



**OAKLAND UNIFIED  
SCHOOL DISTRICT**

*Community Schools, Thriving Students*

# 2015-16 3rd Interim Financial Report

Budget Update as of April 30, 2016



Presented by Budget Department

Presented to Board of Education

May 25 2016

v.5

[www.ousd.org](http://www.ousd.org)



[@OUSDnews](https://twitter.com/OUSDnews)

# Table of Contents

---

- Executive Summary
- Unrestricted General Fund Overview
- Unrestricted General Fund Assumptions



# General Fund

## Executive Summary

# 2015-16 3rd Interim Executive Summary

---

- The 3<sup>rd</sup> Interim provides an update to the 2015-16 budget since the 2nd Interim presented in March, incorporating revenue and expenditure adjustments through April 30, 2016.
- Staff is recommending submittal of the Third Interim Financial Report to the Alameda County Office of Education (ACOE). Although it is not technically required, it provides an update of the District's financials.
- The District is projected to have a positive Unrestricted Fund Balance of **\$17.6 M**, which is an increase of approximately **\$1.7 M** from the 2<sup>nd</sup> Interim.

# 2015-16 3rd Interim Executive Summary

---



- The General Fund Projected Unrestricted Revenues are expected to increase by a net of approximately **\$1.9 M** primarily due to **\$1 M** net adjustments in prior year revenues, and **\$.9 M** of LCFF revenues from an increase in Average Daily Attendance (ADA) of 190 and an increase in the funding rate.
- Expenditures and Uses are expected to **increase** by approximately **\$2.1 M** primarily due to an increase of **\$1.2 M** in the contribution to PEC and **\$.9 M** in one-time audit findings.
- Indirect Costs, which is an offset to expenditures, decreased by **\$160K** due to an increase in expenditures.
- The District is projected to meet its **2%** Reserve for Economic Uncertainty as required by the California Department of Education, with an additional **1%** reserve set-aside for audit findings.



# General Fund

## Overview

# 2015-16 3rd Interim



## Unrestricted General Fund - Revenues and Expenses

Unrestricted General Fund		2015-16 THIRD INTERIM	2015-16 SECOND INTERIM	Diff
Local Control Funding Formula (LCFF) Revenues		\$ 336,298,951	\$ 335,448,822	\$ 850,129
Prior Year Revenue Adjustment		1,044,900	-	1,044,900
Other State & Federal Revenue		26,306,699	26,306,699	-
Local Revenue		29,569,240	29,520,144	49,096
Transfer-In & Sources		2,297,370	2,297,370	-
<b>Total Revenues &amp; Sources</b>	<b>a</b>	<b>395,517,161</b>	<b>393,573,035</b>	<b>1,944,125</b>
Salaries,Supplies,Services & Equipment		329,179,594	329,151,532	28,063
Other Outgo (Pass Throughs / Debt Service)		6,687,808	6,687,808	-
Indirect Cost (Expense Offset)		(5,366,356)	(5,206,697)	(159,659)
Contributions & Transfers Out		65,305,058	63,191,745	2,113,313
<b>Total Expenses &amp; Uses</b>	<b>b</b>	<b>395,806,104</b>	<b>393,824,388</b>	<b>1,981,717</b>
<b>Change in Fund Balance</b>	<b>a-b=c</b>	<b>\$ (288,944)</b>	<b>\$ (251,352)</b>	<b>\$ (37,591)</b>
Beginning Fund Balance	d	16,133,721	16,133,721	-
Audit Adjustment-Prior Years	e	1,714,750	-	1,714,750
<b>Adjusted Beginning Balance</b>	<b>d+e=f</b>	<b>\$ 17,848,471</b>	<b>\$ 16,133,721</b>	<b>\$ 1,714,750</b>
<b>Ending Fund Balance</b>	<b>c+f=g</b>	<b>\$ 17,559,527</b>	<b>\$ 15,882,368</b>	<b>\$ 1,677,159</b>
<b>Note - See the assumptions for explanation of differences</b>				

# 2015-16 3rd Interim



## Unrestricted General Fund - Fund Balance Designations

Unrestricted General Fund	2015-16 THIRD INTERIM	2015-16 SECOND INTERIM	Diff
<b>Ending Fund Balance</b>	<b>\$ 17,559,527</b>	<b>\$ 15,882,368</b>	<b>\$ 1,677,159</b>
<b>Components of the Ending Fund Balance:</b>			
Reserve for Economic Uncertainty	10,439,838	10,359,287	80,551
<b>Designated for the Following:</b>			
Audit & Audit Findings <b>(ONE-TIME)</b>	6,074,431	4,477,823	1,596,608
Early Retirement Pgm Approved 2011-12 <b>(ONE-TIME)</b>	895,258	895,258	-
Revolving Cash <b>(ONE-TIME)</b>	150,000	150,000	-
<b>Total Ending Fund Balance</b>	<b>\$ 17,559,527</b>	<b>\$ 15,882,368</b>	<b>\$ 1,677,159</b>
Reserve for Economic Uncertainty is the 2% minimum required for OUSD per State Dept. of Ed, however the Board policy requires 3%. Staff has been directed by the board to lower this reserve to the 2% required by the State and designate the difference to Audit and Audit Findings.			

