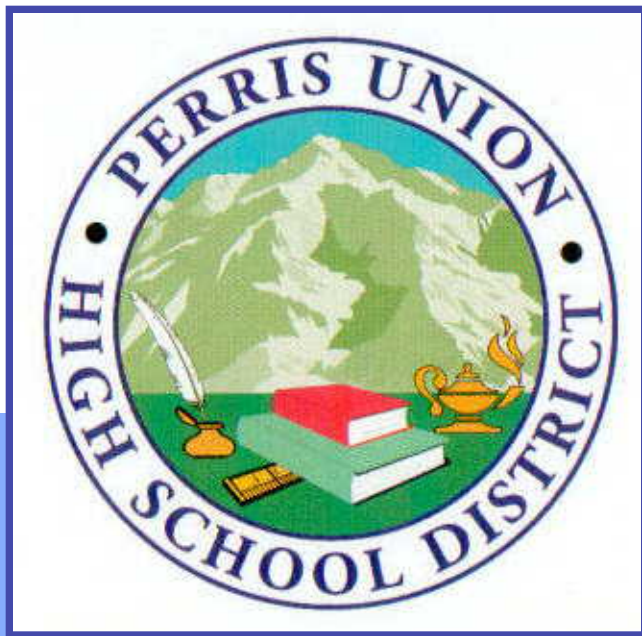


2010-2011 1st Interim Report



December 8, 2010

2010-2011 BUDGET CALENDAR

- June 2010
 - 2010-2011 Adopted Budget presented to and approved by the Board
- September 2010
 - 2009-2010 Unaudited Actuals approved by the Board
 - Revised 2010-2011 Budget and Multi-Year Projections presented to and approved by the Board
 - Based on “Conditional Approval” by the Riverside County Office of Education

2010-2011 BUDGET CALENDAR

- November 2010
 - Board Action Item 12.7 - 2011-2012 Budget Reductions of \$1,992,840 presented to and approved by the Board
 - Remaining shortfall of \$1.27 million to involve employee concessions to be addressed through the negotiation process or other Board action
- December 2010
 - 2010-2011 First Interim Report and budget revisions presented to the Board for approval

FIRST INTERIM REVENUE REVISIONS

REVENUE CHANGES	AMOUNT
Projected ADA growth reduced to zero	(1,335,202)
Eliminated 3.85% reduction to undeficit Revenue Limit	2,662,202
Revenue Limit deficit reduced to 17.963%	753,669
AB851- Meals for Needy & Beginning Teacher Salary adjustments	(88,178)
Various other adjustments	(238,053)
Net Revenue Limit Increase	1,754,438
Federal Education Jobs Program	1,029,146
State Fiscal Stabilization Funds	360,889
Title, Lottery and various Categorical Grants	117,434
SELPA and various Local Grants	428,187
Net Total Other Funding Sources Increase	1,935,656
Total Increase in Revenues	3,690,094

FIRST INTERIM EXPENDITURE REVISIONS

EXPENDITURE CHANGES	AMOUNT
Reduced 1.8 full time equivalent (FTE) 6 th period assignments	(107,053)
No PSEA concessions	515,643
Special Education, The Academy & trainings	92,188
Net Certificated Salaries Increase	500,778
Hiring freeze – Secretary & Tech 1	(84,132)
Three Special Education Paraeducators	47,388
Custodial, maintenance, substitutes & trainings	53,088
Net Classified Salaries Increase	16,344
Benefits Increase Consistent With Salaries	78,517
Books & Supplies Decrease	(12,390)
Net Cost of Two TRANS & Other Professional Services	759,741
Capital Outlay & Indirect Costs	(31,377)
Total Increase in Expenditures	1,311,613

