

2021-22 First Interim Reports



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December 14, 2021

Presentation Overview



Budget Cycle



General Fund Budgetary Building Blocks



Community-Funded Status Update



Multi-Year Projections



Next Steps



First Interim Reports

- The First Interim Financial Report updates the July Adopted Budget based on the most current information
- The report covers all transactions through October 31, 2021

Audit Report

- The 2020-21 external audit has been completed and submitted to the State
- Reports will be presented to the Board in January

Budget Cycle



Budgetary Building Blocks - Revenues



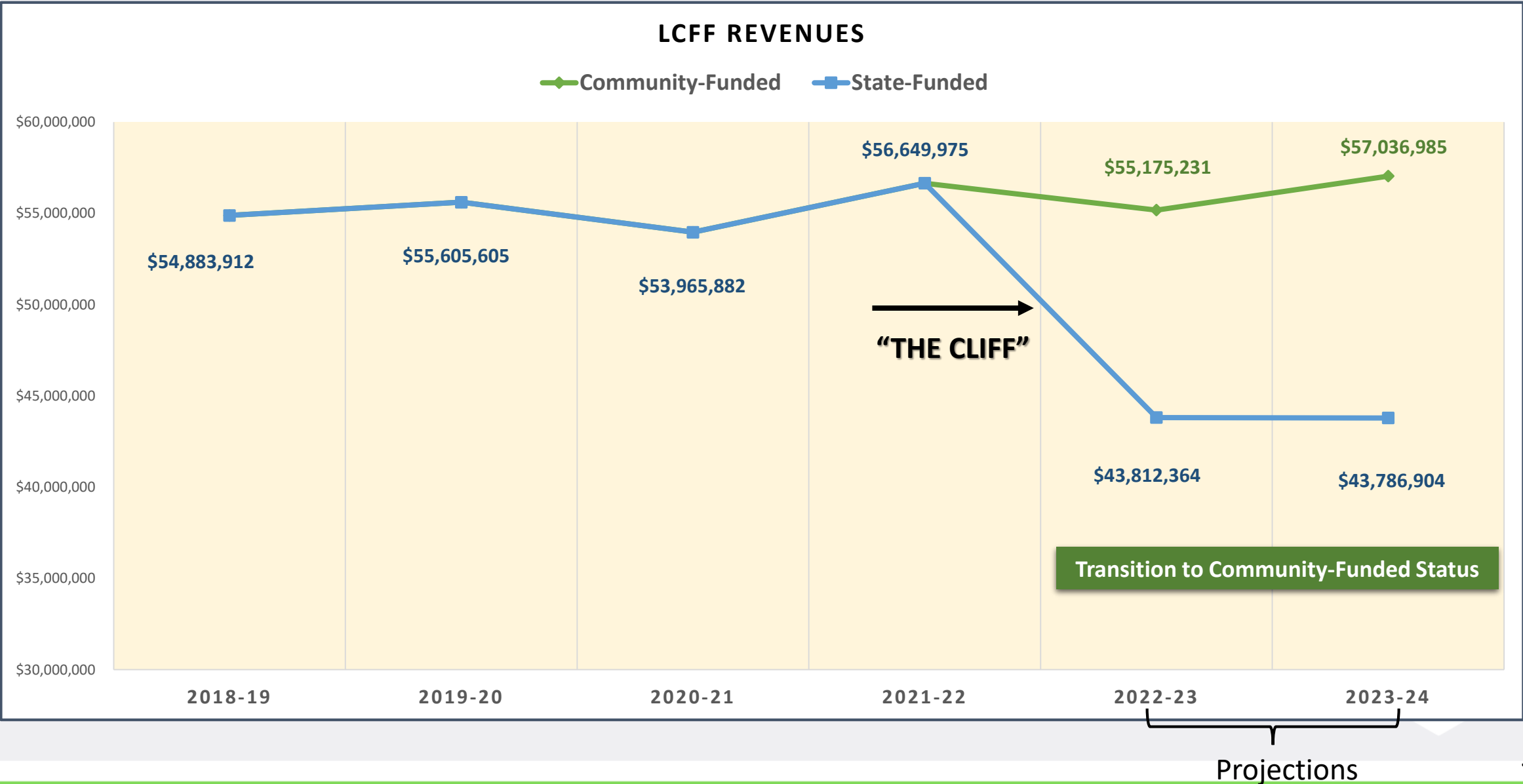
Local Control Funding Formula (LCFF)

| Enrollment | 2021-22 | 2022-23 | 2023-24 |
|----------------------|---------|---------|---------|
| Adopted Budget | 5,100 | 4,950 | 4,850 |
| First Interim Report | 4,905 | 4,755 | 4,655 |
| Difference | (195) | (195) | (195) |

