

WASHOE COUNTY SCHOOL DISTRICT

Reno, Nevada

Planning and Budgeting
April 8, 2009

TITLE: FISCAL YEAR 2008-09 TENTATIVE BUDGET

FROM: Gary S. Kraemer, Chief Financial Officer

DATE REPORT WRITTEN: April 7, 2009

SUMMARY: A cover memo for the Fiscal Year 2009-10 Tentative Budget was previously submitted. This correspondence will provide additional information regarding the FY 2009-10 Tentative Budget.

As previously stated, the budget is still "tentative" at this point in time because the Legislature still hasn't acted on the Governor's proposed budget or approved an alternate budget. At this point, \$34.2 million has been placed in the Tentative Budget labeled as "Unresolved Budget Shortfall." The amount is highlighted on Page 12 of this report in the "Other Financing Uses" section.

The individual change to the District's General Fund revenues and expenditures summarizing the shortfall are detailed on pages 9 and 10 of this report.

The main reason for this shortfall is that the Governor's recommended budget includes a 6% wage reduction, no roll-ups and a health insurance funding decrease of 8.8% causing significant negative funding effects on the General, Special Education, Class Size Reduction and the Full Day Kindergarten Funds.

Because these items in the Governor's proposed budget are all subject to bargaining they were not included in the Tentative Budget for FY 10. Instead the Tentative Budget was prepared using no wage reductions, inclusion of roll-ups and no reduction for health insurance. The impact of these differences is as follows:

Recap of the Governor's Reductions

| | |
|---|-----------------------|
| • 6% Wage Reduction | \$21.8 million |
| • No Roll-Ups | \$7.3 million |
| • 8.8% Group Health Insurance Reduction | <u>\$3.8 million</u> |
| Total Reductions Not Included in Tentative Budget | <u>\$32.9 million</u> |

The reductions needed to balance the budget are in the planning stage at this time and they may include some or all of the following:

- Reducing fund balance;

- Reductions of programs;
- Operating budget reductions;
- Salary reductions;
- Roll-up suspensions;
- Benefit reductions;
- Layoffs;
- Use of stimulus funding; and
- Other items including reducing fund balances of other funds, buyouts of employees, health insurance premium holidays, etc.

Should it become necessary to address the Governor's wage and health insurance reductions as part of the planning process, we will enter into negotiations with all employee groups as well as look at program reductions and a potential reduction in force.

The Board can make changes to the Tentative Budget. By law a public hearing on the tentative budget must be held on the third Wednesday in May (May 20, 2009). At that point in time, the Board can indicate changes, if any, to be made to the tentative budget. If all the changes are not known by then we have until June 8, 2009 to adopt a final budget by a majority vote. If decisions still have to be made after this date, the law allows the District to file an amended final budget within 30 days of adjournment of the legislative session. Further updates to the Budget will be provided prior to these dates.

In the interim, a brief description of the Tentative Budget follows.

WASHOE COUNTY SCHOOL DISTRICT SUMMARY OF FISCAL YEAR 2009-10 TENTATIVE BUDGET

Pages 11 - 20 summarize the District's budgets for each fund and the changes from the prior year. The budget document to be filed with the State Department of Taxation will be provided prior to the Board meeting.

The District is required to report revenue and expenditure categories in accordance with the Nevada Financial Accounting Handbook prepared by the State Department of Education. A brief description of the categories utilized in the budget follows.

GENERAL FUND (PAGES 11-12)

RESOURCES (page 11):

Local Sources:

- ***Ad Valorem Tax*** - Property tax assessed at \$.75 per \$100 of assessed valuation, adjusted for tax cap abatements. A reduction in ad valorem taxes of 2.34% is projected for the Tentative Budget based on the final adjusted amount from the State Department of Taxation. Source data: Washoe County Assessor and certified by State Department of Taxation.

- **Local School Support Tax (LSST)** – Sales tax assessed at \$.0225 for every \$1.00 of gross retail sales in Washoe County. As well documented, sales tax have fallen dramatically due to the economic downturn and are anticipated to be substantially less (approx \$22 million) than the current year budget amount. Source data: State Department of Taxation.
- **Franchise Taxes** - Tax of 2% of net proceeds of public utilities business outside of the incorporated cities in Washoe County.
- **Government Services Tax** - District's portion of the tax of \$.04 for every \$1.00 of value of all of the vehicles licensed in Washoe County. This amount is also is also anticipated to be substantially less (\$0.9 million) than the current year budget amount due to the economic downturn. Source data: State Department of Taxation.
- **Revenue in Lieu of Taxes** – 50% of Washoe County motorboat registration fees collected by the State Division of Wildlife.
- **Tuition** – Amounts paid for students enrolled in our schools who reside outside Washoe County; amounts paid for students enrolled in summer school; and amount paid for adult continuing education.
- **Earnings on Investments** - Interest earned from investing the District's cash. The amount is anticipated to decrease \$1.3 million because interest rates have dropped substantially and because of the anticipated spend down of ending fund balance during fiscal year 2009-10.
- **Other Local Revenue** – Other local revenues such as transportation reimbursements for field trips, rental income from use of school facilities, indirect costs from grants, grant administration fees, salary reimbursements and miscellaneous income.

State Sources:

- **Distributive School Account (DSA)** - This represents the tentative per pupil funding provided by the State. The amount will be subject to change based on the final ad valorem projection. Enrollment is projected to decline .5%. "Hold harmless" provisions of Nevada Revised Statutes (NRS) 387.1233 allow school districts to continue claiming the higher prior year enrollment number the first year after a decline in enrollment. The "hold harmless" provision is intended to give districts a "soft landing" and more time to prepare for loss of state funding and related staff reductions.

