



Ending Fund Balance Discussion Anticipated Average Daily Attendance (ADA) Increase Forecasted Revenue Impact September 13, 2016

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Anticipated Ending Fund Balance Changes

- **As a normal part of Year End Closing a complete reconciliation of all accounts is conducted.**
- **The following changes have been identified.**

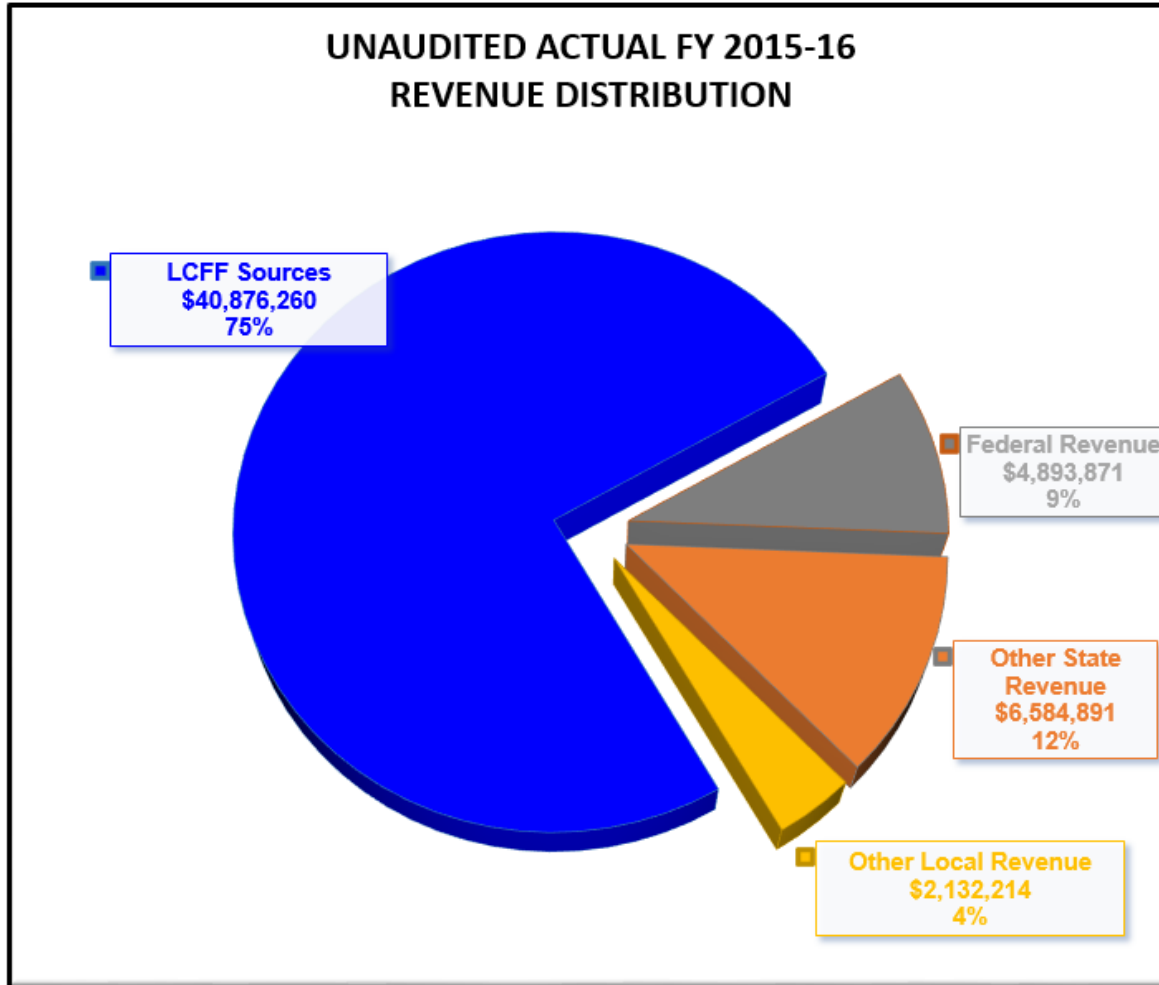


While Revenue Is Lower

	2015-16 Estimated Actual Totals	2015-2016 Unaudited Actuals Totals	Difference Estimated vs. Actuals		Total Increase In Ending Balance (Decrease) In Ending Balance	Notes
			Unrestricted	Restricted		
LCFF Sources	\$ 40,730,380	\$ 40,876,260	\$ 145,880	\$ -	\$ 145,880	↑ Increase in ADA - 12
Federal	\$ 4,929,341	\$ 4,893,871	\$ 137,443	\$ (172,912)	\$ (35,469)	↓ Change in E-rate classification; deferred revenue
Other State	\$ 6,431,170	\$ 6,584,891	\$ 132,906	\$ 20,815	\$ 153,721	↑ Increased lottery - unrestricted and restricted
Other Local	\$ 2,606,323	\$ 2,132,214	\$ (270,728)	\$ (203,381)	\$ (474,109)	↓ Unspent local grants, site fees/rebates
Total Revenues	\$ 54,697,214	\$ 54,487,236	\$ 145,500	\$ (355,479)	\$ (209,978)	↓ Note that total revenue is actually lower than anticipated.



