

2022-23

First Interim Financial Report

December 13, 2022

Information Report No. 1

Presented by: Santhasundari Rajiv

Chief Financial Officer

Budget Report No. 4



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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First 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 first interim report represents the actual and projected financial position of the General Fund as of October 31, 2022



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*



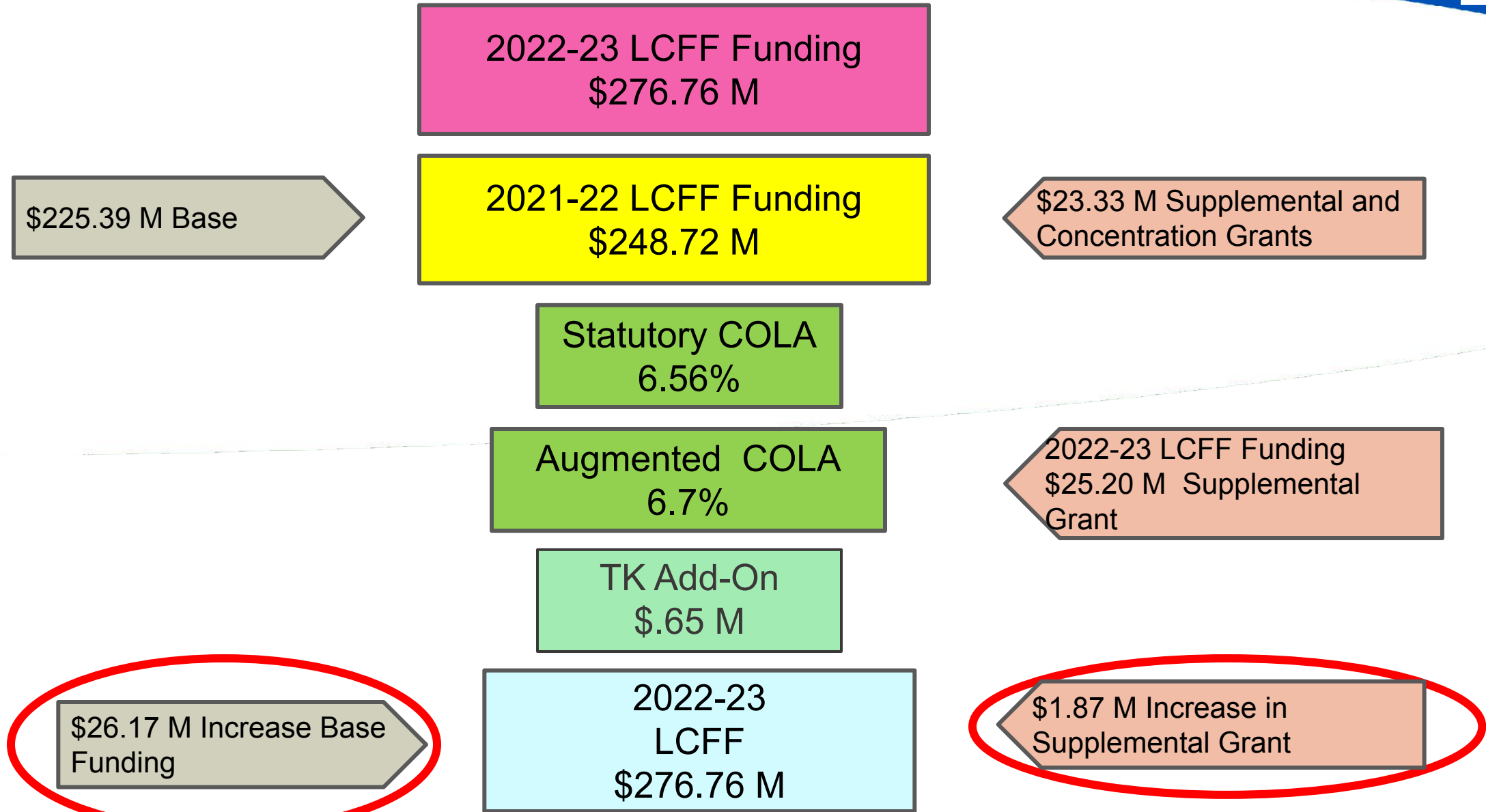
Certification Definition

- ✓ **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 First Interim and Multi-Year Projection (MYP)



