



2020-21 Unaudited Actuals Financial Report

Board Meeting
September 16, 2021
Agenda Item No.
10.1

Agenda



- Comparison of Unaudited Actuals to 2020-21 Adopted Revised Budget
- Comparison of Unaudited Actuals to 2020-21 Estimated Actuals (6/24/21)
- FCMAT Update
- Multi-Year Projections with Beginning Fund Balance from Unaudited Actuals
- Enrollment Monitoring
- Summary & Next Steps
- Approve the 2020-21 Unaudited Actuals Financial Report

Comparison of 2020-21 Unaudited Actuals to 2020-21 Adopted Revised Budget – October 1, 2020

	Adopted Revised Budget 2020-21			Unaudited Actuals 2020-21			Changes since Adopted Revised Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	424,371,456	189,428,776	613,800,232	425,501,264	201,250,916	626,752,180	1,129,808	11,822,140	12,951,948
Total Expenditures	348,640,116	292,235,621	640,875,737	327,117,964	267,514,204	594,632,168	(21,522,152)	(24,721,417)	(46,243,569)
Deficit/Surplus	75,731,340	(102,806,845)	(27,075,505)	98,383,300	(66,263,289)	32,120,012	22,651,960	36,543,556	59,195,517
Transfers in/(out)	671,564	0	671,564	738,095	0	738,095	66,531	0	66,531
Contributions to Restricted	(94,457,337)	94,457,337	0	(80,112,384)	80,112,384	0	14,344,953	(14,344,953)	0
Net increase (decrease) in Fund Balance	(18,054,433)	(8,349,508)	(26,403,941)	19,009,011	13,849,095	32,858,107	37,063,444	22,198,603	59,262,048
Beginning Balance	84,699,103	8,349,508	93,048,611	84,699,103	8,349,508	93,048,611	0	0	0
Ending Balance	66,644,670	(0)	66,644,670	103,708,114	22,198,603	125,906,717	37,063,444	22,198,603	59,262,048

- \$37M improvement in unrestricted fund balance
- Net unrestricted one-time savings of \$21.5M due to the COVID-19 pandemic
- Decrease in contributions due to one-time savings from COVID-19 pandemic

2020-21 Unaudited Actuals Comparison to Estimated Actuals

	Estimated Actuals			Unaudited Actuals			Changes from 2020-21 Estimated Actuals to Unaudited Actuals		
	2020-21			2020-21					
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	424,522,187	292,861,708	717,383,895	425,501,264	201,250,916	626,752,180	979,077	(91,610,792)	(90,631,715)
Total Expenditures	325,191,719	286,198,825	611,390,544	327,117,964	267,514,204	594,632,168	1,926,245	(18,684,620)	(16,758,376)
Deficit/Surplus	99,330,468	6,662,883	105,993,351	98,383,300	(66,263,289)	32,120,012	(947,168)	(72,926,172)	(73,873,339)
Transfers in/(out)	1,114,503	0	1,114,503	738,095	0	738,095	(376,408)	0	(376,408)
Contributions to Restricted	(89,516,120)	89,516,120	0	(80,112,384)	80,112,384	0	9,403,736	(9,403,736)	0
Net increase (decrease) in Fund Balance	10,928,850	96,179,003	107,107,854	19,009,011	13,849,095	32,858,107	8,080,161	(82,329,908)	(74,249,747)
Beginning Balance	84,699,103	8,349,508	93,048,611	84,699,103	8,349,508	93,048,611	0	0	0
Ending Balance	95,627,953	104,528,511	200,156,465	103,708,114	22,198,603	125,906,717	8,080,161	(82,329,908)	(74,249,747)
Revolving/Stores/Prepays	328,796		328,796	329,480		329,480	684	0	684
Reserve for Econ Uncertainty (2%)	12,250,101		12,250,101	11,907,405		11,907,405	(342,696)	0	(342,696)
Restricted Programs	0	104,528,511	104,528,511	0	22,198,603	22,198,603	0	(82,329,908)	(82,329,908)
Other Assignments	49,838,829		49,838,829	57,976,955		57,976,955	8,138,126		8,138,126
Unappropriated Fund Balance	33,210,227	0	33,210,227	33,494,273	0	33,494,273	284,046	(0)	284,046

