



**COVINA-VALLEY**

UNIFIED SCHOOL DISTRICT

# Unaudited Financial Report

Report to Board of Education  
September 16, 2013

# Presenters

Dr. Catherine Nichols,  
Superintendent

David A. Rivera,  
Chief Business Officer

James Pham,  
Director of Fiscal

Manuel Correa,  
Assistant Director of Fiscal



**Covina-Valley Unified School District**  
*“Creating Extraordinary Futures”*

# Data for 2012-13

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- Transactions recorded based on information made available through August 2013
  - LACOE/State/Federal Bulletins
- Level of realized spending
  - Payroll Records
  - Transactions quantified through June 30



# Budget Assumptions

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- Inclusion of Flexibility Transfers
  - Categorical sweep: \$2.9 million
  - Deferred Maintenance: \$600 thousand
  - Staffing K-3 CSR above 20:1
- Employee Compensation
  - Included Step/Longevity/Column Movement
  - Reduction in teacher staffing for enrollment decline
  - Included impact from negotiated agreements from bargaining units
    - Full restorations of employee salaries and benefits (2010 MOU)

# General Fund: Unrestricted Programs

## REVENUES

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- June 30<sup>th</sup> \$79.31 million
- Unaudited \$84.02 million
- Net Variance \$4.69 million
- Noteworthy Changes
  - Consolidation of Tier III Categorical Programs \$3.3 million
  - One-time Transfer of Tier III Categorical Program \$1.8 million for High School/Adult Education Vocational Building
    - Construction timeline is 2 years
  - MAA Program Funding was deferred (\$299) thousand
  - Adjustments to CSR and Lottery Program (\$84) thousand

## EXPENDITURES

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- June 30<sup>th</sup> \$77.47 million
- Unaudited \$77.76 million
- Net Variance (\$293) thousand
- Noteworthy Changes
  - Salary & Benefits (\$357) thousand
  - Supply Accounts (\$195) thousand
  - Utilities (\$279) thousand
  - Indirect Costs \$1.10 million



# General Fund: Unrestricted Programs

## PROGRAM CONTRIBUTIONS

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- June 30<sup>th</sup> \$10.09 million
- Unaudited \$8.63 million
- Net Variance \$1.46 million
- Noteworthy Changes
  - Additional Special Education Federal Funds \$402 thousand
  - Indirect Cost Savings for Special Education totaling \$766 thousand
  - Special Education NPS Placements and Supply Cost Savings \$204 thousand

## TRANSFERS-IN AND OUT

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- June 30<sup>th</sup> (\$1.783) million
- Unaudited \$1.33 million
- Net Variance \$3.11 million
  - Reclassifying Tier III Programs
  - Now recorded as revenues

# General Fund: Unrestricted Programs

## NET CHANGES

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- Revenues \$4.69 million
- Expenditures \$293 thousand
- Transfers (\$3.11) million
- Contributions (\$1.46) million
- Net Impact to Reserves \$2.75 million

## ENDING FUND BALANCE

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- June 30<sup>th</sup> \$14.08 million
- Unaudited \$16.82 million
  - Components of Ending Fund Balance
    - One-time Transfer of Tier III Categorical Program \$1.8 million for High School/Adult Education Vocational Building
      - 2 year Project
    - District Reserves \$15.02 million
      - 3% Reserve Requirements
      - Warehouse Inventory and Petty Cash

# Changes in Fund Balances for 2012-13

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## Unrestricted General Fund:

Unaudited Actuals	\$ 16.83 m
June 30 <sup>th</sup> Projection	<u>\$ 14.08 m</u>
Change in Fund Balance	\$ 2.75 m

## Restricted General Fund:

Unaudited Actuals	\$ 6.27 m
June 30 <sup>th</sup> Projection	<u>\$ 5.46 m</u>
Change in Fund Balance	\$ 0.81 m

## Combined General Fund:

Unaudited Actuals	\$ 23.10 m
June 30 <sup>th</sup> Projection	<u>\$ 19.54 m</u>
Change in Fund Balance	\$ 3.56 m



# General Fund Balance Designations

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- 3% Reserve Requirement \$3.36 million
- Petty Cash & Physical Inventory \$73 thousand
- Prepaid Expenses \$41 thousand
- Restricted Program Reserves \$6.20 million
- Other Designations \$1.80 million Fairvalley Vocational Center
- Uncommitted Funds \$11.57 million or 10.3%
- Historical Prospective (Uncommitted Funds)
  - 2009-10 was \$10.17 million
  - 2010-11 was \$12.67 million
  - 2011-12 was \$16.68 million

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Questions or comments from the Board