FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT

Audit and Finance Agenda Item

Meeting Date: March 3, 2011

Title of Item:

Fiscal Self-Assessment

Background and Analysis:

The Sound Fiscal Management Self-Assessment Checklist report is prepared each fiscal year by district Business Office staff as an additional step in the overall process of ensuring fiscal stability and continuous scrutiny of district business practices and operations. Although completion of the report on an annual basis is recommended by the state chancellor's office, it is not a requirement. FHDA chooses to produce the report each year because it is viewed by staff as a valuable tool for our own internal fiscal assessment and provides a comprehensive narrative document that is presented to both the Audit and Finance committee and the Board of Trustees.

Recommendation: Information

Submitted by:	**Kevin McElroy, Hector Quinonez, Bernata Slater**
Is backup provided?:	**yes**

Foothill-De Anza Community College District

January, 2011

<u>Sound Fiscal Management</u>
<u>Self-Assessment Checklist</u>

1. **Deficit Spending** - Is this area acceptable? **Yes**

   Is the district spending within their revenue budget in the current year?
   The California Community Colleges System Office requires financial reports for the Unrestricted General Fund that encompasses both the General Purpose Fund (Foothill-De Anza Fund 14) and the Self-Sustaining Fund (Foothill-De Anza Fund 15). The district concentrates on the General Purpose Fund (Fund 14) because this fund captures most of the district's operating revenue and expenses.
   The Sound Fiscal Management Self-Assessment Checklist summarizes activities for FY 2009/10 as well as projects balances into FY 2010/11. The fiscal year 2009-10 State budget was again delayed and not signed into law until over two months into the new fiscal year and continued to leave the State's structural budget imbalance inadequately addressed. The 2009-10 state allocation once again reduced categorical funding across the board from 40% to (in some cases) 100% and imposed a 3.39% work load reduction on apportionment funding directly impacting the district's general fund. The district absorbed overall cuts of over $13 million in categorical programs and general fund. In FY 2009/10 the district adopted a budget that was balanced using $3.8M in one-time funds. This $3.8M represents the shortfall necessary to have structurally balanced budget. There were many factors that contributed to that deficit:

   - No COLA increases from the state
   - State cuts to base apportionment (approximately $5.5M)
   - State cash deferrals resulting in a reduction to interest earnings
   - Internal operating cost increases (1% to 15%)

   As mentioned above, the district designated one-time savings of $3.8M from unrestricted 2008/09 ending fund balance to offset this deficit.

   With the state budget worsening the district made tremendous efforts to improve its fiscal standing and reduce its operating deficit in the General Fund. In addition to a reduction in the General Fund, permanent reductions had to be made to many categorical programs that received close to an $8M reduction in funding from the state in FY 2008/09 and were sustained into FY 2009/10 and beyond. During FY 2009/10 10.6M has been reduced from the operating budget in General and Categorical Funds to balance the budget and to prepare for potential 2010/11 state cuts. These substantial changes, with the addition of additional recalculated 2008/09 lottery revenue, reduction in the projected deficit factor, as well as some savings in general operating expenses (utilities, benefits, telephones, insurance/property/liability, software/hardware maintenance), savings from positions held vacant through the year, and restricted spending of B budgets, resulted in a higher than budgeted ending fund balance. This was an intentional outcome of hard work and dedication of many departments in order to preserve our fiscal resources and be able to use them to secure a Board of Trustees designated Stability Fund for FY 2010/11 to weather potential mid-year cuts and state cuts in FY 2011/12.

All of the above restrictions on spending, reductions in expenditures, and one-time increases to revenue reduced the projected deficit and resulted in a net operating gain for 2009/10 of approximately $3.4M. These one-time funds, in addition to the remaining fund balance from the prior year were carried over in the General Fund (Fund 14) as a total one time unrestricted carryover of $10.9M in excess of the 5% reserves into FY 2010/11 (See Exhibit 1).
The District designated those funds to:

- Fund escrow II and Deferment I positions for a period of one year
- Secure Stability Fund to offset FY 2010/11 and 2011/12 state cuts.

In January 2011 Governor Brown released the 2011/12 budget that includes devastating cuts to the community college system. Although no mid-year cuts are included in the governor's package, we will need all of the Stability Fund (and potentially more) to help us prepare in FY 2011/12 for ongoing reductions that may be necessary to get the Foothill-De Anza budget into balance in FY 2012/13. We are currently working on two scenarios which include the outcome of the June election to extend the temporary tax extension passing or failing.

