



Eureka City Schools 2021/2022 First Interim Report

*December 9, 2021
Presented by: Paul Ziegler
Assistant Superintendent*

ACTION REQUESTED:

Pursuant to Education Code Section 42131, the Governing Board is asked to discuss, receive, and self-certify that Eureka City Schools 2021/2022 First Interim Report is **POSITIVE**. A positive certification means that, based upon current projections, the District will meet its financial obligations for the current fiscal year and two subsequent years.

Certification of the First Interim Report is an annual requirement.

For the 2021/22 First Interim Report
the Prevailing Theme Is...

B₃ I₁ G₂ N₁ U₁ M₃ B₃ E₁ R₁ S₁



2021/2022 1st Interim Key Considerations

- ***BIG NUMBER\$***
- ***One-time Funds***
- ***Unrestricted Reserves***
- ***COLA Increases***
- ***State Economic Forecast***

2021/2022 1st Interim Key Considerations

- ***2022/23 Enrollment/ADA***
- ***Cash***
- ***Universal TK Expansion***
- ***New Financial System***

EUREKA CITY SCHOOLS
2021/22 First Interim
GENERAL FUND Operating Assumptions

		<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
COLA (School Services of California Projected COLA)		5.07%	2.48%	3.11%
LCFF BASE PER ADA BY GRADE SPAN	K-3	\$8,092	\$8,293	\$8,551
	4-6	\$8,214	\$8,418	\$8,680
	7-8	\$8,458	\$8,668	\$8,938
	9-12	\$9,802	\$10,045	\$10,357
Unduplicated Percent (Three Year Rolling Average)		69.72%	69.69%	69.69%
Unduplicated Percent Annual		69.89%	69.90%	69.90%
Enrollment		3,617	3,597	3,547
ADA		3,341	3,390	3,346
ADA Guarantee (The greater of CURRENT Year or PRIOR Year)		3,450	---	3,390
Lottery Per ADA	Base	\$150	\$150	\$150
	Prop 20	\$49	\$49	\$49
Extended Learning Opportunity Grant (One-time)		\$2,735,081		
In-Person Instruction Grant (One-time)		\$808,217		
ESSER II Funding (One-time)		\$2,815,747	\$790,297	\$790,297
ESSER III Funding (One-time)		\$3,423,482	\$2,621,587	\$2,621,587
ESSER III Learning Loss Funding (One-Time)			\$1,083,332	\$1,083,332
Totals		\$9,782,527	\$4,495,216	\$4,495,216

EUREKA CITY SCHOOLS
2021/22 First Interim
GENERAL FUND Operating Assumptions

		<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Salary Increase Percentage (Proposed)				
CERTIFICATED - Effective 07/01/2021	Certificated	6.94%	---	---
CERTIFICATED MANAGEMENT - Effective 07/01/2021	Certificated	6.25%	---	---
CLASSIFIED MANAGEMENT/CONFIDENTIAL - Effective 07/01/2021	Classified	6.25%	---	---
Salary Increase Ongoing (Salary & Statutory Benefits)				
CERTIFICATED - Effective 07/01/2021	Certificated	\$1,036,258	---	---
CERTIFICATED MANAGEMENT - Effective 07/01/2021	Certificated	\$199,969	---	---
CLASSIFIED MANAGEMENT/CONFIDENTIAL - Effective 07/01/2021	Classified	\$132,006	---	---
Health & Welfare Contribution Increase Percentage (Proposed)				
CERTIFICATED - Effective 01/01/2022	Certificated	0.85%	0.85%	---
CERTIFICATED MANAGEMENT - Effective 01/01/2022	Certificated	0.485%	0.485%	---
CLASSIFIED MANAGEMENT/CONFIDENTIAL - Effective 01/01/2022	Classified	0.485%	0.485%	---
Health & Welfare Contribution Ongoing (Increase by \$86 monthly)				
CERTIFICATED - Effective 01/01/2022	Certificated	\$125,404	\$125,404	---
CERTIFICATED MANAGEMENT - Effective 01/01/2022	Certificated	\$16,180	\$16,179	---
CLASSIFIED MANAGEMENT/CONFIDENTIAL - Effective 01/01/2022	Classified	\$9,685	\$9,685	---
Minimum Wage Increase <i>Estimate</i> (Salary & Statutory Benefits)	Classified	\$196,036	---	---
Step & Column (Salary & Statutory Benefits)				
	Certificated	\$235,661	\$238,675	\$238,675
	Classified	\$71,032	\$128,644	\$128,644
	Management	\$20,675	\$24,865	\$24,865
	TOTAL	\$327,368	\$392,184	\$392,184
1% Increase (Salary & Statutory Benefits)				
- General Fund Only	Certificated	\$175,675	---	---
	Classified	\$89,073	---	---
	Management	\$62,188	---	---
	TOTAL	\$326,936	---	---
Retirees		2.0	3.0	3.0
CalPERS Projected Rates	Classified	22.91%	26.10%	27.10%
CalSTRS Projected Rates	Certificated	16.92%	19.10%	19.10%

