

GRANADA HILLS

CHARTER HIGH SCHOOL

TO: Governing Board, Brian Bauer **DATE:** November 15, 2010

FROM: Walter Wallace, Chief Business Officer

SUBJECT: 2010-11 First Interim Financial Report

Attached is the First Interim Financial Report of 2010 showing the revenues, expenditures, fund balance, and balance sheet accounts as of October 31, 2010. This activity is compared to the 2010-11 Adopted Budget. There are some budget changes reflected in the October 2010 revised budget column, because of the approval of the state budget, the sale of the QSCB bonds and for other necessary changes after the close of last year.

First, even though the approval of the State budget would restore the charter block grant funding back to about \$6,142 per ADA (an increase of about \$255 from the Adopted GHCHS Budget projection or about \$1 million), school professionals are being cautious with the new administration starting in January. We would expect to see the new governor and legislature address any remaining current year deficits. In addition, the current Governor has already called another special budget session to begin December 6 to address the current budget deficit which is projected to be \$6.1 billion. Therefore, I'm not including the additional revenue in our budget for the time being. The budget for Federal revenue is increasing about \$1 million, mostly from the \$900,000+ allocation of the recent Federal jobs legislation I reported last month; the balance of the increase is coming from updated allocations of grant pass-through funding since last June. State revenues are increasing due to updated allocations since last June. Once the funding is added for the special education Special Disabilities Adjustment that was restored for last year and this year, an additional increase in special education funding will be recorded. I've reduced the budget for local revenue, since we sold the QSCB bonds; this reflects a lower estimate for interest income on investments. Overall, the increase in projected revenue is about \$960,000.

On the expenditure side, employee salaries have been adjusted for the projection of actual employees. Teachers salaries, overall, are a little lower than originally budgeted due to savings in attrition that offsets staff movement on the salary schedule from last year. Other certificated salaries are increasing because of movement on the salary schedule due to professional development point improvement that was not estimated in the adopted budget. The budget for classified salaries is reduced mostly because of attrition, even though we added two new sign language interpreters in taking over the program from the District. Employee benefits are increasing mostly because of increases in health benefits premiums. The increase in the supplies budget is due to budgeting the complete expenditure of the balance of the stimulus funding (an increase of about \$179,000). The budget for Services is increasing to pay for the fees associated with the line of credit for the QSCB bond. Also, the budget for debt service is increasing about \$263,000 for the first year's principal payment into the sinking fund for the bonds. Because the Federal government is paying the interest on the bonds, we're saving about \$220,000 in annual interest costs. Overall, the increase in projected expenditures is about \$692,000.

Because of these changes, the projected deficit spending for this year has been reduced by about \$270,000 to \$415,449. The updated balance of stimulus funding to be spent this school year is \$492,054.

We are still closely monitoring our available cash balance in order to meet our daily needs in spite of the apportionment payment deferrals in the current year. The current year's budget will delay another 3.5% of the apportionment from April and May until after June 30, bring the year-end deferral to 28.5%.

GRANADA HILLS CHARTER HIGH SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FIRST INTERIM FINANCIAL REPORT

AS OF OCTOBER 31, 2010

COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
A. REVENUES (Summary- -See details below)					
1) Revenue Limit Sources			23,207,328	5,444,051	23,214,150
2) Federal Revenues			1,722,075	1,172,472	2,812,163
3) Other State Revenues			5,956,882	1,325,285	5,997,625
4) Other Local Revenues			1,009,000	271,251	834,000
5) TOTAL REVENUES			31,895,285	8,213,059	32,857,938
B. EXPENDITURES (Summary- - See details below)					
1) Certificated Salaries			15,125,126	3,110,418	15,167,077
2) Classified Salaries			4,578,183	996,178	4,379,631
3) Employee Benefits			5,426,891	1,163,421	5,770,691
4) Books & Supplies			1,593,333	892,968	1,772,776
5) Srvcs, Other Operating Expenditures			3,689,042	1,349,773	3,767,352
6) Capital Outlay			515,000	115,117	515,000
7) Other Outgo			40,000	13,189	303,158
8) Dir.Supp/Indir. Costs			1,613,502	407,719	1,597,702
9) Other Transfers Out			0	0	0
10) TOTAL EXPENDITURES			32,581,077	8,048,783	33,273,387
C. EXCESS (DEF) OF REVENUE OVER EXPENDITURES BEFORE OTHER FINANCIAL SOURCES & USES					
			-685,792	164,276	-415,449
D. OTHER FINANCING SOURCES/USES					
2) Other Sources/Uses					
a) Sources			0	0	0
b) Uses			0	0	0
3) Contrib to Restricted Programs			0	0	0
4) TOTAL OTHER FINANCING SOURCES/USES			0	0	0
E. NET INCREASE (DECR) IN FUND BALANCE					
			-685,792	164,276	-415,449

