



New Haven Unified School District

Unaudited Actuals Financial Reports 2013-14

Presented: September 9, 2014

NEW HAVEN UNIFIED SCHOOL DISTRICT

34200 Alvarado Niles Road

Union City, CA 94587

BOARD OF EDUCATION

President

Jonas Dino

Clerk

Michelle Matthews

Members

Linda Canlas

Sarabjit Cheema

Michael Ritchie

Co-Superintendents

Arlando Smith

Akur Varadarajan

Director, Fiscal Services

Annette Heldman

Unaudited Actuals
FINANCIAL REPORTS
2013-14 Unaudited Actuals
Summary of Unaudited Actual Data Submission

Following is a summary of the critical data elements contained in your unaudited actual data. Since these data may have fiscal implications for your agency, please verify their accuracy before filing your unaudited actual financial reports.

Form	Description	Value
CEA	Percent of Current Cost of Education Expended for Classroom Compensation Must equal or exceed 60% for elementary, 55% for unified, and 50% for high school districts or future apportionments may be affected. (EC 41372)	62.96%
	CEA Deficiency Amount Applicable to districts not exempt from the requirement and not meeting the minimum classroom compensation percentage - see Form CEA for further details.	\$0.00
GANN	Adjustments to Appropriations Limit Per Government Code Section 7902.1 If this amount is not zero, it represents an increase to your appropriations limit. The Department of Finance must be notified of increases within 45 days of budget adoption.	\$0.00
	Adjusted Appropriations Limit	\$68,582,203.00
	Appropriations Subject to Limit These amounts represent the board approved Appropriations Limit and Appropriations Subject to Limit pursuant to Government Code Section 7906 and EC 42132.	\$68,582,203.00
ICR	Preliminary Proposed Indirect Cost Rate Fixed-with-carry-forward indirect cost rate for use in 2015-16, subject to CDE approval.	4.20%
NCMOE	No Child Left Behind (NCLB) Maintenance of Effort (MOE) Determination If MOE Not Met, the 2015-16 apportionment may be reduced by the lesser of the following two percentages: MOE Deficiency Percentage - Based on Total Expenditures MOE Deficiency Percentage - Based on Expenditures Per ADA	MOE Met

UNAUDITED ACTUAL FINANCIAL REPORT:

To the County Superintendent of Schools:

2013-14 UNAUDITED ACTUAL FINANCIAL REPORT. This report was prepared in accordance with Education Code Section 41010 and is hereby approved and filed by the governing board of the school district pursuant to Education Code Section 42100.

Signed _____
Clerk/Secretary of the Governing Board
(Original signature required)

Date of Meeting: Sept 9,2014

To the Superintendent of Public Instruction:

2013-14 UNAUDITED ACTUAL FINANCIAL REPORT. This report has been verified for accuracy by the County Superintendent of Schools pursuant to Education Code Section 42100.

Signed _____
County Superintendent/Designee
(Original signature required)

Date: _____

For additional information on the unaudited actual reports, please contact:

For County Office of Education:

For School District:

Jeff Potter
Name
Executive Director, DBAS
Title
(510) 670 4277
Telephone
jpotter@acoe.org
E-mail Address

Annette Heldman
Name
Director Fiscal Services
Title
(510) 471 1100
Telephone
aheldman@nhusd.k12.ca.us
E-mail Address

SELECTION OF BUDGET ADOPTION CYCLE:

Pursuant to Education Code Section 42127(i), this school district elects to use the following budget adoption cycle for the 2015-16 budget year:

(S) Budget Adoption Cycle ('D' for Dual or 'S' for Single)

NEW HAVEN UNIFIED SCHOOL DISTRICT

Board Agenda Item

Meeting Date: September 9, 2014

Subject Approval of Unaudited Actuals Financial Report for Fiscal Year 2013-14, Essential #6	Department: Business
--	--------------------------------

Action Requested:
The Board of Education is requested to approve the 2013-14 Unaudited Actuals Financial Report.

