



**CSIS California School Information Services**

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March 11, 2008

Eric Prater, Superintendent  
Byron Union School District  
14301 Byron Highway  
Byron, California 94514

Dear Superintendent Prater,

The purpose of this letter is to confirm the findings of the Fiscal Crisis and Management Assistance Team (FCMAT) with regard to the work performed for the Byron Union School District in February 2008. As defined in the study agreement, the scope and objectives of the study included the following:

1. Conduct a review of the district's general fund first interim budget projections through June 30, 2008 to validate revenue and expenditure allocations and prepare a multiyear financial projection for 2008-09 and 2009-10 based on up-to-date variables released with the Governor's proposed budget, the impact of declining enrollment, property values, impact of salary settlement, etc.
2. Identify the amount of any budgetary shortfall that will need to be resolved through revenue enhancements or expenditure reductions by the district to sustain the minimum reserve requirement in the current and two subsequent years.

A FCMAT consultant worked at the district on February 4 and 5, 2008, to review audit reports, unaudited actuals, J-18/19s and other historical financial information pertinent to the study. An independent multiyear projection (MYP) was developed based on this information and with reports run as of January 31, 2008, to develop the base year of 2007-08. All applicable information from the School Services Dartboard of January 2008 was used in developing the independent MYP.

### **Multiyear Financial Projection**

FCMAT's Multiyear Financial Projection (MYFP) reflects that the district is able to maintain the 3% required reserve in 2007-08, but will not be able to maintain the reserve in either 2008-09 or 2009-10 based on the Governor's 2008-09 budget proposal. These projections are based on assumptions listed later in the letter but do not include any negotiation settlements in 2008-09

**FCMAT**

Joel D. Montero, Chief Executive Officer

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or 2009-10. Salary increases and/or health and benefit increases, as well as any other increased expenditures, would have a significant impact on the ending fund balance. FCMAT's multiyear financial projection demonstrates this by assuming that the district will continue to operate in the same manner with the ongoing costs currently in place. These include the costs of step-and-column adjustments, utilities and other ongoing expenditures such as encroachment from special education and transportation. The Governor's 2008-09 budget proposal includes severe cuts to education, and these have been included in the multiyear projection. As the state budget continues to be revised, the district will need to continue to prepare updated projections.

As shown in the table below, the district would need to develop a recovery plan with budget reductions and/or revenue enhancements of approximately \$38,218 in 2008-09 and \$1,208,876 in 2009-10 to maintain the 3% required reserve in each of those years, barring any other changes to the state budget and/or budget assumptions that FCMAT has used.

**Multiyear Financial Projection Summary  
Unrestricted General Fund**

Description	Base Year 2007-08	Year 1 2008-09	Year 2 2009-10
Total Revenues	\$10,227,162.33	\$9,787,413.21	\$10,019,718.75
Total Expenditures	\$9,295,734.00	\$9,462,018.64	\$9,770,856.16
Excess (Deficiency)	\$931,428.33	\$325,394.57	\$248,862.59
Total Other Sources/Uses	-\$1,261,468.00	-\$1,340,210.56	-\$1,407,757.06
Net Increase/Decrease	-\$330,039.67	-\$1,014,815.99	-\$1,158,894.47
Beginning Balance	\$1,686,475.00	\$1,356,435.33	\$341,619.34
Ending Balance	\$1,356,435.33	\$341,619.34	-\$817,275.13
Revolving Cash	\$3,000.00	\$3,000.00	\$3,000.00
3% Reserve	\$382,474.23	\$376,836.95	\$388,600.81
Other Designated	\$474,925.00	\$0.00	\$0.00
Undesignated	\$496,036.10	\$0.00	\$0.00
Negative Shortfall	\$0.00	-\$38,217.61	-\$1,208,875.94

**2007-08 Budget Review and Multiyear Financial Projection**

A historical analysis of enrollment to P-2 attendance was developed and birth rates gathered to prepare an enrollment and ADA forecast for two subsequent years in the MYP. This analysis indicates a continued enrollment decline in 2008-09 but a flattening, or possible slight increase, in 2009-10.

