

# Conejo Valley Unified School District

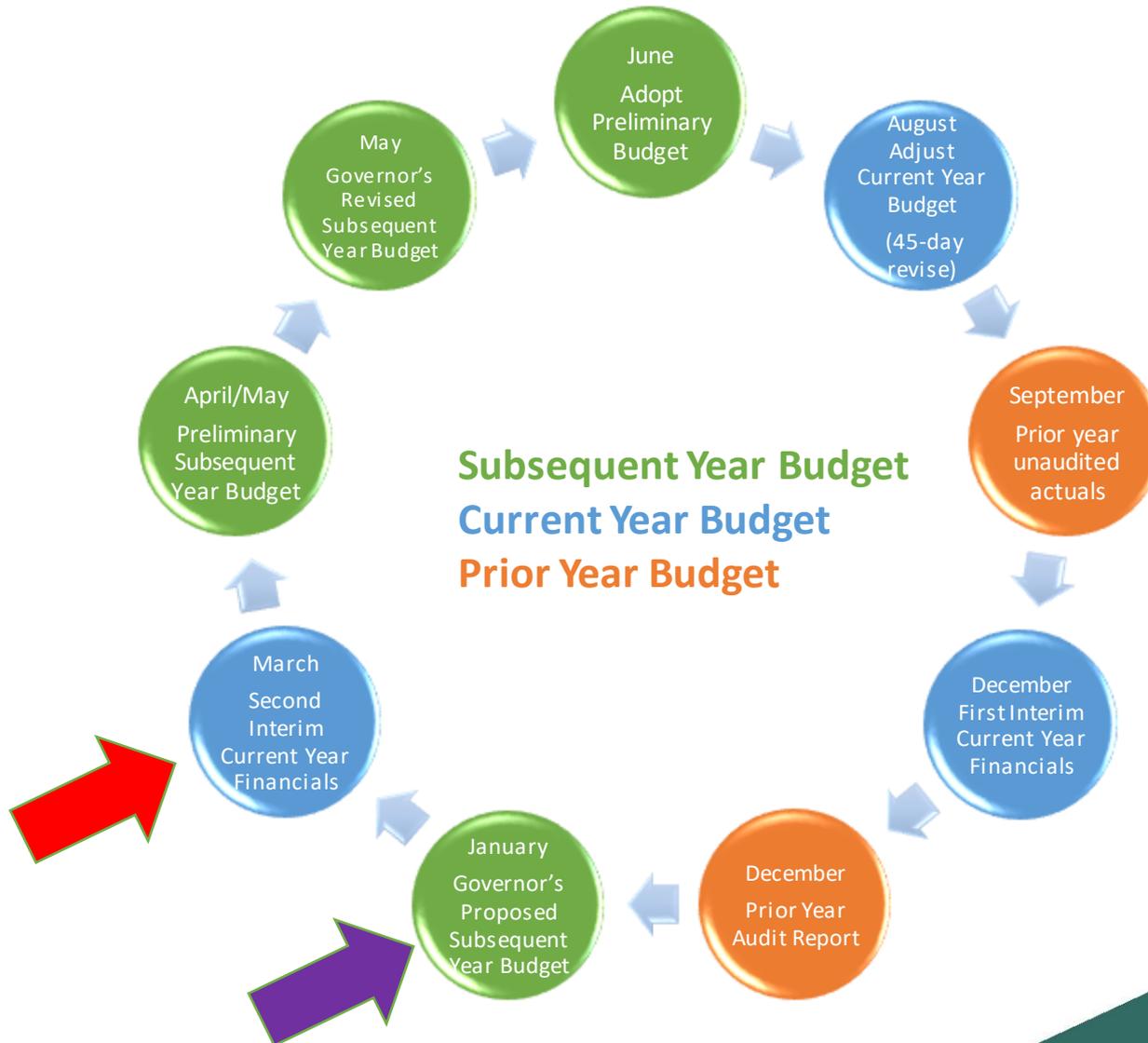
## 2022-23 Second Interim *Financial Report Summary*

March 1, 2023



# Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



# Updated State Budget Information



## Initial thoughts:

- The Governor is dealing with his first budget deficit.
- Most of the "pain" is outside of Prop 98 (public school funding), for now.
- The biggest takeaway is an 8.13% COLA to LCFF for 2023-24.
- TK, ELO-P, Universal Meals are projected to continue.
- Cut to Art/Music/IM Discretionary Block Grant would eliminate a large portion of the funding available for rising STRS/PERS costs and other costs not addressed within LCFF.
- First time in many years districts won't have new one-time funds to cushion local budgets.
- The period of State GF revenue growth is over. Currently about \$30 billion lower than budget projection.
- Labor market is strong (record low in Sept. 2022) but wage growth is slower than expected.
- Fed Reserve policies have led to stock market volatility (the "Big Three"; personal income, sales, and corporation taxes).

