



2009-2010 Second Interim Report

March 2, 2010



Second Interim Report

- Education Code Section 42130 requires school district to submit two reports to the governing board during each fiscal year. The first report covers period ending October 31 and the second report covers period ending January 31. The report must be presented to and approved by the district governing board no later than 45 days after the close of the period being reported
- Changes from November 1 through January 31 are reflected in this report



Revenue Assumptions

- Total projected net decrease in revenues is \$289K
 - Decrease in projected ADA from 6,847 to 6,843
 - Decrease in Unemployment Insurance Revenue
 - Decrease in PERS Reduction
 - Federal, State and Local Revenue projections are adjusted due to changes in funding as per grant awards and apportionment letters received



Revenue Assumptions

Continued

- Some significant changes include the following:
 - Increase in Title I, Part A of \$40K
 - Decrease in Title III-Immigrant of \$30K
 - Increase in Title III-LEP of \$19K
 - Increase in Economic Impact Aid (EIA)-LEP of \$23K
 - Decrease in Special Education Revenues of \$319K



Expenditure Assumptions

- Total projected net decrease in expenditures is \$2M.
 - Net decrease in expenditures as a result of reduced revenues and revised grants of \$121K
 - Decrease in projected expenditures of \$594K
 - Decrease in ARRA – SFSF Categorical funds to be reallocated in FY 2010-11 of \$966K
 - Decrease in ARRA – Special Education to be reallocated in FY 2010-11 of \$319K

Other Assumption

- Assembly Bill X4 2 allows the District to reduce its Reserve for Economic Uncertainty from 3% to 1% for FY 2009/10. However, the District shall make progress towards the required 3% reserve by 2011/12

General Fund (In Thousands)

Second Interim Report 2009/10

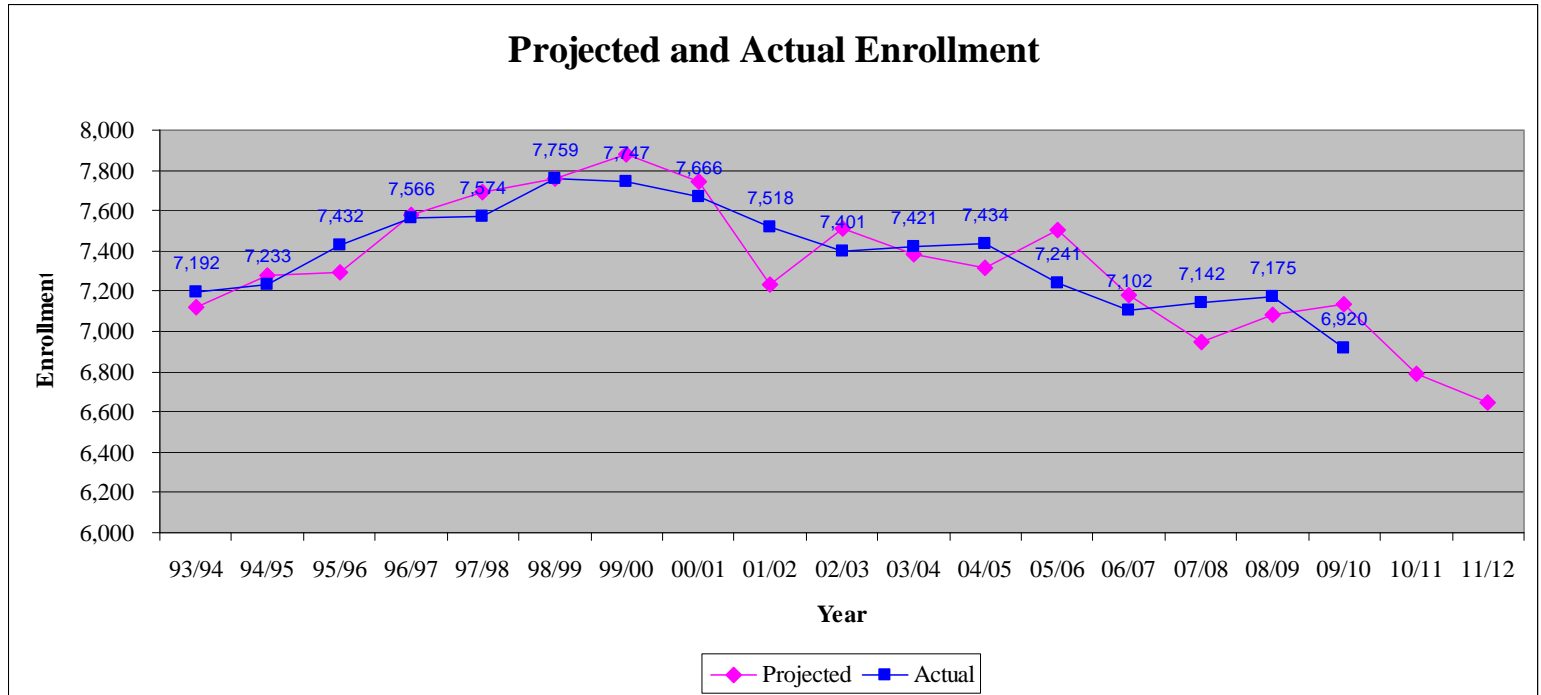
	Adopted Budget (A)	First Interim (B)	Second Interim (C)	Increase/ (Decrease) (C-B)
Revenues	\$ 54,355	\$ 53,532	\$ 53,243	\$ (289)
Interfund Transfer In	1,610	3,553	1,530	(2,023)
Total Sources of Funds	<u>\$ 55,965</u>	<u>\$ 57,085</u>	<u>\$ 54,773</u>	<u>\$ (2,312)</u>
Expenditures	\$ 55,460	\$ 60,339	\$ 58,295	\$ (2,044)
Interfund Transfer Out	329	321	321	0
Total Usage of Funds	<u>\$ 55,789</u>	<u>\$ 60,660</u>	<u>\$ 58,616</u>	<u>\$ (2,044)</u>
Net Increase/(Decrease) In Fund Balance	\$ 176	\$ (3,575)	\$ (3,843)	\$ (268)
Beginning Fund Balance	2,124	6,240	6,240	0
Ending Fund Balance	<u>\$ 2,300</u>	<u>\$ 2,665</u>	<u>\$ 2,397</u>	<u>\$ (268)</u>
Reserve for Encumbrances	\$ 118	\$ 126	\$ 126	0
Designated for EU-3%	1,674	1,820	586	(1,234)
Other Designation	508	719	1,685	966
Undesignated Funds	0	0	0	0

