



Gold Oak Union School District



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2022-23 1st Interim Report
December 12th, 2022

Budget Timelines

DECEMBER – 1st Interim Budget

The 1st Interim report will be presented at the public board meeting in December of each year. This report will include any changes made to the budget since the budget adoption in June, including those reported 45 days after the Governor signed the annual Budget Act.

MARCH – 2nd Interim Budget

The 2nd Interim report will be presented at the public board meeting in March of each year. This report will include any changes made to the budget since the 1st Interim report was presented in December.

JUNE 1ST – 3rd Interim Budget (Qualified or Negative Certified Districts Only)

No later than June 1, each school district with a qualified or negative certification for the second interim report must provide financial statement projections of the district's fund and cash balances through June 30 for the period ending April 30 to the county superintendent, the Controller, and the SPI.

JULY 1st-Adopted Budget and LCAP

Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by the Budget Act. (EC 42127 (i) (4))

SEPTEMBER – Unaudited Actuals

The Unaudited Actuals report will be presented at the public board meeting in September of each year. This report will reflect the actual revenue and expenditures of the district for the budget year.

Budget Assumptions

- This Interim Budget Report is based on a snapshot in time as of October 2022, and therefore these projections do not include any decisions made after October.
- It is a forecast of the revenues and expenditures for the current fiscal year as well as a projection for the two subsequent fiscal years.
- These projections are based on today's known factors, historical trends and State Budget information.

2022-23 Assumptions for 1st Interim

- Enrollment: 466
- Funded Average Daily Attendance (ADA): 433.05
Based on ADA average of 3 prior years
- Unduplicated Pupil percentage: 36.74%
(Homeless, Foster Youth, English Learners, Low Income)
- Cost of Living Adjustment (COLA): 6.56%
 - And LCFF add-on of 6.7%
- Staffing Assumptions:
 - Includes Step/Column
 - STRS Employer contribution rate= 19.10%
 - PERS Employer contribution rate= 26.10%
- Updated Cash Flow
- Updated Multi-Year Projection

A Snapshot of the Current Year Budget

Gold Oak Union School District

District Net Worth - All Funds

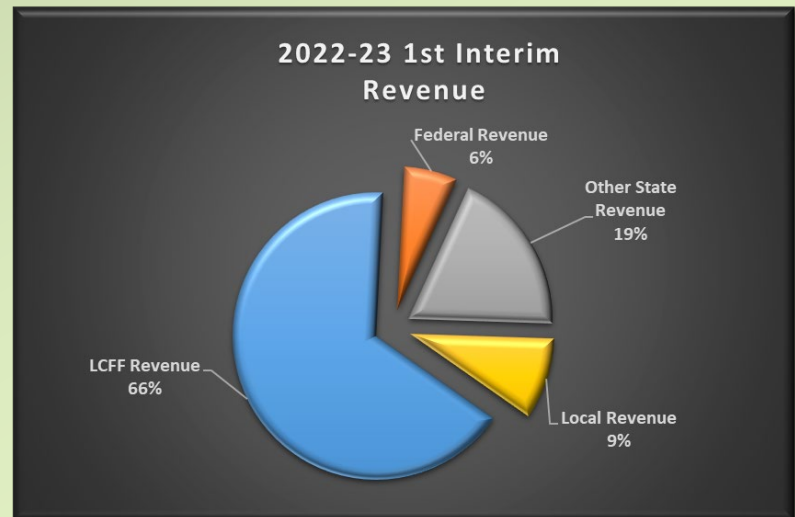
2022-23 1st Interim - All Funds

2022-23	General Fund	Student Body Fund	Cafeteria Fund	Def. Maint. Fund	Capital Facilities Fund	Bond Fund	Total Net Worth
Total Revenues	\$7,318,767	\$1,500	\$196,354	\$30,150	\$26,000	\$256,647	\$7,829,417
Total Expenses	\$6,753,820	\$1,500	\$252,437	\$11,500	\$2,000	\$260,881	\$7,282,138
Transfers in/out	-\$55,000		\$55,000				\$0
Excess (Deficiency)	\$509,946	\$0	-\$1,083	\$18,650	\$24,000	-\$4,234	\$547,279
Beginning Balance	\$1,740,420	\$6,547	\$5,460	\$31,175	\$266,243	\$239,792	\$2,289,637
Estimated Ending Balance	\$2,250,366	\$6,547	\$4,377	\$49,825	\$290,243	\$235,558	\$2,836,916

