

Executive Budget Summary

2019-20 Estimated Actuals and 2020-21 Adopted Budget

[Items in bold and italicized are changes from the May 27, 2020 Board meeting. The primary changes include the elimination of the 2019-20 salary increases to the unrepresented employees (administrators, confidential classified, confidential student services). The 2020-21 salaries budget is increased to reflect updated teacher salary projections. In addition, the 2020-21 special education revenue projections are decreased by about \$20,000 per the SMCOE.]

This is the Executive Budget Summary Report. This document is divided into the following sections:

- I. Estimated Actuals for 2019-20.** There have been changes from the financial status reported at Second Interim.
- II. 2020-21 Governor’s May Revise Proposals.** The Governor’s proposals affecting K-12 education are summarized in this section.
- III. Budget for 2020-21.** The projections for the 2020-21 budget have changed since the Second Interim Financial Report because of updated financial information. This section outlines assumptions for 2020-21.
- IV. Four-Year Financial Model.** The four-year financial model is the focal point of prudent budget decision making. Having a full understanding of the long-term implications of decision-making 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, Other Postemployment Benefits, and Developer’s Fees are separate funds. The budgets for 2019-20 Estimated Actuals and 2020-21 are included in this section.

I. ESTIMATED ACTUALS FOR 2019-20 – Attachment A

The Board's last full discussion on the status of the 2019-20 budget happened at the same time as the Second Interim Financial Report. The status of the 2019-20 budget is important because it determines the ending fund balance (which is the 2020-21 beginning fund balance). Also, the 2019-20 budget establishes a baseline for the 2020-21 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. Special Education Revenues (Increase of \$11,000):** Special Education funding goes into a pool which is managed by the Special Education Local Plan Area (SELPA). The SELPA retains a certain amount for agreed upon services (i.e. high cost student needs, students with LCIs). The remaining funds are then allocated to school districts based on enrollment. The County recently provided a new update which reflects an increase of about \$11,000 to PVSD.
- 2. Property Taxes Revenues (Increase of \$10,816):** Unsecured property taxes which are taxes on business properties increased by \$10,816.
- 3. Federal Revenues (Increase of \$582):** Title II (Teacher Quality) grant increased by \$582 per apportionment notice.
- 4. State Revenues (Increase of \$8,765):** The new COVID-19 Response Fund of \$9,548 provides funds for safety protective equipment, cleaning and sanitation. TUPE grant increased by \$1,000 per apportionment notice. Lottery Revenue collections decreased by \$1,783.
- 5. Local Revenues (Decrease of \$68,441):** Decrease local revenue projections: Gold Rush Refunds to parents \$18,635; facilities rental \$27,807; interest income and other miscellaneous \$22,000.

Total Decrease in Revenues: \$37,278

Expenditures

6. **Salaries and Benefits Budgets (Decrease of \$80,024):** Decrease is primary due to the elimination of salary increases to the unrepresented employees (administrators, confidential classified, and confidential student services employees).
7. **Supplies and Materials (Decrease of \$42,153):** Decrease due to \$5,000 savings from social studies textbook purchase. The remaining amount is from the endowment and Fanfare grants that will not be spent this school year. These grant balances will be rolled to the next school year.
8. **Contracted Services (Decrease of \$48,892):** The decrease due to Gold Rush field trip of \$18,635; utilities savings of \$10,000; equipment repairs of \$12,000; the remaining difference is from travel, conferences and other miscellaneous.
9. **Capital Outlay (Decrease of \$35,000):** Adjusted furniture/equipment purchase budgets to estimated actuals.
10. **Other Outgo (Increase of \$7,396):** Adjusted to reflect the estimated refund from the IRS solar rebates

Total Decrease in Expenditures: \$198,673

Transfers Out to Other Postemployment Benefits Fund (#20): Decrease contributions to Fund #20 by \$200,000. Due to the current fiscal environment, contributions are reduced. The estimated unfunded obligation is approximately \$1.4 million.

Fund Balance

There have been revenue and expenditure changes since the Second Interim Financial Report. The unrestricted Fund Balance is estimated at **\$2,126,894**, an increase of \$228,139 from the Second Interim as outlined above.

