



# **Newport-Mesa**

Unified School District

Board of Education Meeting

2nd Interim 2024-25 Report

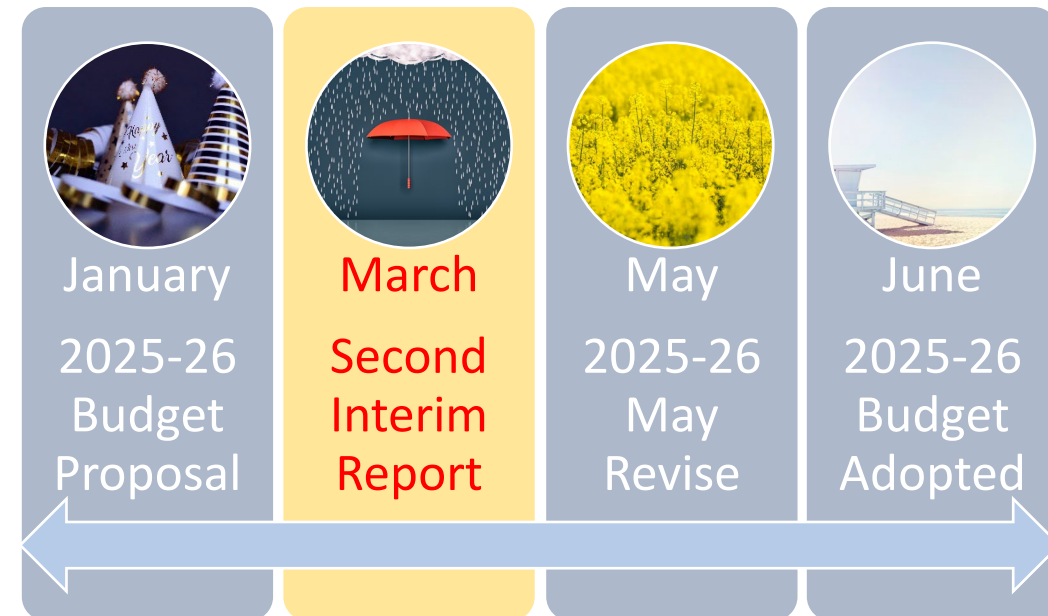
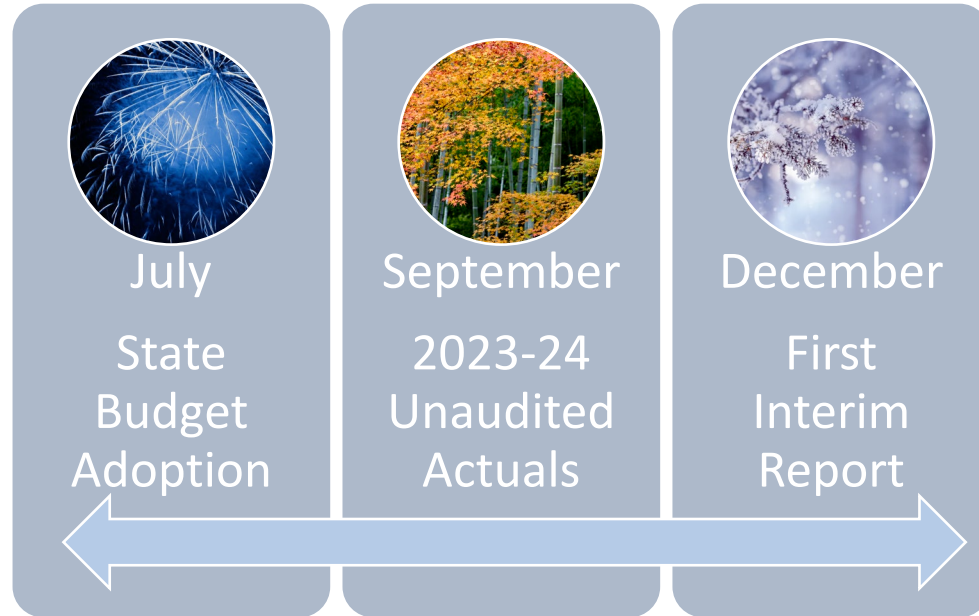
March 4, 2025

