



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

2017-18 3rd Interim Financial Report

Budget Update as of April 30, 2018



Presented by Budget Department

Board of Education Presentation

May 23, 2018

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Areas for Review

- Executive Summary
- 3rd Interim Financial Statements
- Year-End Forecast
- Multi-Year Projection



Executive Summary

- What is 3rd Interim
- Key Results
- Year End Forecast

Executive Summary – What is 3rd Interim



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

The 3rd Interim report is a snapshot in time financial budget update and is dated as of April 30, 2018.

Executive Summary – 3rd Interim Budget Key Results



Key Results

- Based on the information available as of April 30th, it appears that our 3rd interim budget will meet the **2%** minimum threshold required by the California Department of Education.
- However, as a result of our new efforts to improve forecasting for year end closing of the books, our year end forecast projects we will end fiscal year 2017-18 closer to a **1.5%** reserve for economic uncertainty.
- The General Fund is projected to end the year with a positive cash balance of approximately **\$23.8 Million**.
- Based on the above, the General Fund Multiyear Projections and the financial position of all other funds, staff is recommending submittal of the 3rd Interim Financial Report to the Alameda County Office of Education (ACOE) by June 1, 2018.

Executive Summary – Year End Forecast

- How does the 3rd Interim budget update differ from Year End Forecast?
 - 3rd Interim Budget Update represents an updated annualized budget plan based on information available as of April 30, 2018
 - Year End Forecast is the effort put forth to project remaining months' activities and is indicative of what the year end close may be



3rd Interim Financial Statements - General Fund

Unrestricted General Fund

- Revenues and Expenses Summary
- Unrestricted Highlights

2017-18 Unrestricted General Fund Budget Update

Unrestricted	Budget Adoption 6/30/2017	First Interim 12/13/2017	Revision 3 1/24/2018	Second Interim 3/14/2018	Revision 4 4/11/2018	Budget Differences	Third Interim 5/23/2018	
A. REVENUE								
1. LCFF Sources	359,593,984	361,813,016	361,813,016	362,233,213	362,233,213	1,854,092	364,087,305	A
2. Federal	63,500	63,500	63,500	63,500	63,500	-	63,500	
3. State	13,205,696	13,347,383	13,347,383	13,347,383	13,347,383	(282,715)	13,064,667	B
<i>1a. 1X Funds - Obj 8550</i>					-	-	-	
4. Local	34,469,643	35,369,881	35,369,881	35,369,881	35,530,681	(285,600)	35,245,081	C
Total Revenue	407,332,823	410,593,780	410,593,780	411,013,977	411,174,777	1,285,777	412,460,554	
B. EXPENDITURES								
1. Certificated	138,911,376	141,103,328	139,759,705	139,621,434	139,440,981	289,782	139,730,764	
2. Classified	55,651,598	57,933,585	57,218,123	57,165,415	57,042,488	(90,109)	56,952,379	
3. Benefits	80,776,605	82,384,610	47,024,452	47,028,951	46,967,781	(49,270)	46,918,511	
<i>3a. H&W Costs</i>			34,673,100	34,445,429	36,344,568	(91,507)	36,253,061	
4. Books & Supplies	14,538,817	6,153,274	5,601,475	5,617,387	6,013,236	14,575	6,027,811	
4a. Midyear Adjustments	-	-	2,658,068	210,030	901,559	(901,559)	-	D
4b. Surplus	-	2,135,670	1,844,376	1,829,978	1,527,749	(137,239)	1,390,510	E
5. Contracts & Services	36,270,665	39,686,160	39,054,547	38,983,960	40,610,925	59,296	40,670,221	
<i>5a. Sub Agreements</i>				-	-	-	-	
6. Capital Outlay	-	74,514	69,816	69,854	84,577	(1,860)	82,717	
7. Other Outgo	6,087,521	6,087,521	6,087,521	6,087,521	6,087,521	-	\$6,087,521	
8. Direct Support/Indirect Costs	(4,271,913)	(4,808,061)	(4,867,377)	(4,935,411)	(4,940,191)	(628,459)	(5,568,650)	F
9. Interfund Transfers (Trnsf Out-In)	940,521	2,106,744	2,106,744	2,653,394	2,593,888	-	2,593,888	
10. Contributions to Restricted Prog	70,327,977	71,006,060	71,006,060	71,006,060	71,006,060	-	71,006,060	
Total Expenditures	399,233,168	403,863,407	402,236,610	399,784,003	403,681,142	(1,536,350)	402,144,792	
C. Net Incr/Decr to Fund Balance	8,099,655	6,730,373	8,357,170	11,229,974	7,493,635	2,822,127	10,315,762	

Unrestricted General Fund – Highlights

Notes to Budget Preliminary 3rd Interim General Fund Unrestricted		
Note #	Comments	Amount \$ in millions
Revenues		
A	Increase in ADA (Net approx. 207)	\$ 1.9
B	True up of Lottery Allocation	\$ (0.3)
C	Construction Related Rent Credit to Aspire Berkeley Maynard Academ/True of other local revenue	\$ (0.3)
		\$ 1.3
Expenses		
D	Midyear Reductions removed from site budgets	\$ (0.9)
E	Site reprioritizing surplus budgets to other expense priorities	\$ (0.1)
F	True up of indirect credits from restricted	\$ (0.6)
		\$ (1.6)
Contributions - to Restricted Programs		
	<i>No Change</i>	\$ -
Change in Fund Balance		
	Increase/(Decrease) in Fund Balance	\$ 2.9

2017-18 Unrestricted General Fund Balance Impact

	Budget Adoption	First Interim	Revision 3	Second Interim	Revision 4	Budget	Third Interim
Unrestricted	6/30/2017	12/13/2017	1/24/2018	3/14/2018	4/11/2018	Differences	5/23/2018
D. Fund Balance, Reserves							
1. Beginning Fund Balance	8,431,472	3,420,073	3,420,073	3,420,073	3,420,073	-	3,420,073
2. Ending Balance (C+D1)	16,531,127	10,150,446	11,777,243	14,650,047	10,913,708	2,822,127	13,735,835
3. Revolving Cash and/or Prepaid Exp	150,000	150,000	150,000	150,000	150,000	-	150,000
4. Other Designations	5,882,852	-	-	-	-	-	-
5. Reserve Economic Uncertainty	10,498,275	10,000,446	11,627,243	14,500,047	10,763,708	2,822,127	13,585,835
5. % Reserve Economic Uncertainty	2.00%	1.80%	2.03%	2.66%	1.94%	-0.23%	2.43%

As mentioned in the executive summary, the year end forecast is projecting closer to a **1.57%** reserve.