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FIRST INTERIM FINANCIAL REPORT AS OF OCTOBER 31, 2010

COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
F. FUND BALANCE RESERVES					
1) Beginning Fund Balance					
a) As of June 2010 - Unaudited Actuals			9,829,685	9,829,685	9,829,685
b) Audit Adjustments/Restatement			<u>0</u>	<u>0</u>	<u>0</u>
c) Adjusted Beginning Balance			9,829,685	9,829,685	9,829,685
2) Ending Fund Balance			9,143,893	9,993,961	9,414,236
Components of Fund Ending Balance					
a) Reserved Amounts:					
Revolving Cash			677	677	677
Stores			4,273	4,273	4,273
Prepaid Expenditures			116,127	116,127	116,127
General Reserve			302,515	302,515	124,596
b) Designated Amounts:					
Designated for Economic Uncertainties			3,258,108	3,258,108	3,327,339
Reserve for Capital Improvements			400,000	400,000	400,000
Facility Reserve			1,200,000	1,200,000	1,200,000
Errors & Omissions Reserve			300,000	300,000	300,000
Balance of Mandated Cost Revenue			1,230,083	1,230,083	1,230,083
Post Retirement Health Benefits Reserve			<u>1,151,250</u>	<u>1,151,250</u>	<u>1,151,250</u>
c) Undesignated/Unappropriated Amounts			<u>1,180,860</u>	<u>2,030,928</u>	<u>1,559,891</u>

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
Revenues (DETAILS)					
1) Revenue Limit Sources					
General Purpose Entitlement - State Aid	8015	0000	17,285,850	3,614,228	17,832,318
In Lieu of Property Taxes - LAUSD	8096	0000	5,921,478	1,829,823	5,381,832
Total			23,207,328	5,444,051	23,214,150
2) Federal Revenues					
NCLB:T1,Basic Grants	8290	3010	350,000		465,424
Education Jobs Fund	8290	3205		810,813	900,903
Education for Handicapped Children (IDEA)	8181	3310	769,257	267,602	789,628
NCLB:TII, Teacher Quality	8290	4035	40,000		40,000
NCLB:TII,Enhancing Ed Thru Tech	8290	4045	5,000		5,000
NCLB:TIII, Immigrant Education Program	8290	4201			54,928
NCLB:TIII,Limited English Proficiency (LEP)	8290	4203	25,000		22,162
Perkins Voc. Tech	8290	4610	41,531		42,831
Child Nutrition Program	8220	5310	491,287	94,057	491,287
Total			1,722,075	1,172,472	2,812,163
3) Other State Revenues					
Charter School Categorical Block Grant	8311	0000	2,156,746	376,098	2,136,950
Mandated Costs Reimbursement	8550	0000			
Child Nutrition Program	8520	5310	45,541		45,541
State Lottery:Non Prop 20 - Current Yr	8560	1100	443,694		443,694
State Lottery:Non Prop 20 - Prior Yr	8560	1100		63,248	63,248
Counseling	8590	0000	232,579		232,579
Art & Music Block Grant	8590	0676	56,636		57,512
CAHSEE Intensive	8590	7055	32,263		30,000
State Lottery:Prop 20 Instr Mat - Current Yr	8560	6300	46,598		46,598
State Lottery:Prop 20 Instr Mat - Prior Yr	8560	6300		9,884	9,884
All Other State Funding	8590	0000			
Supplemental Hourly Programs	8311	0000	447,414	84,994	604,408
Special Education	8311	6500	2,495,411	791,061	2,327,211
Total			5,956,882	1,325,285	5,997,625

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
4) Other Local Revenues					
Sales-Equip/Supplies - Publications	8631	0000	8,000	1,324	8,000
Food Service Sales	8634	5310	551,000	195,341	551,000
Other Sales	8639	0000			
Leases & Rentals	8650	0000		7,590	25,000
Interest	8660	0000	150,000	32,477	50,000
All Other Fees & Contracts	8689	0000			
Other Local Revenues	8689	0000	300,000	34,519	200,000
Total			1,009,000	271,251	834,000
TOTAL REVENUES			31,895,285	8,213,059	32,857,938
Expenditures by Sub-object					
1) Certificated Salaries					
Teachers	1110		11,833,384	2,429,292	11,733,384
Librarians	1210		70,023	18,863	86,831
Guidance/Counseling	1210		1,109,710	256,752	1,122,806
Attendance/Discipline	1210		295,625	74,750	307,025
Health Services	1210		335,388	72,265	393,244
Testing	1210		89,155	22,181	88,725
Exec. Dir. / Directors	1310		804,154	178,037	847,350
Supervisors - Special Education	1310		187,687	46,929	187,712
Other Certificated - Athletics/Activities	1910		400,000	11,349	400,000
Total Certificated Salaries			15,125,126	3,110,418	15,167,077
2) Classified Salaries					
Instructional Aides	2110		805,778	141,331	740,699
Maintenance/Security	2210		1,120,711	243,986	1,020,711
Food Services	2210		366,500	72,020	366,500
Classified Administration	2310		722,466	182,537	728,993
Clerical/Network Support	2410		1,347,728	324,407	1,307,728
Other Classified - Athletics/Activities	2910		215,000	31,897	215,000
Total Classified Salaries			4,578,183	996,178	4,379,631

