



EAST SIDE UNION
HIGH SCHOOL DISTRICT

2011/2012 First Interim Financial Report



WILL STATE TRIGGER CUTS BE ENACTED?

**Prepared by:
Marcus Battle, Associate Superintendent of
Business Services and Operations**

December 8, 2011



EAST SIDE UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES

Lan Nguyen, President
Frank Biehl, Vice President
Van Le, Clerk
J. Manuel Herrera, Member
Patricia Martinez-Roach, Member

ADMINISTRATION

Dan Moser, Superintendent
Marcus Battle, Associate Superintendent of Business Services and Operations
Cathy Giammona, Associate Superintendent, Human Resources and Instruction



VISION:

We provide an educational experience that enables all students to reach their highest potential.

MISSION:

Our mission, in partnership with families and community, is to educate students and prepare them for the future in a safe and engaging environment.



~Table of Contents~

EXECUTIVE SUMMARY

	Page
SECTION 1	1
2011/12 District Budget Assumptions Update and Comparative Analysis	
SECTION 2	7
2011/12 – 2012/13 Enrollment and Average Daily Attendance Update	
SECTION 3	10
2011/12 – 2013/14 Multi-Year Budget Assumptions and Fiscal Update	
SECTION 4	15
Other Funds Update	

East Side Union High School District 2011-12 First Interim Report Executive Summary

Introduction

The following Executive Overview is a summary of the financial data reported in the SACS First Interim Report. In addition, it summarizes changes and updates in budgetary information and forecast as a result of Board and State fiscal actions. It is provided to assist the reader in understanding the information being reported within the accompanying forms.

The next Board information session on the budget will be held in January 2012. At that time, the Governor's 2012-2013 budget proposal will be known. The next financial report will be the Second Interim Report for the period ending January 31, 2011, and will be presented at a March Board meeting.

State Budget Update

The First Interim report for 2011-12 reflects activity through October 31, 2011. On June 30, 2011, the Governor signed into law the 2011-12 State Budget. A major aspect of the governor's proposed 2011-12 Budget had included a proposal requiring bipartisan approval to extend certain taxes that were set to expire on July 1, 2011. In the absence of securing the number of votes required to extend the taxes, the Governor and democratically controlled legislature resorted to prior budgetary fixes that had been used in prior budgets, such as proposition 98 manipulations, apportionment deferrals, and funding shifts. One of the most troubling aspects of the final budget pertained to language that would trigger additional cuts in January if revenues are determined to not meet certain targets. The Governor's Adopted budget assumed \$4 billion in additional revenues as the target to avoid statutorily mandated budget cuts. In order to avoid the cut, state revenues must exceed the Governor's budget estimate by at least \$3 billion (ie. No more than a \$1 billion shortfall.) As of October 2011, actual General Fund revenues year-to-date were \$237 million below the estimate and \$1.275 billion behind the Budget forecast. If the triggers cuts are implemented, school funding could be cut by up to \$1.8 billion.

Since the onset of the recession in December 2007, state revenues have fallen dramatically and as a result the Proposition 98 minimum guaranteed funding level has been suspended and manipulated downward. For FY 2011-12, the Governor's budget had originally proposed a level of \$52.4 billion for K-14 education which would have represented an increase of \$2.7 billion over FY 2010-11. The Governor's final Budget, however, reduced proposition 98 funding down to \$48.6 billion mainly as a result of the legislature's failure to extend temporary taxes.

In recent developments, the Governor has not indicated whether or not the Legislative Analyst Office's most recent announcement of a \$3.7 billion revenue shortfall for FY 2011-12 or the Department of Finance's upcoming projection will translate into \$2 billion in "Trigger Cuts." Many of the state's educational advocacy organizations, such as, School Services and School Innovations and Advocacy have advised the education community to budget for the cuts, however, they believe if the cuts happen, the cuts will be closer to \$210 per ADA for a high school district.

The Santa Clara County Office of Education has advised districts to assume that the state budget triggers will materialize and assume a one-time trigger reduction to revenue limit of \$300 per ADA. The County's recommendation was based on the most recent dartboard from School Services. School Services is expected to update the dartboard based on new fiscal projections and the release of the Governor's 2012-13 budget. For East Side Union High School District, a proposed cut of \$300 per ADA would result in a mid-year budget reduction of \$7 million.

Legislative Analyst's Office

The Legislative Analyst's Office (LAO) reported in their recent report titled *California's Fiscal Outlook* that the State budget is out of balance by \$3 billion in FY 2011-12, primarily due to lower projected revenues, trigger cuts, and an inability of the state to achieve \$1.2 billion in planned 2011-12 budget solutions. The LAO suggest that the problem will be compounded in FY 2012-13 by \$10 billion bringing the total shortfall through June 2013 to \$13 billion. The LAO indicated that the \$10 billion increase in FY 2012-13 is mostly attributable to the expiration of a number of temporary budget measures enacted in recent years, including Proposition 98 costs – as well as – "settle-up" payments due to schools which are projected to rise to \$6 billion. In addition, the state must repay the \$2 billion Proposition 1A property tax loan that was used to help balance the budget in 2009. The LAO's Office noted that costs related to the proposition 98 guarantee will be especially troublesome because of growth in the minimum guarantee. The Proposition 98 guarantee is expected to increase by \$5.6 billion in FY 2012-13. The LAO believes that the legislature will have to make a major decision whether or not to suspend the guarantee and how to reduce proposition 98 spending. In the past, the legislature and Governor had implemented deferrals; however, the LAO believes that going above the current 20 percent in deferrals may be unworkable.

State Economy

According to the State Department of Finance (DOF) and most economist, the State's economy is dragging. The DOF most recent *Finance Bulletin* noted that year-to-date collections through October are down \$1.275 billion below forecast. The bulletin showed that of the three major taxes, personal income tax was the weakest performer, falling short by almost 15%; the sales and use tax came in only slightly up at 2.2%; and the corporation tax missed its' mark by 5.4% once legislative revenue augmentation was taken into account. The DOF noted continuing weakness in the construction and housing markets. Single-family residential construction posted its ninth consecutive month of year-over-year losses and non-residential construction suffered a 10% decline compared to October 2010. On a positive note, September recognized employment gains by adding 11,800 jobs and August numbers were revised resulting in a net revision of 21,100

jobs gained. In summary, California still has record high unemployment, weak employment growth, depressed construction, and a struggling manufacturing environment. The bottom-line is that the State's economic recovery continues to be a work in progress with no signs of significant growth until at least FY 2015-16.

ESUHSD 2011-2012 Budget Overview

Overall, the district is weathering the current fiscal storm and is in fair financial condition in the current 2011-12 through the fiscal year ending 2013-14. The district has been maintaining a disciplined and conservative approach to managing the district's funds and reducing expenses over the past three years which has placed the district in an optimal fiscal position given reductions in State funding. The district has reduced total expenses by almost \$31 million since FY 2008-09. Many of the expenditure reductions were a result of layoffs, increased class size, and furlough days. The district has also implemented a number of costs saving measures which resulted in district expenditures being reduced for energy consumption and in loan repayment costs which has resulted in savings of \$2 million and \$900k, respectively. In FY 2010-11, the district was able to augment unrestricted General Fund expenses with Federal funding from ARRA, SFSF, and the Education Jobs Bill which allowed the district the flexibility to transfer previously restricted dollars to the unrestricted general fund. The ARRA funds were used to support the districts programs and provide further insulation from continuing state budget cuts. As a result of these actions, the district has been able to accumulate general fund unrestricted reserves totaling 17.5% to provide a safety net for district programs and services and a cushion against further state reductions. The unrestricted reserves will be reduced to 13% if trigger cuts are enacted.

Undesignated reserves for ESUHSD represent unrestricted and uncommitted reserves (including Fund 17) that could be used for any purpose to fund district operations. In the event that further State budget reductions are realized, the district is in a position to respond appropriately and swiftly with minimal impact to school and district operations in the current fiscal year.

The First Interim budget reflects deficit spending in which district expenses are projected to exceed revenues by \$7.6 million. This represents an increase from the adopted budget by \$6.6 million. The increase is mainly attributable to the assumption that the Governor will initiate a one-time mid-year trigger of \$300 per ADA. In relation to expenditures, the district's expenses have decreased by \$1.6 million. The decreases were mostly a result of adjustments to FTEs and benefits costs as a result of declines in enrollment.

For the third year in a row, the district's CBEDS enrollment has continued to decline as a result of outward migration and increased competition from charter schools. The district's CBEDS enrollment was 25,093 students in FY 2008-09, and has declined to 24,077 in the current budget year. This represents a decrease of 1,016 students since FY 2008-09 and 265 less than FY 2010-11. The adopted budget had projected an October CBEDS enrollment count of 24,047. The first interim report represents an increase of 30 students. The higher October enrollment count will subsequently result in a higher P-2 ADA, which provides the basis for determining the district's current year revenue limit. The projected P-2 ADA estimate for FY 2011-12 was 23,085 and has

been updated to reflect a slight increase in budgeted CBEDS enrollment. The adjustment to P-2 represents an increase of 25 students or \$183,000 increase in revenue limit.

