

Indian Diggings Elementary School District



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2016-17 Budget

August 12, 2016

Budget Timeline

❏ Legally required to adopt a budget by Sept 9 2016

- ❏ This is a summary of the budget proposed for adoption
- ❏ Documents in official SACS (Standardized Account Code Structure)

❏ Financial Cycle for 2016-17

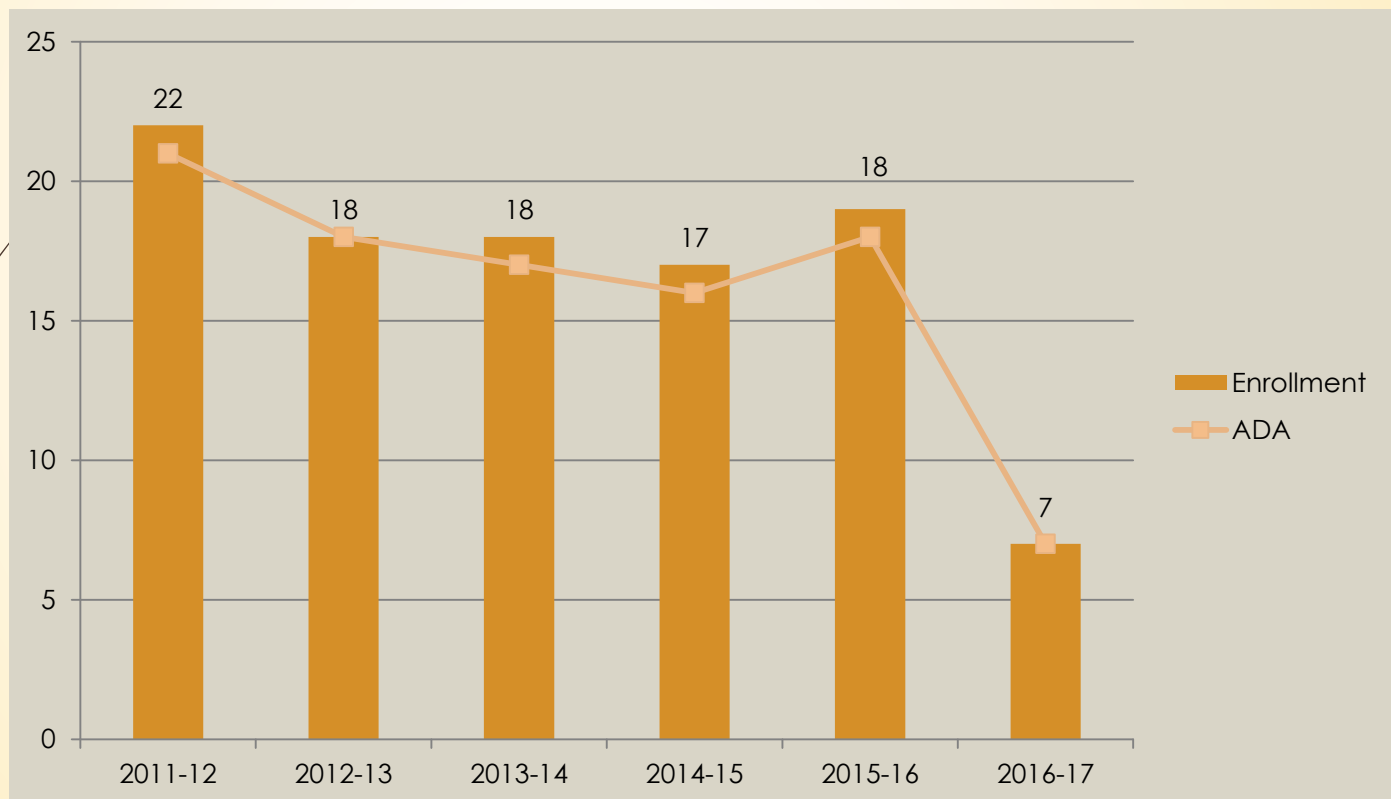
- ❏ If material changes due to state budget, revise budget 45 days later
- ❏ First Interim Budget – December 2016
- ❏ Second Interim Budget – March 2017
- ❏ Final Actual Financial Report – September 2017
- ❏ Audit Report – December 2017