3rd Interim Financial Statements - General Fund

Restricted General Fund

- Revenues and Expenses Summary
- Restricted Highlights

Restricted General Fund – Budget Update



Restricted	Budget Adoption 6/30/2017	First Interim 12/13/2017	Second Interim 3/14/2018	Revision 4 4/11/2018	Budget Differences	Third Interim 5/23/2018	
A. REVENUE							
1. LCFF Sources	2,412,110	2,412,110	2,890,934	2,890,934	-	2,890,934	
2. Federal	44,694,665	48,946,353	49,035,041	49,706,170	1,101,722	50,807,892	
3. State	47,847,129	50,999,310	57,976,624	58,243,203	(4,546,714)	53,696,489	
4. Local	41,066,700	42,007,006	41,816,478	45,558,394	845,868	46,404,262	
Total Revenue	136,020,604	144,364,779	151,719,077	156,398,701	(2,599,124)	153,799,577	A
B. EXPENDITURES							
1. Certificated	53,115,015	54,577,455	54,958,051	55,683,700	1,024,832	56,708,532	B
2. Classified	36,069,443	35,979,665	36,580,795	37,475,667	607,276	38,082,942	
3. Benefits	51,788,512	51,918,391	33,575,632	33,719,054	294,123	34,013,177	
3a. H&W Costs			18,643,054	18,664,893	32,932	18,697,825	
4. Books & Supplies	16,264,702	22,628,279	14,015,853	13,898,650	116,093	14,014,743	
4a. Midyear Adjustments	-	-	11,845	1,302,187	(889,698)	412,489	C
4b. Surplus	-	7,377,452	6,080,877	3,979,926	(226,504)	3,753,422	D
5. Contracts & Services	33,473,044	43,988,572	45,622,910	49,044,817	(370,643)	48,674,174	
5a. Sub Agreements							
6. Capital Outlay	35,000	971,911	1,037,690	1,165,587	6,848,163	8,013,751	E
7. Other Outgo	2,040,000	2,040,000	2,488,928	2,203,928	300,000	2,503,928	F
8. Direct Support/Indirect Costs	2,658,774	3,094,969	3,196,064	3,664,018	94,404	3,758,422	
9. Interfund Transfers (Trnsf Out-In)	-	-	-	-	-	-	
10. Contributions to Restricted Prog	(70,327,977)	(71,006,060)	(71,006,060)	(71,006,060)	-	(71,006,060)	
Total Expenditures	125,116,513	151,570,634	145,205,639	149,796,366	7,830,979	157,627,344	
C. Net Incr/Decr to Fund Balance	10,904,091	(7,205,855)	6,513,438	6,602,335	(10,430,103)	(3,827,768)	G
D. Fund Balance, Reserves							
1. Beginning Fund Balance	-	20,055,782	20,055,782	20,055,782	3,632,514	23,688,296	
2. Ending Balance (C+D1)	10,904,091	12,849,927	26,569,220	26,658,118	(6,797,589)	19,860,529	

Restricted General Fund – Highlights

Notes to Preliminary Budget 3rd Interim General Fund Restricted		
Note #	Comments	Amount \$ in millions
A	Revenues	
	State: Prop 39 CA Clean Energy	\$ (3.50)
	State: LEA MediCal Object Code Accounting Correction	\$ (1.00)
	Federal: LEA MediCal Object Code Accounting Correction	\$ 1.00
	Local: Various Restricted Local	\$ 0.85
		\$ (2.66)
	Expenses	
B	Certificated Salaries - Primarily Extra Time (Paid In Service/Extended Contracts)	\$ 1.02
	Classified Salaries	\$ 0.69
C	Midyear reductions - reprioritization of expenses	\$ (0.90)
D	Site reprioritizing surplus budgets to other expense priorities	\$ (0.20)
E	Construction project for the Clean Energy Act; Montera Middle - Local Funds provided for capital outlay expense	\$ 6.80
F	Special Ed Tuition	\$ 0.30
		\$ 7.71
G	Change in Fund Balance	
	Due to increase in restricted revenue	\$ (10.36)



