



FY 2021-2022 First Interim Report

By
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(CBO)

December 14, 2021





First Interim Financial Report

- Education Code Section 42130 requires Districts to submit two financial interim reports to the County Office of Education each fiscal year:
 - 1st Interim: Financial transactions from July 1 to October 31
- The Interim Financial Report is designed to:
 - Identify the changes to the budget, since adoption in June. The overall change to revenues, expenditures and ending fund balance and reserves.
 - Provide an in-depth multi-year analysis, using current projection factors, to state the district's ability to meet its financial obligations for the current and two subsequent fiscal years.
 - Certify, in this case positive, based on current information, that the district will be able to meet its fiscal obligations for the current and two subsequent years.



Key Assumptions

- The district is primarily back to in class learning environment and in class instruction is expected to continue this fiscal year, although we are still in the COVID-19 environment.
- We received a compounded COLA of 5.07% for FY 2021-22.
- Prior year ADA was used for the 2021-22 funding due to the hold-harmless clause for calculating LCFF funding for the 2020-21 year based on 2019-20 ADA.
- Significant one-time restricted funds for COVID-19 related programs and expenditures resulting in shifting of expenditures.
- Special Education base rate funding increased from \$650 to \$715 per ADA and a 4.05% COLA.
- Retirement – CalPERS increased the employer contribution from 20.70% to 22.91% in FY 2021-22. The CalSTRS increased slightly from 16.15% to 16.92% in FY 2021-22.
- LCFF concentration grant add-on increased from 55% to 65%.



Enrollment and ADA

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
Enrollment	17,369	17,369	0
ADA*	16,486	16,486	0

Enrollment at 10/06/2021 was 17,375 students, six above the budgeted figure of 17,369, changes will be updated in Second Interim.

*ADA will be 17,300 due to the hold-harmless clause in the prior year and funded ADA is still projected to be 17,199 due to the prior year guarantee.



Unrestricted Revenues

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
LCFF Sources	212,285,857	203,014,243	9,271,614
Federal Revenue	0	0	0
Other State Revenue	3,347,280	3,123,459	223,821
Other Local Revenue	710,125	1,661,895	(951,770)
Total Revenues	216,343,262	207,799,597	8,543,665

The Governor's enacted budget included a 10% increase to LCFF concentration grant add-on from 55% to 65% resulting in \$8.4 million increase and the 5.07% Mega COLA.



Unrestricted Expenditures

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
Certificated Salaries	53,798,745	54,560,859	(762,114)
Classified Salaries	16,533,484	16,663,779	(130,295)
Benefits	35,628,391	36,104,670	(476,279)
Books and Supplies	4,339,756	4,216,037	123,719
Services and Other Operating Expenditures	16,317,475	17,086,478	(769,003)
Capital Outlay	102,042	60,000	42,042
Other Outgoing	(3,282,546)	(999,148)	(2,283,398)
Total Expenditures	123,437,347	127,692,675	(4,255,328)

Expenditures were adjusted to reflect changes in operations and funding due to effects of COVID-19. Cost savings in the Unrestricted General Fund are projected in services and increase in the Indirect cost.