Budget Goals

- To support district's Local Control Accountability Plan (LCAP)
 - Increase student achievement
 - Increase enrichment activities
 - Keep safe, well-maintained facilities

- To continue to provide exceptional educational services to our students

Indian Diggings Enrollment History



Projected

NSS vs LCFF funding selection

NSS vs. LCFF Funding in 2016-17

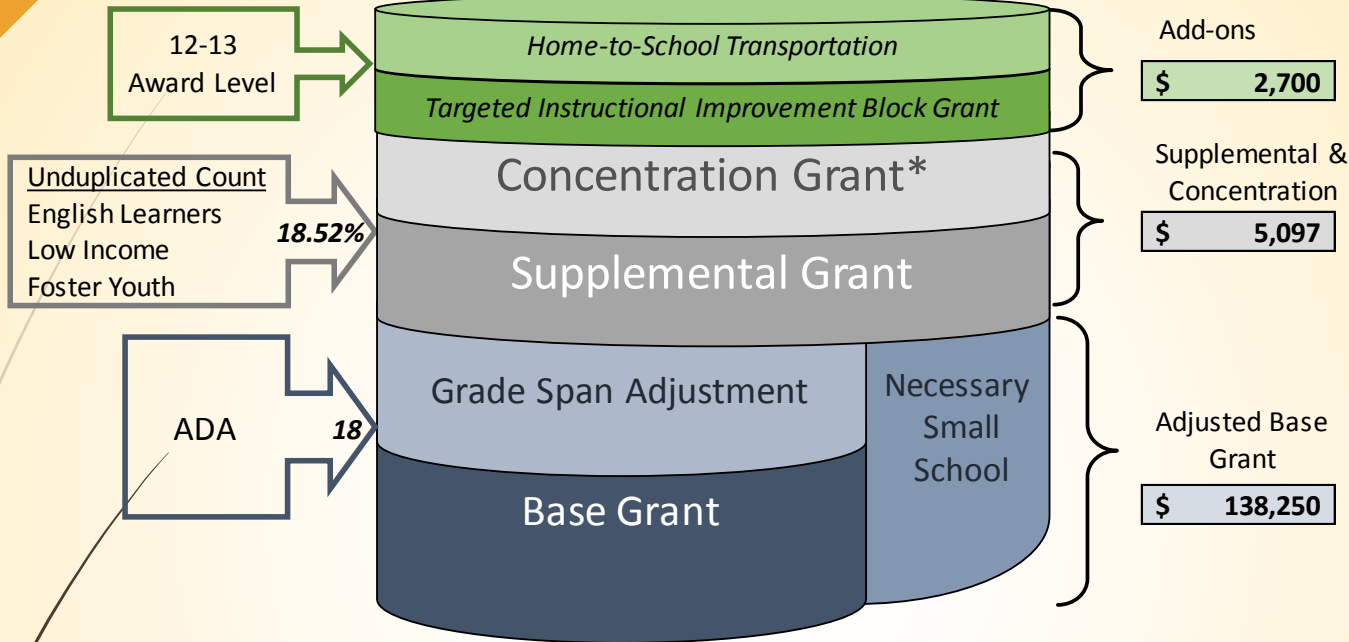
NSS Revenue	\$ 195,748.00
LCFF Revenue	\$ 177,867.00

- ❑ Required to select LCFF funding for 2016-17 (Not currently eligible for NSS funding)
- ❑ Provides \$18k less revenue than NSS funding
- ❑ 2016-17 funding is based on prior year (2015-16) ADA
- ❑ Assumptions
 - ❑ Funding based on 2015-16 ADA 18.29
 - ❑ **LCFF Funding**, COLA 1.02%
 - ❑ Unduplicated enrollment (NSLP) 16.67%

How it Works for Our District

DISTRICT - LCFF at TARGET

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*Unduplicated Pupil Percentage (UPP) must be above 55%

