

COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT

2007-2008 FIRST INTERIM REPORT

The Board adopted the 2007-08 budget in June 2007. Since then, there have been changes in the projected revenue and expenditures. The purpose of this report is to inform the Board of these changes and to certify that the District will be able to meet its financial obligations for 2007-08 and for the succeeding two fiscal years. This report is required twice during the year: as of October 31, 2007 and as of January 31, 2008.

The 2007-08 budget is currently based on the following assumptions:

4.53% COLA

No Equalization Aid

\$5,778.42 Base Revenue Limit/ADA

6,581.37 Revenue Limit ADA (includes County Special Education, NPS and Community Day School). The Revenue Limit was calculated using prior year P-2 ADA due to the decline in Enrollment/ADA.

\$118/ADA Lottery Income-Unrestricted and \$19/ADA –Restricted. We have used lower rates than the respective School Services Dartboard rates of \$121 and \$22 because of the pattern of downward revisions of the estimates that occurred during 2006-07.

The Summary of Major Changes to the Budget (separate link) provides information about the major changes to the Unrestricted and Restricted revenue and expenditures of the District.

As required by law, we are also presenting our Multi-Year Projection for 2007-2008, 2008-2009 and 2009-2010. Our projections are based on the following:

| Category | 2007-2008 | 2008-2009 | 2009-2010 |
|-------------------------------------|------------------|------------------|------------------|
| COLA | 4.7% | 2.5% | 2.5% |
| Deficit | .0% | .0% | .0% |
| Base Revenue Limit/ADA | \$5,785.38 | \$5,948.38 | \$6,122.38 |
| Projected P-2 ADA | 6388 | 6200 | 6051 |
| Revenue Limit ADA (Based on PY P-2) | 6580 | 6388 | 6200 |
| California CPI | 2.6% | 2.4% | 2.7% |
| Interest Rate | 4.8% | 4.7% | 4.8% |

The District is still experiencing declining enrollment. The District will be funded on prior year P-2 ADA. We are projecting the trend to continue; therefore our Revenue Limit is calculated using prior

year ADA in each of the projected years. We have included the COLA and deficit in all years as listed in the table above. Class Size Reduction Funds (K-3) include COLA. Lottery revenue reflects the declining enrollment. We have eliminated revenue recognized in 2007-08 that was deferred from the prior year.

Our expenditures include the cost of step and column movement based upon prior year's experience. **We have eliminated 7.8 FTE's in 2007-08, 8 FTE's in 2008-09 and 5 FTE's in 2009-10 due to the continued decline in enrollment.** We have not included a salary increase for the budget year, 2008-09 or 2009-10. We have projected an increase in Health and Welfare benefits by 10% in each of 2008-09 and 2009-10. We increased utilities and insurance based on the CPI projected by School Services of California. We eliminated all expenditures relating to the one time funding and carryover recorded in 2007-08.

We will be monitoring our budget closely and adjusting as we receive the information from the state. Our 2nd Interim Report should reflect a clearer picture of the future financial status of the District.

Based on our Multi-Year Projection, the fund balance at the end of this fiscal year and the two subsequent fiscal years will be positive and a cashflow analysis indicates that the cash balance will be positive at the end of this fiscal year.

Special Funds

The following Special Funds are projected to have positive ending balances:

| | |
|--------------------|--|
| Adult Ed | County School Facilities |
| Bond | Deferred Maintenance |
| Cafeteria | Special Reserve for Capital Outlay Projects |
| Capital Facilities | Special Reserve for other than Capital Outlay Projects |