



2017-2018 BUDGET

June 19, 2017

Dr. Art McCoy, Superintendent

Mr. Michael O'Connell, CFO

JENNINGS SCHOOL DISTRICT

FY 2017-2018 BUDGET

SCHOOL BOARD MEMBERS

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Harold Austin, Vice President
Yolonda Fountain-Henderson, Secretary
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SCHOOLS

Jennings Senior High School
Jennings Junior High School
Fairview Elementary
Fairview Intermediate
Northview Elementary
Woodland Elementary
Hanrahan Elementary

TABLE OF CONTENTS

BUDGET MESSAGE	1
SUMMARY OF BUDGET	6
REVENUES, EXPENDITURES, TRANSFERS AND FUND BALANCE	
Total All Funds	7
General Fund	8
Special Revenue Fund	9
Debt Service Fund	10
Capital Projects Fund	11
BONDED INDEBTEDNESS	
Bond Payment Schedule	12

JENNINGS SCHOOL DISTRICT

2017-2018

BUDGET MESSAGE

Introduction

The district provides educational services to students in pre-kindergarten through 12th grade. Facilities include five elementary schools, one junior high school, and one senior high school.

The Budget Process

Developing and maintaining the district's budget is a year round process. The fiscal year begins on July 1 and ends June 30, but work actually begins in the prior year.

Once school has begun in the fall, planning for the following year begins. Preliminary enrollment and staffing projections are made. New or changing expenditure needs are identified in curriculum and student services. The capital project plan is reviewed to identify those major repairs and improvements that may be made in the coming year.

Late in the calendar year, preliminary revenue estimates are formulated. Enrollment, staffing, program changes and major projects listings are reviewed and refined. During the winter months, analysis and revision of all the information gathered continues.

In early spring, enrollment projections and staffing needs, along with program changes are finalized. Teacher contracts for the coming year are printed and distributed.

Preliminary budget information is presented to the Board at the April meeting for discussion and revision. The final budget document is presented at the meeting in June for approval.

The school district budget is a working document that will be constantly reviewed and updated. In future months, the Board will be presented with proposed budget amendments to respond to changing needs.

JENNINGS SCHOOL DISTRICT

2017-2018

Accounting and Reporting

The accounts of the district are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures on the modified cash basis of accounting. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The district revenues and expenditures are maintained in four major funds:

The General Fund is the general operating fund of the district and accounts for expenditures for non-certified employees, pupil transportation cost, operation of plant, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

The Special Revenue (Teachers') Fund accounts for revenues derived from specific taxes or other earmarked revenue sources. This fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and benefits.

The General Fund and Special Revenue (Teachers') Fund are collectively referred to as the Operating Fund.

The Debt Service Fund receives revenues from the debt service tax levy and other earmarked revenue sources, and uses those funds to make principal and interest payments on the district's long-term debt. Money in this fund cannot be used for any other purpose.

The Capital Projects Fund accounts for major capital expenditures. Bond proceeds are placed in this fund and can be used only for land acquisition, building construction and other major capital expenditures outlined in the bond issue documents.

JENNINGS SCHOOL DISTRICT

2017-2018

Revenues

Property Taxes

Property taxes are based on assessed valuation, which is the value placed on real estate and personal property in the district. By May 31, the county assessor must provide assessed valuation amounts for the year, with updated numbers reported in the summer and fall.

The district's tax levy must be filed with the County Clerk prior to October 1. Before establishing the tax rate, the district is required to conduct a public hearing to allow citizens to be heard on the proposed new rate. Public notice must be made at least seven days prior to the hearing.

This is a reassessment year where the county assigns new values to all residential and commercial property. The district is required to adjust its tax rates to insure total property taxes do not increase more than inflation, which this year is 2.1%. Residential property values increased 1.9 percent, so the tax rate will remain at the prior year rate of \$6.5400. Commercial real estate increased over 88 percent, so the estimated tax rate has been lowered to \$4.7088. The personal property rate remains unchanged at \$5.7934.

