

GLENDALE UNIFIED SCHOOL DISTRICT

September 3, 2013

ACTION REPORT NO. 1

TO: Board of Education

FROM: Dr. Richard M. Sheehan, Superintendent

SUBMITTED BY: Eva Rae Lueck, Chief Business and Financial Officer

PREPARED BY: Mike Lee, Controller
Craig Larimer, Financial Analyst

SUBJECT: **Summary of Revenue and Expenditures for 2012-13 (Unaudited)
and Technical Corrections to the 2013-14 Adopted Budget**

The Superintendent recommends that the Board of Education approve the unaudited summary of District revenue and expenditures for 2012-13 and resulting technical corrections to the 2013-14 adopted budget.

Education Code 42100 requires the governing board of each school district to provide the county office of education (on or before September 15) a report of all revenues and expenditures for the preceding fiscal year. This report must also include any resulting corrections to the 2013-14 adopted budget. Although the prior fiscal year formally ended on June 30, final accounting tabulations are not generally completed by the District and the Los Angeles County Office of Education (LACOE) until the end of August.

The attached State summary report (Attachment A) provides information for both 2012-13 and 2013-14. For the September submission, the LACOE and the California Department of Education only require data for the previous fiscal year.

The complete State report for 2012-13 is available for review in the Business Office. That report includes:

- 1) Income and expenditure data by object.
- 2) Ending balance information for each fund.
- 3) Summary attendance and revenue data.
- 4) Analysis of income and expenditures.

The September technical corrections to the 2013-14 budget make adjustments for any variance between the 2012-13 Ending Fund Balances projected in the June 2013-14 Adopted Budget and the actual ending balances in the 2012-13 Unaudited Actual Report. The fund balance of each District fund is noted in Attachment "B" to this report.

Attachment C provides the 2012-13 Reserve Balance for utilization in the solvency plan. A more detailed narrative report of each fund with historical data has been provided for review under separate cover.

Unrestricted General Fund

The 2012-13 “Ending Fund Balance” of the Unrestricted General Fund plays a very significant role in the District’s solvency plan for future years. Due to the State fiscal crisis and the various actions taken at the State level in “their” solvency strategies for districts, there is a significant change in what is included in the Unrestricted General Fund Balance.

In the 2013-14 June Budget Adoption, the projected Ending Fund Balance for 2012-13 was \$32.6 million, of which \$23.3 million was unassigned. The 2012-13 Ending Fund Balance, when we closed the books, was \$38.4 million, of which \$24.6 million is unassigned.

The \$38.4 million 2012-13 Ending Fund Balance for the Unrestricted General Fund includes the following components:

2012-13 Unrestricted General Fund Balance		
Unrestricted General Fund	Projected June 18, 2013	Final
Designated for Economic Uncertainty	\$ 7,128,200	\$ 6,799,194
Revolving Cash & Warehouse	166,578	196,879
School Site & Program Carry Overs	-	2,452,101
Reserve for Medical Administrative Activity (MAA)	-	935,059
Reserve for E-Rate	-	543,679
Reserve for Tier III Programs	1,803,555	2,666,555
Reserve for ERRP	206,548	206,548
Unassigned Reserve	23,254,821	24,598,996
Total Unrestricted General Fund Balance	\$ 32,559,702	\$ 38,399,011

It is important to note that the change in the “Unassigned Reserve” was approximately \$1.3 million. This is the only change that will affect the multi-year projection. The balance of the other designations is assigned to specific purposes and will be budgeted to 2013-14.

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The book that accompanies this report has a substantial amount of historic information and analysis. One item of significant concern is:

Reserve Balances – The reserve balances in other funds available to support the Unrestricted General Fund are quickly disappearing.

The 2013 – 14 multi-year budget plan includes using the reserves in the following manner:

<u>(millions)</u>	<u>13-14</u>	<u>14-15</u>
Restricted Major Maintenance	\$ 0.70	0.00
Early Retirement Benefit Fund #67.2	1.80	2.40
Deferred Maintenance Fund #14.0	0.00	4.90
Debt Service Fund #56.0	<u>0.00</u>	<u>14.90</u>
	2.50	22.20

At the end of 2014-15 the reserves in other funds available to assist the General Fund will have dropped from \$39.8 million at the end of 2010-11 to \$1.65 million at the end of 2014-15.

