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# 2017-2018

# Unaudited Actuals



September 13, 2018

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**The Unaudited Actuals report  
reflects**

**Coronado Unified School  
District's**

**Financial Activity  
& Financial Position  
as of**

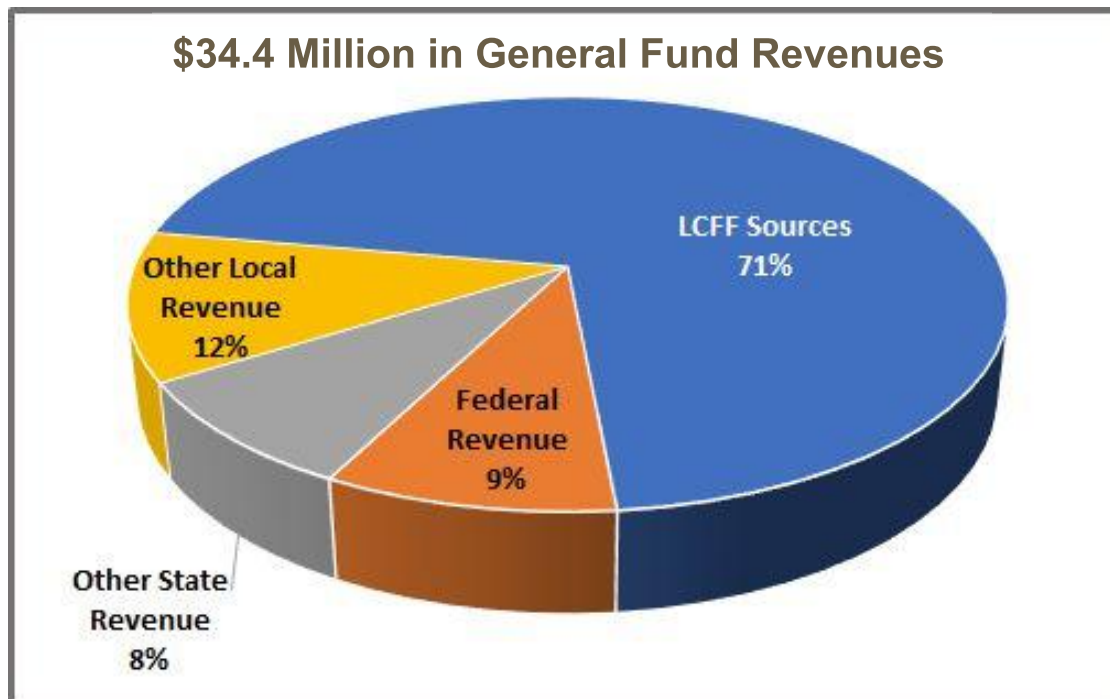
**June 30, 2018.**

# *A snapshot in time...*

## Presentation Overview

- General Fund - Overview
- Fund Summaries
- Interfund Activity
- Budget Development Process
- Deficit Spending
- Reflection
- Next Steps

