



# ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

**2012-13 Second Interim Budget**

**Board Meeting  
March 14, 2013**

Presented by Linda Latasa, Interim Assistant Superintendent, Business Services



# Budget Reporting Periods

Education Code requires districts to submit interim budget reports to the County Office of Education and State Department of Education:

- Budget Adoption – Board action by June 30<sup>th</sup>
- 1<sup>st</sup> Interim Report (actuals as of October 31<sup>st</sup>) – Board action by December 15<sup>th</sup>
- 2<sup>nd</sup> Interim Report (actuals as of January 31<sup>st</sup>) – Board action by March 15<sup>th</sup>

Certifications (EC 42131 (a)(1))

- Positive Certification: WILL MEET the financial obligations for the current and two subsequent fiscal years
- Qualified Certification: MAY NOT MEET the financial obligations for the current and two subsequent fiscal years
- Negative Certification: WILL BE UNABLE TO MEET the financial obligations for the current and two subsequent fiscal years



# 2012-13 Second Interim Budget

ARUSD has a Qualified Certification  
Due to Negative Ending Fund Balances  
projected at end of Year 3, 2014-15



# 2012-13 Second Interim Budget Assumptions

FACTOR	2012-13 2nd Interim	2013-14 Projection	2014-15 Projection
Revenue Limit COLA	3.24%	1.65%	2.20%
Revenue Limit Deficit	-22.27%	-22.27%	-22.27%
Lottery Income Non - Prop 20 (unrestricted)	\$124.25/ADA	\$124/ADA	\$123.75/ADA
Prop-20 (Restricted)	\$30/ADA	\$30/ADA	\$30/ADA
Special Education State COLA (Deficit)	0.00%	0.00%	0.00%
State Categorical Programs COLA (Deficit)	0.00%	0.00%	0.00%
<b>Average Daily Attendance (ADA)</b>			
Estimated P-2 ADA (In-District only)	11,557.69	11,089.71	10,620.78
Revenue Limit ADA	11,945.86	11,557.69	11,089.71
District NPS P-A ADA	1.93	1.93	1.93
Special Ed - COE ADA	105.85	105.85	105.85
Total Revenue Limit ADA	12,053.64	11,665.47	11,197.49
Base Revenue Limit per ADA	6,419.48	6,525.48	6,669.48
Funded Revenue Limit per ADA	4,989.73	5,072.13	5,184.05

