## Executive Budget Summary 2018-19 Estimated Actuals and 2019-20 Adopted Budget

[Items in bold and italicized are changes from the June 5, 2019 Board meeting. The primary changes include additional expenditures of \$198,916 in 2018-19 for the 2017 facilities repairs at Corte Madera School. In addition, effective 201920, worker's compensation insurance rate increase from $1.7 \%$ to $2.49 \%$. This equates to additional expenditure budgets of $\$ 66,700, \$ 70,120, \$ 72,200$ and $\$ 74,400$ for 2019-20, 2020-21, 2021-22 and 2022-23 respectively. In addition, the expenditures for the Education Protection Account is included on Section V.]

This is the Executive Budget Summary Report and this document is divided into the following sections:
I. Estimated Actuals for 2018-19. There have been changes from the financial status reported at Second Interim.
II. 2019-20 Governor's May Revise Proposals. The Governor's proposals affecting K-12 education are summarized in this section.
III. Budget for 2019-20. The projections for the 2019-20 budget have changed since the Second Interim Financial Report because of updated financial information. This section outlines assumptions for 2019-20.
IV. Three-Year Financial Model. The three-year financial model is the focal point of prudent budget decision making. Having a full understanding of the long-term implications of decisions is a prerequisite to sound financial management. The model shows the assumptions used. These assumptions will change over time, and this model will be updated regularly.
V. Education Protection Account (EPA) Funds. School Districts are required to disclose the expenditures of the EPA funds at budget adoption.
VI. Other Funds. Cafeteria, Deferred Maintenance, Basic Aid Reserve, Building / Measure Z Bond, and Developer's Fees are separate funds. The budgets for 2018-19 Estimated Actuals and 2019-20 are included in this section.

## I. ESTIMATED ACTUALS FOR 2018-19 - Attachment A

The Board's last full discussion on the status of the 2018-19 budget was at the time of the Second Interim Financial Report. The status of the 2018-19 budget is important because it determines the ending fund balance (which is the 2019-20 beginning fund balance). Also, the 2018-19 budget establishes a baseline for the 2019-20 budget. This section reports on the changes that have taken place since the Second Interim Report.

Attachment A shows the comparison between the District's general fund financials at estimated actuals (column a) and as of Second Interim (column b). Column C shows the changes between the two.

## Revenue

1. Property Taxes (Decrease of $\mathbf{\$ 5 2 , 2 5 0}$ ). Property tax revenue comes from three sources: the secured roll revenue, unsecured roll, and homeowners' exemption. The decrease is from the secured roll of $\$ 14,934$, unsecured roll of $\$ 21,049$, homeowner's exemption increase of $\$ 343$, and prior year adjustments of $\$ 16,610$. The final figures will not be known until July, after the school year is over. When the final figures are received, the District's financials will be adjusted accordingly.
2. Other Revenues (Decrease of $\mathbf{\$ 7 , 8 0 9}$ ): This is mainly due to the decrease in funding for the Tinsley program of $\$ 8,109$ and the State of $\$ 300$.

## Total Decrease in Revenues: $\mathbf{\$ 6 0 , 0 5 8}$

## Expenditures

3. Salaries and Benefits Budgets (Increase of $\mathbf{\$ 9 7 , 2 0 0}$ ). Increase to reflect estimated salaries and employee benefits costs.
4. Supplies and Materials (Decrease of $\mathbf{\$ 4 3}, \mathbf{4 6 3}$ ). Decrease is due to savings from textbook purchases, softwares, licensing and computer equipments.
5. Contracted Services (Increase of $\$ 115,207$ ): Increase is primarily from the 2017 facilities repairs at Corte Madera School of \$198,916 coupled with decreases from election cost, travel and conferences, equipment repairs, and contracted expenses.
6. Other Outgo (Decrease of \$27,456): The solar escrow account has a balance and this fund is used to offset the principal of the solar loan.
7. Transfer Out (Increase of $\mathbf{\$ 3 4 5 , 7 8 6}$ ): The amount of $\$ 300,000$ is transferred to the Basic Aid Reserve Fund to be in compliance with Board Policy. The difference of $\$ 45,786$ is transferred to the Building Fund to cover for prior year building repair expenses.
8. Special Education Expenses (Decrease of $\mathbf{\$ 2 9 , 0 0 0}$ ): Decrease in special education expense and therefore reduction in the contributions from the unrestricted funds.

Total Increase in Expenditures/Transfers Out: \$458,274

## Fund Balance

There have been revenue and expenditure changes since the Second Interim Financial Report. The unrestricted Fund Balance is estimated at \$1,096,431, a decrease of $\$ 518,332$ from the Second Interim. The decrease is mainly due to the transfer of \$300,000 to the Basic Aid Reserve Fund (17) to meet the District's Basic Aid Reserve Policy and \$198,916 as district's share of the facilities repairs at Corte Madera School.

The projected total General Fund ending balance at June 30, 2019 is \$1,569,750. The total available reserve is $\$ 2,045,799$ or $12.55 \%$ of the total General Fund Expenditures and Transfers Out.

