

2021-2022

Unaudited Actuals Summary



For the Period Ending June 30, 2022



Table of Contents

03

Board Members

04

Administration

05

Executive Summary & Year in Review

06

Enrollment & Average Daily Attendance (ADA)

07

Unrestricted General Fund

10

Charter Schools

11

Restricted General Fund

13

District Funds

Board of Education



Board President
Juan R. Guerrero
Trustee Area 2



Board Clerk
Walta S. Gamoian
Trustee Area 1



Board Member
Megan Casebeer Soleno
Trustee Area 5



Board Member
Catalina Blair
Trustee Area 4



Board Member
Jacqueline A. Gaebe
Trustee Area 7



Board Member
Joy M. Naylor
Trustee Area 3



Board Member
Randy Villegas
Trustee Area 6

Administration

Interim Superintendent

Doug Cardoza

Incoming Superintendent

Kirk Shrum

Assistant Superintendent

Educational Services

Mark Thompson

Assistant Superintendent

Human Resources Development

Dedi Somavia

Administrator

Equity & Student Services

Brandon Gridiron

Administrator

Human Resources Development

Andy Di Meo

Administrator

Curriculum & Instruction

Andre Pecina

Area Administrator

K-12

Alma Navarro

Administrator

Special Education

Carrie Stephens

Area Administrator

K-12

Rick Hamilton

Administrator

Family & Community Services

Jim Sullivan

Area Administrator

K-12

Roberto Vaca

Chief Business Officer

Business Services

Nathan Hernandez

Chief Operations Officer

Operations Services

Erik Kehrer

Executive Summary

The Year In Review

The Unaudited Actuals Report is the District's final budget report for the fiscal year until the Annual Financial Report or audit is presented in January. This report is a snapshot of District activity as of June 30, 2022.

The 2021-22 fiscal year reflects the state's V-shaped recovery from the COVID-19 recession. Governor Newsom's "California Comeback Plan" included a mix of ongoing and one-time funding. The Governor's May Revision increased the cost-of-living adjustment (COLA) provided in the Governor's Budget. First, the May Revision recognized the statutory COLA for 2021-22 is 1.70%, an increase of 0.2% from the Governor's original budget. Second, to help local educational agencies (LEA's) address ongoing fiscal pressures, additional Proposition 98 monies were set aside to increase the COLA applicable to LCFF by an additional 1.0%, bringing COLA to 2.70%. The 2.70% COLA compounded with the 2019-20 statutory COLA of 2.31%, resulted in an LCFF "mega" COLA of 5.07% for 2021-22. This "mega" COLA was designed to bring LCFF rates beyond where the 2020-21 statutory COLA had been funded. The base grants as well as supplemental concentration grant amounts increased from the 2019-20 amounts.

For students, the May Revision continues the state's focus on in-person instruction. Beginning in 2021-22 LEA's must offer to at least all unduplicated pupils in K-6th grade, and must provide at least 50% of those students access to expanded learning opportunities. Governor Newsom supplemented additional monies to provide interventions for students focused on accelerated learning. The Expanded Learning Opportunities Grant (ELO) provides funding for supplemental instructions and support to students across seven targeted supplemental and support strategies. Assembly Bill (AB) 130 set forth additional requirements for students receiving instruction through Independent Study, including a requirement that students are provided with live interaction and synchronous instruction. The increased revenues expanded access to educational and support services to students including programs to accelerate and enrich academic learning.

The certificated bargaining unit reached an agreement with the District to fund step and column movement for the 2021-22 school year. The agreement also provided a 4.5% increase to salary schedules as well as restoring the one (1) day that was furloughed last year. Certificated members also received a one-time off salary schedule payment meeting certain requirements. Certificated staff also began receiving their hourly rate (extra contracted rate) for any approved work outside/during their contracted day. Subsequently, the bargaining units reached an agreement in September 2021 to address the requirements of AB 130 to serve additional students through independent study. As a result of these requirements for AB 130, the salary schedule was increased by an additional 4.5%. The classified bargaining unit reached an agreement with the District to provide step movement and a 4.5% increase to the salary schedule for 2021-22. In addition, a one-time off salary schedule payment was provided to bargaining unit members meeting certain requirements. The percentage of salary contributed to STRS by the district on-behalf of its teachers had an increase from 16.15% in 2020-21 to 16.92% in 2021-22. California Public Employees Retirement System (PERS) rates paid by the district for classified staff grew slightly going from 20.70% in 2020-21 to 22.91% in 2021-22.

