



# **Pleasanton Unified School District**

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**Fiscal Year 2018-19**

**Second Interim Report**

**Presentation to Board of Trustees**

**March 12, 2019**



# Presentation Items

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- Overview
- Budget Calendar
- Assumptions
- Changes from First Interim to Second Interim
- Multi-Year Projection & Reserve Levels
- Other Funds
- Next Steps



## Overview

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Education Code Section 42130 requires that school districts certify to the State the fiscal stability of the District. Districts must demonstrate they can meet their fiscal obligations for the current year and two years out. The reports must be presented to and approved by the District's Governing Board no later than 45 days after the close of the report period.

- 1<sup>st</sup> Interim, covers actual expenditures and actual revenues from July 1 through October 31, and updates projections for the balance of the year
- 2<sup>nd</sup> Interim, covers actual expenditures and actual revenues from July 1 through January 31, and updates projections for the balance of the year



## Overview

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The Certification of the District's financial condition may take one of three forms:

- **Positive Certification:** The District will meet its financial obligations for the current fiscal year and subsequent two years.
- **Qualified Certification:** The District may not meet its financial obligations for the current fiscal year or subsequent two years.
- **Negative Declaration:** The District will not meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal years.



# FY18/19 Budget Calendar

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June 2018 - Estimated Actuals FY 17/18 , Budget Adoption FY18/19

September 2018 - Unaudited Actuals FY17/18

December 2018 - 1<sup>st</sup> Interim, as of 10/31/18

January 2019 - Audited Financial Statements

January 2019 - Governor's Budget Proposal for FY19/20

March 2019 - 2<sup>nd</sup> Interim, as of 1/31/19

March and April 2019 - Staff Review and prepare for Budget Development

May 2019 - Governor's May Revise Budget Proposal

June 2019 - Estimated Actuals FY 18/19 & Budget Adoption for FY 19/20



# District Funds

## OPERATING FUNDS

Fund	Description
01	General Fund
10	Special Education Pass-Through Fund
11	Adult Education Fund
13	Cafeteria Special Revenue Fund
17	Special Reserve Fund for Other Than Capital Outlay Projects
63	Other Enterprise Fund

## CAPITAL FUNDS

Fund	Description
14	Deferred Maintenance Fund
21	Building Fund
25	Capital Facilities Fund
35	County Schools Facilities Fund
40	Special Reserve Fund for Capital Outlay Projects
51	Bond Interest & Redemption Fund



# Budget Assumptions

The following budget assumptions include the Governor's proposed COLA increase and STRS budget reductions

Entitlement Factors				
	FY17/18	FY18/19	FY19/20	FY20/21
District Projected Enrollment	14,860	15,039	15,075	15,100
District Projected ADA	14,396	14,574	14,623	14,647
COLA	1.56%	3.70%	3.46%	2.86%
Unduplicated as % of Enrollment	14.69%	16.01%	17.18%	17.89%
K-3	\$ 7,193	\$ 7,459	\$ 7,717	\$ 7,938
4-6	\$ 7,301	\$ 7,571	\$ 7,833	\$ 8,057
7-8	\$ 7,518	\$ 7,796	\$ 8,066	\$ 8,296
9-12	\$ 8,712	\$ 9,034	\$ 9,347	\$ 9,614
K-3 Grade Span Adjustment	\$ 748	\$ 776	\$ 803	\$ 826
9-12 Grade Span Adjustment	\$ 227	\$ 235	\$ 243	\$ 250
Supplemental Grants	20%	20%	20%	20%
Gap Funding Percentage	43.97%	100.00%	100.00%	100.00%



# Changes from First Interim to Second Interim

Unrestricted General Fund		FY 18/19 First Interim	FY 18/19 Second Interim	Increase / (Decrease)	Percentage
<b>BEGINNING FUND BALANCE</b>		<b>18,791,909</b>	<b>18,791,909</b>	<b>-</b>	<b>0.00%</b>
<b>REVENUE</b>					
	LCFF Sources/Property Taxes	129,816,010	129,969,238	153,228	0.12%
	Federal Revenues				
	Other State Revenue	8,590,866	8,599,456	8,590	0.10%
	Other Local Revenue	1,130,402	2,177,297	1,046,895	92.61%
<b>TOTAL REVENUE</b>		<b>139,537,278</b>	<b>140,745,991</b>	<b>1,208,713</b>	<b>0.87%</b>
<b>EXPENDITURES</b>					
	Certificated Salaries	72,173,455	71,952,562	(220,893)	-0.31%
	Classified Salaries	12,552,695	12,732,501	179,806	1.43%
	Employee Benefits	20,991,462	21,027,287	35,825	0.17%
	Books and Supplies	5,102,048	5,779,935	677,887	13.29%
	Services, Operating Expenses	12,822,092	13,447,828	625,736	4.88%
	Capital Outlay	192,451	275,682	83,231	43.25%
	Other Outgo	1,313,102	1,313,102	-	
	Transfers of Indirect Costs	(1,479,139)	(1,465,259)	13,880	-0.94%
<b>TOTAL EXPENDITURES</b>		<b>123,668,166</b>	<b>125,063,638</b>	<b>1,395,472</b>	<b>1.13%</b>





