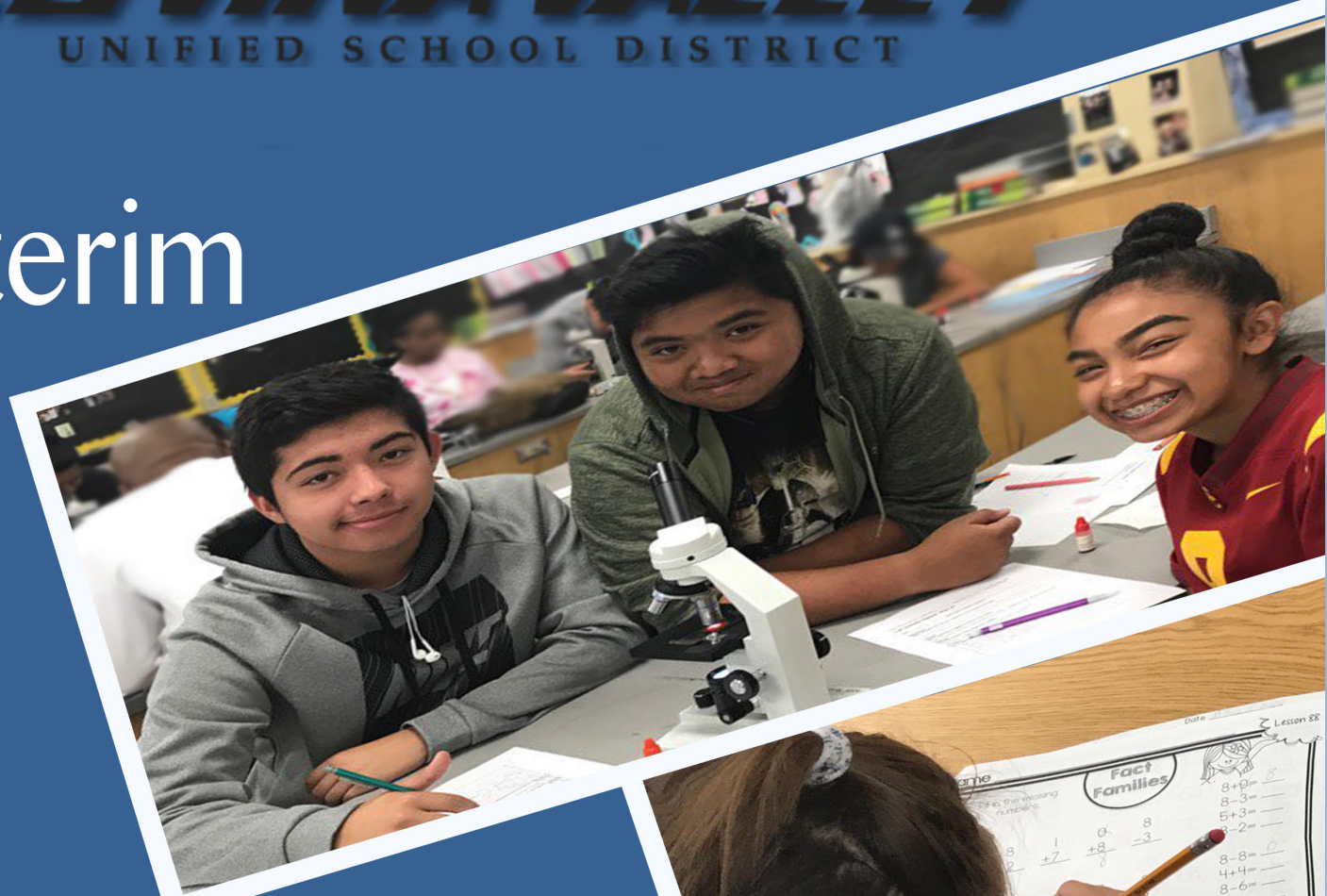


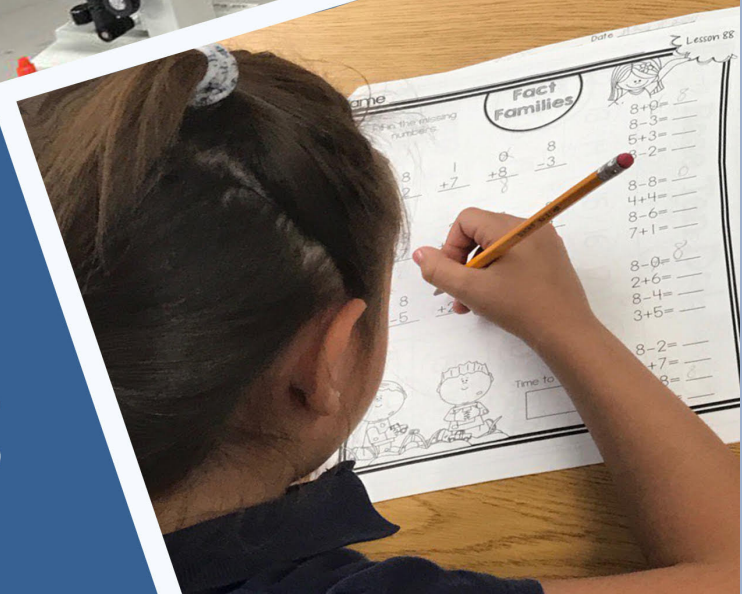


COVINA-VALLEY
UNIFIED SCHOOL DISTRICT

First Interim



2017-2018



FIRST INTERIM REPORT AND CERTIFICATION

- Districts are required to submit two interim budget reports to determine whether they can meet their financial obligations in the current and the two subsequent fiscal years.
- The District must certify each report as “Positive” “Qualified” or “Negative” based on the ability of the district to meet its financial obligations.
- The first interim report represents the actual and projected financial position of the General Fund as of October 31, 2017.

