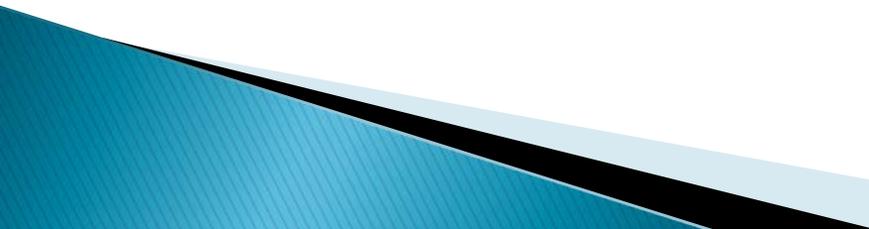


UNRESTRICTED FUND FINANCIAL UPDATE



»» 2011 / 12
ESTIMATED
ACTUALS

SOURCES AND USES OF FUNDS

FISCAL YEAR

	ACTUAL <u>2008-2009</u>	ACTUAL <u>2009-2010</u>	ACTUAL <u>2010-2011</u>	ESTIMATED ACTUAL <u>2011-2012</u>
SOURCES OF FUNDS				
BEGINNING FUND BALANCE	\$ 4,618,497	\$ 4,915,939	\$ 5,161,246	\$ 6,210,072
REVENUES				
PROGRAM-BASED FUNDING	\$ 40,985,225	\$ 41,358,344	\$ 40,794,971	\$ 41,361,700
FEDERAL	245	23,375	-	574
OTHER STATE	2,684,842	1,879,446	2,316,045	1,567,014
OTHER LOCAL	1,132,211	1,205,171	1,166,971	1,174,000
TOTAL REVENUE	44,802,523	44,466,336	44,277,987	44,103,288
TOTAL SOURCES	49,421,020	49,382,275	49,439,233	50,313,360
USE OF FUNDS				
SALARIES	27,899,435	27,950,220	27,876,476	28,569,333
BENEFITS	9,537,655	9,453,636	9,817,410	10,878,207
TOTAL SALARIES & BENEFITS	37,437,090	37,403,856	37,693,886	39,447,540
FIXED EXPENSES	1,880,347	1,885,216	2,094,515	2,239,000
OTHER OPERATING	3,514,111	3,296,545	2,496,615	2,704,901
CAPITAL OUTLAY	211,918	206,315	262,249	221,583
OTHER OUTGO	1,313,096	1,280,672	560,652	663,755
TOTAL OTHER EXPENSES	6,919,472	6,668,748	5,414,031	5,829,239
TOTAL USES	44,356,562	44,072,604	43,107,917	45,276,779
SOURCES OVER (UNDER) USES	5,064,458	5,309,671	6,331,316	5,036,581
TRANSFER IN (OUT)	(148,519)	(148,425)	(121,244)	(106,000)
ENDING FUND BALANCE	\$ 4,915,939	\$ 5,161,246	\$ 6,210,072	\$ 4,930,581
	11.1%	11.7%	14.4%	10.9%

2010/11 VS. 2011/12

	ACTUALS <u>2010/11</u>	EST. ACTUALS <u>2011/12</u>
▶ REVENUE	\$44,278K	\$44,103K
▶ EXPENDITURES	<u>\$43,108K</u>	<u>\$45,277K</u>
▶ SURPLUS/(DEFICIT)	\$1,170K	(\$1,174K)
▶ RESERVE	14.4%	10.9%

GOING FROM 2010/11 TO 2011/12 – WHAT HAPPENED?

▶ REVENUES – NET DECLINE OF \$175K

- PROPERTY TAXES INCREASED 170K
- ENROLLMENT INCREASED 397K
- STATE (PFE) AND LOCAL DECREASED (742K)

