



Pleasanton

UNIFIED SCHOOL DISTRICT

Educate. Inspire. Empower.

2022/23 Unaudited Actuals
September 14, 2023

September 14, 2023
Board of Trustees Meeting

Business Services Memorandum

To: Board of Trustees

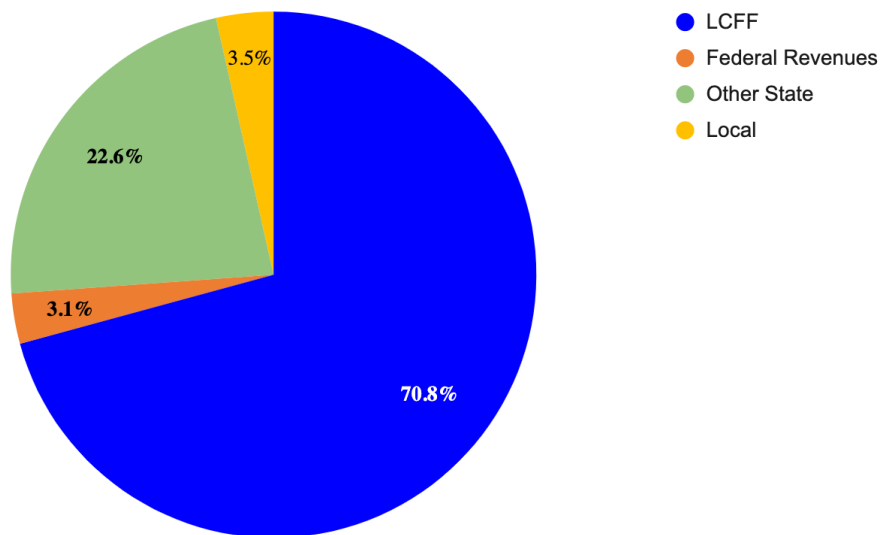
From: Ahmad Sheikholeslami, Assistant Superintendent of Business Service
Thomas Gray, Executive Director of Fiscal Services

Date: 9/14/2023

Re: 2022/23 Unaudited Actuals

The Unaudited Actuals are presented to update the Board on the final status of the District's actual revenues, expenditures, and fund balance activity for the 2022/23 fiscal year. This includes all activities since 2022/23 Estimated Actuals were reported with 2023/24 Adopted Budget at the June 22, 2023 school board meeting. The District ended the fiscal year with a net decrease in the unrestricted ending fund balance of (\$2,338,933) and a net increase in the restricted fund balance of \$9,527,435.

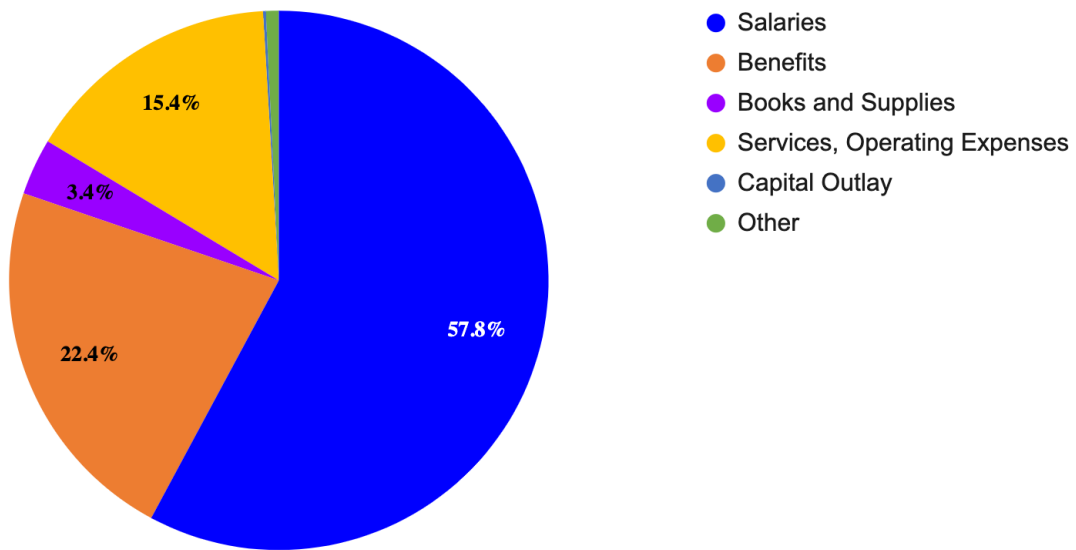
2022/23 Unaudited Actuals Revenue Sources