The Fund balance includes setting aside $\$ 100,000$ annually for future classroom furnishings, and $\$ 150,000$ for pending litigation Genentech has with the San Mateo County Assessor's office which will have a negative effect to the basic aid districts in San Mateo County should Genentech receive a favorable outcome. The components of the fund balance are as follows:

| Restricted Programs | 473,319 |  |  |  |  |
| :--- | ---: | ---: | :---: | :---: | :---: |
| School Site Carryovers | 15,000 |  |  |  |  |
| Reserve for pending Genentech Litigation | 150,000 |  |  |  |  |
| Reserve for Classroom Furnishings | 100,000 |  |  |  |  |
| Reserve for Economic Uncertainty (A) | 652,075 | $4.00 \%$ |  |  |  |
| Unassigned/Unappropriated (B) | 179,356 | $1.10 \%$ |  |  |  |
| Total General Fund Balance |  |  |  | $1,569,750$ |  |
|  |  |  |  |  |  |
| Basic Aid Reserve Policy in Fund 17 (C) | $1,214,368$ | $7.45 \%$ |  |  |  |
|  |  | $2,045,799$ |  |  |  |
| Total Available Reserves (A)+(B)+(C) | $12.55 \%$ |  |  |  |  |

## II. 2019-20 GOVERNOR'S MAY REVISE PROPOSALS

With strong April tax revenues, Governor Newsom was able to retain most of his proposals from January. The revised budget anticipates slowdown over the forecast period. Therefore, the budget refrains from overcommitting the state to new programs or the expansion of existing ones that require ongoing investment.

The impact to the Portola Valley School District are the following proposals:

1. Applied statutory COLA of $3.26 \%$ to the LCFF base grant: $\$ 17,700$ is the additional funds to PVSD and is included in the district's budget
2. CalSTRS payments - Reduce pension rates from $18.13 \%$ to $16.7 \%$ for 201920 and $19.1 \%$ to $18.1 \%$ for 2020-21: This is approximately $\$ 66,000$ for the two years. This has not been included in the district's budget.
3. Discretionary Funds - Does not propose any one-time funding for school districts (i.e., he will not continue Mr. Jerry Brown's practice.)

These proposals do not include one-time Discretionary Funds (see \#3 above). In 2018-19, PVSD received $\$ 107,000$ in one-time discretionary funds.

## III. GENERAL FUND BUDGET FOR 2019-20 - Attachment B

The 2018-19 estimated actuals are the baseline numbers for the 2019-20 budget. This section reports on assumptions related to revenue and expenditures made to create the 2019-20 budget.

## Revenue

Property Taxes $\mathbf{( \$ 1 2 , 0 0 0 , 4 5 3}$, Increase of $\mathbf{\$ 5 4 3 , 6 8 6}$ ): Property tax revenue comes from three sources: the secured roll, the unsecured roll, and homeowners' exemption/subventions (HOX). For the 2019-20, the secured taxes are projected to increase by $5.0 \%$ (or $\$ 543,406$ ) over 2018-19. Unsecured property taxes and homeowners' exemptions are assumed flat.

State Aid Sources (\$834,049, Increase of $\mathbf{\$ 1 7 , 2 9 5}$ ). The State aid sources of $\$ 146,571$ is the flat "hold harmless" amount since the switch in the state's funding formula in 2013-14. In addition, $\$ 279,355$ is from the Tinsley program. $\$ 109,248$ ( $\$ 200$ per student) is from the Education Protection Account which is to sunshine in year 2030. Increase is due to COLA.

Other State Revenue $\mathbf{( \$ 1 3 5 , 3 8 7}$, Decrease of $\mathbf{\$ 3 3 3} \mathbf{4 9 7}$ ). Other state revenue includes mandated cost block grant of $\$ 18,345$, Unrestricted Lottery funds of $\$ 86,598$, and testing funds of $\$ 1,900$. State revenue is based on rates provided by School Services of California (SSC). The decrease is primarily due to the decrease of one-time common core discretionary funds of $\$ 107,298$ and Prop 39 Energy Savings funds of \$203,000 in 2018-19

CaISTRS on behalf payments $\mathbf{( \$ 6 2 7 , 7 8 1 ) : ~ T h e ~ S t a t e ~ r e q u i r e s ~ s c h o o l ~ d i s t r i c t s ~ t o ~}$ record the STRS on behalf contributions from the State. A corresponding expense is also recorded. This is a "paper only" entry.

Special Education, including Mental Health (\$405,741, Increase of \$9,436). Special education revenues are from these sources: County Office SELPA $(\$ 298,875)$, and federal $(\$ 106,866)$. The projection for the District's special education revenue is provided by the local special education local plan area (SELPA). Increase is due to COLA.

Other Local Revenue (\$2,376,109, Decrease of \$477,317).

- Parcel Tax ( $\mathbf{\$ 1 , 2 0 5 , 5 2 2}$, flat funding). The residents of Portola Valley passed the Measure O, Parcel Tax in May 2013 for eight years with at $\$ 581$ per parcel through June 30, 2021.
- Portola Valley Foundation Campaign Funds (\$920,000, increase of $\mathbf{\$ 2 0 , 0 0 0}$ ). The budget includes a continuing contribution from the Foundation.
- Others: Other local revenue is primarily funds received at the site level, including PTA donations, and school income. The amount also includes Foundation's Fund-A-Need and Class Funds. These revenues are budgeted when funds are collected.
Decrease is primarily from VCAP solar rebates of $\$ 307,808$ (additional $\$ 86,313$ received as current year interest abatement); $\$ 170,000$ from the Foundation and the PTO


## EXPENDITURES

Certificated Salaries (\$6,496,129, Increase of \$26,509). Certificated salaries include classroom teachers, counselors, psychologists, and certificated administrators. The salary budget increases include projected cost of additional step/column increases, pay raises for teachers on the "performance based" salary calculations. The budget also includes a net 0.33 FTE certificated staff reduction. Teacher's contract expires June 30, 2019. The budget does not include other compensation increases to teachers, student services staff (counselors and psychologist) and administrators.