The per pupil funding has been significantly reduced (\$409 per pupil) from the FY 08-09 Final Budget amount.

For the Tentative Budget the calculation is as follows:

| | |
|-----------------------------|----------------------|
| Weighted Enrollment | 61,318.6 |
| Basic Support per Pupil | <u>\$5,037</u> |
| Total Basic Support | \$308,861,788 |
| Less LSST | (128,796,111) |
| Less 1/3 Ad Valorem Tax | (36,000,984) |
| Less Charter School Revenue | (4,102,552) |
| Add Counselor Funding | <u>50,000</u> |
| Total DSA | <u>\$140,012,141</u> |

Source Data: State Department of Education per Pupil Calculation.

Federal Sources:

- **Forest Reserve** - Washoe County's portion of the revenue received from the Federal government for the sale of forest products, minerals, and land use for national forests that are located in our state.
- **National Energy PL 95-619 (E-Rate Refund)** – Federal program that provides discounts in telecommunications services to schools and libraries.
- **Impact Aid** – Public Law (P.L.) 81-874 provides revenue to the District from the Federal government for Federal properties located within Washoe County that are exempt from county property taxes. The distribution of funds is based upon the number of children enrolled in our District whose parents are employed by and work on those exempt properties.

Other Sources:

- **Sale of Fixed Assets** – Proceeds from sale of District surplus vehicles and equipment.

Opening Fund Balance:

- **Reserved** – This is the amount that represents the amount earmarked in the prior year for use in the current year and includes the value of the inventories, and designations for the computer refresh program and property taxes for revaluation of Incline properties.
- **Unreserved** – This is the sum of all other funds remaining after expenditures and reserves have been subtracted from revenues in the preceding year.

APPLICATIONS (page 12):

All existing programs for fiscal year 2008-09 are provided for in the fiscal year 2009-10 budget. Additions have been made for the new middle school cost.

The increases and decreases to each of the expenditure categories are due a combination of the various expenditure changes listed on page 9 of this report. A brief description of the expenditure categories utilized in the budget follows.

- **Regular Programs** - Expenditures associated with providing direct instruction to students consisting mostly of salaries and benefits for teachers, teacher aides and assistants, as well as other direct instruction costs for supplies, textbooks and equipment.
- **Vocational Programs** - Expenditures associated with providing learning experiences to individuals to develop the necessary knowledge, skills, and attitudes needed for employment in an occupational area.
- **Athletics** – Expenditures for the costs of trainers, extra-duty for coaches, officials, athletic transportation and NIAA dues.
- **Summer School** - Expenditures for the cost of operating the District's summer school program.
- **Student Support** – Expenditures for support services for students including psychologists, counselors, nurses, classified staff, clinical aides and related supplies and equipment.
- **Instructional Staff Support** - Expenditures for the costs of area assistant superintendents, curriculum support, librarians, library assistants and related supplies and equipment.
- **General Administration** - Expenditures for the superintendent, Board of Trustees, communications, internal audit, legal counsel, planning, property & casualty insurance premiums and related supplies and equipment.
- **School Administration** - Expenditures for the salaries and benefits for school principals, vice-principals, school secretaries and clerks and related supplies and equipment for the school offices.
- **Business Support** - Expenditures for the costs of the business office, purchasing, printing and risk management and the related supplies and equipment.
- **Operations/Maintenance of Plant** - Expenditures for the costs of operating our facilities including custodians, maintenance workers, school police, building maintenance, grounds maintenance, equipment repair, all utilities and the related supplies and equipment.
- **Student Transportation** - Expenditures for the costs related to pupil transportation including bus drivers, mechanics, support personnel, vehicle repair and maintenance, gasoline and related supplies and equipment.
- **Central Support** - Expenditures for the costs of information technology services, personnel and human resources, assessment and accountability and the related supplies and equipment.
- **Interfund Transfers** – Funds that are transferred from the General Fund to other funds such as the Insurance Trust Fund, Debt Service Fund, Special Education

Fund, Pre-Funded Retiree Health Benefits Fund, Nutrition Services Fund and Capital Projects Fund.

- **Contingency** – Funds reserved for future use for unforeseen circumstances.

Ending Fund Balance:

- **Reserved and Designations** – These represent balance set aside for other obligations or commitments such as the value of the inventories on hand at the end of the year and the Incline area property tax adjustment.
- **Unreserved** – This is the sum of all other funds remaining after expenditures have been subtracted from revenues in the budget year. Washoe County School Board Regulation 3120 requires budgeted minimum unreserved/undesignated ending fund balance of 2% of expenditures and transfers out. The Tentative Budget amount is 5.69%. Consideration of spending down the ending fund balance to the minimum 2% (\$9 million) would assist in meeting our serious budget shortfall by providing \$16 million to offset reductions needed. Not spending down the fund balance may result in significant reductions to programs, possibly including layoffs, class size increases and program eliminations.

OTHER DISTRICT FUNDS

The District maintains funds other than the General Fund. The Tentative Budget reflects the anticipated revenues and expenditures for all of the District's funds to continue programs related to those funds. Separate funds are utilized to identify various operations of the District and account for specified revenue sources, which can only be used for specific purposes. A description of the various funds included in the Tentative Budget follows.

Building and Sites Fund (page 13)

This fund accounts for the proceeds from sales of District property and the expenditures allowable with these proceeds. The ending balance accounts for amounts transferred from the General Fund (less year to date costs) for an administration building.

Capital Projects Fund (page 14)

This fund accounts for the District's resources and expenditures for capital projects. The local sources are from Government Services Tax and opening fund balance is anticipated to be less than the prior year as the remaining proceeds from the 2009 rollover bonds are not expected to be as much as the 2008 rollover bonds.

