

Soledad Unified School District



Every student every day.

1st Interim Report FY 2023-24

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December 13, 2023

First Interim Report



Every student every day.

- The First Interim budget report is a snapshot in time of a local education agencies (LEA) revenue and expenditure forecasts for the current fiscal year as well as a projection of the two subsequent fiscal years.
- It is a time to *adjust the budget based upon enacted State Budget and subsequent trailer bills, the closing of the prior fiscal year, and other factors that impact revenue and expenditures.*
- Per Education Code 42300, the First Interim Report shall reflect changes of the approved operating budget from July 1 through October 31 of each Fiscal Year.

Certification

Negative Certification

The district, based on current projections, will be unable to meet its financial obligations for the current and subsequent two fiscal years



Qualified Certification

The district, based on current projections, may not be able to meet its financial obligations for the current and subsequent two fiscal years.



Positive Certification

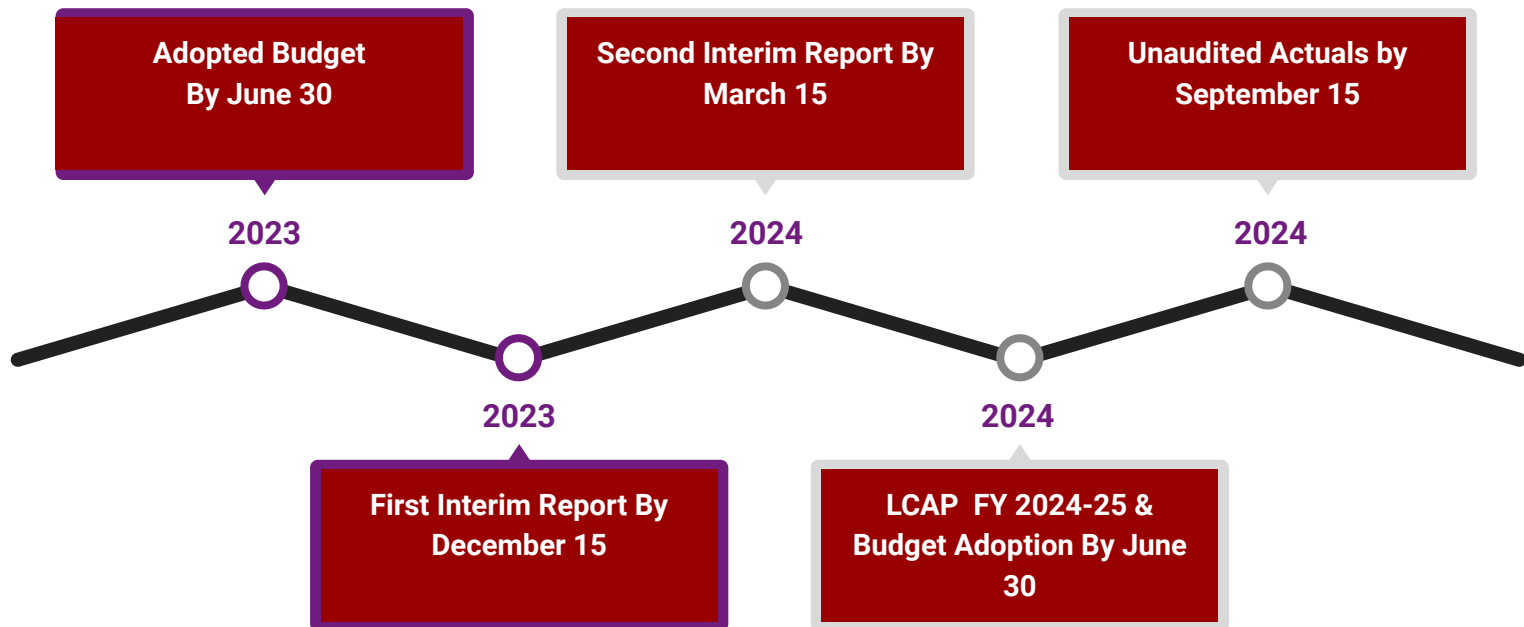
The district, based on current projections, will be able to meet its financial obligations for the current and subsequent two fiscal years

Education Code 42300

The First Interim Report shall reflect changes of the approved operating budget from July 1, 2023 through October 31, 2023.