The projected total General Fund ending balance at June 30, 2020 is **\$2,948,188**. The total available reserve which includes funds from the Special Reserve Fund is **\$2,602,236 or 16.80%** of the total General Fund Expenditures and Transfers Out.

The Fund balance includes setting aside \$200,000 for future classroom furnishings, \$150,000 for pending litigation Genentech has with the San Mateo County Assessor's office which will have a negative effect to basic aid districts in San Mateo County should Genentech receive a favorable outcome, \$400,000 for COVID19 expenditures. The components of the fund balance are as follows:

Restricted Programs	821,294	
School Site Carryovers	15,000	
Reserve for pending Genentech Litigation	150,000	
Reserve for Classroom Furnishings	200,000	
COVID-19 Contingency	400,000	
Reserve for Economic Uncertainty (A)	619,511	4.00%
Unassigned/Unappropriated (B)	742,383	4.79%
Total General Fund Balance	2,948,188	
Basic Aid Reserve Policy in Fund 17 (C)	1,240,342	8.01%
Total Available Reserves (A)+(B)+(C)	2,602,236	16.80%

The 2020-21 Reserves in Excess of Minimum Reserve Requirements calculation spreadsheet is on Attachment D.

II. 2020-21 GOVERNOR'S MAY REVISE PROPOSALS

Governor Newsom released the 2020-21 State Budget on May 14th and it reflected how the COVID19 recession translates into the State budgets and programs. The proposal assumes that the state faces a \$54 billion State budget deficit as it heads into the fiscal year 2020-21. This is a reduction of \$19 billion to Proposition 98 (required minimum funding for K-12 education). \$6.5 billion of this reduction will be applied to the Local Control Funding formula which is the state's base funding for school districts. The State will apply about \$4.4 billion of the \$9.5 billion from the federal Coronavirus Relief Fund to education. The Governor plans to use these funds to address learning loss for vulnerable students most heavily impacted by school closures. In addition, the proposal includes redirecting \$2.3 billion from the 2019-20 budget originally allocated to CalSTRS and CalPERS towards long-term

unfunded liabilities to further reduce employer contribution rates in 2020-21 and 2021-22 by about 2% in each of the two years.

The estimated impact of the State Budget to the Portola Valley School District are the following:

1. \$6.5 Billion reduction to the LCFF: Decrease in revenue of \$43,000
2. CalSTRS and CalPERS Employer Pension Costs: Reduce employer obligation by \$160,000 each year for two years
3. Special Education: There will be a slight increase in special education funding of about \$20,000
4. Federal program Coronavirus Relief Fund: PVSD will likely not be eligible for any of these funding.
5. COLA is calculated at 2.31% but will be suspended in the programs.

Note that these are only proposals and suggestions for districts to develop budgets. The Governor and the Legislature will prove the State's enacted budget by June 30.

III. GENERAL FUND BUDGET FOR 2020-21 – Attachment B

The 2019-20 estimated actuals are the baseline numbers for the 2020-21 budget. This section reports on assumptions related to revenue and expenditures made to create the 2020-21 budget.

Revenue

Property Taxes (\$12,477,181, Increase of \$357,626): Property tax revenue comes from three sources: the secured roll, the unsecured roll, and homeowners' exemption/subventions (HOX). For 2020-21, the secured taxes are projected to increase by 4.2% (or \$483,371) over 2019-20. Unsecured property taxes represent the tax to business properties which are assumed to reduce by 20% over 2019-20; and homeowners' exemptions are assumed flat.

State Aid Sources-Unrestricted (\$489,333, decrease of \$45,841): The LCFF State aid sources assume a 10% reduction to \$131,914; voluntary transfer program assumes a 10% reduction to \$251,420. There is no reduction to the Education Protection Account (Prop 30) of \$200 per student or \$106,000.

Other State Revenue - Unrestricted (\$101,080, Decrease of \$57,471): Other state revenue includes a mandated cost block grant of \$17,448, Unrestricted Lottery funds of \$81,732, 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 in enrollment and the one-time discretionary special education grant of \$54,060.

CalSTRS on behalf payments (\$638,133): The State requires school districts to 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 (\$400,688, Decrease of \$4,296):
Special education revenues are from these sources: County Office SELPA (\$302,702), and federal (\$97,986). The projection for the District’s special education revenue is provided by the local special education local plan area (SELPA). Increase is due to increase in rate per student.