2020-21 Unaudited Actuals Summary of Changes since Estimated Actuals – Revenues



Unrestricted Revenue – Increase of .23% from Estimated Actuals

- Unrestricted state revenues increase of \$1.7M in lottery revenue
- Unrestricted local revenue decrease of \$600K for less revenue received for leases and rentals and \$325K less in interagency fees received

Restricted Revenue

- Restricted federal revenue decreased by:
 - \$63.8M due to change in revenue recognition for ESSER I/II and GEER funds
 - \$10.8M due to lower than projected expenses for Title I, SIG, CSI, federal Special Ed IDEA, Title II, III and IV and other federal programs
- Restricted state revenue decreased by:
 - \$15.4M due to change in recognition of revenue for ELO and IPI grants
 - \$8.5M due to expenses coming in lower for After School programs, career technical education and Low Performing Student Block Grant
- Local revenues decreased by \$500K due to less expenditures in local grants

2020-21 Unaudited Actuals Summary of Changes since Estimated Actuals – Unrestricted Expenditures



Unrestricted Expenditures – Increase of .59% from Estimated Actuals

- Certificated salaries net increase of \$2.8M due to transfer of psychologist salaries from restricted to unrestricted
- Classified salaries net decrease of \$97K due to one-time savings in operations staff salary costs
- Benefits net increase of \$653K due to increase in STRS costs and health/welfare costs
- Book & Supplies net decrease of \$1.37M due to one-time savings related to school closures
- Services & operating expenses net decrease of \$1.7M due to less expenditures on contracted services, rentals and repairs, travel and membership fees and telecommunications
- Capital outlay net decrease of \$51K due to less expenditures in transportation, operations and facilities
- Contributions net decrease of \$9.4M due to less special education expenditures of \$7.7M and \$1.7M less required contribution for the restricted maintenance account

2020-21 Unaudited Actuals Summary of Changes since Estimated Actuals – Restricted Expenditures



Restricted Expenditures

- Certificated salaries net decrease of \$4.1M due to \$2.4M transfer of psychologist salaries from restricted to unrestricted, \$1.29M less in expenditures for temporary and substitute teacher costs
- Classified salaries net decrease of \$1.2M due to \$402K decrease in COVID funded salary costs, \$692K decrease in temporary and substitute costs and \$108K decrease in operations personnel costs
- Benefits net increase of \$267K due to increase in STRS on-behalf amount
- Book & Supplies net decrease of \$1.45M primarily due to one-time savings related to school closures and distance learning
- Services and other operating expenditures net decrease of \$10.7M primarily due to less expenses in Title I, SIG, COVID funds, special education, after school programs and low performing block grant
- Capital outlay decreased by \$188K due to less COVID capital outlay expenditures

2021-22 Use of One-Time Funds



- District will carryover \$1.4M in unrestricted supplemental and concentration funds to school sites due to delays in supply chain fulfilment
- In addition, the table below identifies the carryover amounts for restricted programs that will be budgeted within the 2021-22 Budget

Restricted Program	Carryover Amount
Medi Cal	\$2,163,586
Restricted Lottery	\$1,233,503
Learning Communities For School Programs	\$495,160
ELO Grant	\$15,043,952
Title I	\$14,402,808
School Improvement Grant	\$2,881,728
CSI	\$2,991,278
ESSER I	\$725,742
ESSER II	\$61,486,306
GEER	\$2,950,972
Federal Special Education IDEA	\$2,042,280
Title II	\$831,627
21st Century Community Learning	\$764,224
Title IV	\$2,042,858
Title III	\$1,178,835
Indian Education	\$32,920
Other Federal Programs	\$90,622
ASES	\$1,615,847
Career Technical Education	\$2,918,687
In Person Instruction	\$8,839,027
Other State Programs	\$149,927
Local Grants	\$2,543,309
Total	\$127,425,198