COLA Funding and Proportionality Calculation





Major Changes Since June Budget Adoption

	2022-23	2023-24	2024-25	2025-26	CUMULATIVE
Revenue					
LCFF Revenue	\$11.3 M ↑	\$13.6 M ↑	\$16.0 M ↑	\$17.6 M ↑	\$58.5M
Increase in SPED State Funding	\$2.5 M ↑	\$2.5 M ↑	\$2.5 M ↑	\$2.5 M ↑	\$10.0M
Estimated LCFF Transportation Revenue Increase	\$2.4 M ↑	\$2.4 M ↑	\$2.4 M ↑	\$2.4 M ↑	\$9.6M
Total	\$16.2M	\$18.5M	\$20.9M	\$22.5M	\$78.1M



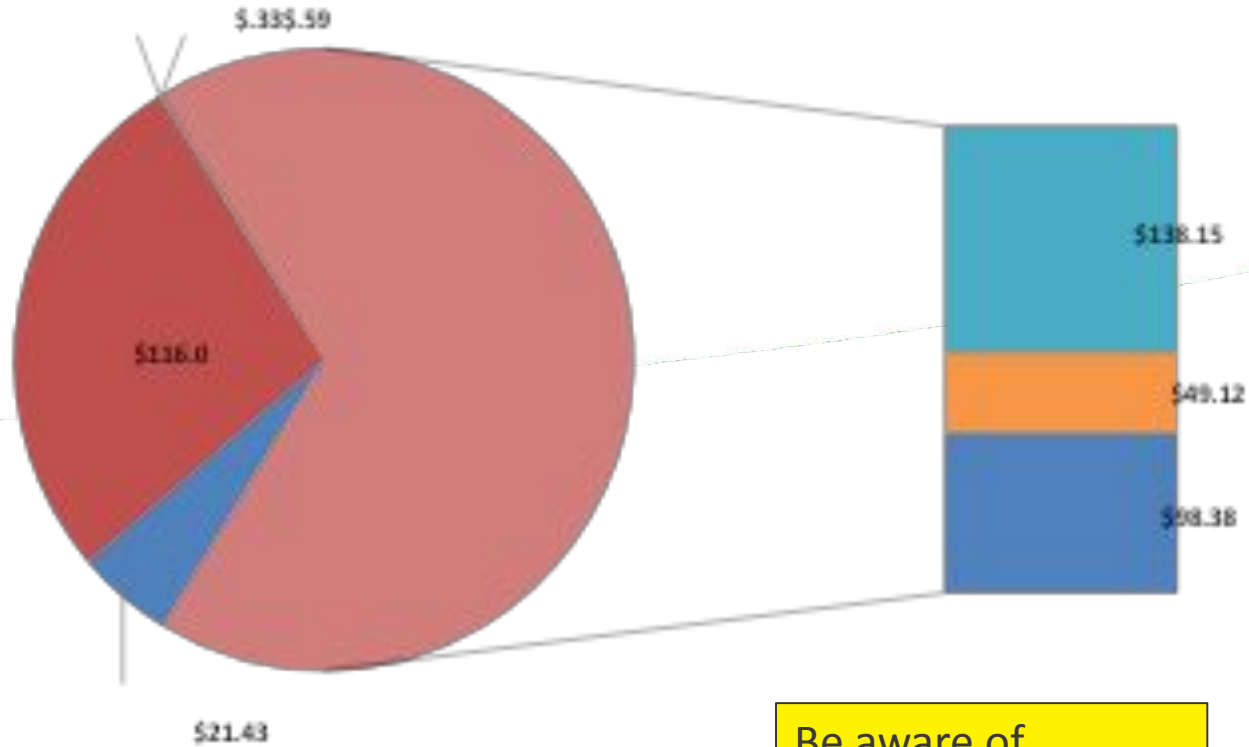
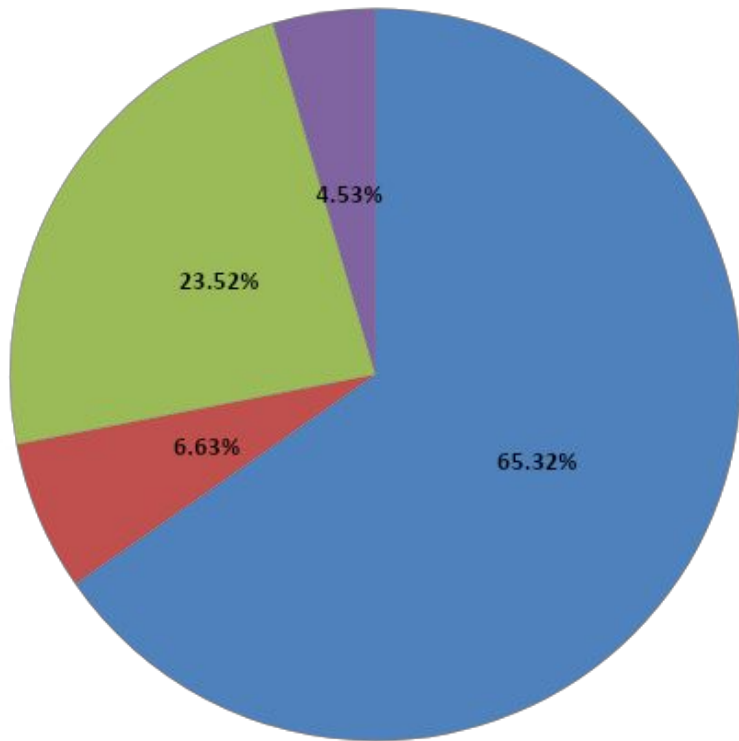
Major Changes Since June Budget Adoption