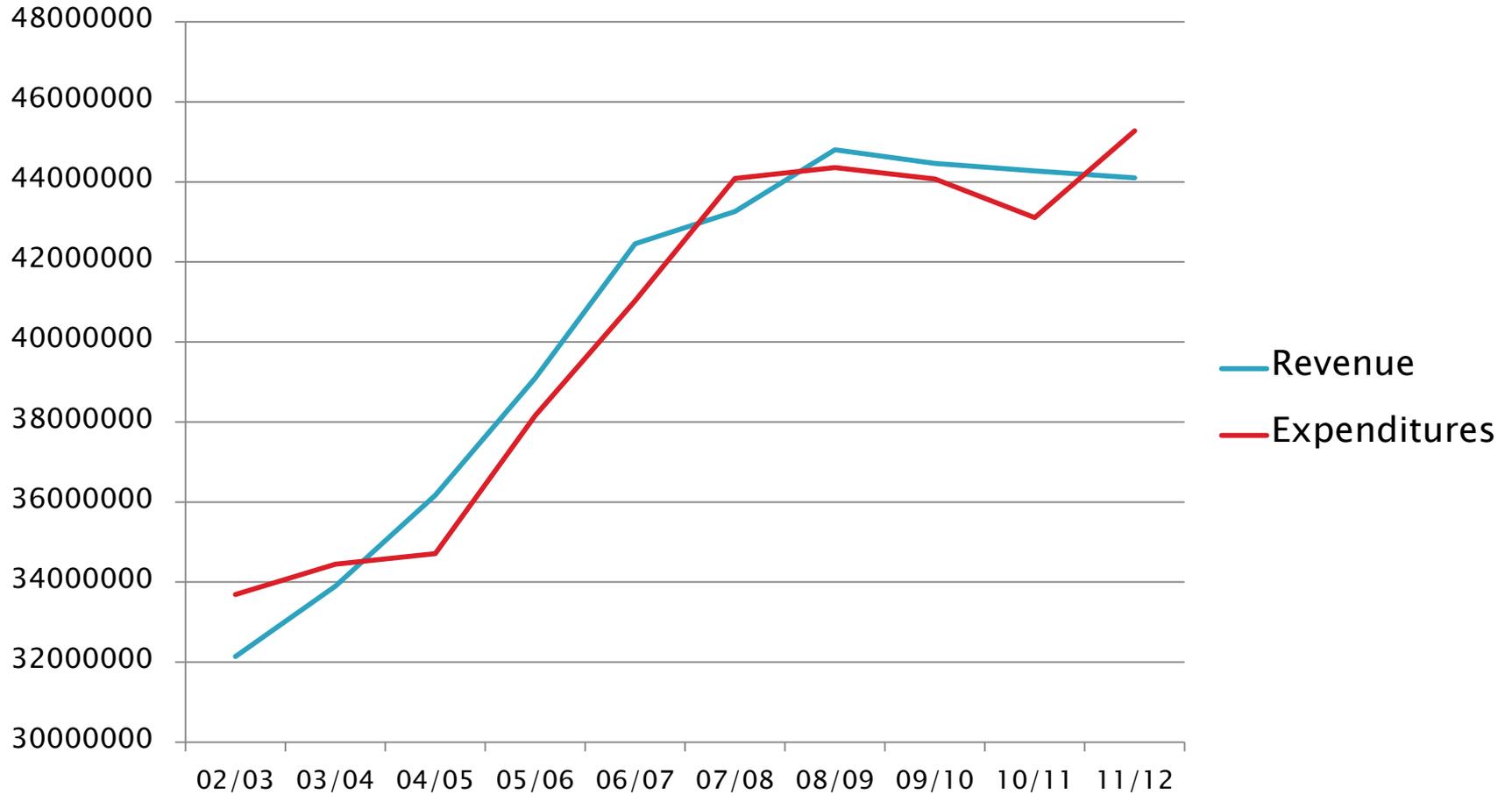
▶ EXPENDITURES INCREASED \$2,169K

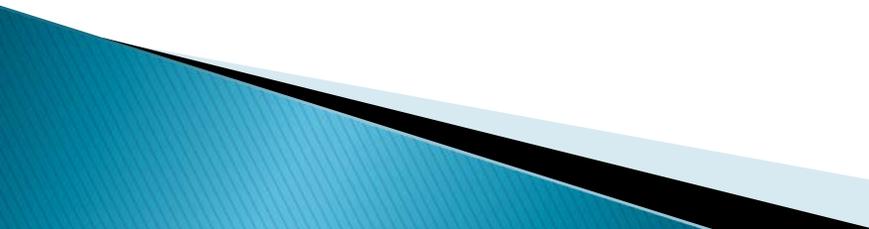
- SALARIES 693K
- BENEFITS 1,061K
- OTHER EXPENDITURES 415K

RESERVE

10.9%

REVENUE/EXPENDITURE TREND





»» 2012/13
REVENUE
ASSUMPTIONS

STRUCTURAL DEFICIT

- ▶ REVENUE STREAM NOT INCREASING FAST ENOUGH TO KEEP PACE WITH INCREASED EXPENDITURES
- ▶ INCREASING EXPENDITURES:
 - INCREASING HEALTH COSTS
 - STEP AND COLUMN INCREASES
 - COST OF LIVING FOR ITEMS PURCHASED
- ▶ REDUCES FUND BALANCE

