

La Honda-Pescadero Unified School District

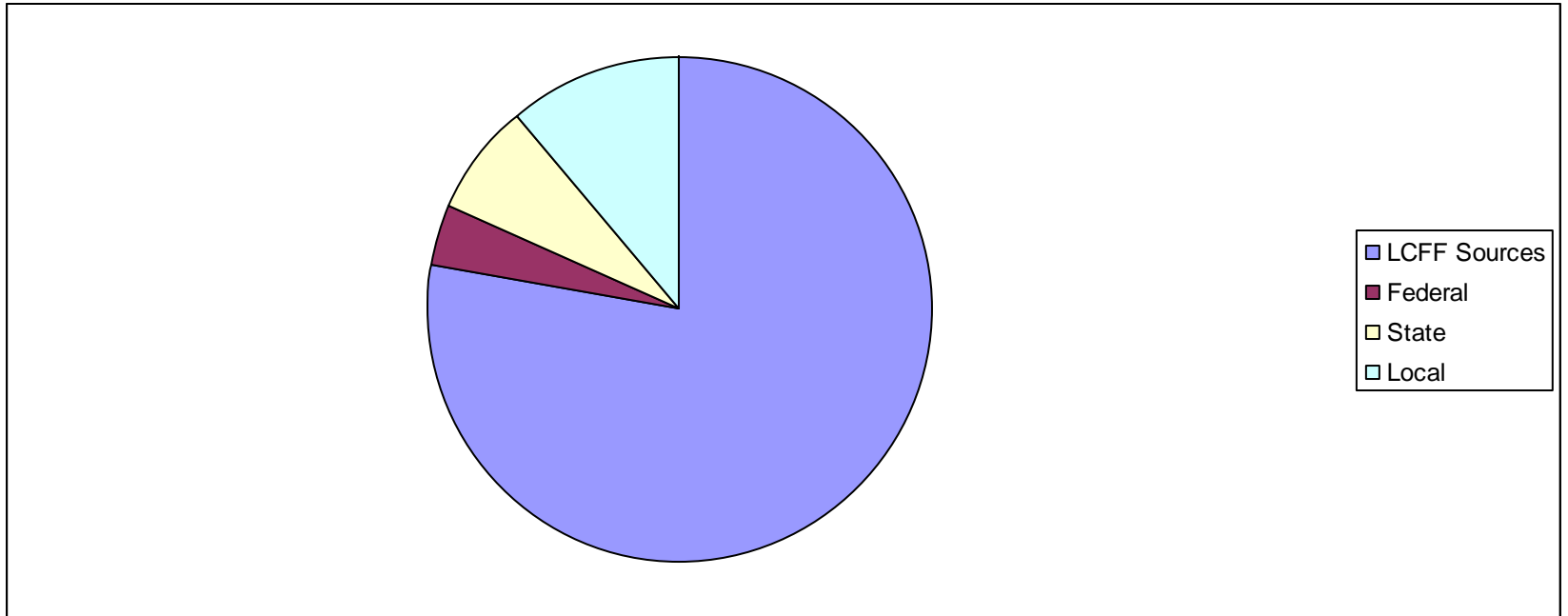
First Interim Financial Report

December 2018

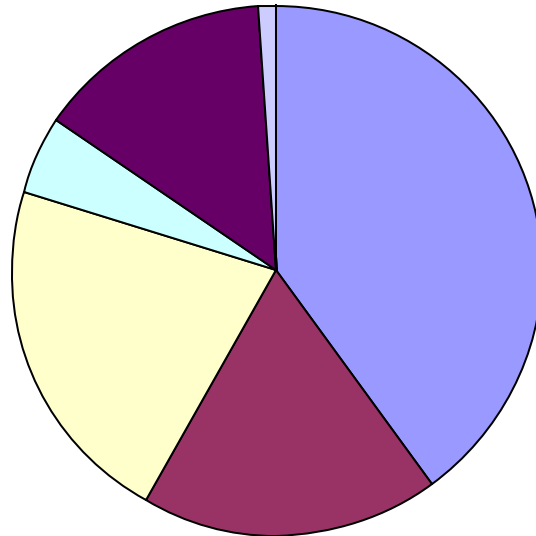
What is the First Interim Financial Report?