	2022-23	2023-24	2024-25	2025-26	CUMULATIVE
<u>Expense</u>					
GSMA/CSEA Settlement	\$5.7 M	\$5.7 M	\$5.7 M	\$5.7 M	\$22.8 M
Admin and School site Program Adjustments	\$1.0 M	\$0.5 M	\$0.5 M	\$0.5 M	\$ 2.5 M
Special Education NPA/NPS additional Costs	\$17 M	\$14 M	\$14 M	\$14 M	\$ 59 M
SPED NPA/NPS Cost from 2021-22 paid in 2022-23	\$ 1.5 M	\$0	\$0	\$0	\$ 1.5 M
Carry Over	\$ 8.5 M	\$0	\$0	\$0	
Total	\$33.7 M	\$20.2 M	\$20.2 M	\$20.2 M	\$85.8 M



2022-23 First Interim

TOTAL REVENUES & EXPENDITURES – GENERAL FUND



Rev \$423.71m
 -Exp \$424.31m
 Deficit = (\$.60m)

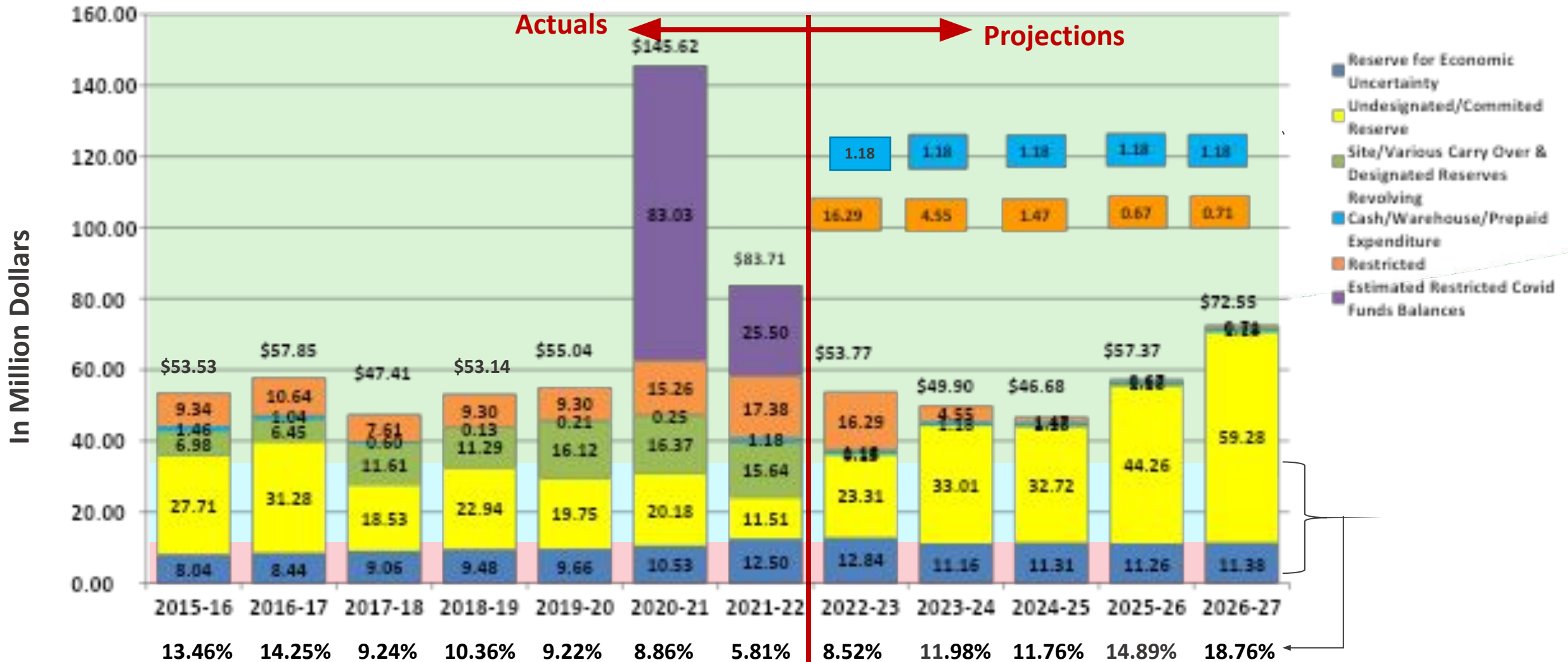
Be aware of annual carryover process

Total Revenues \$423,710,059

Total Expenditures \$ 424,307,664



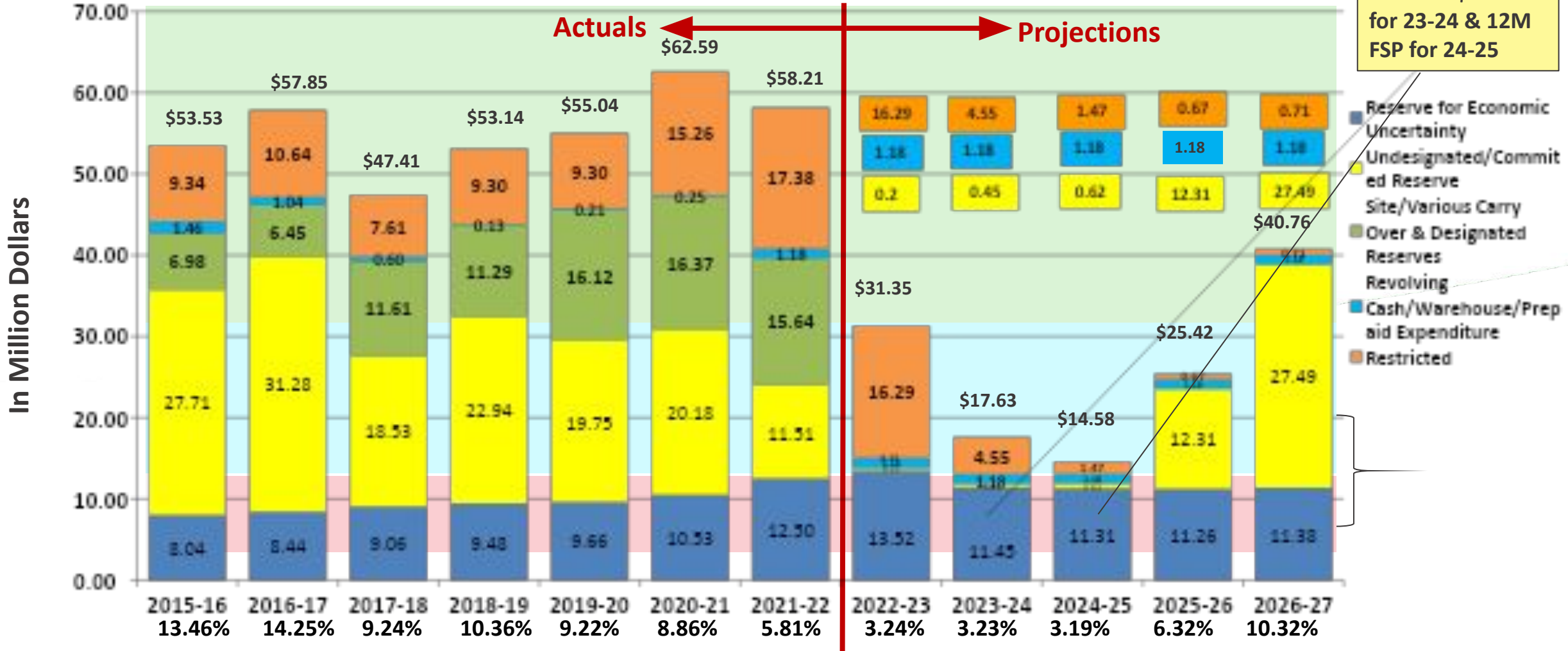
First Interim 2022-23 Summary of General Fund Ending Fund Balances



