

**HUDSON COMMUNITY SCHOOL DISTRICT
ANNUAL FINANCIAL HEALTH REPORT**

Fiscal Year 2017

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Description of Financial Indicator Ratios

The nine ratios selected for inclusion in this report were identified as being the most efficacious predictors of financial health for Iowa K-12 public schools as supported by formal quantitative research conducted in 2005.

An operational definition has been constructed for each ratio used in this report. There is not one single standard under which all ratios have a consistent definition. For the purpose of this report the most commonly identified methods were used to construct the ratio definition. Where a common computational method was not identified, a logical "best guess" candidate was used and applied consistent with Iowa school business practice. Benchmarks have been included that are also consistent with prior research reviews. Where no ratio benchmark was drawn from literature, none was included with the working definition. The source of the data for most of the ratios used is the Certified Annual Report (CAR) required by the Iowa Department of Education on September 15 of each year. Data for the unspent balance is available from the Iowa Department of Management's website.

Creditors Equity Ratio (CER):

The Creditors Equity Ratio is designed to measure the amount of the current assets that are provided by creditors. The amount of short-term borrowing would be symptomatic of how dependent the school is on credit to cash flow business operations. One would expect to see an inverse relationship of this indicator to that of the Day's Net Cash Ratio. Logic would suggest that as a school increases available cash to service operations, the less dependent on short-term debt it would become. The operational equation is: [creditor's equity ratio = Iowa Schools Cash Management Program restricted assets / current assets]. Ideally the minimum ratio would be zero. This indicates a condition where no short-term borrowing is required.

Current Ratio (CR):

The Current Ratio is one of the most widely used measures of short-term liquidity for both public and private sector organizations. It is used to predict the schools ability to meet its current obligations from current assets from continuing operations. If this were a private business it would in essence measure working capital. The operational equation is: [current ratio = current assets / current liabilities]. The minimum target range for this indicator is 1.0. An indicator of less than 1.0 would indicate a condition where the district has more current liabilities than assets.

Day's Net Cash Ratio (DCR):

The Day's Net Cash Ratio is typically calculated at the end of a fiscal period and gives a good indication of how long a district can operate without the additional infusion of revenue. One of the limitations of this indicator is that district expenditures are most generally made in large amounts on only a few days each month. An example would be monthly or bi-monthly payroll and board approved vendor payments once or twice per month. At the same time, most schools receive revenue in large amounts only a few times per month. An example would be state aid distributions, which are received once per month, or property tax distributions that are received twice per year. The timing of these receipts and expenditures is important to maintaining effective business operations. For this reason the Day's Net Cash Ratio is important. Inadequate cash on hand to service expenditure obligations requires the school to borrow funds creating added debt expense not directly tied to student instruction. An over abundance of cash, however, is also irresponsible management. Excessive accumulations of cash from community taxpayers' does not fit well within the purpose of most K-12 school operations. The operational equation is: [day's net cash ratio = (cash + investments) / (total general fund expenditures / 365)]. The target range for this indicator is 90 to 120 days. In Iowa, it is especially important to note that state foundation aid to schools ends each fiscal year in mid-June. The first payment of state aid for the new fiscal year does not begin again until mid-September, a full 90 day gap. In addition to this gap, districts typically secure new fiscal year supplies during the summer months so expenditures increase during a time when revenue is not received.

Direct Foundation Aid Ratio (FAR):

The Foundation Aid Ratio measures the amount of total General Fund revenue coming directly in the form of state aid. Since state aid is pupil driven under the Iowa funding formula, assumptions are this ratio would fluctuate in direct relationship to enrollment trends. While this is technically true, the Iowa funding formula does provide schools with a type of safety net when experiencing enrollment decline. This "scale down" provision has the effect of softening or delaying the revenue declines caused by the loss of students. State aid is the largest single source of school revenue. The operational equation is: [foundation aid ratio = state aid revenues / general fund revenue]. No suggested target range for Iowa schools can be determined for the indicator at this time.

Description of Financial Indicator Ratios - Continued

Interest Income Ratio (IIR):

The Interest Income Ratio measures earnings on idle monies. This indicator can tell how aggressively the district's money has been managed and what contribution the investment income is making to total revenue. It is anticipated that this ratio should rise and fall in direct relationship to the Days Net Cash Ratio. One reservation about using this ratio is that it is very susceptible to market fluctuations that are not within the control of district management. The operational equation is: [interest income ratio = interest income / revenue]. The target for this ratio is simply the higher the better. A low ratio could indicate poor money management, few liquid cash assets, poor market conditions, or a combination of these factors.

Receivables and Inventory Ratio (RIR):

The Receivables and Inventory Ratio provides a measure of total current assets tied up in accounts receivable and inventory. Accounts receivable and inventory items are not truly available as working capital and are not available for the district to pay bills with. It is possible that when a greater proportion of the current assets are in receivables and inventory, the district balance sheet would look healthy but the district does not have the ability to meet immediate expenditure needs. This ratio may also provide insight on the timeliness of state aid payments and other intergovernmental obligations owed to the district. The ratio also gives an indication of how well the district is managing accounts receivable and if inventory stockpiling is occurring. The operational equation is: [receivables and inventory ratio = (receivables + inventories) / current assets]. The target for this ratio should be as close to zero as possible.

Student Transportation Ratio (STR):

The Student Transportation Expenditure Ratio measures the amount of the school budget spent on transportation costs. Examples would include operating and maintaining bus routes, driver costs, equipment purchases, and fuel. A high ratio may suggest to management that a disproportionate amount of resources are being spent in this area. The operational equation is: [student transportation ratio = transportation expenditures / general fund expenditures]. No suggested target range for Iowa schools can be determined for the indicator at this time.