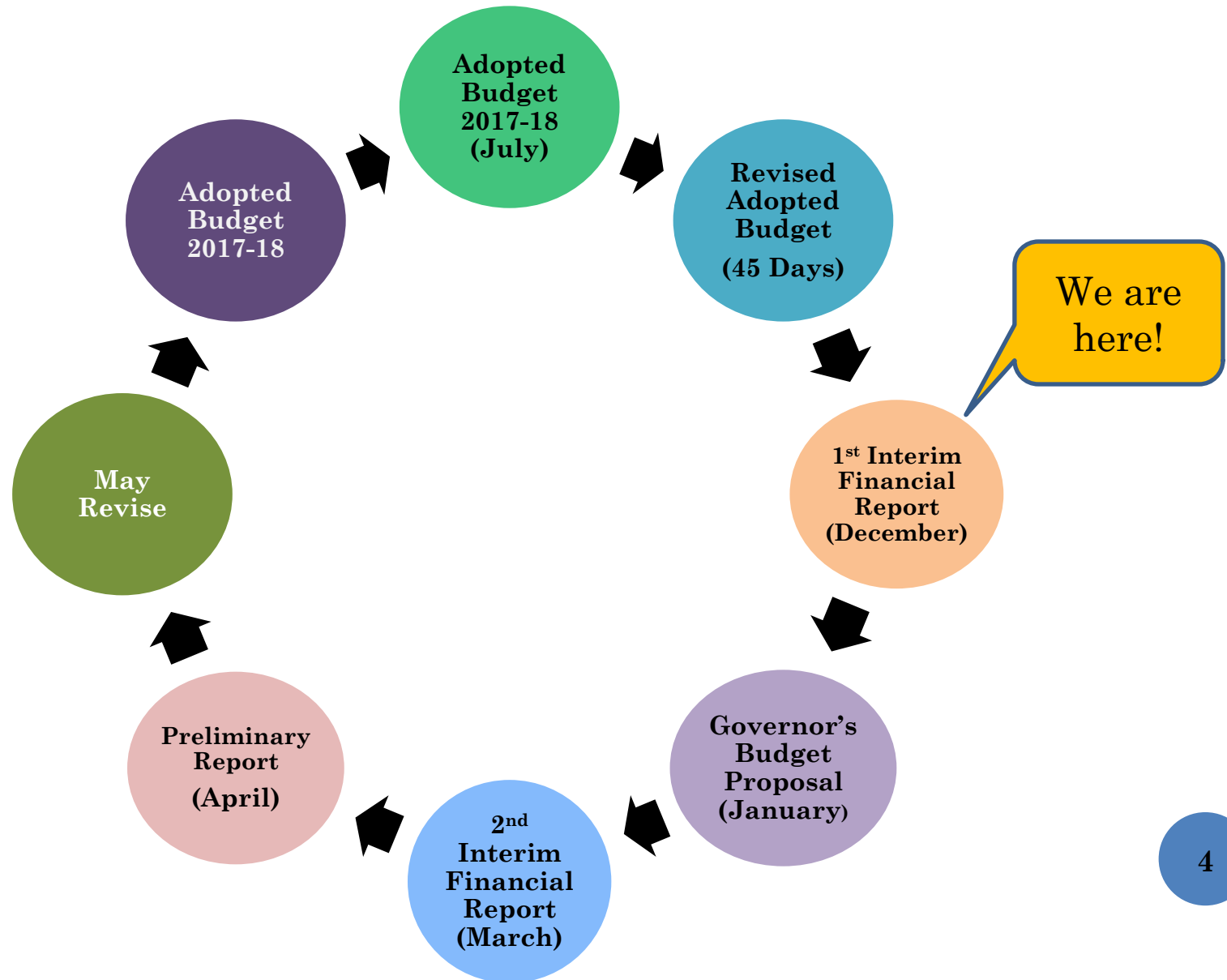
CERTIFICATION DEFINITIONS

POSITIVE = The district, based on current projections, **will be able** to meet its financial obligations for the current and subsequent two fiscal years

QUALIFIED = The district, based on current projections, **may not be able** to meet its financial obligations for the current and subsequent two fiscal years

NEGATIVE = The district, based on current projections, **will be unable** to meet its financial obligations for the current and subsequent two fiscal years

Annual Budget Cycle



2017-18 General Fund Budget Assumptions

- Local Control Funding Formula
 - › COLA updated to 1.56%
 - › Updated GAP funding to 43.19% - \$ 2.6 million
 - › Unduplicated pupil count at 69.68%
 - › LCFF as a percentage of target – approximately 97%

