CARMEL UNIFIED SCHOOL DISTRICT

Fiscal Year 2020-21

Unaudited Actuals

Superintendent
Ted Knight, Ed.D.

Carmel Unified School District
2020-21 Unaudited Actuals

Presented to the Board of Trustees on September 8, 2021
by Yvonne Perez, Chief Business Official

Current law requires a school district to prepare a report of actual financial results for the prior fiscal year approved by the Board of Trustees and submitted to the County Office of Education by September 15. Attached is the 2020-21 Unaudited Actuals Financial Report which includes the State prescribed forms of the actual financial results and supplementary schedules. Included for comparative purposes is the Fiscal Year 2021-22 Budget revised as of August 30, 2021. The 2020-21 Unaudited Actuals is the financial summary of operations for the fiscal year ending June 30, 2021.

This summary report provides information for the Combined General Fund (Unrestricted and Restricted Columns) of the SACS prescribed forms and includes financial comparison data.

Financial Overview of the Total General Fund

	Actuals 2019-20	Unaudited Actuals 2020-21	Revised Budget 2021-22	*Adopted Budget 2021-22*
Beginning Fund Balance	21,300,997.75	21,988,003.02	26,965,769	*24,963,116*
Add: Revenue	63,588,435.72	69,123,412.79	67,900,418	*67,900,418*
Less: Expenditures	(62,901,430.45)	(64,145,646.37)	(67,949,485)	*(67,949,486)*
Net Increase Decrease in Fund Balance	687,005.27	4,977,766.42	(49,067)	*(49,068)*
Ending Fund Balance	**21,988,003.02**	**26,965,769.44**	**26,916,702.44**	**24,914,048**
Percent Reserve as function of Total General Fund Expenditures	*34.96%*	*42.04%*	*39.61%*	*36.67%*
Components of Ending Fund Balance				
Revolving Cash	5,000.00	5,000.00	5,000	5,000
Stores		-	-	
Prepaid Expenditures		1,596.00	-	
Restricted	854,099.30	1,163,868.66	730,952	634,007
Adjustment for new restricted state & federal funds			(834,029)	
Designated for Economic Uncertainty (5%)	3,145,072.00	3,207,283.00	3,397,474	3,397,474
Other Assignments	17,983,831.72	22,588,021.78	23,617,305	20,877,568
Unassigned/Unappropriated/Unrestricted Net Position		-		
Components of Ending Fund Balance Total	**21,988,003.02**	**26,965,769.44**	**26,916,702**	**24,914,049**
Other Assignments:				
Basic Aid Reserve	10,700,563.00	11,815,339.00	12,016,050	12,016,050
Other Post Employment Benefits OPEB	942,000.00	942,000.00	942,000	942,000
Textbook Adoptions	250,000.00	950,000.00	950,000	600,000
Capital Projects	5,792,585.72	3,107,975.56	3,936,548	7,319,518
Reserve for Technology and Network		1,000,000.00	1,000,000	
Unrestricted Resources Carryover	51,617.00	51,617.00	51,617	
Vehicle and Bus Replacements	247,066.00	400,000.00	400,000	
Safety and Security		900,000.00	900,000	
Reserve for Cash Flow		3,000,000.00	3,000,000	
Reserve for Instructional Technology		421,090.22	421,090	
Total Other Assignments	**17,983,831.72**	**22,588,021.78**	**23,617,305**	**20,877,568**

Note 1: The assignment detail of fund balance is required per Governmental Accounting Standards Board (GASB) Statement 54. Some of the funds assigned are budgeted in FY2021-22 if there was a definitive approved plan to do so. Most of the assignments are not budgeted and require additional planning. Once a definitive plan is approved by the board for one-time uses, budget will be added to the 2021-22 fiscal year operating budget.

Note 2: Bus Replacement in the amount of $200,000 on-going transfer from the General Fund to Fund 40 is budgeted.