Unspent Balance Ratio (UBR):

The Unspent Balance Ratio measures the amount of cumulative district spending authority not spent at the end of each fiscal year. This ratio is unique to Iowa schools. Iowa schools are funded according to a state formula, which is different than any other in the country. Because spending authority is vitally important to the financial health of any Iowa district, it must be included as an indicator in any test group of ratios designed to assess fiscal health. The data for this indicator are provided by the Iowa Department of Management on the report titled Unspent Balance Calculations. The operational equation is: [unspent balance ratio = unspent cumulative spending authority / maximum budget authority]. The target range for this indicator logically is roughly equal to that of fund balance. This is because fund balance is the closest approximation of this indicator defined in previous research done in other states. The suggested minimum target for this indicator should be 5%.

Financial Solvency Ratio (FSR):

This is a measure of financial health that resulted from the "Study of School Corporation Financial Operations" study conducted in 1990 by Ehlers. The ratio of unreserved undesignated general fund balance to actual revenues is defined in the following operational equation: (financial solvency ratio = unreserved undesignated general fund balance / general fund revenues). The target ranges and classification criteria established by the Ehlers study are as follows: (a) target solvency position equals 5.00% through 10.00%, (b) acceptable solvency position equals 0.00% through 4.99%, (c) solvency alert equals -3.00% through -0.01%, and (d) solvency concern equals less than -3.00% (ISCAP, 1991).

Employee Cost Ratio (ECR):

This ratio was not a part of the original empirical study conducted on financial health measures in 2005. Because education is a service based industry, staffing costs represent the single largest category of General Fund expenditures for schools. This ratio has been added because it illustrates important trend changes in staff costs as a percent of total General Fund expenditures. Historically budget data show districts spending from 75 to 85 percent of their General Fund on staff related costs. The operational equation is: [wages plus benefits / general fund expenditures]. The suggested target range for Iowa schools is less than 80%. Districts exceeding this percentage over time typically exhibit General Fund financial stress.

Executive Summary

Overall, the District's financial position is excellent. Most metrics remained stable from FY 2016 to FY 2017. There are no significant areas of concern with regard to district finances.

Our General fund revenue increased by \$366,143 or 4.9% from FY 2016 to FY 2017, the balance of this increase coming from state resources. The local effort, or property tax revenue actually decreased by \$17,449, or .6%. This is expected since our ability to levy for cash reserve is limited due to the fact that our cash reserve is full.

Reserve Funds		
	2016	2017
Mentoring	\$1,077	\$186
Iowa Core	\$75,879	\$87,103
Professional Development	\$29,212	\$10,257
At-Risk	\$0	\$0
Dropout Prevention	\$77,266	\$6,749
Teacher Leadership	\$0	\$0
Talented and Gifted	\$64,764	\$87,341
Early Literacy	\$17,329	\$19,360

The total general fund balance decreased from \$2,549,697 in FY 2016 to \$2,495,229. This decrease came in both the reserved and unreserved portion of the fund balance and shouldn't be surprising due to the fact that (as noted above) our cash reserves are full. An examination of the reserve fund balance is noted, which decreased from \$265,530 in FY 2016 to \$210,997 in FY 2017. As a reminder, these funds are reserved because they can only be used for specified purposes under Iowa Law. The good news is that we should be able to recapture these reserve funds at the conclusion of FY 2018 due to a change in Iowa Law with regard to the flexibility legislation.

The solvency ratio decreased slightly from 30.76% in FY 2016 to 28.26% in FY 2017. This continues to be a positive metric for the district, particularly in spite of the fact that our cash reserves continue to be full. This is great news because the unknown variable in our district are costs associated with our special education program. These expenses continue to be unpredictable and there does not appear to be a good way in which to gauge our experience or trajectory. To illustrate this inconsistency, we need only look at our special education fund balances the last

several years:

Tax rates for fiscal year 2017 were 14.00861, down from 14.43814 in fiscal year 2016. Overall taxes were down for the district as well, in spite of the continued increase in the residential rollback and natural increases to taxable valuation district wide.

The district currently carries no long term debt or general obligation bonding mechanisms on the books. However, the district does carry short term debt primarily for the lease of computer devices that support the district's connected learning initiative. This currently encumbers an annual investment of approximately \$126,000. This lease is paid through the capital improvements funding stream and is therefore not a general fund expenditure.

In spite of our strong financial position, enrollment will need to continually be monitored. Over the last ten years the trend has been downward. However, beginning with the 2017-2018 school year, enrollment should begin to rise as the smallest class in the district graduated in May of 2017. For enrollment modeling purposes, the district utilizes a cohort projection and creates kindergarten cohorts based on a five year rolling average. The chart below depicts BEDS enrollment.