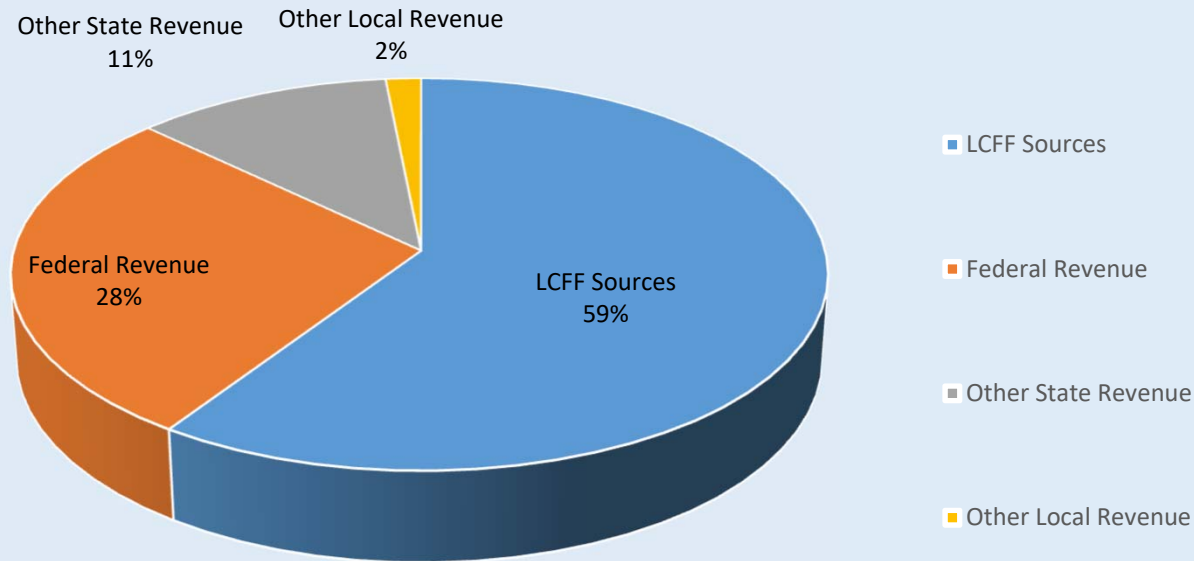
Contributions to Restricted Resources

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
LCAP (Supplemental and Concentration Grants)	62,276,793	53,860,448	8,416,345
RRMA	9,020,000	8,772,872	247,128
Special Education	22,537,723	25,279,946	(2,742,223)
QV Cell Phone Tower	3,036	-	3,036
Total	93,837,552	87,913,266	5,924,286

Increase in LCAP is due to the 10% increase in concentration grant add-on of the State enacted budget of 2021. Decrease in Special Education expenses is due to the increased based rate from \$650-\$715 and RRMA increased proportionately by 3% of overall expenditures.



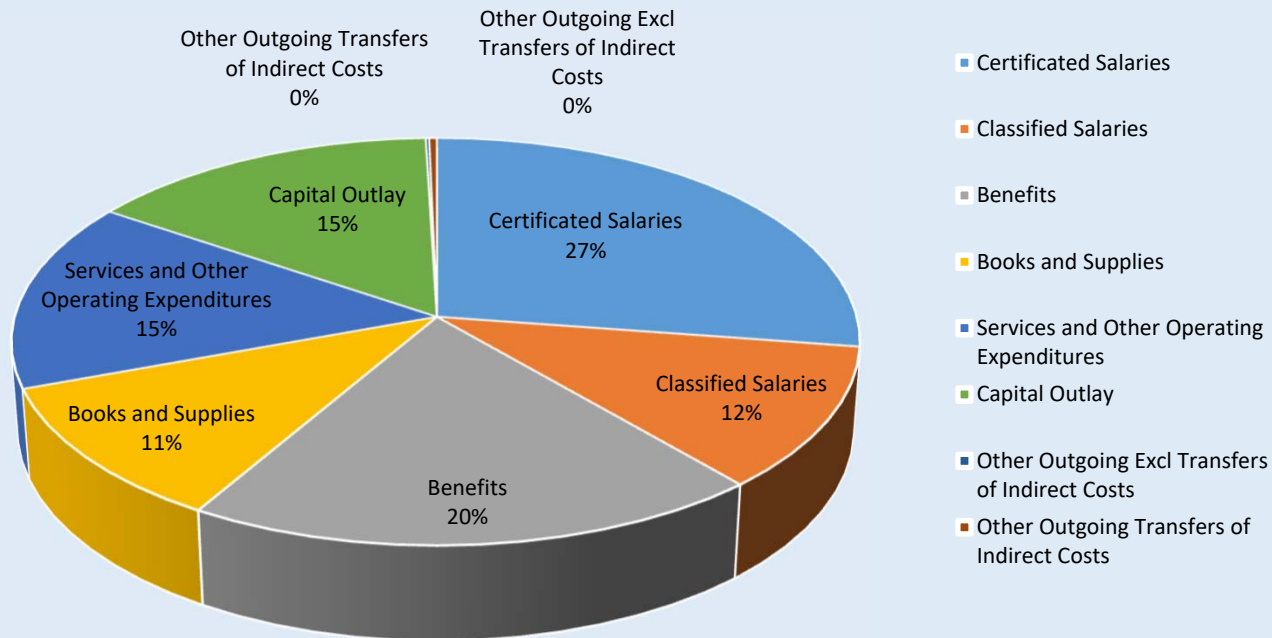
FY 2021-22 General Fund Revenues



	A	B	(A-B)
	1st Interim	Adopted Budget	Change
LCFF Sources	212,285,857	203,014,243	9,271,614
Federal Revenue	98,933,524	17,857,936	81,075,588
Other State Revenue	40,654,872	22,079,992	18,574,880
Other Local Revenue	5,591,651	4,612,183	979,468
Total Revenues	357,465,904	247,564,354	109,901,550



