



FY 2019-2020 Second Interim Report

March 3, 2020





Second Interim Financial Report

- Education Code Section 42130 requires Districts to submit two financial interim reports to the County Office of Education each fiscal year:
 - 1st Interim: Financial transactions from July 1 to October 31
 - 2nd Interim: Financial transactions from July 1 to January 31
- The Interim Financial Report is designed to:
 - Identify the changes to the budget, since adoption in June.
The overall change to revenues, expenditures and ending fund balance and reserves.
 - Provide an in-depth multi-year analysis, using current projection factors, to state the district's ability to meet its financial obligations for the current and two subsequent fiscal years.
 - Certify, based on current information, the district will be able to meet its fiscal obligations for the current and two subsequent years.



Key Assumptions

- In FY 2019-2020 the district experienced a decline in enrollment of 759 students and declining enrollment will continue in subsequent years
- FY 2019-2020 COLA is 3.26%
- One-time revenue for Preschoolers with disabilities totaled \$1,567,740
- Textbook adoption expenditures for Next Generation Science Standard are budgeted at \$6M
- Expenditures associated with Special Education will continue to increase and will drive up contributions to restricted programs
- Expenditures will continue to increase due to rate increases (STRS, PERS, HW, etc.) as well as CPI



Enrollment and ADA

	A	B	C	(C-B)
	Adopted	1st	2nd	
	Budget	Interim	Interim	Change
Enrollment	18,341	18,254	18,326	72
ADA	17,481	17,305	17,373	68

TPAA expanded into grades TK-5 resulting in a significant decrease in enrollment. Since 1st Interim the district has gained 72 students resulting in increased ADA of 68.



Unrestricted Revenues

	A	B	C	(A-B)
	2nd Interim	1st Interim	Adopted Budget	Change
LCFF Sources	194,546,351	194,259,624	195,209,604	286,727
Federal Revenue	-	-	-	-
Other State Revenue	4,926,324	4,915,425	3,319,447	10,899
Other Local Revenue	3,296,464	2,574,965	1,980,808	721,499
Total Revenues	202,769,139	201,750,014	200,509,859	1,019,125

Additional miscellaneous local revenue increased by \$721,000 and total unrestricted revenues increased by \$1.0 million.



Unrestricted Expenditures

	A	B	C	(C-B)
	Adopted Budget	1st Interim	2nd Interim	Change
Certificated Salaries	58,078,750	56,127,608	55,968,677	-158,931
Classified Salaries	16,582,275	16,556,698	16,495,057	-61,641
Benefits	36,090,013	35,170,991	35,253,308	82,317
Books and Supplies	10,013,909	9,661,214	9,387,477	-273,737
Services and Other Operating Expenditures	17,644,905	17,855,652	17,933,225	77,573
Capital Outlay (Locally restricted funds for Tech)	286,422	2,457,619	2,447,505	-10,114
Other Outgoing	-1,772,599	-2,555,538	-2,357,626	197,912
Total Expenditures	136,923,675	135,274,244	135,127,623	-146,621

Unrestricted expenditures decreased by \$147 thousand from the 1st Interim report.



Restricted Expenditures

	A	B	C	(C-B)
	Adopted Budget	1st Interim	2nd Interim	Change
Certificated Salaries	41,726,000	44,423,713	45,208,479	784,766
Classified Salaries	20,788,159	21,321,545	20,914,833	-406,712
Benefits	31,994,184	33,045,188	32,842,616	-202,572
Supplies	8,672,916	14,266,222	13,188,941	-1,077,281
Services	14,931,286	24,635,827	25,595,235	959,408
Capital Outlay	1,429,747	2,539,899	3,152,213	612,314
Other Outgo/Indirect	1,406,752	1,741,910	1,748,097	6,187
Total Restricted Expenditures	120,949,044	141,974,305	142,650,414	676,109

Restricted expenditures increased by \$676 thousand from 1st Interim. The increase was driven by certificated salaries and services.



