



SUHSD
Sequoia Union High School District

480 James Street
Redwood City, CA 94062

2023-2024 First Interim Report

December 13, 2023

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Sequoia Union High School District
Executive Budget Summary
2023- 24 First Interim Budget Update

This is SUHSD’s First Interim Executive Budget Summary Report. California Ed. Code requires all California public school districts to submit an adopted budget by June for the following fiscal year which starts on July 1. School Districts are required to submit interim financial reports to their County Offices of Education twice a year. The first interim update reflects the status of the District finances as of October 31 and the second interim budget update will reflect finances as of January 31. The Governing Board must vote to approve the report and certify that the District will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

The report is divided into the following sections:

- I. **Final State Budget**
- II. **General Fund Operating Budget.** This section outlines all of the changes since budget adoption on June 21, 2023.
- III. **General Fund Multi-Year Projections.** The two-year financial model is the focal point of prudent budget decision making. Having a full understanding of the long-term implications of decision-making is a prerequisite to sound financial management. The model shows the assumptions used. These assumptions will change over time, and this model will be updated regularly.
- IV. **Other Funds.** Student Activity Special Reserve, Charter School Fund, Adult Education, Cafeteria Special Revenue, Deferred Maintenance, Retiree Benefit, Building, Capital Facilities, County School Facilities and Special Reserve for Capital Outlays.

Illustrated below is a summary of the final State budget and budget guidelines as provided by California Association of School Business Officials, County Office of Education and School Services of California. The proposed budget report also contains financial summaries, multi-year projections and detailed financial state reports relating to the projected financial activity for 2023-24 through 2025-26 specific to the Sequoia Union High School District.

The major K-12 funding provisions included in the 2023-24 state budget:

- Provides the statutory 8.22% Local Control Funding Formula (LCFF) cost-of-living adjustment (COLA). The 8.22% applies to Special Education, Mandated Cost Block grant, categorical programs and Child Nutrition. **Impact was included in the budget but adjusted by ADA.**
- Creates the “LCFF Equity Multiplier” for LEAs with school sites that have prior-year nonstability rates of 25% and 70% of students who are socioeconomically disadvantaged. **CDE will certify these allocations at the First Principal Apportionment in February and at that time, the district will know if any of our schools are eligible.**

- Reduces the Arts, Music, and Instructional Materials Discretionary Block Grant from \$3.6 billion to \$3.4 billion. **The district revised allocation increased from \$4,998,516 to \$5,107,009, additional \$108,493.**
- Reduces the Learning Recovery Emergency Block Grant funds by \$1.6 billion and includes intent language to restore \$378.6 million from the 2025-26 fiscal year to the 2027-28 fiscal year. **The district revised allocation increased from \$5,406,744 to \$5,412,184, additional \$5,440.**
- Prop 28 Funds – Arts Education Programs –**Impact is not included in the budget. CDE will certify these allocations at the First Principal Apportionment in February and at that time, the district will have an estimate.**

II. General Fund Operating Budget

General Planning Factors:

Illustrated below are the latest factors that the district is expected to utilize as planning factors:

<i>Planning Factor</i>	2023-24	1st Interim	2024-25	2025-26
Enrollment	8,512	8,555	8,555	8,555
Funded ADA (based on 3 year rolling average)	7,996.85	8,067.95	7,869.71	7,816.11
Enrollment- EPAA	304	287	287	287
Funded ADA	262.23	247.57	247.57	247.57
Local Control Funding Formula COLA	8.22%	8.22%	3.94%	3.29%
STRS Employer Rates	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates	26.68%	26.68%	27.70%	28.30%
SUI Employer Rates	0.05%	0.05%	0.05%	0.05%
Lottery – Unrestricted/Restricted	\$170/\$67	\$177/\$72	\$177/\$72	\$177/\$72
Mandate Block Grant for Districts: 9-12 per ADA	\$72.84	\$72.84	\$75.71	\$78.20
Property Tax	5%	5%	5%	5%
Certificated Step and Column	1.50%	1.50%	1.50%	1.50%
Classified Step and Column	1%	1%	1%	1%
Health and Welfare Increase	5%	5%	5%	5%
Consumer Price Index	3.44%	3.55%	3.03%	2.64%
<i>Board approved salary increases are not included in 1st interim budget, however funds are assigned.</i>				

Various aspects of the planning factors illustrated above will be further discussed below with the District’s specific revenue and expenditure assumptions.

