



Audit Committee MINUTES

Monday, March 11, 2019

5:30 pm – 7:00 pm (Regular Meeting)

Business Services Conference Room

(Second Floor)

2020 Bonar Street,
Berkeley, CA 94702

Opening of Meeting and Roll Call of Committee Members

Members present: Dan Lindheim, Ty Alper, Laurie Snowden, Isaiah Roter

Staff present: Pauline Follansbee, Antonette West

Members absent: Ka'Dijah Brown

Review and approval of minutes;

Minutes approved January 16, 2019

Public Comments

There were no Public Comments.

Assistant Superintendent Comments:

We will review the second interim shortly. In terms of negotiations, we have our first official meeting on Friday with BFT. I want to talk to the committee's each I work with regarding how we report and how other districts report, we include our form 1. This adds \$36M more to General Fund because we have BSEP and we have our measure.

With that said let's turn to page 27. (see page 27)

<https://www.berkeleyschools.net/wp-content/uploads/2019/03/2018-2019-Second-Interim-March-13-2019.pdf>

Other districts have restricted and unrestricted funds. Berkeley has the benefit of the additional funds. However, we have the overhead and staffing that comes with the additional funds.

Please focus on the unrestricted general fund. Discussion on BSEP funds and which administrators are paid from this fund. History of BSEP how the funds are to be used, past and present practice.

Director Brown; asked for a cheat sheet of BSEP and the measure funds that was discussed to show restrictions and these funds are not included in the negotiations for teacher salaries.

New Business

Review of Second Interim

Second interim covers the period of October through January 31, and we are projecting this is how the books will close in June. This is our best estimate. If you turn to page 22 we look at First Interim;

- Revenue is flat.
- P1 report increased by 120, enrollment only increased by 2. (basis of revenue) Funded on P2 in April and some on P-annual. No corresponding increase in enrollment.
- No significant changes in any other revenue line items.
- Local revenue increased \$75K from ACOE differentiated assistance funding. (see details in narrative in second interim pg. 6)

Review of expenditures;

- \$1.2M unspent balances, vacancies, and other various areas. Fair assumption of it will be end of the year. Last year we did not take the unspent balance at second interim. Recognizing it now instead of at closing.

Director Alper asked; if we are over budgeting, last year closing had \$1M too. *Assistant Superintendent Follansbee*; explained that they have to account for vacant positions being filled and other considerations.

- Spending more on Special Education, First Interim put in \$500K in addition to what we adopted with we are to put in additional \$800K, ongoing problem, we have to ensure our students needs are met but we have to get ahead of this.
- Net increase \$488K
- Ending fund balance change from 1st to 2nd = +\$488K ending undesignated fund balance @ \$1.9ML, (pg. 25 make-up of \$1.9ML)
- Multi Year Projections pg. 68

It was suggested to reduce the narrative in budget books moving forward.

Isaiah Roter expressed caution because it explains budgeting process to lay person not familiar with how budgeting works.

Director Alper; reading the first 20 pages is very helpful. Separate the summary and send it with everything except the SACS. First 77 pages.

Closing comments: None

Meeting adjourned at 6:55pm

Dates and time of Future Meeting

June 17, 2019 4:00 – 5:30pm