



ALPINE COUNTY SCHOOLS

BUDGET REVISIONS 1ST INTERIMS 2017-18 AUDIT

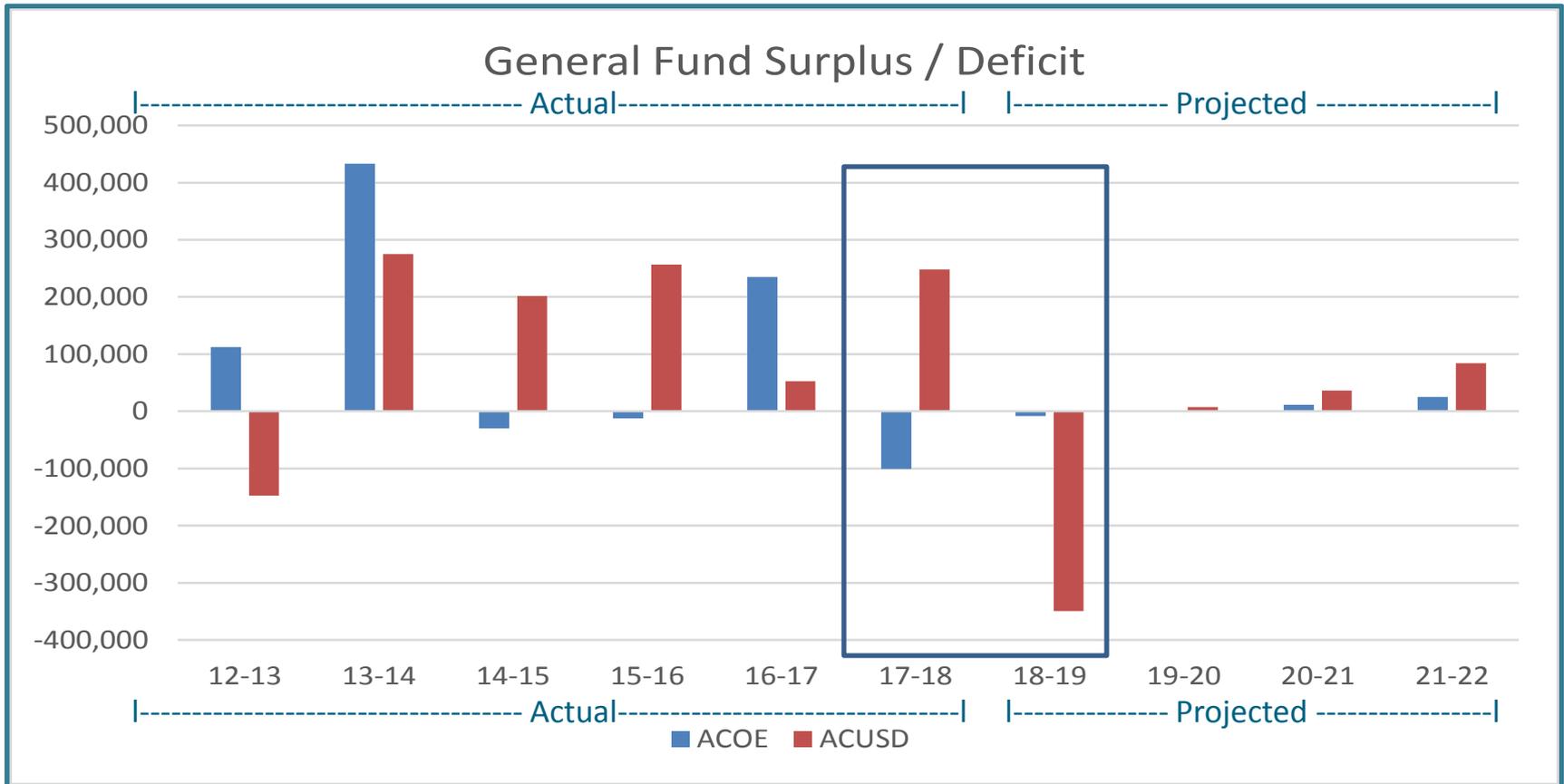
Students are prepared and inspired citizens
making positive choices.

