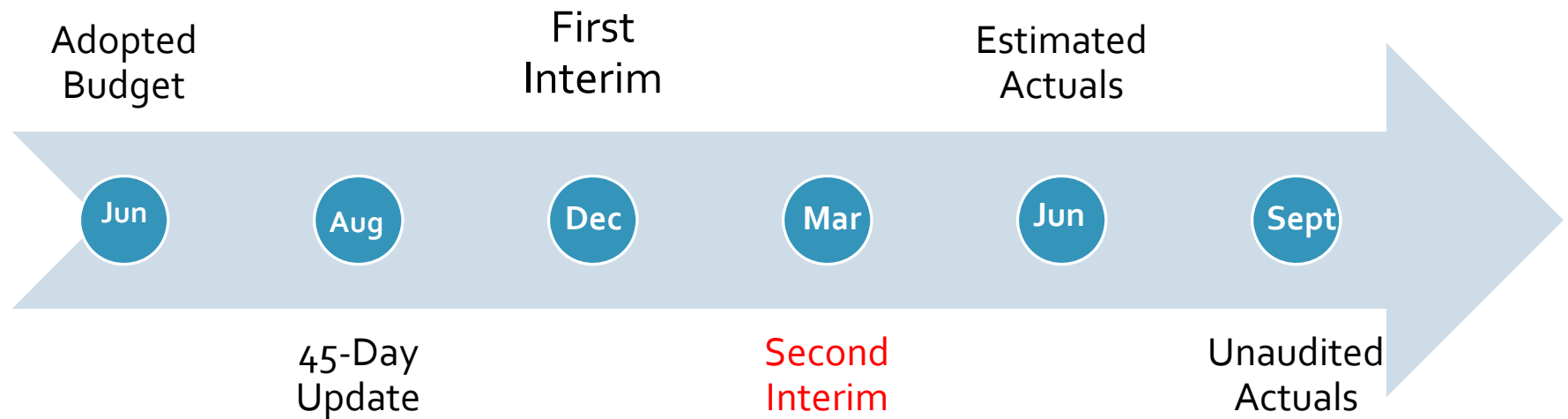


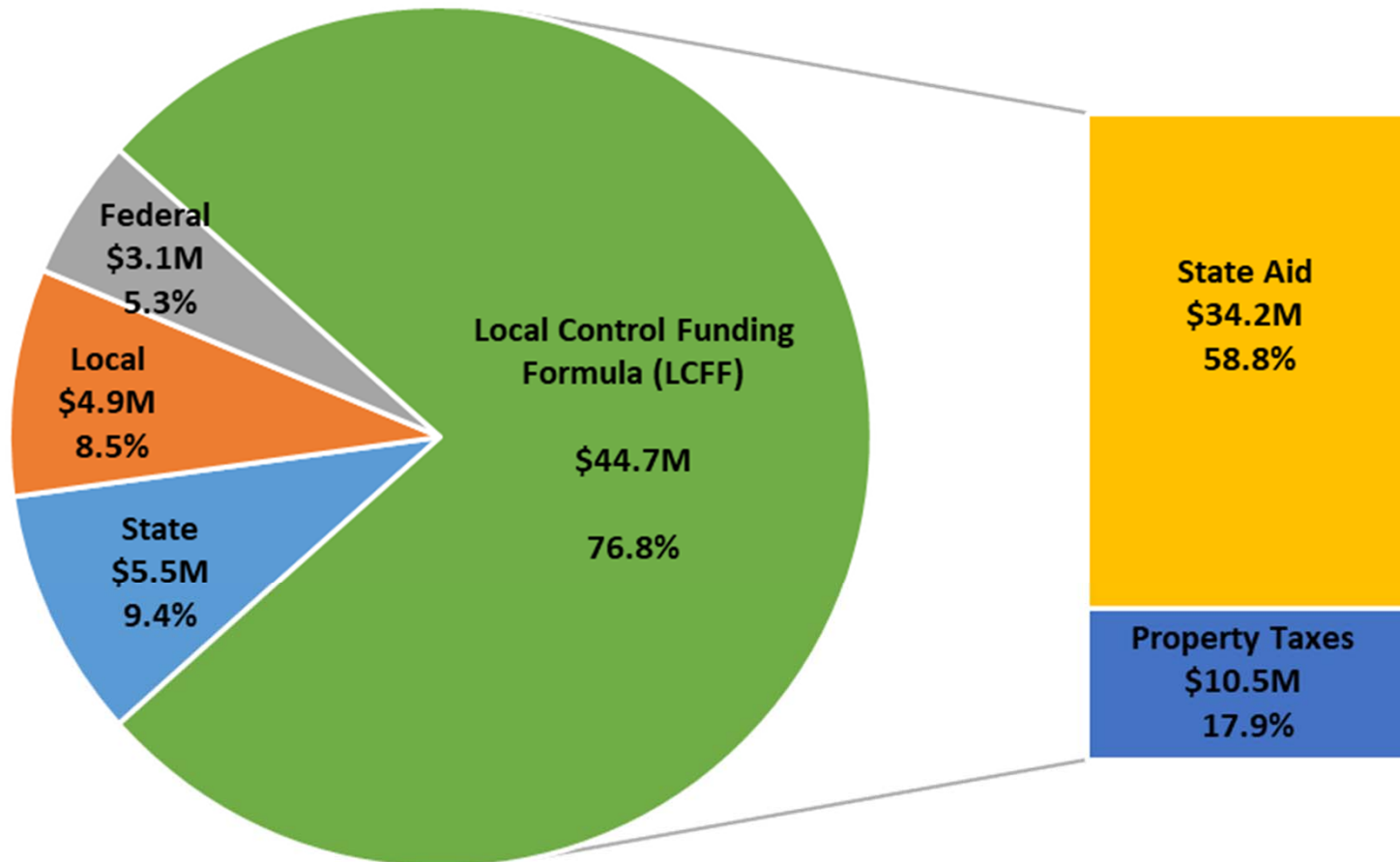
2019/20 SECOND INTERIM FINANCIAL REPORT

MARCH 12, 2020

Annual Financial Reporting Schedule



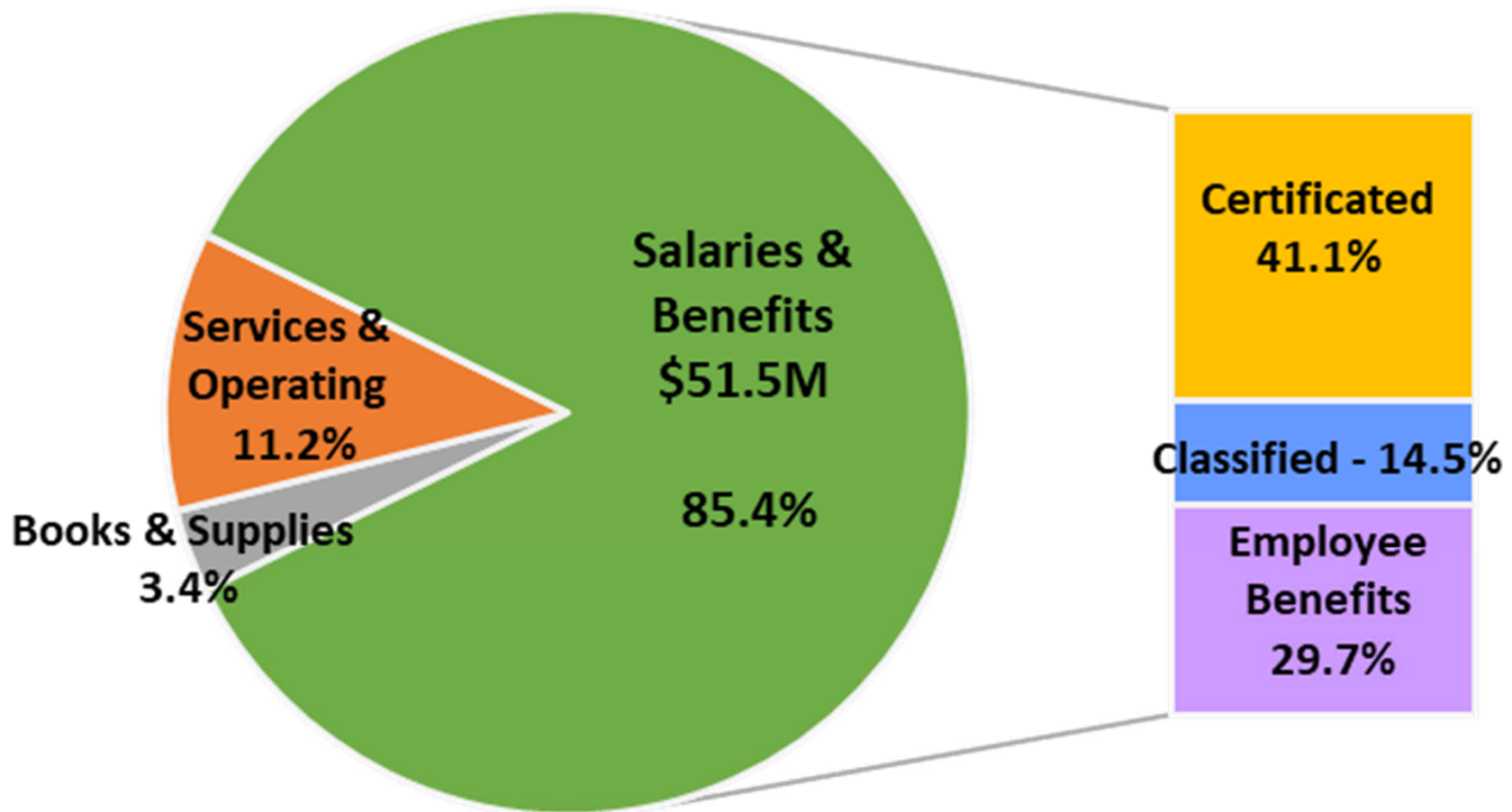
Total General Fund Revenues - \$58.2 M



Revenue Changes

	First Interim	Second Interim	Difference
LCFF Sources	\$44,660,451	\$44,694,320	\$33,869
Federal Revenues	\$2,927,566	\$3,078,597	\$151,031
State Revenues	\$5,461,236	\$5,472,236	\$11,000
Local Revenues	\$4,903,891	\$4,976,181	\$72,290
Total Revenues	\$57,953,145	\$58,221,335	\$268,190

