

# Moraga School District

## December 6, 2022



2022-23

### 1<sup>st</sup> Interim Budget Report

#### **Governing Board:**

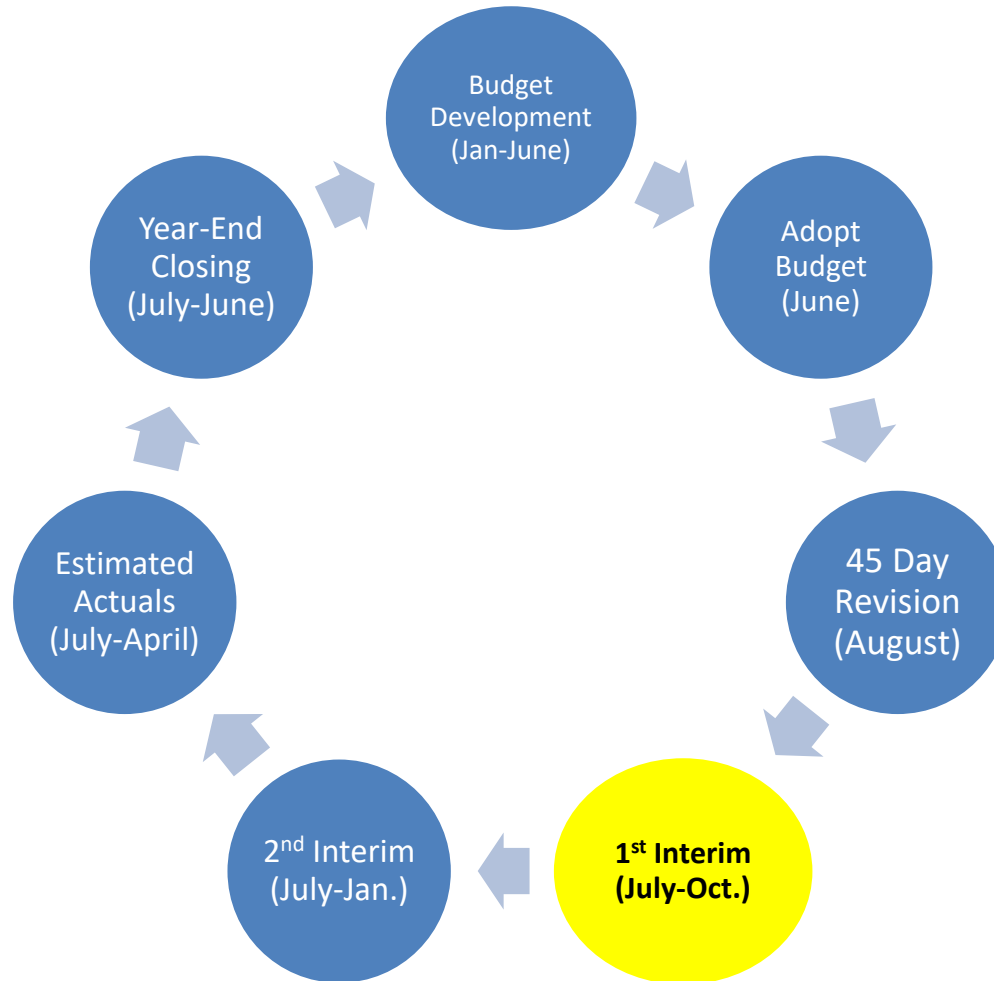
Richard Severy, President  
Larry Jacobs, Vice-President  
Janelle Chng, Board Member  
Heather Davis, Board Member  
Jon Nickens, Board Member

#### **District Staff:**

Dr. Julie Parks, Superintendent  
Daniela Parasidis, Chief Business Official



# 2022-23 Financial Review Timeline





# Purpose of the 1st Interim

- Analyze and revise the operating budget for updated information
- Communicate the overall financial condition of the District to the Governing Board, County Office of Education, State, and the community for the fiscal period ending October 31, 2022.



