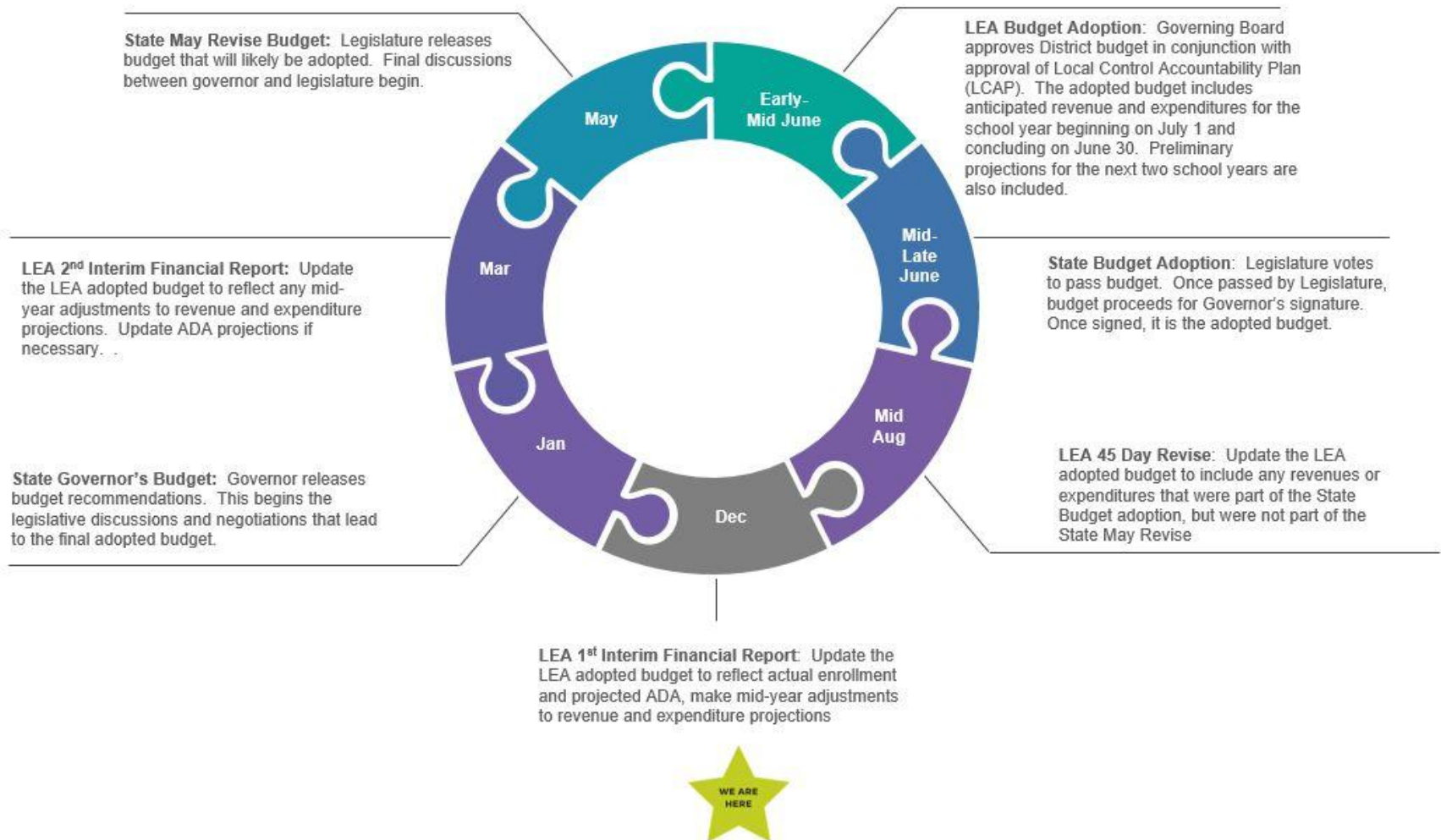




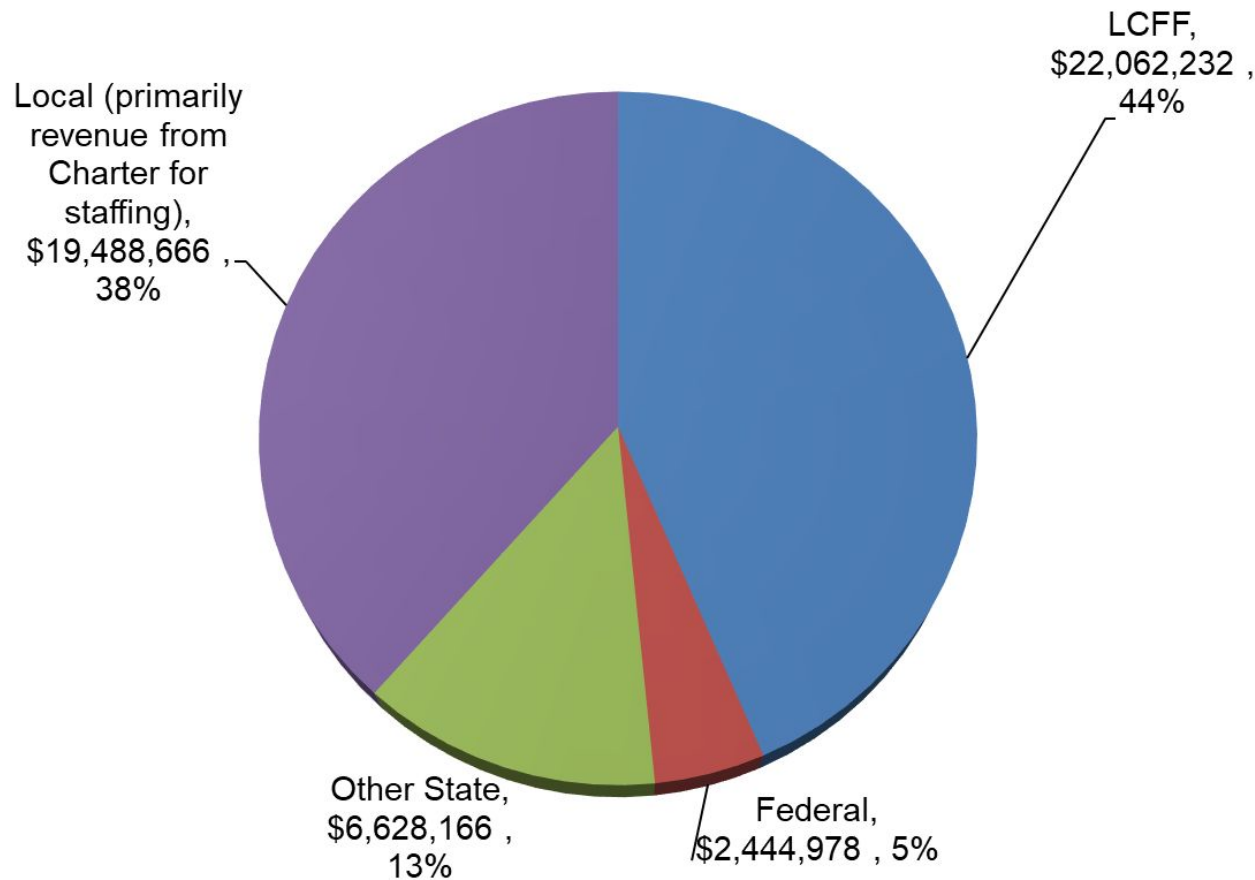
First Interim Financial Report 2023-24

Roseland School District Governing Board
December 13, 2023

Background Information: Budget Cycle

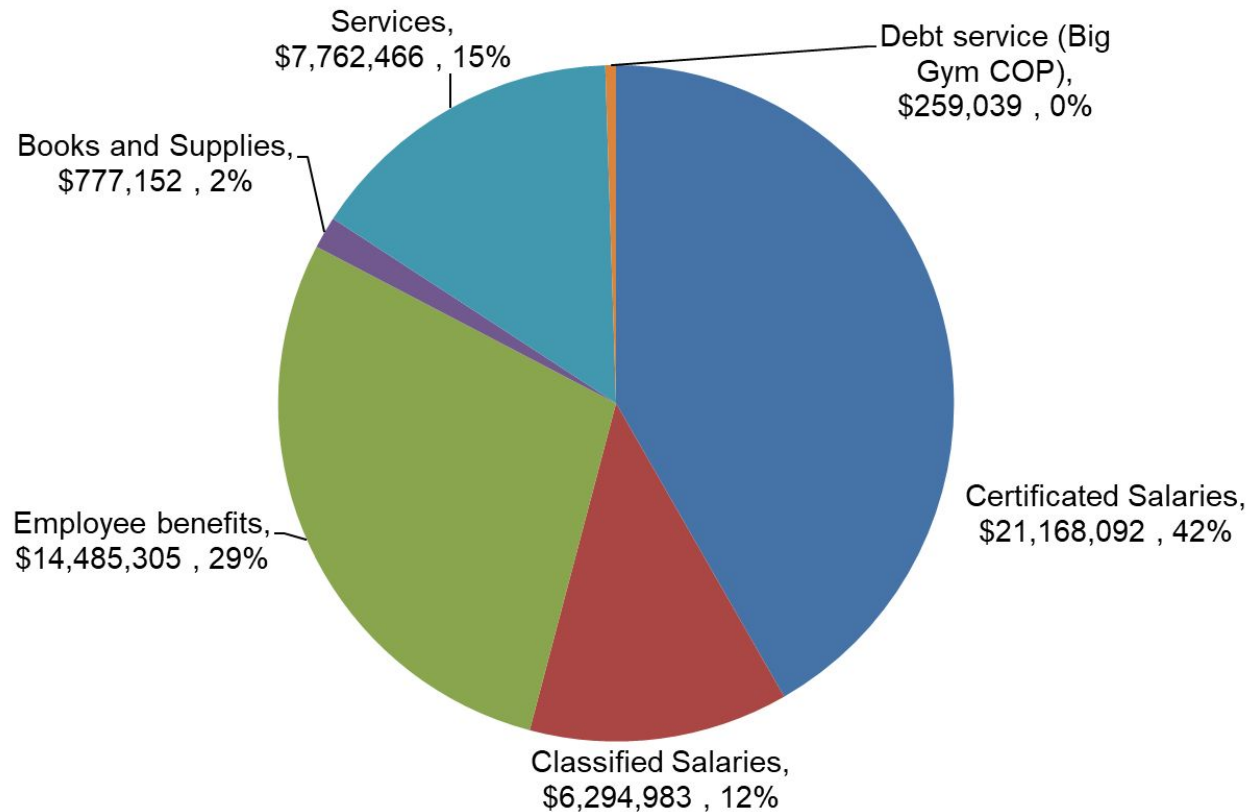


Revenues: 2023-24 Projections



2024 First Interim Revenues	
LCFF	\$ 22,062,232
Federal	\$ 2,444,978
Other State	\$ 6,628,166
Local (primarily revenue from Charter for staffing)	\$ 19,488,666
Total Revenue	\$ 50,624,042

Expenditures: 2023-24 Projections



2024 1st Interim Expenses	
Certificated Salaries	\$ 21,168,092
Classified Salaries	\$ 6,294,983
Employee benefits	\$ 14,485,305
Books and Supplies	\$ 777,152
Services	\$ 7,762,466
