



2011-12 Unaudited Actuals

September 11, 2012



2011-12 Summary

- Looked for opportunities to reduce expenses wherever possible;
- Spent conservatively across all departments;
- Goal continues to be to protect student programs and preserve jobs;
- At Budget, we estimated the 2011-12 Unrestricted Ending Balance to be \$7.3M



2011-12 Summary (continued)

- Reviewed positions to strategically use categorical funds when appropriate to conserve unrestricted general funds
- Made use of Tier III flexibility to sweep funds from now unrestricted resources into Resource 0000



Categorical Sweeps

■ Res 0271 Calif. Peer Assistance	\$11,349
■ Res 0285 Comm. Based Tutoring	\$15,817
■ Res 0294 & 0296 Math & Reading (incl. EL)	\$24,751
■ Res 0325 Admin Training	\$ 4,849
■ Res 0393 Prof Dev. Block Grant	\$12,087
■ Res 0396 Discretionary Block Grant Sites	\$ 9,894
■ Res 0405 School Violence School Safety	\$10,840
■ Res 0760 Art, Music, PE Equip Grant	\$ 2,521
TOTAL	\$92,108



2011-12 Summary (continued)

- Utilized \$6,389 in Education Jobs Fund revenue to offset partial Music Teacher expenses in 2011-12
- Updated Special Ed state aid and adjusted contribution



Special Education

- State revenue (Resource 6500) has been declining
 - \$779,275 2009-10
 - \$652,966 2010-11
 - \$494,468 2011-12
- Increased expenses
 - Non-public school placements; behavioral therapy providers; additional aides needed



Special Education (continued)

- As COE class sizes increase, some students attend at their district
- Increased expenses combined with lower revenues to cover expenses in Special Ed resources results in higher contributions from district General Fund



Special Education (continued)

- In 2011-12, reduced revenue, increased expenses plus adding back expenses previously ARRA funded (one time) resulted in increased contribution.

- 2010-11 Contribution = \$ 632,418

- 2011-12 Contribution = \$1,095,514



Contributions

■ Res 0760 Art & Music Block Grant	\$ 8,682
■ Res 1300 Class Size Reduction	\$ 166,232
■ Res 3310 Sp. Ed. IDEA	\$ 64,932
■ Res 3315 Sp. Ed. Preschool	\$ 536
■ Res 4045 Title II Part D	\$ 481
■ Res 6500 Sp. Ed.	\$ 1,034,046
■ Res 7230 Transportation	\$ 92,864
■ Res 8150 Maintenance	\$ 352,935
■ Res 9020 Kindergarten Readiness	\$ 2,374
□ Total	<u>\$ 1,723,082</u>



Trends

- In 2009-10 and 2010-11, we used ARRA funds to offset expenses one time
 - \$1.13M in 2009-10 and \$760K in 2010-11
 - These funds reduced general fund expenses and/or general fund contribution to Special Ed in those two years.
 - \$175K savings in 2009-10 for additional 1% reduction in RRM contribution one time
- In 2011-12, we added expenses for the health benefit cap change as well as additional expenses related to HR corrections in contracted days for some classified staff
 - Added ~\$301K one time (for settlement paid in cash plus payment for correction of days – plus stat benefits) and \$228K ongoing (H&W cap change and change in days ongoing)




Trends

- In 2011-12, increased expenses (expenses offset to ARRA in prior year returned to unrestricted general fund) as well as settlement and other changes in expenses) resulted in \$1.48M in additional unrestricted expenses
- Combined with an increase in our Special Ed contribution of \$467.1K =
 - Swing of \$2.0 million between 2010-11 year end and 2011-12 year end


Unaudited Actuals Year-to-Year Comparison

	2009-10		2010-11		2011-12	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Revenue Limit Sources	11,451,315	217,222	12,306,115	196,747	12,282,551	241,262
Federal Revenue	-	1,056,526	-	1,338,863	8,389	623,499
Other State Revenue	1,842,569	421,300	1,956,555	400,891	1,910,221	471,272
Local Revenue	339,733	923,539	427,065	801,794	465,120	631,147
	13,633,617	2,618,587	14,689,735	2,738,295	14,666,281	1,967,180
Contributions	260,672	375,172	(1,070,647)	1,070,647	(1,548,168)	1,548,168
TOTAL REVENUES	13,894,289	2,993,759	13,619,088	3,808,942	13,118,113	3,515,348
1xxx	6,854,321	1,456,634	7,054,190	1,644,646	8,236,984	1,126,481
2xxx	1,451,850	739,955	1,439,143	758,266	1,446,264	819,395
3xxx	2,423,549	571,107	2,475,617	629,994	2,994,254	563,974
4xxx	459,780	233,480	448,811	288,718	341,600	166,194
5xxx	1,217,838	376,230	1,324,849	440,276	1,181,358	574,213
6xxx	-	-	5,823	-	-	-
7xxx	(164,107)	340,814	(68,140)	252,289	(39,073)	249,805
TOTAL EXPENDITURES	12,243,231	3,718,220	12,680,293	4,014,189	14,161,387	3,500,062
Excess (Deficiency) of Revenues vs. Expenditures	1,651,058	(724,461)	938,795	(205,247)	(1,043,274)	15,286
Impacts to Remember						
<i>ARRA Funds</i>	1,128,991		759,746		6,879	
<i>Additional 1% Reduction in RRM</i>	175,000					
<i>Settlement One Time</i>					240,000	
<i>Settlement Ongoing</i>					228,000	
<i>HR Corrections</i>					61,500	