- Covers July 1st through October 31st of the fiscal year
- Snapshot of revenue and expenditure forecasts for the current fiscal year (2018-2019)
- Projection of the two subsequent fiscal years (2019-2020 and 2020-2021)
- Time to adjust budget based upon enacted California state budget, subsequent trailer bills, closing of the prior fiscal year and other factors that impact revenue and expenditures

Current Revenues

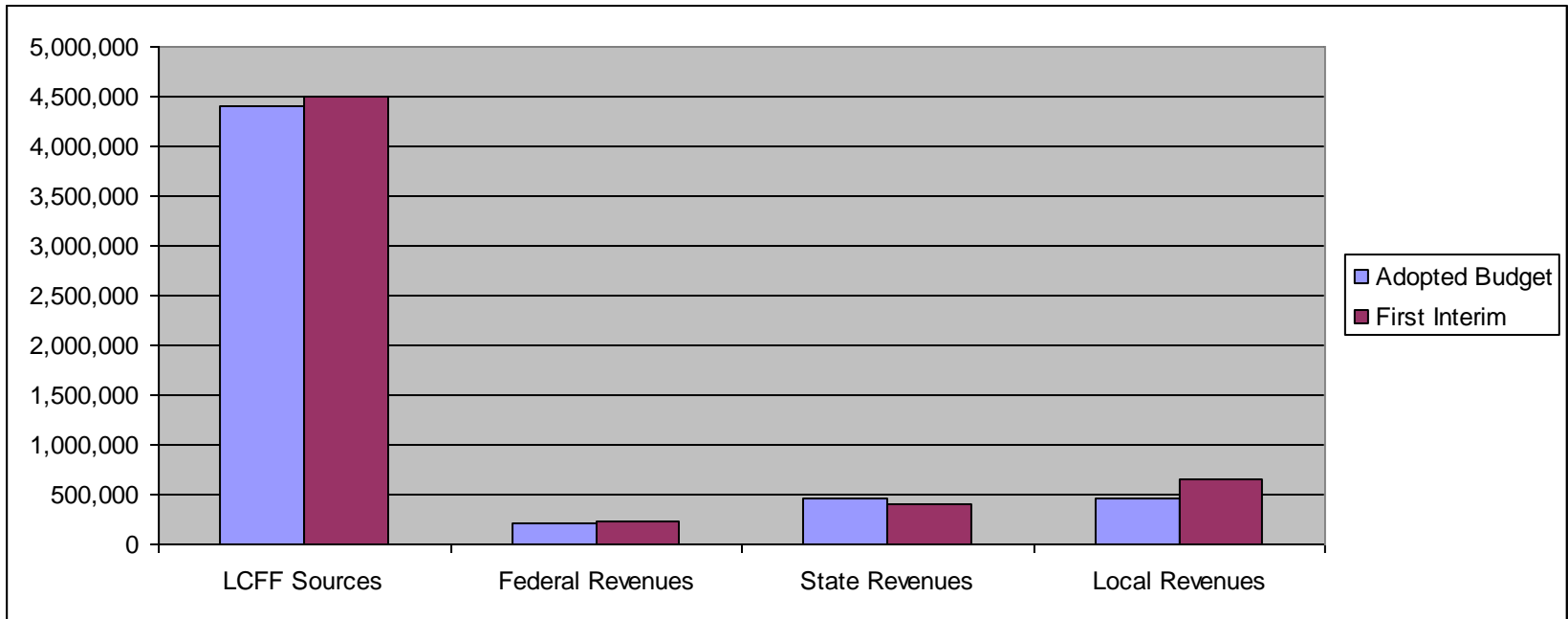


Current Expenditures

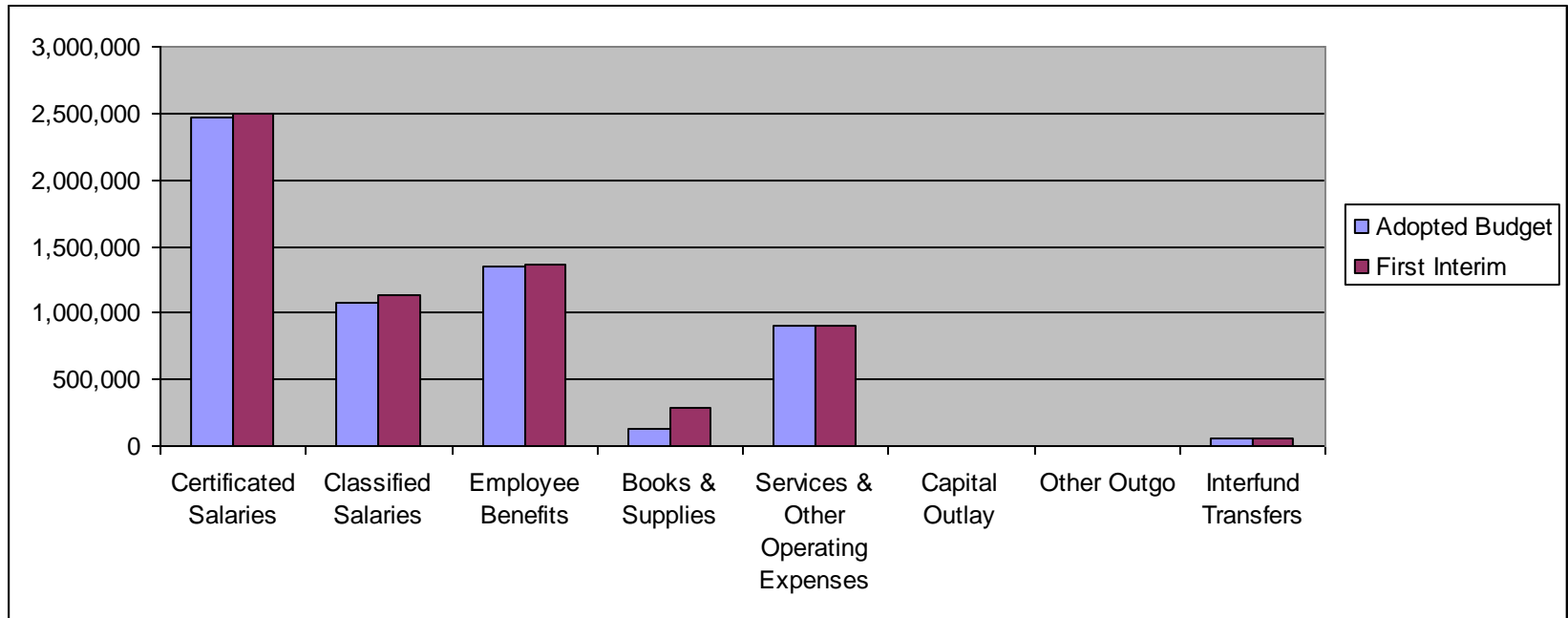


- Certificated Salaries
- Classified Salaries
- Employee Benefits
- Books & Supplies
- Services & Other Operating Expenses
- Capital Outlay
- Other Outgo
- Interfund Transfers

Variance in Revenues (Budget to First Interim)



Variance in Expenditures (Budget to First Interim)



Multi Year Projection Considerations

- STRS Employer Rates Increasing: 16.28% 2018-19, 18.13% 2019-20, 19.10% 2020-21
- PERS Employer Rates Increasing: 18.062% 2018-19, 20.7% 2019-20, 23.4% 2020-21
- Reserves in excess of minimum are crucial (current requirement represents only a couple months of payroll 5%); Government Finance Officers Association recommends 17%). LHPUSD has approximately 26% in reserves this year, projects 19% next year and 13% the following year
- Health care costs - rising overall
- Risk of economic downturn - over 100 months of growth, one of longest expansions ever
- New governor - funding priorities are uncertain