2025-26 Unaudited Financial Report

"Close of the books on 2025-26"

Presented to Board of Education
September 9, 2026

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OAKLAND UNIFIED SCHOOL DISTRICT

Community Schools, Thriving Students

OUR RESPONSIBILITY

- **Help every student succeed**
- **Manage our resources responsibly so we can**

Agenda

1. Annual Reporting Context
2. 2025-26 Summary Results
3. 2025-26 Unrestricted Detail
4. 2025-26 Restricted Detail
5. Impact on 2026-27
6. Ancillary Funds
7. Cash Flow
8. Next Steps

Annual Budget Reporting Cycle

Budget Adoption

Projected results for the next year (e.g., 2026-27). Includes Multi-Year Projections

By July 1

Unaudited Actuals

Full year results for the prior year (e.g., 2025-26). Creates a new starting point for the current year.

By September 15

August

45-Day Budget Update

Adjust current year budget if “material” new information.

Annual Budget Reporting Cycle (cont.)

First Interim Budget Report

Review current year's budget through **October 31st**. Update Multi-Year Projections.

By December 15

Second Interim Budget Report

Review current year's budget through **January 31st**. Update Multi-Year Projections.

By March 15

Third Interim Budget Report

(if required)

Review of current year's budget through **April 30th**. Required based on financial condition.

By June 1

What are Unaudited Actuals

- ★ Unlike the adopted budget or interim reports, unaudited actuals are not a projection, but instead show what actually happened in financial activity in the fiscal year just ended (2025-26).
- ★ After adoption by the Board, unaudited actuals are submitted to the County Superintendent for review by September 15th and to external auditors for verification.
- ★ After any adjustments from the audit, ending balances for 2025-26 become the beginning balances for 2026-27, first shown at our First Interim Budget Report by December 15th.

02 Summary Results

Summary Results - Fund Balances

- ✓ **Healthy Reserves** maintained above both the State-required 2% and Board-required 3% of expenditures.
- ✓ **Unrestricted Fund Balance ends slightly higher** than projected at Estimated Actuals ($32.3M) primarily due to allowable shifts of expenses to Restricted Programs resulting in slightly more cushion for 2026-27.
- ✓ **Restricted Fund balance ends significantly higher** than projected at Estimated Actuals ($137.8M) primarily due to unspent resources resulting in more cushion for 2026-27.
- ✓ **Overall, 2025-26 sets up 2026-27 slightly better than expected** with ending fund balances more than $16M above estimated actuals at $170.1M

Summary Results - What happened

★ **Full year progress.** Overall, deficit-spending was down $20M from the level expected at budget adoption and down more than $38M from the level expected at 1st Interim after which financial stabilization efforts intensified.

Compared to estimated actuals (3rd Interim):

★ **Revenue down.** Although the important Local Control Funding Formula (LCFF) revenue was up ($4M), overall revenue ended down.

★ **Spending down more.** Almost all major spending categories ended below the projected levels which more than offset the reduction in revenue.

Summary Results - By the Numbers

2025-26 Operational and Financial Impacts on General Fund Balances
($Millions)

	Unrestricted	Restricted	Total
Revenues	$517.4	$321.1	$838.5
Expenditures	-$401.9	-$522.7	-$924.7
Net Contributions & Transfers	-$145.5	$140.1	-$5.4
Net Increase or Decrease	-$30.0	-$61.5	-$91.5

2025-26 Beginning and Ending General Fund Balances
($Millions)

	Unrestricted	Restricted	Total
Beginning Fund Balance	$62.4	$199.3	$261.6
Ending Fund Balance	$32.3	$137.8	$170.1