The chart below shows our property tax projection for the current year and three subsequent years. **Per the November property taxes estimates, overall taxes increased by \$614K from adopted budget.**

Description	2022-23 Actuals	2023-24 Projection	2023-24 1st Interim	2024-25 Projection	2025-26 Projection
HOMEOWNERS' EXEMPTION	561,050.00	561,050.00	539,724.00	539,724.00	539,724.00
TIMBER YIELD TAX	358.00	327.00	327.00	327.00	327.00
OTHR SUBVENT/IN-LIEU TAX	2,873.00	2,351.00	2,351.00	2,351.00	2,351.00
SECURED ROLLS TAX	173,298,076.00	183,135,367.00	182,735,421.00	192,785,869.00	203,389,092.00
UNSECURED ROLL TAXES	5,765,841.00	5,372,088.00	5,796,578.00	5,796,578.00	5,796,578.00
PRIOR YEARS' TAXES	169,088.00	185,341.00	51,888.00	51,888.00	51,888.00
COMM REDEVLPMNT FUNDS	9,149,442.00	8,972,817.00	9,717,416.00	9,717,416.00	9,717,416.00
TOTAL	188,946,728.00	198,229,341.00	198,843,705.00	208,894,153.00	219,497,376.00
Dollar Change Year to Year	17,027,640.00	9,282,613.00	9,896,977.00	10,664,812.00	10,603,223.00
Percentage Change Year to Year	10%	5%	5%	5%	5%

The chart below shows our in lieu property tax transfers to Charter Schools for the current year and three subsequent years. **At 1st interim, EPAA property tax transfer is projected to decrease due to actual enrollment was lower than budget adoption. However, any shortfall will be a transfer from the unrestricted general fund.**

Charter School	2022-23 Actuals	2023-24 Projection	2023-24 1st Interim	2024-25 Projection	2025-26 Projection
SUMMIT: DENALI & OPPORTUNITY YOUTH	(52,875)	(9,122)	(9,122)	(9,482)	(9,793)
SUMMIT CHARTER HIGH SCHOOL	(3,926,022)	(4,291,522)	(4,291,522)	(4,460,718)	(4,607,285)
EVEREST PUBLIC HIGH SCHOOL	(2,907,508)	(4,048,680)	(4,048,680)	(4,444,061)	(4,590,081)
EAST PALO ALTO ACADEMY	(3,136,006)	(3,232,509)	(3,051,795)	(3,172,114)	(3,276,341)
DESIGN TECH	(2,550,445)	(2,730,307)	(2,730,307)	(2,837,951)	(2,931,199)
OXFORD	(954,560)	(1,072,202)	(1,072,202)	(1,114,475)	(1,151,093)
KIPP ESPERANZA CHARTER	(2,243,474)	(3,056,973)	(3,056,973)	(3,484,495)	(3,978,670)
TOTAL	(15,770,890)	(18,441,315)	(18,260,601)	(19,523,296)	(20,544,462)
Dollar Change Year to Year	(1,315,662)	(2,670,425)	(2,489,711)	(1,262,695)	(1,021,166)
Percentage Change Year to Year	9%	17%	16%	7%	5%

The chart below shows our redevelopment funds not subject to LCFF deduction.

Description	2022-23 Actuals	2023-24 Projection	2023-24 1st Interim	2024-25 Projection	2025-26 Projection
COMMUNITY REDEVELOPMENT FUNDS NOT SUBJECT TO LCFF DEDUCTION	5,124,665.72	5,817,705.00	4,722,673.00	4,722,673.00	4,722,673.00
TOTAL	5,124,665.72	5,817,705.00	4,722,673.00	4,722,673.00	4,722,673.00

Per the California School Accounting Manual and FCMAT, community redevelopment funds not subject to the LCFF deduction pursuant to *Education Code* Section 2575(c), 42238.02(j)(6), or 42238.03(c)(6), including amounts received pursuant to *Health and Safety Code* Section 33401 or Section 33676 must be used for land, facility construction, reconstruction or remodeling, or deferred maintenance. **Funds are transferred to Deferred Maintenance Fund and Special Reserve for Capital Outlays Fund.**

Carryover Balances

The changes presented at First Interim include adding expenditure carryover for site and restricted programs. When the books are closed for the prior year, balances remaining in certain programs are eligible to be designated as restricted or deferred, and are carried over into the following year when they are introduced into the First Interim budget. Therefore, approximately \$2.1 million in general fund is spending the funds carried over from 2022-23.

