



CABRILLO UNIFIED SCHOOL DISTRICT

*Every Student. Every Day!*

# Cabrillo Unified School District

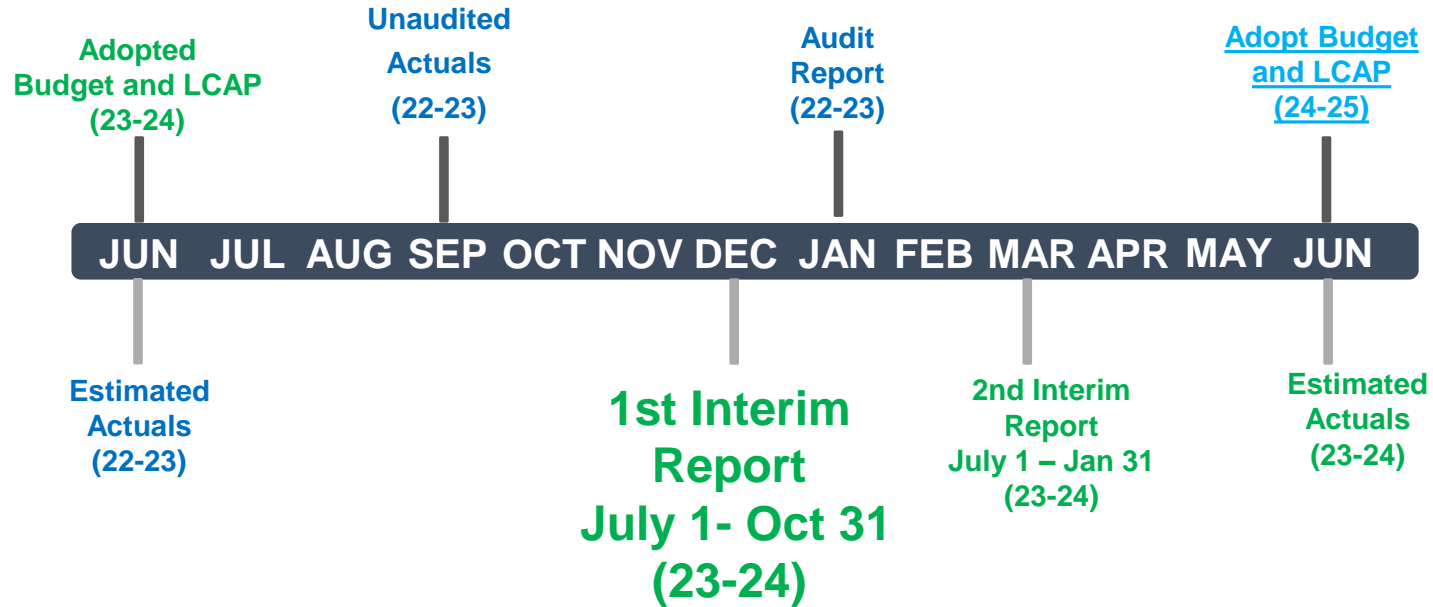
## **2023-24 First Interim Financial Report**

J Jesus Contreras, Deputy Superintendent – Business Services

Jennifer Marsh, Fiscal Director

December 14, 2023

# CUSD Financial Reports



# Background: CUSD 2022-23 Financial Reports

The First Interim Financial Report (December 2022) provided CUSD's Governing Board with a synthesis of revenue and expenditures through October 31, 2022. The CUSD Board certified the First Interim Report as **"Qualified."**

The Second Interim Financial Report (March 2023) provided the CUSD's Governing Board with a report of the revenue and expenditure forecasts for 2022-23. It included all fiscal activity through January 31, 2023.

The CUSD Board certified the Second Interim Report as **"Qualified."**



# Background: CUSD Financial Reports (Cont.)

As required by EC 42131 (e), the *Third Interim Financial Report* (May 30, 2023) provided the CUSD's Governing Board with a report of the revenue and expenditure forecasts through June 30, 2023. It included all 2022-23 actual fiscal activity through April 30, 2023. The CUSD Board certified the Third Interim Report as “**Negative.**”

The 2023-24 Approved Budget depicts the challenges CUSD faces to meet its current and future fiscal obligations. Due to deficit spending, declining enrollment and, flipping Basic Aid/LCFF/Basic Aid status affect the CUSD fiscal standing. To support the CUSD, SMCOE assigned a fiscal advisor who will exercise an active role in the CUSD financial procedures. The CUSD Board filed its 2023-24 Budget with a **Negative** status.



