

BOARD REPORT NO. 11-12-1C

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Kathy Blackwood, Executive Vice Chancellor, 358-6790

DISTRICT FINANCIAL SUMMARY FOR THE QUARTER ENDING SEPTEMBER 30, 2011

In accordance with Education Code Section 72413, the State Chancellor's Office requires submission of a Quarterly Financial Status Report (Form CCFS-311Q) and a copy of the District's financial report.

Attached is Form CCFS-311Q (Exhibit A) for the quarter ending September 30, 2011, which were forwarded to the State Chancellor's Office and the San Mateo County Superintendent of Schools on November 15, 2011.

General Fund—Unrestricted: Below is financial data for the unrestricted portion of the General Fund for the quarters ending September 30, 2010 and September 30, 2011.

| | Amount | | Difference | |
|-------------------------|---------------|---------------|--------------|------------|
| | 9/30/2010 | 9/30/2011 | Amount | Percentage |
| INCOME: | | | | |
| Enrollment Fees | \$ 4,049,956 | \$ 5,051,426 | \$ 1,001,470 | 24.73% |
| State Aid | 261,935 | 7,584,136 | 7,322,201 | 2795.43% |
| Non-Resident Tuition | 1,084,274 | 1,146,469 | 62,195 | 5.74% |
| Property Taxes | 80,987 | (1,496,791) | -1,577,778 | -1948.19% |
| Inter-Fund Transfer | 0 | 0 | 0 | N/A |
| Other Income | 1,060,675 | 992,909 | -67,766 | -6.39% |
| Total Income | \$ 6,537,827 | \$ 13,278,149 | \$ 6,740,322 | 103.10% |
| % of Budget | 5.83% | 12.39% | | |
| EXPENSES: | | | | |
| Academic Salaries | \$ 9,048,675 | \$ 9,053,303 | \$ 4,628 | 0.05% |
| Classified Salaries | 4,859,027 | 5,406,392 | 547,365 | 11.26% |
| Administrative Salaries | 1,583,016 | 1,608,757 | 25,741 | 1.63% |
| Fringe Benefits | 6,235,967 | 6,594,350 | 358,383 | 5.75% |
| General Supplies | 506,855 | 423,745 | -83,110 | -16.40% |
| Operating Expenses | 3,182,386 | 2,996,681 | -185,705 | -5.84% |
| Capital Outlay | 3,362 | 1,891 | -1,471 | -43.77% |
| Transfer Accounts | 71,838 | 64,772 | -7,066 | -9.84% |
| Total Expenditures | \$ 25,491,126 | \$ 26,149,891 | \$ 658,765 | 2.58% |
| % of Budget | 20.87% | 20.15% | | |

Total General Fund Income increased by 103.10% over last year, mainly due to the on time payment of State Apportionment Funds. Bills and salaries increased by 2.58% because of increase in classified salaries and fringe benefits and decrease in operating expenditure overall.

OTHER FUNDS: Included in Exhibit B are the financial data for all other funds. Total income and expenditures, comparing the same period for 2010-2011 and 2011-2012, are listed below:

| Restricted General and Other Funds | Amount | | Difference | |
|---|-------------------------|-------------------------|----------------------|--------------------------|
| | <u>9/30/2010</u> | <u>9/30/2011</u> | <u>Amount</u> | <u>Percentage</u> |
| Total Income | \$ 13,552,538 | \$ 13,289,214 | \$ -263,324 | -1.94% |
| Total Expenditures | 57,933,057 | 47,162,938 | -10,770,119 | -18.59% |

Revenue from Other Funds decreased by 1.94% mainly due to decrease in interest earned from Capital Outlay Fund. The total expenditure decreased by 18.59% primarily because most of the Capital Outlay Projects were completed.

