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Memo

To Board of Education
Vincent Matthews, State Administrator

From Roberta Mayor, Superintendent
Vernon Hal, Chief Financial Officer

Board Meeting Date May 27, 2009

Subject Report on the District's Current and Future Projected Cash Flow Presented by Chief Financial Officer, FY 2008-09

Action Requested Approval of Report from Chief Financial Officer on the District's current and future projected Cash Flow, trends, problems and issues, if any.

Background The State Controller's Office has not expressed an audit opinion on our financial statements due to: cash not being reconciled since FY 2002-03; the District has not reported the same cash balances as the Alameda County Treasury and Alameda County Office of Education (ACOE) since that time; both the State and ACOE are aware of the issue and supportive of the District's actions taken to address the problem. An outside CPA firm hired by the District has reconciled the cash through June 30, 2008. Financial Services is working with the CPA firm and Technology Services to institute permanent fixes.

Discussion The Board of Education approved the use of an external Certified Public Accounting (CPA) firm to reconcile cash. The CPA firm has been engaged with the District since May 2008 and has completed the reconciliation of cash for all funds. As a result of the reconciliation there will be a significant negative adjustment to General Fund cash in the amount of approximately \$5.6M. In order to ensure there is sufficient cash to meet financial obligations, a resolution has been submitted to Board for approval of temporary inter-fund borrowing. The cash flow as of 3rd Interim is reflecting a negative cash balance of \$3.8M as opposed to the negative cash balance of \$30M reported at 2nd Interim. The variance is due to the receipt of CSR (class size reduction) revenue and revenue limit apportionments not anticipated. The cash flow does not include the \$5.6M negative adjustment pending review and approval by the State Controllers Office.

Recommendation Approval of Report from Chief Financial Officer on the District's current and future projected Cash Flow, trends, problems and issues, if any.

Attachments

- Cash Flow Reconciliation from 3rd Interim to 2nd Interim
- Cash Flow - Historical and Projected Summary
- Form Cash - 3rd Interim Cash Flow Worksheet, FY 2008-09

CASH FLOW RECONCILIATION FROM 3RD INTERIM TO 2ND INTERIM

CHANGE IN ENDING CASH PROJECTIONS					
Ending Cash Proj 2nd Interim					\$ (29,967,314)
Chg in Rev Proj March to June					24,624,311
Chg in Exp Proj March to June					(2,193,285)
Chr In A/R & A/P Proj March to June					3,748,949
Ending Cash Proj 3rd Interim					\$ (3,787,340)
REVEUE PROJECTION ANALYSIS					
3rd Int Rev Projections	March	April	May (p)	June (p)	Total
Property Taxes	4,573,315	21,756,742	1,647,834	1,647,834	29,625,726
State Aid	11,678,615	8,713,154	10,583,210	10,583,210	41,558,189
Other	(1,751,175)	193,371	(1,613,858)	(1,613,858)	(4,785,520)
Federal Revenue	3,404,206	1,219,403	16,359,737	16,359,737	37,343,083
State Revenues	6,320,230	20,478,344	12,074,058	12,074,058	50,946,690
Local Revenues	522,725	10,493,279	4,399,127	4,399,127	19,814,258
Interfund Transfer In	-	-	4,841,320	4,841,320	9,682,640
Other Financing	-	593,973	(47,795)	(47,795)	498,384
Total Rev 3rd Int Projections	24,747,916	63,448,266	48,243,634	48,243,634	184,683,450
2nd Int Rev Projections	March (p)	April (p)	May (p)	June (p)	Total
Property Taxes	7,124,236	7,124,236	7,124,236	7,124,236	28,496,943
State Aid	9,316,358	9,316,358	9,316,358	-	27,949,074
Other	(1,014,897)	(1,014,897)	(1,014,897)	(1,014,897)	(4,059,588)
Federal Revenue	9,273,272	9,273,272	9,273,272	9,273,272	37,093,088
State Revenues	10,472,476	10,472,476	10,472,476	10,472,476	41,889,905
Local Revenues	3,454,295	8,765,698	3,454,295	3,454,295	19,128,582
Interfund Transfer In	2,390,284	2,390,284	2,390,284	2,390,284	9,561,134
Other Financing	-	-	-	-	-
Total Rev 2nd Int Projections	41,016,024	46,327,427	41,016,024	31,699,666	160,059,139
Difference	March	April	May (p)	June (p)	Total
Property Taxes	(2,550,921)	14,632,506	(5,476,401)	(5,476,401)	1,128,783
State Aid	2,362,257	(603,204)	1,266,852	10,583,210	13,609,115 (1)
Other	(736,278)	1,208,268	(598,961)	(598,961)	(725,932)
Federal Revenue	(5,869,066)	(8,053,869)	7,086,465	7,086,465	249,995
State Revenues	(4,152,246)	10,005,868	1,601,582	1,601,582	9,056,785 (2)
Local Revenues	(2,931,570)	1,727,581	944,832	944,832	685,675
Interfund Transfer In	(2,390,284)	(2,390,284)	2,451,036	2,451,036	121,505
Other Financing	-	593,973	(47,795)	(47,795)	498,384
Diff 3rd v 2nd Int Projection	(16,268,108)	17,120,839	7,227,610	16,543,968	\$ 24,624,311
(1) Actual apportionment receipts for March and April were more than budgeted amounts by \$1.8 M. May apportionment, which is received in June was deferred until July at 2nd Interim (\$10.5M).					
(2) Budgeted State Revenue was revised up by \$2M and \$7.5M of CSR Revenue, previously deferred was subsequently received.					
EXPENSE PROJECTION ANALYSIS					
3rd Int Expense Projections	March	April	May (p)	June (p)	Total
	41,403,678	40,938,145	69,712,320	69,712,320	221,766,463
2nd Int Expense Projections	March (p)	April (p)	May (p)	June (p)	Total
	54,893,294	54,893,294	54,893,294	54,893,294	219,573,177
Difference Incr in Exps	(13,489,616)	(13,955,149)	14,819,026	14,819,026	\$ 2,193,285 (1)
(1) Difference less than .2%					
EXPENSE PROJECTION ANALYSIS					
3rd Chg in Rec/ Payabes - Net	March	April	May (p)	June (p)	Total
	889,294	156,361	303,888	(7,027,749)	(5,678,206)
2nd Chg in Rec/ Payabes - Net	March (p)	April (p)	May (p)	June (p)	Total
	(2,550,226)	(153,068)	303,888	(7,027,749)	(9,427,155)
Difference	3,439,520	309,429	-	-	\$ 3,748,949 (1)
(1) Amts for 2nd Interim were based on pr yr actual. Actual for Mar & Apr Pmts against liab were much lower than projected					



