

Financial Analysis/ Forecasting and Projections

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Gulf Shores City Schools



Agenda

- Budget Best Practices
- Budget Analysis/Monitoring (monthly, quarterly, semi-annual)
- Short Term Projections
- Long Term Projections



Budget

Purpose of a budget?

Provides a financial roadmap for a district to follow that directly aligns with the systems priorities, goals and mission statement.

Budgeting Best Practices



Plan and Prepare



Set Clear Goals and Priorities



Pay for System Priorities



Implement Plan



Ensure Sustainability



Communicate to stakeholders

Developing a School Budget

- Establish Priorities with ADMIN team (collaboration)
 - Programs (what is working and what is not)
 - Meet with instructional admins to analyze the data of the students
- Budgeting for staffing
 - Approximately 80% of your budget. Critical that your budget works file is done correctly. Add a little cushion
- Conservative budgeting
- Communication
 - Public hearings
 - Monthly reports to board

Budget Monitoring

- Monitoring the budget is important to ensure that the financial, operational and capital plans were developed and approved for implementation as part of the budget process.
- Crucial for an organization to be able to enforce accountability related to spending.
- Ensures that the resources deployed by the school are used for there planned purpose and properly accounted for internally and externally.

Budget Monitoring

Why do we monitor our budget?

1. Review whether the spending is in line with your projections
2. Understand the school's current financial situation
3. Identify current and potential problems
4. Identify areas that need adjustments to stay on track

<https://schoolleaders.thekeysupport.com/administration-and-management/financial-management/budget/school-budget-monitoring-meetings-questions/>



Budget Monitoring

How often do we monitor?

- Monthly
- Quarterly
- Semi-Annually
- Annually

Budget Monitoring

Elements of budget to be reviewed:

- Revenues
- Expenditures
- Operations
- Capital
- Economic Trends
- Performance Measures

<https://www.gfoa.org/materials/budget-monitoring>

Budget Monitoring

What is the CSFO Role?

- LISTEN (what are the systems goals and how are we going to accomplish that in the budget process)
- Do not always say no (if something will benefit our students, how can we find a way)
- Take ideas and plan and develop your budget
- Effectively monitor the budget
- Effective communicator/collaborator
- Be a long-term thinker (how does the decision today affect us in the long-term)

Monthly Budget Monitoring

- % of budget expended compared % of FY overall
- % of Salary and benefits compared to % of FY (VERY IMPORTANT)
- % of Each financial line not including salary and benefits as % FY (ex. 3000-3999- Building and Maintenance)
- % of Tax trends (ad val and sales tax)
- Report to board
- Send reports to directors for review or access to pull nextgen reports

