

Second Interim Financial Report

La Tanya Kirk-Carter & Angeli Villaflor

Beverly Hills Unified School District

March 14, 2017

Financial Reporting Summary

- Adopted Budget – June 30, 2016
 - Salary Increase, Certified – Fall 2016
 - Property Tax, First Certification – October 2016
 - Unaudited Actuals – September 2016
 - New & Revised Assumptions
- First Interim Financials – October 31, 2016
 - Property Tax – Second Certification – March 2017
 - Revenue & Expenditure Changes
- Second Interim Financials – January 31, 2017
 - Reported and Due to the State in March 2017

Adopted Budget, 1st Interim to 2nd Interim



GENERAL FUND		Adopted Budget 2016-17	1st Interim 2016-17	2nd Interim 2016-17
REVENUE:				
	REVENUE LIMIT	45,716,046.00	45,717,648.00	45,717,648.00
	FEDERAL	1,679,290.00	1,833,830.00	1,833,748.00
	STATE	2,245,516.00	2,495,723.00	2,582,096.00
	LOCAL	14,125,151.00	13,948,210.00	16,099,140.00
	TOTAL REVENUE	\$ 63,766,003.00	\$ 63,995,411.00	\$ 66,232,632.00
EXPENDITURE				
	CERTIFICATED SALARY	29,940,048.00	30,392,145.00	30,244,102.00
	CLASSIFIED SALARY	8,764,457.00	8,938,944.00	8,802,627.00
	EMPLOYEE BENEFITS	13,077,829.00	13,147,503.00	13,418,793.00
	BOOK & SUPPLIES	2,641,029.00	3,211,388.00	3,277,326.00
	SERVICES/OPERATING EXP	11,625,559.00	12,322,226.00	11,932,627.00
	CAPITAL OUTLAY	-	20,250.00	26,750.00
	OTHER OUTGO	401,141.00	331,960.00	1,478,102.55
	INDIRECT COSTS	-	-	-
	TOTAL EXPENDITURES	\$ 66,450,063.00	\$ 68,364,416.00	\$ 69,180,327.55
OTHER FINANCING SOURCES				
	TRANSFERS OUT/USEST	\$ (183,324.00)	\$ (255,447.00)	\$ (1,112,954.00)
	TRANSFERS IN/USES			
	CONTRIBUTIONS			
	TOTAL FINANCE SOURCES	\$ (183,324.00)	\$ (255,447.00)	\$ (1,112,954.00)
	Net Change Fund Balance	\$ (2,867,384.00)	\$ (4,624,452.00)	\$ (4,060,649.55)
	Beginning Balance	\$ 7,918,989.16	\$ 7,918,989.16	\$ 7,918,989.16
	Ending Fund Balance	\$ 5,051,605.16	\$ 3,294,537.16	\$ 3,858,339.61
	Restricted Fund Balance	\$ 1,372,102.22	\$ 633,902.22	\$ 566,873.22
	NonSpendable			
	Reserve 3%	\$ 1,999,001.61	\$ 2,058,595.89	\$ 2,108,798.45
	Unassigned/Unappropriated	\$ 1,680,501.33	\$ 602,039.05	\$ 1,182,667.94

2016-2017 Changes – First Interim to Second Interim

REVENUES

- ✓ Adj. Increase Lottery - \$86,373
- ✓ Adj. Decrease Federal-(\$82.00)
- ✓ Doheny Sale Increase - \$2,150,930

Total Rev Change \$2,237,221



EXPENDITURES

- ✓ Certificated (\$148,043)
Leaves, resignations filled by subs, etc.
- ✓ Classified (\$136,317)
Leaves, resignations filled by subs
- ✓ H&W, Statutory \$271,290
Increase budget for SERP & adjustments
- ✓ Books & Supplies \$ 65,938
Increase in tech purchases
- ✓ Services/Oper. Exp. (\$389,599)
Reduction in budget contract services tech
- ✓ Other Outgoing \$1,146,142
Pay-Off House & Debt Reduction

Total Exp. Change \$798,066

- ✓ Transfers Out (\$857,507)
Transfer to Fund 17 proceeds from Doheny , etc.

