

2019-20 FIRST INTERIM BUDGET PRESENTATION

For Approval by the Board of Trustees

December 16, 2019



2019-20 FIRST INTERIM REPORT

California School District Financial Reporting Requirements

- **Education Code 42130** – requires the school district to file their fiscal condition for TWO reporting periods, October 31 and January 31, including projections of the budget through June 30.
- **Education Code 42131** – requires the Board of Education to certify, based on current projections, whether or not the school district is able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.



2019-20 FIRST INTERIM REPORT

Financial Reporting Certifications

There are three types of certification based on the multi-year projections (MYP) at each reporting period:

- **Positive Certification** ~ Based upon current projections, the District can meet its financial obligations for the current and two subsequent years.
- **Qualified Certification** ~ Based upon current projections, the District may not meet its financial obligations for the current fiscal year or two subsequent fiscal years of the MYP.
- **Negative Certification** ~ Based upon current projections, the District will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year (insufficient Reserves for Economic Uncertainty).



2019-20 FIRST INTERIM BUDGET ASSUMPTIONS

2019-20 funding is based on 2018-19 prior year ADA

Funded ADA (PY) Community Funded:	2,842 is used for 2019-20 funding
Estimated P-2	2,733
MYP P-2 ADA calculated at:	96.5% Attendance Factor
Step and Column increases based on:	1.5% increase
One-Time Discretionary Funds:	\$0 (PY \$184/ADA)
Lottery Revenue:	Unrestricted \$153/ADA and Restricted: \$54/ADA
Mandate Block Grant:	\$32.18/ADA
California Consumer Price Index (CPI):	3.33%
Routine Restricted Maintenance Acct. at:	3%+
Salaries/Benefits:	
CalSTRS Rate:	17.10% CalPERS Rate: 19.721%
Employee H&W Increases:	Approximately 8%

