



MT. DIABLO

UNIFIED SCHOOL DISTRICT

2024-25

First Interim Report

December 18, 2024 Board Meeting

Adrian Vargas, Chief Business Officer
Gustavo Aguilera, 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, 2024 and projects budgets through 6/30/2025
- 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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UNIFIED SCHOOL DISTRICT

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



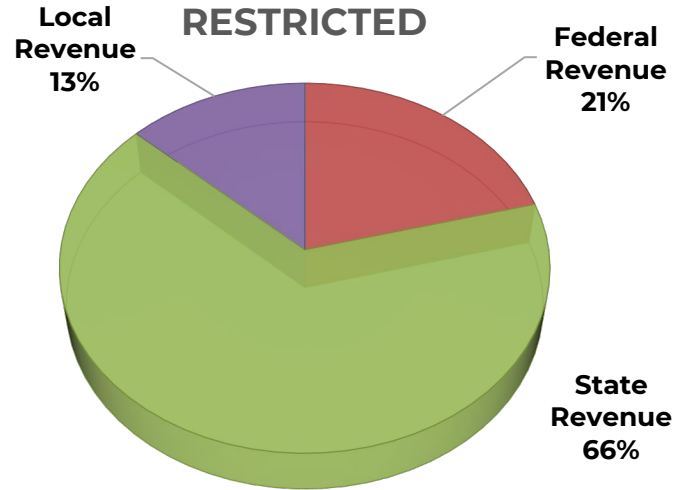
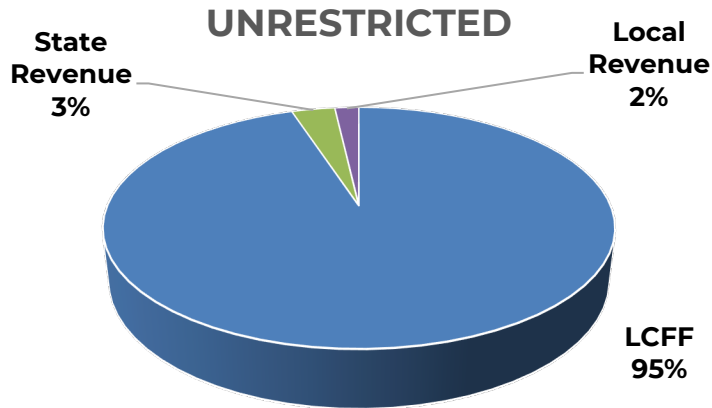
Notable Changes Since Adopted Budget

- Unrestricted salaries & benefits increased by \$2.7M primarily due to the addition of LCAP supplemental carryover and offset by vacancy savings
- Unrestricted supplies, contracted services & operating expenses increased by \$253K due to LCAP supplemental carryover
- Restricted revenues increased by \$17.9M due to the inclusion of federal, state and local carryover funds and new grants not included with the adopted budget
- Restricted Salaries & benefits increased by \$7.2M; books & supplies by \$26M
- Restricted contracted services & operating expenses increased by \$9.5M; capital outlay increased by \$972K
- Overall restricted expenditures increased by **\$45M** which includes indirect costs of \$1.3M



2024-25 General Fund Revenues

DESCRIPTION	UNRESTRICTED	RESTRICTED	COMBINED
Local Control Funding Formula (LCFF)	\$337,135,855	\$0	\$337,135,855
Federal Revenue	\$0	\$24,648,917	\$24,648,917
State Revenue	\$11,564,350	\$77,729,179	\$89,293,529
Local Revenue	\$6,438,159	\$15,526,117	\$21,964,276
TOTAL	\$355,138,364	\$117,904,213	\$473,042,578

