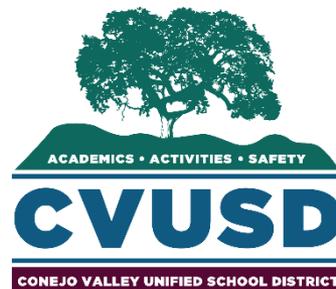


Conejo Valley Unified School District

2022-23 First Interim

Financial Report Summary

December 13, 2022



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



Updated State Budget Information

- The LAO issued their [Fiscal Outlook for Schools and Community Colleges](#) on November 16, 2022
- State General Fund revenues are expected to be significantly lower in 2023-2024.
- Prop 98 reserve should continue to maintain K-12 funding levels.
- The LAO currently projects a fairly brief and mild downturn, with GF revenues down from 2021-22 to 2022-23, then flat from 2022-23 to 2024-25, followed by modest growth over the last two years of their Outlook.
- The bottom-line for K-14 education is that despite a decline in the Prop. 98 Guarantee, it appears (based on these projections) that the state will be able to maintain existing programs and provide a relatively large COLA to compensate for high inflation.
- The LAO anticipates that the one-time spending cushion (along with slightly lower spending based on attendance) will mostly cover the Prop. 98 shortfall in the budget year, and that funds from the Prop. 98 reserve will cover shortfalls in the following couple of years.
- In conclusion, this Fiscal Outlook suggests that existing K-14 ongoing programs can be maintained and receive COLAs over the outlook period.

Changes Since Adopted Budget

On August 26, 2022, the Governor signed SB 185, the Education Omnibus Trailer Bill, which made changes to the June 27, 2022 State adopted budget. The budget maintained several proposals that were included in the May Revision; however, many changes have been incorporated in the final state budget. The major K-12 funding provisions included in the 2022-23 state budget:

- LCFF base grant increases by 6.70%; the initial state budget increased the base grant by 6.28%, but the trailer bill (AB 185) established the increase at 6.70%
- LCFF calculation amended to allow school districts to utilize the greater of current year, prior year, or the average of the most recent three prior years' ADA
- 2021-22 LCFF calculation amended to utilize the greater of 2021-22 ADA or the 2021-22 ADA adjusted to reflect the LEA's 2019-20 attendance rate
- \$7.9 billion to establish the Learning Recovery Emergency Block Grant
- \$3.6 billion to establish the Arts, Music, and Instructional Materials Discretionary Block Grant
- Full funding of \$4 billion for the Expanded Learning Opportunities Program (ELOP)
- Home-to-school transportation funding equal to 60% of expenditures reported in the prior year, excluding capital outlay and nonagency expenditures, and reduced by the transportation add-on to the LCFF
- Special education base rate increase to \$820 per ADA

2022-23 First Interim Estimated Revenue

Revenue Source	Unrestricted	Restricted	Total
LCFF Funding	\$189,939,515	\$0	\$189,939,515
Federal	\$0	\$20,726,515	\$20,726,515
State	\$4,114,837	\$33,325,271	\$37,440,108
Local	\$3,320,037	\$2,290,341	\$5,610,378
SELPA/HWF Other Transfers	(\$24,530,625)	\$38,750,425	\$14,219,800
Total Revenue	\$172,843,764	\$95,092,552	\$267,936,316

2022-23 First Interim Estimated Expense

Expense Category	Unrestricted	Restricted	Total
Certificated Salaries	\$87,960,667	\$28,664,384	\$116,625,051
Classified Salaries	\$21,940,289	\$15,150,328	\$37,090,617
Benefits	\$44,656,626	\$23,482,450	\$68,139,076
Books & Supplies	\$3,495,802	\$17,510,939	\$21,006,741
Contract Services & Other Operating Expenses	\$17,820,386	\$12,174,585	\$29,994,971
Capital Outlay	\$625,687	\$843,434	\$1,469,121
Other Outgo	(\$3,269,023)	\$4,978,624	\$1,709,601
Total Expenses	\$173,230,434	\$102,804,744	\$276,035,178

