



REDWOODS  
COMMUNITY  
COLLEGE  
DISTRICT

*September 13, 2011*

# *FINAL BUDGET 2011-2012*

## **Redwoods Community College District 2011-12 Final Budget**

### **GENERAL BACKGROUND**

The final budget presented to the Board of Trustees for approval at the September 13, 2011 meeting incorporates the latest information from the State of California and the Redwoods Community College District (District or CR). As a result of conservative budget planning, the final budget presented here includes a provision for the District's share of potential mid-year cuts in state funding while maintaining the Final Budget at a level similar to our Tentative and Preliminary budget plans.

The District plans to provide learning opportunities for 4,878 resident full-time equivalent students (FTES) in addition to non-resident students and students taking advantage of non-credit learning opportunities. While this number is less than last year's budget, it still represents a strong commitment to our students during a protracted recession and is 44 students above the Chancellor's Office funded enrollment target of 4,834 FTES. Further, should the State's potential mid-year cuts become a reality, the Chancellor's Office will reduce our enrollment cap by another 104 FTES. However, we do not currently plan to reduce our internal enrollment target.

#### **The State and Chancellor's Office Budgets**

The State of California again cut funding to community colleges again in 2011-12. The Chancellor's Office reported that General Fund Apportionments fell by \$428 million or about 16.5%. A portion of this disinvestment was offset by other revenue, for example, from a \$10 per unit or 38% increase in the resident enrollment fee.

Despite promises from the Governor to the contrary, in 2011-12 the State will make no progress on reducing payment deferrals to community colleges and will instead increase payments deferred until next fiscal year by another \$129 million to \$961 million.

To manage this austere budget, the Chancellor's Office noted that the amount of funding available for each resident Full-Time Equivalent Student (FTES) remains unchanged from last year, while the number of students funded in their model was reduced by 6.2% for nearly every community college district in the state, Redwoods included. By keeping the per student funding flat, the funding model fails to recognize that certain mandated costs, notably benefit costs, continue to steadily increase. Additionally, should the state's planned mid-year cuts be triggered, the Chancellor's enrollment targets and enrollment funding will be further cut across-the-board.

The nine smallest community college districts were completely spared from the 6.2% cut in enrollment funding. However, all other districts, including relatively small districts like Redwoods, were cut across-the-board at a uniform 6.2%. It can be noted that for future across-the-board budget cuts, perhaps a better strategy for the Chancellor's Office would be to allocate cuts based on district size. For example, districts might be broken into five tiers based on enrollment funding. The two smaller tiers would experience smaller percentage cuts, the middle tier a cut equal to the systemwide average, while the two higher tiers would take slightly higher percentage cuts to balance out the savings for the two smaller tiers. This practice would

recognize that smaller districts have a higher proportion of fixed costs and are therefore less able to absorb cuts without impacting fiscal stability.

### The District’s Budget

The District developed its budget through a year-long planning cycle that begins with multiple integrated planning committees identifying, reviewing and prioritizing funding initiatives. Receiving the prioritized funding requests from integrated planning committees across the District, the Budget and Planning Committee recommended a prioritized funding list for the District. Due to funding constraints, the President’s Cabinet was only able to fund certain items, for example those related to health and safety.

The following summary narrative provides an overview of the final budget for fiscal year 2011-12.

### Exhibits

There are four exhibits at the end of this report:  
Exhibit A presents the 2011-12 budget for all funds.

Exhibit B shows the budgets for the unrestricted and restricted general funds. On the all funds report (Exhibit A), the general funds are collapsed to a single column.

Exhibit C Shows a multiyear budget forecast for the unrestricted general funds.

Exhibit D shows the changes how the budget was developed. The 2010-11 budget is shown, then the changes to the Tentative Budget, then the changes to the 2011-12 Final Budget.

### Unrestricted General Fund Revenue – Chart A

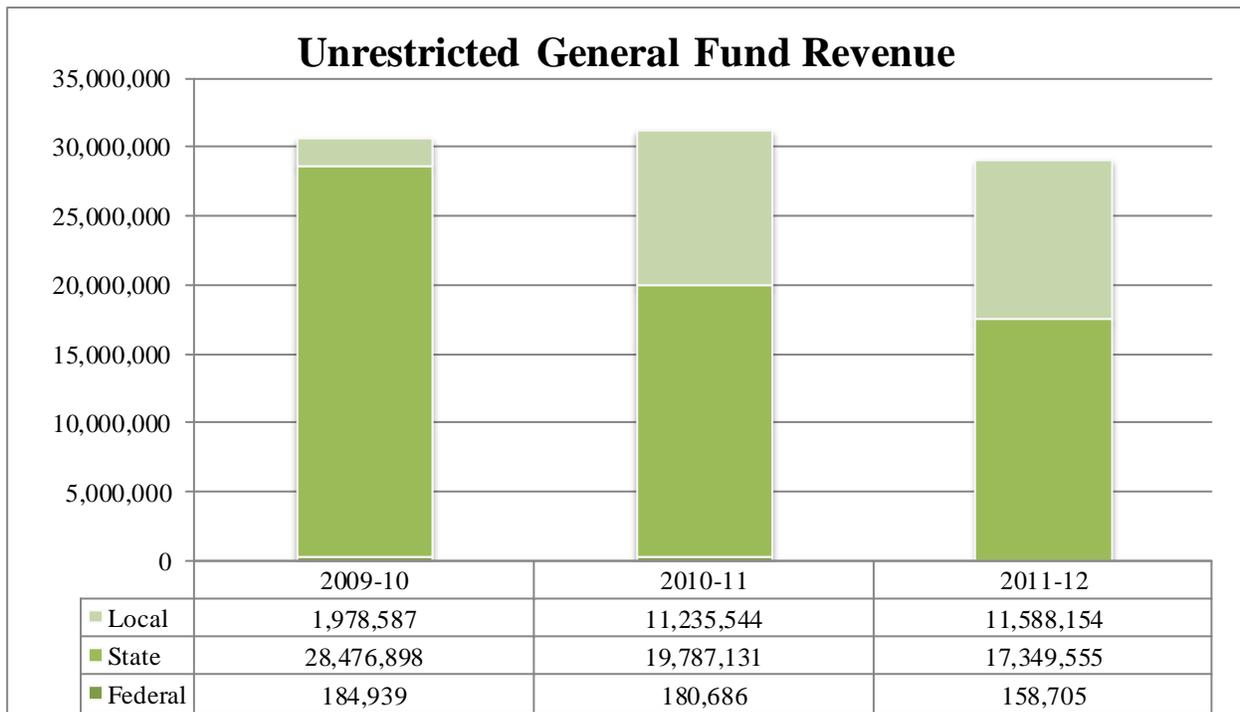


Chart A graphically demonstrates that state support to the District declined from 2010-11 to 2011-12 and that total available resources fell during the same period. Local revenues, comprised primarily of property taxes and student fees, continue to increase in importance to the District, while Federal sources remain minimal.

Exhibit D displays changes in the budget from 2010-11 to the Tentative Budget to the Final Budget. Federal revenue sources represent less than 1% of the District's revenue budget. Federal revenues have fallen since last year due to the sunset of one-time American Recovery and Reinvestment Act (ARRA) funding.

