



Dixon Unified School
District
July 1 Budget (Single
Adoption)
2010/11

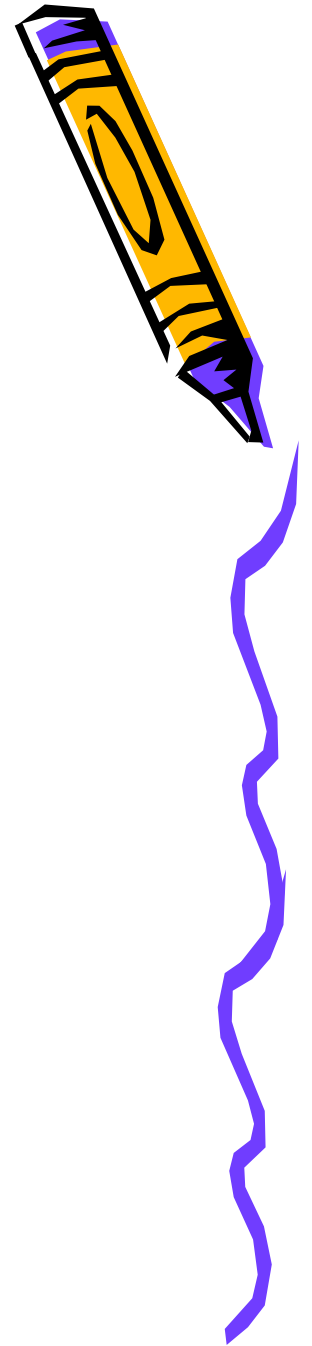
Roger A. Halberg, Superintendent

Prepared & Presented By:
Sandra J. Harrington, Chief Business Official



Agenda

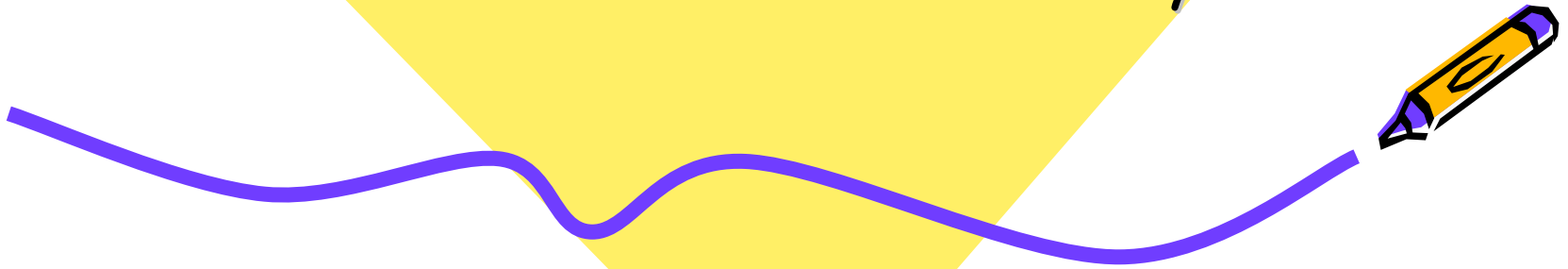
- Overview
- Public Hearing Tier III flexibility
- 2010/11 Budget
 - Preliminary Budget presented 6/3/2010
 - Revised per board directive
 - Assumptions/Changes
- Multi-Year Projections
 - Assumptions
 - Planning/Recommendations
- Cash Flow
 - Assumptions
 - Concerns
- Adoption/Certification



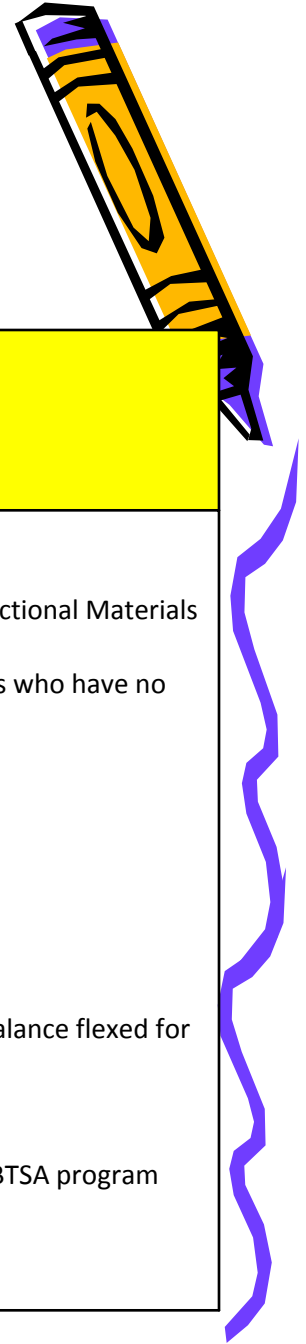


Public Hearing Overview

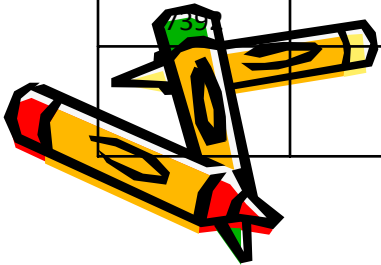
2009/10 Tier III Flexibility



Public Hearing - Tier III Flexibility 2009/10 Specific Purposes



Resource	Description	Allocation	Offset to SFSF	Purpose
0156	Instructional Materials Realignment, IMFRP	\$220,811		Purchase/Replacement of CORE Instructional Materials To support 11th & 12th grade students who have no passed CAHSEE
0705	CAHSEE	\$24,692		
7080	Supplemental School Counseling Program	\$117,472	<\$117,472>	To support Counseling positions
2430	Community Day School	\$29,914		To support Community Day School
7140	Gifted & Talented Educ. (GATE)	\$25,550		A portion used for testing purposes, balance flexed for cash flow, mitigate reductions
	BTSA	\$15,671		A portion used as a district match for BTSA program
	SUBTOTAL	\$434,110	\$117,472	



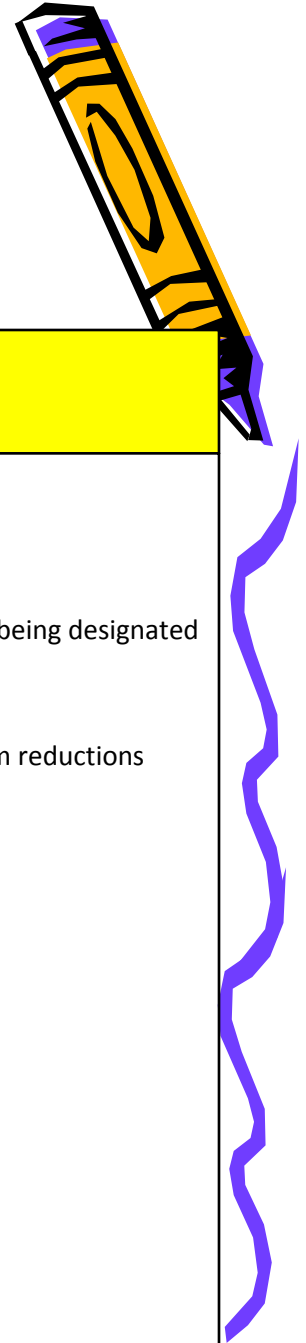
Public Hearing - Tier III Flexibility 2009/10 CDE Redirected to SFSF



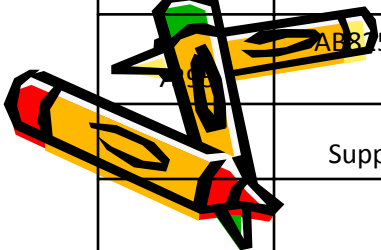
Resource	Description	Allocation	Offset to SFSF	Purpose
6405	School Safety & Violence Prevention, 9-12	\$30,406	<\$16,421>	Redirected funding used to offset costs of Counseling \$265,720
6760	Arts & Music Block Grant	\$59,555	<\$27,738>	
1200	Morgan Hart 9th CSR	\$119,905	<\$63,524>	
	Math & Reading Professional Development EL	\$17,034	<\$17,034>	
	Math & Reading Professional Development	\$16,031	<\$12,977>	
	Subtotal	\$242,931	\$137,694	Total transferred to SFSF by CDE



Public Hearing - Tier III Flexibility 2009/10 Other Designations

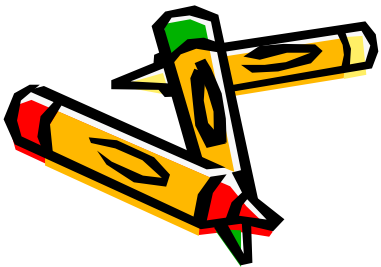
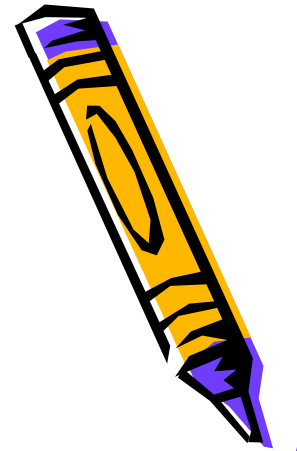


Resource	Description	Allocation	Offset to SFSF	Purpose
6205	Deferred Maintenance	\$131,180		The remaining Tier III flexed revenue is being designated for cash flow purpose, and to mitigate further staffing and program reductions
6285	CBET	\$27,780		
6390	Adult Ed (previous Fund 11)	\$287,278		
7271	Peer Assistance & Review (PAR)	\$17,547		
7294	Math & Reading Professional Development, EL	\$17,034		
7390	Pupil Retention Block Grant	\$11,653		
7393	AB825 Prof Dev Block Grant	\$91,533		
7394	Targeted Instructional Improvement	\$110,446		
7395	AB875 School & Library Improvement BG	\$198,211		
	Supplemental Hourly	\$126,691		
	SUBTOTAL	\$1,019,353		



2009/10 Tier III Flex Summary

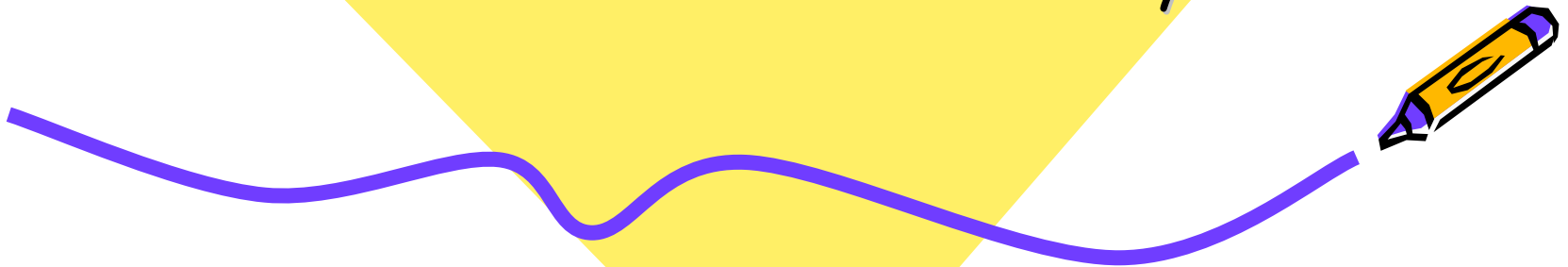
- Specific Purposes \$434,110 (includes Tier III counseling shift)
- Tier III \$242,931
 - SFSF shift \$255,166 (includes Tier III counseling shift)
- Designated to mitigate cash flow shortages due to state deferrals AND to mitigate staffing/program reductions \$1,019,353
- Total Tier III Flexed Revenue \$1,696,394