REPORT ON INVESTMENTS: As of September 30, 2011, the District had a deposit of \$40,001,472 in total investments with the Local Agency Investment Fund (LAIF) of the State Treasurer's Office, County Pool Investment, and Money Market Account with local banks. The average yields on LAIF, County Pool, Money Market Account and Oil Well Bond Account with local banks were 0.38%, 1.31%, 1.10% and 0.15%, respectively. These deposits consisted of the following sources:

| | LAIF | County Pool | Money Market | Special Deposit | Total |
|-------------------------------|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------|
| <u>Investment Type</u> | <u>Investment</u> | <u>Investment</u> | <u>Investment</u> | <u>Bond</u> | <u>Investment</u> |
| General Fund | \$6,069,082 | 0 | \$13,083,016 | 0 | \$19,152,098 |
| Capital Outlay Fund | 0 | 0 | 0 | 5,000 | 5,000 |
| Agency Fund | 7,730,626 | \$13,113,748 | 0 | 0 | 20,844,374 |
| Total Investment | \$13,799,708 | \$13,113,748 | \$13,083,016 | \$5,000 | \$40,001,472 |

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

Quarterly Financial Status Report, CCFS-311Q
VIEW QUARTERLY DATA

[CHANGE THE PERIOD](#)

Fiscal Year: 2011-2012

Quarter Ended: (Q1) Sep 30, 2011

District: (370) SAN MATEO

| Line | Description | As of June 30 for the fiscal year specified | | | |
|--|---|---|--------------------|--------------------|---------------------|
| | | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Projected 2011-2012 |
| I. Unrestricted General Fund Revenue, Expenditure and Fund Balance: | | | | | |
| A. | Revenues: | | | | |
| A.1 | Unrestricted General Fund Revenues (Objects 8100, 8600, 8800) | 114,207,833 | 113,826,726 | 118,163,257 | 107,017,151 |
| A.2 | Other Financing Sources (Object 8900) | 641,061 | 7,518 | 328,985 | 150,000 |
| A.3 | Total Unrestricted Revenue (A.1 + A.2) | 114,848,894 | 113,834,244 | 118,492,242 | 107,167,151 |
| B. | Expenditures: | | | | |
| B.1 | Unrestricted General Fund Expenditures (Objects 1000-6000) | 106,011,567 | 104,367,092 | 102,184,745 | 113,490,146 |
| B.2 | Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600) | 4,618,477 | 8,019,675 | 11,659,746 | 1,412,104 |
| B.3 | Total Unrestricted Expenditures (B.1 + B.2) | 110,630,044 | 112,386,767 | 113,844,491 | 114,902,250 |
| C. | Revenues Over(Under) Expenditures (A.3 - B.3) | 4,218,850 | 1,447,477 | 4,647,751 | -7,735,099 |
| D. | Fund Balance, Beginning | 10,311,553 | 14,530,403 | 15,977,880 | 20,625,632 |
| D.1 | Prior Year Adjustments + (-) | 0 | 0 | 0 | 0 |
| D.2 | Adjusted Fund Balance, Beginning (D + D.1) | 10,311,553 | 14,530,403 | 15,977,880 | 20,625,632 |
| E. | Fund Balance, Ending (C. + D.2) | 14,530,403 | 15,977,880 | 20,625,631 | 12,890,533 |
| F.1 | Percentage of GF Fund Balance to GF Expenditures (E. / B.3) | 13.1% | 14.2% | 18.1% | 11.2% |

II. Annualized Attendance FTES:

| | | | | | |
|-----|--|--------|--------|--------|--------|
| G.1 | Annualized FTES (excluding apprentice and non-resident) | 22,374 | 23,405 | 21,713 | 22,240 |
|-----|--|--------|--------|--------|--------|