Special Education Deficit	
FY 2012	(\$62,837)
FY 2013	(\$455,325)
FY 2014	(\$82,466)
FY 2015	(\$235,835)
FY 2016	(\$424,291)
FY 2017	(\$339,657)

Enrollment History														
	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2006-2007	43	48	42	50	58	54	57	73	69	70	82	72	70	788
2007-2008	43	42	48	42	53	59	55	56	74	67	68	81	64	752
2008-2009	63	43	45	49	39	54	60	56	55	74	64	67	80	749
2009-2010	59	58	48	45	50	40	60	60	59	54	73	66	65	737
2010-2011	51	55	57	48	47	54	34	61	60	58	55	77	64	721
2011-2012	52	46	54	61	47	47	55	38	61	59	65	55	72	712
2012-2013	59	64	52	54	63	52	50	53	39	61	58	66	56	727
2013-2014	61	61	62	48	56	66	51	46	53	40	60	60	61	725
2014-2015	50	60	63	63	47	57	65	50	44	48	38	60	60	705
2015-2016	49	56	60	65	63	46	59	65	51	44	47	36	59	700
2016-2017	56	46	59	58	60	63	48	58	66	48	48	48	34	692

Finally we should take special note of the district's unspent balance ratio. This is perhaps the most important of all the financial health indicators and one that should be closely monitored and watched. The news here is good, with an increase in this ratio every year since 2011 when the district completed major budget cuts and ended with a balance of \$90,971 or 1.29%. In the prevailing years it has grown steadily to \$2,438,646 or 23.53% in fiscal year 2017. Like the financial solvency ratio, this puts the district in a good position in light of unpredictable funding from the state.

Break-Even Point						
	MAB	USB Year Prior	MAB Less USB	Expenditures	Surplus/Deficit	Increase in Expenditures
2007	\$ 6,908,615.00	\$ 597,524.00	\$6,311,091.00	\$ 6,575,655.00	(\$264,564.00)	
2008	\$ 6,866,954.00	\$ 332,960.00	\$6,533,994.00	\$ 6,382,120.00	\$151,874.00	-2.94%
2009	\$ 7,002,888.00	\$ 484,834.00	\$6,518,054.00	\$ 6,615,088.00	(\$97,034.00)	3.65%
2010	\$ 7,134,255.00	\$ 387,800.00	\$6,746,455.00	\$ 6,923,055.00	(\$176,600.00)	4.66%
2011	\$ 7,062,054.00	\$ 210,606.00	\$6,851,448.00	\$ 6,971,083.33	(\$119,635.33)	0.69%
2012	\$ 6,849,329.00	\$ 90,970.00	\$6,758,359.00	\$ 6,491,074.84	\$267,284.16	-6.89%
2013	\$ 7,708,290.00	\$ 358,254.00	\$7,350,036.00	\$ 6,716,751.00	\$633,285.00	3.48%
2014	\$ 8,438,140.00	\$ 991,539.00	\$7,446,601.00	\$ 7,079,676.00	\$366,925.00	5.40%
2015	\$ 9,146,833.00	\$ 1,358,464.00	\$7,788,369.00	\$ 7,419,200.19	\$369,168.81	4.80%
2016	\$ 9,761,101.00	\$ 1,727,633.00	\$8,033,468.00	\$ 7,588,594.00	\$444,874.00	2.28%
2017	\$ 10,364,856.00	\$ 2,172,506.00	\$ 8,192,350.00	\$ 7,926,210.00	\$266,140.00	4.45%

While general fund expenditures increased at a rate of 4.45% in FY 2017, it is also worth noting that expenditures have increased, on average at a rate of 1.96% since 2008.

Nine Point Financial Condition Test Ratio Indicators

Assessment	Benchmark		District Ratio Values								
Indicator Ratio	Best	Recommended Minimum Target Value	2009	2010	2011	2012	2013	2014	2015	2016	2017
Creditor Equity Ratio	Low	0.0%	21.60%	26.90%	10.30%	7.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Current Ratio	High	100.0%	116%	107%	108%	124%	136%	160%	183%	185%	173%
Day's Net Cash Ratio	High	90.0	69	49	46	79	113	154	174	164	154
Employee Cost Ratio	Medium	80.0%	74%	74%	74%	73%	78%	79%	80%	80%	78%
Foundation Aid Ratio	Medium	50.0%	42%	37%	41%	43%	40%	40%	40%	42%	44%
Financial Solvency Ratio	High	5.0%	8.38%	2.53%	2.27%	8.79%	15.69%	24.54%	30.95%	30.76%	28.26%
Investment Income Ratio	High	0.0%	0.70%	0.21%	0.12%	0.14%	0.19%	0.18%	0.20%	0.23%	0.20%
Student Transportation Ratio	Low	2.0%	2.57%	2.09%	2.24%	2.71%	2.63%	2.83%	2.90%	2.87%	3.19%
Unspent Balance Ratio	High	5.0%	5.54%	2.95%	1.11%	5.23%	12.86%	15.73%	18.92%	22.26%	23.53%

**Simple Balance Sheet Comparisons
General Fund Only**

	FY16	FY17	\$ Change	% Change
Assets:				
Cash & Investments	\$3,400,951	\$3,338,349	(\$62,602)	-1.8%
Receivables	\$2,343,333	\$2,567,469	\$224,136	9.6%
Inventories	\$0	\$0	\$0	#DIV/0!
ISCAP	\$0	\$0	\$0	
Other Assets	\$0	\$0	\$0	
Total Assets	\$5,744,283	\$5,905,818	\$161,534	2.8%
Liabilities:				
Payables	\$248,782	\$275,879	\$27,097	10.9%
Payroll benefits	\$691,585	\$786,362	\$94,776	13.7%
ISCAP	\$0	\$0	\$0	
Other Liabilities	\$2,254,220	\$2,348,348	\$94,128	4.2%
Total Liabilities	\$3,194,587	\$3,410,589	\$216,002	6.8%
Fund Balance:				
Reserved	\$265,530	\$210,997	(\$54,533)	-20.5%
Unreserved	\$2,284,167	\$2,204,233	(\$79,934)	3.5%
Total Fund Balance	\$2,549,697	\$2,495,229	(\$54,467)	2.1%

