



# 2012-2013 SECOND INTERIM

SPECIAL BOARD MEETING

MARCH 11, 2013

# Presentation



- Budget Timeline
- First Interim vs. Second Interim
- General Fund Summary
  - 2012-2013 Revenues and Expenditures
- Historical Data
  - Property Taxes
  - Basic Aid Reduction
  - Change in Ending Fund Balance
  - Cash Balances
- Multi-Year Projection
- Looking Ahead

# Budget Report Timeline



- **Adopted Budget**
  - Budget Based on May Revise
  - Presented at the June 27, 2012 Regular Board Meeting
  - Due to San Diego County Office of Education by July 2, 2012
- **First Interim**
  - Actuals for period ending October 31<sup>st</sup>
  - Due to San Diego County Office of Education by December 17, 2012
- **Second Interim**
  - Actuals for period ending January 31<sup>st</sup>
  - Due to San Diego County Office of Education by March 18, 2013
- **Unaudited Actuals**
  - Actuals for period ending June 30<sup>th</sup>
  - Due to San Diego County Office of Education by September 16, 2013

**First Interim  
versus  
Second Interim**

# Revenue



	2011-2012 Unaudited Actuals	2012-2013 Adopted Budget		2012-2013 First Interim	2012-2013 Second Interim	Difference
Revenue Limit Sources	33,137,193	33,141,279		32,849,696	33,167,794	318,098
Federal Revenues	1,244,529	895,363		964,799	1,001,433	36,634
Other State Revenues	4,490,897	4,361,648		4,669,971	4,701,066	31,095
Basic Aid Reduction	(2,295,052)	(2,532,886)		(2,541,881)	(2,541,881)	-
Other Local Revenues	3,912,217	3,111,962		3,265,649	3,159,431	(106,218)
Other Finance Sources	450,101	95,000		103,032	103,032	-
Total Revenues	40,939,885	39,072,366		39,311,266	39,590,875	279,609

# Revenue Variances



- Revenue Limit:
  - Increase in Property Taxes
- Federal:
  - Increase in IDEA funding allocation
- State:
  - Increase in EIA funding allocation
- Other Local:
  - Decrease in AB602 Special Education funding allocation
  - Increase in Fundraising, budgeted when received

# Expenditures



	2011-2012 Unaudited Actuals	2012-2013 Adopted Budget		2012-2013 First Interim	2012-2013 Second Interim	Difference
Certificated Salaries	23,098,128	23,650,982		23,372,415	23,315,018	(57,397)
Classified Salaries	6,251,700	6,498,544		6,546,616	6,552,672	6,056
Employee Benefits	7,230,342	7,323,280		7,286,123	7,264,516	(21,607)
Books & Supplies	1,776,200	1,496,836		1,585,556	1,637,711	52,155
Operating Expenses	4,351,473	4,372,766		4,723,342	4,783,099	59,757
Capital Outlay	455,243	55,000		30,000	146,136	116,136
Other Outgo	168,127	184,693		265,755	417,660	151,905
Total Expenditures	43,331,213	43,582,101		43,809,807	44,116,812	307,005

# Expenditure Variance



- **Salaries and Benefits:**
  - Adjustments due to staff leave of absences and related attrition.
- **Books and Supplies:**
  - Increases from Site Fundraising is budgeted when received and an increase in EIA funding allocation
- **Operating Expenditures:**
  - Increase in Restricted Maintenance due to unanticipated repairs
- **Capital Outlay and Other Outgo:**
  - Increases from anticipated security fencing projects, additional excess cost tuition for Special Education, and reflection of Deferred Maintenance contribution