Interfund Transfer-In to General Fund

Fund	Adopted Budget (A)	First Interim (B)	Second Interim (C)	Increase/ (Decrease) (C-B)
12 Child Care repayment of prior year contribution	30,000	30,000	0	(30,000)
13 Child Nutrition repayment of prior year contribution	30,000	30,000	30,000	0
17 Balance 2008/09 budget*	0	1,394,248	1,397,448	3,200
53 Balance 2008/09 budget*	1,549,710	2,098,388	102,810	(1,995,578)
Total	<u>1,609,710</u>	<u>3,552,636</u>	<u>1,530,258</u>	<u>(2,022,378)</u>

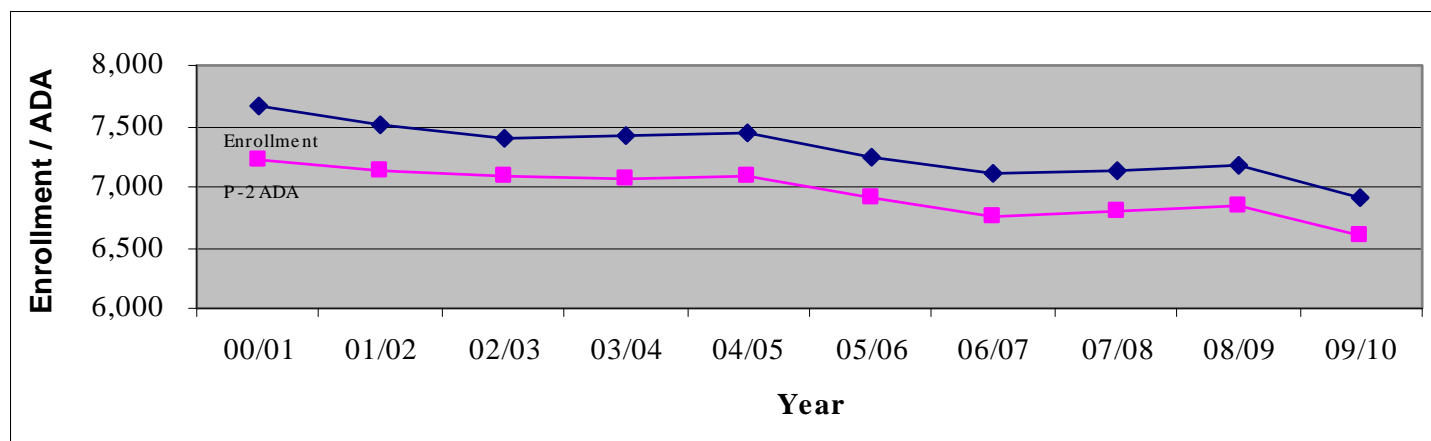
*To be refunded by General Fund in the future

