



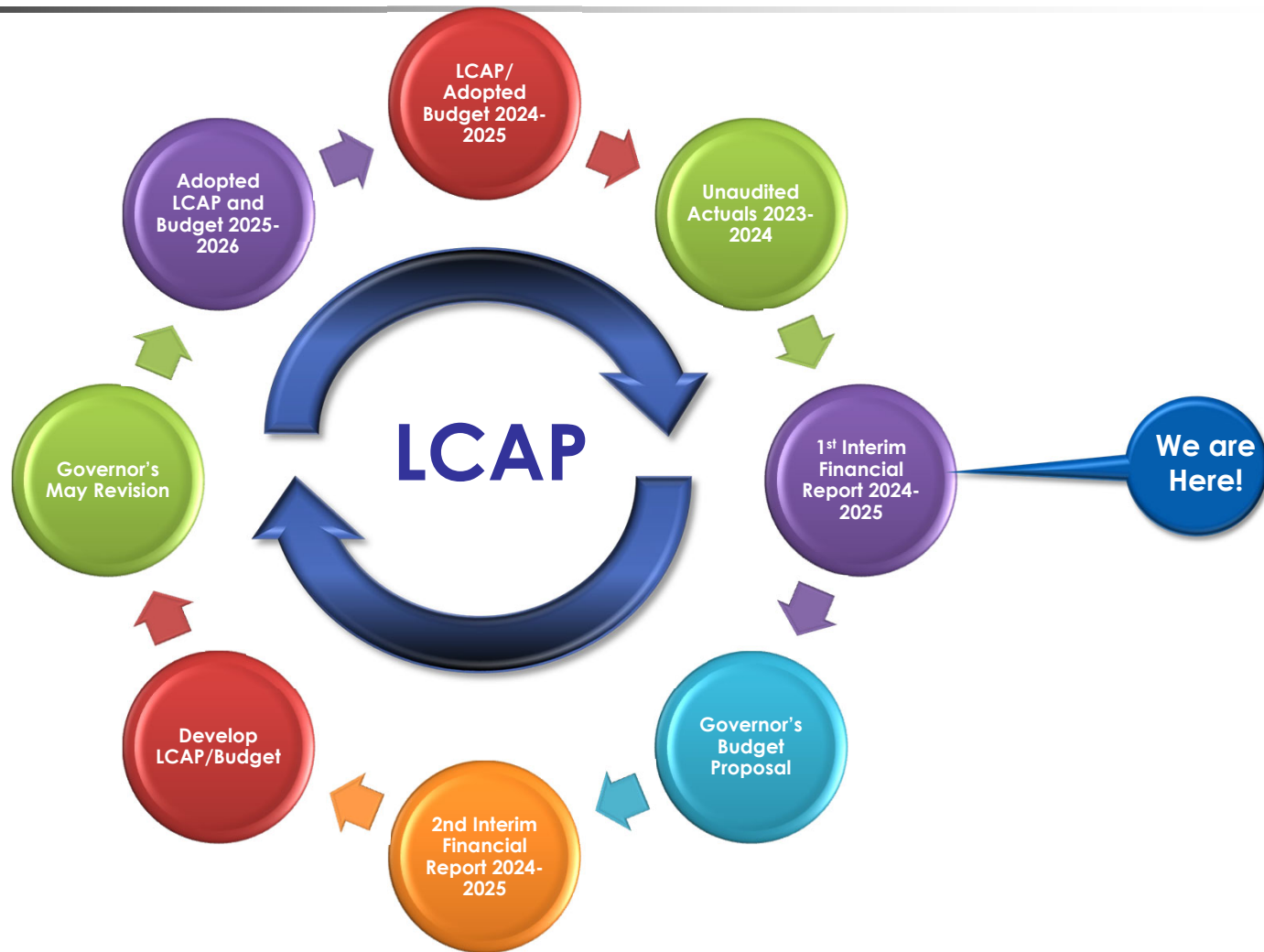
Culver City USD

2024-25 First Interim Budget Report

Presented by
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Asst. Superintendent, Business Services

September 10, 2024

The Budget Financial Reporting Cycle:





What are FI Budget Revisions?

