

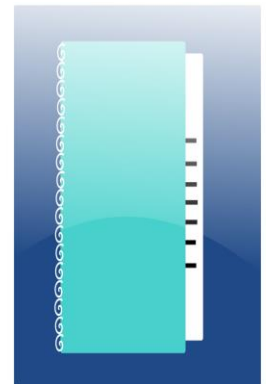


2016-17

UNAUDITED ACTUALS

Agenda

Unaudited Actuals Overview
Funding Factor Components
General Fund Revenue and Expense
Categories
General Fund Activity Summary
General Fund Ending Fund Balance
Components
Change in Fund Balance Reconciliation –
Unrestricted General Fund
2016-17 Activity & Balances (All Funds)
Questions





What are Unaudited Actuals?

Staff prepared year-end financial statements as of June 30th for all District funds

A report of activities in all District funds, identifying unspent funds or reserves that are carried forward into future years

Financial information used by external auditors to prepare the official Audit Report

Last June as part of the 2017-18 Budget Adoption process, staff presented 2016-17 Estimated Actuals

What has changed since June?

The financial books of the District have been closed

Year-end closing entries are prepared and posted

Unaudited Actuals are compared to Estimated Actuals as presented with the 2017-18 Adopted Budget



What are Common Reasons for Differences?

Revenue is received that was not anticipated

Expenditure allocations or budgets were not completely used or overspent

Components: Funding Factors

Average Daily Attendance (ADA)

- ESD - Actual ADA for 2016-17 was 4,629, which was an increase of 17 ADA from 2015-16
- HSD - Actual ADA for 2016-17 was 2,367, which was an increase of 122 ADA from 2015-16

Due to the fact that the HSD is community funded, the increase in ADA from 2015-16 does not significantly impact operating revenues, but does significantly increase operating expenditures.



Property Taxes > LCFF Transition = Basic Aid Status for HSD

16-17 Property Tax Revenue	\$ 24,956,912
Less: LCFF Transition Revenue	<u>\$ 21,708,686</u>
Excess Property Taxes	\$ 3,248,226

- SRHSD would be entitled to \$22.8 million if LCFF were fully funded in 2016-17
- Based on current assumptions and 5% annual property tax growth, SRHSD would be entitled to approximately \$26.8 million by 2020-21 under the LCFF
 - Amount is \$2.3 million less than projected property taxes that year; thus, more than likely SRHSD will remain designated as a “Basic Aid” District in the foreseeable future

Components: Other Funding Factors

Lottery

- Unrestricted – funded at \$144 per 2015-16 ADA
- Restricted – funded at \$45 per 2015-16 ADA

Mandated Cost Block Grant

- Grades K-8 at \$28 per ADA
- Grades 9-12 at \$56 per ADA



Parcel Tax Revenue

- \$2.9 million received for both ESD and HSD in 16-17

Components of General Fund Revenue

Elementary SD:

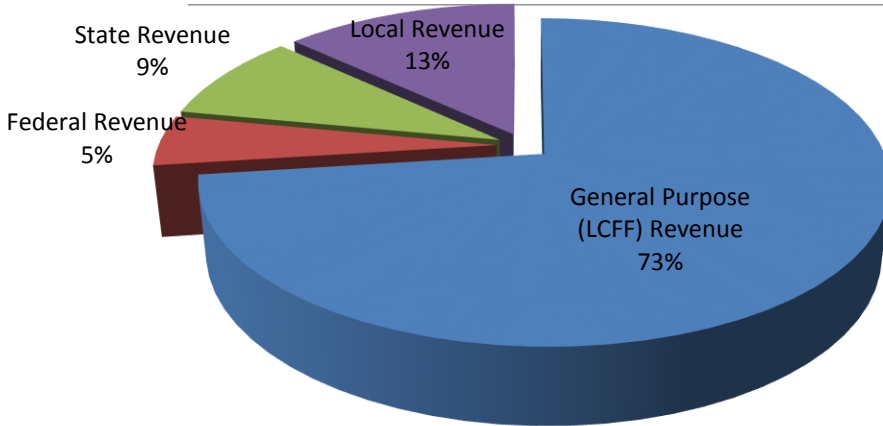
Description	Unrestricted	Restricted
General Purpose Sources (Taxes & State Aid)	40,356,337	-
Federal Revenues		2,792,119
Other State Revenues	1,854,023	3,028,228
Other Local Revenues	708,862	6,558,673
Total	42,919,222	12,379,019

