

GATEWAY UNIFIED SCHOOL DISTRICT



PRELIMINARY BUDGET 2012-2013



Presented to the Board of Trustees

June 27, 2012

helping children to succeed

EDUCATION



**GATEWAY UNIFIED SCHOOL DISTRICT
BUDGET COMPOSITION
June 27, 2012**

The annual budget is a planning document which translates educational policy into sound instructional programs through the allocation of financial resources. This budget document reflects all expected revenues and planned expenditures for the 2012-2013 school year. It is a communication tool to share with the community the district's philosophy, goals and objectives.

School districts are required to adopt their budget for the 2012-2013 school year by June 30, 2012. Actual revenue and expenses were compared with the 2nd Interim budget and budget revisions were made accordingly to reflect the 2011-2012 budget with actuals. These are figures that appear as Estimated Actuals.

The budget is presented based on the May 2012 revise. Funding for K-12 education has been significantly reduced over the past five years. The 2012-2013 budget has been reduced by "trigger" cuts to general revenue limit funding, increasing the deficit factor from 20.602% to 22.272%. The Governor's budget proposal for 2012-2013 includes home-to-school and special education transportation funding. To offset the cost of funding transportation the ADA cut was increased by \$71 from \$370 per ADA to \$441 per ADA.

The 2012-2013 Preliminary budget was developed based on the May 2012 revise that projects a reduction of \$441 per ADA if the November 2012 tax initiative fails. The multiyear projection reflects an ongoing reduction of \$441 per ADA.



GATEWAY UNIFIED SCHOOL DISTRICT
2012-2013 PRELIMINARY GENERAL FUND BUDGET SUMMARY
June 27, 2012

	2011-12 ESTIMATED ACTUALS	2012-13 PRELIMINARY BUDGET
Funded Average Daily Attendance (ADA)		
REVENUES		
Revenue Limit	13,810,938	12,440,135
Federal Revenues	4,406,722	3,395,090
Other State Revenues	4,319,275	4,062,952
Other Local Revenues	3,266,103	2,813,367
TOTAL REVENUES	25,803,038	22,711,544
EXPENDITURES		
Certificated Salaries	10,961,584	10,504,101
Classified Salaries	4,621,393	4,900,513
Employee Benefits	4,825,259	5,059,209
Books and Supplies	2,540,508	2,378,833
Services, Other Operating Exp	3,073,784	2,826,247
Capital Outlay	473,036	100,296
Other Outgo	183,563	170,296
Transfer of Indirect/Direct Support	(59,466)	(54,338)
TOTAL EXPENDITURES	26,619,661	25,885,157
EXCESS(DEFICIENCY)OF REVENUES	(816,623)	(3,173,613)
OTHER FINANCING SOURCES IN OTHER FINANCING SOURCES OUT	198,887 (539,078)	456,239 0
NET INCREASE(DECREASE) IN FUND BALANCE	(1,156,814)	(2,717,374)
BEGINNING BALANCE AUDIT ADJUSTMENTS	10,577,626 (375,225)	9,045,587
ENDING FUND BALANCE	9,045,587	6,328,213

Components of Ending Fund Balance

Revolving Cash	12,400	12,400
Economic Uncertainties	1,331,527	1,294,898
Board Designated	7,040,400	4,566,418
Designated Unrealized Gains	17,618	17,618
Restricted	643,642	436,879
Undesignated		

**GATEWAY UNIFIED SCHOOL DISTRICT
BUDGET ASSUMPTIONS
June 27, 2012**

There are many unpredictable factors which affect revenue and expenditures. Because of that, the district based their budget on assumptions. This is the best information available at the time the budget is prepared. The Preliminary budget should be considered a “financial snapshot” on the date it is presented to the Board of Trustees. As variables change, budget revisions are made throughout the course of the year. The 2012-2013 Preliminary budget was based on the following assumptions:

REVENUE ASSUMPTIONS:

1. Enrollment projected to decrease in 2012-2013 and 1st/2nd subsequent years
2. Rate of attendance estimated at 95%
3. Revenue Limit Cost-of-Living (COLA) of 3.24%, less Revenue Limit Deficit of 22.272%
4. Failure of tax initiative cut \$441.00 per ADA
5. Federal ARRA and Education Jobs Fund revenue is no longer available
6. Special Education funding is based on ADA
7. Lottery is projected at \$141.75 per ADA: \$118.00 unrestricted, \$23.75 restricted
8. Forest Reserve is decreased by 88%
9. Beginning Balance based on prior year’s Estimated Actuals Ending Balance

EXPENDITURE ASSUMPTIONS:

1. Priorities funded
2. Step and Column salary increases included
3. Salary driven benefits budgeted according to staff changes
4. No salary schedule Cost-of-Living (COLA) included
5. Worker’s Compensation rate increased from 2.19% to 2.60%
6. State Unemployment rate decreased from 1.61% to 1.10%
7. Categorical programs (except Special Education and Maintenance) do not encroach on the General Fund
8. Economic Uncertainties at 5%
9. Supply budgets reduced by 10%
10. Continue to evaluate budget for further possible reductions



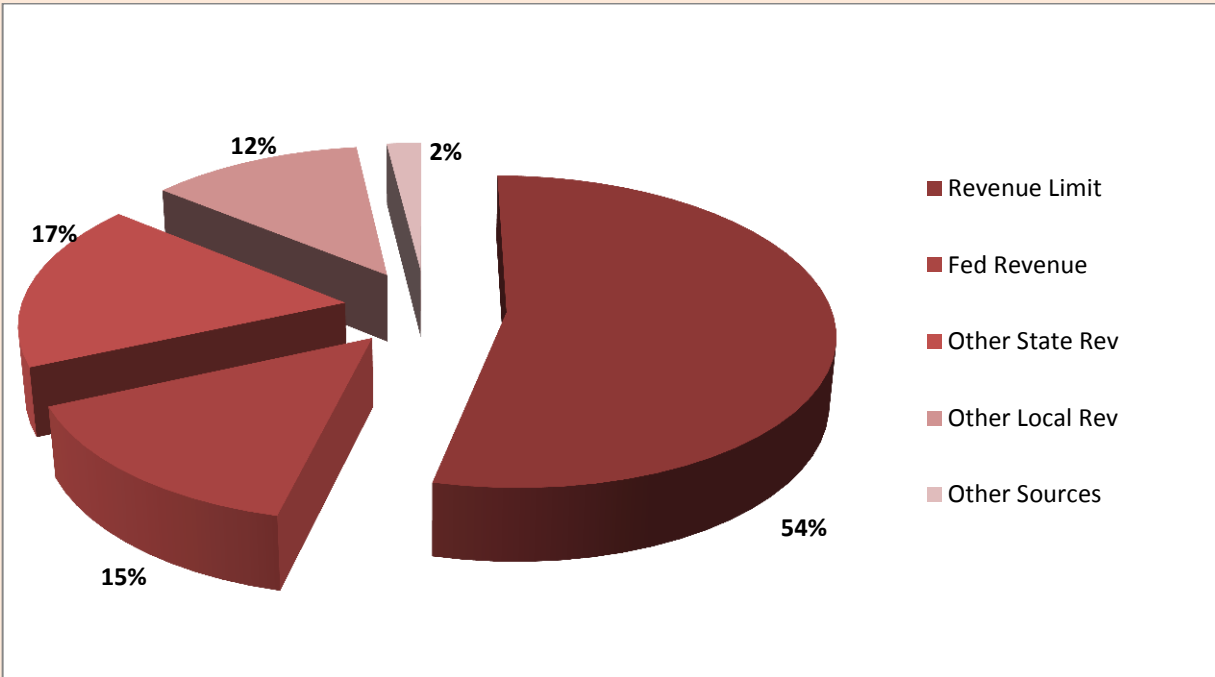
**GATEWAY UNIFIED SCHOOL DISTRICT
2012-2013 PRELIMINARY BUDGET REVENUE DETAIL
June 27, 2012**

