



Alvord Unified School District

Our Promise: All students will realize their unlimited potential.

First Interim Financial Report Fiscal Year 2020-21

Board of Education Presentation
December 17, 2020

Presented by Dusty Nevatt
Chief Business Officer, Business Services



First Interim Report

Interim Report Purpose:

- The First Interim Report represents the district's first official revision to the approved Adopted Budget and includes actual financial data through October 31, 2020. It includes revised enrollment, ADA, and budget projections for the remainder of this fiscal year.
- Each school district is required to certify its financial condition twice during the fiscal year. This certification addresses the district's ability to meet its financial obligations for the current year and two subsequent years.

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Summary of Changes Since Adopted Budget

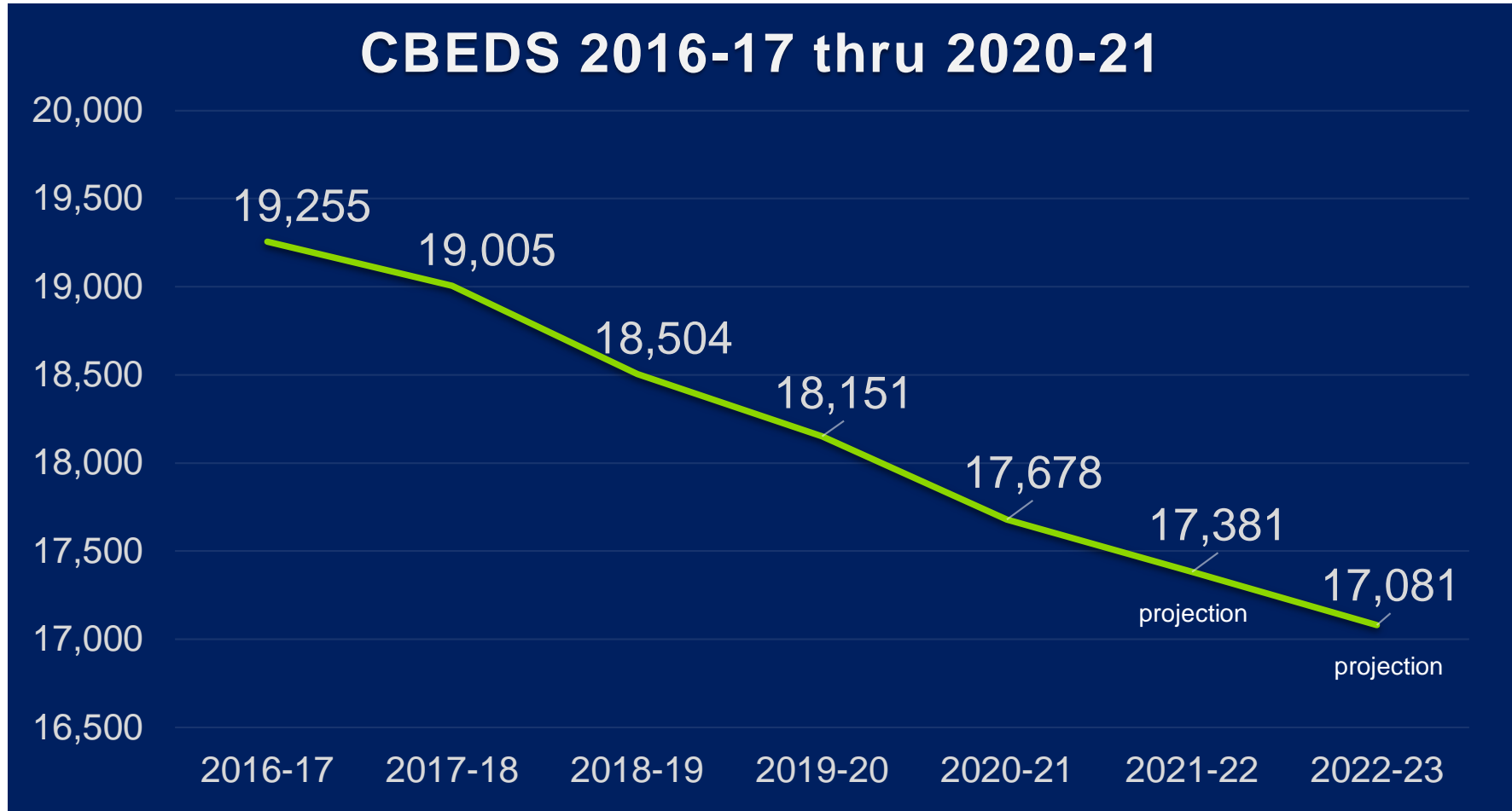
- Remote/distance instruction
- Virtual Academy – staffing & instructional supplies
- CARES Act grants received and budgeted
- Restoration of Expanded Learning and Career Education grant dollars
- Restricted program carryovers