Attachment A is the General Fund Budget for 2023-24

SEQUOIA UNION HIGH SCHOOL DISTRICT

2023-24 First Interim Budget

Comparison of the 2023-24 Adopted Budget to the 2023-24 First Interim Budget

Description	2023-24 Adopted Budget			2023-24 First Interim			Variance		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
General Purpose Revenue	184,956,132	7,590,760	192,546,892	185,758,586	7,590,760	193,349,346	802,454 (A)	- (A)	802,454
Federal Revenue	4,180	3,109,614	3,113,794	4,180	3,715,457	3,719,637	-	605,843 (B)	605,843
State Revenue	4,786,950	12,343,982	17,130,932	4,813,651	12,427,637	17,241,288	26,701 (C)	83,655 (C)	110,356
Local Revenue	2,311,537	13,758,111	16,069,648	3,055,084	13,957,990	17,013,074	743,547 (D)	199,879 (D)	943,426
Total Revenues	192,058,799	36,802,467	228,861,266	193,631,501	37,691,844	231,323,345	1,572,702	889,377	2,462,079
EXPENDITURES									
Certificated Salaries	67,215,629	19,029,480	86,245,109	67,737,430	18,408,990	86,146,420	521,801 (E)	(620,490) (E)	(98,689)
Classified Salaries	22,030,919	12,355,079	34,385,998	21,802,912	12,366,543	34,169,455	(228,007) (E)	11,464 (E)	(216,543)
Benefits	41,019,854	21,952,769	62,972,623	41,145,134	21,842,511	62,987,645	125,280 (F)	(110,258) (F)	15,022
Books and Supplies	4,426,022	4,007,617	8,433,639	5,066,869	5,839,951	10,906,820	640,847 (G)	1,832,334 (G)	2,473,181
Other Services & Oper.	16,934,512	10,567,106	27,501,618	15,702,249	14,796,047	30,498,296	(1,232,263) (H)	4,228,941 (H)	2,996,678
Capital Outlay	565,398	397,481	962,879	722,156	397,481	1,119,637	156,758	- (I)	156,758
Other Outgo 7xxx	681,444	727,290	1,408,734	620,116	799,798	1,419,914	(61,328)	72,508 (J)	11,180
Transfer of Indirect 73xx	(208,371)	185,221	(23,150)	(264,103)	241,867	(22,236)	(55,732) (K)	56,646 (K)	914
Total Expenditures	152,665,407	69,222,043	221,887,450	152,532,763	74,693,188	227,225,951	(132,644)	5,471,145	5,338,501
Excess / (Deficiency)	39,393,392	(32,419,576)	6,973,816	41,098,738	(37,001,344)	4,097,394	1,705,346	(4,581,768)	(2,876,422)
OTHER SOURCES/USES									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(1,183,326)	(800,000)	(1,983,326)	(1,250,253)	(4,722,673)	(5,972,926)	(66,927) (L)	(3,922,673) (L)	(3,989,600)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted	(39,187,273)	39,187,273	-	(39,504,302)	39,504,302	-	(317,029) (M)	317,029 (M)	-
Total Financing Sources/Uses	(40,370,599)	38,387,273	(1,983,326)	(40,754,555)	34,781,629	(5,972,926)	(383,956)	(3,605,644)	(3,989,600)
Net Increase (Decrease)	(977,207)	5,967,697	4,990,490	344,183	(2,219,715)	(1,875,532)	1,321,390	(8,187,412)	(6,866,022)
FUND BALANCE, RESERVES									
Beginning Balance	40,065,180	19,838,669	59,903,849	40,065,180	19,838,669	59,903,849	-	-	-
Audit Adjustment	-	-	-	-	-	-	-	-	-
Ending Balance	39,087,973	25,806,366	64,894,339	40,409,363	17,618,954	58,028,317	1,321,390	(8,187,412)	(6,866,022)
Nonspendable	422,500	-	422,500	422,500	-	422,500	-	-	-
Restricted	-	25,806,366	25,806,366	-	17,618,954	17,618,954	-	(8,187,412)	(8,187,412)
Assigned	19,401,580	-	19,401,580	21,330,952	-	21,330,952	1,929,372	-	1,929,372
Unassigned - REU	17,909,663	-	17,909,663	18,655,911	-	18,655,911	746,248	-	746,248
Unassigned - Other	1,354,230	-	1,354,230	(0)	-	(0)	(1,354,230)	-	(1,354,230)
Total - Fund Balance	39,087,973	25,806,366	64,894,339	40,409,363	17,618,954	58,028,317	1,321,390	(8,187,412)	(6,866,022)