# 2015-16 3rd Interim

## Unrestricted General Fund - Structural Surplus/(Deficit)



### Structural Surplus (Deficit) for Unrestricted Gen Fund

		2015-16 THIRD INTERIM	2015-16 SECOND INTERIM	Diff
<b>Excess of revenues over (under) expenses</b>	A	\$ (288,944)	\$ (251,352)	\$ (37,591)
<b>Less One-Time Unrestricted General Fund Revenues &amp; Expenses:</b>				
1 One-time investment in Human Capital Devel Mgt System		492,320	492,320	-
2 One-time net write-offs/adjustments for prior year audit findings		1,392,689	1,105,493	287,196
3 One-time cost related to Human Capital Data Mgt		700,000	700,000	-
<b>One-Time Unrestricted General Fund Revenues /Expenses</b>	B	2,585,010	2,297,814	287,196
<b>Structural Surplus After Deducting One-Time Items</b>	A+B=C	\$ 2,296,066	\$ 2,046,461	\$ 249,605



# General Fund

# Assumptions

# 2015-16 3rd Interim



## Unrestricted General Fund Assumptions – page 1 of 2

	2015-16 THIRD INTERIM	2015-16 SECOND INTERIM	Diff	
<b>STATE LCFF UNRESTRICTED FUNDING ASSUMPTIONS</b>				<b>Comments</b>
ADA	35,565	35,375	190	Change is due to an increase in ADA.
LCFF Factor (unduplicated)	78.07%	78.07%	0.00%	
State Funding Rate	51.97%	51.52%	0.45%	State funding rate based on the latest LCFF Calculator.
COLA	1.020%	1.020%	0.000%	
Supplemental %	20%	20%	0%	
Concentration %	50%	50%	0%	
Total LCFF funding	\$ 336,361,309	\$ 335,516,256	\$ 845,053	Increase due to the increases noted above, and prior year ending fund balance adjustment.
Prior Year Revenue Adjustment	\$ 1,044,900	\$ -	\$ 1,044,900	Increase due to prior year audit adjustment.
Special Education Transfer		\$ -	\$ -	
Adult Education Transfer	\$ (67,416)	\$ (67,416)	\$ -	
Misc	\$ 5,058	\$ (18)	\$ 5,076	
<b>NET UNRESTRICTED LCFF FUNDS</b>	<b>\$ 337,343,851</b>	<b>\$ 335,448,822</b>	<b>\$ 1,895,029</b>	Increase due to the increases noted above.
<b>OTHER STATE UNRESTRICTED FUNDING ASSUMPTIONS</b>				<b>Comments</b>
Mandated Cost Block Grant	\$ 1,219,584	\$ 1,219,584	\$ -	
Lottery	\$ 5,268,791	\$ 5,268,791	\$ -	
M.A.A.	\$ 1,000,000	\$ 1,000,000	\$ -	
One-Time Discretionary Funds for 15-16	\$ 18,746,656	\$ 18,746,656	\$ -	
Other	\$ 71,668	\$ 71,668	\$ -	
<b>TOTAL OTHER STATE &amp; OTHER INC</b>	<b>\$ 26,306,699</b>	<b>\$ 26,306,699</b>	<b>\$ -</b>	
<b>UNRESTRICTED LOCAL FUNDING ASSUMPTIONS</b>				<b>Comments</b>
Parcel Tax	\$ 20,700,766	\$ 20,700,766	\$ -	
RDA for Routine Repair & Maintenance Acct (RRMA)	\$ 3,614,666	\$ 3,614,666	\$ -	
Charter Schools	\$ 2,387,133	\$ 2,371,750	\$ 15,383	Charter school facility use fee increase adjustment.
Leases & Rentals	\$ 1,077,519	\$ 1,077,519	\$ -	
Interagency	\$ 873,938	\$ 873,938	\$ -	
Other Local Revenue	\$ 752,633	\$ 718,920	\$ 33,713	Increase base revenue received for Teachers on Loan.
Interest	\$ 162,585	\$ 162,585	\$ -	
<b>TOTAL LOCAL INCOME</b>	<b>\$ 29,569,240</b>	<b>\$ 29,520,144</b>	<b>\$ 49,096</b>	
<b>UNRESTRICTED TRANSFERS-IN FUNDING ASSUMPTIONS</b>				<b>Comments</b>
Transfer from Self Insurance	\$ 1,850,880	\$ 1,850,880	\$ -	
Loan Pmt for Fund 13 (Food Serv)	\$ 206,843	\$ 206,843	\$ -	
Loan Pmt for Fund 12 (CDC)	\$ 57,224	\$ 57,224	\$ -	
Transfer from fund 40 (Special Reserve Capital Projects)	\$ 182,423	\$ 182,423	\$ -	
<b>TOTAL TRANSFERS-IN</b>	<b>\$ 2,297,370</b>	<b>\$ 2,297,370</b>	<b>\$ -</b>	

