

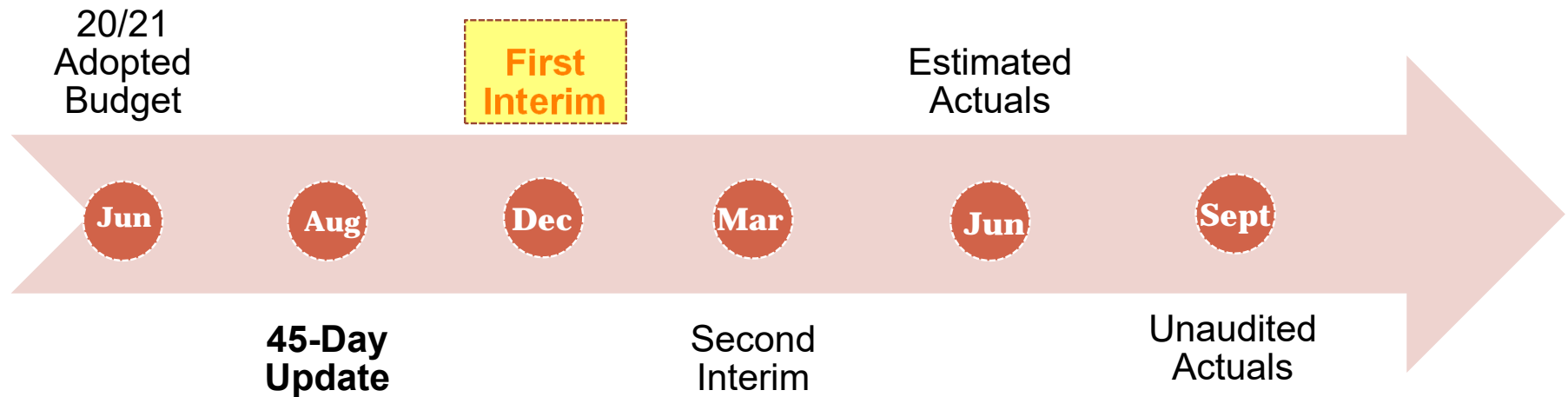
# 2020/21 First Interim Budget Report



**LAKESIDE UNION SCHOOL DISTRICT**

**DECEMBER 10, 2020**

# Annual Financial Reporting Schedule



## LCFF Budget Overview for Parents

Local Educational Agency (LEA) Name: Lakeside Union School District

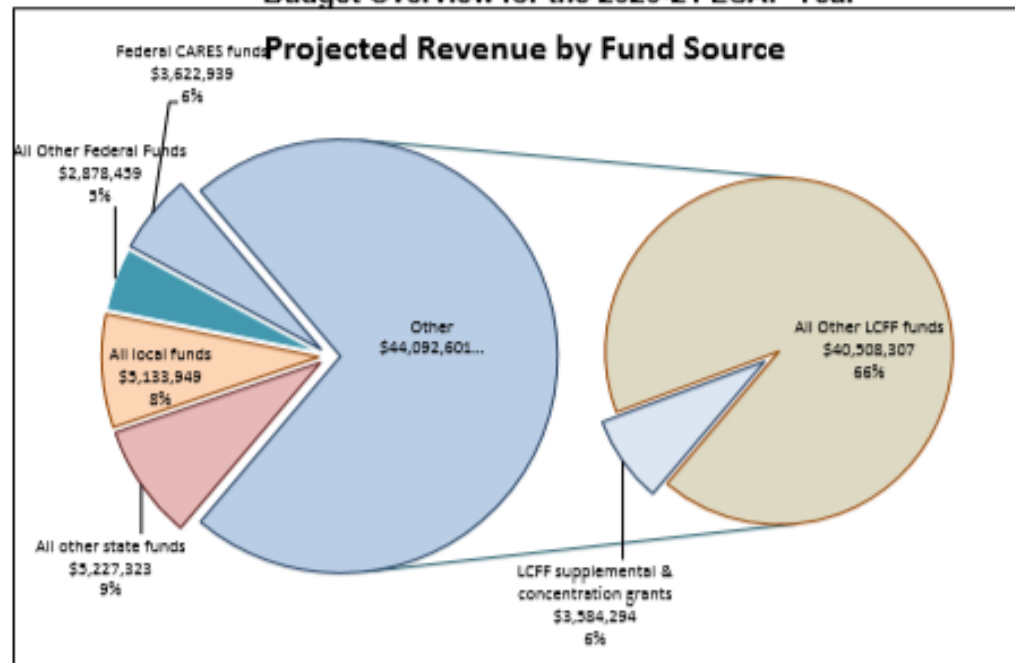
CDS Code: 37-68189

School Year: 2020-2021

LEA contact information: Erin Garcia, Assistant Superintendent

