

2017-18 2ND INTERIM FINANCIAL REPORT

Los Altos School District

March 12, 2018 Board Meeting

Overview

- 2 interim financial reports required by state law each year
- 2nd Interim reflects actual revenues and expenditures through Jan 31
- Action item – presented for review and approval
- Positive certification – we can meet our financial obligations for current and two future years

CHANGES SINCE 1ST INTERIM

General Fund: Overview

General Fund	Adopted Budget June (\$ in millions)	1st Interim December (\$ in millions)	2nd Interim March (\$ in millions)
Revenues	58.9	61.4	61.5
<u>Expenditures (incl. transfers)</u>	<u>59.3</u>	<u>62.4</u>	<u>63.0</u>
Net Change	(0.4)	(1.0)	(1.5)
Fund Balance	1.8	1.1	0.6
Unrestricted Fund Balance	1.3	0.8	0.6
Reserves	5.5%	5.4%	5.1%

Fund Balances: All Funds

End of Year Projected Fund Balance	Adopted Budget	1st Interim	2nd Interim
	June	December	March
General Fund (unrestricted)	1,259,299	817,300	633,010
Deferred Maintenance	64,343	64,343	64,343
Special Reserve	2,595,931	2,595,931	2,595,931
OPEB Special Reserve	3,119,130	3,124,070	3,124,070
Building	1,019,525	934,025	886,329
Capital Facilities	21,968	812,893	1,007,893

Revenue Changes

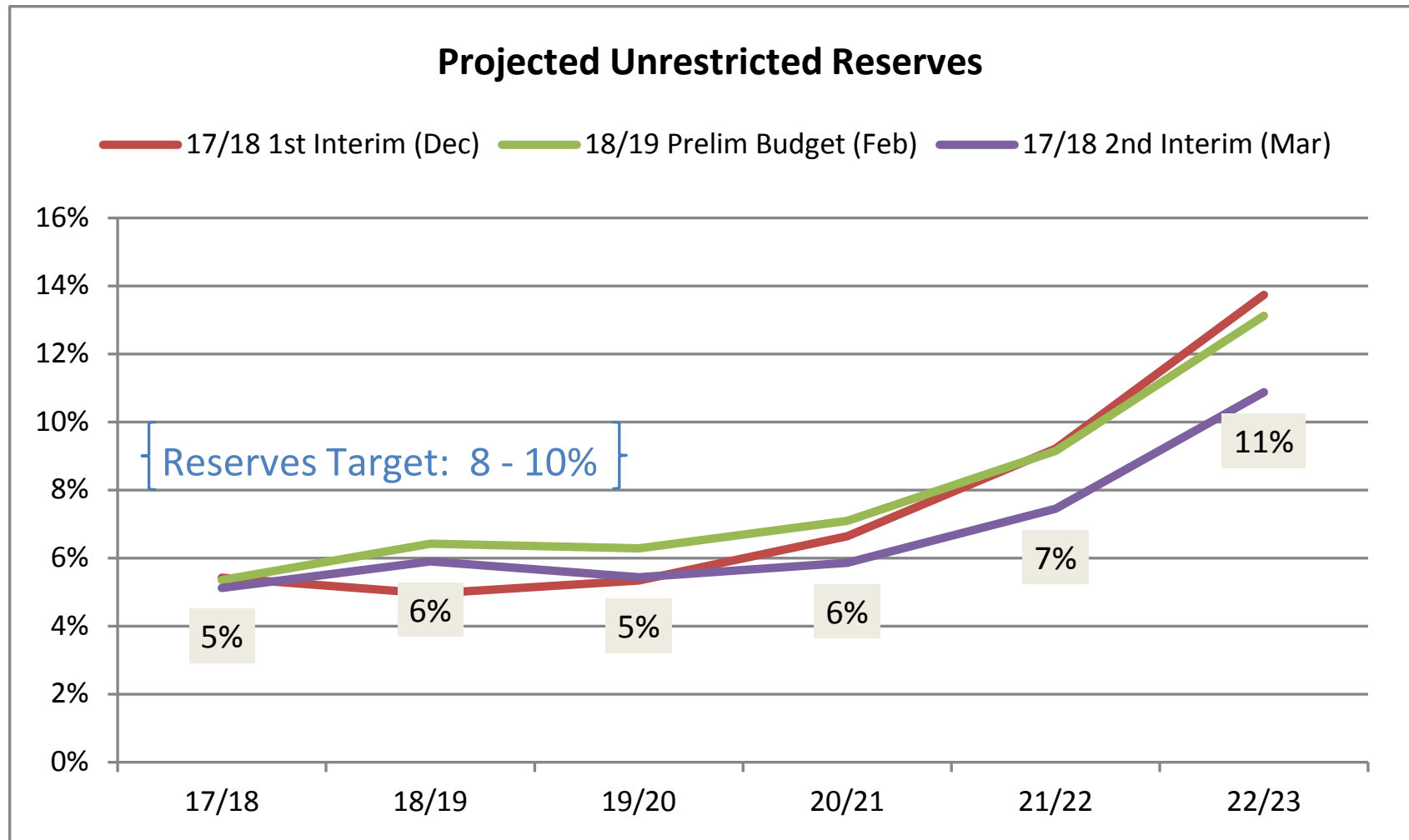
- **Net change: up 100k**
 - State reimbursement for out-of-district students attending Bullis Charter School (up 73k)
 - State funds 70% of per student entitlement for LCFF districts
 - Increase in parcel tax proceeds reflecting \$223 tax v. \$193
 - Offset by increase in transfer to Bullis Charter School for their share of tax increase (net change – 0)
 - Lottery proceeds projected upward by 36k
 - Miscellaneous minor adjustments (both positive and negative)