8.00%

Notes:

- (A) The increase to the LCFF sources is a \$614K increase in PPY taxes, \$181K reduction in property tax transfers to charters schools experiencing declining enrollment and \$7K increase in state aid.
- (B) \$417K unused or deferred COVID funds from FY 2022-23 included and estimated \$188K increase in entitlements in Title funds, Sped Ed IDEA and Voc Ed
- (C) Prior year lottery funds of \$142K is included, Mandated Cost decreased \$1K, transportation funds decreased \$42K base on 2022-23 actual expenditures and includes \$22K of prior year testing apportionments
- (D) \$260K increase in interest income, \$485K from E-Rate reimbursement and \$200K from local foundation, rentals and leases, and donations.
- (E) The net change in salaries is adjusting the budget to reflect actual staffing. Unfilled vacancies are filled by contracts/agencies.
- (F) The net change in benefits is due to adjusting health benefits based on estimated participation and adjusting salaries as noted above.
- (G) The net increase in supplies is due to budgeting site carryover of \$2.1M and additional one time expenditures from local donations/grants.
- (H) The net increase in services is due to \$1.5M increase in SPED services/settlements, \$552K from one time local donations/grants and \$944K from spending down COVID funds (Ed Effectiveness, Learning Recovery Emergency Block Funds)
- (I) Capital Outlay increase due to one time purchases to replace site copiers, pallet jack, and IT access points
- (J) The increase in services provided by County of Education (Gateway Program) and other districts (DHH Specialists and Alternative Program for work experience)
- (K) The change in indirect costs is due to estimated restricted activity
- (L) The increase is due to the \$3.9M Redevelopment transfer to Capital Funds and additional \$67K support to EPAA
- (M) The increase in contributions from the unrestricted General Fund is primarily due to increase in local funds (reduction in foundation donation).

Fund Balance

The projected total General Fund ending balance at June 30, 2024 is \$40,409,363. The total available reserves are \$18,655,911 or 8% of the total General Fund Expenditures, Transfers Out and Uses.

The following are the components of projected fund balance for the current year:

Description	2023-24 Proposed Budget			2023-24 1st Interim		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
NONSPENDABLE						
Revolving Cash	7,500		7,500	7,500		7,500
Stores	415,000		415,000	415,000		415,000
TOTAL - NONSPENDABLE	422,500	-	422,500	422,500	-	422,500
RESTRICTED						
SPED-Idea Grant		5	5		5	5
Educator Effectiveness		2,310,626	2,310,626		1,535,632	1,535,632
Restricted Lottery		468,803	468,803		561,878	561,878
Art, Music, Instl Mtl Block Grant		4,998,516	4,998,516		4,320,883	4,320,883
Child Nutrition: Kitchen Infrastructure		382,481	382,481			
Classified Prof. Dev. B/G		21,061	21,061		21,061	21,061
A-G Access/Success Grant		176,548	176,548		174,421	174,421
Expanded Learning Opportunities Grant		483,468	483,468		301,282	301,282
Learning Recovery Emerg Block Grant		5,406,744	5,406,744		4,231,505	4,231,505
Other State-Ethnic Studies		223,527	223,527		91,527	91,527
Restricted Maintenance		1,425,225	1,425,225		2,266,505	2,266,505
Other Local Programs		9,909,361	9,909,361		4,114,254	4,114,254
TOTAL - RESTRICTED		25,806,365	25,806,365		17,618,954	17,618,954
ASSIGNED						
Vacation Liability	1,076,962		1,076,962	1,076,962		1,076,962
Technology Refresh/Infrastructure	1,000,000		1,000,000			-
Supplemental Carryover	-		-			-
Basic Aid Uncertainty-Genentech Settlement	1,000,000		1,000,000	1,000,000		1,000,000
Economy Uncertainty/Inflation	1,000,000		1,000,000	1,000,000		1,000,000
Student Support	2,000,000		2,000,000	2,000,000		2,000,000
Benefit	1,000,000		1,000,000	1,000,000		1,000,000
Positions funded from one time funds	3,000,000		3,000,000			-
Charter School & CNS Support				1,000,000		1,000,000
Equipment	500,000		500,000	711,408		711,408
Special Ed Settlements	2,000,000		2,000,000	2,000,000		2,000,000
Invest in our workforce-2023-24 settlement	6,824,618		6,824,618	11,542,582		11,542,582
TOTAL - ASSIGNED	19,401,580	-	19,401,580	21,330,952	-	21,330,952
UNASSIGNED						
Economic Uncertainty (REU-8%)	17,909,663		17,909,663	18,655,911		18,655,911
Unallocated	1,354,230		1,354,230	(0)		(0)
TOTAL - UNASSIGNED	19,263,893	-	19,263,893	18,655,911	-	18,655,911
TOTAL - FUND BALANCE	39,087,973	25,806,365	64,894,338	40,409,363	17,618,954	58,028,317

Routine Restricted Maintenance Account (RRMA):

Per Education Code Section 17070.75, school districts are required to deposit into the account a minimum amount equal to or greater than three percent (3%) of the total General Fund expenditures and other financing uses for that fiscal year. Illustrated below are the primary compliance components:

- The 3% contribution is calculated on total General Fund expenditures, including other financing uses (i.e. transfers out, debt issuances relating to the General Fund)
- Based on the enacted bills from 2019-20 through 2021-22, total general fund expenditures for RRMA purposes do not include STRS on-behalf (Resource 7690) expenditures and one-time funding sources addressing the pandemic challenges (Resources 3210, 3212, 3213, 3214, 3215, 3216, 3218, 3219, 5316 and 7027)
- The final 3% contribution is based on year-end actual data; therefore, while it is developed based on budget, it must be trued up using actual expenditures
- The actual contribution will be audited as part of the School Facility Program Bond Audit

III. Multi Year Projection

Revenue Assumptions:

The changes to the general purpose revenue is the increase in property taxes as noted in the planning factors table.

Federal, state and local revenues are projected to remain flat. Local grants and donations are not included in 2024-25 and 2025-26. When received, these revenues with corresponding expenditures will be included in the budget.

Expenditure Assumptions:

Certificated and classified step and column costs are expected to increase by 1.50% and 1%, respectively each year. Board approved salary increases are not included in the budget, however funds are assigned.

Supplies and operating expenditures are projected to increase by the consumer price index. Carryover is not included in 2024-25 and 2025-26.

Transfers out are projected to decrease. The increase of contributions to restricted programs in the subsequent years is merely due to budgeting for restricted step and column increases, benefits and pension rate increases.

Attachment B is the General Fund multi-year projections for subsequent years.

SEQUOIA UNION HIGH SCHOOL DISTRICT
2023-24 First Interim Budget
Multi-Year Financial Projection

