



2019-20

Unaudited Actuals

PRESENTED TO THE BOARD OF TRUSTEES

SEPTEMBER 8, 2020

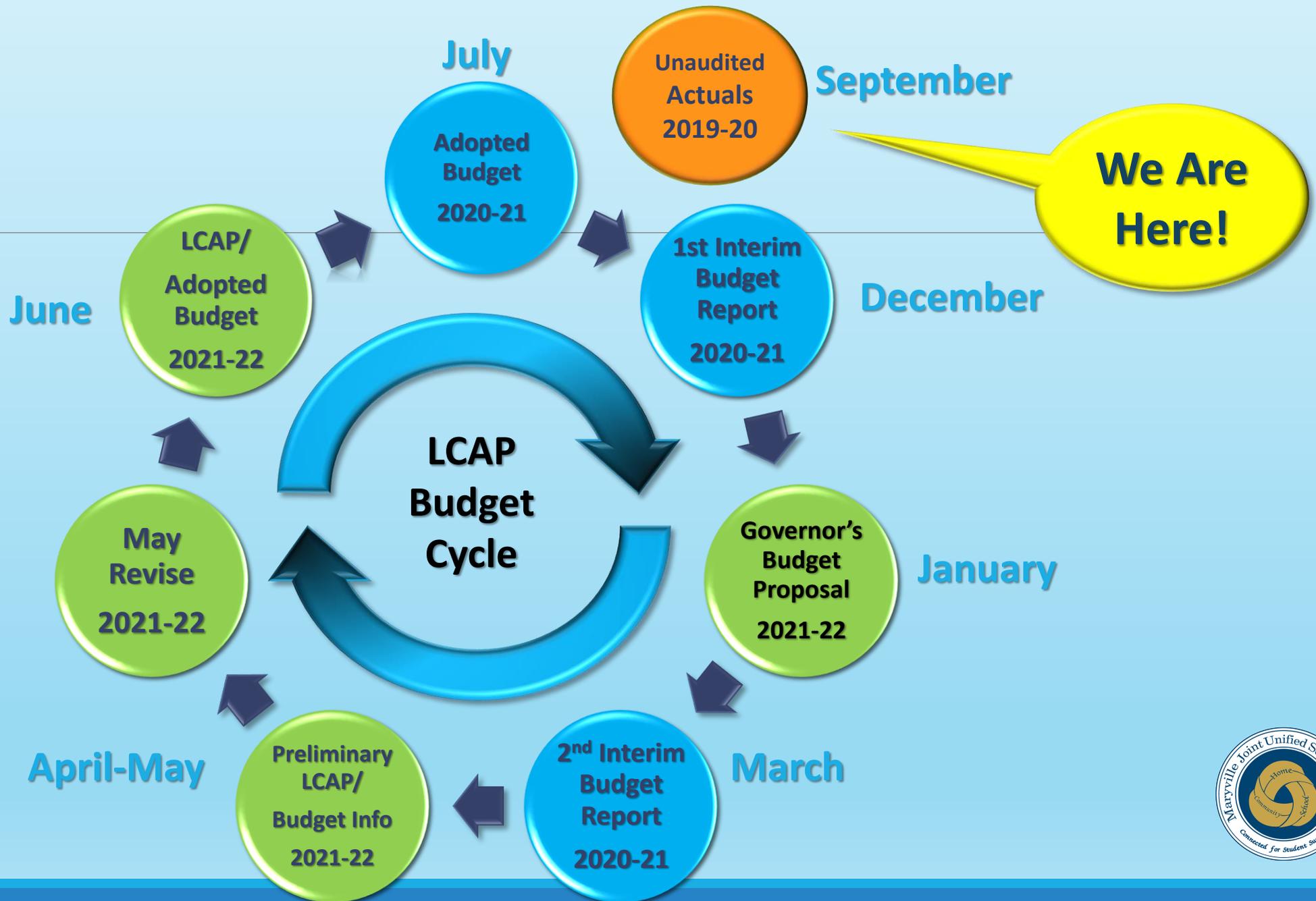


Agenda

- Review Budget Cycle
- Impact of COVID-19
- General Fund – Unrestricted and Restricted
 - CARES Act Funds
- Ending Fund Balances
- Continuing Concerns
- Other Funds of the District
- Next steps



