

## 2020-21 ADOPTED BUDGET AND FIRST INTERIM REPORT OVERVIEW

	2020-21 ADOPTED BUDGET			2020-21 FIRST INTERIM		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
<b>A. REVENUES</b>						
1 LCFF Sources	30,319,581	539,176	30,858,757	30,739,568	540,553	31,280,121
2 Federal Revenues	-	461,272	461,272	-	1,024,983	1,024,983
3 State Revenues	328,664	1,621,148	1,949,812	322,179	1,734,010	2,056,189
4 Local Revenues	513,578	839,347	1,352,925	546,448	1,108,670	1,655,118
<b>TOTAL REVENUES</b>	<b>31,161,823</b>	<b>3,460,943</b>	<b>34,622,766</b>	<b>31,608,195</b>	<b>4,408,216</b>	<b>36,016,411</b>
<b>B. EXPENDITURES</b>						
1 Certificated Salaries	11,211,564	2,514,304	13,725,868	10,948,385	2,588,215	13,536,600
2 Classified Salaries	2,540,616	2,164,997	4,705,613	2,709,585	2,085,842	4,795,427
3 Employee Benefits	5,870,882	3,583,360	9,454,242	5,762,961	3,504,531	9,267,492
4 Books & Supplies	1,183,550	395,606	1,579,156	1,282,255	641,735	1,923,990
5 Services & Other Operating Expenditures	2,132,508	1,290,709	3,423,217	2,223,758	1,548,927	3,772,685
6 Capital Outlay	-	35,000	35,000	-	35,000	35,000
7 Other Outgo (Excluding Indirect Costs)	325,904	-	325,904	325,904	-	325,904
8 Other Outgo (Indirect Costs)	(1,499)	1,499	-	(354)	354	-
<b>TOTAL EXPENDITURES</b>	<b>23,263,525</b>	<b>9,985,475</b>	<b>33,249,000</b>	<b>23,252,494</b>	<b>10,404,603</b>	<b>33,657,098</b>
<b>C. EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 7,898,298</b>	<b>\$ (6,524,532)</b>	<b>\$ 1,373,766</b>	<b>\$ 8,355,701</b>	<b>\$ (5,996,387)</b>	<b>\$ 2,359,313</b>
<b>D. OTHER FINANCING SOURCES/USES</b>						
1 Interfund Transfers						
a. Transfers In	-	-	-	-	-	-
b. Transfers Out	(204,964)	-	(204,964)	(1,032,752)	-	(1,032,752)
2 Other Sources/Uses						
a. Sources	-	-	-	-	-	-
b. Uses	-	-	-	-	-	-
3 Contributions	(6,490,558)	6,490,558	-	(6,180,560)	6,180,560	-
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>(6,695,522)</b>	<b>6,490,558</b>	<b>(204,964)</b>	<b>(7,213,312)</b>	<b>6,180,560</b>	<b>(1,032,752)</b>
<b>E. NET INCREASE/(DECREASE) IN FUND BALANCE</b>	<b>1,202,776</b>	<b>(33,974)</b>	<b>1,168,802</b>	<b>1,142,389</b>	<b>184,173</b>	<b>1,326,561</b>
<b>F. FUND BALANCE RESERVES</b>						
1 Beginning Balance						
a. As of July 1 - Unaudited	5,118,264	306,998	5,425,262	5,118,264	306,998	5,425,262
b. Audit Adjustments	-	-	-	-	-	-
c. As of July 1 - Audited	5,118,264	306,998	5,425,262	5,118,264	306,998	5,425,262
d. Adjustments for Restatements	-	-	-	-	-	-
e. Net Beginning Balance	5,118,264	306,998	5,425,262	5,118,264	306,998	5,425,262
<b>2 Ending Balance, June 30</b>	<b>\$ 6,321,040</b>	<b>\$ 273,024</b>	<b>\$ 6,594,064</b>	<b>\$ 6,260,653</b>	<b>\$ 491,170</b>	<b>\$ 6,751,823</b>
a. Reserve Accounts						
1 Revolving Cash	635	-	635	635	-	635
2 Stores	-	-	-	-	-	-
3 Prepaid Expenses	-	-	-	-	-	-
b. Designated Amounts						
1 Economic Uncertainty	1,003,619	-	1,003,619	1,040,645	-	1,040,645
2 Restricted Reserves	-	307,264	307,264	-	491,170	491,170
3 Assigned Reserves	2,853,616	-	2,853,616	2,853,616	-	2,853,616
a. Maintenance/Other Projects	300,000	-	300,000	300,000	-	300,000
b. Technology Plan	250,000	-	250,000	250,000	-	250,000
c. K-8 Textbook Adoption	1,000,000	-	1,000,000	1,000,000	-	1,000,000
d. Supplemental Early Retirement Plan	1,303,616	-	1,303,616	-	-	1,303,616
4 Unappropriated Fund Balance	2,463,170	-	2,463,170	2,365,757	-	2,365,757