# Current Year Revenue Adjustments

- LCFF Funds:
  - Adjusted for changes in enrollment, ADA and the Cost of Living Adjustment (COLA)
- Deferred Program Funds:
  - Ca Prek Planning Grant and Stimulus (Covid) Funds
- One-time Funds:
  - Art, Music and Instructional Materials
  - Learning Recovery Emergency Grants
- On-going Funds:
  - Increase in our 2022-23 MEF grant
  - Expanded Learning Opportunities Program
  - Special Education
  - State Lottery
  - School Site Donations and After School Sports

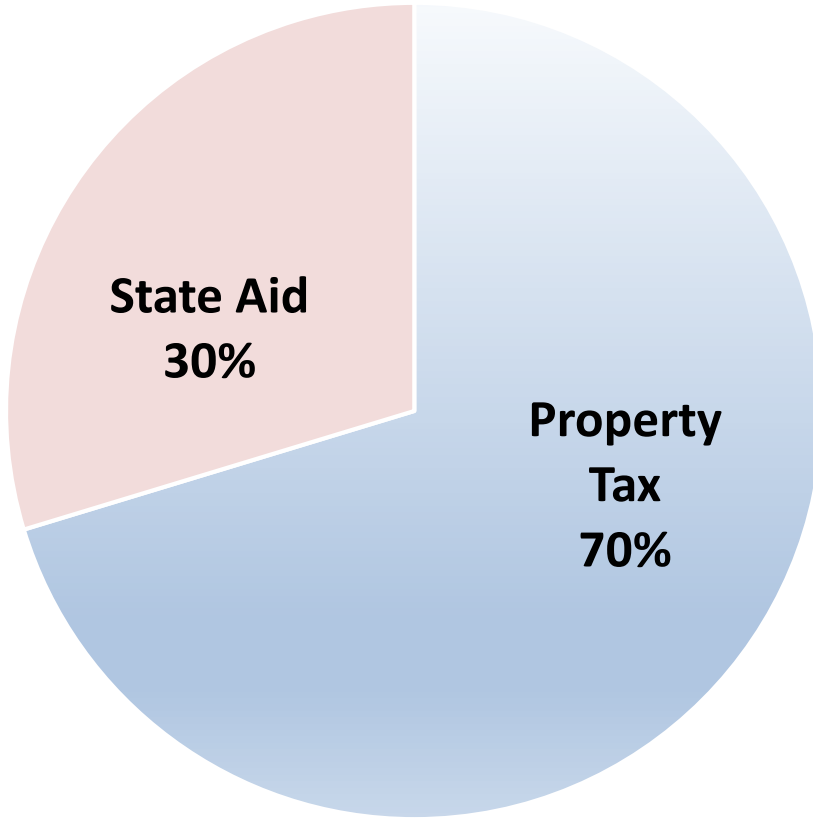


# Revised 2022-23 LCFF Calculation

	Adopted Budget	1 <sup>st</sup> Interim	Difference
<b>Enrollment</b>	1,699	1,741	42.00
<b>Funded ADA</b>	1,769.65	1,771.61	1.96
<b>COLA</b>	6.56%	6.56%	0.00%
<b>Additional BASE</b>	3.29%	6.70%	3.41%
<b>TK Add-on</b>	\$2,813/ada	\$2,813/ada	\$0.00
<b>LCFF Revenue</b>	<b>\$17,022,770</b>	<b>\$17,576,752</b>	<b>\$553,982</b>