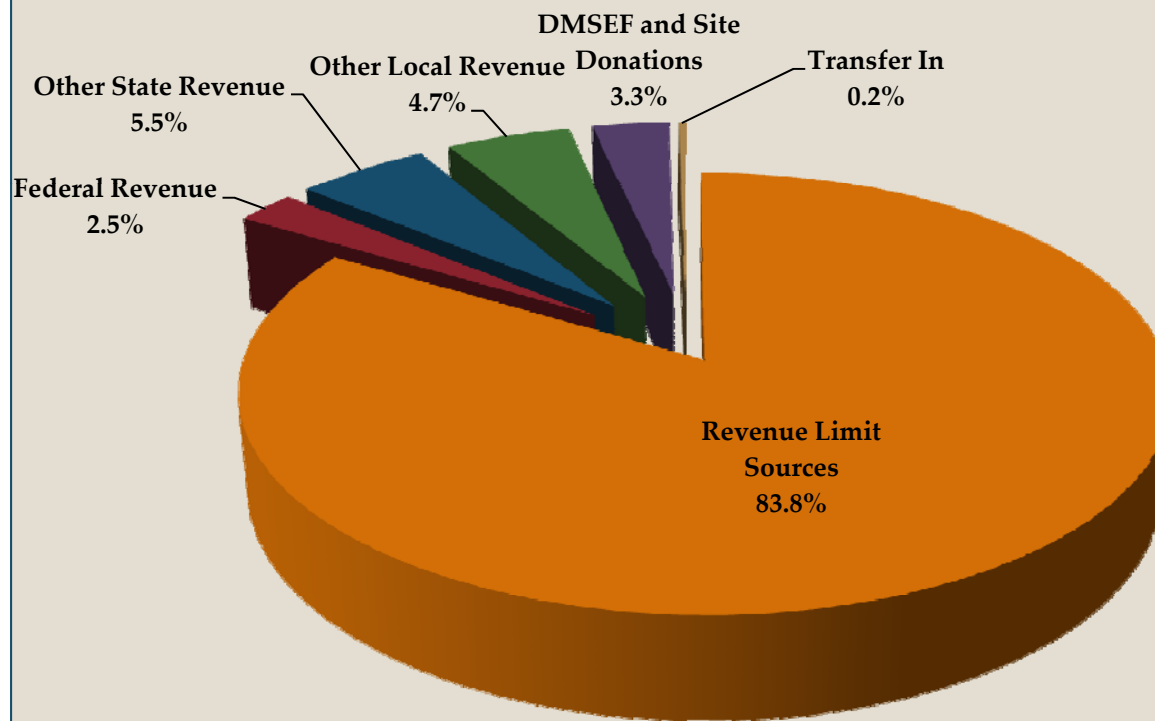
# Ending Fund Balance



	2011-2012 Unaudited Actuals	2012-2013 Adopted Budget	2012-2013 First Interim	2012-2013 Second Interim	Difference
<b>E. Net Increase (Decrease)</b>	(2,391,328)	(4,509,735)	(4,498,541)	(4,525,937)	(27,396)
<b>F. Fund Balance</b>					
Beginning Fund Balance (adjusted to actual)	15,413,914	13,022,586	13,022,586	13,022,586	-
Ending Fund Balance	13,022,586	8,512,851	8,524,045	8,496,649	(27,396)
Components of the Ending Fund Balance					
a) Nonspendable:					
Revolving Cash	25,000	25,000	25,000	25,000	
Prepaid Expenditures	202,930	200,718	200,718	200,718	
b) Restricted	222,872	222,872	2,312	2,312	
c) Committed	-	-	-	-	
d) Assigned	2,486,230	-	-	-	
e) Unassigned/Unappropriated:					
Reserve for Economic Uncertainty (3% minimum required)	1,299,936	1,307,463	1,314,294	1,323,504	
Unassigned/Unappropriated	8,785,618	6,756,798	6,981,721	6,945,115	
<i>Total Reserve Unassigned/Unappropriated</i>	23.3%	18.5%	18.9%	18.7%	
<i>Note: Board Approved 15% Reserve</i>	6,499,682	6,537,315	6,571,471	6,617,522	

