



2018/19 Unaudited Actuals Report

Board Meeting
September 5, 2019
Agenda Item No. 10.4

Outline

- 2018/19 Unaudited Actuals
- Multi-Year Review
- 2018/19 Unaudited Actuals and 2019/20 Budget Revenue Differences
- Next Steps



Overview

2018/19 General Fund Unrestricted Ending Balance

Unaudited Actuals: \$61.1 million

Estimated Actuals: \$54.1 million

\$ 7.0 million

(Amounts in millions)	Estimated Actuals	Unaudited Actuals	Amt Diff	% Diff
Revenue	\$421	\$424	\$3	0.7% +
Expenses, Contributions, Transfers Out	\$429	\$425	\$4	0.9% -

Year End Revenue Changes

Increase
State Income
\$700,000

- Lottery
- CASSP test reimbursement

Increase
Local Income
\$2.2 million

- Interest Income**
- Service Reimbursements
- Interagency
- Other Local Income**

Year End Expense Changes

Non Personnel
\$2.5 million Savings

- School Sites
- Departments**
- Utilization of Restricted Resources
- Indirect Costs

Contributions
\$600,000 savings

- Special Education
- Adult Education Fund**
- Child Development Fund

Other
\$770,000 savings

- Computer Replacement/Server
- Grantor covering costs **
- Prior Year Liability Write off
- Tuition Costs**
- Personnel Savings

** Exploring potential for ongoing expense savings or cost

Reserve Level

2018/19 State Reporting Periods	18/19	19/20	20/21	21/22
Revised Adopted Budget	2.2%	-3.9%	-11.6%	
First Interim Report	5.6%	-0.77%	-9.3%	
Second Interim Report	5.8%	1.6%	-6.6%	
Third Interim Report	8.0%	4.5%	-0.6%	
Estimated Actuals	8.5%	6.4%	2.5%	-2.6%
Unaudited Actuals Report	9.5%	7.4%	3.4%	-1.7%

SACS Unrestricted General Fund – Official Report

	Projected 2018/19	Proposed 2019/20	Projected 2020/21	Projected 2021/22
Ongoing Funds				
Revenues	\$415.75	\$427.99	\$436.28	\$445.01
-Contributions	\$82.30	\$98.14	\$105.46	\$112.77
- Expenses, Sources/Uses	\$346.71	\$342.20	\$349.81	\$356.21
- Supplemental/Concentration Expanded Progr	\$0.00		\$2.06	\$1.59
Ongoing Net Change in Fund Balance	(\$13.26)	(\$12.35)	(\$21.05)	(\$25.56)
One-Time Funds				
Revenues	\$7.10	\$0.00	\$0.00	\$0.00
- One-Time Expenses	\$0.00	\$0.00	\$6.00	\$4.00
One Time Net Change in Fund Balance	\$7.10	\$0.00	-\$6.00	-\$4.00
Total Unrestricted General Fund:				
Beginning Balance	\$60.28	\$54.11	\$41.76	\$14.71
Ending Balance	\$54.11	\$41.76	\$14.71	-\$14.85
 Component of the Ending Balance				
Cash, Inventory, Prepaid Assets	\$0.55	\$0.55	\$0.55	\$0.55
Designated Funds	\$6.00	\$6.00	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.00	\$0.00	\$0.00
 Net Unrestricted General Fund Balance	 \$47.57	 \$35.22	 \$14.17	 -\$15.40
 Required Ongoing Reductions				
Change in Reserve	(\$12.36)	(\$12.35)	(\$21.05)	(\$29.56)
Reserve level	8.54%	6.44%	2.48%	-2.63%

SACS Unrestricted General Fund – Official Report

Updated with Unaudited Actuals

	Unaudited Actuals 2018/19	Adopted Budget 2019/20	Projected 2020/21	Projected 2021/22
Ongoing Funds				
Revenues	\$418.86	\$427.99	\$436.28	\$445.01
-Contributions	\$83.28	\$98.14	\$105.46	\$112.77
- Expenses, Sources/Uses	\$341.83	\$342.20	\$349.81	\$356.21
- Supplemental/Concentration Expanded Program	\$0.00		\$2.06	\$1.59
Ongoing Net Change in Fund Balance	(\$6.25)	(\$12.35)	(\$21.05)	(\$25.56)
One-Time Funds				
Revenues	\$7.10	\$0.00	\$0.00	\$0.00
- One-Time Expenses	\$0.00	\$2.00	\$6.00	\$4.00
One Time Net Change in Fund Balance	\$7.10	-\$2.00	-\$6.00	-\$4.00
Total Unrestricted General Fund:				
Beginning Balance	\$60.28	\$61.12	\$46.77	\$19.72
Ending Balance	\$61.12	\$46.77	\$19.72	-\$9.84
Component of the Ending Balance				
Cash, Inventory, Prepaid Assets	\$0.35	\$0.35	\$0.35	\$0.35
Designated Funds	\$6.00	\$6.00	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$2.03	\$0.00	\$0.00	\$0.00
Net Unrestricted General Fund Balance	\$52.75	\$40.42	\$19.37	-\$10.19
Required Ongoing Reductions				
Change in Reserve	(\$7.18)	(\$12.32)	(\$21.05)	(\$29.56)
Reserve level	9.47%	7.39%	3.39%	-1.74%