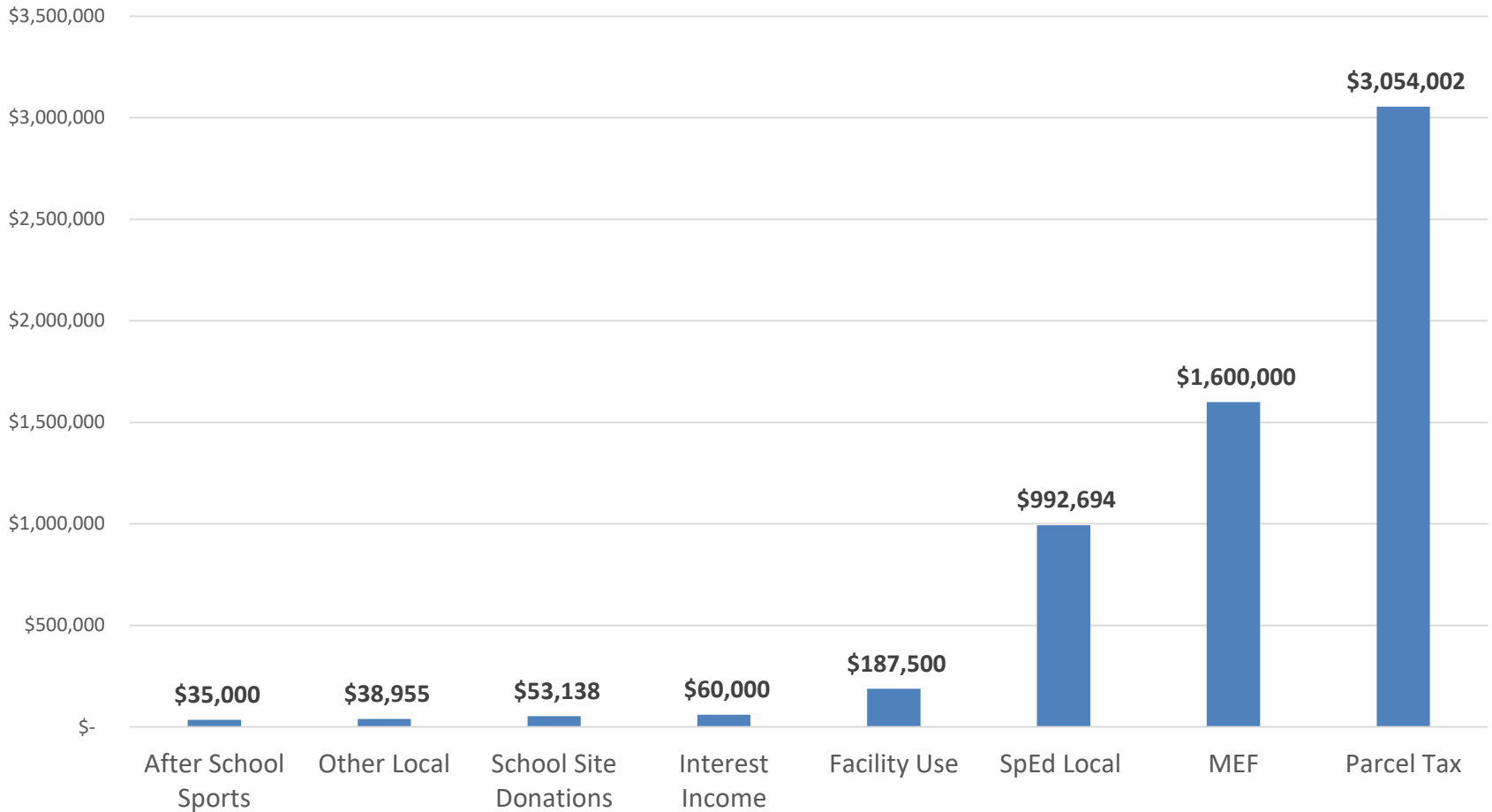
# LCFF Revenue = 64%



<b>Funded ADA*</b>	<b>1,771.61</b>
<b>COLA</b>	<b>6.56%</b>
<b>Additional BASE</b>	<b>6.70%</b>
<b>TK Add-on</b>	<b>\$2,813/ada</b>
<b>LCFF Revenue</b>	<b>\$17,576,752</b>



# Local Revenue Sources = 21%





# Other State Revenue = 12%

## On-Going Funding:

- State Lottery: \$416k
- SpEd Mental Health and Early Intervention Funds: \$180k
- Classified Employee Summer Assistance: \$44k
- Mandated Block Grant: \$59k
- Strs-On-Behalf: \$1.1m
- *NEW: Expanded Learning Opportunities Program: \$143k*

