

RIM OF THE WORLD UNIFIED SCHOOL DISTRICT

REPORT OF ENROLLMENT AND SECOND INTERIM FINANCIAL POSITION

March 11, 2021

Purpose of Report - Review data related to:

- Enrollment
 - Financial activity
 - July 1, 2020 – January 31, 2021
 - Various financial assumptions
 - Multi-Year Projections
 - Revised Budget Update
 - Updated cash flow statement
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- Must be approved by the Governing Board by March 15, certifying the Financial position to the County Office of Education per Education Code: 42130, 42131(a)1

There are three types of Certification:

- POSITIVE:

- A District will meet its financial obligations for the current fiscal year and subsequent two fiscal years

- QUALIFIED:

- A District may not meet its financial obligations for the current fiscal year and/or subsequent two fiscal years

- NEGATIVE:

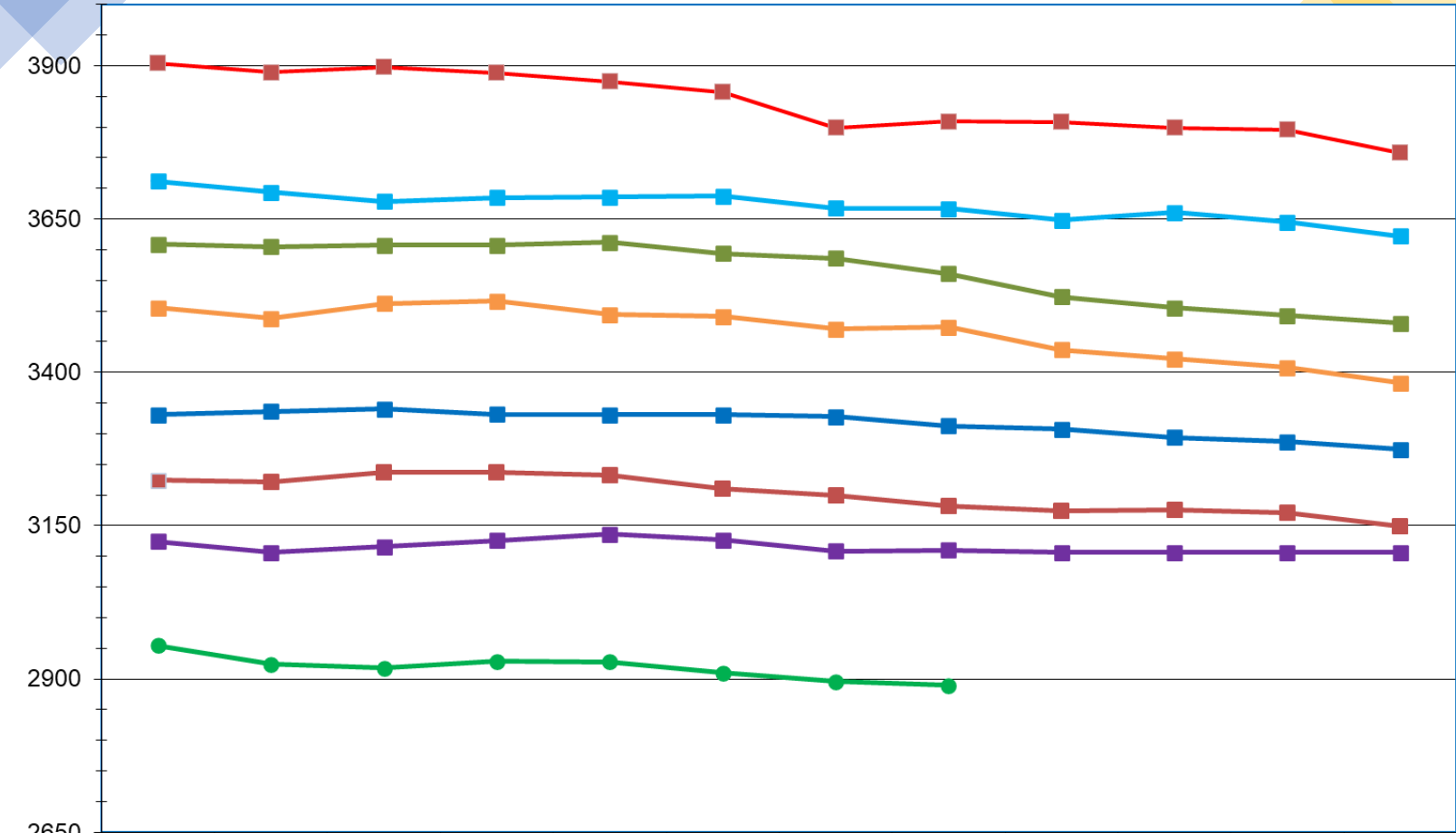
- A District will be unable to meet its financial obligations for remainder of the current fiscal year and/or subsequent fiscal year

- Rim of the World Unified School District is submitting a Positive Certification.

