



Plumas Lake Elementary School District

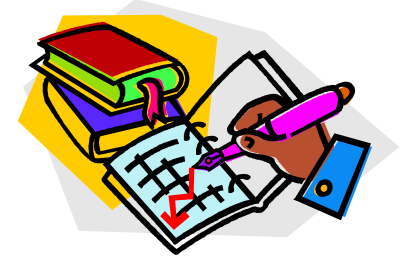
2011-12 First Interim
December 15, 2011

Presented by Ajit Kang

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

Financial Reporting Cycle

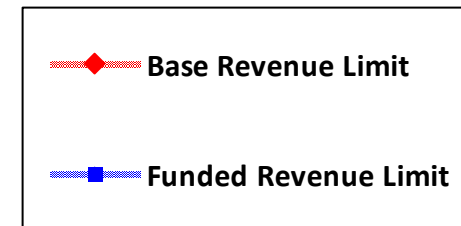
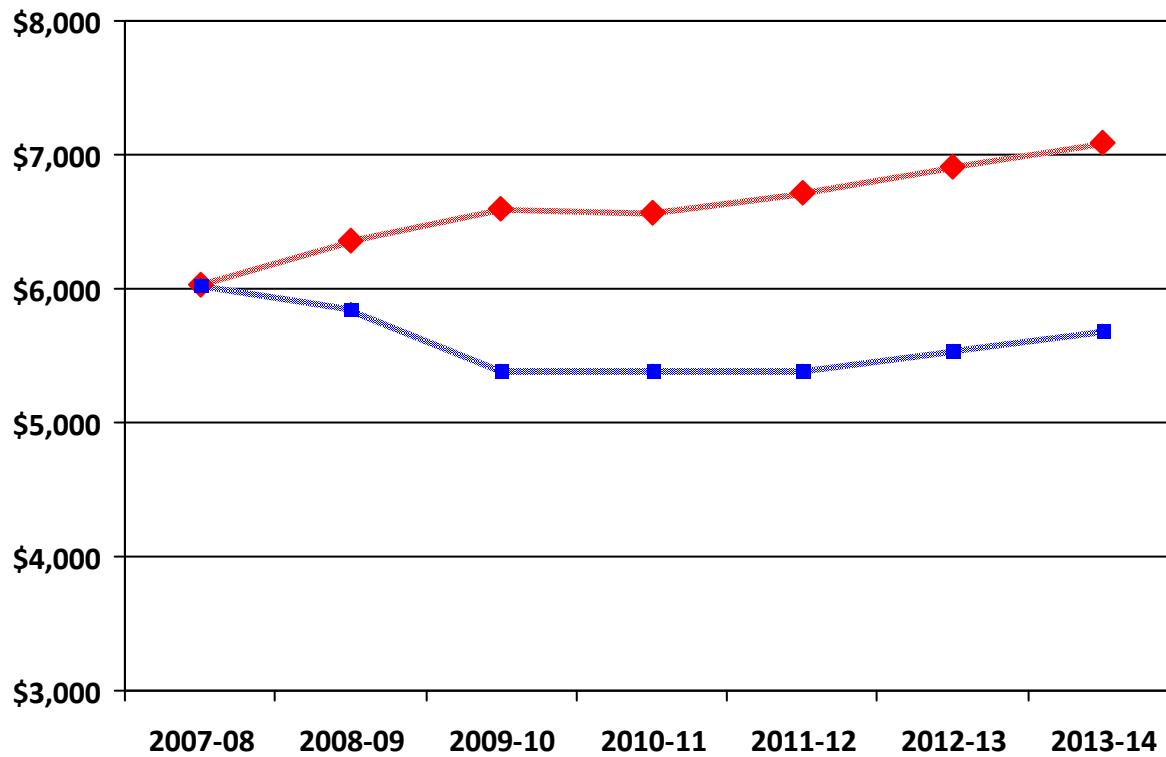
- Budget development is a continuous process
- Budget was developed based on assumptions in June;
- Assumptions change
 - State budget passed
 - New information from the State
- Annual financial reporting:
 - Budget Adoption – Due July 1, 2011
 - **First Interim – Due December 15, 2011**
 - Second Interim – Due March 15, 2012
 - Unaudited Actuals – Due September 15, 2012
- *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
 - Second Interim: Financial transactions from July 1 to January 31
- The 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