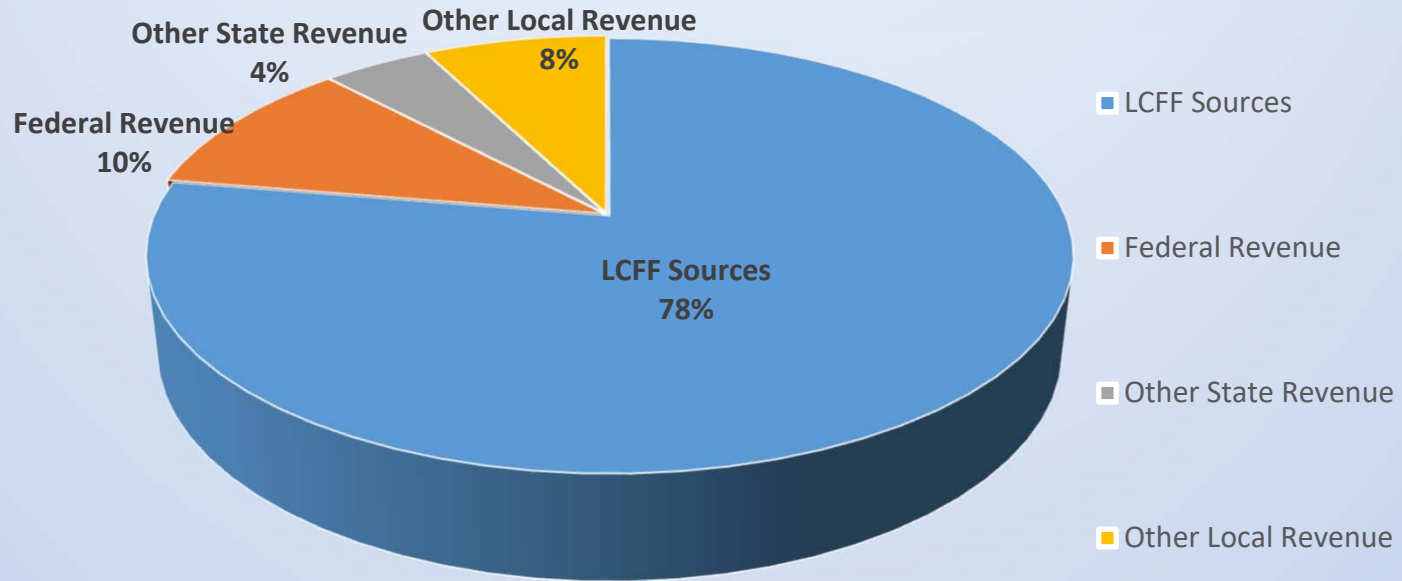
Contributions to Restricted Resources

	A Adopted Budget	B 1st Interim	C 2nd Interim	(C-B) Change
LCAP (Supplemental and Concentration Grants)	49,374,458	49,915,681	50,242,033	326,352
RRMA	7,736,182	8,317,457	8,333,380	15,923
Special Education	22,422,368	23,190,325	23,194,155	3,830
IT Updates	0	500,000	500,000	0
Resource 9500 (Saturday School Incentive)	33,471	32,671	32,671	0
Total	79,566,479	81,956,134	82,302,239	346,105

Contributions to restricted resources increased by \$346 thousand and was primarily due to the increased contribution to Supplemental and Concentration grants.