- Revised LCFF revenues due to ADA, enrollment, and unduplicated pupil count changes
- Savings due to distance instruction through mid-January 2021
- Expenses as a response to COVID-19

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CBEDS & Enrollment Projections

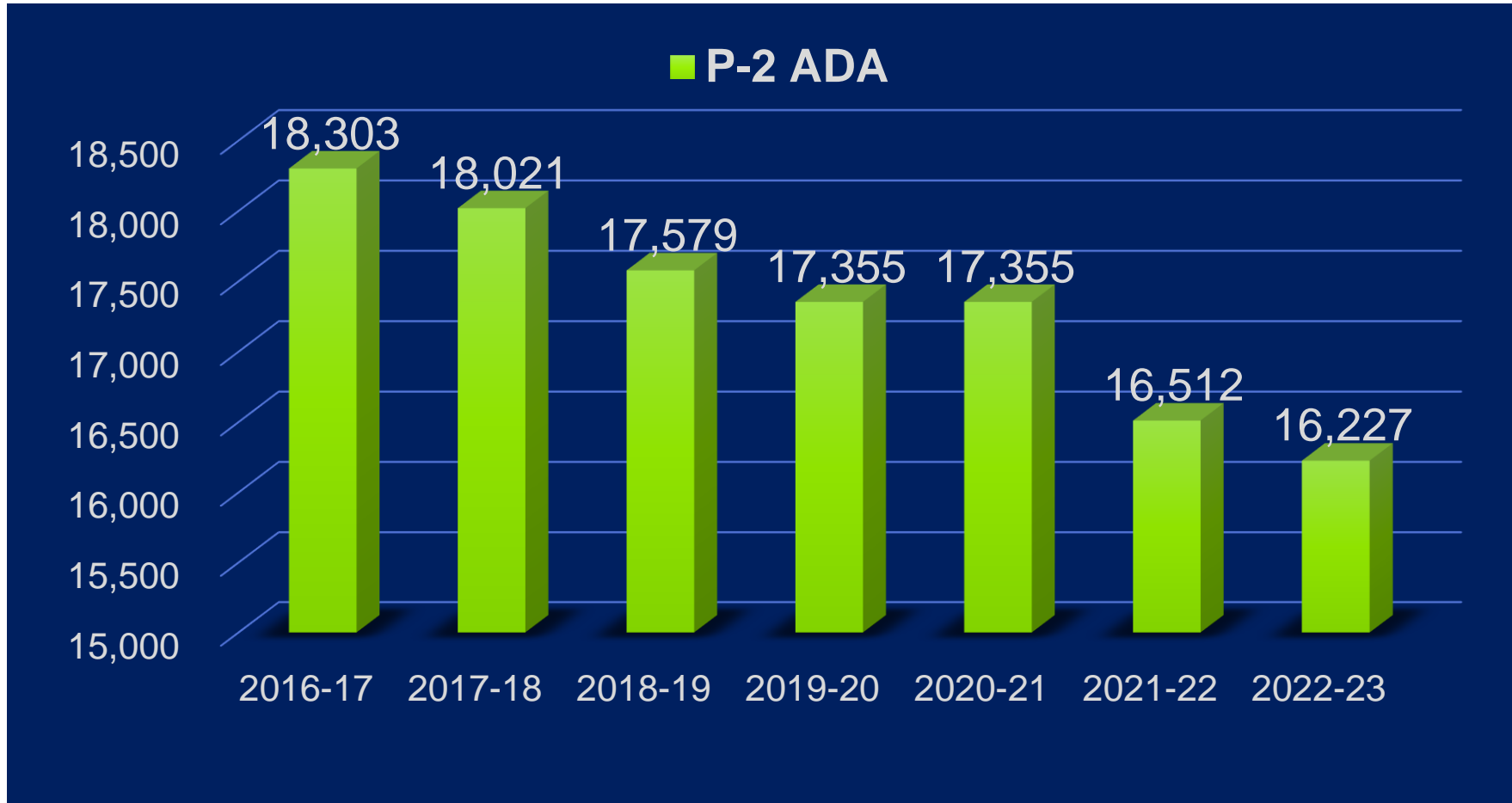


2020-21 CBEDS Enrollment = 17,678

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P-2 Average Daily Attendance (ADA)