State revenues represent about 59% of total revenues, down from 63% the prior year. In exhibit D, the row titled "Apportionment", which represents state funding, fell by nearly \$2.2 million or 11.7% since 2010-11. Also, the Chancellor's Office expects more students to qualify for the BOG (Board of Governors) fee waiver than was budgeted in the state budget. When a student qualifies for a BOG fee waiver, the Chancellor's Office provides that district with state funding to make up for the lost enrollment fee revenue. In the Spring of 2010-11, the Chancellor's Office made a pro-rata reduction to the total state funding provided to districts due to additional BOG fee waivers. The Chancellor's Office has indicated that another pro-rata adjustment may be necessary in 2011-12, and our Final Budget recognizes that potential apportionment cut. Furthermore, State Lottery distributions fell due to reduced lottery dollars per student and due to the Chancellor's cut in funded FTES. Finally, even items such as timber taxes and certain property tax relief funds have been squeezed in 2011-12. In total state revenues fell by nearly \$2.5 million over 2010-11.

As a percent of total revenue, local sources increased their share from 36% to 40%. Local sources increased by \$528 thousand over 2010-11. A \$10 per unit or 38% increase in enrollment fees contributed the largest increase in local revenues followed by an estimated increase in property tax receipts. These gains were partially offset by declining other revenues, led by a reduction in interest and investment income. However, local revenue gains only partially offset the loss of state support, resulting in reduced total resources for 2011-12 over 2010-11.

The state budget also includes a provision that could trigger another \$10 per unit increase to enrollment fees effective mid-year. However, the Chancellor's Office has warned that such a fee increase would likely be delayed until Summer term at the earliest and possibly not until Fall 2012, since the State won't declare the increase until December 2011. To be conservative, the Final Budget includes no increased revenue from the potential mid-year tuition increase.

## Unrestricted General Fund Expenditures and Other Financing Sources (Uses) – Chart B

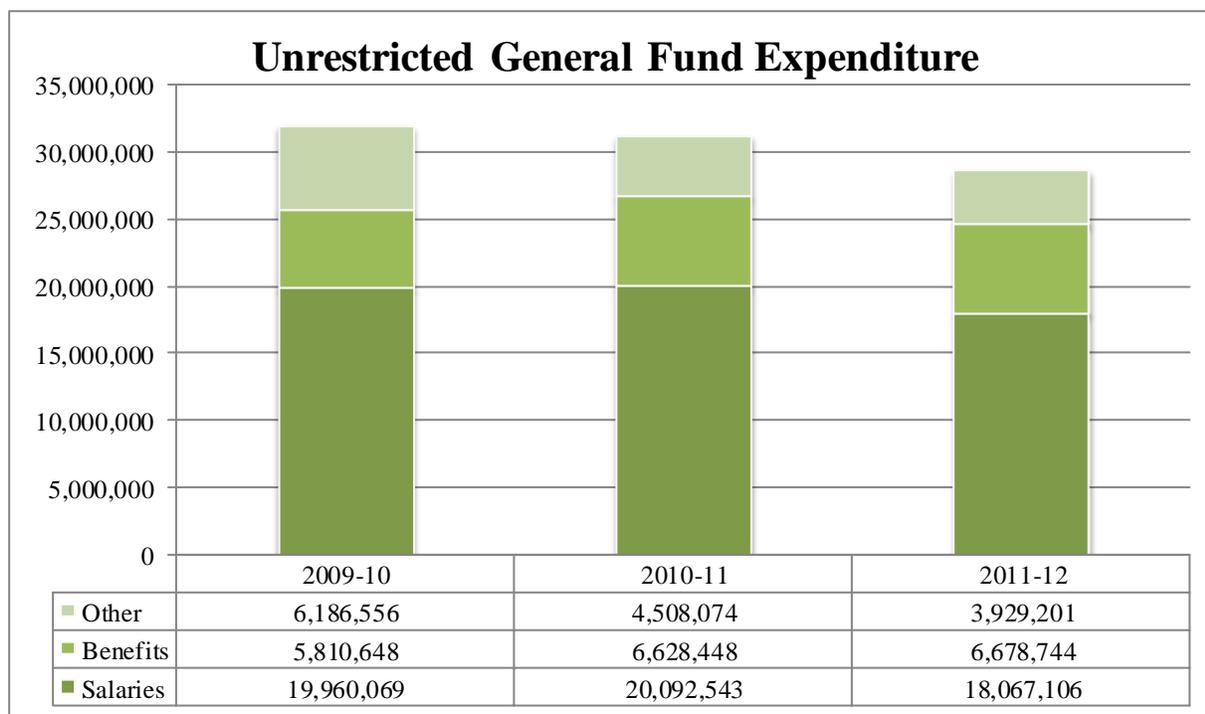


Chart B graphically demonstrates the multiyear trend where employee benefits increase as a percent of total expenditures while salaries, services and supplies and all other lose ground. While the District may exercise control over pay raises, annual increases in medical insurance premiums and other benefits continue each year.

Exhibit C displays changes in the budget from 2010-11 to the Tentative Budget to the Final Budget. Academic and staff salary expenditure budgets remained largely unchanged from the Tentative budget, which is down over \$2 million from 2010-11. Despite \$2 million in salary savings from eliminating employee positions, net benefit costs rose about \$50 thousand over 2010-11.

In services and supplies category, savings were realized from closing the Arcata Kitchen site and thereby reducing lease costs as well as reducing supplies budgets for nearly every department across the District. In the Tentative Budget a \$100 thousand cut in printing budgets has been restored in the Final Budget. The printing budget cannot be reduced by this amount, since the budget primarily covers a fixed lease payment to Xerox for a multiyear contract.

Other financing sources and uses continued at a similar level as presented in the Tentative Budget with minor adjustments, including savings from paying off Certificates of Participation (COP) debt with a loan from the employee benefits trust and \$300 thousand in support from auxiliary fund equity. If by year-end, \$300 thousand of enterprise fund equity support is not necessary to maintain a reasonable fund balance reserve, then a lesser amount may be transferred.

Overall expenditures and other financing sources/uses decreased by over \$2.5 million or 8.2% over 2010-11, while revenues dropped by \$2.1 million or 6.8%. The difference is that revenue is being held back and not used to increase the expenditure budget. This is because \$476 thousand

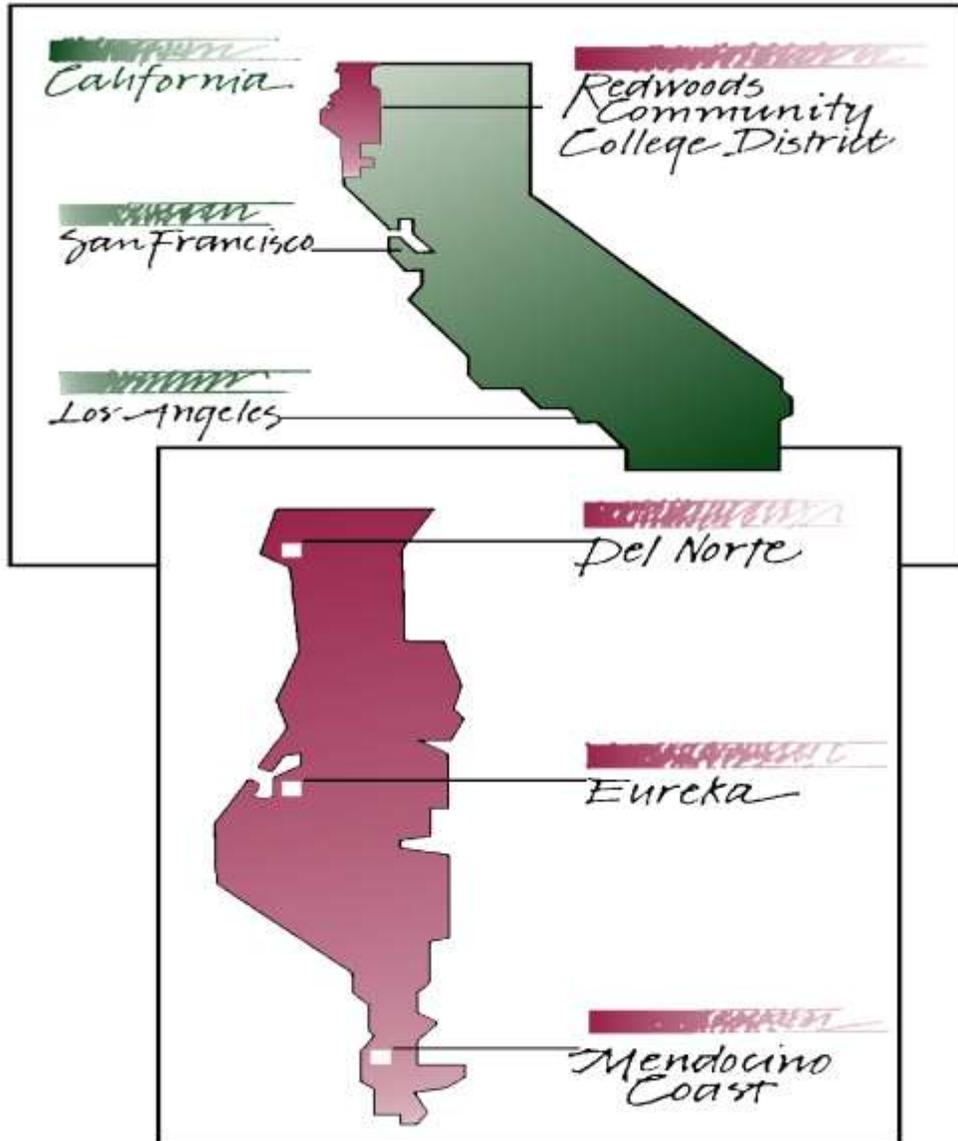
is needed as a reserve for potential mid-year state budget cuts. Without this reserve, the District would need to make other adjustments during the middle of the year which can be disruptive to the District's operations.

