

Conejo Valley Unified School District

2025-26 First Interim Financial Report Summary

December 17, 2025

Education Code

Education Code requires districts to submit certification reports to the County Office of Education twice a year. These reports are “Interim” reports.

- 1st Interim Report covers financial activities through October 31.
- 2nd Interim Report covers financial activities through January 31.

Education Code Section 42130 (a) (1) defines the certifications:

- **Positive** Certification: WILL MEET their financial obligations for the current and two subsequent fiscal years.
- **Qualified** Certification: MAY NOT MEET their financial obligations for the current OR two subsequent fiscal years.
- **Negative** Certification: UNABLE TO MEET their financial obligations for the current OR two subsequent fiscal years.

Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



Political Landscape on Funding

- No significant changes on funding since adopted budget.
- Federal funding continues to evolve. Recent news shifted programs from the Department of Education to other Federal Departments. Impact TBD.
- Congress' cuts to Medicaid and Supplemental Nutrition Assistant Programs. Impact may affect schools:
 - Change eligibility for participation which impacts unduplicated pupil count which impacts LCFF.
 - State is forced to adjust school funding to mitigate the effects.
 - Projected declines in state revenue and increasing Medi-Cal costs have contributed to a structural budget deficit that is projected to grow significantly.
- State LCFF Maintains a 2.3% funded cost-of-living adjustment (COLA) to the Local Control Funding Formula (LCFF).
 - With declining enrollment, COLA is essentially negated.

Financial Outlook Guidance

- Any significant reductions shown in multi-year financial projections should be supported by concrete spending reduction plans or accompanied by a fiscal solvency statement that outlines the governing board's commitment to future corrective actions.
- Modest revenue gains from the cost-of-living adjustment (COLA) may be offset by declining enrollment and rising payroll costs, including increases in retirement and health benefit rates. Districts must exercise caution when allocating resources for long-term commitments, including negotiated salary increases.
- Economic trends suggest that the LCFF COLA for 2026-27 could be lower than what is included in the LCFF planning factors. Districts should consider creating alternative scenarios that assume a lower COLA in the subsequent years.
- It is critical to maintain substantial reserves to buffer against future economic downturns. The Government Finance Officers Association recommends reserves of at least 17%, which typically equals two months of salary expenditures for most organizations.

2025-26 First Interim Estimated Revenue

Revenue Source	Unrestricted	Restricted	Total
LCFF Funding	\$190,927,664	\$0	\$190,927,664
Federal	\$0	\$8,899,589	\$8,899,589
State	\$4,858,652	\$16,872,981	\$21,731,633
Local	\$4,253,507	\$16,445,944	\$20,699,451
Special Education/ Other Transfers	(\$28,899,692)	\$28,899,692	\$0
Total Revenue	\$171,140,131	\$71,118,206	\$242,258,337

2025-26 First Interim Estimated Expense

Expense Category	Unrestricted	Restricted	Total
Certificated Salaries	\$88,147,624	\$20,896,127	\$109,043,751
Classified Salaries	\$22,383,917	\$12,108,741	\$34,492,658
Benefits	\$47,736,279	\$18,460,562	\$66,196,841
Books & Supplies	\$3,334,616	\$10,771,794	\$14,106,410
Contract Services & Other Operating Expenses	\$21,353,562	\$10,006,629	\$31,360,191
Capital Outlay	\$105,957	\$95,410	\$201,367
Other Outgo	\$(2,435,891)	\$3,384,032	\$948,141
Total Expenses	\$180,626,064	\$75,723,295	\$256,349,359

First Interim Projected Ending Fund Balance

Category	Unrestricted	Restricted	Total
Beginning Balance at 1 st Interim	\$24,489,756	\$15,845,212	\$40,334,968
Estimated Revenue	\$171,140,131	\$71,118,206	\$242,258,337
Estimated Expenses	\$180,626,064	\$75,723,295	\$256,349,359
Estimated Ending Balance	\$15,003,823	\$11,240,123	\$26,243,946
<u>Breakdown of Ending Balance</u>			
Stores	\$325,000	\$0	\$325,000
Revolving Cash	\$43,300	\$0	\$43,300
Restricted	\$0	\$11,240,123	\$11,240,123
Local Fiscal Stabilization Reserve	\$3,000,000	\$0	\$3,000,000
Mandated Reserve (3%)	\$7,690,481	\$0	\$7,690,481
Undesignated Reserves	\$3,945,042	\$0	\$3,945,042
Estimated Ending Fund Balance	\$15,003,823	\$11,240,123	\$26,243,946

