



CABRILLO UNIFIED SCHOOL DISTRICT
Every Student. Every Day!

Cabrillo Unified School District Financial Report: **2022-23 First Interim**

J Jesus Contreras
Chief Business Officer
December 13, 2022

First Interim Financial Report

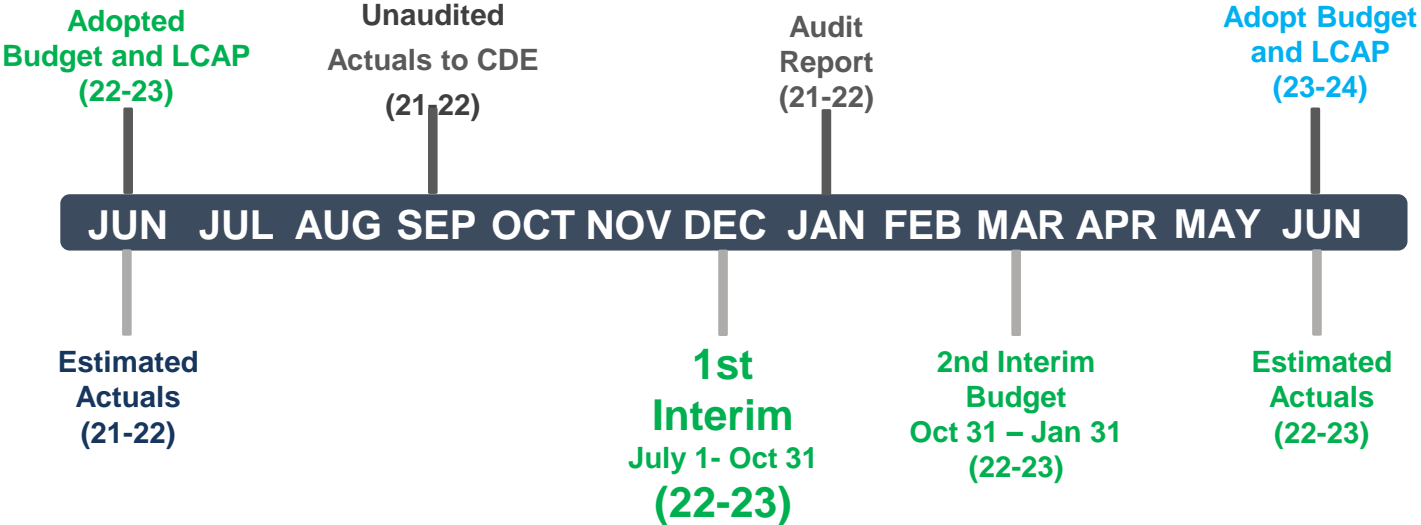
The *2022-23 First Interim Financial Report* is a point-in-time report, based on assumptions, related to funding received through the 2022-23 Budget Act. It also includes the new state grants and all CUSD expenditures through October 31, 2022.

The highlights of the 2022-23 Budget were a major LCFF increase (13.26%) and two one-time state grants.

Uncertainty of future revenue is affected by: high inflation, raising interest rates, asset volatility, supply chain disruptions, lower revenue collections (California faces a \$24 billion budget problem and ongoing deficits), and a potential recession that will require reserves for fiscal stability.



2022-23 Budget and Financial Reports



2022-23 First Interim Financial Report

- Based on advice and **assumptions** from the state Department of Finance (**DOF**), California Department of Education (**CDE**), Fiscal Crisis and Management Assistance Team (**FCMAT**), and the San Mateo County Office of Education (**SMCOE**)



Assumptions and Facts:

2022-23 First Interim Financial Assumptions Include:

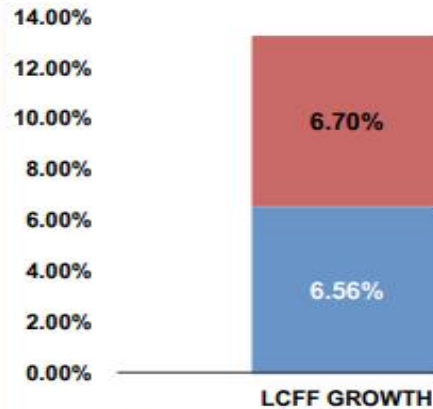
- > 2% Tax revenue increase in the out years
- > LCFF Calculator Base Grant increased (13.26%)
- > CUSD flipping to LCFF in 2022-23 and back to Basic Aid in 2023-24
- > Declining enrollment as per demographer's studies
- > School Nutrition Universal Meals
- > Learning Recovery Emergency Block Grant - \$2,738,507
- > Arts, Music, and Inst. Materials Discretionary Grant - \$1,726,609



