North Monterey County Unified School District
2014-15 Adopted Budget

June 24, 2014

Prepared by: Liann Reyes, Assistant Superintendent Business Services

2014-15 Assumptions

- June 12 Board Meeting discussed in detail assumptions used to build the budget
  - Attached to this agenda item is the final budget assumptions document
  - Attached to this agenda item is the Common Message



2014-15 Adopted Budget

Fund 01

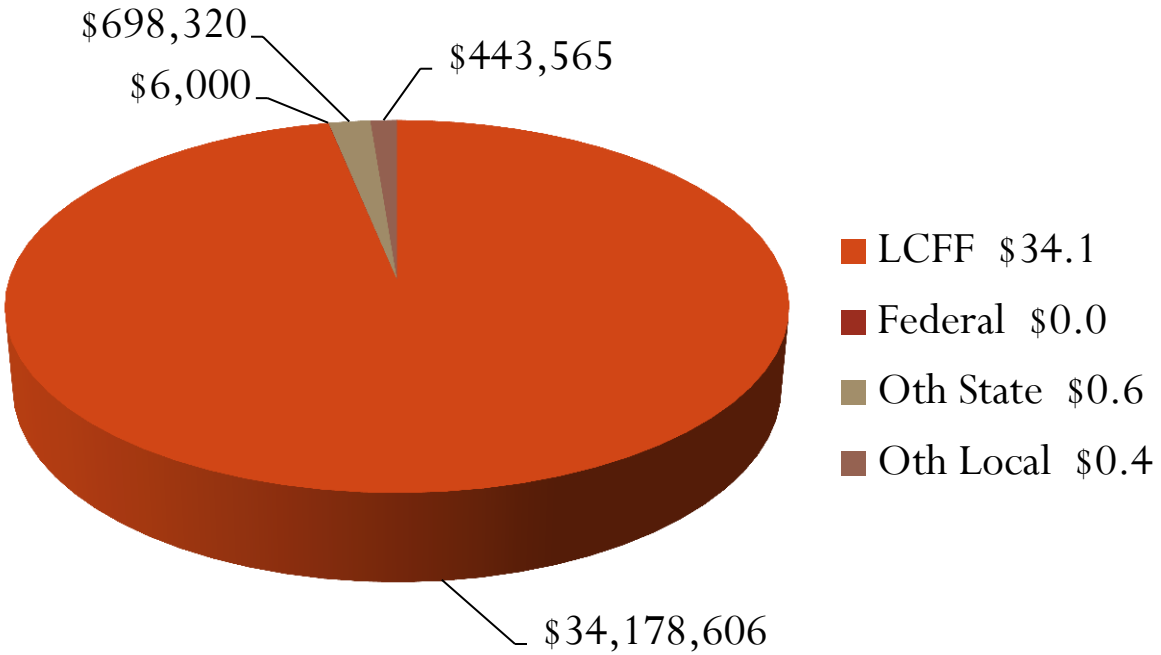


2014-15 Budget At A Glance

Unrestricted Revenue and Expense Fund 01

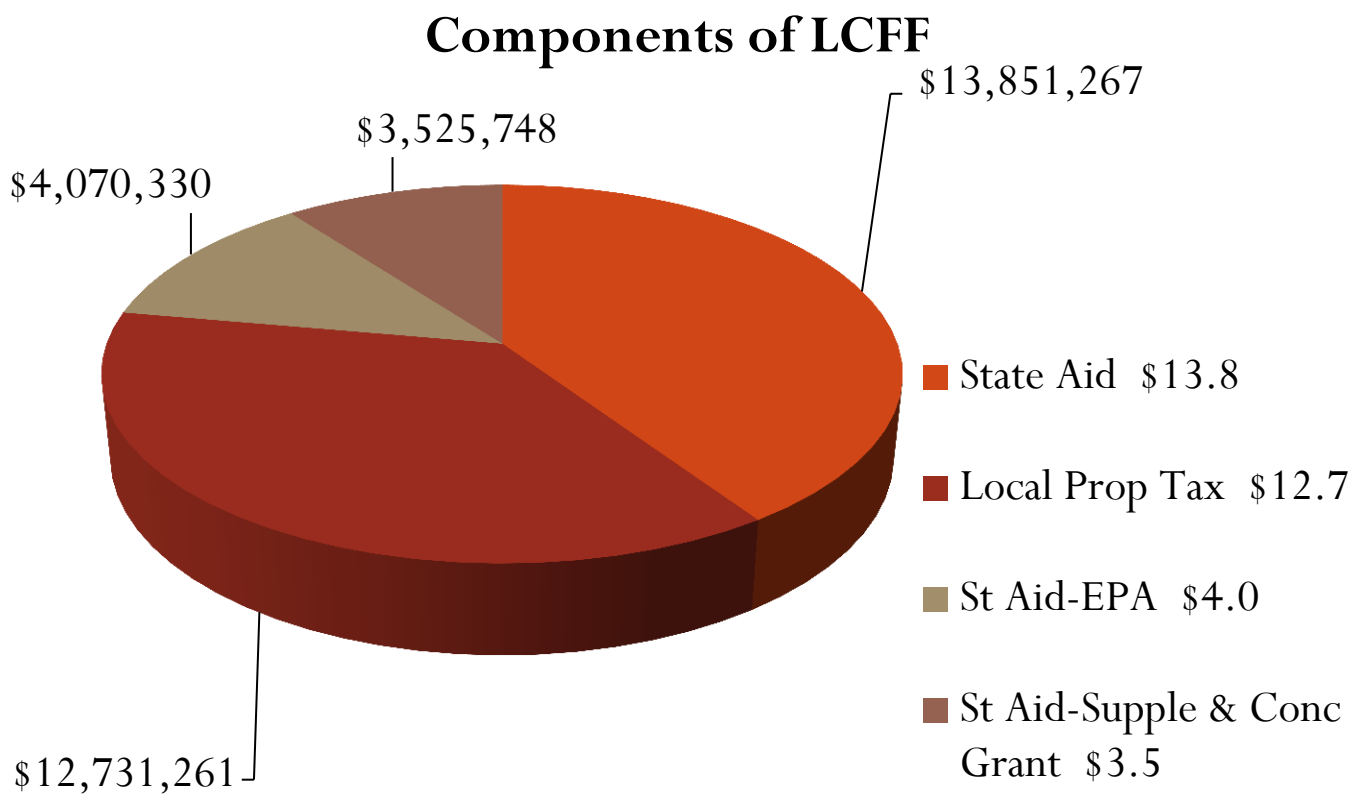
Estimated Beginning Balance:		$ 2,647,000
Total Revenue	$ 35,326,000	
Total Expenditures	$(29,174,000)	
Total Contributions	$(5,804,000)	
Total Transfers Out	$(783,000)	
Net Incr/Decr in Fund Balance:		$(435,000)
Estimated Ending Fund Balance:		$ 2,212,000