California school districts and county offices use many different methods and software products to prepare multiyear financial projections. The projections for the general fund were prepared using FCMAT's Budget Explorer multiyear projection software, a Web-based forecasting tool that is available at no cost to all California school districts. The district's 2007-08 preliminary second interim report was used for the 2007-08 base budget of the projection. FCMAT also utilized a spreadsheet for account expenditures and other trends from prior years. The information

in both applications was then reconciled to forecast the 2008-09 and 2009-10 fiscal years based on trends and known assumptions. The final Budget Explorer projection is part of this management letter.

There are inherent limitations with any forecast of financial data because forecasts are based on certain criteria and assumptions rather than on exact calculations. These limitations include issues such as accuracy of baseline data, unpredictable timing of negotiations, enrollment trends and changing economic conditions at the state, federal and local levels. Therefore, the budget forecasting model should be evaluated as a trend based on certain criteria and assumptions rather than a prediction of exact numbers. The projection should be updated throughout the year, including at least at each interim financial reporting period and before settling negotiations to maintain the most accurate and meaningful data.

To evaluate the multiyear projection, much attention is focused on the bottom line, which demonstrates the district's undesigned, unappropriated fund balance. If the bottom line demonstrates a positive unappropriated fund balance, this amount may be used by the Governing Board and/or Superintendent to improve educational programs, increase employee compensation or spend in other categories. However, if the unappropriated fund balance is negative, the budget must be adjusted by the amount of the deficit spending to sustain the recommended reserve levels under AB 1200 guidelines.

The projection must be viewed comprehensively, and the district must determine what compounding effects using any or all of the unappropriated fund balance will have on the projection in the current and future years. The unappropriated balance and the corresponding compounded effect can be clearly determined as the years proceed.

The Governor's 2008-09 budget proposal includes severe cuts to education, and those proposed cuts have been included in FCMAT's multiyear projection. The projection reflects that the district may not be able to meet its financial obligations in either subsequent year as a result of the budget proposal. As is true in every budget year, the proposed state budget will change in May and again when the final state budget is passed. As the state budget continues to be developed and further revised, the district will need to continue to prepare updated projections. At this time, it is best to assume that severe cuts will occur so that the district can plan appropriately.

Two major issues make planning for the budget and two subsequent years more difficult than usual. First, the estimated 6.5% reduction in categorical programs for 2008-09 will cause the district to lose funds that currently pay for permanent staff. If these positions are not reduced in affected categorical programs, encroachment will either increase or begin in other programs. An alternative is moving some of these positions to unrestricted funding, causing additional deficits in unrestricted funds. Secondly, the state is considering delaying revenue limit payments to districts from July 2008 to September 2008. The district must be aware that any delay of payments could cause cash flow problems and the need to borrow dollars to pay expenditures through July and August. Options for borrowing include:

- Internal borrowing between funds as authorized by Education Code Section 42603, which allows LEAs to temporarily borrow between funds to address cash flow shortages. This is the most common method utilized by school districts, but it only works if cash is available in other funds to borrow. Specific limitations are associated with this type of borrowing regarding amounts available and timing of repayment.
- External borrowing from the County Office of Education (COE) as authorized under Education Code Sections 42621 and 42622. This option depends on the COE's willingness and ability to provide funds for this purpose.
- External borrowing from the County Treasurer, as authorized by Education Code Section 42620. Under Article XVI, Section 6 of the California Constitution, the County Treasurer must provide funds to an LEA should it not be able to meet its obligations. However, the County Treasurer cannot lend districts money after the last Monday in April of the current fiscal year, and there are additional requirements the district must follow.
- Tax and Revenue Anticipation Notes (TRANS), another form of external borrowing. The LEA must determine the cash flow needs to size the TRANS appropriately, as there are arbitrage penalties. Working with the district's outside financial consultant can help to avoid potential problems.

FCMAT reviewed the district's records, spoke several times with the Chief Business Official and examined financial reports to gather the information needed for the multiyear financial projection. The review included a summary assessment of the district's 2004-05, 2005-06 and 2006-07 unaudited actuals, 2007-08 adopted budget, and the 2007-08 second interim budget information. Also included was a fiscal analysis of the projected revenues, expenditures, transfers and components of the general fund ending fund balance. FCMAT's multiyear analysis base year utilizes the district's proposed preliminary second interim information. FCMAT reviewed the district's various budget assumptions to validate the 2007-08 adopted budget and interim reports, including multiyear financial projections for the two subsequent years, to determine the base budget for 2007-08 to project two subsequent years.

