



Alvord Unified School District

Our Promise: All students will realize their unlimited potential.

Second Interim Financial Report Fiscal Year 2020-21

Board of Education Presentation
March 4, 2021

Presented by Dusty Nevatt
Chief Business Officer, Business Services



Second Interim Report

Interim Report Purpose:

- The Second Interim Report represents the district's second official revision to the approved Adopted Budget and includes actual financial data through January 31, 2021. It includes revised enrollment, student attendance (ADA), and budget projections for the remainder of this school 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 the next two school years.

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Summary of Changes Since Adopted Budget & First Interim Financial Reporting

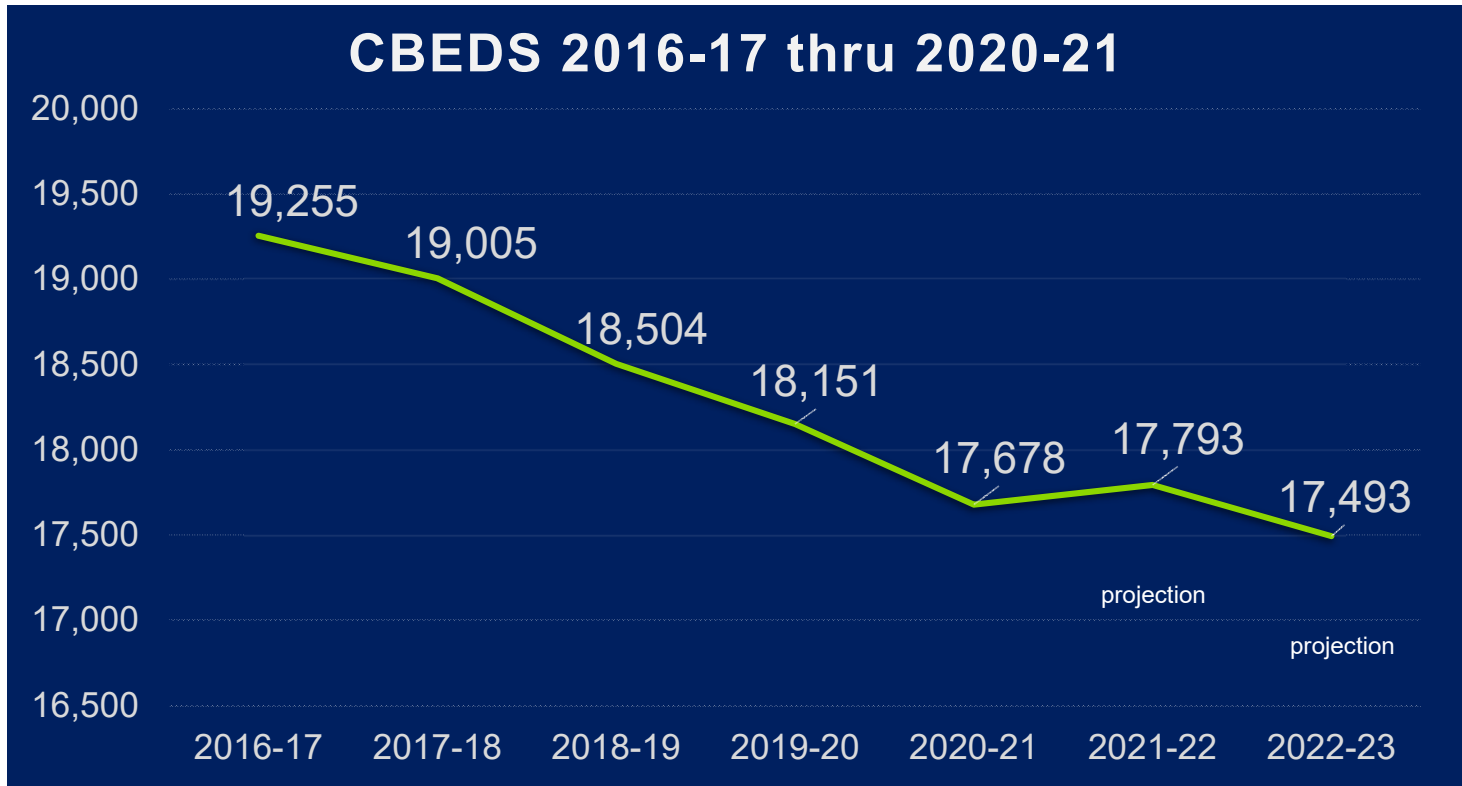
- Remote/distance instruction
- Virtual Academy – staffing & instructional supplies
- CARES Act grants received and budgeted
- Restoration of Expanded Learning and Career Education grant dollars
- Restricted program carryovers

