

Sausalito Marin City School District

First Period Interim Report

2017-2018

**Regular Board Meeting
December 14, 2017**

Introduction

- Information presented reflects the changes in the budget since budget adoption in June 2017
- Period covers changes July 1 through October 31, 2017
- In addition, the First Interim Report includes:
 - Detailed Budget Changes
 - Multi Year Projection
 - Estimated Cash Flow
- It is recommended that the First Interim Report be approved with a qualified certification
- The budget presented indicates that the District can meet its financial obligations in the current year and year 2018-2019, and has a shortfall of the minimum Economic Reserve of 5% in year 2019-2020.

Adopted Budget VS First Interim

| | Adopted Budget | 2017/18 First Interim | Revisions 10/31/2017 |
|-----------------------------------|-------------------|--------------------------|-------------------------|
| Beginning Fund Balance | \$ 1,555,840 | \$ 1,555,840 | \$ - |
| Revenue | \$ 5,577,222 | \$ 5,881,111 | \$ 303,889 |
| Expenses | \$ 5,754,342 | \$ 5,943,495 | \$ 189,153 |
| Transfers Out to Other Funds | \$ (330,579) | \$ (345,947) | \$ (15,368) |
| Net Decrease | \$ (507,699) | \$ (408,332) | \$ 99,367 |
| Ending Fund Balance | \$ 1,048,141 | \$ 1,147,509 | \$ 99,368 |
| <u>Components of Fund Balance</u> | | | |
| Restricted | \$ 194,901 | \$ 189,901 | \$ (4,999) |
| 5% Reserve | \$ 304,246 | \$ 314,472 | \$ 10,226 |
| Fund 01 Unassigned Amount | \$ 548,995 | \$ 643,136 | \$ 94,141 |
| Fund 17 Unassigned Amount | \$ 174,000 | \$ 174,000 | \$ - |
| Total Unassigned | \$ 627,166 | \$ 817,136 | \$ 94,141 |

Total Reserve Percent

15.54%

17.99%

2.45%

Revenue - Total Increase \$303,889

- Increase Property Tax Estimate
- Decrease in Title I and Title II - Intervention and Staff Development
- Increase Donations
 - Summer School Program
 - Community School Coordinator
 - Walking School Bus
- Add STRS On-Behalf (*Revenues Always Equal Expenses*) - \$136,403
(The District's unfunded liability for STRS and PERS)

Expenses - Total Increase \$204,521

- Decrease Certificated Staff Expenses
 - 10.0 Teachers Budgeted, 9.0 Teachers Hired
 - Counselors Provided by Marin County Health and Human Service
 - Adjust All Salaries and Extra Duty Pay based on Actual Employees Hired
 - Moved Staff Development Expenses to Contracted Services
- Decrease Classified Staff Expense
 - Move District Office Position to Contracted Services
 - Add Special Education Paraprofessional
 - Increase Substitute Custodial Expense
 - Adjust All Salaries and Extra Duty Pay based on Actual Employees Hired

Adjustments to Expenses - Continued

- Increase Employee Benefits
 - Add STRS On-Behalf (*Revenues Always Equal Expenses*) - \$136,403
 - Decrease Health and Welfare and Mandatory Benefits
 - Based on Actual Employees Hired
 - Decrease Office Position moved to Contracted Services
- Increase Instructional Materials and Technology Equipment
 - Increase Technology Expenses
 - Increase Instructional Materials
 - Decrease Board Supplies

Adjustments to Expenses - Continued

- Increase Operating Expenses
 - Increase:
 - Special Education Contracts – Interpreter, Transportation, Legal
 - Summer School Expense (Received Donations)
 - After School Program Expenses
 - Moved Classified District Office Position to Contracts (\$10,000 Savings)
 - Maintenance Contracts
 - Decrease:
 - Math Contract with Tamalpais Union High School District (Middle School Teacher Hired)
 - Elections Expense
 - Reduced Superintendent and Board Staff Development
- Increase Other Outgo
 - Increase Pass-through Payment to Willow Creek Academy for 2% Excess Property Tax per MOU
 - Increase Contribution to Cafeteria Program for Cafeteria Worker Added, Staff Development, and Substitutes for Staff Absences

Adjustments to Expenses - Continued

- Contributions to Restricted Programs

| | Adopted Budget | First Interim | Difference |
|--------------------------------|---------------------------|--------------------------|-------------------|
| Special Education | \$ 1,160,695 | \$ 1,268,289 | \$ 107,594 |
| Maintenance | \$ 275,932 | \$ 290,943 | \$ 15,011 |
| Community School Coordinator | \$ 30,000 | \$ - | \$ (30,000) |
| Garden Program | \$ 20,000 | \$ 20,000 | \$ - |
| Field Trips | \$ 10,000 | \$ 10,000 | \$ - |
| Title I - Student Intervention | \$ - | \$ 36,480 | \$ 36,480 |
| Total | \$ 1,496,627 | \$ 1,625,712 | \$ 129,085 |

Multi-Year Projection

| | 2017/18 | 2018/19 | 2019-20 |
|-----------------------------------|------------------|------------------|------------------|
| | First Interim | MYP Year 2 | MYP Year 3 |
| Beginning Fund Balance | 1,555,840 | 1,147,509 | 752,260 |
| Revenue | 5,881,111 | 5,963,723 | 6,047,134 |
| Expenses | 5,943,495 | 6,068,791 | 6,228,447 |
| Transfers Out to Other Funds | (345,947) | (290,180) | (290,180) |
| Net Decrease | (408,332) | (395,249) | (471,494) |
| Ending Fund Balance | 1,147,509 | 752,260 | 280,766 |
| <u>Components of Fund Balance</u> | | | |
| Restricted | 189,901 | 178,008 | 178,007 |
| 5% Reserve | 314,472 | 324,205 | 325,931 |
| Fund 01 Unassigned Amount | \$ 643,136 | \$ 250,047 | \$ (223,173) |
| Fund 17 Unassigned Amount | \$ 174,000 | \$ 174,000 | \$ 174,000 |
| Unassigned Reserve | \$ 817,136 | \$ 424,047 | \$ (49,173) |
| Unassigned Reserve Percent | 17.99% | 11.67% | 4.25%* |

*Economic Reserve Shortfall - 0.75%

Multi-Year Projection Assumptions

| Revenue | 2018-2019 | 2019-2020 |
|-----------------|---|---------------------------------------|
| Property Taxes | Increase 4.5% | Increase 4.5% |
| Charter In-Lieu | Increase | Increase |
| Federal Revenue | No Carryover No Title II | |
| State | No One-Time Mandated Costs | Slight Increase |
| Local | Added CCEE for Community Sch Coordinator No One-Time Donations | No CCEE for Community Sch Coordinator |

| Expenses | 2018-2019 | 2019-2020 |
|--------------------|--|--|
| Personnel Expenses | Salary Step & Column STRS and PERS Increases Reduce Custodial Sub Expense | Salary Step & Column STRS and PERS Increases |
| Operating Expenses | Inflation Increase No District Office Rental No Capitol Lease No Excess 2% Property Tax Payment to WCA Summer School Less than 17-18 | Inflation Increase No Basic Aid (Negative) Calculated |

Other Future Items to Consider

- Certificated Negotiations
- Renewal of the Charter MOU with Willow Creek Academy
- Food Service Program
- Federal Programs in 2018-2019
- Impact of Additional Payment on the Certificate of Participation