OBJECT	RESOURCE	DESCRIPTION	PROJECTION
REVENUE LIMIT: 8010-8099			
8011	0000	State Aid	7,153,663
8021	0000	Home Owners Exemption	166,044
8022	0000	Timber Yield Tax	41,220
8041	0000	Secured Roll Taxes	8,160,820
8042	0000	Unsecured Roll	531,510
8044	0000	Supplemental Taxes	6,187
8045	0000	ERAF	(1,198,592)
8047	0000	RDA Funds -Tax Portion	220,391
8092	0000	PERS Reduction Transfer	27,138
8096	0000	Transfers to Charter Schools In-lieu Taxes	(2,668,246)
SUBTOTAL			12,440,135
FEDERAL: 8100-8299			
8181	3310	Special Ed: IDEA Part B (Formerly PL-94-142)	612,070
8182	3315	Special Ed: IDEA Preschool Non-RIS	145,603
8260	0104	Forest Reserve (Federal Unrestricted)	19,673
8290	3010	Title I	1,245,289
8290	3550	Voc & Applied Secondary	40,040
8290	4035	Title II Part A Teacher Quality	279,005
8290	4203	NCLP Title III LEP	25,446
8290	4510	Indian Education	60,603
8290	5640	Medi-Cal	70,100
8290	5810	PEP Grant	447,261
8290	9370	Medi-Cal Administrative Activities (MAA)	450,000
SUBTOTAL			3,395,090

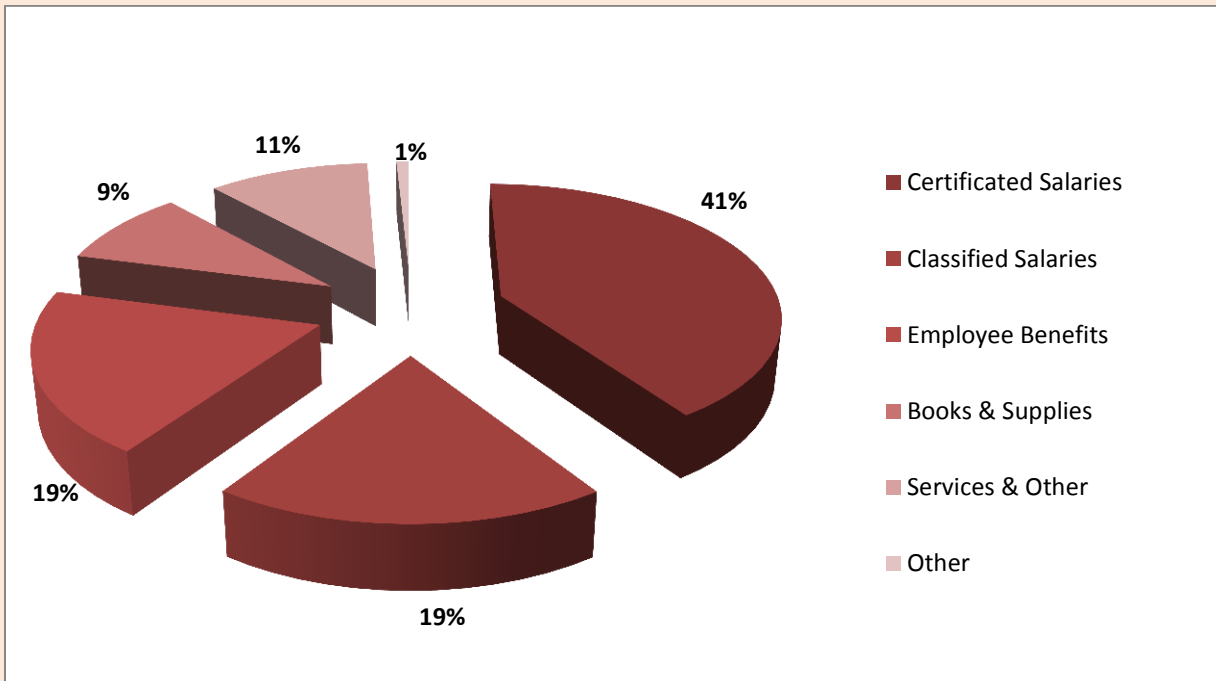
**GATEWAY UNIFIED SCHOOL DISTRICT
2012-2013 PRELIMINARY BUDGET REVENUE DETAIL
June 27, 2012**