Fiscal Crisis Management Assistance Team (FCMAT) Fiscal Health Risk Analysis Update

- Fiscal Health Risk Analysis Conducted October 2018
- 60 deficiencies were identified
- Provided recommended corrective actions
- Matrix used to track District's progress in implementing corrective actions
- Regular updates presented with financial reports
- Matrix is available on district website

FCMAT Updates Presented	Number Identified FCMAT Findings	FCMAT Findings Updated this period	FCMAT Findings Completed this period	FCMAT Findings Completed	FCMAT Findings Remaining
February 28, 2019	60	28	0	0	60
April 11, 2019	60	18	18	18	42
June 13, 2019	60	23	1	19	41
July 23, 2019	60	10	0	19	41
November 20, 2019	60	31	7	26	34
December 19, 2019	60	0	0	26	34
March 19, 2020	60	26	1	27	33
May 8, 2020	60	36	*1	26	34**
December 10, 2020	60	28	1	27	33
March 18, 2021	60	21	3	30	30
May 20, 2021	60	20	0	30	30
September 16, 2021	60	8	0	30	30

*One item was moved to "completed" status while another item was moved from "complete" to "in progress".

**Two items were moved from "completed" status to "in progress" during the May 8, 2020 update.

Next update will be presented with 2021-22 1st Interim Report

Multi-Year Projections with updated Beginning Fund Balance (ending fund balance from 2020-21 Unaudited Actuals) Adopted Budget



*Assumes enrollment of 39,703

Description	Adopted Budget 2021-22			Projection 2022-23			Projection 2023-24		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	443,805,897	115,463,179	559,269,075	448,644,885	108,668,411	557,313,296	457,241,790	108,668,411	565,910,201
Total Expenditures	354,357,299	235,619,426	589,976,725	364,343,947	244,200,547	608,544,494	372,868,713	234,099,693	606,968,406
Deficit/Surplus	89,448,598	(120,156,248)	(30,707,650)	84,300,938	(135,532,136)	(51,231,198)	84,373,077	(125,431,282)	(41,058,205)
Transfers in/(out)	2,050,301	0	2,050,301	2,050,301	0	2,050,301	2,050,301	0	2,050,301
Contributions to Restricted	(98,193,763)	98,193,763	0	(104,568,460)	104,568,460	0	(111,352,629)	111,352,629	0
Net increase (decrease) in Fund Balance	(6,694,864)	(21,962,485)	(28,657,349)	(18,217,221)	(30,963,676)	(49,180,897)	(24,929,252)	(14,078,652)	(39,007,904)
Beginning Balance	103,708,114	22,198,603	125,906,717	97,013,250	236,118	97,249,368	78,796,029	(30,727,557)	48,068,472
Ending Balance	97,013,250	236,118	97,249,368	78,796,029	(30,727,557)	48,068,472	53,866,777	(44,806,209)	9,060,568

*The negative fund balance for restricted programs in 2022-23 and 2023-24 will be corrected with the next budget update. This is due to a change in how ESSER and ELO revenues are recorded in the financial statements since the budget adoption in June 2021.

Multi-Year Projections with Updated Beginning Fund Balance (ending fund balance from 2020-21 Unaudited Actuals) **No ESSER II, GEER or ELO Funds**