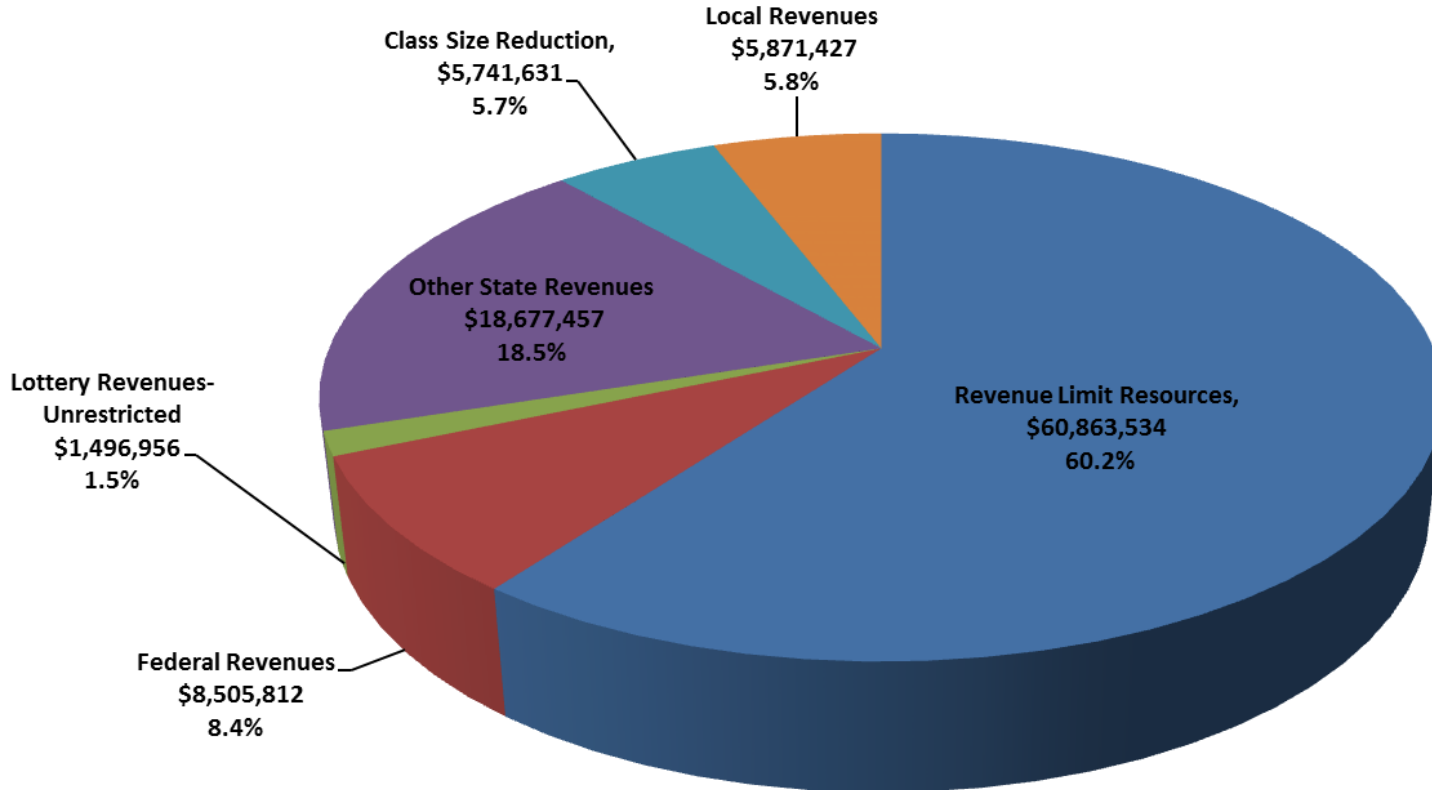


# 2012-13 General Funds – Combined Total Revenues

Total Revenues: \$101,156,817

Unrestricted: \$79,275,985