Classified Salaries (\$1,972,716, Increase of \$31,041). Classified salaries include classroom aides, secretaries, custodians, clerks and all other non-certificated staff. The increase is due to step increases. In addition, the is one paraprofessional positions reduction from attrition. The budget does not include salary increases to classified and unrepresented units.

Benefit Costs (\$3,321,228, Decrease of \$78,602). Benefits include statutory, retirement, and health and welfare costs. Statutory costs include Medicare (1.45\%), Social Security ( $6.2 \%$ for classified employees only), unemployment insurance ( $0.05 \%$ ), and worker's compensation (2.49\%). Retirement benefits include STRS ( $18.13 \%$ up from 16.28\% in 2018-19 for certificated employees) and PERS ( $20.73 \%$ up from $18.1 \%$, in 2018-19 for classified employees). Health benefits is budgeted with a $8 \%$ increase over 2018-19. The decrease is due to prior year included a payoff payment of $\$ 439,407$ to CalSTRS for pension obligations.

CalSTRS on behalf payments $\mathbf{( \$ 6 2 7 , 7 8 1 ) : ~ T h e ~ S t a t e ~ r e q u i r e s ~ s c h o o l ~ d i s t r i c t s ~ t o ~}$ record the STRS on behalf contributions from the State. A corresponding expense is also recorded. This is a "paper only" entry.

Supplies and Materials $\mathbf{( \$ 7 3 9 , 1 4 2}$, Increase of $\mathbf{\$ 1 5 4 , 1 7 8}$ ). Supplies and materials include textbooks, library books, instructions materials, other classroom supplies, technology purchases (computers, tablet devices, printers, etc), furniture, and other non-instructional materials. The increase is mainly from the upgrading wifi access of $\$ 150,000$ with an expected rebate of $\$ 38,000$ from the federal government and facilities cameras of $\$ 46,500$. The budget also includes $\$ 267$ per student to the schools as discretionary funds and $\$ 400$ per teacher for classroom supplies. The budget includes textbook adoptions: Science for grades K-5 of approximately $\$ 80,000$.

Other Operating Expenses and Services $\mathbf{( \$ 1 , 6 4 5 , 4 3 4}$, Decrease of $\$ 515,539)$. Other operating expenses and services include services, rentals, leases, maintenance contracts, travel, insurance, utilities, legal, special education nonpublic schools and other operating expenditures. Decrease is due to eliminating the need for temporary borrowing to meet cash flow needs and Proposition 39 Energy program expenses of $\$ 253,000$ and the one-time payment of $\$ 198,916$ for facilities repairs at Corte Madera School

Capital Outlay ( $\mathbf{\$ 4 3} \mathbf{1 0 5}$, Decrease of $\mathbf{\$ 2 1 , 5 4 0}$ ). The budget is mainly for possible HVAC replacements.

Other Outgo ( $\mathbf{\$ 3 6 0 , 7 2 8}$, Increase of $\mathbf{\$ 1 0 3 , 8 8 7}$ ). This is partly due to the one-time escrow funds from the solar loan in 2018-19 and the special education expenditures reclassification.

Transfers Out (\$414,000, Decrease of \$416,786). This includes transfer out to support Fund 13, Cafeteria Fund of $\$ 20,000$ and $\$ 394,000$ from the Solar Rebates to the Deferred Maintenance Fund 14.

## IV. THREE-YEAR FINANCIAL MODEL - Attachment B

The following are Revenues and Expenditures Assumptions:

## Revenue Assumptions

Enrollment. The District is using the Demographer's report for enrollment projections.

Voluntary Transfer Program Revenue. The District receives 70\% of the sending district's LCFF base grant amount for voluntary transfer students. COLA
adjustments have been applied to this revenue stream. The source of these COLA estimates is School Services of California (SSC).

Property Taxes. This item includes revenue from the secured roll, unsecured roll, and homeowners' exemptions. Absent additional information, this budget model uses a property tax growth rate of $3 \%$ for 2020-21 and 2021-22 and 2022-23 on secured rolls only. These projections will be revisited as additional information is received.

Parcel Tax. Measure O passed in May 2013 for eight years with an increase to $\$ 581$ per parcel through 2020-21. The budget assumes a successful renewal of parcel tax and the amount of $\$ 1.2$ million is included in the 2021-22 budget. This amount is equivalent to the average cost of about 9 teaching positions.

Special Education Revenue. The projected increases are budgeted flat.
Lottery Income. Lottery income has been projected based on estimates from School Services of California (SSC).

## Expenditure Assumptions

Certificated Step/Column. Cost of 2\% for step and column is included in the budget for all units.

