



## **Audit Committee Meeting Minutes**

**Date:** September 28, 2020

**Time:** 5:00-6:30pm

**Facilitator:** Pauline Follansbee

### **In Attendance**

Laurie Snowden, Isaiah Roter, Dan Lindheim

Pauline Follansbee, Elizabeth Karam, Kadajah Brown, Ty Alper

Members absent: None

*Call to order was made by Laurie Snowden, Quorum was established*

### **Approval of Minutes**

The minutes from June 22nd meeting were approved.

### **Public Comments**

No public comments

### **Assistant Superintendent Comments**

#### **Covid Updates**

#### **New Business – Review of 2019-20 Unaudited Actuals Budget Review.**

Multiple charts and graphs reviewed

#### **Unrestricted GF**

Met the 3% State required reserve

Undesignated Ending Fund balance exceeds projections by \$2.4M.

\$1.1M assigned

    \$0.1M for revolving cash

    \$1.0 M for LCAP Board Policy Reserve (pending completion of the LLMF budget)

LCAP Supplemental Designation

LCAP Reserve \$1M

LCAP Carryover \$374,006

**Committed Reserve – Board Policy**

Board Policy (approved October 11, 2017) An annual commitment of 1% additional reserve for Economic Uncertainty (to be shown as a specific line item in the budget)

Any year when all the following 3 conditions are met

1. Committed reserve is less than 1% of Combined General Fund
2. Adopted Budget has a positive certification
3. Unassigned General Fund Balance (after the 3% reserve) >than 2% of Combined General Fund expenditures

Then Reserve of half the increase of Unaudited Actuals over Estimated Actuals (budget) should be set up.

For 2019-20, 2% of the Combined GF is \$3.3M and Unassigned GF balance is \$3M. The District is not required to fund the committed reserve for 2019-20

### Special Education Trend

	Contribution	Change
2017-18 Actuals	18,482,407	
2018-19 Actuals	20,917,667	2,435,260
2019-20		
Estimated Actuals	24,114,311	3,196,644
Unaudited Actuals	24,058,980	(55,331)
Increase over prior	3,141,313	

### Other Funds and Programs

- Transportation – Subject to a Maintenance of Effort (MOE) like Special Education.
  - Expenditures \$2.8M, \$7 over prior year
- Adult Education Fund 11
  - Ending Fund balance is \$1.4M. It is subject to a Maintenance of Effort (MOE) like Special Education
- Child Development Fund – Fund 12
  - Ending fund balance is \$.4M with no contribution from the GF
- Cafeteria Fund – Fund 13
  - Due to expenditure transfer from the GF to LLMF, the contribution was \$100,000 less than budgeted. Ending fund balance is \$150,001.

### Other Considerations/ Next Steps

- Increase in STRS/PERS costs continue to absorb a substantial amount of increase in revenue which is increasing the structural deficit
- Increase in Contribution to Special Education continues to absorb a substantial amount of increase in revenue which is increasing the structural deficit
- Ongoing Cost Containment Efforts are necessary – District-wide and Special Education
- First Interim reporting for the period ending on October 31, 2020 will go to the Board on December 9, 2021. We will focus on out years in the Multi-Year Projections.

Meeting adjourned at 6:45 pm

[Next Meeting](#)

November 30, 2020 5:00 – 6:30pm –  
Moved to December 9th, 2020 – same time

### Action Items

None recorded

Copy of the 2019-20 Unaudited Actuals located on BUSD website:

<https://www.berkeleyschools.net/departments/business-services-division/>