From SSC- Schools for Sound Finance

(SF)² LCFF Investments—Growth Over 2021-22 Rates

2



- The Enacted Budget provided \$4.32 billion in additional funding for the LCFF
 - 6.28% was increased to 6.70% in Assembly Bill (AB) 185— budget trailer bill signed in late September
- Funds are intended “to help school districts and charter schools address ongoing fiscal pressures, staffing shortages, and other operational needs”

2022-23 Statutory Cost-of-Living Adjustment (COLA)

- Additional districts may become state-funded as a result of this significant LCFF increase



CUSD

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School Financial Projections – SSC Dartboard

| LCFF PLANNING FACTORS | | | | | |
|---|--------------------|---------|---------|---------|---------|
| Factor | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| Department of Finance Statutory COLA ¹ | 1.70% | 6.56% | 5.38% | 4.02% | 3.72% |
| Planning COLA | 5.07% ² | 6.56% | 5.38% | 4.02% | 3.72% |

| LCFF GRADE SPAN FACTORS FOR 2022-23 | | | | |
|--|----------|---------|---------|----------|
| Entitlement Factors per ADA* | K-3 | 4-6 | 7-8 | 9-12 |
| 2021-22 Base Grants | \$8,093 | \$8,215 | \$8,458 | \$9,802 |
| Statutory COLA of 6.56% | \$531 | \$539 | \$555 | \$643 |
| Additional LCFF Investment of 6.70% ³ | \$542 | \$550 | \$567 | \$657 |
| 2022-23 Base Grants | \$9,166 | \$9,304 | \$9,580 | \$11,102 |
| Grade Span Adjustment Factors | 10.4% | – | – | 2.6% |
| Grade Span Adjustment Amounts | \$953 | – | – | \$289 |
| 2022-23 Adjusted Base Grants ⁴ | \$10,119 | \$9,304 | \$9,580 | \$11,391 |

*Average daily attendance (ADA)

| OTHER PLANNING FACTORS | | | | | | |
|--|----------------------|----------|---------|---------|---------|---------|
| Factors | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | |
| California CPI | 6.56% | 5.75% | 2.58% | 2.20% | 2.38% | |
| California Lottery | Unrestricted per ADA | \$176.94 | \$170 | \$170 | \$170 | \$170 |
| | Restricted per ADA | \$81.94 | \$67 | \$67 | \$67 | \$67 |
| Mandate Block Grant (District) | Grades K-8 per ADA | \$32.79 | \$34.94 | \$36.82 | \$38.30 | \$39.72 |
| | Grades 9-12 per ADA | \$63.17 | \$67.31 | \$70.93 | \$73.78 | \$76.52 |
| Mandate Block Grant (Charter) | Grades K-8 per ADA | \$17.21 | \$18.34 | \$19.33 | \$20.11 | \$20.86 |
| | Grades 9-12 per ADA | \$47.84 | \$50.98 | \$53.72 | \$55.88 | \$57.96 |
| Interest Rate for Ten-Year Treasuries | 2.08% | 3.20% | 2.85% | 2.68% | 2.80% | |
| CalSTRS Employer Rate ⁵ | 16.92% | 19.10% | 19.10% | 19.10% | 19.10% | |
| CalPERS Employer Rate ⁵ | 22.91% | 25.37% | 25.20% | 24.60% | 23.70% | |
| Unemployment Insurance Rate ⁶ | 0.50% | 0.50% | 0.20% | 0.20% | 0.20% | |
| Minimum Wage ⁷ | \$15.00 | \$15.50 | \$16.00 | \$16.40 | \$16.80 | |



CUSD Salary Increases

| SALARY INCREASES | | |
|-------------------------|---------------|---------------|
| | CUTA | CSEA |
| 2019-20 | 3% | 3% |
| 2020-21 | 3% | 3% |
| 2021-22 | 5.29% | 5.29% |
| One-Time | \$ 2,000.00 | \$ 2,000.00 |
| TOTAL | 11.29% | 11.29% |



1.17 LCFF Unduplicated Pupil Count

| | | |
|---------------------------------|------------------------------|-----------------------|
| Academic Year: 2022-2023 | LEA: Cabrillo Unified | User ID: |
| View: SNAPSHOT | School Type: ALL | Revision Date: |
| Revision ID: 4058625 | School: ALL | Print Date: |