Presented by
Klaus Leitenbauer, Business Manager



History and Projection

History and Projection



History and Projection

ALPINE COUNTY SCHOOLS

10 - Alpine County Unified

Budget Financial Report - (From: 7/1/2017 To: 6/30/2018)

Major Range Description	Adopted Budget	Revised Budget	Year To Date Revisions	%	Year To Date Activity	Remaining Balance	%
10 - Alpine County Unified							
Fund 01 GENERAL FUND							
Fund Summary							
Revenue							
Revenue Limit Sources (8010 to 8099)	1,841,792.00	1,841,792.00	-	-	1,913,749.73	(71,957.73)	(0.0)
Federal Revenue (8100 to 8299)	373,968.00	443,751.55	69,783.55	0.2	403,454.25	40,297.30	0.1
Other State Revenue (8300 to 8599)	186,167.00	292,368.84	106,201.84	0.6	304,325.76	(11,956.92)	(0.0)
Other Local Revenue (8600 to 8799)	163,862.00	289,805.56	125,943.56	0.8	306,168.81	(16,363.25)	(0.1)
Interfund Transfers In (8900 to 8929)	-	104,822.67	104,822.67	-	104,822.67	-	-
Total Revenue	2,565,789.00	2,972,540.62	406,751.62		3,032,521.22	(59,980.60)	
Expenditure							
Certificated Salary (1000 to 1999)	932,570.00	824,243.52	(108,326.48)	(0.1)	841,072.87	(16,829.35)	(0.0)
Classified Salary (2000 to 2999)	568,452.00	489,605.00	(78,847.00)	(0.1)	521,235.54	(31,630.54)	(0.1)
Employee Benefit (3000 to 3999)	600,208.00	590,717.52	(9,490.48)	(0.0)	580,803.75	9,913.77	0.0
Books and Supplies (4000 to 4999)	106,633.00	150,704.92	44,071.92	0.4	107,965.82	42,739.10	0.3
Services and Operating Expenditures (5000 to 5999)	635,751.00	765,957.54	130,206.54	0.2	541,244.96	224,712.58	0.3
Capital Outlay (6000 to 6999)	25,000.00	261,676.00	236,676.00	9.5	134,046.17	127,629.83	0.5
Other Outgo (7100 to 7499)	(5,335.00)	(5,335.00)	-	-	(5,271.83)	(63.17)	0.0
Interfund Transfers Out (7600 to 7629)	53,566.00	80,086.86	26,520.86	0.5	63,318.43	16,768.43	0.2
Total Expenditure	2,916,845.00	3,157,656.36	240,811.36		2,784,415.71	373,240.65	
- Inc/(Dec) in Fund Balance	(351,056.00)	(185,115.74)	165,940.26	(0.5)	248,105.51	(433,221.25)	2.3



Budget Revisions

Alpine County Office of Education
 General Fund 01
 Budget Revisions through October 31, 2018

Revenue:

Revenue Limit Sources – No change

Federal Revenue – No change

Other State – No change

Local – Increased interest estimate by **\$7,500**, based on recent historical yield increases

Transfers In – No change

Expenditures:

Certificated Salaries – No change

Classified Salaries – Decreased salaries by **(\$590)** based on negotiations settlement and late start for employee originally budgeted for the full year

Benefits – No change

Books & Supplies – No change

Service & Operating Expense – No change

Capital Outlay – No change

Other Outgo – No change

Transfers Out – No change

Original Approved Budget – Net Change to Ending Fund Balance	\$(8,530)
Revenue Increases	7,500
Expenditure Decreases	590
Revised Budget 10/31/2018 – Net Change to Ending Fund Balance	\$ (440)

Alpine County Office of Education
Child Development Fund 12
Budget Revisions Through October 31, 2018

Revenue:

Revenue Limit Sources – No change

Federal Revenue – No change

Other State – No change

Local – No change

Transfers In – No change

Expenditures:

Certificated Salaries – No change

Classified Salaries – Increased salaries based on negotiations settlement by
\$20,343

Benefits – Increased benefits based on negotiations settlement by **\$11,400**

Books & Supplies – No change

Service & Operating Expense – No change

Capital Outlay – No change

Other Outgo – No change

Original Approved Budget – Net Change to Ending Fund Balance	\$ 40
Revenue Increase	0.00
Expenditure Increase	(31,743)
Revised Budget 10/31/2017 – Net Change to Ending Fund Balance	\$ (31,403)