The review of the 2007-08 budget produced few findings and recommendations, which is commendable. This can be attributed to the expenditure controls in place, consistent budget monitoring, constant review of revenues, enrollment and attendance analyses, built-in checks and balances of the financial system and experience level of the staff.

FCMAT's budget assumptions depict conservative economic factors and estimates as outlined by School Services of California in the Financial Dashboard produced in January 2008 after the Governor's 2008-09 budget proposal. The 0.5 deficit on the 2007-08 revenue limit was excluded based on updated information since that dashboard was released.

**General Fund/County School Service Fund  
Unrestricted Resources Only  
Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Base Year 2007 - 08	Year 1 2008 - 09	Year 2 2009 - 10
<b>Revenues</b>				
Revenue Limit Sources	8010 - 8099	\$9,062,535.33	\$8,686,231.63	\$8,888,349.35
Federal Revenues	8100 - 8299	\$0.00	\$0.00	\$0.00
Other State Revenues	8300 - 8599	\$1,045,213.00	\$979,717.58	\$1,007,407.00
Other Local Revenues	8600 - 8799	\$119,414.00	\$121,464.00	\$123,962.40
<b>Total Revenues</b>		<b>\$10,227,162.33</b>	<b>\$9,787,413.21</b>	<b>\$10,019,718.75</b>
<b>Expenditures</b>				
Certificated Salaries	1000 - 1999	\$5,531,002.00	\$5,545,378.04	\$5,691,455.87
Classified Salaries	2000 - 2999	\$893,226.00	\$906,624.40	\$920,223.77
Employee Benefits	3000 - 3999	\$2,002,019.00	\$2,105,952.61	\$2,235,361.17
Books and Supplies	4000 - 4999	\$187,061.00	\$190,113.69	\$195,704.45
Services and Other Operating Expenditures	5000 - 5999	\$720,228.00	\$734,844.49	\$753,116.19
Capital Outlay	6000 - 6900	\$0.00	\$0.00	\$0.00
Other Outgo	7000 - 7299	\$16,422.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	(\$54,224.00)	(\$20,894.59)	(\$25,005.29)
Debt Service	7430 - 7439	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		<b>\$9,295,734.00</b>	<b>\$9,462,018.64</b>	<b>\$9,770,856.16</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		<b>\$931,428.33</b>	<b>\$325,394.57</b>	<b>\$248,862.59</b>
<b>Other Financing Sources/Uses</b>				
Interfund Transfers In	8910 - 8929	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$0.00	\$0.00	\$0.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	(\$1,261,468.00)	(\$1,340,210.56)	(\$1,407,757.06)
<b>Total Other Financing Sources/Uses</b>		<b>(\$1,261,468.00)</b>	<b>(\$1,340,210.56)</b>	<b>(\$1,407,757.06)</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$330,039.67)</b>	<b>(\$1,014,815.99)</b>	<b>(\$1,158,894.47)</b>
<b>Fund Balance</b>				
Beginning Fund Balance (as of July 1 – Unaudited)	9791	\$1,686,475.00	\$1,356,435.33	\$341,619.34
Audit Adjustments	9793	\$0.00	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$1,686,475.00	\$1,356,435.33	\$341,619.34
Ending Fund Balance		\$1,356,435.33	\$341,619.34	(\$817,275.13)
<b>Components of Ending Fund Balance</b>				
Reserved Balances	9700	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$3,000.00	\$3,000.00	\$3,000.00
Stores	9712	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00
Other Prepay	9719	\$0.00	\$0.00	\$0.00
General Reserve	9730	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$0.00	\$0.00	\$0.00
Economic Uncertainties Percentage		3.00%	3.00%	3.00%
Designated for Economic Uncertainties	9770	\$382,474.23	\$376,836.95	\$388,600.81
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$474,925.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$496,036.10	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	(\$38,217.61)	(\$1,208,875.94)

## **Additional Areas to Monitor**

The district should monitor interdistrict transfers and may want to review board policies and consider implementing programs to reduce the number of students exiting the district. Students attending school outside the district take unrestricted dollars with them, so the district should endeavor to reduce the number of students leaving. This could be an important area of revenue enhancement.

The district's special education encroachment is approximately 5.3% of its total expenditures. Although this is below the statewide average, it is a large percentage for the Byron district. The IEP and placement policies should be reviewed.

The percentage of the district's total unrestricted expenditures for unrestricted salaries and benefits was very close to the statewide average for 2005-06. The district should review the 2006-07 data when it becomes available. The district's unrestricted salaries and benefits have increased 36.09% over the past four years.