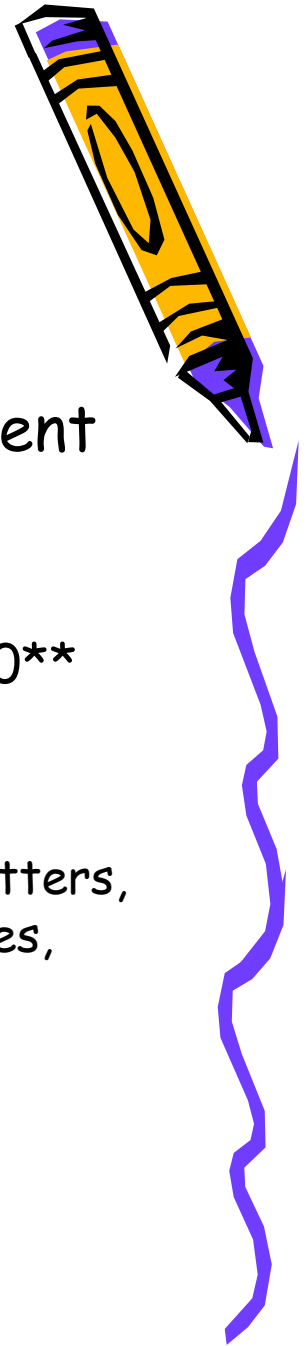
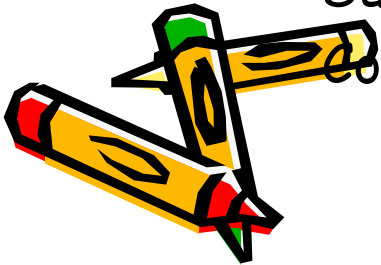
Public Hearing Overview

2010/11 Tier III Flexibility



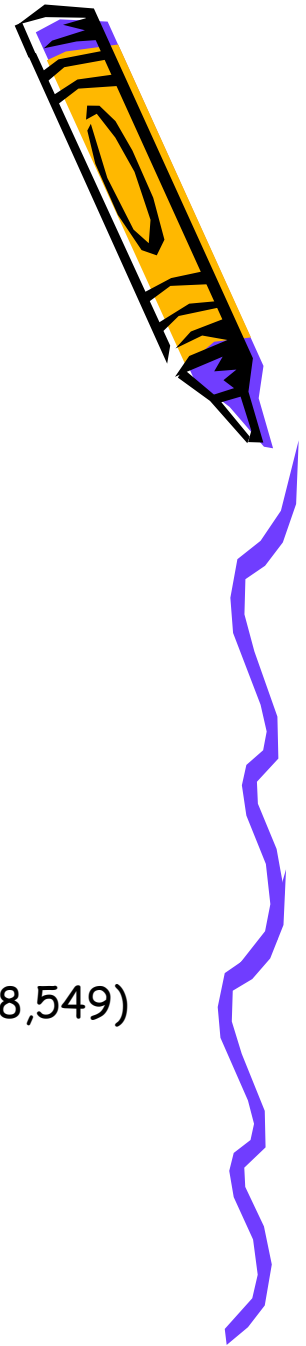
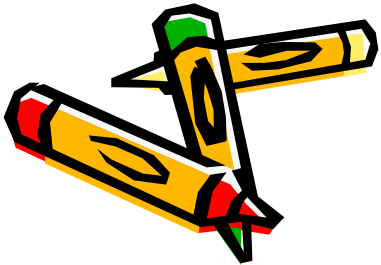
Tier III Flexed Resources/Revenue Specific Purposes/Original Intent

- Total Tier III Flexed & Used for Original Intent \$522,283**
 - Instructional Materials Fund \$219,972
 - State Deferred Maintenance contributions \$131,180**
 - \$74,850** budget on Deferred Maintenance Projects
 - Old DHS roof, Silveyville MPR roof, Silveyville gutters, Anderson ceiling tiles, Anderson paint/replace tiles, Tremont siding replacement
 - CAHSEE \$24,692
 - Supplemental School Counseling \$117,025
 - Community Day School (Additional Hours) \$29,414



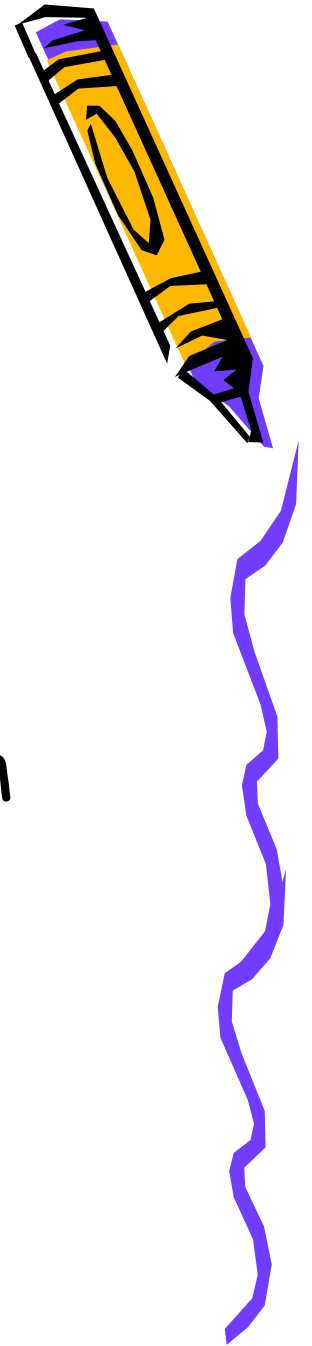
Tier III Flexed Resources/Revenue Educational Purposes

- Tier III Flexed for Educational Purposes \$1,183,624
 - California Based English Tutoring \$21,081
 - School Safety & Violence Prevention \$30,290
 - Arts & Music Block Grant \$55,433
 - Class Size Reduction - Morgan Hart 9th Grade \$119,449
 - Supplemental Hourly \$175,393**
 - \$50,000 designated for Summer School Program
 - Adult Education \$287,278
 - Gifted & Talented Education \$25,453
 - PAR \$17,480
 - AB825 Block Grants (Professional Development \$91,185; Pupil Retention \$11,609; Targeted Instructional Improvement \$110,026; School and Library \$197,458; Teacher Credentialing \$8,549)
 - Math & Reading Professional Development \$15,971
 - Math & Reading Professional Development EL \$16,969



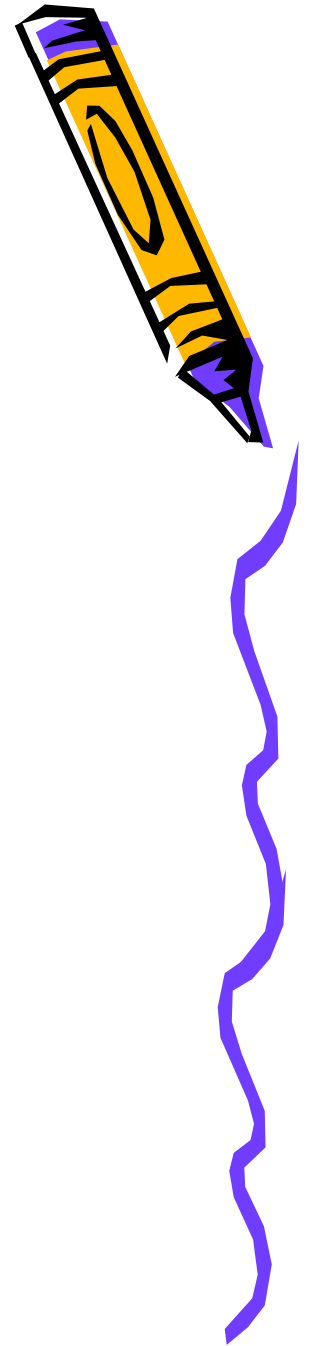
2010/11 Tier III Flexibility Summary

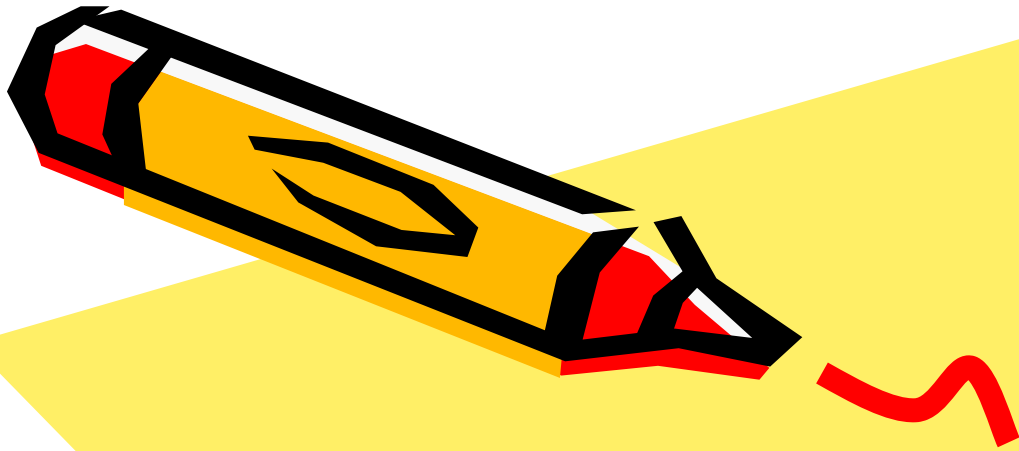
- Specific Purposes \$522,283
- Designated to mitigate cash flow shortages due to state deferrals AND to mitigate staffing/program reductions \$1,183,624
- Total Tier III Flexed Revenue \$1,705,907



2010/11 Budgets

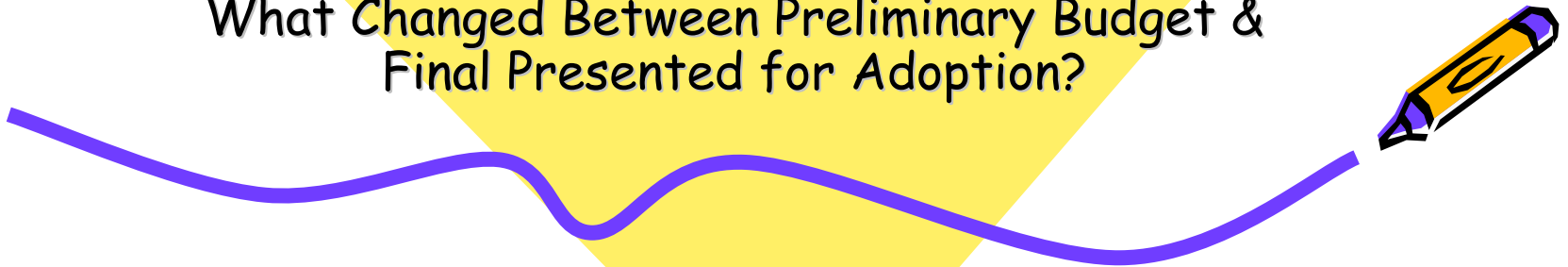
- Overview Preliminary
- Overview with Board directed revisions
 - Summary
 - Changes
 - Assumptions





