

# Moraga School District

## March 10, 2020



2019-20

### 2nd Interim Budget Report

**Governing Board:**

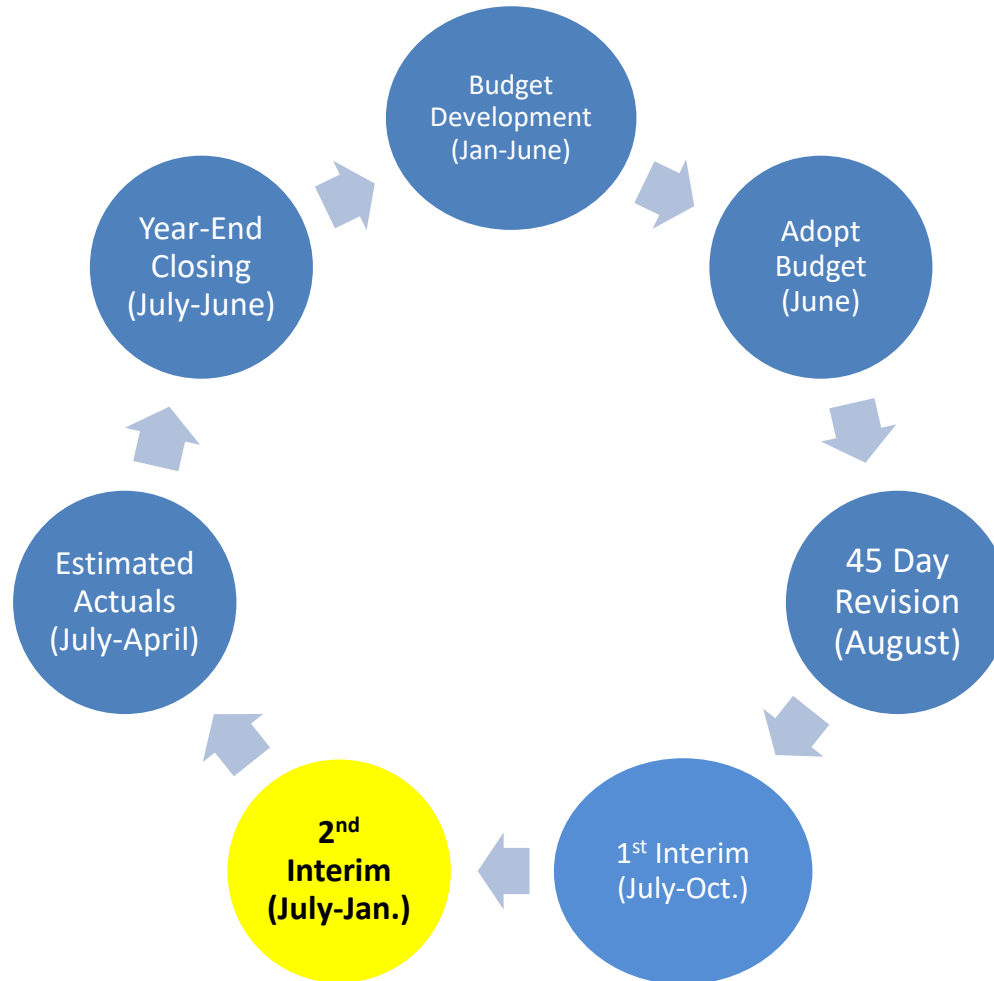
Heather Davis, President  
Janelle Chng, Vice-President  
Richard Severy, Board Member  
John Giordani, Board Member  
Jon Nickens, Board Member

