

PIEDMONT UNIFIED SCHOOL DISTRICT

M E M O R A N D U M

TO: Board of Education

FROM: Dr. Donald Evans, Interim Superintendent
Ruth Alahydroian, Chief Financial Officer

DATE: August 10, 2022

**RE: CASHFLOW PROJECTION FOR 2021-22; RESOLUTION 01-2022-23 FOR
TEMPORARY BORROWING FROM THE ALAMEDA COUNTY TREASURY
PER EDUCATION CODE 42620**

I. SUMMARY

The flow of cash in and out of the District's General Fund is not always in balance. That is, the inflow of revenues does not always coincide with the outflow of expenses. As a result, every year the District borrows either externally, from the Alameda County Treasury, or internally, from the other District funds, to temporarily cover the cash shortfall in the General Fund. This Board item includes the cash flow projection for the General Fund for 2022-23, based on current projections for revenues and expenditures, and a resolution to authorize the temporary borrowing from Alameda County.

II. BACKGROUND

Because a large portion of the District's revenues are from property taxes, the District experiences dips in cash in the months before the tax collections are distributed to the District in December and April. Education Code 42620 and the California Constitution allow for school districts to borrow from their county in anticipation of the tax collections.

Resolution 01-2022-23 will authorize temporary borrowing from the Alameda County Treasurer. Because the amount borrowed is in anticipation of tax revenues, it must be repaid by the end of April 2023, once tax collections are available. Based on our cash flow projections, \$5 million is the maximum needed to cover this cash shortfall.

In June, the Board approved Resolution 33-2021-22 authorized internal borrowing for 2022-23, under Education Code 42603. That resolution authorizes temporary borrowing from other District Funds. Given the anticipated need, the other funds of the District will not be sufficient.

III. ATTACHMENT

The projected cash flow is provided as an attachment. The cash flow includes a temporary loan from the County of \$5,000,000.

IV. RECOMMENDATION: APPROVE RESOLUTION 01-2022-23

Attachments