Health Benefit Costs. The health benefit costs are assumed increase of 8\%.
STRS Rate. The employer STRS rate continues to increase by $1.85 \%$ per year until it reaches $19.1 \%$ by 2020-21. The increases are included in the projections.

PERS Rate. The latest rate projections are: 2020-21 (23.4\%), 2021-22 (24.5\%). 2022-23 ( $25 \%$ ). The increases are included in the projections.

Workers' Compensation Costs. The rate for 2019-20 and subsequent years is estimated at $\mathbf{2 . 4 9 \%}$ of overall salary, and future budget estimates will be updated when new data is available from our provider.

Special Education Expenses: The budget assumes the same level of special education services as 2019-20 in the out-years.

Facilities Solar Rebates: The budget includes rebates of \$75,000 for 2020-21, $\$ 66,800$ for 2021-22, and $\$ 58,123$ for 2022-23.

## V. Education Protection Account (EPA)

The Education Protection Account (EPA) was created in November 2012 by Proposition 30, The Schools and Local Public Safety Protection Act of 2012, and it was implemented in 2013. The EPA is governed by Section 36 of Article XIII of the California Constitution, which was amended by Proposition 55 in November 2016.

The revenues generated from Section 36 of Article XIII of the California Constitution are deposited into a state account called the Education Protection Account. The funds cannot be spent on salaries or benefits of administrators or any other administrator costs. School districts are required to disclose how the funds are being spent. The district expects to receive $\$ 109,248$ for fiscal year 2019-20 and the funds will be spent on teacher salaries and benefits.