Second Interim changes and guidance:

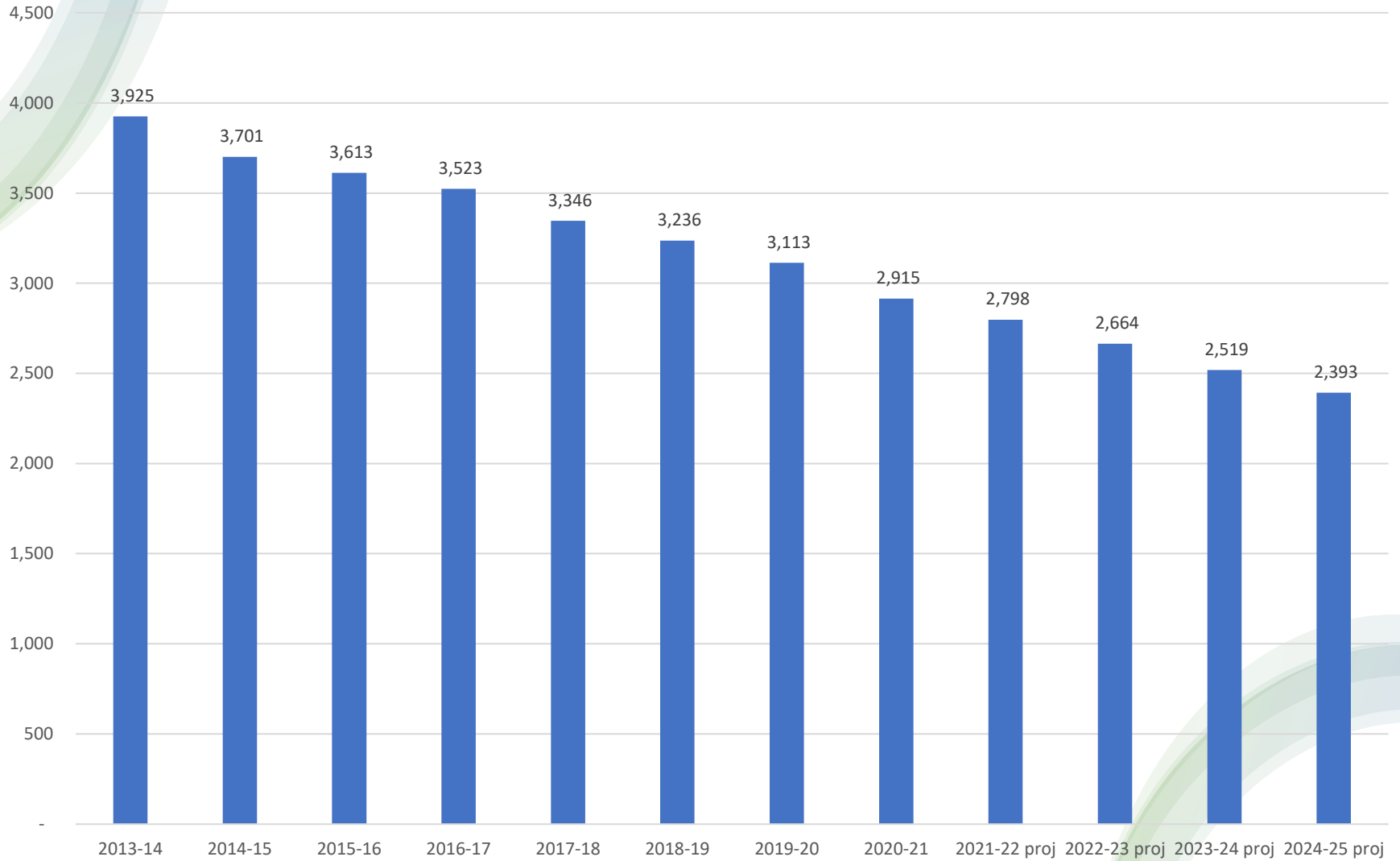
- The Second Interim Financial report is based on Actual data through January 31st and a district's working budget is adjusted based on new or changed information.
- The Multi-Year Projections (MYP's) are revised as needed based on updated assumptions and are based on the Governor's January budget proposal.
- A review of enrollment, corresponding ADA for the current and subsequent fiscal years is performed. MYP's are revised as needed.
- One of the most significant changes since 1st Interim is the Compounded Local Control Funding Formula COLA of 3.84% to be applied in 2021-22 - (2.31% for 2020-21 and 1.5% for 2021-22).
- In addition, COLA's are assumed by the Department of Finance for future years 2022-23 through 2024-25.
- Partial paydown of cash deferrals is reflected in our updated cash flow projection.
- Federal Funding for Mitigating COVID-19 pandemic effects on students is currently budgeted and future funds are expected.
- There has been a slight reduction to Lottery funding both Restricted and Unrestricted.
- Future enrollment continues to be a concern and a major impact to reductions to LCFF Revenue.

