



# *Second Interim Report*

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March 8, 2011



# *Summary of General Fund*

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- Revenue and Expense
- Components of Projected Ending Balance
- Cash Projection
- Multiple Yr Outlook
- Summary

# Revenue & Expense Summary

## End of Year Projections (as of 2/24)

	<u>Restricted</u>	<u>%</u>	<u>UnRestricted</u>	<u>%</u>	<u>Total</u>	<u>%</u>
<b>Revenue</b>						
Rev Limit	\$2,619,389	15.6%	\$44,645,608	86.7%	\$47,264,997	69.2%
Federal	\$5,092,838	30.3%	\$44,142	0.1%	\$5,136,980	7.5%
State	\$1,443,210	8.6%	\$8,609,517	16.7%	\$10,052,727	14.7%
Local	\$5,212,519	31.0%	\$649,385	1.3%	\$5,861,904	8.6%
Contr to Rest Programs	\$2,442,000	14.5%	-\$2,442,000	-4.7%	\$0	0.0%
Transfer In			\$750	0.0%	\$750	0.0%
	\$16,809,956		\$51,507,402		\$68,317,358	
<b>Expense</b>						
Certificated	\$6,558,924	32.0%	\$24,709,851	48.6%	\$31,268,775	43.8%
Classified	\$2,884,161	14.1%	\$5,736,102	11.3%	\$8,620,263	12.1%
Administration	\$674,062	3.3%	\$3,582,001	7.1%	\$4,256,063	6.0%
Benefits	\$2,985,651	14.5%	\$10,599,702	20.9%	\$13,585,353	19.0%
Books & Supplies	\$2,490,919	12.1%	\$1,255,708	2.5%	\$3,746,627	5.3%
Services	\$3,874,815	18.9%	\$4,433,536	8.7%	\$8,308,351	11.6%
Capital Outlay	\$0	0.0%	\$40,669	0.1%	\$290,032	0.4%
Other Outgo	\$1,057,431	5.2%	\$290,032	0.6%	\$1,213,650	1.7%
Transfer Out			\$156,219	0.3%		
	\$20,525,963		\$50,803,820		\$71,329,783	

- 87.9% of Unrestricted expense is labor
- Restricted Local is transfers from SELPA (State)
- Other Outgo is transfer of pass-thru ROP funds & Adult Ed
- Contribution to Restricted Programs
  - Comm Day School - \$260,000
  - Special Ed - \$525,000
  - Transp. – \$682,000
  - Maintenance – \$975,000

- “Deficit” due to Carryover:
- \$1,980,000 -- SFSF
  - \$345,000 – SBCP
  - \$141,000 – Medical Billing
  - \$99,000 – Community Day Sch
  - \$154,000 -- Lottery

# ***Projected Ending Balance***

## ***Unrestricted***

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<b>Beginning Balance</b>	<b>\$3,366,488</b>
<b>Revenue minus Expense</b>	<b>\$703,582</b>
<b>Projected Ending Balance</b>	<b>\$4,070,071</b>

### Components of Projected Ending Balance

<b>Revolving Checking Account</b>	<b>\$50,000</b>
<b>Stores Inventory</b>	<b>\$60,000</b>
<b>Economic Uncertainty (1.9%)</b>	<b>\$1,394,071</b>
<b>YHS Turf</b>	<b>\$100,000</b>
<b>Compensated Absences</b>	<b>\$216,000</b>
<b>October Budget</b>	<b>\$2,250,000</b>