**2020-21 UNRESTRICTED GENERAL FUND ADOPTED BUDGET TO FIRST INTERIM RECONCILIATION**

	2020-21 ADOPTED BUDGET UNRESTRICTED	2020-21 SECOND INTERIM UNRESTRICTED	\$ CHANGE	% CHANGE	EXPLANATIONS
<b>A. REVENUES</b>					
1 LCFF Sources	\$ 30,319,581	\$ 30,739,568	419,987	1.39%	Increase in Property Taxes and restoration of projected cut in state aid.
2 Federal Revenues	-	-	-	-	
3 State Revenues	328,664	322,179	(6,485)	-1.97%	Slight decrease in Mandated Block Grant and Lottery revenues.
4 Local Revenues	513,578	546,448	32,870	6.40%	Slight increase in Parcel Taxes, but largely due to receipt of facility rental revenues
<b>TOTAL REVENUES</b>	<b>\$ 31,161,823</b>	<b>\$ 31,608,195</b>	<b>\$ 446,372</b>	<b>1.43%</b>	
<b>B. EXPENDITURES</b>					
1 Certificated Salaries	\$ 11,211,564	\$ 10,948,385	(263,179)	-2.35%	Reduced unfilled Dean position to 1/2 year at Redwood MS not filled due to closure, and adjusted staff costs to date.
2 Classified Salaries	2,540,616	2,709,585	168,969	6.65%	Reduced unfilled positions to 1/2 year for custodians, noon duty, crossing guards, media techs and increased for temporary IT staff to support distance learning and Learning Pod aides.
3 Employee Benefits	5,870,882	5,762,961	(107,921)	-1.84%	Adjusted to staffing changes and slight increase in actual worker's compensation payroll rate.
4 Books & Supplies	1,183,550	1,282,255	98,705	8.34%	Added \$100,000 for elementary Science instructional materials adoption.
5 Services & Other Operating Expenditures	2,132,508	2,223,758	91,250	4.28%	Mainly due to elimination of indirect charge to Child Care fund due to closure, increased insurance costs, which is offset by decreased costs for travel and conference due to COVID19.
6 Capital Outlay	-	-	-	#DIV/0!	Increased by \$25K for excess liability insurance assessment to fund prior years (back to 1996-97) based on new legislation and risk of exposure across insurance pool.
7 Other Outgo (Excluding Indirect Costs)	325,904	325,904	-	-	
8 Other Outgo (Indirect Costs)	(1,499)	(354)	1,145	100.00%	Removed Title III Immigrant and Title IV that will not be received this year.
<b>TOTAL EXPENDITURES</b>	<b>\$ 23,263,525</b>	<b>\$ 23,252,494</b>	<b>\$ (11,031)</b>	<b>-0.05%</b>	
<b>C. EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 7,898,298</b>	<b>\$ 8,355,701</b>	<b>\$ 457,403</b>	<b>5.79%</b>	
<b>D. OTHER FINANCING SOURCES/USES</b>					
1 Interfund Transfers					
a. Transfers In	-	-	-		
b. Transfers Out	(204,964)	(1,032,752)	(827,788)	403.87%	Increase in minimum calculation to transfer to Fund 17 per 2019-20 Unaudited Actuals and increased support for Child Nutrition and Child Development Funds due to on-campus school closures.
2 Other Sources/Uses					
a. Sources	-	-	-		
b. Uses	-	-	-		Reduced costs for Special Education due to COVID19 closures.
3 Contributions	(6,490,558)	(6,180,560)	309,998	-4.78%	No Special Ed transportation costs for county programs due to site closures.
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>(6,695,522)</b>	<b>(7,213,312)</b>	<b>\$ (517,790)</b>	<b>7.73%</b>	
<b>E. NET INCREASE/(DECREASE) IN FUND BALANCE</b>	<b>\$ 1,202,776</b>	<b>\$ 1,142,389</b>	<b>\$ (60,387)</b>	<b>-5.02%</b>	
<b>F. FUND BALANCE RESERVES</b>					
1 Beginning Balance					
a. As of July 1 - Unaudited	5,118,264	5,118,264	-		
b. Audit Adjustments	-	-	-		
c. As of July 1 - Audited	5,118,264	5,118,264	-		
d. Adjustments for Restatements	-	-	-		
e. Net Beginning Balance	5,118,264	5,118,264	-		
<b>2 Ending Balance, June 30</b>	<b>\$ 6,321,040</b>	<b>\$ 6,260,653</b>	<b>\$ (60,387)</b>	<b>-0.96%</b>	
a. Reserve Accounts					
1 Revolving Cash	635	635	-		
2 Stores	-	-	-		
3 Prepaid Expenses	-	-	-		
b. Designated Amounts					
1 Economic Uncertainty	1,003,619	1,040,645	37,026		
2 Restricted Reserves	-	-	-		
3 Assigned Reserves	2,853,616	2,853,616	-		
a. Maintenance/Other Projects	300,000	300,000	-		
b. Technology Plan	250,000	250,000	-		
c. K-8 Textbook Adaption	1,000,000	1,000,000	-		
d. Supplemental Early Retirement Plan	1,303,616	1,303,616	-		
4 Unappropriated Fund Balance	2,463,170	2,365,757	(97,413)		

