



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

2017-18 Unaudited Actual Year-end Closing



Presented to the Board of Education
Marcus Battle, Chief Business Officer
Ofelia Roxas, Chief Financial Officer
September 12th, 2018



Agenda

- Background
- Year-end closing process
- General Fund Revenue and Expenditures
- Ending Fund Balance
- Next Step

Background

- Education Code 42100 (a) requires School Districts to submit to the County Office the **2017-18 Statement of All Receipts and Expenditures (Unaudited Actuals)** approved by the governing board no later than **September 15th, 2018**.
- On or before **October 15th, 2018**, the Alameda County Office of Education shall review the Unaudited Actuals and will transmit to the Superintendent of Public Instruction (SPI).

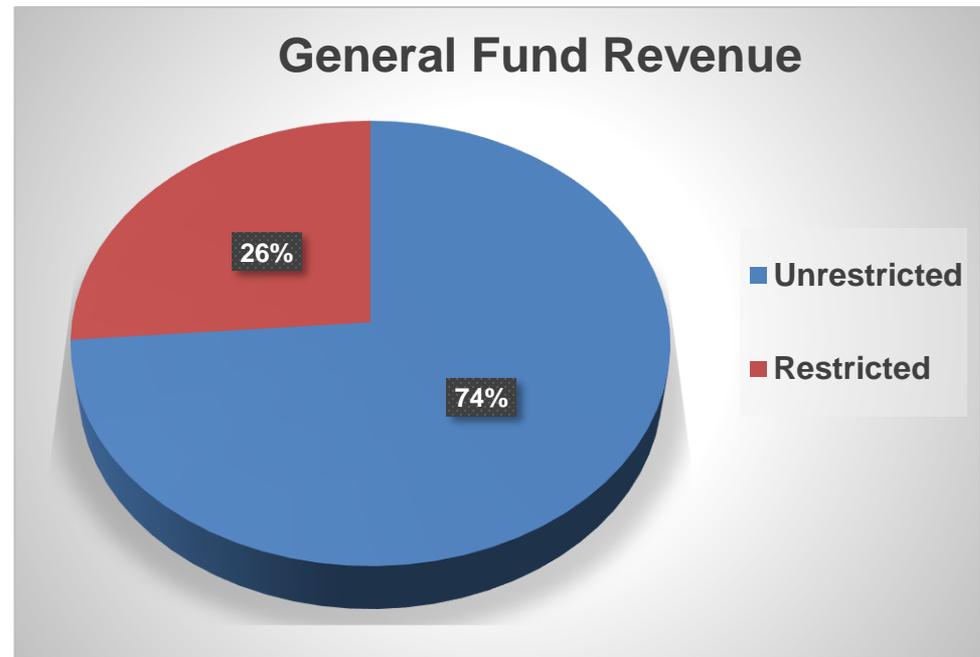
Year-end Closing Activity

- Reconcile Cash Accounts with ACOE cash balances as of 6/30/2018.
- Close all Categorical Restricted Resource:
 - Grant/Entitlement letters
 - Revenue detail by resource
 - Summary of expenditures by resource
 - Calculate Indirect Cost
 - Check if carryover is allowed
- Record Unpaid invoices for goods and/or services received on or before June 30th. Purchase Orders are closed at the end of fiscal year
- Record Prepaid Expenses for goods and services paid but not yet rendered or delivered.
- Final review of financial transactions (line by line).
- Run SACS report and clear technical error.

