

2019-20 SECOND INTERIM BUDGET PRESENTATION

For Approval by the Board of Trustees

March 12, 2020



2019-20 SECOND 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 SECOND INTERIM REPORT

Financial Reporting Certifications

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

- **Positive Certification** ~ District can meet its financial obligations for the current and two subsequent years.
- **Qualified Certification** ~ borderline, may not meet financial obligations during one of the three years of the MYP.
- **Negative Certification** ~ cannot meet financial obligations in two or more of the three years as shown by negative fund balance, insufficient Reserves for Economic Uncertainty.



2019-20 BUDGET ASSUMPTIONS

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

ADA of:	2,842 is used for 2019-20 funding
MYP P-2 ADA calculated at:	97.0% Attendance Factor
Step and Column increases based on:	1.5% increase Certificated; 2.0% Classified
One-Time Discretionary Funds:	\$0 (Prior Year \$184/ADA)
Lottery Revenue:	Unrestricted: \$153/ADA Restricted: \$54/ADA
Mandate Block Grant:	\$32.18/ADA for K-8
California Consumer Price Index (CPI):	3.09%
Routine Restricted Maintenance Acct. at:	3.0%+
Salaries/Benefits:	CalSTRS Rate: 17.10% CalPERS Rate: 19.721% Employee H&W Increases: Approx 8%