3rd Interim Financial Statements - General Fund

Combined General Fund

- Revenues and Expenses Summary

Combined General Fund – Revenue & Expense Summary



Combined	Budget Adoption	First Interim	Second Interim	Revision 4	Budget	Third Interim
	6/30/2017	12/13/2017	3/14/2018	4/11/2018	Differences	5/23/2018
A. REVENUE						
1. LCFF Sources	362,006,094	364,225,126	365,124,147	365,124,147	1,854,092	366,978,239
2. Federal	44,758,165	49,009,853	49,098,541	49,769,670	1,101,722	50,871,392
3. State	61,052,825	64,346,693	71,324,007	71,590,586	(4,829,430)	66,761,156
4. Local	75,536,343	77,376,887	77,186,359	81,089,075	560,268	81,649,343
Total Revenue	543,353,427	554,958,559	562,733,054	567,573,478	(1,313,348)	566,260,130
	543,353,427.00					
B. EXPENDITURES						
1. Certificated	192,026,391	195,680,783	194,579,485	195,124,681	1,314,615	196,439,296
2. Classified	91,721,041	93,913,250	93,746,211	94,518,155	517,166	95,035,321
3. Benefits	132,565,117	134,303,001	80,604,583	80,686,835	244,853	80,931,688
3a. H&W Costs			53,088,483	55,009,461	(58,575)	54,950,886
4. Books & Supplies	30,803,519	28,781,553	19,633,240	19,911,886	130,668	20,042,554
4a. Midyear Adjustments	-	-	221,875	2,203,746	(1,791,256)	412,489
4b. Surplus	-	9,513,122	7,910,855	5,507,675	(363,743)	5,143,932
5. Contracts & Services	69,743,709	83,674,732	84,606,870	89,655,742	(311,348)	89,344,394
6. Capital Outlay	35,000	1,046,425	1,107,544	1,250,164	6,846,303	8,096,467
7. Other Outgo	8,127,521	8,127,521	8,576,449	8,291,449	300,000	8,591,449
8. Direct Support/Indirect Costs	(1,613,139)	(1,713,092)	(1,739,347)	(1,276,173)	(534,055)	(1,810,228)
9. Interfund Transfers (Trnsf Out-In)	940,521	2,106,744	2,653,394	2,593,888	-	2,593,888
10. Contributions to Restricted Prog	-	-	0	-	-	-
Total Expenditures	524,349,681	555,434,040	544,989,642	553,477,508	6,294,628	559,772,136
C. Net Incr/Decr to Fund Balance	19,003,746	(475,482)	17,743,412	14,095,970	(7,607,976)	6,487,994
D. Fund Balance, Reserves						
1. Beginning Fund Balance	8,431,472	23,475,855	23,475,855	23,475,855	3,632,514	27,108,369
2. Revolving Cash and/or Prepaid	150,000	150,000	150,000	150,000	-	150,000
3. Other Designations	5,882,852	-	-	-	-	-
4. Ending Balance (C+D1-2.-3.)	21,402,366	23,000,373	41,219,267	37,571,825	(3,975,462)	33,596,364



Year End Forecast Projections

General Fund





2017-18 Unrestricted General Fund – Year End Forecast Methodology/Assumptions

Methodology :

1. Analyzed year to date revenue and expense activity through April 30, 2018
2. Used Encumbrances to benchmark May and June activity
3. Added projected expenses that will occur as a part of year end close based on historical data and any known activity not currently encumbered

Assumptions :

- A. Revenue – District will earn the Revenue projected in the 3rd Interim Working Budget
- B. Expense –
 - Overall, projected year totals reflect closer to what historical data indicates are activities that occur at year end
 - **Salaries and benefits** - includes assumptions made for activities that do not encumber such as extra time/overtime/sub costs and is based on current year monthly expenses
 - **Books & Supplies and Contracts & Services** – Represents additional projected costs that were not encumbered at the end of April



2017-18 Unrestricted General Fund – Year End Forecast

RISKS

RISKS :

1. First best effort to provide a year end forecast that represents closer to where the year end closing of the books may land
2. Forecast completed at high level
3. Limitations of software i.e. encumbrances in some cases do not seem to align with actual costs, therefore, independent assumptions on expenses were made
4. Limitations of time to provide a forecast that encompasses a detailed/thorough analysis
5. Limitation of resources
6. Represents the best estimate considering all limitations

2017-18 Unrestricted General Fund – Year End Forecast

Unrestricted	YTD Actuals 4/30/2018	May/June FCST 05/01-06/30	Additions Year End	Projected Actual 6/30/2018
A. REVENUE				
1. LCFF Sources	288,329,684	5,766,594	69,991,027	364,087,305
2. Federal	18,344	367	44,789	63,500
3. State	8,702,127	174,043	4,188,498	13,064,667
<i>1a. 1X Funds - Obj 8550</i>	-	-	-	-
4. Local	25,810,406	516,208	8,918,467	35,245,081
Total Revenue	322,860,561	6,457,211	83,142,781	412,460,554
B. EXPENDITURES				
1. Certificated	113,366,503	25,647,320	3,996,184	143,010,007
2. Classified	49,168,775	8,683,662	221,798	58,074,235
3. Benefits	39,098,786	8,432,813	508,095	48,039,694
<i>3a. H&W Costs</i>	28,394,259	6,586,056	-	34,980,316
4. Books & Supplies	4,742,242	1,239,775	1,032,753	7,014,770
4a. Midyear Adjustments	-	1,906	(1,906)	-
4b. Surplus	-	35,652	(35,652)	-
5. Contracts & Services	30,360,948	6,456,323	4,718,558	41,535,830
<i>5a. Sub Agreements</i>	-	-	-	-
6. Capital Outlay	33,943	21,539	-	55,482
7. Other Outgo	\$3,992,704	\$0	\$2,094,818	\$6,087,521
8. Direct Support/Indirect Costs	(2,239,086)	-	(3,329,563)	(5,568,650)
9. Interfund Transfers (Trnsf Out-In)	(375,957)	-	2,969,846	2,593,888
10. Contributions to Restricted Prog	-	-	71,165,173	71,165,173
Total Expenditures	266,543,116	57,105,047	83,340,102	406,988,266
C. Net Incr/Decr to Fund Balance	56,317,445	(50,647,836)	(197,322)	5,472,288
D. Fund Balance, Reserves				
1. Beginning Fund Balance	-	-	-	3,420,073
2. Ending Balance (C+D1)	-	-	-	8,892,361
3. Revolving Cash and/or Prepaid Exp	-	-	-	150,000
4. Other Designations	-	-	-	-
5. Reserve Economic Uncertainty	-	-	-	8,742,361
5. % Reserve Economic Uncertainty	-	-	-	1.57%

