

PETALUMA CITY SCHOOLS

**First Interim Report
2017-18 Fiscal Year**



First Interim Report

- **Required by the State in accordance with AB1200**
- **1st of 2 Interim Reports**
 - (2nd Interim as of January 31st - due March 15th)
- **Reporting on Fiscal Position of the District as of October 31, 2017**
 - Due to Sonoma County Office of Education (SCOE) by Dec. 15th

Petaluma City Schools ~ General Fund

- **Petaluma City Elementary School District**
 - **Penngrove Charter School**
 - **6th Grade Academy Charter**
 - **Live Oak Independent Charter School**
(Not included in District Financials)
- **Petaluma Joint High School District**
 - **Mary Collins @ Cherry Valley Charter School**
 - **Petaluma Accelerated Charter School**
 - **Gateway to College Charter**
- **South County Consortium (SOCC)**

Enrollment Update

Total PCS Tk-12 including Charters, SDC & SOCC (not including Live Oak)

	Adopted Budget Projection	Month 2 as of Oct. 6th	
TK-3	1,280	1,273	
4-6	1,064	1,045	
7-8	1,710	1,664	
9-12	<u>3,298</u>	<u>3,238</u>	
Total(s)	7,352	7,220	
	10	10	Home/Hospital
	35	23	NPS
	<u>196</u>	<u>164</u>	SDC
Total(s):	7,593	7,417	

Note: October 2016 Enrollment 7,480 Variance from Adopted = <176>

Budget Highlights

- **See detailed Spreadsheet on General Fund**



The Budget Summary

Revenues

Total General Fund Unrestricted/Restricted

Adopted Budget 2017-18

REVENUES

Other Transfers In \$1

Budget Revision #1 (2017-18 ~ 1st Interim Report)

REVENUES

Other Transfers In \$19,968

Expenditures

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

Expenditures:

Budget Revision #1 (2016-17 ~ 1st Interim Report)

Expenditures:

"Snapshot" - Revenues & Expenditures

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

Total Revenues: \$80,627,271
Total Expenditures: \$81,350,766
Net Revenues/Exp: <\$ 723,495>

Beginning Fund Bal \$14,958,903
Net Incr./(Decr) < \$ 723,495 >
Ending Fund Balance \$14,235,408

Budget Revision #1 (2016-17 ~ 1st Interim Report)

Total Revenues: \$84,418,130
Total Expenditures: <\$89,751,475>
Net Revenues/Exp: <\$ 5,333,345>

Beginning Fund Bal \$ 14,958,903
Net Incr./ (Decr.) < \$ 5,333,345 >
Ending Fund Balance \$ 9,625,558

Components of Ending Fund Balance

Total General Fund Unrestricted/Restricted

Adopted Budget 2016-17

Beginning Fund Balance:	\$ 14,958,903
Revolving Cash	\$ 81,000
Stores	\$ 0
Prepaid Expenditures	\$ 0
Restricted	\$ 3,983,261
Assigned	
2% Additional REU	\$ 1,627,015
One-Time Revenues	\$ 0
SOCC EFB	\$ 669,494
Local Site Carryover	\$ 514,454
Curriculum Adoptions	\$ 1,100,000
CSEA TA	\$ 120,000
3% Reserve for EU	\$ 2,440,523
Available over reserves	<u>\$ 3,699,661</u>
Ending Fund Balance	\$ 14,235,408

Budget Revision #1 (2016-17 ~ 1st Interim Report)

Beginning Fund Balance:	\$14,958,903
Revolving Cash	\$ 27,200
Stores	\$ 0
Prepaid Expenditures	\$ 0
Restricted	\$ 13,314
Assigned	
2% Additional REU	\$ 1,795,030
One-time Revenues	\$ 0
SOCC EFB	\$ 669,494
Local Site Carryover	\$ 0
Curriculum Adoptions	\$ 1,100,000
CSEA TA	\$ 0
3% Reserve for EU	\$ 2,692,544
Available over reserves	<u>\$ 3,327,976</u>
Ending Fund Balance	\$ 9,625,558

State Teachers Retirement System (STRS) Rates and Employer Contributions

Historical 8.25% Employer Contribution

- 2010-11 \$2,334,119
- 2011-12 \$2,377,011
- 2012-13 \$2,332,242
- 2013-14 \$2,435,345
- 2014-15 \$2,832,000
- 2015-16* \$3,450,000
- 2016-17* \$4,021,000
- 2017-18* \$4,712,000
- 2018-19* \$5,350,000
- 2019-20* \$5,975,000
- 2020-21* \$6,325,000

Note: Cumulative \$3.9 M Incr.

