



Millbrae School District

2019-2020

Our Vision

Nurture Promote Foster Connect

Business Department

2019-20 1st Interim

Our LCAP Goals

Teaching & Learning | Reaching ALL Learners | Importance of Relationships



First Interim Overview

- ❑ Interim Report Certification
- ❑ Review of Revenue
- ❑ Review of Expenditures
- ❑ Multi Year Projection & Assumptions
- ❑ Next Steps



Interim Reports

Education Code 42300

Requires school districts to report its financial data twice a year. The report is referred to as the “Interim Report.”

- The 1st Interim shall reflect changes to the board approved budget from
 - July 1, 2019 through October 31, 2019
- The 2nd Interim shall reflect changes to the board approved budget from
 - July 1, 2019 through January 31, 2020



Interim Certification:

For each Interim Report, the District must use Multi Year Projections to certify one of the following:

- Positive Certification: The District **WILL MEET** their financial obligations for the current and two subsequent fiscal years.
- Qualified Certification: The District **MAY NOT MEET** their financial obligations for the current or two subsequent fiscal years.
- Negative Certification: The District **WILL BE UNABLE TO MEET** their financial obligations for the remainder of the current fiscal years based upon current projections (not meeting reserves in the current fiscal year or negative fund balance in any year).



Changes Since Budget Adoption

- 2018-19 Unaudited Actuals - Board Approved 9/17/19
- 2019-20 Budget Adoption - Board Approved 6/25/19
- First Interim Changes:
 - Include prior year carryover
 - Adjust revenue based on current information or new allocations (Spec Ed PK, ASES)
 - Revise salaries for staffing changes
 - Update other expenditures to reflect actual and projections through June 30



2019-20 1st Interim Revenue

		19/20	19/20	
Revenue:		Adopted Budget	1st Interim	Increase/(Decr)
LCFF Sources	8010-8099	\$21,478,963.00	\$21,496,894.00	\$17,931.00
Federal Revenue	8100-8299	\$670,292.00	\$774,990.00	\$104,698.00
State Revenue	8300-8599	\$1,910,882.00	\$2,068,127.00	\$157,245.00
Local Revenue	8600-8799	\$1,847,405.00	\$2,248,183.00	\$400,778.00
Transfers In	8900-8929	\$86,298.00	\$86,298.00	\$0.00
Total Revenue		\$25,993,840.00	\$26,674,492.00	\$680,652.00

LCFF Sources	80.59%
Federal Revenue	2.91%
State Revenue	7.75%
Local Revenue	8.43%
Transfers In	0.32%





Highlights of Revenue Changes

LCFF Revenue: Increase of \$17,931

- Increase in Spec Ed funding from SELPA \$22,437
- Decrease in LCFF (Spec Ed ADA Adj) \$4,506

Federal Revenue: Increase of \$104,698

- Carryover of Title I, Title II and Title III & Increase in Spec Ed IDEA

Other State Revenue: Increase of \$157,245

- Spec Ed Preschool Funding awarded after budget adoption \$108,120
- Lottery increase \$11,998 Unrestricted, \$3585 Restricted
- Increase to ASES funding \$9657
- Mental Health Carryover \$21,148

Local Revenue: Increase of \$400,778

- Increase in interest & rental income
- Increase in Restricted Revenue \$321,882 - prior year carryover of site donations/grants along with new/additional alloc (MEF/PCBA and County Academic Center Grant

2019/20 1st Interim Expenditures

Expenditures		19/20	19/20	Increase/(Decr)
		Adopted Budget	1st Interim	
Certificated Salaries	1000-1999	\$12,397,675.00	\$12,253,693.00	-\$143,982.00
Classified Salaries	2000-2999	\$3,626,112.00	\$3,585,484.00	-\$40,628.00
Employee Benefits	3000-3999	\$6,883,387.00	\$6,750,622.00	-\$132,765.00
Books & Supplies	4000-4999	\$523,440.00	\$742,843.00	\$219,403.00
Services & Other Operating	5000-5999	\$2,020,600.00	\$2,575,114.00	\$554,514.00
Capital Outlay	6000-6999	\$0.00	\$6,554.00	\$6,554.00
Transfer of Direct Charges	7100-7499	\$892,926.00	\$784,449.00	-\$108,477.00
Other Outgo-Indirect Charges	7300-7399	-\$34,000.00	-\$34,000.00	\$0.00
Transfers Out	7600-7629	\$20,000.00	\$20,000.00	\$0.00
Total Expenditures		\$26,330,140.00	\$26,684,759.00	\$354,619.00

