



# Evergreen School District

*From strong roots grow bright futures*

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**DATE:** August 17, 2017

**TO:** Katherine Gomez, Superintendent and  
The Board of Trustees

**FROM:** Nelly Yang – Chief Business Officer 

**SUBJECT:** Approval of 2016-2017 Unaudited Actuals

The 2016-17 Unaudited Actuals are now closed. The District received \$2.6M one-time unrestricted Mandated Block grant during 2016-17. The Unrestricted General Fund ended with a surplus of \$2,919,268. In calculating the June 2017 unrestricted estimates, we anticipated a surplus of \$2,850,127 in 2016-17. The variance is \$69,141 more, which is a 0.06% variance of the total General Fund Budget.

The Restricted General Fund ended with a deficit spending of < \$442,299 >. The deficit variance is \$40,848 less in comparison with the June restricted estimate. The Restricted General Fund cannot be used for the District's general operations. Restricted funds can only be used per its original funding rules.

The 2017-18 Budget Adopted in June 8, 2017 was presented with the revenue assumptions of Local Control Funding Formula (LCFF) based on Governor's May budget revision and the District did not meet the State minimum 3% reserve requirement in 2019-20. The 2017-18 enacted State Budget includes additional one-time discretionary funding but the multiple years LCFF funding GAPS were reduced. Even with additional one-time discretionary funding in 2017-18, the District estimates continuing deficit spending in the Unrestricted General Fund in the amount of <\$2.69M> in 2017-18, <\$6.62M> in 2018-19 and <\$11.57M> in 2019-20. The District still not be able to meet the State requirement in 2019-20. The additional revenues and/or expenditure reductions for the total amount of \$7M is needed. The preliminary 2017-18 Adopted Budget review performed by Santa Clara County Office of Education has indicated that the Districts' 2017-18 Adopted Budget will not be approved without further revision.

## **RECOMMENDATIONS**

It is recommended that the Board of Trustees approve the 2016-17 Unaudited Actuals