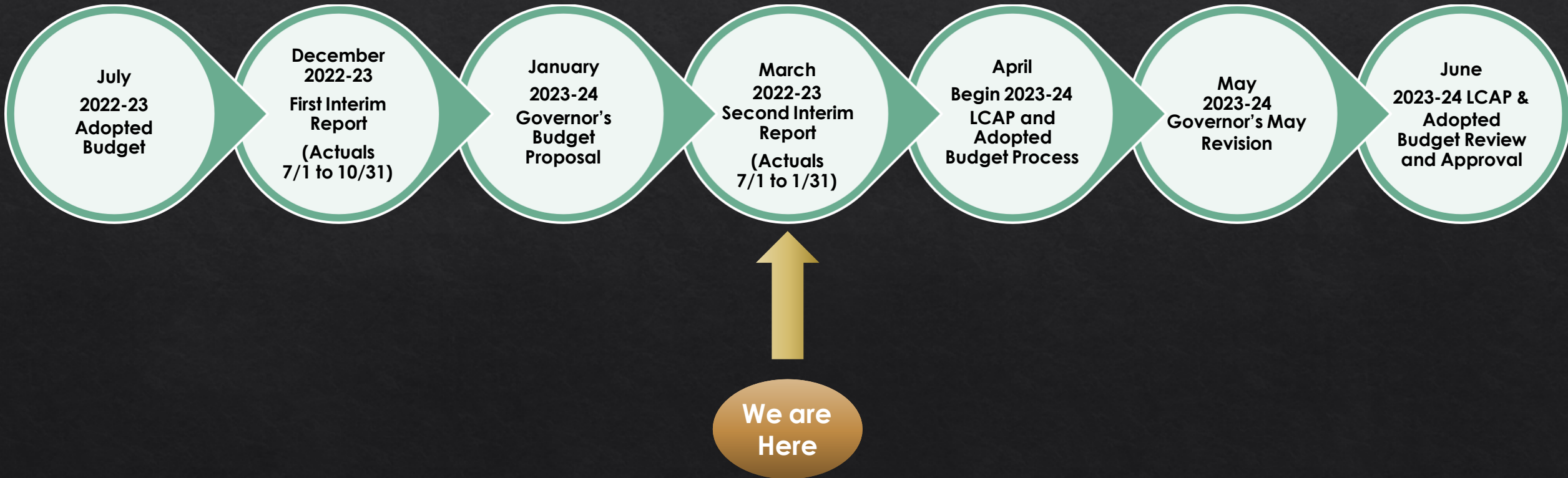


# Saratoga Union School District

**Second Interim Report  
Presentation**

**March 9, 2023**

# The Budget Reporting Cycle



# Reporting Requirements

Education Code Section 42130 requires Districts to submit two financial interim reports to the County Office of Education each fiscal year:

- ❖ 1<sup>st</sup> Interim: Financial transactions from July 1 to October 31
- ❖ 2<sup>nd</sup> Interim: Financial transactions from July 1 to January 31

The Interim Financial Report is designed to:

- ❖ Identify the changes to the budget, since adoption in June
- ❖ The overall change to revenues, expenditures and ending balance and reserves
- ❖ Provide an in-depth multi-year analysis, using current year projection factors, to state the district's ability to meet its financial obligations for the current and two subsequent fiscal years
- ❖ **Certify**, based on current information, the district will be able to meet its fiscal obligations for the current and two subsequent fiscal years