RIM OF THE WORLD UNIFIED SCHOOL DISTRICT ENROLLMENT COMPARISON BY MONTH

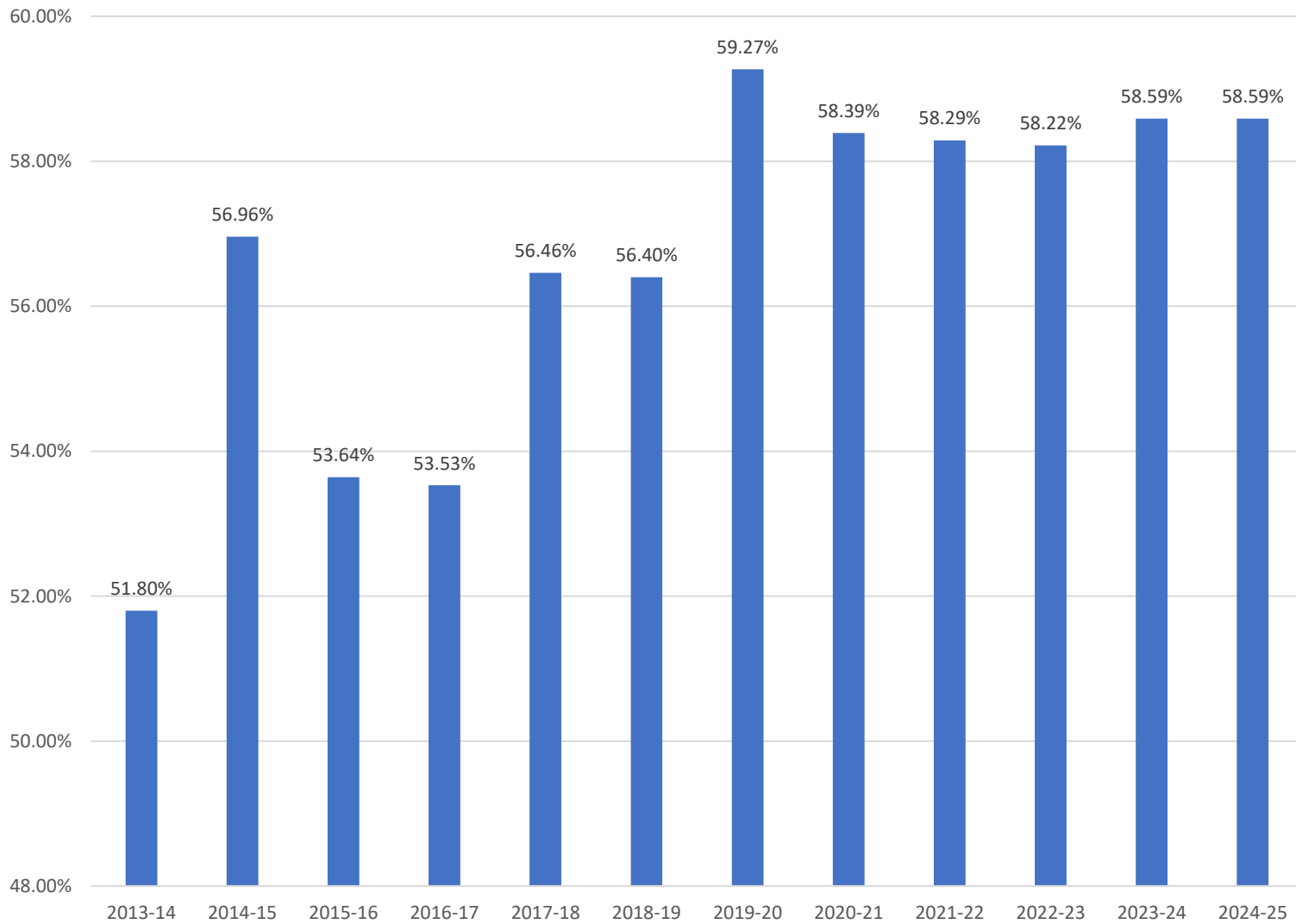


	Validation 3rd week of sch	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11
13/14	3904	3889	3898	3888	3874	3857	3799	3809	3808	3799	3796	3758
14/15	3712	3694	3679	3685	3686	3687	3668	3667	3648	3661	3645	3622
15/16	3609	3605	3607	3607	3612	3594	3586	3561	3523	3505	3493	3480
16/17	3505	3488	3512	3516	3494	3491	3471	3474	3437	3422	3408	3383
17/18	3331	3336	3340	3332	3331	3331	3328	3313	3307	3294	3287	3274
18/19	3224	3222	3237	3237	3232	3211	3199	3182	3175	3176	3171	3149
19/20	3124	3106	3116	3126	3136	3127	3109	3110	3106	3106	3106	3106
20/21	2955	2924	2918	2929	2928	2910	2896	2890				