Salaries & Benefits	84.65%
Books & Supplies	2.78%
Services	9.65%
Capital Outlay	0.02%
Transfer of Direct Charges	2.94%
Indirect Charges	-0.13%
Transfers Out	0.07%





Highlights of Expenditure Changes

Certificated Salaries: Decrease of \$143,982

- Mainly due to shift from staffing to contracted services (MEF)
- Additionally due to adjustments for staffing changes

Classified Salaries: Decrease of \$ 40,628

- Mainly due to staffing changes/vacancies as well as shift to contracted services

Employee Benefits: Decrease of \$ 132,765

- Reduction due to reduction in Certificated & Classified Salaries

Books & Supplies: Increase of \$219,403

- Increase due to carryover in Lottery (\$61,904) & Donations (\$137,167)
- Unrestricted increase due to technology & garden equip replacement

Services & Other Operating Expenses: Increase of \$554,514

- Unrestricted Increase \$90,529 (Ins deduct, tech contracts))
- Restricted Increase Spec Ed (contracted services & student placements)
- Shift from salaries to contracted services (MEF) & c/o (Title II, Title III, and ASSES)

Other outgo: Decrease of \$108,477 - Decrease for PY special ed coe/student program changes

2019-20 General Fund Summary - Revenue & Expenditures

REVENUES:		Unrestricted	Restricted	Total Combined
LCFF Sources	8010-8099	\$20,294,213.00	\$1,202,681.00	\$21,496,894.00
Federal Revenue	8100-8299	\$0.00	\$774,990.00	\$774,990.00
Other State Revenue	8300-8599	\$544,855.00	\$1,523,272.00	\$2,068,127.00
Other Local Revenue	8600-8799	\$697,724.00	\$1,550,459.00	\$2,248,183.00
Transfers In	8900-8929	\$86,298.00	\$0.00	\$86,298.00
Contributions		-\$3,901,485.00	\$3,901,485.00	\$0.00
Total Revenues		\$17,721,605.00	\$8,952,887.00	\$26,674,492.00
EXPENDITURES				
Certificated Salaries	1000-1999	\$9,571,411.00	\$2,682,282.00	\$12,253,693.00
Classified Salaries	2000-2999	\$2,178,350.00	\$1,407,134.00	\$3,585,484.00
Employee Benefits	3000-3999	\$4,251,270.00	\$2,499,352.00	\$6,750,622.00
Books & Supplies	4000-4999	\$402,615.00	\$340,228.00	\$742,843.00
Services and Other Operating Expenses	5000-5999	\$1,234,721.00	\$1,340,393.00	\$2,575,114.00
Capital Outlay	6000-6999	\$0.00	\$6,554.00	\$6,554.00
Other Outgo - Transfer of Direct charges	7100-7400	\$41,523.00	\$742,926.00	\$784,449.00
Other Outgo-Indirect Charges	7300-7399	-\$49,959.00	\$15,959.00	-\$34,000.00
Transfers Out	7600-7629	\$20,000.00	\$0.00	\$20,000.00
Total Expenditures		\$17,649,931.00	\$9,034,828.00	\$26,684,759.00
Net Increase(Decrease) in Fund Balance)		\$71,674.00	-\$81,941.00	-\$10,267.00
Beginning Balances		\$4,365,469.39	\$264,191.02	\$4,629,660.41
Ending Balances		\$4,437,143.39	\$182,250.02	\$4,619,393.41