Debt service (Big Gym COP)	\$ 259,039
Total Expenses	\$ 50,747,037

2023-24 First Interim Budget (Simplified)

REVENUE	Unrestricted	Restricted	Total
Total Revenue	40,776,274	9,847,768	50,624,042
EXPENDITURES			
Total Expenditures	36,263,547	14,483,490	50,747,037
Excess (Deficiency)	4,512,727	(4,635,722)	(122,995)
Interfund Transfers Out	(3,500,000)		(3,500,000)
Contribution to Restricted Program	(4,475,674)	4,475,674	-
Total Transfers/Other Uses	(7,975,674)	4,475,674	(3,500,000)
Net Increase (Decrease)	(3,462,947)	(160,048)	(3,622,995)
FUND BALANCE			
Beginning Balance	12,721,308	7,678,414	20,399,722
Net Ending Balance	9,258,361	7,518,367	16,776,727
<u>Components of Ending Balance:</u>			
Revolving Cash 9711	17,500		17,500
Prepaid 9713			
Restricted 9740		7,518,367	7,518,367
9780 Assigned: Sped, Textbooks, Facilities -See list	790,000		790,000
Reserve for Econ.Uncert. 3%	1,627,411		1,627,411
Board Res. #11-19: Additional 12%	6,509,644		6,509,644
Unassigned/Unappropriated Amount	313,805	-	313,805

One-time transfer of 3.5M for facility work reflected here

Actual Unrestricted Surplus is \$37,053;

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>Legislative Analyst Office (LAO) (estimated 2023-24 statutory COLA)</i>
2023-24	8.22%	8.22%
2024-25	3.94%	1.0% - 1.27% (estimated statutory COLA)
2025-26	3.29%	1.0% (if downturn were to continue)
2026-27	3.19%	1.0% (if downturn were to continue)
2027-28	3.16%	1.0% (if downturn were to continue)

