



Pacifica School District

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Preparing Students for an Evolving World

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MEMORANDUM

Administrative Services

Meeting of

09/14/16

TO: Wendy S. Tukloff, Ed.D., Superintendent
For Board of Trustees

FROM: Josephine Peterson, Chief Business Official

SUBJECT: **Approval of Unaudited Actuals for Fiscal Year 2015-2016**

RECOMMENDATION:

It is recommended that the Board approve the preliminary financial statements for the 2015-16 fiscal year, and authorize the Superintendent to file the statements with the San Mateo County Office of Education.

Rationale:

In accordance with the provisions of AB 1200, Education Code §42100, the Governing Board of each school district must approve an annual statement of all receipts and expenditures of the District for the preceding year.

After approval of the financial statements by the Board of Trustees, the statements are forwarded to the San Mateo County Office of Education, which reviews them for mathematical accuracy and compliance with technical provisions of the Code Sections and then transmits them to the Superintendent of Public Instruction. A copy will also be forwarded to the District's auditors in preparation for the audit.

Financial Implications:

This agenda item pertains to the Board of Trustees approving the Unaudited Revenues and Expenditures Statements for the District's funds for the 2015-16 Fiscal Year. At the June 15, 2016 Board meeting, the Board adopted the budget for the 2016-17 fiscal year based on the Governor's May Revision to the State Budget. This document included estimated revenues and expenditures and fund balances for the 2015-16 fiscal year. The item presented tonight reflects the actual revenues and expenditures for 2015-16.

Following is a breakdown of the District's ending fund balance as of 2015-2016:

		<u>Ending Fund Balances</u>	
		<u>Unrestricted</u>	<u>Restricted</u>
1	Revolving Account	\$ 7,500	
2	Reserve for Economic Uncertainty	\$ 1,135,000	
3	Tfr Ocean Shore Roof (Old Mandate Funds)	\$ 178,000	
4	Tfr Comm Upgrade (Old Mandate Funds)	\$ 170,000	
5	School SPSA funds carryover	\$ 38,435	
6	School Supply funds carryover	\$ 46,181	
7	Curriculum Adoptions	\$ 150,000	
8	Unallocated Reserve	\$ 566,937	
9	Parcel tax carryover		\$ 83,695
10	Sunset Ridge/IBL MAA carryover		\$ 127,560
11	CA Energy Prop 39 carryover		\$ 242,657
12	Educator Effectiveness		\$ 209,088
13	Ongoing & Major Maintenance RMA		\$ 143,778
14	Lottery - Instructional Materials		\$ 154,115
15	Other State		\$ 8,441
16	Other Site Carryover		\$ 59,453
		\$ 2,292,053	\$ 1,028,786

The unaudited actuals unrestricted general fund balance is \$167K higher than what was projected in the estimated actuals in June mainly due to higher lottery revenues and unexpended funds which will be carried over to 2016-2017.

The District has sufficient reserves to meet cash flow needs during the school year and to fund ongoing expenditure increases for the coming years if the state funding does not improve. The current projections for State COLA for 2017-2018 (1.11%) and 2018-2019 (2.42%) will not cover the increases in expenditures for step & column, STRS and PERS contributions and normal increases in operations.

New Financial Reporting Requirements for Pensions

The financials now include the recognition of state contributions to STRS. GASB (Government Accounting Standards Board) statement 68 introduces new requirements for accrual-basis recognition of pension obligations. In the past, only contributions made by the District were recognized. Under new standards, the District now records the pension contributions made by the state in the year end financials. There is no net impact to the ending fund balance, as both the revenue and expenditure is reflected.