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OAKLAND

2017 NOV -2 AM 9:58

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Finance Department

**SUBJECT:** Status of Negative Funds Citywide  
As of June 30, 2017

**DATE:** October 23, 2017

City Administrator Approval

Date:

## RECOMMENDATION

**Staff Recommends That City Council Accept This Informational Report On The Status of Negative Funds As of June 30, 2017.**

## EXECUTIVE SUMMARY

The City's All Funds estimated balance of negative funds is \$72.97 million as of June 30, 2017 (*Table 1*). Negative fund balances have accumulated over time and are largely due to historical years of operating expenses that could not be sustained and/or ongoing expenditures that outpaced ongoing revenues. There are three categories of negative funds:

- Negative Funds on Repayment (\$26.92 mil) – Funds that were placed on repayments plans as part of the Adopted Policy Budgets providing them with an on-going strategy to reduce the balances over a 10 or 15 year period. Funds in this category have on-going sources of revenue.
- Reimbursable Negative Funds (\$31.84 mil) – These funds do not require a repayment plan since they are intended to incur costs that are subsequently reimbursed.
- Negative Funds Requiring One-time Revenues (\$14.21 mil) – Funds that have no sources of funding and cannot be placed on a repayment plan. These are funds with historical negatives who's only balancing option is an infusion of one-time revenues, the write-off of the full amount of the negatives against the General Purpose Fund, or place them on a repayment plan with the GPF as the revenue source. Alternatively, per the City's Consolidated Fiscal Policy on use of excess RETT revenues (Ordinance 13279 C.M.S., Part C) allows for the use of the long-term obligations set-aside (25% of the excess RETT) to repay negative fund balances. **Some of these funds have current appropriations obligated against the negative fund balance.**

Item: \_\_\_\_\_  
Finance and Management Committee  
November 14, 2017

**Table 1: Negative Fund Summary – FY 2010 to FY 2017**

Negative Fund Balance Summary for FY 2010 through 2017								
Negative Fund Category	Ending Fund Balance FY 2009-10	Ending Fund Balance FY 2010-11	Ending Fund Balance FY 2011-12	Ending Fund Balance FY 2012-13	Ending Fund Balance FY 2013-14	Ending Fund Balance FY 2014-15	Ending Fund Balance FY 2015-16	Pre-Audited Ending Fund Balance FY 2016-17
1 Negative Funds with Repayment Plan	(98,175,474)	(94,379,909)	(78,072,482)	(67,926,367)	(62,278,619)	(51,741,430)	(34,445,947)	(26,922,921)
2 Reimbursable Negative Funds	(23,055,796)	(13,525,732)	(18,689,743)	(30,450,879)	(22,871,116)	(24,087,386)	(24,466,924)	(31,841,616)
3 Non-Reimbursable Negative Funds without Repayment Plan	(17,542,656)	(13,441,408)	(14,031,629)	(13,447,067)	(13,519,597)	(13,916,383)	(13,958,439)	(14,210,000)
<b>Total Negative Funds</b>	<b>\$(138,773,926)</b>	<b>\$(121,347,049)</b>	<b>\$(110,793,854)</b>	<b>\$(111,824,313)</b>	<b>\$(98,669,332)</b>	<b>\$(89,745,199)</b>	<b>\$(72,871,310)</b>	<b>\$(72,974,537)</b>

The last five Adopted Policy Budgets have included repayment plans for the City to repay itself for the use of pooled cash for both Program Funds and Internal Service Funds (ISFs). The Repayment Plan has been monitored closely by staff, and staff has also instituted more frequent draw-downs of grant funds, as well as increased oversight and management of expenditures for funds with negative balances. Since FY 2010 many of those funds either have positive fund balances or have made substantial progress. The City has decreased the total negative fund balances by **\$65.80 million** as shown in *Table 2* below.

