



Fresno Unified
School District

Agenda Item B-17



Second Interim Financial Report 2023/24

March 06, 2024

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
- Second Interim 2023/24 – Certification
- Second 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

Second Interim 2023/24 – Certification

Submitting a Positive Certification for Second 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

Second Interim 2023/24 – Current Year Expenses

☐ Local Revenue

- Prior year Medi-Cal reimbursements – \$300,000

☐ Captured Savings where appropriate

- Salaries and Benefits – \$3.2 million
- Supplies, Services, Capital Outlay – \$3.4 million

☐ Board Approved Assigned Funds

- Nutrition center and maintenance equipment savings – \$2.3 million
- Transportation bus allocation – \$1.3 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 – 0.76% COLA
- 2025/26 – 2.73% COLA

❑ Salary Increases

- 2024/25 – 3.0 % ongoing and 2.5% one-time
- 2025/26 – 4.5% ongoing and 2.5% one-time

❑ Increase contribution to STRS and PERS per statute

- 2024/25 – \$1.4 million
- 2025/26 – \$0.9 million

❑ Health and Welfare remains status quo at \$22,000 per active employee for 2024/25 and 2025/26

❑ Workers' Compensation rate at 90% through 2025/26

- Reduce rate in 2024/25 from 1.30% to 90% – (\$2.7 million)

Projected Employer Pension Increases

CALSTRS

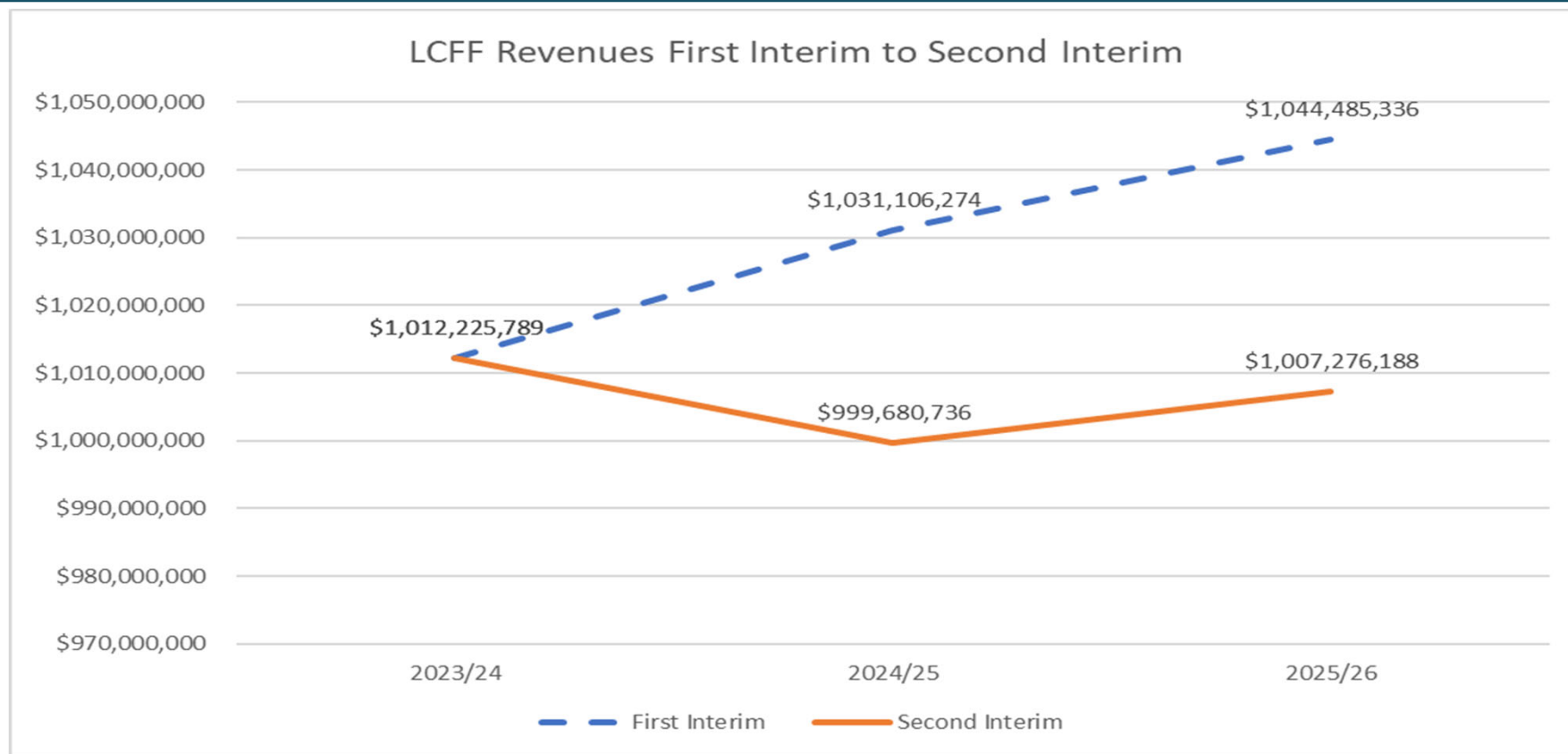
- 2013/14 – 8.25%
- 2014/15 – 8.88%
- 2015/16 – 10.73%
- 2016/17 – 12.58%
- 2017/18 – 14.43%
- 2018/19 – 16.28%
- 2019/20 – 17.10%
- 2020/21 – 16.15%
- 2021/22 – 16.92%
- 2022/23 – 19.10%
- **2023/24 – 19.10%**
- 2024/25 – 19.10%
- 2025/26 – 19.10%