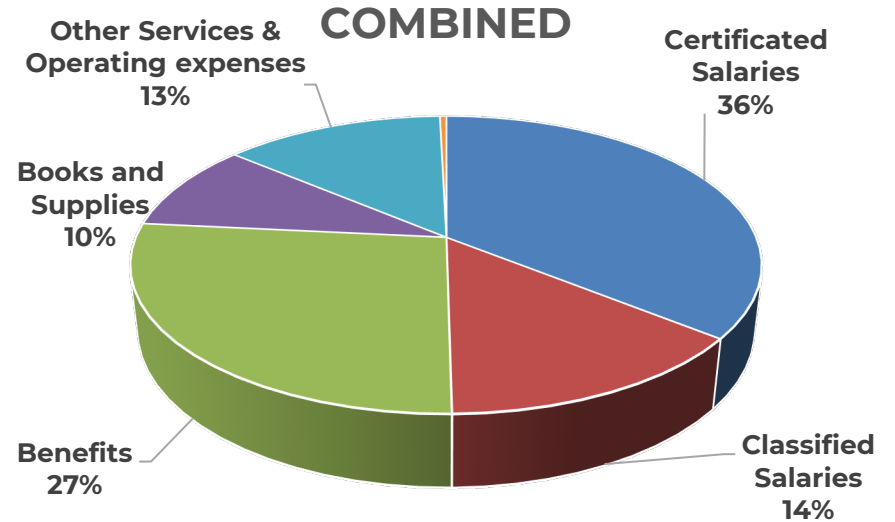
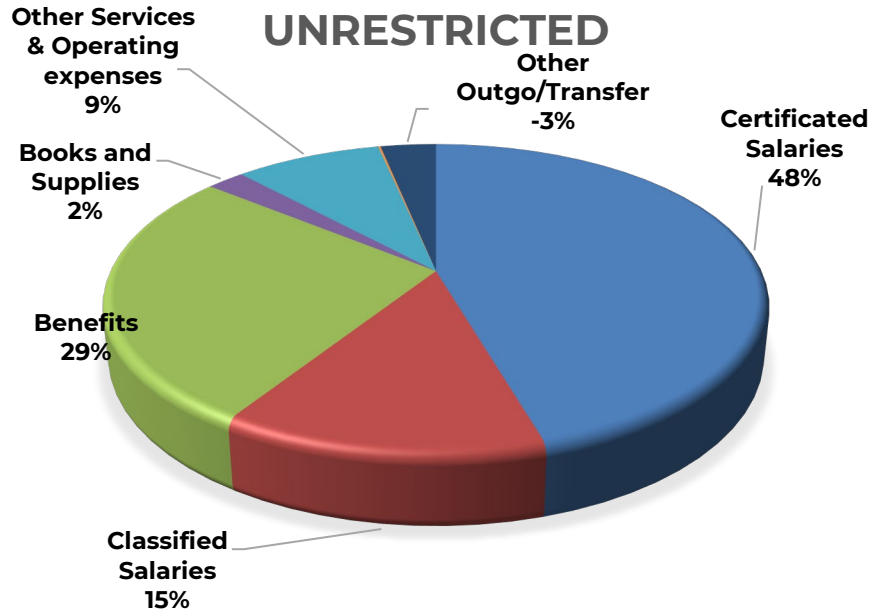


2024-25 General Fund Expenditures

DESCRIPTION	UNRESTRICTED	RESTRICTED	COMBINED
Certificated Salaries	\$148,556,860	\$47,101,644	\$195,658,504
Classified Salaries	\$44,577,209	\$32,198,930	\$76,776,140
Benefits	\$87,441,881	\$59,207,726	\$146,649,607
Books and Supplies	\$7,262,907	\$45,183,566	\$52,446,473
Other Services & Operating expenses	\$27,964,036	\$45,699,854	\$73,663,890
Capital Outlay	\$433,402	\$1,768,097	\$2,201,499
Other Outgo/Transfer	-\$10,562,342	\$10,564,444	\$2,102
TOTAL	\$305,673,953	\$241,724,262	\$547,398,215



2024-25 General Fund Expenditures



2024-25 General Fund Contributions

Description	2024-25 Adopted Budget	2024-25 First Interim Budget	Variance
Special Education	\$67,883,981	\$69,633,907	\$1,749,926
Routine Restricted Maintenance Account	\$16,126,101	\$16,126,101	\$0
Local Programs	\$1,549,126	\$1,357,264	-\$191,862
Total	\$85,559,208	\$87,117,272	\$1,558,064



2024-25 Fund Summaries

Fund	2024-25 Beginning Fund Balance	Budgeted Net Change	2024-25 First Interim Budget Ending Fund Balance
General (Unrestricted & Restricted)	\$199,975,989	(\$74,355,637)	\$125,620,352
Student Activity Fund	\$736,717	\$0	\$736,717
Charter Schools Special Revenue Fund	\$2,246,907	(\$95,374)	\$2,151,533
Adult Education Fund	\$3,494,309	(\$1,020,245)	\$2,474,065
Cafeteria Special Revenue Fund	\$15,807,742	(\$1,284,330)	\$14,523,412
Deferred Maintenance Fund	\$3,395,452	(\$3,260,956)	\$134,496
Building Fund	\$56,875,009	(\$41,975,492)	\$14,899,517
Capital Facilities Fund	\$24,081,889	\$2,229,202	\$26,311,091
County School Facilities Fund	\$3,659,979	\$96,000	\$3,755,979
Capital Projects Fund for Blended Component Units	\$825,167	\$1,651,092	\$2,476,259
Bond Interest and Redemption Fund	\$41,344,620	(\$4,972,745)	\$36,371,875
Debt Service Fund for Blended Component Units	\$7,522,961	\$683,239	\$8,206,200
Foundation Private-Purpose Trust Fund	\$63,693	\$1,000	\$64,693
TOTAL	\$360,030,435	(\$122,304,245)	\$237,726,189