Rim of the World USD - CBEDS Enrollment



Rim of the World USD - UPP %



Multi-year Projections – Assumptions

- LCFF revenue – Base on current and projected CBEDS enrollment and updated ADA projections. Projections for future years are reviewed and updated at every financial reporting and as needed throughout the year.
- Updated Other State and Federal restricted revenue.
- Step and Column increases.
- Health and Welfare increase – 5%.
- Savings from retirements and staff reduction due to enrollment declines.
- Reduction of one-time expenditure budgets.
- Increase in STRS and PERS costs.
- Savings from negotiated items.
- Reduction of one-time revenues.
- Lottery: Unrestricted - \$150; Restricted - \$49.
- Estimated costs of settlements with bargaining units.

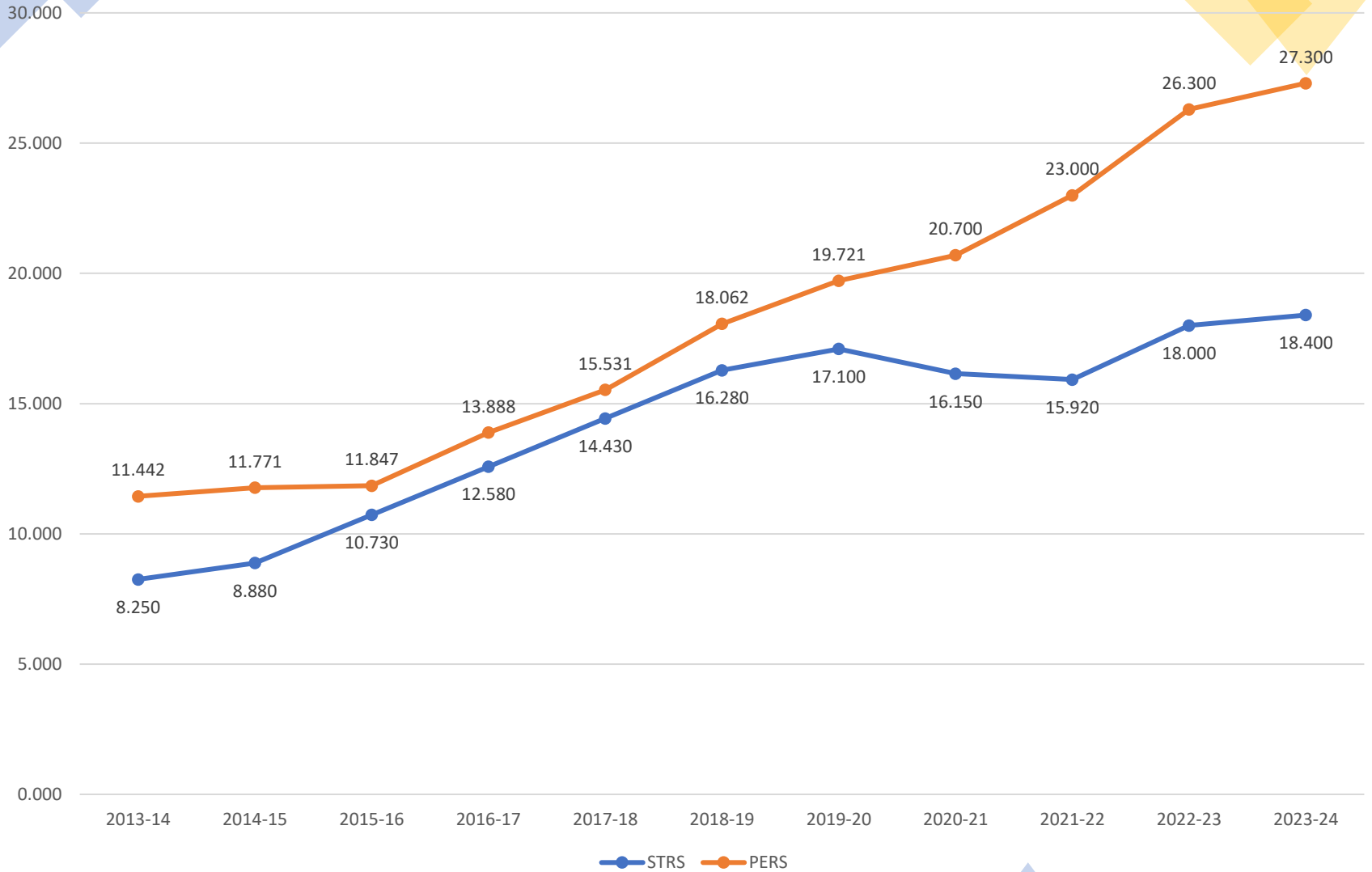
Fiscal Year		Statutory COLA	Actual Funded COLA
2013-14		1.57%	1.57%
2014-15		0.85%	0.85%
2015-16		1.02%	1.02%
2016-17		0.00%	0.00%
2017-18		1.56%	1.56%
2018-19		2.71%	3.70%
2019-20		3.26%	3.26%
2020-21		2.31%	0.00%
2021-22		1.50%	3.84%
2022-23		2.98%	2.98%
2023-24		3.05%	3.05%
2024-25		1.90%	1.90%

