



Plumas Lake Elementary School District

2016-17 Unaudited Actuals

September 14, 2017

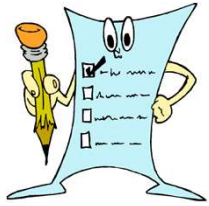
Each student will reach his/her fullest potential as we strive for District excellence through sound leadership, effective communication, accountability, and investment in our staff.



Financial Reporting Cycle

Budget development is a continuous process

- Budget Timeline:
 - Governor released his 2016-17 Budget Proposal in January
 - Governor released the May Revise in May, which was based on updated revenue and expenditure data
 - Legislature met the constitutional deadline and passed the 2016-17 budget on June 15
- Assumptions used to develop the budget are usually based on the information in the May Revise
- Governor has until end of the month to either sign or veto the budget bill
 - We did not get budget details until July 2016
- 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, 2016
 - Second Interim – Due March 15, 2017
- Annual financial reporting:
 - Budget Adoption – Due July 1, 2016
 - First Interim – Due December 15, 2016
 - Second Interim – Due March 15, 2017
 - **Unaudited Actuals – Due September 15, 2017**



Budget Assumptions



	2016-17 Budget Development	2016-17 First Interim	2016-17 Second Interim	2016-17 Estimated Actuals	2016-17 Unaudited Actuals
Statutory COLA	0.0%	0.0%	0.0%	0%	0%
Gap Funding	54.84%	54.18%	55.28%	55.03%	56.08%
Estimated LCFF Entitlement per ADA	\$8,153	\$8,136	\$8,128	\$8,124	\$8,130
Enrollment (includes county)	1240	1278	1283	1283	1283
Unduplicated Count (includes county) Three year average	528 42.58%	475 37.17%	474 36.94%	474 36.94%	480 37.41%
Average Daily Attendance (ADA) includes Extended School Year (ESY) and County	1209.48	1209.48	1238.20	1246.46	1247.22
Lottery Base	\$140	\$140	\$140	\$141	\$141
Lottery Prop 20	\$41	\$41	\$41	\$40	\$40
STRS	12.58%	12.58%	12.58%	12.58%	12.58%
PERS	13.888%	13.888%	13.888%	13.888%	13.888%
Mandated Claims/Common Core/Discretionary Funds	\$286,533	\$286,533	\$258,246	\$258,246	\$258,246

Historical Enrollment and Average Daily Attendance

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Enrollment	994	1052	1027	1068	1079	1150	1189	1240	1283
ADA	953.13	1027.14	994.54	1036.89	1056.68	1113.78	1155.80	1203.66	1247.22



Recap of 2016-17



- **Rich Standards-Based Learning Environment**
 - Adopted and purchased Math and English Language Arts curriculum
 - Hired two FTE for Art and Music at the K-5 sites and purchased musical instruments for the Music program
 - Hired full-time PE teachers at the K-5 sites
 - Continued enrichment programs at Middle School – Art, Band, Spanish and STEM
 - After school intervention and homework club
 - Online Support – Lexia, Ten Marks, and A-Z Learning
 - Small class sizes
- **Professional Development**
 - New curriculum trainings – Amplify, Big Ideas, Bridges, and Wonders
 - Best Instructional Practices with Marilyn Bates
 - Academic Writing, ELD, and Reading Comprehension trainings with Heidi Koski
 - Project Based Learning Training
 - Conferences – Cue, STEM, National Science Teachers Association, and Reading
- **Specialized and Support Services**
 - Behavior Specialist
 - LVN
 - Nurse
 - Occupational Therapist
 - School Counselor
 - School Psychologist
 - Student Services Director
 - Health Clerk
 - Library Clerks
 - Academic Coaches



Recap of 2016-17 (cont.)



- **Focus on 21st Century Skills**
 - Implemented Project Based Learning (PBL)
 - Innovative Grants
 - Continue to upgrade the IT infrastructure - additional wireless access points
 - Continued to add/replenish Chromebooks, iPads, and Smart TV's for the classrooms
 - New phone system
- **Facilities**
 - Completed interior lighting project
 - Completed solar project
 - Developers paid for 49 lots for new homes
 - Purchased a maintenance truck
 - Restructured conference room to provide adequate space trainings and board meetings
- **Food Services**
 - District received one-time grants
 - Team Nutrition Smarter Lunchroom Movement of California Grant - \$13,600 used to enhance the cafeteria environment and provide professional development
 - USDA Equipment Grant - \$60,000 used to install walk-in refrigerator and freezer units at the District office
- **Investing in our staff**
 - Restructured certificated salary schedule - equivalent to three percent raise
 - Three percent raise for other bargaining units



Recap of 2016-17 (cont.)

