Second Interim Report
FY 2020-2021

Business Services

Inspiring our community with opportunities to learn and thrive, we are committed to a shared purpose that guarantees each student a strong academic foundation while ensuring equity through access and opportunity for all.

Second Interim Report

The Second Interim report covers the period of time from July 1 through January 31, and must be submitted to the county office of education no later than March 17 (45 days after the close of the reporting period per Education Code Section [EC §] 42131(a)).

- To provide a review of the District's financial condition at periodic intervals during the fiscal year.
- To provide a status report to the Board of Education and the public of the financial condition of the District
- To determine necessary budget revisions as a result of current or projected financial information.

POSITIVE CERTIFICATION

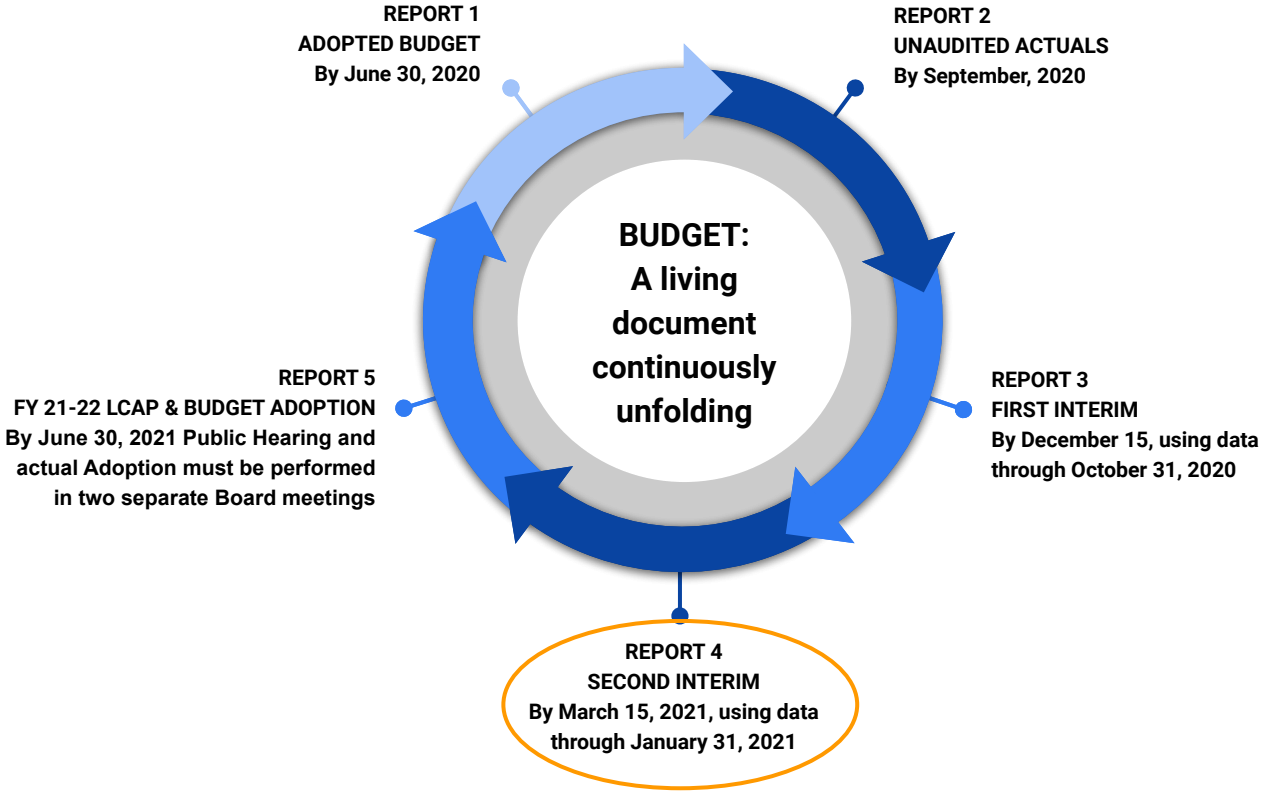
- The district, based on current projections, **will be able** to meet its financial obligations for the current and subsequent two fiscal years.

QUALIFIED CERTIFICATION

- The district, based on current projections, **may not be able** to meet its financial obligations for the current and subsequent two fiscal years.

NEGATIVE CERTIFICATION

- The district, based on current projections, **will be unable** to meet its financial obligations for the current and subsequent two fiscal years.