2019-20
2020-21
2021-22





Impact of COVID-19 on the 2019-20 Budget

When pandemic hit, administration immediately reduced expenditures wherever possible

Due to rapid transition to Distance Learning some planned expenditures were reduced or eliminated

Even though there were new COVID related expenses, overall, spending was reduced

RESULT

Higher than average carryovers and ending fund balance



GENERAL FUND UNRESTRICTED

\$ Millions	2019-20 Estimated Actuals	2019-20 Unaudited Actuals	Variance Favorable / (Unfavorable)
Beginning Balance	\$30.2	\$30.2	\$0.0
REVENUES			
LCFF Sources	\$101.8	\$101.8	\$0.0
Federal Revenue	\$0.0	\$0.0	\$0.0
State Revenue	\$2.9	\$2.9	\$0.0
Local Revenue	\$1.7	\$1.7	\$0.0
Total Revenue	\$106.4	\$106.4	\$0.0
EXPENDITURES			
Certificated Salaries	\$42.1	\$40.6	\$1.5
Classified Salaries	\$13.9	\$13.5	\$0.4
Benefits	\$20.7	\$20.0	\$0.7
Books and Supplies	\$6.1	\$2.8	\$3.3
Other Services & Oper. Expenses	\$8.9	\$7.5	\$1.4
Capital Outlay	\$2.3	\$1.5	\$0.8
Other Outgo/Transfers/Contributions	\$11.2	\$8.8	\$2.4
Total Expenditures	\$105.2	\$94.7	\$10.5
Increase/Decrease Ending Balance	\$1.2	\$11.7	\$10.5
Ending Balance	\$31.4	\$41.9	\$10.5

VARIANCE HIGHLIGHTS

- Planned salary/benefit savings due to fewer substitutes, less extra duty/overtime, due to COVID-19.
- Substantial savings to books/supplies and services & operating expenses due to COVID.
- \$800K budget for facility projects in progress on June 30th moves to 2020-21 to complete projects.
- Estimated transfer to Cafeteria Fund reduced by \$300K from \$1.2M to \$0.9M.
- Routine Restricted Maintenance reduced \$300K
- Special Ed contribution reduced by \$1.2M
- Special Education excess costs reduced \$400K
- Indirect costs reduced by \$100K



GENERAL FUND

RESTRICTED

\$ Millions	2019-20 Estimated Actuals	2019-20 Unaudited Actuals	Variance Favorable / (Unfavorable)
Beginning Balance	\$4.4	\$4.4	
REVENUES			
LCFF Sources	\$0.0	\$0.0	\$0.0
Federal Revenue	\$9.2	\$7.0	(\$2.2)
State Revenue	\$8.0	\$7.1	(\$0.9)
Local Revenue	\$4.5	\$4.5	\$0.0
Contributions to Restricted/Trnfs Out	\$14.7	\$12.2	(\$2.5)
Total Revenue	\$36.4	\$30.8	(\$5.6)
EXPENDITURES			
Certificated Salaries	\$7.4	\$7.7	(\$0.3)
Classified Salaries	\$6.3	\$6.3	\$0.0
Benefits	\$9.0	\$8.9	\$0.1
Books and Supplies	\$4.4	\$2.9	\$1.5
Other Services & Oper. Expenses	\$4.2	\$2.7	\$1.5
Capital Outlay	\$0.8	\$0.8	\$0.0
Other Outgo/Transfers/Contributions	\$4.3	\$3.8	\$0.5
Total Expenditures	\$36.4	\$33.1	\$3.3
Increase/Decrease Ending Balance	\$0.0	(\$2.3)	\$2.3
Ending Balance	\$4.4	\$2.2	\$2.2

