	1,880,755	
Beginning Fund Balances	64,480	64,480		7,413	7,413	7,412	
Ending Fund Balances	7,412	1,767,290				1,888,167	

As of FY18, the Debt Service Fund accounts for the principal and interest payments associated with the agency's one current bond issue. The OSBA Limited Tax Pension Obligations, Series 2004 were sold to fund the District's Public Employees Retirement System (PERS) unfunded actuarial liability. A benefit expense is applied to all payrolls to generate the funds necessary to pay this debt service. The funding is then recognized in the Debt Service Fund as revenue for services to other funds.

**Multnomah Education Service District
Board Financial Report
Fund 4: Facilities & Equipment Reserve**

	Fiscal Year 2018-2019			Fiscal Year 2019-2020			
	Year End Actuals	YTD May 2019	% of Total	Current Budget	Projected Actual	YTD May 2020	% of Projected
Revenues							
Local Sources	40,494		0.00 %	95,000	95,000		0.00 %
Total Revenues	40,494		0.00 %	95,000	95,000		0.00 %
Expenditures							
Support Services	399,564	384,234	96.16 %	1,167,208	1,179,926	847,991	71.87 %
Facilities Acquisition/Construction	9,394		0.00 %	5,000	5,000		0.00 %
Contingencies			0.00 %	470,218			0.00 %
Total Expenditures	408,958	384,234	93.95 %	1,642,426	1,184,926	847,991	71.56 %
Other Financing Sources (Uses)							
Transfers In	461,100	386,100	83.73 %	404,200	404,200	404,200	100.00 %
Total Other Financing Sources (Uses)	461,100	386,100	83.73 %	404,200	404,200	404,200	100.00 %
Net Change in Fund Balance	92,637	1,866		(1,143,226)	(685,726)	(443,791)	
Beginning Fund Balances	1,250,588	1,250,588		1,343,226	1,343,226	1,343,226	
Ending Fund Balances	1,343,226	1,252,455		200,000	657,500	899,434	

This fund accounts for facility acquisitions and improvements as well as major maintenance projects. In addition, it also accounts for the accumulation of resources for future acquisition of major software, equipment and furniture. It is funded primarily by transfers from the Operating and Resolution Funds.

**Multnomah Education Service District
Board Financial Report
Fund 6: Operating**

	Fiscal Year 2018-2019			Fiscal Year 2019-2020			
	Year End Actuals	YTD May 2019	% of Total	Current Budget	Projected Actual	YTD May 2020	% of Projected
Revenues							
Local Sources	5,018	5,018	100.00 %	120,586	120,578	149,712	124.16 %
State Sources	500	500	100.00 %				0.00 %
Investment Earnings	346,283	315,766	91.19 %	280,000	327,870	331,104	100.99 %
Other Revenues	379,837	298,125	78.49 %	319,940	363,385	381,923	105.10 %
Overhead Revenues	713,313	592,693	83.09 %	725,000	730,000	576,172	78.93 %
Total Revenues	1,444,951	1,212,102	83.89 %	1,445,526	1,541,833	1,438,911	93.32 %
Expenditures							
Support Services	4,975,899	4,363,258	87.69 %	6,039,239	6,076,238	4,973,638	81.85 %
Contingencies			0.00 %	155,587			0.00 %
Total Expenditures	4,975,899	4,363,258	87.69 %	6,194,826	6,076,238	4,973,638	81.85 %
Other Financing Sources (Uses)							
Transfers In	4,325,926	4,219,582	97.54 %	4,480,224	4,487,336	4,316,104	96.18 %
Transfers Out	(256,100)	(256,100)	100.00 %	(259,200)	(259,200)	(259,200)	100.00 %
Total Other Financing Sources (Uses)	4,069,826	3,963,482	97.39 %	4,221,024	4,228,136	4,056,904	95.95 %
Net Change in Fund Balance	538,887	812,329		(528,276)	(306,269)	522,176	
Beginning Fund Balances	3,189,388	3,189,388		3,728,276	3,728,276	3,728,276	
Ending Fund Balances	3,728,276	4,001,717		3,200,000	3,422,007	4,250,452	

The Operating Fund accounts for the indirect operating costs of the agency. In accordance with Oregon Revised Statute 334.177, 10% of local revenues from the Resolution Services fund are transferred to this fund. In addition, a maximum 10% surcharge in the Contracted Services Fund is credited to this fund as overhead revenue.

**Multnomah Education Service District
Board Financial Report
Fund 7: Risk Management Reserve**

	Fiscal Year 2018-2019			Fiscal Year 2019-2020			
	Year End Actuals	YTD May 2019	% of Total	Current Budget	Projected Actual	YTD May 2020	% of Projected
Revenues							
Other Revenues	42,775	42,775	100.00 %	46,913	46,913	73,201	156.04 %
Services to Other Funds	874,909	720,915	82.40 %	897,990	897,990	735,501	81.91 %
Total Revenues	917,684	763,690	83.22 %	944,903	944,903	808,702	85.59 %
Expenditures							
Support Services	762,461	745,935	97.83 %	938,290	938,290	809,771	86.30 %
Contingencies			0.00 %	430,145			0.00 %
Total Expenditures	762,461	745,935	97.83 %	1,368,435	938,290	809,771	86.30 %
Other Financing Sources (Uses)							
Total Other Financing Sources (Uses)	4,069,826	3,963,482	97.39 %	4,221,024	4,228,136	4,056,904	95.95 %
Net Change in Fund Balance	155,223	17,754		(423,532)	6,613	(1,068)	
Beginning Fund Balances	768,308	768,308		923,532	923,532	923,532	
Ending Fund Balances	923,532	786,062		500,000	930,145	922,463	

The purpose of this fund is to pay for costs associated with risk management activities including insurance premiums, activities to prevent or minimize exposure and incurred losses. A benefit expense is applied to all payrolls to generate the funds necessary to support these activities. The funding is then recognized in the Risk Management Fund as revenue for services to other funds.