



# Peralta Community College District

333 East Eighth Street • Oakland, California 94606 • (510) 466-7200

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## Office of Finance and Administration

### *Memorandum*

To: Dr. Wise Allen, Chancellor

From: Ronald Gerhard, Vice Chancellor 

Date: March 27, 2012

Subject: Budget Update

### **Budget Update**

On March 13, 2012, the Department of Finance released its monthly projections showing State tax receipts for the month of February lagged the Governor's revised January forecast by \$22 million. Year-to-date projections show total revenues are now running \$676 million below forecast. Lastly, the State unemployment rate fell .3% to 10.9%. Over the last year, the unemployment rate has fallen by approximately 1.2%. We are eagerly looking to the Governor's May revise to gain insights on how the State plans to handle any budgetary shortfalls attributed to this fiscal year.

Attached are budget variance reports for all District funds for the period ending March 26, 2012. We are approximately 67% through the fiscal year; the District continues to spend within budget targets for all funds.

### **Bond Refunding**

We continue to proceed with the general obligation bond refunding that was approved by the Board of Trustees. Last week we received our ratings from both Standard & Poor (S&P) and Moody's Investor Services. From Standard and Poor, the District received an AA- long-term rating with a negative outlook. The supporting rationale provided include recognition of the strong tax base in the local economy, maintenance of good financial position during the most recent fiscal years and continued strong demand for educational services. The negative outlook is mostly attributed to the District's warning status with the accrediting commission. Moody's Investor Services has assigned their AA3 rating citing many of the same strengths and concerns as Standard and Poor. These ratings are attached for your review.

**Peralta Colleges**  
**Income Statement - GENERAL UNRESTRICT OPER**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	\$ -	NA	\$ -	(602)
State Revenue	\$ (67,688,034)	\$ (35,018,905)	52%	\$ (32,669,129)	\$ (47,408,665)
Local Revenue	\$ (34,164,726)	\$ (21,563,354)	63%	\$ (12,601,372)	\$ (31,311,121)
Trans Res Revenue	\$ (10,000,000)	\$ (9,152,116)	92%	\$ (847,884)	\$ -
Beginning Fund Balance	\$ -	\$ -	NA	\$ -	\$ -
<b>Revenue Total</b>	<b>\$ (111,852,760)</b>	<b>\$ (65,734,375)</b>	<b>59%</b>	<b>\$ (46,118,385)</b>	<b>\$ (78,720,388)</b>
<b>Expenses</b>					
Full Time Academic	\$ 17,361,315	\$ 9,946,387	57%	\$ 7,414,928	\$ 12,012,525
Academic Admin	\$ 3,308,304	\$ 2,115,386	64%	\$ 1,192,918	\$ 3,150,219
Other Faculty	\$ 5,091,623	\$ 2,959,605	58%	\$ 2,132,018	\$ 3,607,722
Part Time Academic	\$ 12,649,418	\$ 10,692,005	85%	\$ 1,957,413	\$ 12,741,454
Classified Salary	\$ 20,355,562	\$ 12,698,234	62%	\$ 7,657,328	\$ 15,609,258
Fringe Benefits	\$ 34,478,272	\$ 22,924,260	66%	\$ 11,554,012	\$ 18,006,394
Books, Supplies, Services	\$ 14,328,604	\$ 7,169,674	50%	\$ 7,158,930	\$ 8,127,212
Equipment Cap Outlay	\$ 185,928	\$ 45,582	25%	\$ 140,346	\$ 51,689
Debt Service Transfer	\$ 3,113,662	\$ 2,066,318	66%	\$ 1,047,344	\$ 5,765,186
Financial Aid	\$ -	\$ -	NA	\$ -	\$ -
Accrued Obligations	\$ 980,202	\$ -	0%	\$ 980,202	\$ -
<b>Expense Total</b>	<b>\$ 111,852,890</b>	<b>\$ 70,617,451</b>	<b>63%</b>	<b>\$ 41,235,439</b>	<b>\$ 79,071,659</b>

**Peralta Colleges**  
**Income Statement - COMMUNITY SERVICE-FEE BASED COURSE (03)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (224,063)	(80,476)	36%	\$ (143,587)	(81,180)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (17,319)	-	0%	\$ (17,319)	-
Revenue Total	\$ (241,382)	(80,476)	33%	\$ (160,906)	(81,180)
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ 92,903	32,268	35%	\$ 60,635	21,384
Classified Salary	\$ 47,291	13,191	28%	\$ 34,100	13,151
Fringe Benefits	\$ 8,138	4,857	60%	\$ 3,281	4,054
Books, Supplies, Services	\$ 88,050	28,592	32%	\$ 59,458	23,147
Equipment Cap Outlay	\$ 5,000	-	0%	\$ 5,000	10,123
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
Expense Total	\$ 241,382	78,909	33%	\$ 162,473	71,860