|  |  | (a) |  |  | (b) |  |  | (c) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Description | Object Code | 2018-19 Estimated Actuals (June) |  |  | 2018-19 2nd Interim (March) |  |  | Change |  |  |
|  |  | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| Revenue Detail |  |  |  |  |  |  |  |  |  |  |
| LCFF Sources | 8011,8096 | 527,315 | 289,439 | 816,754 | 535,424 | 289,439 | 824,863 | $(8,109)$ | - | $(8,109)$ |
| Property Taxes Revenues | 8019, 804X | 11,456,767 |  | 11,456,767 | 11,509,017 |  | 11,509,017 | $(52,250)$ | - | $(52,250)$ |
| Federal Revenues | 8100-8299 | - | 115,733 | 115,733 | - | 115,733 | 115,733 | - | - | - |
| State Revenues: STRS on-behalf pmts | 8300-8599 | - | 592,541 | 592,541 |  | 559,219 | 559,219 | - | 33,322 | 33,322 |
| State Revenues: Other | 8300-8599 | 214,138 | 254,745 | 468,883 | 213,838 | 254,745 | 468,583 | 300 | - | 300 |
| Other Local Revenues | 8600-8799 | 2,624,075 | 229,351 | 2,853,426 | 2,624,074 | 217,800 | 2,841,874 | 1 | 11,551 | 11,552 |
| Transfer to Deferred Maintenance | 8091 | - |  | - | - |  |  | - | - | - |
| Total Revenues |  | 14,822,295 | 1,481,809 | 16,304,104 | 14,882,353 | 1,436,936 | 16,319,289 | $(60,058)$ | 44,873 | $(15,185)$ |
|  |  |  |  |  |  |  |  |  |  |  |
| Expenditure Detail |  |  |  |  |  |  |  |  |  |  |
| Certificated Salaries | 1000-1999 | 5,773,056 | 696,564 | 6,469,620 | 5,773,057 | 701,814 | 6,474,871 | (1) | $(5,250)$ | $(5,251)$ |
| Classified Salaries | 2000-2999 | 1,445,622 | 496,053 | 1,941,675 | 1,364,222 | 501,053 | 1,865,275 | 81,400 | $(5,000)$ | 76,400 |
| Employee Benefits | 3000-3999 | 2,966,264 | 433,566 | 3,399,830 | 2,950,463 | 431,696 | 3,382,159 | 15,801 | 1,870 | 17,671 |
| Employee Benefits-CalSTRS on behalf | 3000-3999 |  | 592,541 | 592,541 |  | 559,219 | 559,219 | - | 33,322 | 33,322 |
| Books and Supplies | 4000-4999 | 512,413 | 72,551 | 584,964 | 555,876 | 73,020 | 628,896 | $(43,463)$ | (469) | $(43,932)$ |
| Services, Other Operating Expenses | 5000-5999 | 1,178,723 | 982,250 | 2,160,973 | 1,063,516 | 985,990 | 2,049,506 | 115,207 | $(3,740)$ | 111,467 |
| Capital Outlay | 6000-6999 | - | 64,645 | 64,645 | - | 57,698 | 57,698 | - | 6,947 | 6,947 |
| Other Outgo (excluding IC) | 7000-7299 | 146,847 | 109,994 | 256,841 | 174,303 | 115,994 | 290,297 | $(27,456)$ | $(6,000)$ | $(33,456)$ |
| Other Outgo | 7300-7399 | - | - | - | - | - | - | - | - | - |
| Total Expenditures |  | 12,022,925 | 3,448,164 | 15,471,089 | 11,881,437 | 3,426,484 | 15,307,921 | 141,488 | 21,680 | 163,168 |
|  |  |  |  |  |  |  |  |  |  |  |
| Excess / (Deficiency) |  | 2,799,370 | $(1,966,355)$ | 833,015 | 3,000,916 | (1,989,548) | 1,011,368 | (201,546) | 23,193 | $(178,353)$ |
|  |  |  |  |  |  |  |  |  |  |  |
| Other Financing Sources/Uses |  |  |  |  |  |  |  |  |  |  |
| Transfer Out - Fund 14 | 8091 | $(265,000)$ | - | $(265,000)$ | $(265,000)$ |  | $(265,000)$ | - | - | - |
| Transfer Out - Fund 17 | 7600-7629 | $(500,000)$ |  | $(500,000)$ | $(200,000)$ |  | $(200,000)$ | $(300,000)$ | - | $(300,000)$ |
| Transfer Out - Fund 13 | 7600-7629 | $(20,000)$ | - | $(20,000)$ | $(20,000)$ | - | $(20,000)$ | - | - | - |
| Transfer out - Fund 21 |  | $(45,786)$ |  | $(45,786)$ |  |  | - | $(45,786)$ | - | $(45,786)$ |
| Contributions to Special Education Progran | 8930-8999 | $(1,282,672)$ | 1,282,672 | - | $(1,311,672)$ | 1,311,672 | - | 29,000 | $(29,000)$ | - |
| Contributions to Routine Restricted Maintenance |  | $(623,137)$ | 623,137 | - | $(623,137)$ | 623,137 | - | - | - | - |
|  |  |  |  |  |  |  |  |  |  |  |
| Contributions to Other Restricted Programs |  | (7,780) | 7,780 | - | $(7,780)$ | 7,780 | - | - | - | - |
| Total, Other Sources/Uses |  | $(2,744,375)$ | 1,913,589 | $(830,786)$ | $(\mathbf{2 , 4 2 7 , 5 8 9 )}$ | 1,942,589 | $(485,000)$ | $(316,786)$ | $(29,000)$ | $(345,786)$ |
|  |  |  |  |  |  |  |  |  |  |  |
| Net Inc/Der to Fund Balance |  | 54,995 | $(52,766)$ | 2,229 | 573,327 | $(46,959)$ | 526,368 | $(518,332)$ | $(5,807)$ | (524,139) |
|  |  |  |  |  |  |  |  |  |  |  |
| Beginning Fund Balance |  | 1,041,436 | 526,085 | 1,567,521 | 1,041,436 | 526,085 | 1,567,521 | - | - | - |
| Ending Balance, June 30 |  | 1,096,431 | 473,319 | 1,569,750 | 1,614,763 | 479,126 | 2,093,889 | $(518,332)$ | $(5,807)$ | $(524,139)$ |
|  |  |  |  |  |  |  |  |  |  |  |
| Components of Ending Fund Balance |  |  |  |  |  |  |  |  |  |  |
| Restricted: Federal/State/Local Programs |  |  |  | 473,319 |  |  | 479,126 | $(5,807)$ |  |  |
| Restricted: School carryovers |  |  |  | 15,000 |  |  | - | 15,000 |  |  |
| Assigned: Pending Genentech Litigation |  |  |  | 150,000 |  |  | - | 150,000 |  |  |
| Assigned: Classroom Furnishings |  |  |  | 100,000 |  |  | 100,000 | - |  |  |
| Reserved for Economic Uncertainty |  |  |  | 652,075 |  |  | 621,117 | 30,958 |  |  |
| Total Restricted/Assigned/Reserved |  |  |  | 1,390,394 |  |  | 1,200,243 | 190,151 |  |  |
|  |  |  |  |  |  |  |  | - |  |  |
| Unassigned |  |  |  | 179,356 |  |  | 893,646 | $(714,290)$ |  |  |
| Total Ending Fund Balance - General Fund (01) |  |  |  | 1,569,750 |  |  | 2,093,889 | $(524,139)$ |  |  |
|  |  |  |  |  |  |  |  | - |  |  |
| Special Reserve Fund Balance (Fund 17) |  |  |  | 1,214,368 |  |  | 911,368 | 303,000 |  |  |
| Total Available Reserves (Fund 1 and 17) |  |  |  | 2,045,799 |  |  | 2,426,131 | $(380,332)$ |  |  |
| Available Reserves \% |  | 12.55\% |  |  | 15.62\% |  |  | -3.07\% |  |  | <br> \section*{\section*{Portola Valley School Distric <br> \section*{\section*{Portola Valley School Distric <br> <br> 2019-20 Adopted Budg <br> <br> 2019-20 Adopted Budg <br> <br> Multi-year projections} <br> <br> Multi-year projections}