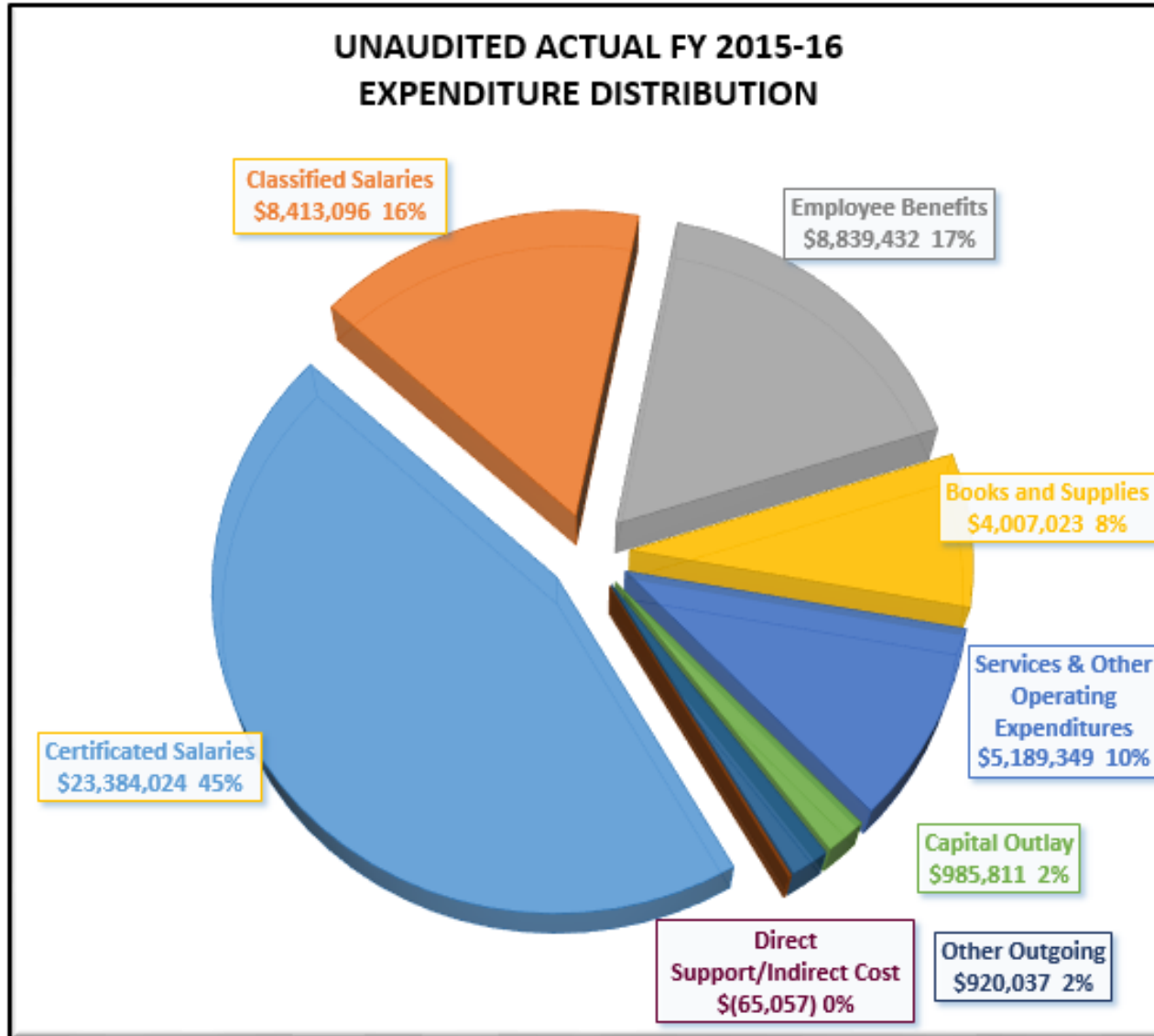
General Fund Revenue



Expenses Also Came In Lower

	2015-2016 Estimated Actuals Totals	2015-2016 Unaudited Actuals Totals	Total (Increase) In Ending Balance Decrease In Ending Balance	Notes
Expenditures:				
Certificated Salaries	\$ 23,623,820	\$ 23,384,024	\$ (239,796) ↑	Lower extra duty costs - prof dev pd in July; not June
Classified Salaries	\$ 8,309,679	\$ 8,413,096	\$ 103,418 ↓	
Benefits	\$ 9,084,901	\$ 8,839,432	\$ (245,468) ↑	STRS on-behalf calculated much lower
Supplies	\$ 5,489,666	\$ 4,007,023	\$ (1,482,643) ↑	Unspent bal in LCAP Supp, Energy Grant, SSP, CTEIG, federal grants
Services & Other Operating Exp	\$ 5,848,182	\$ 5,189,349	\$ (658,834) ↑	Unspent bal in LCAP Supp, Energy Grant, SSP, CTEIG, federal grants; unrestr projects carried to 2016-17
Capital Outlay	\$ 1,322,082	\$ 985,811	\$ (336,271) ↑	Furniture Projects carried forward; reclassified as supply (CTEIG/SSP grants)
Other Outgo - Debt Svc/Excess Costs	\$ 1,086,746	\$ 920,037	\$ (166,709) ↑	Lower SE Trans and program excess costs
Other Outgo - Indirect Costs	\$ (53,607)	\$ (65,057)	\$ (11,450) ↑	Higher indirect costs of Cafeteria Fund
Total Expenditures	\$ 54,711,470	\$ 51,673,717	\$ (3,037,753) ↑	Significant reduction in total expenditures, HOWEVER, only 50% is NOT RESTRICTED,

But Of Course That Is Not The End Of The Story



Still More Expenses & Sources of Income

	2015-2016 Estimated Actuals Totals	2015-2016 Unaudited Actuals Totals	(Increase) In Ending Balance Decrease In Ending Balance	Notes
Other Financing Sources/Uses				
