



# 2010-2011 First Interim Report

December 7, 2010

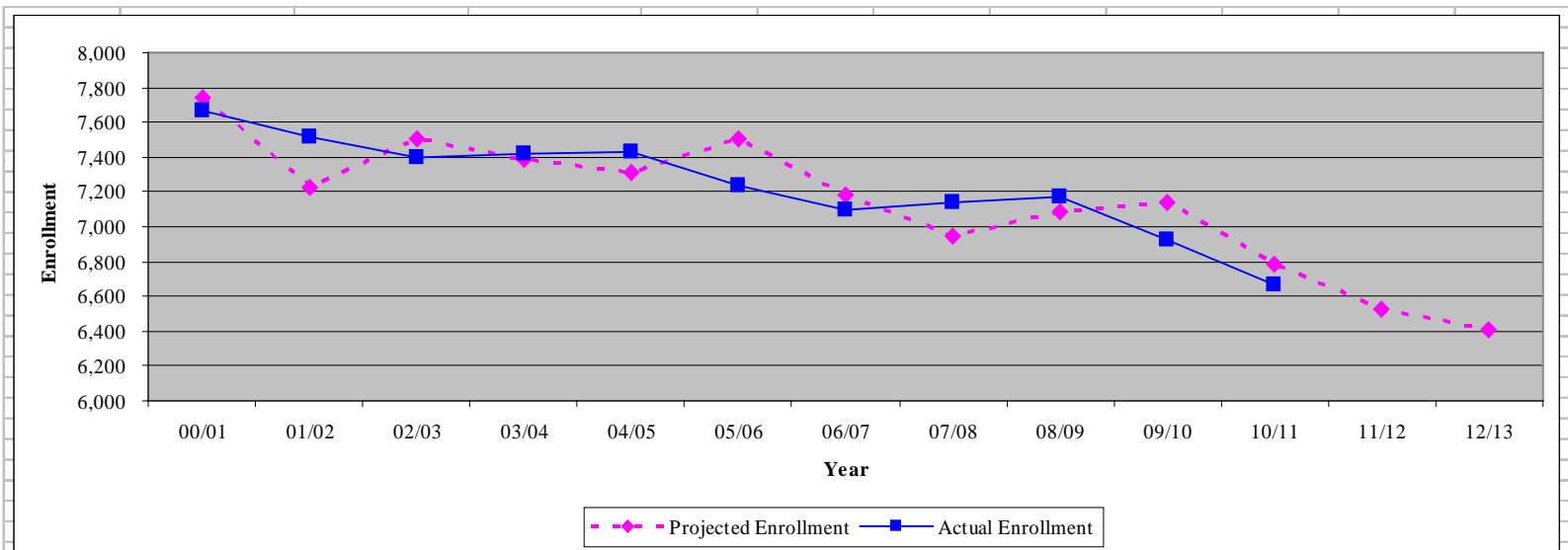


# First Interim Report

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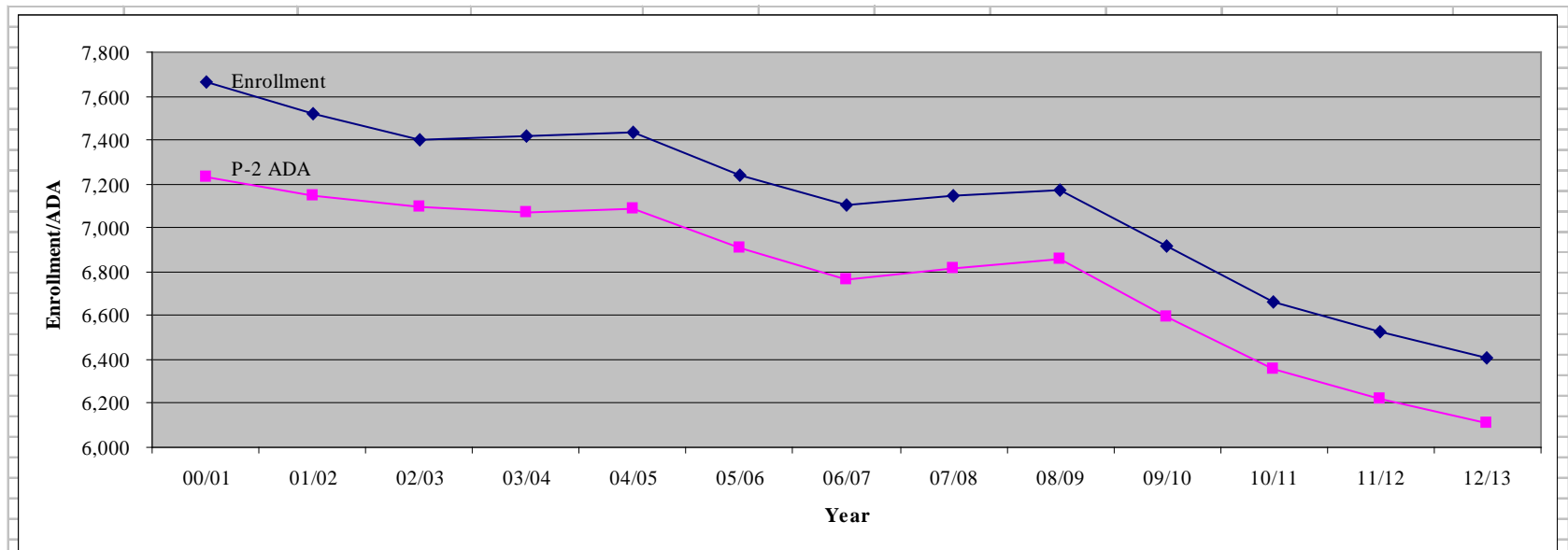
- Education Code Section 42130 requires a school district to submit two reports to the governing board during each fiscal year. The first report covers period ending October 31 and the second report covers period ending January 31. The report must be presented to and approved by the district governing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

# Projected and Actual Enrollment 2000/01 – 2012/13



Year	Projected Enrollment	Actual Enrollment	Variance
00/01	7,743	7,666	(77)
01/02	7,230	7,518	288
02/03	7,510	7,401	(109)
03/04	7,384	7,421	37
04/05	7,317	7,434	117
05/06	7,501	7,241	(260)
06/07	7,180	7,102	(78)
07/08	6,950	7,142	192
08/09	7,083	7,175	92
09/10	7,138	6,920	(218)
10/11	6,786	6,665	(121)
11/12	6,523		
12/13	6,405		

# Enrollment and Average Daily Attendance (ADA) 2000/01 - 2009/10



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	6,854	95.53%
09/10	6,920	6,598	95.35%
10/11	6,665	6,355	95.35%
11/12	6,523	6,220	95.35%
12/13	6,405	6,107	95.35%

# Revenue Assumptions

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- Total projected net increase in revenues is \$4.7M
  - Statutory COLA is -0.39%
  - Decrease in Deficit Factor from 18.355% to 17.963% - 165K
  - Elimination of Ongoing Deficit of 3.85% to be applied to the Undeficited Base Revenue Limit – 1.6M
  - Mandated Cost revenue projection - \$198K
  - Federal, State and Local Revenue projections are adjusted due to carryover of unspent funds from prior year and changes in funding as per grant awards and apportionment letters received

# Revenue Assumptions

## Continued

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- Some significant changes include the following:
  - New one-time funding for Education Jobs Fund of \$1.3M
  - Decrease in CSR K-3 of \$107K
  - Decrease in Title I, Part A of \$53K
  - Elimination of ELAP funding of \$60K
  - Carryover of unspent funds from prior years of \$1.7M

# Expenditure Assumptions

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- Total projected net increase in expenditures is \$1.8M
  - Based on the agreement with Newark Teachers Association (NTA), 3 staff development days are reduced from their work year and an additional 5 instructional days and class size limits for 2010/11 and 2011/12
  - Based on the agreement with California School Employees Association (CSEA), 1 staff development day and 5 instructional days are reduced from the less than 12 month employees work year, and 2 days from the 12 month employees work year
  - Newark Management and Confidential employees still have an ongoing reduced work year of 5 days and 2 days respectively
  - Expenditure categories are adjusted to reflect the projection for the year
  - Carryover of unspent funds from prior year is budgeted at 2.2M

