



# 2022-23 Unaudited Actuals Financial Report

Board Meeting  
September 21, 2023  
Agenda Item No. 11.2

**Presented by:**

Jesse Castillo, Assistant Superintendent of Business Services  
Cindy Tao, Director III of Accounting Services

# Acronyms

ADA	Average Daily Attendance	HEERF	Higher Education Emergency Relief Funds
AMIM	Arts Music Instructional Materials Block Grant (1x)	LCAP	Local Control Accountability Plan
ASES	After School Education and Safety (Ongoing)	LCFF	Local Control Funding Formula
CCSPP	California Community Schools Partnership Program (1x)	LREBG	Learning Recovery Emergency Block Grant (1x)
COLA	Cost of Living Adjustment	MYP	Multi-Year Projections
CPA	California Partnership Academies (Ongoing)	P-2	Second Period Attendance Reporting Cycle
CSI	Comprehensive Support and Improvement (1x)	PERS	California Public Employees' Retirement System
CTEIG	Career Technical Education Incentive Grant (Ongoing)	S&C	Supplemental and Concentration (Ongoing)
ELOG	Expanded Learning Opportunities Grant (1x)	SCOE	Sacramento County Office of Education
ELOP	Expanded Learning Opportunities Program (Ongoing)	STRS	California State Teachers Retirement System
ESSER	Elementary and Secondary School Emergency Relief (1x)	TK	Transitional Kindergarten (Ongoing)
FCMAT	Fiscal Crisis and Management Assistance Team	UPP	Unduplicated Pupil Percentage

# Agenda

- Comparison of Unaudited Actuals to 2022-23 Estimated Actuals
- Multi-Year Projections with Beginning Fund Balance from Unaudited Actuals
- Summary & Next Steps
- Approve the 2022-23 Unaudited Actuals Financial Report

# 2022-23 Unaudited Actuals Comparison to Estimated Actuals

	Estimated Actuals 2022-23			Unaudited Actuals 2022-23			Changes since Estimated Actuals 2022-23		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
<b>Total Revenue</b>	498,549,633	334,505,863	833,055,496	509,915,248	288,048,863	797,964,112	11,365,615	(46,457,000)	(35,091,385)
<b>Total Expenditures</b>	370,931,752	393,464,046	764,395,797	355,207,400	296,755,637	651,963,037	(15,724,352)	(96,708,409)	(112,432,760)
Deficit/Surplus	127,617,881	(58,958,182)	68,659,699	154,707,848	(8,706,774)	146,001,075	27,089,967	50,251,409	77,341,376
Transfers in/(out)	1,216,884	-	1,216,884	2,078,863	-	2,078,863	861,979	-	861,979
Contributions to Restricted	(96,991,460)	96,991,460	-	(86,181,070)	86,181,070	-	10,810,390	(10,810,390)	-
<b>Net increase (decrease) in Fund Balance</b>	<b>31,843,305</b>	<b>38,033,278</b>	<b>69,876,583</b>	<b>70,605,641</b>	<b>77,474,297</b>	<b>148,079,938</b>	<b>38,762,336</b>	<b>39,441,019</b>	<b>78,203,355</b>
<b>Beginning Balance</b>	65,034,532	44,818,264	109,852,797	65,034,532	44,818,264	109,852,797	-	-	-
Other Restatements*				-	-	-			
<b>Ending Balance</b>	<b>\$ 96,877,838</b>	<b>\$ 82,851,542</b>	<b>\$179,729,380</b>	<b>\$135,640,173</b>	<b>\$122,292,561</b>	<b>\$257,932,735</b>	<b>\$ 38,762,336</b>	<b>\$ 39,441,019</b>	<b>\$ 78,203,355</b>

# Unrestricted - Summary of Changes

**The 2022-23 Unaudited Actuals reflect an unrestricted reserves net change of \$38.7M over the 2022-23 Estimated Actuals. Primary factors include:**