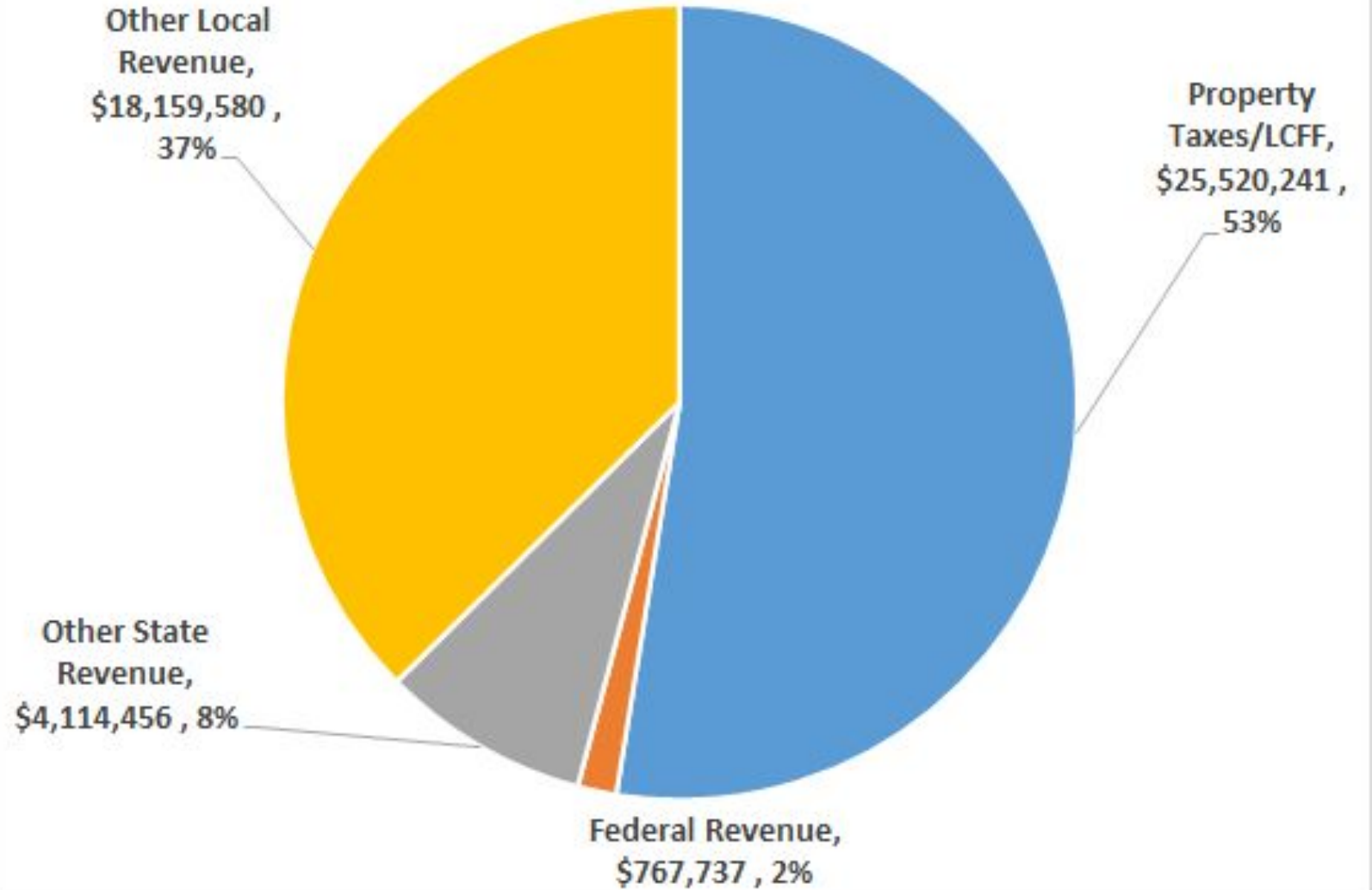


2019-20 FIRST INTERIM BUDGET GENERAL FUND REVENUE

	AUGUST BUDGET REVISION	FIRST INTERIM	DIFFERENCE	MAJOR CHANGES
Property Taxes /LCFF Revenue	\$25,489,284	\$25,520,241	\$30,957	<ul style="list-style-type: none"> • AV 4.5%
Federal Revenue	\$646,425	\$767,737	\$121,312	<ul style="list-style-type: none"> • Deferred Revenue; • One-time Funds
State Revenue	\$2,553,502	\$4,114,456	\$1,560,954	<ul style="list-style-type: none"> • STRS / PERS on Behalf
Local Revenue	\$17,803,002	\$18,159,580	\$356,578	<ul style="list-style-type: none"> • Local Donations
Total	\$46,492,213	\$48,562,014	\$2,069,801	



