

# FIRST INTERIM REPORT

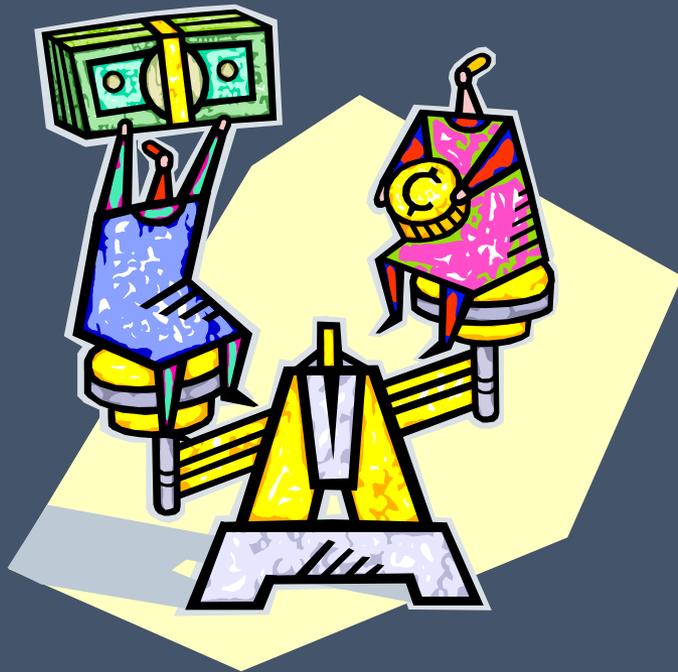
**Report to Board of Education  
December 5, 2018**

# First Interim Report

- One of three annual financial reports
- Reports financial results and projections
- Key to determining District's fiscal viability
- Components of the Report



# 2018-19 Budget



- At First Interim, District updates current year budget to most recent data
- Material change:
  - Increase in LCFF
  - Decrease in one-time Mandate Reimbursement revenues

# Adjustments to First Interim Budget

District budget is updated to reflect most current information regarding:

- Beginning fund balances/carryovers
- Enrollment
- Changes to LCFF
- Categorical revenues and expenses



# Adjustments to First Interim Budget

- Other income accounts
- General Fund contributions
- Salaries and benefits (actual positions, step and column)
- All other expenditure accounts