2017-18 Restricted General Fund – Year End Forecast

Restricted	YTD Actuals	May/June FCST	Additions	Projected Actual
	4/30/2018	05/01-06/30	Year End	6/30/2018
A. REVENUE				
1. LCFF Sources	976,861	195,372	1,718,701	2,890,934
2. Federal	23,943,296	26,864,596	-	50,807,892
3. State	33,859,570	19,836,919	-	53,696,489
4. Local	38,276,128	7,655,226	-	45,931,353
Total Revenue	97,055,854	54,552,113	1,718,701	153,326,668
B. EXPENDITURES				
1. Certificated	43,355,931	12,481,843	839,349	56,677,123
2. Classified	30,239,320	8,268,130	346,774	38,854,224
3. Benefits	18,669,433	4,059,498	10,467,850	33,196,782
3a. H&W Costs	14,598,871	3,426,996	5,573,936	23,599,803
4. Books & Supplies	5,722,754	3,243,099	1,857,639	10,823,492
4a. Midyear Adjustments	-	79,159	(79,159)	-
4b. Surplus	-	218,589	(218,589)	-
5. Contracts & Services	28,453,622	15,086,913	8,010,851	51,551,386
5a. Sub Agreements	-	-	-	-
6. Capital Outlay	141,779	260,925	331,395	734,099
7. Other Outgo	2,503,928	-	-	2,503,928
8. Direct Support/Indirect Costs	964,125	-	2,794,297	3,758,422
9. Interfund Transfers (Trnsf Out-In)	-	-	-	-
10. Contributions to Restricted Prog	(159,113)	-	(71,006,060)	(71,165,173)
Total Expenditures	144,490,651	47,125,154	(41,081,717)	150,534,087
C. Net Incr/Decr to Fund Balance	(47,434,796)	7,426,959	42,800,418	2,792,581
D. Fund Balance, Reserves				
1. Beginning Fund Balance	-	-	-	23,688,296
2. Ending Balance (C+D1)	-	-	-	26,480,877

General Fund

Multiyear Projections



2017-18 Unrestricted General Fund – Multi-Year Projection Risks



Risks:

1. Preliminary 18/19 Budget is incomplete and the reconciliation process is still in progress
2. Limitations of software
3. Excludes May Revise implications
4. All expense calculations including benefits are being reviewed so that we can provide a closer reflection of costs for 18/19 as a part of Budget Adoption
5. In particular, indirect costs/transfers and so forth are subject to change once a budget is finalized

2017-18 3rd Interim

Unrestricted General Fund - Multiyear Projections



Unrestricted	Third Interim 5/23/2018	18-19 Inc/Dcr	18-19 Projected	19-20 Inc/Dcr	19-20 Projected	
A. REVENUE						
1. LCFF Sources	364,087,305	17,852,691	381,939,996	5,488,972	387,428,968	A
2. Federal	63,500	-	63,500	-	63,500	
3. State	13,064,667	(6,146,134)	7,201,249	173,550	7,374,799	B
1a. 1X Funds - Obj 8550	-	10,425,146	10,425,146	(10,425,146)	-	B
4. Local	35,245,081	-	33,302,135	-	33,302,135	
Total Revenue	412,460,554	22,131,703	432,932,026	(4,762,624)	428,169,402	
B. EXPENDITURES						
1. Certificated	139,730,764	9,763,571	149,494,334	(6,367,462)	143,126,872	
2. Classified	56,952,379	446,143	57,398,522	(1,708,014)	55,690,507	
3. Benefits	46,918,511	3,870,104	50,788,615	2,317,960	53,106,575	
3a. H&W Costs	36,253,061	5,059,028	41,312,089	1,001,953	42,314,042	
4. Books & Supplies	6,027,811	(507,250)	5,520,561	(341,757)	5,178,804	
4a. Midyear Adjustments	-	-	-	-	-	
4b. Surplus	1,390,510	3,142,503	4,533,013	(4,533,013)	-	
5. Contracts & Services	40,670,221	(1,685,899)	38,984,322	(2,012,267)	36,972,055	
5a. Sub Agreements	-	-	-	-	-	
6. Capital Outlay	82,717	(43,267)	39,450	-	39,450	
7. Other Outgo	\$6,087,521	-	6,087,521	-	6,087,521	
8. Direct Support/Indirect Costs	(5,568,650)	800,650	(4,768,000)	-	(4,768,000)	
9. Interfund Transfers (Trnsf Out-In)	2,593,888	-	2,593,888	-	2,593,888	
10. Contributions to Restricted Prog	71,006,060	5,190,170	76,196,230	7,619,623	83,815,853	
Total Expenditures	402,144,792	26,035,754	428,180,545	(4,022,977)	424,157,568	C
C. Net Incr/Decr to Fund Balance	10,315,762	(3,605,690)	4,751,481	(739,647)	4,011,834	
D. Fund Balance, Reserves						
1. Beginning Fund Balance	3,420,073		13,735,835		18,487,315	
2. Ending Balance (C+D1)	13,735,835		18,487,315		22,499,149	
3. Revolving Cash and/or Prepaid Exp	150,000		150,000		150,000	
4. Other Designations	-		5,000,000		5,000,000	D
5. Reserve Economic Uncertainty	13,585,835		13,337,315		17,349,149	
5. % Reserve Economic Uncertainty	2.43%	0.05%	2.48%	0.69%	3.17%	E

2017-18 3rd Interim



Unrestricted General Fund - Multiyear Assumptions

Note #	18/19	19/20
A	LCFF Sources: Fully Funded/COLA	LCFF Sources: COLA Only
B	State: One Time funds from 17/18 eliminated State: One time funds for 18/19 included	State: COLA Only State: One time funds from 18/19 eliminated
C.	Salaries: Assumes Step & Column plus assumptions for extra time/overtime based on 17/18 trends Benefits: Allocated according to what's reflected in 18/19 and is subject to change Books & Supplies: Based on what's currently reflected as part of budget development Services: Includes internal purchased services such as RJ Facilitators and results with a decrease in overall service costs Contributions: Reflects what's currently reflected as a part of budget development	Salaries: Proportionate decrease in costs in order to achieve a 3% reserve Benefits: Proportionate decrease in costs in order to achieve a 3% reserve Books & Supplies: Proportionate decrease in costs in order to achieve a 3% reserve Contracted Services: Proportionate decrease in costs in order to achieve a 3% reserve Contributions: Assumes a 10% increase based on historical data
D.	Other Designation: Represents limitation in our software to pull the beginning fund balance from the updated year end forecast. Because beginning balance is higher in 3rd interim than forecast, a \$5m designation was made to account for this needed adjustment	Other Designation: Represents limitation in our software to pull the beginning fund balance from the updated year end forecast. Because beginning balance is higher in 3rd interim than forecast, a \$5m designation was made to account for this needed adjustment
E	Reserve with the current state of 18/19 is projected to be approximately 2.48%	With approximately \$18m in reductions in 19/20 that were proportionately reduced from list above, reserve is projected to be approximately 3.17%