# Certification Types



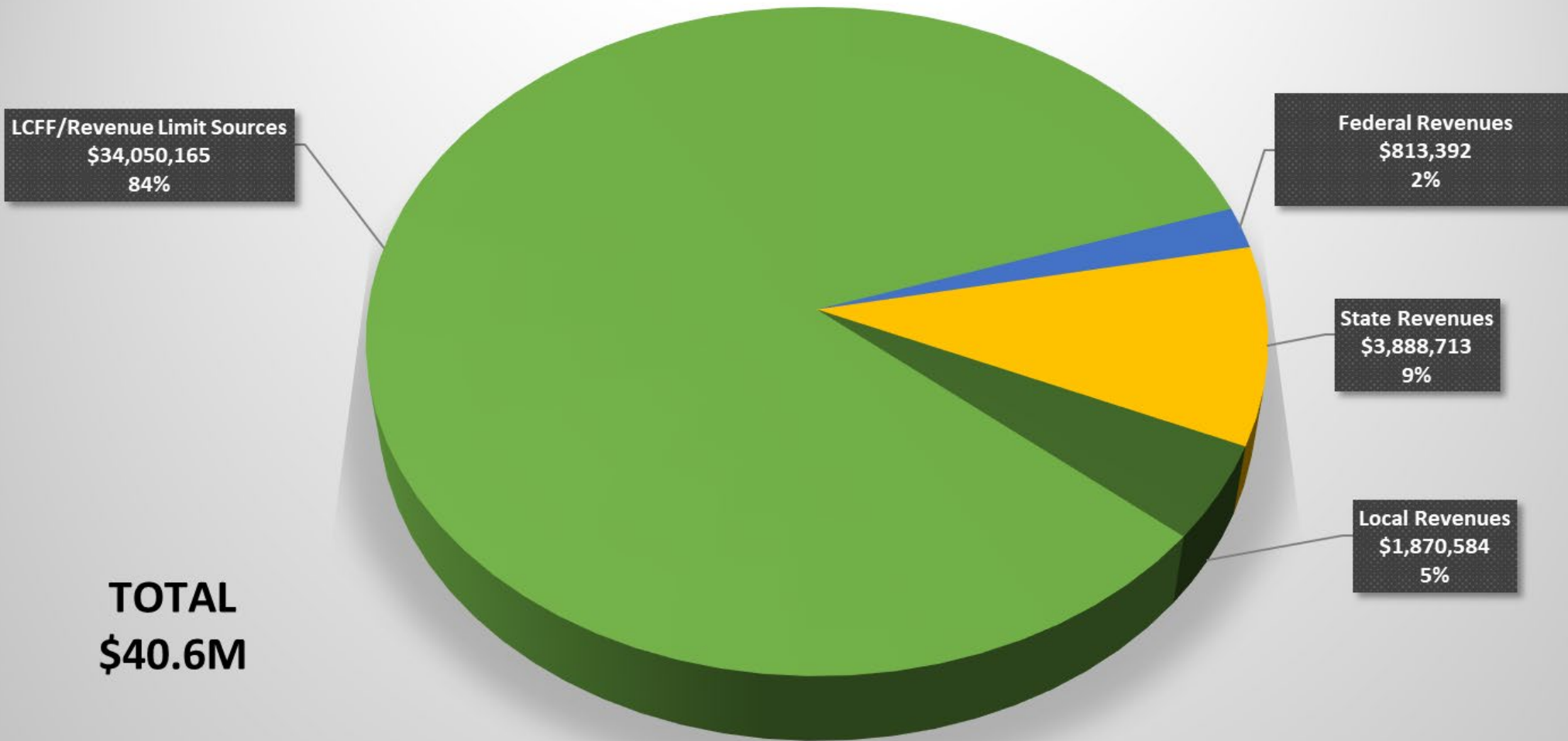
- ❖ **Positive** – The district **will** meet its financial obligations in the current and two subsequent fiscal years
- ❖ **Qualified** – The district **may not** meet its financial obligations for the current or two subsequent fiscal years
- ❖ **Negative** – The district **will not** meet its financial obligation for the remainder of the current year or subsequent year

# Total General Fund Overview

|                           | 2022-23 Second Interim |
|---------------------------|------------------------|
| Revenues                  | \$40,622,853           |
| Expenditures              | \$38,659,698           |
| Transfers In/(Out)        | (\$1,020,487)          |
| Total Increase/(Decrease) | \$942,668              |
| Beginning Fund Balance    | \$8,829,640            |
| Ending Fund Balance       | \$9,772,608            |