Reporting Calendar

Budget Development Assumptions

Planning Factors	2020-21	2021-22	2022-23
LCFF			
Statutory COLA	2.31%	1.50%	2.98%
COLA Suspension	- 2.31%	0.00%	0.00%
Funded LCFF COLA	0.00%	3.84%	0.00%
School Services of California Estimated COLA	0.00%	3.84%	1.28%
STRS Employer Rates	16.15%	15.92%	18.00%
PERS Employer Rates (May 2020)	20.70%	23.00%	26.3%
Lottery – Unrestricted per ADA	$150.00	$150.00	$150.00
Lottery – Prop. 20 per ADA	$49.00	$49.00	$49.00
Mandated Block Grant for Districts K-8 per ADA	$32.18	$32.66	$33.08
Routine Restricted Maintenance Account ***(Flexibility for calculation to exclude STRS and PERS on behalf payments)***	3%	3%	3%

Overview of our District

Total Enrollment	2221
Estimated Funded ADA	2267.18
Unduplicated Pupil	37.69%
Total Certificated Employees (non-management)	124.8 FTEs
Total Classified Employees (non-management)	57.9 FTEs
Total of Management & Supervisor	16.0

Current trends and variables:

- Enrollment
- COLA changes to LCFF funding
- Property Tax Increases
- Supplemental Property Tax Funding

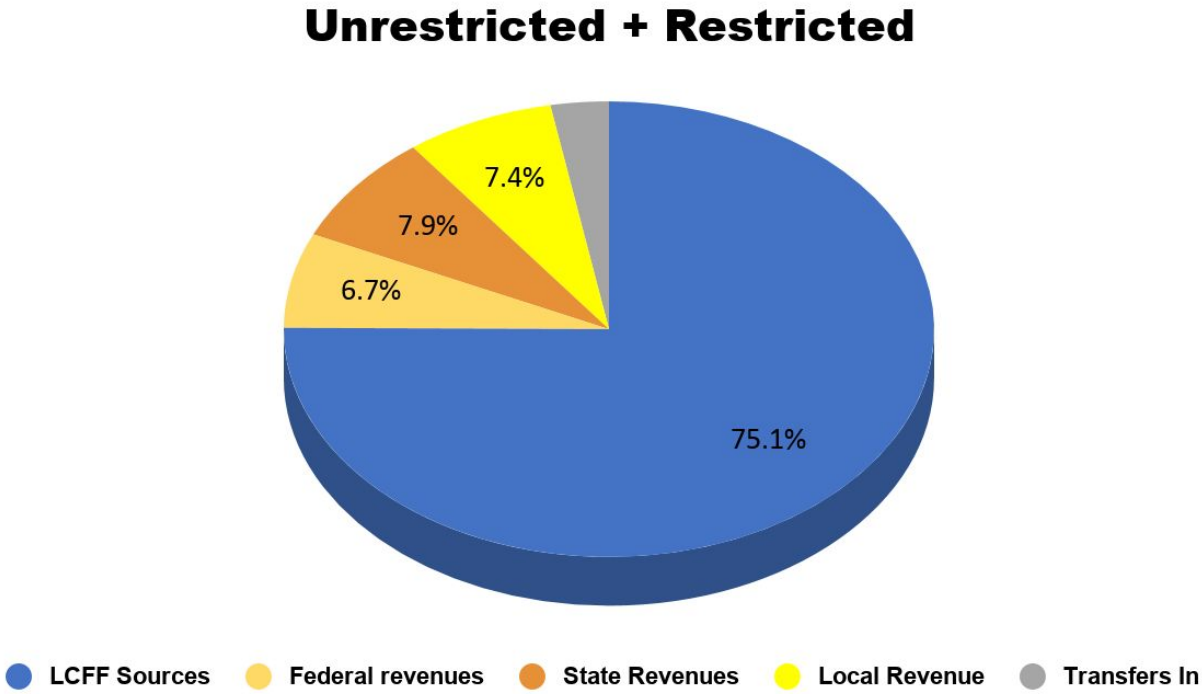
Revenues

General Fund Revenues: $28,254,408

(Unrestricted $17,898,662; Restricted $10,355,746)

