

# 2019-2020 First Interim Financial Report Final

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PRESENTED: DECEMBER 19, 2019  
REPORT TO BOARD OF TRUSTEES



# First Interim Overview

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What is First Interim?

Review of Revenue

Review of Expenditures

Multi-Year Projections

Next Steps

# What is First Interim?

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- Review and make necessary changes that have occurred in the budget since Budget Adoption in June
  - Incorporate recent information into the budget
- General changes at First Interim:
  - Addition of prior year carryover
  - Adjusting revenue based on current information
  - Revising salary expenditures based on actual vs. projected costs
  - Adjusting other expenditure accounts to reflect actual and projected expenses through June 30, 2020

# Revenue Update

	Adopted Budget	First Interim	Variance Budget & First Interim	Reason for Revision
<i>Information through:</i>	<b>7/1/2019</b>	<b>10/31/2019</b>		
<i>Board Approval:</i>	<b>6/20/2019</b>	<b>12/19/2019</b>		
LCFF Sources (property taxes)	113,194,590	116,626,135	3,431,545	Property tax increase \$2.9Mil
Federal Revenue	4,164,197	4,707,291	543,094	Carryover and Current Yr Adjust
Other State Revenue	9,836,907	10,948,677	1,111,770	SPED Preschool Grant
Other Local Revenue	15,956,120	20,042,379	4,086,259	Add PTA donations & PTA funded Positions & Ed Found \$3.7Mil
Interfund Transfers In	750,000	750,000	0	No change
<b>Total Revenue</b>	<b>\$ 143,901,814</b>	<b>\$ 153,074,483</b>	<b>\$ 9,172,669</b>	

# Expenditure Update

## Summary Revenue and Expenditures

	Adopted Budget	First Interim	Variance & First Interim	Budget	Reason for Revision
<i>Information through:</i>	<b>7/1/2019</b>	<b>10/31/2019</b>			
<i>Board Approval:</i>	<b>6/21/2019</b>	<b>12/19/2019</b>			
Certificated Salaries	66,057,397	65,615,534	(441,863)		Attrition \$702k and Special Ed positions vacant \$249K & filled by agencies, FC Principal and PTA positions
Classified Salaries	16,314,547	17,048,140	733,593		Special Ed positions vacant & filled by agencies \$276k, add PTA positons \$1M
Employee Benefits	33,729,244	34,140,082	410,838		Result of increased workers comp and fluctuations in STRS and PERS rates
Books & Supplies	4,891,731	7,618,388	2,726,657		Add prior year Carryover (CO) from donations \$1.2 mil and donations \$1.3 Mil
Service, Other Operating	24,701,381	32,074,174	7,372,793		Add prior year CO \$187k, Sp. Ed agencies \$4 mil, Lottery & Fed Programs \$1.8 Mil, New PTA donations \$605K, PY Accruals \$312K
Capital Outlay	10,000	123,862	113,862		Board room renovations \$42K
Other Outgo	1,181,673	1,181,673	0		No change
Direct Support/Indirect	(255,524)	(262,749)	(7,225)		
Interfund Transfers Out	1,071,158	1,072,667	1,509		Transfers to Funds 40 and 63
<b>Total Expenditures</b>	<b>\$ 147,701,607</b>	<b>\$ 158,611,771</b>	<b>\$ 10,910,164</b>		

# Multi-Year Projection: Revenue

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<b>MYP - General Fund First Interim 2019-20</b>	<b>First Interim 2019-20</b>	<b>Projected 2020-21</b>	<b>Projected 2021-22</b>
LCFF	\$ 116,626,135	\$ 121,398,868	\$ 126,441,783
Federal Revenues	\$ 4,707,291	\$ 3,919,068	3,919,068
State Income	\$ 10,948,677	\$ 9,630,272	9,636,945
Local Income	\$ 20,042,379	\$ 16,848,806	17,325,603
<b>Total Income</b>	<b>\$ 153,074,483</b>	<b>\$ 152,547,015</b>	<b>\$ 158,073,400</b>