The actual tax rate will be calculated in late September, using the most up to date numbers available at that time. Using current data, the 2017-2018 real estate blended tax rate will be \$5.8884 and the breakdown is:

General Fund	\$2.9032
Special Revenue (Teachers') Fund	1.9952
Debt Service Fund	<u>0.9900</u>
Total Tax Levy	<u>\$5.8884</u>

State Funding

Most of the funding from the state is based on student attendance and enrollment. This, along with other data, must be reported to the state by July 15.

For budgeting purposes, total number of students is estimated at 2,450, about the same as the previous year. Prior to the 2006-2007 school year, the state revised their method of funding school districts. The Jennings School District was receiving more money per student under the old formula than the new one. So the district is considered "hold-harmless" and continued to receive the per student amount under the old formula. The hold harmless amount for Jennings is about \$5,611 per student.

JENNINGS SCHOOL DISTRICT

2017-2018

The district is paid based on the highest average daily attendance (ADA) number from the current and two preceding years plus the 2017 summer school ADA numbers. These amounts are weighted, or increased, for districts with high free and reduced lunch percentages. For 2015-2016, the weighted ADA was 2,724.48. The 2016-2017 payments are based on a weighted ADA of 2,712.88. Enrollment and attendance are expected to remain the same for the 2017-2018 school year. So state payments will be based on the 2015-2016 weighted ADA.

Expenditures

Major changes to the 2017-2018 operating budget over the current year include:

- In lieu of a step, most employees will receive an increase of 1.25 percent.
- An estimated three percent reduction in the cost of employee health insurance. Changes were made to the plan that increased deductibles for employees.
- Net reduction of six and a half positions.
- Elimination of the 21st Century program revenues and expenditures. The original grant has ended. The district is in the process of applying for a new grant.
- Moneys allocated in the Capital Projects Fund for capital improvements funded by the voter approved Prop S bond issue. Most of the funds were spent in 2016-2017. This budget reflects on the remaining funds available.

Fund Balances

For the 2017-2018 school year, the district is estimating an operating deficit of \$466,072. So the projected end of the year operating fund balance will decrease to \$7.2 million, which is about 25.2 percent of expenditures for the year.

JENNINGS SCHOOL DISTRICT

2017-2018

Bonded Indebtedness

In April 2011, voters approved an \$11.5 million bond issue for renovations and improvements. In June 2011, the district sold \$5.6 million of those bonds with the funds deposited in the Capital Projects Fund. The remaining \$5.9 million in bonds were sold in the spring of 2012.

In April 2016, voters approved a \$3 million bond issue for additional renovations and improvements. The bonds were sold in July 2016, along with \$5.8 million in refunding bond that were used to retire older higher interest debt.

The district's total bonded indebtedness is \$13,640,000. Principal and interest payments are made from the Debt Service Fund. The levy in the Debt Service Fund is sufficient to make the required payments.

This is the final budget and approval from the Board of Education will be requested at the June 19, 2017 meeting.

A school district budget is a working document that will be constantly reviewed and updated. During the year, the Board will be presented with proposed budget amendments to respond to changing needs.

**JENNINGS SCHOOL DISTRICT
SUMMARY OF 2017-2018 BUDGET
REVENUES, EXPENDITURES, TRANSFERS AND FUND BALANCE**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL ALL FUNDS
Estimated Balance 6-30-2017	7,621,828	-	553,476	922,369	9,097,673
Revenues	13,321,560	14,629,496	1,009,091	340,371	29,300,518
Expenditures	11,793,399	16,623,729	972,340	655,338	30,044,806
Balances Before Transfers	9,149,989	(1,994,233)	590,227	607,402	8,353,385
Transfers	(1,994,233)	1,994,233	-	-	-
Budgeted Balance 6-30-2018	7,155,756	-	590,227	607,402	8,353,385
Operating Funds					
Surplus (Deficit)	<u>(466,072)</u>				

FUND BALANCE ANALYSIS - COMBINED GENERAL & SPECIAL FUNDS

Estimated Balance 6-30-2017	7,621,828
Revenues	27,951,056
Expenditures	28,417,128
Transfers	-
Budgeted Balance 6-30-2018	7,155,756
Balance as a Percent of Expenditures	25.18%

REVENUES, EXPENDITURES, TRANSFERS AND FUND BALANCE

The first page is a summary of all funds combined, followed by a separate page for each of the individual funds.