Total General Fund Expenditures - \$60.3 M



Expenditure Changes

	First Interim	Second Interim	Difference
Certificated Salaries	\$24,922,554	\$24,820,937	\$101,617
Classified Salaries	\$8,432,680	\$8,780,212	\$(347,532)
Employee Benefits	\$17,802,260	\$17,938,737	\$(136,476)
Books & Supplies	\$2,602,897	\$2,042,062	\$560,835
Services/Operating	\$6,624,639	\$6,752,697	\$(128,058)
Capital Outlay	\$167,789	\$165,989	\$1,800
Other	(\$126,918)	(\$144,266)	\$17,348
Total Expenditures	\$60,425,901	\$60,356,367	\$69,534

General Fund Ending Balance & Reserves

19/20 GENERAL FUND	Unrestricted	Restricted	Combined
July 1, Beginning Balance	\$10,335,105	\$887,570	\$11,222,675
Revenues	\$38,713,367	\$19,507,968	\$58,221,335
Expenditures	(\$40,363,778)	(\$19,992,589)	(\$60,356,367)
Surplus/(Deficit)	(\$1,650,411)	(\$484,621)	(\$2,135,032)
June 30, Ending Fund Balance	\$8,684,694	\$402,949	\$9,087,643
Reserve Percentage	13.75%		13.75%

2017/18 Statewide Average Reserve, all Elementary School Districts – **20.20%**
 Minimum reserve recommended by Governmental Finance Officers Association – **17%**

