



2019-20 Unaudited Actuals September 10, 2020

- ▶ Los Gatos Union School District

Agenda

- ▶ General Fund Revenue
- ▶ Revenue: Education Protection Account Summary
- ▶ Revenue Highlights
- ▶ General Fund Expenses
- ▶ Expense Highlights
- ▶ Schedule of Contributions
- ▶ General Fund Activity Summary
- ▶ General Fund Balance & Reserves
- ▶ Other Fund Balances
- ▶ Next Steps
- ▶ Questions

19-20 Unaudited Actuals General Fund Revenue

GENERAL PURPOSE REVENUE	\$31,760,901
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LCFF SOURCES

Property Taxes	30,215,330
Education Protection Acct	586,416
Minimum State Aide	114,149
LCFF Transfers SPED	845,006

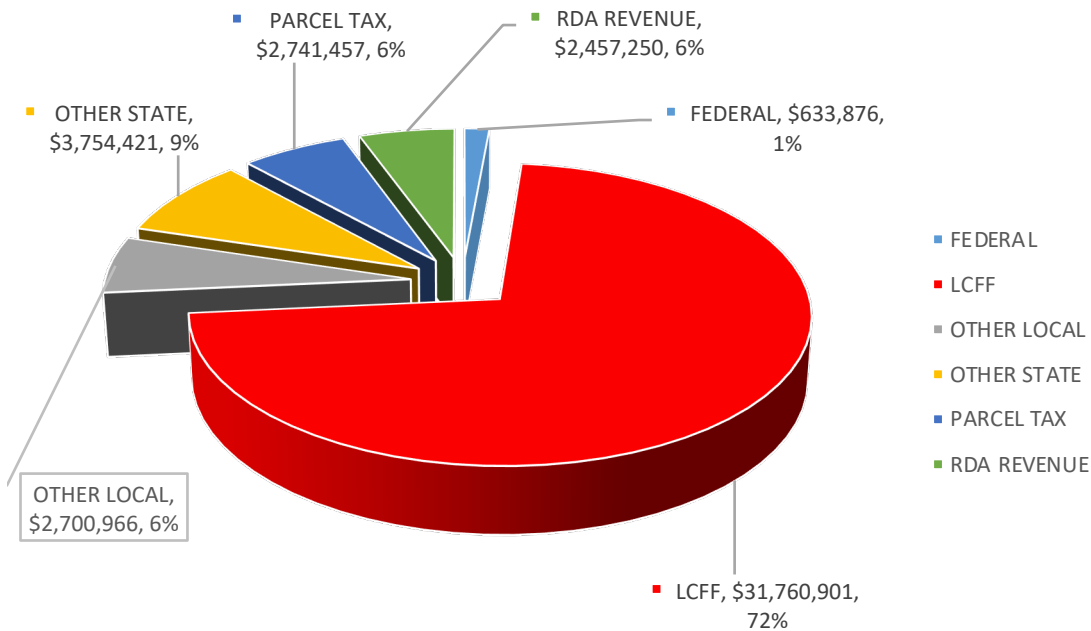
RESTRICTED REVENUE

Federal Funds	633,876
Other State Revenue	3,754,421
Other Local Revenue	2,700,966
Parcel Tax	2,741,457
Redevelopment Agency Funds	2,457,250

TOTAL REVENUE	\$44,048,871
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19-20 General Fund Revenue

Total General Fund Revenue UA 19-20



General Purpose –
*Property Taxes, Education
Protection Account &
Minimum State Aid*

**Federal – District must
follow specific grant
guidelines (Title II, Title III,
etc.)**

**Other State – State
funds not part of LCFF
(Lottery, Special Education,
STRS on-behalf, etc.)**

**Local – Funds received
from local sources (HSC,
LGEF, interest, County,
donations, fees)**

► 2019-20 Education Protection Account (EPA)