Monthly Budget Monitoring

% of budget expended compared % of FY

* SUMMARY TOTALS *								
DESCRIPTION		BUDGET	YTD ACTUAL	ENCUMBERED	% TOTAL BUDGET	PROIR YEAR YTD ACTUAL	CURRENT YEAR MTD ACTUAL	PRIOR YEAR MTD ACTUAL
-----	--	---	---	----	----	---	---	---
REVENUES								
STATE SOURCES	(1000-2999)	15,500,579.00	8,822,318.73	0.00	56.92	5,313,768.90	1,150,554.25	974,326.52
FEDERAL SOURCES	(3000-5999)	2,962,402.93	1,177,146.31	0.00	39.74	903,675.47	202,192.29	144,640.79
LOCAL SOURCES	(6000-6999)	21,034,263.92	11,960,332.57	0.00	56.86	10,406,584.19	1,116,638.20	1,087,129.60
LOCAL SCHOOL SOURCES	(7000-7999)	1,338,904.00	870,265.88	0.00	65.00	980,578.98	0.00	163,832.91
OTHER SOURCES	(8000-8999)	1,795,182.57	63,832.70	0.00	3.56	101,952.30	12,262.25	0.00
TOTAL REVENUES		42,631,332.42	22,893,896.19	0.00	53.70	17,706,559.84	2,481,646.99	2,369,929.82
OTHER FINANCING SOURCES:								
OPERATING TRANSFERS IN	(9200-9299)	1,503,864.50	752,463.51	0.00	50.04	644,836.29	0.00	10,696.91
OTHER FINANCING SOURCES	(9000-9997)	189,071.46	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES		1,692,935.96	752,463.51	0.00	44.45	644,836.29	0.00	10,696.91
** TOTAL REVENUES & OTHER FINANCING **		44,324,268.38	23,646,359.70	0.00	53.35	18,351,396.13	2,481,646.99	2,380,626.73
EXPENDITURES								
INSTRUCTIONAL SERVICES:	(1000-1999)	20,186,095.02	9,786,120.41	337,012.26	50.15	8,496,966.42	1,483,793.31	1,441,762.47
INSTRUCTIONAL SUPPORT SERVICES	(2000-2999)	5,615,222.77	3,028,105.94	156,263.43	56.71	2,685,888.79	467,900.19	440,515.95
OPERATION & MAINTENANCE	(3000-3999)	2,719,182.00	1,332,682.30	119,334.30	53.40	1,215,746.83	234,122.43	233,296.38
AUXILIARY SERVICES	(4000-4999)	2,872,144.79	2,018,435.58	33,186.19	71.43	1,294,108.02	283,473.34	199,304.81
GENERAL ADMINISTRATIVE:	(6000-6999)	2,491,665.44	1,035,176.03	113,173.68	46.09	1,057,663.41	203,174.64	191,099.52
CAPITAL OUTLAY	(7000-7999)	4,300,187.00	0.00	0.00	0.00	1,316,358.21	0.00	0.00
DEBT SERVICES:	(8000-8999)	2,398,956.88	752,939.65	0.00	31.39	757,687.66	0.00	1,582.67
OTHER EXPENDITURES	(9000-9899)	1,346,734.36	589,507.30	27,594.87	45.82	454,523.71	96,103.30	77,905.18
TOTAL EXPENDITURES		41,930,188.26	18,542,967.21	786,564.73	46.10	17,278,943.05	2,768,567.21	2,585,466.98
OTHER FUND USES:	(9900-9999)							
TRANSFERS OUT	920-929	1,503,864.50	766,650.65	0.00	50.98	643,936.29	0.00	10,696.91
OTHER	900-997	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER FUND USES		1,503,864.50	766,650.65	0.00	50.98	643,936.29	0.00	10,696.91
** TOTAL EXPENDITURES AND TRANSFERS OUT **		43,434,052.76	19,309,617.86	786,564.73	46.27	17,922,879.34	2,768,567.21	2,596,163.89
EXCESS REVENUES AND TRANSFERS IN OVER (UNDER) EXPEND AND TRANSFERS OUT		890,215.62	4,336,741.84	(786,564.73)	398.80	428,516.79	(286,920.22)	(215,537.16)

