



2021-22 Second Interim Financial Report

Presenters:

Valerie Mitchell, MPPA

Interim Assistant Superintendent, Business and Fiscal Services

Mary Crandall Plasencia, Director of Finance

March 16, 2022



Overview

Summary:

- *Budget to actual report based on year-to-date results*
- *Positive Certification of the district's financial condition*

Items to Review:

- Financial Reporting Timelines
- Second Interim 2021-22 – Certification
- Second Interim 2021-22 – Current Year Revenues and Expenses
- Multi-Year Projection Assumptions for 2022-23 and 2023-24





Financial Reporting Timelines

State Financial Reports

- ❑ Adopted Budget – June 30
- ❑ First Interim – December 15
- ❑ Second Interim – March 16
- ❑ Unaudited Actuals – September 15
- ❑ Independent Audit – January 15

Submitting a Positive Certification for Second Interim 2021-22

The district is able to meet its financial obligations for this year and two subsequent years and will have a positive cash balance



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Second Interim Budget Assumptions

Planning Factor	2021-22	2022-23	2023-24
Estimated Funded ADA (Average Daily Attendance)	15,239.64	13,576.00	13,290.30
Funded UPP (Unduplicated Pupil Percentage)	90.55%	90.88%	90.50%
Step & Column	1.20%	1.20%	1.20%
Statutory COLA (Planning COLA)	5.07%	5.33%	3.61%
STRS Employer Statutory Rates	16.92%	19.10%	19.10%
PERS Employer Projected Rates	22.91%	26.10%	27.10%
Lottery - Unrestricted per ADA	\$163	\$163	\$163
Lottery - Prop 20 per ADA	\$65	\$65	\$65
Mandated Block Grant per ADA	\$32.79	\$34.54	\$35.79
CPI	5.78%	3.69%	2.90%
Routine Restricted Maintenance Account	3% of total GF expenditures	3% of total GF expenditures	3% of total GF expenditures
Health Benefits - Hard Cap with no anticipated changes	Varies by Bargaining Unit		



General Fund Summary Changes

Explanation of Changes from First Interim Budget

	1st Interim	2nd Interim	Difference	Explanation - First to Second Interim
Revenue:				
LCFF Sources	\$ 184,825,747	\$ 184,847,974	\$ 22,227	Adjust revenue to revised LCFF calculator
Federal	\$ 37,269,977	\$ 35,950,791	\$ (1,319,186)	Reduce unearned Federal revenue to match anticipated expenditures
Other State	\$ 26,979,202	\$ 28,368,027	\$ 1,388,825	Recognize revenue for Special Education Early Intervention Preschool Grant
Other Local	\$ 12,270,988	\$ 12,275,988	\$ 5,000	Recognize local mini-grant revenue

Expenditures:

Certificated Salaries	\$ 90,798,252	\$ 90,381,860	\$ (416,392)	Reduction for unfilled vacancies
Classified Salaries	\$ 33,538,724	\$ 32,117,471	\$ (1,421,253)	Reduction for unfilled vacancies
Employee Benefits	\$ 47,187,315	\$ 46,457,078	\$ (730,237)	Reduction for unfilled vacancies
Books & Supplies	\$ 18,518,792	\$ 19,363,436	\$ 844,644	Increase budget for annual refresh of student iPads
Services & Operating Expenditures	\$ 40,675,185	\$ 41,737,966	\$ 1,062,781	Increase in Special Education and Health contracted services
Capital Outlay	\$ 1,362,080	\$ 934,633	\$ (427,447)	Decrease capital expenditures to match anticipated actual expenditures
7100-7499	\$ 5,632,140	\$ 5,567,140	\$ (65,000)	Decrease in indirect due to expenditure reduction
Other Outgo/Transfers of Indirect Costs	\$ (663,152)	\$ (671,399)	\$ (8,247)	Decrease in indirect due to expenditure reduction
Contributions	\$ (36,900,894)	\$ (37,282,028)	\$ 381,131	Increase in contribution to Routine Restricted Maintenance





Multi-Year Summary: 2020-21 through 2023-24

General Fund Financial Summary <i>(in millions)</i>	<u>Second Interim</u>	<u>Projected</u>	<u>Projected</u>
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Revenues	\$ 261.44	\$ 239.08	\$ 232.15
Expenditures	\$ 235.88	\$ 239.59	\$ 233.28
Net Increase/(Decrease) in Fund Balance	\$ 25.56	\$ (0.51)	\$ (1.13)
Beginning Fund Balance	\$ 44.26	\$ 69.82	\$ 69.31
Ending Fund Balance	\$ 69.82	\$ 69.31	\$ 68.18
Components of Ending Fund Balance			
Non-Spendable (Stores & Revolving Cash)	\$ 0.12	\$ 0.12	\$ 0.12
Restricted Programs	\$ 14.33	\$ 11.52	\$ 44.82
Assigned for Bus Replacement	\$0.15	\$0.15	\$0.15
Assigned for Future Textbook Adoption	\$2.00	\$2.00	\$2.00
Assigned for One-time Building Maintenance	\$1.54	\$1.54	\$1.54
Assigned for Pandemic Learning and Recovery	\$23.37	\$18.06	\$15.57
Assigned for Financial Stability	\$11.79	\$11.97	\$11.66
Total Assigned Balance	\$ 38.85	\$ 33.72	\$ 30.92
Reserve for Economic Uncertainty	\$ 16.51	\$ 23.96	\$ 32.69
Reserve for Economic Uncertainties % of Expenditures	7.0%	10.0%	14.0%





Governor's Budget Proposal 2022-23

Items NOT included in the Second Interim Multi-Year Summary

- ❑ LCFF Revenue based on average of three years (current year and two prior years)
- ❑ Higher COLA based on LAO estimates
- ❑ Decreased CalPERS employer rates
- ❑ Increased funding for Expanded Learning Opportunities Program
- ❑ Multilingual School and Classroom Library Grant funding



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- ❑ Reflects revisions to the current fiscal year
- ❑ Revised Multi-Year Projections
- ❑ Resulting “Positive Certification”
- ❑ Staff recommends approval of the 2021-22 Second Interim Financial Report





Next Steps

March - May 2022	LCAP and Budget Development for 2022-23
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March - May 2022	Spring Audit Work for 2021-22
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June 1, 2022	Public Hearings for 2022-23 LCAP and Budget
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June 22, 2022	Board Adoption of 2022-23 LCAP and Budget
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Questions?