Other Local Revenue (\$2,292,100, Decrease of \$230,305).

- **Parcel Tax (\$1,224,000, increase \$18,478):** The increase is partly due to the transfer of parcels from the La Honda territory to Portola Valley effective 2020-21.
- **Portola Valley Foundation Campaign Funds (\$920,000, decrease of \$20,000):** 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 the Foundation’s Fund-A-Need and Class Funds. These revenues are budgeted when funds are collected.

Decrease is from the lower of interest income \$20,000; Erate rebates of \$46,000; workers compensation reimbursement of \$21,600, and the decrease of miscellaneous income of \$20,000. \$120,000 from the Foundation and the PTO as these funds are budgeted when funds are received.

EXPENDITURES

Certificated Salaries (\$6,191,593, Decrease of \$214,446): Certificated salaries include classroom teachers, counselors, psychologists, and certificated administrators. The salary budget includes the decrease of 3 certificated positions:

Assistant Principal at Corte Madera, Spanish teacher at CMS and a teacher at Ormondale. In addition, the budget takes into account the hiring freeze of the Director of Curriculum position in 2020-21. The budget includes projected cost of additional step/column increases, pay raises for teachers on the “performance based” salary calculations. ***The budget does not include salary increases to certificated unrepresented employees.***

Classified Salaries (\$2,023,558, Increase of \$76,507): Classified salaries include classroom aides, secretaries, custodians, clerks and all other non-certificated staff. The increase is due to step increases. The budget does not include salary increases to classified and ***classified*** unrepresented ***employees***.

Benefit Costs (\$3,036,763, Decrease of \$46,846): 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 (16.15% down from 17.10% in 2019-20 for certificated employees) and PERS (20.7% up from 19.7%, in 2019-20 for classified employees). Health benefits are budgeted with a 8% increase over 2019-20. The decrease is due to the decrease in employee positions.

CalSTRS on behalf payments (\$638,133): The State requires school districts to record the STRS on behalf contributions from the State. A corresponding expense is also recorded. This is a “paper only” entry.

Supplies and Materials (\$581,084, Decrease of \$106,880): 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 budget also includes \$267 per student to the schools as discretionary funds and \$400 per teacher (\$600/new teacher) for classroom supplies. In 2019-20, the District took advantage of the Erate rebate program to upgrade the network infrastructure cost of approximately \$98,000 (\$136,014 less rebates of \$36,852). Also, 2019-20 included the purchase of social studies textbooks (home copies) for grades 6 to 8 of \$23,000. Local grants such as from the Foundation and PTO are not included in the 2020-21 budgets until received.

Other Operating Expenses and Services (\$1,863,596, Increase of \$167,241): Other operating expenses and services include services, rentals, leases,

maintenance contracts, travel, insurance, utilities, legal, special education non-public schools and other operating expenditures. Increase is due to increase in election cost of \$100,000 (\$25,000 Board; \$100,000 parcel tax). Utilities increase by \$10,000 -- assume returning to normal utilization, increase in legal by \$9,000 and equipment repairs by \$10,000, property/liability insurance of \$37,000

Capital Outlay (\$10,000, Decrease of \$13,105): Meeting room furniture purchased in 2019-20.

Other Outgo (\$362,898, Increase of \$61,038): Increase is mainly from the projected special education caseload needs.

Transfers Out (\$510,000): Transfers out to Deferred Maintenance of \$300,000; Other Postemployment Benefits Fund of \$200,000; Food Service Program \$10,000

FUND BALANCE: The 2020-21 Reserves in Excess of Minimum Reserve Requirements calculation spreadsheet is on Attachment D.

IV. FOUR-YEAR FINANCIAL MODEL - Attachment B

The following are Revenues and Expenditures Assumptions:

Revenue Assumptions

Enrollment. Enrollment is projected to be approx. 530 students in all budget years.

Voluntary Transfer Program Revenue: The District receives 70% of the sending district's LCFF base grant amount for voluntary transfer students. No COLA included is applied for 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 0% for 2021-22 and 2022-23, 2% growth in 2023 and 2024-25 on secured rolls only. Unsecured rolls assume flat in all years. Based on the history from the last recession (with the financial institutions) in 2007, PVSD's property tax growth was 0.82% (in 2010-11) and -0.10% (in 2011-12). 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 that this funding of approximately \$1.2 million is eliminated starting in 2021-22.

