



# 2021-22 Second Interim Financial Report

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Board of Trustees Meeting

March 15, 2022

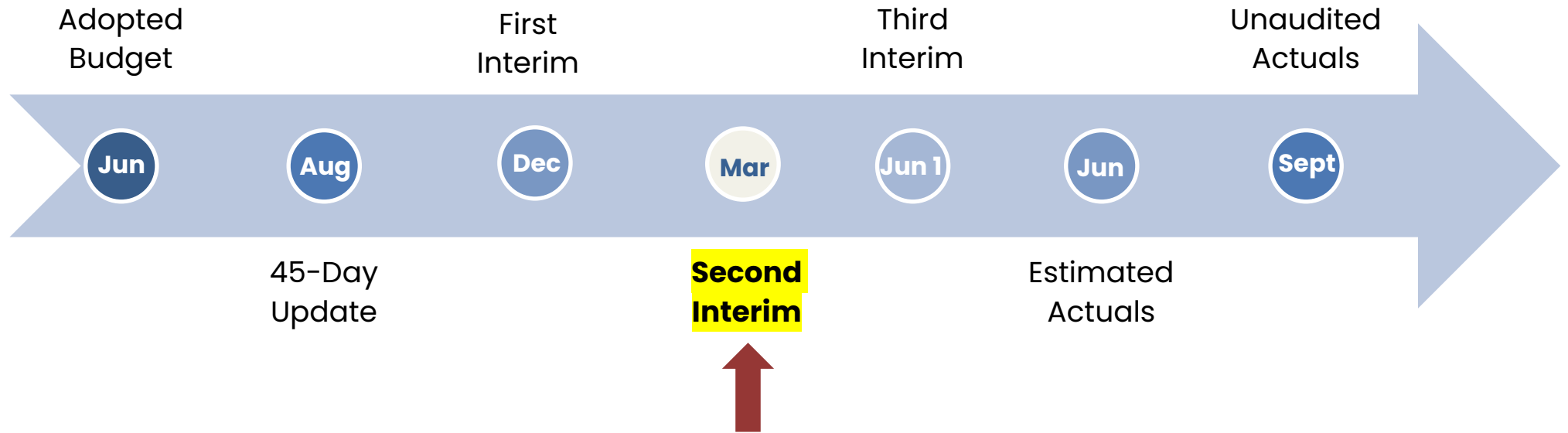
Erin Garcia, Assistant Superintendent

**#WeAreSMUSD**



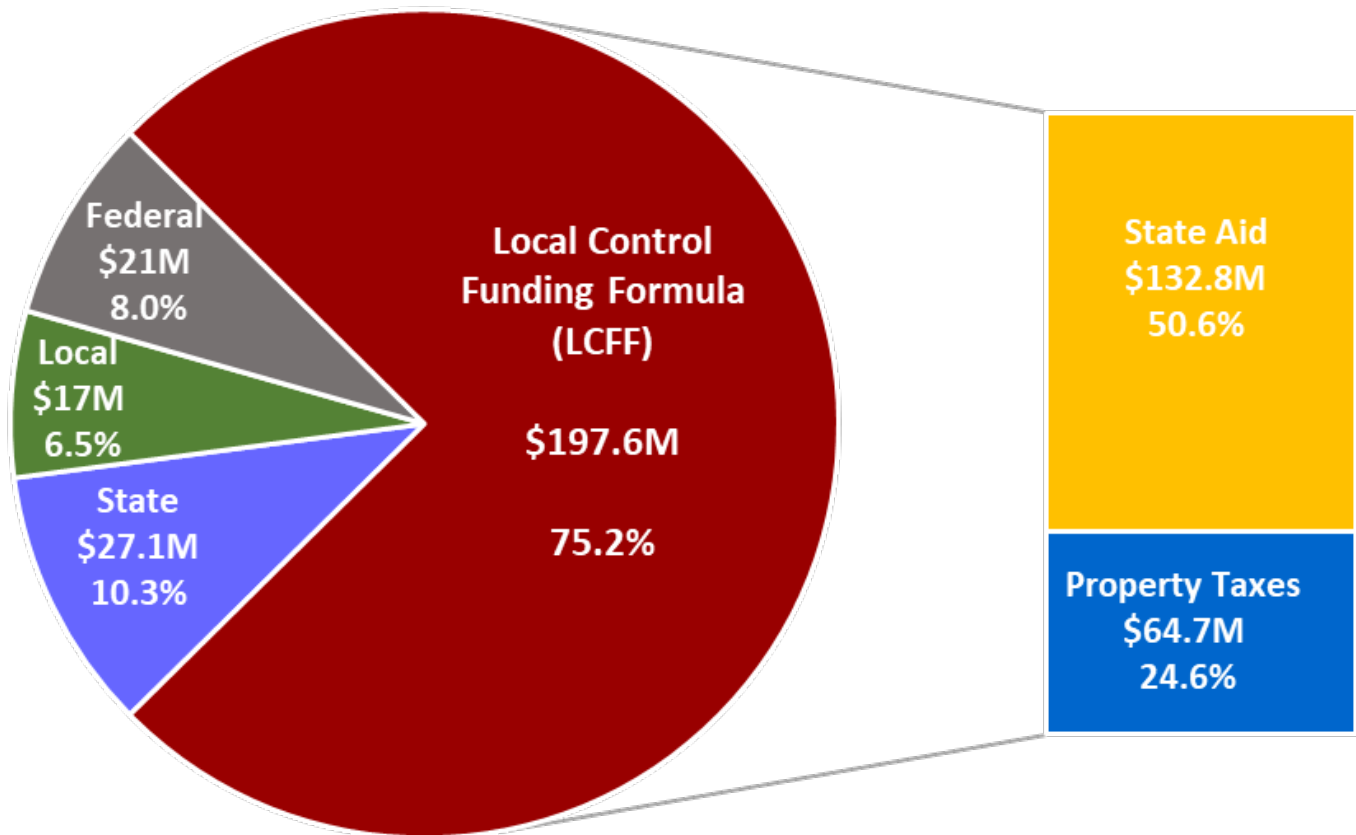


# Annual Budget Reporting Cycle





# Total General Fund Revenues - \$262.7M





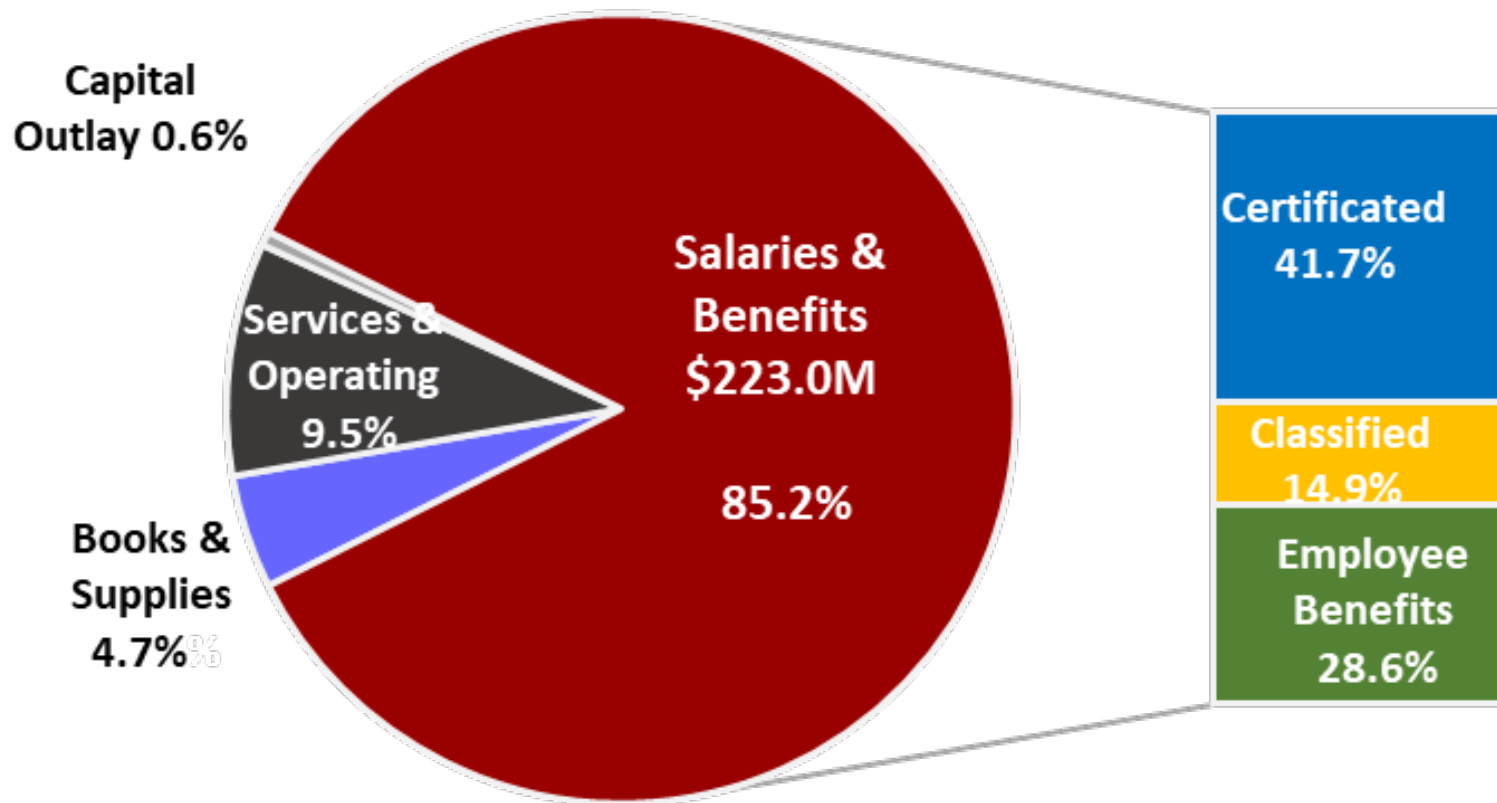
# Revenue Changes

(in Millions)

	First Interim	Second Interim	Difference
LCFF	\$197.7	\$197.6	(\$0.1)
Federal	\$21.6	\$21.0	(\$0.6)
State	\$28.3	\$27.1	(\$1.2)
Local	\$16.4	\$17.1	\$0.7
<b>Totals</b>	<b>\$264.0</b>	<b>\$262.7</b>	<b>(\$1.2)</b>