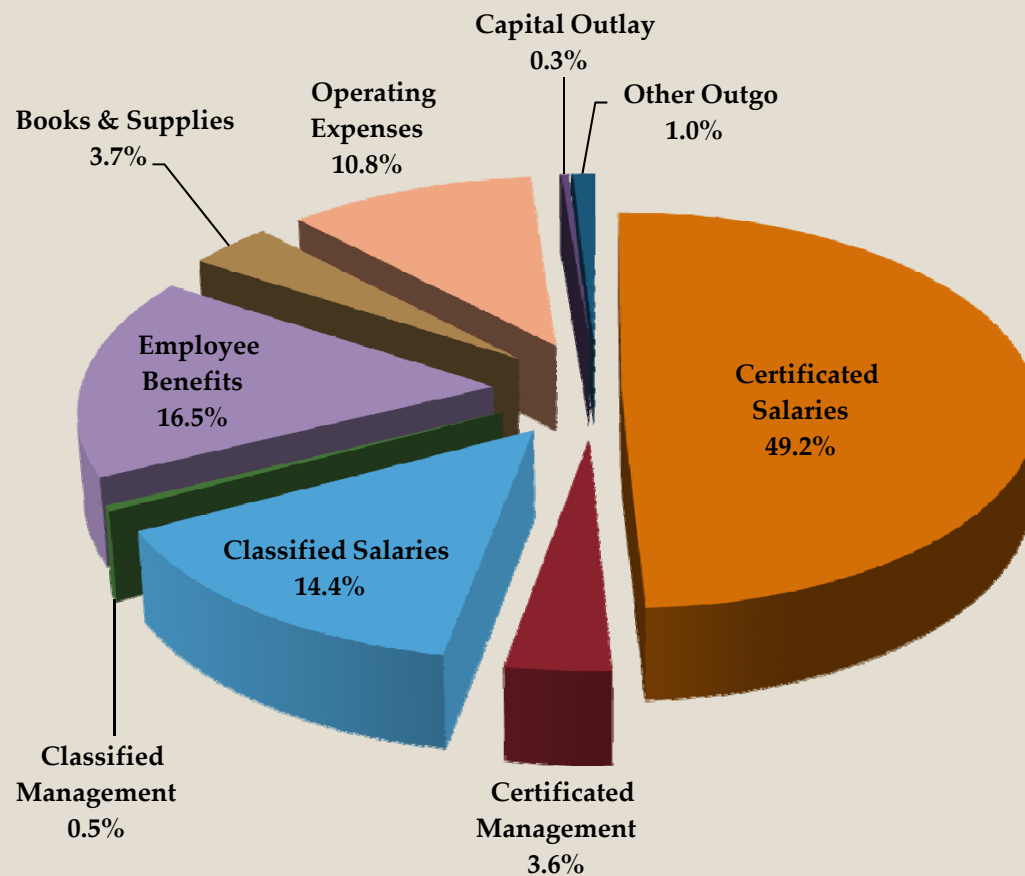
# **GENERAL FUND SUMMARY**

# 2012-2013 Revenue Summary



Revenue Limit Sources	33,167,794
Federal Revenue	1,001,433
Other State Revenue	2,159,185
Other Local Revenue	1,853,815
DMSEF and Site Donations	1,305,616
Transfer In	103,032
Total Revenue and Other Financing Sources	39,590,875