**JENNINGS SCHOOL DISTRICT
REVENUES, EXPENDITURES,
TRANSFERS AND FUND BALANCES
TOTAL ALL FUNDS**

DESCRIPTION	BUDGET 2017-2018	BUDGET 2016-2017	ACTUAL 2015-2016	ACTUAL 2014-2015
REVENUE				
Property Taxes	5,805,182	5,603,280	5,592,085	5,744,864
Sales Tax (Prop C)	2,666,085	2,645,040	2,569,184	2,502,238
Other Local	1,399,850	2,336,043	936,001	983,188
County	384,532	384,532	403,740	390,170
Basic Formula	15,193,197	15,237,725	15,195,384	14,679,127
Other State	33,218	44,834	68,718	56,901
Federal	3,786,454	4,472,825	4,561,795	4,809,211
Other	32,000	44,000	46,526	106,558
Bond Proceeds	-	7,805,000	-	-
TOTAL REVENUE	29,300,518	38,573,279	29,373,433	29,272,257
EXPENDITURES				
Administration	3,266,197	3,592,935	3,495,456	3,360,912
Instruction	14,935,404	14,721,732	13,982,999	14,215,232
Support Services	3,355,702	3,447,163	3,591,703	3,476,746
Operation/Maintenance of Plant	3,903,922	3,903,033	3,818,589	3,718,286
Transportation	224,900	270,035	198,294	190,286
Food Service	1,763,240	1,777,676	1,759,525	1,797,913
Community Services	967,763	1,288,786	1,215,058	1,195,220
Construction/Renovation	400,000	2,676,514	973,615	950,526
Debt Service	1,227,678	6,384,466	1,152,605	1,284,111
TOTAL EXPENDITURES	30,044,806	38,062,340	30,187,844	30,189,232
REVENUE OVER(UNDER) EXPENDITURES	(744,288)	510,939	(814,411)	(916,975)
TRANSFERS	-	-	-	-
BEGINNING FUND BALANCE	9,097,673	8,586,734	9,401,145	10,318,120
PROJECTED ENDING BALANCE	8,353,385	9,097,673	8,586,734	9,401,145

**JENNINGS SCHOOL DISTRICT
REVENUES, EXPENDITURES,
TRANSFERS AND FUND BALANCES
GENERAL FUND**

DESCRIPTION	BUDGET 2017-2018	BUDGET 2016-2017	ACTUAL 2015-2016	ACTUAL 2014-2015
REVENUE				
Property Taxes	2,858,667	2,975,287	3,025,516	3,108,026
Sales Tax (Prop C)	1,666,303	1,653,150	1,605,740	1,563,899
Other Local	1,033,181	1,458,295	592,372	644,283
County	213,958	213,958	227,186	215,914
Basic Formula	4,529,956	4,547,287	4,498,593	4,364,027
Other State	33,218	44,834	68,718	56,901
Federal	2,954,277	3,322,753	3,403,971	3,379,180
Other	32,000	44,000	46,526	106,558
Bond Proceeds	-	-	-	-
TOTAL REVENUE	13,321,560	14,259,564	13,468,622	13,438,788
EXPENDITURES				
Administration	1,586,842	1,532,492	1,627,094	1,548,476
Instruction	1,922,502	1,867,317	1,645,358	1,771,388
Support Services	1,733,128	1,768,111	2,004,280	2,041,392
Operation/Maintenance of Plant	3,903,922	3,903,033	3,818,589	3,718,286
Transportation	224,900	270,035	198,294	190,286
Food Service	1,758,602	1,753,800	1,755,849	1,794,179
Community Services	663,503	821,291	731,283	789,520
Construction/Renovation	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	11,793,399	11,916,079	11,780,747	11,853,527
REVENUE OVER(UNDER) EXPENDITURES	1,528,161	2,343,485	1,687,875	1,585,261
TRANSFERS	(1,994,233)	(2,310,018)	(1,564,198)	(1,517,364)
BEGINNING FUND BALANCE	7,621,828	7,588,361	7,464,684	7,396,787
PROJECTED ENDING BALANCE	7,155,756	7,621,828	7,588,361	7,464,684