# Total General Fund Expenditures – \$261.8M





# Expenditure Changes

(in Millions)

	First Interim	Second Interim	Difference
Certificated Salaries	\$109.3	\$109.2	(\$0.1)
Classified Salaries	\$39.8	\$38.9	(\$0.9)
Benefits	\$76.2	\$74.8	(\$1.4)
Books & Supplies	\$16.4	\$12.2	(\$4.2)
Services/Operating	\$25.3	\$25.0	(\$0.3)
Capital Outlay/Other	\$1.4	\$1.6	\$0.2
<b>Totals</b>	<b>\$268.4</b>	<b>\$261.8</b>	<b>(\$6.6)</b>



# General Fund Ending Balance & Reserves

<b>21/22 GENERAL FUND</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Combined</b>
July 1, Beginning Balance	\$28.6	\$11.7	\$40.3
Revenues	\$203.9	\$58.7	\$262.7
Expenditures	(\$160.6)	(\$101.1)	(\$261.7)
Contributions/Transfers	(\$37.9)	\$37.9	\$0.0
<b>Surplus/(Deficit)</b>	<b>\$5.4</b>	<b>(\$4.5)</b>	<b>\$0.9</b>
June 30, Ending Fund Balance*	\$34.0	\$7.2	\$41.2
Reserve Percentage	8.41%		8.41%

\*Includes \$11.5M in Commitments



# Multi-Year Projection Assumptions – 2022/23 & 2023/24

## Revenue

- LCFF COLA 5.33% & 3.61%
- Assumes 3-year rolling average ADA is implemented
- LCFF Funded ADA – 19,438 & 18,778
- Removes any one-time funding (COVID-ESSER, ELOG, etc.)

## Expenditures

- PERS rate – 26.1% & 27.1%
- STRS rate – 19.1% & 19.1%
- Salary increases not yet included (negotiations not settled)
- \$720K retiree/attrition savings each year
- Removes one-time expenses (COVID-ESSER, ELOG, etc.)
- \$10M overall reduction