# Other Assumption

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- Interfund Transfer Out of \$51K is the transfer to Fund 12 – Child Development to balance its budget.
- 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)

## First Interim Report 2010/11

	Adopted Budget (A)	First Interim (B)	Increase/ (Decrease) (B-A)
Revenues	\$ 49,837	\$ 54,533	\$ 4,696
Interfund Transfer In	425	395	(30)
<b>Total Sources of Funds</b>	<b>\$ 50,262</b>	<b>\$ 54,928</b>	<b>\$ 4,666</b>
Expenditures	\$ 51,585	\$ 53,407	\$ 1,822
Interfund Transfer Out	0	51	51
<b>Total Usage of Funds</b>	<b>\$ 51,585</b>	<b>\$ 53,458</b>	<b>\$ 1,873</b>
<b>Net Increase/(Decrease) In Fund Balance</b>	<b>\$ (1,323)</b>	<b>\$ 1,470</b>	<b>\$ 2,793</b>
<b>Beginning Fund Balance</b>	<b>2,409</b>	<b>3,425</b>	<b>1,016</b>
<b>Ending Fund Balance</b>	<b>\$ 1,086</b>	<b>\$ 4,895</b>	<b>\$ 3,809</b>
Reserve for Encumbrances	\$ 126	\$ 101	(25)
Designated for EU-3%	517	535	18
Other Designation	443	2,271	1,828
Undesignated Funds	0	1,988	1,988

# Interfund Transfer-In to General Fund

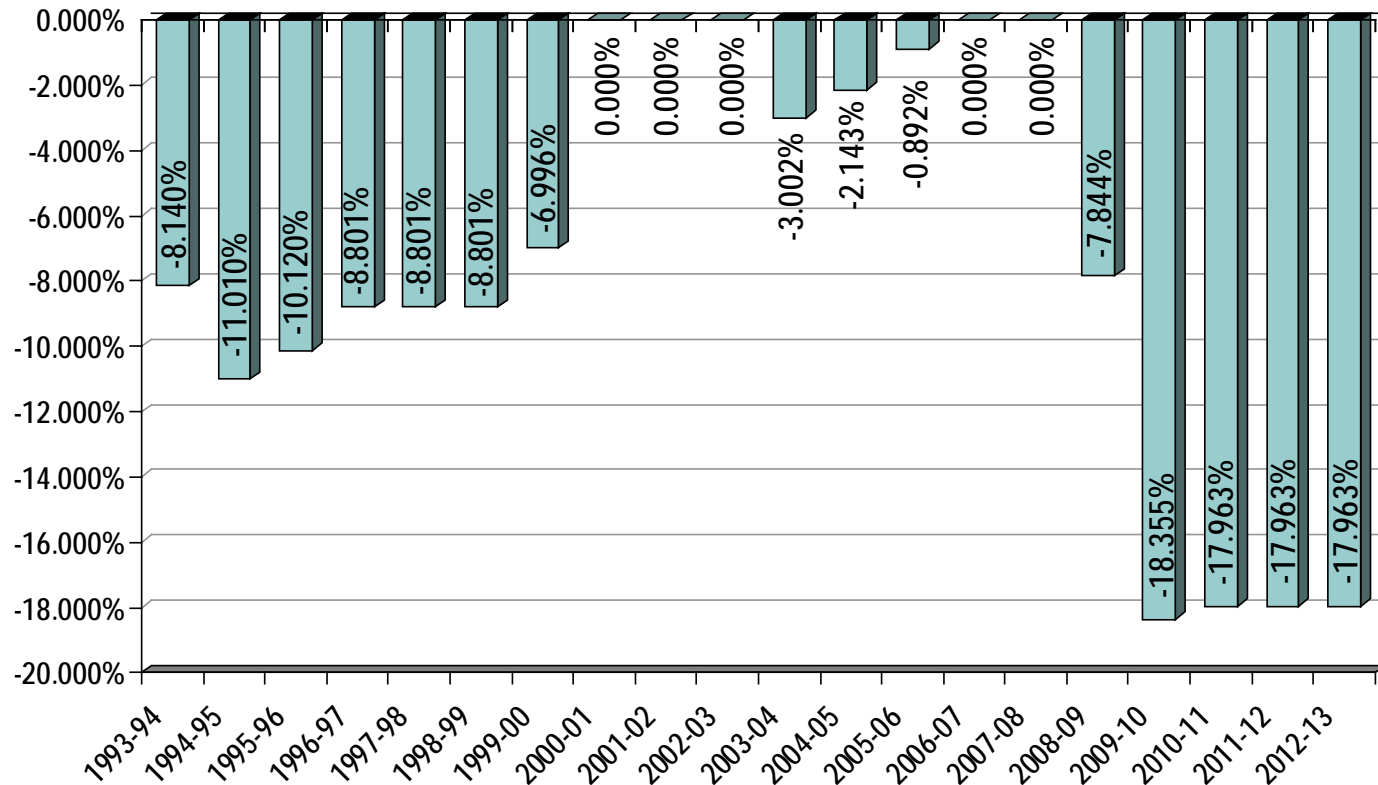
Fund	Adopted Budget (A)	First Interim (B)	Increase/ (Decrease) (D - C)
12 Child Care repayment of prior year contribution	30,000	0	(30,000)
13 Child Nutrition repayment of prior year contribution	0	0	0
17 Balance 2009/10 budget*	395,074	395,074	0
53 Balance 2009/10 budget	0	0	0
Total	<u>425,074</u>	<u>395,074</u>	<u>(30,000)</u>

