

Orange Unified School District

First Interim Financial Report

December 11, 2008

First Interim Financial Report Requirements

- File by December 15th
- Based on actual financial results as of October 31, 2008 and projections through June 30, 2009.
- Reviewed by Orange County Department of Education

What stayed the same?

Average Daily Attendance (ADA)

- 26,921.23 – no change from estimate compared to September 2008.

What changed due to 2008-09 State Budget?

- .68% Cost Of Living Adjustment (COLA)
increase \$1,053,207
- Routine Restricted Maintenance flexibility
eliminated (\$2,000,000)

What changed within 2008-09 Orange Unified Budget?

- Interest income decreased (\$400,000)
- Borrowed internally and saved fees to issue Tax and Revenue Anticipation Notes \$500,000
- Savings from actual compared to estimated staffing \$774,072
- Increase in health and welfare benefits (\$340,000)

Changes that do not impact ending balance.

Notification of categorical funding amounts for 2008-09.

- Federal \$616,618
- State \$2,489,674

Revenue and expenditures increased by the same amount.

Changes in ending fund balance compared to September 2008.

■ September 2008 \$5,226,060

■ December 2008 \$4,813,339

Decrease (\$412,721)

Multi-year Projections

In order to maintain a positive certification, Orange Unified School District needs to be able to meet its financial obligations for the remainder of 2008-09 and two subsequent fiscal years.

State Financial Crisis Impact on Multi-year Projections

Statutory COLA budgeted for 2008-09 was 5.66 percent.

COLA funded by the State was .68 percent.

Orange Unified needed to reduce its operating budget by \$12.1 million annually.

State Financial Crisis Impact on Multi-year Projections

Statutory COLA budgeted for 2009-10 is projected to be 5.60 percent.

Funded COLA is expected to be 0 percent.

Orange Unified needs to reduce its operating budget by \$10.2 million annually.

OCDE Requirements

Orange County Department of Education requires the Board of Education certify in writing that reductions will be made to maintain fiscal solvency. A detailed list of Board approved ongoing budget reductions need to be submitted with the 2008-09 Second Interim Financial Report due March 15, 2009.

Key Dates

- Governor's Proposed 2009-10 State Budget will be released January 9, 2009.
- Mid-year Budget Reductions – Special Session recommendations by January 15, 2009