OBJECT	RESOURCE	DESCRIPTION	PROJECTION
STATE: 8300-8599			
8311	7090	Economic Impact Aid (EIA)	575,606
8311	7230	Transportation	839,438
8434	1300	Class Size Reduction	434,826
8560	1100	Lottery	285,575
8560	6300	Lottery	57,478
8560	0129	Remedial/Intensive Program	88,279
8560	0167	Summer School	41,440
8590	0000	Other State Income	17,452
8590	0121	S.T.A.R.	5,400
8590	2430	Community Day School	50,030
8590	6258-7395	Consolidated Categoricals	915,651
8590	7156	IMF Realignment	157,437
8590	9205	Deferred Maintenance	106,237
8590	7010	Ag Grant	16,960
8590	7210	National American Indian Ed	72,143
8590	6010	After School Lrng & Safe Neighborhoods (ASES)	399,000
SUBTOTAL			4,062,952
LOCAL REVENUE: 8600-8799			
8625	9020	RDA Funds	0
8639	0070	School Sports	22,547
8650	0000	Other Local Income	40,200
8660	0000	Other Local Income	50,000
8677	0000	Other Local Income	419,512
8677	6350	ROC/P	91,378
8677	6500	Special Ed	0
8677	7230	Transportation	31,303
8677	9010	GREAT Partnership	1,189,286
8677	9015	GREAT Partnership 1:1 Aide Reimbursement	0
8699	0000	Other Local Income	39,747
8699	0070	School Sports	2,240
8699	7230	Transportation	0
8699	9105	Regular Ed, Site Specific	11,455
8699	9282	AP Testing	4,000
8792	6500	Special Ed Apportionment from SCOE	911,699
SUBTOTAL			2,813,367