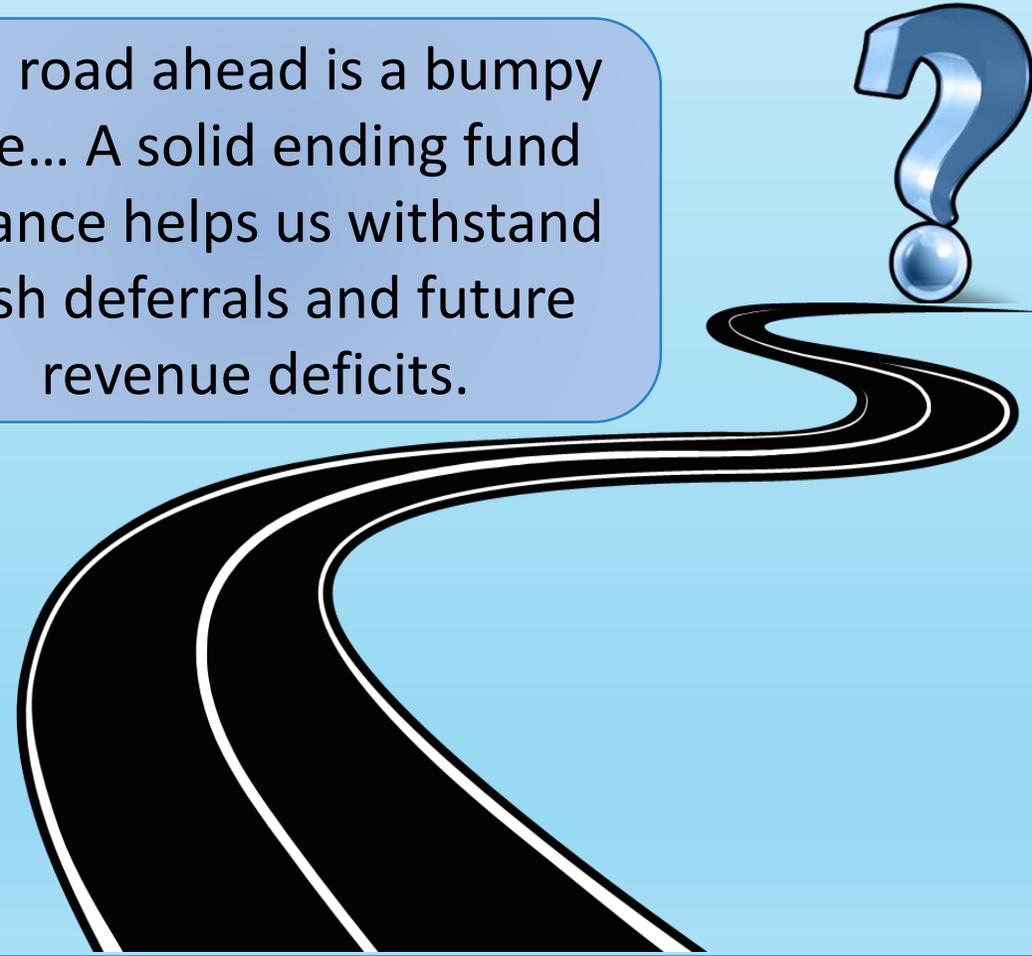
- Federal and state revenue reductions are due to unearned revenue which moves to the 2021-22 budget where it will be recognized and expended.
- Some planned expenditures did not occur due to COVID-19.



GENERAL FUND COMBINED

\$ Millions	2019-20 Unaudited Actuals
Beginning Balance	\$34.6
REVENUES	
LCFF Sources	\$101.8
Federal Revenue	\$7.1
State Revenue	\$9.9
Local Revenue	\$6.2
Total Revenue	\$125.0
EXPENDITURES	
Certificated Salaries	\$48.3
Classified Salaries	\$19.8
Benefits	\$28.9
Books and Supplies	\$5.7
Other Services & Oper. Expenses	\$10.2
Capital Outlay	\$2.3
Other Outgo/Transfers/Contributions	\$0.4
Total Expenditures	\$115.6
Increase/Decrease Ending Balance	\$9.4
Ending Balance	\$44.0

The road ahead is a bumpy one... A solid ending fund balance helps us withstand cash deferrals and future revenue deficits.