Nextgen
report-
Monthly
Management
Report

46.10%
expended
and 50%
through FY

Monthly Budget Monitoring

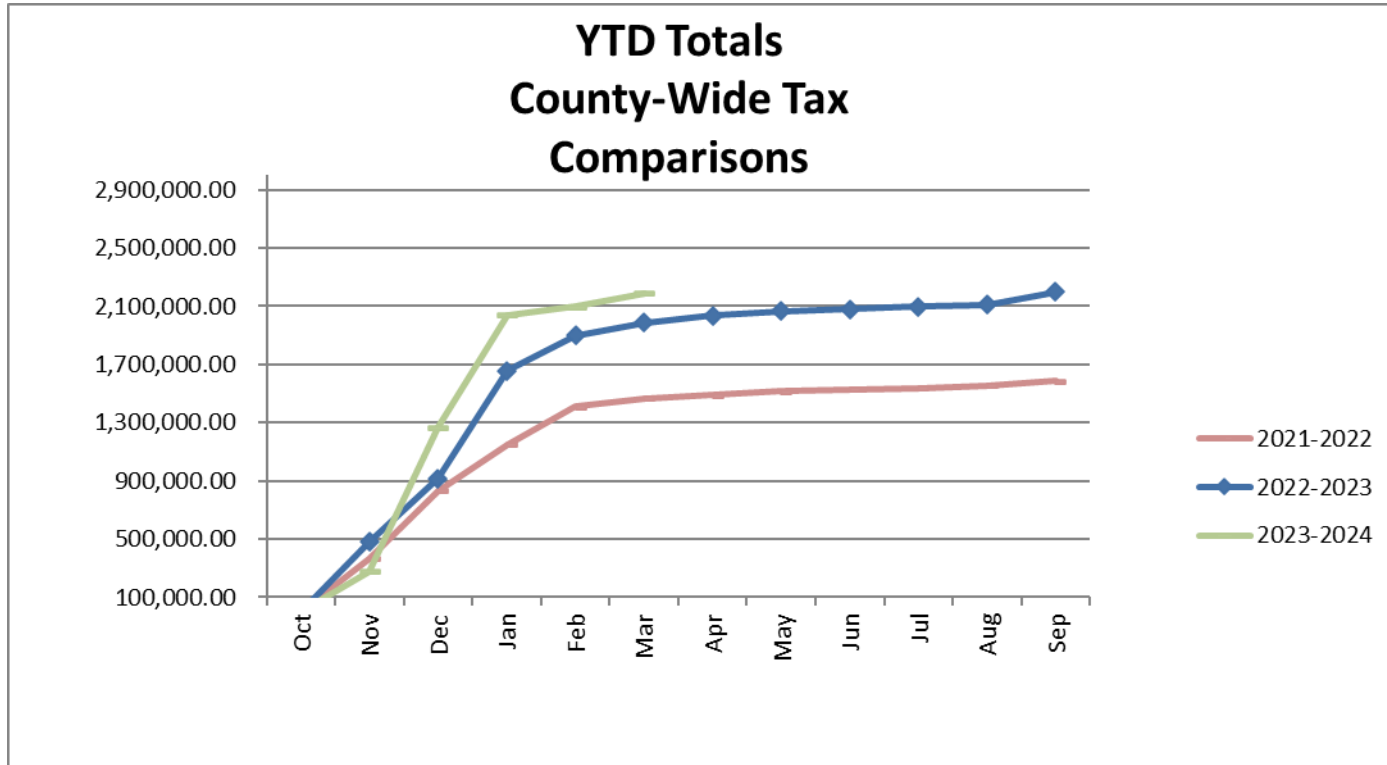
% expended of payroll and each financial line

	budget	1/12 of budget	October	November	December	January
Salaries and Fringes	25,910,938.41	2,159,244.87	2,131,461.41	2,118,927.80	2,253,350.63	2,134,321.01
Instruction and Instructional Support	1,196,280.85	99,690.07	128,583.35	30,704.60	133,396.89	59,782.78
Building Services	1,124,013.00	93,667.75	33,803.18	67,979.88	68,021.60	91,148.30
Auxillary Services (Transportation)	542,097.19	45,174.77	2,567.34	24,530.32	11,561.81	7,012.05
Adminstration	826,414.00	68,867.83	31,024.00	55,833.24	36,833.06	48,443.67
Capital	4,000,187.00	333,348.92	-	-	-	-
Other and Transfers	1,547,864.50	128,988.71	605,559.00	12,644.24	-	50,183.00
Totals for Estimated Expenditures		2,928,982.91	2,932,998.28	2,310,620.08	2,503,163.99	2,390,890.81

This is chart is the expenditure section of my general fund internal cash flow report.

Monthly Budget Monitoring

% of Tax trends (ad val tax)



Monthly Budget Monitoring

% of Tax trends (ad val tax)

Month	2021-2022	2022-2023	2023-2024	Increase(decrease)	% Increase(decrease)
Oct	-	-	-	-	#DIV/0!
Nov	366,359.19	481,548.37	277,473.52	(204,074.85)	-42%
Dec	831,296.66	915,514.22	1,268,799.28	353,285.06	39%
Jan	1,150,435.03	1,656,395.01	2,038,993.91	382,598.90	23%
Feb	1,409,303.60	1,901,296.91	2,098,877.80	197,580.89	10%
Mar	1,468,833.86	1,988,567.93	2,191,619.46	203,051.53	10%
Apr	1,489,265.45	2,036,734.01		(2,036,734.01)	-100%
May	1,514,713.70	2,064,792.87		(2,064,792.87)	-100%
Jun	1,527,143.26	2,080,382.20		(2,080,382.20)	-100%
Jul	1,540,035.02	2,096,742.52		(2,096,742.52)	-100%
Aug	1,553,476.19	2,112,998.04		(2,112,998.04)	-100%
Sep	1,586,976.74	2,199,015.57		(2,199,015.57)	-100%

Monthly Budget Monitoring

% of Tax trends (ad val and sales tax)

	Original Budget	Collection- 3-31-24	% Collected
County-Wide	\$4,805,000	\$4,721,438.50	98%
District	3,302,272	3,351,374.82	102%
Sales	10,682,260	3,167,705.80	30%

- The bulk of our sales tax is collected in the summer months.
- I provide a written explanation of this graph to my board each month.