**2020-21 RESTRICTED GENERAL FUND ADOPTED BUDGET TO FIRST INTERIM RECONCILIATION**

	2020-21 ADOPTED BUDGET RESTRICTED	2020-21 SECOND INTERIM RESTRICTED	\$ CHANGE	% CHANGE	EXPLANATIONS
<b>A. REVENUES</b>					
1 LCFF Sources	539,176	540,553	1,377	0.26%	Increase in Spec Ed Property Tax Transfer.
2 Federal Revenues	461,272	1,024,983	563,711	122.21%	Adjusted for Title III carryover, Title IV carryover, and increases in Title I, Title II, Special Education and CARES Act funds.
3 State Revenues	1,621,148	1,734,010	112,862	6.96%	Slight decrease in State Mental Health grant and increases in CARES Act and Senate Bill 117 COVID Funds.
4 Local Revenues	839,347	1,108,670	269,323	32.09%	Mainly due to posting of school site carryover funds \$151K from prior year of \$83K, new site revenues for instruments, yearbook and donations.
<b>TOTAL REVENUES</b>	\$ <b>3,460,943</b>	\$ <b>4,408,216</b>	\$ <b>947,273</b>	<b>27.37%</b>	
<b>B. EXPENDITURES</b>					
1 Certificated Salaries	2,514,304	2,588,215	73,911	2.94%	Adjusted to actual staffing to date
2 Classified Salaries	2,164,997	2,085,842	(79,155)	-3.66%	Adjusted to actual staffing to date
3 Employee Benefits	3,583,360	3,504,531	(78,829)	-2.20%	Adjusted to staffing changes and slight increase in actual worker's compensation payroll rate.
4 Books & Supplies	395,606	641,735	246,129	62.22%	Adjusted expenses for materials and supplies funded with CARES Act funds to support distance learning program and COVID19 PPE and sanitation supplies. All site carryover is posted to instructional supply budget for use by the sites representing approximately \$151K.
5 Services & Other Operating Expenditures	1,290,709	1,548,927	258,218	20.01%	Adjusted expenses for materials and supplies funded with CARES Act funds to support distance learning program and COVID19 PPE and sanitation supplies. All site carryover is posted to instructional supply budget for use by the sites representing approximately \$151K.
6 Capital Outlay	35,000	35,000	-	0.00%	Adjusted expenses for materials and supplies funded with CARES Act funds to support distance learning program and COVID19 PPE and sanitation supplies. All site carryover is posted to instructional supply budget for use by the sites representing approximately \$151K.
7 Other Outgo (Excluding Indirect Costs)	-	-	-	#DIV/0!	Increased \$100K for Redwood MS Allendale Traffic Loop improvement project that carried over from last year. Added contract for elementary music program funded by SEF.
8 Other Outgo (Indirect Costs)	1,499	354	(1,145)	100.00%	Reduction in anticipated capital equipment replacement
<b>TOTAL EXPENDITURES</b>	\$ <b>9,985,475</b>	\$ <b>10,404,603</b>	\$ <b>419,128</b>	<b>4.20%</b>	Removed Title III Immigrant and Title IV that will not be received this year.
<b>C. EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ <b>(6,524,532)</b>	\$ <b>(5,996,387)</b>	\$ <b>528,145</b>	<b>-8.09%</b>	
<b>D. OTHER FINANCING SOURCES/USES</b>					
1 Interfund Transfers					
a. Transfers In	-	-	-		
b. Transfers Out	-	-	-		
2 Other Sources/Uses					
a. Sources	-	-	-		
b. Uses	-	-	-		
3 Contributions	6,490,558	6,180,560	(309,998)	-4.78%	Reduced costs for Special Education due to COVID19 closures. No Special Ed transportation costs for county programs due to site closures.
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	\$ <b>6,490,558</b>	\$ <b>6,180,560</b>	\$ <b>(309,998)</b>	<b>-4.78%</b>	
<b>E. NET INCREASE/(DECREASE) IN FUND BALANCE</b>	\$ <b>(33,974)</b>	\$ <b>184,173</b>	\$ <b>218,147</b>	<b>-642.10%</b>	
<b>F. FUND BALANCE RESERVES</b>					
1 Beginning Balance					
a. As of July 1 - Unaudited	306,998	306,998	-		
b. Audit Adjustments	-	-	-		
c. As of July 1 - Audited	306,998	306,998	-		
d. Adjustments for Restatements	-	-	-		
e. Net Beginning Balance	306,998	306,998	-		
<b>2 Ending Balance, June 30</b>	\$ <b>273,024</b>	\$ <b>491,170</b>	\$ <b>218,147</b>	<b>79.90%</b>	
a. Reserve Accounts					
1 Revolving Cash					
2 Stores					
3 Prepaid Expenses					
b. Designated Amounts					
1 Economic Uncertainty					
2 Restricted Reserves	307,264	491,170	183,906		
3 Assigned Reserves					
a. Maintenance/Other Projects					
b. Technology Plan					
c. K-8 Textbook Adoption					
4 Unappropriated Fund Balance	(34,241)				

