



# NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT

2021-2022 First Interim Budget Report

December 9, 2021

Presented by: Mary E. Dawson, JD , Associate Superintendent – Business Services

## 2021-22 FIRST INTERIM

While the Adopted Budget is based on the *proposed State budget at May Revise*; First Interim reflects actual changes in revenue and expenditures from July 1 – October 31<sup>st</sup>. First Interim also captures any changes resulting from the final State *approved* budget and final operating results from the 2020-21 Unaudited Actuals, including any changes to beginning balances.

At this reporting period, any resources or targeted funds with carryover from the prior year is booked in to the current year expense budget. This contributes to deficit spending in the current year, as the expenses offset directly to the 'bottom line' of ending fund balance.



# 2021-22 FIRST INTERIM AGENDA

Comparison between adopted budget, first interim, Revenue, Expenditures, and beginning & Ending fund balances.

Brief Review of how the Aforementioned changes may impact our year-end revenue/expenditures beginning and ending fund balances.

**This 1<sup>st</sup> Interim Budget Report is different....**



# 2021-22 UNRESTRICTED REVENUE

# 2021-22 FIRST INTERIM UNRESTRICTED REVENUE VS 2021-22 ADOPTED BUDGET



Revenue Source	2021-22 Adopted Budget - 6/24/2021	First Interim 7/1/2020 - 10/31/2020	Difference (+/-) Adopted vs. First Interim	2021-22 45 Day Revise - 8/12/2021	1ST INTERIM VS. 45 DAY REVISE
LCFF	\$ 53,045,748	\$ 53,946,509	\$ 900,761	\$ 55,360,958	\$ (1,414,449)
Federal	\$ -	\$ 19,520	\$ 19,520	\$ -	\$ 19,520
Other State	\$ 862,362	\$ 862,362	\$ -	\$ 862,362	\$ -
Other Local	\$ 253,180	\$ 283,307	\$ 30,127	\$ 253,180	\$ 30,127
<b>Total Revenue</b>	<b>\$ 54,161,290</b>	<b>\$ 55,111,697</b>	<b>\$ 950,408</b>	<b>\$ 56,476,500</b>	<b>\$ (1,364,802)</b>

*Note: There was an audit adjustment in the District's LCFF Revenue in the amount of \$867,068 due to an overpayment in EPA funds for the 2020-21 FY. This reduction contributed to the reduction in projected revenue at 1<sup>st</sup> Interim.*

# 2021-22 FIRST INTERIM UNRESTRICTED EXPENDITURES VS. 2021-22 ADOPTED BUDGET EXPENDITURES

Description	2021-22 Adopted Budget - 6/24/2021	First Interim 7/1/2020 - 10/31/2020	Difference (+/-) Adopted vs. First Interim	2021-22 45 Day Revise - 8/12/2021	1ST INTERIM VS. 45 DAY REVISE
Certificated Salaries	\$ 23,121,285	\$ 25,259,084	\$ 2,137,799	\$ 23,121,285	\$ 2,137,799
Classified	\$ 9,587,048	\$ 9,900,660	\$ 313,612	\$ 9,587,048	\$ 313,612
Benefits	\$ 12,902,060	\$ 13,317,551	\$ 415,491	\$ 12,902,060	\$ 415,491
Books & Supplies	\$ 2,253,422	\$ 3,112,398	\$ 858,976	\$ 2,253,422	\$ 858,976
Services & Other Oper.	\$ 3,697,735	\$ 3,458,244	\$ (239,491)	\$ 3,697,735	\$ (239,491)
Capital Outlay	\$ -	\$ 130,739	\$ 130,739	\$ -	\$ 130,739
Other Outgo	\$ 224,526	\$ 233,329	\$ 8,803	\$ 224,526	\$ 8,803
Transfers of Indirect	\$ (657,107)	\$ (1,081,310)	\$ (424,203)	\$ (657,107)	\$ (424,203)
Transfers Out	\$ 1,500,000	\$ 6,806,869	\$ 5,306,869	\$ 1,500,000	\$ 5,306,869
<b>Total Expenditures</b>	<b>\$ 52,628,969</b>	<b>\$ 61,137,566</b>	<b>\$ 8,508,596</b>	<b>\$ 51,128,969</b>	<b>\$ 8,508,596</b>

*Note: The Total Expenditures in this chart do not include Contributions which are an expenditures against unrestricted General Funds. Additionally recall the Adopted Budget is based on the Governor's May Revision. 45 Day Revise is based on the State's Adopted Budget and 1<sup>st</sup> Interim are actuals from July 1<sup>st</sup> – October 31<sup>st</sup> of the current year.*

