



2019-2020
FIRST INTERIM BUDGET

REGULAR BOARD MEETING
DECEMBER 18, 2019

Presentation



- Adopted Budget vs. First Interim
 - Revenue and Expenditure Variances
- General Fund Summary
 - 2019-2020 Revenues and Expenditures
- Multi-Year Projection
- Looking Ahead

**ADOPTED BUDGET
VS.
FIRST INTERIM**

Revenue



| | Adopted Budget | Carryover | Budget Adjustments | First Interim |
|------------------------------------|----------------|-----------|--------------------|---------------|
| LCFF Sources | 53,164,241 | - | - | 53,164,241 |
| Federal Revenues | 1,273,877 | 157,364 | (33,337) | 1,397,904 |
| Other State Revenues | 3,503,338 | - | 764,867 | 4,268,205 |
| Other Local Revenues | 3,582,800 | - | 525,109 | 4,107,909 |
| Other Finance Sources/Transfers In | 70,000 | - | 102,578 | 172,578 |
| Total Revenues | 61,594,256 | 157,364 | 1,359,217 | 63,110,837 |

Revenue Variances



- Other State Revenues:
 - Increase due to one-time unrestricted funding for Preschool students and prior year lottery revenue
- Federal Revenues:
 - Increase for carryover programs
- Other Local Revenues:
 - Increase for sale of Apple Equipment
 - Increase in Interest Revenue
 - Increase due to site fundraising budgeted when received
 - Intra SELPA MOU tuition
 - DMSEF actual contribution higher than budgeted
- Transfers In:
 - Increase for reimbursable Measure MM expenditures

Expenditures



| | Adopted Budget | Carryover | Budget Adjustments | First Interim |
|---------------------------|----------------|-----------|--------------------|---------------|
| Certificated Salaries | 30,707,222 | 105,626 | 248,727 | 31,061,575 |
| Classified Salaries | 8,412,814 | - | 148,865 | 8,561,679 |
| Employee Benefits | 14,653,282 | - | 532,982 | 15,186,264 |
| Books & Supplies | 1,613,470 | 182,278 | 409,219 | 2,204,967 |
| Operating Expenses | 5,380,982 | 76,084 | 106,474 | 5,563,540 |
| Capital Outlay | 110,820 | - | 81,091 | 191,911 |
| Other Outgo/ Transfer Out | 715,666 | - | (18,171) | 697,495 |
| Total Expenditures | 61,594,256 | 363,988 | 1,509,187 | 63,467,431 |

Expenditure Variance



- Salaries and Benefits:
 - Salary and benefits adjustments based upon expenditures through October 31, 2019
 - Includes three Spanish Teachers
 - Includes \$500,000 OPEB Trust Contribution assigned at Unaudited Actuals

- Books and Supplies:
 - Wonders Curriculum purchase for Special Education Program
 - Carryover & current year: fundraising and school site improvement

Expenditure Variance



- Operating Expenses:
 - Increase for Solar Consultant
 - Current year and carryover balances for fundraising
 - Increase in Restricted Maintenance expenses due to overall increase in budget
- Capital Outlay and Other Outgo:
 - Reallocation for HVAC replacement at Sage Canyon
 - Adjustment for intra SELPA MOU tuition

