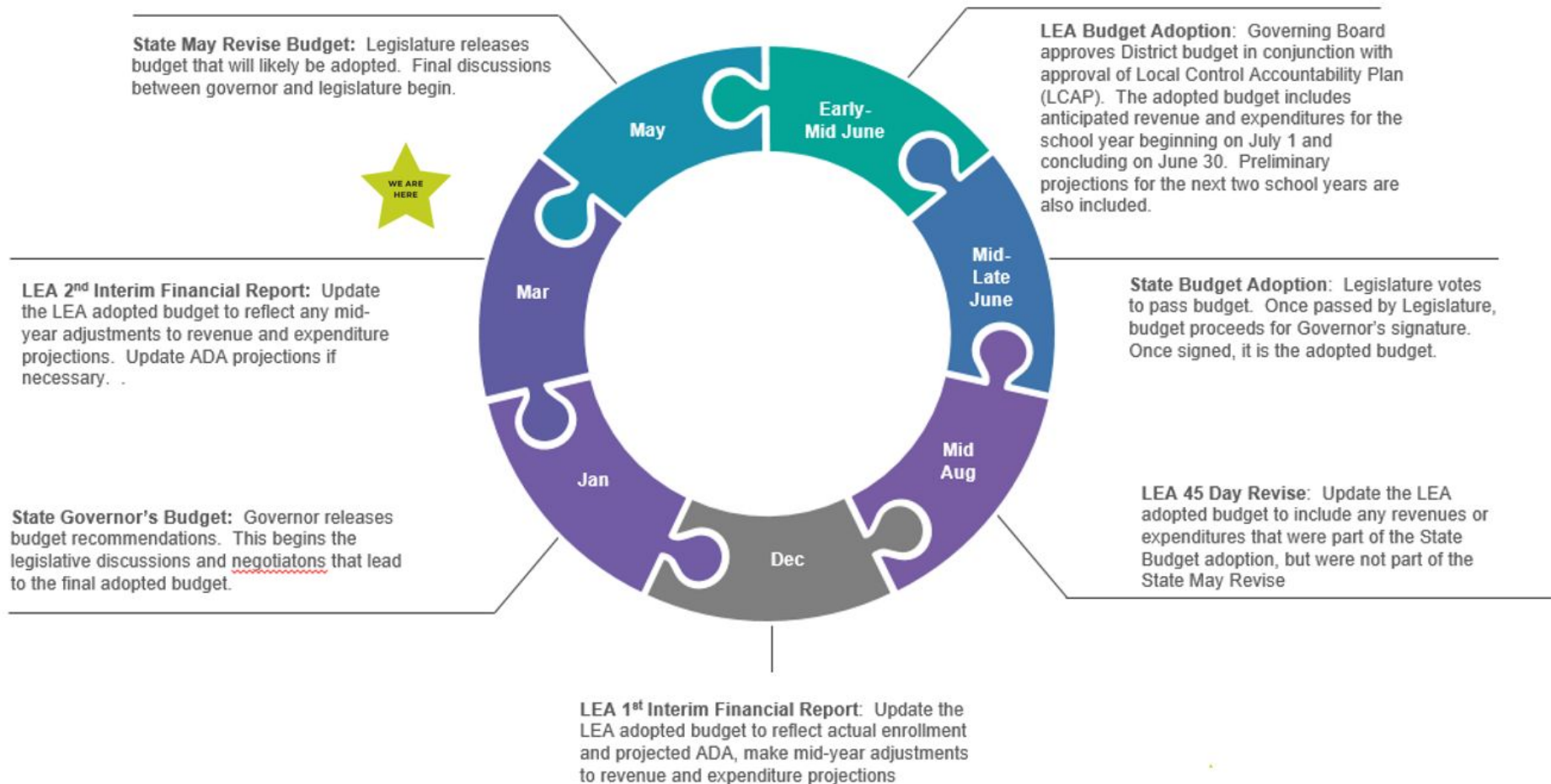




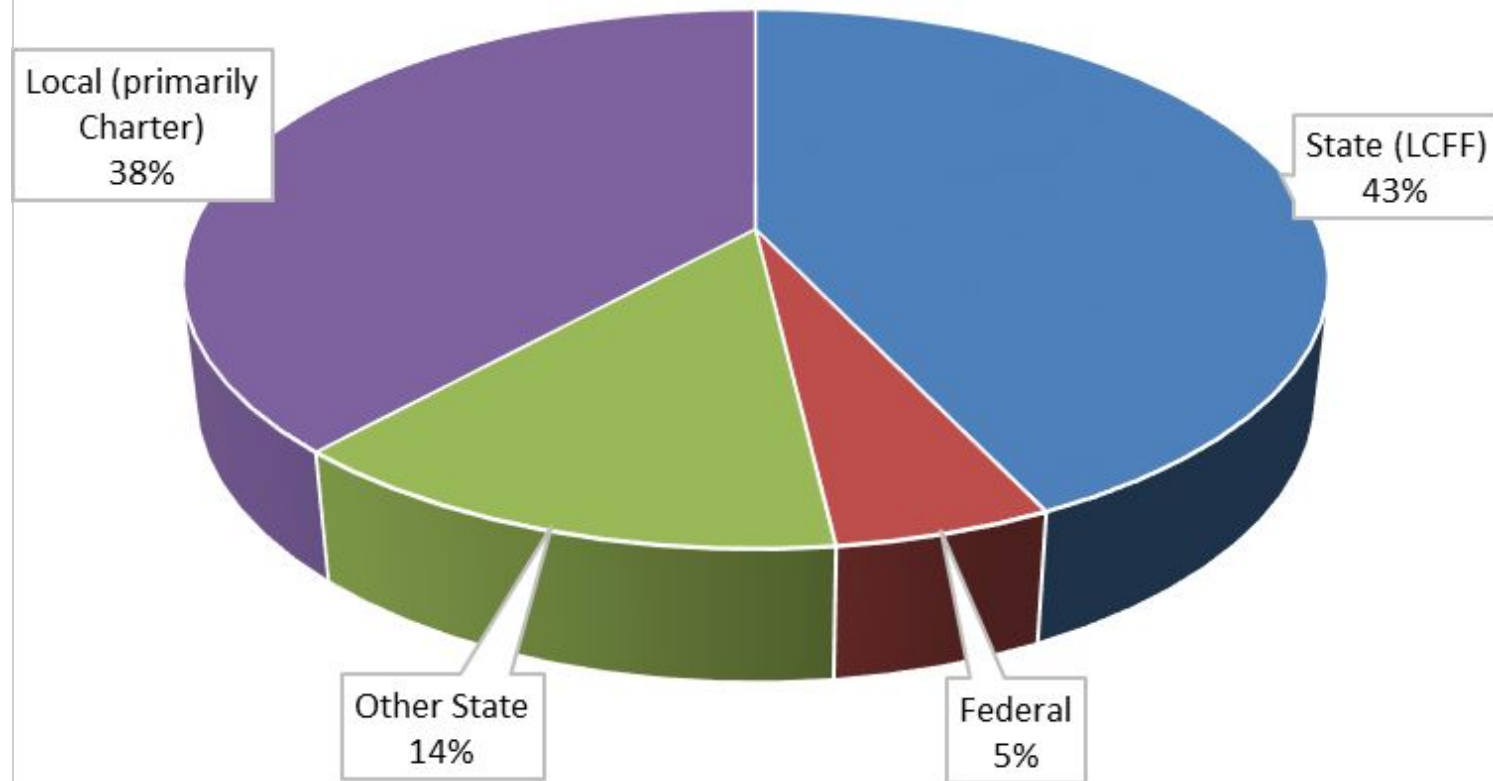
Second Interim Financial Report 2023-24

Roseland School District Governing Board
March 13, 2023

Background Information: Budget Cycle

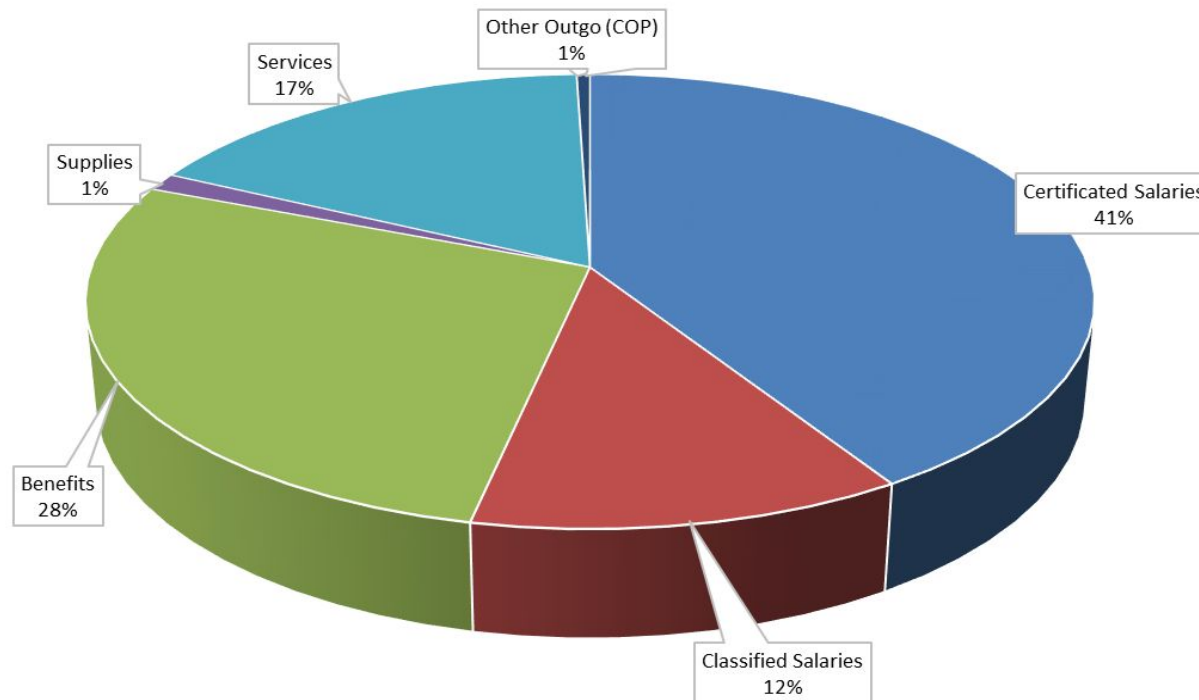


Revenues: 2023-24 Projections



	Unrestricted	Restricted	Combined
State (LCFF)	\$ 21,551,668	\$ 450,175	\$ 22,001,843
Federal	\$ 20,000	\$ 2,644,620	\$ 2,664,620
Other State	\$ 533,528	\$ 6,437,695	\$ 6,971,223
Local (primarily Charter)	\$ 19,039,325	\$ 564,312	\$ 19,603,637
Totals:	\$ 41,144,521	\$ 10,096,802	\$ 51,241,323

Expenditures: 2023-24 Projections



	Unrestricted	Restricted	Combined