Total revenues (Unrestricted and Restricted) for 2022/23 were \$223,166,723. Restricted revenues accounted for 25% of total revenues and were higher due to \$13,052,878 one-time grants in 2022/23 from the Art, Music, Instructional Material Block Grant and Learning Recovery Emergency Block Grant.

Total Unrestricted Revenues were \$167,307,006, with the LCFF Sources accounting 93.7% of that total. The District's LCFF grew by about 11% from 2021/22 as the State provided a 6.56% COLA in 2022/23 and an additional base increase to LCFF of 6.7%. The State also implemented a new three-year average in calculating the ADA used in the LCFF that shielded the district from funding reductions from loss of enrollment. From 2019/20 to 2022/23 the district enrollment decreased by about 1100 students (CBEDs date). State funding through the LCFF and other State funds remains the District's main source of revenue. Local property taxes support 60% of the LCFF, with the remaining coming directly from the State.

2022/23 Unaudited Actuals Expenditures



Total expenditures for 2022/23 were \$216,716,200. This represents an increase of 8.9% from the fiscal year 2021/22. Restricted expenditures account for 35.6% of total expenditures. Increases in expenditures are primarily due to increased salaries and benefits costs as well as increased Services and Operating costs. This also includes expenditures of one-time pandemic relief funds that have almost been fully expended. Restricted expenditures increased by 5.3%, while unrestricted expenditures grew by 11% during the same period. The district's unrestricted general fund contribution to special education and routine maintenance grew by \$2.87M or 10.25%.

Summary

The net change in the General Fund Ending Balance since Estimated Actuals is an increase of approximately \$9.76M. The main drivers for the increased end funding balance are in Restricted Fund carryovers of about \$7.46M. During the development of the Estimated Actuals, the State had plans to cut two significant grant programs which were reversed with the 2023/24 Enacted State Budget. Restricted funds can only be expended for specific programs and expenditures required by the Federal or State programs. Local funds are also restricted, such as donations and gifts to the school or district. In the Unrestricted General Funds, the District realized an improvement of \$2.1M in the ending fund balance from Estimated Actuals. The main drivers were additional revenues from the State Lottery, and expenditures savings. See the detailed variance reports attached.

The most significant portion of expenditures is salaries and benefits, at about 80.2% of our total expenditures. A review of the variance report shows that salaries and benefits increased at first interim due to the 2022/23 compensation increases and continued to increase due to filling open positions and increased substitution costs. Operating and Service expenditures also grew from the Adopted Budget in both the restricted and unrestricted expenditures.

Below is a breakdown of the components of the increased ending fund balance from the estimated actuals:

- Revenues net increase of \$7,909,828:
 - LCFF adjustments for a net \$24,662
 - Reduced Federal revenues (\$91,545)
 - Increased State revenues of \$5,543,739
 - \$4.9M from Restricted one-time grants
 - \$630K from Unrestricted Lottery
 - Increased local revenues of \$2,432,971
 - \$2M in Restricted local revenues
 - \$432K in other local unrestricted
- Expenditure net decrease of (\$1,873,770):
 - Increase in salaries and benefits: \$1,801,375
 - Increased sub costs and restricted program spending
 - Reduced Book and Supplies: (\$2,316,776)
 - Restricted portion: (\$1,792,390)