COMBINED GENERAL FUND SUMMARY

	2010-2011 September Budget	2010-2011 First Interim Budget	2011-2012 Projected	2012-2013 Projected
COLA	-0.39%	-0.39%	0.00%	0.00%
Deficit Factor	18.355%	17.963%	17.963%	17.963%
Beginning Balance	11,187,294	11,187,294	5,084,413	2,300,756
Revenue	79,734,152	78,902,889	80,237,141	80,237,141
Deficit	(15,354,336)	(12,165,391)	(12,170,105)	(12,170,105)
Transfers In (Fund 40)	4,900,000	4,900,000	-	-
Categorical Flexibility	4,293,141	4,204,003	4,000,000	4,000,000
ARRA Funding	1,558,954	2,980,504	1,007,477	-
Total Revenue	75,131,911	78,822,005	73,074,513	72,067,036
Expenditures	83,613,273	84,924,885	77,131,359	78,775,736
Required Reductions			(1,273,188)	(6,598,279)
Total Expenditures	83,613,273	84,924,885	75,858,171	72,177,457
Net Increase/(Decrease)	(8,481,362)	(6,102,880)	(2,783,657)	(110,421)
Ending Balance	2,705,932	5,084,413	2,300,756	2,190,335
Components of Ending Balance				
<i>Reserves</i>	2,508,398	2,547,968	2,275,756	2,165,334
<i>Legally Restricted</i>	-	375,508	-	-
<i>Other Designations</i>	197,534	2,160,937	25,000	25,000

MULTI-YEAR ASSUMPTIONS

- The multi-year projections, based on current assumptions, require that the District identify and implement the following expenditure reductions
 - \$1.27 million in 2011-2012
 - \$6.6 million in 2012-2013
- These amounts assume a reserve level of 3% for economic uncertainties and the depletion of all other prior year fund balances

CASHFLOW UPDATES

- **Revenue Limit**
 - A percentage of April and May state apportionments added to the list of deferrals
 - PUHSD property taxes projected to decrease
- **Federal Revenues**
 - Disbursement of American Recovery and Reinvestment Act (ARRA) funding provided after expenditures are incurred, paid on a percentage basis of expenditures reported as dollars are received from Washington
- **State Revenues**
 - One-time prior year deferrals continue

CASHFLOW UPDATE

	PRIOR TO 2009-2010	SEPTEMBER BUDGET UPDATE	FIRST INTERIM BUDGET
July	15.0%	0.0%	0.0%
August	15.0%	15.0%	15.0%
September	15.0%	15.0%	15.0%
October	15.0%	0.0%	15.0%
November	0.0%	0.0%	0.0%
December	0.0%	15.0%	15.0%
January	6.0%	21.0%	6.0%
February	6.8%	0.0%	0.8%
March	6.8%	0.0%	0.0%
April	6.8%	11.3%	10.3%
May	6.8%	3.4%	1.4%
June	0.0%	0.0%	0.0%
Total Received	93.2%	80.7%	78.5%
AMOUNT DEFERRED	6.8%	19.3%	21.5%

CASHFLOW UPDATE

	BEGINNING CASH	TOTAL RECEIPTS	TOTAL DISBURSEMENTS	TRANS/ TEMPORARY LOANS	ENDING CASH
July	\$5.9	\$9.7	\$4.8	\$0	\$10.8
August	\$10.8	\$11.8	\$7.9	\$0	\$14.6
September	\$14.6	\$11.3	\$6.6	(\$0.03)	\$19.3
October	\$19.3	\$5.9	\$6.5	\$0	\$18.7
November	\$18.7	\$1.8	\$7.4	\$0	\$13.1
December	\$13.1	\$15.3	\$7.0	\$0	\$21.4
January	\$21.4	\$6.9	\$7.9	\$0	\$20.4
February	\$20.4	\$1.5	\$8.5	\$0	\$13.4
March	\$13.4	\$1.4	\$8.3	\$0.03	\$6.5
April	\$6.5	\$6.5	\$7.4	(\$0.05)	\$5.6
May	\$5.6	\$5.4	\$10.4	\$6.0	\$6.6
June	\$6.6	\$0.4	\$8.0	\$2.0	\$1.0

Projected in millions; Tax Revenue Anticipation Note (TRAN) projected at \$2 million in June 2011

BOARD CERTIFICATION

- Board action is required to certify the financial condition of the district in accordance with the state adopted Criteria and Standards
- Positive Certification
 - Based on current projections, the Board President is certifying the district will be able to meet its financial obligations for the current and two subsequent fiscal years

2010-2011 BUDGET CALENDAR

- January 2011
 - Governor to release his 2011-2012 Budget proposal on January 18, 2011
- March 2011
 - 2010-2011 Second Interim Report and budget revisions to be presented to the Board for approval
- June 2011
 - 2011-2012 Budget to be presented for Board approval