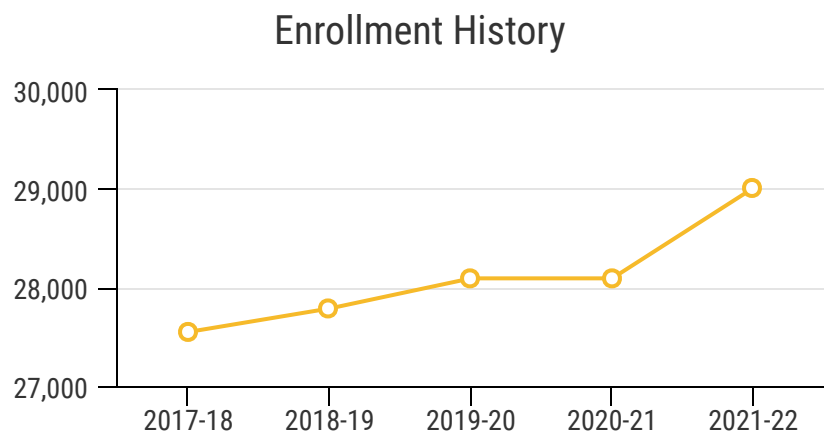
At the end of 2021-22, VUSD maintained a reserve for economic uncertainties at 10.0% for FY 2021-22.

Enrollment & ADA

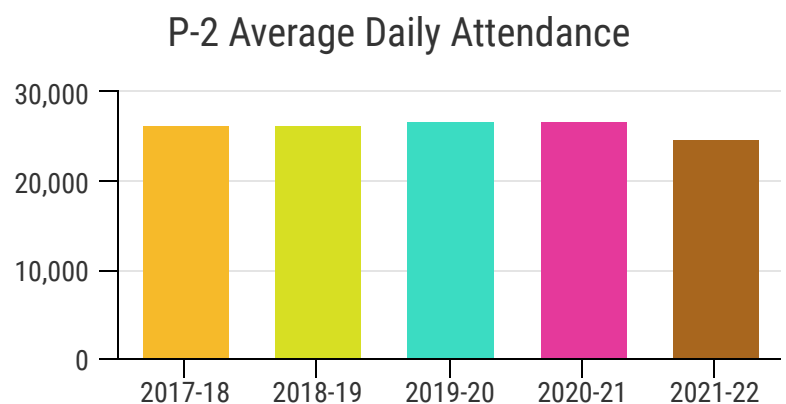
The majority of revenues coming into the general fund are based on student attendance, enrollment, and the district's unduplicated pupil percentage (UPP). Under current law, the LCFF for school districts is funded on the greater of current or prior year ADA. Districts are funded on the option that provides the higher revenue. Student enrollment for 2021-22 was reported at 29,007, an increase of 916 from 2020-21. The P-2 average daily attendance (ADA) was 24,844.67.

Five Year & ADA History

Fiscal Year	October CalPADS Enrollment	Change
2017-18	27,548	-0.09%
2018-19	27,786	0.86%
2019-20	28,091	1.10%
2020-21	28,091	0.00%
2021-22	29,007	3.26%



Fiscal Year	P-2 ADA	Change
2017-18	26,291.20	-0.15%
2018-19	26,484.88	0.74%
2019-20	26,782.05	1.12%
2020-21*	26,782.05	0.00%
2021-22	24,844.67	-7.23%
*2020-21 funded on 2019-20 ADA		
Excludes County/Charter ADA		



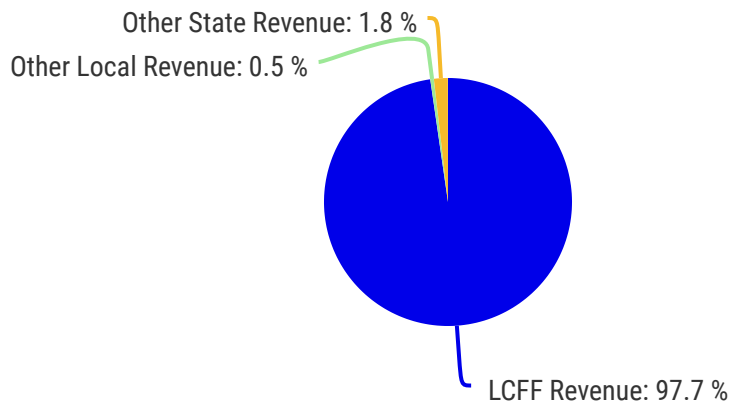
Unrestricted General Fund

Revenues

In the 2021-22 Unaudited Actuals report, Visalia Unified School District's total unrestricted general fund revenues are reported at \$322,840,949 at year end. This is \$5.5 million less than what was projected in the District's Second Interim report approved on March 8, 2022.