**Simple Revenue & Expenditures Comparison
General Fund Only**

	FY16	FY17	\$ Change	% Change
Revenues:				
Local sources	\$3,076,901	\$3,059,452	(\$17,449)	-0.6%
State sources	\$4,171,872	\$4,521,245	\$349,373	8.4%
Federal sources	\$161,951	\$192,028	\$30,077	18.6%
Other sources	\$14,875	\$19,017	\$4,142	27.8%
Total revenues	\$7,425,600	\$7,791,743	\$366,143	4.9%
Expenditures:				
Instruction	\$5,286,905	\$5,500,447	\$213,542	4.0%
Support services	\$1,998,280	\$2,129,103	\$130,823	6.5%
Non-instructional	\$0	\$0	\$0	#DIV/0!
Other expenditures	\$303,409	\$296,661	(\$6,748)	-2.2%
Total expenditures	\$7,588,594	\$7,926,211	\$337,617	4.4%
Other Financing Sources:				
Sale of Assets	\$0	\$0	\$0	#DIV/0!
Transfers	\$0	\$0	\$0	#DIV/0!
Total financing sources	\$0	\$0	\$0	#DIV/0!
Changes of Rev over Exp	(\$162,994)	(\$134,468)	\$28,526	17.5%

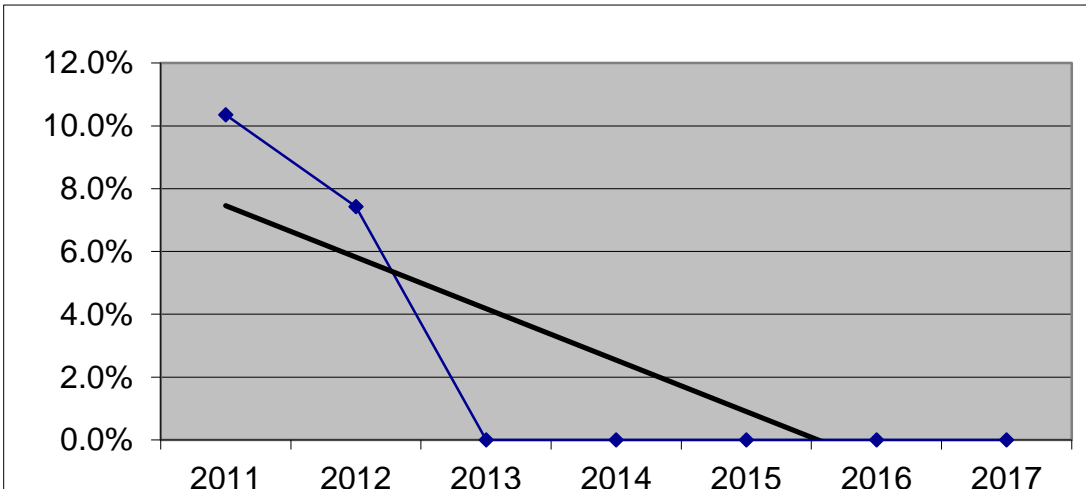
Creditor's Equity Ratio

Formula:
$$\frac{\text{Current Restricted Assets: ISCAP Investments}}{\text{Total Current Assets}}$$

Financial Information and Computation:

Year	ISCAP	Total Assets	Ratio
CAR reference	BalSheet C1L8	BalSheet C1L11	
2011	\$350,000	\$3,381,797	10.3%
2012	\$293,501	\$3,950,124	7.4%
2013	\$0	\$5,018,121	0.0%
2014	\$0	\$5,781,975	0.0%
2015	\$0	\$5,990,008	0.0%
2016	\$0	\$5,744,283	0.0%
2017	\$0	\$5,905,818	0.0%

Ratio explanation: Short-term borrowing represents xx.x% of total current assets.



Purpose:	Measures how much of the district's current General Fund equity is funded through borrowed money.
Trend:	Down.
Target:	Ideally the ratio would be zero. This would indicate a condition where no short term borrowing is required.
Need/Concern:	None.
Corrective Action:	None needed at this time.

Contribution Ratio

Formula:
$$\frac{\text{Line Source Revenue}}{\text{Total Revenue}}$$

Financial Information and Computation:

	FY16	
Line	Amount	Ratio
Source		
Local	\$3,076,901	41.4%
State	\$4,171,872	56.2%
Federal	\$161,951	2.2%
Other	\$14,875	0.2%
Total	\$7,425,599	100.0%

	FY17	
Line	Amount	Ratio
Source		
Local	\$3,059,452	39.3%
State	\$4,521,245	58.0%
Federal	\$192,028	2.5%
Other	\$19,017	0.2%
Total	\$7,791,743	100.0%

Year	Local	State	Federal	Other
2008	43.0%	55.3%	1.0%	0.0%
2009	44.5%	52.6%	2.8%	0.2%
2010	44.5%	48.0%	7.3%	0.2%
2011	43.8%	51.6%	4.3%	0.2%
2012	45.4%	52.6%	2.0%	0.0%
2013	47.9%	50.0%	2.2%	3.0%
2014	47.4%	50.8%	1.8%	0.3%
2015	45.0%	53.2%	1.8%	0.0%
2016	41.4%	56.2%	2.2%	0.2%
2017	39.3%	58.0%	2.5%	0.2%

Purpose:	Measures local taxation effort.
Trend:	NA
Target:	NA
Need/Concern:	NA
Corrective Action:	NA