2023-24 Budget Adoption: Cabrillo USD Summary and Multi-Year-Projections												
	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
Row Labels	22/23 Proj	22/23 Proj	22/23 Proj	23/24 Proj	23/24 Proj	23/24 Proj	24/25 Proj	24/25 Proj	24/25 Proj	25/26 Proj	25/26 Proj	25/26 Proj
LCFF	32,066,327	2,275,943	34,342,270	34,933,179	2,275,943	37,209,122	33,532,374	2,275,943	35,808,317	34,164,960	2,275,943	36,440,903
Federal Revenue	19,235	1,511,506	1,530,741	19,235	1,630,007	1,649,242	19,235	1,144,674	1,163,909	19,235	1,144,674	1,163,909
State Revenue	567,516	6,902,539	7,470,055	550,686	4,067,993	4,618,679	532,836	3,616,183	4,149,019	515,326	3,609,282	4,124,608
Local Revenue	282,536	3,250,316	3,532,852	282,536	2,442,525	2,725,061	282,536	2,359,689	2,642,225	282,536	2,359,689	2,642,225
Total Revenues	32,935,614	13,940,304	46,875,918	35,785,636	10,416,468	46,202,104	34,366,981	9,396,489	43,763,470	34,982,057	9,389,588	44,371,645
Certificated Salaries	12,908,965	4,280,346	17,189,311	13,023,289	3,994,669	17,017,958	13,283,755	3,895,763	17,179,518	13,549,430	3,946,434	17,495,864
Classified Salaries	3,655,996	4,368,112	8,024,108	3,762,460	4,273,715	8,036,175	3,837,709	4,358,641	8,196,350	3,914,463	4,445,814	8,360,277
Benefits	6,305,743	5,634,177	11,939,920	6,957,540	5,132,439	12,089,979	7,115,219	5,184,105	12,299,324	7,263,857	5,267,927	12,531,784
Supplies	957,424	1,485,013	2,442,437	991,163	1,817,640	2,808,803	998,198	1,080,719	2,078,917	1,005,099	1,073,818	2,078,917
Services	3,318,913	3,833,101	7,152,014	3,318,913	3,298,038	6,616,951	3,705,555	2,684,476	6,390,031	4,068,522	2,321,509	6,390,031
Capital Outlay	0	444,495	444,495	0	86,495	86,495	0	86,495	86,495	0	86,495	86,495
Other Outgo/Indirect	77,594	177,216	254,810	77,594	177,216	254,810	77,594	177,216	254,810	77,594	177,216	254,810
Total Expenses	27,224,635	20,222,460	47,447,095	28,130,959	18,780,212	46,911,171	29,018,030	17,467,415	46,485,445	29,878,965	17,319,213	47,198,178
Surplus/(Deficit)	5,710,979	(6,282,156)	(571,177)	7,654,677	(8,363,744)	(709,067)	5,348,951	(8,070,926)	(2,721,975)	5,103,092	(7,929,625)	(2,826,533)
Transfer in (891X)	0	0	0	0	0	0	0	0	0	0	0	0
Transfer out (761X)	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000
Contribution	(7,932,009)	7,932,009	0	(7,847,534)	7,847,534	0	(8,232,228)	8,232,228	0	(8,487,320)	8,487,320	0
Other In / Out	(8,132,009)	7,932,009	(200,000)	(8,047,534)	7,847,534	(200,000)	(8,432,228)	8,232,228	(200,000)	(8,687,320)	8,487,320	(200,000)
Total Surplus/(Deficit)	(2,421,030)	1,649,853	(771,177)	(392,857)	(516,210)	(909,067)	(3,083,277)	161,302	(2,921,975)	(3,584,228)	557,695	(3,026,533)
9791	3,283,273	1,748,786	5,032,058	711,284	3,398,639	4,109,922	318,427	2,882,429	3,200,855	(2,764,850)	3,043,731	278,880
9793	(150,959)		(150,959)			0			0			0
9795												
Beginning Balance	3,132,314	1,748,786	4,881,099	711,284	3,398,639	4,109,922	318,427	2,882,429	3,200,855	(2,764,850)	3,043,731	278,880
Ending Balance	711,284	3,398,639	4,109,922	318,427	2,882,429	3,200,855	(2,764,850)	3,043,731	278,880	(6,349,078)	3,601,426	(2,747,653)
Revolving Cash, Stores & Prep	45,000		45,000	45,000		45,000	45,000		45,000	45,000		45,000
Restricted Programs		3,398,639	3,398,639		2,882,429	2,882,429		3,043,731	3,043,731		3,601,426	3,601,426
3% REU (9789)	1,429,413	0	1,429,413	1,413,336	0	1,413,336	1,400,564	0	1,400,564	1,421,946	0	1,421,946
UNASSIGNED (9790)	(763,129)	0	(763,129)	(1,139,909)	0	(1,139,909)	(4,210,414)	0	(4,210,414)	(7,816,024)	0	(7,816,024)

