

LOS ALTOS SCHOOL DISTRICT

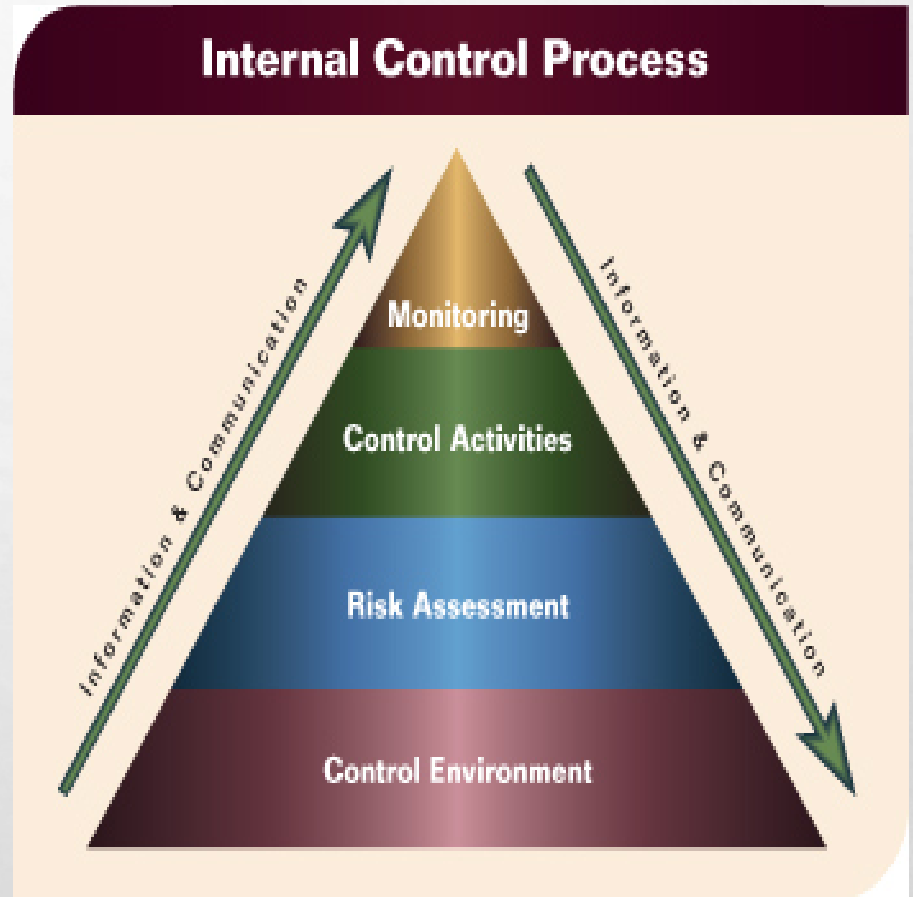
JUNE 30, 2018 AUDIT RESULTS



Chavan & Associates, LLP
Certified Public Accountants

AUDIT PHASE I

- RISK ANALYSIS
- DOCUMENT CONTROLS
- TEST CONTROLS
- ANALYTICS



AUDIT PHASE II

Substantive Tests

Compliance

Analytics

GENERAL AUDIT

- STANDARDS
 - AICPA'S STATEMENTS ON AUDITING STANDARDS
 - GAO/GAGAS
 - EAAP AUDIT GUIDE
 - SINGLE AUDIT



IMPLEMENTED GASB'S

- GASB 75

- NEW ACCOUNTING AND FINANCIAL REPORTING REQUIREMENTS FOR OPEB PLANS
 - IMPROVES ACCOUNTING AND FINANCIAL REPORTING FOR OPEB
 - IMPROVES INFORMATION PROVIDED ABOUT THE FINANCIAL SUPPORT FOR THE DISTRICT'S OPEB PLAN



PENSIONS

CalPERS Plan	2018	2017	2016	2015
Proportion of Net Pension Liability	0.06621%	0.06523%	0.06530%	0.06520%
Proportionate Share of Net Pension Liability	\$ 15,806,074	\$ 12,882,222	\$ 9,625,746	\$ 7,401,788
Covered Payroll	\$ 8,434,749	\$ 7,800,334	\$ 7,507,000	\$ 6,857,805
Proportionate Share of NPL as a % of Covered Payroll	187.39%	165.15%	128.22%	107.93%
Plan's Fiduciary Net Position as a % of the TPL	71.87%	73.90%	79.43%	83.38%

CalSTRS Plan	2018	2017	2016	2015
Proportion of Net Pension Liability	0.04800%	0.04698%	0.04658%	0.05000%
Proportionate Share of Net Pension Liability	\$ 44,389,920	\$ 38,000,142	\$ 31,357,212	\$ 29,218,500
Covered Payroll	\$ 25,937,162	\$ 24,279,991	\$ 21,703,322	\$ 22,804,716
Proportionate Share of NPL as a % of Covered Payroll	171.14%	156.51%	144.48%	128.12%
Plan's Fiduciary Net Position as a % of the TPL	69.46%	70.04%	74.02%	76.52%