Expense Changes

- **Net change: up 600k**
 - Staffing costs updated – up 76k
 - Increases for facility upkeep costs – up 350k
 - Increased professional development – up 60k
 - Supplies & materials – down 9k
 - Miscellaneous other adjustments (123k increase)

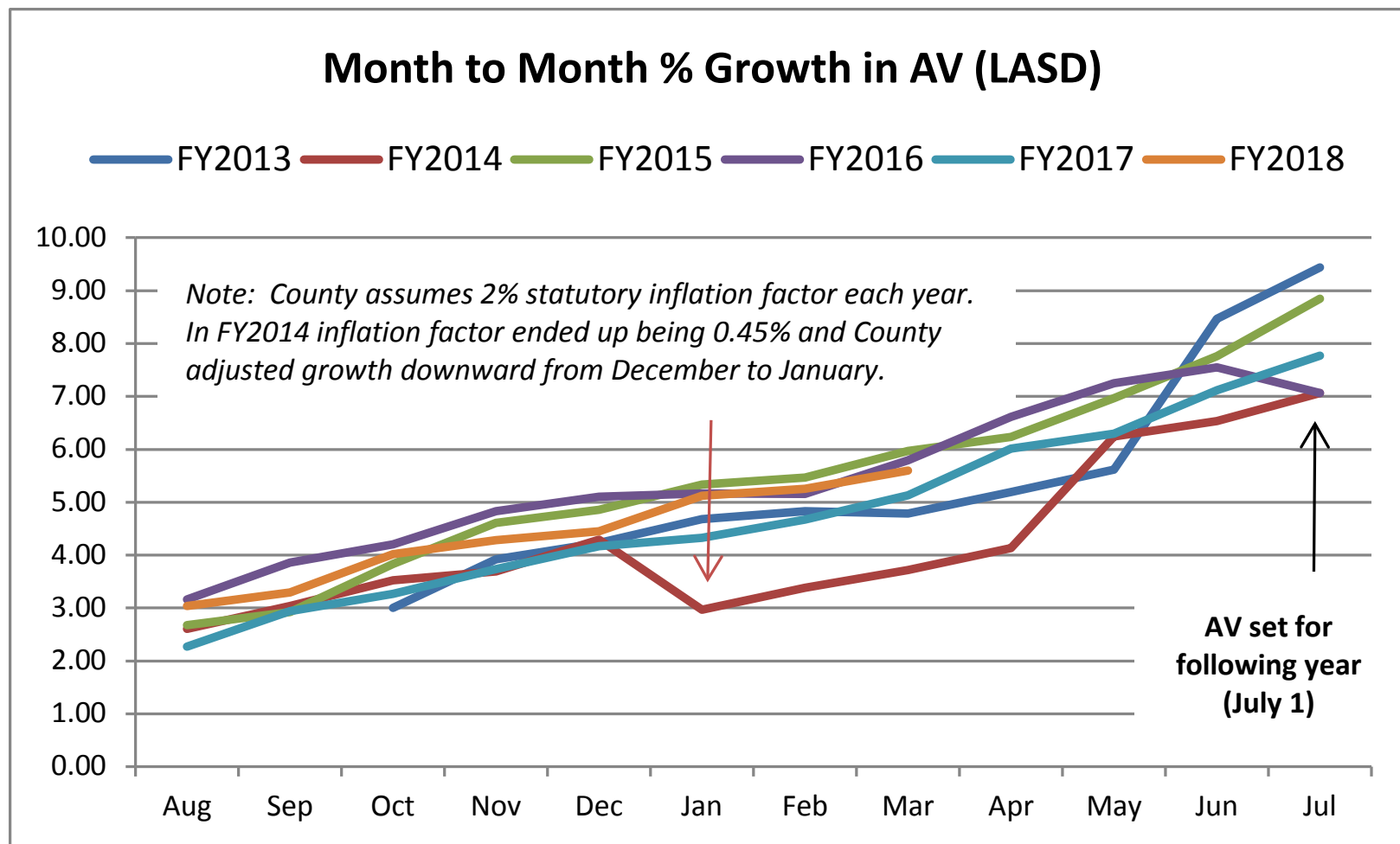
MULTI-YEAR PROJECTIONS

Multi-Year Projection (MYP)