**Peralta Colleges**  
**Income Statement - BOOKSTORE COMMISSION (07)**  
**For the Period Ending**  
**March 26, 2012**

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (359,875)	(178,757)	50%	\$ (181,118)	(206,995)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (26,881)	-	0%	\$ (26,881)	-
<b>Revenue Total</b>	<b>\$ (386,756)</b>	<b>(178,757)</b>	<b>46%</b>	<b>\$ (207,999)</b>	<b>(206,995)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ 28,778	-	0%	\$ 28,778	-
Classified Salary	\$ 19,700	9,914	50%	\$ 9,786	6,995
Fringe Benefits	\$ 271	125	46%	\$ 146	153
Books, Supplies, Services	\$ 329,926	45,018	14%	\$ 284,908	47,527
Equipment Cap Outlay	\$ 1,581	-	0%	\$ 1,581	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ 6,500	5,308	82%	\$ 1,192	-
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 386,756</b>	<b>60,365</b>	<b>16%</b>	<b>\$ 326,391</b>	<b>54,675</b>

Peralta Colleges  
**Income Statement - FACILITY USE FEE (10)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	\$ -	NA	\$ -	-
State Revenue	\$ -	\$ -	NA	\$ -	-
Local Revenue	\$ (1,525,335)	\$ (1,110,349)	73%	\$ (414,986)	\$ (815,741)
Trans Res Revenue	\$ -	\$ -	NA	\$ -	-
Beginning Fund Balance	\$ (606,122)	\$ -	0%	\$ (606,122)	-
<b>Revenue Total</b>	<b>\$ (2,131,457)</b>	<b>\$ (1,110,349)</b>	<b>52%</b>	<b>\$ (1,021,108)</b>	<b>\$ (815,741)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	\$ -	NA	\$ -	-
Academic Admin	\$ 21,175	\$ -	0%	\$ 21,175	-
Other Faculty	\$ 10,144	\$ -	0%	\$ 10,144	-
Part Time Academic	\$ 52,118	\$ 12,893	25%	\$ 39,225	\$ 28,540
Classified Salary	\$ 407,568	\$ 126,595	31%	\$ 280,973	\$ 114,897
Fringe Benefits	\$ 47,741	\$ 15,279	32%	\$ 32,462	\$ 10,970
Books, Supplies, Services	\$ 1,391,764	\$ 375,434	27%	\$ 1,016,330	\$ 83,502
Equipment Cap Outlay	\$ 200,947	\$ 3,793	2%	\$ 197,154	\$ 9,368
Debt Service Transfer	\$ -	\$ -	NA	\$ -	-
Financial Aid	\$ -	\$ -	NA	\$ -	-
Fund Balance	\$ -	\$ 5,913	NA	\$ (5,913)	-
<b>Expense Total</b>	<b>\$ 2,131,457</b>	<b>\$ 539,905</b>	<b>25%</b>	<b>\$ 1,591,552</b>	<b>\$ 247,278</b>

Peralta Colleges  
**Income Statement - General Restricted Fund (11)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	(9,702,627) \$	(3,184,300)	33%	(6,518,327) \$	(3,484,768)
State Revenue	(10,179,927) \$	(6,822,691)	67%	(3,357,236) \$	(7,181,291)
Local Revenue	(3,105,529) \$	(856,832)	28%	(2,248,697) \$	(634,400)
Trans Res Revenue	(1,157,665) \$	(1,157,655)	100%	(10) \$	-
Beginning Fund Balance	-	-	NA	-	-
Revenue Total	(24,145,748) \$	(12,021,479)	50%	(12,124,269) \$	(11,300,460)
<b>Expenses</b>					
Full Time Academic	690,971 \$	271,859	39%	419,112 \$	299,131
Academic Admin	592,138 \$	309,995	52%	282,143 \$	12,445
Other Faculty	1,637,436 \$	835,757	51%	801,679 \$	1,057,902
Part Time Academic	3,709,984 \$	1,799,681	49%	1,910,303 \$	1,769,437
Classified Salary	6,432,549 \$	3,329,040	52%	3,103,509 \$	4,081,526
Fringe Benefits	3,645,550 \$	1,860,270	51%	1,785,281 \$	2,052,685
Books, Supplies, Services	6,346,670 \$	1,473,867	23%	4,872,802 \$	2,714,272
Equipment Cap Outlay	816,338 \$	344,783	42%	471,555 \$	260,382
Debt Service Transfer	-	-	NA	-	-
Financial Aid	1,060,976 \$	598,044	56%	462,932 \$	557,695
Fund Balance	(39,050) \$	-	0%	(39,050) \$	-
Expense Total	24,893,562 \$	10,823,295	43%	14,070,267 \$	12,805,475

