

UNAUDITED ACTUAL FINANCIAL REPORT:

To the County Superintendent of Schools:

2016-17 UNAUDITED ACTUAL FINANCIAL REPORT. This report was prepared in accordance with Education Code Section 41010 and is hereby approved and filed by the governing board of the school district pursuant to Education Code Section 42100.

Signed: _____
Clerk/Secretary of the Governing Board
(Original signature required)

Date of Meeting: Sep 11, 2017

To the Superintendent of Public Instruction:

2016-17 UNAUDITED ACTUAL FINANCIAL REPORT. This report has been verified for accuracy by the County Superintendent of Schools pursuant to Education Code Section 42100.

Signed: _____
County Superintendent/Designee
(Original signature required)

Date: _____

For additional information on the unaudited actual reports, please contact:

For County Office of Education:

Kate Lane
Name
Senior Director Business Services
Title
415-499-5822
Telephone
klane@marinschools.org
E-mail Address

For School District:

John Bartolome
Name
Director Fiscal Services
Title
415-492-3257
Telephone
jbartolome@srcs.org
E-mail Address

Unaudited Actuals
FINANCIAL REPORTS
2016-17 Unaudited Actuals
Summary of Unaudited Actual Data Submission

Following is a summary of the critical data elements contained in your unaudited actual data. Since these data may have fiscal implications for your agency, please verify their accuracy before filing your unaudited actual financial reports.

Form	Description	Value
CEA	Percent of Current Cost of Education Expended for Classroom Compensation Must equal or exceed 60% for elementary, 55% for unified, and 50% for high school districts or future apportionments may be affected. (EC 41372)	60.36%
	CEA Deficiency Amount Applicable to districts not exempt from the requirement and not meeting the minimum classroom compensation percentage - see Form CEA for further details.	\$0.00
GANN	Adjustments to Appropriations Limit Per Government Code Section 7902.1 If this amount is not zero, it represents an increase to your Appropriations Limit. The Department of Finance must be notified of increases within 45 days of budget adoption.	\$0.00
	Adjusted Appropriations Limit	\$34,954,599.42
	Appropriations Subject to Limit These amounts represent the board approved Appropriations Limit and Appropriations Subject to Limit pursuant to Government Code Section 7906 and EC 42132.	\$34,954,599.42
ICR	Preliminary Proposed Indirect Cost Rate Fixed-with-carry-forward indirect cost rate for use in 2018-19, subject to CDE approval.	4.06%
NCMOE	No Child Left Behind (NCLB) Maintenance of Effort (MOE) Determination If MOE Not Met, the 2018-19 apportionment may be reduced by the lesser of the following two percentages: MOE Deficiency Percentage - Based on Total Expenditures MOE Deficiency Percentage - Based on Expenditures Per ADA	MOE Met

SAN RAFAEL CITY SCHOOLS – JOINT DISTRICT

TO: BOARD OF EDUCATION

**FROM: John Bartolome
Director of Fiscal Services**

DATE: SEPTEMBER 11, 2017

**SUBJECT: DISCUSSION/ACTION SESSION: APPROVAL OF THE 2016-17 UNAUDITED ACTUALS FOR
SAN RAFAEL ELEMENTARY SCHOOL DISTRICT.**

BACKGROUND: In accordance with the provisions of AB 1200 and Education Code Section 41200, the Governing Board of each school district must approve an annual financial statement of all receipts and expenditures of the District for the preceding year for all funds. The reporting format for the financial statements is established and mandated by the state (SACS Financial Reporting Software) and they must be approved and submitted to the Marin County Office of Education (MCOE) on or before September 15th.

CURRENT CONSIDERATIONS: This agenda item presented for Board discussion and approval is the 2016-17 Unaudited Actuals for the San Rafael Elementary School District. Upon approval of the financial statements by the Board of Education, the SACS Reports are forwarded electronically to the Marin County Office of Education no later than September 15th for compliance review with the technical provisions of the Code Sections. MCOE is required to forward them electronically to the Superintendent of Public Instruction on or before October 15th. The district's auditors will come in October to audit these financial statements.