- Unspent restricted funds that result in being added to carryover.
 - Reduced Service and Operations:(\$1,333,622)
 - Restricted Portion: (\$1,172,908)
 - Unspent restricted funds that result in being added to carryover.
 - Reduced Capital Outlay: (\$325,275)
 - Unspent restricted funds that result in being added to carryover.
 - No significant change in other and direct cost

Components of Ending Fund Balance: \$35,074,250

Restricted Balances		\$20,934,072
Expanded Learning Opportunities Program	\$1,331,042	
Other Restricted Federal	\$3,063	
Educator Effectivness	\$1,595,602	
Lottery Instructional Material	\$108,281	
Special Education	\$303,431	
Mental Health Related Services	\$414,311	
Special Education Early Intervention Preschool Grant	\$35,649	
Art, Music, and Instr. Materials Discretionary Block Grant	\$7,534,034	
Child Nutrition: Kitchen Infrastructure Upgrade Funds	\$12,500	
Child Nutrition: Food Service Staff Training Funds	\$36,240	
A-G Access Success Mitigation Grant	\$315,625	
A-G Learning Loss Mitigation Grant	\$61,761	
ELO Grant (Paraprofessional)	\$367,269	
Learning Recovery Emergency Block Grant	\$4,244,383	
Other Restricted State	\$125,114	
Routine Maintenance Account:	\$2,028,100	
Other Restricted Local	\$2,417,668	
Unrestricted Assigned Fund Balances		\$371,000
Program Carryover	\$371,000	
Reserves		\$12,170,122
Economic Uncertainty	\$6,501,826	
AR 3100	\$2,386,491	
Unassigned/Unappropriated	\$3,281,805	
Non-Spendable Cash		\$1,599,055
Total Ending Fund Balance		\$35,074,250

Key changes and findings between 2021/22 and 2022/23 Fiscal Years

- The total reserve (economic uncertainties, AR 3100 & unappropriated funds) decreased by 1.32% or \$1.64M from 2021/22. The total reserve percentage is based on total expenditures.
 - 2021/22: \$13,808,821 or 6.94% of total expenditures
 - 2022/23: \$12,170,121 or 5.62% of total expenditures
- Unrestricted Ending fund balance decreased from 2021/22: (\$2.34M)
- Unrestricted Revenue increased by 12.19% or 18.18M
 - LCFF Sources funding increased by about 11.1%
 - \$15.67M
- Restricted Revenues increased by 18.89% or \$8.87M
 - Mainly driven by new one-time State Grants
- Expenditures increase from 2021/22 to 2022/23: \$17.71M or 8.9%
 - Unrestricted Expenditures increased by 13.8M or 11%
 - Restricted Expenditures increased by \$3.89M or 5.3%
 - Salaries and Benefits costs increased by \$8.9M or 5.4%
 - Books and Supplies expenditures increased by \$1.54M or 26.6%
 - New textbook adoptions
 - Services and Operations expenditures increased by \$8.25M or 32.7%
 - Increased cost for software and digital licenses
 - New Student Information System
 - Elections
 - Increased utility costs
 - Spend down on one-time pandemic funds
 - Capital expenditures decreased by \$35,717
 - Contribution from the unrestricted to restricted programs increased by \$2.87M or 10.25%

Other Funds

The District has established various other funds for specific purposes. These funds account for the proceeds of specific revenue sources that are restricted or committed to the expenditure for specified purposes and compose a substantial portion of the fund's inflows. These funds can not be used for General Fund expenditures. There are limited options for inter-fund borrowing and minimal options to move funds by Board Resolution.

- **Adult Education (Fund 11)**

Adult education increased by \$95,432 from its ending fund balance from the previous year to \$194,921.