Peralta Colleges  
**Income Statement - CONTRACT EDUCATION (30)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (363,498)	(139,593)	38%	\$ (223,905)	(183,543)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (29,455)	-	0%	\$ (29,455)	-
<b>Revenue Total</b>	<b>\$ (392,953)</b>	<b>(139,593)</b>	<b>36%</b>	<b>\$ (253,360)</b>	<b>(183,543)</b>
<b>Expenses</b>					
Full Time Academic	\$ 14,000	-	0%	\$ 14,000	-
Academic Admin	\$ 14,167	26,196	185%	\$ (12,029)	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ 181,898	125,381	69%	\$ 56,517	256,628
Classified Salary	\$ 27,181	-	0%	\$ 27,181	52,651
Fringe Benefits	\$ 23,455	20,595	88%	\$ 2,860	24,206
Books, Supplies, Services	\$ 98,380	37,056	38%	\$ 61,325	102,750
Equipment Cap Outlay	\$ 31,372	-	0%	\$ 31,372	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ 2,500	1,020	41%	\$ 1,480	30,433
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 392,953</b>	<b>210,248</b>	<b>54%</b>	<b>\$ 182,705</b>	<b>466,669</b>

**Peralta Colleges**  
**Income Statement - PARKING FUND (59)**  
For the Period Ending  
March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (595,450)	(283,628)	48%	\$ (311,822)	(232,263)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ -	-	NA	\$ -	-
<b>Revenue Total</b>	<b>\$ (595,450)</b>	<b>(283,628)</b>	<b>48%</b>	<b>\$ (311,822)</b>	<b>(232,263)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ 25,000	7,029	28%	\$ 17,971	-
Classified Salary	\$ 298,857	185,810	62%	\$ 113,047	169,241
Fringe Benefits	\$ 18,388	2,170	12%	\$ 16,218	3,274
Books, Supplies, Services	\$ 147,205	70,230	48%	\$ 76,975	61,373
Equipment Cap Outlay	\$ -	-	NA	\$ -	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ 106,000	-	0%	\$ 106,000	-
<b>Expense Total</b>	<b>\$ 595,450</b>	<b>265,239</b>	<b>45%</b>	<b>\$ 330,211</b>	<b>233,887</b>

**Peralta Colleges**  
**Income Statement - CAPITAL OUTLAY FUND (61)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (121,101)	(194,228)	160%	\$ 73,127	(435)
Trans Res Revenue	\$ -	(621,266)	NA	\$ 621,266	-
Beginning Fund Balance	\$ (184,868)	-	0%	\$ (184,868)	-
<b>Revenue Total</b>	<b>\$ (305,969)</b>	<b>(815,494)</b>	<b>267%</b>	<b>\$ 509,525</b>	<b>(435)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ -	-	NA	\$ -	-
Fringe Benefits	\$ -	-	NA	\$ -	-
Books, Supplies, Services	\$ 305,969	164,080	54%	\$ 141,889	-
Equipment Cap Outlay	\$ -	-	NA	\$ -	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 305,969</b>	<b>164,080</b>	<b>54%</b>	<b>\$ 141,889</b>	<b>-</b>

**Peralta Colleges**  
**Income Statement - Bond Measure A (63)**  
**For the Period Ending**  
**March 26, 2012**

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (671,087)	(328,973)	49%	\$ (342,114)	(671,087)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (75,698,814)	-	0%	\$ (75,698,814)	-
<b>Revenue Total</b>	<b>\$ (76,369,901)</b>	<b>(328,973)</b>	<b>0%</b>	<b>\$ (76,040,928)</b>	<b>(671,087)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	6,611	NA	\$ (6,611)	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ 605,908	540,209	89%	\$ 65,699	508,736
Fringe Benefits	\$ 465,514	269,175	58%	\$ 196,339	267,968
Books, Supplies, Services	\$ 5,964,389	1,188,803	20%	\$ 4,775,586	1,839,086
Equipment Cap Outlay	\$ 68,677,250	17,362,026	25%	\$ 51,315,224	24,955,189
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ 656,840	-	0%	\$ 656,840	-
<b>Expense Total</b>	<b>\$ 76,369,901</b>	<b>19,366,824</b>	<b>25%</b>	<b>\$ 57,003,076</b>	<b>27,570,979</b>

**Peralta Colleges**  
**Income Statement - BOND MEASURE B (64)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ -	(2,964)	NA	\$ 2,964	(6,456)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (186,789)	-	0%	\$ (186,789)	-
<b>Revenue Total</b>	<b>\$ (186,789)</b>	<b>(2,964)</b>	<b>2%</b>	<b>\$ (183,825)</b>	<b>(6,456)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ -	-	NA	\$ -	-
Fringe Benefits	\$ -	-	NA	\$ -	-
Books, Supplies, Services	\$ 57,236	-	0%	\$ 57,236	39,244
Equipment Cap Outlay	\$ 129,553	6,555	5%	\$ 122,998	345,609
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 186,789</b>	<b>6,555</b>	<b>4%</b>	<b>\$ 180,234</b>	<b>384,853</b>