Revenues		Unrestricted	Restricted	Total
LCFF Sources	8010-8099	$19,927,072.00	$1,290,337.00	$21,217,409.00
Federal Revenue	8100-8299	$0.00	$1,903,677.00	$1,903,677.00
Other State Revenue	8300-8599	$427,133.00	$1,798,709.00	$2,225,842.00
Other Local Revenue	8600-8799	$571,103.00	$1,520,382.00	$2,091,485.00
Transfers In	8900-8929	$815,995.00	$0.00	$815,995.00
Contributions		-$3,842,641.00	$3,842,641.00	$0.00
Total Revenues		**$17,898,662.00**	**$10,355,746.00**	**$28,254,408.00**

Revenues


Unrestricted + Restricted
7.4%
7.9%
6.7%
75.1%
LCFF Sources
Federal revenues
State Revenues
Local Revenue
Transfers In

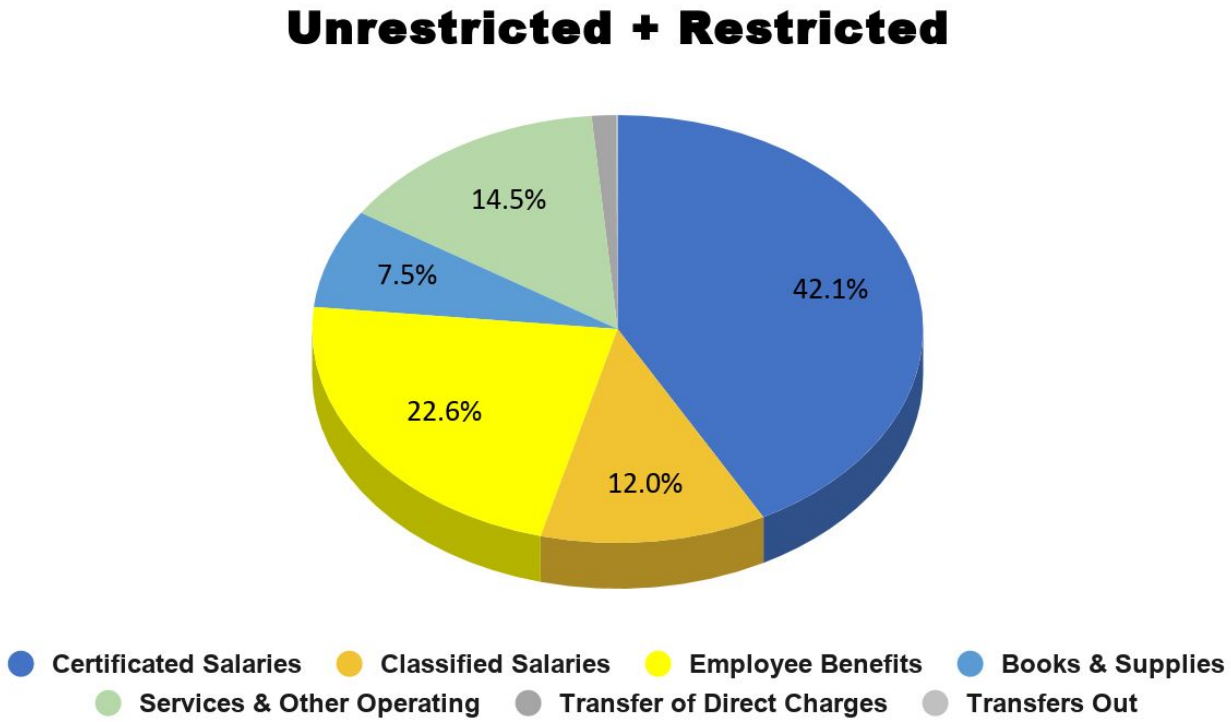
Expenditures

General Fund Expenditures: $28,032,603

(Unrestricted $17,634,373; Restricted $10,398,230)

Expenditures		Unrestricted	Restricted	Total
Certificated Salaries	1000-1999	$9,127,700.00	$2,684,014.00	$11,811,714.00
Classified Salaries	2000-2999	$2,120,635.00	$1,239,676.00	$3,360,311.00
Employee Benefits	3000-3999	$3,864,815.00	$2,475,551.00	$6,340,366.00
Books and Supplies	4000-4999	$1,023,732.00	$1,078,540.00	$2,102,272.00
Services and Other Operating Costs	5000-5999	$1,485,750.00	$2,583,144.00	$4,068,894.00
Capital Outlay	6000-6999	$0.00	$0.00	$0.00
Other Outgo-Transfer of Direct Charges	7100-7299, 7400-7499	$42,022.00	$321,024.00	$363,046.00
Other Outgo - Indirect Charges	7300-7399	-$50,281.00	$16,281.00	-$34,000.00
Transfers Out	7600-7629	$20,000.00	$0.00	$20,000.00
Total Expenditures		**$17,634,373.00**	**$10,398,230.00**	**$28,032,603.00**