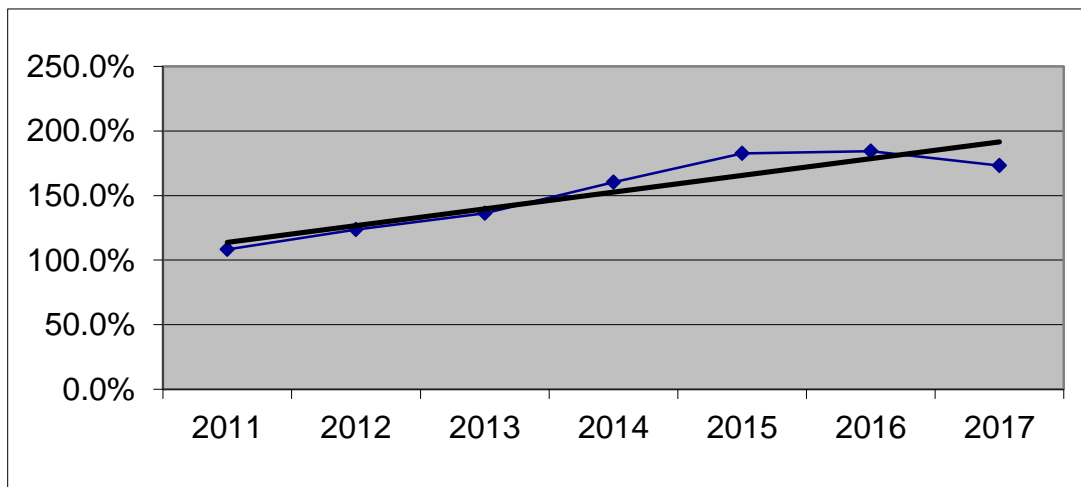
Current Ratio

Formula:
$$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

Financial Information and Computation:

Year	Assets	Liabilities	Ratio
CAR reference	BalSheet C1L11	BalSheet C1L24	
2011	\$3,381,797	\$3,124,243	108.2%
2012	\$3,950,124	\$3,193,019	123.7%
2013	\$5,018,121	\$3,679,745	136.4%
2014	\$5,781,975	\$3,607,494	160.3%
2015	\$5,990,008	\$3,277,318	182.8%
2016	\$5,744,283	\$3,113,914	184.5%
2017	\$5,905,818	\$3,410,589	173.2%

Ratio explanation: Short-term solvency represents xx.x% of assets to liabilities.



Purpose:	Measures the district's short-term solvency position.
Trend:	Up to stable.
Target:	A minimum target would be 100%. An indicator less than zero would indicate a condition where the district has more liabilities than assets.
Need/Concern:	The district currently has enough assets to cover liabilities.
Corrective Action:	None at this time.

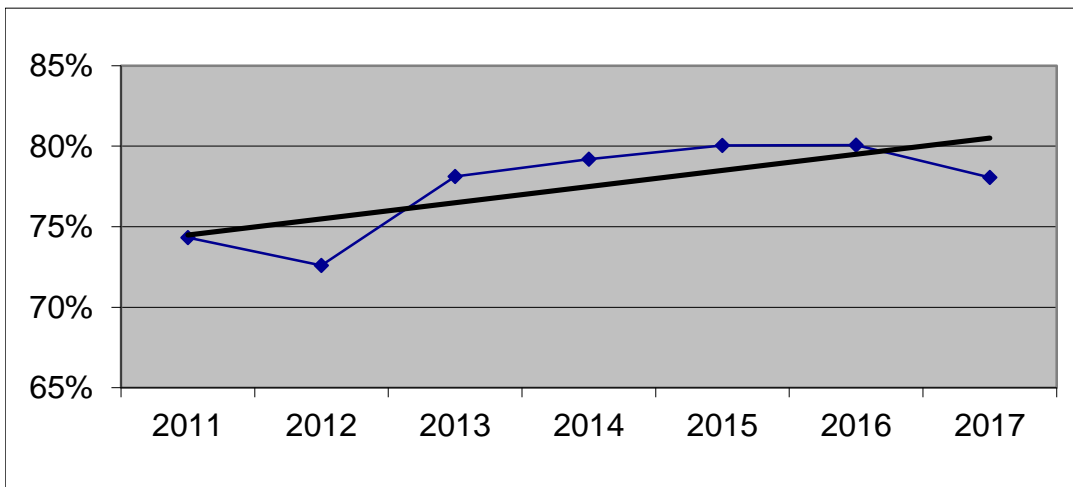
Employee Cost Ratio

Formula:
$$\frac{\text{Wages and Benefit Costs}}{\text{Total General Fund Expenditures}}$$

Financial Information and Computation:

Year	Wages and Benefits	Total GF Expenditures	Ratio
CAR reference	ExpGF C1&2L43	ExpGF C8L43	
2011	\$5,181,318	\$6,971,083	74%
2012	\$4,711,639	\$6,491,075	73%
2013	\$5,246,522	\$6,716,751	78%
2014	\$5,605,813	\$7,079,676	79%
2015	\$5,939,322	\$7,419,200	80%
2016	\$6,076,277	\$7,588,594	80%
2017	\$6,187,531	\$7,926,211	78%

Ratio explanation: What xx.xx% of total GF expenditures does staffing costs represent?