\$322,840,949

2021-22 General Fund Unrestricted Revenue



Local Control Funding Formula (LCFF)

\$315,496,245

LCFF revenues totaled \$315,496,245 which represents full funding of 100% of the LCFF target. LCFF makes up 97.7% of total unrestricted general fund revenues. LCFF revenues are made up of local property taxes, Proposition 30 Education Protection Act receipts, and State Aid. Local property taxes make up \$51,472,880 of the total LCFF allocation, Prop 30 revenues make up \$124,234,389, and the remaining \$143,035,800 is State Aid. A \$3,246,824 reduction was applied to total LCFF revenues for prior year adjustments to revenue limit and in-lieu tax transfers to charter schools.

Other State Revenue

\$5,881,848

Other State revenues in the unrestricted general fund totaled \$5,881,848 for the year ending June 30, 2022. This is a 3.86% decrease from what was recorded in the unrestricted general fund in 2020-21. This was due to a decrease in Lottery funds.

Local Revenue

\$1,462,856

Local revenues totaled \$1,462,856 in 2021-22. This was an decrease of 89.86% from the prior year. The decrease is due interest earnings and one-time monies received in FY 2020-21.

Unrestricted General Fund

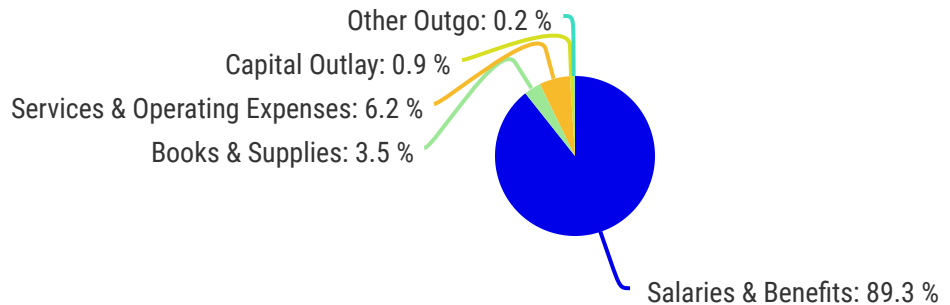
Expenditures

Expenditures in the unrestricted general fund for the year ending June 30, 2022 totaled \$255,216,552.

Unrestricted expenditures increased \$7.46 million from the prior year. The increase is due to staffing costs related to negotiations; costs associated with books, supplies, and other operating expenses.

\$255,216,552

2021-22 Expenditures



Salaries & Benefits

\$228,007,335

Salaries and benefits, as a percentage of total general fund expenditures totaled 89.3% in 2021-22. Unrestricted general fund certificated salaries total \$125,450,936, up 2.68% from 2021-22. Employee benefits totaled \$68,353,176 a 4.82% increase from 2020-21. The increase is mostly attributed to increased staffing costs related to labor negotiations.

Other Outgo/Indirect Costs

\$384,156

Included in the Other Outgo category are debt payments and indirect costs. Expenses charged to this category totaled \$3,437,000.

Indirect costs, a negative expense or credit to the unrestricted general fund totaled -\$3,052,844. Indirect charges cover expenses incurred by restricted programs for support services and activities such as utilities, technology, purchasing, payroll, accounting, and human resources.

Books & Supplies, Services, & Operating Expenses

\$24,623,785

Unrestricted general fund books and supplies increased 37.77% from the prior year and totaled \$8,808,278. The increase was primarily materials and supplies as well as non-capitalized equipment. Services and operating expenses accounted for \$15,815,507 and included utilities (except electricity), insurance, consultants, repairs, and travel. Expenses in this category showed a 37.77% increase from the prior year.

Capital Outlay

\$2,201,276

Capital Outlay in the unrestricted general fund totaled \$2,201,276. Capital outlay expenditures were for equipment, construction projects, and vehicles for various school sites and district departments.