Description	2023-24 Projected Budget			2024-25 Projected Budget			2025-26 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
General Purpose Revenue (A)	185,758,586	7,590,760	193,349,346	194,506,691	7,590,760	202,097,451	204,078,028	7,590,760	211,668,788
Federal Revenue (B)	4,180	3,715,457	3,719,637	4,180	3,401,694	3,405,874	4,180	3,401,694	3,405,874
State Revenue (B)	4,813,651	12,427,637	17,241,288	4,768,412	12,075,716	16,844,128	4,768,412	12,075,716	16,844,128
Local Revenue (C)	3,055,084	13,957,990	17,013,074	2,570,682	11,669,761	14,240,443	2,570,682	11,669,761	14,240,443
TOTAL REVENUES	193,631,501	37,691,844	231,323,345	201,849,965	34,737,931	236,587,896	211,421,302	34,737,931	246,159,233
EXPENDITURES									
Certificated Salaries (D)	67,737,430	18,408,990	86,146,420	68,743,491	18,402,455	87,145,946	69,774,643	18,561,994	88,336,637
Classified Salaries (D)	21,802,912	12,366,543	34,169,455	21,913,805	11,950,552	33,864,357	22,132,943	12,070,058	34,203,001
Benefits (E)	41,145,134	21,842,511	62,987,645	42,140,944	21,872,864	64,013,808	43,112,459	22,176,571	65,289,030
Books and Supplies (F)	5,066,869	5,839,951	10,906,820	4,509,773	3,962,354	8,472,127	4,628,831	3,962,354	8,591,185
Other Services & Oper. Exp (G)	15,702,249	14,796,047	30,498,296	15,830,513	14,638,797	30,469,310	16,248,439	14,622,281	30,870,720
Capital Outlay (H)	722,156	397,481	1,119,637	-	15,000	15,000	-	15,000	15,000
Other Outgo (I)	620,116	799,798	1,419,914	620,116	799,798	1,419,914	620,116	799,798	1,419,914
Transfer of Indirect Costs	(264,103)	241,867	(22,236)	(246,125)	241,867	(4,258)	(236,643)	232,385	(4,258)
TOTAL EXPENDITURES	152,532,763	74,693,188	227,225,951	153,512,517	71,883,687	225,396,204	156,280,788	72,440,441	228,721,229
EXCESS / (DEFICIENCY)	41,098,738	(37,001,344)	4,097,394	48,337,448	(37,145,756)	11,191,692	55,140,514	(37,702,510)	17,438,004
OTHER SOURCES/USES									
Transfers In (J)	-	-	-	-	-	-	-	-	-
Transfers Out (K)	(1,250,253)	(4,722,673)	(5,972,926)	(968,174)	(4,722,673)	(5,690,847)	(791,689)	(4,722,673)	(5,514,362)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted (L)	(39,504,302)	39,504,302	-	(39,929,788)	39,929,788	-	(40,667,447)	40,667,447	-
TOTAL OTHER SOURCES / USES	(40,754,555)	34,781,629	(5,972,926)	(40,897,962)	35,207,115	(5,690,847)	(41,459,136)	35,944,774	(5,514,362)
Net Increase (Decrease)	344,183	(2,219,715)	(1,875,532)	7,439,486	(1,938,641)	5,500,845	13,681,378	(1,757,736)	11,923,642
FUND BALANCE, RESERVES									
Estimated Beginning Balance	40,065,180	19,838,669	59,903,849	40,409,363	17,618,954	58,028,317	47,848,849	15,680,313	63,529,162
Estimated Ending Balance	40,409,363	17,618,954	58,028,317	47,848,849	15,680,313	63,529,162	61,530,227	13,922,577	75,452,804
Nonspendable	422,500	-	422,500	422,500	-	422,500	422,500	-	422,500
Restricted	-	17,618,954	17,618,954	-	15,680,313	15,680,313	-	13,922,577	13,922,577
Assigned	21,330,952	-	21,330,952	21,378,024	-	21,378,024	21,330,952	-	21,330,952
Unassigned - REU @ 8%	18,655,911	-	18,655,911	18,486,965	-	18,486,965	18,738,848	-	18,738,848
Unassigned - Other	(0)	-	(0)	7,561,360	-	7,561,360	21,037,927	-	21,037,927
Total - Est. Fund Balance	40,409,363	17,618,954	58,028,317	47,848,849	15,680,313	63,529,162	61,530,227	13,922,577	75,452,804

Fund Balance Reserve Percentage

8.00%

11.27%

16.98%

Estimated Ending Fund Balances:

During 2024-25, the District estimates that the General Fund projects a total operating surplus of \$7.4 million resulting in an unrestricted ending General Fund balance of approximately \$48 million.

During 2025-26, the District estimates that the General Fund projects a total operating surplus of \$14 million resulting in an unrestricted ending General Fund balance of \$61.5 million.

The following are the components of projected fund balance for 2024-25 and 2025-26

Description	2024-25			2025-26		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
NONSPENDABLE						
Revolving Cash	7,500		7,500	7,500		7,500
Stores	415,000		415,000	415,000		415,000
TOTAL - NONSPENDABLE	422,500	-	422,500	422,500	-	422,500
RESTRICTED						
SPED-Idea Grant		5	5		5	5
Educator Effectiveness		760,638	760,638		-	-
Restricted Lottery		561,878	561,878		561,878	561,878
Art, Music, Instl Mtl Block Grant		3,534,757	3,534,757		2,748,631	2,748,631
Child Nutrition: Kitchen Infrastructure						
Classified Prof. Dev. B/G		21,061	21,061		21,061	21,061
A-G Access/Success Grant		7,872	7,872		7,872	7,872
Expanded Learning Opportunities Grant		301,282	301,282		301,282	301,282
Learning Recovery Emerg Block Grant		3,050,826	3,050,826		1,870,147	1,870,147
Other State-Ethnic Studies		91,527	91,527		91,527	91,527
Restricted Maintenance		3,109,979	3,109,979		3,953,453	3,953,453
Other Local Programs		4,240,487	4,240,487		4,366,720	4,366,720
TOTAL - RESTRICTED		15,680,313	15,680,313		13,922,577	13,922,577
ASSIGNED						
Vacation Liability	1,076,962		1,076,962	1,076,962		1,076,962
Technology Refresh/Infrastructure	-		-	-		-
Supplemental Carryover	-		-	-		-
Basic Aid Uncertainty-Genentech Settlement	1,000,000		1,000,000	1,000,000		1,000,000
Economy Uncertainty/Inflation	1,000,000		1,000,000	1,000,000		1,000,000
Student Support	2,000,000		2,000,000	2,000,000		2,000,000
Benefit	1,000,000		1,000,000	1,000,000		1,000,000
Positions funded from one time funds	-		-	-		-
Charter School & CNS Support	1,000,000		1,000,000	1,000,000		1,000,000
Equipment	711,408		711,408	711,408		711,408
Special Ed Settlements	2,000,000		2,000,000	2,000,000		2,000,000
Invest in our workforce-2023-24 settlement	11,589,654		11,589,654	11,542,582		11,542,582
TOTAL - ASSIGNED	21,378,024	-	21,378,024	21,330,952	-	21,330,952
UNASSIGNED						
Economic Uncertainty (REU-8%)	18,486,965		18,486,965	18,738,848		18,738,848
Unallocated	7,561,360		7,561,360	21,037,927		21,037,927
TOTAL - UNASSIGNED	26,048,325	-	26,048,325	39,776,775	-	39,776,775
TOTAL - FUND BALANCE	47,848,849	15,680,313	63,529,162	61,530,227	13,922,577	75,452,804

IV. Other Fund Summaries

Associated Student Body Fund (Fund 08): This fund holds the funds raised, and expenditures from the Associated Student Body.

Charter School Special Revenue Fund (Fund 09): is used to report the East Palo Alto Academy dependent charter as part of the SUHSD authorizing district but reported outside of the general fund.

Adult Education Fund (Fund 11): is used to account for federal, state and local revenues to operate Adult Education programs. Money in this fund shall be expended for adult education purposes.

Cafeteria Special Revenue (Fund 13): The District uses this account for revenues and expenditures relating to the Child Nutrition Programs such as Universal Meals, National School Lunch and Breakfast programs.

Deferred Maintenance Fund (Fund 14): The revenue sources for this fund consist of local district transfers and interest. The funds can be used for deferred maintenance projects.

Retiree Benefits (Fund 20): represents funds set aside for Other Post- Employment Benefits.

Building Fund (Fund 21): This fund separately accounts for proceeds from the sale of bonds. There is no current activity in this fund. This fund will record the revenue and expenditures resulting from the Measure W bond issuance of \$591 million, approved by the voters on November 8, 2022.

Capital Facilities Fund (Fund 25): The fund records the revenue and expenditures resulting from the collection of fees levied on residential and commercial development. Expenditures from this fund are limited to the expansion or improvement of sites due to enrollment growth.

County School Facilities Fund (Fund 35): This fund is established pursuant to Education Code Section 17070.43 to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants.

Special Reserve for Capital Outlay Projects (Fund 40): This fund provides for the accumulation of general fund monies for capital outlay purposes.

Attachment C is the financial summary of Other Funds.

SEQUOIA UNION HIGH SCHOOL DISTRICT

2023-24 First Interim Budget

Projected Financial Activity: Other Funds

Description	Student Activity Special Res Fund (08)	Charter School Special Revenue Fund (09)	Adult Education Fund (11)	Cafeteria Food Services Fund (13)	Deferred Maintenanc Fund (14)	Retiree Benefit Fund (20)	Building Fund (21)	Capital Facilities Fund (25)	County School Facilities Fund (35)	Special Reserve for Capital Outlays Fund (40)	Total
REVENUES											
General Purpose Revenues:											
State Aid & EPA	-	902,752	-	-	-	-	-	-	-	-	902,752
Property Taxes & Misc. Local	-	3,051,795	-	-	-	-	-	-	-	-	3,051,795
Total General Purpose	-	3,954,547	-	-	-	-	-	-	-	-	3,954,547
Federal Revenues	-	429,326	713,971	1,216,121	-	-	-	-	-	-	2,359,418
Other State Revenues	-	466,467	2,236,921	2,029,099	51,307	-	-	-	-	-	4,783,794
Other Local Revenues	3,064,085	841,963	50,425	461,000	-	1,700	-	2,728,702	1,600,000	371,995	9,119,870
TOTAL - REVENUES	3,064,085	5,692,303	3,001,317	3,706,220	51,307	1,700	-	2,728,702	1,600,000	371,995	20,217,629
EXPENDITURES											
Certificated Salaries	-	3,299,688	987,494.00	-	-	-	-	-	-	-	4,287,182
Classified Salaries	-	958,468	619,577.00	1,591,543	126,123.00	-	-	159,129	26,606	7,500.00	3,488,946
Employee Benefits (All)	-	2,214,258	706,818.00	777,651	57,783.00	-	-	63,224	18,930	1,288.00	3,839,952
Books & Supplies	1,164,600	63,353	491,939.00	1,503,005	341,100.00	-	-	4,700	200,500	385,000.00	4,154,197
Other Operating Expenses (Services)	1,673,365	199,063	162,269.00	148,203	2,586,100.00	-	-	166,820	24,063,100	172,300.00	29,171,220
Capital Outlay	-	-	-	-	-	-	-	-	191,400	121,700.00	313,100
Other Outgo	-	22,236	-	-	-	-	-	-	-	-	22,236
Direct Support/Indirect Costs	-	-	-	-	-	-	-	-	-	-	(22,236)
TOTAL - EXPENDITURES	2,837,965	6,757,066	2,968,097	4,020,402	3,111,106	-	-	393,873	24,500,536	687,788	45,254,597
EXCESS (DEFICIENCY)	226,120	(1,064,763)	33,220	(314,182)	(3,059,799)	1,700	-	2,334,829	(22,900,536)	(315,793)	(25,036,968)
OTHER SOURCES/USES											
Transfers In	-	782,198	25,939	442,116	2,361,336	-	-	-	-	2,361,337.00	5,972,926
Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
Contributions to Restricted Programs	-	-	-	-	-	-	-	-	-	-	-
TOTAL - OTHER SOURCES/USES	-	782,198	25,939	442,116	2,361,336	-	-	-	-	2,361,337	5,972,926
FUND BALANCE INCREASE (DECREASE)	226,120	(282,565)	59,159	127,934	(698,463)	1,700	-	2,334,829	(22,900,536)	2,045,544	(19,064,042)
FUND BALANCE											
Beginning Fund Balance	2,579,674	838,966	1,730,258	386,436	4,401,885	51,453	-	8,223,736	52,233,233	8,767,938	79,213,578
Ending Balance, June 30	2,805,794	556,401	1,789,417	514,370	3,703,422	53,153	-	10,558,565	29,332,697	10,813,482	60,149,536

Conclusion:

The projected budget and multi-year projections support that the District is projected to be able to meet its financial obligations for the current and subsequent two years.

It is recommended that the Sequoia Union High School District Board of Trustees approve the 2023-24 First Interim with a **positive** certification.