Summary of LCFF Revenue by year:

Components of LCFF By Object Code						
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
State Aid/EPA	17,220,636.00	19,117,707.00	19,081,233.00	18,419,797.00	17,847,467.00	17,925,971.00
Property Taxes	8,686,622.00	8,538,361.00	10,497,787.00	11,859,440.00	12,139,515.00	12,444,724.00
TOTAL FUNDING	25,907,258.00	27,656,068.00	29,579,020.00	30,279,237.00	29,986,982.00	30,370,695.00
Increase (Decrease) in LCFF Funding		1,748,810.00	1,922,952.00	700,217.00	(292,255.00)	383,713.00
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
State Aid/EPA	17,895,645.00	16,840,446.00	18,055,948.00	15,812,491.00	15,314,209.00	14,317,934.00
Property Taxes	12,821,988.00	13,076,888.00	13,076,888.00	13,076,888.00	13,076,888.00	13,076,888.00
TOTAL FUNDING	30,717,633.00	29,917,334.00	31,132,836.00	28,889,379.00	28,391,097.00	27,394,822.00
Increase (Decrease) in LCFF Funding	346,938.00	(800,299.00)	1,215,502.00	(2,243,457.00)	(498,282.00)	(996,275.00)

Cal STRS & Cal PERS rates continue to rise

Rim of the World USD - Retiree STRS & PERS Employer Contribution



Multi-year Ending Fund Balance – Budgeted Revenues and Expenditures

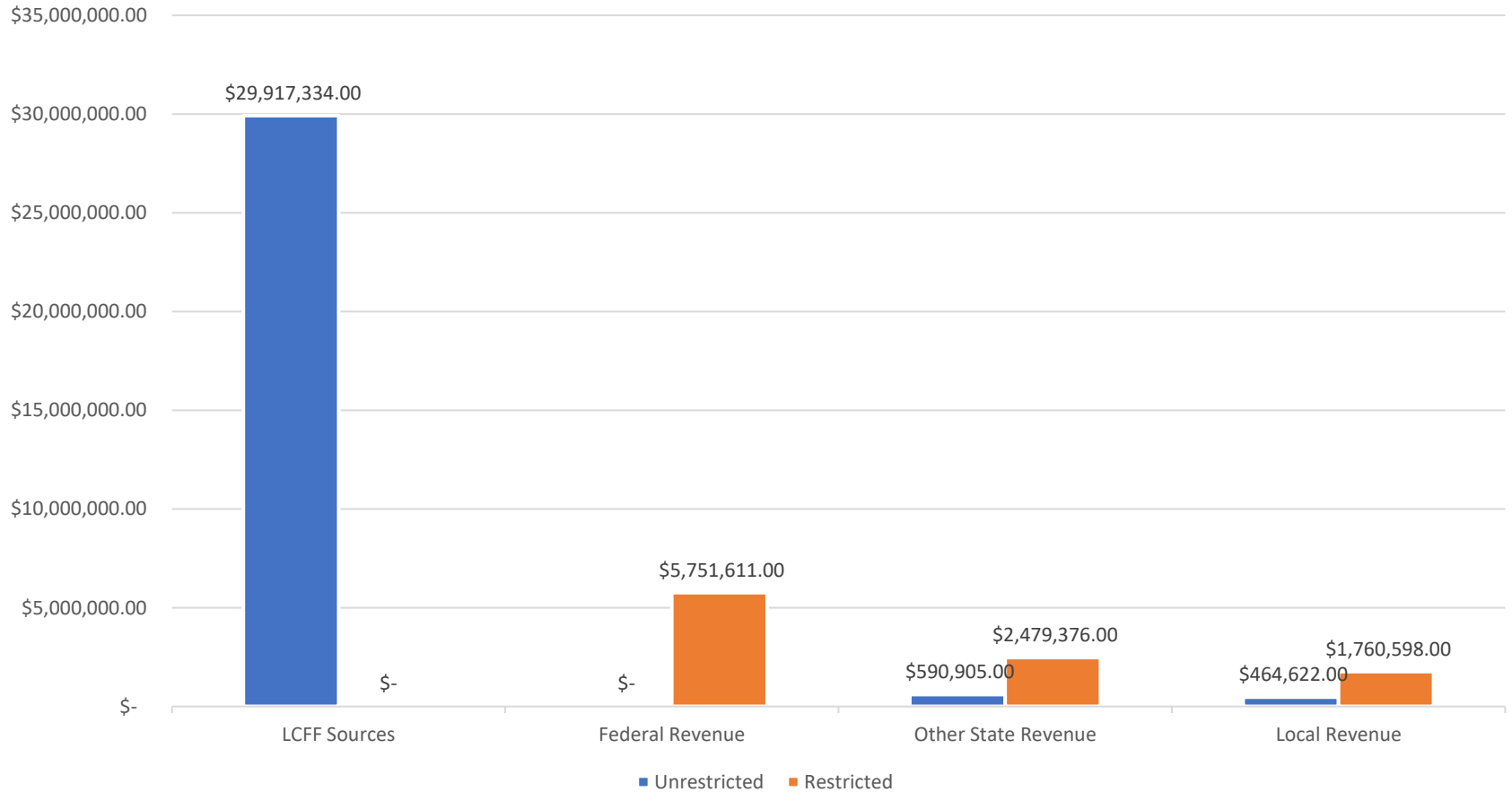
MAJOR CATEGORY OF FUNDING SOURCES AND EXPENDITURES			
2020-21 Working Budget Second Interim (includes STRS on behalf)			
	Unrestricted	Restricted	TOTALS
LCFF Sources	29,917,334	-	29,917,334
	-		
Federal Revenue	-	5,751,611	5,751,611
	<i>Major categories: Special Ed, Title I, II, III</i>		
Other State Revenue	590,905	2,479,376	3,070,281
	<i>Major categories: One time Mandated Cost funding, Other Special Ed revenue, Lottery, Mental Health funds</i>		
