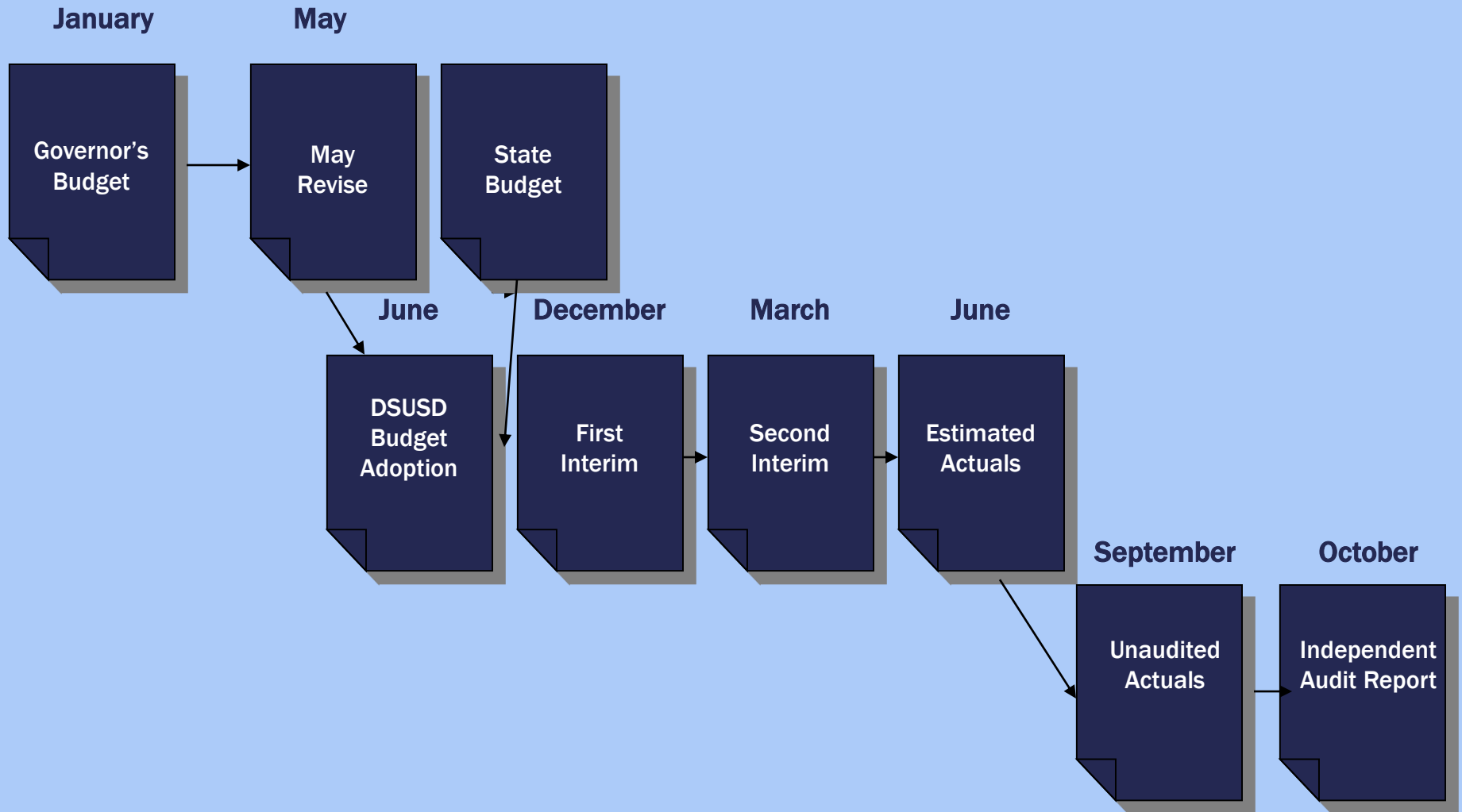




FIRST INTERIM REPORT FISCAL YEAR 2017-18

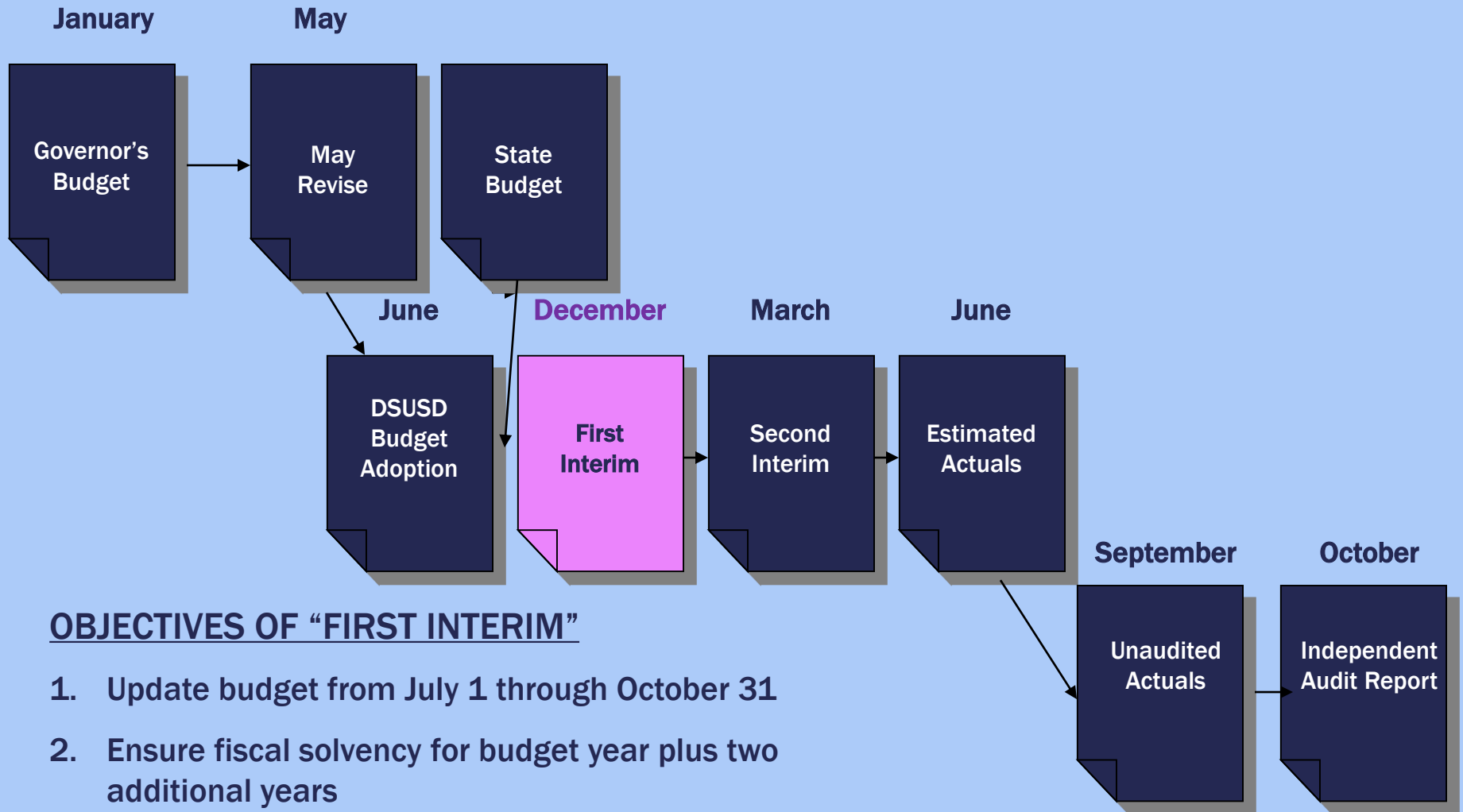
Board Meeting