Sources	\$ -	\$ 43,505	\$ 43,505 ↑	Recouped 3% admin fee from developer fees; not budgeted
Uses	\$ 2,699,555	\$ 2,799,555	\$ 100,000 ↓	Additional support to Cafeteria Fund
Contributions	\$ -	\$ -	\$ -	Less encroachment due to lower costs
Total Other Sources/Uses	\$ (2,699,555)	\$ (2,756,050)	\$ (56,495) ↓	Note like revenues this has a negative impact on ending fund balance

Summary Using Simple Math To See Change In Fund Balance		
Revenues Down	↓	\$ (209,978)
Expenditures Down	↑	\$ 3,037,753
Other Financing Sources & Uses Down	↓	\$ (56,495)
Gross Change In Ending Fund Balance	↑	\$ 2,771,279

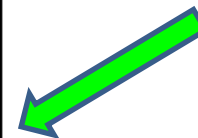
But Of Course That Is Not The End Of The Story



What About Legally Required Reservations of Ending Fund Balance?

	2015-2016 Estimated Actuals Totals	2015-2016 Unaudited Actuals Totals	Total (Increase) In Ending Balance Decrease In Ending Balance
Ending Fund Balance	\$ 4,857,261	\$ 7,628,540	\$ 2,771,279
a) Nonspendable			
Revolving Cash	\$ 50,000	\$ 50,000	\$ -
Stores	\$ 63,554	\$ 37,762	\$ (25,792)
Prepaid Expenditures	\$ 890	\$ 2,536	\$ 1,646
b) Restricted	\$ 429,661	\$ 1,446,651	\$ 1,016,990
c) Committed	\$ -	\$ -	\$ -
d) Assigned	\$ 794,466	\$ 1,481,584	\$ 687,119
TUTA Catastrophic Leave Bank			
CSEA Professional Growth			
Rsv for School Violence Prevention			
Rsv for LCAP Supplemental			
Rsv for Compensated Absences			
Dist-wide Software/Filing/Furniture			
Rsv for Instr Matls			
Rsv for Supp School Counseling			
Site Base Carryover			
3% Reserve for Economic Uncertainties	\$ 1,722,331	\$ 1,634,198	\$ (88,133)
Unassigned/Unappropriated	\$ 1,796,360	\$ 2,975,809	\$ 1,179,449

