

DIXIE SCHOOL DISTRICT

Business Services Administration

Regular Meeting

March 14, 2017

To: Thomas J. Lohwasser, Superintendent

Subject: Consideration and Approval of Budget Revision #3, FY 2016/17

The District is required to revise its budget at regular intervals and as information becomes available. Budget Revision #3 represents material changes that have been made to the budget and reflects the most accurate information available at this time. This revision coincides with the approval of the 2016-17 2nd Interim Financial Report and the AB1200 Public Disclosure Form for the recent salary settlement agreement with the Dixie Teachers Association (DTA) and management staff.

General Fund Revenue Categories–By Major Object Code:

- **LCFF Sources & Tax Transfer (Objects 8011-8043):**
 - Revised LCFF Calculation: -\$69,707
 - Decrease in ADA and revised Property Tax Estimates
 - ADA has decreased -27.19 from prior year.
 - District ADA -16.26 and COE ADA -10.93
 - Please note revenue loss for COE ADA will be partially offset with COE Transfer – see below Other Outgo
 - District is able to use higher of current year or prior year District ADA
 - COE ADA is for current year only

- **Federal Revenues (Objects 8181-8290):**
 - Revised allocations for Title I and Title II: -\$2,524
 - Updated estimate for IDEA Special Ed per SELPA estimate: +\$3,518
 - Recorded prior year revenues received:
 - Title II +\$8,635
 - Title III +\$5,990

- **State Revenues (Objects 8520-8590):**
 - STRS on Behalf: +\$342,074
 - This is requirement of GASB 68 and adjusted for 2016-17 estimate
 - The adopted budget was \$488,475 and was based on 2015-16 estimate and is now adjusted for 2016-17 estimate of \$830,549
 - STRS on-Behalf is different from the on-going rate increase paid to the State Teachers Retirement System (STRS) and does not result in an increase in costs paid to STRS.
 - Please note that these are offsetting entries for revenues and expenditures and will not impact the total general fund reserve.
 - Updated estimate for State Mental Special Ed revenues per SELPA estimate: +\$4,440
 - Updated budget for prior year Lottery revenues received: +\$4,497

- **Local Revenues (Objects 8621-8792):**
 - Updated estimate for AB602 Special Ed revenues per SELPA estimate: -\$18,480
 - Revised estimate for Parcel Tax revenues: -\$9,504

- Adjusted for Interest income: +\$4,000
- Private H/S application fees: +\$2,345
- Home & School club donations to fund specific purchases: +\$12,696
- Parcel Tax Music budget including Music Trips and Instrument Repairs: +\$7,373
- iTteams Grant: +\$15,458
- CAMSP Grant: +\$9,944
- Coloma Trip deposits: +\$18,040
- Walker Creek Trips deposits: +\$7,170

➤ **Transfers-In (Object 8919): \$0**

General Fund Expenditure Categories–By Major Object Code:

➤ **Salaries & Benefits (Objects 1110-3921):**

- STRS on Behalf: +\$342,074
 - See above under State Revenues
- Reallocated Classified Position Salary to charge to the Bond Fund: -\$101,246
 - This adjustment was part of the budget strategy to fund recent salary settlement
- Update budget to position control: -\$62,044
 - Includes adjustments for IA positions and various adjustments
- Home & School Club funded support: +\$9,993
- iTeam and CAMSP Stipends: +\$24,902
- Certificated Extra duty budget for Private High School applications: +\$5,145
- Adjusted various Sub Illness, Extra Hire and Extra Duty budgets: +\$4,730

➤ **Materials Supplies (Objects 4100-4430):**

- Home & School club funded purchases: +\$1,766
- Spread carryover to various budgets:
 - To other 4000 objects: +\$48,376
 - To various other major objects: -\$57,064

➤ **Services and Contracts (Object 5210-5980):**

- Updated budget for Maintenance Equipment Repair Budget and Other Fees: +\$8,000
- Revised Maintenance Contracts budget related to various tree related work throughout the district: +\$13,000
- Update Field Trip budgets for Music, Coloma and Walker Creek: +\$27,967
- Revised estimate for Legal Fees related to collective bargaining: +\$12,027
- Revised various utilities budgets: -\$7,000
- Increased Property & Liability Insurance: +\$2,240
- Adjusted various Contract Services including Special Education, Temp Agency and School Services Contracts: +\$3,122
- Updated various Conferences and Staff Development budgets: +\$4,489

➤ **Capital Outlay (Object 6100-6400): \$0**

➤ **Other Outgo (7142-7619):**

- Adjusted Transfer Out related to COE ADA noted above: -\$56,196
- Revised estimate for Excess Cost per SELPA estimate: -\$84,057
- Adjusted Interfund Transfer to Cafeteria Fund (Fund #13): -\$2,312

The district's Combined General Fund beginning balance is \$2,119,619. Current Revenues are estimated to be \$22,090,393 and current expenditures are estimated at \$22,485,225.

Pending Board approval, Budget Revision #3 would place the combined general fund reserve at 8.55%. This is an increase from the reserve level of 7.67%. The components of the ending balance consist of Revolving Cash fund; Restricted Reserves; Designated Unrestricted Carryovers: Reserve for Health Benefit increase and the Board approved Reserve for Economic Uncertainties. Please note that Reserve for Economic Uncertainties is at 4.98%. This report includes additional spreadsheets that will breakdown the major general fund categories by unrestricted and restricted budgets.

Other Funds:

Fund 13 Cafeteria Fund:

As noted in the prior budget revision California Department of Education (CDE) recommended establish Fund 13 and make a change noting that all school lunch revenues flow directly through the District and not through lunch vendor. All Fund 13 budgets were reviewed and revised based on estimated number of lunches served.

- Revenues:
 - Federal: +\$4,486
 - State: -\$341
 - Food Service Sales: +\$244,724
 - Local Revenues: -\$8,129
 - Interfund Transfers In: -\$2,312
- Expenditures:
 - Services and Contracts (Object 5210-5980): +\$238,128

Fund 14: Deferred Maintenance:

- Expenditures: Building Improvements (Object 6100-6400): Roof repairs +\$5,987

Fund 21: Bond Fund:

- Expenditures
 - Salaries and Benefits: (Objects 2000-3999): +\$101,246
 - Bond related activity is currently being performed by certain Classified staff and will now be charged to the Bond.
 - Capital: (Object 6100-6400): Updated budgets to reflect revised estimates for current projects for the year: -\$676,600

Fund 25: Capital Facilities (Developer Fees):

- Revenues:
 - Developer fees received: +\$4,264

Fund 40: Special Reserve (Lease Funds)

- Expenditures

- Salaries & Benefits (Objects 1110-3921):
 - Update budget to position control: -\$1,953

Fund 41: Special Reserve (Solar Reserve)

- **Revenues:**
 - Interest Income: +\$152

Fund 56: Debt Service Fund (CREBS Bond Repayment):

- **Revenues**
 - Solar Rebate PG&E: +\$12,022

Approval of Budget Revision #3, FY 2016/17 is recommended

Prepared by:

Robert A. Marical
Business Manager

Approved for Submission to the Governing
Board by:

Thomas J. Lohwasser, Ed.D.
Superintendent