Attachment B

|  | 5.10\% |  |  | 5\% |  |  | 3\% |  |  | 3\% |  |  | 3\% |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Description | 2018-19 Estimated Actuals |  |  | 2019-20 Projection |  |  | 2020-21 Projection |  |  | 2021-22 Projection |  |  | 2022-23 Projection |  |  |
|  | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| REVENUE |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| LCFF Sources | 527,315 | 289,439 | 816,754 | 535,174 | 298,875 | 834,049 | 544,515 | 307,841 | 852,356 | 550,268 | 316,460 | 866,728 | 559,039 | 326,461 | 885,499 |
| Property Taxes Revenues | 11,456,767 | - | 11,456,767 | 12,000,453 |  | 12,000,453 | 12,342,799 |  | 12,342,799 | 12,695,416 |  | 12,695,416 | 13,058,611 |  | 13,058,611 |
| Federal Revenues - Special Education | - | 115,733 | 115,733 | - | 115,733 | 115,733 | - | 115,733 | 115,733 | - | 115,733 | 115,733 | - | 115,733 | 115,733 |
| State Revenues:STRS on-behalf pmts | - | 592,541 | 592,541 |  | 627,781 | 627,781 |  | 627,781 | 627,781 |  | 627,781 | 627,781 |  | 627,781 | 627,781 |
| Other State Revenues | 214,138 | 254,745 | 468,883 | 106,843 | 28,544 | 135,387 | 106,069 | 30,662 | 136,731 | 106,055 | 30,021 | 136,076 | 106,608 | 29,861 | 136,469 |
| Other Local Revenues | 2,624,075 | 229,351 | 2,853,426 | 2,302,157 | 73,952 | 2,376,109 | 2,236,522 | 57,500 | 2,294,022 | 2,236,522 | 57,500 | 2,294,022 | 2,236,522 | 57,500 | 2,294,022 |
| Transfer to Deferred Maintenance |  |  |  | - |  |  |  |  |  |  |  |  |  |  |  |
| Total Revenues | 14,822,295 | 1,481,809 | 16,304,104 | 14,944,627 | 1,144,885 | 16,089,512 | 15,229,905 | 1,139,517 | 16,369,423 | 15,588,260 | 1,147,496 | 16,735,756 | 15,960,780 | 1,157,336 | 17,118,115 |
| EXPENDITURE |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Certificated Salaries | 5,773,056 | 696,564 | 6,469,620 | 5,779,026 | 717,103 | 6,496,129 | 6,123,122 | 721,902 | 6,845,024 | 6,338,205 | 735,722 | 7,073,927 | 6,553,713 | 749,818 | 7,303,530 |
| Classified Salaries | 1,445,622 | 496,053 | 1,941,675 | 1,479,720 | 492,996 | 1,972,716 | 1,520,651 | 537,235 | 2,057,886 | 1,550,616 | 547,980 | 2,098,596 | 1,581,198 | 558,939 | 2,140,137 |
| Employee Benefits | 2,966,264 | 433,566 | 3,399,830 | 2,860,186 | 461,042 | 3,321,228 | 3,160,334 | 488,160 | 3,648,494 | 3,298,737 | 512,864 | 3,811,601 | 3,443,185 | 538,962 | 3,982,147 |
| Eme Benefits: STRS on-behalf pmts | - | 592,541 | 592,541 |  | 627,781 | 627,781 |  | 627,781 | 627,781 |  | 627,781 | 627,781 |  | 627,781 | 627,781 |
| Books and Supplies | 512,413 | 72,551 | 584,964 | 727,717 | 11,425 | 739,142 | 548,859 | 41,742 | 590,601 | 548,859 | 41,369 | 590,228 | 548,859 | 41,490 | 590,349 |
| Services, Other Operating Expenses | 1,178,723 | 982,250 | 2,160,973 | 1,033,499 | 611,935 | 1,645,434 | 1,221,018 | 594,451 | 1,815,469 | 1,130,795 | 561,561 | 1,692,356 | 1,148,469 | 576,821 | 1,725,291 |
| Capital Outlay | - | 64,645 | 64,645 | - | 43,105 | 43,105 | - | 35,000 | 35,000 | - | 35,000 | 35,000 | - | 35,000 | 35,000 |
| Other Outgo (excluding IC) | 146,847 | 109,994 | 256,841 | 177,715 | 183,013 | 360,728 | 185,476 | 188,766 | 374,242 | 193,676 | 194,863 | 388,539 | 202,353 | 201,285 | 403,638 |
| Other Outgo | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures | 12,022,925 | 3,448,164 | 15,471,089 | 12,057,863 | 3,148,400 | 15,206,263 | 12,759,460 | 3,235,037 | 15,994,498 | 13,060,888 | 3,257,138 | 16,318,026 | 13,477,777 | 3,330,097 | 16,807,873 |
| Excess / (Deficiency) | 2,799,370 | $(1,966,355)$ | 833,015 | 2,886,764 | $(2,003,515)$ | 883,249 | 2,470,445 | $(2,095,520)$ | 374,925 | 2,527,372 | (2,109,642) | 417,730 | 2,483,003 | $(2,172,761)$ | 310,242 |