# CUSD 2022-23 Actual Expenditures: Unaudited Actuals

“Except for the Unaudited Actuals, all other Financial Reports are based on Assumptions.”

- CUSD year-end financial statements for the period July 1, 2022 to June 30, 2023
- 2022-23 Unaudited Actuals reflected a **\$2,599,012.73 negative fund balance**
- 2022-23 Unaudited Actuals reflected a **Reserve for Economic Uncertainties at \$494,000.29 (below its statutorily required three percent - 3% )**



Description	Resource Codes	Object Codes	2022-23 Unaudited Actuals			2023-24 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
<b>A. REVENUES</b>									
1) LCFF Sources		8010-8099	32,398,343.22	2,330,467.83	34,728,811.05	34,933,179.00	2,275,943.00	37,209,122.00	7.1%
2) Federal Revenue		8100-8299	0.00	1,561,291.83	1,561,291.83	19,235.00	1,630,007.00	1,649,242.00	5.6%
3) Other State Revenue		8300-8599	648,378.86	8,445,190.85	9,093,569.71	550,686.00	4,067,993.00	4,618,679.00	-49.2%
4) Other Local Revenue		8600-8799	399,100.04	3,261,391.00	3,660,491.04	282,536.00	2,442,525.00	2,725,061.00	-25.6%
5) TOTAL, REVENUES			33,445,822.12	15,598,341.51	49,044,163.63	35,785,636.00	10,416,468.00	46,202,104.00	-5.8%
<b>B. EXPENDITURES</b>									
1) Certificated Salaries		1000-1999	13,320,904.74	4,318,756.31	17,639,661.05	13,023,289.00	3,994,669.00	17,017,958.00	-3.5%
2) Classified Salaries		2000-2999	3,717,996.71	4,507,238.56	8,225,235.27	3,762,460.00	4,273,715.00	8,036,175.00	-2.3%
3) Employee Benefits		3000-3999	6,711,130.72	5,441,904.63	12,153,035.35	6,957,540.00	5,132,439.00	12,089,979.00	-0.5%
4) Books and Supplies		4000-4999	1,058,124.11	1,778,621.94	2,836,746.05	991,163.00	1,817,640.00	2,808,803.00	-1.0%
5) Services and Other Operating Expenditures		5000-5999	3,608,088.17	3,504,111.81	7,112,199.98	3,318,913.00	3,298,038.00	6,616,951.00	-7.0%
6) Capital Outlay		6000-6999	0.00	122,543.88	122,543.88	0.00	86,495.00	86,495.00	-29.4%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	59,364.74	214,592.80	273,957.54	99,289.00	164,933.00	264,222.00	-3.6%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(12,617.84)	12,617.84	0.00	(21,695.00)	12,283.00	(9,412.00)	New
9) TOTAL, EXPENDITURES			28,462,991.35	19,900,387.77	48,363,379.12	28,130,959.00	18,780,212.00	46,911,171.00	-3.0%
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)</b>									
			4,982,830.77	(4,302,046.26)	680,784.51	7,654,677.00	(8,363,744.00)	(709,067.00)	-204.2%
<b>D. OTHER FINANCING SOURCES/USES</b>									
1) Interfund Transfers									
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	170,000.00	0.00	170,000.00	200,000.00	0.00	200,000.00	17.6%
2) Other Sources/Uses									
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	(7,411,843.50)	7,411,843.50	0.00	(7,847,534.00)	7,847,534.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(7,581,843.50)	7,411,843.50	(170,000.00)	(8,047,534.00)	7,847,534.00	(200,000.00)	17.6%
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>									
			(2,599,012.73)	3,109,797.24	510,784.51	(392,857.00)	(516,210.00)	(909,067.00)	-278.0%
<b>F. FUND BALANCE, RESERVES</b>									
1) Beginning Fund Balance									
a) As of July 1 - Unaudited		9791	3,283,272.65	1,748,785.53	5,032,058.18	533,300.92	4,858,582.77	5,391,883.69	7.2%
b) Audit Adjustments		9793	(150,959.00)	0.00	(150,959.00)	0.00	0.00	0.00	-100.0%

