



# **PIEDMONT UNIFIED SCHOOL DISTRICT**

2018-19 UNAUDITED ACTUALS

Board of Education

September 11, 2019

# What's an Unaudited Actual?

- o Once the fiscal year ends – June 30 – the fiscal team starts the process to close the books and confirms:
  - o All revenues due in 2018-19 have been received or accrued and properly recorded;
  - o All expenses related to 2018-19 have been paid or accrued and properly recorded;
  - o Required reports are prepared for County, State, and Federal oversight agencies.
- o The end result is the Fiscal Year “Actuals” and because they haven’t been audited yet, they are the “Unaudited Actuals”.

# Headlines

- o Some unexpected revenues!
- o No unexpected expenses!
- o Net result is:
  - o 3% reserve is met
  - o RRMA (routine maintenance) requirement is met

# Overall Picture

- The District ended the year with \$30.1 million in all funds, including \$16.8 million in the Building Fund (H1 Bond), \$2.5 million in the General Fund, and \$10.9 million in the other funds combined.

| Fund #  | Fund Name                          | Ending Fund Balance as of June 30, 2019 |
|---------|------------------------------------|-----------------------------------------|
| 1       | <b>General</b>                     | <b>\$2,464,423</b>                      |
| 11      | Adult Education                    | 421,375                                 |
| 13      | Cafeteria                          | 815,994                                 |
| 14      | Deferred Maintenance               | 161,723                                 |
| 17 Noda | Special Reserve – Noda             | 104,881                                 |
| 17 Res  | Special Reserve – Parcel Tax       | 0                                       |
| 21      | <b>Building</b>                    | <b>16,776,790</b>                       |
| 35      | State Schools Facilities           | 3,579                                   |
| 40      | Special Res for Capital Facilities | 444,763                                 |
| 51      | Bond Interest & Redemption         | 8,920,097                               |
| 67      | Self Insurance                     | 7,284                                   |
|         | <b>TOTAL ALL FUNDS</b>             | <b>\$30,120,909</b>                     |

# General Fund

- o 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.
- o The District is required to maintain a minimum reserve of 3% in the General Fund. The available reserve is 3.27%.

# General Fund Results

- o Increase in STRS and PERS On-behalf entry distorts the increases in revenues and expenditures.
- o Net of the STRS and PERS on-behalf entries, the increase in revenues from original budget is 2%.
- o Net of the STRS and PERS on-behalf entries, the increase in revenues from original budget is 1%.
- o The Ending Fund Balance is \$2.5 Million, with designations as follows:

|                             |             |
|-----------------------------|-------------|
| o 3% Reserve:               | \$1,287,185 |
| o Legally Restricted:       | 204,424     |
| o Prepaid items (for 19-20) | 399,057     |
| o Other Designations:       | 422,262     |
| o Revolving Cash:           | 36,080      |
| o Additional Reserves:      | 115,415     |

# 2018-19 Budget Progression

- The 2018-19 Budget was adopted in June 2018 and revised throughout the year.

| General Fund - 2018-19 Unaudited Actuals |                           |                        |                              |                         |
|------------------------------------------|---------------------------|------------------------|------------------------------|-------------------------|
|                                          | 2018-19<br>Adopted Budget | 2018-19<br>2nd Interim | 2018-19<br>Unaudited Actuals | Difference<br>July-June |
| Total Revenues                           | \$ 40,507,524             | \$ 40,894,793          | \$ 43,331,738                | \$ 2,824,214            |
| Total Expenditures                       | 40,451,710                | 41,581,995             | 42,906,151                   | 2,454,441               |
| Net Surplus (Deficit)                    | 55,814                    | (687,202)              | 425,587                      | 369,773                 |
| Beginning Balance                        | 1,467,125                 | 2,038,836              | 2,038,836                    | 571,711                 |
| Ending Balance                           | \$ 1,522,939              | \$ 1,351,634           | \$ 2,464,423                 | \$ 941,484              |
| Restricted/Designated                    | 25,000                    | 632,512                | 1,061,823                    | 1,036,823               |
| 3% Reserve                               | 1,213,551                 | 1,247,460              | 1,287,185                    | 73,633                  |
| Over (Under)                             | 284,388                   | (528,338)              | 115,415                      | (168,972)               |
| Reserve %                                | 3.70%                     | 1.73%                  | 3.27%                        | -0.43%                  |