2022-23 General Fund 1st Interim Revenue

Variance from September revision

Gold Oak Union School District 2022-23 1st Interim									
	a			b			c		
	2022-23 September Revise			2022-23 1st Interim					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
1 Revenue Detail									
2 Local Control Funding Formula	4,527,811	-	4,527,811	4,835,542	-	4,835,542	307,731	-	307,731
3 Federal Revenue	5,000	440,473	445,473	5,000	436,504	441,504	-	(3,969)	(3,969)
4 Other State Revenue	82,300	589,861	672,161	96,143	1,271,927	1,368,070	13,843	682,066	695,909
5 Other Local Revenue	64,020	314,747	378,767	475,396	198,255	673,651	411,376	(116,492)	294,884
6 Total Revenue	4,679,131	1,345,081	6,024,212	5,412,081	1,906,686	7,318,767	732,950	561,605	1,294,555



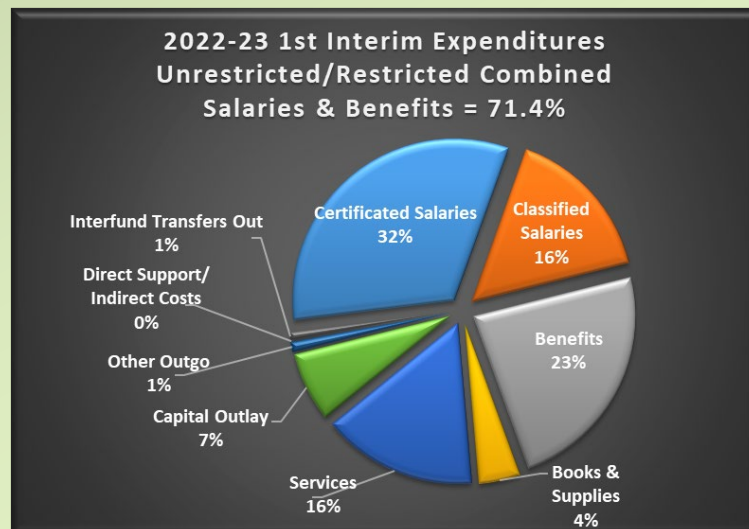
Total projected revenue in the district's general fund has *increased* by \$1.3M due to:

- LCFF – adjustments to funding formula- ADA cliff relief, 6.7% add-on, additional ADA from 3-yr average
- Federal Revenues – Adjust REAP, Special Ed funds
- State Revenues - adjust Lottery funding and one-time grants- Arts, Music, IM discretionary grant, Learning Recovery grant, and Expanded Learning Program
- Local Revenues - adjust Special Education funding and one-time E-bus grant

2022-23 General Fund 1st Interim Expenditures

Variance from September revision

Gold Oak Union School District 2022-23 1st Interim									
	a	b	c	d	e	f	g	h	i
	2022-23 September Revise			2022-23 1st Interim					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
8 Expenditure Detail									
9 Certificated	1,597,821	381,589	1,979,410	1,762,788	446,943	2,209,731	164,967	65,354	230,321
10 Classified	755,243	276,891	1,032,134	760,099	307,127	1,067,226	4,856	30,236	35,092
11 Employee benefits	1,089,509	482,136	1,571,645	1,098,010	497,682	1,595,692	8,501	15,546	24,047
12 Books & Supplies	218,728	155,247	373,974	100,134	182,144	282,277	(118,594)	26,897	(91,697)
13 Service, Other Operating	362,260	799,408	1,161,668	385,796	674,321	1,060,117	23,536	(125,087)	(101,551)
14 Capital Outlay	-	-	-	457,393	19,300	476,693	457,393	19,300	476,693
15 Other Outgo	18,757	33,216	51,973	35,058	33,216	68,274	16,301	-	16,301
16 Direct Support/Indirect	(49,861)	43,671	(6,190)	(49,861)	43,671	(6,190)	-	-	-
17 Total Expenditures	3,992,457	2,172,158	6,164,614	4,549,417	2,204,404	6,753,820	556,960	32,246	589,206



Total projected expenditures in the district's general fund has *increased* by \$589k due to:

- Salaries and Benefits – adjust salary settlements and temporary positions
- Books & Supplies– adjust one-time items, move text adoption to 2023-24
- Services- adjust one-time items, sports, utilities, and special education services
- Capital Outlay- E-bus and infrastructure, HVAC replacement
- Other Outgo and Indirect - adjust special education services provided by EDCOE

2022-23 General Fund 1st Interim

Other Financing Sources/ Uses

Variance from September revision

Gold Oak Union School District 2022-23 1st Interim									
	a	b	c	d	e	f	g	h	i
	<u>2022-23 September Revise</u>			<u>2022-23 1st Interim</u>					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
21 Other Financing Sources/uses									
22 Transfers In	-	-	-	-	-	-	-	-	-
23 Transfers Out	(75,000)	-	(75,000)	(55,000)	-	(55,000)	(20,000)	-	(20,000)
24 Contributions	(672,135)	672,135	-	(821,469)	821,469	-	(149,334)	149,334	-
25 Total Other Sources/Uses	(747,135)	672,135	(75,000)	(876,469)	821,469	(55,000)	(169,334)	149,334	(20,000)

Total other financing sources/ uses *decreased* by about (\$20k) due to:

- Decreased Transfer Out to the Cafeteria Fund based on current program funding, program needs, participation, and additional one-time revenue
- Increased contributions to Special Education program needs

2022-23 General Fund 1st Interim

Components of Ending Fund Balance

Variance from September revision

Gold Oak Union School District 2022-23 1st Interim									
	a	b	c	d	e	f	g	h	i
	<u>2022-23 September Revise</u>			<u>2022-23 1st Interim</u>					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
32 Components of Ending Fund Balance									
33 Revolving Cash	1,625	-	1,625	1,625	-	1,625	-	-	-
34 Reserve for Economic Uncertainty	249,585	-	249,585	272,353	-	272,353	22,768	-	22,768
35 Restricted	-	334,172	334,172	-	1,012,865	1,012,865	-	678,693	678,693
36 Assigned	939,636	-	939,636	963,523	-	963,523	23,887	-	23,887
37 <i>Compensated Absence Liability</i>	3,000	-	3,000	7,937	-	7,937	4,937	-	4,937
38 <i>Technology Reserve</i>	61,191	-	61,191	53,538	-	53,538	(7,653)	-	(7,653)
39 <i>PV Sports Uniforms</i>	16	-	16	16	-	16	-	-	-
40 <i>Music Program</i>	1,630	-	1,630	1,630	-	1,630	-	-	-
41 <i>Gold Oak/Playground Structures</i>	13,588	-	13,588	13,588	-	13,588	-	-	-
42 <i>Instructional Materials (IMF) Reserve</i>	40,000	-	40,000	100,000	-	100,000	60,000	-	60,000
43 <i>District Reserve Goal (17%)</i>	766,955	-	766,955	758,248	-	758,248	(8,707)	-	(8,707)
44 <i>Lottery</i>	14,141	-	14,141	23,412	-	23,412	9,271	-	9,271
45 <i>Fieldtrips</i>	-	-	-	-	-	-	-	-	-
46 <i>Gold Oak Grants</i>	102	-	102	102	-	102	-	-	-
47 <i>Gold Oak Donations</i>	3,057	-	3,057	3,857	-	3,857	800	-	800
48 <i>Pleasant Valley Donations</i>	945	-	945	945	-	945	-	-	-
49 <i>Gold Oak PTO</i>	1,480	-	1,480	-	-	-	(1,480)	-	(1,480)
50 <i>Art Donations</i>	250	-	250	250	-	250	-	-	-
51 <i>Transportation</i>	33,280	-	33,280	-	-	-	(33,280)	-	(33,280)
52 Unassigned / Unappropriated	-	-	-	-	-	-	-	-	-
53 Total	1,190,845	334,172	1,525,017	1,237,501	1,012,865	2,250,366	46,656	678,693	725,349
% EUR			4.00%			4.00%			

True on-going Deficit Spending

- As of this snapshot in time, the district is deficit spending in 2022/23. The district is currently projecting a decrease of (\$13,805) to the unrestricted ending fund balance.
- However, the district is required to evaluate and report if there is a “True” on-going, level of deficit spending. To determine this level the district must remove all one-time revenue, (\$418,156).
- Then, all one-time expenditures are considered, (\$457,393).
- After adjusting for these one-time revenues and expenditures the district does not anticipate an on-going deficit spending in 2022-23.