2024-25 Multiyear (MYP) Assumptions

2025-26 & 2026-27 Revenue Assumptions

- Enrollment flat at 29,064
- ADA to Enrollment ratio at 93.5%, UPP% of 48% for each subsequent year
- LCFF COLA of 2.93%, 3.08% 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 \$3.3M in 2025-26 and \$3.5M in 2026-27



2024-25 MYP Assumptions

2025-26 & 2026-27 Expenditure Assumptions

- Step & column increases projected at 1.56% for each year, about \$3M each year
- Unrestricted salaries are projected to decrease by \$1.4M in 2025-26 due to the removal of LCAP supplemental carryover funds, movement of security salaries offset by step & column increases mentioned above
- Restricted salaries increase by \$721K for special education and the movement of security salaries but are offset due to the removal of one-time funds
- Increased benefit costs due to PERS pension rates and health benefits, \$3.4M in 25-26 and \$3.6M in 26-27. In 2025-26 these increased costs are offset by the removal of one-time expenses



2024-25 MYP Assumptions

2025-26 & 2026-27 Expenditure Assumptions

- Unrestricted books, materials and services & other operating expenses decrease by \$3M due to movement of security expenses and removal of LCAP supplemental carryover in 25-26, in 26-27 there is a decrease of \$2.4M due to the removal of LCAP supplemental funds
- Restricted books, materials and services & other operating expenses decrease by \$38.3M due the removal of carryover funds offset by special education increases in 25-26, in 26-27 expenses increase by \$196K for special education increases
- Capital outlay is projected to remain constant after the removal of \$1.2M in one-time expenses
- Indirect costs are adjusted for the removal of one-time restricted expenditures



2024-25 First Interim MYP

Description	2024-25 First Interim Budget	Projected 2025-26	Projected 2026-27
Total Revenues	\$473,042,578	\$466,685,554	\$477,510,293
Total Expenditures	\$547,398,215	\$504,223,511	\$512,739,552
Net Increase/(Decrease)	-\$74,355,637	-\$37,537,958	-\$35,229,259
Beginning Fund Balance	\$199,975,989	\$125,620,352	\$88,082,394
Ending Fund Balance	\$125,620,352	\$88,082,394	\$52,853,134
<i>Components of Ending Fund Balance</i>	\$125,605,894	\$86,772,695	\$51,798,916
Nonspendable	\$722,000	\$722,000	\$722,000
Restricted	\$44,542,014	\$37,118,372	\$29,694,730
Assigned	\$6,000,000	\$6,000,000	\$6,000,000
3% REU	\$16,421,946	\$15,126,705	\$15,382,187
Unassigned/Unappropriated	\$14,458	\$1,309,699	\$1,054,218



Future Considerations/Risks

1

State economy (revenue forecast)

2

Expiring and spending down of one time funds

3

Rising cost pressures: Pension rates, health benefits, insurance & utilities

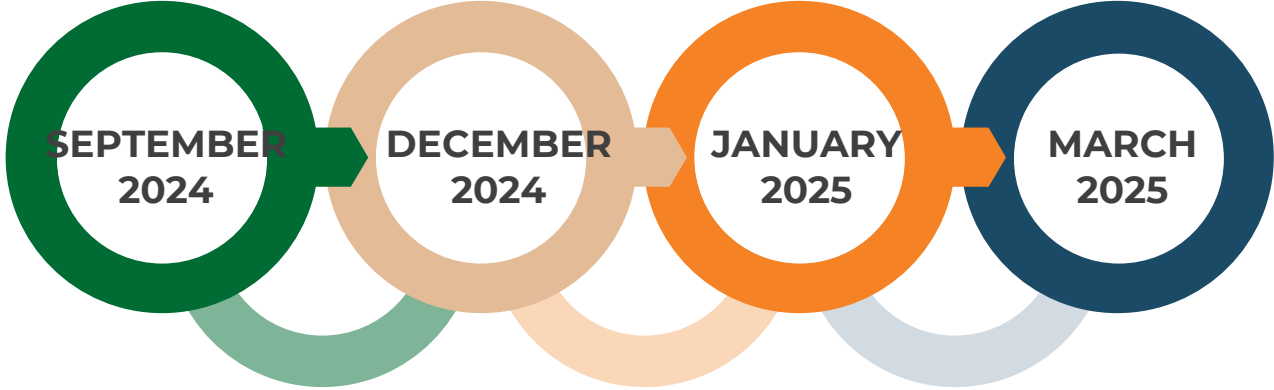
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Enrollment and Student absence rates



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Budget Calendar Timeline



- 2023-24 UNAUDITED ACTUALS

- 2024-25 FIRST INTERIM REPORT
- 2023-24 AUDIT REPORT TO STATE

- GOVERNORS 2025-26 JANUARY BUDGET PROPOSALS
- 2025-26 BUDGET DEVELOPMENT

- 2024-25 SECOND INTERIM REPORT
- 2025-26 BUDGET DEVELOPMENT



2024-25 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 2024-25 First Interim Financial Report.



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Thank You



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