The Issue of Deficit Spending

The first interim budget does reflect deficit spending in FY 11-12 totaling \$7.6 mil. (incl. \$300 per ADA reduction), \$5.7 million in FY 12-13, and \$9.2 mil. in FY 13-14. For FY 2011-12, the district is currently under-going reductions totaling over \$4 million to address deficit spending concerns. The district is fully aware of the perils of deficit spending, but given the unfortunate situation of the State budget and the resulting cuts to education, the district believes that it has made a great effort to address deficit spending.

Beginning in FY 2008-09, the district began cost reduction measures and have continued to reduce cost each year thru the current FY 11-12. It is projected that the district has made over \$31 million in cost reductions from the period beginning FY 2008-09 through FY 2011-12. The district is currently projecting deficit spending to continue through the forecast years and plans to continue efforts to close the budget gap. The district has worked collaboratively with the unions and other stakeholders to utilize furlough days and increased class size as strategies to assist in mitigating deficit spending and reducing costs. The district's business services division recently initiated the "50 by 15" initiative which is an effort designed to reduce the district's projected structural deficit by 50% to under \$5 million by 2015. As part of this effort, the district has worked with Keenan and Associates to design an early retirement program which would generate at least \$2 million in savings by 2014-15. The results of the program will be discussed in the Second Interim report. The district feels that the early efforts to reduce expenditures have paid off in building a strong reserve and believes that this situation will be remedied once funded COLA is restored and deficit factors are eliminated.

Revenue Summary

Revenue Limit

Revenue Limit (RL) funding is based mainly upon student attendance. Revenue limit funding is the dollar amount for each student that is in attendance on average during the course of the school or fiscal year and comprises a major component in determining the district's budget.

The district's revenue limit at first interim is \$134.4 million and this represents a decline of \$6.8 million from the adopted budget. The decline is mainly attributable to an assumption that the State budget trigger will be enacted which will result in a mid-year ADA reduction to the district at \$300 per ADA. The district is only projecting a slight increase in the P-2 ADA which is only projected to have a nominal impact on the districts revenue limit.

There have been no further changes or revisions to the revenue limit since budget adoption.

Revenues – Federal/Other State/Other Local

Federal Revenues

The district's Federal revenues have increased by \$105,000 since first interim as a result of the receipt of some remaining education jobs bill funding. The funds received are earmarked to augment salaries and benefit expenses. Over the last three years, the district has received a total of \$7 million from ARRA, \$16 million from SFSF, and \$5 million from the education jobs bill. These funds have been critical in assisting the district in preserving jobs and maintaining current programs and services. All funds have been expended to date with the exception of \$1.1 million remaining in education jobs bill funding. The district is currently not projecting any additional funds from these designations.

Other State/Other Local

Other State and Local revenues increased by \$1.7 million since the budget was adopted. Some of the increases were related to additional revenues for mandated costs reimbursement, core academic and hourly programs, and state lottery revenue. All other adjustments have been mostly attributable to adjustments and receipt of award letters.

Contribution to Special Ed & Other Transfers

The decrease in this category is attributable to a change in the districts assumption related to the transfer of \$3.25 million from general fund reserves to general fund revenue support. The district does not believe the additional revenue support is needed at this time.

Expenditure Summary

The projections reflected in the First Interim Report are a result of the analysis of year-to-date expenditure projections against the adopted budget. This analysis included a review of all filled and vacant positions and other staffing and benefit considerations within the district.

There was a significant change in variances within the expenditure categories for certificated and classified salaries, and employee benefits during the reporting period ending October 31, 2011. There was a \$826,000 reduction in certificated salaries mainly due to an adjustment in budgeted FTEs as a result of enrollment declines. The reduction in classified salaries totaling \$338,000 is mainly attributable to a recalculation of projected classified salary expenses through fiscal year end. The decline in benefits cost is mostly related to the decline in certificated and classified salary expenses.

There was a slight change in other outgo resulting from a shift in mental health expenses which were transferred from other outgo to operation & contracted services. The transfer basically had no impact on overall expenses. There were no other significant changes in the other expense categories.

Ending Balance Summary

At First Interim, the District projects an ending fund balance plus general reserve of approximately \$27,709,314 for FY 2011-12. This amount represents an increase of almost \$1.8 million since budget adoption. The increase is primarily related to a \$1.6 million decrease in projected general fund operating expenses. The State requires a district our size to maintain an ending reserve equal to three percent of total expenditures and other uses. In November 2011, the district's Governing Board unanimously adopted a resolution to increase the district's minimum fund balance for economic uncertainties from 3% to 6%. The increase in the district's minimum reserve reinforces the Board's commitment to being fiscally conservative during these uncertain times. In addition, the increased reserve provides the district with an added safety net in the event of an unforeseen fiscal event at the State or district level.

The district's ending fund balance designations are as follows:

Designations

Revolving Cash	\$ 2,500
Stores	\$ 206,980
Economic Uncertainty 6% (Fund 17)	\$12,096,696
Legally Restricted (Categorical)	\$ 1,293,351
Undesignated Reserve - General	<u>\$14,109,787</u>
 Total Designations	 \$27,709,314

Reserve % - All Undesignated Reserves (Including Fund 17) total 17.5% of General Fund without Trigger Reductions, and are reduced to 13% after trigger cuts

General Fund Restricted

Legally restricted funds are monies received by the district that are categorical in nature, i.e., they can only be used for the purposes allowed by the funding agency. Restricted revenue funding is recognized in two ways. It is either recognized as deferred revenue, which means it is recognized as revenue once it is spent or if received and not spent and has carry-over provisions, the funds are deferred until the next fiscal year. For funding subject to ending fund balance, the revenue is recognized in the year received and any funds remaining at the end of the year are recorded as a restricted ending balance. As of October 31, the projected restricted general fund carry-over is \$1.293 million.

Cafeteria Fund 61/Other Funds

At First Interim, the budget for the food service program (Fund 61) is projected to have a slight deficit of \$58,706 and an ending fund balance of \$344,862. The district's food service director has taken aggressive efforts to reduce the deficit which had previously been budgeted at \$242,106 when the budget was adopted. The Board recently approved a \$500,000 allocation

from the measure G bond to replace old and outdated kitchen equipment at all district sites. There have been no notable changes in other district funds and programs at First interim.

Multiyear Financial Projection

The 2011-12 Multi-Year Financial Projection (MYFP) at first interim reflects that the district is able to maintain a 6% district mandated reserve in 2011-12 and 2012-13 which reduces to 5.5% in FY 2013-14. The multi-year projections are based on assumptions listed in the attached binder and include current negotiated settlements, health and benefit increases, and a continuation of furlough days and class size increases through FY 2013-14. Salary increases, as well as any other increased expenditures, would have an impact on the ending fund balance. The multi-year financial projection assumes that the district will continue to operate in the same manner with all ongoing costs considerations currently in place. These include the costs of step-and-column adjustments, utilities and other ongoing expenditures such as encroachment from special education. The Governor's 2011-12 budget included potential trigger cuts up to \$300 per ADA or an estimated \$7 million and this one-time reduction has been included in the multiyear projection. The district is planning to continue expenditure reductions and related cost savings throughout the multi-year period.

The Multi-Year budget is summarized as follows:

Multiyear Financial Projection Summary For the General Fund:

Components	Base Year FY 2011-12	FY 2012-13	FY 2013-14
Revenues	\$191 mil.	\$199 mil.	\$201 mil.
Expenses	\$199 mil.	\$205 mil.	\$210 mil.
Excess/(Deficit)	(\$7.6 mil.)	(\$5.7 mil.)	(\$9.3 mil.)
Net Increase(Decrease)	(\$7.6 mil.)	(\$5.7 mil.)	(\$9.3 mil.)
Beginning Balance	\$25.7 mil.	\$15.4 mil.	\$ 9.5 mil.
Ending Balance plus General Reserve	\$27.7 mil.	\$22.0 mil.	\$11.8 mil.
Stores & Revolving Cash	\$ 209k	\$ 209k	\$ 209k
6% Reserve	\$12.1 mil.	\$12.3 Mil.	\$11.5 mil.
Legally Restricted - Categorical	\$ 1.29 mil.	\$ 846k	\$ 146k
Undesignated Reserve - General	\$ 14.1 mil.	\$ 8.9 Mil.	\$ 214k

Final Comments

The recommendation to the Governing Board is to adopt a positive certification for the current fiscal period ending October 31, 2011. This certification reflects the fact that in spite of current State budget shortfalls in funding and reductions in COLA, the district will end this year and the next two years with a positive ending balance. As the district awaits the outcome regarding the Governor's decision on mid-year trigger cuts for FY 2011-12, the district will continue to maintain fiscal prudence in its financial decision-making. The district has 17.5% undesignated ending fund balance reserves which would be reduced to 13% to maintain operational stability in

the event of a FY 2011-12 mid-year take-back. The district's reserves have been critical in providing a safety net during these uncertain economic times, however, deficit spending continues to be an issue and if further State reductions occur, the district may be faced with making reductions to preserve its cash.

