

CITIZENS BOND OVERSIGHT COMMITTEE

FINANCIAL UPDATE

January 28, 2014

Agenda Items

- \$135 million Bond Issue
- General Economic Conditions
- 2015-16 State Budget Proposal - Facilities
- Bond Financial Status Report

\$135 Million Bond Issue

- The Board of Education has authorized the issuance of Measure D (\$50 M) and Measure E (\$85 M) Bonds
- Staff is prepared to take an updated Preliminary Official Statement for Board approval on February 11, 2015
- Expected Closing on March 12, 2015
- Staff expects to be assigned a credit rating of 'A+' long term

General Economic Conditions

- National economy is recovering
 - Stock market fully recovered and continues to grow
 - Real estate has recovered & is showing positive price gains & more normal market activities
 - Low energy prices are fueling short-term consumer spending
- California is following the same resurgent economic trends
 - Job growth is strong and becoming more steady
 - California companies are expanding
 - Export activity is growing stronger

2015-16 State Budget - Facilities

- No proposal for a statewide school facilities bond
- State Budget identifies several problems with current program
 - Overly complex
 - Does not compel districts to align their facilities funding with other budgetary cost -related educational programs
 - Funds disbursed on first-come, first-served basis
 - State debt service payment made outside of Proposition 98 of \$2.4 billion annually on statewide school bonds is unsustainable

Facilities Bond Initiative

- As Governor Brown opposes a statewide facilities bond an initiative has been submitted by Californians for Quality Schools
- The initiative proposes a \$9 billion school facilities bond as follows:
 - \$3 billion for new construction of K-12 facilities
 - \$3 billion for modernization of K-12 facilities
 - \$2 billion for capital outlay financing for Community Colleges
 - \$500 million for school facilities for charter schools
 - \$500 million for facilities for career technical education

Financial Status Report

	2014-15	REVISED	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
	BUDGET	BUDGET	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	BALANCE
Other Local Revenues	\$ 150,000	\$ 150,000	-	7,132	-	63,135	24,500	-	\$ 55,233
TOTAL REVENUES	\$ 150,000	\$ 150,000	\$0	\$7,132	\$0	\$63,135	\$24,500	\$0	\$55,233
Certificated Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Classified Salaries	1,634,207	1,771,207	119,838	126,414	147,442	134,476	131,685	142,451	\$ 968,900
Employee Benefits	746,242	746,242	55,129	55,538	58,147	58,167	59,238	60,431	\$ 399,592
Books and Supplies	629,500	1,520,567	4,177	2,797	317,099	742,986	21,762	31,445	\$ 400,300
Services, Other Operating Exps.	8,332,000	15,946,310	48,462	846,548	(444,194)	1,412,317	680,347	907,439	\$ 12,495,391
Capital Outlay	165,202,566	81,632,620	608,048	10,703,464	10,405,148	16,483,292	6,408,251	15,845,389	\$ 21,179,027
Other Outgo	-	-	-	-	-	-	-	-	\$ -
Indirect/Direct Support Costs	-	-	-	-	-	-	-	-	\$ -
TOTAL EXPENDITURES	\$176,544,515	\$ 101,616,946	\$835,654	\$11,734,761	\$10,483,643	\$18,831,239	\$7,301,284	\$16,987,156	\$35,443,210
EXCESS (DEFICIENCY) OF REVENUES									
OVER EXPENDITURES	(\$176,394,515)	(\$101,466,946)	(\$835,654)	(\$11,727,629)	(\$10,483,643)	(\$18,768,104)	(\$7,276,784)	(\$16,987,156)	(\$35,387,977)
OTHER FINANCING SOURCES/USES									
Transfer In (8910-8929)			\$0	\$0	\$0	\$0	\$0	\$0	\$ -
Transfer Out (7610-7629)		\$ 70,469	\$0	\$0	\$0	\$70,469	(\$45,060,596)	\$0	\$ 45,060,596
Bond Proceeds (8930-8979)	\$ 170,000,000	\$ 170,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000,000
Contributions (8980-8999)			\$0	\$0	\$0	\$0	\$0	\$0	\$ -
NET INCREASE (DECREASE) IN FUND BALANCE	(\$6,394,515)	\$68,462,585	(\$835,654)	(\$11,727,629)	(\$10,483,643)	(\$18,838,573)	\$37,783,812	(\$16,987,156)	\$89,551,427
FUND BALANCE, RESERVES									
Beginning Balance July1	\$ 51,971,127	\$ 59,528,267	\$59,528,267	\$58,692,613	\$46,964,984	\$36,481,341	\$17,642,768	\$55,426,581	
Audit Adjustment			\$0	\$0	\$0	\$0	\$0	\$0	
Ending Balance, June 30	\$ 45,576,612	\$ 127,990,852	\$58,692,613	\$46,964,984	\$36,481,341	\$17,642,768	\$55,426,581	\$38,439,425	
COMPONENTS OF ENDING BALANCE									
Reserved Amounts:									
Assigned	7990	\$ 2,881,758	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restricted Ending Balance	7994	42,694,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL		\$ 45,576,612	\$0	\$0	\$0	\$0	\$0	\$0	

