

2016-17 First Interim



Ruth Cortez
Tulip Fields Unit 5 Lesson 2

December 14, 2016
Board Meeting

Ruth Cortez
2nd Grade, Ms. Velazquez
Jefferson Elementary



2016-17 First Interim – Mandated Report

- Education Code (EC) Sections 35035(g), 42130 and 42131 require the Governing Board of each school district to certify at least twice a year to the district's ability to meet its financial obligations for the remainder of that fiscal year and for the subsequent two fiscal years.
- Tonight Board approval is requested for the
 - 2016-17 First Interim Financial Report, Positive Certification
 - Associated Budget Revisions



2016-17 First Interim Assumptions

Revenue

- Statutory COLA / Net Funded COLA – 0.00%
- Gap Funding – 54.18%
- Base Grant per ADA - \$7,820 (K-3), \$7,189 (4-6), \$7,403 (7-8) and \$8,801 (9-12)
- K-3 CSR Augmentation Grant - \$737 per ADA
- Supplemental and Concentration Grant - \$16,358,789
- Supplemental and Concentration Grant, Economic Impact Aid - \$1,977,650
- Routine Restricted Maintenance (RRMA) Contribution - \$2,268,357
- Lottery - \$144 per ADA (Unrestricted) and \$45 per ADA (Restricted)
- Parcel Tax - \$1,540,597



2016-17 First Interim Assumptions

Expense

- Required maintenance of class size at 24:1 in the grades K-3 in order to qualify for the Grade Span Adjustment augmentation grant.
- Step and Column movement at 1.45%
- Statutory Fringe Benefits – as required by LACOE
 - STRS and PERS as per current estimates

	2016-17	2017-18	2018-19
CalSTRS	\$5,238,848	\$5,414,349	\$5,595,730
CalPERS	\$1,660,131	\$1,711,761	\$1,764,826
Total Estimated STRS and PERS	\$6,898,979	\$7,126,110	\$7,360,555

- Retiree benefits for Health and Welfare budgeted at \$420,000
- Utilities budgeted at \$2,141,144



2016-17 First Interim - Revenue Unrestricted General Fund

LCFF/Revenue Limit Sources	\$77,296,024
Federal Revenues	\$0
Other State Revenues	\$3,038,793
Other Local Revenues	\$1,896,036
Contributions	(\$11,094,613)
TOTAL REVENUE SOURCES	\$71,109,240



2016-17 First Interim – Expense Unrestricted General Fund

Certificated Salaries	\$35,675,090
Classified Salaries	\$9,702,029
Employee Benefits	\$17,894,817
Books and Supplies	\$3,799,666
Services and Other Operating	\$6,457,243
Capital Outlay	\$372,388
Other Outgo	(\$320,365)
Transfers Out	\$612,872
TOTAL EXPENDITURES	\$74,193,740



2016-17 First Interim – Summary Unrestricted General Fund

Total Revenue Sources	\$71,109,240
less	
Total Expenditures	\$74,193,740
NET INCREASE(DECREASE) IN FUND BALANCE	(\$3,084,500)



2016-17 First Interim – Summary Unrestricted General Fund

Beginning Fund Balance	\$6,572,178
Net Increase (Decrease) in Fund Balance	(\$3,084,500)
Ending Fund Balance	\$3,487,678



2016-17 First Interim – Summary Unrestricted General Fund

Components of Ending Fund Balance	
Nonspendable	\$357,265
Assigned	\$13,585
Reserve of Economic Uncertainties (Required 3%)	\$3,116,829



2016-17 First Interim – LACOE Bulletin #4375 (Need for Reserves)

Los Angeles County Office of Education (LACOE) issued Informational Bulletin # 4483 on November 11, 2016. This bulletin indicates:

...we recommend that districts assign, reserve or otherwise set aside any projected increase in LCFF revenue because of Gap Funding in 2017-18 and subsequent years. If districts budget this increased revenue, they must have a contingency or alternative plan in place should these funds fail to materialize.

The County Office LCFF revenue runs are used to validate district budget revenue projections. ***It is strongly recommended that districts utilize these updated County Office LCFF revenue runs to project estimated revenues for 2016-17 First Interim Reports and multi-year projections. Our review will compare the districts' projections against that data.***

Current revenue estimates provided by LACOE for LCFF are as follows:

	2016-17	2017-18	2018-19
Funded Local Control Funding Formula	\$77,296,024	\$81,498,983	\$82,875,646
Increase in LCFF Over Prior Year	\$5,143,761	\$4,202,959	\$1,376,663
Increase in LCFF from 2016-17		\$4,202,959	\$5,579,622



2016-17 First Interim – LACOE Bulletin #4375 (Need for Reserves)

- Examples provided in LACOE Bulletin #4483:
 - Financial flexibility to absorb unanticipated expenditures without significant disruption to educational programs
 - Protection against exposure to significant one-time outlays, such as disasters, lawsuits or material audit findings
 - Protection against the volatility of state revenues
 - Cash management / avoiding the cost of borrowing for cash flow purposes



2016-17 First Interim – General Fund(Unrestricted/Restricted) Multi-Year Projections

	2016-17	2017-18	2018-19
Total Revenue Sources	\$98,248,312	\$98,883,119	\$100,259,782
Total Expenditures	\$103,894,286	\$97,808,822	\$98,920,079
Beginning Fund Balance	\$9,457,464	\$3,811,490	\$4,885,787
Net Increase (Decrease) in Fund Balance	(\$5,645,974)	\$1,074,297	\$1,339,703
Ending Fund Balance	\$3,811,490	\$4,885,787	\$6,225,489
Components of Ending Fund Balance			
Non-spendable	\$357,265	\$81,250	\$81,250
Restricted	\$323,812	\$0	\$0
Assigned	\$13,585	\$1,870,272	\$3,176,637
Assigned in Fund 17.0	\$3,273,582	\$3,273,582	\$3,273,582
3% Required Reserve	\$3,116,829	\$2,934,265	\$2,967,602
General Fund Reserve Percentage Including Assignments	3.01%	4.91%	6.21%
General Fund Reserve Percentage Excluding LACOE Recommended Assignment	3.00%	3.00%	3.00%
Reserve Percentage Including Assignments in Fund 17.0*	6.16%	8.26%	9.52%

Questions / Comments



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Thank You!

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