The district continues to be vigilant in managing its fiscal resources and as such, has initiated over \$31 million in budgetary reductions since FY 2008-09. The district has continued to work collaboratively with stakeholders to continue reductions in the current fiscal year by maintaining increased class sizes and furlough days. In addition, the district and Governing Board has made a concerted effort to increase district reserves for economic uncertainties by passing a resolution to increase the district's minimum reserve from 3% to 6% in order to cushion the district against further State reductions. The district will continue to look at the continuing increases in special education encroachment and will work consistently to devise ways to bring down special education costs. The district has developed and hopes to institute an early retirement incentive for staff with the plan to generate over \$2 million in savings over a three year period.

In summary, the district will continue to be proactive and vigilant in managing its fiscal resources while ensuring that our schools, teachers, staff, and students have the resources they need to maintain the excellent educational program the community has come to enjoy and respect. The district is once again enjoying a year of welcomed collaboration with parents, staff, and the community of East Side Union High School District as we continue to make difficult fiscal choices. The district has many reasons to be optimistic about the future and we are confident that we can and will successfully navigate the district thru these very arduous times.

Thanks for your support.

Marcus Battle

SECTION 1

2011-12 District Budget Assumptions
Update and Comparative Analysis

2011-12 First Interim Assumptions

Revenue and Expenditure Assumptions Update

There are many unpredictable factors that affect revenues and expenditures. Because of that, the District bases its First Interim report on assumptions. This is the best information available at the time the First Interim report is prepared. The First Interim report, therefore, should be considered a “financial snapshot” on the date it is approved.

As variables change, formal adjustments approved by the Governing Board are made throughout the course of the year. The District utilized the School Service of California, Inc. (SSC) dashboard which provides officially recognized financial information for budgetary reporting. The assumptions upon which the 2011-12 First Interim report is based as follows:

REVENUE HIGHLIGHTS

- Cost of living allowance (COLA) is equal to 2.24%, with a 19.754% deficit factor.
- Mid-year one-time Trigger Cut is \$300 per ADA.
- Revenue limit is based upon an Average Daily Attendance (ADA) factor of 23,377 which includes 292 for County Special Ed Program. Since the District enrollment went down, the State allows the District to use prior year ADA with the calculation of enrollment or withdrawal to the District charter schools.
- Lottery (unrestricted) income is based upon a projection of \$111.75 per ADA

EXPENDITURES

- Expenses overall are expected to remain steady.
- Previously Enacted Budget Reductions Continue; i.e. furlough days and increase class size, etc..
- Step and Column movement on salary schedules and longevity costs are included in salary expenses for all employees.
- Health and Welfare benefits are budgeted at 10% increase for the next two future years.
- In 2012/13 the District will resume \$1.0 million to Unrestricted General Fund of salary and benefit costs that are paid by Federal Ed Job carryover fund currently.
- Besides the electric cost savings from the solar project, other utility costs are projected to increase by 5%.

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011-12 First Interim
Budget Assumption

Description	Statewide Assumptions	2011 / 12	
		Adopted Budget	1st Interim
Based on SSC Dartboard			
Statutory COLA		2.24%	2.24%
Funded COLA		2.24%	2.24%
Revenue Limit Deficit		19.754%	19.754%
Other Revenue Limit Adjustments - (one-time Trigger Cut)			(\$300) / ADA
California CPI		3.10%	3.20%
Lottery Per ADA	Unrestricted	\$111.00	\$111.75
	Restricted	\$17.50	\$17.00
Equalization (If Applicable)		\$0	\$0
Enrollment (CBEDS) Projected/Actual		24,047	24,077
Average Daily Attendance (ADA) Projections (P-2)		23,059	23,085
East Side Special Ed ADA in County Program		294	292
Salary Step and Column % Increases:			
Certificated		1.5%	1.5%
Classified		2.0%	2.0%
Management		1.5%	1.5%
Negotiated Salary Increases (All Employee Groups)		N/A	N/A
Previously Enacted Budget Reductions Continue (i.e. Furlough Days and Increase Class Size, etc..)			
Benefits:			
STRS		8.25%	8.25%
PERS		10.923%	10.923%
PERS Reduction		2.097%	2.097%
Medicare		1.45%	1.45%
OASDI		6.20%	6.20%
OPEB		3.30%	3.36%
Workers' Comp		2.23%	2.23%
Unemployment Insurance		1.61%	1.61%
Health & Welfare Increase		10%	10%

EAST SIDE UNION HIGH SCHOOL DISTRICT

**2011/12 First Interim Vs Adopted Budget
General Fund Revenue and Expenditure Summary**

Categories	11/12 Adopted Budget			11/12 First Interim			Variance from Adopted Budget
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
Revenues							
Revenue Limit	\$135,199,904	\$6,107,264	\$141,307,168	\$128,661,714	\$5,825,779	\$134,487,493	(\$6,819,675)
Federal	\$0	\$13,596,116	\$13,596,116	\$0	\$13,702,072	\$13,702,072	\$105,956
Other State	\$21,046,058	\$6,248,958	\$27,295,016	\$21,748,434	\$6,102,415	\$27,850,849	\$555,833
Local	\$4,018,902	\$5,511,336	\$9,530,238	\$4,093,902	\$6,626,963	\$10,720,865	\$1,190,627
Contrib to Special Ed. & Other Transfer	(\$19,485,082)	\$27,213,361	\$7,728,279	(\$22,267,811)	\$26,746,090	\$4,478,279	(\$3,250,000)
Total Revenues	\$140,779,782	\$58,677,035	\$199,456,817	\$132,236,239	\$59,003,319	\$191,239,558	(\$8,217,259)
Expenditures							
Certificated Salaries	\$78,959,021	\$20,650,401	\$99,609,422	\$78,620,928	\$20,161,902	\$98,782,830	(\$826,592)
Classified Salaries	\$13,427,311	\$10,679,302	\$24,106,613	\$13,351,177	\$10,416,717	\$23,767,894	(\$338,719)
Employee Benefits	\$37,926,307	\$14,379,835	\$52,306,142	\$37,530,311	\$14,242,461	\$51,772,772	(\$533,370)
Books & Supplies	\$1,686,734	\$2,344,751	\$4,031,485	\$1,481,806	\$2,504,595	\$3,986,401	(\$45,084)
Operation & Contracted Services	\$8,361,980	\$7,873,910	\$16,235,890	\$7,912,927	\$9,052,008	\$16,964,935	\$729,045
Capital Outlay	\$0	\$32,920	\$32,920	\$8,943	\$34,830	\$43,773	\$10,853
Other Outgo	\$400,800	\$966,362	\$1,367,162	\$400,800	\$322,090	\$722,890	(\$644,272)
Direct Support/Indirect Costs	(\$2,364,161)	\$1,821,557	(\$542,604)	(\$2,411,096)	\$1,906,672	(\$504,424)	\$38,180
Debt Services	\$3,396,800		\$3,396,800	\$3,396,800		\$3,396,800	\$0
Total General Fund Expenditures	\$141,794,792	\$58,749,038	\$200,543,830	\$140,292,596	\$58,641,275	\$198,933,871	(\$1,609,959)
Net Increase/Decrease to Fund Balance	(\$1,015,010)	(\$72,003)	(\$1,087,013)	(\$8,056,357)	\$362,044	(\$7,694,313)	(\$6,607,300)
Other Sources / Uses	\$0	\$0	\$0	(\$2,670,000)	\$0	(\$2,670,000)	(\$2,670,000)
Beginning Balance	\$19,378,068	\$1,175,731	\$20,553,799	\$24,836,144	\$931,307	\$25,767,451	\$5,213,652
Prior Year Stores Adjustment							
Audit Adjustment			\$0			\$0	\$0
Ending Balance Before Reserve	\$18,363,058	\$1,103,728	\$19,466,786	\$14,109,787	\$1,293,351	\$15,403,138	(\$4,063,648)
Revolving Cash	\$2,500		\$2,500	\$2,500		\$2,500	\$0
Stores	\$210,751		\$210,751	\$206,980		\$206,980	(\$3,771)
Ending Balance with Reserve	\$18,576,309	\$1,103,728	\$19,680,037	\$14,319,267	\$1,293,351	\$15,612,618	(\$4,067,419)
Carry-overs	\$0		\$0	\$0		\$0	\$0
Net Ending Balance	\$18,576,309	\$1,103,728	\$19,680,037	\$14,319,267	\$1,293,351	\$15,612,618	(\$4,067,419)
General Reserve	\$6,223,997		\$6,223,997	\$12,096,696		\$12,096,696	\$5,872,699
Ending Balance plus Gen Reserve	\$24,800,306	\$1,103,728	\$25,904,034	\$26,415,963	\$1,293,351	\$27,709,314	\$1,805,280

EAST SIDE UNION HIGH SCHOOL DISTRICT

2011/12 First Interim
Ending Fund Balance Projection

Categories	11/12 Adopted Budget			2011/12		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
COMPONENTS OF ENDING BALANCE						
Undesignated fund balance	\$18,363,058	\$1,103,728	\$19,222,362	\$14,109,787	\$1,293,351	\$15,403,138
Revolving Cash	\$2,500		\$2,500	\$2,500		\$2,500
Stores	\$210,751		\$210,751	\$206,980		\$206,980
General Reserve (F17)	\$6,223,997		\$6,223,997	\$12,096,696		\$12,096,696
Ending Balance plus Gen Reserve	\$24,800,306	\$1,103,728	\$25,904,034	\$26,415,963	\$1,293,351	\$27,709,314