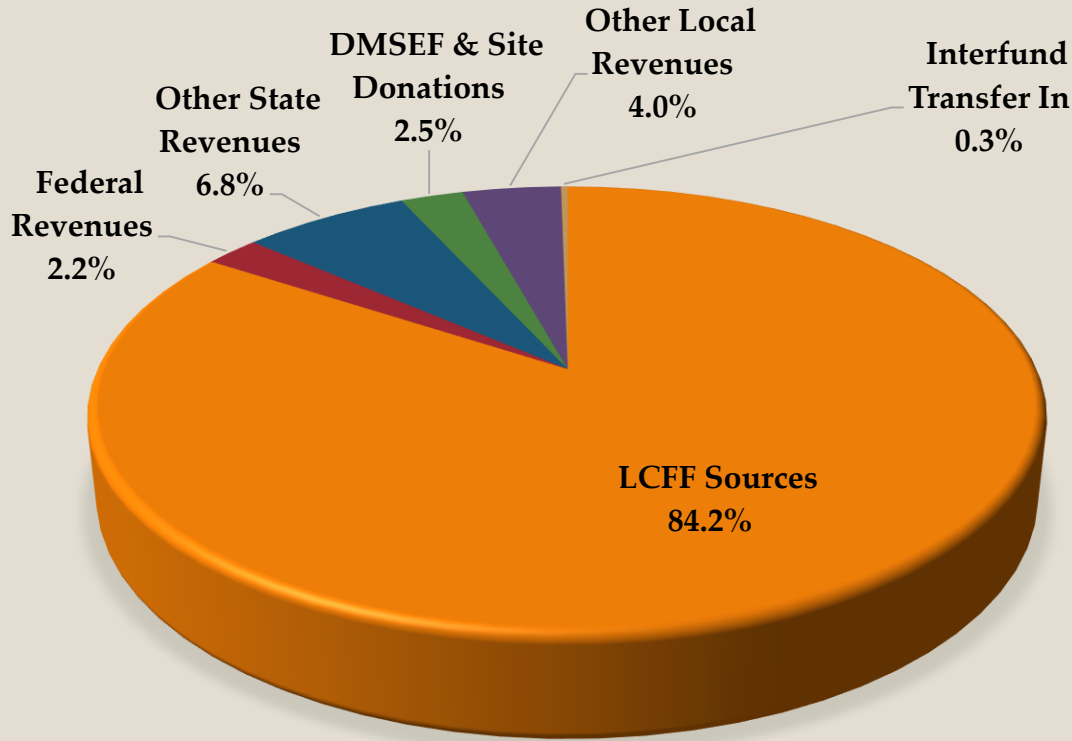
Ending Fund Balance



| | First Interim |
|--|---------------|
| Beginning Fund Balance | 13,921,442 |
| Net Increase (Decrease) | (356,594) |
| Ending Fund Balance | 13,564,848 |
| <i>Components of Ending Fund Balance:</i> | |
| Revolving Cash | 25,000 |
| Restricted: | 347,571 |
| Assigned: | |
| Minimum Reserve 15% | 9,520,115 |
| Science Curriculum Adoption | 750,000 |
| 3% Reserve for Economic Uncertainties | 1,904,023 |
| Unassigned/Unappropriated | 1,018,139 |
| Unrestricted Reserve Percentage | 20.8% |

GENERAL FUND SUMMARY

2019-2020 Revenue Summary

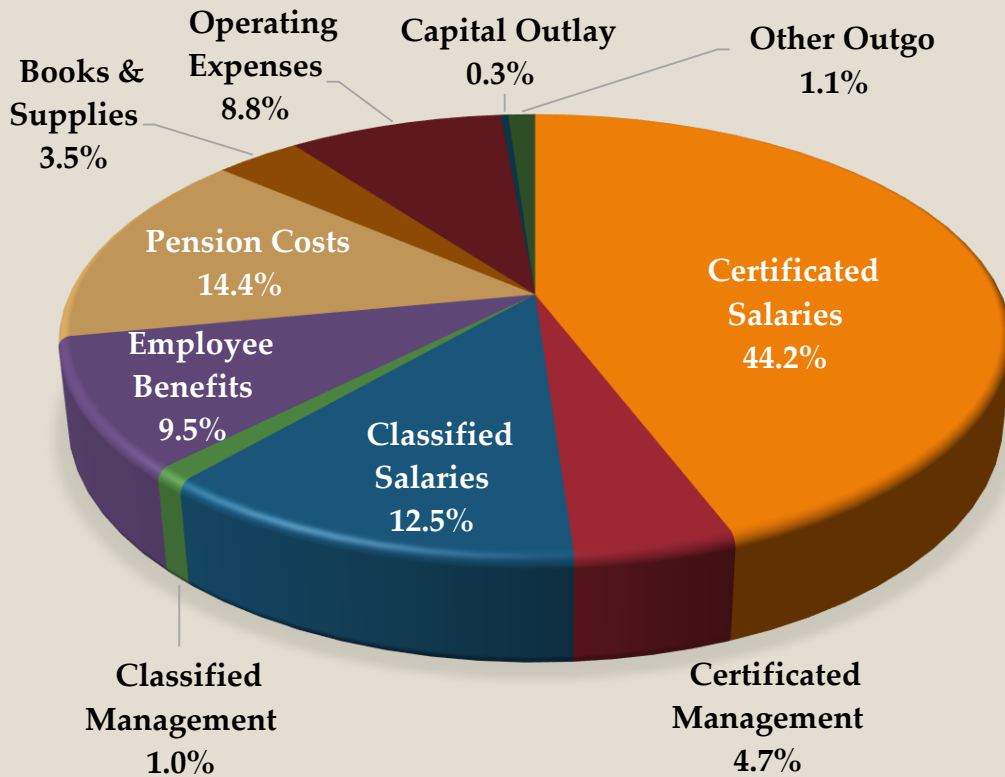


| | |
|--|-------------------|
| LCFF Sources | 53,164,241 |
| Federal Revenues | 1,397,904 |
| Other State Revenues | 4,268,205 |
| Other Local Revenues | 2,507,885 |
| DMSEF & Site Donations | 1,600,024 |
| Other Financing Sources | 172,578 |
| Total Revenue & Other Financing Sources | 63,110,837 |