The Government Services Tax is primarily utilized for environmental, government mandated, portable classroom and remodel issues (asbestos, mold, lead, underground storage tanks, backflow prevention, ADA accessibility, salary related to government compliance, etc.) unless otherwise approved. The opening fund balance from the rollover bonds will be used in accordance with pre-approved guidelines related to the bond issuance.

Special Revenue Funds (page 15)

This fund accounts for the District's resources and expenditures for all grants, adult education, other non-general fund special state appropriations, and other special revenues. Since the grants received from year to year can vary in amount and nature, the budget typically reflects amounts similar to the prior year with slight increases. Also, because the State does not require a budget augmentation to spend grant money, any amounts received above those budgeted are, by law, authorized to be spent.

The State resources are significantly reduced as part of the Governor's recommended budget. Eliminated programs include the 1/5 PERS Credit and Signing Bonus funds (-\$5.7 million), the SB185 Remediation Grant funds (-\$8.8 million) and the Regional Professional Development Program funds (-\$2.6 million). Reductions have also been made for the Adult High School Diploma program and the Full-Day kindergarten program while a restoration has been made for Occupational Education funding.

Federal resources increase significantly due to stimulus funding for Title 1 (\$5 million) and Individuals With Disabilities Act funding (\$5 million).

The transfers out mostly represents a transfer of \$6.5 million to the general fund to meet the District's annual required contribution (ARC) for other post employment benefits (OPEB). We anticipate transferring the remaining balance of this fund to help fund OPEB ARC in fiscal year 2010-11.

The changes in the opening and ending fund balances are attributed to the Pre-Funded Retiree Health Benefits Fund as the budgeted transfers to this fund have been reduced since the FY 09 Final Budget was prepared and the actual amounts spent for OPEB were paid to the OPEB trust fund rather than this fund. In addition a transfer out was made in FY 08 that is not reflected in the FY 09 Final budget and the transfer out referred to above also reduces the ending fund balance.

Special Education Fund (page 16)

This fund accounts for the District's resources and expenditures for providing special educational programs of the District. The fund accounts for the direct costs to teach, transport, and provide related services for Special Education students.

Two changes related to the Governor's recommended budget will cause the State funding to decrease for Fiscal Year 2009-10. First, the unit funding will decrease by \$2,194 (about 6%) from the prior year amount. Second, the number of units funded will decrease by 15 units due to an enrollment adjustment that more fairly reflects actual versus previously estimated enrollment. The net impact of these changes decrease the funding by \$1.85 million for which the general fund therefore needs to make up.

Class Size Reduction Fund (page 16)

This fund accounts for the District's resources and expenditures of State money provided to reduce class sizes in kindergarten, first, second and third grades. As part of the Governor's recommended budget the funding was cut by about 10% to reflect the salary decreases of 6% and a decrease in the number of teachers funded due to the enrollment being less than previously used for budget purposes. Net impact to the General Fund because of these changes is about \$2 million.

Debt Service Fund (page 17)

This fund accounts for the District's revenues and expenditures related to retiring bond and other debt. The District receives revenues, after tax cap abatements, from property tax assessed at \$.3885 per \$100 of assessed valuation on all of the property in Washoe County to utilize for bond debt retirement. In addition, a transfer will be made from the District's General Fund to pay for medium term debt for buses, energy retrofits, QZAB's, and PLATO.

Internal Service Fund (page 18)

This fund accounts for transactions relating to the District's risk management services for property and casualty insurance, health insurance and workers' compensation. A transfer is made from the General Fund to cover the cost for the retiree subsidy in the Health Insurance Trust Fund.

Because the funds have sufficient reserves, the premiums charged for worker's compensation and property and casualty insurance have been reduced resulting in a savings to the General Fund and other Funds. Further reductions of premiums may be necessary as part of the budget shortfall solution.

Food Service Fund (page 19)

This enterprise fund accounts for the District's resources and expenditures for the food service program. Net income (before transfers in) of over \$300,000 is anticipated.

Other Post Employment Benefits (OPEB) Trust Fund (page 20)

This trust fund accounts for funds used to pay for healthcare and life insurance costs for qualified District retirees.

WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND TENTATIVE BUDGET SUMMARY
FISCAL YEAR 2009-10

