

Metropolitan Education District
First Interim Financial Report
December 13, 2006

Executive Summary

The Metropolitan Education District

The Metropolitan Education District (MetroED) is a joint powers authority (JPA) created under Government Code Sections 6500 in 1983 by six school districts in Santa Clara County. Its purpose is to provide and administer a regional occupational center and programs (ROCP) and adult education programs. The six districts are Campbell Union High School District, East Side Union High School District, Los Gatos-Saratoga Joint Union High School District, Milpitas Unified School District, San Jose Unified School District and Santa Clara Unified School District. Each of the six districts designates one of their elected board members to sit on the MetroED Governing Board.

Purpose of the First Interim Report

The California Education Code 42130 requires the District to file two interim financial reports with the County Superintendent of Schools and the State Department of Education. The First Interim Report covers the financial and budgetary status of the District for the period ending October 31. The Governing Board of the District must certify whether the District is able to meet its financial obligations for the remainder of the fiscal year and for the subsequent two fiscal years. The certification is classified as positive, qualified, or negative. A positive certification means District will be able to meet its financial obligations for the current and two subsequent years; Qualified certification means District may not meet its financial obligations for the current fiscal year or two subsequent fiscal years; Negative certification means District will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal years.

Interim Reports are a “snapshot” of the condition of the agency at a point in time. Multi-year projections are highly dependent upon projected state funding, which is correspondingly dependent upon the health of the state economy and tax revenue collections. Consequently, Interim Report projections are only as reliable as the projections provided us by the state, and local expenditure decisions, which are constantly changing. Because of this, the District’s financial condition and current year budget is reviewed on an on-going basis by the business and fiscal staff, with changes provided to the Governing Board for monthly approval.

State Budget Outlook – Summary

On 11/15/06 the Legislative Analyst’s Office (LAO) released “*California’s Fiscal Outlook: LAO Projections, 2006-07 through 2011-12.*” The LAO projections indicated that California continues to face a significant budget problem. The current forecast indicates that:

- “The current year (2006-07) is projected to end with a reserve of about \$3.1 billion, up about \$1 billion from the \$2.1 billion estimate.”
- “However, expenditures will exceed revenues by \$5.5 billion in 2007-08 and \$5 billion in 2008-09, absent corrective actions. The 2006-07

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carryover reserve could be used on a one-time basis to address over one-half of the projected 2007-08 short fall, but would be exhausted thereafter.”

- “In subsequent years, the operating short falls decline-particularly after repayments associated with the deficit-financing bonds (which were approved by the voters in March 2004) cease at the conclusion of 2009-10. Nevertheless, they remain over \$1.2 billion through the end of the forecast period.”

Reserves for Cash Flow

Unlike K-12 education, ROC/P and Adult Education programs do not receive state advance apportionment funding at the beginning of the fiscal year. Funds are apportioned ONLY after the state budget is signed into law. In recent years, adoption of the state budget has been delayed for as much as 60 days, resulting in the district having to rely on temporary reserves to cover vendor payments and employee payrolls. During 2004-05, the Governing Board established policy to make these reserves permanent, in order to provide sufficient cash for vendor payments and employee wages for a 60-day period. Two reserves are combined to provide an overall 10% reserve; a 4% General Reserve and a 6% Reserve for Economic Uncertainty.

Reserves for PERS Recapture Liability

In 1982-83, the Public Employees Retirement System (PERS) employer contribution rate was reduced from 13.02% to 12.045%. The state was in financial crisis and a state law was passed requiring the recapture of the savings from the PERS rate reduction. This was to have been a one-time reduction of districts’ Revenue Limit apportionment. However, this one-time reduction has been a continuous part of the Revenue Limit calculation since 1982-83. The amount recaptured is the difference between the 13.02% and the employer contribution rate for that year. In years when there has been no employer rate, the recapture rate has been the full 13.02% of qualifying classified employee wages.

The law has been confusing as to whether the PERS recapture applies to ROC/Ps operating as Joint Powers Authorities (JPAs). In 2000, SB 1667 was enacted that intended to include JPAs in the PERS reduction calculations. However, there was an erroneous cross reference in the legislation that kept it from being implemented. In 2003-04, the Department of Finance (DOF) attempted to unilaterally impose the PERS recapture on JPAs, without correcting the Education Code. The DOF attempt was defeated when education advocates threatened litigation. In 2004-05, legislation that would have corrected the erroneous reference, and provide a clear exemption for ROCP JPAs, was vetoed by the Governor, and the matter was referred to the California Department of Education (CDE) for interpretation. Currently, both the CDE and DOF believe that the PERS offset applies to ROCP JPAs. However, they have not imposed the

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recapture because of the incorrect Ed Code reference. The matter continues to be unresolved.