Local Revenue	464,622	1,760,598	2,225,220
	<i>Major categories: Donations, Special Ed funding</i>		
	<i>Transportation fees from individuals</i>		
TOTAL REVENUE	30,972,861	9,991,585	40,964,446

	Unrestricted	Restricted	TOTALS	PERCENT OF TOTAL EXPENDITURES
Certificated Salaries				
Teacher Salaries	8,868,587	2,274,385	11,142,972	0.25
Certificated Support	380,847	564,840	945,687	0.02
Certificated Administration	1,401,116	147,887	1,549,003	0.04
	10,650,550	2,987,112	13,637,662	0.31
Classified Salaries				
Instructional Aides	172,315	1,203,350	1,375,665	0.03
Classified Support	2,176,962	438,801	2,615,763	0.06
Classified Supervisor/other support	270,077	78,056	348,133	0.01
Clerical/other office	1,649,156	100,749	1,749,905	0.04
	4,268,510	1,820,956	6,089,466	0.14
Employee Benefits	6,483,142	3,418,773	9,901,915	0.22
Retiree Benefits/Incentive	1,968,651	-	1,968,651	0.04
	8,451,793	3,418,773	11,870,566	0.27
				0.71
Books and Supplies	712,132	4,026,937	4,739,069	
Services, Contracted services and Utilities	3,246,566	4,462,212	7,708,778	
	3,958,698	8,489,149	12,447,847	0.28
Contributions:				
Special Education	3,087,647	(3,087,647)	-	
Routine Repair and Maintenance	1,458,047	(1,458,047)	-	
Cafeteria	151,386		151,386	
			-	0.00
Total Expenditures	32,026,631	12,170,296	44,196,927	1.00
(Deficit)/Surplus	(1,053,770)	(2,178,711)	(3,232,481)	
Beginning Fund Balance	8,201,010	2,259,740	10,460,750	
Ending Fund Balance	7,147,240	81,029	7,228,269	
3% Minimum Reserve	1,346,060	-		
Reserve for employee settlements	671,740			
Other Reserves	1,368,287	-		
	3,386,087	-		
FUND BALANCE CARRYOVER TO NEXT YEAR	3,761,153	81,029		