It is extremely important to analyze each categorically funded program for the current and two subsequent years. The proposed negative COLA on state categorical programs that currently sustain salaries and benefits may leave the programs without sufficient funding for personnel in the future. It is important to ensure that categorical restricted resources and other funds are self-supporting to limit general fund contributions. This should include paying for general fund overhead expenses, such as direct support, indirect costs, PERS revenue limit reduction, post-retirement benefits and all other costs. The flexibility transfers from categorical dollars should be maximized, including mega item, AB 825 and federal transfers.

The FCMAT study team would like to thank you and the other employees interviewed for their cooperation and assistance in this review.

If you have questions or require additional information about any of these issues, please do not hesitate to contact me at (415) 987-3104.

Sincerely,

Michelle Plumbtree  
Chief Management Analyst

C: Ann Hern, Assistant Superintendent of Business Services  
Linda Grundhoffer, FCMAT Consultant

**Projection Rules**

<b>Rule</b>	<b>Description</b>	<b>Base Year 2007 - 08</b>	<b>Year 1 2008 - 09</b>	<b>Year 2 2009 - 10</b>
CertCOLA	Certificated COLA %	0.00%	0.00%	0.00%
ClassCOLA	Classified COLA %	0.00%	0.00%	0.00%
CertColumn%	Certificated Staff Column Increase %	0.00%	0.00%	0.00%
CertStep%	Certificated Staff Step Increase %	2.60%	2.60%	2.60%
ClasStep%	Classified Staff Step Increase %	1.50%	1.50%	1.50%
CPI	California CPI (SSC)	3.20%	2.70%	2.50%
LOT-Res	California Lottery Restricted (SSC)	\$22.00	\$22.50	\$22.50
LOT-Unr	California Lottery Unrestricted (SSC)	\$0.00	\$0.00	\$0.00
INT	Interest Rate Trend for 10 Year Treasuries (SSC)	4.20%	4.10%	4.80%
NetCOLA	Net Funded Revenue Limit COLA (SSC)	4.53%	4.94%	3.00%
RLDef	Revenue Limit Deficit: K-12 (SSC)	0.00%	6.99%	6.99%
SpEdDef	Special Education Base Deficit (SSC)	4.53%	-6.50%	3.00%
CatCOLA	State Categorical COLA (SSC)	4.53%	-6.50%	3.00%
StCOLA	Statutory COLA (SSC)	4.53%	4.94%	3.00%
HW%	Health & Welfare Benefit Increase	0.00%	9.00%	9.00%
CustAmt	Custom Amount	\$0.00	\$0.00	\$0.00
Cust%	Custom Percent	0.00%	0.00%	0.00%
Cust1Amt	Custom One Time Amount	\$0.00	\$0.00	\$0.00
Cust1%	Custom One Time Percent	0.00%	0.00%	0.00%
ManInput	Manual Input	\$0.00	\$0.00	\$0.00
PRO	Proportional	0.00%	0.00%	0.00%
Zap	Zero Out	\$0.00	\$0.00	\$0.00
Enr	Year-to-Year Change in Enrollment	-1.69%	-1.10%	0.43%
RL-ADA	Year-to-Year Change in RL ADA	0.00%	-1.04%	0.43%
TchrStfg	Year-to-Year Change in Teacher Staffing	0.00%	0.00%	0.00%
SalFrcstr	Salary Forecaster	\$3,831,422.00	\$3,831,422.00	\$3,831,422.00
P2ADA	P2-ADA/ PRIOR YEAR ANNUAL ESTIMATE	\$0.00	\$0.00	\$0.00





