



Budget 2019/2020

Acton-Agua Dulce Unified School District



Budget Hearing - June 13, 2019
Budget Adoption – June 27, 2019

The Fiscal Reporting Cycle:



By June 30	<ul style="list-style-type: none"> • Board adopts a Budget for next fiscal year
By September 15	<ul style="list-style-type: none"> • Books closed for prior year • Board approves <i>Unaudited Actuals Report</i>
By December 15	<ul style="list-style-type: none"> • Board approves <i>First Interim Report</i> for current year financial status as of October 31 • Auditors review prior year and submit report to COE
By January 31	<ul style="list-style-type: none"> • Audit for prior year delivered to Board
By March 15	<ul style="list-style-type: none"> • Board approves <i>Second Interim Report</i> for current year financial status as of January 31
July/August	<ul style="list-style-type: none"> • Business Department closes books for prior year ending June 30

Budget Consideration: AADUSD Historical

- Maintain a General Fund reserve level that withstands funding volatility
- Programmatic enhancements
- Deferred maintenance enhancements
- Acton School Improvements
- Expand relationships with other LEAs and charter schools (Career Tech & Adult Ed)

Budget Consideration: LCAP Goals

Goal 1 - Increase grade level proficiency

Goal 2 - Increase English Learner reclassification rates

Goal 3 - Decrease absences and suspensions

Goal 4 - Increase feelings of safety, and involve parents/community in decision-making

Goal 5 - Ensure students are on track for high school graduation and have access to a broad course of study

Goal 6 - Maintain appropriate assignment of qualified staff

Goal 7 - Maintain safe, secure, drug-free, aesthetically pleasing learning environment

The Budget: Funds

The General Fund (01)

- **Unrestricted** – used for ordinary instructional and operational purposes
- **Restricted** – used for targeted programs or purposes (SpEd, Maint.)



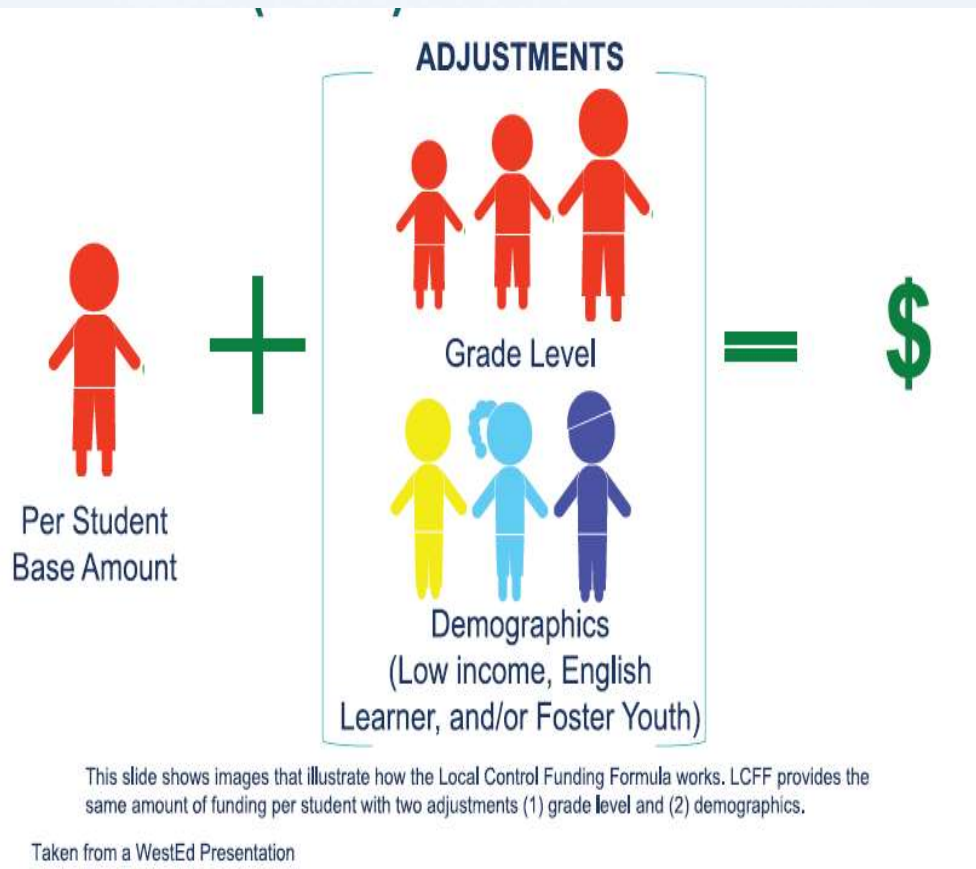
Reserve – minimum 4% required if ADA is $\leq 1,000$
Reserve – minimum 3% required if ADA is 1,001 – 30,000