Pupil Transportation – Fund 15

	Pupil Transportation
July 1, Beginning Balance	\$32,610
Revenues	\$439
Expenditures	(\$30,000)
Surplus/(Deficit)	(\$29,561)
June 30, Ending Fund Balance	\$3,049

Cafeteria Fund

Cafeteria	First Interim	Second Interim	Difference
July 1, Beginning Balance	\$622,099	\$622,099	
Revenues	\$1,870,435	\$2,291,570	\$421,135
Expenditures	(\$2,298,091)	(\$2,525,211)	(\$227,120)
Surplus/(Deficit)	(\$427,656)	(\$233,641)	\$194,015
June 30, Ending Fund Balance	\$194,443	\$388,458	\$194,015

7/1/2015 Beginning Balance	\$1,867,449
Deficit Spending - 2015/16	(\$344,638)
Deficit Spending - 2016/17	(\$168,585)
Deficit Spending - 2017/18	(\$374,652)
Deficit Spending - 2018/19	(\$357,475)
7/1/2019 Beginning Balance	\$622,099

Multi-Year Projection Assumptions

- Removed all one-time revenues from 19/20 – \$847K Preschool funds, Loc/Fed
- Removed all one-time expenses from 19/20 - LTA retir. incentive \$588K, grants
- LCFF-

	20-21	21-22
COLA	2.29%	2.71%
ADA	4,737	4,656

- Reduced teachers: 20-21- 2.5 FTE, 21-22-2.0 FTE for enrollment decline
- No salary increases included, negotiations pending
- 20-21 – \$50K middle school NGSS adoption, open source
- Deferred Maintenance - \$100K each year, maintain asphalt district-wide
- Health Benefits increase 3% each year
- PERS/STRS District Contribution rates:

	19-20	20-21	21-22
STRS	17.1%	18.4%	18.1%
PERS	19.72%	22.8%	24.9%

Budget Reductions – Staff Input Process

- LCAP Survey
- Budget Priorities Survey
- Employee committees
- Principal Initiative Inventory
- Board Goals
- Board Guiding Principles for Budget Development & Budget Reductions Decision-Making Guide

20/21 Budget Reductions in MYP


Level 1 & Level 2 (Non-staff) Reductions

- \$37,100: Sparkletts water service, food at meetings, non-essential travel (departments only)
- \$200K: NGSS textbook adoption – adopt in middle school only, open source
 - (\$500K reduction in 19/20 budget)
- \$250K: Deferred Maintenance
- \$200K: Contracted services (Conscious Classroom, ABA Behavior Specialist)
- \$200K: *Estimated* reductions to school allocations