### **Unrestricted General Fund Balance**

Consistent with the Tentative Budget, the 2011-12 Final Budget includes a positive reserve slightly above the required minimum level of 5.00% of expenditures. The budgeted fund balance includes over \$550 thousand as a cushion above the required minimum level. Of that amount, \$476 thousand is needed as a reserve to cover potential mid-year state budget cuts. The state budget includes two budget cuts that are triggered if state revenues do not materialize as expected. If both mid-year budget cuts occur, the excess fund balance over the required minimum level will likely end up at about \$80 thousand for a 5.28% ending fund balance. If only the first cut is triggered, then the District would actually realize an improved budget at mid-year. Unfortunately, it appears likely that both budget cuts will be triggered this December, which is why the District is reserving for the larger mid-year cut.

## THE DISTRICT

The Redwoods Community College District, founded in 1964, is located in Northern California on the Pacific Coast. It covers a geographic area from 190 miles north of San Francisco to the Oregon border. The District operates College of the Redwoods, part of the California Community College system. The main campus is in Eureka, with education centers in Crescent



City (Del Norte) and in Fort Bragg (Mendocino Coast). In addition, instructional sites located in downtown Eureka, Arcata, McKinleyville and the Klamath/Trinity area have been established to serve the needs of students. The College of the Redwoods offers Associate in Arts and Associate in Science degrees, as well as lower division general education classes, including academic major prerequisites needed to transfer to four-year colleges and universities. Classes are also offered that qualify students for certificates in over 40 vocational fields. The District is a public agency governed by an elected nine-member Board of Trustees, which represent defined geographical areas. The 2011-12 Final Budget is included as Exhibit A.

**Student Enrollments – Chart C**

In the 2011-12 Final Budget, FTES are a key driver of the budget because students pay enrollment fees and are the basis for the allocation of the majority of the state funding available through the Chancellor’s Office. The resident full-time equivalent student (FTES) enrollments noted below are calculated by taking the total resident credit hours across the District and dividing that total by 30. Thirty semester credit hours is a widely accepted standard measure of the annual course workload for a typical full-time undergraduate student. Also, for a two year associates degree, about 60 semester credit hours is typically required.

