



2019-20 Unaudited Financial Report

Board Meeting
September 17, 2020
Agenda Item No. 9.3

Budget Presentation Agenda

- 2019-20 Unaudited Actuals Summary of Changes since Estimated Actuals (6/25/20)
- Multi-Year Projections with Beginning Fund Balance from Unaudited Actuals
- Q&A
- Next Budget Report
- Approve the 2019-20 Unaudited Actuals Financial Report

2019-2020 Unaudited Actuals Summary of Changes since Estimated Actuals

Unaudited Actuals 2019-2020			
Description	Unrestricted	Restricted	Total
Total Revenues	432,351,243	121,597,347	553,948,590
Total Expenditures	322,052,655	208,782,512	530,835,167
Excess/(Deficiency)	110,298,588	(87,185,165)	23,113,423
Other Sources/Uses/Contributions	(86,733,320)	86,339,162	(394,158)
Net Increase/(Decrease)	23,565,268	(846,003)	22,719,265
Add: Beginning Fund Balance	61,133,835	9,195,511	70,329,345
Ending Fund Balance	84,699,103	8,349,508	93,048,611

Estimated Actuals 2019-2020			
Description	Unrestricted	Restricted	Total
Total Revenues	430,877,761	133,234,034	564,111,795
Total Expenditures	334,385,022	235,849,581	570,234,603
Excess/(Deficiency)	96,492,739	(102,615,547)	(6,122,808)
Other Sources/Uses/Contributions	(93,823,309)	93,420,037	(403,272)
Net Increase/(Decrease)	2,669,430	(9,195,510)	(6,526,081)
Add: Beginning Fund Balance	61,133,835	9,195,511	70,329,345
Ending Fund Balance	63,803,264	0	63,803,265

2019-2020 Unaudited Actuals Summary of Unrestricted Changes since Estimated Actuals

2019-2020 General Fund Unrestricted Ending Balance (in millions)	
Unaudited Actuals	\$84.70
Estimated Actuals	\$63.80
Difference	\$20.90

	Revenues	Expenses
Unaudited Actuals	\$432.40	\$408.80
Estimated Actuals	\$430.90	\$428.20
Difference	\$1.50	-\$19.40
<i>(Amounts in Millions)</i>		

2019-2020 Unaudited Actuals Summary of Unrestricted Changes since Estimated Actuals

Percent of 2019-2020 Budget Expended (as of Estimated Actuals)		
	Unrestricted	Restricted
Percent Expended	96%	89%
Percent Remaining	4%	11%

Percent of School Days Closed Due to COVID-19*	34%	
* based on 62 school days of closure using 180 annual instructional days		

2019-2020 Unaudited Actuals Summary of Changes since Estimated Actuals – Unrestricted Revenue +\$1.4M

- LCFF year-end adjustments property taxes, State Aid and transfers +\$370K
- MAA earnings received above projected +\$417K
- Year-end adjustments in various awards including Lottery **-\$23K**
- Interest & Charter Oversight Fee +\$705K

2019-2020 Unaudited Actuals Summary of Changes since Estimated Actuals – Unrestricted Expense

Due to COVID-19 requiring school closures for approximately four months, the following line item expenditures were underspent as described below.

- Certificated Vacancies \$3.8M in salaries (\$3.5M in teacher salaries and \$300K in other categories), and \$1.2M in temporary positions
- Classified Vacancies \$1.4M in salaries (\$1M bus drivers & \$300K other positions) and \$100K in temporary positions
- Corresponding Benefits \$2.9M

2019-2020 Unaudited Actuals Summary of Changes since Estimated Actuals – Unrestricted Expenses

Due to COVID-19 requiring school closures for approximately four months, the following line item expenditures were underspent as described below

- \$1.48M in equipment and supplies
- \$3.4M savings in utilities, transportation for field trips, fees, telecommunications, equipment rentals, postage and travel
- \$129K in equipment and equipment replacement
- \$235K Additional expense for County Office Operated Programs
- \$1.7M Lower indirect cost reimbursement due to unspent restricted funds
- \$7.15M Lower Contributions to Restricted - Special Ed \$5.7M & RRM \$1.5M

2019-2020 Unaudited Actuals Summary of Changes since Estimated Actuals – Restricted Revenue & Expenditures

Due to COVID-19 requiring school closures for approximately four months, planned expenditures were underspent and the corresponding revenue was not recognized. The revenue will be carried over into the budget year along with the corresponding expenditures.

- \$11.6M in Revenue was not recognized due to the decrease in expenditures
- \$27M in Expenditures did not occur due to school closures

Multi-Year Projections with updated Beginning Fund Balance (ending fund balance from 2019-2020 Unaudited Actuals)

Multi-Year Projection (Total GF)			
Description	*Proposed 2020-21	Projected 2021-22	Projected 2022-23
Total Revenues	590,956,135	549,127,112	528,073,562
Total Expenditures	631,390,632	609,173,192	615,485,518
Excess/(Deficiency)	(40,434,498)	(60,046,079)	(87,411,956)
Other Sources/Uses	913,015	913,015	913,015
Net Increase/(Decrease)	(39,521,483)	(59,133,064)	(86,498,941)
Add: Beginning Fund Balance	93,048,611	53,527,128	(5,605,936)
Ending Fund Balance	53,527,128	(5,605,936)	(92,104,877)
<i>*as of Unaudited Actuals (updated beginning fund balance in 2020-2021)</i>			

The District will present a 2020-2021 Proposed Revised Budget at the October 1, 2020 Board Meeting. The proposed 2020-2021 budget will include updated expenditure and revenue projections that will change the projected deficits and ending balance.

2019-2020 Unaudited Actuals – Trends

Vacancy Analysis

- Budget is updated at each Interim Reporting Period to reflect vacancy savings
- The District will propose budgeting with a % Vacancy Rate based on historical trend analysis, this will require regular monitoring and updating at each reporting period

2019-2020 Unaudited Actuals – Vacancy Trend

2019-2020 Vacancy Trend Analysis for Fund 01 - Unrestricted General Fund			
Certificated	10/31/2019	1/31/2020	4/30/2020
Number of FTE Vacancies	32.85	27.27	21.87
as a % of Authorized FTE	2.17%	1.79%	1.43%
Classified	10/31/2019	1/31/2020	4/30/2020
Number of FTE Vacancies	79.47	71.46	74.85
as a % of Authorized FTE	12.39%	11.04%	11.67%

2019-2020 Unaudited Actuals – Next Steps

- District is reviewing the 2020-2021 budget for additional expenditure reductions (some maybe 1x and some maybe ongoing –vacancy trend)
- District will continue to identify solutions to achieve fiscal solvency

Cash Flow

Updated for:

1. Revenue to be received in 2020-2021 instead of 2019-2020 due to lower spending levels in 2019-2020
2. Federal 1X Corona Relief (CR) Learning Loss Mitigation Funds received in September 2020 \$34M, represents total award for CR portion
3. Federal 1X ESSER Funds received in August 2020 \$3.9M represents 29% of this award \$15.8M

Projected improvement to cash position

Cash Flow

Projected cash challenges starting in February 2021 per the last Cash Flow Report 8/20/20

Revised projected cash challenges starting in May 2021 based on updates

Cash Flow – Next Steps

District intends to:

1. Pursue all short term internal and external borrowing options
2. Apply for a State Apportionment Deferral

Q&A

Summary

- Fiscal Recovery Plan with an ongoing solution is required to achieve fiscal solvency
- Next reporting period Proposed Revised 2020-21 Budget October 1, 2020

Approve 2019-20 Unaudited Actuals Financial Report