



# 2022-23 Second Interim Financial Report

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Board of Trustees Meeting

March 9, 2023

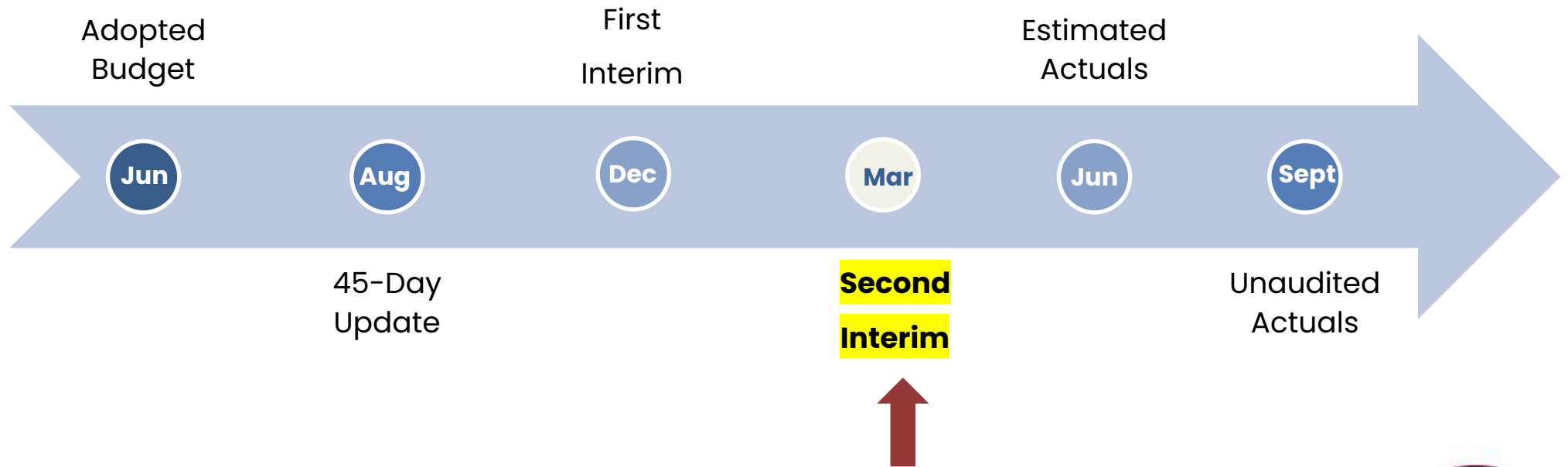
