

First Interim Report

2021-22

Orinda Union School District
Board of Trustees Meeting
December 13, 2021



Orinda USD 2021-22 First Interim Budget

Introduction

Orinda USD Board of Trustees adopted the 20212022 budget on June 14, 2021.

Education Code Section 41230 requires school districts to prepare the First Interim Report as of October 31st reporting period and prior to December 15th.

The first interim report covers the financial condition of the District for the period that ended October 31, and budget revisions through November 30, 2021.



Annual Budget Cycle

2021-22 Fiscal Year Budget Cycle	
Description	Board of Trustees Meeting
District Adopted Budget	June 14, 2021
State Enacted Budget	July 1, 2021
*First Interim (as of October 31)	December 13, 2021
Second Interim (as of January 31)	March 14, 2022
Unaudited Actuals	September 12, 2022
Annual Financial Audit	January, 2023



Orinda USD First Interim: The Highlights

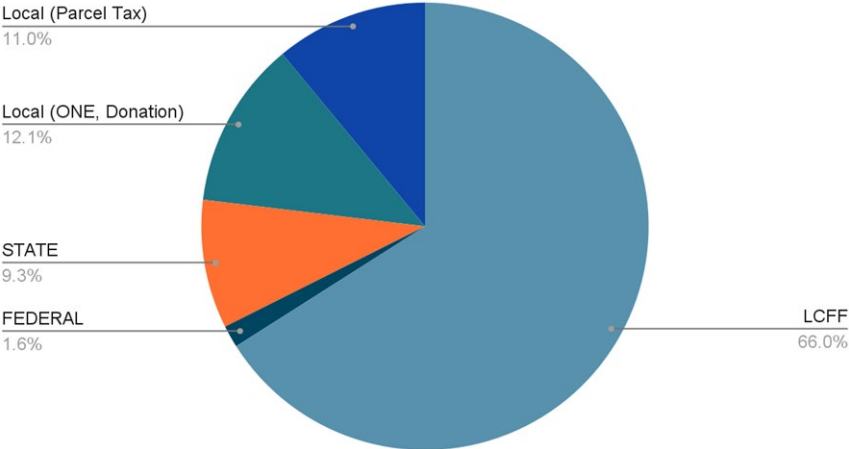
- **2021-22:** The District expects to meet all financial obligations, including the 9% Reserve for Economic Uncertainties.
- State and Federal Restricted revenues have enhanced the revenues and expenditures for 2021-22 to allow additional support for students in light of Distance and Hybrid learning last year.
- The projections for the next 2 years assume flat enrollment, staffing and programming at current levels, and elimination of the one-time revenues.
- **2022-23:** District expects to meet financial obligation.
- **2023-24:** District expects to meet financial obligation.



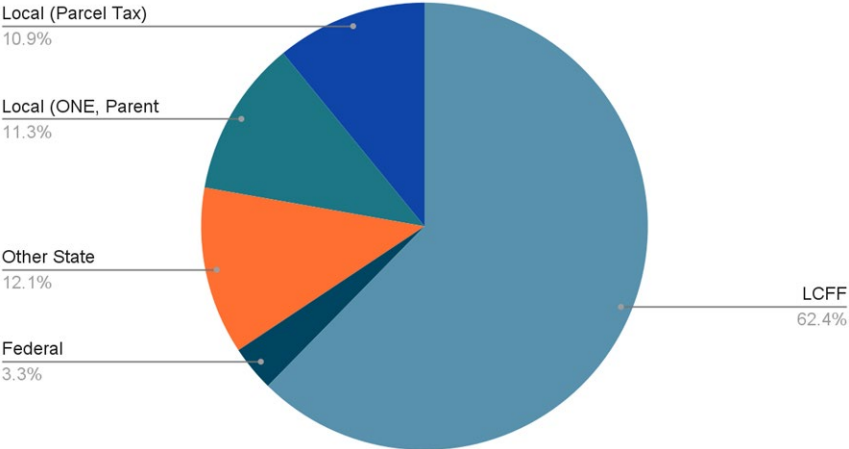
First Interim Budget - Revenues

- Revenues demonstrate increase in restricted, one time state and federal funding and therefore proportional decrease in ongoing, unrestricted funding.