Unaudited Actuals  
General Fund  
Unrestricted and Restricted  
Expenditures by Object

Description	Resource Codes	Object Codes	2022-23 Unaudited Actuals			2023-24 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
c) As of July 1 - Audited (F1a + F1b)			3,132,313.65	1,748,785.53	4,881,099.18	533,300.92	4,858,582.77	5,391,883.69	10.5%
d) Other Restatements		9795	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			3,132,313.65	1,748,785.53	4,881,099.18	533,300.92	4,858,582.77	5,391,883.69	10.5%
2) Ending Balance, June 30 (E + F1e)			533,300.92	4,858,582.77	5,391,883.69	140,443.92	4,342,372.77	4,482,816.69	-16.9%
Components of Ending Fund Balance									
a) Nonspendable									
Revolving Cash		9711	25,000.00	0.00	25,000.00	15,000.00	0.00	15,000.00	-40.0%
Stores		9712	14,300.63	0.00	14,300.63	30,000.00	0.00	30,000.00	109.8%
Prepaid Items		9713	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
All Others		9719	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Restricted		9740	0.00	4,858,582.77	4,858,582.77	0.00	4,342,372.77	4,342,372.77	-10.6%
c) Committed									
Stabilization Arrangements		9750	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Other Commitments		9760	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
d) Assigned									
Other Assignments		9780	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
e) Unassigned/Unappropriated									
Reserve for Economic Uncertainties		9789	494,000.29	0.00	494,000.29	95,443.92	0.00	95,443.92	-80.7%
Unassigned/Unappropriated Amount		9790	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
<b>G. ASSETS</b>									
1) Cash									
a) in County Treasury		9110	1,116,947.07	4,317,314.59	5,434,261.66				
1) Fair Value Adjustment to Cash in County Treasury		9111	(154,876.00)	0.00	(154,876.00)				
b) in Banks		9120	0.00	0.00	0.00				
c) in Revolving Cash Account		9130	25,000.00	0.00	25,000.00				
d) with Fiscal Agent/Trustee		9135	0.00	0.00	0.00				
e) Collections Awaiting Deposit		9140	0.00	0.00	0.00				
Investments		9150	0.00	0.00	0.00				
2) Accounts Receivable		9200	134,856.96	1,719,413.09	1,854,270.05				
3) Due from Grantor Government		9290	94,450.78	1,626,436.76	1,720,887.54				
4) Due from Other Funds		9310	9,715.41	11,956.45	21,671.86				
5) Stores		9320	14,300.63	0.00	14,300.63				
6) Prepaid Expenditures		9330	0.00	0.00	0.00				
7) Other Current Assets		9340	0.00	0.00	0.00				



# CUSD Journey back to Fiscal Health

- SMCOE issued Lack of Going Concern Letter - June 28, 2023:
- CUSD was required to develop and implement a ***Solvency and Fiscal Stabilization Plan***
- SMCOE assigned a fiscal expert and SMCOE staff to advise and support CUSD on financial problems
- SMCOE referred CUSD to the Fiscal Crisis and Management Assistance Team to conduct a Fiscal Health Risk Analysis
- SMCOE directed CUSD to address the fiscal conditions that resulted in the determination that CUSD may not be able to meet its financial obligations.



# Fiscal Stabilization Plan

The CUSD Fiscal Stabilization Plan was approved on November, 9, 2023

Implementing its *Fiscal Stabilization Plan* begins to address CUSD deficit spending, aligns its staffing to the number of students attending CUSD schools (declining enrollment), and remedies its financial consequences which stem from past compensation increases based on non-realized revenue projections.