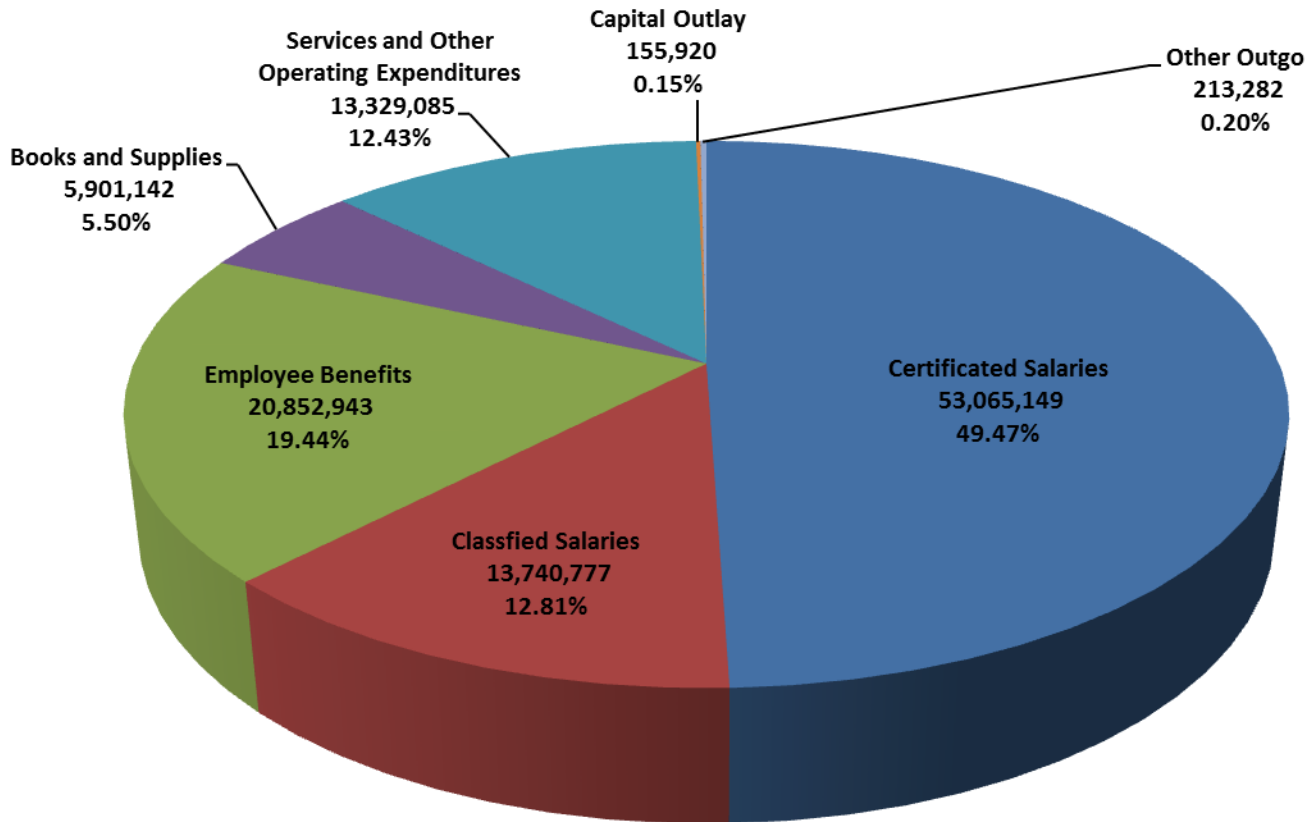
Restricted: \$21,880,832





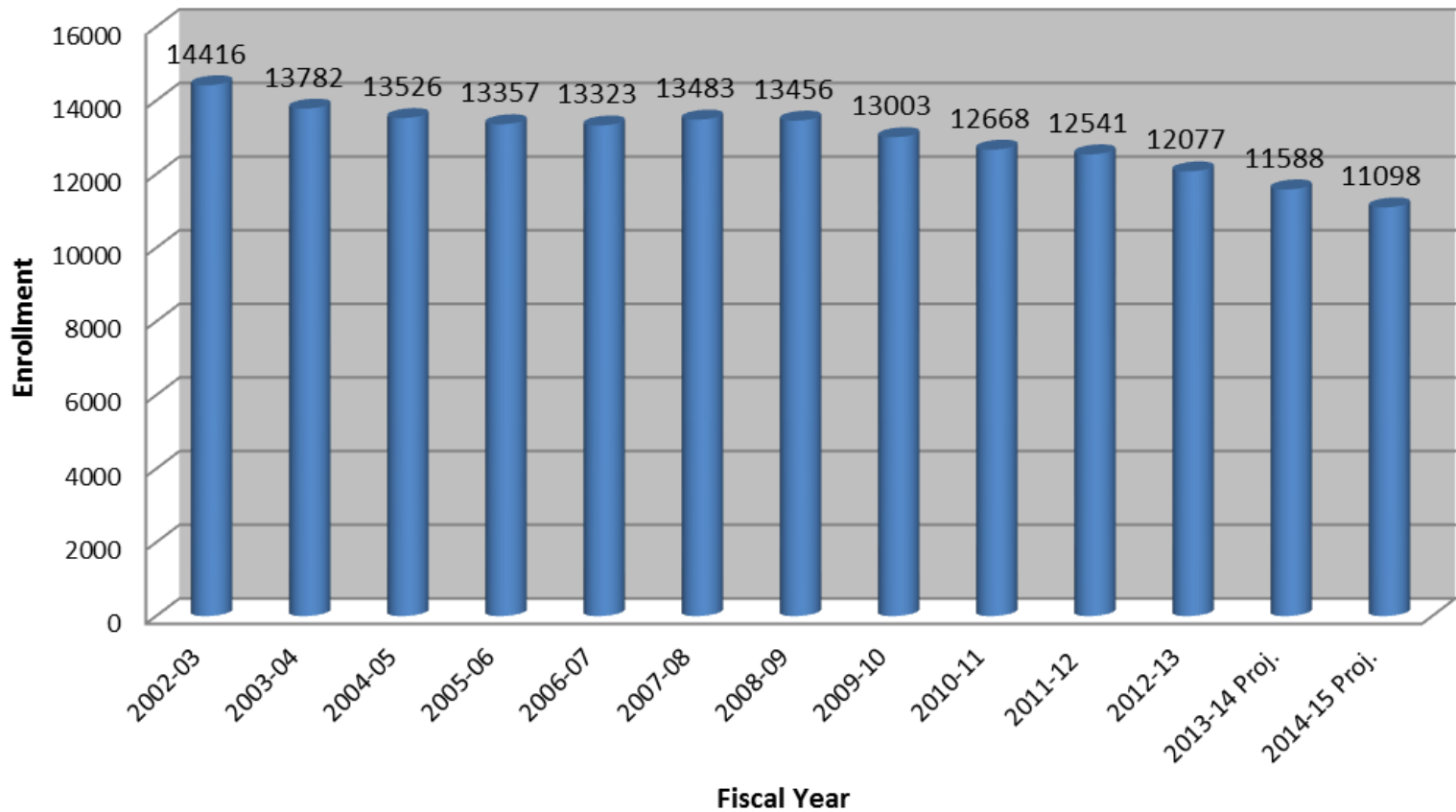
# 2012-13 General Funds – Combined Total Expenditures

