



Fresno Unified
School District

Agenda Item B-44



First Interim Financial Report 2023/24

December 06, 2023

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 2023/24 – Certification
- First Interim 2023/24 – Current Year Revenues and Expenses
- Multi-Year Projection Assumptions for 2024/25 and 2025/26

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 2023/24 – Certification

Submitting a Positive Certification for First Interim 2023/24

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 2023/24 – Current Year Revenues

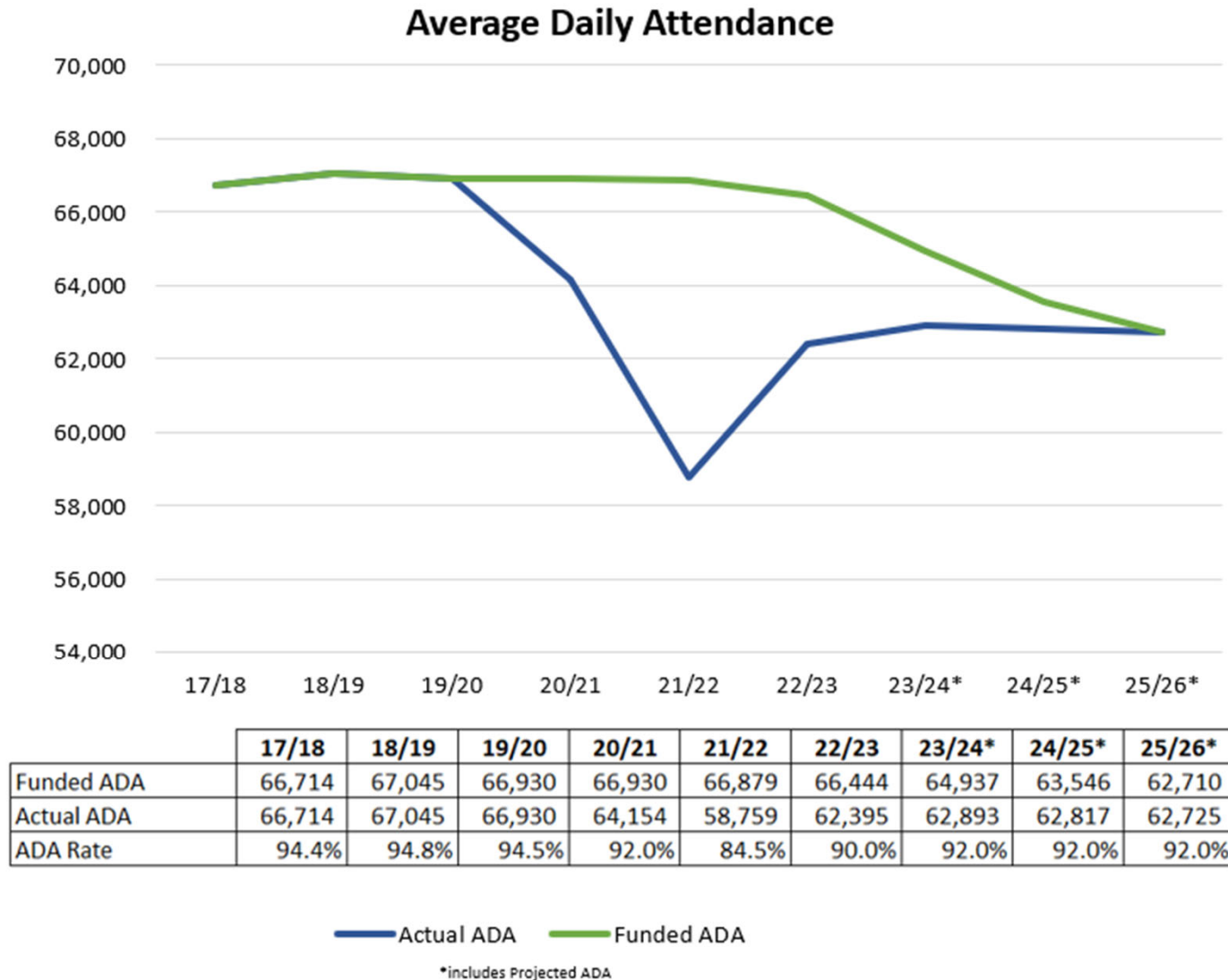
❑ Local Control Funding Formula (LCFF)