*Assumes enrollment of 39,703

Description	Adopted Budget 2021-22			Projection 2022-23			Projection 2023-24		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	443,805,897	115,463,179	559,269,075	448,644,885	108,668,411	557,313,296	457,241,790	108,668,411	565,910,201
Total Expenditures	354,706,263	214,002,645	568,708,907	364,582,963	213,087,903	577,670,866	373,107,729	219,867,322	592,975,051
Deficit/Surplus	89,099,634	(98,539,466)	(9,439,832)	84,061,922	(104,419,492)	(20,357,570)	84,134,061	(111,198,911)	(27,064,850)
Transfers in/(out)	2,050,301	0	2,050,301	2,050,301	0	2,050,301	2,050,301	0	2,050,301
Contributions to Restricted	(98,193,763)	98,193,763	0	(104,419,492)	104,419,492	0	(111,198,910)	111,198,910	0
Net increase (decrease) in Fund Balance	(7,043,828)	(345,703)	(7,389,531)	(18,307,269)	0	(18,307,269)	(25,014,548)	(1)	(25,014,549)
Beginning Balance	103,708,114	7,154,651	110,862,765	96,664,286	6,808,948	103,473,234	78,357,017	6,808,948	85,165,966
Ending Balance	96,664,286	6,808,948	103,473,234	78,357,017	6,808,948	85,165,966	53,342,469	6,808,948	60,151,417

2021-22 Multiyear Projections From Budget Update Presented on August 19, 2021

*Assumes Enrollment of 38,039

Description	Proposed Budget 2021-22			Projection 2022-23			Projection 2023-24		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	453,171,144	116,081,179	569,252,322	439,195,843	109,286,411	548,482,254	450,106,895	109,286,411	559,393,306
Total Expenditures	361,822,546	236,237,426	598,059,972	374,003,396	244,818,547	618,821,943	382,077,166	234,717,693	616,794,859
Deficit/Surplus	91,348,598	(120,156,248)	(28,807,650)	65,192,447	(135,532,136)	(70,339,689)	68,029,729	(125,431,282)	(57,401,553)
Transfers in/(out)	2,050,301	0	2,050,301	2,050,301	0	2,050,301	2,050,301	0	2,050,301
Contributions to Restricted	(98,193,763)	98,193,763	0	(104,568,460)	104,568,460	0	(111,352,629)	111,352,629	0
Net increase (decrease) in Fund Balance	(2,194,864)	(24,562,485)	(26,757,349)	(34,725,712)	(33,563,676)	(68,289,388)	(38,672,599)	(16,678,652)	(55,351,252)
Beginning Balance	103,708,114	22,198,603	125,906,717	101,513,250	(2,363,882)	99,149,368	66,787,538	(35,927,557)	30,859,981
Ending Balance	101,513,250	(2,363,882)	99,149,368	66,787,538	(35,927,557)	30,859,981	28,114,939	(52,606,209)	(24,491,271)

- Updated beginning fund balances to reflect 2020-21 Unaudited Actuals
- Increase in beginning fund balance of \$8M
- Estimated decrease in LCFF revenue of \$18.9M in 2022-23 and \$16.7M in 2023-24

Enrollment

- Monitor 2021-22 Enrollment

Enrollment Analysis as of 9/8/2021					
School Type	Total Current Enrollment (TK-12)	Total Current Enrollment (SpEd)	Overall Total Current Enrollment (K-12 & SpEd)	Overall Total BUDGETED Projections (K-12 & SpEd)	Difference (Current Enrollment - Projections) S - T
Elementary School	16,663	522	17,061	17,925	(864)
High School	10,377	677	11,054	11,247	(193)
K-8 School	4,135	142	4,220	4,269	(49)
Middle School	4,196	185	4,381	4,425	(44)
Multi Segment	1,152	21	1,173	1,226	(53)
Alternative School	689	41	730	611	119
Totals	37,212	1,588	38,619	39,703	(1,084)

Summary & Next Steps



- One-time savings from COVID-19 pandemic helped improve 2020-21 ending fund balance
- Projected deficits remain in 2021-22, 2022-23 and 2023-24
- District working on 2021-22 budget revisions for next budget update
 - *Includes 2020-21 carryover funds*
 - *Key changes from 2021-22 State Enacted Budget*
 - *Updated restricted ending fund balance*
 - *Updated cash flow report*
- District will continue to work on identifying solutions to achieve fiscal solvency

Approve 2020-21 Unaudited Actuals Financial Report

Questions?