2020-21 P2 ADA = 17,355 (2019/20 ADA guarantee)

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First Interim 2020/21 General Fund Revenues

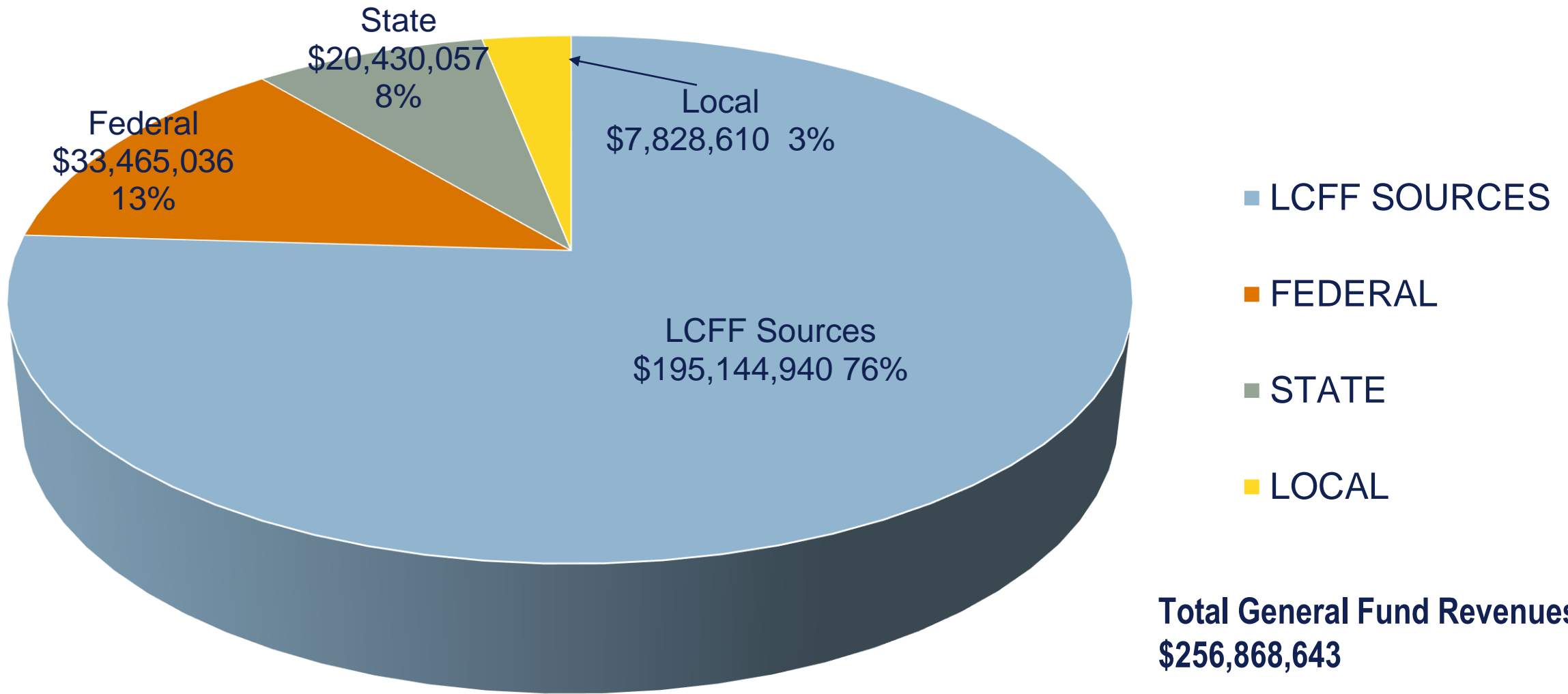
	Adopted Budget	First Interim	Change	% Change
LCFF Sources*	\$194,244,321.00	\$195,144,940.00	\$900,619.00	0.46%
Federal	\$12,401,292.00	\$33,465,036.00	\$21,063,744.00	169.85%
State	\$17,959,796.00	\$20,430,057.00	\$2,470,261.00	13.75%
Local	\$4,014,389.00	\$7,828,610.00	\$3,814,221.00	95.01%
Total General Fund Revenue	\$228,619,798.00	\$256,868,643.00	\$28,248,845.00	12.36%

