



## First Interim Executive Summary Fiscal Year 2022-23

Presentation to the Board of Trustees  
December 13, 2022

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### **Introduction:**

Curtis Creek School District's First Interim report represents the actual revenue, expenses and ending balances for all District funds for Fiscal Year 2022-23, as of October 31, 2022.

Please remember as you read through this document that the numbers presented are actual revenues and expenses as of October 31, 2022, without any future allocations or apportionments.

The District's Budget and Accounting format are based on the California School Accounting Manual that utilize the Standard Account Code Structure (SACS). The annual fiscal activity is compiled and imported into SACS which can not be manipulated. The calculations are derived from the best available information at the time of preparation.

### **Summary:**

For the current Fiscal Year, we create the budget well before the actual state budget is adopted and signed. At that time, we had projected a 6.56% Cost of Living Increase. At the time of the 45 Day Budget Update, Governor Newsom pushed through an augmentation of 6.28%. After the trailer bills were released for 2022-23, the augmentation changed once again to 6.7% for a total of 13.26%. This was done to combat inflation, alleviate fiscal pressures, combat staffing shortages and operational needs. At the time of the 45 Day Budget revision, we did not have an updated LCFE calculator from FCMAT (Fiscal Crisis and Management Assistance Team).

At FY 2021-22's Adopted Budget, the Tuolumne County Superintendent of Schools (TCSOS) office reviewed the Budget and identified the district as a "Lack of Growing Concern," in regards to fiscal solvency. This triggered a FCMAT Fiscal Health Risk Analysis to determine fiscal solvency. FCMAT rated the district as having a high risk level due to a combination of issues, including ongoing deficit spending, turnover in key administrative positions, lack of internal controls, budget development and monitoring and decreasing enrollment.

Since the FCMAT report and the TCSOS designation, the current administration has worked extensively to resolve the issues pointed out in the report. Curtis Creek School District has worked to establish new policies, procedures and internal controls, and we have partnered with a CBO consultant with comprehensive knowledge of budget development and monitoring. With his help, our administration has worked tirelessly to reduce our deficit spending, which we are seeing as of this writing.

At Budget Adoption, we projected to have at or the same enrollment, however, our enrollment has decreased from our projected 460 to 442. This is due to a variety of factors, including families moving out of our district and an increase in outgoing interdistrict transfers.

***Fund 01 - General Fund:***

On October 31, 2022, Curtis Creek School District's Fund 01, the General Fund is projected to end the year with a net decrease of the **unrestricted** general fund (LCFF, local, state and federal revenues) of \$510,197.23. We are currently waiting for more apportionments to offset this number. The **restricted** general fund is at an overall net increase of \$285,096.15. The restricted general fund can not be used on health and welfare benefits or salary.

***Fund 12 - Child Development Fund***

Actuals to date: \$499.02; Budgeted: \$1,202.21. This is a required state minimum.

***Fund 13 - Cafeteria Special Revenue Fund***

Actuals to date: \$-51,672.56, as of October 31, 2022. We have not received reimbursements for our food service program for earlier this school year which will offset this cost, and we are also expecting to transfer the 2021-22 Kitchen and Infrastructure Training funds into the General Fund for expenditures (new oven and warming cabinets).

***Fund 14 - Deferred Maintenance Fund***

This fund can not be moved to cover other expenses, and must be used for Deferred Maintenance, for example, our Roofing Project. We still have our beginning fund balance of \$81,308.74.

***Form 17 - Special Reserve Fund for Other Than Capital Outlay Projects***

We are projecting to add \$6,000.00 from other local revenues into this account bringing it to \$518,178.64. This is our reserve for payroll and other expenses in time of an emergency.

***Form 20 - Special Reserve Fund for Postemployment Benefits***

We have completed the OPEB study as suggested by our auditor, and our balance stands at \$488,079.36.

***Fund 25 - Capital Facilities Fund***

We have received \$7,547.54 from Local Revenues, with an additional \$14,452.46 projected to come in throughout the Fiscal Year. This will bring our balance to \$205,400.36.

***Fund 35 – County School Facilities Fund***

We have a contribution of \$2,000.00, this is what we normally budget for, which brings this accounts balance to a positive \$267,985.99.

***From 40 – Special Reserve Fund for Capital Outlay Projects***

We have received \$86,667.00 from State revenues and \$1,300.00 from other local revenues.

***Multi-Year Projection for the Unrestricted General Fund:***

**2022-23's ending balance is projected to be: \$57,342.46. This is primarily due to new one-time state funding apportionments (the Learning Recovery Emergency Block Grant and the Arts, Music and Instructional Materials Block Grant) and the COLA and augmentation, as well as being fiscally responsible.**

**2023-24's projection: (\$244,757.00) it is unknown at this time how much of a COLA we will be receiving and how much of an augmentation to the COLA we will be receiving, if any.**

**2023-24's projection: (\$330,399.38) same as 2023-24, we do not know about the COLA and augmentation, the increases are**

**Recommendation:**

Administration recommends approving and certifying the 2022-23 First Interim as presented.