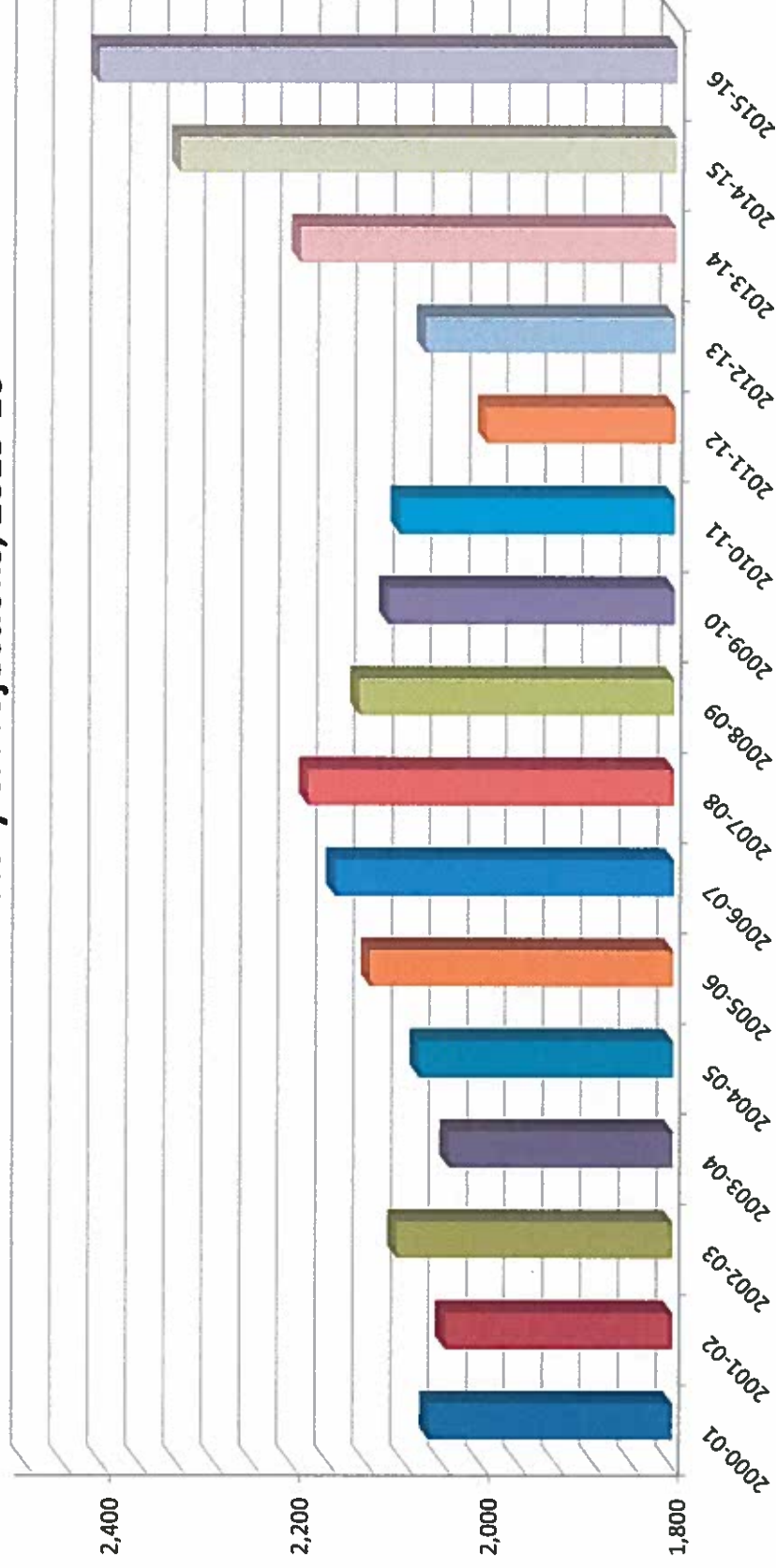


## San Rafael High School District Enrollment History and Projections for 2015-16

Historically enrollment has been very stable in the San Rafael City High School District and while there have been fluctuations from year to year they have been minimal. In 2007-08 enrollment peaked at 2,186 and then declined each year until 2012-13 when enrollment increased by 65 students, beginning an upward trend--and projections predict that this trend will continue over the next several years.