**District Staff:**

Bruce Burns, Superintendent  
Daniela Parasidis, Chief Business Official



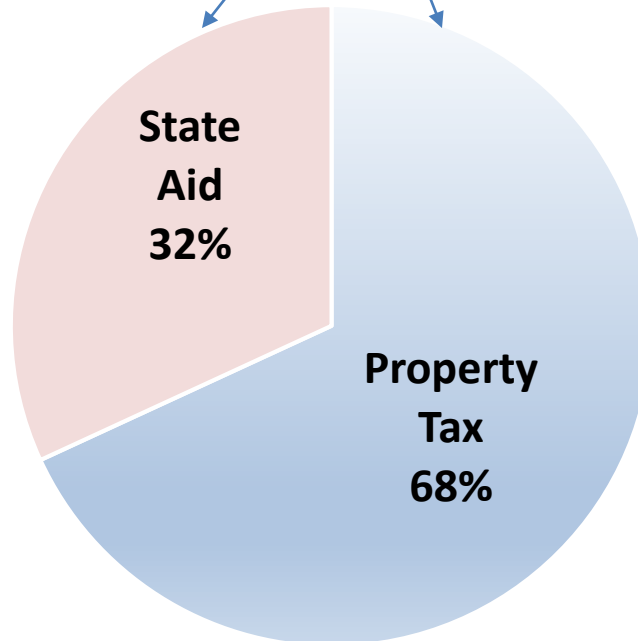
# 2019-20 Financial Review Timeline





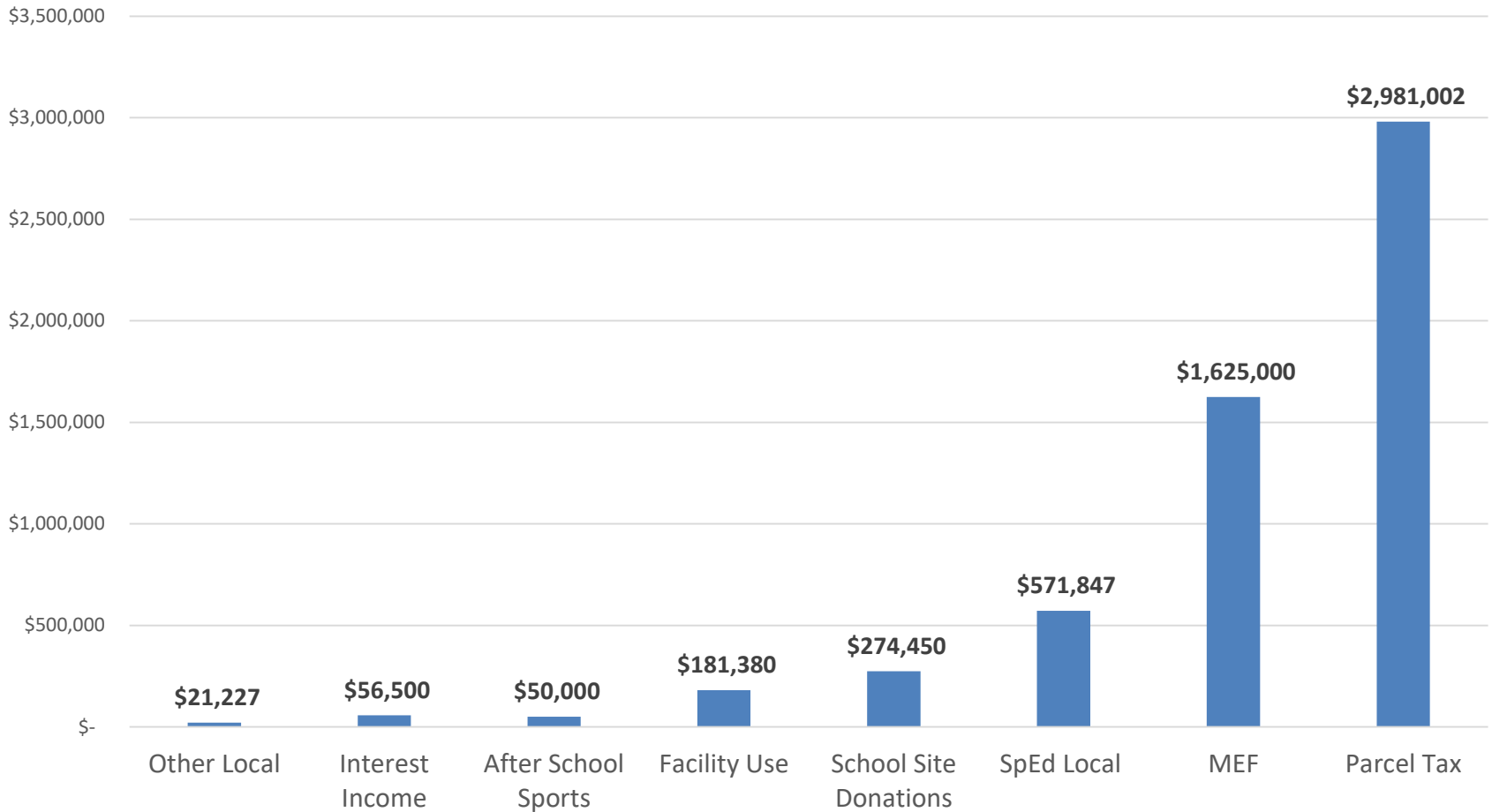
# LCFF Revenue = 66.30%

- Funded ADA = 1,812.46
- Cost of Living Adjustment = 3.26%
- **LCFF = \$14,984,680**





# Local Revenue Sources = 24.74%





## Other State Revenue = 7.14%

- State Lottery: \$394k
- SpEd Mental Health: \$115k
- One-time SpEd Pre-K Funds: \$171k
- Mandated Block Grant: \$58k

