



Board Meeting

2020-21 1st Interim Update

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December 15, 2020

First Interim Report 2020/2021

Overview

- ❑ The First Interim Report represents the District's first official revision to the Adopted Budget.
- ❑ Includes actual financial data through October 31, 2020 with revised projections through the remainder of the fiscal year.
- ❑ The District must certify its financial condition with each Interim Report.
 - ❑ Positive – meets financial obligations for current and two subsequent fiscal years.
 - ❑ Qualified – may not be able to meet financial obligations for current or two subsequent fiscal years.
 - ❑ Negative – will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year.

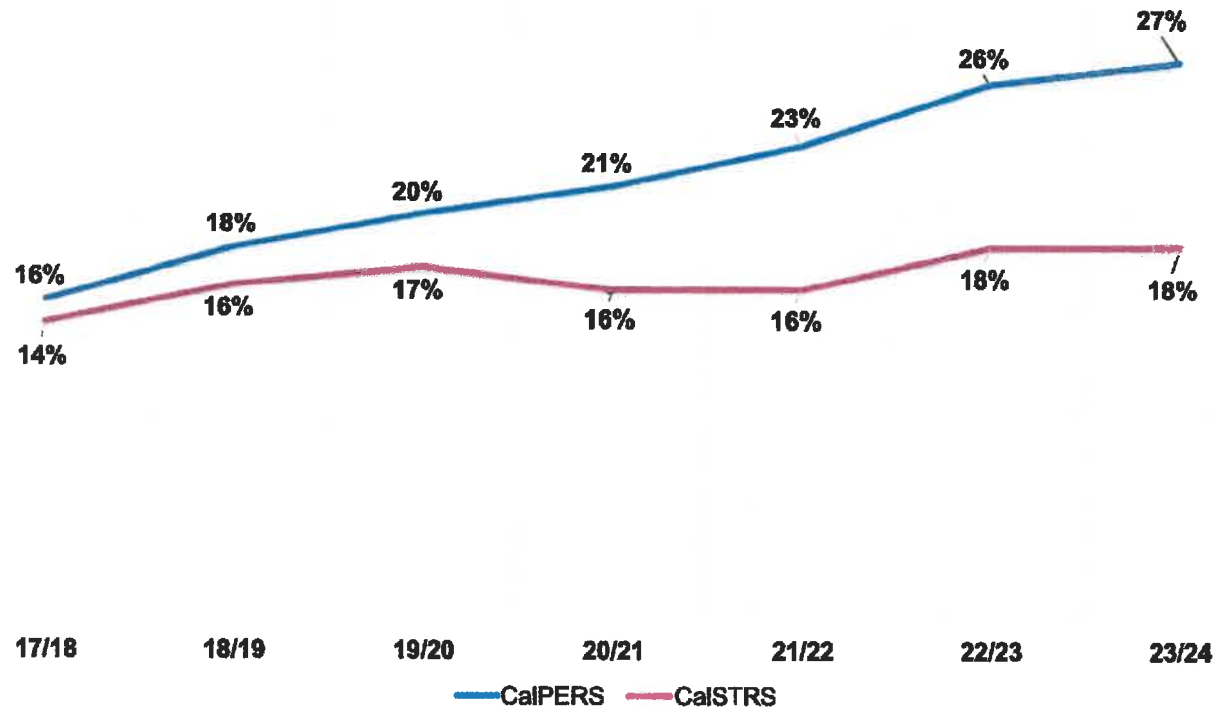


First Interim Report 2020/2021 State Economic Outlook

- ❑ Legislative Analyst's Office (LAO) issued its annual Fiscal Outlook on the 2021–22 Budget for California
- ❑ Year-to-date tax collections from the “Big Three”—personal income, sales and use, and corporation taxes—are trending 22% ahead of the lowered projections used for the 2020–21 Enacted State Budget
- ❑ The LAO cautions that the state's revenue growth over the subsequent three years is projected to grow at an average annual rate of less than 1%, while expenditures under current law and policy are projected to grow at an average annual rate of 4.4%



