



Holly Drive Leadership Academy

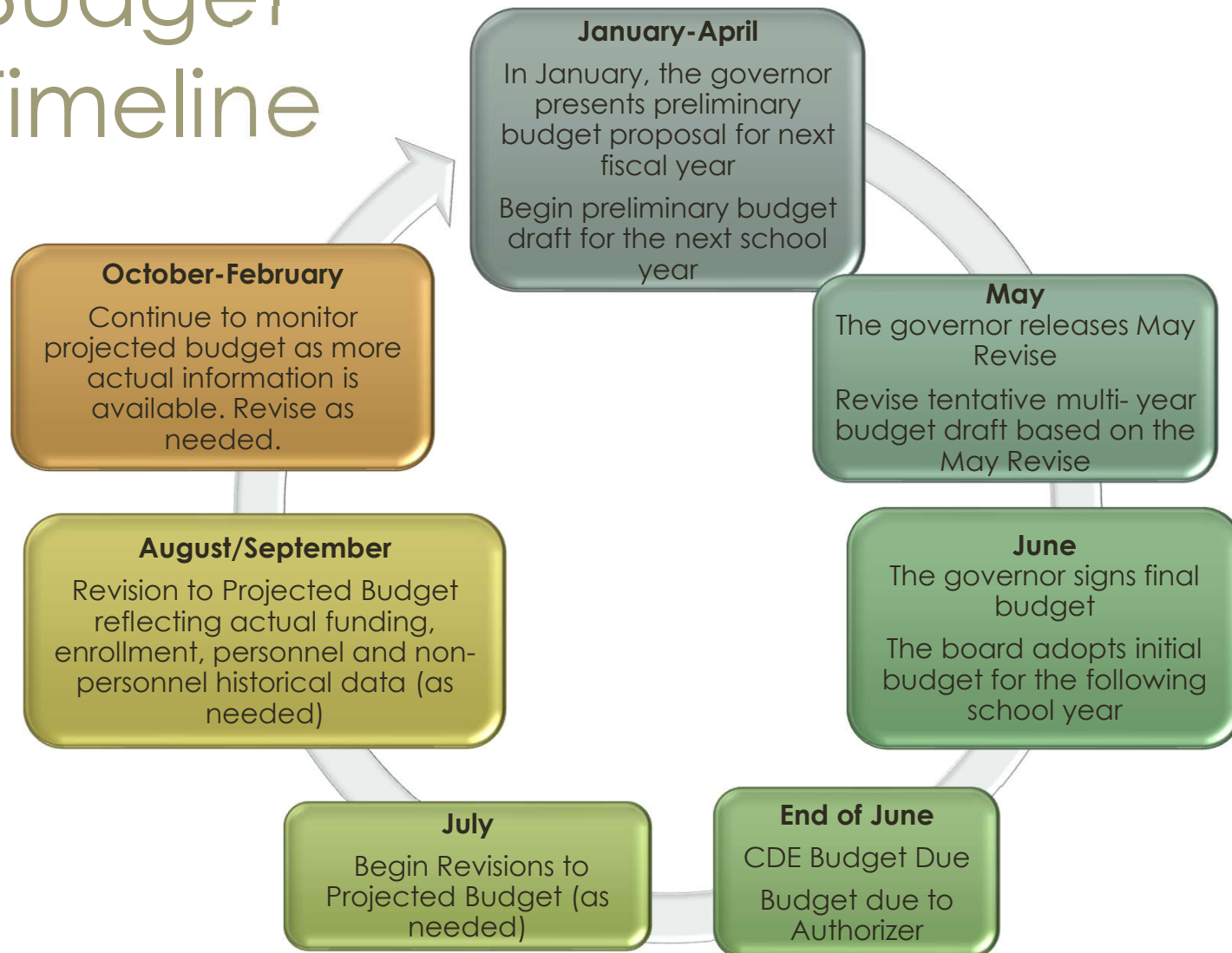
Financial Update June 24, 2025

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Presentation Agenda

- Budget Timeline
- Overview of Governor's 2025-26 May Revision
- Updated Financial Forecast as of April 2025
- HDLA's Proposed 2025-26 Budget