Special Education Revenue: The projected revenues are budgeted at the same amount as 2019-20.

Lottery Income: Lottery income has been projected based on estimates from School Services of California (SSC).

Expenditure Assumptions

Budget Solutions: The Budget assumes the need of a \$500,000 on-going budget solutions starting in 2021-22, additional on-going budget solutions of \$500,000 in 2022-23, and \$250,000 of ongoing budget solutions in 2024-25. The solutions could be reductions in expenditures or increase in revenues such as the renewal of the parcel tax measure that will expire on June 30, 2021.

Certificated Step/Column: Cost of 2% for step and column is included in the budget for all units. Teacher's contract has been settled through 2021-22.

Salaries: Salaries for classified and unrepresented employees/administrators are not included in the projections starting in 2020-21.

Personnel: The cost of the Director of Curriculum position is included in the budget starting in 2021-22.

Health Benefit Costs: The health benefit costs assume an increase of 8%.

Statutory Payroll Tax Rates: The following are rates used for classified and certificated employees in the budget years.

Classified	2019-20	2020-21	2021-22	2022-23	2023-24	2023-24
PERS	19.7%	20.7%	22.8%	25.4%	25.0%	25.0%
FICA	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
WC	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%
UI	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Total	29.91%	30.89%	33.03%	35.59%	35.19%	35.19%

Certificated	2019-20	2020-21	2021-22	2022-23	2023-24	2023-24
STRS	17.10%	16.15%	16.02%	18.10%	17.60%	17.60%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
WC	2.49%	2.49%	2.49%	2.49%	2.49%	2.49%
UI	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Total	21.09%	20.14%	20.01%	22.09%	21.59%	21.59%

Textbook Adoption: Science textbook adoption for grades K-5 of approximately \$80,000 in 2021-22.

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

Facilities Solar Rebates: The budget includes rebates of \$71,000 for 2020-21, \$63,000 for 2021-22, \$54,000 for 2022-23, \$44,000 for 2023-24, and \$34,000 in 2024-25.

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.