High School District:

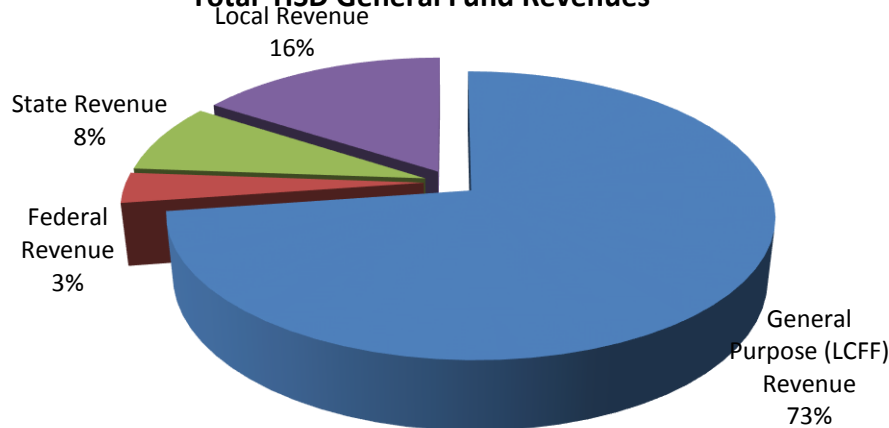
Description	Unrestricted	Restricted
General Purpose Sources (Taxes & State Aid)	25,274,356	-
Federal Revenues		1,207,477
Other State Revenues	981,543	1,800,274
Other Local Revenues	824,071	4,677,415
Total	27,079,970	7,685,166

General Fund Revenue Budget

Total ESD General Fund Revenues



Total HSD General Fund Revenues



General Purpose –
Property taxes, basic state aid, and education protection account funds

Federal – District must follow specific grant guidelines (Title I, Title II, etc.)

Other State – State funds not part of State Aid (Lottery, Special Education, Mandate etc.)

Local – Funds received from local sources (Parcel Tax, Foundation support, PTSA support, Interest, etc.)

Components: EPA

Education Protection Account (EPA)

