



2019-20 Second Interim Report as of January 31, 20

Presented to the Board of Trustees, March 10, 2020

Tax Revenue Update

- Reduction in taxes
 - At First Interim the county assessor reported a weakened tax forecast, which resulted in projected revenues \$640,000 lower than the Adopted Budget assumption
 - At Second Interim an improvement in business and other taxes means the projected revenue loss from the adopted budget is now \$272,000
- Overall, taxes are projected to increase 4.8% rather than the 4.36% anticipated at First Interim and the 5.25% anticipated at budget adoption

Revenue Loss Since Budget Adoption: Special Education

- The funding loss in Special Education at First Interim remains.
- SELPA III voted to redistribute Federal and state mental health funding
 - \$395K loss in funding over prior year
 - \$247K loss over budget adoption (some reduction in funding was projected)

Revenue Loss

- At First Interim the anticipated loss of funding for taxes and Special Education was \$680K.
- At Second Interim tax revenues are projected to improve by \$369K

Other Adjustments

- The Cafeteria Fund's projected losses have declined from the prior year. Unfortunately the district has seen an almost five times increase in lunch debt.
- Free meal participation has increased almost three times. Because the District is not part of the National School Lunch Program, the General Fund contributes this amount to the Cafeteria Fund
- The contribution to the Cafeteria Fund has increased from \$116K to \$238K (+\$122K). \$92K of this increase is free meals and lunch debt.

Other Adjustments

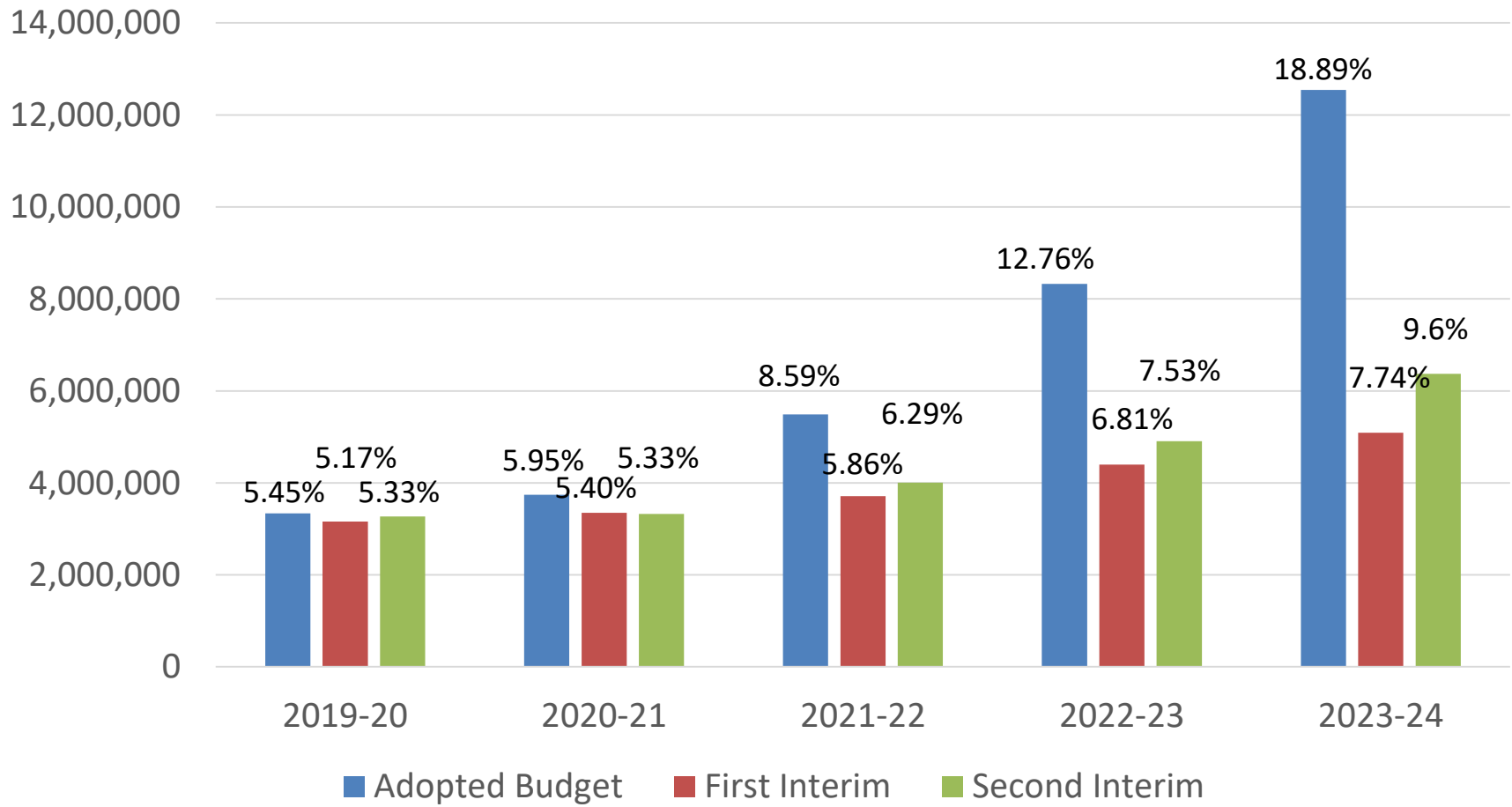
- Schools and District departments have identified areas where spending can be delayed or eliminated. School sites have reduced discretionary spending by 10%
- The district continues to explore areas where ongoing budget savings can be realized

