



San Marino Unified School District

2019-20 First Interim Financial Report

Presented to the Board of Education
December 10, 2019

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Economic Update - National

- Healthy Economic Factors
- GDP Growth to Remain between 2% and 3%
- Inflation Rate 1.9%
- Unemployment Rate at 3.7%
- Continued Job Growth
- Low Interest Rate Environment



Source: The Balance U.S. Economic Outlook, November 5, 2019.

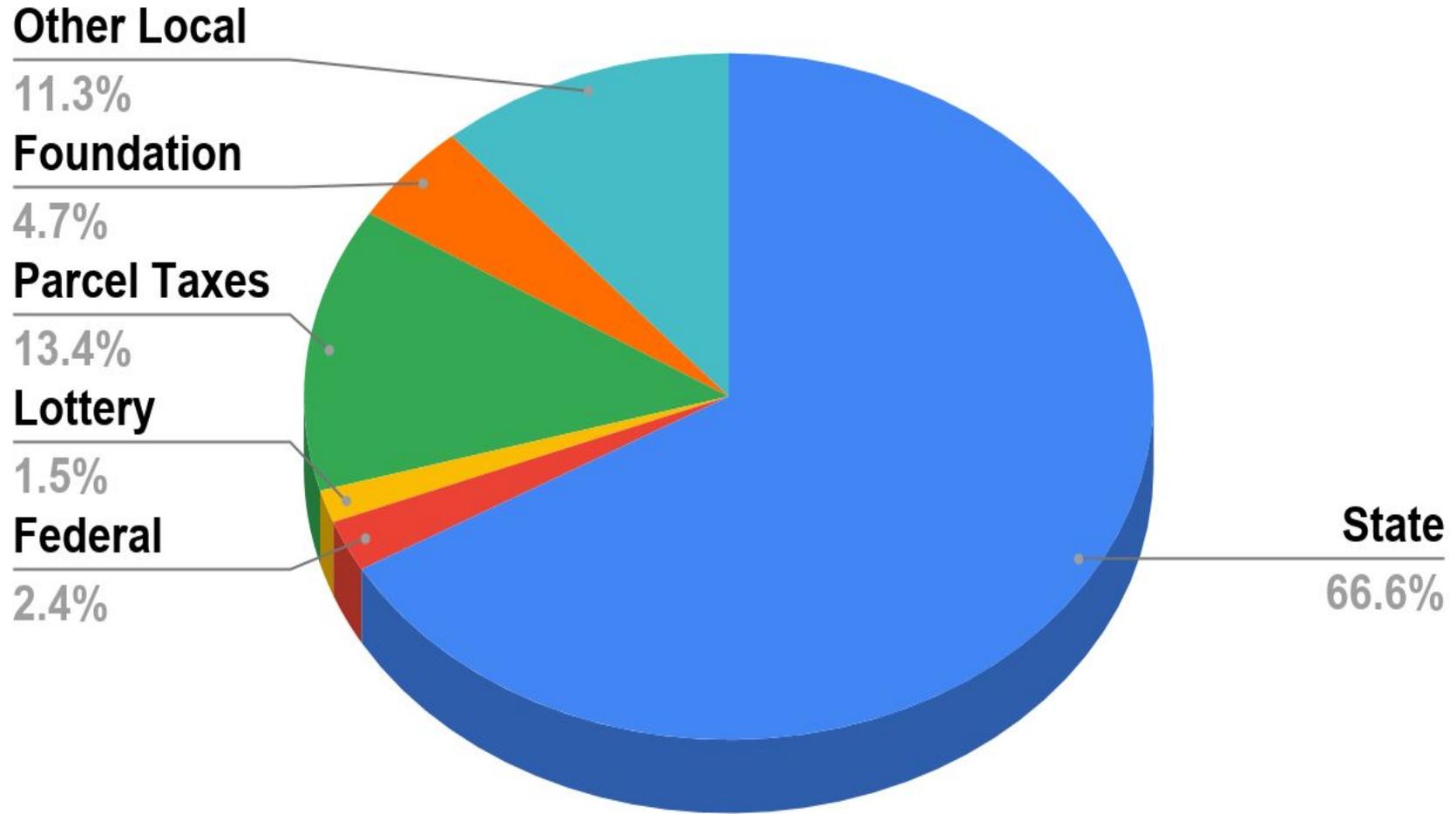
Economic Update - California

- Modestly Paced Growth
- Continued Low Unemployment and Job Growth
- Rebound in Housing
- Changing Demographics
- Economic Risks
 - Capital Gains
 - Real Estate Prices
 - Changes in Trade Relations



