

San Rafael City Elementary School District
2015-16 Unaudited Actuals
September 12, 2016

The 2015-16 unaudited actuals reflect the District's financial activity that occurred during the year, as well as, the District's financial position as of June 30, 2016. In addition, the unaudited actuals contain supplemental information concerning the District's activity in detail. Education Code requires districts to close their books and adopt the report of financial activities and position by September 15th of each year for the preceding fiscal year. This information is submitted to the Marin County Office of Education, and the California Department of Education for review.

2015-16 Financial Components

- ❖ Average Daily Attendance (ADA)
 - Actual ADA was 4,612 (excluding county office ADA), which was an increase of 130 ADA from 2014-15.
- ❖ LCFF funding received during the fiscal year was \$38.0 million, which was an increase of approximately \$5.7 million from the prior year.
- ❖ Lottery revenue was approximately \$146 per ADA for unrestricted purposes and \$48 per ADA for restricted purposes, which was an increase above projections.
- ❖ Mandated Cost Block Grant remained at \$28 for K-8 ADA. One-time Mandated Cost Revenue was \$527 per ADA.
- ❖ Except as illustrated under Contributions to Restricted Programs, all federal and state restricted categorical programs are self-funded.

General Fund Revenue Components

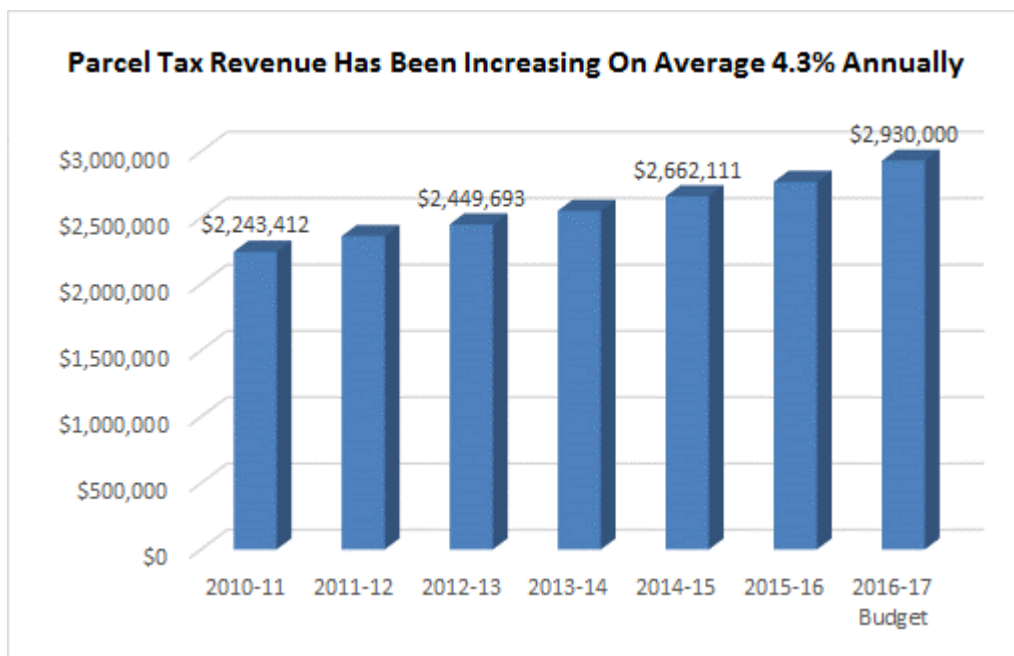
The District receives funding for its general operations from various sources. The types of major funding sources are illustrated below:

Description	Unrestricted	Restricted
General Purpose Sources (Taxes and State Aid)	\$37,955,901	\$0
Federal Revenues	\$0	\$2,578,714
Other State Revenues	\$3,215,608	\$3,097,960
Other Local Revenues	\$583,217	\$6,257,919
Total	\$41,754,726	\$11,934,593

