

Buena Park School District

2017-18 First Interim Report

December 11, 2017

Presented by:

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Buena Park School District

**IMPROVING THE LIVES
OF OUR STUDENTS AND
FAMILIES**



Buena Park School District

- Background
- First Interim
- Multi-Year Assumptions
- Future Considerations

Background

- District Governing Board required to review and approve, at minimum, three financial reports each year
- The First Interim Report represents financial information as of October 31st, with updated budget projections for the remainder of the fiscal year.

Background

- Governing Board approval of First Interim Report required by December 15th of each year.
- Three certifications
 - Positive: Local Education Agency (LEA) is able to meet its financial obligations for the current and two subsequent fiscal years
 - Qualified: LEA may not be able to meet its financial obligations for the current and two subsequent fiscal years
 - Negative: LEA is not able to meet its financial obligations for the current and two subsequent years.

First Interim: Revenue Changes

- Total revenues increased by \$1,980.5K
 - Unrestricted Revenue Increased: \$ 901.4K
 - Restricted Revenue Increased: \$1,079.1K

First Interim: Revenue Changes

- Unrestricted revenues increased
 - \$678.1K one-time discretionary funds, not included in the budget
 - \$30.3K increase in unrestricted lottery
 - \$124.5 School-Based Medi-Cal Administrative Activities (SMAA)
 - \$41.5 St. Jude Grant
 - \$26.0 various local revenues

First Interim: Revenue Changes

- Restricted revenues increased
 - \$997.6 Federal revenue increase for deferred revenues from Title I, II and III.
 - \$80.9 After School Education and Safety grant (ASES)
 - \$15.6 restricted lottery
 - \$(15.0) Other Local Revenue from the SELPA

First Interim: Expenditure Changes

- Total expenditures increased by \$2,366.6K
 - Unrestricted Expenses Increased: \$ 887.0K
1% salary increase, staffing analysis and employee benefits
 - Restricted Expenses Increased: \$1,479.6K
Title I, II and III carryover income matching expenses

First Interim: Special Education Contributions

- Special Ed contribution increased by \$169.7K
 - Review of special education contracts
 - 1% salary increase

2017/18 First Interim

		2017/18 First Interim Report		
Description	Object Codes	Unrestricted	Restricted	Total Fund
A. REVENUES				
LCFF/Revenue Limit Sources	8010-8099	44,275,516	-	44,275,516
Federal Revenues	8100-8299	124,485	3,411,034	3,535,519
State Revenues	8300-8599	1,536,980	3,859,207	5,396,187
Other Local Revenues	8600-8799	964,309	2,649,813	3,614,122
TOTAL REVENUES		46,901,290	9,920,054	56,821,344

2017/18 First Interim

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B. EXPENDITURES				
Certificated Salaries	1000-1999	20,246,327	4,800,895	25,047,222
Classified Salaries	2000-2999	6,310,964	2,023,163	8,334,127
Employee Benefits	3000-3999	10,354,986	4,738,122	15,093,108
Supplies	4000-4999	1,279,539	1,146,407	2,425,946
Services	5000-5999	2,934,120	2,604,367	5,538,487
Capital Outlay	6000-6999	120,000	526,790	646,790
Other Outgo	7100-7299	276,000	1,764,366	2,040,366
Indirect Costs	7300-7399	(235,919)	75,953	(159,966)
TOTAL EXPENDITURES		41,286,017	17,680,063	58,966,080

2017/18 First Interim

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TOTAL REVENUES		46,901,290	9,920,054	56,821,344
TOTAL EXPENDITURES		41,286,017	17,680,063	58,966,080
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES		5,615,273	(7,760,009)	(2,144,736)

2017/18 First Interim

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D. OTHER FINANCING SOURCES/USES				
1) Interfund Transfers				
a) Transfers In	8910-8929	-	-	-
b) Transfers Out	7610-7629	-	-	-
2) Other Sources/Uses				
a) Sources	8930-8979	-	-	-
b) Uses	7630-7699	-	-	-
3) Contributions	8980-8999	(7,114,137)	7,114,137	-

