

Monterey Peninsula Community College District

Governing Board Agenda

November 24, 2009

Board Meeting Date

Consent Agenda Item No. _____

Old Business Agenda Item No. _____

New Business Agenda Item No. _____

Administrative Services

College Area

Proposal:

That the Governing Board approve the 2008-09 year end transfer of \$527,736 from the Unrestricted General Fund: \$250,000 to the Capital Projects Fund for technology refreshment, and \$277,736 to the Self Insurance Fund for GASB 45 liability.

Background:

The District has followed the practice of year-end transfers of funds from the Unrestricted General Fund (UGF), when available, including \$50K for sabbaticals, \$250K for technology refreshment, and \$550K GASB 45 liability. Board approval is required for inter-fund transfers.

For 2008-09 year end, \$616,719 was available for transfer from the UGF. The year-end closing process indicated the District received \$1,404,405 more in revenues and spent \$795,281 more in expenses than were budgeted.

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Revenues	\$40,806,074	\$42,210,479	\$1,404,405
Expenses	\$40,798,479	\$41,593,760	-\$795,281
Revenues over Expenses	\$7,595	\$616,719	\$609,124
Year-end transfers		<u>-\$527,736</u>	
Added to Fund Balance		\$88,983	
2008 Fund Balance		<u>\$4,094,006</u>	
2009 Fund Balance		<u><u>\$4,182,989</u></u>	

The attached worksheets indicate the overs and unders for the major revenue and expense object codes in the UGF.

The following is provided as a general explanation of the larger than normal overs and unders. This past year provided more than the normal number of uncertainties with the budget. The year started with an approved state budget that included funding for growth (1.67%) and restoration, a property tax backfill, and prior year apportionment settlement funding for community colleges. However, both state and national economics took a major turn early in the fiscal year and significant deficits were later being projected for community colleges. An audit of District FTES special topic courses resulted in a loss of 188 FTES and \$856,000 in apportionment income. In addition, cuts were being projected for state funding in 2009-10. The District laid out a plan to increase FTES to maximize growth and restoration funding in 2008-09. This required exceeding budgets for certain expenses to

offer more classes. In the end, the District was able to report increased FTES in 2008-09 to earn all growth and restoration funding it was eligible for. And, net revenues exceeded expenses.

Budgetary Implications:

Unrestricted General Fund, 7000 Object Interfund Transfer	+\$527,736
Capital Project Fund, 8000 Object Interfund Transfer	+\$250,000
Self Insurance Fund, 7000 Object Interfund Transfer	+\$277,736

With the above transfers, the UGF balance reserve will total \$4,182,989 (10.5% of UGF budgeted revenues for 2009-10). The Self Insurance Fund balance will total \$8,479,076, of which \$3.05 million would be designated for the GASB 45 liability and \$5,429.076 (80% of budgeted expenses for 2009-10) would be undesignated.

Resolution:

Information Only

Resolution: **BE IT RESOLVED**, that the Governing Board approve the 2008-09 year end transfer of \$527,736 from the Unrestricted General Fund: \$250,000 to the Capital Projects Fund for technology refreshment, and \$277,736 to the Self Insurance Fund for GASB 45 liability.

Recommended By: _____
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Prepared By: _____
Suzanne Ammons- Administrative Assistant

Agenda Approval: _____
Dr. Douglas Garrison, Superintendent/President