REVENUE PROJECTIONS

EUREKA CITY SCHOOLS
2021/22 1st Interim
LCFF REVENUE PROJECTIONS

1st Interim vs. Budget Adoption

	Projected <u>2021/22</u>	Projected <u>2022/23</u>	Projected <u>2023/24</u>
<u>2021/22 Budget Adoption:</u>			
Base/Add-On	32,419,932	31,676,522	32,643,051
* Sup & Con	<u>7,484,472</u>	<u>7,319,569</u>	<u>7,525,273</u>
Total	<u>39,904,404</u>	<u>38,996,091</u>	<u>40,168,324</u>

<u>2021/22 1st Interim:</u>			
Base/Add-On	32,313,759	32,539,219	33,531,330
Sup & Con	<u>7,452,058</u>	<u>7,491,121</u>	<u>7,715,730</u>
Total	<u>39,765,817</u>	<u>40,030,340</u>	<u>41,247,060</u>

<u>Change from Budget Adoption to 1st Interim:</u>			
Base/Add-On	(106,173)	862,697	888,279
Sup & Con	<u>(32,414)</u>	<u>171,552</u>	<u>190,457</u>
Total	<u>(138,587)</u>	<u>1,034,249</u>	<u>1,078,736</u>

* Based on LCFF Revenue as reported in 2021/22 Budget Adoption 45 Day Update

EUREKA CITY SCHOOLS
2021/22 1st Interim
LCFF REVENUE PROJECTIONS

LCFF Revenue Year-Over-Year Comparison

	<u>Actual</u> <u>2020/21</u>	<u>Projected</u> <u>2021/22</u>	<u>Change From</u> <u>Prior Year</u>		<u>Projected</u> <u>2022/23</u>	<u>Change From</u> <u>Prior Year</u>		<u>Projected</u> <u>2023/24</u>	<u>Change From</u> <u>Prior Year</u>	
COLA	0.00%	5.07%			2.48%			3.11%		
LCFF Gap %	100.00%	100.00%			100.00%			100.00%		
Base/Add-On	30,998,693	32,313,759	1,315,066	4.24%	32,539,219	225,460	0.70%	33,531,330	992,111	3.05%
Sup & Con	6,414,691	7,452,058	1,037,367	16.17%	7,491,121	39,063	0.52%	7,715,730	224,609	3.00%
Total	<u>37,413,384</u>	<u>39,765,817</u>	<u>2,352,433</u>	<u>6.29%</u>	<u>40,030,340</u>	<u>264,523</u>	<u>0.67%</u>	<u>41,247,060</u>	<u>1,216,720</u>	<u>3.04%</u>

EXPENDITURE ITEMS

2021/22 FIRST INTERIM

STRS AND PERS TREND (General Fund Only)

	<u>STRS %</u>	<u>STRS \$</u>	-	<u>PERS %</u>	<u>PERS \$</u>	-
2014/15	8.88%	\$1,336,523		11.70%	\$696,445	
2015/16	10.73%	\$1,660,276		11.80%	\$765,148	
2016/17	12.58%	\$1,929,774		13.89%	\$818,957	
2017/18	14.43%	\$2,211,089		15.53%	\$982,449	
2018/19	16.28%	\$2,540,490		18.06%	\$1,221,977	
2019/20	17.10%	\$2,625,095		19.72%	\$1,346,925	
2020/21	16.15%	\$2,407,839		20.70%	\$1,372,829	
2021/22	16.92%	\$3,037,158		22.91%	\$1,980,729	
2022/23	19.10%	\$3,521,402		26.10%	\$1,899,646	
2023/24	19.10%	\$3,575,960		27.10%	\$2,016,642	