Has the district controlled deficit spending over multiple years?
Yes, the District's General Purpose Fund (Fund 14) Net Change in Fund Balance for FY 2003/04 was $210,047; for FY 2004/05 it was $24,230; for FY 2005/06 it was $5,693,811; and for FY 2006/07 it was $12,702,807. In FY 2007/08 the district experienced mid-year cuts, which put the district's general Fund in deficit spending of $3,520,962. In FY 2008/09 the district Net Change in Fund Balance was $2,855,401 and in FY 2009/10 $3,433,109 which was achieved mostly through reduced spending. (See Exhibit 1)

Is deficit spending addressed by fund balance, ongoing revenue increases, or expenditure reductions?
FY 2004/05, 2005/06 and 2006/07 ended with positive net changes in the fund balance. (See Exhibit 1) The following years resulted in a positive net change in the fund balance with the exception of 2007/08, the year in which mid-year cuts were implemented. In FY 2008/09 expenditure reductions and efforts to increase revenue through increased student enrollment resulted in a positive net change in fund balance of $2,855,401. FY 2009/10 ended with a positive net change in the fund balance of $3,433,109 and during that year the district was involved in preparation for drastic cuts to the operating budget by eliminating $4.1 million in operating expenses from general fund and $6.5 million from categorical programs as a result of 2008/09 state budget reductions. As a result of careful planning and work with various committees, the district entered 2010/11 with a balanced budget and some one-time funds set aside for future state cuts (Stability Fund).

Are district revenue estimates based upon past history?
District revenue estimates are based upon a combination of:
Enrollment estimates generated from collaboration between Business Services and the campuses' enrollment management teams; historical data; campuses' input on locally generated income; state assumptions on COLA, growth, and the state funding formula (SB361) as well as lottery estimates, etc.

Does the district automatically build in growth revenue estimates?
No, the District's growth revenue estimates are based on the colleges' FTES growth estimates.

2. **Fund Balance** – Is this area acceptable? **Yes**

Is the district's fund balance stable or consistently increasing?

Yes, the District's General Fund balance (Unrestricted) is very stable, varying between $4.2M and $11.0 M in excess of the minimum 5% contingency for the past two years. (See Exhibit 1). This increase in unrestricted fund balance is intentional and a planned outcome of hard work and dedication of many departments, achieved through drastic reduction in operating expenses, restricted spending on B budget and savings from positions held vacant through the year. These funds are designated to preserve our positions from being eliminated (escrow II and deferment I) and being able to use them to offset any cuts on a one-time basis in 2010/11 and beyond.

Is the fund balance increasing due to on-going revenue increases and/or expenditure reductions?

See question and answer above.

3. **Enrollment** - Is this area acceptable? **Yes**

Has the district's enrollment been increasing or stable for multiple years?

Enrollment declined in the FY 2004/05 year for a variety of reasons. The district was in "stability funding" that year and was able to regain the lost FTES in the FY 2005/06 year along with some modest growth. Growth was targeted again in the FY 2006/07 year but in fact a decline resulted. In FY 2007/08 the district recovered from a prior year decline and also grew by 2.52% above the recovered base FTES. In FY 2008/09 the district grew 2.5% above the state funded FTES cap. This additional growth over cap was not funded by state apportionment. For FY 2009/10 the governor's budget did not incorporate any growth. In addition, base workload reduction measures of 3.39% were authorized in proportion to cuts in general apportionment funding. Even though in FY 2009/10 the district reduced a significant number of sections due to workload reduction, we still served 894 unfunded (over-the-cap) FTES(See Exhibit 2). Although the governor's budget at it's late adoption (October 8, 2010) included 2.21% growth, our Adopted Budget did not include this assumption due to the uncertain nature of funding in this dire state economic climate. In addition, based on a recent filing of the First Attendance Report (P-1), we are estimating that for this fiscal year, due to variety of factors including challenges due to a conversion to a new student information system, we will be in "stability funding' due to a loss of approximately 1,300 FTES. We will be funded from state apportionment for our full base in FY 2010/11 but our base FTES in FY 2011/12 will be reduced by 1,300. State funding formula application provides us the ability to restore the reduced FTES within the next three years. Given the potential workload reduction that may be implemented in FY 2011/12, we are currently putting forth all our efforts to recoup our lost FTES.

Are the district's enrollment projections updated at least semiannually?

Yes, enrollment projections are reviewed and updated at the beginning of every academic quarter.

Are staffing adjustments consistent with the enrollment trends?

The Board approved a "growth model" which funds additional positions, teaching and support, in direct proportion to FTES growth. While the law requires an increase in full time faculty consistent with FTES increases, the district's model uses that same rationale for growth of non-teaching positions

Does the district analyze enrollment and full time equivalent students (FTES) data?

Yes, every quarterly report includes an analysis of FTES and productivity. In addition to this report to the Board, the Office of Institutional Research sends out "dashboard" reports starting several weeks before the quarter to analyze trends and to display comparative data. Finally, district staff has access to an FTES database. This database shows enrollment trends down to the individual class and instructor level and can be aggregated by department, division and college.

Does the district track historical data to establish future trends between P-1 and annual for projection purposes?
Yes, the Chief Instructional Officer at each college is responsible for forecasting winter and spring enrollment at P-1. It is through that analysis that the "multiplier" is adjusted on the 320 report to insure consistency with projections.

Has the district avoided stabilization funding?
No. As noted above, the district has experienced stabilization in FY 2006/07 and will probably be in stability funding in FY 2010/11.