Expenditures



Unrestricted	2020-21 1st Interim Budget	2020-21 2nd Interim Budget	Difference
Total Revenues	$ 20,868,934.00	$ 20,925,308.00	$ 56,374.00
Total Expenditures	$ 17,653,153.00	$ 17,614,373.00	$ (38,780.00)
Excess/Deficiency	$ 3,215,781.00	$ 3,310,935.00	$ 95,154.00
Total Other Sources/Uses and Transfers	$ (3,036,933.00)	$ (3,046,646.00)	$ (133,934.00)
Net Increase/Decrease	$ 178,848.00	$ 264,289.00	$ 229,088.00
Beginning Fund Balance- ***Unrestricted***	**$ 4,817,784.10**	**$ 4,817,784.10**	$ -
Ending Fund Balance-***Unrestricted***	**$ 4,996,632.10**	**$ 5,082,073.10**	**$ 85,441.00**

Unrestricted General Fund Ending Fund Balance

General Fund Combined	2020-21 Adopted Budget	2020-21 1st Interim Budget	2020-21 2nd Interim Budget	Difference
Anticipated Revenues	$ 26,588,194.00	$ 27,538,547.00	$ 27,438,413.00	$ (100,134.00)
Proposed Expenditures	$ 26,664,759.00	$ 27,344,293.00	$ 28,012,603.00	$ 668,310.00
Excess (Deficiency) of Expenditures over Revenues	$ (76,565.00)	$ 194,254.00	$ (574,190.00)	$ (379,936.00)
Other Sources/Uses and Transfers	$ 66,298.00	$ 66,298.00	$ 795,995.00	$ 729,697.00
Total Increase (Decrease) in General Fund	$ (10,276.00)	$ 260,552.00	$ 221,805.00	$ (38,747.00)

Analysis of Changes in Revenues & Expenditures

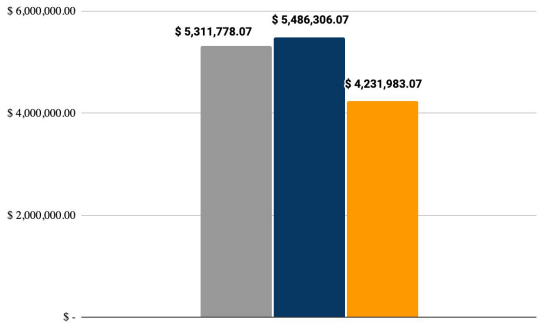
Ending Fund Balance Special Funds

2020-21 2nd Interim Summary	Cafeteria	Special Reserve for Other than Capital Outlay	Foundation	Special Reserve for Post-Employment Benefits	Capital Facilities	Special Reserve for Capital Outlay Projects
	Fund 13	Fund 17	Fund 19	Fund 20	Fund 25	Fund 40
Revenues	$779,918.00	$15,000.00	$500.00	$15,000.00	$66,000.00	$642,000.00
Expenditures	$804,108.00	$715,000.00	$500.00	$0.00	$0.00	$673,095.00
Net Increase (Decrease) In Fund Balance	-$24,190.00	-$700,000.00	$0.00	$15,000.00	$66,000.00	-$31,095.00
Beginning Balance	$232,755.56	$1,315,505.64	$51,273.36	$2,072,878.13	$364,296.50	$12,995,422.73
Ending Fund Balance	**$208,565.56**	**$615,505.64**	**$51,273.36**	**$2,087,878.13**	**$430,296.50**	**$12,964,327.73**