Discussion:

The District’s Unaudited Actuals report represents the actual revenues, expenses, and ending balances for all District funds for fiscal year 2013-14. This report will be examined by the independent audit firm of Vavrinek, Trine, Day & Company LLP over the course of the next few months. The independent audit will be completed in December 2014, the results of which will be presented to the Board in January 2015.

As of June 30, 2014, combined revenues in the General Fund amounted to \$111.4 million, and combined expenditures were \$106.9 million. The total Unrestricted ending balance is \$4.074 million, of which \$3.3 million meets the 3% required reserve, leaving approximately \$700,000. This excess amount will provide additional funding of approximately \$230,000 to support various school sites that were adversely impacted by the loss of categorical dollars, allow additional classes in Transitional Kindergarten and Pre-K Special Education Autism for an estimated \$300,000, provide approximately \$30,000 for testing/assessment-related expenses, and given the deployment of additional chromebook devices this summer, will provide \$100,000 for additional Technology needs and enhancements.

The total Restricted ending balance is approximately \$5.676 million and is committed to specific program and project needs.

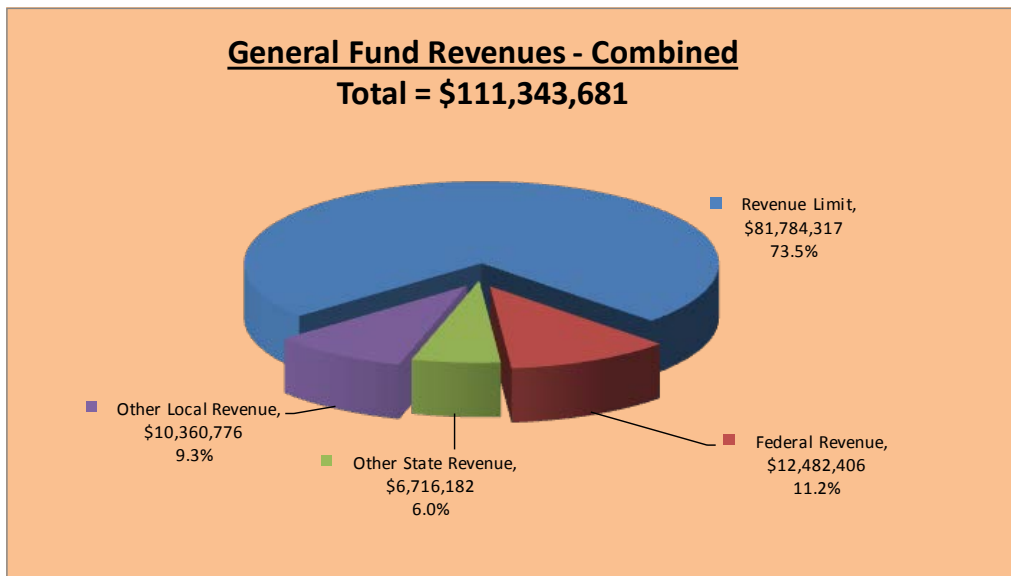
COMPONENTS OF FUND BALANCE	Unrestricted	Restricted	Total
a) Non-Spendable			
Revolving Cash	\$ 48,000	\$ -	\$ 48,000
Prepaid Expense	\$ 3,650	\$ -	\$ 3,650
b) Restricted	\$ -	\$ 5,676,347	\$ 5,676,347
c) Committed	\$ 725,000	\$ -	\$ 725,000
d) Assigned	\$ -	\$ -	\$ -
e) Unassigned/Unappropriated	\$ -	\$ -	\$ -
For Economic Uncertainties	\$ 3,298,339	\$ -	\$ 3,298,339
Unassigned/Unappropriated	\$ -	\$ -	\$ -
Ending Fund Balance	\$ 4,074,989	\$ 5,676,347	\$ 9,751,336

REVENUES

From the estimated actuals to the close of the year, the total combined General Fund revenues are lower by \$4.3 million. The decrease is in federal sources due to unspent funds in the Race to the Top grant, which carries forward to the next year.