The MetroED Governing Board has recognized the potential financial liability to the District, and directed that reserves be established in the fund balances of both the General and Adult Education funds sufficient to pay the PERS Reduction recapture retroactive to 2003-04.

Employee Salaries and Benefits

The 2006-07 budget, and two projected years include step, column and longevity salary and statutory benefit increases for district employees, plus increases in the district's contribution to employee health and welfare benefits. The district is currently in negotiations with its three bargaining units for 2006-07.

1st Interim Budget Adjustments

Budget transfers and adjustments for the current year are approved by the Governing Board on a monthly basis. Consequently, there are few adjustments presented in the 1st Interim Report that have not already been approved.

Multi-Year Projection (MYP) Assumptions

For the General Fund 010 and Adult Education Fund 110, we have provided detailed multi-year projections, with all budget assumptions and calculations. Budget assumptions for the two projected years are based on School Services of California (SSC) "Dartboard" projections, historic spending patterns, COLA for applicable expenditure accounts, increases in salary accounts for step, column and longevity adjustments, health and welfare increases and district goals. Revenues and expenses are summarized at a four-digit object code level. Comparative data is provided for the following five year period:

- 2004-05 Unaudited Actuals
- 2005-06 Unaudited Actuals
- 2006-07 Budget, 1st Interim Report
- 2007-08 Projected
- 2008-09 Projected

Budget Presentation

Presentation of the First Interim Report includes "Budget at a Glance" that summarizes the proposed budgets for all the district's funds and "Monthly Budget Adjustments" showing all changes from the last budget update approved by the Board. The Capital Outlay Fund 400 has been divided to separately show the resources available for the Central County Occupational Center (CCOC) and the Education Programs for San Jose and Campbell. Required state forms are provided in the sections identified in the Table of Contents.

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Fund 010: General Fund (CCOC/P)

Fund 010 Purpose: Fund 010 is the General Fund for the Central County Occupational Center and Programs (CCOC/P), which includes the ROP programs in the high schools of the six participating districts.

Fund 010 Certification: The administration is recommending a positive certification. This means that the General Fund will meet its financial obligations for the budget and two subsequent fiscal years; will maintain at least the required 5% Reserve for Economic Uncertainty and will end the year with a positive cash balance. The projections include a 6% Reserve for Economic Uncertainty and 4% General Reserve, as required by Governing Board policy.

Fund 010 Budget Assumptions:

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
• Revenue Limit COLA:	5.92%	4.70%	2.80%
• Total ROC/P Revenue Limit	\$3,326.11	\$3,482.44	\$3,579.95
• ADA Cap Growth %:	2.62%	2.62%	2.62%
• ADA Cap Growth	90	89	91
• Total Projected ADA Cap	4,146	4,235	4,326
• Reserve-Economic Uncertainty	6.0%	6.0%	6.0%
• General Reserve-Cash Flow	4.0%	4.0%	4.0%
• Employer-paid benefits increase	5.92%	5.0%	5.0%
• Employer-paid benefits max	\$10,139	\$10,646	\$11,178
• No increases in salary other than step, column and longevity advancement.			
• COLA increases to appropriate expenditures for 2007-08 and 2008-09			
• General expenditures for Superintendent and Central Office support have been direct-charged to the General (ROC/P) and Adult Education Funds on a 65%/35% basis			

Fund 010 Revenues: There are minor adjustments from the 10/31/06 Board-approved budget update. See *Monthly Budget Adjustments-1st Interim Report* for detail of changes.

Fund 010 Expenditures: See *Monthly Budget Adjustments-1st Interim Report* for detail of changes. Salaries and benefits are decreased by \$51,834. This includes \$27,178 for reduction of one IT Technician position, and \$24,656 for the unfilled maintenance technician position.

Fund 010 Other Financing Sources/Uses: Transfers out to the Deferred Maintenance Fund increased by \$39,747 due to an increase in the Deferred Maintenance state apportionment, which the District must match dollar for dollar.

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Fund 010 Fund Balance: See *Monthly Budget Adjustments-1st Interim Report* for detail of changes.

