

Metropolitan Education District

**First Interim Report
MetroED Governing Board Presentation
December 14, 2011**



Purpose of Interim Reports

- **Formal review of current year budget status**
- **Multi-Year Analysis of projected revenues, expenditures and fund balances**
- **Determination of the adequacy of fund balances at the end of the current & two subsequent fiscal years**
- **Determination of the adequacy of cash balances at the end of the current and two subsequent fiscal years**
- **Identification of contingent liabilities, & resources to service those liabilities**
- **Board Certification of Financial Condition**

First Interim Report

- **Based on budgetary status of District for period ending October 31, 2011**
- **Governing Board must certify whether the District is able to meet its financial obligations for the current year and two subsequent years.**
- **The certification is classified Positive, Qualified, or Negative.**

Major Current Year Changes

- **Increased the annual Employee Benefits Cap by five (5) percent to \$14,370. No salary increases other than step and column.**
- **Included a projected amount of \$858,644 for Excess Property Tax in the General Fund.**
- **The Adult Education fund balance increased by \$298,027 due to projected CalWORKS funding.**
- **Miscellaneous budget adjustments due to staffing and other changes.**

Reserves for uncertainties, cash flow & potential liabilities

<u>Fund Balances</u>	<u>Gen. Fund</u>	<u>Adult Ed</u>	<u>Spec Res</u>
Revolving Cash Reserve	30,757	32,698	0
General Reserve -5%	753,818	271,498	0
Econ. Uncertainty -10%	1,507,637	542,996	0
Conting. For State Deficits	1,300,151	697,910	0
PERS Recapture Liability	0	0	638,284
Reserves for Legal Costs	<u>0</u>	<u>0</u>	<u>133,333</u>
Total Fund Balances	\$3,592,363	\$1,545,102	\$771,617

Major Multi-Year Projection Changes

- **Included State COLA projections for 2012-13 and 2013-14.**
- **There is General Fund deficit spending projected for 2011-12 largely due to transfers out to the Capital Outlay and Deferred Maintenance Funds. There are sufficient funds in the fund balance to cover this deficit.**

Major Multi-Year Projection Changes

- The spending deficits for the current and two subsequent years are covered by the Contingency for State Deficits and the reserves. The fund will maintain a 15% reserve (10% for Economic Uncertainty and a 5% General Reserve) and will end the year with a positive cash balance.

Recommendation

- ✓ **That the Governing Board accept the 1st Interim Report and Instruct the Board President to submit a positive certification to the County Superintendent of Schools for all funds**

