

Appendix B: Financial Management

One area of financial management which is routinely reviewed by our office is a district's practice of subsidizing extracurricular activities through the General Fund. Districts are allowed, but are not required, to subsidize activities offered to the student population such as athletics or academic clubs. These activities may also receive funding through other means such as activity fees, ticket sales, or booster clubs. Subsidizing these activities is a decision which must be made by District officials based on the needs of the community. We analyzed TCSD's subsidy compared to local peer districts and found that the District provides a higher subsidy on a per pupil basis.

Student Extracurricular Activity Net Cost Comparison

			Talawanda CSD	Local Peer Avg.
Students			2,999	3,772
Activity Type	Revenue	Exp.	Net Cost	
Academic Oriented	\$161,671	\$184,052	(\$22,381)	(\$160,172)
Occupation Oriented	\$0	\$0	\$0	(\$1,852)
Sport Oriented	\$92,163	\$749,890	(\$657,727)	(\$612,571)
School & Public Service Co-Curricular	\$0	\$68,994	(\$68,994)	(\$619)
Bookstore Sales	\$0	N/A	\$0	\$1
Other Extracurricular	\$49,630	N/A	\$49,630	\$90,897
Non-Specified ¹	\$0	N/A	\$0	\$201,970
Total	\$303,464	\$1,002,936	(\$699,472)	(\$482,346)
Total General Fund Direct Revenue			\$2,325.00	\$30,643.67
Total General Fund Direct Expenditures			\$814,887.55	\$581,883.37
Total General Fund Transfers			\$0.00	\$8,875.35
Total General Fund Subsidy of Extracurricular Activities			\$812,562.55	\$560,115.05
Total General Fund Subsidy of Extracurricular Activities per Pupil			\$270.94	\$148.49
Total Difference in General Fund Subsidy to Local Peer Average			\$367,227.55	
Remaining General Fund Subsidy			\$445,335.00	

Source: TCSD, local peers, and ODE

¹ Non-specified represents revenue that was not coded to a specific activity type, but does reduce the net cost.

If the District were to reduce their subsidy to be in line with local peers it would save approximately \$367,000 annually. The District would still be providing more than \$445,000 in subsidy from the General Fund for extracurricular activities.

Historically, TCSD instituted a pay to participate fee within the District. This fee was eliminated beginning in FY 2019 which resulted in an increased per-pupil subsidy from the General Fund. The District could decide to reinstate a participation fee in order to reduce the General Fund subsidy of extracurricular activities.

Historical Net Cost Comparison

	FY 2016-17	FY 2017-18	FY 2018-19	Difference	% Difference
Students	2,839	2,967	2,999	160	5.6%
Net Cost per Pupil	(\$196.84)	(\$182.20)	(\$233.24)	(\$36.40)	18.5%
Avg. Net Cost per Pupil, FY 2016-17 to FY 2017-18					(\$189.52)
Difference from FY 2018-19					(\$43.72)
Impact of Reinstating Pay to Participate Fees					(\$131,116.28)

Source: TCSD and ODE

Based on enrollment and historic participation levels, the District could expect \$131,000 in revenue if participation fees were reinstated; these funds could be used to offset the General Fund subsidy and make up a significant portion of the recommended reduction.