



FINANCIAL UPDATE

September 13, 2021
LASD Board Meeting

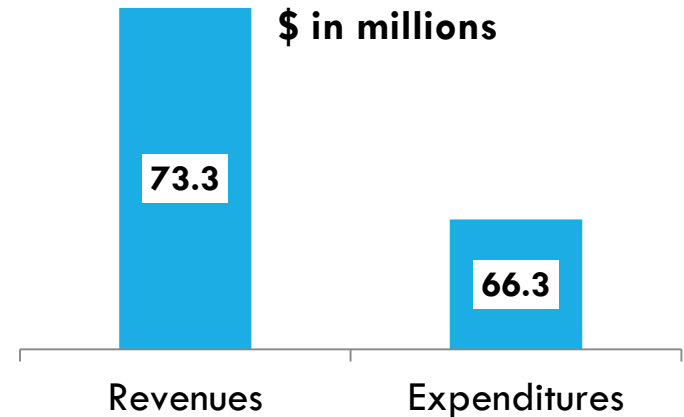
2020/21 UNAUDITED ACTUALS

- Booking the actual 20/21 revenues and expenditures for all funds, prior to review by external auditor
 - Audited financials presented to board in January
- Action Item: recommend that board approve the Unaudited Actuals as presented
- Report must be filed with County by September 15

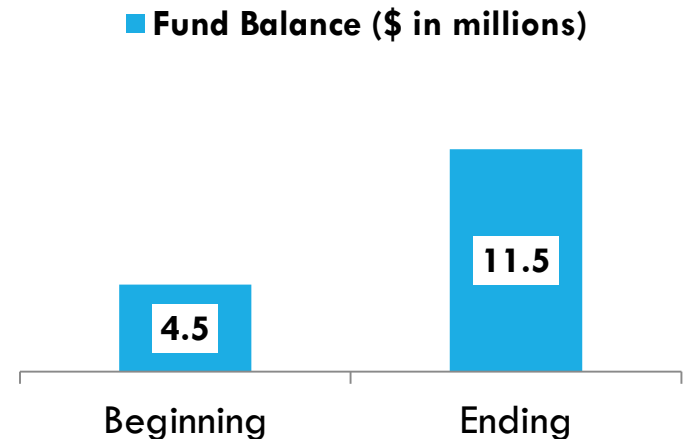
- *2020-21 was an unusual year due to the COVID pandemic*

GENERAL FUND

- 2020/21 Revenues: 73.3 M
- 2020/21 Expenditures: 66.3 M



- Net Change: Fund Balance increase of 7.0M
 - Beginning Fund Balance: 4.5 M
 - Ending Fund Balance: 11.5 M
 - Unassigned Ending Fund Balance: 9.0M



RESERVES

(GENERAL FUND + SPECIAL RESERVE FUND)

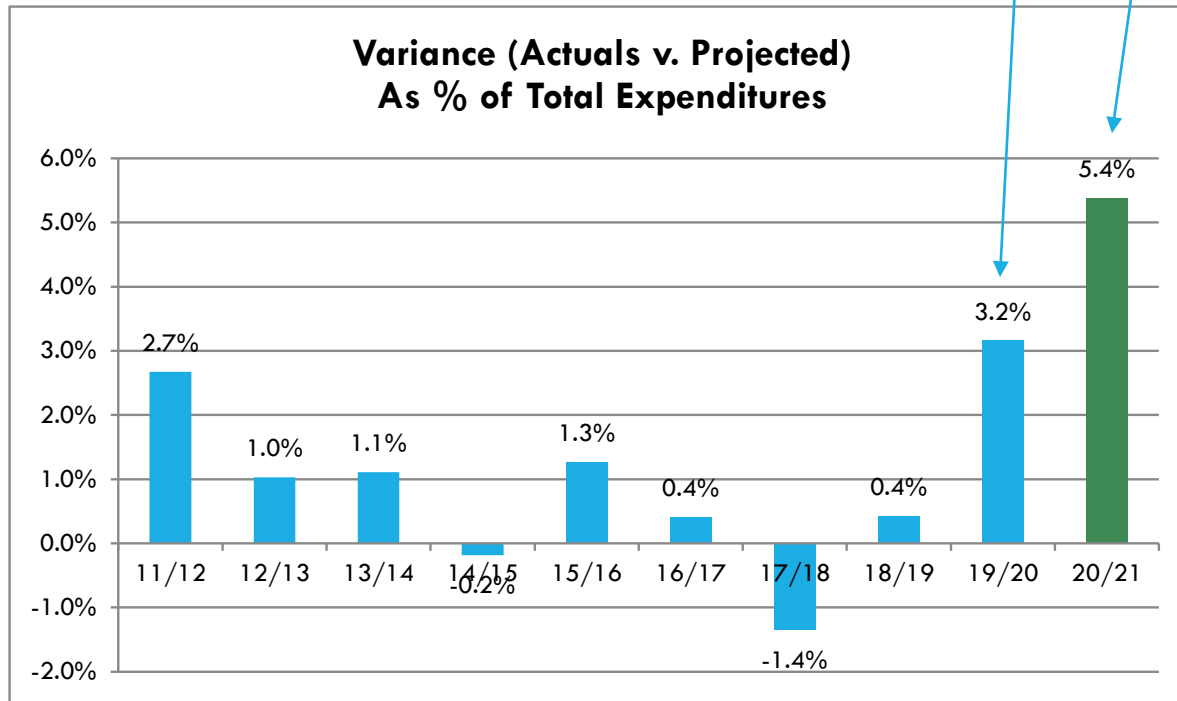
Fund Balance	\$11.5M
Less, Restrictions	<2.5M>
Unassigned Fund Balance	\$9.0M
Special Reserve Fund	\$3.5M
Total, Ending Reserves	\$12.5M
	<i>(compared to \$9.0M projected in June)</i>
% of Expenditures	19.0%
	<i>(compared to 12.5% projected in June)</i>