**Revenue Limit**

Description	Base Year 2007 - 08	Rules	Year 1 2008 - 09	Year 2 2009 - 10
<b>1. Base Revenue Limit Per ADA</b>				
1.a. State Avg Base RL Per ADA (Prior Year)	\$5,326.00		\$5,567.00	\$5,842.00
1.b. Base RL per ADA (Prior Year)	\$5,405.37		\$5,646.37	\$5,921.37
2. Inflation Increase	\$241		\$275	\$175
3. All Other Adjustments	\$0.00		\$0.00	\$0.00
4. Current Base Revenue Limit Per ADA	\$5,646.37		\$5,921.37	\$6,096.37
<b>Revenue Limit Subject To Deficit</b>				
<b>5. Base Revenue Limit</b>				
5.a. Base Revenue Limit Per ADA (Line 4)	\$5,646.37		\$5,921.37	\$6,096.37
5.b. Prior Year P2 ADA	1,596.19		1,568.32	1,551.98
5.b.i. Prior Yr. ADA Adjustment	0.00		0.00	0.00
5.b.ii. Net Prior Yr. Revenue Limit ADA	1,596.19		1,568.32	1,551.98
5.c. Current Yr. RL ADA (excluding Charter ADA)	1,568.32		1,551.98	1,558.71
5.d. ADA Used for Revenue Limit (before adjustments)	1,596.19		1,568.32	1,558.71
5.d.i. Current Yr. Charter Schl. ADA	\$0.00		\$0.00	\$0.00
5.d.ii. Deduct: Necessary Small Schools ADA	\$0.00		\$0.00	\$0.00
5.e. ADA used for Revenue Limit (Excluding COE SDC)	1,596.19		1,568.32	1,558.71
5.f. Total Base Revenue Limit	\$9,012,679.33		\$9,286,603.00	\$9,502,472.88
6. Allowance for Necessary Small Schools	\$0.00		\$0.00	\$0.00
7. Gain or Loss from Interdistrict Attendance Agreements	\$0.00		\$0.00	\$0.00
8. Meals for Needy Pupils	\$0.00		\$0.00	\$0.00
9. Other Revenue Limit Adjustments	\$0.00		\$0.00	\$0.00
10. Beginning Teacher Salary	\$45,665.00	(1)	\$47,920.85	\$49,358.48
11. Less: Class Size Penalties Adjustment	\$0.00		\$0.00	\$0.00
12. Total Before Deficit	\$9,058,344.33		\$9,334,523.85	\$9,551,831.36
<b>Deficit Calculation</b>				
13. Revenue Limit Deficit:	0.00000%		6.99000%	6.99000%
13.a. Loss to Deficit	\$0.00		\$652,483.22	\$667,673.01
14. SubTotal, After Deficit	\$9,058,344.33		\$8,682,040.63	\$8,884,158.35
<b>Other Revenue Limit Items Net of Any Deficit</b>				
15. Unemployment Insurance Revenue	\$4,191.00		\$4,191.00	\$4,191.00
16. Continuation High School Revenue	\$0.00		\$0.00	\$0.00
17. Less: Longer Day/year Penalty	\$0.00		\$0.00	\$0.00
18. Less: Excess ROC/P Reserves Adjustment	\$0.00		\$0.00	\$0.00
19. Less: PERS Reduction	\$25,641.00	(2)	\$27,433.31	\$29,350.90
20. PERS Safety Adjustment	\$0.00		\$0.00	\$0.00
21. Total, Other Revenue Limit Items Net of any Deficit	(\$21,450.00)		(\$23,242.31)	(\$25,159.90)
22. Total, Revenue Limit	\$9,036,894.33		\$8,658,798.32	\$8,858,998.45
<b>Revenue Limit Local Sources</b>				
23. Property Taxes	\$4,607,937.00		\$4,607,937.00	\$4,607,937.00
24. Miscellaneous Taxes	\$0.00		\$0.00	\$0.00
25. Community Redevelopment Funds	\$0.00		\$0.00	\$0.00
26. Less: Charter Schools In-lieu Taxes	\$0.00		\$0.00	\$0.00
27. Total, Revenue Limit - Local Sources	\$4,607,937.00		\$4,607,937.00	\$4,607,937.00
28. Charter School General Purpose Block Grant Offset (Unified Districts Only)	\$0.00		\$0.00	\$0.00
29. State Aid Portion of Revenue Limit	\$4,428,957.33		\$4,050,861.32	\$4,251,061.45
<b>Basic Aid Status</b>				
30. Funding Model Used: ("Basic Aid" or "Revenue Limit")	Revenue Limit		Revenue Limit	Revenue Limit
31. Educational Revenue Augmentation Fund Allocation (ERAF)	\$0.00		\$0.00	\$0.00
32. Total Basic Aid Funding Received	N/A		N/A	N/A
<b>Other Items</b>				
33. Less: County Office Funds Transfer	\$0.00	(3)	\$0.00	\$0.00
34. All Other Adjustments	\$0.00		\$0.00	\$0.00
35. Total, Other Items	\$0.00		\$0.00	\$0.00
36. Total State Aid Portion of Revenue Limit	\$4,428,957.33		\$4,050,861.32	\$4,251,061.45
<b>Reconciliation to SACS Form 01</b>				
37. Total State Aid Portion of Revenue Limit (Line 36)	\$4,428,957.33		\$4,050,861.32	\$4,251,061.45
38. Total, Revenue Limit - Local Sources	\$4,607,937.00		\$4,607,937.00	\$4,607,937.00
39. Total Combined Revenue Limit	\$9,036,894.33		\$8,658,798.32	\$8,858,998.45
<b>Revenue Limit Transfers</b>				
40. Restricted Revenue Limit	\$0.00	(4)	\$0.00	\$0.00
<b>Reconciliation of Total Revenue Limit Sources</b>				
41. Revenue Limit State Aid - Prior Year	\$0.00		\$0.00	\$0.00
42. PERS Revenue Limit Reduction (Line 19)	\$25,641.00		\$27,433.31	\$29,350.90