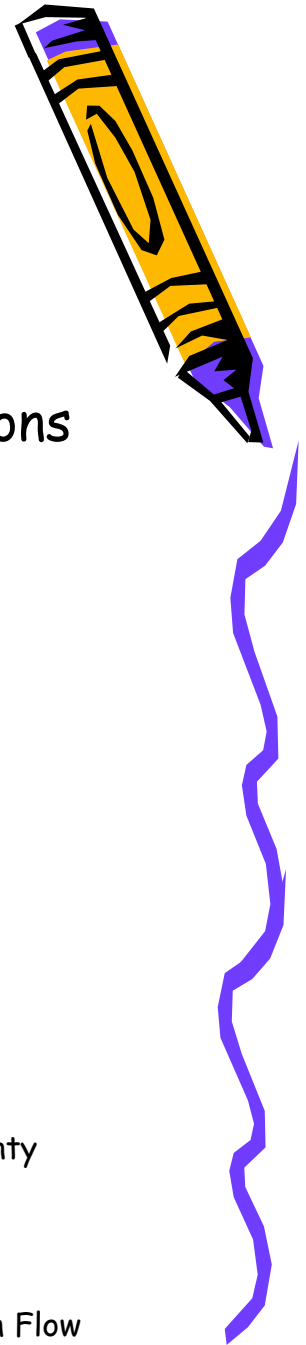
2010/11 Budgets

What Changed Between 2009/10 & 2010/11?
What Changed Between Preliminary Budget &
Final Presented for Adoption?



2010/11 Budget - Fund 01 Summary

(Form 01)

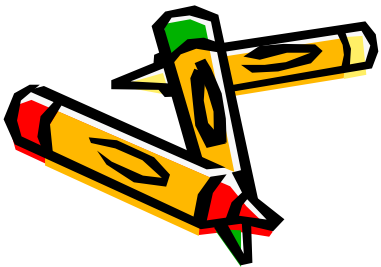
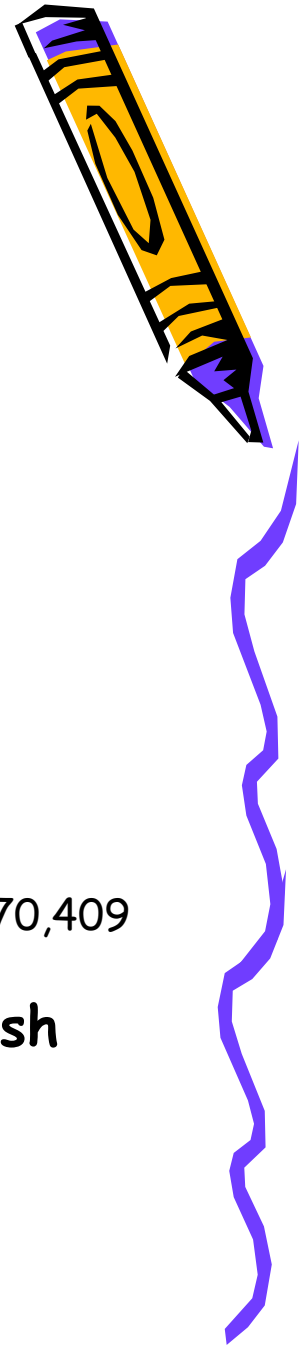


- Preliminary
- Includes Board Revisions
- Revenue \$23,758,607
- Expenditures \$24,681,489
- Excess/Deficit <\$922,881>
- Ending Fund Balance \$3,769,8882
- Components:
 - 3% Reserve Economic Uncertainty \$740,444
 - Other Designations
 - \$502,448 Adult Ed
- Revenue \$23,780,329
- Expenditures \$24,903,840
- Excess/Deficit
 - <\$1,123,510> combined
 - <\$1,197,966> unrestricted
- Ending Fund Balance
 - \$3,767,254 combined
 - \$3,569,252 Unrestricted
- Components:
 - 3% Reserve Economic Uncertainty \$747,115
 - Other Designations
 - \$502,448 Adult Ed
 - \$2,011,856 Mitigate Cash Flow



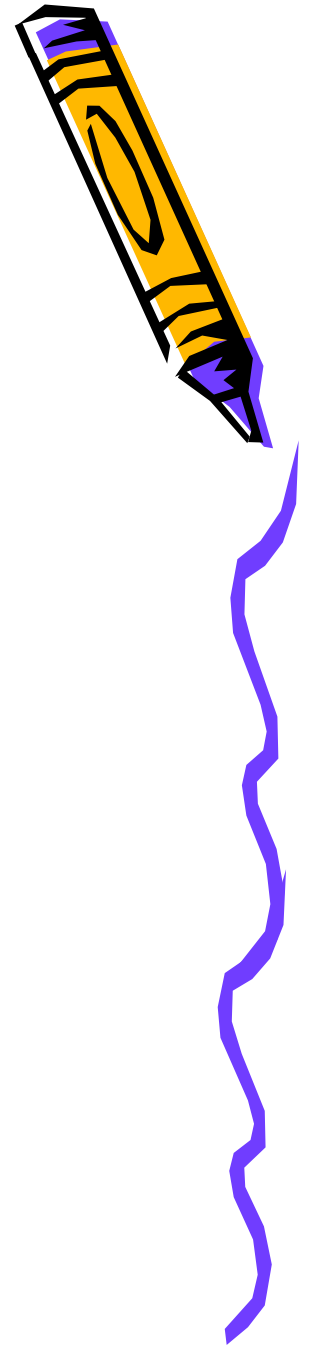
Ending Fund Balance to Cash Balance

- Preliminary
- Ending Fund Balance \$3,769,8882
- Cash Deferrals/Accruals \$3,952,594
- Expenditure Accruals \$2,075,436
- Ending Projected Cash Balance \$308,498
- Includes Board Revisions
- Ending Fund Balance \$3,569,252
- Cash Deferrals/Accruals \$3,956,822
- Expenditure Accruals \$2,070,409
- Ending Projected Cash Balance \$98,148

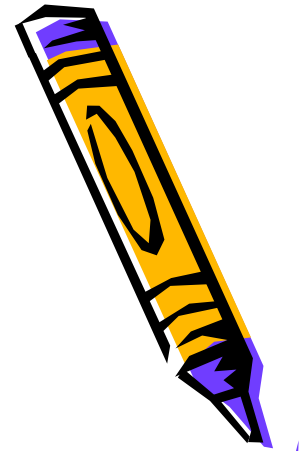


Per Pupil Funding

- Total Revenue \$23,780,329
- Total Per Pupil Funding \$6,806.78
- Total Unrestricted \$5,650.20
- Total Restricted \$1,156.58



Changes to Budget - Board Directed Revisions



- Unrestricted
 - Reinstatement 0.8 FTE DHS Attendance & Achievement Officer \$79,834
 - New position 0.5 FTE CAJ Attendance & Achievement Officer \$50,820
 - Crossing Guards - within preliminary TPM budgets
- Unrestricted/Restricted (Special Education)
 - Reclassification 11 month to 12 month Program Office Manager
- Restricted
- Title I ARRA: New positions two 5.5 hour Library Technicians \$56,897

- Elimination of \$51,199 in Professional Development
- General Fund Contribution \$5,245



Other Revisions - Based on Line Item Analysis

- Additions/Unrestricted:
 - Substitute Salaries \$18,450
 - Superintendent contract \$4,347
 - Comparative to mid-range average teacher salary step increase 3.2%
 - Actual Staff tied to Budgeted Positions
 - K3CSR \$29,754
 - General Fund Unrestricted - DHS





Fund 01 State Financial Statements Material Changes & Assumptions

Overview SACS Financial
Statements



Revenue Limit Sources

Fund 01 Unrestricted

(SACS Form 01, Row A.1 Column A to D)

- **Assumptions** (Changes 09/10 to 10/11)
 - Revenue Limit Sources
 - Funded on 09/10 ADA less Charter shift
 - 3712.45 less 196.65
 - Revenue Limit Sources
 - Negative COLA .39%
 - 3.85% per ADA ongoing <\$911,022>
 - Overall Reduction \$1,039,444
 - Ongoing Deficit Factor 18.355%
 - Additional Loss of funding \$4.3 million
- **What Changed?**
 - No Changes from Preliminary presented to Board on June 3, 2010



Federal Revenue

(SACS Form 01, Row A.2 Column B to E)

- **Assumptions** (Changes 09/10 to 10/11)

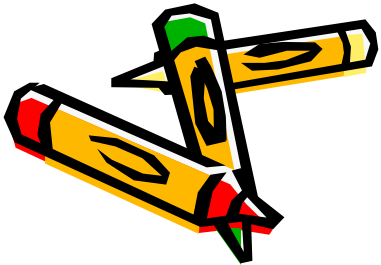
- **Overall Reductions**
\$830,895

- Sp Ed ARRA one-time funding \$420,641
- Sp Ed Discretionary Grants \$45,662
- Title I \$73k (Prior year carry-over)
- One-time Title I ARRA \$83k
- SFSF - Tier III to Carry-over \$97k
 - Tier III back into GF unrestricted
- Medi-Cal \$40k (carry-over)
- LEP \$23k (carry-over)
- Safe & Drug Free \$14k

- **What Changed?**

- **Federal Revenue**

- Preliminary \$1,779,035
- Adoption \$1,800,757
 - Increase \$21,722
- Posted projected Carry-over to support Library Tech positions in ARRA (\$21,569)



Other State Revenue

(SACS Form 01, Row A.3 Column A to D and B to E)

- Assumptions (Changes 09/10 to 10/11)

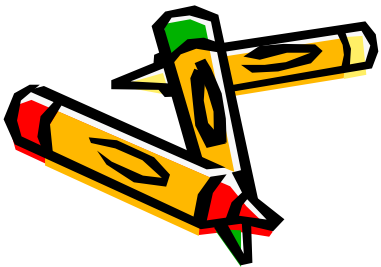
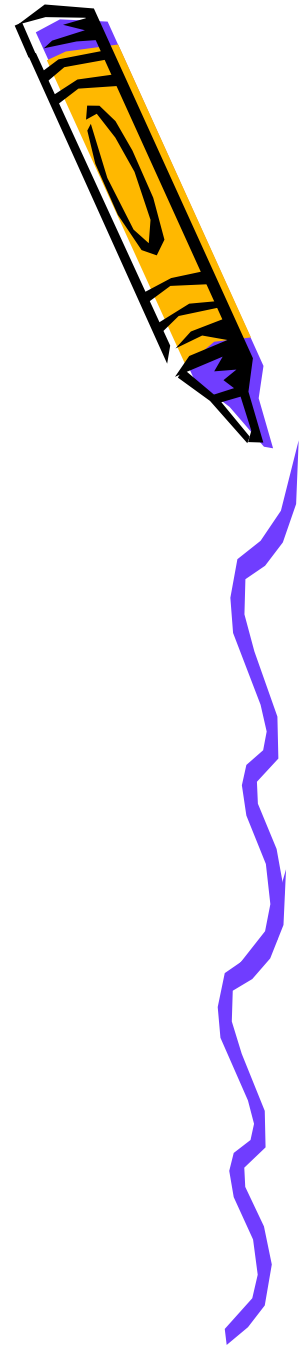
- Overall increase \$66,085
 - Unrestricted:
 - All Other State total increase \$218k
 - Supplemental Hourly increase \$71k
 - Tier III shift SFSF to Unrestricted \$245k
 - Misc. reductions - Negative COLA Tier III
 - K3CSR decrease \$190k
 - Restricted
 - Tobacco Use Prevention decrease \$5k
 - Economic Impact Aid increase \$15k

- What Changed?