VARIANCE: GENERAL FUND RESERVES

General Fund Reserves (Sept.): \$9.0M

- Projected (June): \$5.5M
- **Variance: \$3.5M**

2 years of significant savings, largely due to uncertainty re spending during COVID pandemic



WHY THE LARGE VARIANCE

As noted earlier, 2020-21 was an unusual year due to the COVID pandemic

Very difficult to accurately predict what would happen throughout the year—especially as health guidance changed and as we adapted to changes, while implementing a return to in-person instruction as quickly as possible

Thus, we budgeted conservatively regarding anticipated expenses and benefitted from savings in many different areas, as well as being able to use state and federal COVID relief funding to offset certain expenditures

VARIANCES: REVENUES

- ❑ Very little variance overall (140k increase)
- ❑ State and federal revenues down due to “unearned” COVID funding
 - *“Unearned” revenue is restricted revenue received but not yet spent, thus it is “unearned” and cannot be recorded as revenue when we close our books*
- ❑ Local revenue up due to PTA support not being budgeted for
 - *This increase more than offset the drop in state and federal revenues from what was budgeted*

VARIANCES: EXPENDITURES

- ❑ **Certificated Salaries: down 1.9M**
 - *Mostly due to unspent COVID funds (\$1.5M), lower PD costs, and program carryovers*

- ❑ **Classified Salaries: down 600k**
 - *Unspent monies on Virtual School classified staff, classroom aides, and substitute custodians*

- ❑ **Employee Benefits: down 200k**
 - *Reflects savings on salary-related benefits*

VARIANCES: EXPENDITURES (CONT.)

☐ Books & Supplies: down 46k

- *Savings on custodial supplies*

☐ Contracted Services: down 3M

- *Savings on repair and upkeep costs, unspent COVID monies, lower legal costs, no insurance claims, reduced special education transportation and outside agency costs, reduced costs for consultants*

☐ Capital Outlay: down 200k

- *Savings on computer equipment (charged to COVID relief funds)*

VARIANCES FROM JUNE (DETAIL)

	June Estimated Actuals	Unaudited Actuals	Changes	
LCFF Sources	47,831,288	47,849,096	17,808	<i>prop taxes up</i>
Federal Sources	2,966,976	2,778,328	(188,648)	<i>unearned COVID funding</i>
Other State Sources	7,460,221	6,429,851	(1,030,370)	<i>unearned COVID funding</i>
Other Local Sources	14,942,614	16,283,368	1,340,754	<i>PTA support, interest earnings up</i>
Total Revenues	73,201,099	73,340,644	139,545	
Certificated Salaries	28,473,085	26,605,837	(1,867,248)	<i>unspent COVID funds (\$1.5M); lower PD costs; c/o</i>
Classified Salaries	12,146,432	11,524,701	(621,731)	<i>Aides, custodial costs down</i>
Employee Benefits	17,642,548	17,420,847	(221,701)	<i>lower staffing costs</i>
Books & Supplies	3,926,089	3,880,372	(45,717)	<i>lower custodial supply costs</i>
Contract Services	9,782,495	6,789,177	(2,993,318)	<i>unspent COVID funds; repairs, legal, insurance, transportation, contracted services down</i>
Capital Outlay	251,893	42,641	(209,252)	<i>computer equipment</i>
Other	8,262	8,050	(212)	<i>trsf to county charter school (Summit)</i>
Total Expenses	72,230,804	66,271,625	(5,959,179)	
Net Change (revenues less expenses)	970,295	7,069,019		
Adjusted Beginning Balance	4,469,801	4,469,801		
Ending Balance	5,440,096	11,538,820		
Encumbrances	5,000	5,000	-	
Carryovers (unspent prior year allocated \$)				
Restricted	-	588,193		
Assigned	-	1,942,297		
General Fund Reserves	5,435,096	9,003,330		
Reserves, Special Reserve Funds	3,590,562	3,586,803		
Total Reserves	9,025,658	12,590,133		
% of Expense	12.50%	19.00%		

