



1st Interim

December 11, 2018

1st Interim Changes

Overview of major changes from budget adoption

- Increased property tax revenue growth from 4.8% to 5%
- Increased local revenues to reflect grant awards and one-time funds
- Reduced projected salaries & benefits based on unfilled positions
- Increased projected capital outlay to cover expected facilities and technology costs
- Adjusted ending fund balance to reflect carryover

Multiyear Projections

| | 2018-19 | 2019-20 | 2020-21 |
|--------------------------------------|---------------|--------------|--------------|
| Revenues | \$63,002,369 | \$64,704,692 | \$66,244,916 |
| Expenditures | \$64,962,905 | \$64,059,508 | \$65,373,041 |
| Change in Fund Balance | (\$1,960,536) | \$645,184 | \$871,875 |
| | | | |
| Projected Ending Fund Balance | \$7,252,565 | \$7,897,749 | \$8,769,624 |

Components of Ending Fund Balance

| | <u>Adopted</u> | <u>1st Interim</u> |
|--|-----------------------|---------------------------|
| Nonspendable (Revolving Cash) - | \$50,000 | \$50,000 |
| Routine Restricted Maintenance Reserve - | \$2,556,678 | \$2,601,700 |
| Assigned One-Time Expenditures - | \$222,070 | \$1,300,865 |
| Reserve for Economic Uncertainties - | \$3,150,000 | \$3,300,000 |

Community Funded Differential (Fund 17)

Explanation of Calculation

Board Policy 3001 states “A Basic Aid Differential Reserve to be maintained in perpetuity based on the annual recommendations to the Governing Board on the amount of the annual contribution to this reserve necessary to maintain this level of funding. A Basic Aid differential is the cost of maintaining the District’s budget for a period of one year if funded at the Local Control Funding Formula (LCFF) Target.”

Differential Calculation

| | |
|---------------------------------|---------------------|
| 2018-19 Projected Expenditures: | \$64,962,905 |
| Total Funding at LCFF Target: | <u>\$30,783,478</u> |
| 100% Differential Funding: | \$34,179,427 |

Available Reserves

| | |
|-------------------------|--------------------|
| Fund 17: | \$17,297,615 |
| Fund 40: | \$8,948,631 |
| Economic Uncertainties: | <u>\$3,300,000</u> |
| Available Reserves: | \$29,546,246 |

\$3,395,947 below 100% differential.
Currently 87% funded.
(Last year we were 82%)

Community Funded Differential (Fund 17)

Explanation of Calculation

Board Policy 3001 also establishes that “If one time projects reduce reserves below two-thirds of the Basic Aid Differential, a plan should be developed to determine when reserves are projected to recover above that level.”

Fund 40 will fluctuate from year to year based on projects that are planned. However, each year a General Fund contribution is made to Fund 4040 and Fund 4042 to support the District’s facilities needs. No funding is used from Fund 17 to support facilities projects.

The 2018-2019 projected $\frac{2}{3}$ threshold for reserves is \$22,797,677.

Thank you!
Questions?