# Multi-Year Projections (in Millions)

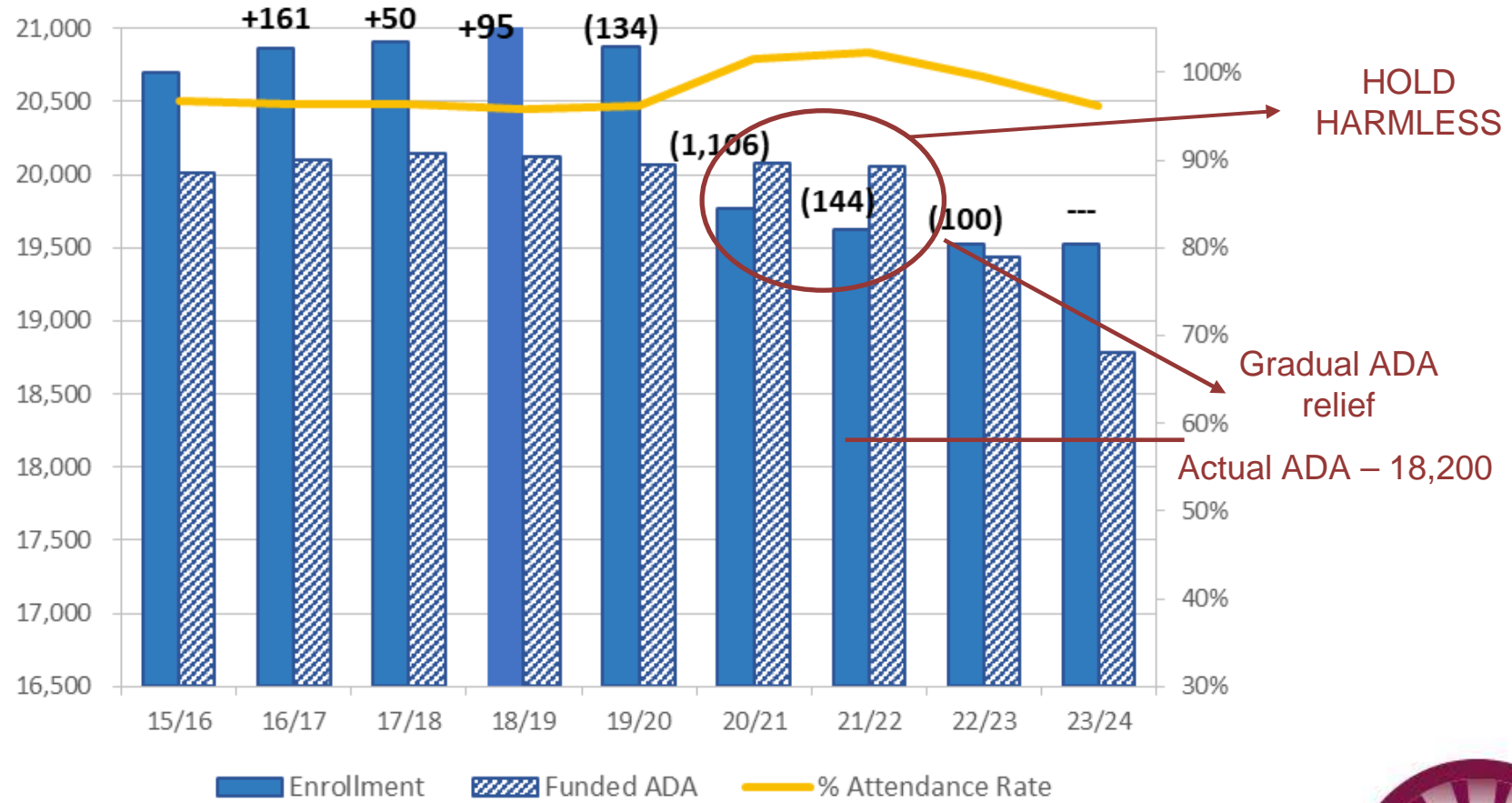
TOTAL GENERAL FUND	2021/22	2022/23	2023/24
July 1, Beginning Balance	\$40.3	\$41.2	\$43.4
Estimated Revenues	\$262.7	\$260.7	\$259.1
Estimated Expenditures	(\$261.8)	(\$268.5)	(\$267.2)
Ongoing Reduction		\$10.0	\$10.0
<b>Total Surplus/(Deficit)</b>	<b>\$0.9</b>	<b>\$2.2</b>	<b>\$1.9</b>
<b>Unrestricted Surplus/(Deficit )</b>	<b>\$5.5</b>	<b>\$3.9</b>	<b>\$1.9</b>
June 30, Ending Fund Balance	\$41.2	\$43.4	\$45.3
Reserve Percentages	<b>8.41%</b>	<b>9.67%</b>	<b>9.96%</b>



\*Any negotiation settlements are likely to impact surplus projections in the out years