- Projected Enrollment Decline
 - › 200 - 2018/19 through 2019/20

- Increased Expenses
 - › 1% salary increase
 - › Health and Welfare 9.5% increase
 - › STRS and PERS increases

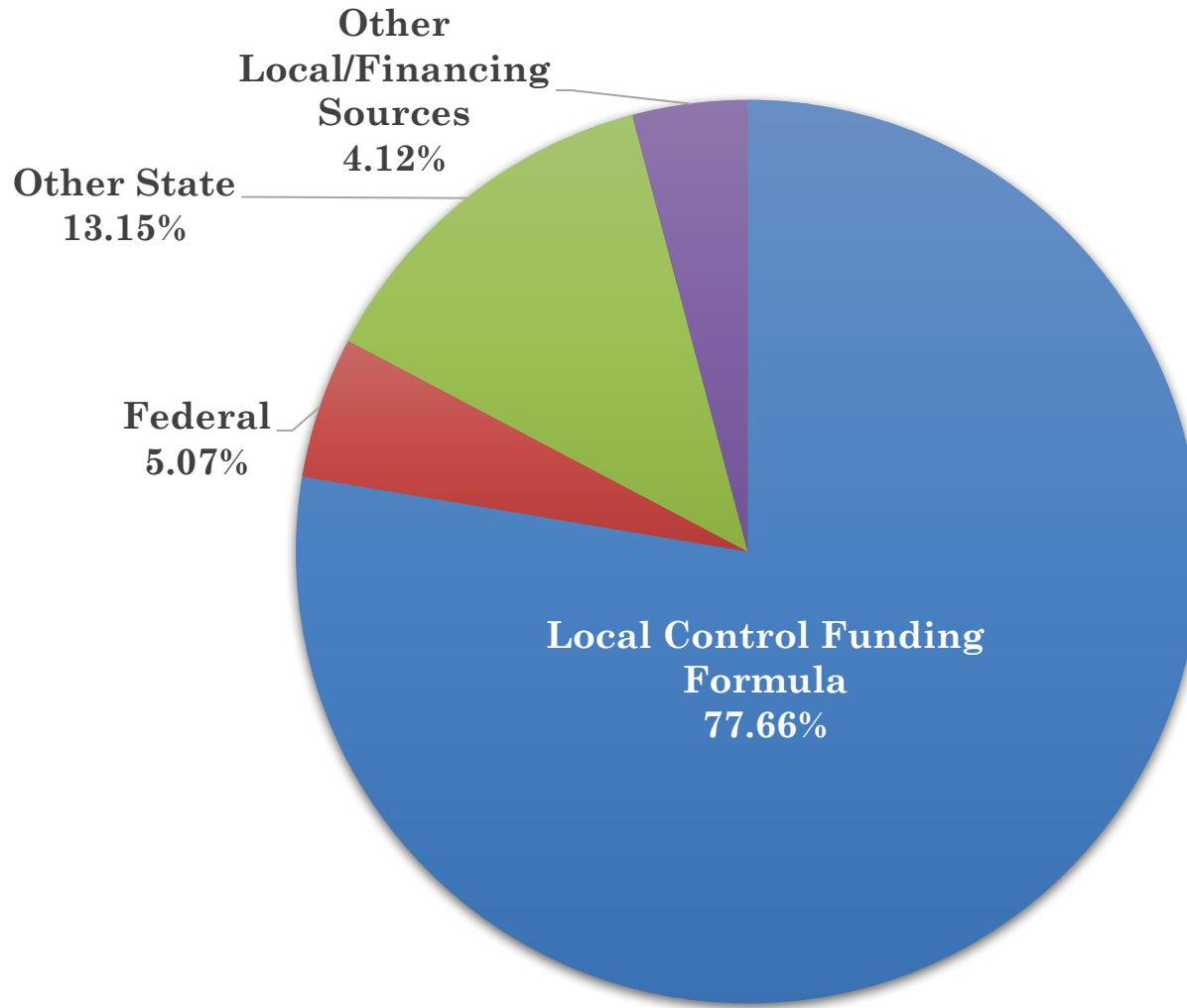
MAJOR CHANGES SINCE BUDGET ADOPTION (IN MILLIONS)

	2017-18	2018-19	2019-20	Cumulative
Revenue				
LCFF Revenue	↑ 0.2 M	↓ 0.3 M	↓ 0.5 M	↓ 0.6 M
GAP %	↓ 0.78%	↓ 5.41%	↓ 9.00%	
Unduplicated %	↑ 0.01%	↑ 0.02%	↑ 0.02%	

MAJOR CHANGES SINCE BUDGET ADOPTION (IN MILLIONS)