# 2018-19 General Fund Budget Progression - Revenues

- o The major differences in revenues were:
  - o LCFF Funds were adjusted during the year based on enrollment and prior year adjustments.
  - o Local revenues increased due to parent and student funds and reclassification of a grant from "Other State" to "Other Local".
  - o Increase in STRS & PERS On-behalf entry w/ corresponding Expense entry.
  - o Transfer In from Parcel Tax reserves (Fund 17) not in original budget.

| Fund 1 - General Fund            |                           |                        |                      |                         |
|----------------------------------|---------------------------|------------------------|----------------------|-------------------------|
|                                  | Adopted Budget<br>6/27/18 | 2nd Interim<br>3/16/19 | Actuals<br>9/11/2019 | Difference<br>July-June |
| <b>Revenues</b>                  |                           |                        |                      |                         |
| LCFF                             | \$ 21,449,645             | \$ 21,639,160          | \$ 21,931,705        | \$ 482,060 ←            |
| Parcel Tax                       | 10,414,489                | 10,395,141             | 10,406,243           | (8,246)                 |
| Other Local                      | 3,992,547                 | 4,128,959              | 4,495,876            | 503,329 ←               |
| Other State                      | 1,809,202                 | 1,493,210              | 1,420,914            | (388,288) ←             |
| Other State-STRS & PERS Onbehalf | 1,037,895                 | 1,285,432              | 3,108,306            | 2,070,411 ←             |
| Transfers from SELPA             | 1,142,774                 | 1,123,199              | 1,139,125            | (3,649)                 |
| Federal                          | 660,972                   | 632,144                | 632,382              | (28,590)                |
| Transfer from Parcel Tax Reserve | -                         | 197,548                | 197,187              | 197,187 ←               |
| <b>Total Revenues</b>            | <b>\$ 40,507,524</b>      | <b>\$ 40,894,793</b>   | <b>\$ 43,331,738</b> | <b>\$ 2,824,214</b> 8   |

# 2018-19 General Fund Budget Progression - Expenditures

- o The major differences in expenditures were:
  - o Overall benefits costs were less than originally budgeted.
  - o STRS & PERS On-behalf entry was increased.
  - o Services and Other Operating expenses for Special Education increased due to settlements and placements, but ended less than 2<sup>nd</sup> Interim projections.

| Fund 1 - General Fund     |                           |                          |                              |                         |
|---------------------------|---------------------------|--------------------------|------------------------------|-------------------------|
| Expenditures              | Adopted Budget<br>6/27/18 | 2nd Interim<br>3/13/2019 | Unaudited Actuals<br>9/11/19 | Difference<br>July-June |
| Certificated Salaries     | \$ 18,365,758             | \$18,232,881             | \$ 18,275,002                | \$ (90,756)             |
| Classified Salaries       | 5,814,371                 | 5,764,265                | 5,765,092                    | (49,279)                |
| Benefits                  | 9,928,760                 | 9,526,477                | 9,566,716                    | (362,044)               |
| STRS & PERS On-Behalf     | 1,037,895                 | 1,285,432                | 3,108,306                    | 2,070,411               |
| Books & Supplies          | 1,343,122                 | 1,760,683                | 1,323,490                    | (19,632)                |
| Services/Other Oper.      | 4,056,804                 | 5,107,257                | 4,951,350                    | 894,546                 |
| Internal Transfers        | (95,000)                  | (95,000)                 | (83,805)                     | 11,195                  |
| <b>Total Expenditures</b> | <b>\$ 40,451,710</b>      | <b>\$41,581,995</b>      | <b>\$ 42,906,151</b>         | <b>\$ 2,454,441</b>     |