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
3) Employee Benefits					
STRS - Certificated	3100		1,211,512	244,343	1,211,512
- Classified			0	0	0
PERS - Certificated	3200		0	0	0
- Classified			532,926	97,836	532,926
OASDI - Certificated	3310		0	0	0
- Classified			272,129	60,402	272,129
Medicare - Certificated	3330		193,036	45,173	215,413
- Classified			75,337	14,460	60,824
Retirement in Lieu of OASDI - Classified	3390		1,700	2,187	10,000
Health & Welfare Benefits - Certificated	3400		1,829,141	388,055	1,977,705
- Classified			998,040	218,067	1,111,369
Unemployment Insurance - Certificated	3500		63,273	29,157	106,964
- Classified			37,409	7,178	30,202
Workers' Compensation - Certificated	3600		144,843	42,842	188,654
- Classified			67,545	13,721	52,993
Other Benefits - Certificated	3900				
- Classified					
Total Employee Benefits			5,426,891	1,163,421	5,770,691
4) Books & Supplies					
Textbooks	4110		163,833	162,810	163,833
Books other than Textbooks	4210		10,000	4,671	10,000
Instructional Materials	4310		382,500	201,825	382,500
Other Supplies	4350		495,750	314,647	495,750
Non-capitalized Equipment	4400		16,250	115,987	195,693
Food Service Supplies	4710		525,000	93,028	525,000
Total Books & Supplies			1,593,333	892,968	1,772,776

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
5) Services, Other Operating Exp					
Instructional Contracted Services	5100		998,640	348,070	998,640
Travel/Conference/Mileage	5200		132,600	24,954	132,600
Dues/Memberships	5300		40,800	45,539	60,000
Insurance	5450		153,000	147,843	153,000
Operation and Housekeeping Services	5500		433,500	25,172	433,500
Rentals/Leases/Repairs	5600		1,091,400	321,116	1,091,400
Consulting Services& Operating Exp	5800		772,802	413,287	831,912
Communications	5900		66,300	23,792	66,300
Total Services, Other Operating Exp			3,689,042	1,349,773	3,767,352
6) Capital Outlay					
Sites & Improvement	6100		100,000	64,700	100,000
Bldgs & Improvement	6200		315,000	10,050	315,000
Equipment	6400		100,000	40,367	100,000
Total Capital Outlay			515,000	115,117	515,000
7) Other Outgo					
Debt Service:	7400		40,000	13,189	303,158
8) Indirect Costs/All Other Financing Uses					
Indirect Cost (supervisory oversight fees)	7200		634,102	90,120	662,650
Special Education Fair Share Assessment 30%	7200		979,400	317,599	935,052
Total Indirect/All Other			1,613,502	407,719	1,597,702
TOTAL EXPENDITURES			32,581,077	8,048,783	33,273,387

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	YTD ACTIVITY 10/31/10	REVISED BUDGET 10/31/10
ASSETS					
Cash					
a) In County Treasury			572,620	4,231,413	572,620
b) In Banks			2,192,365	1,809,163	1,776,916
c) In Revolving Fund			420	677	420
d) with Fiscal Agent					
Short Term Investments			4,454,886	4,445,185	4,454,886
Accounts Receivable(Includes Pledges)			6,362,649	127,604	6,362,649
Due from Other Funds					
Stores			4,273	4,273	4,273
Prepaid Expenditures			116,127	116,127	116,127
Other Current Assets			18,700	19,600	18,700
TOTAL ASSETS			13,722,040	10,754,042	13,306,591
LIABILITIES					
Accounts Payable			3,892,355	760,081	3,892,355
Due to Other Funds					
Current Loans					
Deferred Revenue					
Other Current Liabilities					
TOTAL LIABILITIES			3,892,355	760,081	3,892,355
FUND EQUITY			9,829,685	9,993,961	9,414,236

