



Second Interim Budget 2022-23 Fiscal Year

Presenters:

*Valerie Mitchell, MPPA
Interim Assistant Superintendent, Business and Fiscal Services*

*Mary Crandall Plasencia
Director of Finance*

*Mayte Duenes
Accounting Manager/Internal Auditor*

March 15, 2023



Overview

Summary:

- *Budget to actual report based on year-to-date results*
- *Positive Certification of the district's financial condition*

Items to Review:

- Financial Reporting Timelines
- Second Interim 2022-23 – Certification
- Second Interim 2022-23 – Current Year Revenues and Expenses
- Multi-Year Projection Assumptions for 2023-24 and 2024-25





Financial Reporting Timelines

State Financial Reports

- ❑ Adopted Budget – June 30
- ❑ First Interim – December 15
- ❑ Second Interim – March 16
- ❑ Unaudited Actuals – September 15
- ❑ Independent Audit – January 15

Submitting a Positive Certification for Second Interim 2022-23

The district is able to meet its financial obligations for this year and two subsequent years and will have a positive cash balance



4 Budget and Multiyear Assumptions

Planning Factor	2022-23	2023-24	2024-25
Estimated Funded ADA (Average Daily Attendance)	14,754.61	14,027.24	13,178.83
Funded UPP (Unduplicated Pupil Percentage)	90.94%	90.34%	90.20%
Step & Column	1.30%	1.30%	1.30%
Statutory COLA & Augmentation (Planning COLA)	13.26%	8.13%	3.54%
STRS Employer Statutory Rates	19.10%	19.10%	19.10%
PERS Employer Projected Rates	25.37%	27.00%	28.10%
Lottery - Unrestricted per ADA	\$170	\$170	\$170
Lottery - Prop 20 per ADA	\$67	\$67	\$67
Mandated Block Grant per ADA	\$34.94	\$37.78	\$39.12
CPI	6.00%	3.44%	2.77%
Routine Restricted Maintenance Account	3% of total expenditures	GF 3% of total expenditures	GF 3% of total expenditures
Health Benefits - Hard Cap with no anticipated changes	Varies by Bargaining Unit		



General Fund Summary Changes

Revenue:

Object	1st Interim	2nd Interim	Difference	Explanation
8010-8099	\$ 197,484,308	\$ 197,934,106	\$ 449,798	Increase LCFF Revenue due to increase in TK ADA.
8100-8299	\$ 37,252,533	\$ 37,252,533	\$ -	
8300-8599	\$ 79,942,269	\$ 78,965,277	\$ (976,992)	Decrease due to estimated reduction in Arts, Music, & Instructional Materials Grant per Governor's Budget Proposal; off-set with increase to Home To School Transportation Funds.
8600-8799	\$ 14,706,388	\$ 14,733,746	\$ 27,358	Increase due to Local Donation Revenue.

Expenditures:

Object	1st Interim	2nd Interim	Difference	Explanation
1000-1999	\$ 103,636,142	\$ 103,432,590	\$ (203,552)	Decrease due to budget transfer from salaries to services for Special Ed Learning Recovery Program; and off-set with increase in Banking Time Stipends.
2000-2999	\$ 38,734,211	\$ 38,056,844	\$ (677,367)	Decrease in Classified Salaries Budget to account for unfilled vacancies.
3000-3999	\$ 55,582,582	\$ 55,076,621	\$ (505,961)	Decrease in employee benefits due to decreases in certificated and classified salaries.
4000-4999	\$ 17,442,314	\$ 18,713,202	\$ 1,270,888	Increases in planned expenditures for Expanded Learning Opportunity Program and Special Education one time funds.
5000-5999	\$ 47,287,931	\$ 52,697,709	\$ 5,409,778	Increase in planned expenditures for Special Education services to utilize one time funds; and increases in Attorney Fees and Utilites.
6000-6999	\$ 4,363,323	\$ 4,335,478	\$ (27,845)	Decrease in expenditures for Child Nutrition Kitchen Infrastructure Equipment program; off-set with increase in Board Room facility upgrades.
7100-7499	\$ 2,301,660	\$ 2,301,660	\$ -	
7300-7399	\$ (426,868)	\$ (318,345)	\$ 108,523	Increase in Indirect Costs due to overall increase of expenditures.
7600-7629	\$ -	\$ -	\$ -	
8980-8999	\$ (45,367,885)	\$ (44,795,147)	\$ (572,738)	Decrease in General Fund Contribution to Special Education.



