

# BUTTE COUNTY

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EDUCATION

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January 3, 2013

Mr. Terry Lattemore, Board President  
Biggs Unified School District  
300 B Street  
Biggs, CA 95917

Subject: 2012-13 First Interim Budget

Dear Mr. Lattemore:

In accordance with Education Code Section 42131, the Butte County Office of Education (BCOE) has reviewed the First Interim Budget Report of the Biggs Unified School District (BUSD) for fiscal year 2012-13. BCOE concurs with the district's positive certification indicating financial obligations will be met in the current and subsequent two fiscal years.

The assumptions used to build the First Interim Budget and Multi-Year Projection (MYP) are reasonable. Revenue limit funding reflects the passage of Proposition 30. Average Daily Attendance (ADA) is estimated based on current year enrollment and attendance with future years reflecting flat ADA. No change in federal revenues are estimated in subsequent years and state revenues reflect the loss of Class-Size Reduction funding in 2014-15 due to the end of flexibility provisions. 2014-15 includes a transfer into the General Fund of \$130,000 from the Special Reserve for Non-Capital Outlay Fund. Expenditures in future years reflect step and column cost increases and reductions in other operations costs. Biggs Unified is able to meet the minimum reserve requirement for the current and subsequent fiscal years.

A Cash Flow Projection and assumptions are included with the First Interim Budget. Major assumptions provided are reasonable. Cash preservation should be a focus for the administration, given the ability of the state to defer payments to local education agencies. BCOE notes a projected General Fund cash balance of \$555 in June, 2013.

An area of concern is projected unrestricted deficit spending in the current and future years. Deficit spending is large enough so that General Fund reserves are almost entirely spent down by the end of 2014-15. Although it is difficult in the current economic environment to eliminate deficit spending, BCOE recommends that the district continue to monitor this area of the budget.

"WHERE CHILDREN COME FIRST"

January 3, 2013  
2012-13 Original Budget  
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Based on our review, the First Interim Budget is approved as adopted. The attached analysis is provided for your information. If you would like additional information or analysis, please contact me at (530) 532-5617.

Sincerely,



Lisa A. Anderson  
Director, Fiscal Services

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FS-1213-047

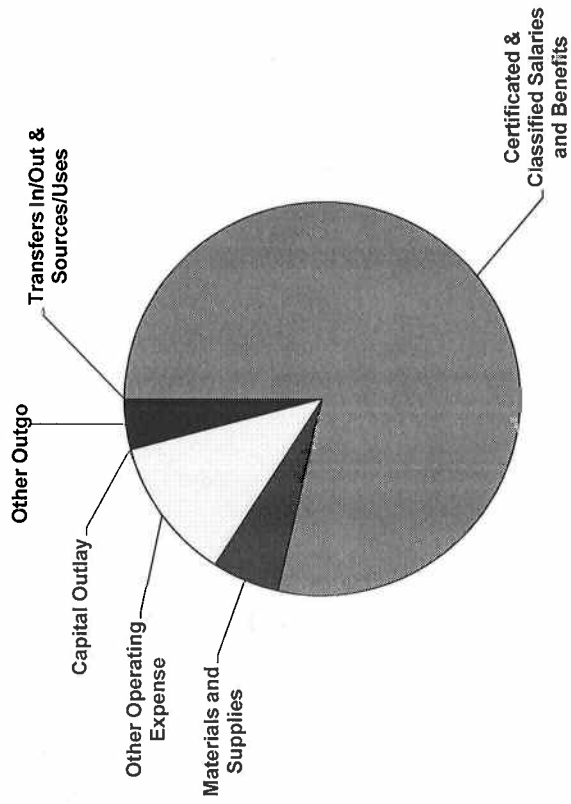
cc: Doug Kaelin, Superintendent, Biggs Unified School District  
Pam Ragan, Financial Officer, Biggs Unified School District  
Tim Taylor, Butte County Superintendent of Schools  
Kevin Bultema, Assistant Superintendent of Administrative Services  
Adrian Barron, Financial Analyst

