

**ALBANY UNIFIED SCHOOL DISTRICT
BOARD AGENDA BACKUP**

Regular Meeting of December 13, 2022

ITEM: 2022-2023 1ST INTERIM FINANCIAL REPORT

PREPARED BY: JACKIE KIM, CHIEF BUSINESS OFFICIAL

TYPE OF ITEM: REVIEW AND ACTION

PURPOSE: To review the current financial status of the District and approve the positive certification for the 2022-2023 1st Interim Report.

BACKGROUND INFORMATION: The 1st Interim Financial Report is the first of two interim budget reports required by AB 1200, which was passed into law in 1991, and became effective on January 1, 1992. AB 1200 was enacted to establish a process of fiscal monitoring to ensure fiscal solvency for school districts and county offices. Districts are required by Education Code 42130 to submit a report on their financial status as of October 31 and January 31. The purpose of the report is to determine an appropriate certification to the State of California regarding the District's ability to meet its financial obligations for the current and two subsequent fiscal years. The Alameda County Office of Education is responsible for reviewing the report and the District's positive certification.

DETAILS: The 1st Interim Report updates the current budget year based on: enrollment and staffing needs; step and column salary adjustments; health and welfare open enrollment and premium adjustments; and any revenue projections adjusted due to the State budget adoption occurring after the District budget adoption. Due to the timing of the Governor's Budget being released in January, the focus of the 1st Interim Report is to update the current year budget. The 2nd Interim Report will be presented in March and will officially incorporate any assumption changes from the Governor's Budget Proposal.

The full reports are available on the District's website.

KEY QUESTIONS/ANSWERS:

1. What are the possible types of certifications for the budget?
 - a. A **Positive Certification** means the District **WILL** be able to meet all of its financial obligations for the current and two subsequent years.
 - b. A **Qualified Certification** means the District **MAY NOT** be able to meet all of its financial obligations for the current and two subsequent years.
 - i. May result in additional oversight from the County Office of Education
 - c. A **Negative Certification** means the District **WILL NOT** be able to meet all of its financial obligations for the current and two subsequent years.
 - i. Additional measures from the County Office of Education and State may be required to ensure fiscal solvency and fiscal stability.

FINANCIAL INFORMATION: Combined General Fund

Description	2022-23 1st Interim	2023-24 Projected	2024-25 Projected
REVENUES			
General Purpose Revenue	38,146,488	40,130,741	41,285,768
Federal Revenue	998,953	998,953	998,953
State Revenue	13,438,188	9,349,801	9,349,801
Local Revenue	8,873,077	8,931,373	8,990,951
TOTAL REVENUES	61,456,706	59,410,868	60,625,473
EXPENDITURES			
Certificated Salaries	23,787,482	24,215,656	24,651,538
Classified Salaries	8,655,454	8,742,996	8,900,370
Benefits	18,190,452	18,715,370	19,157,691
Books and Supplies	2,170,289	2,135,851	2,180,368
Other Services & Oper. Exp	7,705,127	8,298,166	7,364,248
Capital Outlay	82,281	-	-
Transfer of Indirect Costs	(243,000)	(243,000)	(243,000)
TOTAL EXPENDITURES	60,348,085	61,865,039	62,011,215
EXCESS / (DEFICIENCY)	1,108,621	(2,454,171)	(1,385,742)
Transfers In (Out)	(54,448)	(56,947)	(56,947)
Net Increase (Decrease)	1,054,173	(2,511,118)	(1,442,689)
FUND BALANCE, RESERVES			
Estimated Beginning Balance	9,412,048	10,466,221	7,955,103
Estimated Ending Balance	10,466,221	7,955,103	6,512,414
Nonspendable	25,000	25,000	25,000
Restricted	5,439,594	3,518,610	2,747,618
Committed	1,703,034	1,703,034	1,703,034
Assigned	1,483,893	850,759	174,662
Reserve for Economic Uncertainties	1,810,500	1,856,000	1,860,400
Total - Est. Fund Balance	10,466,221	7,955,103	6,512,414
Fund Balance Reserve Percentage	5.47%	4.38%	3.28%

STRATEGIC GOALS ADDRESSED: This Board Item addresses



Objective #1: Assess and Increase Academic Success.

Goal: We will provide a comprehensive educational experience with expanded opportunities for engagement, assessment, and academic growth so that all students will achieve their fullest potential.



Objective #2: Support the Whole Child.

Goal: We will foster the social and emotional growth of all students, implement an array of strategies to increase student engagement, identify individual socio-emotional and behavioral needs, and apply collaborative appropriate interventions.



Objective #3: Communicate and Lead Together.

Goal: All stakeholders will collaborate and communicate about decisions that guide the sites and district.

RECOMMENDATION: To review the current financial status of the District and approve the positive certification for the 2022-2023 1st Interim Report