Multi-Year Projections General Fund

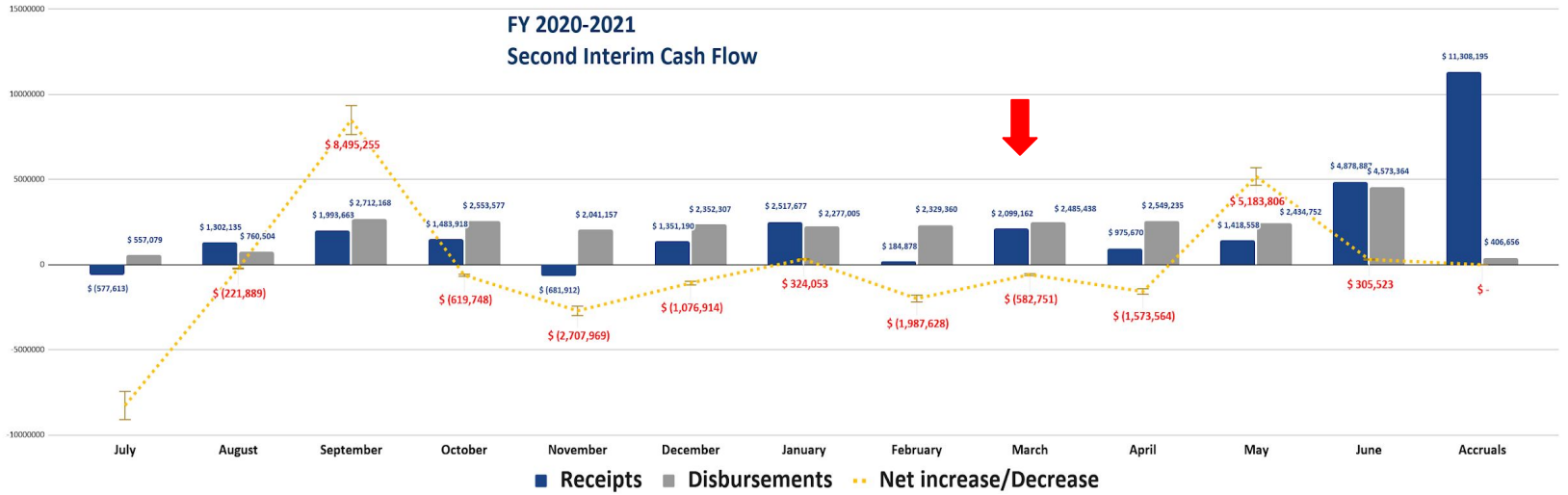
Unrestricted/Restricted

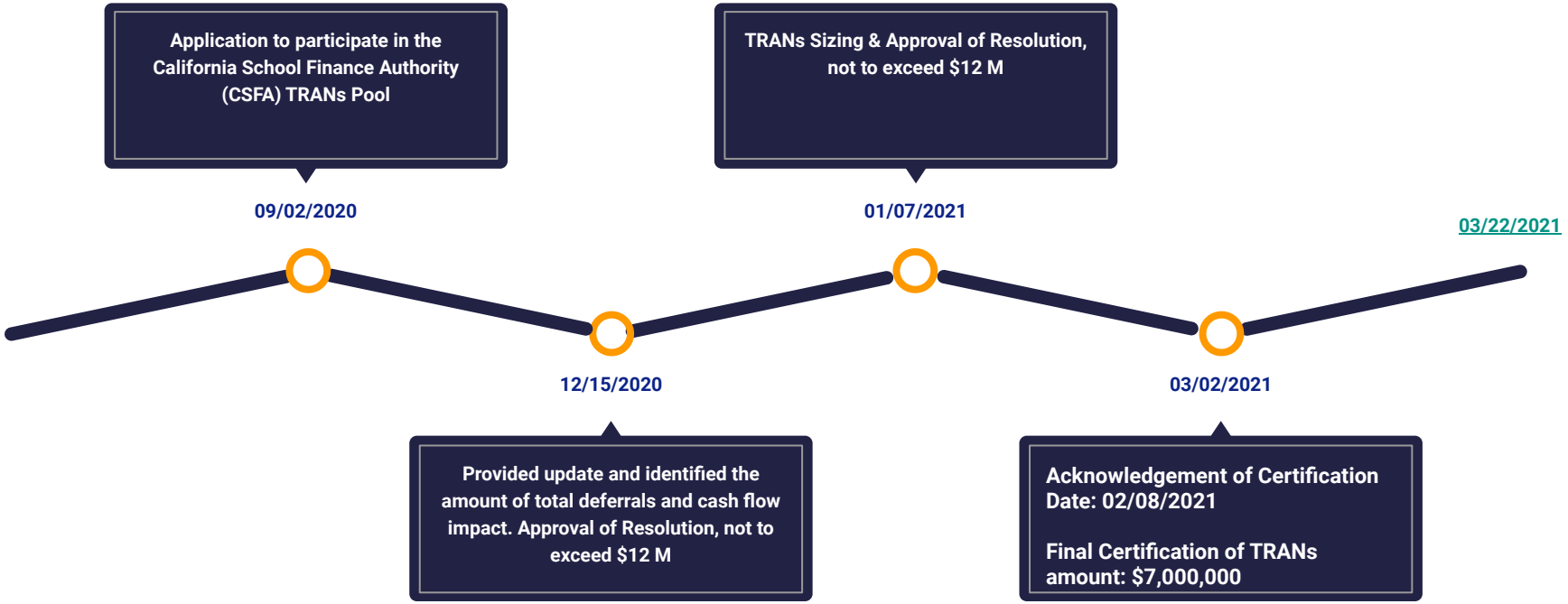
	2020-21	2021-22	2022-23
Total Revenues	$ 28,254,408.00	$ 26,390,005.00	$ 25,124,294.00
Total Expenditures	$ 28,032,603.00	$ 26,215,477.00	$ 26,378,617.00
Net Increase/Decrease	$ 221,805.00	$ 174,528.00	**$ (1,254,323.00)**
Beginning Fund Balance- ***Unrestricted***	**$ 5,089,973.07**	**$ 5,311,778.07**	**$ 5,486,306.07**
Ending Fund Balance-***Unrestricted***	**$ 5,311,778.07**	**$ 5,486,306.07**	**$ 4,231,983.07**