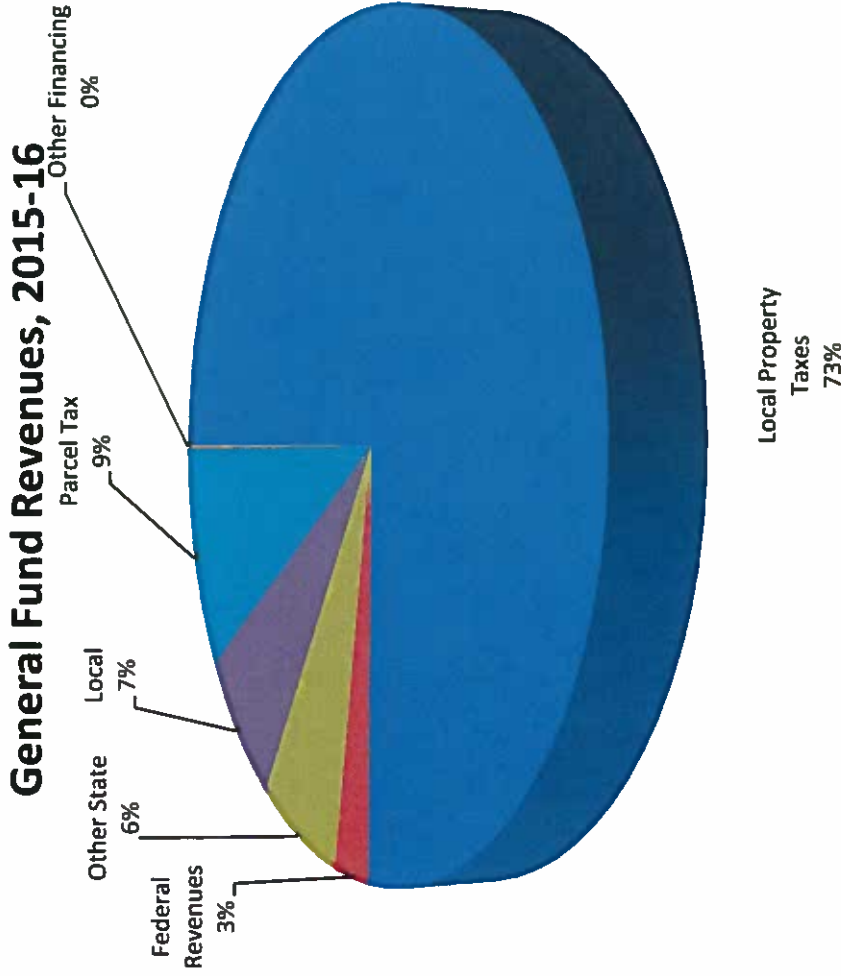
As a "Basic Aid" District, the State does not provide additional funding for additional students; therefore enrollment growth creates unique fiscal challenges.

### Enrollment History & Projections, 2015-16



# San Rafael High School District General Fund Revenues, 2015-16

## 73% of the District's revenues are generated from Local Property Taxes



Public education, unlike any other public agency, receives most of its revenue based on the population it serves; this was historically accomplished through revenue limit calculations. Two years ago the State of California implemented sweeping changes to K-12 funding: Revenue Limit calculations have been eliminated along with the majority of State categorical programs including Economic Impact aid and K-3 Class Size Reduction, and have been replaced by Local Control Funding Formula (LCFF). This formula is only funded at 28.05% over what the calculations would generate as compared to the current year funding.

As a "Basic Aid" school district the majority of the LCFF revenue is funded by local property taxes, with only a small portion of State Aid for the ADA associated with the District of Choice program; the LCFF does not generate any new revenues.

The second largest source of revenue is typically state categorical income, which must be spent for selected state-determined programs. The majority of these funds, however, have been reduced or eliminated under the LCFF. The largest categorical program continues to be Special Education Services which is funded by a combination of state, federal, and local contributions from the General Fund.

Federal income is a small portion of the entire district income picture and this piece of the "pie" is primarily for special education (IDEA), Title I, Title II, and Title III. This year it also includes \$500,000 in Math and Science Partnership funding. Most of the federal income is restricted because it must be expended for purposes that are determined by the grantor rather than the local Board of Education.