Unrestricted 1xxx (Certificated) Changes (between 10-11 & 11-12) include:

- +\$540.6K moved back from ARRA funds
- +\$200K Step & Column
- +\$170K One Time settlement for H&W cap increase
- +\$ 30K added 80% RSP teacher due to increasing case loads
- +\$103K HR Director position now certificated
 - Moved from classified
- +\$50K other changes – stipends; substitutes
- +\$60K added to cover teacher on assignment at COE (not additional cost to district – offset by ‘Local Revenue’ (object 8699))



Unrestricted 3xxx (Benefits) Changes (between 10-11 & 11-12) include:

- +\$156.2K one time settlement for increase to H&W cap paid as lump sum payment;
- +\$115.8K one month additional H&W cap for all benefitted employees
 - Required due to Escape conversion
- +\$194.6K ARRA stats and H&W cap now back in unrestricted
- +\$49.4K stats on step & column and other 1xxx changes



2010-11 Ending Balance

- Unaudited unrestricted ending balance is \$7.26M (before designations) vs. \$7.32M at estimated actuals in June
 - Variance primarily supplemental payroll items omitted at estimated actuals (\$~53K)
- Unaudited restricted ending balance is \$752.9K



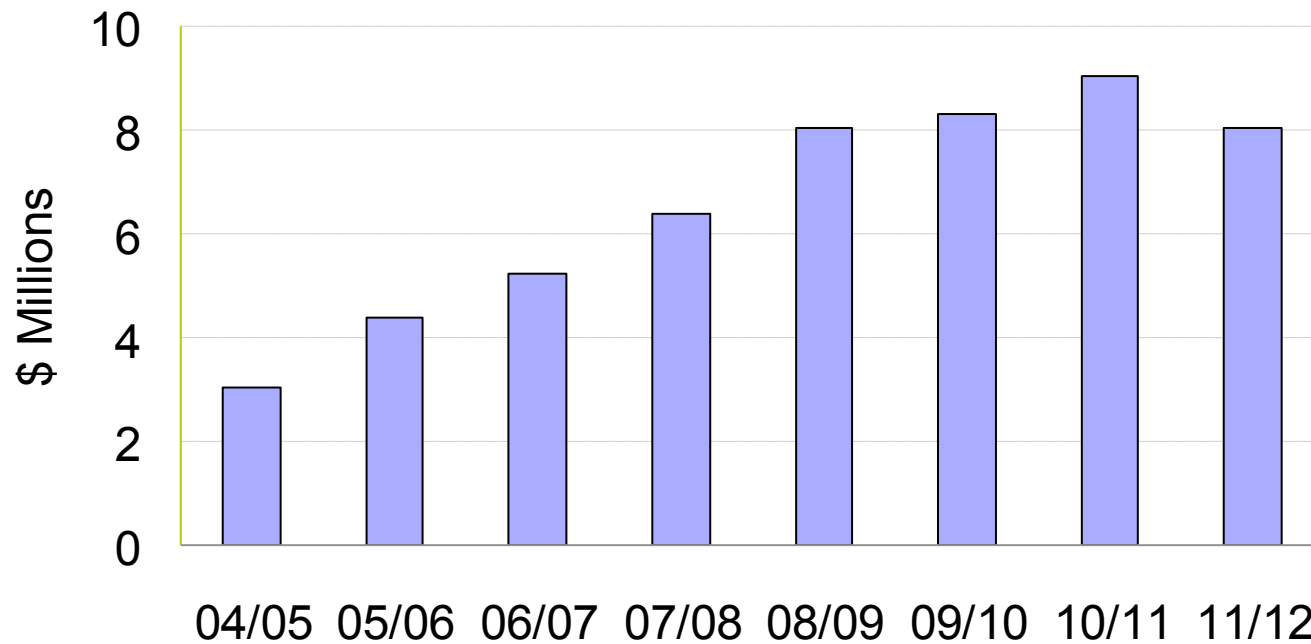
Ending Balance History

CHANGE IN FUND BALANCE				
		Unrestricted	Restricted	Total
2004-05		\$2,630,209	\$415,707	\$3,045,916
2005-06		\$3,796,862	\$603,324	\$4,400,186
2006-07		\$3,978,679	\$1,262,328	\$5,241,007
2007-08		\$5,131,701	\$1,257,724	\$6,389,425
2008-09		\$6,356,994	\$1,667,360	\$8,024,354
2009-10		\$7,372,209	\$942,890	\$8,315,099
2010-11		\$8,311,004	\$737,653	\$9,048,657
2011-12 (unaudited)		\$7,261,796	\$752,938	\$8,014,734



Ending Balance History

**Ending Balances (Before Designations)
Unrestricted & Restricted Combined**





Changes

- The change in ending balance this year confirms what we have been expecting:
 - Revenue has been reduced by 20% overall during the financial crisis
 - Expense trends increasing year after year with no new revenue will require careful consideration of options
 - Annual Step & Column increases; increased utilities and fuel; Special Ed increased expenses
- Regardless of the November, 2012, election results (if tax initiative passes, it's not new revenue – it's an absence of an additional reduction), we need to review expenses and prioritize our expenses
- Something has to change and the only areas left to reduce are staff based and/or instructional days



Next Steps

- Dana, Carolyn & Mindy preparing ‘menu’ of possible reductions
- Once election results are known, list will be shared out with staff and parents for input to share with Board
- Make decisions for 2013-14 forward