

X Action/Discussion
9/17/09

SUBJECT: Approval of Unaudited Actual Financial Report 2008/09

PERSON(S) RESPONSIBLE: Robin Blakley, Asst. Supt. for Business Services

RECOMMENDATION:

The Administration recommends that the Board accept the unaudited actual financial report and authorize its filing with the County.

BACKGROUND:

Following the close of the fiscal year, the District's operating budget is revised to reflect all revenues, expenditures, balances, and carry-overs. By law, the revised budget becomes the "unaudited actual financial report" and is submitted to the County for review. (The following is a summary of the report. Board members receive a full copy. A public copy is available at the District Office).

INFORMATION:

The report reflects information previously provided to the Board in the State required format.

The following are the major points to note:

Fund 1

The General Fund operated on revenues of approximately \$23.7 million and ended with an undesignated balance of \$217,000 as a result of one-time funding from the American Reinvestment and Recovery Act (ARRA) and the State Categorical restructuring requiring that the Ending Fund Balance of the Adult Education Fund be retained in the General Fund, allowing the General Fund to retain a portion of the Adult Education apportionment for K-12 purposes.

Fund 11

The Adult Education Fund operated on approximately \$1.9 million and ended with an undesignated Ending Fund Balance of \$63,664 – reflecting the State Categorical restructuring requirement of funding this program through the General Fund, with a transfer to the Adult Education program.

Fund 12

The Child Development Fund (combining the BASRP and State Preschool programs) operated on revenues of approximately \$425,000. The State Preschool operating on full enrollment ended with a positive Ending Fund balance of \$11,997. The Before and After School program, due to reduced enrollment as a result of the economic downturn coupled with increased costs, necessitated the General Fund contributing \$6,000. (Staffing and fee modifications in the 2009/10 year should address this situation.)

Fund 13

The Cafeteria Fund operated on approximately \$351,347 and received a General Fund contribution of \$129,000 in accordance with the Board's objective of improving program quality. The Fund ended with a positive Ending Balance of \$89,512. (The district's contribution to the fund was reduced \$100,000 in fiscal year 2009/2010 as a result of this improved condition.)

Fund 14

The Deferred Maintenance Fund had no expenditures in 2008/2010. A transfer was made from Fund 40 to meet the required State Deferred Maintenance Allowance. Due to this transfer, the fund has an Ending Fund balance of \$726,103. (In 2009/2010, the cost of two full-time maintenance workers, previously paid from the General Fund will be paid from this fund.)

Fund 17

The Special Reserve for Other than Capital Outlay was used to support the purchase of a bus in 2008/2009. The current balance of \$103.72 represents interest earned.

Fund 20

The Special Reserve Fund for Post Employment Benefits includes the initial prefunding of increased PGTA, the post retirement benefit (increased Medigap contribution) – set at \$18,498.

Fund 21

The Building Fund is the location for processing Measure A and Measure D Bond proceeds. Approximately \$11,600,103 was expended primarily on the High School stadium and parking lot projects, and the Middle School Auditorium and Music Room projects. Additional proceeds of \$9,500,000 were obtained through a bond sale to allow the award of contracts for the Middle School Modernization, High School Modernization – Phase II and District Office/Maintenance Facility Projects. Any remaining balance of Measure A funds is used to pay annual reporting requirements over the balance of the bond term. The Ending fund balance is \$10,094,367.

Fund 40

The Special reserve for Capital Outlay Projects is used to process the proceeds being received from the leasing of David Avenue. The expenditures this year of \$243,826 include maintenance Department expenses in excess of program 6220 allocation. The expenditure of the current Fund balance of approximately \$1,177,977 will be used to support Measure D projects and maintenance needs. (\$500,000 has been allocated between the District Office facility and the Maintenance Facility, \$210,000 has been allocated for the Adult Education projects.)

Fund 51

The Bond Interest and Redemption Fund is used by the County to record taxes received and expenses paid as required by the debt associated with the outstanding Measure A and D Bonds.

Fund 71

The Retire Benefit Fund 71 was the location for processing the payment of insurance premiums for retirees through a combination of retiree payments and the required District contribution of \$467,000. These payments are now being made through the General Fund.

Fiscal Impact:

The closing of the 2008/2009 FY financial records for the District General Fund resulted in an increase in the District's ending balance for 2008/2009, therefore the beginning balance for 2009/2010. This was previously reported in Revision 3 of the 2009/2010 budget approved September 3rd.