



Plumas Lake Elementary School District

2010-11 Second Interim Financial Report

March 10, 2011

Each student will reach their fullest potential as we strive for district excellence through sound leadership, effective communication, accountability, and investment in our staff.



Today's Agenda

- Annual Financial Reporting
- General Fund
 - Budget Assumptions
 - Revenue and Expenditures
 - Multi-Year Projections
- Other District Funds
- Long-Term Commitments
- Budget Concerns
- Certification of Second Interim and approval of budget adjustments within
- Questions



Annual Financial Reporting

- Annual financial deadlines:
 - Budget Adoption – June 30
 - Unaudited Actuals for prior year – October 15
 - First Interim – December 15
 - **Second Interim – March 15**
 - Third Interim – June 1 (required if negative or qualified certification)



Interim Financial Reports

- *Education Code* Section 42130 requires District to submit two financial interim reports to Yuba County Office of Education each fiscal year:
 - First Interim: Financial transactions from July 1 to October 31 – completed in December
 - Second Interim: Financial transactions from July 1 to January 31

- Second Interim must be approved by the Board prior to March 15

- District must certify one of the following:
 - Positive: District *can* meet its current year and subsequent two year obligations;
 - Qualified: District *may not* be able to meet its current year and subsequent two year obligations; or
 - Negative: District *cannot* meet its current year and subsequent two year obligations.

Budget Assumptions – Current Budget Year

	Budget Adoption	First Interim	Second Interim
	2010-11	2010-11	2010-11
COLA	(0.39%)	(0.39%)	(0.39%)
Deficit Factor	18.355% \$0.81645 per \$1.00	17.963% \$0.82037 per \$1.00	17.963% \$0.82037 per \$1.00
Revenue Limit (RL)	\$6,573.35	\$6,573.35	\$6,573.35
Deficited RL	\$5,366.81	\$5,392.58	(\$5,392.58)
Dollar loss per ADA	(\$1,206.54)	(\$1,180.77)	(\$1,180.77)
Other Revenue Limit Adjustments	3.85% deficit applied to RL		
State Categorical Programs	(0.38%)	0%	0%
ARRA – SFSF (RL)	0	\$24,921	\$76,572
ARRA – Sp Ed	0	0	0
Education Jobs Funds	0	\$198,960	\$198,960
ADA: K-8 + County	1021.86	1021.86	1022.30

Revenue Sources – General Fund Projections

	Board Approved Operating Budget	Projected Year Totals (Revisions)	Difference	% Variance	Notes
Beginning Fund Balance	\$2,599,040	\$2,599,040			
Revenue Limit Sources	\$6,038,872	\$6,038,470	(\$402)	0	
Federal Revenue	\$383,733	\$435,384	\$51,651	13.5%	Adjusted ARRA SFSF entitlement;
Other State Revenue	\$937,053	\$975,717	\$38,664	4.1%	Increased EIA (\$2K); Mandated costs (\$48K) and decreased BTSA (\$12K);
Other Local Revenue	\$557,466	\$549,619	(\$7,847)	(1.4%)	Increased-Donations (\$10K), E- Rate (\$5K); Sp Ed PRYR (\$1K); Decreased bus fees (\$21K); field trip (\$2K)
Total Revenue	\$7,917,124	\$7,999,190	\$82,066	1.0%	

Projected General Fund Expenditures

	Board Approved Operating Budget	Projected Year Totals (Revisions)	Difference	% Difference	Notes
Certificated Salaries	\$3,246,709	\$3,222,552	(\$24,157)	(0.7%)	Adjusted teacher salaries; Decreased extra teacher salaries; Eliminated BTSA stipends;
Classified Salaries	\$1,152,695	\$1,151,244	(\$1,451)	(0.1%)	Adjusted library clerk, custodial, & clerical salaries;
Employee Benefits	\$1,541,949	\$1,522,346	(\$19,603)	(1.3%)	Adjusted statutory benefits associated with above salaries; Adjusted HDV based on final TCSIG payment;
Books and supplies	\$359,204	\$370,341	\$11,137	3.1%	Increased textbooks (\$35K from Lottery Reserves) and books (\$10K); decreased materials & supplies (\$19K) non-capitalized equipment (\$15K)
Services/Other Op Expenses	\$1,258,233	\$1,198,042	(\$60,191)	(4.8%)	Decreased travel (\$14k); Professional/Consulting Services (\$53K); Increased repairs in transportation (\$3K); unexpected repairs RRMA (\$6K)
Capital Outlay	0	\$86,866	\$86,866	New	SMART Boards for Cobblestone & Rio
Other outgo	\$289,820	\$289,820	0	0	
Transfers of Indirect Costs	(\$18,111)	(\$17,890)	(\$221)	1.2%	Transfer of Indirect Costs from Fund 13
Other Financing Sources/Uses	(\$32,250)	(\$25,800)	(\$6,450)	(20%)	
Net Increase (Decrease) in Fund Balance	\$118,875	\$201,669			
Ending Fund Balance	\$2,717,915	\$2,800,709			

