



Evergreen School District

From strong roots grow bright futures

DATE: September 13, 2018

TO: Katherine Gomez, Superintendent and
The Board of Trustees

FROM: Mary T. Stark, Interim Chief Business Officer

SUBJECT: Approval of 2017-2018 Unaudited Actuals

The 2017-18 funds of the District are now closed. The Unaudited Actuals report is prepared and provided in this agenda item. The report is subject to the field work review provided by the Vavrinek, Trine, Day, & Co., LLP, independent audit team. Team members began their onsite field work this past Monday, September 10th. The results of their work will be included in the final audit report due to the State Controller's Office by December 15, 2018.

The Unrestricted General Fund closed with operating expenses in excess of revenues in the amount of **\$(549,818)**. This amount had been estimated to be **\$(2,204,906)**. The variance of \$1,655,088 more in ending balance is a combination of increased revenue and decreased expenditures. I will provide a recap at the meeting.

The Restricted General Fund closed with an increase of \$2,608,366. This increase is primarily net of the receipt of an additional \$2,367,586 in funding for Clean Energy Jobs Act approved projects and revisions in other restricted funding. The Restricted General Fund balance cannot be used for unrestricted general operations. The funds may only be used based on program funding restrictions.

The 2018-19 budget adopted on June 14, 2018 was presented with the Local Control Funding Formula (LCFF) to include the Governor's May budget revisions. The District presented that it would meet the minimum 3% reserve for economic uncertainty through 2020-21 assuming over \$16 million in increased revenue/decreased expenditures were implemented. Details of the Governor's final budget were provided to the Board in the 45 Day revise at the August 9th meeting. The Santa Clara County Office of Education is in the review process of the budget and will prepare an approval letter with their assessment soon.

This report will be submitted to the Santa Clara County Office of Education staff for their full review.

RECOMMENDATIONS

It is recommended that the Board of Trustees approve the 2017-18 Unaudited Actuals