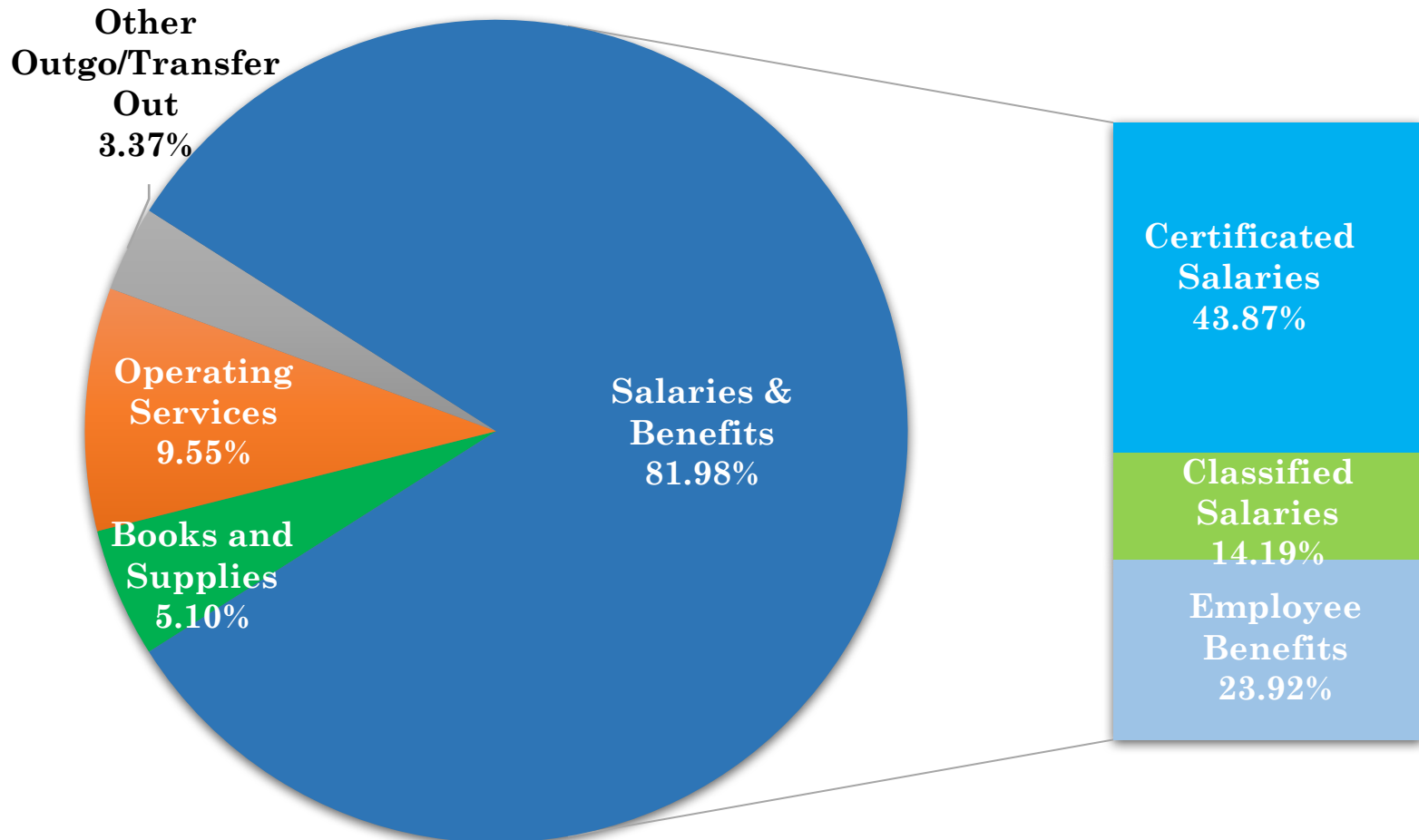
	2017-18	2018-19	2019-20	Cumulative
<u>Expense</u>				
Added 9 Playground Supervisors	(0.18)	(0.18)	(0.19)	(0.55)
1% Negotiated Salary Increase - all Bargaining Units	(0.72)	(0.75)	(0.77)	(2.24)
Change in allocation of site Playground Supervisors	(0.30)	(0.31)	(0.32)	(0.93)
Certificated increase of 11 FTE	(1.07)	-	-	(1.07)
Health & Welfare Benefits Estimated Savings	0.16	0.16	0.16	0.48
Lower OPEB Contributions	0.34	0.34	0.34	1.02
OFL Increase	0.35	0.12	0.12	0.59
Total	(1.42)	(0.62)	(0.66)	(2.70)

