Agenda Item B-33



### First Interim Financial Report 2017/18

Board of Education December 13, 2017



### <u>Summary:</u>

- Budget to actual report based on year-to-date results
- Positive Certification of the district's financial condition

#### Items to Review:

- Financial reporting timelines
- Fresno County Superintendent of Schools guidance for 2017/18
- Multi-year projection assumptions for 2018/19 and 2019/20





### **State Financial Reports**

- Adopted Budget June 30
- First Interim December 15
- Second Interim March 15
- Unaudited Actuals September 15
- Independent Audit December 15

#### **Local Financial Reports**

- First Budget Revision typically by October 15
  - Recognize actual beginning balances and carryover
- Other Budget Revisions as necessary
  - Usually accompany Interim Reports

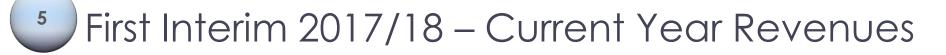




## Submitting a <u>Positive Certification</u> for First Interim 2017/18

The district is able to meet its financial obligations for this year and two subsequent years and will have a positive cash balance





### Local Control Funding Formula (LCFF)

- Increase for Saturday School \$890,000
- > Decrease in projected ADA (\$940,000)
- □ Future Years estimated LCFF "gap" funding
  - 39.03% for 2018/19 and 41.51% for 2019/20
- □ Lottery increase of \$880,000
  - State provided updated lottery rates on October 2, 2017
- □ Medical Administrative Activity (MAA) of \$700,000
  - State released 2014/15 reimbursements
- □ Interest income increase of \$600,000
- □ Budget Revision No. 1 Changes:
  - > One-time mandate revenue of \$9.8 million
  - Decrease in LCFF funding gap percentage (\$380,000)





### Captured savings where appropriate:

- Salaries and Benefits of \$2.2 million
- Supplies, Services, Capital Outlay of \$775,000
- Additional Costs
  - Education Center cooling system \$425,000
  - Work Stoppage for curriculum and advertising for substitutes \$1.25 million
- Contributions higher by \$900,000
  - Special Education private placements





District Proposal includes total compensation package:	Certificated	Classified
Ongoing Salary Increase	3.5%	3.5%
District Contribution to CalSTRS	1.85%	-0-
District Contribution to CalPERS	-0-	1.64%
District Contribution to the Health Fund	1.52%	1.52%
Annual step and column movement	0.59%	0.52%
Total Compensation Proposal	7.46%	7.18%





- Increase contribution to STRS and PERS per statute
- Health Fund contribution increase in 2018/19 and 2019/20 per collective bargaining agreements
- Workers' Compensation rate at 78.4% for 2017/18 and 2018/19





# Multi-Year Projections

	<u>Projected</u> 2017/18	<u>Projected</u> 2018/19	<u>Projected</u> 2019/20
Ongoing Funds	2017/10		2017/20
Revenues	\$721.54	\$736.83	\$753.96
- Expenses, Sources/Uses	\$715.50	\$739.79	\$758.91
- Supplemental/Concentration Expanded Programs	\$0.00	\$7.92	\$14.64
Ongoing Net Change in Fund Balance	\$6.04	(\$10.88)	(\$19.59)
One-Time Funds			
Revenues	\$10.50	\$0.00	\$0.00
- One-Time Expenses	\$60.00	\$30.00	\$0.00
One Time Net Change in Fund Balance	(\$49.50)	(\$30.00)	\$0.00
Total Unrestricted General Fund:			
Beginning Balance	\$147.89	\$104.43	\$63.55
Ending Balance	\$104.43	\$63.55	\$43.96
Cash, Inventory, Prepaid Assets	\$1.90	\$1.90	\$1.90
Designated Funds	\$26.20	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.00	\$0.00
Net Unrestricted General Fund Balance:	\$76.33	\$61.65	\$42.06
Change in Reserve	(\$5.47)	(\$14.68)	(\$19.59)
Reserve level	8.01%	6.43%	4.45%

# First Interim 2017/18 – Summary

- Captured savings from current year expenditures
- Recognition of increase to employer pension expense
- Recognition of the additional expenses in future years for collective bargaining agreements
- Resulting "Positive Certification"
- Staff Recommends Approval of the 2017/18 First Interim Financial Report