Oakland Unified School District
FORM CASH
 Cash Flow Worksheet - 01 General Fund
 3rd Interim 2008-2009

Description		Actual July	Actual August	Actual September	Actual October	Actual November	Actual December
Beginning Cash Balance	note	\$ 42,516,368	\$ 10,397,994	\$ 5,230,929	\$ 9,757,296	\$ 52,219,707	\$ 17,497,545
Property Taxes	1		341,461	3,415,946	7,808,702	-	26,975,936
State Aid	2		1,419,699	18,919,257	28,093,401	-	11,299,555
Other	1	112,891	(598,949)	(1,247,696)	(1,711,810)	(772,894)	189,317
Federal Revenue	1	78,368	8,309	10,207,337	966,773	218,706	11,646,566
State Revenues	3	59,485	2,701,378	6,070,101	31,730,350	1,727,922	9,257,454
Local Revenues	4	681,193	42,664	929,412	1,833,742	1,369,915	11,798,868
Interfund Transfer In	1		-	-	1,087,766	-	-
Other Financing	1		-	-	501,438	-	-
Other Receipts/Non-Revenue	1		4,911	(7,675,404)	2,189,303		
Total Revenues		931,937	3,919,473	30,618,953	72,499,665	2,543,649	71,167,696
Certificated Salaries	1	3,077,300	3,392,027	15,268,338	15,631,301	15,594,810	15,826,714
Classified Salaries	1	3,601,958	3,609,702	5,492,189	5,453,543	5,493,251	5,601,506
Employee Benefits	1	2,175,735	2,223,871	7,456,682	7,589,673	7,500,634	7,558,063
Supplies and Services	1	1,793,626	3,392,854	4,406,712	6,043,355	7,614,833	8,251,607
Capital Outlays	1	-	-	186	3,261	37,170	172,321
Other Outgo	1	-	-	445,146	766,189	491,266	877,005
Interfund Transfers In/Out	1	-	-	-	501,439	-	-
Other Finance Uses	1	-	541,325	542,748	1,089,765	-	1,079,125
Other Disbursements/Non-Expense	1	213,872	-	2,683,937	547,133	-	-
Total Expenditures		10,862,491	13,159,779	36,295,938	37,625,659	36,731,964	39,366,341
Change in Accounts Receivable		2,196,027	11,876,533	9,985,972	4,844,516	792,064	2,567,599
Change in Accounts Payable		(24,383,847)	(7,803,292)	217,379	2,743,889	(1,325,911)	(1,298,494)
Ending Cash Balance		10,397,994	5,230,929	\$ 9,757,296	\$ 52,219,707	\$ 17,497,545	\$ 50,568,005
IFAS Ending Cash Balance		10,397,994	5,230,929	9,757,295	52,219,706	17,497,545	50,568,006
Reconciling Items:							
State Revenue		13,217,389	24,245,649	24,949,427		16,868,346	22,569,992
Federal Revenue		770,668	6,415,874	1,587,478		745,910	12,538,063
Local Revenue		14,229	749,412	4,837		105,008	24,846
Taxes		8,222	364,397	3,838,455		250,176	36,901,676
Reconcilable Difference		848,442	9,977,517	7,030,918	907,945	1,323,749	(48,792,768)
Adjusted Ending Cash Balance Per ACOE		\$ 25,256,944	\$ 46,983,778	\$ 47,168,410	\$ 53,127,651	\$ 36,790,734	\$ 73,809,815
Assumptions							
1	Based on straight line amortization of budgeted amt less actual-to-date						
2	Based on the Revenue Limit payment schedule (Note- \$13.4M to be deferred until July based on State Bgt)						
3	Includes Class Size Reduction Revenue (K-3) Assume remaining pmts of \$4.1M to be deferred until July per State Bgt						