# Fiscal Stabilization Plan (Cont.)

- The CUSD Fiscal Stabilization Plan was approved as a Live Plan to focus on rightsizing and optimizing the CUSD expenditures
- The fiscal measures taken allowed the CUSD to meet its required 3% reserve for 2023-24
- CUSD is still in need of securing more reductions and savings for the 2024-25 and 2025-26 school years.
- CUSD Budget Advisory Committee will continues to work and advise on ways to optimize expenditures.



# Fiscal Stabilization Plan

# Presented to be Approved as Live Plan

	Unaudited Actuals 2022-23	2023-24 Reductions	2023-24 Savings	2024-25 Reductions	2024-25 Savings	2025-26 Reductions	2025-26 Savings	Total
<b>1000s</b>								
<b>Certificated Salaries</b>	\$ 17,639,661.05							
HR-2.0 FTE HMBHS - Teacher to student ratio adjustment				\$ 168,614.00				
HR-1.4 FTE - Cunha MS - Teacher to student ratio adjustment				\$ 118,030.00				
CI- Cunha AVID Sections (2) (.4FTE)		\$ 40,000.00						
HR - Cunha Dean - .5 FTE Moved to Categorical Funding		\$ 56,355.00						
Budget Reduction HMBHS (Anticipated)		\$ 100,000.00						
<b>Sub-Total</b>	<b>\$ 17,639,661.05</b>	<b>\$ 196,355.00</b>	<b>\$ -</b>	<b>\$ 286,644.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 482,999.00</b>
<b>2000s</b>								
<b>Classified Salaries</b>	\$ 8,225,235.27							
ES-4 FTE - Paraprofessionals				\$ 120,000.00				
BU-1 FTE - Custodian (attrition)		\$ 35,246.00						
BU-.3 FTE Admin Assist moved to Bond			\$ 12,790.00					
BU- 1 FTE MOT Supervisor move to Bond			\$ 6,885.00					
ES- 1 FTE Support Services						\$ 63,000.00		
ES-1 FTE- Health Support						\$ 90,000.00		
ES-1 FTE - Behavior Support						\$ 132,000.00		
ES - 1 FTE- Sp Ed Support				\$ 90,000.00		\$ 90,000.00		
IT- 1 FTE Technician				\$ 70,500.00				
CI- HS Data Specialist		\$ 22,217.00						
<b>Sub-Total</b>	<b>\$ 8,225,235.27</b>	<b>\$ 57,463.00</b>	<b>\$ 19,675.00</b>	<b>\$ 280,500.00</b>	<b>\$ -</b>	<b>\$ 375,000.00</b>	<b>\$ -</b>	<b>\$ 732,638.00</b>

# Continued Fiscal Stabilization Plan Progress

Need to continue identifying 2024-25 and 2025-26 Reductions and Saving Opportunities

Fiscal Stabilization Plan	Presented to be Approved as Live Plan							
	Unaudited Actuals 2022-23	2023-24 Reductions	2023-24 Savings	2024-25 Reductions	2024-25 Savings	2025-26 Reductions	2025-26 Savings	Total
Sub-Total	\$ 122,543.88	\$ 46,495.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,495.00
7000s Other Outgo	\$ 273,957.54							
Sub-Total	\$ 273,957.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 48,363,379.12	\$ 1,610,164.00	\$ 530,067.00	\$ 1,037,836.00	\$ 8,000.00	\$ 487,500.00	\$ 3,000.00	\$ 3,676,567.00
TOTAL REDUCTIONS and SAVINGS		\$ 2,140,231.00		\$ 1,045,836.00		\$ 490,500.00		

# CUSD 2023-24 First Interim Financial Report

Assumptions for the Multi-Year Projections Include:

- Fiscal Stabilization Plan Reductions and Savings  
( $\$2,140,231$  for 2023-24; anticipated  $\$1,045,836$ ; and  $\$490,500$ )
- 2023-24 Estimated Principal Apportionment (P1) Tax Revenue:
  - $\$3,879,369$  One-time Supplemental Taxes - “anticipated/not confirmed”
  - $\$32,165,581$  “anticipated 4.3% growth over 2022-23”
  - $\$32,165,581 + \$3,879,369 + \$541,558$ (EPA)+ $\$1,021,376$  (Basic Aid)=  
 $\$37,604,879$
- 2024-24 Revenue info will be updated at P2 in the Spring of 2024
- 2023-24 Revenue Actuals will be confirmed in the Summer of 2024



