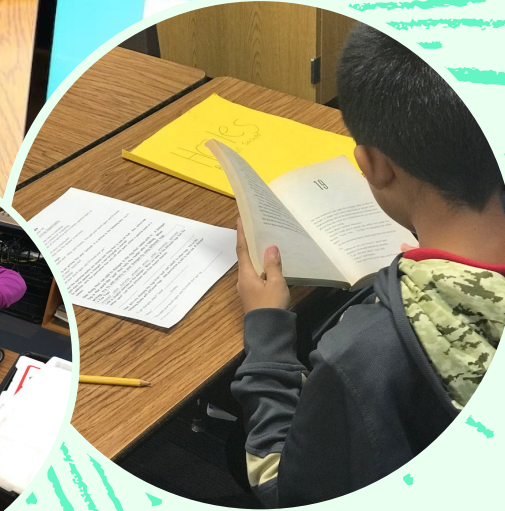
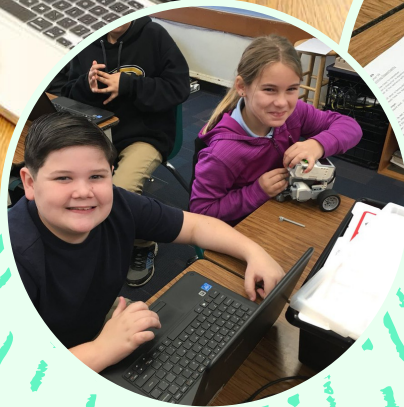
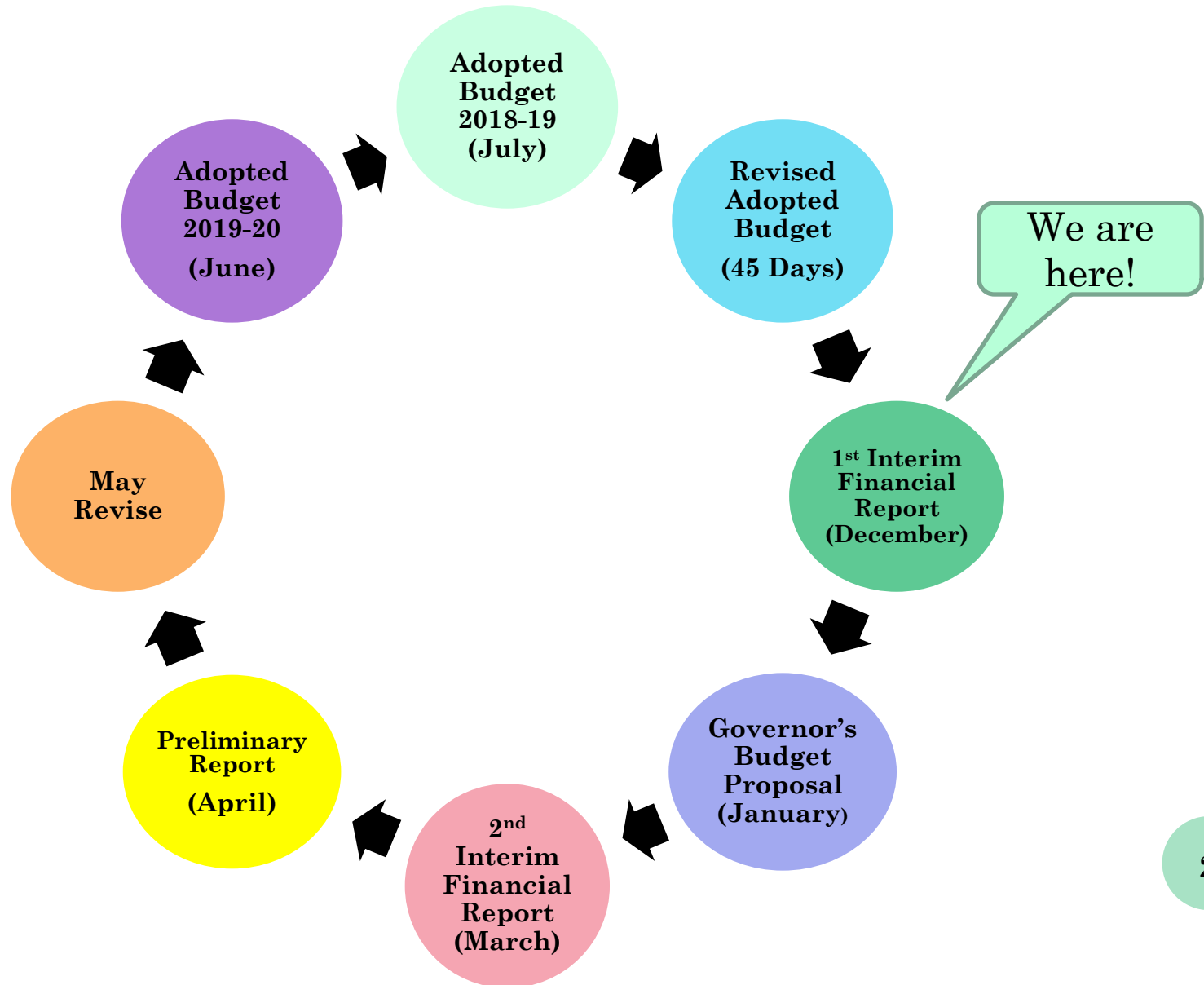