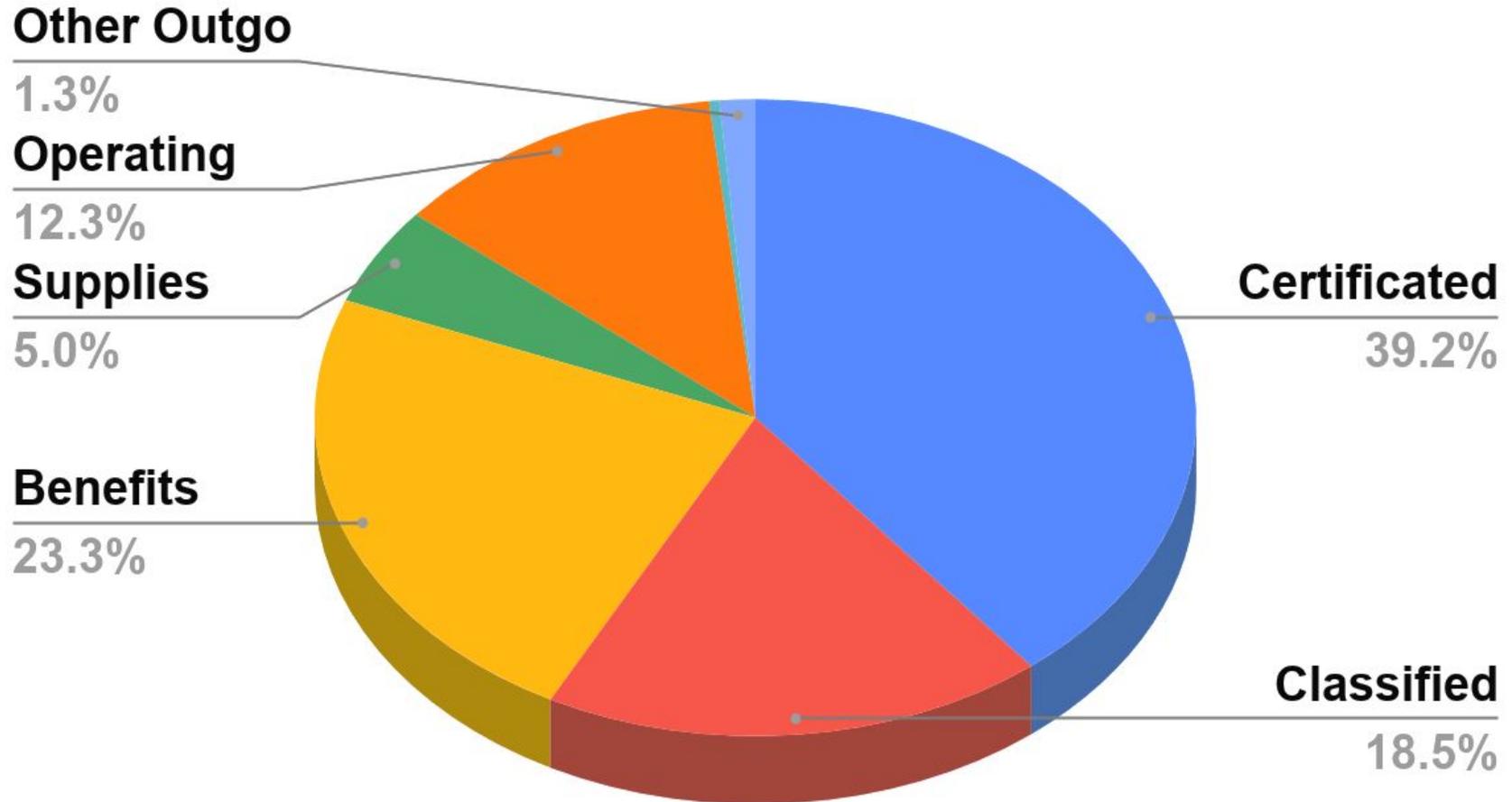
Sources: 'California's Fiscal Outlook,' Legislative Analyst's Office, November, 2019; ""Economic Forecast and Industry Outlook for 2019," Beacon Economics LLC, November, 2019.