To Support 2012-13 Board Priority “B” – “Use Board adopted budgetary principles to maintain District fiscal integrity and stability of instruction and programs”

ATTACHMENT A

Unaudited Actuals
General Fund
Unrestricted and Restricted
Expenditures by Object

Glendale Unified
Los Angeles County

Description	Resource Codes	Object Codes	2012-13 Unaudited Actuals			2013-14 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
A. REVENUES									
1) Revenue Limit Sources		8010-8099	128,706,128.82	5,400,582.00	134,106,710.82	133,884,637.00	5,718,020.00	139,602,657.00	4.1%
2) Federal Revenue		8100-8299	1,314,948.21	18,709,684.48	20,024,632.69	200,000.00	13,475,408.00	13,675,408.00	-31.7%
3) Other State Revenue		8300-8599	23,538,544.75	22,045,307.97	45,583,852.72	20,516,536.00	22,021,293.00	42,537,829.00	-6.7%
4) Other Local Revenue		8600-8799	7,465,362.31	5,946,928.74	13,412,291.05	5,111,557.00	4,975,143.00	10,086,700.00	-24.8%
5) TOTAL REVENUES			161,024,984.09	52,102,503.19	213,127,487.28	159,712,730.00	46,189,864.00	205,902,594.00	-3.4%
B. EXPENDITURES									
1) Certificated Salaries		1000-1999	81,268,283.14	24,138,287.23	105,406,570.37	77,040,408.00	22,634,800.00	99,675,208.00	-5.4%
2) Classified Salaries		2000-2999	16,502,790.86	15,422,419.28	31,925,210.14	16,303,795.00	15,571,647.00	31,875,442.00	-0.2%
3) Employee Benefits		3000-3999	35,970,294.16	15,315,076.34	51,285,370.50	35,555,257.00	14,771,299.00	50,326,556.00	-1.9%
4) Books and Supplies		4000-4999	2,580,217.59	3,889,257.32	6,469,474.91	1,881,948.00	2,916,983.00	4,798,931.00	-25.8%
5) Services and Other Operating Expenditures		5000-5999	9,878,300.10	18,995,538.53	28,873,838.63	9,996,170.00	15,363,435.00	25,359,605.00	-12.2%
6) Capital Outlay		6000-6999	40,691.97	144,093.53	184,785.50	72,590.00	165,252.00	237,842.00	28.7%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	118,000.00	572,638.32	690,638.32	128,000.00	530,000.00	658,000.00	-4.7%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(1,041,689.12)	687,306.52	(354,382.60)	(1,005,912.00)	582,912.00	(443,000.00)	25.0%
9) TOTAL EXPENDITURES			145,316,888.70	79,164,617.07	224,481,505.77	139,972,256.00	72,516,328.00	212,488,584.00	-5.3%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)									
			15,708,095.39	(27,062,113.88)	(11,354,018.49)	19,740,474.00	(26,326,464.00)	(6,585,990.00)	-42.0%
D. OTHER FINANCING SOURCES/USES									
1) Interfund Transfers									
a) Transfers In		8900-8929	2,761,008.37	0.00	2,761,008.37	0.00	0.00	0.00	-100.0%
b) Transfers Out		7600-7629	2,158,297.22	0.00	2,158,297.22	1,015,000.00	0.00	1,015,000.00	-53.0%
2) Other Sources/Uses									
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	(26,706,225.65)	26,706,225.65	0.00	(25,289,574.00)	25,289,574.00	0.00	0.0%
4) TOTAL OTHER FINANCING SOURCES/USES			(26,103,514.50)	26,706,225.65	602,711.15	(26,304,574.00)	25,289,574.00	(1,015,000.00)	-268.4%

Description	Resource Codes	Object Codes	2012-13 Unaudited Actuals			2013-14 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)									
			(10,395,419.11)	(355,888.23)	(10,751,307.34)	(6,584,100.00)	(1,036,890.00)	(7,600,990.00)	-29.3%
F. FUND BALANCE, RESERVES									
1) Beginning Fund Balance									
a) As of July 1 - Unaudited		9791	48,794,430.24	8,481,390.60	57,275,820.84	38,399,011.13	8,125,502.37	46,524,513.50	-18.8%
b) Audit Adjustments		9793	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			48,794,430.24	8,481,390.60	57,275,820.84	38,399,011.13	8,125,502.37	46,524,513.50	-18.8%
d) Other Restatements		9795	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			48,794,430.24	8,481,390.60	57,275,820.84	38,399,011.13	8,125,502.37	46,524,513.50	-18.8%
2) Ending Balance, June 30 (E + F1e)			38,399,011.13	8,125,502.37	46,524,513.50	31,834,911.13	7,088,612.37	38,923,523.50	-16.3%
Components of Ending Fund Balance									
a) Nonspendable			70,000.00	0.00	70,000.00	70,000.00	0.00	70,000.00	0.0%
Revolving Cash			126,878.87	0.00	126,878.87	126,878.87	0.00	126,878.87	0.0%
Stores			0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Prepaid Expenditures			0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Others			0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Restricted			0.00	8,125,502.37	8,125,502.37	0.00	7,088,612.37	7,088,612.37	-12.8%
c) Committed			0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Stabilization Arrangements			0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Commitments			0.00	0.00	0.00	0.00	0.00	0.00	0.0%
d) Assigned			6,803,942.00	0.00	6,803,942.00	6,597,394.00	0.00	6,597,394.00	-3.0%
Other Assignments			2,452,101.00	0.00	2,452,101.00	0.00	0.00	0.00	
Regular Carry-Overs	0000		935,059.00	0.00	935,059.00	0.00	0.00	0.00	
Reserve MAA	0000		543,679.00	0.00	543,679.00	0.00	0.00	0.00	
Reserve E-Rate	0000		2,666,555.00	0.00	2,666,555.00	0.00	0.00	0.00	
Reserve for Tier III Programs	0000		206,548.00	0.00	206,548.00	0.00	0.00	0.00	
ERRP	0000		0.00	0.00	0.00	0.00	0.00	0.00	
Regular Carry-Overs	0000		0.00	0.00	0.00	2,452,101.00	0.00	2,452,101.00	
Reserve MAA	0000		0.00	0.00	0.00	935,059.00	0.00	935,059.00	
Reserve E-Rate	0000		0.00	0.00	0.00	543,679.00	0.00	543,679.00	
Reserve for Tier III Programs	0000		0.00	0.00	0.00	2,666,555.00	0.00	2,666,555.00	
e) Unassigned/unappropriated			6,799,194.08	0.00	6,799,194.08	6,405,108.00	0.00	6,405,108.00	-5.8%
Reserve for Economic Uncertainties			24,598,996.18	0.00	24,598,996.18	18,635,530.26	0.00	18,635,530.26	-24.2%
Unassigned/Unappropriated Amount			0.00	0.00	0.00	0.00	0.00	0.00	