Covina-Valley Unified School District



2018-19 FIRST INTERIM

Annual Budget Cycle



LEGAL REQUIREMENTS

- 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, 2018.

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

COVINA-VALLEY USD

2018-19 GENERAL FUND BUDGET ASSUMPTIONS

- Local Control Funding Formula
 - › LCFF at full implementation
 - › COLA updated to 3.70%
 - › Unduplicated pupil count at 70.56%

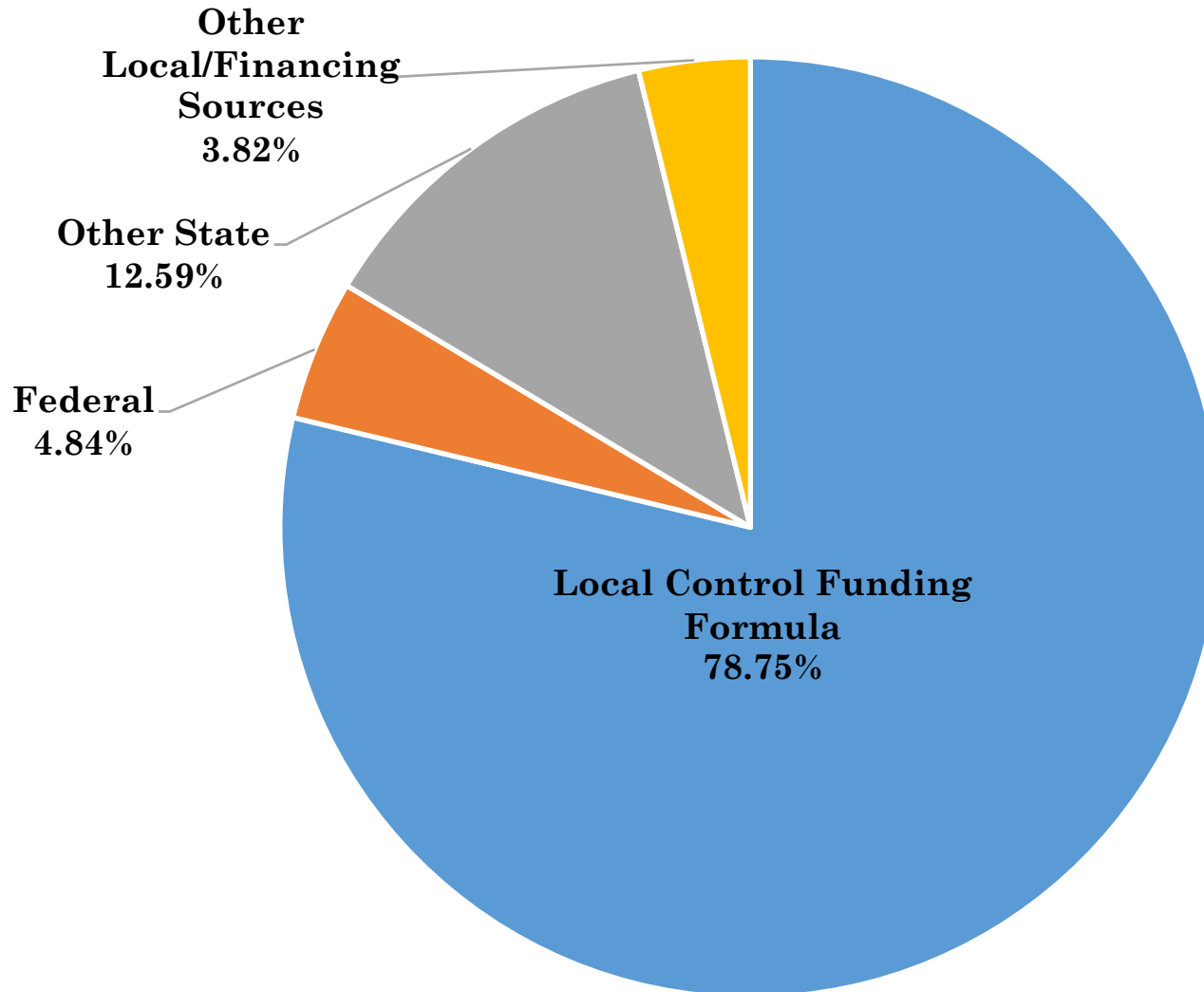
- Projected enrollment decline
 - › 2018/19 - 159 (uncertified CALPADS)
 - › 200 - 2019/20 through 2020/21 (100 each year)