Erin Garcia, Assistant Superintendent

**#FutureReady**



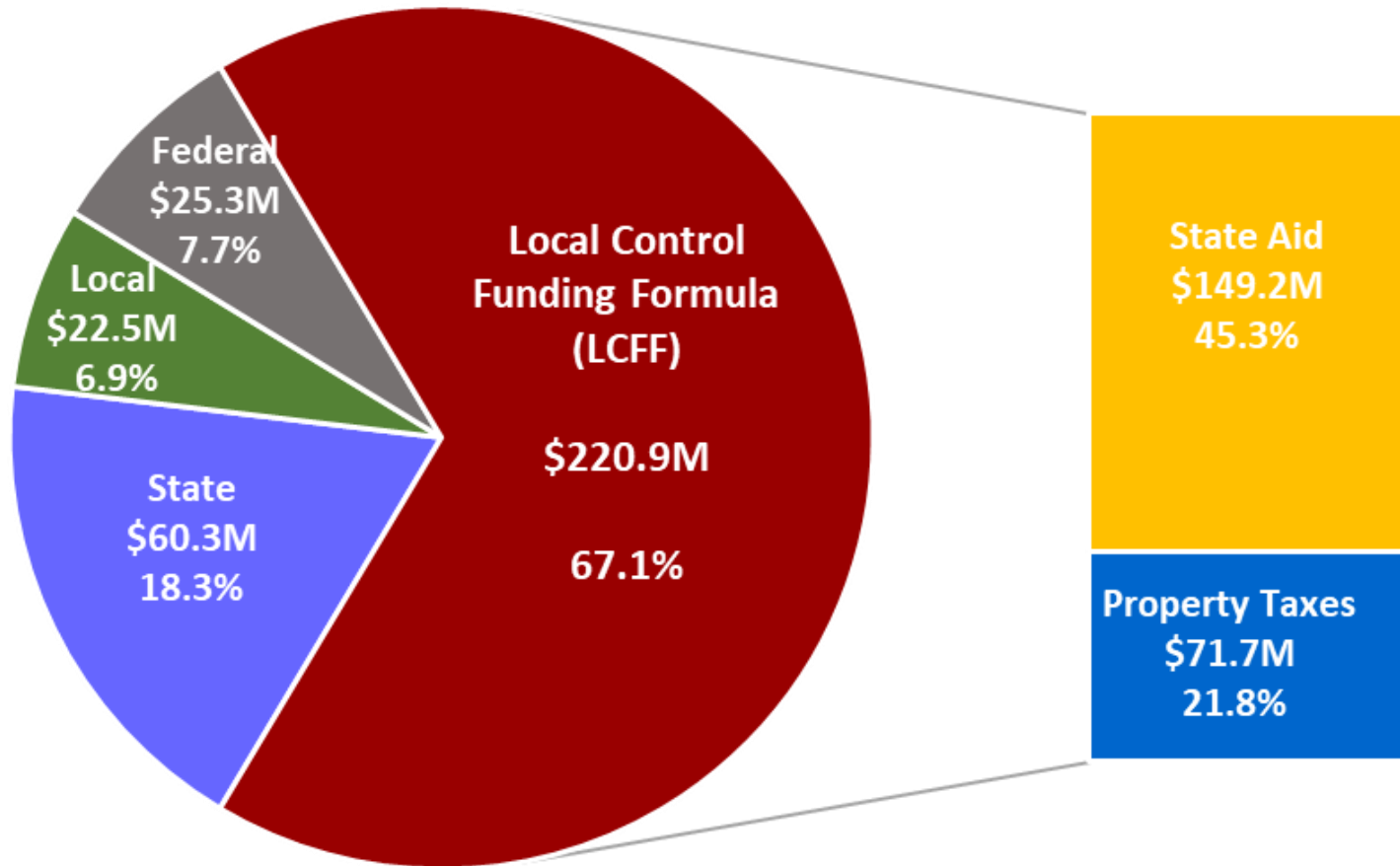


# Annual Budget Reporting Cycle





# Total General Fund Revenues - \$329.1M





# Revenue Changes

(in Millions)