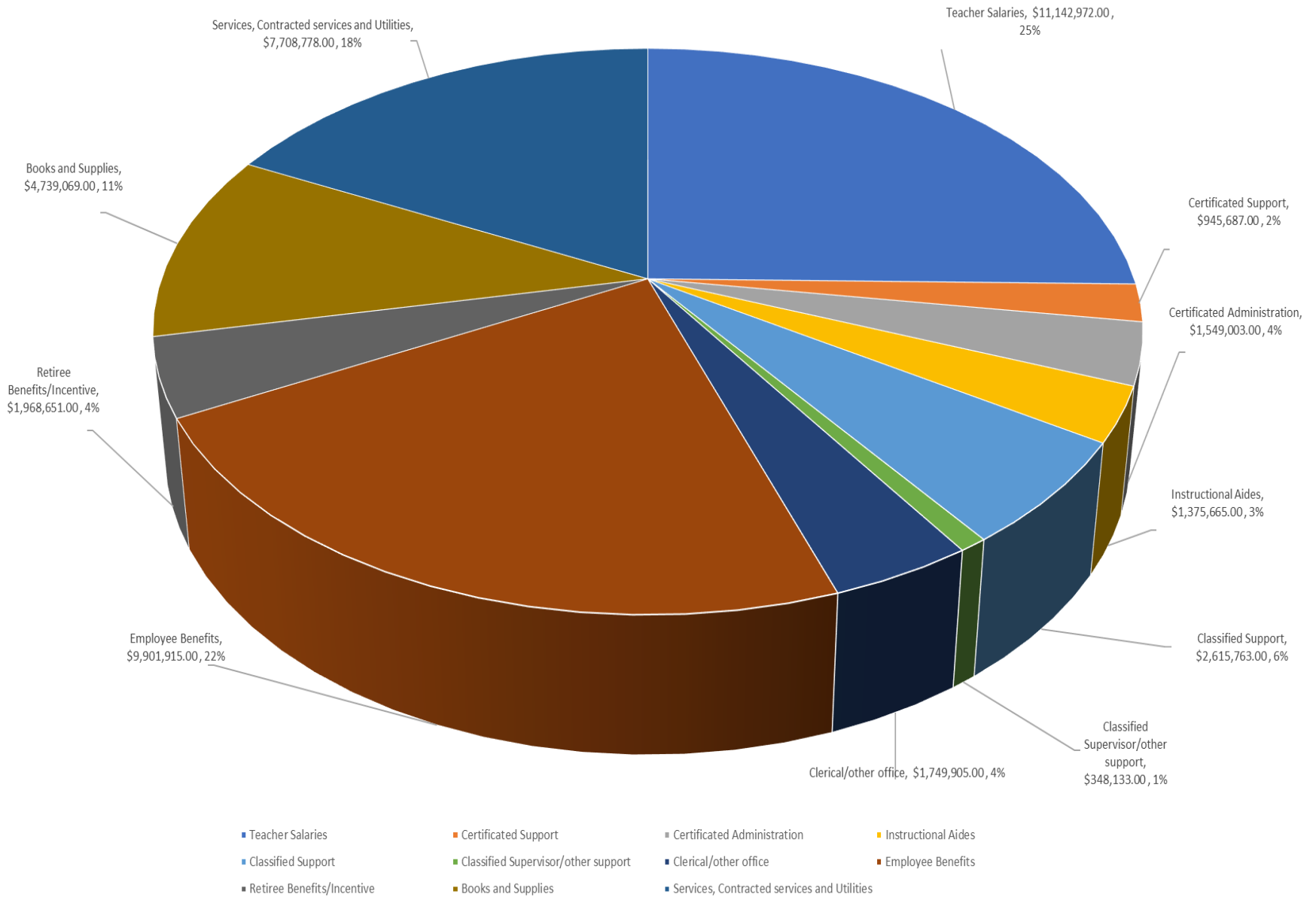
FUND BALANCE CARRYOVER FROM PRIOR YEAR BEFORE RESERVES - UNRESTRICTED ONLY

2021-22			
Beginning Fund Balance (before reserves)	6,475,500.00		
Unrestricted Revenues	32,188,363.00		
Unrestricted Expenditures	27,311,540.00		
Contributions to Restricted Programs	4,697,080.00		
(Deficit)/Surplus	179,743.00		
3% Minimum Reserve	1,172,261.00		
Other Reserves *	1,368,287.00		
	2,540,548.00		
FUND BALANCE CARRYOVER TO NEXT YEAR	4,114,695		
2022-23			
Beginning Fund Balance (before reserves)	6,655,243.00		
Unrestricted Revenues	29,944,906.00		
Unrestricted Expenditures	27,696,307.00		
Contributions to Restricted Programs	4,697,080.00		
(Deficit)/Surplus	(2,448,481.00)		
3% Minimum Reserve	1,181,959.00		
Other Reserves *	1,368,287.00		
	2,550,246.00		
FUND BALANCE CARRYOVER TO NEXT YEAR	1,656,516	Note: 23/24 EFB	(1,562,346.00)
		Note: 24/25 EFB	(5,890,258.00)