FY 2021-22 General Fund Expenditures



	A	B	(A-B)
	1st Interim	Adopted Budget	Change
Certificated Salaries	104,788,478	98,309,199	6,479,279
Classified Salaries	43,594,944	40,472,027	3,122,917
Benefits	75,585,402	72,165,266	3,420,136
Books and Supplies	42,017,187	19,940,567	22,076,620
Services and Other Operating Expenditures	57,763,351	59,106,201	(1,342,850)
Capital Outlay	57,730,437	2,827,116	54,903,321
Other Outstanding Excl Transfers of Indirect Costs	547,256	547,256	-
Other Outstanding Transfers of Indirect Costs	(1,275,629)	(938,583)	(337,046)
Total Expenditures	380,751,426	292,429,049	88,322,377



Restricted Expenditures

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
Certificated Salaries	50,989,733	43,748,340	7,241,393
Classified Salaries	27,061,460	23,808,248	3,253,212
Benefits	39,957,011	36,060,596	3,896,415
Supplies	37,677,431	15,724,530	21,952,901
Services	41,445,876	42,019,723	(573,847)
Capital Outlay	57,628,395	2,767,116	54,861,279
Other Outgo/Indirect	2,554,173	607,821	1,946,352
Total Restricted Expenditures	257,314,079	164,736,374	92,577,705

The increase in budgeted expenditures is due to one-time CARES act funds in FY 2021-22. A total of \$92.6 million projected increase in expenditures from the adopted budget.



Revenues and Expenditures - Combined

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
LCFF Sources	212,285,857	203,014,243	9,271,614
Federal Revenue	98,933,524	17,857,936	81,075,588
Other State Revenue	40,654,872	22,079,992	18,574,880
Other Local Revenue	5,591,651	4,612,183	979,468
Total Revenues	357,465,904	247,564,354	109,901,550
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Other Outgoing Excl Transfers of Indirect Costs	547,256	547,256	-
Other Outgoing Transfers of Indirect Costs	(1,275,629)	(938,583)	(337,046)
Total Expenditures	380,751,426	292,429,049	88,322,377



Components of Ending Fund Balance-Unrestricted

	A	B	(A-B)
	1st Interim	Adopted Budget	Change
Beginning Fund Balance	45,040,983	45,040,983	-
Revenues	216,343,262	207,799,597	8,543,665
Expenditures	123,437,347	127,692,675	(4,255,328)
Contributions	(93,615,048)	(87,913,266)	(5,701,782)
Ending Fund Balance	44,331,850	37,234,639	7,097,211
Cash, Stores & Prepaids	150,000	150,000	-
Deficit Spending FY 2020-2021	12,593,502	8,136,039	4,457,463
Reserve for Economic Uncertainties	11,442,760	8,772,872	2,669,888
Unassigned	20,145,588	20,175,728	(30,140)

The Unrestricted Ending Fund Balance saw a minor decrease of \$30,140 from Adopted Budget to First Interim due to the increased revenues, decreased expenditures, increased deficit spending and increased reserve for economic uncertainties.