**JENNINGS SCHOOL DISTRICT
REVENUES, EXPENDITURES,
TRANSFERS AND FUND BALANCES
SPECIAL REVENUE FUND**

DESCRIPTION	BUDGET 2017-2018	BUDGET 2016-2017	ACTUAL 2015-2016	ACTUAL 2014-2015
REVENUE				
Property Taxes	1,969,344	1,756,455	1,698,250	1,744,400
Sales Tax (Prop C)	999,782	991,890	963,444	938,339
Other Local	20,294	20,712	19,857	7,051
County	144,658	144,658	152,673	148,783
Basic Formula	10,663,241	10,690,438	10,696,791	10,315,100
Other State	-	-	-	-
Federal	832,177	1,150,072	1,157,824	1,430,031
Other	-	-	-	-
Bond Proceeds	-	-	-	-
TOTAL REVENUE	14,629,496	14,754,225	14,688,839	14,583,704
EXPENDITURES				
Administration	1,679,355	2,060,443	1,868,362	1,812,436
Instruction	13,012,902	12,854,415	12,337,641	12,443,844
Support Services	1,622,574	1,677,252	1,559,583	1,435,354
Operation/Maintenance of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	4,638	4,638	3,676	3,734
Community Services	304,260	467,495	483,775	405,700
Construction/Renovation	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	16,623,729	17,064,243	16,253,037	16,101,068
REVENUE OVER(UNDER) EXPENDITURES	(1,994,233)	(2,310,018)	(1,564,198)	(1,517,364)
TRANSFERS	1,994,233	2,310,018	1,564,198	1,517,364
BEGINNING FUND BALANCE	-	-	-	-
PROJECTED ENDING BALANCE	-	-	-	-

**JENNINGS SCHOOL DISTRICT
REVENUES, EXPENDITURES,
TRANSFERS AND FUND BALANCES
DEBT SERVICE FUND**

DESCRIPTION	BUDGET 2017-2018	BUDGET 2016-2017	ACTUAL 2015-2016	ACTUAL 2014-2015
REVENUE				
Property Taxes	977,171	871,538	868,319	892,438
Sales Tax (Prop C)	-	-	-	-
Other Local	6,004	374,103	6,469	3,061
County	25,916	25,916	23,881	25,473
Basic Formula	-	-	-	-
Other State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Bond Proceeds	-	4,805,000	-	-
TOTAL REVENUE	1,009,091	6,076,557	898,669	920,972
EXPENDITURES				
Administration	-	-	-	-
Instruction	-	-	-	-
Support Services	-	-	-	-
Operation/Maintenance of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	-	-	-	-
Community Services	-	-	-	-
Construction/Renovation	-	-	-	-
Debt Service	972,340	6,075,446	887,351	1,027,584
TOTAL EXPENDITURES	972,340	6,075,446	887,351	1,027,584
REVENUE OVER(UNDER) EXPENDITURES	36,751	1,111	11,318	(106,612)
TRANSFERS	-	-	-	-
BEGINNING FUND BALANCE	553,476	552,365	541,047	647,659
PROJECTED ENDING BALANCE	590,227	553,476	552,365	541,047

**JENNINGS SCHOOL DISTRICT
REVENUES, EXPENDITURES,
TRANSFERS AND FUND BALANCES
CAPITAL PROJECTS FUND**

DESCRIPTION	BUDGET 2017-2018	BUDGET 2016-2017	ACTUAL 2015-2016	ACTUAL 2014-2015
REVENUE				
Property Taxes	-	-	-	-
Sales Tax (Prop C)	-	-	-	-
Other Local	340,371	482,933	317,303	328,793
County	-	-	-	-
Basic Formula	-	-	-	-
Other State	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Bond Proceeds	-	3,000,000	-	-
TOTAL REVENUE	340,371	3,482,933	317,303	328,793
EXPENDITURES				
Administration	-	-	-	-
Instruction	-	-	-	-
Support Services	-	1,800	27,840	-
Operation/Maintenance of Plant	-	-	-	-
Transportation	-	-	-	-
Food Service	-	19,238	-	-
Community Services	-	-	-	-
Construction/Renovation	400,000	2,676,514	973,615	950,526
Debt Service	255,338	309,020	265,254	256,527
TOTAL EXPENDITURES	655,338	3,006,572	1,266,709	1,207,053
REVENUE OVER(UNDER) EXPENDITURES	(314,967)	476,361	(949,406)	(878,260)
TRANSFERS	-	-	-	-
BEGINNING FUND BALANCE	922,369	446,008	1,395,414	2,273,674
PROJECTED ENDING BALANCE	607,402	922,369	446,008	1,395,414