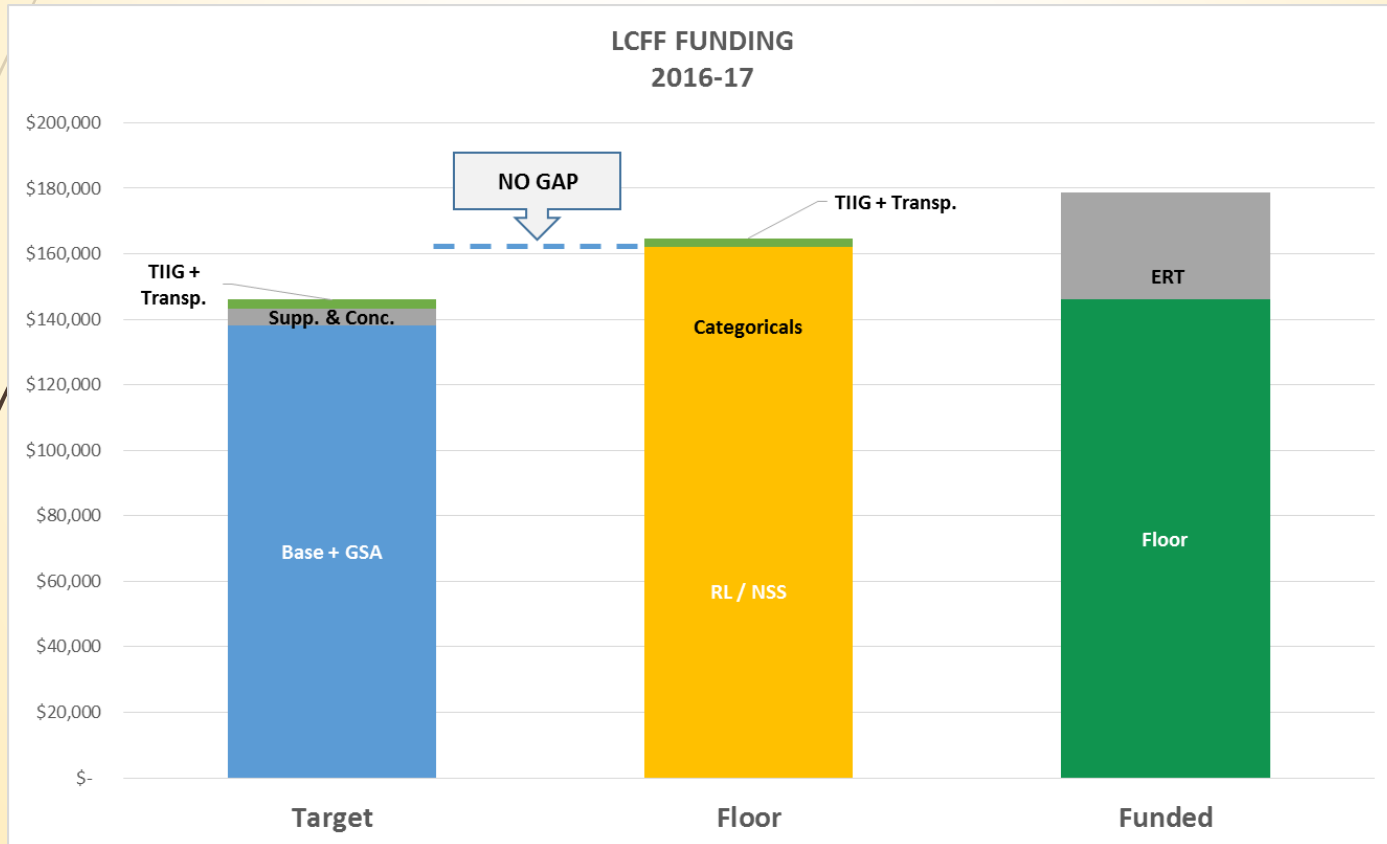
TOTAL TARGET LCFF \$ 146,047

Simplified LCFF Calculation 2016-17	Non-charter	Total	
Funded ADA	18	18	
LCFF Target	\$ 7,973		
Portion not funded (Gap)	-		
Funded LCFF	\$ 7,973		
Percentage not funded	0%		
LCFF	\$ 146,000	\$ 146,000	
Other adjustments	32,000	32,000	
TOTAL LCFF	\$ 178,000	\$ 178,000	% split
Property Taxes	69,000	69,000	39%
State Aid	109,000	109,000	61%

Funding 2016-17

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- We are funded at target
- No additional LCFF funding, other than ERT and COLA to be expected