COLA Uncertainty Impacts & Considerations:

- Approximately \$550K in revenue year over year (compounded)
- Difficult to project multiple out years
- Tradeoffs of conservative budgeting

Multi-Year Projection (Simplified)

Assumes COLAs in 3-4% range (based on State Budget Act - July 2023)

ROSELAND SCHOOL DISTRICT	2023-24 First Interim Budget			2024-25 Projections			2025-26 Projections		
REVENUE	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	40,776,274	9,847,768	50,624,042	42,381,069	6,887,747	49,268,816	43,888,297	6,920,555	50,808,852
EXPENDITURES									
Total Expenditures	36,263,547	14,483,490	50,747,037	36,619,243	11,625,914	48,245,158	37,217,808	11,764,701	48,982,509
Excess (Deficiency)	4,512,727	(4,635,722)	(122,995)	5,761,825	(4,738,167)	1,023,658	6,670,489	(4,844,146)	1,826,343
Net Increase (Decrease)	(3,462,947)	(160,048)	(3,622,995)	1,151,881	(128,223)	1,023,658	1,922,246	(95,903)	1,826,343
FUND BALANCE									
Beginning Balance	12,721,308	7,678,414	20,399,722	9,258,361	7,518,367	16,776,727	10,410,241	7,390,144	17,800,385
Net Ending Balance	9,258,361	7,518,367	16,776,727	10,410,241	7,390,144	17,800,385	12,332,488	7,294,241	19,626,728
Unassigned/Unappropriated Amount	313,805	-	313,805	2,365,968	-	2,365,968	4,177,611	-	4,177,611

Multi-Year Projection (Simplified)

Assumes COLAs in 1-1.27% range (based on LAO Estimates - Nov. 2023)

ROSELAND SCHOOL DISTRICT	2023-24 First Interim Budget			2024-25 Projections			2025-26 Projections		
REVENUE	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	40,776,274	9,847,768	50,624,042	41,804,414	6,887,747	48,692,161	42,791,758	6,920,555	49,712,313
EXPENDITURES									
Total Expenditures	36,263,547	14,483,490	50,747,037	36,619,243	11,625,914	48,245,158	37,217,808	11,764,701	48,982,509
Excess (Deficiency)	4,512,727	(4,635,722)	(122,995)	5,185,170	(4,738,167)	447,003	5,573,950	(4,844,146)	729,804
Net Increase (Decrease)	(3,462,947)	(160,048)	(3,622,995)	575,226	(128,223)	447,003	825,707	(95,903)	729,804
FUND BALANCE									
Beginning Balance	12,721,308	7,678,414	20,399,722	9,258,361	7,518,367	16,776,727	9,833,586	7,390,144	17,223,730
Net Ending Balance	9,258,361	7,518,367	16,776,727	9,833,586	7,390,144	17,223,730	10,659,294	7,294,241	17,953,534
Unassigned/Unappropriated Amount	313,805	-	313,805	1,789,313	-	1,789,313	2,504,417	-	2,504,417

Decrease of \$577K in Revenues

Decrease of 1.1M in Revenues

Discussion & Analysis

- District enrollment is very stable, but this is not consistent with the rest of Sonoma County - declines continue to be a concern, but not yet realized in actuality. Attendance rates starting to return to pre-pandemic levels
- Statewide economic downturn will likely result in lower COLAs than projected, which will also result in decreases from previously budgeted amounts in future years - although the District currently has stable revenues and expenditures, caution should be taken when committing to new or increased services or program costs, as new revenue is likely to be limited in the future years
- Several expenses are currently funded using one-time pandemic relief funds that will be expiring at the end of this school year
- Roseland Charter School is currently experiencing declining enrollment and facing operational cash flow challenges. This may have an impact on long term District financials, but the impact is unknown at this time

Next Steps

- State Governor's Budget for 2024-25 will be announced in January 2024 - projections for COLA and Governor's financial plan for the next several years will be included
- Roseland Charter School Second Interim Financial Report will be presented to the Board of Directors for approval in March 2024, and will incorporate revenue and expenditure updates for the current and projected years based on the Governor's Budget plan
- State May Revise Budget for 2024-25 will be released in May 2024, and will reflect legislative recommendations for adjustments to the Governor's proposed budget
- Roseland Charter School Adopted Budget 2024-25 will be presented to the Board of Directors for approval in June 2024, and will incorporate May Revise budgeting information