03 Unrestricted Detail

2025-26 Unrestricted Detail

		Unrestricted		
	Description	**Estimated Actuals**	**Unaudited Actuals**	**Unaudited - Estimated**
A. 5)	Total Revenues	$ 518,309,667	$ 517,391,055	-$0.9M (-0.2%)
B. 9)	Total Expenditures	$ 406,183,155	$ 401,948,520	-$4.2M (-1.0%)
C.	Revenues minus Expenditures [A5 - B9]	**$ 112,126,512**	**$ 115,442,535**	**$3.3M (3.0%)**
D. 4)	Total Other Financing Sources/Uses	$ (135,673,447)	$ (145,478,549)	-$9.8M (-7.2%)
E.	Net Increase (Decrease) in Fund Balance [C + D4]	**$ (23,546,935)**	**$ (30,036,014)**	**-$6.5M (-27.6%)**
F.	Fund Balance, Reserves			
1) e)	Adjusted Beginning Fund Balance [F1c + F1d]	$ 53,170,602	$ 62,367,414	$9.2M (17.3%)
2)	Ending Balance, June 30 [E + F1e]	**$ 29,623,667**	**$ 32,331,400**	**$2.7M (9.1%)**
a)	Nonspendable		$ 349,663	
b)	Restricted			
d)	Other Assignments	101,630	$ 4,241,689	$4.1M (4073.7%)
e)	Reserve for Economic Uncertainties	$ 29,522,038	$ 27,740,048	-$1.8M (-6.0%)
	Unassigned / Unappropriated Amount	$ -	$ -	$0.0M (0.0%)

2025-26 Unrestricted Detail (Cont.)

Changes greater than 5% and more than $2M

- ★ **Shifting Eligible Unrestricted Expenses to Restricted.** The decrease in *Other Funding Sources* and increase in *Beginning Fund Balance* reflect an accounting change in how we show shifts of eligible expenses into restricted funds. These shifts improve the Unrestricted Balance consistent with our budget balancing solutions.
- ★ **Add Unassigned Fund Balance to Budget Balancing.** Lower than projected spending in Restricted reduced the amount needed for the *Reserve for Economic Uncertainty* and the remaining fund balance ($4.2M) is assigned to Budget Balancing solutions going forward.

04 Restricted Detail

2025-26 Restricted Detail

		Restricted		
	Description	**Estimated Actuals**	**Unaudited Actuals**	**Unaudited - Estimated**
A. 5)	Total Revenues	$ 351,340,442	$ 321,144,133	-$30.2M (-8.6%)
B. 9)	Total Expenditures	$ 567,141,240	$ 522,719,733	-$44.4M (-7.8%)
C.	Revenues minus Expenditures [A5 - B9]	**$ (215,800,798)**	**$ (201,575,600)**	**$14.2M (6.6%)**
D. 4)	Total Other Financing Sources/Uses	$ 139,169,375	$ 140,119,536	$1.0M (0.7%)
E.	Net Increase (Decrease) in Fund Balance [C + D4]	**$ (76,631,423)**	**$ (61,456,064)**	**$15.2M (19.8%)**
F.	Fund Balance, Reserves			
1) e)	Adjusted Beginning Fund Balance [F1c + F1d]	$ 200,765,823	$ 199,263,189	-$1.5M (-0.7%)
2)	Ending Balance, June 30 [E + F1e]	**$ 124,134,401**	**$ 137,807,125**	**$13.7M (11.0%)**
a)	Nonspendable		$ 118,018	
b)	Restricted	$ 124,134,401	$ 137,689,107	

2025-26 Restricted Detail (Cont.)

Changes greater than 5% and more than $2M

- ★ For many Restricted Resources, revenue must match expense. Therefore, unspent funds result in removing both revenue and expense both at unaudited actuals.
- ★ Key unspent revenues include the EPA Grant (5812) and Title I (3010), while reduced expenses primarily stem from lower expenses for Contracts or Interprogram Services (e.g. specific maintenance to support a restricted program).

05 Impact on 2026-27

Impact on 2026-27 and beyond

2025-26 Unaudited Actuals (Higher Starting Balances)

- ★ **Unrestricted.** Ending balance of $32.3M (+$2.7M over estimates). Lower spending reduces reserve requirement to $27.7M, leaving **$4.2M** for budget solutions.
- ★ **Restricted.** Ending balance of $137.8M (+$13.7M over estimates), improves financial cushion.