(Excludes STRS & PERS on Behalf of Pension contribution)

EUREKA CITY SCHOOLS
2021/22 1st INTERIM
SPECIAL EDUCATION COSTS

	Actual Costs					Projected Costs		
	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
<u>Special Education Expense</u>								
State and Federal	5,861,767	6,005,367	6,039,983	6,128,320	5,792,255	6,546,968	6,873,960	6,999,697
HCOE Chargeback	<u>1,860,004</u>	<u>2,079,963</u>	<u>2,264,835</u>	<u>2,105,469</u>	<u>2,146,620</u>	<u>2,317,157</u>	<u>2,317,157</u>	<u>2,317,157</u>
Total Expenditures	<u>7,721,771</u>	<u>8,085,330</u>	<u>8,304,818</u>	<u>8,233,789</u>	<u>7,938,875</u>	<u>8,864,125</u>	<u>9,191,117</u>	<u>9,316,854</u>
 Increase From Prior Year	 1,256,771	 363,559	 219,488	 (71,029)	 (294,914)	 925,250	 326,992	 125,737
 Encroachment	 <u>4,932,000</u>	 <u>5,253,000</u>	 <u>5,375,000</u>	 <u>5,120,000</u>	 <u>4,652,000</u>	 <u>5,132,000</u>	 <u>5,521,000</u>	 <u>5,677,000</u>
 % of Total Expense	 64%	 65%	 65%	 62%	 59%	 58%	 60%	 61%

- 2016/17 through 2023/24 ENCROACHMENT adjusted to show estimated ADA revenue (Local Control Funding Formula) generated by Special Education students

GENERAL FUND RESERVES COMPARISON

2021/22 First Interim General Fund Comparison

	General Fund 2020/21 Unaudited Actuals	General Fund 2021/22 Budget Adoption	General Fund 2021/22 1st Interim	General Fund 2022/23 MYP1	General Fund 2023/24 MYP2
A. REVENUES					
LCFF/Revenue Limit Sources	\$ 37,413,384	39,199,778	39,765,817	40,030,340	41,247,060
Federal Sources	7,898,715	5,585,885	13,165,647	8,996,022	8,358,471
Other State Sources	6,357,535	6,730,443	5,245,426	4,898,213	4,898,212
Other Local Sources	3,034,587	3,040,442	3,346,447	3,346,447	3,346,447
Total Revenue	54,704,221	54,556,548	61,523,337	57,271,022	57,850,190
B. EXPENDITURES					
Certificated Salaries	15,243,326	18,070,366	18,329,018	18,348,363	18,636,518
Classified Salaries	7,074,217	7,865,371	8,925,189	8,786,302	8,948,268
Employee Benefits	12,233,745	14,153,424	15,087,840	15,066,239	15,270,282
Supplies	4,093,962	2,560,743	3,130,979	2,381,542	2,376,516
Services & Other Operating	4,432,139	7,002,290	10,231,490	6,179,917	5,495,481
Capital Outlay	689,720	1,130,051	1,124,228	1,200,253	1,153,109
Other Outgo (Chargeback from HCOE)	2,532,115	2,642,749	2,642,749	2,642,749	2,642,749
Support Costs (Indirect Cost Transfers)	(103,386)	(112,204)	(129,288)	(129,288)	(129,288)
Total Expenditures	46,195,838	53,312,790	59,342,205	54,476,077	54,393,635
C. EXCESS REVENUES (EXPENDITURES)	8,508,383	1,243,758	2,181,132	2,794,945	3,456,555
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers In	0	0	0	0	0
Interfund Transfers (Out)	(269,231)	(280,466)	(543,526)	(601,529)	(637,281)
Total Other Sources (Uses)	(269,231)	(280,466)	(543,526)	(601,529)	(637,281)
E. FUND BALANCE INCREASE (DECREASE)	8,239,152	963,292	1,637,606	2,193,416	2,819,274
F. ADJUSTED BEGINNING BALANCE	6,863,357	8,901,836	15,102,509	16,740,115	18,933,531
G. ENDING BALANCE	\$ 15,102,509	9,865,128	16,740,115	18,933,531	21,752,805

