



MT. DIABLO

UNIFIED SCHOOL DISTRICT

2023-2024

First Interim Report

December 13, 2023 Board Meeting

Adrian Vargas, Chief Business Officer
Nancy Chen, Executive Director of Fiscal Services
Dr. Adam Clark, Superintendent

California School District Financial Reporting Requirements

- California Education Code requires school districts to file their fiscal condition for TWO reporting periods, October 31 and January 31, including projections of the budget through June 30
- The First Interim report is snapshot of actual income and expenses through October 31, 2023 and projects budgets through 6/30/2024
- Multi year projections for the next two fiscal years based on the current School Services of California Dartboard
- Requires Governing Board approval and certification



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Financial Reporting Certifications

There are three types of certification based on the multi-year projections at each reporting period.

- **Positive Certification**: District can meet its financial obligations for the current and two subsequent years.
- **Qualified Certification**: District may not meet financial obligations for the current and two subsequent years.
- **Negative Certification**: District will not meet financial obligations in the current year or two subsequent years. Usually shows negative fund balance or reserve for economic uncertainty below the minimum state requirement, 3% for MDUSD



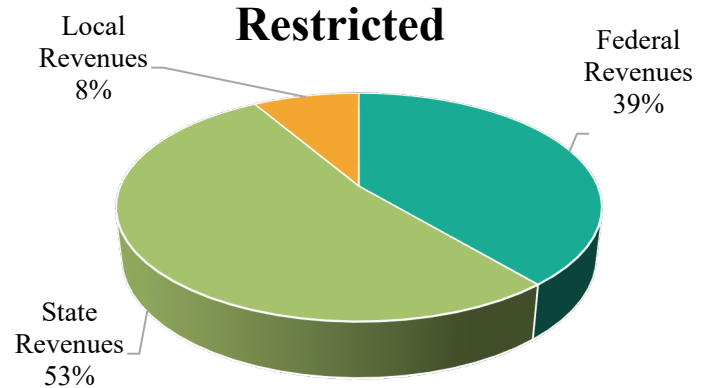
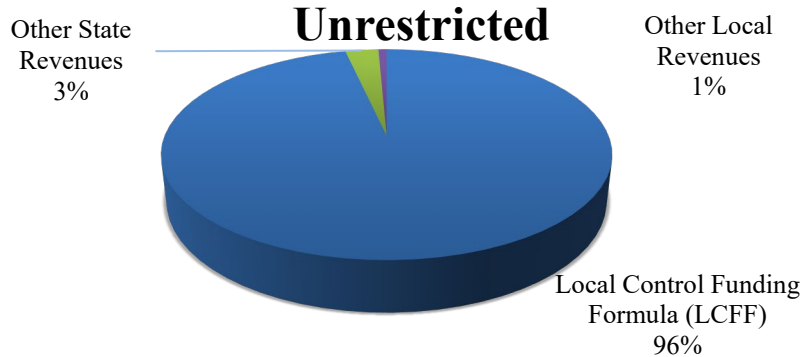
Notable Changes Since Adopted Budget

- Increased LCFF revenues as a result of increased enrollment projections (28,804 to 29,064), higher ADA to enrollment ratio (91.5% to 93.5%)
- Carryover funds were added to the budget from 2022-23, primarily for restricted programs
- Vacancy savings removed from the unrestricted budget
- Capital Outlay for technology decreased by \$1.5M
- Contracted services decreased by \$500K
- Multiyear projections include the recently signed tentative agreement with the MDEA bargaining unit, providing a 9% on the salary schedule increase effective July 1, 2024 and 100% coverage of the Kaiser tier rates effective January 1, 2024



2023-24 General Fund Revenues

Description	Unrestricted	Restricted	Combined
Local Control Funding Formula (LCFF)	339,788,515	-	339,788,515
Federal Revenues	-	51,982,848	51,982,848
State Revenues	9,914,672	70,388,325	80,302,997
Local Revenues	2,470,524	11,286,031	13,756,555
Total	352,173,711	133,657,204	485,830,915