First Interim Projected Ending Fund Balance

Category	Unrestricted	Restricted	Total
Beginning Balance at 1 st Interim	\$32,817,923	\$7,712,191	\$40,530,114
Estimated Revenue	\$172,843,764	\$95,092,552	\$267,936,316
Estimated Expenses	\$173,230,434	\$102,804,743	\$276,035,177
Estimated Ending Balance	\$32,431,253	\$0	\$32,431,253
<u>Breakdown of Ending Balance</u>			
Stores	\$64,171	\$0	\$64,171
Revolving Cash	\$43,300	\$0	\$43,300
Local Fiscal Stabilization Reserve	\$3,000,000	\$0	\$3,000,000
Mandated Reserve (3%)	\$8,281,055	\$0	\$8,281,055
Undesignated	\$21,042,727	\$0	\$21,042,727
Estimated Ending Fund Balance	\$32,431,253	\$0	\$32,431,253
Reserve as a % of Expense*			11.71%

**From the May 2021 BOE work session - Goal: Maintain an undesignated fund balance of not less than \$6m, inclusive of the \$3m local fiscal stabilization reserve, or approximately 6% of expenses.*

Multi-Year Projection

Factors and Assumptions for Multi-Year Projections

Budget Assumptions	2022-23	2023-24	2024-25
Cost Of Living Adjustment (COLA)	13.26%	5.38%	4.02%
Enrollment projection	16,346	16,222	16,111
P-2 Funded ADA estimate	17,115	16,431	15,735
Unduplicated Pupil %	26.28%	26.52%	27.06%
Unduplicated Pupil Count	4,427	4,394	4,364
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	25.37%	25.20%	24.60%
Negotiated salary adjustments	Pending	TBD	TBD
Anticipated retirements	30	30	30
Staffing ratios	K-3 - 21.5:1 4-12 - 30:1	K-3 - 21.5:1 4-12 - 30:1	K-3 - 21.5:1 4-12 - 30:1

Multi-Year Projection - Unrestricted

Description	2022-23 1st Interim	2023-24 Projection	2024-25 Projection
Estimated Beginning Balance July 1	\$32,817,923	\$32,431,253	\$22,541,290
Unrestricted Income	\$172,843,764	\$175,498,057	\$170,729,640
Unrestricted Expense	\$173,230,434	\$185,388,020	\$183,078,246
Ending balance	\$32,431,253	\$22,541,290	\$10,192,683
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$107,471	\$107,471	\$107,471
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$3,000,000
Required Reserve 3%	\$8,281,055	\$6,940,139	\$6,888,648
Undesignated Funds	\$21,042,727	\$12,493,680	\$196,564
Undesignated Reserve as a % of Expense	18.7%	12.1%	5.5%

Multi-Year Projection - Restricted

Description	2022-23 1st Interim	2023-24 Projection	2024-25 Projection
Estimated Beginning Balance July 1	\$7,712,191	\$0	\$0
Restricted Income	\$95,092,552	\$45,949,944	\$46,543,362
Restricted Expense	\$102,804,744	\$45,949,944	\$46,543,362
Ending Balance	\$0	\$0	\$0
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$0	\$0	\$0
Fiscal Stabilization Reserve	\$0	\$0	\$0
Required Reserve 3%	\$0	\$0	\$0
Undesignated Funds	\$0	\$0	\$0
Restricted Reserve as a % of Expense	n/a	n/a	n/a