Fund 010 Multi-Year Projections: The following chart summarizes the high points of operations for the 1st Interim Budget and two projected years:

GENERAL FUND - OPERATIONS	2006-2007	2007-2008	2008-2009
Total Revenues	\$15,824,664	\$16,465,167	\$17,220,845
Total Expenditures	\$14,835,334	\$15,364,574	\$15,992,851
Net Revenues/Expenses	\$ 989,330	\$ 1,100,593	\$ 1,227,994
Other Sources (Uses)	(\$ 518,839)	(\$ 154,963)	(\$ 160,351)
<i>Change to Fund Balance</i>	\$ 470,491	\$ 945,630	\$ 1,067,643

Multi-Year Projection Fund Balances: The following chart details the projected fund balances for the 1st Interim Budget and two projected years:

GENERAL FUND - FUND BALANCE	2006-2007	2007-2008	2008-2009
Reserved & Designated:			
Revolving Fund, Prepaid	\$ 20,000	\$ 20,000	\$ 20,000
General Reserve (4%)	\$ 614,587	\$ 621,201	\$ 646,548
Economic Uncertainty (6%)	\$ 921,880	\$ 931,802	\$ 969,822
Campus Security Projects	\$ 130,000	\$ 150,000	\$ 150,000
PERS Recapture Liability	\$ 324,537	\$ 429,850	\$ 538,154
Equalization Payments	\$ 100,000	\$ 400,000	\$ 500,000
Total Reserves	\$ 2,111,004	\$ 2,552,853	\$ 2,824,524
Undesignated Fund Balance	\$ 384,397	\$ 888,178	\$ 1,684,150
<i>Total Fund Balance</i>	\$ 2,495,401	\$ 3,441,031	\$ 4,508,674

Increases to the fund balances are due primarily to anticipated revenue increases from COLA and growth. There are no provisions for salary increases for COLA. However, provision is made for salary increases due to step, column and longevity advancement, increases in the district contribution to employee health and welfare benefits and COLA increases for impacted expenditure accounts, such as materials and other operating expenses. The projections anticipate full funding of the district's match for Deferred Maintenance. The final transfer to the Capital Outlay Fund 400 for debt service will be made in 2006-07, with no other transfers for capital outlay purposes in this year.

Reserves are maintained at 6% for Economic Uncertainty, 4% General Reserve for cash flow, the PERS Recapture Liability and a new Reserve for Equalization. Reserve for Equalization: The Governing board of MetroED ratified the Amendments to Master Business Relationship Agreements with JPA Participating Districts (CCOC Funding Model) on November 08, 2006. The intent

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of this new funding model is, by the 2009-10 fiscal year, all six participating districts will pay the cost of their students attending CCOC. For the 2006-07 fiscal year, MetroED allocated a one-time payment of \$300,000 to those districts generating revenue limit dollars in excess of the cost of their students attending CCOC. Upon ratification of the agreement by the Governing board of all six participating districts, MetroED will distribute the \$300,000 to the appropriate districts. At the end of 2006-07 fiscal year, once the books are closed, MetroED will calculate the final equalization amount and distribute the payments to the districts. The current projection for the final payment is \$100,000 for 2006-07 fiscal year; \$400,000 for 2007-08 fiscal year and \$500,000 for 2008-09 fiscal year.

Fund 110: Adult Education

Fund 110 Purpose: The Adult Education Fund is used to account separately for federal, state and local revenues for Adult Education programs. MetroED administers the Adult Education programs for San Jose Unified School District and Campbell Union High School District under a Master Business Relationship Agreement.

Fund 110 Certification: The administration is recommending a positive certification. This means that the Adult Education Fund 110 will meet its financial obligations for the budget and two subsequent fiscal years; will maintain a 6% Reserve for Economic Uncertainty and 4% General Reserve as required by Governing Board policy; and will end the year with a positive cash balance.

Fund 110 Budget Assumptions:

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
• Revenue Limit COLA	5.92%	4.70%	2.80%
• Total Adult Ed Revenue Limit	\$2,530.22	\$2,649.22	\$2,723.22
• ADA Cap Growth %	2.50%	2.50%	2.50%
• ADA Growth-San Jose USD	55	56	58
• ADA Growth-Campbell UHSD	<u>27</u>	<u>28</u>	<u>28</u>
Total ADA Growth	82	84	86
• Total ADA Cap-San Jose USD	2,271	2,302	2,360
• Total ADA Cap-Campbell UHSD	<u>1,126</u>	<u>1,136</u>	<u>1,164</u>
Total ADA Cap (rounded)	3,397	3,438	3,524
• Reserve-Economic Uncertainty	6.0%	6.0%	6.0%
• General Reserve-Cash Flow	4.0%	4.0%	4.0%
• Employer-paid benefits increase	5.92%	5.0%	5.0%
• Employer-paid benefits max	\$10,139	\$10,646	\$11,178
• No increases in salary other than step, column and longevity advancement			
• COLA applied to appropriate expenditures for 2007-08 and 2008-09			

