



OAKLAND UNIFIED  
SCHOOL DISTRICT

*Community Schools, Thriving Students*

# Oakland Unified School District

## 2020-21 Second Interim Financial Report



Presented by Lisa Grant-Dawson, Chief Business Officer

Omaira Reyna, Director Budget & Finance

Governing Board Meeting, March 10, 2021

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# Annual Financial Reporting Cycle

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- Adopted Budget - July 1 - June 30/Report - June 30
- Unaudited Actuals - July 1 - June 30/Report: September 15
  - **March 1<sup>st</sup> - Draft Audit presented to the Audit Committee**
  - **Audit must be submitted to the Alameda County Office by March 31**
  - **Projected Board Submittal – No later than April 24<sup>th</sup>**
- First Interim - July 1 - October 30/Report: December 15
- **Second Interim - July 1 - January 31/Report: March 15**
- Third Interim - July 1 - April 15/Report: June 1

# Significant Changes Since First Interim

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- Recognized \$16M from 2020-21 Assembly Bill (AB) 1840 Funding
  - Listed in the Reserve
- Reserved \$3.5M in Unrestricted Cost Avoidance from expenditures transferred to the Coronavirus Relief Funds
- Eliminated \$1.6M in Contribution to Fund 13
  - Ongoing contribution is on the Budget Options list for 2021-22
  - Recognized \$840K in loan payables from Student Nutrition (Fund 13)
- Recognized \$1.7M in Cost Avoidance from unrealized Utility Cost
  - Listed in the Reserve

# Second Interim Assumptions

## OUSD 2020-21 Second Interim Assumptions

Year	2020-21	2021-22	2022-23
Cost of Living Adjustment (COLA)	0.00%	3.84%	1.28%
Enrollment	35,441	35,034	34,734
Attendance (ADA)	33,911	33,911	32,838
Enrollment to ADA % *	96%	97%	95%
Unduplicated Pupil Count	75.81	75.54	75.61
Salary and Negotiated Increases Adjusted - OEA	3.0%	2.5%	
Step & Column	1.3%	1.3%	1.3%
Mandatories & Benefits - Certificated	24.11%	23.88%	26.06%
Mandatories & Benefits - Classified	34.86%	37.16%	40.46%

\* Note: The District is using the higher of its current or prior year ADA as provided by Education CDE 42238.05, which is currently 2019-20 at 33,911.

# Second Interim Summary



## 2020-21 Second Interim Fund Balance Summary

	Unrestricted	Restricted	Total Fund
<b>A. Revenues</b>			
5) Total Revenues	\$ 408,526,691	\$ 264,977,980	\$ 673,504,671
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 315,439,309	\$ 354,363,898	\$ 669,803,206
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 93,087,382	\$ (89,385,917)	\$ 3,701,465
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (74,245,022)	\$ 75,336,462	\$ 1,091,440
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ 18,842,361	\$ (14,049,456)	\$ 4,792,905
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 33,043,817	\$ 33,401,934	\$ 66,445,751
2) Ending Balance, June 30 (E + F1e)	\$ 51,886,178	\$ 19,352,479	\$ 71,238,656

# Net Changes in Second Interim

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- Revenues - Primary Drivers of Change since First Interim
  - Unrestricted increased by \$15M
    - LCFF Reduced by \$1.5M
    - Other State Increased by \$16M from One Time AB1840
      - Designated in the Reserve
  - Restricted - \$3.3M higher than Adopted Budget
    - Increases in Special Ed Property Tax projection and other grant awards

# Net Changes in Second Interim

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- Unrestricted Expenditures
  - Relatively Flat - \$870K reduction since First Interim
    - \$3.4M reduction in Unrestricted Salaries and Benefits
      - Transfers into restricted Coronavirus Resources Classified Salaries
    - \$3.5M increase in Books and Supplies from Cost Avoidance of expenditures transferred to Coronavirus Resources
      - Designated in the Reserve
    - \$1.7M reduction in Other Services for utility costs that will not be expended by year end
      - Designated in the Reserve
  - Restricted Expenditures
    - \$3.3M Increase in expenditures due to transfers from the Unrestricted and into Coronavirus Resources 3220 and out of Coronavirus Resource 7420
      - Resource 3220 Original Spending Deadline 12/30/20

# Net Changes in Second Interim

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- Multi-Year Projection (FORM MYPI)
  - Includes all Second Interim Assumptions by year
  - 2021-22 Budget Options & Bridge Plan
  - One time ESSER II Funding in 2021-22
  - Outlook has improved with COLA increases and One Time Funding; however, it does not solve our long term challenges
    - The District will continue with its' Budget Development for 2021-22 and 2022-23 Proposed strategy for sustainable adjustments
    - Key Concerns are enrollment and ADA decline in 2021-22, which will be reflected in 2022-23