- **Child Development (Fund 12)**

The Child Development Fund is new this year. This fund accounts for the California State Preschool Program (CSPP) grant the district received to serve our preschool students. The fund had an ending balance of \$221,276.

- **Cafeteria Special Reserve (Fund 13)**

The cafeteria fund covers Child Nutritional Service. CNS increased its ending fund balance by \$2,737,994 to \$5,658,614 primarily due to the Federal meal reimbursement program and lower staffing/benefit costs due to staffing shortages.

- **Deferred Maintenance (Fund 14)**

The district did not contribute to this fund in 2021/22. The State no longer makes matching fund contributions for deferred maintenance. The fund has an ending balance of \$116,199

- **Special Reserve for Other than Capital Outlay Projects (Fund 17)**

The funds in Fund 17 help support teacher professional development (PD). These funds are now fully spent and the ending fund balance is \$0.

- **Non Capital PSEE (Fund 17)**

The funds are from a grant donated to the district to be spent on the elementary music program. These funds are now fully spent and the ending fund balance is \$0.

- **Bond Fund (Fund 21)**

Proceeds and expenditures for the Measure I1 and Measure I bond programs are included in this fund. The district spent about \$49.6M on ongoing projects and sold \$100M of new Measure I Bonds. The ending fund balance for this fund is \$156,623,442

- **Capital Facilities (Fund 25)**

This fund includes revenues from developer fees and allowed expenditures related to facilities needed to house students, construction, debt service, and related expenses. These funds are planned for the new facilities planned or under construction that address student capacity. \$336K was spent and about \$886K of new fees were collected. The ending fund balance is \$2,173,175.

- **Capital Outlay (Fund 40)**

This fund includes monies as part of the district capital improvement projects that are not bond funded. This year the district issued Certificates of Participation (COP) to purchase and improve a new district office. These transactions are accounted for in this fund. The ending fund balance is \$7,011,553.

- **Capital Sycamore (Fund 41)**

This fund is monies from the sale of the Sycamore property. Interest earnings from the earnings are transferred for ongoing technology expenditures. The ending fund balance is \$7,249,810.

- **Enterprise Fund (Kids Club/Steam/Horizon) (Fund 63)**

This fund is for the district's various afterschool, preschool, and infant/toddler services. The program is fee-based and serves students and families in the community. This fund had an ending fund balance of \$2,958,887.

- **Retiree Benefits (Fund 71)**

This fund is for the district's retiree benefits. Funds are held here and with the CERBT Trust. These funds assist in reducing the district's OPEB liability and are not used to pay the district's retiree benefit costs. Over the long-term period this fund is projected to grow by 7.59%. The ending balance is \$6,467,474.

Conclusion/Next Steps

While the 2022/23 Unaudited Actuals affirmed the State's significant investment into the LCFF and new one-time grant funds, the district's corresponding expenditures have also increased. The district deficit spent about \$2.34M in the unrestricted general fund. PUSD reserves are 5.62% of total expenditures. Moving forward, the district will need to continue to monitor its deficit spending to ensure that it can meet its multi-year obligations, continue to right-size staff with enrollment, and execute planned spending

of its restricted funds. As the restricted funds are spent down, the district must either find new revenue sources or make the needed staffing and/or programmatic reductions.

The next step in the budgetary process will be completing the audit of the 2022/23 financials. The independent auditor will complete their audit in the fall and present their findings in December 2023. A report will be brought to the board in January 2024. Staff will begin working on the First Interim Report, which incorporates the unaudited actual ending balances, new funding from the Enacted State Budget, and adjustments from the actual staffing changes, hiring, and replacements. The First Interim Report will be presented for board review and action at the December 2023 board meeting.