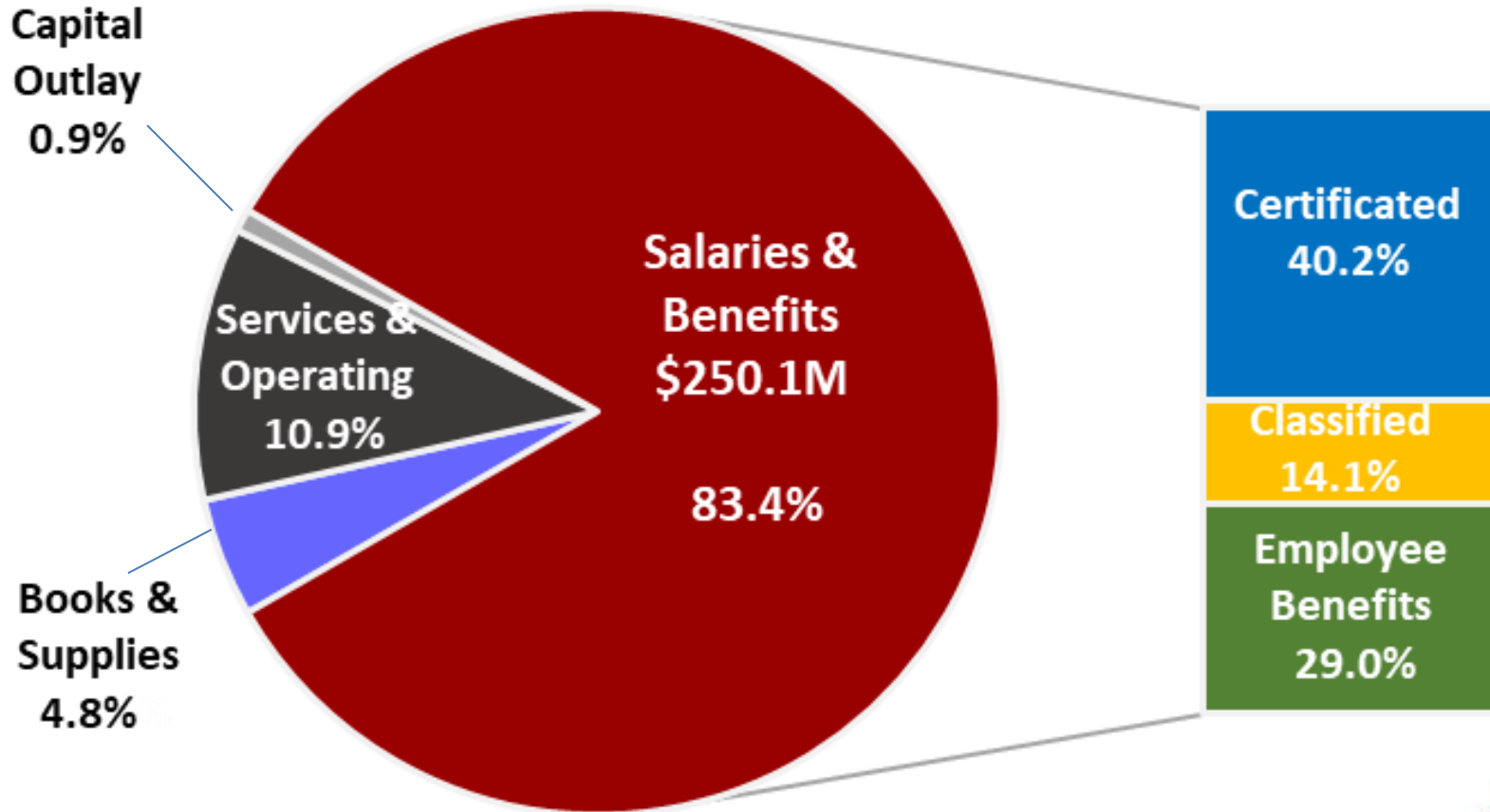
	First Interim	Second Interim	Difference
LCFF	\$220.9	\$220.9	--
Federal	\$24.4	\$25.3	\$0.9
State	\$59.5	\$60.3	\$0.8
Local	\$22.6	\$22.5	(\$0.1)
<b>Totals</b>	<b>\$327.4</b>	<b>\$329.1</b>	<b>\$1.7</b>

## Revenue Assumptions:

- Using prior 3-yr average for LCFF funding ADA
- Federal Revenues – recognizing \$600K ESSER funds planned to be spent, \$300K SMAA (Medi-Cal) funds rec'd
- State Revenues – Strong Workforce Grant/A-G grant & assumes no reduction in Arts/Music BG (\$12.1M)
- Local Revenues – revised estimates of donations, interest, etc.



