

# Second Interim Report

2021-22

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Orinda Union School District  
March 14, 2022



# Orinda USD 2021-22 Second Interim Budget

## Introduction

Orinda USD Board of Trustees adopted the 2021-2022 budget on June 14, 2021.

Education Code Section 41230 requires school districts to prepare the Second Interim Report as of January 31st reporting period and prior to March 15th.

The Second Interim report covers the financial condition of the District for the period that ended January 31, and budget revisions through February 28, 2022.



# 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 Second Interim: The Highlights

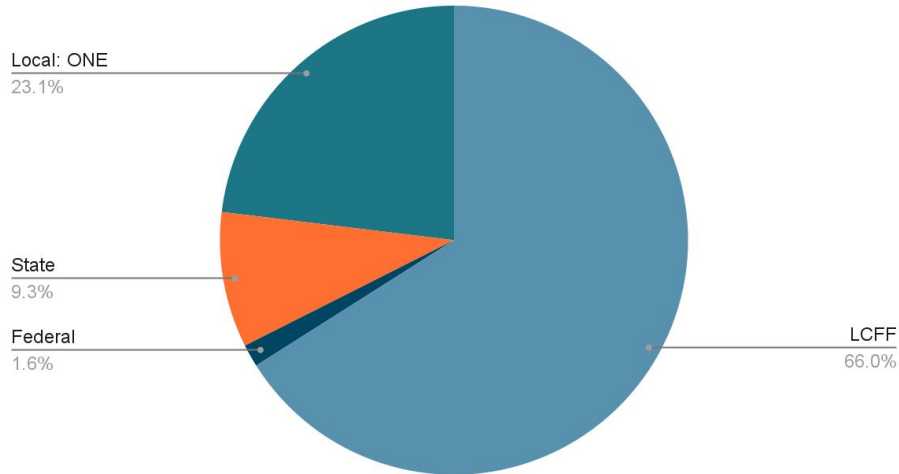
- **2021-22:** The District expects to meet all financial obligations, including the 9% Reserve for Economic Uncertainties.
- State and Federal Restricted revenues have enhanced the revenues and expenditures for 2021-22 to allow additional support for students in light of Distance and Hybrid learning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



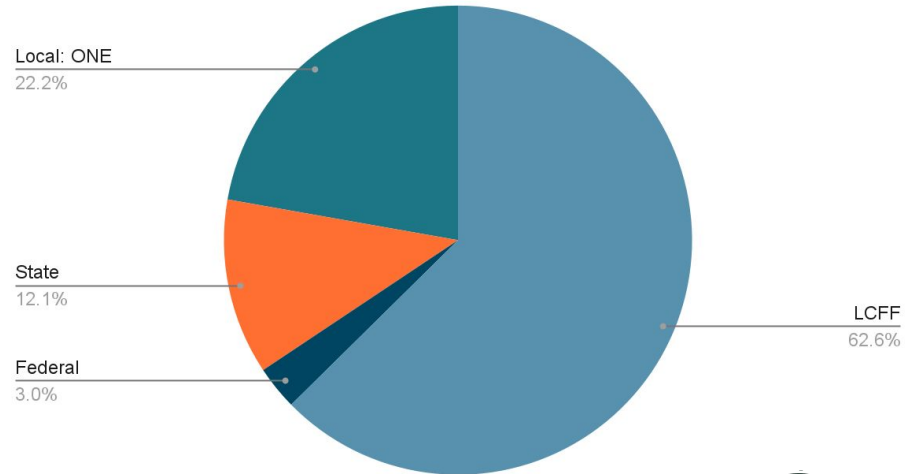
# Second Interim Budget - Revenues

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

Total Revenue (Adopted Budget, June 2021)



Total Revenue (2nd Interim Budget)



# Revenues - Unrestricted

Unrestricted Revenues	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change First to Second Interim 2021-22
Local Control Funding Formula (LCFF)	\$21,485,383	\$21,484,957	(\$426)	0%
Federal	\$0	\$0	\$0	0%
Other State	\$479,772	\$479,772	\$0	0%
All Other Local	\$3,891,877	\$3,891,877	\$0	0%
<b>REVENUES</b>	<b>\$25,857,032</b>	<b>\$25,856,606</b>	<b>(\$426)</b>	<b>0%</b>



# Revenues - Restricted

Restricted Revenues	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change First to Second Interim 2021-22
Local Control Funding Formula (LCFF)	\$686,965	\$686,965	\$0	0%
Federal	\$1,187,104	\$1,187,964	\$860	0.1%
Other State	\$3,833,811	\$3,856,311	\$22,500	0.5%
Other Local	\$4,004,701	\$4,004,701	\$0	0%
<b>Revenues</b>	<b>\$9,712,581</b>	<b>\$9,735,941</b>	<b>\$23,360</b>	<b>0.6%</b>