Other Financing Sources

The Other Financing Sources/Uses category consists of transfer in or out of the general fund, contributions to restricted resources, and capital lease revenues. In 2021-22, transfers to other funds from the unrestricted portion of the general fund totaled \$24,887,676.

Contributions to restricted resources are also reported in the Other Financing Sources/Uses category. In 2021-22, \$49,135,465 was transferred out of the unrestricted general fund as contributions to restricted programs, including Special Education, Routine Maintenance, and Transportation.

Contributions were made to Transportation as required by the State in order for the district to maintain its current level of transportation apportionment funding. The contributions to the transportation accounts were offset by revenues received for transportation contracts with other districts.

Fund Balance and Cash

Revenues minus expenditures plus other sources/uses results in a net decrease of \$5,795,461 to the unrestricted general fund ending balance for the year ending June 30, 2022. While we have a balanced budget overall, we ended the year deficit spending due to planned use of fund balance for projects that were previously accounted for. This brings the unrestricted ending balance to \$62,853,884.

The unrestricted general fund balance includes \$40,541,376 as a reserve for economic uncertainty. This reserve is set by a Governing Board Policy at 15% of combined general fund expenses and transfers out. The remaining \$22,312,508 is assigned for various future uses including pension reserve, LCAP reserve, and carryover balances.

The unrestricted general fund ending balance has been assigned for the purposes listed below:

Ending Fund Balance Components & Reserve	
10% Reserve for Economic Uncertainties	\$40,541,376
Stores/Revolving Cash/Pre-paid expenses	\$2,214,209
Pension Reserve	\$6,820,695
Carryover - Site Donations	\$690,503
LCAP Balances Carryover	\$9,845,215
LCAP Reserve	\$2,590,970

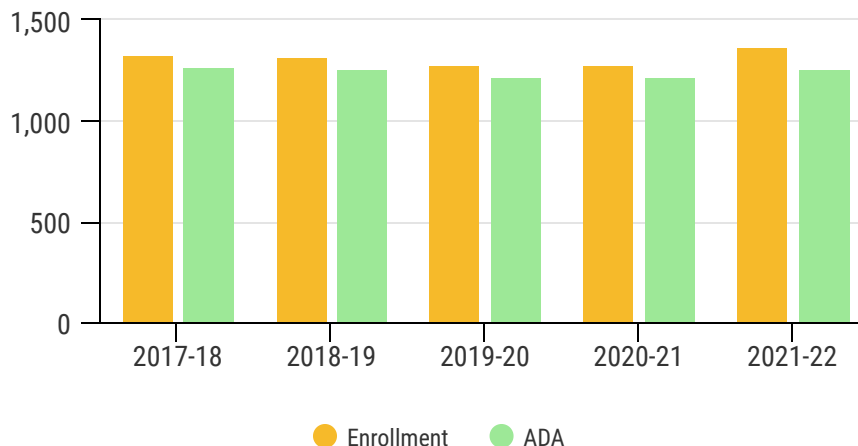
Charter Schools

Expenses and revenues for Visalia Unified charter schools are reported within general fund unrestricted. Revenues are based on average daily attendance and other factors and come from the state under the Local Control Funding Formula (LCFF), just as District revenues. State and local funding for special education and lottery revenue for charter students are also reported in the general fund.

The District operated Charter Home School Academy, Global Learning Charter, Visalia Charter Independent and Online School, and Visalia Technical Early College High School.

Enrollment and ADA

In 2021-22, there was a combined enrollment of 1,374 for the District's four charter schools. Under current law, the LCFF for school districts is funded on the greater of current or prior year ADA. Districts are funded on the option that provides the higher revenue.



Fund Balance and Cash

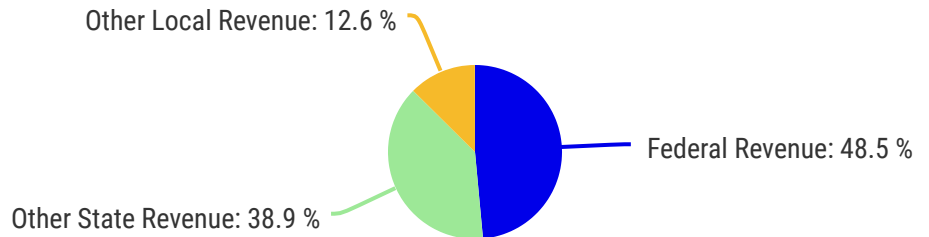
The funding for LCFF is based on charter school P-2 ADA and grade level base grants. For the 2021-22 fiscal year, Charter revenues totaled \$16,130,053 with expenditures totaling \$14,621,734.

