

Dunsmuir Joint Union High School District 2014/2015 1st Interim Budget Report

December 2014

14/15 1st Interim
DJUHSD



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Recommendation

- It is recommended that the Board of Trustees approve the Positive Certification of the 2014/2015 First Interim Financial Report for the period July 1, 2014 through October 31, 2014 and authorize its filing with the County Superintendent of Schools

Consideration

- The Governing Board is required to certify in one of three ways:
 - 1. Positive Certification indicates that the District will be able to meet its financial obligations for the remainder of the fiscal year and two subsequent fiscal years.
 - 2. Qualified Certification indicates the District may be able to meet its financial obligations for the current year and two subsequent fiscal years.
 - 3. Negative Certification indicates the District will not be able to meet its financial obligations for the current year and two subsequent years.
- The Positive Certification recommendation of the First Interim Report for 2014-2015 indicates that the District will be able to meet its financial obligations for the remainder of the Fiscal Year and two subsequent years.
- The supporting documentation for this certification includes the Income and Expenditure Summary for the General Fund (Form 01I) and all other funds, Attendance Detail (Form AI), Revenue Limit Summary (Form RL), Criteria and Standards (Form 01CSI).

Background Information

- In accordance with Education Code Sections 42130 and 42131, school districts are required to prepare and submit two interim financial reports to the Governing Board. The purpose of these reports is to notify appropriate State and County Office of Education officials as to whether or not the District will be able to meet its financial obligations for the remainder of the current year and for two subsequent years. The Board of Trustees is required to certify each interim report to indicate that it has been informed of the financial stability of the District. The Statutes of 1988 also requires the Superintendent to certify that an Interim Report review has been conducted using the State adopted Criteria and Standards. As mandated by A.B. 1200, the District's First Interim reporting period is based upon activities from July 1 through October 31. The Second Interim reporting period is July 1 through January 31. The Board of Trustees is required to certify each interim report within 45 days after the end of the reporting period. After approval of the financial statements they are forwarded to the Superintendent of Public Instruction.

First Interim

- The First Interim Budget is far more accurate in projecting revenues and expenditures than the June 2014 adopted budget. The First Interim Budget reflects final state revenues, current district staffing costs, and expected expenditures in supplies, services, and operating costs. The Siskiyou County Office of Education has provided the district with the projected 2014-2015 revenue figures.

Criteria and Standards

- The Standards and Criteria portion of the budget documents, summarizes and compares district data to state established standards for fiscal analysis purposes.
- Those not meeting the standard have a required explanation.
- This report assists in making accurate assessments of the fiscal condition of the District.

Multi Year Projections

- An important part of the First Interim Report is the two-year projection of the general fund. Included in this two-year projection are expected revenues and expenditures and yearly ending balances. There are a number of assumptions that form the basis of this multiyear projection.
- The two subsequent years budgets are each based on the first prior year with careful adjustments to both revenue and expenditures.

LCAP

- **State Priorities**
 - Student Achievement
 - Student Engagement
 - School Climate
 - Parental Involvement
 - Basic Services
 - Implementation of Common Core State Standards
 - Course Access
 - Other Student Outcomes
- Public Forum 1/21/15 6:00 P.M.
- Develop LCAP Team

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LCFF Summary Supplemental & Concentration Grant and MPP

(LCFF pages 13-38)

	2014-15	2015-16	2016-17
Current Year Est. supp. And Concen. Grant funding in the LCAP year	\$31,831	\$19,859	\$15,786
Current year Min. Proportionality % (MPP)	2.22%	1.38%	1.09%

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Common Core

- Implementation
 - Board approved Revised Spending Plan
 - Revised to allow more expenditures in technology
 - \$17,484
 - Money from Reserves to supplement implementation

Education Protection Account

- Prop 30
- “Temporary” tax increases – Sales and income
 - May not be temporary
 - Bought out deficit
- Resource 1400
- \$151,944 designated
- NOT additional funds
- Spending Plan approved 6/27/13
 - Certificated Salary/Benefits

Other Factors

- MAA
- Mandated Cost Reimbursement
- Retirement Employer Contributions
- Prop 39 CA Clean Energy Act
- Specialized CDE Grant –Wildland Management and Fire Prevention
- Greenhouse Gas Reduction Fund Grant

Forest Reserve

- Restored for the 2013/2014 \$22,543
- 2014/2015 Budget \$20,289
- Future?

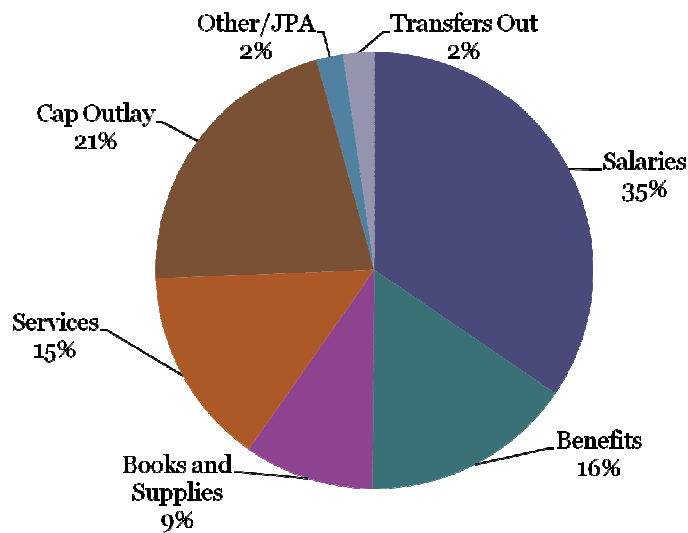
Assumptions (funded ADA) Chart pg 9

ADA Projections	2010/2011	2011/2012	2012/13	2013/14	2014/15	2015/16	2016/17
Regular K-12	89.79	77.07	77.07	62.16	62.16	56.99	51.20
Community Day School	2.05	.59	.59	.43	.43	.43	.43
Special Day Class	.87	1.32	0	.84	.84	.84	.84
Total Funded ADA	92.71	78.98	77.66	63.43	63.43	58.26	52.47

