



# SECOND INTERIM FINANCIAL REPORT

Presented to the Board on March 23, 2023

# Topics

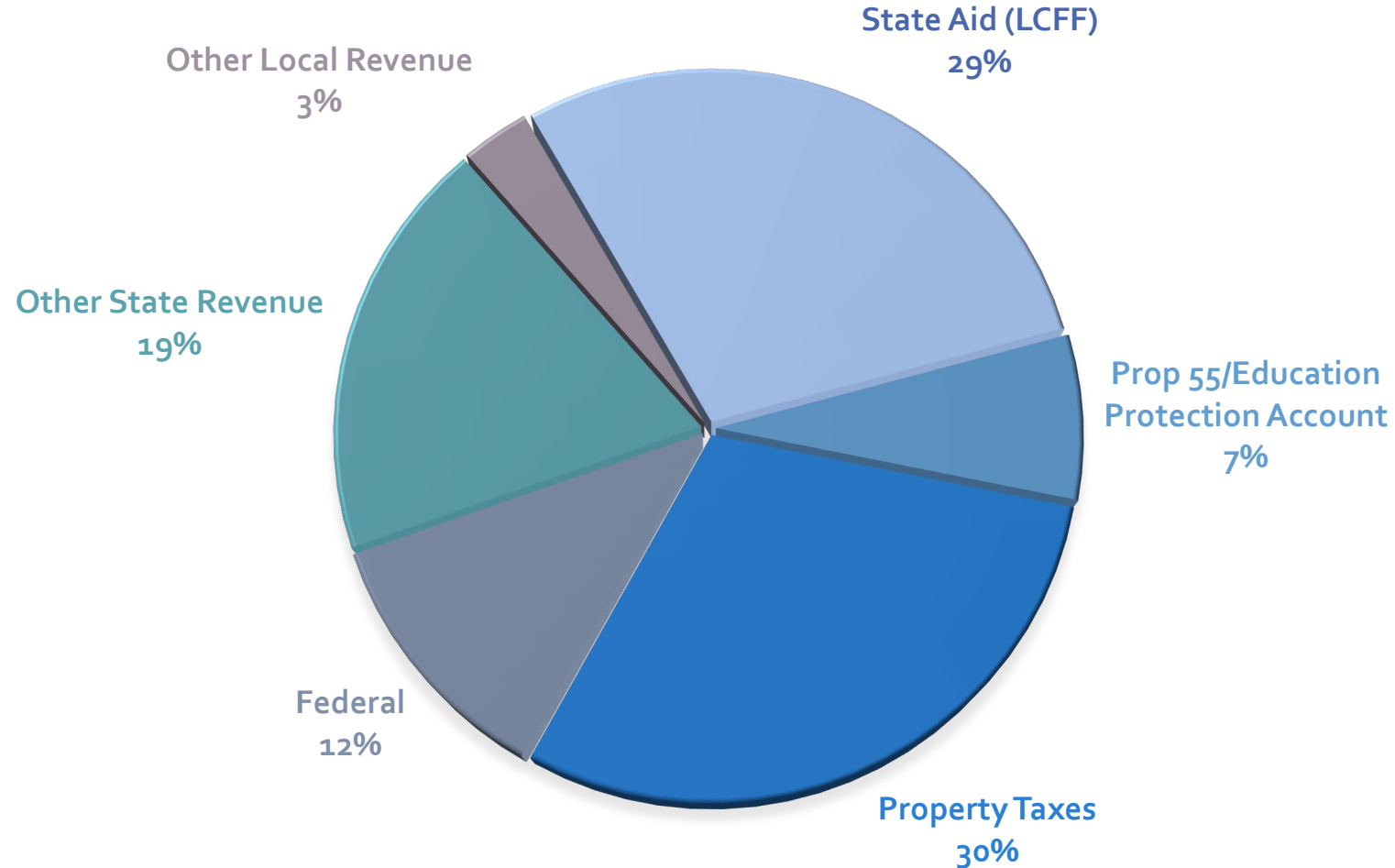
- Types of Interim Reports
- Variance between First Interim & Second Interim
- Financial Impact of Declining Enrollment
- Updated Multi-Year Projection
- Next Steps

