

**Pleasant Valley School District  
2015-16 Second Interim Budget Report  
March 8, 2016**

**Introduction**

A school district budget is a living document which changes throughout the year in order to accurately reflect the latest financial requirements and operational practices. Consistent with the requirements of AB 1200 Pleasant Valley School District updates their budget three times a year following adoption: 45-day revise, First Interim Budget Report (based on activity through October), and Second Interim Budget Report (based on activity through March). These updated reports must be forwarded to the Ventura County Office of Education for review prior to being sent to the State. Staff is providing the Board of Trustees with the 2015-16 Second Interim Budget Report reflecting revenues and expenditures based on the information available at the time. As more information becomes available, the budget will be updated. Staff is requesting the Board approve the Second Interim Budget as presented.

**Background**

Passed in 1991, AB 1200, in conjunction with education codes relating to budget preparation, adoption, and interim revisions, was created because of the need to ensure that local educational agencies throughout California adequately prepare to meet their financial obligations. AB 1200 is a statewide plan for county offices of education and school districts to work together on the local level to improve fiscal procedures, standards, and accountability. The law was rooted in the concerns that arose following the bankruptcy of Richmond School District, and the fiscal collapse of a few other districts that were preparing to seek emergency loans from the State. AB 1200 expanded the role of county offices of education in monitoring school districts and mandates that they intervene, under certain circumstances, to ensure districts can meet their financial obligations. The passage of AB 1200 sent a strong message to local educational agencies to put and keep their finances in order.

Passed in 2004, AB 2756 mandated significant revisions to the criteria and standards to improve the fiscal monitoring and oversight of school districts. Effective June 2008, it was further amended to update the formulas and methodologies used by districts in calculating budget projections and to require school districts to provide supplemental information under specified circumstances.

**Discussion**

The attached schedules present the expected revenues, expenditures and ending fund balance for the 2015/16 Second Interim Budget. Schedule A shows the Budget divided into three categories; Unrestricted Operations (Column I), Unrestricted Programs (Column II) and Restricted Programs (Column III). Schedule B highlights the changes between the First Interim Budget (Column I) and Second Interim Budget (Column II). Adjustments made to the Budget reflect current information.

Unrestricted Operations

The majority of the District's funding and expenditures are related to the ongoing operations of the District.

Local Control funding Formula (LCFF) revenues reflect an increase in the percentage of the target gap funding from 51.52% to 51.97%, resulting in a net increase in LCFF funding of \$39,000. Contributions

from unrestricted operations had a net decrease of \$215,000 since First Interim resulting from salary savings from vacant positions in special education.

#### Unrestricted Programs

These programs are considered unrestricted and have varying degrees of flexibility. However, they are focused on services identified as a need by the District or required by the State. For example, under LCFF, funding for Deferred Maintenance, Transportation, Targeted Instructional Improvement and Economic Impact Aid is now unrestricted. However, the District still has an obligation to maintain its facilities, transport students and provide additional services for socio-economically disadvantaged students and English language learners. How the District provides these services has become more flexible. Some other programs included in this category are GATE, Lottery and the Education Protection Account. The District also uses this category to track expenses related to donations and the implementation of the District's technology vision and LCAP expenditures.

Revenues have remained consistent since First Interim. Expenditures have increased \$160,000 for replacement of one bus.

#### Restricted Programs

These programs have specific guidelines on their use and often require reporting to a Federal or State agency about how the funds were spent. Examples of programs in this category are Title I, Prop 20 Lottery, Prop 39 California Clean Energy and Special Education funding. Revenues have remained consistent since First Interim. The decrease in contributions is mainly due to a decrease in the special education encroachment, caused by salary and benefit decreases due to vacant positions.

#### **Instructional Program Implications**

The 2015-16 budget reflects the Board's focus on supporting effective instruction. Resources have been aligned to support technology in the classroom, staff development and a safe environment. The LCFF requires districts to adopt a Local Control Accountability Plan (LCAP). The LCAP identifies local goals focused on improved student outcomes and aligned to the District's spending plan.

#### **Facilities**

Our facilities have significant needs in terms of maintenance and repair. In addition to the funding of \$241,200 to the deferred maintenance fund, the general fund includes \$473,000 of building lease income dedicated to facility and maintenance needs.

#### **School Community and Public Support**

The Financial Report will be posted on the District's webpage and is available for review at the District Office as a means to keep the public informed of the District's financial status.

#### **Budget Impact**

Please see the attached budget document for a financial overview and information on budget assumptions.

#### **District Policy Impact**

The recommendations included in this report are consistent with the Board of Education policies.

Pleasant Valley School District  
2015-16 Second Interim Budget Report

**Prepared & Reviewed by**

The above information was prepared by Katherine English, Chief Business Official. If you have any questions, please contact Kathy at 805-445-8628.

**Recommendations**

The Superintendent recommends the Board approve the 2015-16 Second Interim Budget Report as presented.

**Schedule A**  
**Pleasant Valley Elementary School District**  
**2015-16 Second Interim Budget**  
**By Category**

	I Unrestricted Operations	II Unrestricted Programs	III Restricted Programs	IV Total Budget
<b>Revenue</b>				
8010-8099 LCFF/Revenue Limit	39,323,667	8,107,332	-	47,430,999
8100-8299 Fed Revenue	35,000	8,400	2,539,238	2,582,638
8300-8599 Othr State Rev	3,562,125	867,830	826,446	5,256,401
8600-8799 Local Revenue	1,058,400	488,452	4,452,996	5,999,848
<b>Total Revenue</b>	<b>43,979,192</b>	<b>9,472,014</b>	<b>7,818,680</b>	<b>61,269,886</b>
<b>Expenditures</b>				
1000 Certificated Salaries	15,679,639	8,614,128	4,578,827	28,872,594
2000 Classified Salaries	5,147,134	793,053	2,885,852	8,826,039
3000 Employee Benefits	6,914,224	2,670,258	2,222,282	11,806,764
4000 Books & Supplies	1,489,114	4,923,274	2,437,301	8,849,689
5000 Services & Contracts	2,345,620	1,101,422	2,520,529	5,967,571
6000 Capital Outlay	40,000	346,415	70,370	456,785
7000 Other Outgo	1,238,824	85,000	428,407	1,752,231
Subtotal Expenditures	32,854,555	18,533,550	15,143,568	66,531,673
Other Financing Sources/Uses				
Contributions	(11,550,947)	5,667,087	5,883,860	-
Interfund transfer out	-	-	-	-
Subtotal Other Financing	(11,550,947)	5,667,087	5,883,860	-
<b>Total Expenditures</b>	<b>44,405,502</b>	<b>12,866,463</b>	<b>9,259,708</b>	<b>66,531,673</b>
<b>Net Increase/(Decrease)</b>	<b>(426,310)</b>	<b>(3,394,449)</b>	<b>(1,441,028)</b>	<b>(5,261,787)</b>
<b>Beginning Balance</b>	<b>8,950,507</b>	<b>3,404,750</b>	<b>1,441,028</b>	<b>13,796,285</b>
<b>Ending Balance</b>	<b>8,524,197</b>	<b>10,301</b>	<b>-</b>	<b>8,534,498</b>
<u>Reserves:</u>				
Cash	5,250			5,250
Legally Restricted			-	-
Designated Econ Uncert	1,995,951			1,995,951
Instructional Materials Adoption	1,158,149			1,158,149
Equipment (Buses, mowers)	192,045			192,045
One-time Mandated Costs				
Payment	2,380,599			2,380,599
Program Balances		10,301		10,301
Budget Stabilization	2,792,203			2,792,203

**Schedule B**  
**Pleasant Valley Elementary School District**  
**Comparison of**  
**2015-16 First Interim and Second Interim Budgets**

	I 2015-16 1st Interim Budget	II 2015-16 2nd Interim Budget	III Difference 1st Interim to 2nd Interim
<b>Revenue</b>			
8010-8099 LCFF	47,391,679	47,430,999	39,320
8100-8299 Fed Revenue	2,592,511	2,582,638	(9,873)
8300-8599 Othr State Rev	5,215,588	5,256,401	40,813
8600-8799 Local Revenue	5,902,991	5,999,848	96,857
<b>Total Revenue</b>	<b>61,102,769</b>	<b>61,269,886</b>	<b>167,117</b>
<b>Expenditures</b>			
1000 Certificated Salaries	29,073,107	28,872,594	(200,513)
2000 Classified Salaries	8,578,251	8,826,039	247,788
3000 Employee Benefits	11,854,089	11,806,764	(47,325)
4000 Books & Supplies	8,780,706	8,849,689	68,983
5000 Services & Contracts	6,028,146	5,967,571	(60,575)
6000 Capital Outlay	295,785	456,785	161,000
7000 Other Outgo	1,752,231	1,752,231	-
Subtotal Expenditures	66,362,315	66,531,673	169,358
Other Financing Sources/Uses			
Contributions	-	-	-
Interfund transfer out	-	-	-
Subtotal Other Financing	-	-	-
<b>Total Expenditures</b>	<b>66,362,315</b>	<b>66,531,673</b>	<b>169,358</b>
<b>Net Increase/(Decrease)</b>	<b>(5,259,546)</b>	<b>(5,261,787)</b>	<b>(2,241)</b>
<b>Beginning Balance</b>	<b>13,796,285</b>	<b>13,796,285</b>	-
<b>Ending Balance</b>	<b>8,536,739</b>	<b>8,534,498</b>	<b>(2,241)</b>
<u>Reserves:</u>			
Cash	5,250	5,250	
Legally Restricted	-	-	
Designated Econ Uncert	1,990,870	1,995,951	
Instructional Materials Adoption	1,158,149	1,158,149	
Equipment (Buses, mowers)	192,045	192,045	
One Time Mandated Cost Payment	2,380,599	2,380,599	
Program Balances	10,301	10,301	
Budget Stabilization	2,799,525	2,792,203	