# 2018-19 Revised Budget

## Unrestricted General Fund:

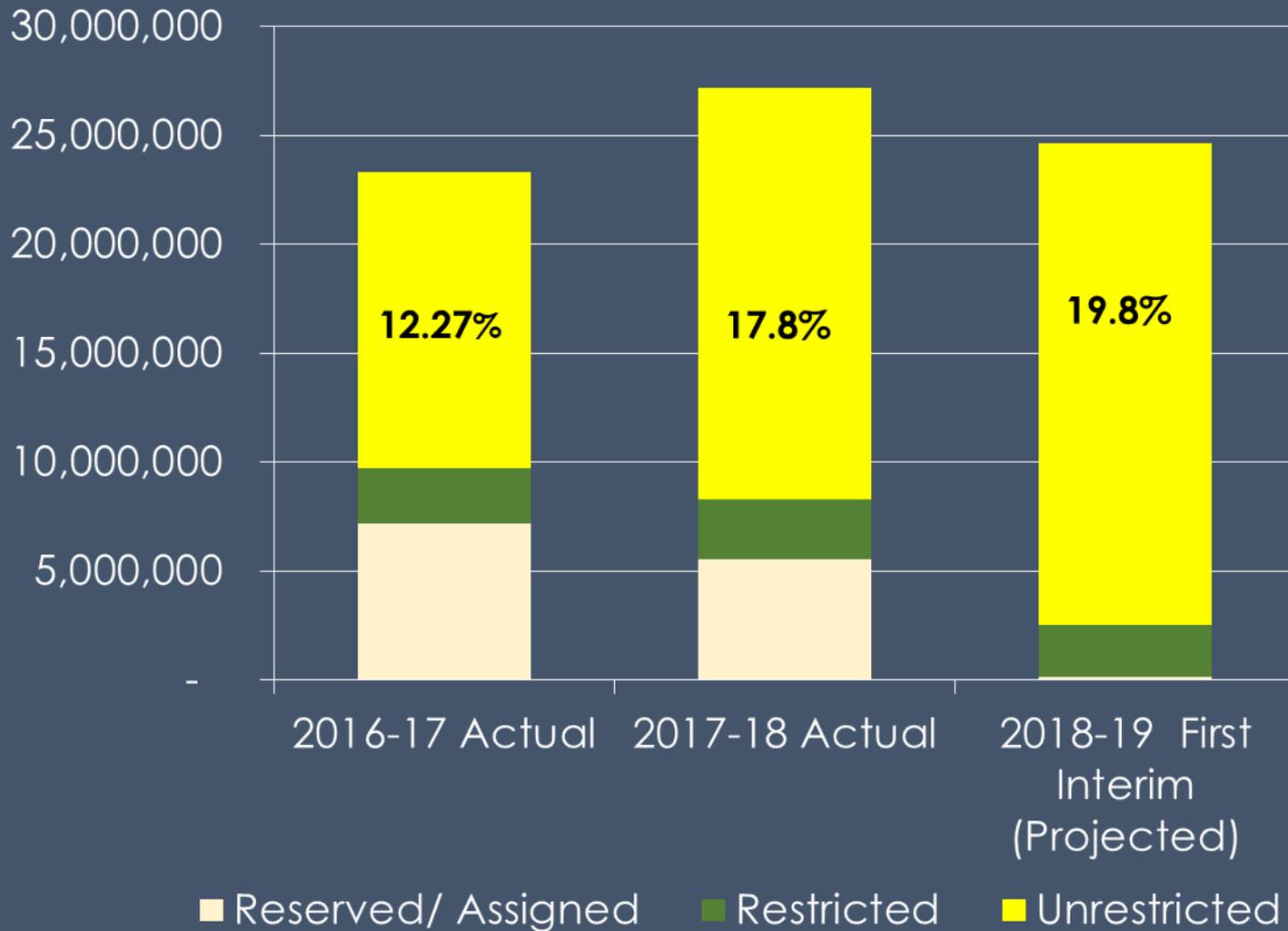
Projected loss - Original Budget	\$ ( 844,745)
Projected loss - First Interim	<u>\$( 2,179,272)</u>
Change	\$( 1,334,527)

## Ending General Fund Balance – At First Interim

- Projected unrestricted ending fund balance at June 30, 2019 = \$22,128,030
- 19.8%
- Amount above required 3% = \$18,775,827



