



Dixie School District

Unaudited Actuals Fiscal Year Ended 2015 - 2016

*Presented by
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Business Manager
September 13, 2016*

Unaudited Actuals 2015-2016

- The “*Unaudited Actuals*” is the final state financial report for 2015-16 and is used for fiscal year end reporting as of June 30, 2016.
 - It is not based on budgeted amounts, but on the *actual* revenues received and *actual* expenses incurred.
- What’s in the State Report:
 - For each district fund, a listing of Revenue and Expenditures for 2015-16 Actuals and 2016-17 Adopted Budget.
 - General Fund separated by Unrestricted and Restricted dollars.
 - Average Daily Attendance report.
 - Asset Form – Schedule of Capital Assets
 - CAT Form – Breakdown of all Restricted or Categorical funding.
 - CEA Form – Checks to see if district is spending at least 60% on classroom compensation.
 - DEBT Form – Schedule of Long Term Debt
 - GANN Form – calculation for the District’s GANN Limit
 - Indirect Cost Worksheet
 - Lottery Report
 - No Child Left Behind – Maintenance of Effort
 - Program Cost Report – Factors and Allocations
 - Summary of Interfund Activities
 - Technical Review Checklists – verifies a variety of areas, including verifying correct account coding and ensure data is complete.



Unaudited Actuals 2015-2016

- **By law, the District must submit the Unaudited Actuals to the County Office of Education by September 15th.**
- **The Auditors will conduct their final phase of the audit during the week of September 12, 2016.**
- **A draft copy of the audit will be available in December.**
- **The final audit report will be presented to the Board of Trustees in January 2017.**



- **Over the past few years, projections in June indicated a large deficit but the final numbers came in much less than projected.**
- **Starting in 2014-15 we changed the accounting on how we handled prior year carryovers.**
- **This change resulted in the projected deficit coming in closer to what the actual deficit would be.**

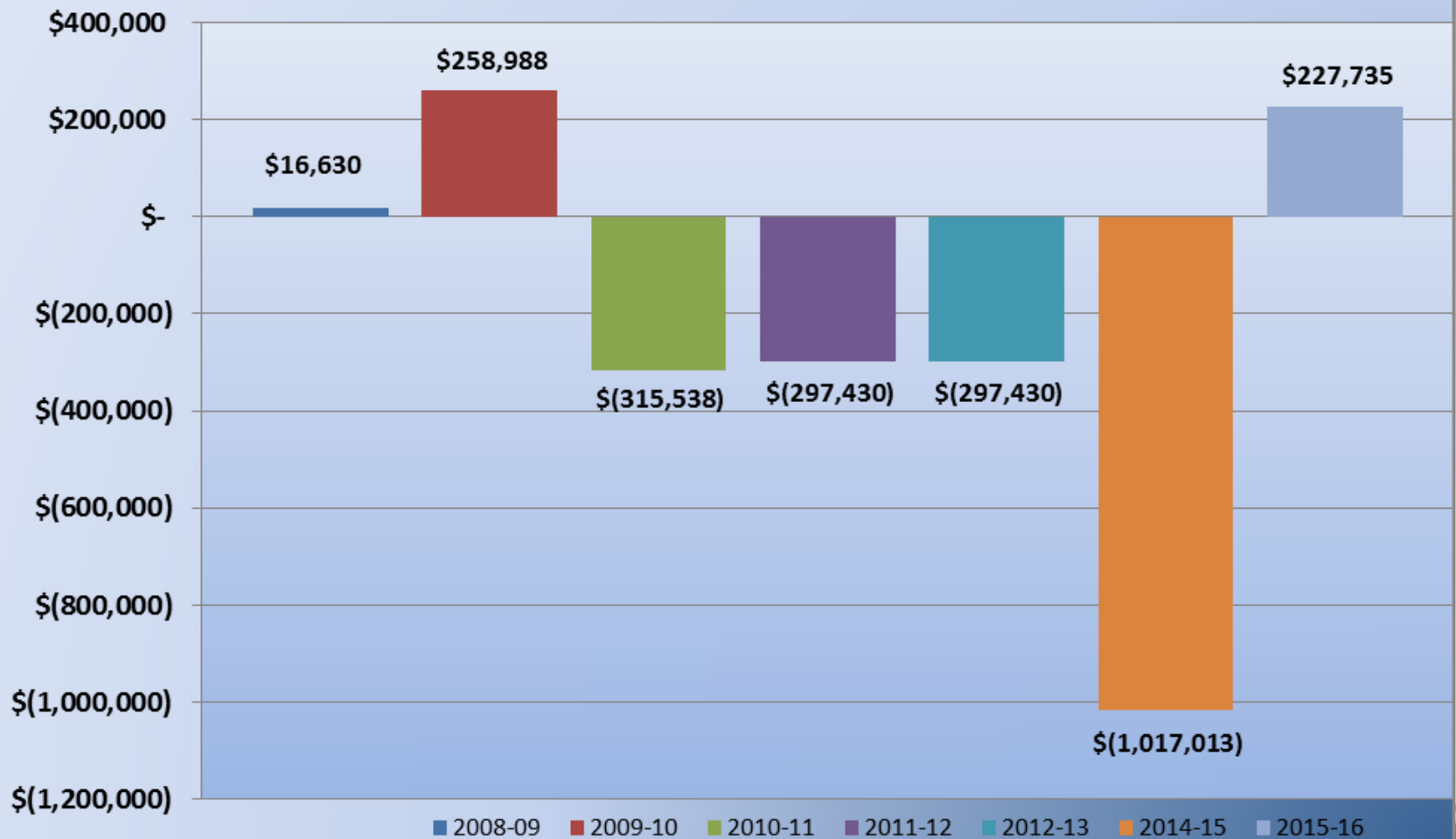


Unaudited Actuals

2015-2016

- **In June, the District was projecting a decrease or deficit in the General Fund reserve in 2015-16 of -\$14,520.**
- **The final numbers showed a net increase in the General Fund reserve of \$227,734.**
 - **The difference from June projection is \$242,254**
 - **\$66,148 Unrestricted & \$176,106 Restricted**
- **This was the first time since 2009-10 that the district closed with a surplus**

Dixie School District General Fund Change in Fund Balance



Unaudited Actuals

2015-2016



- **General Fund revenues increased by +14.1% from the prior year while expenditures increased by +7.5% from prior year**
- **The increase in revenues was mainly due to an increase in LCFF GAP funding and one-time mandated cost revenues received**
- **While we can celebrate closing with surplus, it is important to keep in mind:**
 - **New revenues from GAP funding increases will be less as we move closer to full funding under LCFF**
 - **Once we are fully funded under LCFF, revenue increases will be driven strictly from COLA**
 - **One time revenues are not on-going. Without the \$1,022,123 in one-time revenues, the District would have continued the trend of deficit spending**
 - **We will continue to have budget issues in the future with expectation of lower on-going revenues and increases in on-going expenditures (Step/Column, STRS, PERS, etc.)**

Where have we been?

- **During the state budget crisis that started in 2010-11 every school district in the state experienced severe budget cuts from the state.**
- **Dixie School District received cuts of over \$1 million a year in state funding. While we made some initial budget reductions we felt very strongly about continuing the good work that we were doing for our children.**
- **As such we made a decision not to make major cuts to programs and do massive lay-offs of staff that other school districts were doing to survive the budget crisis.**
- **Fortunately, at that time we had sufficient reserves that we could spend down to avoid cutting programs and laying-off staff.**

Where are we going?