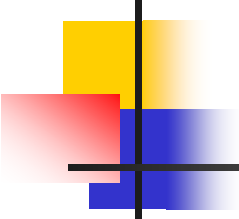
- Education Code Section 42131 requires school districts to submit to the County Office of Education (LACOE) a First Interim Financial Report no later than December 15th.
- The First Interim Report reflects changes to the budget, including revised assumptions, and projections occurring since the Budget Adoption through October 31, 2024.
- Provides updated financial information to the Board of Education, LACOE and CDE.



Key Terms:

- **Average Daily Attendance (ADA):** Equal to the average number of pupils actually attending classes who are enrolled for at least the minimum school day. Attendance is reported to the California Department of Education three times a year.
- **Cash Flow Report:** This report demonstrates the District's cash position for every month of the fiscal year. It is a tool that the District uses to ensure that it has sufficient cash available to meet its financial obligations, or if temporary borrowing is necessary.
- **Cost of Living Adjustment (COLA):** An increase in funding, including the LCFF target calculation and certain categorical programs.
- **Local Control Funding Formula (LCFF):** A multi-part formula to calculate the District's Principal Apportionment - the largest source of unrestricted revenue.
- **Multi-Year Projections (MYP):** Financial projections for the current and two subsequent years. In order to file a positive certification, a District must certify that it will meet its financial obligations for the current fiscal year and two subsequent two fiscal years.

First Interim Major Assumptions:



CCUSD FI 2024-25 Assumptions	2024-25	2025-26	2026-27
State Funded COLA	1.07%	2.93%	3.08%
CalSTRS Rate	19.10%	19.10%	19.10%
CalPERS Rate	27.05%	27.60%	28.00%
Estimated ADA	6240	6163	6123
Funded ADA	6477	6342	6257.61
Enrollment	6588	6507	6465
ADA to Enrollment	94.70%	94.70%	94.70%
Unduplicated Pupil %	39.13%	38.15%	36.07%



What changed at First Interim?

Combined Unrestricted and Restricted Revenues	2024-25 Budget	2024-25 First Interim	Change
LCFF	\$ 79,238,099	\$ 78,954,946	\$ (283,153)
Federal	\$ 2,360,771	\$ 2,684,010	\$ 323,239
Other State	\$ 19,317,474	\$ 19,057,849	\$ (259,625)
Other Local	\$ 5,854,102	\$ 7,887,098	\$ 2,032,996
Total Revenues	\$ 106,770,446	\$ 108,583,903	\$ 1,813,457

- -283 K Reduced LCAP
- + 50 K Slight increase in Restricted (federal & state) funding
- +1.1 M Rental lease income
- +0.9 M One time adjustment of prior year payables



Impact of declining enrollment?

Fiscal Year	Revenue at adoption	@ First Interim	Change	LCFF reduction %
2024-25	\$ 79,238,099	\$ 78,965,796	\$ (272,303)	-0.3%
2025-26	\$ 80,382,919	\$ 79,334,017	\$ (1,048,902)	-1.3%
2026-27	\$ 82,626,417	\$ 80,405,246	\$ (2,221,171)	-2.7%
3 year impact of declining enrollment			\$ (3,542,376)	

Revenue loss due to declining enrollment is more than the COLA Increases. Base funding would have been lower

What Changed at First Interim?