General Fund Revenue

- Districts receives **\$563M** total revenue for 2017-18

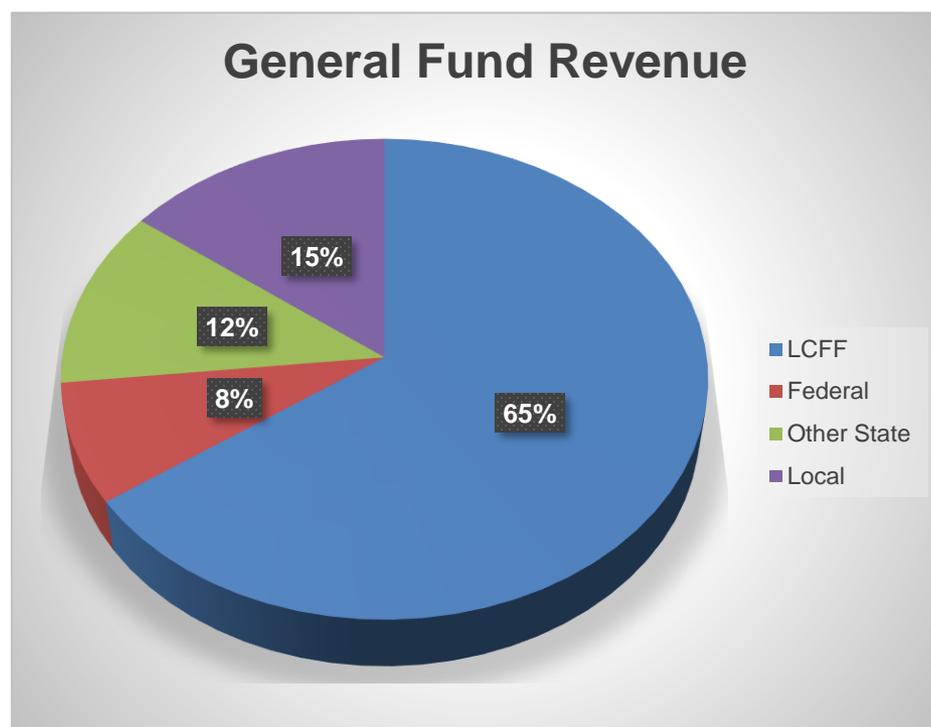
Unrestricted	\$ 415,065,891	74%
Restricted	\$ 147,766,749	26%
Total	\$ 562,832,639	100%



General Fund Revenue

- Districts receives **\$563M** total revenue for 2017-18

LCFF	\$ 367,280,867	65%
Federal	\$ 45,364,332	8%
Other State	\$ 67,537,786	12%
Local	\$ 82,649,654	15%
Total	\$ 562,832,639	100%



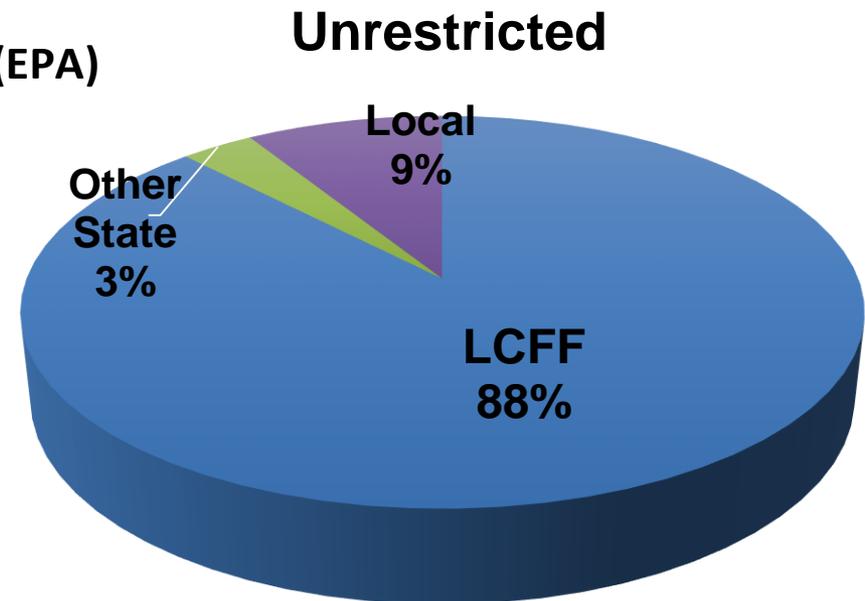
2017-18 Unaudited Actuals vs Estimated Actuals (Total GF-COMBINED)

	REVENUE	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	<u>Increase</u> <u>(Decrease)</u>	
	LCFF	\$ 366,978,239	\$ 367,280,867	\$ 302,628	0%
	FEDERAL	\$ 50,871,392	\$ 45,364,332	\$ (5,507,060)	-12%
	OTHER STATE	\$ 66,761,156	\$ 67,537,786	\$ 776,630	1%
	LOCAL	<u>\$ 81,649,343</u>	<u>\$ 82,649,654</u>	<u>\$ 1,000,311</u>	1%
	TOTAL REVENUE	<u>\$ 566,260,130</u>	<u>\$ 562,832,639</u>	<u>\$ (3,427,491)</u>	-1%