6 Multiyear Projections - Summary

	2022-23 Second Interim	2023-24 Projections	2024-25 Projections
Revenues	\$328,885,662	\$279,556,611	\$274,504,163
Expenditures	\$274,295,759	\$277,648,400	\$279,669,883
Excess (Deficiency) of Revenue over Expenditures	\$54,589,903	\$1,908,211	(\$5,165,720)
Beginning Fund Balance	\$82,658,777	\$137,248,680	\$139,156,891
Total Ending Fund Balance	\$137,248,680	\$139,156,891	\$133,991,171
<u>Components of Ending Fund Balance</u>			
Reserve for Economic Uncertainty - Percentage	10.0%	10.0%	10.0%
Reserve for Economic Uncertainty	\$27,429,576	\$27,764,840	\$27,966,988
Non-Spendable (Stores & Revolving Cash)	\$120,000	\$120,000	\$120,000
Legally Restricted	\$77,000,215	\$66,237,846	\$54,930,578
Committed Funds	\$32,698,889	\$45,034,206	\$50,973,605
Undesignated/Unappropriated Fund Balance	\$0	\$0	\$0



Multi-year Projections - Detail

General Fund (Unrestricted & Restricted)		2022-23 2nd Interim	2023-24 Projected	2024-25 Projected
Revenues				
Total LCFF Funding		\$197,934,106	\$207,378,526	\$201,634,741
Federal Revenues		\$37,252,533	\$12,703,640	\$13,084,749
Other State Revenues		\$78,965,277	\$44,344,884	\$44,246,907
Other Local Revenues		\$14,733,746	\$15,129,561	\$15,537,766
Total Revenues		\$328,885,662	\$279,556,611	\$274,504,163
Expenditures				
Certificated Salaries		\$103,432,590	\$103,804,734	\$104,181,715
Classified Salaries		\$38,056,844	\$38,551,583	\$39,052,754
Employee Benefits		\$55,076,621	\$56,613,118	\$56,816,692
Books & Supplies		\$18,713,202	\$19,356,936	\$19,893,123
Services & Other Operating Expenses		\$52,697,709	\$54,510,510	\$56,020,451
Capital Outlay		\$4,335,478	\$3,040,000	\$2,040,000
Other Outgo		\$2,301,660	\$2,301,660	\$2,301,660
Transfer of Indirect Costs		-\$318,345	-\$530,141	-\$636,512
Total Expenditures		\$274,295,759	\$277,648,400	\$279,669,883
Detail of Committed Balance				
Student Transportation/Bus Replacement		\$1,000,000	\$1,000,000	\$1,000,000
Technology Device Refresh		\$3,000,000	\$3,000,000	\$3,000,000
Instructional Materials Adoptions		\$2,000,000	\$2,000,000	\$2,000,000
Building Maintenance One-Time Funds		\$1,564,000	\$1,564,000	\$1,564,000
Financial Stability Reserve		\$25,134,889	\$37,470,206	\$43,409,605
Total Committed Balance		\$32,698,889	\$45,034,206	\$50,973,605



8 Second Interim 2022-23 – Summary

- ❑ Reflects revisions to the current fiscal year
- ❑ Revised Multi-Year Projections
- ❑ Resulting “Positive Certification”
- ❑ Staff recommends approval of the 2022-23 Second Interim Financial Report





Next Steps

March - May 2023	LCAP and Budget Development for 2023-24
April - May 2023	Spring Audit Work for 2022-23
June 7, 2023	Public Hearings for 2023-24 LCAP and Budget
June 21, 2023	Board Adoption of 2023-24 LCAP and Budget



Questions?