**Peralta Colleges**  
**Income Statement - BOND MEASURE E (65)**  
For the Period Ending  
March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	-	-
State Revenue	\$ -	-	NA	-	-
Local Revenue	\$ -	(72,359)	NA	72,359	(117,094)
Trans Res Revenue	\$ -	-	NA	-	-
Beginning Fund Balance	(26,483,604)	-	0%	(26,483,604)	-
Revenue Total	(26,483,604)	(72,359)	0%	(26,411,245)	(117,094)
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	-	-
Academic Admin	\$ -	-	NA	-	-
Other Faculty	\$ -	-	NA	-	-
Part Time Academic	\$ -	-	NA	-	-
Classified Salary	\$ -	-	NA	-	-
Fringe Benefits	\$ -	-	NA	-	-
Books, Supplies, Services	\$ 4,314,899	919,923	21%	3,394,976	124,513
Equipment Cap Outlay	\$ 22,168,705	442,258	2%	21,726,447	785,458
Debt Service Transfer	\$ -	-	NA	-	-
Financial Aid	\$ -	-	NA	-	-
Fund Balance	\$ -	-	NA	-	-
Expense Total	26,483,604	1,362,181	5%	25,121,423	909,971

Peralta Colleges  
**Income Statement - CHILD DEVELOPMENT FUND (68)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	(150,000) \$	(51,379)	34%	(98,621) \$	(54,229)
State Revenue	(1,121,185) \$	(960,659)	86%	(160,526) \$	(1,056,223)
Local Revenue	(97,000) \$	(17,149)	18%	(79,851) \$	(83,625)
Trans Res Revenue	- \$	-	NA	- \$	-
Beginning Fund Balance	- \$	-	NA	- \$	-
<b>Revenue Total</b>	<b>(1,368,185) \$</b>	<b>(1,029,188)</b>	<b>75%</b>	<b>(338,997) \$</b>	<b>(1,194,077)</b>
<b>Expenses</b>					
Full Time Academic	- \$	-	NA	- \$	-
Academic Admin	- \$	-	NA	- \$	-
Other Faculty	- \$	-	NA	- \$	-
Part Time Academic	- \$	-	NA	- \$	-
Classified Salary	835,111 \$	470,612	56%	364,499 \$	679,744
Fringe Benefits	442,022 \$	314,540	71%	127,482 \$	450,985
Books, Supplies, Services	80,000 \$	33,919	42%	46,081 \$	43,078
Equipment Cap Outlay	11,052 \$	-	0%	11,052 \$	-
Debt Service Transfer	- \$	-	NA	- \$	-
Financial Aid	- \$	-	NA	- \$	-
Fund Balance	- \$	-	NA	- \$	-
<b>Expense Total</b>	<b>1,368,185 \$</b>	<b>819,070</b>	<b>60%</b>	<b>549,115 \$</b>	<b>1,173,807</b>

**Peralta Colleges**  
**Income Statement - OPEB RESERVE FUND (69)**  
For the Period Ending  
**March 26, 2012**

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (7,150,000)	(804,108)	11%	\$ (6,345,892)	(820,044)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ -	-	NA	\$ -	-
<b>Revenue Total</b>	<b>\$ (7,150,000)</b>	<b>(804,108)</b>	<b>11%</b>	<b>\$ (6,345,892)</b>	<b>(820,044)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ -	-	NA	\$ -	-
Fringe Benefits	\$ -	-	NA	\$ -	-
Books, Supplies, Services	\$ 725,000	518,236	71%	\$ 206,764	341,722
Equipment Cap Outlay	\$ -	-	NA	\$ -	-
Debt Service Transfer	\$ 1,328,470	1,038,901	78%	\$ 289,569	918,155
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 2,053,470</b>	<b>1,557,137</b>	<b>76%</b>	<b>\$ 496,333</b>	<b>1,259,877</b>

**Peralta Colleges**  
**Income Statement - SELF-INSURANCE FUND (80)**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	-	-	NA	-	-
State Revenue	-	-	NA	-	-
Local Revenue	(814,860)	(22,706)	3%	(792,154)	(1,891)
Trans Res Revenue	(1,047,344)	-	0%	(1,047,344)	-
Beginning Fund Balance	-	-	NA	-	-
Revenue Total	(1,862,204)	(22,706)	1%	(1,839,498)	(1,891)
<b>Expenses</b>					
Full Time Academic	-	-	NA	-	-
Academic Admin	-	-	NA	-	-
Other Faculty	-	-	NA	-	-
Part Time Academic	-	-	NA	-	-
Classified Salary	-	-	NA	-	-
Fringe Benefits	-	-	NA	-	-
Books, Supplies, Services	1,124,310	1,002,495	89%	121,815	1,035,536
Equipment Cap Outlay	48,000	-	0%	48,000	-
Debt Service Transfer	-	-	NA	-	-
Financial Aid	-	-	NA	-	-
Fund Balance	689,894	-	0%	689,894	-
Expense Total	1,862,204	1,002,495	54%	859,709	1,035,536