School districts receive funding from different sources: state funds under the Local Control Funding Formula (LCFF), other state funds, local funds, and federal funds. LCFF funds include a base level of funding for all LEAs and extra funding - called "supplemental and concentration" grants - to LEAs based on the enrollment of high needs students (foster youth, English learners, and low-income students).

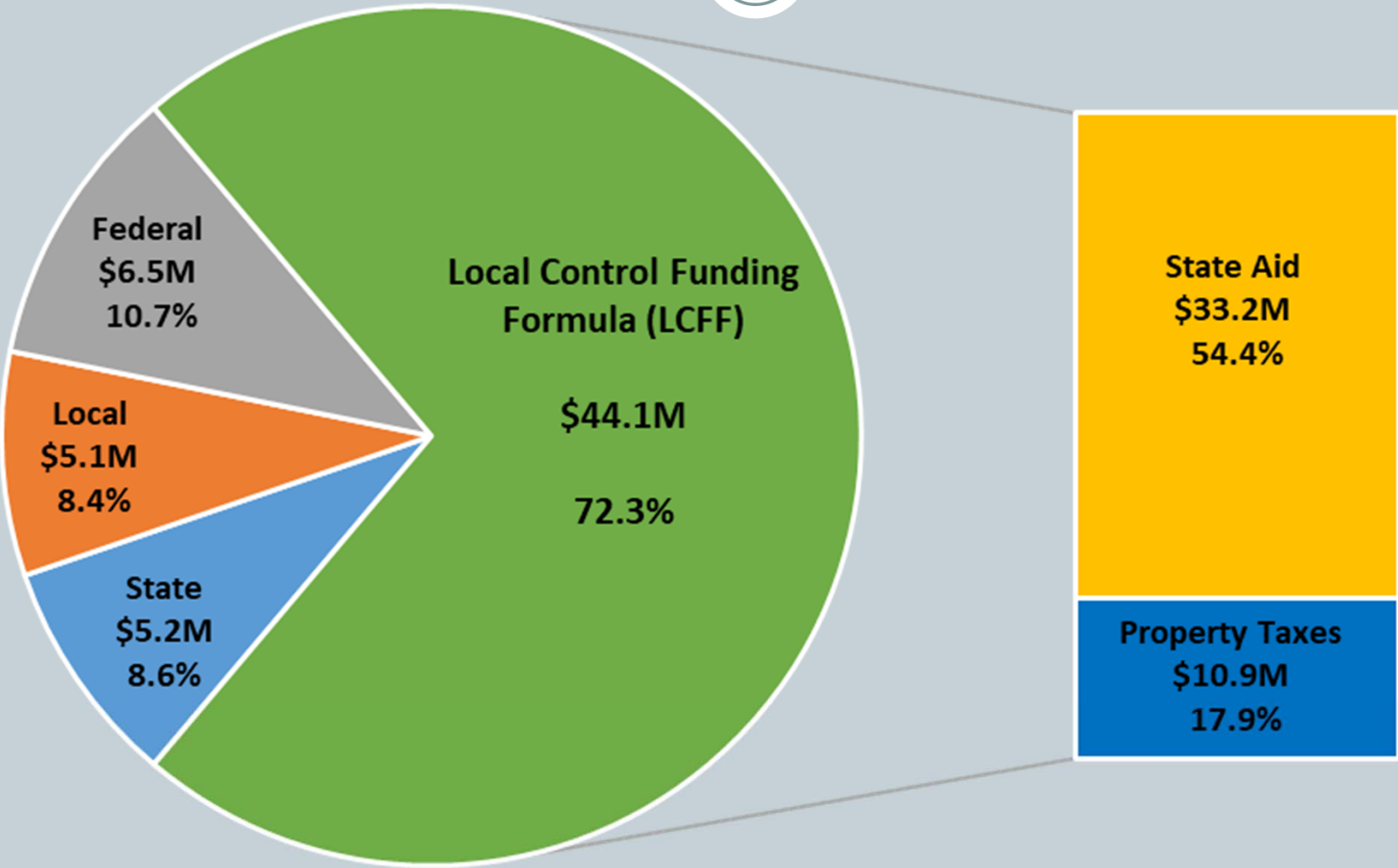
### Budget Overview for the 2020-21 LCAP Year