Restricted Funding

- ❖ Programs funded for special purposes or categories of students
 - ❖ During the year assume expenditures of all available funding
 - ❖ At year-end it is normal to have unspent balances
 - ❖ D = Deferred Revenue, Revenue not earned until grant award is spent
 - ❖ F = Fund Balance, balances restricted in ending balance for use next year

Federal Restricted Budget 2016-17

Federal Grant Awards	Sp-Ed Basic Grt Ent	Title II	REAP
	D	D	D
	3310	4035	5810
Prior Year Carryover	-	-	-
Current Year Award	-	692	19,294
Current Year Contributions	-	-	-
Expenditures/Other	-	692	16,196
Unused Grant Award	-	-	3,098

State Restricted Programs

Budget 2016-17

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State Programs	Lott IMF	SPED	SPEDMH
	F	F	F
	6300	6500	6512
Prior Year Carryover	374	-	415
Current Year Award	738	5,157	773
Current Year Contributions	-	-	-
Expenditures/Other	738	5,157	773
Unused Grant Award	374	-	415

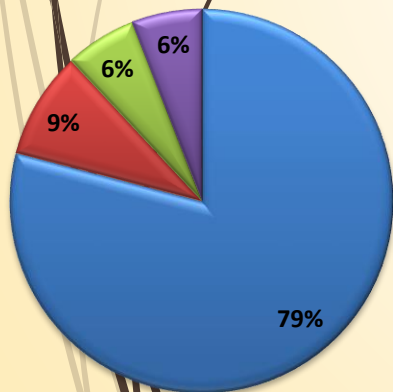
2016-17 Budget–Revenue Summary

Comparison 16-17 Budget to 15-16 Estimated Actuals

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	<u>2015-16 Estimated Unaudited</u>			<u>2016-17 Budget</u>			Unrestricted Variance	Restricted Variance	Total Variance
	<u>Actuals</u>								
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total			
Revenue Detail									
Local Control Funding Formula	187,639	-	187,639	178,408	-	178,408	(9,231)	-	(9,231)
Federal Revenue	400	19,986	20,386	350	80,222	80,572	(50)	60,236	60,186
Other State Revenue	11,385	12,273	23,658	2,859	10,806	13,665	(8,526)	(1,467)	(9,993)
Other Local Revenue	8,100	5,157	13,257	8,100	5,157	13,257	-	-	-
Total Revenue	207,524	37,416	244,940	189,717	96,185	285,902	(17,807)	58,769	40,962
<i>Adjust for ONE TIME Income</i>	<i>(13,526)</i>	<i>(1,467)</i>	<i>(14,993)</i>			-	13,526	1,467	14,993
Ongoing Total Revenue	193,998	35,949	229,947	189,717	96,185	285,902	(4,281)	60,236	55,955

Estimated Income 2016-17 Budget



- Local Control Funding Formula
- Federal Revenue
- Other State Revenue
- Other Local Revenue

Unrestricted and Restricted Income Major Variance Detail:			
REVENUE:	Unrestricted	Restricted	Total
LCFF - ERT and COLA decrease	(9,231)		(9,231)
One-Time Outstanding Mandated Cost Claims	(8,526)		(8,526)
One-Time Run for the Gold Grant	(50)		(50)
REAP		60,236	60,236
Educator Effectiveness / STRS On-Behalf		(1,467)	(1,467)
Other Local		0	-
	\$ (17,807)	\$ 58,769	\$ 40,962