Financial Summary Comparison with Additional Detail

	Object	Actuals 2019-20	**Unaudited Actuals 2020-21**		Revised Budget 2021-22	*Adopted Budget 2021-22*
Revenue:						
LCFF Sources	8010-8099	56,498,719.14	59,810,297.28	86.53%	61,477,714	*61,477,714*
Federal Revenue	8100-8299	612,731.47	2,742,979.39	3.97%	765,275	*765,275*
State Revenue	8300-8599	4,117,204.80	4,724,348.43	6.83%	3,713,282	*3,713,282*
Other Local Revenue	8600-8799	2,359,780.31	1,845,787.69	2.67%	1,944,147	*1,944,147*
Total Revenues		**63,588,435.72**	**69,123,412.79**	100.00%	67,900,418	*67,900,418*
Expenditures:						
Certificated Salaries	1000-1999	24,159,217.56	26,436,836.48	41.98%	25,991,888	*25,991,888*
Classified Salaries	2000-2999	9,913,990.05	11,199,961.39	17.79%	11,450,716	*11,450,716*
Employee Benefits	3000-3999	15,385,510.06	15,701,506.38	24.94%	17,663,520	*17,663,520*
Books and Supplies	4000-4999	2,457,835.05	2,690,750.17	4.27%	3,167,476	*3,167,476*
Services & Other Operating	5000-5999	4,559,193.40	5,622,355.46	8.93%	5,907,156	*5,907,156*
Capital Outlay	6000-6999	158,093.91	248,034.21	0.39%	330,037	*330,037*
Other Outgo excluding Indirect Cost	7100-7299	1,003,073.94	1,068,862.47	1.70%	1,609,134	*1,609,134*
Other Outgo - Transfers of Indirect Cost	7300-7399	-	-		-	-
Total Expenditures		**57,636,913.97**	**62,968,306.56**	100.00%	**66,119,927**	***66,119,927***
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses		*5,951,521.75*	*6,155,106.23*		*1,780,491*	*1,780,491.00*
Other Sources and Uses						
Interfund Transfers In	8900-8929					
Interfund Transfers Out	7600-7629	5,264,516.48	1,177,339.81		1,829,558	*1,829,559*
Other Sources In	8930-8979					
Other Sources Out	7630-7699					
Contributions	8980-8999					
Total Other Sources and Uses		**5,264,516.48**	**1,177,339.81**		**1,829,558**	***1,829,559.00***
Total Expenditures Other Sources and Uses		**62,901,430.45**	**64,145,646.37**		**67,949,485**	***67,949,486.00***
Net Increase (Decrease) In Fund Balance		687,005.27	4,977,766.42		(49,067)	*(49,068.00)*
Fund Balance						
Beginning Fund Balance July 1	9791	21,300,997.75	21,988,003.02		26,965,769	*24,963,116*
Net Increase (Decrease) In Fund Balance		687,005.27	4,977,766.42		(49,067)	*(49,068)*
Ending Fund Balance June 30		21,988,003.02	26,965,769.44		*26,916,702*	*24,914,048*
Reserve Percent as function of Total General Fund Expenditures		*34.96%*	*42.04%*		*39.61%*	*36.67%*

Notes:

1. Between FY 20 and FY 21 revenue increased 8.7%. This was primarily due to the increase in federal and state allocations for COVID-19 relief funds.

2. Due to the Covid-19 pandemic there were savings in many facets of operations due to allowable expenditures being funded by the one-time federal and state stimulus funds, Coronavirus Aid,

Relief and Economic Security (CARES) and Elementary and Secondary School Emergency Relief (ESSER) funds. The district received allocations of $4,471,405 and spent $2,652,540, from which certain funds could be used to supplant General Fund expenditures while some were supplemental.

3. The General Fund is used to account for the district's primary operations. Salaries and Benefits comprised 84.71% of the districts overall General Fund Budget in FY 2020-21. A breakdown of the major expenditure categories in the General Fund is as follows:

Certificated Salaries	$ 26,436,836.48	41.98%
Classified Salaries	$ 11,199,961.39	17.79%
Employee Benefits	$ 15,701,506.39	24.94%
Books & Supplies	$ 2,690,750.17	4.27%
Services & Other Operating	$ 5,622,355.46	8.93%
Capital Outlay	$ 248,034.21	0.39%
Other Outgo	$ 1,068,862.47	1.70%
Total Expenditures	**$ 62,968,306.57**	100.00%

4. The district ended Fiscal Year 2020-21 with an operating surplus of $6,155106, and after transfers of $1,177,339 to other funds, fund balance increased by $4,977,766.

5. The district has received funding in programs not subject to deferred revenue, resulting in a restricted balance. These funds will be carried over and budgeted as increases in expenditures in subsequent year(s).