- Other State Revenue

- Preliminary
\$3,507,498
- Adoption
\$3,507,498

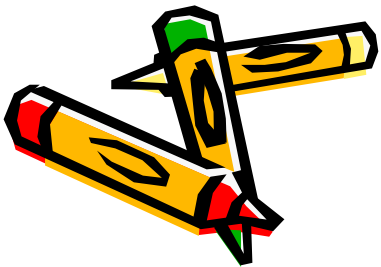
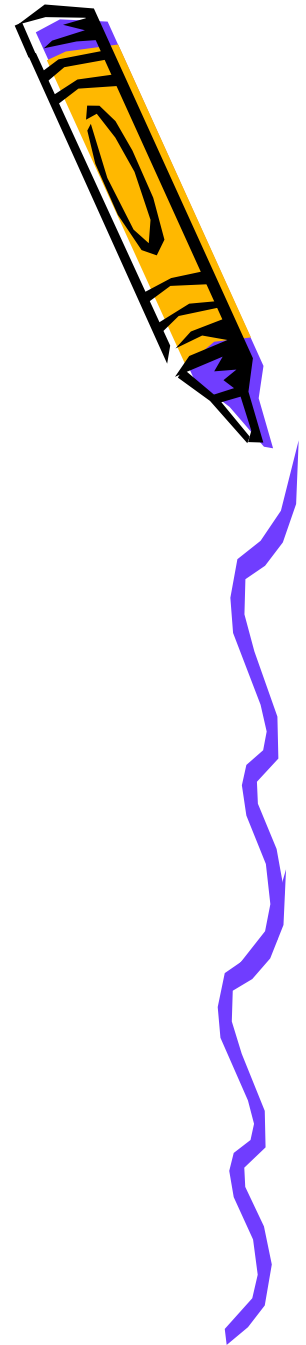
- No Changes



Other Local Income

(SACS Form 01, Row A.4 Column C to F)

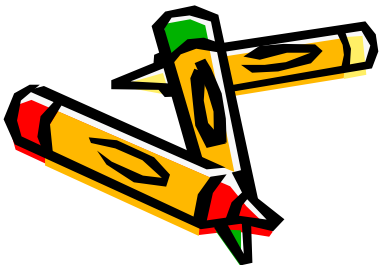
- **Assumptions** (Changes 09/10 to 10/11)
- **Overall Decrease \$318,858**
- **Unrestricted** (Increase \$6k)
- **Budget based on actual known factors**
 - Interest \$20k
 - Reimbursements \$109k (Library, Crossing Guards)
 - Rental/Leases \$256k
 - Increase \$86k (Charter, CDI, Easter Seals, First Five)
- **Restricted** (Decrease \$325k)
 - Donations reduced \$41k
 - Genentech Grant reduced \$10k
 - Migrant Summer School reduced \$66k
 - Transfer of Sp Ed - reduced \$199k
- **What Changed?**
 - Other State Revenue
 - Preliminary \$1,001,940
 - Adoption \$1,001,940
- **No Changes**



Certificated Salaries

(SACS Form 01, Row B.1 Column A to D)

- **Assumptions** (Changes 09/10 to 10/11)
- **Certificated Teacher Salaries increase \$78k**
 - RIF 11.2 FTE Certificated Salaries Unrestricted
 - Shift 29:1 secondary FTE from SFSF
 - Step & column increase
- **Pupil Support increase \$242k**
 - Shift Counselors from SFSF
- **Supervisor's & Administrators increase \$58k**
 - Addition 0.5 FTE CAJ Attendance & Achievement Officer
 - Annual Salary increases
- **What Changed?**
 - Preliminary \$9,803,874
 - Adoption \$9,994,085
 - Overall Increase \$190,211
 - Board Action:
 - » Reinstatement DHS 0.8 FTE Attendance Officer \$78k
 - » Addition 0.5 FTE CAJ Attendance Officer \$47k
 - Other
 - » Substitutes - \$18k
 - » Contractual obligation \$4k
 - » Actual people tied to positions - \$29k



Classified Salaries

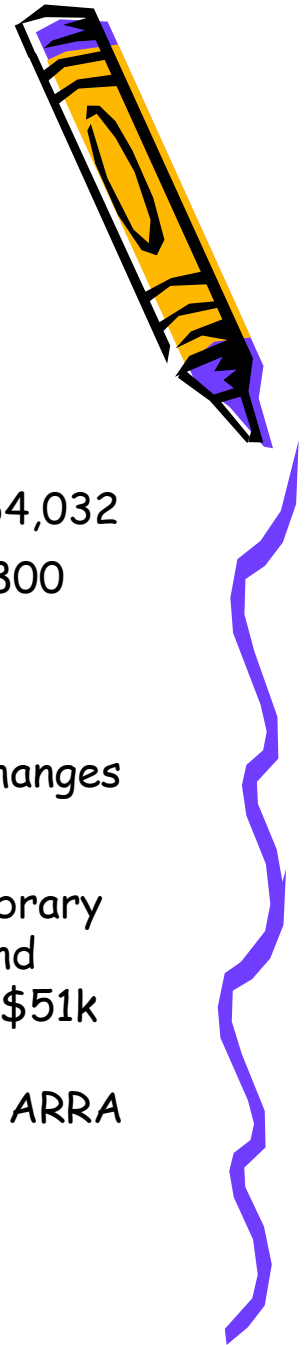
(SACS Form 01, Row B.2 Column
C to F)

- **Assumptions** (Changes 09/10 to
10/11)

- No Lay offs
- Step & Column
increases

- **What Changed?**

- Preliminary \$2,964,032
- Adoption \$2,919,800
- Unrestricted:
 - No material changes
- Restricted:
 - Addition of Library
Techs \$56k and
elimination of \$51k
professional
development - ARRA



Expenditures: Employee Benefits

(SACS Form 01, Row B.3 Column C to F)

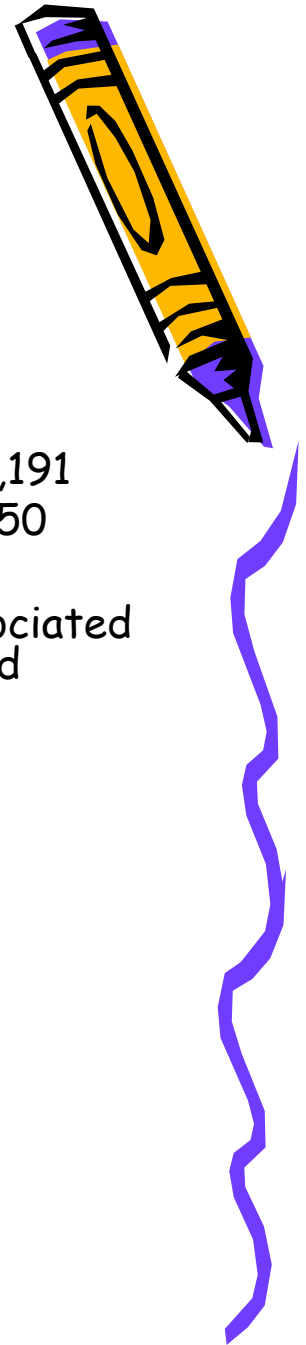
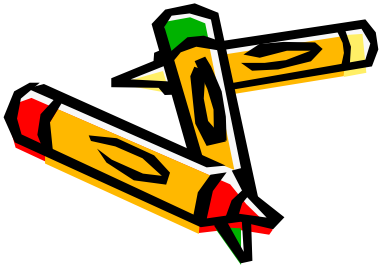
- Assumptions (Changes 09/10 to 10/11)

- Overall Increase \$76k

- Increase State Unemployment Insurance \$63k
- Health & Welfare increase \$85k
- Workers Compensation increase \$14k
- All other changes in alignment with staffing changes

- What Changed?

- Preliminary \$4,218,191
- Adoption \$4,228,950
- Increase \$10k associated with Board directed additions



Expenditures: Books & Supplies

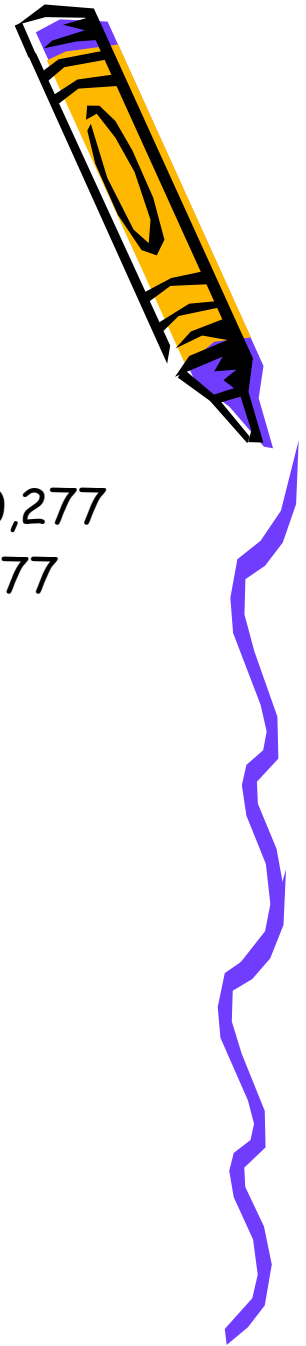
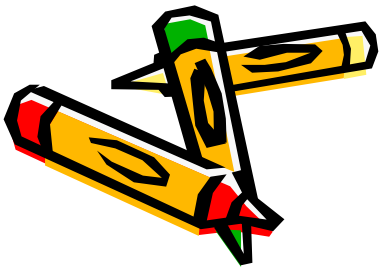
(SACS Form 01, Row B.4 Column A to C)

- Assumptions (Changes 09/10 to 10/11)
- Overall Decrease \$174k
(unrestricted)
 - Reduction Read 180 purchase (PY Carryover) \$51k
 - Reduction to Site Lottery budgets \$16k
 - Reduction to District budgets \$103k
 - Includes reduction to donations \$59k
 - Includes reduction to custodial supplies \$35k

• What Changed?