**Peralta Colleges**  
**Income Statement - STUDENT CENTER FEE-ALAMEDA**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (229,622)	(33,208)	14%	\$ (196,414)	(646)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ -	-	NA	\$ -	-
<b>Revenue Total</b>	<b>\$ (229,622)</b>	<b>(33,208)</b>	<b>14%</b>	<b>\$ (196,414)</b>	<b>(646)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ 20,000	-	0%	\$ 20,000	-
Fringe Benefits	\$ 220	-	0%	\$ 220	-
Books, Supplies, Services	\$ 90,202	1,780	2%	\$ 88,423	750
Equipment Cap Outlay	\$ 119,200	-	0%	\$ 119,200	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 229,622</b>	<b>1,780</b>	<b>1%</b>	<b>\$ 227,843</b>	<b>750</b>

Peralta Colleges  
Income Statement - STUDENT CENTER FEE-LANEY

For the Period Ending  
March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (61,506)	(61,663)	100%	\$ 157	178
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (25,750)	-	0%	\$ (25,750)	-
Revenue Total	\$ (87,256)	(61,663)	71%	\$ (25,593)	178
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ 45,000	6,177	14%	\$ 38,823	8,659
Fringe Benefits	\$ 250	72	29%	\$ 178	171
Books, Supplies, Services	\$ 21,506	-	0%	\$ 21,506	-
Equipment Cap Outlay	\$ 20,500	9,933	48%	\$ 10,567	841
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
Expense Total	\$ 87,256	16,182	19%	\$ 71,074	9,671

Peralta Colleges  
**Income Statement - STUD. CENTER FEE- FUND-MERRIT**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (33,500)	(31,627)	94%	(1,873)	(88)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ -	-	NA	\$ -	-
<b>Revenue Total</b>	<b>\$ (33,500)</b>	<b>(31,627)</b>	<b>94%</b>	<b>(1,873)</b>	<b>(88)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ -	-	NA	\$ -	-
Fringe Benefits	\$ -	-	NA	\$ -	-
Books, Supplies, Services	\$ 12,500	10,384	83%	2,116	-
Equipment Cap Outlay	\$ -	-	NA	\$ -	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ 21,000	-	0%	21,000	-
<b>Expense Total</b>	<b>\$ 33,500</b>	<b>10,384</b>	<b>31%</b>	<b>23,116</b>	<b>-</b>

Peralta Colleges  
**Income Statement - STUDENT CENTER-FEE-BCC**  
 For the Period Ending  
 March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	\$ -	-	NA	\$ -	-
State Revenue	\$ -	-	NA	\$ -	-
Local Revenue	\$ (33,500)	(33,086)	99%	\$ (414)	(50)
Trans Res Revenue	\$ -	-	NA	\$ -	-
Beginning Fund Balance	\$ (14,592)	-	0%	\$ (14,592)	-
<b>Revenue Total</b>	<b>\$ (48,092)</b>	<b>(33,086)</b>	<b>69%</b>	<b>\$ (15,006)</b>	<b>(50)</b>
<b>Expenses</b>					
Full Time Academic	\$ -	-	NA	\$ -	-
Academic Admin	\$ -	-	NA	\$ -	-
Other Faculty	\$ -	-	NA	\$ -	-
Part Time Academic	\$ -	-	NA	\$ -	-
Classified Salary	\$ 20,000	685	3%	\$ 19,315	-
Fringe Benefits	\$ 1,602	55	3%	\$ 1,547	-
Books, Supplies, Services	\$ 15,000	-	0%	\$ 15,000	-
Equipment Cap Outlay	\$ 11,490	-	0%	\$ 11,490	-
Debt Service Transfer	\$ -	-	NA	\$ -	-
Financial Aid	\$ -	-	NA	\$ -	-
Fund Balance	\$ -	-	NA	\$ -	-
<b>Expense Total</b>	<b>\$ 48,092</b>	<b>740</b>	<b>2%</b>	<b>\$ 47,352</b>	<b>-</b>