	Unrestricted
Net Increase/Decrease in Fund Balance	(\$13,805)
Total One-time Revenues	\$418,156
Total One-time Expenses	\$457,393
Adjusted Deficit Spending	\$25,432



Multi-Year Projections

2023-2025

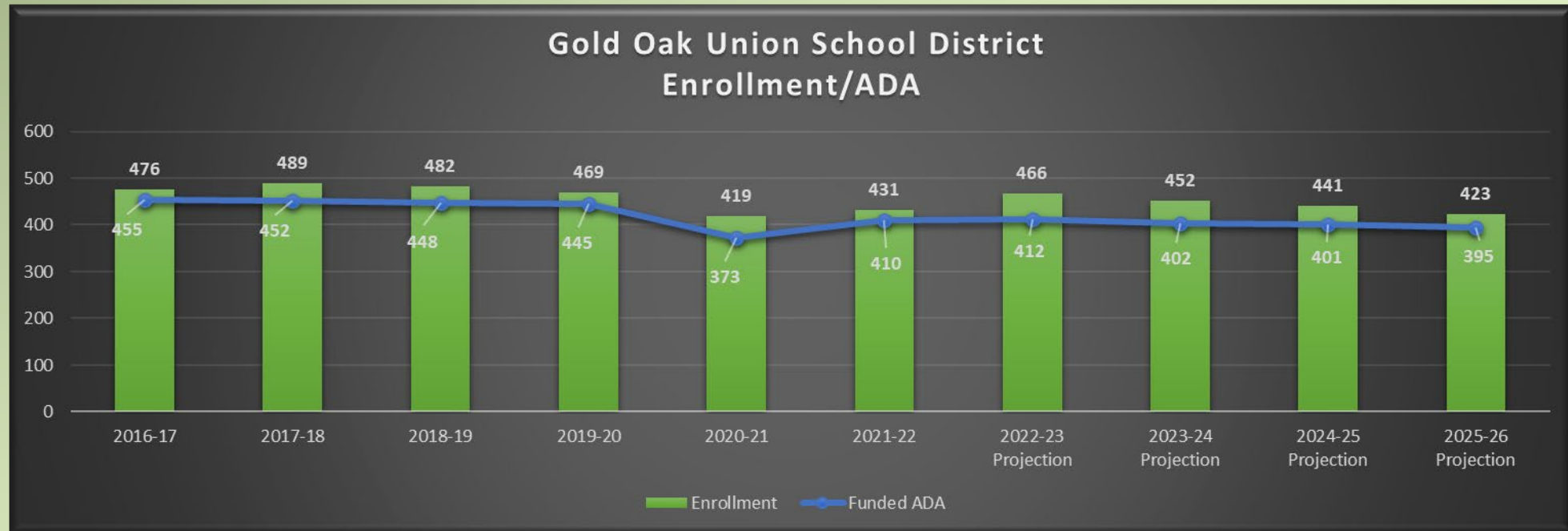
2023-24 MYP Assumptions

- Enrollment: 452
- Funded Average Daily Attendance (ADA): 422.26
 - Based on ADA average of 3 prior years
- Unduplicated Pupil percentage: 38.2%
(Homeless, Foster Youth, English Learners, Low Income)
- Remove one-time Revenues and Expenditures
- Cost of Living Adjustment (COLA): 5.38%
- Staffing Assumptions:
 - Removes temporary positions
 - Includes Step/Column and negotiated increases

2024-25 MYP Assumptions

- Enrollment: 441
- Funded Average Daily Attendance (ADA): 408.10
 - Based on ADA average of 3 prior years
- Unduplicated Pupil percentage: 37.44%
- Cost of Living Adjustment (COLA): 4.02%
- Staffing Assumptions:
 - Includes Step/Column= \$22.6k