December 12, 2017

BUDGETING AND FINANCIAL REPORTING A TWO-YEAR PROCESS



BUDGETING AND FINANCIAL REPORTING

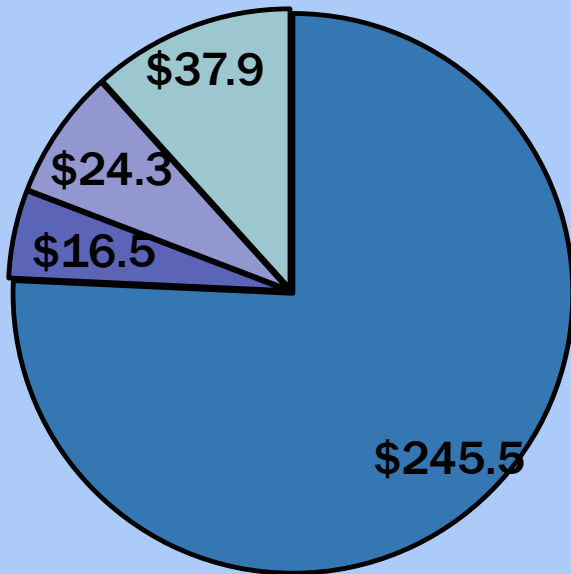
A TWO-YEAR PROCESS



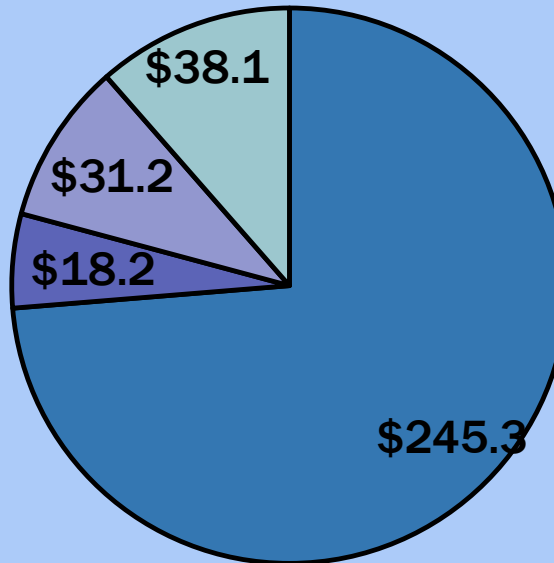
BUDGETED GENERAL FUND REVENUES 2017-18 – ADJUSTED AT FIRST INTERIM

(IN MILLIONS)