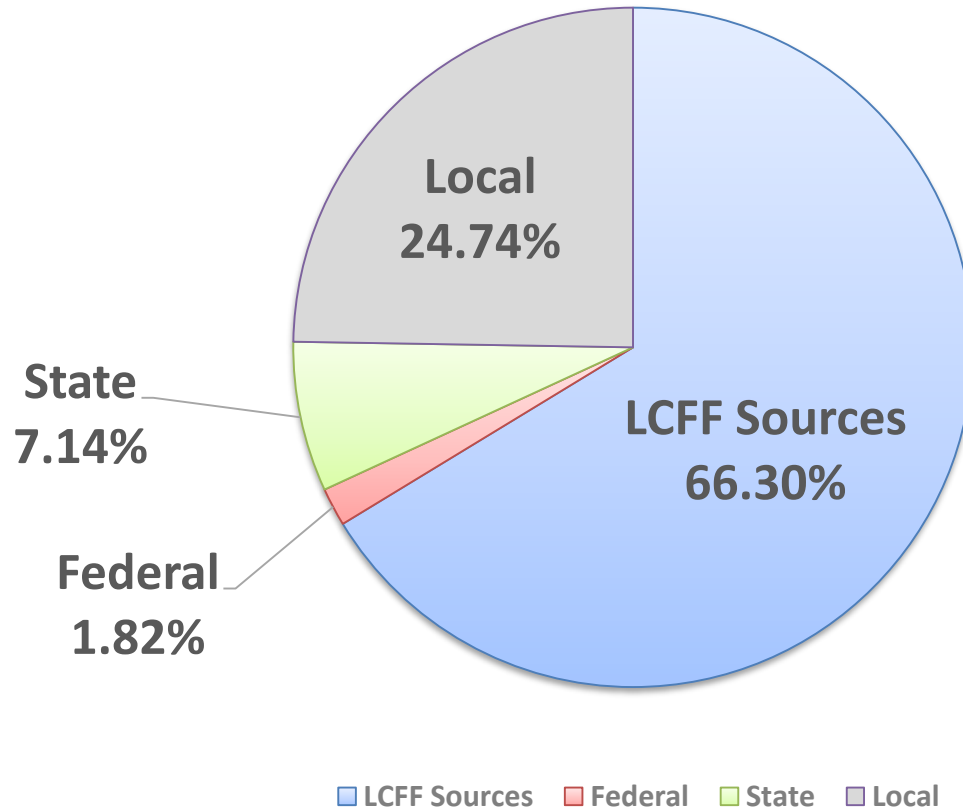
## Federal Revenue Sources = 1.82%

- Special Education:
  - Local Assistance IDEA: \$328k
  - Pre-K IDEA: \$9k
  - Mental Health: \$20k
- Title I Supplemental Support: \$29k
- Title II Professional Development: \$17k
- Title IV Student Support: \$20k



# Current Year Revenue

% of Total Revenues



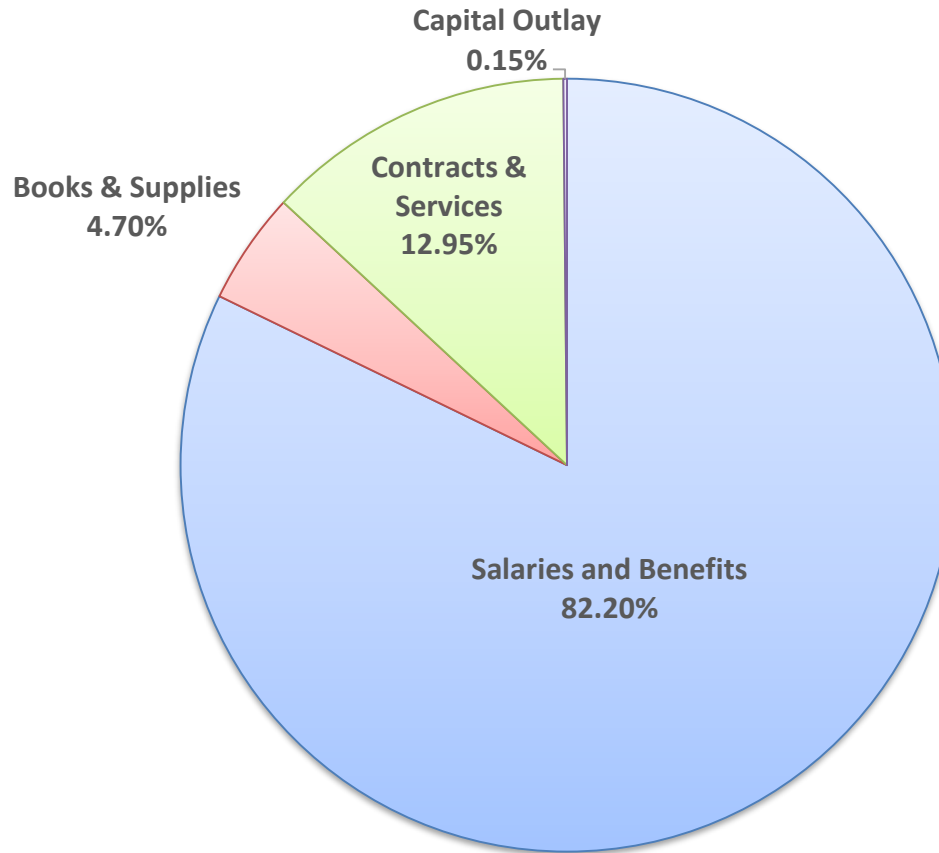


# Current Year Expenditure Adjustments

- Updated personnel costs
  - *Includes 2% salary increase for Administrative Staff*
  - *New Hires and staffing changes*
  - *Additional substitute costs*
- Updated health benefit costs
  - *New hire benefit choices*
  - *Open Enrollment changes*
- Updated materials/supplies and contracted services
  - *Textbook Implementation*
  - *Maintenance & Operations*
  - *Utility charges*
  - *Special Education services*