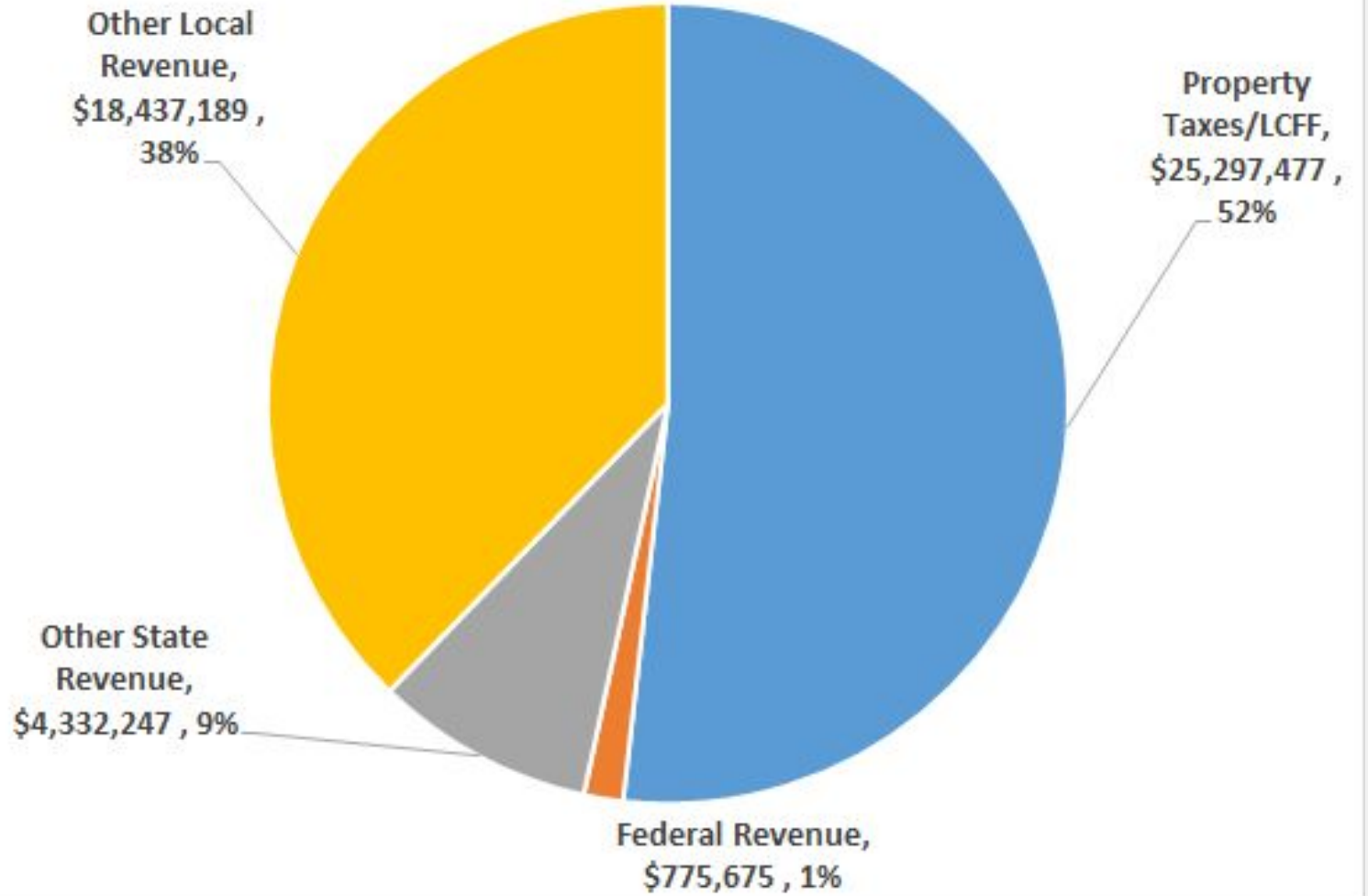


2019-20 SECOND INTERIM BUDGET GENERAL FUND REVENUE

	FIRST INTERIM	SECOND INTERIM	DIFFERENCE	MAJOR CHANGES
LCFF Revenue	\$25,520,241	\$25,297,477	(\$222,764)	• Decrease in Property Tax Estimates
Federal Revenue	\$767,737	\$775,675	\$7,938	• Mental Health Estimates
State Revenue	\$4,114,456	\$4,332,247	\$217,791	• Special Education, One-time Funds
Local Revenue	\$18,159,580	\$18,437,189	\$277,609	• Donations, Gifting, County Interest
Total	\$48,562,014	\$48,842,588	\$280,574	