# Revenues – Total General Fund

## 2022-23 SECOND INTERIM GENERAL FUND REVENUES



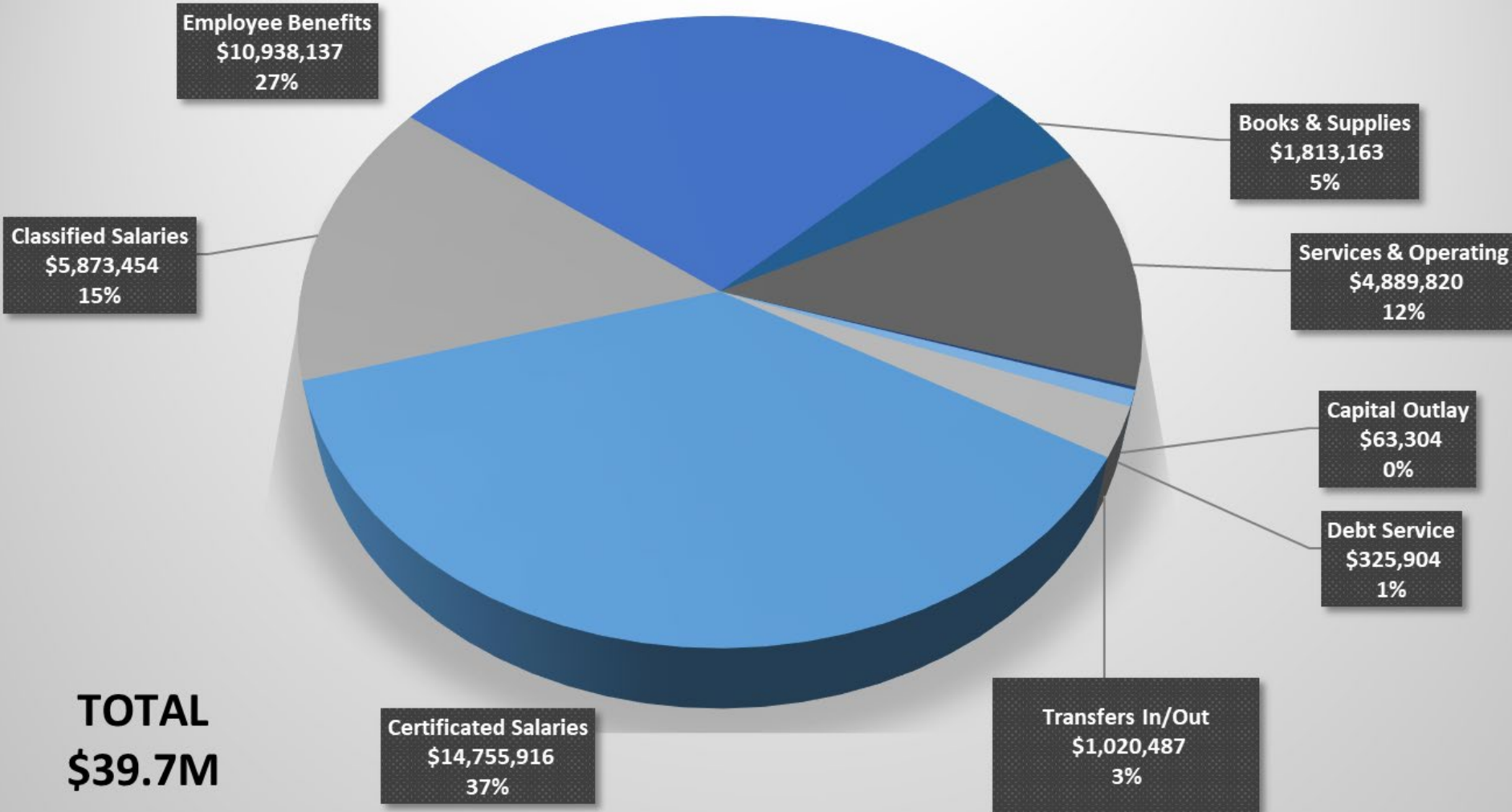
**TOTAL  
\$40.6M**

# Unrestricted Revenue Budget Changes

| Revenue Category      | 2022-23<br>First Interim | 2022-23<br>Second Interim | Change           |
|-----------------------|--------------------------|---------------------------|------------------|
| LCFF Sources          | \$32,363,106             | \$32,608,738              | \$245,632        |
| Federal Revenues      | \$-                      | \$-                       | \$-              |
| State Revenues        | \$335,700                | \$336,370                 | \$670            |
| Local Revenues        | \$530,491                | \$591,507                 | \$61,016         |
| <b>TOTAL REVENUES</b> | <b>\$33,229,297</b>      | <b>\$33,536,615</b>       | <b>\$307,318</b> |

