



SUHSD
Sequoia Union High School District

480 James Street
Redwood City, CA 94062

2023-2024 Second Interim Report

March 20, 2024

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

This is SUHSD’s Second 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 certified these allocations at the First Principal Apportionment in February 2024, and Redwood High School is eligible for LCFF Equity Multiplier for \$308,415. This has not been included in the 2nd Interim Budget.**

- Reduces the Arts, Music, and Instructional Materials Discretionary Block Grant from \$3.6 billion to \$3.4 billion.
- Reduces the Learning Recovery Emergency Block Grant (LREBG) 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 at 1st Interim.** Expenditures paid with LREBG will need to be evidence-based as defined in federal law, and planned expenditures must be based on a formal needs assessment that identifies the students most in need of learning recovery and target services towards those students.
- Prop 28 Funds – Arts Education Programs –**Impact is not included in the budget. CDE certified these allocations at the First Principal Apportionment in February and the district is estimated to receive \$1,115,794.**

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	2nd Interim	2024-25	2025-26
Enrollment	8,512	8,555	8,553	8,553	8,553
Funded ADA (based on 3 year rolling average)	7,996.85	8,067.95	8,061.49	7,941.01	7,941.01
Enrollment- EPAA	304	287	287	287	287
Funded ADA	262.23	247.57	241.00	241.00	241.00
Local Control Funding Formula COLA	8.22%	8.22%	8.22%	0.76%	2.73%
STRS Employer Rates	19.10%	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates	26.68%	26.68%	26.68%	27.80%	28.50%
SUI Employer Rates	0.05%	0.05%	0.05%	0.05%	0.05%
Lottery – Unrestricted/Restricted	\$170/\$67	\$177/\$72	177/72	\$177/\$72	\$177/\$72
Mandate Block Grant for Districts: 9-12 per ADA	\$72.84	\$72.84	\$72.84	\$73.39	\$75.39
Property Tax	5%	5%	5%	5%	5%
Certificated Step and Column	1.50%	1.50%	1.50%	1.50%	1.50%
Classified Step and Column	1%	1%	1%	1%	1%
Health and Welfare Increase	5%	5%	5%	5%	5%
Consumer Price Index	3.44%	3.55%	3.36%	2.83%	2.70%
<i>Board approved salary increases are included in the 2nd Interim Budget</i>					
School Services and San Mateo County Office of Education recommend using dashboard from the Governor' Proposed					

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.

Description	2022-23 Actuals	2023-24 Projection	2023-24 1st Interim	2023-24 2nd Interim	2024-25 Projection	2025-26 Projection
HOMEOWNERS' EXEMPTION	561,050.00	561,050.00	539,724.00	539,724.00	539,724.00	539,724.00
TIMBER YIELD TAX	358.00	327.00	327.00	327.00	327.00	327.00
OTHR SUBVENT/IN-LIEU TAX	2,873.00	2,351.00	2,351.00			
SECURED ROLLS TAX	173,298,076.00	183,135,367.00	182,735,421.00	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	5,796,578.00
PRIOR YEARS' TAXES	169,088.00	185,341.00	51,888.00	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	9,717,416.00
TOTAL	188,946,728.00	198,229,341.00	198,843,705.00	198,841,354.00	208,891,802.00	219,495,025.00
Dollar Change from adopted budget			614,364.00	612,013.00		
Dollar Change Year to Year	17,027,640.00	9,282,613.00	9,896,977.00	9,894,626.00	10,050,448.00	10,603,223.00
Percentage Change Year to Year	10%	5%	5%	5%	5%	5%

The chart below shows in-lieu of property taxes transfer to charter schools for the current year and two subsequent years. **At 2nd interim, charter schools property tax transfer are projected to decrease due to average daily attendance (ADA) being lower than 1st Interim. However, for EPAA, any shortfall will be a transfer from the Unrestricted General Fund.**

Charter School	2022-23 Actuals	2023-24 Projection	2023-24 2nd Interim	2024-25 Projection	2025-26 Projection
SUMMIT: DENALI & OPPORTUNITY YOUTH-	(52,875)	(9,122)	(9,369)	(9,440)	(9,697)
SUMMIT CHARTER HIGH SCHOOL	(3,926,022)	(4,291,522)	(4,219,532)	(4,251,708)	(4,367,406)
EVEREST PUBLIC HIGH SCHOOL	(2,907,508)	(4,048,680)	(3,069,423)	(3,092,829)	(3,176,991)
EAST PALO ALTO ACADEMY	(3,136,006)	(3,232,509)	(2,970,807)	(2,993,461)	(3,074,919)
DESIGN TECH	(2,550,445)	(2,730,307)	(2,730,307)	(2,751,127)	(2,825,991)
OXFORD	(954,560)	(1,072,202)	(1,072,202)	(1,080,379)	(1,109,778)
KIPP ESPERANZA CHARTER	(2,243,474)	(3,056,973)	(2,756,934)	(2,777,957)	(2,853,550)
TOTAL	(15,770,890)	(18,441,315)	(16,828,574)	(16,956,901)	(17,418,332)
Dollar Change Year to Year	(1,315,662)	(2,670,425)	(1,057,684)	(128,327)	(461,431)
Percentage Change Year to Year	9%	17%	7%	1%	3%

The chart below shows our redevelopment funds not subject to LCFF deduction. There is no change at 2nd interim.

Description	2022-23 Actuals	2023-24 Projection	2023-24 2nd 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.**

Attachment A is the General Fund Budget for 2023-24

SEQUOIA UNION HIGH SCHOOL DISTRICT

2023-24 Second Interim Budget

Comparison of the First Interim to the Second Interim Budget

Description	2023-24 First Interim			2023-24 Second Interim			Variance		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
General Purpose Revenue	185,758,586	7,590,760	193,349,346	187,194,510	7,590,760	194,785,270	1,435,924 (A)	- (A)	1,435,924
Federal Revenue	4,180	3,715,457	3,719,637	4,180	6,298,663	6,302,843	-	2,583,206 (B)	2,583,206
State Revenue	4,813,651	12,427,637	17,241,288	4,813,651	12,655,093	17,468,744	- (C)	227,456 (C)	227,456
Local Revenue	3,055,084	13,957,990	17,013,074	4,680,371	15,304,197	19,984,568	1,625,287 (D)	1,346,207 (D)	2,971,494
Total Revenues	193,631,501	37,691,844	231,323,345	196,692,712	41,848,713	238,541,425	3,061,211	4,156,869	7,218,080
EXPENDITURES									
Certificated Salaries	67,737,430	18,408,990	86,146,420	70,713,053	20,800,472	91,513,525	2,975,623 (E)	2,391,482 (E)	5,367,105
Classified Salaries	21,802,912	12,366,543	34,169,455	23,037,315	13,639,950	36,677,265	1,234,403 (E)	1,273,407 (E)	2,507,810
Benefits	41,145,134	21,842,511	62,987,645	41,941,337	22,943,414	64,884,751	796,203 (F)	1,100,903 (F)	1,897,106
Books and Supplies	5,066,869	5,839,951	10,906,820	4,865,370	5,697,152	10,562,522	(201,499) (G)	(142,799) (G)	(344,298)
Other Services & Oper.	15,702,249	14,796,047	30,498,296	15,769,659	15,384,338	31,153,997	67,410 (H)	588,291 (H)	655,701
Capital Outlay	722,156	397,481	1,119,637	1,973,514	551,838	2,525,352	1,251,358	154,357 (I)	1,405,715
Other Outgo 7xxx	620,116	799,798	1,419,914	630,206	809,024	1,439,230	10,090	9,226 (J)	19,316
Transfer of Indirect 73xx	(264,103)	241,867	(22,236)	(251,382)	230,998	(20,384)	12,721 (K)	(10,869) (K)	1,852
Total Expenditures	152,532,763	74,693,188	227,225,951	158,679,072	80,057,186	238,736,258	6,146,309	5,363,998	11,510,307
Excess / (Deficiency)	41,098,738	(37,001,344)	4,097,394	38,013,640	(38,208,473)	(194,833)	(3,085,098)	(1,207,129)	(4,292,227)
OTHER SOURCES/USES									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	(1,250,253)	(4,722,673)	(5,972,926)	(1,585,030)	(4,722,673)	(6,307,703)	(334,777) (L)	- (L)	(334,777)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted	(39,504,302)	39,504,302	-	(41,325,795)	41,325,795	-	(1,821,493) (M)	1,821,493 (M)	-
Total Financing Sources/Uses	(40,754,555)	34,781,629	(5,972,926)	(42,910,825)	36,603,122	(6,307,703)	(2,156,270)	1,821,493	(334,777)
Net Increase (Decrease)	344,183	(2,219,715)	(1,875,532)	(4,897,185)	(1,605,351)	(6,502,536)	(5,241,368)	614,364	(4,627,004)
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	40,409,363	17,618,954	58,028,317	35,167,995	18,233,318	53,401,313	(5,241,368)	614,364	(4,627,004)
Nonspendable	422,500	-	422,500	422,500	-	422,500	-	-	-
Restricted	-	17,618,954	17,618,954	-	18,233,319	18,233,319	-	614,364	614,364
Assigned	21,330,952	-	21,330,952	9,076,962	-	9,076,962	(12,253,990)	-	(12,253,990)
Unassigned - REU	18,655,911	-	18,655,911	19,603,517	-	19,603,517	947,606	-	947,606
Unassigned - Other	(0)	-	(0)	6,065,016	(0)	6,065,016	6,065,016	(0)	6,065,016
Total - Fund Balance	40,409,363	17,618,954	58,028,317	35,167,995	18,233,318	53,401,313	(5,241,368)	614,364	(4,627,004)

8.00%

10.48%

Notes:

- (A) The major increase to the LCFF sources is the \$1.4M reduction in property tax transfers to charters schools experiencing declining enrollment.
- (B) \$114K increase to Title I allocation, \$2.5M deferrals from COVID funds and \$110K carryover in Title IV
- (C) \$22K reduction in Partnership Academies Grant and \$250K for one time Dual Enrollment Grant
- (D) \$2.9M increase from local foundation, rentals and leases, and donations.
- (E) The net change in salaries is adjusting the budget to reflect actual staffing and approved salary increases. 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 decrease in supplies is due to reallocating budget to other line items
- (H) The net increase in services is due to \$283K from one time local donations/grants and \$400K from spending down COVID funds (ESSER, Ed Effectiveness, Learning Recovery Emergency Block Funds) and \$28K decrease from current year exp
- (I) Capital Outlay increase due to \$1.2M one time purchases of electric buses which is offset by the monies received in local revenue and \$168K from one time local donations and grants
- (J) The increase is services provided by County of Education
- (K) The change in indirect costs is due to estimated restricted activity
- (L) The increase is due to the additional \$335K support to Child Nutrition program
- (M) The increase in contributions from the unrestricted General Fund is primarily due to the approved salary increases.

Fund Balance

The projected total General Fund ending balance at June 30, 2024 is \$53,401,313. The total available reserves are \$25,668,533 or 10.48% of the total General Fund Expenditures, Transfers Out and Uses.

The following are the components of ending fund balance for the current year at Second Interim:

Description	2023-24 1st Interim			2023-24 2nd 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		1,535,632	1,535,632		1,480,450	1,480,450
Restricted Lottery		561,878	561,878		561,878	561,878
Art, Music, Instl Mtl Block Grant		4,320,883	4,320,883		5,032,009	5,032,009
Child Nutrition: Kitchen Infrastructure						
Classified Prof. Dev. B/G		21,061	21,061		250,000	250,000
A-G Access/Success Grant		174,421	174,421		137,851	137,851
Expanded Learning Opportunities Grant		301,282	301,282		167,910	167,910
Learning Recovery Emerg Block Grant		4,231,505	4,231,505		4,191,831	4,191,831
Other State-Ethnic Studies		91,527	91,527		91,527	91,527
Restricted Maintenance		2,266,505	2,266,505		2,058,513	2,058,513
Other Local Programs		4,114,254	4,114,254		4,261,344	4,261,344
TOTAL - RESTRICTED		17,618,954	17,618,954		18,233,319	18,233,319
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	-		-
Special Ed Settlements	2,000,000		2,000,000	2,000,000		2,000,000
Invest in our workforce	11,542,582		11,542,582	-		-
TOTAL - ASSIGNED	21,330,952	-	21,330,952	9,076,962	-	9,076,962
UNASSIGNED						
Economic Uncertainty (REU-8%)	18,655,911		18,655,911	19,603,517		19,603,517
Unallocated	(0)		(0)	6,065,016		6,065,016
TOTAL - UNASSIGNED	18,655,911	-	18,655,911	25,668,533	-	25,668,533
TOTAL - FUND BALANCE	40,409,363	17,618,954	58,028,317	35,167,995	18,233,319	53,401,313

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 included in the budget.

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 increase for East Palo Alto Academy (EPAA) and Child Nutrition Services. 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 Second 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)	187,194,510	7,590,760	194,785,270	197,092,535	7,590,760	204,683,295	207,234,327	7,590,760	214,825,087
Federal Revenue (B)	4,180	6,298,663	6,302,843	4,180	3,625,765	3,629,945	4,180	3,625,765	3,629,945
State Revenue (B)	4,813,651	12,655,093	17,468,744	4,817,938	12,291,160	17,109,098	4,833,529	12,291,160	17,124,689
Local Revenue (C)	4,680,371	15,304,197	19,984,568	2,570,299	11,887,578	14,457,877	2,570,299	11,887,578	14,457,877
TOTAL REVENUES	196,692,712	41,848,713	238,541,425	204,484,952	35,395,263	239,880,215	214,642,335	35,395,263	250,037,598
EXPENDITURES									
Certificated Salaries (D)	70,713,053	20,800,472	91,513,525	71,763,749	20,121,293	91,885,042	72,840,205	20,423,112	93,263,317
Classified Salaries (D)	23,037,315	13,639,950	36,677,265	23,255,699	12,625,612	35,881,311	23,488,256	12,751,868	36,240,124
Benefits (E)	41,941,337	22,943,414	64,884,751	42,962,439	22,679,212	65,641,651	43,930,791	23,032,555	66,963,346
Books and Supplies (F)	4,865,370	5,697,152	10,562,522	4,731,974	3,457,970	8,189,944	4,859,737	3,457,970	8,317,707
Other Services & Oper. Exp (G)	15,769,659	15,384,338	31,153,997	15,809,409	14,897,178	30,706,587	16,236,263	14,752,249	30,988,512
Capital Outlay (H)	1,973,514	551,838	2,525,352	220,000	89,462	309,462	220,000	89,462	309,462
Other Outgo (I)	630,206	809,024	1,439,230	630,206	809,024	1,439,230	630,206	809,024	1,439,230
Transfer of Indirect Costs	(251,382)	230,998	(20,384)	(233,404)	230,998	(2,406)	(233,404)	230,998	(2,406)
TOTAL EXPENDITURES	158,679,072	80,057,186	238,736,258	159,140,072	74,910,749	234,050,821	161,972,054	75,547,238	237,519,292
EXCESS / (DEFICIENCY)	38,013,640	(38,208,473)	(194,833)	45,344,880	(39,515,486)	5,829,394	52,670,281	(40,151,975)	12,518,306
OTHER SOURCES/USES									
Transfers In (J)	-	-	-	-	-	-	-	-	-
Transfers Out (K)	(1,585,030)	(4,722,673)	(6,307,703)	(1,924,529)	(4,722,673)	(6,647,202)	(1,924,529)	(4,722,673)	(6,647,202)
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Contributions to Restricted (L)	(41,325,795)	41,325,795	-	(41,311,808)	41,311,808	-	(42,270,881)	42,270,881	-
TOTAL OTHER SOURCES / USES	(42,910,825)	36,603,122	(6,307,703)	(43,236,337)	36,589,135	(6,647,202)	(44,195,410)	37,548,208	(6,647,202)
Net Increase (Decrease)	(4,897,185)	(1,605,351)	(6,502,536)	2,108,543	(2,926,351)	(817,808)	8,474,871	(2,603,767)	5,871,104
FUND BALANCE, RESERVES									
Estimated Beginning Balance	40,065,180	19,838,669	59,903,849	35,167,995	18,233,318	53,401,313	37,276,538	15,306,967	52,583,505
Estimated Ending Balance	35,167,995	18,233,318	53,401,313	37,276,538	15,306,967	52,583,505	45,751,409	12,703,200	58,454,609
Nonspendable	422,500	-	422,500	422,500	-	422,500	422,500	-	422,500
Restricted	-	18,233,318	18,233,318	-	15,306,967	15,306,967	-	12,703,200	12,703,200
Assigned	9,076,962	-	9,076,962	9,076,962	-	9,076,962	9,076,962	-	9,076,962
Unassigned - REU @ 8%	19,603,517	-	19,603,517	19,255,842	-	19,255,842	19,533,319	-	19,533,319
Unassigned - Other	6,065,016	-	6,065,016	8,521,234	-	8,521,234	16,718,628	-	16,718,628
Total - Est. Fund Balance	35,167,995	18,233,318	53,401,313	37,276,538	15,306,967	52,583,505	45,751,409	12,703,200	58,454,609

Fund Balance Reserve Percentage

10.48%

11.54%

14.85%

Estimated Ending Fund Balances:

During 2024-25, the General Fund projects a total operating surplus of \$2.1 million resulting in the Unrestricted General Fund ending balance of approximately \$37.3 million.

During 2025-26, the General Fund projects a total operating surplus of \$8.5 million resulting in the Unrestricted General Fund ending balance of approximately \$45.8 million.

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

Description	2024-25 Projected Budget			2025-26 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
NONSPENDABLE						
Revolving Cash	7,500		7,500	7,500		7,500
Other	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		713,524	713,524		0	0
Restricted Lottery		654,953	654,953		748,028	748,028
Arts, Music, Instructional Mtl		3,382,300	3,382,300		1,732,591	1,732,591
Classified Prof. Dev. B/G		0	0		0	0
Dual Enrollment Opportunities		250,000	250,000		250,000	250,000
A-G Grant		137,851	137,851		137,851	137,851
Expanded Learning Opportunities Grant		167,909	167,909		167,909	167,909
Learning Recovery Emg Blk Grant		2,971,478	2,971,478		1,751,125	1,751,125
Other State-Ethnic Studies		-	-		-	-
Restricted Maintenance		2,664,083	2,664,083		3,269,653	3,269,653
Other Local Programs		4,364,862	4,364,862		4,646,036	4,646,036
TOTAL - RESTRICTED	-	15,306,967	15,306,967	-	12,703,200	12,703,200
ASSIGNED						
Other	9,076,962		9,076,962	9,076,962		9,076,962
TOTAL - ASSIGNED	9,076,962	-	9,076,962	9,076,962	-	9,076,962
UNASSIGNED						
Economic Uncertainty (REU-3%)	19,255,842		19,255,842	19,533,319		19,533,319
Unallocated	8,521,234		8,521,234	16,718,628		16,718,628
TOTAL - UNASSIGNED	27,777,076	-	27,777,076	36,251,947	-	36,251,947
TOTAL - FUND BALANCE	37,276,538	15,306,967	52,583,505	45,751,409	12,703,200	58,454,609

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. The District is projecting a contribution of approximately \$1 million to Child Nutrition program.

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 Second 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	-	901,438	-	-	-	-	-	-	-	-	901,438
Property Taxes & Misc. Local	-	2,970,807	-	-	-	-	-	-	-	-	2,970,807
Total General Purpose	-	3,872,245	-	-	-	-	-	-	-	-	3,872,245
Federal Revenues	-	746,244	713,971	950,821	-	-	-	-	-	-	2,411,036
Other State Revenues	-	438,918	2,236,921	1,723,234	-	-	-	-	-	-	4,399,073
Other Local Revenues	3,064,085	841,963	62,659	465,000	69,307	1,800	-	2,788,944	1,700,000	1,459,500	10,453,258
TOTAL - REVENUES	3,064,085	5,899,370	3,013,551	3,139,055	69,307	1,800	-	2,788,944	1,700,000	1,459,500	21,135,612
EXPENDITURES											
Certificated Salaries	-	3,122,241	1,114,426	-	-	-	-	-	-	-	4,236,667
Classified Salaries	-	1,016,132	666,147	1,678,666	89,730.00	-	-	115,736	-	7,500.00	3,573,911
Employee Benefits (All)	-	2,219,898	757,868	809,413	47,139.00	-	-	56,886	-	1,288.00	3,892,492
Books & Supplies	1,164,600	65,899	318,815	1,505,980	-	-	-	4,771	-	385,003.00	3,445,068
Other Operating Expenses (Services)	1,673,365	363,052	182,511	154,452	341,092.00	-	-	178,509	408,000	197,300.00	3,498,281
Capital Outlay	-	-	-	-	2,586,100	-	-	-	24,143,750	202,358.00	26,932,208
Other Outgo	-	20,384	-	-	-	-	-	-	191,400	-	211,784
Direct Support/Indirect Costs	-	-	-	-	-	-	-	-	-	-	-
TOTAL - EXPENDITURES	2,837,965	6,807,606	3,039,767	4,148,511	3,064,061	-	-	355,902	24,743,150	793,449	45,790,411
EXCESS (DEFICIENCY)	226,120	(908,236)	(26,216)	(1,009,456)	(2,994,754)	1,800	-	2,433,042	(23,043,150)	666,051	(24,654,799)
OTHER SOURCES/USES											
Transfers In	-	782,198	25,939	776,893	2,361,336	-	-	-	-	2,361,337.00	6,307,703
Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-
Net Other Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
Contributions to Restricted Programs	-	-	-	-	-	-	-	-	-	-	-
TOTAL - OTHER SOURCES/USES	-	782,198	25,939	776,893	2,361,336	-	-	-	-	2,361,337	6,307,703
FUND BALANCE INCREASE (DECREASE)	226,120	(126,038)	(277)	(232,563)	(633,418)	1,800	-	2,433,042	(23,043,150)	3,027,388	(18,347,096)
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	712,928	1,729,981	153,873	3,768,467	53,253	-	10,656,778	29,190,083	11,795,326	60,866,482

Conclusion:

The projected budget and multi-year projections support that the District will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

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