

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Report to the Board of Education

2017/2018 First Period Interim Financial Report

Changes since the last budget update in September

As of October 31, 2017, the ending fund balance increased by a total of \$105,884.

Revenue

Lottery revenue was recalculated and increased by \$40,098. Special Education revenue projections increased by \$59,228.

Expenditures

Indirect costs to the restricted programs increased by \$6,558 which has a positive impact to the ending fund balance.

Assumptions used for the First Interim

2017/18 1st Interim Assumptions

- Revenue based on FCMAT LCFF calculator
- State Categorical COLA = 1.56%
- Special Education COLA = 1.56% (*on state and local share only*)
- Enrollment on day 14 was 13,729
- Projected ADA is 13,222
- Projected Parcel Tax revenue of \$3.95 million
- Lottery = \$144.00 unrestricted and \$45.00 restricted per ADA
- STRS employer rate = 14.43%
- PERS employer rate = 15.531%
- One-time State Discretionary funding of \$1.9 million

Multi-Year Projection (MYP) Assumptions

2018/19

- Revenue based on FCMAT LCFF calculator
- State Categorical COLA = 2.15%
- Stable enrollment and ADA
- Projected Parcel Tax revenue of \$3.95 million

- Lottery = \$144.00 unrestricted and \$45.00 restricted per ADA
- STRS employer rate = 16.28%
- PERS employer rate = 18.1%

2019/20

- Revenue based on FCMAT LCFF calculator
- State Categorical COLA = 2.35%
- Stable enrollment and ADA
- Projected Parcel Tax revenue of \$3.95 million
- Lottery = \$144.00 unrestricted and \$45.00 restricted per ADA
- STRS employer rate = 18.13%
- PERS employer rate = 20.8%

State Budget

In its annual Fiscal Outlook publication, the Legislative Analyst's Office (LAO) estimates significant increased Proposition 98 minimum guarantees in both the current year and upcoming fiscal year. These increases, combined with Proposition 98 funds freed up from prior year one-time spending, could give Governor Jerry Brown the resources needed to fully fund the Local Control Funding Formula (LCFF) in 2018-19, and then some.

On the other hand, the LAO notes that employer contributions to the California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) will be a major strain on the budgets of schools and community colleges. The 2014-15 Budget Act included a plan to fully fund the CalSTRS unfunded liability within approximately 30 years, with employer contribution rates increasing from 8.25% in 2013-14 to 19.1% by 2020-21. In addition, the CalPERS governing board has increased rates as well. The latest actuarial estimates suggest that employer contribution rates for CalPERS will increase from 11.4% in 2013-14 to 23.8% by 2020-21. These rate increases will consume a significant portion of the new funding provided under Proposition 98.

We look forward to the release of the Governor's 2018-19 Budget Proposal in January.

Summary

As of the First Interim, the District's projected ending fund balance for the year is \$8,189,112. Of this amount, we are designating \$50,000 for the revolving fund, \$150,000 in estimated warehouse inventory, and \$4,444,561 as a 3% reserve for economic uncertainty. This leaves \$3,544,550 as undesignated at this time, but may be allocated toward competitive compensation adjustments that are being negotiated and considered.