**Peralta Colleges**  
**Income Statement - STUDENT FIN. AID (89)**  
For the Period Ending  
March 26, 2012

Revenue	App Budget	Actuals	% Used	\$ Remaining	Last Year Actuals
Federal Revenue	(31,706,472) \$	(28,401,289)	90%	(3,305,183) \$	(27,144,808)
State Revenue	(2,455,035) \$	(919,138)	37%	(1,535,897) \$	(1,021,881)
Local Revenue	- \$	11,750	NA	(11,750) \$	28,208
Trans Res Revenue	- \$	-	NA	- \$	-
Beginning Fund Balance	- \$	-	NA	- \$	-
<b>Revenue Total</b>	<b>(34,161,507) \$</b>	<b>(29,308,676)</b>	<b>86%</b>	<b>(4,852,831) \$</b>	<b>(28,138,481)</b>
<b>Expenses</b>					
Full Time Academic	- \$	-	NA	- \$	-
Academic Admin	- \$	-	NA	- \$	-
Other Faculty	- \$	-	NA	- \$	-
Part Time Academic	- \$	-	NA	- \$	-
Classified Salary	- \$	-	NA	- \$	-
Fringe Benefits	- \$	-	NA	- \$	-
Books, Supplies, Services	- \$	-	NA	- \$	-
Equipment Cap Outlay	- \$	-	NA	- \$	-
Debt Service Transfer	- \$	-	NA	- \$	-
Financial Aid	34,161,507 \$	22,061,268 *	65%	12,100,239 \$	28,168,047
Fund Balance	- \$	-	NA	- \$	-
<b>Expense Total</b>	<b>34,161,507 \$</b>	<b>22,061,268</b>	<b>65%</b>	<b>12,100,239 \$</b>	<b>28,168,047</b>

\* Does not include March 2012 student financial aid disbursements of \$7,247,408. These expenditures will be recorded within Peoplesoft at month end when reconciliations between SAFE and Peoplesoft are performed.

**Summary:**

Peralta Community College District,  
California; General Obligation

**Primary Credit Analyst:**

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Rationale

Outlook

Related Criteria And Research

**Summary:**

# Peralta Community College District, California; General Obligation

Credit Profile		
US\$87.08 mil GO rfdg bn ds ser 2012 due 08/01/2035		
<i>Long Term Rating</i>	AA-/Negative	New
<b>Peralta Comnty Coll Dist GO</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Negative	Affirmed
<b>Peralta Comnty Coll Dist OPEB</b>		
<i>Unenhanced Rating</i>	A+(SPUR)/Negative	Affirmed

## Rationale

Standard & Poor's Ratings Services assigned its 'AA-' long-term rating to Peralta Community College District, Calif.'s series 2012 general obligation (GO) refunding bonds. At the same time, Standard & Poor's affirmed its 'AA-' long-term and underlying rating (SPUR) on the district's outstanding GO bonds and 'A+' long-term rating and SPUR on the district's pension obligation bonds outstanding. The outlook on all bonds is negative.

The rating reflects our view of the district's:

- Strong underlying local economy situated in Alameda County, with full participation in the greater San Francisco Bay Area economy and strong income indicators;
- Continued demand for the district's educational services, which is partly due to the recent economic downturn; and
- Maintenance of a good financial position during the past three fiscal years as evidenced by strong reserve levels in recent years.

Offsetting these foregoing strengths, in our view, are cuts in state funding that have prompted the district to reduce expenditures through cuts in services and staffing levels.

Unlimited ad valorem taxes levied on taxable property within the district secure the outstanding GO bonds. The Alameda County Board of Supervisors has the power and obligation to levy these taxes at the request of the district for the bonds' repayment. The county is required to deposit such taxes, when collected, into the bonds' debt service fund.

Located in Alameda County, the district encompasses roughly 78 square miles, including the cities of Alameda, Albany, Oakland, Berkeley, Emeryville, and Piedmont. Income levels for the district's residents are very strong in our view: The median household effective buying income is 134% of the national level, which, in our opinion, is partly due to the district's participation in the strong and diverse regional Bay Area economy. Similarly, the district's assessed value (AV) has experienced what we consider strong growth during the past five fiscal years, rising at an average annual rate of 4.5% from 2007 to 2011. The district's AV experienced a modest 0.5% increase in fiscal

2012, bringing the district's AV per capita up to roughly \$113,000 per capita in fiscal 2012, which we consider extremely strong.

Demand for the district's educational services remains strong, in our opinion, given the recent economic downturn; the district has historically kept enrollment at or above the state-funded cap. In fiscal 2010, the district maintained enrollment at 22,160 full-time equivalent students (FTES), which is 3,150 FTES above the state-funded cap. This fiscal year represented the highest unfunded FTES the district has maintained during the past five fiscal years. As a result, management began to limit enrollment and reduce the amount of unfunded FTES with a goal of maintaining total enrollment at roughly 300 FTES above the funded gap. In fiscal 2011, the district was successful in reducing total enrollment levels by roughly 2,200 FTES with an ending enrollment of 19,926 students, which is just 425 FTES above the funded cap. For fiscal 2012, management projects to end with a total enrollment of 18,318 FTES and just 301 unfunded FTES.

