



# SECOND INTERIM FINANCIAL REPORT

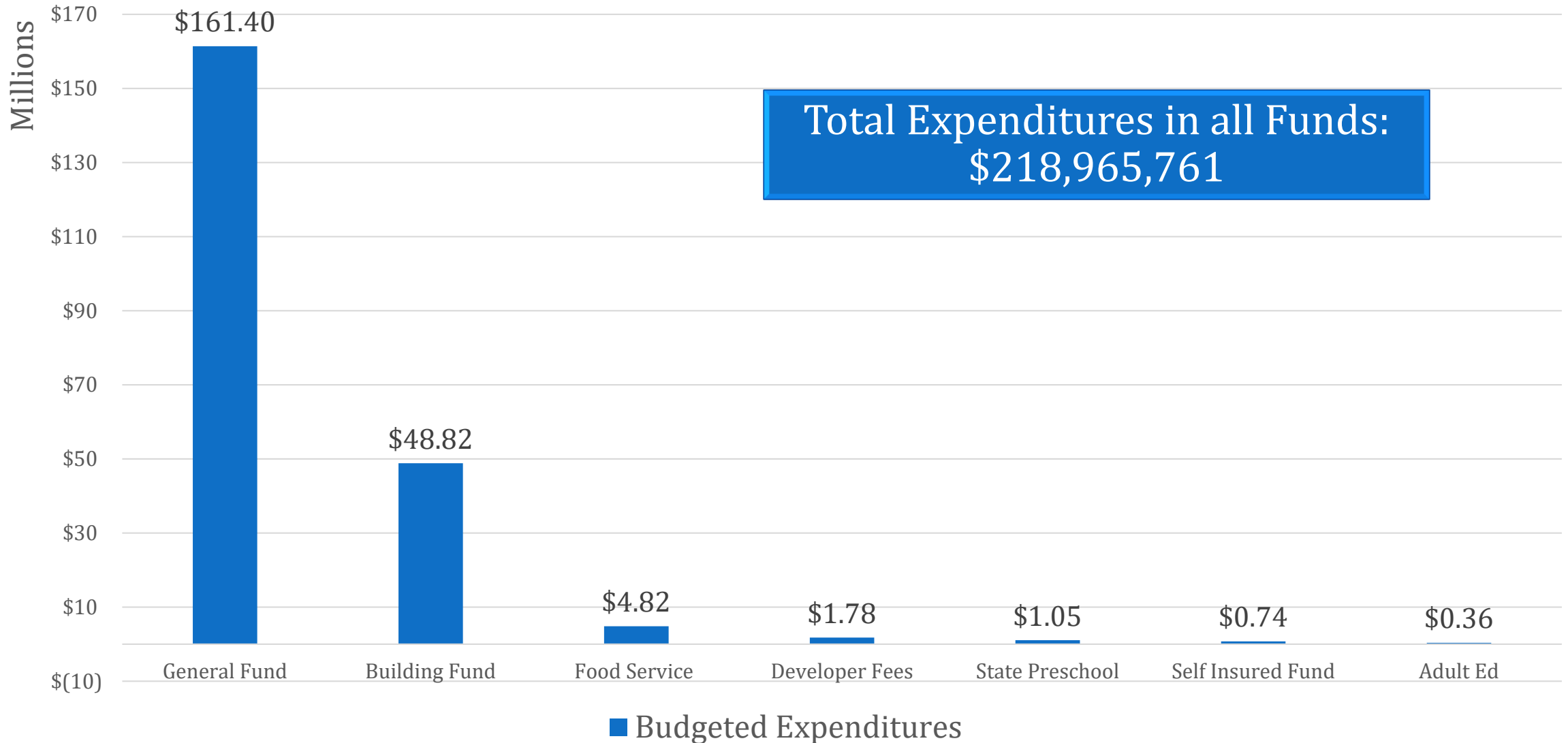
Presented to the Governing Board on March 18, 2021

- Types of Interim Certifications
- Variance between First Interim and Second Interim
- Declining enrollment & expiration of hold harmless protection
- Updated Multi-Year Projection
  - What's included
  - What's not included
- Certify Interim Report

# Interim Certification

- Positive Certification – Certify that District will be able to meet its financial obligation for the current and subsequent two fiscal years.
  - Qualified – may not meet
  - Negative – will not be able to meet
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- **GUSD Second Interim is self-certified as “Positive”**