# Interim Certifications

- 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
  
- **GUSD Second Interim is self-certified as “Positive”**

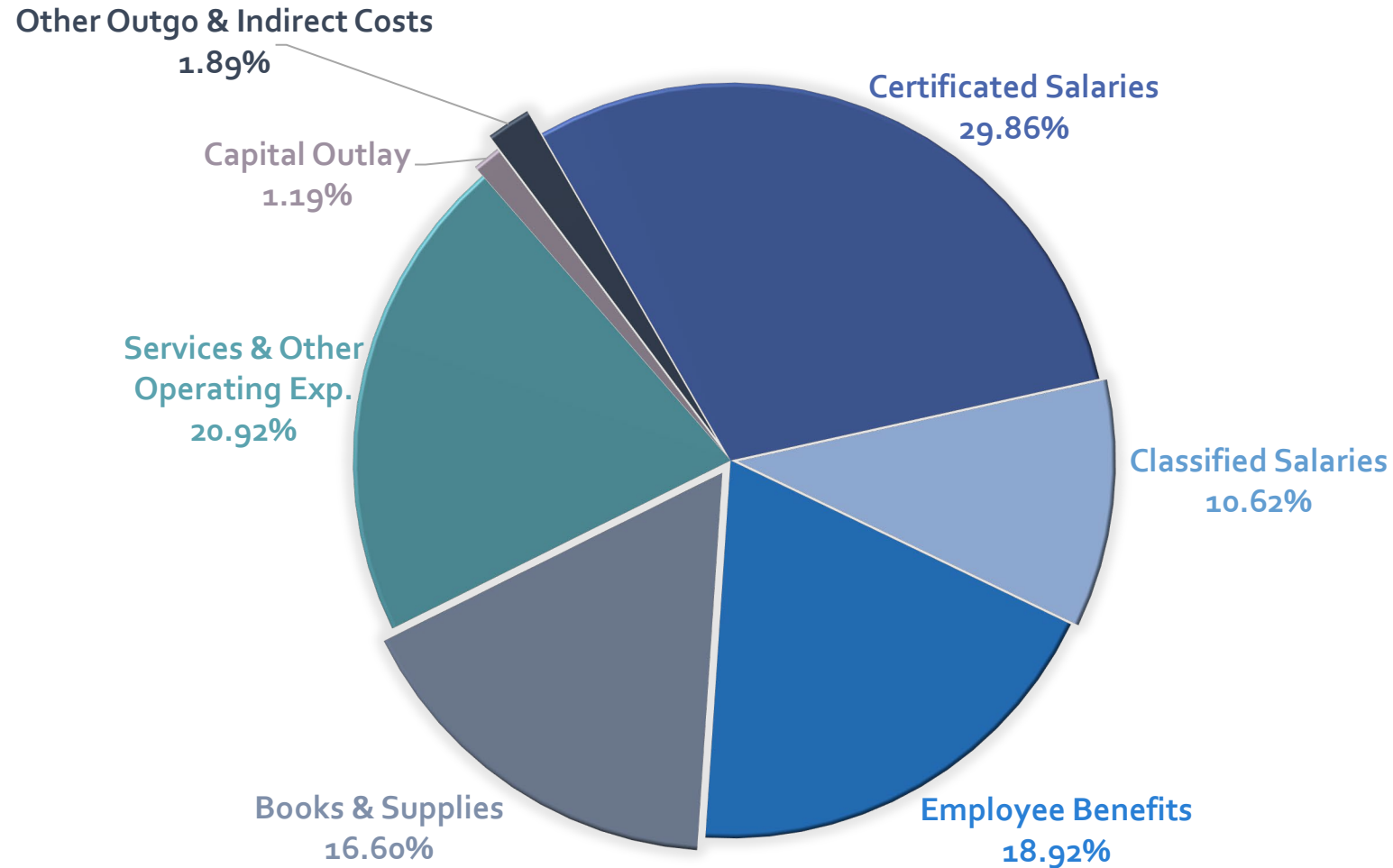
# Total General Fund Revenues

**\$199,847,145**



# Total General Fund Expenditures

**\$207,853,683**



# Second Interim v. First Interim

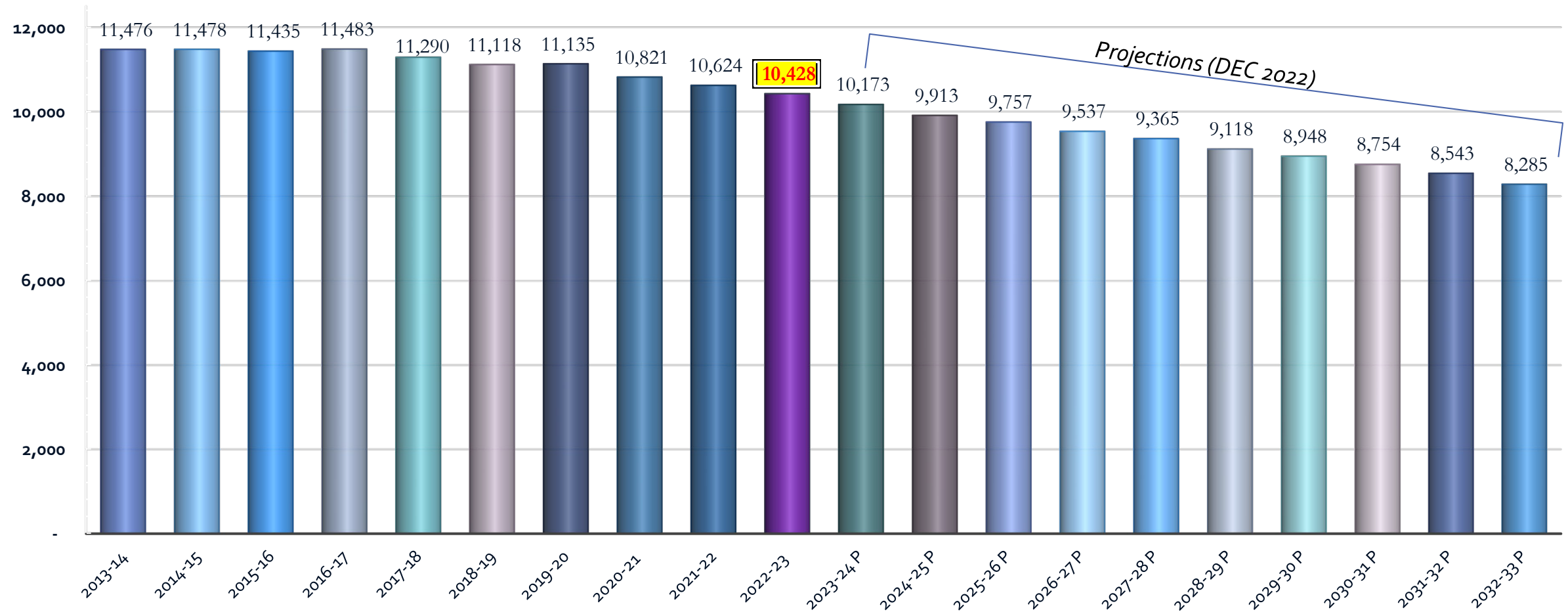
Total General Fund Expenditures (includes grants & one-time funds)	2022-23 2nd Interim	2022-23 1st Interim	Difference
Revenue	\$ 199,847,145	\$ 201,205,042	\$ (1,357,897)
Expenditures	\$ 207,853,683	\$ 208,844,240	\$ (990,557)
Net Inc/Decr to Fund Balance	\$ (8,006,539)	\$ (7,639,198)	\$ (367,341)
Beg Fund Balance	\$ 49,501,371	\$ 49,501,371	\$ -
<b>Ending Fund Balance</b>	<b>\$ 41,494,832</b>	<b>\$ 41,862,173</b>	<b>\$ (367,341)</b>

# Certified Enrollment for 2022-23

Total Enrollment:  
10,428

Free/Reduced Meal Eligibility Counts Based On:											
School Code	School Name	Total Enrollment	Free & Reduced Meal Program: 181/182	Foster	Tribal Foster Youth: 193	Homeless (1)	Migrant Program: 135	Direct Certification	Unduplicated Eligible Free/Reduced Meal Counts	EL Funding Eligible (2)	Total Unduplicated FRPM/EL Eligible Count (3)
