

Pleasant Valley School District
2014-15 Unaudited Actuals
September 17, 2015

Background

The 2014-15 fiscal year books have been closed and the unaudited actuals have been prepared in the Standardized Account Code Structure (SACS) format for the Board's review and approval. The Unaudited Actuals report reflects both the amount of revenue received and the amount expended by the District during the fiscal year 2014-15.

Per Education Code Section 42100, on or before September 15, the governing board of each school district shall approve in a format prescribed by the Superintendent of Public Instructions, an annual statement of all receipts and expenditures of the district for the preceding fiscal year and shall file the statement with the county superintendent of schools. In addition, on or before October 15, the county superintendent of schools shall verify the mathematical accuracy of the statements and shall transmit a copy to the Superintendent of Public Instructions. District independent auditors also audit the data, procedures and practices utilized in the report.

Discussion

The attached Schedule A is the 2014-15 Unaudited Actuals presented as three categories - Unrestricted Operations, Unrestricted Programs and Restricted Programs. The majority of the District's funding and expenditures are related to the ongoing operations of the District. Unrestricted programs are focused on services identified as a need by the District or required by the State and have varying degrees of flexibility. Restricted programs have specific guidelines on their use and often require reporting how the funds were spent to a Federal or State agency. Overall, expenditures exceeded revenues by \$1.1 million resulting in an Ending Fund Balance of \$13.8 million.

The attached Schedule B is a comparison of the General Fund 2014-15 year end estimate, included in the 2015-16 Adopted Budget, and the 2014-15 Unaudited Actuals. Total revenue is higher than estimated by approximately \$568,000. The slight increases in the Local Control Funding Formula (LCFF) and Other State Revenue reflect changes in the State's final calculations for the LCFF and Lottery funds. Local Sources, which include rental of facilities, donations and other miscellaneous revenues, came out higher than estimated. This is expected as it can be difficult to estimate these revenues. Amounts are adjusted throughout the year to reflect actual revenue received. As an example, in June the District received over \$100,000 in water rebates and Microsoft Settlement funds. While the District was aware of the availability of these items, the timing and amounts were unknown. The decrease in Federal Sources reflects unspent allocations in Title I, Title II and Title III. These allocations have been deferred to 2014-15.

Total expenditures are lower than estimated by approximately \$5.5 million, with the majority of the decrease in Books and Supplies of \$4.3 million and in Services and Contracts of \$868,163. This is not unexpected. Throughout the year, it is generally assumed that unrestricted and restricted programs will spend all of the funds available and expenditures are budgeted accordingly. Inevitably, there are unspent funds in these unrestricted and restricted programs at year end. The decrease in expenditures is largely a result of these unspent program funds which will be carried over to the 2015-16 fiscal year.

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In addition, actual unrestricted operational expenditures for certificated salaries, stipends, hourly pay and retiree benefits came slightly less than estimated.

The ending fund balance of \$13.8 million reflects a decrease of \$1.1 million from the beginning of the year. The decrease is not as great as estimated for the 2014-15 fiscal year at the adoption of the 2015-16 budget. This is mainly due to the carryover of unspent programs totaling \$5 million. These carryovers include site and donation funds. The reserve for an instructional materials adoption increased by \$293,000 reflecting a decrease in actual costs over estimated. The decrease in the reserve for Economic Uncertainties is related to the decrease in total expenditures. The increase in Budget Stabilization of \$977,000 reflects the impact of the decrease in Economic Uncertainties, the increase in LCFF and lottery revenue, as well as the decrease in some operational expenditures.

School Community and Public Support

The Financial Report will be posted on the District's webpage and is available for review at the District Office as a means to keep the public informed of the District's financial status.

District Policy Impact

The recommendations included in this report are consistent with the Board of Education policies.

Prepared & Reviewed by

The above information was prepared by Elena Zaharov, Director of Finance, and reviewed by Cathy Bojorquez, Chief Business Official. If you have any questions, please contact Cathy Bojorquez at 805-445-8628.

Recommendations

The Superintendent recommends the Board approve the 2014-15 Unaudited Actuals.

Schedule A
Pleasant Valley Elementary School District
2014-15 Unaudited Actuals
By Category