4. **Unrestricted General Fund Balance –** Is this area acceptable? **Yes**
Is the district's unrestricted general fund balance consistently maintained at or above the recommended minimum prudent level (5% of the total unrestricted general fund expenditures)?
Yes, the district's unrestricted general fund balance has been maintained above the minimum prudent level of 5%. The California Community Colleges System Office requires that we report the unrestricted general fund balance and other required financial information in the Annual Financial and Budget Report (CCFS-311). The unrestricted general fund balance includes the General Purpose Fund (Fund 14) and the Self-Sustaining Fund (Fund15). The unrestricted general fund balance for the past five years is shown below:

	Actual
2005/06	15.5%
2006/07	21.8%
2007/08	18.4%
2008/09	19.8%
2009/10	22.4%

Is the district's unrestricted fund balance maintained throughout the year?
Yes, the district's unrestricted fund balance was maintained at or above 22.4% of the total unrestricted general fund expenditures in any given month throughout fiscal year 2009/10. It is our strategic plan to retain a portion of the General Fund Balance as a Stability Fund as outlined in item No.1 above. In the light of state budget challenges, our efforts are currently focused on curtailing discretionary spending and maximizing ending fund balance to better prepare the district to weather this crisis and the inevitable deep state cuts.

5. **Cash Flow Borrowing -** Is this area acceptable? **Yes**
Can the district manage its cash flow without interfund borrowing?
Yes, during the past five years, the district managed a positive cash flow in the unrestricted general fund without inter-fund borrowing.

Is the district repaying TRANS and/or borrowed funds within the required statutory period?
The district has not borrowed funds from TRANS since fiscal year 1996/97 when it issued a TRAN in the amount of $4.4 million. The district did not issue a TRAN in fiscal year 2009/10

and we do not anticipate issuing a TRAN in fiscal year 2010-11. We will monitor the State budget, including any new proposals for state apportionment deferrals, to determine if there is a need to issue a TRAN in fiscal year 2011/12.

6. **Bargaining Agreements** – Is this area acceptable? **Yes**
However in 2008/09 and 2009/10 no COLA has been allocated in bargaining settlements due to zero COLA allocations from the state and reduced apportionment funding through workload reduction (3.39%) in 2009/10.
Additionally, part time faculty parity funding was cut by the state, which has caused the ongoing negotiated expense to encroach on the general fund the last two years. In addition, a restructuring of health benefits was agreed to as a cost containment measure and began in January 2010.

7. **Unrestricted General Fund Staffing -** Is this area acceptable? **Yes**
Is the district ensuring it is not using one-time funds to pay for permanent staff or other ongoing expenses?
Permanent staff are controlled through position control and are budgeted from ongoing revenue. Any increases in staffing are funded through a growth model developed by the District, which is based on FTES growth and corresponding ongoing revenue growth.
In FY 2009/10 and 2010/11 the district went through a round of cuts to balance its budget due to drastic funding reductions from the state. As a result of these cuts, approximately 170 positions were eliminated from our ongoing budget. Due to their critical nature, some of these eliminated positions were then funded on a one-time basis for a period of one year (escrow II and Deferment I). This is a temporary solution only and was identified as a separate, one-time funded expense category in our Adopted Budget and Quarter End Report. Further review of our budgeted revenue and expenses at 1st Quarter End Report indicated that we have the capacity to absorb these expenses into the ongoing budget as our revenue and expenses were on target and the budget was balanced with an excess of revenue over expenses of $2.3 million. In December 2010, the Board of Trustees approved absorbing these one-time funded positions into ongoing operating expenses.

Is the percentage of district general fund budget allocated to salaries and benefits at or less than the statewide average (i.e. the statewide average for 2003-04 is 85%)?
In FY 2003/04 the District was at 83%; in FY 2004/05 the District was at 80%; in FY 2005/06 the District was at 79%. and in FY 2006/07 the District was at 79%. The 2006/07, 2007/08 and 2008/09 percentages are artificially low (79%, 80% and 80% respectively) because of the infusion of one-time funds received and distributed in FY 2006/07 that increased the operating budget. (This data is utilizing data from System Office Fiscal Trend analysis which combines Funds 14 and 15, see Exhibit 3). In FY 2009/10 the percentage of district general fund budget allocated to salaries and benefits was 83%. For FY 2010/11, the District is budgeting 77%. The reason for this decline is the budgeted carryover that artificially increases operating expenses for that year.

8. **Internal Controls -** Is this area acceptable? **Yes**
Does the district have adequate internal controls to ensure the integrity of the general ledger?
Yes, in addition to the annual financial audit report, which includes a report on internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, the district has contracted with an independent certified public accounting firm over the past five years to perform performance audits on Measure E Overhead, De Anza College Cash Handling Procedures, District Procurement Card,

Foothill College Cash Handling Procedures, Measure C Overhead, Police Parking Fees Cash Handling Procedures, De Anza College Facilities Rental Cash Handling Procedures, and ERP Security. In fiscal year 2010-11 the District contracted to perform audits on the District Procurement Card, Foothill College Cashiering Services Petty Cash/Change Fund, and Foothill College PE Facilities Rental and Cash Handling Procedures.

