



Plumas Lake Elementary School District

2018-19 Unaudited Actuals

September 12, 2019

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

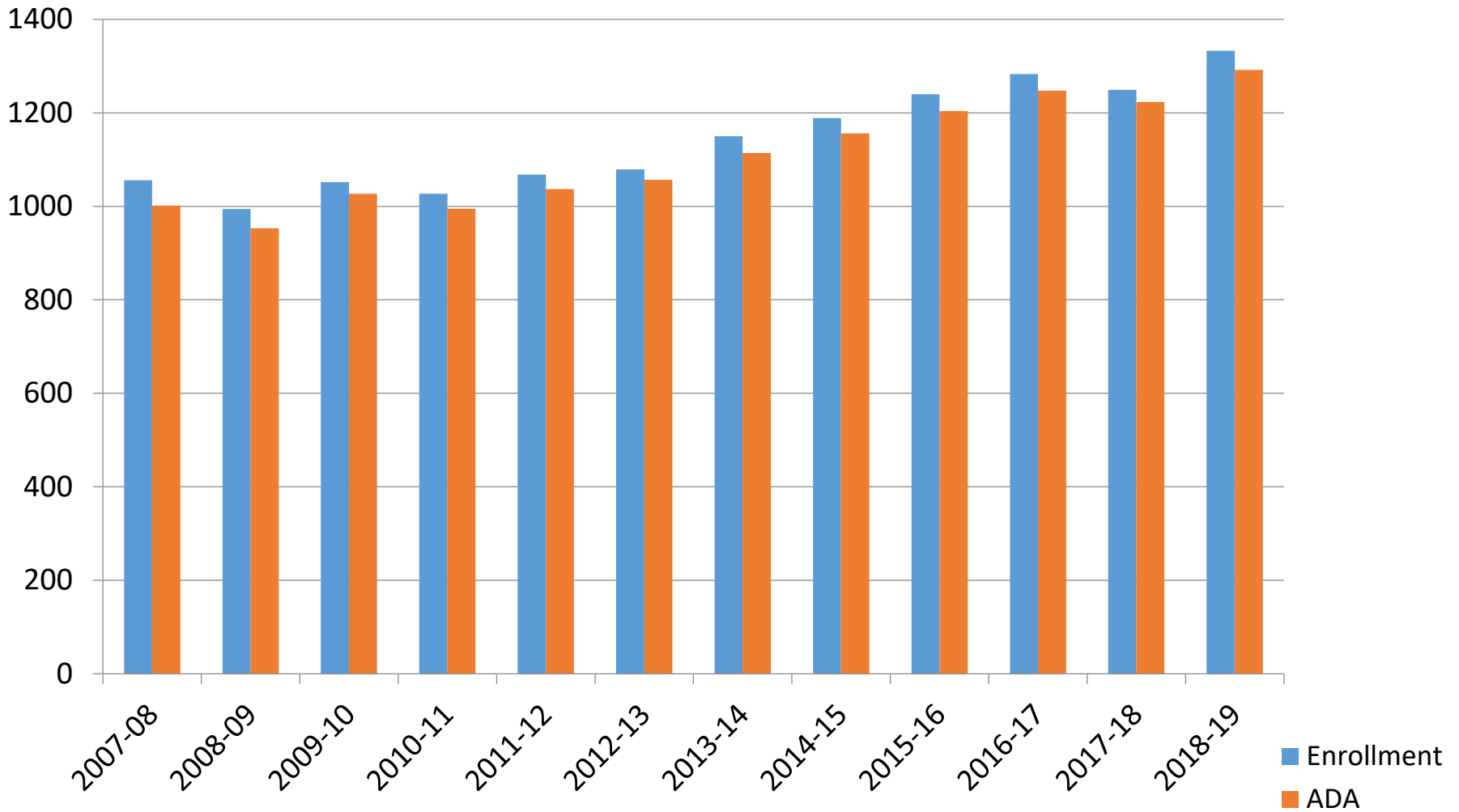
- Budget Timeline:
 - Governor released his 2018-19 Budget Proposal in January 2018
 - Governor released the May Revise in May 2018, which was based on updated revenue and expenditure data
 - Legislature met the constitutional deadline and passed the 2018-19 budget on June 15
- Assumptions used to develop 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 2018, 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, 2018
 - Second Interim – Due March 15, 2019
- Annual financial reporting:
 - Budget Adoption – Due July 1, 2018
 - First Interim – Due December 15, 2018
 - Second Interim – Due March 15, 2019
 - ***Unaudited Actuals – Due September 15, 2019***