**Table 2: Progress of Negative Fund Repayment – FY 2010 to FY 2017**

Negative Fund Category	Ending Fund Balance FY 2009-10	Pre-Audited Fund Balance FY 2016-17	TOTAL Repayment Amount
1. Negative Funds with Repayment Plan	(98,175,474)	(26,922,921)	71,252,553
2. Reimbursable Negative Funds	(23,055,796)	(31,841,616)	(8,785,820)
3. Non-Reimbursable Negative Funds without Repayment Plan	(17,542,656)	(14,210,000)	3,332,656
<b>Total Negative Funds</b>	<b>(138,773,926)</b>	<b>(72,974,537)</b>	<b>\$ 65,799,389</b>

Negative balances continue to draw resources from other funds, and ultimately become the responsibility of the GPF. Continued commitment to repayment is essential to ensure the necessary financial progress as a commitment to external auditors.

This report provides the status of staff efforts to clear the City's negative fund balances as well as progress made over the last 10 fiscal years.

**BACKGROUND / LEGISLATIVE HISTORY**

Council Ordinance No. 12946 C.M.S. was passed on July 9, 2009 to amend the reserve policy to establish criteria for the use of excess Real Estate Transfer Tax (RETT) revenues and one-time revenues. As one-time revenues are received by the City (e.g., sales of property or proceeds from the refinancing of debt), 50 percent of these revenues (unless legally restricted to

other purposes) will be used to pay off negatives in the Internal Service Funds, and 50 percent will be used to pay off negatives in all other funds.

On December 9, 2014 Council Ordinance No. 13279 amended the City's Consolidated Fiscal Policies to include designated reserves for both the Vital Services Stabilization Fund and for the acceleration of long term obligations, in addition to the mandated 7.5% GPF Emergency Reserve (refer to City of Oakland Consolidated Fiscal Policy, Section I, Part C: Use of Excess Real Estate Transfer Tax). The City's Consolidated Fiscal Policy is available in its entirety on the City's website.

The FY 2015-17 Adopted Policy Budget allocated additional one-time repayments to the Facilities Fund (4400) negative balance of \$4.0 million, \$1.76 million to the Kaiser Convention Center Fund (1730), and \$1.21 million to the Contract Administration Fee Fund (1791) which reduced the on-going repayments from the General Purpose Fund.

The FY 2017-19 Proposed Policy Budget allocates an additional one-time payment to the Facilities Fund (4400) of over \$8.0 million to effectively eliminate the remaining negative balance.

## **ANALYSIS AND POLICY ALTERNATIVES**

Several negative funds were placed on formal repayment plans through the FY 2005-07 and FY 2009-11 Adopted Policy Budgets. Additionally, others have been on informal payments plans through either underspending or the allocation of additional revenue to offset the negative balance. Although the City has a proactive plan in place for most negative funds, a continued contributing factor to the increasing deficit balances is the accumulation of negative interest. There are three categories of funds in the City with negative balances which are as follows:

### **1. Negative Funds on Repayment (\$26.92 million):**

- a. Negative Internal Services Funds: Internal Services Funds (ISFs) are funds used to centralize certain services and then allocate the costs of those services within the City. U.S. generally accepted accounting principles (GAAP) permit the use of internal service funds for the reporting of any activity that provides goods or services to the government on a cost reimbursement basis. The goal of an internal service fund should be to measure the full cost (including cost of capital assets) of providing goods or services for fully recovering that cost through fees or charges. Several of the City's ISFs have grown negative fund balances because of historical under-collecting reimbursements. Repayment schedules for several of these negative funds were established and followed for the past 10 years paying back approximately \$33.93 million.
- b. Selected General Funds on Existing Repayment Schedules: These include the Self-Insurance Liability, Henry J. Kaiser Convention Center, Telecommunications Reserve and Contract Administration Fee funds. Repayment schedules for these negative funds were established and followed for the past 10 years. These funds have been repaid approximately \$37.31 million since FY 2010.