Impact on General Fund

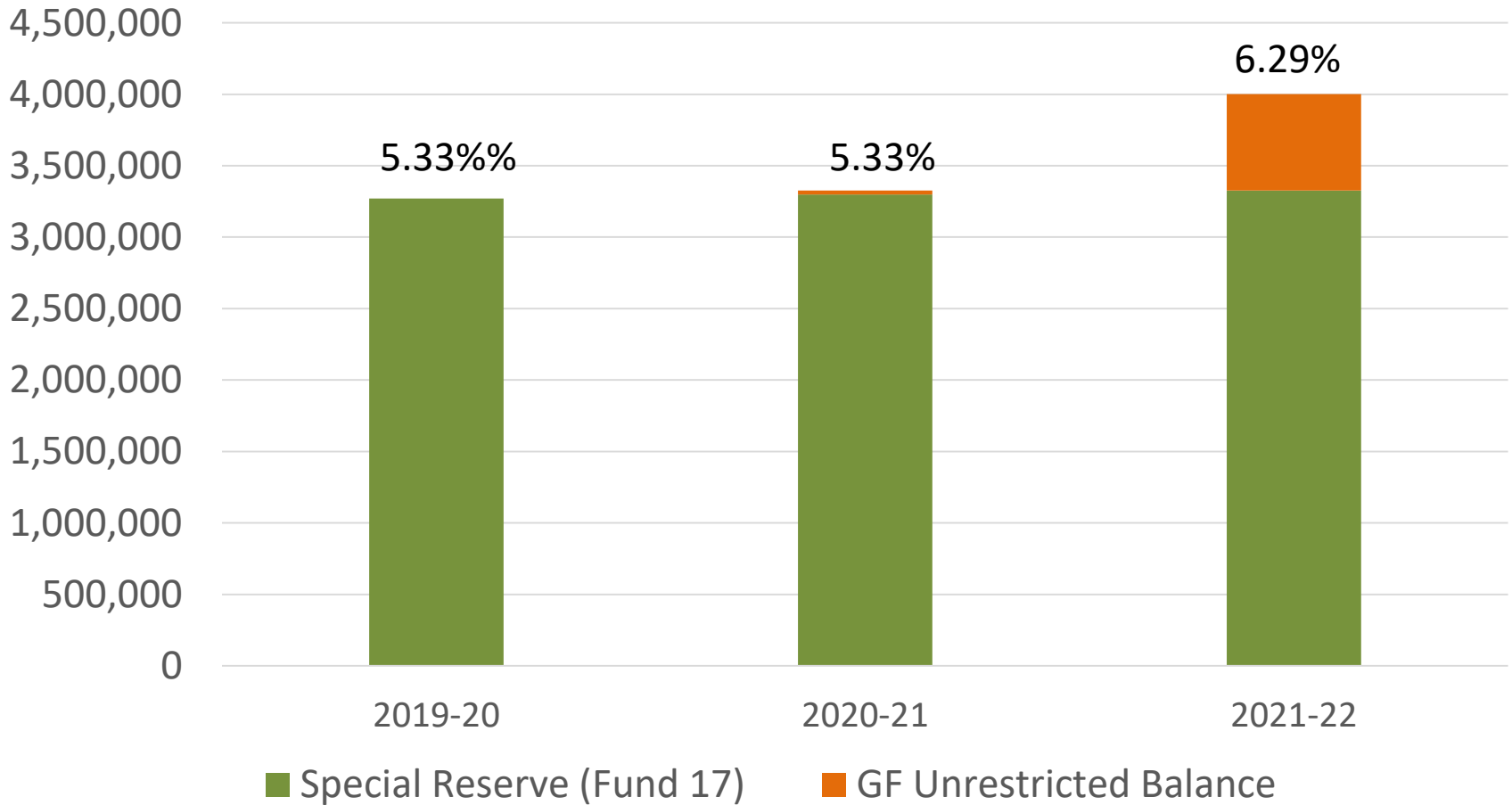
- The district has been able to reverse the contribution from reserves that was projected at first interim, and has reduced the contribution from the Retiree Benefits Fund to just under 10K
- The projected ending fund balance in the General Fund is now zero