Projected and Actual Enrollment 1993/94 - 2009/10



Enrollment vs. ADA

2000/2001 - 2009/2010

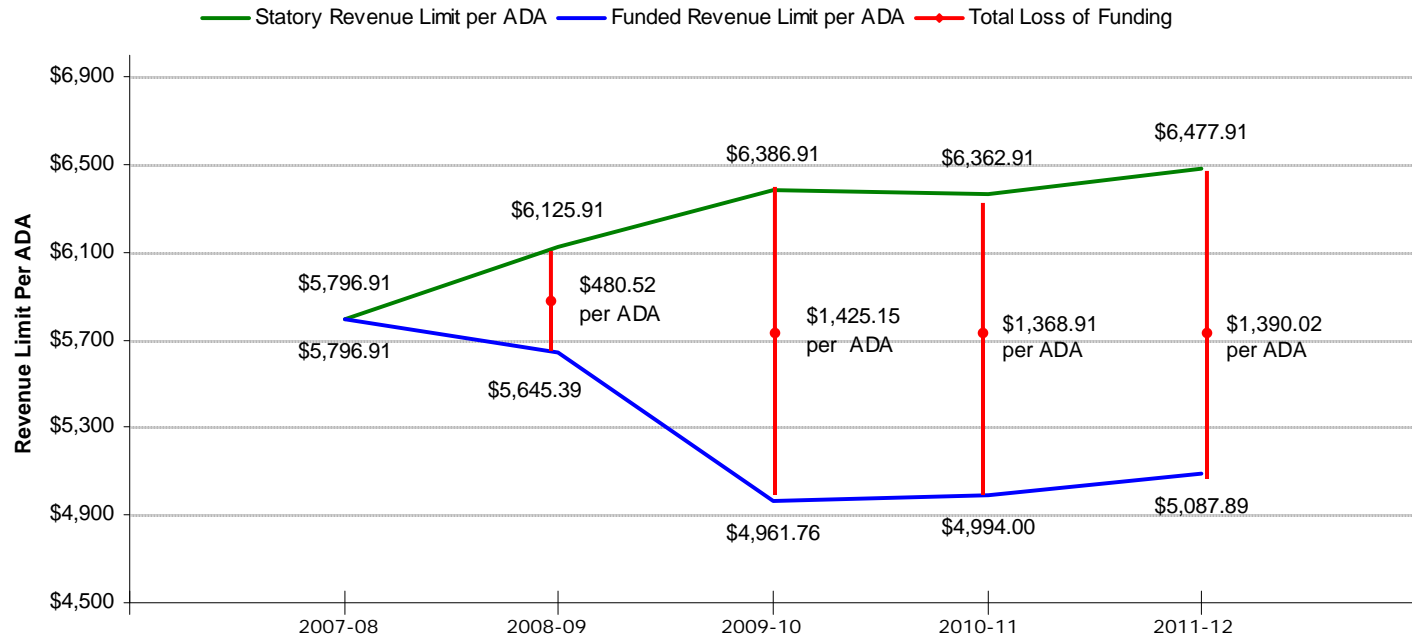


Year	Enrollment	P-2 ADA	Attendance Rate
00/01	7,666	7,229	94.30%
01/02	7,518	7,143	95.01%
02/03	7,401	7,096	95.88%
03/04	7,421	7,073	95.31%
04/05	7,434	7,086	95.32%
05/06	7,241	6,907	95.39%
06/07	7,102	6,765	95.25%
07/08	7,142	6,811	95.37%
08/09	7,175	6,855	95.53%
09/10	6,920	6,599	95.37%