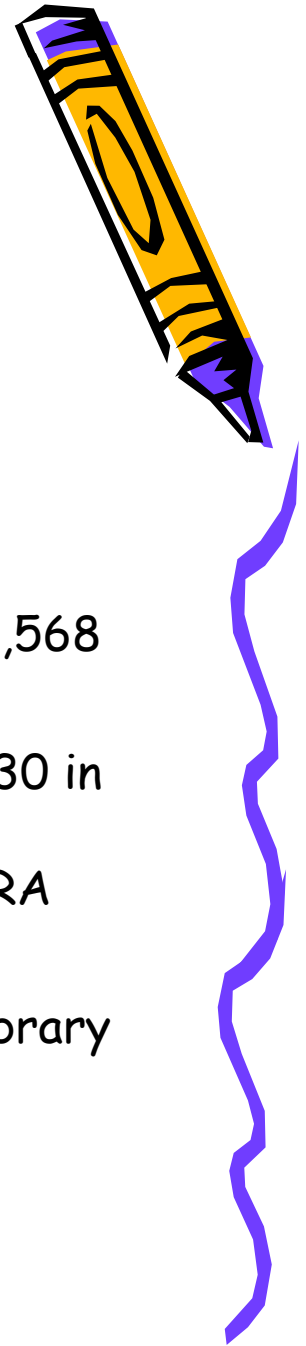
- Preliminary \$460,277
- Adoption \$460,277

- No changes

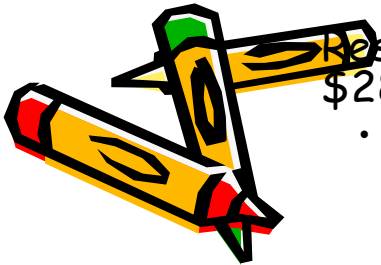


Services & Operating Expenditures

(SACS Form 01, Row B.5 Column A to C)

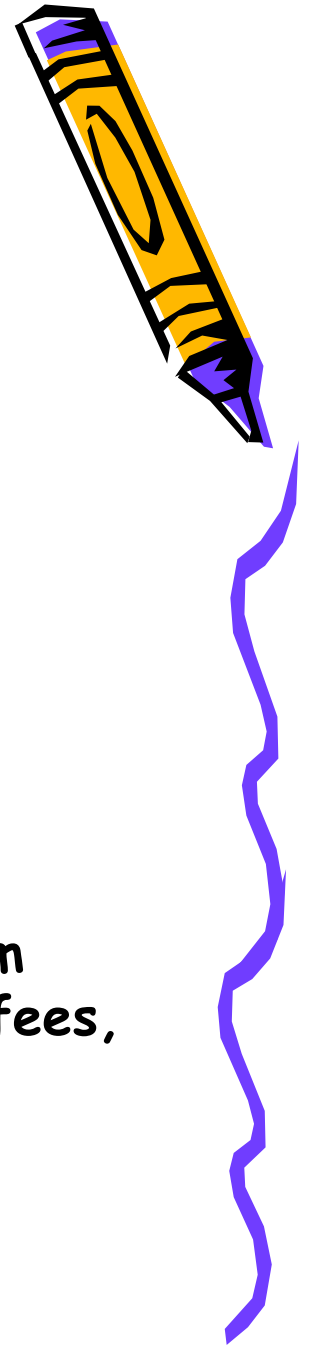


- Assumptions (Changes 09/10 to 10/11)
- Overall Reduction \$280,684
 - Unrestricted overall increase \$9k
 - Primary factors
 - Increase Repairs \$79k
 - Deferred Maintenance projects \$74k
 - Increase Insurance \$22k
 - Increase Operations \$79k (utilities)
 - Increase Communications \$3k
 - Professional/Consulting Reduction \$161k
 - Reduction Travel & Conferences \$2k
- Restricted overall reduction \$289k
 - To be analyzed after closing
 - relative to carryover, one-time federal funds
- What Changed?
 - Preliminary \$3,096,198
 - Adoption \$3,066,568
 - Reduction \$29,630 in Professional Development ARRA
 - Redirected to Library Technicians



Other Outgo

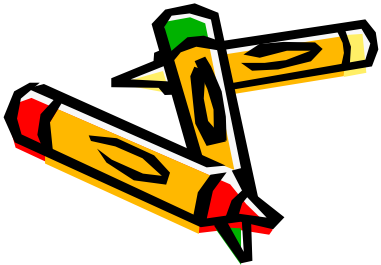
- Debt Service
 - Increase to Debt Service
 - Payment of COPS
 - Interest \$438,348
 - Principal \$300,000
- General Obligation Bond - if passed could offset the principal payment currently budgeted to be paid from General Fund as a result of non-existent developer fees, due to current state economic crisis and housing market..



Contributions

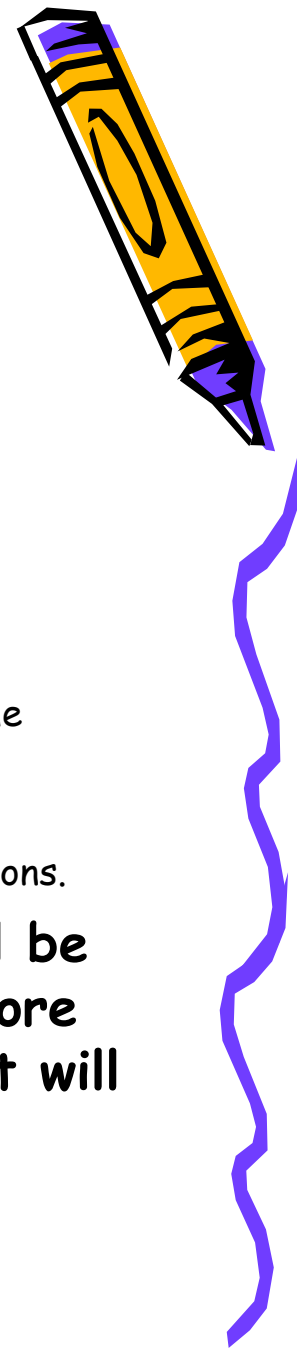
- 2009/10
- Overall \$5,351,233
- Unrestricted to Restricted \$2,496,030
 - Summer School \$50,313
 - Lottery <\$219,808>
 - K3CSR \$2,516,266
 - Continuation High School \$159,811
 - Community Day Schools \$110,147
 - Sp Ed IDEA Basic Local \$201,587
 - Sp Ed IDEA Preschool \$114,396
 - Special Education - State AB602 \$1,712,619
 - Transportation \$132,328
 - Routine Restricted Maintenance Account (RRMA)\$565,797

- 2010/11
- Overall \$5,561,206
- Unrestricted to Restricted \$3,353,955
 - Summer School \$50,000
 - K3CSR \$2,157,251
 - Continuation High School \$118,153
 - Community Day Schools \$122,977
 - Title I ARRA \$5,245
 - Sp Ed IDEA Basic Local \$239,397
 - Sp Ed IDEA Preschool \$87,510
 - Special Education - State AB602 \$2,106,885
 - Transportation \$156,330
 - Routine Restricted Maintenance Account \$516,794



Deficit Spending

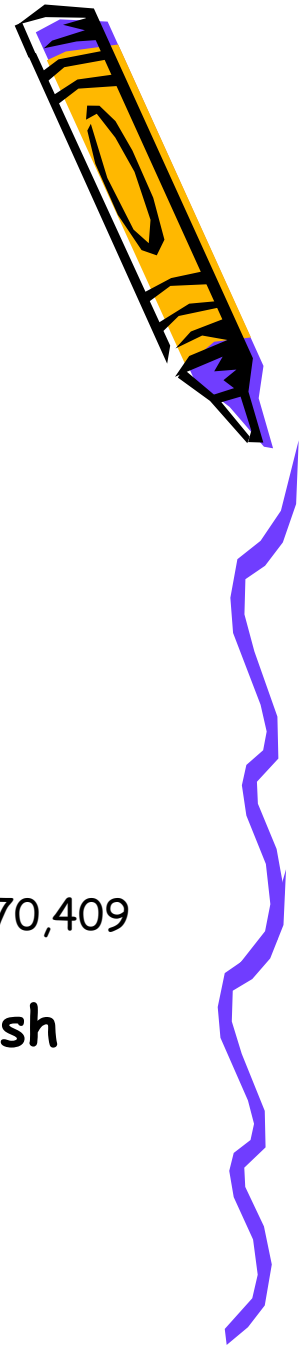
- Preliminary Budget <\$997,337>
- Revised for Adoption <\$1,197,966>
 - In 2009/10 excess of \$2,025,854
- Based on continued state revenue reductions - deficits and cash deferrals - the district is once again in a deficit spending pattern starting in 2010/11
- Current board direction for 2010/11 utilize ending fund balance in planned, responsible manner to mitigate the need for further staffing/program reductions.
- **Alternate revenue sources, employee concessions will be necessary to mitigate the deficit in 2011/12...and more importantly the negative cash position or the district will be subject to state takeover!**

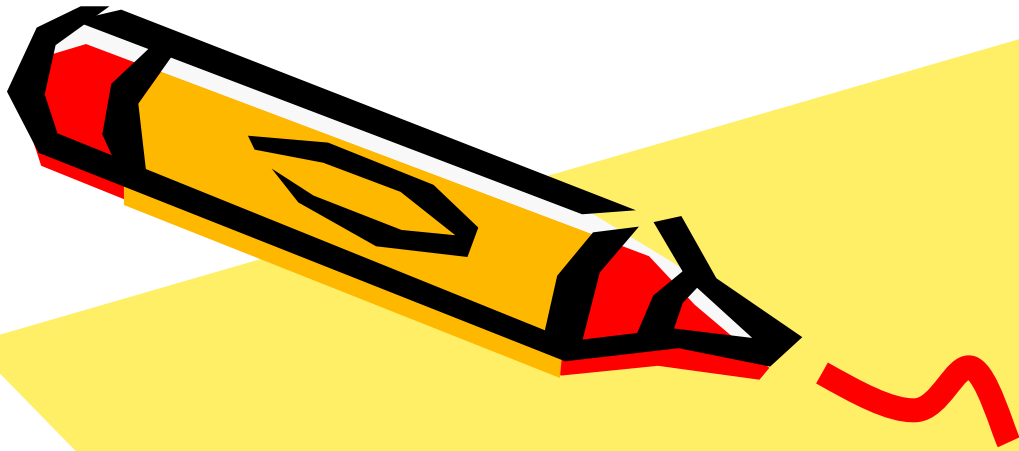


The Bottom Line:

Ending Fund Balance to Cash Balance

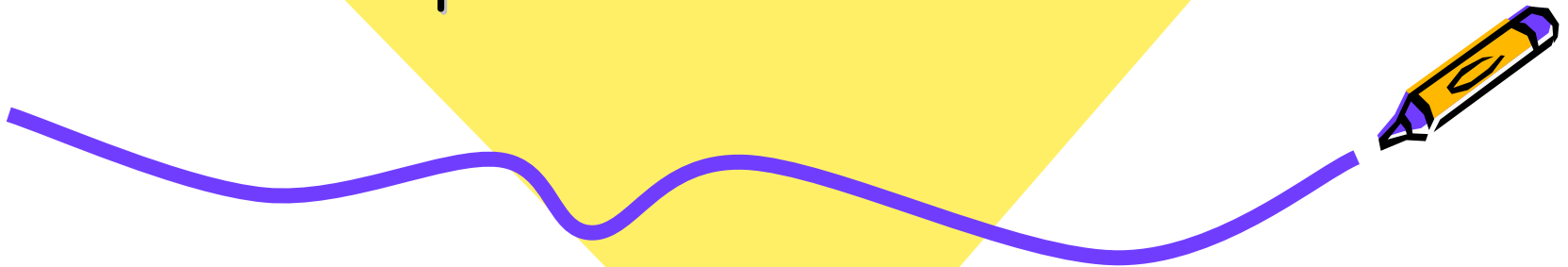
- Preliminary
- Ending Fund Balance
\$3,769,8882
- Cash Deferrals/Accruals
\$3,952,594
- Expenditure Accruals \$2,075,436
- Ending Projected Cash
Balance **\$308,498**
- Includes Board
Revisions
- Ending Fund Balance
\$3,569,252
- Cash Deferrals/Accruals
\$3,956,822
- Expenditure Accruals \$2,070,409
- Ending Projected Cash
Balance **\$98,148**





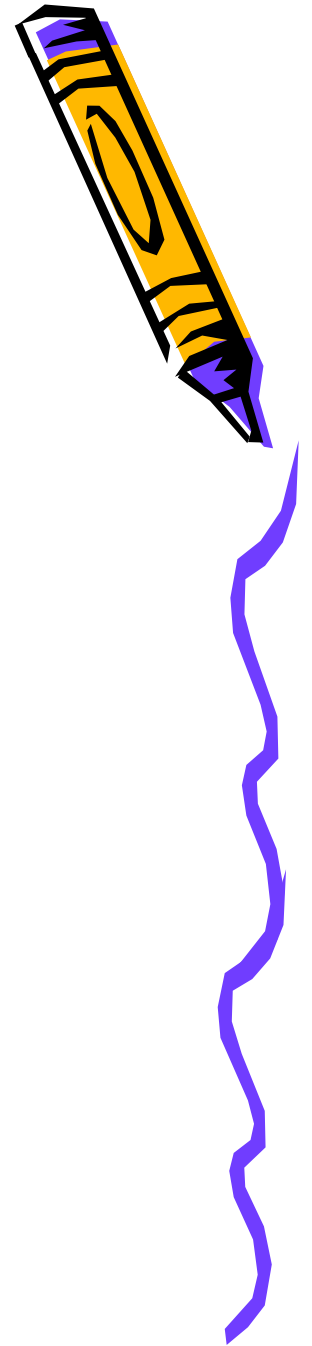
Multi-Year Projections

Assumptions/Recommendations



2011/12 General Fund

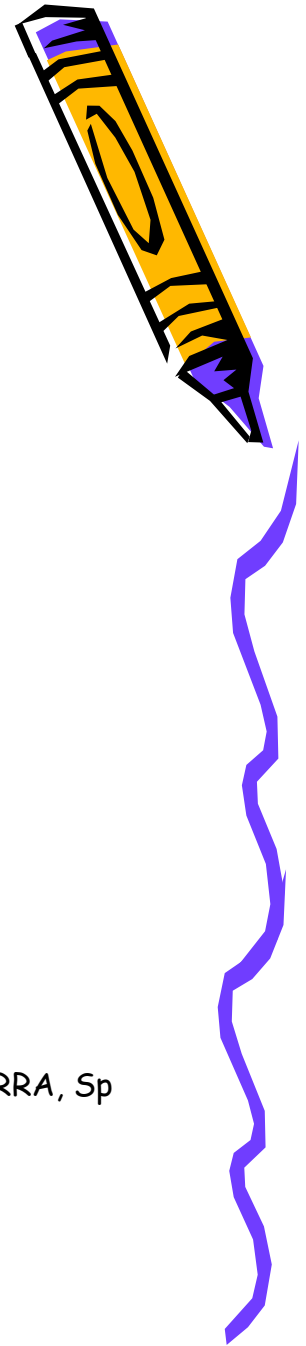
- Beginning Balance \$3,767,254
- Revenues \$22,923,982
- Expenditures \$24,651,153
- Excess/Deficit \$<1,727,170>
- Ending Fund Balance \$2,040,083



Assumptions - Revenue

Based on Adoption w/changes

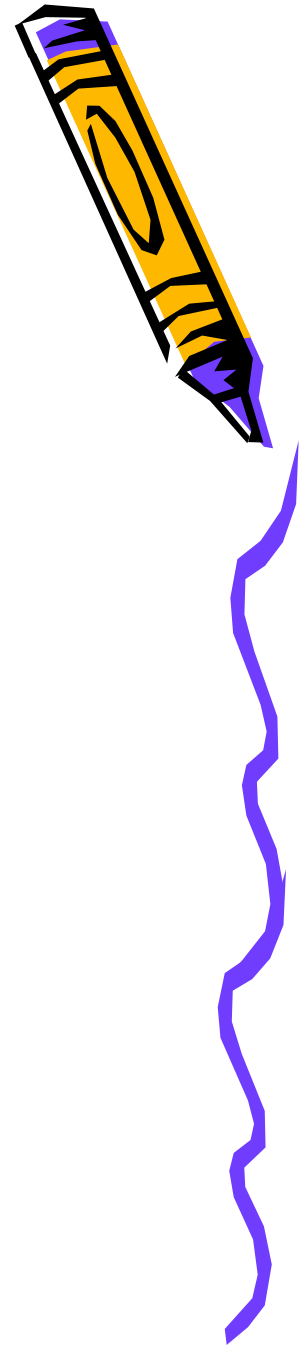
- School Services Dartboard
 - Revenue Limit
 - 2.10% COLA
 - Continued Deficit Factor 18.355%
 - Ongoing 3.85% per ADA reduction
 - Special Education/ Categorical (including Tier III) 2.10% COLA
 - Lottery \$111 per ADA unrestricted; \$14.50 per ADA restricted
- Funding on Prior Year ADA 3382.68
- K3CSR - maintained 10/11 funding levels
- Elimination of one-time federal stimulus funding: Title I ARRA, Sp Ed IDEA ARRA, SFSF (restricted)
- Maintained levels of Other Local Income
 - Increase in interest based on SSC Dartboard "Interest Rate"



Assumptions - Expenditures

Based on Adoption w/changes

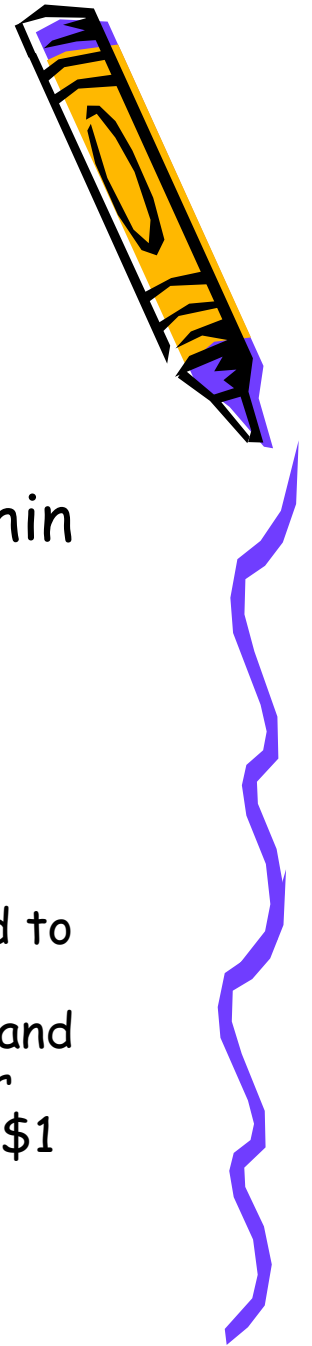
- **Certificated Salaries Step increase 1.5%**
 - Reduction in Workforce: Declining Enrollment 3 FTE
 - Elimination of positions funded with Title I ARRA
 - Transition of positions funded with SFSF into Unrestricted
- **Classified Salaries Step increase 2.0%**
 - Elimination of positions funded with Title I ARRA
- **Employee Benefits:**
 - Statutory - proportional to salaries
 - Health & Welfare 10% projected increase
- **Books & Supplies 2.4% CPI factor increase**
- **Services/Other Operating 2.4% CPI factor increase**
- **Debt Service - maintains DO lease and COP payments**



Contributions/Deficit Spending

- Contributions
 - Increased to maintain balanced budget within all resources
- Deficit Spending
 - <\$1,727,170>

In order to maintain a balanced budget the district will need to identify \$1.7 million in ongoing reductions, negotiated concessions or revenue enhancements between the 10/11 and 11/12 fiscal year, including negotiated concessions and/or identify alternate sources of revenues with an additional \$1 million to be identified by the 2012/13 fiscal year.

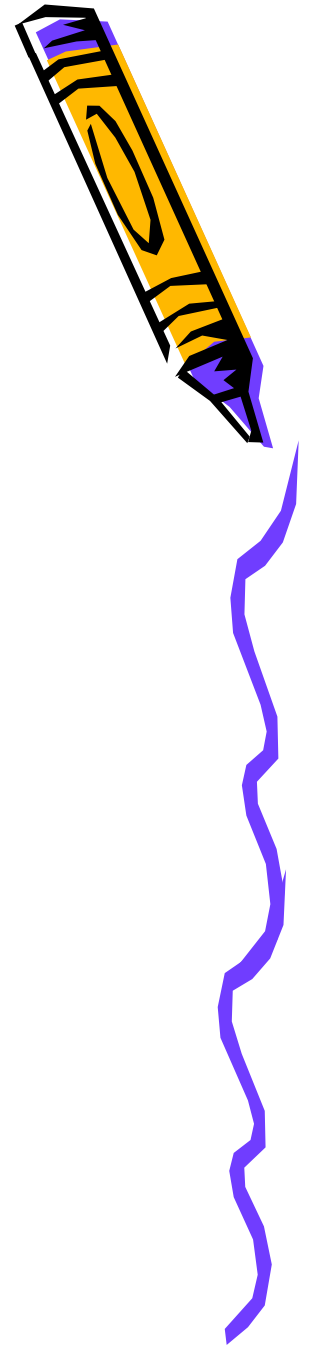
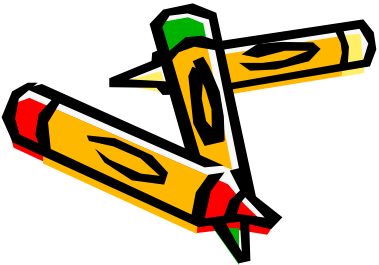