Highlights from the 2017-18 Governor's Budget & MYP Changes

- One Time Funding \$48.00 per ADA = \$186,616
- K-12 Cola is 1.48% - Full Funding by 2020/21
- CTE Funded \$216,666 GF Match \$500,000 (plus)
- Increase in CALPERS Rates

	2016-17	2017-18	2018-19	2019-20	2020-21
CalPERS rate at First Interim	13.88%	15.50%	17.10%	18.60%	N/A
New CalPERS rate	13.88%	15.80%	18.70%	21.60%	24.90%

MULTI-YEAR BUDGET ASSUMPTIONS

	17/18	18/19	19/20	20/21	21/22
Revenue – Property Tax	5.0%	5.0%	4.5%	4.5%	4.5%
Salary Increase	2.388%	2.726%	2.786%	2.562%	2.610%
Cert. Statutory H&W Including STRS	20.93%	22.78%	24.63%	25.60%	25.60%
Class. Statutory H&W Including PERS	28.50%	31.40%	34.30%	37.60%	37.60%

MULTI-YEAR PROJECTIONS WITH \$2.184M 17/18 CERTIFICATED REDUCTION

General Fund 2016-17 Second Interim Report						
	2016-17_I2	2017-18	2018-19	2019-20	2020-21	2020-21
GF Beginning Fund Balance	7,918,989.16	3,858,339.61	2,774,835.22	844,108.86	(1,844,181.97)	(4,987,362.88)
<i>GF Revenue</i>	<i>66,232,632.00</i>	<i>64,947,536.00</i>	<i>66,900,933.00</i>	<i>68,813,352.15</i>	<i>70,976,544.30</i>	<i>73,236,379.55</i>
<i>GF Expenses</i>	<i>70,293,281.55</i>	<i>66,031,040.39</i>	<i>68,831,659.36</i>	<i>71,501,642.98</i>	<i>74,119,725.21</i>	<i>76,030,091.02</i>
GF Net Change	(4,060,649.55)	(1,083,504.39)	(1,930,726.36)	(2,688,290.83)	(3,143,180.91)	(2,793,711.47)
Ending FB	3,858,339.61	2,774,835.22	844,108.86	(1,844,181.97)	(4,987,362.88)	(7,781,074.35)
GF Restricted and 3% Reserve	2,675,671.67	2,547,576.08	2,629,477.54	2,764,396.88	2,564,000.10	2,314,758.53
GF Net Fund Balance w/3% requirement	\$ 1,182,667.94	\$ 227,259.14	\$ (1,785,368.68)	\$ (4,608,578.85)	\$ (7,551,362.98)	\$ (10,095,832.88)
Special Reserve Fund 17	10,256,190.00	10,256,190.00	10,256,190.00	8,412,008.03	3,424,645.15	(4,356,429.20)
Total Unrest Fund Balance	\$ 11,438,857.94	\$ 10,483,449.14	\$ 8,470,821.32	\$ 3,803,429.18	\$ (4,126,717.83)	\$ (14,452,262.08)
Total Fund Balance %	25.57%	23.94%	17.35%	6.61%	-8.84%	-26.20%