General Fund Ending Balance

2019-20	Estimated Actuals	Unaudited Actuals	Difference
Components of Ending Fund Balance:			
Revolving Cash	\$ 30,000	\$ 30,000	0
Stores	272,328	292,373	20,045
Restricted Balances:	4,270,635	5,264,745	994,110
Reserve for Economic Uncertainty (3.0%)	4,252,000	3,589,694	(662,306)
Committed:	1,785,549	1,112,248	(673,301)
Other Assignments:	9,016,318	12,327,921	3,311,603
Unassigned/Unappropriated	15,994,623	21,405,953	5,411,330
Ending Fund Balance	\$ 35,621,453	\$ 44,022,934	8,401,481

Remember,
fund balance is
one-time in
nature and may
not be used for
ongoing
expenses.



General Fund Ending Balance

2019-20 Unaudited Actuals	
GENERAL FUND 01	Amounts
Beginning Fund Balance	\$ 34,582,729
Revolving Cash	\$ 30,000
Stores	292,373
Restricted Balances:	5,264,745
Reserve for Economic Uncertainty (3.0%)	3,589,694
Committed:	
OPEB Savings	1,112,248
Other Assignments:	12,327,921
Unassigned/Unappropriated	21,405,953
General Fund ENDING FUND BALANCE	\$ 44,022,934

Restricted Balance:

CARES ACT Fund (receive in 2020-21)	\$ (3,082,862)
Classified Employees Prof Develop	69,921
Lottery Instructional Materials	2,865,734
Low Performing Students Block Grant	62,849
Medi-Cal Billing	387,736
SB70 State Ed Services Mental Health	833,071
Medi-Cal Grants	643,942
Site Donations and Other Local Grants	336,225
Protective Equipment & Cleaning	65,267
	\$ 2,181,883
	3,082,862
	\$ 5,264,745



2019-20 GENERAL FUND – COVID-19 EXPENSES

Object Code	Description	Amount
1XXX	Counselors, Psychologists, Student Services Administrator	\$ (902,000)
2XXX	Classified Support, Bus Drivers, Technical & Office Staff	\$ (91,000)
3XXX	Health/Welfare Benefits	\$ (330,000)
4XXX	Materials/Supplies, Custodial Supplies, Personal Protective Equipment, Bus Supplies, Cleaning/Disinfecting Equipment	\$ (714,000)
5XXX	Services, Printing, Contracts for Services, Legal Expenses	\$ (139,000)
7XXX	Transfer From General Fund to Cafeteria Fund to Offset COVID Expenses	\$ (906,000)
	Total CARES Act Funds charged to 2019-20	\$ (3,082,000)

All school districts that used CARES Act funds in 2019-20, were allowed to end the year with a negative restricted resource balance because CARES Act funds are not received until 2020-21.