The following reports are included in the SACS State Software:

- Unaudited Actuals Certification
- Summary of Unaudited Actuals Data Submission
- Table of Contents
- General Fund Form 01 Unrestricted and Restricted, Expenditures by Object, Expenditures by Function (used for publication of statistical bulletin)
- Fund forms for all other funds used by the district
- Average Daily Attendance (Form A)
- Schedule of Capital Assets (Form ASSET)
- Schedule for Categoricals (Form CAT)
- Current Expense Formula (Form CEA)
- Schedule of Long Term Liabilities (Form DEBT)
- Appropriations Limit Calculation (GANN Limit Form)
- Indirect Cost Rate Worksheets (Form ICR)
- Lottery Report (Form L)
- No Child Left Behind Maintenance of Effort (Form NCMOE)
- Program Cost Report – Allocation Factors (Form PCRAF)
- Program Cost Report (form PCR)
- Special Education Maintenance of Effort (SEMA/SEMB)
- Summary of Interfund Activities – Actuals

The following are the ending fund balances as of June 30, 2017:

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

Each year there are fluctuations in both the revenues and expenditures for the Unrestricted and Restricted components of the General Fund. The major reasons for the variances can be explained as follows:

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	

FINANCIAL IMPLICATIONS: Over the past two months, staff has completed the closing process for all funds within the San Rafael High School District. The components of ending fund balance for the General Fund as of June 30, 2016 are as follows:

Description	2016-17 Unaudited Actuals		
	Unrestricted	Restricted	Combined
NONSPENDABLE			
Revolving Cash	\$ 2,500	\$ -	\$ 2,500
Total - NONSPENDABLE	2,500	-	2,500
RESTRICTED			
Medi-Cal Billing		30,932	
Educator Effectiveness		194,177	194,177
Lottery Restricted		153,156	153,156
Special Education		212,394	212,394
Restricted Maintenance		763,570	763,570
PTAs, Foundation, Library		1,047,774	1,047,774
TOTAL - RESTRICTED	\$ -	\$ 2,402,003	\$ 2,371,071
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

STAFF RECOMMENDATIONS: It is respectfully recommended that the Board of Education approve the 2016-17 Unaudited Actuals for the San Rafael High School District.

Signature of District Officer

Michael Watenpugh
Superintendent

**San Rafael City Elementary School
District
2016-17 Unaudited Actuals
September 11, 2017**

The 2016-17 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, 2017. 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.

2016-17 Financial Components

- ❖ Average Daily Attendance (ADA)
 - Actual ADA was 4,629, which was an increase of 17 ADA from 2015-16.
- ❖ LCFF funding received during the fiscal year was \$40.3 million, which was an increase of approximately \$2.3 million from the prior year.
- ❖ Parcel taxes received during the fiscal year was \$2.9 million, which was an increase of \$130,000 from the prior year.
- ❖ Lottery revenue was approximately \$144 per ADA for unrestricted purposes and \$45 per ADA for restricted purposes.
- ❖ Mandated Cost Block Grant remained at \$28.42 for K-8 ADA.
- ❖ Except as illustrated under Contributions to Restricted Programs, all federal and state restricted categorical programs are self-funded.

General Fund Revenue Components

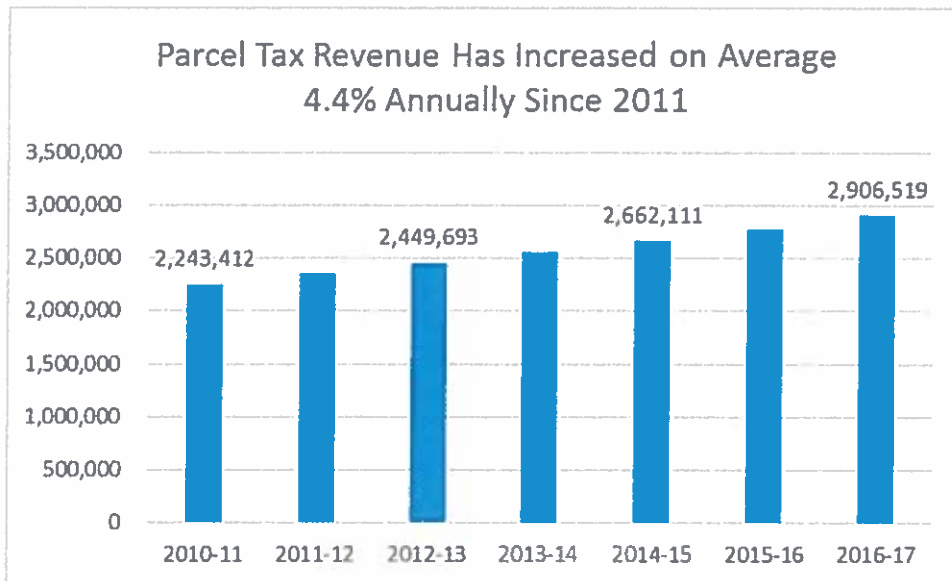
The District receives funding for its general operations from various sources. The types of major funding sources are illustrated below:

Description	Unrestricted	Restricted
General Purpose Sources (Taxes & 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

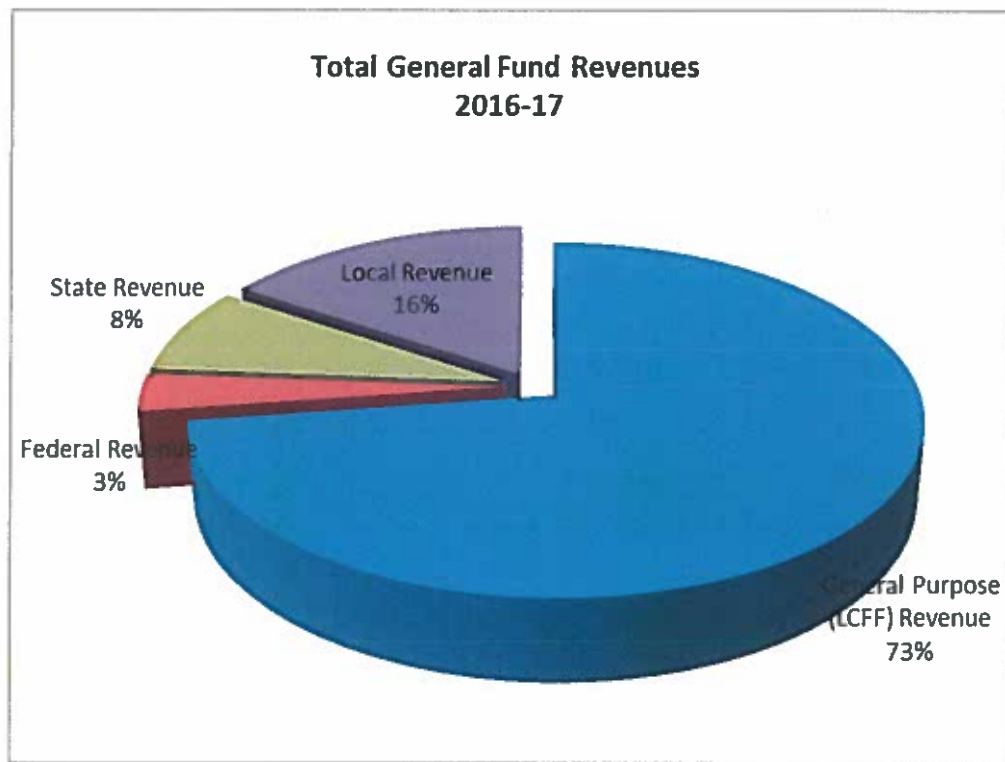
The key component of general purpose revenue is LCFF funding, both property taxes and State Aid, since the District receives property tax revenues that are less than the allocated state per-ADA income guarantees; thus, the District is considered a state funded district.

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 revenue for the ESD is shown 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 based on a minimum \$200 per ADA.

