



Budget Advisory Committee 2021-22

Unaudited Actuals
September 9, 2021

Agenda

- Introductions
- Purpose of BAC
- 2020-21 Results
- Impact on 2021-22
- 2021-22 Budget Calendar & 2022-23 Budget Development
- Adjourn

Acknowledgements

Thank you to the Business Services Team - amazing professionals who keep this District running smoothly.

Fiscal

Nancy Brahn

Upexa Captan

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Julie Kim

Jennifer Stahl

Shamaree Worley

HR

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Payroll

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Purpose of BAC

- The Budget Advisory Committee is a standing committee with representatives from all stakeholders in the District.
- Its purpose is to:
 - review the District's Budget,
 - share the information with constituent groups, and
 - generate recommendations for Board consideration in the budget development process.
- The BAC is a vehicle to disseminate information to as many parents, students, staff and community members as possible.

Purpose of Today's Meeting

- Overview of 2020-21 financial results with the objective of answering the following questions:
 - How did actual revenues compare to expectations?
 - How did actual expenditures compare to expectations?
 - How will the results from 2020-21 affect the budget for 2021-22 and beyond?
- Discuss budget calendar for this year (2021-22) and next (2022-23).

School District Financial Reports

- o California public school districts are required to report financial data:
 - o Following the California School Accounting Manual (**CSAM**),
 - o Using the “Standardized Account Code Structure” (**SACS**),
 - o To the County Office of Education by specific dates:
 - o **Adopted Budget** by July 1
 - o **1st Interim** by Dec 15 for actuals thru Oct 31
 - o **2nd Interim** by March 15 for actuals thru Jan 31
 - o **Estimated Actuals** with next year’s budget
 - o **Unaudited Actuals** by Sept 15 for actuals thru June 30
 - o **Audit** by December 15 to CDE; by January 30 to Board

Budget Terminology

- 0 **Budget** – *Plan* of how financial resources will be spent. Indicates priorities and estimates.
- 0 **Budget authority** – spending approved by board and allocated to a budget code that indicates goal, function, spending type, etc.
- 0 **Ongoing**– funding or spending that is expected to continue indefinitely.
- 0 **One-time** – funding or spending for which there is no ongoing commitment.

of School Sites:

6

of Students (Enrollment)

8/25/21:

2,340

of Employees:

364

of Full-Time Equivalents (FTE):

330.0

District Basics

2020-21 Financial Results

What is an Unaudited Actual?

- Once the fiscal year ends – June 30 – the fiscal team starts the process to close the books and confirms:
 - All revenues due in 2020-21 have been received or accrued and properly recorded;
 - All expenses related to 2020-21 have been paid or accrued and properly recorded;
 - Required reports are prepared for County, State, and Federal oversight agencies.
- The end result is the Fiscal Year “Actuals” and because they haven’t been audited yet, they are the “Unaudited Actuals”.

Headlines

- Year-end expenses were less than anticipated due to COVID funds supporting operations and Measure H supporting salary increases.
 - COVID dollars supported \$1.5 million in expenditures
 - Measure H provided employees a 6% salary increase plus add'l days for teachers and a one-time bonus.
- The minimum 3% reserve has been met, with additional resources available for one-time and ongoing expenses.

Funds

- The General Fund is where the day-to-day operations of the District are recorded. Revenues from the Local Control Funding Formula (LCFF), other state and federal programs, the Measure A Parcel Tax, the Piedmont Education Foundation (PEF) donation, and other support group donations are recorded and spent.
- The Other Funds are restricted either by Board Board or by the revenue source.

Overall Picture

The District ended the year with \$24 million in all funds.

The Building Fund (H1 Bond) is down to \$8.3 million.

Fund 8 is new. ASB funds in are now reflected in District accounts.