- Total General Fund Revenue decreased by **\$3.4 M (1% reduction)**
 - **Unrestricted Revenue** increased by **\$2.6 M**
 - **Restricted Revenue** decreased by **\$6.0 M**

Unrestricted Revenue

- **LCFF**
 - State Aid
 - Education Protection Account (EPA)
 - Property Taxes
- **Federal**
- **Other State Revenue**
 - One-time Discretionary
 - Lottery
- **Local Revenue**
 - Lease and Rentals
 - Charter School Oversight Fees
 - Interest Income



2017-18 Unaudited Actuals vs Estimated Actuals (UNRESTRICTED)

	REVENUE	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	Increase (Decrease)	
	LCFF	\$ 364,087,305	\$ 364,355,415	\$ 268,110	0%
	FEDERAL	\$ 63,500	\$ 18,344	\$ (45,156)	-71%
	OTHER STATE	\$ 13,064,667	\$ 13,772,570	\$ 707,903	5%
	LOCAL	\$ 35,245,081	\$ 36,919,562	\$ 1,674,481	5%
	TOTAL	\$ 412,460,554	\$ 415,065,891	\$ 2,605,337	1%

Unrestricted Revenue increased by \$2.6M (1% Increase)

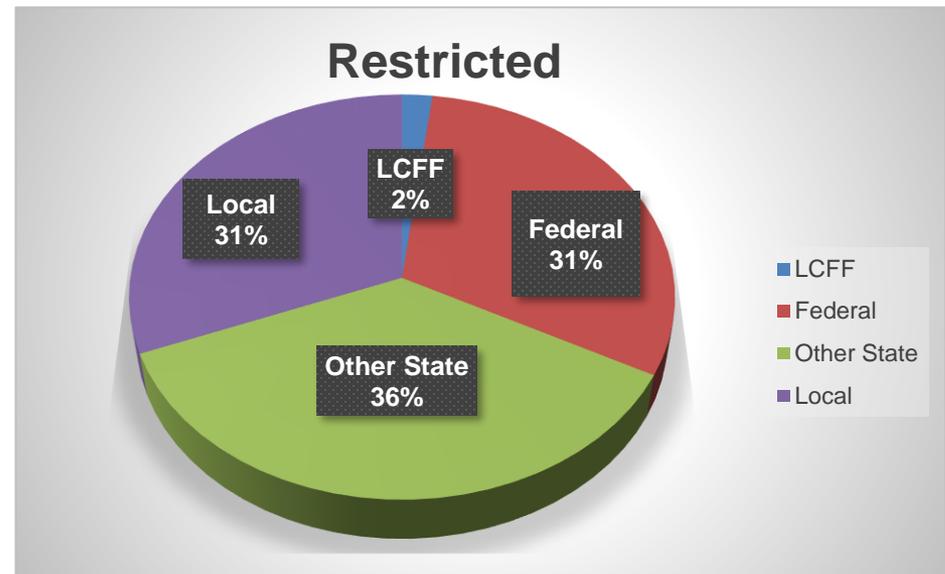
Changes in Unrestricted Revenue

Unaudited Actuals vs Estimated Actuals

	<u>Increase (Decrease)</u>	<u>Note #</u>	<u>Notes</u>
LCFF			
State Aid	\$ (12,330,053)	1	Excess Property Tax per CDE Certified P-2 versus Alameda County J-29.
Education Protection Account (Prop 30)	\$ 4,570,629	2	CDE Certified P-2
Property Taxes	\$ 7,995,339	3	Alameda County J-29
	\$ 235,915		
Other State Revenue			
Lottery	\$ 255,529		
Medical Administration Activity (MAA)	\$ 312,151		
Others	\$ 140,223		
	\$ 707,903		
LOCAL Revenue			
Measure G	\$ 23,067		
Community Redevelopment	\$ 681,339		
Leases and Rentals	\$ (661,536)	4	Revenues Projected for the Emery Unified Lease that were budgeted, but lease ended in FY 16-17
Charter School Oversight	\$ 70,375		
Interest Income	\$ 254,365		
Other Local	\$ 1,311,481	5	Measure G and other locally defined resources.
	\$ 1,679,091		