Oakland Unified School District

FORM CASH

Cash Flow Worksheet - 01 General Fund

3rd Interim 2008-2009

Description		Actual January	Actual February	Actual March	Actual April	Projected May	Projected June
Beginning Cash Balance	note	\$ 50,568,005	\$ 41,576,340	\$ 38,973,879	\$ 23,207,411	\$ 45,873,893	\$ 24,709,095
Property Taxes	1	37,235	12,168,152	4,573,315	21,756,742	1,647,834	1,647,834
State Aid	2	11,435,043	11,299,555	11,678,615	8,713,154	10,583,210	10,583,210
Other	1	(1,032,159)	191,394	(1,751,175)	193,371	(1,613,858)	(1,613,858)
Federal Revenue	1	1,082,086	4,682,299	3,404,206	1,219,403	16,359,737	16,359,737
State Revenues	3	6,610,602	7,264,333	6,320,230	20,478,344	12,074,058	12,074,058
Local Revenues	4	1,207,422	1,118,377	522,725	10,493,279	4,399,127	4,399,127
Interfund Transfer In	1	249,817	-	-	-	4,841,320	4,841,320
Other Financing	1	-	-	-	593,973	(47,795)	(47,795)
Other Receipts/Non-Revenue	1	519	-	-	-	-	-
Total Revenues		19,590,565	36,724,110	24,747,916	63,448,266	48,243,634	48,243,634
Certificated Salaries	1	15,405,069	15,857,330	15,703,239	15,984,347	18,774,228	18,774,228
Classified Salaries	1	5,303,580	5,670,604	5,663,301	5,560,940	5,777,449	5,777,449
Employee Benefits	1	7,489,848	7,685,392	7,603,928	7,756,565	9,728,678	9,728,678
Supplies and Services	1	5,672,462	9,681,656	10,600,312	11,323,679	33,716,881	33,716,881
Capital Outlays	1	188,390	84,556	406,730	175,757	444,971	444,971
Other Outgo	1	95,198	166,775	1,426,168	(317,869)	3,630,533	3,630,533
Interfund Transfers In/Out	1	42,974	-	-	454,726	1,274,308	1,274,308
Other Finance Uses	1	16,331	549,862	-	-	(1,909,578)	(1,909,578)
Other Disbursements/Non-Expense	1	5,358	-	-	-	(1,725,150)	(1,725,150)
Total Expenditures		34,219,210	39,696,175	41,403,678	40,938,145	69,712,320	69,712,320
Change in Accounts Receivable		4,142,284	211,822	513,850	569,995	-	(38,231,686)
Change in Accounts Payable		1,494,696	157,783	375,444	(413,634)	303,888	31,203,937
Ending Cash Balance		\$ 41,576,340	\$ 38,973,879	\$ 23,207,411	\$ 45,873,893	\$ 24,709,095	\$ (3,787,340)
IFAS Ending Cash Balance		41,576,340	38,973,880	23,207,411	45,873,893		
Reconciling Items:							
State Revenue		5,373,505.50	940,220.00				
Federal Revenue							
Local Revenue			377,380.86				
Taxes							
Reconcilable Difference		27,009,527.48	16,539,707.75				
Adjusted Ending Cash Balance Per ACOE		\$ 73,959,373	\$ 56,831,189	\$ 23,207,411		\$ -	\$ -
Assumptions							
1	Based on straight line amortization of budgeted amt less actual-to-date						
2	Based on the Revenue Limit payment schedule (Note- \$13.4M to be deferred until July based on State Bgt)						
3	Includes Class Size Reduction Revenue (K-3) Assume remaining pmts of \$4.1M to be deferred until July per State Bgt						