- Revised LCFF revenues for student attendance, enrollment, and unduplicated pupil count changes
- Savings due to distance instruction through mid-March 2021
- Expenses as a response to COVID-19 Pandemic

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CBEDS & Enrollment Projections

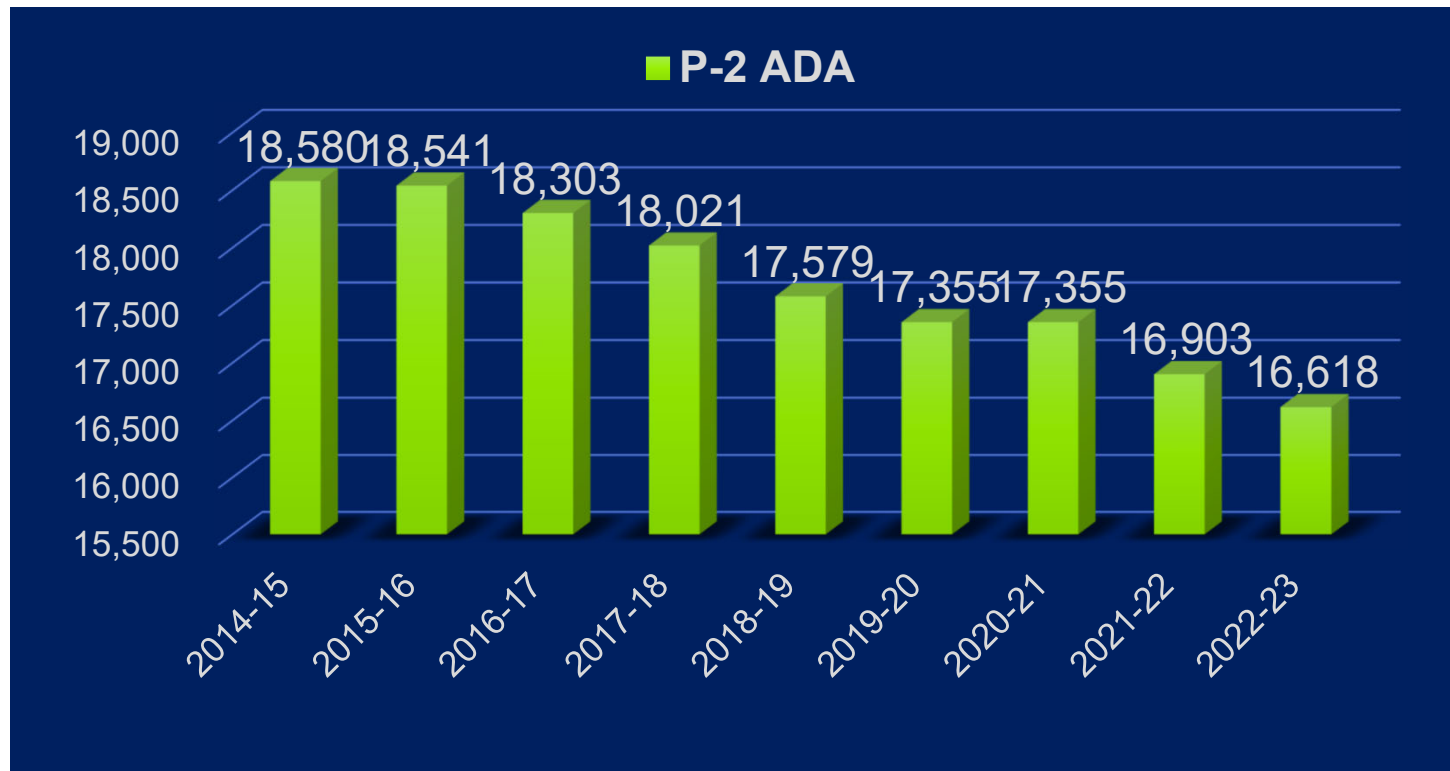


2020-21 CBEDS Enrollment = 17,678

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P-2 Average Daily Attendance (ADA)