6111785	<a href="#">Brownell Middle</a>	747	391	1	0	27	1	219	402	186	428
0118380	<a href="#">Christopher High</a>	1664	600	7	0	11	2	426	633	220	713
0114496	<a href="#">Dr. TJ Owens Gilroy Early</a>	279	113	0	0	2	1	39	116	5	117
6047294	<a href="#">El Roble Elementary</a>	561	327	0	0	20	1	207	347	150	380
6047302	<a href="#">Eliot Elementary</a>	504	404	0	0	24	11	288	426	299	467
4332839	<a href="#">Gilroy High</a>	1739	885	6	0	33	10	600	924	414	1070
6047310	<a href="#">Glen View Elementary</a>	487	372	3	0	29	7	254	383	238	410
6047328	<a href="#">Las Animas Elementary</a>	769	279	0	0	12	27	157	308	206	372
6047286	<a href="#">Luigi Aprea Elementary</a>	716	238	2	0	8	0	146	246	142	298
4334850	<a href="#">Mt. Madonna High</a>	192	131	0	0	4	0	101	144	56	160
0000001	<a href="#">NPS School Group for Gilroy</a>	10	0	2	0	0	0	0	2	1	3
6106991	<a href="#">Rod Kelley Elementary</a>	707	428	3	0	6	6	246	439	238	483
6047336	<a href="#">Rucker Elementary</a>	538	315	0	0	9	7	232	337	189	373
0100990	<a href="#">Solorsano Middle</a>	780	396	3	0	10	7	243	415	234	486
6098214	<a href="#">South Valley Middle</a>	735	439	2	0	8	1	273	449	224	493
TOTAL - Selected Schools		10428	5318	29	0	203	81	3431	5571	2802	6253