# 2012-2013 Expenditure Summary

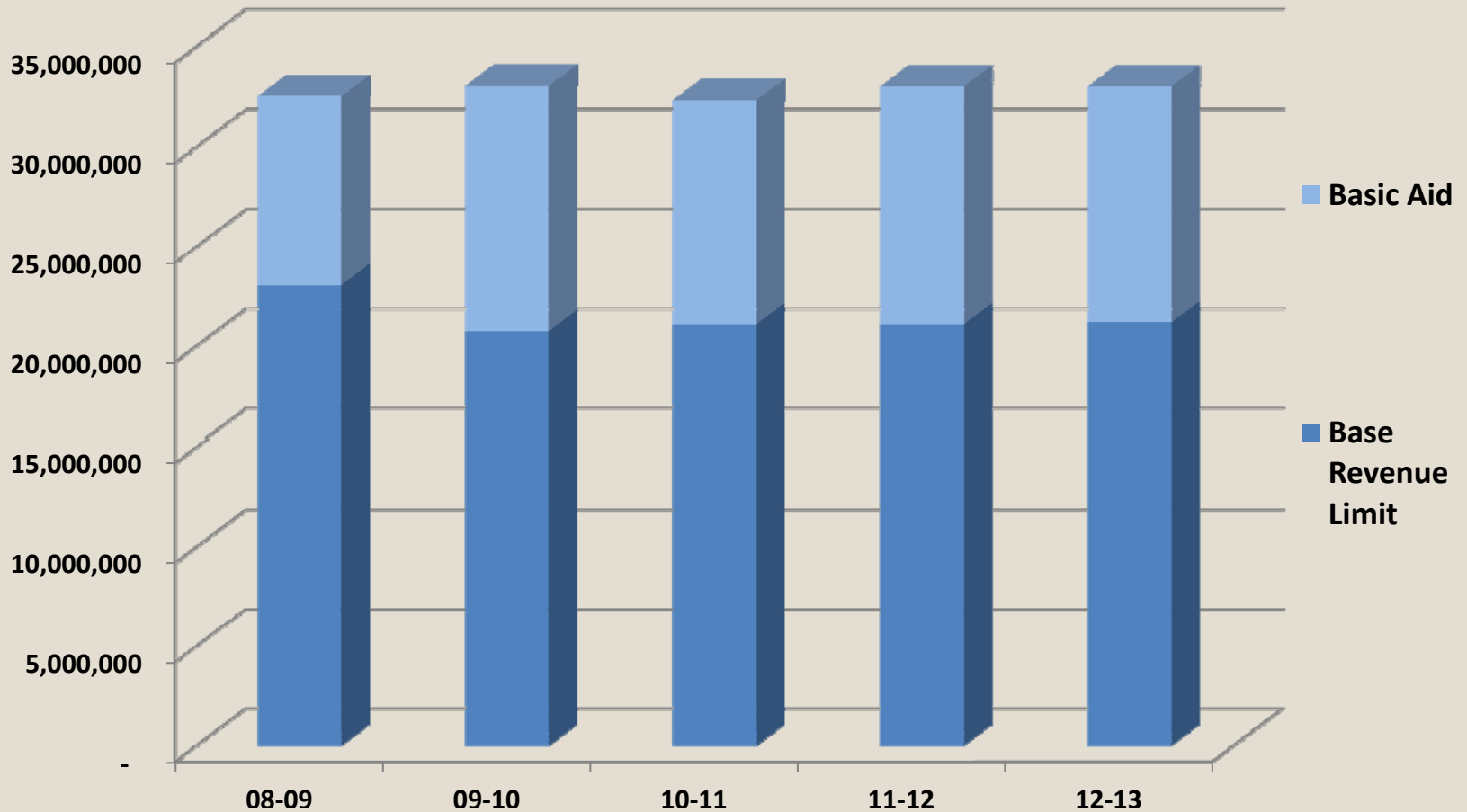


Certificated Salaries	21,718,285
Certificated Management	1,596,733
Classified Salaries	6,343,327
Classified Management	209,345
Employee Benefits	7,264,516
Books & Supplies	1,637,711
Operating Expenses	4,783,099
Capital Outlay	146,136
Other Outgo	417,660
Total Expenditures and Other Outgo	44,116,812