Resource	**Description**	**2020-21 Unaudited Actuals**	**2021-22 Budget**
7311	Classified School Employee Professional Dev. Block Gran	$ 26,542	$ -
7425	Expanded Learning Opportunities (ELO) Grant	604,193.65	-
8150	Ongoing & Major Maintenance Account	491,334.42	720,344.42
9010	Other Restricted Local	41,798.93	10,607.93
Total Restricted Balance		$ 1,163,869	$ 730,952

6. The fiscal year 2021-22 Revised Budget currently projects a net change of $-49,067 of which $1,217,878 is unrestricted and $-1,266,945 is restricted. The deficit balance in the restricted accounts is due to the timing and recording of revenues and expenditures from federal and state restricted accounts across the two fiscal years.

Fund Balance Policy

CUSD has a fiscally conservative Board which has adopted policy to keep the district in excellent financial shape. This ensures the district will be able to maintain its obligations through difficult economic times, with sufficient reserves to allow the district to thoughtfully make shifts when needed to keep the district fiscally solvent.

1. The State requires a 3% Reserve for Economic Uncertainty. CUSD Board Policy 3100 requires the district to maintain a 5% Reserve for Economic Uncertainty. For Unaudited Actuals on June 30, 2021, this resulted in $3,207,283.

2. CUSD Board Policy 3100 also requires additional reserves based on a formula to set aside additional reserves due to the volatility of Property Tax. The formula is a function between the difference projected in LCFF Funding (LCFF) and Property Tax Revenue (PTR) X 10%. For Unaudited Actuals on June 30, 2021, this resulted in $11,815,339.

   (Note: 5% reserve combined with the Basic Aid Reserve is the required reserve per board policy.)

General Fund Revenue Components

The district receives funding for its general operations from various sources, but the largest source of revenue comes from local property tax. A breakdown of the major funding sources in the 2020-21 Unaudited Actuals for the General Fund is as follows:

LCFF Sources (Including Property Taxes)	$	59,810,297	86.53%
Federal Revenue		2,742,979	3.97%
State Revenue		4,724,348	6.83%
Other Local Revenue		1,845,787	2.67%
Total	**$**	**69,123,411**	100.00%

Summary of Key Property Tax Budget Categories

- Estimated tax revenue projected May 2021 was $56,770,219 compared to $57,666,267 received, resulting in an increase of $668,120.

- Revenue Projections will be updated in December with the First Interim Report for the 2021-22 Fiscal Year.

Property Tax		**2020-21 Unaudited Actuals**		**2021-22 Adopted Budget**		**Difference**	**% Chg**
8021-Homeowners' Exemptions	$	227,928	$	227,928	$	-	0.00%
8041-Secured Roll	$	54,636,338	$	56,412,622	$	1,776,284	3.15%
8042-Unsecured Roll	$	2,066,217	$	2,063,661	$	(2,556)	-0.12%
8043-Prior Years' Taxes	$	596,267	$	505,000	$	(91,267)	-18.07%
8048-Penalties & Interest Delinquent Taxes	$	139,517	$	125,000	$	(14,517)	-11.61%
Total	**$**	**57,666,267**	**$**	**59,334,211**	**$**	**1,667,944**	**2.81%**
May 2021 Projection	$	56,998,147					
Difference	$	668,120					1.17%

Contributions and Transfers to Restricted Programs and Other Funds

The 2020-21 Unaudited Actuals include the following contributions of unrestricted resources to cover restricted program expenditures in excess of revenue or due to legal/matching requirements and transfers to other funds. The following summarizes the General Fund Contributions to Restricted Programs and transfers to other funds:

Program	Contributions/ Transfers Out
Special Education	$ 5,058,524
Routine Restricted Maintenance	$ 1,786,254
Total Contributions from General Fund	**$ 6,844,778**
Transfer Out to Child Development Fund	$ 348,468
Transfers Out to Child Nutrition	$ 235,683
Transfers Out to Adult Education	$ 66,023
Transfers Out to Retiree Fund 67	$ 527,166
Total Transfers from General Fund	**$ 1,177,339**
Total Contributions and Transfers	**$ 8,022,118**

Summary of Other Funds

The district has ten special funds to account for specific and restricted activities. All funds require transfers from the general fund, except Fund 08, 25, 51, and 73 which have on-going revenue streams. All funds have a positive ending fund balance on June 30, 2021.