**Portola Valley School District
General Fund - 2020-21 Adopted Budget**

CHANGE REPORT

ATTACHMENT A

6/17/2020		(a)			(b)			(c)		
Description	Object Code	19-20 Estimated Actuals (May 2020)			2019-20 2nd Interim (Mar 2020)			Change		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenue Detail										
LCFF Sources	8011, 8096	535,174	294,345	829,519	535,174	283,345	818,519	-	11,000	11,000
Property Taxes Revenues	8019, 804X	12,119,555	-	12,119,555	12,108,739		12,108,739	10,816	-	10,816
Federal Revenues	8100-8299	-	121,850	121,850	-	121,268	121,268	-	582	582
State Revenues: STRS on-behalf pmts	8300-8599	-	627,781	627,781	-	627,781	627,781	-	-	-
State Revenues: Other	8300-8599	158,551	41,092	199,643	160,334	30,544	190,878	(1,783)	10,548	8,765
Other Local Revenues	8600-8799	2,340,347	182,058	2,522,405	2,408,788	182,058	2,590,846	(68,441)	-	(68,441)
Total Revenues		15,153,627	1,267,126	16,420,753	15,213,035	1,244,996	16,458,031	(59,408)	22,130	(37,278)
Expenditure Detail										
Certificated Salaries	1000-1999	5,679,436	726,603	6,406,039	5,716,583	726,603	6,443,186	(37,147)	-	(37,147)
Classified Salaries	2000-2999	1,418,512	528,539	1,947,051	1,452,837	528,539	1,981,376	(34,325)	-	(34,325)
Employee Benefits	3000-3999	2,599,219	484,390	3,083,609	2,607,771	484,390	3,092,161	(8,552)	-	(8,552)
Employee Benefits-CalSTRS on behalf	3000-3999		627,781	627,781		627,781	627,781	-	-	-
Books and Supplies	4000-4999	628,785	59,179	687,964	644,885	85,232	730,117	(16,100)	(26,053)	(42,153)
Services, Other Operating Expenses	5000-5999	1,018,835	677,520	1,696,355	1,058,309	686,938	1,745,247	(39,474)	(9,418)	(48,892)
Capital Outlay	6000-6999	15,000	8,105	23,105	15,000	43,105	58,105	-	(35,000)	(35,000)
Other Outgo (excluding IC)	7000-7299	181,411	120,449	301,860	174,015	120,449	294,464	7,396	-	7,396
Total Expenditures		11,541,198	3,232,566	14,773,764	11,669,400	3,303,037	14,972,437	(128,202)	(70,471)	(198,673)
Excess / (Deficiency)		3,612,429	(1,965,440)	1,646,989	3,543,635	(2,058,041)	1,485,594	68,794	92,601	161,395
Other Financing Sources/Uses										
Transfer Out to Deferred Maintenance #14	8091	(594,000)	-	(594,000)	(594,000)	-	(594,000)	-	-	-
Transfer Out to Special Reserve #17	7600-7629	-	-	-	-	-	-	-	-	-
Transfer Out to Food Service #13	7600-7629	(20,000)	-	(20,000)	(20,000)	-	(20,000)	-	-	-
Tsfer Out to Postemployment Benefits #20	7600-7630	(100,000)	-	(100,000)	(300,000)	-	(300,000)	200,000	-	200,000
Transfer out to Bond Fund #21		-	-	-	-	-	-	-	-	-
Contributions to Special Education Program	8930-8999	(1,373,395)	1,373,395	-	(1,384,995)	1,384,995	-	11,600	(11,600)	-
Contributions to Routine Restricted Maintenance		(670,285)	670,285	-	(670,285)	670,285	-	-	-	-
Contributions to Other Restricted Programs		(5,500)	5,500	-	(10,657)	10,657	-	5,157	(5,157)	-
Total, Other Sources/Uses		(2,763,180)	2,049,180	(714,000)	(2,979,937)	2,065,937	(914,000)	216,757	(16,757)	200,000
Net Inc/Dcr to Fund Balance		849,249	83,740	932,989	563,698	7,896	571,594	285,551	75,844	361,395
Beginning Fund Balance		1,305,101	737,554	2,042,655	1,305,101	737,554	2,042,655	-	-	-
Audit Adjustments		(27,456)		(27,456)	(27,456)		(27,456)	-		-
Ending Balance, June 30		2,126,894	821,294	2,948,188	1,841,343	745,450	2,586,793	285,551	75,844	361,395
Components of Ending Fund Balance										
Restricted: Federal/State/Local Programs				821,294			745,450	75,844		
Restricted: School carryovers				15,000			15,000	-		
Assigned: Pending Genentech Litigation				150,000			150,000	-		
Assigned: Classroom Furnishings				200,000			200,000	-		
Assigned: COVID-19 Contingency			-	400,000			-	400,000		
Reserved for Economic Uncertainty				619,511			635,457	(15,947)		
Total Restricted/Assigned/Reserved				2,205,805			1,745,907	459,897		
Unassigned				742,383			840,886	(98,502)		
Total Ending Fund Balance - General Fund (01)				2,948,188			2,586,793	361,395		
Special Reserve Fund Balance (Fund 17)				1,240,342			1,240,342	-		
Total Available Reserves (Fund 1 and 17)				2,602,237			2,716,685	(114,448)		
Available Reserves %		16.80%			17.10%			-0.30%		