2017-18 3rd Interim



Restricted General Fund - Multiyear Projections

Restricted	Third Interim	18-19	18-19	19-20	19-20	
	5/23/2018	Inc/Dcr	Projected	Inc/Dcr	Projected	
A. REVENUE						
1. LCFF Sources	2,890,934	-	2,890,934	-	2,890,934	
2. Federal	50,807,892	(6,918,946)	42,116,096	(4,211,610)	37,904,486	A
3. State	53,696,489	(4,197,150)	53,779,474	(2,688,974)	51,090,500	B
4. Local	46,404,262	(9,393,031)	32,423,446	-	32,423,446	
Total Revenue	153,799,577	(20,509,127)	131,209,950	(6,900,583)	124,309,367	
B. EXPENDITURES						
1. Certificated	56,708,532	(2,989,788)	53,718,745	214,875	53,933,619	
2. Classified	38,082,942	(2,286,593)	35,796,349	393,760	36,190,109	
3. Benefits	34,013,177	(9,784,893)	24,228,284	15,638,180	39,866,464	
3a. H&W Costs	18,697,825	139,559	18,837,384	2,907,874	21,745,258	
4. Books & Supplies	14,014,743	(9,330,997)	4,683,747	142,386	4,826,132	
4a. Midyear Adjustments	412,489	(412,489)	-	-	-	
4b. Surplus	3,753,422	(742,913)	3,010,508	(3,010,508)	-	
5. Contracts & Services	48,674,174	(10,132,510)	38,541,664	1,171,667	39,713,331	
5a. Sub Agreements		-	-	-	-	
6. Capital Outlay	8,013,751	(8,013,751)	-	2,779,708	2,779,708	
7. Other Outgo	2,503,928	-	2,503,928	-	2,503,928	
8. Direct Support/Indirect Costs	3,758,422	1,009,578	4,768,000	-	4,768,000	
9. Interfund Transfers (Trnsf Out-In)	-	-	-	-	-	
10. Contributions to Restricted Prog	(71,006,060)	(5,190,170)	(76,196,230)	(7,619,623)	(83,815,853)	
Total Expenditures	157,627,344	(47,734,966)	109,892,378	12,618,318	122,510,696	C
C. Net Incr/Decr to Fund Balance	(3,827,768)	14,804,134	21,317,572	(19,518,901)	1,798,671	
D. Fund Balance, Reserves						
1. Beginning Fund Balance	23,688,296	(195,254)	19,860,529	21,317,572	41,178,101	
2. Ending Balance (C+D1)	19,860,529	14,608,881	41,178,101	1,798,671	42,976,772	D

2017-18 3rd Interim



Restricted General Fund - Multiyear Assumptions

Note #	18/19	19/20
A	Federal: Includes reduction for resources that are expiring	Federal: Includes overall Federal rate reduction of approximately 10%
B	State: Includes reduction for resources that are expiring	State: Includes overall State rate reduction of approximately 5%
C.	<p>Salaries: Assumes Step & Column plus assumptions for extra time/overtime based on 17/18 trends</p> <p>Benefits: Allocated according to what's reflected in 18/19 and is subject to change</p> <p>Books & Supplies: Based on what's currently reflected as part of budget development</p> <p>Contracts & Services: Based on what's currently reflected as part of budget development</p> <p>Contributions: Reflects what's currently reflected as a part of budget development</p>	<p>Salaries: Assumes Step & Column plus assumptions for extra time/overtime based on 17/18 trends</p> <p>Benefits: Allocated according to what's reflected in 18/19 and is subject to change</p> <p>Books & Supplies: Based on what's currently reflected as part of budget development</p> <p>Contracts & Services: Based on what's currently reflected as part of budget development</p> <p>Contributions: Assumes a 10% increase based on historical data</p>
D.	Ending Balance: Because FY18/19 is being reconciled, the allocations of expenses may change by decreasing the ending fund balance. More updated information will be provided as a part of Budget Adoption	Ending Balance: Because FY18/19 is being reconciled, the allocations of expenses may change by decreasing the ending fund balance. More updated information will be provided as a part of Budget Adoption

2017-18 3rd Interim

Combined General Fund - Multiyear Projections

Combined	Third Interim	18-19		19-20	
	5/23/2018	Inc/Dcr	Projected	Inc/Dcr	Projected
A. REVENUE					
1. LCFF Sources	366,978,239	19,706,783	384,830,930	5,488,972	390,319,902
2. Federal	50,871,392	(6,918,946)	42,179,596	(4,211,610)	37,967,986
3. State	66,761,156	81,863	71,405,869	(12,940,570)	58,465,299
4. Local	81,649,343	(11,460,777)	65,725,581	-	65,725,581
Total Revenue	566,260,130	1,408,922	564,141,976	(11,663,208)	552,478,769
B. EXPENDITURES					
1. Certificated	196,439,296	6,773,783	203,213,079	(6,152,587)	197,060,492
2. Classified	95,035,321	(1,840,450)	93,194,871	(1,314,255)	91,880,616
3. Benefits	80,931,688	(5,914,789)	75,016,899	17,956,140	92,973,039
3a. H&W Costs	54,950,886	5,198,587	60,149,473	3,909,827	64,059,301
4. Books & Supplies	20,042,554	(9,838,246)	10,204,307	(199,371)	10,004,936
4a. Midyear Adjustments	412,489	(412,489)	-	-	-
4b. Surplus	5,143,932	2,399,589	7,543,521	(7,543,521)	-
5. Contracts & Services	89,344,394	(11,818,408)	77,525,986	(840,600)	76,685,386
6. Capital Outlay	8,096,467	(8,057,017)	39,450	2,779,708	2,819,158
7. Other Outgo	8,591,449	-	8,591,449	-	8,591,449
8. Direct Support/Indirect Costs	(1,810,228)	1,810,228	-	-	-
9. Interfund Transfers (Trnsf Out-In)	2,593,888	-	2,593,888	-	2,593,888
10. Contributions to Restricted Prog	-	-	-	-	-
Total Expenditures	559,772,136	(21,699,213)	538,072,923	8,595,341	546,668,264
C. Net Incr/Decr to Fund Balance	6,487,994	8,325,641	26,069,053	(20,258,548)	5,810,504
D. Fund Balance, Reserves					
1. Beginning Fund Balance	27,108,369	(195,254)	33,596,364	21,317,572	59,665,416
2. Revolving Cash and/or Prepaid	150,000		150,000		150,000
3. Other Designations	-		5,000,000		5,000,000
4. Ending Balance (C+D1-2.-3.)	33,596,364	14,608,881	59,665,416	1,798,671	65,475,921