	2010-11 Unaudited Actuals	2011-12	2012-13	2013-14
Statutory COLA	-0.39%	2.24%	3.10% (BA-3.2%)	2.80% (BA-2.7%)
Deficit Factor	17.963% \$0.82037 per \$1.00	19.754% \$0.80246 per \$1.00	19.754% \$0.80246 per \$1.00	19.754% \$0.80246 per \$1.00
Revenue Limit (RL) w/ COLA	\$6,573.36	\$6,710.36	\$6,904.36	\$7,084.36
RL w/ deficit	\$5,392.59	\$5,384.80	\$5,540.47	\$5,684.92
Loss per ADA	\$1,180.77	\$1,325.56	\$1,363.89	\$1,399.44
State Categorical Programs COLA	0.0%	0	3.10% (BA-0%)	2.80 (BA-0%)
ARRA – State Fiscal Stabilization Funds	\$76,572	0	0	0
Ed Jobs Funds (\$222,813 final entitlement)	\$79,270	\$135,140 (plus \$8,403)		
Federal Funds COLA	0%	0%	0%	0%
Average Daily Attendance (ADA)	1022.13	1015 K-8 plus 6.89 County 1021.89 (BA-994.54)	1021.89 (BA-994.54)	1021.89 (BA-994.54)
Lottery Base	\$111.75	\$111.75	\$111.75	\$111.75
Lottery Prop 20	\$17.00	\$17.00	\$17.00	\$17.00

Comparison of Base Revenue Limit and Funded Revenue Limit



Budget Assumptions (continued)

- Tier III flexibility was extended two years now allowed through 2014-15:
 - No Deferred Maintenance match required;
- Salary increases included for 2011-12 and step increases for all employee groups in subsequent years for multi-year projections:
 - Certificated – 3.2 percent
 - Classified – 1 percent
 - Management/confidential – 1 percent
- Health, Dental & Vision Benefits cap - \$10,000;
- COP payment – Committed funds in the reserves for one debt service payment;
- ADA Projections – Increased ADA for Revenue Limit calculations to 1021.89 (1015 K-8 District ADA, 6.89 county ADA)
 - Based on current enrollment there is potential for an increase in the P2 ADA:
 - Average enrollment for first three months – 1068.86
 - Average daily attendance for first three months – 1039.20 (97.23%)
(1039.20 K-8 District ADA + 6.89 county ADA = 1046.09)

Tier III Categorical Flexibility

Education Code Section 42605 allows complete flexibility in the use of funds appropriated in the State budget for fiscal years 2008-09 through 2014-15 for numerous programs and can be used for any educational purpose. Grants included in this flexibility are:

- Administrator Training - \$4,849
- Art and Music Block Grant - \$15,115
- California Peer Assistance & Review Program - \$5,148
- CAHSEE Intensive Instruction - \$800
- Community Based English Tutoring- \$4,478
- Deferred Maintenance - \$33,581
- Gifted and Talented Education - \$66,473
- Instructional Materials Funding Realignment Program - \$56,959
- Math and Reading Professional Development - \$9,018
- Professional Development Block Grant - \$11,597
- School Library Improvement Block Grant - \$10,437
- School Safety and Violence Prevention - \$7,990
- Supplemental Hourly Programs - \$24,143
- Targeted Instructional Improvement - \$3,914



General Fund Revenue: 2011-12 Operating Budget and 2011-12 Projections

	2011-12 Operating Budget	2011-12 Projected Year Totals	Difference		Notes
Revenue Limit Sources	\$5,888,372	\$6,084,515	\$196,143	3.3%	Increased ADA for revenue limit and adjusted for prior year RL
Federal Revenue	\$287,523	\$289,670	\$2,147	0.7%	Adjusted Title I and Title III for prior year carryover
Other State Revenue	\$923,102	\$928,782	\$5,680	0.6%	Adjusted Lottery for prior year revenue, CSR, and mandated cost reimbursements
Other Local Revenue	\$508,633	\$504,686	(\$3,947)	(0.8%)	Decreased interest earnings and SELPA transfer from COE, increased facilities fees and miscellaneous revenue
Interfund Transfers In	\$33,100	\$33,100	0	0	Transfer from Fund 52: CFD Admin costs-will transfer only actual costs
Total Revenue	\$7,640,730	\$7,840,753	\$200,023	2.6%	