Budget Timeline



Overview of Governor's 2025-26 May Revision

State Budget and the Economy

- The “Big Three” sources of state revenue (personal income, corporation and sales and use tax) are projected to be \$4.8 billion lower than the Governor’s Budget from January.
- A “Growth Recession” is forecasted for 25-26 due to the slowdown in GDP, lower job growth and higher unemployment rates
- California’s unemployment rate has stayed steady from one year ago at 5.3%.
- Enacted state budget faces risks due to possible changes to federal policy, largely increased tariffs which have attributed toward the downturn in economic and revenue forecast in the state budget
- Increases in immigration activity are expected to continue, which will likely affect labor supply, tax revenue, and GDP

2025-26 May Revise Highlights

- 2.30% COLA for 25-26 compared to 2.43% from Governor's January Budget proposal
- Maintains some of the one-time funding proposals from the January Budget although some of the initial amounts have been shaved down
- Full speed ahead on ELOP and Prop 28 funding
- Proposed deferral of June 2026 LCFF payment to July 2026-similar to deferral occurring this year for June 2025 LCFF payment
- Education Protection Account (EPA) Funding reduction which could impact overall cashflow

Governor's May Revise Proposals

- **Additional Round of Learning Recovery Block Grant Funding**
 - Estimate of \$114/ADA for 21-22 x Unduplicated Pupil Percentage
 - Restrictive fundings that comes with strings attached-would require needs assessment and additional LCAP content
- **One Time Student Support and Professional Development Block Grant**
 - Proposed funding trimmed from \$1.8 to \$1.7 billion/Estimate \$312/ADA
 - Broad allowable uses of funds include to support “rising costs” and other statewide priorities
- **Prop 28 Arts & Music in Schools**
 - Proposed 15% increase in funding for 25-26
 - Restricted funds to supplement arts and music program in schools
- **Increase in TK Ratio LCFF Add-On**
 - Funding to support full implementation of Universal TK for all children eligible for TK, including for the final eligibility expansion of the birthdate to September 1
 - Increases per TK ADA from \$3,148 to \$5,545 for additional 10:1 Student Ratio

Governor's May Revise Proposals (continued)

- **Reading Literacy & Math Coaches**
 - Funding targeted to schools receiving LCFF Concentration Grant funding in 2024-25
 - Single site charter schools to receive \$50k
- **Teacher Prep & Professional Development**
 - Proposed \$10K Stipend for credential candidates completing 500 hours of teaching

2025-26 LCFF Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
2.30% COLA	\$231	\$234	\$241	\$279
2025-26 Base Grant per ADA	\$10,256	\$10,411	\$10,719	\$12,423
GSA	\$1,067	—	—	\$323
2025-26 Adjusted Base Grant per ADA	\$11,323	\$10,411	\$10,719	\$12,746
20% Supplemental Grant per ADA ¹	\$2,265	\$2,082	\$2,144	\$2,549
65% Concentration Grant per ADA ²	\$3,312	\$3,045	\$3,135	\$3,728
TK Add-On per ADA (inclusive of COLA)	\$5,545 ³	—	—	—

¹Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and UPP

²Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

³Inclusive of an additional \$2,397 for the student-to-adult ratio reduction from 12:1 to 10:1

Cost Pressures: Minimum Wage (Current Law)

- Minimum wage to continue to increase . . .

	2023	2024	2025	2026	2027	2028
CA State Minimum Wage	\$ 15.50	\$ 16.00	\$ 16.50	<i>\$ 17.00</i>	<i>\$ 17.40</i>	<i>\$ 18.00</i>
Minimum Overtime Exemption Salaries						
Weekly	\$ 1,240	\$ 1,280	\$ 1,320	<i>\$ 1,360</i>	<i>\$ 1,392</i>	<i>\$ 1,440</i>
Monthly	\$ 5,373	\$ 5,547	\$ 5,720	<i>\$ 5,893</i>	<i>\$ 6,032</i>	<i>\$ 6,240</i>
10-Month	\$ 53,733	\$ 55,466	\$ 57,200	<i>\$ 58,933</i>	<i>\$ 60,320</i>	<i>\$ 62,400</i>
Annual	\$ 64,480	\$ 66,559	\$ 68,639	<i>\$ 70,719</i>	<i>\$ 72,383</i>	<i>\$ 74,879</i>

CSDC estimates in *italics*, subject to change. Local minimum wage may be higher.

