



Sierra Joint Community College District
2017-18 Unaudited Actuals

September 11, 2018

Information presented in these exhibits include financial data as of 8/14/18

Sierra Joint Community College District
2017-18 Unaudited Actuals - Board of Trustees Meeting: September 11, 2018
General Fund Narrative Summary

Exhibit A

- 1 **Reserves:** Exhibit B shows the District's Unrestricted, Uncommitted Ending Fund Balance for 2017-18 at \$11.4 million, which is 9.3% of total General Fund expenditures. The Board's policy is to maintain a reserve balance between 8% and 12%.
- 2 **Deficit:** Sierra College builds an assumed deficit into the Total Computational Revenue budget each year to buffer against revenue shortfalls at the state level that can potentially be passed along to the District. In 2017-18, this budgeted 0.5% deficit was \$423k. The 2017-18 fiscal year closed with no deficit, meaning all the revenues expected for Total Computational Revenue materialized and, as a result, the District achieved \$423k more revenue than originally budgeted at the beginning of the year.
- 3 **Significant Revenue and Expenditure Variances:** Revenues and expenditures change for a variety of reasons from the start of the fiscal year when the budget is adopted to the end of the fiscal year when the books are closed. Some of the major revenue and expense changes from Adopted Budget to Unaudited Actuals include (please see Exhibit E for a complete listing):
 - Enrollment Growth Revenue \$530k
 - Zero Deficit Factor \$423k
 - Prior Year One-Time Apportionment Revenue \$536k
 - Lottery Revenue \$492k
 - One-Time Mandated Cost Revenue \$397k
 - One-Time Employee Payouts \$1M
 - Compensation Vacancy/Attrition Savings + Part-Time Faculty Increases \$577k
 - Operational Savings \$772k
- 4 **Year-End Surplus:** A preliminary calculation of the 2017-18 Allocation Formula reflects a \$4.6M surplus. A large portion of this surplus, \$2.8M, was initially included in the 2017-18 Adopted Budget in order to weather uncertainties related to enrollment declines (see 2017-18 Adopted Budget, Exhibit C, Note 3). Subsequent to the Adopted Budget, MINT reached agreement in December 2017 to reallocate \$2.4M of the \$2.8M set-aside for enrollment declines as follows: \$1.3M committed to the Units and \$1.1M committed to the District. Accordingly, these revenues are not available for new purposes. The remaining \$1.8M of surplus is due to changes in revenue and expenditures as highlighted above in Note 3 and further described on the attached Exhibit E.

Sierra Joint Community College District
2017-18 Unaudited Actuals - Board of Trustees Meeting: September 11, 2018
General Fund Unrestricted & General Fund Restricted Budget Summary

Exhibit B

	Adopted Budget			YTD Actuals (6/30/18)		
	General Fund Unrestricted	General Fund Restricted	General Fund Total	General Fund Unrestricted	General Fund Restricted	General Fund Total
Revenues						
8000 Revenues	90,612,688	42,109,255	132,721,943	93,243,016	30,682,681	123,925,697
Total Revenues	\$ 90,612,688	\$ 42,109,255	\$ 132,721,943	\$ 93,243,016	\$ 30,682,681	\$ 123,925,697
Expenses, Debt, Transfers & Other						
1000 Certificated Salaries	36,778,149	5,040,457	41,818,606	38,173,198	3,594,472	41,767,670
2000 Classified Salaries	17,917,125	4,917,059	22,834,183	17,977,513	3,867,917	21,845,431
3000 Benefits	19,147,000	2,668,136	21,815,136	19,298,545	2,119,719	21,418,264
4000 Supplies and Materials	1,356,810	971,824	2,328,634	1,280,160	956,650	2,236,810
5000 Other Operating Expenses and Services	9,419,254	23,964,008	33,383,262	10,057,286	15,047,890	25,105,176
6000 Capital Outlay	256,260	1,659,347	1,915,607	526,076	2,874,251	3,400,327
7000 Debt Payments, Transfers, Other	4,419,067	2,888,425	7,307,492	3,830,338	2,221,781	6,052,118
Total Expenses, Debt, Transfers & Other	\$ 89,293,665	\$ 42,109,255	\$ 131,402,920	\$ 91,143,115	\$ 30,682,681	\$ 121,825,796

Fund Balance Summary

Beginning Fund Balance	\$ 15,151,276	\$ 15,151,276
Change in Fund Balance (Total Revenues Less Total Expenses, Debt, Transfers & Other)	1,319,023	2,099,901
Total Estimated Unrestricted Fund Balance	<u>16,470,299</u>	<u>17,251,177</u>
Less: Nonspendable - Prepaid Expenses & Inventory	(450,000)	(458,253)
Less: Committed Reserve ¹	<u>(4,956,665)</u>	<u>(5,426,333)</u>
Total Estimated Unrestricted/Uncommitted Fund Balance	<u>\$ 11,063,634</u>	<u>\$ 11,366,591</u>
Estimated Unrestricted/Uncommitted Fund Balance as a Percent of Expenses	8.4%	9.3%