Cash Flow Analysis

Beginning balance	$ 3,334,779.75	$ (4,930,434)	$ (5,152,323)	$ 3,342,932	$ 2,723,184	$ 15,215	$ (1,061,699)	$ (737,646)	$ (2,725,274)	$ (3,308,025)	$ (4,881,589)	$ 302,217
Month	July	August	September	October	November	December	January	February	March	April	May	June
Receipts	$ (577,613)	$ 1,302,135	$ 1,993,663	$ 1,483,918	$ (681,912)	$ 1,351,190	$ 2,517,677	$ 184,878	$ 2,099,162	$ 975,670	$ 1,418,558	$ 4,878,887
Disbursements	$ 557,079	$ 760,504	$ 2,712,168	$ 2,553,577	$ 2,041,157	$ 2,352,307	$ 2,277,005	$ 2,329,360	$ 2,485,438	$ 2,549,235	$ 2,434,752	$ 4,573,364
Total Balance Sheet Items	$ (7,130,522)	$ (763,520)	$ 9,213,761	$ 449,911	$ 15,100	$ (75,797)	$ 83,381	$ 156,854	$ (196,474)	$ -	$ 6,200,000	$ -
Net increase/Decrease	$ (8,265,214)	$ (221,889)	$ 8,495,255	$ (619,748)	$ (2,707,969)	$ (1,076,914)	$ 324,053	$ (1,987,628)	$ (582,751)	$ (1,573,564)	$ 5,183,806	$ 305,523
ENDING CASH	$ (4,930,434)	$ (5,152,323)	$ 3,342,932	$ 2,723,184	$ 15,215	$ (1,061,699)	$ (737,646)	$ (2,725,274)	$ (3,308,025)	$ (4,881,589)	$ 302,217	$ 607,739





Tax and Revenue Anticipation Notes (TRAN) Timeline

Deferrals Update

The District's Final TRANs Amount cannot exceed Total Deferrals.

Month	Deferral Amount (1st Interim)	Deferral Amount (2nd Interim)
February	$1,555,828.00	$1,404,406.00
March	$2,,407,130.00	$2,172,501.00
April	$2,407,130.00	$2,199,862.00
May	$2,407,130.00	$2,209,077.00
June (estimated)	$2,935,526.00	$2,909,534.00
Total	**$11,712,744.00**	**$10,895,380.00**

Source: CDE First Principal Apportionment (P-1)
https://www.cde.ca.gov/fg/aa/pa/iassf20p1.asp

MESD strives to follow these fundamental best practices:

- Maintain a structurally balanced budget
- Build strong reserves
- Cash flow management
- Risk factors awareness

Next Steps

- 1st Interim Financial Report - December 2020
  - July 2020 - Oct 2020
- 2nd Interim Financial Report - March 2021
  - Nov 2020 - January 2021
- **Board Adoption FY 2021-22 Budget & LCAP - June 2021**
- Unaudited Actual Financial Report - September 2021
  - July 2020 - June 2021
- Audit Report - January 2022

Continue to review expenditures and opportunities to reduce deficit spending.

Questions