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

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Second Interim 2020/21 General Fund Revenues

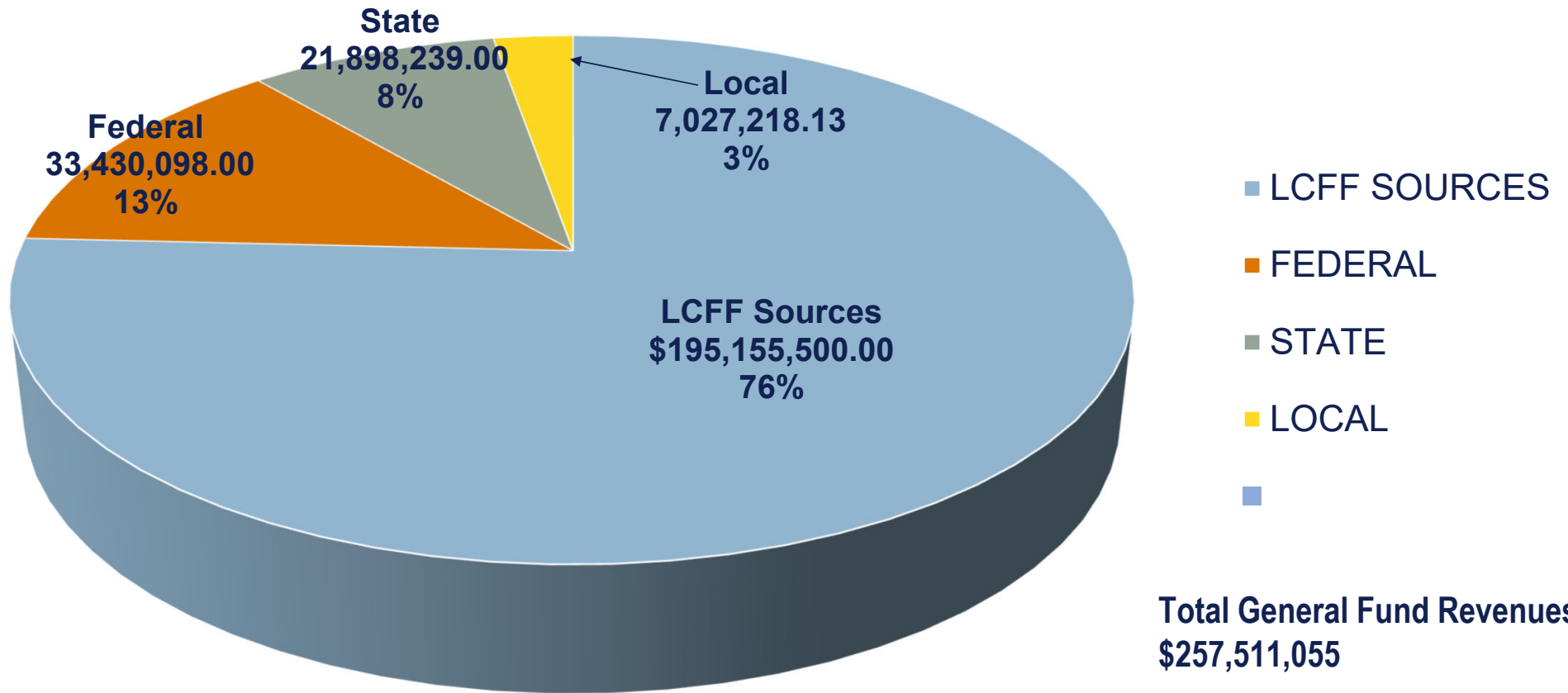
	First Interim	Second Interim	Change	% Change
LCFF Sources*	\$195,144,940.00	\$195,155,500.00	\$10,560.000	0.01%
Federal	\$33,465,036.00	\$33,4430,098.00	-\$34,938.00	-.10%
State	\$20,430,057.00	\$21,898,239.00	\$1,468,182.00	7.19%
Local	\$7,828,610.00	\$7,027,218.00	-\$801,392.00	-10.24%
Total General Fund Revenue	\$256,868,643.00	\$257,511,055.00	\$642,412.00	.25%