**Reserve for  
Economic  
Uncertainty to  
be restored to  
3% by 2011-12**

# State IOUs – 2010-11/2011-12

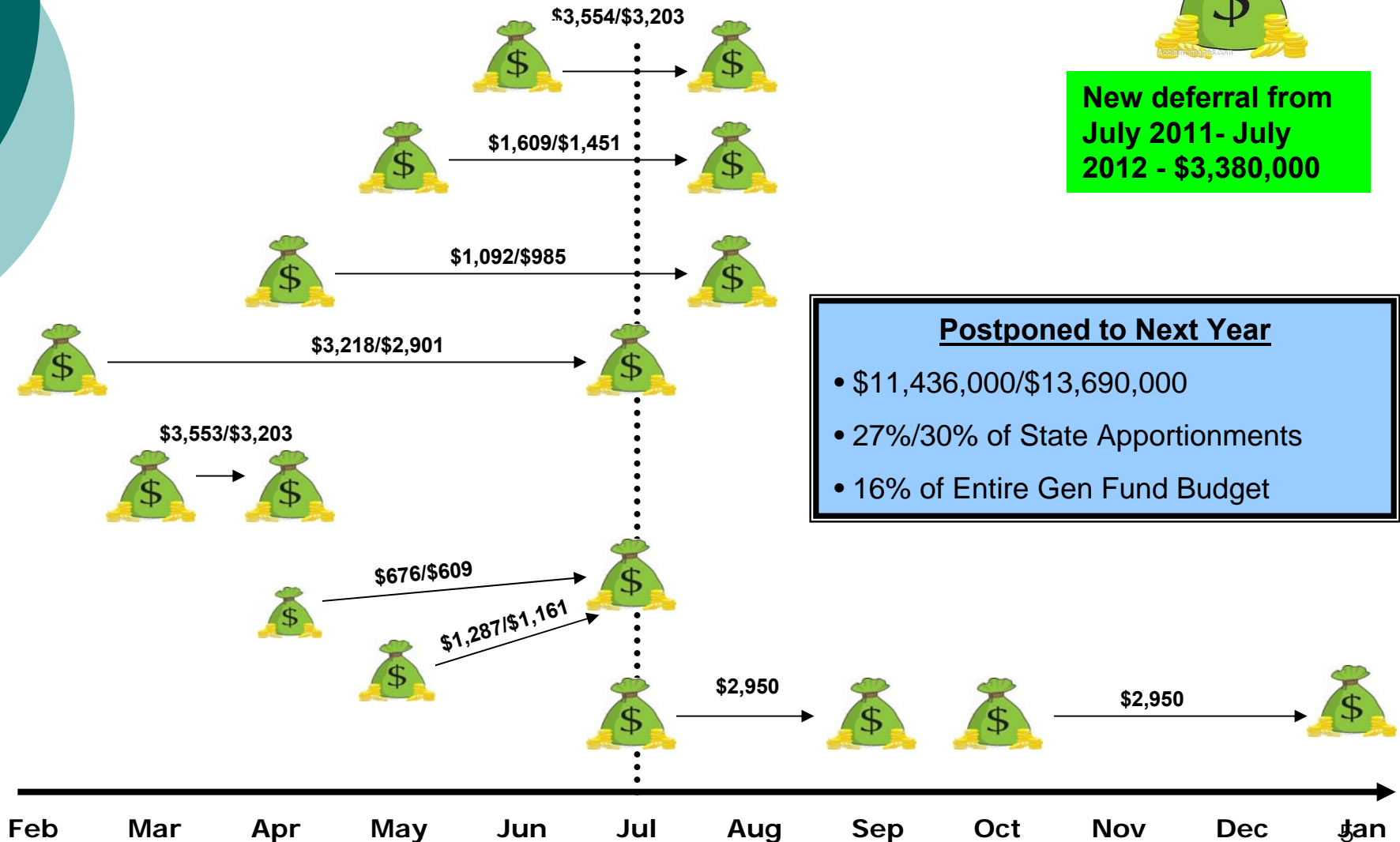
## Shifts & Deferrals



**New deferral from  
July 2011- July  
2012 - \$3,380,000**

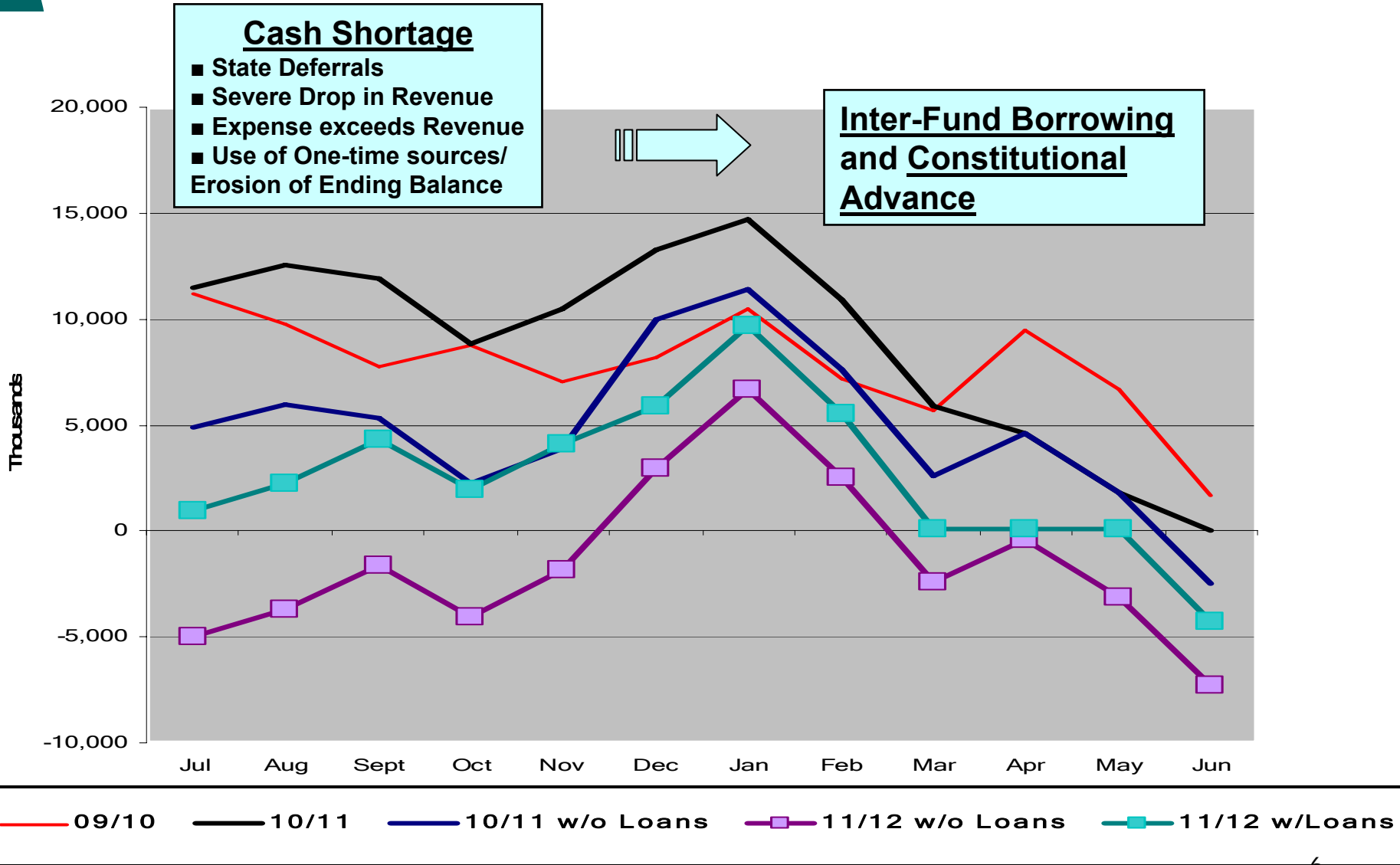
**Postponed to Next Year**

- \$11,436,000/\$13,690,000
- 27%/30% of State Apportionments
- 16% of Entire Gen Fund Budget



# Cash Management

## General Fund – Cash Flow Profile



# Multiple Year Outlook

2010-11

- Budget Stable with Qualified Certification (due to uncertainties in out years)
- Jobs Bill money provides cash relief
- \$11.4M deferred to 2011-12  
\$6.6M County Loan
- 17.963% State deficit
- Imbalance due to enrollment trend & salary advancements
- Implemented budget solutions: \$6.2M

2011-12

- State Budget depends on passage of initiatives
- Additional \$3,380,000 deferred
- Causes of imbalance lingers
- \$6,672,000 budget solutions
- 1.45% *Projected Reserve for EU*
- Jobs Bill off-sets loss of ARRA-SFSF (increases cash pressure)

2012-13

- Jobs Bill Money depleted
- *Previous K-3 CSR Penalty Applies*
- Causes of imbalance continues:
  - Salary Advancements
  - Enrollment Trend
  - Increase in HW premiums
  - State cuts continue
- Limited options for budget reductions

# Summary & Recommendation

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- **OK in current year**
  - 2% Reserve for EU
  - Borrowing ensures sufficient cash
- **May be OK in 2011-12**
  - Dependent on extension of temp taxes
  - More deferrals necessitate additional loan
  - Assumes reserve for EU < 3%
- **Not OK in 2012-13**
  - Jobs Bill Money gone
  - Sunset K-3 CSR flexibility
  - Causes of imbalance continue
  - Develop remedies/solutions in Fall 2011

**Recommendation: Approve Qualified 2<sup>nd</sup> Interim Report**

*(requires submission of 3<sup>rd</sup> Interim Report before June 1)*