**Total Salary and Benefits = 84.2%**

# **HISTORICAL DATA SUMMARY**

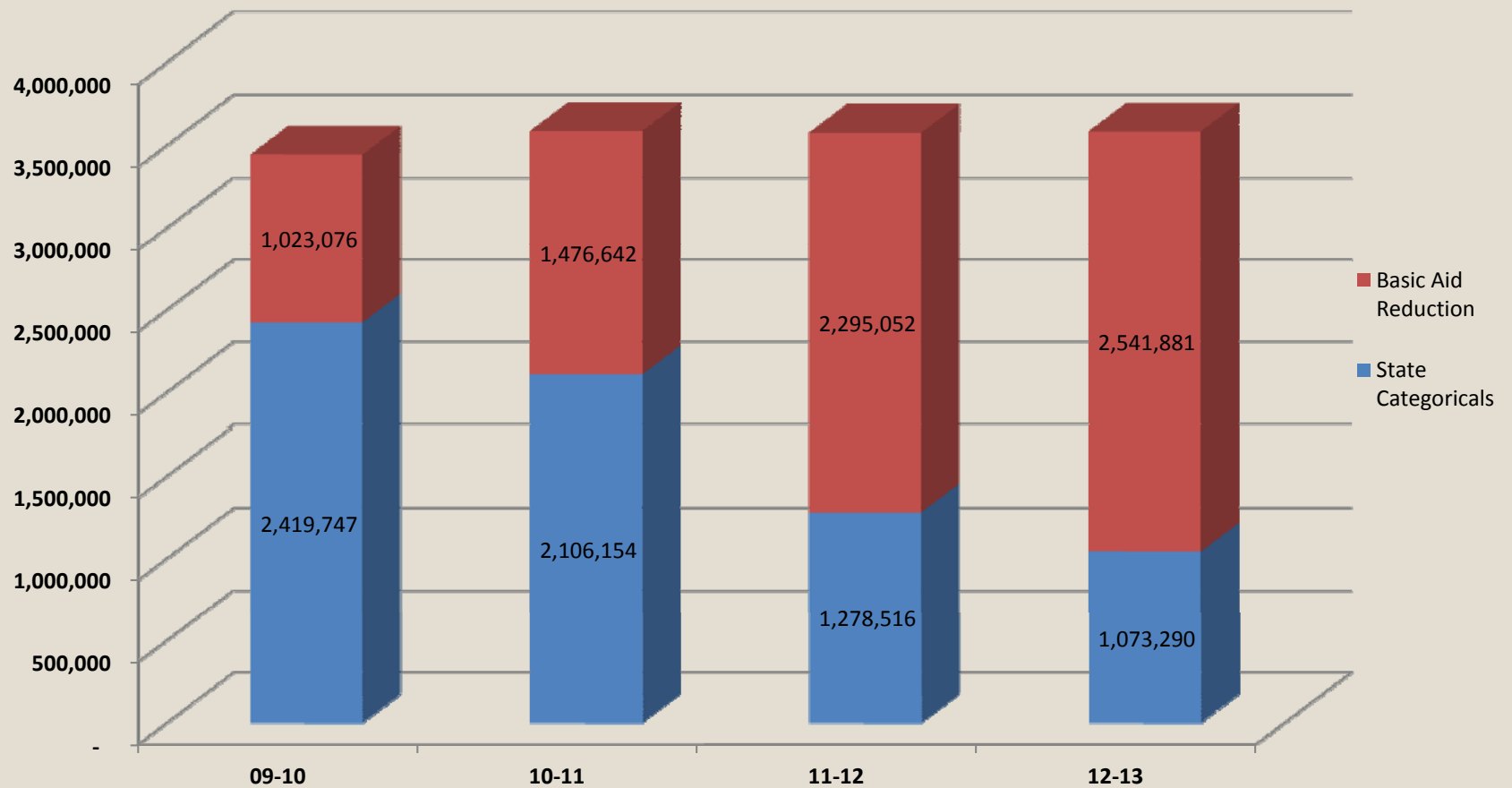
# Property Tax Revenue



Property Tax Total	32,529,656	33,043,893	32,327,178	33,011,096	33,028,404*
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\*Estimated Property Taxes

# Basic Aid Reduction – Fair Share



Total Categoricals	3,442,823	3,582,796	3,573,568	3,615,171
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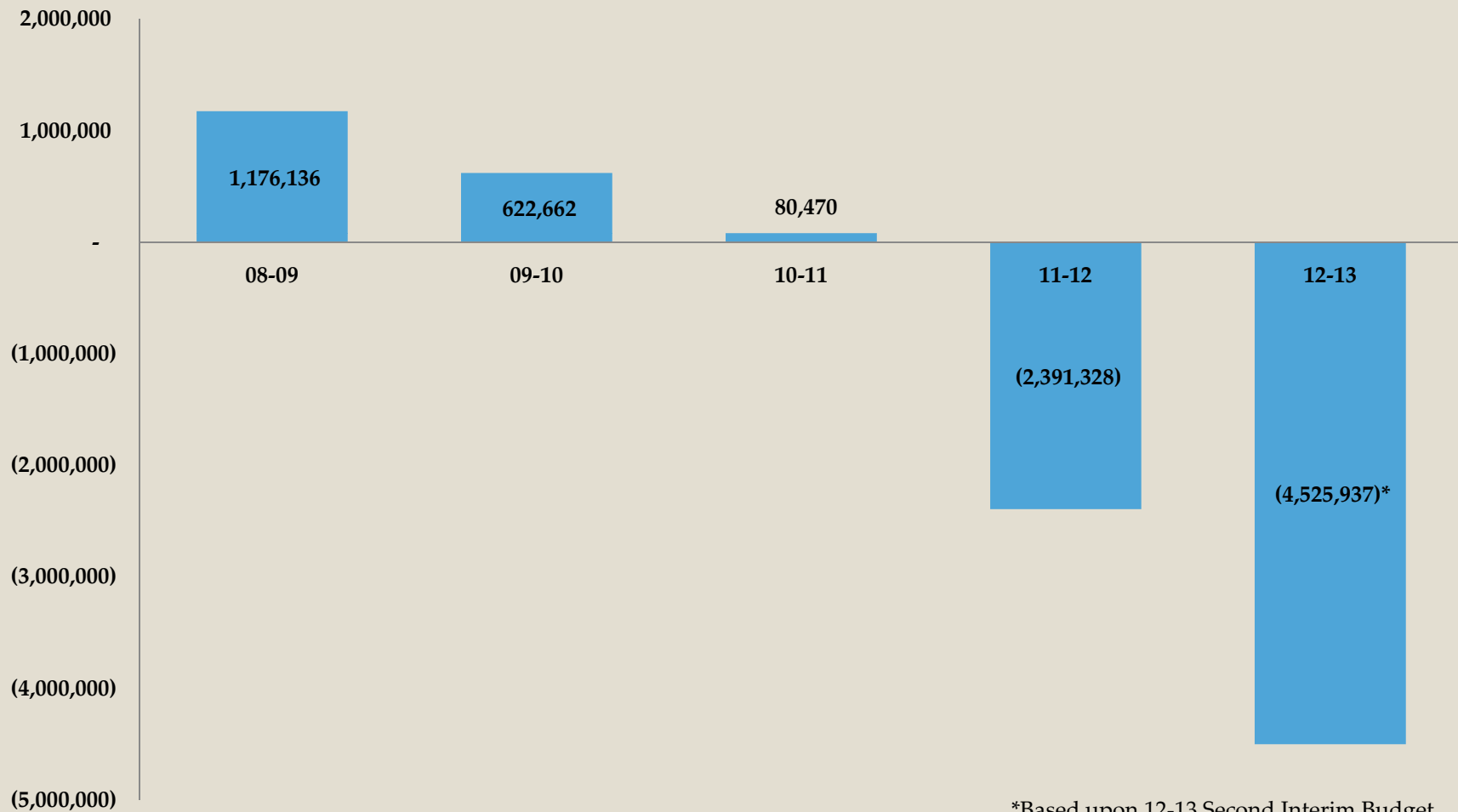
# 2012-2013 Fair Share by Program