# Expenditures – Total General Fund

## 2022-23 SECOND INTERIM GENERAL FUND EXPENDITURES





# Unrestricted Expenditure Budget Changes

| Expenditure Category                 | 2022-23<br>First Interim | 2022-23<br>Second Interim | Change           |
|--------------------------------------|--------------------------|---------------------------|------------------|
| Certificated Salaries                | \$11,783,159             | \$11,792,250              | \$9,091          |
| Classified Salaries                  | \$3,399,796              | \$3,408,167               | \$8,371          |
| Employee Benefits                    | \$6,815,790              | \$6,786,951               | (\$28,839)       |
| Books & Supplies                     | \$1,077,534              | \$1,074,911               | (\$2,623)        |
| Services & Operating                 | \$2,948,010              | \$3,077,158               | \$129,148        |
| Capital Outlay                       | \$-                      | \$-                       | \$-              |
| Other Outgo                          | \$325,904                | \$325,904                 | \$-              |
| Transfers In/Out                     | \$1,023,073              | \$1,020,487               | (\$2,586)        |
| Contributions to Restricted Programs | \$5,990,525              | \$6,031,161               | \$40,636         |
| <b>Total Expenditures</b>            | <b>\$33,357,755</b>      | <b>\$33,510,953</b>       | <b>\$153,198</b> |

# Significant Changes to Unrestricted Budget Fund Balance

| Description   | Change             |
|---|--------------------|
| First Interim Unrestricted Ending Fund Balance  | \$8,237,846        |
| <b>Ongoing Adjustments:</b>   |                    |
| Add: Increase in revenues for property taxes, interest, credits, surplus sale, rebates and a refund of STRS excess contributions  | \$307,318          |
| Deduct: Increase in costs for utilities, Special Education Study, district branding and miscellaneous department adjustments for expenses to date offset by savings for vacant positions from First Interim to staffing adjustments to date | (\$115,148)        |
| Adjusted Ending Balance after Ongoing Adjustments:  | \$8,430,016        |
| <b>Other Adjustments:</b>   |                    |
| Deduct: Increase in contributions to Special Education due to new costs for various programs and increased costs in Routine Restricted Maintenance offset by Transfers in for closure of funds 210, 211, 212 and 350.                       | (\$38,050)         |
| <b>Second Interim Adjusted Ending Fund Balance</b>  | <b>\$8,391,966</b> |

# Components of Ending Fund Balance

| Description   | Unrestricted       | Restricted         | Total              |
|---|--------------------|--------------------|--------------------|
| Revolving Cash  | \$635              | -                  | \$635              |
| Restricted  | -                  | \$1,380,642        | \$1,380,642        |
| Assigned (Maintenance/Other Projects, Technology Replacement and Supplemental Early Retirement Plan Debt) | \$1,401,808        | -                  | \$1,401,808        |
| Economic Uncertainty (Required 3%)  | \$1,190,483        | -                  | \$1,190,483        |
| General Fund Unassigned/Unappropriated  | \$5,799,040        | -                  | \$5,799,040        |
| <b>Total General Fund Ending Fund Balance</b>   | <b>\$8,391,966</b> | <b>\$1,380,642</b> | <b>\$9,772,608</b> |
| Fund 17 – Basic Aid Reserve Fund Balance  | \$5,528,134        |                    |                    |
| Total Available Reserves (Economic Uncertainty, GF Unassigned/Undesignated & Fund 17)                     | \$12,517,657       |                    |                    |
| Available Reserves %<br>(Available Reserves/GF Total Expenditures)  | 31.54%             |                    |                    |