Note: The percentages above represents the ratio of Undesignated/Committed Reserve and the 3% Reserve for Economic Uncertainties to the total General Fund Expenditures.
 Note: The 2022-23 COVID Funding Balance of \$17 million is estimated to be spent by the end of the 2022-23 fiscal year.



First Interim 2022-23 (Proposed GTA Settlement & FSP Included) Summary of General Fund Ending Fund Balances



Note: The percentages above represents the ratio of Undesignated/Committed Reserve and the 3% Reserve for Economic Uncertainties to the total General Fund Expenditures.
 Note: The 2022-23 COVID Funding Balance of \$17 million is estimated to be spent by the end of the 2022-23 fiscal year.



Combined General Fund MULTI YEAR PROJECTION

	2022-23	2023-24	2024-25
Total Revenues	\$ 423,710,059	\$ 368,044,026	\$ 373,924,918
Total Expenditure	428,150,437	371,915,564	377,136,153
Net Increase/(Decrease)	(4,440,378)	(3,871,538)	(3,211,235)
Beginning Balance	58,212,077	53,771,699	49,900,161
Audit Adjustments	-		
Ending Balance	53,771,699	49,900,161	46,688,926
Components of Ending Fund Balance:			
Revolving Cash	70,000	70,000	70,000
Stores	283,211	283,211	283,211
3% Reserve for Economic Uncertainties	12,844,513	11,157,467	11,314,085
All other Non-Spendable (Glenfield Lease GASB-87)	827,218	827,218	827,218
Reserve for Projected End of Year 2021-22 Carry-over	150,000	-	-
Retricted Balances	16,287,704	4,550,053	1,470,340
Committed	23,309,053	33,012,213	32,724,073
Unrestricted Salaries and Benefits % of Exp.	85.57%	88.72%	87.19%