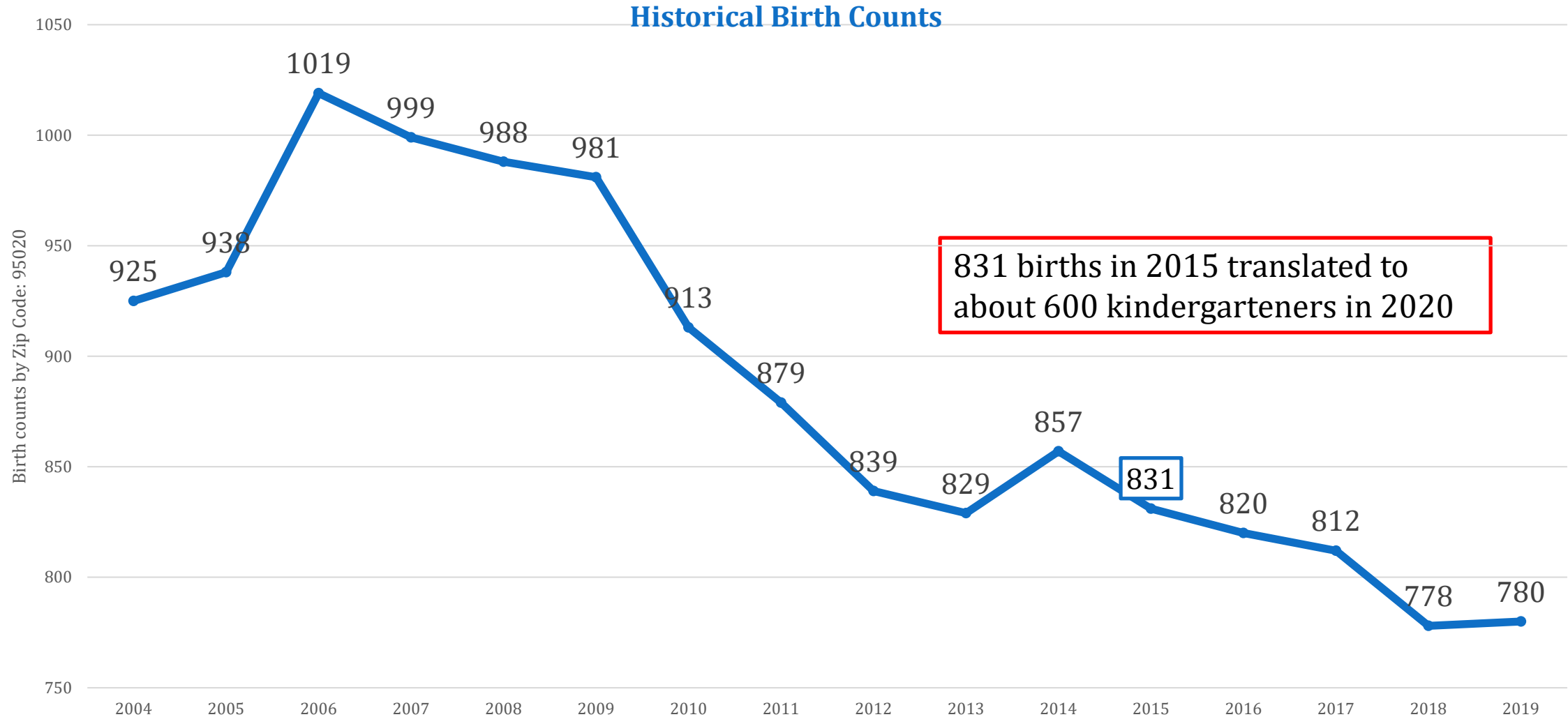
# 2020-21 Second Interim Expenditures by Major Fund