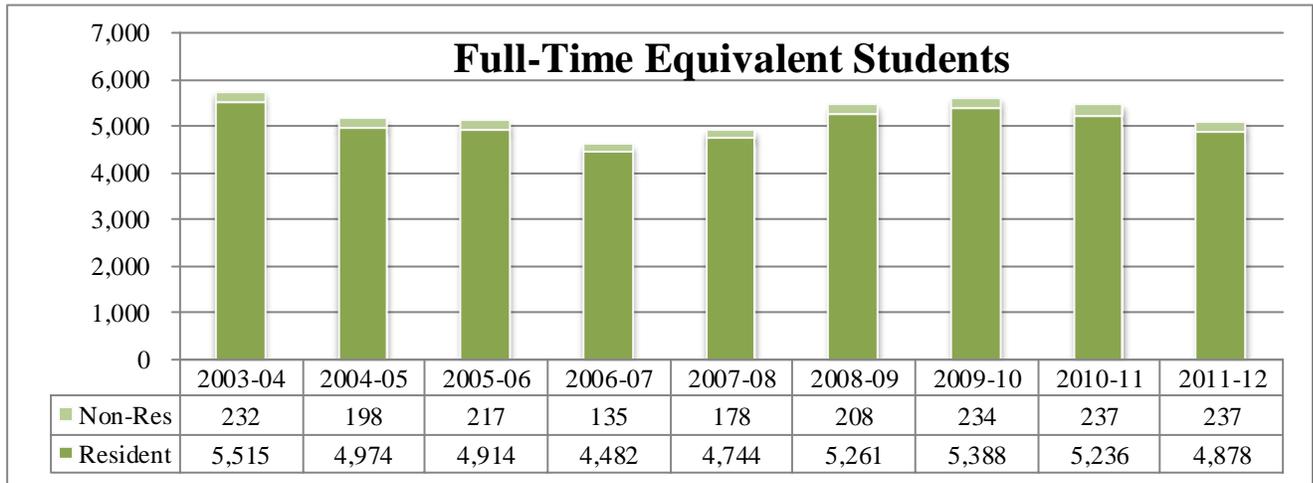


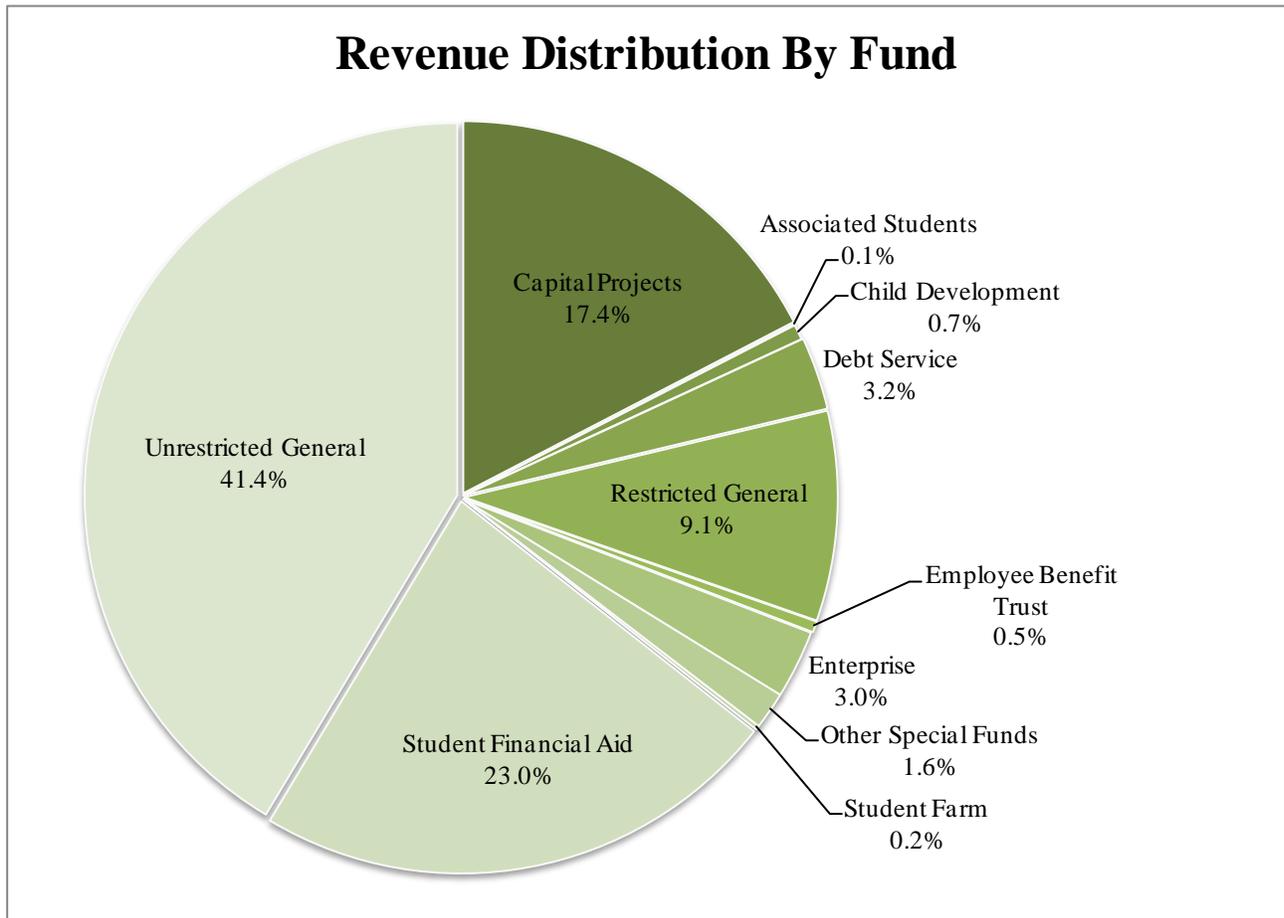
Chart C displays the total resident and non-resident enrollments for the District as reported on our CCFS-320 Attendance report to the Chancellor’s Office. The 2011-12 enrollments are the District’s budgeted FTES.

The Chancellor’s Office calculates how many resident FTES will be funded for each District each year. For 2011-12 the Chancellor has provided funding to Redwoods for 4,834 resident FTES (Students paying non-resident tuition receive no funding in the model.) If the State’s planned mid-year cuts occur, then the Chancellor’s Office will only provide funding for 4,730 FTES. The District receives no funding for enrollments over the Chancellor’s cap.

**All Funds – Chart D**

Chart D displays the 2011-12 revenue distribution for all of the District’s funds. Unrestricted General remains the largest single fund. The Student Financial Fund holds monies that must ultimately be distributed to our students receiving financial aid. Therefore, this fund is not available to the District for any purpose except financial aid disbursements. The capital projects fund receives monies earmarked for specific capital outlay projects, and is therefore not available to the District for any purpose other than designated capital projects. With the exception of unrestricted general, nearly all the other funds have restrictions on their use, so that funds may not be diverted or used for other purposes.

## Revenue Distribution By Fund



### General Fund (Fund 10)

There are two main segments of the General Fund: unrestricted and restricted programs (see Exhibit B). Together these two funds represent more than half of the District's total 2011-12 revenue budget.

### Unrestricted General Fund (Fund 10)

The unrestricted general fund includes support from the State of California, student enrollment fees, county property tax revenue, California Lottery and other revenue. Under provisions of SB 361 (Senate Bill 361), the State developed a funding formula to capture and allocate resident enrollment fees, county property taxes and state support across all community college districts. These revenues represent over 90% of all of the District's unrestricted general fund revenue. Collectively, the revenue sources included in the funding formula are referred to as "Apportionment" at the State level. An annual apportionment is set in the State Budget Act and is distributed to the 72 community college districts through a funding model maintained by the California Community Colleges Chancellor's Office.

The State has historically recognized changes in the cost-of-living allowance (COLA) and student enrollments, so that the Chancellor's Office may include those items in the funding model. In 2011-12, the state budget act did not provide for COLA or student enrollment growth. While the District can act to hold down salary increases, benefit cost increases continue to occur each year. As a result, the District has had to cut employee positions and other expenditures to cover benefit cost increases not recognized in the state budget. Further, the SB361 funding model calculates a fixed cost per student regardless of the student's discipline. While this

uniform application may appear fair at a systemwide level, it disadvantages individual districts that concentrate in higher cost programs. Higher cost programs may actually be in fields with labor shortages, such as the health occupations. For example, CR maintains a number of higher cost programs which puts our District at a disadvantage, especially against larger districts with a larger proportion of lower cost offerings.

In the apportionment funding model, State funding is the balancing amount that makes up the difference between the calculated cost to educate each student and the local property taxes and student enrollment fees collected by each District. Therefore, if employee benefits costs rise at the district level, but the Chancellor's Office does not increase its cost per student formula, the funding available to the District must fall. The impact is across-the-board and causes a *thinning of the soup* effect where resources are reduced, but no specific line item budget cut is identified.

The State of California allocates a fixed amount to the Chancellor's Office each year. When the apportionment funding model varies significantly from actual results, the Chancellor cannot request additional state funds. To balance the model, the Chancellor's Office must reallocate between districts during that fiscal year. In 2010-11 BOG fee waivers exceeded the amount allowed by the State for the funding model, so the apportionment payment to CT was reduced \$149 thousand in Spring 2011. To rebalance the model for 2011-12, we estimate another \$135 thousand cut to CR, due the state's multiyear practice of low-balling its estimate on BOG fee waivers.

The funding model assumes that all enrollment fees calculated in the model are collected by the District. If Redwoods fails to collect the student fees, the Chancellor does not reallocate that variance in their model across all districts, so Redwoods bears the full cash impact. This is why it is important for the District to continue its process of deregistering students for non-payment and to act to collect on existing student debts.

Most of the expenditures in the unrestricted general fund are for student classes, support services to students and for administration of programs directly affecting the quality of our student programs. Examples of these expenditures include the faculty salaries and benefits for all for credit courses across the District, student advising, student financial aid support and costs for custodial services, utilities, etc.

Other financing sources and uses include savings from paying off Certificates of Participation (COP) debt with a loan from the employee benefits trust and \$300 thousand in support from auxiliary fund equity. If by year-end, \$300 thousand of enterprise fund equity support is not necessary to maintain a reasonable fund balance reserve, then a lesser amount may be transferred.