Historical Enrollment and Average Daily Attendance



	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
Enrollment	1052	1027	1068	1079	1150	1189	1240	1283	1249	1333
Enrollment Change over Prior Year	5.84%	-2.38%	3.99%	1.03%	6.58%	3.39%	4.29%	3.47%	-2.65%	6.7%
ADA	1027.14	994.54	1036.89	1056.68	1113.78	1155.80	1203.66	1247.22	1223	1291.97
ADA Change over Prior Year	7.77%	-3.17%	4.26%	1.91%	5.4%	3.77%	4.14%	3.62%	-1.94%	5.6%

Historical Enrollment and Average Daily Attendance



Budget Assumptions



	2018-19 Budget Development	2018-19 First Interim	2018-19 Second Interim	2018-19 Unaudited Actuals
Statutory COLA	2.71% 3.00% (LCFF Only)	2.71% 3.70% (LCFF Only)	2.71% 3.70% (LCFF Only)	2.71% 3.70% (LCFF Only)
Estimated LCFF Entitlement per ADA	\$8,821	\$8,876	\$8,868	\$8,606
Enrollment (includes county)	1,249	1,332	1332	1333
Unduplicated Count (includes county)	499 39.95%	515 38.66%	515 38.66%	516 38.71%
Average Daily Attendance (ADA) includes Extended School Year and County Funded ADA	1215.10 K-8 + 7.90 County = 1223.00	1260.00 K-8 + 7.90 County = 1267.90	1270.00 K-8 + 8.20 ESY + 7.90 County = 1286.10	1274.2 K-8 + 8.20 ESY + 9.57 County = 1291.97
Lottery Base	\$146	\$151	\$151	\$163.73
Lottery Prop 20	\$48	\$53	\$53	\$65.91
STRS	16.28%	16.28%	16.28%	16.28%
PERS	18.062%	18.062%	18.062%	18.062%

Budget Assumptions



	2018-19 Budget Development	2018-19 First Interim	2018-19 Second Interim	2018-19 Unaudited Actuals
Mandated Claims/Common Core/Discretionary One-Time Funds	\$420,712 (\$345 per ADA)	\$225,332 (\$185 per ADA)	\$225,332 (\$185 per ADA)	\$223,806 (\$184 per 2017-18 P2 ADA)
Mandated Claims carryover	\$73,466	\$73,466	\$73,466	\$73,466
Low-Performing Students Block Grant				\$181,820 (carry-over into 19-20)

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 \$2.3 million for 2018-19
- Funding is used for certificated instructional salaries and benefits





Budget Assumptions (continued)

Reserves

- Set aside six percent for economic uncertainty (approved June 18, 2015)
 - District standard is three percent
- Commit funds for one Certificate of Participation (COP) Debt Service Payment (approved June 16, 2011)

Direct and Indirect Costs

- Categorical Programs 7.33 percent
- Cafeteria Fund 5.41 percent
- Fund 25 – 3 percent direct costs

LCFF Transfers

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

On-Behalf Contributions



- Governmental Accounting Standards Board (GASB) statements No. 68 and subsequent GASB No. 85 amended the reporting requirements for governmental pension plans:
 - Local educational agencies (LEAs) are required to record the state's contribution to the California State Teachers' Retirement System (CalSTRS)
- Governor Newsom signed Senate Bill (SB 90) into law, which appropriated \$2.246B to CalSTRS and \$904M to California Public Employees' Retirement System (CalPERS):
 - Appropriations are for the 2018-19 fiscal year and are on behalf of LEAs with the intent to reduce future year employer contributions
 - District's CalPERS On-Behalf Contribution: \$124,481
 - District's CalSTRS On-Behalf Contribution: \$524,811



Recap of 2018-19



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 Year 2
- Extended Summer Library hours
- Online Support – A-Z Learning, Lexia, Matific, and Ten Marks
- Small class sizes
- Saturday Enrichment classes

Professional Development

- Academic Writing, ELD, and Reading Comprehension trainings with Heidi Koski
- Best Instructional Practices with Marilyn Bates
- Illuminate Training
- New teacher trainings for Year 1 and Year 2 teachers
- Math trainings with SCOE
- Pro-Act Training for SPED staff
- Restorative Practices
- Trauma-Informed Practices