Monthly Budget Monitoring

Board report

Financial Report to the Board for the Month of February 2024

Attached please find the **Financial Statements as of February 2024** and **copy of the February Check Register**. The **February 2024 Bank Statement Reconciliations** are provided separately in the Board's google drive folder. In accordance with State requirements, the bank statements have been reconciled to the financial statements. The required reports will be uploaded to our web site.

The General Fund balance at 2-28-24 was \$12,993,949. The large fund balance is due to receiving the \$2.5 million-dollar legislative K-12 grant. These funds will need to be spent prior to September 30. The graph will has **began** to trend downward after receiving the bulk of our ad val taxes. As of 3-26-24, we have collected 99% of our budgeted countywide ad val and 102% of our budgeted district ad val. Sales tax is currently down 1% but it is hard to gauge until the summer months. We have expended 40% of our budget and we are 42% through the FY.

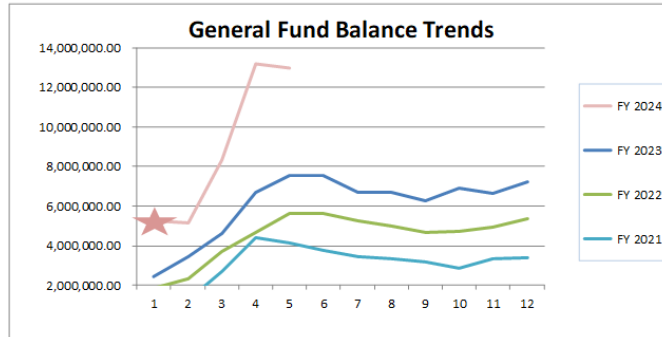
In May 2023, we moved part of our reserves for GF and DS to money market accounts that earn a higher interest rate. As of 2-28-24, we have collected \$123k compared to \$6k in **previous year**.

The capital fund balance as of February 2024 was \$186,542. Capital funds also have a large dip due to property insurance (\$273k) due and purchase of buses. We have not received any state funds.

Attached is a copy of the CNP Financial Report and Statistics Report. The Child Nutrition Program's fund balance at 2-28-24 was \$152,339. That represents a 1.61-month operating reserve. January was the first month to be operating the CEP program. Our federal reimbursement was \$14,819 higher than February 2023.

Attached are the **Principal** reports for GSE, GSM and GSH. GSE balance as of 2-28-24 was \$288,078. GSM balance at 2-28-24 was \$263,056. GSH balance as of 2-28-24 was \$697,192.

Attached separately is the comparisons utilities report and board's budget to actual report.



