



# **Albany Unified School District 2009-10 2<sup>nd</sup> Interim Financial Report**

## **Governing Board Members**

Ron Rosenbaum  
Pat Low  
Miriam Walden  
David Glasser  
Paul Black

# ● ● ● | 2<sup>nd</sup> Interim Financial Report

- Education Code Section 42130 requires District to submit two financial interim reports to Alameda County Office of Education each fiscal year:
  - 2<sup>nd</sup> Interim: Financial transactions from October 31 – January 31.
- District must certify one of the following:
  - Positive: District *can* meet its current year and subsequent two year obligations;
  - Qualified: District *may not* be able to meet its current year and subsequent two year obligations; or
  - Negative: District *cannot* meet its current year and subsequent two year obligations.
- The district is certifying a positive status.

# ● ● ● | Change to Fund Balance

Minimal change since 1<sup>st</sup> Interim Report.

The General Fund Balance decreased by \$15,091 primarily due to salaries/benefits charged to federal restricted programs.



## Multi Year Projections

### Significant changes since the 1<sup>st</sup> Interim Report.

	2010-10	2011-11
<b>COST OF LIVING ALLOWANCE</b>		
1st INTERIM	0.50%	2.30%
2nd INTERIM	-0.38%	1.80%
Change in \$ per student	-56.00	-33.00
	-270,000.00	-330,000.00
 <b>PER STUDENT REDUCTION of \$201.00</b>		
1st INTERIM	0.00	0.00
2nd INTERIM	-740,000.00	-740,000.00
 <b>TOTAL REVENUE LIMIT CHANGE</b>	<b>-1,010,000.00</b>	<b>-1,070,000.00</b>

#### **ADDITIONALLY..**

Cost of living allowance reduction applies to several State categorical programs.



# Multi-year projections

- Enrollment – Attendance Projections
  - Projected flat enrollment and a reduced attendance factor.
- Projected COLA and deficit for subsequent years
  - 2010-11: -0.38% with deficit factor of 18.355%.
  - 2011-12: 1.80% with deficit factor of 18.355%.
- \$201.00 per student reduction in both years.
- Health benefit increase of 6.0% for 2010-11 & 2011-12.
- No salary schedule improvements included.
- Status quo for current employee positions.
- Restoration of any reductions not included.
- District will meet minimum recommended reserve for economic uncertainty requirement for 2009-10 and subsequent two fiscal years

# Multi-year Projections Before the Fiscal Surprises

	Object	Base Year	Year 1	Year 2
<b>1st Interim Report</b>	Code	2009 - 10	2010 - 11	2011 - 12
Total Revenues		50,926,456	48,715,708	49,720,263
Total Expenditures		53,314,924	48,068,375	48,945,886
Net Increase (Decrease) in Fund Balance		-2,388,468	647,333	774,377 ←
<b>Fund Balance</b>				
Beginning Fund Balance	9791	5,911,154	3,522,686	4,170,019
Ending Fund Balance		3,522,686	4,170,019	4,944,396
<b>Components of Ending Fund Balance</b>				
Designated for Economic	9770	2,851,292	3,705,921	4,137,110
Available Ending Balance as a % of expenditures		8.3%	11.3%	12.3% ←

# Current Multi-Year Projections

2nd Interim Report	Object Code	Base Year 2009 - 10	Year 1 2010 - 11	Year 2 2011 - 12
Revenues				
Total Revenues		51,102,605	47,225,046	47,899,453
Total Expenditures		53,505,017	48,134,502	48,912,600
Net Increase (Decrease) in Fund Balance		-2,402,412	-909,456	-1,013,147 ←
Fund Balance				
Beginning Fund Balance	9791	5,911,154	3,508,741	2,599,285
Ending Fund Balance		3,508,741	2,599,285	1,586,137
Components of Ending Fund Balance				
Economic Uncertainties				
Percentage		8.4%	7.8%	4.6% ←
Designated for Economic Uncertainties	9770	2,907,953	2,568,622	1,552,970

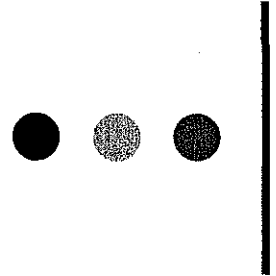


# Concerns

- **State Budget Risk**

- State Budget risk is real and there is a high probability that there will be more negative surprises.
- The 2010-11 Proposed Budget continues to rely on a variety of mechanisms to close the Budget gap, many of which seem unrealistic at this time
- There is currently no proposal by the state to make an additional cut to K-14 revenues, but at this time last year, there wasn't either. Nor was there the year before. But later in the spring and all the way through final adoption of the State Budget, there were additional cuts in both years.
- If the \$201 reduction per student increases by \$100, as rumored, the result will be an additional loss of approximately \$370,000.





## School Services of California Recommendations

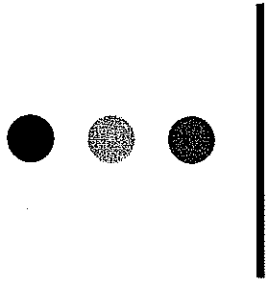
Continue to anticipate further cuts in state support.  
Don't spend down reserves in the early part of the  
multiyear projections.

Ongoing budget cuts keep on saving; reserves can  
only be spent once. Cuts are the primary vehicle;  
reserves are the backup option.

Hold on to reserves.

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Currently, the district has no plans for additional  
budget cuts.



END OF PRESENTATION