# GUSD has now declined by 1,055 students since 2016-17





# MULTI-YEAR PROJECTION (MYP)



## REVENUE ASSUMPTIONS

	2022-23	2023-24	2024-25
Enrollment	10,428	10,173	9,913
Annual Decline	-196	<b>-255</b>	<b>-260</b>
3 YR Avg. Funded ADA	10,437	10,032	9,686
COLA	8.13%	3.54%	3.31%
Additional increase to base LCFF	6.7%	-	-
Supplemental & Concentration Funds	\$16 M	\$16.3 M	\$15.9M
Unduplicated Pupil Percentage (UPP)	59.9%	58%	58%

## EXPENDITURE ASSUMPTIONS

	2022-23	2023-24	2024-25
<b>Declining Enrollment</b> Budget Reduction Placeholder		<b>-\$862,859</b>	<b>-\$801,236</b>
Cert. & Classified Step & Column Adjustments	1.5%	1.5%	1.5%
Health & Welfare	Based on negotiated caps		
General Fund Contributions	-\$20.0 M	-\$20.3 M	-\$20.7 M
Deferred Maint. LCAP share	\$712K (annually, on-going)		
CalSTRS Employer Contribution	19.10%	19.10%	19.10%
CalPERS Employer Contribution	25.37%	27%	28.10%
Routine Restricted Maintenance (RRM)	3% of total expenditures		

# MULTI-YEAR PROJECTION (MYP)



Note: MYP prior to TA(s) with Bargaining units for 2022-23

	2022-23 2ND INTERIM			2023-24 Projection (JAN PROPOSAL)			2024-25 Projection		
	UPP% at 59.97%. ADA% at 90% for 2022-23. Cert. CBEDS 10,428, a decline of -196. Using 3PY average. Mid-YR cut to Arts, Music and Inst. Blk Grant			UPP% at 58%. ADA% at 94%. Proj. decline -255 (Proj CBEDS still at 10,173) , using 3PY average, 8.13% COLA			UPP at 58%, ADA% at 94%, proj. decline by -260, using 3PY average, 3.54% COLA		
REVENUES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF	<b>\$126,588,817</b>	6,024,440	132,613,257	<b>\$131,656,584</b>	5,656,070	137,312,654	<b>\$131,699,738</b>	5,656,070	137,355,808
Revenue from ADB	200,000		200,000	200,000		200,000	206,000	-	206,000
Federal Revenues	-	23,145,662	23,145,662	-	6,121,872	6,121,872	-	6,121,872	6,121,872
Other State Revenues	2,079,030	35,856,542	37,935,572	2,182,982	12,113,212	14,296,193	2,270,301	12,554,133	14,824,434
Other Local Revenues	867,500	5,085,154	5,952,654	867,500	3,364,116	4,231,616	867,500	3,364,116	4,231,616
<b>TOTAL, REVENUES</b>	<b>129,735,347</b>	<b>70,111,798</b>	<b>199,847,145</b>	<b>134,907,066</b>	<b>27,255,270</b>	<b>162,162,335</b>	<b>135,043,539</b>	<b>27,696,191</b>	<b>162,739,729</b>
EXPENDITURES									
Placeholder cuts 2023-24			-	(862,859)		(862,859)	(862,859)		(862,859)
Placeholder cuts 2024-25						-	(801,236)		(801,236)
						-			-
Certificated	50,299,064	11,764,695	62,063,759	51,920,777	11,797,989	63,718,766	52,699,589	11,974,958	64,674,547
Classified	14,508,037	7,556,478	22,064,515	15,454,203	7,592,105	23,046,308	15,686,016	7,705,986	23,392,002
Employee Benefits	24,703,839	14,627,068	39,330,907	25,791,162	15,000,732	40,791,894	26,178,030	14,899,433	41,077,463
Books & Supplies	4,776,952	29,724,597	34,501,549	3,397,951	3,715,615	7,113,566	3,464,890	3,715,615	7,180,505
Services & Operating Expenses	13,589,350	29,894,991	43,484,341	10,106,360	5,185,313	15,291,673	10,207,423	6,100,505	16,307,928
Capital Outlay	1,558,356	916,644	2,475,000	252,325	87,183	339,508	252,325	87,183	339,508
Other Outgo	484,707	3,834,777	4,319,484	449,358	3,892,299	4,341,657	449,358	3,527,994	3,977,352
Transfers of Indirect Costs	(2,021,431)	1,635,561	(385,869)	(1,093,248)	360,125	(733,123)	(1,054,864)	366,247	(688,617)
<b>TOTAL, EXPENDITURES</b>	<b>107,898,872</b>	<b>99,954,811</b>	<b>207,853,683</b>	<b>105,416,028</b>	<b>47,631,359</b>	<b>153,047,388</b>	<b>106,218,673</b>	<b>48,377,921</b>	<b>154,596,594</b>
Transfers Out	-	-	-	-	-	-	-	-	-
Contributions	(20,074,965)	20,074,965	-	(20,376,089)	20,376,089	-	(20,681,731)	20,681,731	-
<b>TOTAL, OTHER SOURCES/USES</b>	<b>(20,074,965)</b>	<b>20,074,965</b>	<b>-</b>	<b>(20,376,089)</b>	<b>20,376,089</b>	<b>-</b>	<b>(20,681,731)</b>	<b>20,681,731</b>	<b>-</b>