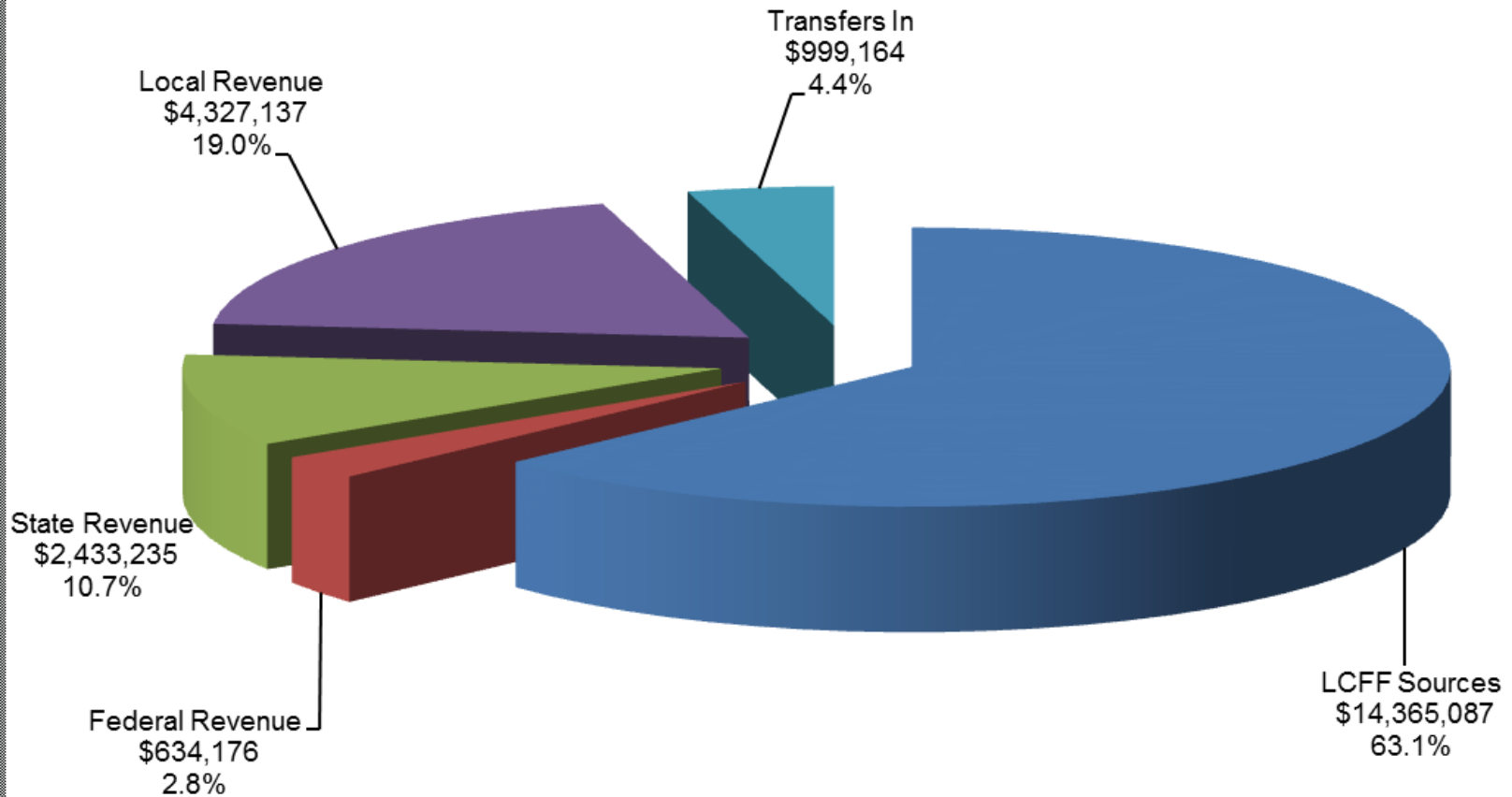
- **Our experience over the past several years has showed the importance of having a healthy reserve level.**
- **The short term and long term fiscal solvency of the District depends on:**
 - **Restoring and maintaining the General Fund reserve levels to that specified in the District's reserve policy**
 - **Working to eliminate the structural budget deficits that have occurred over the last several years**
 - **In June 2016 the Board of Trustees has recommended reestablishing the Superintendent's Budget Committee. The District will be making recommendations to the Board in October on the makeup and charge of this committee**

2015-2016 General Fund Revenues

LCFF Sources	\$ 14,365,087
Federal Revenue	\$ 634,176
State Revenues	\$ 2,433,235
Local Revenue	\$ 4,327,137
Transfers In	<u>\$ 999,164</u>
Total Revenue	\$ 22,758,799



**Dixie School District
Combined General Fund Revenues
2015-2016**



Funding Sources



➤ **LCFF Sources Category:**

- **LCFF Funding: Components of LCFF Funding**
 - **Hold Harmless**
 - **State Aid**
 - **Final Property Taxes: \$13,184,914**
 - **Increased from prior year +9.7% or \$1,163,026**
 - **EPA Funds:**

➤ **Federal Revenues:**

- **IDEA Federal Special Education, Special Ed Mental Health, Child Nutrition and Special Ed Mental Health and Title I, II, III**

➤ **State Revenues:**

- **Includes 1x mandated costs, mandated block grant (on-going) and lottery (both unrestricted and restricted), Effective Educator Grant, STRS On-Behalf**

➤ **Local Revenues:**

- **Parcel Tax:**
- **Can Do! and Home to School Club donations:**

STRS On - Behalf

➤ STRS On-Behalf

- **STRS On-Behalf:** This was new in 2014-15 due to GASB 68 requirements. District to include estimated share of STRS liability on our books and report on financial.
- These entries are recorded as State Revenues and Employee Benefit categories (STRS cost) in our books.
- The result will be an substantial increase to both categories but will net to zero and not impact the fund balance
- In 2014-15 the incorrect amount of \$40,434 was identified and booked in the unaudited actuals
- The auditors corrected the amount for the financial reports. \$488,475
- The STRS On-Behalf total for 2015-16 is \$639,066
- State revenues increased by \$1,683,840 from prior year (2014-15). \$598,632 of the increase is due to STR On-Behalf entries. STRS On-Behalf actually increased \$150,591 from prior year.

Interfund Transfers In

- **District annually transfers cash from Fund 40 to the General Fund**
- **This year the transfer was \$998,449**
 - **This included the annual transfer of \$873,449 plus:**
 - **Additional transfers of \$125,000 to fund past salary increases for 2013-14 & 2014-15**