# Net Changes in Second Interim



## 2020-21 Second Interim MYP Fund Balance Summary - Unrestricted

	2020-21 Unrestricted	2021-22 Unrestricted	2022-23 Unrestricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 408,526,691	\$ 422,232,803	\$ 417,866,918
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 315,439,309	\$ 319,883,077	\$ 314,692,998
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 93,087,382	\$ 102,349,726	\$ 103,173,920
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (74,245,022)	\$ (67,821,618)	\$ (82,481,032)
<b>E. Net Increase (Decrease) in Fund Balance (C + D4)</b>	\$ 18,842,361	\$ 34,528,108	\$ 20,692,888
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 33,043,817	\$ 51,886,178	\$ 86,414,285
<b>2) Ending Balance, June 30 (E + F1e)</b>	\$ 51,886,178	\$ 86,414,285	\$ 107,107,173

# Net Changes in Second Interim

## 2020-21 Second Interim MYP Fund Balance Summary - Restricted

	2020-21 Restricted	2021-22 Restricted	2022-23 Restricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 264,977,980	\$ 284,994,770	\$ 212,596,948
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 354,363,898	\$ 376,159,565	\$ 302,087,281
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (89,385,917)	\$ (91,164,795)	\$ (89,490,333)
<b>D. Other Financing Sources/Uses</b>		0	
4) Total, Other Financing Sources/Uses	\$ 75,336,462	\$ 78,821,618	\$ 82,481,032
<b>E. Net Increase (Decrease) in Fund Balance (C + D4)</b>	\$ (14,049,456)	\$ (12,343,177)	\$ (7,009,301)
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 33,401,934	\$ 19,352,479	\$ 7,009,301
<b>2) Ending Balance, June 30 (E + F1e)</b>	<b>\$ 19,352,479</b>	<b>\$ 7,009,301</b>	<b>\$ 0</b>

# Net Changes in Second Interim

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- Cash Flow (FORM CASH)
  - LCFF Cash Deferrals due to COVID-19 and the States economic outlook
  - Revised Second Interim Projection -\$34M Cash
  - The District is requesting its State Intercept Loan in April 2021 which will be paid back as the deferred apportionment is paid from July – November 2021

# Net Changes in Second Interim

- Ancillary Funds
  - All Funds are Operating within their own means including Student Nutrition, Fund 13
    - Eliminated the \$1.6M Contribution as communicated at First Interim
    - Recouped the remaining 2004 Loan due to the General Fund of \$840K

<i>Fund/SACS Form</i>	<i>Second Interim Ending Balance</i>
Fund 11 - Adult Education	\$ 1,269,367
Fund 12 - Child Development	\$ 2,350,138
Fund 13 - Student Nutrition	\$ 17,149,513
Fund 14 - Deferred Maintenance	\$ 2,975,643
Fund 21 - Building Fund	\$ 31,039,407
Fund 25 - Capital Facilities Fund	\$ 4,726,901
Fund 35 - County Schools Facility Fund	\$ 10,060,886
Fund 40 - Special Reserve Fund for Capital Outlay	\$ 631,338
Fund 51 - Bond Interest and Redemption Fund	\$ 108,724,464
Fund 67 - Self Insurance Fund	\$ 2,634
<b>Total Ancillary Funds</b>	<b>\$ 178,930,292</b>