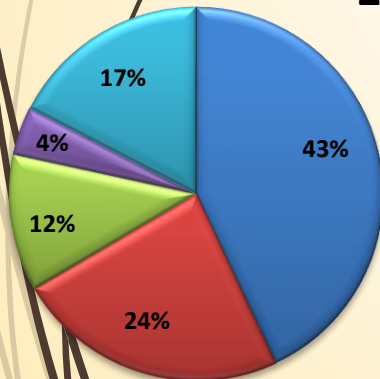
2016-17 Budget – Expenditure Summary

Comparison 16-17 Budget to 15-16 Estimated Actuals

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	<u>2015-16 Estimated Unaudited Actuals</u>			<u>2016-17 Budget</u>			<i>Unrestricted Variance</i>	<i>Restricted Variance</i>	<i>Total Variance</i>
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total			
Expenditure Detail									
Certificated	97,462	6,089	103,551	99,718	5,774	105,492	2,256	(315)	1,941
Classified	46,012	6,477	52,489	51,597	6,235	57,832	5,585	(242)	5,343
Employee benefits	17,926	8,647	26,573	20,160	8,744	28,904	2,234	97	2,331
Books & Supplies	7,609	2,938	10,547	7,038	3,311	10,349	(571)	373	(198)
Service, Other Operating	34,097	9,202	43,299	34,884	7,735	42,619	787	(1,467)	(680)
Capital Outlay (Prop39)	-	-	-	-	60,236	60,236	-	60,236	60,236
Other Outgo	-	-	-	-	-	-	-	-	-
Direct Support/Indirect	(1,074)	1,074	-	(1,052)	1,052	-	22	(22)	-
Total Expenditures	202,032	34,427	236,459	212,345	93,087	305,432	10,313	58,660	68,973
<i>Adjust for ONE TIME Expenditures</i>		(1,467)					-	(1,467)	(1,467)
Ongoing Total Expenditures	202,032	32,960	234,992	212,345	93,087	305,432	10,313	60,127	70,440

Estimated Expenditures 2016-17 Budget



- Certificated
- Classified
- Employee benefits
- Books & Supplies
- Service, Other Operating

Unrestricted and Restricted Expenditures Major Variance Detail:			
EXPENDITURES:	Unrestricted	Restricted	Total
Certificated Salaries	2,256	(315)	1,941
Classified Salaries	5,585	(242)	5,343
Employee Benefits (STRS on Behalf)	2,234	97	2,331
Books & Supplies	(571)	373	(198)
Services, Other Operating	787	(1,467)	(680)
Direct Support/Indirect	22	(22)	-
	\$ 10,313	\$ (1,576)	\$ 8,737

2016-17 Budget - General Fund

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	<u>2015-16 Estimated Unaudited</u>			<u>2016-17 Budget</u>			<u>Unrestricted</u> Variance	<u>Restricted</u> Variance	<u>Total</u> Variance
	<u>Actuals</u>								
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total			
Revenue Detail									
Local Control Funding Formula	187,639	-	187,639	178,408	-	178,408	(9,231)	-	(9,231)
Federal Revenue	400	19,986	20,386	350	80,222	80,572	(50)	60,236	60,186
Other State Revenue	11,385	12,273	23,658	2,859	10,806	13,665	(8,526)	(1,467)	(9,993)
Other Local Revenue	8,100	5,157	13,257	8,100	5,157	13,257	-	-	-
Total Revenue	207,524	37,416	244,940	189,717	96,185	285,902	(17,807)	58,769	40,962
<i>Adjust for ONE TIME Income</i>	<i>(13,526)</i>	<i>(1,467)</i>	<i>(14,993)</i>				<i>13,526</i>	<i>1,467</i>	<i>14,993</i>
Ongoing Total Revenue	193,998	35,949	229,947	189,717	96,185	285,902	(4,281)	60,236	55,955
Expenditure Detail									
Certificated	97,462	6,089	103,551	99,718	5,774	105,492	2,256	(315)	1,941
Classified	46,012	6,477	52,489	51,597	6,235	57,832	5,585	(242)	5,343
Employee benefits	17,926	8,647	26,573	20,160	8,744	28,904	2,234	97	2,331
Books & Supplies	7,609	2,938	10,547	7,038	3,311	10,349	(571)	373	(198)
Service, Other Operating	34,097	9,202	43,299	34,884	7,735	42,619	787	(1,467)	(680)
Capital Outlay (Prop39)	-	-	-	-	60,236	60,236	-	60,236	60,236
Other Outgo	-	-	-	-	-	-	-	-	-
Direct Support/Indirect	(1,074)	1,074	-	(1,052)	1,052	-	22	(22)	-
Total Expenditures	202,032	34,427	236,459	212,345	93,087	305,432	10,313	58,660	68,973
<i>Adjust for ONE TIME Expenditures</i>		<i>(1,467)</i>					-	<i>(1,467)</i>	<i>(1,467)</i>
Ongoing Total Expenditures	202,032	32,960	234,992	212,345	93,087	305,432	10,313	60,127	70,440
Excess/(Deficiency)	5,492	2,989	8,481	(22,628)	3,098	(19,530)	(28,120)	109	(28,011)
<i>Adjust for ONE TIME items</i>	<i>13,526</i>	<i>-</i>	<i>13,526</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(13,526)</i>	<i>-</i>	<i>(13,526)</i>
Ongoing Excess/(Deficiency)	(8,034)	2,989	(5,045)	(22,628)	3,098	(19,530)	(14,594)	109	(14,485)
Other Financing Sources/uses									
Transfers In			-			-	-	-	-
Transfers Out			-			-	-	-	-
Other Sources			-			-	-	-	-
Other Uses			-			-	-	-	-
Contributions	(367)	367	-	-	-	-	367	(367)	-
Total Other Sources/Uses	(367)	367	-	-	-	-	367	(367)	-
Net Inc/Dcr to Fund Balance	5,125	3,356	8,481	(22,628)	3,098	(19,530)	(27,753)	(258)	(28,011)
<i>Adjust for ONE TIME items</i>	<i>13,526</i>	<i>-</i>	<i>13,526</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(13,526)</i>	<i>-</i>	<i>(13,526)</i>
Ongoing Excess/(Deficiency)	(8,401)	3,356	(5,045)	(22,628)	3,098	(19,530)	(14,227)	(258)	(14,485)
Beginning Balance	193,863	416	194,279	198,988	3,772	202,760	5,125	3,356	8,481
<i>Audit Adjustment</i>									
Restated Beginning Balance									
Ending Balance	198,988	3,772	202,760	176,360	6,870	183,230	(22,628)	3,098	(19,530)