Tax Growth

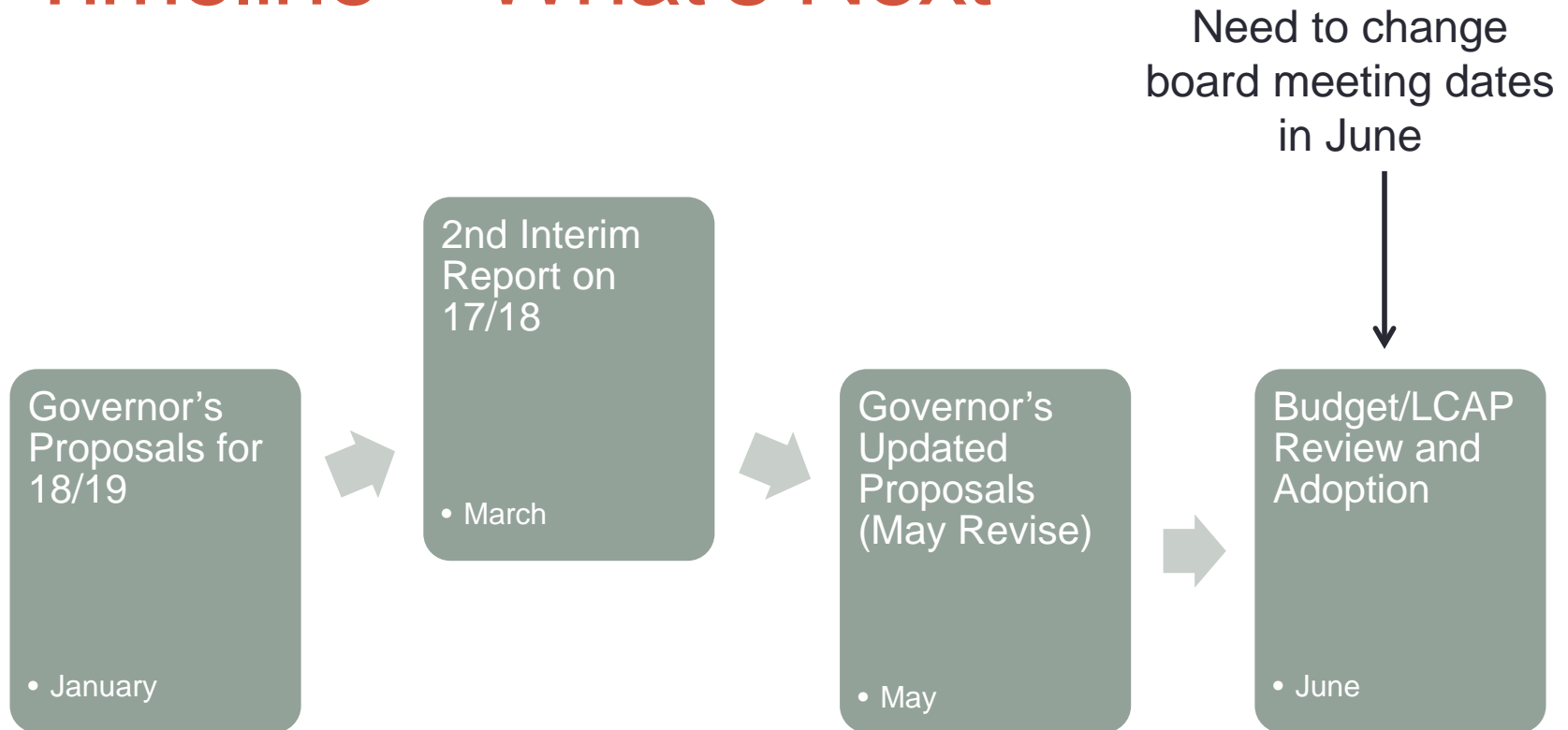
Where will we be next year?