	5.50%			4.2%			0%			0%			2%			2%		
	2019-20 Projections			2020-21 Projection			2021-22 Projection			2022-23 Projection			2023-24 Projection			2024-25 Projection		
Description	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUE																		
LCFF Sources	535,174	294,345	829,519	489,334	302,702	792,036	489,334	302,702	792,036	489,334	302,702	792,036	489,334	302,702	792,036	489,334	302,702	792,036
Property Taxes Revenues	12,119,555		12,119,555	12,477,181		12,477,181	12,477,181		12,477,181	12,477,181		12,477,181	12,717,025		12,717,025	12,961,665		12,961,665
Federal Revenues - Special Education	-	121,850	121,850	-	108,615	108,615	-	108,615	108,615	-	108,615	108,615	-	108,615	108,615	-	108,615	108,615
State Revenues:STRS on-behalf pmts		627,781	627,781		638,133	638,133		638,133	638,133		638,133	638,133		638,133	638,133		638,133	638,133
Other State Revenues	158,551	41,092	199,643	101,080	23,368	124,447	101,079	23,368	124,446	101,079	23,368	124,446	101,079	23,368	124,446	101,079	21,368	122,446
Other Local Revenues	2,340,347	182,058	2,522,405	2,234,600	57,500	2,292,100	828,200	57,500	885,700	828,200	57,500	885,700	828,200	57,500	885,700	828,200	57,500	885,700
Total Revenues	15,153,627	1,267,126	16,420,753	15,302,195	1,130,318	16,432,512	13,895,794	1,130,318	15,026,111	13,895,794	1,130,318	15,026,111	14,135,637	1,130,318	15,265,955	14,380,278	1,128,318	15,508,596
EXPENDITURE																		
Certificated Salaries	5,679,436	726,603	6,406,039	5,455,958	735,635	6,191,593	5,868,593	754,990	6,623,582	5,892,009	769,471	6,661,480	5,904,794	784,242	6,689,037	5,923,955	799,309	6,723,264
Classified Salaries	1,418,512	528,539	1,947,051	1,454,714	568,844	2,023,558	1,500,492	602,501	2,102,993	1,530,454	614,551	2,145,004	1,561,032	626,842	2,187,874	1,592,242	639,379	2,231,621
Employee Benefits	2,599,219	484,390	3,083,609	2,539,190	497,573	3,036,763	2,781,548	501,460	3,283,008	3,032,899	526,910	3,559,809	3,130,876	553,800	3,684,676	3,237,451	564,790	3,802,242
Eme Benefits: STRS on-behalf pmts		627,781	627,781		638,133	638,133		638,133	638,133		638,133	638,133		638,133	638,133		638,133	638,133
Books and Supplies	628,785	59,179	687,964	542,734	38,350	581,084	640,749	32,387	673,136	606,522	32,647	639,168	607,317	32,920	640,237	608,137	33,034	641,171
Services, Other Operating Expenses	1,018,835	677,520	1,696,355	1,199,206	664,390	1,863,596	1,116,670	678,035	1,794,705	1,218,876	659,176	1,878,052	1,241,458	665,828	1,907,286	1,263,961	665,152	1,929,113
Capital Outlay	15,000	8,105	23,105	-	10,000	10,000	-	10,000	10,000	-	35,000	35,000	-	35,000	35,000	-	33,000	33,000
Other Outgo (excluding IC)	181,411	120,449	301,860	199,587	160,000	359,587	208,949	185,131	394,080	218,968	191,591	410,559	229,689	198,382	428,071	241,161	205,555	446,716
Budget Solutions							(500,000)		(500,000)	(1,000,000)		(1,000,000)	(1,000,000)		(1,000,000)	(1,250,000)		(1,250,000)
Total Expenditures	11,541,198	3,232,566	14,773,764	11,391,389	3,312,925	14,704,313	11,617,001	3,402,635	15,019,636	11,499,727	3,467,478	14,967,205	11,675,166	3,535,147	15,210,314	11,616,907	3,578,352	15,195,259