Restricted General Fund

Revenues

Revenues in the restricted general fund for 2021-22 totaled \$113,288,878. Revenues are comprised of \$54,992,679 in federal revenues; \$44,048,505 from state revenues; and \$14,247,693 in local revenue.

2021-22 General Fund Restricted Revenue



\$113,288,878

Federal Revenue

\$54,992,679

2021-22 federal revenues at year end totaled \$54,992,679, 37.25% more than the total reported in this category in 2020-21. Included in the federal revenues category are Title I, Title II, and other Title programs, Special Education federal local assistance funds and LEA Medi-Cal reimbursements. The primary increase in federal revenues are due to receiving the ESSER III and Expanded Learning Opportunities Grant.

Other State Revenue

\$44,048,505

The total amount received in the other state revenues category for 2021-22 was \$44,048,505. This is a 0.24% increase from what was received in the prior year.

Local Revenue

\$14,247,693

Local revenues totaled \$14,247,693, which is 13.99% more than the prior year. Local revenues are received for pass-thru grants for Special Education, Preschool programs, and various local and private grants.

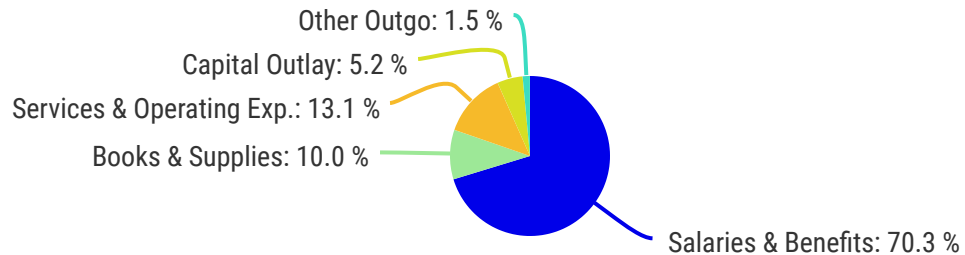
Restricted General Fund

Expenditures

Expenditures for the restricted general fund totaled \$151,464,680, which is approximately 24.66% more than what was spent in 2020-21. These increases are due to the expenditures related to ESSER, In-Person Instruction Grants, and Expanded Learning Opportunities Grants.

\$151,464,680

2021-22 Expenditures



Salaries & Benefits

\$106,461,269

Books & Supplies, Services, & Operating Expenses

\$34,956,432

Books and supplies totaled \$15,166,741, an increase of 28.26% from 2020-21 expenses in this category. The increase is due to expenditures related to expanded learning opportunities, and infrastructure for technology.

Costs in the services and operating expenses category totaled \$19,789,692.

Capital Outlay

\$7,820,884

Capital Outlay in the restricted general fund totaled \$7,820,884. Capital Outlay expenditures were for purchases of equipment and construction projects.

Other Outgo/Indirect Costs

\$2,218,224

Costs accounted for in the Other Outgo category totaled \$2,218,224 for indirect costs.

Other Financing Sources/Uses

Both expenses and revenues are reported in this category. Transfers out totaled \$1,857,833.

In 2021-22, contributions in the amount of \$49,135,465 were transferred out of the unrestricted general fund as contributions to restricted programs, including Special Education, Routine Maintenance, and the Electric Utility resource.

Fund Balance & Cash

The restricted general funds ending balance increased by \$9,101,830, ending the year at \$55,379,158. The ending balance in the restricted general fund is legally restricted and can only be used for the purposes intended by the funding agency.

District Funds

General Fund (Unrestricted and Restricted)

The General Fund is the chief operating fund of the district and is made up of both Unrestricted and Restricted funds. All transactions except those required or permitted by law to be reported in another fund are accounted for in this fund.

Unrestricted General Fund consists of revenues to run the basic educational program, offset by the cost of the basic program. Restricted General Fund consists of revenue received for specific and limited purposes, offset by the cost of those specific programs. In some cases revenue not spent on a restricted program must be returned to the funding source. In other cases, unspent restricted funds are carried forward to the following year to be spent for the same specific purpose. Restricted projects or activities within the general fund must be identified and reported separately from unrestricted projects or activities.