Fund #	Fund Name	Ending Fund Balance
1	General Fund	\$ 4,715,595
8	Student Activity (ASB)	338,739
11	Adult Education	105,628
13	Cafeteria	375,434
14	Deferred Maintenance	(156,312)
17	Special Reserve-Noda	110,557
21	Building Fund	8,337,234
35	State School Fac	3,726
40	Reserve-Cap Facilities	675,802
51	Bond Interest & Redemp.	9,507,842
67	Self Insurance	(0)
		\$ 24,014,245

2020-21 General Fund Budget Progression - Revenues

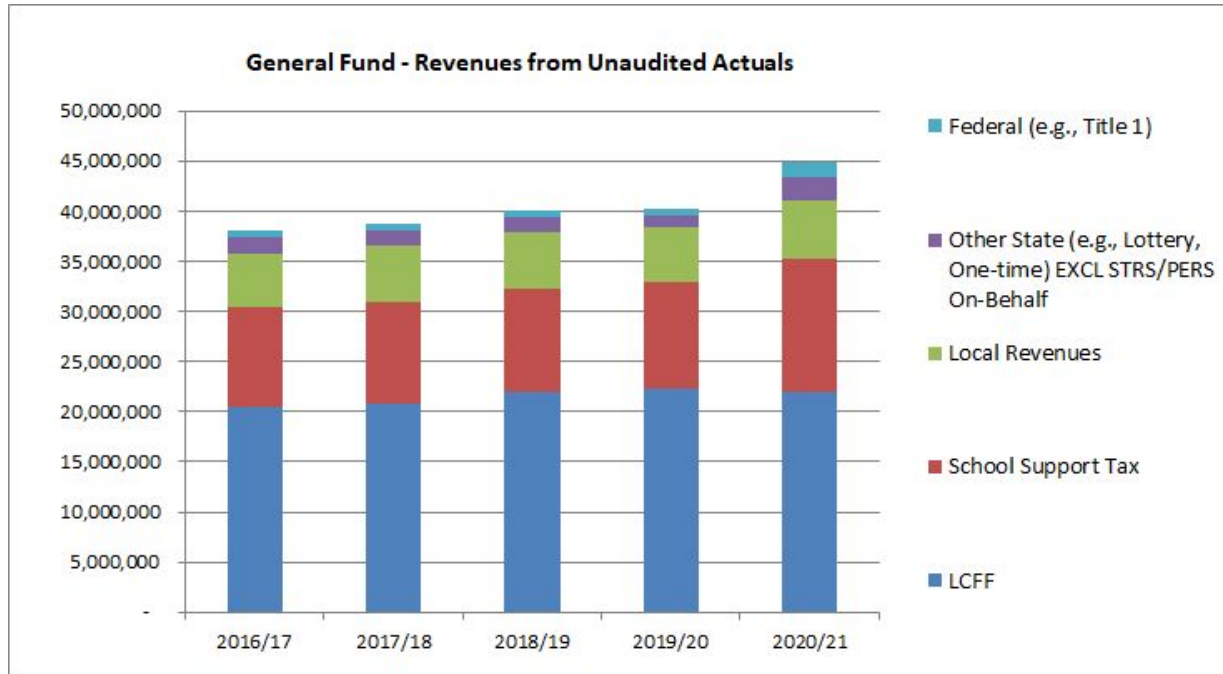
- The major differences in **revenues** were:

- LCFF Revenues increased from a negative COLA to 0% COLA generating \$1.8 M
- Federal and State resources for COVID added \$2.2 M.
- The STRS on-half amount decreased by \$408K.

General Fund			
	2020-21 Orig Budget	2020-21 Un. Actual	Difference
Revenues			
LCFF	\$ 20,177,921	\$ 21,965,049	\$ 1,787,128
Parcel Tax	13,362,097	13,316,653	(45,444)
PEF	3,375,704	3,375,704	-
Other Local	651,768	1,033,944	382,176
Other State	1,009,692	2,450,185	1,440,493
Other State - STRS Onbehalf	2,296,780	1,888,572	(408,208)
Transfers from SELPA	1,401,052	1,307,069	(93,983)
Federal	679,571	1,478,530	798,959
Total Revenues	\$ 42,954,585	\$ 46,815,706	\$ 3,861,121

General Fund - Revenues

- The School Support Tax and Local Revenues are 42% of the District's General Fund revenues.