Conclusion

- 2nd Interim Report shows that we have adequate reserves to make a positive certification that we can meet our financial obligations in the current and two subsequent years

Timeline – What's Next



Appendix

- Next Page – Multi-Year Projection
 - The multi-year projection rolls current year revenue streams and current year program expenses forward—with some exceptions
 - Carryovers are one-time expenses and thus not carried forward
 - The multi-year projection has not yet been vetted by our Citizens Advisory Committee for Finance

Multi-Year Projection – Status Quo Budget

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
% Change in Prop Tax Collections	7.43%	6.00%	5.00%	5.00%	5.00%	5.00%
Enrollment	4,400	4,373	4,336	4,335	4,378	4,347
In-district students @ charter school	812	863	863	863	863	863
<i>Total Enrollment, LASD + BCS</i>	<i>5,212</i>	<i>5,236</i>	<i>5,199</i>	<i>5,198</i>	<i>5,241</i>	<i>5,210</i>
Transfer of Prop Tax to BCS	6,677,706	7,120,690	7,301,754	7,499,437	7,725,530	7,954,626
Cost-of-Living Adjustment (COLA)	1.56%	2.51%	2.41%	2.80%	3.17%	3.17%
Foundation Funding, base	2,795,000	2,795,000	2,795,000	2,795,000	2,795,000	2,795,000
Foundation Funding, one-time	505,000	505,000	505,000	505,000	505,000	505,000
Parcel Tax	790	790	790	790	790	790
Class Size, K-3	22	22	22	22	22	22
Class Size, 4-6	25	25	25	25	25	25
Class Size, 7-8	24	24	24	24	24	24
Teachers, FTE	257	250	248	248	249	248
Raises (across-the-board)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cost of Step/Column Movement	523,110	511,654	508,380	508,380	510,017	508,380
Step/Col (converted to % salary inc.)	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Health Benefit rate increases	0.0%	7.5%	7.5%	7.5%	7.5%	7.5%
Health Benefits (converted to % salary inc.)	0.0%	1.4%	1.4%	1.5%	1.6%	1.7%
STRS rate increases	1.9%	1.9%	1.9%	1.0%	0.0%	0.0%
Total Comp (as % of salary)	3.6%	5.0%	5.0%	4.2%	3.3%	3.4%
LCFF/Revenue Limit	34,460,381	35,106,152	35,684,233	36,685,031	38,205,223	39,155,987
<i>Basic Aid Benefit</i>	<i>5,104,563</i>	<i>6,565,580</i>	<i>8,132,045</i>	<i>9,379,324</i>	<i>10,209,517</i>	<i>11,718,642</i>
Federal Sources	1,109,139	1,136,978	1,164,380	1,196,982	1,234,927	1,274,074
Other State Sources	4,493,670	4,427,201	3,149,826	3,142,516	3,142,318	3,150,814
Other Local Sources	16,318,452	16,375,675	16,431,445	16,491,249	16,556,653	16,624,165
Total Revenues	61,486,205	63,611,587	64,561,929	66,895,101	69,348,637	71,923,682
Certificated Salaries	26,946,793	26,696,056	26,839,686	27,128,561	27,501,582	27,723,533
Classified Salaries	9,583,477	9,666,211	9,776,022	9,887,251	10,000,617	10,114,993
Employee Benefits	14,607,704	15,997,899	17,231,797	18,368,098	19,281,092	19,982,981
Retiree Benefits	972,164	1,013,481	1,056,554	1,101,457	1,148,269	1,197,071
Books & Supplies	1,918,526	1,587,604	1,615,442	1,651,828	1,701,442	1,734,270
Contract Services	8,205,518	7,685,815	7,782,482	7,921,351	8,065,514	8,214,757
Capital Outlay	182,070	186,941	192,919	199,106	205,852	212,906
Other	350,883	350,883	350,883	350,883	350,883	350,883
Transfers Out	228,521	-	-	-	-	-
Total Expenses	62,995,656	63,184,890	64,845,783	66,608,534	68,255,252	69,531,394
Net Change	(1,509,451)	426,697	(283,855)	286,567	1,093,385	2,392,289
Unaudited Beginning Balance	2,147,462	638,011	1,064,708	780,853	1,067,420	2,160,805
Ending Balance	638,011	1,064,708	780,853	1,067,420	2,160,805	4,553,094
Encumbrances	5,000	5,000	5,000	5,000	5,000	5,000
General Fund Reserves	633,011	1,059,708	775,853	1,062,420	2,155,805	4,548,094
Reserves, Special Reserve Fund	2,595,931	2,671,213	2,752,685	2,840,771	2,928,835	3,019,629
Total Reserves	3,228,942	3,730,921	3,528,538	3,903,191	5,084,640	7,567,723
% of Expense	5.13%	5.90%	5.44%	5.86%	7.45%	10.88%