Adopted Budget: Revenue Source



First Interim: Revenue Source



Revenues - Unrestricted

Unrestricted Revenues	Adopted Budget 2021-22	First interim 2021-22	Change
Local Control Funding Formula (LCFF)	\$21,475,112	\$21,485,383	\$10,271
Federal	\$0	\$0	\$
Other State	\$480,009	\$479,772	(\$237)
All Other Local	\$3,684,414	\$3,891,877	\$207,463
REVENUES	\$25,639,535	\$25,857,032	\$217,497



Revenues - Restricted

Restricted Revenues	Adopted Budget 2021-22	First interim 2021-22	Change
Local Control Funding Formula (LCFF)	\$622,276	\$686,965	\$64,689
Federal	\$519,713	\$1,187,104	\$667,391
Other State	\$2,646,899	\$3,833,811	\$1,186,912
Other Local	\$4,040,135	\$4,004,701	(\$35,434)
Revenues	\$7,829,023	\$9,712,581	\$1,883,558

Restricted Revenue Detail:

Federal: Title III (\$12,390), Title II (\$26,712), ESSER III (\$234,941), ELO (\$393,348)

Other State: Restricted Lottery (\$27,500), SpEd (\$244,733), ELO (\$111,799), Ed.Effect. (\$538,699)

Other Local: Parcel Tax



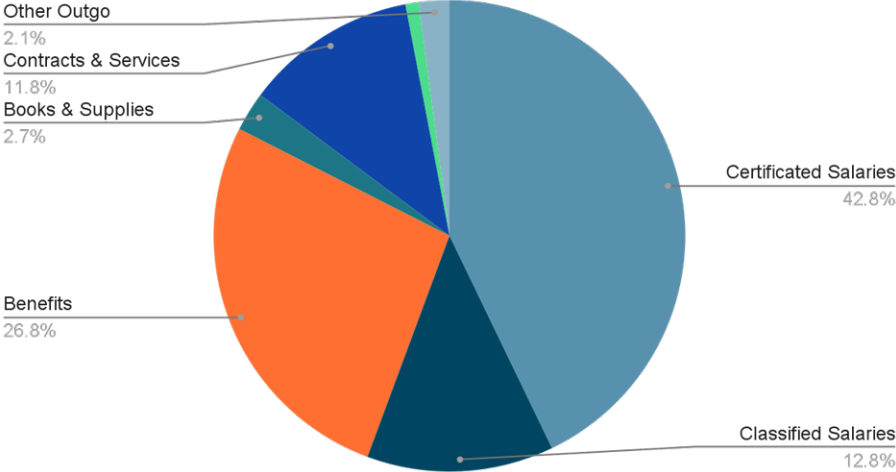
Revenues - Combined

Revenues Combined	Adopted Budget 2021-22	First interim 2021-22	Change
Local Control Funding Formula (LCFF)	\$22,097,388	\$22,172,348	\$74,960
Federal	\$519,713	\$1,187,104	\$667,391
Other State	\$3,126,908	\$4,313,583	\$1,186,675
All Other Local	\$7,724,549	\$7,896,578	\$172,029
REVENUES	\$33,468,558	\$35,569,613	\$2,101,055