Multi-Year Projection - Combined

Description	2022-23 1st Interim	2023-24 Projection	2024-25 Projection
Estimated Beginning Balance July 1	\$40,530,114	\$32,431,253	\$22,541,291
Total Income	\$267,936,316	\$221,448,001	\$217,273,002
Total Expense	\$276,035,178	\$231,337,964	\$229,621,608
Ending Balance	\$32,431,253	\$22,541,291	\$10,192,685
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$107,471	\$107,471	\$107,471
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$3,000,000
Required Reserve 3%	\$8,281,055	\$6,940,139	\$6,888,648
Undesignated Funds	\$21,042,727	\$12,493,681	\$196,565
Reserve as a % of Expense*	11.7%	9.7%	4.4%

**From the May 2021 BOE work session - Goal: Maintain an undesignated fund balance of not less than \$6m, inclusive of the \$3m local fiscal stabilization reserve, or approximately 6% of expenses.*

Other Funds	Beginning Balance	Estimate Income	Estimate Expenses	Net Estimate End Balance
Adult Education	\$76,327	\$3,289,280	\$3,108,538	\$257,069
Child Development	\$200,557	\$6,914,664	\$6,914,664	\$200,557
Cafeteria Special Revenue	\$3,307,827	\$8,506,664	\$8,497,645	\$3,316,846
Deferred Maintenance	\$1,179,499	\$451,420	\$959,313	\$671,606
Building Fund (Measure I)	\$65,102,736	\$400,000	\$34,355,789	\$31,146,947
Capital	\$33,120,156	\$200,000	\$31,862,297	\$1,457,859
Technology	\$31,982,580	\$200,000	\$2,493,492	\$29,689,088
Capital Facilities (Developer Fees)	\$2,500,953	\$867,000	\$1,370,643	\$1,997,310
Special Reserve	\$15,506,197	\$1,640,809	\$3,892,099	\$13,254,907
TOPASS	\$6,043,162	\$1,580,809	\$3,889,599	\$3,734,372
Surplus Property	\$9,463,035	\$60,000	\$2,500	\$9,520,535
Bond Interest & Redemption	\$15,388,972	\$11,110,756	\$12,473,006	\$14,026,722
Self-Insurance	\$13,089,563	\$33,160,324	\$30,840,989	\$15,408,898
Worker Compensation	\$973,038	\$2,410,915	\$2,737,209	\$646,744
Health & Welfare	\$12,116,525	\$30,749,409	\$28,103,780	\$14,762,154
Private Purpose Trust	\$3,441	\$14,585	\$14,465	\$3,561
Student Activity	Account update at Second Interim			

Stimulus Funds 2022-2023

Category	ESSER I	GEER I	Coronavirus Relief Fund	State General Fund	ESSER II	IPI Grant	ELO Grant	ESSER III
Salaries (Learning Loss Mitigation, Mental Health, PD, Twilight Classes, Campus Safety Assistants, Health Care, Paraprofessionals)	33,321	559,034	1,318,507	0.00	2,013,995	1,428,600	8,556,188	4,507,723
Facilities (Ventilation, Filters, Tents, Ionizers, HEPA, etc.)	408,227	0.00	1,231,943	0.00	406,194	1,466,109	131,685	342,770
Technology for Students	146,029	0.00	327,994	1,404,477	1,694,727	127,966	1,698,673	3,749
Technology for Staff	35,259	90,609	1,625,069	0.00	76,245	25,000	7,263	6,149
Personal Protective Equipment (PPE)	409,472	0.00	984,178	0.00	91,534	418,125	0.00	0
Instructional Supplies, Software, Assessments	203,358	67	742,401	0.00	487,956	64,257	487,815	501,205
Transportation	0.00	288,253	251,455	0.00	0.00	441,648	78,050	150,000
Child Care / Child Nutrition Support	11,323	0.00	149,988	0.00	69,748	879,821	0.00	0
Total	1,246,989	937,963	6,631,535	1,404,477	4,840,398	4,851,527	10,959,675	5,511,595
Balance	0.00	0.00	0.00	0.00	652,597	1,426,580	570,231	6,833,743

As of November 30, 2022

Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30