Restricted Revenue

- **LCFF (Special Education)**
- **Federal**
 - Title I, II, III
 - Medical Billing Option
 - Federal Project Prevention
 - Federal School Climate
 - Special Education
- **Other State Revenue**
 - State Lottery
 - Career Technology Education (CTE) Incentive Program
 - Special Education
 - Learning Communities for School Success Program (Prop 47)
- **Local Revenue**
 - Parcel Taxes
 - Donations



2017-18 Unaudited Actuals vs Estimated Actuals (Restricted)

	REVENUE	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	Increase (Decrease)	
	LCFF	\$ 2,890,934	\$ 2,925,452	\$ 34,518	1%
	FEDERAL	\$ 50,807,892	\$ 45,345,988	\$(5,461,904)	-12%
	OTHER STATE	\$ 53,696,489	\$ 53,765,216	\$ 68,727	1%
	LOCAL	<u>\$ 46,404,262</u>	<u>\$ 45,730,092</u>	<u>\$ (674,170)</u>	-1%
	TOTAL	<u>\$ 153,799,577</u>	<u>\$ 147,766,749</u>	<u>\$ (6,032,828)</u>	-4%

Restricted Revenue decreased by \$6.0M or 4% reduction

Changes in Federal Revenue (Restricted)

Federal Revenue	Resource	<u>Increase</u> <u>(Decrease)</u>	
Title I – Basic Low Income Grant	3010	\$(2,163,144)	Title 1 entitlement was lowered than projected, carryover allowed
Title I - School Improvement Grant	3180	\$(1,680,267)	SIG Cohort 4 was underspent thus revenue claimed is lowered but carryover is allow into next FY.
Title II – Non-Profit School Professional Dev	4035	\$250,284	
Title IIB- CA Math/Science Partnership (CaMSP)	4050	\$(2,319)	
Title III - Immigrant	4201	\$36,913	
Title III - LEP Program	4203	\$(174,405)	
Medical Billing Option	5640	\$31,383	
CDC HIV & STD Prevention	5841	\$ (25,838)	
SpEd Workability	5843	\$ (117,309)	
Community School	5848	\$ (190,530)	
Federal Project Prevention	5849	\$ (156,593)	
Federal School Climate	5850	\$ (26,239)	
IES/Leveled Literacy	5853	\$ (17,362)	
Carol White PEP Grant	5854	\$ (180,243)	
SERP-NSF TRUMath	5855	\$ (94,576)	
Other Federal Grants		<u>\$ (951,659)</u>	
		<u>\$ (5,461,904)</u>	