General Fund financial information, separated into both unrestricted and restricted categories for the year ending June 30, 2022 can be found in the SACS forms available on the Districts website. Total combined revenues were \$436,129,826. Total General Fund expenses and other uses for 2021-22 were \$380,539,006. The ending balance for the combined general fund on June 30, 2022 was \$118,233,042, of which \$118,082,126, was restricted, reserved for economic uncertainty or reserved for cash, stores, and pre-paid expenses. The remaining \$150,916 was assigned as the unrestricted carry-over balances and other reserves.

Revenue	2020-21 Audited Actuals	2021-22 Adopted Budget	2021-22 Unaudited Actuals
LCFF	\$296,879,551	\$311,075,743	\$315,496,245
Federal	\$40,316,822	\$111,292,943	\$54,992,679
Other State	\$50,062,900	\$25,116,125	\$49,930,353
Local	\$26,930,980	\$14,579,179	\$15,710,549
Total Revenues	\$414,190,253	\$462,063,990	\$436,129,826

Expenditures	2020-21 Audited Actuals	2021-22 Adopted Budget	2021-22 Unaudited Actuals
Certificated Salaries	\$150,145,568	\$149,219,507	\$168,580,164
Classified Salaries	\$51,987,821	\$51,972,675	\$53,064,476
Employee Benefits	\$99,460,177	\$106,981,977	\$112,823,963
Books/Supplies	\$24,628,380	\$110,035,434	\$23,975,018
Services/Operating Expenses	\$30,640,938	\$22,827,754	\$35,605,199
Capital Outlay	\$9,753,704	\$296,747	\$10,022,160
Other Outgo/Indirect Costs	\$2,637,450	\$2,958,514	\$2,610,251
Total Expenditures	\$369,254,039	\$444,292,608	\$406,681,231

Special Revenue Funds

Special revenue funds are used to account for the proceeds from specific revenue sources that are restricted to the financing of particular activities.

Student Activity Special Revenue Fund 080

The Governmental Accounting Standards Board (GASB) issued Statement 84, Fiduciary Activities in January 2017. The Student Activity Special Revenue Fund is used to account for those student body activities that do not meet the fiduciary activity criteria pursuant to GASB 84 but are determined to be governmental activities.

Adult Education Fund 110

The Adult Education Fund is used to account separately for federal, state, and local revenues for the adult education program. State revenues for adult education programs fell under the flexibility provisions enacted with the 2008-09 state budget, the revenue related to these programs is received in the District's general fund. Adult education expenses for 2021-22 were \$6,834,736 and revenues were \$6,667,863. The ending fund balance as of June 30, 2022 was \$7,665,887.

Child Development Fund 121

The Child Development Fund is used to account separately for many of the federal, state, and local revenues to operate child development programs. Visalia Unified School District reports revenues and expenditures related to the State Preschool program and a serve account in Fund 121. In 2021-22, Fund 121 expenses totaled \$3,387,303 and revenues were \$3,423,577. The ending fund balance in Fund 121 as of June 30, 2022 was \$672,871.

Cafeteria Fund 130

The Cafeteria Fund 130 is used to account for federal, state, and local revenues to operate the nutrition services program which provides meals and snacks to district students. Visalia Unified School District participates in the National School Lunch Program (NSLP) and as such, receives reimbursements for meals served to eligible needy students from both state and federal sources. In addition, fees are collected for meals from students whose families do not qualify for free or reduced meals. For the 2021-22 school year, Visalia Unified operated schools operate under the Community Eligibility Provision. Under this program, all students enrolled at any VUSD school will receive breakfast and lunch at no cost. Total revenue recorded in Fund 130 for 2021-22 was \$16,545,110 and expenses amounted to \$12,941,148. The ending fund balance in Fund 130 as of June 30, 2022 was \$7,379,324.

Special Reserve for Other Post-Employment Benefits Fund 200

The Special Reserve for Other Post-Employment Benefits Fund 200 is used to account for amounts the district has earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for its postemployment benefit plan. A total of \$2,247,300 is reported as a transfer into Fund 200 and \$27,903,630 was the ending balance on June 30, 2022.

Capital Project Funds

Capital Project funds are used to account for revenues and expenditures related to the acquisition and/or construction of all major governmental fixed assets. The District maintains four capital projects funds.

