



2018-19 SECOND INTERIM BUDGET

PRESENTED TO THE BOARD OF TRUSTEES ON

MARCH 12, 2019

## Key Budget Information for 2018-2019

- Recommended Certification Status: Positive
- Deficit spending is projected but reserves are still adequate
- Enrollment on CBEDS day is higher than projected at budget adoption
- Average daily attendance (ADA) is based on P-I Reporting
- Ratio of salaries & benefits to total expenditures is within standard range
- Reserve assignments are in place to insure future fiscal stability in the District
- Budget and the LCAPs are aligned

# The District is recommending that the Board approve a Positive Certification

This means that the District is able to meet the required minimum reserve level of 4% in all three years

Reserve Amounts (Unrestricted resources 0000-1999 except Line 4)	Current Year Projected Year Totals (2018-19)	1st Subsequent Year (2019-20)	2nd Subsequent Year (2020-21)
1. General Fund - Stabilization Arrangements (Fund 01, Object 9750) (Form MYPI, Line E1a)	0.00	0.00	0.00
2. General Fund - Reserve for Economic Uncertainties (Fund 01, Object 9789) (Form MYPI, Line E1b)	380,057.00	324,711.00	331,570.00
3. General Fund - Unassigned/Unappropriated Amount (Fund 01, Object 9790) (Form MYPI, Line E1c)	1,520,352.80	1,205,897.94	822,031.08
4. General Fund - Negative Ending Balances in Restricted Resources (Fund 01, Object 979Z, if negative, for each of resources 2000-9999) (Form MYPI, Line E1d)	0.00	0.00	0.00
5. Special Reserve Fund - Stabilization Arrangements (Fund 17, Object 9750) (Form MYPI, Line E2a)	0.00	0.00	0.00
6. Special Reserve Fund - Reserve for Economic Uncertainties (Fund 17, Object 9789) (Form MYPI, Line E2b)	0.00	0.00	0.00
7. Special Reserve Fund - Unassigned/Unappropriated Amount (Fund 17, Object 9790) (Form MYPI, Line E2c)	0.00	0.00	0.00
8. District's Available Reserve Amount (Lines C1 thru C7)	1,900,409.80	1,530,608.94	1,153,601.08
9. District's Available Reserve Percentage (Information only) (Line 8 divided by Section 10B, Line 3)	20.00%	18.86%	13.92%
<b>District's Reserve Standard (Section 10B, Line 7)</b>	<b>380,056.66</b>	<b>324,711.49</b>	<b>331,569.81</b>
Status:	Met	Met	Met

# Deficit spending

(reserves are adequate but shrinking)

	Current Year (2018-19)	1st Subsequent Year (2019-20)	2nd Subsequent Year (2020-21)
District's Available Reserve Percentages (Criterion 10C, Line 9)	20.0%	18.9%	13.9%
<b>District's Deficit Spending Standard Percentage Levels (one-third of available reserve percentage):</b>	<b>6.7%</b>	<b>6.3%</b>	<b>4.6%</b>

Fiscal Year	Projected Year Totals			Deficit Spending Level (If Net Change in Unrestricted Fund Balance is negative, else N/A)	Status
	Net Change in Unrestricted Fund Balance (Form 01I, Section E) (Form MYPI, Line C)	Total Unrestricted Expenditures and Other Financing Uses (Form 01I, Objects 1000-7999) (Form MYPI, Line B11)			
Current Year (2018-19)	(1,026,306.20)	7,624,788.62		13.5%	Not Met
1st Subsequent Year (2019-20)	(320,426.86)	6,874,301.52		4.7%	Met
2nd Subsequent Year (2020-21)	(328,696.86)	7,035,337.52		4.7%	Not Met

The current year deficit spending is due to:

1. Contribution to Fund 40 for necessary capital improvements
2. Basic Aid Supplemental funding is not budgeted in current or subsequent years

Subsequent year deficit spending is due to:

1. COLA not keeping up with the increases in STRS & PERS increases
2. Conservative budgeting of local revenue such as donations from school connected organizations & parents
3. Ongoing transfers to Fund 40 for Capital Projects and Fund 13, the Cafeteria Fund