### **Restricted General Funds (Fund 10)**

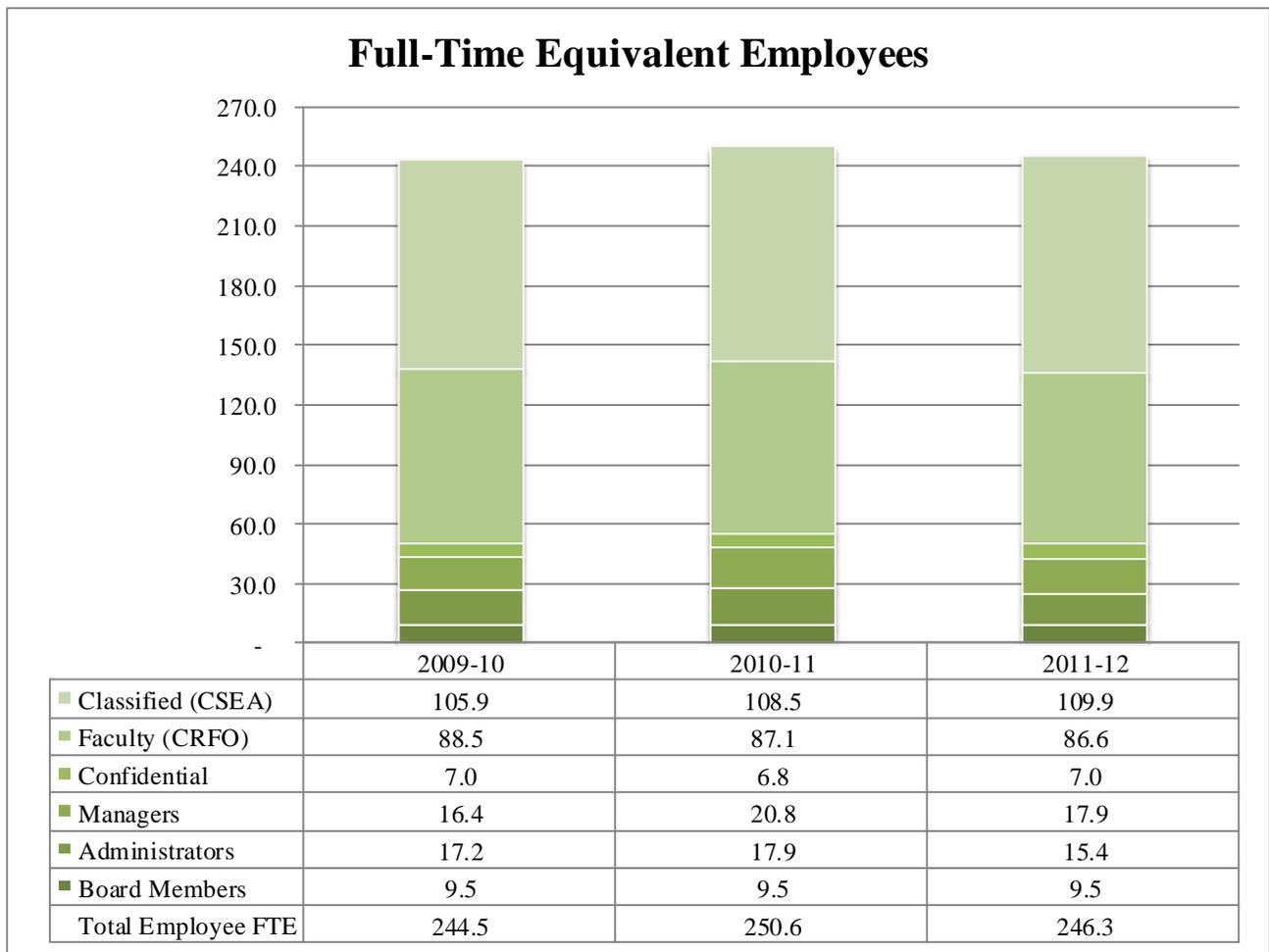
The restricted general funds include all funds in the District, except for the unrestricted general fund. Certain restricted funds receive a funding allocation from the Chancellor's Office and may be referred to as designated or categorical programs. Other restricted funds include Capital Projects, Enterprise, Associated Students, Student Financial Aid, and the Employee Benefits Trust. Enterprise funds include certain revenue generating auxiliary enterprises, such as the Bookstore operations. These monies are provided for a specific purpose and generally cannot be used for any other District costs.

The Chancellor’s Office tracks funding for over 20 categorical programs, such as: Calworks, Nursing Education, Childcare, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and Cooperative Agencies Resources for Education (CARE). Many of these categorical programs target specific populations of students for additional support. For example, categorical funding for nursing education is provided because the flat rate funding in the State’s Apportionment funding model is insufficient to fund a high quality nursing program.

In each restricted fund, the budget is prepared with the assumption that the fund will cover current year expenditures with current year revenue. If the Chancellor’s Office provides more or less funding this year, then expenditures will rise or fall proportionately as well. In certain cases, a planned draw on fund equity reserves is included in this year’s budget plan. In each of these cases, the respective funds have adequate fund equity to support the planned use of reserves.

**District Employees – Chart E**

Chart E displays the changes in employee positions. The 2011-12 employee position budget reflects the reduction of several positions in order to manage the cut in support from the State of California.



**Fifty Percent Law Compliance – Chart F**

California Community Colleges, Budget and Accounting Manual, 2000 edition:

The “50 Percent Law”, as defined in Education Code Section 84362 and California Code of Regulations Section 59200 et seq., requires California Community College districts to spend each fiscal year 50% of the current expense of education for payment of salaries of classroom instructors. The intent of the statute is to limit class size and contain the relative growth of administrative and noninstructional costs.

Chart F shows the calculation of the 50% Law Compliance for the 2011-12 Final Budget.

<b>50 Percent Law Compliance</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Salaries of Classroom Instructors	15,139,859	14,244,431	12,998,953
Current Expense of Education	30,014,598	29,302,172	25,996,403
Percent	50.44%	48.61%	50.00%
Required Expenditure @ 50%	15,007,299	14,651,086	12,998,202
Difference	132,560	(406,655)	751

As noted in Chart F, the District is budgeted to meet the 50% requirement for 2011-12. For 2010-11 the District will fall short of the 50% Law target and will submit a plan to return to compliance to the Chancellor’s Office, following established protocol.

### **Financial Stability and Reserves**

Reserve funds are an important safeguard for financial stability. They provide working capital to ensure that the District can pay its obligations in a timely manner regardless of the timing of revenue collections. Reserves can also assist in maintaining solvency when faced with unexpected financial needs such as State apportionment shortfalls, unexpected repairs, and unanticipated enrollment declines.

The District is required to maintain a minimum fund balance of 5.00% of expenditures, and the 2011-12 budget meets that requirement with a small amount of excess reserves, even after absorbing a potential mid-year budget cut from the State. However, a 5.00% fund balance leaves no operational reserves available for *ordinary* calls on reserves. Therefore, it is important for the District to accumulate reserves at a level above the 5.00% minimum. A good target would be to build reserves to provide for at least a \$500 thousand contingency over the minimum 5.00% requirement.

### **Debt Service (Fund 21 & 29)**

The Debt Service Funds include the Bond Interest and Redemption Fund (Fund 21) and the Other Debt Service Fund – COPS (Fund 29).

At its June 7, 2005 meeting, the Board of Trustees established a Bond Interest and Redemption Fund to account for revenues derived from property taxes levied for the payment of principal and interest on outstanding bonds of the District, for example Measure Q Bonds. Responsibility for the operation of this fund is vested with the Humboldt County Auditor in accordance with State law.