Attachment

**AB 1200 Data Analysis - General Fund**

	2010-11 Actuals			2011-12 Unaudited Actuals			2012-13 First Interim Budget		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Biggs Unified</b>									
<b>Revenues</b>									
State Aid	1,969,838	0	1,969,838	1,761,618	0	1,761,618	1,634,905	0	1,634,905
State Aid - Prior Year	2,984		2,984	0		0	0		0
Charter Aid	0		0	0		0	0		0
Local Taxes	1,682,283	0	1,682,283	1,725,187	0	1,652,098	1,694,375	0	1,694,375
PERS Income	13,809		13,809	11,862		10,605	8,090		8,090
Charter In-Lieu Taxes	(12,010)	0	(12,010)	(5,197)	0	(3,296)	(5,390)	0	(5,390)
<b>Total Revenue Limit</b>	<b>3,656,904</b>	<b>0</b>	<b>3,656,904</b>	<b>3,493,470</b>	<b>0</b>	<b>3,472,954</b>	<b>3,331,980</b>	<b>0</b>	<b>3,331,980</b>
Federal Revenue	48,077	374,951	423,028	35,410	286,824	322,234	18,099	262,284	280,383
Other State	864,235	423,304	1,287,539	749,457	403,861	1,153,318	601,551	401,736	1,003,287
Other Local	285,360	108	285,468	370,126	2,673	372,799	277,156	2,535	279,691
<b>Total Revenues</b>	<b>4,854,577</b>	<b>798,363</b>	<b>5,652,940</b>	<b>4,648,463</b>	<b>693,358</b>	<b>5,321,305</b>	<b>4,228,786</b>	<b>666,555</b>	<b>4,895,341</b>
<b>Expenditures</b>									
Certified Salaries	1,805,530	362,562	2,168,092	1,812,675	264,398	2,077,073	1,780,423	220,390	2,000,813
Classified Salaries	714,655	301,026	1,015,681	715,752	308,961	1,024,713	731,002	344,042	1,075,044
Employee Benefits	858,000	195,869	1,053,869	936,961	176,464	1,113,425	920,658	171,470	1,092,128
<b>Total Salaries &amp; Benefits</b>	<b>3,378,185</b>	<b>859,457</b>	<b>4,237,642</b>	<b>3,465,388</b>	<b>749,823</b>	<b>4,215,211</b>	<b>3,432,083</b>	<b>735,902</b>	<b>4,167,985</b>
Books and Supplies	159,397	102,972	262,369	189,693	142,305	331,998	202,603	89,400	292,003
Other Operating Expense	609,872	68,196	678,068	565,973	31,518	597,491	554,806	70,993	625,799
Capital Outlay	407,016	25,091	432,107	157,269	0	157,269	5,000	0	5,000
Other Outgo	11,101	182,506	193,607	11,550	220,070	231,620	11,550	202,456	214,006
Direct support/Indirect Costs	(58,839)	46,882	(11,957)	(66,301)	56,562	(9,739)	(65,554)	54,470	(11,084)
<b>Total Expenditures</b>	<b>4,506,732</b>	<b>1,285,105</b>	<b>5,791,837</b>	<b>4,323,572</b>	<b>1,200,278</b>	<b>5,523,850</b>	<b>4,140,488</b>	<b>1,153,221</b>	<b>5,293,709</b>
<b>Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses</b>	<b>347,845</b>	<b>(486,742)</b>	<b>(138,897)</b>	<b>324,891</b>	<b>(506,920)</b>	<b>(202,545)</b>	<b>88,298</b>	<b>(486,666)</b>	<b>(398,368)</b>
Transfers In	0		0	22,651		22,651	11,550		11,550
Transfers Out	195,941		195,941				9,254		9,254
Other Sources	420,000		420,000				0		0
Other Uses	12600		12,600				0		0
Contributions to Rest. Program	(478,475)	478,475	0	(470,720)	470,720	0	(480,499)	480,499	0
<b>Total Transfers and Other Uses</b>	<b>(267,016)</b>	<b>478,475</b>	<b>211,459</b>	<b>(448,069)</b>	<b>470,720</b>	<b>22,651</b>	<b>(478,203)</b>	<b>480,499</b>	<b>2,296</b>
<b>Total Outgo</b>	<b>4,773,748</b>	<b>806,630</b>	<b>5,580,378</b>	<b>4,771,641</b>	<b>729,558</b>	<b>5,501,199</b>	<b>4,618,691</b>	<b>672,722</b>	<b>5,291,413</b>
<b>Net Inc.(Dec.) to Fund Balance</b>	<b>80,829</b>	<b>(8,267)</b>	<b>72,562</b>	<b>(123,178)</b>	<b>(36,200)</b>	<b>(179,894)</b>	<b>(389,905)</b>	<b>(6,167)</b>	<b>(396,072)</b>
Beginning Balance	901,369	50,634	952,003	1,075,048	42,367	1,117,415	951,870	6,167	958,037
Audit Adjustments/Restatements	92,849	0	92,849	0	0	0	0	0	0
<b>Adjusted Beginning Balance</b>	<b>994,218</b>	<b>50,634</b>	<b>1,044,852</b>	<b>1,075,048</b>	<b>42,367</b>	<b>1,117,415</b>	<b>951,870</b>	<b>6,167</b>	<b>958,037</b>
Ending Balance	1,075,048	42,367	1,117,414	951,870	6,167	937,521	561,965	(0)	561,965
For Economic Uncertainties	240,015	0	240,015	220,954	0	220,954	212,119	0	212,119
Other Available Reserves	301,169	0	301,169	285,193	0	285,193	89,846	0	89,846
Dedicated reserves	533,863	42,367	576,230	445,723	6,167	451,890	260,000	(0)	260,000
Other Funds	373,841		373,841	377,354		377,354	381,354		381,354
<b>Required Reserves - 4%</b>	<b>240,015</b>		<b>240,015</b>			<b>220,954</b>			<b>212,119</b>
<b>Reserves as a %</b>			<b>16.40%</b>			<b>16.06%</b>			<b>12.91%</b>