- Amount must be utilized for instructional purposes

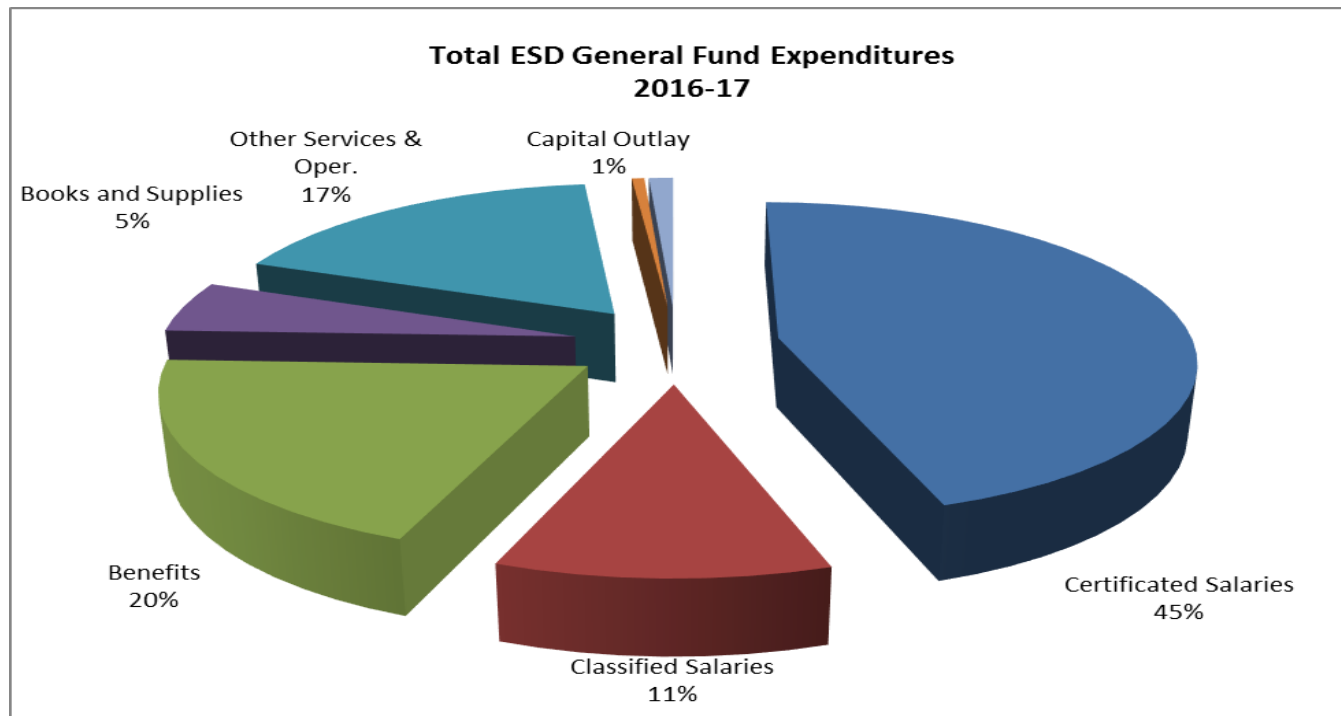
Education Protection Account (EPA) Elementary Fiscal Year Ending June 30, 2017	
Beginning Balance	\$ 1,900,851
EPA Revenues	\$ 2,682,235
EPA Expenditures	
Certificated Instructional Salaries	\$ 4,583,086
Ending Balance	\$ 0

Education Protection Account (EPA) High School District Fiscal Year Ending June 30, 2017	
Beginning Balance	\$ 76,002
EPA Revenues	\$ 487,444
EPA Expenditures	
Certificated Instructional Salaries	\$ 438,857
Ending Balance	\$ 124,590

General Fund Expenditures (ESD)

Reflects General Fund only (no Cafeteria, Bonds, Child Development)

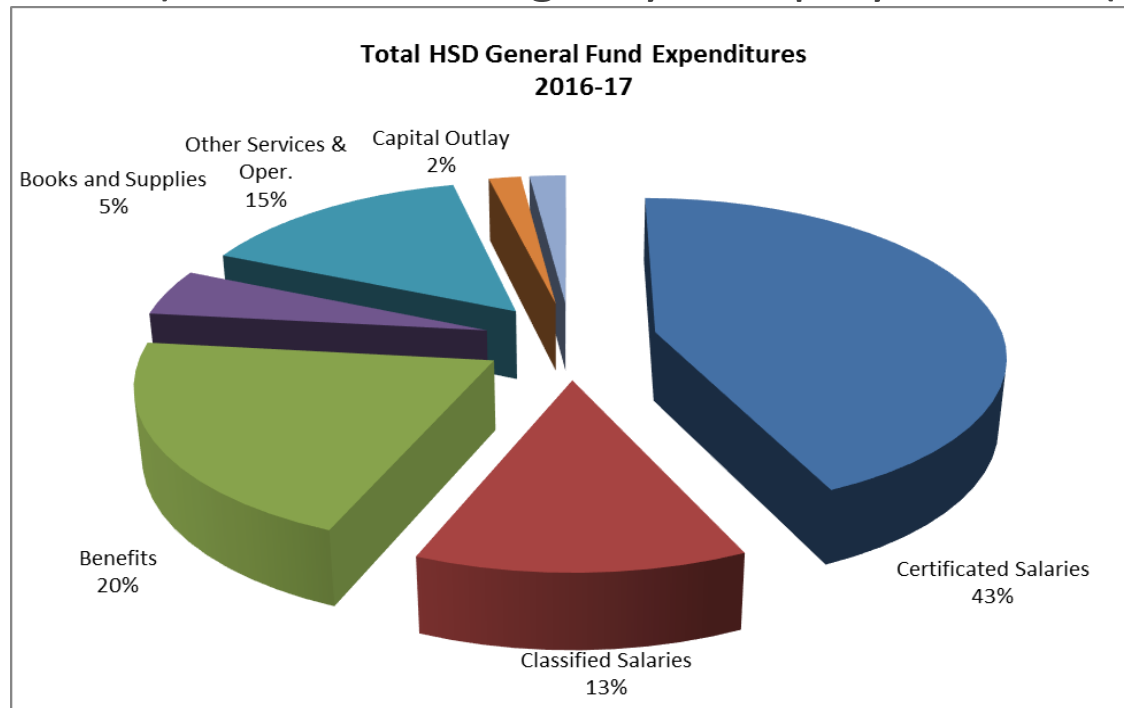
While employee costs are 76%, remember that approx half of the 5000's (Other Services) reflect other agency's employee costs (SELPA, NPS/NPA)



