

2022 | 2023 2nd Interim Report
March 14, 2023

Kentfield School District



2nd Interim Overview

***2nd Interim reports must be submitted to the district's County Office each year by March 15th;**

***Marin County Office of Education reviews the reports for completeness and accuracy;**

***District's financial health is certified as either:**

- Positive,
- Qualified, or
- Negative

KSD 2022-2023 Budget Update

- Transactions Through January 31st
- Budget Projections Through June 30th
- Cash Flow Projections
- Review of Other Funds

KSD 23-24 and 24-25 Projections

- Impact of preliminary budget planning
- Reserve for Economic Uncertainty projections



County Superintendent's Responsibilities

- County Superintendent Fiscal Oversight and Budget Approval under AB 1200 & AB 2756

The county superintendent is responsible for determining if a district can meet its financial obligations in the current and two subsequent fiscal years.

- Determine if district meets minimum reserves
- Assess projected revenues and expenditures
- Positive, Qualified or Negative Certification
 - **Positive** – Meets financial obligations in current + two (2) years
 - **Qualified** – May not meet financial obligations in current + two (2) years
 - **Negative** – Will not meet financial obligations in current + one (1) year
- AB1200 is a continuous process, performed year round.

▶ KSD General Fund Budget - Fund 01

General Fund Revenue

GF Revenue Source	Adopted Budget - July 1, 2022	First Interim Budget- October 31, 2022	Second Interim Budget - January 31, 2023	Percentage of Total Revenues	Cash Received As Of January 31st
Local Property Tax	\$10,923,533	\$11,012,135	\$11,055,556	49.1%	\$6,201,080 (56.1%)
State of California	\$2,332,700	\$3,649,130	\$3,744,486 (Univ.PreK/TK \$62,918)	16.6%	\$877,030 (23.4%)
Federal Funding	\$468,373	\$499,990	\$591,963 (COVID Learning Loss \$64,113)	2.6%	\$111,475 (18.8%)
Local Parcel Tax, Donations and Gifts	\$6,851,563	\$6,900,576	\$7,141,923 (KIK Overages/Fund a Need pass through \$240,127)	31.7%	\$3,572,632 (50%)
Total GF Revenue	\$20,576,158	\$22,061,831	\$22,533,928	100%	\$11,531,685 (51.2%)

General Fund Expenditures

GF Expenses	Adopted Budget - July 1, 2022	First Interim Budget - October 31, 2022	Second Interim Budget - January 31, 2023	Percentage of Total Expenditures	Cash Spent As Of January 31st
Certificated Salaries	\$8,863,203	\$9,238,142	\$9,266,688	42.0%	\$5,113,588
Classified Salaries	\$2,357,981	\$2,400,090	\$2,367,502	10.7%	\$1,242,506
Employee Benefits (Statutory, H/W, Retirement)	\$5,763,572	\$5,877,142	\$5,895,874	26.7% (Total Employee Comp 79.4%)	\$2,568,677
Supplies	\$950,459	\$764,206	\$1,025,257	4.6%	\$385,920
Services	\$1,955,737	\$2,905,934	\$2,978,411	13.5%	\$1,350,537
Capital Outlay/Other Outgo	\$679,647	\$538,644	\$538,644	2.4%	\$211,328
Total GF Expenditures	\$20,570,599	\$21,724,158	\$22,072,376	100%	\$10,872,556 (49.3%)
Expenditure Per Enrolled Student	\$19,480	\$20,572	<u>\$20,912</u>		

Fund Balance, Operational Impacts and Reserve Levels

General Fund	Adopted Budget - July 1, 2022	First Interim Budget - October 31, 2022	Second Interim Budget - January 31, 2023
Beginning Fund Balance	\$1,953,561	\$2,523,927	\$2,523,927
Revenues	\$20,576,158	\$22,061,831	\$22,533,928
Expenditures	\$20,570,599	\$21,724,128	\$22,072,376
Operational Gains or Deficits	\$5,559	\$337,673	\$461,552
Ending Fund Balance	\$1,959,120	\$2,861,599	\$2,985,479
Allocated or Restricted Reserves	\$15,235	\$733,307	\$1,028,467
Balance Available for Reserve for Economic Uncertainty	\$1,670,725	\$2,128,293	\$1,957,012
Reserve for Economic Uncertainty Percentage	8.1%	9.8%	8.87%