**Total Expenditures: \$107,258,297**  
**Unrestricted: \$70,712,440**      **Restricted: \$36,545,857**





# Enrollment Projections for Budget





# 2012-13 General Funds – Combined Summary

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
<b>BEGINNING BALANCE</b>	<b>13,853,171</b>	<b>2,295,107</b>	<b>16,148,278</b>
<b>REVENUES</b>			
Revenue Limit Sources	59,111,708	1,751,826	60,863,534
Other Revenues	20,164,277	20,129,006	40,293,283
<b>TOTAL REVENUES</b>	<u>79,275,985</u>	<u>21,880,832</u>	<u>101,156,817</u>
<b>EXPENDITURES</b>			
Salaries and Benefits	64,176,924	23,481,945	87,658,869
Supplies, Operating & Other Expenditures	6,535,517	13,063,912	19,599,429
<b>TOTAL EXPENDITURES</b>	<u>70,712,440</u>	<u>36,545,857</u>	<u>107,258,297</u>
<b>OTHER FINANCING SOURCES</b>			
Routine Repair & Maintenance	(2,088,063)	2,088,063	0
Transportation (program encroachment)	(1,273,688)	1,273,688	0
Special Ed (program encroachment)	(9,243,901)	9,243,901	0
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>(12,605,652)</u>	<u>12,605,652</u>	<u>0</u>
NET INCREASE (DECREASE)	(4,042,107)	(2,059,373)	(6,101,481)
<b>NET BALANCE</b>	<u><u>9,811,063</u></u>	<u><u>235,734</u></u>	<u><u>10,046,797</u></u>
<b>COMPONENTS OF ENDING BALANCE</b>			
Revolving Fund	20,000	0	20,000
Economic Uncertainties	3,217,749	0	3,217,749
Other Committed	0	235,734	235,734
<b>TOTAL RESERVED</b>	<u>3,237,749</u>	<u>235,734</u>	<u>3,473,483</u>
<b>UNASSIGNED/UNAPPROPRIATED AMOUNT</b>	<u>6,573,314</u>	<u>0</u>	<u>6,573,314</u>





# Combined General Fund – Multi Year Projection

	2012-13 2nd Interim	2013-14 Projected	2014-15 Projected
<b>BEGINNING BALANCE</b>	16,148,277	10,046,796	4,072,452
<b>REVENUES</b>			
Revenue Limit Resources	60,863,534	59,977,024	58,847,867
Other Revenues	40,293,283	38,097,610	37,782,699
<b>TOTAL REVENUES</b>	<b>101,156,817</b>	<b>98,074,634</b>	<b>96,630,566</b>
<b>EXPENDITURES</b>			
Salaries and Benefits	87,658,869	87,860,721	87,500,747
Supplies, Operating & Other Expenditures	19,599,429	16,188,258	16,191,365
<b>TOTAL EXPENDITURES</b>	<b>107,258,297</b>	<b>104,048,979</b>	<b>103,692,112</b>
<b>INCREASE/(DECREASE)</b>	<b>(6,101,481)</b>	<b>(5,974,345)</b>	<b>(7,061,546)</b>
<b>NET BALANCE</b>	<b>10,046,796</b>	<b>4,072,452</b>	<b>(2,989,094)</b>
<b>COMPONENTS OF ENDING BALANCE</b>			
<b>Non-Spendable</b>			
Revolving Cash	20,000	20,000	20,000
<b>Restricted</b>			
Routine Repair	235,734	0	0
<b>Committed</b>			
Economic Uncertainties	3,217,749	3,121,469	3,110,763
<b>TOTAL DESIGNATIONS</b>	<b>3,473,483</b>	<b>3,141,470</b>	<b>3,130,764</b>
<b>UNASSIGNED/UNAPPROPRIATED AMOUNT</b>	<b>6,573,314</b>	<b>930,983</b>	<b>(6,119,858)</b>



# Concerns

- Cashflow is an ongoing problem created by State deferrals
  - Inter-fund borrowing is in place, if needed.
  
- Multi-year budget assumptions are uncertain and subject to change, which may impact projected fund balance negatively
  - State budget
  - District enrollment
  - Budget recovery plan
  
- ARUSD operates with structural deficits – expenditures continue to exceed revenues



# Budget Timeline

## 2012-13 Budget Updates

- May 2013 – Third Interim
- June 2013 – Estimated Actuals

## 2013-14 Budget

- April 2013 – Budget recovery plan
- May 2013 – Governor to release revised proposal
- June 20, 2013 – Budget Adoption
- By June 30, 2013 – Legislature to adopt State Budget



**Thank You**