GRANADA HILLS CHARTER HIGH SCHOOL
GRANTS ENTITLEMENTS

2010-11 First Interim Report - Grants

	Title I 3010	ARRA 3205	IDEA 3310	Title II 4035	Title II Tech 4045	Title III 4203	Title III 4201	ARRA 3200	Perkins 3550	Lottery Prop 20 6300	Total
Federal Revenue											
8290 NCLB: Title I	465,424										465,424
8290 ARRA - Federal Jobs Fund		900,903									900,903
8181 IDEA - Special Education			789,628								789,628
8290 NCLB: Title II- Improving Teach Quality				40,000							40,000
8290 NCLB: Title II- Technology					5,000						5,000
8290 NCLB: Title III - LEP						22,162					22,162
8290 NCLB: Title III - Immigrant							54,928				54,928
8290 Voc. Tech. - Perkins									42,831		42,831
TTL Federal Income	465,424	900,903	789,628	40,000	5,000	22,162	54,928	0	42,831		2,320,876
Other State Revenue											
8560 State Lottery Prop 20 - Instructional Materials										56,482	56,482
8590 TIIG: CSR, PWT IM, Magnet IM,CAP IM											0
TTL Other State Revenue										56,482	56,482
TOTAL REVENUE	465,424	900,903	789,628	40,000	5,000	22,162	54,928	0	42,831	56,482	2,377,358
Certificated Salaries											
1100 Teachers' Salaries	269,400						49,000		8,000		326,400
1000 Teachers' Salaries-Half time											0
1200 Guidance/Welfare Salaries											0
Total Certificated Salaries	269,400		0	0	0	0	49,000		8,000	0	326,400
Classified Salaries											
2100 Educational Assistants (22)			659,448			18,007					677,455
2300 Clerical (22)											0
Total Classified Salaries	0		659,448	0	0	18,007		0	0	0	677,455
Employee Benefits											
3110 STRS - Certificated	22,226						4,043		660		26,929
3120 STRS - Classified											0
3100 - TTL STRS	22,226		0	0	0	0	4,043	0	660	0	26,929
3210 PERS - Certificated											0
3220 PERS - Classified			68,381			1,748					70,129
3200 - TTL PERS	0		68,381	0	0	1,748	0	0	0	0	70,129
3310 OASDI - Certificated											0
3320 OASDI - Classified						1,116					40,739
3330 Medicare - Certificated	3,906		39,623				711		116		4,733
3340 Medicare - Classified			9,266			261					9,527
3350 Alternative Retirement											0
3300 - TTL OTHER RETIREMENT	3,906		48,889	0	0	1,377	711	0	116	0	54,999

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GRANTS ENTITLEMENTS

2010-11 First Interim Report - Grants

	Title I	ARRA	IDEA	Title II	Title II Tech	Title III	Title III	ARRA	Perkins	Lottery Prop 20	Total
3410 Health & Welfare Benefits - Certificated	50,022	600,000					0				650,022
3420 Health & Welfare Benefits - Classified		300,903									300,903
3400 - TTL Health & Welfare Benefits	50,022	900,903	0	0	0	0	0	0	0	0	950,925
3510 Unemployment Insurance - Certificated	808						147		24		979
3520 Unemployment Insurance - Classified			4,601				54				4,655
3500 - TTL Unemployment Insurance	808		4,601	0	0	54	147	0	24	0	5,634
3610 Workers' Compensation - Certificated	3,638						663		107		4,408
3620 Workers' Compensation - Classified			8,309				243				8,552
3600 - TTL Workers' Compensation	3,638		8,309	0	0	243	663	0	107	0	12,960
3910 Other Employee Benefits - Certificated											
3920 Other Employee Benefits - Classified											
3900 - TTL Other Employee Benefits	0		0	0	0	0	0	0	0	0	0
Employee Benefits	80,600	900,903	130,180	0	0	3,422	5,564	0	907	0	1,121,576
Books and Supplies											
4100 Textbooks								112,611	4,624	56,482	173,717
4200 Books											
4310 Instructional Materials and Supplies - Departments						733	364		16,800		17,897
4400 Non-capitalized equipment								179,443	9,500		188,943
Total Books and Supplies	0	0	0	0	0	733	364	292,054	30,924	56,482	380,557
Other Operating Expenses											
5100 Instructional contracts	115,424							200,000			315,424
5200 Travel and Conferences Professional Development				40,000	5,000				3,000		48,000
5200 Travel and Conferences Mileage											
5800 Contracted Services											0
5800 Transportation - TIIG											
Total Operating Expenses	115,424	0	0	40,000	5,000	0	0	200,000	3,000	0	363,424
6200 Improvement of Buildings											0
Direct Support / Indirect Costs											
7310 Indirect Costs											0
TTL Direct Support / Indirect Costs											
TOTAL EXPENDITURES	465,424	900,903	789,628	40,000	5,000	22,162	54,928	492,054	42,831	56,482	2,869,412
TOTAL REVENUES LESS EXPENDITURES	0	0	0	0	0	0	0	(492,054)	0	0	(492,054)
BEGINNING BALANCE								492,054			492,054
ENDING BALANCE	0	0	0	0	0	0	0	0	0	0	0