



Plumas Lake Elementary School District

2017-18 Unaudited Actuals

September 13, 2018

Each student will reach his/her 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

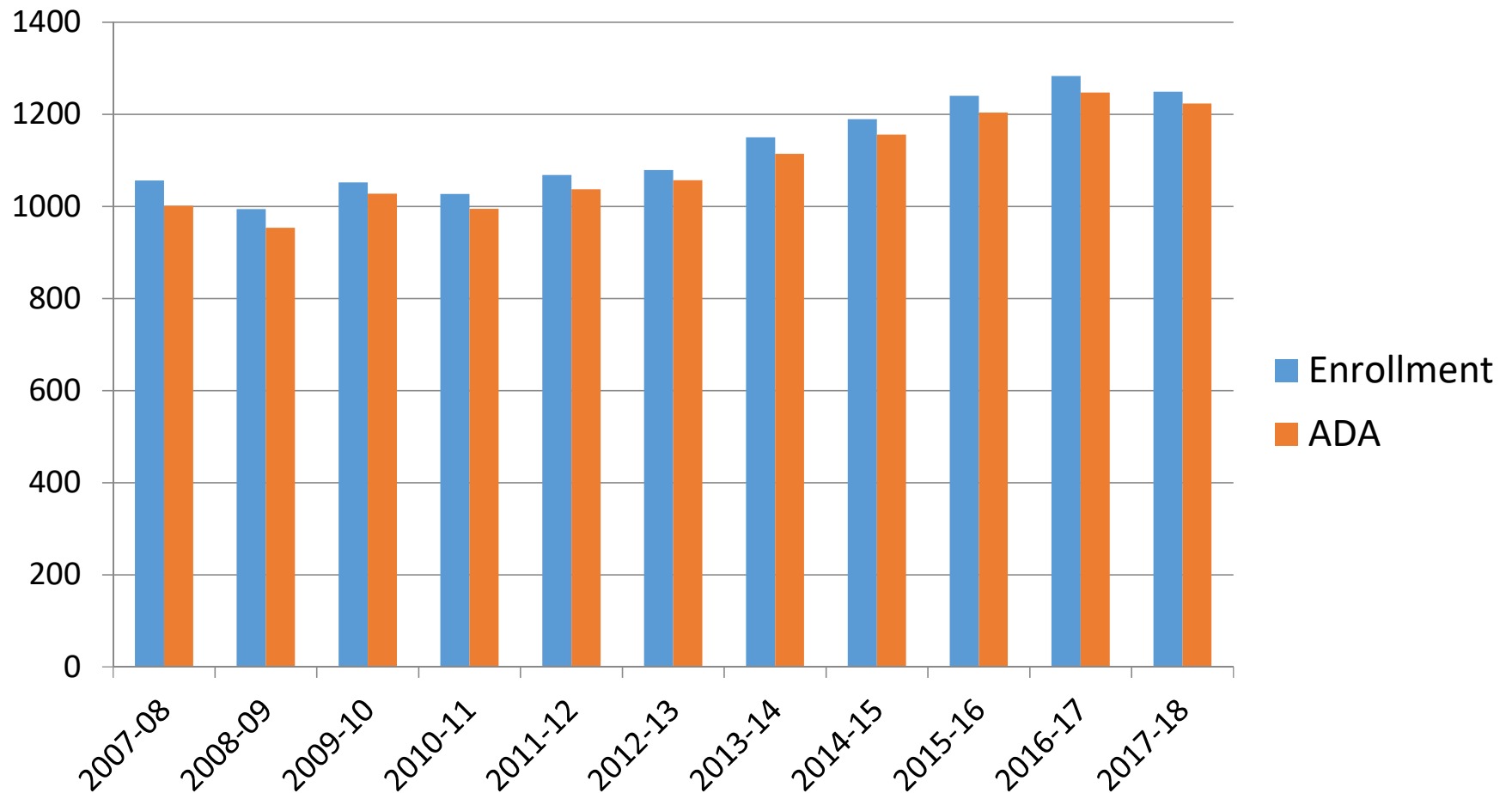
- Budget Timeline:
 - Governor released his 2017-18 Budget Proposal in January 2017
 - Governor released the May Revise in May 2017, which was based on updated revenue and expenditure data
 - Legislature met the constitutional deadline and passed the 2017-18 budget on June 15
- Assumptions used to develop the budget were based on the information in the May Revise
- Governor had until end of the month of June to either sign or veto the budget bill
 - We did not get budget details until late June 2017, which was after we passed the District's budget
- Districts are required to file two interim reports on the status of the LEAS's financial health during the year
 - This is an opportunity to make adjustments to the assumptions, revenue, and expenditures. Reports are due:
 - First Interim – Due December 15, 2017
 - Second Interim – Due March 15, 2018
- Annual financial reporting:
 - Budget Adoption – Due July 1, 2017
 - First Interim – Due December 15, 2017
 - Second Interim – Due March 15, 2018
 - ***Unaudited Actuals – Due September 15, 2018***