Certificated Salaries	\$ 18,523,130	\$ 2,833,463	\$ 21,356,593
Classified Salaries	\$ 4,651,314	\$ 1,636,252	\$ 6,287,566
Benefits	\$ 10,460,368	\$ 3,954,523	\$ 14,414,891
Supplies	\$ 324,696	\$ 320,458	\$ 645,154
Services	\$ 2,519,597	\$ 6,403,203	\$ 8,922,800
Capital Outlay	\$ 4,840	\$ -	\$ 4,840
Other Outgo (COP)	\$ 253,019	\$ -	\$ 253,019
Totals:	\$ 36,736,964	\$ 15,147,899	\$ 51,884,863

2023-24 First Interim Budget (Simplified)

REVENUE	Unrestricted	Restricted	Total
Total Revenue	41,144,521	10,096,802	51,241,323
EXPENDITURES			
Total Expenditures	36,736,964	15,147,899	51,884,863
Excess (Deficiency)	4,407,557	(5,051,097)	(643,540)
Interfund Transfers In			-
Interfund Transfers Out	(3,500,000)		(3,500,000)
Other Sources			-
Other Uses			-
Contribution to Restricted Program	(4,734,705)	4,734,705	-
Total Transfers/Other Uses	(8,234,705)	4,734,705	(3,500,000)
Net Increase (Decrease)	(3,827,148)	(316,392)	(4,143,540)
FUND BALANCE			
Beginning Balance	12,721,309	7,678,414	20,399,723
Net Ending Balance	8,894,161	7,362,022	16,256,183
<u>Components of Ending Balance:</u>			
Revolving Cash 9711	17,500		17,500
Prepaid 9713			
Restricted 9740		7,362,022	7,362,022
9780 Assigned: Sped, Textbooks, Facilities -See	568,931		568,931
Reserve for Econ.Uncert. 3%	1,661,546		1,661,546
Board Res. #11-19: Additional 12%	6,646,184		6,646,184
Unassigned/Unappropriated Amount	0	-	0