## 2020-21 FIRST INTERIM RESTRICTED FUND BALANCE RESERVES

The restricted budget accounts for two types of revenues. The first is entitlement revenues, which means that when the funds are received they must be recognized whether or not they are expended in the year received. These funds will be allocated as expenditures as needed and allowable per grant guidelines.

### ENTITLEMENT REVENUES (RESTRICTED FUND BALANCES)

Low Performing Student Block Grant	\$	41,958
State Mental Health		175,250
Routine Restricted Maintenance		13,062
Saratoga Education Foundation		260,900
	\$	<u>217,208</u>

## 2020-21 SPECIAL RESERVE FUNDS

Special Revenue Funds are used to account for certain state and federal programs that require separate accounting other than in the General Fund. The District's Special Revenue Funds are as follows:

### CAFETERIA FUND (FUND 13)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	14,721.30	45,773.50
Plus: Revenues	561,094.00	461,525.00
Less: Expenditures	(556,508.00)	(464,386.00)
<b>Ending Fund Balance</b>	<b>19,307.30</b>	<b>42,912.50</b>

The Cafeteria Fund is used to account for separately for Federal, State, and Local Revenues used by the Food Services Department to provide meals under the National School Lunch and paid lunch programs. Food Services are provided at each of the District's school sites. Free and reduced meals are served to qualifying students based on household income.

### DEFERRED MAINTENANCE FUND (FUND 14)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	536,821.08	648,834.01
Plus: Revenues	407,500.00	407,500.00
Less: Expenditures	(351,000.00)	(279,530.00)
<b>Ending Fund Balance</b>	<b>593,321.08</b>	<b>776,804.01</b>

The District and the State used to contribute equally to this fund. In 2009-10 the State eliminated this requirement and Deferred Maintenance Funds became a Tier III program and the State's share became a General Fund revenue. In 2013-14 these funds were folded into the Local Control Funding Formula (LCFF), but the need to maintain facilities remains for major repair or replacement of plumbing, heating, air conditioning, electrical, roofing, floor systems, and the exterior and interior painting of school buildings/sites of the District.

