



Pleasanton Unified School District

2021/22 Unaudited Actuals

Board of Trustees Meeting

September 8, 2022



Presentation Summary

- Key Findings
- Review 2021/22 Unaudited Actuals Revenue
- Review 2021/22 Unaudited Actuals Expenditures
- 2021/22 Variance Reports
- Comparison between 2020/21 and 2021/22
- All Funds Report
- Components of the Ending Fund Balance
- Next Steps
- Appendix



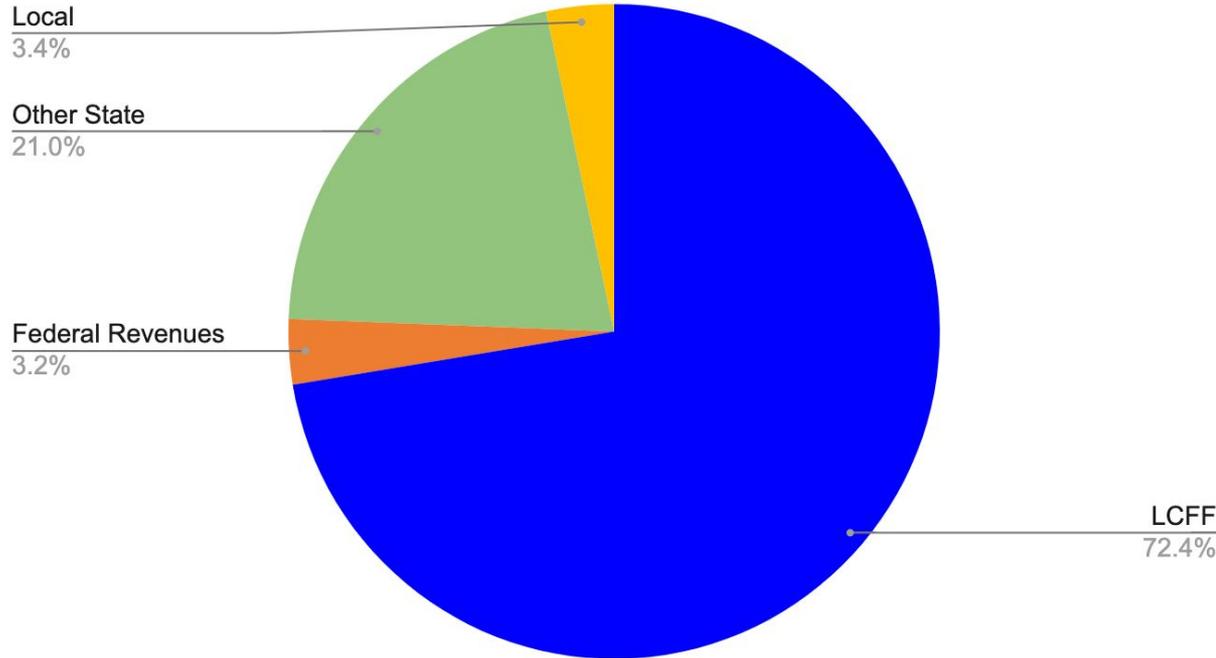
Key Finding

- Ending Fund Balance stands at \$27.89M which includes \$11.47M in restricted funds
- Total reserves is at 6.94% of total expenditures
- Restricted fund carryover from 21/22 is \$5.07M
- Received \$6.8M in one-time funds in 2021/22
- Utilized one-time COVID pandemic relief funds to support learning loss, independent study (PVA) options, social and emotional needs. student and staff safety
- Expenditure growth exceeded revenue increases in 2021/22
- Deficit spending of \$2.559M mainly driven by unrestricted expenditures
- Staffing and Benefits expenditures grew 13.72% from 2020/21 as a result of increased compensation, increased sub costs, and new positions funded by pandemic funds



2021/22 Unaudited Actuals Revenues

2021/22 Unaudited Actuals Revenue Sources



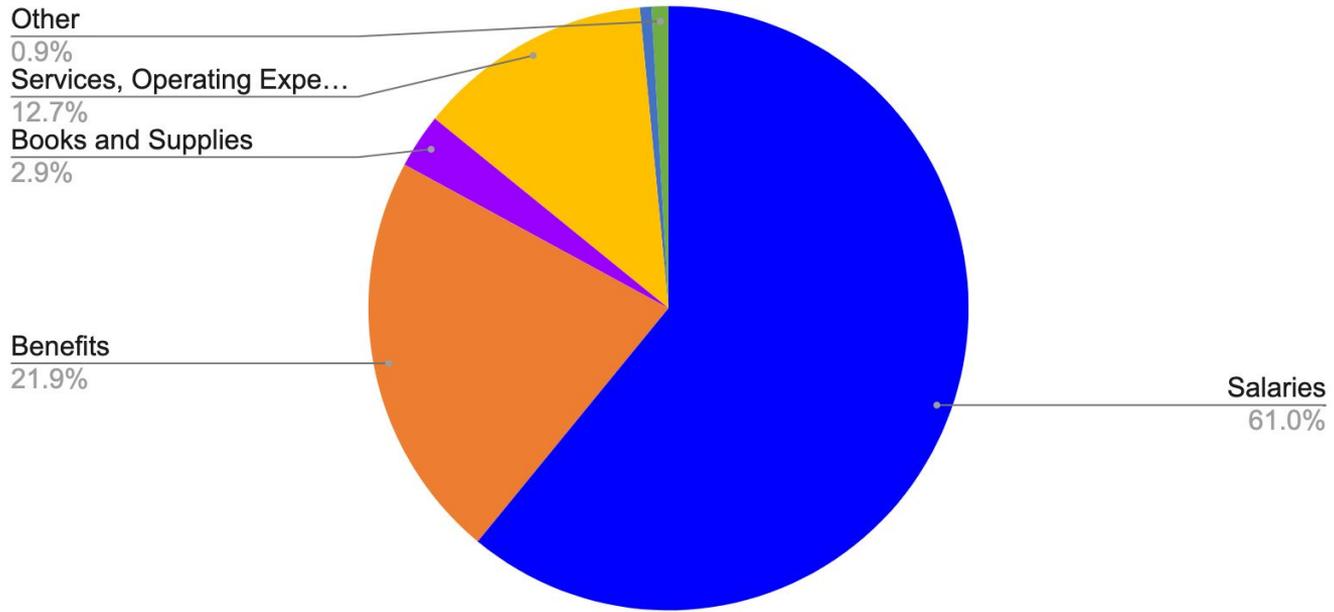
Total Revenues:
\$196,107,328

- LCFF revenues grew by 4.49%
- 5.07% COLA for 2021/22
- LCFF revenue based on 2019/20 ADA (hold harmless)
- Enrollments has declined 752 students since 2019/20 (CBED)
- Includes \$6.8M of one-time funding



2021/22 Unaudited Actuals Expenditures

2021/22 Unaudited Actuals Expenditures



**Total Expenditures:
\$199,001,285**

- Salaries and Benefits represents 82.9% of total expenditures
- Includes increased compensation for both 2020/21 and 2021/22
- Includes increased restricted expenditures from pandemic related funding
- More regular operational cost with the return of full in-person learning

**PLEASANTON UNIFIED SCHOOL DISTRICT
Variance Report - 2021/2022**



| Unrestricted & Restricted General Fund | Original Budget | 45-Day Budget | First Interim | Second Interim | Estimated Actuals | Unaudited Actuals | Increase / (Decrease) | Percentage |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|---------------|
| BEGINNING FUND BALANCE | \$30,445,446 | \$30,445,446 | \$30,445,446 | \$30,445,446 | \$30,445,446 | \$30,445,446 | \$ - | 0.00% |
| REVENUE | | | | | | | | |
| LCFF Sources/Property Taxes | 142,000,763 | 142,000,763 | 142,015,433 | 142,042,286 | 142,094,556 | 141,965,796 | (128,760) | -0.09% |
| Federal Revenues (1) | 3,300,353 | 3,300,353 | 5,866,935 | 7,792,201 | 7,506,944 | 6,319,707 | (1,187,237) | -18.79% |
| Other State Revenue (2) | 32,910,138 | 34,379,579 | 39,378,862 | 38,116,787 | 39,735,592 | 41,235,346 | 1,499,754 | 3.64% |
| Other Local Revenue (2) | 2,067,059 | 2,067,059 | 3,122,698 | 4,224,228 | 5,135,069 | 6,586,478 | 1,451,409 | 22.04% |
| TOTAL REVENUE | \$180,278,313 | \$181,747,754 | \$190,383,928 | \$192,175,502 | \$194,472,161 | \$196,107,328 | 1,635,167 | 0.83% |
| EXPENDITURES | | | | | | | | |
| Certificated Salaries (3) | 93,596,784 | 93,596,784 | 95,889,112 | 95,904,903 | 96,125,956 | 96,632,321 | 506,365 | 0.52% |
| Classified Salaries (3) | 22,021,335 | 24,118,135 | 24,656,429 | 23,985,425 | 23,970,288 | 24,684,161 | 713,873 | 2.89% |
| Employee Benefits (3) | 39,861,996 | 39,713,964 | 43,861,391 | 42,522,102 | 43,457,869 | 43,622,364 | 164,495 | 0.38% |
| Books and Supplies (4) | 5,658,509 | 5,658,509 | 10,540,591 | 8,699,473 | 8,953,263 | 5,795,720 | (3,157,543) | -54.48% |
| Services, Operating Expenses (4) | 22,647,774 | 22,647,774 | 24,609,630 | 26,140,135 | 27,787,388 | 25,221,168 | (2,566,220) | -10.17% |
| Capital Outlay | 688,500 | 688,500 | 1,593,871 | 1,579,596 | 1,572,319 | 1,241,588 | (330,731) | -26.64% |
| Other Outgo | 1,513,102 | 1,513,102 | 1,565,627 | 1,567,527 | 1,828,299 | 1,954,115 | 125,816 | 6.44% |
| Direct Support/Indirect Costs | -168,256 | -168,256 | (168,177) | -168,177 | -168,177 | -150,152 | 18,025 | -12.00% |
| TOTAL EXPENDITURES | 185,819,744 | 187,768,512 | 202,548,474 | 200,230,984 | 203,527,205 | 199,001,286 | (4,525,919) | -2.27% |
| OTHER FINANCING SOURCES | | | | | | | | |
| Transfers In | 531,000 | 531,000 | 531,000 | 568,807 | 568,807 | 616,572 | 47,765 | 7.75% |
| Contributions | - | - | - | - | - | - | - | - |
| Transfers Out and Other Uses | 200,000 | 200,000 | 201,000 | 35,807 | 35,807 | (282,313) | (318,120) | 112.68% |
| INCOME minus EXPENSES & TRANSFERS | (5,210,431) | (5,689,758) | (11,834,546) | (7,522,482) | (8,522,044) | (2,559,699) | 5,962,345 | |
| ENDING FUND BALANCE | \$25,235,015 | \$24,755,688 | \$18,610,900 | \$22,922,964 | \$21,923,402 | \$27,885,746 | 5,962,345 | 21.38% |

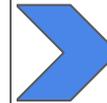
- 1 Revenue is recongnized when funds are spent
- 2 Revenue is recongnized when funds are received
- 3 Final payouts of salaries and wages including overtime, vacation, and pandemic related expenses.
- 4 Reduction in expense is upsent program funds, some of which will carryover

| Unrestricted General Fund - 2021/22 | | Original Budget | 45-Day Budget | First Interim | Second Interim | Estimated Actuals | Unaudited Actuals | Increase / (Decrease) | Percentage |
|--|------------------------------|------------------------|----------------------|----------------------|-----------------------|--------------------------|--------------------------|------------------------------|-------------------|
| BEGINNING FUND BALANCE | | 15,442,049 | 20,409,068 | 20,409,068 | 20,409,068 | 20,409,068 | 20,409,068 | | 0.00% |
| REVENUE | | | | | | | | | |
| | LCFF Sources/Property Taxes | 141,014,362 | 141,014,362 | 141,021,726 | 141,010,335 | 141,062,605 | 141,123,962 | 61,357 | 0.04% |
| | Federal Revenues | - | - | - | - | - | - | - | |
| | Other State Revenue | 5,919,607 | 6,192,593 | 6,578,048 | 6,587,532 | 6,587,532 | 6,608,322 | 20,790 | 0.31% |
| | Other Local Revenue | 869,761 | 869,761 | 893,351 | 866,635 | 1,140,747 | 1,389,869 | 249,122 | 17.92% |
| TOTAL REVENUE | | 147,803,730 | 148,076,716 | 148,493,125 | 148,464,502 | 148,790,884 | 149,122,153 | 331,269 | 0.22% |
| EXPENDITURES | | | | | | | | | |
| | Certificated Salaries | 73,138,081 | 73,138,081 | 75,890,728 | 74,902,869 | 75,195,850 | 75,198,455 | 2,605 | 0.00% |
| | Classified Salaries | 12,436,246 | 14,113,646 | 13,725,941 | 13,584,042 | 13,737,192 | 13,983,058 | 245,866 | 1.76% |
| | Employee Benefits | 23,537,579 | 23,469,771 | 24,461,167 | 23,619,546 | 23,717,675 | 24,061,469 | 343,794 | 1.43% |
| | Books and Supplies | 2,779,061 | 2,779,061 | 2,763,685 | 2,673,934 | 2,733,223 | 2,153,888 | (579,335) | -26.90% |
| | Services, Operating Expenses | 11,098,086 | 11,098,086 | 11,286,326 | 11,015,066 | 11,735,223 | 11,399,946 | (335,277) | -2.94% |
| | Capital Outlay | 185,500 | 185,500 | 153,689 | 130,555 | 112,956 | 54,304 | (58,652) | -108.01% |
| | Other Outgo | 1,313,102 | 1,313,102 | 1,365,627 | 1,367,527 | 1,367,527 | 1,377,366 | 9,839 | 0.71% |
| | Transfers of Indirect Costs | (1,638,393) | (1,638,393) | (1,722,352) | (1,763,997) | (1,833,609) | (2,510,010) | (676,401) | 26.95% |
| TOTAL EXPENDITURES | | 122,849,262 | 124,458,854 | 127,924,811 | 125,529,542 | 126,766,037 | 125,718,476 | (1,047,561) | -0.83% |
| OTHER FINANCING SOURCES | | | | | | | | | |
| | Transfers In/Out | 531,000 | 531,000 | 531,000 | 534,000 | 561,593 | 574,737 | 13,144 | 2.29% |
| | Other Sources/Uses | | | - | - | | | - | |
| | Contributions | (26,819,822) | (25,909,822) | (27,190,764) | (26,972,405) | (27,452,405) | (27,967,972) | (515,567) | 1.84% |
| | Categorical Programs | | | | | | | - | |
| | Special Education | (21,440,326) | (20,820,911) | (21,369,685) | (21,513,326) | (21,611,326) | (22,381,075) | (769,749) | 3.44% |
| | Restricted Routine Repair | (5,379,496) | (5,088,911) | (5,821,079) | (5,821,079) | (5,821,079) | (5,586,898) | 234,181 | -4.19% |
| | Transfers Out and Other Uses | 200,000 | 200,000 | 200,000 | - | | | - | 0.00% |
| TOTAL - OTHER FINANCING | | (26,488,822) | (25,578,822) | (26,859,764) | (26,438,405) | (26,890,812) | (27,393,235) | (502,423) | 1.83% |
| INCOME minus EXPENSES & TRANSFERS | | (1,534,354) | (1,960,960) | (6,291,450) | (3,503,445) | (4,865,965) | (3,989,558) | 876,407 | |
| ENDING FUND BALANCE | | 13,907,695 | 18,448,108 | 14,117,618 | 16,905,623 | 15,543,103 | 16,419,510 | 876,407 | 5.34% |

| Restricted General Fund - 2021/22 | Original Budget | 45-Day Budget | First Interim | Second Interim | Estimated Actuals | Unaudited Actuals | Increase / (Decrease) | Percentage |
|--|------------------------|----------------------|----------------------|-----------------------|--------------------------|--------------------------|------------------------------|-------------------|
| BEGINNING FUND BALANCE | \$6,639,842 | \$10,036,380 | \$10,036,380 | \$10,036,380 | \$10,036,380 | \$10,036,378 | | 0.00% |
| REVENUE | | | | | | | | |
| LCFF Sources/Property Taxes | 986,401 | 986,401 | 993,707 | 1,031,951 | 1,031,951 | 841,834 | (190,117) | -22.58% |
| Federal Revenues | 3,300,353 | 3,300,353 | 5,866,935 | 7,792,201 | 7,506,944 | 6,319,707 | (1,187,237) | -18.79% |
| Other State Revenue | 26,990,531 | 28,186,986 | 32,800,814 | 31,529,255 | 33,148,060 | 34,627,025 | 1,478,965 | 4.27% |
| Other Local Revenue | 1,197,298 | 1,197,298 | 2,229,347 | 3,357,593 | 3,994,322 | 5,196,609 | 1,202,287 | 23.14% |
| TOTAL REVENUE | 32,474,583 | 33,671,038 | 41,890,803 | 43,711,000 | 45,681,277 | 46,985,175 | 1,303,898 | 2.78% |
| EXPENDITURES | | | | | | | | |
| Certificated Salaries | 20,458,703 | 20,458,703 | 19,998,384 | 21,002,034 | 20,930,106 | 21,433,866 | 503,760 | 2.35% |
| Classified Salaries | 9,585,089 | 10,004,489 | 10,930,488 | 10,401,383 | 10,233,096 | 10,701,104 | 468,008 | 4.37% |
| Employee Benefits | 16,324,417 | 16,244,193 | 19,400,224 | 18,902,556 | 19,740,194 | 19,560,894 | (179,300) | -0.92% |
| Books and Supplies | 2,879,448 | 2,879,448 | 7,776,906 | 6,025,539 | 6,220,040 | 3,641,832 | (2,578,208) | -70.79% |
| Services, Operating Expenses | 11,549,688 | 11,549,688 | 13,323,304 | 15,125,069 | 16,052,165 | 13,821,222 | (2,230,943) | -16.14% |
| Capital Outlay | 503,000 | 503,000 | 1,440,182 | 1,449,041 | 1,459,363 | 1,187,285 | (272,078) | -22.92% |
| Other Outgo | 200,000 | 200,000 | 200,000 | 200,000 | 460,772 | 576,749 | 115,977 | 20.11% |
| Direct Support/Indirect Costs | 1,470,137 | 1,470,137 | 1,554,175 | 1,595,820 | 1,665,432 | 2,359,858 | 694,426 | 29.43% |
| TOTAL EXPENDITURES | 62,970,482 | 63,309,658 | 74,623,663 | 74,701,442 | 76,761,168 | 73,282,810 | (3,478,358) | -4.75% |
| OTHER FINANCING SOURCES | | | | | | | | |
| Transfers In | | | | 34,807 | 27,086 | 41,835 | 14,749 | 35.26% |
| Contributions | 26,819,822 | 25,909,822 | 27,190,765 | 26,972,405 | 27,452,405 | 27,967,972 | 515,567 | 1.84% |
| Categorical Programs* | | | | | | | - | |
| Special Education | 21,440,326 | 20,820,911 | 21,369,685 | 21,513,326 | 21,611,326 | 22,381,075 | 769,749 | 3.44% |
| Restricted Routine Repair | 5,379,496 | 5,088,911 | 5,821,079 | 5,821,079 | 5,821,079 | 5,586,896 | (234,183) | -4.19% |
| Transfers Out and Other Uses | - | | 1,000 | (35,807) | (42,835) | (282,313) | (239,478) | 84.83% |
| INCOME minus EXPENSES & TRANSFERS | (3,676,077) | (3,728,798) | (5,543,095) | (4,019,037) | (3,643,235) | 1,429,859 | 5,073,094 | |
| ENDING FUND BALANCE | 2,963,765 | 6,307,582 | 4,493,285 | 6,017,343 | 6,393,145 | 11,466,237 | 5,073,092 | 44.24% |

Components of the Ending Fund Balance

| | | |
|---|-------------|---------------------|
| Restricted Balances | | \$11,466,236 |
| Expanded Learning Opportunities Program | \$896,311 | |
| Educator Effectivness | \$2,338,175 | |
| Lottery Instructional Material | \$677,854 | |
| Special Education | \$650,769 | |
| Special Education - Dispute Prevention and Resolution | \$115,384 | |
| Special Education - Learning Recovery Grant | \$260,749 | |
| Mental Health Related Services | \$426,274 | |
| Special Education Early Intervention Preschool Grant | \$474,076 | |
| Child Nutrition: Kitchen Infrastructure Upgrade Funds | \$25,000 | |
| Child Nutrition: Food Service Staff Training Funds | \$51,064 | |
| Classified School Employees PD Block Grant | \$2,093 | |
| SB 117 COVID-19 LEA Response Fund | \$4,041 | |
| A-G Access Success Mitigation Grant | \$415,616 | |
| A-G Learning Loss Mitigation Grant | \$61,761 | |
| ELO Grant | \$65,418 | |
| ELO Grant (Paraprofessional) | \$661,310 | |
| Other Restricted State (Ethnic Studies) | \$128,190 | |
| Routine Maintenance Account: | \$2,269,317 | |
| Other Restricted Local | \$1,942,833 | |
| Unrestricted Assigned Fund Balances | | \$1,097,485 |
| LCAP | \$469,809 | |
| MAA - Medical Reimbursements | \$479,758 | |
| Technology Plan | \$92,661 | |
| Sites (Facility Use) | \$55,257 | |
| Reserves | | \$13,808,821 |
| Economic Uncertainty | \$5,978,619 | |
| AR 3100 | \$1,566,040 | |
| Unassigned/Unappropriated | \$6,264,162 | |
| Non-Spendable Cash | | \$1,512,885 |
| Total Ending Fund Balance | | \$27,885,427 |



Long list of
State
Restricted
and
Categorical
Programs



6.94% of GF
expenditures,
about one
month of
operating
expenses



Comparison between 20/21 and 21/22

| Key Indicators | 2020/21 | 2021/22 | % Change |
|-------------------------------------|---------------|---------------|----------|
| Ending Fund Balance | \$30,445,446 | \$27,885,747 | -8.41% |
| Total Reserves | \$11,363,098 | \$13,808,821 | 21.52% |
| Reserves as % of Total Expenditures | 6.39% | 6.94% | |
| Total Revenues | \$185,538,002 | \$196,107,328 | 5.70% |
| Revenues from LCFF | \$135,866,825 | \$141,965,796 | 4.49% |
| Other State Revenues | \$33,988,454 | \$41,235,346 | 21.32% |
| Federal Revenues | \$8,591,116 | \$6,319,708 | -26.44% |
| Total Expenditures | \$177,916,163 | \$199,001,286 | 11.85% |
| Total Salaries and Benefits | \$145,044,319 | \$164,938,846 | 13.72% |
| Unrestricted Salaries and Benefits | \$105,230,771 | \$113,242,982 | 7.61% |
| Restricted Salaries and Benefits | \$39,813,547 | \$51,695,864 | 29.84% |
| Restricted Books and Supplies | \$6,556,380 | \$3,641,832 | -44.45% |
| Restricted Services and Operations | \$10,550,473 | \$13,821,222 | 31.00% |
| Contribution to Special Education | \$18,509,420 | \$22,381,075 | 20.92% |



| Fund | Description | 2020-21 | 2021-22 |
|------|--|--------------|---------------|
| 01 | General Fund (Operating Budget) | \$30,445,446 | \$27,885,747 |
| 11 | Adult Education | \$229,794 | \$99,489 |
| 13 | Cafeteria (Child Nutritional Services) | \$983,169 | \$2,920,620 |
| 14 | Deferred Maintenance | \$113,533 | \$114,378 |
| 17 | Non-capital | \$973,093 | \$579,363 |
| 17 | Non-capital (PSEE) | \$154,788 | \$80,686 |
| 21 | Facility Bond Program (Measure I1) | \$78,379,756 | \$104,672,463 |
| 25 | Capital Facilities (Developer Fees) | \$5,506,918 | \$1,648,921 |
| 40 | Capital | \$5,241,362 | \$4,304,553 |
| 40 | Capital Sycamore | \$7,238,253 | \$7,205,646 |
| 63 | Enterprise (Kids Club, Steam, Horizon) | \$166,011 | \$177,464 |
| 71 | Retiree Benefit | \$6,854,012 | \$6,079,347 |

All Funds Ending Balance

Key:

Blue: funds where revenues come from grants, tuition, reimbursements or sales

Red: facility and maintenance related funds



Next Steps

- Independent financial audit of 2021/22 Unaudited Actuals
- Update 2022/23 Budget based on the Unaudited Actual
- First Interim Report - December 2022 Board Meeting
- Monitor enrollment and ADA for 2022/23 and beyond
- Continue work on planning and budgeting to ensure educational needs are met with fiscal stability



Appendix: Budget Approval Process

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.

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

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.



Appendix: Budget Calendar

- August 2022: Budget update for 2022/23 Adopted Budget
- **September 2022: Unaudited Actuals FY 21/22**
- December 2022: First Interim Report, as of 10/31/22
- January 2023: Audited Financial Statements for FY 21/22
- January 2023: Governor's Budget Proposal for FY 23/24
- March 2023: Second Interim Report, as of 1/31/23
- March-April 2023: Staff Review and prepare for Budget Development
- May 2023: Governor's May Revise Budget Proposal
- June 2023: Estimated Actuals FY 22/23 & Budget Adoption for FY 23/24