Multi-Year Projections – Assumptions

Current Assumptions

Financial Report	Budget Adoption	First Interim	Second Interim	Budget Adoption	First Interim	Second Interim
Fiscal Year	2011-12	2011-12	2011-12	2012-13	2012-13	2012-13
COLA	2.10%	1.70%	1.67%	2.40%	1.90%	1.80%
Deficit Factor	18.355%	17.963%	19.608%	18.355%	17.963%	19.608%
Funded amount	\$0.81645 per \$1.00	\$0.82037 per \$1.00	\$0.80392 per \$1.00	\$0.81645 per \$1.00	\$0.82037 per \$1.00	\$0.80392 per \$1.00
Revenue Limit (RL)	\$6,701.61	\$6,677.19	\$6,675.35	\$6,851.28	\$6,795.21	\$6,787.13
Deficited RL	\$5,471.53	\$5,477.76	\$5,366.45	\$5,593.73	\$5,574.59	\$5,456.31
Dollar loss per ADA	(\$1,230.08)	(\$1,199.43)	(\$1,308.90)	(\$1,257.52)	(\$1,220.62)	(\$1,330.82)
Other Revenue Limit Adjustments	3.85% deficit applied to RL			3.85% deficit applied to RL		
State Categorical Programs	2.10%	0.0%	0.0%	2.4%	1.90%	1.80%
ADA	1021.86	1021.86	1002.05	1021.86	1021.86	1002.05

Comparison of Revenue Limit

Fiscal Year	2010-11	2011-12	2012-13
COLA	(0.39%)	1.67%	1.80%
Deficit Factor	17.963%	19.608%	19.608%
Funded amount	\$0.82037 per \$1.00	\$0.80392 per \$1.00	\$0.80392 per \$1.00
Revenue Limit (RL)	\$6,573.35	\$6,675.35	\$6,787.13
Deficited RL	(\$5,392.58)	\$5,366.45	\$5,456.31
Dollar loss per ADA	(\$1,180.77)	(\$1,308.90)	(\$1,330.82)
Difference (from pr yr) per ADA	\$6.17	(\$26.13)	\$89.86
ADA	1022.30	1002.05	1002.05



Multi-Year Projections Assumptions (continued)

- No American Recovery and Reinvestment Act (ARRA) funding in 2011-12 and 2012-13;
- No Mandated Costs funding;
- No Education Jobs Funding in 2012-13;
 - Made adjustment to salaries in 2012-13;
 - Will need to layoff next year or find other source of funding;
- Tier III flexibility ends after 2012-13;
 - Current budget proposal extends two years;
- ADA projections:
 - 2010-11 based on P-2 data for 2009-10; 1022.30 for K-8/County;
 - 2011-12 and 2012-13 based on P1 data for K-8 and current year ADA for County;
- No changes to STRS, PERS, FICA/Medicare, Unemployment, Worker's Comp and Health benefits;
- COP debt service payment not reflected in projections;
- **Loss of (\$330)** per ADA if tax extensions fail not calculated in revenue limit for 2011-12;

Multi-Year Projections

Description	2010-11	2011-12	NOTES	2012-13
Beginning Fund Balance	\$2,599,040	\$2,800,709		\$2,528,444
Revenue	\$8,024,991	\$7,499,182	Changes since First Interim: \$229,702 ADA Loss= (\$132,239) COLA chg = (\$1,880) Chg deficit factor = \$95,583	\$7,569,050
Expenditures and other financing uses	\$7,823,321	\$7,771,448		\$7,797,098
Net Increase/ Decrease in Fund Balance	\$201,670	(\$272,266)	Using one-time money- \$121,956	(\$228,048)
Fund balance	\$2,800,710	\$2,528,444		\$2,300,396
Designated for Economic Uncertainties	\$389,876	\$387,282		\$388,565
Other designations	\$2,400,859	\$2,141,162		\$1,911,831

Components of Ending Balance

	2010-11	2011-12
Revenues	\$8,024,991	\$7,499,182
Expenditures	\$7,823,321	\$7,771,448
Net Increase/Decrease	\$ 201,670	(\$272,266)
Ending Fund Balance	\$2,800,708	\$2,528,444
Reserved for Economic Uncertainty	\$ 389,876	\$ 387,282
Revolving Cash and Prepays	\$ 9,973	\$ 5,100
COP Debt Service Payment	\$ 476,065	\$ 475,475
Charter ADA	\$ 186,511	\$ 186,511
Revenue Limit Reduction proposed in May Revise	\$ 281,781	\$ 281,781
Education Jobs Funds	\$ 121,956	\$ 0
Restricted funds	\$ 13,360	\$ 13,360
Lottery Unrestricted	\$ 118,898	\$ 118,898
Available for Budget Shortfalls	\$1,202,288	\$1,060,037