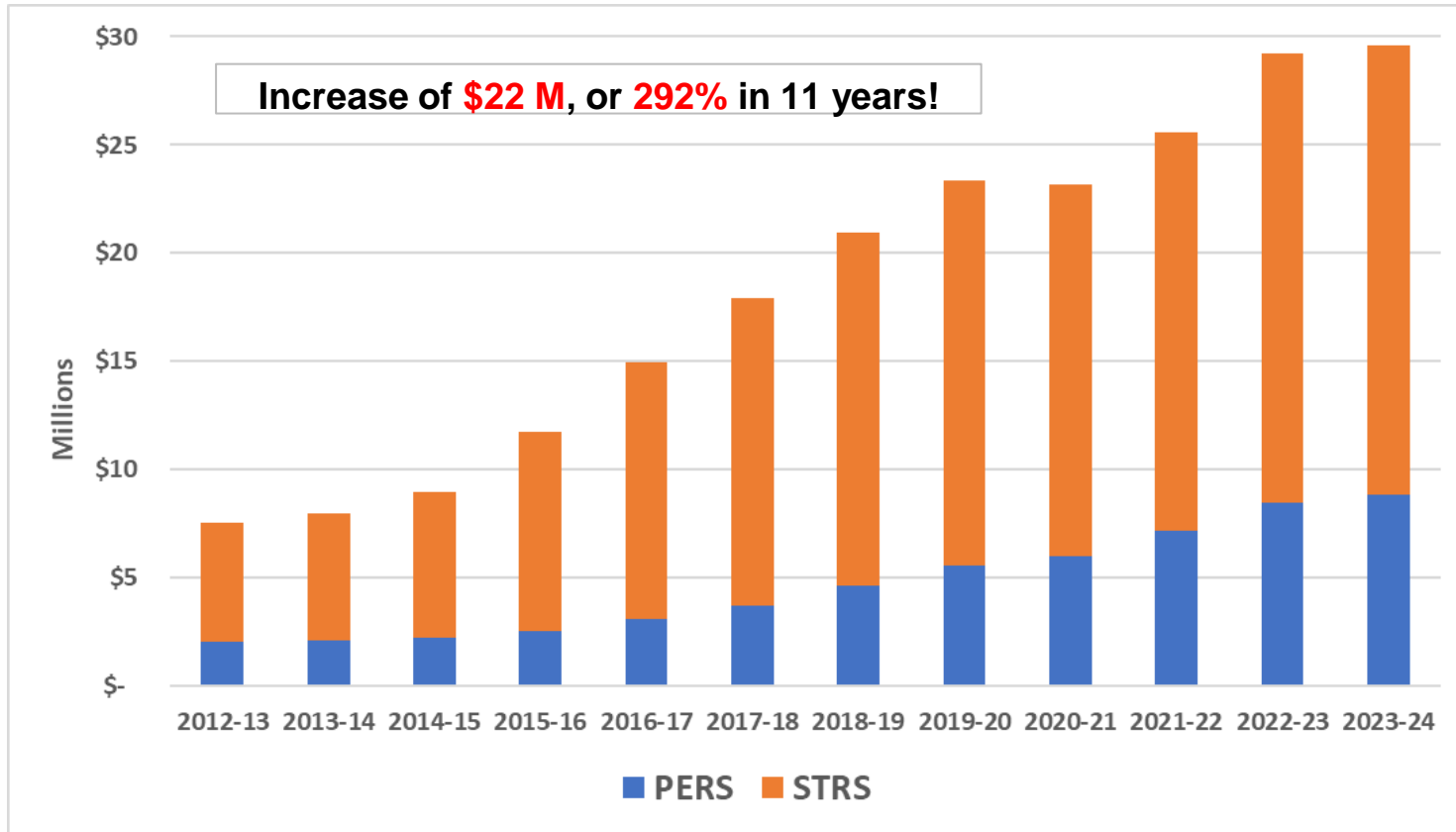


# Enrollment & Average Daily Attendance (ADA)



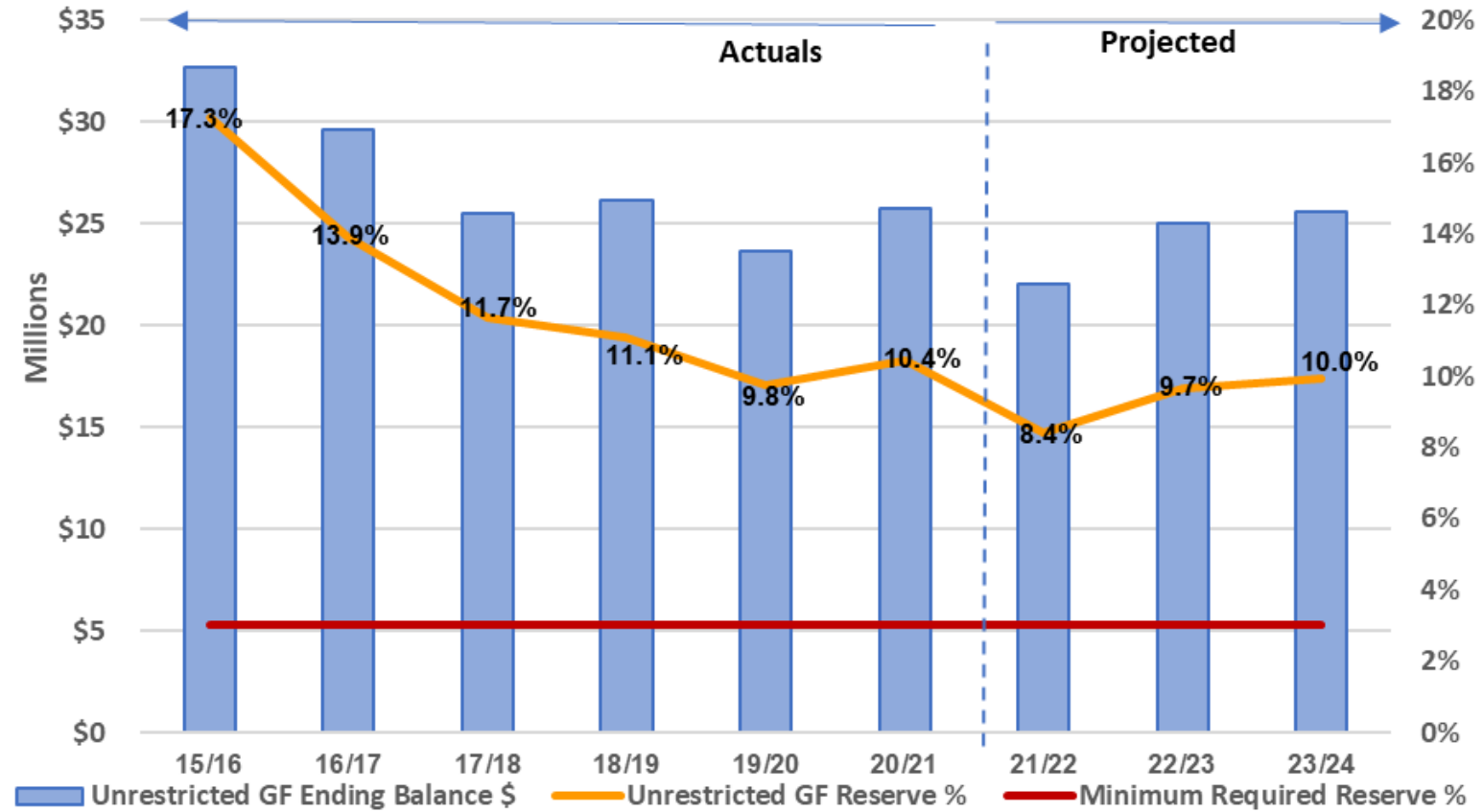


# SMUSD Contributions to PERS & STRS





# General Fund Ending Balances & Reserves





# Budget Certification - Qualified



**Positive** – District *will* complete the current and two subsequent years with a positive fund and cash balance and at least minimum reserves; the district is solvent and can meet its obligations



**Qualified** – District *may not* complete the current and two subsequent years with a positive fund and cash balance and at least minimum reserves; financial indicators require scrutiny/modest intervention.



**Negative**– District *will not* complete the current and two subsequent years with a positive fund and cash balance and at least minimum reserves; aggressive corrective action is required.



## Next Steps

- Prepare 21/22 Third Interim report
- Continue to monitor State Budget process, Governor's May Revise
- Develop 22/23 LCAP, Strategic Plan, and Graduate Profile
- Implement budget reductions of \$10M for 22/23
  - Board Resolution #56-21/22
  - Reduce expenses to prepare for lower future revenues (due to enrollment decline)

# RECOMMEND APPROVAL OF 2021-22 SECOND INTERIM REPORT & QUALIFIED CERTIFICATION