Building Fund 210

Building Fund 210 is used to account separately for proceeds from the sale of Visalia Unified's voter approved bonds and expenditures from this fund are most commonly made for capital outlay. In November 2012, voters approved Measure E to fund facility improvements at all school sites over 10 years old and to build a new middle school. With the approval of Measure E, \$60.1 million was approved.

Measure A is a General Obligation Bond that was approved by voters in November 2018. In July 2020, \$35 million was issued in voter approved bonds for Measure A. This will include upgrades to campuses across the District to replace leaking roofs, provide modern science labs and technology, prevent overcrowding, increase safety/security at all schools, provide equal access for students, and improve access for children with disabilities. Total revenue and contributions recorded in Fund 210 for 2021-22 was \$298,995 and expenses amounted to \$5,606,199. The ending balance in Fund 210 as of June 30, 2022 was \$26,553,317.

Capital Facilities Fund 250

Capital Facilities Fund 250 is used to account separately for monies received from developers. Fees are received from individual homeowners building or remodeling single family dwellings and from large scale developers, often in the form of Community Facilities District bonds (CFDs) and interest. Developer fee revenues in this fund have dropped dramatically from their peak in 2005-06 when fees collected reached \$12,546,321. Fee collections reached a low in 2011-12 when just \$1,987,721 in fees were recorded. For 2021-22, developer fees payments totaled \$7,585,459 a 9.89% increase from the amount received in the prior year. Total revenue in Fund 250 for the 2021-22 year was \$7,372,844 and expenses totaled \$1,646,228. The fund ended the year with a balance of \$10,960,866.

State School Facilities Fund 350

State School Facilities Fund 350 is used to receive apportionments from the State School Facilities Fund for new school facility construction, modernization projects, and facility hardship grants. Typical expenditures from this fund are for site acquisition, site improvements, buildings, furniture, and fixtures that will be capitalized as part of a construction project. There revenue recorded in Fund 350 for 2021-22 was \$22,875,071 and expenses amounted to \$3,233,695. The ending balance in Fund 350 as of June 30, 2022 was \$12,374,524.

Special Reserve for Capital Outlay Fund 400

Special Reserve for Capital Outlay Fund 400 is used primarily to account for the accumulation of resources for capital outlay purposes. Principal revenues in this fund are derived from rental and lease income, interest, transfers in from other funds, and proceeds from the sale or lease-purchase of land and buildings. The Board approved the sale of Certificates of Participation (COP) to generate \$59.87 million in cash to advance fund Measure E projects that would otherwise be delayed up to 5 years or more due to the timing of State reimbursements from Prop 51. Expenditures totaled \$18,275,525. Revenues totaled \$34,209. The ending balance in Fund 400 as of June 30, 2022 was \$27,704,580.

Debt Service Funds

Debt service funds are established to account for the accumulation of resources for the repayment of long term debt. The district maintains two debt service funds.

Bond Interest and Redemption Fund 511

The Bond Interest and Redemption Fund 511 is used to account for the collection of tax receipts, premium payments, and accrued interest from the sale of bonds. This fund was established after the passage of Measure G in 1998. In 2010, these bonds were refinanced at a lower interest rate resulting in interest savings.

Bond Interest and Redemption Fund 514

This fund was established after the passage of Measure E in 2012.

All transactions within fund 511 and 514 are managed solely by the Tulare County Office of Education and the Assessor's Office. Revenues in these funds are comprised of ad valorem taxes paid by property owners within the VUSD boundaries.

In 2021-22, Fund 511 and 514 expenses totaled \$8,099,456 and revenues were \$5,634,002. The ending fund balance in these funds as of June 30, 2022 was \$11,059,302.

Certificates of Participation Fund 561

Fund 561 was established to account for the Certificates of Participation originally issued in 1996 and refinanced in 2005. Revenues for this fund come from Redevelopment revenues as well as transfers from the General Fund.

Proprietary Funds

The district maintains one proprietary fund to account for transactions in its self-insurance accounts.

Self Insurance Fund 670

The Self Insurance Fund 670 is used to separate monies received for self-insurance activities from the districts other operating funds. Revenues come from employee payroll deductions and district contributions toward employee health insurance and worker's compensation costs. During the 2021-22 year, \$59,602,179 in revenues from payroll contributions and interest earnings were recorded for both active and retired members. \$53,257,070 in expenditures for claims, premium payments, and other related costs were also recorded. The ending balance in Fund 670 as of June 30, 2022 was \$47,381,381.