- Increase of \$8.2M in interest revenue per updated information from the county treasury
- \$2.3M increase in unrestricted Lottery funds per 4<sup>th</sup> quarter lottery guidance
- 1x shift of \$6.2M in textbook adoption expenditures to restricted funds
- \$3.6M and \$1.3M in textbook and bus purchase orders, respectively, carried over into the 2023-24 year due to not receiving by June 30th
- \$1.9M increase in operating expenditures due to increased utilities costs

# Unrestricted - Summary of Changes (Cont.)

## Primary factors continued:

- Decrease in contributions to the charter fund and adult education fund:
  - Charter fund received \$1.6M in declining enrollment relief funds
  - Adult Education utilized HEERF and restricted funding sources, eliminating need for contribution
- Special Education contribution decrease of \$10.6M, of which \$6M was related to shifting to spend down 1x expiring special education funds
- Remaining variance due to:
  - Additional site/department POs carried into 2023-24, reducing 2022-23 materials and supplies expenditures
  - Certificated vacancy savings of \$4.1M which includes a 1x shift of \$1.8M for the 3 PD days to restricted funds

# Restricted - Summary of Changes

## Restricted Revenue Changes

- Adjustment to federal revenues due to expenditures less than projected in Title programs of \$15.2M, ESSER funds of \$30.3M, and special education funds of \$2M
- State revenue adjustments include:
  - Restoration of 1x Arts, Music Instructional Materials Grant of \$9.7M
  - Reduction to 1x Learning Recovery Emergency Block Grant of \$7.8M
  - New award of \$4.8M for Kitchen Infrastructure & Training Grant
  - Restricted lottery increase of \$1.7M
  - Reduction to STRS On Behalf of \$4.7M
  - Local Revenues decrease of \$350K due to adjustments to local grants

# Restricted - Summary of Changes

## Restricted Expenditure Changes

- Certificated salaries decrease of \$3.7M due to expenditures coming in less than projected in ESSER, Title programs and 1x LREBG
- Classified salaries decrease of \$2.4M due to adjustments in ELOP, Title programs, and ESSER funds
- Benefits adjustments per above and STRS on-behalf adjustment of \$4.7M
- Restricted books & supplies decrease of \$24.7M due to portion of expenditures carrying over to 2023-24 and expenditures less than projected in ESSER of \$6M, Title Programs of \$11.2M, ELOG of \$2.3M, restricted lottery of \$2.3M and CTE grants of \$819K
- Operating expenses decrease of \$42M primarily due to expenditures coming in less than projected of \$5.6M in ESSER, \$3.1M in Title funds, \$18.3M ELOP, and \$9.75M in Special Education
- Capital outlay decrease of \$13M primarily due to ESSER projects work in progress continuing into 2023-24



# 2022-23 Unaudited Actuals Ending Fund Balance

	Unaudited Actuals 2022-23		
	Unrestricted	Restricted	Combined
<b>Total Revenue</b>	509,915,248	288,048,863	797,964,112
<b>Total Expenditures</b>	355,207,400	296,755,637	651,963,037
Deficit/Surplus	154,707,848	(8,706,774)	146,001,075
Transfers in/(out)	2,078,863	-	2,078,863
Contributions to Restricted	(86,181,070)	86,181,070	-
<b>Net increase (decrease) in Fund Balance</b>	<b>\$ 70,605,641</b>	<b>\$ 77,474,297</b>	<b>\$ 148,079,938</b>
<b>Beginning Balance</b>	65,034,532	44,818,264	109,852,797
Other Restatements*	-	-	-
<b>Ending Balance</b>	<b>\$ 135,640,173</b>	<b>\$ 122,292,561</b>	<b>\$ 257,932,735</b>
<b>Components of Ending Fund Balance</b>			
Revolving/Stores/Prepays	329,391	8,235	337,626
Reserve for Econ Uncertainty (2%)	13,039,261	-	13,039,261
Restricted Programs	-	122,284,326	122,284,326
Committed	85,832,540	-	85,832,540
Other Assignments	2,949,890	-	2,949,890
<b>Unappropriated Fund Balance</b>	<b>33,489,092</b>	<b>-</b>	<b>33,489,092</b>
<i>Unappropriated Percent</i>			<b>5.1%</b>