Excess / (Deficiency)	3,612,429	(1,965,440)	1,646,989	3,910,806	(2,182,607)	1,728,199	2,278,792	(2,272,317)	6,475	2,396,066	(2,337,160)	58,906	2,460,471	(2,404,829)	55,642	2,763,371	(2,450,034)	313,337
OTHER FINANCING SOURCES/USES				11,409,077														
Transfer Out to Deferred Maintenance #14	(594,000)		(594,000)	(300,000)		(300,000)	(300,000)	-	(300,000)	(300,000)	-	(300,000)	(300,000)	-	(300,000)	(300,000)	-	(300,000)
Transfer Out to Food Service #13	(20,000)		(20,000)	(10,000)		(10,000)	(10,000)	-	(10,000)	(10,000)	-	(10,000)	(10,000)	-	(10,000)	(10,000)	-	(10,000)
Tsfer Out to Postemployment Benefits #20	(100,000)		(100,000)	(200,000)		(200,000)			-			-			-			-
Contributions to Sp Ed Program	(1,373,395)	1,373,395	-	(1,500,603)	1,500,603	-	(1,566,817)	1,566,817	-	(1,631,660)	1,631,660	-	(1,699,329)	1,699,329	-	(1,744,534)	1,744,534	-
Contributions to Routine Maintenance	(670,285)	670,285	-	(700,000)	700,000	-	(700,000)	700,000	-	(700,000)	700,000	-	(700,000)	700,000	-	(700,000)	700,000	-
Contributions to Restricted Programs	(5,500)	5,500	-	(5,500)	5,500	-	(5,500)	5,500	-	(5,500)	5,500	-	(5,500)	5,500	-	(5,500)	5,500	-
Total, Other	(2,763,180)	2,049,180	(714,000)	(2,716,103)	2,206,103	(510,000)	(2,582,317)	2,272,317	(310,000)	(2,647,160)	2,337,160	(310,000)	(2,714,829)	2,404,829	(310,000)	(2,760,034)	2,450,034	(310,000)
Net Inc/(Dcr) to Fund Balance	849,249	83,740	932,989	1,194,702	23,497	1,218,199	(303,525)	(0)	(303,525)	(251,094)	(0)	(251,094)	(254,358)	(0)	(254,358)	3,337	0	3,337
Beginning Fund Balance	1,305,101	737,555	2,042,656	2,126,894	821,295	2,948,189	3,321,596	844,792	4,166,388	3,018,072	844,791	3,862,863	2,766,978	844,791	3,611,769	2,512,620	844,791	3,357,411
Audit Adjustments	(27,456)		(27,456)	-		-												
Ending Balance, June 30	2,126,894	821,295	2,948,189	3,321,596	844,792	4,166,389	3,018,072	844,791	3,862,863	2,766,978	844,791	3,611,769	2,512,620	844,791	3,357,411	2,515,957	844,791	3,360,748
Components of Ending Fund Balance																		
Restricted: Federal/State/Local Programs			821,295			844,792			844,791			844,791			844,791			844,791
Restricted: School carryovers			15,000			15,000			15,000			15,000			15,000			15,000
Assigned: Pending Genentech Litigation			150,000			150,000			150,000			150,000			150,000			150,000
Assigned: Classroom Furnishings			200,000			400,000			600,000			600,000			700,000			700,000
Assigned: COVID-19 Contingency			400,000			400,000			400,000			400,000			400,000			400,000
Reserved for Economic Uncertainty (A)			619,511			608,573			613,185			611,088			620,813			620,210
Total Restricted/Assigned/Reserved			2,205,806			2,418,364			2,622,977			2,620,880			2,730,604			2,730,002
Unassigned (B)			742,383			1,748,025			1,239,886			990,890			626,808			630,747
Total Ending Fund Balance - General Fund			2,948,189			4,166,389			3,862,863			3,611,769			3,357,411			3,360,748
Special Reserve Fund Balance (Fund 17) (C)			1,240,342			1,265,342			1,280,526			1,295,892			1,311,443			1,327,180
Total Available Reserves (A + B + C)			2,602,236			3,621,939			3,133,598			2,897,870			2,559,063			2,578,137
Available Reserves %	16.80%			23.81%			20.44%			18.97%			16.49%			16.63%		