Variations in the **Unrestricted General Fund** revenues between estimated actuals and unaudited actuals are given below:

- Unrestricted revenue sources were lower by (\$78,304)
- **Federal revenue sources were lower by (\$5.0 million)**
- State revenue sources were higher by \$95,089
- Local revenue sources were higher by \$608,641



EXPENSES

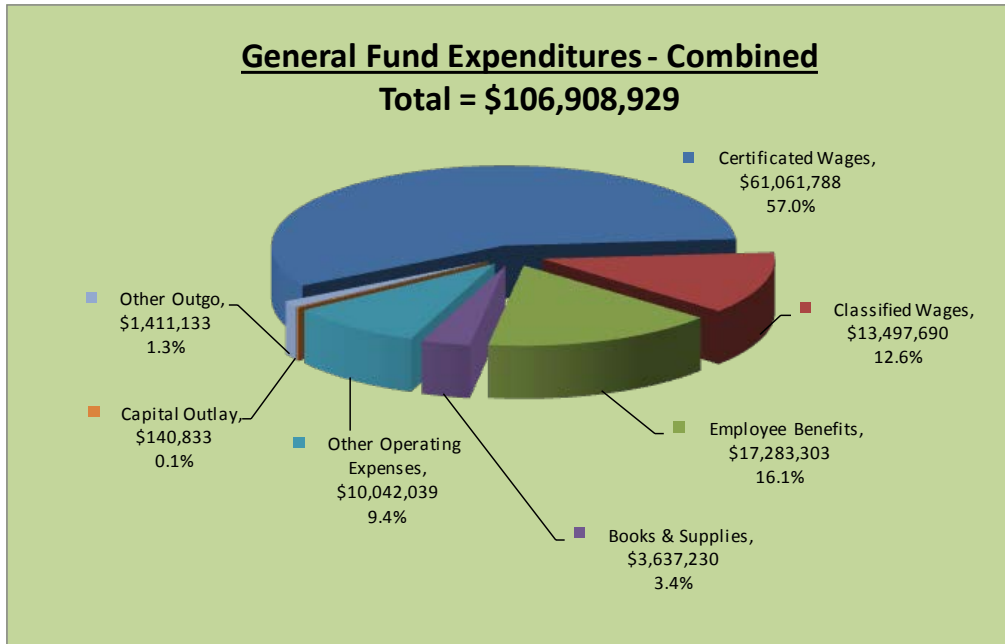
From the estimated actuals to the close of the year, the total combined General Fund expenditures are lower by \$10.7 million. Majority of this is derived from restricted federal sources; particularly from unspent funds in the Race to the Top grant, which will carry forward to fiscal year 2014-15. District staff works in partnership with the federal department in terms of revisions in program implementation and resource allocation throughout the school year and for the remaining grant period.

On the unrestricted side, lower than projected expenditures have resulted in reserves being higher than 3%, and as previously stated, this will allow the district to provide critical funding support to school sites that lost substantial categorical sources of funding and address cost increases in the new school year since budget adoption.

Variations in the **Unrestricted General Fund** between estimated actuals and unaudited actuals are given below.

- Certificated salaries were lower by \$3.6 million.
- Classified salaries were lower by \$560,000.

- Employee benefits were lower by \$1.3 million.
- Books and Supplies were lower by \$2.8 million
- Contracts, repairs, and other operating expenses were lower by \$2.3 million.
- Equipment and Capital Outlay was lower by \$144,888.
- Reimbursement to Mission Valley ROP was higher by (\$164,696).
- Indirect cost credits from restricted programs were higher than projected by \$4,368.



The following are General Fund contributions to restricted programs. These contributions have a direct impact to the 2013-14 fiscal year budget. It might be worthwhile to note that there were a few minor revenue sources for testing and assessment that were determined to be part of the LCFF only later in the fiscal year, and therefore are ended as part of the year-end process. In addition, the accounting treatment for revenue transfers to Special Education under the former *Revenue Limit* structure has been changed. Under the LCFF, this transfer of funds is treated as “contributions”, thus resulting to higher program encroachment compared to prior years.