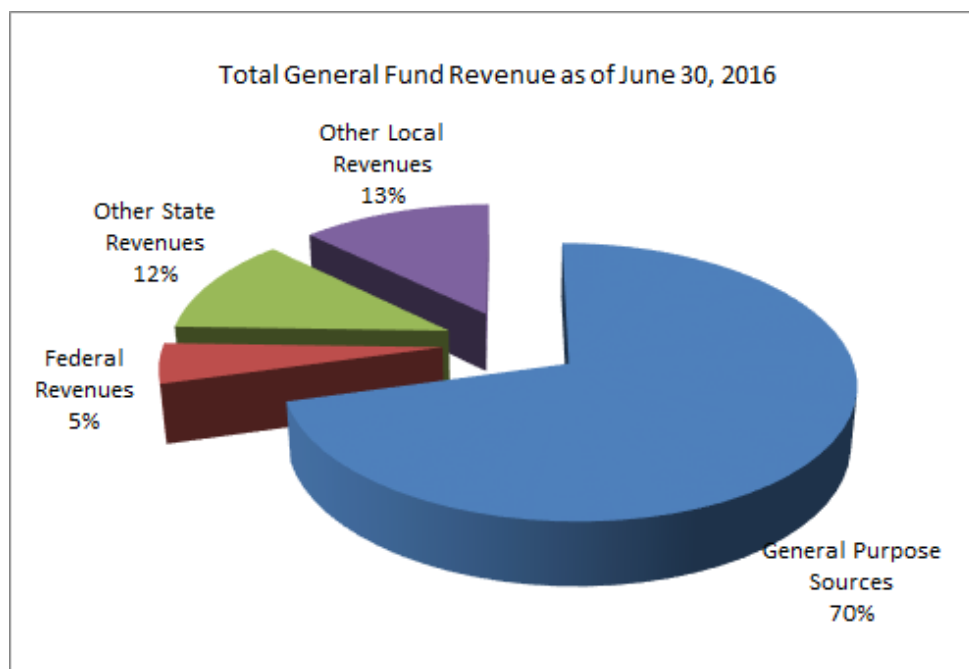
The key component of general purpose revenue is LCFF funding, both property taxes and State Aid, since the District receives property tax revenues that are less than the allocated state per-ADA income guarantees; thus, the District is considered a state funded district.

Parcel Tax

A significant component of Other Local Revenues is the district's parcel tax. Parcel tax revenue has been increasing on average just over 4% per year as shown below:



Total General Fund Revenue is depicted graphically below:



Education Protection Account

As approved by the voters on November 6, 2012, The Schools and Local Public Safety Protection Act of 2012 (Proposition 30) temporarily increased the State's sales tax rate and the personal income tax rates for taxpayers in high tax brackets.

Revenues generated from Proposition 30 are deposited into a state account called the Education Protection Account (EPA). The District will receive funds from the EPA of \$5,088,000 for 2015-16.

The creation of the Education Protection Account (EPA) by Proposition 30 provides that a portion of K-14 general purpose funds must be utilized for instructional purposes. K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but with these provisions:

- The spending plan must be approved by the governing board during a public meeting
- EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs (as determined through the account code structure)
- Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended

Further, the annual financial audit includes verification that the EPA funds were used as specified by Proposition 30. If EPA funds are not expended in accordance with the requirements of Proposition 30, civil or criminal penalties could be incurred.

As illustrated below, the District received EPA funds in the amount of \$5,087,961 and had carryover funds of \$2,279,083 that was spent in the following manner described below:

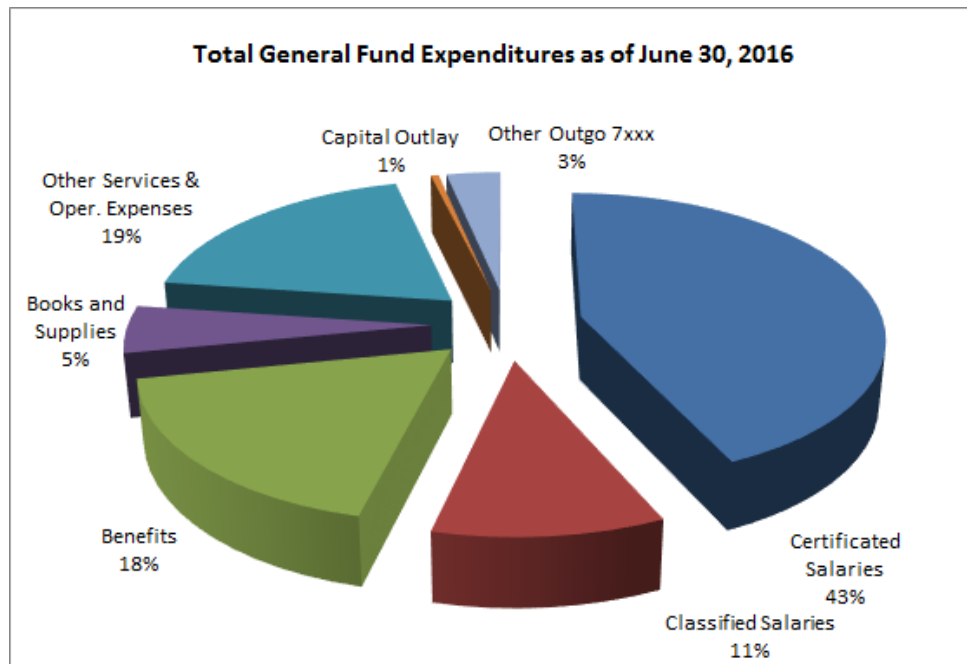
Education Protection Account (EPA) Budget	
Fiscal Year Ending June 30, 2016	
Beginning Balance	\$2,279,083
Budgeted EPA Revenues:	
Estimated EPA Funds	\$5,087,961
Budgeted EPA Expenditures:	
Certificated Instructional Salaries	\$5,466,193
Ending Balance	<u>\$1,900,851</u>

General Fund Expenditure Components

The General Fund is used for the majority of the functions within the District. As illustrated below, salaries and benefits comprise of approximately 72% of the District's budget, and approximately 78% of the total General Fund budget.