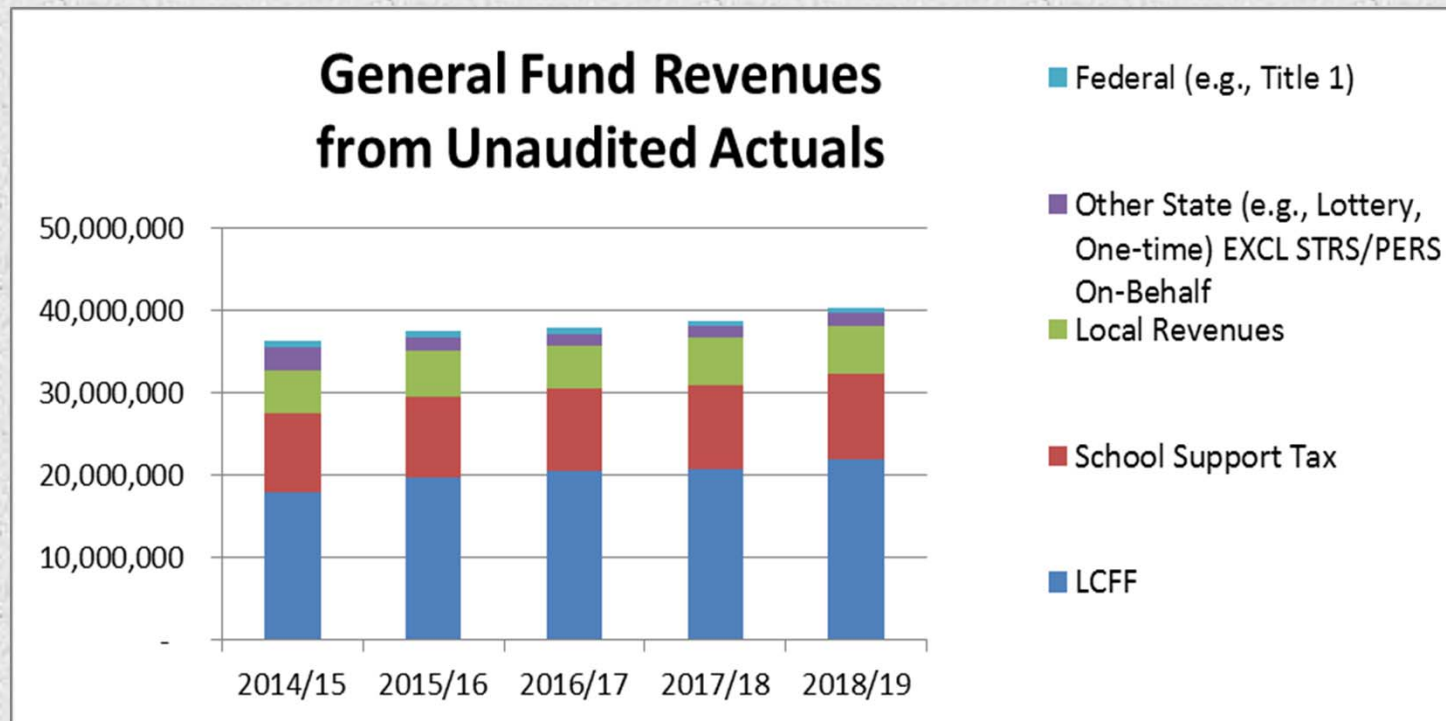
# General Fund - Multiyear

- The District was able to avoid another year of deficit spending with the transfer from the Special Reserve and cautious budget monitoring.