# Changes from First Interim to Second Interim

Unrestricted General Fund		FY 18/19 First Interim	FY 18/19 Second Interim	Increase / (Decrease)	Percentage
<b>OTHER FINANCING SOURCES</b>					
	Transfers In	593,200	618,200	25,000	<b>4.21%</b>
	Other Sources/Uses	-	-	-	
	Contributions	(18,219,482)	(19,269,789)	1,050,307	<b>-5.76%</b>
	Categorical Programs*	422,456	378,640	(43,816)	<b>-10.37%</b>
	Special Education	14,397,026	15,491,149	1,094,123	<b>7.60%</b>
	Restricted Routine Repair	3,400,000	3,400,000	-	<b>0.00%</b>
	Transfers Out and Other Uses	1,203,000	1,233,000	30,000	<b>2.49%</b>
<b>TOTAL - OTHER FINANCING</b>		<b>(18,829,282)</b>	<b>(19,884,589)</b>	<b>(1,055,307)</b>	<b>5.60%</b>
<b>INCOME <i>minus</i> EXPENSES &amp; TRANSFERS</b>		(2,960,170)	(4,202,236)	(1,242,066)	41.96%
<b>ENDING FUND BALANCE</b>		<b>15,831,739</b>	<b>14,589,673</b>	<b>(1,242,066)</b>	<b>-7.85%</b>
*These program included PSEE Music, PLTW, an Horizon					



# Changes from First Interim to Second Interim

<b>Restricted General Fund</b>	<b>FY 18/19 First Interim</b>	<b>FY 18/19 Second Interim</b>	<b>Increase / (Decrease)</b>	<b>Percentage</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$4,690,783</b>	<b>\$4,690,783</b>	<b>\$0</b>	<b>0.00%</b>
<b>REVENUE</b>				
LCFF Sources/Property Taxes	777,859	831,319	53,460	6.87%
Federal Revenues	3,698,666	3,873,215	174,549	4.72%
Other State Revenue	17,734,657	17,831,313	96,656	0.55%
Other Local Revenue	3,193,954	4,180,674	986,720	30.89%
<b>TOTAL REVENUE</b>	<b>25,405,136</b>	<b>26,716,521</b>	<b>1,311,385</b>	<b>5.16%</b>
<b>EXPENDITURES</b>				
Certificated Salaries	13,721,415	14,172,409	450,994	3.29%
Classified Salaries	6,535,165	7,036,383	501,218	7.67%
Employee Benefits	11,859,801	11,945,043	85,242	0.72%
Books and Supplies	5,140,145	4,397,241	(742,904)	-14.45%
Services, Operating Expenses	5,853,975	7,709,857	1,855,882	31.70%
Capital Outlay	2,314,931	2,491,193	176,262	100.00%
Other Outgo	91,000	91,000	-	0.00%
Direct Support/Indirect Costs	1,263,162	1,249,282	(13,880)	-1.10%
<b>TOTAL EXPENDITURES</b>	<b>46,779,594</b>	<b>49,092,408</b>	<b>2,312,814</b>	<b>4.94%</b>



# Changes from First Interim to Second Interim

Restricted General Fund	FY 18/19 First Interim	FY 18/19 Second Interim	Increase / (Decrease)	Percentage
<b>OTHER FINANCING SOURCES</b>				
Transfers In	75,000	75,000	-	0.00%
Contributions	18,219,482	19,269,789	1,050,307	5.76%
Categorical Programs*	422,456	378,640	(43,816)	-10.37%
Special Education	14,397,026	15,491,149	1,094,123	7.60%
Restricted Routine Repair	3,400,000	3,400,000	-	0.00%
Transfers Out and Other Uses	-	-	-	
<b>INCOME minus EXPENSES &amp; TRANSFERS</b>	(3,079,976)	(3,031,098)	48,878	-1.59%
<b>ENDING FUND BALANCE</b>	<b>1,610,807</b>	<b>1,659,685</b>	<b>48,878</b>	<b>3.03%</b>
*These program included PSEE Music, PLTW, an Horizon				