Assumptions

	2010/2011	2011/2012	2012/13		2013/14	2014/15	2015/16	2015/16
Rev. Limit State Cat. COLA	-0.39%	2.24%	3.24%	LCFF COLA	1.57%	.85%	2.10%	2.14%
Rev. Limit Deficit	17.963%	20.602%	22.272%	LCFF %	67.12%	67.12%	63.41%	57.84%
				Cap Funding Rate	12.00%	59.56%	20.68%	25.48%
Total Rev. Limit	\$927,000	\$948,348	\$825,783	Total LCFF	\$1,500,399	\$1,497,434	\$1,497,515	\$1,495,374
Rev. Limit Funding Block		8	7		6	6	6	6
Blocks	39 to 57	58 to 71	Revenue	Page				

Revenue vs Expenditures



Transfers out

From 01	To	2013/14	2014/15	2015/16	2016/17
	Fund 17	\$75,000	\$420,000	\$40,000	\$40,000
	Fund 13	\$5,770	\$16,671	\$16,772	\$18,276
	Fund 40	\$38,840	\$6,600	\$6,000	\$6,000
Will be adjusted at Second Interim for implementation of Resolution 13-14-12 i.e. Increased Def. Maint. contribution (\$20,000) and Fund 17 and Fund 40 contributions					

Net Increase/Decrease in Fund Balance

	14/15	15/16	16/17
Total Revenue	\$1,723,463.65	\$1,671,870.00	\$1,688,122.00
Total Expenditures	\$1,870,617.82	\$1,425,606.33	\$1,456,285.88
Net +/- other transfers	<\$147,154.17>	\$246,263.67	\$211,836.12

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Fund Balance

	14/15	15/16	16/17
Ending Fund Balance	\$165,712.92	\$411,976.59	\$623,812.71
* Econ Uncert.	\$93,531.00	\$71,280.32	\$72,814.29

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Reserves

	2013-14	2014-15	2015-16	2016-17
Café. Fund 13	\$14,829	\$16,000	\$16,000	\$16,000
Def. Maint. 14	\$251,492	\$165,192	\$172,018	\$178,878
Other Fund 17	\$648,469	\$671,769	\$695,128	\$718,604
Dev. Fees 25	\$13,830	\$13,880	\$13,949	\$14,019
Facilities 35	\$49	\$49	\$49	\$49
Cap. Outlay 46	\$646,069	\$646,069	\$649,299	\$652,546

Fund Interim will reflect Resolution 13-14-13 allocations/transfers

Budget vs. First Interim (Resolution)

- Budgeted carry-overs
- Updated revenues
- Reduced expenditures/Increase expenditures where needed
 - Bus Cameras
 - Tablets, Carts, Sink
 - Common Core Spending Plan Revisions
- Recoded to appropriate string

Standards and

Criteria Pages 1-3 Criterion and responses - Pages 127-152

- Met and Not Mets
 - “Not Met” and “Yes” may indicate areas of potential concern, and should be reviewed.
 - Criteria and Standards are a window/norm
 - Good or bad
 - ie. “Not Met” may indicate an increase of revenue that was not budgeted for

Average Daily Attendance/Enrollment/ ADA to Enrollment

- The projected changes since budget adoption for funded ADA has changed because the enrollment projections, which drive the ADA for the out years are lower than projected at budget time
- CBEDS enrollment is a snap shot of one day in October each year, where budget is typically based on end of year, fluctuations between points in time distort the ratio projections

Salary and Benefits

- The projected ratio of unrestricted salary and benefit costs to total unrestricted expenditures is outside the ratio because of a planned capital project for gym and locker room heating and ventilation system

Other Revenue and Expenditures

- Increase from budget to first interim is due to deferred revenue
- The variances in the state revenue are a result of the fluctuation in the enrollment projections increasing lottery revenue in the subsequent year, As well as some other state revenue which was not budgeted for in current year including mandated cost reimbursement

Other Revenue and Expenditures

- Variances are due to one-time-only expenditures for Common Core implementation and other non capital purchases. The out years are reduced to follow the revenues from the lottery accounts
- Variances are due to additional expenditures for services in the current year and then reduced in the out years as the expenditures are one-time-only

Deficit Spending

- The Unrestricted deficit spending has exceeded the standard percentage because the district has had increased expenditures such as the capital project for the gym and locker room heating and ventilation system

Supplemental Information Additional Fiscal Indicators

- Compensated Absences
- All groups are settled for 13/14, 14/15, 15/16
- Not settled for 16/17 (3rd year of multi-Year Projections)
- Budget projections include an estimated 1.5 % step and column only
- Pool Plan (cost sharing agreement) in effect for benefits
- No District paid retiree benefits

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Winter sunset, Alaska