\*To be refunded by General Fund in the future

# Revenue Limit Comparison (In Thousands)

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
(A) Adopted Budget	<b>33,263</b>	<b>33,278</b>	<b>33,358</b>
<i>Statutory COLA</i>	<i>-0.390%</i>	<i>2.100%</i>	<i>2.400%</i>
<i>Deficit</i>	<i>18.355%</i>	<i>18.355%</i>	<i>18.355%</i>
<i>Adjustments</i>	<i>-1,623</i>	<i>-1,618</i>	<i>-1,624</i>
(B) First Interim Report	<b>35,037</b>	<b>33,733</b>	<b>33,619</b>
<i>Statutory COLA</i>	<i>-0.390%</i>	<i>0.000%</i>	<i>1.900%</i>
<i>Deficit</i>	<i>17.963%</i>	<i>17.963%</i>	<i>17.963%</i>
<i>Adjustments</i>	<i>0</i>	<i>0</i>	<i>0</i>
(B-A) Increase/(Decrease) in Funding	<b><u>1,774</u></b>	<b><u>455</u></b>	<b><u>261</u></b>
<i>Increase/(Decrease) in Statutory COLA</i>	<i>0.000%</i>	<i>-2.100%</i>	<i>-0.500%</i>
<i>Increase/(Decrease) in Deficit</i>	<i>-0.392%</i>	<i>-0.392%</i>	<i>-0.392%</i>
<i>Increase/(Decrease) in Adjustments</i>	<i>1,623</i>	<i>1,618</i>	<i>1,624</i>

# Revenue Limit Deficit Factors



# Multi Year Projection (In thousands)

	Proposed Budget 2010/11	Projected Budget 2011/12	Projected Budget 2012/13
Revenues	\$ 54,533	\$ 49,900	\$ 50,936
Interfund Transfer In	395	0	0
Total Sources of Funds	<u>\$ 54,928</u>	<u>\$ 49,900</u>	<u>\$ 50,936</u>
Expenditures	\$ 53,407	\$ 52,076	\$ 56,687
Interfund Transfer Out - Child Care	51	0	0
Total Usage of Funds	<u>\$ 53,458</u>	<u>\$ 52,076</u>	<u>\$ 56,687</u>
Net Increase/Decrease In Fund Balance	\$ 1,470	\$ (2,176)	\$ (5,751)
Beginning Fund Balance	3,425	4,895	2,719
Ending Fund Balance	<u>\$ 4,895</u>	<u>\$ 2,719</u>	<u>\$ (3,032)</u>
Reserve for Encumbrances	101	101	101
Designated for EU	\$ 535	\$ 1,562	\$ 1,701
Other Designation	2,271	2,273	2,280
Undesignated Funds	1,988	(1,217)	(7,114)