# Total General Fund Expenditures – \$300.0M





# Expenditure Changes

(in Millions)

	First Interim	Second Interim	Difference
Certificated Salaries	\$120.5	\$120.7	\$0.2
Classified Salaries	\$42.2	\$42.4	\$0.2
Benefits	\$86.7	\$87.1	\$0.4
Books & Supplies	\$14.3	\$14.3	--
Services/Operating	\$31.8	\$32.8	\$1.0
Capital Outlay/Other	\$2.4	\$2.7	\$0.3
<b>Totals</b>	<b>\$297.9</b>	<b>\$300.0</b>	<b>\$2.1</b>



# Expenditure Assumptions

- Classif/Certif salaries increasing for subs, hourly pay, aides
- Negotiated 5.25% salary increase, effective 7/1/22
- New District paid health benefits caps, effective 1/1/23
- Services: increases for planned RRMA (M&O) projects, school safety projects being completed
- Capital Outlay: down payment for leased M&O vehicles rec'd
- No expenditures added for two new block grants (start spending in 23/24)



# General Fund Ending Balance & Reserves

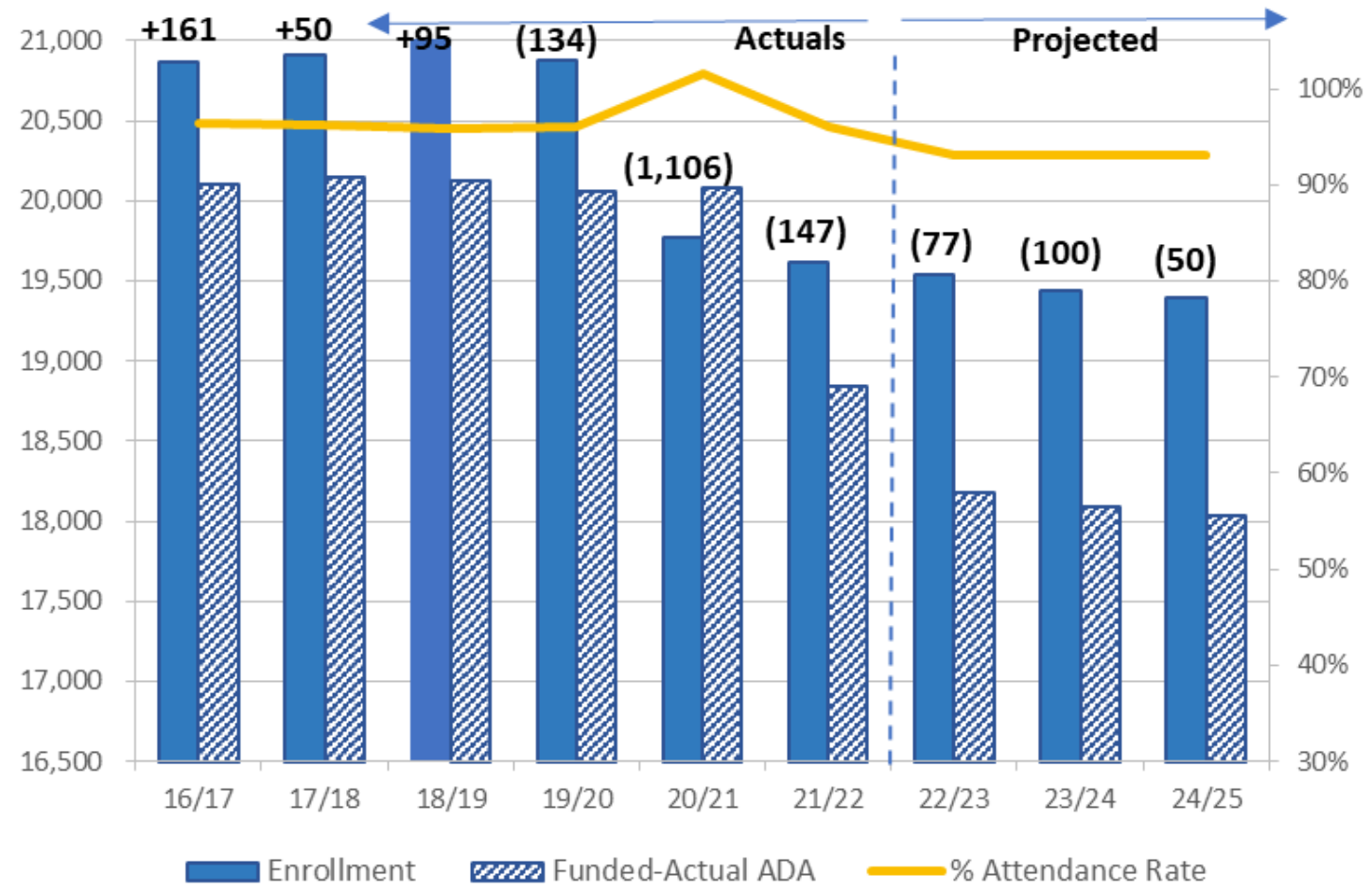
<b>22/23 GENERAL FUND</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Combined</b>
July 1, Beginning Balance	\$30,430,645	\$16,957,291	\$47,387,936
Revenues	\$228,205,703	\$100,868,599	\$329,074,302
Expenditures	(\$187,413,851)	(\$112,555,670)	(\$299,969,521)
Contributions/Transfers	(\$41,205,277)	\$42,572,153	\$1,366,875
<b>Surplus/(Deficit)</b>	<b>(\$413,426)</b>	<b>\$30,885,082</b>	<b>\$30,471,656</b>
June 30, Ending Fund Balance*	\$30,017,219	\$47,842,373	\$77,859,592
Reserve Percentage	9.29%		9.29%

