2018-19 Second Interim Report

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March 5, 2019

SLUSD 2018-19 Second Interim Overview

- SLUSD Fund Overview
- What to look for in Interim Reports
- New Restricted Revenues for 2018-19
- Second Interim Revenues and Expenditures
- Legislative Analyst's Office Forecast
- Multi-Year Projection
- Questions and Comments

SLUSD Fund Overview

- 01 General Fund
- 11 Adult Education
- 13 Cafeteria
- 21 Bond (Measure J1)
- 25 Developer Fees
- 40 Special Reserve – Capital Outlay
- 51 Bond Interest and Redemption
- 67 Self Insurance Fund

What to Look for in Interim Reports

- Second Interim report is 120 pages long
- Majority of report is auto populated based on data extracted from our financial system (Escape)
- Represents all activity through January 31, 2019
- First portion consists of overview of each Fund (01 through 67)
- Second portion consists of required forms
- Final pages are technical error reports for transmission

Reading Interim Reports

- Most useful sections of report can be found here:

- Page 2 – General Fund – Unrestricted – Revenues and Expenditures
- Page 3 – General Fund - Fund Balance, Reserves
- Page 76 – Criteria and Standards Review Summary

2018-19 Second Interim
General Fund
Unrestricted (Resources 0000-1999)
Revenues, Expenditures, and Changes in Fund Balance

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Form 01I

Reading Interim Reports: Page 2

A – Budget adopted by Board last June

C – Activity as of 1/31/2019

D – Updated Second Interim Budget

Contributions – primarily for Special Education

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)
A. REVENUES						
1) LCFF Sources		8010-8099	84,966,332.00	85,718,551.00	42,169,166.54	85,718,551.00
2) Federal Revenue		8100-8299	10,000.00	10,000.00	0.00	10,000.00
3) Other State Revenue		8300-8599	3,009,711.00	3,254,749.21	1,608,660.04	3,254,749.21
4) Other Local Revenue		8600-8799	938,794.00	1,330,000.00	1,094,541.18	1,330,000.00
5) TOTAL, REVENUES			88,924,837.00	90,313,300.21	44,872,367.76	90,313,300.21
B. EXPENDITURES						
1) Certificated Salaries		1000-1999	42,349,802.00	42,412,137.56	22,040,670.54	42,412,137.56
2) Classified Salaries		2000-2999	7,611,812.00	8,007,039.11	4,242,955.85	8,007,039.11
3) Employee Benefits		3000-3999	12,072,965.00	12,147,483.60	6,407,770.78	12,147,483.60
4) Books and Supplies		4000-4999	1,403,475.00	1,387,229.04	512,357.96	1,387,229.04
5) Services and Other Operating Expenditures		5000-5999	8,115,247.00	8,506,505.88	4,781,037.50	8,506,505.88
6) Capital Outlay		6000-6999	10,366.00	16,133.00	19,464.83	16,133.00
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	1,204,913.00	1,204,913.00	702,842.15	1,204,913.00
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(494,659.00)	(491,191.00)	0.00	(491,191.00)
9) TOTAL, EXPENDITURES			72,273,921.00	73,190,250.19	38,707,099.61	73,190,250.19
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			16,650,916.00	17,123,050.02	6,165,268.15	17,123,050.02
D. OTHER FINANCING SOURCES/USES						
1) Interfund Transfers						
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00
b) Transfers Out		7600-7629	130,000.00	130,000.00	0.00	130,000.00
2) Other Sources/Uses						
a) Sources		8930-8979	0.00	0.00	0.00	0.00
b) Uses		7630-7699	0.00	0.00	0.00	0.00
3) Contributions		8980-8999	(16,138,320.00)	(16,118,802.41)	(9,211.02)	(16,118,802.41)
4) TOTAL, OTHER FINANCING SOURCES/USES			(16,268,320.00)	(16,248,802.41)	(9,211.02)	(16,248,802.41)