**Table 3: Progress on Repayment Plans by Fund – FY 2010 to FY 2017**

Fund	Ending Fund Balance FY 2009-10	Pre-Audited Fund Balance FY 2016-17	TOTAL Repayment Amount
1100 - Self Insurance Liability	(23,482,665)	(9,565,890)	13,916,775
1700 - Mandatory Refuse Program	(7,401,479)	(1,347,158)	6,054,321
1730 - Henry J Kaiser Convention Center	(4,710,045)	(8,854)	4,701,191
1750 - Multipurpose Reserve	(4,047,612)	(577,529)	3,470,083
1760 - Telecommunications Reserve	(1,074,609)	-	1,074,609
1791 - Contract Administration Fee	(4,131,840)	(6,124)	4,125,715
2310 - Lighting and Landscape Assessment District	(4,620,719)	(660,041)	3,960,678
4100 - Equipment*	(13,224,994)	-	13,224,994
4300 - Reproduction*	(187,543)	(1,668,096)	(1,480,552)
4400 - City Facilities*	(29,088,831)	(8,290,227)	20,798,604
4500 - Central Stores*	(5,209,132)	(4,240,744)	968,387
4550 - Purchasing*	(996,004)	(573,235)	422,769
<b>Subtotal Negative Funds with Repayment Schedules</b>	<b>(98,175,474)</b>	<b>(26,937,899)</b>	<b>\$ 71,237,575</b>

\*Reported on a cash basis

For General Fund Group funds, repayments were generally based on structured transfers from the General Purpose Fund. For ISFs, repayment schedules were based on reductions in costs and gradually increasing rates charged to other "using" funds over time. The adopted Negative Fund Repayment Schedule is shown in **Attachment B**.

**2. Reimbursable Negative Funds (\$31.84 million):**

- a. Grant Funds: These negatives are generally caused by lagging drawdowns, requirements to expend prior to reimbursement and, in rare cases, disallowed expenditures. Departments have been developing plans and timelines to address these negatives, conducting research as necessary with assistance from the Finance Department. Departments are committed to completing most draw downs on a monthly or quarterly basis. With the new Grants functionality in Oracle R12 Departments are now able to bill grantors directly from the system which has improved the efficiency and timeliness of drawdowns. It is expected that funds in this category will be reimbursed.
- b. Other Reimbursable Funds: These negative balances exist in other funds including FEMA Declarations, Emergency Response, Housing loans and revolving loan funds. These funds rely on reimbursements based on either drawdown of associated costs or loan repayments. It is expected that funds in this category will be reimbursed.

**3. Negative Funds Requiring One-time Revenues (\$14.21 million):**

- a. Inactive Funds: These funds have **no revenue source** unless they receive a one-time infusion from General Purpose Fund. They have no activity other than the allocation of negative interest which further increases the liability to the GPF.
- b. Active Funds: These funds shown in *Table 4* have **no revenue source**, but have **current appropriations** and **activity** including the allocation of negative interest which further increases the liability to the GPF. Additionally, there current appropriations obligated against these negative fund balances.

**Table 4: Current Appropriations in Negative Funds as of June 30, 2017**

FUND	DEPARTMENT	APPROP
2992 - Parks and Recreation Grants	Oakland Parks & Recreation	82
<b>Subtotal 2992</b>		<b>82</b>
5500 - Municipal Capital Improvement	Fire Department	13,999
	Capital Improvement Projects	2,800,436
<b>Subtotal 5500</b>		<b>2,814,434</b>
5510 - Capital Reserves	Oakland Public Works	32,522
	Capital Improvement Projects	2,449,575
<b>Subtotal 5510</b>		<b>2,482,097</b>
5999 - Miscellaneous Capital Projects	Economic & Workforce Development	72,724
<b>Subtotal 5999</b>		<b>72,724</b>
<b>Grand Total</b>		<b>5,369,337</b>

Departmental fiscal managers across the City have worked with the Controller's Bureau and Budget Bureau staff to take proactive steps to reduce and eliminate negative fund balances by reducing carryforward appropriations and monitoring spending. Specific departments were assigned as fund managers with responsibilities to monitor revenue collection, spending, and grant drawdowns, and alert the Finance Department of major deviations from the budget. **Attachment A** provides a detailed listing of all negative funds by category.