\*includes \$1.6M in Commitments





# Enrollment & Average Daily Attendance (ADA)





# Multi-Year Projection Assumptions

Revenues		
	2023/24	2024/25
LCFF COLA	8.13%	3.54%
Enrollment	19,442	19,392
Attendance rate	93%	93%
Funded ADA*	19,031	18,373
UPP	40.3%	40.5%
TK enrollment	445	534
ESSER III (COVID)		Remove

Expenditures		
	2023/24	2024/25
Salary Increase	4%	none
Health benefits	2%	2%
STRS	19.10%	19.10%
PERS	27.00%	28.10%
Attrition savings	-\$720,000	-\$720,000
ESSER III (COVID)		Remove
Learning Recovery BG	1/5 of total	1/5 of total
Arts/Music BG	1/3 of total	1/3 of total

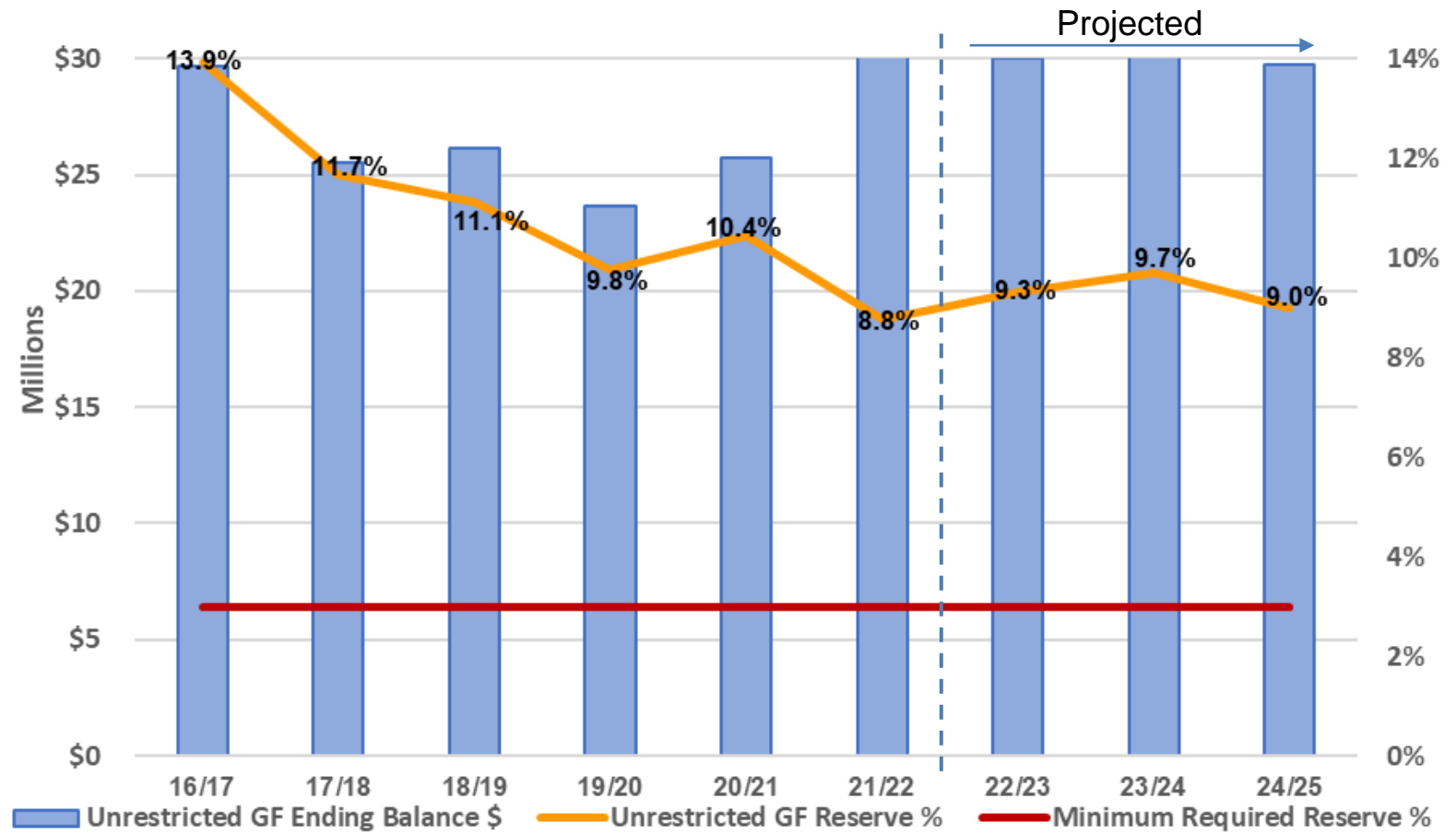
\*Prior 3-year average

# Multi-Year Projections (in Millions)

<b>TOTAL GENERAL FUND</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
July 1, Beginning Balance	\$47.4	\$77.8	\$68.9
Estimated Revenues	\$330.4	\$298.4	\$288.8
Estimated Expenditures	(\$300.0)	(\$307.3)	(\$306.4)
<b>Total Surplus/(Deficit)</b>	<b>\$30.4</b>	<b>(\$8.9)</b>	<b>(\$17.6)</b>