2017-18 FIRST INTERIM GENERAL FUND REVENUES



Total Revenue = \$145,624,359

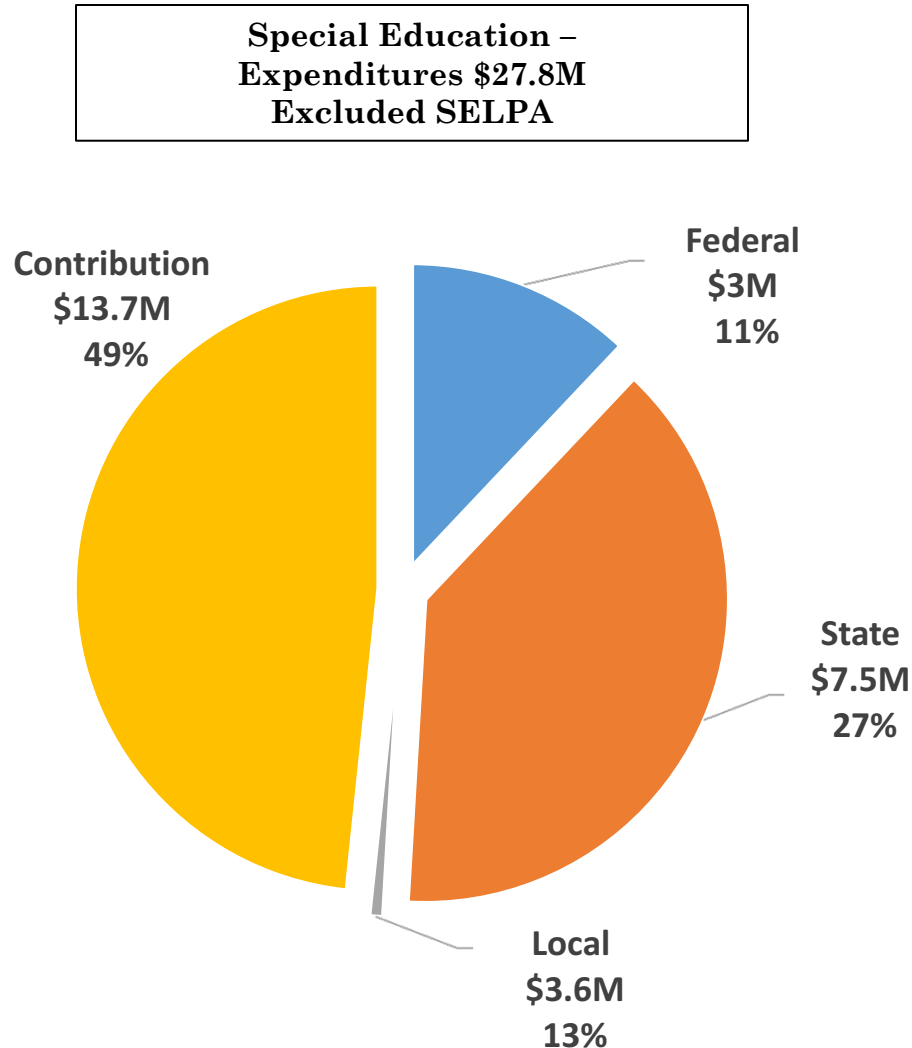
2017-18 FIRST INTERIM GENERAL FUND EXPENDITURES



Total Expenditures = \$146,885,850

CONTRIBUTIONS TO RESTRICTED PROGRAMS

Restricted programs are like mini-funds and should be self sustaining - expenditures should match revenues. When expenditures exceed revenues, a **contribution from the Unrestricted General Fund** is made to the restricted program.