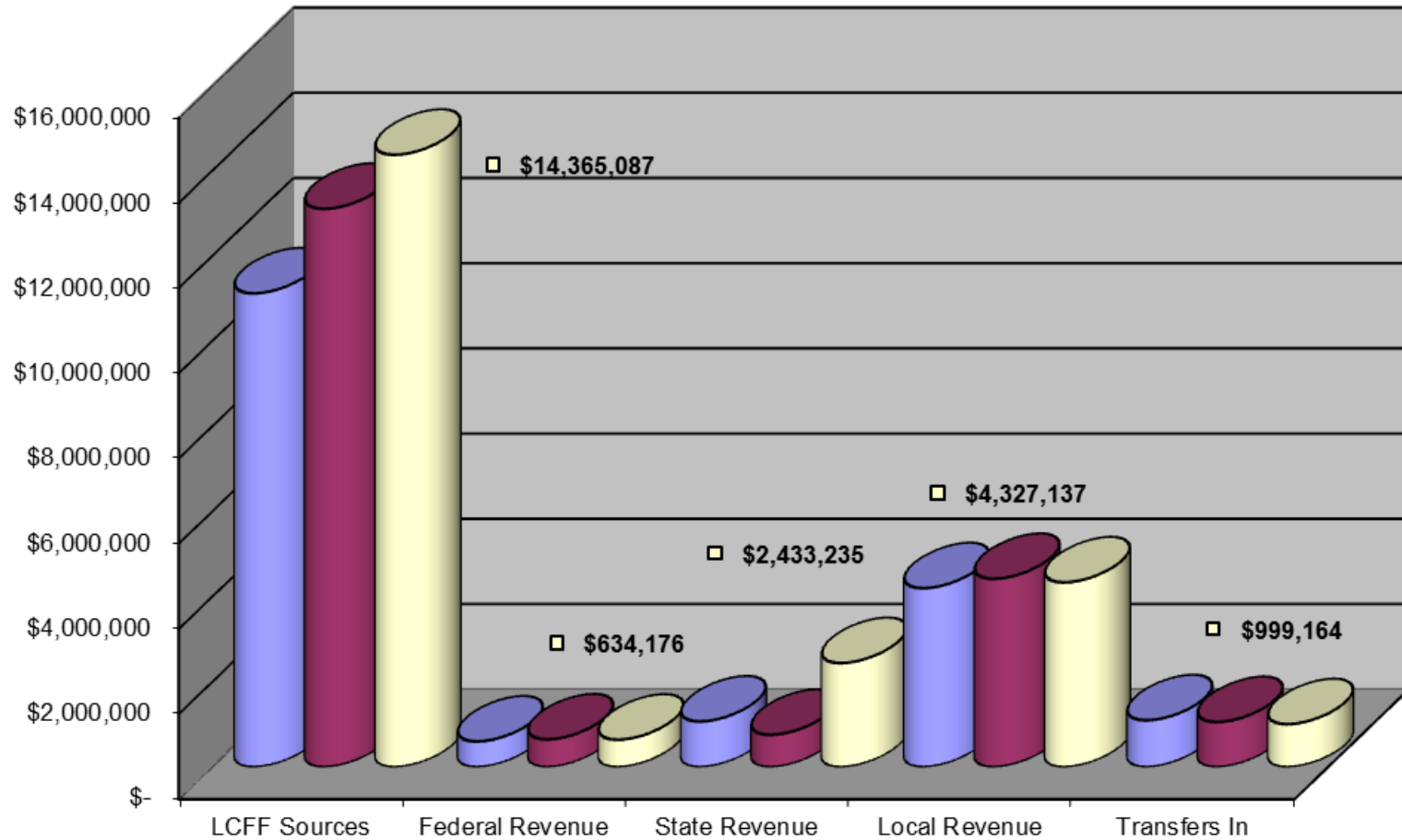
Changes in Revenues from Prior Year



	<u>\$\$ Change</u>	<u>% Change</u>
LCFF Sources	\$ 1,268,685	9.7%
Federal Revenue	\$ (8,127)	-1.3%
State Revenue	\$ 1,683,840	224.7%
Local Revenue	\$ (83,378)	-1.9%
Transfers In	<u>\$ (50,906)</u>	<u>-4.8%</u>
TOTAL	\$ 2,810,114	14.1%

Dixie School District General Fund Revenue 3 Year Comparison

2013-14 2014-15 2015-16





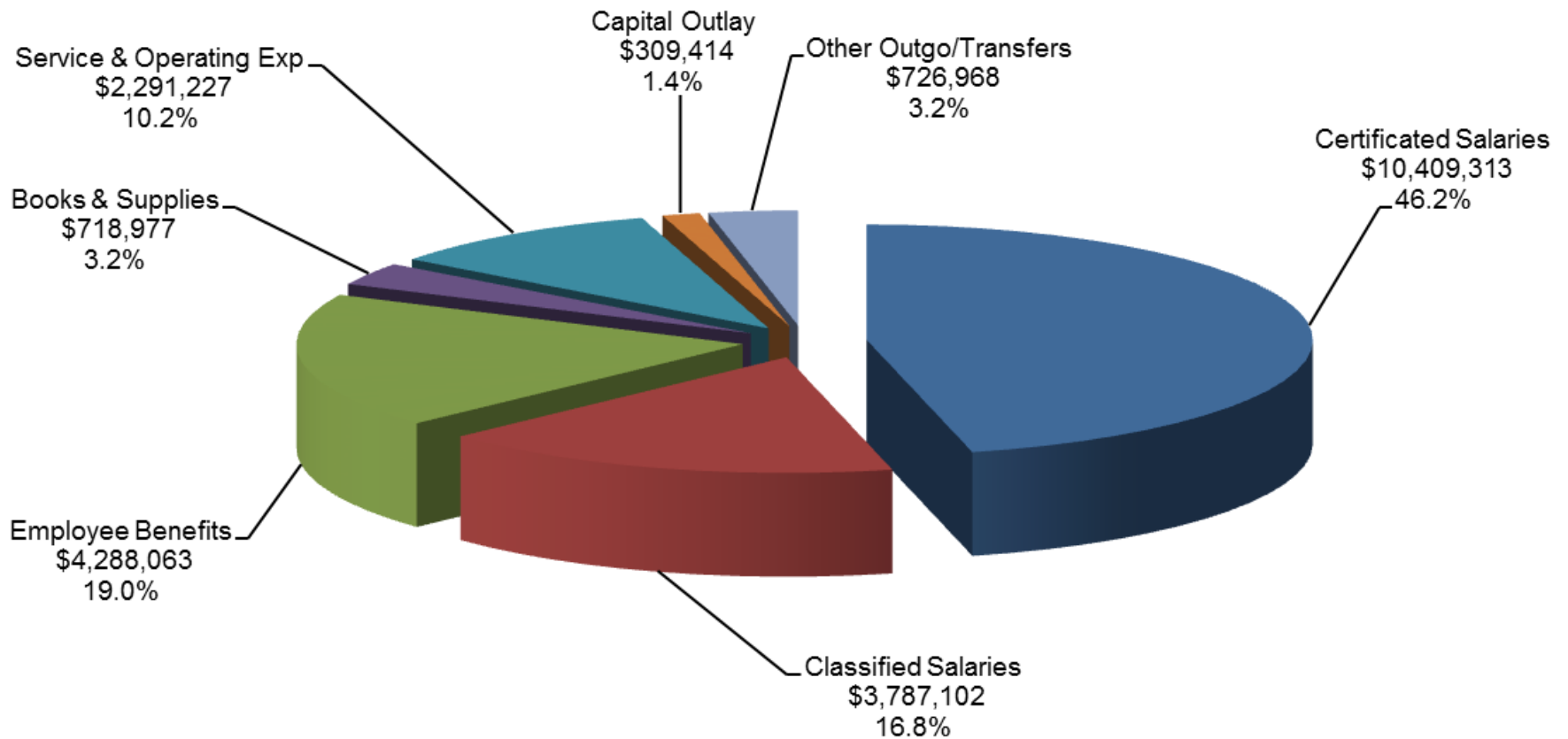
2015-16 General Fund Expenditures

46.2% Certificated Salaries	\$ 10,409,313
16.8% Classified Salaries	\$ 3,787,102
19.0% Benefits	\$ 4,288,063
3.2% Materials & Supplies	\$ 718,977
10.2% Services & Contracts	\$ 2,291,227
1.4% Capital Outlay	\$ 309,414
3.2% Other Outgo/Transfer Out	<u>\$ 726,968</u>

TOTAL EXPENDITURES \$ 22,531,064

**** Salaries + Benefits = 82% of Total General Fund Expenditures**

**Dixie School District
Combined General Fund Expenditures
2015-2016**



Other Outgo & Transfers Out

- **“Other Outgo” includes our Special Education Excess Costs and the Special Education ADA transfer to MCOE**
 - Excess Cost was \$415,213
 - Increase \$71,988 when compared to last year
 - ADA Transfer \$183,498
- **“Transfer Out” is for estimated solar savings that will be transferred to Fund 56 to pay for CREBS Bond repayment**
 - This year the transfer was \$138,416



