

Agenda Item B-19



First Interim Financial Report and Budget Overview for Parents 2020/21

Board of Education
December 09, 2020



Overview

Summary:

- *Budget to actual report based on year-to-date results*
- *Positive Certification of the district's financial condition*

Items to Review:

- Financial Reporting Timelines
- Budget Overview for Parents
- First Interim 2020/21 – Certification
- First Interim 2020/21 – Current Year Revenues and Expenses
- Multi-Year Projections Assumptions for 2021/22 and 2022/23



Financial Reporting Timelines

State Financial Reports

- ❑ Adopted Budget – June 30
- ❑ First Interim – December 15
- ❑ Second Interim – March 15
- ❑ Unaudited Actuals – September 15
- ❑ Independent Audit – December 15

Local Financial Reports

- ❑ First Budget Revision – typically by October 15
 - Recognize actual beginning balances and carryover
- ❑ Other Budget Revisions as necessary
 - Usually accompany Interim Reports



Budget Overview for Parents

- Senate Bill (SB) 98 added EC Section 43509
 - Decouples adoption of the Budget Overview for Parents from the Local Control & Accountability Plan
 - Requires adoption by December 15th with the First Interim

- Overview Requirement
 - 2020/21 Federal CARES allocated
 - Total General Fund Expenses
 - Total Expenses included in the Learning Continuity & Attendance Plan
 - Total Expenses for Unduplicated Pupils
 - Expenditures for Unduplicated Pupils in 2019/20



First Interim 2020/21 – Certification

Submitting a Positive Certification for First Interim 2020/21

The district is able to meet its financial obligations for this year and two subsequent years and will have a positive cash balance



6 First Interim 2020/21 – Current Year Revenues

- ❑ Medi-Cal Administrative Activity (MAA) – \$800,000
 - Federal released reimbursements for two prior quarters

- ❑ Local Income
 - Local income – (\$700,000)
 - Extended Day Revenue
 - Facility Rentals
 - Sports Revenue

7 First Interim 2020/21 – Current Year Expenses

❑ Captured savings where appropriate

- Salaries and Benefits – \$2.2 million
- Supplies, Services, Capital Outlay – \$9.3 million
 - Transportation Contracts
 - School Site and Department Supplies and Services
 - Utilities
- Indirect Costs – (\$1.1 million)

❑ Board Approved One-Time Expenditures Assigned Funds

- Design Science Facility – \$2.5 million
- Fresno High CTE Facility – \$0.5 million

❑ Employee Support One-Time Expenditure

- Support Return to In-Person Instruction -\$15.0 million



Multi-Year Projections

❑ Expenditures

- Increase contribution to STRS and PERS per statute
- Workers' Compensation rate at 71% through 2022/23

❑ Designated Funds

- Future Textbook Adoption – \$11.2 million
- Utilization of Reserve in 2021/22 – \$28.5 million
- Utilization of Reserve in 2022/23 – \$34.0 million

Projected Employer Pension Increases

The logo for CALSTRS, featuring the text "CALSTRS" in a red, serif font with a registered trademark symbol.

- 2013/14 – 8.25%
- 2014/15 – 8.88%
- 2015/16 – 10.73%
- 2016/17 – 12.58%
- 2017/18 – 14.43%
- 2018/19 – 16.28%
- 2019/20 – 17.10%
- **2020/21 – 16.15%**
- 2021/22 – 16.00%
- 2022/23 – 18.10%
- 2023/24 – 18.10%

The logo for CalPERS, featuring a stylized sunburst icon to the left of the text "CalPERS" in a dark blue, serif font.

- 2013/14 – 11.442%
- 2014/15 – 11.771%
- 2015/16 – 11.847%
- 2016/17 – 13.888%
- 2017/18 – 15.531%
- 2018/19 – 18.062%
- 2019/20 – 19.721%
- **2020/21 – 20.700%**
- 2021/22 – 23.000%*
- 2022/23 – 26.300%*
- 2023/24 – 27.300%*

**Estimated rates provided by CalPERS*

Multi-Year Projections (in millions)

	<u>Projected 2020/21</u>	<u>Projected 2021/22</u>	<u>Projected 2022/23</u>
Ongoing Funds			
Revenues	\$804.14	\$799.96	\$794.58
Expenses, Sources/Uses	\$806.49	\$812.99	\$834.22
<i>Ongoing Net Change in Fund Balance</i>	<i>(\$2.35)</i>	<i>(\$13.03)</i>	<i>(\$39.64)</i>
One-Time Funds			
One-Time State and Federal Revenues	\$ 82.70	\$48.50	\$0.00
One-Time Distance Learning Support	\$23.10	\$15.00	\$15.00
One-Time Expenses	\$8.20	\$3.00	\$0.00
<i>One-Time Net Change in Fund Balance</i>	<i>\$51.40</i>	<i>\$30.50</i>	<i>(\$15.00)</i>
Total Unrestricted General Fund:			
Beginning Balance	\$147.88	\$196.93	\$214.40
Ending Balance	\$196.93	\$214.40	\$159.76
Cash, Inventory, Prepaid Assets	\$3.98	\$3.98	\$3.98
 Designated Funds	 \$73.70	 \$73.70	 \$60.70
Reserve for One-Time Expenses and Carryover	\$ 3.00	\$0.00	\$ 0.00
 Net Unrestricted General Fund Balance:	 \$116.25	 \$136.72	 \$95.08
 <i>Change in Reserve</i>	 <i>\$13.77</i>	 <i>\$20.47</i>	 <i>(\$41.64)</i>
Reserve level	11.04%	12.83%	8.84%



First Interim 2020/21 – Summary

- ❑ Captured savings from current year expenditures
- ❑ Revised multi-year projections
- ❑ **Resulting “Positive Certification”**
- ❑ **Staff Recommends Approval of the 2020/21 First Interim Financial Report and Budget Overview for Parents**