

# 2022-23 First Interim

## Budget Financial Report

---

**LIBERTY UNION HIGH SCHOOL DISTRICT**

**BOARD MEETING**

**DECEMBER 14, 2022**

# Report Purpose

First Interim report is a snapshot in time of the districts revenue and expenditure forecasts for current year as well as a projection of the two subsequent years. It is a time to adjust budget based on Enacted Budget and subsequent trailer bills, the closing of prior fiscal year, and other current factors that impact revenue and expenditures.

---

- Detail changes of 2022-23 Adopted Budget in accordance with the State Adopted Criteria and Standards
- Communicate the overall financial condition of the District to the Governing Board, County Office of Education, State and the community for the fiscal period ended October 31, 2022
- Included in the Board Approved and Projected column is budget adjustments for fiscal period ending November 30, 2022
- Due to COE by December 15, 2022

# 2022-23 First Interim Assumptions

## 2022-23

- 6.70% COLA
- 8,272 CALPADS\*
  - Decrease of 75 from 21-22
  - Decrease of 93 from Budget
- 7,785 ADA\*\*
  - Decrease of 67 from Budget
- One time \$\$

## 2023-24

- 5.38% COLA
- 8,268 CALPADS\*
  - Decrease of 2 from 22-23
  - Decrease of 113 from Budget
- 7,785 ADA\*\*
  - Decrease of 51 from Budget

## 2024-25

- 4.02% COLA
- 8,268 CALPADS\*
  - No change from 23-24
  - Decrease of 133 from Budget
- 7,785 ADA\*\*
  - Decrease of 133 from Budget

\*ADA includes LUHSD, COE and NPS

# 2022-23 First Interim as compared to 2022-23 Original Budget

---

<u>Revenue</u>	2022-23 Original Budget	2022-23 First Interim	Difference		
Local Control Funding Revenue includes EPA	\$92,411,542	\$96,341,402	(\$3,929,860)		
Federal Revenues	6,195,615	6,858,799	(\$663,184)		
Other State Revenues	10,379,085	18,580,623	(\$8,201,538)		
Other Local Revenues	<u>6,258,942</u>	<u>6,134,138</u>	<u>\$124,804</u>		
TOTAL REVENUES	\$115,245,184	\$127,914,962	(\$12,669,778)		

# 2022-23 First Interim as compared to 2022-23 Original Budget

<u>Expenditures</u>	2022-23 Original Budget	2022-23 First Interim	Difference
<b><u>EXPENDITURES</u></b>			
Certificated Salaries	\$48,546,637	\$49,816,621	(\$1,269,984)
Classified Salaries	14,268,178	14,408,127	(\$139,949)
Employee Benefits	30,999,376	30,919,109	\$80,267
Books and Supplies	3,022,384	6,093,221	(\$3,070,837)
Services & Other Operating Expenses	15,216,357	18,920,769	(\$3,704,412)
Capital Outlay	6,240,191	6,274,559	(\$34,368)
Other Outgo	2,963,317	2,963,317	\$0
Direct Support/Indirect Costs	<u>(79,980)</u>	<u>(107,100)</u>	<u>\$27,120</u>
<b>TOTAL EXPENDITURES</b>	<b>\$121,176,460</b>	<b>\$129,288,623</b>	<b>(\$8,112,163)</b>

# Summary

## 2022-23 First Interim Revenue and Expense

as compared 2022-23 to Original Budget

	2022-23 Original Budget	2022-23 First Interim	Difference
TOTAL REVENUES	\$115,245,184	\$127,914,960	\$12,669,776
TOTAL EXPENDITURES	<u>121,176,458</u>	<u>129,288,621</u>	<u>8,112,163</u>
Increase (decrease) in Fund Balance	(\$5,931,274)	(\$1,373,661)	\$4,557,613
OTHER FINANCING SOURCES/USES			
Transfers In	0	0	\$ -
Transfers Out	0	0	\$ -
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -
<u>Net Increase (decrease) in Fund Balance</u>	(\$5,931,274)	(\$1,373,661)	\$4,557,613
<u>FUND BALANCE, RESERVES</u>			
Beginning Balance, July 1	\$19,219,119	\$21,007,224	\$ 1,788,105
Audit/Restatement Adjustments	0	0	0
Ending Balance, June 30	\$13,287,845	\$19,633,563	\$6,345,718

# Notes to changes in Revenue and Expenditures

## Revenue Changes

- LCFF increase –additional state aid combined with higher property tax \$3.9M
- Federal Revenue Increase One time funding \$663K
- State Increase-One time funding \$8.2M
- Local Decrease Sped & Rental \$124K

Total Net Increase  
~ \$12.7M

## Expenditure Changes

- Certificated & Classified Salaries – Increase due to the addition of additional 1% bonus & stipend cost per negotiated settlement 1.4M
- EE Benefits decrease due to cost associated with deferred positions **(\$140K)**
- Supplies and Materials deferred One Time Money plus additional funding \$3.0M
- Services-increased due to One Time Money \$3.7M
- Capital Equip – increased \$34K
- Indirect Cost increase from One Time Money \$27K

Total Increase  
~ \$8.1M

## Change in Fund Balance

- Adjustment to Beginning Fund Balance (from Budget)+\$1.7M
- Change in Fund Balance (revenue & expense) +\$4.5M

• Net Change increase (\$6.2M)