Does the district have adequate internal controls to safeguard the district's assets?
Yes, the district has written cash handling procedures for De Anza College and Foothill College as well as written district petty cash procedures to safeguard cash. In addition to the required annual audit, the district goes above that requirement and contracts for annual performance audits at its various cash collection points. The district also has Board Policy and Administrative Procedures on Capitalization of District Property and on Disposal of District Property.

9. **Management Information Systems** – Is this area acceptable? **Yes**

Yes, until recently access to financial, student and human resources data was obtained through the combination of the SIS, HRS and FRS systems combined with MAUI. This legacy system, while adequate, presented a number of difficulties having to do with integrating different databases. In addition, vendor support for the legacy system was due to expire at the end of the Calendar year (CY) 2011. This problem, along with a need to adopt a more modern information system capable of providing enhanced functionality prompted the district to include funds in the Measure C bond to acquire and install a new management information system. In February 2008, the Board authorized acquisition of major software packages for implementation as the new Educational Information System (EIS). A multi-year implementation plan was developed and on July, 1 2009, the Finance module, the first of these major components went live. The HR/Payroll Module came on line on January 1, 2010, and the Student Information Module and Student Financial Aid Module followed by the end of 2009-10.

The Finance module and the HR Payroll model are functioning satisfactorily. Custom reports for both systems are still in development and until completed translate to less information being available in some cases than in the previous system. Management is confident the custom report writing software will continue to be utilized and solve this issue in the coming months. The Student Information Module and Student Financial Aid module also came on-line with significant success overall. However, staff has reported experiencing inconsistencies in the data collected in terms of enrollment counts and a lack of custom reports necessary to fully analyze the information. District administration is working closely with ETS and Banner consulting services to resolve the data collection issues and expect to have solutions identified in all critical areas by the end of the 2010-11 fiscal year.

10. **Position Control** – Is this area acceptable? **Yes**

Is position control integrated with payroll?
Yes, there is a very strong position control system in place which requires a position number for each new hire.

Does the district control unauthorized hiring?
Yes, all positions to be refilled and newly created positions are assigned a position control number. Each "staff requisition" which is necessary to start the hiring process must be approved by the Chancellor's Staff and must have a valid position control number.

Does the district have controls over part-time academic staff hiring?
Each year the district budgets the dollar amount to be allocated for PT faculty (1320) based on total FTES, less the number of full time faculty, and driven by the agreed upon productivity numbers. The colleges are responsible for developing a schedule of classes synching with the agreed upon budget. Changes in FTES targets or productivity budgets need to be agreed upon at the district level so budgets can be adjusted accordingly. While there has been no formal administrative procedure in recent years for penalties or incentives if the colleges varied from FTES or productivity targets, there has been continuous adherence to these budgets with very little variance.

11. **Budget Monitoring -** Is this area acceptable? **Yes**

Is there sufficient consideration to the budget, related to long-term bargaining agreements?
Yes, see question 6.

Are budget revisions completed in a timely manner?
Yes, budget revisions are processed in a timely manner and subject to Board review and approval with each quarter end report.

Does the district openly discuss the impact of budget revisions at the board level?
Yes, the board receives a complete reconciliation of all revisions and transfers processed in each quarter and all questions are answered in a timely manner by the Vice Chancellor of Business Services or Director of Budget Operations.

Are budget revisions made or confirmed by the board in a timely manner after the collective bargaining agreements are ratified?
Yes, the board receives and approves a complete reconciliation of all revisions and transfers processed in each quarter, as well as the 311 report which includes a summary of costs due to collective bargaining agreements.

Has the district's long-term debt decreased from the prior fiscal year?
The District did not issue any additional debt in fiscal year 2009/10. Therefore, yes, the long-term debt decreased in comparison to the prior year.

Has the district identified the repayment sources for the long-term debt?
Yes, the long-term debt is financed through special revenue sources. The parking structure debt is financed through the parking fee revenue. The Technical infrastructure debt is financed through district general fund. The Foothill College Campus Center debt and the De Anza College Campus Center debt are financed through campus center use fees. The Foothill College Bookstore equipment acquisition is financed through the Foothill College Bookstore operations.

Does the district compile annualized revenue and expenditure projections throughout the year?
Yes, the District Budget Committee and Audit and Finance Committee review revenue and expense projections at each quarter end before they are approved in the Quarter End Report by the Board of Trustees.

12. **Retiree Health Benefits** – Is this area acceptable? **Yes**

Yes, the most recent actuarial report was completed in August 2010. We are required to update this report every other year. We will budget the Annual Required Contribution (ARC) using a three-year smoothing approach in order to minimize major fluctuations in the ARC.

Does the district have a plan for addressing the retiree benefits liabilities?

