



ALBANY UNIFIED SCHOOL DISTRICT

2010-11 2ND INTERIM FINANCIAL REPORT

Governing Board Members

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2nd Interim Financial Report

- Education Code Section 42130 requires Districts to submit two financial interim reports to Alameda County Office of Education each fiscal year:
 - 2nd Interim: Financial transactions from July 1 to January 31
- The Interim Financial Report is designed to:
 - ▣ Identify the changes to the budget, since adoption in June.
The overall change to revenues, expenditures and ending fund balance and reserves.
 - ▣ Provide an in-depth multi-year analysis, using current projection factors, to state the district's ability to meet its financial obligations for the current and two subsequent fiscal years.
 - ▣ Certify, based on current information, the district will be able to meet its fiscal obligations for the current and two subsequent years.

Significant Budget Changes

Unrestricted & Restricted

A	B	C	C-B	
Adopted Budget	1st Interim	2nd Interim	Difference	Comments
1-Jul	31-Oct	31-Jan		
46,049,729	50,765,379	51,538,813	773,434	Spec Ed ARRA Funds ACC Loan Repayment
46,771,338	51,383,949	51,396,793	12,844	
(721,609)	(618,570)	142,020	760,590	
3,554,377	4,790,660	4,790,660		
2,832,768	4,172,090	4,932,680		

RESERVE

Net Increase/Decrease to Fund Balance		\$142,018.43
Beginning Fund Balance	9791	\$4,790,660.00
Adjusted Beginning Fund Balance		\$4,790,660.00
Ending Fund Balance		<u>\$4,932,678.43</u>
Revolving Cash	9711	\$25,000.00
Legally Restricted Balance	9740 - 9759	\$609,929.55
Economic Uncertainties Percentage-Required		3%
Designated for Economic Uncertainties	9770	\$4,297,748.88
Reserve as % of expenditures	9790	12.3%

Note: Statewide reserve level for unified school districts: 11.2%




Multi-Year Projections

- ADA projections
 - ▣ Moderate growth
 - ▣ Impacted by inter-district agreements
- Projected COLA and deficit for subsequent years
 - ▣ 2011-12: 0.00% with deficit factor of 19.608%.
 - ▣ 2012-13: 1.90% with deficit factor of 19.608%.
 - ▣ Does not include a Revenue Limit reduction if the tax extension fails.
- Health benefit increase of 15% for 2011-12 & 2012-13.
- No salary schedule improvements included.
- District will meet minimum recommended reserve for economic uncertainty requirement for 2010-11 and subsequent two fiscal years.