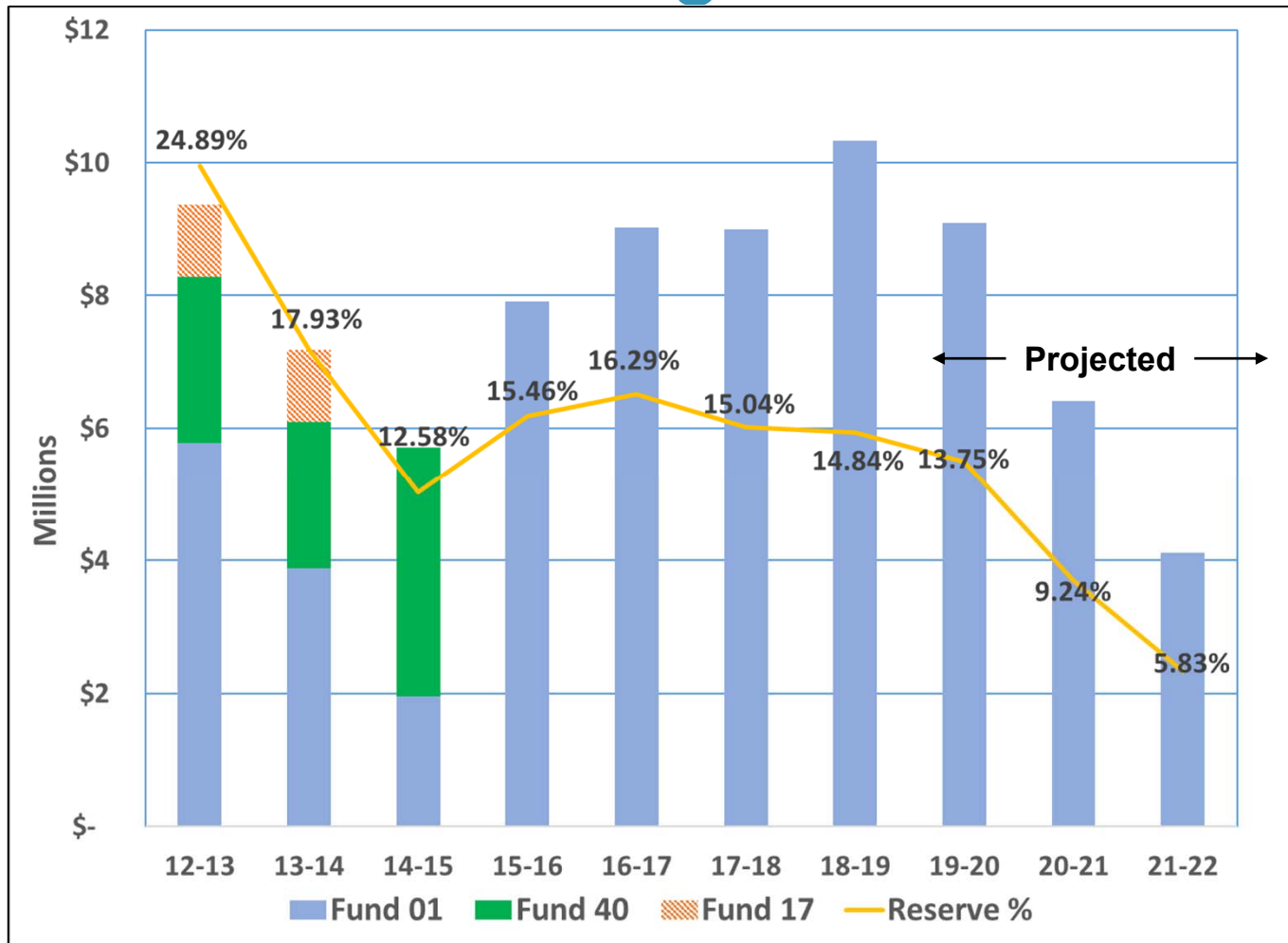
Combined Reductions = \$1.4 Million

Multi-Year Projections

Year 4

TOTAL GENERAL FUND	2019-20	2020-21	2021-22	2022-23
July 1, Beginning Balance	\$11,222,675	\$9,087,643	\$6,405,979	\$4,116,587
Estimated Revenues	\$58,221,335	\$57,201,406	\$57,920,019	\$58,416,544
Estimated Expenditures	(\$60,356,367)	(\$59,883,070)	(\$60,209,411)	(\$59,753,900)
Total Surplus/(Deficit)	(\$2,135,032)	(\$2,681,664)	(\$2,289,392)	(\$1,337,356)
Budget Reduction		(\$225,000)	(\$1,250,000)	(\$1,250,000)
Unrestricted Deficit 	(\$1,650,411)	(\$2,664,678)	(\$2,321,950)	(\$1,374,933)
June 30, Ending Fund Balance	\$9,087,643	\$6,405,979	\$4,116,587	\$2,779,231
Reserve Percentages	13.75%	9.24%	5.83%	3.41%

Unrestricted Ending Balance & Reserves



Board Resolution – to Identify Additional Budget Reductions

Assuming today's projections, additional reductions will be needed:

20/21: **\$225,000** (Level 3-Staff reductions)

21/22: **\$1,250,000** (all Levels)

Next Steps

- Monitor 20/21 State Budget process & Governor's May Revise
- Complete LCAP process, include budget adjustments as needed
- Develop plan for \$225,000 of additional reductions for 20/21
- Meet with all Principals & Department managers to develop detailed budget for 20/21

QUESTIONS

Recommend approval of 2019/20 Second Interim and
Positive Certification