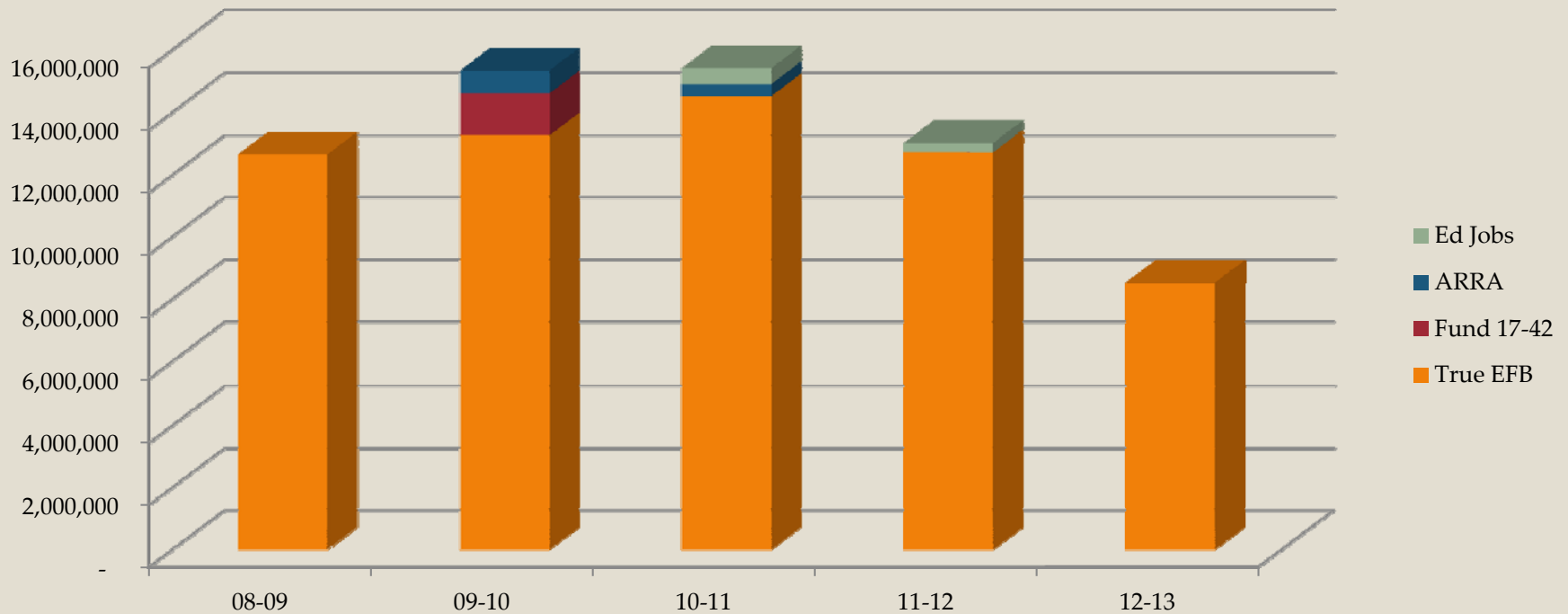
Program	2011-2012 Deferral	2012-2013 Estimated Entitlement	Reduction Due to Fair Share	Estimated 12-13 Cash Entitlement	Est. Deferral Subject to 13-14 Fair Share
Deferred Maintenance		135,126	-	135,126	-
PE Teacher Incentive Grant		117,406	(117,406)	-	-
Arts & Music Block Grant		56,770	(56,770)	-	-
GATE		27,800	(27,800)	-	-
IMFRP-Instructional Materials		224,045	(224,045)	-	-
Peer Assistance & Review		20,649	(20,649)	-	-
Math & Reading Prof. Development		35,074	(35,074)	-	-
Professional Development Block Grant		134,083	(134,083)	-	-
School & Library Improvement (SIP)		229,741	(229,741)	-	-
Administrator Training Program		2,425	(2,425)	-	-
Oral Health		4,027	(4,027)	-	-
BTSA		65,229	(65,229)	-	-
Class Size Reduction	1,056,060	2,326,212	(1,564,540)	770,937	1,046,795
Economic Impact Aid		176,492	-	176,492	-
Home to School Transportation		60,092	(60,092)	-	-
	1,056,060	3,615,171	(2,541,881)	1,082,555	1,046,795