General Fund Sources (in millions)	
LCFF	\$23,554,756.0
Federal Revenues	\$845,563.0
Other State	\$1,999,053.0
Local	\$2,082,522.0
Parcel Tax	\$2,865,000.0
Other Financing	\$35,000.00
Total Revenues	\$31,381,894

# San Rafael High School District

## General Fund Expenditures, 2015-16

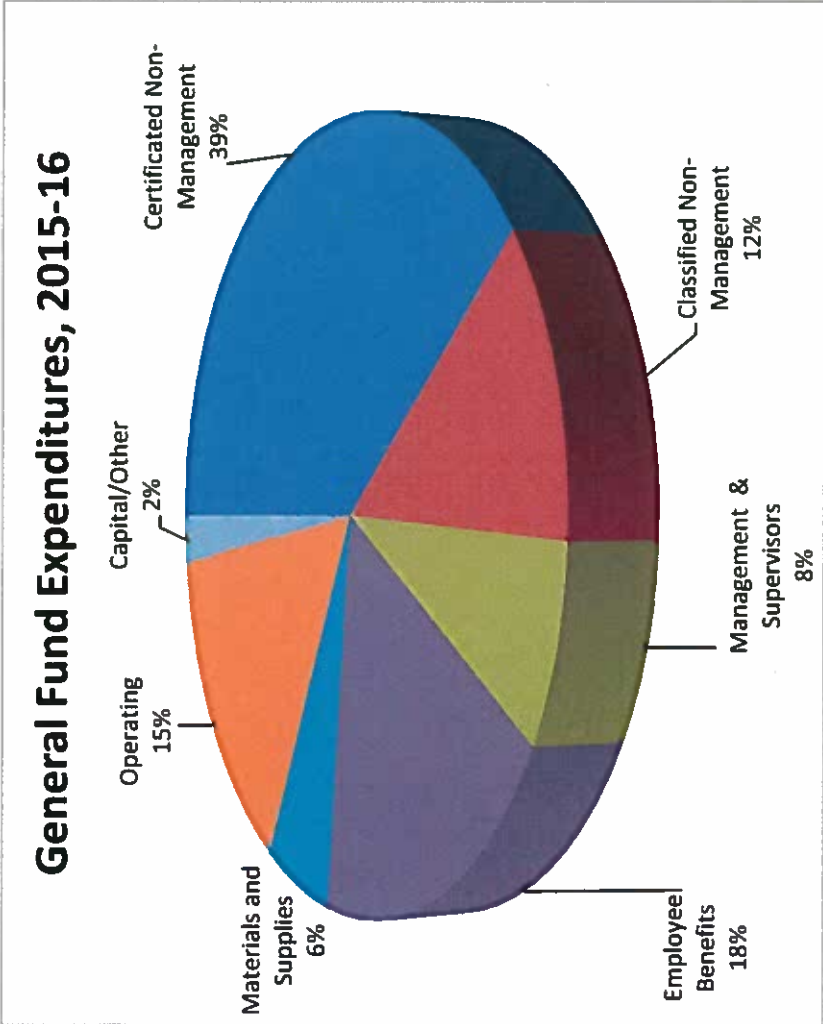
### It takes people to teach students and 77% of the District's total expenditures are committed to the employees of the District

Most of the District's expenditures are committed to salaries and benefits for employees of the District. It takes people to teach students and in San Rafael City High School District 77% of the District's budgeted expenditures are for the services of District employees.

Employee salaries are divided into three separate line items: certificated, management, and classified employees. Certificated employees include teachers, counselors, nurses, librarians, psychologists, and others who provide services that require credentials from the state of California. Management employees include principals, vice principals, instructional leaders, classified management personnel and District superintendents.

Classified employees include the District support personnel including secretaries, accountants, technicians, community liaisons, maintenance workers, and custodial staff.

Health and welfare benefits represent an additional 18% of the District's payroll for expenses in areas such as medical, dental, and life insurance plans, retirement, and workers' compensation expenses.