Actual 2026 Figure to be certified in August



**San Diego minimum wage higher than state minimum wage at \$17.25 per hour*

What does this all mean?

- May Revise provides key information used to draft the FY2025-26 budget however the budget faces risks due to the instability of the CA economy
- Governor is just one voice in the CA State's 2025-26 budget and Assembly and Senate get to weigh in
- State must pass a budget June 15th
- Final details and interpretations of the enacted budget are released around early July
- It's important to know that the enacted budget may change from the May Revise although it is standard practice for school districts and charters schools to build their budget based on the May Revise.

Updated Financial Forecast FY24-25

As of April 2025

HDLA Financial Forecast Vs. Budget

As of April 2025

	2024-25 FIRST INTERIM BUDGET	2024-25 FORECAST			
Enrollment	105.00	108.00			
ADA	97.65	95.51			
ADA %	93%	92.85%			
UPP	85.71%	83.33%			
Total 8011-8096 LCFF Revenue	\$ 1,249,673	\$ 1,232,046	\$ (17,628)	-1%	Decrease in ADA as of P2
Total 8100-8299 Federal Revenue	\$ 297,353	\$ 291,044	\$ (6,309)	-2%	Adjusted for final CSI carryover from 23-24
Total 8300-8599 Other State Revenue	\$ 661,349	\$ 687,417	\$ 26,068	4%	Increase in ELOP
Total 8600-8799 Other Local Revenue	\$ 96,228	\$ 98,566	\$ 2,337	2%	Treasury interest trending higher
TOTAL INCOME	\$ 2,304,604	\$ 2,309,072	\$ 4,468	0%	
% Change from prior year	0%	0%			
Total 1000 Certificated Salaries	\$ 808,700	\$ 813,615	\$ (4,915)	-1%	
Total 2000 Classified Salaries	\$ 408,489	\$ 399,276	\$ 9,213	2%	
Total 3000 Employee Benefits	\$ 356,803	\$ 352,508	\$ 4,295	1%	
Total 4000 Supplies	\$ 144,887	\$ 146,074	\$ (1,187)	-1%	
Total 5000 Services and Other Operating Expenditures	\$ 576,367	\$ 645,433	\$ (69,066)	-12%	Increase in legal fees (\$9k), instructional consultants (\$37k), student events (\$10k), software (\$5k) and fieldtrips (\$20k)
Total 6000 Capital Outlay	\$ 6,173	\$ 6,173	\$ -	0%	
TOTAL EXPENSE	\$ 2,301,419	\$ 2,363,079	\$ (61,660)	\$ (0)	
% Change from prior year	0%	3%			
SURPLUS/(DEFICIT)	\$ 3,185	\$ (54,007)	\$ 57,192		
% Change from prior year	\$ -	\$ -			
NET INCREASE (DECREASE) IN FUND BALANCE	\$ 3,185	\$ (54,007)	\$ (57,192)		
BEGINNING FUND BALANCE	\$ 677,295	\$ 677,295			
ENDING FUND BALANCE	\$ 680,479	\$ 623,287			
RESERVE (AS % OF EXPENSES)	30%	26%			