2012/13 General Fund

- Beginning Balance \$2,040,083
- Revenues \$22,508,402
- Expenditures \$25,254,765

- Excess/Deficit \$<2,746,363>

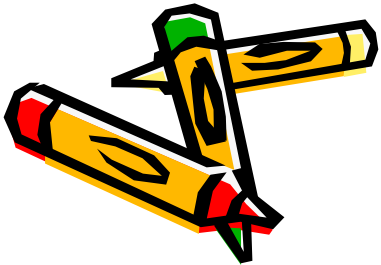
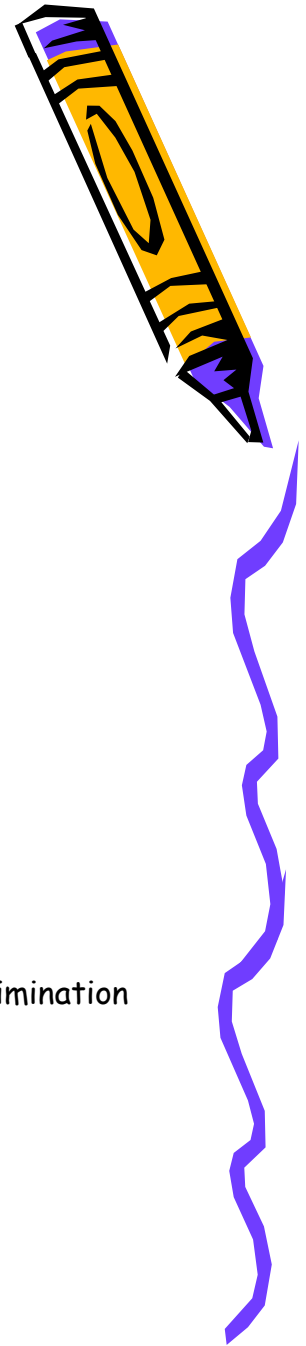
- Ending Fund Balance <\$706,279>



Assumptions - Revenue

Based on Adoption w/changes

- School Services Dartboard
 - Revenue Limit
 - 2.40% COLA
 - Continued Deficit Factor 18.355%
 - Ongoing 3.85% per ADA reduction
 - Special Education/ Categorical (including Tier III) 2.40% COLA
 - Lottery \$111 per ADA unrestricted; \$14.50 per ADA restricted
- Funding on Prior Year ADA 3304.12
- K3CSR - flexibility eliminated - \$434k funding fully reduced
 - Further Analysis will need to be completed to determine reinstatement of staff vs. elimination of funding
- Maintained levels of Other Local Income
 - Increase in interest based on SSC Dartboard "Interest Rate"

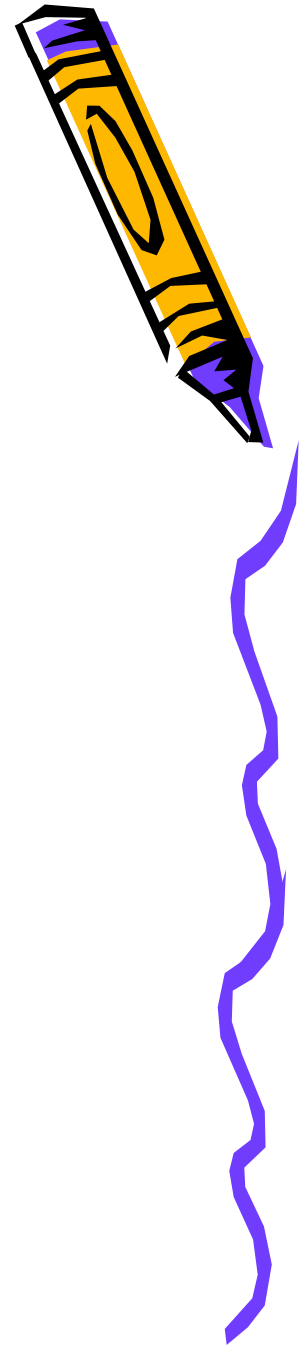


Assumptions - Expenditures

Based on Adoption w/changes

- Certificated Salaries Step increase 1.5%
 - Reduction in Workforce: Declining Enrollment 2.2 FTE
 - Elimination of positions funded with Title I ARRA
- Classified Salaries Step increase 2.0%
 - No staffing reductions
- Employee Benefits:
 - Statutory - proportional to salaries
 - Health & Welfare 10% projected increase
- Books & Supplies 2.7% CPI factor increase
- Services/Other Operating 2.7% CPI factor increase

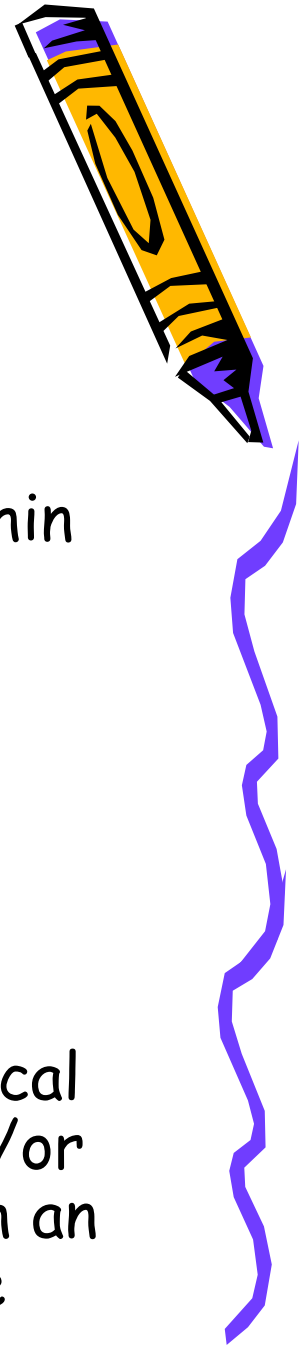
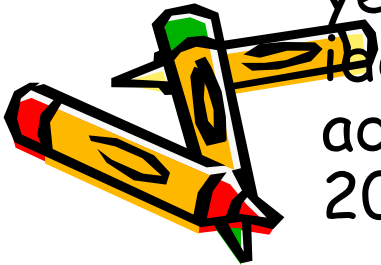
Debt Service - maintains DO lease and COPS payments



Contributions/Deficit Spending

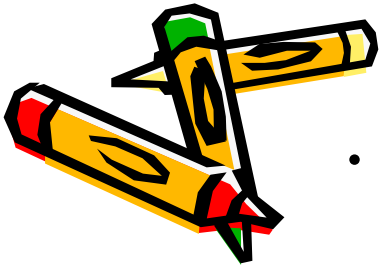
- Contributions
 - Increased to maintain balanced budget within all resources
- Deficit Spending
 - <\$2,746,363>

In order to maintain a balanced budget the district will need to identify \$1.7 million in reductions between the 10/11 and 11/12 fiscal year, including negotiated concessions and/or identify alternate sources of revenues with an additional \$1 million to be identified by the 2012/13 fiscal year.

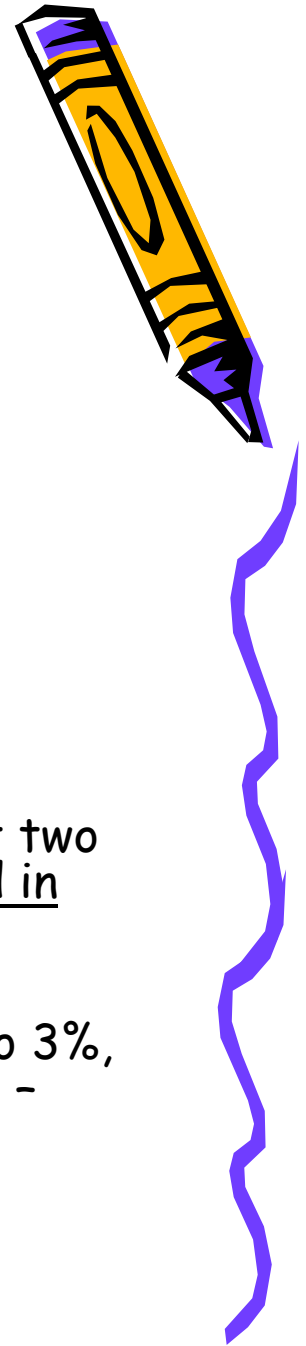


2013/14

- Tier III revenue eliminated from unrestricted resource - no reduction in expenditures
 - Tier III revenue/expenditures reinstated in restricted resource
 - Loss of \$1,530,514 in ongoing funding
- Loss of K3CSR funding continued \$434,826
- Reinstatement of Instructional Materials adoptions - current two adoptions with potential cost of \$300 to \$500k (not included in MYP)
- Routine Restricted Maintenance contribution increase back to 3%, flexibility eliminated (additional \$246k contribution required - included in MYP)

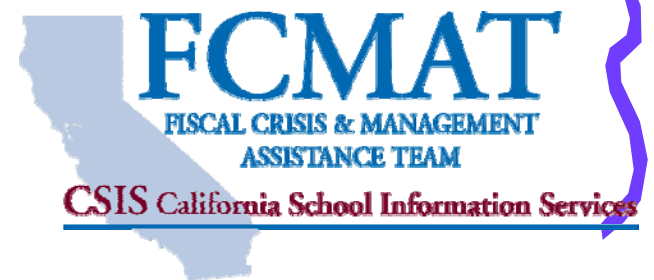


- Unrestricted Deficit \$5+MILLION
- Negative Ending Fund Balance \$6+MILLION



Cash Flow: Overview

- What's the big deal about Cash?
- Finding Cash when you need it
- The consequences of running out of cash
- Recognizing trouble



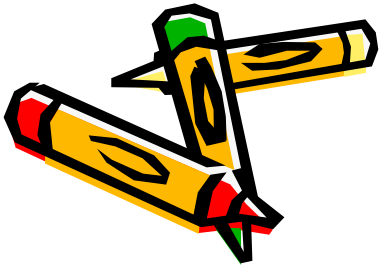
What is Cash Insolvency?

- Generally speaking Cash Insolvency occurs when the cash in payroll exceeds the cash available in the county treasury (or other possible sources of cash) and all options for borrowing have been exhausted.
- Cash insolvency is a limited function of deficit spending, erosion of fund balance, and sustained negative cash flow over time.