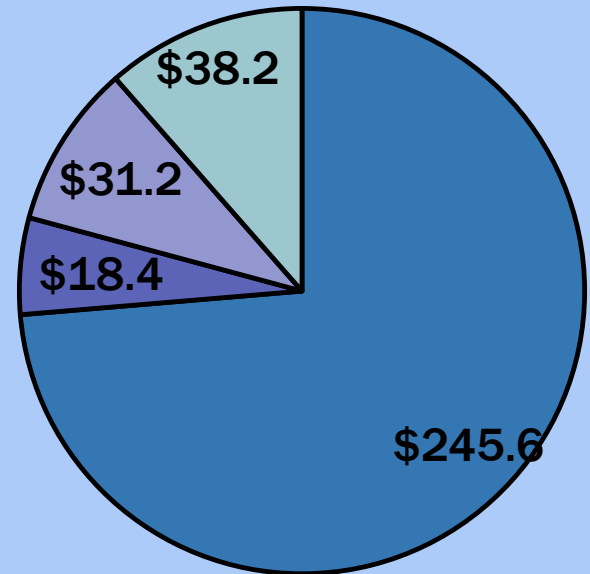
Budget Adoption
\$324.2M



Operating Budget
\$332.8M



First Interim Budget
\$333.4M



■ LCFF ■ Federal ■ State ■ Local

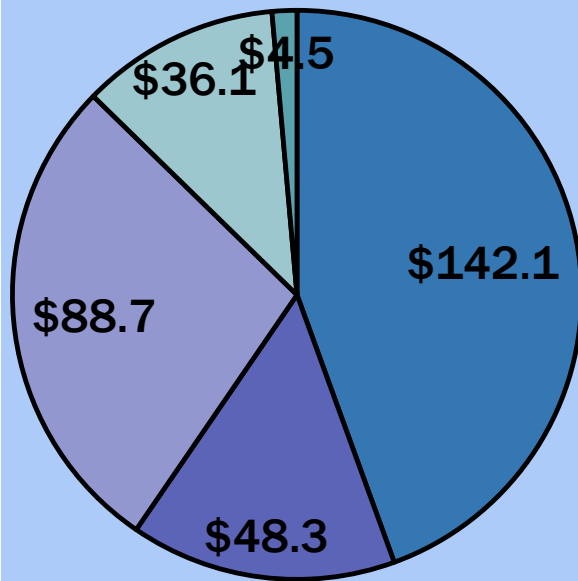
2017-18 BUDGET REVISIONS

Revenue Revisions	Incr. / (Decr.)
Local Control Funding Formula	\$270,644
Federal Revenue Adjustments	\$134,263
State Revenue Adjustments	(\$321)
Local Revenue Adjustments	\$101,103

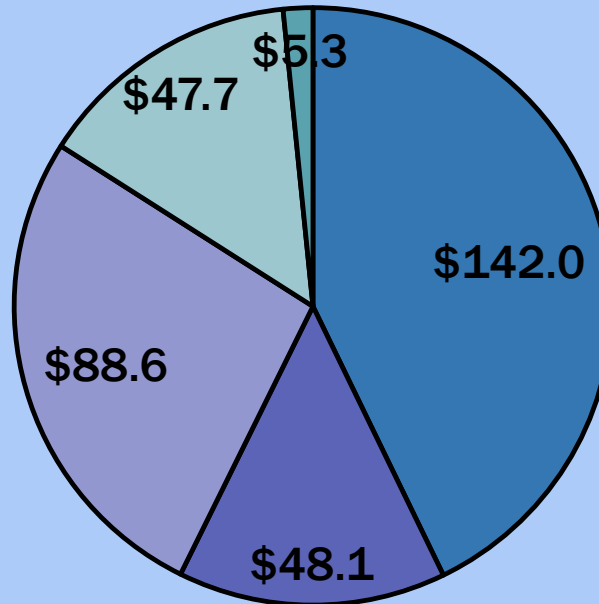
BUDGETED GENERAL FUND EXPENDITURES 2017-18 – ADJUSTED AT FIRST INTERIM

(IN MILLIONS)