Reading Interim Reports: Page 3

Ending Fund Balance and Components

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			382,596.00	874,247.61	6,156,057.13
F. FUND BALANCE, RESERVES					
1) Beginning Fund Balance					
a) As of July 1 - Unaudited		9791	3,952,651.10	3,463,099.34	
b) Audit Adjustments		9793	0.00	0.00	
c) As of July 1 - Audited (F1a + F1b)			3,952,651.10	3,463,099.34	
d) Other Restatements		9795	0.00	0.00	
e) Adjusted Beginning Balance (F1c + F1d)			3,952,651.10		
2) Ending Balance, June 30 (E + F1e)			4,335,247.10	4,337,346.95	
Components of Ending Fund Balance					
a) Nonspendable					
Revolving Cash		9711	40,000.00	40,000.00	
Stores		9712	0.00	0.00	
Prepaid Items		9713	0.00	0.00	
All Others		9719	0.00	0.00	
b) Restricted		9740	0.00	0.00	
c) Committed					
Stabilization Arrangements		9750	0.00	0.00	
Other Commitments		9760	0.00	0.00	
d) Assigned					
Other Assignments		9780	0.00	0.00	
e) Unassigned/Unappropriated					
Reserve for Economic Uncertainties		9789	3,120,944.79	3,203,388.53	
Unassigned/Unappropriated Amount		9790	1,174,302.31	1,093,958.42	

Reading Interim Reports: Page 76

Criteria and Standards Review

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	Funded ADA for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	

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Second Interim
DISTRICT CERTIFICATION OF INTERIM REPORT
For the Fiscal Year 2018-19

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CRITERIA AND STANDARDS (continued)			Met	Not Met
2	Enrollment	Projected enrollment for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
3	ADA to Enrollment	Projected second period (P-2) ADA to enrollment ratio for the current and two subsequent fiscal years is consistent with historical ratios.	X	
4	Local Control Funding Formula (LCFF) Revenue	Projected LCFF revenue for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
5	Salaries and Benefits	Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures has not changed by more than the standard for the current and two subsequent fiscal years.	X	
6a	Other Revenues	Projected operating revenues (federal, other state, other local) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.	X	
6b	Other Expenditures	Projected operating expenditures (books and supplies, services and other expenditures) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.	X	

New Restricted Revenues for 2018-19

FEDERAL

› Title IV (21st Century)	$107,100
› Title IV	$112,903
› McKinney-Vento (Homeless)	$25,000

STATE

› Classified Employee Staff Dev	$48,485 (one time)
› Low Performing Student Block Gr	$673,824 (one time)

2018-19 General Fund Combined Revenues – First Interim vs Second Interim

Revenue Source	First Interim	Second Interim	Difference
LCFF	$86,133,818	$86,385,444	$251,626
Federal	$4,349,105	$4,511,126	$162,021
State	$9,928,755	$10,652,357	$723,602
Local	$5,828,342	$5,919,706	$91,364
Total	**$106,240,020**	**$107,468,633**	**$1,228,613**

2018-19 General Fund Combined Expenditures – First Interim vs Second Interim

Expense	First Interim	Second Interim	Difference
Certificated Salaries	$52,968,301	$53,071,769	$103,468
Classified Salaries	$13,292,153	$13,260,988	($31,165)
Employee Benefits	$20,468,892	$20,553,040	$84,148
Books and Supplies	$2,930,283	$3,019,047	$88,764
Services	$14,199,756	$14,479,761	$280,005
Capital Outlay	$149,036	$1,402,236	$1,253,200
Other Outgo and Transfers	$992,778	$992,778	$0
Total Expenditures	**$104,871,199**	**$106,649,618**	**$1,778,419**

2018-19 Estimated Ending Fund Balance and Reserves

- Estimated Unrestricted General Fund: $4,337,347
- Estimated Restricted General Fund: $3,944,408
- Estimated GF Expenditures: $106,779,618
- Unrestricted General Fund Reserves: 4.1%
- “Excess Reserves” above 3%: $1,093,958

Legislative Analyst's Office Forecast

- Anticipates downward revision at May Revise
- $2 Billion revenue shortfall in January
- Estimates COLA will be 3.26% rather than 3.46%
- Recommends rejection of new special education categorical program



2018-19 General Fund Multi-Year Projection (Restricted and Unrestricted)

	2018-19	2019-20	2020-21
Revenue	$107,468,633	$109,314,935	$112,145,670
Expenditures	$106,779,618	$108,272,213	$111,063,494
Restricted Ending Balance	$3,944,408	$4,966,870	$6,117,549
Unrestricted Ending Balance	$4,337,347	$4,357,607	$4,289,103
% Reserves	**4.1%**	**4.0%**	**3.9%**

- Assumes flat enrollment with 95% ADA
- Does not include negotiated salary increases
- Does not include new categorical special education funds for 2019-20 (new funding would be offset by new programs)
- Because of increased COLA, moderated increase in CalSTRS, and increased enrollment, budget is balanced and does not call for large cuts in out years

Second Interim Presentation

- Questions or Comments?