2021/22 First Interim Unrestricted General Fund Comparison

	General Fund 2020/21 Unaudited Actuals	General Fund 2021/22 Budget Adoption	General Fund 2021/22 1st Interim	General Fund 2022/23 MYP1	General Fund 2023/24 MYP2
A. REVENUES					
LCFF/Revenue Limit Sources	\$ 37,413,384	39,199,778	39,765,817	40,030,340	41,247,060
Federal Sources	480	464	479	479	479
Other State Sources	829,016	686,019	745,268	745,268	745,268
Other Local Sources	490,866	664,111	664,111	664,111	664,111
Total Revenue	38,733,746	40,550,372	41,175,675	41,440,198	42,656,918
B. EXPENDITURES					
Certificated Salaries	10,486,421	12,811,439	12,678,612	12,793,390	12,998,612
Classified Salaries	4,129,490	4,772,601	5,283,031	5,785,400	5,878,337
Employee Benefits	7,044,513	8,448,116	8,739,560	8,736,602	8,865,416
Supplies	545,183	1,814,068	1,790,395	1,727,340	1,727,340
Services & Other Operating	2,729,236	2,607,602	453,338	625,193	639,853
Capital Outlay	83,292	878,680	878,680	873,256	873,256
Other Outgo (Chargeback from HCOE)	385,494	325,592	325,592	325,592	325,592
Support Costs (Indirect Cost Transfers)	(345,640)	(765,289)	(910,780)	(508,830)	(505,272)
Total Expenditures	25,057,989	30,892,809	29,238,428	30,357,943	30,803,134
C. EXCESS REVENUES (EXPENDITURES)	13,675,757	9,657,563	11,937,247	11,082,255	11,853,784
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers In	0	0	0	0	0
Interfund Transfers (Out)	(269,231)	(280,466)	(543,526)	(601,529)	(637,281)
Contributions	(7,009,299)	(8,390,131)	(8,084,938)	(8,359,808)	(8,550,635)
Total Other Sources (Uses)	(7,278,530)	(8,670,597)	(8,628,464)	(8,961,337)	(9,187,916)
E. FUND BALANCE INCREASE (DECREASE)	6,397,227	986,966	3,308,783	2,120,918	2,665,868
F. ADJUSTED BEGINNING BALANCE	6,326,721	8,326,128	12,723,948	16,032,731	18,153,649
G. ENDING BALANCE	\$ 12,723,948	9,313,094	16,032,731	18,153,649	20,819,517

2021/22 First Interim Restricted General Fund Comparison

	General Fund 2020/21 Unaudited Actuals	General Fund 2021/22 Budget Adoption	General Fund 2021/22 1st Interim	General Fund 2022/23 MYP1	General Fund 2023/24 MYP2
A. REVENUES					
Revenue Limit Sources	\$ 0	0	0	0	0
Federal Sources	7,898,235	5,585,421	13,165,168	8,995,543	8,357,992
Other State Sources	5,528,519	6,044,424	4,500,158	4,152,945	4,152,944
Other Local Sources	<u>2,543,721</u>	<u>2,376,331</u>	<u>2,682,336</u>	<u>2,682,336</u>	<u>2,682,336</u>
Total Revenue	<u>15,970,475</u>	<u>14,006,176</u>	<u>20,347,662</u>	<u>15,830,824</u>	<u>15,193,272</u>
B. EXPENDITURES					
Certificated Salaries	4,756,905	5,258,927	5,650,406	5,554,973	5,637,906
Classified Salaries	2,944,727	3,092,770	3,642,158	3,000,902	3,069,931
Employee Benefits	5,189,232	5,705,308	6,348,280	6,329,637	6,404,866
Supplies	3,548,779	746,675	1,340,584	654,202	649,176
Services & Other Operating	1,702,903	4,394,688	9,778,152	5,554,724	4,855,628
Capital Outlay	606,428	251,371	245,548	326,997	279,853
Other Outgo (Chargeback from HCOE)	2,146,621	2,317,157	2,317,157	2,317,157	2,317,157
Support Costs (Indirect Cost Transfers)	<u>242,254</u>	<u>653,085</u>	<u>781,492</u>	<u>379,542</u>	<u>375,984</u>
Total Expenditures	<u>21,137,849</u>	<u>22,419,981</u>	<u>30,103,777</u>	<u>24,118,134</u>	<u>23,590,501</u>
C. EXCESS REVENUES (EXPENDITURES)	<u>(5,167,374)</u>	<u>(8,413,805)</u>	<u>(9,756,115)</u>	<u>(8,287,310)</u>	<u>(8,397,229)</u>
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers Out	0	0	0	0	0
Contributions	<u>7,009,299</u>	<u>8,390,131</u>	<u>8,084,938</u>	<u>8,359,808</u>	<u>8,550,635</u>
Total Other Sources (Uses)	<u>7,009,299</u>	<u>8,390,131</u>	<u>8,084,938</u>	<u>8,359,808</u>	<u>8,550,635</u>
E. FUND BALANCE INCREASE (DECREASE)	<u>1,841,925</u>	<u>(23,674)</u>	<u>(1,671,177)</u>	<u>72,498</u>	<u>153,406</u>
F. ADJUSTED BEGINNING BALANCE	<u>536,636</u>	<u>575,708</u>	<u>2,378,561</u>	<u>707,384</u>	<u>779,882</u>
G. ENDING BALANCE	<u>\$ 2,378,561</u>	<u>552,034</u>	<u>707,384</u>	<u>779,882</u>	<u>933,288</u>