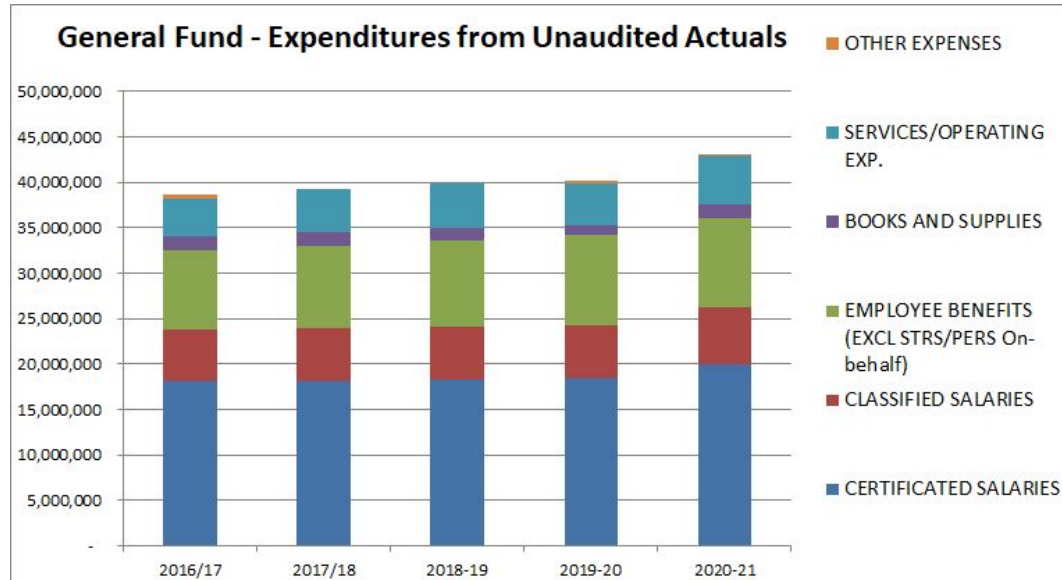
2020-21 General Fund Budget Progression - Expenditures

- The major differences in **expenditures** were:
 - Over \$2 M infusion of COVID relief funds.
 - \$2.5 M infusion to compensation thanks to Measure H

General Fund			
	2020-21 Adopted Budget	2020-21 Un Actual	Difference
Expenditures			
Certificated Salaries	\$ 18,251,853	\$ 19,978,556	\$ 1,726,703
Classified Salaries	5,692,685	6,286,279	593,594
Benefits	10,014,815	9,819,974	(194,841)
STRS On-Behalf	2,296,780	1,888,572	(408,208)
Books & Supplies	1,083,267	1,557,883	474,616
Services/Other Oper.	4,443,269	5,286,823	843,554
Internal Transfers	(20,850)	8,104	28,954
Total Expenditures	\$ 41,761,819	\$ 44,826,192	\$ 3,064,373

General Fund - Expenditures

- Overall, the costs for salaries and benefits have increased, but thanks to Measure H, we have available resources.
- Total employee compensation was 84% of total expenses.



General Fund - Historic Look

- The COVID funds and Measure H provided breathing room for the District during a challenging year.

	2016/17	2017/18	2018/19	2019/20	2020/21
	Unaudited Actuals 09/13/17	Unaudited Actuals 09/12/18	Unaudited Actuals 09/11/19	Unaudited Actuals 09/09/20	Unaudited Actuals 09/14/21
Total Revenues	39,589,415	39,775,668	43,331,738	42,645,203	46,815,726
Total Expenditures	(40,023,819)	(40,271,940)	(42,906,151)	(42,376,320)	(44,826,192)
Net Surplus (Deficit)	(434,404)	(496,272)	425,587	268,883	1,989,534
Beginning Fund Balance	2,969,512	2,535,108	2,038,837	2,464,423	2,726,062
Ending Fund Balance	2,535,108	2,038,837	2,464,423	2,733,307	4,715,596
Minimum Reserve (3% of Expenditures)	1,200,715	1,208,158	1,287,185	1,271,290	1,344,786

- The District is required to maintain a minimum reserve of 3% of General Fund expenditures. The available reserve is 8.11%.
- The Ending Fund Balance is \$4.7 Million, with designations as follows:
 - **Legally Restricted:** **\$1,050,455**
 - **3% Reserve:** **\$1,345,000**
 - **Unspent donations** **\$530,632**
 - **Revolving Cash** **\$38,363**
 - **Other Designations:** **\$802,940**
 - **Other Priorities:** **\$948,205**