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 \$487,444 (a minimum of \$200 per ADA for Basic Aid districts) and had carryover funds of \$76,002 that was spent in the following manner described below:

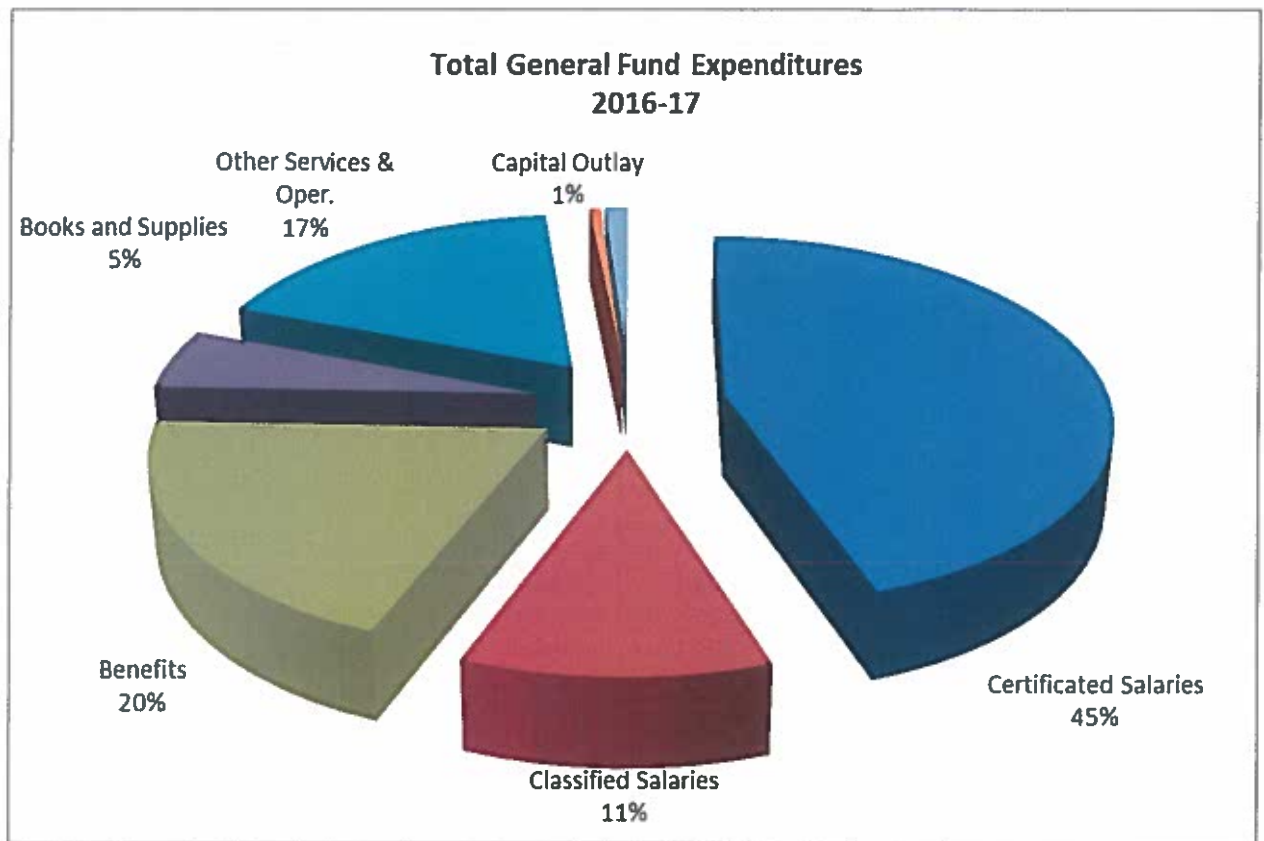
Education Protection Account (EPA) Budget Fiscal Year Ending June 30, 2017	
Beginning Balance	\$ 1,900,851
EPA Revenues	\$ 2,682,235
EPA Expenditures	
Certificated Instructional Salaries	\$ 4,583,086
Ending Balance	\$ 0

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 83% of the District's unrestricted budget, and approximately 76% of the total General Fund budget.