PENSIONS

CalPERS Plan	2018	2017	2016	2015
Contractually Required Contributions	\$ 1,408,100	\$ 1,171,418	\$ 924,129	\$ 883,649
Contributions in Relation to Contractually Required Contributions	1,408,100	1,171,418	924,129	883,649
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Employee Payroll	 \$ 9,066,383	 \$ 8,434,749	 \$ 7,800,334	 \$ 7,507,000
 Contributions as a Percentage of Covered Payroll	 15.53%	 13.89%	 11.85%	 11.77%

CalSTRS Plan	2018	2017	2016	2015
Contractually Required Contributions	\$ 3,905,538	\$ 3,262,895	\$ 2,605,243	\$ 1,927,255
Contributions in Relation to Contractually Required Contributions	3,905,538	3,262,895	2,605,243	1,927,255
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered Payroll	 \$ 27,065,405	 \$ 25,937,162	 \$ 24,279,991	 \$ 21,703,322
 Contributions as a Percentage of Covered Payroll	 14.43%	 12.58%	 10.73%	 8.88%

CHANGES IN BENEFIT PLAN OBLIGATIONS

Plan	Beginning	Additions	Deletions	Ending	Net Change
PERS	\$ 12,882,222	\$ 8,811,878	\$ (5,888,026)	\$ 15,806,074	\$ 2,923,852
STRS	38,000,142	24,122,428	(17,732,650)	44,389,920	6,389,778
OPEB	3,297,141	17,522,812	(2,174,406)	18,645,547	15,348,406
Total Benefit Plan Obligations	\$ 54,179,505	\$ 50,457,118	\$ (25,795,082)	\$ 78,841,541	\$ 24,662,036

CHANGE IN NET POSITION

Table 2: Change in Net Position					
	June 30, 2017	June 30, 2018	Change	% Change	
Revenues					
Program Revenues:					
Operating Grants and Contributions	\$ 6,002,866	\$ 7,278,355	\$ 1,275,489	21%	
General Revenues:					
Property Taxes	57,212,216	59,324,124	2,111,908	4%	
Grants and Entitlements - Unrestricted	3,410,102	3,595,525	185,423	5%	
Other	6,247,512	8,753,817	2,506,305	40%	
Total Revenues	72,872,696	78,951,821	6,079,125	8%	
Program Expenses					
Instruction	42,163,508	52,535,485	10,371,977	25%	
Support Services:					
Instruction-related services	6,735,656	6,987,627	251,971	4%	
Pupil services	4,057,366	4,490,916	433,550	11%	
General administration	4,101,976	4,343,617	241,641	6%	
Plant services	8,634,495	8,594,969	(39,526)	0%	
Other educational programs	14,248	7,067	(7,181)	-50%	
Interest and Fiscal Charges	5,007,437	3,458,455	(1,548,982)	-31%	
Total Expenses	70,714,686	80,418,136	9,703,450	14%	
Change in Net Position	2,158,010	(1,466,315)	(3,624,325)	-168%	
Beginning Net Position	(8,427,581)	(6,269,571)	2,158,010	-26%	
Prior Period Adjustment	-	(15,375,620)	(15,375,620)	0%	
Beginning Net Position as Adjusted	(8,427,581)	(21,645,191)	(13,217,610)	157%	
Ending Net Position	\$ (6,269,571)	\$ (23,111,506)	\$ (16,841,935)	269%	

CHANGE IN FUND BALANCES

Table 4: Governmental Fund Balances

Fund	Fund Balance June 30, 2017	Fund Balance June 30, 2018	Increase (Decrease)	Percentage Change
General	\$ 7,626,247	\$ 5,275,622	\$ (2,350,625)	-31%
Building	1,471,953	3,781,533	2,309,580	157%
Bond Interest & Redemption	10,040,867	10,698,060	657,193	7%
Deferred Maintenance	63,169	165,001	101,832	161%
Capital Facilities	2,349	1,160,018	1,157,669	49283%
Total	\$ 19,204,585	\$ 21,080,234	\$ 1,875,649	10%

FINANCIAL TRENDS AND ANALYSIS

General Fund	2018	2017	2016
Revenues and other financial sources	\$ 63,518,402	\$ 59,594,930	\$ 60,088,062
Expenditures	65,841,723	60,948,102	56,443,717
Other uses and transfers (out)	27,304	274,067	1,325,000
Total outgo	65,869,027	61,222,169	57,768,717
Change in fund balance	\$ (2,350,625)	\$ (1,627,239)	\$ 2,319,345
Ending fund balance	\$ 5,275,622	\$ 7,626,247	\$ 9,253,486
Available reserves ⁽²⁾	\$ 4,117,440	\$ 3,957,816	\$ 5,373,125
Available reserves as a percentage of total outgo	6.3%	6.5%	9.5%
Total long-term liabilities	\$ 147,287,986	\$ 129,596,379	\$ 128,909,421
Average daily attendance at P2	4,292	4,379	4,533

AUDIT RESULTS

- NO EXCEPTIONS IN AUDIT OPINIONS
- NO MATERIAL WEAKNESSES
- NO DISAGREEMENTS WITH MANAGEMENT
- NO SIGNIFICANT PASSED ON ADJUSTMENTS