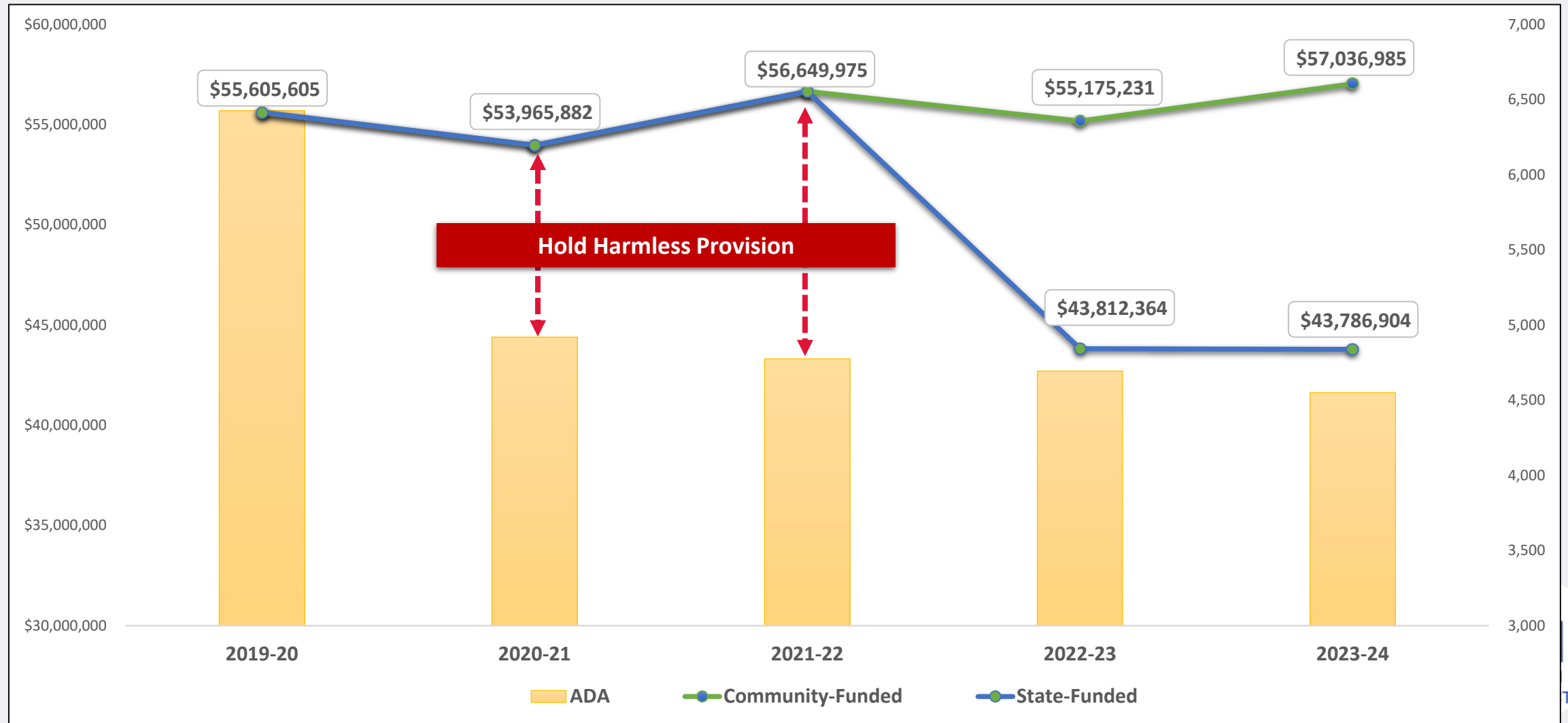
| COLA | 2021-22 | 2022-23 | 2023-24 |
|---------------------------|---------|---------|---------|
| Cost of Living Adjustment | 5.07% | 2.48% | 3.11% |