Source: Capitol Advisors

# 2022-23 Second Interim Unrestricted

Revenue	2022-23 First Interim	2022-23 Second Interim	+/-	% Change
LCFF Funding	\$189,939,515	\$190,005,590	\$66,075	0.03%
Federal	\$0	\$0	\$0	0%
State	\$4,114,837	\$4,375,606	\$260,769	6%
Local	\$3,320,037	\$4,058,880	\$738,843	18.2%
SELPA/Other Transfers	(\$24,530,625)	(\$23,744,710)	\$785,915	3.3%
<b>Total Revenue</b>	<b>\$172,843,764</b>	<b>\$174,695,366</b>	<b>\$1,851,602</b>	<b>1.1%</b>

Expense	2022-23 First Interim	2022-23 Second Interim	+/-	% Change
Certificated Salaries	\$87,960,667	\$88,206,767	\$246,100	0.3%
Classified Salaries	\$21,940,289	\$22,041,173	\$100,884	0.5%
Benefits	\$44,656,626	\$44,396,704	(\$259,922)	-0.6%
Books & Supplies	\$3,495,802	\$3,518,715	\$22,913	0.7%
Contract Services & Other Operating Expenses	\$17,820,386	\$17,996,865	\$176,479	1%
Capital Outlay	\$625,687	\$260,262	(\$365,425)	-140%
Other Outgo	(\$3,269,023)	(\$2,429,098)	\$839,925	-34.6%
<b>Total Expenses</b>	<b>\$173,230,434</b>	<b>\$173,991,388</b>	<b>\$760,954</b>	<b>0.4%</b>

<b>Net</b>	<b>(\$386,670)</b>	<b>\$703,978</b>	<b>\$317,308</b>
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## 2022-23 Second Interim Restricted

Revenue	2022-23 First Interim	2022-23 Second Interim	+/-	% Change
LCFF Funding	\$0	\$0	\$0	0%
Federal	\$20,726,515	\$22,722,427	\$1,995,912	8.8%
State	\$33,325,271	\$34,738,529	\$1,413,258	4%
Local	\$2,290,341	2,347,679	\$57,338	2.4%
SELPA/Other Transfers	\$38,750,425	\$37,964,510	(\$785,915)	-2.1%
<b>Total Revenue</b>	<b>\$95,092,552</b>	<b>97,773,145</b>	<b>2,680,593</b>	<b>2.7%</b>

Expense	2022-23 First Interim	2022-23 Second Interim	+/-	% Change
Certificated Salaries	\$28,664,384	\$28,591,424	(\$72,960)	-0.3%
Classified Salaries	\$15,150,328	\$16,052,834	\$902,506	5.6%
Benefits	\$23,482,450	\$23,919,447	\$436,997	1.8%
Books & Supplies	\$17,510,939	\$18,622,770	\$1,111,831	6%
Contract Services & Other Operating Expenses	\$12,174,585	\$13,081,908	\$907,323	7%
Capital Outlay	\$843,434	\$820,935	(\$22,499)	-3%
Other Outgo	\$4,978,624	\$4,396,019	(\$582,602)	-13.3%
<b>Total Expenses</b>	<b>\$102,804,744</b>	<b>\$105,485,337</b>	<b>\$2,680,593</b>	<b>2.5%</b>

<b>Net</b>	<b>(\$7,712,192)</b>	<b>(\$7,712,192)</b>	<b>\$0</b>
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## Second Interim Projected Ending Fund Balance