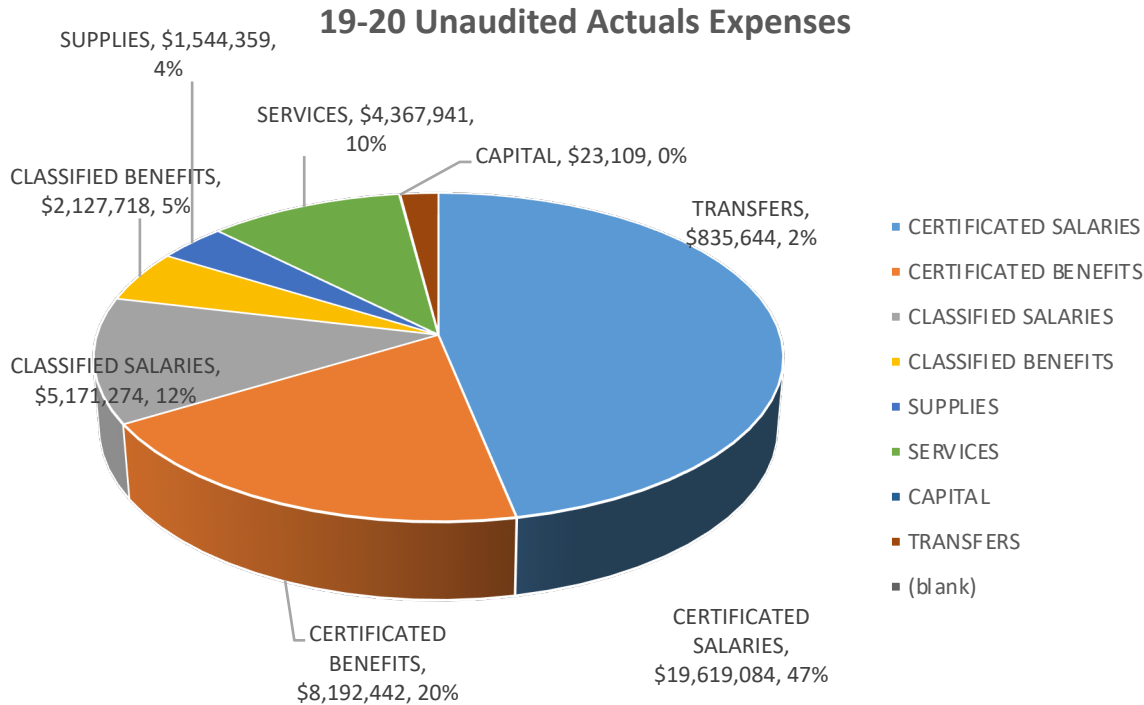
- K-14 general purpose funds must be utilized for instructional purposes

Education Protection Account (EPA) Budget 2019-20 Fiscal Year	
BEGINNING BALANCE	\$ -
EPA REVENUE	\$ 586,416
EPA EXPENDITURES	
Certificated Teacher Salaries	\$ 450,470
Certificated Teacher Benefits	\$ 135,946
TOTAL EXPENDITURES	\$ 586,416
ENDING BALANCE	\$ -

19-20 Unaudited Actuals Revenue Highlights

- ▶ Average Daily Attendance (ADA). Actual District ADA is 2767; a decrease of 211 ADA from 2018-19. This primarily reduces Federal, State and SPED revenue.
- ▶ Property taxes received during the fiscal year were \$29.6 million; an increase of approximately \$1.54 million or 5.4% from 2018-19. District is \$5+ million above State guaranty.
- ▶ Other State income is higher than budget due to an increase contribution from the State for STRS retirement costs. Additionally received \$50K in Covid 19 PPE funds.
- ▶ Other local income was lower than budget projections. This is primarily from HSC savings. They will have an additional \$250K+ toward expenses available for the current year based on savings from last year.

19-20 Unaudited Actuals General Fund Expenditures



Salaries & Benefits—
Includes negotiated salary increases and 16.28% District and State contributions to Pensions

Supplies — *Includes teacher supplies, curriculum and maintenance supplies*

Services — *Outside service providers including Special Education providers, utilities and insurance*

Capital — *ongoing routine maintenance and improvements*

84% of GF expenditures is salary and benefits

19-20 Unaudited Actuals Expense Highlights

- ▶ Salary and Benefits generally showed positive variances. The primary savings were due to open positions in administration and teaching positions.
- ▶ Major variance on benefits due to the one-time State funding for STRS on-behalf funding. This is fully offset by income associated with the State funding.
- ▶ Supplies is under budget by \$500K for the MS Science adoption. These funds have been expended in 20-21 and will be carried over. Additionally the HSC materials was underbudget by \$250K. These funds will be savings to the HSC for the year and can be carried over to 20-21
- ▶ Service contracts were also below budget including \$70K savings in transportation and \$200K consultants.

