

2011 - 2012 FINAL BUDGET FINAL BUDGET Presentation



- Two Budget cycles- State and District
- State Cycle: Starts in the preceding Jan ends following June
- District: Budget Calendar developed starts in January and ends in September

July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
						Governors Budget			May Revise Final budget		
						Calendar		Est. & Meetings		Tentative process	
Close/Final process											

- It is not static
- It is dynamic changes come in daily and are reported to the Board on a Quarterly basis (311Q)
- Regular updates and review with Board and campus

Self Assessment #14 Budget & 17 Reporting

Budget Process

- When does the fiscal year actually close?
 - June 30 end of fiscal year
 - Close complete August 15-30
 - 311 due October 1
 - Final report (audit) must be published by Dec 31
- When does the State close? Or when can they still come back and take funding away?
 - First apportionment certification (P1) in January includes a recalc of the previous year

Self Assessment #14 budget, #17 Reporting, & #10 Audit

How did we end up the 2010-11 fiscal Year?

**Impacts on ending results
(Funding Cycle)**

- Estimated Net Activity \$ 1,439,334
- Actual Results (Bookstore not included) **\$ 2,522,460**
- Additional Revenue \$ 457,892
- Expenditure Savings \$ 625,235
 - Additional budget savings
 - Additional Classified savings
 - Savings from new programs
 - Budget managers holding the line on expenses

Fourth Quarter Results - Fund 10

- Gross Fund Balance transferred \$2,245,411
- Purchase of Fixed Assets 127,384
- Transfer to Fund 69 1,190,687
- Left in the General Fund \$ 927,340

This covers the purchase of the Fixed Assets less current year depreciation and leaves \$800,000 reserved in the fund balance

Self Assessment #17 Regular Reporting

Results of the Bookstore transfer

Cash Flow

- At 6/30/2011 the District had \$9.7M in cash General Fund (Unrestricted, Designated and Restricted)
- \$20.6M for all funds
- \$1.1M in the OPEB Trust



Self Assessment # 5 Cash flow
borrowing

Investment Report

Return on Investment County Treasury .75%

Average Stated Bond Rate

4.600%



A second arbitrage calculation has been done, the results Bond Logistix review indicated that the District still owes no arbitrage for.

No borrowing either internal or external (TRANS)

Self Assessment #5 Cash flow borrowing

2011-12
FINAL BUDGET
GENERAL FUND 10

REVENUE

\$42,304,646



- 8.2% Workload reduction
- Tentative was built on 11.8%
- Summer 2011 was reduced
- Maintain and add fall and spring
- Plan to be 100 FTES over cap
- Continue with reduced summer 2012 if needed