*LCFF = Local Control Funding Formula – dollars are generated by students attending school each day

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First Interim 2020/21 Total General Fund Revenues



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Coronavirus Response Grant Awards

	Amount	Spend by	Major Use	Based on
**CARES Act / ESSER	\$4,536,775	September 30, 2022	PPE, Learning Loss	Title I basis
GEER	\$1,059,866	September 30, 2022	Learning Loss Mitigation	Students with Disabilities
CARES Act	\$17,712,657	December 30, 2020	Learning Loss Mitigation	LCFF Supplemental & Concentration funding
**Prop 98 - State	\$1,683,646	June 30, 2021	Learning Loss Mitigation	2019-20 LCFF Allocation
Senate Bill 117	<u>\$305,401</u>	None given	PPE	Per ADA
	\$25,298,345			

CARES ACT – Coronavirus Aid Relief and Economic Security Act - Federal
 ESSER – Elementary and Secondary School Emergency Relief - Federal
 GEER – Governor’s Emergency Education Relief - Federal

**CARES Act dollars included in the 2020/21 Revised Budget



CARES Act Expenses

- Virtual Academy Staffing – 16 new educators
- Technology – Chromebooks for Students, Laptops & Other Technology for Educators, Software & Digital Instructional Materials
- Safe Instructional Environments - Personal Protection Equipment, Classroom Air Scrubbers, Handless Water Fountains, Signage, etc
- Professional Development & Stipends
- Distance Learning Instructional Materials
- Student Connectivity
- Support to Child Nutrition Services – reduced meal participation
- Special Education Additional Services
- Updated Site Marquees
- Transportation

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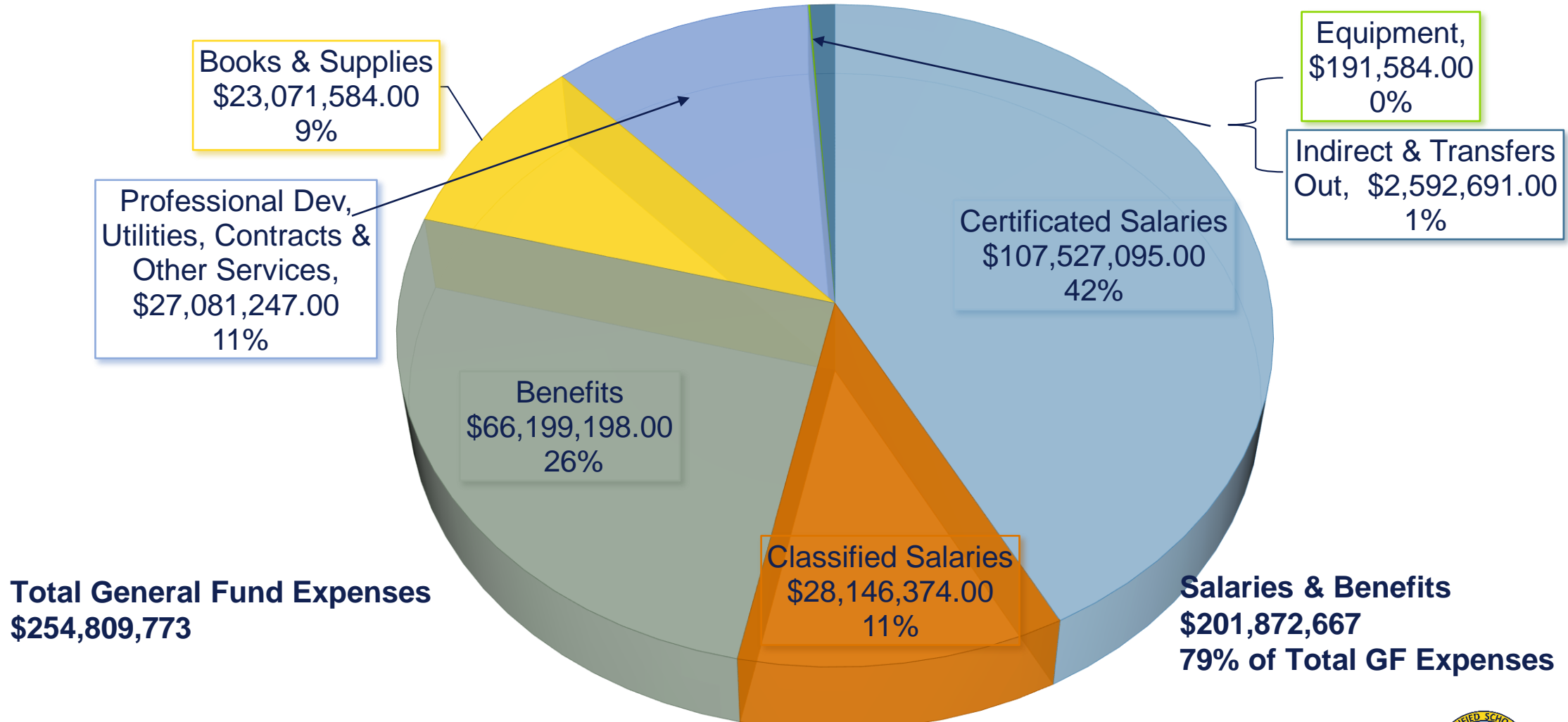
First Interim 2020/21 General Fund Expenses