| | | |
|--|--------------|----------------------|
| Revenue Increases (Decreases) | | |
| Ad Valorem (2.3% decrease) | | (2,592,542) |
| L.S.S.T. (14.5% decrease) | | (21,868,771) |
| Government Services Tax (6.3% decrease) | | (921,662) |
| Investment Income (46.1% decrease) | | (1,283,115) |
| Other Revenue | | 1,772,000 |
| DSA Apportionments | | |
| Enrollment Decrease | (2,975,694) | |
| Basic Support Per Pupil Decrease (\$409 per pupil) | (25,079,307) | |
| Charter School Outside Revenue | (748,433) | |
| Sub-Total Reduction in DSA Funding | (28,803,434) | |
| Offset by LSST Decrease | 21,868,771 | |
| Prior Year Budget Reduction | 602,707 | |
| Offset 1/3rd Ad Valorem Decrease | 864,181 | |
| Net DSA Apportionment Decrease | | (5,467,775) |
| Transfer From Other Funds | | 6,500,000 |
| Opening Reserve For Inventory | | 158,667 |
| Designated for Negotiations | | (5,126,000) |
| Designated for Utilities | | (1,000,000) |
| Designated for Incline Property Taxes | | 6,000,000 |
| Opening Fund Balance | | 4,909,611 |
| Total Decreased Revenues | | (18,919,587) |
| Expenditure Increases (Decreases) | | |
| Salary Roll-ups 2% | | \$5,762,355 |
| Salary Additions for District Growth | | (78,895) |
| Cost of Living Adjustment (0%) | | 0 |
| New Middle School - Salary & Benefits | | 1,068,821 |
| Worker's Compensation Decrease | | (1,205,460) |
| PERS Increase (From 20.5% to 21.5%) | | 865,254 |
| Allocate OPEB Costs (offset by \$6.5 million transfer reduction below) | | 5,240,303 |
| 12% Health Insurance Increase (effective 1/1/09) | | 1,372,495 |
| Health Insurance Increase (effective 1/1/10) | | 0 |
| Retiree Health Insurance Subsidy - PEBS | | 933,602 |
| Reduce Retiree Subsidy for PEBS | | (5,008,500) |
| Salary & Benefits Savings | | (2,600,000) |
| Staffing Adjustment for FY09 Enrollment | | (687,780) |
| ESIP/Sick Leave Savings | | (422,200) |
| Other Salary Additions | | 167,675 |
| Class-Size Reduction Fund Shortfall | | 2,114,471 |
| Full-Day Kindergarten Fund Shortfall | | 458,009 |
| Salary and Benefit Adjustment to FY09 Basis | | 600,251 |
| New Middle School - Operating Costs | | 602,719 |
| Property & Casualty Insurance & Claims | | (750,000) |
| Utility Inflation less Savings | | (489,000) |
| Fixed/Mandated Cost Increases (see next page) | | 294,342 |
| Debt Service Fund Transfer | | (319,550) |
| Insurance Trust Fund Transfer | | 401,497 |
| Special Education Transfer (see next page) | | 1,565,032 |
| Pre-Funded Retiree Health Benefits | | (6,500,000) |
| Contingency | | 0 |
| Contingency For Budget Uncertainties | | (1,958,810) |
| Reserved Ending Fund Balance | | 158,667 |
| Designated For Property Tax | | 6,000,000 |
| Ending Fund Balance | | 7,711,671 |
| Total Increased Expenditures | | \$15,296,969 |
| Net Revenues and Expenditures Changes | | (834,216,556) |

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | Final Budget FY09 | Tentative Budget FY10 | Change |
|-------------------------------|------------------------------|----------------------------------|-------------------------------|
| RESOURCES | | | |
| Local Sources: | | | |
| Ad Valorem Tax | \$ 110,595,495 | \$ 108,002,953 | \$ (2,592,542) |
| L.S.S.T. | 150,664,882 | 128,796,111 | (21,868,771) |
| Franchise Taxes | 240,000 | 300,000 | 60,000 |
| Government Services Tax | 14,671,662 | 13,750,000 | (921,662) |
| Rev In Lieu of Taxes | 200,000 | 230,000 | 30,000 |
| Regular Tuition | 270,000 | 250,000 | (20,000) |
| Summer School | 575,000 | 800,000 | 225,000 |
| Other Tuition | 152,000 | 145,000 | (7,000) |
| Transportation | 350,000 | 325,000 | (25,000) |
| Earnings on Investments | 2,783,115 | 1,500,000 | (1,283,115) |
| Student Activities Revenue | 100,000 | 110,000 | 10,000 |
| Other Local Revenue | 320,000 | 583,000 | 263,000 |
| Indirect Cost Revenue | 1,185,000 | 2,000,000 | 815,000 |
| Grants Administration Revenue | 300,000 | 400,000 | 100,000 |
| Salary Reimbursements | 1,255,000 | 1,545,000 | 290,000 |
| | <u>\$ 283,662,154</u> | <u>\$ 258,737,064</u> | <u>\$ (24,925,090)</u> |
| State Sources: | | | |
| DSA Apportionments | \$ 145,479,916 | \$ 140,012,141 | \$ (5,467,775) |
| Special Appropriations | 0 | 0 | 0 |
| | <u>\$ 145,479,916</u> | <u>\$ 140,012,141</u> | <u>\$ (5,467,775)</u> |
| Federal Sources: | | | |
| Forest Reserve | \$ 5,000 | \$ 6,000 | \$ 1,000 |
| E-Rate Refund | 365,000 | 320,000 | (45,000) |
| P.L. 81-874 | 160,000 | 190,000 | 30,000 |
| | <u>\$ 530,000</u> | <u>\$ 516,000</u> | <u>\$ (14,000)</u> |
| Other Sources: | | | |
| Sale of Fixed Assets | \$ 5,000 | \$ 50,000 | \$ 45,000 |
| Transfer From Other Funds | 0 | 6,500,000 | 6,500,000 |
| Lease Proceeds | 0 | 0 | 0 |
| | <u>\$ 5,000</u> | <u>\$ 6,550,000</u> | <u>\$ 6,545,000</u> |
| Opening Fund Balance: | | | |
| Reserved for Inventory | \$ 758,574 | \$ 917,241 | \$ 158,667 |
| Designated for Negotiations | 5,126,000 | 0 | (5,126,000) |
| Designated for PC Refresh | 1,700,000 | 1,700,000 | 0 |
| Designated for Utilities | 1,000,000 | 0 | (1,000,000) |
| Designated for Property Taxes | 0 | 6,000,000 | 6,000,000 |
| Unreserved | 18,107,494 | 23,017,105 | 4,909,611 |
| | <u>\$ 26,692,068</u> | <u>\$ 31,634,346</u> | <u>\$ 4,942,278</u> |
| TOTAL RESOURCES | <u>\$ 456,369,138</u> | <u>\$ 437,449,551</u> | <u>\$ (18,919,587)</u> |