As we move further into 2017-18, red flags are signaling caution as previously indicated at the closing for 2016-17:

- **LCFF** is close to being fully funded, which means the increases from year to year will be significantly smaller.
- **Cost of Living Adjustments (COLAs)** are not expected to keep pace with the true cost of living; meaning the increases in revenues will not be enough to pay for increases in costs.
- **Support** to Special Education, Transportation, and Child Nutrition need realigning to closely stay within each program revenue sources. **Special Education, in particular, is a program that needs to be monitored very closely.**
- **Reserve Balance** must maintain the State required 2%. In addition, more reductions should be in 18/19 and 19/20 in order for the District to achieve a 3% reserve.

Caution Ahead





Appendices

- All Funds
- Cash flow – General Fund



Appendix

All Funds

All Funds – 2017-18 3rd Interim Budget



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

OUSD 3rd INTERIM 17-18	General	General	General	Adult	Early	Food	Deferred	Building	Capital	County Schl	Spec Reserv	Bond Int &	Self	Total	ALL
	Unrestricted 1	Restricted 1	Fund Total	Education 11	Childhood 12	Service 13	Maintenance 14	Fund 21	Facilities 25	Facilities 35	Cap Projects 40	Redemption 51	Insurance 67	Special Funds	FUNDS TOTAL
Beginning Balance	\$ 3,420,073	\$ 20,055,782	\$23,475,855	\$ 1,849,941	\$ 1,520	\$ 24	\$ 5,389	\$206,850,401	\$16,502,764	\$ 2,968,840	\$ 1,230,467	\$ 85,932,554	\$ 6,780,961	\$ 322,122,858	\$ 345,598,714
Income															
LCFF Sources	364,087,305	2,890,934	366,978,239	-	-	-	-	-	-	-	-	-	-	-	366,978,239
Federal Revenues	63,500	50,807,892	50,871,392	206,854	666,966	17,643,536	-	-	-	-	-	3,515,994	-	22,033,350	72,904,742
State Revenues	13,064,667	53,696,489	66,761,156	2,319,101	12,612,098	1,163,162	-	6,793	-	261,354	73,305	442,000	4,424	16,882,238	83,643,394
Local Revenues	35,245,081	46,404,262	81,649,343	174,057	341,150	830,749	80	807,679	7,898,877	13,000	205,500	56,604,339	21,921,712	88,797,142	170,446,485
Total Revenues	412,460,553	153,799,577	566,260,130	2,700,012	13,620,214	19,637,447	80	814,472	7,898,877	274,354	278,805	60,562,332	21,926,136	127,712,730	693,972,860
Expenses															
Certificated Salaries	139,730,764	56,708,532	196,439,296	1,439,926	1,916,780	-	-	-	-	-	-	-	200,528	3,557,235	199,996,531
Classified Salaries	56,952,379	38,082,942	95,035,321	303,517	3,390,606	7,155,580	-	3,298,749	-	1,040	51,996	-	1,450,042	15,651,529	110,686,850
Employee Benefits	83,171,572	52,711,002	135,882,574	667,298	4,248,211	3,815,356	-	1,524,552	-	120	7,829	-	582,804	10,846,171	146,728,744
Supplies	7,418,321	18,180,654	25,598,975	599,052	1,324,644	10,165,683	-	37,381	-	-	-	-	60,200	12,186,960	37,785,935
Services	40,670,221	48,674,174	89,344,394	111,013	2,004,192	296,153	-	14,318,034	500,000	2,096,478	66,108	-	19,861,913	39,253,891	128,598,286
Capital Outlay	82,717	8,013,751	8,096,467	1,251,300	-	200,946	-	140,620,428	11,834,391	740,123	808,000	-	-	155,455,187	163,551,655
Other Outgo	6,087,521	2,503,928	8,591,449	-	-	-	-	-	-	-	-	75,268,856	-	75,268,856	83,860,305
Indirect Cost	(5,568,650)	3,758,422	(1,810,228)	177,846	677,516	954,866	-	-	-	-	-	-	-	1,810,228	-
Total Expenses	328,544,843	228,633,404	557,178,248	4,549,953	13,561,949	22,588,583	-	159,799,143	12,334,391	2,837,761	933,933	75,268,856	22,155,488	314,030,057	871,208,305
Income less Expenditures	83,915,710	(74,833,828)	9,081,882	(1,849,941)	58,265	(2,951,136)	80	(158,984,671)	(4,435,514)	(2,563,407)	(655,128)	(14,706,524)	(229,352)	(186,317,328)	(177,235,445)
Transfers															
Transfers In	597,844	-	597,844	-	-	3,191,732	-	-	-	-	-	-	-	3,191,732	3,789,576
Transfers Out	3,191,732	-	3,191,732	-	57,224	240,620	-	-	-	-	-	-	300,000	597,844	3,789,576
Other Sources/Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	(71,006,060)	71,006,060	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	(73,599,949)	71,006,060	(2,593,888)	-	(57,224)	2,951,112	-	-	-	-	-	-	(300,000)	2,593,888	-
Net Increase / (Decrease)	10,315,761	(3,827,768)	6,487,994	(1,849,941)	1,041	(24)	80	(158,984,671)	(4,435,514)	(2,563,407)	(655,128)	(14,706,524)	(529,352)	(183,723,439)	(177,235,445)
Audit Adjustment		3,632,514	3,632,514												3,632,514
Ending Balances	\$ 13,735,834	\$ 19,860,529	\$33,596,363	\$ -	\$ 2,561	\$ (0)	\$ 5,469	\$ 47,865,730	\$12,067,249	\$ 405,433	\$ 575,339	\$ 71,226,030	\$ 6,251,609	\$ 138,399,419	\$ 171,995,782