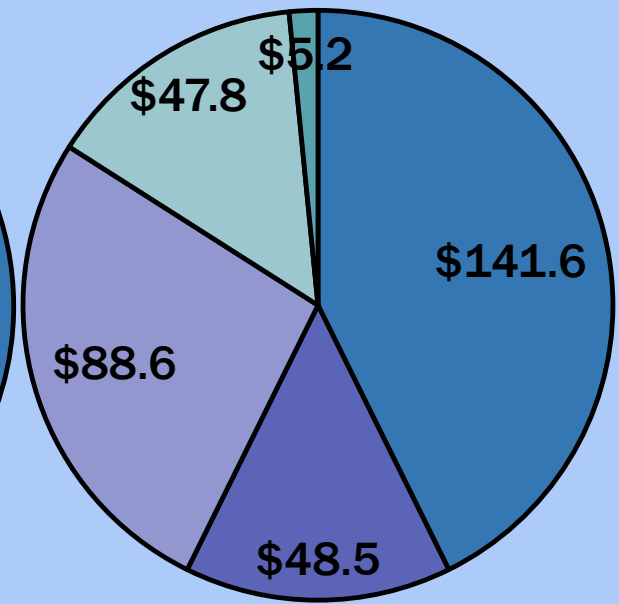
Adopted Budget
\$319.7M



Operating Budget
\$331.7M



First Interim Budget
\$331.7M



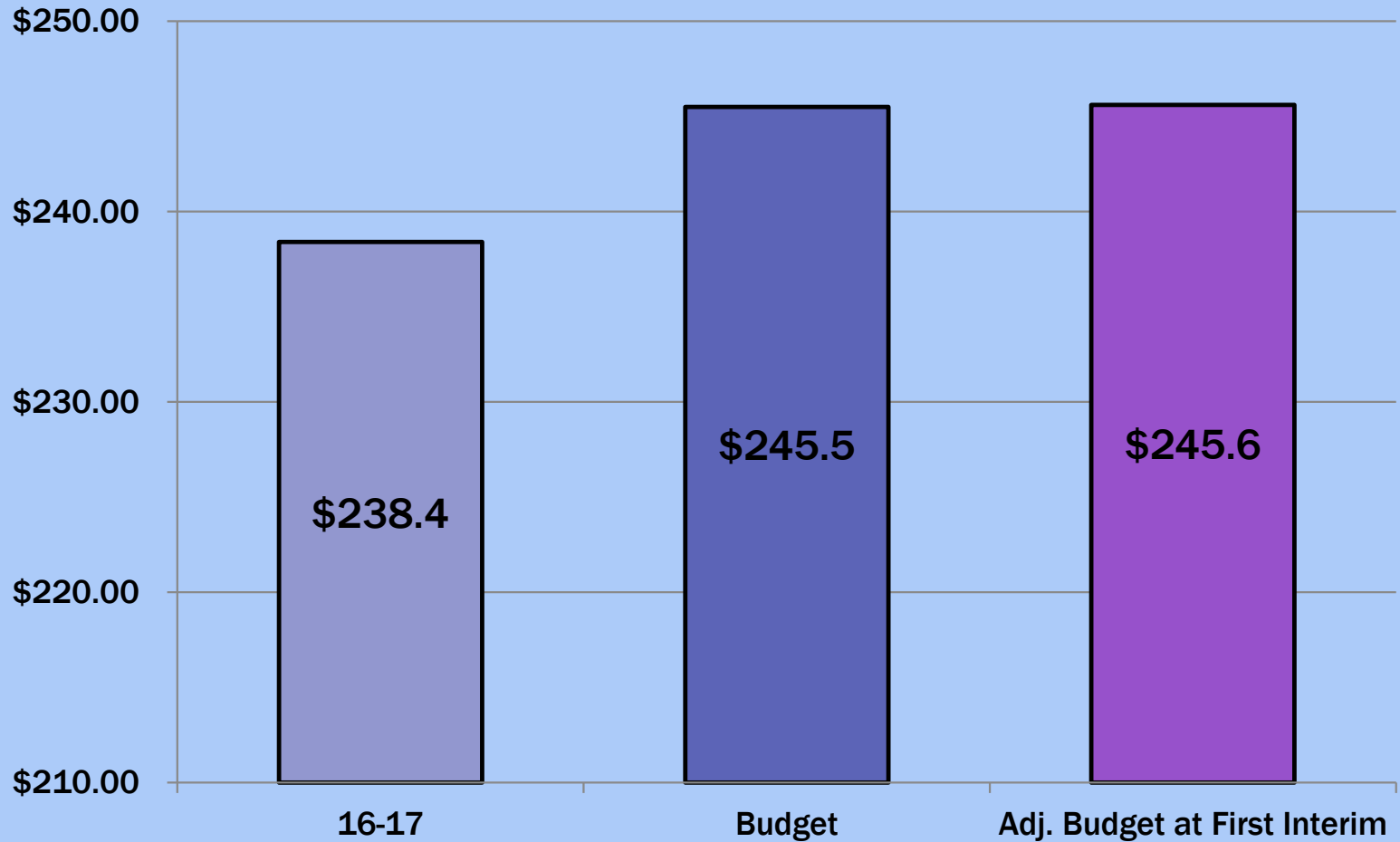
■ Certificated ■ Classified ■ Benefits ■ Supplies/Svcs. ■ Other