|                                         | 2015/16                       | 2016/17                       | 2017/18                       | 2018/19                       |
|-----------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                         | Unaudited Actuals<br>09/14/16 | Unaudited Actuals<br>09/13/17 | Unaudited Actuals<br>09/12/18 | Unaudited Actuals<br>09/11/19 |
| Total Revenues                          | 39,615,245                    | 39,589,415                    | 39,775,668                    | 43,331,738                    |
| Total Expenditures                      | (39,201,458)                  | (40,023,819)                  | (40,271,940)                  | (42,906,151)                  |
| Net Surplus (Deficit)                   | <b>413,787</b>                | <b>(434,404)</b>              | <b>(496,272)</b>              | <b>425,587</b>                |
| Beginning Fund Balance                  | 2,555,725                     | 2,969,512                     | 2,535,108                     | 2,038,837                     |
| Ending Fund Balance                     | <b>2,969,512</b>              | <b>2,535,108</b>              | <b>2,038,837</b>              | <b>2,464,423</b>              |
| Minimum Reserve<br>(3% of Expenditures) | 1,176,044                     | 1,200,715                     | 1,208,158                     | 1,287,185                     |

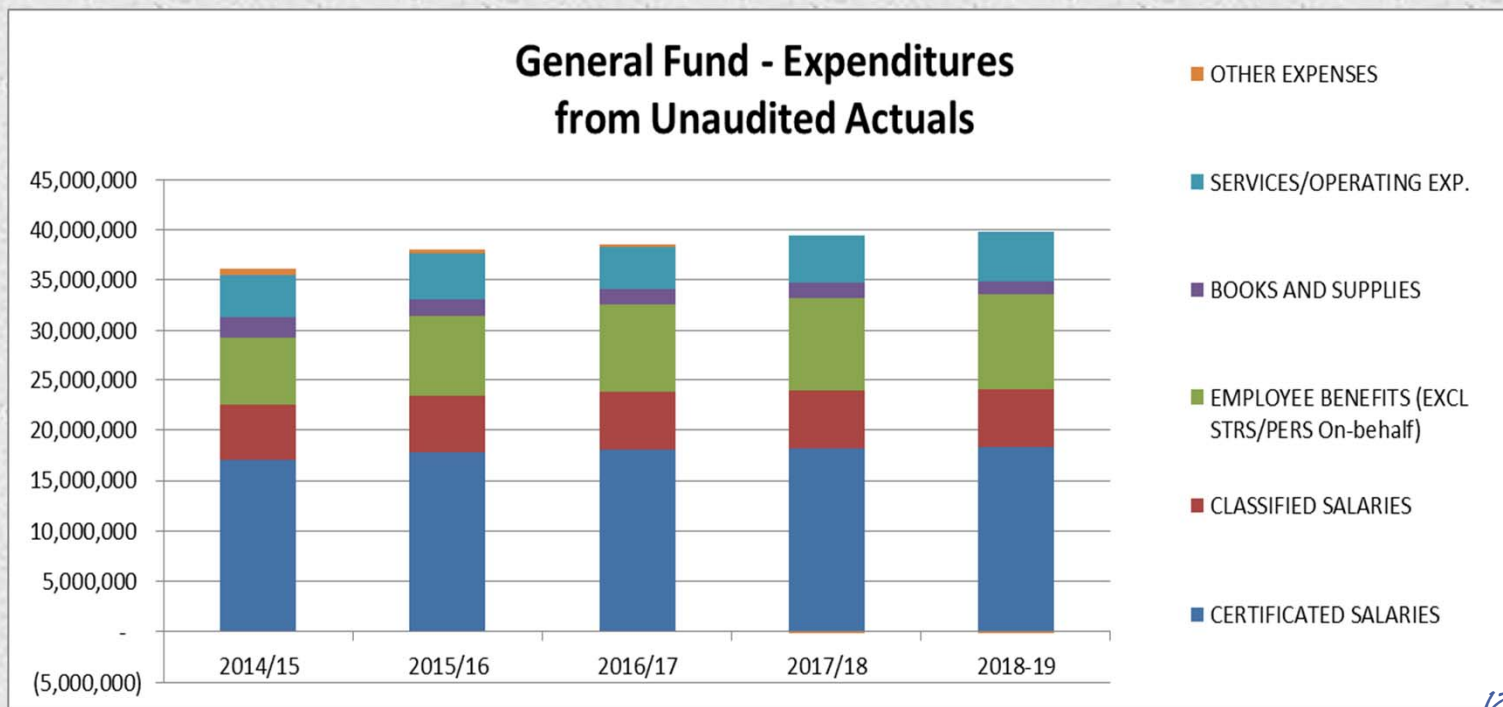
# General Fund - Revenues

- The School Support Tax and Local Revenues are 40% of the District's General Fund revenues.