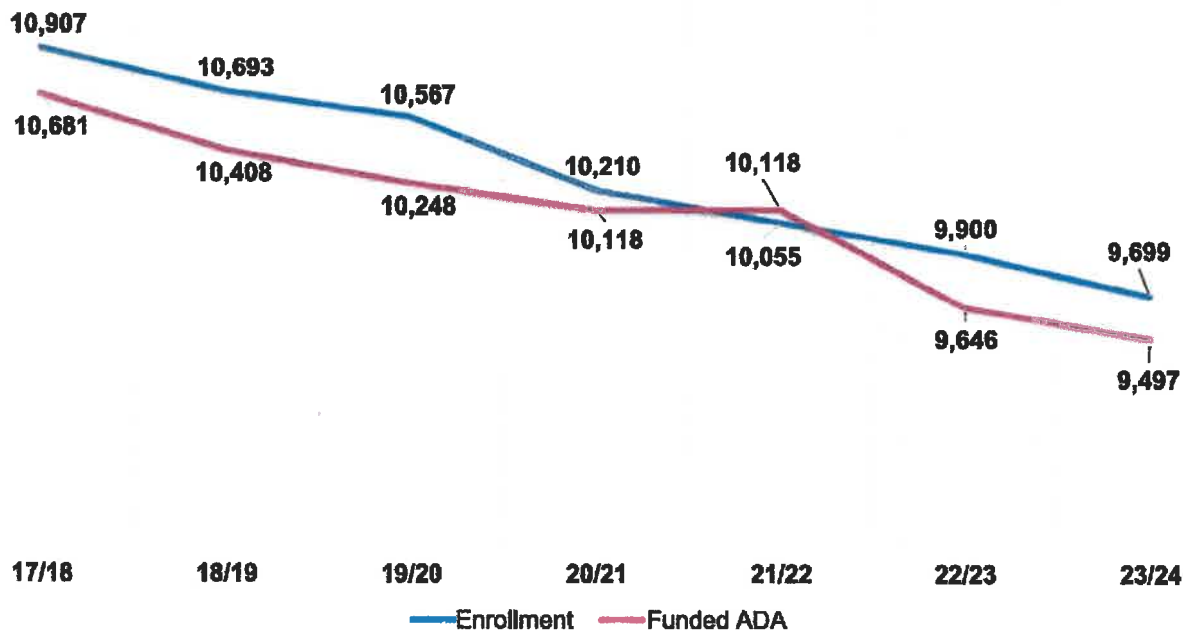
First Interim Report 2020/2021 Increasing Retirement Rates



Fiscal Year	Total Pension Contribution
17/18	9,656,815
18/19	11,066,948
19/20	11,926,629
20/21	10,933,448
21/22	11,875,298
22/23	13,512,490



First Interim Report 2020/2021 Declining Enrollment



Fiscal Year	Funded ADA	% Change
17/18	10,681	-
18/19	10,408	-2.5%
19/20	10,248	-1.5%
20/21	10,118	-1.3%
21/22	10,118	-
22/23	9,646	-4.7%



First Interim Report 2020/2021 Assumptions Update

	2017/2018	2018/2019	2019/2020	2020/2021 45 Day Budget	2020/2021 1 st Interim Budget
Enrollment	10,907	10,693	10,567	10,303	10,219
Average Daily Attendance (ADA)	10,408.02	10,247.92	10,118.28	9,901.11	10,118.28*
ADA %	95.43%	95.84%	95.75%	96.10%	N/A
Unduplicated Pupil %	55.56%	56.87%	57.16%	56.34%	56.36%**
Statutory COLA***	3.4%	3.66%	3.26%	2.31%	2.31%
Funded COLA	3.4%	3.7%	3.26%	0.00%	0.00%
CalPERS Employer Rate	15.531%	18.062%	19.721%	20.70%	20.70%
CalSTRS Employer Rate	14.43%	16.28%	17.10%	16.15%	16.15%
Health & Welfare Cap Average	16,136	16,252	15,731	16,989	16,989