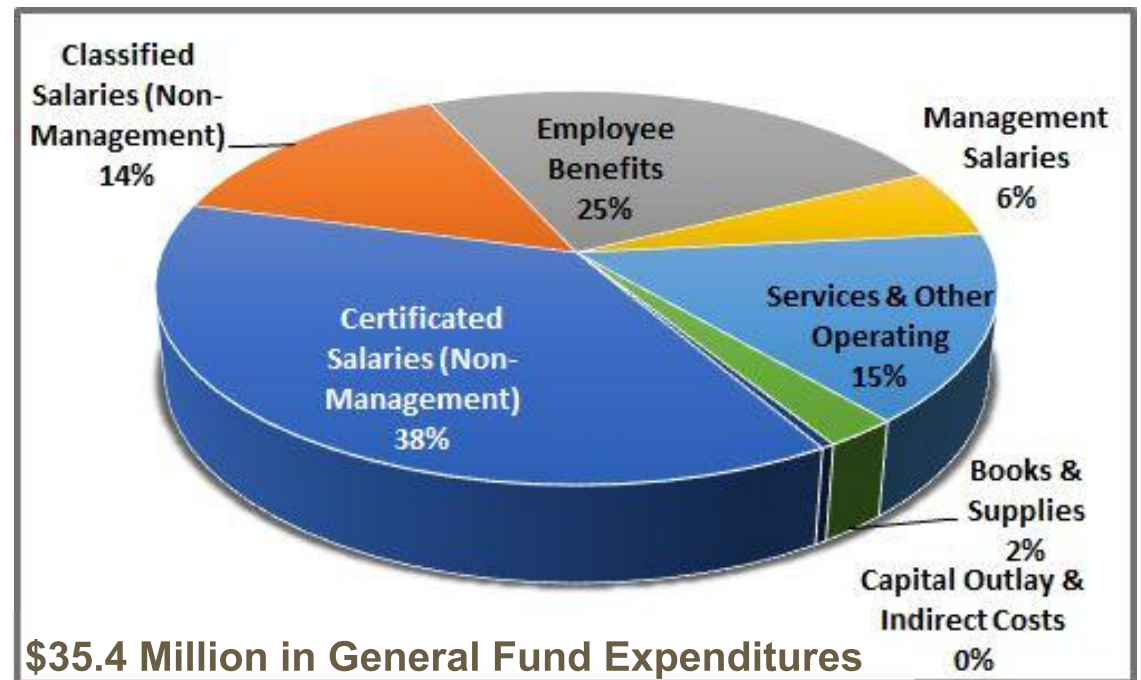
# Revenue Summary - General Fund 01



- **80% of the District's Revenue comes from State Grants and the Local Control Funding Formula (LCFF)**
- **State Revenues are driven by enrollment & student demographics**
- **Unduplicated pupil count ~ 10%**
- **Attendance rate ~ 96.5% in 2017/18**

# Expenditure Summary - General Fund 01

- Employee salaries and benefits account for over 83% of the district's budget
- Employer contributions to employee retirement programs STRS/PERS have doubled since 2013 - over \$3 million
- Growth in expenditures are outpacing growth in revenues



# General Fund Contributions to Unfunded & Underfunded Programs

<b>Contributions to Restricted Programs (within General Fund 01)</b>	<b>2016-2017</b>	<b>2017-2018</b>
<b>Special Education</b>	3,498,719	3,742,461
<b>Routine Restricted Maintenance (RRMA)</b>	863,507	1,067,858
<b>Career Technical Education (CTE)</b>	332,199	201,212
	<u>\$ 4,694,425</u>	<u>\$ 5,011,531</u>

# Fund Summaries

	General Fund 01	Special Reserve Fund for Other Than Capital Outlay Projects Fund 17	ECDC	
			Child Development (State Funded Programs) Fund 12	Other Enterprise (Non-State Funded Programs) Fund 63
Beginning Fund Balance:	3,414,353	2,601,680	13,513	218,232
Revenues:	34,388,684	36,868	132,371	399,407
Expenditures:	35,383,474	-	135,106	444,043
Excess/(Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses:	(994,790)	36,868	(2,735)	(44,636)
Net Transfers In/(Out)	995,790	180,000	4,689	53,853
Ending Fund Balance	3,415,353	2,818,548	15,467	227,449

**Funds Not Illustrated:**


County School Facilities (Fund 35): No Activity; Zero Balance.

Bond Interest and Redemption (Fund 51): Voter Approved Debt Activity; Managed by Auditor Controller's Office.

# Fund Summaries

	Adult Ed Fund 11	Cafeteria Special Revenue Fund 13	Foundation Special Revenue (BBMAC) Fund 19	Deferred Maintenance Fund 14	Capital Facilitites Fund 25	Special Reserve Fund for Capital Outlay Projects Fund 40	Foundation Permanent Fund 57
Beginning Fund Balance:	185,936	649	109,285	675,043	758,415	10,476,796	291,660
Revenues:	258,494	690,093	487,864	8,999	164,246	2,574,763	4,414
Expenditures:	195,703	666,051	570,483	-	553,836	910,251	1,300
Excess/(Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses:	62,791	24,042	(82,619)	8,999	(389,590)	1,664,512	3,114
Net Transfers In/(Out)	-	21,279	-	-	-	(1,255,610)	-
Ending Fund Balance	248,727	45,970	26,666	684,042	368,825	10,885,698	294,774