MULTI-YEAR PROJECTIONS



Fund 01.0 -01.4
FY 2021-22, FY 2022-23, and FY 2023-24

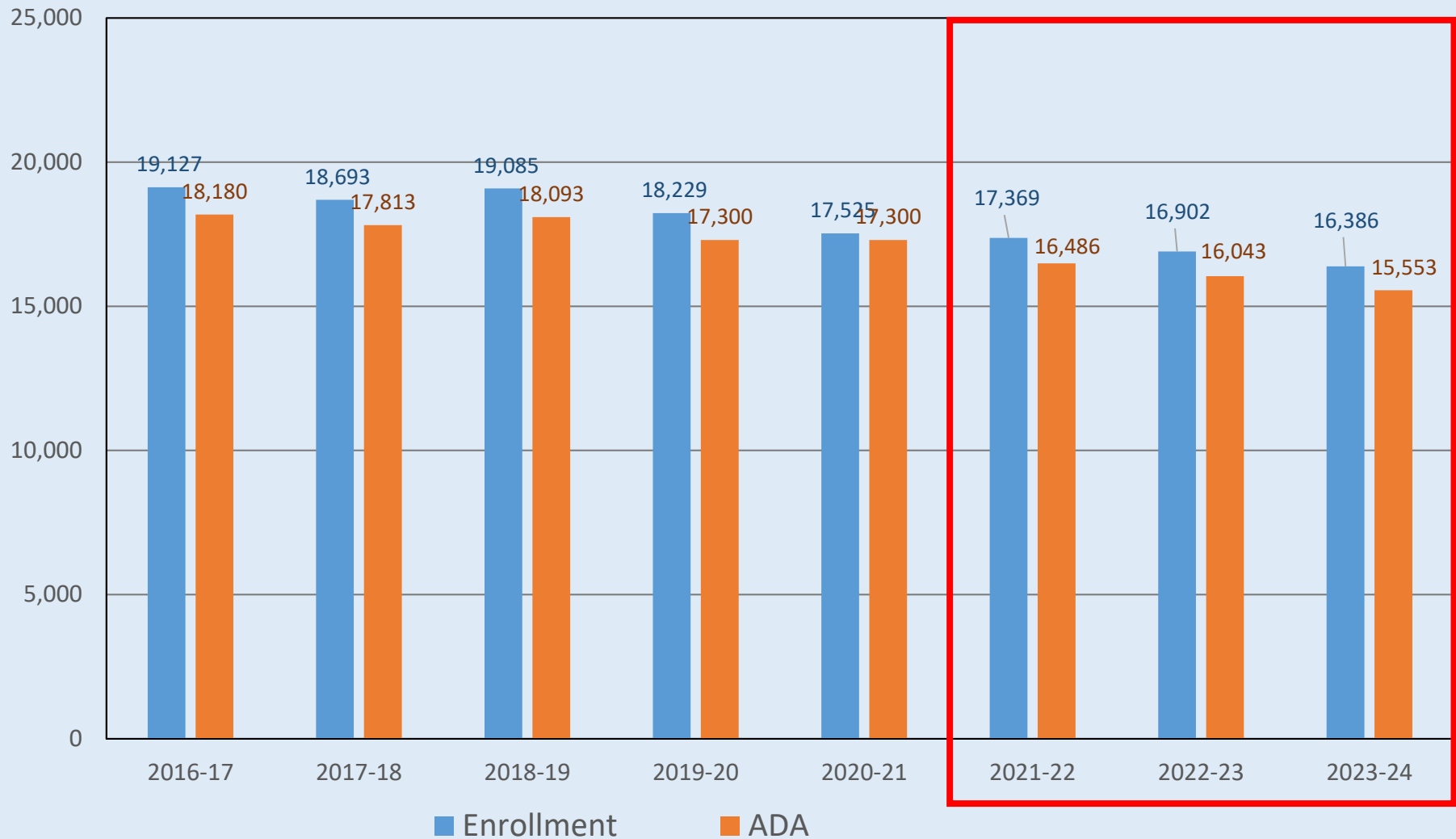


First Interim MYP Projection Factors

	FY 2021-22	FY 2022-23	FY 2023-24
Step and Column Movement Certificated	Actual	2%	2%
Step and Column Movement Classified	Actual	1%	1%
Health and Welfare Benefits Increase	Actual	3%	3%
Cost of Living Adjustment to LCFF Target	5.07%	2.48%	3.11%
Lottery Revenue – Unrestricted	163	163	163
Lottery Revenue – Restricted	65	65	65
Mandated Block Grant	33.60	34.64	35.87
CalSTRS Employer Rates	16.92%	19.10%	19.10%
CalPERS Employer Rates	22.91%	26.10%	27.70%
LCFF Unduplicated % for Supplemental and Concentration Grants	91.35%	90.73%	90.73%
Unemployment Insurance Rate	0.50%	0.50%	0.20%