* Held Harmless for 2020-2021

** UPP% is based on a 3 year rolling percentage, UPP % is projected. Certification is due by 12/18/2020

*** Cost of living adjustment



First Interim Report 2020/2021 Revenue and Expense Changes

- ❑ Decrease in daycare and auditorium rental fees totaling \$1.1 million
- ❑ One time Federal revenue learning loss mitigation funds increase of \$7.2 million
- ❑ State revenue learning loss mitigation funds increase of \$800k, one-time revenue
- ❑ Budget updated to reflect personal actions since July 1, 2020, increase of \$1.8m
- ❑ CARES Act spending increase of \$5 million, one-time



First Interim Report Multi Year Projections Planning Factors

	2020/2021	2021/2022	2022/23
Enrollment	10,219	10,055	9,900
Average Daily Attendance (ADA)	10,118	9,646	9,494
Funded ADA	10,118	10,118	9,646
Statutory COLA	2.31%	2.48%	3.20%
Funded COLA	0.00%	0.00%	0.00%
Step and Column	1.2%	1.2%	1.2%
CalPERS Employer Rate	20.70%	23%	26%
CalSTRS Employer Rate	16.15%	16.15%	18%
Health & Welfare Cap Average	\$16,989	\$17,668	\$18,374
Services and Operating Cost Increase	1.2%	1.59%	1.87%



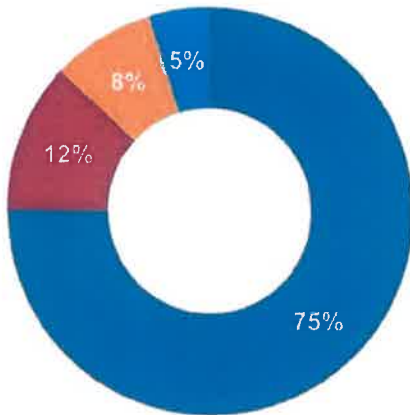
First Interim Report 2020/2021 General Fund - Multi-year Projections

Category	45-Day Budget	1 st Interim	21-22 Estimate	22-23 Estimate
Total Revenues	124,067,130	131,310,169	121,619,311	118,063,235
Total Expenditures	119,345,490	126,397,904	128,000,792	127,835,421
Excess (Deficiency) of Revenues over Expenditures	<u>4,721,640</u>	<u>4,915,855</u>	<u>(6,381,481)</u>	<u>(9,772,186)</u>
Contributions and Transfers	(266,072)	-----	-----	-----
Net Increase, (Decrease) in Fund Balance	<u>4,455,568</u>	<u>4,912,265</u>	<u>(6,381,481)</u>	<u>(9,772,186)</u>
Beginning Fund Balance	15,395,987	15,395,987	20,308,251	13,926,770
Ending Fund Balance	<u>\$ 19,851,555</u>	<u>\$ 20,308,251</u>	<u>\$ 13,926,770</u>	<u>\$ 4,154,584</u>
Restricted Fund Balance	-----	8,226,757	2,999,727	5,696
LCAP Carryover	-----	935,000	-----	-----
Assigned – Future Deficit Spending	-----	7,000,000	7,000,000	-----
Reserve for Economic Uncertainty (3%)	3,580,000	3,800,000	3,850,000	3,850,000
Total Unrestricted Reserve (% of Expenditures)		9.56%	8.54%	3.25%