Holly Drive Leadership Academy Preliminary Budget

FY 2025-26

2025-26 Base Budget Highlights

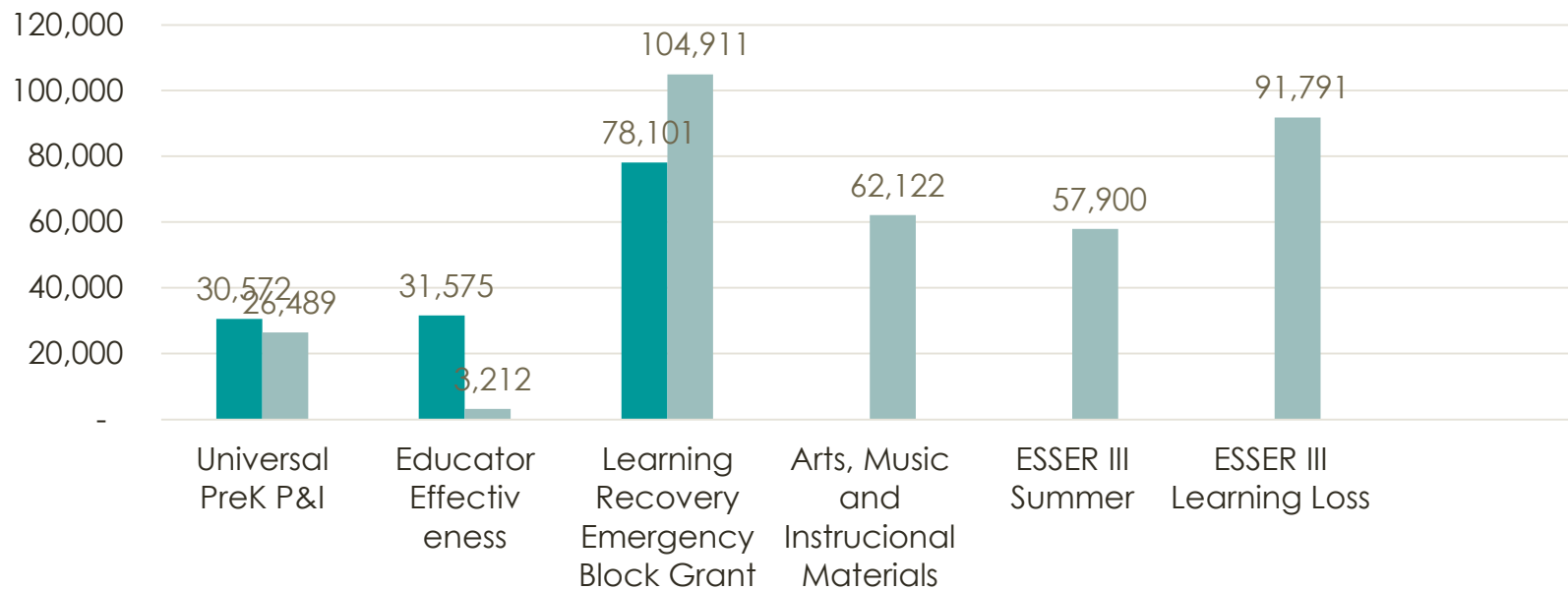
- Budget is based off enrollment of 118 students at an attendance rate of 94%
- Increase in estimated ADA rate from 93% in 24-25 to 25-26 to account for Attendance Recovery Program
- Current Year to Date (YTD) Actuals were used to project out the remainder of the current school year and then used as the base for future years.
- Expenditures were evaluated and adjusted accordingly based on anticipated needs for the upcoming year and to help achieve a balanced budget
- LCFF assumptions per the Governor's May Revise were used including some of the May Revise funding proposals –Additional Learning Recovery funds, increase in Prop 28 Funding Rate and TK Add on.
- \$218K (10%) decrease in federal revenues due to expiration of ESSER funds and \$62K (10%) decrease in other state revenues due to expenditure of one-time funds for Arts, Music and Instructional Materials Grant.

Other Budget Considerations

- One-time federal COVID relief funds have fully expired as of 25-26 (\$822K expended since FY20-21)
- Still have some one state funds available however all due to be expended in FY25-26
- Will need to remain mindful of expenses and student enrollment targets as all the one-time funding will be gone after FY25-26.
- Next checkpoint for next year's FY25-26 budget is the state's June Budget adoption
- Will need to reevaluate budget again in the fall once actual enrollment numbers are in and incorporate changes from the May Revise
- Projecting enrollment to increase up to 125 starting 26-27 to sustain current costs after one time funds expiration and to maintain a balanced budget.

