

# Buena Park School District

2017-18 Second Interim Report

March 12, 2018



Presented by:

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# Buena Park School District

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



# Buena Park School District

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

## Background

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

# Background

- Governing Board approval of Second Interim Report required by March 15<sup>th</sup> 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.

# Second Interim: Revenue Changes

- Total revenues increased by \$336,646
  - Unrestricted Revenue Increased: \$ 175,188
  - Restricted Revenue Increased: \$ 161,458

# Second Interim: Revenue Changes

- Unrestricted revenues increased
  - \$30.5K due to higher unduplicated percentage
  - \$76.5 School-Based Medi-Cal Administrative Activities (SMAA)
  - \$10.3K from mandate block grant one-time funding
  - \$57.8K various local revenues

# Second Interim: Revenue Changes

- Restricted revenues increased
  - \$46.0K Federal revenue increase in actual funding for Title I, II and III.
  - \$4.7K in State Prop. 39 funding
  - \$110.7K Other Local Revenue



# Second Interim: Expenditure Changes

- Total expenditures increased by \$3,337
  - Unrestricted Expenses Decreased: \$ 123.4K  
Staffing analysis, employee benefits, and reduction in capital outlay
  - Restricted Expenses Increased: \$126,731  
Title I, II and III income matching expenses, plus realignment of expenditures

# 2017/18 Second Interim

		2017/18 Second Interim Report		
Description	Object Codes	Unrestricted	Restricted	Total Fund
<b>A. REVENUES</b>				
LCFF/Revenue Limit Sources	8010-8099	44,306,075	-	44,306,075
Federal Revenues	8100-8299	200,999	3,457,112	3,658,111
State Revenues	8300-8599	1,547,317	3,863,871	5,411,188
Other Local Revenues	8600-8799	1,022,087	2,760,529	3,782,616
<b>TOTAL REVENUES</b>		<b>47,076,478</b>	<b>10,081,512</b>	<b>57,157,990</b>

# 2017/18 Second Interim

		2017/18 Second Interim Report		
Description	Object Codes	Unrestricted	Restricted	Total Fund
<b>B. EXPENDITURES</b>				
Certificated Salaries	1000-1999	20,180,359	4,832,225	25,012,584
Classified Salaries	2000-2999	6,388,742	2,029,914	8,418,656
Employee Benefits	3000-3999	10,250,411	4,743,819	14,994,230
Supplies	4000-4999	1,312,247	1,402,868	2,715,115
Services	5000-5999	2,929,799	2,455,959	5,385,758
Capital Outlay	6000-6999	60,000	501,690	561,690
Other Outgo	7100-7299	276,000	1,764,366	2,040,366
Indirect Costs	7300-7399	(234,935)	75,953	(158,982)
<b>TOTAL EXPENDITURES</b>		<b>41,162,623</b>	<b>17,806,794</b>	<b>58,969,417</b>

# 2017/18 Second Interim

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Description	Object Codes	Unrestricted	Restricted	Total Fund
TOTAL REVENUES		47,076,478	10,081,512	57,157,990
TOTAL EXPENDITURES		41,162,623	17,806,794	58,969,417
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES		5,913,855	(7,725,282)	(1,811,427)

# 2017/18 Second Interim

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Description	Object Codes	Unrestricted	Restricted	Total Fund
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES</b>		5,913,855	(7,725,282)	(1,811,427)
<b>D. OTHER FINANCING SOURCES/USES</b>				
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	(7,005,108)	7,005,108	-