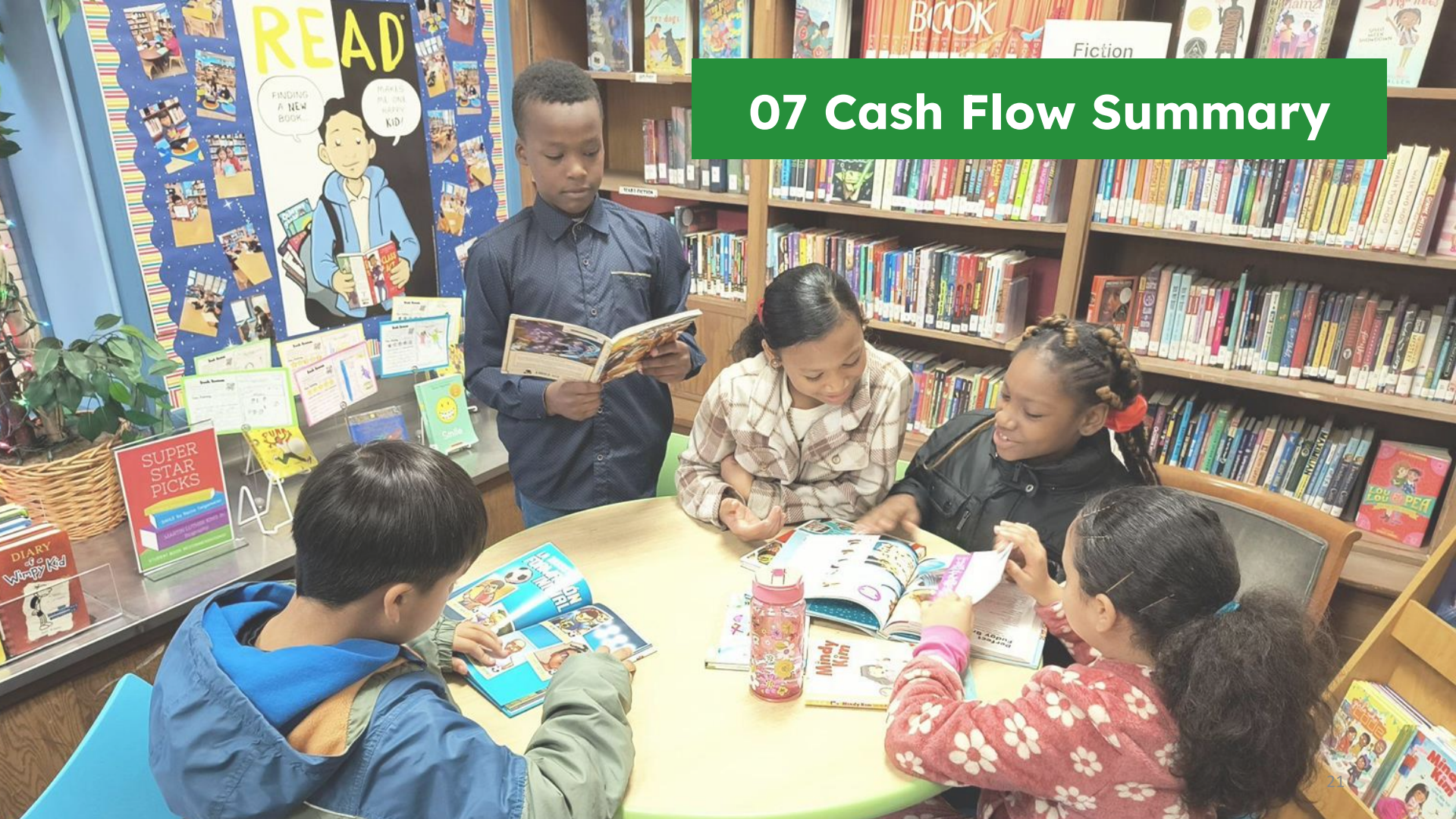
2026-27 Budget Error Correction

- ★ **Restricted Adjustment.** As shared at the August 12th 45-day Budget Update, the team discovered an error resulting in under-reporting restricted expenditures. Correcting the error adds $4.6M in restricted expenses—an amount easily absorbed by the +$13.7M higher starting balance.
- ★ **Unrestricted Gain.** Correcting an associated error of $1.2M in over-reporting of unrestricted expenses further strengthens the overall projected 2026-27 unrestricted ending balance.

06 Ancillary Funds

Ancillary Funds

OUSD 2025-26 Unaudited Actuals - Summary of Revenue, Expenditures and Fund Balance for All Funds					
Fund / SACS Form	**Revenues**	**Expenditures**	**Excess (Deficiency)**	**Beginning Balance**	**Ending Balance**
Fund 01 - General Fund (Unrestricted)	$ 377,278,239	$ 407,314,253	$ (30,036,014)	$ 62,367,414	$ 32,331,400
Fund 01 - General Fund (Restricted)	$ 461,263,669	$ 522,719,733	$ (61,456,064)	$ 199,263,189	$ 137,807,125
Fund 11 - Adult Education Fund	$ 4,507,601	$ 4,621,257	$ (113,656)	$ 239,165	$ 125,509
Fund 12 - Child Development Fund	$ 44,088,003	$ 48,562,892	$ (4,474,890)	$ 22,501,086	$ 18,026,197
Fund 13 - Cafeteria Fund	$ 30,509,613	$ 38,055,845	$ (7,546,233)	$ 43,536,662	$ 35,990,430
Fund 14 - Deferred Maint Fund	$ 3,074,036	$ 1,707,789	$ 1,366,247	$ 1,931,138	$ 3,297,385
Fund 21 - Building Fund	$ 195,432,073	$ 94,416,031	$ 101,016,043	$ 225,821,885	$ 326,837,928