# Where is the money spent?

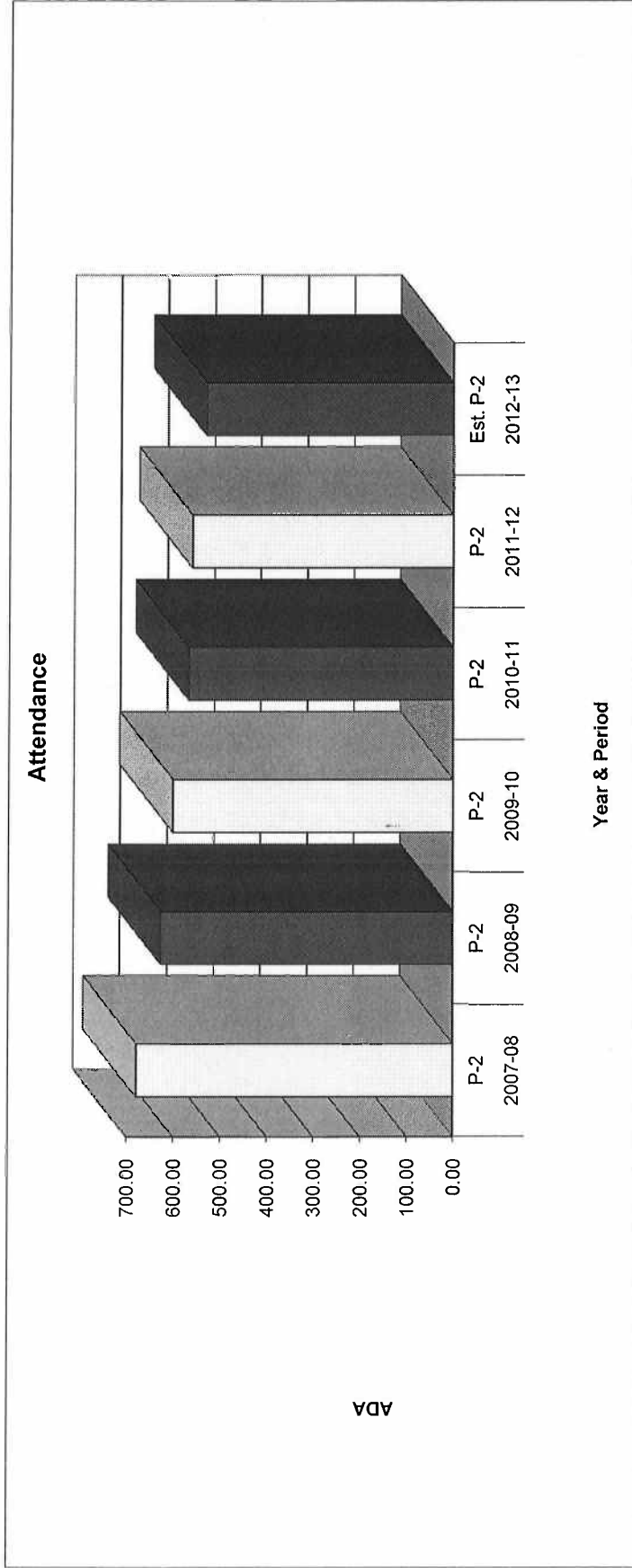


## 2012-13 First Interim Budget

Certificated/Classified Salaries and Benefits	4,167,985	78.60%
Materials and Supplies	292,003	5.51%
Other Operating Expense	625,799	11.80%
Capital Outlay	5,000	0.09%
Other Outgo	214,006	4.04%
Transfers In/Out & Sources/Uses	(2,296)	-0.04%
<b>Total</b>	<b>5,302,497</b>	<b>100.00%</b>

**P-2 ADA (Does not include charter school)**

2007-08 P-2	2008-09 P-2	2009-10 P-2	2010-11 P-2	2011-12 P-2	2012-13 Est. P-2
677.79	626.29	601.19	568.16	560.80	531.09