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- General expenditures for Superintendent and Central Office support have been direct charged to the ROC/P and Adult Education on a 65%/35% basis

Fund 110 Revenues: The local revenue budget is increased \$13,530 for revenues from Moreland School District to reimburse MetroED for classes at Anderson Elementary school.

Fund 110 Expenditures: There are only minor adjustments. See *Monthly Budget Adjustments-1st Interim Report* for changes from the 10/31/06 Board-approved budget update.

Fund 110 Other Financing Sources/Uses: There are no changes in this category from the 10/31/06 Board-approved budget update.

Fund 110 Fund Balance: See *Monthly Budget Adjustments-1st Interim Report* for detail of changes.

Fund 110 Multi-Year Projections: The following chart summarizes the high points of operations for the 1st Interim Budget and two projected years:

ADULT ED FUND - OPERATIONS	2006-2007	2007-2008	2008-2009
Total Revenues	\$ 10,903,790	\$ 11,469,495	\$ 12,003,253
Total Expenditures	\$ 10,701,630	\$ 11,093,494	\$ 11,578,184
Net Revenues/Expenses	\$ 202,160	\$ 376,001	\$ 425,069
Other Sources (Uses)	(\$ 0)	(\$ 0)	(\$ 0)
Change to Fund Balance	\$ 202,160	\$ 376,001	\$ 425,069

Multi-Year Projection Fund Balances: The following chart details the projected fund balances for the 1st Interim Budget and two projected years:

ADULT ED FUND - FUND BALANCE	2006-2007	2007-2008	2008-2009
Reserved & Designated:			
General Reserve (4%)	\$ 428,065	\$ 443,740	\$ 463,127
Economic Uncertainty (6%)	\$ 642,098	\$ 665,610	\$ 694,691
PERS Recapture Liability	\$ 318,071	\$ 437,302	\$ 556,533
Total Reserves	\$ 1,388,234	\$ 1,546,652	\$ 1,714,351
Undesignated Fund Balance	\$ 136,284	\$ 353,868	\$ 611,237
Total Fund Balance	\$ 1,524,518	\$ 1,900,520	\$ 2,325,588

Increases to the fund balance are due to revenue increases for COLA and growth. There is no provision made for salary increases. However, the projections include salary increases for step, column and longevity advancement, increases in the district contribution to employee health and welfare benefits and

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COLA increases for impacted expenditure accounts such as supplies and other operating expenses.

Reserves are maintained at 6% for Economic Uncertainty, 4% General Reserve for cash flow and the PERS Recapture Liability.

Grant Funding

The ability of the Adult Education program to generate a positive contribution to its fund balance is greatly dependent upon federal, state and local grants. The actual dollar amounts of Federal grants are not usually known until December or January of the current budget year. As a result, federal grants are budgeted conservatively. MetroED Adult programs have been highly successful in obtaining grant funding over the years. However, continued funding is dependent on Federal and State budget priorities. Consequently, grant funds should be considered “soft money” in term of commitments to long term expenditures.

Fund 140: Deferred Maintenance

Fund 140 Purpose: The Deferred Maintenance Fund is used to account separately for state apportionments and the district’s match contribution for deferred maintenance purposes. Primary revenues for this fund are the state Deferred Maintenance apportionment, interest earnings and district interfund transfers for the district’s match. Expenditures in this fund are intended for major repairs or replacements at the Central County Occupational Center (CCOC) under the 5-year Deferred Maintenance plan approved by the Office of Public School Construction (OPSC).

Fund 140 Certification: The administration is recommending a positive certification. This means that the Deferred Maintenance Fund 140 will be able to meet its financial obligations for the budget and subsequent two fiscal years and will end the year with a positive cash balance.

Fund 140 Revenues: Fund 140 revenues anticipate full state funding of \$164,747 for 2006-07, plus critical hardship funding in the amount of \$119,768 for completion of the transformer replacement project on the CCOC site. The budget anticipates Interest revenue of \$20,000.