Revenue



Expenditures



**GATEWAY
COMPARISON OF REVENUES AND EXPENDITURES
2012-13 PRELIMINARY BUDGET
June 27, 2012**

		11-12 2ND INTERIM			11-12 ESTIMATED ACTUALS			12-13 PRELIMINARY BUDGET			Unrestricted Variance	Restricted Variance	Total Variance
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total			
REVENUES													
Revenue Limit Sources	8010 - 8099	13,045,997	787,332	13,833,329	13,023,606	787,332	13,810,938	11,626,089	814,046	12,440,135	(1,397,517)	26,714	(1,370,803)
Federal Revenues	8100 - 8299	769,482	3,619,794	4,389,276	769,482	3,637,240	4,406,722	469,673	2,925,417	3,395,090	(299,809)	(711,823)	(1,011,632)
Other State Revenues	8300 - 8599	2,461,329	1,862,216	4,323,545	2,461,329	1,857,946	4,319,275	3,013,908	1,049,044	4,062,952	552,579	(808,902)	(256,323)
Other Local Revenues	8600 - 8799	643,301	2,548,930	3,192,231	698,606	2,567,497	3,266,103	700,927	2,112,440	2,813,367	2,321	(455,057)	(452,736)
Interfund Transfers In	8910 - 8929	198,887		198,887	198,887		198,887	456,239		456,239	257,352	0	257,352
Other Sources	8930 - 8979			0			0			0	0	0	0
Contributions	8980 - 8999	(1,820,793)	1,820,793	0	(1,820,793)	1,820,793	0	(1,535,876)	1,535,876	0	284,917	(284,917)	0
TOTAL REVENUES		15,298,203	10,639,065	25,937,268	15,331,117	10,670,808	26,001,925	14,730,960	8,436,823	23,167,783	(600,157)	(2,233,985)	(2,834,142)
EXPENDITURES													
Certificated Salaries	1000 - 1999	7,790,624	3,260,000	11,050,624	7,783,633	3,177,951	10,961,584	7,808,502	2,695,599	10,504,101	24,869	(482,352)	(457,483)
Classified Salaries	2000 - 2999	2,290,575	2,367,576	4,658,151	2,260,017	2,361,376	4,621,393	2,827,188	2,073,325	4,900,513	567,171	(288,051)	279,120
Employee Benefits	3000 - 3999	3,266,148	1,558,007	4,824,155	3,259,599	1,565,600	4,825,259	3,754,821	1,304,388	5,059,209	495,222	(261,272)	233,950
Books and Supplies	4000 - 4999	1,029,818	1,419,831	2,449,649	1,067,177	1,473,331	2,540,508	1,165,370	1,213,463	2,378,833	98,193	(259,868)	(161,675)
Services, Other Operating Expenses	5000 - 5999	1,915,524	1,135,305	3,050,829	1,925,092	1,148,692	3,073,784	1,857,339	968,908	2,826,247	(67,753)	(179,784)	(247,537)
Capital Outlay	6000 - 6599	152,296	320,740	473,036	152,296	320,740	473,036	100,296	0	100,296	(52,000)	(320,740)	(372,740)
Other Outgo	7400-7499		183,563	183,563		183,563	183,563	106,444	63,852	170,296	106,444	(119,711)	(13,267)
Direct Support / Indirect Costs	7300 - 7399	(552,887)	493,421	(59,466)	(550,798)	491,332	(59,466)	(378,389)	324,051	(54,338)	172,409	(167,281)	5,128
Interfund Transfers Out	7610 - 7629	4,736		4,736	539,078		539,078			0	(539,078)	0	(539,078)
Other Uses	7630 - 7699			0	0		0			0	0	0	0
TOTAL EXPENDITURES		15,896,834	10,738,443	26,635,277	16,436,094	10,722,645	27,158,739	17,241,571	8,643,586	25,885,157	805,477	(2,079,059)	(1,273,582)
NET INCREASE/DECREASE IN FUND BALANCE		(598,631)	(99,378)	(698,009)	(1,104,977)	(51,837)	(1,156,814)	(2,510,611)	(206,763)	(2,717,374)	(1,405,634)	(154,926)	(1,560,560)
BEGINNING BALANCE		9,882,147	695,479	10,577,626	9,882,147	695,479	10,577,626	8,401,945	643,642	9,045,587	(1,480,202)	(51,837)	(1,532,039)
Audit Adjustment		(375,225)		(375,225)	(375,225)		(375,225)			0	375,225		375,225
ENDING BALANCE		8,908,291	596,101	9,504,392	8,401,945	643,642	9,045,587	5,891,334	436,879	6,328,213	(2,510,611)	(206,763)	(2,717,374)
Components of Ending Fund Balance													
Reserved Rev Cash/Prepays/Stores		12,400	-	12,400	12,400	-	12,400	12,400	-	12,400	-	-	-
Economic Uncertainty		1,331,527	-	1,331,527	1,331,527	-	1,331,527	1,294,898	-	1,294,898	(36,629)	-	(36,629)
Board Designated		7,546,746	-	7,546,746	7,040,400	-	7,040,400	4,566,418	-	4,566,418	(2,473,982)	-	(2,473,982)
Designated Unrealized Gains		17,618	-	17,618	17,618	-	17,618	17,618	-	17,618	-	-	-
Restricted		-	596,101	596,101	-	643,642	643,642	-	436,879	436,879	-	(206,763)	(206,763)
Undesignated		-	-	-	-	-	-	-	-	-	-	-	-
Total		8,908,291	596,101	9,504,392	8,401,945	643,642	9,045,587	5,891,334	436,879	6,328,213	(2,510,611)	(206,763)	(2,717,374)

