

HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT

2020-2021 ADOPTED BUDGET



BOARD OF TRUSTEES

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Prepared by

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**HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT
ADOPTED BUDGET RECAP
JUNE 9, 2020**

INTRODUCTION

The Adopted Budget for 2020-21 has been prepared based on the estimated revenues and expenditures for the current year and two subsequent years. It reflects the state budget that was proposed in May 2020 during the Governor's May Revision Budget and includes projected P-2 Average Daily Attendance (ADA), adjusted personnel and operations of the District.

The California state budget that was presented in May proposed a -7.92% COLA on LCFF base grant funds and a -10% deficit on the LCFF add-on funds (Transportation & Targeted Improvement Block Grant). The adopted budget for Happy Valley was prepared with these factors applied. There will most likely be a revised budget brought to the Board for review and approval at either the August or September meetings – based on the actual budget approved by the State.

For 2020-21 the District is projected to deficit spend **\$127,672** which is a decrease from the prior year of over \$400,000. The decrease is a direct result of the completion of the bus barn project, implementing the reductions the board approved, and savings from attrition.

ENROLLMENT AND ADA ASSUMPTIONS

The assumptions for ADA are based on the enrollment on CBEDS day (October 2, 2019) of 479 (plus 2 in county programs). The subsequent years are based on this enrollment number and then projected based on prior TK/K enrollment trends.

	ENROLLMENT	ADA
2019-20 P2	491	464.37
2020-21 Adopted	482	462.83
2020-21	462	442.45
2021-22	460	440.55



STAFFING ASSUMPTIONS

Staffing for 2020-21 Budget Adoption 60.2 FTE.

2021-22 assumes a reduction in FTE of 5.78 through various avenues:

- 0.4 FTE Administration - Retirement
- 1.0 FTE Certificated - Retirement
- Step & Column is budgeted at \$82,928
- STRS/PERS increases are budgeted at \$-9,212

2022-23 maintains same staffing level as projected for 2021-22

- Step & Column is budgeted at \$51,277
- STRS/PERS increases/decreases are budgeted at \$20,922

All reductions/additions are reflected in the Multi-year projections.

REVENUE ASSUMPTIONS

- LCFF Budgeted based on the projected Funded ADA and continued negative COLA
 - 2020-21 = 464.66
 - 2021-22 = 460.5
 - 2022-23 = 443.4
- One-time CARES COVID-19 Stimulus monies to be received in 2020-21 \$146,262.
- Eligible to receive REAP funds rather than Title V - \$20,000 increase
- Reduction in Federal entitlements totaling **\$49,000**
- Increase in local revenue from another local District purchasing 0.4 FTE of the CBO and 0.1 FTE of the Counselor = \$74,697

EXPENDITURE ASSUMPTIONS

- LCAP priorities will be incorporated into the budget at first interim.
- Step and Column salary increases included;
- Economic Uncertainties reserved at 4%
- Debt payments have been budgeted for both the Buses (\$54,962/yr payoff July 2022) and Bus Barn (\$68,951/yr payoff Oct 2023);



- Routine Restricted Maintenance budgeted at the 3% minimum contribution;
- Continue to evaluate budget for further possible reductions.

The ending balance for 2020-21 is projected to be \$665,348. In the two subsequent years, we are projecting to deficit spend by \$225,630 in 2021-22 and \$450,092 in 2022-23. We have also budgeted for drastic revenue decreases in all 3 years:

- 2020-21 – Revenue Reduction of \$424,342
- 2021-22 = Revenue Reduction of \$224,179
- 2022-23 = Revenue Reduction of \$148,593

Ending fund balances in the subsequent years are projected to be \$439,718 in 2021-22 and **\$-10,374** in 2022-23. One-time expenses and revenues have been removed in the multi-year projection.

The District has made significant reductions that reduced the deficit spending. The 2020-21 budget includes these reductions and had we not faced this pandemic, we would have been on track for a balanced budget and building our reserves. If the current projections for the State budget come to fruition, the District will be faced with the task of making even more reductions. A resolution is being presented to reduce the current year budget by an additional \$142,000 if the current projections for Governor Newsom's Budget proposal becomes law.



**HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT
BOARD ACTION
JUNE 9, 2020**

The District Board of Education shall certify in writing whether or not the District is able to meet its financial obligations for the upcoming fiscal year and, based on current forecasts, for two subsequent fiscal years.

In certifying the 2020-2021 Budget Report, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

ACTION REQUESTED:

It is recommended that the Board approve the 2020-2021 Budget as presented.



**HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT
2020-2021 ADOPTED GENERAL FUND BUDGET SUMMARY
June 9, 2020**

	2019-20 ESTIMATED ACTUALS	2020-21 ADOPTED BUDGET
Funded Average Daily Attendance (ADA)	464.37	462.83
REVENUES		
LCFF	5,146,986	4,388,071
Federal Revenues	294,181	462,432
Other State Revenues	329,422	317,880
Other Local Revenues	303,028	337,895
TOTAL REVENUES	6,073,617	5,506,278
EXPENDITURES		
Certificated Salaries	2,222,807	2,015,620
Classified Salaries	1,033,701	1,013,888
Employee Benefits	1,464,811	1,361,045
Books and Supplies	293,346	218,336
Services, Other Operating Exp	1,091,501	1,037,928
Capital Outlay	349,697	0
Other Outgo	139,411	141,781
Transfer of Indirect/Direct Support	0	0
TOTAL EXPENDITURES	6,595,274	5,788,598
EXCESS(DEFICIENCY)OF REVENUES	(521,657)	(282,320)
OTHER FINANCING SOURCES IN	19,686	162,683
OTHER FINANCING SOURCES OUT	(28,091)	(8,035)
NET INCREASE(DECREASE) IN FUND BALANCE	(530,062)	(127,672)
BEGINNING BALANCE	1,323,082	793,020
AUDIT ADJUSTMENTS		
ENDING FUND BALANCE	793,020	665,348

Components of Ending Fund Balance		
Revolving Cash/Prepays	2,500	2,500
Economic Uncertainties	264,935	231,866
Board Designated/Assigned	376,125	295,747
Designated Unrealized Gains	0	0
Restricted	149,460	135,235
Undesignated	0	0

HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT
COMPARISON OF REVENUES AND EXPENDITURES
2020-21 ADOPTED BUDGET
June 9, 2020

		19-20 Estimated Actuals			20-21 Adopted					
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
REVENUES										
LCFF Revenue Sources	8010 - 8099	5,043,244	0	5,043,244	4,388,071	0	4,388,071	(655,173)	0	(655,173)
Federal Revenues	8100 - 8299	59,976	337,947	397,923	7,500	454,932	462,432	(52,476)	116,985	64,509
Other State Revenues	8300 - 8599	115,120	214,302	329,422	85,473	232,407	317,880	(29,647)	18,105	(11,542)
Other Local Revenues	8600 - 8799	76,457	226,571	303,028	113,274	224,621	337,895	36,817	(1,950)	34,867
Interfund Transfers In	8910 - 8929	19,686	0	19,686	162,683	0	162,683	142,997	0	142,997
Other Sources	8930 - 8979	0	0	0	0	0	0	0	0	0
Contributions	8980 - 8999	(757,401)	757,401	0	(706,047)	706,047	0	51,354	(51,354)	0
TOTAL REVENUES		4,557,082	1,536,221	6,093,303	4,050,954	1,618,007	5,668,961	(506,128)	81,786	(424,342)
EXPENDITURES										
Certificated Salaries	1000 - 1999	1,914,897	307,910	2,222,807	1,795,482	220,138	2,015,620	(119,415)	(87,772)	(207,187)
Classified Salaries	2000 - 2999	699,567	334,134	1,033,701	729,183	284,705	1,013,888	29,616	(49,429)	(19,813)
Employee Benefits	3000 - 3999	1,023,605	441,206	1,464,811	947,955	413,090	1,361,045	(75,650)	(28,116)	(103,766)
Books and Supplies	4000 - 4999	197,449	95,897	293,346	127,686	90,650	218,336	(69,763)	(5,247)	(75,010)
Services, Other Operating Expenses	5000 - 5999	700,521	390,980	1,091,501	443,714	594,214	1,037,928	(256,807)	203,234	(53,573)
Capital Outlay	6000 - 6599	349,697	0	349,697	0	0	0	(349,697)	0	(349,697)
Other Outgo (excluding indirect)	7100 - 7499	123,915	15,496	139,411	123,915	17,866	141,781	0	2,370	2,370
Direct Support / Indirect Costs	7300 - 7399	(14,521)	14,521	0	(11,569)	11,569	0	2,952	(2,952)	0
Interfund Transfers Out	7610 - 7629	28,091	0	28,091	8,035	0	8,035	(20,056)	0	(20,056)
Other Uses	7630 - 7699	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES		5,023,221	1,600,144	6,623,365	4,164,401	1,632,232	5,796,633	(858,820)	32,088	(826,732)
NET INCREASE/DECREASE IN FUND BALANCE		(466,139)	(63,923)	(530,062)	(113,447)	(14,225)	(127,672)	352,692	49,698	402,390
BEGINNING BALANCE										
Audit/Other Restatement Adjustments		1,109,699	213,383	1,323,082	643,560	149,460	793,020	(466,139)	(63,923)	(530,062)
ENDING BALANCE		643,560	149,460	793,020	530,113	135,235	665,348	(113,447)	(14,225)	(127,672)
Components of Ending Fund Balance										
Reserved Rev Cash/Prepays/Stores		2,500	-	2,500	2,500	-	2,500	-	-	-
Economic Uncertainty 4%		264,935	-	264,935	231,865	-	231,865	(33,069)	-	(33,069)
Board Designated		376,125	-	376,125	295,748	-	295,748	(80,378)	-	(80,378)
Designated Unrealized Gains		-	-	-	-	-	-	-	-	-
Restricted		-	149,460	149,460	-	135,235	135,235	-	(14,225)	(14,225)
Undesignated		-	-	-	-	-	-	-	-	-
Total		643,560	149,460	793,020	530,113	135,235	665,348	(113,447)	(14,225)	(127,672)