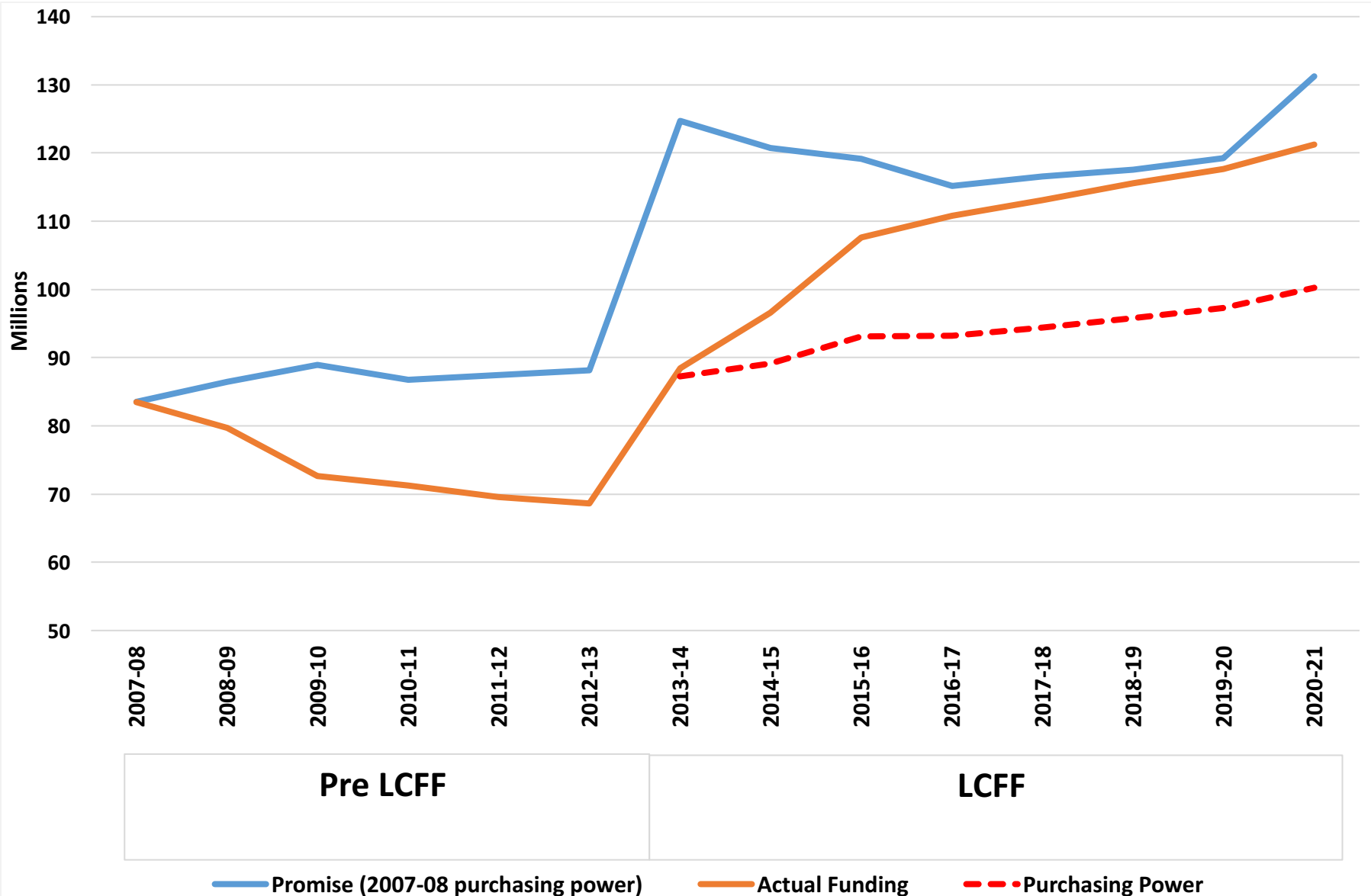


MULTI-YEAR GENERAL FUND

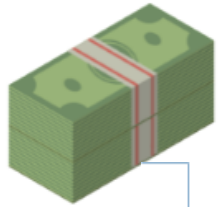
BUDGET PROJECTIONS

	Projected 2017-18	Projected 2018-19	Projected 2019-20
Beginning Fund Balance	\$27,370,281	\$26,108,790	\$19,228,089
Audit Adjustment/Restatement	-	-	-
Revised Fund Balance	\$27,370,281	\$26,108,790	\$19,228,089
Annual Revenues (includes other financing sources)	\$145,624,359	\$146,075,253	\$148,139,525
Annual Expenditures (includes other financing sources)	\$146,885,850	\$152,955,954	\$157,086,188
Changes in Fund Balance	(\$1,261,491)	(\$6,880,701)	(\$8,946,663)
Projected Ending Fund Balance	\$26,108,790	\$19,228,089	\$10,281,426
I. Unavailable Reserves:	\$5,964,249	\$5,071,766	\$4,190,912
1.) Nonspendable:			
a. Revolving Cash	\$35,000	\$35,000	\$35,000
b. Inventory	\$24,000	\$24,000	\$24,000
c. Prepaid Expenditures	\$1,720,668	\$1,109,620	\$498,572
2.) Restricted Program Balances	\$4,184,581	\$3,903,146	\$3,633,340
3.) Assigned	\$558,834	\$1,358,834	\$1,358,834
II. Total Unrestricted Fund Balance	\$19,585,707	\$12,797,489	\$4,731,680
1.) Reserve for Economic Uncertainty (3%)	\$4,406,576	\$4,588,679	\$4,712,586
2.) Available Reserves	\$15,179,131	\$8,208,810	\$19,094
III. Available Reserves (Unrestricted Fund)	13.33%	8.37%	3.01%