Total Unrestricted Revenue



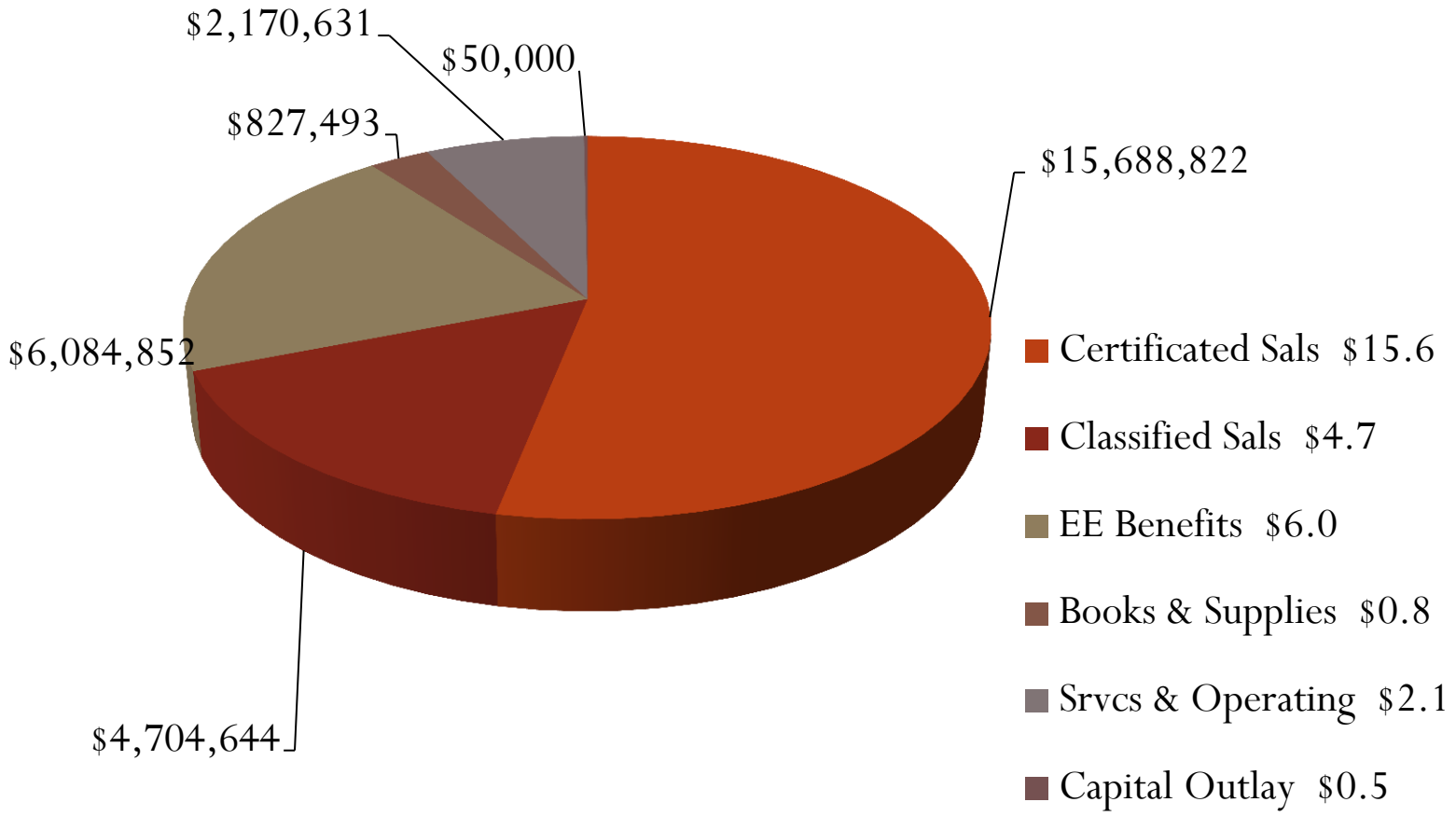
Other State primarily includes mandated costs block grant and lottery.

Other Local primarily includes RDA 2% pass through, interest, and salary reimbursements.



Education Protection Account (EPA) aka Prop 30 expires between fiscal 2016-17 and 2019-20; full effect of expiration equivalent to a loss of $497 per ADA.

Total Unrestricted Expense



2014-15 Adopted Budget

Components of Unrestricted Fund 01 Ending Balance

Estimated Ending Balance:	$2,212,000
Revolving Cash	$ 5,000
Reserve for Economic Uncertainties	$1,260,000
Rsc 0350 ROP	$ 102,000
Rsc 1100 Lottery	$ 725,000
Rsc 1300 CSR (Former)	$ 39,000
Unassigned	$ 81,000

While closing out FY 2013-14, there will be clean up done for Rsc 1100 Lottery and Rsc 1300 CSR. CSR (which has been eliminated) will be zeroed out at Estimated Actuals.

2014-15 Budget At A Glance



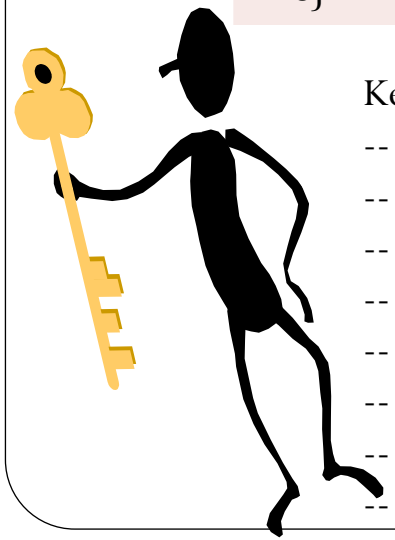
Restricted Revenue and Expense Fund 01

Estimated Beginning Balance:		$ 28,000
Total Revenue	$ 6,232,000	
Total Expenditures	$12,036,000	
Total Contributions	$ 5,804,000	
Total Transfers Out	$ - 0 -	
Net Incr/Decr in Fund Balance:		$ - 0 -
Estimated Ending Fund Balance:		$ 28,000

Revenue and expenditures for restricted programs such as Special Education, Title I, II, and III, SIG, ASES, and Prop 39 Clean Energy Jobs Act.
Contributions for Routine Restricted Maintenance (18%) and Special Ed (82%)