2021/22 First Interim Reserves Comparison

UNRESTRICTED RESERVES COMPARISON

	Unaudited Actuals 2020/21	1st Interim 2021/22 Current Year	1st Interim 2022/23 MYP 1	1st Interim 2023/24 MYP 2
Fund 01 Unrestricted Ending Balance	12,723,948	16,032,731	18,153,649	20,819,517
Fund 17 Special Reserve Ending Balance	1,611,329	1,611,329	1,611,329	1,611,329
TOTAL RESERVES:	<u>14,335,277</u>	<u>17,644,060</u>	<u>19,764,978</u>	<u>22,430,846</u>
 Total General Fund Expenditures, Transfers Out and Uses	 <u>46,465,069</u>	 <u>59,885,731</u>	 <u>55,077,606</u>	 <u>55,030,916</u>
 Budgeted Reserve Level	 <u>30.85%</u>	 <u>29.46%</u>	 <u>35.89%</u>	 <u>40.76%</u>
 <i>Budgeted Reserve Level at 2021/22 Budget Adoption</i>	 <i><u>-----</u></i>	 <i><u>20.38%</u></i>	 <i><u>13.48%</u></i>	 <i><u>5.15%</u></i>

EUREKA CITY SCHOOLS
2021/22 1st INTERIM

UNRESTRICTED RESERVES COMPONENTS

	2021/22 1st INTERIM		2023/24 MYP 2	
	\$	%	\$	%
Designated for Economic Uncertainty & Fund 17 Special Reserves (5%)	2,991,665	5.00%	2,789,292	5.07%
Routine Maintenance Reserve (3%)	1,794,999	3.00%	1,673,575	3.04%
Special Education Reserve (2%)	1,196,666	2.00%	1,115,717	2.03%
Equipment Reserve (1%)	598,333	1.00%	557,858	1.01%
Computer Replacement Reserve	1,224,000	2.04%	2,040,000	3.71%
Supplemental and Concentration Fund Reserve	1,368,244	2.28%	1,368,244	2.49%
Other Resources (Lottery, Instructional Materials, etc.)	496,018	0.83%	1,963,685	3.57%
Neighborhood Investment Reserve	350,000	0.58%	350,000	0.64%
Solar Investment Reserve	3,500,000	5.84%	3,500,000	6.36%
OPEB Trust Funding Reserve	3,625,852	6.04%	6,574,192	11.93%
Excess Salary increase Reserve	472,848	0.79%	472,848	0.86%
Cash, Prepaid, Stores, Other	25,435	0.04%	25,435	0.05%
TOTAL UNRESTRICTED RESERVES: (Target 11%)	17,644,060	29.46%	22,430,846	40.76%
Total General Fund Expenditures, Transfers Out and Uses	59,885,731		55,030,916	

RECOMMENDATION

Staff recommends the Governing Board approve the 2021/22 First Interim Report with a **POSITIVE** certification.