19-20 Required Contributions from Unrestricted General Fund

Resource/Fund	Contribution	Transfer In
Special Education Program	3,712,114	
Total Contributions from Unrestricted	<u>3,712,114</u>	
Cafeteria Fund		182,300
Deferred Maintenance Fund		<u>550,000</u>
Total Interfund Transfers		<u>732,300</u>

19-20 Unaudited Actuals General Fund Activity Schedule

19-20 UNAUDITED ACTUALS PRESENTATION

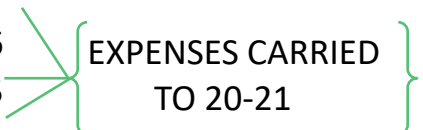
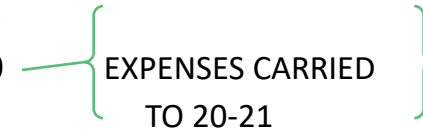
	Actuals 18-19	Budget 19-20	Unaudited Actuals 19-20	Variance 19-20	Adopted 20-21	Working 20-21	Variance 20-21
FEDERAL	\$657,584	\$629,167	\$633,876	\$4,709	\$637,338	\$1,388,272	\$750,934
LCFF	\$30,134,647	\$31,640,756	\$31,760,901	\$120,145	\$32,636,882	\$32,101,886	-\$534,996
OTHER LOCAL	\$2,762,905	\$2,861,297	\$2,700,966	-\$160,331	\$2,655,136	\$2,622,124	-\$33,012
OTHER STATE	\$4,797,252	\$2,608,930	\$3,754,421	\$1,145,491	\$2,376,694	\$2,584,051	\$207,357
PARCEL TAX	\$2,715,925	\$2,750,000	\$2,741,457	-\$8,543	\$2,750,000	\$2,750,000	\$0
RDA REVENUE	\$2,410,767	\$2,457,000	\$2,457,250	\$250	\$2,535,133	\$2,506,000	-\$29,133
TOTAL REVENUE	\$43,479,080	\$42,947,150	\$44,048,871	\$1,101,721	\$43,591,183	\$43,952,333	\$361,150

	Actuals 18-19	Budget 19-20	Unaudited Actuals 19-20	Variance 19-20	Adopted 20-21	Working 20-21	Variance 20-21
CERTIFICATED SALARIES	\$19,547,794	\$19,736,091	\$19,619,084	\$590,426	\$20,685,099	\$20,714,099	\$2,874
CERTIFICATED BENEFITS	\$8,591,581	\$7,306,589	\$8,192,442	-\$885,853	\$7,274,208	\$7,277,927	-\$3,719
CLASSIFIED SALARIES	\$4,957,117	\$5,264,071	\$5,171,274	\$92,797	\$5,277,248	\$5,282,248	-\$5,000
CLASSIFIED BENEFITS	\$2,265,167	\$2,273,210	\$2,127,718	\$145,492	\$2,404,097	\$2,408,097	-\$4,000
SUPPLIES	\$1,568,979	\$2,280,839	\$1,544,359	\$736,480	\$2,061,443	\$1,912,173	\$149,270
SERVICES	\$4,614,325	\$5,083,291	\$4,367,941	\$715,350	\$4,852,215	\$4,810,118	\$42,097
CAPITAL	\$20,786	\$178,053	\$23,109	\$154,944	\$144,539	\$144,539	\$0
TRANSFERS	\$887,039	\$895,000	\$835,644	\$59,356	\$921,751	\$921,751	\$0
TOTAL EXPENSES	\$42,452,788	\$43,017,144	\$41,881,571	\$1,608,992	\$43,620,600	\$43,470,952	\$181,522

NET CHANGE FUND BALANCE	\$ 1,026,292	\$ (69,994)	\$ 2,167,300	\$ (29,417)	\$ 481,381
BEGINNING FUND BALANCE	\$9,083,351	\$10,109,628	\$10,109,628	\$12,276,928	\$12,276,928
+ NET CHANGE FUND BALANCE	\$1,026,292	-\$69,994	\$2,167,300	-\$29,417	\$481,381
ENDING FUND BALANCE	\$10,109,628	\$10,039,634	\$12,276,928	\$12,247,511	\$12,758,309
RESERVE BALANCES					
RESTRICTED FUNDS			\$1,651,214		\$2,332,222
ASSIGNED FUNDS			\$187,488		
COMMITTED FUNDS					
UNRESTRICTED FUNDS			\$10,438,226		\$10,426,087
RESERVE PERCENT					
Unrestricted Reserve %			24.92%		24.89%
Reserve for Economic Uncertainty 3%			\$1,256,447		\$1,304,129
Board Designated Reserve 15%			\$6,282,236		\$6,520,643
Undesignated Reserves			\$2,899,543		\$2,601,316