Monthly Budget Monitoring

- Director reports

RUN DATE: 4/4/2024		MCAI BUDGETARY ACCOUNTING SYSTEM				Page 1 of 3	
RUN TIME: 9:35AM		JOURNAL SUMMARY EXPENDITURE REPORT				GLUSER	
		Gulf Shores Crj Schools					
		THRU FISCAL YEAR / PERIOD: 2024/06					
Description	2024	2024	2024	% OF BUDGET	VARIANCE	REQUISITIONS	2024
<u>Fc-C-Func-Obj-Cck-SFnd-Y-Prgr-Spes</u>	<u>TOTAL BUD</u>	<u>YTD ACTUAL</u>	<u>YTD ENCLMB</u>				<u>MTD ACTUAL</u>
SFUND 4110 - TITLE I, PART A							
INSTRUCTION, TEACHER SALARY							
12-5-1100-010-0010-4110-0-1200-0000	89,211.00	44,617.20	0.00	50.01	44,593.80	0.00	7,436.20
INSTRUCTION, TEACHER SALARY							
12-5-1100-010-0020-4110-0-1500-0000	32,037.00	16,156.61	0.00	50.43	15,880.39	0.00	2,802.06
INSTRUCTION, SUBSTITUTES							
12-5-1100-180-0010-4110-0-1200-0000	1,311.38	1,409.80	0.00	107.51	-98.42	0.00	0.00
INSTRUCTION, SUBSTITUTES							
12-5-1100-180-0020-4110-0-1500-0000	390.40	388.50	0.00	99.51	1.90	0.00	105.00
INSTRUCTION, STATE INSURANCE							
12-5-1100-210-0010-4110-0-1200-0000	13,440.00	6,720.00	0.00	50.00	6,720.00	0.00	1,120.00
INSTRUCTION, STATE INSURANCE							
12-5-1100-210-0020-4110-0-1500-0000	4,800.00	2,400.00	0.00	50.00	2,400.00	0.00	400.00
INSTRUCTION, STATE RETIREMENT							
12-5-1100-220-0010-4110-0-1200-0000	10,992.00	5,496.70	0.00	50.00	5,496.30	0.00	915.95
INSTRUCTION, STATE RETIREMENT							
12-5-1100-220-0020-4110-0-1500-0000	4,034.00	2,034.10	0.00	50.42	1,999.90	0.00	352.78
INSTRUCTION, SOCIAL SECURITY							
12-5-1100-230-0010-4110-0-1200-0000	5,595.00	2,813.60	0.00	50.29	2,781.40	0.00	451.27
INSTRUCTION, SOCIAL SECURITY							
12-5-1100-230-0020-4110-0-1500-0000	1,999.00	952.73	0.00	47.66	1,046.27	0.00	168.22
INSTRUCTION, FEDERAL MEDICARE							
12-5-1100-240-0010-4110-0-1200-0000	1,309.00	658.01	0.00	50.27	650.99	0.00	105.53
INSTRUCTION, FEDERAL MEDICARE							
12-5-1100-240-0020-4110-0-1500-0000	468.00	222.79	0.00	47.60	245.21	0.00	39.33
OTHER STUDENT SUPP. SUBSTITUTES							
12-5-2190-180-0020-4110-0-5210-0000	0.00	735.00	0.00	0.00	-735.00	0.00	357.00
OTHER STUDENT SUPP. OTHER COMPENSATION							
12-5-2190-199-0010-4110-0-5210-0000	40,000.00	67,934.00	0.00	169.84	-27,934.00	0.00	13,376.00

Quarterly Budget Monitoring

1. Review for any large purchases not budgeted

- Scan budget for any items not budgeted. For instance, we recently purchased a maintenance vehicle that was not in budget. However, I was able to reallocate funds from another area.

2. Review all federal funds

- I scan budget lines by funding source for coding errors and/or non-budgeted line items.

- I run the salary and benefit report out of nextgen to make sure all the individuals paid out of federal were supposed to be paid out of federal. This has been important with the programs funded with COVID.

Quarterly Budget Monitoring

3. Director/Coordinator budget collaborations

- Our directors/coordinators receive monthly budgets from nextgen.
- Quarterly, I will meet with them individually to discuss their budgets and if additions or reductions are needed in this budget year.
- I will meet with my Operations Director to see what the summer project wish list is. This is when I will try to start working the priority projects into my budget.

Semi-Annual Budget Monitoring

1. Review MOE

- Pull the “IDEA Maintenance of Effort-Financial (Current) report to review if we are on track for the budget year

2. Review Previous years budget

- How are we trending compared to previous year?
- How are revenues tracking?

3. Director meetings

- Our semi-annual meetings finalize what we have discussed in the quarterly. We finalize budget amendments and discuss any changes.


Semi-Annual Budget Monitoring

4. Salary and benefits review (state raises)
 - We give raises based on contract year. It is important to be aware of any state raises to include in budget amendment.

5. Grants
 - Any grants received will be budgeted for and reminders to directors to spend prior to year end.

6. Carryover
 - Discuss with federal/SPED director on plans for carryover and make sure EGAP is updated.

Short-Term Forecast

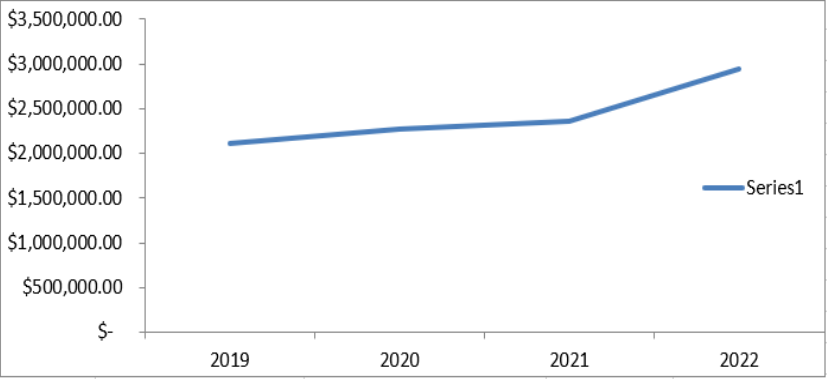
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1. Tax Abstracts
 2. Student and Staff Growth Trends
 3. Capital Plan/Projects
 4. 10 mill Calculation
 5. State/Federal Funding
 6. Salary Schedule