Alpine County Unified School District
 General Fund 01
 Budget Revisions Through October 31, 2018

Revenue:

Revenue Limit Sources – Increased Property Tax Revenues by **\$50,864** based on prior year actuals

Federal Revenue – No change

Other State – No change

Local – Increased interest estimate by **\$32,500**, based on recent historical yield increases

Expenditures:

Certificated Salaries – Increased Certificated Extra Duty by **\$10** based on year to date

Classified Salaries – Increased salaries based on negotiations settlement by **\$54,037**

Benefits – No change

Books & Supplies – No change

Service & Operating Expense – No change

Capital Outlay – Increased Bear Valley construction for Phase I change orders by **\$22,591**.

Transfers In/Out – No change

Original Approved Budget – Net Change to Ending Fund Balance	\$ (349,209)
Revenue Increases	83,365
Expenditure Increases	(76,638)
Revised Budget 10/31/2017–Net Change to Ending Fund Balance	\$ (342,483)

ACUSD

Property Tax Revision

ALPINE COUNTY SCHOOLS
Budget Financial Report - (From: 7/1/2017 To: 6/30/2018)

Object	Object Description	fye 6.30.19 Adopted Budget	%	Actual 6.30.18 Year To Date Activity	10.31.18 Revision
10 - Alpine County Unified					
Fund 01 GENERAL FUND					
UnRestricted Fund Summary					
Revenue					
8021	HOME OWNERS EXEMPTION	2,317.00	-	2,346.47	29.47
8041	SECURED TAXES	1,280,700.00	-	1,325,998.55	45,298.55
8042	UNSECURED TAXES	58,423.00	-	63,115.31	4,692.31
8043	PRIOR YEARS TAXES	24,001.00	-	24,845.40	844.40
Total Revenue		<u>1,365,441.00</u>		<u>1,416,305.73</u>	<u>50,864.73</u>

ACOE/ACUSD

Interest Income Revision

	Average Balance	Rate	Actual (2 QTRS)	Revised Budget	Original Budget	Budget Increase
ACOE General Fund	1,500,000	1.50%	14,211	22,500	15,000	7,500
ACUSD General Fund	3,500,000	1.50%	37,344	52,500	20,000	32,500

Fund	Yield as of	
	Oct 2016	Oct 2018
Local Agency Investment Fund (LAIF)	0.654%	2.144%
Securities	1.15%	1.80%



**CALIFORNIA DEPARTMENT
OF EDUCATION**

TOM TORLAKSON
STATE SUPERINTENDENT OF
PUBLIC INSTRUCTION

1430 N STREET, SACRAMENTO, CA 95814-5901 • 916-319-0800 • WWW.CDE.CA.GOV

September 17, 2018

Patrick Traynor, Ph.D., Superintendent
Alpine County Office of Education
Alpine Unified School District
43 Hawkside Drive
Markleeville, CA 96120-9522

Dear Superintendent Traynor, Ph.D.:

Subject: 2018–19 County Office of Education and School District Budgets

Pursuant to California *Education Code (EC)* sections 1622(b) and 42127(i), we have examined your budgets to determine whether they comply with the Criteria and Standards for fiscal stability adopted by the State Board of Education, allow your county office and school district to meet their financial obligations during the fiscal year, and are consistent with a financial plan that will enable them to satisfy their multiyear financial commitments. Based on our review, your July 1 budgets meet the above specified criteria and are approved.

✓ We note that 2018–19 negotiations with the classified bargaining unit were not settled at the time the budgets were adopted. To the extent that collective bargaining agreements result in additional ongoing costs, we advise you that such increased costs should be supported by additional ongoing revenues or ongoing reduction of expenditures. Further, the Criteria and Standards specify that upon settlement, the county office of education must provide the California Department of Education with an analysis of the cost of the settlement and its impact on the operating budget. The public disclosure documents prepared in compliance with *Government Code* Section 3547.5 can be used to satisfy this requirement.

Pursuant to *Government Code* Section 3547.5(b), a school district superintendent and its chief business official must certify in writing that the costs incurred under a negotiated bargaining agreement can be met by the school district during the term of the agreement. Upon settlement, please provide our office with a copy of the certification and an itemization of the budget revisions needed to implement the agreement.