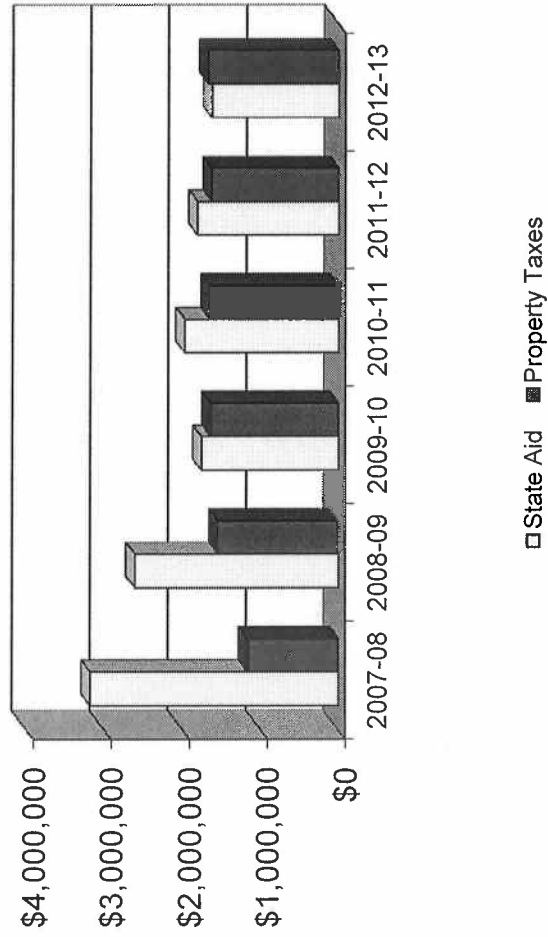
ADA is the driving force of district funding. A pattern of declining ADA needs to be addressed and followed with declining expenditures. A pattern of increasing ADA allows for increased expenditures.

## Revenue Limit Funding

	2007-08 Actuals	2008-09 Actuals	2009-10 Actuals	2010-11 Actuals	2011-12 Unaudited Actuals	2012-13 First Interim
State Aid	3,190,560	2,612,732	1,772,520	1,986,631	1,824,152	1,642,995
Property Taxes	1,181,921	1,558,252	1,656,084	1,670,273	1,646,901	1,688,985
Total	4,372,481	4,170,984	3,428,604	3,656,904	3,471,053	3,331,980