Funded LCFF ADA

483.51

464.66

HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT
2019-20 GENERAL FUND BUDGET REVENUE DETAIL
June 9, 2020

OBJECT	PROGRAM	DESCRIPTION	PROJECTION
LCFF REVENUE: 8010-8099			
8011	0000	LCFF	3,012,123
8012	1400	Education Protection Account	564,139
8021	0000	Home Owners Exemption	10,883
8041	0000	Secured Roll Taxes	776,723
8042	0000	Unsecured Roll	35,506
8043	0000	Prior Year Taxes	420
8044	0000	Supplemental Taxes	18,242
8045	0000	ERAF	(29,965)
SUBTOTAL			4,388,071
FEDERAL: 8100-8299			
8181	3310	Special Ed: IDEA Part B (Formerly PL-94-142)	103,742
8260	0104	Forest Reserve	2,500
8290	0813	MediCal Administrative Activities	5,000
8290	3010	Title I	138,316
8290	3210	CARES - COVID-19 Relief Stimulus	146,262
8290	4035	Title II Part A Teacher Quality	21,183
8290	4127	Title IV	9,660
8290	5640	MediCal Reimbursements	12,148
8290	5810	REAP	23,621
SUBTOTAL			462,432
STATE: 8300-8599			
8550	0000	Mandated Block Grant	14,932
8560	1100	Lottery - Unrestricted	70,541
8560	6300	Lottery - Restricted	24,895
8590	7690	STRS On-Behalf	207,512
SUBTOTAL			317,880
LOCAL REVENUE: 8600-8799			
8650	0000	Leases & Rents	28,576
8660	0000	Interest	10,000
8699	0000/9010	Other Local	1
8699	0000	Local - Service Contracts with other Districts	74,697
8699	0050-0063	Donations	0
8792	6500	Special Ed Apportionment from SCOE	224,621
8792	6500	Special Ed SELPA NPS Reimbursement	0
SUBTOTAL			337,895

HAPPY VALEY UNION ELEMENTARY SCHOOL DISTRICT
2019-2020 ENDING FUND BALANCE COMPARISON
June 9, 2020

	2019-20 ESTIMATED ACTUALS	2020-21 ADOPTED BUDGET
REVOLVING CASH/STORES/PREPAIDS	2,500	2,500
UNREALIZED GAINS	0	0
ECONOMIC UNCERTAINTY	264,935	231,866
RESTRICTED		
Lottery - Restricted	74,805	65,930
MTSS Grant	5,350	0
Prop 39 - CA Clean Energy	69,305	69,305
Classified Professional Dev BG	0	0
Low Performing Students BG	0	0
TOTAL RESTRICTED	149,460	135,235
BOARD DESIGNATED		
Library Donations/Discretionary	5,796	4,246
Instructional Materials	95,000	50,000
Deferred Maintenance	90,000	90,000
Lottery Funds	4,586	0
Site Donations/Fundraising	6,322	6,322
Reimbursable Carryover	2,331	0
Greenhouse Grant	774	500
Primary Yearbook	864	774
Special Education Reserve	0	0
Technology	0	0
District Economic Uncertainty	170,452	143,905
TOTAL BOARD DESIGNATED	376,125	295,747
UNDESIGNATED/UNAPPROPRIATED	0	0
TOTAL ENDING BALANCE	793,020	665,348

**HAPPY VALLEY UNION ELEMENTARY SCHOOL DISTRICT
OTHER FUNDS
June 9, 2020**

CAFETERIA:

2019-2020 Projected Ending Balance: \$995

DEFERRED MAINTENANCE:

2019-2020 Projected Ending Balance: \$441

SPECIAL RESERVE FUND FOR POSTEMPLOYMENT BENEFITS:

2019-2020 Projected Ending Balance: \$192,997

BUILDING FUND:

2019-2020 Projected Ending Balance: \$40

CAPITAL FACILITIES FUND:

2019-2020 Projected Ending Balance: \$155,018

SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS:

2019-2020 Projected Ending Balance: \$19

TAX OVERRIDE

2019-2020 Projected Ending Balance: \$0

BOND INTEREST AND REDEMPTION FUND:

2019-2020 Projected Ending Balance: \$369,537

2020-21 ADOPTED BUDGET
MULTI-YEAR PROJECTION
Happy Valley Union Elementary School District

		2021-21 Adopted			2021-22 Projected			2022-23 Projected		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUES	Object									
	8010 - 8099	4,388,071	0	4,388,071	4,330,720	0	4,330,720	4,186,874	0	4,186,874
	LCFF Revenue Sources									
	Federal Revenues	7,500	454,932	462,432	7,500	308,049	315,549	7,500	305,049	312,549
	Other State Revenues	85,473	232,407	317,880	84,777	232,186	316,963	81,570	231,219	312,789
	Other Local Revenues	113,274	224,621	337,895	94,246	224,621	318,867	96,673	224,621	321,294
	Interfund Transfers In	162,683	0	162,683	0	0	0	0	0	0
	Other Sources	0	0	0	0	0	0	0	0	0
	8930 - 8979	(706,047)	706,047	0	(803,259)	803,259	0	(875,005)	875,005	0
	8980 - 8999									
	TOTAL REVENUES	4,050,954	1,618,007	5,668,961	3,713,984	1,568,115	5,282,099	3,497,612	1,635,894	5,133,506
EXPENDITURES	Object									
	1000 - 1999	1,795,482	220,138	2,015,620	1,674,104	220,138	1,894,242	1,694,582	220,138	1,914,720
	Certificated Salaries									
	Classified Salaries	729,183	284,705	1,013,888	756,186	284,705	1,040,891	775,791	284,705	1,060,496
	Employee Benefits	947,955	413,090	1,361,045	909,566	413,090	1,322,656	942,198	413,090	1,355,288
	Books and Supplies	127,686	90,650	218,336	65,240	92,463	157,703	66,545	94,312	160,857
	Services, Other Operating Expenses	443,714	594,214	1,037,928	444,794	594,214	1,039,008	444,794	594,214	1,039,008
	Capital Outlay	0	0	0	0	0	0	0	0	0
	6000 - 6599									
	Other Outgo	123,915	17,866	141,781	35,363	17,866	53,229	35,363	17,866	53,229
	7100 - 7499	(11,569)	11,569	0	(11,569)	11,569	0	(11,569)	11,569	0
	Direct Support / Indirect Costs	8,035	0	8,035	0	0	0	0	0	0
	7300 - 7399									
	Interfund Transfers Out	0	0	0	0	0	0	0	0	0
	7610 - 7629									
	Other Uses	0	0	0	0	0	0	0	0	0
	7630 - 7699									
	TOTAL EXPENDITURES	4,164,401	1,632,232	5,796,633	3,873,684	1,634,045	5,507,729	3,947,704	1,635,894	5,583,598
NET INCREASE/DECREASE IN FUND BALANCE		(113,447)	(14,225)	(127,672)	(159,700)	(65,930)	(225,630)	(450,092)	0	(450,092)
BEGINNING BALANCE	Audit Adjustment	643,560	149,460	793,020	530,113	135,235	665,348	370,413	69,305	439,718
	ENDING BALANCE	530,113	135,235	665,348	370,413	69,305	439,718	(79,679)	69,305	(10,374)

Components of Ending Fund Balance

Reserved Rev Cash/GAINS/Stores	2,500	-	2,500	2,500	2,500	-	2,500	2,500	-	2,500
Economic Uncertainty	231,865	-	231,865	220,309	220,309	-	220,309	223,344	-	223,344
Board Designated/Assigned	295,748	-	295,748	147,604	147,604	-	147,604	(305,523)	-	(305,523)
Restricted	-	135,235	135,235	-	-	69,305	69,305	-	69,305	69,305
Undesignated	-	-	-	-	-	-	-	-	-	-
Total Ending Fund Balance	530,113	135,235	665,348	370,413	69,305	69,305	439,718	(79,679)	69,305	(10,374)
% EUR to Expenditures		9.10%		6.68%		-1.47%				

Restricted balance projections change - for comparison- should compare Economic Uncert, Board Design and Undesignated

EUR=Econ Uncert, Undesign, Bd Design Change	527,613	-	527,613	367,913	367,913	-	367,913	(82,179)	-	(82,179)
Funded LCFF ADA	464.66			460.50			443.40			