Unrestricted	Object	2024-25 Budget	2023-24 First Interim	Change
Certificated Salaries	1000-1999	\$ 36,592,645	\$ 37,366,535	\$ 773,890
Classified Salaries	2000-2999	\$ 11,528,037	\$ 12,270,099	\$ 742,062
Employee Benefits	3000-3999	\$ 18,238,632	\$ 19,547,398	\$ 1,308,766
Total		\$ 66,359,314	\$ 69,184,032	\$ 2,824,718
Expense + Transfers Out Total		\$ 71,253,718	\$ 74,446,444	\$ 3,192,726
Percentage		93.13%	92.93%	

- Total Unrestricted expenses budget increased by \$3.1 M.
- 88% of the expenditure increases are Personnel costs
 - With the expiry of one time funds, one time funded positions are moved to General Fund Unrestricted funding sources
- 12% of the expenditure increases are in Supplies and Contracted Services.
- 93% of the total budget is in personnel costs. This does not include vacant positions that are covered by contracted personnel.



What Changed at First Interim:

Contributions	2024-25 Budget	2024-25 First Interim	Change
CTEIG	\$ 1,525,475	\$ 1,466,269	\$ (59,206)
Special Education	\$ 14,285,171	\$ 14,909,023	\$ 623,852
Title II	\$ -	\$ 1,499	\$ 1,499
Title III	\$ -	\$ 17,931	\$ 17,931
A-G Grant	\$ -	\$ 323,259	\$ 323,259
Universal Pre School	\$ -	\$ 75,957	\$ 75,957
Culver Current	\$ -	\$ 12,100	\$ 12,100
Total Contributions	\$ 15,810,646	\$ 16,806,038	\$ 995,392
Ongoing Maintenance Transfer	\$ 3,584,909	\$ 3,581,723	\$ (3,186)
Total Transferred to Restricted	\$ 19,395,555	\$ 20,387,761	\$ 992,206



Fund Balance Changes at FI:

@ Adopted Budget 2024-25:

Net Decrease in Fund Balance - \$1,648,604

@ First Interim 2024-25:

Net Decrease in Fund Balance - \$925,770

Increase in Fund Balance @ FI = \$722,834

Increase in combined revenue	+\$1.8 Million
Increase in combined expenditures	-\$4.5 Million
RDA funds transferred to support GF	<u>+\$3.4 Million</u>
Net increase in Fund Balance	+\$0.7 Million

Multiyear Projections-Revenue:

Culver City Unified
Los Angeles County

2024-25 First Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

19 64444 0000000
Form MYPI
F81XRTY7NK(2024-25)

Description	Object Codes	Projected Year Totals (Form 01I) (A)	% Change (Cols. C-A/A) (B)	2025-26 Projection (C)	% Change (Cols. E-C/C) (D)	2026-27 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFF/Revenue Limit Sources	8010-8099	78,954,946.00	.48%	79,334,017.00	1.35%	80,405,246.00
2. Federal Revenues	8100-8299	2,684,010.00	0.00%	2,684,010.00	0.00%	2,684,010.00
3. Other State Revenues	8300-8599	19,057,849.00	1.76%	19,393,851.24	1.95%	19,771,707.22
4. Other Local Revenues	8600-8799	7,887,098.00	(11.41%)	6,987,098.00	0.00%	6,987,098.00
5. Other Financing Sources						
a. Transfers In	8900-8929	5,634,381.00	(26.35%)	4,149,998.00	0.00%	4,149,998.00
b. Other Sources	8930-8979	0.00	0.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		114,218,284.00	(1.46%)	112,548,974.24	1.29%	113,998,059.22

Changes at First Interim Revenue:

- Other Local Revenue includes the Measure O in 2026-27
- RDA funds are transferred for Facility Repairs and Maintenance (**Board Resolution#19**)

Multiyear Projections-Expenses:

Culver City Unified
Los Angeles County

2024-25 First Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

19 64444 0000000
Form MYPI
F81XRTY7NK(2024-25)