East Side Union High School District

**2011/12 First Interim vs Adopted Budget
General Fund (Restricted) Revenue and Expenditure Summary**

Categories	2011/12 Adopted Budget			2011/12 First Interim			Variance from Adopted Budget
	Categorical	Special Ed	Combined	Categorical	Special Ed	Combined	
Revenues							
Revenue Limit	\$ -	\$ 6,107,264	\$ 6,107,264	\$ -	\$ 5,825,779	\$ 5,825,779	\$ (281,485)
Federal	\$ 9,302,322	\$ 4,293,794	\$ 13,596,116	\$ 9,182,753	\$ 4,519,319	\$ 13,702,072	\$ 105,956
Other State	\$ 6,173,619	\$ 75,339	\$ 6,248,958	\$ 5,103,940	\$ 998,475	\$ 6,102,415	\$ (146,543)
Local	\$ 4,047,364	\$ 1,463,972	\$ 5,511,336	\$ 5,117,268	\$ 1,509,695	\$ 6,626,963	\$ 1,115,627
Interfund Transfers	\$ 9,389,422	\$ 17,823,939	\$ 27,213,361	\$ 9,866,686	\$ 16,879,404	\$ 26,746,090	\$ (467,271)
Total Revenues	\$ 28,912,727	\$ 29,764,308	\$ 58,677,035	\$ 29,270,647	\$ 29,732,672	\$ 59,003,319	\$ 326,284
Expenditures							
Certificated Salaries	\$ 8,917,593	\$ 11,732,808	\$ 20,650,401	\$ 8,675,316	\$ 11,486,586	\$ 20,161,902	\$ (488,499)
Classified Salaries	\$ 6,501,103	\$ 4,178,199	\$ 10,679,302	\$ 6,249,380	\$ 4,167,337	\$ 10,416,717	\$ (262,585)
Employee Benefits	\$ 6,079,675	\$ 8,300,160	\$ 14,379,835	\$ 6,239,142	\$ 8,003,319	\$ 14,242,461	\$ (137,374)
Books & Supplies	\$ 2,267,346	\$ 77,405	\$ 2,344,751	\$ 2,396,244	\$ 108,351	\$ 2,504,595	\$ 159,844
Operation & Contracted Services	\$ 4,327,708	\$ 3,546,202	\$ 7,873,910	\$ 4,346,054	\$ 4,705,954	\$ 9,052,008	\$ 1,178,098
Capital Outlay	\$ 32,920	\$ -	\$ 32,920	\$ 34,830	\$ -	\$ 34,830	\$ 1,910
Other Outgo	\$ 148,919	\$ 817,443	\$ 966,362	\$ 152,090	\$ 170,000	\$ 322,090	\$ (644,272)
Direct Support/Indirect Costs	\$ 709,466	\$ 1,112,091	\$ 1,821,557	\$ 815,547	\$ 1,091,125	\$ 1,906,672	\$ 85,115
Total Expenditures	\$ 28,984,730	\$ 29,764,308	\$ 58,749,038	\$ 28,908,603	\$ 29,732,672	\$ 58,641,275	\$ (107,763)
Other Sources/Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Expenditures	\$ 28,984,730	\$ 29,764,308	\$ 58,749,038	\$ 28,908,603	\$ 29,732,672	\$ 58,641,275	\$ (107,763)
Net Increase/Decrease to Fund Balance	\$ (72,003)	\$ 0	\$ (72,003)	\$ 362,044	\$ -	\$ 362,044	\$ 434,047
BEGINNING BALANCE	\$ 1,175,731	\$ -	\$ 1,175,732	\$ 931,306	\$ -	\$ 931,307	\$ (244,424)
Net Change	\$ (72,003)	\$ 0	\$ (72,003)	\$ 362,044	\$ -	\$ 362,044	\$ 434,047
Audit Adjustment							
ENDING BALANCE	\$ 1,103,728	\$ 0	\$ 1,103,729	\$ 1,293,350	\$ -	\$ 1,293,351	\$ 189,622
Carry-overs			\$ -			\$ -	\$ -
NET ENDING BALANCE	\$ 1,103,728	\$ 0	\$ 1,103,729	\$ 1,293,350	\$ -	\$ 1,293,351	\$ 189,622

SECTION 2

2011/12 – 2012/13 Enrollment and
Average Daily Attendance Update

East Side Union High School District
Enrollment / ADA Projections Through 2013/14

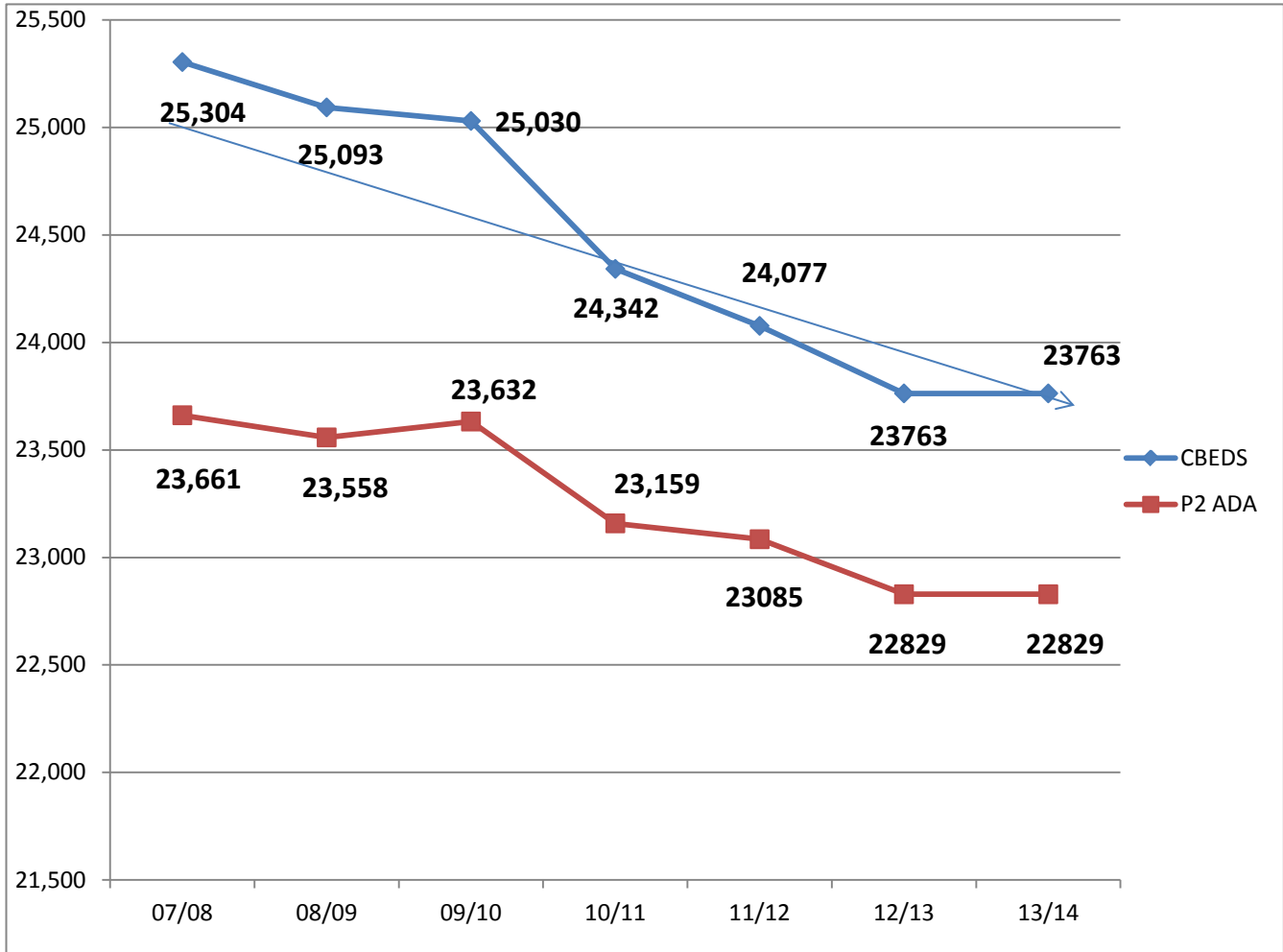
Fiscal Year	2007-08	2008-09	2009-10	2010-11	2011-12	2011-12	2012-13	2013-14
Grade Level	CBEDS Enrollment							
	Actual	Actual	Actual	Actual	Projected	Actual	Projected	Projected
9	6,307	6,186	6,174	5,930	5,827	5,962	5762	5762
10	6,349	6,312	6,181	6,055	5,930	5,933	5865	5865
11	6,209	6,290	6,298	6,124	6,147	6,019	6078	6078
12	6,285	6,159	6,223	6,089	5,947	5,992	5881	5881
Post Seniors	104	105	97	97	128	122	127	127
NPS	50	41	57	47	68	49	50	50
Total CBEDS Enrollment	25,304	25,093	25,030	24,342	24,047	24,077		
P2 ADA	23,661	23,558	23,632	23,159				
2011/12 1st Interim Enrollment					24077		23763	23763
2011/12 1st Interim ADA Projected					23085		22829	22829
Enrollment to ADA %	93.51%	93.88%	94.42%	95.14%	95.88%		96.07%	96.07%

Enrollment is the total number of students enrolled in the District schools on the State designated October reporting date for the California Basic Education Data System (CBEDS). The ADA or Average Daily Attendance is the total approved days of student attendance for at least the required minimum day, divided by the number of days the District is in session.