Short-Term Forecast: Tax Abstracts

- Getting your abstracts from County

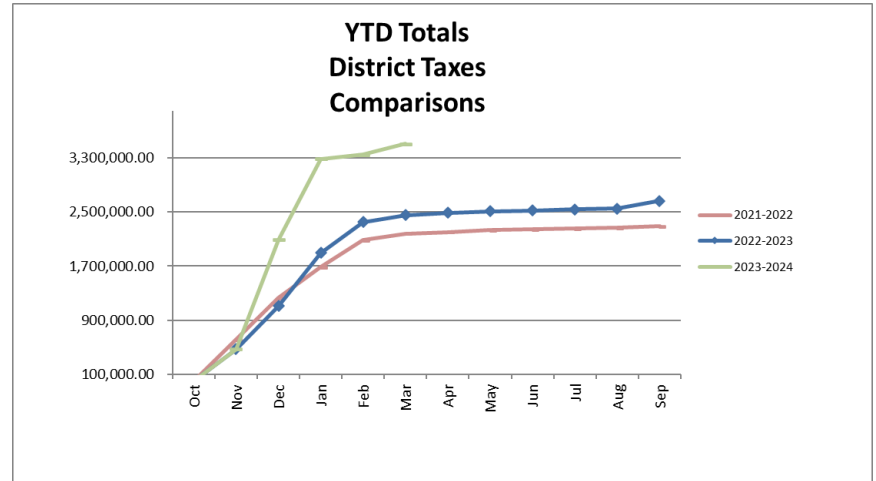
GULFSHORES SCHOOLS Mills: 3.0000	
Assessed Value	Taxes
8,361,020	25,083.06
0	0.00
1,106,476,680	3,319,430.04
27,511,080	82,533.24
1,133,987,760	3,401,963.28
53,600	160.80
312,537,120	937,611.36
312,590,720	937,772.16
1,454,939,500	4,364,818.50
496,060	1,488.18
1,455,435,560	4,366,306.68
0	0.00
200,000	600.00
21,868,060	65,604.18
0	0.00
22,068,060	66,204.18
0	0.00
0	0.00
150,622,300	451,866.90
150,622,300	451,866.90
172,690,360	518,071.08
1,282,745,200	3,848,235.60
	153,929.42
1,282,745,200	3,694,306.18

Gulf Shores Board of Education				
Fiscal Year	Assessed Value	Net Taxes	% Change Prev-Year	Increase/Decrease
2019	\$ 734,151,320.00	\$ 2,114,355.80		
2020	\$ 790,102,320.00	\$ 2,275,494.68	7.1%	\$ 161,138.88
2021	\$ 818,189,800.00	\$ 2,356,386.62	3.4%	\$ 80,891.94
2022	\$ 1,020,627,900.00	\$ 2,939,408.35	19.8%	
2023	\$ 1,293,423,240.00	\$ 3,725,058.94	21.1%	