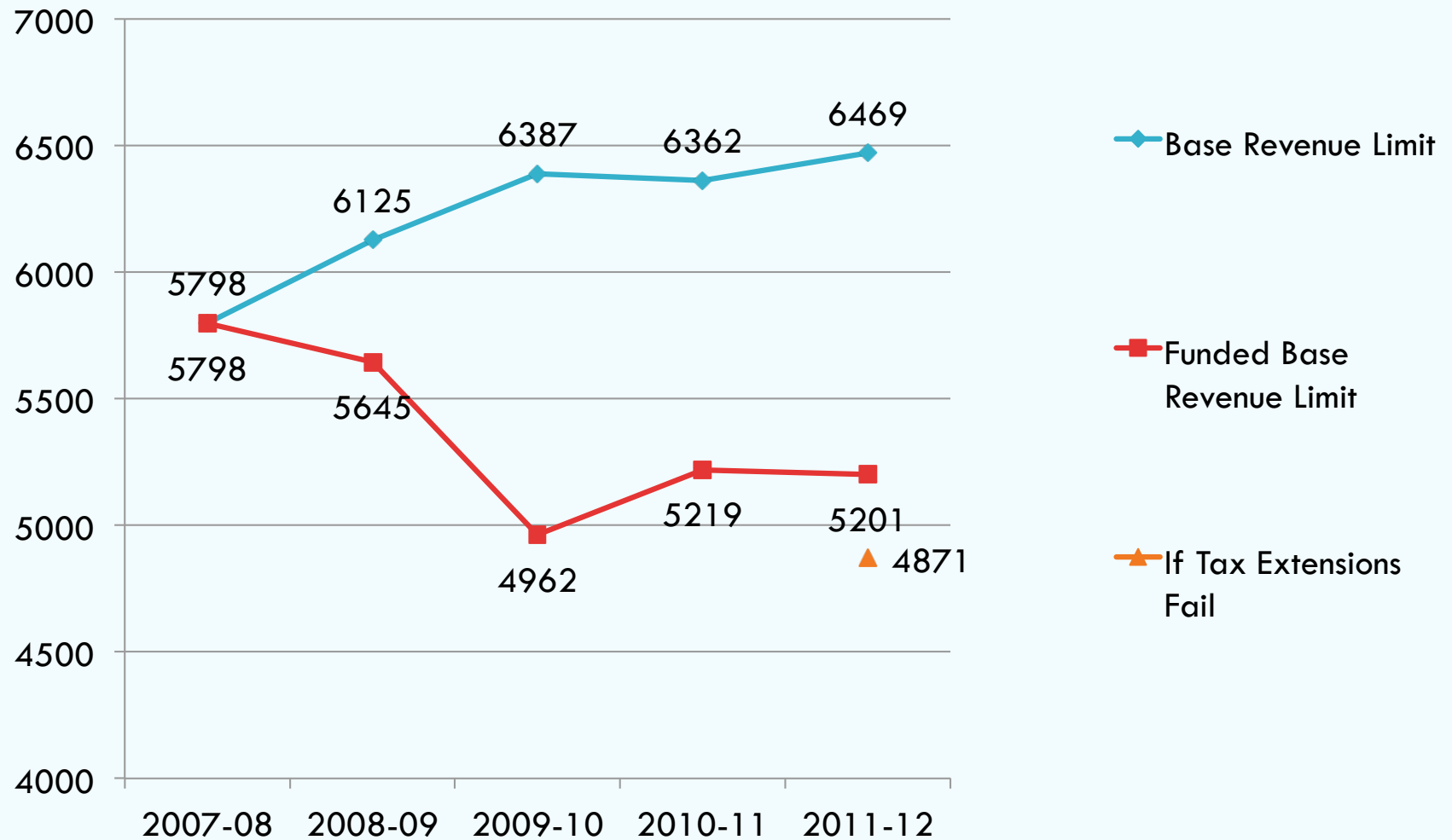
Multi-Year Projections

	Object Code	Base Year 2010-11	Year 1 2011-12	Year 2 2012-13
Total Revenues		\$ 51,538,812	\$ 47,810,153	\$ 48,581,589
Total Expenditures		\$ 51,396,794	\$ 49,160,864	\$ 50,473,545
Net Increase (Decrease) in Fund Balance	➡	\$ 142,018	\$ (1,350,711)	\$ (1,891,956)
Fund Balance				
Beginning Fund Balance	9791	\$ 4,790,660	\$ 4,932,678	\$ 3,581,967
Ending Fund Balance	➡	\$ 4,932,678	\$ 3,581,967	\$ 1,690,011
Components of Ending Fund Balance				
Revolving Cash	9711	\$ 25,000	\$ 25,000	\$ 25,000
Economic Uncertainties Percentage-Required		3%	3%	3%
Designated for Economic Uncertainties	9770	\$ 4,297,749	\$ 3,264,062	\$ 1,411,384
Other Designated-Restricted	9780	\$ 609,929	\$ 292,905	\$ 253,627
Reserve as a % of Expenditures	➡	12.3%	9.6%	4.0%

Multi-Year Projections with Reduction

	Object Code	Base Year 2010-11	Year 1 2011-12	Year 2 2012-13
Total Revenues		\$ 51,538,812.00	\$ 47,810,153.00	\$ 48,581,589.00
Revenue Limit Reduction \$320.00 per ADA			\$ (1,200,000.00)	\$ (1,200,000.00)
Total Expenditures		\$ 51,396,794.00	\$ 49,160,864.00	\$ 50,473,545.00
Net Increase (Decrease) in Fund Balance		\$ 142,018.00	\$ (2,550,711.00)	\$ (3,091,956.00)
Fund Balance				
Beginning Fund Balance	9791	\$ 4,790,660.00	\$ 4,932,678.00	\$ 2,381,967.00
Ending Fund Balance		\$ 4,932,678.00	\$ 2,381,967.00	\$ (709,989.00)
Components of Ending Fund Balance				
Revolving Cash	9711	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Economic Uncertainties Percentage		3%	3%	3%
Designated for Economic Uncertainties	9770	\$ 1,048,746.90	\$ 1,018,586.46	\$ 1,057,966.89
Other Designated- Restricted	9780	\$ 609,929.00	\$ 292,905.00	\$ 253,627.00
Over (Short) 3% Reserve	9790	\$ 3,249,002.10	\$ 1,045,475.54	\$ (2,046,582.89)
Actual reserve as % of expenditures		12.3%	6.3%	-2.9%

Revenue Limit per ADA



OTHER FUNDS

□ Adult Education

- ▣ Adult Education continues to be fiscally challenged. The program relies solely on fees and is currently not self-supporting.
- ▣ The program will require substantial downsizing and/or fee increases to continue operation.
- ▣ The Board will be presented with program recommendations in April.

OTHER FUNDS

□ Child Development Fund

- ▣ The district provided a short-term loan of \$500,000 to continue programs in 2010-11. ACC is projected to repay a substantial portion of the loan at the end of this year.
- ▣ The program is not operating at full capacity and State funding continues to be an issue.
- ▣ The district is analyzing the program to determine the level of services the district can continue to provide in future years.
- ▣ The Board will be presented with program recommendations in April

OTHER CONCERNS



- ❑ Federal Jobs Funds are one-time dollars and will be fully expended in 2011-12.
- ❑ District enrollment; inter-district agreements.
- ❑ Funding deficits in Adult Education and Child Development Funds.
- ❑ Escalating health care costs for employees.