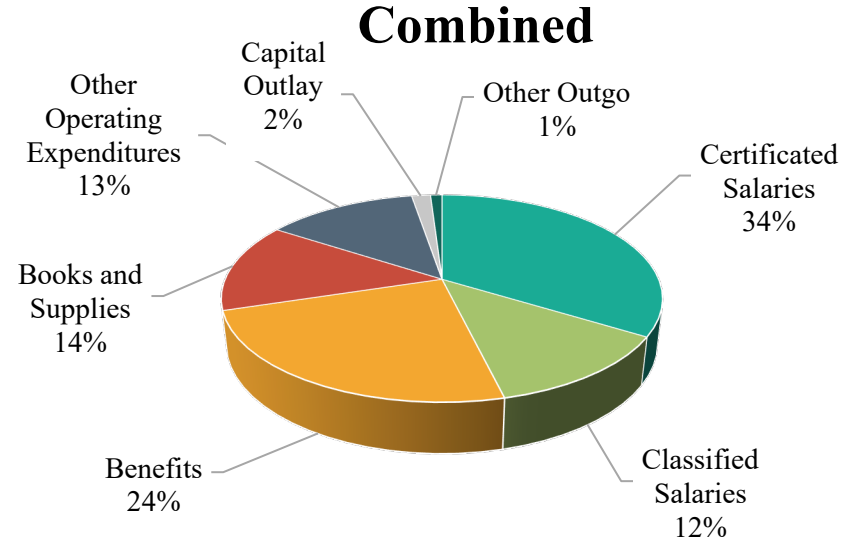
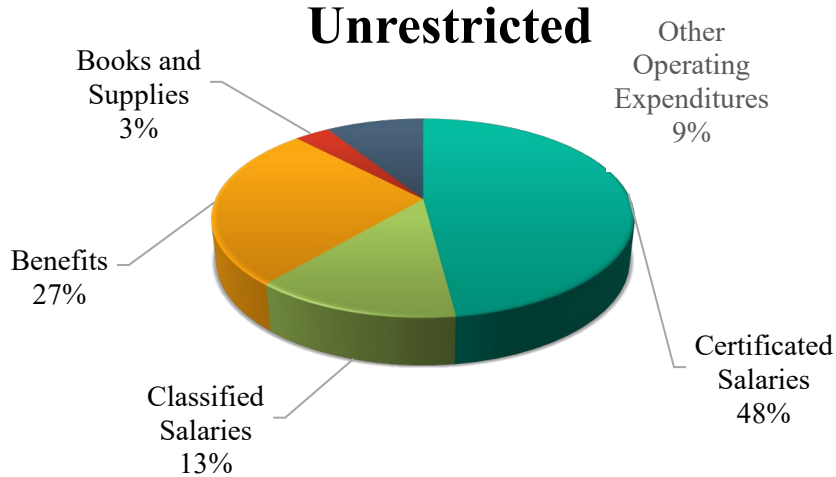


2023-24 General Fund Expenditures

Description	Unrestricted	Restricted	Combined
Certificated Salaries	\$ 132,596,024	\$ 41,154,151	\$ 173,750,175
Classified Salaries	\$ 36,797,257	\$ 27,408,387	\$ 64,205,644
Benefits	\$ 73,457,963	\$ 50,132,440	\$ 123,590,403
Books and Supplies	\$ 8,895,014	\$ 63,022,118	\$ 71,917,131
Other Operating Expenditures	\$ 24,759,658	\$ 43,062,504	\$ 67,822,162
Capital Outlay	\$ 716,534	\$ 7,775,927	\$ 8,492,461
Other Outgo	\$ (4,911,635)	\$ 10,105,223	\$ 5,193,588
TOTAL	\$ 272,310,814	\$ 242,660,749	\$ 514,971,563



