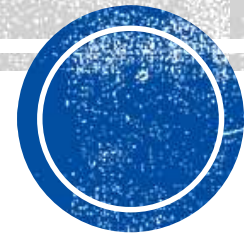




2018-2019 1ST INTERIM BUDGET REPORT

Palisades Charter High School

By: Greg Wood & Arleta Ilyas



PRESENTATION

- Summary of Actuals
 - Revenue & Expenditure Variances
- Re-Adoption vs. 1st Interim
 - Revenue & Expenditures
- Multi-Year Projection
 - Budget Planning Worksheet
- Looking Ahead



REVENUE/EXPENSE ACTUALS UNTIL OCTOBER 2018

Revenue Type	Actuals as of 10/31/18	Actuals as of 10/31/17	Difference
LCFF	8,293,889	7,569,288	724,604
Federal	220,650	300,273	-79,623
State	685,736	583,967	101,769
Local	607,458	573,649	33,809
Total	9,807,733	9,027,177	780,556

Expense Type	Actuals as of 10/31/18	Actuals as of 10/31/17	Difference
Certificated Salaries	3,545,289	3,586,978	-41,689
Classified Salaries	1,030,973	1,046,820	-15,847
Benefits	2,225,905	2,041,886	184,019
Books/Supplies	256,107	386,810	-130,703
Other Services	1,718,248	1,540,449	177,799
Capital (Depreciation)	286,666	225,000	61,666
Indirect/Debt Service	110,013	96,694	13,319
Total (Financial Reporting)	9,173,201	8,924,636	248,565



