



# Pacifica School District

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*Preparing Students for an Evolving World*

www.pacificasd.org

## MEMORANDUM

Administrative Services

Meeting of 06/03/15

**TO:** Wendy S. Tukloff, Ed.D., Superintendent  
For Board of Trustees

**FROM:** Josephine Peterson, Chief Business Official

**SUBJECT:** Reserves in Excess of the State Minimum Level

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### Background

Senate Bill 858 and EC Section 42127 (a)(2)(8) take effect starting with the 2015-2016 Adopted Budget. The provisions state that if the combined assigned and unassigned ending fund balance is greater than the State Board of Education (SBE)-designated minimum reserve, school districts shall provide the following at a public hearing separate from the public hearing on the Budget:

- The minimum reserve level required each year
- The amount of assigned and unassigned ending fund balance that exceeds the minimum in each year
- Reasons for the reserve being greater than the minimum

This requirement is in place for the adopted budget and the multiyear projections submitted with it.

The attached statements were made available for public review and discussion at tonight's meeting.

District: Pacifica School District  
 CDS #: 41-68932

**Adopted Budget  
 2015-16 Budget Attachment  
 Balances in Excess of Minimum Reserve Requirements**

**Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves**

**Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.**

| <b>Combined Assigned and Unassigned/unappropriated Fund Balances</b> |   |                |                        |
|--|---|----------------|------------------------|
| Form   | Fund  | 2015-16 Budget | Objects 9780/9789/9790 |
| 01   | General Fund/County School Service Fund                     | \$2,303,533.00 | Form 01                |
| 17   | Special Reserve Fund for Other Than Capital Outlay Projects | \$723,468.00   | Form 17                |
| Total Assigned and Unassigned Ending Fund Balances                   |   | \$3,027,001.00 |                        |
| District Standard Reserve Level                                      |   | 3%             | Form 01CS Line 10B-4   |
| Less District Minimum Reserve for Economic Uncertainties             |   | \$868,176.13   | Form 01CS Line 10B-7   |
| Remaining Balance to Substantiate Need                               |   | \$2,158,824.87 |                        |

| <b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties</b> |   |                |  |
|--|---|----------------|--|
| Form   | Fund  | 2015-16 Budget | Description of Need  |
| 01   | General Fund/County School Service Fund                     | \$1,200,000.00 | NEW-May 19th--One Time Discretionary Funds-PSD will develop spending plan after Final State Budget is adopted. Need to determine amount and timing of payments to school district.   |
| 01   | General Fund/County School Service Fund                     | \$235,356.87   | Reserved for 16-17 Employee Compensation Multi Year Comp Agreement was signed, funds have been set aside to fund those agreements.   |
| 17   | Special Reserve Fund for Other Than Capital Outlay Projects | \$723,468.00   | Board Designated Reserve- Board Policy 3100 The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances. |
| Total of Substantiated Needs   |   | \$2,158,824.87 |  |

**Remaining Unsubstantiated Balance                      \$0.00                      Balance should be Zero**

**Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.**

District: Pacifica School District  
 CDS #: 41-68932

**Adopted Budget  
 2016-17 Budget Attachment  
 Balances in Excess of Minimum Reserve Requirements**

**Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves**

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

| Combined Assigned and Unassigned/unappropriated Fund Balances |   |                |
|---|---|----------------|
| Form  | Fund  | 2016-17        |
| 01  | General Fund/County School Service Fund                     | \$2,147,046.00 |
| 17  | Special Reserve Fund for Other Than Capital Outlay Projects | \$725,000.00   |
| Total Assigned and Unassigned Ending Fund Balances            |   | \$2,872,046.00 |
| District Standard Reserve Level                               |   | 3%             |
| Less District Minimum Reserve for Economic Uncertainties      |   | \$858,358.20   |
| Remaining Balance to Substantiate Need                        |   | \$2,013,687.80 |

Objects 9780/9789/9790

Form 01

Form 17

Form 01CS Line 10B-4

Form 01CS Line 10B-7

| Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties |   |                |  |
|---|---|----------------|--|
| Form  | Fund  | 2016-17 Budget | Description of Need  |
| 01  | General Fund/County School Service Fund                     | \$1,200,000.00 | NEW-May 19th--One Time Discretionary Funds-PSD will develop spending plan after Final State Budget is adopted. Need to determine amount and timing of payments to school district.   |
| 01  | General Fund/County School Service Fund                     | \$88,687.80    | Reserved for 17-18 Employee Compensation Multi Year Comp Agreement was signed, funds have been set aside to fund those agreements.   |
| 17  | Special Reserve Fund for Other Than Capital Outlay Projects | \$725,000.00   | Board Designated Reserve- BP3100<br>The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances. |
| Insert Lines above as needed  |   |                |  |
| Total of Substantiated Needs  |   | \$2,013,687.80 |  |

Remaining Unsubstantiated Balance                      \$0.00                      Balance should be Zero

**Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.**

District: Pacifica School District  
 CDS #: 41-68932

**Adopted Budget**  
**2017-18 Budget Attachment**  
**Balances in Excess of Minimum Reserve Requirements**

**Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves**

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

| <b>Combined Assigned and Unassigned/unappropriated Fund Balances</b> |   |                |                        |
|--|---|----------------|------------------------|
| Form   | Fund  | 2017-18 Budget | Objects 9780/9789/9790 |
| 01   | General Fund/County School Service Fund                     | \$2,215,964.81 | Form 01                |
| 17   | Special Reserve Fund for Other Than Capital Outlay Projects | \$730,000.00   | Form 17                |
| Total Assigned and Unassigned Ending Fund Balances                   |   | \$2,945,964.81 |                        |
| District Standard Reserve Level                                      |   | 3%             | Form 01CS Line 10B-4   |
| Less District Minimum Reserve for Economic Uncertainties             |   | \$868,245.84   | Form 01CS Line 10B-7   |
| Remaining Balance to Substantiate Need                               |   | \$2,077,718.97 |                        |

| <b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties</b> |   |                |  |
|--|---|----------------|--|
| Form   | Fund  | 2017-18 Budget | Description of Need  |
| 01   | General Fund/County School Service Fund                     | \$1,200,000.00 | NEW-May 19th--One Time Discretionary Funds-PSD will develop spending plan after Final State Budget is adopted. Need to determine amount and timing of payments to school district.   |
| 01   | General Fund/County School Service Fund                     | \$147,718.97   | Set Aside: Increase site funding<br>Increase Campus Safety<br>Increase Library Support   |
| 17   | Special Reserve Fund for Other Than Capital Outlay Projects | \$730,000.00   | Board Designated Reserve- BP3100<br>The Board intends to maintain a minimum assigned and unassigned fund balance in an amount the Board deems sufficient to maintain fiscal solvency and stability and to protect the district against unforeseen circumstances. |
| Insert Lines above as needed   |   |                |  |
| Total of Substantiated Needs   |   | \$2,077,718.97 |  |

Remaining Unsubstantiated Balance                      \$0.00                      Balance should be Zero

**Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.**