- Other Assumptions
 - › Bargaining with all 3 associations ongoing for the current year
 - › Health and Welfare increase from 6.5% to 9.5%
 - › STRS and PERS increases
 - › 3% RRM contribution implemented 2019-20
 - › Potential budget revisions

MAJOR CHANGES SINCE THE ADOPTED BUDGET (IN MILLIONS)

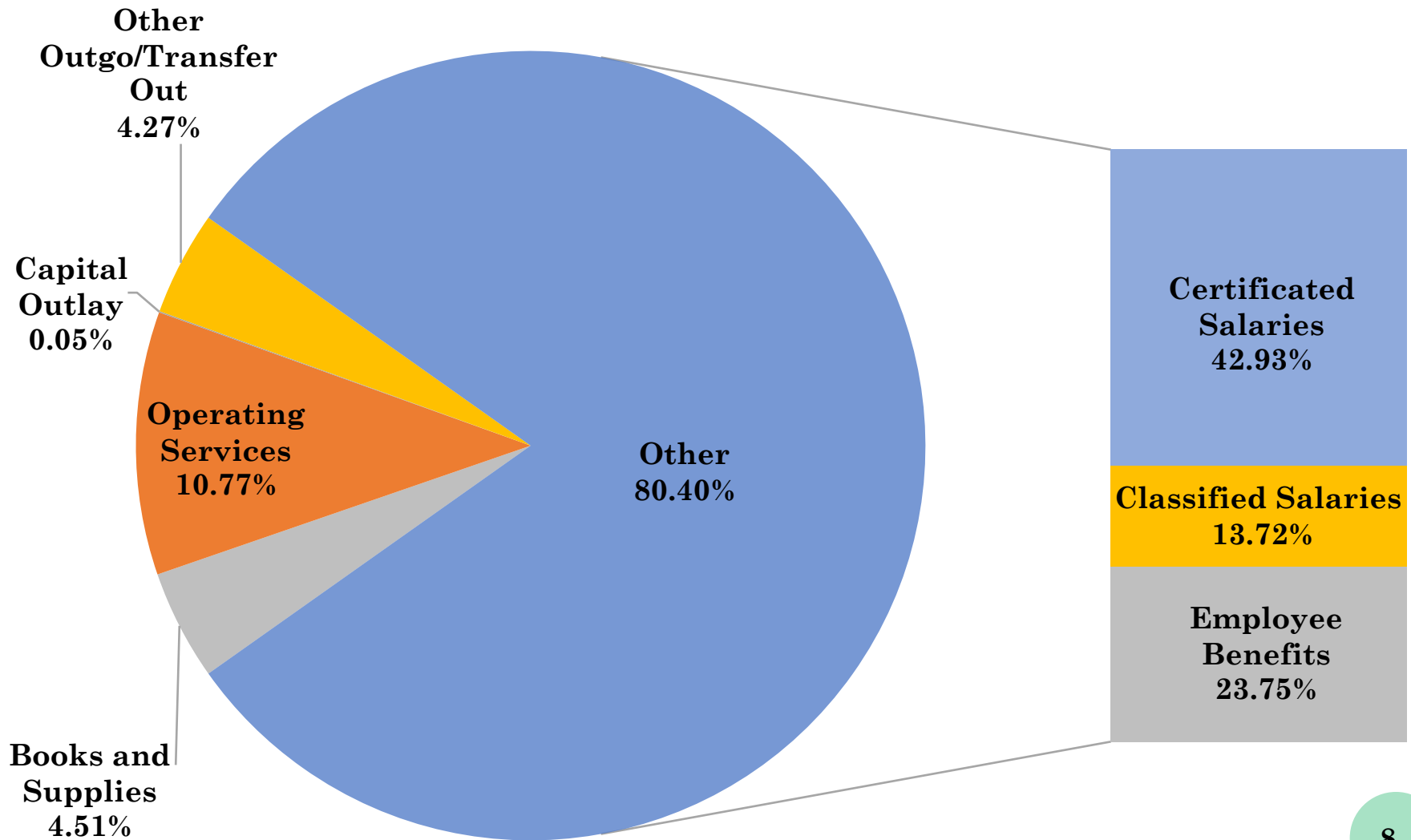
(Cost Increase)/Savings	2018-19	2019-20	2020-21	Cumulative
LCFF funding variables	\$0.55	(\$0.39)	(\$0.16)	\$0.00
S/C allocation	(\$0.40)	(\$0.43)	(\$0.44)	(\$1.27)
Increase of 14 certificated FTEs	(\$1.38)	(\$0.02)	(\$0.02)	(\$1.42)
Reduction in Special Ed estimated cost	\$0.54	\$0.54	\$0.54	\$1.62
RRM contribution	\$0.00	(\$1.46)	\$0.05	(\$1.41)
Health and Welfare savings	\$0.34	\$0.35	\$0.36	\$1.05
Planned certificated & classified staffing changes	\$0.87	\$3.52	\$3.76	\$8.15
Planned potential services savings	\$0.15	\$0.54	\$0.54	\$1.23
Other programs savings	\$1.32	\$0.67	\$0.67	\$2.66