**2019-20 FIRST
INTERIM
REVENUE**



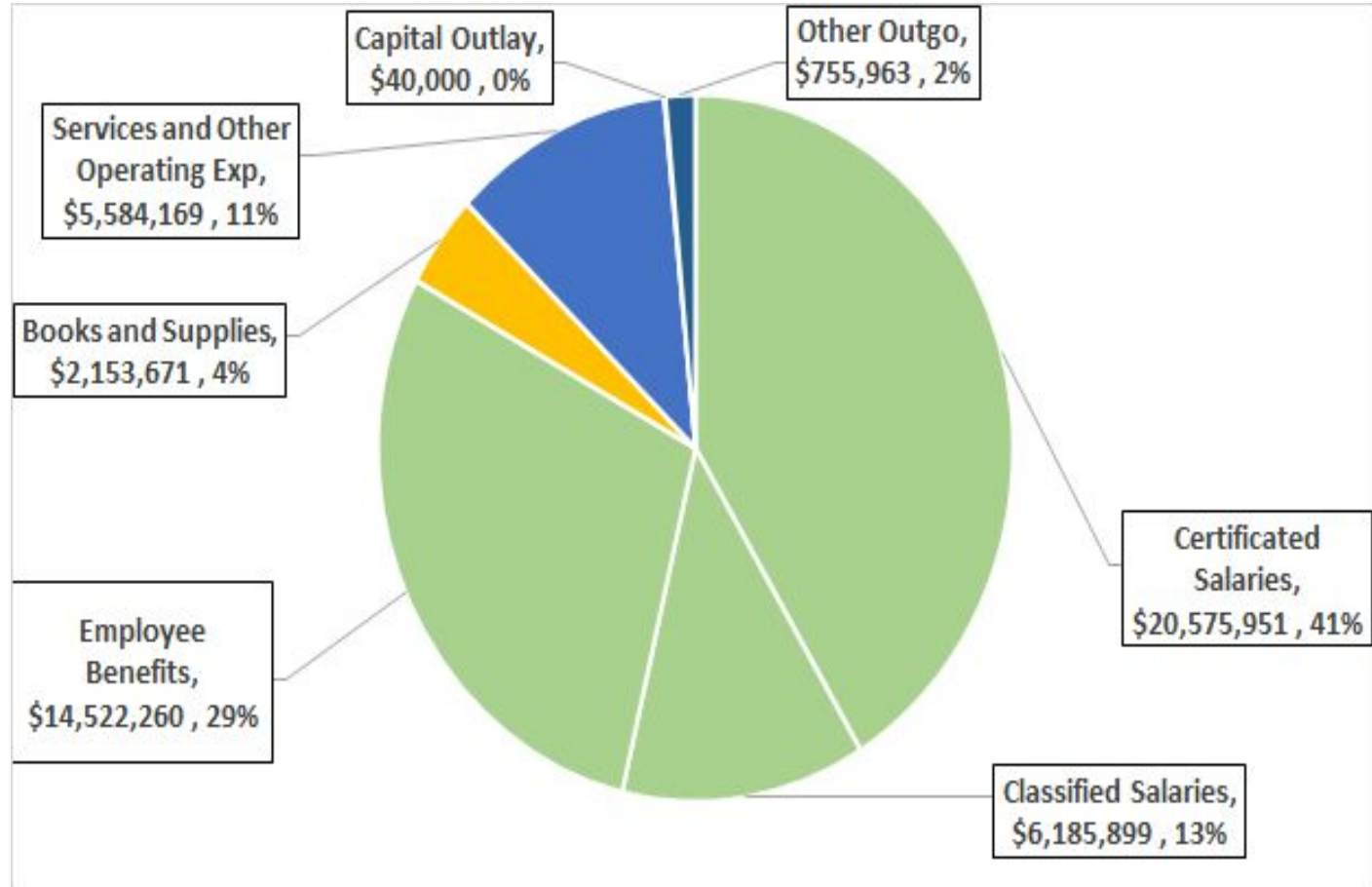


2019-20 FIRST INTERIM BUDGET GENERAL FUND EXPENDITURES

	AUGUST BUDGET REVISION	FIRST INTERIM	DIFFERENCE	MAJOR CHANGES
Certificated Salaries	\$20,174,192	\$20,575,951	\$401,759	<ul style="list-style-type: none"> • Projected Actuals; MVTA Settlement
Classified Salaries	\$6,203,862	\$6,185,899	(\$17,963)	<ul style="list-style-type: none"> • Projected Actuals
Employee Benefits	\$12,811,232	\$14,522,260	\$1,711,028	<ul style="list-style-type: none"> • STRS / PERS on Behalf; H&V
Books/Supplies	\$974,740	\$2,153,671	\$1,178,931	<ul style="list-style-type: none"> • Prior Year Carryover
Services/Operating	\$4,549,087	\$5,584,169	\$1,035,082	<ul style="list-style-type: none"> • Prior Year Carryover
Capital Outlay	\$40,000	\$40,000	0	
Other Outgo	\$744,227	\$755,963	\$11,736	<ul style="list-style-type: none"> • SpEd
Total	\$45,497,340	\$49,817,913	\$4,320,573	