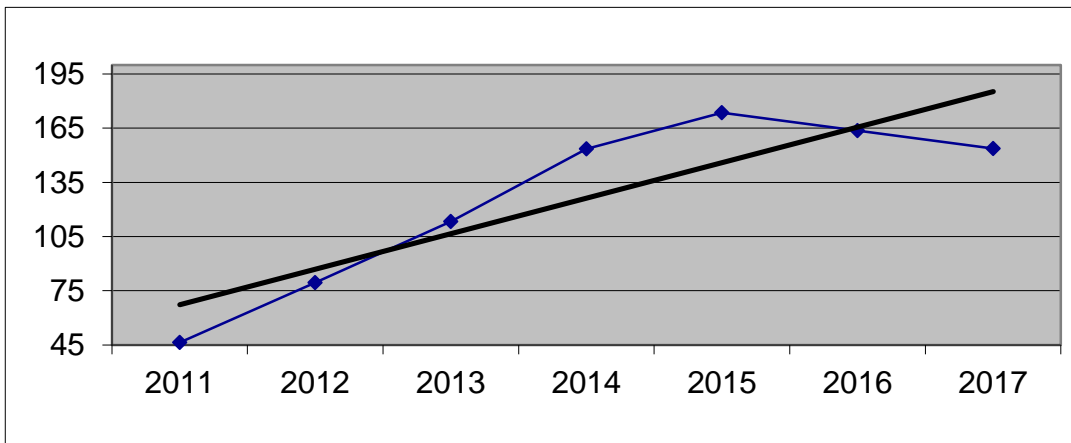
Purpose:	Measures the percent dedicated to staffing costs which is the single largest category of expenditures in the General Fund budget.
Trend:	Stable.
Target:	Less than 80%
Need/Concern:	An increasing trend would indicate the need to make staffing reduction adjustments.
Corrective Action:	Closely monitor employee costs, evaluate ways to maximize employee production.

Day's Net Cash Ratio

Formula:
$$\frac{\text{Cash \& Investments}}{\text{Average Daily Cash Expenditures}}$$

Financial Information and Computation:

Year	Cash & Investments	Total Expenditures	Daily (365) Expenditures	Ratio In Days
CAR reference	BalSheet C1L1	ExpGF C8L43		
2011	\$885,752	\$6,971,083	\$19,099	46
2012	\$1,413,560	\$6,491,075	\$17,784	79
2013	\$2,086,256	\$6,716,751	\$18,402	113
2014	\$2,977,647	\$7,079,676	\$19,396	154
2015	\$3,528,038	\$7,419,200	\$20,327	174
2016	\$3,400,951	\$7,588,594	\$20,791	164
2017	\$3,338,349	\$7,926,211	\$21,716	154



Purpose:	Measures the short term solvency and the ability to cash flow expenditures without receiving additional revenue.
Trend:	Stable.
Target:	90 days.
Need/Concern:	A high ratio ensures we have enough cash flow during the summer months.
Corrective Action:	None at this time.

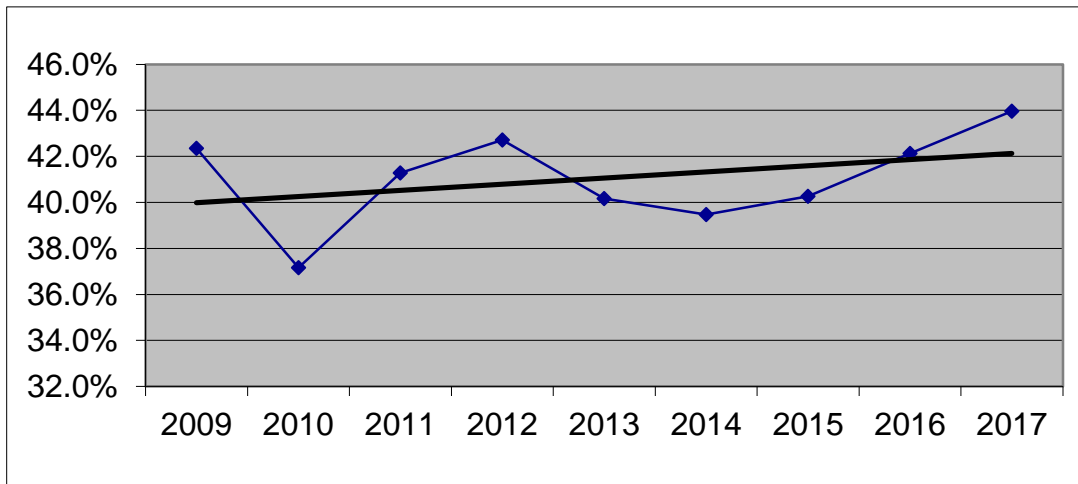
Foundation Aid Ratio

Formula:
$$\frac{\text{Direct State Aid}}{\text{Total General Fund Revenue}}$$

Financial Information and Computation:

Year	State Aid	Total Revenue	Ratio
CAR reference	Rev. C1L24	Rev. C1L57	
2009	\$2,883,091	\$6,807,535	42.4%
2010	\$2,432,159	\$6,545,197	37.2%
2011	\$2,892,405	\$7,008,084	41.3%
2012	\$2,985,819	\$6,990,625	42.7%
2013	\$2,931,786	\$7,298,021	40.2%
2014	\$3,124,822	\$7,915,781	39.5%
2015	\$3,203,812	\$7,957,411	40.3%
2016	\$3,128,453	\$7,425,600	42.1%
2017	\$3,425,233	\$7,791,743	44.0%

Ratio explanation: What xx.x% of total revenue does foundation aid represent?