# 2015-16 3rd Interim



## Unrestricted General Fund Assumptions – page 2 of 2

	2015-16 THIRD INTERIM	2015-16 SECOND INTERIM	Diff	
<b>UNRESTRICTED EXPENSES</b>				<b>Comments</b>
<b>SCHOOLS</b>				
School Budgets	\$ 228,235,523	\$ 228,194,449	\$ 41,073	
<b>TOTAL SCHOOLS</b>	<b>\$ 228,235,523</b>	<b>\$ 228,194,449</b>	<b>\$ 41,073</b>	The changes in schls, cntrl, & district wide bdgts are mostly due to budget transfers .
<b>CENTRAL &amp; CENTRAL SCHOOL SUPPORT</b>				
Central Budgets	\$ 78,312,710	\$ 78,093,162	\$ 219,548	
<b>TOTAL CENTRAL</b>	<b>\$ 78,312,710</b>	<b>\$ 78,093,162</b>	<b>\$ 219,548</b>	The changes in schls, cntrl, & district wide bdgts are mostly due to budget transfers .
<b>DISTRICT-WIDE</b>				
District-Wide Budgets (Sites 998 & 999)	\$ 22,631,362	\$ 22,863,921	\$ (232,559)	
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 22,631,362</b>	<b>\$ 22,863,921</b>	<b>\$ (232,559)</b>	The changes in schls, cntrl, & district wide bdgts are mostly due to one-time Audit findings.
<b>TOTAL EXPENSES</b>	<b>\$ 329,179,594</b>	<b>\$ 329,151,532</b>	<b>\$ 28,063</b>	
<b>UNRESTRICTED OTHER OUTGO ASSUMPTIONS</b>				<b>Comments</b>
Write-offs & Other	\$ 610,762	\$ 610,762	\$ -	
State Loan Pmts	\$ 5,985,477	\$ 5,985,477	\$ -	
Other "Other Outgo"	\$ 91,569	\$ 91,569	\$ -	
<b>TOTAL OTHER OUTGO</b>	<b>\$ 6,687,808</b>	<b>\$ 6,687,808</b>	<b>\$ -</b>	
<b>UNRESTRICTED INDIRECT COST ASSUMPTIONS</b>				<b>Comments</b>
Interprogram	\$ (3,694,412)	\$ (3,535,303)	\$ (159,109)	Increase due to increase in expenditures.
Interfund	\$ (1,671,944)	\$ (1,671,394)	\$ (550)	Increase due to increase in expenditures.
<b>TOTAL TRANSFERS-IN</b>	<b>\$ (5,366,356)</b>	<b>\$ (5,206,697)</b>	<b>\$ (159,659)</b>	
<b>UNRESTRICTED CONTRIBUTIONS &amp; TRANSFERS OUT</b>				<b>Comments</b>
Special Education Program	\$ 49,938,547	\$ 48,757,234	\$ 1,181,313	Increase in the contribution is due primarily to the loss in Charter School participation.
RRMA (Build & Grounds)	\$ 13,282,750	\$ 13,282,750	\$ -	
ROTC	\$ 133,725	\$ 133,725	\$ -	
TITLE 1 & II	\$ 932,000	\$ -	\$ 932,000	Increase in the contribution due to prior year audit findings.
Transfer to Early Childhood	\$ 131,830	\$ 131,830	\$ -	
Transfer to Nutritional Services	\$ 886,207	\$ 886,207	\$ -	
<b>TOTAL CONTRIBUTIONS &amp; TRANSFERS OUT</b>	<b>\$ 65,305,058</b>	<b>\$ 63,191,745</b>	<b>\$ 2,113,313</b>	