

PIEDMONT UNIFIED SCHOOL DISTRICT

M E M O R A N D U M

TO: Piedmont Unified School District Board of Education

FROM: Ruth Alahydoian, Chief Business Officer
Denise Mandap, Fiscal Services Manager

DATE: September 9, 2026

SUBJECT: APPROVE THE 2025-26 UNAUDITED ACTUALS FOR ALL THE FUNDS OPERATED BY THE DISTRICT: GENERAL FUND; STUDENT ACTIVITIES; ADULT EDUCATION; CAFETERIA; DEFERRED MAINTENANCE; SPECIAL RESERVE/NODA; STATE SCHOOL FACILITIES FUND; CAPITAL FACILITIES; BOND INTEREST AND REDEMPTION FUND; AND AUTHORIZE APPROPRIATE BUDGET TRANSFERS

PURPOSE:

Review and approval of the unaudited financial statements of the Piedmont Unified School District for the fiscal year ended June 30, 2026. The financial results for the 2025-26 Fiscal Year are presented to the Board for approval before submission to the County Office of Education by September 15.

BACKGROUND:

Education Code Section 42100 requires that each governing board approve and submit the Unaudited Actuals ("UA") and Gann Limit Resolution to the county office on or before September 15.

The 2025-26 UA compiles all actual fiscal transactions of the Piedmont Unified School District and presents the District's financial position for the period July 1, 2025, through June 30, 2026. The UA is submitted to the Alameda County Office of Education (ACOE), and through them, to the California Department of Education (CDE). The District's auditors, Christy White Associates Inc., will audit the UA to prepare the audited financials by December 2026. The UA and the audited financials are the only comprehensive financial documents submitted to CDE.

SUMMARY:

The ending fund balance represents the amount left in each fund after all revenues and expenditures have been recorded. It represents the bottom line in financial reporting. The following table provides the ending fund balance for each fund.

ALL FUNDS – ENDING FUND BALANCES		
Fund #	Fund Name	Ending Fund Balance as of June 30, 2026
01	General	\$9,629,318
08	Student Activities	447,645
11	Adult Education	141,863
13	Cafeteria	108,931
14	Deferred Maintenance	163,844
17 Noda	Special Reserve – Noda	110,269
35	State Schools Facilities	2,145,472
40	Special Res for Capital Facilities	259,513
51	Bond Interest & Redemption	4,716,663
	TOTAL ALL FUNDS	\$17,723,519

As noted in the table above, the 2025-26 General Fund Ending Fund Balance is **\$9,629,318**. The General Fund ending balance is further designated as follows:

DETAILS OF GENERAL FUND ENDING BALANCE	
<u>Restricted or Unavailable:</u>	
Revolving Cash	\$44,100
Restricted / Unspendable	1,327,136
Required Reserves (3%)	1,705,000
Held for specific uses	4,672,812
Remaining Undesignated	<u>1,880,270</u>
TOTAL GENERAL FUND ENDING BALANCE	\$9,629,318

DETAILED ATTACHMENTS PROVIDED:

Attached to this memo are several tables that provide summarized information for the General Fund and each of the other funds of the District. The tables are described below. The document that will be submitted to the Alameda County Office of Education and ultimately to the State is the Standardized Account Code Structure (SACS) Report.

Multiyear Comparisons: To provide historical context, a multiyear comparison table has been prepared for each fund. Each table compares UA information from 2021-22, 2022–23, 2023-24, 2024-25 and 2025-26.

Progression through the year: For the General Fund, the progression from Adopted Budget to Unaudited Actuals for 2025-26 is provided in a separate table. The six labeled columns show the budget as it was presented to the Board from Adoption to the Unaudited Actuals. The

seventh column calculates the difference between the Adopted Budget and the Unaudited Actuals. The last column shows the difference as a percentage of total revenues or expenditures, to put the dollar amount in perspective.

2026-27 Budget: The 2026-27 Budget, where provided in these documents, is the Adopted Budget as approved by the Board on June 17, 2026. Subsequent changes that are the result of the final State budget, as presented on August 12, are **not** shown here as the SACS software only loads the Adopted Budget. The working budget will be revised to incorporate the final State budget, carryover from 2025-26, enrollment changes and staffing adjustments over the next weeks. An updated 2026-27 Budget will be shared with the Board in October to provide a more complete update and multiyear projections prior to the official First Interim report in December.

ANALYSIS:

General Fund (Fund 01): The General Fund is the most significant of the funds because it represents the day-to-day operations of the District. Revenues in the General Fund are from several sources: Local Control Funding Formula (LCFF), which includes both State Aid and local property taxes; Federal funds such as IDEA funding for special education; other State funds such as lottery, mandated costs reimbursements, and the STRS on-behalf revenues; and local revenues including Parcel Tax Measures G & P, Piedmont Education Foundation (PEF) donations, and parent and support group donations.