**2019-20
SECOND
INTERIM
REVENUE**



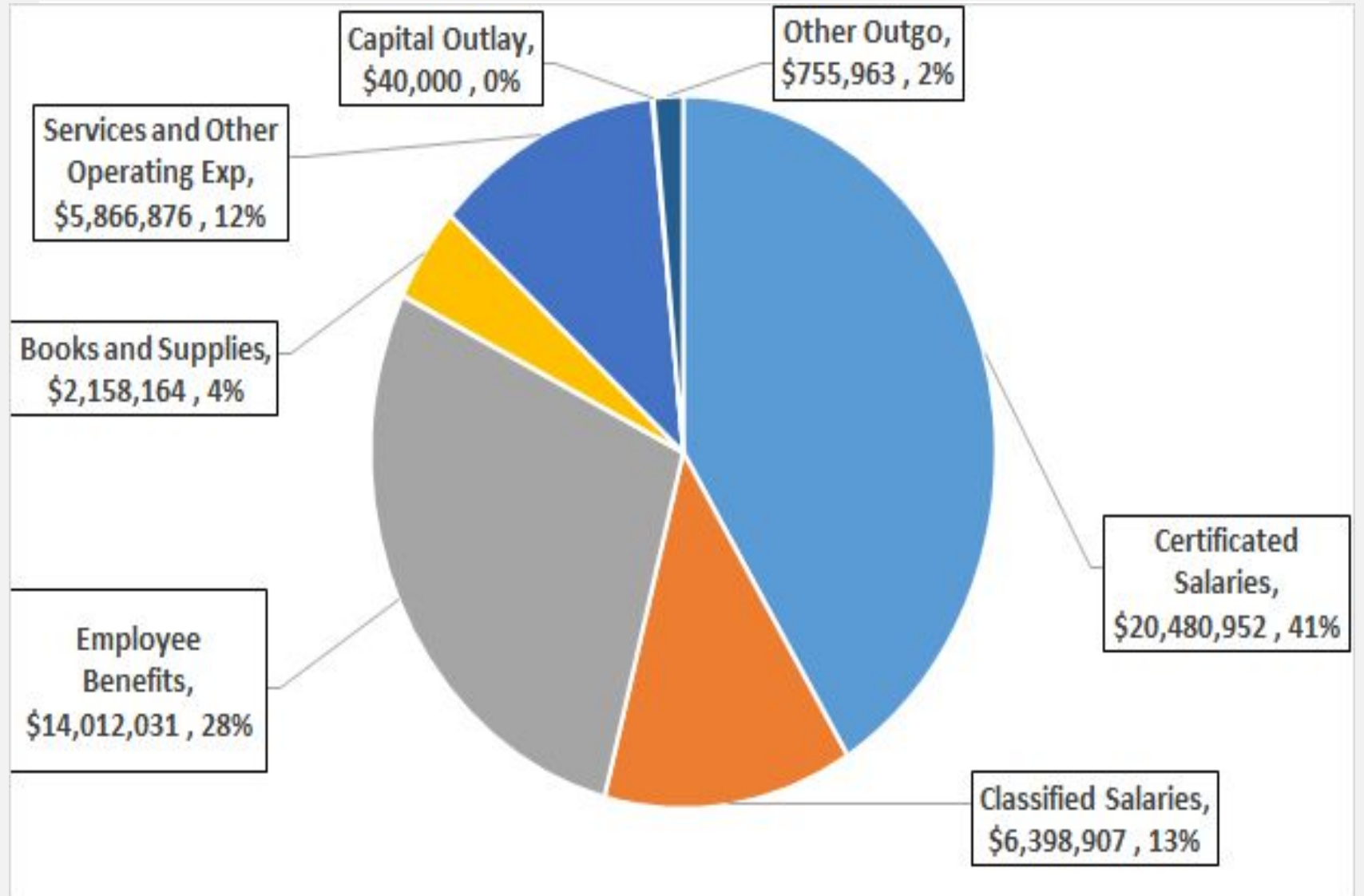


2019-20 SECOND INTERIM BUDGET GENERAL FUND EXPENDITURES

	FIRST INTERIM	SECOND INTERIM	DIFFERENCE	MAJOR CHANGES
Certificated Salaries	\$20,575,951	\$20,480,952	(\$94,999)	<ul style="list-style-type: none">• Projected Actuals
Classified Salaries	\$6,185,899	\$6,398,907	\$213,008	<ul style="list-style-type: none">• CSEA Negotiated Agreement
Employee Benefits	\$14,522,260	\$14,012,031	(\$510,229)	<ul style="list-style-type: none">• Actuary Report; OPEB
Books/Supplies	\$2,153,671	\$2,158,164	\$4,493	<ul style="list-style-type: none">• Budget Expenses
Services/ Operating	\$5,584,169	\$5,866,876	\$282,707	<ul style="list-style-type: none">• Projected Actuals• M&O Repairs
Capital Outlay	\$40,000	\$40,000	\$0	
Other Outgo	\$755,963	\$755,963	\$0	
Total	\$49,817,913	\$49,712,893	(\$105,020)	



**2019-20
SECOND
INTERIM
EXPENDITURES**





2019-20 SECOND INTERIM BUDGET GENERAL FUND EXPENDITURES

Annual Budgeted Expenditures: \$49,712,893	2019-20	
Reserve Components	Amount (\$)	% of Annual Expenditures
Ending Fund Balance	\$18,162,979 (a)	36.5%
- Board Designated Reserve (STRS & Supplemental Parcel Tax Expiring 6/30/2021)	\$3,472,328 (b)	7.0%
Minimum Required Reserve (REU)	\$1,491,687 (c)	3.0%
Subtotal(a)-(b)-(c):	\$13,198,964 (d)	26.5%
- Revolving Cash Fund Balance	\$5,500 (e)	0%
- Unassigned Balance	\$0 (f)	0%



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

	2019-20	2020-21	2021-22
Beginning Balance	\$19,043,284	\$18,162,979	\$17,949,155
Total Projected Revenue	\$48,842,588	\$50,340,305	\$49,372,054
Restricted Budget Adjustment	\$1,635,144	*	*
Total Projected Expenditures	\$49,722,893	\$50,554,130	\$51,290,832
Projected Surplus/Deficit	(\$880,305)	(\$213,825)	(\$1,918,777)
Projected Ending Balance	\$18,162,979	\$17,949,154	\$16,030,378
Meet 3% Reserve for Economic Uncertainty	Yes	Yes	Yes

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



2019-20 SECOND INTERIM REPORT

Recommendation

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

QUESTIONS?