# 2017/18 Second Interim

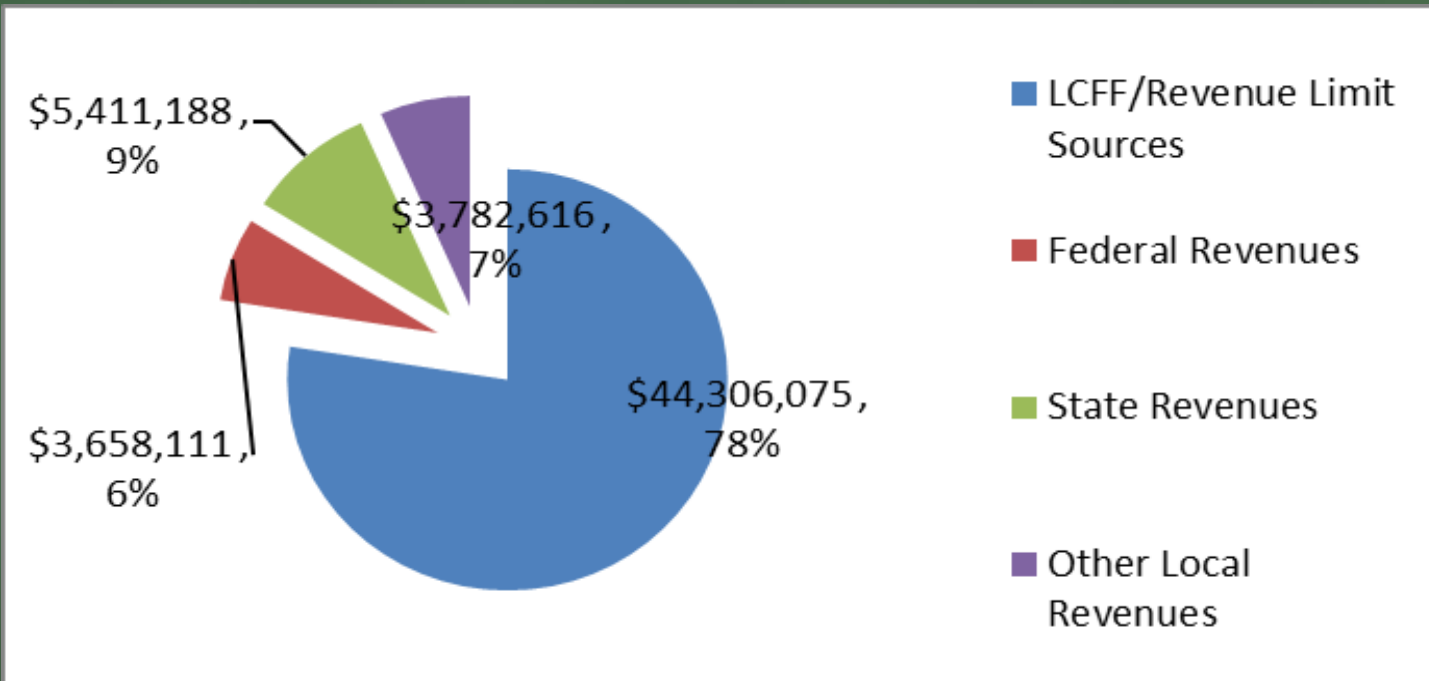
		2017/18 Second Interim Report		
Description	Object Codes	Unrestricted	Restricted	Total Fund
<b>E. NET INCREASE (DECREASE) IN</b>		<b>(1,091,253)</b>	<b>(720,174)</b>	<b>(1,811,427)</b>
FUND BALANCE				
<b>F. FUND BALANCE,</b>				
RESERVES				
1) Beginning Fund Balance	9791	6,713,385	1,464,069	8,177,454
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
<b>2) Ending Balance, June 30</b>		<b>5,622,132</b>	<b>743,895</b>	<b>6,366,027</b>

# 2017/18 Second Interim

Description	Object Codes	2017/18 Second Interim Report		
		Unrestricted	Restricted	Total Fund
<b>Components of Ending Fund Balance</b>				
a) Nonspendable				
Revolving Cash	9711	55,000	-	55,000
Stores	9712	17,690	-	17,690
Prepaid Expenditures	9713	-	-	-
All Others	9719	-	-	-
b) Restricted	9740	-	743,895	743,895
c) Committed				
Stabilization Arrangements	9750	-	-	-
Other Commitments	9760	-	-	-
d) Assigned				
Other Assignments	9780	3,780,359	-	3,780,359
e) Unassigned/Unappropriated				
Reserve for Economic Uncertainties	9789	1,769,083	-	1,769,083
Unassigned/Unappropriated Amount	9790	-	-	-