Recap of 2018-19



Technology

- Continued to add/replenish Chromebooks, iPads, and Smart TV's for the classrooms

Specialized and Support Services

- Behavior Specialist
- LVN
- Nurse
- Occupational Therapist
- School Psychologist

Health Clerk
Library Clerks
School Counselors
Student Services Director
Character Ed Curriculum



Investing in our staff

- Two-percent raise for Certificated, Admin/Management/Confidential bargaining units with a retro to July 2018
- Two-percent stipend in 2018-19 for classified staff not participating in the Classified Employees Summer Assistance Program





Revenue Sources



Revenue Source	2018-19 Budget Development	2018-19 First Interim	2018-19 Second Interim	2018-19 Unaudited Actuals	Notes
LCFF Sources	\$10,662,472	\$11,126,288	\$11,275,592	\$11,341,405	+\$66K-Based on certified P2
Federal Revenue	\$358,144	\$383,170	\$384,408	\$421,711	+\$37K-Increase in SPED and MAA funding
Other State Revenue	\$787,952	\$642,918	\$830,678	\$1,495,182 ←	+\$665K- Increase due to STRS & PERS On-Behalf Revenue \$638K, SPED Mental Health & Lottery
Other Local Revenue	\$689,106	\$614,977	\$735,448	\$834,241	+\$99K-Increase in E-Rate discounts, Interest, and SPED entitlement
Interfund Transfers In	\$17,500	\$17,500	\$20,162	\$12,662	(\$13K) CFD Admin Costs-from Fund 52
Total Revenue	\$12,515,174	\$12,784,853	\$13,246,288	\$14,105,200	+\$854K overall increase in revenue; \$638K due to PERS/STRS on-behalf

Expenditures



Description	2018-19 Budget Development	2018-19 First Interim	2018-19 Second Interim	2018-19 Unaudited Actuals	Notes
Certificated Staff	\$5,771,918	\$5,833,062	\$5,839,706	\$5,959,414	+\$120K Two percent increase and sub time
Classified Salaries	\$1,850,823	\$1,838,229	\$1,851,847	\$1,854,415	+\$2.6K Two percent increase
Employee Benefits	\$2,625,959	\$2,691,902	\$2,695,150	\$3,337,597 ←	+\$642K PERS & STRS on-behalf \$638K
Books and Supplies	\$433,822	\$462,434	\$472,565	\$538,057	\$65K Adjusted at Estimated Actuals to purchase Chromebooks
Services/Op Expenses	\$1,242,236	\$1,304,927	\$1,416,628	\$1,219,851	(\$197K) Savings in PG&E Energy Grant, Staff Development & Operations
Capital Outlay	\$0	\$27,524	\$58,385	\$58,384	FMOT Truck & SPED van
Other Outgo	\$647,160	\$647,003	\$660,186	\$594,845	(\$65K) YCOE SPED program costs savings
Transfers Out	\$11,500	\$3,500	\$3,500	\$39,880	+\$36K Contribution to Cafeteria Fund
Total Expenditures	\$12,583,418	\$12,808,581	\$12,997,967	\$13,602,442	\$604K overall increase in expenditures

General Fund Activity and Reserves



Category	2018-19 Budget Development	2018-19 First Interim	2018 -19 Second Interim	2018-19 Unaudited Actuals
Beginning Balance	\$2,908,139	\$3,246,977	\$3,246,977	\$3,246,977
Revenue	\$12,515,174	\$12,784,853	\$13,246,288	\$14,105,200
Expenditures	\$12,583,418	\$12,808,581	\$12,997,967	\$13,602,442
Net Increase/Decrease	(\$68,244)	(\$23,728)	\$248,321	\$502,758 <i>\$217,756-Unrestricted</i> <i>\$285,002-Restricted</i>
Total Assigned and Unassigned Ending Fund Balance	\$2,839,895	\$3,223,249	\$3,495,298	\$3,749,737
Reserved for Economic Uncertainty 6%	\$754,315	\$768,515	\$779,866	\$777,163
Revolving Cash	\$5,100	\$5,100	\$5,100	\$5,100
Restricted Funds and Pre-paids	\$96,636 \$41,379	\$220,315 \$32,842	\$380,625 \$46,347	\$437,517 \$47,455
Set Aside COP Debt Service Payment-Committed	\$405,413	\$405,413	\$408,963	\$408,963
Total Unassigned above the minimum reserve requirement	\$1,537,052	\$1,791,064	\$1,874,397	\$2,073,539