2017-18 BUDGET REVISIONS

Expenditure Revisions	Incr. / (Decr.)
Certificated Staffing Increases	\$407,338
Classified Staffing Increases	(\$324,771)
Benefit Increases	(\$43,633)
Materials and Supplies	(\$117,811)
Services and Operating Expenses	(\$411)
Equipment, Capital Outlay and Other Adjustments	(\$1,193)

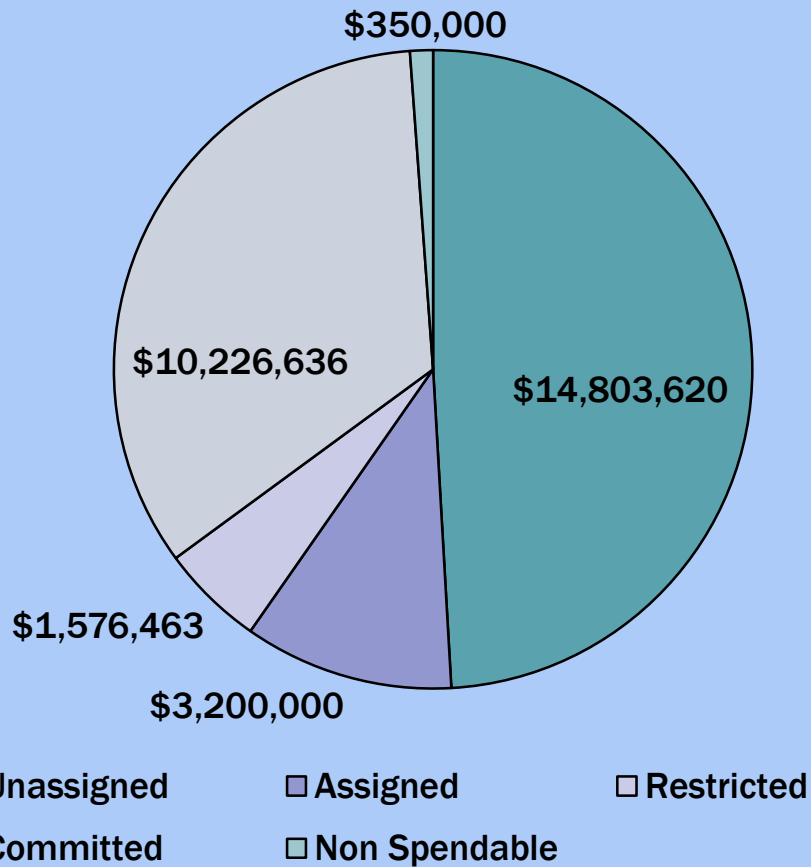
DSUSD LCFF REVENUES

(IN MILLIONS)