Revenue Limit Comparison (In Thousands)

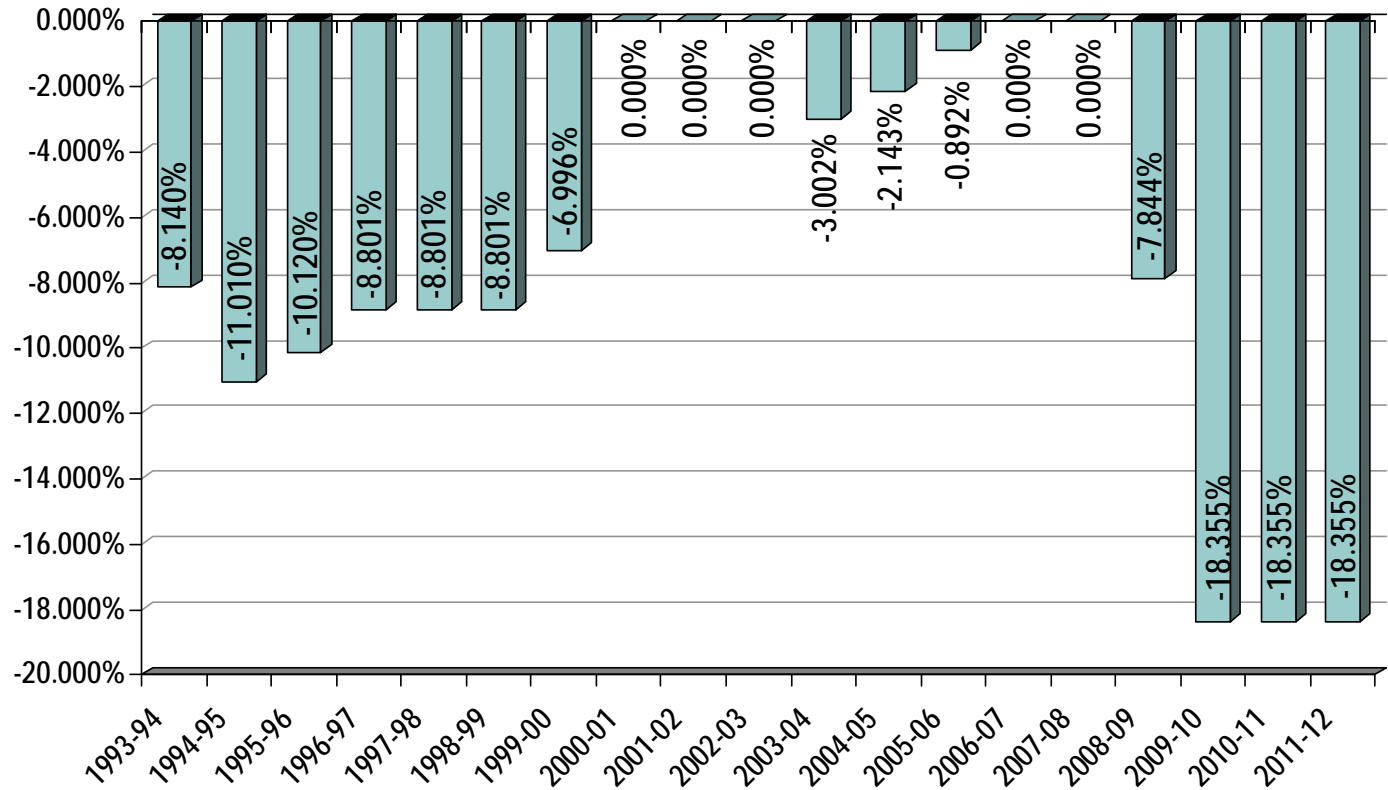
	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>
(A) Adopted Budget	36,378	36,478	36,896
<i>Statutory COLA</i>	4.250%	0.900%	2.400%
<i>Deficit</i>	17.967%	17.967%	17.967%
<i>Adjustments</i>	0	0	0
(B) First Interim Report	34,439	35,074	35,181
<i>Statutory COLA</i>	4.250%	0.500%	2.300%
<i>Deficit</i>	18.355%	18.355%	18.355%
<i>Adjustments</i>	-1,733	0	0
(C) Second Interim Report	34,420	33,385	33,305
<i>Statutory COLA</i>	4.250%	-0.380%	1.800%
<i>Deficit</i>	18.355%	18.355%	18.355%
<i>Adjustments</i>	-1,733	-1,326	-1,326
(C-B) Increase/(Decrease) in Funding	<u>(19)</u>	<u>(1,689)</u>	<u>(1,876)</u>
<i>Increase/(Decrease) in Statutory COLA</i>	0.000%	-0.880%	-0.500%
<i>Increase/(Decrease) in Deficit</i>	0.000%	0.000%	0.000%
<i>Increase/(Decrease) in Adjustments</i>	0	-1,326	-1,326