Included in the Unaudited Actuals are the following reports:

- General Fund Variance Summary Reports
- Summary of All Funds
- SACS Financial Report

**PLEASANTON UNIFIED SCHOOL DISTRICT
Variance Report - 2022/2023**

Unrestricted & Restricted General Fund	Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$27,885,747	\$27,885,747	\$27,885,747	\$27,885,747	\$27,885,747	\$ -	0.00%
REVENUE							
LCFF Sources/Property Taxes	153,037,845	157,888,876	157,692,158	157,894,764	157,919,426	24,662	0.02%
Federal Revenues	6,055,715	6,913,373	7,007,054	7,007,059	6,915,514	(91,545)	-1.31%
Other State Revenue (1)	33,558,759	51,592,609	52,414,211	44,927,404	50,471,143	5,543,739	12.34%
Other Local Revenue (2)	2,912,054	4,128,232	4,747,668	5,427,669	7,860,640	2,432,971	44.83%
TOTAL REVENUE	\$195,564,373	\$220,523,090	\$221,861,091	\$215,256,896	\$223,166,724	7,909,828	3.67%
EXPENDITURES							
Certificated Salaries (3)	94,738,878	95,921,971	96,144,289	96,648,855	97,919,252	1,270,397	1.31%
Classified Salaries (3)	26,884,840	26,096,469	25,734,933	26,592,953	27,438,851	845,898	3.18%
Employee Benefits (3)	50,505,269	50,534,194	50,451,539	48,833,087	48,518,167	(314,920)	-0.64%
Books and Supplies (4)	6,999,762	10,676,635	10,650,030	9,656,551	7,339,775	(2,316,776)	-23.99%
Services, Operating Expenses (4)	21,871,863	28,919,345	32,477,083	34,803,791	33,470,169	(1,333,622)	-3.83%
Capital Outlay	795,500	946,524	752,461	681,766	356,491	(325,275)	-47.71%
Other Outgo	1,567,527	1,567,527	1,567,527	1,635,841	1,918,398	282,557	17.27%
Direct Support/Indirect Costs	-150,504	-150,504	-262,873	-262,873	-244,902	17,971	-6.84%
TOTAL EXPENDITURES	203,213,135	214,512,161	217,514,989	218,589,971	216,716,201	(1,873,770)	-0.86%
OTHER FINANCING SOURCES							
Transfers In	531,000	540,278	729,218	736,158	737,979	1,821	0.25%
Contributions	-	-	-	-	-	-	
Transfers Out and Other Uses	-	-	-	-	-	-	
INCOME minus EXPENSES & TRANSFERS	(7,117,762)	6,551,207	5,075,320	(2,596,917)	7,188,502	9,785,419	376.81%
ENDING FUND BALANCE	\$20,767,985	\$34,436,954	\$32,961,067	\$25,288,830	\$35,074,249	9,785,419	38.69%

- 1 State revenues are up due to an increase in Lottery and less of a reduction to restricted grant programs
- 2 Recognize revenue when received
- 3 Final Staffing adjustments, stipends, and sub costs
- 4 Less supply and operating expenses resulting in carryover to the restricted program budget

Designations	Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals		
Nonspendable	\$660,300	\$653,472	\$595,674	\$572,387	\$1,539,455		
Tech Plan	\$0	\$0	\$0	\$0			
Textbooks	\$0	\$0	\$0	\$0			
Board Designation AR 3100	\$0	\$1,566,040	\$1,566,040	\$1,566,040	\$1,566,040		
Board Designation AR 3100					\$820,451		
MAA					\$306,906		
Site (0207)					\$64,094		
Tech Plan							
Economic Uncertainties	\$6,098,394	\$6,435,365	\$6,525,450	\$6,557,699	\$6,501,826		
Restricted Fund	\$6,676,770	\$22,804,996	\$20,791,317	13,331,976	20,993,672		
Undesignated	\$14,009,291	\$2,977,081	\$7,531,531	\$7,293,923	\$6,264,162		