## One-time Funding:

- Ca PreK Planning Grant: \$75k
- *NEW: Art, Music, and Instructional Materials Grant: \$1.1m*
- *NEW: Learning Recovery Emergency Grant: \$228k*



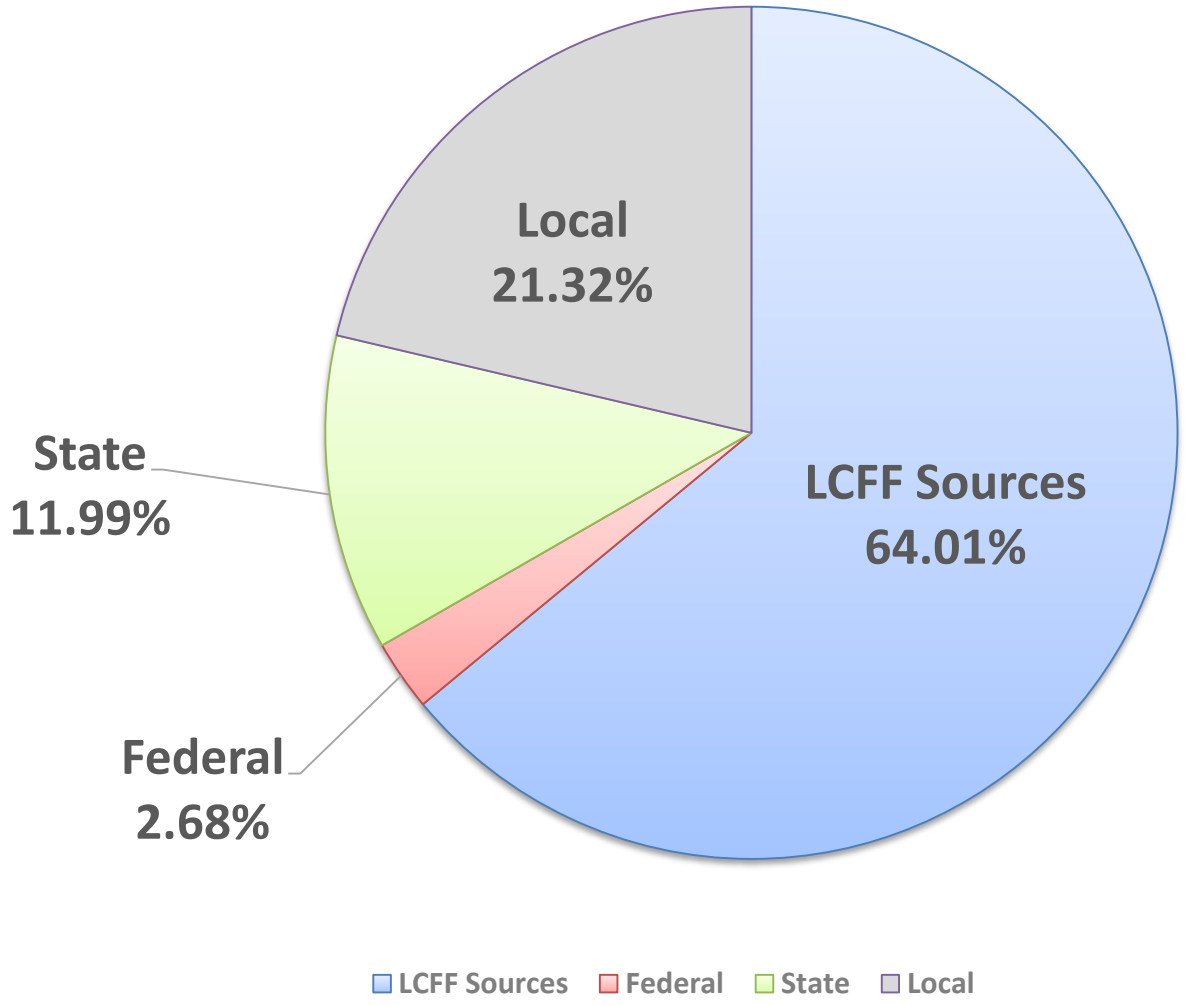


# Federal Revenue Sources = 3%

- Special Education: \$365k
- Title I Supplemental Support: \$29k
- Title II Professional Development: \$18k
- Title IV Student Support: \$10k
- One-Time Deferred Stimulus (Covid) Funds: \$335k