Revenue Limit Comparison



	Statory Revenue Limit per ADA	Deficit Factor	Revenue Limit Adjustmets	Revenue Limit per ADA	Funding Per ADA
2007-08	5,796.91	0.000%	0.00	5,796.91	0.00
2008-09	6,125.91	7.844%	0.00	5,645.39	(480.52)
2009-10	6,386.91	18.355%	252.83	4,961.76	(1,425.15)
2010-11	6,362.91	18.355%	201.00	4,994.00	(1,368.91)
2011-12	6,477.91	18.355%	201.00	5,087.89	(1,390.02)

Revenue Limit Deficit Factors



Multi Year Projection (In thousands)

	Proposed Budget 2009/10	Projected Budget 2010/11	Projected Budget 2011/12
Revenues	\$ 53,243	\$ 49,251	\$ 49,133
Interfund Transfer In	1,530	1,105	2,181
Total Sources of Funds	<u>\$ 54,773</u>	<u>\$ 50,356</u>	<u>\$ 51,314</u>
Expenditures	\$ 58,295	\$ 51,055	\$ 51,451
Interfund Transfer Out - Adult Ed	321	120	122
Total Usage of Funds	<u>\$ 58,616</u>	<u>\$ 51,175</u>	<u>\$ 51,573</u>
Net Increase/Decrease In Fund Balance	\$ (3,843)	\$ (819)	\$ (259)
Beginning Fund Balance	6,240	2,397	1,578
Ending Fund Balance	<u>\$ 2,397</u>	<u>\$ 1,578</u>	<u>\$ 1,319</u>
Reserve for Encumbrances	126	126	126
Designated for EU	\$ 586	\$ 512	\$ 1,547
Other Designation	1,685	940	1,416
Undesignated Funds	0	0	(1,770)

Multi Year Projection (In thousands)

without Budget Development Assumptions and Interfund Transfers In

	Proposed Budget 2009/10	Projected Budget 2010/11	Projected Budget 2011/12
Revenues	\$ 53,243	\$ 49,251	\$ 49,133
Interfund Transfer In	1,530	0	0
Total Sources of Funds	<u>\$ 54,773</u>	<u>\$ 49,251</u>	<u>\$ 49,133</u>
Expenditures	\$ 58,295	\$ 54,443	\$ 54,885
Interfund Transfer Out - Adult Ed	321	320	326
Total Usage of Funds	<u>\$ 58,616</u>	<u>\$ 54,763</u>	<u>\$ 55,211</u>
Net Increase/Decrease In Fund Balance	\$ (3,843)	\$ (5,512)	\$ (6,078)
Beginning Fund Balance	6,240	2,397	(3,115)
Ending Fund Balance	<u>\$ 2,397</u>	<u>\$ (3,115)</u>	<u>\$ (9,193)</u>
Reserve for Encumbrances	126	126	126
Designated for EU	\$ 586	\$ 548	\$ 1,656
Other Designation	1,685	1,186	1,662
Undesignated Funds	0	(4,975)	(12,637)