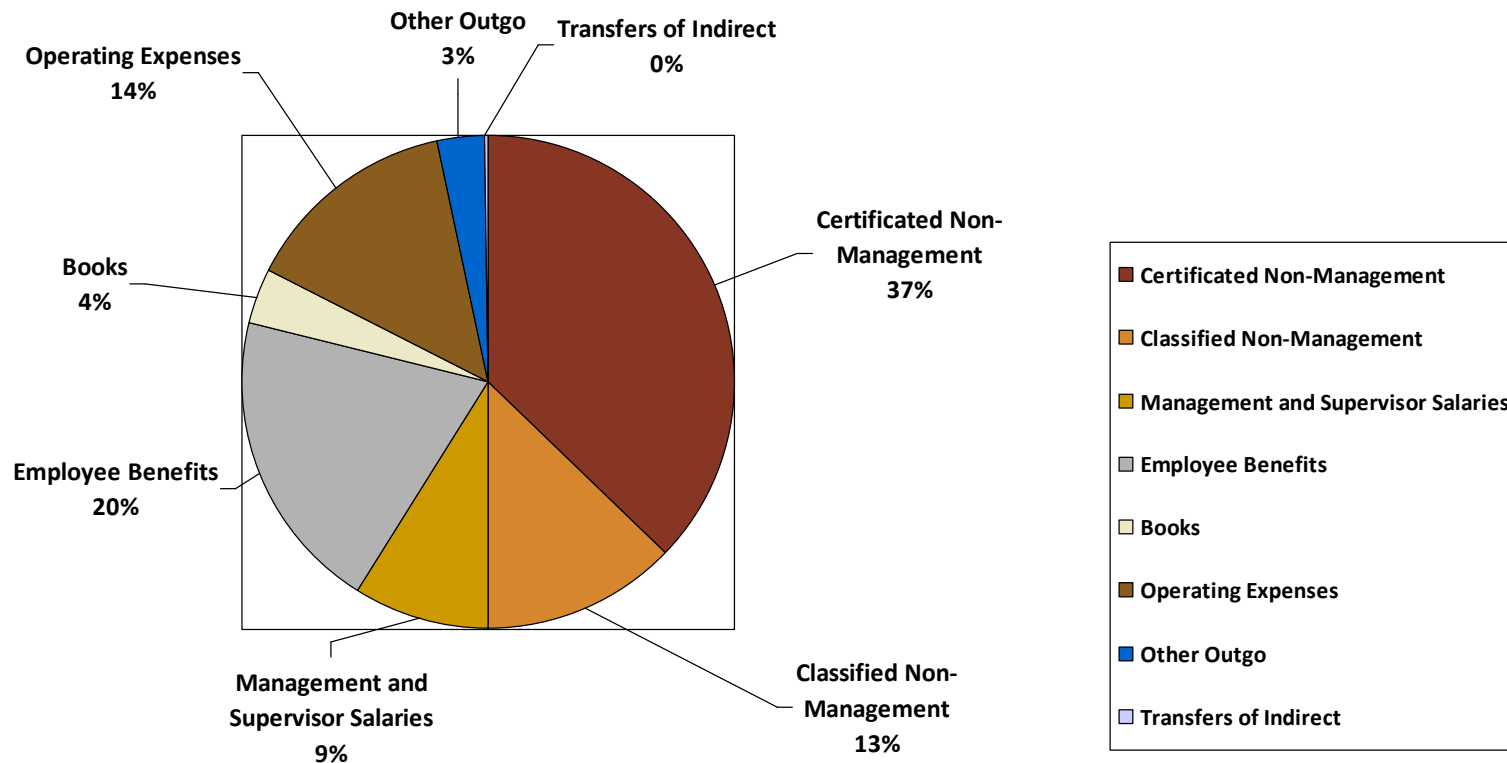
General Fund Expenditures: 2011-12 Operating Budget and 2011-12 Projections