PROPERTY TAXES

FISCAL YEAR	ACTUAL	ADOPTION BUDGET	ESTIMATED ACTUAL	TENTATIVE BUDGET							
	<u>2002-2003</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2011-2012</u>	<u>2012-13</u>
PROPERTY TAXES											
SECURED	24,544,121	28,100,100	30,615,880	33,450,987	35,766,615	37,713,052	38,039,678	37,601,190	38,501,323	37,887,630	39,045,308
SUPPLEMENTAL	956,966	1,466,253	1,611,902	1,247,943	1,174,183	751,877	375,548	386,798	415,000	416,572	416,572
UNSECURED	832,027	853,649	849,442	727,137	777,392	798,323	850,212	847,250	905,965	901,585	902,000
PRIOR-YEAR	67,792	93,181	63,309	133,711	114,687	103,062	96,382	98,399	105,000	33,740	35,000
TOTAL LOCAL TAXES	<u>26,400,906</u>	<u>30,513,183</u>	<u>33,140,533</u>	<u>35,559,778</u>	<u>37,832,877</u>	<u>39,366,314</u>	<u>39,361,820</u>	<u>38,933,637</u>	<u>39,927,288</u>	<u>39,239,527</u>	<u>40,398,880</u>

- Slow growth in all local taxes in recent years has created a structural deficit for the district
- Anticipated increase in secured taxes in 2012/13 is optimistic
- Expenses continue to increase but revenues have not

2012/13 REVENUE ASSUMPTIONS

▶ PROPERTY TAXES	2% increase	\$1,291K
▶ ENROLLMENT FEES (offset by BOG waivers)	\$10/unit inc.	\$ 215K
▶ P for E	100% elim.	(\$ 577K)
▶ OTHER STATE	No Mandated Costs	(\$ 317K)
▶ LOCAL REVENUE	Non-res. fees	\$ 56K

2011/12 VS. 2012/13

	EST. ACTUALS <u>2011/12</u>	BUDGET <u>2012/13</u>
REVENUE:		
▶ PROPERTY TAXES	\$39,377K	\$40,668K
▶ ENROLLMENT FEES	1,985K	2,200K
▶ STATE REVENUE	1,567K	673K
▶ LOCAL REVENUE	<u>1,174K</u>	<u>1,230K</u>
TOTAL REVENUE	<u>\$44,103K</u>	<u>\$44,771K</u>