Certification of Financial Condition

Positive Certification

- Base upon current projections the district will meet its financial obligations for the current fiscal year and subsequent two fiscal years

Qualified Certification

- Base upon current projections the district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years

Negative Certification

- Base upon current projections the district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year

Other Funds (In Thousands)

	Fund 11 Adult Education	Fund 12 Child Development	Fund 13 Cafeteria	Fund 14 Deferred Maintenance
Revenues	\$ 57	\$ 736	\$ 2,178	\$ 2
Interfund Transfer In	321	0	0	0
Total Sources of Funds	<u>\$ 378</u>	<u>\$ 736</u>	<u>\$ 2,178</u>	<u>\$ 2</u>
Expenditures	\$ 397	\$ 861	\$ 2,184	\$ 297
Interfund Transfer Out	0	0	30	0
Total Usage of Funds	<u>\$ 397</u>	<u>\$ 861</u>	<u>\$ 2,214</u>	<u>\$ 297</u>
Net Increase/Decrease In Fund Balance	\$ (19)	\$ (125)	\$ (36)	\$ (295)
Beginning Fund Balance	186	125	429	389
Ending Fund Balance	<u><u>\$ 167</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 393</u></u>	<u><u>\$ 94</u></u>
Designated for Economic Uncertainties - 3%	\$ -	\$ -	\$ -	\$ -
Reserve for Encumbrances	-	-	14	-
Other Designations	-	-	-	-
Undesignated Fund Balance	167	0	379	94

Other Funds (In Thousands)

Continued

	Fund 17 Sp Rsrv for Othr Than Capital Outlay	Fund 21 Building	Fund 25 Capital Facilities	Fund 40 Sp Rsrv for Capital Outlay
Revenues	\$ 12	\$ 8	\$ 25	\$ 3
Interfund Transfer In	0	0	0	0
Total Sources of Funds	<u>\$ 12</u>	<u>\$ 8</u>	<u>\$ 25</u>	<u>\$ 3</u>
Expenditures	\$ -	\$ 540	\$ 14	\$ 162
Interfund Transfer Out	1,397	0	0	0
Total Usage of Funds	<u>\$ 1,397</u>	<u>\$ 540</u>	<u>\$ 14</u>	<u>\$ 162</u>
Net Increase/Decrease In Fund Balance	\$ (1,385)	\$ (532)	\$ 11	\$ (159)
Beginning Fund Balance	1,385	841	582	379
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 309</u></u>	<u><u>\$ 593</u></u>	<u><u>\$ 220</u></u>
Designated for Economic Uncertainties - 3%	\$ -	\$ -	\$ -	\$ -
Reserve for Encumbrances	-	-	-	-
Other Designations	-	-	-	-
Undesignated Fund Balance	0	309	593	220