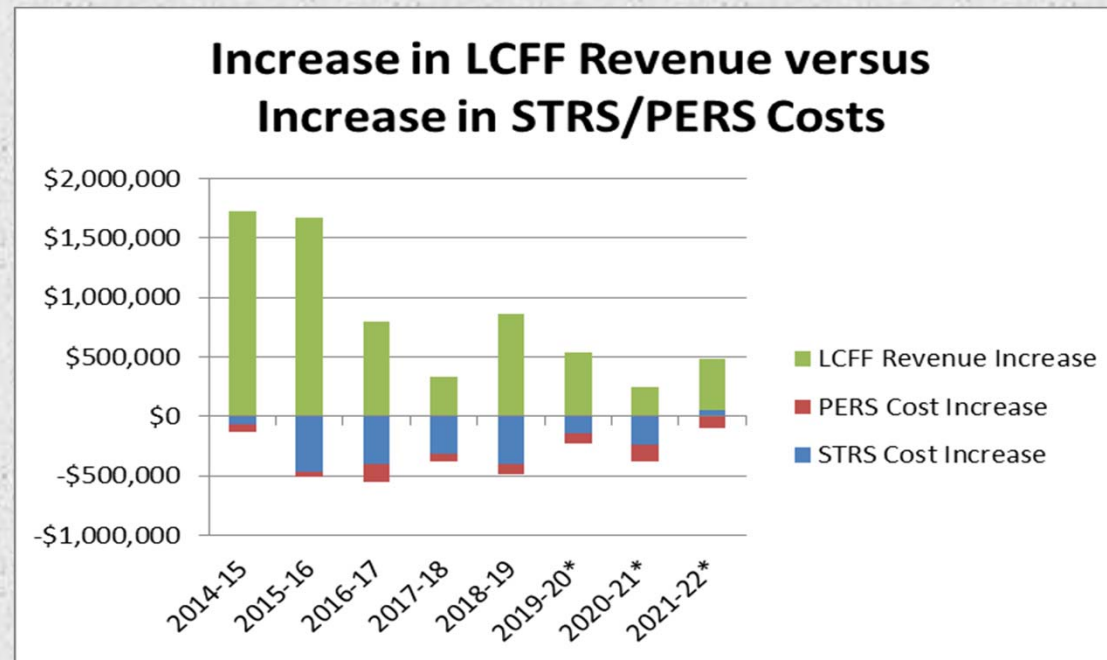
# General Fund - Expenditures

- The District's required contributions to the STRS and PERS pensions are increasing at a higher rate than LCFF revenues.



## Increase in LCFF Revenues versus Increase in STRS & PERS Costs

- The increase in base LCFF funding may not generate enough additional revenues to cover the increase in STRS & PERS payments.



## RECOMMENDATION: ACTION

- o Approve the 2018-19 Unaudited Actual Financial Report for all the funds operated by the District:
  - o General Fund
  - o Adult Education Fund
  - o Cafeteria Fund
  - o Deferred Maintenance Fund
  - o Special Reserve Fund for Noda & Parcel Tax
  - o Building Fund
  - o State School Facilities Fund
  - o Capital Facilities Fund
  - o Bond Interest and Redemption Fund
  - o Self Insurance Fund.
- o Authorize appropriate budget transfers.

# Acknowledgments

Thank you to the Business Services Team whose teamwork made it all possible!