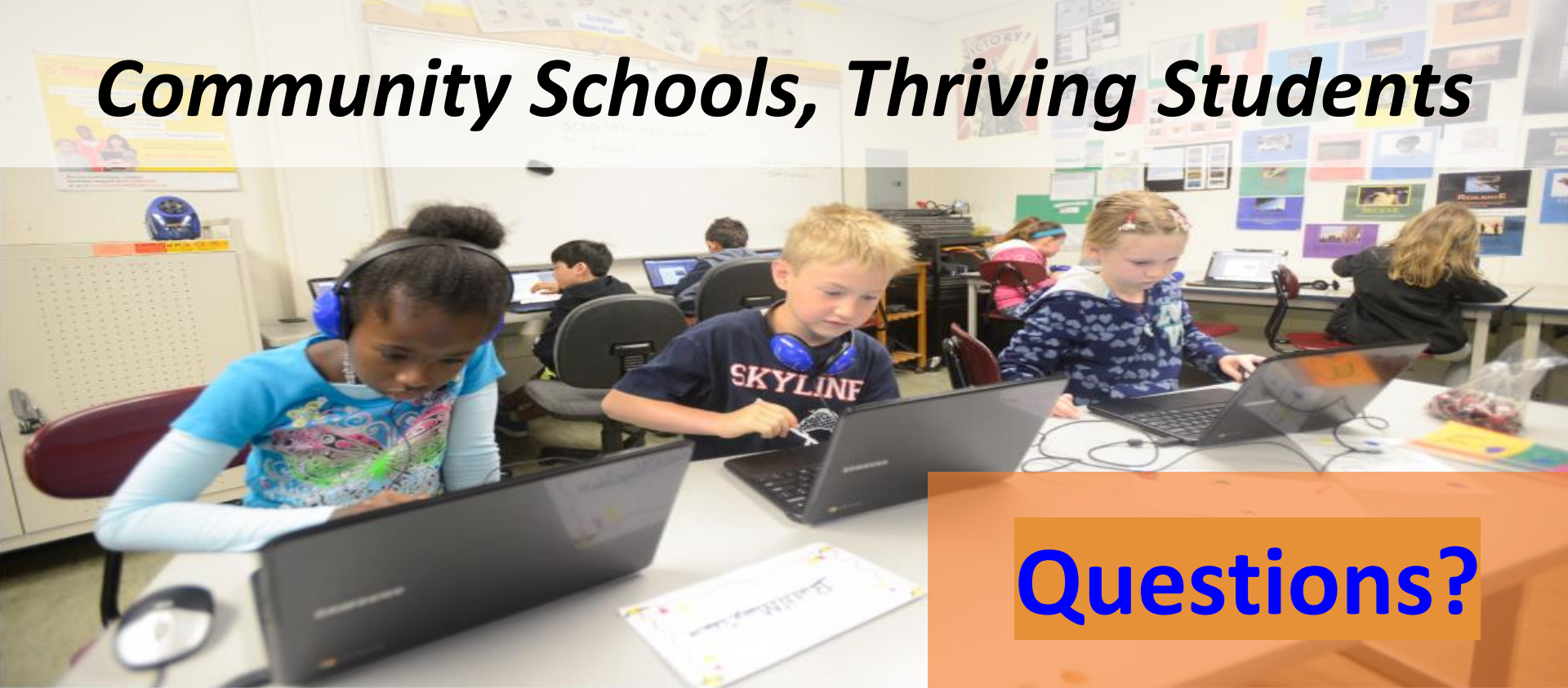
Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
<b>F. FUND BALANCE, RESERVES</b>								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	28,487,127.00	33,043,817.00		33,043,818.31	1.31	0.0
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0
c) As of July 1 - Audited (F1a + F1b)			28,487,127.00	33,043,817.00		33,043,818.31		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0
e) Adjusted Beginning Balance (F1c + F1d)			28,487,127.00	33,043,817.00		33,043,818.31		
2) Ending Balance, June 30 (E + F1e)			24,478,111.00	32,169,538.00		51,886,178.94		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	0.00	150,000.00		150,000.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Items		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Restricted		9740	0.00	0.00		0.00		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	12,746,376.44	7,530,324.00		28,719,686.06		
ECE Rentals	0000	9780	70,374.00					
Charter Leases	0000	9780	2,283,187.00					
Health & Welfare	0000	9780	4,001,789.00					
Stale Dated Warrants	0000	9780	1,681,497.00					
Additional 1% Reserve	0000	9780	4,709,529.44					
Stale Dated Warrants	0000	9780		841,026.00				
Additional 1% Reserve	0000	9780		6,689,298.00				
Stale Dated Warrants	0000	9780				841,026.00		
Additional 1% Reserve for Economic Unci	0000	9780				6,698,132.06		
Reserve AB 1840 One Time Resources	0000	9780				16,009,000.00		
Cost Avoidance from Coronavirus Expend	0000	9780				3,500,000.00		
Cost Avoidance from Utilities Due to Shelt	0000	9780				1,671,528.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	11,560,544.56	13,378,596.00		13,396,064.13		
Unassigned/Unappropriated Amount		9790	171,190.00	11,110,618.00		9,620,428.75		

# Next Steps

- Submission of Second Interim to the Alameda County Office of Education (ACOE) by March 15th
- Distribution of Second Interim to Auditors, Financial Advisors, Bond Reporting Agencies
- Continue Budget Development/Planning for 2021-22
- Third Interim Due June 1, 2021
- Finalize 2019-20 Financial and Parcel Tax Performance Audits
- Special Board Meeting Regarding One Time Fund Use – March 16, 2021



# Community Schools, Thriving Students



## Questions?



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