

REVISED March 6, 2023

2022-23 Second Interim Financial Report

March 7, 2023

Information Report No. 2

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Chief Financial Officer

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Budget Report No. 6



Excelling Together with Endless Pathways for Success!



Board of Education Priorities



Maximize Student Achievement

- Close the digital and equity gap.
- Offer robust in-person and independent study learning programs.
- Accelerate learning and improve attendance and engagement.

Foster a Positive Culture of Learning

- Ensure equitable teaching and learning opportunities led by excellence.
- Support culturally relevant curriculum that emphasizes inclusion.
- Increase school connectedness for students, parents, and families.

Ensure the Health and Safety of Students and Employees

- Strengthen mental health support and programs.
- Ensure best practices for safe and healthy learning environments.
- Support physical, social, and emotional wellbeing.

Maintain District Financial Responsibility

- Ensure the fiscal health of the District.
- Implement a fiscal plan to preserve the District resources.
- Plan for the District's future educational and facility needs.

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Agenda

- Second Interim Report and Certification/Budget Calendar
- One-time COVID-19 Funds: Federal and State
- Ongoing Funds: Local Control Funding Formula
- Major Changes Since First Interim Report
- 2022-23 Revenue/Expense/Ending Fund Balance
- Multi-Year Projections – Unrestricted General Fund
- 2022-23 Second Interim Certification
- Next Steps



Second Interim Report and Certification

- AB 1200 and AB 1708 require county offices to monitor and review district budget and financial reports
- Districts are required to submit two interim budget reports determining if they can meet their financial obligations in the current and the two subsequent years
- The County certifies each report as “positive”, “qualified”, or “negative” based on the ability of the district to meet its financial obligations
- The second interim report represents the actual and projected financial position of the General Fund as of January 31, 2023



Certification Definition

- ✓ **POSITIVE** = The district, based on current projections, **will be able** to meet its financial obligations for the current and subsequent two fiscal years
- **QUALIFIED** = The district, based on current projections, **may not be able** to meet its financial obligations for the current and subsequent two fiscal years
- **NEGATIVE** = The district, based on current projections, **will be unable** to meet its financial obligations for the current and subsequent two fiscal years

Current Projections based on Second Interim and Multi-Year Projection (MYP)



2022-23 Budget Calendar

Budgeting for schools is a continuous, year-round process

- Adopted Budget by June 30, 2022
- First Interim by December 15, 2022
 - *Using data through October 31, 2022*
- Second Interim by March 15, 2023
 - *Using data through January 31, 2023*
- Third Interim by June 1, 2023
 - *If a Qualified or Negative certification for the Second Interim*
 - *Using data through April 30, 2023*
- Public Hearing for the Local Control Accountability Plan (LCAP) & 2023-24 Budget by June 30, 2023
- Adopt LCAP & 2023-24 Budget
 - *Public Hearing and actual Adoption must be performed in two separate Board meetings*

Federal and State COVID-19/One-Time/Ongoing Funding Update as of February 17, 2023