2014-15 Unrestricted Multi-Yr Projections

	Unrestricted 2014-15	Unrestricted 2015-16	Unrestricted 2016-17
Revenue	$35,326,000	$38,555,000	$40,067,000
Expense	($29,526,000)	($32,293,000)	($34,393,000)
Contribution	($5,804,000)	($5,957,000)	($6,166,000)
Net Transfers In(Out)	($431,000)	($219,000)	($219,000)
Incr(Decr) FB	($435,000)	$85,000	($711,000)
Proj Beg Bal	$2,647,000	$2,212,000	$2,297,000
Proj End Bal	$2,212,000	$2,297,000	$1,585,000



Key Assumptions:

-- Used FCMAT LCFF calculator for revenue forecast
-- Includes cost of Step and Column (2% Certificated, 3.4% Classified)
-- Increased certificated FTEs for 24:1 adequate progress
-- Absorbed some positions from restricted SIG grant in 1516
-- Includes increased STRS and PERS rates
-- Assumed Special Ed encroachment increase of 3%
-- Returns Routine Restricted Maint contribution to full 3% due to flexibility sunset
-- Plans for $500,000 Deferred Maint in 1516 and beyond

2014-15 Adopted Budget

Other Funds

2014-15 Budget Other Funds

	Fund 11 Adult Ed	Fund 12 Child Develop	Fund 13 Cafeteria	Fund 14 Deferred Mtc
Revenue	$35,000	$1,193,000	$2,256,000	$0
Expense	$198,000	$1,216,000	$2,826,000	$500,000
Transfers In(Out)	$311,000	$22,000	$0	$450,000
Incr(Decr) FB	$148,000	$0	($571,000)	($50,000)
Proj Beg Bal	$355,000	$203,000	$1,405,000	$110,000
Proj End Bal	$504,000	$203,000	$835,000	$60,000

While Fund 13 has deficit spending planned in 1415, this fund has historically had a significant ending fund balance. A spending plan is being developed and has been submitted for CDE approval and the overall program is being restructured this coming year.

2014-15 Budget Other Funds

	Fund 21 Building	Fund 25 Capital Facility	Fund 56 Debt Service	Fund 67 Self Insurance
Revenue	$50,000	$20,000	$37,000	$73,000
Expense	$4,818,000	$15,000	$988,000	$73,000
Transfers In(Out)	$0	$0	$0	$0
Incr(Decr) FB	($4,768,000)	$5	($951,000)	$0
Proj Beg Bal	$15,006,000	$73,000	$8,826,000	$670,000
Proj End Bal	$10,238,000	$78,000	$7,875,000	$670,000

Fund 67 Self Insurance will have adjustments made to the ending fund balance after the business office reconciles this account. Any related adjustments will be recorded during the year end close process.

2014-15 Adopted Budget

Next Steps

2014-15 Budget

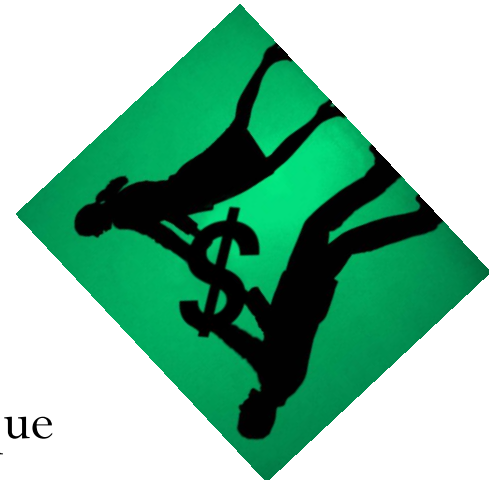
Next Steps

- State adopted budget on June 15, 2014
- District has 45 Days (until end of July) to make adjustments
- Expect financial changes in:
  - Incr revenue due to gap closure increase from 28.05% to 29.0%
  - Decr expense due to smaller STRS increase of 8.88%, not 9.5%
- Local Reserve Cap Surprise
  - 2015-16 adopted budget must substantiate any ending fund balance in excess of 6%



2014-15 Budget





** Reminders **

- During phase in of "fully funded", *every* District is unique
- Expect many demands on the budget:
  - STRS rates projected to increase from 8.25% to 19.10% through 2020-21
  - PERS rates projected to increase from 11.44% to 20.40% through 2020-21
  - On-going step and column salary increases
  - Expect Consumer Price Index (CPI) increases on supplies and service
  - Prop 30 dollars start "going away" in 2015-16
  - Declining enrollment?
  - Affordable Health Care Act?