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | <u>Final Budget FY09</u> | <u>Tentative Budget FY10</u> | <u>Change</u> |
|--------------------------------------|------------------------------|----------------------------------|-------------------------------|
| APPLICATIONS | | | |
| Expenditures: | | | |
| Instruction | \$ 215,264,294 | \$ 218,887,490 | \$ 3,623,196 |
| Occupational Education | 9,448,070 | 7,817,674 | (1,630,396) |
| Summer School | 1,147,427 | 1,165,704 | 18,277 |
| Athletics | 3,440,361 | 3,554,365 | 114,004 |
| Student Support | 25,252,077 | 27,195,490 | 1,943,413 |
| Instructional Staff Support | 11,572,790 | 11,944,589 | 371,799 |
| General Administration | 9,120,687 | 8,570,879 | (549,808) |
| School Administration | 30,689,551 | 32,403,406 | 1,713,855 |
| Business Support | 5,684,110 | 5,844,546 | 160,436 |
| Operation and Maintenance | 51,266,309 | 53,320,923 | 2,054,614 |
| Student Transportation | 16,281,742 | 16,386,469 | 104,727 |
| Central Support | 10,138,937 | 10,453,284 | 314,347 |
| | <u>\$ 389,306,355</u> | <u>\$ 397,544,817</u> | <u>\$ 8,238,462</u> |
| Other Financing Uses: | | | |
| Debt Service Fund Transfer | \$ 3,939,027 | \$ 3,619,477 | (319,550) |
| Insurance Trust Fund Transfer | 1,707,765 | 2,109,262 | 401,497 |
| Special Education Transfer | 33,532,086 | 35,097,118 | 1,565,032 |
| Pre-Funded Retiree Health Benefits | 6,500,000 | 0 | (6,500,000) |
| Nutrition Services Fund Transfer | 250,000 | 250,000 | 0 |
| Capital Projects Fund Transfer | 59,000 | 59,000 | 0 |
| Contingency | 1,093,277 | 1,093,277 | 0 |
| Contingency For Budget Uncertainties | 1,958,810 | 0 | (1,958,810) |
| Unresolved Budget Shortfall | 0 | (34,216,556) | (34,216,556) |
| | <u>\$ 49,039,965</u> | <u>\$ 8,011,578</u> | <u>\$ (41,028,387)</u> |
| Ending Fund Balance: | | | |
| Reserved | \$ 758,574 | \$ 917,241 | 158,667 |
| Designated For Property Tax | 0 | 6,000,000 | 6,000,000 |
| Unreserved | 17,264,244 | 24,975,915 | 7,711,671 |
| | <u>\$ 18,022,818</u> | <u>\$ 31,893,156</u> | <u>\$ 13,870,338</u> |
| TOTAL APPLICATIONS | <u>\$ 456,369,138</u> | <u>\$ 437,449,551</u> | <u>\$ (18,919,587)</u> |

**WASHOE COUNTY SCHOOL DISTRICT
BUILDING & SITES FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | Final Budget FY09 | Tentative Budget FY10 | Change |
|-------------------------------|------------------------------|----------------------------------|--------------------------|
| RESOURCES | | | |
| Revenue: | | | |
| Local Sources: | | | |
| Earnings on Investments | \$ 50,000 | \$ 50,000 | \$ - |
| Other Local Revenue-Rent | 30,000 | 30,000 | - |
| | <u>\$ 80,000</u> | <u>\$ 80,000</u> | <u>\$ -</u> |
| State Sources: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Federal Sources: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Other Sources: | | | |
| Transfers In | \$ - | \$ - | \$ - |
| Sale of Bonds | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total Revenue | <u>\$ 80,000</u> | <u>\$ 80,000</u> | <u>\$ -</u> |
| Opening Fund Balance: | | | |
| Reserved | \$ 2,927,643 | \$ 3,215,355 | \$ 287,712 |
| TOTAL ALL RESOURCES | <u><u>\$ 3,007,643</u></u> | <u><u>\$ 3,295,355</u></u> | <u><u>\$ 287,712</u></u> |
| APPLICATIONS | | | |
| Expenditures: | | | |
| Business Support | \$ - | \$ - | \$ - |
| Central Support | - | - | - |
| Land Acquisitions | - | - | - |
| Site Improvments | - | - | - |
| Architecture/Engineering Svcs | - | - | - |
| Educational Specs Devel | - | - | - |
| Building Acquisition & Const | - | - | - |
| Building Improvements | 30,000 | 30,000 | - |
| | <u>\$ 30,000</u> | <u>\$ 30,000</u> | <u>\$ -</u> |
| Other Financing Uses: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Ending Fund Balance: | | | |
| Reserved | \$ 2,977,643 | \$ 3,265,355 | \$ 287,712 |
| TOTAL APPLICATIONS | <u><u>\$ 3,007,643</u></u> | <u><u>\$ 3,295,355</u></u> | <u><u>\$ 287,712</u></u> |