**FISCAL IMPACT**

As stated earlier, negative funds are ultimately the responsibility of the General Purpose Fund. As fund balances continue to accumulated negative interest the liability continues to grow there is a direct impact to the GPF. Additionally, any funds with appropriations and no source of revenue will grow further negative and will impact the GPF.

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**PUBLIC OUTREACH / INTEREST**

No outreach was deemed necessary for this informational report beyond the standard City Council agenda noticing procedures.

**COORDINATION**

This report has been reviewed in coordination with the Budget Bureau and Controller's Bureau in the Finance Department.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** No direct economic opportunities have been identified.

***Environmental:*** No direct environmental impacts have been identified.

***Social Equity:*** No social equity opportunities have been identified.

**ACTION / RECOMMENDATION**

To mitigate the impact to the General Fund, staff recommends bringing back requested action during the FY 2017-18 Second Quarter Revenue and Expenditure Report to do one or more of the following:

1. Eliminate all appropriations shown in Table 4 or move to sustainable funding sources where appropriate.
2. Create formal repayments plans for those funds that are informally paying down negative balances.
3. Identify one-time revenues that can be used to pay down the negative balances in Category 3.

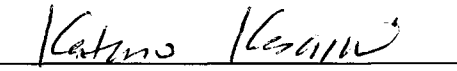
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**ACTION REQUESTED OF CITY COUNCIL**

Staff recommends that City Council accept this informational report on the status of negative funds as of June 30, 2017.

For questions regarding this report, please contact KIRSTEN LACASSE, CONTROLLER, at 238-6776.

Respectfully submitted,



KATANO KASAINÉ  
Finance Director, Finance Department

Prepared by:  
Kirsten LaCasse, Controller  
Controller's Bureau

Attachments (1):

- Attachment A: Status of Negative Funds FY 2013 through FY 2017
- Attachment B: Negative Fund Repayment Schedules



Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/13)	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Pre-Audited Fund Balance (as of 6/30/2017)	Explanation of negative fund balance
<b>Negative Funds with Repayment Schedules:</b>								
1100	Self Insurance Liability	Finance	(21,016,159)	(22,474,395)	(15,374,053)	(10,964,949)	(9,565,890)	On repayment plan through 2022
1700	Mandatory Refuse Program	Finance	(5,881,460)	(5,063,421)	(3,851,273)	(3,316,282)	(1,347,158)	Rising lien receivables due to non-payments of garbage fees, and previous multiple transfer to GPF. This fund is on an informal repayment plan. Additional negative amounts should be reduced over time as liens are collected through sale of properties.
1730	Henry J Kaiser Convention Ce	Finance	(2,907,559)	(2,338,469)	(1,765,491)	-	-	This fund's negative balance was paid off in FY 2015-16.
1750	Multipurpose Reserve	Public Works	(4,557,584)	(5,206,844)	(4,867,100)	(2,631,841)	(577,529)	Negative was created due to two \$2.1 million transfer to the GPF and in FY 2005-06 an additional \$800K was transferred to GPF. Garage rate increases and expenditure reductions were adopted for FY09-11. Additionally transportation staff will charge a percentage of their time directly to capital projects in other funds where possible which will reduce personnel costs.
1791	Contract Administration Fee	City Administrator	(2,360,355)	(1,789,294)	(1,214,270)	-	-	This fund's negative balance was paid off in FY 2015-16.
2310	Lighting and Landscape Assessment District	Public Works	-	-	(269,890)	(269,731)	(660,041)	Negative balance continues to increase due to static revenue source and increasing costs.
4100	Equipment*	Public Works	(4,265,613)	(1,584,849)	-	-	-	This fund was on a repayment plan and was paid off early as a result of underspending.
4300	Reproduction*	Information Technology	(1,220,643)	(1,530,670)	(1,651,661)	(1,583,924)	(1,668,096)	Fund must be placed on a repayment plan; historically costs have exceeded the revenues in this pay-as-you-go ISF.
4400	City Facilities*	Public Works	(21,494,517)	(18,329,573)	(17,537,264)	(11,371,299)	(8,290,227)	On repayment plan through 2019; The FY 2017-19 Adopted Policy Budget allocates over \$4 million each year to bring this balance to zero.
4500	Central Stores*	Finance	(3,922,045)	(3,820,440)	(3,838,796)	(4,060,880)	(4,240,744)	This fund must be placed on a repayment plan. To reduce the cost of the fund Central Store section was eliminated in FY2011-2012 adopted budget. Agencies/departments will now manage their supplies on a just-in-time basis.
4550	Purchasing*	Finance	(300,431)	(140,664)	(1,351,632)	(227,040)	(573,235)	This fund must be placed on a repayment plan.
<b>Subtotal Negative Funds with Repayment Schedules</b>			<b>(67,926,367)</b>	<b>(62,278,619)</b>	<b>(51,741,430)</b>	<b>(34,445,947)</b>	<b>(26,922,921)</b>	
<b>Reimbursable Negative Funds:</b>								
1770	Telecommunications Land Use	Information Technology	-	-	-	-	(53,309)	It should be recover by future revenue.
1831	Central City East Project Ar	Economic & Workforce Dev	(498,834.40)	(710.04)	(712)	(715)	(718)	Negative will be covered by loan repayments
1832	Coliseum Project Area Loans	Economic & Workforce Dev	(327,239.59)	-	-	-	-	Negative was covered by loan repayments
1883	2000 Subordinated Housing Se	Economic & Workforce Dev	(410,230.86)	-	(128,007)	(791,561)	(129,312)	Will reimbursed by ORSA
1885	2011A-T Subordinated Housing	Economic & Workforce Dev	-	(1,451,334.59)	-	-	-	Reimbursed by ORSA
2061	2006 FEMA: 1628 Winter Storm	Public Works	(198,501)	(174,446)	(32,151)	-	-	Negative balance cleared
2062	2006 FEMA: 1646 Spring Storm	Public Works	(271,331)	(271,683)	(271,643)	-	-	Negative balance cleared
2063	FEMA Declarations	Public Works/Fire	-	-	-	-	(614,330)	Reimbursable costs by FEMA for emergency declarations in FY 2016-17 (#4301 & #4308)
2102	Department of Agriculture	Human Services	(107,446)	(161,917)	(256,109)	(173,824)	(220,416)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2103	HUD-ESG/SHP/HOPWA	Human Services	(4,738,988)	(4,445,304)	(4,565,763)	(6,208,949)	(4,656,863)	Historical negative balance (pre FY1999-2000) requires one-time offset of \$3.9M. A portion of this uncollectible amount (approximately \$1.2 M) is due to HUD's modified cost reimbursement methodology.
2105	HUD-EDI Grants	Housing	-	-	-	(342,819)	(486,194)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2107	HUD-108	Housing	(1,586,671)	(3,613,637)	(3,242,669)	(294,261)	(1,863,969)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2108	HUD-CDBG	Housing	-	-	(240,281)	(1,204,091)	(962,308)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2109	HUD-Home	Housing	-	-	-	-	(782,942)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2111	2000 Local Law Enforcement B	Police	(71,552)	(78,606)	(80,269)	(80,332)	(80,249)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2112	Department of Justice	Police	-	(87,332)	-	-	(110,899)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2113	Department of Justice- COPS	Human Services	(1,262,927)	(270,750)	(215,771)	(1,708,978)	(1,864,312)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2114	Department of Labor	Human Services	(39,995)	(108,390)	(242,278)	-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2116	Department of Transportation	Public Works	(1,301,865)	(109,220)	-	-	(3,126,564)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.



Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/13)	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Pre-Audited Fund Balance (as of 6/30/2017)	Explanation of negative fund balance
2120	Federal Action Agency	Human Services	(18,231)	(36,949)	(20,556)	(39,654)	(94,160)	Historical negative balance is due to accumulated negative interest of \$17K. Timing of drawdown and/or reimbursement.
2123	US Dept of Homeland Security	Fire	(909,388)	(764,364)	(389,868)	-	(10,468)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2124	Federal Emergency Management	Fire	(872,254)	(1,249,486)	(847,080)	(1,514,094)	(1,607,341)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2127	Department of Transportation-Tiger	OBRA	(1,960,603)	(15,091)	-	-	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2128	Dept. of Health and Human Services	Human Services	(1,239,783)	(1,553,583)	(3,121,772)	(1,678,263)	(2,442,279)	Historical negative balance (pre FY1999-2000) relates to \$255K in accumulated negative interest and also timing of drawdowns and/or reimbursements. The fund requires one-time revenue offset.
2129	Trade Corridor Improvement F	Economic & Workforce Dev	-	(274,718)	(1,124,417)	(232,838)	(1,397,196)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2134	California Parks and Recreation	Public Works	(1,069,058)	(1,445,219)	(2,896,902)	(1,078,478)	(1,848,212)	Historical negative balance (pre FY1999-2000) requires one-time offset. \$107K is related to SB174 Park Grant Activities, and \$109K is related to non-project related charges. Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2138	California Department of Education	Human Services	(123,555)	-	-	-	-	Fully reimbursed
2140	California Department of Trans	Public Works	-	-	-	(1,030,167)	(1,716,730)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2144	California Housing and Community Development	Housing/Human Services	(321,583)	(1,518,506)	(412,057)	(635,171)	(1,215,856)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2148	California Library Services	Library/Public Works	(561,841)	(564,821)	-	-	-	Fully reimbursed
2154	California Integrated Waste Management Board	Public Works	(72,533)	(72,790)	(77,300)	(82,668)	(98,303)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2159	State of California Other	Public Works	(2,708,265)	-	(634,164)	(1,480,938)	-	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2162	Metro Transportation Com: TD	Public Works	(52,614)	(10,870)	(47,709)	(58,866)	(192,248)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2163	Metro Transportation Com: Program Grant	Public Works	(624,988)	(537,224)	(319,125)	(368,176)	(628,721)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2164	Congestion Mitigation & Air	Public Works	(91,556)	(91,717)	(91,703)	(91,775)	(91,680)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2165	Prop 1B Nov 2006 CA Trans Bo	Public Works	-	(23,462)	-	-	-	Fully reimbursed
2166	Bay Area Air Quality Management District	Public Works	(8,441)	(59,557)	-	-	(433,384)	Fully reimbursed. Negative fund balance was due to lag time between spending grant funds and receiving reimbursement from the grantor.
2190	Private Grants	Various	(546,559)	(540,691)	(523,013)	(512,029)	(482,691)	Historical negative balance due to Neighborhood law project (City Attorney's Office). This project requires a one-time revenue offset.
2214	ACTIA Reimbursable Grants	Public Works	(217,606)	-	(1,167,347)	(1,088,728)	(361,046)	The remaining deficit balance is from several streetscape projects. Staff is continuing to review the ability to receive reimbursement for these projects.
2260	Measure WW: East Bay Regional Parks Dist	Public Works	(2,052,029)	(951,249)	(879,096)	(1,285,583)	(565,059)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor and retention amount.
2411	False Alarm Reduction Program	Police	-	-	-	-	(363,146)	The fund balance will be recover by revenue from False Alarm program
2415	Development Service Fund	Planning	(2,827,714)	-	-	-	-	Negative balance cleared in FY 2013-14. Historically, the negative fund balance was created by long-term lien receivables not collected through the County and restricted Record Management & Technology Enhancement Fees (PERTS) and General Planning fees.
2418	Traffic Impact Program (TIP)	Public Works	-	-	-	-	(118,830)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2605	Dept of Health & Human Services	Human Services	(141)	(138)	(135)	(133)	(129)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2609	Dept of Energy-EECBG Program	Public Works	(212,957)	-	-	-	-	Fully reimbursed
2610	State Water Control Board-CW	Public Works	(11,379)	-	-	-	-	Fully reimbursed
2611	HUD-CDBG (ARRA)	Housing	(69,694)	-	-	-	-	Fully reimbursed
2613	Port Security Grant Program	Fire	(83,480)	(51,094)	(51,094)	(51,094)	(51,094)	Current negative fund balance is due to lag time between spending grant funds and receiving reimbursement from the grantor.
2912	Federal Asset Forfeiture	Police	(37,333)	-	-	-	-	will cover by current year revenue

