

GLENDALE UNIFIED SCHOOL DISTRICT

March 10, 2020

INFORMATION REPORT NO. 1

TO: Board of Education

FROM: Dr. Vivian Ekchian, Superintendent

SUBMITTED BY: Stephen Dickinson, Chief Business and Financial Officer

PREPARED BY: Craig Larimer, Financial Analyst  
Karineh Savarani, Director, Financial Services

SUBJECT: **Second Interim Financial Report and Certification – AB 1200  
(Refer to Action Report No. 2)**

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During each fiscal year, two interim financial reports are required. In each of these reports, the Board of Education must determine if it will be able to meet its financial obligations for the current and two subsequent fiscal years. One of the following certifications must be made:

1. Positive – the district will be able to meet its financial obligations for the current and two subsequent fiscal years.
2. Qualified – the district may not be able to meet its financial obligations for the current and two subsequent fiscal years.
3. Negative – the district will be unable to meet its financial obligations for the current and two subsequent fiscal years.

Along with the Interim Financial Report, districts are required to furnish a narrative for each fund, a cash flow analysis, criteria and standards review, and a report of Average Daily Attendance (ADA). **The financial information and certification form included with this report indicates that the District will be able to meet its financial obligations through 2021-22.**

Local Control Funding Formula (LCFF) State funding is projecting to get COLA only increases in future years. It is prudent to remember that revenue assumptions may decrease if the State faces another recession, legislation appropriation priorities shift, other unexpected State tax shortfalls occur, or the District's student enrollment, ADA, or demographic changes.

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Given the positive balances in all three years, the District is recommending a “**positive**” certification for the Second Interim Report. A “**positive**” Second Interim was only achieved using budget assumptions that include utilizing all of the current and future year LCFF growth, as well as, the 2020-21 \$5 million Fiscal Stabilization Plan.

At this point in the budget cycle, it is prudent to begin planning the Fiscal Stabilization Plan that will likely be required for 2021-22.

This item is included in the March 10, 2020 agenda for approval by the Board of Education as Action Report No. 2.

*To Support Board Priority No. 4 - Maintain District Solvency & Financial Responsibility -  
Manage district financial resources and facilities to support optimal learning, healthy  
working conditions, and strong enrollment to ensure long-term stability.*