## **Fiscal**

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## **Business**

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## **HR**

Suzanne Binder  
Kim Randlett

## **Payroll**

Cherrie Deangkinay  
Cindy Sivilaythong

# Appendix

Details for Other Funds

# Adult Education

- The District provides both State-funded programs, such as diploma completion, and fee-based classes for the community.

| Fund 11 - Adult Education |                    |                   |                   |                          |
|---------------------------|--------------------|-------------------|-------------------|--------------------------|
|                           | 2015/16            | 2016/17           | 2017/18           | 2018-19                  |
| Revenues                  | \$3,669,252        | \$ 652,084        | \$ 679,743        | \$ <b>680,444</b>        |
| Expenditures              | (2,802,056)        | (1,502,841)       | (664,395)         | <b>(699,520)</b>         |
| Net                       | 867,196            | (850,757)         | 15,348            | <b>(19,076)</b>          |
| Beginning Balance         | 408,664            | 1,275,860         | 425,102           | <b>440,450</b>           |
| Ending Balance            | <u>\$1,275,860</u> | <u>\$ 425,102</u> | <u>\$ 440,450</u> | <u>\$ <b>421,375</b></u> |

# Cafeteria Fund

- The District's food service program serves middle and high school students.
- Parents' clubs run the elementary lunch programs, with a portion of elementary lunches contributing to the Café Fund.

| Fund 13 - Cafeteria |            |            |            |              |
|---------------------|------------|------------|------------|--------------|
|                     | 2015/16    | 2016/17    | 2017/18    | 2018/19      |
| Revenues            | \$ 739,034 | \$ 832,401 | \$ 927,167 | \$ 1,066,219 |
| Expenditures        | (665,853)  | (701,867)  | (717,260)  | (785,877)    |
| Net                 | 73,181     | 130,534    | 209,907    | 280,342      |
| Beginning Balance   | 122,029    | 195,210    | 325,744    | 535,651      |
| Ending Balance      | \$ 195,210 | \$ 325,744 | \$ 535,651 | \$ 815,993   |

# 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.

| Fund 14 - Deferred Maintenance |           |           |           |            |
|--------------------------------|-----------|-----------|-----------|------------|
|                                | 2015/16   | 2016/17   | 2017/18   | 2018/19    |
| Revenues                       | \$191,155 | \$190,554 | \$ 22,475 | \$ 84,784  |
| Expenditures                   | (223,647) | (66,515)  | (55,676)  | (131,673)  |
| Net                            | (32,492)  | 124,039   | (33,201)  | (46,889)   |
| Beginning Balance              | 150,265   | 117,773   | 241,812   | 208,612    |
| Ending Balance                 | \$117,773 | \$241,812 | \$208,612 | \$ 161,722 |

# Special Reserve - Noda

- o The Noda fund was established as an endowment to support the Visual Arts Program.
- o 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 |           |            |            |            |
|----------------------------------|-----------|------------|------------|------------|
|                                  | 2015/16   | 2016/17    | 2017/18    | 2018/19    |
| Revenues                         | \$ 422    | \$ 1,861   | \$ 1,116   | \$ 2,029   |
| Expenditures                     | -         | -          | -          | -          |
| Net                              | 422       | 1,861      | 1,116      | 2,029      |
| Beginning Balance                | 99,452    | 99,874     | 101,735    | 102,851    |
| Ending Balance                   | \$ 99,874 | \$ 101,735 | \$ 102,851 | \$ 104,881 |

# Special Reserve – Parcel Tax

- o The Parcel Tax reserve was established to set-aside funds in the early days of a parcel tax measure to increased costs of programs in the final years of the measure. The funds were drawn down for 2018-19.

| Fund 17 - Special Reserve - School Support Tax |           |            |            |           |
|------------------------------------------------|-----------|------------|------------|-----------|
|                                                | 2015/16   | 2016/17    | 2017/18    | 2018/19   |
| Revenues                                       | \$191,968 | \$ -       | \$ 1,844   | \$ 3,374  |
| Expenditures                                   | -         | -          | -          | (197,187) |
| Net                                            | 191,968   | -          | 1,844      | (193,813) |
| Beginning Balance                              | -         | 191,968    | 191,968    | 193,812   |
| Ending Balance                                 | \$191,968 | \$ 191,968 | \$ 193,812 | \$ (0)    |