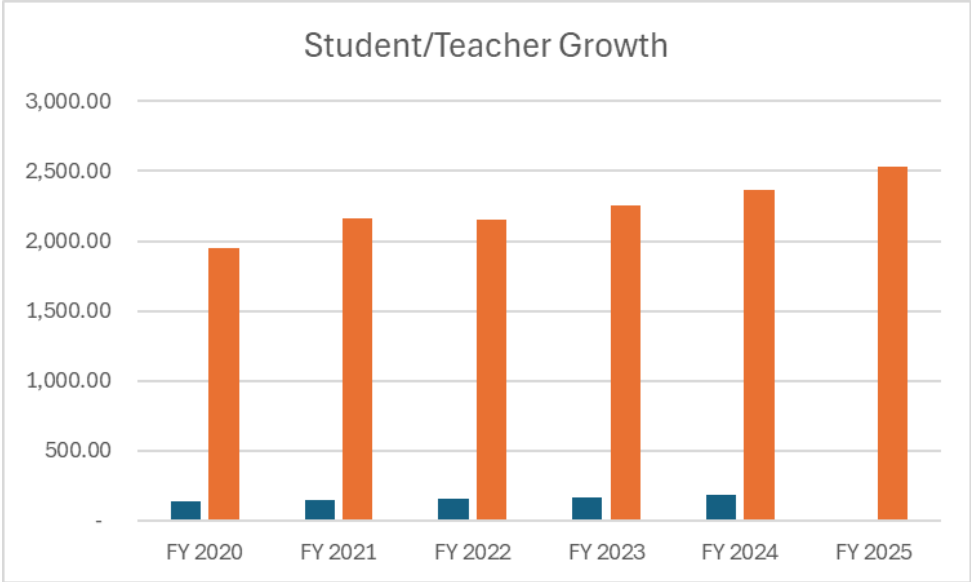
Short-Term Forecast: Tax Abstracts

- What is your ad val and sales tax average growth?
- Do you expect those numbers to continue with state of the national and local economy?
- For instance, I know that prior to covid, our sales tax average around 5% growth each year. The numbers during covid and post covid skewed those numbers a good bit.



Short-Term Forecast

- Gulf Shores has averaged approximately 5% student growth each year since 2019. As expected, certified staff has averaged approximately 5% growth as well.
- Based on the last 6 years, this gives me an idea of what to expected each year.



Short-Term Forecast

Review Capital Plan

- Are there any projects that will be funded in the short-term?
- If so, are those projects budgeted?
- Is your capital plan accurate and updated annually?



State Department of Education
Capital Plan Five Year Plan
As of 4/3/2024

System: Gulf Shores City

Priority: 1

Project Name:	Gulf Shores Middle School
Project Classification:	Renovations
Project Rationale:	Facility Assessment
Project Substandard Classroom:	NA
Primary Funding Source:	Local Funds
Funding Year:	2024
Projected Completion Year:	2024
Project Budget:	\$50,000.00
Project Completion Date:	/
Other Rationale:	
Other Substandard Classroom:	
Project Description:	Installing new drop ceiling in MS gym. Thomas Drywall was awarded the contract. Scheduling over Christmas Break 2023.

Priority: 2

Project Name:	Gulf Shores City Board of Education
Project Classification:	Renovations
Project Rationale:	Other
Project Substandard Classroom:	NA
Primary Funding Source:	Local Funds
Funding Year:	2024
Projected Completion Year:	2024
Project Budget:	\$1,500,000.00
Project Completion Date:	/
Other Rationale:	Admin/Storage Buildings
Other Substandard Classroom:	
Project Description:	Renovation of boy scout building/central office annex. Projected as multipurpose use. Some offices and potentially storage areas.

Short Term Forecast

- Gulf Shores must monitor our 10 mills calculation and plan for the additional max each year.
- Our 10 mill match ends up being around 50% of our foundation allocation so it can significantly impact our budget from year to year.

			FY 25	FY24	FY23	FY22
1. Amount of Regular District Ad Valorem Tax (code 6210)		\$	2,663,446.97	2,292,578.64	2,243,185.00	2,188,981.47
2. Number of Mills of Regular District Ad Valorem Tax			3.00	3.00	3.00	3.00
3. Value of 1 Mill (Divide Item 1 by item 2)		\$	887,815.66	764,192.88	747,728.33	729,660.49
4. Value of 10 Mills (Item 3 times 10)		\$	8,878,156.57	7,641,928.80	7,477,283.33	7,296,604.90
Difference			1,236,227.77	164,645.47	180,678.43	

Short-Term Forecast

Understanding State/Federal Funding

- Are you losing funding or earning additional funding in next fiscal year?
- Did the legislative give a pay raise? If so, how does it effect your local budget?
- If your ADM is declining, how are you managing staffing?
- How will you sustain programs, positions, software, etc... with COVID funding expiring in September?



Short-Term Forecast

Salary Schedules

- Are we competitive with our salary schedule and supplements?
- Can we attract the best with our schedule and incentives?
 - We started offering pay above the state minimum, parental leave, bereavement leave, paying for teachers to earn their national board certification, etc...