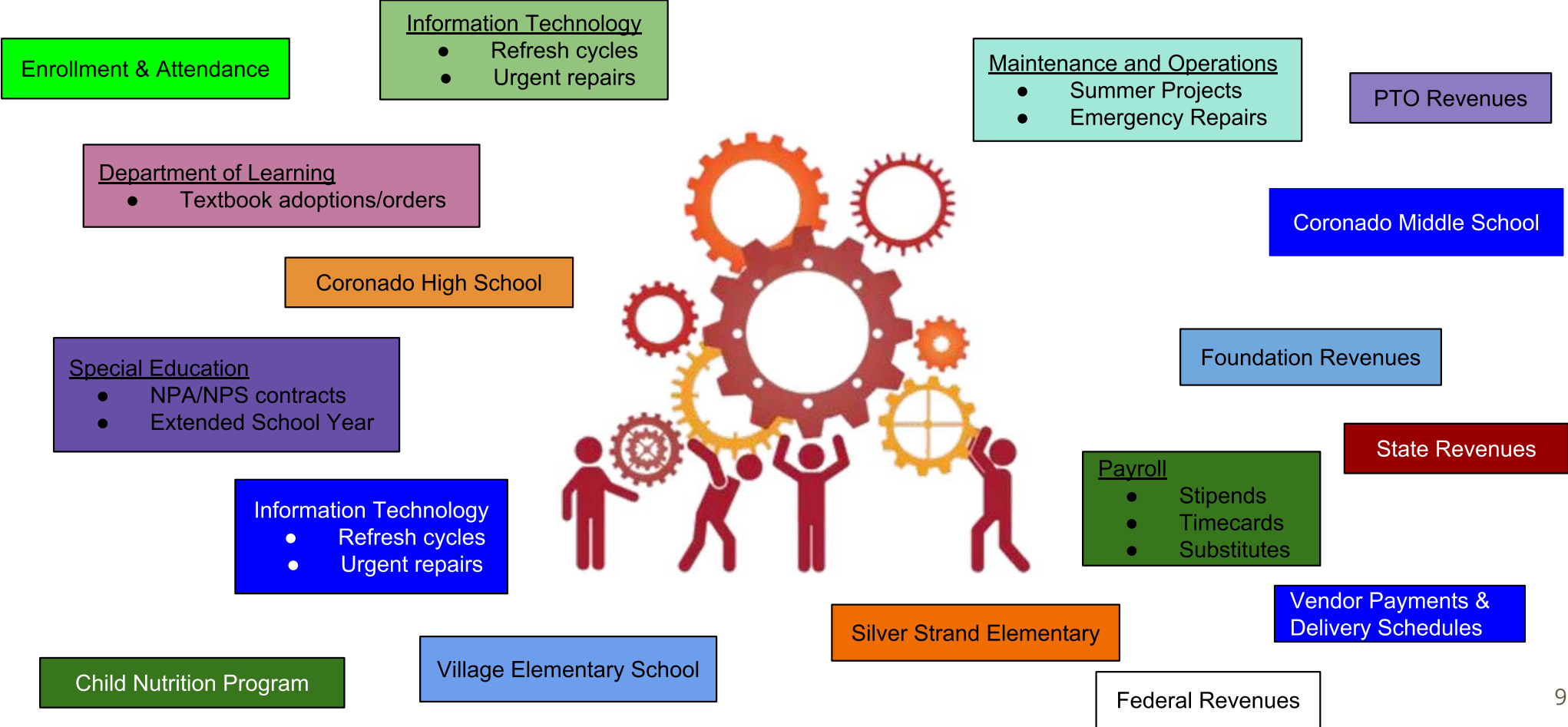
# Summary of Interfund Activity

TRANSFERS OUT	TRANSFERS IN					Totals
	General Fund 01	Child Development (State Preschool) Fund 12	Cafeteria Fund 13	Special Reserve For Economic Uncertainty Fund 17	Other Enterprise Child Development - Preschool/Daycare Fund 63	
General Fund 01 	-		4,551	180,000	75,270	259,821
Child Development (State Preschool) Fund 12	-		4,296	-	-	4,296
Special Reserve for Capital Outlay Projects Fund 40	1,255,610			-	-	1,255,610
Other Enterprise Child Development - Preschool/Daycare Fund 63	-	8,985	12,432	-	-	21,417
	1,255,610	8,985	21,279	180,000	75,270	
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	

- A** - Transfers into Fund 01: From Fund 40 to “balance budget.”
- B** - Transfers into Fund 12: From Fund 63 for annual support and cost sharing.
- C** - Transfers into Fund 13: From Funds 01, 12 & 63 for services rendered.
- D** - Transfers into Fund 17: From Fund 01 in accordance with BP 3050.
- E** - Transfers into Fund 63: From Fund 01 for services rendered.



# Lots of moving parts...



# Snapshots in time...



## One-time Adjustments

- Attendance audit ~\$150K
- Impact Aid ~\$300K
- Textbook adoptions ~\$200K
  
- CNS & BBMAC ~\$80K
- Site/Department carryover ~\$80K
- LCAP Carryover ~\$120K

# CUSD is Trending in the Right Direction...

Go fast enough to get there,  
but slow enough to see.