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

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Second Interim 2020/21 Total General Fund Revenues



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CASH DEFERRALS

Cash Borrowing Required

2020/21

District planned cash borrowing of \$46.5 M will happen in March 2021

LCFF dollars reduced

-\$ 7 M February 2021 (53%) to be received November 2021

-\$11 M March, April & May 2021 (82%) to be received in August – Sept - Oct

-\$14 M June 2021 (100%) to be received in July 2021

2021/22

District estimated cash borrowing of \$15 M - 20 M

-\$15 M June 2022 (100%) to be received in July 2022



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	May 20, 2021	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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Proposed New Coronavirus Response Dollars

SB 86 - School Reopening Grant

\$13.5 M to support return to in-person instruction

\$532,000 Homeless funding

CARES Act II

**\$18 M currently projected to support learning loss in
2021/22 & 2022/23**

***Note – these dollars are still in proposal status and are not
included in current budget***



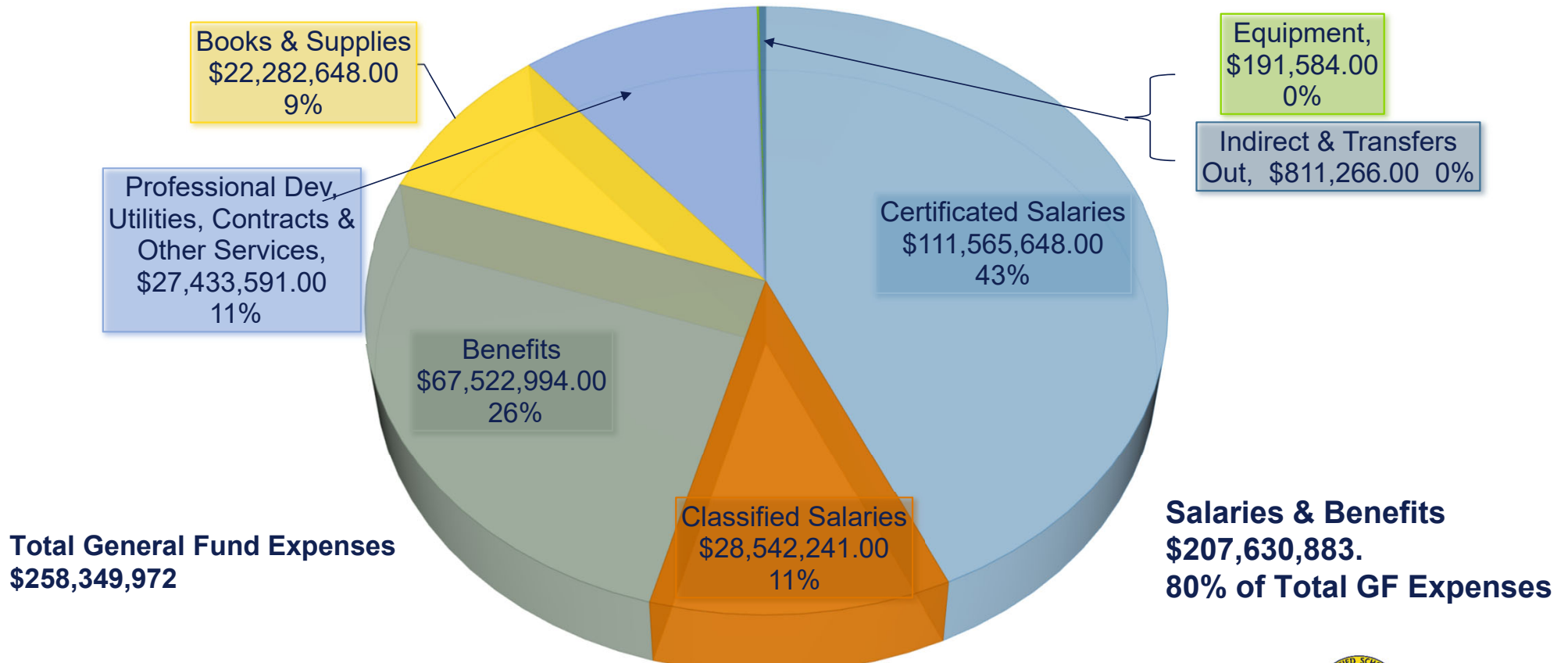
Second Interim 2020/21 General Fund Expenses

