

2012/2013

Second Interim Financial Report



CHINO VALLEY
UNIFIED SCHOOL DISTRICT

Student Achievement • Safe Schools • Positive School Climate
Humility • Civility • Service

March 7, 2013

Business Services Division

Second Interim Financial Report

- Concurrent Budget Cycles
- Legal Requirement
- Budget Assumptions
- Second Interim Financial Report
- Next Steps



Concurrent Budget Cycles

FOR LAST YEAR Close and Audit

AUGUST
Close, define Actuals,
determine the ending balance

JULY – DECEMBER
Audit and review (Auditors)

DECEMBER
Receive audit, evaluate
Management letters

JANUARY – FEBRUARY
Present audit; Follow-up on
Management letters

FOR THIS YEAR Monitor

JULY
Analyze adopted budget

JULY – SEPTEMBER
Amend and revise

DECEMBER
Amend, measure, and
report 1st Interim Financial

FEBRUARY – APRIL
Amend, measure, and report
2nd Interim Financial

MAY
Amend, measure, and report
End of Year Financial
(if needed)

FOR NEXT YEAR Developing the Budget

AUGUST – NOVEMBER
Identify goals/reductions
For next year

DECEMBER – JANUARY
Project revenues and
expenses
(Governor's Proposal)

FEBRUARY – MARCH
Complete staffing level
studies and incorporate

APRIL – JUNE
Review, balance, conclude,
Adopt budget.
(Governor's May Revision)

Legal Requirement

Education Code 42130 requires:

- The superintendent of each school district to submit two reports to the governing board of the district during each fiscal year.
- The **first report** shall cover the financial and budgetary status of the district for the period ending October 31.
- ✓ ■ The **second report** shall cover the period ending January 31.
- Both reports shall be approved by the district governing board no later than 45 days after the close of the period being reported and submitted to the County and State.

Second Interim Financial Report

General Fund – Major Assumptions

REVENUE

2012/2013

- Estimated average daily attendance = **29,282**
- COLA: **3.24%**; Deficit Factor: **22.272%**
- 2011/12 Restricted carryover revenues
- Removal of revenue limit cut of \$441/ADA
- Establish budget for Mandate Block Grant
- One time increase in MAA Reimbursement
- **Increase in restricted local donations/billings**

2013/2014

- Estimated loss of 500 ADA
- COLA: **0%**; Deficit Factor: **22.272%**
- Removal of revenue limit cut of \$441/ADA
- Declining enrollment

2014/2015

- Estimated loss of 500 ADA
- COLA: **0%**; Deficit Factor: **22.272%**
- Removal of revenue limit cut of \$441/ADA
- Expiration of Class Size Reduction Flexibility
- Declining enrollment

EXPENDITURE

2012/2013

- Step/Column increases for all groups
- Positions funded with Federal Jobs Money in 2011/12 revert back to General Fund
- 2011/12 Restricted carryover expenditures
- Increase in 4-12 class size by 2
- Restoration of A.C.T. 5.5 furlough salaries
- **Reconciliation of position control**
- **Board approved restorations from 12/13/12 and 2/7/13 board meetings**
- **Increase in donations/billings expenditures**

2013/2014

- Decrease in 4-12 class size by 2
- Step/Column increases for all groups
- CHAMP furlough salaries restored
- Utility cost increase
- Declining enrollment
- **Board approved restorations from 2/7/13 mtg.**

2014/2015

- Step/Column increases for all groups
- Utility cost increase
- Declining enrollment

Second Interim Multiyear Budget

Activities as of January 31, 2013

	2012/13 Second Interim	2013/14 Estimated Budget	2014/15 Estimated Budget
BEGINNING BALANCE	\$49,519,026	\$45,305,513	\$32,518,135
Revenue	↑ \$216,971,470	\$208,456,890	\$201,512,337
Expenditure & Other Sources/Uses	↑ \$221,184,982	↑ \$221,244,268	↓ \$212,667,010
Net Inc./(Dec.) in Fund Balance	↓ (\$4,213,513)	↓ (\$12,787,378)	↓ (\$11,154,674)
ENDING BALANCE	↑ \$45,305,513	↓ \$32,518,135	↓ \$21,363,461
Components of Ending Balance:			
- Revolving Cash	\$100,000	\$100,000	\$100,000
- Reserve for Economic Uncertainty 3%	\$6,635,549	\$6,637,328	\$6,380,010
- Equity Distribution	\$49,889	\$49,889	\$49,889
- UNAPPROPRIATED ENDING BALANCE	↑ \$38,520,075	↓ \$25,730,918	↓ \$14,833,562

Note: Numbers may not add up due to rounding

Types of Interim Report Certifications

- Positive Certification



District **WILL MEET** its financial obligations for the current **and** two subsequent fiscal years

- Qualified Certification

District **MAY NOT MEET** its financial obligations for the current **or** two subsequent fiscal years

- Negative Certification

District **WILL BE UNABLE TO MEET** its financial obligations for the remainder of the current or subsequent fiscal year based upon current projections

Next Steps

- Continue to closely monitor budget and cash flow
- Anticipate changes in Governor's May Revise Budget Proposal
- Prepare for new Budget Year and Multi-Year Budget



Discussions & Questions?