This chart shows the total general purpose revenue Lakeside Union School District expects to receive in the coming year from all sources.

The total revenue projected for Lakeside Union School District is \$80,955,271, of which \$44,092,601 is Local Control Funding Formula (LCFF), \$5,227,323 is other state funds, \$5,133,949 is local funds, and \$6,501,398 is federal funds. Of the \$6,501,398 in federal funds, \$3,622,939 are federal CARES Act funds. Of the \$44,092,601 in LCFF Funds, \$3,584,294 is generated based on the enrollment of high needs students (foster youth, English learner, and low-income students).

# Total General Fund Revenues - \$60.9 M

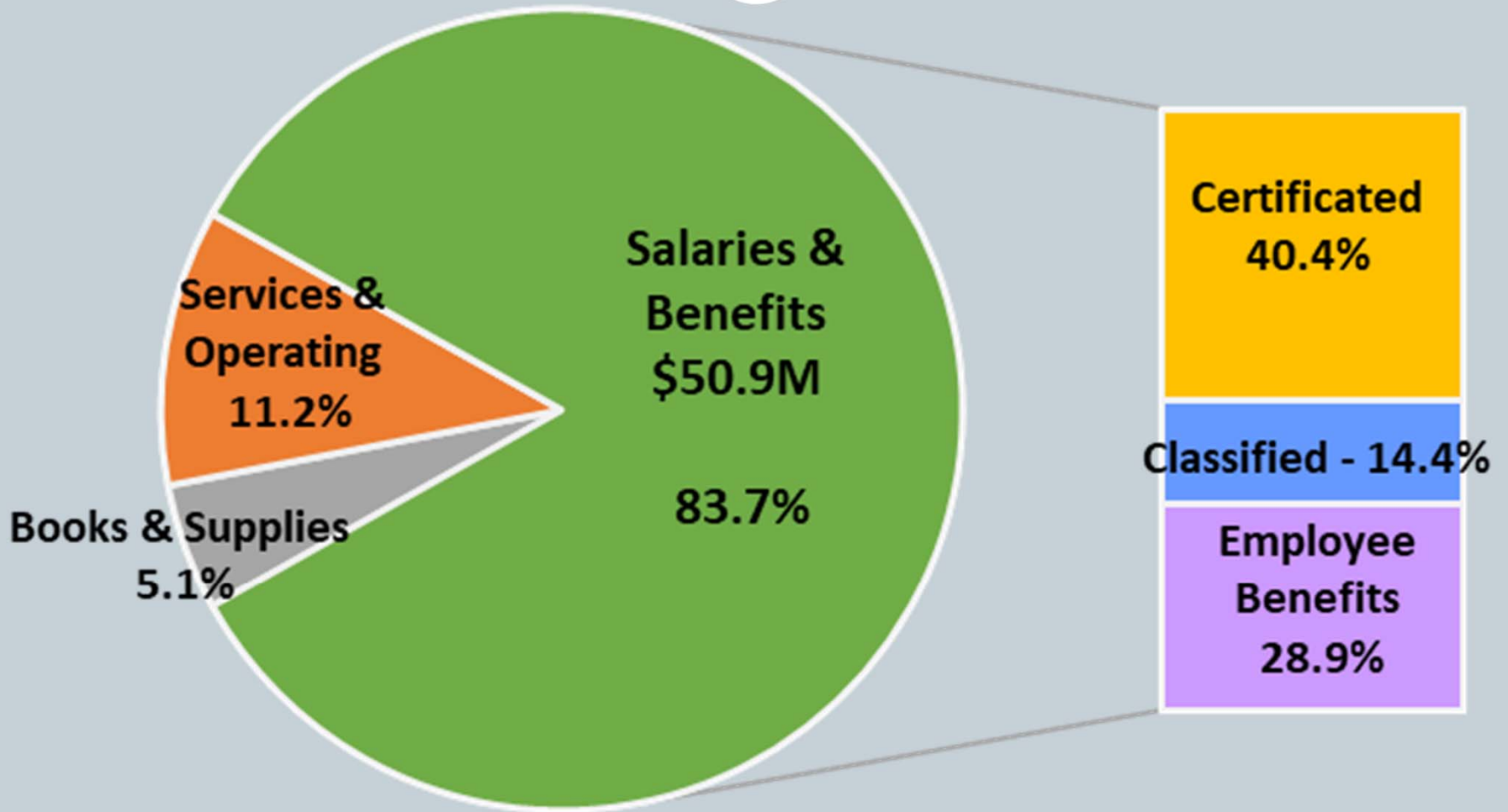


# Revenue Changes



|               | 45-Day              | First Interim       | Difference        |
|---------------|---------------------|---------------------|-------------------|
| LCFF          | \$44,092,601        | \$44,092,601        | \$0               |
| Federal       | \$6,445,575         | \$6,501,398         | \$55,824          |
| State         | \$5,480,926         | \$5,227,323         | (\$253,603)       |
| Local         | \$5,015,331         | \$5,133,949         | \$118,618         |
| <b>Totals</b> | <b>\$61,034,432</b> | <b>\$60,955,271</b> | <b>(\$79,161)</b> |

# Total General Fund Expenditures - \$60.8 M



# Expenditure Changes



|                           | 45-Day              | First Interim       | Difference       |