- Unduplicated Pupil Percentage: 21.4%
- Attendance Rate 95%, 1% lower than adopted budget
- **Estimated property tax growth of 4% annually**
 - On trajectory to community-funded status in 2022-23
- **\$ 3.3 million ESSER III COVID Relief Funds fully budgeted**
- **\$ 500 thousand of additional Special Ed Funds**

LCFF Revenues Comparison



LCFF Revenues and ADA Comparison



Budgetary Building Blocks - Expenditures

- Salaries & Benefits

- Cost of Step and Column

- Certificated & Leadership: 2% of salaries
 - Classified: 1.5% of salaries

- Employer Benefit Rates

| | 2021-22 | 2022-23 | 2023-24 |
|--------------|---------------------------|---------------------------|---------------------------|
| CalSTRS | 16.92% | 19.10% | 19.10% |
| CalPERS | 22.91% | 26.10% | 27.10% |
| Unemployment | 1.23% 0.50% | 0.90% 0.50% | 0.30% 0.20% |

- \$ 8.7 million of one-time COVID budgeted expenditures

- Class size reduction and virtual program
 - Social-emotional support
 - Connectivity & educational software
 - Cleaning, disinfecting, and PPE

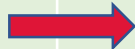
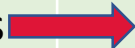


Not
Included
in
the
Budget


Estimated Pending Allocations

- \$ 1,122,114 - Educator Effectiveness Block Grant
- \$ 118,363 - Universal TK Implementation Grant
- \$ 682,066 - Expanded Learning Opportunity Program

Multi-Year Projections

| | 2021-22 | 2022-23 | 2023-24 |
|---|-------------|-------------|------------------|
| TOTAL REVENUES | 73,693,404 | 64,882,769 | 66,726,549 |
| TOTAL EXPENDITURES | 70,595,164 | 66,401,152 | 66,999,950 |
| CHANGE IN FUND BALANCE  | 3,098,240 | (1,518,383) | (273,401) |
| BEGINNING BALANCE | 12,808,855 | 15,907,095 | 14,388,712 |
| PROJECTED ENDING BALANCE | 15,907,095 | 14,388,712 | 14,115,311 |
| Components of the Ending Fund Balance | | | |
| Stores, Revolving Cash, Restricted and Supplemental Funds  | (4,793,067) | (2,715,660) | (1,090,577) |
| Reserve for Property Tax Fluctuations | (1,500,000) | (1,500,000) | (1,500,000) |
| Reserve for Economic Uncertainty 7% | (4,941,661) | (4,648,081) | (4,689,997) |
| Assigned Reserves above 7% | 4,672,367 | 5,524,971 | 6,834,737 |

Multi-Year Projections – Unrestricted Only

| | 2021-22 | 2022-23 | 2023-24 |
|---|-------------------|-------------------|-------------------|
| TOTAL REVENUES | 51,105,013 | 49,637,881 | 51,371,375 |
| TOTAL EXPENDITURES | 47,270,528 | 49,536,060 | 50,019,693 |
| CHANGE IN FUND BALANCE  | 3,834,485 | 101,821 | 1,351,682 |
| BEGINNING BALANCE | 7,771,746 | 11,606,231 | 11,708,052 |
| PROJECTED ENDING BALANCE | 11,606,231 | 11,708,052 | 13,059,734 |
| Components of the Ending Fund Balance | | | |
| Stores, Revolving Cash, and Supplemental Funds | (492,203) | (35,000) | (35,000) |
| Reserve for Property Tax Fluctuations | (1,500,000) | (1,500,000) | (1,500,000) |
| Reserve for Economic Uncertainty 7% | (4,941,661) | (4,648,081) | (4,689,997) |
| Assigned Reserves above 7% | 4,672,367 | 5,524,971 | 6,834,737 |

Next Steps

Local level

- 2020-21 Audit Report – January 18, 2022
- Budget Study Session – January 25, 2022
- 2021-22 Second Interim Reports – March 8, 2022
- On-going efforts through the strategic planning
 - Align one-time and ongoing funding to educational priorities
 - Continue prudent budgeting

State level

- Governor's January Budget Proposal for FY 2022-23
- Governor's May Revision



User-Friendly Budget

DECEMBER 14, 2021



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Questions

For more information, please visit our website

www.hbcsd.us/AdministrativeServices