A successful district-wide General Obligation Bond election (Measure Q) was conducted in November 2004 for \$40,320,000 in authorized bonds for acquisition and construction costs for District facilities and equipment. The first series of these bonds totaling \$18,000,000 was issued

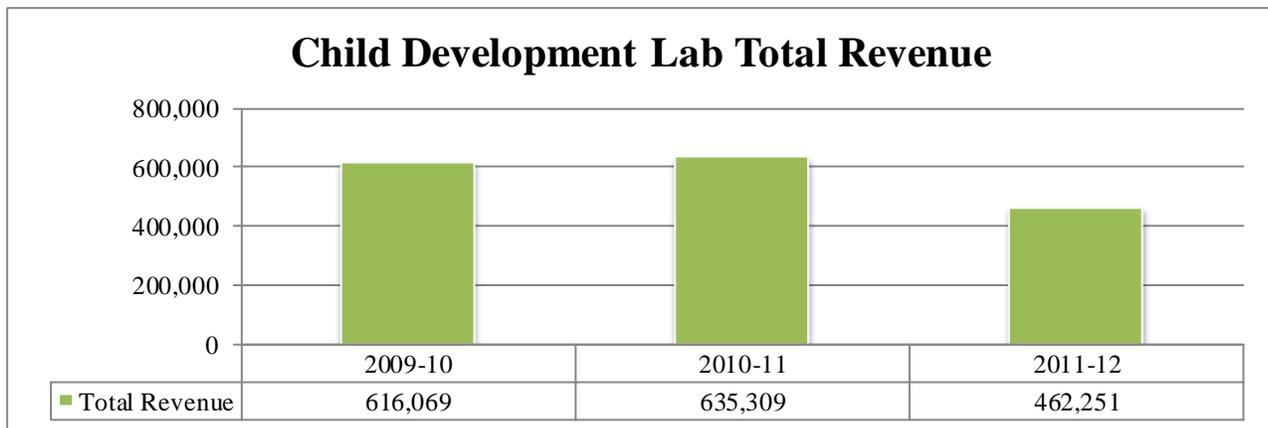
on May 19, 2005 with maturity dates of August 1, 2006 through 2029 at interest rates varying from 3.375% to 8% of par value. A second series of these bonds totaling \$15,000,000 was issued on July 10, 2007 with maturity dates of August 1, 2008 through 2031 at interest rates varying from 4% to 6% of par value. Debt service requirements for 2010 11 include \$670,000 in principal and \$1,382,599 in interest.

In October 1988, the District formed the College of the Redwoods Financing Corporation (CRFC) for the purpose of issuing \$3 million in certificates of participation (COPs). Proceeds were used for acquisition of land and buildings, for rental of facilities, for remodeling and maintenance projects, and for debt service requirements. This 30-year obligation was refinanced in November 1998 over the remaining 20 years at savings of \$376,258. The District makes lease payments as assigned by CRFC for the retirement of the outstanding debt.

These activities are accounted for in a debt service fund. Semi-annual payments totaling \$103 thousand are required for 2011-12. However, the District plans to retire this debt in 2011-12 by securing a loan from the Employee Benefit Trust on interest terms similar to the existing debt.

**Child Development (Fund #33) – Chart G**

The District operates child development programs on the Eureka Campus for the benefit of children from infants to age 5. In addition to Federal and State support, the District charges an hourly rate to parents for its instructional activities.



State and Federal support dropped sharply in 2011-12 causing total resources to fall by \$170 thousand or over 26%. The District’s unrestricted general fund provides \$90 thousand in direct support to this fund and additionally covers overhead costs for administration, operations and maintenance of this important program.

**Student Farm (Shively Farm, Fund 34)**

This Fund was established in November 2000 to account for student agricultural production activities that are conducted on a farm in Shively, California. The farmland, buildings, equipment, and cash were a gift received from the estate of John Bianchi. In fiscal year 2008-09, CalTrans gave the District Foundation \$2.0M to assist with the operational needs of the student farm. An endowment was set up with \$1.5M and the interest earned provides support to the Agriculture instructional programs at the District. Proceeds from the endowment directly benefit the District’s instructional programs, and not the Farm operations. The remaining \$500 thousand was designated for the benefit of the Farm to help with equipment purchases.

The Farm budget includes revenue from farm sales and about \$100 thousand in equipment purchases through the CalTrans equipment fund. The budget includes \$28 thousand in support from the unrestricted general fund and about a \$35 thousand draw on reserves in the Farm's fund balance. These resources will be used to cover costs of providing hands-on student learning opportunities in a working laboratory farm and costs of production of the goods to be sold from the farm.

### **Other Special Revenue (Fund 39)**

Students benefit from the services provided by this fund through access to the student center and a campus based college experience by living and studying in our residence halls. Commuting students benefit from the campus culture created by an on-campus student community. College students living in residence halls generally fare better academically than they would living in off-campus in rental housing.

The District Board established a special revenue fund to account for the rental income from District owned or leased buildings. Rented facilities include residence halls; a food works complex, and a student center on the Eureka campus. Sales and rentals are expected to generate \$1.1 million in revenues with a deficit of \$270 thousand. This deficit is a result of budgeting \$315,000 for the roof replacement on the Mendocino Dorm. After accounting for this extraordinary expenditure, these activities will need to be managed to increase the fund balance reserve over several years.

### **Capital Projects (Fund 41)**

This fund provides monies for the various construction and improvement projects occurring across the District. Students benefit from these projects by gaining access to updated facilities, upgraded technology and furniture. The District maintains the Capital Outlay Projects Fund to account for the expenditure of capital outlay and scheduled maintenance projects. Capital projects expenditures are budgeted at \$17.2 million this year.

### **Enterprise (Funds beginning with 5)**

Students use the CR Bookstore to purchase books and supplies needed for classes as well as apparel, spirit and other merchandise. The student house built by the Construction Technology program is recorded here as well. Before the planned draw down of \$300 thousand to provide support to the unrestricted general fund, these funds have \$173 thousand in excess revenue.

### **Associated Student Trust (Fund 71)**

The Associated Student of the College of the Redwoods use these monies to provide important services for the District's students.

Regulations adopted by the Board of Governors of the California Community Colleges require the establishment of a fund to account for moneys held in trust by the District for the organized student body association. This fund was established in November 2000. The budget represents revenue and expenditure estimates of activities managed by student government on the Eureka campus. Associated Students has a balanced budget with \$50 thousand in revenue and expenditures and \$94 thousand fund balance reserves.

### **Student Financial Aid Trust (Fund 74)**

With over \$16 million in resources, this fund is vitally important to the District and to our students who benefit from financial aid. This fund holds monies that do not belong to the District, but rather these funds must ultimately be disbursed to students. The students in turn use these monies to pay their enrollment fees, purchase textbooks, and cover living expenses each semester. Since the monies pass through from the government to the student, the accumulation of fund balance reserves is not expected. It should be noted that the District will distribute over \$16 million in student financial aid, while the total tuition revenue from all students is budgeted at only \$1.6 million. After paying tuition to the District, the remaining student financial aid is available to students to cover books, living expenses, etc.

### **Employee Benefit Trust (Fund 78)**

This fund was created to accumulate a pool of monies to cover the estimated cost of providing health and welfare benefits to certain retired employees of the District. The District phased out these benefits for newly hired employees after December 2007, so only employees who are *grandfathered* in can utilize this important benefit.

Support from the unrestricted general fund and interest earnings provide the annual revenues to the trust. This year the annual support from the unrestricted general fund of \$330 thousand includes a permanent increase of \$25 thousand. Then, an additional \$25 thousand in both 2012-13 and 2013-14, so that annual support increases by \$75 over three years. By design this fund is expected to draw down fund balance each year until the program sunsets.

These monies are currently held in a segregated fund at the Humboldt County Treasurer. However, this year the District plans to begin moving the funds under an irrevocable trust for the benefit of eligible retirees as required by certain Federal legislation. The entire balance is expected to be transferred to the irrevocable trust over multiple years.

