



FY 2020-2021 First Interim Report

Presented by:

Dr. Conny Santa Cruz
Chief Business Official

Prepared by:

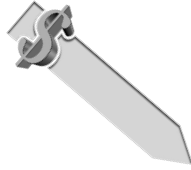
Denice LaCroix
Supervisor of Business
December 15, 2020

"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."



1st Interim Report FY 2020-2021

First Interim Report Certification



1

Positive Certification

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

2

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.

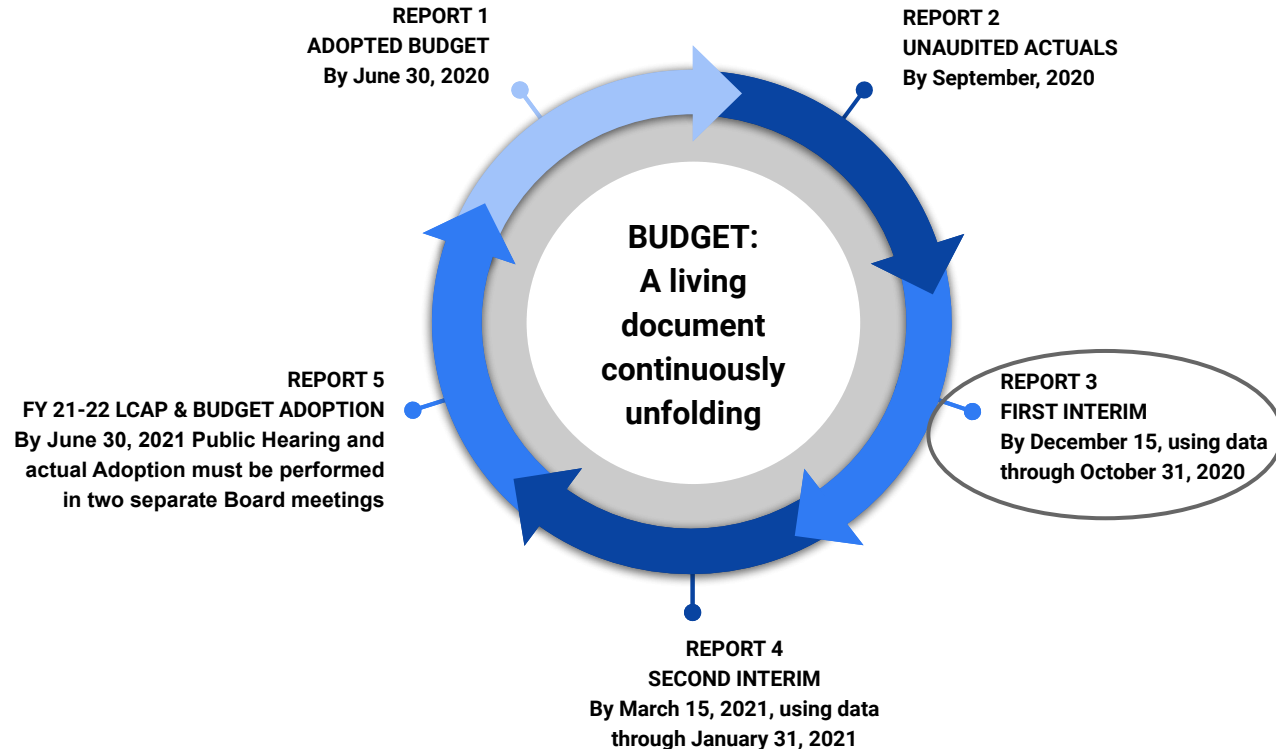
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Negative Certification

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

FY 2020-21 Reporting Calendar

1st Interim Report
FY 2020-2021



Significant Changes

Below are the highlighted changes from the state Adopted Budget dated June 29, 2020:

1. Growth accommodations in ADA
2. Extended deadline for GEER
3. Extended deadline for LLMF GF
4. Expanded eligible expenditures for LLM
5. LLM and ESSER excluded from expenditures for RRMA calculation
6. Lottery Funds – definition of instructional materials
7. Increased funding for school nutrition programs
8. SB 1159, Workers' Compensation: COVID-19: Critical Workers