	Adopted Budget	First Interim	Change	% Change
Certificated Salaries	\$106,806,797.00	\$107,527,095.00	\$720,298.00	0.67%
Classified Salaries	\$28,480,848.00	\$28,146,374.00	(\$334,474.00)	-1.17%
Benefits	\$66,164,296.00	\$66,199,198.00	\$34,902.00	0.05%
Books & Supplies	\$7,205,549.00	\$23,071,584.00	\$15,866,035.00	220.19%
Professional Dev, Utilities, Contracts & Other Services	\$25,334,179.00	\$27,081,247.00	\$1,747,068.00	6.90%
Equipment	\$0.00	\$191,584.00	\$191,584.00	0.00%
Debt/Tuition	\$140,382.00	\$1,921,807.00	\$1,781,425.00	1268.98%
Indirect/Transfer Out	\$674,825.00	\$670,884.00	(\$3,941.00)	-0.58%
Total Expenditures	\$234,806,876.00	\$254,809,773.00	\$20,002,897.00	8.52%

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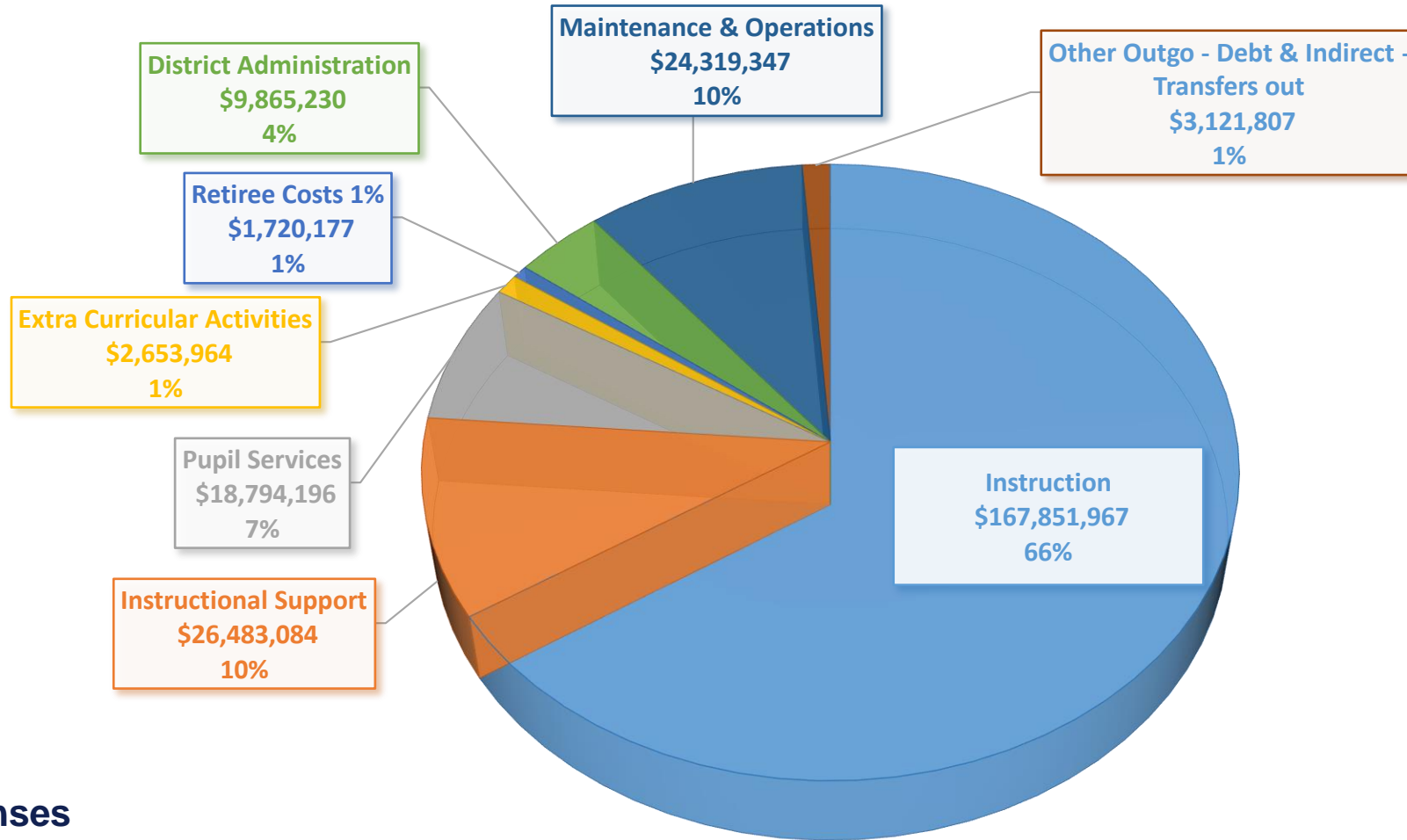
First Interim 2020/21 Total General Fund Expenses