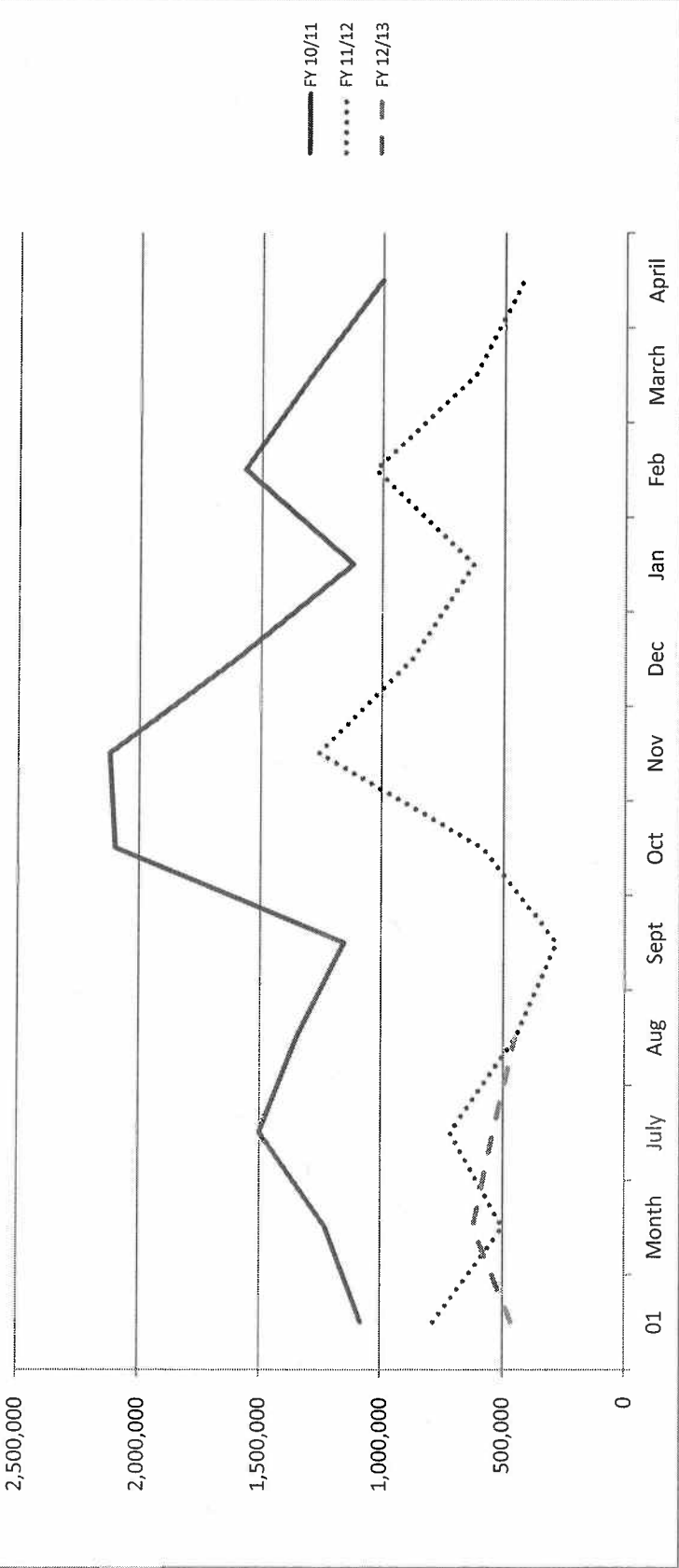
Percentages						
State Aid	73%	63%	52%	54%	53%	49%
Property Taxes	27%	37%	48%	46%	47%	51%

## Revenue Limit Funding



This graph illustrates the relationship between state aid and property taxes. A district with a higher state aid percentage will experience more volatility in the General Fund cash flow, due to the Principal Apportionment deferrals imposed by the State of California.

## Cash Balance - General Fund



Each month reflects the actual cash balance for the General Fund at the Butte County Treasurer. The current fiscal year First Interim Budget Report will include actuals through October and the Second Interim Budget Report will include actuals through January.



**Changes to Fund Balance**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Unrestricted	419,535	(71,529)	92,651	80,829	(123,178)	(389,905)
Restricted	71,730	(151,640)	(259,021)	(8,267)	(36,200)	(6,167)