2017/18 First Interim

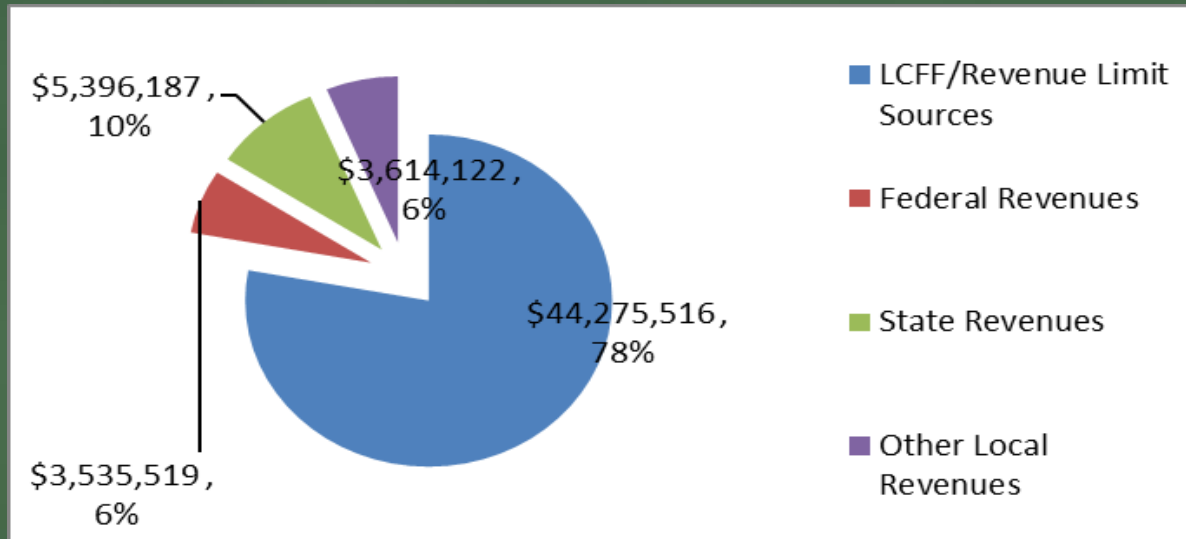
		2017/18 First Interim Report		
Description	Object Codes	Unrestricted	Restricted	Total Fund
E. NET INCREASE (DECREASE) IN FUND BALANCE		(1,498,864)	(645,872)	(2,144,736)
F. FUND BALANCE, RESERVES				
1) Beginning Fund Balance	9791	6,713,385	1,464,069	8,177,454
a) As of July 1	9793			
b) Audit Adjustments				
c) As of July 1				
d) Other Restatements	9795	-		-
e) Net Beginning Balance		6,713,385	1,464,069	8,177,454
2) Ending Balance, June 30		5,214,521	818,197	6,032,718

2017/18 First Interim

Description		Object Codes	2017/18 First Interim Report		
			Unrestricted	Restricted	Total Fund
Components of Ending Fund Balance					
a) Nonspendable					
Revolving Cash	9711	55,000	-	55,000	
Stores	9712	17,690	-	17,690	
Prepaid Expenditures	9713	-	-	-	
All Others	9719	-	-	-	
b) Restricted	9740	-	818,197	818,197	
c) Committed					
Stabilization Arrangements	9750	-	-	-	
Other Commitments	9760	-	-	-	
d) Assigned					
Other Assignments	9780	3,372,847	-	3,372,847	
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties	9789	1,768,984	-	1,768,984	
Unassigned/Unappropriated Amount	9790	-	-	-	

