

2018-2019 First Interim Financial Report Final

PRESENTED: DECEMBER 6, 2018
REPORT TO BOARD OF TRUSTEES



First Interim Overview

What is First Interim?

Review of Revenue

Review of Expenditures

Multi-Year Projections

Next Steps

What is First Interim?

- 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, 2019

Revenue Update

	Adopted Budget	First Interim	Variance Budget & First Interim	Reason for Revision
<i>Information through:</i>	7/1/2018	10/31/2018		
<i>Board Approval:</i>	6/21/2018	12/6/2018		
LCFF Sources (property taxes)	107,720,856	108,951,437	1,230,581	Property tax increase 1%
Federal Revenue	4,246,312	4,644,815	398,503	Add prior year deferred revenue \$340k, add Title IV entitlement \$69k
Other State Revenue	12,026,883	10,465,389	(1,561,494)	Reduce rate state one time funds 2018-19 from \$344 to \$184/ADA, Incr. STRS On Behalf \$272k
Other Local Revenue	5,588,020	7,797,199	2,209,179	Add PTA donations & PTA funded positions \$2.1 mil, Incr. interest revenue \$75k
Interfund Transfers In	750,000	750,000	0	No change
Total Revenue	\$ 130,332,071	\$ 132,608,840	\$ 2,276,769	

Expenditure Update*

	Adopted Budget	First Interim	Variance Budget & First Interim	Reason for Revision
<i>Information through:</i>	7/1/2018	10/31/2018		
Certificated Salaries	61,949,676	60,185,057	(1,764,619)	Attrition \$765k, Special Ed positions vacant & filled by agencies \$1.1 mil
Classified Salaries	15,875,087	15,776,044	(99,043)	Attrition \$348k, Special Ed positions vacant & filled by agencies \$620k, add PTA positons \$873k
Employee Benefits	30,707,787	30,344,569	(363,218)	Result of lower salary expense, Incr. STRS On Behalf \$272k
Books & Supplies	3,106,763	4,979,743	1,872,980	Add prior year Carryover (CO) from donations \$1.3 mil and restricted programs \$873k
Service, Other Operating	22,831,402	24,207,310	1,375,908	Add prior year CO \$879k, Sp. Ed agencies \$2.9 mil, Sewer \$100k, Recology \$70k, Budget Reduct 300k, Decr. \$2 mil state one time
Capital Outlay	1,566,000	655,122	(910,878)	Reduce budgeted expenditures due to reduction in state one time revenue \$1.5 mil
Other Outgo	1,359,811	1,359,811	0	No change
Direct Support/Indirect	(211,482)	(219,118)	(7,636)	Result of decreased net expenditures
Interfund Transfers Out	859,286	3,564,200	2,704,914	Transfers to Funds 40 and 63
Total Expenditures	\$ 138,044,330	\$ 140,852,738	\$ 2,808,408	

*Does not include negotiated salary tentative agreement for 2018-19

Multi-Year Projection: Revenue

MYP - General Fund First Interim 2018-19	First Interim 2018-19	Projected 2019-20	Projected 2020-21
LCFF	\$ 108,951,437	\$ 113,373,848	\$ 118,037,392
Federal Revenues	\$ 4,644,815	\$ 3,835,067	3,835,067
State Income	\$ 10,465,389	\$ 8,365,888	8,379,879
Local Income	\$ 7,797,199	\$ 5,788,276	5,915,657
Total Income	\$ 131,858,840	\$ 131,363,079	\$ 136,167,996

Multi-Year Projection: Expenditures*

MYP - General Fund First Interim 2018-19	First Interim 2018-19	Projected 2019-20	Projected 2020-21
Certificated	\$ 60,185,057	\$ 60,272,262	\$ 61,274,650
Classified	\$ 15,776,044	\$ 15,101,187	\$ 15,352,221
Benefits	\$ 30,344,569	\$ 31,290,336	\$ 32,690,454
Books/Supplies	\$ 4,979,743	\$ 4,655,988	\$ 4,645,382
Services	\$ 24,207,310	\$ 23,537,392	\$ 23,578,066
Capital Outlay	\$ 655,122	\$ 10,000	\$ 10,000
Other Outgo	\$ 1,359,811	\$ 1,359,811	\$ 1,359,811
Indirect	\$ (219,118)	\$ (219,118)	\$ (219,118)
Total Expenditures	\$ 137,288,538	\$ 136,007,858	\$ 138,691,467
Balance Before Transfers	\$ (5,429,698)	\$ (4,644,780)	\$ (2,523,472)
Interfund Transfers			
Transfers IN	\$ 750,000	\$ 750,000	\$ 750,000
Transfers Out	\$ 3,564,200	\$ 859,286	\$ 859,286
Contributions to Restricted Prog.	\$ -	\$ -	\$ -
Subtotal	\$ (2,814,200)	\$ (109,286)	\$ (109,286)
Total Net Increase / (Decrease)	\$ (8,243,898)	\$ (4,754,066)	\$ (2,632,758)

*Does not include negotiated salary tentative agreement for 2018-19 or 2019-20

Multi-Year Projection: Ending Fund Balance*

MYP - General Fund First Interim 2018-19	First Interim 2018-19	Projected 2019-20	Projected 2020-21
Beg. Balance	\$ 46,853,733	\$ 38,609,835	\$ 33,855,769
Ending Fund Balance	\$ 38,609,835	\$ 33,855,769	\$ 31,223,012
Revolving Cash	\$ 80,288	\$ 80,288	\$ 80,288
Restricted	\$ 6,914,048	\$ 7,262,115	\$ 7,540,879
Reserve-Econ Uncertainty 10% to 6%	\$ 8,451,164	\$ 8,212,029	\$ 8,373,045
Assigned	\$ 18,683,513	\$ 17,903,548	\$ 14,983,548
Undesignated Reserve	\$ 4,480,822	\$ 397,789	\$ 245,251
Total Available Reserves	9%	6%	6%

*Does not include negotiated salary tentative agreement for 2018-19 or 2019-20

Assigned Ending Fund Balance

MYP - General Fund First Interim 2018-19	First Interim 2018-19	Projected 2019-20	Projected 2020-21
Assigned Ending Fund Balance			
Vacation	500,000	500,000	500,000
Payroll	6,713,598	6,750,000	6,750,000
Payroll	2,286,402	2,500,000	2,500,000
Supplemental	1,023,548	1,023,548	1,023,548
Pending SMETA TA	1,900,000	1,980,000	2,060,000
Emergency Infrastructure Repairs	5,000,000	5,000,000	2,000,000
Unrepresented/Sub Empl Health Care	150,000	150,000	150,000
Property Tax (approx. 1%)	1,109,965	-	-
	\$ 18,683,513	\$ 17,903,548	\$ 14,983,548

Next Steps

January

Governor's Proposed Budget – January 15, 2019

January – May

LCAP and Budget development meetings with stakeholder groups

March

Board presentation and approval of Second Interim

June

2019-20 LCAP and Budget Public Hearing

2019-20 LCAP and Budget Adoption

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Questions & Comments