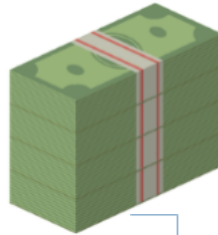
PURCHASING POWER UNDER THE LCFF



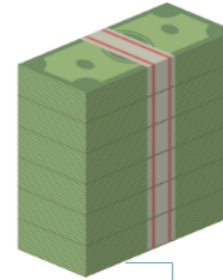
STRS/PERS COSTS THROUGH 2023-24



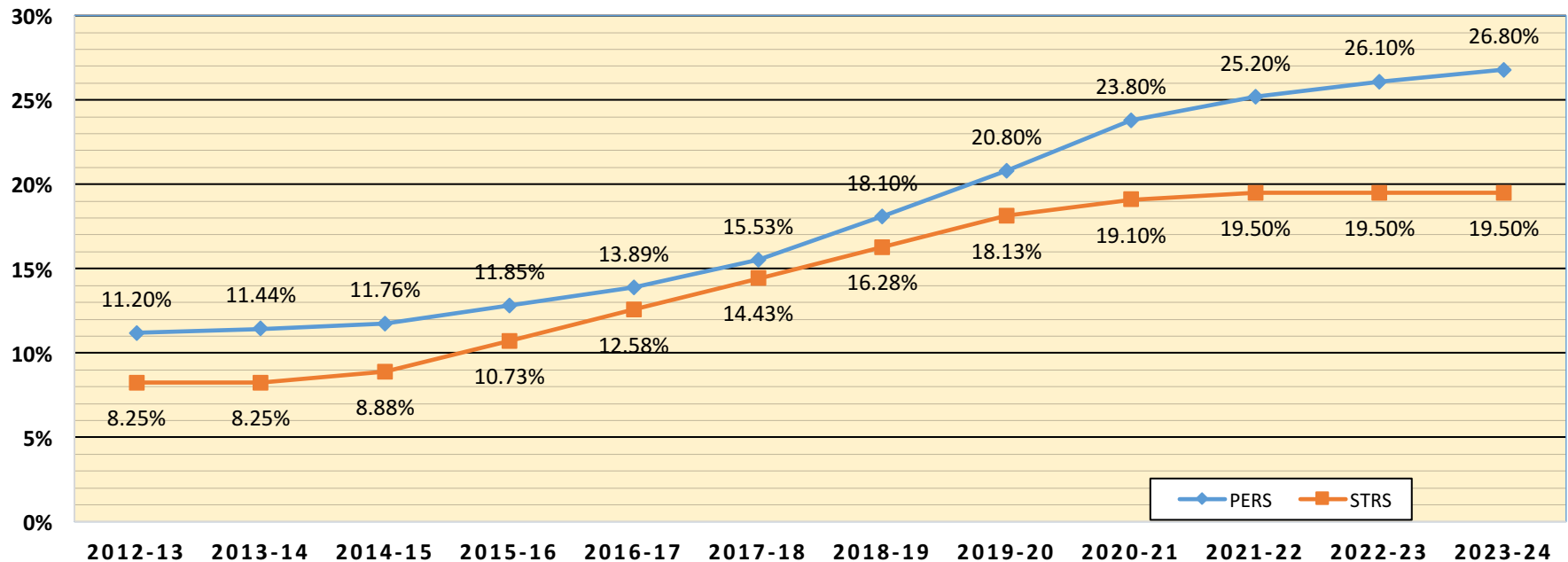
2013-14 \$6.7 Million
\$525 per student



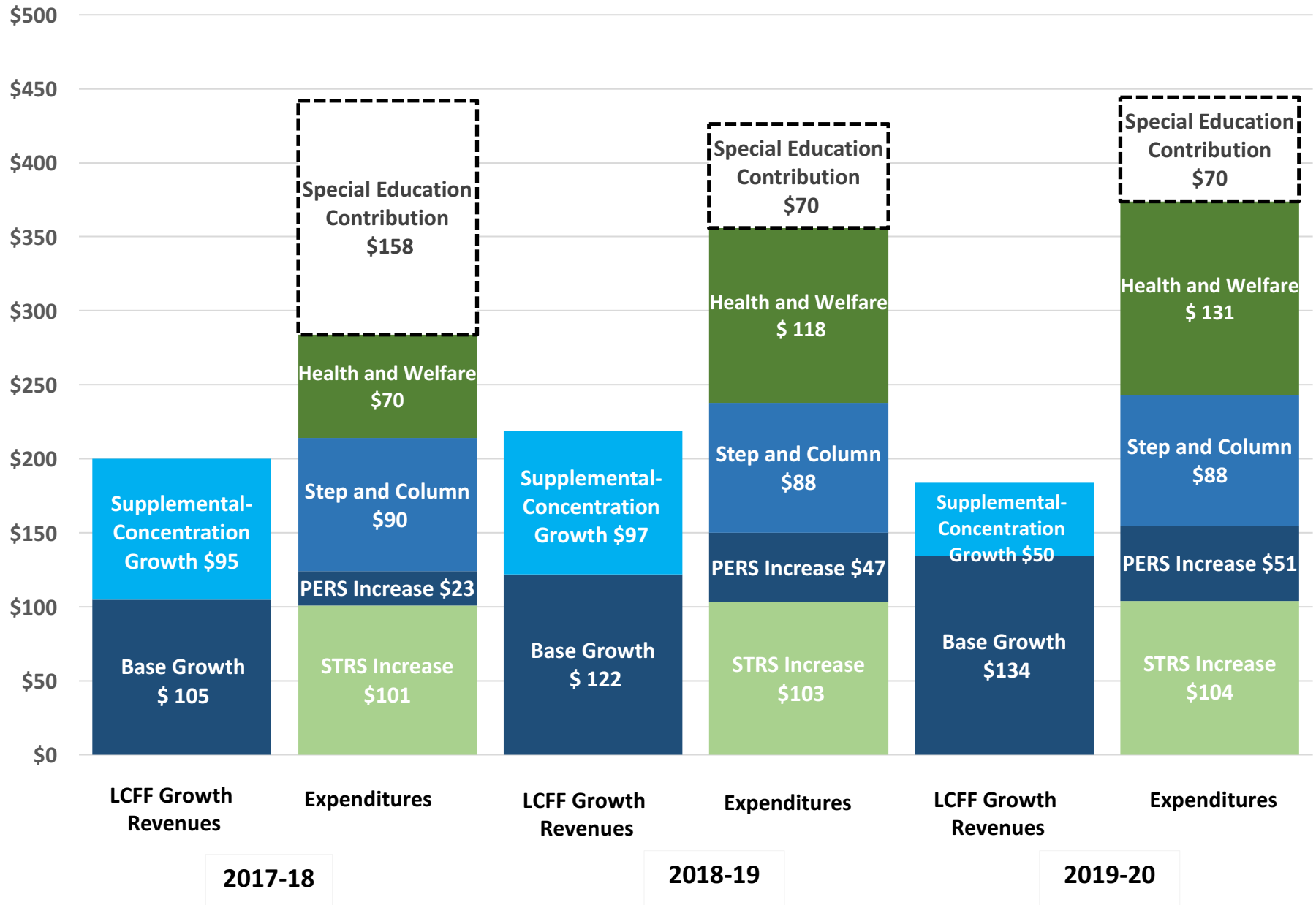
2017-18 \$12.4 Million
\$1,061 per student