# Ending General Fund Balance



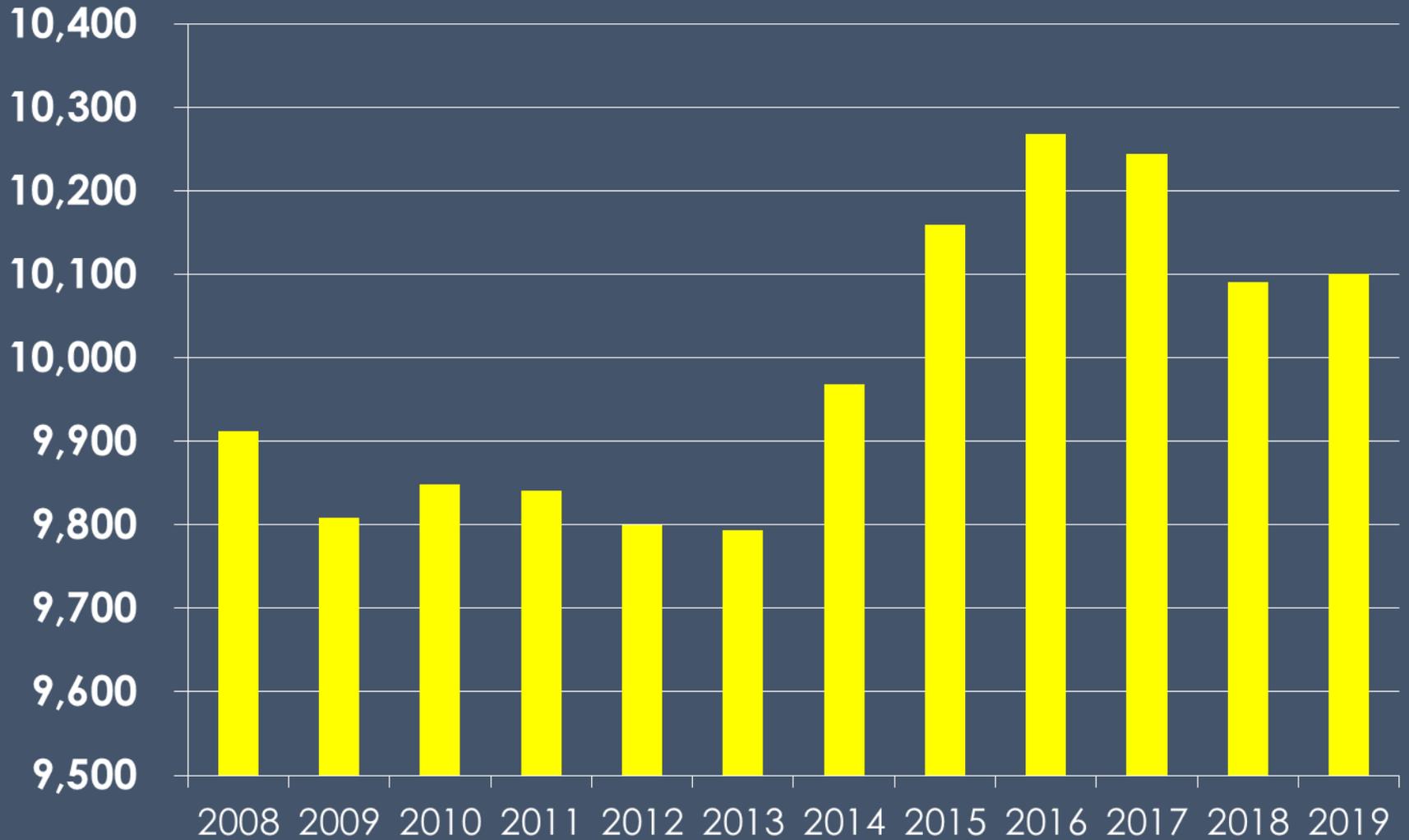
# Multi-Year Projections

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
ADA	9,755	9,755	9,755
Statutory LCFF COLA	3.7%	2.57%	2.67%
Unduplicated % - BUSD	39.08%	40.45%	40.42%
LCFF Funding Rate	100%	100%	100%