Historical Enrollment and Average Daily Attendance



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Enrollment	994	1052	1027	1068	1079	1150	1189	1240	1283	1249
Enrollment Change over Prior Year		5.84%	-2.38%	3.99%	1.03%	6.58%	3.39%	4.29%	3.47%	-2.65%
ADA	953.13	1027.14	994.54	1036.89	1056.68	1113.78	1155.80	1203.66	1247.22	1223
ADA Change over Prior Year		7.77%	-3.17%	4.26%	1.91%	5.4%	3.77%	4.14%	3.62%	-1.94%

Historical Enrollment and Average Daily Attendance



Budget Assumptions



	2017-18 Budget Development	2017-18 First Interim	2017-18 Second Interim	2017-18 Unaudited Actuals
Statutory COLA	1.56%	1.56%	1.56%	1.56%
Gap Funding	43.97%	43.19%	44.97%	43.97%
Estimated LCFF Entitlement per ADA	\$8,322	\$8,332	\$8,338	\$8,331
Enrollment (includes county)	1283	1249	1249	1249
Unduplicated Count (includes county)	474 46.94%	499 39.95%	499 39.95%	499 39.95%
Average Daily Attendance (ADA) includes Extended School Year and County Funded ADA	1246.46	1217.74 1244.38	1217.17 1244.03	1223.00 1244.93
Lottery Base	\$144	\$144	\$146	\$153
Lottery Prop 20	\$45	\$45	\$48	\$55
STRS	14.43%	14.43%	14.43%	14.43%
PERS	15.531%	15.531%	15.531%	15.531%

Budget Assumptions



	2017-18 Budget Development	2017-18 First Interim	2017-18 Second Interim	2017-18 Unaudited Actuals
Mandated Claims/Common Core/Discretionary One-Time Funds	\$0	\$182,215	\$182,215	\$182,215
Mandated Claims carryover		\$30,031	\$30,031	\$30,031
Educator Effectiveness carryover		\$36,322	\$36,322	\$36,322
Prop 39 CA Clean Energy Jobs Act		\$107,262	\$107,262	\$107,262

Proposition 55 approved by voters on November 8, 2016 extended the provisions of Prop 30 (approved November 6, 2012) for twelve years:

The Schools and Local Public Safety Protection Act of 2012 funding through the Education Protection Account (EPA):

Not additional funding, LCFF/State Aid is decreased by this amount

District received approximately \$1.9 million, which was used for certificated instructional salaries and benefits

Proposition 39 approved by voters on November 6, 2012 provided funding for the California Clean Energy Jobs Act

District completed the lighting and HVAC projects and 2016-17 and received the following funding

2013-14: \$106,252

2014-15: \$104,994

2015-16: \$105,371

2016-17: \$108,114

2017-18: \$107,262 - \$106,000 was used to reimburse Deferred Maintenance for lighting project



Recap of 2017-18



- **Rich Standards-Based Learning Environment**

- Art, Music, and PE specialists at the K-5 sites
- Continued enrichment programs at Middle School – Art, Band, Spanish and STEM
- After school Enrichment, Intervention and Homework Club
- Summer Enrichment Program Pilot
- Extended summer library hours
- Online Support – Front Row Math, Lexia, Ten Marks, and A-Z Learning
- Small class sizes

