TO: Board of Trustees
FROM: Dr. Eric Bishop
DATE: February 10, 2021

In accordance with Title 5, Code 58310, the District is required to submit quarterly financial status reports to the Governing Board and to the State Chancellor’s Office. Additionally, California Government Code Section 53646 requires a report to be made to the governing board of the District showing the status of the District’s investments at the end of each fiscal quarter.

BACKGROUND

The Board approved 2020-21 First Quarter Financials in November. The second quarter financial report provides the board an update on the budget as of December 31, 2020.

Changes in the Budget – Fund 10 (General Unrestricted Funds)
For the second quarter, the District is projecting $65,000 reduction in the revenues for student transportation fees, due to continuing distance education in spring 2021. In terms of the expenditures, there is a projected increase of $241,045 in expenses, which represents 0.41% of the total budgeted expenditures. The projected net activity (Total Revenues – Total Expenditures) is ($405,659). The adjustment in the expenditures does not include any effects of negotiations.

Changes in the Budget – Funds 12 – 18 (Unrestricted Funds)
The COVID-19 Pandemic has an impact on a number of unrestricted fee-based programs such as Community Education, Contract Education, Smith Center and Civic Center Rentals. The full impact COVID on the District programs is not known at this time, but will be estimated and reported to the Board by the end of current fiscal year.

Emergency Funds
The District has earmarked $2,089,408 for the COVID-19 from various sources including General Fund. As of the second quarter, a total of $801,752 has been spent and $524,211 encumbered to address the effects of the pandemic. On December 27, 2020, Congress approved the second stimulus package and Ohlone is awarded an additional $5,652,458 million of HEERF II funds, which will be added to the budget in the third quarter. Of this total, $1,500,000 will be awarded to Ohlone students in the form of direct cash grant and the balance of $4,152,458 will be used to address institutional needs related to COVID 19 pandemic including technology equipment and connectivity for students to further support the students.

Deferrals and Cash Flow
As of the end of the second quarter, there is no change in the District’s cash flow projection. The District was able to meet its cash obligations without a need for short-term borrowing in view of the anticipated deferrals from the State.
Investment Report
As of December 31, 2020, the District’s total cash balance with Alameda County was $55,762,237, which includes all restricted and unrestricted funds with the latest available interest rate of 1.48%. The District Retiree Health Benefit Trust ended the quarter with a balance of $6,120,497. Year-to-date interest income on the Trust balance was 14.64% while the annual interest income since inception was 6.5%. The Technology Endowment portfolio ended the quarter with a market value of $9,116,310.

RECOMMENDATION
The Superintendent/President recommends that the Board of Trustees accept the 2020-2021 Second Quarter Financial Report.