HDLA's One Time Funds

One Time Funds in 25-26 Budget vs 24-25



Total Restricted Grant Funds FY 25-26: \$140,248

Total Restricted Grant Funds FY 24-25: \$346,425

- Educator Effectiveness, UPK Planning and Implementation Grant, Arts, Music, and Instructional Materials must be spent by **June 30, 2026**
- Learning Recovery must be spent by **June 30, 2028**

FY2025-26 Proposed Budget vs FY2024-25 Est. Actuals

	2024-25 FORECAST	2025-26 BUDGET	Difference (\$)	Difference (%)	Descriptions/Explanations
Enrollment	108	118			
ADA	95.51	110.92			
ADA %	93%	94%			
UPP	83%	86%			
Total 8011-8096 LCFF Revenue	\$ 1,232,046	\$ 1,459,367	\$ 227,322	18%	Budgeted increase in enrollment and ADA
Total 8100-8299 Federal Revenue	\$ 291,044	\$ 72,298	\$ (218,746)	-74%	Expiration of ESSER Funds in the prior year
Total 8300-8599 Other State Revenue	\$ 687,417	\$ 627,278	\$ (60,139)	-9%	Decrease in ELOP, Arts Music and Instructional Materials Grant, and Learning Recovery
Total 8600-8799 Other Local Revenue	\$ 98,566	\$ 110,146	\$ 11,581	12%	Increase in State SPED due to increase in ADA
TOTAL INCOME	\$ 2,309,072	\$ 2,269,089	\$ (39,983)	-2%	
% Change from prior year	0%	-2%		-2%	
Total 1000 Certificated Salaries	\$ 813,615	\$ 857,975	\$ 44,360	5%	Part time sub now full time teacher/Increase in ELOP hours
Total 2000 Classified Salaries	\$ 399,276	\$ 401,965	\$ 2,689	1%	
Total 3000 Employee Benefits	\$ 352,508	\$ 391,390	\$ 38,882	11%	Increase in STRS and payroll taxes due to increase in overall salaries
Total 4000 Supplies	\$ 146,074	\$ 96,792	\$ (49,282)	-34%	Decrease in non capitalized equipment/Purchased new monitors and chromebooks in the prior year
Total 5000 Services and Other Operating Expenditures	\$ 645,433	\$ 511,579	\$ (133,855)	-23%	Decrease in ELOP Consultants, decrease in summer school fieldtrips and regular school year fieldtrips
Total 6000 Capital Outlay	\$ 6,173	\$ 6,173	\$ -	0%	
TOTAL EXPENSE	\$ 2,363,079	\$ 2,265,873	\$ (97,206)	-4%	
% Change from prior year	3%	-4%		-4%	
SURPLUS/(DEFICIT)	\$ (54,007)	\$ 3,216	\$ 57,223		
% Change from prior year					
NET INCREASE (DECREASE) IN FUND BALANCE	\$ (54,007)	\$ 3,216	\$ 57,223		
BEGINNING FUND BALANCE	\$ 677,295	\$ 623,287	\$ -		
ENDING FUND BALANCE	\$ 623,287	\$ 626,504	\$ 57,192		
RESERVE (AS % OF EXPENSES)	26%	28%			

