



OAKLAND UNIFIED
SCHOOL DISTRICT

Community Schools, Thriving Students

Oakland Unified School District

2020-21 Third Interim Financial Report



Presented by Lisa Grant-Dawson, Chief Business Officer

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Governing Board Meeting, May 26, 2021

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Annual Financial Reporting Cycle

- Adopted Budget - July 1 - June 30/Report - June 30
- Unaudited Actuals - July 1 - June 30/Report: September 15
 - **March 1st - 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 24th**
- 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**

Third Interim Assumptions

OUSD 2020-21 Third 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 - OE	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.

** Due to the timing of the Third Interim, the District is not using all of the projected changes from May Revise/STRS & SUI for the Third Interim projection, but is including all changes in the adopted budget.

Significant Changes Since Second Interim

- The District continued to manage and balance ongoing operations while budgeting, planning and spending one time investments in the 2020-21 year.
- Since second interim, we have added \$39.5M for AB 86
 - Expanded Learning - \$27M
 - In-Person Instruction \$12.5
 - This will be adjusted down to \$11.6M due to our April 19th opening date
- Now that the year is ending with a budget that was built for a normal year, we also projected one time cost avoidance of \$16M

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)
e) Adjusted Beginning Balance (F1c + F1d)			28,487,127.00	33,043,818.00		33,043,818.00
2) Ending Balance, June 30 (E + F1e)			24,478,111.00	51,886,178.00		69,288,334.00
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		41,179,711.00
ECE Rentals	0000	9780	70,374.00			
Charter Leases	0000	9780	2,283,187.00			
Health & Welfare	0000	9780	4,001,789.00			
Stallte Dated Warrants	0000	9780	1,681,497.00			
Additional 1% Reserve	0000	9780	4,709,529.44			
Stallte Dated Warrants	0000	9780		841,026.00		
Additional 1% Reserve for Economic Unci	0000	9780		6,689,298.00		
Stallte Dated Warrants	0000	9780				782,249.00
Additional 1% Reserve	0000	9780				6,602,564.00
Resource 0040 AB1840 One Time Allocat	0000	9780				16,009,000.00
2021-22 COVID-19 General Fund Cost Av	0000	9780				1,079,969.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				9,273,194.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				366,458.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				68,837.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				5,807,460.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				797,652.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				42,822.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				69,313.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				241,106.00
3rd Interim Cost Avoidance Estimate Res I	0000	9780				39,087.00
e) Unassigned/Unappropriated						
Reserve for Economic Uncertainties		9789	11,560,544.56	13,378,596.00		13,205,127.00

Third Interim Summary



2020-21 Third Interim Fund Balance Summary

	Unrestricted	Restricted	Total Fund
A. Revenues			
5) Total Revenues	\$ 408,829,931	\$ 313,061,516	\$ 721,891,447
B. Expenditures			
9) Total Expenditures	\$ 297,709,178	\$ 362,547,173	\$ 660,256,351
C. Excess (Deficiency) of Revenues Over Expenditures	\$ 111,120,753	\$ (49,485,657)	\$ 61,635,096
D. Other Financing Sources/Uses			
4) Total, Other Financing Sources/Uses	\$ (74,876,237)	\$ 75,188,989	\$ 312,752
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ 36,244,516	\$ 25,703,332	\$ 61,947,848
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 33,043,818	\$ 33,484,682	\$ 66,528,500
2) Ending Balance, June 30 (E + F1e)	\$ 69,288,335	\$ 59,188,014	\$ 128,476,348

Net Changes in Third Interim

- Revenues - Primary Drivers of Change since First Interim
 - Unrestricted revenues remain the same from Second Interim
 - Restricted - \$48M increase since second interim due to the District recognizing \$39.5M in Assembly Bill (AB) 86 Funding and receiving three other large grant allocations.
 - Resource 5846 – STEP Safety Education - \$508K
 - Resource 6546 – Mental Health Grant - \$2M
 - Resource 7812 – Early Literacy Grant - \$5.9M

Net Changes in Third Interim

- Unrestricted Expenditures
 - \$16M in Cost Avoidance recognized and reserved
 - Primary drivers are transfers of appropriate unrestricted expenditures to one onetime resources in the restricted general fund and lower spending due to limited in person activities and costs that would have normally been realized.
- Restricted Expenditures
 - Increase in recognizing expenditures associated with new grants awarded since Second Interim.
 - Resource 5846 – STEP Safety Education - \$508K
 - Resource 6546 – Mental Health Grant - \$2M
 - Resource 7812 – Early Literacy Grant - \$5.9M

Net Changes in Third Interim

- Multi-Year Projection (FORM MYPI)
 - MYP with one time money projects a \$55.6M deficit in 2022-23 compared to \$58.6M at Second Interim
 - MYP without one time money raises this projection to a deficit of \$56.2M
 - The COVID relief money to include AB1840 has been either received, spent, or allocated to date. The District removed any new revenue from this projection AB86 Expanded Learning and In Person Instruction and the use of ESSER II funds in 2021-22.

