



2021-22 First Interim Financial Report

Presenters:

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December 15, 2021



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
- First Interim 2021-22 – Certification
- First 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 15
- ❑ Unaudited Actuals – September 15
- ❑ Independent Audit – January 15

Submitting a Positive Certification for First 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



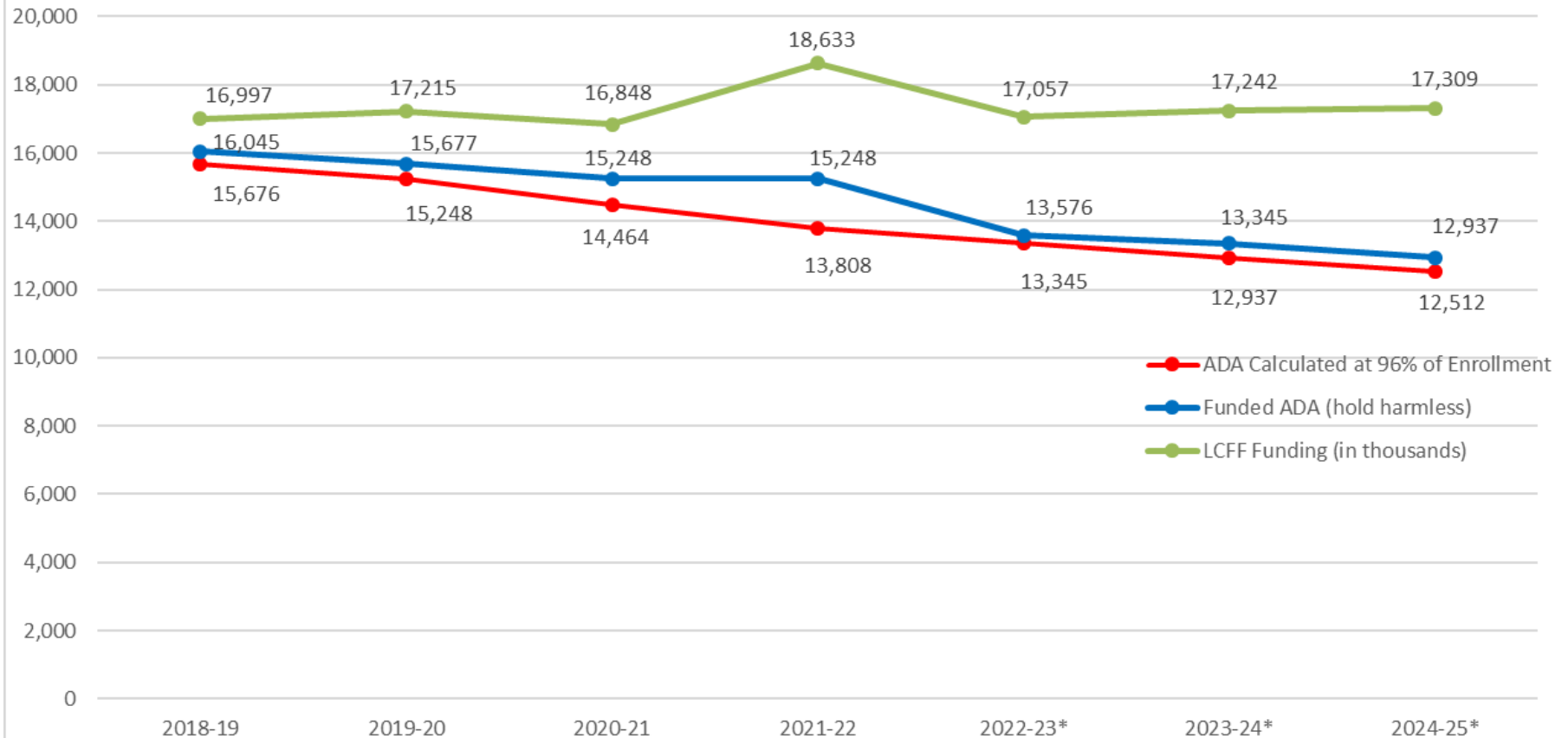
Proposed Budget Assumptions

Planning Factor	2021-22	2022-23	2023-24
Estimated Funded ADA (Average Daily Attendance)	15,247.90	13,576.00	13,343.30
Funded UPP (Unduplicated Pupil Percentage)	90.53%	90.96%	90.51%
Step & Column	1.20%	1.20%	1.20%
Statutory COLA (Planning COLA)	5.07%	2.48%	3.11%
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	\$33.60	\$34.64
CPI	3.96%	2.65%	2.36%
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		



ADA Hold Harmless and Fiscal Cliff

Effect of Funded ADA Hold-Harmless During Pandemic



*Preliminary Estimates for Future Years

Projected Employer Pension Increases



CALSTRS®

- 2013/14 – 8.25%
- 2014/15 – 8.88%
- 2015/16 – 10.73%
- 2016/17 – 12.58%
- 2017/18 – 14.43%
- 2018/19 – 16.28%
- 2019/20 – 17.10%
- 2020/21 – 16.15%
- **2021/22 – 16.92%**
- 2022/23 – 19.10%
- 2023/24 – 19.10%
- 2024/25 – 19.10%