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2025-26 Projection (C)	% Change (Cols. E-C/C) (D)	2026-27 Projection (E)
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				48,752,824.00		47,842,993.82
b. Step & Column Adjustment				239,276.75		237,714.98
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				(1,149,106.93)		(300,000.00)
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	48,752,824.00	(1.87%)	47,842,993.82	(.13%)	47,780,708.80
2. Classified Salaries						
a. Base Salaries				17,278,408.00		17,112,352.13
b. Step & Column Adjustment				85,182.09		85,061.76
c. Cost-of-Living Adjustment				0.00		0.00
d. Other Adjustments				(251,237.96)		(100,000.00)
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	17,278,408.00	(.96%)	17,112,352.13	(.09%)	17,097,413.89
3. Employee Benefits	3000-3999	29,864,009.00	(1.07%)	29,544,320.27	(.01%)	29,540,134.83
4. Books and Supplies	4000-4999	4,679,608.00	(25.05%)	3,507,334.40	(10.25%)	3,147,976.01
5. Services and Other Operating Expenditures	5000-5999	15,167,228.00	(1.25%)	14,977,768.34	(.67%)	14,877,228.34
6. Capital Outlay	6000-6999	0.00	0.00%	0.00	0.00%	0.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	43,178.00	0.00%	43,178.00	0.00%	43,178.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(641,201.00)	0.00%	(641,201.00)	0.00%	(641,201.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	0.00	0.00%	0.00	0.00%	0.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments						
11. Total (Sum lines B1 thru B10)		115,144,054.00	(2.39%)	112,386,745.96	(.48%)	111,845,438.87
C. NET INCREASE (DECREASE) IN FUND BALANCE						
(Line A6 minus line B11)		(925,770.00)		162,228.28		2,152,620.35

Board approved Resolution for the reduction in positions to be submitted to LACOE along with Second Interim Report



Components of ending fund balance:

Components of Ending Fund Balance @ FI	2024-25	2025-26	2026-27
Unrestricted (UR)	\$ 4,315,279	\$ 3,548,058	\$ 3,497,739
Unspendable unrestricted funds	\$ 40,000	\$ 40,000	\$ 40,000
Available UR Fund Balance	\$ 4,275,279	\$ 3,508,058	\$ 3,457,739
Unrestricted Fund Balance %	3.71%	3.12%	3.09%
Restricted Fund Balance	\$ 7,946,934	\$ 8,876,383	\$ 11,079,323

- FI Budget meets 3% minimum reserve requirement for all 3 years.
- Minimum reserve of 3% impacts the cash balance due to the timing differences in the spending and receipt of funds.



First Interim Certification:

- The District must certify the 1st Interim Report as either:
 - **POSITIVE** = The District, based on current projections, will be able to meet its financial obligations for the current and subsequent two fiscal years
 - **QUALIFIED** = The District, based on current projections, may not be able to meet its financial obligations for the current and subsequent two fiscal years
 - **NEGATIVE** = The District, based on current projections, will be unable to meet its financial obligations for the current and subsequent two fiscal years
- District Administration recommends a **POSITIVE** certification.
- Based on current projections, the District will be able to meet its financial obligations for the current and two subsequent fiscal years.



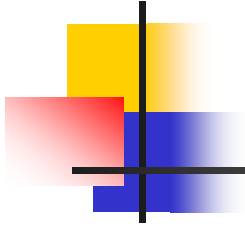
Next Steps

- Recommend that the Board of Education take formal action to adopt the First Interim Budget Report.
- File financial documents with the Los Angeles County Office of Education (LACOE).
- Work in collaboration with external auditors to complete the 2023-24 audit & submit the report to LACOE by December 15, 2024.
- Auditors to present the audit report to the Board in January 2025.

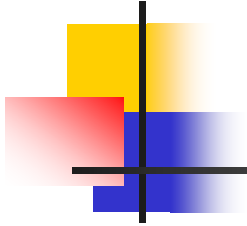


Next steps to continue - 24-25 Budget and Beyond

- To implement Fiscal Stabilization Plan for 2025-26 and 2026-27.
- To Monitor spending and adding position control measures
- To Monitor cash balances
- To Improve Attendance Rate & Increase intradistrict permits



QUESTIONS & ANSWERS



THANK YOU!