**Exhibit A**

**REDWOODS COMMUNITY COLLEGE DISTRICT  
FINAL BUDGET  
FISCAL YEAR 2011-12**

REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE	GOVERNMENTAL FUND TYPES						PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPE - TRUST			TOTAL ALL FUNDS (Memo Only)	
	General Fund (10)	Debt Serv Fund (21) & (29)	SPECIAL REVENUE FUNDS			Capital Projects (41)	Enterprise Funds (5X)	Associated Student Body (71)	Student Financial Aid Trust (74)	Employee Benefit Trust (78)		
			Child Devel- opment (33)	Student Farm (34)	Other Sp Rev Funds (39)							
<b>REVENUES:</b>												
Federal Sources	8100-8199	\$ 2,303,280	\$ 0	\$ 115,864	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,591,293	\$ 0	\$ 18,010,437	
State Sources	8600-8699	20,996,191	0	299,387	100,000	0	12,000,000	0	553,390	0	33,948,968	
Local Sources	8800-8899	12,187,138	2,219,531	47,000	24,000	1,139,846	210,000	2,085,000	50,000	0	18,249,288	
Total Revenue		35,486,610	2,219,531	462,251	124,000	1,139,846	12,210,000	2,085,000	50,000	16,144,683	286,773	70,208,694
<b>EXPENDITURES:</b>												
Academic Salaries	1000-1999	12,767,727	0					0	0	0	0	12,767,727
Other Staff Salaries	2000-2999	8,294,123	0	327,164	24,000	136,060	0	355,000	0	0	0	9,136,347
Employee Benefits	3000-3999	7,757,404	0	187,543	7,650	81,585	0	103,000	0	0	1,024,028	9,161,210
Supplies & Materials	4000-4999	789,251	0	28,414	20,750	523,650	0	1,170,000	10,000	0	0	2,542,065
Services & Other Operating	5000-5999	4,216,189	1,375	7,330	24,900	298,347	0	277,868	40,000	7,866	0	4,873,875
Capital Outlay	6000-6999	639,761	0	1,800	100,000	369,782	17,210,000	6,000	0	0	0	18,327,343
Total Expenditures		34,464,455	1,375	552,251	177,300	1,409,424	17,210,000	1,911,868	50,000	7,866	1,024,028	56,808,567
<b>EXCESS REVENUES (EXPENDITURES)</b>		1,022,155	2,218,156	-90,000	-53,300	-269,578	-5,000,000	173,132	0	16,136,817	-737,255	13,400,127
<b>OTHER FINANCING SOURCES (USES):</b>												
Proceeds on Sale of Bonds	8941	0	0	0	0	0	0	0	0	0	0	0
Interfund Transfers In	8980-8988	0	0	90,000	28,000	0	0	0	0	0	75,000	193,000
Intrafund Transfers In	8989	316,013	0	0	0	0	0	0	0	0	0	316,013
Debt Service	7100-7199	0	-2,038,399	0	0	0	0	0	0	0	0	-2,038,399
Intrafund Transfers Out	7200-7299	-16,013	0	0	0	0	0	-300,000	0	0	0	-316,013
Interfund Transfers Out	7300-7399	-193,000	0	0	0	0	0	0	0	0	0	-193,000
Student Financial Aid	7500-7699	-654,698	0	0	0	0	0	0	0	-16,136,817	0	-16,791,515
Reserve for Unallocated Expenditures	7900-7998	0	0	0	0	0	0	0	0	0	0	0
Total Other Sources (Uses)		-547,698	-2,038,399	90,000	28,000	0	0	-300,000	0	-16,136,817	75,000	-18,829,914
<b>FUND BALANCE INCREASE (DECREASE)</b>		474,457	179,757	0	-25,300	-269,578	-5,000,000	-126,868	0	0	-662,255	-5,429,788
<b>BEGINNING FUND BALANCE:</b>												
Beginning Balance	9790	1,567,315	1,772,535	0	43,261	514,514	12,812,324	510,963	94,036	5	3,584,881	20,899,834
Prior Year Adjustments	9791-9792	-12,020	0	0	0	0	0	0	0	0	0	-12,020
Adjusted Beginning Balance		1,555,295	1,772,535	0	43,261	514,514	12,812,324	510,963	94,036	5	3,584,881	20,887,814
<b>ENDING FUND BALANCE</b>		\$ 2,029,752	\$ 1,952,292	\$ 0	\$ 17,961	\$ 244,936	\$ 7,812,324	\$ 384,095	\$ 94,036	\$ 5	\$ 2,922,626	\$ 15,458,026

REDWOODS COMMUNITY COLLEGE DISTRICT  
**FINAL BUDGET**  
 FISCAL YEAR 2011-12

**Exhibit B**

REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE	2011-12 Final Budget by Component			Final Budget General Fund 2011-12	
	Unrestricted	One-time	Restricted		
<b>REVENUES:</b>					
Federal Sources	8100-8199	\$ 158,705	\$ 0	\$ 2,144,575	2,303,280
State Sources	8600-8699	17,349,555	0	3,646,636	20,996,191
Local Sources	8800-8899	11,588,154	0	598,985	12,187,139
<b>Total Revenue</b>		<b>29,096,415</b>	<b>0</b>	<b>6,390,196</b>	<b>35,486,611</b>
<b>EXPENDITURES:</b>					
Academic Salaries	1000-1999	11,770,404	0	997,323	12,767,727
Other Staff Salaries	2000-2999	6,296,702	0	1,997,421	8,294,123
Employee Benefits	3000-3999	6,678,744	0	1,078,661	7,757,404
Supplies & Materials	4000-4999	465,329	0	323,922	789,251
Services & Other Operating	5000-5999	3,362,225	0	853,963	4,216,189
Capital Outlay	6000-6999	135,335	0	504,427	639,761
<b>Total Expenditures</b>		<b>28,708,739</b>	<b>0</b>	<b>5,755,716</b>	<b>34,464,455</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>		<b>387,676</b>	<b>0</b>	<b>634,480</b>	<b>1,022,156</b>
<b>OTHER FINANCING SOURCES/(USES):</b>					
Sale of Land & Buildings	8913	0	0	0	0
Interfund Transfers In	8980-8988	0	0	0	0
Intrafund Transfers In	8989	306,959	0	9,054	316,013
Debt Service	7100-7199	0	0	0	0
Intrafund Transfers Out	7200-7299	(16,013)	0	0	(16,013)
Interfund Transfers Out	7300-7399	(193,000)	0	0	(193,000)
Student Financial Aid	7500-7699	(64,258)	0	(590,440)	(654,698)
Reserve for Unallocated Expenditures	7900-7999	0	0	(0)	(0)
Other Sources (Uses)	8999	0	0	0	0
<b>Total Other Sources (Uses)</b>		<b>33,688</b>	<b>0</b>	<b>(581,386)</b>	<b>(547,698)</b>
<b>FUND BALANCE INCREASE (DECREASE)</b>		<b>421,364</b>	<b>0</b>	<b>53,093</b>	<b>474,457</b>
<b>BEGINNING FUND BALANCE:</b>					
Beginning Balance	9790	1,586,408	0	(19,093)	1,567,315
Prior Year & Other Adjustments	9791-9792	(12,020)	0	0	(12,020)
<b>Adjusted Beginning Balance</b>		<b>1,574,388</b>	<b>0</b>	<b>(19,093)</b>	<b>1,555,295</b>
		<b>0</b>			<b>0</b>
<b>ENDING FUND BALANCE</b>		<b>\$ 1,995,752</b>	<b>\$ 0</b>	<b>\$ 34,000</b>	<b>2,029,752</b>
Fund Balance Percent		6.96%			
Less Potential Mid-Year Cuts		(476,237)			
Net Fund Balance		1,519,515			
<b>Net Fund Balance Percent</b>		<b>5.30%</b>			