	2011-12 Operating Budget	2011-12 Projected Year Totals	Difference		Notes
Certificated Salaries	\$3,453,566	\$3,512,564	\$58,998	1.7%	Adjusted salaries for actual contracts and salary increases
Classified Salaries	\$1,194,894	\$1,212,494	\$17,600	1.5%	Adjusted salaries for potential salary increase and temporary help in Sp Ed
Employee Benefits	\$1,586,335	\$1,593,462	\$ 7,127	0.4%	Adjusted benefits for final worker's comp/PERS Reduction and salaries above
Books and Supplies	\$325,339	\$291,365	(\$33,974)	(10.4%)	Reduced textbooks budget
Services & Other Op	\$1,171,595	\$1,139,353	(\$32,242)	(2.8%)	Reduced Operations and consultants
Capital outlay	\$0	\$0			
Other Outgo	\$256,600	\$239,650	(\$16,950)	(6.6%)	Adjusted YCOE SP ED Excess costs to estimates
Transfer of Indirect	(\$19,810)	(\$18,525)	\$1,285	6.5%	Indirect – 4.78%: based on Fund 13 expenditures
Total Expenditures	\$7,968,519	\$7,970,363	\$ 1,844	0%	

General Fund Revenue and Expenditures

Beginning Fund balance	2011-12 Operating Budget	2011-12 Projected Year Totals	Difference
Beginning fund balance	\$2,967,179	\$2,967,179	
Revenue	\$7,640,730	\$7,840,753	\$200,023
Expenditures	\$7,968,519	\$7,970,363	\$1,844
Excess (deficiency) of revenues over expenditures	(\$327,789)	(\$129,610)	\$198,179
Ending fund balance	\$2,639,390	\$2,837,569	\$198,179

2011-12 General Fund Expenditures



Multi-Year Projections - Assumptions

- Statutory COLA and Deficit Factors:

- 2012-13 – 3.10% and 19.754%
- 2013-14 – 2.80% and 19.754%

Note: Yuba COE recommended district have contingency plan in place if no COLA funded.

Note: See Slide #3 for other assumptions

- No increase to health, dental & vision/statutory benefits;
- No Education Jobs funding in 2012-13 and 2013-14
 - Jobs currently funded thru this program are in the multi-year projections: Literacy Coach, Elementary PE, Library Clerk and Office Clerk;



Multi-Year Projections

	2011-12	2012-13	2013-14
Beginning Fund Balance	\$2,967,179	\$2,837,569	\$2,532,511
Revenue	\$7,840,753	\$7,855,084	\$8,020,813
Expenditures	\$7,970,363	\$8,160,142	\$8,317,512
Net increase (decrease) in fund balance	(\$129,610)	(\$305,058)	(\$296,699)
Ending Fund Balance	\$2,837,569	\$2,532,511	\$2,235,811
IF COLA NOT FUNDED (not included in revenue above)		(\$159,085)	(\$147,605)

Multi-Year Projections – Ending Fund Balance

	2011-12	2012-13	2013-14
Ending Fund Balance	\$2,837,569	\$2,532,511	\$2,235,811
Designated for Economic Uncertainty	\$396,863	\$406,352	\$414,221
Restricted Programs and Cash at banks	\$29,864	\$29,864	\$29,864
Committed-COP payment	\$475,475	\$475,475	\$475,475
Assigned-Charter ADA Issue	\$186,511	\$186,511	\$186,511
Assigned-Per ADA Reduction	\$306,567		
Assigned -Salary Increases	\$230,710	\$115,355	
Assigned - Wheatland MOU	\$295,000	\$295,000	\$295,000
Available for budget shortfalls	\$961,579	\$1,023,954	\$834,740