# 2<sup>nd</sup> Interim Report – What Is It?

- Required by law
- Includes budget revisions between the Adopted Budget and 1<sup>st</sup> Interim
- Accounts for financial activity from November 1, 2024 to January 31, 2025
- Includes multi-year forecast updates
- Certifies the district's ability to meet its financial obligations



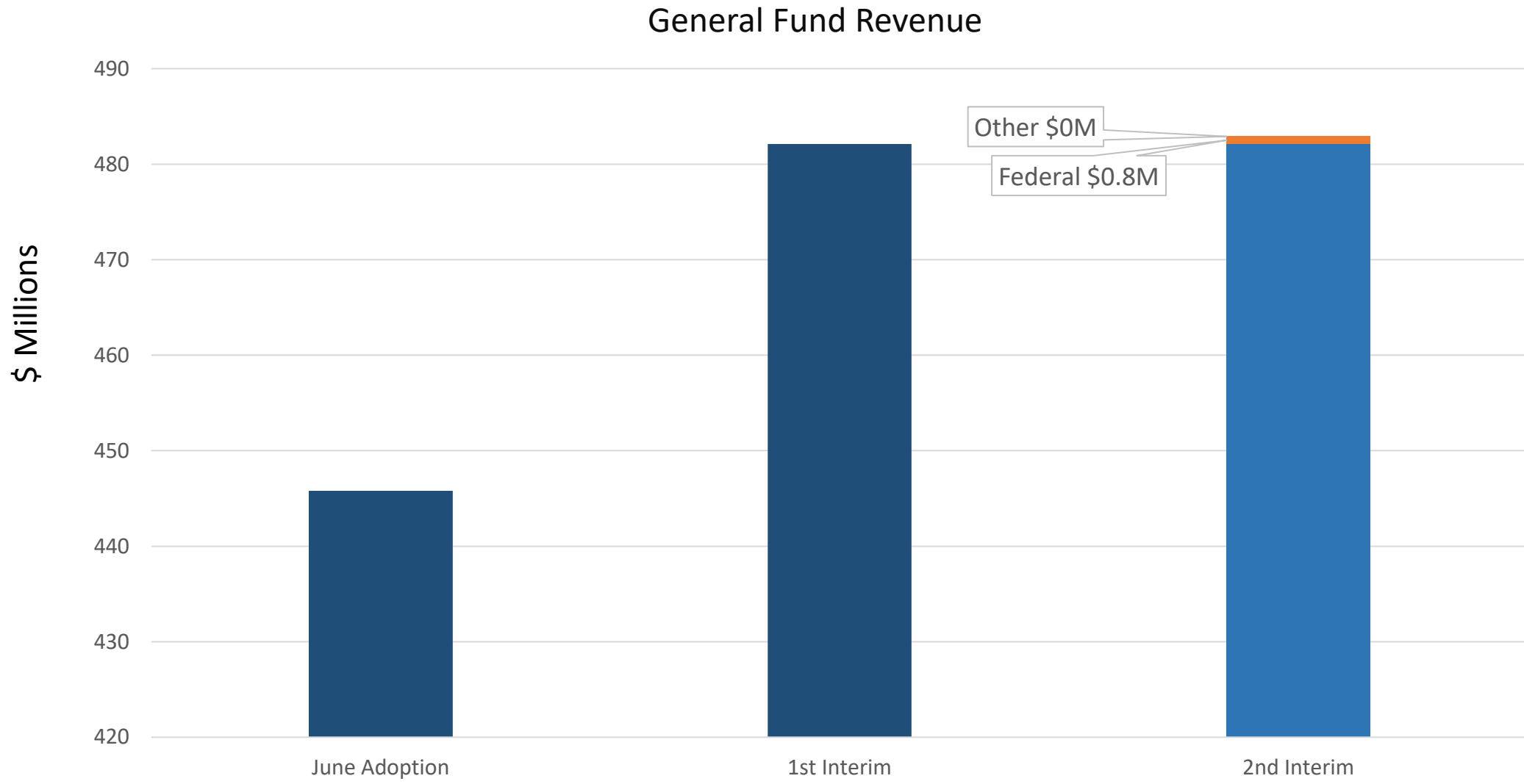
# Financial Reporting Cycle



# Proposed Budget Revisions

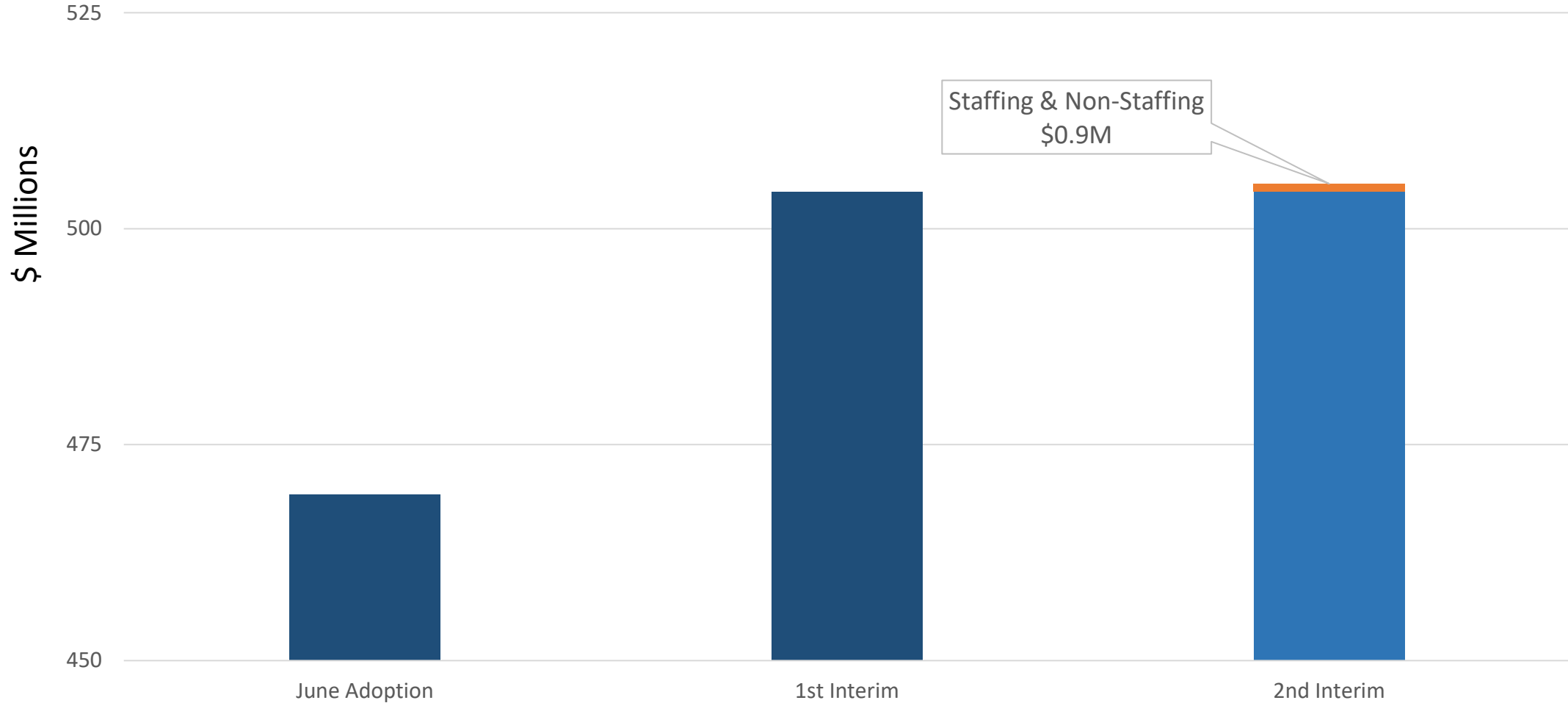
The assumptions are revised in light of new information