Budget Assumptions

Planning Factors	2020-21	2021-22	2022-23
LCFF			
Statutory COLA	2.31%	2.48%	3.26%
COLA Suspension	- 2.31%	- 2.48%	-3.26%
Funded LCFF COLA	0.00%	0.00%	0.00%
Add-on, ERT & MSA Prorated Factor	0.00%	0.00%	0.00%
STRS Employer Rates	16.15%	15.92%	18.40%
PERS Employer Rates (May 2020)	20.70%	22.84%	25.90%
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	\$32.18	\$32.18
Routine Restricted Maintenance Account <i>(Flexibility for calculation to exclude STRS and PERS on behalf payments)</i>	3%	3%	3%

Source: San Mateo County Office of Education Advisory Message (The Common Message)

Revenues

General Fund Revenues: \$28,201,032

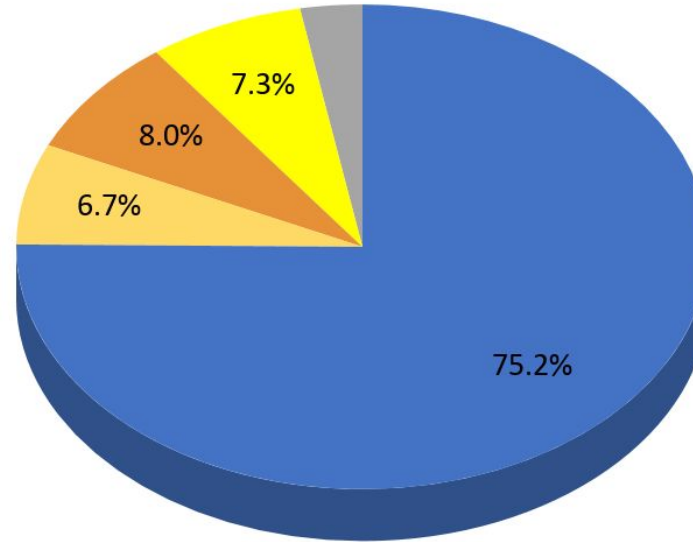
(Unrestricted \$17,852,001; Restricted \$10,349,031)

Revenues		Unrestricted	Restricted	Total
LCFF Sources	8010-8099	\$19,904,097.00	\$1,290,337.00	\$21,194,434.00
Federal Revenue	8100-8299	\$0.00	\$1,898,369.00	\$1,898,369.00
Other State Revenue	8300-8599	\$411,854.00	\$1,830,617.00	\$2,242,471.00
Other Local Revenue	8600-8799	\$552,983.00	\$1,496,780.00	\$2,049,763.00
Transfers In	8900-8929	\$815,995.00	\$0.00	\$815,995.00
Contributions		-\$3,832,928.00	\$3,832,928.00	\$0.00
Total Revenues		\$17,852,001.00	\$10,349,031.00	\$28,201,032.00



Revenues

Unrestricted + Restricted



● LCFF Sources ● Federal revenues ● State Revenues ● Local Revenue ● Transfers In

Expenditures

General Fund Expenditures: \$27,891,866
(Unrestricted \$17,673,153; Restricted \$10,218,713)

Expenditures		Unrestricted	Restricted	Total Combined
Certificated Salaries	1000-1999	\$9,229,349.00	\$2,626,385.00	\$11,855,734.00
Classified Salaries	2000-2999	\$2,126,135.00	\$1,270,922.00	\$3,397,057.00
Employee Benefits	3000-3999	\$3,916,241.00	\$2,492,475.00	\$6,408,716.00
Books and Supplies	4000-4999	\$976,232.00	\$1,049,777.00	\$2,026,009.00
Services and Other Operating Costs	5000-5999	\$1,412,471.00	\$2,553,833.00	\$3,966,304.00
Capital Outlay	6000-6999	\$0.00	\$0.00	\$0.00
Other Outgo-Transfer of Direct Charges	7100-7299, 7400-7499	\$42,022.00	\$210,024.00	\$252,046.00
Other Outgo - Indirect Charges	7300-7399	-\$49,297.00	\$15,297.00	-\$34,000.00
Transfers Out	7600-7629	\$20,000.00	\$0.00	\$20,000.00
Total Expenditures		\$17,673,153.00	\$10,218,713.00	\$27,891,866.00

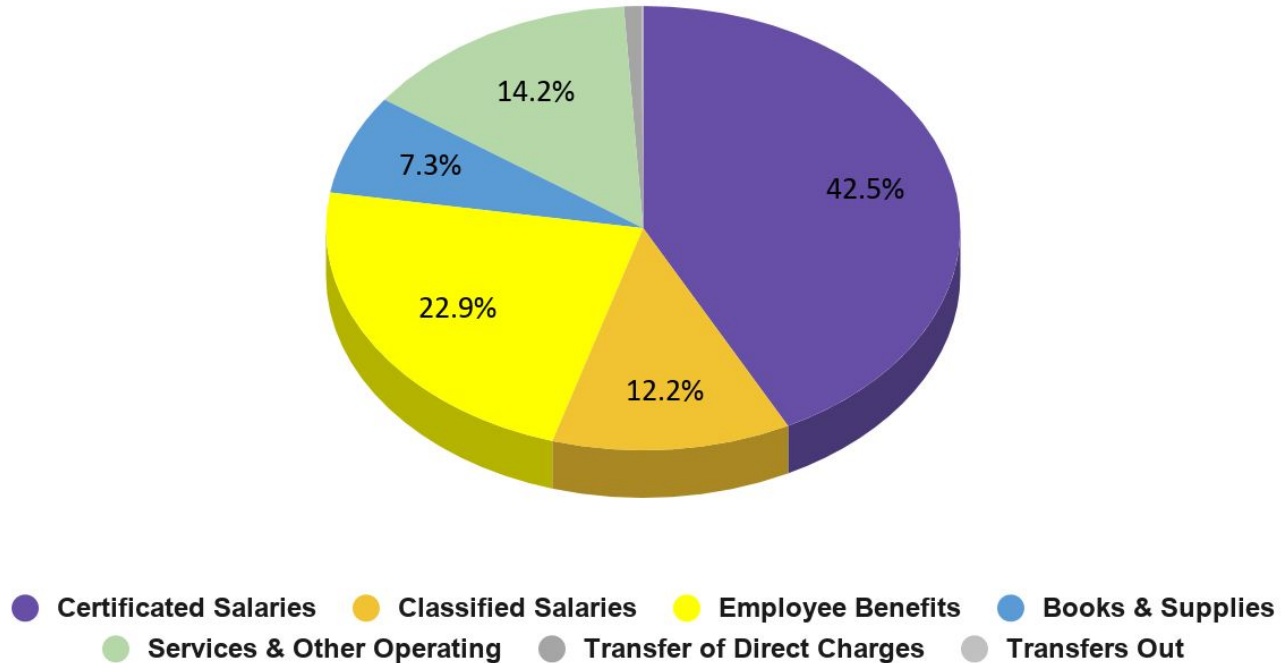
1st Interim Report
FY 2020-2021





Expenditures

Unrestricted + Restricted



Revenues vs Expenditures

1st Interim Report
FY 2020-2021

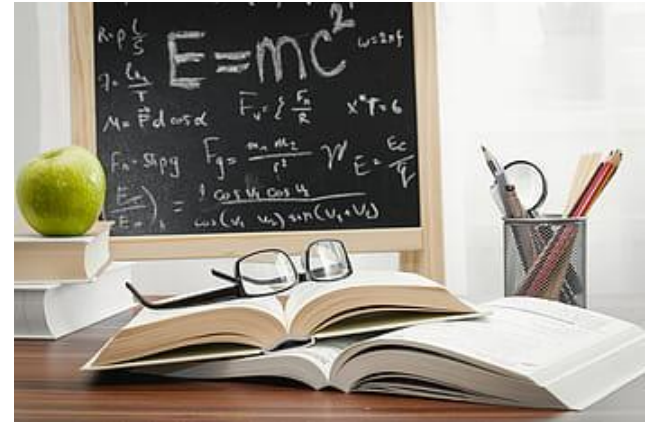
Adopted Budget 2020-21					1st Interim 2020-21		
Revenues	Unrestricted	Restricted	Totals	Change	Unrestricted	Restricted	Totals
LCFF	\$ 19,961,534	\$ 1,290,337	\$ 21,251,871	\$ (57,437.00)	\$ 19,904,097.00	\$ 1,290,337.00	\$ 21,194,434.00
Federal Revenue	\$ -	\$ 1,810,461	\$ 1,810,461	\$ 87,908.00	\$ -	\$ 1,898,369.00	\$ 1,898,369.00
Other State Revenue	\$ 356,968	\$ 1,666,227	\$ 2,023,195	\$ 219,276.00	\$ 411,854.00	\$ 1,830,617.00	\$ 2,242,471.00
Other Local Revenue	\$ 410,065	\$ 1,193,043	\$ 1,603,108	\$ 446,655.00	\$ 552,983.00	\$ 1,496,780.00	\$ 2,049,763.00
Total Revenues	\$ 20,728,567	\$ 5,960,068	\$ 26,688,635	\$ 696,402.00	\$ 20,868,934.00	\$ 6,516,103.00	\$ 27,385,037.00
Expenditures							
Cerificated Salaries	\$ 9,394,764	\$ 2,779,745	\$ 12,174,509	\$ (318,775.00)	\$ 9,229,349.00	\$ 2,626,385.00	\$ 11,855,734.00
Classified Salaries	\$ 2,176,473	\$ 1,462,896	\$ 3,639,369	\$ (242,312.00)	\$ 2,126,135.00	\$ 1,270,922.00	\$ 3,397,057.00
Benefits	\$ 4,076,591	\$ 2,659,498	\$ 6,736,089	\$ (327,373.00)	\$ 3,916,241.00	\$ 2,492,475.00	\$ 6,408,716.00
Books & Supplies	\$ 1,008,341	\$ 134,309	\$ 1,142,650	\$ 883,359.00	\$ 976,232.00	\$ 1,049,777.00	\$ 2,026,009.00
Contracts & Services	\$ 1,147,934	\$ 1,363,314	\$ 2,511,248	\$ 1,455,056.00	\$ 1,412,471.00	\$ 2,553,833.00	\$ 3,966,304.00
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Outgo	\$ 42,022	\$ 424,000	\$ 466,022	\$ (213,976.00)	\$ 42,022.00	\$ 210,024.00	\$ 252,046.00
Other Outgo (Ind. Cost)	\$ (45,767)	\$ 11,767	\$ (34,000)	\$ -	\$ (49,297.00)	\$ 15,297.00	\$ (34,000.00)
Total Expenditures	\$ 17,800,358	\$ 8,835,529	\$ 26,635,887	\$ 1,235,979.00	\$ 17,653,153.00	\$ 10,218,713.00	\$ 27,871,866.00
Excess/Deficiency	\$2,928,209.00	-\$2,875,461.00	\$52,748.00	-\$539,577.00	\$3,215,781.00	-\$3,702,610.00	-\$486,829.00
Other Fiancing Resources	-\$3,349,541.00	\$4,065,536.00	\$715,995.00	\$80,000.00	-\$3,036,933.00	\$3,832,928.00	\$795,995.00
Increase/Decrease	-\$421,332.00	\$1,190,075.00	\$768,743.00	\$459,577.00	\$178,848.00	\$130,318.00	\$309,166.00
Begining Fund Balance	\$4,817,784.10	\$272,188.97	\$5,089,973.07	\$0.00	\$4,817,784.10	\$272,188.97	\$5,089,973.07
Ending Fund Balance	\$4,396,452.10	\$1,462,263.97	\$5,858,716.07	\$459,577.00	\$4,996,632.10	\$402,506.97	\$5,399,139.07

Best Practices

1st Interim Report
FY 2020-2021

MESD strives to follow these fundamental best practices:

1. Structurally balanced budget
2. Strong Reserves
3. Cash
4. Risk factors awareness



Multi-Year Projections

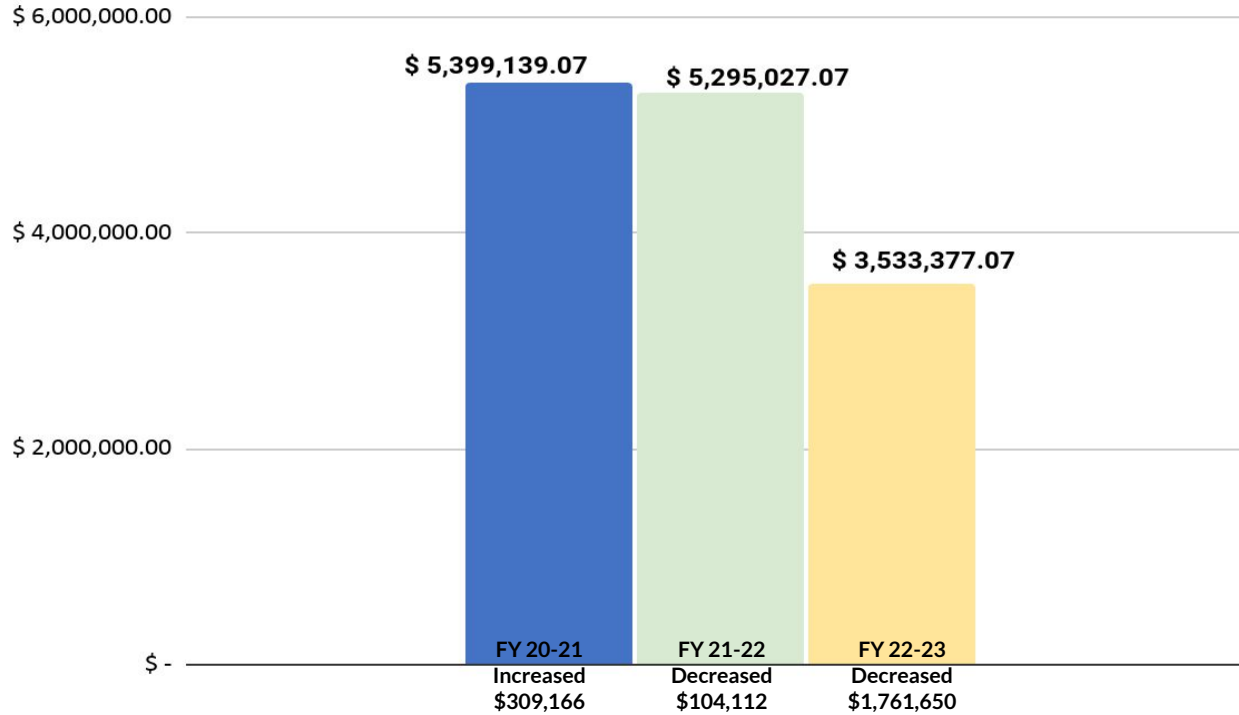
1st Interim Report
FY 2020-2021

Unrestricted/Restricted General Fund Ending Fund Balances			
	2020-21	2021-22	2022-23
Total Revenues	\$ 28,201,032.00	\$ 25,717,641.00	\$ 24,491,495.00
Total Expenditures	\$ 27,891,866.00	\$ 25,821,753.00	\$ 26,253,145.00
Net Increase/Decrease	\$ 309,166.00	\$ (104,112.00)	\$ (1,761,650.00)
Beginning Fund Balance- <i>Unrestricted</i>	\$ 5,089,973.07	\$ 5,399,139.07	\$ 5,295,027.07
Ending Fund Balance- <i>Unrestricted</i>	\$ 5,399,139.07	\$ 5,295,027.07	\$ 3,533,377.07





Multi-Year Projections Ending Fund Balance



General Fund Ending Balance Combined

1st Interim Report
FY 2020-2021

2020-21 First Interim Ending Fund Balance	Unrestricted	Restricted	Combined
Beginning Balance	\$4,817,784.10	\$272,188.97	\$5,089,973.07
Ending Fund Balance	\$4,996,632.10	\$402,506.97	\$5,399,139.07
Net Increase(Decrease) in Fund Balance	\$178,848.00	\$130,318.00	\$309,166.00
Components of Ending Fund Balance			
Revolving Cash	\$2,500.00		\$2,500.00
Designated Reserve	\$95,490.00		\$95,490.00
Deficit Spending (20/21,21/22 & 22/23)	\$1,865,762.00		\$1,865,762.00
Reserve for Board Policy Reserve (17%) 11.21%	\$2,196,124.10		\$2,196,124.10
Reserve for Economic Uncertainties	\$836,756.00		\$836,756.00
Legally Restricted Carryover		\$402,507.16	\$402,507.16
Undesignated Ending Fund Balance	\$0.00	-\$0.19	-\$0.19