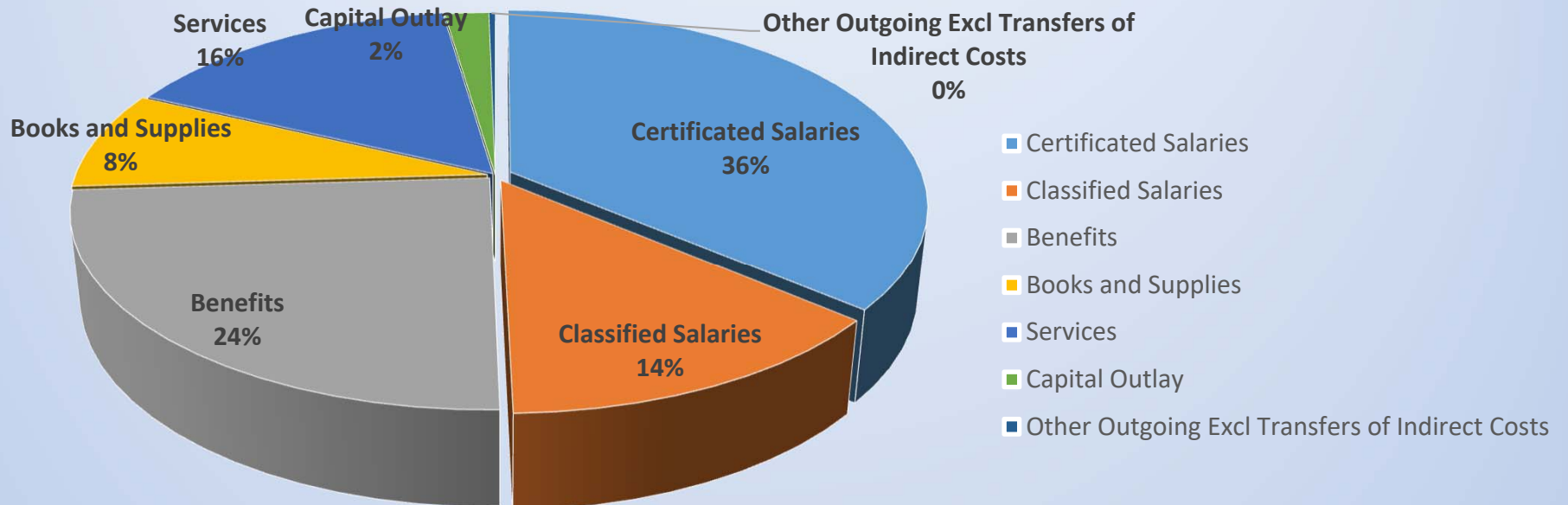
FY 2019-20 General Fund Revenues



	Adopted Budget	1st Interim	2nd Interim
LCFF Sources	195,209,604	194,259,624	194,546,351
Federal Revenue	21,233,309	25,851,062	25,945,183
Other State Revenue	9,342,412	11,121,870	11,136,619
Other Local Revenue	17,078,042	18,098,766	18,993,524
Total Revenues	235,136,260	249,242,453	250,621,677



FY 2019-20 General Fund Expenditures



	A	B	C	(C-B)
	Adopted Budget	1st Interim	2nd Interim	Change
Certificated Salaries	99,804,750	100,551,321	101,177,156	625,835
Classified Salaries	37,370,434	37,878,243	37,409,890	(468,353)
Benefits	68,084,197	68,216,179	68,095,924	(120,255)
Books and Supplies	18,686,825	23,927,436	22,576,418	(1,351,018)
Services and Other Operating Expenditures	32,576,191	42,491,479	43,528,460	1,036,981
Capital Outlay (Locally restricted funds for Tech)	1,716,169	4,997,518	5,599,718	602,200
Other Outgoing Excl Transfers of Indirect Costs	1,183,014	1,183,014	1,183,014	-
Other Outgoing Transfers of Indirect Costs	(1,548,861)	(1,996,642)	(1,792,543)	204,099
Total Expenditures	257,872,719	277,248,549	277,778,037	529,488



Components of Ending Fund Balance-Unrestricted

	A	B	C	(C-B)
	Adopted Budget	1st Interim	2nd Interim	Change
Beginning Fund Balance	36,164,477	46,047,512	46,047,512	-
Revenues	200,509,859	201,750,014	202,769,139	1,019,125
Expenditures	(136,923,675)	(135,274,244)	(135,127,623)	146,621
Contributions	(79,566,479)	(81,956,134)	(82,302,239)	(346,105)
Ending Fund Balance	20,184,183	30,567,148	31,386,789	819,641
Cash, Stores & Prepays	150,000	100,000	100,000	-
Deficit Spending FY 2020-2021	11,131,616	9,208,409	10,679,571	1,471,162
Other Assignments - Bus Replacement	-	120,000	-	(120,000)
Reserve for Economic Uncertainties	7,736,182	8,317,457	8,333,342	15,885
Unassigned	1,166,385	12,821,282	12,273,876	(547,406)

The Unrestricted Ending Fund Balance increased by \$820 thousand from 1st Interim primarily due to increased revenues. The unassigned amount increased by \$547 thousand.