Funding	Allocation	Revenue Received	Expenditures	Pre-Encumb/Encumb /Committed	Available Allocation
CR Funding (32200.0)	\$ 12,529,519	\$ 12,529,519	\$ 12,529,519	\$ -	\$ -
GEER I (32150.0)	\$ 1,248,470	\$ 1,248,470	\$ 1,265,488	\$ -	\$ -
ESSER I (32100.0)	\$ 5,240,294	\$ 5,240,294	\$ 5,245,290	\$ -	\$ -
ESSER II (32120.0)	\$ 20,750,443	\$ 20,750,443	\$ 20,978,905	\$ -	\$ -
ESSER III (32130.0)	\$ 37,308,787	\$ 36,808,064	\$ 37,143,644	\$ 3,309,520	\$ -
ESSER III - 20% (32140.0)	\$ 9,327,197	\$ 1,094,272	\$ 417,294	\$ 8,909,903	\$ -
ELOG - ESSER II (32160.0)	\$ 2,597,495	\$ 649,374	\$ 12,744	\$ 2,584,751	
ELOG - GEER II (32170.0)	\$ 596,148	\$ 149,037	\$ 595,981	\$ 167	
ELOG - ESSER III (32180.0)	\$ 1,693,265	\$ 423,316	\$ -	\$ 1,693,265	
ELOG - ESSER III State (32190.0)	\$ 2,918,897	\$ 729,724	\$ -	\$ 2,918,897	
SB-177 (73880.0)	\$ 432,359	\$ 432,359	\$ 432,359	\$ -	\$ -
In-Person Inst. Grant (74220.0)	\$ 9,103,659	\$ 9,103,659	\$ 6,834,060	\$ 2,269,599	\$ -
Exp. Learning Opportunity Grant (74250.0&74260.0)	\$ 17,626,747	\$ 9,835,439	\$ 12,641,713	\$ 4,985,034	\$ -
State Learning Loss Mitigation (74200.0)	\$ 2,040,287	\$ 2,040,287	\$ 2,040,287	\$ -	\$ -
Exp. Learning Opportunity Program (26000) (2021-22)	\$ 4,822,339	\$ 4,822,339	\$ 4,822,339		\$ -
Exp. Learning Opportunity Program (26000) (2022-23)	\$ 12,760,944	\$ 7,018,519	\$ 2,405,728	\$ 10,355,216	
Learning Recovery Emergency Block Grant (74350.0)*	\$ 28,372,830	\$ 14,186,415	\$ -		\$ 28,372,830
Arts, Music & Instructional Material Discretionary Block Grant (67620.0)**	\$ 15,118,335	\$ 7,559,168	\$ 15,784	\$ 9,660	\$ 15,092,891
LACOE ELC Contract (COVID Testing) (58104.0)	\$ 4,371,749	\$ 4,371,749	\$ 4,371,749	\$ -	\$ -
Total	\$ 188,859,764	\$ 138,992,447	\$ 111,752,885	\$ 37,036,012	\$ 43,465,721

* Learning Recovery Emergency Block Grant - Deadline to Spend is 6/30/2028

** Arts, Music & Instructional Material Discretionary Block Grant - Deadline to Spend is 6/30/2026



State Local Control Funding Formula (LCFF)

- 6.56% Cost Of Living Adjustment (COLA) for 2022-23, and Augmented COLA of 6.7%
 - GUSD estimate = \$28.6 million ongoing funding
- 8.13% Cost Of Living Adjustment (COLA) for 2023-24
- Funded ADA is calculated based on average of three prior year ADA



Unrestricted General Fund Major Changes Since First Interim Report

	2022-23	2023-24	2024-25	2025-26	Cumulative
<u>Revenue</u>					
LCFF Revenue	\$0.60 M ↑	\$8.0 M ↑	\$0.7 M ↓	\$0.05 M ↑	\$7.95 M ↑
COLA %	6.56%	8.13%	3.54%	3.31%	
Unduplicated %	51.80%	52.19%	53.23%	53.23%	
Enrollment	24,454	24,210	23,968	23,728	



Unrestricted General Fund Major Changes Since First Interim Report

	2022-23	2023-24	2024-25	2025-26
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Expense

2022-23 One-Time Projected Actuals* vs. Budget Savings (assigned)	\$ 2.8 M ↓	\$0	\$0	\$0
2022-23 One-Time Projected Actuals** vs. Budget Savings (committed)	\$ 2.7 M ↓	\$0	\$0	\$0
PERS Increase	\$ 0	\$ 0.70 M ↑	\$ 1.40 M ↑	\$ 2.0 M ↑
Liability Insurance Estimated Increase	\$ 0.4 M ↑	\$ 0.95 M ↑	\$ 0.95 M ↑	\$ 0.95 M ↑
Projected Utility Expenses Increase	\$ 0.8 M ↑	\$ 0.80 M ↑	\$ 0.80 M ↑	\$ 0.80 M ↑
Total	\$ 4.3 M ↓	\$2.45 M ↑	\$ 3.15 M ↑	\$ 3.75 M ↑

Note: *Primarily Supplemental Grant - estimated end of year carry-over.
 ** Primarily General Fund - estimated end of year savings committed for textbook adoptions and salary increases.