Reporting Calendar

Budget: A living document continuously unfolding



Planning Factors

| Planning Factor | 2023-24 | 2024-25 | 2025-26 |
|---|----------------------|----------------------|----------------------|
| Cost-of-Living Adjustment (COLA) | | | |
| Local Control Funding Formula (LCFF) COLA | 8.22% | 1.0% ¹ | 3.29% |
| Special Education COLA | 8.22% | 1.0% ¹ | 3.29% |
| Employer Benefit Rates | | | |
| CalSTRS | 19.10% | 19.10% | 19.10% |
| CalPERS-Schools | 26.68% | 27.70% | 28.30% |
| State Unemployment Insurance | 0.05% | 0.05% | 0.05% |
| Lottery | | | |
| Unrestricted per Average Daily Attendance (ADA) | \$177.00 | \$177.00 | \$177.00 |
| Proposition 20 per ADA | \$72.00 | \$72.00 | \$72.00 |
| Minimum Wage | \$16.00 ² | \$16.50 ³ | \$16.90 ⁴ |
| Universal TK/ADA LCFF add-on for the 12-to-1 student-to-adult ratio | \$3,044.00 | \$3,164.00 | \$3,268.00 |

ADA, Enrollment, UPP

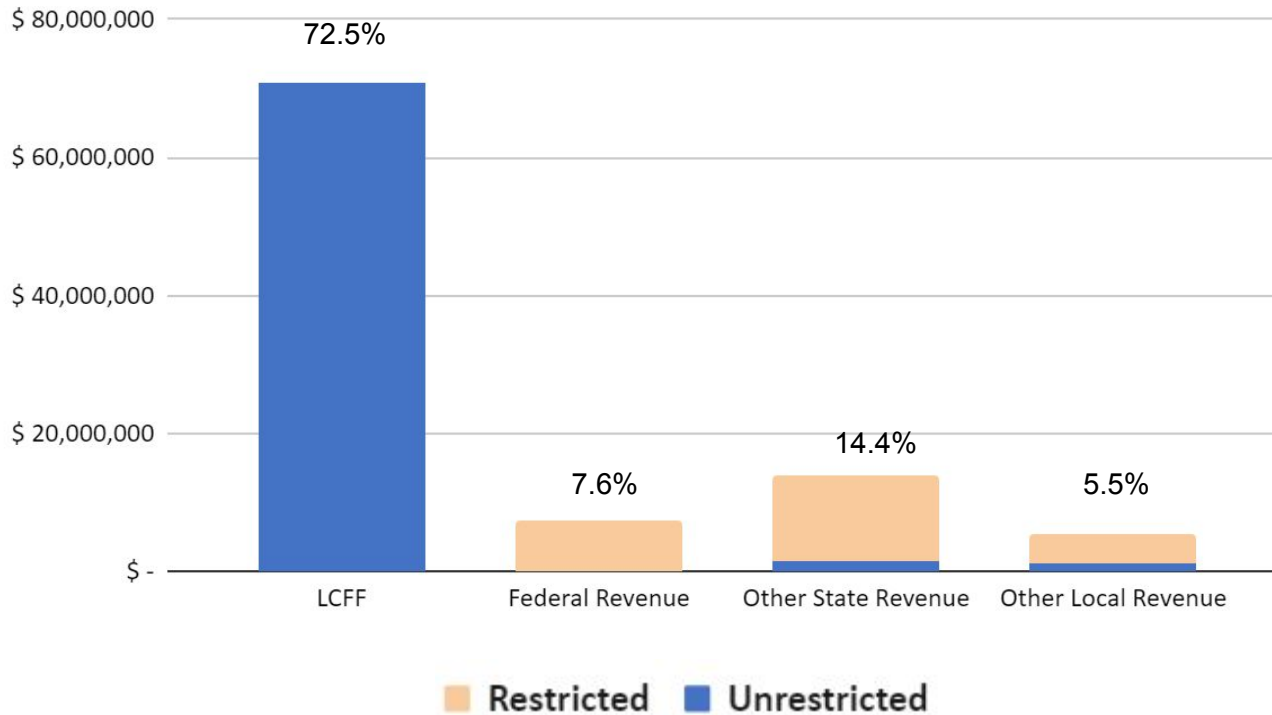
| Fiscal Year | FY 23-24 | FY 24-25 | FY 25-26 |
|-------------------------------|----------|----------|----------|
| Funded ADA | 4,553.91 | 4,447.20 | 4,325.99 |
| Enrollment | 4,709 | 4,640 | 4,520 |
| Unduplicated Pupil Percentage | 87.51% | 87.65% | 87.66% |
| Attendance Rate | 92% | 92% | 93% |

G.F. Revenues

| Revenues | Unrestricted | Restricted | Totals |
|-----------------------|----------------------|----------------------|----------------------|
| LCFF | \$ 70,774,721 | \$ - | \$ 70,774,721 |
| Federal Revenue | \$ - | \$ 7,441,337 | \$ 7,441,337 |
| Other State Revenue | \$ 1,550,353 | \$ 12,489,211 | \$ 14,039,564 |
| Other Local Revenue | \$ 1,085,696 | \$ 4,322,070 | \$ 5,407,766 |
| Total Revenues | \$ 73,410,770 | \$ 24,252,618 | \$ 97,663,388 |