2023-24 General Fund Expenditures



2023-24 General Fund Contributions & Transfers Out

Special Education Programs = \$60M

Routine Restricted Maintenance Account = \$15.4M

Federal Program = \$10K

Local Programs = \$1.3M

Total Contributions = \$76.7M

Transfers Out to Deferred Maintenance Fund = \$5M



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2023-24 Fund Summaries

Fund	2022-23	Est. Net Change	2023-24
General (Unrestricted & Restricted)	\$ 182,609,430	\$ (29,140,648)	\$ 153,468,781
Student Activity Fund	\$ 710,408	\$ -	\$ 710,408
Charter Schools Special Revenue Fund	\$ 2,025,844	\$ (163,803)	\$ 1,862,042
Adult Education Fund	\$ 3,145,989	\$ (792,589)	\$ 2,353,400
Cafeteria Special Revenue Fund	\$ 11,808,448	\$ (5,785,551)	\$ 6,022,898
Deferred Maintenance Fund	\$ 2,204,536	\$ (1,401,955)	\$ 802,582
Building Fund	\$ 75,918,794	\$ (41,889,644)	\$ 34,029,150
Capital Facilities Fund	\$ 21,952,392	\$ 2,729,760	\$ 24,682,152
County School Facilities Fund	\$ 3,498,508	\$ 111,473	\$ 3,609,981
Capital Projects Fund for Blended Component Units	\$ 31,603	\$ 1,615,041	\$ 1,646,644
Bond Interest and Redemption Fund	\$ 44,746,381	\$ 2,511,078	\$ 47,257,459
Debt Service Fund for Blended Component Units	\$ 7,202,118	\$ 657,013	\$ 7,859,131
Foundation Private-Purpose Trust Fund	\$ 60,883	\$ 1,940	\$ 62,823
TOTAL	\$ 355,915,335	\$ (71,547,884)	\$ 284,367,451



2023-24 Multiyear (MYP) Assumptions

2024-25 & 2025-26 Revenue Assumptions

- Enrollment flat at 29,064
- ADA to Enrollment ratio at 93.5%, UPP% of 47% for each subsequent year
- LCFF COLA of 3.94%, 3.29% respectively
- Federal, state and local revenues projected to remain constant after the removal of one-time and expiring resources
- Contributions to Special Education programs at \$3M in each of the two subsequent years



2023-24 MYP Assumptions

2024-25 & 2025-26 Expenditure Assumptions

- Step and column increases projected at 1.56% for each year
- 9% on the schedule salary increase effective July 1, 2024
- Unrestricted salaries increases due to TK expansion, the movement of ESSER funded positions and the add back of vacancy savings from 2023-24
- Restricted salaries decrease due to the removal of one-time funds and are offset by projected increases for special education salaries
- Increased benefit costs due to increasing PERS pension rates and health benefits
- Books & materials for unrestricted resources increase due to the CPI, restricted resources decrease due to the removal of one time funds. Restricted books and supplies decrease in 2024-25, due to the removal of one time funds. For 2025-26, restricted books and supplies are decreased.



2023-24 MYP Assumptions

2024-25 & 2025-26 Expenditure Assumptions

- Services and other operating expenditures are projected to increase for unrestricted resources due to projected increases for utilities, property & liability insurance and contracts.
- Restricted services and other operating expenditures decrease in 2024-25 due to the removal of ESSER funds, federal & state carryover funds and are offset by projected increases for special education service contracts.
- Capital outlay and other outgo are projected to remain constant.
- Indirect costs are adjusted for the removal of one-time restricted expenditures offset.
- Transfers out to the deferred maintenance fund are only being projected in the 2023-24 fiscal year.



