



OAKLAND UNIFIED
SCHOOL DISTRICT

expect **Success**

2007-2008 3rd Interim Financial Report

Wednesday, May 28, 2008

Financial Leadership Team

- Vince Matthews – State Administrator
- Leon Glaster – Chief Financial Officer
- Roberta Sadler – Controller
- Jason Willis – Budget Director

Financial Leadership Team

- Sandra Anderson-Knox – Financial Services Manager
- Waly Ndiaye – Financial Accountant II
- Quyen Nyo – Financial Accountant II
- Azeb Legesse – Financial Accountant I
- Minh Co – Financial Accountant I
- Michael Ezeh – Financial Accountant I
- David Lewis – Financial Accountant I
- Adan Hernandez – Accounting Technician, Receivables, Billing

Financial Leadership Team

- Roxanne Dunn, Financial Services Associate II
- Linda Wu, Financial Services Associate II
- Katema Slocum, Financial Services Associate II
- Diane O'Hara, Financial Services Associate I
- Keisha Smith, Financial Services Associate I
- Marla Williams, Financial Services Associate I

Agenda

- Unrestricted 3rd Interim Overview
- Unrestricted 2nd Interim vs. 3rd Interim
- Categorical 3rd Interim Overview
- Categorical 2nd Interim vs. 3rd Interim
- Unrestricted Multi-Year Projections
- Categorical Multi-Year Projectionx

Unrestricted 3rd Interim Financial Report - Overview

- Projected ending fund balance increases by \$2 million
- 4.3% fund balance reserves
- Preliminary strategies to manage drastic budget cuts from Governor's budget proposal
- Explanation of District's financial position

Unrestricted General Fund 2nd Interim vs. 3rd Interim

	2nd Interim	3rd Interim	Change
Beginning Fund Balance	18,371,084	18,371,084	0
Revenue Limit Sources	207,289,356	207,741,248	451,892
Federal Revenue	0	18,818	18,818
Other State Revenue	23,989,434	25,924,918	1,935,484
Other Local Revenue	26,149,810	27,089,888	940,078
Total Revenue	257,428,600	260,774,872	3,346,272

Unrestricted General Fund 2nd Interim vs. 3rd Interim

Below are the significant Revenue changes between financial reporting periods including:

- Revenue limit increase based on ADA adjustment of 75 students;
- Increase in Other State revenue due \$750K in MAA reimbursement, \$623K in K-3 CSR allocation;
- Local Revenue increase of approximately \$1 million (please note that usually there is a corresponding increase in expenses to off set this increase)

Unrestricted General Fund 2nd Interim vs. 3rd Interim

	2nd Interim	3rd Interim	Change
Salary & Benefits	193,834,172	190,348,449	(3,485,723)
Books & Supplies	9,146,045	11,067,395	1,921,350
Services, Operating, Cap. Outlay	30,670,083	32,837,609	2,167,526
Outgo, and Transfers	24,433,304	24,367,866	(65,438)
Total Expenditures & Transfer	258,083,604	258,621,319	537,715
Net Increase/(Decrease)	(655,004)	2,153,553	2,808,557
Ending Fund Balance	17,716,080	20,524,637	2,808,557

Unrestricted General Fund 2nd Interim vs. 3rd Interim

Below are the significant Expenditure and Fund Balance changes between financial reporting periods including:

- Decrease in Salaries & Benefits in amount of \$3.5 Million due to vacancy position freeze;
- Increase in Books & Supplies in amount of \$2 million to purchase required instructional materials;
- Services & Operations increase in amount of \$2 million for offset of local grants and increase in estimated operations costs
- Fund Balance increase of \$2.8 million due to revenue increases (increases should be considered one-time as opposed to on-going)

Unrestricted General Fund 2nd Interim vs. 3rd Interim

	2 nd Interim	3 rd Interim	Change
Ending Fund Balance	17,716,080	20,524,637	2,808,557
Designated Components of Ending Fund Balance:			
Economic Uncertainties (2% Res)	9,626,289	9,748,403	122,114
Audit Findings	3,000,000	3,000,000	0
Declining Enrollment Contingency	2,500,000	2,500,000	0
Measure E Reserve	517,328	517,328	0
Unappropriated Reserve	2,072,463	4,758,906	2,686,443
Total Designated Components	17,716,080	20,524,637	2,808,557

Categorical 3rd Interim Financial Report - Overview

- Increase in total Revenues in amount of \$2.2 million
- Increase in total Expenditures in amount of \$2.1 million

Categorical General Fund

2nd Interim vs. 3rd Interim

	2nd Interim	3rd Interim	Change
Beginning Fund Balance	26,001,940	26,003,222	1,282
Revenue Limit Sources	10,726,115	10,745,568	19,453
Federal Revenue	67,555,949	68,367,375	811,426
Other State Revenue	105,588,146	106,551,508	963,362
Other Local Revenue	16,044,786	16,439,393	394,607
Total Revenue	199,914,997	202,103,844	2,188,847