Other Funds (13 - 40)

- **Restricted** – established to carry out specific activities or objectives in accordance with legally defined regulations, restrictions, or limitations
(cafeteria, maintenance, building projects)



The Budget: Funding Varies By District & Charter



- LCFF funds are the main source of revenue
- LCFF base is ADA-driven
- ADA = enrollment X attendance rate (attendance matters)
- Additional funding for:
 - K-3 at negotiated class size (26:1)
 - 9-12
- Unduplicated Pupil Percentage
 - 20% X base for each unduplicated pupil (supplemental)
 - and
 - 50% X base for each unduplicated pupil beyond 55% of enrollment (concentration) (AADUSD 3 year average=52.34%)

Budget Assumptions:

- Enrollment: 1,065 (2018/19 = 1,084)
- Funded ADA (current or prior year) : 1,028.66 (2018/19 = 1,028.66)
- Unduplicated Pupils: 541, 52.34% (2018/19 = 563, 50.77%)
- STRS Employer Rate: 16.70 % (2018/19 = 16.28 %)
- PERS Employer Rate: 20.733% (2018/19 = 18.062 %)
- 1X Funding - \$0 per May Revise
- Bargaining unit negotiation tentative agreements not included
- Local revenue adjusted and assigned for 3 charter closures June 30, 2019, and possible non-renewals in 2019/20
- No funds transferred from GF for capital improvement projects
- Maintain required GF reserve current and 2 following years (MYP₇)

General Fund Summary 2019/20:

Unrestricted & Restricted	2018/2019 Est. Act.	2019/2020 Budget	% Difference
Total Revenues	\$20,485,209	\$18,063,937	(11.8%)
Total Expenditures	\$17,650,306	\$18,465,491	4.6%
Excess/(Deficit)	\$2,834,903	(\$401,554)	(114.2%)
Transfers (Out)/In	\$0	\$0	0%
Beginning Balance	\$3,560,912	\$6,395,815	79.6%
Ending Balance	\$6,395,815	\$5,994,260	(6.3%)

General Fund Revenue Summary:

- LCFF fully implemented
 - 19/20 LCFF Gap Funding - \$0
 - 19/20 LCFF Supplemental - \$929,771 (must be used to improve or increase services for EL, Low Income, and Foster Youth above base program)
- No one-time funding for 19/20
- ADA decreasing by 18.03, but funded at prior year per law
- Charter oversight/admin. fees included at 3%
- Decreased local revenue due to closure of 3 charter schools for 19/20 and possible non-renewal or changes in legislation

Revenue (U & R)	2018/2019 Est. Act.	2019/2020 Budget
LCFF	\$9,808,355	\$10,032,786
Federal	\$757,327	\$727,124
Other State	\$1,301,336	\$814,715
Other Local	\$8,618,191	\$6,489,312
Transfers In/(Out)	\$0	\$0
Total	\$20,485,209	\$18,063,937

Charter Revenue – Portion of “Other Local”

Reporting Period	ADA	Revenue
19/20 - Projected	11,280	\$3,495,963
Estimated Actuals 18/19**	19,192	\$5,578,151
2 nd Interim 18/19**	13,254	\$3,644,721

General Fund Expenditure Summary:

Expenditures (U & R)	2018/2019 Est. Act.	2019/2020 Budget
Cert. Salaries	\$6,226,600	\$6,368,841
Class. Salaries	\$2,521,448	\$2,546,448
Benefits <small>(Cert & Class)</small>	\$3,176,894	\$3,375,937
Books & Supplies	\$728,826	\$1,054,926
Services	\$2,899,714	\$3,007,897
Capital Outlay	\$104,626	\$122,000
Other Outgo	\$1,992,198	\$1,989,442
Total	\$17,650,306	\$18,465,491

- Increased cost for Step/Column movement
- Increased cost for STRS and PERS rate increases
- H/W budgeted at currently contracted District contribution rate
- Professional development days (3) included
- NGSS Science adoption – committee and purchase
- Planned actions and services in 19/20 LCAP (achievement, behavior, safety, counseling, technology hardware and programs, supplies, facility maintenance, etc.)