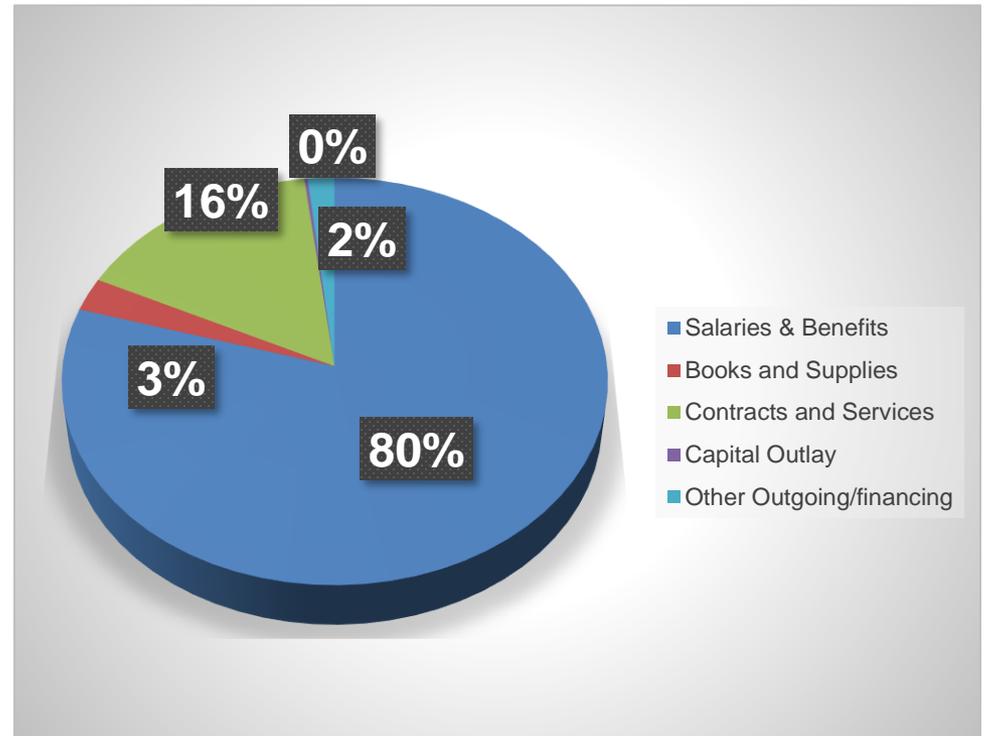
Expenditure Highlights

- **Total General Fund Expenditures decreased by \$33.7M (6% reduction) compared to Estimated Actuals**
 - Salaries and benefits decreased by \$10.5 M (2% reduction)
 - Books and Supplies decreased by \$11.5 M (45% reduction)
 - Contracts and Services decreased by \$4.7M (5% reduction)
 - Capital Outlay decreased by \$7.0M (86% reduction)
 - Other outgoing/financing increased by \$0.7M (42% reduction)
- **\$9.98M Unrestricted reduction and \$23.72M Restricted reduction**

General Fund Expenditures

- District expenses total **\$534M** for 2017-18

Salaries & Benefits	\$424,722,157	80%
Books and Supplies	\$ 14,030,706	3%
Contracts and Services	\$ 84,622,492	16%
Capital Outlay	\$ 1,125,172	0%
Other Outgoing/Financing(1)	\$9,456,839	2%
Total	\$533,957,368	100%



Note: Other Outgoing/Financing primarily related to repayment for State Loan and Measure G1 and N1 for Charters.

2017-18 Unaudited Actuals vs Estimated Actuals (Unrestricted Expenditures)



EXPENDITURES	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	Increase (Decrease)	
CERTIFICATED	\$ 145,302,324	\$ 140,177,971	\$ (5,124,353)	-4%
CLASSIFIED	\$ 59,268,932	\$ 57,377,865	\$ (1,891,067)	-3%
BENEFITS	\$ 83,171,572	\$ 81,754,867	\$ (1,416,705)	-2%
Sub total	\$ 287,742,827	\$ 279,310,703	\$ (8,432,124)	-3%
Books & Supplies	\$ 7,418,321	\$ 5,527,226	\$ (1,890,871)	-25%
Contracts and Services	\$ 40,670,221	\$ 40,237,187	\$ (433,034)	-1%
Capital Outlays	\$ 82,717	\$ 96,887	\$ 14,170	17%
Outgoing/financing	\$ 3,112,760	\$ 3,870,860	\$ 758,100	24%
TOTAL	\$ 339,026,845	\$ 329,043,086	\$ (9,983,759)	-3%

Salaries, benefits and books & supplies reductions total \$10m and is primarily related to 2017-18 mid-year budget reductions

2017-18 Unaudited Actuals and Estimated Actuals (Restricted Expenditures)



EXPENDITURES	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	Increase (Decrease)	
CERTIFICATED	\$ 56,708,532	\$ 54,619,355	\$ (2,089,178)	-4%
CLASSIFIED	\$ 38,082,942	\$ 36,019,084	\$ (2,063,859)	-5%
BENEFITS	\$ 52,711,002	\$ 54,773,016	\$ 2,062,014	4%
Sub total	\$ 147,502,477	\$ 145,411,454	\$ (2,091,022)	-1%
Books & Supplies	\$ 18,180,654	\$ 8,503,256	\$ (9,677,398)	-53%
Contracts and Services	\$ 48,674,174	\$ 44,385,306	\$ (4,288,868)	-9%
Capital Outlays	\$ 8,013,751	\$ 1,028,286	\$ (6,985,465)	-87%
Other Outgoing	\$ 6,262,350	\$ 5,585,979	\$ (676,371)	-11%
TOTAL	\$ 228,633,404	\$ 204,914,281	(\$ 23,719,123)	-10%