STRS Impact 2015-16

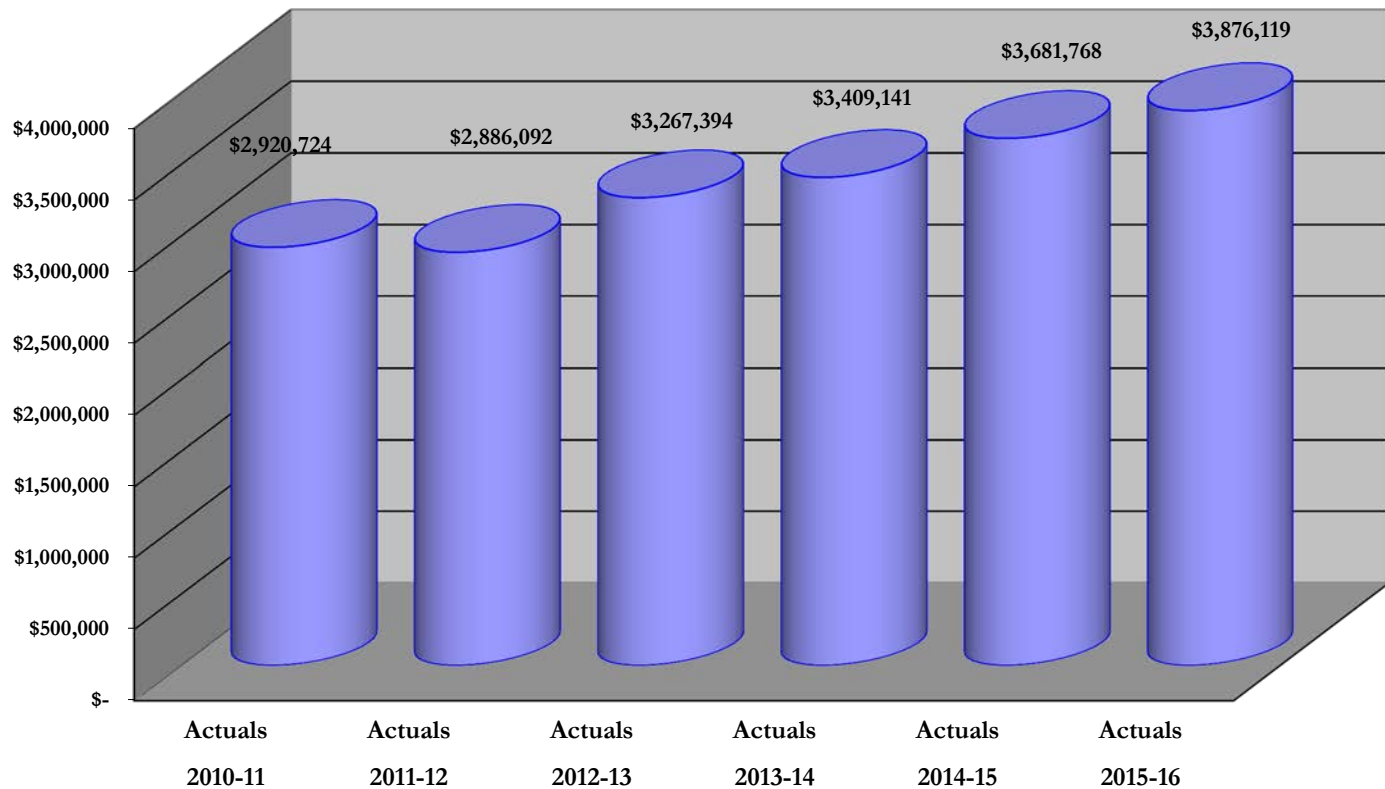
- **In 2014 Governor Brown successfully passed legislation to fund the State Teacher Retirement System (STRS) liability by annually increasing the employer and employee contributions to the program.**
- **For the employer portion the rate increased by .63% in 2014-15 and another 1.85% in 2015-16. It is scheduled to increase 1.85% annually until 2020-21.**
- **For 2015-16 the change in STRS rate resulted in \$184,439 in additional cost to the District.**

Special Education

Summary of Special Education Expenditures		2010-11 Actuals	2011-12 Actuals	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals
Res							
3310/3311	Fed Sp Education	\$ 282,242	\$ 315,811	\$ 303,669	\$ 357,918	\$ 369,265	\$ 397,882
3313	AARA	\$ 52,184	\$ 1,656	\$ -	\$ -	\$ -	\$ -
3327	Sp Ed - Mental Health (Fed)	\$ -	\$ -	\$ 93,741	\$ 53,397	\$ 36,466	\$ 29,113
6500	Regular Sp Ed	\$ 2,038,288	\$ 1,995,031	\$ 2,192,142	\$ 2,271,432	\$ 2,455,990	\$ 2,632,959
6512	Sp Ed - Low Incidence	\$ 6,497	\$ 2,834	\$ 8,469	\$ 20,871	\$ 8,506	\$ 12,085
6513	Sp Ed - Mental Health (State)	\$ -	\$ -	\$ -	\$ -	\$ 110,400	\$ 105,737
0724	Sp Ed - Transportation	\$ 267,414	\$ 245,203	\$ 334,140	\$ 367,526	\$ 372,204	\$ 295,295
9001	Sp Ed - Excess Cost	\$ 274,099	\$ 325,557	\$ 339,760	\$ 340,752	\$ 330,594	\$ 404,339
	Total	\$ 2,920,724	\$ 2,886,092	\$ 3,271,921	\$ 3,411,896	\$ 3,683,425	\$ 3,877,410
	Change \$\$	-	\$ (34,632)	\$ 385,829	\$ 139,975	\$ 271,529	\$ 193,985
	Change %	-	-1.2%	13.4%	4.3%	8.0%	5.3%

