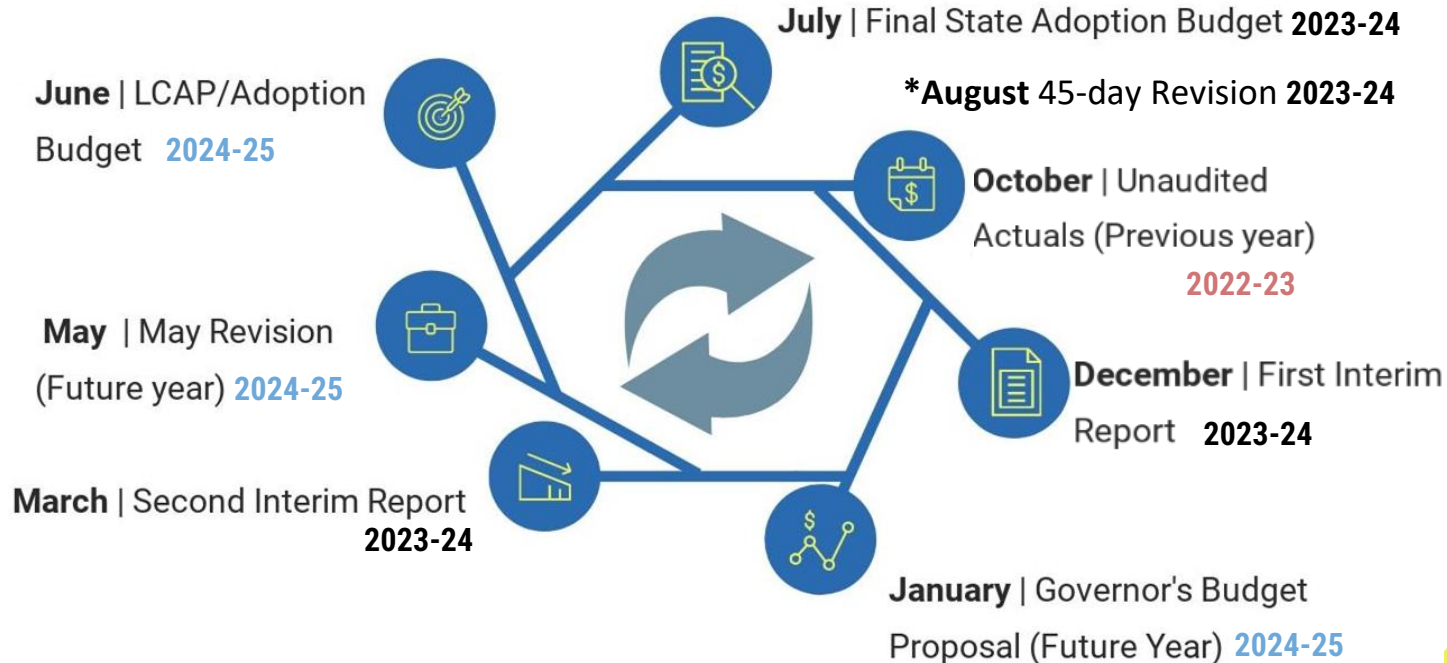


First Interim Budget Fiscal Year 2023-24

December 21, 2023

Budget Reporting Cycle 2023-24



First Interim Summary

The First Interim Budget incorporates updates and changes since the Adoption Budget in June. These include updated beginning fund balances from prior year actuals, staffing and spending reconciliations and final State Budget assumptions. This includes changes for this year and the two subsequent years multi-year planning.

The First Interim Budget for this year's cycle has been very fluid as we have reviewed and updated enrollment, attendance, staffing, spending as well as changing State assumptions.

With all of these changes, the DJUSD budget is projected to deficit spend over the next two years and the State outlook has weakened to support revenue growth in the future. The District will need to be fiscally diligent and adjust future spending to maintain a positive budget certification

First Interim Overview

- Comparisons to Approved Budget
- Multi Year Projections
- One-time Funds
- Considerations for Fiscal Sustainability

First Interim Compared to Approved Budget

Total General Fund Revenues (Unrestricted and Restricted)

2023-24	Unrestricted Variance	Restricted Variance	Total Variance +/-	Reason(s)
LCFF	\$197,821	\$0	\$197,821	Improvement in funded ADA from 3-Year average and charter school shift
Federal Revenues	\$0	\$623,081	\$623,081	Deferred Revenue Carryover
Other State Revenues	\$248,978	\$1,040,898	\$1,289,876	Home-to-School Trans, Lottery, Final State Budget for Block Grants and Prop 28 Arts and Deferred Revenue Carryover
Other Local Revenues	\$294,271	-\$291,972	\$2,299	Interest, Local Grants
Total Revenues	\$741,070	\$1,372,007	\$2,113,077	1.7% Variance from Adoption

First Interim Compared to Approved Budget

Total General Fund Expenditures (Unrestricted and Restricted)

2023-24	Unrestricted Variance	Restricted Variance	Total Variance +/-	Reason(s)
Salaries and Benefits	-\$380,078	\$1,982,292	\$1,602,214	Position Control reconciliations, program transfers (includes shift from Dist to Outside Paraeducators.
Books, Supplies and Capital	\$322,439	\$141,024	\$463,463	Reductions and Transfer of expenditures to other funds
Services, Other Operating and Other Outgo	-\$3,349,404	-\$1,201,625	-\$4,551,029	Dropping of Indirect charge to Special Education and increased SPED Costs for NPS, transportation, outside staffing, technology and utilities
Total Expenditures	-\$3,407,043	\$921,691	-\$2,485,352	-1.9% Variance from Adoption