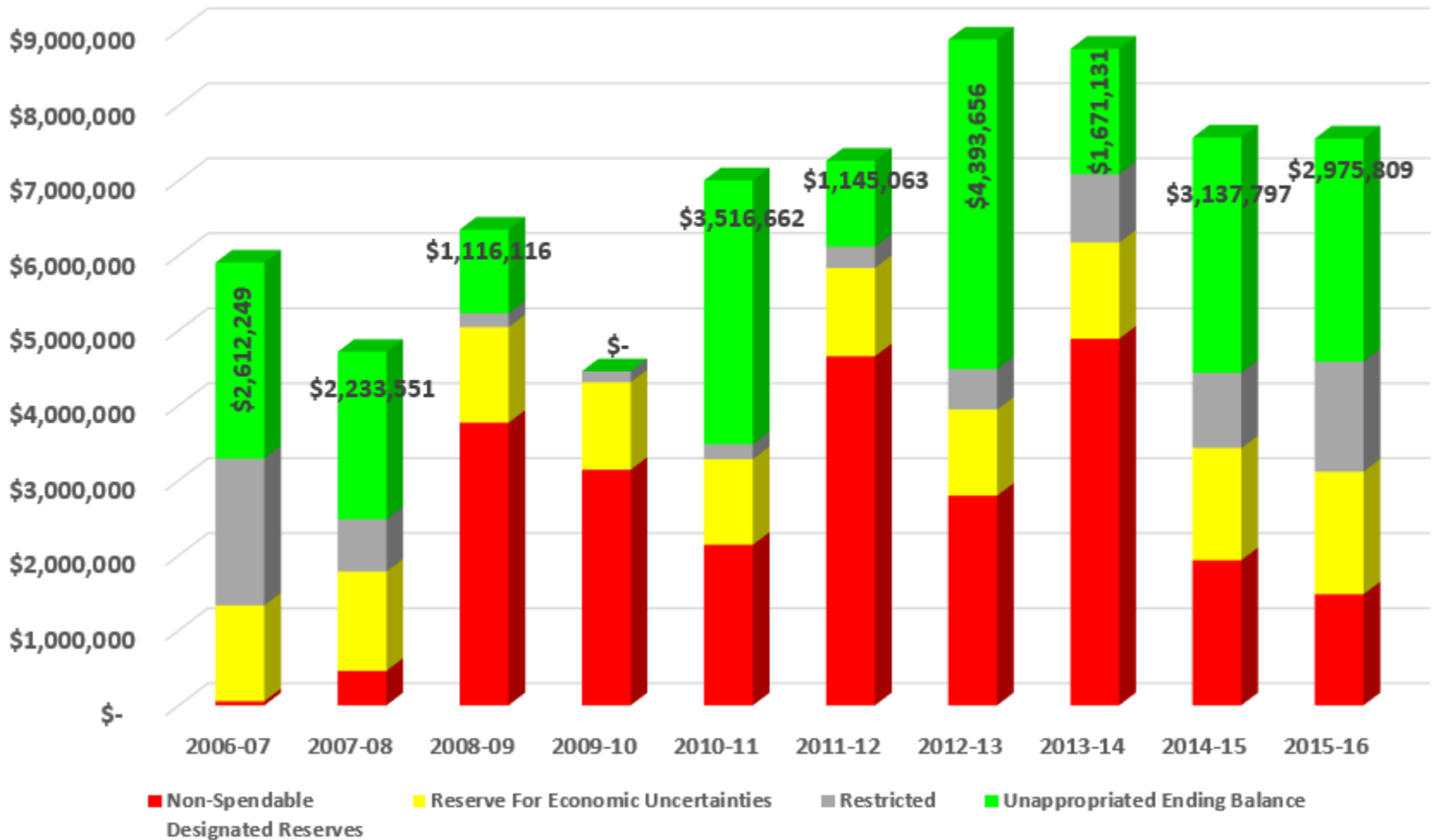
**Net Increase
Over
Forecasted**





Ending Fund Balance Analysis

Components of Ending Fund Balance



What Does This Mean?

- **Increases in ending Fund Balance without an ongoing revenue source are **ONE TIME FUNDS!****
- **Care must be given to determine if revenues are going to exceed expenses before any ongoing expense decisions should be made.**



What about enrollment and subsequent increases in funded ADA?

- **Revised Budget Estimates were based on a funded ADA of 5,264.45**
- **Based on current enrollment and attendance we are now predicting a funded ADA of 5,421.69**
- **We estimate that this could bring an additional \$1,214,482 to the FY 2016-17 Budget**

Recommendations

- **As a result of the ONE TIME additional funds we recommend the Board authorize:**
 - **Employee Compensation (one time)**
 - **Safety Issues**
 - **Asphalt**
 - **Bell Systems**
 - **Fire Alarms**

Recommendations

As a result of the increased funding associated with the expected ADA increase we recommend the Board authorize:

Fixed Cost

- **Additional Staff - Maintain Class Size**
- **Lease Cost for Additional Space**

Priorities

- **Employee Compensation - Benefits**
- **Class Size Relief**



Questions?