General Fund

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Components of Ending Fund Balance

Components of Ending Fund Balance									
Revolving Cash	250		250	250	250	-	-	-	
Stores			-		-	-	-	-	
Prepaid Expend.						-	-	-	
Reserve for Economic Uncertainty	65,000		65,000	66,000	66,000	1,000	-	1,000	
Restricted		3,772			6,870	-	3,098	3,098	
Assigned - LCFF Uncertainty Reserve	-		-	-	-	-	-	-	
Unassigned / Unappropriated	133,738		133,738	110,110	110,110	(23,628)	-	(23,628)	
Total	198,988	3,772	202,760	176,360	6,870	183,230	(22,628)	3,098	(19,530)

Budget Summary

- District is estimating deficit spending approximately \$19,530 for 2016-17



BUDGET SUMMARY			
	2016-17 Budget		
	Unrestricted	Restricted	Total
Total Revenue	189,717	96,185	285,902
Total Expenditures	212,345	93,087	305,432
<i>Excess/(Deficiency)</i>	(22,628)	3,098	(19,530)
Transfers In	-	-	-
Contributions	-	-	-
Net Inc/Dcr to Fund Balance	(22,628)	3,098	(19,530)
<i>Adjust for ONE TIME items</i>	-	-	-
Ongoing Excess/(Deficiency)	(22,628)	3,098	(19,530)
Beginning Balance	198,988	3,772	202,760
Ending Balance	176,360	6,870	183,230

- ❖ One-time discretionary funds are not included at this time

Budget – Expenditure Assumptions

Factors contributing to 2016-17 budget deficit:

- ▶ Funding model has changed from NSS to LCFF funding.

If the district reaches a minimum of five resident students then the funding model would return to NSS.

Summary of Other Funds

Other Funds	CHLDNUTR FD 13	DEFMAINT FD 14	DEVELOPER FEES FD 25	SCHOOL FACILITIES FD 35
Prior Year Carryover	-	1	18	0
Current Year Award	-	-	-	-
Current Year Contributions	-	1	2	3
Expenditures/Other	-	-	-	-
Unused Grant Award	-	2	20	3

Multi-Year Projections:



Assumptions

2017-18

- ❑ Funding based on 2017-18 estimated ADA 7.00
- ❑ **LCFF Funding**, COLA 2.13%
- ❑ Unduplicated enrollment (NSLP) 31.03%
- ❑ 2.36% increase to payroll/benefits, 1.85% increase to STRS employer rate
- ❑ Other expenditures increased by COLA rate
- ❑ District will need reductions of \$31k to meet Minimum Reserve Requirements