**WASHOE COUNTY SCHOOL DISTRICT
CAPITAL PROJECTS FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | <u>Final Budget FY09</u> | <u>Tentative Budget FY10</u> | <u>Change</u> |
|-------------------------------|------------------------------|----------------------------------|------------------------------|
| RESOURCES | | | |
| Revenue: | | | |
| Local Sources: | | | |
| Gov't Svcs Tax | \$ 3,799,961 | \$ 3,400,000 | \$ (399,961) |
| Earnings on Investments | 10,000 | 100,000 | 90,000 |
| Other Local Revenue | - | - | - |
| | <u>\$ 3,809,961</u> | <u>\$ 3,500,000</u> | <u>\$ (309,961)</u> |
| State Sources: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Federal Sources: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Other Sources: | | | |
| Transfers In | \$ 59,000 | \$ - | \$ (59,000) |
| Sale of Bonds | - | - | - |
| | <u>\$ 59,000</u> | <u>\$ -</u> | <u>\$ (59,000)</u> |
| Total Revenue | <u>\$ 3,868,961</u> | <u>\$ 3,500,000</u> | <u>\$ (368,961)</u> |
| Opening Fund Balance: | | | |
| Reserved | \$ 687,000 | \$ - | \$ (687,000) |
| Unreserved | 26,601,953 | 19,778,123 | (6,823,830) |
| | <u>\$ 27,288,953</u> | <u>\$ 19,778,123</u> | <u>\$ (7,510,830)</u> |
| TOTAL ALL RESOURCES | <u><u>\$ 31,157,914</u></u> | <u><u>\$ 23,278,123</u></u> | <u><u>\$ (7,879,791)</u></u> |
| APPLICATIONS | | | |
| Expenditures: | | | |
| Business Support | \$ 4,598,703 | \$ 6,540,662 | \$ 1,941,959 |
| Central Support | - | - | - |
| Land Acquisitions | - | - | - |
| Site Improvments | 1,065,000 | 400,125 | (664,875) |
| Architecture/Engineering Svcs | 5,585,325 | 2,278,850 | (3,306,475) |
| Educational Specs Devel | - | - | - |
| Building Acquisition & Const | 7,335,925 | 2,742,750 | (4,593,175) |
| Building Improvements | 11,127,000 | 10,625,775 | (501,225) |
| | <u>\$ 29,711,953</u> | <u>\$ 22,588,162</u> | <u>\$ (7,123,791)</u> |
| Other Financing Uses: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Ending Fund Balance: | | | |
| Reserved | \$ 756,000 | \$ - | \$ (756,000) |
| Unreserved | 689,961 | 689,961 | - |
| | <u>\$ 1,445,961</u> | <u>\$ 689,961</u> | <u>\$ (756,000)</u> |
| TOTAL APPLICATIONS | <u><u>\$ 31,157,914</u></u> | <u><u>\$ 23,278,123</u></u> | <u><u>\$ (7,879,791)</u></u> |

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL REVENUE FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | Final Budget FY09 | Tentative Budget FY10 | Change |
|------------------------------------|------------------------------|----------------------------------|------------------------|
| RESOURCES | | | |
| Revenue: | | | |
| Local | \$ 4,180,480 | \$ 4,159,653 | \$ (20,827) |
| State | 26,659,305 | 9,522,544 | (17,136,761) |
| Federal | 34,148,277 | 44,971,739 | 10,823,462 |
| Transfers In | 6,500,000 | 1,490,426 | (5,009,574) |
| Total Revenue | \$ 71,488,062 | \$ 60,144,362 | \$ (11,343,700) |
| Opening Fund Balance: | | | |
| Reserved | \$ - | \$ 12,995 | \$ 12,995 |
| Unreserved | 19,523,792 | 9,764,889 | (9,758,903) |
| Total Opening Fund Balance: | \$ 19,523,792 | \$ 9,777,884 | \$ (9,745,908) |
| TOTAL ALL RESOURCES | \$ 91,011,854 | \$ 69,922,246 | \$ (21,089,608) |
| APPLICATIONS | | | |
| Expenditures by Function: | | | |
| Regular Programs | \$ 33,080,333 | \$ 27,263,942 | \$ (5,816,391) |
| Special Programs | 11,131,798 | 11,236,914 | 105,116 |
| Vocational Programs | 1,426,598 | 1,381,454 | (45,144) |
| Adult Education Programs | 1,158,492 | 910,503 | (247,989) |
| Community Service Programs | 1,193,901 | 1,039,932 | (153,969) |
| Student Support | 3,008,351 | 2,998,802 | (9,549) |
| Instructional Staff Support | 11,257,636 | 8,697,825 | (2,559,811) |
| General Administration | 957,338 | 455,000 | (502,338) |
| School Administration | 643,575 | 969,871 | 326,296 |
| Operation and Maintenance | 294,261 | 203,815 | (90,446) |
| Central Support | 3,149 | 231,309 | 228,160 |
| Other Support | 310,036 | 346,030 | 35,994 |
| Bldg Acquisition & Construction | 0 | 0 | 0 |
| | \$ 64,465,468 | \$ 55,735,397 | \$ (8,730,071) |
| Other Uses: | | | |
| Transfers Out | \$ 0 | \$ 7,990,426 | \$ 7,990,426 |
| Contingency | 0 | 0 | 0 |
| | \$ 0 | \$ 7,990,426 | \$ 7,990,426 |
| Ending Fund Balance: | | | |
| Reserved | \$ 0 | \$ 0 | \$ - |
| Unreserved | 26,546,386 | 6,196,423 | (20,349,963) |
| | \$ 26,546,386 | \$ 6,196,423 | \$ (20,349,963) |
| TOTAL APPLICATIONS | \$ 91,011,854 | \$ 69,922,246 | \$ (21,089,608) |

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL EDUCATION FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | <u>Final Budget FY09</u> | <u>Tentative Budget FY10</u> | <u>Change</u> |
|------------------------|------------------------------|----------------------------------|----------------------------|
| RESOURCES | | | |
| State Sources: | \$ 22,908,933 | \$ 21,063,744 | (\$1,845,189) |
| Transfers In | <u>\$ 33,532,086</u> | <u>\$ 35,097,118</u> | <u>\$ 1,565,032</u> |
| TOTAL RESOURCES | <u>\$ 56,441,019</u> | <u>\$ 56,160,862</u> | <u>\$ (280,157)</u> |