Cash Flow



Fund 21 Cash Flow

Fiscal 2015

	Object	July	August	September	October	November	December	January	February	March	April	May	June
A. BEGINNING CASH		75,083,676.43	58,697,636.38	46,318,815.26	36,022,417.77	22,917,545.21	55,035,485.08	42,296,023.72	26,247,518.83	13,738,071.83	136,087,213.83	123,661,355.83	111,165,786.83
B. RECEIPTS													
Other Local Revenue	8600-8799		7,132.00		63,135.16	24,500.00		0.00		0.00	25,000.00	0.00	0.00
All Other Financing Sources	8930-8999				70,468.92					135,000,000.00			
TOTAL RECEIPTS			7,132.00	0.00	133,604.08	24,500.00	0.00	0.00	0.00	135,000,000.00	25,000.00	0.00	0.00
C. DISBURSEMENTS													
Classified Salaries	2000-2999	119,838.31	126,413.59	147,442.27	134,476.49	131,685.02	142,451.17	142,500.00	142,500.00	142,500.00	142,500.00	142,500.00	142,500.00
Employee Benefits	3000-3999	55,128.99	55,537.94	58,146.86	58,167.15	59,238.32	60,431.13	60,500.00	60,500.00	60,500.00	60,500.00	60,500.00	60,500.00
Books & Supplies	4000-4999	4,176.62	2,797.35	317,099.32	742,986.29	21,762.38	31,445.24	100,000.00	55,589.00	200,000.00	0.00	44,711.00	0.00
Services	5000-5999	48,462.00	846,547.93	(444,193.93)	1,412,316.60	680,347.23	907,439.12	1,785,055.00	1,785,055.00	1,785,055.00	1,785,055.00	1,785,055.00	1,785,055.00
Capital Outlay	6000-6999	608,048.13	10,703,464.45	10,405,148.08	16,483,292.36	6,408,251.00	15,845,389.16	9,462,803.00	10,465,803.00	10,462,803.00	10,462,803.00	10,462,803.00	9,100,000.00
Interfund Transfers Out	7600-7629				70,468.92	(45,060,596.00)							
TOTAL DISBURSEMENTS		835,654.05	11,734,761.26	10,483,642.60	18,901,707.81	(37,759,312.05)	16,987,155.82	11,550,858.00	12,509,447.00	12,650,858.00	12,450,858.00	12,495,569.00	11,088,055.00
D. BALANCE SHEET TRANSACTIONS													
<u>Assets</u>													
Cash Not In Treasury	9111-9199	(560,690.02)	(774,029.41)	(527,231.70)	(721,149.94)	(934,709.14)	(590,539.12)	(917,520.04)		0.00	0.00	0.00	0.00
Accounts Receivable	9200-9299	5,467.49											0.00
Subtotal Assets		(555,222.53)	(774,029.41)	(527,231.70)	(721,149.94)	(934,709.14)	(590,539.12)	(917,520.04)	0.00	0.00	0.00	0.00	0.00
<u>Liabilities</u>													
Accounts Payable	9500-9599	14,995,163.47	(122,837.55)	(714,476.81)	(6,384,381.11)	4,731,163.19	(4,838,233.58)	3,580,126.85	0.00	0.00	0.00	0.00	0.00
Subtotal Liabilities		14,995,163.47	(122,837.55)	(714,476.81)	(6,384,381.11)	4,731,163.19	(4,838,233.58)	3,580,126.85	0.00	0.00	0.00	0.00	0.00
TOTAL BALANCE SHEET TRANSACTIONS		(15,550,386.00)	(651,191.86)	187,245.11	5,663,231.17	(5,665,872.33)	4,247,694.46	(4,497,646.89)	0.00	0.00	0.00	0.00	0.00
E. NET INCREASE/DECREASE		(16,386,040.05)	(12,378,821.12)	(10,296,397.49)	(13,104,872.56)	32,117,939.72	(12,739,461.36)	(16,048,504.89)	(12,509,447.00)	122,349,142.00	(12,425,858.00)	(12,495,569.00)	(11,088,055.00)
F. ENDING CASH		58,697,636.38	46,318,815.26	36,022,417.77	22,917,545.21	55,035,484.93	42,296,023.72	26,247,518.83	13,738,071.83	136,087,213.83	123,661,355.83	111,165,786.83	100,077,731.83

Questions?