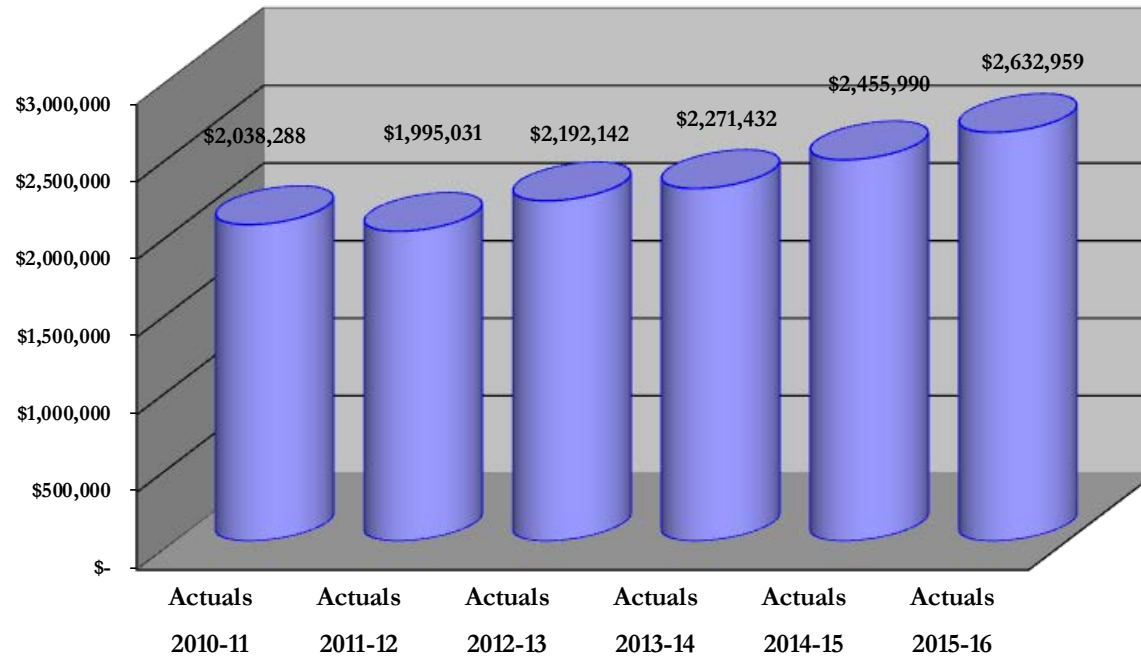
Special Education

Dixie School District
Special Education - All Programs
General Fund Expenditures



Special Education

Dixie School District
Special Education
AB602 Expenditures



Summary of Special Education Expenditures		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Res		Actuals	Actuals	Actuals	Actuals	Actuals	Actuals
6500	Regular Sp Ed	\$ 2,038,288	\$ 1,995,031	\$ 2,192,142	\$ 2,271,432	\$ 2,455,990	\$ 2,632,959
	Total	\$ 2,038,288	\$ 1,995,031	\$ 2,192,142	\$ 2,271,432	\$ 2,455,990	\$ 2,632,959
	Change \$\$	-	\$ (43,257)	\$ 197,111	\$ 79,290	\$ 184,558	\$ 176,969
	Change %	-	-2.1%	9.9%	3.6%	8.1%	7.2%

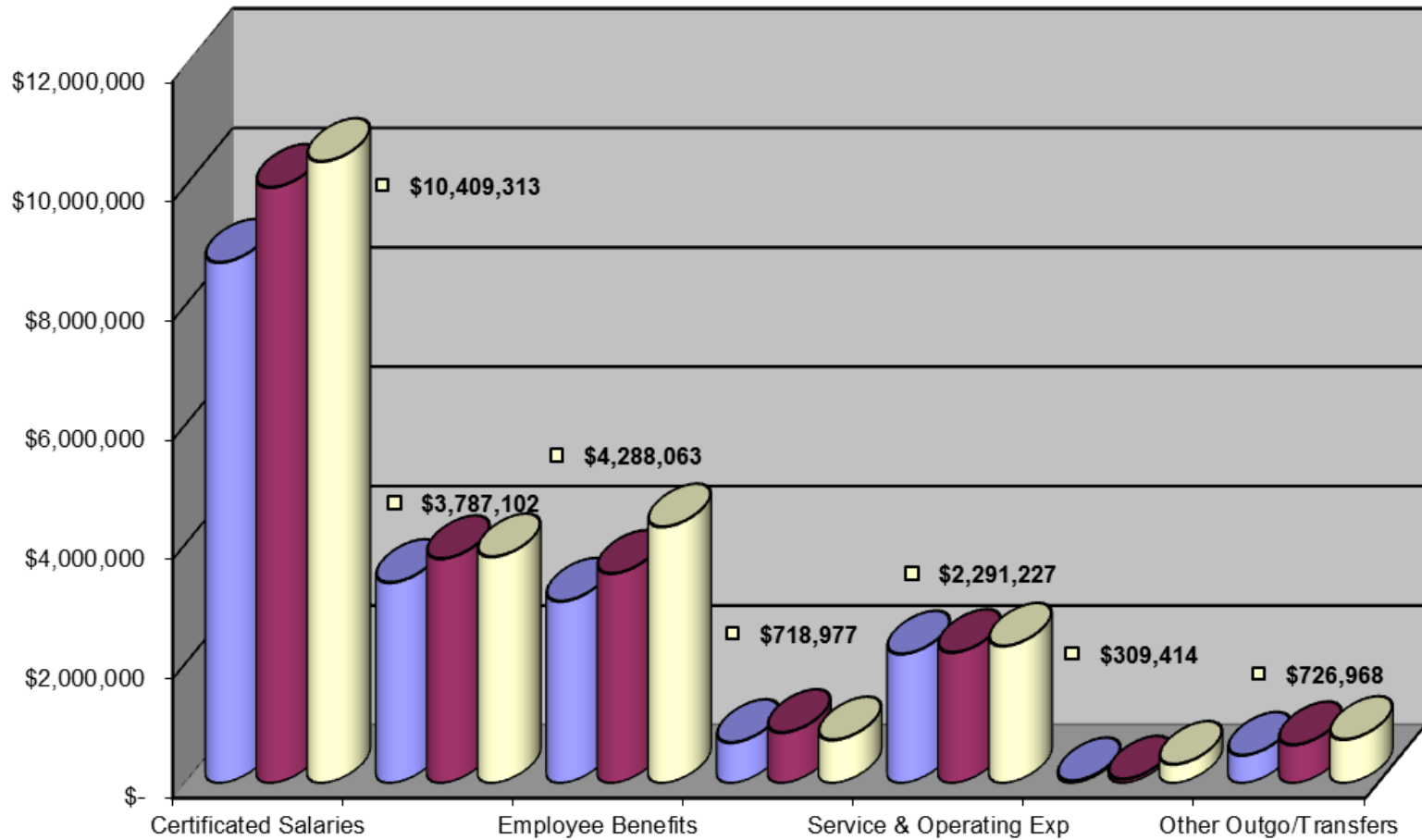
Change in Expenditures From Prior Year



<u>Category</u>	<u>\$\$ Change</u>	<u>% Change</u>
Certificated Salaries	\$ 433,944	4.4%
Classified Salaries	\$ 32,343	0.9%
Employee Benefits	\$ 780,127	22.2%
Books & Supplies	\$ (124,287)	-14.7%
Service & Operating Exp	\$ 106,149	4.9%
Capital Outlay	\$ 247,048	396.1%
Other Outgo/Transfers	<u>\$ 90,042</u>	<u>14.1%</u>
TOTAL	\$ 1,565,366	7.5%

Dixie School District General Fund Expenditures 3 Year Comparison

2013-14 2014-15 2015-16



General Fund Contributions

- Special Education:

- Federal	\$ 52,999
- AB602	\$ 1,486,015
- Low Incidence	\$ 2,122
- Excess Cost	\$ 404,339
- Transportation-Special Ed	\$ 155,896

- Please note that in your packet is a history of all Special Education related contributions

• School Library Block Grant	\$ 1,503
• Transportation - Home to School	\$ 10,544
• Routine Repair & Maintenance	\$ 546,881
• Child Nutrition	\$ <u>12,407</u>

• TOTAL	\$ 2,262,706
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General Fund Encroachment

Change from Prior Year

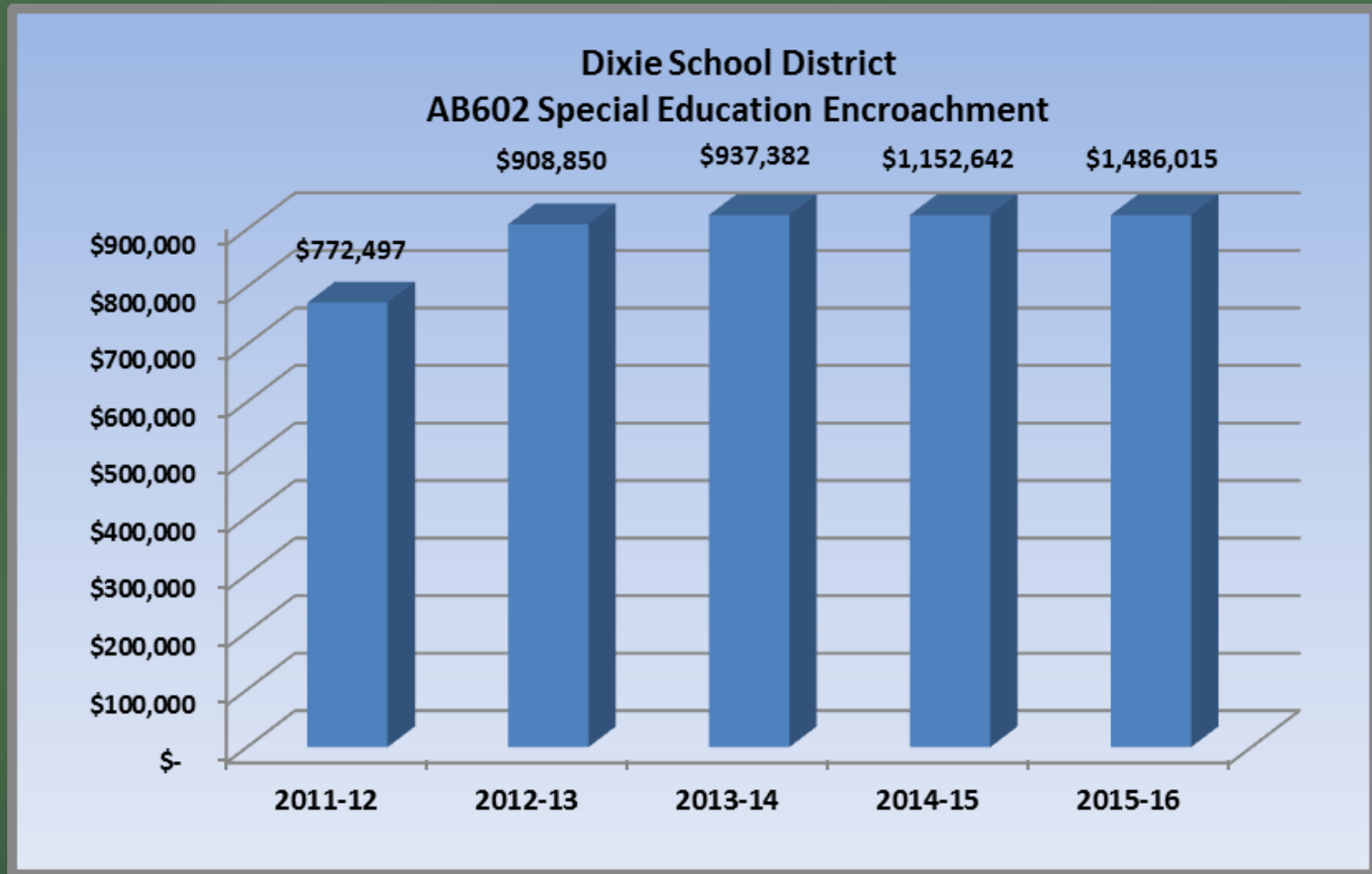
Special Education:	<u>Change \$\$</u>	<u>Change %</u>
AB602	\$ 333,373	+ 28.9%
Federal	\$ 26,127	+ 97.2%
Low Incidence	\$ 2,122	+ 100.0%
Excess Cost	\$ 73,745	+ 22.3%
Transportation – Special Education	<u>\$ (76,910)</u>	<u>- 49.3%</u>
Total Encroachment Special Education	\$ 358,458	+ 20.6%

Please note that in your packet is a history of all Special Education related encroachment

School Library Block Grant (MC)	\$ 1,503	+ 100.0%
Transportation – Home to School	\$ (17,560)	- 166.5%
Routine Repair & Maintenance	\$ 126,125	+ 30.0%
Child Nutrition	<u>\$ (5,462)</u>	<u>- 44.0%</u>
Total Encroachment – Non Spec Ed	\$ (104,607)	+ 22.4%
 GRAND TOTAL	 \$ 463,064	 + 21.0%

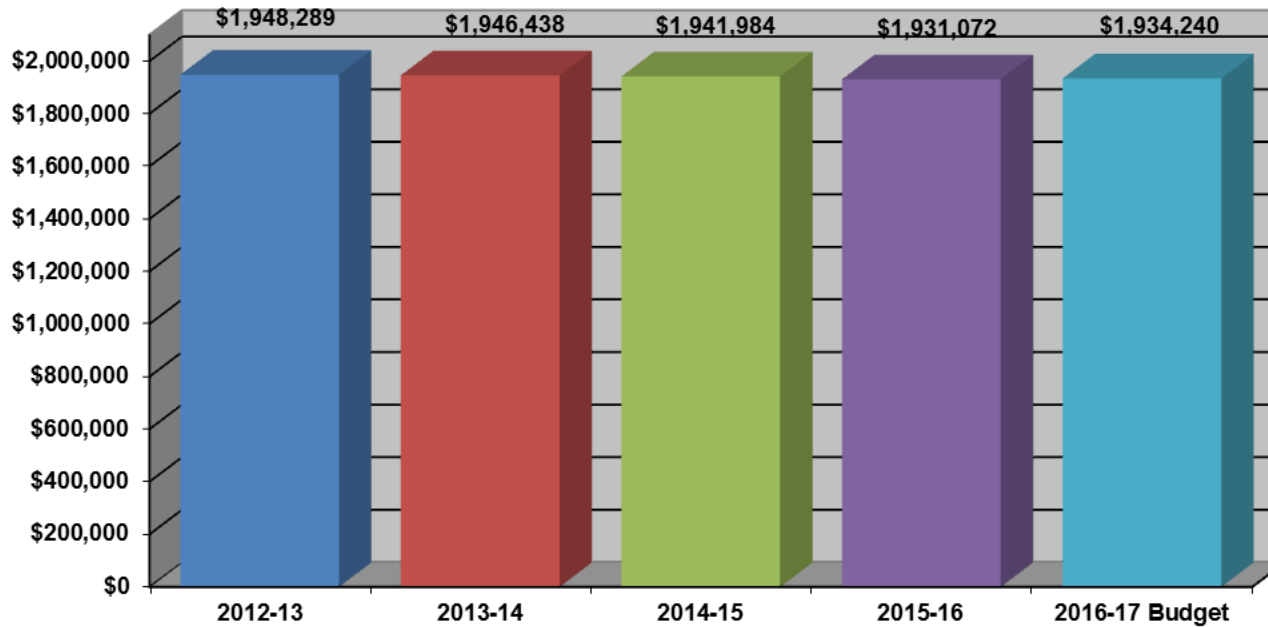
General Fund Contribution

Special Education AB602



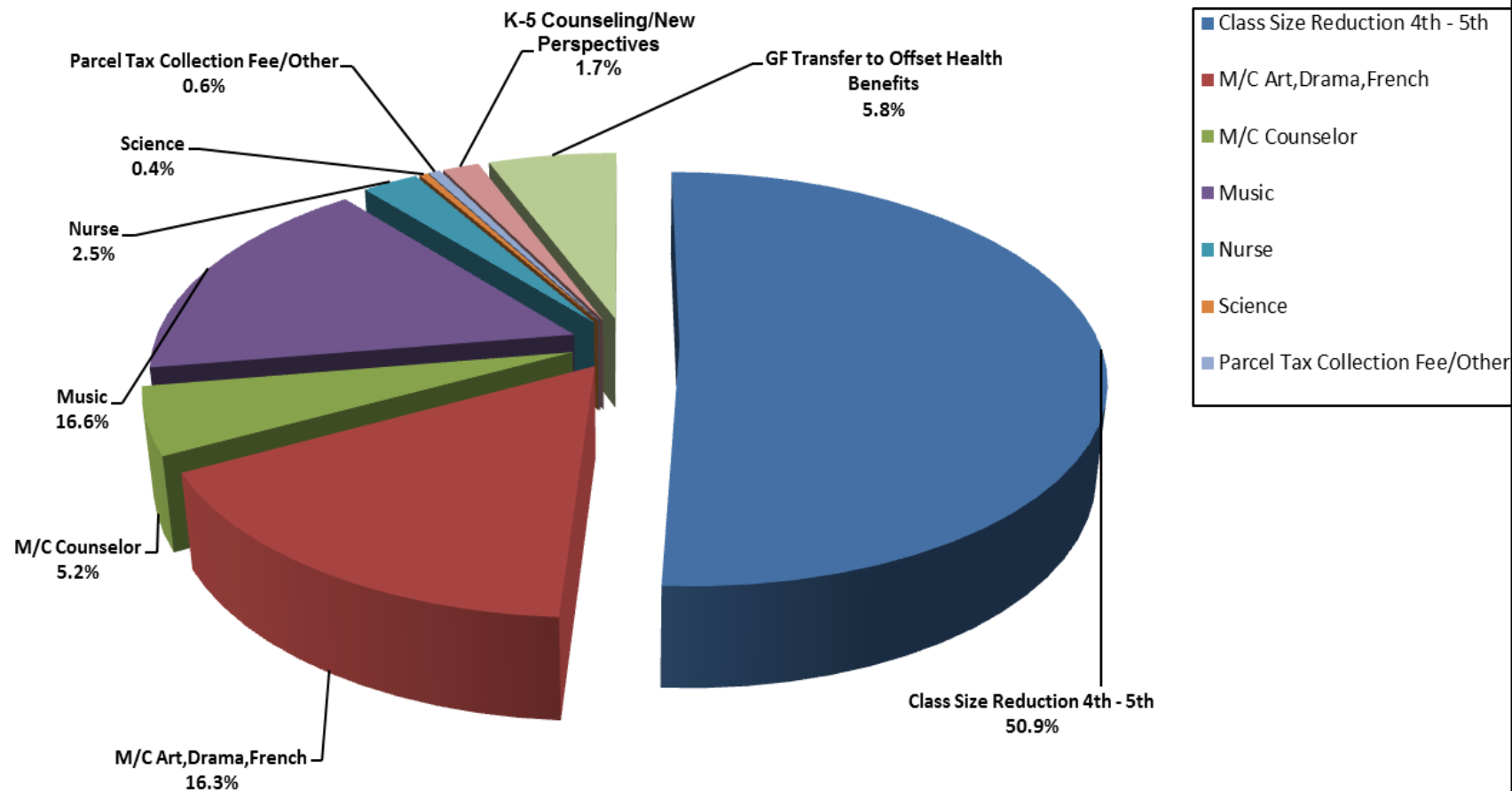
**Dixie School District
Parcel Tax Revenues
5 yr Comparison**

Please note: Revenues
do not include "Other
Revenues"



	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17 Budget</u>
Parcel Tax Revenues	\$1,948,289	\$1,946,438	\$1,941,984	\$1,931,072	\$1,934,240
Other Revenues	<u>\$7,593</u>	<u>\$21,200</u>	<u>\$28,884</u>	<u>\$39,172</u>	<u>\$0</u>
	\$1,955,882	\$1,967,638	\$1,970,868	\$1,970,244	\$1,934,240

Dixie School District Parcel Tax Expenditures 2015-16 Fiscal Year



Restricted/Designated Carryover Fiscal Year 2015-16

The ending fund balance includes restricted or categorical carryover funds along with designated unrestricted carryover money. Total of \$ 970,316

- ✓ Unrestricted/Designated: \$ 426,593

- ✓ Restricted: \$ 543,723

- ✓ Carryover includes:

- ✓ “Flexible” budgets that the district will continue to maintain:

- ✓ GATE, PAR, Instructional Materials, Deferred Maintenance

- ✓ Decentralized budgets for sites, including Lottery.

- ✓ Site controlled budgets (donations, trips, yearbook, etc.):
\$24,642

- ✓ Parcel Tax: \$56,009

- ✓ A larger fund balance is needed to sustain costs throughout the life of the parcel tax.

Deferred Revenue

2015-2016

Program	Resource	Amount
Title II	4035	\$ 12,716
Title III	4203	\$ 11,026
Total		\$ 23,742

Unrestricted/Designated Carryover Fiscal Year 2015-16

Program	Resource	Amount
Solar Education/Bright Ideas	0000	\$ 7,850
Technolgy Budget	0000	\$ 25,653
Deferred Maintenance (Unrestricted)	0206	\$ 99,131
GATE	0220	\$ 11,275
Instructional Materials	0221	\$ 191,417
PAR	0225	\$ 4,595
State Lottery	1100	\$ 86,672
Total Unrestricted/Designated Carryover		\$ 426,593

Restricted Carryover Fiscal Year 2015-16

Program	Resource	Amount
Educator Effectiveness	6264	\$ 121,540
Lottery - Restricted	6300	\$ 97,101
Sp Ed - Mental Health	6513	\$ 231,506
Parcel Tax	9040	\$ 56,009
Dixie School Donations	9111	\$ 21,942
ASB Yearbooks	9112	\$ 2,640
Other Donations	9115	\$ 60
Ed Foundation	9117	\$ 12,925
Total Restricted Carryover		\$ 543,723

TRANSPORTATION ENCROACHMENT

A BRIEF HISTORY



Home to School Transportation:

2011-12	\$41,957	- 58.0%
2012-13	\$37,130	-13.0%
2013-14	\$56,898	+53.2%
2014-15	\$28,103	-102.5%
2015-16	\$10,544	-166.5%

Overall the general fund encroachment for Home to School Transportation has dropped 198% since 2011-12

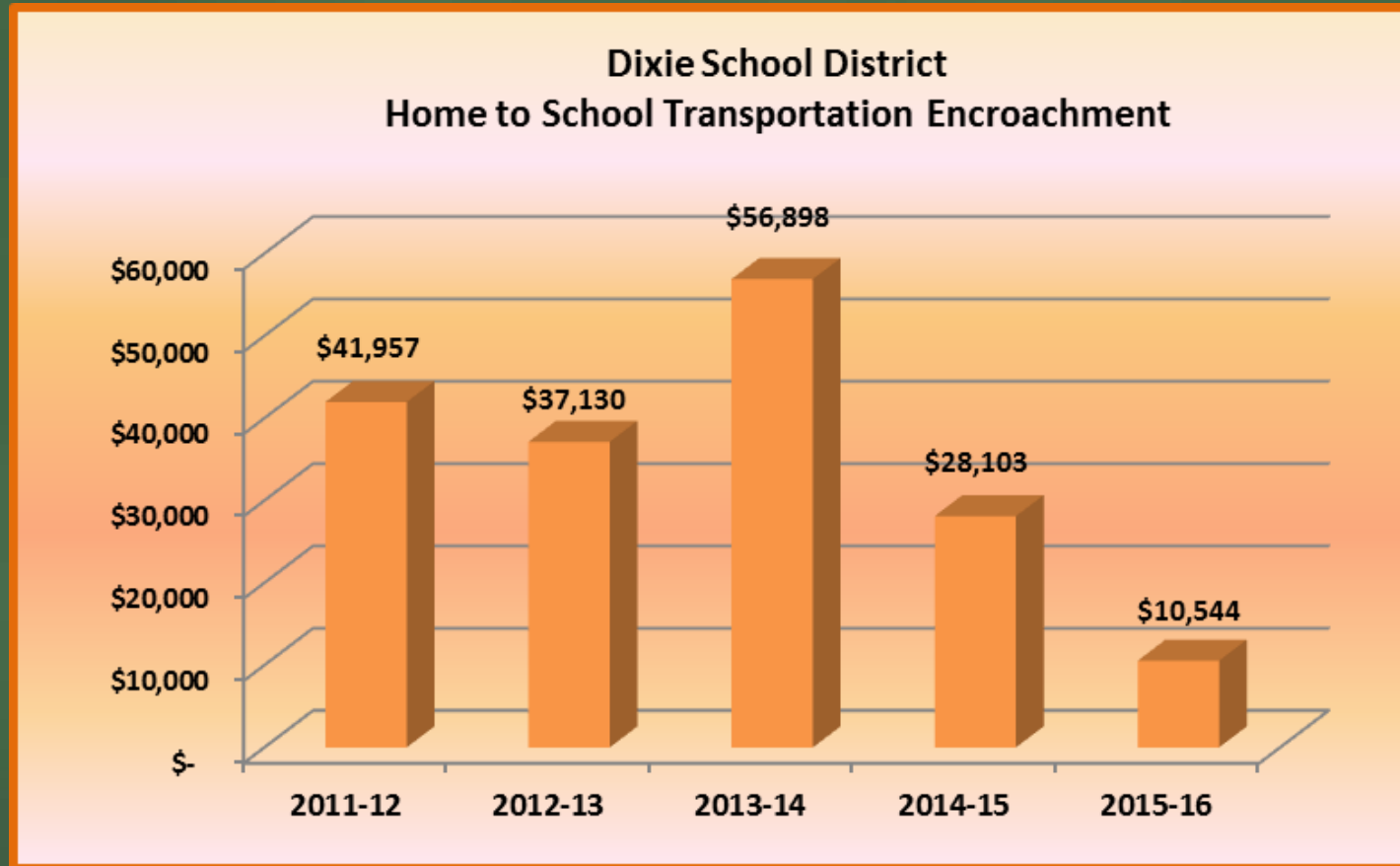
Special Education Transportation:

2011-12	\$ 105,537	- 24.3%
2012-13	\$ 194,741	+84.5%
2013-14	\$ 228,127	+17.1%
2014-15	\$ 232,805	+ 2.1%
2015-16	\$ 155,896	- 49.3%

Overall the general fund encroachment for Special Education Transportation has dropped 19% since 2011-12

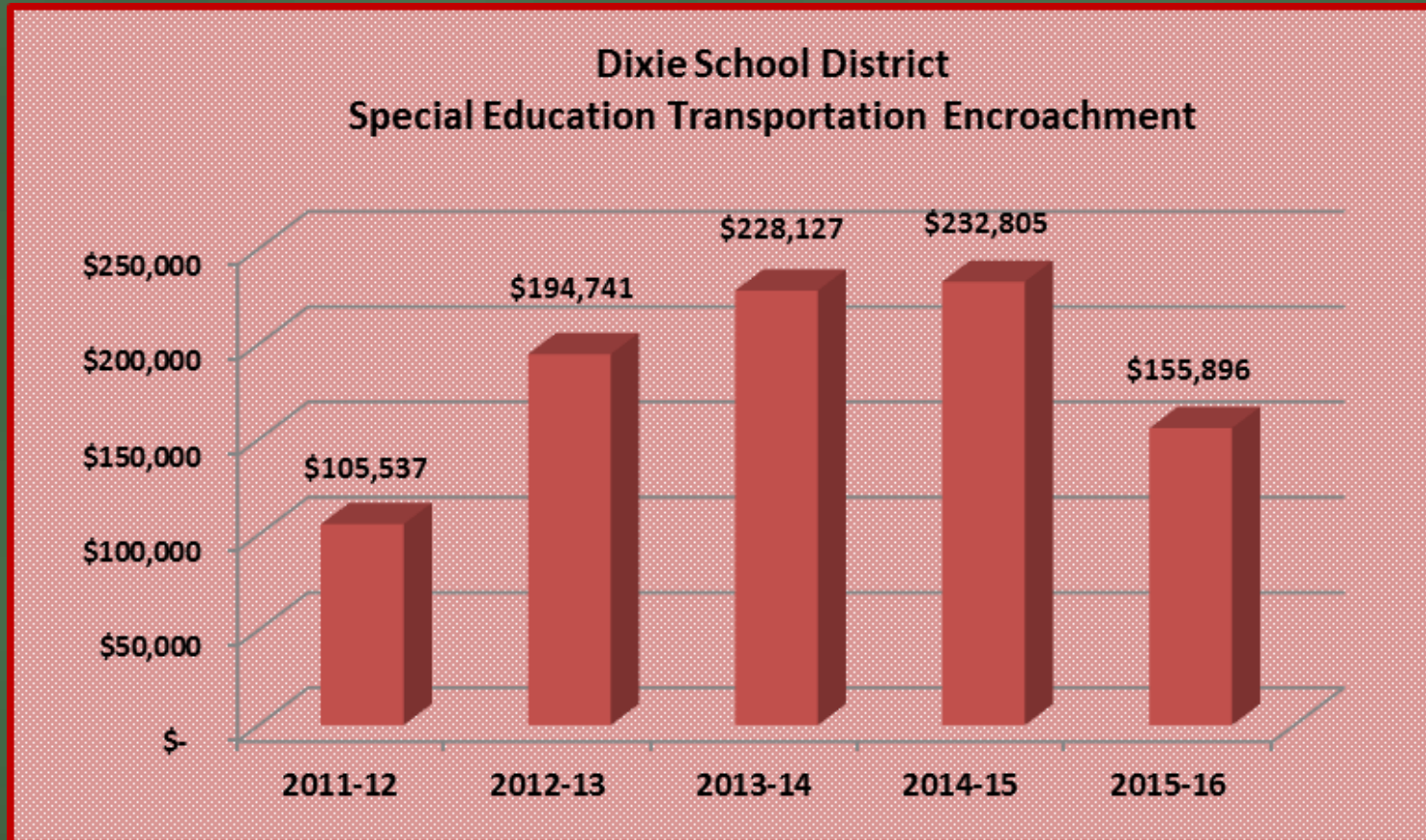
• TRANSPORTATION ENCROACHMENT

▲ BRIEF HISTORY



• TRANSPORTATION ENCROACHMENT

▲ BRIEF HISTORY



Recap of Ending Fund Balances - By Fund

➤ General Fund (Fund 01):

➤ Unrestricted	\$ 1,575,896.33
➤ Restricted	\$ 543,722.32
➤ Deferred Maintenance (Fund 14)	\$ 113,934.01
➤ Building Fund (Fund 21)	\$11,191,326.80
➤ Building Funds (Fund 22)	\$ 102,808.12
➤ Capital Facilities (Fund 25)	\$ 124,801.76
➤ Special Reserve (Fund 40)	\$ 848,443.87
➤ Special Reserve-Solar (Fund 41)	\$ 176,873.03
➤ Bond Interest/Redemption (Fund 51)	\$ 2,578,867.77
➤ County Controlled Fund	
➤ Debt Service Fund-Solar (Fund 56)	\$ 187,308.40
➤ Retiree Insurance-GASB 45 (Fund 68)	\$ 239,995.12

Ending Fund Balance

What is in the Fund Balance?

- ❖ In the 2015-16 Adopted Budget, Estimated Actuals column, the ending balance is estimated and updated after the books are closed. At that point we know the true ending balance.
 - ❖ The Adopted Budget estimated balance was \$1,877,364.
 - ❖ The actual ending balance is \$2,119,619 which as expected increased from the Adopted Budget estimate.
- ❖ Components of the Ending Balance include:

❖ Revolving Cash	\$ 3,000
❖ Restricted Reserves:	\$543,722
❖ Unrestricted/Designated Carryovers	\$426,593
❖ Reserve for Economic Uncertainties:	\$1,146,303

 - ❖ The Reserve of Economic Uncertainties is 5.09% which continues to be below the board designated level.
- ❖ Ending fund balance had a surplus of \$227,734



- Questions?