Enrollment & Average Daily Attendance



1	ADA Summary		2019-20	2020-21	2021-22	2022-23 Projection	2023-24 Projection	2024-25 Projection
2	Current Year ADA (CY)		444.77	372.63	409.60	412.41	402.28	401.31
3	Prior Year ADA (PY)		447.76	444.77	372.63	409.60	412.41	402.28
4	3 prior year average (3yr)		N/A	N/A	N/A	433.05	422.26	408.10
5	growth/loss in ADA from prior year		(2.99)	(72.14)	36.97	2.81	(10.13)	(0.97)
6	Funded ADA (> CY or PY or 3yr)	> line 2,3, or 4	447.76	444.77	444.77	433.05	422.26	408.10
7	Hold Harmless Provision	2019-20		444.77	444.77			
8	ADA Cliff Relief	2021-22			409.60			
9	PY funded ADA		452.22	447.76	444.77	444.77	433.05	422.26
10	CY Gain/Loss in funded ADA		(4.46)	(2.99)	0.00	(11.72)	(10.79)	(14.16)

**Gold Oak Union School District
2022-23 1st Interim MYP**

	a	b	c	d	e	f	g	h	i
	2022-23 1st Interim			2023-24 Budget			2024-25 Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
1 LCFF Revenue	4,835,542	-	4,835,542	4,993,067	-	4,993,067	5,017,499	-	5,017,499
2 Federal Revenue	5,000	436,504	441,504	5,000	371,181	376,181	5,000	160,175	165,175
3 Other State Revenue	96,143	1,271,927	1,368,070	93,300	478,861	572,161	90,300	478,170	568,470
4 Local Revenue	475,396	198,255	673,651	69,720	195,600	265,320	64,555	245,965	310,520
5 OTHER FINANCING SOURCES									
6 Interfund Transfers In	-	-	-	-	-	-	-	-	-
7 Other Sources	-	-	-	-	-	-	-	-	-
8 Contributions	(821,469)	821,469	-	(788,292)	788,292	-	(682,523)	682,523	-
9 TOTAL REVENUE	4,590,612	2,728,155	7,318,767	4,372,795	1,833,934	6,206,729	4,494,831	1,566,833	6,061,664
10									
11 B. EXPENDITURES:									
12 Certificated Salaries	1,762,788	446,943	2,209,731	1,963,766	307,488	2,271,254	1,984,197	303,781	2,287,978
13 Classified Salaries	760,099	307,127	1,067,226	782,138	295,802	1,077,940	789,466	294,390	1,083,856
14 Benefits	1,098,010	497,682	1,595,692	1,104,991	464,471	1,569,462	1,110,334	465,603	1,575,937
15 Books & Supplies	100,134	182,144	282,277	95,136	245,226	340,362	94,628	139,865	234,493
16 Services	385,796	674,321	1,060,117	472,469	594,534	1,067,003	474,969	501,776	976,745
17 Capital Outlay	457,393	19,300	476,693	-	-	-	-	-	-
18 Other Outgo	35,058	33,216	68,274	37,063	37,000	74,063	38,530	40,000	78,530
19 OTHER FINANCING USES									
20 Interfund Transfers Out	55,000	-	55,000	79,000	-	79,000	79,000	-	79,000
21 Other Uses	-	-	-	-	-	-	-	-	-
22 Direct Support/Indirect Costs	(49,861)	43,671	(6,190)	(49,861)	43,671	(6,190)	(48,965)	42,775	(6,190)
23 TOTAL EXPENDITURES	4,604,417	2,204,404	6,808,820	4,484,702	1,988,191	6,472,893	4,522,159	1,788,190	6,310,349
24									
25 C. EXCESS (DEFICIENCY)	(13,805)	523,751	509,946	(111,907)	(154,258)	(266,165)	(27,328)	(221,357)	(248,685)
26									
27 BEGINNING BALANCE	1,251,306	546,308	1,797,614	1,237,501	1,012,865	2,250,366	1,125,594	858,607	1,984,201
28 other Restatement_____	-	(57,194)	(57,194)	-	-	-	-	-	-
29 F. RESTATED BEGINNING BALANCE	1,251,306	489,114	1,740,420	1,237,501	1,012,865	2,250,366	1,125,594	858,607	1,984,201
30 PROJECTED ENDING BALANCE	1,237,501	1,012,865	2,250,366	1,125,594	858,607	1,984,201	1,098,266	637,251	1,735,517