	First Interim	Second Interim	Change	% Change
Certificated Salaries	\$107,527,095.00	\$111,565,648.00	\$4,038,553.00	3.76%
Classified Salaries	\$28,146,374.00	\$28,542,241.00	\$395,867.00	1.41%
Benefits	\$66,199,198.00	\$67,522,994.00	\$1,323,796.00	2.00%
Books & Supplies	\$23,071,584.00	\$22,282,648.00	-\$788,936.00	-3.42%
Professional Dev, Utilities, Contracts & Other Services	\$27,081,247.00	\$27,433,591.00	\$352,344.00	1.30%
Equipment	\$191,584.00	\$191,584.00	\$ 0.00	0.00%
Debt/Tuition/Transfers Out	\$2,592,691.00	\$811,266.00	-\$1,110,541.00	-68.71%
Total Expenditures	\$254,809,773.00	\$258,349,972.00	\$3,540,199.00	1.39%

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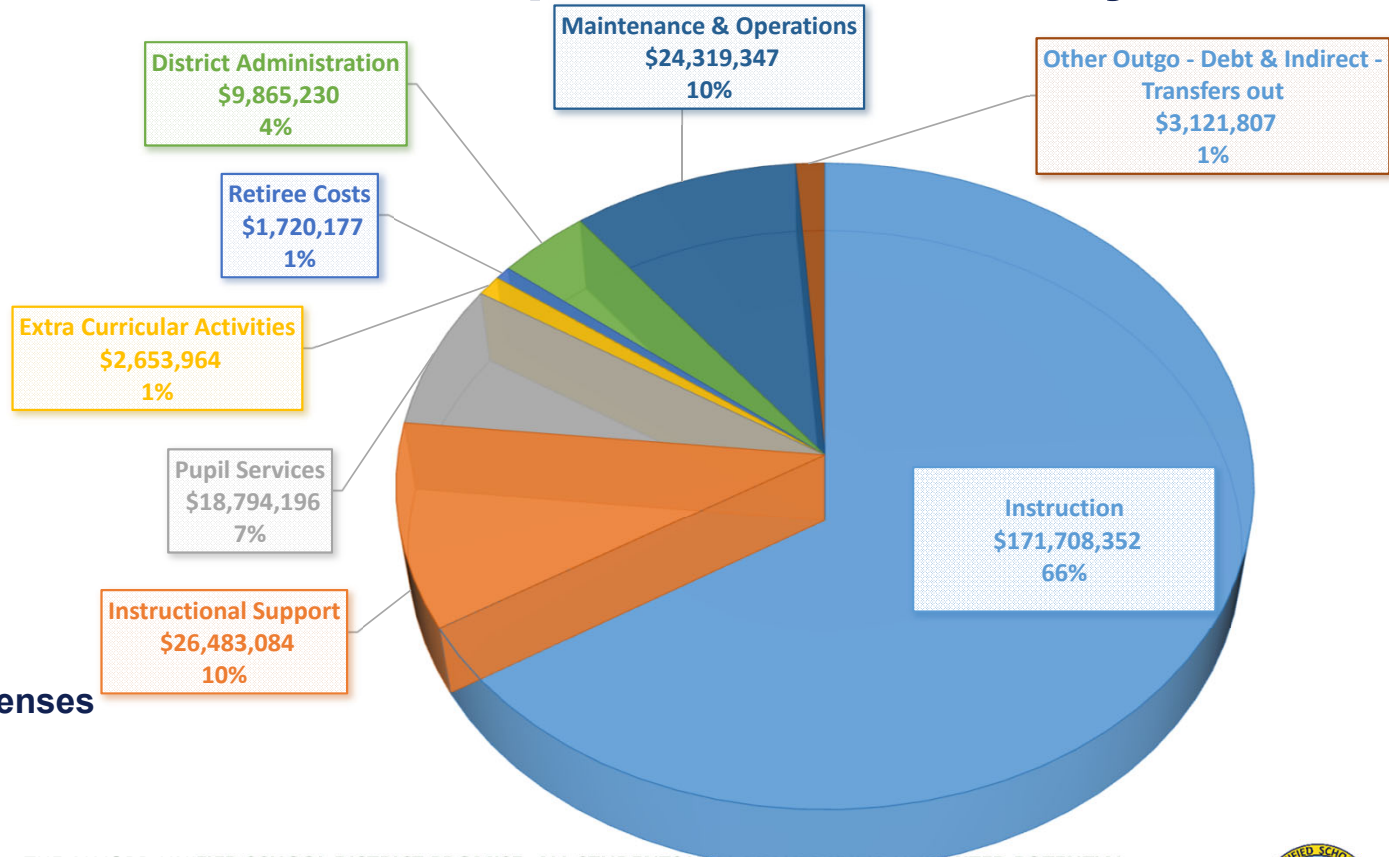
Second Interim 2020/21 Total General Fund Expenses