All Funds – 2017-18 2nd Interim Budget



OUSD 2nd INTERIM 2017-18	General	General	General	Adult	Early	Food	Deferred	Buliding	Capital	County Schl	Spec Reserv	Bond Int &	Self	Total	ALL
	Unrestricted	Restricted	Fund	Education	Childhood	Service	Maintenance	Fund	Facilities	Facilities	Cap Projects	Redemption	Insurance	Special	FUNDS
	1	1	Total	11	12	13	14	21	25	35	40	51	67	Funds	TOTAL
Beginning Balance	\$ 3,420,073	\$ 20,055,782	\$ 23,475,855	\$ 1,849,941	\$ 1,520	\$ 24	\$ 5,389	\$ 206,850,401	\$ 16,502,764	\$ 2,968,840	\$ 1,230,467	\$ 85,932,554	\$ 6,780,961	\$ 322,122,858	\$ 345,598,714
Income															
LCFF Sources	362,233,213	2,890,934	365,124,147	-	-	-	-	-	-	-	-	-	-	-	365,124,147
Federal Revenues	63,500	49,035,041	49,098,541	206,854	666,966	17,643,536	-	-	-	-	-	3,515,994	-	22,033,350	71,131,891
State Revenues	13,347,383	57,976,624	71,324,007	2,333,656	11,273,219	1,163,162	-	6,793	-	261,354	73,305	442,000	4,424	15,557,914	86,881,920
Local Revenues	35,369,881	41,816,478	77,186,359	137,286	341,150	803,606	80	800,000	7,898,877	13,000	205,500	56,604,339	21,921,712	88,725,549	165,911,908
Total Revenues	411,013,977	151,719,077	562,733,054	2,677,796	12,281,335	19,610,304	80	806,793	7,898,877	274,354	278,805	60,562,332	21,926,136	126,316,813	689,049,867
Expenses															
Certificated Salaries	139,621,434	54,958,051	194,579,485	1,411,151	2,071,607	-	-	-	-	-	-	-	200,528	3,683,287	198,262,772
Classified Salaries	57,165,415	36,580,795	93,746,211	305,572	3,315,832	7,225,275	-	3,256,553	-	1,040	53,798	-	1,450,042	15,608,111	109,354,322
Employee Benefits	81,474,380	52,218,686	133,693,066	670,690	4,153,958	3,848,126	-	1,521,021	-	120	6,027	-	582,804	10,782,747	144,475,813
Supplies	7,657,395	20,108,575	27,765,970	622,257	78,446	10,157,691	-	29,067	-	-	-	-	67,700	10,955,161	38,721,131
Services	38,983,960	45,622,910	84,606,870	88,921	1,996,592	263,415	-	13,864,910	500,000	2,096,478	-	-	19,854,413	38,664,730	123,271,600
Capital Outlay	69,854	1,037,690	1,107,544	1,251,300	-	171,574	-	127,984,807	9,834,391	713,775	808,000	-	-	140,763,846	141,871,390
Other Outgo	6,087,521	2,488,928	8,576,449	-	-	-	-	-	-	-	-	75,268,586	-	75,268,586	83,845,035
Indirect Cost	(4,935,411)	3,196,064	(1,739,347)	177,846	606,635	954,866	-	-	-	-	-	-	-	1,739,347	-
Total Expenses	326,124,548	216,211,699	542,336,247	4,527,737	12,223,070	22,620,946	-	146,656,359	10,334,391	2,811,413	867,825	75,268,586	22,155,488	297,465,815	839,802,063
Income less Expenditures	84,889,428	(64,492,622)	20,396,806	(1,849,941)	58,265	(3,010,642)	80	(145,849,566)	(2,435,514)	(2,537,059)	(589,020)	(14,706,254)	(229,352)	(171,149,002)	(150,752,196)
Transfers															
Transfers In	597,844	-	597,844	-	-	3,251,238	-	-	-	-	-	-	-	3,251,238	3,849,082
Transfers Out	3,251,238	-	3,251,238	-	57,224	240,620	-	-	-	-	-	-	300,000	597,844	3,849,082
Other Sources/Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	(71,006,060)	71,006,060	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	(73,659,455)	71,006,060	(2,653,394)	-	(57,224)	3,010,618	-	-	-	-	-	-	(300,000)	2,653,394	-
Net Increase / (Decrease)	11,229,974	6,513,438	17,743,412	(1,849,941)	1,041	(24)	80	(145,849,566)	(2,435,514)	(2,537,059)	(589,020)	(14,706,254)	(529,352)	(168,495,608)	(150,752,196)
Ending Balances	\$ 14,650,047	\$ 26,569,220	\$ 41,219,267	\$ -	\$ 2,561	\$ (0)	\$ 5,469	\$ 61,000,835	\$ 14,067,249	\$ 431,781	\$ 641,447	\$ 71,226,300	\$ 6,251,609	\$ 153,627,250	\$ 194,846,518