Categorical General Fund

2nd Interim vs. 3rd Interim

	2nd Interim	3rd Interim	Change
Salary & Benefits	130,173,137	126,903,432	(3,269,705)
Books & Supplies	37,727,854	39,148,670	1,420,816
Services, Operating, Cap. Outlay	69,479,146	72,654,288	3,175,142
Other Outgo, and Transfers	10,244,300	11,024,385	780,085
Total Expenditures	247,624,437	249,730,775	2,106,338
Total Contributions	27,370,821	27,370,821	0
Net Increase/(Decrease)	(20,338,619)	(20,256,110)	83,791
Ending Fund Balance	5,663,321	5,747,112	83,791
Legally Restricted Balance	5,663,321	5,747,112	83,791

Unrestricted Multi-Year Projections

- Financial projections do not include May Revise information
- 2008-09 financial data includes drastic budget reductions
- Change patterns indicate structural balance of on-going expenditures
- District must consider strategies to lessen impact

Unrestricted General Fund Revenues Multi-Year Projections

	2007-08	2008-09	2009-10
Beginning Fund Balance	18,371,084	20,524,637	19,184,839
Revenue Limit Sources	207,741,248	199,774,830	201,584,764
Federal Revenue	18,818	0	0
Other State Revenue	25,924,918	22,068,751	22,358,719
Other Local Revenue	27,089,888	24,140,000	24,140,000
Total Revenue	260,774,872	245,983,581	248,083,483

Unrestricted General Fund Revenues Multi-Year Projections

Significant Revenue trends between fiscal years:

- Revenue Limit decrease between 2007-08 and 2008-09 is due to the Governor's January budget proposal and declining enrollment
- Other State Revenue decrease is mainly due to reduction in CSR and Lottery funds allocations

Unrestricted General Fund Expenditures Multi-Year Projections

	2007-08	2008-09	2009-10
Salary & Benefits	190,348,449	186,988,917	190,190,836
Books & Supplies	11,067,395	6,370,214	5,306,512
Services, Operating, Cap. Outlay	32,837,609	29,258,638	26,966,052
Outgo, and Transfers	24,367,866	24,705,611	25,011,952
Total Expenditures & Transfer	258,621,319	247,323,380	247,475,352
Net Increase/(Decrease)	2,153,553	(1,339,799)	608,131
Ending Fund Balance	20,524,637	19,184,839	19,792,970

Unrestricted General Fund Expenditures Multi-Year Projections

Significant Expenditure trends between fiscal years:

- Salary & benefit decrease between 2007-08 and 2008-09 is a combination of reduction in staff and increase in health benefits and step & column raises
- Decrease in Books & Supplies because of deflated COLA
- Decrease in Services & Operations due to reduction in discretionary services and savings on fixed costs

Ending Fund Balance

- The 2008-09 Ending Fund Balance decrease by \$1.3 million; \$2 million less than originally estimated
- Indicates that District has financially managed the devastating budget reductions well

Categorical Multi-Year Projections

- Financial projections do not include May Revise information, however no change is projected from Governor's January proposal
- Drastic reductions in revenues and expenditures
- District must consider strategies to lessen impact

Categorical General Fund Revenue Multi-Year Projections

	2007-08	2008-09	2009-10
Beginning Fund Balance	26,003,222	5,747,112	6,163,649
Revenue Limit Sources	10,745,568	11,158,263	10,992,374
Federal Revenue	68,367,375	54,901,158	54,352,147
Other State Revenue	106,551,508	95,778,193	94,820,411
Other Local Revenue	16,439,393	9,824,751	6,824,751
Total Revenue	202,103,844	171,662,365	166,989,683

Categorical General Fund Revenues Multi-Year Projections

Significant Revenue trends between fiscal years:

- Beginning fund balance is drastically reduced due to plan to spend down reserve in 2007-08; adjustments due to Governor's budget proposal may cause beginning fund balance numbers to be higher in Unaudited Actuals
- Federal Revenue should increase when Federal budgets are released and when additional carry over is loaded
- Other State Revenue decrease is mainly due to severe reduction in categorical funds because of Governors budget proposal
- Indicates reduction in Expect Success private funding

Categorical General Fund Expenditures Multi-Year Projections

	2007-08	2008-09	2009-10
Salary & Benefits	126,903,432	125,140,498	125,362,506
Books & Supplies	39,148,670	22,901,557	22,029,602
Services, Operating, Cap. Outlay	72,654,288	40,053,902	36,431,102
Other Outgo, and Transfers	11,024,385	10,520,690	10,313,974
Total Expenditures	249,730,775	198,616,647	194,137,184
Total Contributions	27,370,821	27,370,821	27,370,821
Net Increase/(Decrease)	(20,256,110)	416,538	223,319
Ending Fund Balance	5,747,112	6,163,649	6,386,968
Legally Restricted Balance	5,747,112	6,163,649	6,386,968

Categorical General Fund Expenditures Multi-Year Projections

Significant Expenditure trends between fiscal years:

- Salary & benefit decrease of \$2 million between 2007-08 and 2008-09 is a combination of reduction in staff and increase in health benefits and step & column raises
- Drastic reduction of \$17 million is due to a combination of not having a major “spend down” of carryover and the Governor's budget proposal
- Ending fund balance is stabilized after aggressive spend down in 2007-08. The final 2007-08 ending fund balance number will be a significant factor in carry over strategy