Category	Unrestricted	Restricted	Total
Beginning Balance	\$32,817,923	\$7,712,192	\$40,530,115
Estimated Revenue	\$174,695,366	\$97,773,145	\$272,468,511
Estimated Expenses	\$173,991,388	\$105,485,337	\$279,476,725
Estimated Ending Balance	\$33,521,901	\$0	\$33,521,901
<b>Breakdown of Ending Balance</b>			
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%)	\$8,384,302	\$0	\$8,384,302
Undesignated	\$22,030,128	\$0	\$22,030,128
Reserve as a % of Expense*			11.96%

*\*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 Projection

Budget Assumptions	2022-23	2023-24	2024-25
Cost Of Living Adjustment (COLA)	13.26%	8.13%	3.54%
Enrollment projection	16,317	16,221	16,116
P-2 Funded ADA estimate	17,116	16,368	15,645
Unduplicated Pupil %	26.48%	26.94%	27.68%
Unduplicated Pupil Count	4,517	4,490	4,461
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	25.37%	27.00%	28.10%
Negotiated salary adjustments	3%+5% Jan 1	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 2nd Interim	2023-24 Projection	2024-25 Projection
Estimated Beginning Balance July 1	\$32,817,923	\$33,521,901	\$28,846,079
Unrestricted Income	\$174,695,366	\$181,589,046	\$175,942,664
Unrestricted Expense	\$173,991,388	\$186,264,868	\$184,038,822
Ending balance	\$33,521,901	\$28,846,079	\$20,749,921
<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%	\$8,384,302	\$7,030,250	\$6,986,470
Undesignated Funds	\$22,030,128	\$18,708,358	\$10,655,980
Undesignated Reserve as a % of Expense	19.2%	15.4%	11.2%

# Multi-Year Projection - Restricted

Description	2022-23 2nd Interim	2023-24 Projection	2024-25 Projection
Estimated Beginning Balance July 1	\$7,712,192	\$0	\$0
Restricted Income	\$97,773,145	\$48,076,792	\$48,843,512
Restricted Expense	\$105,485,337	\$48,076,792	\$48,843,512
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 2nd Interim	2023-24 Projection	2024-25 Projection
Estimated Beginning Balance July 1	\$40,530,115	\$33,521,901	\$28,846,079
Total Income	\$272,468,511	\$229,665,838	\$224,786,176
Total Expense	\$279,476,725	\$234,341,659	\$232,882,334
Ending Balance	\$33,521,901	\$28,846,079	\$20,749,921
<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%	\$8,384,302	\$7,030,250	\$6,986,470
Undesignated Funds	\$22,030,128	\$18,708,359	\$10,655,980
Reserve as a % of Expense*	11.96%	12.26%	8.86%

*\*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.*

# 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

# Other Funds

Fund	Beginning Balance	Income	Expenses	End Balance
Adult Education	\$76,327	\$3,198,579	\$3,164,089	\$110,817
Child Development	\$200,557	\$7,059,870	\$7,059,870	\$200,557
Cafeteria Special Revenue	\$3,307,827	\$8,573,690	\$8,507,582	\$3,373,935
Deferred Maintenance	\$1,179,499	\$1,512,000	\$959,313	\$1,732,186
Building Fund (Measure I)	\$65,102,736	\$775,000	\$34,389,298	\$31,488,438
Capital	\$33,120,156	\$400,000	\$31,879,551	\$1,640,605
Technology	\$31,982,580	\$375,000	\$2,509,747	\$29,847,833
Capital Facilities (Developer Fees)	\$2,500,953	\$711,000	\$1,373,798	\$1,838,155
Special Reserve	\$15,506,197	\$1,741,309	\$3,894,092	\$13,353,414
TOPASS	\$6,043,162	\$1,621,309	\$3,891,592	\$3,772,879
Surplus Property	\$9,463,035	\$120,000	\$2,500	\$9,580,535
Bond Interest & Redemption	\$15,366,377	\$10,698,254	\$12,473,006	\$13,591,625
Self-Insurance	\$13,089,563	\$33,287,223	\$30,850,307	\$15,526,479
Worker Compensation	\$973,038	\$2,450,619	\$2,744,110	\$679,547
Health & Welfare	\$12,116,525	\$30,836,604	\$28,106,197	\$14,846,932
Private Purpose Trust	\$3,441	\$14,685	\$14,465	\$3,661
Student Activity (Fiduciary)	\$2,059,803	\$1,337,812	\$711,532	\$2,686,083

# Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30