2018-19 FIRST INTERIM GENERAL FUND REVENUES



Total Revenue = \$151,157,607

2018-19 FIRST INTERIM GENERAL FUND EXPENDITURES

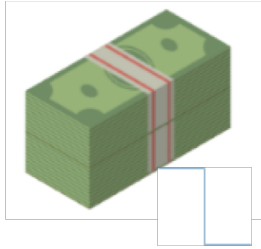


Total Expenditures = \$153,801,378

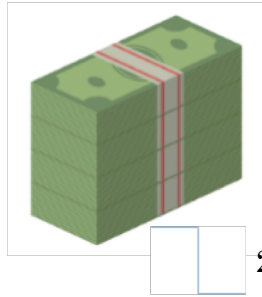
MULTI-YEAR GENERAL FUND BUDGET PROJECTIONS

	Projected Budget 2018-19	Projected Budget 2019-20	Projected Budget 2020-21
Beginning Fund Balance	\$28,117,126	\$25,473,355	\$21,256,018
Audit Adjustment/Restatement	-	-	-
Revised Fund Balance	\$28,117,126	\$25,473,355	\$21,256,018
Annual Revenues (includes other financing sources)	\$151,157,607	\$149,686,248	\$152,033,031
Annual Expenditures (include other financing uses)	\$153,801,378	\$153,903,585	\$158,075,248
Changes in Fund Balance	(\$2,643,771)	(\$4,217,337)	(\$6,042,217)
Projected Ending Fund Balance	\$25,473,355	\$21,256,018	\$15,213,801
I. Unavailable Reserves:	\$5,962,023	\$5,875,920	\$6,221,067
1.) Nonspendable:			
a. Revolving Cash	\$35,000	\$35,000	\$35,000
b. Inventory	\$50,000	\$50,000	\$50,000
c. Prepaid Expenditures	\$1,142,940	\$498,572	-
2.) Restricted Program Balances	\$4,734,083	\$5,292,348	\$6,136,067
3.) Assigned	\$787,184	\$787,184	\$787,184
II. Total Unrestricted Fund Balance	\$18,724,148	\$14,592,914	\$8,205,550
1.) Reserve for Economic Uncertainty (3%)	\$4,614,042	\$4,617,108	\$4,742,258
2.) Available Reserves	\$14,110,106	\$9,975,806	\$3,463,292
III. Available Reserves (Unrestricted Fund)	12.17%	9.48%	5.19%

