



# Mt. Diablo Unified School District

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## 2015-2016 Second Interim Budget Report

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# California School District Financial Reporting Requirements

- Education Code 42130 – requires the school district to file their fiscal condition for TWO reporting periods, October 31 and January 31, including projections of the budget through June 30.
- Education Code 42131 – requires the Board of Education to certify, based on current projections, whether or not the school district is able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- Education Code 33127 – requires a district that has received a negative certification of its interim report(s) to file a third report as of April 30.

# Financial Reporting Certifications

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

- Positive Certification ~ District can meet it's financial obligations for the current and two subsequent years.
- Qualified Certification ~ borderline, may not meet financial obligations during one of the three years of the MYP.
- Negative Certification ~ cannot meet financial obligations in two or more of the three years as shown by negative fund balance, insufficient Reserves for Economic Uncertainty.

# 2<sup>nd</sup> Interim Projected LCFF Funding

Summary of Funding			
	2015-16	2016-17	2017-18
Target	\$ 272,066,705	\$ 272,871,301	\$ 275,707,550
Floor	<b>225,906,090</b>	<b>249,773,070</b>	<b>258,519,719</b>
Applied Formula: Target or Floor	FLOOR	FLOOR	FLOOR
<i>Remaining Need after Gap (informational only)</i>	22,170,943	11,761,619	9,394,868
Current Year Gap Funding	23,989,672	11,336,612	7,792,963
Economic Recovery Target	-	-	-
Additional State Aid	-	-	-
<b>Total Phase-In Entitlement</b>	<b>\$ 249,895,762</b>	<b>\$ 261,109,682</b>	<b>\$ 266,312,682</b>
Components of LCFF By Object Code			
	2015-16	2016-17	2017-18
8011 - State Aid	\$ 99,504,042	\$ 108,992,523	\$ 115,792,498
8011 - Fair Share	-	-	-
8311 & 8590 - Categoricals	-	-	-
8012 - EPA	41,335,795	41,183,497	37,456,154
<i>Local Revenue Sources:</i>			
8021 to 8089 - Property Taxes	116,461,828	118,791,064	121,166,885
8096 - In-Lieu of Property Taxes	(7,405,903)	(7,857,402)	(8,102,856)
<i>Property Taxes net of in-lieu</i>	109,055,925	110,933,662	113,064,029
<b>TOTAL FUNDING</b>	<b>\$ 249,895,762</b>	<b>\$ 261,109,682</b>	<b>\$ 266,312,682</b>

## Percent of Funded Targeted Amount

2015-16 91.73%

2016-17 95.63%

2017-18 96.54%

## 2<sup>nd</sup> Interim Unrestricted GF Compared to 1<sup>st</sup> Interim

2015-16 2nd Interim Budget Mt. Diablo Unified	1st Interim Unrestricted	2nd Interim Unrestricted	Change
<b>BEGINNING BALANCE</b>	<b>59,397,310.28</b>	<b>59,397,310.28</b>	<b>0.00</b>
Revenues			
LCFF	246,698,962.00	249,895,760.00	3,196,798.00
Federal	20,000.00	20,000.00	0.00
State	41,438,078.00	23,626,716.00	(17,811,362.00)
Local	4,567,668.14	5,257,065.51	689,397.37
<b>TOTAL REVENUE</b>	<b>292,724,708.14</b>	<b>278,799,541.51</b>	<b>(13,925,166.63)</b>
Expenditures			
Certificated	108,891,427.38	109,451,758.51	560,331.13
Classified	26,848,490.00	27,250,387.86	401,897.86
Benefits	44,663,388.37	44,247,987.33	(415,401.04)
Books & Supplies	55,208,207.67	55,787,343.57	579,135.90
Other Services & Operating Exp	14,433,725.89	14,987,945.35	554,219.46
Capital Outlay	1,389,562.00	1,520,491.86	130,929.86
Direct Support/Indirect Costs	(4,151,483.96)	(4,147,919.19)	3,564.77
Other Outgo	507,599.00	672,515.36	164,916.36
<b>TOTAL EXPENDITURE</b>	<b>247,790,916.35</b>	<b>249,770,510.65</b>	<b>1,979,594.30</b>
Contributions to Restricted Program	(55,152,138.00)	(54,836,504.00)	315,634.00
Interfund Transfers In	0.00	(17,517.36)	(17,517.36)
Interfund Transfers Out	0.00	0.00	0.00
<b>TOTAL OTHER</b>	<b>(55,152,138.00)</b>	<b>(54,854,021.36)</b>	<b>298,116.64</b>
<b>Increase/Decrease to Fund Balance</b>	<b>(10,218,346.21)</b>	<b>(25,824,990.50)</b>	<b>(15,606,644.29)</b>
<b>COMPONENTS OF EFB</b>			
Nonspendable	732,936.00	732,936.00	0.00
Assigned	7,401,479.00	6,000,000.00	(1,401,479.00)
Reserve for Economic Uncertainties	6,518,731.00	6,671,988.00	153,257.00
<b>TOTAL COMPONENTS</b>	<b>14,653,146.00</b>	<b>13,404,924.00</b>	<b>(1,248,222.00)</b>
Unassigned/Unappropriated	34,525,818.07	20,167,395.78	(14,358,422.29)
<b>ENDING FUND BALANCE</b>	<b>34,525,818.07</b>	<b>20,167,395.78</b>	<b>(14,358,422.29)</b>

# Changes from 1<sup>st</sup> Interim to 2<sup>nd</sup> Interim

- LCFF gap funding percentage changed from 51.52% to 51.97%, increase of \$3,196,798.
- Increase of local revenues.
- Salaries increased due to added positions and filling vacant positions.
- Expenditure budgets have been increased to reflect new revenue.
- Contributions to restricted programs have decreased due to position budget adjustments for vacancies in Special Education.