Description	Unrestricted	Restricted
Certificated Salaries	\$16,868,551	\$4,591,572
Classified Salaries	\$3,297,448	\$1,918,817
Benefits	\$5,858,010	\$3,146,328
Books and Supplies	\$1,898,485	\$720,104
Other Serv & Oper. Exp	\$3,985,149	\$5,440,831
Capital Outlay	\$153,145	\$90,195
Other Outgo 7xxx	\$527,292	\$1,124,653
	<u>\$32,588,080</u>	<u>\$17,032,500</u>

Following is a graphical description of expenditures by percentage:



General Fund Contributions & Transfers to Restricted Programs

The following transfers of unrestricted resources to restricted programs are necessary to cover restricted program expenditures in excess of revenue:

Description	Estimated Actual	Unaudited Actual
<i>Unrestricted:</i>		
<i>Facilities Use</i>	\$37,874	\$61,265
<i>BTSA</i>	\$61,676	\$66,399
<i>Mini-Grants</i>	\$600,000	\$600,000
<i>Restricted:</i>		
Special Education	\$3,222,960	\$2,813,228
Restricted Maintenance Account	\$1,440,000	\$1,175,000
Transportation	\$989,857	\$998,762
Special Capital Projects	\$235,000	\$235,000
Other Local Projects	\$7,070	\$0
Total Contributions to Restricted	\$5,894,887	\$5,221,990

General Fund Summary

The District's 2015-16 General Fund has an operating surplus of \$4.1 million. The District's unrestricted General Fund had a surplus of \$4.0 million that was approximately \$2.5 million greater than what was projected in the District's 2015-16 second interim report. Illustrated on page seven is a reconciliation accounting for the \$2.5 million variance.

As a result, the Districts General Fund's ending fund balance is \$14.3 million (\$12.2 million for the unrestricted portion of the General Fund). The specific components of the fund balance are illustrated on page eight.

Fund Summaries

As illustrated below, all Funds have a positive ending fund balance at June 30, 2016.

Fund Number and Description		Fund Balance July 1, 2015	Current Year Activity	Fund Balance June 30, 2016	Net Budget Activity	Budgeted Fund Balance June 30, 2017
01	General Fund	\$10,220,801	\$4,088,739	\$14,309,540	(\$1,375,482)	\$12,934,058
12	Child Development Fund	\$0	\$8	\$8	\$0	\$8
13	Cafeteria Fund	\$438,766	(\$282,930)	\$155,836	(\$6,125)	\$149,711
14	Deferred Maintenance Fund *	\$477,593	\$250,206	\$727,799	\$8,600	\$736,399
20	Special Reserve for OPEB	\$1,136,619	\$602,977	\$1,739,596	\$761,195	\$2,500,791
21	Building Funds	\$431	\$24,723,054	\$24,723,485	(\$6,000,000)	\$18,723,485
25	Capital Facilities Fund	\$97,300	(\$8,504)	\$88,796	\$120,000	\$208,796
40	Special Reserve for Capital Outlay	\$315,128	\$653,734	\$968,862	\$447,279	\$1,416,141
51	Bond Interest & Redemption Fund	\$4,787,814	1,728,083.37	\$6,515,897	\$0	\$6,515,897

Conclusion

Included in this packet is a summary of the District's financial activity, which is followed by the required State reports in their entirety. This financial report is designed to provide the Board of Trustees with a general overview of the District's finances, as well as illustrate in detail the money it receives and expends. During the fall of 2016, the District's external auditors will audit the records contained in this packet, and will render an opinion no later than December 15, 2016.

