



COVINA-VALLEY
UNIFIED SCHOOL DISTRICT

SECOND INTERIM REPORT

Report to Board of Education
March 7, 2011

SECOND INTERIM REPORT

- One of three annual financial reports
- Reports financial results and projections
- Key to determining District's fiscal viability
- Components of the Report



2010-11 BUDGET - ADJUSTMENTS

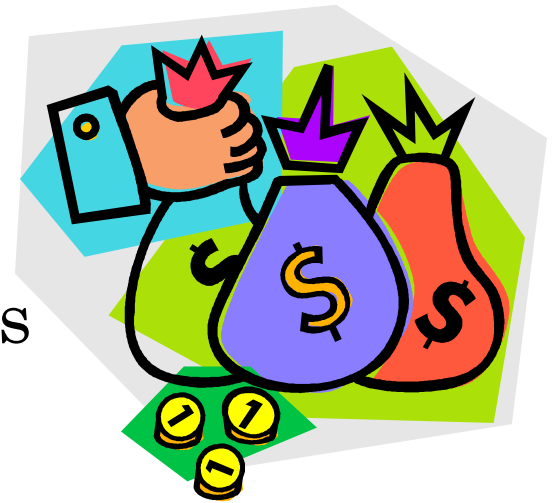
Revenues

- First Interim based on July State budget
- No mid-year cuts proposed
- No material changes to Revenue Limit or other State revenues at Second Interim



DISTRICT ADJUSTMENTS TO SECOND INTERIM BUDGET

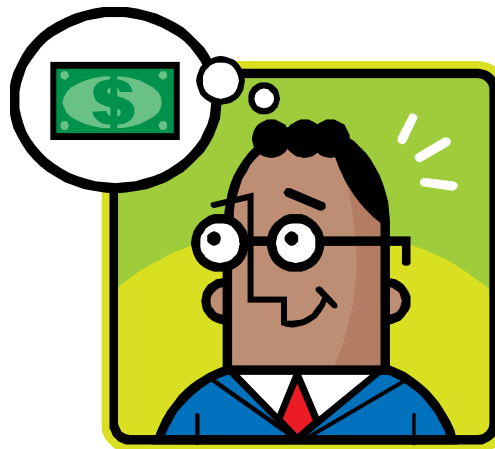
- Categorical revenues and expenses
- Other income accounts
- Encroachment
- Salaries and benefits
- All other expenditure accounts



DISTRICT ADJUSTMENTS TO SECOND INTERIM BUDGET

Material Revisions to the 2010-11 budget at Second Interim:

- Federal Education Jobs funding \$2.66M
- Final ARRA funding \$ 652K



2010-11 REVISED BUDGET

Projected net income –

First Interim	\$ 2.58 M
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Second Interim	\$ 518 K
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Projected Unrestricted

Ending Fund Balance	\$14.0 M	(12.73%)
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→ \$10.6 M above 3% requirement



MULTI-YEAR PROJECTIONS

- Three year projection is presented through June 30, 2013
- Current variables and assumptions as directed by LACOE
- Results of June Special Election are key