VI. Other Funds

2019-20 Estimated Actuals and 2020-21 Adopted Budget

CAFETERIA SPECIAL REVENUE (FUND 13): used to account separately for federal, state, and local resources to operate the food service program (CA Ed. Code § 38090 and 38093). The principal revenues in this fund are from: Child Nutrition Programs (Federal), Child Nutrition Programs (State), Food Service Sales Interest, and All Other Local Revenue. Fund 13 shall only be used for those expenditures authorized by the Board as necessary for the operation of the District's food service program (CA Ed. 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 (LCFF), districts no longer receive 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. Expenditures include repairs and maintenance for all District sites.

SPECIAL RESERVE FOR OTHER THAN CAPITAL OUTLAY PROJECTS (Fund 17): 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.

RETIREE BENEFITS (Fund 20): represents funds set aside for Other Post-Employment Benefits. Employees who have at least ten years of service with the District, and have reached 56 years of age, are eligible to receive District health benefits at the same rate as active employees for five years after retirement. The District's actuarial estimated that the unfunded liability as of June, 2018, is approximately \$1.4 million.

BUILDING PROJECTS FUND (Fund 21): records the revenue and expenditures resulting from the Measure Z bond issuance of \$49.5M, 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. The District anticipates to issue the remaining amount of \$39.5 million in the latter months of 2020.

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. Interest earned in this fund is restricted to this fund, and expenditures 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:

	Cafeteria	Deferred Maintenance	Special Reserve	Other Post-Employment Benefits	Building or Bond Fund	Capital Facilities
	Fund 13	Fund 14	Fund 17	Fund 20	Fund 21	Fund 25
2019-20 Estimated Actuals						
REVENUES						
Federal Sources	15,227					
Other State Sources	781					
Other Local Sources	93,267	5,000	25,000		140,000	80,000
Proceeds from Bond Sales					-	
Transfers-in From General Funds	20,000	594,000		100,000		
TOTAL OPERATING REVENUE	129,275	599,000	25,000	100,000	140,000	80,000
EXPENSES						
Classified Salaries			-		104,738	
Employee Benefits					55,082	
Supplies/Materials	3,990				7,000	
Services and Other Operating Expenses	88,359	116,000			57,973	7,792
Capital Outlay					3,092,562	-
TOTAL OPERATING EXPENSE	92,349	116,000	-	-	3,317,355	7,792
Revenues over (under) Expenses	36,926	483,000	25,000	100,000	(3,177,355)	72,209
Beginning Fund Balance	21,196	364,335	1,215,342	-	9,483,042	193,191
Ending Fund Balance	58,122	847,335	1,240,342	100,000	6,305,687	265,400

	Cafeteria	Deferred Maintenance	Special Reserve	Other Post- Employment Benefits	Building or Bond Fund	Capital Facilities
	Fund 13	Fund 14	Fund 17	Fund 20	Fund 21	Fund 25
2020-21 Adopted Budget						
REVENUES						
Federal Sources	29,760					
Other State Sources	1,600					
Other Local Sources	103,100	6,000	25,000	4,000	140,000	80,000
Proceeds from Bond Sales					-	
Transfers-in From General Funds	10,000	300,000		200,000		
TOTAL OPERATING REVENUE	144,460	306,000	25,000	204,000	140,000	80,000
EXPENSES						
Classified Salaries			-		107,258	
Employee Benefits					60,597	
Supplies/Materials	3,325				7,000	
Services and Other Operating Expenses	142,795	420,000			4,082,954	-
Capital Outlay					2,187,878	-
TOTAL OPERATING EXPENSE	146,120	420,000	-	-	6,445,687	-
Revenues over (under) Expenses	(1,660)	(114,000)	25,000	204,000	(6,305,687)	80,000
Beginning Fund Balance	58,122	847,335	1,240,342	100,000	6,305,687	265,400
Ending Fund Balance	56,462	733,335	1,265,342	304,000	-	345,400

District: Portola Valley School District
CDS #: 41 68981 0000000

ATTACHMENT D

Adopted Budget 2020-21 Budget Attachment Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves
(Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.)

Combined Assigned and Unassigned/unappropriated Fund Balances		
Form	Fund	2020-21 Adopted Budget
01	General Fund	\$3,321,598.00
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$1,265,342.00
	Total Assigned and Unassigned Ending Fund Balances	\$4,586,940.00
	District Standard Reserve Level	4%
	Less District Minimum Reserve for Economic Uncertainties	\$608,573
	Total Assigned & Unassigned Ending Balance in Excess of Minimum	\$3,978,367.00

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties:				
SACS Form	Fund	2020-21 Adopted Budget		Description of Need
01	General Fund	\$15,000.00		School Carryovers
01	General Fund	\$150,000.00		Genentech Litigation Reserves
01	General Fund	\$400,000.00		Classroom Furnishings
01	General Fund	\$400,000.00		COVID-19 Contingency
01	General Fund	\$1,748,025.00		Unassigned
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$1,265,342.00		Set aside per Board Fund Balance Policy requiring available reserves of at least 12% of total general fund expenditures
	Total of Substantiated Needs	\$3,978,367.00		
	Remaining Unsubstantiated Balance	\$0.00		Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.