The district's financial position has remained strong during the past three fiscal years, which we believe is partly due to continued demand for the district's educational services that tend to run countercyclical to the economy. Based on audited fiscal 2011 results, the district ended with reserves of roughly \$11.1 million or 9.3% of unrestricted general fund expenditures, representing an increase from the prior year. However, due to the state's funding cuts during the past two fiscal years, the district has experienced budgetary pressure that has resulted in spending reductions, primarily in the form of furloughs, staff reductions, and reductions in business and student service and travel expenditures. For fiscal 2012, management has already implemented \$2 million in spending cuts, primarily by reducing the number of classes as well as by reducing part-time staff. We understand the state may reduce funding again in fiscal 2013, and the district is prepared to reduce its class offerings to maintain balanced operations. Overall, reserves are budgeted by management to end at roughly \$13.7 million or a strong 12% of expenditures at the end of fiscal 2012.

We understand the district plans to propose a parcel tax to voters at the end of fiscal 2013, which would provide roughly \$7.9 million in additional revenues each year during the next eight years. Based on management's prior surveys of district voters, we understand management believes this parcel tax will likely pass. However, should the parcel tax fail, we understand the district is prepared to reduce its spending for fiscal 2013 to maintain reserves at healthy levels.

The district's management practices are considered "good" under Standard & Poor's Financial Management Assessment (FMA) methodology. An FMA of "good" indicates our view that practices exist in most areas although not all may be formalized or regularly monitored by governance officials.

In the beginning of fiscal 2011, the district was placed on probationary status for its accreditation by the Accrediting Commission for Community and Junior Colleges (ACCJC), which we understand was based on concerns about the district's financial status, technology-related problems, and governance issues. As of fiscal 2012, the ACCJC removed the district from probation status, reflecting the ACCJC's view of the district's improved fiscal management and financial reporting practices. We understand there are three levels the ACCJC uses before complete removal of accreditation status: warning, probation, and show-cause, with show-cause being the last step before removal. Although the district remains on warning status with the ACCJC, we understand management expects it will be eliminated by June 2012, with the ACCJC's final review in April 2012. Should the district lose its accreditation, we believe it would face significant losses in enrollment levels and negative rating actions may be possible.

The district's overall net debt burden is high, in our view, at roughly \$5,010 per capita or 4.5% of market value. The district participates in the State of California Teachers Retirement System as well as the California Public Employees Retirement System. The district made its full annual required contribution (ARC) in fiscal 2011, which totaled roughly \$6.2 million. The district also contributed \$8.2 million or roughly 64% of its total ARC, for its other post-employment benefit (OPEB) obligations in fiscal 2011. Management indicates it generally budgets to pay for a majority of its OPEB contribution from the general fund and pays for the rest of its OPEB liability from its revocable OPEB trust fund, which is estimated by management to contain roughly \$164 million as of June 30, 2011.

Peralta Community College District has six forward-interest rate swap agreements outstanding in relation to its taxable 2005 limited-obligation OPEB bonds series B-1, B-2, B-3, B-4, B-5, and B-6. The swaps are floating-to-fixed interest rate swaps (rated 'A-/Negative/A-2' based on a guarantee by Morgan Stanley), and the current fair market value of all swaps combined is roughly negative \$19.6 million. The swap hedges the bonds or will swap them to a fixed rate as they convert to a variable rate (auction rate).

The terms of the swap agreement follow the same accretion schedule as that of the corresponding underlying 2005 OPEB bonds. Provisions of the agreement provide the district with the option to terminate the swap at its market cost. Both parties must terminate if either of their respective ratings fall below 'BBB-'. Collateral postings are not required by the district. Postings are required from Morgan Stanley to the district if swap valuations exceed the relevant threshold; the district would only have to post collateral to the counterparty to return funds that the counterparty had previously posted -- which thus far has not occurred.

## Outlook

The negative outlook reflects our view of the district's current warning accreditation status, although we understand the district has improved its accreditation status in the past fiscal year and expects to resolve its accreditation warning status by fiscal 2013. In addition, the negative outlook reflects our view of a difficult budgeting climate going forward, partly due to state funding cuts that we believe are likely to occur again in the next two fiscal years. Negative rating actions may be possible if the district's reserves fall below what we consider to be adequate levels. However, the outlook may be revised to stable should the district resolve its accreditation warning status and if it maintains its current reserves at good levels at a minimum during the next six months despite the expected cuts in state funding.

## Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Contingent Liquidity Risks, March 5, 2012

Ratings Details (as of March 15, 2012)		
Peralta Comnty Coll Dist GO bnds (2006 Election) ser 2009C		
<i>Long Term Rating</i>	AA-/Negative	Affirmed
Peralta Comnty Coll Dist Taxable OPEB Refdgd bnds		
<i>Long Term Rating</i>	A+/Negative	Affirmed

### Peralta Comnty Coll Dist GO

Summary: Peralta Community College District, California; General Obligation

**Ratings Detail (As Of March 15, 2012) (cont)**

<i>Unenhanced Rating</i>	AA-(SPUR)/Negative	Affirmed
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**Golden West Sch Fincg Auth, California**

Peralta Comnty Coll Dist, California

**Golden West Sch Fincg Auth (Peralta Comnty Coll Dist) GO**

*Unenhanced Rating*

AA-(SPUR)/Negative

Affirmed

Many issues are enhanced by bond insurance.