Fund 13 – Cafeteria Fund

	Board Approved Operating Budget	Projected Year Totals (Revisions)	Difference	% Difference	Reason
Beginning Fund Balance	\$25,926	\$25,926			
Revenue	\$424,000	\$424,000		-	
Expenditures					
Classified salaries	\$143,685	\$142,549	(\$1,136)	(0.8%)	Adjusted salaries to reflect current staff contracts;
Employee Benefits	\$55,691	\$52,087	(\$3,604)	(6.5%)	Adjusted benefits to salaries and HDV;
Supplies	\$200,000	\$201,800	\$1,800	0.9%	Increased food budget
Services/Op Expenses	\$ 8,525	\$ 6,475	(\$2,050)	(24%)	Decreased travel/conferences and added direct costs;
Other Outgo	\$18,111	\$17,890	(\$221)	(1.2%)	Indirect based on expenditures
Transfers In	\$0	\$0			
Total Expenditures	\$426,012	\$420,801			
Net Increase (Decrease) in fund balance	(\$2,012)	\$3,199			
Ending Fund Balance	\$23,914	\$29,125			

Fund 14 – Deferred Maintenance Fund

	Board Approved Operating Budget	Projected Year Totals (Revisions)	Difference	% Difference	Reason
Beginning Fund Balance	\$112,374	\$112,374			
Revenue	\$2,000	\$2,000	-	-	
Expenditures					
Materials and Supplies	\$15,376	\$15,376			
Services/Op Expenses	\$14,624	\$14,624			
Transfers In	0	0			Contribution from GF not required until 2013-14
Net Increase (Decrease in fund balance)	(\$28,000)	(\$28,000)			
Ending Fund Balance	\$84,374	\$84,374			

Fund 25 – Capital Facilities Fund

	Board Approved Operating Budget	Projected Year Totals (Revisions)	Difference	% Difference	Note
Beginning Fund Balance	\$759,224	\$759,224			
Revenue	\$302,962	\$75,560	(\$227,402)	(75.1%)	Decreased developer fees to 8 homes; Collected on 5;
Expenditures					
Services/Other Op Expense	\$35,000	\$61,400	\$26,400	75.4%	Increased consulting services for facilities planning and land agreement
Capital Outlay		\$13,500	\$13,500	New	Increased - complete fence & final payment to Roebellen;
Other outgo	\$476,065	\$476,065	-	-	
Other financing sources	\$48,326	\$274,675	\$226,349	468.4%	Contribution from Fund 52
Net Increase (Decrease) in Fund Balance	(\$159,777)	(\$200,730)			
Ending Fund Balance (includes cash with fiscal agent)	\$599,447	\$558,494			\$477,204 w/ fiscal agent

Fund 52 – Debt Service Fund

	Board Approved Operating Budget	Projected Year Totals (Revisions)	Difference (Projected – Approved)	% Difference	Notes
Beginning Fund Balance (includes reserves for debt service payment with Trustee)	\$1,205,080	\$1,205,080			
Revenue	\$669,720	\$668,021	(\$1,699)	(0.3%)	Decreased interest
Expenditures					
Other outgo	\$524,613	\$525,089	476	0.1%	Recording county fees
Other financing sources – transfers out	\$80,576	\$300,475	\$219,899	272.9%	Transfer to Fund 25
Net Increase (Decrease) in Fund Balance	\$64,531	(\$157,543)			
Ending Fund Balance (includes cash with fiscal agent)	\$1,269,611	\$1,047,537			\$465,712 w/ fiscal agent

Long-Term Commitments

Type of Commitment	Fund	# of Years Remaining	Principal Balance as of July 1	Funding sources	Current Year Annual Payment
CFD #1, Series 2005	52	25	\$4,545,000	Mello Roos Taxes	\$309,175
CFD #1, Series 2007	52	2	\$2,525,000	Mello Roos Taxes	\$126,250
CFD #2, Series 2007	52	27	\$1,240,000	Mello Roos Taxes	\$89,188
Certificates of Participation	25 and 01	27	\$6,820,000	Developer Fees; however obligation of General Fund if no other funding source available	\$476,065



Budget Concerns

- ❑ Tax extensions fail – additional \$330 per ADA loss of revenue;
- ❑ Certificates of Participation (COP) debt service payment – need 53 permits to fund;
- ❑ Fluctuation in enrollment – able to use prior year ADA this year; however significant drop in subsequent years;



Certification of Second Interim Report

- Certification of Financial Condition:
 - Based upon current projections, District will be:
 - Deficit spending in 2011-12 and 2012-13; however District has sufficient reserves to cover budget shortfalls;
 - Meeting minimum reserve requirements for economic uncertainty;
 - Able to meet financial obligations for the current fiscal year and subsequent two fiscal years.
- Board approval of Second Interim Financial Report with positive certification and budget adjustments within.