**2019-20
FIRST
INTERIM
EXPENDITURES**



Salaries and Benefits = 83% of Budget



2018-19 AND 2019-20 GENERAL FUND REVENUE COMPARISON

	2018-19 UNAUDITED ACTUALS	2019-20 FIRST INTERIM	DIFFERENCE	MAJOR CHANGES
Property Taxes / LCFF Revenue	\$25,088,984	\$25,520,241	\$431,257	<ul style="list-style-type: none">• Property Taxes
Federal Revenue	\$713,813	\$767,737	\$53,924	<ul style="list-style-type: none">• SMAA
State Revenue	\$4,822,333	\$4,114,456	(\$707,877)	<ul style="list-style-type: none">• One-Time Mandate
Local Revenue	\$18,563,555	\$18,159,580	(\$403,975)	<ul style="list-style-type: none">• Donations• PTA
Total	\$49,188,684	\$48,562,014	(\$626,671)	



2018-19 AND 2019-20 GENERAL FUND EXPENDITURE COMPARISON

	2018-19 UNAUDITED ACTUALS	2019-20 FIRST INTERIM	DIFFERENCE	MAJOR CHANGES
Certificated Salaries	\$19,667,310	\$20,575,951	\$908,641	<ul style="list-style-type: none"> • Settlement / Step & Column
Classified Salaries	\$6,113,757	\$6,185,899	\$72,142	<ul style="list-style-type: none"> • Step & Column
Employee Benefits	\$13,860,056	\$14,522,260	\$662,204	<ul style="list-style-type: none"> • STRS, PERS, H&W, On-Behalf
Books/Supplies	\$1,634,213	\$2,153,671	\$519,458	<ul style="list-style-type: none"> • 2018-19 Carryover
Services/Operating	\$4,666,837	\$5,584,169	\$917,332	<ul style="list-style-type: none"> • 2018-19 Carryover
Capital Outlay	\$150,411	\$40,000	(\$110,411)	<ul style="list-style-type: none"> • Facilities Imprv. (PK)
Other Outgo	\$638,283	\$755,963	\$117,860	<ul style="list-style-type: none"> • SpEd
Total	\$46,730,866	\$49,817,913	\$3,087,046	



2019-20 FIRST INTERIM MULTI-YEAR PROJECTIONS (MYP)

	2019-20	2020-21	2021-22
Beginning Balance	\$19,043,284	\$17,899,885	\$18,310,799
Total Revenue	\$48,562,014	\$49,908,597	\$48,893,850
Restricted Budget Adjustment	\$1,635,144*	TBD*	TBD*
Total Expenditures	\$49,817,913	\$49,537,369	\$50,030,995
Surplus/Deficit	(\$1,143,399)	\$410,914	(\$1,097,771)
Ending Balance	\$17,899,885	\$18,310,799	\$17,213,028
Meet 3% REU	Yes	Yes	Yes

* Adjustment of expenditures from restricted funds carried-over into 2019-20 but not forward



2019-20 FIRST INTERIM Unrestricted and Restricted Funds MULTI-YEAR PROJECTIONS (MYP)

	2019-20	2020-21	2021-22
Net Change +/- in Fund Balance at Adoption	\$1,194,678	\$1,663,426	\$153,751
Reserve % at Adoption	29.3%	32.6%	32.6%
Net Change +/- in Fund Balance First Interim	(\$1,143,399)	\$410,914	(\$1,097,771)
Reserve % First Interim	28.9%	29.9%	27.4%

* Adjustment of expenditures from restricted funds carried-over into 2019-20 but not forward



2019-20 FIRST INTERIM REPORT

Required Reserve Disclosure

	2019-20	
	Amount (\$)	Percent (%)
Ending Fund Balance	\$17,899,885	36%
Assigned Fund Balance	\$3,477,828	7%
Unassigned Balance	\$14,422,057	29%
Minimum Required Reserve (REU)	\$1,494,837	3%
Amount in Excess of Minimum REU	\$12,927,220	26%



2019-20 FIRST INTERIM REPORT

Recommendation

- **It is recommended that the Board approve the District's 2019-20 First Interim Financial Report; and**
- **File a positive certification - The District certifies that based on the projections, it will meet its financial obligations for the current year and two subsequent fiscal years.**