Yes, the Board of Trustees adopted a plan at the November 6, 2006 board meeting to fully fund the ARC as calculated in the August 2006 actuarial study. In 2009, after an exhaustive evaluation process, the District opted to leave the Community College League of California Retiree (CCLC) Joint Powers Authority and join the California Employers' Retiree Benefit Trust (CERBT) as sponsored by the California Public Employee Retirement System (CalPERS).

As stated in the prior report presented in January 2010, the district transferred all funds from the CCLC program to the California Employees Retiree Benefit Trust (CERBT). At the time of transferring the funds the balance was $4,380,399.

13. **Leadership/Stability** - Is this area acceptable? **Yes**

Has the District experienced recent turnover in its management team (including the Chief Executive, Chief Business Officer, and Board of Trustees)?

After former chancellor Martha Kanter left for her appointment to Washington D.C. in 2009 and former Vice Chancellor of Business Services Mike Brandy took over as interim Chancellor, Dr. Linda Thor was appointed by the Board of Trustees to begin her assignment as the new permanent Chancellor in February 2010. During this same approximate time frame, the Vice Chancellor of Business Services, Andy Dunn decided to resign his position effective the end of the FY 2009-10. He ultimately did not complete his assignment until August 2010 until the district could identify their newly appointed Vice Chancellor for Business Services, Kevin McElroy who began his assignment on August 16, 2010.

Although this is a significant change in key executive leadership in a relatively small window of time, both Dr. Linda Thor and Kevin McElroy bring with them a wealth of community college administrative leadership experience. Dr. Thor worked in the Los Angeles CCD for 16 years serving as the president of West Los Angeles CC for 4 1/2 of those years. She then accepted the presidency for Rio Salado CC in the renowned Maricopa district in the state of Arizona for the last 20 years. Mr. McElroy worked for five years in the private sector at the beginning of his career before joining the Coast District in Orange County in 1984. He started as a Director of Fiscal Services on the Golden West campus and served the last twenty years as the Vice President of Administrative Services for Coastline College.

The balance of the Chancellor's Cabinet members have all been in their positions since at least 2007.

14. **District Liability** - Is this area acceptable? **Yes**

Has the district performed the proper legal analysis regarding potential lawsuits that may require the district to maintain increased reserve levels?

Although the risk management is a decentralized activity across the district, we do maintain a Risk Management Department. This office, in an effort to identify and mitigate potential liabilities and/or litigation, maintains regular communication with administrators throughout the organization. In most cases careful decision-making, foresight and pro-active steps prevent such situations from becoming legal actions. When necessary, external legal counsel is engaged. The district maintains a relationship with specialized legal counsel in the areas of construction management and human resources issues.

The district is self insured for Workers Compensation and is fully funded via the annual actuarial which adjusts contribution rates as necessary. The district also maintains adequate reserves to mitigate any adverse employment decisions.

15. **Reporting** - Is this area acceptable? **Yes**

Has the district filed the annual audit report with the Systems Office on a timely basis?
Yes, for the FY 2004/2005 through 2008/09 the annual audit report has been brought first to the Audit and Finance Committee and then to the Board of Trustees. As contractually agreed upon with our external auditors, the auditors have filed the annual report with the System Office on a timely basis.

Has the district taken appropriate actions to address material findings cited in their annual audit report?
Yes, each year we discuss the audit findings and recommendations of the fiscal year just ended with the Audit and Finance Committee. Subsequently, in February we provide the Audit and Finance Committee with the status of the management's response and action taken to correct these findings.

Has the district met the requirements of the 50 percent law?
Yes, for the fiscal years 2005/06 through 2009/10 the district has met the requirements of the 50% law. The percentage of Instructional Salary Costs to Current Expense of Education for each of these years is:

2005/06	52.57%
2006/07	52.72%
2007/08	51.50%
2008/09	51.71%
2009/10	52.73%

Have the Quarterly Financial Status Reports (CCFS-311Q), Annual Financial and Budget Reports (CCFS 311), and Apportionment Attendance Reports (CCFS-320) been submitted to the System Office on or before the stated deadlines?
Yes, for the years 2005/06 through 2009/10 each of these quarterly and annual reports has been submitted to the System Office by the stated deadlines.