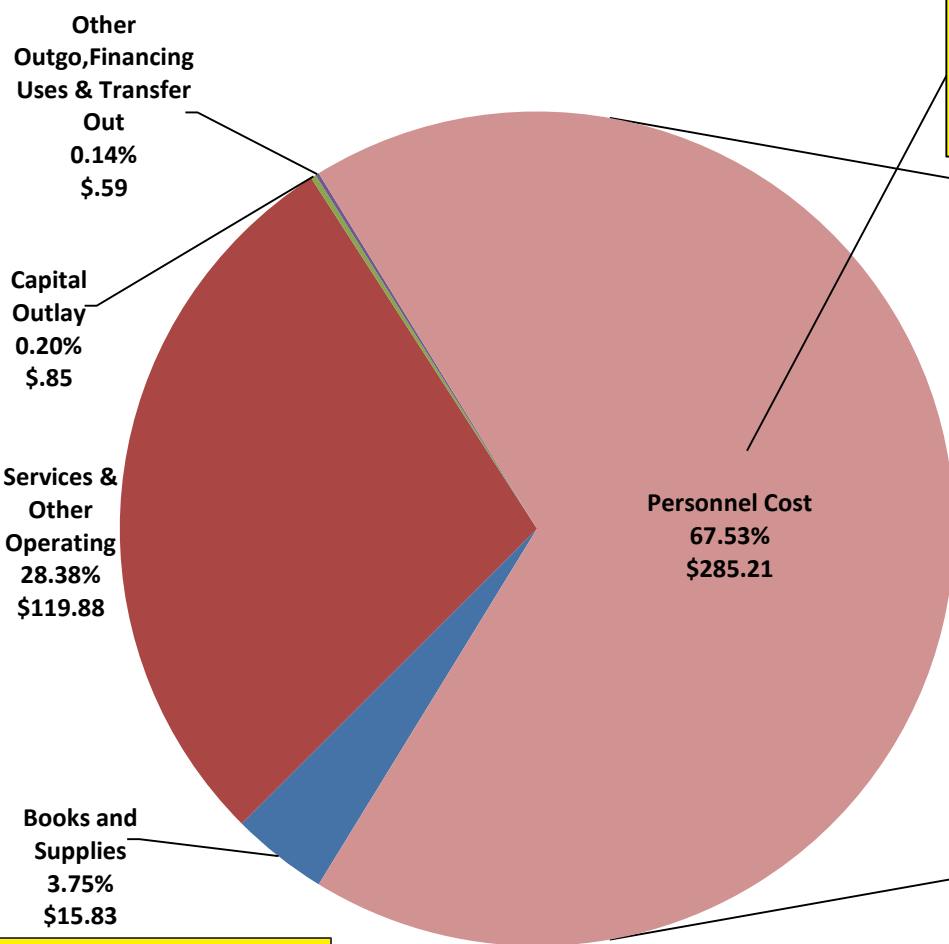
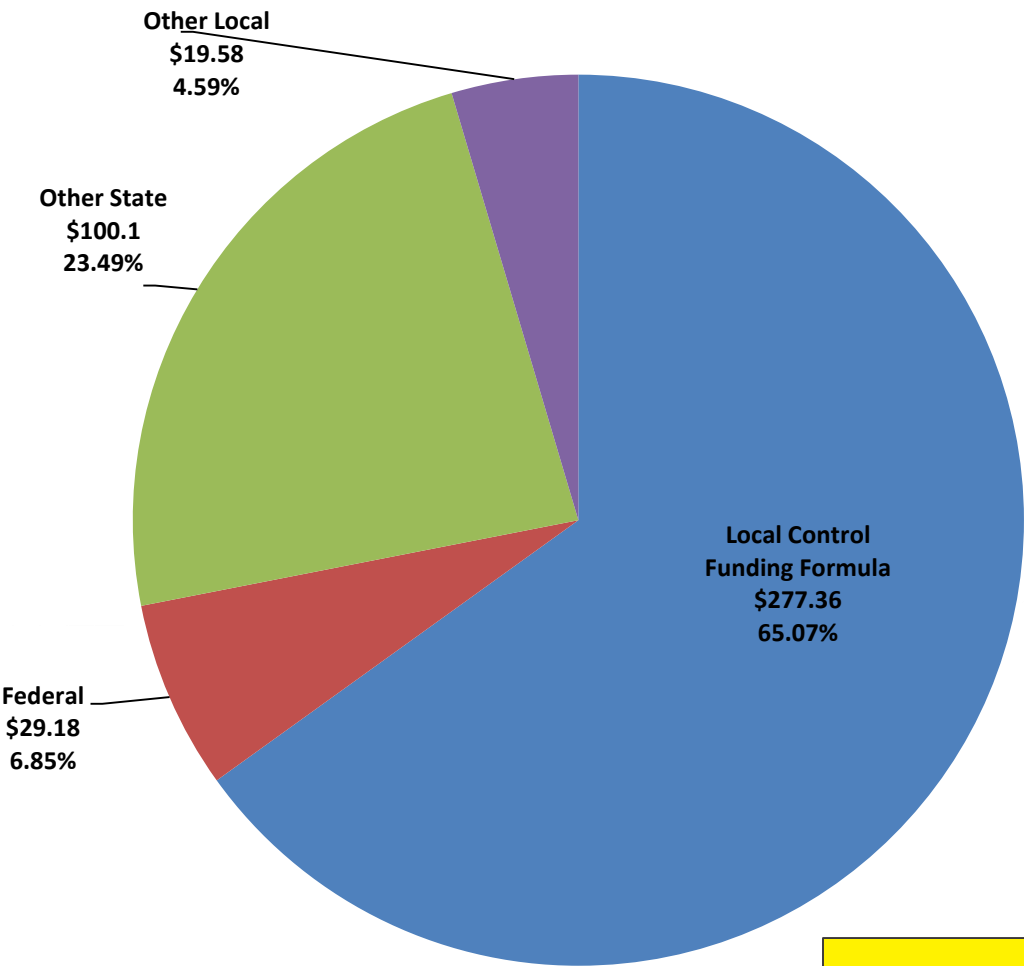


2022-23 First Interim and Second Interim Comparison of the Estimated Unrestricted General Fund Balance

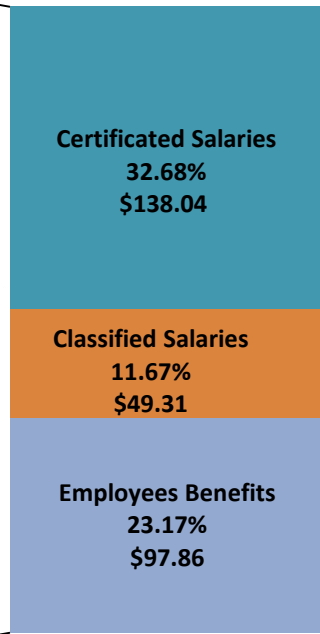
- 2022-23 Estimated First Interim Unrestricted General Fund Balance - \$37.5 M
- 2022-23 Estimated Second Interim Unrestricted General Fund Balance - \$41.8 M
- Note: The increase of \$3.0 M in the fund balance is primarily due to estimated Supplemental Grant carry over and General Fund estimated end of year savings committed for textbook adoptions and salary increases.



2022-23 Second Interim TOTAL REVENUES & EXPENDITURES – GENERAL FUND



The decrease of personnel cost is primarily due to the use of \$8m of COVID one-time funding



Be aware of annual carryover process

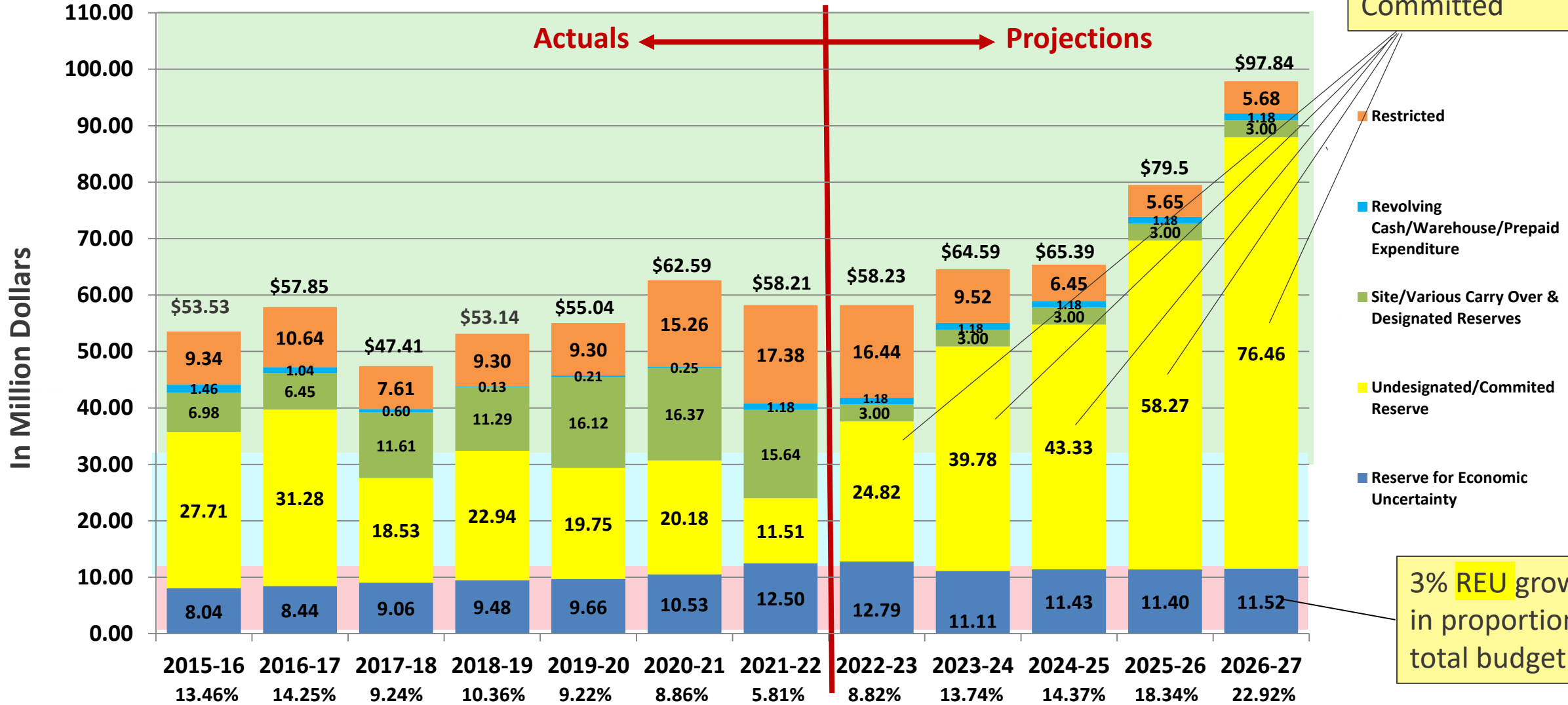
Rev \$426.23m
-Exp \$422.36m
Current Excess = \$3.87m

Total Revenues \$426,228,798

Total Expenditures \$ 422,359,415



2022-23 Second Interim Summary of General Fund Ending Fund Balances



Starting 22-23, this amount is Committed

3% REU grows in proportion to total budget

Note: The percentages above represents the ratio of Undesignated/Committed Reserve and the 3% Reserve for Economic Uncertainties to the total General Fund Expenditures.

