

# Piedmont Board of Education

2022-23 3rd Interim

May 24, 2023



# Headlines

- Net results are not significantly different from 2nd Interim, but provide an updated snapshot in time.
- Additional reductions in apportioned State revenues based on May Revision have been incorporated into the committed balance:
  - \$300 K more pulled back in AMIM grant
  - \$50 K pulled back from Learning Recovery Block Grant
- State Facilities Funds of \$2.7 M have been confirmed and incorporated.
- Kitchen Improvement Grant of \$100 K has been included.

# 3rd Interim for 2022-23

- Because of Governor's January proposal to clawback the AMIM grant and slowness in funding other 2022-23 commitments (transportation and facilities), at 2nd Interim, the 2022-23 budget did not meet **3% reserve** requirement.
- As a result, the District's 2nd Interim Report was "**Qualified**", requiring a 3rd Interim Report to be prepared.
- The **3rd Interim** gives us a better idea of how we will end the year, rather than waiting until we close the books.

# Changes from 2nd Interim

## Revenues:

\$ 36,845	LCFF - SPED Revenue adjustment
29,501	Fed - increase to SPED allocation
(21,525)	State - adjustments
<b>(434,384)</b>	<b>STRS-on-behalf adjustment</b>
227,455	Local - increases in interest earnings, parent contributions
<u>(14,823)</u>	SELPA - adjustment
<b>(176,931)</b>	Net reduction to Revenues

## Expenditures:

(\$209,022)	Salaries & Benefits - closed vacant positions, adjusted for unused substitute and other hourly and related benefits.
<b>(434,384)</b>	<b>STRS on-behalf adjustment</b>
(76,162)	Books & Supplies - reduced unused budget commitments
172,647	Services - net increase, mostly utilities; some related to incr in contributions
(151,812)	Capital Outlay - moved Witter expenses to State facilities funds expected by 6/30
<u>(144,574)</u>	Transfers to Other Funds - Moved Theater Loan repayment to State facilities funds.
<b>(843,307)</b>	Net Reduction to Expenditures

# 2022-23 3rd Interim Financials

	Ending Fund Balance		
	2022-23 Second Interim	2022-23 Third Interim	Difference Jan -->May
Beginning Balance	\$ 4,888,296	\$ 4,888,296	\$ -
Revenues	52,509,962	52,333,031	(176,931)
Expenditures	(55,720,926)	(54,877,619)	843,307
Rev-Exp = Surplus(Deficit)	(3,210,964)	(2,544,588)	666,376
Ending FB	1,677,332	2,343,708	666,376
3% Minimum Reserve	1,671,628	1,646,329	(25,299)
Less Restricted & Revolving	897,777	1,133,847	236,070
Less Committed/not available	451,012	805,160	354,148
Over (Under) Reserve	(1,343,085)	(1,241,628)	101,457

# Impacts on 2023-24 Projections

## Impacts from 3rd Interim Adjustments:

- STRS on-behalf reduction ~ \$430K
- State facilities funding allows reduction in capital outlay and transfer of expenses to other funds.
- Beginning Fund Balance increase ~ \$670K

## Impacts from May Revision:

- Prop 28 not in revenues ~ \$270K
- Ending Fund Balance includes the AMIM and LR block grant claw-backs ~350K (in addition to 450K)

# Updated Projections for 2023-24 Financials

2023-24 Budget Projections		2023-24	2023-24	Difference
		From 2nd Interim	May Revise	
<b>Beginning Balance</b>		\$1,677,332	\$2,343,706	<b>\$666,374</b>
	Revenues	52,002,007	51,155,723	(846,284)
	Expenditures	(51,371,490)	(50,732,260)	639,230
	Rev-Exp = Surplus(Deficit)	<b>630,517</b>	<b>423,463</b>	<b>(207,054)</b>
<b>Ending Fund Balance</b>		<b>2,307,849</b>	<b>2,767,169</b>	<b>459,320</b>
	3% Reserve Requirement	1,541,145	1,521,968	(19,177)
	Less Restricted + Rev Cash	414,660	482,086	67,426
	Less Measure H reserved for CSEA	320,872	320,872	0
	Less AMIM & LR Grants held back	451,012	805,160	354,148
	<b>Over (Under) Reserve</b>	<b>(419,840)</b>	<b>(362,917)</b>	<b>56,923</b>