# MULTI-YEAR PROJECTION (MYP)



	2022-23 2ND INTERIM			2023-24 Projection (JAN PROPOSAL)			2024-25 Projection		
	UPP% at 59.97%. ADA% at 90% for 2022-23. Cert. CBEDS 10,428, a decline of -196. Using 3PY average. Mid-YR cut to Arts, Music and Inst. Blk Grant			UPP% at 58%. ADA% at 94%. Proj. decline -255 (Proj CBEDS still at 10,173) , using 3PY average, 8.13% COLA			UPP at 58%, ADA% at 94%, proj. decline by -260, using 3PY average, 3.54% COLA		
NET INCREASE (DECREASE)	1,761,510	(9,768,048)	(8,006,539)	9,114,948	(0)	9,114,947	8,143,135	0	8,143,135
FUND BALANCE									
Beginning Fund Balance	39,733,323	9,768,048	49,501,371	41,494,833	0	41,494,833	50,609,780	(0)	50,609,780
Proj. Ending Fund Balance	41,494,833	0	41,494,833	50,609,780	(0)	50,609,780	58,752,916	\$ (0)	58,752,916
Nonspendable Revolving Cash	50,000		50,000	50,000		50,000	50,000		50,000
Board Committed Balances									
I.T. Techonology Replacement	2,996,000			2,996,000			8,520,000		
Deferred Maintenance	14,157,218			24,460,385			21,407,683		
Safeguard against unexplected declines/Linked to 3YR ADA adj.	3,506,247			7,798,657			13,315,573		
Board Policy (if moved to 10%)(one-time)									
Mimumum RESERVE	\$ 20,785,368			\$ 15,304,739			\$ 15,459,660		
UNRESTRICTED RESERVE (after excluding Committed Balances)	10.00%			10.00%			10.00%		
Unassigned/Unappropriated	(0)			(0)			0		

# Other Funds

Fund	Description	Beginning Fund Balance	Revenue	Expenditures	G.F. Contribution	Ending Fund Balance
08	Associated Student Body	\$ 1,011,178			-	\$ 1,011,178
11	Adult Education	24,574	325,149	344,874	-	4,849
12	Child Development Fund	267,447	1,379,584	1,468,331	-	178,700
13	Cafeteria Fund	1,791,505	9,731,833	11,129,287	-	394,051
21	Building Fund	74,806,800	730,000	59,320,171	-	16,216,629
25	Developer Fees Fund	2,231,958	920,000	1,788,250	-	1,363,708
35	County School Facilities Fund	2,481,546	40,000	696,000	-	1,825,546
73	Foundation Trust Fund	\$ 931,498	\$ 26,000	\$ 26,000	-	\$ 931,498

# Next Steps

- Santa Clara County Office of Education (SCCOE) reviews the self-certification of Second Interim Report
- Governor Newsom's May Revision for the 2023-24 State Budget
- Continue with Labor Negotiations
- MYP updated accordingly

# Recommended Board Action

- Approve the Second Interim Financial Report with a Positive Certification.