# ENROLLMENT & AVERAGE DAILY ATTENDANCE

- ❖ The District ADA Standard is 96.6% which was used in the First Interim funding estimates
- ❖ CBEDS Enrollment was 758 for 2018-19
- ❖ P-1 ADA reported was 722
- ❖ Percent of attendance at P-1 was 95.25% which is still within the standard range so the criteria was “met”
- ❖ At Second Interim the P-1 reported attendance, 722 was used for the funding estimates for all three years
- ❖ District wide enrollment has decreased by 5 students since CBEDS day which contributed to the lower than expected ADA
- ❖ P-2 ADA reporting will include independent study attendance that was not available at P-1

# THE RATIO OF SALARIES & BENEFITS TO TOTAL EXPENDITURES

Fiscal Year	Projected Year Totals - Unrestricted (Resources 0000-1999)		Ratio of Unrestricted Salaries and Benefits to Total Unrestricted Expenditures	Status
	Salaries and Benefits (Form 011, Objects 1000-3999) (Form MYPI, Lines B1-B3)	Total Expenditures (Form 011, Objects 1000-7499) (Form MYPI, Lines B1-B8, B10)		
	Current Year (2018-19)	5,596,396.99		
1st Subsequent Year (2019-20)	5,750,707.52	6,829,364.52	84.2%	Met
2nd Subsequent Year (2020-21)	5,901,372.52	6,990,400.52	84.4%	Met

1. The unrestricted salaries & benefits ratio to total unrestricted expenditures is between 84.0% and 84.4% for each of the budget years.
2. These percentages are all within the standard range.

# RESERVE ASSIGNMENTS FOR FISCAL STABILITY

<b>Components of Ending Balance:</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
Revolving Cash (nonspendable)	\$ 1,000	\$ 1,000	\$ 1,000
Restricted: Prepaid Expenditures	\$ -	\$ -	\$ -
Restricted	\$ 137,119	\$ 70,482	\$ 1,127
Other Assignments			
Textbook Adoptions Multi Year	\$ 350,000	\$ 350,000	\$ 350,000
Facilities Master Plan Approved Projects	\$ 500,000	\$ 500,000	\$ 500,000
STRS & PERS Increases 2 Years	\$ 110,000	\$ 110,000	\$ 110,000
Reserve for Enrichments 5 Years	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
30% Rainy Day Reserve	\$ 1,999,435	\$ 2,048,809	\$ 2,097,120
Reserve for Econ.Uncert. (unassigned)	\$ 380,057	\$ 324,711	\$ 331,570
Unassigned/Unappropriated Amount	\$ 1,520,353	\$ 1,205,898	\$ 822,032
<b>Net Ending Balance</b>	<b>\$ 6,497,964</b>	<b>\$ 6,110,900</b>	<b>\$ 5,712,849</b>



## Changes in revenue since adopted budget

LCFF Sources	↑	\$280,334	Increase tax revenue to P-I Estimates, LCFF COLA to 3.7%, higher enrollment
Federal Sources	↑	\$ 12,511	Increase tax revenue to P-I Estimates, LCFF COLA to 3.7%, higher enrollment
Other State	↓	-\$52,312	Mandated, Lottery & Low-Performing Student Block Grant updated
Other Local	↑	\$194,958	Interest updated, donation revenue received, MOU with MPF, GSF budget added
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		\$435,491	Total Increase to General Fund revenue



## Changes in expenditures since adopted budget

Certificated Salaries	↑	\$ 96,585	Increase due to 1 FTE teacher, negotiated salary adjustments, added stipends
Classified Salaries	↑	\$ 25,307	Increase due to summer custodial, maintenance, added IA & office FTEs
Benefits	↑	\$ 53,759	STRS on-behalf adjusted to 2017-18 actuals, match position control
Supplies	↑	\$218,766	Increase supplies, textbook purchases, GSF budget & carry over posted
Services & Operating	↓	-\$ 83,200	Added field trips, legal services, tech, enrichment contractors, maintenance, moved Prop 39 & Dark Fiber expenses to Object 6XXX
Capital Outlay	↑	\$436,966	Prop 39 & Dark Fiber expenses

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\$748,183 Total Increase to General Fund expenditures for objects 1000-6999

## Changes in fund balance since adopted budget

The beginning balance has been updated since budget adoption to include the 2017-18 Basic Aid Supplemental funding.

2018-19 Basic Aid Supplemental funding has not been budgeted.