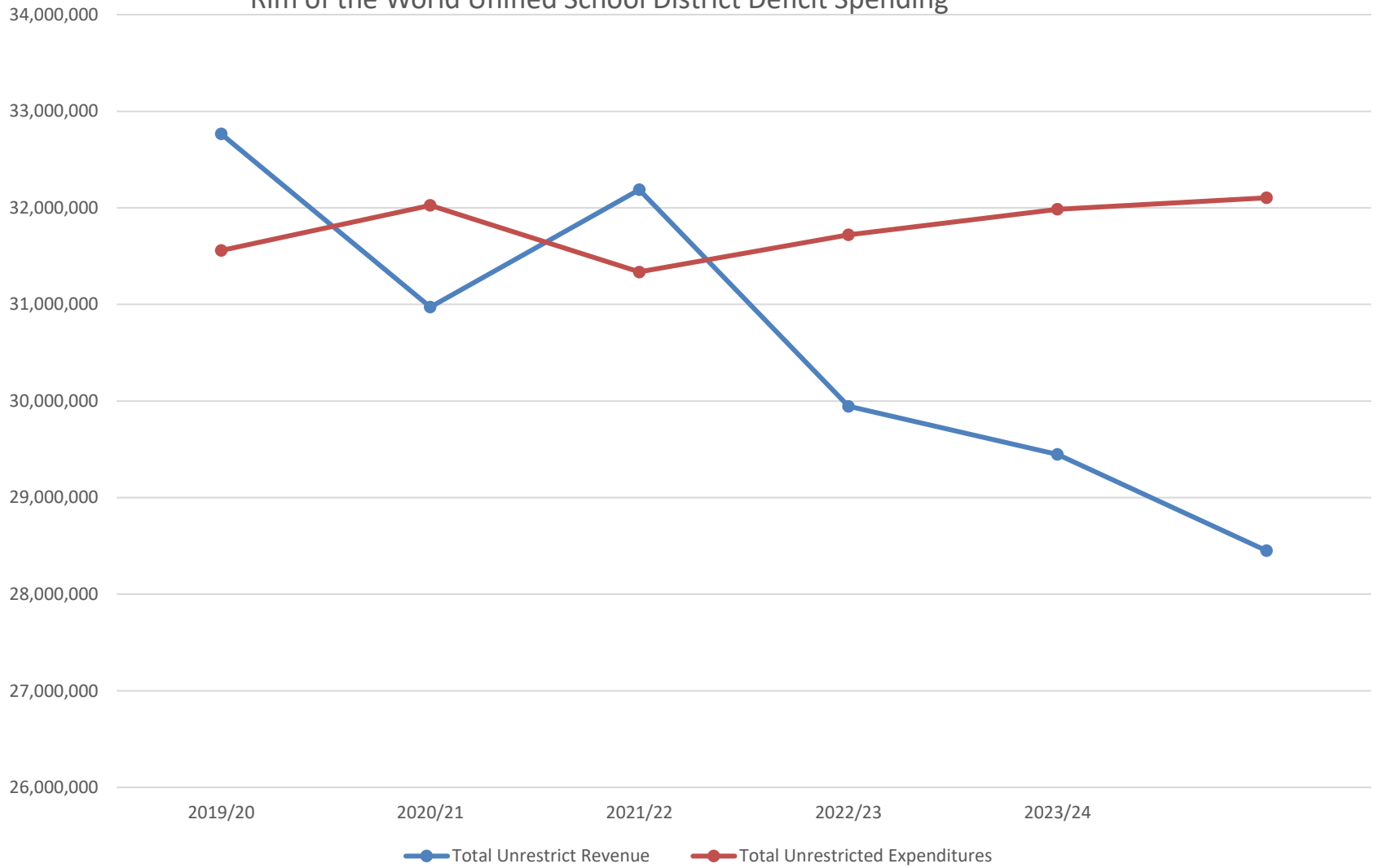
Summary of Total Budgeted Revenue by source:



RIM OF THE WORLD USD SECOND INTERIM TOTAL EXPENDITURES BY CATEGORY 2020-21



Rim of the World Unified School District Deficit Spending



Next steps:

Continue to monitor enrollment and plan for the next school year based on projected and actual enrollments by school

Governors May revision for the State budget proposal for 2020-21 will become the basis for the Estimated Actuals and Development of the 2021-22 District budget

Multi-year assumptions will be revised as our situation changes

The District will continue to collaborate with employees regarding funding scenarios for the current and future years