The comparison between Adopted Budget & First Interim Expenditures can be found on Form 01 Section B Line 9A & 9B, Projected year-end expenditures totaling \$54,396,276 located on Line 9D + \$6,806,869 line D1b

## 2021-22 FIRST INTERIM UNRESTRICTED EXPENDITURES CHANGES

- Total Changes in Unrestricted Expenditures - Increase by \$8,508,596

### **Not an exhaustive list:**

- Certificated Salaries – Negotiations settlement and restoring/expanding hiring of vacant positions not captured at Adopted Budget in June 2021.
- Classified Salaries – Increase in positions to support Expanded Learning, ASES, yard-duty; increase in hours for Van Drivers, O.T. due to shortage of custodial staff.
- Books Supplies: Increase due to campuses being fully reopened
- Transfer out: Increase due to Board Approved Committed Funds to ensure repayment of COPS, Sped Contingency, 21<sup>st</sup> Tech, Facilities Repair.

2021-22 FIRST INTERIM UNRESTRICTED  
INCREASE/DECREASE TO FUND BALANCE VS.  
2021-22 ADOPTED BUDGET

- Projected Decrease in Fund Balance @ Adopted Budget \$(6,606,138)
- Projected Decrease in Fund Balance @ First Interim \$(14,567,679)
  - (Form 01, Section E, Col A vs. Col B)

Actions that contributed to the increase in deficit spending:

- *Settlement with NMCFT & Unrepresented groups were settled after Adopted Budget*
- *Concentration Grant Increase required direct support staffing levels to increase above prior year staffing levels*
- *Board approval at Adopted Budget to Commit 6,806,869 in funds to ensure COPs full repayment, repair of aging facilities, Special Education Contingency, 21<sup>st</sup> Technology Readiness, and 3% Reserve to ensure staff capacity.*



## 2021-22 FIRST INTERIM COMPONENTS OF PROJECTED UNRESTRICTED ENDING FUND BALANCE

Beginning Fund Balance remained: \$19,681,002

Ending Fund Balance decreased by: \$(14,567,679)

Projected Ending Unrestricted Fund Balance:  
\$5,113,323

Reserve for Economic Uncertainties  
\$2,990,000

Revolving Cash \$5,000

Remaining Assigned Fund Balance:  
\$2,183,903 (rounded)

\*\*An Exhaustive list of all of the components of the Fund Balance are listed on (SACS Form 011, General Fund Unrestricted - beginning on Page 2 Lines F2a through F2e, vs F2a through F2e Col B)\*\*

*The numbers are rounded*



2021-22  
RESTRICTED  
REVENUE &  
EXPENDITURES

**RESTRICTED  
AREA**

# 2020-21 FIRST INTERIM RESTRICTED REVENUE – PAGE 1



- Federal Revenue Increased by: \$6,521,150** (Form 011, Restricted Revenue- Federal Revenue Pg4, Col A vs Col B)

Federal Resource Name	Rsc Number	Adopted Budget	1 <sup>st</sup> Interim	Total Increase	2020-21 Carryover = \$1,099k
Title I Part A Basic Low-Inc	3010	\$1,018,353	\$1,512,416	\$494,063	\$438,690
Special Ed Entitlement	3310	\$835,987	\$871,011	\$35,025	\$0
Special Ed	3312,3315,3345	\$0	\$29,711	\$29,711	\$13,326
SpecEd Inclusive Practices	3386	\$0	\$0	\$0	\$0
Career & Technical Ed	3500-3599	\$41,585	\$41,585	\$0	\$0
Title II Part A Effective Instruction	4035	\$133,890	204,146	\$70,256	\$37,228
Title III EL Student Program	4203	\$262,620	\$311,331	\$48,711	\$97,338
Other NCLB/ESSA	Multiple Rsc**	\$690,763	\$1,416,706	\$725,943	\$512,640
All Other Federal	CARES / ESSER Funds	\$3,581,706	\$8,691,099	\$5,109,393	\$0
Medi-Cal Billing Option	5640	\$0	\$8,050	\$8,050	\$0
Total		\$6,564,904	\$13,086,054	\$6,521,150	\$1,099,221
Multiple Rsc** - See SACS Form 01 Pg 4 Description Rsc Codes					

- Due to the Pandemic there was a large than normal amount of carryover, these funds were not booked at Adopted Budget. Additionally, other one-time resources were made available allowing one-time Revenue to be booked.**