Fund 25 - Cap Fac Fd - Developer Fees	$ 2,508,405	$ 2,963,006	$ (454,601)	$ 15,456,476	$ 15,001,874
Fund 35 - County School Facilities Fund	$ 17,198,788	$ 747,510	$ 16,451,279	$ 9,295,635	$ 25,746,913
Fund 40 - Special Reserve Capital	$ 107,770	$ 2,544,505	$ (2,436,736)	$ 4,309,274	$ 1,872,539
Fund 51 - Bond Interest, Redemption & Sinking Fund	$ 302,218,397	$ 296,901,618	$ 5,316,779	$ 113,857,961	$ 119,174,740
Fund 67 - Self Insurance Fund	$ 24,916,251	$ 25,909,755	$ (993,504)	$ 1,603,971	$ 610,468
Total All Funds	**$ 1,463,102,845**	**$ 1,446,464,194**	**$ 16,638,650**	**$ 700,183,857**	**$ 716,822,507**



07 Cash Flow Summary

Cash Flow Summary - General Fund Only

Cash balances fluctuate throughout the year due to revenue coming in at a different pace and timing than spending going out. For reference, one month's payroll is approximately $60M.

2025-26 Actuals

Beginning Cash July 1, 2025

$267,909,087

Ending Cash June 30, 2026

$167,779,158

2026-27 Projection

As of June 30 Adopted Budget

Ending Cash June 30, 2027

$157,605,255

Next Revision at First Interim - Dec 2026

08 Next Steps

Next Steps

- Board approval of full 2025-26 Unaudited Actuals
- Unaudited Actuals submitted to the Alameda County Office of Education (ACOE) by September 15, 2026
- Distribution of Unaudited Actuals to Auditors, Financial Advisors, Bond Reporting Agencies
- Continue work to complete on the 2025-26 Audit
- Continue Financial Stabilization Efforts
- Prepare for the 2026-27 First Interim and detailed look at Multi-Year Projections - December 2026