ENDING FUND BALANCE

2020-21 Measure H

- Piedmont voters approved Measure H in November 2019 to support the recruitment and retention of educators.
- Measure H generated \$2.5 million in 2020-21.
- Initially the District and its labor partners held back on spending Measure H to protect jobs that would otherwise have been cut. Once the State confirmed the 0% COLA, initial agreements were implemented:
 - 3.5% (or equivalent) in salary increases
 - 3 additional days for APT and APSA
- At the end of the year, the remaining Measure H resources were applied towards:
 - Add'l 2.5% increase for APT & CSEA; 2.26% for APSA
 - One-time bonuses of \$761 for APT members and \$2,800 for CSEA members

Other Funds

Student Activity (ASB) Fund

- Fund 8 was newly established to record the financial activities and the balance sheet for the District's Associated Student Body (ASB) funds. This is a new accounting requirement.
- This year, only the fund balance, which represents the funds held in checking accounts, is reported. It is anticipated that revenues and expenses will eventually be reported here.

Fund 08 - Student Activity (ASB)				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Net	-	-	-	-
Beginning Balance	-	-	-	-
Adjustment to Beg. Bal				338,739
Ending Balance	\$ -	\$ -	\$ -	\$ 338,739

Adult Education

- Adult Education includes both State-funded programs, such as diploma completion, and fee-based classes for the community.
- The community program switched to on-line last year, but was significantly diminished by COVID.

Fund 11 - Adult Education				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 679,743	\$ 680,444	\$ 650,348	\$ 471,338
Expenditures	(664,395)	(699,520)	(778,548)	(537,494)
Net	15,348	(19,076)	(128,200)	(66,156)
Beginning Balance	425,102	440,450	421,375	293,175
Adjustment to Beg. Bal				(121,391)
Ending Balance	\$ 440,450	\$ 421,375	\$ 293,175	\$ 105,628

Cafeteria Fund

- Prior and subsequent to COVID, the District's food service program serves middle and high school students. Parents' clubs run the elementary lunch programs, with a portion of the revenues supporting noon supervision at elementaries.
- Starting in 2022-23, the District is required to provide breakfast and lunch to all students. The existing food service program will need to be reimagined to be prepared by August 2022.

Fund 13 - Cafeteria				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 927,167	\$ 1,066,219	\$ 581,032	\$ 12,903
Expenditures	(717,260)	(785,877)	(680,810)	(306,692)
Net	209,907	280,342	(99,778)	(293,789)
Beginning Balance	325,744	535,651	815,993	716,215
Adjustment to Beg. Bal				(46,994)
Ending Balance	\$ 535,651	\$ 815,993	\$ 716,215	\$ 375,433

Deferred Maintenance Fund

- The District continues to fund facilities repairs through the Deferred Maintenance fund using district funds only. The State no longer provides a match.
- Restricted Routine Maintenance (RRMA) funds from the General Fund are used for Witter field maintenance expenses and to repay the loan to the Café Fund for last summers VRF project at Havens.

Fund 14 - Deferred Maintenance				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 22,475	\$ 84,784	\$ 52,574	\$ 79,250
Expenditures	(55,676)	(131,673)	(377,455)	(72,403)
Net	(33,201)	(46,889)	(324,882)	6,847
Beginning Balance	241,812	208,612	161,722	(163,159)
Ending Balance	\$208,612	\$161,722	\$ (163,159)	\$ (156,312)

Special Reserve - Noda

- The Noda fund was established as an endowment to support the Visual Arts Program.
- Any amount over the base endowment of \$100,000 can be used as a grant towards visual and performing arts.

Fund 17 - Special Reserve - Noda				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 1,116	\$ 2,029	\$ 3,297	\$ 2,378
Expenditures	-	-	-	-
Net	1,116	2,029	3,297	2,378
Beginning Balance	101,735	102,851	104,881	108,178
Ending Balance	\$102,851	\$104,881	\$108,178	\$110,556

Building (Bonds)

- The Building Fund separately accounts for the Measure H1 bond revenues and expenditures.
- In 2020-21, the third series of bonds were issued for \$10 M. The STEAM building was completed and occupied. Substantial progress was made on the performing arts center which is on schedule to be complete by December.