Salaries, benefits and books & supplies reductions total \$23.7m

2017-18 Unaudited Actuals and Estimated Actuals (Restricted Certificated Salary, Objects 1000-1999)

Restricted Resources (\$100k or more)	Decreased Expenditures for Certificated Employees
6500 - SPECIAL EDUCATION	(486,622)
9332 - MEASURE G1 PARCEL TX	(238,806)
3010 – Title 1 IASA-I BASIC GRANTS LOW INCOME	(195,516)
9333 - MEASURE N	(192,657)
9283 - Salesforce.Org	(174,537)
9092 - SEMP MENTAL HEALTH /ACOE	(165,738)
9058 - STAFF DEVELOPMENT FEES	(108,111)
Total	(1,561,988)

**2017-18 Unaudited Actuals and
Estimated Actuals (Restricted Classified Salary, Objects 2000-2999)**



Restricted Resources (\$100k or more)	Decreased Expenditures for Classified Employees
8150 - ONGOING & MAJOR MAINTENANCE	(941,459)
9225 - Kaiser Health&Wellness w/EBCF	(354,053)
3010 – Title 1 IASA-I BASIC GRANTS LOW INCOME	(184,324)
3312 - SPEC ED IDEA EARLY INTERVENING	(172,929)
3180 - School Improvement Grant SIG	(135,917)
7085 - PROP 47 - LCSSP	(110,940)
Total	(1,899,622)

**2017-18 Unaudited Actuals and
Estimated Actuals (Restricted Books & Supplies, Objects 4000-4999)**



Restricted Resources (\$100k or more)	Decreased Expenditures for Books and Supplies
9333 - MEASURE N	(1,622,455)
3010 – Title 1 IASA-I BASIC GRANTS LOW INCOME	(1,130,633)
6387 - CTE Incentive Grant	(936,165)
9196 - Atlantic Philanthropies	(933,586)
3180 - School Improvement Grant SIG	(896,567)
9011 - DONATIONS	(573,343)
6382 - Calif Career Pathways Trust	(318,056)
9225 - Kaiser Health&Wellness w/EBCF	(306,798)
9236 - KENNETH RAININ FOUNDATION	(262,931)
9284 - Intel Corporation	<u>(240,096)</u>
Total	(\$7,220,630)

**2017-18 Unaudited Actuals and
Estimated Actuals (Restricted Contracts & Services, Objects 5000-5999)**



Restricted Resources (\$100k or more)	Decreased Expenditures for Contracts and Services
9196 - Atlantic Philanthropies	(989,274)
3010 – Title 1 ASA-I BASIC GRANTS LOW INCOME	(409,922)
6500 - SPECIAL EDUCATION	(404,800)
9333 - MEASURE N	(387,882)
3180 - School Improvement Grant SIG	(377,853)
4035 - TITLE 2-A TEACHER QUALITY	(292,127)
6387 - CTE Incentive Grant	(289,969)
6264 - Educator Effectiveness	(257,254)
9011 – DONATIONS	(154,077)
7338 - COLLEGE READINESS BLOCK	(113,487)
Total	<u>(3,676,644)</u>

2017-18 Unaudited Actuals and Estimated Actuals (Restricted Capital Outlays, Objects 6000-6999)



Restricted Resources (\$100k or more)	Decreased Expenditures for Capital Outlays
6230 - Prop 39 CA Clean Energy Jobs	(6,099,717)
6387 - CTE Incentive Grant	<u>(814,000)</u>
Total	(\$6,913,717)

2017-18 Unaudited Actuals vs Estimated Actuals (General Fund - Combined)