# GENERAL FUND: Variance between interim reports

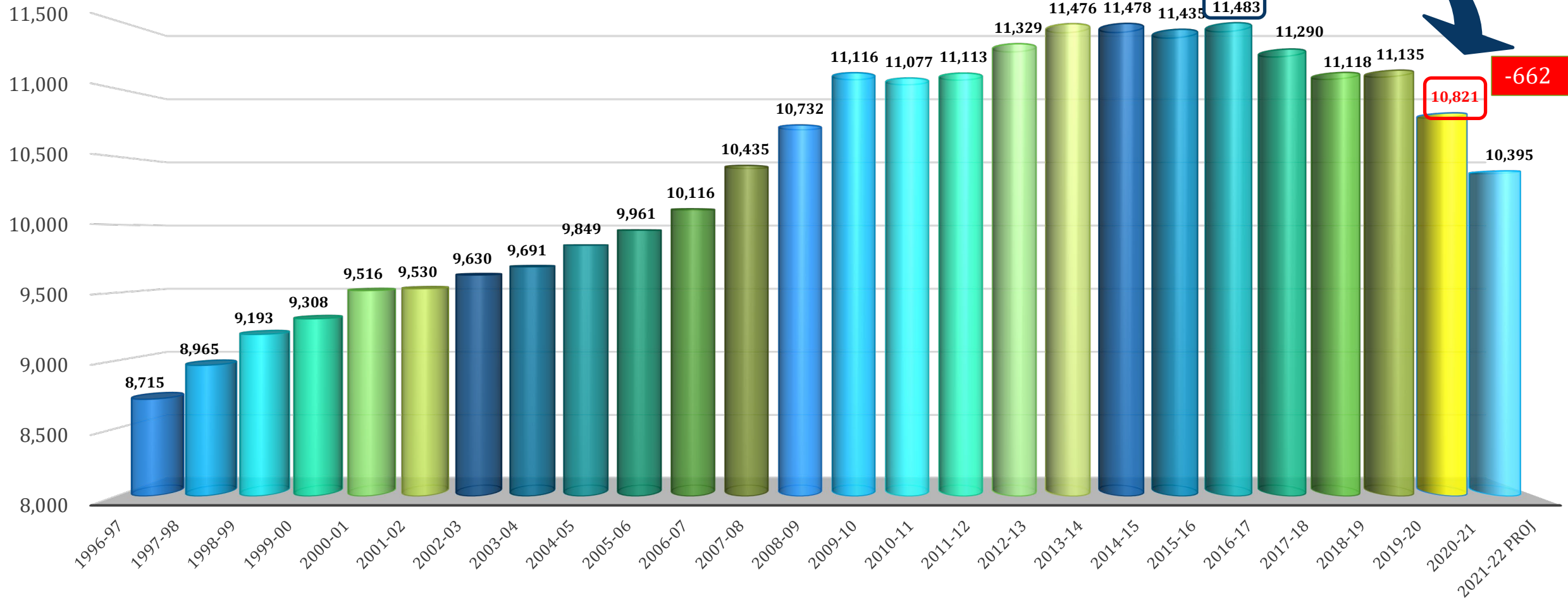
Unrestricted Expenditures	First Interim 2020-21	Second Interim 2020-21	Difference
Revenue	\$ 111,026,151	\$ 111,535,500	\$ 509,349
Expenditures	\$ 98,075,473	\$ 98,109,698	\$ 34,225
Excess/(Deficiency)	\$ 12,950,678	\$ 13,425,802	\$ 475,124
Other Financing & Contribution	\$ (20,624,923)	\$ (19,838,190)	\$ 786,733
Net Inc/Decr to Fund Balance	\$ (7,674,245)	\$ (6,412,387)	\$ 1,261,857
Beg Fund Balance	\$ 32,030,424	\$ 32,030,424	\$ 0
Ending Fund Balance	\$ 24,356,180	\$ 25,618,037	\$ 1,261,857
7% Min. Unrestricted Reserve	\$ 10,839,394	\$ 11,377,995	\$ 538,601
% Unrestricted Reserve	15.41%	15.73%	0.32%