Fund 140 Expenditures: The following chart details the planned expenditures, by type of project, for the current and subsequent two fiscal years:

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DEFERRED MAINTENANCE FUND	2006-2007	2007-2008	2008-2009
Revenues:			
State Funding	\$ 164,747	\$ 165,458	\$ 170,846
District Contribution	\$ 164,747	\$ 165,458	\$ 170,846
State Hardship Grant	\$ 119,768	\$ 0	\$ 0
Interest Income	\$ 20,000	\$ 20,000	\$ 25,000
Total Income	\$ 469,262	\$ 350,916	\$ 366,692
Expenditures:			
Transformer Replacement	\$ 442,537	\$ 0	\$ 0
Floor Covering	\$ 242,823	\$ 50,000	\$ 50,000
HVAC Replacement	\$ 0	\$ 0	\$ 25,000
Painting Projects	\$ 114,720	\$ 100,000	\$ 100,000
Paving Projects	\$ 5,200	\$ 200,000	\$ 25,000
Wall Systems	\$ 0	\$ 0	\$ 50,000
Plumbing Projects	\$ 0	\$ 50,000	\$ 50,000
Total Expenditures	\$ 805,280	\$ 350,000	\$ 300,000
Beginning Fund Balance	\$ 660,533	\$ 324,515	\$ 325,431
Ending Fund Balance	\$ 324,515	\$ 325,431	\$ 392,123

Fund 170: Special Reserve Fund for Other Than Capital Outlay Projects

Fund 170 Purpose: The Special Reserve Fund for Other Than Capital Outlay Projects is used to account for the accumulation of General Fund money for purposes other than capital outlay. This is a new fund authorized by the Governing Board in October 2006 to reserve mandated cost reimbursements pending audit by the State Controllers' Office (SCO). The SCO has been auditing prior year mandated cost reimbursements, and has been disallowing more than 80% of these reimbursements. Consequently, prior year mandated cost reimbursement funds can be a potential liability to the District.

Fund 170 Certification: The administration is recommending a positive certification. This means that the Special Reserve Fund 170 will be able to meet its financial obligations for the budget and subsequent two fiscal years and will end the year with a positive cash balance.

Fund 170 Revenues: Currently, there is \$192,987 of mandated cost reimbursements recorded in this fund. These dollars represent the mandated cost claims from 2000-01 to 2005-06.

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Fund 170 Expenditures: According to Education Code 42842, any moneys to be expended from this fund must first be transferred into the General fund of the District. Currently there is no plan to expend these dollars.

Fund 210: Building Fund-Asset Management

Fund 210 Purpose: This is otherwise known as the CCOC Asset Management Fund. This fund exists primarily to account separately for proceeds from the rentals and leases of real property specifically authorized for deposit into the fund by the Governing Board. Revenues include lease payments from the Capital Auto Mall LLP and interest earnings. Expenditures are allowed only for new programs, upgrading of existing programs and necessary facility upgrades as approved by the Governing Board.

Fund 210 Certification: The administration is recommending a positive certification. This means that the Asset Management fund will be able to meet its financial obligations for the budget and subsequent two fiscal years, and will end the year with a positive cash balance.

Fund 210 Revenues: Projected revenues for 2006-07 are budgeted at \$299,217 which includes rent from the Capitol Auto Mall LLP and interest on the fund balance.

Fund 210 Expenditures: Included in the 1st Interim Report is detail of the proposed five year expenditure plan. The following chart shows detail, by class, for fiscal year 2005-06, the current budget year and two subsequent years:

ASSET MANAGEMENT FUND	2005-06 ACTUALS	2006-07 BUDGET	2007-08 PROJECTED	2008-09 PROJECTED
<i>Revenues:</i>				
Lease Revenue	\$ 269,242	\$ 269,217	\$ 268,032	\$ 268,032
Interest Income	\$ 28,032	\$ 30,000	\$ 30,000	\$ 30,000
Total Revenues	\$ 297,274	\$ 299,217	\$ 298,032	\$ 298,032
<i>Expenditures – New Classes:</i>				
Video Production	\$ 134,531	\$ 0	\$ 0	\$ 0
Forensic Investigation	\$ 106,695	\$ 0	\$ 0	\$ 0
Computer Technology Careers	\$ 19,215	\$ 0	\$ 0	\$ 0
Baking and Catering	\$ 0	\$ 68,000	\$ 0	\$ 0
Legal Career	\$ 0	\$ 20,890	\$ 0	\$ 0
Veterinary Assistant	\$ 0	\$108,500	\$ 0	\$ 0
New Classes (TBD)	\$ 0	\$ 0	\$ 100,000	\$ 100,000
<i>Expenditures – Existing Classes:</i>				
Auto Tune Up	\$ 186	\$ 0	\$ 0	\$ 0
Metals Technology (welding)	\$ 97,193	\$ 0	\$ 0	\$ 0
Graphic Design	\$ 9,621	\$ 0	\$ 0	\$ 0