Past Reserve Levels

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023 projected
Reserve Amount	Reserve Amount	Reserve Amount	Reserve Amount	Reserve Amount	Reserve Amount
\$1,520,380	\$2,016,437	\$780,053	\$2,198,751	\$2,114,109	\$1,957,012
Reserve Percentage	Reserve Percentage	Reserve Percentage	Reserve Percentage	Reserve Percentage	Reserve Percentage
9.2%	10.3%	3.9%	9.6%	10.3%	8.87%

General Fund Cash Flow Comparison

	2017-2018 Through January 31, 2018	2021-2022 Through January 31, 2022	2022-2023 Through January 31, 2023
General Fund Cash Revenues Received	\$9,488,035	\$10,597,537	\$11,531,685
General Fund Cash Expenditures	\$9,311,077	\$10,332,407	\$10,872,556
CASH POSITION CHANGE	\$176,958	\$265,130	\$659,129

GENERAL FUND MULTI-YEAR PROJECTIONS (MYP)



ASSUMPTIONS

	2023-2024	2024-2025
Enrollment (TK Increase, other grades flat or slight decline)	1,065	1,089
Property Taxes	5.00% Increase	3.5% Increase
Parcel Tax	3.0% Increase	3.0% Increase
KIK/PTA	No Change	No Change
Employee Compensation Step/Column	1.5% Increase	1.5% Increase
Employee Compensation - Health and Welfare Benefits	5% Increase	5% Increase
Employee Compensation: Public Employee Retirement System (PERS)	1.63% Increase	1.10% Increase
Staffing (FTE = Full Time Equivalent) Certificated Classified	Reduce 4.25 FTE Reduce 2.98 FTE	Reduce 1.0 FTE No Change

General Fund MYP

GF- MYP	2022-2023 Projection	2023-2024 Projection	2024-2025 Projection	Notes
Beginning Fund Balance	\$2,523,927	\$2,985,479	\$3,476,721	
Revenues	\$22,533,928	\$21,528,057	\$21,855,362	Decrease 1x State Revenues in 23-24
Expenses	\$22,072,376	\$21,036,815	\$21,179,456	1x expense reduction, ongoing FTE reduction
Operational Gain	\$461,552	\$491,242	\$675,906	
Ending Fund Balance	\$2,985,479	\$3,476,721	\$4,152,627	
Restricted and/or Assigned	\$1,028,467	\$1,128,994	\$1,110,138	
Reserved for Economic Uncertainty	\$1,957,012	\$2,347,727	\$3,042,489	
Reserve Percentage	8.87%	11.16%	14.37%	

▸ KSD - OTHER FUNDS AT SECOND INTERIM

2022-2023 Other Funds

Other KSD Funds	Beginning Balance	Projected Revenues	Projected Expenses	Projected Ending Balance
Deferred Maintenance	\$6,065	\$40	\$1,927	\$4,178
Building Fund - Local Bond	\$1,632,610	\$1,050	\$1,633,260	\$400
Capital Facilities - Developer Fees	\$145,413	\$62,920	\$95,328	\$113,005
County School Facilities - Office of Public School Construction	\$1,335,600	\$3,450	\$401,726	\$937,324
Special Reserve - Capital Outlay	\$1,031,755	\$3,050	\$-0-	\$1,034,805

▶ NEXT STEPS | QUESTIONS | COMMENTS

“Positive” Board Certification of the
Second Interim Report



Union Negotiations:
Currently Ongoing

2023 - 24 KSD Budgeting/LCAP -
Program and Staffing Plans:
March through May 2023

Governor’s Budget:
May Revision - mid May

2023-2024 Budget Review and Board
Approval:
No later than July 1st