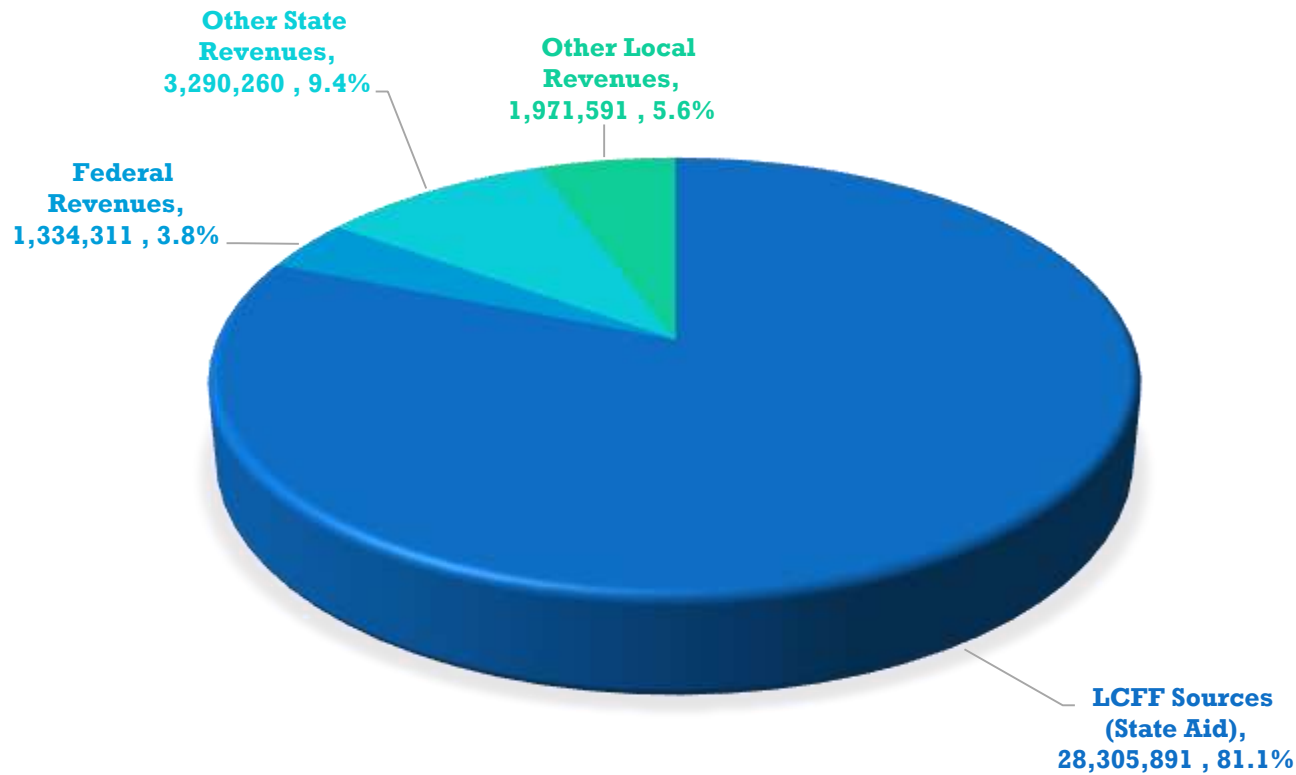
Re-Adoption vs. First Interim



1ST INTERIM REVENUE PROJECTIONS



1ST INTERIM REVENUE



Revenue	Amount
LCFF	28,305,891
Federal	1,334,311
State	3,290,260
Local	1,971,591
Total	34,902,053

■ LCFF Sources (State Aid)
 ■ Federal Revenues
 ■ Other State Revenues
 ■ Other Local Revenues



REVENUE VARIANCES (WHAT CHANGED?)



Revenue Type	Adopted	Re-Adoption	1 st Interim	1 st vs re-adoption
LCFF	\$28,277,877	\$28,305,891	\$28,305,891	-
Federal	\$1,391,636	\$1,389,976	\$1,334,311	-\$55,665
State	\$3,568,933	\$3,206,174	\$3,290,260	\$84,086
Local	\$1,842,590	\$1,892,591	\$1,971,591	\$79,000
Total	\$35,081,036	\$34,794,632	\$34,902,053	\$107,422



REVENUE VARIANCES EXPLAINED (FROM RE-ADOPTION)



Federal:

- Received new grant (Title IV: Student Support & Academic Achievement): **\$18,335**
- Lowered projection for Federal Child Nutrition funds: **(\$74,000)**

State:

- Received new state grants (Low-Performing Students Block Grant - **\$75,089** & Classified School Employees Professional Development Block Grant - **\$13,998**)
- Lowered projection for State Child Nutrition funds: **(\$5,000)**

Local:

- Increased projection for food service sales: **\$79,000**

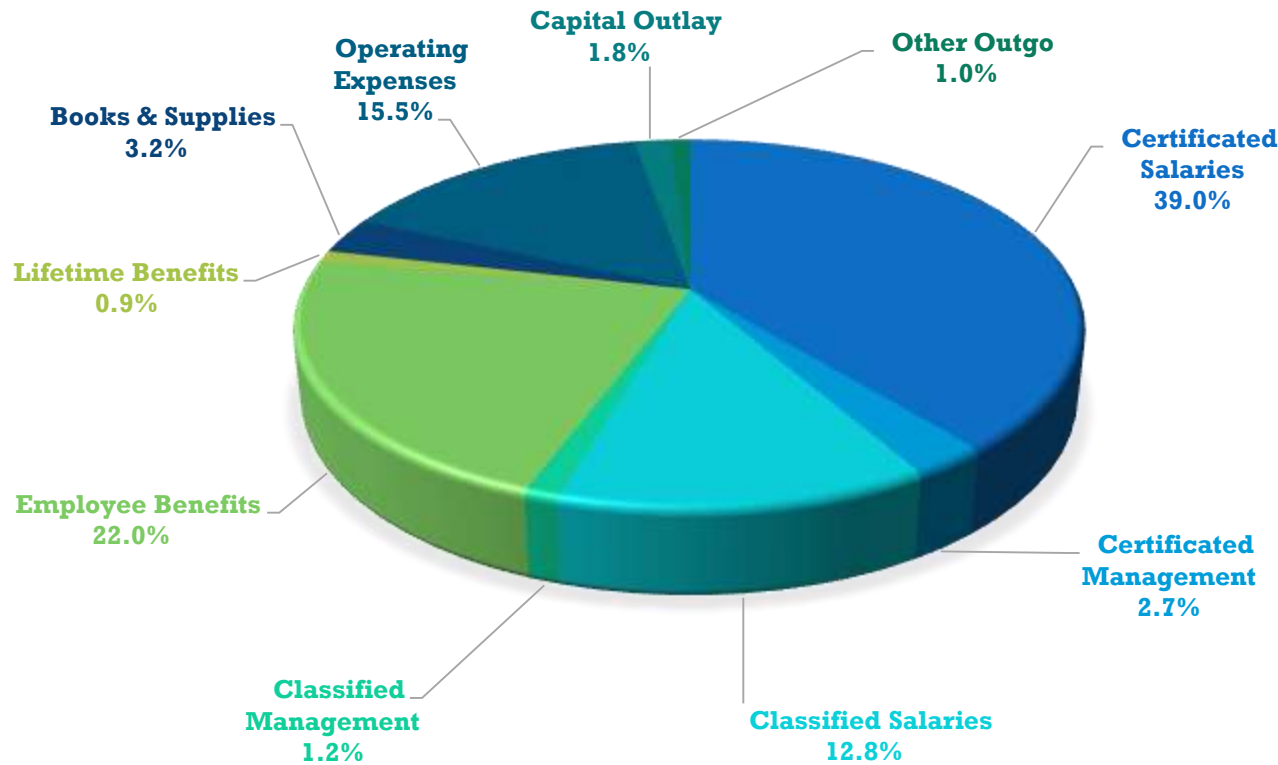
Total change in revenue: \$107,422



1ST INTERIM EXPENDITURE PROJECTIONS



1ST INTERIM EXPENDITURES



Expense	Amount
Certificated Salaries	14,276,492
Classified Salaries	4,798,851
Benefits	7,825,317
Books & Supplies	1,087,906
Services	5,292,704
Depreciation	860,000
Interest/Indirect	335,991
Total	34,228,151



EXPENDITURE VARIANCES (WHAT CHANGED?)



Expense Category	Adopted	Re-Adoption	1 st Interim	1 st vs re-adoption
Certificated Salaries	\$14,526,492	\$14,276,492	\$14,276,492	-
Classified Salaries	\$4,798,852	\$4,798,851	\$4,798,851	-
Benefits	\$8,231,979	\$7,835,308	\$7,825,317	-\$9,991
Books & Supplies	\$1,165,906	\$1,087,906	\$1,087,906	-
Services	\$5,158,203	\$5,243,204	\$5,292,704	\$49,500
Depreciation	\$860,000	\$860,000	\$860,000	-
Interest/Indirect	\$335,711	\$337,460	\$335,991	-\$1,469
Total	\$35,077,142	\$34,439,221	\$34,477,261	\$38,040



EXPENDITURE VARIANCES EXPLAINED



INCREASES:

- - Increased professional development line to account for classified PD grant (\$7,500)
- - Increased consulting line to account for Special Education and Legal (\$60,000)

DECREASES:

- - Decreased Lifetime benefits contribution for certificated staff (\$6,269)
- - Decreased subscriptions line (\$18,000)
- - Decreased indirect/debt service line (LAUSD 1% oversight fee tied to LCFF revenue) (\$1,469)

Total additions: \$67,500

Total decreases: \$25,738



ENDING FUND BALANCE



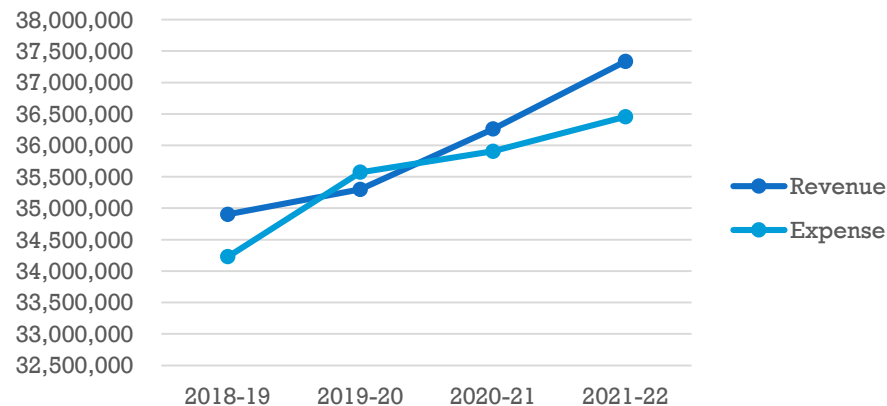
Category	Adopted	Re-Adoption	1 st Interim	1 st vs re-adoption
Total Revenue	\$35,081,036	\$34,794,632	\$34,902,503	\$107,871
Total Expense- Financial Reporting	\$35,077,142	\$34,439,221	\$34,477,261	\$38,040
Financial Reporting Basis (Adj. for Depreciation)	\$3,894	\$355,411	\$424,792	\$69,381
Total Expense – Cash Reporting	\$34,978,032	\$34,190,111	\$34,228,151	\$38,040
Net Reserve Fund Increase (Reduction) – Cash Basis	\$103,004	\$604,521	\$673,902	\$69,381