First Interim Compared to Approved Budget

Total General Fund Sources and Uses (Unrestricted and Restricted)

	Unrestricted Variance	Restricted Variance	Total Variance +/-	Reason(s)
Interfund Transfers	\$50,000	\$45,419	\$95,419	Decrease in transfer to Student Nutrition and transfer in from DVCA
Other Sources/Uses	\$101,498	\$0	\$101,498	Lease Accounting Journal
Contributions	\$1,809,929	-\$1,809,929	\$0	Dropping Indirect Charges to Special Education and cost transfers to one-time sources
Total Financing Sources and Uses	\$1,961,427	-\$1,764,510	\$196,917	

First Interim Compared to Approved Budget

Total General Fund Ending Fund Balances (Unrestricted and Restricted)

<i>-1.0% Variance from Adoption</i>	Unrestricted Variance	Restricted Variance	Total Variance
Total Revenues +	\$741,070	\$1,372,007	\$2,113,077
Total Expenditures -	-\$3,407,043	\$921,691	-\$2,485,352
Interfund Transfers -	\$50,000	\$45,419	\$95,419
Other Sources/Uses +	\$101,498	\$0	\$101,498
Contributions +	\$1,809,929	-\$1,809,929	\$0
Net Ending Fund Balance	-\$704,546	\$529,188	-\$175,358

Multi Year Projection (MYP) Assumptions First Interim (2024-2026)

- Enrollment and ADA projections adjusted since Adopted
- LCFF COLA adjusted for latest projections
- Parcel Tax Rate adjusted for inflation
- Continued Employee Cost increases (pensions, step and column)
- Federal and State restricted programs use current funding assumptions
- Maintains minimum required 3% reserve
- No projected increases in programs or compensation

First Interim Multi Year Projection

Unrestricted General Fund

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$5,792,964	\$5,127,425	\$3,905,067
+ Revenues	\$105,141,068	\$104,768,710	\$96,117,899
- Expenditures	\$85,253,273	\$84,024,793	\$72,955,769
+ Other Financing Sources/Uses	(\$20,553,335)	(\$21,966,275)	(\$21,777,741)
= Surplus/(Deficit) Spending	(\$665,540)	(\$1,222,357)	\$1,384,390
Ending Balance June 30	\$5,127,425	\$3,905,067	\$5,289,457
<i>Ending Balance %</i>	3.9%	3.0%	4.5%
Non-Spendable %	0.0%	0.0%	0.0%
Committed %	0.0%	0.0%	0.0%
Assigned/Reserve for Economic Uncertainties/Unappropriated %	3.9%	3.0%	4.5%

Multi Year Projection Summary

Unrestricted General Fund

2023-24 First Interim	2023-24	2024-25	2025-26
LCFF Statutory COLA & Augmentation	8.22%	1.27%	3.29%
LCFF Revenue Growth	\$5,222,000	(\$465,000)	\$3,029,000
Operating Deficit/Surplus	(\$666,000)	(\$1,222,000)	\$1,384,000
Reserve %	3.9%	3.0%	4.5%
<i>Reserve for Economic Uncertainties %</i>	3.0%	3.0%	3.0%
<i>Available Reserve Dollar Value above 3%</i>	\$1,158,000	\$13,000	\$1,751,000

First Interim Multi Year Projection

Restricted General Fund

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$15,539,751	\$12,356,309	\$7,968,642
+ Revenues	\$20,108,225	\$17,656,011	\$17,656,011
- Expenditures	\$45,376,205	\$44,035,372	\$43,312,558
+ Other Financing Sources/Uses	\$22,084,538	\$21,991,694	\$21,823,160
= Surplus/(Deficit) Spending	(\$3,183,442)	(\$4,387,667)	(\$3,833,387)
Ending Balance June 30	\$12,356,309	\$7,968,642	\$4,135,255

First Interim Multi Year Projection

Restricted General Fund State One Time Sources

6762 Arts, Music, and Instructional Materials Discretionary Block Grant

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$3,458,575	\$3,248,860	\$1,944,168
+ Revenues	\$1,094,977	\$0	\$0
- Expenditures	\$1,304,692	\$1,304,692	\$1,304,692
= Surplus/(Deficit) Spending	(\$209,715)	(\$1,304,692)	(\$1,304,692)
Ending Balance June 30	\$3,248,860	\$1,944,168	\$639,476

7435 Learning Recovery Emergency Block Grant

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$2,208,220	\$813,308	\$0
+ Revenues	\$0	\$0	\$0
- Expenditures	\$1,394,912	\$813,308	\$0
= Surplus/(Deficit) Spending	(\$1,394,912)	(\$813,308)	\$0
Ending Balance June 30	\$813,308	\$0	\$0

Considerations

- DJUSD is highly dependent on State funding which is shrinking due to State Budget deficits
- District programming is highly dependent on the continuation of Measure H parcel taxes
- Decreased sources of one-time funding will reduce current spending activities
- Reserve for Economic Uncertainties is at the minimum % required by the State

Acknowledgements

The First Interim Budget represents the time and effort of our District team. This budget includes extra efforts by the fiscal team, as well as District department and program staff.

Questions?