2025-26 First Interim Report

December 10, 2025

Report to the Board of Education

Presented by:

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Presented to the NUSD Board of Education December 10, 2025

2025-26 First Interim Report

The First Interim is one of three financial reports that districts are required to file with the State.

The three financial statements are:

Report	Period Covered	Filing Date
First Interim	July 1 - October 31	December 15
Second Interim	July 1 - January 31	March 15
Unaudited Actuals	July 1 - June 30	September 15

2025-26 First Interim Summary

- The First Interim Budget incorporates updates and changes since the Adoption of the Budget in June and Unaudited Actuals in September.

- This year's First Interim Budget has been dynamic due to ongoing revisions in district spending and state assumptions.

- The First Interim assumptions continue the district's right-sizing efforts and support ongoing budget reduction strategies needed over the next two years.

2025-26 First Interim Overview

The First Interim covers:

- Comparisons to the approved budget
- Multi-Year Projections
- Fiscal alerts
- Contributions for Special Education & RRMA (Routine Restricted Maintenance account)

2025-26 First Interim Key Financials



- Beginning balance
  FY 25–26: $31,571,559
- Categorical
  Revenues: $17,632,369
  Expenses: $36,094,931
- Adjusted LCFF revenues: $59,092,986
- Salaries were adjusted for step and column.
- Benefit costs were updated to reflect current rates.

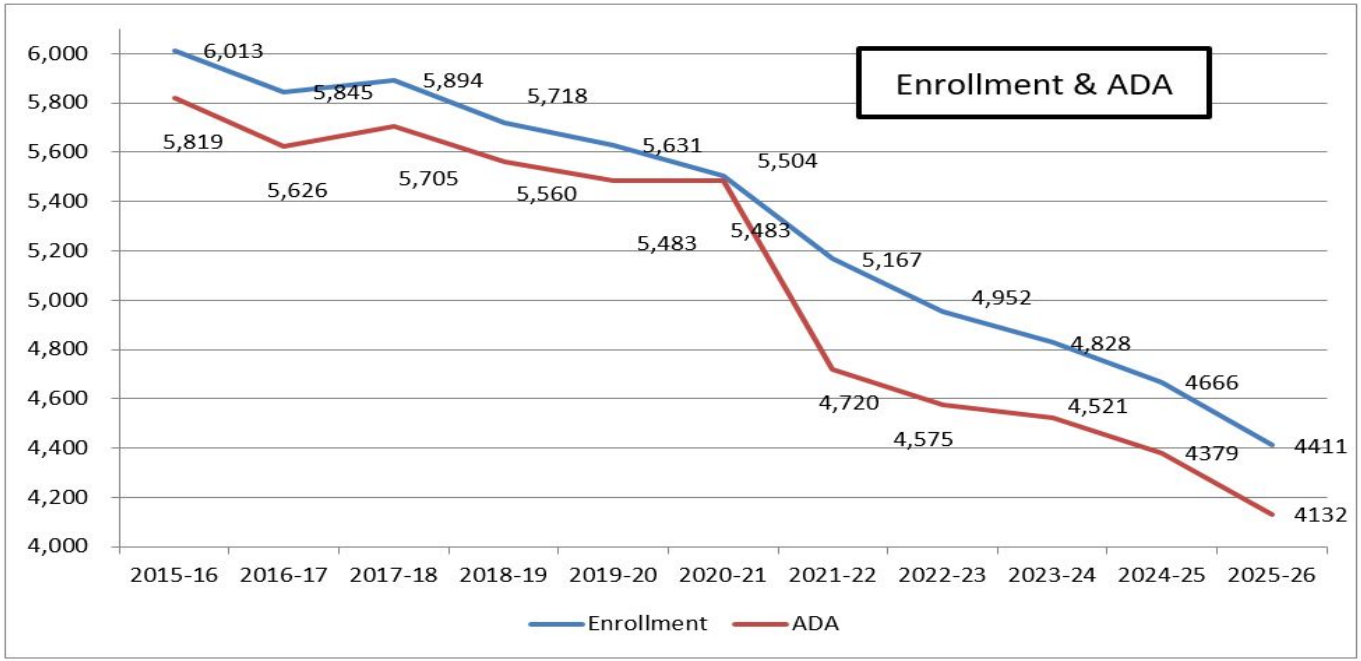
2025-26 First Interim - ADA

Funding is based on a three-year ADA average calculated using the FCMAT calculator.

NUSD's 2025–26 Funded ADA is **4,489**.