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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## MOODY'S ASSIGNS Aa3 RATING TO PERALTA CCD'S G.O. BONDS

### APPROXIMATELY \$426 MILLION IN BONDS AFFECTED INCLUDING CURRENT ISSUE

Moody's Investors Service has assigned an Aa3 rating to the Peralta Community College District's 2012 General Obligation Bonds. We have also affirmed the Aa3 rating on the district's outstanding long term debt.

### RATIONALE

The rating outcome incorporates the district's very high large Bay Area tax base, satisfactory fiscal position, continued progress towards removal from accreditation probation and a higher than average debt levels. The bonds are secured by the district's unlimited property tax pledge.

### STRENGTHS

- Very large San Francisco Bay area tax base
- Strengthened management team

### WEAKNESSES

- Narrow general fund balance
- High peak general fund debt burden
- Uncertain funding environment for California community college districts
- Uncertain outcome of accreditation process

### DETAILED CREDIT DISCUSSION

#### VERY LARGE EAST SAN FRANCISCO BAY TAX BASE THAT UNDERWENT ONLY MINOR DECLINES IN VALUE BEFORE RETURNING TO MINIMAL GROWTH

The district's very large \$69.9 billion tax base is spread across the East Bay cities of Alameda, Albany, Berkeley, Oakland and Piedmont. During the course of the economic downturn, the district's assessed valuation has undergone some minor declines but appears to have entered a period of what will likely be very small, gradual growth. In 2010 and 2011, the district's assessed valuation fell by -1.02% and -1.89% respectively with modest 0.95% growth in 2012. Despite these recent contractions, the assessed valuation remains very large for a Moody's-rated community college district. Prospects for additional assessed valuation growth in the near to mid-term are uncertain as the economic recovery has been very gradual and the largest portion of the district is undergoing the most significant impact of the downturn. The Aa3-rated City of Oakland's \$40 billion tax represents the largest segment of the district and has about two-thirds of the district's estimated population of 616,402. Oakland also has the district's highest level of unemployment at 16.5% compared to the next highest, the City of Berkeley at 10.5%. The district is 75.5% residential but includes a large industrial and commercial base primarily centered in Oakland. The district's taxbase is very diverse with the top twenty taxpayers representing only 5.1% of the total assessed valuation.

#### BELOW AVERAGE BUT STABLE FISCAL POSITION

The district's fiscal 2011 actual general fund balance improved to 9.4% of total general fund revenues versus the unaudited expectation of 5.4%. Though above the initial projections, this level of fund balance is still well below the median for the rating level. However, we anticipate that the district's will continue to manage its budget to maintain reserves that are least consistent with its current level.

For fiscal 2012, the district has anticipated a \$4 million loss in state revenue but is also expecting to continue to reduce expenditures to produce a surplus that would boost the general fund reserve to 12.1% of total general fund revenues.

Like other district's around the state, the district is faced with the uncertainty of additional funding reductions as the state tries to balance its budget. In the event of additional community college district cuts in fiscal 2013, we anticipate that the district will continue to make budget adjustments as needed to maintain a stable financial profile.

The district's accreditation was placed on probation for a variety of reasons related to four areas: OPEB liability oversight, audit findings, management capacity, and board policies. In June 2011, the district's accreditation status was improved from probationary to "warning" as the district satisfied the accrediting body that it was making material progress in improving these areas. In June 2012, the district will undergo a final review at which time it expects its accreditation status to be reaffirmed for another six years. The removal of the district's accreditation from warning status is reliant upon the district demonstrating sustainable improvement in the aforementioned areas. A failure of the district to clear its accreditation would be a significant credit weakness.

#### HIGHER THAN TYPICAL DEBT LEVELS

The district's direct and overall debt levels are 0.8% and 4.6% respectively of assessed valuation (AV). These debt levels are higher than average for a California community college district though not unprecedented for the district. The district's debt levels are driven by a capital plan that calls for the renovation and expansion of several district facilities and the securitization of the OPEB liability. The overall debt is also fueled by overlapping City of Oakland and Oakland Unified School district debt.

- Material and sustained improvement in the district fiscal position
- Removal of warning status for district's accreditation
- Stabilization of the local economy

#### WHAT COULD CHANGE THE RATING DOWN

- Further diminishment of the district's fiscal position
- Loss of accreditation

#### KEY STATISTICS

Assessed value, FY2012: \$69.9 billion

Average annual growth, assessed value, 2007-2012: 2.4%

Total General fund balance, FY2011: 9.4%

Full-time equivalent students, 2011: 18,500

Overall debt burden: 4.6%

Direct debt burden: 0.8%