PROPERTY TAXES

- ❑ Final tax collections, 2020-21: \$52,939,339
 - 7.23% growth over prior year
- ❑ Projected tax collections, 2021-22: \$54,971,280
 - 4% growth over 2020-21 amount projected in June
- ❑ Current projection from county: \$55,509,000
 - 4.85% growth
 - We will update our projection for 1st Interim Financial Report
- ❑ Next update from county is in November

FUND BALANCES

Fund Balance	2020-21		
	June (adopted budget)	September (unaudited actuals)	Variance
General Fund (reserves)	\$ 5,435,096	\$ 9,003,330	\$ 3,568,234
Deferred Maintenance	\$ 25,615	\$ 9,523	\$ (16,092)
Special Reserve	\$ 3,604,627	\$ 3,600,759	\$ (3,868)
Building	\$ 22,567,594	\$ 24,857,185	\$ 2,289,591
Capital Facilities	\$ 1,685,221	\$ 1,854,281	\$ 169,060

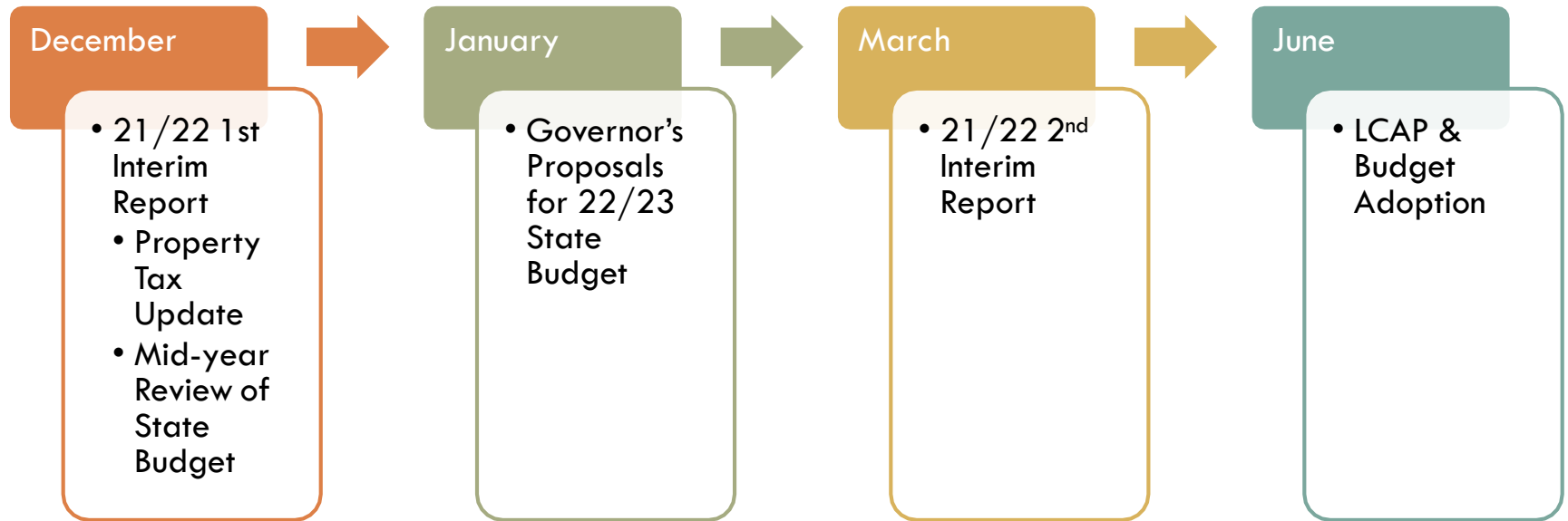
STUDENT ACTIVITY FUND

- ❑ Governmental Accounting Standards Board (GASB) Statement No. 84 now requires school districts to include student body activity funds as a sub-set of the district's general fund
 - *In our case, Fund 08 called Student Activity Special Revenue Fund*
- ❑ The information for 2020-21 is found as Form 08 within the SACS document packet and reflects the student body financial activity at all schools
 - ❑ *Previously, only the activity at the junior highs was reported and reported only as part of the audited financials—not included in the Unaudited Actuals*

FORMS INCLUDED IN SACS DOCUMENT

- Besides the financials for each fund there are a number of state-required forms included in the SACS document, including...
 - Form A: reporting Average Daily Attendance
 - ASSET: listing of our capital assets
 - DEBT: listing of our long-term liabilities
 - GANN: Gann Appropriations Limit calculation
 - CEA: a calculation of the required minimum classroom expenditures
 - ESMOE: maintenance of effort required under Every Student Succeeds Act
 - ICR: a calculation of the indirect cost rate to apply to certain state/federal programs
 - Form L: a report showing expenditures from Lottery proceeds
 - PCRAF/PCR: formula-driven cost accounting by program type or function
 - SIAA: listing of transfers made between funds

TIMELINE — WHAT'S NEXT?



CONCLUSION

- Recommend approval of 2020/21 Unaudited Actuals as presented