Jimmy Buffett

quote fancy

# Deficit Spending

Deficit spending is projected in the current and two subsequent fiscal years.

## How did we get here?

- Bridge to Basic Aid - Extended **From 2036 to ~2028**
- CUSD is ranked 39 out of 42 in LCFF Revenues per ADA in San Diego County
- Employer contributions to employee retirement programs STRS/PERS have doubled and are expected to continue increasing.

This is not meant to be doom and gloom...

**The sky is not falling in CUSD**

# Deficit Spending

## ...We have a plan!

- **Attention to attendance**
  - 2% increase in attendance ~\$500K

**CUSD achieved a 0.6% increase in attendance**

- **Align staffing with enrollment**

**Early Retirement Incentive > align ratios**

- **Seek efficiencies consistent with BP 3050**
  - Revenue enhancements and rental income

**Efficient enterprise programs and rate increase**

- **Renegotiate contracts and scrutinize expenditures**

**\$600K decrease in information technology spending**

## Child Nutrition (Fund 13)

### Director

Charity Johnson, MS, RD, CLE

### Team Members:

Lisa Stahley  
Renee Curtis  
Gracie Roman  
Linda Carter  
Yolanda Gonzalez  
Angelica Sermeno  
Carolina Alvarez  
Tony Dayrit  
Ramon Reyes  
Liza Ampudia  
Martha Manuel  
Paulina Santin-Arriaga  
Jessie Mclamb  
Zenny Tumangday

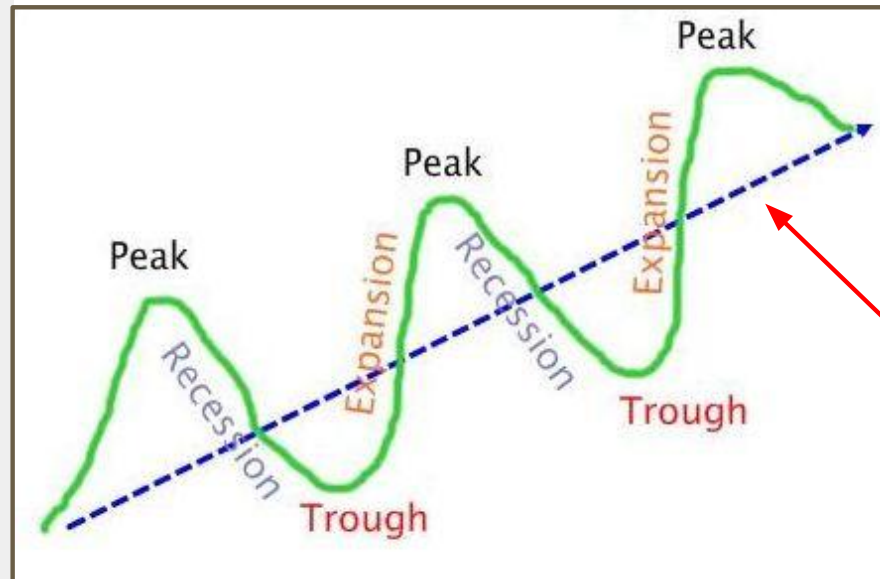


*Celebrate!!!*



## What's next?

- BP 3050
- RDA Refinancing



**Ideal Path**

*While we (as a district) are still faced with funding limitations through the Local Control Funding Formula, we are trending in the right direction in closing our budget deficit.*

*If we work together as professionals and colleagues, in partnership with our community of parents and the City of Coronado, I am confident that we can weather any storm.*

If you could get all the people in an organization rowing in the same direction, you could dominate any industry, in any market, against any competition, at any time.

- Patrick Lencioni, The Five Dysfunctions of a Team





## Next Steps

- **The District's external auditors will independently review and audit these financial data to validate:**
  - Accuracy of Data
  - Compliance with:
    - Generally Accepted Accounting Principles (GAAP)
    - Governmental Accounting Standards Board (GASB)
    - CA School Accounting Manual (CSAM)
    - Funding Requirements and Regulations
- **As required by the California Education Code, the Audited Financial Report and External Auditor's Report will be presented to the Board in January 2019.**

### Recommendation:

**Staff recommend that the Board Approve the 2017/18 Unaudited Actuals and Submit to the San Diego County Office of Education.**

**Questions or Comments?**

**Thank you for your time!**