**Revenue Limit**

Description	Base Year 2007 - 08	Rules	Year 1 2008 - 09	Year 2 2009 - 10
43. Total Unrestricted Revenue Limit Sources	\$9,062,535.33		\$8,686,231.63	\$8,888,349.35
<b>OTHER NON REVENUE LIMIT ITEMS</b>				
44. Core Academic Program	\$0.00		\$0.00	\$0.00
45. California High School Exit Exam	\$0.00		\$0.00	\$0.00
46. Pupil Promotion and Retention, and Low STAR Score Program	\$0.00		\$0.00	\$0.00
47. Apprenticeship Funding	\$0.00		\$0.00	\$0.00
48. Community Day School Additional Funding	\$0.00		\$0.00	\$0.00
49. Other State Apportionments-Current Year	\$0.00		\$0.00	\$0.00
50. Total Other Non Revenue Limit Items	\$0.00		\$0.00	\$0.00

**General Fund/County School Service Fund  
Unrestricted and Restricted Resources  
Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Base Year 2007 - 08	Year 1 2008 - 09	Year 2 2009 - 10
<b>Revenues</b>				
Revenue Limit Sources	8010 - 8099	\$9,062,535.33	\$8,686,231.63	\$8,888,349.35
Federal Revenues	8100 - 8299	\$298,418.00	\$285,785.92	\$282,249.20
Other State Revenues	8300 - 8599	\$1,804,776.00	\$1,684,787.04	\$1,733,007.01
Other Local Revenues	8600 - 8799	\$894,812.00	\$899,611.31	\$903,861.81
<b>Total Revenues</b>		<b>\$12,060,541.33</b>	<b>\$11,556,415.90</b>	<b>\$11,807,467.37</b>
<b>Expenditures</b>				
Certificated Salaries	1000 - 1999	\$6,215,890.00	\$6,248,073.12	\$6,412,421.02
Classified Salaries	2000 - 2999	\$1,374,847.00	\$1,395,469.72	\$1,416,401.77
Employee Benefits	3000 - 3999	\$2,340,702.00	\$2,462,532.22	\$2,611,197.99
Books and Supplies	4000 - 4999	\$839,647.00	\$495,392.07	\$518,517.89
Services and Other Operating Expenditures	5000 - 5999	\$1,872,046.00	\$1,886,214.60	\$1,926,982.77
Capital Outlay	6000 - 6900	\$22,500.00	\$20,140.00	\$19,987.83
Other Outgo	7000 - 7299	\$16,422.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	\$0.00	\$0.00	\$0.00
Debt Service	7430 - 7439	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		<b>\$12,682,054.00</b>	<b>\$12,507,821.73</b>	<b>\$12,905,509.27</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		<b>(\$621,512.67)</b>	<b>(\$951,405.83)</b>	<b>(\$1,098,041.90)</b>
<b>Other Financing Sources/Uses</b>				
Interfund Transfers In	8910 - 8929	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$67,087.00	\$63,410.00	\$62,757.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	\$0.00	\$0.00	\$0.00
<b>Total Other Financing Sources/Uses</b>		<b>(\$67,087.00)</b>	<b>(\$63,410.00)</b>	<b>(\$62,757.00)</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$688,599.67)</b>	<b>(\$1,014,815.83)</b>	<b>(\$1,160,798.90)</b>
<b>Fund Balance</b>				
Beginning Fund Balance (as of July 1 – Unaudited)	9791	\$2,246,199.00	\$1,557,599.33	\$542,783.50
Audit Adjustments	9793	\$0.00	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$2,246,199.00	\$1,557,599.33	\$542,783.50
Ending Fund Balance		\$1,557,599.33	\$542,783.50	(\$618,015.40)
<b>Components of Ending Fund Balance</b>				
Reserved Balances	9700	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$3,000.00	\$3,000.00	\$3,000.00
Stores	9712	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00
Other Prepay	9719	\$0.00	\$0.00	\$0.00
General Reserve	9730	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$201,164.00	\$201,164.16	\$199,259.73
Economic Uncertainties Percentage		3.00%	3.00%	3.00%
Designated for Economic Uncertainties	9770	\$382,474.23	\$376,836.95	\$388,600.81
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$474,925.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$496,036.10	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	(\$38,217.61)	(\$1,208,875.94)