Seventy-two percent of the District's General Fund Revenue Limit is generated by Average Daily Attendance (ADA). In East Side Union High School District, the ADA figure is on average **94.99%** of CBEDS enrollment.

East Side Union High School District

Enrollment / ADA Projections Through 2013/14



SECTION 3

2011/12 – 2013/14 Multi-Year Budget
Assumptions and Fiscal Update

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011-12 First Interim Report
Multi-Year Budget Assumption

Description	Statewide Assumptions	2011 / 12 1st Interim	2012/13 Project YR 1	2013/14 Project YR 2
Based on SSC Dartboard				
Statutory COLA		2.24%	3.10%	2.80%
Funded COLA		2.24%	3.10%	2.80%
Revenue Limit Deficit		19.754%	19.754%	19.754%
Other Revenue Limit Adjustments - (one-time Trigger Cut)		(\$300) / ADA		
California CPI		3.20%	2.80%	3.00%
Lottery Per ADA	Unrestricted	\$111.75	\$111.75	\$111.75
	Restricted	\$17.00	\$17.00	\$17.00
Equalization (If Applicable)		\$0	\$0	\$0
Enrollment (CBEDS) Projected/Actual				
		24,077	23,763	23,763
Average Daily Attendance (ADA) Projections (P-2)				
East Side Special Ed ADA in County Program		292	292	292
Salary Step and Column % Increases:				
Certificated		1.5%	1.5%	1.5%
Classified		2.0%	2.0%	2.0%
Management		1.5%	1.5%	1.5%
Negotiated Salary Increases (All Employee Groups)				
Previously Enacted Budget Reductions Continue (i.e. Furlough Days and Increase Class Size, etc..)		N/A	N/A	N/A
Benefits:				
STRS		8.25%	8.25%	8.25%
PERS		10.923%	10.923%	10.923%
PERS Reduction		2.097%	2.097%	2.097%
Medicare		1.45%	1.45%	1.45%
OASDI		6.20%	6.20%	6.20%
OPEB		3.36%	3.36%	3.36%
Workers' Comp		2.23%	2.23%	2.23%
Unemployment Insurance		1.61%	1.61%	1.61%
Health & Welfare Increase		10%	10%	10%

EAST SIDE UNION HIGH SCHOOL DISTRICT

2011/12 First Interim
General Fund Multi-Year Projection

Categories	11/12 First Interim			12/13 Projection			13/14 Projection		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Revenues									
Revenue Limit	\$128,661,714	\$5,825,779	\$134,487,493	\$137,909,726	\$6,320,488	\$144,230,214	\$141,713,753	\$6,497,462	\$148,211,215
Federal	\$0	\$13,702,072	\$13,702,072	\$0	\$11,721,843	\$11,721,843	\$0	\$11,406,443	\$11,406,443
Other State	\$21,748,434	\$6,102,415	\$27,850,849	\$21,591,984	\$6,882,755	\$28,474,739	\$22,113,352	\$6,718,116	\$28,831,468
Local	\$4,093,902	\$6,626,963	\$10,720,865	\$4,040,109	\$8,519,751	\$12,559,860	\$4,021,448	\$6,353,057	\$10,374,505
Contrib to Special Ed. & Other Transfer	(\$22,267,811)	\$26,746,090	\$4,478,279	(\$24,119,865)	\$26,658,320	\$2,538,455	(\$25,103,776)	\$27,345,454	\$2,241,678
Total Revenues	\$132,236,239	\$59,003,319	\$191,239,558	\$139,421,954	\$60,103,157	\$199,525,111	\$142,744,777	\$58,320,532	\$201,065,309
Expenditures									
Certificated Salaries	\$78,620,928	\$20,161,902	\$98,782,830	\$79,003,905	\$21,006,918	\$100,010,822	\$81,863,713	\$19,276,172	\$101,139,885
Classified Salaries	\$13,351,177	\$10,416,717	\$23,767,894	\$13,656,930	\$10,532,956	\$24,189,885	\$13,930,068	\$10,743,615	\$24,673,683
Employee Benefits	\$37,530,311	\$14,242,461	\$51,772,772	\$39,943,198	\$15,448,723	\$55,391,921	\$43,428,678	\$15,724,456	\$59,153,134
Books & Supplies	\$1,481,806	\$2,504,595	\$3,986,401	\$1,681,806	\$2,267,503	\$3,949,309	\$1,681,806	\$2,141,433	\$3,823,239
Operation & Contracted Services	\$7,912,927	\$9,052,008	\$16,964,935	\$8,910,025	\$8,722,008	\$17,632,033	\$8,883,293	\$8,642,008	\$17,525,301
Capital Outlay	\$8,943	\$34,830	\$43,773	\$0	\$0	\$0	\$0	\$0	\$0
Other Outgo	\$400,800	\$322,090	\$722,890	\$400,800	\$322,090	\$722,890	\$400,800	\$322,090	\$722,890
Direct Support/Indirect Costs	(\$2,411,096)	\$1,906,672	(\$504,424)	(\$2,680,259)	\$2,249,874	(\$430,385)	(\$2,675,447)	\$2,170,677	(\$504,770)
Debt Services	\$3,396,800		\$3,396,800	\$3,799,489		\$3,799,489	\$3,823,145		\$3,823,145
Total Expenditures	\$140,292,596	\$58,641,275	\$198,933,871	\$144,715,894	\$60,550,071	\$205,265,965	\$151,336,057	\$59,020,450	\$210,356,507
Total General Fund Expenditures	\$140,292,596	\$58,641,275	\$198,933,871	\$144,715,894	\$60,550,071	\$205,265,965	\$151,336,057	\$59,020,450	\$210,356,507
Net Increase/Decrease to Fund Balance	(\$8,056,357)	\$362,044	(\$7,694,313)	(\$5,293,940)	(\$446,914)	(\$5,740,854)	(\$8,591,279)	(\$699,918)	(\$9,291,197)
Other Sources / Uses	(\$2,670,000)	\$0	(\$2,670,000)	(\$120,000)	\$0	(\$120,000)	(\$100,000)	\$0	(\$100,000)
Beginning Balance	\$24,836,144	\$931,307	\$25,767,451	\$14,109,787	\$1,293,351	\$15,403,138	\$8,695,848	\$846,437	\$9,542,285
Prior Year Stores Adjustment			\$0			\$0			\$0
Audit Adjustment			\$0			\$0			\$0
Ending Balance Before Reserve	\$14,109,787	\$1,293,351	\$15,403,138	\$8,695,848	\$846,437	\$9,542,285	\$4,568	\$146,519	\$151,087
Revolving Cash	\$2,500		\$2,500	\$2,500		\$2,500	\$2,500		\$2,500
Stores	\$206,980		\$206,980	\$206,980		\$206,980	\$206,980		\$206,980
Ending Balance with Reserve	\$14,319,267	\$1,293,351	\$15,612,618	\$8,905,328	\$846,437	\$9,751,765	\$214,048	\$146,519	\$360,567
Carry-overs	\$0		\$0	\$0		\$0	\$0		\$0
Net Ending Balance	\$14,319,267	\$1,293,351	\$15,612,618	\$8,905,328	\$846,437	\$9,751,765	\$214,048	\$146,519	\$360,567
General Reserve	\$12,096,696		\$12,096,696	\$12,337,663		\$12,337,663	\$11,466,040		\$11,466,040
Ending Balance plus Gen Reserve	\$26,415,963	\$1,293,351	\$27,709,314	\$21,242,991	\$846,437	\$22,089,428	\$11,680,088	\$146,519	\$11,826,607

EAST SIDE UNION HIGH SCHOOL DISTRICT

2011/12 First Interim
Multi-Year Ending Fund Balance Projection

Categories	2011/12			2012/13			2013/14		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
COMPONENTS OF ENDING BALANCE									
Undesignated fund balance	\$14,109,787	\$1,293,351	\$15,403,138	\$8,695,848	\$846,437	\$9,542,285	\$4,568	\$146,519	\$151,087
Revolving Cash	\$2,500		\$2,500	\$2,500		\$2,500	\$2,500		\$2,500
Stores	\$206,980		\$206,980	\$206,980		\$206,980	\$206,980		\$206,980
General Reserve (F17)	\$12,096,696		\$12,096,696	\$12,337,663		\$12,337,663	\$11,466,040		\$11,466,040
Ending Balance plus Gen Reserve	\$26,415,963	\$1,293,351	\$27,709,314	\$21,242,991	\$846,437	\$22,089,428	\$11,680,088	\$146,519	\$11,826,607