III. Total General Fund Cash Balance (Unrestricted and Restricted)

| | Description | As of the specified quarter ended for each fiscal year | | | |
|-----|--------------------------------|--|-------------------|-------------------|-------------------|
| | | 2008-09 | 2009-10 | 2010-11 | 2011-2012 |
| H.1 | Cash, excluding borrowed funds | | 9,564,607 | 2,162,525 | 3,082,558 |
| H.2 | Cash, borrowed funds only | | 29,530,000 | 14,415,000 | 19,945,000 |
| H.3 | Total Cash (H.1+ H.2) | 20,538,157 | 39,094,607 | 16,577,525 | 23,027,558 |

IV. Unrestricted General Fund Revenue, Expenditure and Fund Balance:

| Line | Description | Adopted Budget (Col. 1) | Annual Current Budget (Col. 2) | Year-to-Date Actuals (Col. 3) | Percentage (Col. 3/Col. 2) |
|-------------------------|---|-------------------------|--------------------------------|-------------------------------|----------------------------|
| I. Revenues: | | | | | |
| I.1 | Unrestricted General Fund Revenues (Objects 8100, 8600, 8800) | 106,914,526 | 107,017,151 | 13,127,102 | 12.3% |
| I.2 | Other Financing Sources (Object 8900) | 0 | 150,000 | 151,047 | 100.7% |
| I.3 | Total Unrestricted Revenue (I.1 + I.2) | 106,914,526 | 107,167,151 | 13,278,149 | 12.4% |
| J. Expenditures: | | | | | |
| J.1 | Unrestricted General Fund Expenditures (Objects 1000-6000) | 128,124,180 | 128,376,805 | 26,085,118 | 20.3% |
| J.2 | Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600) | 1,412,104 | 1,412,104 | 64,772 | 4.6% |
| J.3 | Total Unrestricted Expenditures (J.1 + J.2) | 129,536,284 | 129,788,909 | 26,149,890 | 20.1% |
| K. | Revenues Over(Under) Expenditures (I.3 - J.3) | -22,621,758 | -22,621,758 | -12,871,741 | |
| L. | Adjusted Fund Balance, Beginning | 20,625,632 | 20,625,632 | 20,625,632 | |
| L.1 | Fund Balance, Ending (C. + L.2) | -1,996,126 | -1,996,126 | 7,753,891 | |
| M. | Percentage of GF Fund Balance to GF Expenditures (L.1 / J.3) | -1.5% | -1.5% | | |

V. Has the district settled any employee contracts during this quarter?

NO

If yes, complete the following: (If multi-year settlement, provide information for all years covered.)

| Contract Period Settled (Specify) | Management | Academic | | Classified |
|-----------------------------------|------------|-----------|-----------|------------|
| | | Permanent | Temporary | |
| | | | | |

| YYYY-YY | Total Cost Increase | % * | Total Cost Increase | % * | Total Cost Increase | % * | Total Cost Increase | % * |
|---------------------|---------------------|-----|---------------------|-----|---------------------|-----|---------------------|-----|
| a. SALARIES: | | | | | | | | |
| Year 1: | | | | | | | | |
| Year 2: | | | | | | | | |
| Year 3: | | | | | | | | |
| b. BENEFITS: | | | | | | | | |
| Year 1: | | | | | | | | |
| Year 2: | | | | | | | | |
| Year 3: | | | | | | | | |

* As specified in Collective Bargaining Agreement or other Employment Contract

c. Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code.

VI. Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANS), issuance of COPs, etc.)? **NO**

If yes, list events and their financial ramifications. (Enter explanation below, include additional pages if needed.)

VII. Does the district have significant fiscal problems that must be addressed? **NO**
This year? **NO**
Next year? **NO**

If yes, what are the problems and what actions will be taken? (Enter explanation below, include additional pages if needed.)

