



Fresno Unified
School District

Agenda Item **B-X**



First Interim Financial Report 2022/23

December 07, 2022

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
- First Interim 2022/23 – Certification
- First Interim 2022/23 – Current Year Revenues and Expenses
- Multi-Year Projection Assumptions for 2023/24 and 2024/25

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 follows Interim Reports

First Interim 2022/23 – Certification

Submitting a Positive Certification for First Interim 2022/23

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

First Interim 2022/23 – Current Year Revenues

❑ Local Control Funding Formula (LCFF)

- Budget Revision No. 1 and 2 recognized an increase – \$ 54.9 million

❑ Local Income

- STRS Contribution Refunds – \$2.4 million

First Interim 2022/23 – Current Year Expenses

☐ Captured savings where appropriate

- Salaries and Benefits – \$7.0 million
- Supplies, Services, Capital Outlay – \$4.2 million
- Utilities and Fuel – (\$2.6 million)
- Indirect Costs – (\$2.7 million)

☐ Salary Contingency per Collective Bargaining Agreement

- 6% ongoing salary increase and one-time 0.5% increase

☐ Board Approved One-Time Expenditures Assigned Funds

- Education Center Remodel – \$2.4 million
- Design Science Facility – \$0.9 million
- Financial Software Upgrade – \$0.9 million
- Restroom Renovation – \$0.7 million
- Education Building – \$8.0 million

☐ Board Approved Committed Funds

- Future Textbook Adoption – \$29.8 million
- Pandemic Learning and Recovery – \$122.4 million

Multi-Year Projections

□ Multi-Year Assumptions

- LCFF
 - 2023/24 – 5.38% COLA
 - 2024/25 – 4.02% COLA
- Increase contribution to STRS and PERS per statute
 - 2023/24 – (\$0.2 million)
 - 2024/25 – (\$0.7 million)
- Health and Welfare
 - 2023/24 – \$6.4 million
 - 2024/25 – \$4.5 million
- Workers' Compensation rate at 90% through 2024/25

Projected Employer Pension Increases

CALSTRS

- 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 – 16.92%
- **2022/23 – 19.10%**
- 2023/24 – 19.10%
- 2024/25 – 19.10%
- 2025/26 – 19.10%

CalPERS

- 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 – 22.910%
- **2022/23 – 25.370%**
- 2023/24 – 25.200%*
- 2024/25 – 24.600%*
- 2025/26 – 23.700%*

**Estimated rates provided by CalPERS*

Multi-Year Projections (in millions)

	<u>Projected 2022/23</u>	<u>Projected 2023/24</u>	<u>Projected 2024/25</u>
Ongoing Funds:			
Revenues	\$989.54	\$1,027.98	\$1,053.73
Expenses, Sources/Uses	\$966.86	\$1,018.76	\$1,060.04
<i>Ongoing Net Change in Fund Balance</i>	\$22.68	\$9.22	(\$6.31)
One-Time Funds:			
One-Time Revenues	\$1.00	\$0.00	\$0.00
One-Time Expenses	\$55.22	\$15.90	\$10.80
One-Time State and Federal Recovery Funds	\$220.00	\$243.00	\$0.00
One-Time State and Federal Recovery Expenses	\$165.80	\$243.00	\$0.00
<i>One-Time Net Change in Fund Balance</i>	(\$0.02)	(\$15.90)	(\$10.80)
Total Unrestricted General Fund:			
Beginning Balance	\$284.63	\$307.29	\$300.61
Ending Balance	\$307.29	\$300.61	\$283.50
Cash, Inventory, Prepaid Assets	\$4.53	\$4.33	\$4.33
Committed for Future Textbook Adoption	\$29.80	\$8.00	\$0.00
Committed Pandemic Learning and Recovery	\$122.40	\$122.40	\$122.40
Reserve for One-Time Expenses and Carryover	\$4.92	\$0.00	\$0.00
Net Unrestricted General Fund Balance:	\$145.64	\$155.08	\$148.77
<i>Change in Reserve</i>	(\$0.93)	\$9.24	(\$6.31)
Reserve level	9.26%	9.37%	9.65%

First Interim 2022/23 – Summary

- ❑ Captured savings from current year expenditures
- ❑ Revised Multi-Year Projections
- ❑ **Resulting “Positive Certification”**
- ❑ **Staff Recommends Approval of the 2022/23 First Interim Financial Report**