Revenues

General Fund Revenues: \$ 97,663,388
(Unrestricted \$73,410,770; Restricted \$24,252,618)

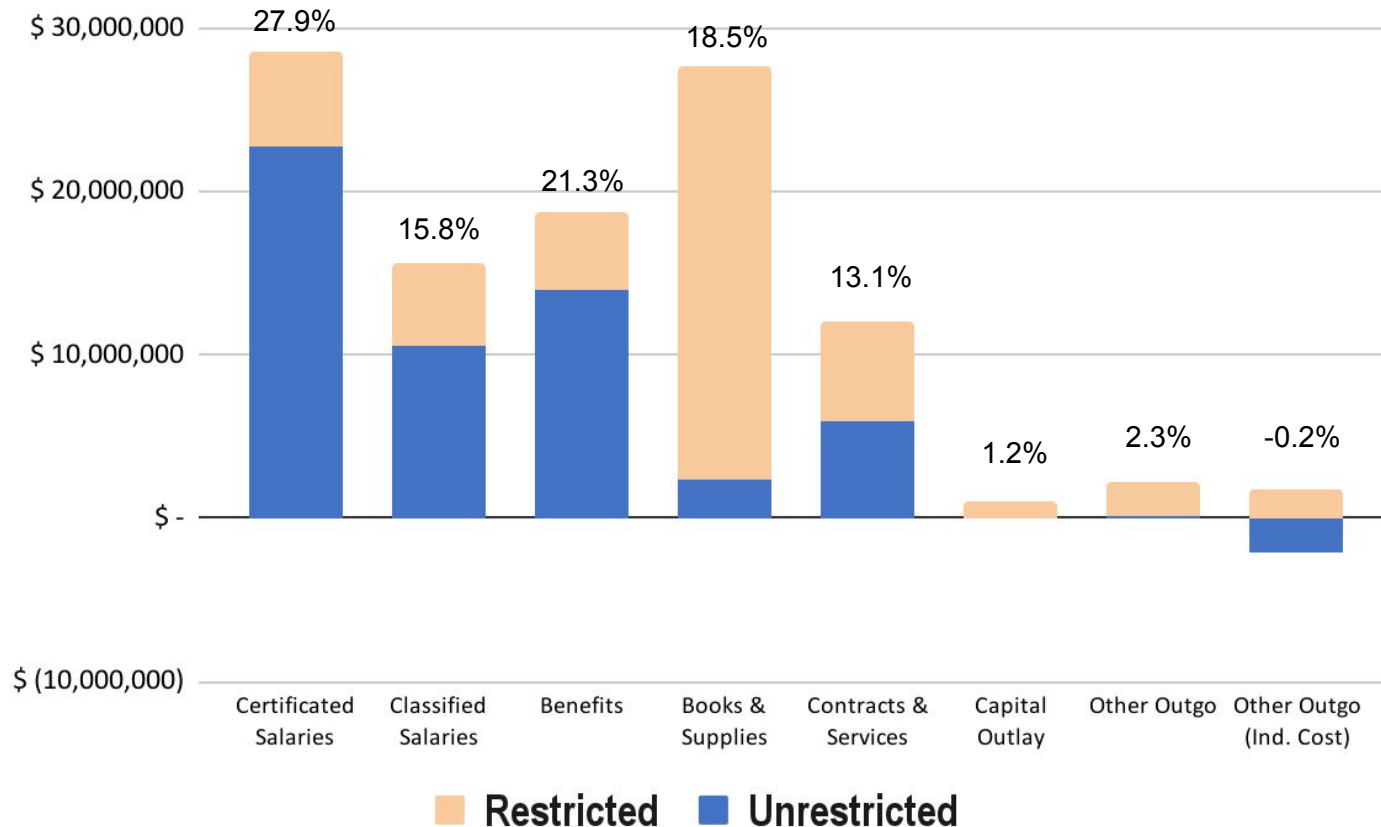


G.F. Expenditures

| Expenditures | Unrestricted | Restricted | Totals |
|---------------------------|----------------------|----------------------|-----------------------|
| Certificated Salaries | \$ 24,185,951 | \$ 7,524,962 | \$31,710,913 |
| Classified Salaries | \$ 11,551,585 | \$ 6,456,117 | \$18,007,702 |
| Benefits | \$ 16,392,764 | \$ 7,853,185 | \$ 24,245,949 |
| Books & Supplies | \$ 2,750,267 | \$ 18,232,890 | \$ 20,983,157 |
| Contracts & Services | \$ 7,053,099 | \$ 7,895,834 | \$ 14,948,933 |
| Capital Outlay | \$ 26,967 | \$ 1,341,785 | \$ 1,368,752 |
| Other Outgo | \$ 324,359 | \$ 2,339,264 | \$ 2,663,623 |
| Other Outgo (Ind. Cost) | \$ (1,429,035) | \$ 1,205,138 | \$ (223,897) |
| Total Expenditures | \$ 60,855,957 | \$ 52,849,175 | \$ 113,705,132 |