2019-20 1st Interim MYP Assumptions

MYP Assumptions	FY 2019-20	FY 2020-21	FY 2021-22
Statutory COLA	3.26%	3.00%	2.80%
Enrollment	2348	2315	2317
ADA	2265.83	2233.98	2235.91
Unduplicated %	38.66%	37.90%	37.02%
STRS Employer Rate	17.10%	18.40%	18.10%
PERS Employer Rate	19.721%	22.70%	24.60%
Lottery Per ADA Unrestricted Restricted	\$153.00 \$ 54.00	\$153.00 \$ 54.00	\$153.00 \$ 54.00
Mandated Cost Block Grant	\$32.18	\$33.15	\$34.08
ASES Program	\$8.87	\$8.87	\$8.87
One Time Special Education Early Intervention PK	\$9010.00/Pre-K	N/A	N/A





Multi Year Projection - Unrestricted/Restricted	FY 19/20	FY 20/21	FY 21/22
LCFF Revenue	\$21,496,894.00	\$21,749,034.00	\$22,009,572.00
Federal Revenue	\$774,990.00	\$672,154.00	\$672,154.00
State Revenue	\$2,068,127.00	\$1,995,963.00	\$1,967,950.00
Local Revenue	\$2,248,183.00	\$1,954,794.00	\$1,956,483.00
Transfers In	\$86,298.00	\$80,995.00	\$75,391.00
Total Revenue	\$26,674,492.00	\$26,452,940.00	\$26,681,550.00
Certificated Salaries	\$12,253,693.00	\$12,543,001.00	\$12,767,124.00
Classified Salaries	\$3,585,484.00	\$3,797,103.00	\$3,848,569.00
Employee Benefits	\$6,750,622.00	\$7,351,953.00	\$7,640,042.00
Books and Supplies	\$742,843.00	\$530,391.00	\$535,759.00
Services	\$2,575,114.00	\$2,075,807.00	\$1,893,506.00
Capital Outlay	\$6,554.00	\$0.00	\$0.00
Other Outgo	\$784,449.00	\$660,802.00	\$668,142.00
Indirect Costs	-\$34,000.00	-\$34,000.00	-\$34,000.00
Transfers Out	\$20,000.00	\$20,000.00	\$20,000.00
Total Expenditures	\$26,684,759.00	\$26,945,057.00	\$27,339,142.00
Net Incr/(Decr)	-\$10,267.00	-\$492,117.00	-\$657,592.00
Beginning Balance	\$4,629,660.41	\$4,619,393.41	\$4,127,276.41
Ending Balance	\$4,619,393.41	\$4,127,276.41	\$3,469,684.41

Multi Year Projection - Unrestricted/Restricted	FY 19/20	FY 20/21	FY 21/22
Ending Balance	\$4,619,393.41	\$4,127,276.41	\$3,469,684.41
Components of EFB			
Revolving Cash	\$2,500.00	\$2,500.00	\$2,500.00
Restricted Programs	\$182,250.02	\$146,466.02	\$146,466.02
Commitments	\$74,495.00	\$95,490.00	\$110,881.00
Deficit Spending 20/21	\$456,333.00	\$0.00	\$0.00
Deficit Spending 21/22	\$657,592.00	\$657,592.00	\$0.00
Pending Litigation	\$100,000.00	\$100,000.00	\$100,000.00
Insurance Deductible	\$20,000.00	\$20,000.00	\$20,000.00
Addl reserve Increase	\$259,160.00	\$392,839.00	\$539,177.00
3% Required Reserve	\$800,543.00	\$808,352.00	\$820,174.00
Undesignated EFB	\$2,066,520.39	\$1,904,037.39	\$1,730,486.39
Percentage - Available Reserves	11.72%	11.52%	11.30%



Government Finance Officers Assoc recommends reserves, at a minimum, equal to 2 months of average general fund operating expenditures, or about 17%. District would need approx \$1.5 million for the recommended reserve of 17%.



Next Steps

December:

2019-20 1st Interim submitted for approval

January:

2018-19 Audit will be presented to Board
Governor's Proposed 2020-21 Budget

January - May:

LCAP and Budget Development 2020-21

March:

2019-20 Approval of 2nd Interim

June:

2020-21 LCAP and Budget Public Hearing & Adoption



Questions or
Comments