# Building (Bonds)

- o The Building Fund separately accounts for the Measure H1 bond revenues and expenditures.
- o The H1 program completed summer projects (2018) and pre-construction costs related to the STEAM building, including demo and site prep. Also include are project mgmt and other soft costs.

| Fund 21 - Building |          |              |              |               |
|--------------------|----------|--------------|--------------|---------------|
|                    | 2015/16  | 2016/17      | 2017/18      | 2018/19       |
| Revenues           | \$ 166   | \$26,000,139 | \$ 279,575   | \$ 400,452    |
| Expenditures       | (10,265) | (685,285)    | (3,683,170)  | (5,564,663)   |
| Net                | (10,099) | 25,314,854   | (3,403,595)  | (5,164,211)   |
| Beginning Balance  | 10,099   | 0            | 25,314,854   | 21,941,000    |
| Ending Balance     | \$ 0     | \$25,314,854 | \$21,911,260 | \$ 16,776,789 |

# State School Facilities

- State matching funds for the prior bond program are held in this fund. Minor facilities costs are paid from remaining funds.

| Fund 35 - State School Facilities |           |           |          |          |
|-----------------------------------|-----------|-----------|----------|----------|
|                                   | 2015/16   | 2016/17   | 2017/18  | 2018/19  |
| Revenues                          | \$ 863    | \$ 368    | \$ 594   | \$ 278   |
| Expenditures                      | (362,891) | 37,782    | (74,148) | (986)    |
| Net                               | (362,028) | 38,150    | (73,554) | (708)    |
| Beginning Balance                 | 401,719   | 39,691    | 77,842   | 4,287    |
| Ending Balance                    | \$ 39,691 | \$ 77,842 | \$ 4,287 | \$ 3,579 |

# Special Reserve - Capital Facilities

- o This reserve fund is for facilities projects that are not part of the bond program, including Witter Field maintenance and repair
- o The Alan Harvey Theater donation funds are held here – remaining balance is \$26K.

| Fund 40- Capital Facilities Fund |            |            |            |            |
|----------------------------------|------------|------------|------------|------------|
|                                  | 2015-16    | 2016/17    | 2017/18    | 2018/19    |
| Revenues                         | \$ 87,946  | \$ 96,636  | \$ 70,438  | \$ 63,265  |
| Expenditures                     | (282,488)  | (40,947)   | (408,110)  | (66,423)   |
| Net                              | (194,542)  | 55,689     | (337,672)  | (3,158)    |
| Beginning Balance                | 924,446    | 729,904    | 785,593    | 447,921    |
| Ending Balance                   | \$ 729,904 | \$ 785,593 | \$ 447,921 | \$ 444,763 |

# Bond Interest & Redemption

- o 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.

(Prior presentations have not included this fund because it is managed by the county.)

| Fund 67 - Self Insurance |              |              |
|--------------------------|--------------|--------------|
|                          | 2017/18      | 2018/19      |
| Revenues                 | \$40,098,659 | \$ 8,364,067 |
| Expenditures             | (37,202,352) | (9,630,435)  |
| Net                      | 2,896,307    | (1,266,368)  |
| Beginning Balance        | 7,290,157    | 10,186,464   |
| Ending Balance           | \$10,186,464 | \$ 8,920,096 |

# Self Insurance

- o This fund is to account separately for self-insurance related expenses, including ergonomic furniture to prevent injury.

| Fund 67 - Self Insurance |           |           |          |          |
|--------------------------|-----------|-----------|----------|----------|
|                          | 2015/16   | 2016/17   | 2017/18  | 2018/19  |
| Revenues                 | \$ 10,012 | \$ 5,071  | \$ 5,075 | \$ 135   |
| Expenditures             | (492)     | (6,863)   | (7,659)  | (450)    |
| Net                      | 9,520     | (1,792)   | (2,584)  | (315)    |
| Beginning Balance        | 2,455     | 11,976    | 10,184   | 7,600    |
| Ending Balance           | \$ 11,976 | \$ 10,184 | \$ 7,600 | \$ 7,285 |