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ASSET MANAGEMENT FUND	2005-06 ACTUALS	2006-07 BUDGET	2007-08 PROJECTED	2008-09 PROJECTED
Precision Machining	\$ 0	\$ 0	\$ 0	\$ 0
Bldg. 700 Renovations	\$ 117,743	\$ 125,000	\$ 0	\$ 0
Other Classes (TBD)	\$ 0	\$ 0	\$ 300,000	\$ 100,000
Expenditures – Other:				
Health & Safety	\$ 35,894	\$ 45,000	\$ 50,000	\$ 50,000
3% District Management Fee	\$ 10,494	\$ 10,495	\$ 10,495	\$ 10,495
Legal Fees	\$ 0	\$ 5,000	\$ 0	\$ 0
Total Expenditures	\$ 531,571	\$ 382,885	\$ 460,495	\$ 260,495
Beginning Fund Balance	\$ 770,395	\$ 536,099	\$ 452,431	\$ 289,968
Ending Fund Balance	\$ 536,099	\$ 452,431	\$ 289,968	\$ 327,505

The \$50,000 health and safety budget was established by the Governing Board based on a recommendation by the district's Budget Advisory Committee. The funds are to be used for the correction of health and safety problems that are identified throughout the year. Any unspent funds from this account are to revert back to the fund balance at the end of each year. The fund maintains a minimum \$250,000 reserve, per board policy.

Fund 400: Special Reserve Fund for Capital Outlay Projects

Fund 400 Purpose: This Capital Outlay Fund exists to provide for accumulation of monies for capital outlay purposes. The only sources of revenue for this fund are interest earnings and transfers from the ROC/P and Adult Education Funds. Monies in this fund are kept separate in their own Resource codes. Amounts are appropriated for expenditures as projects are planned and executed.

The facilities on the CCOC campus are showing considerable wear as they near 40 years in age, and are in need of modernization. There is also a need for upgraded Adult Education facilities in San Jose, and replacement of the administration building at the Campbell Adult Ed DX site.

Fund 400 Certification: The administration is recommending a positive certification. This means that the Capital Outlay Fund will be able to meet its financial obligations for the budget and subsequent two fiscal years and will end the year with a positive cash balance.

Fund 400 Revenues: There are no adjustments from the 10/31/06 budget update. The only revenues shown are interest earnings on the fund balances.

Fund 400 Expenditures: The only change is a \$19,500 increase in debt service for Qualified Zone Academy Bond (QZAB) principal payments. This is the first year of the payment, in fifteen years we will pay off the bond.

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Fund 400 Other Financing Sources/Uses: There are no adjustments to this category from the 10/31/06 budget update. Total transfers of \$171,600 represent a transfer from the General Fund for the final debt service payment.

The following chart summarizes the Capital Outlay Fund budget for 2006-07:

CAPITAL OUTLAY FUND	CCOC	ADULT ED SAN JOSE	ADULT ED CAMPBELL
Revenues:			
Interest Earnings	\$ 145,000	\$ 38,000	\$ 21,000
Transfers In – Debt Service	\$ 171,600	\$ 0	\$ 0
Transfers In – Capital Outlay	\$ 0	\$ 0	\$ 0
Total Sources Available	\$ 316,600	\$ 38,000	\$ 21,000
Expenditures:			
Capital Outlay Projects	\$ 1,162,440	\$ 0	\$ 0
Debt Service	\$ 191,100	\$ 0	\$ 0
Total Expenditures	\$ 1,353,540	\$ 0	\$ 0
Beginning Fund Balance	\$ 4,602,759	\$ 1,363,083	\$ 742,766
Ending Fund Balance	\$ 3,565,819	\$ 1,401,083	\$ 763,766

Fund 400 Ending Fund Balance: Included in the Fund 400 fund balance for CCOC is \$697,865 which is held on deposit by a trustee for repayment of a \$1 million QZAB. The balance of the funds in the CCOC Resource Code is tentatively designated for match for Proposition 1D facility modernization grants.