Multi-Year Projection



Factors and Assumptions for Multi-Year Projections

Budget Assumptions	2025-26	2026-27	2027-28
LCFF Cost Of Living Adjustment (COLA)	2.30%	3.02%	3.42%
Enrollment projection	15,445	15,109	14,898
P-2 Funded ADA estimate	15,145	14,933	14,682
Unduplicated Pupil %	26.83%	26.07%	25.63%
Unduplicated Pupil Count	3,962	3,876	3,822
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	27.05%	26.81%	26.90%
Negotiated salary adjustments	TBD	TBD	TBD
Anticipated retirements	30	30	30
Staffing ratios	K-3 - 21.5:1 4-12 - 30:1	K-3 - 24:1 4-12 - 30:1	K-3 - 24:1 4-12 - 30:1
Anticipated Budget reductions		\$6.0M	\$4.0M

Multi-Year Projection - Restricted

Description	2025-26 1st Interim	2026-27 Projection	2027-28 Projection
Estimated Beginning Balance July 1	\$15,845,212	\$11,240,123	\$757,310
Restricted Income	\$71,118,206	\$65,511,877	\$64,856,544
Restricted Expense	\$75,723,295	\$75,994,690	\$65,495,825
Ending Balance	\$11,240,123	\$757,310	\$118,029
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$0	\$0	\$0
Restricted	\$11,240,123	\$757,310	\$118,029
Fiscal Stabilization	\$0	\$0	\$0
Required Reserve 3%	\$0	\$0	\$0
Undesignated Funds	\$0	\$0	\$0

Multi-Year Projection - Unrestricted

Description	2025-26 1st Interim	2026-27 Projection	2027-28 Projection
Estimated Beginning Balance July 1	\$24,489,756	\$15,003,823	\$11,617,646
Unrestricted Income	\$171,140,131	\$172,611,170	\$175,473,279
Unrestricted Expense	\$180,626,064	\$175,997,347	\$174,270,929
Ending balance	\$15,003,823	\$11,617,646	\$12,819,996
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$368,300	\$368,300	\$368,300
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$3,000,000
Required Reserve 3%	\$7,690,481	\$7,559,761	\$7,193,003
Undesignated Reserve	\$3,945,042	\$689,585	\$2,258,693

Multi-Year Projection - Combined

Description	2025-26 1st Interim	2026-27 Projection	2027-28 Projection
Estimated Beginning Balance July 1	\$40,334,968	\$26,243,946	\$12,374,956
Income	\$242,258,337	\$238,123,047	\$240,329,823
Expense	\$256,349,359	\$251,992,037	\$239,766,754
Ending balance	\$26,243,946	\$12,374,956	\$12,938,025
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$368,300	\$368,300	\$368,300
Restricted	\$11,240,123	\$757,310	\$118,029
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$3,000,000
Required Reserve 3%	\$7,690,481	\$7,559,761	\$7,193,003
Undesignated Reserve	\$3,945,042	\$689,585	\$2,258,693

	Other Funds	Beginning Balance	Estimate Income	Estimate Expenses	Net Estimate End Balance
080	Student Activity	\$1,562,510	\$2,652,236	\$2,208,950	\$2,005,796
110	Adult Education	\$123,341	\$3,537,894	\$3,661,235	\$0
120	Child Development	\$2,240,480	\$8,605,354	\$8,821,717	\$2,024,117
130	Cafeteria Special Revenue	\$14,020,731	\$10,185,700	\$12,920,443	\$11,285,988
140	Deferred Maintenance	\$3,520,426	\$750,000	\$408,263	\$3,862,163
212	Building Fund (Measure I)	\$25,810,495	\$500,000	\$19,920,653	\$6,389,842
213	Measure I Technology	\$28,322,493	\$600,000	\$2,719,678	\$26,202,815
251	Capital Facilities (Developer Fees)	\$2,783,121	\$530,000	\$2,313,719	\$999,402
401	TOPASS	\$9,061,366	\$1,783,680	\$794,909	\$10,050,137
402	Surplus Property	\$222,815	\$0	\$40,000	\$182,815
403	TOPASS Foundation	\$28,593	\$800	\$0	\$29,393
511	Bond Interest & Redemption	\$13,890,370	\$11,740,000	\$13,430,000	\$12,200,370
671	Worker Compensation	\$3,520,386	\$3,000,000	\$2,311,083	\$4,290,303
672	Health & Welfare	\$21,599,558	\$33,623,821	\$36,746,515	\$18,476,864
730	Private Purpose Trust	\$6,055	\$300	\$0	\$6,355

Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