General Fund Expenditures (HSD)

Reflects General Fund only (no Cafeteria, Bonds, Adult Ed)

While employee costs are 76%, remember that approx half of the 5000's (Other Services) reflect other agency's employee costs (SELPA, NPS/NPA)



Contributions and Transfers (ESD)

Additional SELPA revenue at year end, salary savings and reduced contribution to Special Education

Description	Estimated Actual	Unaudited Actual
Unrestricted:		
<i>Facilities use</i>	\$ 73,692	\$ 80,555
<i>BTSA</i>	\$ 78,819	\$ 108,601
<i>LCAP mini-grants</i>	\$ 350,000	\$ 350,000
Restricted:		
Special Education	4,047,292	3,245,840
Restricted Maintenance Account	1,575,000	1,575,000
Transportation	677,669	682,745
Special Capital Projects	265,000	265,000
Other Local Projects	7,070	-
Total Contributions to Restricted	6,572,031	5,768,585

Contributions and Transfers HSD

Savings in Special Education and Special Ed Transportation

Description	Estimated Actual	Unaudited Actual
Unrestricted:		
<i>Facilities use</i>	\$ 25,671	\$ 4,132
<i>CA Eng Language Dev Test</i>	\$ 17,400	\$ 28,433
<i>BTSA</i>	\$ 23,958	\$ 23,413
Restricted:		
Special Education	3,860,548	3,012,977
Restricted Maintenance Account	1,025,000	1,025,000
Transportation	617,118	465,836
Library	68,512	68,512
ROP	178,195	199,828
CTEIG	175,000	-
Other	16,805	-
Total Contributions to Restricted	5,941,178	4,772,153

2016-17 Summary (ESD General Fund)



	2016-17	2016-17	
	Estimated	Unaudited	
Description	Actuals	Actuals	Difference
Revenue	\$55,613,814	\$55,298,241	(\$315,573)
Expenditures	\$57,888,323	\$52,558,943	(\$5,329,380)
Excess (Deficiency)	(\$2,274,509)	\$2,739,298	\$5,013,807
Other Sources/(Uses)	(\$1,050,377)	(\$1,050,445)	(\$68)
Net Increase (Decrease)	(\$3,324,886)	\$1,688,852	\$5,013,738
Add Beginning Fund Bal	\$14,309,541	\$14,309,541	
Ending Fund Balance	\$10,984,655	\$15,998,393	\$5,013,738
Unrestricted General Fund	\$10,760,622	\$13,596,391	\$2,835,768
Restricted General Fund	\$224,033	\$2,402,003	\$2,177,970
Combined General Fund	\$10,984,655	\$15,998,393	\$5,013,738

2016-17 Summary (HSD General Fund)