SAN RAFAEL CITY ELEMENTARY SCHOOL DISTRICT
2015-16 Unaudited Actuals
Financial Activity: General Fund

	General Fund		
Description	Unrestricted	Restricted	Total
REVENUES			
General Purpose Revenues:			
State Aid & EPA	19,660,471		\$19,660,471
Property Taxes & Misc. Local	18,295,430	-	18,295,430
Total General Purpose	37,955,901	-	37,955,901
Federal Revenues	-	\$2,578,714	2,578,714
Other State Revenues	3,215,608	3,097,960	6,313,568
Other Local Revenues	583,217	6,257,919	6,841,136
TOTAL - REVENUES	41,754,726	11,934,593	53,689,319
EXPENDITURES			
Certificated Salaries	16,868,551	4,591,572	21,460,123
Classified Salaries	3,297,448	1,918,817	5,216,265
Employee Benefits (All)	5,858,010	3,146,328	9,004,338
Books & Supplies	1,898,485	720,104	2,618,589
Other Operating Expenses (Services)	3,985,149	5,440,831	9,425,980
Capital Outlay	153,145	90,195	243,340
Other Outgo	152,339	701,232	853,571
Direct Support/Indirect Costs	(350,129)	238,421	(111,708)
TOTAL - EXPENDITURES	31,862,998	16,847,500	48,710,498
EXCESS (DEFICIENCY)	9,891,728	(4,912,907)	4,978,821
OTHER SOURCES/USES			
Transfers In	20,000	-	20,000
Transfers (Out)	(725,082)	(185,000)	(910,082)
Net Other Sources (Uses)			-
Contributions (to Restricted Programs)	(5,221,990)	5,221,990	-
TOTAL - OTHER SOURCES/USES	(5,927,072)	5,036,990	(890,082)
FUND BALANCE INCREASE (DECREASE)	3,964,656	124,083	4,088,739
FUND BALANCE			
Beginning Fund Balance	8,279,483	1,941,318	10,220,801
Ending Balance, June 30	\$12,244,139	\$2,065,401	\$14,309,540

SAN RAFAEL CITY ELEMENTARY SCHOOL DISTRICT**2015-16 Unaudited Actuals****Reconciliation of Fund Balance Change: Unrestricted General Fund**

Description	Change Since Estimated Actuals	Comment
2015-16 ADOPTED BUDGET ESTIMATED ACTUAL	\$1,487,937	
REVENUE / SOURCES RECOGNIZED OVER (UNDER) PROJECTIONS		
LCFF Revenue	(614,760)	Transfer to Def Maint 0.5%; estimate too high at Adopted Budget Additional amount is due to extra amounts received from 2014-15, and an increase in rates published by CDE in July 2016. Additional amount is due to extra revenue collected with facility uses.
Lottery Revenue	42,639	
Local Revenue	28,542	
TOTAL - REVENUE / SOURCES VARIANCE	(543,579)	
EXPENDITURES / USES RECOGNIZED UNDER (OVER) PROJECTIONS		
Certificated Salaries	371,726	Teacher salary savings, unrestricted
Classified Salaries	287,732	Salary savings
Employee Benefits	449,186	Benefit savings related to salary savings
Books & Supplies	938,100	Typical unspent books/supplies allocations
Travel & Conferences	10,526	
Utilities	54,782	
Rents, Leases, Communications	94,075	
Other Contracted Services	182,620	Typical savings in professional services agreements
Capital Outlay	1,530	
Indirect Cost Recapture	(22,875)	
Special Education Contributions	387,897	Additional SELPA funding at end of year; salary savings Contribution equal to prior year percent; full 3% not needed to cover expenditures
Restricted Maintenance Contribution	265,000	
TOTAL - EXPENDITURE / USES VARIANCE	3,020,299	
2015-16 UNAUDITED ACTUAL SURPLUS	\$3,964,657	

SAN RAFAEL CITY ELEMENTARY DISTRICT
2015-16 Unaudited Actuals
FUND BALANCE COMPONENTS: GENERAL FUND

Description	2015-16 Unaudited Actuals		
	Unrestricted	Restricted	Combined
NONSPENDABLE			
Revolving Cash	\$2,500		2,500
TOTAL - NONSPENDABLE	2,500	-	2,500
RESTRICTED			
Medi-Cal Billing		30,932	30,932
Educator Effectiveness		370,946	370,946
Lottery (Restricted)		150,925	150,925
QEIA		32,046	32,046
Mental Health Services		233,557	233,557
Restricted Maintenance		182,229	182,229
PTAs, Foundation, Library		1,064,766	1,064,766
TOTAL - RESTRICTED	-	2,065,401	2,065,401
ASSIGNED			
Site donation accounts	61,526		61,526
Mini-Grants per LCAP	311,957		311,957
PAAR	4,100		
EIA (ended 2012-13)	104,687		
EPA	1,900,851		1,900,851
Additional Cash Flow Contingency	1,100,000		1,100,000
TOTAL - ASSIGNED	\$3,483,121	\$0	\$3,374,334
UNASSIGNED			
Economic Uncertainty Reserve (3% State)	1,461,400		1,461,400
Add'l Resesrve for Economic Uncertainty (2%)	974,300		
Unappropriated	6,322,818		6,322,818
TOTAL - UNASSIGNED	8,758,518		8,758,518
TOTAL - FUND BALANCE	\$12,244,139	\$2,065,401	\$14,309,540