Unrestricted General Fund - 2022/23		Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE		16,419,511	16,419,511	16,419,511	16,419,511	16,419,511		0.00%
REVENUE								
	LCFF Sources/Property Taxes	152,005,894	156,856,925	156,660,207	156,790,457	156,792,524	2,067	0.00%
	Federal Revenues	-	-				-	
	Other State Revenue	6,339,237	7,368,995	7,619,247	7,619,247	8,249,580	630,333	8.27%
	Other Local Revenue	1,418,985	1,507,068	1,625,369	1,833,423	2,264,901	431,478	23.53%
TOTAL REVENUE		159,764,116	165,732,988	165,904,823	166,243,127	167,307,006	1,063,879	0.64%
EXPENDITURES								
	Certificated Salaries	75,733,477	76,556,731	77,391,294	77,956,369	78,477,394	521,025	0.67%
	Classified Salaries	15,574,058	14,886,207	14,723,662	15,223,528	15,407,103	183,575	1.21%
	Employee Benefits	28,920,184	28,948,891	29,196,234	28,104,255	27,830,553	(273,702)	-0.97%
	Books and Supplies	4,647,636	5,716,697	4,891,678	3,668,700	3,144,314	(524,386)	-14.29%
	Services, Operating Expenses	12,220,487	13,970,814	14,280,501	15,569,228	15,408,514	(160,714)	-1.03%
	Capital Outlay	195,500	341,300	338,223	367,233	90,151	(277,082)	-75.45%
	Other Outgo	1,367,527	1,367,527	1,367,527	1,367,527	1,424,163	56,636	4.14%
	Transfers of Indirect Costs	(2,152,972)	(2,103,974)	(2,294,652)	(2,301,683)	(2,234,364)	67,319	-2.92%
TOTAL EXPENDITURES		136,505,897	139,684,193	139,894,467	139,955,157	139,547,827	(407,330)	-0.29%
OTHER FINANCING SOURCES								
	Transfers In/Out	531,000	540,278	729,218	736,158	737,979	1,821	0.25%
	Other Sources/Uses						-	
	Contributions	(31,190,606)	(31,376,626)	(30,989,335)	(31,486,785)	(30,836,092)	650,693	-2.07%
	Categorical Programs						-	
	Special Education	(25,505,692)	(25,694,982)	(25,304,691)	(25,520,141)	(24,704,452)	815,689	-3.20%
	Restricted Routine Repair	(5,684,644)	(5,684,644)	(5,684,644)	(5,984,644)	(6,131,640)	(146,996)	2.46%
	Transfers Out and Other Uses	-					-	
TOTAL - OTHER FINANCING		(30,659,606)	(30,836,348)	(30,260,117)	(30,750,627)	(30,098,113)	652,514	-2.12%
INCOME <i>minus</i> EXPENSES & TRANSFERS		(7,401,387)	(4,787,553)	(4,249,761)	(4,462,657)	(2,338,934)	2,123,723	
ENDING FUND BALANCE		9,018,124	11,631,958	12,169,750	11,956,854	14,080,577	2,123,723	17.76%