**General Fund/County School Service Fund  
Unrestricted Resources Only  
Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Base Year 2007 - 08	Year 1 2008 - 09	Year 2 2009 - 10
<b>Revenues</b>				
Revenue Limit Sources	8010 - 8099	\$9,062,535.33	\$8,686,231.63	\$8,888,349.35
Federal Revenues	8100 - 8299	\$0.00	\$0.00	\$0.00
Other State Revenues	8300 - 8599	\$1,045,213.00	\$979,717.58	\$1,007,407.00
Other Local Revenues	8600 - 8799	\$119,414.00	\$121,464.00	\$123,962.40
<b>Total Revenues</b>		<b>\$10,227,162.33</b>	<b>\$9,787,413.21</b>	<b>\$10,019,718.75</b>
<b>Expenditures</b>				
Certificated Salaries	1000 - 1999	\$5,531,002.00	\$5,545,378.04	\$5,691,455.87
Classified Salaries	2000 - 2999	\$893,226.00	\$906,624.40	\$920,223.77
Employee Benefits	3000 - 3999	\$2,002,019.00	\$2,105,952.61	\$2,235,361.17
Books and Supplies	4000 - 4999	\$187,061.00	\$190,113.69	\$195,704.45
Services and Other Operating Expenditures	5000 - 5999	\$720,228.00	\$734,844.49	\$753,116.19
Capital Outlay	6000 - 6900	\$0.00	\$0.00	\$0.00
Other Outgo	7000 - 7299	\$16,422.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	(\$54,224.00)	(\$20,894.59)	(\$25,005.29)
Debt Service	7430 - 7439	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		<b>\$9,295,734.00</b>	<b>\$9,462,018.64</b>	<b>\$9,770,856.16</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		<b>\$931,428.33</b>	<b>\$325,394.57</b>	<b>\$248,862.59</b>
<b>Other Financing Sources/Uses</b>				
Interfund Transfers In	8910 - 8929	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$0.00	\$0.00	\$0.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	(\$1,261,468.00)	(\$1,340,210.56)	(\$1,407,757.06)
<b>Total Other Financing Sources/Uses</b>		<b>(\$1,261,468.00)</b>	<b>(\$1,340,210.56)</b>	<b>(\$1,407,757.06)</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$330,039.67)</b>	<b>(\$1,014,815.99)</b>	<b>(\$1,158,894.47)</b>
<b>Fund Balance</b>				
Beginning Fund Balance (as of July 1 – Unaudited)	9791	\$1,686,475.00	\$1,356,435.33	\$341,619.34
Audit Adjustments	9793	\$0.00	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$1,686,475.00	\$1,356,435.33	\$341,619.34
Ending Fund Balance		\$1,356,435.33	\$341,619.34	(\$817,275.13)
<b>Components of Ending Fund Balance</b>				
Reserved Balances	9700	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$3,000.00	\$3,000.00	\$3,000.00
Stores	9712	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00
Other Prepay	9719	\$0.00	\$0.00	\$0.00
General Reserve	9730	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$0.00	\$0.00	\$0.00
Economic Uncertainties Percentage		3.00%	3.00%	3.00%
Designated for Economic Uncertainties	9770	\$382,474.23	\$376,836.95	\$388,600.81
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$474,925.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$496,036.10	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	(\$38,217.61)	(\$1,208,875.94)