- Proposition 30 approved by voters on November 6, 2012 provided:
 - 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
 - Funded through 2018-19 (Proposition 55, November 2016 extended this twelve years)
 - District received \$1.82 million and used the funds for certificated instructional salaries and benefits
- Proposition 39 approved by voters on November 6, 2012 provided:
 - California Clean Energy Jobs Act
 - Funding for clean energy projects – funded for five years
 - District received the following:
 - 2013-14: \$106,252
 - 2014-15: \$104,994
 - 2015-16: \$105,371
 - 2016-17: \$108,114
 - District used funds in reserves and received rebates for the lighting project
 - Lighting project from unrestricted funds - \$226,457
 - PG&E rebate - \$234,914





Recap of 2016-17 (cont.)

- District used one-time funding for the following:
 - Educator Effectiveness – Professional Development (CUE, PBL, Math and ELA curriculum, Reading, Academic Writing) for teachers \$33,005
 - Mandated Claims Reimbursements/Discretionary Funds – Math and ELA Adoptions, Common Core materials and trainings, Technology, Project Based Learning Grants, Innovation Grants, Phone System- \$324,564
 - Proposition 39 California Clean Energy Jobs Act – Lighting project - \$86,405
 - Unrestricted funds
 - Project Based Learning stipends - \$52,134
 - SPED agreement - \$12,333
 - Solar project inspection fees - \$23,398
 - Maintenance Truck - \$35,396



Budget Assumptions (continued)

Reserves

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

Direct and Indirect Costs

- Categorical Programs 6.11 percent
- Cafeteria Fund 4.92 percent
- Fund 25 – 3% direct costs

LCFF Transfers

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



Revenue Sources



Revenue Source	2016-17 Budget Development	2016-17 First Interim	2016-17 Second Interim	2016-17 Estimated Actuals	2016-17 Unaudited Actuals	Notes
LCFF Sources	\$9,861,472	\$9,840,649	\$10,065,095	\$10,140,880	\$10,140,879	
LCFF Transfer to Deferred Maintenance	(\$119,293)	(\$119,293)	(\$119,293)	(\$119,293)	(\$125,682)	Based on actual expenditures
LCFF after transfer	\$9,742,179	\$9,721,356	\$9,945,802	\$10,021,587	\$10,015,197	
Federal Revenue	\$368,257	\$367,380	\$430,623	\$438,531	\$410,866	NSLP Equipment Grant not completed and Impact Aid lower
Other State Revenue	\$718,204	\$730,839	\$714,053	\$714,053	\$1,035,468	STRS on-behalf & Lottery
Other Local Revenue	\$593,371	\$828,228	\$867,728	\$896,662	\$931,543	Erate discounts
Interfund Transfers In	\$18,000	\$18,000	\$18,000	\$18,000	\$13,989	Transfer from Fund 52-7CFD Admin Costs
Total Revenue	\$11,440,011	\$11,665,803	\$11,976,206	\$12,088,833	\$12,407,063	

Expenditures



Description	2016-17 Budget Development	2016-17 First Interim	2016-17 Second Interim	2016-17 Estimated Actuals	2016-17 Unaudited Actuals	Notes
Certificated Staff	\$5,393,422	\$5,509,814	\$5,468,102	\$5,457,005	\$5,421,044	Vacancies and extra time
Classified Salaries	\$1,615,313	\$1,692,655	\$1,697,958	\$1,707,103	\$1,680,974	Extra time, sub time
Employee Benefits	\$2,260,671	\$2,261,074	\$2,248,984	\$2,237,564	\$2,491,325	STRS on behalf and due to salary savings
Books and Supplies	\$800,810	\$812,174	\$1,060,499	\$848,200	\$890,059	ELA Adoption (books vs online subscriptions)
Services/Op Expenses	\$1,387,322	\$1,566,060	\$1,593,629	\$1,721,226	\$1,512,045	SPED services and ELA Adoption
Capital Outlay	\$203,780	\$439,417	\$503,240	\$538,636	\$517,653	Purchased Maintenance Truck; Equipment grant not complete
Other Outgo	\$292,270	\$281,662	\$331,507	\$482,569	\$477,283	County Transfer LCFF County SPED costs
Indirect	(\$24,242)	(\$23,830)	(\$24,227)	(\$24,215)	(\$24,454)	Fund 13 Indirect
Interfund Transfers Out	\$41,616	\$11,050	\$11,050	\$20,550	\$24,380	Bad debt - \$14K Bonus Meals - \$7K Breakfast - \$3K
Total Expenditures	\$11,970,962	\$12,550,076	\$12,890,742	\$12,988,638	\$12,990,309	