# Certification of Financial Condition

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## **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)

	<b>Fund 11 Adult Education</b>	<b>Fund 12 Child Development</b>	<b>Fund 13 Cafeteria</b>	<b>Fund 14 Deferred Maintenance</b>
Revenues	\$ 95	\$ 679	\$ 2,133	\$ 1
Interfund Transfer In	0	51	0	0
Total Sources of Funds	<u>\$ 95</u>	<u>\$ 730</u>	<u>\$ 2,133</u>	<u>\$ 1</u>
Expenditures	\$ 295	\$ 769	\$ 2,176	\$ 77
Interfund Transfer Out	0	0	0	0
Total Usage of Funds	<u>\$ 295</u>	<u>\$ 769</u>	<u>\$ 2,176</u>	<u>\$ 77</u>
Net Increase/Decrease In Fund Balance	\$ (200)	\$ (39)	\$ (43)	\$ (76)
Beginning Fund Balance	<u>200</u>	<u>39</u>	<u>599</u>	<u>77</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 556</u></u>	<u><u>\$ 1</u></u>
Designated for Economic Uncertainties - 3%	\$ -	\$ -	\$ -	\$ -
Reserve for Encumbrances	-	-	15	-
Other Designations	-	-	-	-
Undesignated Fund Balance	0	0	541	1

# Other Funds (In Thousands)

## Continued

	<b>Fund 17 Sp Rsrv for Othr Than Capital Outlay</b>	<b>Fund 21 Building</b>	<b>Fund 25 Capital Facilities</b>	<b>Fund 40 Sp Rsrv for Capital Outlay</b>
Revenues	\$ 2	\$ 3	\$ 11	\$ 3
Interfund Transfer In	0	0	0	0
Total Sources of Funds	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 11</u>	<u>\$ 3</u>
Expenditures	\$ -	\$ 311	\$ -	\$ 105
Interfund Transfer Out	395	0	0	0
Total Usage of Funds	<u>\$ 395</u>	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ 105</u>
Net Increase/Decrease In Fund Balance	\$ (393)	\$ (308)	\$ 11	\$ (102)
Beginning Fund Balance	<u>1,395</u>	<u>776</u>	<u>596</u>	<u>255</u>
Ending Fund Balance	<u><u>\$ 1,002</u></u>	<u><u>\$ 468</u></u>	<u><u>\$ 607</u></u>	<u><u>\$ 153</u></u>
Designated for Economic Uncertainties - 3%	\$ -	\$ -	\$ -	\$ -
Reserve for Encumbrances	-	-	-	-
Other Designations	-	-	-	-
Undesignated Fund Balance	1,002	468	607	153