Changes in Fund 114 Revenue and Expenses

	03/04 Actual	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Actual	08/09 Actual	09/10 Actual	%	10/11 Budget	%
Revenues										
Base Revenue & Equalization	117,271,492	124,924,272	143,368,551	150,791,141	156,876,264	159,121,665	156,230,910	84.64%	154,778,225	85.44%
PY Gen Apportionment	982,506					2,800,000	672,747			
PFE	6,767,432	5,795,010								
Lottery	4,053,732	4,280,647	4,046,409	4,592,748	4,157,083	4,250,365	4,337,731	2.35%	4,159,368	2.30%
NR Tuition	11,795,607	10,917,695	11,240,839	13,219,114	15,002,590	17,103,785	18,181,559	9.85%	18,139,095	10.01%
Other Revenue										
PT Faculty Funding	1,475,772	1,475,772	1,475,772	1,475,772	1,475,772	1,434,467	702,925	0.38%	702,925	0.39%
2% Resident Enrollment Fees	191,777	273,632	335,014	335,014	335,014	335,014	335,014	0.18%	335,014	0.18%
Interest	784,323	1,372,660	1,928,047	3,504,022	3,694,312	1,905,326	774,865	0.42%	750,000	0.41%
Campus Generated Income	1,915,056	1,767,222	1,814,500	2,436,701	1,845,152	2,069,373	2,543,557	1.38%	1,974,164	1.09%
One-Time Prop 98 Funds & Equalization				7,202,514		0	0			
Other Revenue	935,806	738,780	1,260,673	952,390	582,720	202,548	806,029	0.44%	317,702	0.18%
Total Revenue	146,173,504	151,545,690	165,469,805	184,509,416	183,968,907	189,222,543	184,585,337	99.64%	181,156,493	100.00%
Expenses										
Salaries	93,233,218	94,060,832	97,081,510	105,432,628	116,310,415	117,600,467	113,838,157	62.84%	117,210,830	64.30%
Benefits	32,151,961	29,490,850	32,146,500	34,832,553	38,325,192	37,663,352	41,451,654	22.88%	39,230,442	21.52%
Materials and Supplies	2,999,861	3,280,972	3,544,544	4,031,069	4,573,983	3,759,750	3,012,386	1.66%	2,668,845	1.46%
Operating Expenses	13,309,265	12,612,404	16,368,891	15,651,886	17,192,338	16,345,732	13,820,089	7.63%	15,655,101	8.59%
Capital Outlay	787,495	700,833	1,233,987	1,115,529	781,161	356,005	33,189	0.02%	45,675	0.03%
Transfers (net)	3,481,657	11,375,569	9,400,562	10,742,944	10,306,780	10,641,836	8,996,753	4.97%	7,462,559	4.09%
Total Expenses	145,963,457	151,521,460	159,775,994	171,806,609	187,489,869	186,367,142	181,152,229	100.00%	182,273,452	100.00%
Net Gain/Loss	210,047	24,230	5,693,811	12,702,807	(3,520,962)	2,855,401	3,433,109	(a)	(1,116,958)	(a)
Beginning Fund Balance	15,518,676	15,728,723	15,752,953	21,446,764	34,149,571	30,628,609	33,374,829	(b)	36,807,938	(b)
Ending Fund Balance	15,728,723	15,752,953	21,446,764	34,149,571	30,628,609	33,484,010	36,807,938	(b-a)	35,690,979	(b-a)
Restricted Fund Balance	2,594,151	4,269,943	9,267,224	21,607,611	16,401,721	17,682,806	15,534,335	(c), *Note 1*	15,534,335	(c), *Note 1*
Fund Balance Before 5% Reserves	13,134,572	11,483,010	12,179,540	12,541,960	14,226,888	15,801,204	21,273,602	(b-a)-c	20,156,644	(b-a)-c
5% Reserve	7,300,000	7,870,000	8,010,000	9,260,000	10,000,000	10,430,000	10,290,000	(d)	9,890,000	(d)
Variance from reserve	5,834,572	3,613,010	4,169,540	3,281,961	4,226,889	5,371,204	10,983,603	(b-a)-c-(d)	10,266,644	(b-a)-c-(d)

Note 1:

Funds set aside for:

FH,DA,CS restricted carryover	12,777,756
EIS backfill	1,154,050
Encumbrances	600,333
2010 Parcel Tax Election Cost	350,000
DW carryover	360,195
November 2011 Election Costs	292,000
	15,534,335

Enrollment History

FTES

	02/03 Actual	03/04 Actual	04/05 Actual	05/06 Actual	06/07 Actual	07/08 Actual	08/09 Actual	09/10 Actual	10/11 Budget
Resident	32,897	32,660	31,066	32,526	32,211	33,376	34,381	32,988	32,100
Non-Resident	3,363	3,268	2,986	2,968	3,568	3,988	4,189	4,068	4,068
Total FTES	36,260	35,928	34,052	35,494	35,779	37,364	38,570	37,056	36,168

Analysis of Selected Data from the Annual Fin. and Budget Report (CCFS-311), Qtrly. Fin. Status Report (CCFS-311Q), and Fiscal Data Abstract
For the period FY 2006-07 to 2010-11

Updated_12/29/2010

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Foothill-DeAnza Community College District