Purpose:	Measures resource contribution.
Trend:	Stable.
Target:	No target is established for this ratio. A rule of thumb is that as a district's property wealth grows a smaller percentage of the total revenue is contributed from the foundation aid formula.
Need/Concern:	NA
Corrective Action:	NA

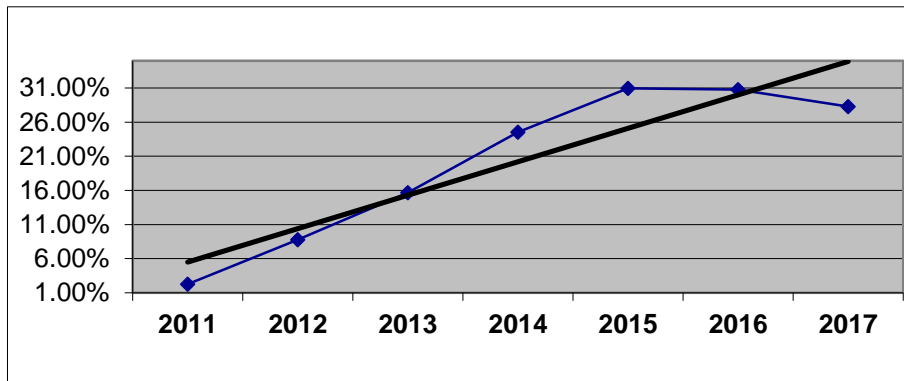
Financial Solvency Ratio

Formula:
$$\frac{\text{Unreserved Undesignated Fund Balance (UUFB)}}{\text{Total GF Revenue}}$$

Financial Information and Computation:

Year		UUFB	Total Revenue	Ratio
CAR reference		Balsheet C1L28	Rev. C1L56	
2011		\$158,912	\$7,008,084	2.27%
2012		\$614,383	\$6,990,625	8.79%
2013		\$1,145,293	\$7,298,021	15.69%
2014		\$1,942,318	\$7,915,781	24.54%
2015		\$2,462,667	\$7,957,411	30.95%
2016		\$2,284,167	\$7,425,600	30.76%
2017		\$2,202,233	\$7,791,743	28.26%

Ratio explanation: What xx.x% of total revenue does fund equity represent?



Purpose:	Measures the district's fund equity. position.
Trend:	Stable.
Target:	Short-term 5%. Long-term 10%.
Need/Concern:	None at this time.
Corrective Action:	None at this time.

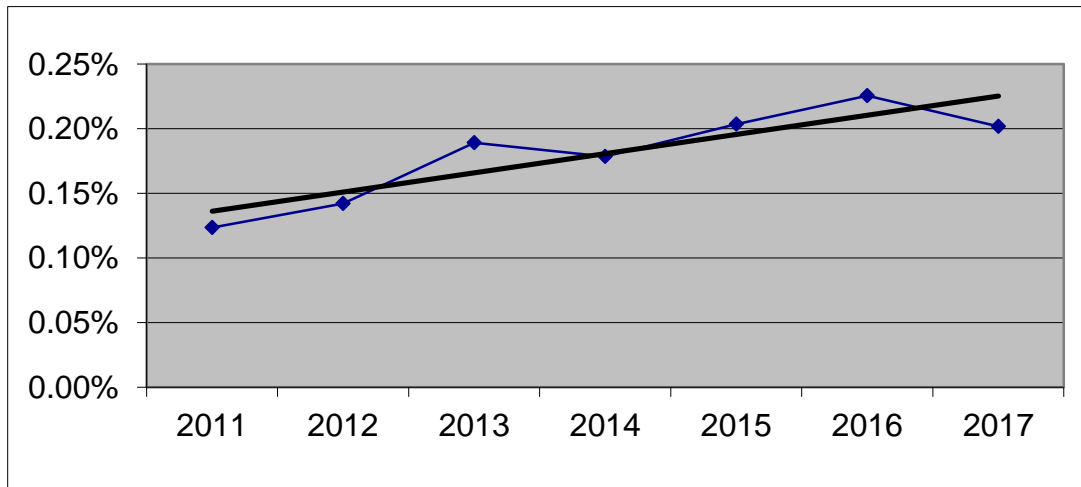
Investment Income Ratio

Formula:
$$\frac{\text{Interest Income}}{\text{Total General Fund Revenue}}$$

Financial Information and Computation:

Year	Interest	Total Revenue	Ratio
CAR reference	Rev. C1L9	Rev. C1L56	
2011	\$8,665	\$7,008,084	0.12%
2012	\$9,935	\$6,990,625	0.14%
2013	\$13,808	\$7,298,021	0.19%
2014	\$14,129	\$7,915,781	0.18%
2015	\$16,200	\$7,957,411	0.20%
2016	\$16,758	\$7,425,600	0.23%
2017	\$15,727	\$7,791,743	0.20%

Ratio explanation: What xx.xx% of total revenue does interest in idle funds represent?



Purpose:	Measures operating results.
Trend:	Up to stable.
Target:	Stable to upward trends are desirable for this trend.
Need/Concern:	Idle funds should be closely monitored to ensure we are getting the best return for our investment.
Corrective Action:	Manage idle funds aggressively.