East Side Union High School District

2011/12 First Interim
General Fund (Restricted) Multi-Year Projection

Categories	2011/12 First Interim			2012/13 Projection			2013/14 Projection		
	Categorical	Special Ed	Combined	Categorical	Special Ed	Combined	Categorical	Special Ed	Combined
Revenues									
Revenue Limit	\$ -	\$ 5,825,779	\$ 5,825,779	\$ -	\$ 6,320,488	\$ 6,320,488	\$ -	\$ 6,497,462	\$ 6,497,462
Federal	\$ 9,182,753	\$ 4,519,319	\$ 13,702,072	\$ 7,202,524	\$ 4,519,319	\$ 11,721,843	\$ 6,887,124	\$ 4,519,319	\$ 11,406,443
Other State	\$ 5,103,940	\$ 998,475	\$ 6,102,415	\$ 5,884,280	\$ 998,475	\$ 6,882,755	\$ 5,719,641	\$ 998,475	\$ 6,718,116
Local	\$ 5,117,268	\$ 1,509,695	\$ 6,626,963	\$ 6,980,243	\$ 1,539,508	\$ 8,519,751	\$ 4,780,243	\$ 1,572,814	\$ 6,353,057
Interfund Transfers	\$ 9,866,686	\$ 16,879,404	\$ 26,746,090	\$ 9,300,000	\$ 17,358,320	\$ 26,658,320	\$ 9,300,000	\$ 18,045,454	\$ 27,345,454
Total Revenues	\$ 29,270,647	\$ 29,732,672	\$ 59,003,319	\$ 29,367,047	\$ 30,736,110	\$ 60,103,157	\$ 26,687,008	\$ 31,633,524	\$ 58,320,532
Expenditures									
Certificated Salaries	\$ 8,675,316	\$ 11,486,586	\$ 20,161,902	\$ 9,348,033	\$ 11,658,885	\$ 21,006,918	\$ 7,442,404	\$ 11,833,768	\$ 19,276,172
Classified Salaries	\$ 6,249,380	\$ 4,167,337	\$ 10,416,717	\$ 6,262,025	\$ 4,270,931	\$ 10,532,956	\$ 6,387,265	\$ 4,356,349	\$ 10,743,615
Employee Benefits	\$ 6,239,142	\$ 8,003,319	\$ 14,242,461	\$ 6,891,460	\$ 8,557,263	\$ 15,448,723	\$ 6,572,816	\$ 9,151,640	\$ 15,724,456
Books & Supplies	\$ 2,396,244	\$ 108,351	\$ 2,504,595	\$ 2,159,152	\$ 108,351	\$ 2,267,503	\$ 2,033,082	\$ 108,351	\$ 2,141,433
Operation & Contracted Services	\$ 4,346,054	\$ 4,705,954	\$ 9,052,008	\$ 4,016,054	\$ 4,705,954	\$ 8,722,008	\$ 3,936,054	\$ 4,705,954	\$ 8,642,008
Capital Outlay	\$ 34,830	\$ -	\$ 34,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Outgo	\$ 152,090	\$ 170,000	\$ 322,090	\$ 152,090	\$ 170,000	\$ 322,090	\$ 152,090	\$ 170,000	\$ 322,090
Direct Support/Indirect Costs	\$ 815,547	\$ 1,091,125	\$ 1,906,672	\$ 985,147	\$ 1,264,727	\$ 2,249,874	\$ 863,216	\$ 1,307,461	\$ 2,170,677
Total Expenditures	\$ 28,908,603	\$ 29,732,672	\$ 58,641,275	\$ 29,813,961	\$ 30,736,110	\$ 60,550,071	\$ 27,386,927	\$ 31,633,524	\$ 59,020,450
Other Sources/Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Fund Expenditures	\$ 28,908,603	\$ 29,732,672	\$ 58,641,275	\$ 29,813,961	\$ 30,736,110	\$ 60,550,071	\$ 27,386,927	\$ 31,633,524	\$ 59,020,450
Net Increase/Decrease to Fund Balance	\$ 362,044	\$ -	\$ 362,044	\$ (446,914)	\$ (0)	\$ (446,914)	\$ (699,918)	\$ 0	\$ (699,918)
BEGINNING BALANCE	\$ 931,306	\$ -	\$ 931,307	\$ 1,293,350	\$ 0	\$ 1,293,352	\$ 846,436	\$ 0	\$ 846,438
Net Change	\$ 362,044	\$ -	\$ 362,044	\$ (446,914)	\$ (0)	\$ (446,914)	\$ (699,918)	\$ 0	\$ (699,918)
Audit Adjustment									
ENDING BALANCE	\$ 1,293,350	\$ -	\$ 1,293,351	\$ 846,436	\$ 0	\$ 846,438	\$ 146,518	\$ 1	\$ 146,520
Carry-overs			\$ -			\$ -			\$ -
NET ENDING BALANCE	\$ 1,293,350	\$ -	\$ 1,293,351	\$ 846,436	\$ 0	\$ 846,438	\$ 146,518	\$ 1	\$ 146,520

SECTION 4

Other Funds

East Side Union High School District

2011/12 First Interim – Other Funds

Adult Ed Fund – 11

This fund is used to provide a learning environment which fosters adult students who expect to learn skills, technology, and communication for their personal, academic and professional needs.

Fund 11 is funded by various sources from Federal, State and Local registration. Expenditures in this fund may be made only for direct instructional costs, direct support costs and indirect costs. The projected ending fund balance at First Interim totals \$1.5 million which is from an unrestricted State fund for which the Board has designated for Adult Education purposes.

Child Development Fund – 12

The Child Development fund is used to provide services and education for Preschool, Family Literacy, and General Child Care for school age mothers and for the community.

Fund 12 is funded by various sources from Federal, State, Local Grants and Local Parent Fees. The fund is projected to be in balance or at breakeven.

Deferred Maintenance Fund – 14

Due to provisions in the State budget which allow districts the flexibility to move Deferred Maintenance funds to the General Fund for operating purposes, the District has only used this fund on a limited basis and has a carryover fund balance from FY 2008/09. The District will continue to receive a deferred maintenance entitlement from the State and the District will continue to exercise State flexibility which makes the fund unrestricted for operating purposes.

General Reserve Fund for Other Than Capital Outlay Projects – 17

This fund is used primarily to provide for the accumulation of General Fund moneys for general operating reserve purposes or for economic uncertainties. Amounts from this fund must first be transferred into the General Fund before expenditures may be made. In November 2011, the Board approved the District to keep a minimum of 6% in this fund for economic uncertainties. The fund is currently projected to have a balance of \$12.1 million.

OPEB with Revocable Trust Fund – 20

This fund is earmarked for the future cost of postemployment benefits but has not contributed irrevocably to a separate trust for the post employment benefit plan. Amounts accumulated in this fund must be transferred back to the General Fund for expenditure. The projected ending fund balance at First Interim totals \$3.3 million.

Building Fund – 21

The purpose of this fund is for major capital improvements, building and ground repair and replacement in accordance to the language of the voter approved GO bond – Measure G. The projected ending fund balance at First interim totals \$41.0 million.

Building Fund – 23

The purpose of this fund is for major capital improvements, building and ground repair and replacement in accordance to the language of the voter approved GO bond – Measure E. The projected ending fund balance at First interim totals \$25 million. The District expects to sell more bonds for proceeds to start new construction projects.

Capital Facilities Fund – 25

The fund is used primarily to account separately for revenues from fees levied on developers or other agencies as a condition of approving a development by the District. Expenditures are restricted to the purposes specified in Government code section 65970-65981 or to the items specified in agreements with the developer. This fund is projected to have an ending fund balance totaling \$1.5 million.

State School Building Lease-Purchase Fund – 30

The fund is used primarily to account separately for State Apportionments for the reconstruction, remodeling or replacing of existing school buildings of the acquisition of new school sites and buildings. The fund has only minimal carryover amount and projected to have zero balance at year end.

County School Facilities Fund – 35

This fund is established pursuant to Ed Code Section 17070.43 to receive apportionments which authorized by the State allocation Board for new school facility construction, modernization projects and facility hardship grants. The projected ending fund balance at First interim totals \$6.9 million.

Special Reserve – Capital Project Fund – 40

This fund was established primarily to provide for the accumulation of General Fund moneys for capital outlay purposes. This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other funds, such as, Fund 21, 25, and 35. Authorized resources are proceeds from the sale or lease with option to purchase, rentals and lease of real property specifically authorized for deposit to the fund by the Governing Board. The projected ending fund balance at First interim totals \$51 thousand.

Cafeteria Special Revenue Fund – 61

The purpose of this fund is to account for the expenditures authorized by the Governing Board as necessary for the operation of the Child Nutrition Program. The program is funded by various sources from Federal, State and local food sales, catering and vending machine sales. The program is expected to be near break-even and is projecting to have a fund balance of 345 thousand at year end. The program is operating at full efficiency and solvency. Currently the program is serving 10,298 Free and Reduce district students.

A new law went into effect beginning July 1, 2012 which requires the District to make drinking water available at each school site during the lunch period. The District Child Nutrition Operation has addressed this issue and the District will be in full compliance by January 2012.

Current Meal Prices:

\$1.50 for breakfast

\$3.00 for lunch

Self Insurance Fund for Property & Liability – 67

The fund is used to separate moneys received for self-insurance activities related to properties and liabilities. Expense transactions in the fund is recorded for the payment of claims, estimates of costs relating to incurred but not reported claims, administration costs, deductible insurance amounts, cost of excess insurance and other related costs. The projected ending fund balance at First interim totals \$448 thousand.