Increases to 19.1% Employer Contribution

- 2013-14 8.25%
- 2014-15 8.88%
- 2015-16 10.73%
- 2016-17 12.58%
- 2017-18 14.43%
- 2018-19 16.28%
- 2019-20 18.13%
- 2020-21 19.1%

Note: *Adjusted for SOCC costs in 2015-16 thru 2020-21

STRS costs adjusted for *STRS on Behalf* payments 2014-15 through 2020-21

Multi-Year Projections (Unrestricted)

2017-18 Assumptions

- Flat enrollment and ADA
- SSC Dartboard for COLA & GAP Funding
- Incr. interest earnings \$25K
- Eliminate one-time State funds \$1.1 M
- Eliminate PY Carryover \$850K
- Eliminate one-time Local \$688K
- Incr. Spec Ed Cont. \$346K
- Step & Column (PFT/CSEA) 1%
- STRS Increase \$650,000
- PERS Increase \$100,000
- One-time costs –Site carryover \$500K
- Other One-time contracts \$150K
- Restricted Carryover Expend \$6M
 - **Materials & Supplies \$3.5M**
 - **Other Operating Expenditures \$2.5M**
- No change in I/C rates
- 2% CPI

2018-19 Assumptions

- Flat enrollment and ADA
- SSC Dartboard for COLA & GAP Funding
- Incr. interest earnings \$25K
- Incr. Lease fees \$0
- Incr. Spec Ed Cont. \$350K
- Step & Column (PFT/CSEA) 1%
- STRS Increase \$650,000
- PERS Increase \$100,000
- 2% CPI
- No change in I/C rates

Multi-Year Projections (Unrestricted)

2018-19 Summary

Revenues \$54,286,612

Expenditures \$55,225,019

Excess of Expenditures over
Revenues: <\$938,407>

BFB \$9,612,244

EFB \$8,673,837

5% Reserves \$4,253,967

2019-20 Summary

Revenues \$55,508,945

Expenditures \$56,516,519

Excess of Expenditures over
Revenues: <\$1,007,574>

BFB \$8,673,837

EFB \$7,666,263

5% Reserves \$4,343,151

Deficit Spending Trends (Unrestricted)

<i>Fiscal Year</i>	<i>Change in EFB</i>	<i>One-time Revenue/ Expend</i>	<i>Change in EFB w/out One-time \$</i>
• 2010-11	\$ 497,712		
• 2011-12	\$ 558,402		
• 2012-13	<\$ 956,542>		
• 2013-14	<\$ 1,461,134>		
• 2014-15	<\$ 1,121,001>		
• 2015-16	\$2,687,085	Less \$3,709,041	= <\$1,021,956>
• 2016-17	\$1,192,829	Less \$1,527,603	= <\$ 334,774>
• 2017-18	<\$918,398>	less \$1,053,484 + 700,000	= <\$1,2>M
• 2017-18	<\$938,407>	(See Multi Year Projections)	
• 2018-19	<\$1,007,574>	(See Multi Year Projections)	

Note: Audit Finding regarding deficit spending for past several years

Next Steps

- Continue to meet with BAC and LCAP (DLT) Committees
- Evaluate potential impact of Governor's January Budget Proposal for 2018-19
- Continue to evaluate Revenues and Expenditures
- Recalculate excess cost billback for SOCC based on December 1st Pupil Counts to adjust PCS contribution
- Recalculate excess cost billback for Special Ed Transportation based on December 1st Pupil Counts to adjust PCS contribution
- Continue to review various programs for potential savings
- Review individual Charter School budgets
- Consider Best Practices for timing on Long-term Financial Commitments (First Interim Reporting)



Questions?