| | I Unrestricted Operations | II Unrestricted Programs | III Restricted Programs | IV Total |
|----------------------------------|---------------------------------|--------------------------------|-------------------------------|--------------------|
| Revenue | | | | |
| 8010-8099 LCFF/Revenue Limit | 34,261,565 | 8,647,765 | - | 42,909,330 |
| 8100-8299 Fed Revenue | 36,268 | - | 2,233,754 | 2,270,022 |
| 8300-8599 Othr State Rev | 602,797 | 974,807 | 246,132 | 1,823,736 |
| 8600-8799 Local Revenue | 1,173,936 | 925,086 | 4,591,658 | 6,690,680 |
| Total Revenue | 36,074,566 | 10,547,658 | 7,071,544 | 53,693,768 |
| Expenditures | | | | |
| 1000 Certificated Salaries | 12,518,105 | 9,378,685 | 4,460,386 | 26,357,176 |
| 2000 Classified Salaries | 4,533,957 | 906,325 | 2,704,668 | 8,144,950 |
| 3000 Employee Benefits | 6,578,163 | 1,595,788 | 2,004,364 | 10,178,315 |
| 4000 Books & Supplies | 911,760 | 1,598,843 | 880,308 | 3,390,911 |
| 5000 Services & Contracts | 1,939,559 | 1,366,558 | 1,585,797 | 4,891,914 |
| 6000 Capital Outlay | 81,924 | 95,685 | - | 177,609 |
| 7000 Other Outgo | 1,383,383 | 134,084 | 124,436 | 1,641,903 |
| Subtotal Expenditures | 27,946,851 | 15,075,968 | 11,759,959 | 54,782,778 |
| Other Financing Sources/Uses | | | | |
| Contributions | (8,822,199) | 4,633,557 | 4,188,642 | - |
| Interfund transfer out | - | - | - | - |
| Subtotal Other Financing | (8,822,199) | 4,633,557 | 4,188,642 | - |
| Total Expenditures | 36,769,050 | 10,442,411 | 7,571,317 | 54,782,778 |
| Net Increase/(Decrease) | (694,484) | 105,247 | (499,773) | (1,089,010) |
| Beginning Balance | 9,644,991 | 3,299,503 | 1,940,800 | 14,885,294 |
| Ending Balance | 8,950,507 | 3,404,750 | 1,441,027 | 13,796,284 |
| Reserves: | | | | |
| Cash | 5,250 | | | 5,250 |
| Prepaid Expenditures | 5,504 | | | 5,504 |
| Legally Restricted | | | 1,441,027 | 1,441,027 |
| Designated Econ Uncert | 1,643,485 | | | 1,643,485 |
| Instructional Materials Adoption | 2,182,413 | | | 2,182,413 |
| Equipment (Busses, mowers) | 192,045 | | | 192,045 |
| Program Balances | 168,452 | 3,404,750 | | 3,573,202 |
| Budget Stabilization | 4,753,358 | | | 4,753,358 |

Schedule B
Pleasant Valley Elementary School District
2014-15 Year End Estimate at 2015-16 Adoption
and 2014-15 Unaudited Actuals

| | I 2014-15 Year End Estimate | II 2014-15 Unaudited Actuals | III Difference |
|----------------------------------|--------------------------------------|---------------------------------------|--------------------|
| Revenue | | | |
| 8010-8099 LCFF | 42,795,255 | 42,909,330 | 114,075 |
| 8100-8299 Fed Revenue | 2,495,566 | 2,270,022 | (225,544) |
| 8300-8599 Othr State Rev | 1,708,811 | 1,823,736 | 114,925 |
| 8600-8799 Local Revenue | 6,126,406 | 6,690,680 | 564,274 |
| Total Revenue | 53,126,038 | 53,693,768 | 567,730 |
| Expenditures | | | |
| 1000 Certificated Salaries | 26,586,077 | 26,357,176 | (228,901) |
| 2000 Classified Salaries | 7,951,308 | 8,144,950 | 193,642 |
| 3000 Employee Benefits | 10,416,344 | 10,178,315 | (238,029) |
| 4000 Books & Supplies | 7,689,291 | 3,390,911 | (4,298,380) |
| 5000 Services & Contracts | 5,760,077 | 4,891,914 | (868,163) |
| 6000 Capital Outlay | 303,849 | 177,609 | (126,240) |
| 7000 Other Outgo | 1,621,660 | 1,641,903 | 20,243 |
| Subtotal Expenditures | 60,328,606 | 54,782,778 | (5,545,828) |
| Other Financing Sources/Uses | | | |
| Contributions | - | - | - |
| Interfund transfer out | - | - | - |
| Subtotal Other Financing | - | - | - |
| Total Expenditures | 60,328,606 | 54,782,778 | (5,545,828) |
| Net Increase/(Decrease) | (7,202,568) | (1,089,010) | 6,113,558 |
| Beginning Balance | 14,885,294 | 14,885,294 | - |
| Ending Balance | 7,682,726 | 13,796,284 | 6,113,558 |
| Reserves: | | | |
| Cash | 5,250 | 5,250 | - |
| Prepaid Expenditures | - | 5,504 | 5,504 |
| Legally Restricted | - | 1,441,027 | 1,441,027 |
| Designated Econ Uncert | 1,809,860 | 1,643,485 | (166,375) |
| Instructional Materials Adoption | 1,889,301 | 2,182,413 | 293,112 |
| Equipment (Busses, mowers) | 192,045 | 192,045 | - |
| Program Balances | 10,301 | 3,573,202 | 3,562,901 |
| Budget Stabilization | 3,775,969 | 4,753,358 | 977,389 |