# Current Year Expenditures







# Schedule of Changes-Revenues

	1st Interim	2nd Interim	Change	Explanation
<b>LCFF Sources</b>	15,435,971	15,443,283	7,312	Increase in LCFF is due to a higher projected ADA by 0.97
<b>Federal</b>	423,911	424,457	546	Slight increase to Title I and Federal Mental Health funds.
<b>State</b>	1,643,913	1,662,972	19,059	Based on the latest Lottery Apportionment, the projections for Lottery Funds has increased.
<b>Local</b>	5,649,811	5,761,406	111,595	Increase due to Facility Use Fees of \$40k, Interest Income of \$15k, School Site Funds for Book fairs, PE Clothes, Site Donations and PTA Donations of \$36k, a Co-Teaching Grant of \$8k and Misc. Revenue of \$12k.
<b>TOTAL REVENUES:</b>	<b>23,153,606</b>	<b>23,292,118</b>	<b>138,512</b>	



# Schedule of Changes-Expenditures

	1st Interim	2nd Interim	Change	Explanation
Certificated Salaries	9,939,269	10,013,736	74,467	Increase due to Certificated Admin. Salary Increase of \$25k, additional teacher sub costs of \$65k due to Long-term Leaves and Sub Release Time for Professional Development, \$4k for Stipends and Extra Hours, offset by a reduction of \$20k in teacher salaries due to Leaves of Absence
Classified Salaries	3,732,051	3,761,833	29,782	Increase of \$15k due to additional extra hours for professional development, \$7,500 for Foundations Tutors hours, \$1,300 for Vacation pay-off, \$20k for additional Maintenance and Custodial Overtime, and \$5,200 for the Classified Admin. Salary Increase, offset by a reduction of \$20k due to the elimination of Math Intervention Tutors.
Benefits	6,230,375	6,224,988	(5,387)	Increase in driven benefit cost of \$26,800, offset by a reduction in health benefits of \$32k due to open enrollment and individual plan changes
Books & Supplies	1,252,927	1,142,445	(110,482)	Reduction of \$83k in projected textbook costs and \$53k re-allocated to other line item budgets, off-set by an increase of \$21k in book fair supplies and \$5k in school supplies funded by donations.
Contracts & Services	2,812,661	3,150,859	338,198	Increase of \$41k due to increased PG&E usage, \$21k in Maintenance Contracts, \$29k in parcel tax consulting fees and \$247k in Special Education for legal fees, Nonpublic Schools and Residential placements.
Capital Outlay	36,883	36,883	-	
Indirect Support Costs	(74,000)	(74,000)	-	
Transfers Out	18,995	18,995	-	
<b>TOTAL EXPENDITURES:</b>	<b>23,949,161</b>	<b>24,275,739</b>	<b>326,578</b>	
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(795,555)</b>	<b>(983,621)</b>	<b>(188,066)</b>	



# Schedule of Changes

	1st Interim	2nd Interim	Change
<b>FUND BALANCE, RESERVES</b>			
Beginning Balance	6,118,405	6,118,405	-
Ending Balance	5,322,850	5,134,784	(188,066)
<b>RESERVES:</b>			
<b>Nonspendable:</b>			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>			-
<b>Restricted:</b>			
<i>Legally Designated (restricted programs)</i>	133,971	182,599	48,628
<b>Assigned:</b>			
<i>Textbooks</i>	175,000	160,000	(15,000)
<i>Curriculum &amp; Instruction</i>	93,740	156,000	62,260
<i>Technology Replacement/Upgrades</i>	452,923	456,238	3,315
<b>Unassigned:</b>			
<i>Designated for Economic Uncertainties</i>	718,475	728,272	9,797
<b>Unassigned Fund Balance</b>	<b>3,723,741</b>	<b>3,426,675</b>	<b>(297,066)</b>