# Changes from First Interim to Second Interim

Unrestricted & Restricted General Fund		FY 18/19 First Interim	FY 18/19 Second Interim	Increase / (Decrease)	Percentage
<b>BEGINNING FUND BALANCE</b>		<b>\$23,482,692</b>	<b>\$23,482,692</b>	<b>\$0</b>	<b>0.00%</b>
<b>REVENUE</b>					
	LCFF Sources/Property Taxes	130,593,869	130,800,557	206,688	0.2%
	Federal Revenues	3,698,666	3,873,215	174,549	4.7%
	Other State Revenue	26,325,523	26,430,769	105,246	0.4%
	Other Local Revenue	4,324,356	6,357,971	2,033,615	47.0%
<b>TOTAL REVENUE</b>		<b>\$164,942,414</b>	<b>\$167,462,512</b>	<b>\$2,520,098</b>	<b>1.5%</b>
<b>EXPENDITURES</b>					
	Certificated Salaries	85,894,870	86,124,971	230,101	0.3%
	Classified Salaries	19,087,860	19,768,884	681,024	3.6%
	Employee Benefits	32,851,263	32,972,330	121,067	0.4%
	Books and Supplies	10,242,193	10,177,176	(65,017)	-0.6%
	Services, Operating Expenses	18,676,067	21,157,685	2,481,618	13.3%
	Capital Outlay	2,507,382	2,766,875	259,493	10.3%
	Other Outgo	1,404,102	1,404,102	0	0.0%
	Direct Support/Indirect Costs	-215,977	-215,977	0	
<b>TOTAL EXPENDITURES</b>		<b>\$170,447,760</b>	<b>\$174,156,046</b>	<b>\$3,708,286</b>	<b>2.2%</b>



## Changes from First Interim to Second Interim

Unrestricted & Restricted General Fund		FY 18/19 First Interim	FY 18/19 Second Interim	Increase / (Decrease)	Percentage
<b>OTHER FINANCING SOURCES</b>					
	Transfers In	668,200	693,200	25,000	3.7%
	Contributions	-	-	-	
	Transfers Out and Other Uses	1,203,000	1,233,000	30,000	2.5%
<b>INCOME minus EXPENSES &amp; TRANSFERS</b>		(\$6,040,146)	(\$7,233,334)	(\$1,193,188)	19.8%
<b>ENDING FUND BALANCE</b>		<b>\$17,442,546</b>	<b>\$16,249,358</b>	<b>(\$1,193,188)</b>	<b>-6.8%</b>



# Multi-Year Projection

Description	2018/2019	2019/2020	2020/2021
	Projection	Projection	Projection
	Total	Total	Total
<b>REVENUE</b>			
<b>LCFF</b>	130,800,557	137,180,692	141,309,287
<b>Federal</b>	3,873,215	3,010,098	3,010,098
<b>State</b>	26,430,769	20,873,988	20,873,988
<b>Local</b>	6,357,971	2,908,472	2,908,472
<b>TOTAL REVENUE</b>	<b>167,462,512</b>	<b>163,973,250</b>	<b>168,101,845</b>
<b>EXPENDITURES</b>			
<b>Certificated</b>	86,124,971	87,670,596	88,985,654
<b>Classified</b>	19,768,884	20,065,416	20,366,398
<b>Benefits</b>	32,972,330	34,651,510	36,429,439
<b>Books &amp; Supplies</b>	10,177,176	6,824,151	5,319,340
<b>Services, Other Operating Expenses</b>	21,157,685	17,392,498	17,607,025
<b>Capital Outlay</b>	2,766,875	305,864	305,864
<b>Other Outgo</b>	1,404,102	1,409,875	1,409,875
<b>Direct Support/Indirect Costs</b>	(215,977)	(215,977)	(215,977)
<b>TOTAL EXPENDITURES</b>	<b>174,156,046</b>	<b>168,103,933</b>	<b>170,207,618</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>(6,693,534)</b>	<b>(4,130,683)</b>	<b>(2,105,773)</b>



