



School District 2025-2026 First Interim Financial Report

December 18, 2025

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Superintendent

*Presented by
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Chief Financial Officer*



Agenda

- Cambrian School District provides educational services to over 3,000 students from P/TK – 8th Grade
- This presentation provides an overview of our current financial status
- First Interim Report – Actuals: July 1, 2025 – October 31, 2026



▪ Introduction



▪ Assumptions



▪ Revenues



▪ Expenditures



▪ General Fund Balances

▪ Multi-Year Projections/Future

▪ Outlook/Recommendation



Introduction



- First Interim Budget Report– As of October 31, 2025
- Required by Ed Code that the Governing Board approve by December 15th
 - With a December 18 Board Meeting Date, the First Interim data was transmitted to the SCCOE on Monday, December 15 – the Board Certification will be transmitted tomorrow.
- Includes actual Revenues and Expenditures through October 31st
- Salaries and Benefits known at this point
- Board must certify the “Financial Condition” as one of the following:
 - Positive – “...based upon current projections this district will meet its financial obligations for the current fiscal year and two subsequent fiscal years.”
 - Qualified – “...may not meet its financial obligations for the current fiscal year and two subsequent fiscal years.”
 - Negative— “ ...will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.”

General Fund Assumptions



- 2025-2026 Estimated Average Daily Attendance (ADA) 2,997
- Unduplicated Local Control Funding Formula (LCFF) student count average 23.4%
- 2025-2026 LCFF Cost of Living Adjustment (COLA) 2.30%
- Changes to certificated and classified salaries based on staffing
 - Eliminate two Temp Contract positions/replaced with Instructional Specialists
 - Review all OPEN positions
- Revisions to Supplies and Contracts budgets based on current information
- CalSTRS @ 19.1% and CalPERS @ 26.81%
- All other State and Federal revenues Carryover budgeted