- **Professional Development**

- New teacher trainings
- Best Instructional Practices with Marilyn Bates
- Academic Writing, ELD, and Reading Comprehension trainings with Heidi Koski
- Conferences – Cue, ELA and Science

- **Specialized and Support Services**

- Behavior Specialist
- LVN
- Nurse
- Occupational Therapist
- School Psychologist
- Student Services Director

Health Clerk
Library Clerks
School Counselor
Character Education Curriculum



Recap of 2017-18 (continued)



- **Focus on 21st Century Skills**

- Continued to upgrade the IT infrastructure - additional wireless access points
- Continued to add/replenish Chromebooks, iPads, and Smart TV's for the classrooms
- Purchased new laptops for teachers

- **Facilities**

- Developers paid for 84 lots for new homes
- Fencing project at Riverside completed

- **Food Services**

- District received one-time grants:
 - USDA Equipment Grant – completed work on walk-in refrigerator and freezer units at the district office. Received \$60,000 in 2016-17.
 - Child Nutrition Breakfast startup grant – 2nd chance breakfast for K-5 schools

- **Investing in our staff**

- Two percent raise for all bargaining units effective February 2018

Budget Assumptions (continued)

Reserves

- Set aside six percent for economic uncertainty District standard is three percent
- Commit funds for one Certificate of Participation (COP) Debt Service Payment

Direct and Indirect Costs

- Categorical Programs 6.03 percent
- Cafeteria Fund 5.25 percent
- Fund 25 – 3 percent direct costs

LCFF Transfers

- Transfer one percent of total expenditures to Deferred Maintenance Fund (approved February 18, 2015)



Revenue Sources



Revenue Source	2017-18 Budget Development	2017-18 First Interim	2017-18 Second Interim	2017-18 Unaudited Actuals	Notes
LCFF Sources	\$10,382,367	\$10,367,821	\$10,374,077	\$10,372,343	Based on certified P2
LCFF Transfer to Deferred Maintenance	(\$120,284)	(\$123,245)	(\$122,663)	(\$117,848)	Based on actual expenditures
LCFF after transfer	\$10,262,083	\$10,244,576	\$10,251,414	\$10,254,495	
Federal Revenue	\$352,695	\$380,889	\$357,311	\$351,453	Decrease in Title I
Other State Revenue	\$466,668	\$693,465	\$693,659	\$1,061,209 ←	Increase due to STRS On-Behalf Revenue \$349K & Lottery
Other Local Revenue	\$681,540	\$728,411	\$724,824	\$791,143 ←	Increase in PG&E Energy Efficiency, bus fees, Enrichment fees, Facilities
Interfund Transfers In	\$18,000	\$18,000	\$18,000	\$14,020	CFD Admin Costs-from Fund 52
Total Revenue	\$11,780,986	\$12,065,341	\$12,045,208	\$12,472,320	

Expenditures



Description	2017-18 Budget Development	2017-18 First Interim	2017-18 Second Interim	2017-18 Unaudited Actuals	Notes
Certificated Staff	\$5,466,529	\$5,490,947	\$5,519,137	\$5,492,175	Savings in sub time
Classified Salaries	\$1,736,412	\$1,753,325	\$1,817,452	\$1,783,566	Savings in overtime and sub time
Employee Benefits	\$2,388,406	\$2,404,337	\$2,429,435	\$2,747,591 ←	Increase due to STRS on-behalf \$349K
Books and Supplies	\$384,020	\$620,434	\$599,942	\$555,013	Savings in supplies and non-capitalized equipment
Services/Op Expenses	\$1,299,435	\$1,326,690	\$1,276,748	\$1,216,053	Savings in PD & SPED contracted services, and communications
Capital Outlay	\$0	\$18,228	\$18,729	\$17,016	
Other Outgo	\$669,081	\$737,300	\$615,024	\$602,964	YCOE SPED program costs savings
Indirect	(\$26,696)	(\$27,112)	(\$29,170)	(\$30,494)	
Interfund Transfers Out	\$125,050	\$125,050	\$125,050	\$120,326	To Cafeteria Fund and Fund 14 (Prop 39)
Total Expenditures	\$12,042,237	\$12,449,199	\$12,372,347	\$12,504,210	