DESCRIPTION	UNRESTRICTED	RESTRICTED
Certificated Salaries	18,584,182	\$4,983,035
Classified Salaries	3,805,383	\$1,983,864
Benefits	6,776,858	\$3,609,939
Books and Supplies	1,984,659	\$740,739
Other Services & Oper.	3,856,184	\$5,366,405
Capital Outlay	60,156	\$234,509
Other Outgo/Transfer	(134,481)	\$707,512
TOTAL	34,932,940	\$17,626,003

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>	\$ 73,692	\$ 80,555
<i>BTSA</i>	\$ 78,819	\$ 108,601
<i>LCAP mini-grants</i>	\$ 350,000	\$ 350,000
<i>Restricted:</i>		
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

General Fund Summary

The District's 2016-17 General Fund has an operating surplus of \$1,688,852. The District's unrestricted General Fund had a surplus of \$1.352 million that was approximately \$2.83 million more than what was projected in the District's 2016-17 estimated actuals report. Illustrated on the page titled "Reconciliation of Fund Balance Change" is an accounting for the \$2.83 million variance.

As a result, the District's General Fund's ending fund balance is \$15.998 million (\$13.596 million for the unrestricted portion of the General Fund). The specific components of the fund balance are illustrated on the page titled "Fund Balance Components".

Fund Summaries

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

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
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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

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 2017, the District's external auditors will audit the records contained in this packet, and will render an opinion no later than December 15, 2017.

SAN RAFAEL ELEMENTARY SCHOOL DISTRICT

2016-17 Unaudited Actuals Financial Activity: General Fund

Description	General Fund		
	Unrestricted	Restricted	Total
REVENUES			
General Purpose Revenues:			
State Aid & EPA			\$0
Property Taxes & Misc. Local	40,356,337	-	40,356,337
Total General Purpose	40,356,337	-	40,356,337
Federal Revenues		2,792,119	2,792,119
Other State Revenues	1,854,023	3,028,228	4,882,250
Other Local Revenues	708,862	6,558,673	7,267,534
TOTAL - REVENUES	42,919,222	12,379,019	55,298,241
EXPENDITURES			
Certificated Salaries	18,584,182	4,983,035	23,567,217
Classified Salaries	3,805,393	1,983,864	5,789,247
Employee Benefits (All)	6,776,858	3,609,939	10,386,797
Books & Supplies	1,984,659	740,739	2,725,397
Other Operating Expenses (Services)	3,856,184	5,366,405	9,222,589
Capital Outlay	60,156	234,509	294,665
Other Outgo	155,556	522,042	677,598
Direct Support/Indirect Costs	(290,037)	185,471	(104,567)
TOTAL - EXPENDITURES	34,932,940	17,626,003	52,558,943
EXCESS (DEFICIENCY)	7,986,281	(5,246,984)	2,739,298
OTHER SOURCES/USES			
Transfers In	20,000		20,000
Transfers (Out)	885,445	185,000	1,070,445
Net Other Sources (Uses)			-
Contributions (to Restricted Programs)	(5,768,585)	5,768,585	-
TOTAL - OTHER SOURCES/USES	(6,634,030)	5,583,585	(1,050,445)
FUND BALANCE INCREASE (DECREASE)	1,352,251	336,601	1,688,852
FUND BALANCE			
Beginning Fund Balance	12,244,139	2,065,402	14,309,541
Ending Balance, June 30	\$13,596,391	\$2,402,003	\$15,998,393

**SAN RAFAEL ELEMENTARY SCHOOL
DISTRICT**

2016-17 Unaudited Actuals

Reconciliation of Fund Balance Change: Unrestricted General Fund

Description	Change Since Estimated Actuals	Comment
2016-17 Adopted Budget Estimated Actual (Unrestricted)	(1,483,517)	
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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	

**SAN RAFAEL ELEMENTARY SCHOOL
DISTRICT**

2016-17 Unaudited Actuals

FUND BALANCE COMPONENTS: GENERAL FUND

Description	2016-17 Unaudited Actuals		
	Unrestricted	Restricted	Combined
NONSPENDABLE			
Revolving Cash	\$ 2,500	\$ -	\$ 2,500
Total - NONSPENDABLE	2,500	-	2,500
RESTRICTED			
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Lottery Restricted		153,156	153,156
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Site donation accounts	99,140		99,140
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7% Board Designated Reserve	3,679,126		3,679,126
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Economic Uncertainty Reserve (3% State)	1,576,768		1,576,768
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TOTAL - UNASSIGNED	\$ 9,508,636	\$ -	\$ 9,508,636
TOTAL - FUND BALANCE	\$ 13,596,391	\$ 2,402,003	\$ 15,998,394