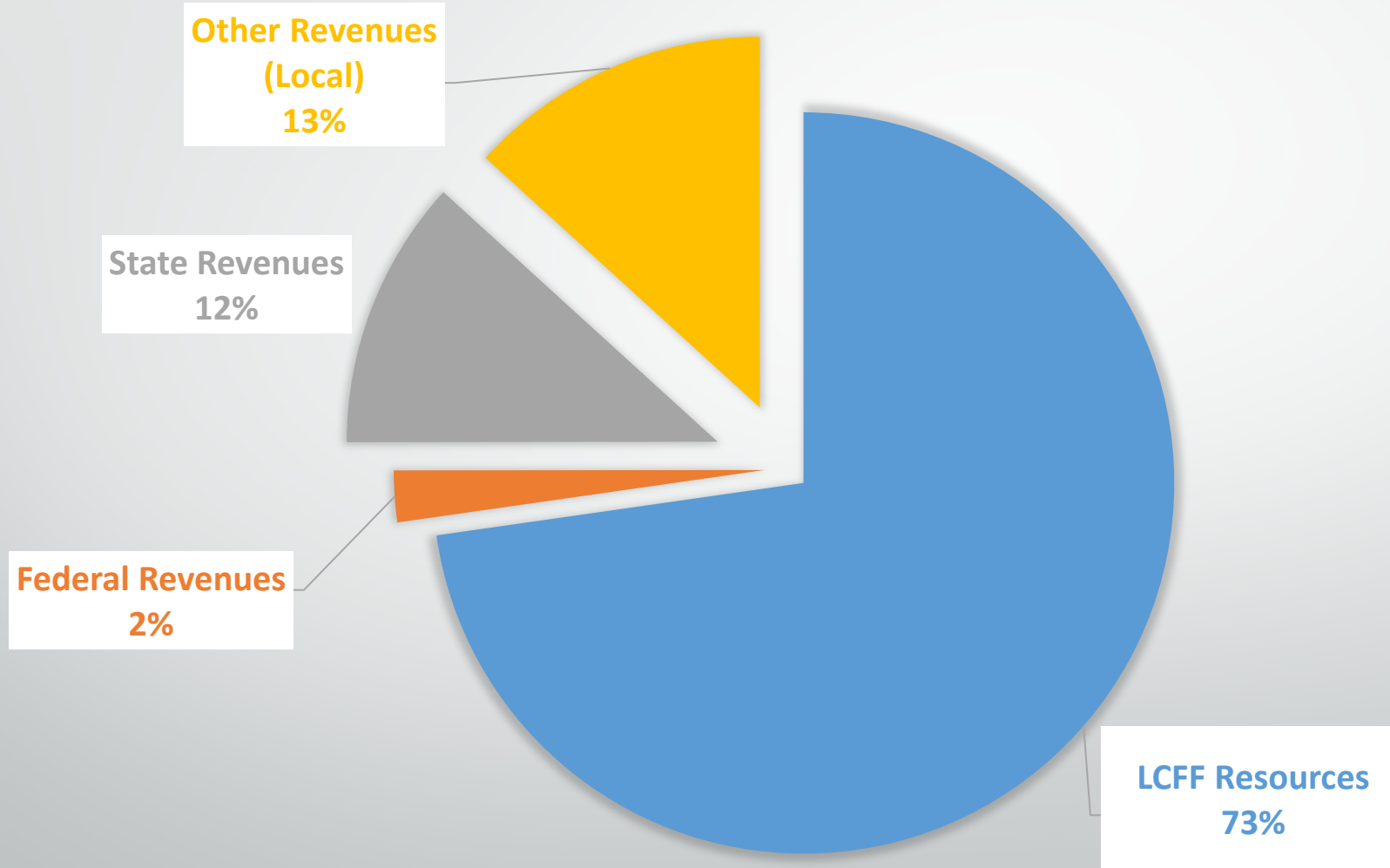
General Fund Budget

2025-26 First Interim Revenues



Description	Unrestricted	Restricted	Total
LCFF Resources	\$37,189,254	\$931,491	\$38,120,745
Federal Revenues	0	1,174,547	1,174,547
State Revenues	922,657	5,248,538	6,171,195
Other Revenues	6,572,478	368,159	6,940,637
Contribution/Tfr In	-8,262,689	9,407,407	1,144,718
Total Revenues	36,421,700	17,130,142	53,551,842

2025-26 First Interim Revenues Categories

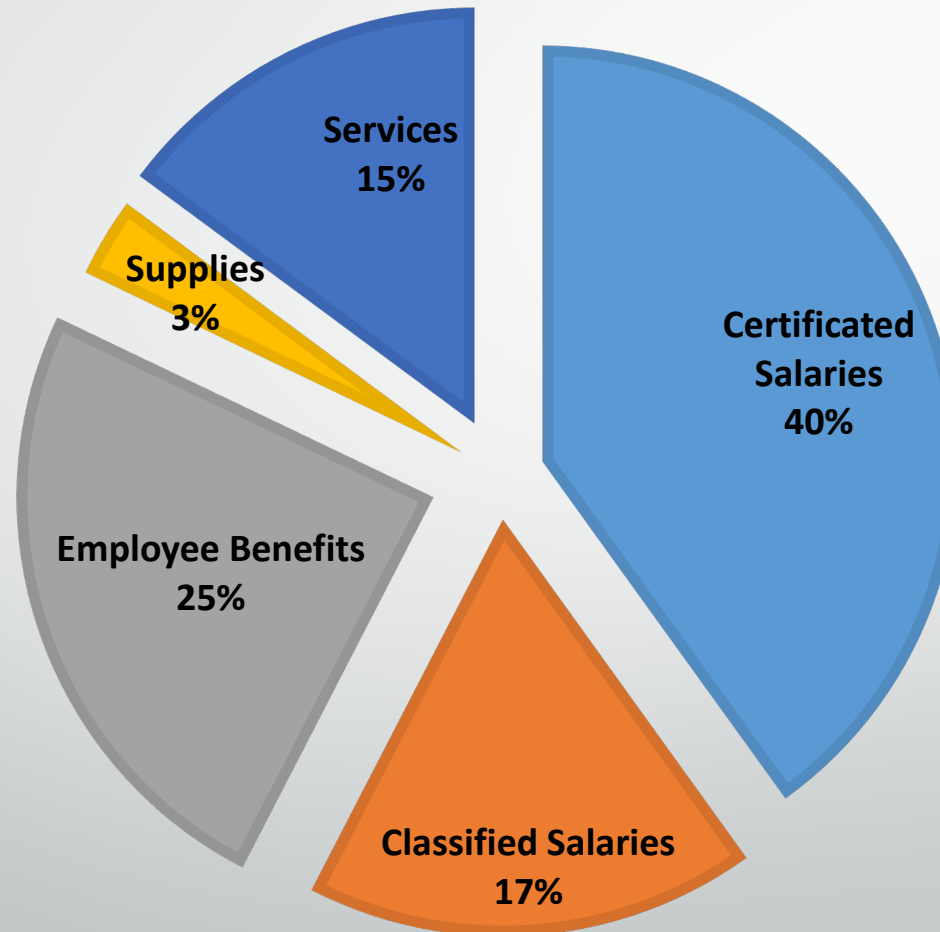


General Fund Expenditures 2025-26 First Interim Report



Description	Unrestricted	Restricted	Total
Certificated Salaries	\$ 18,561,730	\$3,660,066	\$22,221,796
Classified Salaries	6,743,614	2,961,598	9,705,212
Employee Benefits	8,773,392	4,822,200	13,595,592
Supplies	704,193	995,182	1,699,375
Services	2,325,865	5,904,471	8,230,336
Capital Outlay	-	25,000	25,000
Indirect Costs	(153,224)	67,183	(86,041)
Total Expenditures	36,955,570	18,435,700	55,391,270