# Current Year Revenue



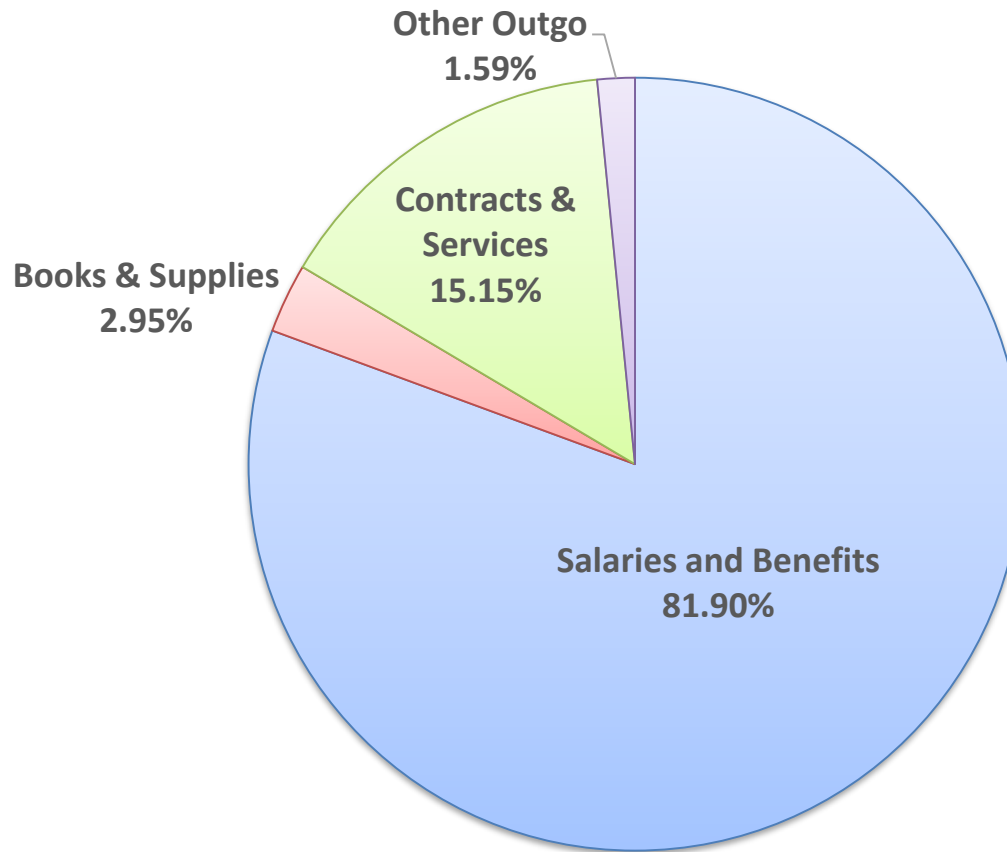


# Current Year Expenditure Adjustments

- Updated personnel costs
  - *New Hires and staffing changes*
  - *Master Stipend and Column Increases for Moraga Teachers Association*
  - *Additional certificated and classified positions*
- Updated employee benefit costs
  - *New hire benefit choices*
  - *Updated for rise in health benefit costs*
- Updated materials/supplies and contracted services
  - *Additional Instructional materials and technology*
  - *Special Education and Maintenance contracts*
  - *Allocation of 2021-22 carry-over funds*