We remind you that *EC* sections 1622(e) and 42127(h) specify that a county office of education or a school district must, no later than 45 days after the Governor signs the

Patrick Traynor, Ph.D., Superintendent
September 17, 2018
Page 2

Budget Act, make available for public review any revisions in revenues and expenditures made to its budget to reflect the funding made available by that Budget Act.

✓ We appreciate the submission of your budgets and await your First Interim Reports, which must be filed with our office no later than December 17, 2018. If you have any questions or concerns, please contact our office by phone at 916-322-1770.

Sincerely,



Christine Davis, Administrator
Financial Accountability and Information Services

CD:jp
2018-0202a-02

cc: Klaus Leitenbauer, Business Manager

TO OWNER/CLIENT:
Alpine County Unified School District
43 Hawkside Drive
Markleeville, California 96120

PROJECT:
BEAR VALLEY SCHOOL - Dry-Flood Proofing
550 Creekside Dr
Bear Valley, California 95223

APPLICATION NO: 4
INVOICE NO: 4
PERIOD: 10/01/18 - 10/31/18
PROJECT NO: 1818
CONTRACT DATE: 07/27/2018

FROM CONTRACTOR:
Royce Construction & Design, Inc.
18851 A7 Microtronics Way
Sonora, California 95370

VIA ARCHITECT/ENGINEER:
Andy Flies (Aspen Street Architects)
494 North Main Street
Angels Camp, California 95222

CONTRACT FOR: BEAR VALLEY SCHOOL - Dry-Flood Proofing Prime Contract
CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

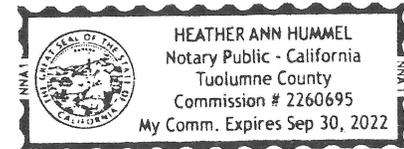
1. Original Contract Sum	\$ 577,400.00
2. Net change by change orders	\$ 22,591.42
3. Contract sum to date (line 1 ± 2)	\$ 599,991.42
4. Total completed and stored to date (Column G on detail sheet)	\$ 456,148.92
5. Retainage:	
a. 4.75% of completed work:	\$ 21,677.90
b. 0.00% of stored material:	\$ 0.00
Total retainage (Line 5a + 5b or total in column I of detail sheet)	\$ 21,677.90
6. Total earned less retainage (Line 4 less Line 5 Total)	\$ 434,471.02
7. Less previous certificates for payment (Line 6 from prior certificate)	\$ 242,877.84
8. Current payment due:	\$ 191,593.18
9. Balance to finish, including retainage (Line 3 less Line 6)	\$ 165,520.40

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner/Client:	\$ 676.80	\$ 0.00
Total approved this Month:	\$ 25,861.36	(\$3,946.74)
Totals:	\$ 26,538.16	(\$ 3,946.74)
Net change by change orders:	\$ 22,591.42	

The undersigned certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for Payment has been completed in accordance with the Contract documents, that all amounts have been paid by the Contractor for Work which previous Certificates for payment were issued and payments received from the Owner/Client, and that current payments shown herein is now due.

CONTRACTOR: Royce Construction & Design, Inc.

By: *Sean Royce* Date: 11-26-2018
State of: California
County of: Tuolumne
Subscribed and sworn to before me this 26th day of Nov, 2018



Notary Public: *Heather Ann Hummel*
My commission expires: 9/30/2022

ARCHITECT'S/ENGINEER'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on the on-site observations and the data comprising this application, the Architect/Engineer certifies to the Owner/Client that to the best of the Architect's/Engineer's knowledge, information and belief that Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$ 191,593.18

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm to the amount certified)

ARCHITECT/ENGINEER:
By: *Andy Flies* Date: 11/27/18

This certificate is not negotiable. The amount certified is payable only to the contract named herein. Issuance, payment and acceptance of payment are without prejudice to the rights of the Owner/Client or Contractor under this Contract.