Multi-Year Projection Assumptions: COLA

Cost of Living Adjustment (COLA) Uncertainty:

<i>Year</i>	<i>State Budget Act (SBA) July 2023 (projected COLA)</i>	<i>Governor's Budget January 2023 (projected COLA)</i>
2023-24	8.22%	8.22%
2024-25	3.94%	0.76%
2025-26	3.29%	2.73%
2026-27	3.19%	3.11%
2027-28	3.16%	3.17%

COLA Uncertainty Impacts & Considerations:

- Approximately \$550K in revenue year decline for the 2024-25 school year from the Adopted Budget 2023-24 (June 2023)

Multi-Year Projection (Simplified)

ROSELAND SCHOOL DISTRICT	2023-24 Second Interim Budget			2024-25 Projections			2025-26 Projections		
REVENUE	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	41,144,521	10,096,802	51,241,323	42,452,404	9,080,354	51,532,758	43,125,279	9,094,814	52,220,093
EXPENDITURES									
Total Expenditures	36,736,964	15,147,899	51,884,863	37,759,672	15,834,272	53,593,944	38,371,118	16,067,702	54,438,820
Excess (Deficiency)	4,407,557	(5,051,097)	(643,540)	4,692,732	(6,753,918)	(2,061,186)	4,754,161	(6,972,888)	(2,218,727)
Interfund Transfers In			-			-			-
Interfund Transfers Out	(3,500,000)		(3,500,000)			-	-		-
Other Sources			-			-			-
Other Uses			-			-			-
Contribution to Restricted Program	(4,734,705)	4,734,705	-	(4,853,073)	4,853,073	-	(4,974,399)	4,974,399	-
Total Transfers/Contributions	(8,234,705)	4,734,705	(3,500,000)	(4,853,073)	4,853,073	-	(4,974,399)	4,974,399	-
Net Increase (Decrease)	(3,827,148)	(316,392)	(4,143,540)	(160,341)	(1,900,845)	(2,061,186)	(220,238)	(1,998,489)	(2,218,727)
FUND BALANCE									
Beginning Balance	12,721,308	7,678,414	20,399,722	8,894,160	7,362,022	16,256,182	8,733,819	5,461,177	14,194,996
Net Ending Balance	8,894,160	7,362,022	16,256,182	8,733,819	5,461,177	14,194,996	8,513,581	3,462,688	11,976,269

- Impact of negotiated wage increases for 2024-25 and 2025-26 not yet factored in
- Includes reduction in COVID funding and associated expenses
- Arts/Music/Instructional Materials and Educator Effectiveness Grants are part of restricted Fund Balance – anticipated to be fully spent by 2026
 - Expenditure plan of \$1M being developed; estimated costs factored in, but timeline may change
- Learning Recovery Block Grant and Literacy Coaches/Reading Spec. Grant is a part of restricted Fund Balance - anticipated to be fully spent by 2028
 - Expenditure plan of \$3M being developed; estimated costs factored in, but timeline may change

Discussion & Analysis

- District enrollment is projected to increase significantly, but this is not consistent with the rest of Sonoma County
 - Multi-year Projections reflect significant enrollment and associated ADA increases for the next two years – Estimate of 1513 students enrolled, an increase of almost 3% over the enrollment for the current school year
 - ADA has improved since the pandemic – averaging 93-94% most weeks
- Roseland Charter School is currently experiencing declining enrollment and facing operational cash flow challenges due to facility related debt and a structural deficit (more expenditures than revenues)
 - This may have an impact on long term District financials, but the impact is unknown at this time

Next Steps

- State's May Revise Budget for 2024-25 will be announced in May 2024 - will reflect legislative recommendations for adjustments to Governor's proposed budget
- Local Control Accountability Plan (LCAP) for 2024-25 will be developed in the coming months – District's primary resource allocation plan
- Roseland School District's Adopted Budget 2024-25 will be presented to the Board of Directors for approval in June 2024, and will incorporate May Revise budgeting information and will reflect budgets for the LCAP
 - Will include Board approved settled wage negotiations for 2024-25 and ongoing that are approved in April or May Board meetings
 - Will include updated budgeting information for COVID funded positions that were laid off or will be funded using new funding sources