|---------------------------|---------------------|---------------------|------------------|
| Certificated Salaries     | \$24,662,632        | \$24,588,729        | \$73,903         |
| Classified Salaries       | \$8,829,152         | \$8,785,60          | \$43,592         |
| Benefits                  | \$17,674,468        | \$17,551,344        | \$123,124        |
| Books & Supplies          | \$3,909,188         | \$3,126,565         | \$782,623        |
| Services/Operating        | \$6,722,798         | \$6,788,072         | (\$65,274)       |
| Capital Outlay/Other      | (\$54,930)          | (\$12,162)          | (\$42,769)       |
| <b>Total Expenditures</b> | <b>\$61,743,307</b> | <b>\$60,828,107</b> | <b>\$915,200</b> |

# General Fund Ending Balance & Reserves



| <b>20/21 GENERAL FUND</b>    | <b>Unrestricted</b> | <b>Restricted</b> | <b>Combined</b>  |
|------------------------------|---------------------|-------------------|------------------|
| July 1, Beginning Balance    | \$10,481,136        | \$596,147         | \$11,077,283     |
| Revenues                     | \$38,541,274        | \$22,413,998      | \$60,955,272     |
| Expenditures                 | (\$38,338,674)      | (\$22,489,434)    | (\$60,828,108)   |
| <b>Surplus/(Deficit)</b>     | <b>\$202,600</b>    | <b>(\$75,436)</b> | <b>\$127,164</b> |
| June 30, Ending Fund Balance | \$10,683,736        | \$520,711         | \$11,204,447     |
| Reserve Percentage           | <b>16.77%</b>       |                   | <b>16.77%</b>    |



