Palo Verde College

FROM THE DESK OF RUSSI EGAN
FISCAL SERVICES MANAGER

TO:	PALO VERDE COMMUNITY COLLEGE BOARD OF TRUSTEES
FROM:	RUSSI EGAN
SUBJECT:	STATE QUARTERLY REPORT – 311-Q2
DATE:	2/7/2012
CC:	DENISE WHITTAKER, WILLIE SMITH AND DIANA RODRIGUEZ

The 311 Q2 is a quarterly report on the financial condition of the college ending 12/31/11.

Items of interest:

- The ending balance is projected to increase from 2.6% to 3.2%.
- Income and expense percentages are right on target at 49.5% and 46.3% respectively.
- Section VI – The audit has been completed with a finding that positively affects our ending balance.
- Section VII – Fiscal problems to be addressed:
    - Current year –
        - Tier 1 cuts will be applied to remaining apportionment. This cut was triggered based on estimated revenues dropping below the $2M threshold. Due to the "hold harmless" agreement with the larger colleges, Palo Verde College is exempted from the Tier 2 cuts. The Tier 1 is a deficit factor which means that it will not affect future funding. This deficit is .06% or $66,217. This current year cut is to back fill the increase in tuition from $36 to $46 that was in the budget bill. The decision was made at the state level that it would be detrimental to the students to raise the fees for the fall semester and again for the spring semester within the same fiscal year.

- There is also a deficit factor that will be applied to all colleges due to the statewide drop in enrollment fees collected. The overall deficit factor for the 2011-12 fiscal year is estimated to be 1.8%. The impact to the college will be $194,251.

- Next year – The College is working on creating a balanced budget. The college is planning for possible mid-year cuts as indicated in the Governor's budget that came out in early January.

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

Quarterly Financial Status Report, CCFS-311Q
CERTIFY QUARTERLY DATA

CHANGE THE PERIOD

Fiscal Year: 2011-2012
Quarter Ended: (Q2) Dec 31, 2011

District: (950) PALO VERDE

Your Quarterly Data is Certified for this quarter.

Chief Business Officer

CBO Name:	Russi Egan
CBO Phone:	760-921-5524
CBO Signature:	Russi L Egan
Date Signed:	2-7-12
Chief Executive Officer Name:	Denise Whittaker
CEO Signature:	Denise Whittaker
Date Signed:	2-7-12
Electronic Cert Date:	02/07/2012

District Contact Person

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CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

Quarterly Financial Status Report, CCFS-311Q
VIEW QUARTERLY DATA

CHANGE THE PERIOD

Fiscal Year: 2011-2012

District: (950) PALO VERDE

Quarter Ended: (Q2) Dec 31, 2011

Line	Description	As of June 30 for the fiscal year specified			
		Actual 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-2012
I. Unrestricted General Fund Revenue, Expenditure and Fund Balance:					
A.	**Revenues:**				
A.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	13,132,925	13,398,617	12,514,187	12,380,677
A.2	Other Financing Sources (Object 8900)	0	0	0	0
A.3	**Total Unrestricted Revenue (A.1 + A.2)**	13,132,925	13,398,617	12,514,187	12,380,677
B.	**Expenditures:**				
B.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	13,803,881	13,295,456	13,304,509	12,418,310
B.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	167,960	76,396	71,713	43,544
B.3	**Total Unrestricted Expenditures (B.1 + B.2)**	13,971,841	13,371,852	13,376,222	12,461,854
C.	**Revenues Over(Under) Expenditures (A.3 - B.3)**	-838,916	26,765	-862,035	-81,177
D.	**Fund Balance, Beginning**	1,876,722	1,082,874	1,170,424	342,282
D.1	Prior Year Adjustments + (-)	45,068	60,785	33,894	140,543
D.2	**Adjusted Fund Balance, Beginning (D + D.1)**	1,921,790	1,143,659	1,204,318	482,825
E.	**Fund Balance, Ending (C. + D.2)**	1,082,874	1,170,424	342,283	401,648
F.1	Percentage of GF Fund Balance to GF Expenditures (E. / B.3)	7.8%	8.8%	2.6%	3.2%