Fund 21 - Building				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 279,575	\$ 400,452	\$ 30,674,236	\$ 10,397,253
Expenditures	(3,683,170)	(5,564,663)	(25,197,206)	(24,313,838)
Net	(3,403,595)	(5,164,211)	5,477,030	(13,916,585)
Beginning Balance	25,314,854	21,941,000	16,776,789	22,253,819
Ending Balance	\$21,911,260	\$16,776,789	\$ 22,253,819	\$ 8,337,234

State School Facilities

- State matching funds for the prior bond program are held in this fund. Minor facilities costs are paid from remaining funds. The account stays open in hopes that the State will support the H1 program.

Fund 35 - State School Facilities				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 594	\$ 278	\$ 74	\$ 73
Expenditures	(74,148)	(986)	-	-
Net	(73,554)	(708)	74	73
Beginning Balance	77,842	4,287	3,579	3,653
Ending Balance	\$ 4,287	\$ 3,579	\$ 3,653	\$ 3,726

Special Reserve - Capital Facilities

- This reserve fund is for facilities projects that are not funded by the bond program. The grant for the Alan Harvey Theater is held here (\$25.5 K).
- The first installment of the Makers Grant for the STEAM building was deposited here and lab improvements and equipment purchases will be made from this account.

Fund 40- Capital Facilities Fund				
	2017/18	2018/19	2019/20	2020/21
Revenues	\$ 70,438	\$ 63,265	\$ 108,487	\$ 223,054
Expenditures	(408,110)	(66,423)	(100,000)	(502)
Net	(337,672)	(3,158)	8,487	222,552
Beginning Balance	785,593	447,921	444,763	453,250
Ending Balance	\$ 447,921	\$ 444,763	\$ 453,250	\$ 675,802

Bond Interest & Redemption

- This fund is to account separately for bond repayment funds collected from taxpayers. The County Auditor sets the tax rate and the County Treasurer collects taxes and makes the bond payments.

Fund 51 - Bond Interest & Redemption Fund			
	20108/19	2019/20	2020/21
Revenues	\$ 8,364,067	\$ 11,649,144	\$ 7,161,565
Expenditures	(9,630,435)	(8,732,343)	(9,490,620)
Net	(1,266,368)	2,916,801	(2,329,055)
Beginning Balance	10,186,464	8,920,096	11,836,897
Ending Balance	\$ 8,920,096	\$ 11,836,897	\$ 9,507,842

Implications for 2021-22

What “Carry Over” to 2020-21?

- The Ending Fund Balance is \$4.7 Million:
 - Legally Restricted: \$1,050,455
 - Unspent donations \$530,632
 - Other Designations: \$802,940
 - \$280,000 VRF at Beach
 - \$75,540 Elementary play surfaces
 - \$107,400 PMS HVAC
 - \$190,000 Add'l health staff
 - \$150,000 COVID related expenses
 - Revolving Cash: \$38,363
 - 3% Reserve:\$1,345,000
 - Additional Reserves: \$948,205



Available for other priorities

2021-22 Budget Calendar

2021-22 Budget Revisions

- October 2021 – Update to Board
 - Enrollment implications
 - Salaries and benefits based on actual people in positions
- December 2021– First Interim Report
 - Multiyear projections based on all known information
 - Possible options for Board to consider to balance budget in 22-23 & 23-24
- March 2021 – Second Interim Report
 - Update Multiyear Projections based on Governor’s Proposed Budget
 - Options for 2022-23 must be decided
- June 2021 – Estimated Actuals
- September 2021 – Unaudited Actuals

2021-22 Budget Development

2021-22 Budget Development

- January 2022 – Governor’s Budget preview
- March 2022 – Budget priorities and framework
- April 2022 – Preliminary Budget
- May 2022 – May Revision of Governor’s Budget
- June 2022 – Final Budget Public Hearing and Board approval

Topics for Future Meetings

Month	Topic	Budget Year
October	Revenues – Deep Dive	2020-21
November	Expenditures – Deep Dive	2020-21
December	First Interim Budget & MYP Update	2020-21
January	Governor’s Proposal for 2022-23	2021-22
March	Second Interim Budget & MYP Update	2020-21
April	2022-23 Budget Development	2021-22
May	2022-23 Proposed Budget w/ May Revisions	2021-22