Other State Revenues includes:

- One-time funding for Special Education Preschool of \$630,698
- State STRS "on-behalf" contribution of \$2,251,408

2019-2020 Expenditure Summary



| | |
|---|-------------------|
| Certificated Salaries | 28,055,617 |
| Certificated Management | 3,005,958 |
| Classified Salaries | 7,901,294 |
| Classified Management | 660,385 |
| Employee Benefits | 6,037,884 |
| Pension Costs* | 9,148,380 |
| Books & Supplies | 2,204,967 |
| Operating Expenses | 5,563,540 |
| Capital Outlay | 191,911 |
| Other Outgo/Transfer Out | 697,495 |
| Total Expenditures & Other Outgo | 63,467,431 |

***Total Salary and Benefits = 86.3%**

*Pension costs include State STRS "on-behalf" contribution of \$2,251,408

MULTI-YEAR PROJECTION

Multi-Year Projection



- Based upon the School Services of California Dartboard
- Property Tax Projection:
 - 2020-21 4.5% Increase
 - 2021-22 4.0% Increase
- Average Daily Attendance Projections:
 - 2020-21 4,017
 - 2021-22 4,017
- Salary: Step and Column 2% Increase Annually
- Benefits: Annual Increase in Employer STRS and PERS Contributions

Multi-Year Projection



| DESCRIPTION | FY 2019-20 Current (Base Year) | FY 2020-21 First Projected Year | FY 2021-22 Second Projected Year |
|-----------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| Revenues | | | |
| LCFF Sources | 53,164,241 | 55,432,332 | 57,561,963 |
| Federal Revenues | 1,397,904 | 1,240,540 | 1,240,540 |
| Other State Revenues | 4,268,205 | 3,517,224 | 3,525,646 |
| Other Local Revenues | 4,107,909 | 3,710,167 | 3,711,413 |
| Transfers In/Other Sources | 172,578 | - | (3,020) |
| Total Revenues: | 63,110,837 | 63,900,263 | 66,036,542 |
| Expenditures | | | |
| Certificated Salaries | 31,061,575 | 31,509,248 | 32,139,433 |
| Classified Salaries | 8,561,679 | 8,732,913 | 8,907,571 |
| Employee Benefits | 15,186,264 | 15,602,030 | 15,933,839 |
| Books & Supplies | 2,204,967 | 1,459,311 | 1,503,382 |
| Services, Other Operating Expense | 5,563,540 | 5,415,598 | 5,503,045 |
| Capital Outlay | 191,911 | 169,262 | 174,373 |
| Other Outgo/Transfer Out | 697,495 | 998,086 | 1,598,673 |
| Total Expenditures: | 63,467,431 | 63,886,448 | 65,760,316 |

Multi-Year Projection



| DESCRIPTION | FY 2019-2020 Current (Base Year) | FY 2020-21 First Projected Year | FY 2021-22 Second Projected Year |
|---|-------------------------------------|------------------------------------|-------------------------------------|
| Beginning Balance as of July 1 | 13,921,442 | 13,564,848 | 13,578,663 |
| Net Increase (Decrease) In Fund Balance | (356,594) | 13,815 | 276,226 |
| Ending Balance | 13,564,848 | 13,578,663 | 13,854,889 |
| Revolving Cash | 25,000 | 25,000 | 25,000 |
| Restricted | 347,571 | 347,571 | 347,571 |
| Assignments: | | | |
| - Minimum Reserve 15% | 9,520,115 | 9,582,967 | 9,864,047 |
| - Science Curriculum Adoption | 750,000 | 750,000 | 750,000 |
| Reserve for Economic Uncertainties | 1,904,023 | 1,916,593 | 1,972,809 |
| Unassigned/Unappropriated Amount | 1,018,139 | 956,533 | 895,462 |
| | | | |
| <i>Total Unrestricted Fund Balance</i> | 13,192,277 | 13,206,093 | 13,482,318 |
| <i>Unrestricted Reserve Percentage</i> | 20.8% | 20.7% | 20.5% |

Looking Ahead



- Enrollment projection and staffing needs
- STRS/PERS annual increases
- DMSEF contribution
- Continue to prioritize projects as identified in Facilities Master Plan
- Continue reserving for annual operations of Pacific Highlands Ranch School #9
- OPEB Trust

Questions?