# Tax Revenue: Actual and Assumptions

FY 2021 Property Taxes	28,485,396	District remains Basic Aid 1.03% Growth over 2020-21- Actual
FY 2122 Property Taxes	28,778,973	District remains Basic Aid 7.149% Growth over 2021-22 - Actual
FY 2223 Property Taxes	30,836,344	District flips to NON BASIC AID- \$0 Taxes:ERAF 4.3% Growth over 2022-23 - P1
FY 2324 Property Taxes	32,165,581	District flips back to Basic Aid
<b>Tax Growth</b>	<b>0.02</b>	<b>Projected Annual Tax Growth</b>
FY 2425 Property Taxes	32,808,893	District remains Basic Aid
<b>Tax Growth</b>	<b>0.02</b>	<b>Projected Annual Tax Growth</b>
FY 2526 Property Taxes	33,465,071	District remains Basic Aid
<b>Tax Growth</b>	<b>0.02</b>	<b>Projected Annual Tax Growth</b>
FY 2627 Property Taxes	34,134,372	District remains Basic Aid
<b>Tax Growth</b>	<b>0.02</b>	<b>Projected Annual Tax Growth</b>
FY 2728 Property Taxes	34,817,059	District remains Basic Aid



# 2023-24 First Interim: FCMAT Calculator

Cabrillo Unified (68890) - 23/24 1st Interim with 2% annual tax growth & \$3.8M supplemental taxes for FY 23/24	11/15/2023				
	2023-24	2024-25	2025-26	2026-27	2027-28
Economic Recovery Target	-	-	-	-	-
Additional State Aid	1,021,371	1,021,371	1,021,371	1,021,371	1,021,371
<b>Total LCFF Entitlement</b>	<b>34,343,685</b>	<b>32,604,871</b>	<b>32,289,543</b>	<b>32,218,417</b>	<b>32,336,405</b>
LCFF Entitlement Per ADA	\$ 12,683	\$ 12,849	\$ 13,289	\$ 13,711	\$ 14,138
<b>Components of LCFF By Object Code</b>					
<b>State Aid (Object Code 8011)</b>	\$ 1,021,371	\$ 1,021,371	\$ 1,021,371	\$ 1,021,371	\$ 1,021,371
EPA (for LCFF Calculation - Resource 1400 / Object Code 8012)	\$ 541,558	\$ 507,492	\$ 485,976	\$ 469,962	\$ 457,434
<i>Local Revenue Sources:</i>					
Property Taxes (Object 8021 to 8089)	\$ 36,041,950	\$ 32,808,893	\$ 33,465,071	\$ 34,134,372	\$ 34,817,059
In-Lieu of Property Taxes (Object Code 8096)	-	-	-	-	-
<i>Property Taxes net of In-Lieu</i>	\$ 36,041,950	\$ 32,808,893	\$ 33,465,071	\$ 34,134,372	\$ 34,817,059
<b>TOTAL FUNDING</b>	<b>37,604,879</b>	<b>34,337,756</b>	<b>34,972,418</b>	<b>35,625,705</b>	<b>36,295,864</b>
<b>Basic Aid Status</b>	<i>Basic Aid</i>	<i>Basic Aid</i>	<i>Basic Aid</i>	<i>Basic Aid</i>	<i>Basic Aid</i>
Excess Taxes	\$ 2,719,636	\$ 1,225,393	\$ 2,196,899	\$ 2,937,326	\$ 3,502,025
EPA in Excess to LCFF Funding	\$ 541,558	\$ 507,492	\$ 485,976	\$ 469,962	\$ 457,434
<b>Total LCFF Entitlement</b>	<b>34,343,685</b>	<b>32,604,871</b>	<b>32,289,543</b>	<b>32,218,417</b>	<b>32,336,405</b>