SCHEDULE OF BONDED INDEBTEDNESS

**JENNINGS SCHOOL DISTRICT
BOND PAYMENT SCHEDULE
AS OF JULY 2017**

DATE	Issue 2011		Issue 2012		Issue 2016		TOTAL		FISCAL YEAR TOTAL	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		
Sep-17	-	4,950	-	76,969	-	119,250	-	201,169		
Mar-18	440,000	4,950	125,000	76,969	-	119,250	565,000	201,169	2018	967,338
Sep-18	-	-	-	75,719	-	119,250	-	194,969		
Mar-19	-	-	240,000	75,719	330,000	119,250	570,000	194,969	2019	959,938
Sep-19	-	-	-	73,319	-	112,650	-	185,969		
Mar-20	-	-	240,000	73,319	345,000	112,650	585,000	185,969	2020	956,938
Sep-20	-	-	-	70,919	-	105,750	-	176,669		
Mar-21	-	-	270,000	70,919	330,000	105,750	600,000	176,669	2021	953,338
Sep-21	-	-	-	67,881	-	102,450	-	170,331		
Mar-22	-	-	310,000	67,881	305,000	102,450	615,000	170,331	2022	955,663
Sep-22	-	-	-	64,200	-	99,400	-	163,600		
Mar-23	-	-	305,000	64,200	325,000	99,400	630,000	163,600	2023	957,200
Sep-23	-	-	-	60,388	-	94,525	-	154,913		
Mar-24	-	-	410,000	60,388	240,000	94,525	650,000	154,913	2024	959,825
Sep-24	-	-	-	54,750	-	90,925	-	145,675		
Mar-25	-	-	275,000	54,750	395,000	90,925	670,000	145,675	2025	961,350
Sep-25	-	-	-	50,625	-	83,025	-	133,650		
Mar-26	-	-	290,000	50,625	400,000	83,025	690,000	133,650	2026	957,300
Sep-26	-	-	-	46,275	-	77,025	-	123,300		
Mar-27	-	-	555,000	46,275	160,000	77,025	715,000	123,300	2027	961,600
Sep-27	-	-	-	37,950	-	74,625	-	112,575		
Mar-28	-	-	640,000	37,950	95,000	74,625	735,000	112,575	2028	960,150
Sep-28	-	-	-	28,350	-	73,200	-	101,550		
Mar-29	-	-	485,000	28,350	275,000	73,200	760,000	101,550	2029	963,100
Sep-29	-	-	-	21,075	-	69,075	-	90,150		
Mar-30	-	-	680,000	21,075	110,000	69,075	790,000	90,150	2030	970,300
Sep-30	-	-	-	10,875	-	67,425	-	78,300		
Mar-31	-	-	725,000	10,875	90,000	67,425	815,000	78,300	2031	971,600
Sep-31	-	-	-	-	-	66,075	-	66,075		
Mar-32	-	-	-	-	830,000	66,075	830,000	66,075	2033	962,150
Sep-32	-	-	-	-	-	53,625	-	53,625		
Mar-33	-	-	-	-	855,000	53,625	855,000	53,625	2035	962,250
Sep-33	-	-	-	-	-	40,800	-	40,800		
Mar-34	-	-	-	-	880,000	40,800	880,000	40,800	2037	961,600
Sep-34	-	-	-	-	-	27,600	-	27,600		
Mar-35	-	-	-	-	905,000	27,600	905,000	27,600	2039	960,200
Sep-35	-	-	-	-	-	14,025	-	14,025		
Mar-36	-	-	-	-	935,000	14,025	935,000	14,025	2039	963,050
Sep-36	-	-	-	-	-	-	-	-		
TOTALS	440,000	9,900	5,550,000	1,478,588	7,805,000	2,981,400	13,795,000	4,469,888		18,264,888
Int. Rates Range	2.00%	2.25%	2.00%	3.00%	2.00%	4.00%	2.00%	4.00%		