Fund 13 – Cafeteria Fund

	2011-12 Operating Budget	2011-12 Projections	Difference		Notes
Beginning Fund Balance	\$16,570	\$16,570			
Revenue	\$430,300	\$403,300	(\$27,000)	(6.3%)	Decreased Federal and Paid Food Sales
Expenditures					
Classified Salaries	\$145,727	\$138,313	(\$7,414)	(5.1%)	Adjusted to actual contracts
Employee Benefits	\$55,277	\$55,926	\$649	1.2%	Added HDV and adjusted to salaries above
Food and Supplies	\$205,000	\$185,000	(\$20,000)	(9.8%)	Adjusted based on current usage
Services/Op Expenses	\$6,700	\$6,700	0		
Transfer of Indirect	\$19,810	\$18,525	(\$1,285)	(6.5%)	Based on expenditures in Fund 13
Total Expenditures	\$432,514	\$404,464	(\$28,050)	(6.5%)	
Excess (deficiency) of Revenues over expenditures	(\$2,214)	(\$1,164)			
Ending Fund Balance	\$14,356	\$15,406			

Fund 14 – Deferred Maintenance

	2011-12 Operating Budget	2011-12 Projected Year Totals	Difference
Beginning Fund Balance	\$98,705	\$98,705	
Revenue	\$1,500	\$1,500	
Expenditures	0	0	
Excess (deficiency) of Revenues over expenditures	\$1,500	\$1,500	
Ending Fund Balance	\$100,205	\$100,205	
Committed-Deferred Maintenance projects	\$100,205	\$100,205	

Fund 25 – Capital Facilities Fund

	2011-12 Operating Budget	2011-12 Projected Year Totals	Difference
Beginning Fund Balance	\$550,942	\$550,942	
Revenue	\$225,450	\$225,450	YTD Actuals - \$27,223
Transfers In	\$335,025	\$335,025	
Expenditures			
Services/Other Op Exp	\$85,000	\$85,000	
Capital Outlay			
Other Outgo – debt service payment	\$475,475	\$475,475	
Total Expenditures	\$560,475	\$560,475	
Excess (deficiency) of Revenues over expenditures	0	0	
Ending Fund Balance	\$550,942	\$550,942	
Est. Cash with fiscal agent	\$476,205	\$477,239	

Fund 52 – Debt Service Fund

	2011-12 Operating Budget	2011-12 Projected Year Totals	Difference	Notes
Beginning Fund Balance	\$1,225,821	\$1,225,821		
Revenue	\$677,730	\$677,830	\$100	Adjusted for delinquent Mello Roos
Expenditures				
Other Outgo – debt service payment	\$520,088	\$520,088		
Transfers Out	\$368,125	\$368,125		
Excess (deficiency) of Revenues over expenditures	(\$210,483)	(\$210,383)		
Ending Fund Balance	\$1,015,338	\$1,015,438		
Est. Cash with fiscal agent	\$465,907	\$465,681		

Areas of concern

- State Budget
 - Legislative Analysts Office (LAO) estimates budget shortfall of \$3.7B for this year
 - Department of Finance's (DOF) revision improves on LAO's November estimate by \$1.5B
 - Governor Brown announced mid-year cuts on December 13th
 - Triggered less than \$1B in mid-year spending
 - Plan to eliminate support, \$248M for home-to-school transportation effective January 2012
 - Plan to cut revenue limit for K-12 by \$80M, which is about \$13-\$15 per student on average (0.25%) effective February 2012
 - LAO estimating \$13B shortfall in next year's budget
 - Governor Brown also announced that there would be another \$1B in cuts in the January budget for 2012-13:
 - Triggers dependent on passage of ballot measures
 - Assumptions continuously changing;
 - School Services of California dashboard – COLA for 2012-13 and 2013-14 planned, however may not happen
 - Cash deferrals
- Projections indicate deficit spending in 2011-12, 2012-13, 2013-14:
 - District has sufficient reserves to meet its current year and subsequent two year obligations;
- Lack of mitigation fees
 - COP debt service payment is an obligation of the General fund
 - Can we continue to use Fund 52 to fund a portion of the COP debt service payment?

Cash

- Deferrals continue to be a concern – we monitor cash closely every month and will continue to do so throughout the year;
- Current cash balance in county treasurer for the General Fund - \$1,864,119 (as of October 31, 2011).



Recommendation

Based on multi-year projections and current budget assumptions staff recommend the Board:

- Approve First Interim with a positive certification based on the current budget assumptions and the budget adjustments within;
- Approve the acceptance of and use of funds subject to flexibility as authorized by *Education Code Section 42605*;





Any questions?