# Multi-Year Assumptions

<b>GOVERNOR'S ASSUMPTIONS:</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Cost-of-Living Adjustment	3.26%	2.29%	2.71%
Consumer Price Index	3.09%	2.99%	2.89%
CalPERS Employer Rate	19.72%	22.80%	24.90%
CalSTRS Employer Rate	17.10%	18.40%	18.10%
Classified Driven Benefits	29.23%	32.31%	34.41%
Certificated Driven Benefits	20.41%	21.71%	21.41%
<b>DISTRICT'S ASSUMPTIONS:</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Funded ADA	1,812.46	1,808.51	1,737.71
Classified Step and Column	n/a	1.00%	1.00%
Certificated Step and Column	n/a	1.00%	1.00%
Health Benefit Rates	n/a	5.00%	5.00%
Reserve for Economic Uncertainty Minimum	4.00%	4.00%	4.00%
Routine Restricted Maintenance	3.00%	3.00%	3.00%
Expiring Parcel Tax	0	(\$1,000,000)	0

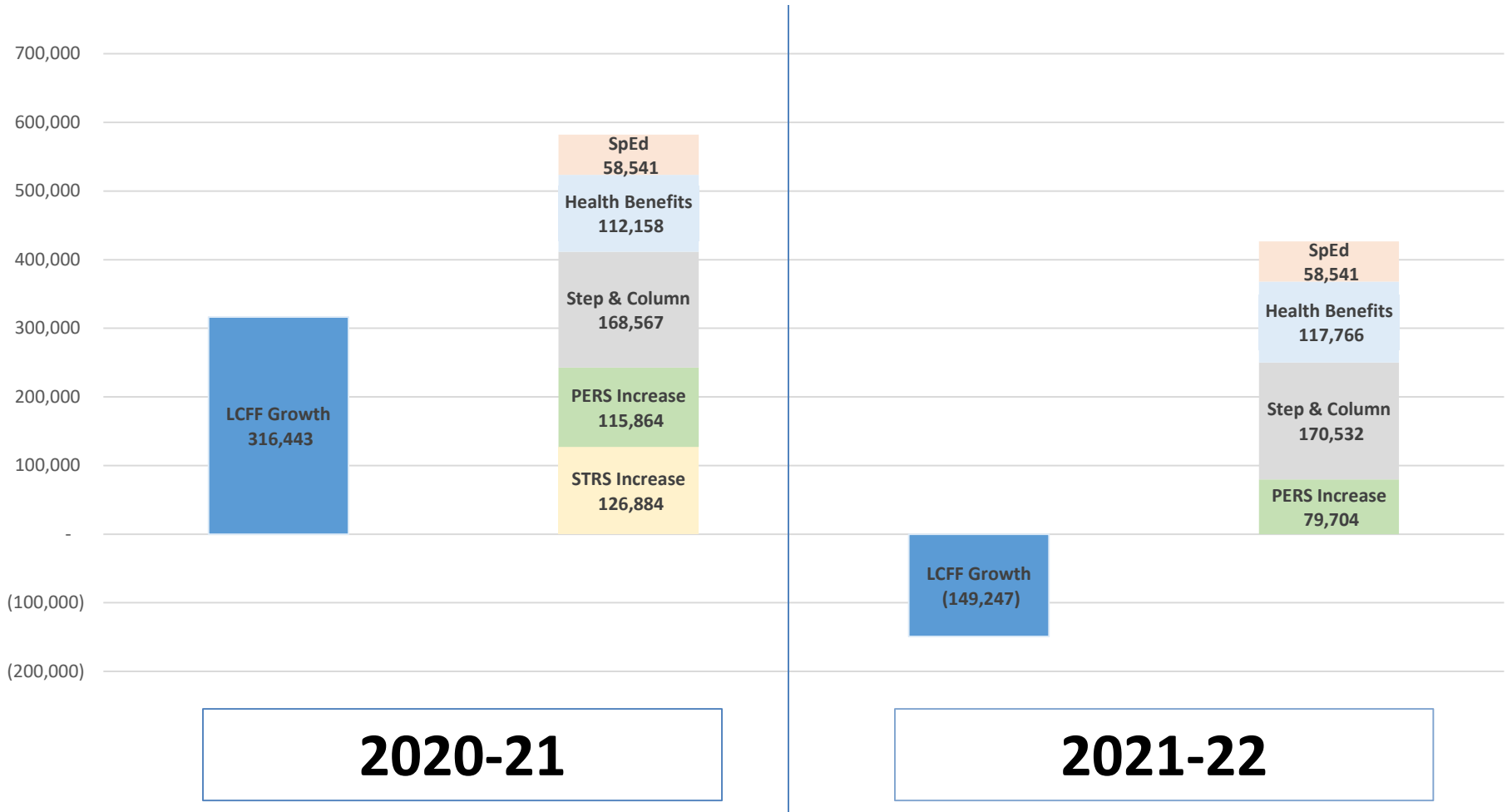


# Local Control Funding Formula (LCFF Funding)

	2019-20	2020-21	2021-22
<b>LCFF Funding</b>	\$14,984,680	\$15,301,123	\$15,151,876
<b>\$ Increase Per Year</b>	\$491,307	\$316,443	(\$149,247)
<b>% Increase per Year</b>	<b>3.39%</b>	<b>2.11%</b>	<b>(0.98%)</b>



# New Revenue vs. Natural Increases





# Multi-Year Projection

	2019-20	2020-21	2021-22
Total Revenues:	23,292,118	22,421,742	22,272,495
Total Expenditures:	24,275,739	24,186,844	24,327,706
<b>Net Increase (Decrease) to Fund Balance:</b>	<b>(983,621)</b>	<b>(1,765,102)</b>	<b>(2,055,211)</b>
<b>FUND BALANCE RESERVES:</b>			
Beginning Balance	6,118,405	5,134,784	3,369,682
Net Increase (Decrease) to Fund Balance:	(983,621)	(1,765,102)	(2,055,211)
<b>ENDING FUND BALANCE:</b>	<b>5,134,784</b>	<b>3,369,682</b>	<b>1,314,471</b>
<b>COMPONENTS OF THE ENDING FUND BALANCE</b>			
<b>NONSPENDABLE:</b> Revolving Cash	25,000	25,000	25,000
<b>RESTRICTED:</b> Categorical Programs	182,599	154,992	0
<b>ASSIGNED:</b>			
Textbook Implementation	160,000	0	0
Curriculum & Instruction Professional Development	156,000	53,000	0
Technology Replacement/Upgrade	456,238	169,794	0
<b>UNASSIGNED AVAILABLE RESERVES:</b>			
**3% Required Reserve	728,272	725,605	729,830
**Undesignated Fund Balance:	3,426,675	2,241,291	559,641
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>			
**TOTAL AVAILABLE GENERAL FUND RESERVES	4,154,947	2,966,896	1,289,471
ADD FUND 17 RESERVES	934,033	934,033	934,033
<b>TOTAL AVAILABLE RESERVES IN DOLLARS:</b>	<b>5,088,980</b>	<b>3,900,929</b>	<b>2,223,504</b>
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>	<b>20.96%</b>	<b>16.13%</b>	<b>9.14%</b>



# Other Funds

- The district administers 7 other funds:
  - Child Care Fund
  - Cafeteria Fund
  - Special Reserve Fund
  - Building Fund
  - Capital Facilities Fund
  - Capital Projects Reserve Fund
  - Bond Fund
  
- All are projected to have positive fund balances





## CERTIFICATION OF 2ND INTERIM

*Certification on the financial condition of the District can be reported as positive, qualified or negative.*

- Positive: District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Qualified: District may not be able to meet its financial obligations for the current and subsequent two fiscal years.
- Negative: District will not be able to meet its financial obligations for the current and subsequent two fiscal years.



# CERTIFICATION

- Positive – District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Staff recommends the Governing Board approve the District Second Interim Report.