Net Changes in Third Interim

2020-21 Third Interim MYP Fund Balance Summary - Unrestricted

	2020-21 Unrestricted	2021-22 Unrestricted	2022-23 Unrestricted
A. Revenues			
5) Total Revenues	\$ 408,829,931	\$ 406,527,043	\$ 401,903,413
B. Expenditures			
9) Total Expenditures	\$ 297,709,178	\$ 320,361,407	\$ 330,856,455
C. Excess (Deficiency) of Revenues Over Expenditures	\$ 111,120,753	\$ 86,165,636	\$ 71,046,958
D. Other Financing Sources/Uses			
4) Total, Other Financing Sources/Uses	\$ (74,876,237)	\$ (67,361,393)	\$ (82,020,807)
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ 36,244,516	\$ 18,804,243	\$ (10,973,849)
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 33,043,818	\$ 69,288,335	\$ 88,092,578
2) Ending Balance, June 30 (E + F1e)	\$ 69,288,335	\$ 88,092,578	\$ 77,118,729

Net Changes in Third Interim

2020-21 Third Interim MYP Fund Balance Summary - Restricted

	2020-21 Restricted	2021-22 Restricted	2022-23 Restricted
A. Revenues			
5) Total Revenues	\$ 313,061,516	\$ 333,678,004	\$ 222,499,579
B. Expenditures			
9) Total Expenditures	\$ 362,547,173	\$ 384,304,011	\$ 349,509,253
C. Excess (Deficiency) of Revenues Over Expenditures	\$ (49,485,657)	\$ (50,626,007)	\$ (127,009,674)
D. Other Financing Sources/Uses		0	
4) Total, Other Financing Sources/Uses	\$ 75,188,989	\$ 78,674,145	\$ 82,333,559
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ 25,703,332	\$ 28,048,138	\$ (44,676,115)
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 33,484,682	\$ 59,188,014	\$ 87,236,152
2) Ending Balance, June 30 (E + F1e)	\$ 59,188,014	\$ 87,236,152	\$ 42,560,037

Net Changes in Third Interim

2020-21 Third Interim MYP Fund Balance Summary - Combined

	2020-21 Combined	2021-22 Combined	2022-23 Combined
A. Revenues			
5) Total Revenues	\$ 721,891,447	\$ 740,205,047	\$ 624,402,992
B. Expenditures			
9) Total Expenditures	\$ 660,256,351	\$ 704,665,418	\$ 680,365,708
C. Excess (Deficiency) of Revenues Over Expenditures	\$ 61,635,096	\$ 35,539,629	\$ (55,962,716)
D. Other Financing Sources/Uses		0	
4) Total, Other Financing Sources/Uses	\$ 312,752	\$ 11,312,752	\$ 312,752
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ 61,947,848	\$ 46,852,381	\$ (55,649,964)
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 66,528,500	\$ 128,476,348	\$ 175,328,729
2) Ending Balance, June 30 (E + F1e)	\$ 128,476,348	\$ 175,328,729	\$ 119,678,765

Net Changes in Third Interim

- Cash Flow (FORM CASH)
 - LCFF Cash Deferrals due to COVID-19 and the States economic outlook
 - Second Interim Projection -\$34M Cash
 - Third Interim projection includes the first portion of the State Intercept Loan received in April 2021 of \$35M which will be paid back as the deferred apportionment is paid from July – November 2021
 - Third interim also include first round of proceeds from AB86 - \$20M
 - Total projected cash balance \$125.7M

Next Steps

- Submission of Third Interim to the Alameda County Office of Education (ACOE) by June 1st
- Distribution of Third Interim to Auditors, Financial Advisors, Bond Reporting Agencies
- June 10, 2021 – Budget & Finance Meeting
 - Draft Budget and LCAP Discussion
- June 16, 2021 – LCAP & Budget Public Hearing
- June 30, 2021 – LCAP & Budget Adoption



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Questions?



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