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Second Interim 2020/21 General Fund Expenses by Activity



**Total General Fund Expenses
\$258,349,972**

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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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Second Interim General Fund Projection Components of Ending Fund Balances

	First Interim	Second Interim	Change
Beginning Balance	\$23,533,881	\$23,533,881	\$ - 0 -
+ Revenues	\$256,868,643	\$257,511,055	\$ 642,412
- Expenses	\$254,809,773	\$258,349,972	\$ 3,540,199
<u>Change in Fund Balance</u>	<u>\$2,058,870</u>	<u>-\$838,917</u>	<u>-\$2,897,787</u>
Ending Fund Balance	\$25,592,751	\$22,694,965	-\$2,897,787
Non-Spendable	\$45,000	\$45,000	\$ - 0 -
Restricted Programs	\$3,188,960	\$5,099,232	\$1,910,272
Assignments	\$6,448,782	\$9,800,232	\$3,351,450
Required 3% Reserve	\$7,644,295	\$7,750,501	\$ 106,206
<u>Unassigned/Unappropriated</u>	<u>\$8,265,714</u>	<u>\$ - 0 -</u>	<u>-\$8,265,714</u>
Total Ending Fund Bal.	\$25,592,751	\$22,694,965	-\$2,897,787

Ending Balances All Other District Funds

Fund	First Interim	Second Interim	Change
Adult Education	\$0	\$0	\$0
Child Nutrition Svcs	\$1,452,671	\$1,608,926	\$156,255
Deferred Maintenance	\$388,132	\$388,132	\$0
Building	\$679,038	\$672,356	(\$6,682)
Capital Facilities	\$500,247	\$441,652	(\$58,595)
County School Facilities	\$1,345,362	\$6,387,187	\$5,041,825

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Ending Balances All Other District Funds

Fund	First Interim	Second Interim	Change
Reserve for Capital Projects	\$5,257,318	\$5,257,318	\$0
Worker's Compensation Self-Insurance	\$557,186	\$480,823	(\$76,363)
Certificated Employee Group Self-Insurance	\$6,125,931	\$6,125,931	\$0
Classified Employee Group Insurance Reserve	\$523,831	\$404,514	(\$119,317)
Alvord Educational Foundation	\$129,556	\$180,594	\$51,038
Total of All District Funds	\$16,959,272	\$21,947,433	\$4,988,161

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Multi-Year Projections Considerations for 21/22 & 22/23