Program	Amount
Special Education / SE Mental Health	\$10,998,557
Special Education Transportation	\$1,773,858
Routine Restricted Maintenance	\$1,922,503
CAHSEE	\$3,904
STAR	\$22,997
CELDT	\$17,121
KidsZone (offset to prior year credit)	\$13,102
Capital Projects	\$300,000
Total Contributions to Restricted Programs	\$15,052,042

Summary:

Passage of Proposition 30 made possible the implementation of the Local Control Funding Formula. Effective in 2013-14, under this formula, the District adopted its budget with revenue increase of \$3.458 million for 2013-14. Revenue projections are fine-tuned throughout the year, adjusted, and reflected in our financial reports for the First and Second Interim periods. As of First Interim, the LCFF transitional funding was adjusted to \$3.551 million and for Second Interim to \$3.518 million. For year-end close, at 11.78% transitional funding level, the state certified amount was \$3.587 million.

The constant flux of the state budget environment remains unchanged. Other budget items known at this time and that are of importance and worth mentioning due to their impact to our volatile fiscal outlook include: ongoing state deferrals at least for one more year (2014-15) per the Governor’s enacted budget and therefore we still have to borrow cash in order to meet our financial obligations, there is some hint of good news on the unfunded STRS/PERS liability and staff will continue to monitor this topic, and the District’s potential exposure to the “Free Rider Penalty” from the Affordable Care Act that is to take effect in January 2015. On this particular topic, much work and analysis remains to be done and staff will provide information to the Board as soon as it becomes available and reliable.

Fiscal year 2013-14 marks the first year of our District’s slow recovery towards restoration of critical programs and positions that were either lost or reduced in the last five years. The state economy no doubt has shown some improvements this past year; however, given the unsteadiness of the economy, and the deep budget gashes endured by all in the last few years, the District is keeping a stance of cautious optimism towards fiscal recovery.

As the District closes the year with the required reserves, staff recommends approval of the District’s Unaudited Actuals Report for 2013-14 as presented.

Financial Summary:

Prepared By: Annette Heldman

Department Approval: Akur Varadarajan

Co-Superintendent Approval: Arlando Smith & Akur Varadarajan

New Haven Unified School District
2013-14

Budget Comparison: Adopted Budget - Estimated Actuals - UnAudited Actuals

TOTAL GENERAL FUND													
DESCRIPTION	Object Code Range	2013-14 Adopted Budget			2013-14 Estimated Actuals			2013-14 Unaudited Actuals			Changes from 2013-14 Estimated Actuals To 2013-14 UnAudited Actuals Favorable Or (Unfavorable)		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
A. REVENUES:													
1) Revenue Limit	8010-8099	\$ 66,363,982	\$ 4,171,799	\$ 70,535,781	\$ 76,644,966	\$ 5,215,655	\$ 81,860,621	\$ 81,364,926	\$ 419,391	\$ 81,784,317	\$ 4,719,960	\$ (4,796,264)	\$ (76,304)
2) Federal Revenue	8100-8299	\$ 330,777	\$ 18,280,046	\$ 18,610,823	\$ 349,722	\$ 17,133,529	\$ 17,483,251	\$ (29,133)	\$ 12,511,539	\$ 12,482,406	\$ (378,855)	\$ (4,621,990)	\$ (5,000,845)
3) Other State Revenue	8300-8599	\$ 12,067,209	\$ 3,392,298	\$ 15,459,507	\$ 2,204,860	\$ 4,416,233	\$ 6,621,093	\$ 2,308,896	\$ 4,407,286	\$ 6,716,182	\$ 104,036	\$ (8,947)	\$ 95,089
4) Other Local Revenue	8600-8799	\$ 1,542,743	\$ 6,672,186	\$ 8,214,929	\$ 1,832,577	\$ 7,919,558	\$ 9,752,135	\$ 2,196,901	\$ 8,163,874	\$ 10,360,776	\$ 364,324	\$ 244,316	\$ 608,641
5) TOTAL REVENUES		\$ 80,304,711	\$ 32,516,329	\$ 112,821,040	\$ 81,032,125	\$ 34,684,975	\$ 115,717,100	\$ 85,841,591	\$ 25,502,090	\$ 111,343,681	\$ 4,809,466	\$ (9,182,885)	\$ (4,373,419)
B. EXPENDITURES:													
1) Certificated Wages	1000-1999	\$ 45,290,983	\$ 17,952,786	\$ 63,243,769	\$ 47,150,497	\$ 17,594,291	\$ 64,744,788	\$ 46,582,202	\$ 14,479,585	\$ 61,061,788	\$ 568,295	\$ 3,114,706	\$ 3,683,001
2) Classified Wages	2000-2999	\$ 6,571,175	\$ 6,772,837	\$ 13,344,012	\$ 6,952,529	\$ 7,105,161	\$ 14,057,690	\$ 6,853,162	\$ 6,644,528	\$ 13,497,690	\$ 99,367	\$ 460,633	\$ 560,000
3) Employee Benefits	3000-3999	\$ 11,177,240	\$ 7,035,972	\$ 18,213,212	\$ 11,584,060	\$ 7,057,012	\$ 18,641,072	\$ 10,999,684	\$ 6,283,620	\$ 17,283,303	\$ 584,376	\$ 773,392	\$ 1,357,769
4) Books & Supplies	4000-4999	\$ 674,818	\$ 6,402,513	\$ 7,077,331	\$ 774,957	\$ 5,681,008	\$ 6,455,965	\$ 471,260	\$ 3,165,970	\$ 3,637,230	\$ 303,697	\$ 2,515,038	\$ 2,818,735
5) Other Operating Expenses	5000-5999	\$ 4,536,613	\$ 5,762,245	\$ 10,298,858	\$ 4,952,449	\$ 7,455,652	\$ 12,408,101	\$ 4,605,665	\$ 5,436,374	\$ 10,042,039	\$ 346,785	\$ 2,019,278	\$ 2,366,062
6) Capital Outlay	6000-6999	\$ -	\$ 20,000	\$ 20,000	\$ 8,822	\$ 276,899	\$ 285,721	\$ 15,665	\$ 125,168	\$ 140,833	\$ (6,843)	\$ 151,731	\$ 144,888
7) Other Outgo	7100-7299	\$ 1,230,379	\$ 10,000	\$ 1,240,379	\$ 1,236,437	\$ 10,000	\$ 1,246,437	\$ 1,391,126	\$ 20,007	\$ 1,411,133	\$ (154,689)	\$ (10,007)	\$ (164,696)
8) Transfers of Indirect Cost	7300-7399	\$ (1,927,403)	\$ 1,766,684	\$ (160,719)	\$ (1,942,522)	\$ 1,781,803	\$ (160,719)	\$ (1,646,787)	\$ 1,481,700	\$ (165,087)	\$ (295,735)	\$ 300,103	\$ 4,368
9) TOTAL EXPENDITURES		\$ 67,553,805	\$ 45,723,037	\$ 113,276,842	\$ 70,717,229	\$ 46,961,826	\$ 117,679,055	\$ 69,271,977	\$ 37,636,952	\$ 106,908,929	\$ 1,445,252	\$ 9,324,874	\$ 10,770,126
