



Peralta Community College District

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Office of Finance and Administration

Memorandum

To: Dr. Wise Allen, Chancellor

From: Ronald Gerhard, Vice Chancellor

Date: October 11, 2011

Subject: 2011-12 Budget Update

The Finance department continues to closely monitor state revenues as monthly financial reports are released by the State's Department of Finance and Controller's offices. On October 10, 2011, State Controller John Chiang released his monthly financial report covering the State's cash receipts and disbursements for the month of September. In summary, revenues came in \$301.6 million below projections contained in the state budget. Year-to-date revenue are cumulatively below the state's budgeted figures by an estimated \$705.5 million. State Controller Chiang succinctly captured the summary of the analysis best as he stated, "September's revenues alone do not guarantee that triggers will be pulled. But as the largest revenue month before December, these numbers do not paint a hopeful picture." To read the State Controller's full report please see <http://sco.ca.gov/Files-EO/10-11summary.pdf>.

On Monday September 26, 2011 Chancellor Allen, Trustee Riley, and myself met with Standard & Poor and Moody's Investor Service to discuss the District's 2011 refunding of the OPEB program. Standard & Poor assigned its "A+" long term rating with a negative outlook to the refunding bonds while Moody's assigned its "A1" rating (without the negative rating). Both agencies cited a strong tax base, strengthened management team, and continued demand for the District's educational services as strengths supporting the District. Areas cited as weaknesses include narrow unrestricted general fund balance, uncertain funding environment from the state, and higher than usual debt burden. Based upon the Preliminary Official Statement and these ratings, among other things, JP Morgan will now begin marketing the bonds. Both rating reports can be found on the District's Finance website.

Lastly, please find attached income statements for the District's 3 largest funds – Unrestricted General Fund, Restricted General Fund, and Measure A. These reports are the end result of efforts made over the course of the last year to improve internal and external financial reporting. These reports reflect activities incurred during the period of July 1, 2011 through August 31, 2011.

Peralta Colleges
 Unrestricted General Fund
 For the Period Ending
 August 31, 2011

Revenue	App Budget	Standard Budget	Actuals	% Used	Last Year Actuals
Federal Revenue	\$ -	\$ -	-	NA	-
State Revenue	(66,456,104)	\$ -	(5,771,124)	9%	(20,091)
Local Revenue	(39,393,018)	\$ -	(1,201,201)	3%	(10,089,241)
Trans Res Revenue	(10,000,000)	\$ -	-	0%	-
Beginning Fund Balance	-	\$ -	-	NA	-
Revenue Total	(115,849,122)	\$ -	(6,972,325)	6%	(10,109,332)
Expenses					
Full Time Academic	17,331,315	\$ -	1,437,293	8%	1,507,200
Academic Admin	3,250,606	\$ -	597,636	18%	736,299
Other Faculty	5,212,956	\$ -	461,277	9%	486,273
Part Time Academic	12,492,842	\$ -	2,780,075	22%	2,530,026
Classified Salary	20,335,680	\$ -	3,034,708	15%	3,315,182
Fringe Benefits	37,178,932	\$ -	4,658,186	13%	2,837,741
Books, Supplies, Services	13,118,692	\$ -	600,901	5%	372,633
Equipment Cap Outlay	107,972	\$ -	2,646	2%	-
Debt Service Transfer	6,820,127	\$ -	-	0%	-
Financial Aid	-	\$ -	-	NA	-
Fund Balance	-	\$ -	-	NA	-
Expense Total	115,849,122	\$ -	13,572,720	12%	11,785,354

Peralta Colleges
 Restricted General Fund
 For the Period Ending
 August 31, 2011

Revenue	App Budget	Standard Budget	Actuals	% Used	Last Year Actuals
Federal Revenue	(7,036,488) \$	- \$	(30,052)	0% \$	(119,261)
State Revenue	(8,375,812) \$	- \$	(984,681)	12% \$	(1,344,515)
Local Revenue	(2,369,239) \$	- \$	(81,032)	3% \$	(40,000)
Trans Res Revenue	(1,157,665) \$	- \$	-	0% \$	-
Beginning Fund Balance	- \$	- \$	-	NA \$	-
Revenue Total	(18,939,204) \$	- \$	(1,095,766)	6% \$	(1,503,776)
Expenses					
Full Time Academic	709,029 \$	- \$	37,039	5% \$	34,921
Academic Admin	436,373 \$	- \$	37,992	9% \$	-
Other Faculty	1,725,558 \$	- \$	110,224	6% \$	123,515
Part Time Academic	2,902,950 \$	- \$	179,100	6% \$	296,780
Classified Salary	5,450,126 \$	- \$	543,817	10% \$	752,217
Fringe Benefits	3,394,894 \$	- \$	362,917	11% \$	354,966
Books, Supplies, Services	3,785,991 \$	- \$	106,205	3% \$	44,249
Equipment Cap Outlay	348,756 \$	- \$	1,884	1% \$	8,892
Debt Service Transfer	- \$	- \$	-	NA \$	-
Financial Aid	853,131 \$	- \$	9,489	1% \$	28,127
Fund Balance	27,500 \$	- \$	-	0% \$	-
Expense Total	19,644,308 \$	- \$	1,388,666	7% \$	1,643,665

Peralta Colleges
Measure A Fund
For the Period Ending
August 31, 2011

Revenue	App Budget	Standard Budget	Actuals	% Used	Last Year Actuals
Federal Revenue	\$ -	\$ -	-	NA \$	-
State Revenue	\$ -	\$ -	-	NA \$	-
Local Revenue	\$ 671,087	\$ -	-	0% \$	-
Trans Res Revenue	\$ -	\$ -	-	NA \$	-
Beginning Fund Balance	\$ -	\$ -	-	NA \$	-
Revenue Total	\$ 671,087	\$ -	-	0% \$	-
Expenses.					
Full Time Academic	\$ -	\$ -	-	NA \$	-
Academic Admrin	\$ -	\$ -	-	NA \$	-
Other Faculty	\$ -	\$ -	1,653	NA \$	-
Part Time Academic	\$ -	\$ -	-	NA \$	-
Classified Salary	\$ 605,908	\$ -	135,827	22% \$	118,611
Fringe Benefits	\$ 465,514	\$ -	67,188	14% \$	62,603
Books, Supplies, Services	\$ 4,987,267	\$ -	124,945	3% \$	7,000
Equipment Cap Outlay	\$ 53,660,287	\$ -	1,405,693	3% \$	(1,005,694)
Debt Service Transfer	\$ -	\$ -	-	NA \$	-
Financial Aid	\$ -	\$ -	-	NA \$	-
Fund Balance	\$ 656,840	\$ -	-	0% \$	-
Expense Total	\$ 60,375,816	\$ -	1,735,304	3% \$	(817,480)