Enrollment Assumptions First Interim vs Adopted Budget



*CBEDS enrollment will be adjusted after certification during the Second Interim



2021-22 First Interim Report

MYP Revenues and Expenditures - Unrestricted

	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED
	2021-22 Budget	2022-23 Proj	2023-24 Proj
LCFF	212,285,857	205,072,643	205,661,582
Federal Revenue	0	0	0
State Revenue	3,347,280	3,270,305	3,186,640
Local Revenue	710,125	947,610	1,194,457
Total Revenues	216,343,262	209,290,558	210,042,679
Certificated Salaries	53,798,745	54,874,720	55,972,214
Classified Salaries	16,533,484	16,698,819	16,865,807
Benefits	35,628,391	37,854,852	38,319,909
Supplies	4,339,756	7,839,756	7,839,756
Services	16,317,475	16,765,475	16,567,475
Capital Outlay	102,042	102,042	102,042
Other Outgo/Indirect	-3,282,546	-3,254,931	-3,241,962
Total Expenses	123,437,347	130,880,733	132,425,241



2021-22 First Interim Report

MYP Revenues and Expenditures - Restricted

	RESTRICTED 2021-22 Budget	RESTRICTED 2022-23 Proj	RESTRICTED 2023-24 Proj
LCFF	-	-	-
Federal Revenue	98,933,524	24,602,141	24,602,141
State Revenue	37,307,592	22,007,121	21,973,869
Local Revenue	4,881,526	4,881,526	4,881,526
Total Revenues	141,122,642	51,490,788	51,457,536
Certificated Salaries	50,989,733	52,009,528	53,049,719
Classified Salaries	27,061,460	27,332,075	27,605,396
Benefits	39,957,011	42,462,335	43,028,746
Supplies	37,677,431	10,147,795	10,147,795
Services	41,445,876	6,501,303	6,501,303
Capital Outlay	57,628,395	-	-
Other Outgo/Indirect	2,554,173	2,554,173	2,554,173
Total Expenses	257,314,079	141,007,209	142,887,132



2021-22 First Interim Report

Contributions to Restricted Programs

	2021-22 Budget	2022-23 Projection	2023-24 Projection
LCAP (Supplemental and Concentration Grants)	62,276,793	59,611,825	59,784,171
RRMA	9,020,000	8,176,855	8,176,855
Special Education	22,537,723	22,537,723	22,537,723
QV Cell Phone Tower	3,036	3,036	3,036
Total	93,837,552	90,329,439	90,501,785

Contributions to restricted resources decreased from approximately \$94 million in FY 2021-22 to \$90.3 million in FY 2022-23. The significant decrease in FY 2022-23 is due to a drop in LCFF revenue and the resulting drop in Supplemental and Concentration grants.



2021-22 First Interim Report

Components of Ending Fund Balance - Unrestricted

	UNRESTRICTED	UNRESTRICTED	UNRESTRICTED
	2021-22 Budget	2022-23 Proj	2023-24 Proj
Beginning Balance	45,040,983	44,331,850	31,738,348
Unrestricted Revenues	216,343,262	209,290,558	210,042,679
Unrestricted Expenditures	-123,437,347	-130,880,733	-132,425,241
Contribution	-93,615,048	-91,003,327	-91,175,673
Deficit Reduction Plan			
Total Surplus/(Deficit)	-709,133	-12,593,502	-13,558,234
Ending Balance	44,331,850	31,738,348	18,180,114
Assignments:			
Revolving Cash, Stores & Prepaid	150,000	150,000	150,000
Deficit Spending	12,593,502	13,558,234	
3% REU (9789)	11,442,760	8,176,855	8,279,588
UNASSIGNED (9790)	20,145,588	9,853,259	9,750,526



2021-22 First Interim Report All Other Funds

Fund	Description	Beginning Balance	Revenue Transfers In	Expenditures Transfers Out	Ending Balance
10	Special Ed. Pass Through	0	61,181,861	61,181,861	0
12	Child Development	502,801	19,409,055	19,409,055	502,801
13	Cafeteria	5,524,342	13,296,934	14,284,915	4,536,361
21	Building Fund (GO Bonds)	22,861,168	24,508,713	47,369,880	1
25	Capital Facilities (Dev Fees)	892,419	19,444	911,863	0
40	Capital Outlay	215,950	72,906	288,856	0
49	Building Fund (Spec Tax Bonds)	835,926	0	835,926	0
52	Debt Service (Spec Tax Bonds)	14,029,643	0	0	14,029,643
56	Debt Service (COPs)	41,665	0	0	41,665



Looking Forward

- Governor's Proposed Budget in January
- Spending down our COVID-19
- Uncertainties of COVID-19 school environment and vaccination
- Change Continues – Declining Enrollment and ADA

Questions?