 **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 – 26.680%**
- 2024/25 – 27.800%*
- 2025/26 – 28.500%*

**Estimated rates provided by CalPERS*

LCFF Change in COLA



COLA	2023/24	2024/25	2025/26
January 2024	8.13%	0.76%	2.73%
June 2023	8.22%	3.94%	3.29%
% Change	0.09	(3.18)	(0.56)

ADA	2023/24	2024/25	2025/26
First Interim	62,893	62,793	62,693
Second Interim	62,893	61,966	61,066
Change	-	(827)	(1,627)

Multi-Year Projections (in millions)

	<u>Projected 2023/24</u>	<u>Projected 2024/25</u>	<u>Projected 2025/26</u>
Ongoing Funds:			
Revenues	\$1,051.00	\$1,038.79	\$1,046.39
Expenses, Sources/Uses	\$1,052.67	\$1,089.09	\$1,126.67
<i>Ongoing Net Change in Fund Balance</i>	<i>(\$1.67)</i>	<i>(\$23.90)</i>	<i>(\$80.28)</i>
One-Time Funds:		<i>(\$50.30)</i>	
One-Time Revenues	\$0.30	\$0.00	\$0.00
One-Time Expenses	\$31.31	\$27.50	\$17.30
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>(\$31.01)</i>	<i>(\$27.50)</i>	<i>(\$17.30)</i>
Total Unrestricted General Fund:			
Beginning Balance	\$328.39	\$295.71	\$217.91
Ending Balance	\$295.71	\$217.91	\$120.33
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	\$95.50	\$44.00
Reserve for One-Time Expenses and Carryover	\$2.50	\$0.00	\$0.00
Net Unrestricted General Fund Balance:	\$134.05	\$102.15	\$64.87
<i>Change in Reserve</i>	<i>\$1.09</i>	<i>(\$31.90)</i>	<i>(\$37.28)</i>
Reserve level	7.51%	6.28%	4.02%

2024/25 Multi-Year Projections (in millions)

	<u>Adopted</u> <u>2024/25</u>	<u>First Interim</u> <u>2024/25</u>	<u>Second Interim</u> <u>2024/25</u>
Ongoing Funds:			
Revenues	\$1,065.29	\$1,070.02	\$1,038.79
Expenses, Sources/Uses	\$1,091.12	\$1,093.92	\$1,089.09
<i>Ongoing Net Change in Fund Balance</i>	<i>(\$25.83)</i>	<i>(\$23.90)</i>	<i>(\$50.30)</i>
One-Time Funds:			
One-Time Expenses	\$51.50	\$54.00	\$27.50
<i>One-Time Net Change in Fund Balance</i>	<i>(\$31.01)</i>	<i>(\$54.00)</i>	<i>(\$27.50)</i>
Total Unrestricted General Fund:			
Beginning Balance	\$296.31	\$287.29	\$295.71
Ending Balance	\$218.98	\$209.89	\$217.91
Cash, Inventory, Prepaid Assets	\$4.55	\$5.26	\$5.26
Committed for Future Textbook Adoption	\$14.00	\$15.00	\$15.00
Committed Pandemic Learning and Recovery	\$77.40	\$62.42	\$95.50
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.80	\$0.00
Net Unrestricted General Fund Balance:	\$123.03	\$126.41	\$102.15
Reserve level	7.83%	7.74%	6.28%