	2016-17	2016-17	
	Estimated	Unaudited	
Description	Actuals	Actuals	Difference
Revenue	\$34,831,747	\$34,765,136	(\$66,611)
Expenditures	\$37,873,770	\$35,097,578	(\$2,776,192)
Excess (Deficiency)	(\$3,042,023)	(\$332,442)	\$2,709,581
Other Sources/(Uses)	\$70,000	\$70,000	\$0
Net Increase (Decrease)	(\$2,972,023)	(\$262,442)	\$2,709,581
Add Beginning Fund Bal	\$8,312,843	\$8,312,843	
Ending Fund Balance	\$5,340,820	\$8,050,401	\$2,709,581
Unrestricted General Fund	\$4,966,576	\$6,853,228	\$1,886,652
Restricted General Fund	\$374,243	\$1,197,173	\$822,930
Combined General Fund	\$5,340,820	\$8,050,401	\$2,709,581

Change in Fund Balance ESD

Unrestricted General Fund

Reconciliation Components

Description	Change Since Estimated Actuals	Comment
2016-17 Adopted Budget Estimated Actual (Unrestricted)	(1,483,517)	
REVENUE / SOURCES RECOGNIZED OVER (UNDER) PROJECTIONS		
LCFF Revenue	(35,469)	ADA adjustments
Other State Revenue	15,026	Small adj to Mandated Cost and Lottery
Other Local Revenue	89,013	Interest, Donations
TOTAL - REVENUE / SOURCES VARIANCE	68,570	
EXPENDITURES / USES RECOGNIZED UNDER (OVER) PROJECTIONS		
Certificated Salaries	(31,247)	Teacher and Admin salary excess costs
Classified Salaries	308,926	Savings in all categories of classified
Employee Benefits	339,827	Benefit savings related to salary savings
Books & Supplies	686,933	Typical unspent books/supplies allocations
Travel & Conferences	14,185	
Dues & Memberships	15,247	
Utilities	31,257	
Rents, Leases	20,672	
Professional/Consulting Services & Operating Expenditures	477,632	Unspent professional services contracts
Communications	77,802	Internet, Telephone
Capital Outlay	45,396	
Indirect Cost Recapture, Other Outgo	(22,810)	
Contributions to Restricted Programs/Other Funds	803,378	Savings in Special Ed
TOTAL - EXPENDITURE / USES VARIANCE	2,767,199	
2016-17 UNAUDITED ACTUAL Surplus	1,352,251	

Change in Fund Balance HSD

Unrestricted General Fund

Reconciliation Components

Description	Change Since Estimated Actuals	Comment
2016-17 Adopted Budget Estimated Actual (Unrestricted)	(1,995,650)	
REVENUE / SOURCES RECOGNIZED OVER (UNDER) PROJECTIONS		
LCFF Revenue	345,229	Property Taxes up 6.8% from prior year.
Other Revenue Changes	(471,346)	Other Local Revenue
TOTAL - REVENUE / SOURCES VARIANCE	(126,117)	
EXPENDITURES / USES RECOGNIZED UNDER (OVER) PROJECTIONS		
Certificated Salaries	(96,376)	Teacher and Admin salary excess costs
Classified Salaries	(15,879)	Excess costs in all categories of classified
Employee Benefits	310,649	Benefit savings related to salary savings
Books & Supplies	157,834	Typical unspent books/supplies allocations
Travel & Conferences	41,245	
Rents, Leases	73,474	
Professional/Consulting Services & Operating Expenditures	198,310	Unspent professional services contracts
Other	105,765	
Capital Outlay	74,365	
Indirect Cost Recapture, Other Outgo	(5,644)	
Contributions to Restricted Programs/Other Funds	1,169,025	Savings in Special Ed
TOTAL - EXPENDITURE / USES VARIANCE	2,012,769	
2016-17 UNAUDITED ACTUAL Deficit	(108,998)	

Components of the Ending Fund Balance (ESD)

Various assignments of carryover funds, legally restricted reserves, and a minimal reserve of 10% total, per Board recommendation