EXPENDITURES	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	<u>Increase (Decrease)</u>	
CERTIFICATED	202,010,856	194,797,326	(7,213,530)	-4%
CLASSIFIED	97,351,874	93,396,949	(3,954,925)	-4%
BENEFITS	135,882,574	136,527,882	645,309	0%
Sub total	435,245,304	424,722,157	(10,523,147)	-2%
Books & Supplies	25,598,975	14,030,706	(11,568,269)	-45%
Contracts and Services	89,344,394	84,622,493	(4,721,901)	-5%
Capital Outlays	8,096,467	1,125,173	(6,971,295)	-86%
Outgoing/Financing	6,781,221	7,493,759	712,538	11%
Sub total	129,821,057	107,272,131	(22,548,926)	-17%
TOTAL EXPENDITURES	\$565,066,361	\$531,994,288	(\$33,072,073)	-6%

Ending Fund Balance and Reserve

- Ending Fund Balance is **\$56.6 Million (\$30M higher than EA)**
 - Restricted Ending Fund Balance is **\$38.6M**
 - Unrestricted Ending Fund Balance is **\$18M**
 - Increase of Fund Balance is due to **\$33.7M** reduction of expenses.
- Reserve from Unrestricted Fund Balance
 - Board Required Minimum Reserve of **2% Met**

2017-18 Unaudited Actuals vs Estimated Actuals (General Fund - Ending Fund Balance, Combined)



	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	Increase (Decrease)	
REVENUE	\$ 566,260,130	\$ 563,281,076	\$ (2,979,054)	-1%
EXPENDITURES	\$ 567,660,249	\$ 533,957,368	\$ 33,702,881	-6%
NET INCREASE (DECREASE)	\$ (1,400,119)	\$ 29,323,708	\$ 30,723,826	
FUND BALANCE				
Beginning Balance	\$ 27,108,369	\$ 27,264,146	\$ 155,776	
Ending Fund Balance	\$ 25,708,250	\$ 56,589,080	\$ 30,879,603	
Component of EFB				
Non-Spendable	\$ 150,000	\$ 540,122	\$ 390,122	
Restricted	\$ 19,860,529	\$ 38,612,895	\$ 18,752,366	
Committed	\$ 0	\$ 0	\$ 0	
Assigned (ADA Adjust)	\$ 0	\$ 0	\$ 0	
Unassigned	\$ 0	\$ 0	\$ 0	
Reserve for Economic Uncertainty	\$ 5,697,721	\$ 17,434,837	\$ 11,737,116	
District Unrestricted Reserve %	1.00%	3.37%		
Reserve for Economic Uncertainty %	1.00%	3.27%		
Assigned Reserve	0%	0.10%		
Unassigned Reserve %	0%	0%		

General Fund - Comparison of Reserve and Ending Fund Balance to Prior Years Year end Closing



	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Revenue	446,315,599	523,501,842	540,938,805	563,281,076
Expenditures	<u>442,529,515</u>	<u>518,141,538</u>	<u>552,358,510</u>	<u>533,957,368</u>
Net Funds Flow	3,786,084	5,360,304	(11,419,705)	29,323,708
Beginning Balance	<u>25,582,525</u>	<u>29,142,391</u>	<u>34,895,560</u>	<u>27,264,146</u>
Ending Fund Balance	<u>\$29,368,608</u>	<u>\$34,502,695</u>	<u>\$23,475,855</u>	<u>\$56,587,853</u>
Less: Restricted Balance	\$13,234,588	\$22,438,844	\$20,055,782	\$38,612,894
UNRESTRICTED DESIGNATIONS:				
Reserve for Economic Uncertainty	\$8,850,590	\$10,362,831	\$2,906,899	\$17,434,839
Assigned and Committed Reserve	\$7,283,430	\$1,701,020	\$513,174	\$540,120
District Unrestricted Reserve %	2.00%	2.00%	0.53%	3.37%