## 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



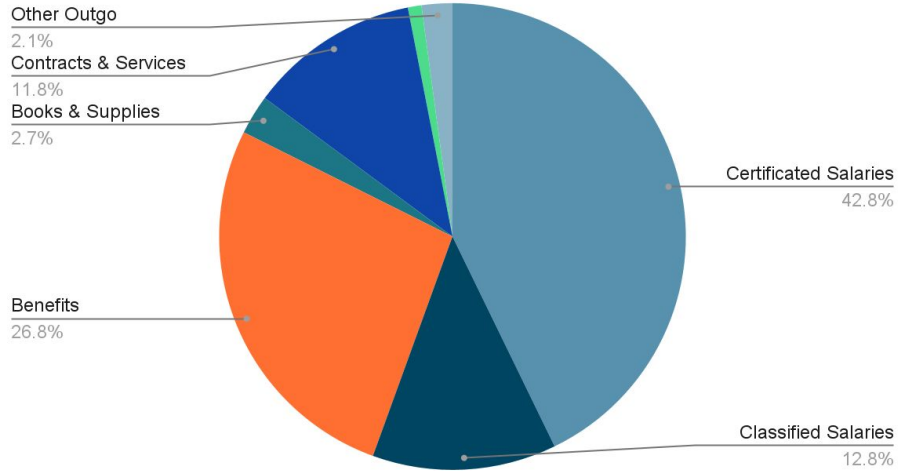
# Revenues - Combined

Revenues Combined	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change First to Second Interim 2021-22
Local Control Funding Formula (LCFF)	\$22,172,348	\$22,171,922	(\$426)	0%
Federal	\$1,187,104	\$1,187,964	\$860	0.1%
Other State	\$4,313,583	\$4,336,083	\$22,500	0.5%
All Other Local	\$7,896,578	\$7,896,578	\$0	0%
<b>REVENUES</b>	<b>\$35,569,614</b>	<b>\$35,592,548</b>	<b>\$22,934</b>	<b>0.6%</b>

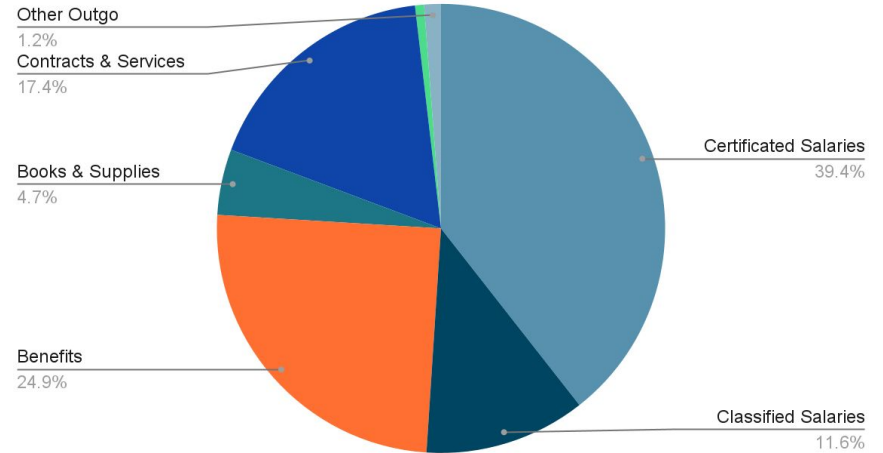


# Second Interim Budget - Expenses

Total Expenditures (Adopted Budget, June 2022)



Total Expenditures (2nd Interim Budget)



# Expenditures - Unrestricted

Unrestricted Expenditures	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change
Certificated Salaries	\$9,868,459	\$9,933,821	\$65,362	0.7%
Classified Salaries	\$2,764,025	\$2,778,273	\$14,248	0.5%
Employee Benefits	\$5,156,659	\$5,204,912	\$48,253	0.9%
Books and Supplies	\$957,272	\$962,734	\$5,462	0.6%
Contracts and Services	\$2,069,626	\$2,122,072	\$52,446	2.5%
Capital Outlay	\$237,944	\$237,944	\$0	0%
Other Outgo	\$269,342	\$269,342	\$0	0%
Indirect Support Costs	(\$128,931)	(\$167,154)	(\$38,223)	29.6%
<b>EXPENDITURES</b>	<b>\$21,194,396</b>	<b>\$21,341,944</b>	<b>\$147,548</b>	0.7%

# Expenditures - Restricted

Unrestricted Expenditures	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change
Certificated Salaries	\$4,657,538	\$4,504,305	(\$153,233)	3.3%
Classified Salaries	\$1,531,308	\$1,482,907	(\$48,401)	3.2%
Employee Benefits	\$3,901,555	\$3,930,082	\$28,527	0.7%
Books and Supplies	\$899,961	\$771,532	(\$128,429)	14.3%
Contracts and Services	\$3,502,945	\$4,269,984	\$767,039	21.9%
Capital Outlay	\$18,426	\$87	(\$18,339)	99.5%
Other Outgo	\$331,092	\$173,290	(\$157,802)	47.7%
Indirect Support Costs	\$128,931	\$167,154	\$38,223	29.6%
<b>EXPENDITURES</b>	<b>\$14,971,756</b>	<b>\$15,299,341</b>	<b>\$327,585</b>	<b>2.2%</b>