2023-24 First Interim MYP

	2023-24			2024-25			2025-26		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUES									
	352,173,711	133,657,204	485,830,915	358,469,920	96,246,855	454,716,775	370,137,943	96,246,855	466,384,798
EXPENDITURES									
	272,310,814	242,660,749	514,971,563	304,599,021	185,852,168	490,451,189	308,755,601	183,852,168	492,607,769
OVER/SHORT	79,862,897	(109,003,545)	(29,140,648)	53,870,899	(89,605,313)	(35,734,414)	61,382,342	(87,605,313)	(26,222,971)
CONTRIBUTIONS	(76,732,924)	76,732,924	0	(79,732,924)	79,732,924	0	(82,732,924)	82,732,924	0
NET INCREASE (DECREASE) IN FUND BALANCE	3,129,973	(32,270,622)	(29,140,648)	(25,862,025)	(9,872,390)	(35,734,414)	(21,350,582)	(4,872,390)	(26,222,971)
Beginning Fund Balance	93,998,538	88,610,892	182,609,430	97,128,511	56,340,270	153,468,781	71,266,487	46,467,880	117,734,367
Ending Fund Balance	97,128,511	56,340,270	153,468,781	71,266,487	46,467,880	117,734,367	49,915,905	41,595,491	91,511,396
Restricted	722,000	56,340,270	57,062,270	722,000	46,467,880	47,189,880	722,000	41,595,491	42,317,491
Committed - 24/25 Negotiation Settlement	45,465,182		45,465,182	22,732,591		22,732,591	0		0
Committed - Legal Settlements	3,000,000		3,000,000	3,000,000		3,000,000	3,000,000		3,000,000
Committed - LCAP Supplemental	11,610,878		11,610,878	6,419,278		6,419,278	2,526,665		2,526,665
Committed - LCFF COLA Reserve	20,000,000		20,000,000	20,000,000		20,000,000	20,000,000		20,000,000
Assigned: Technology Refresh	0		0	3,500,000		3,500,000	3,500,000		3,500,000
Assigned: Textbook Adoption	0		0	0		0	5,000,000		5,000,000
Reserve for Economic Uncertainties	15,450,000		15,450,000	14,714,000		14,714,000	14,779,000		14,779,000
Unassigned	880,451		880,451	178,618		178,618	388,240		388,240
Reserve Cap (must be below 10%)			3.17%			3.04%			3.08%



Future Considerations/Risks

1

The State economy, tax data late due to filing extension to November 2023

2

Expiring and spending down of one time funds

3

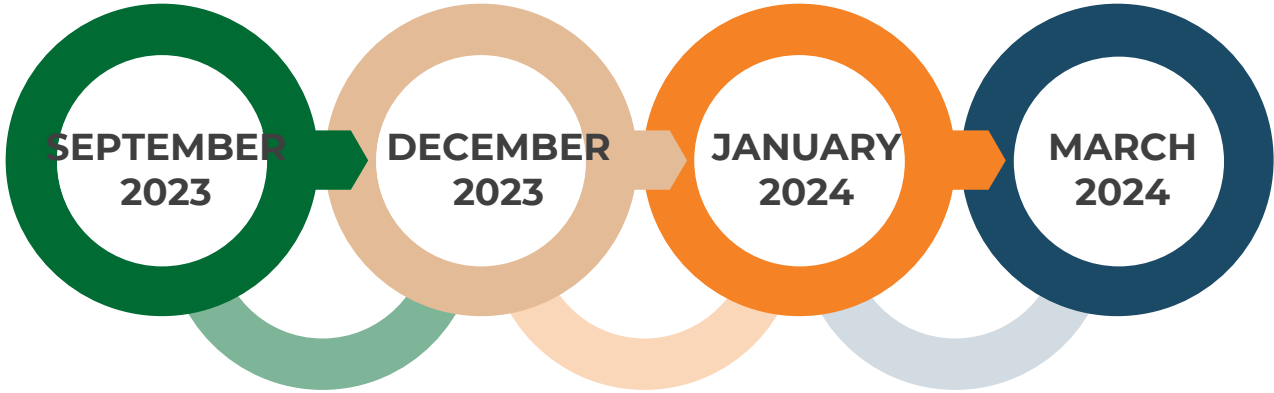
Cost increases for STRS/PERS rates, health benefits and other operating costs like insurance and utilities

4

Enrollment and Student Attendance maintaining growth?



Budget Calendar Timeline



- 2022-23 UNAUDITED ACTUALS

- 2023-24 FIRST INTERIM REPORT
- 2022-23 AUDIT REPORT TO STATE

- GOVERNORS 2024-25 JANUARY BUDGET PROPOSALS
- 2024-25 BUDGET DEVELOPMENT

- 2022-23 SECOND INTERIM REPORT



2022-23 First Interim Certification

- The district will be able to maintain a 3% minimum required reserve for economic uncertainties in the current year and subsequent years.
- Staff recommends a **POSITIVE** certification for the 2023-24 First Interim Financial Report.



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Thank You



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