# Gilroy's Historical Birth Data (by zip code)



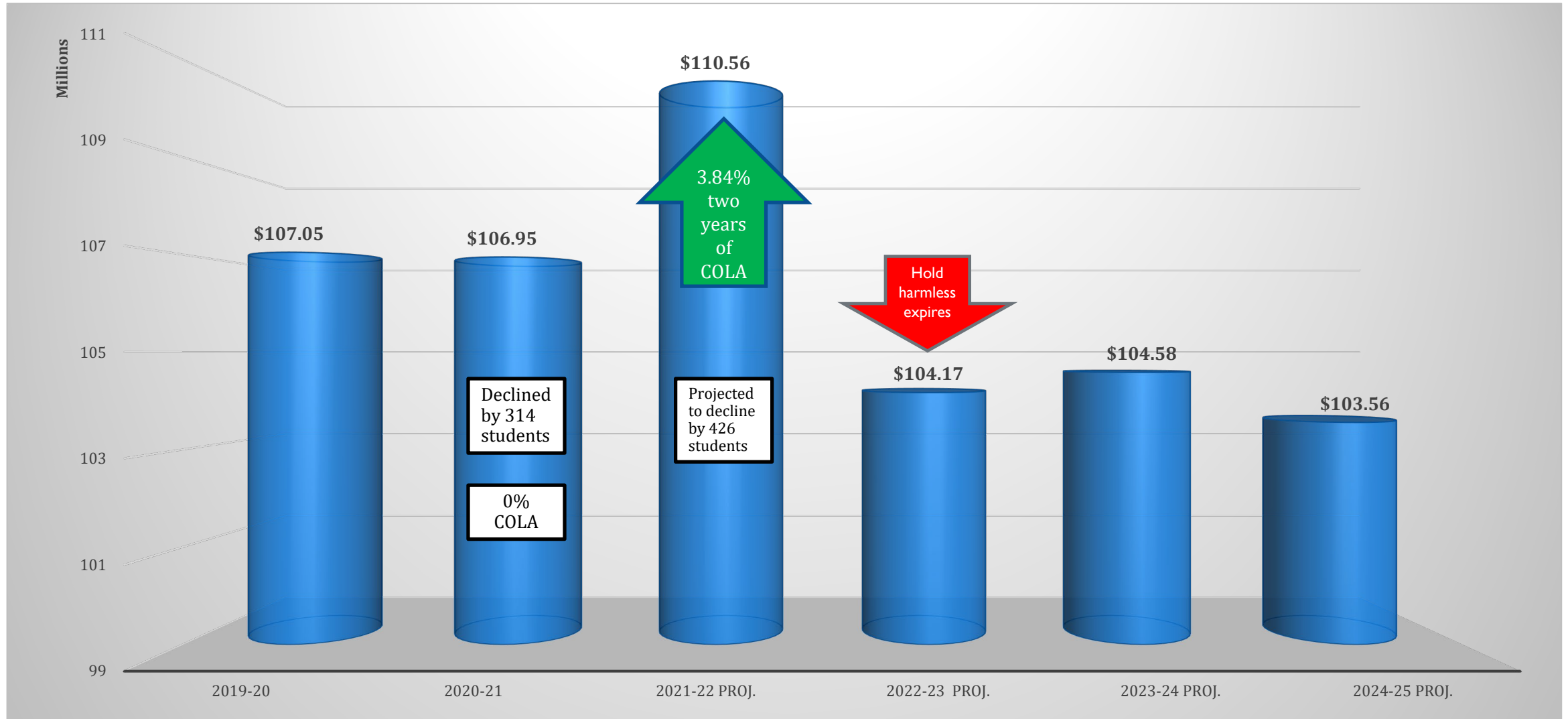
# Declining Enrollment (Excludes Navigator Charter School)

*Updated with Certified Enrollment Data*



*Source: data from DataQuest; includes NPS, Excludes Navigator.*

# Projected LCFF Revenues, Impact of Hold Harmless & Projected COLA for 2021-22





# Expiration of the Hold Harmless – \$6.3 revenue loss in a year!

Fiscal Year	Enrollment	Average Daily Attendance (ADA)
2019-20	11,135	* Funded at 10,600 ADA
2020-21	10,821	* Funded at 10,600 ADA
2021-22	10,395 projected	* Funded at 10,600 ADA
2022-23	10,295 projected	Hold harmless expires. Funding will be based on 2021-22 ADA (est. 9,875 *) - A loss of about \$6.3 million in a single year

# Multi-Year Projection

A projection is a forecast – not a *prediction*!

# What's included in the Multi-Year Projection

## REVENUE ASSUMPTIONS

- Funded Cost of Living Adjustments (COLAs)
  - 3.84% for 2021-22 (two years worth of COLA)
  - 1.28% for 2021-22
  - 1.61% for 2022-23
- Incorporates DecisionInsites' projected decline in enrollment of over 426 students for 2021-22
- Assumes a decline of 100 students in each subsequent year (2022-23 and 2023-24)
- Includes the ESSER II funds
  - **\$4.8 million of one-time funds for GUSD**
  - **ESSER funds can be spent through Sept 2023**

## EXPENDITURE ASSUMPTIONS

- Removes the \$1.1 million contribution to the Food Service Fund
- Includes \$1 million placeholder budget cuts to correspond to a loss of 100 students in subsequent years.
- Adds one-time \$4.8 million ESSER II expenditures in 2020-21.
- Includes changes in employer mandated CalSTRS and CalPERS rates

# What's NOT included in the Multi-Year Projection

- Does not include in-person incentive funding
  - GUSD's maximum allocation would be \$7.4 million, subject to reopening penalties.
- Does not include estimates pursuant to the \$1.9 Trillion Covid Relief Aid
  - Early estimate for GUSD per School Services of California
  - \$10.8 million in one-time funds. Includes a \$2.1 million set aside for learning loss mitigation.