# Cafeteria Fund



|                              | Cafeteria          |
|------------------------------|--------------------|
| July 1, Beginning Balance    | \$477,512          |
| Revenues                     | \$1,828,839        |
| Expenditures                 | (\$2,074,878)      |
| <b>Surplus/(Deficit)</b>     | <b>(\$246,039)</b> |
| June 30, Ending Fund Balance | \$231,473          |

# Multi-Year Projection Assumptions


- LCFF- ADA held harmless through 21/22, declines by 282 in 22/23  
0% COLA rates - 21/22 & 22/23
- Fewer teachers due to declining enrollment: 3-21/22, 5-22/23
- Removal of CSI/SUMS/LPSBG grants in 21/22
- Assumes all COVID funding is spent by 6/30/21, removes all one-time revenues & expenses
- Deferred Maintenance - \$100K contribution each year
- Contribution to Cafeteria Fund: \$50K-21/22, \$200K-22/23
- No salary increases included, pending negotiations
- Health Benefits increase 3% each year

- PERS/STRS District  
Contribution rates:

|      | 20-21  | 21-22 | 22-23 |
|------|--------|-------|-------|
| PERS | 20.7%  | 23.0% | 26.3% |
| STRS | 16.15% | 16.0% | 18.1% |

# Multi-Year Projections



| TOTAL GENERAL FUND  | 2020-21          | 2021-22              | 2022-23              |
|---|------------------|----------------------|----------------------|
| July 1, Beginning Balance   | \$11,077,283     | \$11,204,447         | \$8,754,962          |
| Estimated Revenues  | \$60,955,272     | \$56,693,992         | \$54,313,371         |
| Estimated Expenditures  | (\$60,828,108)   | (\$59,143,477)       | (\$60,514,625)       |
| <b>Total Surplus/(Deficit)</b>  | <b>\$127,164</b> | <b>(\$2,449,485)</b> | <b>(\$6,201,254)</b> |
| <b>Unrestricted Deficit</b>  | <b>\$202,600</b> | <b>(\$2,403,027)</b> | <b>(\$6,118,793)</b> |
| June 30, Ending Fund Balance  | \$11,204,447     | \$8,754,962          | \$2,553,708          |
| Reserve Percentages   | <b>16.77%</b>    | <b>13.69%</b>        | <b>3.10%</b>         |

# Cashflow



- Cash payments to schools will be deferred for 5 months – February through June 2021
  - Deferrals to be repaid in July – November 2021
- Current projections show **negative cash of \$1.5M in June**
- Continually monitor & assess options to borrow cash
  - Cross-year Tax & Revenue Anticipation Note (TRAN) – Board Resolution at December 17<sup>th</sup> meeting

# Legislative Analysts Office (LAO) Nov Report



- CA has unexpected one-time “windfall” due to higher tax receipts than projected at time of 20/21 Budget Act
- K-shaped economic recovery – high income earners are doing well (pay majority of taxes in CA), low wage earners continue to struggle
- One-time funds are sufficient to allow the State to:
  - Eliminate all cash deferrals to schools
  - Fund a moderate 1.14% COLA for schools in 21/22
  - \$4.2B ongoing funds-LAO recommends allocating for a one-time purpose

# Next Steps



- Monitor Governor's January Budget – for 21/22 projections
- Develop 21/22 LCAP, with stakeholder input, to include budget adjustments as needed
- Develop plan to reduce deficit spending in 21/22, with input from the Budget Advisory Committee, for Board consideration

# QUESTIONS



**RECOMMEND APPROVAL OF 2020/21  
FIRST INTERIM AND POSITIVE  
CERTIFICATION**