

# **Sausalito Marin City School District**

## **First Period Interim Report**

**2017-2018**

**Regular Board Meeting  
December 14, 2017**

# Introduction

- Information presented reflects the changes in the budget since budget adoption in June 2017
- Period covers changes July 1 through October 31, 2017
- In addition, the First Interim Report includes:
  - Detailed Budget Changes
  - Multi Year Projection
  - Estimated Cash Flow
- It is recommended that the First Interim Report be approved with a qualified certification
- The budget presented indicates that the District can meet its financial obligations in the current year and year 2018-2019, and has a shortfall of the minimum Economic Reserve of 5% in year 2019-2020.

# Adopted Budget VS First Interim

	Adopted Budget	2017/18 First Interim	Revisions 10/31/2017
Beginning Fund Balance	\$ 1,555,840	\$ 1,555,840	\$ -
Revenue	\$ 5,577,222	\$ 5,881,111	\$ 303,889
Expenses	\$ 5,754,342	\$ 5,943,495	\$ 189,153
Transfers Out to Other Funds	\$ (330,579)	\$ (345,947)	\$ (15,368)
Net Decrease	\$ (507,699)	\$ (408,332)	\$ 99,367
Ending Fund Balance	\$ 1,048,141	\$ 1,147,509	\$ 99,368
<u>Components of Fund Balance</u>			
Restricted	\$ 194,901	\$ 189,901	\$ (4,999)
5% Reserve	\$ 304,246	\$ 314,472	\$ 10,226
Fund 01 Unassigned Amount	\$ 548,995	\$ 643,136	\$ 94,141
Fund 17 Unassigned Amount	\$ 174,000	\$ 174,000	\$ -
Total Unassigned	\$ 627,166	\$ 817,136	\$ 94,141

Total Reserve Percent

15.54%

17.99%

2.45%

# Revenue - Total Increase \$303,889

- Increase Property Tax Estimate
- Decrease in Title I and Title II - Intervention and Staff Development
- Increase Donations
  - Summer School Program
  - Community School Coordinator
  - Walking School Bus
- Add STRS On-Behalf (*Revenues Always Equal Expenses*) - \$136,403  
(The District's unfunded liability for STRS and PERS)

# Expenses - Total Increase \$204,521

- Decrease Certificated Staff Expenses
  - 10.0 Teachers Budgeted, 9.0 Teachers Hired
  - Counselors Provided by Marin County Health and Human Service
  - Adjust All Salaries and Extra Duty Pay based on Actual Employees Hired
  - Moved Staff Development Expenses to Contracted Services
- Decrease Classified Staff Expense
  - Move District Office Position to Contracted Services
  - Add Special Education Paraprofessional
  - Increase Substitute Custodial Expense
  - Adjust All Salaries and Extra Duty Pay based on Actual Employees Hired

# Adjustments to Expenses - Continued

- Increase Employee Benefits
  - Add STRS On-Behalf (*Revenues Always Equal Expenses*) - \$136,403
  - Decrease Health and Welfare and Mandatory Benefits
    - Based on Actual Employees Hired
    - Decrease Office Position moved to Contracted Services
- Increase Instructional Materials and Technology Equipment
  - Increase Technology Expenses
  - Increase Instructional Materials
  - Decrease Board Supplies

# Adjustments to Expenses - Continued

- Increase Operating Expenses
  - Increase:
    - Special Education Contracts – Interpreter, Transportation, Legal
    - Summer School Expense (Received Donations)
    - After School Program Expenses
    - Moved Classified District Office Position to Contracts (\$10,000 Savings)
    - Maintenance Contracts
  - Decrease:
    - Math Contract with Tamalpais Union High School District (Middle School Teacher Hired)
    - Elections Expense
    - Reduced Superintendent and Board Staff Development
- Increase Other Outgo
  - Increase Pass-through Payment to Willow Creek Academy for 2% Excess Property Tax per MOU
  - Increase Contribution to Cafeteria Program for Cafeteria Worker Added, Staff Development, and Substitutes for Staff Absences

# Adjustments to Expenses - Continued

- Contributions to Restricted Programs

	<b>Adopted Budget</b>	<b>First Interim</b>	<b>Difference</b>
Special Education	\$ 1,160,695	\$ 1,268,289	\$ 107,594
Maintenance	\$ 275,932	\$ 290,943	\$ 15,011
Community School Coordinator	\$ 30,000	\$ -	\$ (30,000)
Garden Program	\$ 20,000	\$ 20,000	\$ -
Field Trips	\$ 10,000	\$ 10,000	\$ -
Title I - Student Intervention	\$ -	\$ 36,480	\$ 36,480
Total	<u>\$ 1,496,627</u>	<u>\$ 1,625,712</u>	<u>\$ 129,085</u>

# Multi-Year Projection

	2017/18	2018/19	2019-20
	First Interim	MYP Year 2	MYP Year 3
Beginning Fund Balance	1,555,840	1,147,509	752,260
Revenue	5,881,111	5,963,723	6,047,134
Expenses	5,943,495	6,068,791	6,228,447
Transfers Out to Other Funds	(345,947)	(290,180)	(290,180)
<b>Net Decrease</b>	<b>(408,332)</b>	<b>(395,249)</b>	<b>(471,494)</b>
Ending Fund Balance	1,147,509	752,260	280,766
<u>Components of Fund Balance</u>			
Restricted	189,901	178,008	178,007
5% Reserve	314,472	324,205	325,931
Fund 01 Unassigned Amount	\$ 643,136	\$ 250,047	\$ (223,173)
Fund 17 Unassigned Amount	\$ 174,000	\$ 174,000	\$ 174,000
Unassigned Reserve	\$ 817,136	\$ 424,047	\$ (49,173)
Unassigned Reserve Percent	17.99%	11.67%	4.25%*

\*Economic Reserve Shortfall - 0.75%

# Multi-Year Projection Assumptions

Revenue	2018-2019	2019-2020
Property Taxes	Increase 4.5%	Increase 4.5%
Charter In-Lieu	Increase	Increase
Federal Revenue	No Carryover No Title II	
State	No One-Time Mandated Costs	Slight Increase
Local	Added CCEE for Community Sch Coordinator No One-Time Donations	No CCEE for Community Sch Coordinator

Expenses	2018-2019	2019-2020
Personnel Expenses	Salary Step & Column STRS and PERS Increases Reduce Custodial Sub Expense	Salary Step & Column STRS and PERS Increases
Operating Expenses	Inflation Increase No District Office Rental No Capitol Lease No Excess 2% Property Tax Payment to WCA Summer School Less than 17-18	Inflation Increase No Basic Aid (Negative) Calculated

# Other Future Items to Consider

- Certificated Negotiations
- Renewal of the Charter MOU with Willow Creek Academy
- Food Service Program
- Federal Programs in 2018-2019
- Impact of Additional Payment on the Certificate of Participation