Gold Oak Union School District
2022-23 1st Interim MYP

	a	b	c	d	e	f	g	h	i
	2022-23 1st Interim			2023-24 Budget			2024-25 Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
30 PROJECTED ENDING BALANCE	1,237,501	1,012,865	2,250,366	1,125,594	858,607	1,984,201	1,098,266	637,251	1,735,517
31									
32 G. COMPONENTS OF ENDING BALANCE:									
33 Revolving Cash/ Nonspendable	1,625	-	1,625	1,625	-	1,625	1,625	-	1,625
34 Prepaid expenses	-	-	-	-	-	-	-	-	-
35 Reserve for Economic Uncertainty (EUR)	272,353	-	272,353	258,916	-	258,916	252,414	-	252,414
36 Restricted	-	1,012,865	1,012,865	-	858,607	858,607	-	637,251	637,251
37 Assigned	963,523	-	963,523	865,053	-	865,053	844,227	-	844,227
38 <i>Compensated Absence Liability</i>	7,937	-	7,937	7,937	-	7,937	7,937	-	7,937
39 <i>Technology Reserve</i>	53,538	-	53,538	45,566	-	45,566	-	-	-
40 <i>PV Sports Uniforms</i>	16	-	16	16	-	16	16	-	16
41 <i>Music Program</i>	1,630	-	1,630	1,630	-	1,630	1,630	-	1,630
42 <i>Gold Oak/Playground Structures</i>	13,588	-	13,588	13,588	-	13,588	13,588	-	13,588
43 <i>Instructional Materials (IMF) Reserve</i>	100,000	-	100,000	100,000	-	100,000	150,000	-	150,000
44 <i>District Reserve Goal (17%)</i>	758,248	-	758,248	689,626	-	689,626	665,101	-	665,101
45 <i>Lottery</i>	23,412	-	23,412	736	-	736	-	-	-
46 <i>Gold Oak Grants</i>	102	-	102	102	-	102	102	-	102
47 <i>Gold Oak Donations</i>	3,857	-	3,857	4,657	-	4,657	4,657	-	4,657
48 <i>Pleasant Valley Donations</i>	945	-	945	945	-	945	945	-	945
49 <i>Art Donations</i>	250	-	250	250	-	250	250	-	250
50 <i>Transportation</i>	-	-	-	-	-	-	-	-	-
51 <i>Unassigned/Unappropriated</i>	-	-	-	-	-	-	-	-	-
52 Ending Fund Balance	1,237,501	1,012,865	2,250,366	1,125,594	858,607	1,984,201	1,098,266	637,251	1,735,517
53 Combined EUR %			4.00%			4.00%			4.00%

Reserve designations may be changed to meet
current program needs.