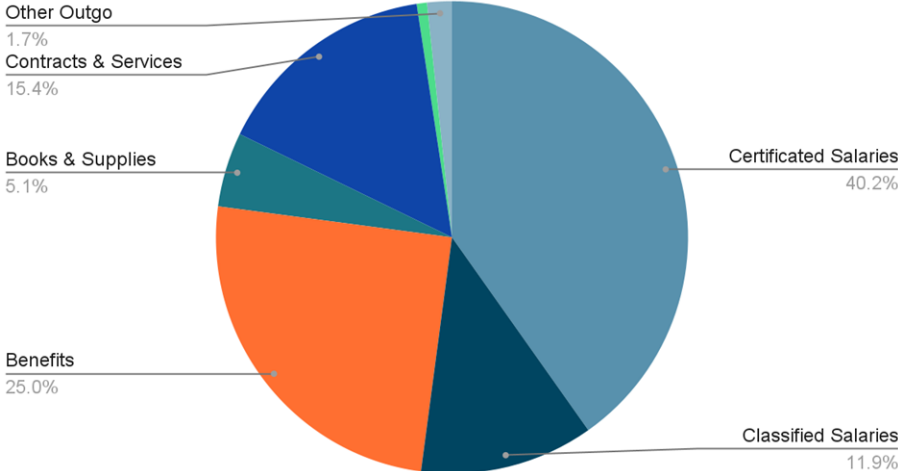


First Interim Budget - Expenses

Adopted Budget: Expenditures



First Interim: Expenditures



Expenditures - Unrestricted

Unrestricted Expenditures	Adopted Budget 2021-22	First interim 2021-22	Change
Certificated Salaries	\$9,912,821	\$9,868,459	(\$44,362)
Classified Salaries	\$2,917,819	\$2,764,025	(\$153,794)
Employee Benefits	\$5,599,586	\$5,156,683	(\$444,173)
Books and Supplies	\$552,479	\$957,272	\$404,793
Contracts and Services	\$1,682,856	\$2,069,626	\$386,770
Capital Outlay	\$296,213	\$237,944	(\$58,269)
Other Outgo	\$267,926	\$269,342	\$1,416
Indirect Support Costs	(\$15,602)	(\$128,931)	(\$113,329)
EXPENDITURES	\$21,214,098	\$21,194,420	(\$19,948)



Expenditures - Unrestricted

UNRESTRICTED Expenditure Detail

Certificated and Classified Salaries and Benefits

- Savings realized due to changes in CDE budget codes, expenditures funded by restricted funding

Books and Supplies

- Unrealized expenses from the 2019-20 and 2020-21 budget are “carried over” as 2021-22 expenditures. (The revenue was applied in the original budget year and does not show in this year.) These carry over expenses show as a significant increase in budgeted expenses, however may not realize as actual expenses.
- Increase in material and supply costs.

Contracts and Services

- Increase in Special Education costs.
- Expenses not included in the initial budget (ex. insurance, utilities, legal costs)
- Increase in cost of utilities.
- Increase in LVN nurses.

Expenditures - Restricted

Unrestricted Expenditures	Adopted Budget 2021-22	First interim 2021-22	Change
Certificated Salaries	\$4,479,150	\$4,657,538	\$178,388
Classified Salaries	\$1,372,222	\$1,531,308	\$159,086
Employee Benefits	\$3,424,342	\$3,901,555	\$477,213
Books and Supplies	\$370,867	\$899,961	\$529,094
Contracts and Services	\$2,290,821	\$3,502,945	\$1,212,124
Capital Outlay	\$20,926	\$18,426	(\$2,500)
Other Outgo	\$448,146	\$331,092	(\$117,054)
Indirect Support Costs	\$15,602	\$128,931	\$113,329
EXPENDITURES	\$12,422,076	\$14,971,756	\$2,549,680



Expenditures - Restricted

RESTRICTED Expenditure Detail

Certificated and Classified Salaries and Benefits

- Expenses adjusted due to CDE changes in resource codes and expenditures transferred from unrestricted to restricted.

Books and Supplies

- Textbook adoption (Social Studies).

Contracts and Services

- Increase in Special Education costs.
- Increase in staffing contracts.

Expenditures - Combined

Expenditures Combined	Adopted Budget 2021-22	First interim 2021-22	Change
Certificated Salaries	\$14,391,971	\$14,525,997	\$134,026
Classified Salaries	\$4,290,041	\$4,295,333	\$5,292
Employee Benefits	\$9,023,928	\$9,058,238	\$34,310
Books and Supplies	\$923,346	\$1,857,233	\$933,887
Contracts and Services	\$3,973,677	\$5,572,571	\$1,598,894
Capital Outlay	\$317,139	\$256,370	(\$60,769)
Other Outgo	\$716,072	\$600,434	(\$115,638)
EXPENDITURES	\$33,636,174	\$36,166,176	\$2,530,002