## Also included in 3rd Interim

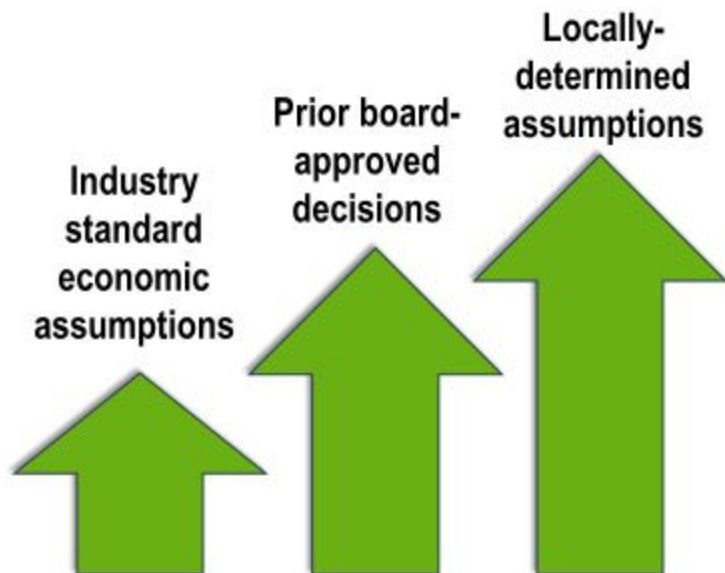
**Cash Flow:** Cash projections are important. With diminished reserves, it is very possible that cash could be insufficient to pay monthly bills. Projections show a positive balance through the end of the year.

**Multi-year Projections:** The revised ending balance for 2022-23 is carried forward as the beginning balance for 2023-24. May Revision information is also incorporated. The net result is approximately the same as at 2nd Interim.

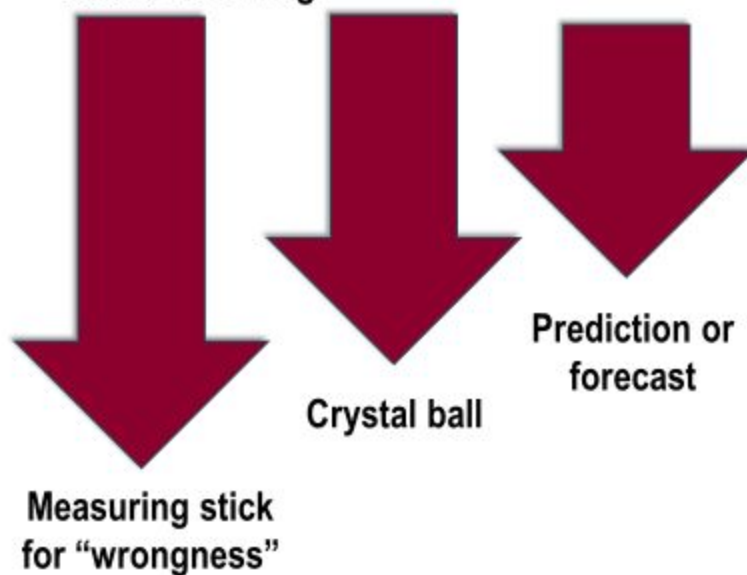


## Multiyear Projections

Result of mathematical calculations based on the following:



Should not be used or characterized as the following:



# Next Steps

- 3rd Interim is submitted to ACOE and CDE.
- Try our best to avoid having to do another 3rd Interim next year by holding the line on spending and shoring up reserves.
- Turn focus to the 2023-24 Budget.

**Comments or  
Questions?**

# Acknowledgments

Thank you to the Business Services Team!

**Upexa Captan**

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