Enrollment & ADA



Unduplicated Pupil Percentage

Three-year rolling average Unduplicated Pupil Percentage (UPP):

	2023-24	2024-25	2025-26	2026-27	2027-28
Total Enrollment	4828	4666	4411	4161	3911
Unduplicated Pupil Count	2641	2279	1927	1818	1709
Single Year Unduplicated Pupil Count Percentage	54.70%	48.84%	43.69%	43.69%	43.70%
Three-year rolling average Unduplicated Pupil Percentage	53.46%	52.80%	49.24%	45.51%	43.69%

General Fund – Revenues (Unrestricted)

Revenue (Unrestricted)	Adopted Budget	First Interim	Change
LCFF Entitlement	58,310,724	58,693,039	382,315
Federal Revenue	(n/a)	(n/a)	(n/a)
Other State Revenue	1,279,142	1,333,773	54,631
Local Revenue	941,086	1,257,310	316,224
Total	60,530,952	61,284,122	753,170

General Fund – Expenditures (Unrestricted)

Expenditure (Unrestricted)	2025-26 Adopted Budget	2025-26 First Interim	Change
Certificated Salaries	26,535,172	26,448,993	(86,179)
Classified Salaries	7,137,276	7,107,165	(30,111)
Employee Benefits	10,586,151	10,587,113	962
Books and Supplies	1,278,586	1,359,701	81,115
Services & Other Operating Expenditures	8,097,257	8,104,390	7,133
Capital Outlay	260,124	560,124	300,000
Other Outgo - Excluding Indirect Costs	969,359	969,359	-
Other Outgo - Transfer of Indirect Cost	(1,616,705)	(1,597,270)	19,435
Total Expenditures	**53,247,220**	**53,539,575**	**292,355**
Contributions	**16,865,855**	**16,388,288**	**(477,567)**
Total Expenditure & Contribution	**70,113,075**	**69,927,863**	**(185,212)**

General Fund – Revenues (Combined)

Revenues 2025-26	25-26 Adopted Budget			2526 1st interim			Total Change
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
LCFF Revenue Sources	58,310,724	418,623	58,729,347	58,693,039	399,947	59,092,986	363,639
Federal Revenue	-	2,330,760	2,330,760	-	3,467,063	3,467,063	1,136,303
Other State Revenue	1,279,142	7,000,764	8,279,906	1,333,773	8,045,153	9,378,926	1,099,020
Other Local Revenue	941,086	5,259,049	6,200,135	1,257,310	5,450,206	6,707,516	507,381
Total Revenue	**60,530,952**	**15,009,196**	**75,540,148**	**61,284,122**	**17,362,369**	**78,646,491**	**3,106,343**

- Statutory changes to the LCFF that provides an increase in funding above the 2024-25 levels.
- Raised the TK add-on rate from $3,077 to $5,545, adding $526K for a total TK allocation of $1.18M.
- Received $1.028M in Student Support and Professional Development Discretionary Block Grant funds.
- Restored Learning Recovery Grant funding, receiving $294K.
- Restored and continued receiving Title III funding totaling $134K.
- Decreased ELOP revenue by $379K due to reduced ADA.

General Fund – Expenditures (Combined)

EXPENDITURES	25-26 Adopted Budget			2526 1st interim			Change		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Certificated Salaries	26,535,172	8,245,560	34,780,732	26,448,993	6,349,263	32,798,256	(86,179)	(1,896,297)	(1,982,476)
Classified Salaries	7,137,276	4,461,319	11,598,595	7,107,165	4,323,425	11,430,590	(30,111)	(137,894)	(168,005)
Employee Benefits	10,586,151	7,118,131	17,704,282	10,587,113	6,611,234	17,198,347	962	(506,897)	(505,935)
Books and Supplies	1,278,586	1,095,615	2,374,201	1,359,701	4,656,383	6,016,084	81,115	3,560,768	3,641,883
Services & Operating Expenses	8,097,257	10,174,972	18,272,229	8,104,390	12,684,942	20,789,332	7,133	2,509,970	2,517,103
Capital Outlay	260,124		260,124	560,124	41,773	601,897	300,000	41,773	341,773
Other Outgo	969,359		969,359	969,359		969,359	-	-	-
Transfer of Indirect Costs	(1,616,705)	1,453,707	(162,998)	(1,597,270)	1,427,911	(169,359)	19,435	(25,796)	(6,361)
Total Expenditures	**53,247,220**	**32,549,304**	**85,796,524**	**53,539,575**	**36,094,931**	**89,634,506**	**292,355**	**3,545,627**	**3,837,982**

General Fund - Ending Fund Balance

Component of Ending Fund Balance	24-25 Unaudited Actuals	25-26 Adopted Budget	25-26 First Interim
Revolving Cash & Stores	255,432	244,360	255,432
Assigned	526,065		526,065
Restricted-Commitments	8,756,078	3,066,545	8,756,078
Reserves for Economic Uncertainties (3%)	2,573,896	2,573,896	2,689,035
Unappropriated Fund Balance	0	1,298,620	823,242
General Fund Ending Fund Balance	12,111,472	7,183,421	13,049,852

Multi Year Projection (MYP)
- Assumptions

- Enrollment and ADA projections adjusted since Adopted Budget
- LCFF COLA adjusted for latest projections
- Continued Employee Costs increases (pensions, step and column)
- Restricted program revenues aligned to current state and federal funding assumptions.