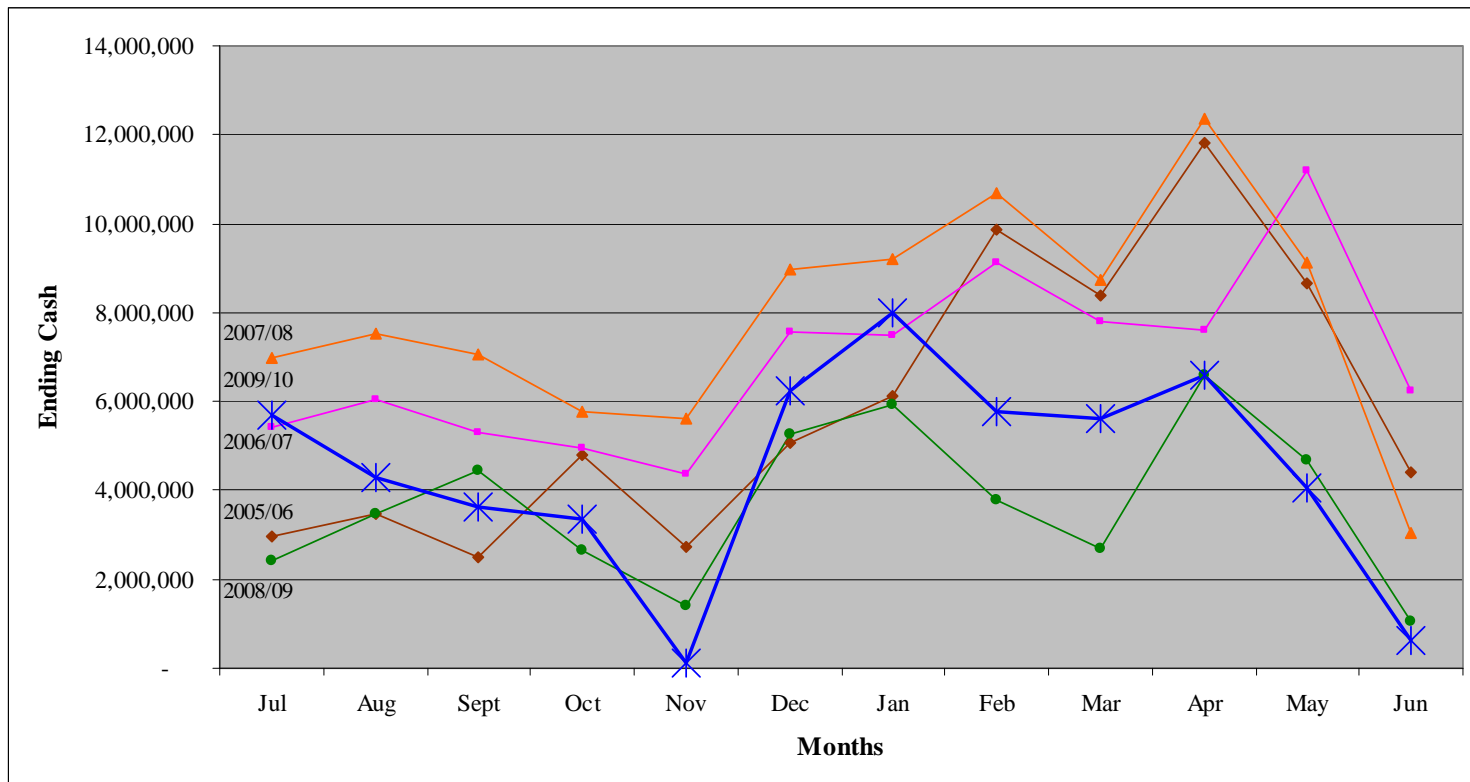
Other Funds (In Thousands)

Continued

	Fund 51 Bond Interest and Redemption	Fund 53 Tax Override	Fund 67 Postempl Benefits Self Insur	Fund 68 Property and Liability Self Insur
Revenues	\$ 4,811	\$ 30	\$ 536	\$ 450
Interfund Transfer In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Sources of Funds	<u>\$ 4,811</u>	<u>\$ 30</u>	<u>\$ 536</u>	<u>\$ 450</u>
Expenditures	\$ 4,722	\$ -	\$ 536	\$ 450
Interfund Transfer Out	<u>0</u>	<u>103</u>	<u>0</u>	<u>0</u>
Total Usage of Funds	<u>\$ 4,722</u>	<u>\$ 103</u>	<u>\$ 536</u>	<u>\$ 450</u>
Net Increase/Decrease In Fund Balance	\$ 89	\$ (73)	\$ -	\$ -
Beginning Fund Balance	<u>4,070</u>	<u>3,299</u>	<u>0</u>	<u>0</u>
Ending Fund Balance	<u><u>\$ 4,159</u></u>	<u><u>\$ 3,226</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Designated for Economic Uncertainties - 3%	\$ -	\$ -	\$ -	\$ -
Reserve for Encumbrances	-	-	-	-
Other Designations	-	3,226	-	-
Undesignated Fund Balance	4,159	0	0	0

Cash Flow Projection

NEWARK UNIFIED SCHOOL DISTRICT
CASH FLOW
ACTUAL AND PROJECTED FOR THE YEARS 2005/06 - 2009/10





Things to Consider

- Medi-Cal Administrative Activities (MAA)
- Parcel Tax
- Tier III Flexibility
- Operational Efficiencies
- School and Work Year
- Early Retirement Incentive



Looking Ahead

- Third Interim Report
- May Revision
- Budget Development Recommendations to the Board of Education