General Fund Activity and Reserves



Category	2016-17 Budget Development	2016-17 First Interim	2016-17 Second Interim	2016-17 Estimated Actuals	2016-17 Unaudited Actuals
Beginning Balance	\$3,523,790	\$3,819,578	\$3,819,578	\$3,819,578	\$3,819,578
Revenue	\$11,440,011	\$11,665,803	\$11,976,206	\$12,088,833	\$12,407,063
Expenditures	\$11,970,962	\$12,550,076	\$12,890,742	\$12,988,638	\$12,990,309
Net Increase/Decrease	(\$530,951)	(\$884,273)	(\$914,536)	(\$899,805)	(\$583,245)
Total Assigned and Unassigned Ending Fund Balance	\$2,992,839	\$2,935,305	\$2,905,042	\$2,919,773	\$3,236,333
Reserved for Economic Uncertainty 6%	\$718,258	\$751,925	\$773,445	\$778,238	\$761,222
Revolving Cash	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
Restricted Funds and Prepays	\$73,041	\$88,947	\$39,513	\$97,624	\$144,839
Set Aside COP Debt Service Payment-Committed	\$407,863	\$407,863	\$411,713	\$411,713	\$411,713
Total Unassigned above the minimum reserve requirement	\$1,788,577	\$1,681,470	\$1,675,271	\$1,627,098	\$1,913,459

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
 - Vehicle Replacement Plan
 - District has set aside funds for a vehicle replacement plan
 - District has established a stabilization fund
 - LCFF growth will slow down in future years
 - Future Cost of Living Adjustments (COLA) could be minimal as is the case in 2016-17
 - State continues to warn of an upcoming recession
 - Six percent is insufficient to cover one month's operating expenditures (\$1.08M)



General Fund Activity and Reserves



Category	2016-17 Budget Development	2016-17 First Interim	2016-17 Second Interim	2016-17 Estimated Actuals	2016-17 Unaudited Actuals
Total Unassigned above the minimum reserve requirement	\$1,788,577	\$1,681,470	\$1,675,271	\$1,627,098	\$1,913,459
K-5 Art and Music Program	\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Technology Refresh Program	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Curriculum Adoptions	\$350,000	\$350,000	\$350,000	\$118,000	\$118,000
Mandated Claims One-Time Funds	\$146,724				
Vehicle Replacement Plan		\$38,000	\$38,000	\$38,000	\$38,000
Stabilization Fund	\$916,853	\$918,470	\$912,271	\$1,096,098	\$1,382,459
Total Unassigned	\$0	\$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)

District's Other Funds

Fund	Beginning Balance	Revenue	Transfers In	Expenditures	Net Increase (Decrease) in Fund Balance	Ending Balance
Fund 13 - Cafeteria	\$58,025	\$489,049	\$24,380	\$521,496	(\$8,067)	\$49,958
Contribution from General Fund: Bad debt-\$14,388. Bonus Meals - \$6,814, Reduced Price Breakfast - \$3,178. Expenditures include about \$9,200 of repairs to the District kitchen.						
Fund 14 – Deferred Maintenance	\$348,790	\$1,839	\$125,682	\$130,799	(\$3,278)	\$345,512
Transfer from Fund 01 based on expenditures. Expenditures include \$106,000 paid to complete lighting project, which will be reimbursed once District receives 2017-18 allocation of Prop 39 funds.						
Fund 25 – Capital Facilities	\$303,138	\$597,501		\$592,890	\$4,611	\$307,750
Revenues include developer impact fees (49 homes). Expenditures include Certificates of Participation (COP) debt service payments						
Fund 40 –Special Reserve for Capital Projects	\$0	\$2,197,591		\$2,197,591	\$0	\$0
Clean Renewable Energy Bond – used to fund Solar Project. Debt service payments paid out of Fund 01						
Fund 52 – Debt Service	\$872,482	\$725,632		\$368,614	\$357,018	\$1,229,500
Revenues include Mello Roos taxes and interest earnings. Expenditures include a transfer to Fund 01 for CFD Administrative costs - \$13,989 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
2015-16 Actuals	\$9,458,434
2016-17 Actuals	\$10,072,406
2017-18 Budget	\$10,650,141

Debt Service Balances and Payments

Debt	Fund	Years Remaining	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	\$2,237,880	\$150,411	\$152,780	\$155,966	\$158,936
Total			\$16,536,880	\$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 (\$583,418)
 - The District intentionally spent down one-time funds in the amount of \$567,235 for one-time expenditures
- Cash at the county treasurer as of June 30, 2017 is \$3,794,136
- Auditors will review the financial data in October 2017
- Audit Report is due to the Board in January
- Staff recommend approval of the 2016-17 Unaudited Actuals and resolution setting the Gann Limit appropriations