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First Interim 2020/21 General Fund Expenses by Activity



**Total General Fund Expenses
\$254,809,773**

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2020/21 Savings – Response to COVID & Distance Instruction

- \$4.1million
- One-time – planned restoration in 2021/22
- Substitutes, Class Coverage, Extra Duty, Late Starts & Vacancies
- Technology, Supplies covered with CARES Act
- Transportation, Crossing Guards, Copier Printing Charges, Utilities

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First Interim General Fund Components of Ending Fund Balances

	Adopted Budget	First Interim	Change
Beginning Balance	\$20,661,840	\$23,533,881	\$2,872,041
+ Revenues	\$228,619,798	\$256,868,643	\$28,248,845
- Expenses	\$234,806,876	\$254,809,773	\$20,002,897
Change in Fund Balance	(\$6,187,078)	\$2,058,870	\$8,245,948
Ending Fund Balance	\$14,474,762	\$25,592,751	\$11,117,989
Non-Spendable	\$15,000	\$45,000	\$30,000
Restricted	\$2,096,208	\$3,188,960	\$1,092,752
Assignments	\$5,319,347	\$6,448,782	\$1,129,435
Required 3% Reserve	\$7,044,207	\$7,644,295	\$600,088
Unassigned/Unappropriated	\$0	\$8,265,714	\$8,265,714
Total Comp. of Ending Fund Bal.	\$14,474,762	\$25,592,751	\$11,117,989

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Ending Balances All Other District Funds

Fund	Adopted Budget	First Interim	Change
Adult Education	\$197,504	\$0	(\$197,504)
Child Nutrition Svcs	\$2,319,998	\$1,452,671	(\$867,327)
Deferred Maintenance	\$236,998	\$388,132	\$151,134
Building	\$56,209	\$679,038	\$622,829
Capital Facilities	\$351,902	\$500,247	\$148,345
County School Facilities	\$0	\$1,345,362	\$1,345,362
Reserve for Capital Projects	\$5,227,647	\$5,257,318	\$29,671
Worker's Compensation Self-Insurance	\$3,976	\$557,186	\$553,210
Certificated Employee Group Self-Insurance	\$4,643,330	\$6,125,931	\$1,482,601
Classified Employee Group Insurance Reserve	\$523,016	\$523,831	\$815
Total of All District Funds	\$13,560,580	\$16,829,716	\$3,269,136

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Multi-Year Projections Considerations

Projections based on data, criteria, trends & negotiated items

- Enrollment & ADA (decrease)
- Unduplicated Pupil Count & Unduplicated Pupil % (decrease)
- Reduction of CARES Act Revenues & Expenses
- Removal of Carryovers from 2019/20
- Reduction to LCAP due to reduced \$\$ from declining student attendance

- Minimum Wage Increases
- Restoration of Savings from Distance Learning

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Multi-Year Projections Considerations

