

May 5, 2020

OUUSD Board Meeting Financial Review

The final information we recently received from our human resource department was that salaries for all districts would be calculated on a 3% increase FY2021.

I went back to the OUUSD budget to see if there were changes we could make based on this information and on data I received from human resources

I was able to find total savings of \$111,897 and a couple of areas for additional costs of \$19,000, leaving a net savings of \$92,897.

The following are three areas to take in consideration.

1. Audit Expense FY2021 was estimated at \$15,000 for OUUSD. As we are learning more about the transfer of the three entities to one, there is more work to be done to complete the transitions of Bradford, Newbury, and Oxbow High School than we had expected. The billing FY2021 will be reflective of the extra time our auditor will need in order to close the districts. I would suggest to add another \$5,000 to the audit expense line. I have added an additional \$5,000 to the new revised budget.
2. There has been \$6,000 budgeted Fy2021 for short term borrowing interest expense. After looking at the current activity and borrowing thus far in this year, I am projecting a cost of \$20,000 to cover FY2020. I would expect that next year there could be a similar need. I have added \$14,000 to the new revised budget.
3. COVID-19 has created the need to change the way schools are delivering services to students. These changes have brought about new costs FY2020 and we do expect costs to continue into FY2021. The state and federal governments are offering subsidies to schools, however, our finance director at the state level warns that with all of the deficits the education fund is experiencing, without a doubt there will be a reduction in revenue to schools FY2021. What that looks like right now is not clear. Does the board want to take this into consideration?

2020 CURRENT YEAR FINANCIAL STATEMENT REVIEW

The current expense report for the first three quarters of the year has a remaining balance of \$465,751 available to spend district wide. I believe that we will find that direct instruction in all schools and possibly technology will end up with deficits for this year. You will notice as you scan through the report there are new lines in the report that have COVID at the end of the description. These lines are being set up to track COVID-19 expense for this year and we will be doing the same for next year as well. Most of the COVID expense so far seem to be related to supplies, equipment, and contracted services. There are some COVID expenses embedded in the salary lines, however, which we will be tracking down and transferring to COVID lines at the end of the year. These expense have just started coming through so it is not yet clear as to what kind of an impact these unexpected expenses will have on the schools FY2020

or FY2021. As I mentioned above there is money coming to schools, however, we don't know how much or when.

There should be some underspending in substitute expense lines, field trips, athletic supplies and/or equipment, officials fees, athletic transportation and other lines. We don't know if this will be enough to cover the COVID-19 related items.

Along with this report I am attaching the following:

OUUSD Expense General Fund

Oxbow High School Budget Worksheet with changes

Bradford Elementary Budget Worksheet with changes

Newbury Elementary Budget Worksheet with changes

River Bend Budget Worksheet (NO changes)- This budget has been approved by the RB Board and had minimal changes so this budget has been left as is.

OUUSD Board Budget with changes

FY2021 Budget Summary Warned & FY2021 Budget Summary REVISED

FY2021 Tax Worksheet Warned & FY2021 Tax Worksheet REVISED

Lori Blood

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