GLENDALE UNIFIED SCHOOL DISTRICT

ATTACHMENT B

2012-13 Unaudited Actual Fund Balance With Adjustments

September 2013

CDS Code: 64568

District: Glendale Unified

Fund Name	SACS Fund#	2013-14 Budgeted Beg. Balance	2012-13 Unaudited Actuals End. Balance	2013-14 BUDGET ADJUSTMENT (Cols D-C)
(A)	(B)	(C)	(D)	(E)
General - Unrestricted	01U	32,559,702	38,399,011	5,839,309
General - Restricted	01R	5,849,202	8,125,502	2,276,300
Charter Schools Spec. Rev.	09			0
Special Education Pass-Through	10	0	0	0
Adult Education	11			0
Child Development	12	180,736	170,436	(10,300)
Cafeteria (Special Revenue)	13	5,628,046	5,524,578	(103,468)
Deferred Maintenance	14	4,966,642	4,965,880	(762)
Pupil Transportation	15			0
Spec Resv - Non Cap Proj.	17			0
Foundation Special Revenue	19			0
Postemployment Benefits	20	3,329	0	(3,329)
Measure S Projects Fund	21.1	18,714,390	28,189,338	9,474,948
Clean Renewable Energy Bonds	21.2	2,318,498	3,071,437	752,939
Capital Facilities (Developer Fees)	25	6,428,971	7,542,085	1,113,114
Lease Purchase	30			0
County Schools Facilities (State Bond)	35	16,451	24,252	7,801
Capital Projects - District Projects	40.1	21,324,916	23,345,092	2,020,176
Capital Projects - Food Service	40.2	1,085,330	1,184,206	98,876
Blended Components	49			0
Bond Interest and Redemption	51	8,741,647	9,960,112	1,218,465
Tax Override	53			0
Debt Service / COP Repayment	56	15,077,947	15,074,594	(3,353)
Foundation Permanent	57			0
Cafeteria (Enterprise)	61			0
Other Enterprise	63			0
Warehouse Revolving	66			0
Health & Welfare (Vision & Dental)	67.0	2,664,139	3,027,668	363,529
Workers' Compensation	67.1	1,307,707	2,041,738	734,031
Early Retirement Benefits	67.2	4,440,896	4,590,133	149,237
Retiree Benefits	71			0
Article XIII-B	72			0
McLennan & Other Scholarships Trust	73	337,416	336,396	(1,020)

ATTACHMENT C

Reserve Balances and Designations in millions

Reserve Category	2010-11 Year End Balance	2011-12 Year End Balance	2012-13 Year End Balance
Restricted Maintenance Account To be utilized in Multi Year Plan as needed to maintain solvency	\$4.70	\$2.40	\$1.72
Special Education Reserve To be utilized in Multi Year Plan as needed to maintain solvency	\$3.36	\$1.11	\$0.00
Post Employment Benefits Funds (GASB 45) Fund #20.0 To be utilized in Multi Year Plan as needed to maintain solvency	\$6.44	\$2.75	\$0.00
Early Retirement Benefits Fund # 67.2 To be utilized in Multi Year Plan as needed to maintain solvency	\$4.00	\$4.56	\$4.59
Deferred Maintenance Fund #14.0 Due to passage of Measure S, this balance may be used to maintain solvency in the Unrestricted General Fund.	\$4.89	\$4.93	\$4.97
Restricted Lottery Reserve Limited options - must be used for instructional materials Current plan is to utilize restricted lottery for textbook purchases and \$500,000 annually for instructional material purchases.	\$1.56	\$0.69	\$1.01
Debt Service Fund #56.0 This Fund was established as a reserve for the C.O.P. payments; however, due to the passage of Measure S, it will be utilized to maintain solvency in the Unrestricted General Fund.	\$14.85	\$14.99	\$15.07
Total	\$39.80	\$31.43	\$27.36