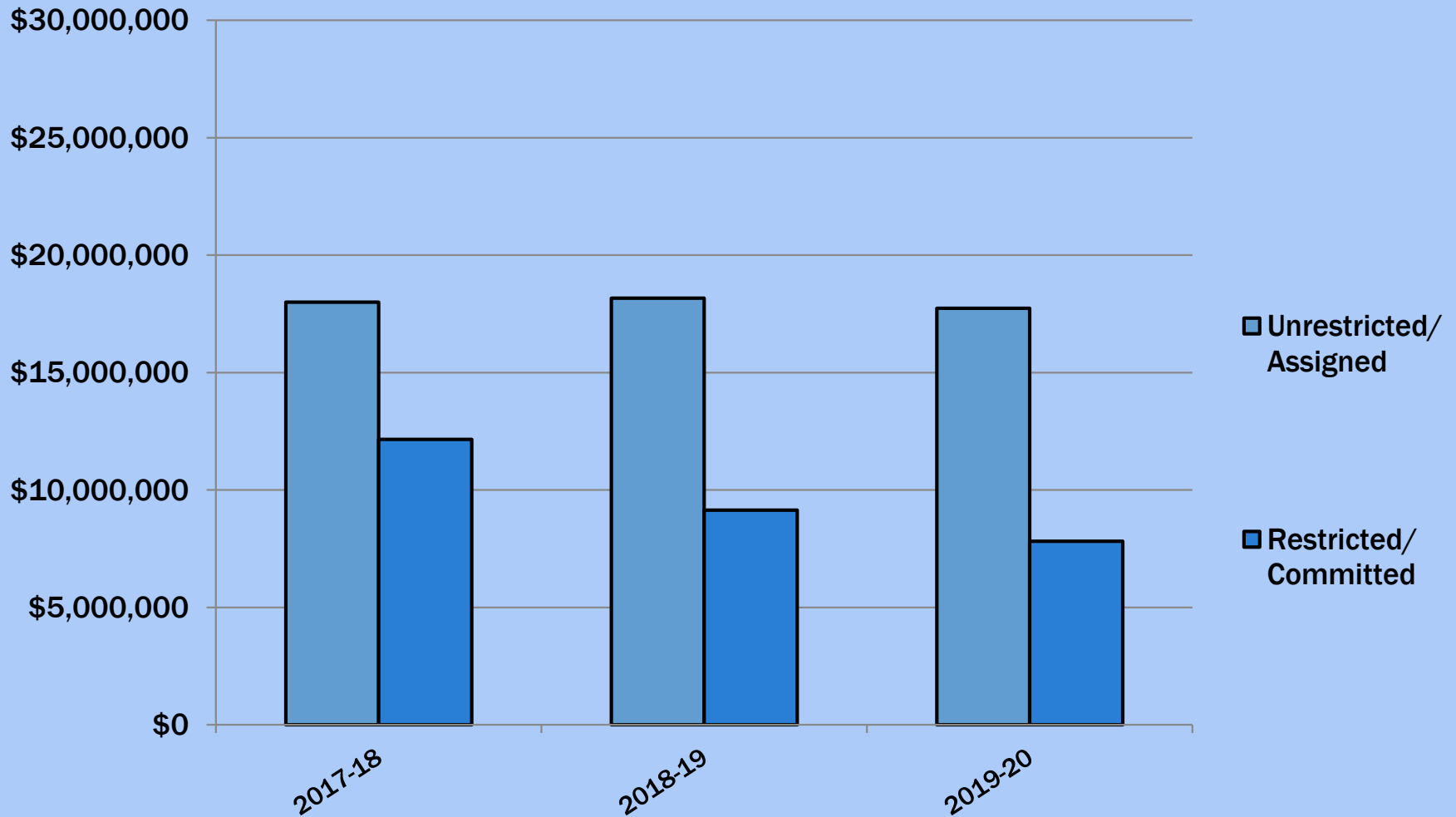


GENERAL FUND RESERVE

Total GF Reserves - \$30,156,719



GENERAL FUND BALANCES MULTI-YEAR PROJECTION



CHALLENGING YEARS AHEAD

Continuing Fiscal Challenges

Reserve levels very close to 3% minimum required levels

OPEB liability continues to grow

CalSTRS and CalPERS increases continuing until 2020-21 fiscal year

No one-time funds in the state budget for the next couple of years

Routine Reserve for Maintenance to increase to 3%

Special Education Costs continue to rise at faster pace than state funding

Not well positioned for a downturn in the State economy

SOME POSSIBLE GOOD NEWS

Highlights from LAO Outlook on Proposition 98

2017-18 Prop 98 guarantee is estimated to be \$651 million above assumed level

2018-19 Prop 98 guarantee is estimated to be \$2.6 billion above assumed level

Sufficient funding may be available to “fully fund” LCFF

One-time funds may be available

SUMMARY

- **Financial Position is sufficient to meet obligations in 2017-18 and following two fiscal years, justifying a Positive Certification.**
- **Many challenges, but CalSTRS and CalPERS increases will continue to cause a serious strain on the DSUSD budget.**
- **We are hoping for continued good news with the Governor's Budget, to be released in January.**