MYP Assumptions - Revenue

Revenues	2025-26	2026-27	2027-28
LCFF			
Statutory Cost of Living Adjusted (COLA)	2.30%	3.02%	3.42%
LCFF Funded COLA			
Unduplicated % - 3 Year Average	49.24%	45.51%	43.69%
LCFF Dollars per ADA	$13,074	$13,383	$13,814
K-3	$17,953,013	$17,963,806	$17,730,468
4-6	$11,256,040	$11,258,065	$11,111,881
7-8	$7,468,162	$7,347,314	$7,137,678
9-12	$19,987,310	$19,484,326	$19,066,218
Enrollment	4411	4161	3911
Average Daily Attendance	4489	4344	4139
Funded ADA (Computed Average using prior years' ADA)			
LCFF Projections	58,693,039	58,128,110	57,174,645
Lottery Per ADA, Unrestricted	$190	$190	$190
Restricted	$82	$82	$82
Mandated Block Grant, K-8 ADA	$39.09	$40.27	$41.65
9-12 ADA	$76.48	$78.79	$81.48

MYP Assumptions - Expenditure

Expenditures	2025-26	2026-27	2027-28
Retirement Rates CalSTRS CasPERS	 19.10% 26.81%	 19.10% 26.90%	 19.10% 27.80%
Unemployment Insurance Rates	0.05%	0.05%	0.05%
Supplies and Services	Services $20,789,332 Supplies $6,016,084	Services $19,531,330 Supplies $3,284,392	Services $19,740,177 Supplies $3,290,334
Routine Restricted Maintenance Allowance	3% of Total Expenditure $2,786,760	3% of Total Expenditure $2,829,977	3% of Total Expenditure $2,882,912

Multi Year Projection

MYP UNRESTRICTED GENERAL FUND	2025-26	2026-27	2027-28
Revenue	61,284,122	60,499,074	59,365,481
Expense	53,539,575	54,524,854	55,293,936
Surplus/(Deficit)	7,744,547	5,974,220	4,071,545
Contribution	(16,388,288)	(17,233,184)	(17,747,599)
Net Increase/(Decrease)to Fund Balance	**(8,643,741)**	**(11,258,964)**	**(13,676,054)**
Fund Balance			
Beginning balance	21,693,593	13,049,852	1,790,887
Surplus/(Deficit)	(8,643,741)	(11,258,964)	(13,676,054)
Net Ending Fund Balance	**13,049,852**	**1,790,888**	**(11,885,167)**
Components of Ending Fund Balance			
Revolving Cash	45,882	45,882	45,882
Stores	209,550	209,550	209,550
Total Nonspendable	255,432	255,432	255,432
Total Committed	8,756,078	-	-
Total Assignment	526,065		
Reserve for Economic Uncertainties	2,689,035	1,535,455	(12,140,598)
For Future Board Action	823,242		
Total Ending Fund Balance	**13,049,852**	**1,790,887**	**(11,885,166)**

Multi Year Projection - Reserves

Reserves:	2025-26	2026-27	2027-28
Reserve for Economic Uncertainties	2,689,035	1,535,455	-12,140,598
Fund 17 Reserves	2,635,213	2,635,213	2,635,213
Total Reserves	5,324,248	4,170,668	-9,505,385
% of Total Expenditures	**5.94%**	**4.83%**	**-10.91%**

- Based on the multi-year projection, total reserves are expected to fall below the 3% minimum requirement in FY 2027-28, signaling serious financial difficulty for the district.

Post-1st Interim Financial Update for Board Awareness

- Following impacts have not been included in the First Interim financial report because they happened after 10/31/2025. But we think you ought to know.

- Financial impact of the recent NTA collective bargaining agreement:

Cost over current budget / MYP	Year 1	Year 2	Year 3	Cumulative cost over 3 years
One-time	1,198,816	-	-	1,198,816
On-going	647,036	656,741	666,593	1,970,370
Total	1,845,852	656,741	666,593	3,169,186

- AB218 Revived Liability Funding Plan (Schools Excess Liability Fund)
  - AB 218 reopened the statute of limitations for childhood sexual assault cases, creating new claims for historic years. SELF, NUSD's excess liability provider, now faces large costs and funding deficits (1986–2008). Assessments have been issued to member districts to restore reserves.
  - NUSD's Assessment #4 share is $556,213.47. The District will use the two-installment option to spread the cost over two years.

UPP and LCFF Funding

- Our analysis showed that the **Unduplicated Pupil Percentage (UPP)** plays a big role in receiving LCFF funding.

Fiscal Year	LCFF @ UPP of 48%	LCFF @ UPP of 43%	Difference
2526	$58,866,365	$58,693,039	$173,326
2627	$58,480,557	$58,128,110	$352,447
2728	$57,715,296	$57,174,645	$540,651
3-year Total Additional LCFF Revenue:			**$1,066,424**

Acknowledgements



The First Interim Budget report reflects the time and collective effort of our Fiscal Services team, Business Services staff, and District personnel.

Comments or Questions?



Thank You