Non-Charter School(s)

Free/Reduced Meal Eligibility Counts Based On:

| School Code | School Name | Total Enrollment | Free & Reduced Meal Program: 181/182 | Foster | Tribal Foster Youth: 193 | Homeless (1) | Migrant Program: 135 | Direct Certification | Unduplicated Eligible Free/Reduced Meal Counts | EL Funding Eligible (2) | Total Unduplicated FRPM/EL Eligible Count (3) |
|---------------------------------|--|------------------|--------------------------------------|--------|--------------------------|--------------|----------------------|----------------------|--|-------------------------|---|
| 6043616 | Alvin S. Hatch Elementary | 543 | 242 | 0 | 0 | 2 | 31 | 169 | 250 | 216 | 293 |
| 4168890 | Cabrillo Unified | 22 | 2 | 0 | 0 | 0 | 0 | 6 | 6 | 0 | 6 |
| 6043624 | El Granada Elementary | 318 | 118 | 0 | 0 | 3 | 6 | 81 | 119 | 76 | 141 |
| 6043632 | Farallone View Elementary | 164 | 22 | 0 | 0 | 0 | 0 | 20 | 24 | 13 | 29 |
| 4132817 | Half Moon Bay High | 1025 | 320 | 0 | 0 | 9 | 14 | 219 | 330 | 93 | 353 |
| 6043657 | Kings Mountain Elementary | 53 | 7 | 0 | 0 | 0 | 0 | 7 | 8 | 2 | 9 |
| 6043665 | Manuel F. Cunha Intermediate | 584 | 227 | 0 | 0 | 9 | 8 | 159 | 237 | 90 | 257 |
| 0000001 | NPS School Group for Cabrillo Unified | 3 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| 4130027 | Pilarcitos Alternative High (Continuation) | 38 | 21 | 0 | 0 | 0 | 0 | 18 | 22 | 6 | 22 |
| TOTAL - Selected Schools | | 2750 | 959 | 0 | 0 | 23 | 59 | 680 | 997 | 497 | 1111 |

Charter School(s)

Free/Reduced Meal Eligibility Counts Based On:

| School Code | School Name | Total Enrollment | Free & Reduced Meal Program: 181/182 | Foster | Tribal Foster Youth: 193 | Homeless (1) | Migrant Program: 135 | Direct Certification | Unduplicated Eligible Free/Reduced Meal Counts | EL Funding Eligible (2) | Total Unduplicated FRPM/EL Eligible Count (3) |
|---------------------------------|-------------|------------------|--------------------------------------|--------|--------------------------|--------------|----------------------|----------------------|--|-------------------------|---|
| TOTAL - Selected Schools | | | | | | | | | | | |
| TOTAL LEA | | 2750 | 959 | 0 | 0 | 23 | 59 | 680 | 997 | 497 | 1111 |

| | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|--|----------------------|---------------------|---------------------|---------------------|
| SUMMARY OF FUNDING | | | | |
| General Assumptions | | | | |
| COLA & Augmentation | 13.26% | 5.38% | 4.02% | 3.72% |
| Base Grant Proration Factor | 0.00% | 0.00% | 0.00% | 0.00% |
| Add-on, ERT & MSA Proration Factor | 0.00% | 0.00% | 0.00% | 0.00% |
| LCFF Entitlement | | | | |
| Base Grant | \$28,234,654 | \$28,192,602 | \$27,353,917 | \$27,235,183 |
| Grade Span Adjustment | 1,001,328 | 991,242 | 951,985 | 948,110 |
| Supplemental Grant | 2,551,716 | 2,553,587 | 2,475,068 | 2,464,347 |
| Concentration Grant | - | - | - | - |
| Add-ons: Targeted Instructional Improvement Block Grant | - | - | - | - |
| Add-ons: Home-to-School Transportation | 336,514 | 354,618 | 368,874 | 382,596 |
| Add-ons: Small School District Bus Replacement Program | - | - | - | - |
| Add-ons: Transitional Kindergarten | - | - | - | - |
| Total LCFF Entitlement Before Adjustments, ERT & Additional State Aid | \$32,124,212 | \$32,092,049 | \$31,149,844 | \$31,030,236 |
| Miscellaneous Adjustments | - | - | - | - |
| Economic Recovery Target | - | - | - | - |
| Additional State Aid | - | - | - | - |
| Total LCFF Entitlement | 32,124,212 | 32,092,049 | 31,149,844 | 31,030,236 |
| LCFF Entitlement Per ADA | \$ 11,335 | \$ 11,974 | \$ 12,488 | \$ 12,959 |
| Components of LCFF By Object Code | | | | |
| State Aid (Object Code 8011) | \$ 24,283,993 | \$ 1,021,371 | \$ 1,021,371 | \$ 1,021,371 |
| EPA (for LCFF Calculation purposes) | \$ 7,840,219 | \$ 536,016 | \$ 498,888 | \$ 478,900 |
| <i>Local Revenue Sources:</i> | | | | |
| Property Taxes (Object 8021 to 8089) | \$ - | \$ 33,203,075 | \$ 31,827,137 | \$ 32,463,680 |
| In-Lieu of Property Taxes (Object Code 8096) | - | - | - | - |
| <i>Property Taxes net of In-Lieu</i> | \$ - | \$ 33,203,075 | \$ 31,827,137 | \$ 32,463,680 |
| TOTAL FUNDING | 32,124,212 | 34,760,462 | 33,347,396 | 33,963,951 |
| Basic Aid Status | Non-Basic Aid | Basic Aid | Basic Aid | Basic Aid |
| Excess Taxes | \$ - | \$ 2,132,397 | \$ 1,698,664 | \$ 2,454,815 |
| EPA in Excess to LCFF Funding | \$ - | \$ 536,016 | \$ 498,888 | \$ 478,900 |
| Total LCFF Entitlement | 32,124,212 | 32,092,049 | 31,149,844 | 31,030,236 |