Projections based on data, criteria, trends & negotiated items

- Staffing Changes
 - Decreasing Enrollment
 - Expansion of Dual Language Immersion Program
 - Address Special Education Needs
- Automatic Salary Step & Column
- Retirement Rate Increases
- Increases to Utilities, Health Insurance Costs, Property Liability Insurance,

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Multi-Year Projections General Fund Revenues

	Adopted Budget	First Interim 2020-21	Projections 2021-22	Projections 2022-23
LCFF Sources*	\$194,244,321	\$195,144,940	\$193,835,395	\$183,868,168
Federal	\$12,401,292	\$33,465,036	\$11,012,264	\$11,012,264
State	\$17,959,796	\$20,430,057	\$19,630,036	\$19,630,036
Local	\$4,014,389	\$7,828,610	\$6,569,100	\$6,569,100
Total General Fund Revenue	\$228,619,798	\$256,868,643	\$231,046,795	\$221,079,568

*LCFF = Local Control Funding Formula – dollars are generated by student attending school each day

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Multi-Year Projections

General Fund Expenses

	Adopted Budget	First Interim 2020-21	Projections 2021-22	Projections 2022-23
Certificated Salaries	\$106,806,797	\$107,527,095	\$107,532,176	\$108,236,912
Classified Salaries	\$28,480,848	\$28,146,374	\$29,020,117	\$29,656,306
Benefits	\$66,164,296	\$66,199,198	\$66,570,458	\$70,050,718
Books & Supplies	\$7,205,549	\$23,071,584	\$4,803,304	\$2,354,044
Professional Dev, Utilities, Contracts & Other Services	\$25,334,179	\$27,081,247	\$24,658,034	\$23,850,445
Equipment	\$0	\$191,584	\$175,417	\$175,417
Debt/Tuition	\$140,382	\$1,921,807	\$1,930,756	\$1,947,024
Indirect/Transfer Out	\$674,825	\$670,884	\$840,884	\$840,884
Total Expenditures	\$234,806,876	\$254,809,773	\$235,531,146	\$237,111,750

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Multi-Year Projections

Components of Ending Fund Balances

	Adopted Budget	First Interim 2020-21	Projections 2021-22	Projections 2022-23
Beginning Balance	\$20,661,840	\$23,533,881	\$25,592,751	\$21,108,400
+ Revenues	\$228,619,798	\$256,868,643	\$231,046,795	\$221,079,568
- Expenses	\$234,806,876	\$254,809,773	\$235,531,146	\$237,111,750
Change in Fund Balance	(\$6,187,078)	\$2,058,870	(\$4,484,351)	(\$16,032,182)
Ending Fund Balance	\$14,474,762	\$25,592,751	\$21,108,400	\$5,076,219
Non-Spendable	\$15,000	\$45,000	\$45,000	\$45,000
Restricted	\$2,096,208	\$3,188,960	\$3,782,959	\$4,299,679
Assignments	\$5,319,347	\$6,448,781	\$10,214,505	\$822,192
Required 3% Reserve	\$7,044,207	\$7,644,295	\$7,065,936	\$7,113,354
Unassigned/Unappropriated	\$0	\$8,265,715	\$0	(\$7,204,006)
Total Comp. of Ending Fund Bal.	\$14,474,762	\$25,592,751	\$21,108,400	\$5,076,219

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Interim Certifications EC 42131

- Interim reports require a three-year (current plus two) review period
- Certification options are:
 - Positive – district **will meet** its financial obligations for the current and two subsequent fiscal years
 - Qualified – district **may not meet** its financial obligations for the current or two subsequent fiscal years
 - Negative – district will be **unable to meet** its financial obligations for the remainder of the fiscal year or two subsequent fiscal years

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First Interim Report Recommendation

- Staff recommends a Qualified Certification of the 2020-21 First Interim Report
- Continuing work on addressing the deficit spending pattern and 2021-22 projected shortfall of almost \$8 million

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Next Steps

- **December Board Action** - First Interim Report and Budget Overview for Parents
- **January** Release of Governor's Proposed State Budget
- **February** June 30, 2020 Annual Audit Report presented
- **March** Board Action - Second Interim Report
- **May** Release of Governor's Budget - May Revision
- **June** Public Hearing 2021/22 LCAP & Adopted Budget
- **June** Board Action on 2021/22 LCAP & Adopted Budget

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Questions?