Holly Drive Leadership Academy

FY2025-26 Proposed Multi-Year Budget

increasing enrollment to 125

	2024-25 FIRST INTERIM BUDGET	2024-25 FORECAST	2025-26 BUDGET	2026-27 BUDGET	2027-28 BUDGET
Enrollment	105	108	118	125	125
ADA	97.65	95.51	110.92	117.50	117.50
ADA %	93%	93%	94%	94%	94%
UPP	86%	83%	86%	86%	86%
Total 8011-8096 LCFF Revenue	\$ 1,249,673	\$ 1,232,046	\$ 1,459,367	\$ 1,591,201	\$ 1,645,215
Total 8100-8299 Federal Revenue	\$ 297,353	\$ 291,044	\$ 72,298	\$ 73,918	\$ 75,052
Total 8300-8599 Other State Revenue	\$ 661,349	\$ 687,417	\$ 627,278	\$ 404,144	\$ 414,633
Total 8600-8799 Other Local Revenue	\$ 96,228	\$ 98,566	\$ 110,146	\$ 119,439	\$ 123,241
TOTAL INCOME	\$ 2,304,604	\$ 2,309,072	\$ 2,269,089	\$ 2,188,703	\$ 2,258,142
% Change from prior year		0%	-2%	-4%	3%
Total 1000 Certificated Salaries	\$ 808,700	\$ 813,615	\$ 857,975	\$ 818,795	\$ 841,400
Total 2000 Classified Salaries	\$ 408,489	\$ 399,276	\$ 401,965	\$ 359,323	\$ 369,926
Total 3000 Employee Benefits	\$ 356,803	\$ 352,508	\$ 391,390	\$ 376,598	\$ 395,447
Total 4000 Supplies	\$ 144,887	\$ 146,074	\$ 96,792	\$ 83,792	\$ 83,792
Total 5000 Services and Other Operating Expenditures	\$ 576,367	\$ 645,433	\$ 511,579	\$ 515,302	\$ 524,579
Total 6000 Capital Outlay	\$ 6,173	\$ 6,173	\$ 6,173	\$ 6,173	\$ 6,173
TOTAL EXPENSE	\$ 2,301,419	\$ 2,363,079	\$ 2,265,873	\$ 2,159,983	\$ 2,221,316
% Change from prior year		3%	-4%	-5%	3%
SURPLUS/(DEFICIT)	\$ 3,185	\$ (54,007)	\$ 3,216	\$ 28,720	\$ 36,826
% Change from prior year					
NET INCREASE (DECREASE) IN FUND BALANCE	\$ 3,185	\$ (54,007)	\$ 3,216	\$ 28,720	\$ 36,826
BEGINNING FUND BALANCE	\$ 677,295	\$ 677,295	\$ 623,287	\$ 723,702	\$ 752,422
ENDING FUND BALANCE	\$ 680,479	\$ 623,287	\$ 626,504	\$ 752,422	\$ 789,247
RESERVE (AS % OF EXPENSES)	30%	26%	28%	35%	36%

Holly Drive Leadership Academy

Multi-Year Projection with Flat Enrollment

(for informational purposes)

	2024-25	2025-26	2026-27	2027-28
	FORECAST	BUDGET	BUDGET	BUDGET
Enrollment	108	108	108	108
ADA	95.51	95.51	95.51	95.51
ADA %	93%	93%	93%	93%
UPP	83%	86%	86%	86%
Total 8011-8096 LCFF Revenue	\$ 1,232,046	\$ 1,259,202	\$ 1,298,292	\$ 1,342,572
Total 8100-8299 Federal Revenue	\$ 291,044	\$ 72,298	\$ 72,298	\$ 72,298
Total 8300-8599 Other State Revenue	\$ 687,417	\$ 511,942	\$ 362,661	\$ 362,730
Total 8600-8799 Other Local Revenue	\$ 98,566	\$ 96,007	\$ 98,654	\$ 101,744
TOTAL INCOME	\$ 2,309,072	\$ 1,939,449	\$ 1,831,904	\$ 1,879,343
% Change from prior year	0%	-16%	-6%	3%
Total 1000 Certificated Salaries	\$ 813,615	\$ 857,975	\$ 839,921	\$ 857,146
Total 2000 Classified Salaries	\$ 399,276	\$ 401,965	\$ 362,754	\$ 377,029
Total 3000 Employee Benefits	\$ 352,508	\$ 389,546	\$ 380,017	\$ 398,701
Total 4000 Supplies	\$ 146,074	\$ 96,792	\$ 83,792	\$ 83,792
Total 5000 Services and Other Operating Expenditures	\$ 645,433	\$ 525,149	\$ 508,881	\$ 516,438
Total 6000 Capital Outlay	\$ 6,173	\$ 6,173	\$ 6,173	\$ 6,173
TOTAL EXPENSE	\$ 2,363,079	\$ 2,277,599	\$ 2,181,539	\$ 2,239,279
% Change from prior year	3%	-4%	-4%	3%
SURPLUS/(DEFICIT)	\$ (54,007)	\$ (338,150)	\$ (349,635)	\$ (359,935)
% Change from prior year				
NET INCREASE (DECREASE) IN FUND BALANCE	\$ (54,007)	\$ (338,150)	\$ (349,635)	\$ (359,935)
BEGINNING FUND BALANCE	\$ 677,295	\$ 623,287	\$ 285,137	\$ (64,498)
ENDING FUND BALANCE	\$ 623,287	\$ 285,137	\$ (64,498)	\$ (424,434)
RESERVE (AS % OF EXPENSES)	26%	13%	-3%	-19%