Projections based on data, criteria, trends & negotiated items

- COLA for Student Attendance (LCFF)
- Enrollment & ADA (decrease)
- Unduplicated Pupil Count & Unduplicated Pupil % (decrease)
- Reduction of one-time CARES Act Revenues & Expenses
- Removal of Carryovers from 2019/20
- Reduction to LCAP due to reduced \$\$ from declining student attendance
- Restoration of Savings from Distance Learning

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Multi-Year Projections Considerations for 21/22 & 22/23

Projections based on data, criteria, trends & negotiated items

- Minimum Wage Increases
- Staffing Changes
 - Decreasing Enrollment
 - Expansion of Dual Language Immersion Program
 - Address Special Education Needs
 - New Positions to Address Learning Loss
- 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

	Second Interim 2020-21	Projections 2021-22	Projections 2022-23
LCFF Sources*	\$195,155,500.00	\$200,680,057	\$196,758,815
Federal	\$33,430,098.00	\$14,419,511	\$14,419,511
State	\$21,898,239.00	\$21,098,2185	\$21,098,218
Local	<u>\$7,027,218.13</u>	<u>\$5,767,708</u>	<u>\$5,767,708</u>
Total Revenue	\$257,511,055.13	\$241,965,494	\$238,044,252

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

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STUDENT ATTENDANCE FUNDING FACTS

Daily rates received when student attends school

\$78	Grades TK-3
\$72	Grades 4-6
\$74	Grades 7-8
\$88	Grades 9-12

2021/22 3.84% COLA \$2.23 to \$2.73 daily rate increase

Meal applications influence attendance funding

2020/21	additional 10 qualifying meal applications +\$21,000
2021/22	additional 10 qualifying meal applications +\$25,000



Multi-Year Projections

General Fund Expenses

	Second Interim 2020-21	Projections 2021-22	Projections 2022-23
Certificated Salaries	\$111,565,648	\$111,617,298	\$112,374,916
Classified Salaries	\$28,542,241	\$29,413,034	\$30,142,561
Benefits	\$67,522,994	\$67,459,005	\$71,926,314
Books & Supplies	\$22,282,648	\$4,740,749	\$2,997,519
Professional Dev, Utilities, Contracts & Other Services	\$27,433,591	\$26,142,765	\$25,247,212
Equipment	\$191,584	\$175,417	\$175,417
Debt/Tuition	\$140,382	\$145,295	\$152,560
Indirect/Transfer Out	\$670,884	\$840,884	\$840,884
Budget Stabilization		<u>-\$2,500,000</u>	<u>-\$6,500,000</u>
Total Expenditures	\$258,349,972	\$238,034,447	\$237,357,383



Multi-Year Projections

Components of Ending Fund Balances

	Second Interim 2020-21	Projections 2021-22	Projections 2022-23
Beginning Balance	\$23,533,881	\$22,694,965	\$26,626,012
+ Revenues	\$257,511,055	\$241,965,494	\$238,044,252
- Expenses	\$258,349,972	\$238,034,447	\$237,357,383
Change in Fund Balance	(\$838,916)	<u>\$3,931,047</u>	<u>\$686,869</u>
Ending Fund Balance	\$22,694,965	\$26,626,012	\$27,312,881
Non-Spendable	\$45,000	\$45,000	\$45,000
Restricted Programs	\$5,099,232	\$6,471,454	\$7,700,323
Assignments	\$9,800,231	\$7,750,480	\$9,750,480
Required 3% Reserve	\$7,750,501	\$7,141,035	\$7,120,723
Unassigned/Unappropriated	<u>(\$0)</u>	<u>\$5,218,042</u>	<u>\$2,696,354</u>
Total Ending Balance	\$22,694,965	\$26,626,012	\$27,312,881



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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Second Interim Report Recommendation

- Staff recommends a **Positive** Certification of the 2020-21 Second Interim Report
- Riverside County Office of Education requires a Board approved Budget Stabilization Plan be submitted with the district's 2021/22 Adopted Budget in June, 2021

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Next Steps

- **March** Board Action - Second Interim Report
- **April – June** Budget Development
- **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
Submission of Budget Stabilization Plan
to Riverside County Office

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Questions?