# Second Interim Multi-Year Projection (MYP) Assumptions

| Description   | 2022-23     | 2023-24     | 2024-25     |
|---|-------------|-------------|-------------|
| Enrollment  | 1,625       | 1,548       | 1,512       |
| Average Daily Attendance                              | 1,577.25    | 1,502.64    | 1,470.63    |
| Unduplicated Student Count % - 3 year rolling average | 8.92%       | 9.50%       | 9.65%       |
| Property Tax Growth %                                 | 7.68%       | 4.00%       | 4.00%       |
| Step & Column   | 1.5%        | 1.5%        | 1.5%        |
| Full-Time Equivalent Positions (Total FTEs)           | 210.7733    | 209.7733    | 209.7733    |
| STRS Employer Rates                                   | 19.10%      | 19.10%      | 19.10%      |
| PERS Employer Rates                                   | 25.37%      | 27.00%      | 28.10%      |
| Unemployment Rate                                     | 0.50%       | 0.50%       | 0.50%       |
| Health Insurance Employer Premium Increases           | 3.10%       | 10%         | 10%         |
| General Fund Contributions to Restricted Programs     | \$6,031,161 | \$6,037,042 | \$6,280,729 |

# Multi-Year Projections (MYP) – Gen Fund Combined

| Description  | 2022-23<br>Second Interim | 2023-24<br>Projection | 2024-25<br>Projection |
|--|---------------------------|-----------------------|-----------------------|
| General Fund Beginning Balance – July 1  | \$8,829,940               | \$9,772,608           | \$9,239,565           |
| Revenues   | \$40,622,853              | \$39,828,313          | \$41,175,292          |
| Transfers In   | \$2,586                   | \$0                   | \$0                   |
| Total Revenues & Transfers In  | \$40,625,439              | \$39,828,313          | \$41,175,292          |
| Expenditures   | (\$38,659,698)            | (\$40,043,145)        | (\$43,193,352)        |
| Transfers Out  | (\$1,023,073)             | (\$318,211)           | \$0                   |
| Total Expenditures & Transfers   | (\$39,682,771)            | (\$40,361,356)        | (\$43,193,352)        |
| Surplus/(Deficit Spending)   | \$942,668                 | (\$533,043)           | (\$2,018,060)         |
| General Fund (Fund 01) Ending Balance – June 30  | \$9,772,608               | \$9,239,565           | \$7,221,505           |
| Ending Balance – Available Reserves %<br>General Fund 01 & Basic Aid Reserve Fund 17<br>(Must be at least 3% all years for Positive Qualification) | 31.54%                    | 31.41%                | 25.55%                |

# Other District Funds Summary

| Fund   | Beginning Balance | Revenues    | Expenditures  | Ending Balance |
|--|-------------------|-------------|---------------|----------------|
| Student Body Fund                            | \$9,885           | \$1,300     | (\$2,145)     | \$9,040        |
| Cafeteria Fund                               | \$134,195         | \$1,148,783 | (\$958,788)   | \$324,190      |
| Deferred Maintenance                         | \$3,460,492       | \$2,526,000 | (\$1,984,728) | \$4,001,764    |
| Basic Aid Reserve                            | \$4,687,456       | \$840,678   | (\$0)         | \$5,528,134    |
| Special Reserve for Post Employment Benefits | \$478,506         | \$3,000     | (\$0)         | \$481,506      |
| Building                                     | \$1,903,541       | \$274,870   | (\$98,362)    | \$2,080,049    |
| Capital Facilities                           | \$3,549,008       | \$81,540    | (\$4,000)     | \$3,626,548    |
| School Facilities                            | \$123             | \$1         | (\$124)       | \$-            |
| Bond Interest Redemption                     | \$7,635,221       | \$7,534,519 | (\$7,321,501) | \$7,848,239    |
| Enterprise (Treehouse)                       | \$279,426         | \$1,001,500 | (\$726,307)   | \$554,619      |

# Management Recommendation

Based on management's analysis, management recommends the Governing Board approve the 2022-23 Second Interim Report for the current and two subsequent fiscal years as presented with a Positive Certification.

## Looking Forward

- ❖ Begin process of developing 2023-24 Adopted Budget and LCAP
- ❖ Governor's 2023-24 May Revision Proposal
- ❖ 2023-24 Adopted Budget & LCAP Adoption

❖ QUESTIONS?