General Fund Expenditures (in millions)	
Certified Non-Management	\$12.5
Classified Non-Management	\$3.8
Management & Supervisors	\$2.4
Employee Benefits	\$5.9
Materials and Supplies	\$1.8
Operating	\$4.9
Capital/Other	\$0.7
Total Expenditures	\$32.0
Ending Balance	\$5.7
Total General Fund	\$37.7



# San Rafael High School District

## Reserves and Net Ending Balances, 2004-05 to 2015-16

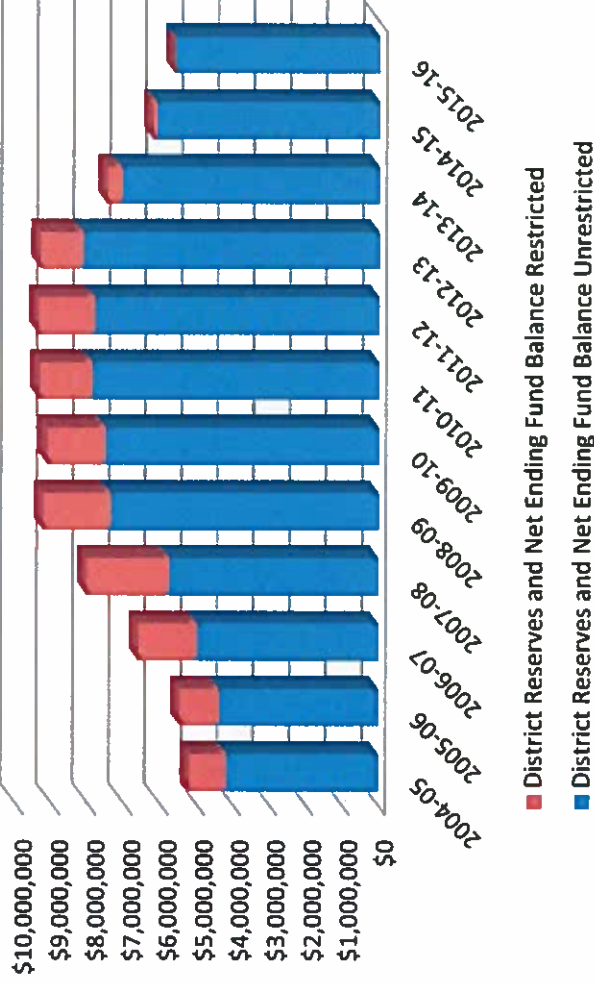
**A school district's Net Ending Balance is a reserve account to fund unforeseen expenses or for one-time expenditures such as the costs for implementing Common Core State Standards**

Revenues that have not been expended during a budget year are carried over into the subsequent year and identified as the District's "Net Ending Balance." In most cases this is the only reserve account that a school district has for general operating purposes. The Net Ending Balance of one year becomes the Net Beginning Balance of the subsequent year.

The Reserve for Economic Uncertainty (REU) is the amount that the state of California requires to be retained to cover unforeseen shortfalls in revenues or higher-than-expected expenditures. The State's minimum Reserve for Economic Uncertainties for San Rafael City High School District is 3% of the total General Fund expenditures. However due to the level of unknowns with programs such as Special Education, whose expenditures can fluctuate significantly throughout the year, and the need for greater cash flow flexibility, the San Rafael City High School District maintains an REU of 10%.

Also included in the Net Ending Balance are restricted carryover balances that originated from sources that can only be used for selected purposes. These revenues can only be expended for the purposes determined by the grantor and the balances in these accounts carry the same restrictions as the originating income. Thus a Net Ending Balance is composed of two types of accounts: those that are "unrestricted", which can be expended by local agency determination, and "restricted" which can only be used for selected purposes.