Fund	Fund Description	Assigned Agency / Dept	Ending Fund Balance (as of 6/30/13)	Ending Fund Balance (as of 6/30/2014)	Ending Fund Balance (as of 6/30/2015)	Ending Fund Balance (as of 6/30/2016)	Pre-Audited Fund Balance (as of 6/30/2017)	Explanation of negative fund balance
2990	Public Works Grants	Public Works	(859,049)	(879,048)	(706,980)	(637,928)	(1,196,631)	OPW staff will be continuing efforts to coordinate with responsible departments to move ineligible grant charges to other matching fund sources. The \$886K estimate of unrecoverable costs is made up of historical expenditures (\$856K) and accumulated negative interest of \$32K.
2995	Police Grants	Police	-	-	-	(123,591)	-	Fully reimbursed
5008	Emergency Response: GOB Series 1992	Public Works	(155,732)	(156,342)	(156,821)	(157,405)	(158,097)	OPW staff will coordinate with responsible departments to move ineligible charges to other funds.
5320	Measure DD: 2003A Clean Water,	Public Works	-	-	-	-	(78,038)	Will be reimbursed by Measure DD bond proceeds
5660	West Oakland Projects	Economic & Workforce Dev	(1,026,591.12)	(1,152,558.61)	(1,244,494)	(1,362,109)	(1,398,883)	Economic & Workforce Development staff should cleanup
5672	Joint Arm Base Infrastructu	Economic & Workforce Dev	(754,244.11)	-	-	-	-	Negative should be cover by land sales and fees
6570	JPPA Pooled Assessment: 1996 Revenue Bd	Non-Departmental	(143,744)	(144,305)	(94,734)	(95,086)	(95,503)	Fund balance will be recovered by assessment.
6612	JPPA Lease Revenue Refunding	Non-Departmental	(2,353)	(4,206)	(1,196)	(3,084)	(3,132)	Fund balance will be recovered by assessment.
7130	Employee Deferred Compensati	Human Resources	-	-	(2,502)	(37,181)	(215,575)	Overspent on its personnel; Correcting in FY 2017-18
7780	Oakland Redevelopment Agency Projects	ORSA	-	-	(1,671)	(16,356)	(24,798)	Negative fund balance created by transfers / incorrect charges created during dissolution of RDA
<b>Subtotal Reimbursable Negative Funds</b>			<b>(30,450,879)</b>	<b>(22,871,116)</b>	<b>(24,087,386)</b>	<b>(24,466,924)</b>	<b>(31,841,616)</b>	
<b>Non-Reimbursable Negative Funds without Repayment Plan:</b>								
1600	Underground District Revolving Fund	Public Works	(964,635)	(968,269)	(971,381)	(974,997)	(979,283)	Fund is no longer being used. This fund was originally set up as a pass thru for undergrounding projects. Very little recovery took place in FY 1999-00 and FY2000-01. The fund has accumulated negative interest of \$721K and all remaining charges are considered un-collectable. This fund requires a one-time revenue offset.
1730	Henry J Kaiser Convention Ce	Finance	-	-	-	(8,815)	(8,854)	This fund's negative balance was paid off in FY 2015-16. Final adjustment of negative interest allocation must be off-set with one-time GPF revenue
1791	Contract Administration Fee	City Administrator	-	-	-	(6,097)	(6,124)	This fund's negative balance was paid off in FY 2015-16. Final adjustment of negative interest allocation must be off-set with one-time GPF revenue
2992	Parks and Recreation Grants	Parks & Recreation	(2,583,736)	(2,588,260)	(2,587,880)	(2,589,917)	(2,587,228)	Historical negative balance (FY1993-1994) requires one-time offset. \$161K is related to accumulated negative interest.
5012	JPPA Admin Building: Series 1996	Public Works	(1,612,887)	(1,619,201)	(1,624,167)	(1,630,213)	(1,637,379)	Historical negative balance (FY2001-2002) is related Admin building projects (Civic Center Complex/City Hall) that are uncollectable. This fund requires a one-time revenue offset.
5500	Municipal Capital Improvement	Finance	(4,900,385)	(5,007,783)	(5,414,975)	(5,469,869)	(5,494,985)	Historical negative balance caused by expenditures exceeding revenues. This fund requires a one-time revenue offset.
5510	Capital Reserves	Public Works	-	-	-	-	(298,657)	This fund has no new revenues.
5999	Miscellaneous Capital Projects	Finance/Public Works	(3,385,425)	(3,336,064)	(3,317,981)	(3,278,531)	(3,197,490)	Historical negative balance related to \$1.3 million in negative interest and \$2.1 million in various project expenditures (e.g. Y2K conversion). This fund requires one-time revenue offset.
<b>Subtotal Non-Reimbursable Negative Funds</b>			<b>(13,447,067)</b>	<b>(13,519,597)</b>	<b>(13,916,383)</b>	<b>(13,958,439)</b>	<b>(14,210,000)</b>	
<b>Total Negative Funds</b>			<b>(111,824,313)</b>	<b>(98,669,332)</b>	<b>(89,745,199)</b>	<b>(72,871,310)</b>	<b>(72,974,537)</b>	