General Fund Revenues



29.4% represents Local Revenues and Sources: SELPA funding and reimbursements, parent and ASB donations, facilities use fees, interest earnings, and other donations and reimbursements.

General Fund Expenditures



81% of Expenditures represent Salaries and Benefits. Operating Services include: instructional and non-instructional licenses, insurance, utilities, rentals and repairs, legal fees, internet and wifi licenses, other operating services, etc.

First Interim Assumptions

Revenues:

- Decline in Enrollment and LCFF Funded ADA
- Decrease in Unduplicated Count
- Lower Net Increase in LCFF Funding
- Decrease in Parcel Tax Revenues
- Receipt of Parent Donations

First Interim Assumptions (cont'd)

Expenditures:

- Actual Step/Column/Benefits Placements
- Salary and Benefits, and Equipment Savings
- Increase in Special Education Costs
- Allocation of Parent Donations to School Site Accounts

Other Sources/Uses

- Adjustments in Transfers Out and Transfers In
- Increase in Special Education Contribution
- Decrease in Contribution to Restricted Routine Maintenance

Ending Balance:

- Adjustment of 3% Reserve for Economic Uncertainties

Key Revenue Assumptions*

General Fund	Adopted Budget	First Interim	Difference
Student Enrollment	2,935	2,916	(19)
LCFF Funded ADA	2,906.68	2908.65	1.97
Unduplicated Count	525/17.89%	447/15.33%	(78)/(2.56%)
Increase in LCFF Funding	\$188,283	\$116,663	(\$71,620)
Federal Revenues	\$1,024,743	\$1,023,947	(\$796)
Schools Foundation	2,000,000	\$2,000,000	-
Special Education Funding	\$3,713,419	\$3,785,959	\$72,540
Parcel Tax Revenues	\$5,924,500	\$5,638,934	(\$285,566)

Key Expenditure Assumptions

General Fund	Adopted Budget	First Interim	Difference
Certificated Salaries	\$17,820,606	\$17,759,788	(\$60,818)
Classified Salaries	\$8,415,667	\$8,352,575	(\$63,092)
Employee Benefits	\$10,695,813	\$10,548,117	(\$147,696)
Books and Supplies	\$1,371,792	\$2,261,434	\$889,642
Operating Expenditures	\$4,050,641	\$5,570,241	\$1,519,600
Equipment	\$310,000	\$170,633	(\$139,367)

Other Sources/Uses Assumptions

General Fund	Adopted Budget	First Interim	Difference
Transfer In from Cash Flow Fund	\$1,306,850	\$1,318,743	\$11,893
Transfer In from Deferred Maintenance Fund	\$300,000	-	(\$300,000)
Transfer In from Health Benefits Fund	\$9,909	\$9,963	\$54
Transfer Out to Capital Fund	(\$15,500)	-	(\$15,500)
Contribution to Special Education	\$3,917,842	\$4,724,371	\$806,529
Contribution to Maintenance	\$1,747,700	\$1,643,769	(\$103,931)

Ending Balance Assumptions

General Fund	Adopted Budget	First Interim	Difference
Beginning Balance	\$1,643,131	\$3,549,602	\$1,906,471
Projected Ending Balance	\$1,719,186	\$1,762,814	\$43,628
Reserve for Economic Uncertainties @ 3%	\$1,297,134	\$1,357,723	\$60,589
School Site Carryover	\$314,248	\$301,952	(\$12,296)
Revolving Fund/Stores	\$107,804	\$103,139	(\$4,665)

Future Year Projections

- 2020-21 Projected Budget Deficit \$2.5 - \$3.0 million*
- 2021-22 - Additional Budget Gap \$1.2 - \$1.5 million*
- Variables
 - Enrollment/ADA/Unduplicated Count
 - LCFF and State Funding
 - Special Education Costs
 - Health Benefit Costs
 - Ongoing Budget Savings
 - Parcel Tax Election 2021



*Note: Projections subject to change based on budget variables, and adjustments.

Balancing the Budget

- Lower Student Enrollment
- Adjust Staffing Based on Lower Enrollment
- Increased Costs
 - Salaries Step and Column
 - Health Benefits
 - CalSTRS/CalPERS Contributions
- Cash Flow Fund Depletion
- Budget Savings/Reductions



Questions and Discussion