# Multi-Year Projection: Expenditures

MYP - General Fund First Interim 2019-20	First Interim 2019-20	Projected 2020- 21	Projected 2021- 22
Certificated	\$ 65,615,535	\$ 67,153,120	\$ 67,967,548
Classified	\$ 17,048,140	\$ 16,237,344	\$ 16,519,579
Benefits	\$ 34,140,082	\$ 35,612,386	\$ 36,143,385
Books/Supplies	\$ 7,618,389	\$ 4,785,061	\$ 5,167,761
Services	\$ 32,074,174	\$ 28,498,503	\$ 28,160,645
Capital Outlay	\$ 123,862	\$ 22,396	\$ 22,396
Other Outgo	\$ 1,181,673	\$ 1,181,673	\$ 1,181,673
Indirect	\$ (262,749)	\$ (262,749)	\$ (262,749)
<b>Total Expenditures</b>	<b>\$ 157,539,106</b>	<b>\$ 153,227,734</b>	<b>\$ 154,900,238</b>
<b>Balance Before Transfers</b>	<b>\$ (5,214,624)</b>	<b>\$ (1,430,720)</b>	<b>\$ 2,423,158</b>
Interfund Transfers			
Transfers IN (Annex and Presch)	\$ 750,000	\$ 750,000	\$ 750,000
Transfers OUT	\$ 1,072,667	\$ 1,072,667	\$ 1,072,667
Contributions to Restricted Prog.			
Subtotal	\$ (322,667)	\$ (322,667)	\$ (322,667)
<b>Total Net Increase/ (Decrease)</b>	<b>\$ (5,537,291)</b>	<b>\$ (1,753,387)</b>	<b>\$ 2,100,491</b>

# Multi-Year Projection: Ending Fund Balance

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MYP - General Fund First Interim 2019-20	First Interim 2019-20	Projected 2020-21	Projected 2021-22
Beg Balance	\$ 43,875,563	\$ 38,338,271	\$ 36,584,883
<b>Ending Fund Balance</b>	\$ 38,338,271	\$ 36,584,883	\$ 38,685,375
Revolving Cash	\$ 80,288	\$ 80,288	\$ 80,288
Restricted	\$ 9,130,891	\$ 10,112,680	\$ 11,651,284
Reserve Econ Uncertainty 10% to 6%	\$ 9,516,706	\$ 9,258,024	\$ 9,358,374
Assigned	\$ 19,610,386	\$ 16,708,631	\$ 14,993,448
Undesignated Reserve	\$ -	\$ 425,260	\$ 2,601,980

# Assigned Ending Fund Balance

MYP - General Fund First Interim 2019-20	First Interim 2019-20	Projected 2020-21	Projected 2021-22
Assigned Ending Fund Balance			
Vacation	\$ 500,000	\$ 500,000	\$ 500,000
Payroll One Month	\$ 9,032,662	\$ 9,916,904	\$ 10,052,542
One Time Set Aside for 20-21 Deficit Spending	\$ 2,735,176		
Supplemental Carryover	\$ 355,720	\$ 355,720	\$ 355,720
SMETA Negotiated Increase	\$ 4,352,463	\$ 2,901,642	\$ 1,450,821
Affordable Care Act		\$ 150,000	\$ 150,000
SPED Early Intervention	\$ 1,234,365	\$ 1,234,365	\$ 1,234,365
Sped Prog Increases		\$ 500,000	\$ 500,000
Tech Refresh		\$ 750,000	\$ 750,000
Textbook Adoption Science/Social Studies	\$ 1,400,000		
Open New School		\$ 400,000	
<b>Total</b>	<b>\$ 19,610,386</b>	<b>\$ 16,708,631</b>	<b>\$ 14,993,448</b>

# Next Steps

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## **January**

Governor's Proposed Budget – January 15, 2020

## **January – May**

LCAP and Budget development meetings with stakeholder groups

## **March**

Board presentation and approval of Second Interim

## **June**

2020-21 LCAP and Budget Public Hearing

2020-21 LCAP and Budget Adoption

# Questions & Comments

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