2018-19

- ❑ Funding based on 2018-19 estimated ADA 7.00
- ❑ **LCFF Funding**, COLA 2.65%
- ❑ Unduplicated enrollment (NSLP) 60.0%
- ❑ 2.36% increase to payroll/benefits, 1.85% increase to STRS employer rate
- ❑ Other expenditures increased by COLA rate
- ❑ District will need reductions of \$92k to meet Minimum Reserve Requirements

Multi-Year Projections

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MULTI-YEAR PROJECTIONS									
COLA	0.00%			2.13%			2.65%		
EPA%	25.00%			23.00%			11.00%		
LCFF GAP%	49.08%			45.34%			6.15%		
UNDUP ENR%	17.65%			18.37%			20.00%		
	2016-17 Budget			2017-18 BUDGET			2018-19 BUDGET		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	189,717	96,185	285,902	138,430	34,482	172,912	149,113	34,482	183,595
Total Expenditures	212,345	93,087	305,432	211,379	25,650	237,029	186,180	50,183	236,363
Reductions Required				-			(7,000)		
Excess/(Deficiency)	(22,628)	3,098	(19,530)	(72,949)	8,832	(64,117)	(37,067)	(15,701)	(52,768)
Transfers In	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Net Inc/Dcr to Fund Balance	(22,628)	3,098	(19,530)	(72,949)	8,832	(64,117)	(37,067)	(15,701)	(52,768)
Adjust for ONE TIME items	-	-	-			-			
Ongoing Excess/(Deficiency)	(22,628)	3,098	(19,530)	(72,949)	8,832	(64,117)	(37,067)	(15,701)	(52,768)
Beginning Balance	198,988	3,772	202,760	176,360	6,870	183,230	103,411	15,702	119,113
Ending Balance	176,360	6,870	183,230	103,411	15,702	119,113	66,344	1	66,345
	ADA =	12.35		ADA =	12.35		ADA =	12.35	
Effective Fund Balance %			59.99%			50.25%			28.07%

In 2018-19 reductions of \$7k will be needed to meet minimum reserve requirements of \$66k.

Why is it important for Indian Diggings to maintain a Reserve?

- A reserve is a safety net that allows a DISTRICT to meet its obligations as unplanned changes in revenues and expenditures occur.
- If reserves have to be used, it is important to remember that they are one-time funds.
 - Once reserves are used, they are not replenished except by purposeful action by the Board of Trustees.
- Most financial turbulence that a district encounters tends to be ongoing in nature.
- Reserves can help carry the district through a year of financial problems—long enough for the district to make budget cuts to solve its ongoing financial issues.
- If budget cuts are not made, reserves would continue to be used by default, and eventually the reserves will be depleted.

Multi-Year Projections

- ▶ In order to be funded as a Necessary Small School, a minimum of 5 resident students must be enrolled
 - ▶ *The school must meet the qualifications set forth in EC 42283 in order to receive NSS funding; the distance requirements in 42283(a)(1) and 42283(a)(2) specifically state the students must reside in the district.*
- ▶ The district is currently not projected to meet this qualification, with less than 5 resident students enrolled in 2016-17, funding will be at the LCFF calculations.

NSS vs. LCFF Funding in 2017-18

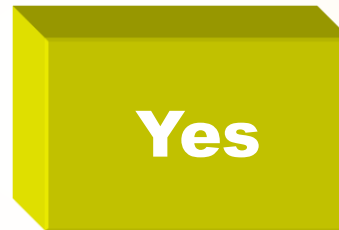
NSS Revenue	\$ 204,755.00
LCFF Revenue	\$ 120,968.00
Difference	\$ (83,787.00)

NSS vs. LCFF Funding in 2018-19

NSS Revenue	\$ 217,490.00
LCFF Revenue	\$ 120,968.00
Difference	\$ (96,522.00)

Fiscal Status

- ❑ Is the district fiscally solvent in the current budget year and next two years?



- ❑ 2016-17 shows deficit spending
- ❑ MYP shows deficit spending in 2017-18 and 2018-19, with reductions required in 2018-19 to meet minimum reserve.

Questions?

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