**2023-24 First Interim: Cabrillo USD Budget Summary and Multi-Year-Projections**

	2023-24: Basic Aid			2024-25: Basic Aid			2025-26: Basic Aid			2026-27: Basic Aid		
	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED
LCFF	37,604,879	2,357,848	39,962,727	34,337,756	2,357,848	36,695,604	34,972,418	2,357,848	37,330,266	35,625,705	2,357,848	37,983,553
Federal Revenue	4,785	1,691,387	1,696,172	4,785	1,216,711	1,221,496	4,785	1,216,711	1,221,496	4,785	1,216,711	1,221,496
State Revenue	551,000	5,340,825	5,891,825	551,000	5,031,665	5,582,665	551,000	4,851,168	5,402,168	551,000	4,851,168	5,402,168
Local Revenue	228,875	2,814,319	3,043,194	228,875	2,577,681	2,806,556	228,875	2,577,681	2,806,556	228,875	2,577,681	2,806,556
Total Revenues	38,389,539	12,204,379	50,593,918	35,122,416	11,183,905	46,306,321	35,757,078	11,003,408	46,760,486	36,410,365	11,003,408	47,413,773
Certificated Salaries	12,726,650	4,215,513	16,942,163	12,660,473	3,987,843	16,648,316	12,892,166	3,818,071	16,710,237	13,133,995	3,666,066	16,800,061
Classified Salaries	3,695,153	4,030,805	7,725,958	3,698,556	3,980,170	7,678,726	3,772,527	3,946,990	7,719,517	3,847,978	4,025,930	7,873,908
Benefits	6,211,335	5,824,448	12,035,783	7,016,675	5,302,341	12,319,016	7,173,899	5,219,167	12,393,066	7,330,609	5,217,127	12,547,736
Supplies	608,980	1,462,386	2,071,366	608,149	1,121,327	1,729,476	608,149	1,006,949	1,615,098	608,149	1,006,949	1,615,098
Services	3,355,603	3,362,680	6,718,283	3,355,603	3,137,124	6,492,727	3,355,603	3,060,624	6,416,227	3,355,603	3,060,184	6,415,787
Capital Outlay	0	191,086	191,086	0	5,653	5,653	0	5,653	5,653	0	5,653	5,653
Other Outgo/Indirect	70,312	224,114	294,426	(11,348)	220,874	209,526	(11,348)	220,874	209,526	(11,348)	220,874	209,526
Total Expenses	26,668,033	19,311,032	45,979,065	27,328,108	17,755,332	45,083,440	27,790,996	17,278,328	45,069,324	28,264,986	17,202,783	45,467,769
Surplus/(Deficit)	11,721,506	(7,106,653)	4,614,853	7,794,308	(6,571,427)	1,222,881	7,966,082	(6,274,920)	1,691,162	8,145,379	(6,199,375)	1,946,004
Transfer in (891X)	0	0	0	0	0	0	0	0	0	0	0	0
Transfer out (761X)	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000
Contribution	(7,415,220)	7,415,220	0	(7,582,309)	7,582,309	0	(7,736,016)	7,736,016	0	(7,974,281)	7,974,281	0
Other In / Out	(7,615,220)	7,415,220	(200,000)	(7,782,309)	7,582,309	(200,000)	(7,936,016)	7,736,016	(200,000)	(8,174,281)	7,974,281	(200,000)
Total Surplus/(Deficit)	4,106,286	308,567	4,414,853	11,999	1,010,882	1,022,881	30,066	1,461,096	1,491,162	(28,902)	1,774,906	1,746,004
9791	533,301	4,858,583	5,391,884	4,639,587	5,167,150	9,806,737	4,651,586	6,178,031	10,829,617	4,681,652	7,639,127	12,320,779
9793			0			0			0			0
9795												
Beginning Balance	533,301	4,858,583	5,391,884	4,639,587	5,167,150	9,806,737	4,651,586	6,178,031	10,829,617	4,681,652	7,639,127	12,320,779
Ending Balance	4,639,587	5,167,150	9,806,737	4,651,586	6,178,031	10,829,617	4,681,652	7,639,127	12,320,779	4,652,750	9,414,033	14,066,783
Revolving Cash, Stores & Prepa	45,000		45,000	45,000		45,000	45,000		45,000	45,000		45,000
Restricted Programs		5,167,150	5,167,150		6,178,031	6,178,031		7,639,127	7,639,127		9,414,033	9,414,033
3% REU (9789)	1,385,372	0	1,385,372	1,358,504	0	1,358,504	1,358,080	0	1,358,080	1,370,034	0	1,370,034
UNASSIGNED (9790)	3,209,215	0	3,209,215	3,248,082	0	3,248,082	3,278,572	0	3,278,572	3,237,716	0	3,237,716