MULTI-YEAR PROJECTIONS



Fund 01.0 -01.4
FY 2019-2020, FY 2020-2021, and FY 2021-2022



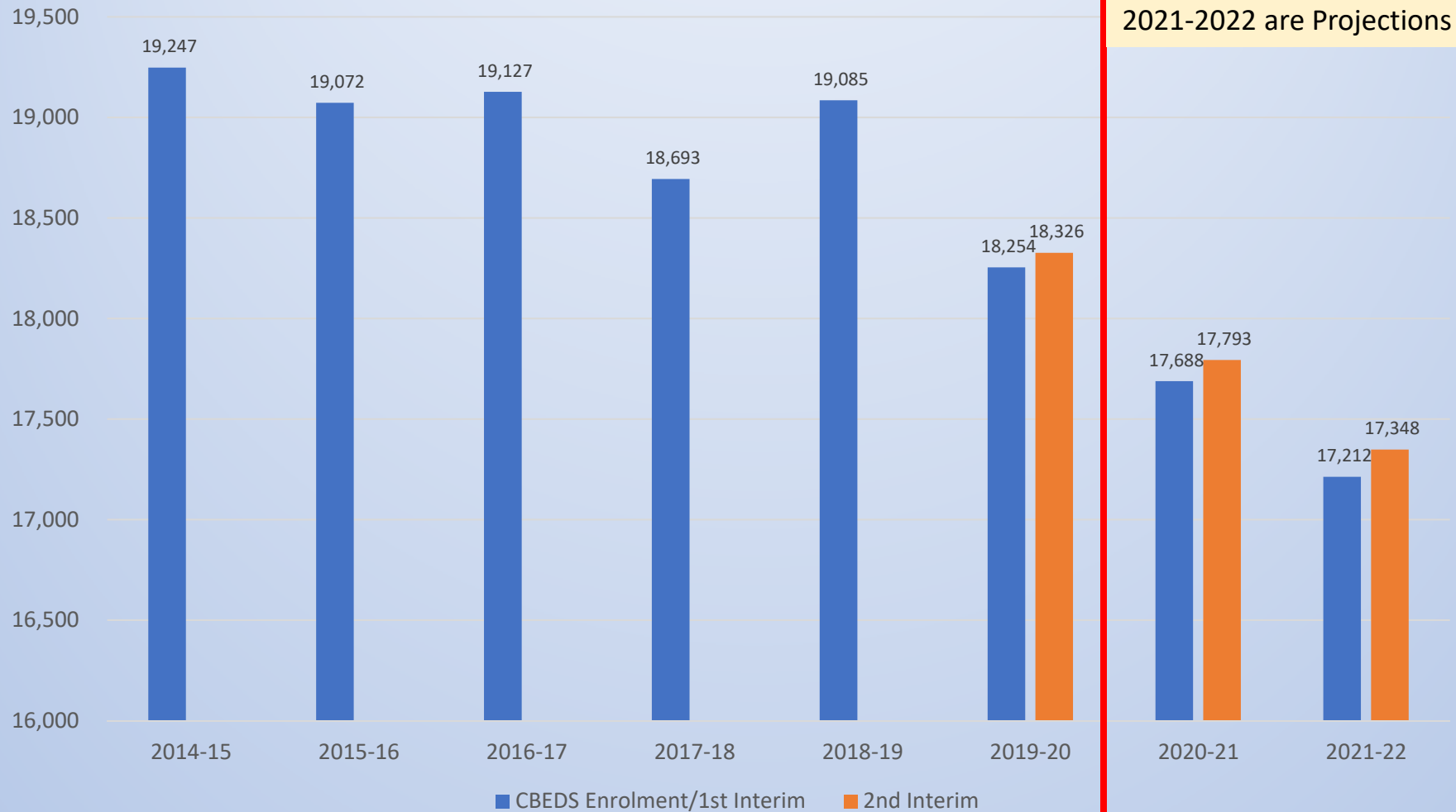
1st Interim MYP Projection Factors

	FY 2019-20	FY 2020-21	FY 2021-22
Step and Column Movement Certificated	Actual	2%	2%
Step and Column Movement Classified	Actual	1%	1%
Health and Welfare Benefits Increase	Actual	4%	4%
Cost of Living Adjustment to LCFF Target	3.26%	2.29%	2.71%
Lottery Revenue – Unrestricted	153	153	153
Lottery Revenue – Restricted	54	54	54
Mandated Block Grant	32.18	32.92	33.81
CalSTRS Employer Rates	17.10%	18.40%	18.10%
CalPERS Employer Rates	19.72%	22.80%	24.90%
LCFF Unduplicated % for Supplemental and Concentration Grants	89.5%	90.7%	92.1%