Projected Reserves

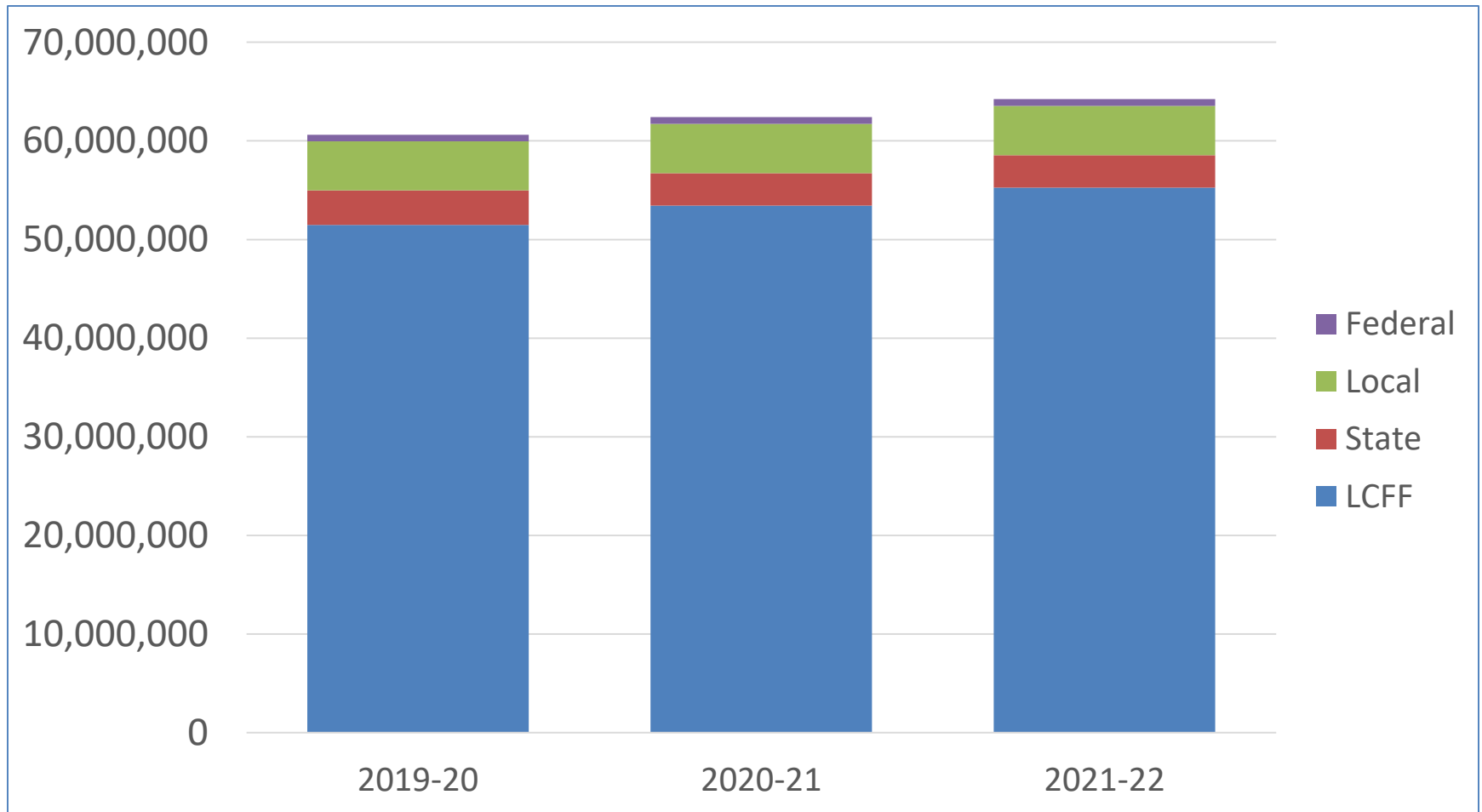
These multi-year projections assume no raises other than existing step and column