C. Excess (Deficiency) Of Revenues Over Expenses Before Other Sources		\$ 12,750,906	\$ (13,206,708)	\$ (455,802)	\$ 10,314,896	\$ (12,276,851)	\$ (1,961,955)	\$ 16,569,614	\$ (12,134,862)	\$ 4,434,752	\$ 6,254,718	\$ 141,989	\$ 6,396,707
D. OTHER FINANCING SOURCES:													
1) Interfund Transfers													
a) Interfund Transfers In	8910-8929	\$ 39,500		\$ 39,500	\$ 39,500		\$ 39,500	\$ -	\$ 50,324	\$ 50,324	\$ (39,500)	\$ 50,324	\$ 10,824
b) Interfund Transfers Out	7610-7629	\$ (201,088)		\$ (201,088)			\$ -	\$ (1,500,000)	\$ (91,933)	\$ (1,591,933)	\$ (1,500,000)	\$ (91,933)	\$ (1,591,933)
2) Other Sources/Uses													
a) Sources	8930-8979	\$ -		\$ -	\$ 1,483,132		\$ 1,483,132	\$ -	\$ -	\$ -	\$ (1,483,132)	\$ -	\$ (1,483,132)
b) Uses	7630-7699	\$ (80,000)		\$ (80,000)	\$ (80,000)		\$ (80,000)	\$ (80,000)	\$ (80,000)	\$ (80,000)	\$ -	\$ -	\$ -
c) Contributions	8980-8999	\$ (12,427,471)	\$ 12,427,471	\$ -	\$ (11,956,509)	\$ 11,956,509	\$ -	\$ (15,052,042)	\$ 15,052,042	\$ (0)	\$ (3,095,533)	\$ 3,095,533	\$ (0)
4) TOTAL SOURCES/USES		\$ (12,669,059)	\$ 12,427,471	\$ (241,588)	\$ (10,513,877)	\$ 11,956,509	\$ 1,442,632	\$ (16,632,042)	\$ 15,010,434	\$ (1,621,608)	\$ (6,118,165)	\$ 3,053,925	\$ (3,064,240)
E. NET INCREASE (DECREASE) IN FUND BALANCE		\$ 81,847	\$ (779,237)	\$ (697,390)	\$ (198,981)	\$ (320,342)	\$ (519,323)	\$ (62,429)	\$ 2,875,572	\$ 2,813,144	\$ 136,552	\$ 3,195,914	\$ 3,332,467
F. FUND BALANCE RESERVES													
1) Beginning Fund Balance													
a) As of July 1 - Unaudited		\$ 3,426,381	\$ 885,708	\$ 4,312,089	\$ 4,137,417	\$ 2,800,774	\$ 6,938,191	\$ 4,137,418	\$ 2,800,774	\$ 6,938,192	\$ 1	\$ 0	\$ 1
b) Audit Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c) As of July - Audited		\$ 3,426,381	\$ 885,708	\$ 4,312,089	\$ 4,137,417	\$ 2,800,774	\$ 6,938,191	\$ 4,137,418	\$ 2,800,774	\$ 6,938,192	\$ 1	\$ 0	\$ 1
d) Other Restatements		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e) Adjusted Beginning Balance		\$ 3,426,381	\$ 885,708	\$ 4,312,089	\$ 4,137,417	\$ 2,800,774	\$ 6,938,191	\$ 4,137,418	\$ 2,800,774	\$ 6,938,192	\$ 1	\$ 0	\$ 1
2) Ending Balance, June 30		\$ 3,508,228	\$ 106,471	\$ 3,614,699	\$ 3,938,436	\$ 2,480,432	\$ 6,418,868	\$ 4,074,989	\$ 5,676,347	\$ 9,751,336	\$ 136,553	\$ 3,195,915	\$ 3,332,468
Components of Ending Fund Balance													
a) Non-Spendable													
Revolving Cash	9711	\$ 50,000		\$ 50,000	\$ 50,000		\$ 50,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ (2,000)	\$ -	\$ (2,000)
Prepaid Expense	9713			\$ -	\$ -		\$ -	\$ 3,650	\$ 3,650	\$ 3,650	\$ 3,650	\$ -	\$ 3,650
b) Restricted	9740		\$ 106,471	\$ 106,471		\$ 2,480,432	\$ 2,480,432	\$ -	\$ 5,676,347	\$ 5,676,347	\$ -	\$ 3,195,915	\$ 3,195,915
c) Committed	9760			\$ -			\$ -	\$ 725,000	\$ 725,000	\$ 725,000	\$ 725,000	\$ -	\$ 725,000
d) Assigned	9780			\$ -	\$ 352,000		\$ 352,000	\$ -	\$ -	\$ -	\$ (352,000)	\$ -	\$ (352,000)
e) Unassigned/Unappropriated													
For Economic Uncertainties	9789	\$ 3,458,228		\$ 3,458,228	\$ 3,536,436		\$ 3,536,436	\$ 3,298,339	\$ 3,298,339	\$ 3,298,339	\$ (238,097)	\$ -	\$ (238,097)
Unassigned/Unappropriated	9790			\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated Fund Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -