

GUIDE TO READING THE ANNUAL REPORT

The Annual Report is organized to clearly display how the expenditures relate to the purposes of BSEP Measure A of 2006.¹ Revenue is allocated to each of the purposes in accordance with the percentages specified in the measure, in separate and distinctly coded **Resources**.

Overview and Status Report

Each Resource is introduced with a one to two page **Overview** of revenue and expenditures, including salaries, benefits, supplies and other operating expenses. This brief narrative also compares the budget with actual expenditures, and explains significant variances. The overview is followed by a brief status report, providing detail on the on the projects funded by each BSEP Resource.

Revenue and Expenditures Comparison Report

Following the overview of each Resource is a **Comparison Report** which shows actual expenditures from FY 2014-15 next to the FY 2015-16 budget (revised at Second Interim, January 31, 2016), the (unaudited) actuals as of June 30, 2016, and the variance between the revised budget and actuals. This comparison report also shows a Fund Balance Analysis.

Budget, First Interim, Second Interim, and Unaudited Actuals (Closing)

Revenue is projected in February for the following fiscal year, with budget allocations initially distributed to each of the Purposes of the Measure in the percentages delineated in the BSEP Measure. Since the District receives tax revenue at various points throughout the fiscal year, First and Second Interim budgets (at October 31 and January 31 respectively) provide the opportunity to revise budgets. At the fiscal “closing” of the year on June 30, actual net revenue is recognized, and distributed to each Resource.

Indirect Costs

Each BSEP Resource, except Public Information and P&O Support (Resource 0854) is charged for Indirect Costs. The Indirect Cost rate in FY 2015-16 was 6.54%, as calculated by a formula determined by the State. The rate is applied to all expenses and transfers, and totaled \$1,500,691. The funds are transferred to the General Fund to support the District’s common functions such as Payroll, Purchasing, Human Resources and Plant Operations.

Transfers to General Fund

Two resources, Class Size Reduction (Resource 0841) and Music, Visual and Performing Arts (Resource 0853) transferred a total of \$13,542,149 to the General Fund. The transfers funded 135.92 FTE to reduce class sizes and 2.16 FTE for music teachers providing General Fund release time. The transfers also supported costs associated with the increased FTE, as permitted by the Measure.

Fund Balance and Reserves

A fund balance is maintained in a central BSEP Resource (0000), to meet the 3% reserve required by the State. The fund balance totaled \$825,000 at the end of FY 2015-16, a reserve of 3.08%. The fund balance was reduced from \$911,904 after a transfer was made of \$86,904 to all BSEP Resources, in keeping with the allocation percentages specified by Measure A. In addition to the central BSEP fund balance, there are fund balances for each Resource, managed by the program supervisors and District administration.

¹ BSEP Measure A, Section 5.C