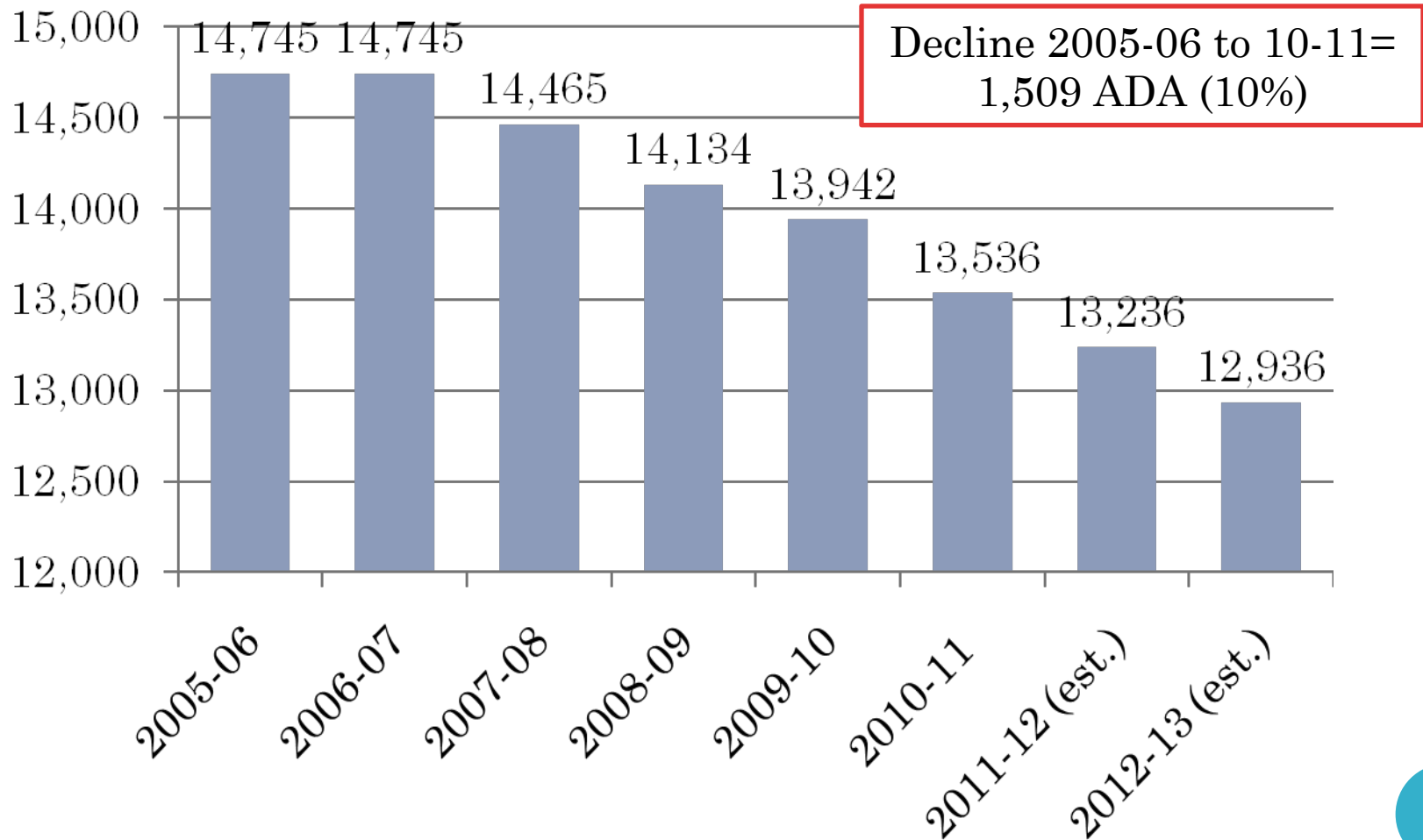
MULTI-YEAR PROJECTIONS

	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>
Effective Revenue Limit COLA	5.17%	(0.37%)	1.8%
Additional ongoing cut*		\$330/ADA	
Dollars per ADA	\$5,223	\$4,874	\$4,962
Dollar Change per ADA	\$258	(\$349)	\$88
Change in ADA	(403)	(300)	(300)