Restricted General Fund - 2022/23	Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$11,466,236	\$11,466,236	\$11,466,236	\$11,466,236	\$11,466,236		0.00%
REVENUE							
LCFF Sources/Property Taxes	1,031,951	1,031,951	1,031,951	1,104,307	1,126,902	22,595	2.05%
Federal Revenues	6,055,715	6,913,373	7,007,054	7,007,059	6,915,514	(91,545)	-1.31%
Other State Revenue	27,219,522	44,223,614	44,794,964	37,308,157	42,221,563	4,913,406	13.17%
Other Local Revenue	1,493,069	2,621,164	3,122,299	3,594,246	5,595,739	2,001,493	55.69%
TOTAL REVENUE	35,800,257	54,790,102	55,956,268	49,013,769	55,859,718	6,845,949	13.97%
EXPENDITURES							
Certificated Salaries	19,005,401	19,365,240	18,752,995	18,692,486	19,441,858	749,372	4.01%
Classified Salaries	11,310,782	11,210,262	11,011,271	11,369,425	12,031,748	662,323	5.83%
Employee Benefits	21,585,085	21,585,303	21,255,305	20,728,832	20,687,614	(41,218)	-0.20%
Books and Supplies	2,352,126	4,959,938	5,758,352	5,987,851	4,195,461	(1,792,390)	-29.93%
Services, Operating Expenses	9,651,376	14,948,531	18,196,582	19,234,563	18,061,655	(1,172,908)	-6.10%
Capital Outlay	600,000	605,224	414,238	314,533	266,341	(48,192)	-15.32%
Other Outgo	200,000	200,000	200,000	268,314	494,236	225,922	84.20%
Direct Support/Indirect Costs	2,002,468	1,953,470	2,031,779	2,038,810	1,989,462	(49,348)	-2.42%
TOTAL EXPENDITURES	66,707,238	74,827,968	77,620,522	78,634,814	77,168,374	(1,466,440)	-1.86%
OTHER FINANCING SOURCES							
Transfers In	-	-				-	
Contributions	31,190,606	31,376,626	30,989,335	31,486,785	30,836,092	(650,693)	-2.07%
Categorical Programs*						-	
Special Education	25,505,692	25,694,982	25,304,691	25,502,141	24,704,452	(797,689)	-3.13%
Restricted Routine Repair	5,684,644	5,684,644	5,684,644	5,984,644	6,131,640	146,996	2.46%
Transfers Out and Other Uses	-					-	
INCOME minus EXPENSES & TRANSFERS	283,625	11,338,760	9,325,081	1,865,740	9,527,435	7,661,695	
ENDING FUND BALANCE	11,749,861	22,804,996	20,791,317	13,331,976	20,993,672	7,661,695	57.47%

**Pleasanton Unified School District
FY 22/23 Unaudit Actuals**

Special Revenue Funds	Adult Ed Fund 11	Child Development Fund 12	Cafeteria Fund 13	Enterprise Fund 63
BEGINNING FUND BALANCE	\$99,489	\$0	\$2,920,620	\$177,465
Revenue	\$1,320,352	\$1,388,754	\$7,768,806	\$5,381,943
Expenditures	\$1,224,920	\$1,167,477	\$5,030,812	\$2,600,521
Revenue Over (under) Expenses	95,432	221,276	2,737,994	2,781,423
Transfers In (Out)	\$0	\$0	\$0	-
ENDING FUND BALANCE	\$194,921	\$221,276	\$5,658,614	\$2,958,887

Special Reserve Funds	Non-Capital Fund 17	Non-Capital PSEE Fund 17	OPEB Fund 71	Capital Fund 40
BEGINNING FUND BALANCE	\$ 80,686	\$ 579,363	\$ 6,079,347	\$ 4,304,553
Revenue	\$205	\$2,122	\$388,127	\$32,842,914
Expenditures				\$30,135,914
Revenue Over (under) Expenses	\$205	\$2,122	\$388,127	\$2,707,000
Transfers In (Out)	\$ (80,891)	\$ (581,485)		\$ -
ENDING FUND BALANCE	\$0	\$0	\$6,467,474	\$7,011,553

Capital Outlay Funds	Capital Sycamore Fund 40	Deferred Maintenance Fund 14	Measure II and I Fund 21	Capital Facilities Fund 25
BEGINNING FUND BALANCE	\$ 7,205,646	\$114,378	\$104,673,463	\$1,648,922
Revenue	\$94,164	\$1,821	\$101,648,611	\$886,273
Expenditures	\$0	\$0	\$49,698,632	\$336,417
Revenue Over (under) Expenses	\$94,164	\$1,821	51,949,978	\$549,855
Transfers In (Out)	(50,000)	\$0	\$0	(25,602)
ENDING FUND BALANCE	\$7,249,810	\$116,199	\$156,623,442	\$2,173,175