General Fund Activity and Reserves



Category	2017-18 Budget Development	2017-18 First Interim	2017-18 Second Interim	2017-18 Unaudited Actuals
Beginning Balance + Audit Adjustment = Adjusted Beginning Balance	\$2,919,773	\$3,236,332	\$3,236,332	\$3,236,333 + 42,536 = \$3,278,869
Revenue	\$11,780,986	\$12,065,341	\$12,045,208	\$12,472,320
Expenditures	\$12,042,237	\$12,449,199	\$12,372,347	\$12,504,210
Net Increase/Decrease	(\$261,251)	(\$383,858)	(\$327,139)	(\$31,890)
Total Assigned and Unassigned Ending Fund Balance	\$2,658,522	\$2,852,474	\$2,909,193	\$3,246,979
Reserved for Economic Uncertainty 6%	\$721,454	\$746,952	\$735,981	\$743,893
Revolving Cash	\$5,100	\$5,100	\$5,100	\$5,100
Restricted Funds and Prepays	\$85,141	\$124,610	\$114,417	\$152,515 \$41,379
Set Aside COP Debt Service Payment-Committed	\$411,713	\$411,713	\$405,413	\$420,712
Total Unassigned above the minimum reserve requirement	\$1,435,114	\$1,564,099	\$1,648,282	\$1,883,380

Reserves and Ending Fund Balance



- *Education Code* Section 421127(a)(2)(B) requires a statement of the reasons that substantiate the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainty:
 - Board took action on June 18, 2015 to increase the reserves for economic uncertainty to six percent
 - Standard is three percent for districts with ADA of 1001-30,000
 - Board took action on June 16, 2011 to commit funds in the General Fund reserves for one COP payment
 - District has upcoming expenditures as we continue to implement California State Standards , focus on 21st Century Skills and provide enrichment opportunities:
 - Adopt new curriculum for Next Generation Science Standards and History/Social Sciences
 - Refresh technology and continue to update infrastructure to meet current needs
 - Art and Music enrichment programs for K-5 students
 - District has established a Major Equipment Repairs/Replacement Fund within the General Fund and will be contributing \$50,000 in start-up funds and ½ percent of General Fund expenditures for the 2018-19 school year and subsequent years
 - District has established a stabilization fund
 - LCFF is now fully implemented
 - Future Cost of Living Adjustments (COLA) could be zero or minimal as was the case in the past few years;
 - Average COLA last five years has been 1.0 percent while salaries and benefits have increased an average of 8.4%
 - STRS and PERS Employer contributions continue to rise
 - State continues to warn of an upcoming recession
 - Six percent is insufficient to cover one month's operating expenditures (\$1.06M)



General Fund Activity and Reserves



Category	2017-18 Budget Development	2017-18 First Interim	2017-18 Second Interim	2017-18 Unaudited Actuals
Total Unassigned above the minimum reserve requirement	\$1,435,114	\$1,564,099	\$1,648,282	\$1,883,380
K-5 Art and Music Program	\$141,229	\$141,229	\$141,229	\$150,000
Technology Refresh Program	\$100,000	\$100,000	\$100,000	\$100,000
Curriculum Adoptions	\$118,000	\$118,000	\$118,000	\$118,000
Vehicle Replacement Plan	\$38,000	\$38,000	\$38,000	
Major Equipment Replacement Fund				\$50,000 (start-up) \$63,384 (18-19 contribution)
Stabilization Fund	\$1,037,885	\$1,166,870	\$1,251,053	\$1,401,996
Total Unassigned	\$0	\$0	\$0	\$0