2017/18 First Interim Revenues

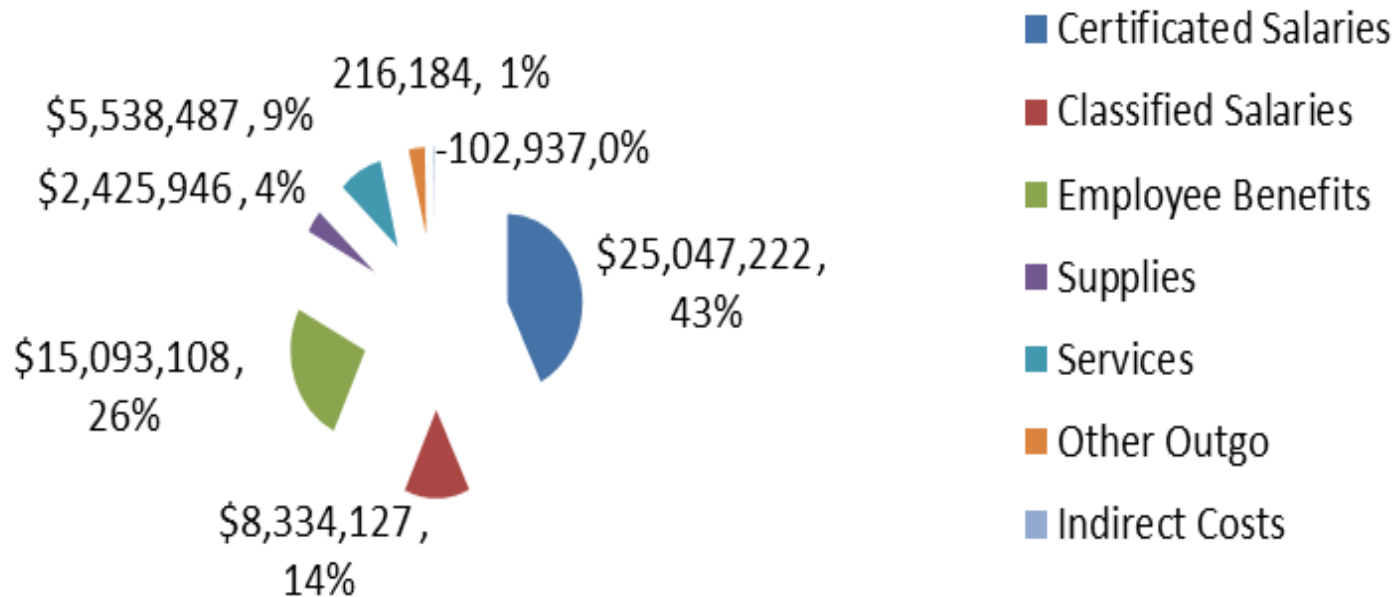
Unrestricted & Restricted



2017/18 First Interim

Expenditures

Unrestricted & Restricted



2017/18 First Interim

Multi-Year Assumptions

Fund 01- Unrestricted & Restricted

- Declining enrollment
- Projected COLA's:
 - 2017/18 = 1.56%
 - 2018/19 = 2.15%
 - 2019/20 = 2.35%
- Projected Gap Funding:
 - 2017/18 = 43.19%
 - 2018/19 = 66.12%
 - 2019/20 = 64.92%
 - Gap funding is to close the gap between current funding and the target funding goal of 2007/08 levels.

2017/18 First Interim

Multi-Year Assumptions

Fund 01- Unrestricted & Restricted

State Teacher Retirement System (STRS) Employer Contribution:

- 2017/18 = 14.43%
- 2018/19 = 16.28%
- 2019/20 = 18.13%

Public Employee Retirement System (PERS) Employer Contribution:

- 2017/18 = 15.531%
- 2018/19 = 18.100%
- 2019/20 = 20.080%

2017/18 First Interim

Multi-Year Assumptions

Fund 01- Unrestricted & Restricted

Multi-Year Assumptions

- Staffing reduced with enrollment decline
- Utilization of one-time discretionary funds to cover multi-year shortfalls

2017/18 First Interim

Assumptions

Other Funds

Child Development Fund (Fund 12)

- The Governing Board authorized acceptance of pre-school grant, totaling \$283.6K
- These funds are budgeted as mandated by the State for Fund 12

Building Fund (Fund 21)

- The second issuance of the General Obligation Bond
- The completion of the Gilbert and Whitaker modernization projects
- The start of the Beatty and Corey modernization projects
- The fund will be updated for the Bond Anticipation Note (BAN) in order to complete the Beatty and Corey modernization projects

Fiscal Solvency Statement

- OCDE request the Governing Board approval of a Fiscal Solvency Statement
- In recognition of the challenges facing school districts:
 - Volatility of State general fund revenues
 - Deficit spending in the unrestricted fund
 - Declining enrollment
 - Increase in pension expenses
- The Governing Board recognizes the need to implement budget reductions to eliminate or curtail unrestricted deficits projected in 2018/19 and 2019/20 of \$814K and \$1,360K respectively

Next Steps

- Approve the following:
 - 2017/18 First Interim Report with a Positive certification
 - Fiscal Solvency Statement

Next Steps

- Continue to communicate the District's financial condition
- Develop a Fiscal Stabilization Plan
- January 10, 2018 – Governor releases 2018/19 initial budget proposal
- January – May 2018 Budget Development
- March 12, 2018 – Second Interim Report
- May 2018 – Governor release May Revision on State Budget
- May – June 2018 – Incorporate May revisions into BPSD Budget

Questions?

