

# FULLERTON SCHOOL DISTRICT

## 2009/2010 THIRD INTERIM FINANCIAL REPORT

Gary Cardinale, Ed.D.  
Assistant Superintendent  
Business Services

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# THIRD INTERIM 2009/2010 BUDGET ASSUMPTIONS

Factors	2009/10 TI	2010/11 MYP	2011/12 MYP
Revenue Limit COLA	4.25%	-0.39%	1.80%
Deficit Factor	18.355%	18.355%	18.355%
Other Adjustments	-\$252.99/ADA	-\$191/ADA	-\$191/ADA
COLA on Major Categoricals	-4.46%	-0.39%	1.80%
COLA on Special Education	0.00%	-0.39%	1.80%
Revenue Limit Funded ADA	13,264.46	13,264.46	13,239.62
P-2 ADA (excluding County ADA)	13,218.97	13,194.13	13,169.30
Growth/(Decline) compared to prior year	54.86	-24.84	-24.83
District Total Enrollment (Est. CBEDs)	13,602.00	13,577.00	13,552.00
Growth/(Decline) compared to prior year	144.00	-25.00	-25.00
Lottery Funding per ADA			
Unrestricted	\$110.00	\$110.00	\$110.00
Restricted (Prop 20)	\$16.00	\$13.00	\$13.00

# GENERAL FUND RECAP 2009/2010

	Second Interim	Third Interim	Change
Revenue and Transfers In	\$98,445,050	\$100,200,790	\$1,755,740
Expenditures and Transfers	\$107,959,561	\$106,657,161	-\$1,302,400
Surplus/Deficit(-)	-\$9,514,511	-\$6,456,371	\$453,340
Beginning Fund Balance	\$16,585,319	\$16,585,319	\$0
Ending Fund Balance	\$7,070,808	\$10,128,948	\$3,058,140

# CHANGES TO GENERAL FUND BUDGET REVENUE

Second Interim	Third Interim	Difference	Explanation
\$98.4 million	\$100.2 million	\$1.8 million	
	Revenue Limit	\$0.4 million	Increase State Aid from increase in P2 ADA
	Federal	\$0.7 million	Increase Federal Funding from IDEA Grant, Title I ARRA, Title I SIG, and MediCal Program
	State	\$0.4 million	From Increased Funding to CSR (\$.6 million) and reductions in State programs to backfill QEIA (-\$.2 million)
	Local	\$0.3 million	Increase to ASB/PTA and donation accounts
	Total	\$1.8 million	

# CHANGES TO GENERAL FUND BUDGET EXPENDITURES

Second Interim	Third Interim	Difference	Explanation
\$108.0 million	\$106.7 million	-\$1.3 million	
		\$0.9 million	New or increased funding from SIG, Title I ARRA, IDEA, and MediCal Program
		\$0.3 million	Increase indirect cost charged to SIG, EISS, Special Ed IDEA, Preschool and Nutrition Services
		\$0.3 million	Increase to ASB/PTA and donation accounts
		-\$-0.1 million	Reduction to Maintenance
		-\$0.4 million	Adjustments to salaries and benefits
		-\$0.8 million	Discretionary and District budget fallout
		-\$1.5 million	Projected Categoricals and Tier III year-end balances, such as IMFRP
	<b>Total</b>	<b>-\$1.3 million</b>	



# ENDING FUND BALANCE FOR GENERAL FUND 2009/2010

	2009/2010 Second Interim Budget	2009/2010 Third Interim Budget	Change
Ending Fund Balance	\$7,070,808	\$10,128,948	\$3,058,140
Components of Ending Fund Balance:			
Revolving Cash/Stores/Prepaid Exp.	1,411,000	1,411,000	0
Local School Donations/Foundations/Grants	0	208,136	208,136
Categorical Year-End Balances (Tier III)	0	532,840	532,840
Reserve for FTEs	350,000	420,000	70,000
Restricted - Categorical Carryover	0	968,457	968,457
Designated for Economic Uncertainties	\$5,309,808	\$6,588,515	\$1,278,707