# Revenue Increased

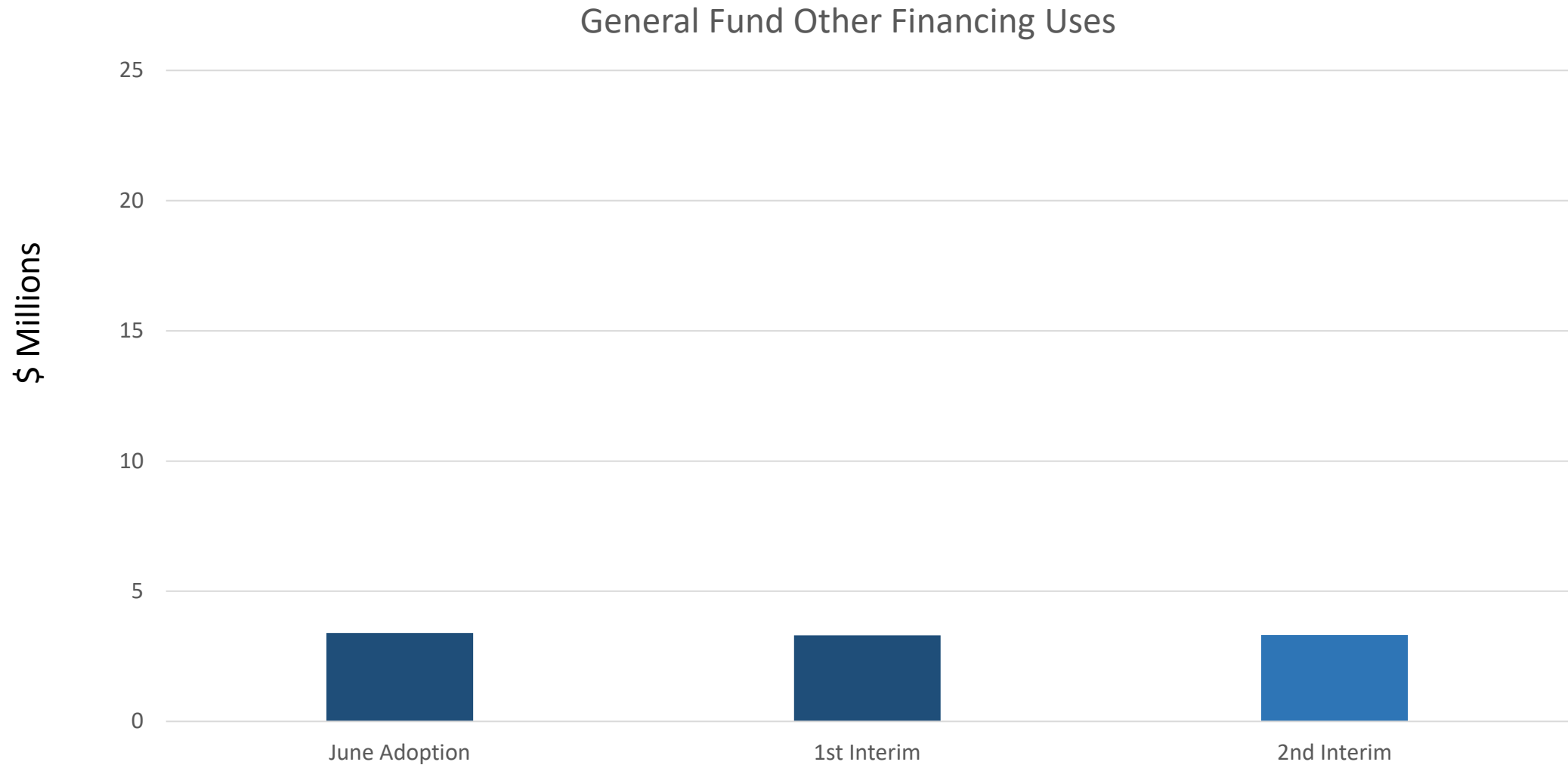


# Expenditure Increased

General Fund Expense



# Other Financing Uses Increased Transfers-Out

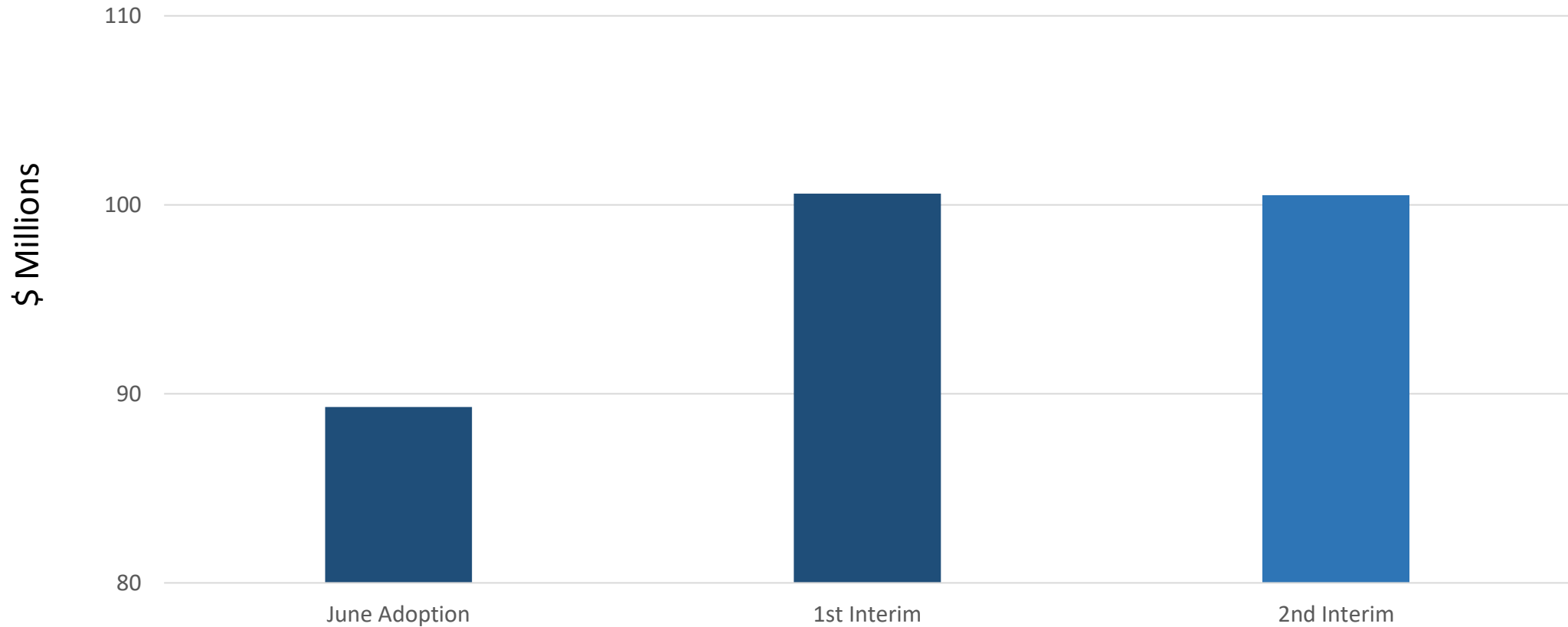


2024-25 2nd Interim



# Ending Fund Balance Slightly Decreased

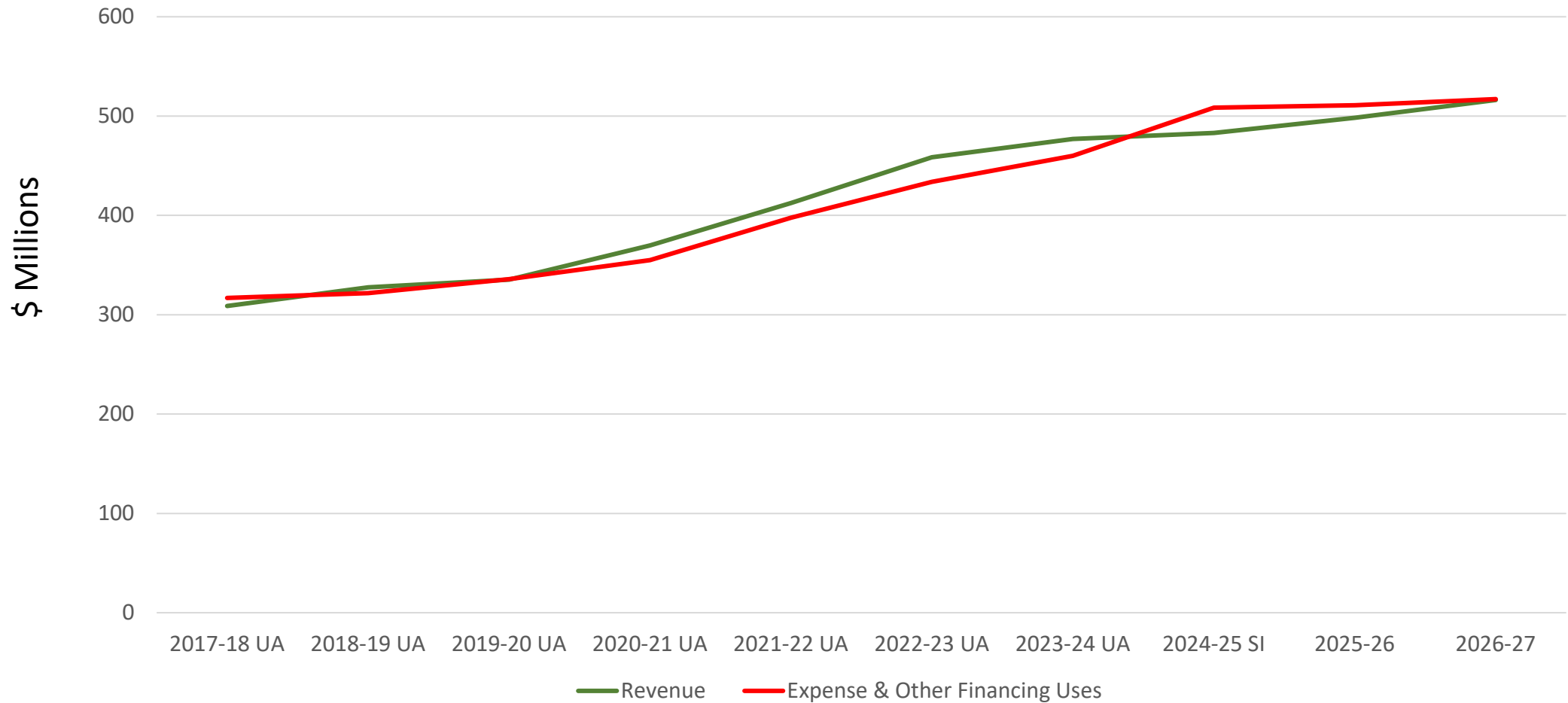
General Fund Ending Fund Balance



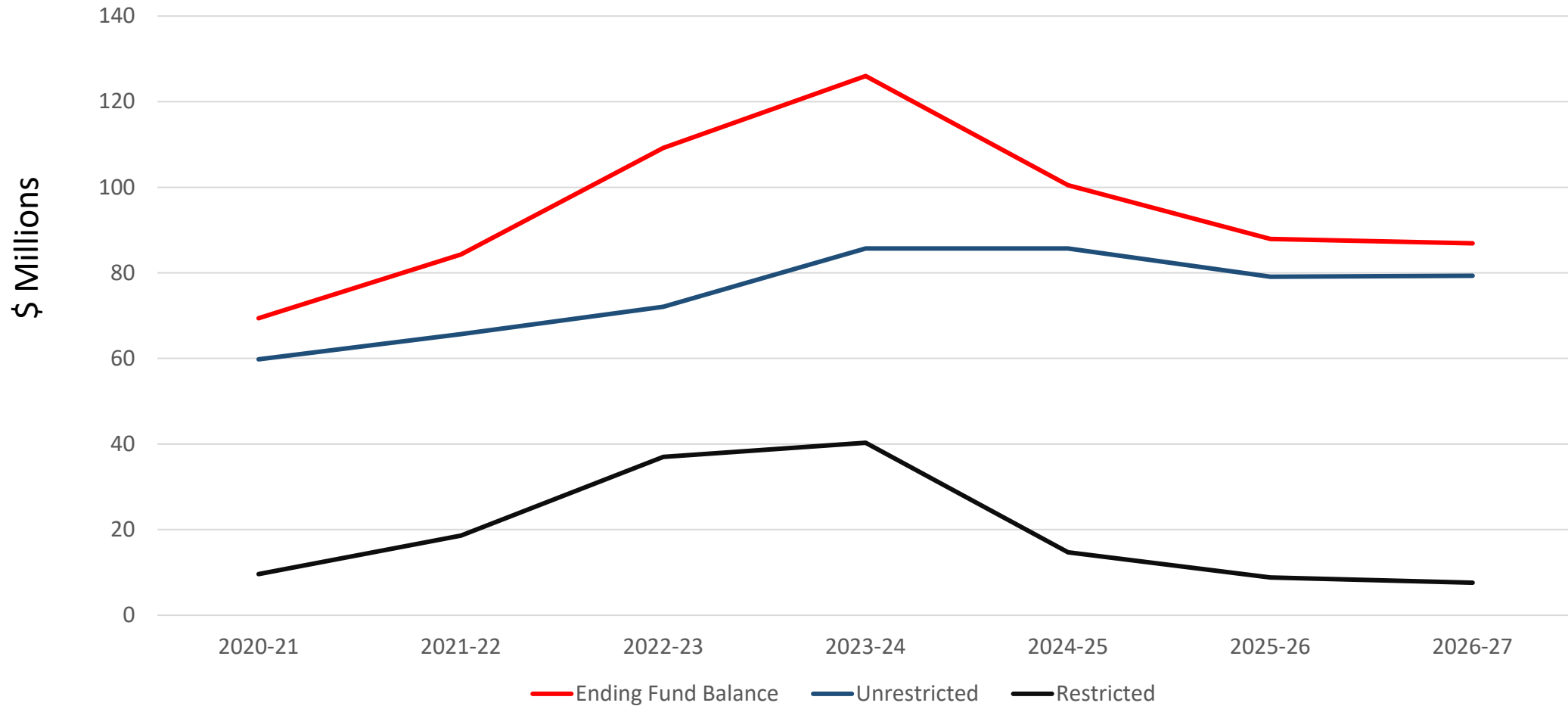