II. Annualized Attendance FTES:

G.1	**Annualized FTES (excluding apprentice and non-resident)**	1,895	1,917	1,791	1,426

III. Total General Fund Cash Balance (Unrestricted and Restricted)		As of the specified quarter ended for each fiscal year			
		2008-09	2009-10	2010-11	2011-2012
H.1	Cash, excluding borrowed funds		1,362,546	1,487,330	1,109,647
H.2	Cash, borrowed funds only		2,375,000	1,855,990	2,150,000
H.3	Total Cash (H.1+ H.2)	4,936,925	3,737,546	3,343,320	3,259,647

IV. Unrestricted General Fund Revenue, Expenditure and Fund Balance:

Line	Description	Adopted Budget (Col. 1)	Annual Current Budget (Col. 2)	Year-to-Date Actuals (Col. 3)	Percentage (Col. 3/Col. 2)
I.	**Revenues:**				
I.1	Unrestricted General Fund Revenues (Objects 8100, 8600, 8800)	12,404,126	12,404,126	6,134,431	49.5%
I.2	Other Financing Sources (Object 8900)	0	0	0	
I.3	**Total Unrestricted Revenue (I.1 + I.2)**	12,404,126	12,404,126	6,134,431	49.5%
J.	**Expenditures:**				
J.1	Unrestricted General Fund Expenditures (Objects 1000-6000)	12,394,088	12,418,310	5,711,927	46%
J.2	Other Outgo (Objects 7100, 7200, 7300, 7400, 7500, 7600)	3,741	3,741	43,544	1164%
J.3	**Total Unrestricted Expenditures (J.1 + J.2)**	12,397,829	12,422,051	5,755,471	46.3%
K.	**Revenues Over(Under) Expenditures (I.3 - J.3)**	6,297	-17,925	378,960	
L	Adjusted Fund Balance, Beginning	342,282	342,282	342,282	
L.1	**Fund Balance, Ending (C. + L.2)**	348,579	324,357	721,242	
M	Percentage of GF Fund Balance to GF Expenditures (L.1 / J.3)	2.8%	2.6%		

V. Has the district settled any employee contracts during this quarter? NO

If yes, complete the following: ***(If multi-year settlement, provide information for all years covered.)***

Contract Period Settled (Specify)	Management	Academic		Classified
		Permanent	Temporary	

YYYY-YY	Total Cost Increase	% *	Total Cost Increase	% *	Total Cost Increase	% *	Total Cost Increase	% *
a. SALARIES:								
Year 1:								
Year 2:								
Year 3:								
b. BENEFITS:								
Year 1:								
Year 2:								
Year 3:								

** As specified in Collective Bargaining Agreement or other Employment Contract*

c. Provide an explanation on how the district intends to fund the salary and benefit increases, and also identify the revenue source/object code.

VI. Did the district have significant events for the quarter (include incurrence of long-term debt, settlement of audit findings or legal suits, significant differences in budgeted revenues or expenditures, borrowing of funds (TRANs), issuance of COPs, etc.)? **YES**

If yes, list events and their financial ramifications. (Enter explanation below, include additional pages if needed.)
The audit was completed by 12/31/11 which resulted in findings which affected the ending balance in a positive manner. The 6/30/11 ending balance increased $140,543.05.

VII. Does the district have significant fiscal problems that must be addressed? This year? **YES** Next year? **YES**

If yes, what are the problems and what actions will be taken? (Enter explanation below, include additional pages if needed.)
Current Year - The District is working to mitigate the deficit factor being applied to this year's apportionment due to Tier 1 cuts and overall enrollment fee short falls.

Next Year - The District is working to create a balanced budget while bringing in the 2011-12 workload reductions that smaller colleges were exempted from for the year. The district is also planning for possible mid-year cuts if the tax initiaves don't pass.