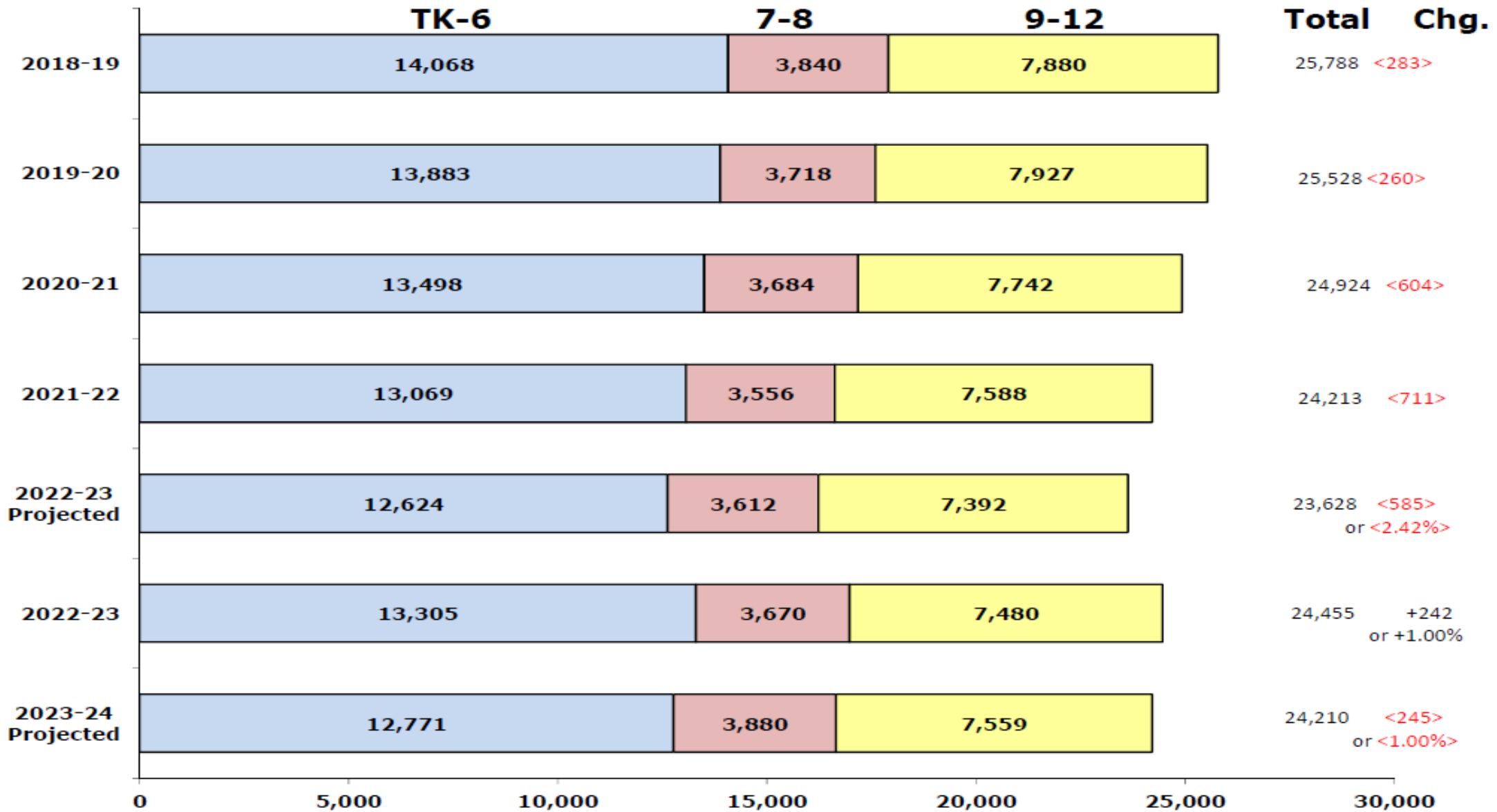


2022-23 Second Interim Unrestricted General Fund MULTI YEAR PROJECTION

	2022-23	2023-24	2024-25	2025-26
Total Revenues	\$ 232,387,190	\$ 254,101,142	\$ 258,119,182	\$ 270,026,564
Total Expenditure	231,423,348	240,822,440	254,250,528	255,114,713
Net Increase/(Decrease)	963,842	13,278,702	3,868,654	14,911,851
Beginning Balance	40,828,960	41,792,802	55,071,504	58,940,158
Audit Adjustments	-	-	-	-
Ending Balance	41,792,802	55,071,504	58,940,158	73,852,009
Components of Ending Fund Balance:				
Revolving Cash	70,000	70,000	70,000	70,000
Stores	283,211	283,211	283,211	283,211
All Other Non-Spendable (Glenfield Lease GASB-87)	827,218	827,218	827,218	827,218
3% Reserve for Economic Uncertainties	12,786,100	11,109,300	11,430,322	11,399,456
Reserve for Projected End of Year Carry-over	3,003,494	3,003,494	3,003,494	3,003,494
Undesignated Balance in Excess of Assigned and 3% Reserve	\$ 24,822,779	\$ 39,778,281	\$ 43,325,913	\$ 58,268,630
Salaries and Benefits % of Exp. *	86.06%	87.99%	86.55%	87.79%
Salaries and Benefits % of Rev.	85.70%	83.40%	85.26%	82.94%



Historical Enrollment (CALPADS DATA)







2022-23 Second Interim Certification

- **The Superintendent is recommending a Positive Certification for Second Interim.**

Next Steps

- March – May 2023 – Continue to monitor the Legislative actions and make adjustments as needed
- June 2023 – Budget Hearing and Adoption of the initial 2023-24 budget
- Monitor the State revenues – Estimated to be lower than projected
- Monitor Enrollment  
- Monitor personnel cost increases

Questions or more information:

WWW.GUSD.NET/BUDGET

WWW.ED100.ORG

Thank you!