		Unrestricted GF - Col. 2				Unrestricted GF - Fund 11, Col. 1						Year-to-Year Change							
		Budgeted		**Actual**		**Actual**		**Actual**		**Actual**		Change from 09/10 to 10/11		Change from 08/09 to 09/10		Change from 07/08 to 08/09		Change from 06/07 to 07/08	
EDP No.	Acct Description	**2010-11**	10/11 Line Item %	**2009-10**	09/10 Line Item %	**2008-09**	08/09 Line Item %	**2007-08**	07/08 Line Item %	**2006-07**	06/07 Line Item %	09/10 to 10/11 $ Change	09/10 to 10/11 % Change	08/09 to 09/10 $ Change	08/09 to 09/10 % Change	07/08 to 08/09 $ Change	07/08 to 08/09 % Change	06/07 to 07/08 $ Change	06/07 to 07/08 % Change
8100	Federal Revenues	1,092	0.0%	852,493	0.4%	1,134	0.0%	2,219	0.0%	2,269	0.0%	-851,401	-99.9%	851,359	75075.7%	-1,085	-48.9%	-50	-2.2%
8600	State Revenues	69,830,371	36.7%	72,918,810	37.4%	87,419,402	43.3%	89,594,772	45.7%	95,755,895	48.9%	-3,088,439	-4.2%	-14,500,592	-16.6%	-2,175,370	-2.4%	-6,161,123	-6.4%
8800	Local Revenues	120,594,852	63.3%	119,960,151	61.5%	112,194,894	55.5%	106,272,802	54.1%	99,517,416	50.8%	634,701	0.5%	7,765,257	6.9%	5,922,092	5.6%	6,755,386	6.8%
8900	Other Financing Sources ①	5,000	0.0%	1,319,557	0.7%	2,360,194	1.2%	388,948	0.2%	460,696	0.2%	-1,314,557	-99.6%	-1,040,637	-44.1%	1,971,246	506.8%	-71,748	-15.6%
801	Total Revenues	190,431,315	100.0%	195,051,011	100.0%	201,975,624	100.0%	196,258,741	100.0%	195,736,276	100.0%	-4,619,696	-2.4%	-6,924,613	-3.4%	5,716,883	2.9%	522,465	0.3%
1000	Academic Salaries	83,075,763	40.2%	77,620,173	40.5%	81,180,784	40.7%	80,566,081	40.4%	73,256,762	40.2%	5,455,590	7.0%	-3,560,611	-4.4%	614,703	0.8%	7,309,319	10.0%
2000	Classified Salaries	36,638,354	17.7%	39,142,478	20.4%	39,926,955	20.0%	39,909,143	20.0%	35,675,866	19.6%	-2,504,124	-6.4%	-784,477	-2.0%	17,812	0.0%	4,233,277	11.9%
3000	Employee Benefits	39,935,537	19.3%	42,261,808	22.1%	38,448,410	19.3%	39,223,926	19.7%	35,620,591	19.5%	-2,326,271	-5.5%	3,813,398	9.9%	-775,516	-2.0%	3,603,335	10.1%
4000	Supplies and Materials	3,064,651	1.5%	2,893,649	1.5%	3,995,640	2.0%	4,986,939	2.5%	4,386,411	2.4%	171,002	5.9%	-1,101,991	-27.6%	-991,299	-19.9%	600,528	13.7%
5000	Other Operating Expenses and Services	36,236,979	17.5%	19,220,727	10.0%	22,525,843	11.3%	23,191,827	11.6%	21,116,411	11.6%	17,016,252	88.5%	-3,305,116	-14.7%	-665,984	-2.9%	2,075,416	9.8%
6000	Capital Outlay	62,276	0.0%	70,246	0.0%	432,472	0.2%	937,201	0.5%	1,214,566	0.7%	-7,970	-11.3%	-362,226	-83.8%	-504,729	-53.9%	-277,365	-22.8%
7000	Other Outgo ①	7,497,019	3.6%	10,309,901	5.4%	12,781,010	6.4%	10,501,345	5.3%	11,072,981	6.1%	-2,812,882	-27.3%	-2,471,109	-19.3%	2,279,665	21.7%	-571,636	-5.2%
501	Total Expenditures	206,510,579	100.0%	191,518,982	100.0%	199,291,114	100.0%	199,316,462	100.0%	182,343,588	100.0%	14,991,597	7.8%	-7,772,132	-3.9%	-25,348	0.0%	16,972,874	9.3%
201	Excess/(Deficiency) of Rev. over Expenditures	-16,079,264	n/a	3,532,029	n/a	2,684,510	n/a	-3,057,721	n/a	13,392,688	n/a	-19,611,293	-555.2%	847,519	31.6%	5,742,231	187.8%	-16,450,409	-122.8%
901	Net Increase/(Decrease) in Fund Balance	-16,079,264	-59.9%	3,532,029	8.2%	2,684,510	6.8%	-3,057,721	-8.3%	13,392,688	33.7%	-19,611,293	-555.2%	847,519	31.6%	5,742,231	187.8%	-16,450,409	-122.8%
902	Net Beginning Balance, July 1	42,904,489	159.9%	39,372,460	91.8%	36,687,950	93.2%	39,745,671	108.3%	26,352,983	66.3%	3,532,029	9.0%	2,684,510	7.3%	-3,057,721	-7.7%	13,392,688	50.8%
903	Prior Year Adjustment		n/a	0	0.0%	0	0.0%	0	0.0%	0	0.0%	n/a	n/a	n/a	n/a	0	n/a	0	n/a
904	Adjusted Beginning Balance		n/a	39,372,460	91.8%	36,687,950	93.2%	39,745,671	108.3%	26,352,983	66.3%	n/a	n/a	n/a	n/a	-3,057,721	-7.7%	13,392,688	50.8%
905	Ending Balance, June 30	26,825,225	100.0%	42,904,489	100.0%	39,372,460	100.0%	36,687,950	100.0%	39,745,671	100.0%	-16,079,264	-37.5%	3,532,029	9.0%	2,684,510	7.3%	-3,057,721	-7.7%
	chk			42,904,489		39,372,460		36,687,950		39,745,671									
				-		-		-		-									