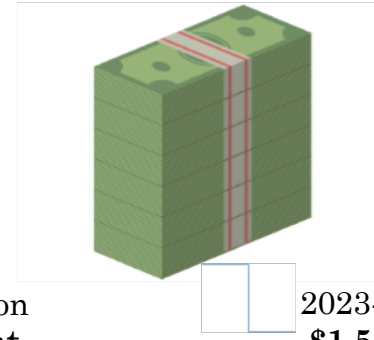
STRS/PERS COSTS THROUGH 2023-24



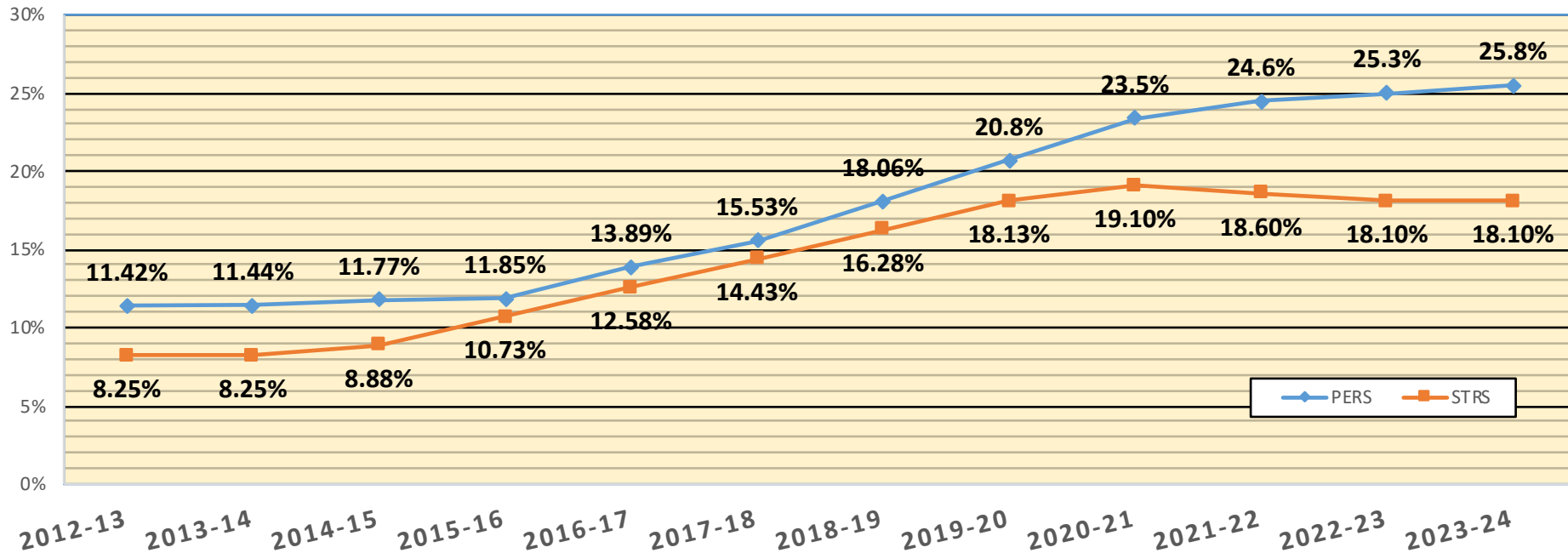
2013-14 \$6.7 Million
\$525 per student



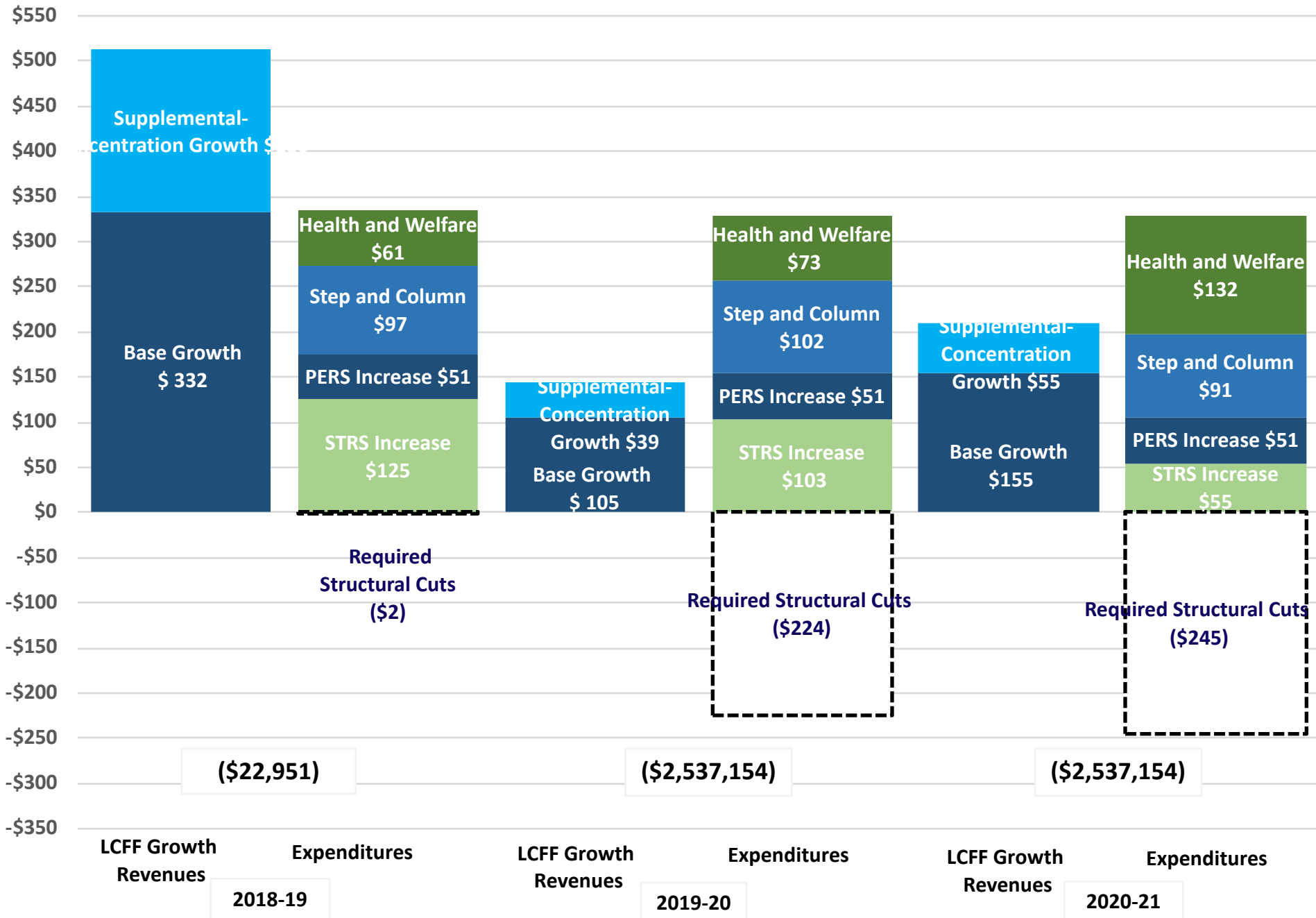
2017-18 \$12.3 Million
\$1,055 per student



2023-24 \$17.2 Million
\$1,577 per student



PER-ADA REVENUE VS. EXPENSES



CHALLENGES

- Structural Deficit - Working Toward Resolution. There is no such thing as a good budget without an adequate reserve
- Projected positive General Fund Balance in 2020-21 with additional planned expenditure reductions
- Future funding – enrollment and limited to COLA
- Routine Restricted Maintenance Reserve - 3% (2019-20) \$1.46-million increase
- No revenue source for STRS and PERS increases
- Health and welfare ongoing increases
- Stated preference for a balanced budget by major stakeholder group / fair share

OTHER FUNDS – PROJECTED TOTALS 2018-19

(IN MILLIONS)

	Fund 10 Special Education Pass- Through	Fund 11 Adult Education	Fund 12 Child Development	Fund 13 Cafeteria	Fund 21 Building	Fund 25 Capital Facilities	Fund 40 Special Reserve for Capital Outlay	Fund 67 Self Insurance
Beginning Fund Balance	\$0.00	\$2.23	\$0.66	\$6.30	\$16.90	\$1.14	\$1.55	\$1.41
Revenue	\$60.10	\$4.52	\$2.83	\$6.18	\$12.15	\$0.10	\$0.00	\$17.59
Expenditure	\$60.09	\$3.34	\$2.59	\$7.56	\$24.57	\$0.40	\$0.00	\$17.25
Other Financing Sources/Uses	\$0.00	\$0.00	(\$0.20)	\$0.11	\$0.00	\$0.00	\$0.70	\$0.00
Ending Fund Balance	\$0.01	\$3.41	\$0.70	\$5.03	\$4.48	\$0.84	\$2.25	\$1.75

Comments or Questions...