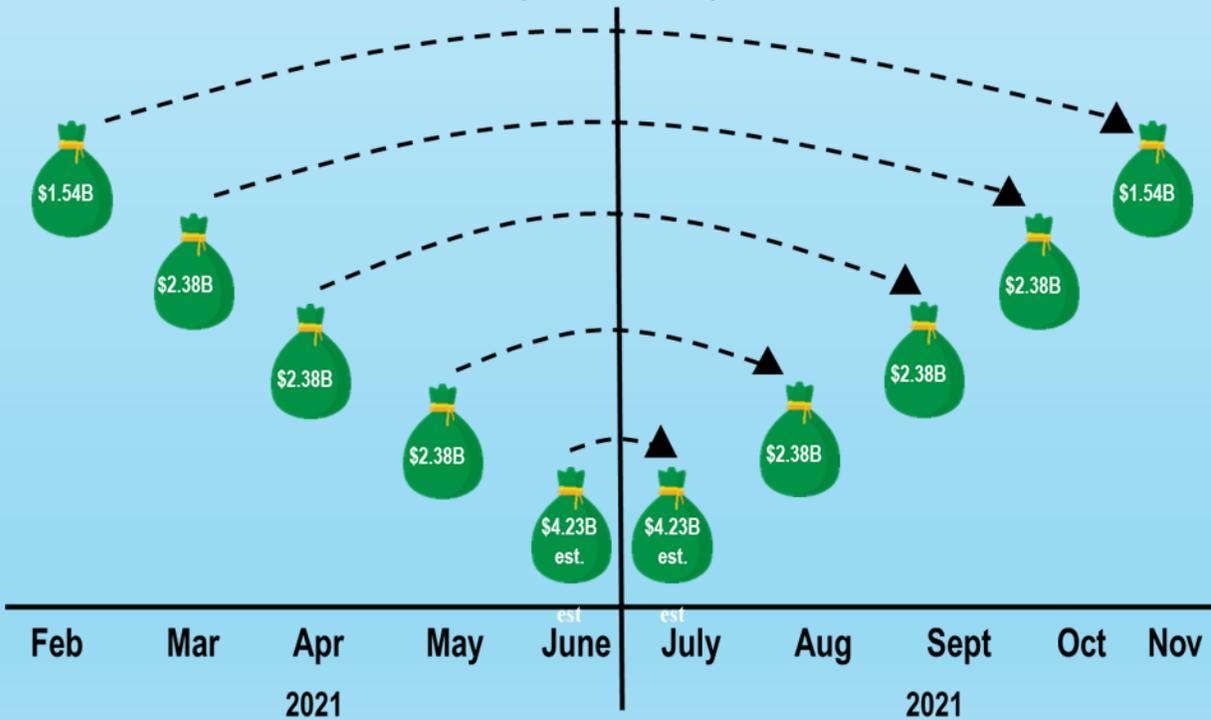
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Assigned Balance:	
Targeted Allocation	732,234
One-Time Facilities Projects	3,811,103
Site Discretionary Carryover	1,086,554
Supplemental & Concentration:	
LCAP Site Discretionary	202,269
LCAP RRMA	456,479
Career Tech Education	140,063
Textbooks	2,108,078
SPED Early Intervention Allocation:	
Linda Preschool Classroom	828,962
COPS Payment 2023	2,962,179
	\$ 12,327,921

CONTINUING CONCERNS

Cash Deferrals 2020–21
(in billions)



Cash deferrals = \$26.4M in current year

COVID-19 impact on the US and California economies yet to be known. School budgets only do as well as the state budget.

COVID-19 expenses still to be determined.

Prior to the pandemic the budget had a structural deficit.

COPs payments begin in 2023 at \$2.8M per year.



Other Funds - Ending Balances

Fund	Description	2019-20 Unaudited Actuals	2020-21 Adopted Budget
9	Marysville Charter Academy of the Arts	\$1,269,563	\$1,210,037
12	Child Development Fund	430,988	445,988
13	Cafeteria Special Revenue	1,411,675	1,418,248
14	Deferred Maintenance	1,873,765	1,893,765
17	Special Reserve	-0-	-0-
21	Building Fund	12,569,720	539,823
25	Capital Facilities	5,291,730	6,141,730
35	County School Facilities	154,165	156,665
51	Bond Interest and Redemption	5,229,570	5,229,570
52	Debt Service Fund for Blended Component	3,734,539	3,512,539
73	Foundation – Private Purpose Trust	1,174,720	1,194,720

All other funds of the district maintain positive fund balances as of June 30, 2020.

Other funds of the district may only be used according to the purpose of the fund.



Next Steps

Administration recommends the following:

- Based on current General Fund ending balance, postpone for now, the budget reduction process discussed previously
- **Board approve the 2019-20 Unaudited Actuals financial report.**
- In December the 1st Interim Financial Report is presented.



Thank you

Questions?