| OTHER FINANCING SOURCES/USES |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers to Fund 17 (Special Reserve) | $(500,000)$ | - | $(500,000)$ | - |  | - |  | - | - |  | - | - |  | - | - |
| Transfer Out - Fund 14 (DM) | $(265,000)$ |  | $(265,000)$ | $(394,000)$ |  | $(394,000)$ | $(200,000)$ |  | $(200,000)$ | $(200,000)$ |  | $(200,000)$ | $(200,000)$ |  | $(200,000)$ |
| Transfer Out - Fund 13 (Caféteria) | $(20,000)$ | - | $(20,000)$ | $(20,000)$ | - | $(20,000)$ | $(22,000)$ | - | $(22,000)$ | $(23,000)$ | - | $(23,000)$ | $(24,000)$ | - | $(24,000)$ |
| Transfer Out -Fund 21 (Facility Repairs) | $(45,786)$ | - | $(45,786)$ |  |  | - |  |  | - |  |  | - |  |  | - |
| Contributions to Sp Ed Program | $(1,282,672)$ | 1,282,672 | - | $(1,368,617)$ | 1,368,617 | - | $(1,403,264)$ | 1,403,264 | - | (1,404,351) | 1,404,351 | - | (1,454,175) | 1,454,175 | - |
| Contributions to Routine Maintenance | $(623,137)$ | 623,137 | - | $(670,285)$ | 670,285 | - | $(686,756)$ | 686,756 | - | $(699,791)$ | 699,791 | - | $(713,086)$ | 713,086 | - |
| Contributions to Restricted Programs | $(7,780)$ | 7,780 | - | $(5,500)$ | 5,500 | - | $(5,500)$ | 5,500 | - | $(5,500)$ | 5,500 | - | $(5,500)$ | 5,500 | - |
| Total, Other | $(2,744,375)$ | 1,913,589 | $(830,786)$ | $(2,458,402)$ | 2,044,402 | $(414,000)$ | (2,317,520) | 2,095,520 | $(222,000)$ | $(2,332,642)$ | 2,109,642 | $(223,000)$ | $(2,396,761)$ | 2,172,761 | $(224,000)$ |
| Net Inc/(Der) to Fund Balance | 54,995 | $(52,766)$ | 2,229 | 428,362 | 40,887 | 469,249 | 152,925 | (0) | 152,925 | 194,730 | (0) | 194,730 | 86,242 | 0 | 86,242 |
| Beginning Fund Balance | 1,041,436 | 526,085 | 1,567,521 | 1,096,431 | 473,319 | 1,569,750 | 1,524,794 | 514,206 | 2,038,999 | 1,677,718 | 514,206 | 2,191,924 | 1,872,449 | 514,205 | 2,386,654 |
| Ending Balance, June 30 | 1,096,431 | 473,319 | 1,569,750 | 1,524,794 | 514,206 | 2,038,999 | 1,677,718 | 514,206 | 2,191,924 | 1,872,449 | 514,205 | 2,386,654 | 1,958,691 | 514,206 | 2,472,896 |
| Components of Ending Fund Balance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Restricted: Federal/State/Local Programs |  |  | 473,319 |  |  | 514,206 |  |  | 514,206 |  |  | 514,205 |  |  | 514,206 |
| Restricted: School carryovers |  |  | 15,000 |  |  | 15,000 |  |  | 15,000 |  |  | 15,000 |  |  | 15,000 |
| Assigned: Pending Genentech Litigation |  |  | 150,000 |  |  | 150,000 |  |  | 150,000 |  |  | 150,000 |  |  | 150,000 |
| Assigned: Classroom Furnishings |  |  | 100,000 |  |  | 200,000 |  |  | 300,000 |  |  | 400,000 |  |  | 500,000 |
| Reserved for Economic Uncertainty (A) |  |  | 652,075 |  |  | 624,811 |  |  | 648,660 |  |  | 661,641 |  |  | 681,275 |
| Total Restricted/Assigned/Reserved |  |  | 1,390,394 |  |  | 1,504,016 |  |  | 1,627,866 |  |  | 1,740,847 |  |  | 1,860,481 |
| Unassigned (B) |  |  |  |  |  | 534,983 |  |  |  |  |  |  |  |  |  |
| Total Ending Fund Balance - General Fund 1 |  |  | 1,569,750 |  |  | 2,038,999 |  |  | 2,191,924 |  |  | 2,386,654 |  |  | 2,472,896 |
|  |  |  |  |  |  |  |  |  |  |  |  | 2,386,654 |  |  | 2,42,896 |
| Special Reserve Fund Balance (Fund 17) ( C ) |  |  | 1,214,368 |  |  | 1,229,368 |  |  | 1,253,955 |  |  | 1,279,034 |  |  | 1,302,057 |
| Total Available Reserves ( $\mathrm{A}+\mathrm{B}+\mathrm{C}$ ) |  |  | 2,045,799 |  |  | 2,389,162 |  |  | 2,466,674 |  |  | 2,586,483 |  |  | 2,595,748 |
| Available Reserves \% | 12.55\% |  |  | 15.30\% |  |  | 15.21\% |  |  | 15.64\% |  |  | 15.24\% |  |  |