\* Reported as Pre-Audited Cash Balance as of June 30 of each fiscal year

## NEGATIVE FUND REPAYMENT SCHEDULES

### SELF-INSURANCE FUND (1100) FINANCIAL PROJECTION

Beginning Fund Deficit \$ (9,565,889)	Total Revenues	Total Expenditures	Change in Fund Balance	Year- End Fund Balance	Amount of Transfer		Change in Transfer	Increase in Subsidy
					GPF Portion	Non-GPF Portion		
	22,741,409	20,389,762	2,351,647	(7,214,242)	11,114,132	11,627,277	(2,567,936)	-10%
	22,741,409	20,389,762	2,351,647	(4,862,595)	11,115,628	11,625,781	0	0%
	23,082,530	21,001,455	2,081,075	(2,781,520)	11,310,440	11,772,090	341,121	1%
	23,428,768	21,631,499	1,797,270	(984,250)	11,480,096	11,948,672	346,238	1%
<b>2021-22</b>	23,264,694	22,280,443	984,251	0	11,399,700	11,864,994	(164,074)	-1%

### FACILITIES FUND (4400) FINANCIAL PROJECTION

Beginning Cash Deficit \$ (8,290,227)	ISF Revenues	non-ISF Revenue	Total Revenue	Total Expenditures	Change in Fund Balance			Year- End Fund Balance
					Non GPF	GPF	TOTAL	
	37,263,904	571,800	37,835,704	33,610,704	0	4,225,000	4,225,000	(4,065,227)
<b>2018-19</b>	37,820,458	571,800	38,392,258	34,167,258	0	4,225,000	4,225,000	159,773