# FIRST INTERIM 2019-20 RESTRICTED REVENUE – PAGE 1



- Other State Revenue Decreased by \$1,072,944

(Form 011, Restricted Revenue – Other State Revenue Pg4 , Col A vs Col B)

Other State Revenue	Rsc Number	Adopted Budget	1 <sup>st</sup> Interim	Total Increase	2020-2021 Carryover = \$ 1,398k	2021-2022 Beginning Balances *
ASES	6010	\$670,865	\$808,951	\$138,086	\$138,086	\$0
Instructional Lottery	6300	\$222,106	\$222,106	\$0	\$0	\$899,762
CTEIG	6387	\$160,213	\$463,339	\$303,126	\$303,126	\$0
All Other State Revenue	All Other	\$0	\$0	\$0	\$0	\$0
K-12 Strong Workforce	6388	\$152,695	\$512,719	\$360,024	\$360,024	\$0
	6536	\$0	\$58,544	\$58,544	\$0	\$0
	6537	\$0	\$329,309	\$329,309	\$0	\$0
SSP Cohort 5	7370	\$0	\$113,285	\$113,285	\$113,285	\$0
CNG Bus Grant	7812	\$0	\$464,316	\$464,316	\$464,316	\$0
IPI, ELO	7422	\$1,599,913	\$857,216	(\$742,696)	\$19,095	\$0
IPI, ELO	7425	\$4,234,630	\$1,940,780	(\$2,293,850)	\$0	\$2,293,850
IPI, ELO	7426	\$353,070	\$344,975	(\$8,095)	\$0	\$0
STRS On-Behalf	7690	\$2,266,746	\$2,471,753	\$205,007	\$0	\$0
Total		\$9,660,237	\$8,587,294	(\$1,072,944)	\$1,397,933	\$3,193,612

**Note: ELO one-time funds received for Expanded Learning accounts are booked as beginning balance and not Revenue as the funds were in the 2020-21 FY. Lottery also had a beginning balance from the 2020-21 FY.**

# 2020-21 FIRST INTERIM RESTRICTED REVENUE – PAGE I

Other Local Revenue increased by \$73,042 (Form 011, Restricted Revenue Pg.5 A4 Other Local Revenue, Col A vs Col B)

Other Local Revenue	Rsc Number	I <sup>st</sup> Interim
SpEd Rs	6500	\$73,042
Increase due to MCOE Prior Year Billback adjustment		

2021-22 FIRST INTERIM RESTRICTED  
REVENUE AND EXPENDITURES CHANGE

- Overall Restricted Revenue Increased by \$6,521,150
- Restricted Expenditures - Increase by \$10,777,307

# 2021-22 FIRST INTERIM RESTRICTED NET DECREASE ENDING FUND BALANCE – PAGE 2

- Net Decrease to Restricted Fund Balance (Form 011, Line E, Col B) changed by (\$4,961,407)

Deficit spending has increased as the changes to expense were greater than the changes to revenue.

Remember--not all deficit spending is bad, and when it comes to the restricted budget, revenues and expenses are budgeted to be the same amount, resulting in a ***budgeted*** ending fund balance of zero. When the books close at year end, unspent money is carried forward to the next year – and budgeted out again to be spent.



# FIRST INTERIM 2021-22 DISCUSSION OF MULTI-YEAR PROJECTIONS





# 2021-22 FIRST INTERIM FUND 01 MULTI YR ASSUMPTIONS 2022-23 THROUGH 2023-24

Item	2022-23	2023-24	2 Year Impact Ongoing
ADA – Used cohort survival methodology	4276.77	4276.80	N/A
Unduplicated Pupil Percentage	85.89%	85.82%	N/A
Supplemental/Concentration Grant -Tied to LCAP	\$14,761,825	\$15,196,244	N/A
Federal Revenue	90% Fed Confidence	90% Fed Confidence	N/A
COLA on Applicable State Revenue	2.48%	3.11%	N/A
Routine Restricted Maintenance	3.0%	3.0%	
Step & Column Costs (Certificated) @ 1.886%	\$483,749	\$492,802	\$976,551
Step & Column Costs (Classified) @ 1.991%	\$303,714	\$309,797	\$613,511
Incr STRS and PERS Costs	\$953,132	\$0	\$953,132
Deferred Maint Transfer to Fund 14	\$500,000	\$500,000	N/A
ROP Maint of Effort Requirement	\$521,000	\$521,000	N/A
Transportation Maint of Effort Requirement	\$1,485,000	\$1,485,000	N/A
COPs Payment Transfer to Fund 56	\$664,000	\$664,000	