# Multi-Year Projection

Description	2018/2019	2019/2020	2020/2021
	Projection	Projection	Projection
	Total	Total	Total
<b><u>OTHER FINANCING SOURCES/USES</u></b>			
Transfers In	693,200	668,200	668,200
Transfers Out	1,233,000	1,203,000	1,203,000
Sources			
Uses			
Cont. to Rest. Programs	-	-	-
Categorical Programs (PSEE Music, PLTW, & Horizon)			
Special Education			
Restricted Routine Repair			
<b>TOTAL OTHER FIN. SOURCE/USES</b>	(539,800)	(534,800)	(534,800)
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>(7,233,334)</b>	<b>(4,665,483)</b>	<b>(2,640,573)</b>
Beginning Fund Balance	23,482,692	16,249,358	11,583,875
Other Adjustment			
Audit Adjustments			
Other Restatements			
<b>ENDING BALANCE, JUNE 30</b>	<b>16,249,358</b>	<b>11,583,875</b>	<b>8,943,301</b>



# Components of Ending Balance

Description	2018/2019	2019/2020	2020/2021
	Projection	Projection	Projection
	Total	Total	Total
<b>Components of Fund Balance</b>			
Revolving Cash	76,880	76,880	76,880
Stores	101,204	101,204	101,204
Prepaid Expenditures	33,738	33,738	33,738
General Reserve			
Legally Restricted Balances	1,659,685	2,235,203	2,239,609
Perkins Grant	109		
California Clean Energy	139,247		
Restricted Lottery	68,917		
SELPA AU	657,350	657,350	657,350
Restricted Routine Maintenance	795,795	1,479,586	1,483,992
Local Donations	98,267	98,267	98,267
Designated for:			
Econ. Uncertainties	5,261,671	5,079,208	5,142,319
	-	-	-
Planned Text Book Adoption		500,000	500,000
Undesignated / Unappropriated	<b>9,116,179</b>	<b>3,557,642</b>	<b>849,552</b>





# Special Revenue Funds

<b>Special Revenue Funds</b>	<b>Adult Ed Fund 11</b>	<b>Cafeteria Fund 13</b>	<b>Enterprise Fund 63</b>	<b>Enterprise Fund 64</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$161,299</b>	<b>\$808,750</b>	<b>\$1,692,756</b>	<b>\$29,235</b>
Revenue	\$683,348	\$4,230,000	\$3,995,280	\$10,077
Expenditures	\$765,548	\$4,182,750	\$3,951,105	\$17,364
Revenue Over (under) Expense	-\$82,200	47,250	44,175	(7,287)
Transfers In (Out)		\$30,000	(111,900)	
<b>ENDING FUND BALANCE</b>	<b>\$79,099</b>	<b>\$886,000</b>	<b>\$1,625,031</b>	<b>\$21,948</b>



# Special Reserve Funds

<b>Special Reserve Funds</b>	<b>Non-Capital OPEB/CALPERS Fund 17</b>	<b>Non-Capital PSEE Fund 17</b>	<b>Capital Fund 40</b>	<b>Capital Sycamore Fund 40</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$ 6,792,216</b>	<b>\$ 364,482</b>	<b>\$ 4,984,971</b>	<b>\$ 7,177,080</b>
Revenue	\$30,000	\$3,000	\$80,000	\$50,000
Expenditures	\$0	\$0	\$6,000	\$0
Revenue Over (under) Expense	\$30,000	\$3,000	\$74,000	\$50,000
Transfers In (Out)	\$783,000	\$ (75,000)	\$ -	\$ (50,000)
<b>ENDING FUND BALANCE</b>	<b>\$7,605,216</b>	<b>\$292,482</b>	<b>\$5,058,971</b>	<b>\$7,177,080</b>



# Capital Outlay Funds

<b>Capital Outlay Funds</b>	<b>Deferred Maintenance Fund 14</b>	<b>Measure I1 Fund 21</b>	<b>Capital Facilities Fund 25</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$1,606,312</b>	<b>\$54,234,764</b>	<b>\$3,480,169</b>
Revenue	\$15,000	\$780,000	\$1,238,000
Expenditures	\$1,138,800	\$51,618,407	\$989,386
Revenue Over (under) Expense	(1,123,800)	(50,838,407)	\$248,614
Transfers In (Out)	\$700,000	\$0	(36,300)
<b>ENDING FUND BALANCE</b>	<b>\$1,182,512</b>	<b>\$3,396,357</b>	<b>\$3,692,483</b>



# Next Steps

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## **March 2019**

- Present Second Interim, Action
- Present Budget Assumptions, Information

## **April 2019**

- Present Updated Budget Assumptions, Information

## **May 2019**

- Present Updated Budget Assumptions, Action
- Present May Revise, Information

## **June 2019**

- Budget and LCAP Hearings
- Budget Adoption, Action