MULTI-YEAR PROJECTION

	2018-19	2019-20	2020-21	2021-22
Revenues	\$34,902,053	\$35,299,186	\$36,258,460	\$37,336,179
Total Expenditures: Cash Reporting Basis	\$34,228,151	\$35,571,611	\$35,905,689	\$36,454,875
Fund Balance (Cash Reporting Basis)	\$673,902	(\$272,425)	\$352,771	\$881,304
Total Expenditures: Financial Reporting Basis	\$34,477,261	\$34,926,141	\$36,765,689	\$37,314,875
Fund Balance (Financial Reporting Basis)	\$424,792	(\$626,955)	(\$507,229)	\$21,304
Additional OPEB Requirement (Lifetime Health Benefits)	\$749,445	\$749,445	\$749,445	\$749,445
Fund Balance w/OPEB Reporting (using financial reporting basis)	(\$324,653)	(\$1,376,400)	(\$1,256,674)	(\$728,141)

Revenue vs. Expense



Budget Planning Dartboard



FIRST INTERIM ASSUMPTION GUIDELINES (AS OF NOVEMBER 2018) PROJECTIONS FOR FISCAL YEARS 2019-20 THROUGH 2021-22

The guidelines below are provided to assist you with projections for fiscal years 2018-19, 2019-20, 2020-21 and 2021-22.

LCFF REVENUE	2018-19	2019-20	2020-21	2021-22
Statutory COLA / Net Funded COLA	3.70% (1)	2.57%	2.67%	3.42%
Gap Funding	100.00%	100.00%	100.00%	100.00%
SPECIAL EDUCATION AND CATEGORICAL PROGRAMS	2018-19	2019-20	2020-21	2021-22
COLA for Special Ed and Other Categorical Programs Outside of LCFF (on state and local share only)	2.71%	2.57%	2.67%	3.42%
LOTTERY REVENUE	2018-19	2019-20	2020-21	2021-22
Unrestricted	\$151.00/ADA	\$151.00/ADA	\$151.00/ADA	\$151.00/ADA
Restricted for Instructional Materials	<u>53.00/ADA</u>	<u>53.00/ADA</u>	<u>53.00/ADA</u>	<u>53.00/ADA</u>
Total Lottery Revenue	\$204.00/ADA	\$204.00/ADA	\$204.00/ADA	\$204.00/ADA
OTHER FACTORS	2018-19	2019-20	2020-21	2021-22
CalSTRS Employer Rates (2)	16.28%	18.13%	19.10%	18.60%
CalPERS Employer Rates (2)	18.062%	20.80%	23.50%	24.60%
Interest Rate for 10-year Treasuries	3.17%	3.38%	3.50%	3.40%
California Consumer Price Index (CPI)	3.66%	3.50%	3.23%	2.94%
Other Expenses (4000s – 6000s)	2018-19+CPI	2019-20+CPI	2020-21+CPI	2021-22+CPI

- (1) Includes statutory COLA of 2.71 percent plus an additional 0.99 percent appropriated for the LCFF target for 2018-19
 (2) CalSTRS rates set by statute; CalPERS rate projections from Legislative Analyst Office and School Services

- State Law says we must use these assumptions to project out-years.

- Assumptions subject to may revise for funding levels



LOOKING AHEAD — ONGOING CONCERNS

- Lifetime Benefits/OPEB obligation
- Transportation
- Deferred Maintenance
- Special Education
- PERS/STRS rate increases
- Health Benefits premium increases
- Increase cash fund balances/reserves



QUESTIONS?