# Change in Ending Fund Balance



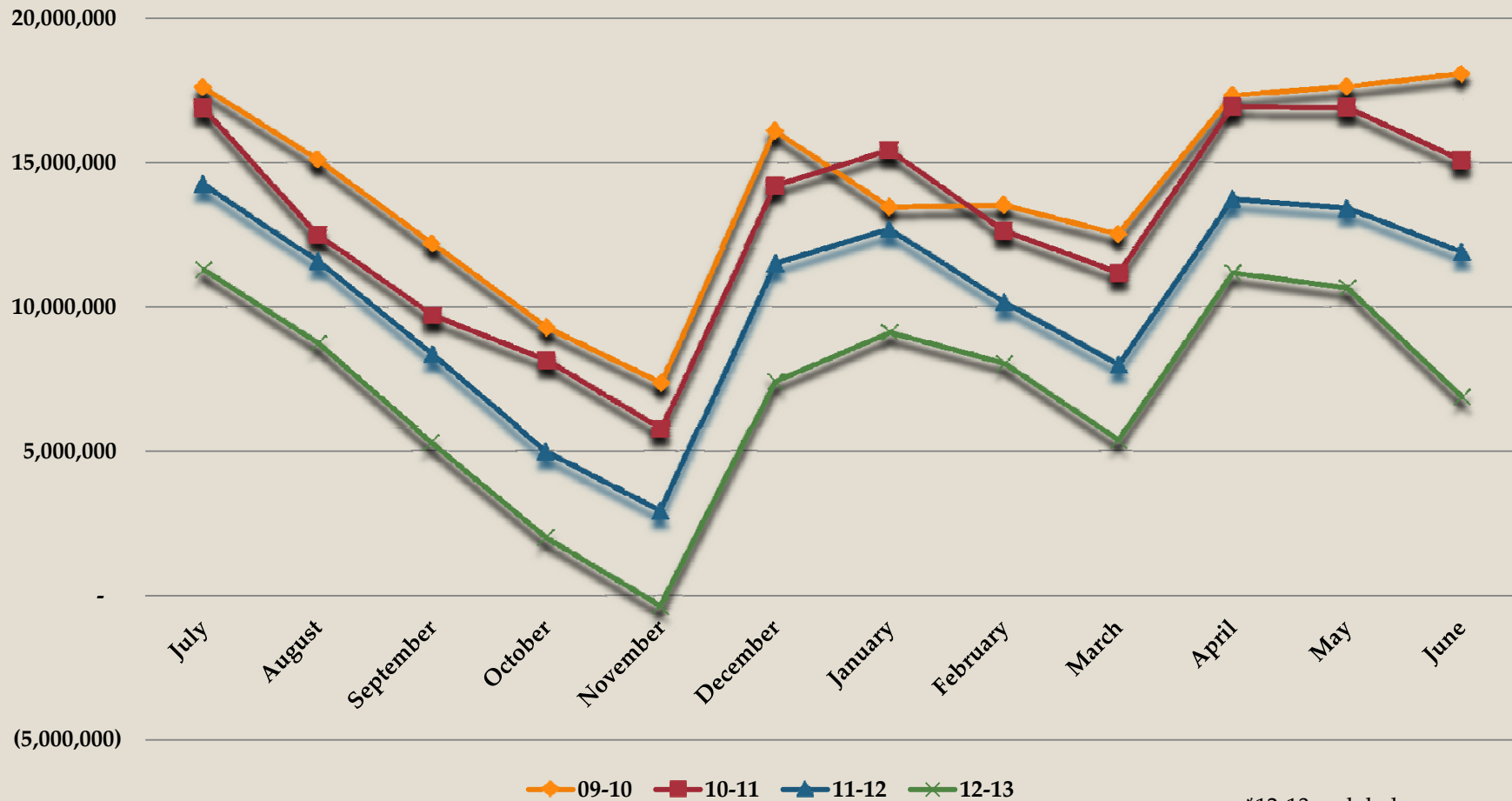
# What Helps Support Ending Fund Balance?