| | Cabrillo USD Multi-Year-Projections at 2022-23 First Interim | | | | | | | | | | | |
|-------------------------------|--|-------------|------------|-------------------|-------------|------------|-------------------|-------------|-------------|-------------------|-------------|-------------|
| | 2022-23-LCFF | | | 2023-24-Basic Aid | | | 2024-25-Basic Aid | | | 2025-26-Basic Aid | | |
| | UNRESTRICTED | RESTRICTED | COMBINED | UNRESTRICTED | RESTRICTED | COMBINED | UNRESTRICTED | RESTRICTED | COMBINED | UNRESTRICTED | RESTRICTED | COMBINED |
| LCFF | 32,124,212 | 1,961,492 | 34,085,704 | 34,760,462 | 1,961,492 | 36,721,954 | 33,347,396 | 1,961,492 | 35,308,888 | 33,963,951 | 1,961,492 | 35,925,443 |
| Federal Revenue | 8,819 | 1,959,148 | 1,967,967 | 8,819 | 1,137,931 | 1,146,750 | 8,819 | 1,137,931 | 1,146,750 | 8,819 | 1,137,931 | 1,146,750 |
| State Revenue | 570,526 | 9,423,257 | 9,993,783 | 553,696 | 4,040,940 | 4,594,636 | 535,846 | 4,033,905 | 4,569,751 | 518,336 | 4,027,004 | 4,545,340 |
| Local Revenue | 239,264 | 2,851,275 | 3,090,539 | 239,264 | 2,586,066 | 2,825,330 | 239,264 | 2,586,066 | 2,825,330 | 239,264 | 2,586,066 | 2,825,330 |
| Total Revenues | 32,942,821 | 16,195,172 | 49,137,993 | 35,562,241 | 9,726,429 | 45,288,670 | 34,131,325 | 9,719,394 | 43,850,719 | 34,730,370 | 9,712,493 | 44,442,863 |
| Certificated Salaries | 12,973,085 | 3,824,659 | 16,797,744 | 13,424,324 | 3,566,303 | 16,990,627 | 13,692,810 | 3,637,629 | 17,330,439 | 13,966,666 | 3,710,382 | 17,677,048 |
| Classified Salaries | 3,600,423 | 4,398,343 | 7,998,766 | 3,661,779 | 4,180,903 | 7,842,682 | 3,735,015 | 4,264,521 | 7,999,536 | 3,809,715 | 4,349,811 | 8,159,526 |
| Benefits | 6,660,478 | 5,551,955 | 12,212,433 | 6,763,342 | 5,312,365 | 12,075,707 | 6,856,256 | 5,341,698 | 12,197,954 | 6,939,250 | 5,355,866 | 12,295,116 |
| Supplies | 518,963 | 2,348,355 | 2,867,318 | 552,702 | 1,020,539 | 1,573,241 | 559,737 | 1,013,504 | 1,573,241 | 566,638 | 1,006,603 | 1,573,241 |
| Services | 2,607,620 | 2,949,244 | 5,556,864 | 2,607,620 | 2,648,066 | 5,255,686 | 2,607,620 | 2,648,066 | 5,255,686 | 2,607,620 | 2,648,066 | 5,255,686 |
| Capital Outlay | 0 | 142,507 | 142,507 | 0 | 142,507 | 142,507 | 0 | 142,507 | 142,507 | 0 | 142,507 | 142,507 |
| Other Outgo/Indirect | 86,016 | 124,283 | 210,299 | 86,016 | 124,283 | 210,299 | 86,016 | 124,283 | 210,299 | 86,016 | 124,283 | 210,299 |
| Total Expenses | 26,446,585 | 19,339,346 | 45,785,931 | 27,095,783 | 16,994,966 | 44,090,749 | 27,537,454 | 17,172,208 | 44,709,662 | 27,975,905 | 17,337,518 | 45,313,423 |
| Surplus/(Deficit) | 6,496,236 | (3,144,174) | 3,352,062 | 8,466,458 | (7,268,537) | 1,197,921 | 6,593,871 | (7,452,814) | (858,943) | 6,754,465 | (7,625,025) | (870,560) |
| Transfer in (891X) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer out (761X) | 210,000 | 0 | 210,000 | 335,000 | 0 | 335,000 | 335,000 | 0 | 335,000 | 335,000 | 0 | 335,000 |
| Contribution | (8,036,963) | 8,036,963 | 0 | (8,187,812) | 8,187,812 | 0 | (8,372,089) | 8,372,089 | 0 | (8,544,300) | 8,544,300 | 0 |
| Other In / Out | (8,246,963) | 8,036,963 | (210,000) | (8,522,812) | 8,187,812 | (335,000) | (8,707,089) | 8,372,089 | (335,000) | (8,879,300) | 8,544,300 | (335,000) |
| Total Surplus/(Deficit) | (1,750,727) | 4,892,789 | 3,142,062 | (56,354) | 919,275 | 862,921 | (2,113,218) | 919,275 | (1,193,943) | (2,124,835) | 919,275 | (1,205,560) |
| 9791 | 3,283,273 | 1,748,786 | 5,032,058 | 1,532,546 | 6,641,575 | 8,174,120 | 1,476,192 | 7,560,850 | 9,037,041 | (637,026) | 8,480,125 | 7,843,098 |
| 9795 | | | | | | | | | | | | |
| Beginning Balance | 3,283,273 | 1,748,786 | 5,032,058 | 1,532,546 | 6,641,575 | 8,174,120 | 1,476,192 | 7,560,850 | 9,037,041 | (637,026) | 8,480,125 | 7,843,098 |
| Ending Balance | 1,532,546 | 6,641,575 | 8,174,120 | 1,476,192 | 7,560,850 | 9,037,041 | (637,026) | 8,480,125 | 7,843,098 | (2,761,861) | 9,399,400 | 6,637,538 |
| Revolving Cash, Stores & Prep | 45,000 | | 45,000 | 45,000 | | 45,000 | 45,000 | | 45,000 | 45,000 | | 45,000 |
| Restricted Programs | | 6,641,575 | 6,641,575 | | 7,560,850 | 7,560,850 | | 8,480,125 | 8,480,125 | | 9,399,400 | 9,399,400 |
| 3% REU (9789) | 1,379,878 | 0 | 1,379,878 | 1,332,773 | 0 | 1,332,773 | 1,351,340 | 0 | 1,351,340 | 1,369,453 | 0 | 1,369,453 |
| UNASSIGNED (9790) | 107,668 | 0 | 107,668 | 98,419 | 0 | 98,419 | (2,033,366) | 0 | (2,033,366) | (4,176,314) | 0 | (4,176,314) |

CUSD reserves were depleted during the 2021-22 fiscal year to afford the 2021-22 salary increases. Tax revenue for 2021-22 was less than the budgeted 4%. While CUSD anticipates being able to weather the upcoming fiscal uncertainties, it will require the collective will of the organization to implement measures to effectively, efficiently, and economically serve our children and their families.

CUSD staff will continue implementing FCMAT and SMCOE guidance to ensure sustained fiscal solvency.

Staff requests Board approval of the 2021-22 First Interim Report with a Qualified Certification .



Questions?

Thank you!



CUSD

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