Change in Fund Balance

COMBINED	Adopted Budget 2021-22	First Interim 2021-22	Change
Total Revenues	\$33,468,558	\$35,569,613	\$2,101,055
Total Expenditures	\$33,636,174	\$36,166,176	\$2,530,002
Net Inc (Dec) in Fund Balance	(\$123,772)	(\$562,719)	(\$438,947)



Components of the Fund Balance

Components of Ending Fund Balance	
Description	2021-2022
RESTRICTED	
Lottery: Instructional Materials	\$142,766
Routine Repair Maintenance	\$225,520
Other Restricted Local	\$31,389
UNRESTRICTED	
Revolving Cash	\$7,500
9% Reserve for Economic Uncertainties	\$3,251,910
Vacation Liability	\$124,800
Unassigned	\$4,383,117
Estimated Fund Balance	22.6%



Other Funds - Separate From General Fund

**Projected 2021-2022 Ending Fund Balances
As of June 30, 2022**

Fund Name	First Interim
21 - Building Fund (Measure E and I)	\$0
25 - Capital Facilities (Developer Fees)	\$634,130
40 - Special Reserve (Capital Outlay)	\$3,097,195
51 - Bond Interest and Redemption	\$184,541
71 - Retiree Benefit Fund (OPEB Trust)	1,247,585



Assumptions for First Interim Multi-Year Projections

Major Assumptions	2021-22	2022-23	2023-24
Enrollment	2482	2482	2482
Estimated ADA based on enrollment	2,420.12	2,420.12	2,420.12
Cost of Living Adjustment (COLA) for LCFF per pupil funding	5.07%	2.48%	3.11%
Unduplicated Pupil Count (UPP) and Percentage	98 (3.59%)	98 (3.71%)	98 (3.95%)
Step & Column Increase	1.0%	1.0%	1.0%
CalSTRS Employer Rate	16.92%	19.10%	19.10%
CalPERS Employer Rate	22.91%	26.10%	27.10%
Consumer Price Index	3.96%	2.65%	2.36%
Books & Supplies	Actuals	CPI	CPI

2021-2022 Multi Year Projections (MYP) (Combined)

Description	2021-2022	2022-23	2023-24
REVENUES	\$35,569,613	\$34,375,280	\$35,170,094
EXPENDITURES	\$36,166,176	\$35,961,018	\$36,274,196
Net Increase (Decrease) in Fund Balance	(\$562,719)	(\$1,551,894)	(\$1,070,258)
Net Beginning Fund Balance	\$8,729,720	\$8,167,002	\$6,615,108
Ending Fund Balance, June 30	\$8,167,002	\$6,615,108	\$5,544,849
Unassigned	\$4,383,117	\$2,924,362	\$1,905,918
Estimated Fund Balance	22.6%	18.4%	15.3%



Multi-Year Projections - Additional Considerations

- Current budget includes expenses that were not realized during the 2019-20 and 2020-21 school years. These expenses were “carried over” into the expenses demonstrated in the 2021-22 First Interim showing as a significant increase in expenses. These expenses may not be actually realized in the year and will be adjusted in the coming months.
- Multi year budget includes positions funded by the one time, categorical funding. Future years include these positions as funded by ongoing, general funding. Staff must evaluate ongoing need for these positions and reduction from the ongoing budget.
- Books and supplies funded by one time funding must be evaluated for need and adjusted.
- Deficit increased, however will be evaluated during the coming weeks and months as it includes above mentioned adjustments from prior years.

Orinda USD First Interim Budget

Challenges:

- Collective bargaining agreements
- Additional support for Special Needs students

Additional Expenses for 2022 -23 (and beyond):

- TK expansion (facilities, staff)
- Universal meals

Additional Revenues for 2022 -23:

- State revenues appear to be higher than anticipated so far this year, which may result in positive developments for the 2022-23 budget.
- The Governor will share his preliminary budget for 2022-23 in January.



Orinda USD 2021-2022 First Interim Budget

Certification

Certification Positive - District will be able to meet its financial obligations for the current and subsequent two fiscal years. Staff recommends the Governing Board approve the District First Interim Report.