2025/26 Multi-Year Projections (in millions)

	<u>Adopted</u> <u>2025/26</u>	<u>First Interim</u> <u>2025/26</u>	<u>Second Interim</u> <u>2025/26</u>
Ongoing Funds:			
Revenues	\$1,093.93	\$1,089.98	\$1,046.39
Expenses, Sources/Uses	\$1,115.30	\$1,133.26	\$1,126.67
<i>Ongoing Net Change in Fund Balance</i>	<i>(\$21.37)</i>	<i>(\$43.28)</i>	<i>(\$80.28)</i>
One-Time Funds:			
One-Time Expenses	\$43.80	\$43.80	\$17.30
<i>One-Time Net Change in Fund Balance</i>	<i>(\$43.80)</i>	<i>(\$43.80)</i>	<i>(\$17.30)</i>
Total Unrestricted General Fund:			
Beginning Balance	\$218.98	\$209.89	\$217.91
Ending Balance	\$153.81	\$122.81	\$120.33
Cash, Inventory, Prepaid Assets	\$4.55	\$5.26	\$5.26
Committed for Future Textbook Adoption	\$5.20	\$6.20	\$6.20
Committed Pandemic Learning and Recovery	\$32.40	\$27.42	\$44.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.80	\$0.00
Net Unrestricted General Fund Balance:	\$111.66	\$83.13	\$64.87
Reserve level	7.03%	5.09%	4.02%

2024/25 and 25/26 MYP (in millions)

	<u>Adopted</u> <u>2024/25</u>	<u>First Interim</u> <u>2024/25</u>	<u>Second Interim</u> <u>2024/25</u>	<u>Adopted</u> <u>2025/26</u>	<u>First Interim</u> <u>2025/26</u>	<u>Second Interim</u> <u>2025/26</u>
Ongoing Funds:						
Revenues	\$1,065.29	\$1,070.02	\$1,038.79	\$1,093.93	\$1,089.98	\$1,046.39
Expenses, Sources/Uses	\$1,091.12	\$1,093.92	\$1,089.09	\$1,115.30	\$1,133.26	\$1,126.67
<i>Ongoing Net Change in Fund Balance</i>	<i>(\$25.83)</i>	<i>(\$23.90)</i>	<i>(\$50.30)</i>	<i>(\$21.37)</i>	<i>(\$43.28)</i>	<i>(\$80.28)</i>
One-Time Funds:						
One-Time Expenses	\$51.50	\$54.00	\$27.50	\$43.80	\$43.80	\$17.30
<i>One-Time Net Change in Fund Balance</i>	<i>(\$31.01)</i>	<i>(\$54.00)</i>	<i>(\$27.50)</i>	<i>(\$43.80)</i>	<i>(\$43.80)</i>	<i>(\$17.30)</i>
Total Unrestricted General Fund:						
Beginning Balance	\$296.31	\$287.29	\$295.71	\$218.98	\$209.89	\$217.91
Ending Balance	\$218.98	\$209.89	\$217.91	\$153.81	\$122.81	\$120.33
Cash, Inventory, Prepaid Assets	\$4.55	\$5.26	\$5.26	\$4.55	\$5.26	\$5.26
Committed for Future Textbook Adoption	\$14.00	\$15.00	\$15.00	\$5.20	\$6.20	\$6.20
Committed Pandemic Learning and Recovery	\$77.40	\$62.42	\$95.50	\$32.40	\$27.42	\$44.00
Reserve for One-Time Expenses and Carryover	\$0.00	\$0.80	\$0.00	\$0.00	\$0.80	\$0.00
Net Unrestricted General Fund Balance:	\$123.03	\$126.41	\$102.15	\$111.66	\$83.13	\$64.87
Reserve level	7.83%	7.74%	6.28%	7.03%	5.09%	4.02%

Second Interim 2023/24 – Summary

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