# 2022-23 First Interim MYP

## Multiyear Projection

DESCRIPTION	2022-23 FIRST INTERIM			2023-24 PROJECTED			2024-25 PROJECTED		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF/Basic Aid	93,993,448	2,347,954	96,341,402	98,646,074	2,347,954	100,994,028	102,286,617	2,347,954	104,634,571
Federal Revenues	0	6,858,799	6,858,799	0	3,174,084	3,174,084	0	3,174,084	3,174,084
State Revenues	2,699,846	15,880,777	18,580,623	2,699,846	6,750,769	9,450,615	2,699,846	6,750,769	9,450,615
Other Local	794,766	5,339,372	6,134,138	794,766	5,314,372	6,109,138	794,766	5,314,372	6,109,138
Transfers In	0	0	0	0	0	0	0	0	0
Contributions	(15,656,894)	15,656,894	0	(15,457,597)	15,457,597	0	(22,432,484)	22,432,484	0
<b>TOTAL REVENUES</b>	<b>81,831,166</b>	<b>46,083,796</b>	<b>127,914,962</b>	<b>86,683,089</b>	<b>33,044,776</b>	<b>119,727,865</b>	<b>83,348,745</b>	<b>40,019,663</b>	<b>123,368,408</b>
Certificated Salaries	39,626,428	10,190,193	49,816,621	40,220,824	7,431,797	47,652,621	40,824,136	7,543,274	48,367,410
Classified Salaries	8,568,314	5,839,813	14,408,127	8,653,997	5,556,774	14,210,771	8,740,537	5,612,342	14,352,879
Employee Benefits	19,715,854	11,203,255	30,919,109	20,067,450	10,207,738	30,275,188	20,402,356	10,296,180	30,698,536
Supplies	1,458,787	4,634,434	6,093,221	1,496,424	1,473,141	2,969,565	1,529,345	1,473,141	3,002,486
Services	7,747,666	11,173,103	18,920,769	7,947,556	7,082,464	15,030,020	8,122,402	7,082,464	15,204,866
Capital Outlay	44,271.00	6,230,288	6,274,559	44,271	5,461,636	5,505,907	44,271	5,461,636	5,505,907
Other Outgo/Indirect	99,669	2,756,548	2,856,217	283,591	2,550,626	2,834,217	283,591	2,550,626	2,834,217
Transfers Out	0				0	0	0		
<b>TOTAL EXPENDITURES</b>	<b>77,260,989</b>	<b>52,027,634</b>	<b>129,288,623</b>	<b>78,714,113</b>	<b>39,764,176</b>	<b>118,478,289</b>	<b>79,946,638</b>	<b>40,019,663</b>	<b>119,966,301</b>
Surplus / (Deficit)	4,570,177	(5,943,838)	(1,373,661)	7,968,976	(6,719,400)	1,249,576	3,402,107	0	3,402,107
Beginning Fund Balance	8,343,986	12,663,238	21,007,224	12,914,163	6,719,400	19,633,563	20,883,139	0	20,883,139
<b>Ending Fund Balance</b>	<b>12,914,163</b>	<b>6,719,400</b>	<b>19,633,563</b>	<b>20,883,139</b>	<b>0</b>	<b>20,883,139</b>	<b>24,285,246</b>	<b>0</b>	<b>24,285,246</b>

# Multi-Year Projection Assumptions

2022-23 MYP First Interim	2022-23 Budget	2022-23 First Interim	2023-24 Year 1	2024-25 Year 2
<b>ADA percentage</b>	<b>0.94560</b>	<b>0.94110</b>	<b>0.94110</b>	<b>0.94110</b>
<b>Local Control Funding Formula (LCFF)</b>				
-COLA -Estimated for Planning	6.56%	6.70%	5.38%	4.02%
-LCFF Base & Grade Span	\$ 11,047	\$ 11,391	\$ 12,003	\$ 12,485
-LCFF Supplemental	\$ 610	\$ 627	\$ 662	\$ 705
-LCFF Funding Per ADA	\$ 11,657	\$ 12,018	\$ 12,665	\$ 13,190
<b>Salary and Fringe Costs</b>				
-Salary and Benefit Increases (includes 1 time)	6.56%	6.56%	TBD	TBD
-Cal STRS	19.10%	19.10%	19.10%	19.10%
-Cal PERS	25.37%	25.20%	24.60%	23.70%
-Unemployment	0.50%	0.20%	0.20%	0.20%
-Workers Compensation	1.9720%	1.9720%	1.9720%	1.9720%
-Step/Column	2.53%	2.53%	2.72%	2.45%
<b>Health &amp; Welfare</b>				
Single Party Cap	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,025
Employee plus 1 Cap	\$ 1,595	\$ 1,595	\$ 1,595	\$ 1,595
2 or More (Family) Cap	\$ 1,987	\$ 1,987	\$ 1,987	\$ 1,987
District Married Couples	\$ 2,344	\$ 2,344	\$ 2,344	\$ 2,344
Cash-in- Lieu	\$185/\$225	\$185/\$225	\$185/\$225	\$185/\$225
OPEB Contribution	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

# General Fund Summary

## • **Based on the First Interim Assumptions**

- With current assumptions LUHSD will be able to maintain state required reserves and fiscal solvency
- Spending down large amounts of one-time Federal and State funds as well as deferring one time revenue to 2023-24 and 2024-25

## • **Next Steps ~ Current Year and MYP**

- Monitor enrollment
- Includes larger than normal certificated increased staffing using one time funds
- Includes increased supply purchases as well as increased student programs using one time funds
- Proposals for negotiated settlements for 2023-24 & 2024-25 are not included
- STRS & PERS increased employer contributions for MYP
- Larger than normal ending fund balance due to spending of unrestricted and restricted one-time funds over two years
- Monitor states K-12 portion of minimum guarantee
  - Trigger reserve cap for school districts to 10% in 2022-23
  - Consider committing funds for Special Education cost increases as well as increases for STRS/PERS

## • **Continue implementation of Measure U**



# QUESTIONS