Enrollment Assumptions

2nd Interim vs 1st Interim





FY 2019-20 Proposed Budget Report

MYP Revenues and Expenditures - Unrestricted

	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED
	2019-20 Budget	2020-21 Proj	2021-22 Proj
LCFF	194,546,351	197,112,890	197,743,772
Federal Revenue	0	0	0
State Revenue	4,926,324	3,250,908	3,184,242
Local Revenue	3,296,464	2,052,464	2,052,464
Total Revenues	202,769,139	202,416,262	202,980,478
Certificated Salaries	55,968,677	55,632,409	55,532,022
Classified Salaries	16,495,057	16,660,008	16,826,608
Benefits	35,253,308	36,350,080	36,548,630
Supplies	9,387,477	4,920,980	4,920,980
Services	17,933,225	18,066,479	17,933,225
Capital Outlay	2,447,505	388,723	388,723
Other Outgo/Indirect	-2,357,626	-2,357,626	-2,357,626
Total Expenses	135,127,623	129,661,053	129,792,562



FY 2019-20 Proposed Budget Report

MYP Revenues and Expenditures - Restricted

	RESTRICTED	RESTRICTED	RESTRICTED
	2019-20 Budget	2020-21 Proj	2021-22 Proj
LCFF	0	0	0
Federal Revenue	25,945,183	25,945,183	25,945,183
State Revenue	6,210,295	6,181,796	6,158,002
Local Revenue	15,697,060	15,697,060	15,697,060
Total Revenues	47,852,539	47,824,039	47,800,245
Certificated Salaries	45,208,479	46,112,649	47,034,902
Classified Salaries	20,914,833	21,123,981	21,335,221
Benefits	32,842,616	34,631,838	35,499,698
Supplies	13,188,941	6,941,122	6,941,122
Services	25,595,235	19,347,416	19,347,416
Capital Outlay	3,152,213	3,152,213	3,152,213
Other Outgo/Indirect	1,748,097	1,748,097	1,748,097
Total Expenses	142,650,415	133,057,317	135,058,670



FY 2019-20 Proposed Budget Report

Contributions to Restricted Programs

	2019-20 Budget	2020-21 Projection	2021-22 Projection
LCAP (Supplemental and Concentration Grants)	50,242,033	51,826,403	52,975,020
RRMA	8,333,380	7,881,551	7,945,537
Special Education	23,194,155	23,194,155	23,194,155
IT Staff and Infrastructure Updates	500,000	500,000	500,000
Resource 9500 (Saturday School Incentive)	32,671	32,671	32,671
Total	82,302,239	83,434,780	84,647,383



FY 2019-20 Proposed Budget Report

Components of Ending Fund Balance - Unrestricted

	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED
	2019-20 Budget	2020-21 Proj	2021-22 Proj
Beginning Balance	46,047,512	31,386,789	20,707,218
Unrestricted Revenues	202,769,139	202,416,262	202,980,478
Unrestricted Expenses	-135,127,623	-129,661,053	-129,792,562
Contribution	-82,302,239	-83,434,780	-84,647,383
Total Surplus/(Deficit)	-14,660,723	-10,679,571	-11,459,467
Ending Balance	31,386,789	20,707,218	9,247,751
Assignments:			
Revolving Cash, Stores & Prepaid	100,000	100,000	100,000
Deficit Spending	10,679,571	11,459,467	
3% REU (9789)	8,333,342	7,881,552	7,945,537
UNASSIGNED (9790)	12,273,876	1,266,199	1,202,214



FY 2019-20 Proposed Budget Report All Other Funds

Fund	Description	Beginning Balance	Revenue Transfers In	Expenditures Transfers Out	Ending Balance
10	Special Ed. Pass Through	0	63,497,664	63,497,664	0
12	Child Development	176,746	16,653,068	16,653,068	176,746
13	Cafeteria	5,273,528	13,720,354	14,370,827	4,623,055
21	Building Fund (GO Bonds)	44,283,496	30,844,000	70,111,478	5,016,018
25	Capital Facilities (Dev Fees)	258,805	202,687	202,687	258,805
40	Capital Outlay	210,962	494,825	573,319	132,468
49	Building Fund (Spec Tax Bonds)	9,052,838	95,000	8,656,103	491,735
52	Debt Service (Spec Tax Bonds)	12,961,890	5,844,300	9,757,873	9,048,317
56	Debt Service (COPs)	421,475	9,759,273	9,759,274	421,474



Looking Forward

- Governor's May Revise
- COLA only increases
- Change Continues - Enrollment, ADA

Questions?