Self Insurance Fund for Dental and UAS Medical – 68

The fund is used to separate moneys received for self-insurance activities related to dental insurance. Expense transactions in the fund is recorded for the payment of claims, estimates of costs relating to incurred but not reported claims, administration costs, deductible insurance amounts, cost of excess insurance and other related costs. The projected ending fund balance at First interim totals \$3.1 million which is held by the insurance companies to pay claims.

OPEB with Irrevocable Trust Fund – 71

This fund is earmarked for the future cost of postemployment benefits and has contributed irrevocably to a separate trust for the postemployment benefit plan. Expenditures have to be paid directly to vendors by the trust. The projected ending fund balance at First Interim totals \$21.3 million.

Scholarship Fund – 73

This fund is earmarked for donation from various sources for student scholarship fund. The fund has carried fund balance from 2004/05 to pay for student awards as scholarship. The projected ending fund balance at First interim totals \$69 thousand.

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Adult Ed Fund - F11

Categories	Adopted Budget	1st Interim	Variance from Adopted Budget
Revenues			
Federal	\$ 586,505	\$ 638,146	\$ 51,641
Other State	\$ 6,072,089	\$ 6,095,257	\$ 23,168
Local	\$ 230,000	\$ 230,000	\$ -
Interfund Transfer	\$ -	\$ -	\$ -
Total Revenues	\$ 6,888,594	\$ 6,963,403	\$ 74,809
Expenditures			
Certificated Salaries	\$ 3,039,542	\$ 2,945,739	\$ (93,803)
Classified Salaries	\$ 915,306	\$ 996,444	\$ 81,138
Employee Benefits	\$ 1,382,955	\$ 1,373,834	\$ (9,121)
Books & Supplies	\$ 409,956	\$ 285,123	\$ (124,833)
Contracted Services	\$ 469,627	\$ 400,662	\$ (68,965)
Capital Outlay	\$ -	\$ -	\$ -
Other Outgo	\$ -	\$ -	\$ -
Direct Support/Indirect Costs	\$ 273,948	\$ 239,219	\$ (34,729)
Total Expenditures	\$ 6,491,334	\$ 6,241,021	\$ (250,313)
Net Increase/Decrease to Fund Balance	\$ 397,260	\$ 722,382	\$ 325,122
Other Sources / Uses	\$ (2,250,000)	\$ (2,250,000)	\$ -
BEGINNING FUND BALANCE	\$ 2,406,490	\$ 3,069,982	\$ 663,492
Net Change	\$ (1,852,740)	\$ (1,527,618)	\$ 325,122
ENDING FUND BALANCE	\$ 553,750	\$ 1,542,364	\$ 988,614

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Child Development Fund - F12

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Federal	\$ 215,204	\$ 207,366	\$ (7,838)
Other State	\$ 1,478,783	\$ 1,430,937	\$ (47,846)
Local	\$ 203,229	\$ 109,012	\$ (94,217)
Interfund Transfer	\$ -	\$ -	\$ -
Total Revenues	\$ 1,897,216	\$ 1,747,315	\$ (149,901)
Expenditures			
Certificated Salaries	\$ 388,440	\$ 377,613	\$ (10,827)
Classified Salaries	\$ 671,344	\$ 657,294	\$ (14,050)
Employee Benefits	\$ 640,826	\$ 621,531	\$ (19,295)
Books & Supplies	\$ 163,492	\$ 63,899	\$ (99,593)
Contracted Services	\$ 26,999	\$ 26,209	\$ (790)
Capital Outlay	\$ -	\$ -	\$ -
Other Outgo	\$ -	\$ -	\$ -
Direct Support/Indirect Costs	\$ 6,115	\$ 769	\$ (5,346)
Total Expenditures	\$ 1,897,216	\$ 1,747,315	\$ (149,901)
Net Increase/Decrease to Fund Balance	\$ -	\$ -	\$ -
BEGINNING BALANCE	\$ -	\$ -	\$ -
Net Change	\$ -	\$ -	\$ -
ENDING BALANCE	\$ -	\$ -	\$ -

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Deferred Maintenance Fund - F14

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Other State	\$ -	\$ -	\$ -
Local	\$ 2,000	\$ 1,500	\$ (500)
Other Authorized Transfers	\$ -	\$ -	\$ -
Total Revenues	\$ 2,000	\$ 1,500	\$ (500)
Expenditures			
Classified Salaries	\$ 500	\$ 500	\$ -
Employee Benefits	\$ 57	\$ 57	\$ -
Books & Supplies	\$ 22,000	\$ 22,000	\$ -
Contracted Services	\$ 110,000	\$ 110,000	\$ -
Capital Outlay	\$ -	\$ -	\$ -
Other Outgo	\$ -	\$ -	\$ -
Direct Support/Indirect Costs	\$ -	\$ -	\$ -
Total Expenditures	\$ 132,557	\$ 132,557	\$ -
Net Increase/Decrease to Fund Balance	\$ (130,557)	\$ (131,057)	\$ (500)
BEGINNING BALANCE	\$ 132,976	\$ 204,003	\$ 71,027
Net Change	\$ (130,557)	\$ (131,057)	\$ (500)
ENDING BALANCE	\$ 2,419	\$ 72,946	\$ 70,527

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
General Reserve Fund - F17

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 100,000	\$ 55,000	\$ (45,000)
Other Authorized Transfers	\$ -	\$ 2,670,000	\$ 2,670,000
Total Revenues	\$ 100,000	\$ 2,725,000	\$ 2,625,000
Expenditures			
Other Outgo	\$ 3,250,000	\$ -	\$ (3,250,000)
Total Expenditures	\$ 3,250,000	\$ -	\$ (3,250,000)
Net Increase/Decrease to Fund Balance	\$ (3,150,000)	\$ 2,725,000	\$ 5,875,000
BEGINNING BALANCE	\$ 9,373,997	\$ 9,371,696	\$ (2,301)
Net Change	\$ (3,150,000)	\$ 2,725,000	\$ 5,875,000
ENDING BALANCE	\$ 6,223,997	\$ 12,096,696	\$ 5,872,699

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
OPEB with Revocable Trust Fund - F20

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 14,000	\$ 20,000	\$ 6,000
Other Revenues Sources	\$ -	\$ -	\$ -
Total Revenues	\$ 14,000	\$ 20,000	\$ 6,000
Expenditures			
Contracted Services	\$ -	\$ -	\$ -
Other Outgo	\$ 2,228,279	\$ 2,228,279	\$ -
Total Expenditures	\$ 2,228,279	\$ 2,228,279	\$ -
Net Increase/Decrease to Fund Balance	\$ (2,214,279)	\$ (2,208,279)	\$ 6,000
BEGINNING BALANCE	\$ 5,477,484	\$ 5,478,412	\$ 928
Net Change	\$ (2,214,279)	\$ (2,208,279)	\$ 6,000
ENDING BALANCE	\$ 3,263,205	\$ 3,270,133	\$ 6,928

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Building Fund (Measure G) - F21

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Other State	\$ -	\$ -	\$ -
Local	\$ 250,000	\$ 350,000	\$ 100,000
Other Sources/Uses	\$ -	\$ -	\$ -
Total Revenues	\$ 250,000	\$ 350,000	\$ 100,000
Expenditures			
Classified Salaries	\$ 79,361	\$ 100,993	\$ 21,632
Employee Benefits	\$ 34,334	\$ 40,778	\$ 6,444
Books & Supplies	\$ 521,967	\$ 470,000	\$ (51,967)
Contracted Services	\$ 5,533,698	\$ 2,028,698	\$ (3,505,000)
Capital Outlay	\$ 39,813,029	\$ 3,713,029	\$ (36,100,000)
Other Outgo	\$ -	\$ -	\$ -
Direct Support/Indirect Costs	\$ -	\$ -	\$ -
Total Expenditures	\$ 45,982,389	\$ 6,353,498	\$ (39,628,891)
Net Increase/Decrease to Fund Balance	\$ (45,732,389)	\$ (6,003,498)	\$ 39,728,891
BEGINNING BALANCE	\$ 48,874,199	\$ 46,793,967	\$ (2,080,232)
Net Change	\$ (45,732,389)	\$ (6,003,498)	\$ 39,728,891
ENDING BALANCE	\$ 3,141,810	\$ 40,790,469	\$ 37,648,659

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Building Fund (Measure E) - F23

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 750,000	\$ 750,000	\$ -
Other Sources/Uses	\$ 25,000,000	\$ 24,585,000	\$ (415,000)
Total Revenues	\$ 25,750,000	\$ 25,335,000	\$ (415,000)
Expenditures			
Classified Salaries	\$ 845,332	\$ 882,130	\$ 36,798
Employee Benefits	\$ 332,611	\$ 365,284	\$ 32,673
Books & Supplies	\$ 6,178,000	\$ 6,024,928	\$ (153,072)
Contracted Services	\$ 11,338,682	\$ 11,338,032	\$ (650)
Capital Outlay	\$ 60,204,844	\$ 60,095,467	\$ (109,377)
Other Outgo	\$ -	\$ -	\$ -
Direct Support/Indirect Costs	\$ -	\$ -	\$ -
Total Expenditures	\$ 78,899,469	\$ 78,705,841	\$ (193,628)
Net Increase/Decrease to Fund Balance	\$ (53,149,469)	\$ (53,370,841)	\$ (221,372)
BEGINNING BALANCE	\$ 78,966,756	\$ 78,458,154	\$ (508,602)
Net Change	\$ (53,149,469)	\$ (53,370,841)	\$ (221,372)
ENDING BALANCE	\$ 25,817,287	\$ 25,087,313	\$ (729,974)