True EFB	12,657,981	13,280,642	14,528,303	12,725,021	8,496,649*
Fund 17-42	-	1,338,789	2,062	30	-
ARRA	-	714,013	383,279	-	-
Ed Jobs	-	-	500,270	297,534	-
Total EFB	12,657,981	15,333,444	15,413,914	13,022,585	8,496,649

\*Based upon 12-13  
Second Interim Budget

# Cash Balances



\*12-13 cash balances:  
Actuals January 2013,  
projected through June 2013

# LOOKING AHEAD

# Potential Changes in Projected Deficit Balance



- Property Tax Revenue
- Prop 30 funds allocation unknown at this time
- Local Control Funding Formula
- Carryover from unrestricted/restricted funds  
(will be shown as assignments at Unaudited Actuals)
- Final funding for Special Education

# Multi-Year Projection Assumptions



- Based upon the School Services of California Dartboard
- Property Tax Projection:
  - 2013-14      1% Increase
  - 2014-15      2% Increase
- Average Daily Attendance Projections:
  - 2013-14      4,167
  - 2014-15      4,106
- Salary: Step and Column – 2% annually
- Freeze Expenditures, eliminate Chromebook purchase
- Capital Outlay: Upgrade multiple school alarm systems and anticipated sewer maintenance at Carmel Del Mar, and Del Mar Hills HVAC controls upgrade
- Services: Enterprise Resource Planning system upgrade
- \$2,500,000 in budget solutions in 2013-14 and 2014-15
- Education Protection Account (Proposition 30) Funds in 2014-15

# Multi-Year Projection



DESCRIPTION	FY 2012-13 Current (Base Year)	FY 2013-14 First Projected Year	FY 2014-15 Second Projected Year
<b>Revenues:</b>			
Revenue Limit Sources	33,167,794	33,491,420	34,158,493
Federal Revenues	1,001,433	931,933	931,933
Other State Revenues	2,159,186	2,286,223	3,118,113
Other Local Revenues	3,159,431	3,235,746	3,237,954
Transfers In	103,032	95,000	95,000
<b>Total Revenues</b>	<b>39,590,876</b>	<b>40,040,322</b>	<b>41,541,493</b>
<b>Expenditures:</b>			
Certificated Salaries	23,315,018	23,749,384	24,192,437
Classified Salaries	6,552,672	6,683,725	6,817,400
Employee Benefits	7,264,516	7,403,271	7,544,801
Books & Supplies	1,637,711	895,791	892,649
Services, Other Operating Exp	4,783,099	4,751,281	4,599,941
Capital Outlay	146,136	320,000	0
Other Outgo - exclude Direct Sup.	128,141	134,550	134,550
Debt Service	164,215	164,214	92,811
Direct Support/Indirect Costs	(9,822)	(10,038)	(10,279)
Transfers Out	135,126	135,126	135,126
Projected Budget Reduction	0	(2,500,000)	(2,500,000)
<b>Total Expenditures</b>	<b>\$44,116,812</b>	<b>\$41,727,304</b>	<b>\$41,899,436</b>

# Multi-Year Projection Cont.



DESCRIPTION	FY 2012-13 Current (Base Year)	FY 2013-14 First Projected Year	FY 2014-15 Second Projected Year
Beginning Balance as of July 1	\$13,022,586	\$8,496,650	\$6,809,668
Net Increase (Decrease) In Fund Balance	(\$4,525,936)	(\$1,686,982)	(\$357,943)
Ending Balance	\$8,496,650	\$6,809,668	\$6,451,725
Revolving Cash	25,000	25,000	25,000
Other Reserves	200,718	200,718	200,718
Restricted	2,311	0	0
Stabilization Arrangements	0	0	0
Other Commitments	0	0	0
Assigned - Other Assignments	0	0	0
Reserve for Economic Uncertainties	1,323,504	1,251,819	1,256,983
Unassigned/Unappropriated Amount	6,945,117	5,332,131	4,969,024
<b>Total Reserve</b>	<b>\$8,268,621</b>	<b>\$6,583,950</b>	<b>\$6,226,007</b>
<b>Total Reserve Percentage</b>	<b>18.7%</b>	<b>15.8%</b>	<b>14.9%</b>
<b>Note: Board Approved 15% Reserve</b>	<b>6,617,522</b>	<b>6,259,095</b>	<b>6,284,915</b>