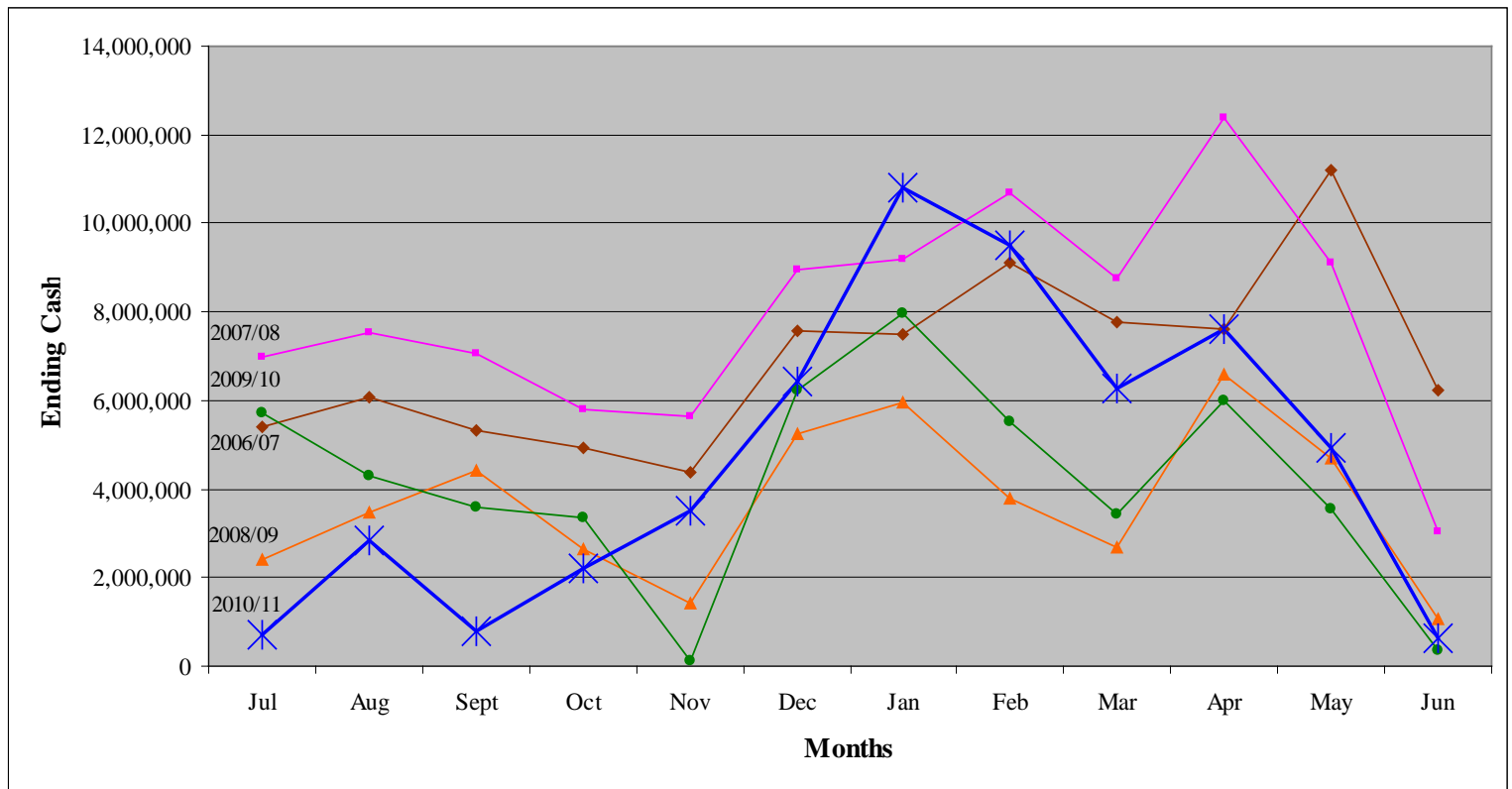
# Other Funds (In Thousands)

## Continued

	<b>Fund 51 Bond Interest and Redemption</b>	<b>Fund 53 Tax Override</b>	<b>Fund 67 Postempl Benefits Self Insur</b>	<b>Fund 68 Property and Liability Self Insur</b>
Revenues	\$ 4,775	\$ 17	\$ 616	\$ 340
Interfund Transfer In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Sources of Funds	<u>\$ 4,775</u>	<u>\$ 17</u>	<u>\$ 616</u>	<u>\$ 340</u>
Expenditures	\$ 4,891	\$ -	\$ 616	\$ 347
Interfund Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Usage of Funds	<u>\$ 4,891</u>	<u>\$ -</u>	<u>\$ 616</u>	<u>\$ 347</u>
Net Increase/Decrease In Fund Balance	\$ (116)	\$ 17	\$ -	\$ (7)
Beginning Fund Balance	<u>4,365</u>	<u>3,595</u>	<u>0</u>	<u>103</u>
Ending Fund Balance	<u><u>\$ 4,249</u></u>	<u><u>\$ 3,612</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 96</u></u>
Designated for Economic Uncertainties - 3%	\$ -	\$ -	\$ -	\$ -
Reserve for Encumbrances	-	-	-	-
Other Designations	-	-	-	-
Undesignated Fund Balance	4,249	3,612	0	96

# Cash Flow Projection

NEWARK UNIFIED SCHOOL DISTRICT  
CASH FLOW  
ACTUAL AND PROJECTED FOR THE YEARS 2006/07 - 2010/11





# Looking Ahead

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- Governor's Proposed 2011/12 State Budget in January 14, 2011
- Second Interim Report