# Current Year Expenditures





# Schedule of Changes-Revenues

	1st Interim	Adopted Budget	Change	Explanation
LCFF Sources	18,076,046	17,559,483	516,563	Increase of \$554k is due to the Augmentation to the BASE increase from 3.29% to 6.70%, offset by a decrease on \$37k in SpEd property tax.
Federal	757,155	750,784	6,371	Increase is due to \$11k in deferred Stimulus Funds offset by a decrease of \$5k in SpEd and Title I/II funds.
State	3,385,303	1,708,899	1,676,404	Increase is due to one-time funds of \$1.57m for the Art, Music and Instructional Materials, Learning Recovery, ELOP and PreK Implementation grants and an increase of \$62k in SpEd and \$38k in State Lottery funds.
Local	6,021,289	5,743,162	278,127	Increase is due to MEF's increased grant of \$75k, \$40k in interest income, \$16k in After School Sports fees, \$94k in SpEd and \$53k in school site donations.
<b>TOTAL REVENUES:</b>	<b>28,239,793</b>	<b>25,762,328</b>	<b>2,477,465</b>	

Unrestricted: \$709,427

Restricted: \$1,768,038

↑ Increase of \$2,477,465



# Schedule of Changes-Expenditures

	1st Interim	Adopted Budget	Change	Explanation
Certificated Salaries	10,644,920	10,612,286	32,634	Increase is due to an additional 4.49fte in teaching and nursing positions, offset by a reduction of 1.17fte in a psychologist position and one section at JM and savings from attrition.
Classified Salaries	4,074,037	4,007,509	66,528	Increase is due to an additional 4.04fte for custodial staff, instructional aides and JM librarian, offset by a reduction of 1.30fte in intensive aides and yard duty.
Benefits	7,457,063	7,264,345	192,718	Increase is due to \$162k in increased ER contribution to health benefits and \$30k associated with salary increases for certificated and classified staff.
Books & Supplies	798,014	530,540	267,474	Increase is due to \$125k in carryover site and department funds, \$78k in technology, \$47k in curriculum materials, and \$17k in districtwide misc. supplies.
Contracts & Services	3,673,663	3,270,570	403,093	Increase is due to \$43k in carryover site and department funds, \$48k in increased utilities for water/garbage, \$222k in SpEd services, \$55k in curriculum and professional development, \$19k in PE Uniforms, and \$16k in districtwide misc. services.
Capital Outlay	93,681	-	93,681	Increase is due to \$73k in server upgrades and \$20k in inspections related to the solar project.
Other Outgo	386,125	386,125	-	
Indirect Support Costs	(50,000)	(50,000)	-	
Transfers Out	-	25,000	(25,000)	Decrease is due the implementation of the Universal Meals Program.
<b>TOTAL EXPENDITURES:</b>	<b>27,077,503</b>	<b>26,046,375</b>	<b>1,031,128</b>	

Unrestricted: \$556,729  
 Restricted: \$474,399  
↑ Increase of \$1,031,128



# Schedule of Changes-Fund Balance

	1st Interim	Adopted Budget	Change
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>1,162,290</b>	<b>(284,047)</b>	<b>1,446,337</b>
<b>FUND BALANCE, RESERVES</b>			
Beginning Balance	5,953,726	5,687,687	266,039
Ending Balance	7,116,016	5,403,640	1,712,376
<b>RESERVES:</b>			
<b><u>Nonspendable:</u></b>			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>	-	-	-
<b><u>Restricted:</u></b>			
<i>Legally Designated (restricted programs)</i>	1,964,387	569,321	1,395,066
<b><u>Assigned:</u></b>			
<i>Textbooks</i>	150,000	296,000	(146,000)
<i>Universal Transitional Kindergarten</i>	139,876	126,838	13,038
<i>Technology Replacement/Upgrades</i>	130,000	130,000	-
<b><u>Unassigned:</u></b>			
<i>Designated for Economic Uncertainties</i>	812,325	781,391	30,934
Unassigned Fund Balance	3,894,428	3,475,090	419,338
Plus Fund 17	960,296	954,986	5,310
<b>TOTAL AVAILABLE RESERVES IN DOLLARS:</b>	<b>5,667,049</b>	<b>5,211,467</b>	<b>455,582</b>
<b>TOTAL AVAILABLE RESEVES AS A PERCENTAGE:</b>	<b>20.93%</b>	<b>20.01%</b>	<b>0.92%</b>