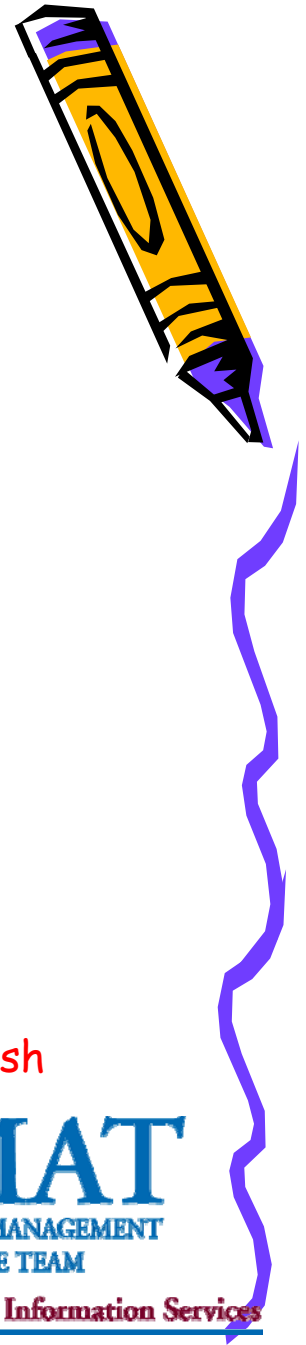
The Consequences of Cash Insolvency

- If you run out of cash, it's "game over"
- You can receive an authorization for an emergency appropriation, but....
 - The local governance options is lost
 - The superintendent loses their job
 - It's expensive!
- AB 1200/2756



Common Causes of Financial Problems

- Overly optimistic estimates of state economics
- Declining enrollment or unstable enrollment/ADA
- Failure to document or change budget assumptions
- Loss of control of staffing levels and costs
- Underestimating "automatic" cost growth
- Use of one-time money for ongoing expenses
- Poor decisions at the negotiating table
- Failure to consider the multiyear impact of budget decisions
- Poor budget monitoring by the Superintendent and Board
- Chronic deficit spending
- Inadequate reserves
- Debt issues
- Not understanding all issues related to cash, cash flow and cash insolvency



What Can Districts Do Now in Anticipation of an Uncertain Cash Environment

- Have a system in place to analyze and monitor cash flow—all funds
- Report cash flow status and projection to the board on a regular basis
- Conserve cash when possible—all funds
- Build Reserves/Fund Balance—all funds
- Consider creating spending plans to manage available cash
- Consider options for dry period financing (borrowing)
- Don't run out!

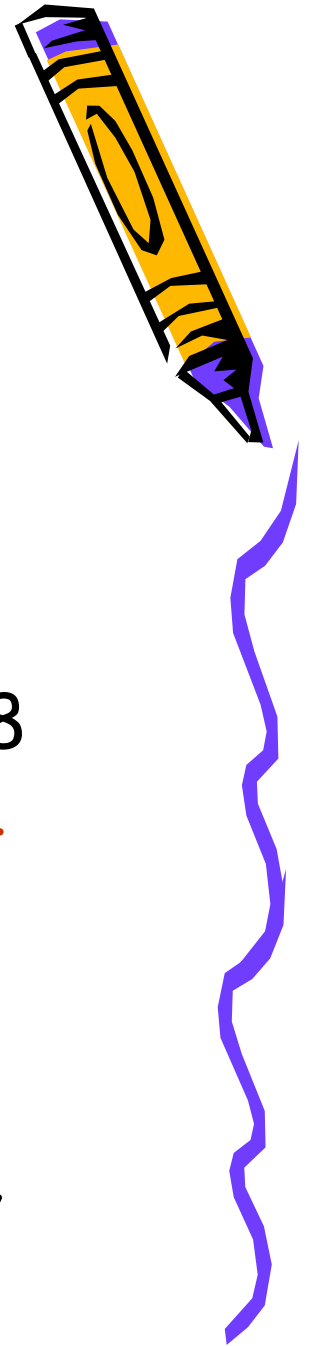


Cash Balances 2010/11

- Preliminary
- Ending Cash Balance \$308,498
- **Negative Cash - Potential*****
- Mitigated - Constitutional Advance County Treasury \$4.8 million



- Adoption w/revisions
- Ending Cash Balance \$98,148
- **Negative Cash - Potential*****
- Mitigated - Constitutional Advance County Treasury \$4.8 million

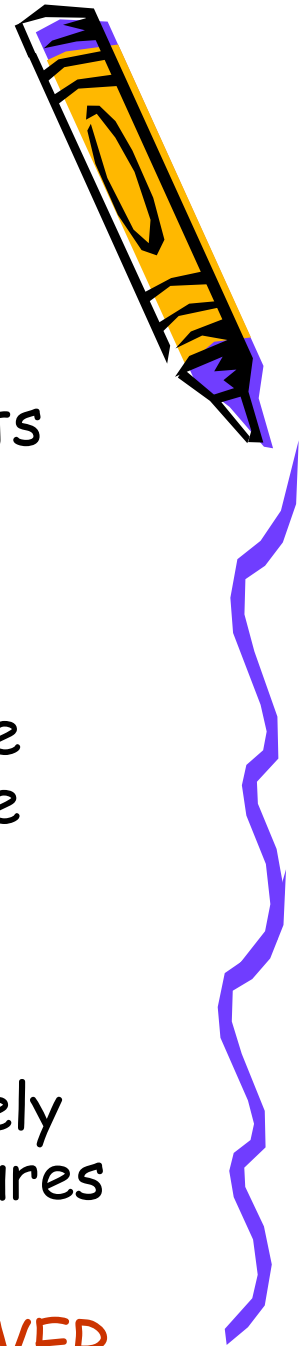


Cash Flow

- Based on receipt/expenditure of 100% budgets
- Current Accruals:
 - Revenue \$3.9 million
 - Expenditures \$2 million
- Potential for unspent expenditures to increase actual cash availability - further analysis to be conducted
- Normal business operations will result in increased expenditures within fiscal year
- Careful planning, monitoring, and delay of timely payments for non-personnel related expenditures

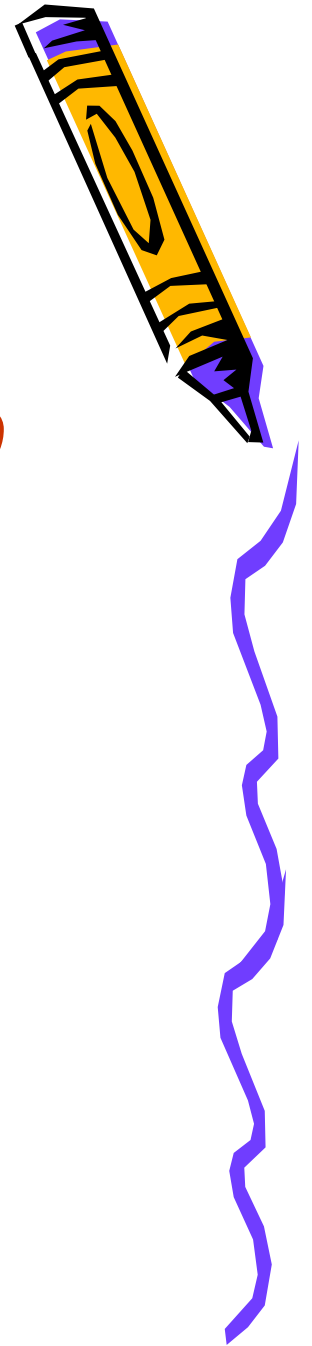


• CASH IS KING - NO CASH = STATE TAKEOVER



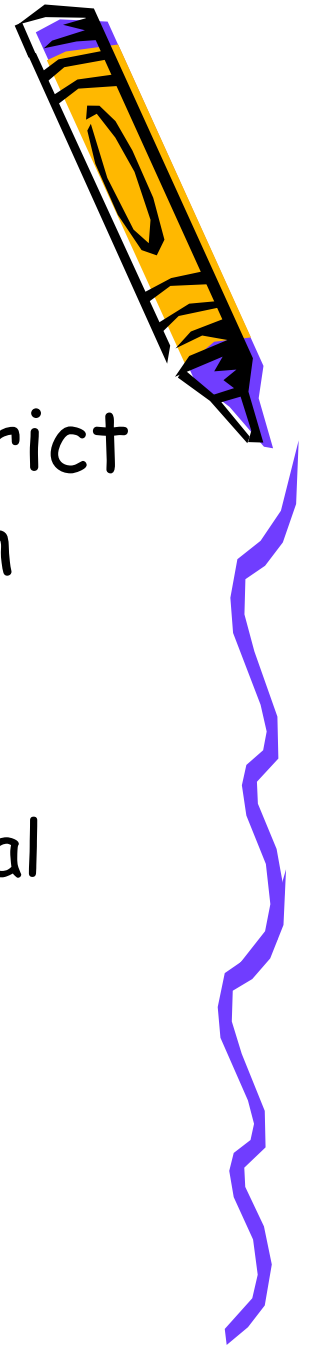
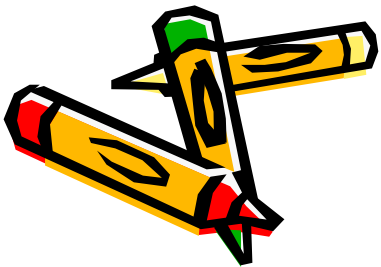
2011/12 Cash Crisis

- Negative Ending Cash Balance \$1.9 million
- Negative Cash beginning in March 2012
- NO LOCAL CONTROL
- STATE TAKEOVER



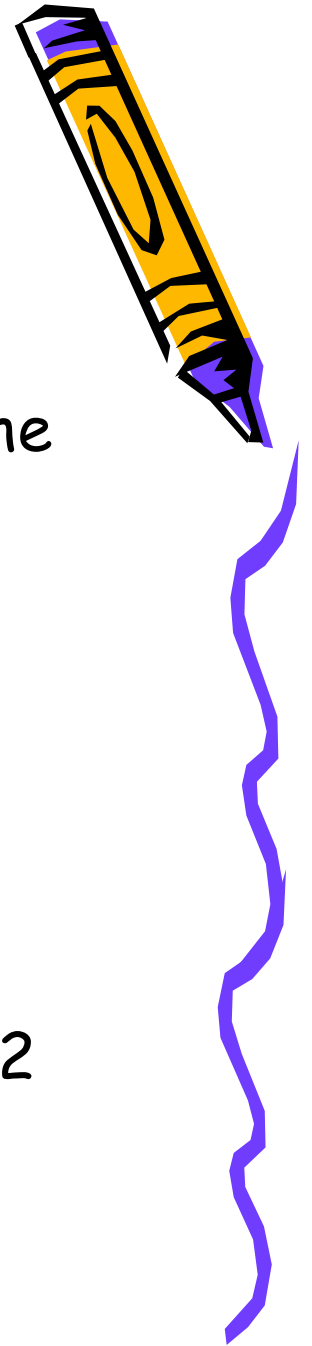
Adoption

- Based on Board direction the District will adopt the 2010/11 Budget with Board revisions
 - If additional directed changes identified, will be adjusted after final adoption



Certification

- Solano County Office of Education requires the Board to certify that it recognizes and understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.
- Certification recognizes that if the fiscal condition does not improve or further deteriorates the district will implement \$1.8 million in ongoing budget reductions by 2011/12 and an additional \$1.1 million by 2012/13.



Next Steps

- Adopted Budget to County and State
- District revisions if necessary
- Revision to budget 45 days after state budget adopted
- Closing 09/10 financials to determine actual vs. budgeted revenue/expenditures
- Unaudited Actuals to Board by September

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