San Mateo County Community College District
DISTRICT CASH FLOW SUMMARY
FOR THE QUARTER ENDING SEPTEMBER 30, 2011

| | GENERAL FUND | Payroll Fund | GENERAL RESTRICTED FUND | INSURANCE & Debt Services FUND | CAPITAL OUTLAY FUND | CHILD CARE FUND | STUDENT AID FUND | POST- RETIREMENT RESERVES |
|--|-------------------------|-------------------------|--|---|------------------------------------|----------------------------|---------------------------------|--|
| Beg. Cash Balance in County Treasury | 10,138,002.56 | 2,926,697.72 | 9,305,034.62 | 32,182,533.85 | 148,797,881.47 | 2,726,003.24 | 599,401.94 | - |
| Cash inflow from operations: | | | | | | | | |
| Year-to-date Income | 13,278,149.44 | | 4,687,990.15 | 444,645.84 | 18,874.77 | 256,655.18 | 7,611,453.85 | 269,594.52 |
| Accounts Receivable | 9,020,288.77 | 1,047.99 | 1,753,022.74 | 57,825.04 | 2,818,508.41 | 147,131.62 | 351,871.05 | 11,339.06 |
| Deferred Income | (5,997,661.06) | (295.63) | (913,900.24) | | (45,351.00) | (11,183.00) | (157,917.00) | (656.00) |
| Cash awaiting for deposit | 457,409.48 | | | | | | | |
| Total Income | 26,896,189.19 | 2,927,450.08 | 14,832,147.27 | 32,685,004.73 | 151,589,913.65 | 3,118,607.04 | 8,404,809.84 | 280,277.58 |
| Cash outflow for operations: | | | | | | | | |
| Year to date expenditure | 26,149,890.35 | | 4,599,334.26 | 20,965,826.53 | 6,547,147.62 | 1,606,878.71 | 8,443,750.40 | 5,000,000.00 |
| Advances / Prepaid | (24,977.32) | | (1,131.48) | - | (539,963.26) | - | - | |
| Account Payable | 1,524,205.47 | (461,423.40) | 724,338.71 | 11,309.00 | 7,673,228.81 | 15,924.78 | (178,097.43) | 3,267.06 |
| Cash Balance From Operations | (752,929.31) | 3,388,873.48 | 9,509,605.78 | 11,707,869.20 | 137,909,500.48 | 1,495,803.55 | 139,156.87 | (4,722,989.48) |
| Other Cash inflow | | | | | | | | |
| Medical Flex Plan / Revolv. Fund | - | | | - | | | | |
| TRANS | 19,945,000.00 | | | | | | | |
| Trusts (JPA & 3CBG) | | | | | | | | |
| Beg. Investment Balance | | | | | | | | |
| LAIF Balance | 6,061,887.45 | | | | | | | 7,721,462.77 |
| County Pool Balance | - | | | | | | | 17,845,901.60 |
| Special Bond | | | | | - | 5,000.00 | | - |
| C.O.P. & Others | 4,027,218.69 | | | | 197.38 | | | |
| Total Beg. Balance | 10,089,106.14 | | | | 197.38 | 5,000.00 | | 25,567,364.37 |
| Y.T.D. Investment Balance | | | | | | | | |
| LAIF Balance | 6,069,081.68 | | | | | | | 7,730,626.57 |
| County Pool Balance | - | | | | | | | 13,113,748.32 |
| Special Bond | | | | | - | 5,000.00 | | - |
| C.O.P./Bank CD | 13,083,016.08 | | | | 197.38 | | | |
| Y.T.D. Balance | 19,152,097.76 | | | | 197.38 | 5,000.00 | | 20,844,374.89 |
| Net Cash changes from Investment | (9,062,991.62) | | | | - | - | | 4,722,989.48 |
| Net changes from unrealized gain / (loss) | - | | | | | | | - |
| Cash Balance in County Treasury | 10,129,079.07 | 3,388,873.48 | 9,509,605.78 | 11,707,869.20 | 137,909,500.48 | 1,495,803.55 | 139,156.87 | 0.00 |
| Net Cash (Excluding TRANS & Trusts) | (9,815,920.93) | 3,388,873.48 | 9,509,605.78 | 11,707,869.20 | 137,909,500.48 | 1,495,803.55 | 139,156.87 | 0.00 |