2025-2026 First Interim Expense Categories



First Interim General Fund Balances



Description	Unrestricted	Restricted	Total
Net Increase (Decrease)	(1,696,850)	(1,305,558)	(1,839,428)
Beginning Fund Balance	1,714,353	1,541,425	3,255,778
<u>Ending Fund Balance</u>	<u>1,180,483*</u>	<u>235,867</u>	<u>1,416,350</u>

3% Minimum Reserve for Economic Uncertainty is \$1,661,738

Multi-Year Projections

Budget + 2 Subsequent Fiscal years



	2025-2026 1 st Interim	2026-2027 Projection	2027-2028 Projection
Cost of Living (COLA) LCFF + State Programs	2.30%	3.02%	3.42%
Average Daily Attendance (ADA)	2,997	2,983 (14)	2,943 (40)
CalSTRS/CalPERS/SUI	19.1%/26.81%/.05%	19.1%/26.9%/.05%	19.1%/27.8%/.05%
Federal/State Restricted	COLA	COLA	COLA
Step and Column (Certificated/Classified)	Current Staff at Actual	1.25%/1.0%	1.25%/1.0%
Other Lease Revenue	Current	Increased for Total Metzler B Income	CPI
Fiscal Stability Plan		\$2.6 Million on-going Reductions	

Multi-Year Projections Combined General Fund



Description	2025-26 First Interim	2026-27 Budget Projection *	2027-28 Budget Projection
Beginning Balance	\$3,255,778	\$1,416,350	\$2,421,230
Revenues	53,551,842	53,658,058	54,440,712
Expenditures	55,391,270	52,653,178	53,010,093
Revenue/Exp. Balance	(1,839,428)	1,004,880	1,430,619
Ending Bal Unrestricted	<u>\$1,180,483</u>	<u>\$2,409,230</u>	<u>\$3,815,368</u>
Restricted	\$235,867	\$12,000	\$36,480
Min. Req. Reserve (3%)	1,661,738	1,579,595	1,590,303
5% Reserve (BP 3100)	\$2,769,564	\$2,632,659	\$2,650,505

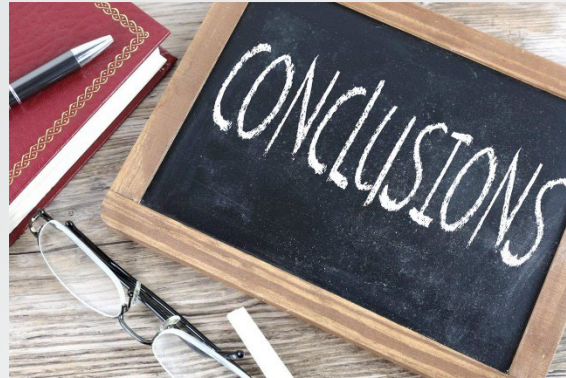
* 2026-2027 Projections includes \$2.6 million in on-going reductions



Other Funds



Fund	Cafeteria Fund 13	Building Fund 21	Developer Fee Fund 25	Special Reserve Fund 40	GO Bond Fund 51
Beginning Balance	\$ 1,373,319	\$ 29,527,045	\$ 2,175,722	\$ 4,316,982	\$ 8,757,074
Revenues	1,812,043	5,140,571	252,500	182,000	4,196,218
Expenditures	2,339,113	17,729,680	2,428,222	2,215,500	5,889,688
Excess(Deficiency)	(527,070)	(12,589,109)	(2,175,722)	(2,033,500)	(1,693,470)
Ending Balance	\$ 846,249	\$ 16,937,936	\$ -	\$ 2,283,482	\$ 7,063,604



Questions

- January 10 Governor's Budget
- One-time moneys going away
- Uncertain COLA in out years
- No Salary Increases, beyond Step and Column



Outlook

- P-1 ADA - early January
- Special Education Costs
- Substitute Costs
- Multi-Year Projections show minimum reserves – sensitive to negative adjustments
- Adjustments will be made at Second Interim (March 5 2026)



2025-2026 First Interim Budget Summary

- Total Projected Reserve for Economic Uncertainties does not meets 3% current year, but does in the out years
- Positive fund balance in all Funds through 2027-2028
- Board reviewed Budget Advisory Committee recommendations at December 11, 2025 Special Board Meeting.

2025-2026 First Interim Recommendations



- Approve \$2.6 million in Fiscal Stabilization Plan
- The Board of Education approve the 2025-26 First Interim Report as **Qualified** based on having a 2.13% Fund Balance projected in the 2025-2026 Fiscal Year and not meeting the Minimum 3% Reserve for Economic Uncertainty.



- January 10, 2026 – Governor's 2026-2027 Budget Proposals
- By March 5, 2026 –
 - Resolution(s) on Reduction in Force
 - Second Interim Financial Report
 - School Consolidation Committee Recommendation
- By March 15, 2026 – Preliminary Layoff Notices Due
- May 13, 2026 – May Revise
- By May 15, 2026 – Final Layoff Notices Due
- June 2, 2026 – Board Meeting Public Hearing Budget Review
- June 18, 2026 – Board Meeting Action on 2026-2027 All Funds Budget



Questions