5.10\%

2018-19 Estimated Actuals

## V. Other Funds

## 2019-20 Adopted Budget Report

CAFETERIA SPECIAL REVENUE (FUND 13): is used to account separately for federal, state, and local resources to operate the food service program (CA Edu. Code $\S 38090$ and 38093). The principal revenues in this fund are: Child Nutrition Programs (Federal) Child Nutrition Programs (State) Food Service Sales Interest All Other Local Revenue. Fund 13 shall only be used for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (CA Edu. Code § 38091 and 38100).

DEFERRED MAINTENANCE (Fund 14): historically has been used to account for state apportionments and the District's contribution for deferred maintenance purposes. With the implementation of the Local Control Funding Formula, LEAs no longer receives state contributions and are no longer required to keep a separate fund. However, the District continues with the old model to keep a separate fund. Revenue comes from the contributions from the general fund and expenditures include repairs and maintenance for all District sites.

SPECIAL RESERVE FOR OTHER THAN CAPITAL OUTLAY PROJECTS (Fund 17): is used for the accumulation of general fund monies for general operating purposes to be used in the future. Fund 17 is not for capital outlay. Board policy recommends a $12 \%$ reserve which will be recorded in this fund. The $12 \%$ reserve is funded by a combination of the unrestricted general fund balance and the Special Reserve Fund.

BUILDING PROJECTS FUND (Fund 21): This fund records the revenue and expenditures resulting from Measure Z bond issue of $\$ 49.5$ million approved by the voters on November 6, 2018. These funds are for Phase I of the facilities master plan projects in addition to repairs, improvements and renovation expenditures to school buildings and classrooms such as water intrusion and mold damages to certain buildings at the Corte Madera School. The District issued the first series of bonds in the amount of $\$ 10$ million in April 2019 to fund early stages of project costs such as architects, construction manager, consultants, and classroom and campus modernizations.

CAPITAL FACILITIES (Fund 25): accounts for monies received from fees levied on developers (i.e, Developer Fees), or other agencies as a condition of approving a development. The interest earned in this fund is restricted to this fund. The expenditures in this fund are restricted to the purposes specified in agreements
with the developer or specified in Government Code.
The following chart lists the financial summary of Other Funds:

## 2018-19 (estimated actuals)

| 2018-19 Estimated Actuals | Cafeteria <br> Fund 13 | Deferred Maintenance Fund 14 | Special <br> Reserve <br> Fund 17 | Building Fund <br> Fund 21 | Capital Facilities Fund 25 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| REVENUES |  |  |  |  |  |
| Federal Sources | 29,760 |  |  |  |  |
| Other State Sources | 1,600 |  |  |  |  |
| Other Local Sources | 103,100 | 2,000 | 15,000 | 49,000 | 45,000 |
| Proceeds from Bond Sales |  |  |  | 9,833,000 |  |
| Transfers-in From Other Funds | 20,000 | 265,000 | 500,000 | 45,786 |  |
| TOTAL OPERATING REVENUE | 154,460 | 267,000 | 515,000 | 9,927,786 | 45,000 |
|  |  |  |  |  |  |
| EXPENSES |  |  |  |  |  |
| Classified Salaries | - |  |  | 43,292 |  |
| Employee Benefits | - |  |  | 22,783 |  |
| Supplies/Materials | 3,325 |  |  | 8,345 |  |
| Services and Other Operating Expenses | 142,795 | 77,000 |  | 152,850 | 16,000 |
| Capital Outlay |  |  |  | 340,000 |  |
| Transfer-out to Other Funds |  |  |  | - |  |
| TOTAL OPERATING EXPENSE | 146,120 | 77,000 | - | 567,270 | 16,000 |
|  |  |  |  |  |  |
| Revenues over (under) Expenses | 8,340 | 190,000 | 515,000 | 9,360,516 | 29,000 |
|  |  |  |  |  |  |
| Beginning Fund Balance | 271 | 96,954 | 699,368 | $(45,786)$ | 117,378 |
|  |  |  |  |  |  |
| Ending Fund Balance | 8,611 | 286,954 | 1,214,368 | 9,314,730 | 146,378 |

## 2019-20 Projections

| 2019-20 Adopted Budget | Cafeteria <br> Fund 13 | $\begin{array}{\|r\|} \hline \text { Deferred } \\ \text { Maintenance } \\ \text { Fund } 14 \\ \hline \end{array}$ | Special <br> Reserve <br> Fund 17 | Building or Bond Fund Fund 21 | Capital <br> Facilities <br> Fund 25 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| REVENUES |  |  |  |  |  |
| Federal Sources | 29,760 |  |  |  |  |
| Other State Sources | 1,600 |  |  |  |  |
| Other Local Sources | 103,100 | 5,000 | 15,000 | 140,000 | 50,000 |
| Proceeds from Bond Sales |  |  |  | - |  |
| Transfers-in From Other Funds | 20,000 | 394,000 |  |  |  |
| TOTAL OPERATING REVENUE | 154,460 | 399,000 | 15,000 | 140,000 | 50,000 |
|  |  |  |  |  |  |
| EXPENSES |  |  |  |  |  |
| Classified Salaries |  |  | - | 104,738 |  |
| Employee Benefits |  |  |  | 55,082 |  |
| Supplies/Materials | 3,325 |  |  | 5,000 |  |
| Services and Other Operating Expenses | 142,795 | 116,000 |  | 2,402,535 | - |
| Capital Outlay |  |  |  | 750,000 | - |
| Transfer-out to Other Funds | - |  | - |  |  |
| TOTAL OPERATING EXPENSE | 146,120 | 116,000 | - | 3,317,355 | - |
|  |  |  |  |  |  |
| Revenues over (under) Expenses | 8,340 | 283,000 | 15,000 | $(3,177,355)$ | 50,000 |
|  |  |  |  |  |  |
| Beginning Fund Balance | 8,611 | 286,954 | 1,214,368 | 9,314,730 | 146,378 |
|  |  |  |  |  |  |
| Ending Fund Balance | 16,951 | 569,954 | 1,229,368 | 6,137,375 | 196,378 |

