

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Report to the Board of Education

2023-2024 First Interim Financial Report

Changes since the Adopted Budget

We have now included the beginning balances, carryover, and restricted and assigned funds from our 2022-2023 unaudited actuals into our working budget. Below is an explanation of the changes in revenues and expenditures that have occurred.

Beginning Fund Balance

As a result of the closing of the 2022-2023 fiscal year, our beginning fund balance increased by \$6,038,103. The unrestricted general fund beginning balance decreased by \$166,567 and the restricted general fund beginning balance increased by \$6,204,670.

Revenue

The Local Control Funding Formula was recalculated and increased by \$9,478. Federal Revenue increased by \$1,239,759 and Other State Revenue increased by \$1,018,552 due to posting carryover revenues from the 2022-2023 fiscal year. Other Local Revenue increased by \$1,079,713 due to posting local revenues received for donations and other local revenues.

Expenditures

Expenses on the unrestricted side of the budget decreased by \$502,993 from the adopted budget. The District reduced department budgets and shifted allowable expenses to the restricted general fund to balance the unrestricted general fund. Restricted expenditures increased by \$8,853,917 as a result of posting the prior year's restricted ending balances of grants that are earmarked for specific purposes. In addition, allowable expenses were shifted from the unrestricted general fund.

Assumptions used for the First Interim

2023-2024 First Interim Assumptions

- Revenue based on FCMAT LCFF calculator
- Funded Cost of Living Adjustment (COLA) = 8.22%
- Enrollment of 13,020 from Calpads report
- Using three year average of Average Daily Attendance (ADA) = 12,618
- Projected Parcel Tax revenue of \$3.97 million

- Lottery = \$177.00 unrestricted and \$72.00 restricted per ADA
- STRS employer rate = 19.10%
- PERS employer rate = 26.68%
- One-time Art, Music and Instructional Material Discretionary Block Grant and Learning Recovery Block Grant are included

Multi-Year Projection (MYP) Assumptions

2024-2025

- Revenue based on FCMAT LCFF calculator
- School Services estimated Cost of Living Adjustment (COLA) = 3.94%
- Using projected Average Daily Attendance (ADA) for 2024-2025 = 12,378
- Projected Parcel Tax revenue of \$3.97 million
- Lottery = \$177.00 unrestricted and \$72.00 restricted per ADA
- STRS employer rate = 19.10%
- PERS employer rate = 27.7%
- Removed all one-time revenues and prior year carryover

2025-2026

- Revenue based on FCMAT LCFF calculator
- School Services estimated Cost of Living Adjustment (COLA) = 3.29%
- Using projected Average Daily Attendance (ADA) for 2025-2026 = 12,430
- Projected Parcel Tax revenue of \$3.97 million
- Lottery = \$177.00 unrestricted and \$72.00 restricted per ADA
- STRS employer rate = 19.10%
- PERS employer rate = 28.3%

State Budget

The Legislative Analyst's Office (LAO) recently unveiled their projection of the State's latest budget numbers. The LAO predicts that the State's tax revenues will now fall short of earlier projections by about \$26 billion for 2022-2023, \$32 billion for 2023-2024, and a total of \$58 billion for the three-year span from 2022 through 2025. These figures represent a significant increase from the previous prediction of a \$15 billion budget shortfall for 2023-2024 that was projected earlier this year. In addition, the LAO now estimates that the statutory cost-of-living adjustment (COLA) will be reduced to 1.27 percent, a decrease of 2.67 percent from the COLA previously projected and a decrease of 2.67 percent from the amount we have used in our multi-year projection for the 2024-2025 fiscal year.

Governor Newsom and his fiscal advisors are monitoring state revenues as his obligation to unveil his 2024-2025 State Budget proposal by January 2024 draws closer. By then, the Governor will have the benefit of an additional month of actual revenues to build into his forecast. We look forward to hearing what the Governor's Budget will have in store for us.

Summary

As of the First Interim Report, our District's total projected ending fund balance for the year is \$10,620,616. Of this amount, \$3,955,512 is restricted for future programs. Of the unrestricted funds, we are designating \$50,000 for the revolving fund, \$200,000 in estimated warehouse inventory, and \$6,409,505 as the required 3% reserve for economic uncertainty. This leaves \$5,599 in undesignated funding at this time.