General Fund: MYP 2018/19 – 2021/22

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Beginning Balance	\$3,560,912	\$6,395,815	\$5,994,261	\$ 5,929,103
Projected Revenue (per MYP)	\$20,485,209	\$18,063,937	\$18,156,758	\$ 18,313,722
Additional Revenue	\$0	\$0	\$0	\$0
Total Projected Revenues	\$20,485,209	\$18,063,937	\$18,156,758	\$ 18,313,722
Projected Expenses (per MYP)	\$17,650,306	\$18,465,491	\$18,221,916	\$ 18,416,328
Additional Expense #1	\$0	\$0	\$0	\$0
Additional Expense #2	\$0	\$0	\$0	\$0
Additional Expense #3	\$0	\$0	\$0	\$0
Total Projected Expenditures	\$17,650,306	\$18,465,491	\$18,221,916	\$18,416,328
Surplus/(Deficit)	\$2,834,903	(\$401,554)	(\$65,158)	(\$102,606)
Transfers from/(to other funds)	\$0	\$0	\$0	\$0
Projected Ending Fund Balance	\$6,395,815	\$5,994,261	\$5,929,103	\$5,826,497
Revolving Cash, Stores	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Restricted	(\$102,094)	(\$102,093)	(\$102,093)	(\$102,093)
Assigned**	(\$60,000)	(\$1,360,000)	(\$2,660,000)	(\$3,960,000)
Reserve Dollars	\$6,232,721	\$4,531,167	\$3,166,010	\$1,763,404
Reserve Level	35.3%	24.5%	17.4%	9.58%
Dollars Required for 4% REU	\$706,012	\$738,620	\$728,877	\$736,653

- COLA included. Pension increases included. Tentative bargaining unit agreements not included.
- Charter oversight and administrative fees included at 3%.
- MYP includes set asides for revenue adjustments related to potential non-renewal of charter authorizations.

Summary of Other Funds:

Fund	13	14	17	25	35	40
Purpose	Cafeteria	Deferred Maintenance	Reserve - Not Capital	Capital Facilities	Facilities (State Grant)	Reserve - Capital Proj.
Beginning Balance	\$59,593	\$479,636	\$2,989	\$221,452	\$18,387	\$329,732
Total Revenues	\$415,500	\$333,000	\$60	\$18,000	\$3,000	\$5,000
Total Expenditures	\$415,500	\$341,890	\$0	\$46,500	\$21,386	\$334,732
Excess (Deficti)	\$0	(\$8,890)	\$60	\$28,500	(\$18,386)	(\$329,732)
Ending Balance	\$59,593	\$470,746	\$3,049	\$192,952	\$1	\$0
Available for Interfund Borrowing	\$44,695	\$353,060	\$2,287	\$144,714	\$0	\$0

Maximum Available for Interfund Borrowing (Cash Flow)	\$544,756
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To ensure the District has sufficient cash to meet monthly obligations throughout the year, resolutions to approve short-term borrowing have been included for approval by the Board of Trustees on the June 13, 2019 agenda.

Summary:

- The District is able to meet its financial obligations for the current and two future years for a **Positive Certification**
- Revenues for 2019/20 decreased compared to prior year due to a continued gradual decrease in enrollment and reduced revenue from charter schools
- Declining enrollment and Average Daily Attendance (ADA) is projected to continue through 2021/22 (-20 ADA 20/21, -26 ADA 21/22) and has been included in the MYP
- STRS and PERS continue to increase and have been included
- Facility maintenance and upgrade costs create a need for additional project and facility improvement funds, and prioritization decisions
- No General Fund resources were transferred into other funds for capital projects at any school site or for special reserve purposes
- Depletion of fiscal resources in other funds as capital projects have been completed limits the district's ability manage cash flow internally through temporary interfund transfers
- The District is able to meet the required Economic Reserve level, but will need additional adjustments to maintain adequate reserves in future years to allow for unanticipated circumstances with revenue or expenses



Next Steps for Budget:

June 27, 2019

- LCAP and Budget Adoption 2019/20

July – August, 2019

- Closing the books 2018/19

On or before August 15, 2019

- LACOE may seek clarification and request revisions on LCAP and/or the Budget

September 15, 2019

- Unaudited Actuals 2018/19 due to LACOE