First Interim Report 2020/2021 General Fund Charts

REVENUE SOURCES

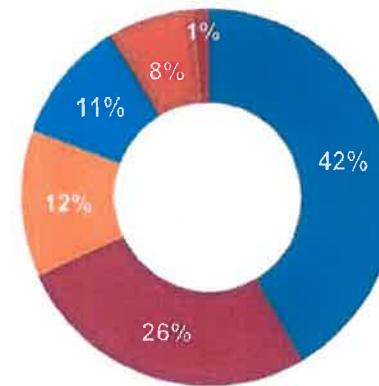
■ LCFF Sources* ■ Federal Revenue ■ State Revenue ■ Local Revenue



*Local Control Funding Formula

EXPENDITURE CATEGORIES

■ Certificated Salaries ■ Employee Benefits ■ Classified Salaries
■ Services ■ Books and Supplies ■ Other Expenditures



Salaries and Benefits make up 80% of total expenditures, without one-time funds, total would be 85% of all expenses.



First Interim Report 2020/2021 Learning Loss Mitigation/CARES Act Funding

CARES Act Funding and Expenditures in FY 2020-21

Funding Source	Grant Amount	Planned Expenditures for 2020-21	Restricted Fund Balance to be carried forward *
Learning Loss Mitigation – CRF	\$ 6,103,296	\$ 5,409,101	\$ -----**
Learning Loss Mitigation – Prop 98	\$ 850,025	\$ 850,025	\$ -----
County of SB CARES Act Funding for LEAs	\$ 259,352	\$ 259,352	\$ -----
Learning Loss Mitigation – GEER	\$ 677,136	\$ 223,200	\$ 453,936
ESSER Fund	\$ 2,296,586	\$ -----	\$ 2,296,586
Total	\$ 10,186,395	\$ 6,741,678	\$ 2,750,522

* All Funds must be expended by 09/30/2022

** \$694,195 was already in FY2019-20 from the CRF Fund

First Interim Report 2020/2021 Other Funds – Ending Fund Balances

Other Funds Ending Fund Balances	45 Day Budget	1 st Interim Revised Budget
Fund 11 – Adult Education	\$ 292,280	\$ 314,404
Fund 13 – Nutrition Services	\$ 127,806	\$ 1,507,992
Fund 21 – Measure K	\$ 3,125,376	\$ 4,949,408
Fund 25 – Developer Fees	\$ 6,090,141	\$ 6,527,445
Fund 51 – Bond Interest and Redemption	\$ 13,561,582	\$ 15,534,608

First Interim Report Cash Flow Projections

Fiscal Year 2020-2021

Period Ending	07/31/2020 *	08/31/2020 *	09/30/2020 *	10/31/2020 *	11/30/2020	12/31/2020
Ending Cash Balance	\$ 14,542,597	\$ 14,425,619	\$ 27,800,319	\$ 22,033,324	\$ 14,450,268	\$ 27,231,485
Period Ending	01/31/2021	02/28/2021	03/31/2021	04/30/2021	05/31/2021	06/30/2021
Ending Cash Balance	\$ 26,012,760	\$ 19,790,249	\$ 17,489,608	\$ 15,644,998	\$ 8,215,777	\$ 4,288,138

Fiscal Year 2021-2022

Period Ending	07/31/2021	08/31/2021	09/30/2021	10/31/2021	11/30/2021	12/31/2021
Ending Cash Balance	\$ 2,962,919 **	\$ 1,604,234 **	\$ 10,065,423	\$ 21,930,127	\$ 29,216,462	\$ 40,228,380
Period Ending	01/31/2022	02/28/2022	03/31/2022	04/30/2022	05/31/2022	06/30/2022
Ending Cash Balance	\$ 37,273,127	\$ 31,456,825	\$ 26,411,069	\$ 24,764,291	\$ 17,554,539	\$ 8,504,834

* Actuals

** Projected low cash balance. Available contingencies include inter fund borrowing and/or short term borrowing through approved TRAN



Next Steps

- ✓ *Submit 1st Interim report to County Office of Education*
- ✓ *Governor's January Budget Proposal*
- ✓ *2nd Interim Presented in March 2021*