Revenue Limit ADA

2562.88

2562.88

2491.80

GATEWAY UNIFIED SCHOOL DISTRICT
2012-2013 ENDING FUND BALANCE COMPARISON
June 27, 2012

	2011-12 ESTIMATED ACTUALS	2012-13 PRELIMINARY BUDGET
REVOLVING CASH/STORES/PREPAIDS	12,400	12,400
UNREALIZED GAINS	17,618	17,618
ECONOMIC UNCERTAINTY	1,331,527	1,294,898
RESTRICTED		
ELL	1,280	1,280
Medi-Cal	167,970	140,482
Lottery - Instructional	77,248	3,958
EIA	59,345	0
Ongoing & Major Maintenance	1,900	1,900
Gen Ed Site Specific	335,899	289,259
TOTAL RESTRICTED	643,642	436,879
BOARD DESIGNATED		
2004-05 STRS Payment	72,000	66,204
Forest Reserve	415,352	322,025
MAA	541,908	268,639
Mandated Costs	340,742	296,942
2012-13 Deficit	2,717,374	
2013-14 Deficit	2,269,234	2,269,234
2014-15 Deficit	306,414	1,301,562
State Lottery	23,221	
Library Site Specific	9,109	
CVHS Class Accounts	83,175	
Technology Updates	76,296	
Deferred Maintenance	185,575	41,812
TOTAL BOARD DESIGNATED	7,040,400	4,566,418
UNDESIGNATED/UNAPPROPRIATED	0	0
TOTAL ENDING BALANCE	9,045,587	6,328,213

2012-13 PRELIMINARY BUDGET MULTI-YEAR PROJECTION

JUNE 27, 2012

Gateway Unified School District

		2012-13 Preliminary			2013-14 Projected			2014-15 Projected		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUES	Object									
Revenue Limit Sources	8010 - 8099	11,626,089	814,046	12,440,135	11,412,182	783,147	12,195,329	11,190,278	767,784	11,958,062
Federal Revenues	8100 - 8299	469,673	2,925,417	3,395,090	450,000	2,923,467	3,373,467	450,000	2,478,156	2,928,156
Other State Revenues	8300 - 8599	3,013,908	1,049,044	4,062,952	3,029,351	1,052,152	4,081,503	3,023,451	1,050,965	4,074,416
Other Local Revenues	8600 - 8799	700,927	2,112,440	2,813,367	640,153	2,093,827	2,733,980	640,153	2,076,286	2,716,439
Interfund Transfers In	8910 - 8929	456,239		456,239	339,859		339,859	261,897		261,897
Other Sources	8930 - 8979			0			0			0
Contributions	8980 - 8999	(1,535,876)	1,535,876	0	(1,530,650)	1,530,650	0	(1,522,250)	1,522,250	0
TOTAL REVENUES		14,730,960	8,436,823	23,167,783	14,340,895	8,383,243	22,724,138	14,043,529	7,895,441	21,938,970
EXPENDITURES	Object									
Certificated Salaries	1000 - 1999	7,808,502	2,695,599	10,504,101	7,170,281	2,482,095	9,652,376	6,735,105	2,117,509	8,852,614
Classified Salaries	2000 - 2999	2,827,188	2,073,325	4,900,513	2,735,260	2,061,803	4,797,063	2,713,538	2,063,345	4,776,883
Employee Benefits	3000 - 3999	3,754,821	1,304,388	5,059,209	3,722,207	1,307,910	5,030,117	3,704,239	1,274,976	4,979,215
Step and Column	Step & Column				124,052	52,360	176,412	105,118	44,367	149,485
Books and Supplies	4000 - 4999	1,165,370	1,213,463	2,378,833	1,125,938	1,200,782	2,326,720	1,086,506	1,102,607	2,189,113
Services, Other Operating Expenses	5000 - 5999	1,857,339	968,908	2,826,247	1,856,519	947,942	2,804,460	1,855,699	859,526	2,715,225
Capital Outlay	6000 - 6599	100,296	0	100,296	90,266	0	90,266	80,236	0	80,236
Other Outgo	7100 - 7299	106,444	63,852	170,296	106,444	63,852	170,296	106,446	63,852	170,298
Direct Support / Indirect Costs	7300 - 7399	(378,389)	324,051	(54,338)	(378,389)	324,051	(54,338)	(359,088)	304,750	(54,338)
	7400 - 7499			0			0			0
Interfund Transfers Out	7610 - 7629			0			0			0
Other Uses	7630 - 7699			0			0			0
TOTAL EXPENDITURES		17,241,571	8,643,586	25,885,157	16,552,578	8,440,795	24,993,372	16,027,799	7,830,932	23,858,731
NET INCREASE/DECREASE IN FUND BALANCE		(2,510,611)	(206,763)	(2,717,374)	(2,211,683)	(57,552)	(2,269,234)	(1,984,270)	64,509	(1,919,761)
BEGINNING BALANCE		8,401,945	643,642	9,045,587	5,891,334	436,879	6,328,213	3,679,651	379,327	4,058,979
ENDING BALANCE		5,891,334	436,879	6,328,213	3,679,651	379,327	4,058,979	1,695,381	443,836	2,139,218