Fund	Description	Fund Balance 7/1/2020	Revenue	Expense	Restatements	Transfers In From General Fund	Fund Balance June 30, 2021
08	Student Activity Special Revenue		15,492.00	64,642.00	$ 319,698.00		270,548.00
11	Adult Education	$ 37,263.18	$ 65,386.00	$ 114,501.32		$ 66,023.84	$ 54,171.70
12	Child Development	$ 13,484.41	$ 852,979.49	$ 1,187,418.59		$ 348,467.90	$ 27,513.21
13	Cafeteria	$ 22,191.32	$ 1,039,137.71	$ 1,277,743.42		$ 235,682.50	$ 19,268.11
14	Deferred Maintenance	$ 2,212,758.61	$ 24,236.03	$ -			$ 2,236,994.64
25	Capital Facilities Fund	$ 149,760.04	$ 57,197.25	$ -			$ 206,957.29
40	Special Reserve for Capital Outlay	$ 4,086,601.45	$ 40,814.70	$ 607,520.26	$ (351,774.92)		$ 3,168,120.97
51	Bond Interest and Redemption Fund	$ 2,848,988.76	$ 3,104,951.25	$ 2,937,153.04	$ 11,527.91		$ 3,028,314.88
67	Post Employment Benefits Fund	$ 1,107,945.96	$ 9,463.08	$ 527,165.57		$ 527,165.57	$ 1,117,409.04
73	Private Purpose Trust Fund (Hurd)	$ 101,486.94	$ 1,153.00	$ 1,153.00			$ 101,486.94
						$ 1,177,339.81	10,230,784.78

Special Funds Descriptions:

Student Activity Special Revenue Fund – Fund 08

This fund accounts for student body activities (i.e., Associated Student Body Accounts) that do not meet the fiduciary criteria established in GASB 84.

Adult Education – Fund 11

This fund accounts for the activity of Adult Education programs for adults 18 and older. The principal revenues in this fund are from federal, state, local sources, and adult education fees. Expenditures are typically for direct instructional costs, direct support costs, and indirect costs.

Child Development Fund – Fund 12
This fund accounts for educational and other services related to infants, toddlers, preschoolers, before and after school services, enrichment programs and grant related activities. The primary revenue sources are State apportionments based on participation, Federal and State grants and parent fees. Expenditures for related services are primarily salaries and benefits.

Cafeteria Special Revenue Fund – Fund 13
The District's Nutrition Services program is a part of the National School Lunch Program. The district's program provides breakfasts, lunches, and snacks at all District sites. This fund generates revenues from federal and state reimbursements, and cash sales of meals and ala-carte items. Expenditures may be used only for expenditures for the operation of the school district's food service program, including salaries, benefits, purchased food, equipment, and related costs.

Deferred Maintenance Fund – Fund 14
The Deferred Maintenance Fund is used to fund approved major deferred maintenance projects in the district. Expenditures are intended for major repair of plumbing, heating, air-conditioning, electrical, roofing, painting, and related systems in school buildings.

Capital Facilities Fund – Fund 25
This fund records the revenue resulting from the collection of fees levied on residential and commercial development and interest. State law authorizes the collection of fees to assist school districts with the mitigation of facility costs related to enrollment growth. Generated revenue can be used for growth related expenditures, including portable classrooms at our sites, furniture and equipment, costs to purchase and develop school sites, and school and classroom construction.

Special Reserve for Capital Outlay Projects – Fund 40
This fund includes transfers from the General Fund for Facilities Improvements. This fund generates revenue from interest.

Bond Interest and Redemption Fund – Fund 51
This fund accounts for long-term debt of the district and payment of principal and interest of the debt obligations.

Post-Employment Benefits Fund – Fund 67
This fund accounts for, and reports costs and obligations related to these post-employment health benefits other than pensions. This fund receives a transfer-in from the General Fund and generates interest revenue.

Foundation Private Purpose Trust Fund – Fund 73

This fund accounts for the Hiram Hurd Trust Fund. Interest earned from the trust is transferred to the general fund to support fine arts activities.

Independent Audit

State law requires districts to obtain an independent audit annually. The independent auditor under contract for the 2020-21 fiscal year is CliftonLarsonAllen LLP. The auditor's opinion of the district's financial statements for the 2020-21 Fiscal Year will be available in January 2022.

Standardized Account Code Structure (SACS) Report: See attached report

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