Revenues

Revenues increased by **\$3,622,798** from the Adopted Budget in June 2025 to the final UA in September 2026. Explanations for significant changes in revenues are as follows:

- **Local Control Funding Formula (LCFF) - \$107K** increase as a result of an increase in the Transitional Kindergarten per pupil allocation offset by slightly lower attendance than than originally budgeted.
- **State revenues - \$1,506,556** increase from the original budget. The following are the significant changes:
 - **\$741 K** - Discretionary Block Grant
 - **\$126 K** - Kitchen Infrastructure Grant 2026
 - **\$121 K** - Mandated Cost Reimbursements (not included in original budget)
 - **\$91 K** - Lottery revenues higher than budgeted
 - **\$87 K** - State reimbursement for extraordinary costs for SPED
 - **\$74 K** - Additional state funds for mental health
 - **\$67 K** - Net Increase in Expanded Learning Opportunity Program (ELOP)
 - **\$59 K** - Classified School Employees Summer Assistance Program (CSESAP). This program is a straight pass-through to qualifying classified employees. It is not incorporated into the budget until closing, when the corresponding expenditures are also recorded.
- **Local Revenue - \$1,746,176** increase from the original budget. The bulk of the additional local revenues were for specific purposes and are offset by related

expenditures. The following local sources were increased or added after the original budget was adopted:

- **\$226 K** - Athletic team accounts moved from ASB to District (\$74 K), held in separate accounts, plus team fundraising during the year (\$152 K)
- **\$222 K** - Interest earnings
- **\$177 K** - Insurance reimbursements (incl. worker's comp)
- **\$173 K** - PMS Parents for both specific purchases and general contributions
- **\$172 K** - DEIB local grants
- **\$140 K** - City /District interdistrict agreement
- **\$137 K** - AP/SAT Exam fees
- **\$122 K** - Additional parent contributions for specific programs at high schools
- **\$120 K** - Facility Lease revenues
- **\$68 K** - Elementary Parents for specific requests at sites
- **\$39 K** - Boosters Grants for specific requests (not in original budget)
- **\$38 K** - Turkey Trot donation
- **\$31 K** - Bridge grant for Wellness Center
- **\$22 K** - Donations for loss of ADA & other misc. donations
- **\$21 K** - Makers Grants for 2025-26
- **\$20 K** - Piedmont Arts Fund grant for instrumental music
- Various other contributions from local sources to support specific work throughout the District. Any local revenues left unspent in 2025-26 will be available to site managers to spend in 2026-27 and are set-aside in the Ending Fund Balance.

Expenditures

Expenditures increased by **\$500,824** from the Adopted Budget in June 2025 to the UA in September 2026. The significant changes in expenditures were as follows:

- **Classified salaries** increased by **\$228K**. Most of this - **\$133 K** - was due to underbudgeting for coaches. The other increase was in maintenance staff to cover for a leave.
- **Benefits** - The original budget over-estimated the cost of benefits by **\$833 K**. A portion - **\$95 K** - is the result of a change in the year in which retiree health benefits are recorded. This year, we recorded the July reimbursements in 2026-27 rather than the prior year, resulting in less than budgeted expenses in benefits. The rest of the over-estimate for health benefits in the initial budget was for new employees to take two-party and family plans.
- **Books and Supplies** increased by a net **\$411,343** over the course of the year. This is the result of the increase in local revenues for specific purchases, and the spend-down of funds carried over from the prior year that were not part of the original budget.
- **Services and Operating Expenses** increased by **\$228,675** over the course of the year. All adjustments were anticipated and were paid from carryover or specific grants.
 - **\$93 K** - AP and other exams, paid from parent contributions
 - **\$72 K** - Athletic team expenses, not part of original budget (used to be in ASB)
 - **\$49 K** - Field trip expenses, elementaries and PMS
 - Various professional services tied to the donations (see Local Revenues above) received during the year.
- **Capital Outlay** increased by **\$677,284**.

- **\$153 K** - Asphalt repairs on PE Hill
- **\$141 K** - Elevator repairs
- **\$107 K** - Core Switch refresh
- **\$94 K** - tech purchases for Spring Fling projects
- **\$86 K** - kitchen remodel (paid from grant funds)
- **\$42 K** - Binks Scoreboard - electrical and structural prep work.