# Multi-Year Projection (prior to any TA with Bargaining Units)



	2020-21 SECOND INTERIM			2021-22 Projection			2022-23 Projection			2023-24 Projection		
REVENUES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF	106,948,636	5,215,622	112,164,258	110,557,016	5,944,408	116,501,424	104,169,248	5,215,622	109,384,870	104,583,775	5,944,408	110,528,183
One Time Revenues (Sp Ed)	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from ADB	120,000		120,000	160,000		160,000	200,000		200,000	200,000		200,000
Federal Revenues	114,581	21,757,540	21,872,121	114,581	8,257,127	8,371,707	114,581	8,257,127	8,371,707	114,581	8,257,127	8,371,707
Other State Revenues	2,032,360	11,327,899	13,360,259	2,032,360	8,196,346	10,228,706	2,032,360	8,418,467	10,450,827	2,032,360	8,646,607	10,678,967
Other Local Revenues	2,319,924	2,982,903	5,302,827	2,319,924	1,987,397	4,307,320	2,319,924	1,987,397	4,307,320	2,319,924	1,987,397	4,307,320
TOTAL, REVENUES	111,535,500	41,283,964	152,819,465	115,183,880	24,385,277	139,569,158	108,836,112	23,878,612	132,714,725	109,250,639	24,835,539	134,086,178
EXPENDITURES												
Placeholder cuts (21-22) Declining Enroll.			-	(1,000,000)		(1,000,000)	(1,000,000)	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Placeholder cuts (22-23) Declining Enroll.	-		-			-	(1,000,000)	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Placeholder cuts (23-24) Declining Enroll.			-			-			-	(1,000,000)		(1,000,000)
Certificated	44,938,790	11,521,281	56,460,071	45,612,872	11,694,100	57,306,972	46,297,065	11,869,512	58,166,577	46,991,521	12,047,554	59,039,076
Classified	12,703,902	7,796,008	20,499,910	12,894,460	7,912,948	20,807,408	13,087,877	8,031,642	21,119,519	13,284,195	8,152,117	21,436,312
Employee Benefits	19,715,741	12,442,294	32,158,036	20,277,750	12,861,990	33,139,740	22,275,234	13,122,249	35,397,483	22,501,640	13,122,249	35,623,889
Books & Supplies	7,466,708	13,048,195	20,514,903	3,549,394	3,379,335	6,928,729	3,949,394	2,434,901	6,384,295	4,349,394	2,427,731	6,777,125
Services & Operating Expenses	13,044,862	13,660,198	26,705,059	8,195,506	2,883,728	11,079,234	8,195,506	3,051,731	11,247,237	8,195,506	4,006,178	12,201,684
Capital Outlay	763,714	635,129	1,398,843	252,325	87,183	339,508	252,325	87,183	339,508	252,325	87,183	339,508
Other Outgo	426,606	3,477,447	3,904,053	436,175	3,763,985	4,200,160	442,717	3,763,985	4,206,702	449,358	3,763,985	4,213,343
Transfers of Indirect Costs	(950,625)	707,200	(243,425)	(778,300)	775,258	(3,042)	(778,300)	775,258	(3,042)	(778,300)	775,258	(3,042)
TOTAL, EXPENDITURES	98,109,698	63,287,752	161,397,450	89,440,183	43,358,527	132,798,710	91,721,819	43,136,461	134,858,280	92,245,640	44,382,255	136,627,895
Transfers Out	1,145,333	-	1,145,333	-	-	-	-	-	-	-	-	-
Contributions	(18,692,857)	18,692,857	-	(18,973,250)	18,973,250	-	(19,257,849)	19,257,849	-	(19,546,716)	19,546,716	-
TOTAL, OTHER SOURCES/USES	(19,838,190)	18,692,857	(1,145,333)	(18,973,250)	18,973,250	-	(19,257,849)	19,257,849	-	(19,546,716)	19,546,716	-
NET INCREASE (DECREASE)	(6,412,387)	(3,310,930)	(9,723,318)	6,770,448	0	6,770,448	(2,143,555)	0	(2,143,555)	(2,541,717)	(0)	(2,541,717)
FUND BALANCE												
Beginning Fund Balance	32,030,424	3,310,930	35,341,355	25,618,037	-	25,618,037	32,388,485	-	32,388,485	30,244,929	-	30,244,929
Proj. Ending Fund Balance	25,618,037	-	25,618,037	32,388,485	0	32,388,485	30,244,929	0	30,244,929	27,703,212	(0)	27,703,212
Nonspendable Revolving Cash	50,000		50,000	50,000		50,000	50,000		50,000	50,000		50,000
Mimumum RESERVE	\$ 11,377,995			\$ 9,295,910			\$ 9,440,080			\$ 9,563,953		
UNRESTRICTED RESERVE	15.73%			24.35%			22.39%			20.24%		

## Recommended Board Action

- Approve the Second Interim Report with a Positive Certification.