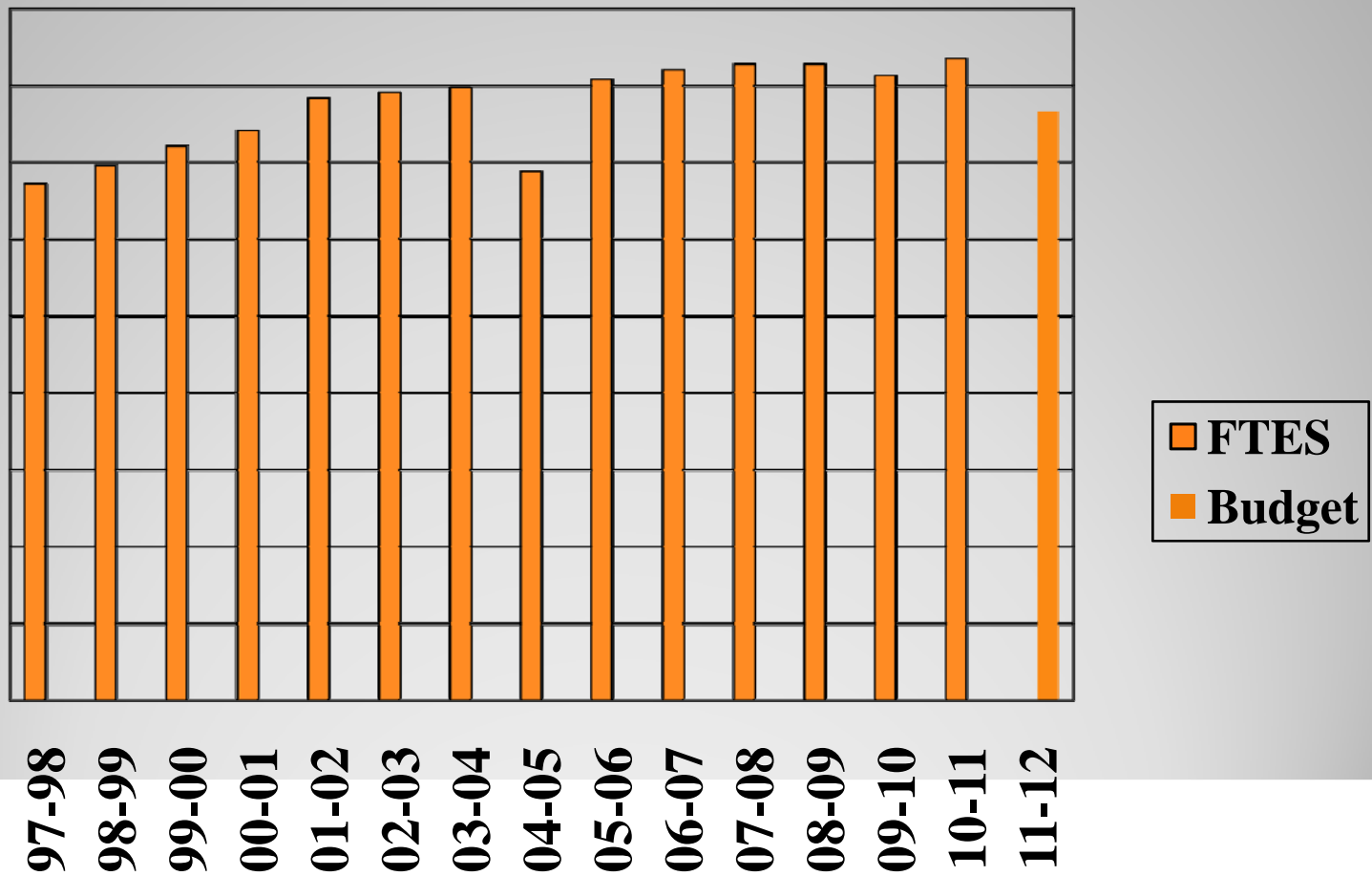


Self Assessment #3 Enrollment

Enrollment Strategies

Enrollment trends

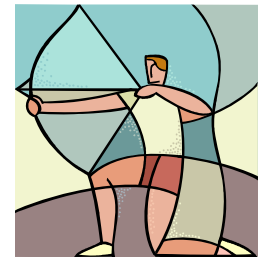
Chart Title



District General Fund 10 Revenue Changes between Tentative and Final

**Revenue change for Scenario 2.5 \$5,052,842
to Tier 2 \$3,940,234**

- **Still reflects no COLA**
- **There are two deficit factor built in one with each Tier**
- **The non-apportionment revenue at the level of prior year reduced to the actuals from 2010-11**
- **The anticipated \$960K of DHH is included in Fund 20**
- **Net increase to Revenue of \$601,466**

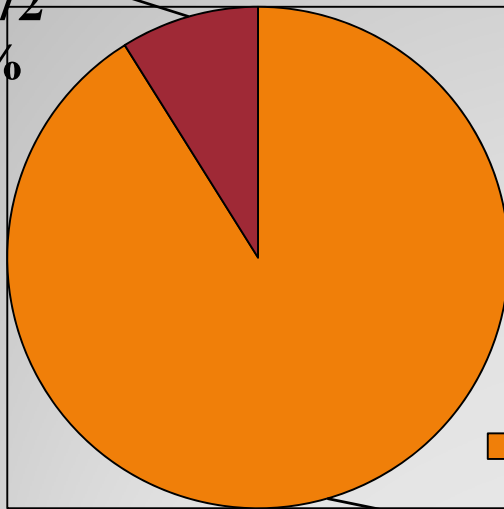


2011-12 Apportionment to all other income streams



All Other Sources

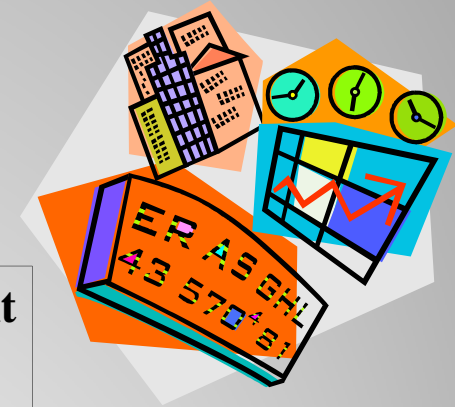
3.772
9%



Apportionment
38.532
91%

Apportionment

All Other Sources



2011 – 2012 FINAL BUDGET

DISTRICT EXPENDITURE \$44,222,337

District Expenditure Changes Between Tentative and Final:

- ▶ Expenditures changes net decrease of \$455,665:
 - ▶ SERP not quite as much savings \$861K
 - ▶ Increase in Adjunct to cover increase in workload
 - ▶ Decrease in support to categoricals and as well as decrease of \$350K in the Fund 10 support of interpreters
 - ▶ All known increases are included
 - ▶ OPEB cost of the ARC all from Fund 69
 - ▶ Adjustments from year end close
 - ▶ \$676K has been identified

- Total Revenues
- Academic Salaries
- Classified Salaries
- Benefits
- Supplies
- Operating Expenses
- Capital
- Transfers
- Total Expenses



	<u>\$ 42,304,646</u>
	\$ 18,818,096
	11,271,055
	7,028,211
	613,908
	6,257,163
	100,000
	<u>133,904</u>
	<u>44,222,337</u>
Net Activity	(\$ 1,917,691)

Fund 10 Budget

The budget is a deficit budget intended to be a year of planning and assessment to close the gap for future fiscal years so that future budgets can be balanced.

Self Assessment #8 Deficit spending (not a continuous pattern)

Fund 10 Budget

- Bond funded salaries
- GASB 45 (OPEB) Annual required contribution (ARC)(2012-13 last year)
- Instructional materials and equipment
- Scheduled maintenance
- After analysis, some of the positions that left vacant by the hiring freeze and SERP may need to be filled

Temporary Expenditure Reductions

The District has taken steps to close the funding gap, however, even if our revenue remains the same there are costs that will go up each year.

- Step and column
- PERS and STRS
- Health and Welfare
- Standard operating costs:
 - Postage
 - Utilities
 - Service contracts - Datatel

Fixed Costs

2011 - 2012 FINAL BUDGET



RESERVE ASSUMPTIONS

- The District will maintain its Reserve at the State-recommended
- Level of 5 percent \$2,211,117
- Rainy Day Reserve increase to 1,000,000
- Reserve for Capital Improvement 300,000
- Reserve for Office Equipment 300,000
- Reserve for one time expenditures (05-06) 543,236
- Reserve for Bookstore inventory 800,000
- Reserve for future (2009)SERP payments 1,025,247
- Reserve for future (2011) SERP payments 1,268,952
- Unallocated 426,106
- Total Fund Balance **\$7,874,658**

Fund Balance Reserves

The overall fund balance is stable or increasing and the 5% reserve is maintained

Self Assessment #2 and #4

Fund Balance



9.2.4 Balancing the General Operating Budget

- 2002-03 Net Activity (\$1,124,363)
- 2003-04 Net Activity (\$ 224,884)
- 2004-05 Net Activity \$ 128,442
- 2005-06 Net Activity \$ 1,830,796
- 2006-07 Net Activity \$ 1,584,191
- 2007-08 Net Activity (\$ 568,987)
- 2008-09 Net Activity (\$ 59,118)
- 2009-10 Net Activity \$ 378,226
- 2010-11 Net Activity \$ 2,522,460
- 2011-12 Budget (\$ 1,917,691)

Fiscal Policies Report Card

9.2.5 Use of One-Time and/or Variable Revenue

Non-apportionment revenues

Variable Revenue

• Actual for 2003-04	\$1,814,896
• Actual for 2004-05	\$2,054,756
• Actual for 2005-06	\$2,668,017
• Actual for 2006-07	\$3,475,170
• Actual for 2007-08	\$4,154,876
• Actual for 2008-09	\$3,753,099
• Actual for 2009-10	\$4,422,569
• Actual for 2010-11	\$3,808,641
• Budget for 2011-12	\$3,772,386

9.2.6 Budget Priority Provision for Scheduled Maintenance

The State budget currently does not include funds for scheduled maintenance. The District continues to utilize past years of funding to complete projects.

9.2.7.1 Contingency Reserve

5% Reserve is included

9.2.7.2 Rainy Day Reserve

Continues to provide gap funding and is currently at \$1,000,000

Establishment of Stabilization Reserves

2011 - 2012 FINAL BUDGET

OTHER FUNDS

- During the fiscal year 2010-11 the Districted closed 3 Funds
 1. Bookstore
 2. Child Development
 3. Parity

Self Assessment #1 Internal Control

(see page 1 Budget Book)

The District has established several funds ... to add an additional level of oversight to the District's system of internal accounting controls.

Closed Funds

District completed a third actuarial study. The Annual Required Contribution (ARC) of \$678,644 is included in this budget. The established liability and fund balance will fund the cost of current employees for the next two years.

The District has begun funding an Irrevocable trust \$1,091,114 as of 6/30/2011 an additional amount of \$428,298 for the 2010-11 ARC is slated for investment after board approval in Oct.

Fund 69 Internal Service Fund Retiree Health Benefits



The END