Changes in Ending Fund Balance:

- The net increase of **\$5.4 M** to the Ending Fund Balance can be attributed to the increase in the beginning balance (2024-25 ending balance) and the net positive difference between revenues and expenditures.
- The District is able to meet the requirement to reserve the equivalent of **3%** of expenditures for economic uncertainty.
- The ending balance of **\$9,629,318** is comprised of:
 - **\$1,705,000** - 3% Required Reserve
 - **\$1,325,488** - Legally restricted funds
 - **\$44,100** - Revolving cash
 - **\$772,231** - Hold as carryover of donations/unspent site funds
 - **\$3,900,581** - Committed to pay for the salary and benefit increases approved by the Board through the three year term of the contract.
 - **\$1,880,270** - Unassigned

OTHER FUNDS:

The District maintains other funds to track revenues that are restricted for specific purposes and are required to be held in separate funds.

Student Activities Special Revenue Fund (Fund 8): The Student Activities Fund separately tracks the financial activities and the account balances of the associated student body (ASB) organizations within the District. Each ASB maintains its own records of income, expense, and account balances. The aggregate activity and balances are recorded in Fund 8. The combined balance for the PMS, MHS and PHS ASB's is **\$447,646**.

Adult Education (Fund 11): The Adult Education Fund is used to account separately for state and local revenues for adult education programs. Piedmont USD's Adult Ed program offers both State-funded courses such as diploma completion, and fee-based classes, such as flower-arranging. The sources of revenue are State funds through the Adult Education Block Grant, and local funds through fees and donations. The fund ends the year with a balance of **\$141,863**.

Cafeteria Fund (Fund 13): The Cafeteria Fund is used to separately account for federal, state and local resources used to operate the food service program. The District provides free breakfast and lunch to all students. Elementary students are served meals prepared by a local vendor. Secondary meals are prepared on-site. In 2025-26, the program was self-sufficient,

although the cash flow was uneven, requiring temporary cash borrowings from the General Fund. The ending balance of **\$108,931** includes the \$100,000 contribution from the General Fund made in 2024-25 but no additional contributions were needed in 2025-26.

Deferred Maintenance (Fund 14): The Deferred Maintenance Fund was originally established to account separately for State funds and the District match used for major school building repair projects such as roofing, paving, electrical and plumbing. The State suspended payments toward Deferred Maintenance in 2013 and no longer funds deferred maintenance separately from LCFF. The District continues to contribute to Fund 14 to allow separate tracking of certain expenditures related to facilities maintenance and repair. The grass field maintenance contract is paid out of Fund 14. Also, the District expenditures for the CalSHAPE grant, received in 2023-24, to test and update ventilation systems throughout the District, were recorded in 2024-25. The ending balance in the fund is **\$163,844**.

Special Reserve Fund – NODA (Fund 17): The NODA fund was established as an endowment to support the Visual Arts Program in grades 6 through 12. The interest earned on the endowment is recorded as income. Any amount exceeding the base endowment of \$100,000 can be spent as a grant towards visual and performing arts. The District did not make any grants in 2025-26, to give a year for interest earnings to accumulate. Grants have been authorized for 2026-27 based on proposals from art teachers. The ending balance from which the 2026-27 grants will be made is **\$110,269**.

State Schools Facilities Fund (Fund 35): The State Schools Facilities Fund is required to account separately for the State matching funds for school facilities modernization and construction received by the District. During 2025-26, elevator modernization at PMS and PHS and HVAC replacement at the PHS Student Center were paid from Fund 35. The ending balance is **\$2,145,472**.

The remaining funds are being held to repay the loan that was needed to complete the Alan Harvey Theater.

Capital Facilities Fund (Fund 40): The Capital Facilities Fund is used to account for facilities projects that are not part of the construction projects funded by general obligation bonds or the State facilities program. During 2025-26, the District received funds from the parents and the community to build bleachers behind the Softball field, to repair damage to Witter field, and to install new play structures at Havens. PEF donated \$225,000 that was partially used for a new lighting control board for the Alan Harvey Theater; the remaining \$191 will be used for HVAC improvements at Driscoll in 2026-27. The remaining funds from the Makers Grant, that has paid for equipping and staffing the Engineering Lab in the PHS STEAM building, was transferred to the General Fund to cover Engineering Lab technician salaries. The ending balance is **\$259,513**, which includes the unspent PEF funds.

Bond Interest and Redemption Fund (Fund 51): The Bond Interest and Redemption Fund is managed by the County and is used to account for bond repayment activities. The Alameda

County Auditor determines the amount of tax to be collected every year. The County Treasurer/Tax Collector deposits tax collections to Fund 51 and makes payments to bond holders directly from the Fund. The ending balance is **\$4,716,663**.

RECOMMENDATION:

Approve the 2025-26 Unaudited Actuals for all the funds operated by the District and authorize appropriate budget transfers.