**Exhibit C**

Sept 13, 2011  
Agenda Item #x.x

CR Budget Forecast - Unrestricted 2011-12 Final Budget	Unrestricted General Funds - No One-Time Funds						
	2010-11	2011-12	Pct	2012-13	Pct	2013-14	Pct
<b>Revenue</b>							
Apportionment (State Funds, Enrollment Fees, Property Taxes)		(1,996,947)		900,000		927,000	
Non-Resident Tuition		(50,000)		70,000		30,000	
Other Resources		(60,000)		93,000		93,000	
<b>Total Revenue</b>	<b>31,203,362</b>	<b>29,096,415</b>	<b>-6.8%</b>	<b>30,159,415</b>	<b>3.7%</b>	<b>31,209,415</b>	<b>3.5%</b>
<b>Expenditures</b>							
Additional TLUs (Course Section Funding)		-		300,000		300,000	
Cancel Arcata Kitchen Lease		(8,500)		(8,500)			
Irrevocable Trust Costs		15,000					
TRAN Costs		36,000					
Employee Benefits		420,078		180,000		190,000	
Unallocated Discretionary Funds		35,000					
Identified Budget Reductions		(2,305,993)					
Reduce Printing		-					
Payroll Savings		(250,000)					
Maint costs funded from Redevelopment funds						110,000	
Step		215,000		486,000		495,000	
One-time furloughs		(215,000)		215,000			
COLA guarantee (1.5%)				315,000			
Police Academy				60,000			
Fire Svc				45,000			
LVN						100,000	
Reinstate Sports						60,000	
VP Instruction				170,000			
Human Resources Director				150,000			
Retirement Savings				(700,000)			
IT Hardware/Software Savings						(300,000)	
Additional savings to be identified				(200,000)			
<b>Total Expenditures</b>	<b>30,767,154</b>	<b>28,708,739</b>	<b>-6.7%</b>	<b>29,721,239</b>	<b>3.5%</b>	<b>30,676,239</b>	<b>3.2%</b>
Excess Revenues (Expenditures)	436,208	387,676		438,176		533,176	
<b>Other Financing Sources (Uses)</b>							
Changes to Transfers, etc.		385,938		(260,000)		(40,000)	
Refinance COPs from Empl Benefit Trust		109,661		(80,000)			
Transfer to Employee Benefits Trust				(25,000)		(25,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>(461,911)</b>	<b>33,688</b>	<b>-107.3%</b>	<b>(331,312)</b>		<b>(396,312)</b>	<b>19.6%</b>
Fund Balance Increase (Decrease)	(25,703)	421,364		106,864		136,864	
Transfer Reserves from Other Funds		-					
<b>Net Change to Fund Balance</b>	<b>(25,703)</b>	<b>421,364</b>		<b>106,864</b>	<b>-74.6%</b>	<b>136,864</b>	<b>28.1%</b>
Beginning Fund Balance	1,586,408	1,560,705		1,519,515		1,626,379	
Other Adjustment		13,683					
<b>Ending Fund Balance</b>	<b>1,560,705</b>	<b>1,995,752</b>	<b>27.9%</b>	<b>1,626,379</b>	<b>-18.5%</b>	<b>1,763,243</b>	<b>8.4%</b>
<b>Reserve Percent</b>	<b>5.00%</b>	6.96%		<b>5.41%</b>		<b>5.67%</b>	
Less Potential Mid-Year Cuts		(476,237)					
Net Fund Balance		1,519,515					
<b>Net Fund Balance Percent</b>		<b>5.30%</b>					
Excess Reserve Over 5% Minimum		85,762					

**Exhibit D**

<b>2011-12 FINAL BUDGET</b>		<b>UNRESTRICTED GENERAL FUNDS BUDGET</b>				
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE	Object Codes	2010-11	Changes	2011-12 Tentative	Changes	2011-12 Final
<b>REVENUES:</b>						
Forest Reserve					7,392	
ARRA Funding & Other					(29,373)	
Federal Sources	8100-8199	180,686	-	180,686	(21,981)	158,705
Apportionment		18,802,868	(2,705,884)	16,096,984	509,996	16,606,980
Chanc Ofc Adj - Add'l BOGs					(135,000)	
Ca State Lottery					(110,624)	
Other					3,936	
State Sources	8600-8699	19,787,131	(2,705,884)	17,081,247	268,308	17,349,555
TRAN Interest					17,250	
Student Enrollment Fees					407,350	
Prop Tax Increase					122,501	
Self Support Revenue					(73,064)	
Other					(11,427)	
Local Sources	8800-8899	11,235,544	(110,000)	11,125,544	462,610	11,588,154
<b>Total Revenue</b>		<b>31,203,362</b>	<b>(2,815,884)</b>	<b>28,387,478</b>	<b>708,937</b>	<b>29,096,415</b>
<b>EXPENDITURES:</b>						
Academic Salaries	1000-1999	13,307,156	(1,596,752)	11,710,404	60,000	11,770,404
Other Staff Salaries	2000-2999	6,785,387	(448,685)	6,336,702	(40,000)	6,296,702
Employee Benefits	3000-3999	6,628,448	50,296	6,678,744	-	6,678,744
Supplies & Materials	4000-4999	452,329	(87,000)	365,329	100,000	465,329
Arcata Kitchen Lease					(8,500)	
TRAN Costs					36,560	
Irrev Trust Costs					15,000	
Unallocated discretionary funds					35,000	
Services & Other Operating	5000-5999	3,458,499	(174,334)	3,284,165	78,060	3,362,225
Capital Outlay	6000-6999	135,335	-	135,335	-	135,335
<b>Total Expenditures</b>		<b>30,767,154</b>	<b>(2,256,475)</b>	<b>28,510,679</b>	<b>198,060</b>	<b>28,708,739</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>		<b>436,208</b>	<b>(559,409)</b>	<b>(123,201)</b>	<b>510,877</b>	<b>387,676</b>
<b>OTHER FINANCING SOURCES/(USES):</b>						
Sale of Land & Buildings	8913	-	-	-	-	-
Interfund Transfers In	8980-8988	14,262	(14,262)	-	-	-
Intrafund Transfers In	8989	41,024	115,935	156,959	150,000	306,959
Debt Service	7100-7199	-	-	-	-	-
Intrafund Transfers Out	7200-7299	(109,718)	67,476	(42,242)	26,229	(16,013)
Interfund Transfers Out	7300-7399	(302,661)	102,661	(200,000)	7,000	(193,000)
Student Financial Aid	7500-7699	(104,258)	40,000	(64,258)	-	(64,258)
Reserve for Unallocated Expenditures	7900-7999	(560)	-	(560)	560	-
Other Sources (Uses)	8999	-	-	-	-	-
<b>Total Other Sources (Uses)</b>		<b>(461,911)</b>	<b>311,810</b>	<b>(150,101)</b>	<b>183,789</b>	<b>33,688</b>
<b>Total Expenditures &amp; Other Sources</b>		<b>31,229,065</b>	<b>(2,568,285)</b>	<b>28,660,780</b>	<b>14,271</b>	<b>28,675,051</b>
<b>FUND BALANCE INCREASE (DECREASE)</b>		<b>(25,703)</b>	<b>(247,599)</b>	<b>(273,302)</b>	<b>694,666</b>	<b>421,364</b>
<b>BEGINNING FUND BALANCE:</b>						
Beginning Balance	9790	1,586,408	-	1,586,408	-	1,586,408
Prior Year & Other Adjustments			124,297	124,297	(136,317)	(12,020)
<b>Adjusted Beginning Balance</b>		<b>1,586,408</b>	<b>124,297</b>	<b>1,710,705</b>	<b>(136,317)</b>	<b>1,574,388</b>
<b>ENDING FUND BALANCE</b>		<b>1,560,705</b>	<b>(123,302)</b>	<b>1,437,403</b>	<b>558,349</b>	<b>1,995,752</b>
Fund balance Percent		5.00%		5.02%		6.96%
Less Potential Mid-Year Cuts						(476,237)
Net Fund Balance						1,519,515
<b>Net Fund Balance Percent</b>						<b>5.30%</b>
Excess Reserve Over 5% Minimum						85,762