	Budget Update September 30, 2017			Adjustments			Budget Update October 31, 2017		
	Unrestricted	Restricted	Totals	Unrestricted	Restricted	Totals	Unrestricted	Restricted	Totals
A. REVENUE									
1. LOCAL CONTROL FUNDING FORMULA	\$110,155,369	\$748,467	\$110,903,836	\$0	\$0	\$0	\$110,155,369	\$748,467	\$110,903,836
2. FEDERAL REVENUE	\$0	\$5,139,619	\$5,139,619	\$0	\$271,588	\$271,588	\$0	\$5,411,207	\$5,411,207
3. STATE REVENUE	\$4,387,000	\$9,114,450	\$13,501,450	\$40,098	\$221,903	\$262,001	\$4,427,098	\$9,336,353	\$13,763,451
4. LOCAL REVENUE	\$1,325,725	\$11,260,083	\$12,585,808	\$0	\$704,351	\$704,351	\$1,325,725	\$11,964,434	\$13,290,159
TOTAL	\$115,868,094	\$26,262,619	\$142,130,713	\$40,098	\$1,197,842	\$1,237,940	\$115,908,192	\$27,460,461	\$143,368,653
B. EXPENDITURES									
1. CERTIFICATED SALARIES	\$50,399,721	\$13,030,307	\$63,430,028	\$220,394	\$316,817	\$537,211	\$50,620,115	\$13,347,124	\$63,967,239
2. CLASSIFIED SALARIES	\$12,512,167	\$8,976,254	\$21,488,421	(\$69,506)	\$100,410	\$30,904	\$12,442,661	\$9,076,664	\$21,519,325
3. EMPLOYEE BENEFITS	\$20,816,484	\$11,378,687	\$32,195,171	\$3,853	\$19,901	\$23,754	\$20,820,337	\$11,398,588	\$32,218,925
4. BOOKS AND SUPPLIES	\$4,274,271	\$5,999,905	\$10,274,176	(\$171,965)	\$215,953	\$43,988	\$4,102,306	\$6,215,858	\$10,318,164
5. SERV & OTHER OPER EXP	\$7,124,569	\$10,962,019	\$18,086,588	\$92,781	\$396,486	\$489,267	\$7,217,350	\$11,358,505	\$18,575,855
6. CAPITAL OUTLAY	\$29,000	\$14,379	\$43,379	\$1,855	(\$14,379)	(\$12,524)	\$30,855	\$0	\$30,855
7. OTHER OUTGO	\$647,782	\$944,708	\$1,592,490	(\$238,326)	\$257,782	\$19,456	\$409,456	\$1,202,490	\$1,611,946
8. INDIRECT COSTS	(\$180,515)	\$90,230	(\$90,285)	(\$6,558)	\$6,558	\$0	(\$187,073)	\$96,788	(\$90,285)
TOTAL	\$95,623,479	\$51,396,489	\$147,019,968	(\$167,472)	\$1,299,528	\$1,132,056	\$95,456,007	\$52,696,017	\$148,152,024
C. DEFICIENCY OF REV TO EXP	\$20,244,615	(\$25,133,870)	(\$4,889,255)	\$207,570	(\$101,686)	\$105,884	\$20,452,185	(\$25,235,556)	(\$4,783,371)
D. INTERFUND TRANSFERS									
1. TRANSFERS IN	\$1,411,306		\$1,411,306	\$0	\$0	\$0	\$1,411,306		\$1,411,306
2. TRANSFERS OUT	\$0		\$0	\$0	\$0	\$0	\$0		\$0
TOTAL	\$1,411,306	\$0	\$1,411,306	\$0	\$0	\$0	\$1,411,306	\$0	\$1,411,306
OTHER SOURCES/USES									
3. SOURCES			\$0	\$0	\$0	\$0			\$0
4. USES			\$0	\$0	\$0	\$0			\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CONTRIBUTION TO RESTR. PROG.	(\$22,562,735)	\$22,562,735	\$0	(\$101,687)	\$101,687	\$0	(\$22,664,422)	\$22,664,422	\$0
E. NET CHANGE IN FUND BALANCE	(\$906,814)	(\$2,571,135)	(\$3,477,949)	\$105,883	\$1	\$105,884	(\$800,931)	(\$2,571,134)	(\$3,372,065)
F. BEGINNING BALANCE	\$8,990,042	\$2,571,135	\$11,561,177	\$0	\$0	\$0	\$8,990,042	\$2,571,135	\$11,561,177
AUDIT ADJUSTMENTS	\$0		\$0	\$0	\$0	\$0	\$0		\$0
G. ESTIMATED ENDING BALANCE	\$8,083,228	(\$0)	\$8,083,228	\$105,883	\$1	\$105,884	\$8,189,111	\$1	\$8,189,112
COMPONENTS OF ENDING BAL:									
1. REVOLVING CASH	\$50,000		\$50,000	\$0	\$0	\$0	\$50,000		\$50,000
2. STORES/WAREHOUSE	\$150,000		\$150,000	\$0	\$0	\$0	\$150,000		\$150,000
3. RESERVE FOR ECONOMIC UNCERTAINTY	\$4,410,599		\$4,410,599	\$33,962	\$0	\$33,962	\$4,444,561		\$4,444,561
4. OTHER DESIGNATIONS	\$0	\$0	\$0	\$0	\$1	\$1	\$0	\$1	\$1
5. UNDESIGNATED BALANCE	\$3,472,629	(\$0)	\$3,472,629	\$71,921	\$0	\$71,921	\$3,544,550	(\$0)	\$3,544,550