The Biggest Concern

The State Budget and Tax Extensions

The Governor's January Budget proposed "flat funding" for education
IF the tax extensions are voter approved.

If the tax extensions are not approved, the estimated loss to education has been estimated from a low of \$320 per student to a high of \$800 per student.

If the tax extensions fail, the district *WILL* need to make budget reductions. Fortunately, we have planning time due to:

- A healthy reserve

- Parcel Taxes

- Community support

IN ANTICIPATION

The management team will begin discussions to identify and prioritize budget reductions. The proposed reductions will be brought to the Board for review, discussion and recommendations.

District Certification of 2nd Interim Financial Report

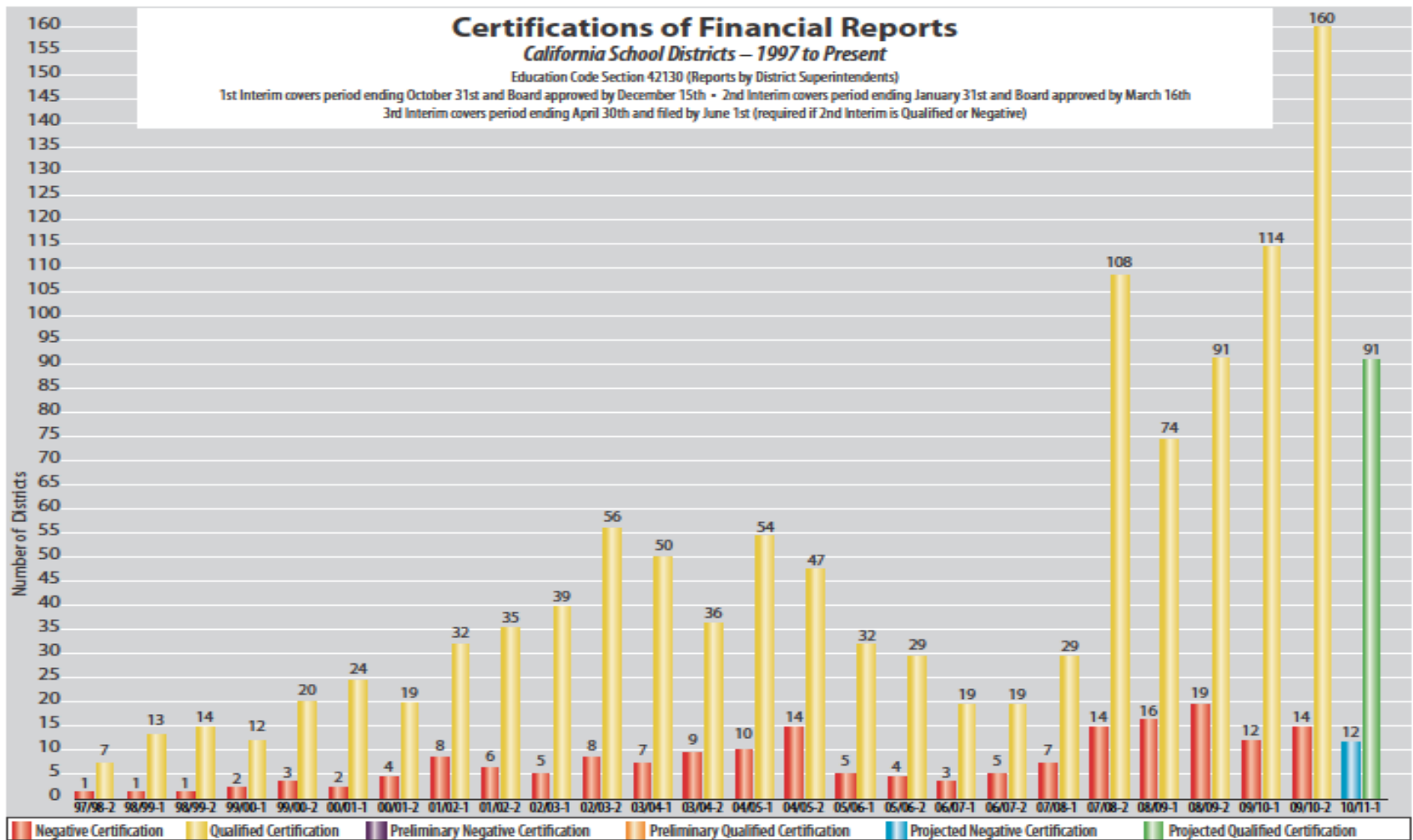


□ Certification of Financial Condition:

▣ Positive certification

- Based upon current projections, District will meet financial obligations for the current fiscal year and subsequent two fiscal years.

Certifications of Financial Reports



Positive Certification: Shall be assigned to any school district that, based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

Qualified Certification: Shall be assigned to any school district that, based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

Negative Certification: Shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

Projected results are based on an informal survey of educational agencies.



END OF PRESENTATION