Other Special Funds

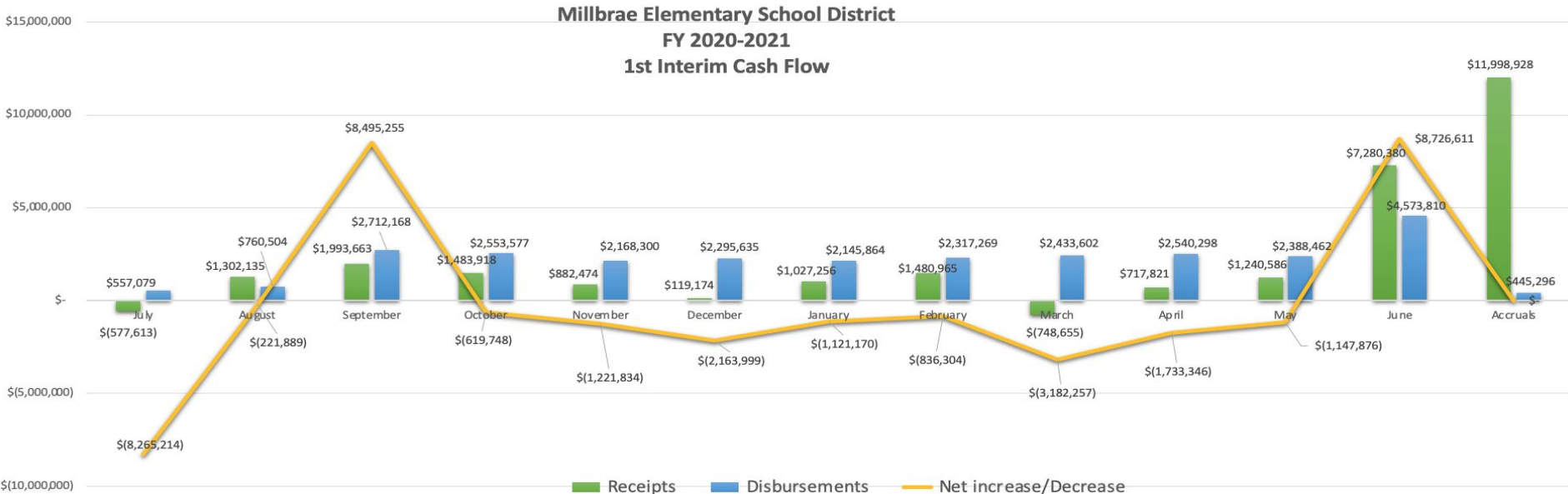
1st Interim Report
FY 2020-2021

2020-21 1st 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	\$778,600.00	\$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	\$665,595.00
Net Increase (Decrease) In Fund Balance	-\$25,508.00	-\$700,000.00	\$0.00	\$15,000.00	\$66,000.00	-\$23,595.00
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	\$207,247.56	\$615,505.64	\$51,273.36	\$2,087,878.13	\$430,296.50	\$12,971,827.73



Cash Flow Analysis

Beginning balance	\$ 3,334,779.75	\$ (4,930,434)	\$ (5,152,323)	\$ 3,342,932	\$ 2,723,184	\$ 1,501,349	\$ (662,650)	\$ (1,783,820)	\$ (2,620,124)	\$ (5,802,381)	\$ (7,535,727)	\$ (8,683,603)	
Month	July	August	September	October	November	December	January	February	March	April	May	June	Accruals
Receipts	\$ (577,613)	\$ 1,302,135	\$ 1,993,663	\$ 1,483,918	\$ 882,474	\$ 119,174	\$ 1,027,256	\$ 1,480,965	\$ (748,655)	\$ 717,821	\$ 1,240,586	\$ 7,280,380	\$ 11,998,928
Disbursements	\$ 557,079	\$ 760,504	\$ 2,712,168	\$ 2,553,577	\$ 2,168,300	\$ 2,295,635	\$ 2,145,864	\$ 2,317,269	\$ 2,433,602	\$ 2,540,298	\$ 2,388,462	\$ 4,573,810	\$ 445,296
Total Balance Sheet Items	\$ (7,130,522)	\$ (763,520)	\$ 9,213,761	\$ 449,911	\$ 63,992	\$ 12,462	\$ (2,562)	\$ -	\$ -	\$ 89,131	\$ -	\$ 6,020,040	\$ (11,553,632)
Net increase/Decrease	\$ (8,265,214)	\$ (221,889)	\$ 8,495,255	\$ (619,748)	\$ (1,221,834)	\$ (2,163,999)	\$ (1,121,170)	\$ (836,304)	\$ (3,182,257)	\$ (1,733,346)	\$ (1,147,876)	\$ 8,726,611	\$ -
ENDING CASH	\$ (4,930,434)	\$ (5,152,323)	\$ 3,342,932	\$ 2,723,184	\$ 1,501,349	\$ (662,650)	\$ (1,783,820)	\$ (2,620,124)	\$ (5,802,381)	\$ (7,535,727)	\$ (8,683,603)	\$ 43,007	
ENDING CASH + ACCRUALS													\$ 43,007





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