# Expenditures - Combined

Expenditures Combined	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change
Certificated Salaries	\$14,525,997	\$14,438,126	(\$87,871)	0.6%
Classified Salaries	\$4,295,333	\$4,261,180	(\$34,153)	0.8%
Employee Benefits	\$9,058,214	\$9,134,994	\$76,780	0.8%
Books and Supplies	\$1,857,233	\$1,734,266	(\$122,967)	6.6%
Contracts and Services	\$5,572,571	\$6,392,056	\$819,485	14.7%
Capital Outlay	\$256,370	\$238,031	(\$18,339)	7.2%
Other Outgo	\$600,434	\$442,632	(\$157,802)	26.3%
<b>EXPENDITURES</b>	<b>\$36,166,152</b>	<b>\$36,641,285</b>	<b>\$475,133</b>	<b>1.3%</b>

# Expenditures - Combined

## COMBINED Expenditure Detail

### Certificated and Classified Salaries and Benefits

- Substitute costs and absence coverage increased
- Certain expenses shifted to contract and services

### Contracts and Services

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



# Change in Fund Balance

COMBINED	First Interim 2021-22	Second Interim 2021-22	Change from First to Second Interim 2021-22	Percent Change
Total Revenues	\$35,569,614	\$35,592,548	\$22,934	0.1%
Total Expenditures	\$36,166,152	\$36,641,285	\$475,133	1.3%
Net Inc (Dec) in Fund Balance	<b>(\$562,695)</b>	<b>(\$1,048,738)</b>	<b>(\$486,043)</b>	



# Components of the Fund Balance

Description	First Interim	Second Interim	Change
Net Inc (Dec) in Fund Balance	(\$562,695)	(\$1,014,893)	(\$452,198)
<b>FUND BALANCE, RESERVES</b>			
Beginning Balance	\$8,729,720	\$8,729,720	\$0
Audit Adjustment: Due to reallocation of AB 86 ELO Grant		(\$627,938)	
Adjusted Beginning Balance		\$8,101,782	
<b>RESERVES: Restricted</b>			
Legally Designated Categorical Programs	\$401,364	\$393,325	(\$8,039)
Revolving Cash & Vacation Liability	\$132,300	\$132,300	\$0
Other Assignments	\$799,397	\$146,049	(\$653,348)
<b>RESERVES: Unassigned</b>			
Designated for Economic Uncertainties (9%)	\$3,251,910	\$3,351,184	\$99,274
Unassigned Fund Balance	\$2,954,116	\$3,064,030	\$109,914
Total Fund Balance (Reserve):	\$6,206,026 (17.2%)	\$6,415,214 (17.5%)	

# Other Funds - Separate From General Fund

<b>Projected 2021-2022 Ending Fund Balances As of June 30, 2022</b>	
<b>Fund Name</b>	<b>Second Interim</b>
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 Second Interim Multi-Year Projections

Major Assumptions	2021-22	2022-23	2023-24
Enrollment	2482	2483	2483
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%	5.33%	3.61%
Unduplicated Pupil Count (UPP) and Percentage	98 (3.59%)	97 (3.71%)	97 (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%	3.69%	2.90%
Books & Supplies	Actuals	CPI	CPI

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

Description	2021-2022 (2nd Interim)	2022-23	2023-24
REVENUES	\$35,592,547	\$35,054,926	\$35,971,831
EXPENDITURES	\$36,641,285	\$36,401,575	\$36,813,244
Net Increase (Decrease) in Fund Balance	(\$1,048,737)	(\$1,346,649)	(\$841,413)
Net Beginning Fund Balance	\$8,101,782	\$7,086,889	\$5,740,240
Ending Fund Balance, June 30	\$7,086,889	\$5,740,240	\$4,898,828
Designated for Economic Uncertainties (9%)	\$3,351,184	\$3,273,196	\$3,309,246
Unassigned Reserve	\$3,064,030	\$2,335,745	\$1,457,282
<b>Total Fund Balance (Reserve)</b>	<b>\$7,086,889</b>	<b>\$5,740,240</b>	<b>\$4,898,828</b>
Estimated Fund Balance	19.3%	15.7%	13.3%



# Multi-Year Projections - Additional Considerations

- Positions funded by the one time and categorical funding have been reduced and removed from the multi-year budget. This is an update in the MYP since the First Interim.
- OUSD is implementing full review and analysis of expenses to contain spending in the future years.
- Deficit increased mainly due to the expenses in Special Education and legal costs.



# Orinda USD Second Interim Budget

## Challenges:

- Collective bargaining agreements
- Ongoing Special Education costs

## Additional Expenses for 2022-23 (and beyond):

- TK expansion (facilities, staff)
- Universal meals

## Additional Revenues for 2022-23:

- The Governor's January Budget did not provide fiscal improvements for OUSD



# Orinda USD 2021-2022 Second 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.