# 2021-22 FIRST INTERIM FUND 01 UNRESTRICTED MYP – PAGE I

	2021-22	2022-23	2023-24
Total Revenue	\$55,111,697	\$56,764,269	\$58,432,558
Less Contributions	<u>(\$8,476,231)</u>	<u>(\$8,773,531)</u>	<u>(\$8,762,821)</u>
Net Revenue (Form MYPI, Line A.6)	\$46,635,466	\$47,990,738	\$49,669,737
Total Expenses (Form MYPI, Line B.11)	\$61,203,145	\$48,585,695	\$46,554,334
Net Incr/(Decr) to Fund Balance (Form MYPI, Line C)	(\$14,567,679)	(\$594,957)	\$3,115,403
Beginning Balance (Form MYPI, Line D.1)	\$19,681,002	\$5,113,323	\$4,518,366
Est Ending Balance (Form MYPI, Line D.2)	\$5,113,323	\$4,518,366	\$7,633,769

*The value of a 3% reserve is:*  
(Form MYPI, Line D.e.1)

*\$2,990,000*

*\$2,061,000*

*\$1,967,000*

	2021-22	2022-23	2023-24
Net LCFF in Total Revenue Above:	\$53,946,509	\$55,889,087	\$57,554,772

2021-22 FIRST  
INTERIM  
OTHER FUNDS OF  
THE DISTRICT



# 2021-22 FIRST INTERIM OTHER FUNDS

	Fund 11 Adult Ed*	Fund 12 Child Dev	Fund 13 Cafeteria	Fund 14 Deferred Maint	Fund 17 Special Reserve
Revenue	\$415,098	\$4,215,129	\$4,092,901	\$505,000	\$-0-
Expense	\$507,226	\$4,625,492	\$3,951,634	\$500,000	\$-0-
Transfers In(Out)	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$3,306,869</u>
Incr(Decr) FB	(\$92,128)	(\$410,363)	\$117,460	\$5,000	\$3,306,869
Beg Balance	\$117,536	\$667,247	\$3,401,769	\$529,890	\$-0-
Proj End Balance	\$25,408	\$256,885	\$3,543,036	\$534,890	\$3,306,869

\*Revenue from Adult Ed block grant is restricted and has a revenue and expense budget that equals zero.

FIRST INTERIM  
2021-2022  
OTHER FUNDS  
CON'T.

	Fund 21 Building	Fund 25 Cap Fac	Fund 40 Cap Outlay	Fund 56 Debt Srv	Fund 67 Self Ins
Revenue	\$5,000	\$36,390	\$0	\$242,171	\$2,000
Expense	\$45,284	\$88,946	\$0	\$910,550	\$-0-
Transfers In(Out) Sources	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$2,000,000</u>	<u>\$-0-</u>
Incr(Decr) FB	\$-0-	(\$52,556)	(\$0)	(\$668,379)	\$2,000
Beg Balance	\$405,630	\$617,195	\$41,221	\$5,456,633	\$197,944
Proj End Balance	\$410,630	\$564,639	\$41,221	\$8,288,254	\$199,944

*Note: Fund 40 was established for the costs associated with the MS Boiler Project . Fund 56 revenue is a result of the accounting recognition of the federal subsidy received on the QSCB COPs debt. Other than Interest Earnings, no actual revenue is received by the District; the Transfer In is from the Unrestricted General Fund as committed by the Board at Adopted Budget to cover the total COPs Debt. Fund 67 only interest earnings as the district is no longer self-insured.*



# **Final Thoughts**



**2021-22 FIRST INTERIM**

## 2021-22 FIRST INTERIM CONCLUSION

In conclusion, the district will be filing a positive certification, indicating a

- A positive ending fund balance with a 3% reserve at the end of the current and two fiscal out-years ending June 30, 2024, and
- Positive ending cash balances

... for all funds that the District operates



## 2021-22 FIRST INTERIM NEXT STEPS

# Budget Calendar

✓ June 24, 2021	2021-22 Adopted Budget
✓ August 12, 2021	2021-22 45 Day Revise
✓ September 10, 2021	2020-21 Unaudited Actuals
☐ December 9, 2021	2020-21 1 <sup>st</sup> Interim Budget Report
☐ February 2022	2021-22 LCAP Supplement and LCAP Update
☐ March 2022	2021-22 2 <sup>nd</sup> Interim Budget Report
☐ June 2022	2022-23 Adopted Budget, Budget Overview For Parents & LCAP Public Hearing
☐ June 2022	2022-23 Adopted Budget, Budget Overview For Parents & LCAP Adoption



**THANK YOU!**