All Funds – 2017-18 3rd Interim vs 2nd Interim



DIFFERENCE (2nd vs 3rd Interim)	General	General	General	Adult	Early	Food	Deferred	Building	Capital	County Schl	Spec Reserv	Bond Int &	Self	Total	ALL
	Fund	Fund	Fund	Education	Childhood	Service	Maintenance	Fund	Facilities	Facilities	Cap Projects	Redemption	Insurance	Special	FUNDS
	Unrestricted	Restricted	Total	11	12	13	14	21	25	35	40	51	67	Funds	TOTAL
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income															
LCFF Sources	1,854,092	-	1,854,092	-	-	-	-	-	-	-	-	-	-	-	1,854,092
Federal Revenues	-	1,772,850	1,772,850	-	-	-	-	-	-	-	-	-	-	-	1,772,850
State Revenues	(282,716)	(4,280,135)	(4,562,851)	(14,555)	1,338,879	-	-	-	-	-	-	-	-	1,324,324	(3,238,527)
Local Revenues	(124,800)	4,587,784	4,462,984	36,771	-	27,143	-	7,679	-	-	-	-	-	71,593	4,534,577
Total Revenues	1,446,576	2,080,500	3,527,076	22,216	1,338,879	27,143	-	7,679	-	-	-	-	-	1,395,917	4,922,993
Expenses															
Certificated Salaries	109,330	1,750,481	1,859,811	28,775	(154,827)	-	-	-	-	-	-	-	-	(126,052)	1,733,759
Classified Salaries	(213,037)	1,502,147	1,289,110	(2,055)	74,774	(69,694)	-	42,195	-	-	(1,802)	-	-	43,418	1,332,529
Employee Benefits	1,697,191	492,316	2,189,507	(3,391)	94,253	(32,770)	-	3,530	-	-	1,802	-	-	63,424	2,252,931
Supplies	(239,074)	(1,927,921)	(2,166,995)	(23,205)	1,246,198	7,992	-	8,314	-	-	-	-	(7,500)	1,231,799	(935,196)
Services	1,686,261	3,051,263	4,737,524	22,092	7,600	32,738	-	453,123	-	-	66,108	-	7,500	589,161	5,326,685
Capital Outlay	12,862	6,976,061	6,988,923	-	-	29,372	-	12,635,622	2,000,000	26,348	-	-	-	14,691,341	21,680,265
Other Outgo	-	15,000	15,000	-	-	-	-	-	-	-	-	270	-	270	15,270
Indirect Cost	(633,239)	562,358	(70,881)	-	70,881	-	-	-	-	-	-	-	-	70,881	-
Total Expenses	2,420,295	12,421,705	14,842,000	22,216	1,338,879	(32,363)	-	13,142,784	2,000,000	26,348	66,108	270	-	16,564,242	31,406,242
Income less Expenditures	(973,719)	(10,341,206)	(11,314,924)	-	-	59,506	-	(13,135,105)	(2,000,000)	(26,348)	(66,108)	(270)	-	(15,168,325)	(26,483,249)
Transfers															
Transfers In	-	-	-	-	-	(59,506)	-	-	-	-	-	-	-	(59,506)	(59,506)
Transfers Out	(59,506)	-	(59,506)	-	-	-	-	-	-	-	-	-	-	-	(59,506)
Other Sources/Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers	59,506	-	59,506	-	-	(59,506)	-	-	-	-	-	-	-	(59,506)	-
Net Increase / (Decrease)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Audit Adjustment	-	3,632,514	3,632,514	-	-	-	-	-	-	-	-	-	-	-	3,632,514
Ending Balances	(914,213)	(6,708,692)	(7,622,904)	-	-	-	-	(13,135,105)	(2,000,000)	(26,348)	(66,108)	(270)	-	(15,227,831)	(22,850,735)



All Funds – 2017-18 Fluctuations Explanations

As of 3rd Interim, all funds are updated with current documented assumptions as of April 30, 2018.

- **Fund 11** – Adult Ed: Slight increase in Local Revenue and adjustment to State Revenue
- **Fund 12** – Early Childhood: Increase in State Revenue based on an amendment from a State Grant raising the award by \$1.3M
- **Fund 13** – Food Services: Slight increase in Local Revenue
- **Fund 21** – Building Fund: Increase in construction project expenses based primarily on updating project commitments
- **Fund 25** – Capital Facilities: Increase in project expenses based primarily on updating commitments



Appendix

Cash Flow – General Fund

2017-18 3rd Interim Cash Flow – General Fund



Cash flow for projected months (05/01/2018 to 06/30/18) are primarily based on Federal, State and Local cash payment schedules and prior year actuals.

To have sufficient cash on hand to close out the current fiscal year (2017-18) and to meet financial obligations, the District temporarily borrowed \$26 million in October 2017. The temporary loan is scheduled to be paid back in May of 2018.

Although the Deferrals were eliminated the past few years, State funding are still apportioned over twelve uneven payments. The temporary borrowing has helped OUSD meet some of its cash needs for the fiscal year.

With repayment of temporary borrowing, the 2017-18 Cash Flow projections reflect positive cash balance of \$23.84 million.

2017-18 3rd Interim

Cash flow – General Fund



Actual Cash Balance	July 2017 Actual	August 2017 Actual	September 2017 Actual	October 2017 Actual	November 2017 Actual	December 2017 Actual
Beginning Cash	\$ 23,822,827	\$ 13,123,012	\$ 12,139,338	\$ 16,364,564	\$ 13,005,105	\$ 7,101,630
Total Receipts	17,765,515	14,064,227	42,463,665	26,066,616	27,793,928	103,206,461
Total Disbursements	15,672,714	20,146,701	42,200,394	47,528,629	47,619,170	46,754,583
A/R & A/P	(12,792,616)	5,098,801	3,961,954	18,102,554	13,921,767	(12,091,897)
Net Increase / Decrease	(10,699,815)	(983,674)	4,225,226	(3,359,459)	(5,903,475)	44,359,982
Ending Cash	\$ 13,123,012	\$ 12,139,338	\$ 16,364,564	\$ 13,005,105	\$ 7,101,630	\$ 51,461,612
Actual Cash Balance	January 2018 Actual	February 2018 Actual	March 2018 Actual	April 2018 Actual	May 2018 Projected	June 2018 Projected
Beginning Cash	51,461,612	47,315,361	34,295,602	52,522,027	61,934,576	27,134,959
Total Receipts	39,382,663	22,490,390	71,483,419	57,361,474	40,220,664	79,672,924
Total Disbursements	44,533,503	47,867,323	44,916,986	48,058,977	53,904,493	80,067,724
A/R & A/P	1,004,588	12,357,175	(8,340,008)	110,052	(21,115,788)	(2,896,186)
Net Increase / Decrease	(4,146,251)	(13,019,759)	18,226,425	9,412,549	(34,799,617)	(3,290,986)
Ending Cash	\$ 47,315,361	\$ 34,295,602	\$ 52,522,027	\$ 61,934,576	\$ 27,134,959	\$ 23,843,973

Questions



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