Expenditures

General Fund Expenditures: \$113,705,132
(Unrestricted \$60,855,957; Restricted \$52,849,175)



Unrestricted Ending Fund Balance

| Unrestricted General Fund | 1st Interim |
|-------------------------------|---------------------|
| Total Revenues | \$ 73,410,770 |
| Total Expenditures | \$ 60,855,957 |
| Excess/Deficiency | \$12,554,813 |
| Other Financing Resources | -\$14,723,009 |
| Increase/Decrease | -\$2,168,196 |
| Beginning Fund Balance | \$13,128,248 |
| Ending Fund Balance | \$10,960,052 |

Components of Ending Fund Balance

| Components | 1st Interim |
|--|---------------------|
| Nonspendable Revolving Cash | \$ 7,500 |
| Restricted Fund Balance | \$ 9,290,600 |
| Committed Fund Balance | \$0 |
| Assigned Fund Balance (Lottery) | \$1,971,567 |
| Assigned Fund Balance (Additional 4.9% Reserves) | \$5,569,831 |
| Reserve for Economic Uncertainties | \$3,411,154 |
| Total Ending Fund Balance | \$20,250,652 |

Multi-Year Projections

| Unrestricted General Fund | 2023-24 | 2024-25 | 2025-26 |
|-------------------------------|---------------------|---------------------|--------------------|
| Total Revenues | \$73,410,770 | \$72,620,887 | \$75,427,293 |
| Total Expenditures | \$60,855,957 | \$61,988,119 | \$63,183,615 |
| Excess/Deficiency | \$12,554,813 | \$10,632,768 | \$12,243,678 |
| Other Financing Resources | -\$14,723,009 | -\$14,870,239 | -\$15,359,470 |
| Increase/Decrease | -\$2,168,196 | -\$4,237,471 | -\$3,115,792 |
| Beginning Fund Balance | \$13,128,248 | \$10,960,052 | \$6,722,581 |
| Ending Fund Balance | \$10,960,052 | \$6,722,581 | \$3,606,789 |

Special Funds Ending Fund Balance

| FUND | First Interim FY 2023-24 |
|--|-----------------------------|
| 11- Adult Education | \$79,661 |
| 12- Child Development | \$0 |
| 13- Cafeteria | \$2,454,957 |
| 14- Deferred Maintenance | \$16,760 |
| 17- Reserves for Economic Uncertainties | \$119,405 |
| 20- Post Employment Benefits | \$1,348,227 |
| 21- Building | \$553,242 |
| 25- Capital Facilities | \$2,505,727 |
| 35- County School Facilities | \$0 |
| 40- Capital Outlay Projects | \$299,340 |

Mental Health Funding

- ❖ Prior to 2010-11, mental health was the responsibility of the County Mental Health
- ❖ In 2010-11, mental health responsibility shifted to school districts, with funds allocated to SELPAs
- ❖ In 2023-24, mental health funding is now to flow directly to school districts, with districts now responsible to provide for mental health needs of ALL students, with the districts now contracting directly with the MCBH
- ❖ Resource 3327 = \$55,805
- ❖ Resource 6546 = \$353,980
- ❖ Because the funding is not sufficient to cover our Contract with Monterey County Behavioral Health plus all other mental health needs, a district contribution is budgeted at \$104,448

Next Steps

- ❖ 1st Interim Financial Report - December 2023
 - July 2023 - Oct 2023
- ❖ Audit Report - January 2024 (may extend to March/April)
- ❖ 2nd Interim Financial Report - March 2024
 - Nov 2023 - January 2024
- ❖ Board Adoption FY 2024-25 Budget & LCAP - June 2024
- ❖ Unaudited Actuals Financial Report - September 2024
 - July 2023 - June 2024

Recommendations

1. Maintenance of a structurally balanced budget.
 2. Development and maintenance of strong reserves for economic uncertainties.
 3. Cash Flow Management
 4. Risk factors awareness
 5. Strategic use new influx of 1-time money from Other State Revenue
- New restricted programs:
- Arts, Music and Instructional Materials Block Grant
 - Learning Recovery Emergency Block Grant

***District continues to review expenditures and opportunities to reduce deficit spending.
District will work with the Budget Advisory Committee to develop recommendations.***

Questions