Recommended Plan for Unrestricted General Fund

Multi-Year Projections

	Projected 2018/19	Proposed 2019/20	Projected 2020/21	Projected 2021/22
Ongoing Funds				
Revenues	\$415.75	\$427.99	\$436.28	\$445.01
-Contributions	\$82.30	\$98.14	\$105.46	\$112.77
- Expenses, Sources/Uses	\$346.71	\$342.20	\$333.81	\$330.21
- Supplemental/Concentration Expanded Programs			\$2.06	\$1.59
Ongoing Net Change in Fund Balance	(\$13.26)	(\$12.35)	(\$5.05)	\$0.44
One-Time Funds				
Revenues	\$7.10	\$0.00	\$0.00	\$0.00
- One-Time Expenses	\$0.00	\$0.00	\$6.00	\$4.00
One Time Net Change in Fund Balance	\$7.10	\$0.00	-\$6.00	-\$4.00
Total Unrestricted General Fund:				
Beginning Balance	\$60.28	\$54.11	\$41.76	\$30.71
Ending Balance	\$54.11	\$41.76	\$30.71	\$27.15
Component of the Ending Balance				
Cash, Inventory, Prepaid Assets	\$0.55	\$0.55	\$0.55	\$0.55
Designated Funds	\$6.00	\$6.00	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.00	\$0.00	\$0.00
Net Unrestricted General Fund Balance	\$47.57	\$35.22	\$30.17	\$26.60
Required Ongoing Reductions			\$16.00	\$10.00
Change in Reserve	(\$12.36)	(\$12.35)	(\$5.05)	(\$3.56)
Reserve level	8.54%	6.44%	5.43%	4.63%

Recommended Plan for Unrestricted General Fund

Updated with Unaudited Actuals

	Unaudited Actuals 2018/19	Adopted Budget 2019/20	Projected 2020/21	Projected 2021/22
Ongoing Funds				
Revenues	\$418.86	\$427.99	\$436.28	\$445.01
-Contributions	\$83.28	\$98.14	\$105.46	\$112.77
- Expenses, Sources/Uses	\$341.83	\$342.20	\$333.81	\$330.21
- Supplemental/Concentration Expanded Program	\$0.00		\$2.06	\$1.59
Ongoing Net Change in Fund Balance	(\$6.25)	(\$12.35)	(\$5.05)	\$0.44
One-Time Funds				
Revenues	\$7.10	\$0.00	\$0.00	\$0.00
- One-Time Expenses	\$0.00	\$2.00	\$6.00	\$4.00
One Time Net Change in Fund Balance	\$7.10	-\$2.00	-\$6.00	-\$4.00
Total Unrestricted General Fund:				
Beginning Balance	\$60.28	\$61.12	\$46.77	\$35.72
Ending Balance	\$61.12	\$46.77	\$35.72	\$32.16
Component of the Ending Balance				
Cash, Inventory, Prepaid Assets	\$0.35	\$0.35	\$0.35	\$0.35
Designated Funds	\$6.00	\$6.00	\$0.00	\$0.00
Reserve for One-Time Expenses and Carryover	\$2.03	\$0.00	\$0.00	\$0.00
Net Unrestricted General Fund Balance	\$52.75	\$40.42	\$35.37	\$31.81
Required Ongoing Reductions			\$16.00	\$10.00
Change in Reserve	(\$7.18)	(\$12.32)	(\$5.05)	(\$3.56)
Reserve level	9.47%	7.39%	6.37%	5.53%

2018/19 Unaudited Actuals and 2019/20 Budget

Revenue Type	18/19 Unrestricted General Fund	18/19 General Fund Total	19/20 Unrestricted General Fund	19/20 General Fund Total	Total Revenue Diff
LCFF	\$399	\$399	\$412	\$412	\$13
Federal	\$0	\$48	\$0	\$51	\$3
State	\$15	\$91	\$8	\$63	(\$28)
Local	\$10	\$12	\$6	\$7	(\$5)
Total	\$424	\$550	\$426	\$533	(\$17)

- Grant/Entitlement carryover currently from 2018/19 not in 2019/20 Adopted Budget
 - Federal - \$13 million
 - State - \$ 12 million
 - Local - \$2 million
- Other State Revenue Changes
 - 2018/19 included \$7 million one time State revenues
 - STRS on Behalf - \$15 million higher
- Funds will be recognized in future budget revisions

Next Steps

- We expect SCOE to disapprove budget due to deficit spending and the fact that 21/22 projection is less than 2% reserve
- Revised Adopted Budget to be presented for Board's action on October 3, 2019
 - Although relatively small, we will incorporate ongoing changes referenced earlier
 - Ongoing structural deficit will remain which should be verified in SCOE's budget disapproval letter
 - Reserve level in 21/22 will be short required level
- Position that District needs a negotiated solution remains unchanged

Summary



Staff recommends the Board approve:

- 2018/19 Unaudited Actual Financial Report
- 2018/19 Year-End Budget Revision