Unaudited Actuals History



Fiscal year	Revenue	Expenditures	Net Increase (Decrease)
2006-07	\$7,673,857	\$7,629,833	\$44,024
2007-08	\$8,351,037	\$8,457,205	(\$106,167)
2008-09	\$8,286,587	\$7,479,047	\$807,540
2009-10	\$7,613,887	\$7,492,142	\$121,744
2010-11	\$7,909,122	\$7,540,982	\$368,140
2011-12	\$7,921,468	\$7,810,954	\$110,514
2012-13	\$8,047,271	\$8,268,008	(\$220,737)
2013-14	\$9,040,069	\$8,630,321	\$409,748
2014-15	\$9,643,780	\$9,901,311	(\$257,531)
2015-16	\$11,913,843	\$11,122,220	\$791,623
2016-17	\$12,407,064	\$12,990,309	(\$583,245)
2017-18	\$12,472,320	\$12,504,210	(\$31,890)

District's Other Funds

Fund	Beginning Balance	Revenue	Transfers In/(Out)	Expenditures	Net Increase (Decrease) in Fund Balance	Ending Balance
Fund 13 - Cafeteria	\$49,957	\$571,881	\$14,326	\$609,506	(\$23,299)	\$26,659
Contribution from General Fund: Bad debt-\$3,943. Bonus Meals - \$7,327, Reduced Price Breakfast - \$3,056.						
Fund 14 – Deferred Maintenance	\$345,512	\$2,714	\$223,848	\$54,170	(\$172,392)	\$517,905
HVAC-Riv; exterior painting – all sites; blacktop – Rio, Riv; carpet, plumbing fixtures – Rio; 7						
Fund 25 – Capital Facilities	\$307,750	\$741,505	\$76,000	\$604,509	\$212,996	\$520,745
Revenues include developer impact fees (84 homes). Expenditures include Certificates of Participation (COP) debt service payments. Transfer In of \$76K was done to process the September debt service payment.						
Fund 52 – Debt Service	\$1,229,500	\$742,863	(\$90,020)	\$357,006	\$295,837	\$1,525,336
Revenues include Mello Roos taxes and interest earnings. Expenditures include a transfer to Fund 01 for CFD Administrative costs - \$14,020 and to Fund 25; and debt services payments for CFD 1 and 2						

GANN Limit

- School agencies are required to perform the Gann Limit Calculation by the State Constitution
- Gann Limit is intended to constrain the growth in state and local government spending by linking year-to-year changes in expenditures to changes in inflation and average daily attendance (ADA).
 - Places annual limits on the appropriations of tax proceeds that can be made by the state, school districts, and local governments in California
- The state's software (SACS) calculates the limit:

Fiscal Year	Total appropriations subject to limit
2016-17 Actuals	\$10,072,406
2017-18 Actuals	\$10,310,325
2018-19 Budget	\$11,139,888

Debt Service Balances and Payments

Debt	Fund	Years Remaining July 1, 2017	Unaudited Balance July 1, 2017	2017-18	2018-19	2019-20	2020-21
COP 2012 (CFD Refi)	25	25	\$3,705,000	\$152,013	\$245,588	\$242,738	\$244,813
COP 2012 Refi (COP 2007 Refi)	25	20	\$5,810,000	\$411,713	\$405,413	\$408,963	\$412,213
CFD 1 Refi	52	18	\$3,687,000	\$273,675	\$273,406	\$271,969	\$275,288
CFD 2 Refi	52	18	\$1,097,000	\$83,331	\$80,738	\$79,163	\$82,494
CREB	01	17	\$2,194,000	\$150,411	\$152,780	\$155,966	\$158,936
Total			\$16,493,000	\$1,071,143	\$1,157,925	\$1,158,799	\$1,173,744

COP = Certificates of Participation
 CFD = Community Facilities District
 CREB = Clean Renewable Energy Bond

Summary



- General Fund has a net decrease of (\$31,890) in fund balance:
 - The District intentionally spent down one-time funds in the amount of \$66,353 for one-time expenditures
- The District has met the Minimum Classroom Compensation at 60.51 percent
- Cash at the county treasurer as of June 30, 2018 is \$3,687,215
- Auditors will review the financial data later this month
- Audit Report is due to the State Controller, State Superintendent of Public Instruction and the Yuba County Office of Education by December 15
- Audit Report is due to the Board in January
- Staff recommend approval of the 2017-18 Unaudited Actuals and resolution setting the Gann Limit appropriations