# Multi-year Outlook

There is only one thing certain about a budget, it will be wrong

# Revenue and Expense Alignment



# Ending Fund Balance – Soft Landing



# Financial Activators

		Thresholds			Results	
		Favorable	Acceptable	Evaluate	2023-24	2024-25
1	Routine Restricted Maintenance as a Percent of Total Expenditures Plus Transfers Out	Greater than 6.0%	6.0% - 4.0%	Less than 4.0%	5.09%	5.11%
2	Other Post Employment Benefits Liability Funding	Greater than 0.50%	0.50%-0.10%	Less than .10%	0.50%	0.93%
3	Workers Compensation Liability Funding	Greater than ACE	ACE	Less than ACE	>ACE	>ACE
4	Moodys Credit Rating	Aaa	Aa1	Less than Aa1	Aa1	Aa1

5	Unrestricted General Fund Balance Change	Greater than \$3M	\$3M - \$0	Less than \$0	\$13.5M	\$0.00
6	Property Tax Revenue Change	Greater than 5%	5% - 3%	Less than 3%	6.47%	7.41%
7	General Fund Reserve for Economic Uncertainty	Greater than 4.5%	4.50% - 4.0%	Less than 4.0%	4.50%	4.50%
8	General Fund Cash Flow Reserve as a Percent of Total Expenditures	Greater than 13.0%	13.0% - 7.0%	Less than 7.0%	13.58%	12.14%



# 2<sup>nd</sup> Interim Report Recommendation

Staff recommends approval of the 2024-25  
2nd Interim Report with  
**Positive Certification**