Fund Balance:	2010-11	2009-10	2008-09	2007-08	2006-07	Change from 09/10 to 10/11	% Change	Change from 08/09 to 09/10	% Change	Change from 07/08 to 08/09	% Change	Change from 06/07 to 07/08	% Change
Fund Balance % [905/501]	13.0%	22.4%	19.8%	18.4%	21.8%		-9.4%		2.6%		1.3%		-3.4%
Required Fund Balance to meet 5% threshold	10,325,529	9,575,949	9,964,556	9,965,823	9,117,179	749,580	7.8%	-388,607	-3.9%	-1,267	0.0%	848,644	9.3%
Over -Under 5% threshold	16,499,696	33,328,540	29,407,904	26,722,127	30,628,492	-16,828,844	-50.5%	3,920,636	13.3%	2,685,777	10.1%	-3,906,365	-12.8%

FTES: ②	2010-11 1st Qtr 311Q Report	2009-10	2008-09	2007-08	2006-07	Change from 09/10 to 10/11 # Change	% Change	Change from 08/09 to 09/10 # Change	% Change	Change from 07/08 to 08/09 # Change	% Change	Change from 06/07 to 07/08 # Change	% Change
FTES - Resident	32,100	32,989	34,245	33,376	32,361	-889	-2.7%	-1,256	-3.7%	869	2.6%	1,015	3.1%
FTES - Nonresident		4,068	4,166	3,988	3,613			-98	-2.4%	178	4.5%	375	10.4%
FTES - Apprentice		810	967	897	799			-157	-16.2%	70	7.8%	98	12.3%
Total FTES		37,867	39,377	38,261	36,773			-1,510	-3.8%	1,116	2.9%	1,488	4.0%

50 % Law: ③	2010-11	2009-10	2008-09	2007-08	2006-07	Change from 09/10 to 10/11 $ Change	% Change	Change from 08/09 to 09/10 $ Change	% Change	Change from 07/08 to 08/09 $ Change	% Change	Change from 06/07 to 07/08 $ Change	% Change
Instructional Salary Costs (AC 100-5000 and 6110)		84,544,113	86,526,836	89,659,134	83,579,589			-1,982,723	-2.3%	-3,132,298	-3.5%	6,079,545	7.3%
Current Expense of Education (AC 100-6799)		160,334,032	167,330,791	174,082,993	158,544,391			-6,996,759	-4.2%	-6,752,202	-3.9%	15,538,602	9.8%
% of Instructional Salary Costs to CCE		52.73%	51.71%	51.50%	52.72%				1.0%		0.2%		-1.2%
50% Requirement		80,167,016	83,665,396	87,041,497	79,272,196								
Over -Under 50% Requirement		4,377,097	2,861,440	2,617,637	4,307,393								
							% Change		% Change		% Change		% Change
Salaries and Benefits as % of Total Expenditures	77.3%	83.0%	80.1%	80.1%	79.3%		-5.7%		3.0%		-0.1%		0.8%

GF Cash Balance (unrestricted and restricted):	2010-11 1st Qtr 311Q Report	2009-10 4th Qtr 311Q Report	2008-09 4th Qtr 311Q Report	2007-08 4th Qtr 311Q Report	2006-07 4th Qtr 311Q Report	Change from 09/10 to 10/11 $ Change	% Change	Change from 08/09 to 09/10 $ Change	% Change	Change from 07/08 to 08/09 $ Change	% Change	Change from 06/07 to 07/08 $ Change	% Change
Cash Balance Per 311Q (excluding investments)	32,517,012	42,349,533	39,812,902	48,163,691	52,768,176	-9,832,521	-23.2%	2,536,631	6.4%	-8,350,789	-17.3%	-4,604,485	-8.7%

①: For purposes of this analysis, Other Financing Sources is combined into Total Revenues and Other Outgo is combined with Total Expenditures.
②: FTES data for 2009-10, 2008-09, 2007-08, and 2006-07 is from System Office Data Abstract ; 2010-11 Total Resident FTES from latest 311Q and is an projected amount.
③: 50% law data from data abstract. (Instructional Salary Costs/Current Expense of Education) >= 50%
Note: If "no data" is displayed for any FTES or GF Cash Balance, the district did not submit CCSF-311Q as of the date of this analysis.