# 2017/18 Second Interim Revenues

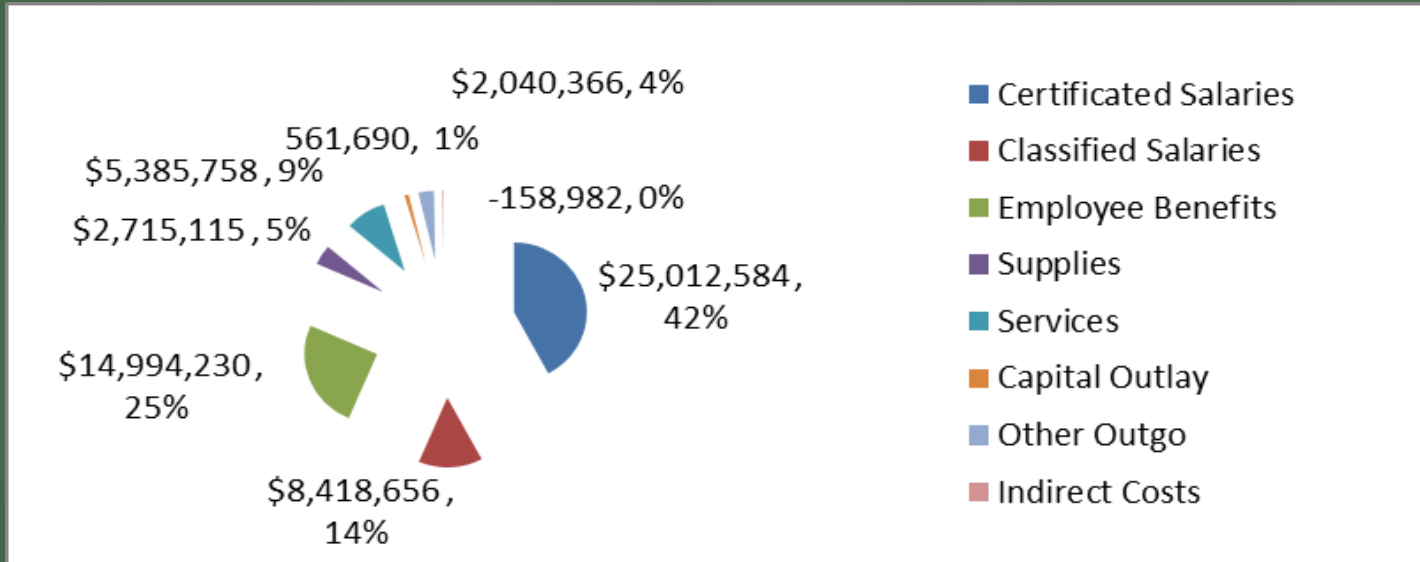
## Unrestricted & Restricted





# 2017/18 Second Interim Expenditures

## Unrestricted & Restricted



# 2017/18 Second Interim

## Multi-Year Assumptions

### Fund 01- Unrestricted & Restricted

- Declining enrollment
- Projected COLA's:
  - 2017/18 = 1.56%
  - 2018/19 = 2.51%
  - 2019/20 = 2.41%
- Projected Gap Funding:
  - 2017/18 = 44.97%
  - 2018/19 = 100.00%
  - 2019/20 = 100.00%
  - Gap funding is to close the gap between current funding and the target funding goal of 2007/08 levels.

# 2017/18 Second 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 = 17.700%
- 2019/20 = 20.000%

# 2017/18 Second Interim

## Multi-Year Assumptions

### Fund 01- Unrestricted & Restricted

#### Multi-Year Assumptions

- One-time funding projected to be assigned until confirmed we will receive
- Utilization of one-time discretionary funds to cover multi-year shortfalls

# 2017/18 Second Interim

## Assumptions

### Other Funds

#### Child Development Fund (Fund 12)

- The Governing Board authorized acceptance of pre-school grant, totaling \$302K up by \$17.5K from First Interim.
- 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 third Bond Issuance 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 a need to make reductions to maintain fiscal solvency if the one-time funding in 2018-19 is reduced or eliminated.

# Next Steps

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

# Next Steps

- Continue to communicate and update the District's financial condition
- 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
- Continue to monitor and if need develop a fiscal stabilization plan



# Questions?