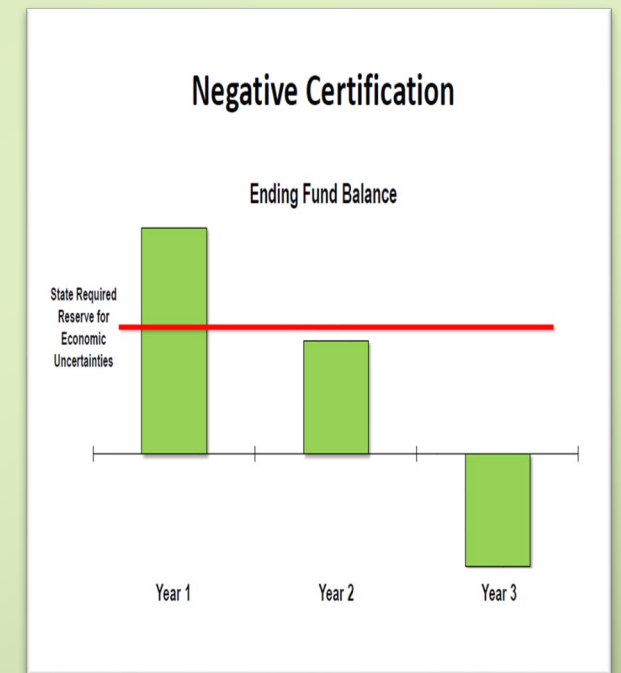
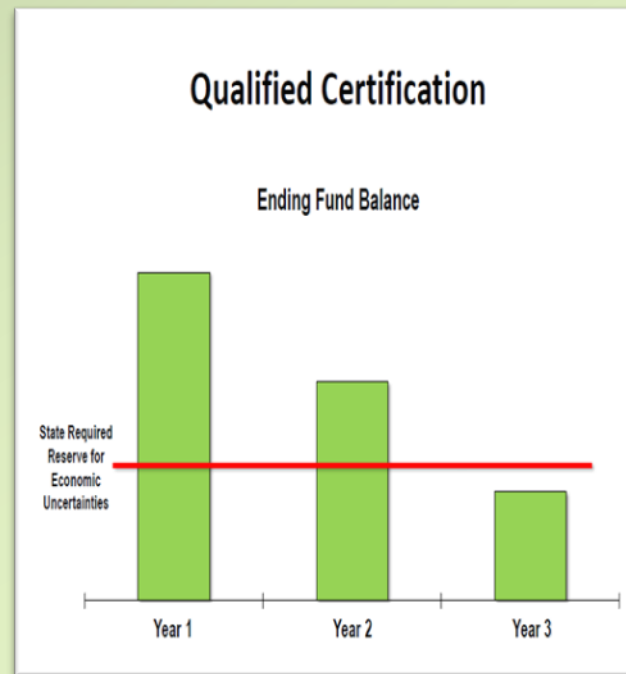
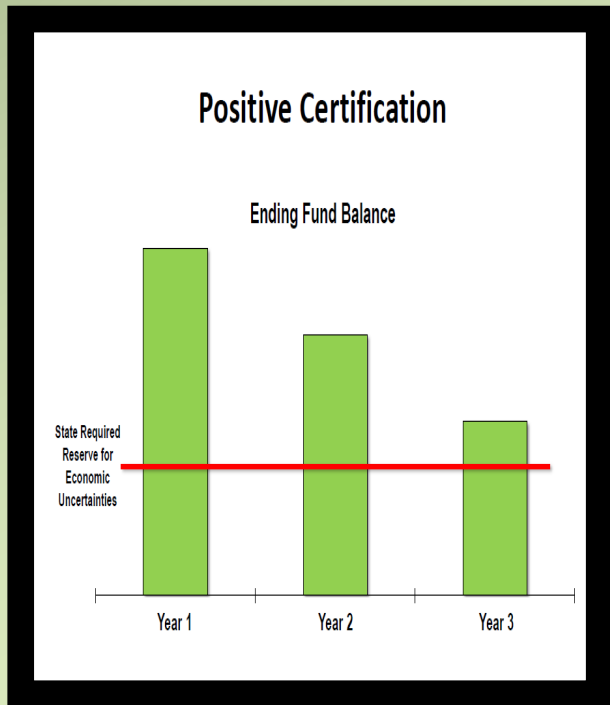
Final Thoughts

- The past few years have been exceptionally challenging amidst the COVID-19 pandemic. However, our district and staff continuously strive to improve student outcomes and maximize our limited resources.
- As we face these challenges, we must continue to be mindful of:
 - Enrollment and attendance trends
 - Bargaining agreements
 - Impacts of one-time revenue
 - Reserve levels

Reserves

- State required minimum reserves is 4%
 - Represents less than 3 weeks of payroll
- Government Finance Officer's Association recommends 2 months of operating expense (roughly 17%)
- Rating agencies like Fitch or Moody's typically assess the adequacy of a district's reserves by comparing them to statewide averages
 - The California Department of Education released the 2018-19 Unaudited Actuals data which reveals Elementary School Districts averaged 20.47% reserve levels
- Reserves can help carry you through a tough financial time – but only temporarily since they are **one-time funds**
- *Temporary adjustments to programs in conjunction with one-time funding has provided the district the ability to meet the required 4% and build an additional assigned reserve for budget stabilization.*
 - *As one-time revenue is exhausted, temporary expenditures and programs will also need to be reviewed and reduced*

Budget Certifications



Budget Certifications

Positive: The district is projected to be able to meet its financial obligations all three years.

Qualified: It is projected that the district may not meet its financial obligations in one of the three years.

- The qualified status is a warning sign to district leaders that expenditures are out pacing revenues.

Negative: It is projected that the district will not be able to meet its financial obligations in the current or next fiscal year.

- This is a serious situation. In worse-case situations, the district is taken over by a state-appointed administrator who renders all policy and program decisions in order to repay funds loaned to the district by the state.

Recommendation

It is recommended, the Governing Board approve the Gold Oak Union School District – 1st Interim Report, which includes:

- Positive budget certification
- Budget revisions as outlined in this report

Thank you!