### SPECIAL RESERVE FUND FOR OTHER THAN CAPITAL OUTLAY PROJECTS (FUND 17)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	2,916,010.39	2,931,995.82
Plus: Revenues	101,964.00	322,752.00
Less: Expenditures	-	-
<b>Ending Fund Balance</b>	<b>3,017,974.39</b>	<b>3,254,747.82</b>

The Special Reserve Fund for Other than Capital Outlay Fund is used primarily to provide for the accumulation of General Fund moneys for general operating purposes as outlined in Education Code Section 42842. Amounts from this special reserve fund must be first transferred into the General Fund or other appropriate fund of the LEA before expenditures can be made. Transfers occur based on District Board Policy 3100 each January based on the prior year's actual final audited expenditures.

### SPECIAL RESERVE FUND FOR POST EMPLOYMENT BENEFITS (FUND 20)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	468,845.54	469,898.29
Plus: Revenues	6,000.00	6,000.00
Less: Expenditures	-	-
<b>Ending Fund Balance</b>	<b>474,845.54</b>	<b>475,898.29</b>

The Special Reserve Fund for Post Employment Benefits is used to account for a portion of the costs associated with providing postemployment benefits to retirees of the District. At this time, the District is not providing an ongoing contribution to this fund, but the reserves are earning interest revenues.

## 2020-21 CAPITAL PROJECT FUNDS

Capital Project Funds are specific funds utilized for the acquisition or construction of major capital facilities.

### BUILDING FUND (FUND 21)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	2,041,058.29	2,032,544.06
Plus: Revenues	25,034.00	25,034.00
Less: Expenditures	(1,000.00)	(889.00)
<b>Ending Fund Balance</b>	<b>2,065,092.29</b>	<b>2,056,689.06</b>

The Building Fund is used to account for proceeds from the sale of bonds and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues are are proceeds from the sale of real property. This fund contains the proceeds from the sale of Congress Springs sold many years ago.

### CAPITAL FACILITIES (FUND 25)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	3,325,558.89	3,359,894.70
Plus: Revenues	45,000.00	108,595.00
Less: Expenditures	(15,000.00)	(15,000.00)
<b>Ending Fund Balance</b>	<b>3,355,558.89</b>	<b>3,453,489.70</b>

The Capital Facilities Fund exists primarily to account for monies received from fees levied on developers or other agencies as a condition of approving a development or additions to existing real property. The authority for these levies is local government ordinances or private agreements between a school district and the developer. Expenditures from this fund are restricted to growth-related projects.

### SCHOOL FACILITIES FUND (FUND 35)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	119.71	121.07
Plus: Revenues	1.00	1.00
Less: Expenditures	-	-
<b>Ending Fund Balance</b>	<b>120.71</b>	<b>122.07</b>

The School Facilities Fund exists to account for separately for funds from approved state funded facilities projects and for any District matching funds required for these projects. The remaining balance in this fund is very minimal and is only earning interest at this time. No anticipated expenditures are anticipated as no current projects exist.

## 2020-21 DEBT SERVICE FUNDS

The Debt Service Funds are utilized to repay District long-term debt principal and interest of all long-term debt of the District.

### BOND INTEREST REDEMPTION FUND (FUND 51)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	6,232,989.23	6,646,645.20
Plus: Revenues	-	-
Less: Expenditures	-	-
<b>Ending Fund Balance</b>	<b>6,232,989.23</b>	<b>6,646,645.20</b>

This fund accounts for property tax assessments and interest received by the Orange County Auditor-Controller's office related to the District's outstanding General Obligation Bonds.

## 2020-21 ENTERPRISE FUNDS

Enterprise Funds are utilized to account for activities in which a fee is charged to external users for goods and services and is accounted for on an accrual basis

### OTHER ENTERPRISE FUND (FUND 63)

	2020-21 Adopted Budget	2020-21 First Interim
Beginning Fund Balance (July 1st Unaudited Actuals)	57,740.00	76,636.53
Plus: Revenues	745,100.00	655,100.00
Less: Expenditures	(733,657.00)	(630,660.00)
<b>Ending Fund Balance</b>	<b>69,183.00</b>	<b>101,076.53</b>

This fund accounts for revenues and expenses for the Treehouse program at the elementary school sites.