=

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Capital Facilities Fund (Developer Fees) - F25

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Other State	\$ -	\$ -	\$ -
Local	\$ 215,000	\$ 215,000	\$ -
Other Authorized Transfers	\$ -	\$ -	\$ -
Total Revenues	\$ 215,000	\$ 215,000	\$ -
Expenditures			
Books & Supplies	\$ 500	\$ 500	\$ -
Contracted Services	\$ 1,889,500	\$ 1,480,000	\$ (409,500)
Capital Outlay	\$ 110,000	\$ 210,000	\$ 100,000
Direct Support/Indirect Costs	\$ -	\$ -	\$ -
Other Financing Uses	\$ -	\$ -	\$ -
Total Expenditures	\$ 2,000,000	\$ 1,690,500	\$ (309,500)
Net Increase/Decrease to Fund Balance	\$ (1,785,000)	\$ (1,475,500)	\$ 309,500
BEGINNING BALANCE	\$ 2,668,580	\$ 3,004,798	\$ 336,218
Net Change	\$ (1,785,000)	\$ (1,475,500)	\$ 309,500
ENDING BALANCE	\$ 883,580	\$ 1,529,298	\$ 645,718

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
State School Building Lease-Purchase Fund - F30

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
State Facilities Apportionment	\$ -	\$ -	\$ -
Local	\$ -	\$ 19	\$ 19
Total Revenues	\$ -	\$ 19	\$ 19
Expenditures			
Books & Supplies	\$ -	\$ -	\$ -
Contracted Services	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ 2,499	\$ 2,499
Other Outgo	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ 2,499	\$ 2,499
Net Increase/Decrease to Fund Balance	\$ -	\$ (2,480)	\$ (2,480)
BEGINNING BALANCE	\$ -	\$ 2,480	\$ 2,480
Net Change	\$ -	\$ (2,480)	\$ (2,480)
ENDING BALANCE	\$ -	\$ 0	\$ 0

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
County School Facilities Fund - F35

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Other State Revenue	\$ (3,400,000)	\$ (2,447,572)	\$ 952,428
Local	\$ 130,000	\$ 105,000	\$ (25,000)
Total Revenues	\$ (3,270,000)	\$ (2,342,572)	\$ 927,428
Expenditures			
Contracted Services	\$ 400,000	\$ 300,000	\$ (100,000)
Capital Outlay	\$ -	\$ 20,000	\$ 20,000
Other Outgo	\$ -	\$ 9,418,837	\$ 9,418,837
Total Expenditures	\$ 400,000	\$ 9,738,837	\$ 9,338,837
Net Increase/Decrease to Fund Balance	\$ (3,670,000)	\$ (12,081,409)	\$ (8,411,409)
BEGINNING BALANCE	\$ 18,541,926	\$ 18,993,965	\$ 452,039
Net Change	\$ (3,670,000)	\$ (12,081,409)	\$ (8,411,409)
ENDING BALANCE	\$ 14,871,926	\$ 6,912,556	\$ (7,959,370)

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Special Reserve - Capital Outlay Projects Fund - F40

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 415	\$ 415	\$ -
Other Authorized Transfers	\$ -	\$ -	\$ -
Total Revenues	\$ 415	\$ 415	\$ -
Expenditures			
Other Outgo	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Net Increase/Decrease to Fund Balance	\$ 415	\$ 415	\$ -
BEGINNING BALANCE	\$ 50,400	\$ 50,354	\$ (46)
Net Change	\$ 415	\$ 415	\$ -
ENDING BALANCE	\$ 50,815	\$ 50,769	\$ (46)

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Cafeteria Fund - F61

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Federal	\$ 3,485,000	\$ 3,597,837	\$ 112,837
Other State	\$ 303,000	\$ 333,521	\$ 30,521
Local	\$ 2,119,010	\$ 2,203,427	\$ 84,417
Other Authorized Interfund Transfer	\$ -	\$ -	\$ -
Total Revenues	\$ 5,907,010	\$ 6,134,785	\$ 227,775
Expenditures			
Classified Salaries	\$ 2,302,172	\$ 2,355,066	\$ 52,894
Employee Benefits	\$ 1,535,784	\$ 1,525,370	\$ (10,414)
Books & Supplies	\$ 1,990,929	\$ 1,990,929	\$ -
Contracted Services	\$ 57,690	\$ 57,690	\$ -
Capital Outlay	\$ -	\$ -	\$ -
Direct Support/Indirect Costs	\$ 262,541	\$ 264,436	\$ 1,895
Total Expenditures	\$ 6,149,116	\$ 6,193,491	\$ 44,375
Net Increase/Decrease to Fund Balance	\$ (242,106)	\$ (58,706)	\$ 183,400
BEGINNING BALANCE	\$ 244,691	\$ 403,568	\$ 158,877
Net Change	\$ (242,106)	\$ (58,706)	\$ 183,400
ENDING BALANCE	\$ 2,585	\$ 344,862	\$ 342,277

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Self Insurance Fund - Property/Liability - F67

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 8,000	\$ 45,000	\$ 37,000
Other Authorized Transfers	\$ -	\$ -	\$ -
Total Revenues	\$ 8,000	\$ 45,000	\$ 37,000
Expenditures			
Certificated Salaries	\$ -	\$ -	\$ -
Classified Salaries	\$ -	\$ -	\$ -
Employee Benefits	\$ -	\$ -	\$ -
Books & Supplies	\$ 43,000	\$ 43,000	\$ -
Contracted Services	\$ 286,000	\$ 200,000	\$ (86,000)
Other Outgo	\$ -	\$ -	\$ -
Total Expenditures	\$ 329,000	\$ 243,000	\$ (86,000)
Net Increase/Decrease to Fund Balance	\$ (321,000)	\$ (198,000)	\$ 123,000
BEGINNING BALANCE	\$ 632,027	\$ 646,493	\$ 14,466
Audit Adjustment	\$ -	\$ -	\$ -
Net Change	\$ (321,000)	\$ (198,000)	\$ 123,000
ENDING BALANCE	\$ 311,027	\$ 448,493	\$ 137,466

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Self Insurance Fund - Medical - F68

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 3,337,870	\$ 3,352,358	\$ 14,488
Other Authorized Transfers	\$ -	\$ -	\$ -
Total Revenues	\$ 3,337,870	\$ 3,352,358	\$ 14,488
Expenditures			
Books & Supplies	\$ -	\$ -	\$ -
Contracted Services	\$ 3,420,984	\$ 3,414,744	\$ (6,240)
Total Expenditures	\$ 3,420,984	\$ 3,414,744	\$ (6,240)
Net Increase/Decrease to Fund Balance	\$ (83,114)	\$ (62,386)	\$ 20,728
BEGINNING BALANCE	\$ 2,035,615	\$ 3,215,864	\$ 1,180,249
Net Change	\$ (83,114)	\$ (62,386)	\$ 20,728
ENDING BALANCE	\$ 1,952,501	\$ 3,153,478	\$ 1,200,977

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
OPEB Fund with Irrevocable Trust - F71

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ 4,000,000	\$ -	\$ (4,000,000)
Other Revenues Sources	\$ -	\$ -	\$ -
Total Revenues	\$ 4,000,000	\$ -	\$ (4,000,000)
Expenditures			
Contracted Services	\$ 29,000	\$ 29,000	\$ -
Other Outgo	\$ -	\$ -	\$ -
Total Expenditures	\$ 29,000	\$ 29,000	\$ -
Net Increase/Decrease to Fund Balance	\$ 3,971,000	\$ (29,000)	\$ (4,000,000)
BEGINNING BALANCE	\$ 21,610,959	\$ 21,344,265	\$ (266,694)
Net Change	\$ 3,971,000	\$ (29,000)	\$ (4,000,000)
ENDING BALANCE	\$ 25,581,959	\$ 21,315,265	\$ (4,266,694)

EAST SIDE UNION HIGH SCHOOL DISTRICT
2011/12 First Interim
Scholarship Fund - F73

Categories	Adopted Budget	First Interim	Variance from Adopted Budget
Revenues			
Local	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -
Expenditures			
Books & Supplies	\$ -	\$ -	\$ -
Contracted Services	\$ 6,000	\$ 6,000	\$ -
Capital Outlay	\$ -	\$ -	\$ -
Other Outgo	\$ -	\$ -	\$ -
Total Expenditures	\$ 6,000	\$ 6,000	\$ -
Net Increase/Decrease to Fund Balance	\$ (6,000)	\$ (6,000)	\$ -
BEGINNING BALANCE	\$ 75,107	\$ 75,107	\$ -
Net Change	\$ (6,000)	\$ (6,000)	\$ -
ENDING BALANCE	\$ 69,107	\$ 69,107	\$ -