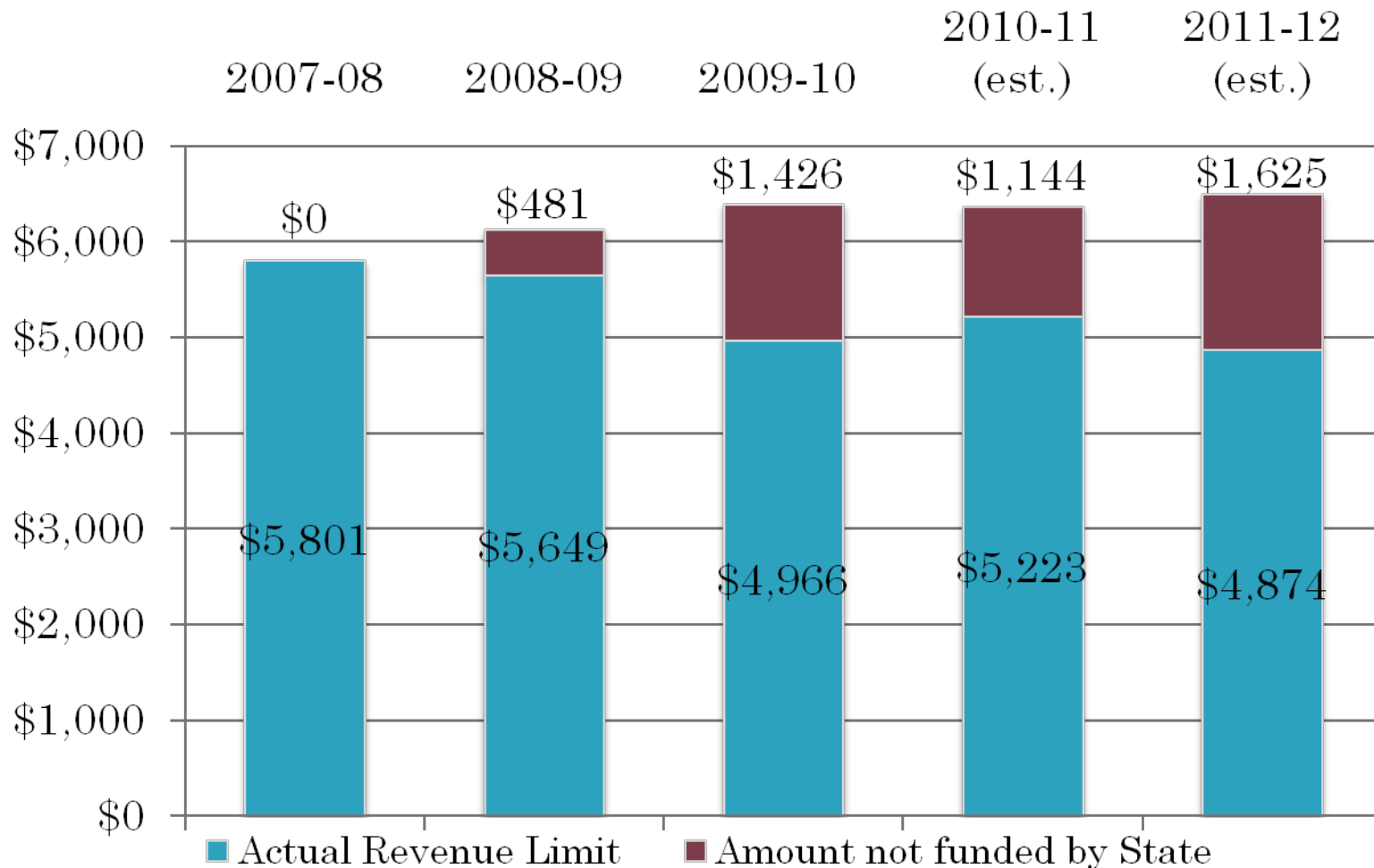
**If ballot initiative fails*



REVENUE LIMIT ADA



CHANGE IN REVENUE LIMIT



CHANGE IN REVENUE LIMIT

FOR THE 2011-12 FISCAL YEAR:

Projected net decrease in per student Revenue Limit funding from 2007-08 through 2011-12	\$927/Student 16%
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Total amount District will be receiving less due to cuts, deficits and negative COLAs	\$12.5 million
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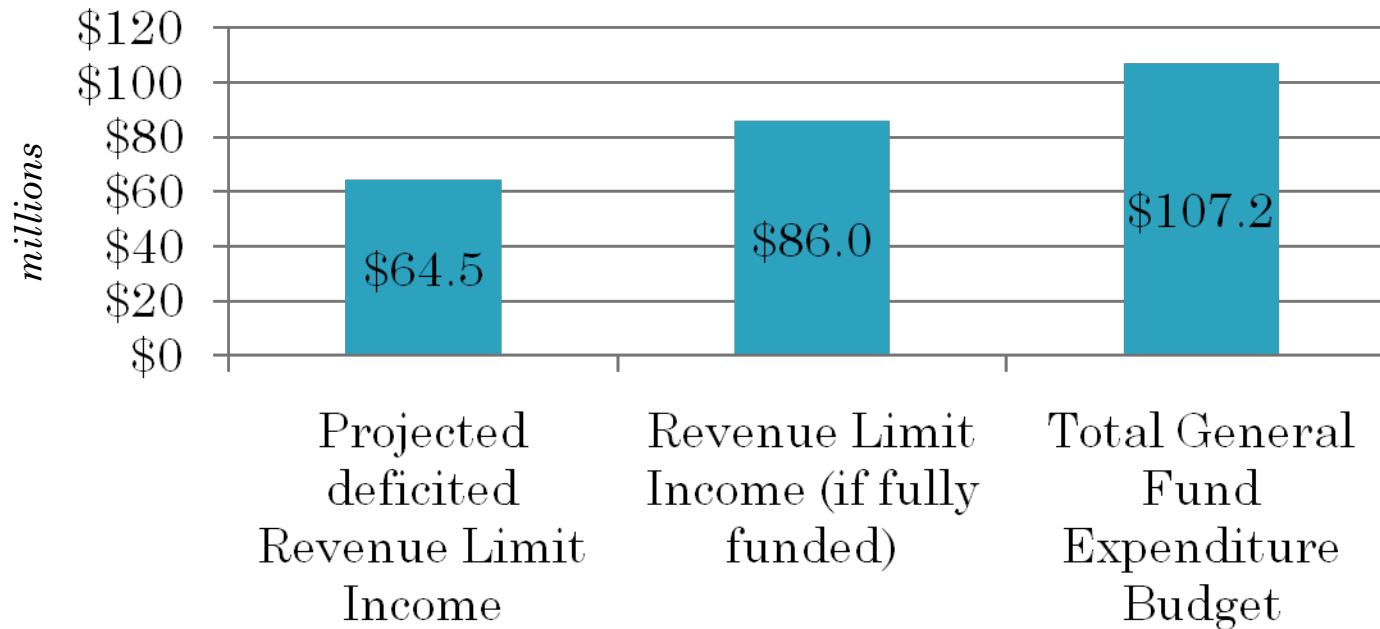
Total amount District will be receiving less due to decline in enrollment over last 5 years	<u>6.5 million</u>
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Grand Total	<u><u>\$19.0 million</u></u>
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CHANGE IN REVENUE LIMIT