Michael Martin 11/26/2018



2018-19 1st Interims

ALPINE COE
2018-19 Revised Budget for 1st Interim Report
Estimated Financial Activity: All Funds

Description	General Fund (01)	Child Development Fund (12)	Forest Reserve Fund (16)	Foundation Fund (73)	Total
REVENUES					
General Purpose (LCFF) Revenues:	835,260				835,260
Federal Revenues	45,700	53,700	104,000		203,400
Other State Revenues	53,400	30,858			84,258
Other Local Revenues	131,700	240,389	750	70	372,909
TOTAL - REVENUES	1,066,060	324,947	104,750	70	1,495,827
EXPENDITURES					
Certificated Salaries	8,196	-			8,196
Classified Salaries	217,551	213,456			431,007
Employee Benefits (All)	132,809	53,280			186,089
Books & Supplies	68,251	50,536			118,787
Other Operating Expenses (Services)	439,718	80,258			519,976
Capital Outlay	-	-			-
Other Outgo	158,795	-	104,750		263,545
Direct Support/Indirect Costs	-				-
TOTAL - EXPENDITURES	1,025,320	397,530	104,750	-	1,527,600
EXCESS (DEFICIENCY)	40,740	(72,583)	-	70	(31,773)
OTHER SOURCES/USES					
Transfers In	-	41,180			41,180
Transfers (Out)	(41,180)		-		(41,180)
Net Other Sources (Uses)	-		-		-
Contributions to Restricted Programs	-				-
TOTAL - OTHER SOURCES/USES	(41,180)	41,180	-	-	-
FUND BALANCE INCREASE (DECREASE)	(440)	(31,403)	-	70	(31,773)
FUND BALANCE					
Beginning Fund Balance	1,225,743	61,542	165,291	6,632	1,459,207
Ending Balance, October 31	1,225,303	30,139	165,291	6,702	1,427,434

ALPINE USD
2018-19 Revised Budget for 1st Interim Report
Estimated Financial Activity: All Funds

Description	General Fund (01)	Adult Education Fund (11)	Cafeteria Fund (13)	Deferred Maintenance Fund (14)	Pupil Transportation Fund (15)	Capital Facilities Fund (25)	Special Reserve Fund (40)	Total
REVENUES								
General Purpose (LCFF) Revenues:	1,927,336							1,927,336
Federal Revenues	373,326		55,550					428,876
Other State Revenues	195,998	30,000	4,200					230,198
Other Local Revenues	312,306		1,000	1,100	300	400	11,771	326,877
TOTAL - REVENUES	2,808,966	30,000	60,750	1,100	300	400	11,771	2,913,287
EXPENDITURES								
Certificated Salaries	894,312	27,340	-					921,652
Classified Salaries	625,026	-	28,085					653,111
Employee Benefits (All)	611,197	11,019	15,304					637,520
Books & Supplies	138,730	-	43,268					181,998
Other Operating Expenses (Services)	673,485	-	4,775	11,521			-	689,781
Capital Outlay	156,429	-	-	15,000	-			171,429
Other Outgo	(5,335)	-	5,335					-
Direct Support/Indirect Costs	-	-						-
TOTAL - EXPENDITURES	3,093,845	38,359	96,767	26,521	-	-	-	3,255,492
EXCESS (DEFICIENCY)	(284,879)	(8,359)	(36,017)	(25,421)	300	400	11,771	(342,205)
OTHER SOURCES/USES								
Transfers In	-		31,083	26,520				57,603
Transfers (Out)	(57,604)							(57,604)
Net Other Sources (Uses)	-							-
Contributions to Restricted Programs	-							-
TOTAL - OTHER SOURCES/USES	(57,604)	-	31,083	26,520	-	-	-	(1)
FUND BALANCE INCREASE (DECREASE)	(342,483)	(8,359)	(4,934)	1,099	300	400	11,771	(342,206)
FUND BALANCE								
Beginning Fund Balance	4,188,490	124,312	4,934	202,910	43,567	161,776	1,088,499	5,814,491
Ending Balance, October 31	3,846,007	115,953	(0)	204,009	43,867	162,176	1,100,270	5,472,285

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2017-18 Audit

ALPINE COUNTY OFFICE OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

2018 - 001 / 40000

EDUCATOR EFFECTIVENESS

Criteria: In accordance with Senate Bill 103, Section 8 of the Budget Act of 2015, as a condition of receiving Educator Effectiveness funds, a school district, county office of education, charter school, or state special school is required to:

1. Develop and adopt a plan delineating how the Educator Effectiveness funds will be spent. The plan must be explained in a public meeting of the governing board of the school district or county board of education, or governing body of the charter school, before its adoption in a subsequent public meeting.
2. On or before July 1, 2018, report detailed expenditure information to the California Department of Education (CDE), including, but not limited to, specific purchases made and the number of teachers, administrators, or paraprofessional educators that received professional development.