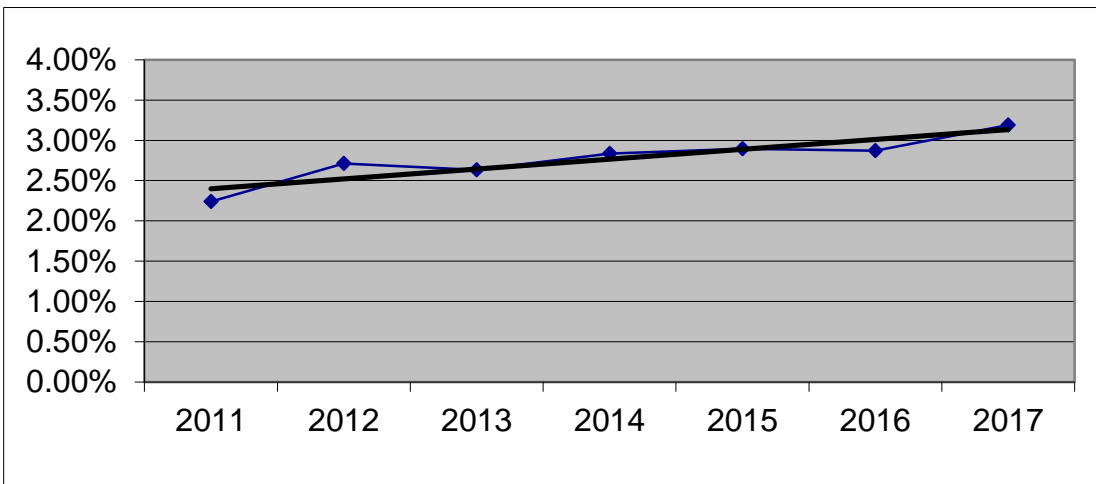
Student Transportation Ratio

Formula:
$$\frac{\text{Student Transportation Expense}}{\text{Total General Fund Expenditures}}$$

Financial Information and Computation:

Year	Transportation	Total Expenditures	Ratio
CAR reference	ExpGF C8L29	ExpGF C8L43	
2011	\$155,975	\$6,971,083	2.24%
2012	\$175,924	\$6,491,075	2.71%
2013	\$176,906	\$6,716,751	2.63%
2014	\$200,623	\$7,079,676	2.83%
2015	\$214,901	\$7,419,200	2.90%
2016	\$217,771	\$7,588,594	2.87%
2017	\$252,624	\$7,926,211	3.19%

Ratio explanation: What xx.xx% of total expenditures does std. transportation represent?



Purpose:	Measures resource distribution results.
Trend:	Stable to slightly up.
Target:	Stable to lower trends are desirable for this indicator.
Need/Concern:	The volatility of fuel costs and increased trips continue to influence this indicator.
Corrective Action:	Spend less on student transportation.

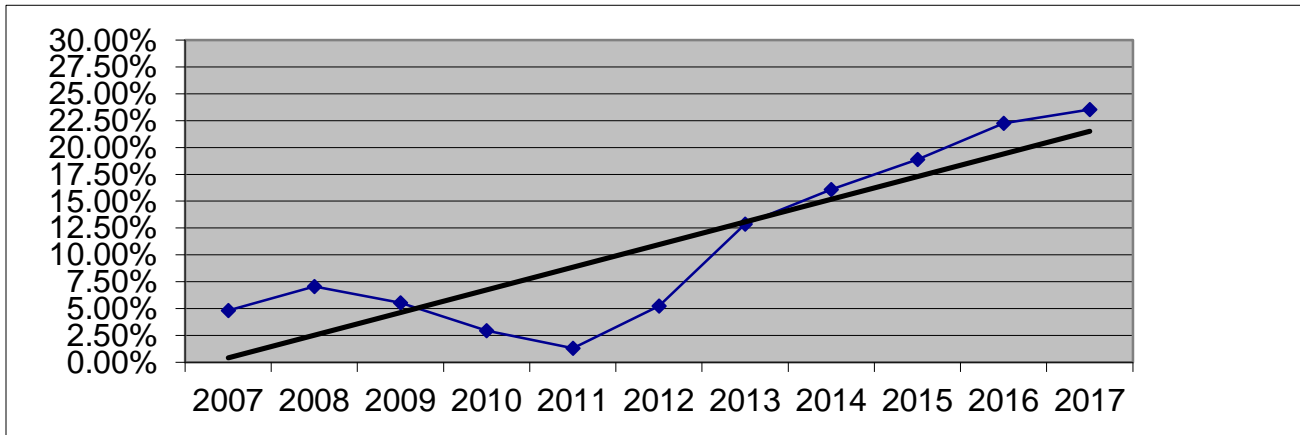
Unspent Balance Ratio

Formula:

$$\frac{\text{Unspent Spending Authority}}{\text{Maximum Budget Authority}}$$

Financial Information and Computation:

Year	Maximum Authorized	Regular Unspent Bal.	Unreserv. UB Ratio
2007	\$6,908,615	\$332,960	4.82%
2008	\$6,866,954	\$484,834	7.06%
2009	\$7,002,888	\$387,800	5.54%
2010	\$7,134,255	\$210,606	2.95%
2011	\$7,062,054	\$90,971	1.29%
2012	\$6,849,329	\$358,254	5.23%
2013	\$7,708,290	\$991,539	12.86%
2014	\$8,438,140	\$1,358,464	16.10%
2015	\$9,146,833	\$1,727,633	18.89%
2016	\$9,761,101	\$2,172,506	22.26%
2017	\$10,364,856	\$2,438,646	23.53%



*Estimated

Purpose:	Measures the district's unbudgeted spending reserves.
Trend:	Up.
Target:	Unreserved unspent for short-term 5-10%. Long-term 5% above accrued payroll liabilities.
Need/Concern:	An adequate level of budget reserves are important so the District can respond to emergencies. Conventional wisdom suggests a minimum of 5% to 10 % contingency expenditures.
Corrective Action:	Spend less than allowed each budget year.