2011-12 Projected Budget



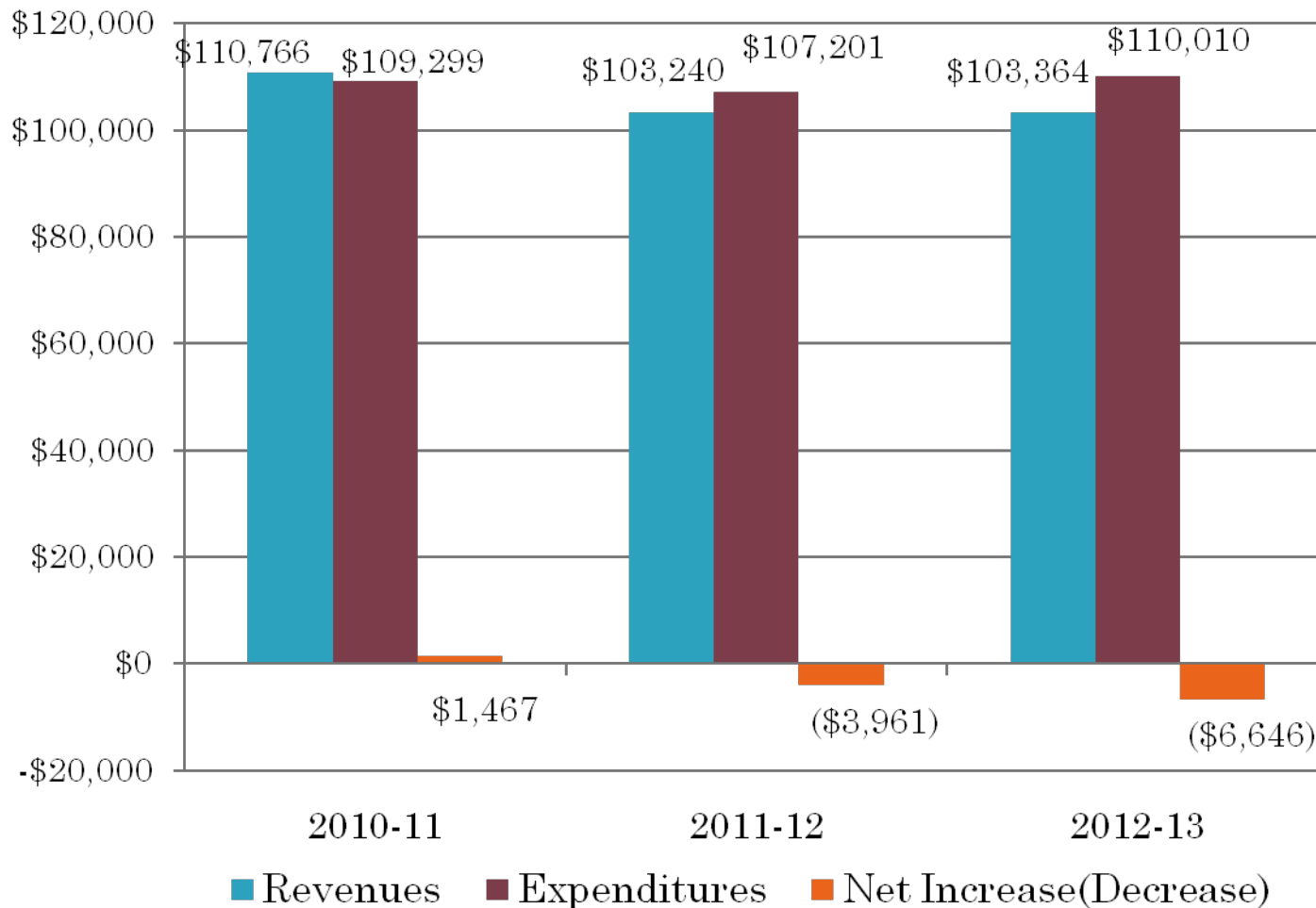
If the State had fully funded the statutory COLAs, the District would be receiving \$21.5 million more in Revenue Limit funding

MULTI-YEAR PROJECTIONS – OTHER FACTORS

- ❑ Salaries and Benefits
 - Only increase is step and column
 - ❑ Flexibility
 - Tier 3 Categorical sweep – \$3.1 M
 - ❑ Sweeps from Other Funds
 - \$1.5M sweep from Adult Ed in 2010-11; \$2M in each of 2011-12 and 2012-13
 - \$500K sweep from Deferred Maintenance in 2011-12 and 2012-13
 - ❑ All other Flexibility projected to extend until at least 2012-13
 - ❑ \$1.15M in cuts identified to start July 1, 2011
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TOTAL GENERAL FUND – PROJECTED FINANCIAL STATEMENT

All amounts in 000's



MULTI-YEAR PROJECTIONS

<i>000's</i>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>
Projected Unrestricted Increase/(loss)	\$518	(\$3,962)	(\$6,645)
Projected Unrestricted Ending Fund Balance	\$13,911	\$9,949	\$3,304
Fund Balance Percent	12.73%	9.28%	3.0%
Amount above/(below) 3%	\$10,632	\$6,733	\$ -



DISTRICT CERTIFICATION

- Based upon current projections, the District is self-certifying as **Positive**
- A Positive certification indicates that, based upon current projections, the school district **will** meet its financial obligations for the current fiscal year and subsequent two fiscal years



STAY TUNED:

- Cash flow issues
- P-2
- May Revise
- Special Election