¹ Committed Reserve includes projected District obligations and commitments as of June 30, 2018 as follows:

Health & Welfare Reserve (Estimated Remaining Obligation: July 2018 - Sept 2018)	325,000	325,000
Unspent Portion of 2015-16 Full-Time Faculty Revenue	420,031	371,595
2017-18 Adopted Budget Surplus - Committed to 1x Purposes (see Adopted Budget Exhibit C)	2,864,023	2,864,023
2017-18 Unaudited Actuals Surplus (see Exhibit A, Note 4) ²	-	1,815,715
Preliminary 2016-17 Allocation Formula Surplus	1,297,611	-
Staff Training on Interest Based Bargaining	50,000	50,000
Estimated Committed Reserve as of June 30, 2018	<u>\$ 4,956,665</u>	<u>\$ 5,426,333</u>

² The additional \$1.8M of surplus, as of 2017-18 Unaudited Actuals, is largely due to three factors. First, as a result of the State budget passage in June and subsequent guidance related to the new funding formula, a decision was made in July to shift Summer 2018 FTES to 2017-18 thereby generating \$530k of growth revenue. Secondly, the District learned in mid-June that the \$395k of deficit/revenue shortfall reported at the mid-April P1 would not materialize and resulted in an increase of \$423k of revenue. Lastly, in August once the fiscal year was closed, the District realized expenditure savings of \$772k from unspent Division/Department/Center budgets. Because the \$530k in enrollment growth and \$492k in lottery revenues were large revenue increases received late in the fiscal year, the District intends to discuss them with MINT, pursuant to the Allocation Formula agreement.

Sierra Joint Community College District
2017-18 Unaudited Actuals - Board of Trustees Meeting: September 11, 2018
General Fund Unrestricted Budget Detail

Exhibit C

	General Fund Unrestricted	
	Adopted Budget	YTD Actuals (6/30/18)
Revenues		
8000 State Apportionment (Includes EPA Funds)	2,453,050	2,353,905
8000 Property Taxes	75,092,816	75,517,968
8000 Enrollment Fees	7,056,000	7,400,896
8000 Total State Revenues	84,601,866	85,272,769
8000 Less: .5% Assumed Deficit Factor	(423,009)	-
8000 Total State Apportionment with Deficit	84,178,857	85,272,769
8000 Federal Revenues	13,500	81,184
8000 Other State Program Revenues	2,783,131	3,659,210
8000 Local/Other Revenues	3,637,200	3,694,022
8000 One-Time Prior Year Apportionment Adjustment	-	535,830
Total Revenues	\$ 90,612,688	\$ 93,243,016
Expenses		
1000 Certificated Salaries - Instructional	15,323,190	15,248,401
1000 Certificated Salaries - Non-Instructional	1,988,152	2,186,981
1000 Certificated Salaries - Ed Admin	3,484,906	3,445,011
1000 Certificated PT - Instructional	10,268,000	11,098,507
1000 Certificated Salaries - PT Non-Instructional	916,000	1,089,560
1000 Reassigned Time	1,024,580	987,953
1000 Stipends	790,000	780,367
1000 Staff Development Flex Hours	308,000	329,034
1000 Overload Pay - Instructional	2,579,000	2,821,023
1000 Overload Pay - Non-Instructional	56,000	148,078
1000 Board Member	40,320	38,283
2000 Classified Supervisory & Confidential	2,818,282	2,789,328
2000 Classified Instructional Aides	1,991,540	1,809,676
2000 Classified Salaries - FT & PT	11,169,603	11,348,150
2000 Classified Salaries - Overtime & Standby	270,000	257,002
2000 Classified Salaries - Temporary	730,000	823,437
2000 Student Help and Tutors	937,700	949,920
3000 Benefits	16,108,000	16,215,799
3000 Retiree Benefits	3,039,000	3,082,746
4000 Supplies and Materials	1,356,810	1,280,160
5000 Other Operating Expenses and Services	9,419,254	10,057,286
6000 Capital Outlay	256,260	526,076
Total Expenses	\$ 84,874,598	\$ 87,312,777
Debt, Transfers & Other		
7000 Debt Payment Transfers	1,392,058	1,392,058
7000 Inter-Fund Transfers (Including Match)	1,333,141	2,438,280
7000 Other	-	-
7000 Contingency	1,693,868	-
Total Debt, Transfers & Other	\$ 4,419,067	\$ 3,830,338
Total Expenses, Debt, Transfers & Other	\$ 89,293,665	\$ 91,143,115
Beginning Fund Balance	15,151,276	15,151,276
Change in Fund Balance (Total Revenues Less Total Expenses, Debt, Transfers & Other)	1,319,023	2,099,901
Total Estimated Unrestricted Fund Balance	16,470,299	17,251,177
Less: Nonspendable - Prepaid Expenses & Inventory	(450,000)	(458,253)
Less: Committed Reserve	(4,956,665)	(5,426,333)
Total Estimated Unrestricted/Uncommitted Fund Balance	\$ 11,063,634	\$ 11,366,591