- Funded on 3-prior year average of Average Daily Attendance (ADA)
- 2023/24 final ADA increased, and kindergarten expansion recognized an increase – \$ 2.0 million
- Monitoring 2023/24 ADA – estimate 92% attendance rate

❑ Medi-Cal Reimbursements

- Prior year revenue reduces contribution – \$1.6 million

Average Dailey Attendance



First Interim 2023/24 – Current Year Expenses

☐ Captured Savings where appropriate

- Salaries and Benefits – \$6.2 million
 - \$1.6 million in Teacher Salaries

☐ Salary and Benefits per Collective Bargaining Agreement

- 8.5% ongoing salary increase (increase from adopted budget of 4%) – (\$29.7 million)
- Reduction in Health Contribution from \$24,370 to \$22,000 per active health participant – \$17.5 million

☐ Supplies, Services, Capital Outlay – \$6.1 million

- Transportation – \$1.7 million
- Laptop Connectivity grant (one-time) – \$1.5 million
- Maintenance – \$1.1 million
- Saturday Academy – \$0.5 million
- School Sites and Departments – \$1.3 million
- Supplemental and Concentration one-time – \$4.5 million

☐ Board Approved Assigned Funds

- Lawson software upgrade – \$2.5 million
- District and Association Labor Management Partnership – \$0.8 million

☐ Board Approved Committed Funds

- Future Textbook Adoption – \$31.5 million
- Pandemic Learning and Recovery – \$122.4 million

Multi-Year Projections

□ Multi-Year Assumptions

- LCFF
 - 2024/25 – 3.94% COLA
 - 2025/26 – 3.29% COLA
- Increase contribution to STRS and PERS per statute
 - 2024/25 – \$1.4 million
 - 2025/26 – \$0.9 million
- Health and Welfare remains status quo for 2024/25 and 2025/26
- Workers' Compensation rate at 90% through 2025/26
 - Reduce rate in 2024/25 from 1.30% to 0.70%

Projected Employer Pension Increases



- 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%



- 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 – 26.680%**
- 2024/25 – 27.700%*
- 2025/26 – 28.300%*

**Estimated rates provided by CalPERS*

Multi-Year Projections (in millions)

	<u>Projected 2023/24</u>	<u>Projected 2024/25</u>	<u>Projected 2025/26</u>
Ongoing Funds:			
Revenues	\$1,051.03	\$1,070.02	\$1,089.98
Expenses, Sources/Uses	\$1,058.82	\$1,093.92	\$1,133.26
<i>Ongoing Net Change in Fund Balance</i>	<i>(\$7.79)</i>	<i>(\$23.90)</i>	<i>(\$43.28)</i>
One-Time Funds:			
One-Time Revenues	\$0.00	\$0.00	\$0.00
One-Time Expenses	\$32.81	\$54.00	\$43.80
One-Time State and Federal Recovery Funds	\$261.10	\$0.00	\$0.00
One-Time State and Federal Recovery Expenses	\$261.10	\$0.00	\$0.00
<i>One-Time Net Change in Fund Balance</i>	<i>(\$32.81)</i>	<i>(\$54.00)</i>	<i>(\$43.80)</i>
Total Unrestricted General Fund:			
Beginning Balance	\$328.39	\$287.79	\$209.89
Ending Balance	\$287.79	\$209.89	\$122.81
Cash, Inventory, Prepaid Assets	\$5.26	\$5.26	\$5.26
Committed for Future Textbook Adoption	\$31.50	\$15.00	\$6.20
Committed Pandemic Learning and Recovery	\$122.40	\$62.42	\$27.42
Reserve for One-Time Expenses and Carryover	\$3.30	\$0.80	\$0.80
Net Unrestricted General Fund Balance:	\$125.33	\$126.41	\$83.13
<i>Change in Reserve</i>	<i>(\$7.63)</i>	<i>\$1.08</i>	<i>(\$43.28)</i>
Reserve level	6.98%	7.74%	5.09%

First Interim 2023/24 – Summary

- ❑ Captured Savings from current year expenditures
- ❑ Revised Multi-Year Projections
- ❑ **Resulting “Positive Certification”**
- ❑ **Staff Recommends Approval of the 2023/24 First Interim Financial Report**