\$668K INCREASE OVER 2011/12, PRIMARILY FROM PROPERTY TAXES OFFSET BY LOSS OF PFE

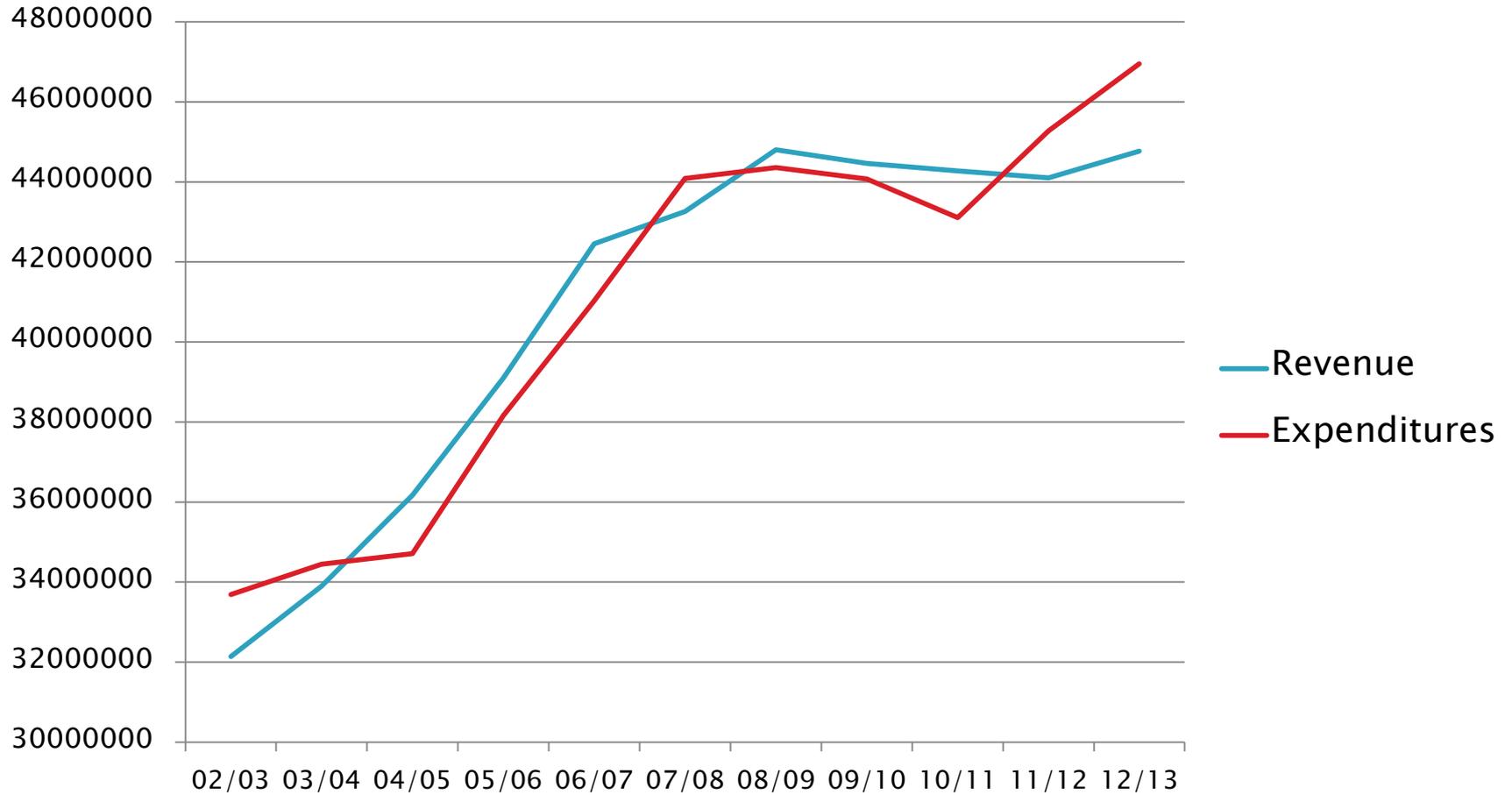
2012/13 OUTLOOK

- ▶ \$668K INCREASE IN REVENUE FROM 2011/12
- ▶ WHAT ABOUT EXPENDITURES?
 - EXPECT 12% INCREASE IN MEDICAL BENEFITS
 - EXPECT STEP AND COLUMN INCREASES
 - EXPECT COST OF PURCHASES TO INCREASE
- ▶ UNTIL REVENUES INCREASE SUBSTANTIALLY, THE DISTRICT IS LIKELY FACED WITH AN ONGOING STRUCTURAL DEFICIT

2012/13 EXPENDITURE ASSUMPTIONS

- ▶ CURRENT SPENDING PATTERNS ARE NOT SUSTAINABLE GIVEN CURRENT REVENUE STREAMS
- ▶ NEED TO REASSESS SPENDING PATTERNS AND PRIORITIES TO ALIGN WITH DISTRICT OBJECTIVES
- ▶ IN PROCESS OF REVIEWING EXPENDITURES

REVENUE/EXPENDITURE TREND



2012/13 TENTATIVE BUDGET

- ▶ **TENTATIVE BUDGET**
 - TEMPORARY UNTIL FINAL BUDGET IS ADOPTED
 - ALLOWS FOR DISTRICT SPENDING ON JULY1

- ▶ **PLAN TO ROLL THE 2011/12 ADOPTION BUDGET TO 2012/13 TENTATIVE PENDING FURTHER ANALYSIS OF EXPENDITURES**

FUTURE OUTLOOK

- ▶ REASSESS HOW WE OPERATE:
 - EVALUATE BUSINESS PROCESSES FOR TECHNOLOGY ENHANCEMENTS
 - IMPLEMENT PROCESS IMPROVEMENTS AND EFFICIENCIES
- ▶ PRIORITIZE LIMITED RESOURCES
- ▶ ADJUST SPENDING TO REVENUES RECEIVED