For standardized account code structure coding, the California Department of Education instructed districts and county offices of education to use resource code 6264 to record the revenues and expenditures of the Educator Effectiveness program.

Condition: The County Office developed and adopted a plan and reported detailed expenditures information to the CDE in accordance with both requirements in the criteria. The County Office however, reported expenditures to the CDE on the Educator Effectiveness Final Expenditures Report for Expenditures Between July 1, 2015 and June 30, 2018, of \$2,346 when they actually expended \$0 through June 30, 2018 in resource code 6264.

Subsequent to submitting the final expenditures report to CDE, the County Office discovered \$1,449 of expenditures that should have been recorded to the Educator Effectiveness resource.



Questioned Costs: \$897. The amount not expended through June 30, 2018, which includes the \$1,449 expenditures discussed above.

Context: Expenditures reported on the Educator Effectiveness Final Expenditures Report for Expenditures Between July 1, 2015 and June 30, 2018 were submitted to the CDE on June 29, 2018.

Effect: The County Office overstated Educator Effectiveness funds expenditures reported to the CDE as of June 30, 2018.

**ALPINE COUNTY OFFICE OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

EDUCATOR EFFECTIVENESS (CONCLUDED)

Cause: The County Office was under the impression that the Educator Effectiveness funds were expended as of June 30, 2018.

Recommendation: The County Office should contact the CDE to determine the procedure for returning the unspent funds.

County Response: The County Office agrees with the audit finding. It appears after the County Office developed and adopted plans for expending the funds in 2015/16, delays in program implementation along with subsequent grants received to fund similar expenditures led to not all the Educator Effectiveness Funds being spent. The County Office believed all the funds had been spent at the time of reporting expenditures to CDE and upon subsequent examination of detailed documentation realized that was not the case.



ALPINE COUNTY UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

2018 - 001 / 40000

EDUCATOR EFFECTIVENESS

Criteria: In accordance with Senate Bill 103, Section 8 of the Budget Act of 2015, as a condition of receiving Educator Effectiveness funds, a school district, county office of education, charter school, or state special school is required to:

1. Develop and adopt a plan delineating how the Educator Effectiveness funds will be spent. The plan must be explained in a public meeting of the governing board of the school district or county board of education, or governing body of the charter school, before its adoption in a subsequent public meeting.
2. On or before July 1, 2018, report detailed expenditure information to the California Department of Education (CDE), including, but not limited to, specific purchases made and the number of teachers, administrators, or paraprofessional educators that received professional development.

For standardized account code structure coding, the California Department of Education instructed districts and county offices to use resource code 6264 to record the revenues and expenditures of the Educator Effectiveness program.

Condition: The District developed and adopted a plan and reported detailed expenditures information to the CDE in accordance with both requirements in the criteria. The District however, reported expenditures of \$21,265 to the CDE on the Educator Effectiveness Final Expenditures Report for Expenditures Between July 1, 2015 and June 30, 2018, when they actually expended \$10,459 as of June 30, 2018 in resource 6264.

Subsequent to submitting the final expenditures report to CDE, the District discovered \$1,520 of additional expenditures that should have been recorded to the Educator Effectiveness resource.

 Questioned Costs: \$9,286. The amount not expended as of June 30, 2018, which includes the \$1,520 expenditures discussed above.

Context: Expenditures reported on the Educator Effectiveness Final Expenditures Report for Expenditures Between July 1, 2015 and June 30, 2018 were submitted to the CDE on June 29, 2018.

Effect: The District overstated Educator Effectiveness funds expenditures reported to the CDE as of June 30, 2018.

**ALPINE COUNTY UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS (CONCLUDED)

EDUCATOR EFFECTIVENESS (CONCLUDED)

Cause: The District was under the impression that the Educator Effectiveness funds were expended as of June 30, 2018.

Recommendation: The District should contact the CDE to determine the procedure for returning the unspent funds.

District Response: The District agrees with the audit finding. It appears after the District developed and adopted plans for expending the funds in 2015/16, delays in program implementation along with subsequent grants received to fund similar expenditures led to not all the Educator Effectiveness Funds being spent. The District believed all the funds had been spent at the time of reporting expenditures to CDE and upon subsequent examination of detailed documentation realized that was not the case.