Reserves and Ending Fund Balance



- *Education Code* Section 42127(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 established a Major Equipment Repairs/Replacement Fund within the General Fund and contributed \$50,000 in start-up funds and ½ percent of General Fund expenditures for the 2018-19 school year
 - 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 1.29 percent while salaries and benefits have increased an average of 8.5%
 - 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 (\$1.13M)



General Fund Activity and Reserves



Category	2018-19 Budget Development	2018-19 First Interim	2018-19 Second Interim	2018-19 Unaudited Actuals
Total Unassigned above the minimum reserve requirement	\$1,537,052	\$1,791,064	\$1,874,397	\$2,073,539
K-5 Art and Music Program	\$150,000	\$150,000	\$150,000	\$160,000
Technology Refresh Program	\$100,000	\$100,000	\$100,000	\$100,000
Curriculum Adoptions		\$300,000	\$300,000	\$300,000
One-time contribution to Major Repairs/Equipment Replacements	\$50,000			
Ongoing Contribution to Major repairs/equipment replacements	\$62,860			
Set aside to match State Mandated Claims one-time funding	\$420,712			
Stabilization Fund	\$753,480	\$1,241,064	\$1,324,397	\$1,513,539
Total Unassigned	\$0	\$0	\$0	\$0



Solar Project Savings



	2015-16	2016-17	2017-18	2018-19
PG&E Payments	\$237,830	\$230,251	\$55,331	\$50,720
CREB Interest	\$0	\$35,109	\$72,411	\$69,780
CREB Principal	\$0	\$0	\$78,000	\$83,000
IRS Reimbursement-Interest	\$0	(\$26,797)	(\$55,356)	(\$53,545)
Net Cost of CREB	\$0	\$8,312	\$95,055	\$99,235
Total Energy Costs for Electricity (PG&E + CREB payments)	\$237,830	\$238,563	\$150,386	\$149,955
Savings			(36.96%)	





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)
2018-19	\$14,105,200	\$13,603,681	\$501,519

Fund 13 – Summary of Unaudited Actuals

	2015-16	2016-17	2017-18	2018-19
Beginning Fund Balance	\$39,198	\$58,025	\$49,957	\$26,659
Total Revenue	\$518,359	\$489,049	\$571,881	\$578,387
Total Expenditures	\$508,804	\$521,496	\$609,506	\$644,355
Excess/(Deficiency) of Revenues over Expenditures	\$9,555	(\$32,447)	(\$37,625)	(\$65,968)
Transfer In (From Fund 01)	\$9,271	\$24,380	\$14,326	\$39,880
Bonus Meals	\$5,480	\$6,814	\$7,327	
Reduced Price Breakfast	\$3,791	\$3,178	\$3,056	\$2,835
Uncollectable Debt		\$14,388	\$3,943	\$4,442
Contribution for deficit				\$32,507
Net Increase/(Decrease) in Fund Balance	\$18,826	(\$8,067)	(\$23,299)	(\$26,088)
Ending Fund Balance	\$58,025	\$49,957	\$26,659	\$571



Fund 14 – Summary of Unaudited Actuals



	2015-16	2016-17	2017-18	2018-19
Beginning Fund Balance	\$285,540	\$348,790	\$345,512	\$517,905
Revenue				
Interest	\$1,903	\$1,839	\$2,714	\$7,974
LCFF Transfer from General Fund	\$108,341	\$125,682	\$117,848	\$129,254
Total Revenue	\$110,244	\$127,521	\$120,562	\$137,228
Total Expenditures	\$47,994	\$130,799	\$54,170	\$40,097
Transfer In (From Fund 01)			\$106,000	
Net Increase/(Decrease) in Fund Balance	\$62,250	(\$3,278)	\$172,392	\$97,130
Ending Fund Balance	\$348,790	\$345,512	\$517,905	\$615,035

2018-19 projects: HVAC-Riv; plumbing fixtures– All sites-Exterior paint; All sites, as needed-carpets; Cobblestone-Blacktop repair