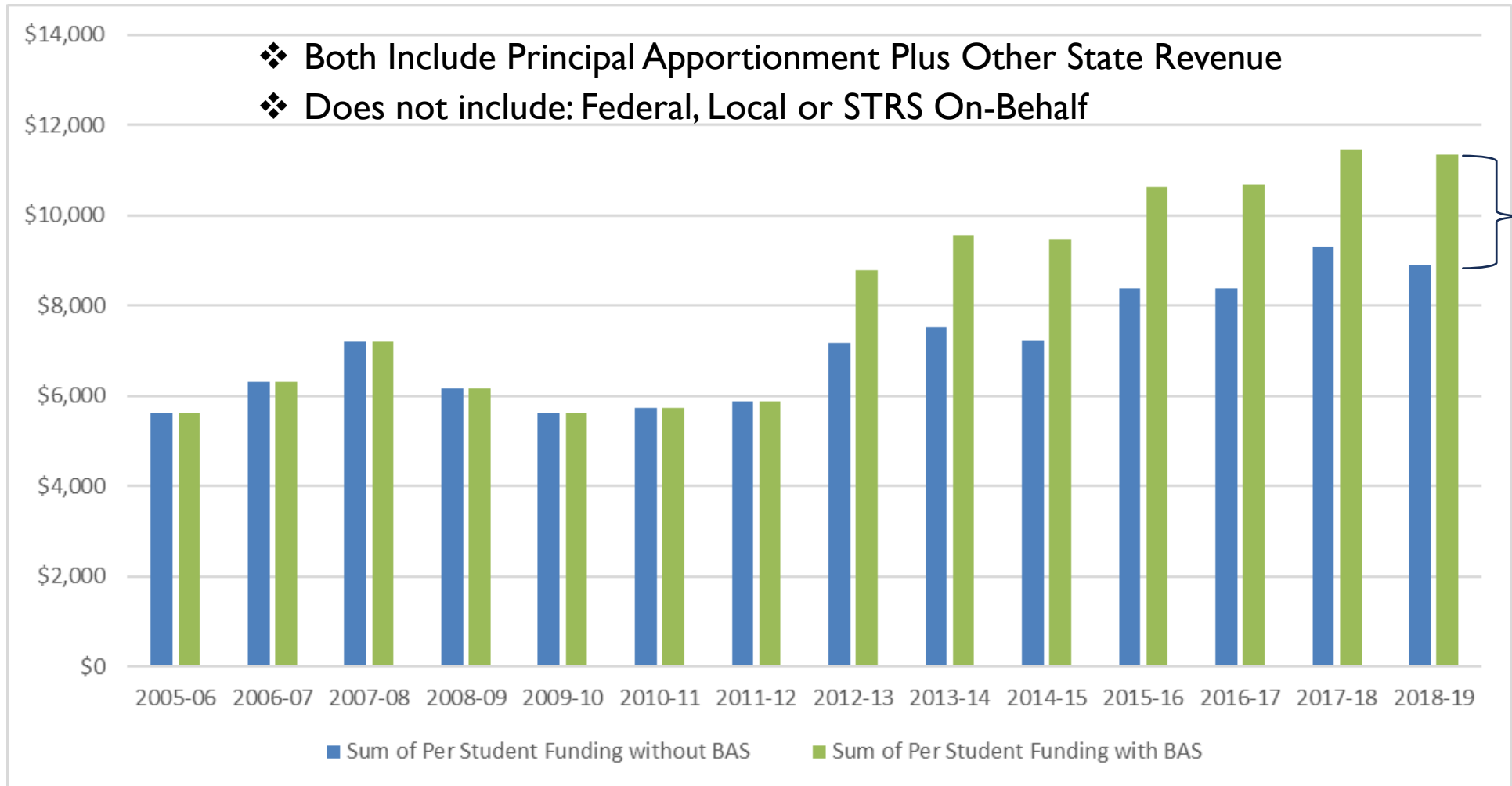
Transfers out to Other Funds has increased by \$915,067 since adopted budget

The General Fund projected net ending balance has increased by \$711,110 since adopted budget, and is now \$6,497,964

At Second Interim, the projected ending fund balance for all funds is \$9,003,418.

At budget adoption the projection was \$11,117,994. **(\$2,114,576)**

# PER PUPIL FUNDING WITH BASIC AID SUPPLEMENTAL VS WITHOUT



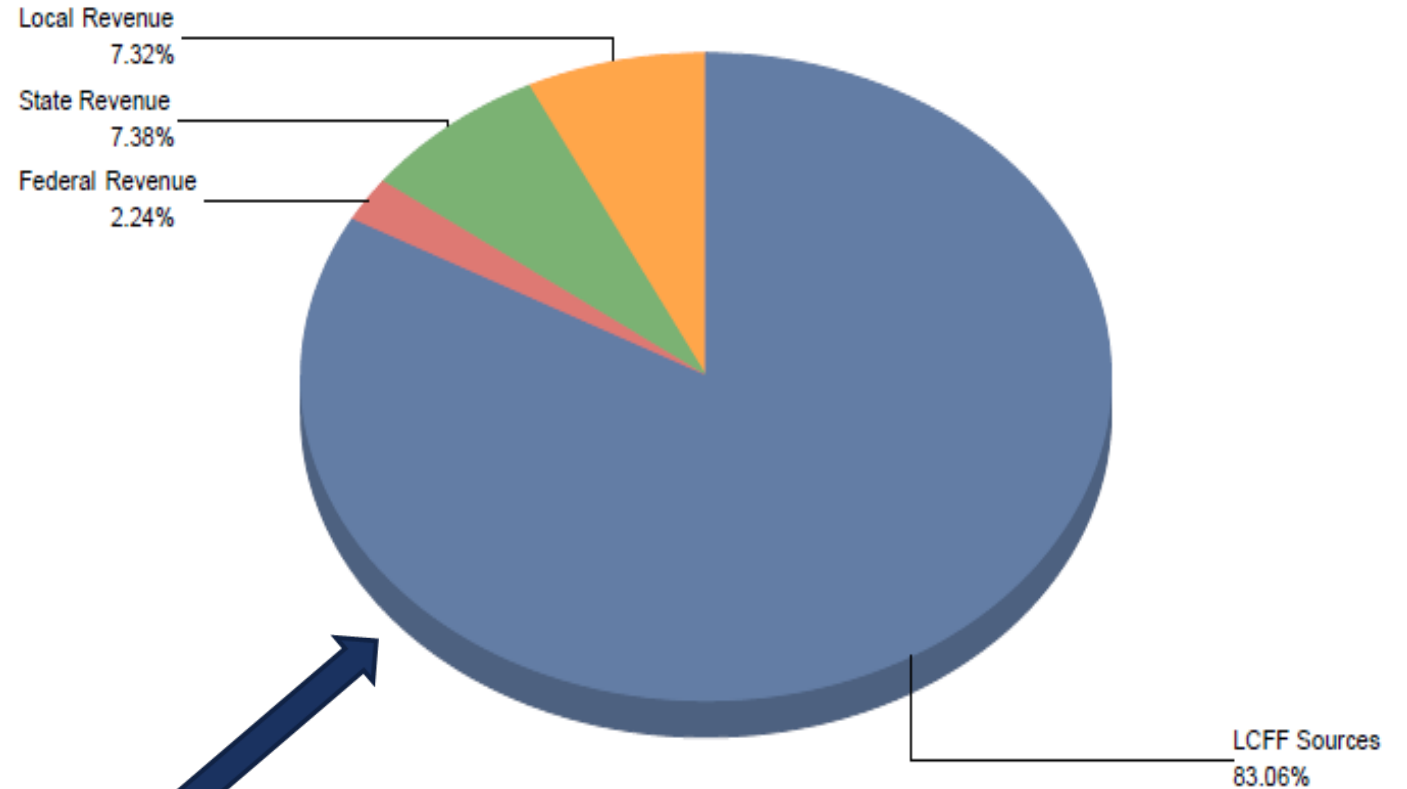
Based on P-I Estimate (Not in Second Interim Budget)



SCOE recommends that this source of funding not be budgeted until closing and that it be considered one-time funding due to volatility

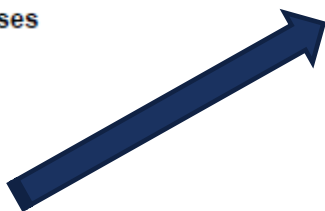
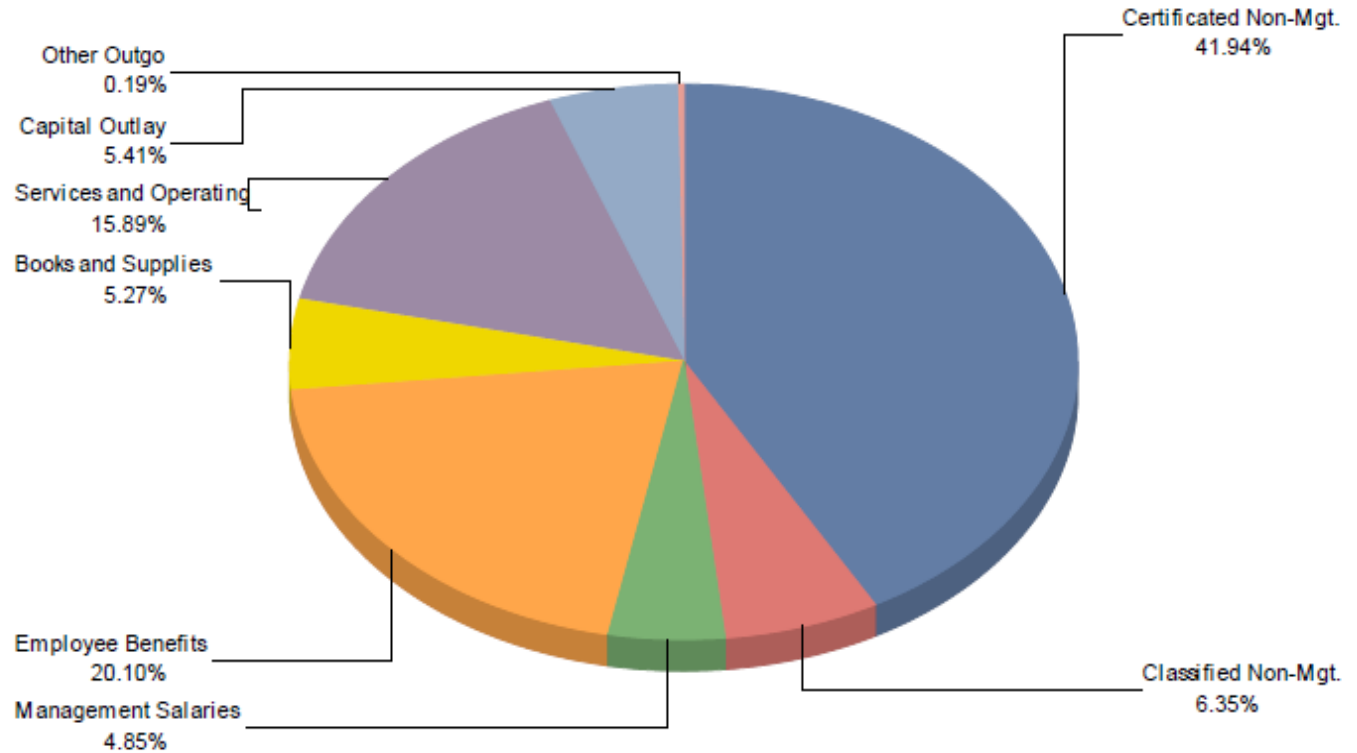
# General Fund Revenue Sources

Revenue by Object:	Dollars per ADA	Total Amount
LCFF Sources	8,961.89	6,524,253
Federal Revenue	241.80	176,030
Other State Revenue	796.62	579,938
Other Local Revenue	789.50	574,757
<b>Total Revenue</b>	<b>\$10,789.80</b>	<b>\$7,854,978</b>
Transfer In & Others	\$0.00	\$0
<b>Total Resources</b>	<b>\$10,789.80</b>	<b>\$7,854,978</b>



# General Fund Expenditures

Expenditure by Object:	Dollars per ADA	Total Amount
Cert. Non-Mgt. Salaries	4,920.39	3,582,044
Class. Non-Mgt. Salaries	744.47	541,971
Management Salaries	569.16	414,350
Employee Benefits	2,358.70	1,717,134
Books and Supplies	618.17	450,028
Services and Operating	1,864.97	1,357,697
Capital Outlay	634.57	461,966
Other Outgo	22.66	16,500
<b>Total Expenditure</b>	<b>\$11,733.09</b>	<b>\$8,541,690</b>
<b>Transfer out and Other:</b>	<b>\$1,318.69</b>	<b>\$960,004</b>
<b>Total Uses</b>	<b>\$13,051.78</b>	<b>\$9,501,694</b>





# Questions?