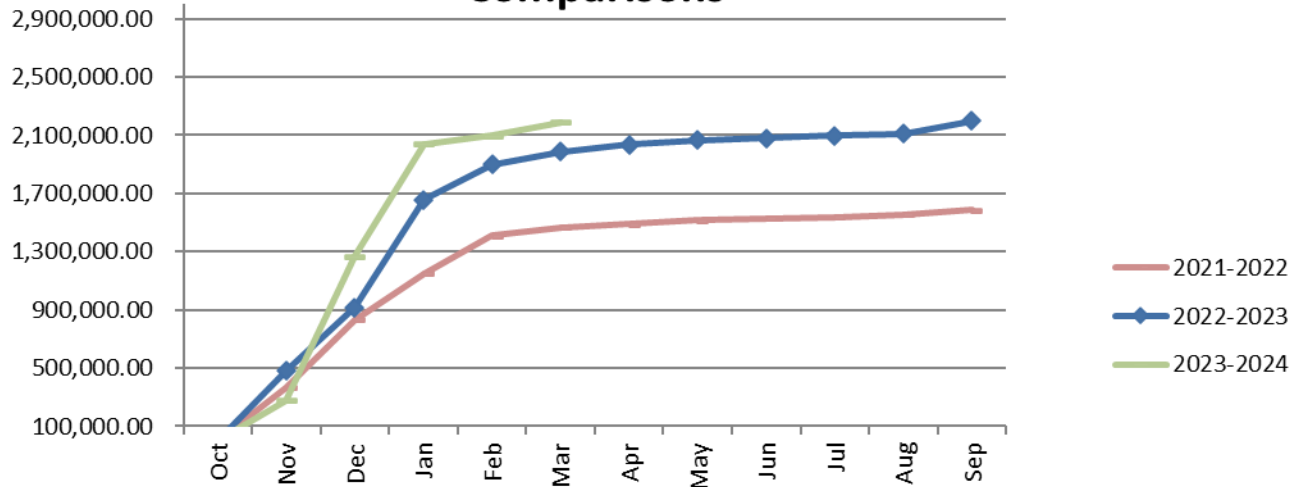
Long-Term Forecast

- Long term tax trends
- Fund balance trend
- Capital Plan/Projects
- Growth or Reduction in Enrollment

Long-Term Forecast- Tax Trends

% of Tax trends (ad val tax)

YTD Totals County-Wide Tax Comparisons



- Knowing what your tax trends have been over the last 5 years.
- Communicate with your county commission and/or city officials

Long-Term Forecast

Fund balance trend

- Keep our board informed on financial condition.
- What is our system goal for months of reserve?

Year	Fund Balance	# month
FY 2019	\$487,233	1.19
FY 2020	2,978,261	1.75
FY 2021	5,865,506	3.14
FY 2022	9,220,487	4.43
FY 2023	11,584,816	4.64

Long-Term Forecast

Capital plan

- What is on your 5 year or even 10-year capital plan?
- How are we working to make sure those projects are funded?
- We have a maintenance software that is tied to all our HVAC, roofs and building inventory and recommended replacement years.

Long-Term Forecast

Growth or Reduction in Enrollment

- Monitoring your enrollment trends and being familiar with current trend of your local economy is probably the most important aspects of long-term planning.
- Meeting with city officials and/or external demographic experts can provide some valuable knowledge regarding your next 10 years.
- For instance, we met with the Mayor a couple of years ago and he shared that there was more building permits for single-family homes in Gulf Shores than there are current single-family homes.

Long-Term Forecast

- Will the growth drive a need for additional buildings or even new schools. If so, how are you planning today?
- If you are declining, can you consolidate some schools?
- Do you need to consider a tax increase to fund capital projects?



GS
GULF SHORES
HIGH SCHOOL







GULF SHORES
HIGH SCHOOL



GS

GULF STREAMS
HIGH SCHOOL

HOME OF THE DOLPHIN







EXIT

12:06 PM

EXIT

EXIT

EXIT

EXIT

EXIT











MEET	08	10:47	HOME	123
PERIOD	4			
SCORE	6	35	2	11

08	10:47	123
PERIOD	4	
SCORE	6	35

GET THIS
PROTECT THE POINT

MAKE WAVES!



12:05 PM

20

21

22

40

44

45

30

31

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Questions??

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