**District Reserves and Net Ending Balance**



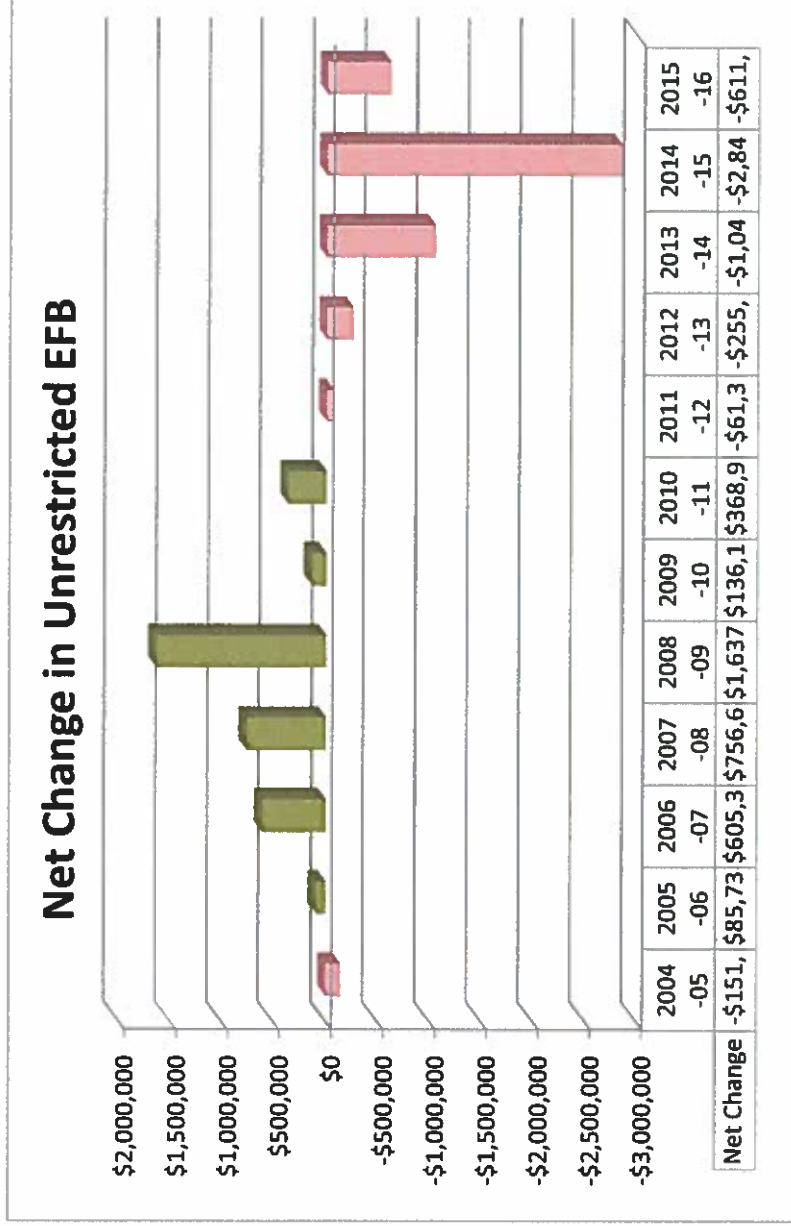
Net Ending Fund Balance Components					
	2011-12	2012-13	2013-14	2014-15 (Est.)	2015-16 (Proj.)
Revolving Cash	\$5,600	\$5,600	\$5,500	\$5,500	\$5,500
Stores	-	-	-	\$0	\$0
Prepaid Expense	-	-	-	\$0	\$0
Restricted Program Balances	\$1,554,220	\$1,175,612	\$388,002	\$0	\$0
Reserve for Economic Uncertainty	\$2,495,601	\$2,525,204	\$2,927,946	\$3,176,302	\$3,199,365
Reserves Restricted by the Governing Board	\$96,395	\$1,882,306	\$1,800,000	\$1,650,000	\$1,100,000
Unallocated Balance	\$5,266,058	\$3,770,158	\$2,401,641	\$1,336,550	\$1,353,729

# San Rafael High School District

## Net Change in Unrestricted Ending Balance, 2004-05 to 2015-16

Examining a school district's unrestricted Net Ending Balance over a series of years provides an overview of its fiscal health and stability. While examining the current year's unrestricted balance is an essential part of good fiscal management, examining the balance over a course of years provides an additional image of a district's fiscal strengths and weaknesses.

### Net Change in the unrestricted balance over the course of years provides a picture of District fiscal strengths/weaknesses



The Unrestricted Net Ending Balance — the year-end balance the reflects that income that can be expended as the local agency determines — is the single-most watched characteristic of a district's fiscal health. Districts are required to have minimum balances available to meet potential emergency needs. Ensuring adequate balances are available at the end of the year is an important part of district fiscal management.

The chart reflects San Rafael City High School District's net change in the Unrestricted Net Ending Balance. A deficit, represented by a bar beneath the centerline in the graph reflects that the District had more unrestricted expenditures than income in that particular fiscal year.

A net change in the ending fund balance, either positive or negative, is of concern if it continues over a number of years. A consistent, consciously applied deficit in a budget may be appropriate to reduce district reserves. On the other hand, multi-year positive or negative numbers need to be examined to ensure that the district is on a prudent fiscal path and that the District is conscientiously addressing fiscal issues.

In the San Rafael High School District growth in student population has begun and, as a "Basic Aid" District, will not generate additional revenue. Maintaining adequate reserves to accommodate this growth both now and in the future is critical. Time costs associated with implementation of Common Core Standards such as purchasing Chromebooks/carts for student access and adding new teachers for the growing student population.