# THIRD INTERIM DISTRICT BUDGET OVERVIEW

	2008/09 Actuals	2009/10 Adopted Budget	2009/10 Third Interim (TI)	2010/11 Projected Budget	% Change 09/10 (TI) vs 10/11
Beginning Fund Balance	\$13,844,767	\$9,997,074	\$16,585,319	\$10,128,948	-39%
Revenues:					
Revenue Limit	\$71,570,252	\$66,240,699	\$63,032,401	\$63,500,653	1%
Federal	\$11,223,276	\$7,996,072	\$11,096,857	\$6,786,221	-39%
State	\$17,765,837	\$14,718,631	\$15,901,322	\$14,913,241	-6%
Other Local	\$10,063,133	\$8,341,777	\$9,207,210	\$7,957,529	-14%
Transfers In	\$443,000	\$963,000	\$963,000	\$1,921,506	100%
Total Revenues	\$111,065,498	\$98,260,179	\$100,200,790	\$95,079,150	-5%
Expenditures	\$107,234,240	\$100,956,546	\$106,080,795	\$97,963,973	-8%
Transfers Out	\$1,090,706	\$495,977	\$576,366	\$352,401	-39%
Ending Balance	\$16,585,319	\$6,804,730	\$10,128,948	\$6,891,724	-32%

# MAY REVISE AND BEYOND

- May Revise is the Governor's last chance to provide his budget proposals to the legislature.
- This is a "Revise" of the Governor's January budget proposal taking into account the changes in the State fiscal picture in the winter and spring.
  - State Economy
  - Sales, Income and Property Tax Collections
- State budget has continued to deteriorate.
- Federal dollars, upon which a large portion of the January budget was built, have been slow to come, or non-existent.
- Legislature inaction has eroded planned savings.
- Forecasts for State revenues have fallen short, and
- Costs of programs have increased beyond projections.

# MAY REVISE AND BEYOND

- California's finance system under-performs in good and bad economic times.
- Current economic problems remain unsolved.
- State deficit is stated at \$19.1 billion.
  - Governor's proposal
    - no new taxes
    - \$12.4 billion in cuts
    - \$3.4 billion in additional federal funds
    - \$3.4 billion in borrowing, fund shifts, asset sales and surcharges
- On Tuesday, May 25<sup>th</sup>, legislative democrats responded by proposing a tax increase of \$5 billion by extending the State income tax and vehicle license fees for two more years.
- Education experienced \$2.5 billion in cuts in January. Those cuts have NOT been restored.

# MAY REVISE AND BEYOND

- Education is not hit as hard as other programs:
  - Child Care (State funded)
  - Social and Health Programs
  - CalWORKs - welfare payment/work program
- For the Fullerton School District, the January cut of \$191 per ADA has been increased to \$235 per ADA, or approximately \$590,000, for 2010/2011.

# UPDATE ON MAY REVISE FOR 2010/2011

## January Governor's Proposed Budget

<b>\$6,122.24</b>	<u>(Statutory Revenue Limit)</u>
<b>-.38% COLA</b>	<b>\$23.00</b>
<b>2010/11 Revenue Limit Deficit 18.355%</b>	<b>\$1,119.52</b>
<b>Ongoing Cut</b>	<b>\$191.00</b>
<b>2010/11 Revenue Limit Funding</b>	<b>\$4,788.72</b>

## May Revise

<b>\$6,122.24</b>	
<b>-.39% COLA</b>	<b>\$24.00</b>
<b>2010/11 Revenue Limit Deficit 18.355%</b>	<b>\$1,119.33</b>
<b>3.85% Reduction</b>	<b>\$234.78</b>
<b>2010/11 Revenue Limit Funding</b>	<b>\$4,744.13</b>

Loss Since January 2010 (\$44.59/ADA), or (\$589,519.00)