Components of Ending Fund Balance

Reserved Rev Cash/GAINS/Stores	12,400	-	12,400	11,900	-	11,900	11,900	-	11,900
Economic Uncertainty	1,294,898	-	1,294,898	1,249,669	-	1,249,669	1,192,937	-	1,192,937
Board Designated	4,584,036	-	4,584,036	2,418,082	-	2,418,082	490,544	-	490,544
Restricted	-	436,879	436,879	-	379,327	379,327	0	443,836	443,836
Undesignated	-	-	-	-	-	-	-	-	-
Total Ending Fund Balance	5,891,334	436,879	6,328,213	3,679,651	379,327	4,058,979	1,695,381	443,836	2,139,218

% EUR to Expenditures 22.71%

14.67%

7.06%

Restricted balance projections change - for comparison- should compare Economic Uncert, Board Design and Undesignated

EUR=Econ Uncert, Undesign, Bd Design Change

5,878,934	-	N/A	5,878,934	3,667,751	-	3,667,751	1,683,481	-	1,683,481
				(2,211,183)					(1,984,270)

Funded Revenue Limit ADA
Funded Base Revenue Limit

2491.8
\$5,390.24

2442.17
\$ 5,390.24

2394.23
\$ 5,390.24

**GATEWAY UNIFIED SCHOOL DISTRICT
OTHER FUNDS
June 27, 2012**

CAFETERIA:

2012-2013 Ending Balance is \$364,489

SPECIAL RESERVE FUND FOR POSTEMPLOYMENT BENEFITS:

2012-2013 Ending Balance is \$601,162

BUILDING FUND:

2012-2013 Ending Balance is \$233,618

CAPITAL FACILITES FUND:

2012-2013 Ending Balance is \$476,123

SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS:

2012-2013 Ending Balance is \$0

BOND INTEREST AND REDEMPTION FUND:

2012-2013 Ending Balance is \$2,147,498

FOUNDATION TRUST FUND:

2012-2013 Ending Balance is \$95,310

**GATEWAY UNIFIED SCHOOL DISTRICT
SUMMARY
June 27, 2012**

Due to the California budget shortfall and the District experiencing declining enrollment, we will continue to monitor the 2012-2013 budget. It will be a balancing act between meeting the needs of the students and remaining fiscally solvent. The required Criteria and Standards report is used to develop, review and assess school district budgets. The criteria review indicates a balanced budget and projects a positive fund and cash balance on June 30, 2013.

The District Board of Education shall certify in writing whether or not the District is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for two subsequent fiscal years. The certifications shall be classified as positive, qualified, or negative, pursuant to standards and criteria adopted by the State Board of Education (Education Code 33127).

In certifying the 2012-2013 Preliminary Budget Report, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

ACTION REQUESTED:

It is recommended that the Board approve the 2012-2013 Preliminary Budget Report.