# Multi-Year Projections

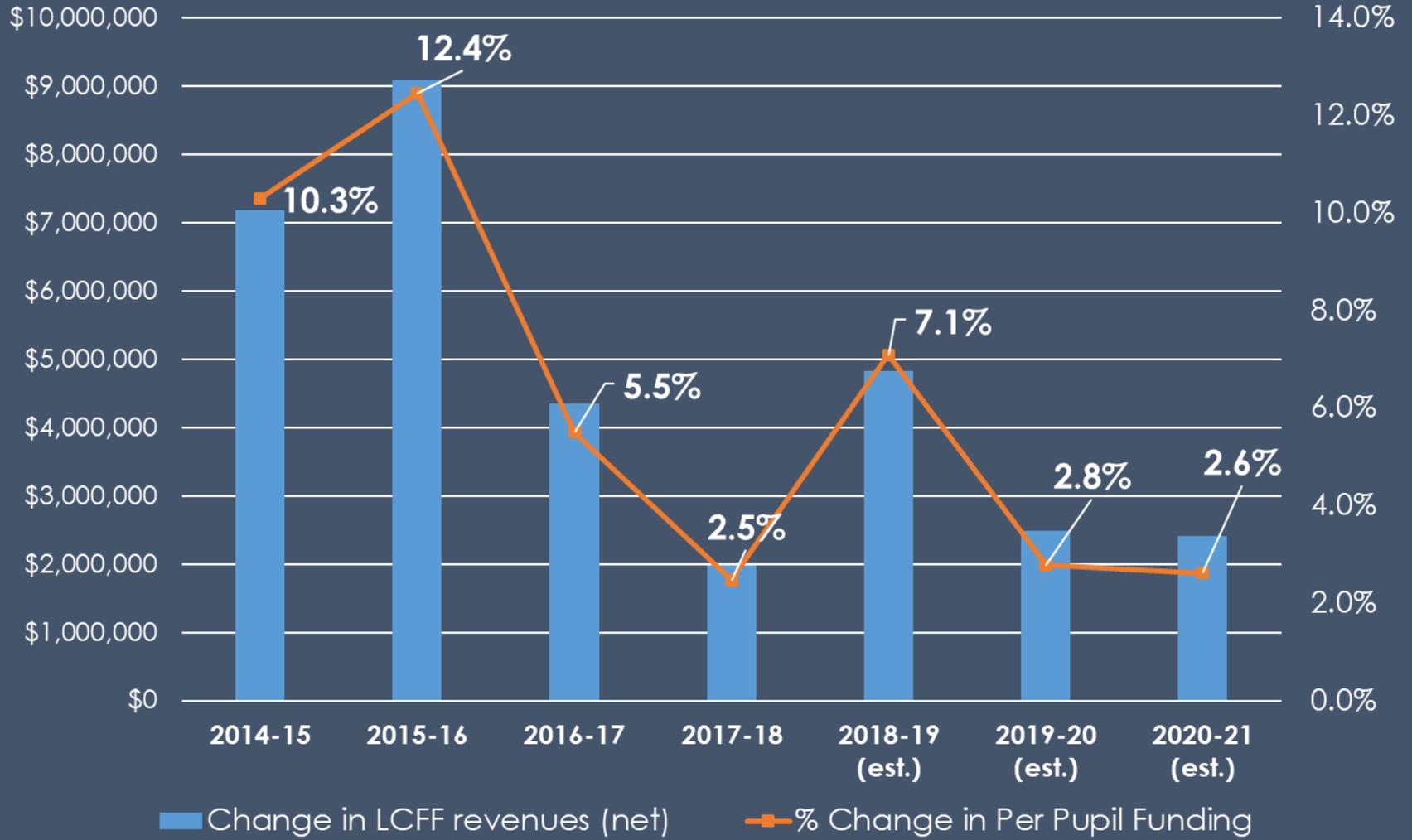
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Per ADA change to LCFF	7.09%	2.78%	2.61%
\$ per ADA	\$9,197	\$9,453	\$9,699
Total LCFF increase	\$4.8M	\$2.5M	\$2.4M

# BUSD 2nd Month Enrollment



■ 2nd month Enrollment

# BUSD Change in LCFF



# Multi-Year Projections



- Mandated Cost one-time revenue – no additional revenues projected after 2018-19
- STRS and PERS rate increases
- Routine step & column, inflationary increases
- No other budget increases

# Projected Unrestricted Reserve – First Interim 3-year Projection

	2018-19	2019-20	2020-21
Projected Unrestricted Gain (Loss)	(\$2,179,271)	(\$4,588,602)	(\$3,687,187)
Projected Unrestricted Ending Fund Balance	\$22,128,030	\$17,539,432	\$13,852,241
Fund Balance Percent	19.8%	15.3%	11.9%

## Required Disclosure under Ed Code 42127 (a)(2)(b)

	<b>Assigned</b>	<b>Unassigned</b>	<b>3% Minimum</b>	<b>Amount Above 3% Minimum</b>
June 30, 2019	-0-	\$22,128,030	\$3,352,203	\$18,775,827
June 30, 2020	-0-	\$17,539,432	\$3,438,669	\$14,100,763
June 30, 2021	-0-	\$13,852,241	\$3,486,356	\$10,365,885

## **Required Disclosure under Ed Code 42127 (a)(2)(b)**

The Board of Education of the Bonita Unified School District maintains a prudent reserve which provides for :

- anticipated future expenditures for technology, instructional materials, and other necessary instructional expenditures
- funds available to mitigate the costs to the District of declining enrollment
- unplanned or emergency expenditures that might occur in the future
- future facilities needs
- future downturns in the state economy which could negatively affect the District's budget

# State Budget Outlook



# District Certification

- Ending Fund Balance projected above the required 3% reserve as of June 30, 2021
- The District is certifying “**Positive**”
- A positive certification indicates that the District **will** be able to meet its financial obligations for the current and subsequent two fiscal years



# Next Steps

- First Interim Report filed with LACOE for review
- Governor releases his projected State Budget  
– January
- LCAP development
- Second Interim –  
March
- P-2 ADA





# Questions?

