



Mountain View  
Whisman  
School District

# 2017-2018 Unaudited Actual Report

6 September 2018





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# Strategic Plan 2021

# Strategic Plan 2021

## Goal 5: Resource Stewardship

**Desired Outcome:** The District will maintain a balanced general fund.

### **Board Resolution 1664.1/18 (January 4, 2018)**

A balanced general fund shall be defined as the unrestricted general reserve level in the third year of any Board-enacted budget adoption or interim budget report falls within the range of 17%-20%, and may include deficit spending in any or all of the three years included in the multi-year projection.



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## Fund 01 General Fund: Highlights of Changes

- Staff salary increases equating to 6.7%, at approximately \$3.04M
- The first year of Measure B Parcel Tax, with approximately \$2.8M in revenue
- One-time State discretionary funding, \$728,000
- Transfer of excess lease revenue from Fund 40 to Fund 01, \$1,444,219
- Shoreline revenues exceeded budget by \$1.14M
- Contributions to Fund 12 Preschool of \$366,189 and to Fund 13 Food Service of \$268,716

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## Fund 01 General Fund: Highlights of Changes

- Error in calculations for 2018-2019 budget adoption (overstating revenues for 2018-2021 by \$6M) led to a spring 2018 reduction in planned 2017-2018 expenditures in preparation for 2018-2019 budget adoption, and approximately \$1.2M in unspent budgeted amounts.
- Received Prop 39 funding, \$1.02M. The transfer to Fund 21 to reimburse lighting upgrades did not occur as planned. The actual expense to reimburse in Fund 21 did not occur.
- Both items contributed to the \$1.9M surplus to end 2017-2018.

# 2017-2018 Unaudited Actual Report

## Fund 01 General Fund: Unrestricted/Restricted

	Unrestricted Programs	Restricted Programs	Combined
Estimated Beginning Balance, July 1, 2017	\$22,244,008	\$2,885,397	\$25,129,405
Total Revenues	\$43,356,865	\$30,845,157	\$74,202,022
Total Expenditures	\$41,030,493	\$31,270,874	\$72,301,367
Net Increase/(Decrease)	\$2,326,372	(\$425,717)	\$1,900,656
Ending Balance, June 30, 2018	\$24,570,380	\$2,459,680	\$27,030,060

**Reserve Level** **34.0%**

(Unrestricted Ending Balance divided by Total Combined Expenditures)



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# Using 2017-2018 Ending Numbers to Reset 2018-2019 Adopted Budget



# 2017-2018 Unaudited Actual Report

## Fund 01 General Fund: Multi-Year Projection

	2017-2018 Unaudited Actual	Adopted 2018-2019 (Year 1)	2019-2020 (Year 2)	2020-2021 (Year 3)
Beginning Balance, July 1	\$25,129,405	\$27,030,060	\$27,398,831	\$26,770,705
Total Revenues	\$74,202,022	\$74,863,972	\$76,506,465	\$78,715,307
Total Expenditures	\$72,301,367	\$74,495,201	\$77,134,591	\$79,139,218
Net Increase/(Decrease)	\$1,900,655	\$368,771	(\$628,126)	(\$423,911)
Ending Balance, June 30	\$27,030,060	\$27,398,831	\$26,770,705	\$26,346,794

Reserve Level

34.0%

34.2%

32.9%

31.8%



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# Updates/Changes for 2018-2019 Heading Toward First Interim in December

# Updates/Changes After 2018-2019 Budget Adoption in June

- The assessed valuation growth for 2018-2019 is 4.26%. The adopted budget amount was 7%; loss of anticipated revenue is approximately \$1.5M
- One-time State discretionary funding decreased from \$344 per student to \$184, a reduction of approximately \$790,000
- Added enrollment and middle school 8-period day schedule implementation required 2.4 full time equivalent (FTE) staff at middle school at approximately \$276,000
- Staffing changes from June adoption total approximately \$653,000
  - Removal of accountant position
  - Decrease in roving instructional assistant positions
  - Removal of two clerical positions at district office
- MVEA Tentative Agreement and Management/Unrepresented compensation increases for 2018-2019
  - 5% on salary
  - \$2000 per advanced degree pertaining to work (Bachelors, Masters, Doctorate) and National Board Certified Teacher (up to two degrees)

# MYP With Summer Changes and Compensation Increases Included

	2017-2018 Unaudited Actual	Adopted 2018-2019 (Year 1)	2019-2020 (Year 2)	2020-2021 (Year 3)
<b>Beginning Balance, July 1</b>	\$25,129,405	\$27,030,060	\$22,727,703	\$18,370,362
<b>Total Revenues</b>	\$74,202,022	\$72,454,664	\$75,179,306	\$77,348,351
<b>Total Expenditures</b>	\$72,301,368	\$76,757,021	\$79,536,647	\$81,582,316
<b>Net Increase/(Decrease)</b>	\$1,900,654	(\$4,302,357)	(\$4,357,341)	(\$4,233,965)
<b>Ending Balance, June 30</b>	\$27,030,060	\$22,727,703	\$18,370,362	\$14,136,397

Reserve Level

34.0%

28.6%

22.8%

17.3%



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# Considerations for the Future

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- The error in the first calculations for 2018-2019 was avoidable.
  - Steps should be taken to ensure Fiscal staff is working with accurate numbers throughout the budget year planning, including designating time for staff to review numbers and sources/bases for those numbers regularly.
- The assessed valuation growth for 2018-2019 at 4.26% had an impact.
  - Fiscal staff will monitor the continued growth over the year and keep in contact with the County Assessor's office for any possible corrections at year-end.
- The updated MYP reflects 17.3% unrestricted reserve in Year 3, with +\$4M operational deficit each year.
  - Fiscal staff, working with other departments and sites, will work this year to review and analyze strategies to reduce the operational deficit.



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# Next Steps

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- 2017-2018 Audit in October, with Board presentation in December or January 2019
- 2018-2019 First Interim Budget Report at December Board meeting