**General Fund/County School Service Fund  
Restricted Resources Only  
Revenues, Expenditures, and Changes in the Fund Balance**

Name	Object Code	Base Year 2007 - 08	Year 1 2008 - 09	Year 2 2009 - 10
<b>Revenues</b>				
Revenue Limit Sources	8010 - 8099	\$0.00	\$0.00	\$0.00
Federal Revenues	8100 - 8299	\$298,418.00	\$285,785.92	\$282,249.20
Other State Revenues	8300 - 8599	\$759,563.00	\$705,069.46	\$725,600.01
Other Local Revenues	8600 - 8799	\$775,398.00	\$778,147.31	\$779,899.41
<b>Total Revenues</b>		<b>\$1,833,379.00</b>	<b>\$1,769,002.69</b>	<b>\$1,787,748.62</b>
<b>Expenditures</b>				
Certificated Salaries	1000 - 1999	\$684,888.00	\$702,695.08	\$720,965.15
Classified Salaries	2000 - 2999	\$481,621.00	\$488,845.32	\$496,178.00
Employee Benefits	3000 - 3999	\$338,683.00	\$356,579.61	\$375,836.82
Books and Supplies	4000 - 4999	\$652,586.00	\$305,278.38	\$322,813.44
Services and Other Operating Expenditures	5000 - 5999	\$1,151,818.00	\$1,151,370.11	\$1,173,866.58
Capital Outlay	6000 - 6900	\$22,500.00	\$20,140.00	\$19,987.83
Other Outgo	7000 - 7299	\$0.00	\$0.00	\$0.00
Direct Support/Indirect Cost	7300 - 7399	\$54,224.00	\$20,894.59	\$25,005.29
Debt Service	7430 - 7439	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>		<b>\$3,386,320.00</b>	<b>\$3,045,803.09</b>	<b>\$3,134,653.11</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>		<b>(\$1,552,941.00)</b>	<b>(\$1,276,800.40)</b>	<b>(\$1,346,904.49)</b>
<b>Other Financing Sources/Uses</b>				
Interfund Transfers In	8910 - 8929	\$0.00	\$0.00	\$0.00
Interfund Transfers Out	7600 - 7629	\$67,087.00	\$63,410.00	\$62,757.00
All Other Financing Sources	8930 - 8979	\$0.00	\$0.00	\$0.00
All Other Financing Uses	7630 - 7699	\$0.00	\$0.00	\$0.00
Contributions	8980 - 8999	\$1,261,468.00	\$1,340,210.56	\$1,407,757.06
<b>Total Other Financing Sources/Uses</b>		<b>\$1,194,381.00</b>	<b>\$1,276,800.56</b>	<b>\$1,345,000.06</b>
<b>Net Increase (Decrease) in Fund Balance</b>		<b>(\$358,560.00)</b>	<b>\$0.16</b>	<b>(\$1,904.43)</b>
<b>Fund Balance</b>				
Beginning Fund Balance (as of July 1 – Unaudited)	9791	\$559,724.00	\$201,164.00	\$201,164.16
Audit Adjustments	9793	\$0.00	\$0.00	\$0.00
Other Restatements	9795	\$0.00	\$0.00	\$0.00
Adjusted Beginning Fund Balance		\$559,724.00	\$201,164.00	\$201,164.16
Ending Fund Balance		\$201,164.00	\$201,164.16	\$199,259.73
<b>Components of Ending Fund Balance</b>				
Reserved Balances	9700	\$0.00	\$0.00	\$0.00
Revolving Cash	9711	\$0.00	\$0.00	\$0.00
Stores	9712	\$0.00	\$0.00	\$0.00
Prepaid Expenditures	9713	\$0.00	\$0.00	\$0.00
Other Prepay	9719	\$0.00	\$0.00	\$0.00
General Reserve	9730	\$0.00	\$0.00	\$0.00
Legally Restricted Balance	9740 - 9759	\$201,164.00	\$201,164.16	\$199,259.73
Designated for Economic Uncertainties	9770	\$0.00	\$0.00	\$0.00
Designated for the Unrealized Gains of Investments and Cash in County Treasury	9775	\$0.00	\$0.00	\$0.00
Other Designated	9780	\$0.00	\$0.00	\$0.00
Undesignated/Unappropriated	9790	\$0.00	\$0.00	\$0.00
Negative Shortfall	9790	\$0.00	\$0.00	\$0.00