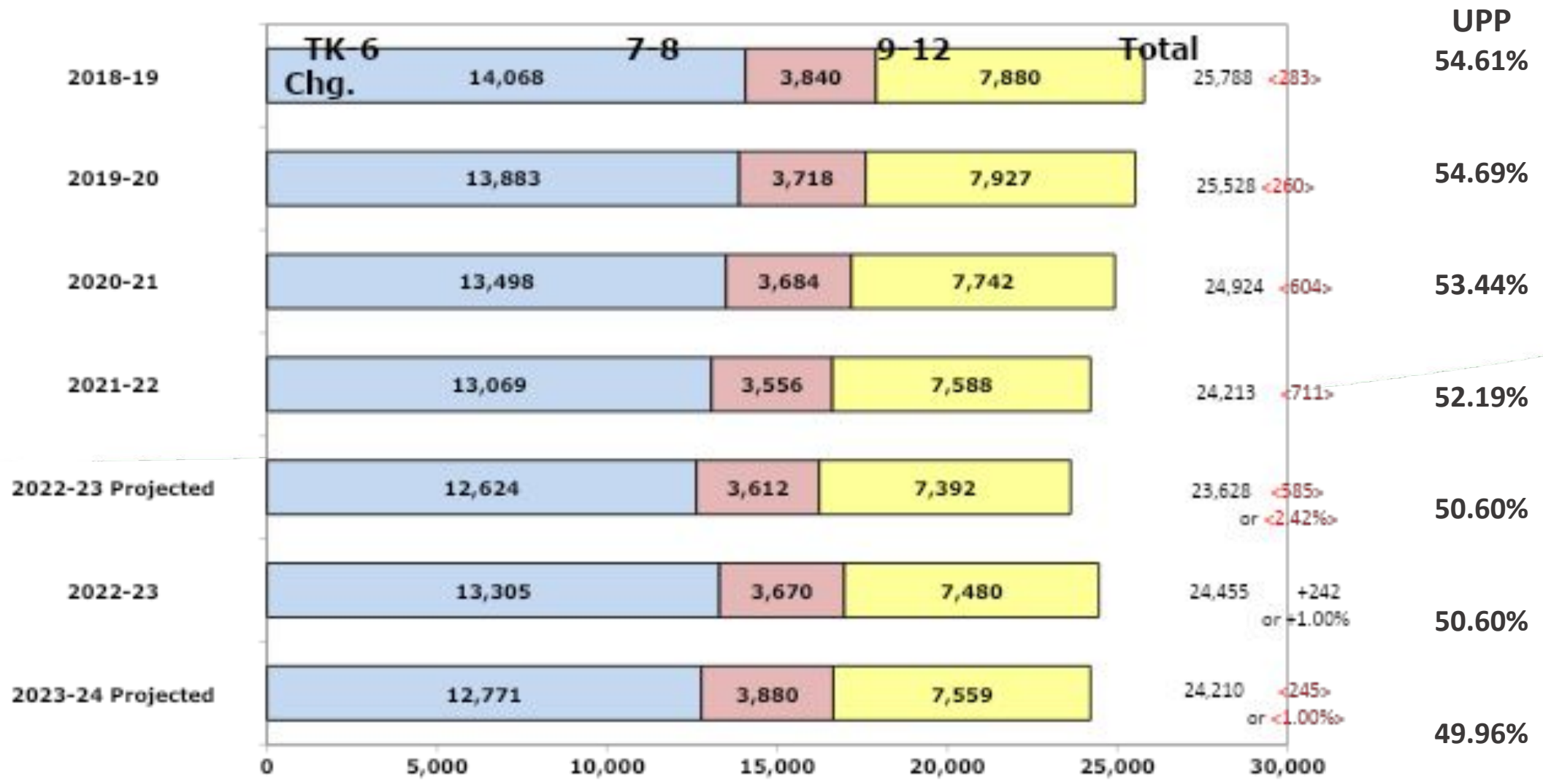


Other Funds- Projected Totals - 2022-23

	Fund 12.0 Child Development Fund	Fund 13.0 Cafeteria Special Revenue Fund	Fund 21 Building Fund	Fund 25.0 Capital Facilities Fund	Fund 40 Special Reserve Fund for Capital Outlay Projects
Revenues (Includes Interfund Transfers In)	\$ 4,521,222	\$ 10,065,749	\$ 550,000	\$ 1,130,000	\$ 3,664,000
Expenditure	4,501,222	10,328,180	34,285,257	534,178	7,148,616
Net Incr./ (Decr.) To Fund Balance	20,000	(262,431)	(33,735,257)	595,822	(3,484,616)
Beginning Fund Balance	338,682	6,479,161	77,438,273	9,843,517	20,126,485
Ending Fund Balance	\$ 358,682	\$ 6,216,730	\$ 43,703,016	\$ 10,439,339	\$ 16,641,869