Description	2016-17 Unaudited Actuals		
	Unrestricted	Restricted	Combined
Total - NONSPENDABLE	2,500	-	2,500
TOTAL - RESTRICTED	\$ -	\$ 2,402,003	\$ 2,402,003
ASSIGNED			
Site donation accounts	99,140		99,140
PAAR	4,100		4,100
EIA	41,903		41,903
Mini-Grants per LCAP	260,986		260,986
7% Board Designated Reserve	3,679,126		3,679,126
Total - Assigned	\$ 4,085,255	\$ -	\$ 4,085,255
UNASSIGNED			
Economic Uncertainty Reserve (3% State)	1,576,768		1,576,768
Unappropriated	7,931,868		7,931,868
TOTAL - UNASSIGNED	\$ 9,508,636	\$ -	\$ 9,508,636
TOTAL - FUND BALANCE	\$ 13,596,391	\$ 2,402,003	\$ 15,998,394

Components of the Ending Fund Balance (HSD)

Various assignments of carryover funds, legally restricted reserves, a reserve for employee compensation, and, per Board Policy, an adequate basic aid reserve to protect against property tax swings

Description	2016-17 Unaudited Actuals		
	Unrestricted	Restricted	Combined
Total - NONSPENDABLE	5,600	-	5,600
TOTAL - RESTRICTED	\$ -	\$ 1,197,173	\$ 1,197,173
ASSIGNED			
Site donation accounts	48,626		48,626
ASB	1,447		1,447
EPA	124,590		124,590
Reserve for compensation	1,150,000		
Total - Assigned	\$ 1,324,663	\$ -	\$ 174,663
UNASSIGNED			
Economic Uncertainty Reserve (3% State)	1,052,927		1,052,927
Add'l Reserve for Economic Uncertainty (7%)	2,456,830		
Unappropriated	2,013,208		2,013,208
TOTAL - UNASSIGNED	\$ 5,522,965	\$ -	\$ 3,066,135
TOTAL - FUND BALANCE	\$ 6,853,228	\$ 1,197,173	\$ 8,050,401



2016-17 Ending Fund Balances All Funds (ESD)

All Funds of the District				
Fund Number and Description		Fund Balance July 1, 2016	Current Year Activity	Fund Balance June 30, 2017
01	General Fund	\$14,309,541	\$1,688,852	\$15,998,393
12	Child Development	\$8	\$4,007	\$4,015
13	Cafeteria	\$155,835	(\$73,120)	\$82,716
14	Deferred Maintenance Fund *	\$727,800	\$88,417	\$816,217
20	Special Reserve for OPEB	\$1,739,595	\$768,531	\$2,508,127
21	Building Funds	\$24,723,484	(\$1,707,084)	\$23,016,400
25	Capital Facilities Fund	\$88,795	\$18,157	\$106,952
40	Special Reserve for Capital Outlay	\$968,862	\$484,705	\$1,453,567
51	Bond Interest Redemption	\$6,515,897	\$2,702,012	\$9,217,909

*District funding Deferred Maintenance at the historic rate.



2016-17 Ending Fund Balances All Funds (HSD)

Fund Number and Description		Fund Balance July 1, 2016	Current Year Activity	Fund Balance June 30, 2017
01	General Fund	\$8,312,843	(\$262,442)	\$8,050,401
11	Adult Ed Fund	\$11,103	\$102,217	\$113,320
13	Cafeteria	\$71,410	(\$27,420)	\$43,990
14	Deferred Maintenance Fund *	\$265,312	\$144,766	\$410,078
20	Special Reserve for OPEB**	\$2,003,522	\$9,486	\$2,013,008
21	Building Funds	\$34,917,311	(\$2,726,398)	\$32,190,913
25	Capital Facilities Fund	\$120,346	\$55,880	\$176,226
40	Special Reserve for Capital Outlay	\$1,485,048	\$218,199	\$1,703,247
51	Bond Interest Redemption	\$6,780,009	\$3,083,243	\$9,863,252

*District funding Deferred Maintenance at the historic rate.

** Annual contribution to OPEB is decided independently each fiscal year



Questions?