<b>Unrestricted Deficit</b>	<b>(\$0.4)</b>	<b>\$1.8</b>	<b>(\$2.1)</b>
June 30, Ending Fund Balance	\$77.8	\$68.9	\$51.3
Reserve Percentages	<b>9.29%</b>	<b>9.67%</b>	<b>9.02%</b>



# General Fund Ending Balance (UR) & Reserves





# LCFF Revenues in the MYP

LCFF Revenues	2022/23	2023/24	2024/25
COLA	13.26%	8.13%	3.54%
Funding per Student	\$11,156	\$12,143	\$12,613
Prior 3-Yr Avg ADA	19,659	19,031	18,373
LCFF Revenues (\$M)	\$219.5	\$231.1	\$231.7
Actual % New Funds Rec'd	11.77%	5.28%	0.28%

\*22/23 COLA: 6.56% Statutory COLA + 6.7% Base augmentation



## Next Steps

- Monitor Governor's May Revision for 23/24 projections
  - State revenues are trending lower than projected in January
  - Ability to fully fund COLA at 8.13% is questionable (LAO recommendation is 6.4%)
  - Will Legislature cut Arts/Music/Discr BG, or use other options?
- Develop 23/24 LCAP, Block Grant plans & Strategic Promise implementation

# RECOMMEND APPROVAL OF 2022-23 SECOND INTERIM REPORT & **POSITIVE** CERTIFICATION