Fund 25 – Summary of Unaudited Actuals



	2015-16	2016-17	2017-18	2018-19
Beginning Fund Balance	\$186,829	\$303,138	\$307,750	\$520,745
Revenue				
Interest	\$1,319	\$2,441	\$3,004	\$11,164
Developer Fees	\$591,913	\$595,060	\$738,501	\$1,619,912
	70 lots	49 lots	84 lots	138 lots
Total Revenue	\$593,232	\$597,501	\$741,505	\$1,631,076
Expenditures				
Direct Costs – to Fund 01	\$17,757	\$17,852	\$18,629	\$48,597
Professional/Consulting	\$68,366	\$15,163	\$18,829	\$17,527
Debt Service – Interest	\$368,800	\$359,875	\$353,725	\$346,000
Debt Service-Principal	\$195,000	\$200,000	\$210,000	\$305,000
Total Expenditures	\$646,923	\$592,890	\$604,509	\$913,952
Transfer In (From Fund 52)	\$170,000		\$76,000	
Net Increase/(Decrease) in Fund Balance	\$116,309	\$4,611	\$212,996	\$913,952
Ending Fund Balance	\$303,138	\$307,750	\$520,745	\$1,434,698

Fund 52 – Summary of Unaudited Actuals

	2015-16	2016-17	2017-18	2018-19
Beginning Fund Balance	\$791,734	\$872,482	\$1,229,500	\$1,525,336
Revenue				
Mello Roos – CFD 1	\$517,399	\$529,363	\$533,944	\$552,864
Mello Roos – CFD 2	\$178,794	\$190,489	\$196,624	\$198,233
Interest	\$2,163	\$5,780	\$12,294	\$26,715
Total Revenue	\$698,356	\$725,632	\$742,863	\$777,812
Expenditures				
Debt Service – Interest	\$190,388	\$182,625	\$176,006	\$169,144
Debt Service-Principal	\$242,000	\$172,000	\$181,000	\$185,000
Transfer Out to Fund 01 and Fund 25	\$185,220	\$13,989	\$90,020	\$12,662
Total Expenditures	\$617,608	\$368,614	\$447,026	\$366,806
Net Increase/(Decrease) in Fund Balance	\$80,748	\$357,018	\$295,837	\$411,006
Ending Fund Balance	\$872,482	\$1,229,500	\$1,525,336	\$1,936,343

GANN Limit

- The District must establish a revised Gann Limit for the 2018-19 fiscal year and a projected Gann Limit for the 2019-20 fiscal year in accordance with the provisions of 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
2017-18 Actuals	\$10,310,325
2018-19 Actuals	\$11,422,736
2019-20 Budget	\$11,876,590

Debt Service Balances and Payments

Debt	Fund	Years Remaining June 30, 2019	Unaudited Balance June 30, 2019	2018-19	2019-20	2020-21	2021-22
COP 2012 (CFD Refi)	25	24.5	\$3,610,000	\$245,588	\$242,738	\$244,813	\$241,688
COP 2012 Refi (COP 2007 Refi)	25	18.5	\$5,390,000	\$405,413	\$408,963	\$412,213	\$410,238
CFD 1 Refi	52	16	\$3,406,000	\$273,406	\$271,969	\$275,288	\$273,363
CFD 2 Refi	52	16	\$1,012,000	\$80,738	\$79,163	\$82,494	\$82,494
CREB	01	15.5	\$2,033,000	\$152,780	\$155,966	\$158,936	\$161,723
Total			\$15,451,000	\$1,157,925	\$1,158,799	\$1,173,744	\$1,170,741

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

Summary



- General Fund has a net increase of \$502,758 in fund balance:
 - Excluding On-Behalf Contributions, revenue was \$221K higher than Second Interim budget:
 - The District received higher than expected funds in LCFF/State Aid, Lottery, Medi-Cal Administrative Activities (MAA), SPED entitlements
 - Excluding On-Behalf Contributions, expenditures came in \$33K less than Second Interim Budget:
 - Most of the savings were in PG&E Energy Grant, Staff Development & Operations budget
 - The District received categorical one-time funding that will be used in subsequent years:
 - Low-Performing Block Grant – \$181,820
- The District has met the Minimum Classroom Compensation at 60.37 percent
- Cash at the county treasurer as of June 30, 2019 is \$3,816,311
- 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 2018-19 Unaudited Actuals and resolution setting the Gann Limit appropriations



