

West Contra Costa Unified School District

March 3, 2009



2009-10 Second Interim Financial Report

Second Interim 2009-10

- Period Ending January 31, 2009
- Updated Information for all funds
- Latest Information from the State
- Utilizing the budget assumptions published by School Services of California as recommended by the County Office
- Governor's January Budget Proposal for 2010-11

Multi Year Projection - First Interim Report

Unrestricted General Fund

January 31, 2010

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Revenues	\$160,361	\$160,459	\$161,894
Expenses	167,440	169,902	176,001
Deficit Spending	(7,079)	(9,443)	(14,107)
Beginning Fund Balance	20,049	12,970	3,527
Ending Fund Balance	12,970	3,527	(10,580)
Required Reserve	9,005	4,180	4,285
Special Reserve set aside		4,000	4,000
Stores & Revolving Cash	300	300	300
Remaining Balance	\$3,665	(\$953)	(\$15,165) ₃

Multi Year Projection

Second Interim

- 2009-10
 - \$7.0 million projected deficit - unrestricted
 - Will meet 3% reserve
- 2010-11
 - \$9.4 million projected deficit – unrestricted
 - Unable to meet 3% reserve
- 2011-12
 - \$14.1 million projected deficit – unrestricted
 - Unable to meet a 3% reserve

Multi Year Projection

- Making progress on lowering the deficit spending in 09-10
- Deficit in 10-11
 - Federal Stimulus is not being passed through
 - Governor's Budget has deficit and \$201 per pupil ongoing cuts
 - Budget reductions are needed
- 2011-12 deficit will improve when action is taken on 2010-11 budget reductions

Threats to Current Budget

- State Economic Crisis
- Legislative Analysts Report
- Cash Deferrals will require constant monitoring of program expenses for ability to pay

Local Outlook

- Qualified Certification of Second Interim
 - Due to deficit spending
 - Reserve levels drop below 3% over the next two years absent budget reductions
- Budget Reductions recommended for 2010-11 will result in a 3% reserve



Budget Planning 2010-11

Deficit	\$	9,443,450
K-3 Class Size Reduction	\$	1,000,000
Def Maint State funds	\$	1,000,000
Implement Teacher Contract 32:1 & Revise Staffing model for Alternative Education	\$	2,720,500
Adult Ed State funds	\$	1,000,000
Summer School to Title I	\$	1,000,000
Sub Total	\$	6,720,500
Deficit left to tackle	\$	2,722,950

Multi Year Projection - First Interim Report

Unrestricted General Fund

With 2010-11 Budget Reduction Recommendations

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Revenues	\$160,361	\$159,912	\$161,348
Expenses	167,440	162,635	168,661
Deficit Spending	(7,079)	(2,723)	(7,313)
Beginning Fund Balance	20,049	12,970	10,247
Ending Fund Balance	12,970	10,247	2,934
Required Reserve	9,005	3,932	4,035
Special Reserve set aside		4,000	4,000
Stores & Revolving Cash	300	300	300
Remaining Balance	\$3,665	\$6,015	(\$1,401)

Steps Completed

- Contract Negotiations
 - Work Year Reductions
 - Benefits
 - Class Size
 - OPEB – Retiree Liability
- School Closure
- State flexibility





Debt Considerations

- Eliminate or Reduce Debt
 - Examine Debt Information - tonight
 - Examine property information – future meetings
 - Demographics
 - Property value & potential use
 - Cost of maintaining vacant property
- No debt service payment reduction in budget based upon Board direction in January

Long Term Debt

February 2010

- I-Bank Loan
 - Principal \$10.6 million
 - Final Payment 2018
 - Interest if not paid early \$745,630
- Certificates of Participation
 - Principal \$9.3 million
 - Final Payment 2022
 - Interest if not paid early \$4.0 million

Long Term Debt

February 2010

- IBM
 - Settlement amount \$4.1 million remaining
 - Final payment 2015
- Voluntary Integration Audit
 - Settlement amount \$1.8 million
 - Final payment 2012
- Total Outstanding \$ 27 million