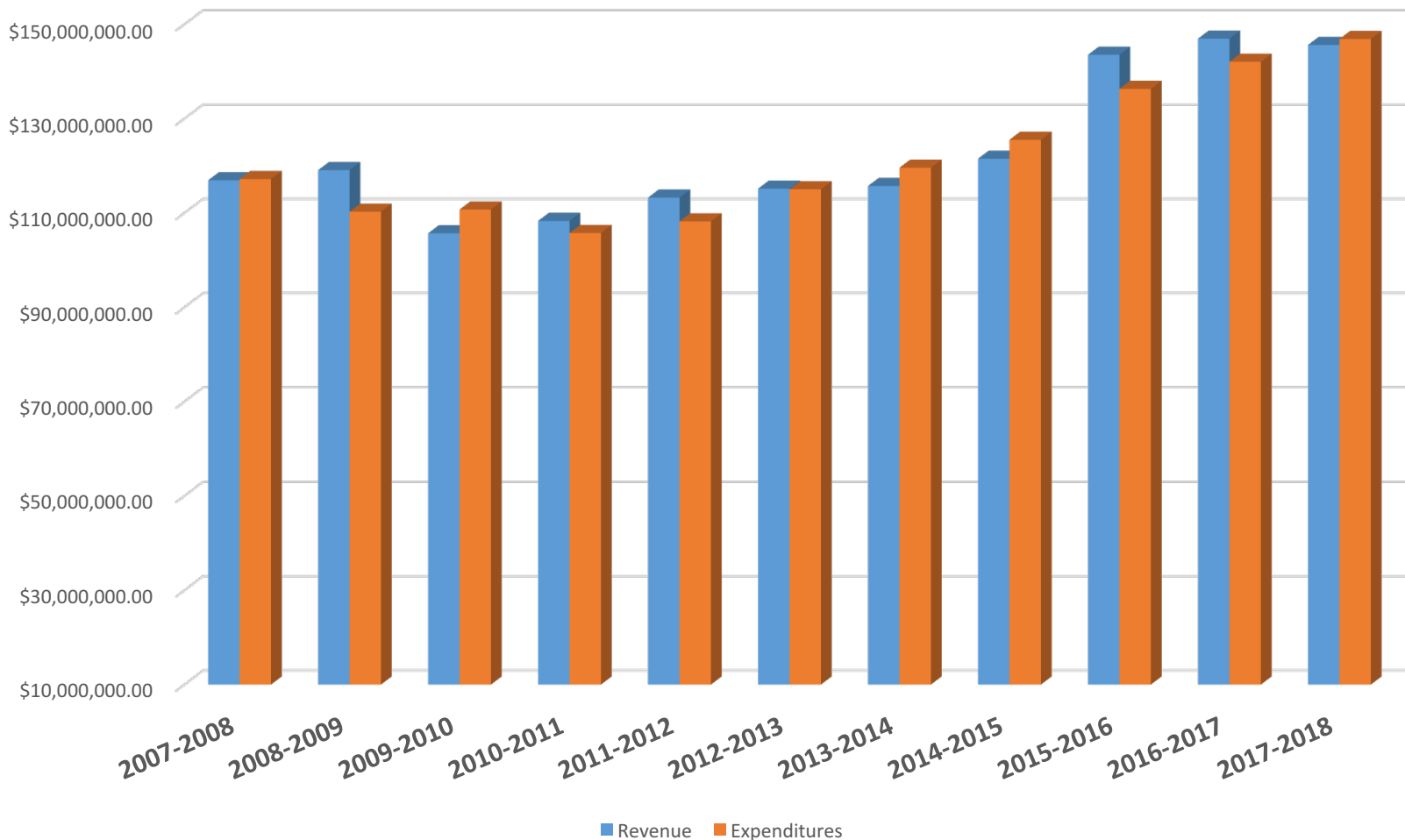
2023-24 \$17.4 Million
\$1,577 per student



PER-ADA REVENUE VS. EXPENSES



C-VUSD HISTORICAL COMPARISON OF TOTAL GENERAL FUND REVENUE AND EXPENDITURES



CHALLENGES

- Structural Deficit - Working Toward Resolution. There is no such thing as a good budget without an adequate reserve
 - Consider Balanced Budget Resolution
- Projected slight positive General Fund balance in 2019-20
 - Structural Deficit
- Future Funding - Enrollment and Unstable GAP%
- Special Education Program - Expected increases
- Routing Restricted Maintenance Reserve - 3% (2020-21) \$1.7 million increase from 2%
- No Revenue source for STRS and PERS increases
- Health and Welfare ongoing increases

Comments or Questions...

