

WILLOWS UNIFIED SCHOOL DISTRICT
Office of the Superintendent

Date: 03/07/09

Request For Placement on Board Agenda:

AGENDA TOPIC: Approval of 2008/09 2nd Interim Budget

PRESENTER: Betty Skala, Director of Business Services

Background Information:

Education Code requires districts to submit board approved budgets to the Superintendent of Public Instruction (SPI) during the fiscal year. Education Code 42130 and 42131 require that budget reports and certifications are in a format or on forms prescribed by the SPI. Notice that the format of the 2008/09 2nd Interim budget with certification page is prepared using standard account code structure (SACS) software that complies with the education code. Management is submitting the 2008/09 2nd Interim budget for approval.

The 2nd Interim budget report shows a projected net loss of \$704,707.02 in unrestricted programs and an ending unrestricted fund balance of \$0. \$189,000 was incorporated into the budget as one time interfund transfer to support the operational budget due to midyear cuts and is due back to Fund 20 (Post Retirement), but only able to return \$51,077 at this time. That amount has been designated for return. For the restricted programs, the projected net loss is \$973,807.62 and an ending restricted fund balance of \$1,510.69. It is typical to fully appropriate restricted programs, and we have done so in the amount of \$973,807.62. At First Interim, we held onto restricted fund balances by not appropriating due to potential midyear cuts and unknown factors.

The 2008/09 2nd Interim budget unrestricted ending fund balance contains the following components:

Revolving Fund (petty cash)	\$ 3,300
Designated for Stores	\$ 16,004
*Reserve for Economic Uncertainties- 3% (AB1200 requirement)	\$ 0
Reserve for Economic Uncertainties- 3% (local board requirement)	\$ 0
Designated for Return to Fund 20	\$ 51,077
Undesignated	\$ 0
Total Unrestricted Ending Fund Balance	\$ 70,381

*required level for DEU is \$468,858. Our requirement is met via Fund 17 (Special Reserve). Funding in 17 is via a transfer from Fund 20 (Post Retirement).

Multi Year projections include budgetary cuts as approved through the Fiscal Recovery Plan. As a result of those decisions we can be certified as positive because not only do we meet our operational costs, but can meet our Reserve for Economic Uncertainties (DEU) requirements without having to tap into Fund 20(Post Retirement) resources.

Recommendations:

The administration would request the board approve and sign the SACS certification page for the 2nd Interim budget report for fiscal year 2008/09.