General Fund - MYP - Combined



	2017-18 Estimated Actuals	2017-18 Unaudited Actuals	2018-19 Budget with Updates as of Sept. 2018	2019-20 Revised MYP (with \$30M Reduction)	2020-21 Revised MYP
REVENUE	566,260,130	563,281,076	577,547,064	554,435,477	554,023,001
EXPENDITURES	<u>567,660,249</u>	<u>533,957,368</u>	<u>585,178,208</u>	<u>542,204,334</u>	<u>562,853,107</u>
NET INCREASE (DECREASE)	(1,400,119)	29,323,708	(7,631,144)	12,231,143	(8,830,106)
FUND BALANCE					
Beginning Balance	<u>27,108,369</u>	<u>27,264,146</u>	<u>56,587,854</u>	<u>48,956,710</u>	<u>61,187,853</u>
Ending Fund Balance	<u>\$25,708,250</u>	<u>\$56,587,854</u>	<u>\$48,956,710</u>	<u>\$61,187,853</u>	<u>\$52,357,747</u>
Component of EFB					
Non-Spendable	150,000	540,122	150,000	150,000	150,000
Restricted	19,860,529	38,612,895	31,224,476	35,031,094	33,170,086
Committed	0	0	0	0	0
Assigned (ADA Adjust)	0	0	1,952,778	0	0
Assigned (Technology Refresh)	0	0	1,000,000	1,000,000	
Reserve for Economic Uncertainty	5,697,721	17,434,837	14,629,455	25,006,759	19,037,661
Unassigned Reserve	0	0	0	0	0
District Unrestricted Reserve %	1.00%	3.37%	3.03%	4.82%	3.41%
Reserve for Economic Uncertainty %	1.00%	3.27%	2.50%	4.61%	3.38%
Assigned Reserve %	0%	0.10%	0.53%	0.21%	0.03%
Unassigned Reserve %	0%	0%	0.00%	0%	0.00%

Summary of All Funds

- 11 – Adult Education**
- 12 – Early Childhood**
- 13 – Child Nutrition**
- 21 – Building Fund (Bond Projects)**
- 25 – Capital Facilities Fund (Developer Fees)**
- 35 – School Facilities Fund**
- 40 – Special Reserve for Capital Outlay**
- 51 – Bond Interest and Redemption Fund**
- 67 – Self-Insurance Fund**

Other Funds



	Adult Ed	Child Dev	Cafeteria	Building	Capital Facilities
OTHER FUNDS	FUND 11	FUND 12	FUND 13	FUND 21	FUND 25
REVENUE	2,747,023	12,345,737	19,432,112	1,827,419	15,642,936
EXPENDITURES	<u>2,608,978</u>	<u>12,344,900</u>	<u>21,219,782</u>	<u>80,075,640</u>	<u>28,216</u>
NET INCREASE (DECREASE)	138,045	838	(1,787,670)	(78,248,221)	15,614,720
Contribution In/Out from Fund 01	<u>0</u>	<u>0</u>	<u>1,963,080</u>	<u>0</u>	<u>0</u>
NET INCREASE (DECREASE)	138,045	838	175,410	(78,248,221)	15,614,720
FUND BALANCE					
Beginning Balance	<u>1,852,539</u>	<u>3,756</u>	<u>0</u>	<u>201,286,827</u>	<u>16,531,937</u>
Ending Fund Balance	\$1,990,584	\$4,593	\$175,410	\$123,038,606	\$32,146,656

Other Funds



	County School Facilities	Special Reserve Cap	Bond Interest & Redemption	Self Insurance
OTHER FUNDS	FUND 35	FUND 40	FUND 51	FUND 67
REVENUE	450,430	281,696	69,928,962	23,336,905
EXPENDITURES	<u>337,833</u>	<u>691,828</u>	<u>75,241,695</u>	<u>23,269,397</u>
NET INCREASE (DECREASE)	112,598	(410,132)	(5,312,733)	67,508
Contribution In/Out from Fund 01	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET INCREASE (DECREASE)	112,598	(410,132)	(5,312,733)	67,508
FUND BALANCE				
Beginning Balance	<u>8,983,698</u>	<u>1,233,096</u>	<u>86,109,934</u>	<u>6,787,129</u>
Ending Fund Balance	\$9,096,296	\$822,963	\$80,797,201	\$6,854,637

Next Step

- The District's External Auditor will complete and submit the **2017-18 Audit report** to the California Department of Education and County Office of Education on or before **December 15th, 2018**.
- The **First Interim Report** will be presented to the Board in **December 2018**, detailing year-to-date activity through October 31st and fiscal projections up to June 30th, 2019.