MULTI-YEAR PROJECTIONS WITH \$2.184M 17/18 CERTIFICATED REDUCTION

GENERAL FUND	Projected Budget 2017-18	Projected Budget 2018-19	Projected Budget 2019-20	Projected Budget 2020-21	Projected Budget 2021-22
REVENUE:					
REVENUE LIMIT	47,766,932.00	49,918,686.00	51,952,093.40	54,077,004.20	56,297,535.98
FEDERAL	1,679,290.00	1,679,290.00	1,679,290.00	1,679,290.00	1,679,290.00
STATE	1,753,104.00	1,554,747.00	1,433,758.74	1,472,040.10	1,511,343.57
LOCAL	13,748,210.00	13,748,210.00	13,748,210.00	13,748,210.00	13,748,210.00
TOTAL REVENUE	\$ 64,947,536.00	\$ 66,900,933.00	\$ 68,813,352.15	\$ 70,976,544.30	\$ 73,236,379.55
EXPENDITURE					
CERTIFICATED SALARY	29,850,288.00	30,947,303.68	32,191,209.51	33,336,453.42	34,441,735.28
CLASSIFIED SALARY	9,092,590.00	9,398,364.43	9,719,602.49	10,029,954.74	10,325,839.52
EMPLOYEE BENEFITS	13,444,283.00	14,784,610.99	16,046,247.56	17,089,124.06	18,298,403.89
BOOK & SUPPLIES	2,305,060.00	2,336,307.00	2,366,660.38	2,397,730.09	2,429,533.05
SERVICES/OPERATING EXP	10,990,866.12	10,990,842.30	10,776,033.27	10,835,357.34	10,087,707.04
CAPITAL OUTLAY	-	-	-	-	-
OTHER OUTGO	91,032.00	91,032.00	91,032.00	91,032.00	91,032.00
INDIRECT COSTS	-	-	-	-	-
TOTAL EXPENDITURES	\$ 65,774,119.12	\$ 68,548,460.40	\$ 71,190,785.20	\$ 73,779,651.65	\$ 75,674,250.78
OTHER FINANCING SOURCES					
TRANSFERS OUT/USEST	(256,921.27)	(283,198.96)	(310,857.78)	(340,073.56)	(355,840.24)
TRANSFERS IN/USES	-	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-
TOTAL FINANCE SOURCES	\$ (256,921.27)	\$ (283,198.96)	\$ (310,857.78)	\$ (340,073.56)	\$ (355,840.24)
Net Change Fund Balance	\$ (1,083,504.39)	\$ (1,930,726.36)	\$ (2,688,290.83)	\$ (3,143,180.90)	\$ (2,793,711.47)
Beginning Balance	\$ 3,858,339.61	\$ 2,774,835.22	\$ 844,108.86	\$ (1,844,181.97)	\$ (4,987,362.87)
Ending Fund Balance	\$ 2,774,835.22	\$ 844,108.86	\$ (1,844,181.97)	\$ (4,987,362.87)	\$ (7,781,074.34)
Restricted Fund Balance	566,871.22	566,871.22	619,347.59	340,408.34	33,855.80
NonSpendable	-	-	-	-	-
Reserve 3%	1,980,704.86	2,062,606.32	2,145,049.29	2,223,591.76	2,280,902.73
Unassigned/Unappropriated	\$ 227,259.15	\$ (1,785,368.68)	\$ (4,608,578.85)	\$ (7,551,362.98)	\$ (10,095,832.87)

BUDGET vs. UNAUDITED ACTUALS ENDING BALANCE TREND

	2011-12	2012-13	2013-14	2014-15	2015-16
Budgeted Revenue	50,285,613.00	51,165,448.00	56,347,556.00	57,758,145.00	62,261,740.00
Unaudited Actuals Revenue	56,625,418.32	61,450,494.12	57,015,916.04	60,129,741.65	63,633,558.81
dif +/-	6,339,805.32	10,285,046.12	668,360.04	2,371,596.65	1,371,818.81
Budgeted Expenditures	50,776,610.20	53,737,905.54	55,891,427.00	55,935,318.58	64,798,969.00
Unaudited Actuals Expenditures	54,164,673.25	55,314,688.41	55,997,360.42	59,792,564.44	62,051,527.86
dif +/-	3,388,063.05	1,576,782.87	105,933.42	3,857,245.86	(2,747,441.14)
Unaudited Actuals Excess(Deficiency)	2,460,745.07	6,135,805.71	1,018,555.62	337,177.21	1,582,030.95



NEXT STEPS

- Continue Budget Planning for 2017-2018 - Classified Reduction, Additional Expenditures for Board Approval
- May Revise May 10, 2017
- LA County Tax Assessors Est. May, 2017
- Budget Study Session - May, 2017