CalPERS

- 2013/14 – 11.442%
- 2014/15 – 11.771%
- 2015/16 – 11.847%
- 2016/17 – 13.888%
- 2017/18 – 15.531%
- 2018/19 – 18.062%
- 2019/20 – 19.721%
- 2020/21 – 20.700%
- **2021/22 – 22.910%**
- 2022/23 – 26.100%*
- 2023/24 – 27.100%*
- 2024/25 – 27.70%*

**Estimated rates provided by CalPERS*





General Fund Summary Changes

Object	Original Budget	1st Interim	Difference	Explanation
Revenue:				
8010-8099	\$ 178,055,309	\$ 184,825,747	\$ 6,770,438	Recognize additional 15% Concentration Grant revenue
8100-8299	\$ 44,789,039	\$ 37,269,977	\$ (7,519,062)	Change in accounting treatment of ESSER funds to deferred revenue (revenue only recognized in the year it is actually spent)
8300-8599	\$ 9,995,552	\$ 26,979,202	\$ 16,983,650	Recognize Expanded Learning Opportunity Program \$12 million; Educator Effectiveness Block Grant \$1.7 million; Special Education Recovery \$1.5 million; ASES revenue increase \$1.5 million
8600-8799	\$ 11,145,050	\$ 12,270,988	\$ 1,125,938	Increase in Special Education/SELPA base funding rate
Expenditures:				
1000-1999	\$ 87,248,791	\$ 90,798,252	\$ 3,549,461	\$2 million increase in Teacher salary schedule/PD days; \$0.5 million shift Psychologist salaries from Restricted; \$1 million increase in substitute/extra help
2000-2999	\$ 29,884,679	\$ 33,538,724	\$ 3,654,045	Increase in Classified positions per ESSER and Expanded Learning Opportunity Grant program plans; increase in Classified salary schedule and substitute/extra help costs
3000-3999	\$ 46,138,409	\$ 47,187,315	\$ 1,048,906	Increase in statutory benefits due to increase in Classified positions, and increase in health and welfare contributions for Classified positions
4000-4999	\$ 15,257,572	\$ 18,518,792	\$ 3,261,220	Program expenses: \$1.2 million ESSER; \$0.6 million Educator Effectiveness; \$0.3 million Special Education Recovery; \$1 million in Title I, II, III, and IV carryover
5000-5999	\$ 30,551,508	\$ 40,675,185	\$ 10,123,677	Program expenses: \$3.8 million Expanded Learning Opportunity Program; \$1.5 million ASES; \$1.4 million ESSER; \$1 million in Title carryover
6000-6999	\$ 117,010	\$ 1,362,080	\$ 1,245,070	Program capital expenses according to ESSER-3 plan
7100-7499	\$ 2,703,000	\$ 5,632,140	\$ 2,929,140	Program ESSER-2 funds used to pay off long-term debt
7300-7399	\$ (716,003)	\$ (663,152)	\$ 52,851	Increase in indirect charges from Restricted resources
7600-7629	\$ -	\$ -	\$ -	
8980-8999	\$ (37,381,214)	\$ (36,900,894)	\$ (480,320)	Increase in contribution to Supplemental and Concentration resource



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

General Fund Financial Summary (in millions)	<u>First Interim</u> <u>2021-22</u>	<u>Projected</u> <u>2022-23</u>	<u>Projected</u> <u>2023-24</u>
Revenues	\$261.35	\$238.04	\$228.56
Expenditures	\$237.05	\$240.16	\$231.20
Net Increase/(Decrease) in Fund Balance	\$ 24.30	\$ (2.12)	\$ (2.65)
Beginning Balance	\$ 44.26	\$ 68.56	\$ 66.44
Ending Balance	\$ 68.56	\$ 66.44	\$ 63.79
Components of Ending Fund Balance			
Non-spendable (Cash, Inventory, Prepaids)	\$.12	\$.12	\$.12
Restricted Programs	\$11.80	\$ 9.16	\$ 6.69
Assigned for Bus Replacement	\$.15	\$.15	\$.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	\$22.65	\$15.74	\$ 7.36
Assigned for Financial Stability	\$13.71	\$13.71	\$13.71
Reserve for Economic Uncertainties	\$16.59	\$24.02	\$32.22
Reserve for Economic Uncertainties %	7.0%	10.0%	14.0%



9 First Interim 2021-22 – Summary

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





Next Steps

January 2022	Governor's Proposed Budget for 2022-23
January – February 2022	Enrollment projections and staffing
February 2022	LCAP Supplement for 2021-22
January – June 2022	LCAP and Budget Development for 2022-23
March 2022	Second Interim Financial Report
June 2022	LCAP and Budget hearings and adoption for 2022-23