## 2015-16 2<sup>nd</sup> Interim Unrestricted GF Multi Year Projection

<b>Mt. Diablo Unified School District</b>			
<b>2015-16 First Interim Based on DOF Gap Percentages</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
	Projected	Projected	Projected
	<b>UNRESTRICTED</b>	<b>UNRESTRICTED</b>	<b>UNRESTRICTED</b>
<b>A. REVENUE</b>			
1. LCFF Sources	249,895,760	261,109,682	266,312,682
2. Federal Revenues	20,000	19,723	19,760
3. Other State Revenues	23,626,716	5,500,038	5,627,708
One-time \$529/ADA	16,075,690		
Transitional QEIA	1,999,950		
4. Other Local Revenues	5,257,066	5,356,313	5,282,238
<b>TOTAL REVENUE</b>	<b>278,799,542</b>	<b>271,985,756</b>	<b>277,242,388</b>
<b>B. EXPENDITURES</b>			
1. Certificated Salaries	109,451,759	113,114,724	114,756,500
2. Classified Salaries	27,250,388	28,204,152	28,619,039
<b>Total Salaries</b>	<b>136,702,146</b>	<b>141,318,875</b>	<b>143,375,538</b>
3. Employee Benefits	26,363,735	26,234,477	29,550,741
Health benefits	17,884,252	18,488,242	18,757,308
<b>Total Employee Benefits</b>	<b>44,247,987</b>	<b>44,722,719</b>	<b>48,308,049</b>
4. Books and Supplies	55,787,344	20,314,957	20,826,894
5. Services, Other Op.	14,987,945	14,780,672	14,808,352
6. Capital Outlay	1,520,492	1,554,247	1,593,414
7. Other Outgo	0	0	0
8. Direct/Indirect Costs	(4,147,919)	(4,610,193)	(4,779,914)
9. Debt Service	672,515	672,515	672,515
<b>TOTAL EXPENDITURES</b>	<b>249,770,510</b>	<b>218,753,793</b>	<b>224,804,849</b>
<b>C. EXCESS/DEFICIENCY</b>	<b>29,029,031</b>	<b>53,231,963</b>	<b>52,437,539</b>
<b>D. OTHER SOURCES</b>			
1. Interfund Transfers In	0	0	0
2. Interfund Transfers Out	(17,517)		
3. Other Sources In	0	0	0
4. Other Uses Out	0	0	0
5. Contrib./Restricted Programs	(54,836,504)	(56,053,874)	(57,466,432)
<b>TOTAL SOURCES/USES</b>	<b>(54,854,021)</b>	<b>(56,053,874)</b>	<b>(57,466,432)</b>
<b>E. Change to Fund Balance</b>	<b>(25,824,990)</b>	<b>(2,821,911)</b>	<b>(5,028,893)</b>
<b>F. FUND BALANCE, RESERVES</b>			
NET BEGINNING BALANCE:	59,397,310	33,572,320	30,750,409
<b>ENDING BALANCE:</b>	<b>33,572,320</b>	<b>30,750,409</b>	<b>25,721,517</b>
<b>COMPONENTS OF ENDING BALANCE:</b>			
REVOLVING CASH	305,000	305,000	305,000
STORES	427,936	427,936	427,936
REQUIRED RESERVE	6,671,988	6,516,761	6,698,672
<b>OTHER DESIGNATED</b>			
Centralized Intentional Carryover for LCAP	5,000,000		
Establish Liability Fund	1,000,000	1,000,000	1,000,000
<b>UNAPPROPRIATED</b>	<b>20,167,396</b>	<b>22,500,712</b>	<b>17,289,909</b>

# Supplemental Information

- Form AI: Average Daily Attendance – Updated based on P-1 ADA, funding is based on P-2 ADA .
- Form CASH: Cash Flow – Ending General Fund cash will be positive.
- Form MYP: Multiyear Projections-General Fund – Available reserves meet the reserve standard.
- Form CSI: Criteria and Standards – Review includes additional information that impacts the fiscal condition of the district.



# Positive Certification

- Form CI: Certification – summarizes the Criteria and Standards. The multi-year projections show that we can meet our financial obligations for the current fiscal year and two subsequent fiscal years.

# What's next?

- LCAP Key Stakeholders meet to continue our work on the LCAP.
  - Next meeting is tomorrow and another in April
- District received notice of award for the Career Technical Education Incentive Grant of \$1.9M.
- Negotiations with bargaining units continue.
- Any questions?



Thank you to my staff for their  
assistance.

Have a Good Evening!