APPLICATIONS

Expenditures:

| | | | |
|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| Instruction | \$ 47,314,532 | \$ 46,388,727 | \$ (925,805) |
| Student Support | 1,615,070 | 1,863,311 | 248,241 |
| Instructional Staff Support | 882,141 | 1,017,369 | 135,228 |
| School Administration | 302,767 | 313,484 | 10,717 |
| Operation and Maintenance | 60,889 | 62,923 | 2,034 |
| Student Transportation | <u>6,265,620</u> | <u>6,515,048</u> | <u>249,428</u> |
| TOTAL APPLICATIONS | <u>\$ 56,441,019</u> | <u>\$ 56,160,862</u> | <u>\$ (280,157)</u> |

**WASHOE COUNTY SCHOOL DISTRICT
CLASS SIZE REDUCTION FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | <u>Final Budget FY09</u> | <u>Tentative Budget FY10</u> | <u>Change</u> |
|----------------------------------|------------------------------|----------------------------------|------------------------------|
| RESOURCES | | | |
| Revenue: | | | |
| State | \$ 20,995,813 | \$ 19,025,199 | \$ (1,970,614) |
| Other | 0 | 0 | 0 |
| Total Revenue | <u>\$ 20,995,813</u> | <u>\$ 19,025,199</u> | <u>\$ (1,970,614)</u> |
| Transfers In | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL ALL RESOURCES | <u>\$ 20,995,813</u> | <u>\$ 19,025,199</u> | <u>\$ (1,970,614)</u> |
| APPLICATIONS | | | |
| Expenditures by Function: | | | |
| Instruction | \$ 20,995,813 | \$ 19,025,199 | \$ (1,970,614) |
| Other | 0 | 0 | 0 |
| TOTAL APPLICATIONS | <u>\$ 20,995,813</u> | <u>\$ 19,025,199</u> | <u>\$ (1,970,614)</u> |

**WASHOE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | Final Budget FY09 | Tentative Budget FY10 | Change |
|----------------------------------|------------------------------|----------------------------------|----------------------------|
| RESOURCES | | | |
| Combined Bonds: | | | |
| Ad Valorem Taxes | \$ 57,690,884 | \$ 55,945,530 | \$ (1,745,354) |
| Earnings on Investments | 1,500,000 | 1,123,975 | (376,025) |
| Net Incr (Dec) In FMV | 0 | 0 | 0 |
| Proceeds From Refunding | 0 | 0 | 0 |
| Proceeds From Bond Issuance | 0 | 0 | 0 |
| | <u>\$ 59,190,884</u> | <u>\$ 57,069,505</u> | <u>\$ (2,121,379)</u> |
| Opening Fund Balance | <u>\$ 59,469,606</u> | <u>\$ 65,297,914</u> | <u>\$ 5,828,308</u> |
| Subtotal - Combined Bonds | <u>\$ 118,660,490</u> | <u>\$ 122,367,419</u> | <u>\$ 3,706,929</u> |
| Medium-Term Financing: | | | |
| Earnings on Investments | \$ 20,000 | \$ 20,000 | \$ - |
| Proceeds From Refunding | 0 | 0 | 0 |
| Transfers In | 3,939,027 | 3,619,477 | (319,550) |
| | <u>\$ 3,959,027</u> | <u>\$ 3,639,477</u> | <u>\$ (319,550)</u> |
| Opening Fund Balance | <u>\$ 2,556,980</u> | <u>\$ 2,995,788</u> | <u>\$ 438,808</u> |
| Subtotal - Combined Bonds | <u>\$ 6,516,007</u> | <u>\$ 6,635,265</u> | <u>\$ 119,258</u> |
| TOTAL RESOURCES | <u><u>\$ 125,176,497</u></u> | <u><u>\$ 129,002,684</u></u> | <u><u>\$ 3,826,187</u></u> |
| APPLICATIONS | | | |
| Combined Bonds | | | |
| Principal | \$ 29,860,000 | \$ 30,945,000 | \$ 1,085,000 |
| Interest | 23,402,576 | 23,831,171 | 428,595 |
| Coupon Redemption | 0 | 0 | 0 |
| Other Costs | 100,000 | 100,000 | 0 |
| Payments - Refunded Debt | 0 | 0 | 0 |
| Reserves (Inc Unapprop Bal) | 65,297,914 | 67,491,248 | 2,193,334 |
| Subtotal Combined Bonds | <u>\$ 118,660,490</u> | <u>\$ 122,367,419</u> | <u>\$ 3,706,929</u> |
| Medium-Term Financing: | | | |
| Principal | \$ 2,887,389 | \$ 2,664,116 | \$ (223,273) |
| Interest | 632,830 | 536,553 | (96,277) |
| Payments - Refunded Debt | 0 | 0 | 0 |
| Reserves (Inc Unapprop Bal) | 2,995,788 | 3,434,596 | 438,808 |
| Subtotal Combined Bonds | <u>\$ 6,516,007</u> | <u>\$ 6,635,265</u> | <u>\$ 119,258</u> |
| TOTAL APPLICATIONS | <u><u>\$ 125,176,497</u></u> | <u><u>\$ 129,002,684</u></u> | <u><u>\$ 3,826,187</u></u> |

WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET

| | Final Budget FY09 | Tentative Budget FY10 | Change |
|--|------------------------------|----------------------------------|-----------------------|
| Operating Revenue | | | |
| Premiums Collected | \$ 67,071,533 | \$ 64,286,838 | \$ (2,784,695) |
| Total Operating Revenue | <u>\$ 67,071,533</u> | <u>\$ 64,286,838</u> | <u>\$ (2,784,695)</u> |
| Operating Expenses | | | |
| Salaries and Benefits | \$ 234,767 | \$ 244,232 | \$ 9,465 |
| Employee Benefits | 57,149,950 | 57,478,006 | 328,056 |
| Services and Supplies | 11,836,186 | 10,525,121 | (1,311,065) |
| Total Operating Expense | <u>\$ 69,220,903</u> | <u>\$ 68,247,359</u> | <u>\$ (973,544)</u> |
| Operating Income (Loss) | \$ (2,149,370) | \$ (3,960,521) | \$ (1,811,151) |
| Nonoperating Revenues | | | |
| Interest Earned | \$ 1,258,196 | \$ 434,000 | \$ (824,196) |
| Subsidies, FEMA and Medicare Part D | 586,572 | 300,000 | (286,572) |
| | <u>\$ 1,844,768</u> | <u>\$ 734,000</u> | <u>\$ (1,110,768)</u> |
| Nonoperating Expenses | | | |
| Interest Expense | \$ 0 | \$ 0 | \$ 0 |
| Total Nonoperating Expense | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Income Before Operating Transfers | \$ (304,602) | \$ (3,226,521) | \$ (2,921,919) |
| Operating Transfers | | | |
| IN | \$ 1,707,765 | \$ 2,109,262 | \$ 401,497 |
| OUT | 0 | 0 | 0 |
| Net Operating Transfers | <u>\$ 1,707,765</u> | <u>\$ 2,109,262</u> | <u>\$ 401,497</u> |
| Net Income | \$1,403,163 | (\$1,117,259) | \$ (2,520,422) |
| Opening Retained Earnings | 30,017,023 | 32,553,886 | 2,536,863 |
| Ending Retained Earnings | <u>\$31,420,186</u> | <u>\$31,436,627</u> | <u>\$16,441</u> |

**WASHOE COUNTY SCHOOL DISTRICT
NUTRITION SERVICES FUND BUDGET COMPARISON
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | Final Budget FY09 | Tentative Budget FY10 | Change |
|--|------------------------------|----------------------------------|-----------------------|
| Operating Revenue | | | |
| Food Service Revenues | \$ 7,592,120 | \$ 6,370,279 | \$ (1,221,841) |
| Total Operating Revenue | <u>\$ 7,592,120</u> | <u>\$ 6,370,279</u> | <u>\$ (1,221,841)</u> |
| Operating Expenses | | | |
| Salaries | \$ 6,503,427 | \$ 6,203,786 | \$ (299,641) |
| Benefits | 1,737,006 | 1,576,884 | (160,122) |
| Purchased Service | 1,014,841 | 942,721 | (72,120) |
| Supplies | 8,101,692 | 8,570,567 | 468,875 |
| Depreciation | 106,390 | 104,302 | (2,088) |
| Other | 435,641 | 371,125 | (64,516) |
| Total Operating Expense | <u>\$ 17,898,997</u> | <u>\$ 17,769,385</u> | <u>\$ (129,612)</u> |
| Operating Income (Loss) | \$ (10,306,877) | \$ (11,399,106) | \$ (1,092,229) |
| Nonoperating Revenues | | | |
| State Matching Funds | \$ 82,433 | \$ 0 | \$ (82,433) |
| Federal School Feeding Program | 9,632,592 | 11,721,215 | 2,088,623 |
| | <u>\$ 9,715,025</u> | <u>\$ 11,721,215</u> | <u>\$ 2,006,190</u> |
| Nonoperating Expenses | | | |
| Interest Expense | \$ 0 | \$ 0 | \$ 0 |
| | 0 | 0 | 0 |
| Total Nonoperating Expense | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Net Income Before Operating Transfers | \$ (591,852) | \$ 322,109 | \$ 913,961 |
| Operating Transfers | | | |
| IN | \$ 250,000 | \$ 250,000 | \$ 0 |
| OUT | 0 | 0 | 0 |
| Net Operating Transfers | <u>\$ 250,000</u> | <u>\$ 250,000</u> | <u>\$ 0</u> |
| Net Income | (\$341,852) | \$572,109 | \$ 913,961 |
| Opening Retained Earnings | 2,667,971 | 3,381,039 | 713,068 |
| Ending Retained Earnings | <u>\$2,326,119</u> | <u>\$3,953,148</u> | <u>\$1,627,029</u> |

**WASHOE COUNTY SCHOOL DISTRICT
OPEB TRUST FUND
FISCAL YEAR 09 vs FISCAL YEAR 10 BUDGET**

| | Final Budget <u>FY09</u> | Tentative Budget <u>FY10</u> | <u>Change</u> |
|--|-------------------------------------|---|----------------------|
| Additions | | | |
| Contributions by Employer | \$ 0 | \$ 16,068,000 | \$ 16,068,000 |
| Earnings (loss) on investments | \$ 0 | \$ 863,000 | 863,000 |
| Total Additions | <u>\$ 0</u> | <u>\$ 16,931,000</u> | <u>\$ 16,931,000</u> |
| Deductions | | | |
| Benefits | \$ 0 | \$ 9,637,000 | \$ 9,637,000 |
| Total Deductions | <u>\$ 0</u> | <u>\$ 9,637,000</u> | <u>\$ 9,637,000</u> |
| Net Increase | \$ 0 | \$ 7,294,000 | \$ 7,294,000 |
| Net Assets Held in Trust for OPEB | | | |
| Beginning July 1 | 0 | 8,900,000 | 8,900,000 |
| Ending June 30 | <u>\$ 0</u> | <u>\$ 16,194,000</u> | <u>\$ 16,194,000</u> |