**Unrestricted: \$317,310**

**Restricted: \$1,395,066**



**Increases by \$1,712,376**



# Multi-Year Projection

<b>GOVERNOR'S ASSUMPTIONS:</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Cost-of-Living Adjustment	6.56%	5.38%	4.02%
Addition to the LCFF BASE:	6.70%	0.00%	0.00%
Consumer Price Index	0.00%	2.58%	2.20%
CalPERS Employer Rate	25.37%	25.20%	24.60%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
Unemployment Rate	0.50%	0.20%	0.20%
Classified Driven Benefits	35.42%	34.95%	34.35%
Certificated Driven Benefits	22.95%	22.65%	22.65%
<b>DISTRICT ASSUMPTIONS:</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Enrollment <i>(based on demographic study 11.2022)</i>	1,741.00	1,699.00	1,731.00
Funded ADA <i>(based on new 3 yr avg method)</i>	1,771.60	1,732.17	1,687.89
Step & Column Increase	1.00%	1.00%	1.00%
Health Benefit Rates	15.00%	7.00%	7.00%
Reserve for Economic Uncertainty	4.00%	4.00%	4.00%
Routine Restricted Maintenance	3.00%	3.00%	3.00%





# Local Control Funding Formula (LCFF Funding)

	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
LCFF Revenue	\$17,576,752	\$18,195,518	\$18,474,239
Change in \$	\$1,840,588	\$618,766	\$278,721
Change in %	11.70%	3.52%	1.53%
Funded COLA	13.26%	5.38%	4.02%

The district projects an increase in LCFF in all three years, however the actual % increase each year is less than the “funded COLA” because LCFF allocates funds using a “grade span” formula which provides upper grades with a higher per pupil funding rate than the lower grades.



# Multi-Year Projection

	2022-23	2023-24	2024-25
Total Revenues:	28,239,793	27,090,925	27,369,646
Total Expenditures:	27,077,503	27,089,975	27,446,328
<b>Net Increase (Decrease) to Fund Balance:</b>	<b>1,162,290</b>	<b>950</b>	<b>(76,682)</b>
<b>FUND BALANCE RESERVES:</b>			
Beginning Balance	5,953,725	7,116,015	7,116,965
Net Increase (Decrease) to Fund Balance:	1,162,290	950	(76,682)
<b>ENDING FUND BALANCE:</b>	<b>7,116,015</b>	<b>7,116,965</b>	<b>7,040,283</b>
<b>COMPONENTS OF THE ENDING FUND BALANCE</b>			
<b>NONSPENDABLE:</b> Revolving Cash	25,000	25,000	25,000
<b>RESTRICTED:</b> Categorical Programs	1,964,386	1,498,711	1,534,898
<b>ASSIGNED:</b>			
Textbook Implementation	150,000	150,000	150,000
Universal Transitional Kindergarten	139,876	296,094	458,601
Technology Replacement/Upgrade	130,000	130,000	130,000
<b>UNASSIGNED AVAILABLE RESERVES:</b>			
**3% Required Reserve	812,325	812,699	823,390
**Undesignated Fund Balance:	3,894,428	4,204,461	3,918,395
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>			
**TOTAL AVAILABLE GENERAL FUND RESERVES	4,706,753	5,017,160	4,741,784
ADD FUND 17 RESERVES	960,296	960,296	960,296
<b>TOTAL AVAILABLE RESERVES IN DOLLARS:</b>	<b>5,667,049</b>	<b>5,977,456</b>	<b>5,702,080</b>
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>	<b>20.93%</b>	<b>22.07%</b>	<b>20.78%</b>



# Other Funds

- The district administers 7 other funds:
  - Child Care Fund
  - Cafeteria Fund
  - Special Reserve Fund
  - Building Fund
  - Capital Facilities Fund
  - Capital Projects Reserve Fund
  - Bond Fund
  
- All are projected to have positive fund balances



## CERTIFICATION OF 1ST INTERIM

*Certification on the financial condition of the District can be reported as positive, qualified or negative.*

- Positive: District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Qualified: District may not be able to meet its financial obligations for the current and subsequent two fiscal years.
- Negative: District will not be able to meet its financial obligations for the current and subsequent two fiscal years.



# 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.