19-20 Unaudited Actuals

General Fund Ending Balance & Reserves

▶ Revolving Cash		\$	2,800
▶ Pre-payments		\$	149,056
▶ Restricted		\$	1,651,214
▶ Lottery/MS Science Curriculum	\$ 417,586	 EXPENSES CARRIED TO 20-21	
▶ Low Performing Student Grant	\$ 179,565		
▶ Special Education	\$ 24,644		
▶ Other Local & HSC	\$ 487,461		
▶ RDA Routine Maintenance	\$ 541,957		
▶ Assigned		\$	187,488
▶ Balance due Food Service Accounts	\$ 67,488	 EXPENSES CARRIED TO 20-21	
▶ Teacher Lap Top Replacement	\$ 120,000		
▶ Subtotal Restricted, Committed & Assigned		\$	1,838,702
▶ TOTAL UNASSIGNED RESERVES		\$	10,438,226
▶ State Required 3% Reserve for Economic Uncertainty		\$	<u>1,256,447</u>

20-21 Adopted Budget to Working Budget Variance

- ▶ Property Tax Revenue has a negative \$534K variance due to lower than anticipated business tax collections
 - ▶ Deficit will use reserves to maintain balanced budget
 - ▶ Lower tax collections may also necessitate short term cash flow loan
- ▶ This is offset by the Learning loss mitigation funding \$960K
- ▶ Expense variances include supplies and services. These are related to savings for the HSC including field trips and student device purchases.
- ▶ Other expenses related to Covid including PPE, PD and Substitute teachers and Technology have already been included in the adopted budget
- ▶ Child Nutrition is the most variant income numbers due to the substantial reduction in meal service and may require additional contributions.

2019-20 Ending Balances-Other Funds

OTHER FUND BALANCES							
OTHER FUNDS	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Fund 13 Child Nutrition	21,317	18,589	18,589	(3,838)	751	6,861	754
Income	537,957	582,298	563,843	570,987	523,247	614,460	649,724
Transfers In	110,000	79,984	126,068	152,000	182,300	150,000	150,000
Expenses	650,685	662,282	712,339	718,441	699,436	770,567	769,337
ENDING BALANCE	18,589	18,589	(3,838)	708	6,861	754	31,283
Fund 14 Deferred Maintenance	387,054	833,834	1,366,910	1,037,160	1,495,583	2,052,583	2,609,583
Income			17,152	17,340	7,000	7,000	7,000
Transfers In	550,000	661,048	550,000	550,000	550,000	550,000	550,000
Transfers Out			750,000				
Expenses	103,220	127,972	146,902	108,917			
ENDING BALANCE	833,834	1,366,910	1,037,160	1,495,583	2,052,583	2,609,583	3,166,583
Fund 17 Other Reserves (STRS/PERS)	2,210,545	2,226,285	810,218	11,717	16,874	17,205	17,705
Income	15,741	12,296	11,717	5,157	332	500	500
Transfers Out		1,428,363	810,218	-			
ENDING BALANCE	2,226,285	810,218	11,717	16,874	17,205	17,705	18,205
Fund 25 Developer Fees	1,751,995	1,772	41,249	443,650	690,346	910,306	4,010,306
Income	508,172	276,506	402,402	246,695	219,960	3,100,000	2,700,000
Expenses	2,258,395	237,029	-				
ENDING BALANCE	1,772	41,249	443,650	690,346	910,306	4,010,306	6,710,306
Fund 35 County School Facilities	-	-	-	-	-	-	-
Income	3,908,780						
Expenses	3,908,780						
ENDING BALANCE	-	-	-	-	-	-	-
Fund 40 Special Capital Reserve	9,569,475	4,735,876	5,273,659	3,474,242	2,908,249	2,965,378	3,000,378
Income	56,952	53,672	69,886	64,105	57,219	35,000	35,000
Transfers In		1,428,363	750,000				
Expenses	4,890,551	944,252	2,619,303	630,098	0	3,000,378	3,035,378
ENDING BALANCE	4,735,876	5,273,659	3,474,242	2,908,249	2,965,378	1,560,144	1,107,144
Total	\$ 13,940,385	\$ 7,816,357	\$ 7,510,626	\$ 5,111,759	\$ 4,960,371	\$ 7,652,113	\$ 10,556,061

Next Steps

- ▶ Staff has finished closing the books
- ▶ The auditors express an opinion (no later than Dec. 15, 2020)
 - ▶ “In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019...”
 - ▶ This is the opinion we want to see!
 - ▶ Currently working with the auditors to finalize
 - ▶ Auditors completed their site work

Questions