## Committed:

\$85.8M Unsettled Labor Negotiations Multi-Year Projected Cost – **will be updated with future board resolution**

## Assignments:

\$2.9M Supplemental and Concentration Carryover Funds

# Multi-Year Projections with updated Beginning Fund Balance (Ending Fund Balance From 2022-23 Unaudited Actuals) 45 Day Revise Budget

Description	45 Day Budget Revise 2023-24			Projection 2024-25			Projection 2025-26		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Total Revenue	516,642,209	204,179,676	720,821,886	517,347,909	142,972,466	660,320,376	521,082,880	142,972,466	664,055,347
Total Expenditures	387,233,206	312,853,698	700,086,904	396,873,171	291,729,218	688,602,389	400,990,657	288,868,171	689,858,827
Deficit/Surplus	129,409,004	(108,674,022)	20,734,982	120,474,738	(148,756,752)	(28,282,014)	120,092,223	(145,895,704)	(25,803,481)
Transfers in/(out)	2,475,399	-	2,475,399	2,475,399	-	2,475,399	2,475,399	-	2,475,399
Contributions to Restricted	(104,925,543)	104,925,543	-	(112,881,683)	112,881,683	-	(121,307,234)	121,307,234	-
<b>Net increase (decrease) in Fund Balance</b>	<b>26,958,860</b>	<b>(3,748,479)</b>	<b>23,210,381</b>	<b>10,068,454</b>	<b>(35,875,069)</b>	<b>(25,806,615)</b>	<b>1,260,388</b>	<b>(24,588,470)</b>	<b>(23,328,082)</b>
Beginning Balance	135,640,173	122,292,561	257,932,735	162,599,033	118,544,082	281,143,116	172,667,487	82,669,014	255,336,501
<b>Ending Balance</b>	<b>162,599,033</b>	<b>118,544,082</b>	<b>281,143,116</b>	<b>172,667,487</b>	<b>82,669,014</b>	<b>255,336,501</b>	<b>173,927,875</b>	<b>58,080,544</b>	<b>232,008,419</b>
Revolving/Stores/Prepays	325,000	-	325,000	325,000	-	325,000	325,000	-	325,000
Reserve for Econ Uncertainty (2%)	13,952,230	-	13,952,230	13,722,540	-	13,722,540	13,747,669	-	13,747,669
Restricted Programs	-	118,544,082	118,544,082	-	82,669,014	82,669,014	-	58,080,544	58,080,544
Committed	85,832,540	-	85,832,540	85,832,540	-	85,832,540	85,832,540	-	85,832,540
Other Assignments	2,260,058	-	2,260,058	2,260,058	-	2,260,058	2,260,058	-	2,260,058
<b>Unappropriated Fund Balance</b>	<b>60,229,205</b>	<b>-</b>	<b>60,229,205</b>	<b>70,527,350</b>	<b>-</b>	<b>70,527,350</b>	<b>71,762,609</b>	<b>-</b>	<b>71,762,609</b>
<i>Unappropriated Percent</i>			<b>8.6%</b>			<b>10.2%</b>			<b>10.4%</b>

# Summary & Next Steps

- **Year End Audit scheduled to be conducted in October-November by external auditors and presented in December.**
- **Next Reporting Period is the 2023-24 First Interim Report in December**
  - Includes the updated beginning balance from the 2022-23 Unaudited Actuals
  - Will incorporate budget revisions per AB 1200 and collective bargaining agreements
  - Updates to fund balance commitments

# Approve 2022-23 Unaudited Actuals Financial Report

**Questions?**