# CUSD Risk Factors and Next Steps

Due to the incorporation into the assumptions of the CUSD 2023-24 First Interim MYP of:

- > One-time \$3.8M Supplemental Taxes (LCFF Basic Aid), and
- > 2023-24 expected tax revenue increase to 4.3%

At First Interim, the CUSD MYP reflects positive end balances. However, CUSD must take into consideration the following:

This MYP was built assuming full implementation of the reductions and savings approved in the Fiscal Stabilization Plan which includes further identification of FTE reductions to rightsize services to the number of students in our schools



# CUSD Risk Factors and Next Steps (Cont.)

Additionally, This MYP also includes paying positions paid from grants that will expire in the upcoming years. Thus:

- > CUSD must continue identifying reductions and savings for 2024-25 and 2025-26 (as per the Fiscal Stabilization Plan, and
- > Build healthy reserves to weather future fiscal uncertainties.

Note: The current **Monthly CUSD Payroll Cost** including regular payroll and supplemental **is around \$2.4 Million.**



# CUSD Risk Factors and Next Steps (Cont.)

To inform the CUSD Governing Board decisions, the chart below provides information regarding the cost of one-percent (1%) at 2023-24 First Interim:

<b>Cost of One Percent - 1% Salary Increase</b>			
	<b>CERTIFICATED</b>	<b>CLASSIFIED</b>	<b>MANAGEMENT</b>
<b>SALARY</b>	\$ 144,328.74	\$ 72,192.43	\$ 33,141.14
<b>BENEFITS</b>	\$ 47,471.65	\$ 26,708.85	\$ 9,292.14
<b>Total</b>	\$ 191,800.39	\$ 98,901.28	\$ 42,433.28
<b>GRAND TOTAL 1%</b>		<b>\$ 333,134.95</b>	



# CUSD Risk Factors and Next Steps (Cont.)

To ensure Fiscal Stability, CUSD is focusing its priorities as expressed in its Fiscal Stabilization Plan follows:

- 1) Deficit Spending
- 2) Compensation, and
- 3) Program Enhancement

The following slides depict MYP scenarios for compensation:



# CUSD MYP and 1% Compensation

## UNRESTRICTED GENERAL FUND

### MULTI-YEAR PROJECTION

	2023-24 First Interim Budget	2024-25 Projected Budget	2025-26 Projected Budget
<b>1% Salary Increase</b>	333,135	333,135	333,135
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	3,773,151	(490,936)	(472,869)
<b>Unappropriated Fund Balance</b>	2,866,085	2,402,018	1,929,572



# CUSD MYP and 2% Compensation

<b>MULTI-YEAR PROJECTION</b>				
	2023-24 First Interim Budget	2024-25 Projected Budget	2025-26 Projected Budget	
Direct Support/Market Costs	1,000,000	(100,000)	(100,000)	(100,000)
<b>2% Salary Increase</b>	<b>666,270</b>	<b>666,270</b>	<b>666,270</b>	
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>3,440,016</b>	<b>(824,071)</b>	<b>(806,004)</b>	
<b>Unappropriated Fund Balance</b>	<b>2,522,956</b>	<b>1,725,754</b>	<b>920,173</b>	



# CUSD MYP and 3% Compensation

## UNRESTRICTED GENERAL FUND

<b>MULTI-YEAR PROJECTION</b>			
	2023-24 First Interim Budget	2024-25 Projected Budget	2025-26 Projected Budget
<b>3% Salary Increase</b>	999,405	999,405	999,405
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	3,106,881	(1,157,206)	(1,139,139)
<b>Unappropriated Fund Balance</b>	2,179,827	1,049,490	(89,226)





The 2023-24 First Interim Financial Report reflects the Fiscal Stabilization Plan savings and reductions, the updated potential Tax Revenue (P1), and the potential challenges CUSD faces to meet its fiscal obligations.

Deficit spending, declining enrollment, and flipping LCFF/Basic Aid status continue to affect the CUSD fiscal status.

**Due to the risks and uncertainties CUSD faces, Staff requests Board certification of the CUSD 2023-24 First Interim Financial Report as Qualified.**



# Questions?

*Thank you!*



**CUSD**

CABRILLO UNIFIED SCHOOL DISTRICT  
*Every Student. Every Day!*