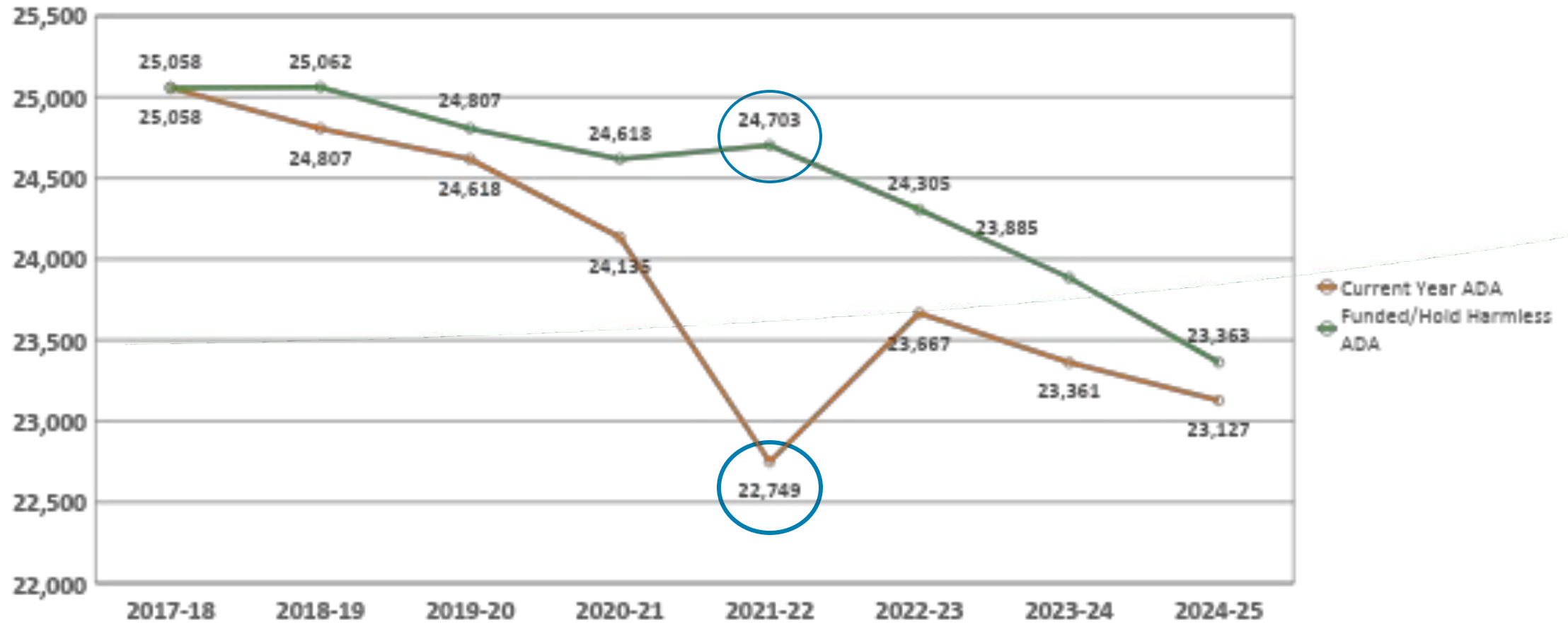


Historical Enrollment (CALPADS 10/5/22)





Funded ADA/Current Year ADA Comparison Example of Hold Harmless





First Interim Summary

- The Superintendent is recommending a Positive Certification for First Interim.



Looking Forward

- Governor's Proposed Budget in January 2023
- Legislative Analyst Office (LAO) is projecting reduced state revenue and might dip into rainy day fund
- Possibility of Governor taking back unspent one-time money to mitigate the deficit
- Closely monitoring Budget vs. Actual expenditures
- Enhancing Revenue opportunities

Questions or more information:

WWW.GUSD.NET/BUDGET

WWW.ED100.ORG

Thank you!

