

Fullerton School District
2010/2011
Third Interim Financial Report

Gary Cardinale, Ed.D.
Assistant Superintendent
Business Services

May 24, 2011

Third Interim 2010/11 Budget Assumptions

(Based on Governor's January 2011 Proposal)

Factors	2010/11 April '11	2011/12 Projected	2012/13 Projected
Revenue Limit COLA	-0.39%	1.67%	1.80%
Deficit Factor	17.963%	19.608%	19.608%
Other Adjustments	n/a	-\$330/ADA*	-\$330/ADA*
COLA on Major Categoricals	0.00%	0.00%	1.80%
COLA on Special Education	0.00%	0.00%	1.80%
Revenue Limit Funded ADA (incl. Co. ADA)	13,330	13,330	13,330
P-2 ADA (excluding County ADA)	13,279	13,279	13,231
Growth / (Decline) compared to prior year	48	0	-48
District Total Enrollment (Est. CBEDs)	13,661	13,661	13,611
Growth/(Decline) compared to prior year	45	0	-50
ADA/CBEDs Enrollment %	97.2%	97.2%	97.2%
Health and Welfare Increase		6%	6%
Lottery Funding per ADA			
Unrestricted	\$112.50	\$111.00	\$110.00
Restricted (Prop 20)	\$17.50	\$17.50	\$17.20

*School Services of California and OCDE recommended planning COLA

2010/11 Changes from Second Interim General Fund Revenues Based on Governor's January 2011 Proposal

REVENUES	2010/11 Third Interim	2010/11 Second Interim	Difference	% Diff.
Funded COLA	5.17%	5.17%		0%
Revenue Limit ^(a)	\$66,981,617	\$66,904,141	\$77,476	0%
Federal ^(b)	\$12,167,319	\$12,153,513	\$13,806	0%
State ^(c)	\$16,389,917	\$15,966,273	\$423,644	3%
Local ^(d)	\$9,204,768	\$8,869,587	\$335,181	4%
Other Financing sources	\$33,000	\$33,000	\$0	0%
Total	\$104,776,621	\$103,926,514	\$850,107	1%

(a) Increase State Aid from increase in P2 ADA

(b) Increase in Medi-Cal billing reimbursement

(c) Increase funding for Class Size Reduction

(d) Increase PTA/ASB reimbursements and donations accounts

2010 Changes from Second Interim General Fund Expenditures

EXPENDITURES	2010/11 Third Interim	2010/11 Second Interim	Difference	% Diff.
Operating Expenditures ^(a)	\$105,605,187	\$105,391,739	\$213,448	0%
Other Outgo/Financing Uses	\$2,649,710	\$2,649,289	\$421	0%
Total	\$108,254,897	\$108,041,028	\$213,869	0%

(a) Mainly increase in insurance premiums

Ending Fund Balance for General Fund 2010/11

	2010/11 Third Interim Budget	2010/11 Second Interim Budget	Difference	% Diff.
Beginning Fund Balance	\$14,993,815	\$14,993,815	\$0	0%
Components of Ending Fund Balance:				
Revolving Cash/Stores/Prepaid Exp.	\$1,669,000	\$1,669,000	\$0	0%
Reserve for SERP	\$1,774,492	\$1,774,492	\$0	0%
Reserve for Fte's	\$450,000	\$375,000	\$75,000	20%
Designated for Economic Uncertainties	\$7,622,047	\$7,060,809	\$561,238	8%
% Reserved for Economic Uncertainties	7.04%	6.54%		8%
Ending Fund Balance	\$11,515,539	\$10,879,301	(a) \$636,238	6%

(a) Increase in P2 ADA, in CSR revenue, and in local reimbursements.

General Fund Recap 2010/11

	Third Interim	Second Interim	Difference	% Diff.
Revenue and Other Financing Sources	\$104,776,621	\$103,926,514	\$850,107	1%
Expenditures and Other Financing Uses	\$108,254,897	\$108,041,028	\$213,869	0%
Surplus/Deficit(-)	-\$3,478,276	-\$4,114,514	\$636,238	-15%
Beginning Fund Balance	\$14,993,815	\$14,993,815	\$0	0%
Ending Fund Balance	\$11,515,539	\$10,879,301	\$636,238	6%

Multi-Year Projection 2011/12

Perspective	1st Interim	2 nd Interim	3rd Interim (Apr '11)	May '11 Revise	% Change 3 rd Interim	% Change May Revise
COLA	1.700%	1.670%	1.670%	2.240%	0%	34%
Deficit	17.963%	19.608%	19.608%	19.754%	0%	1%
Other Rev Lmt Adjustments	n/a	-\$330/ADA ongoing	-\$330/ADA ongoing	N/A		
Beginning Balance	\$9,755,306	\$10,879,300	\$11,515,539	\$11,515,539	6%	0%
Total Revenue and Transfer In	\$95,902,347	\$91,356,289	\$92,701,586	\$97,089,529	1%	5%
Total Expenditures and Transfer Out	\$103,277,366	\$103,963,610	\$105,501,747	\$105,501,747	1%	0%
Budget Reductions Needed	-\$4,017,114	-\$8,072,506	-\$7,701,678	-\$3,313,735	-5%	-57%
Ending Fund Balance	\$6,397,401	\$6,344,485	\$6,417,056	\$6,417,056	1%	0%



Governor's January Budget

- \$25 billion shortfall for 2010/11 and 2011/12



May Revise Identified

- \$13.4 billion in cuts
- \$6.6 billion in increase revenues

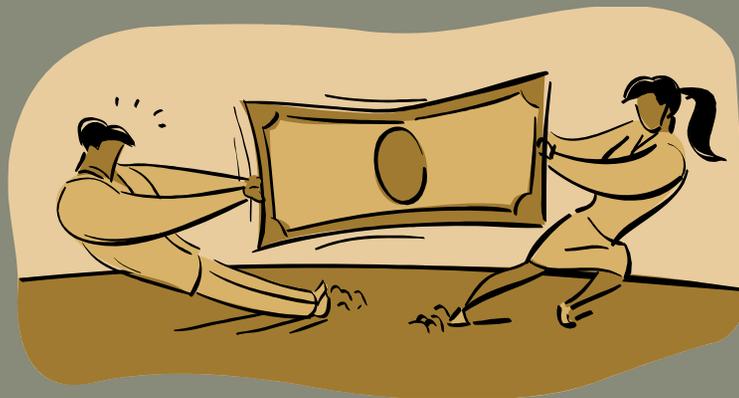
Governor's May Revise

ELIMINATES

- \$2.5 billion in cross-year deferrals

PROVIDES

- Flat funding for 2010/11 and 2011/12
- Restores \$19 per ADA
- Eliminated \$330 per ADA



If Tax Extension Fails

- General Fund impact is \$4 billion
- Education's portion is \$1.6 billion



Expenditure Recommendation for 2011/12:

- Do not increase expenditures until the State Budget is enacted.

“Though we recommend budgeting flat revenues, there is certainly room for slips between the cup and the lip before the Budget is signed. We, therefore, recommend that districts do not increase expenditures, reinstate laid-off positions, or restore collective bargaining concessions until the State Budget is enacted. In other words, we recommend opening the planning books, but keeping the checkbook closed until the Budget is signed.”

-School Services of California, Inc.

Next Steps

- Monitor State Budget
- Negotiations continue
- State passes budget
- Adopted budget
 - June 28, 2011