Reserve Components



Total General Fund Revenue Projection (Unrestricted and Restricted)



Unrestricted General Fund

First Interim versus Second Interim



Item	First Interim Budget	Second Interim Budget	Difference
Revenue	52,477,014	52,914,793	437,779
Expenditures	43,574,018	43,566,140	(7,878)
Revenue - Expense	8,902,996	9,348,653	445,657
Contributions	(9,238,378)	(9,270,721)	(32,343)
Fund Balance Incr/(Decr)	(335,382)	77,932	413,314
Interfund Transfers In	313,512	9,908	(303,604)
Interfund Transfer Out	(115,837)	(227,576)	(111,739)
Beginning Fund Balance	139,736	139,736	0
Ending Fund Balance	2,029	0	(2,029)

Changes in Unrestricted Revenue

Item	First Interim Budget	First Interim Budget	Difference
LCFF (mostly local taxes)	50,197,831	50,566,957	369,126
Other State Revenue	779,030	779,030	-
Local Revenue	1,500,153	1,500,153	-
Insurance Proceeds	-	68,653	68,653
SUBTOTAL	52,477,014	52,914,793	437,779
Contributions	(9,238,378)	(9,270,721)	(32,343)
Interfund Transfers In	313,512	9,908	(303,604)
TOTAL	43,552,148	43,653,980	101,832

Changes in Unrestricted Expenditures



Item	First Interim Budget	Second Interim Budget	Difference
Certificated Salaries	21,434,214	21,418,402	(15,812)
Classified Salaries	5,787,859	5,722,466	(65,393)
Benefits	11,147,224	11,126,954	(20,270)
Books and Supplies	1,245,212	1,140,373	(104,839)
Operating Expenses	3,945,236	4,105,744	160,508
Capital Outlay	-	18,897	18,897
Other Outgo	14,273	33,304	19,031
Subtotal	43,574,018	43,566,140	(7,878)
Interfund transfers Out	115,837	227,576	111,739
TOTAL	43,689,855	43,793,716	103,861