Sierra Joint Community College District
2017-18 Unaudited Actuals - Board of Trustees Meeting: September 11, 2018
General Fund Unrestricted Revenue Detail

Exhibit D

	General Fund Unrestricted	
	Adopted Budget	YTD Actuals (6/30/18)
State Apportionment		
State Apportionment (Includes EPA Funds)	2,453,050	2,353,905
Property Taxes	75,092,816	75,517,968
Enrollment Fees	7,056,000	7,400,896
Total State Revenues	84,601,866	85,272,769
Less: .5% Statewide Deficit Factor	(423,009)	-
Total State Apportionment with Deficit	84,178,857	85,272,769
Federal Revenues		
Forest Reserve Revenue	10,000	20,448
Veterans	3,500	4,361
Other Federal Revenue	-	56,375
Total Federal Revenues	13,500	81,184
Other State Program Revenues		
PT Faculty Office Hours	18,000	16,796
PT Faculty Compensation	290,163	264,299
BOG Fee Waiver Adm.2%	183,423	183,423
Lottery	1,899,349	2,391,607
Mandated Costs	392,196	789,612
Other General Categorical	-	13,473
Total Other State Program Revenues	2,783,131	3,659,210
Local/Other Revenues		
Contributions, Gifts, Grants	15,000	64,425
2% Enrollment Fee	144,000	151,039
Sales, Commission	700,000	680,516
Rentals & Leases	35,000	68,059
Interest Income	220,000	385,632
Student Records	32,000	31,739
Non-Resident Tuition	2,050,000	1,832,952
Audit Fee	7,000	7,796
Other Student Fees	2,000	4,200
Other Local Revenue	221,000	360,799
Indirect Costs	360,000	476,684
Bad Debt Collection	20,000	30,028
Uncollectible Res/Non-Res Tuition	(179,000)	(195,847)
Transfers In	-	96,825
Unrealized Gain (Loss) on Investment & Gain (Loss) on sale of Assets	-	(320,556)
Contract Instructional Services	-	13,500
Other Contract Services	-	3,300
Misc (Surplus, Returned Item)	10,200	2,932
Total Local/Other Revenues	3,637,200	3,694,022
One-Time Revenues		
One-Time Prior Year Apportionment Adjustment	-	535,830
Total Revenues	\$ 90,612,688	\$ 93,243,016

Sierra Joint Community College District
2017-18 Unaudited Actuals - Board of Trustees Meeting: September 11, 2018
General Fund Unrestricted Variances (Adopted to Unaudited Actuals)

Exhibit E

	Revenue (8000)	Certificated Salaries (1000)	Classified Salaries (2000)	Benefits (3000)	Operating, Capital Outlay, Transfers (4000 - 7000)
Budget Presentation					
Adopted Budget	90,612,688	36,778,149	17,917,125	19,147,000	15,451,391
Unaudited Actuals as of 6/30/18	93,243,016	38,173,198	17,977,513	19,298,545	15,693,859
Difference	2,630,328	1,395,048	60,389	151,545	242,468
Explanation of Adjustments					
Growth Revenue (+111 FTES)	529,514				
Multi-Year Apportionment Recalc Revenue (ongoing)	141,389				
Multi-Year Apportionment Recalc Revenue (one-time)	535,830				
Zero Deficit Factor	423,009				
Lottery Revenue	492,258				
One-Time Mandated Cost Revenue	397,416				
Non-Resident Tuition	(217,049)				
Indirect Costs Revenue	116,684				
Transfers In from Capital Projects	96,825				96,825
Federal Revenues	67,684				
Athletic Gate Receipts	57,941				57,941
Other Revenue Adjustments	(11,173)				
One-Time Employee Payouts		631,548	335,183	51,122	(10,658)
Retirements/Vacancies/H&W/Funding Source Changes		(369,379)	(367,453)	(140,000)	
PTF/Overload/Stipend Changes		1,132,879		160,000	
Temporary Employees and Overtime			80,439	12,000	
Student Help & Tutors (Budget Transfers/Increased Spending)			12,220		(11,292)
Retiree H&W Benefits				43,746	
PTF Medical Program				16,500	
Benefit Administration Costs				8,000	
Contract Employee (Backfill for Permanent Position)					25,040
Bond Election Costs/Title IX/EEO Legal Costs/Fin Aid Software					544,301
One-Time Transfer to Capital Projects from 2016-17 Surplus					292,000
NCC Facility Maintenance Use					27,576
Unspent Division/Department/Center Budgets					(772,303)
Miscellaneous Other Adjustments				177	(6,962)
Total Adjustments	2,630,328	1,395,048	60,389	151,545	242,468