

— The California School Finance Authority (CSFA) Presents: _____

Weathering the K-14 State Apportionment Deferrals - State Budget, Cash Flow Management and TRANs

— July 28, 2020 | 11:00am – 12:30pm PT _____



Opening Remarks Fiona Ma, CPA, California State Treasurer

Special Guest Jack O’Connell, Former State Superintendent of Public Instruction, Capitol Advisors Group

Moderator Katrina Johantgen, California School Finance Authority

Speakers John Gray, School Services of California
Mike Fine, Fiscal Crisis & Management Assistance Team
Annette Yee, Montague DeRose and Associates
Mike Kremer, Montague DeRose and Associates



Fiona Ma, CPA
California State Treasurer



Jack O'Connell
Former State Superintendent
CSFA Board Member

Housekeeping

- **Slides**

Available in the Handouts section of the menu

- **Questions**

Ask throughout the webinar, answers provided during Q&A at the end

- **Captioning**

[https://www.streamtext.net/player?event=CDIAC Webinar](https://www.streamtext.net/player?event=CDIAC_Webinar)

- **Technical Issues**

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California School Finance Authority

- Established in 1985, CSFA is one of 16 boards, commissions, and authorities within the State Treasurer's Office
 - ✓ Chaired by Treasurer Fiona Ma, CPA, with Superintendent Tony Thurmond and Director of Finance Keely Martin-Bosler serving as members
 - ✓ Administers 10 federally- and state-funded financing programs
 - ✓ Has disbursed, through grant and debt programs, over \$4 billion to K-12 schools since 2002
- A governmental entity governed by a three-member board with two statewide elected officials
- Helps California TK-12 schools, community colleges and county office of education finance the construction, remodeling, and renovation of projects; acquire property; refinance debt; and secure working capital for cash flow purposes



CSFA as Conduit Bond/Note Issuer

- The CSFA Act (Ed. Code 17170 – 17199.6) provides the Authority with broad statutory authority to issue short- to long-term debt on a stand alone or pooled basis
 - ✓ Intercept Mechanism (Section 17199.4) improves investor security, lowers borrowing costs, ensures timely payments
 - ✓ Public Finance Division as Agent for Sale oversees the bond/note pricing process
 - ✓ Attorney General’s Office as Issuer’s Counsel
 - ✓ Monthly board meetings, with flexibility to hold special meetings
 - ✓ No-Cost TEFRA hearings
- CSFA is mission driven; not transaction driven
 - ✓ Governmental entity – not a third-party joint powers authority
 - ✓ Best practices and bond issuance guidelines
 - ✓ Low issuer and administrative fees
 - ✓ Consistent leadership and top financial advisor support



Conduit Issuance Transaction Highlights

- Since FY 1999, CSFA has issued over \$1.7 billion in short- and long-term debt on behalf of school districts and non-profit borrowers
 - ✓ 93 transactions
 - ✓ 18 working capital note financings totaling almost \$200 million
 - ✓ 75 financings for long-term educational facilities
- Received 2010 Bond Buyer “Deal of the West” Award for innovative Qualified School Construction Bonds
- Awarded several federal grants for credit enhancement of CSFA debt
- Issuer for school district financing utilizing successor redevelopment agency revenue to construct new district transportation facility
- Issuer for community college student housing financing



Speaker Introductions



**Katrina
Johantgen**

Executive Director
CSFA



John Gray

President and
CEO
School Services
of California



Mike Fine

CEO
Fiscal Crisis &
Management
Assistance Team



Annette Yee

Managing
Director
Montague
DeRose and
Associates



Mike Kremer

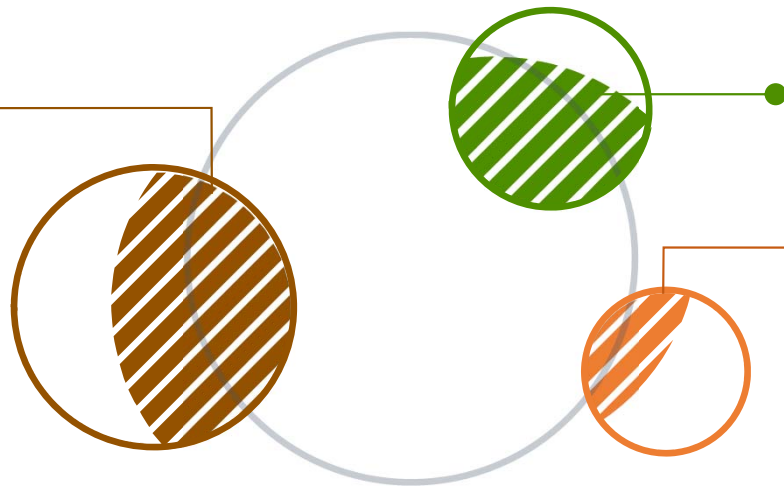
Managing
Director
Montague
DeRose and
Associates



Proposition 98 Minimum Guarantee

- Proposition 98 funding levels have decreased significantly in both 2019–20 and 2020–21, resulting in an almost 10% reduction over the three-year period
 - ✓ Even with a \$6.8 billion year-over-year decrease, local educational agencies (LEAs) are not experiencing significant cuts due to:

Deferrals



Reduction and/or elimination of programs

Withdrawal of funds in the Public School System Stabilization Account

Note that the Proposition 98 autofit provision is not operable for 2020–21



Budget Deferrals

What Are They?

- Budget deferrals allow the state to record a budget cut in one year and move the expense to the next year

Impact to Proposition 98

- This entry then reduces the appropriated Proposition 98 amount in the deferral year and increases Proposition 98 appropriations in the next year

You Can Have Both Budget and Cash Deferrals

- June to July deferrals are cash deferrals, part of which are budget deferrals
- February through May deferrals are both cash and budget deferrals



Diminishing Cash as a Portion of Fund Balance

Example

| Description | Resource Codes | Object Codes | 2011-12 Unaudited Actuals | | |
|--|----------------|--------------|---------------------------|----------------|---------------------------|
| | | | Unrestricted (A) | Restricted (B) | Total Fund col. A + B (C) |
| G. ASSETS | | | | | |
| 1) Cash | | | | | (5,185,227.89) |
| a) in County Treasury | | 9110 | (2,299,078.28) | (2,886,149.61) | |
| 1) Fair Value Adjustment to Cash in County Treasury | | 9111 | 0.00 | 0.00 | 0.00 |
| b) in Banks | | 9120 | 3,000.00 | 0.00 | 3,000.00 |
| c) in Revolving Fund | | 9130 | 40,300.00 | 0.00 | 40,300.00 |
| d) with Fiscal Agent | | 9135 | 0.00 | 0.00 | 0.00 |
| e) collections awaiting deposit | | 9140 | 0.00 | 0.00 | 0.00 |
| 2) Investments | | 9150 | 0.00 | 0.00 | 0.00 |
| 3) Accounts Receivable | | 9200 | 6,011,739.24 | 5,719,265.22 | 11,731,004.46 |
| 4) Due from Grantor Government | | 9290 | 17,994,823.00 | 0.00 | 17,994,823.00 |
| 5) Due from Other Funds | | 9310 | 2,908,963.59 | 3,413.12 | 2,912,376.71 |
| 6) Stores | | 9320 | 160,209.96 | 0.00 | 160,209.96 |
| 7) Prepaid Expenditures | | 9330 | 103,785.44 | 0.00 | 103,785.44 |
| 8) Other Current Assets | | 9340 | 0.00 | 0.00 | 0.00 |
| 9) Fixed Assets | | 9400 | | | |
| 10) TOTAL, ASSETS | | | 24,923,742.95 | 2,836,528.73 | 27,760,271.68 |
| H. LIABILITIES | | | | | |
| 1) Accounts Payable | | 9500 | 1,998,918.46 | 1,638,557.65 | 3,637,476.11 |
| 2) Due to Grantor Governments | | 9590 | 0.00 | 0.00 | 0.00 |
| 3) Due to Other Funds | | 9610 | 5,669,338.44 | 0.00 | 5,669,338.44 |
| 4) Current Loans | | 9640 | 0.00 | 0.00 | 0.00 |
| 5) Deferred Revenue | | 9650 | 381,095.15 | 593,940.42 | 975,035.57 |
| 6) Long-Term Liabilities | | 9660 | | | |
| 7) TOTAL, LIABILITIES | | | 8,049,352.05 | 2,232,498.07 | 10,281,850.12 |
| I. FUND EQUITY | | | | | |
| Ending Fund Balance, June 30 (must agree with line F2) (G10 - H7) | | | 16,874,390.90 | 604,030.66 | 17,478,421.56 |

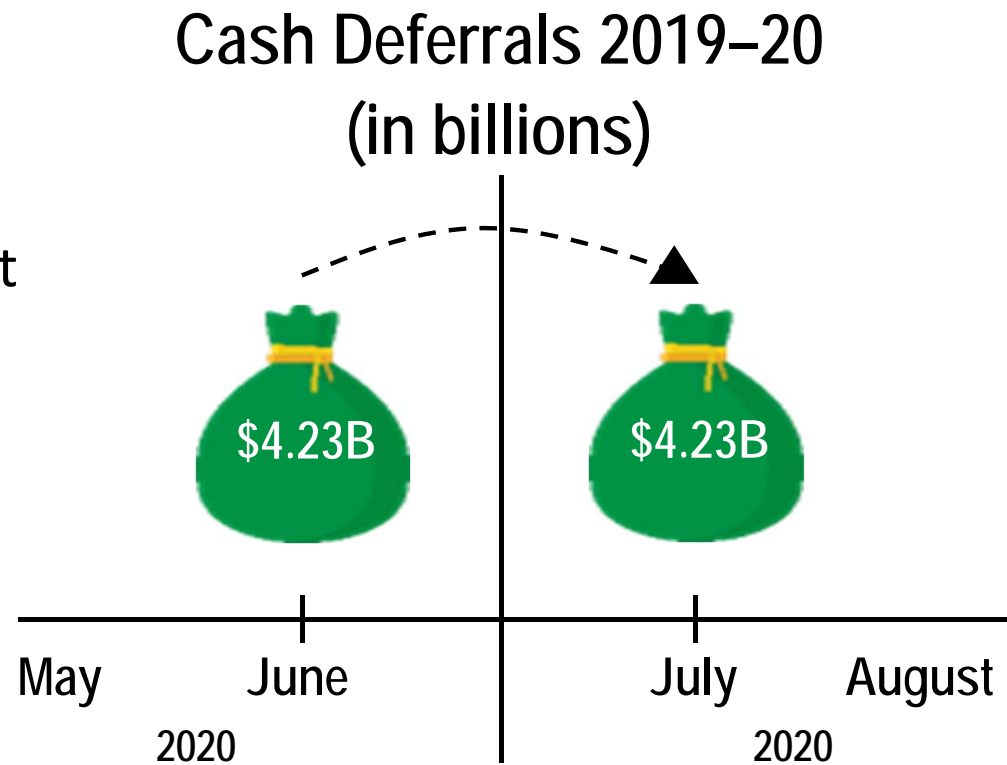
Cash Balance

Ending Fund Balance



Deferrals and Cash Flow: K-12

- For the 2019–20 Second Principal Apportionment (P-2) deferral only, there is a statutory requirement for the state to issue it by July 15, 2020



Deferrals and Cash Flow: K-12

• The P-2 deferral includes all state aid that would normally be issued to school districts and charter schools in late June:

- Local Control Funding Formula (LCFF) state aid (Resource Code 0000, Object Code 8011)
- Basic aid “Choice” (Resource Code 0000, Object Code 8011)
- Adults in correctional facilities (Resource Code 6015, Object Code 8311)
- Special education Assembly Bill (AB) 602 (Resource Code 6500, Object Code 8311)
- . . . and more

The P-2 deferral does not impact:

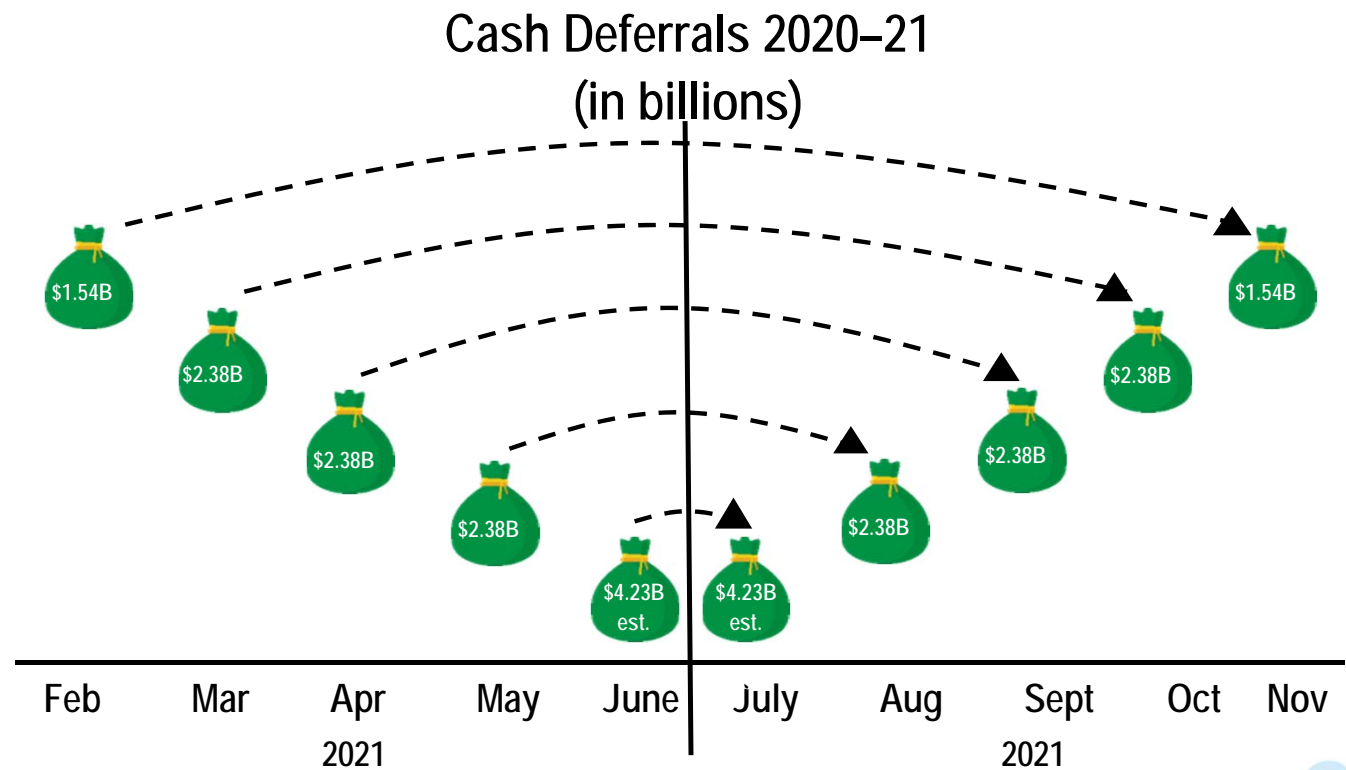


- Local property tax collections
 - However, these will be affected by other recent actions by our policy makers
- Education Protection Account (EPA) funds
 - However, these were over-appropriated in 2019–20, which is deducted from state aid



K-12 Deferrals

- The P-2 deferral is ongoing
 - ✓ Plus, additional ongoing deferrals are implemented starting in February 2021:



Deferrals and Cash Flow: K-12

- The effects of these cash deferrals on the typical apportionment schedule for February through June 2021 are as follows:

| Month | Normal Share of Annual Apportionment ¹ | Proportion Deferred | Resulting Share of Annual Apportionment |
|---------------|---|---------------------|---|
| February 2021 | 9% | 45% | 5% |
| March 2021 | 9% | 70% | 3% |
| April 2021 | 9% | 70% | 3% |
| May 2021 | 9% | 70% | 3% |
| June 2021 | Balance | 100% | 0% |

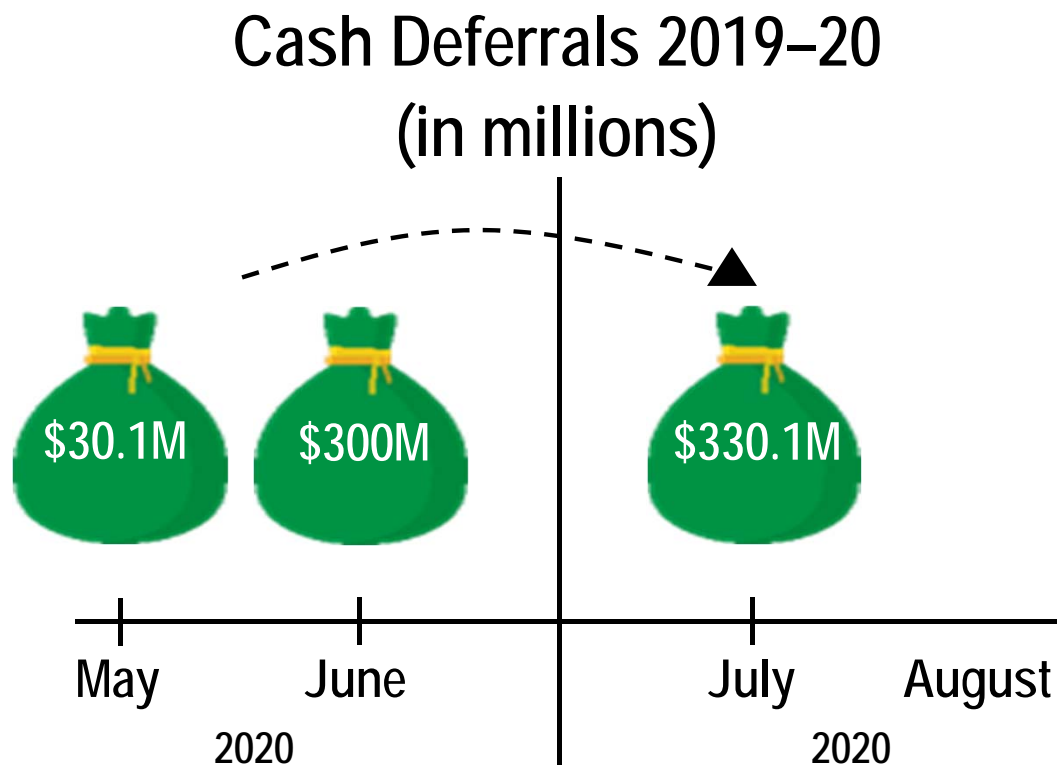
Estimated based on the 2019–20 Principal Apportionment amounts

¹Per EC § 14041(a)(2)

- In effect, LEAs will receive only about 68% of the state aid apportionment during the year



Deferrals and Cash Flow: CCD



Deferrals and Cash Flow: CCD

- The deferral includes all state aid that would normally be issued to community colleges in May and June 2019:
 - ▣ Student Centered Funding Formula (SCFF)
 - ▣ Selected categorical programs
 - ▣ . . . and more

The deferral does not impact:



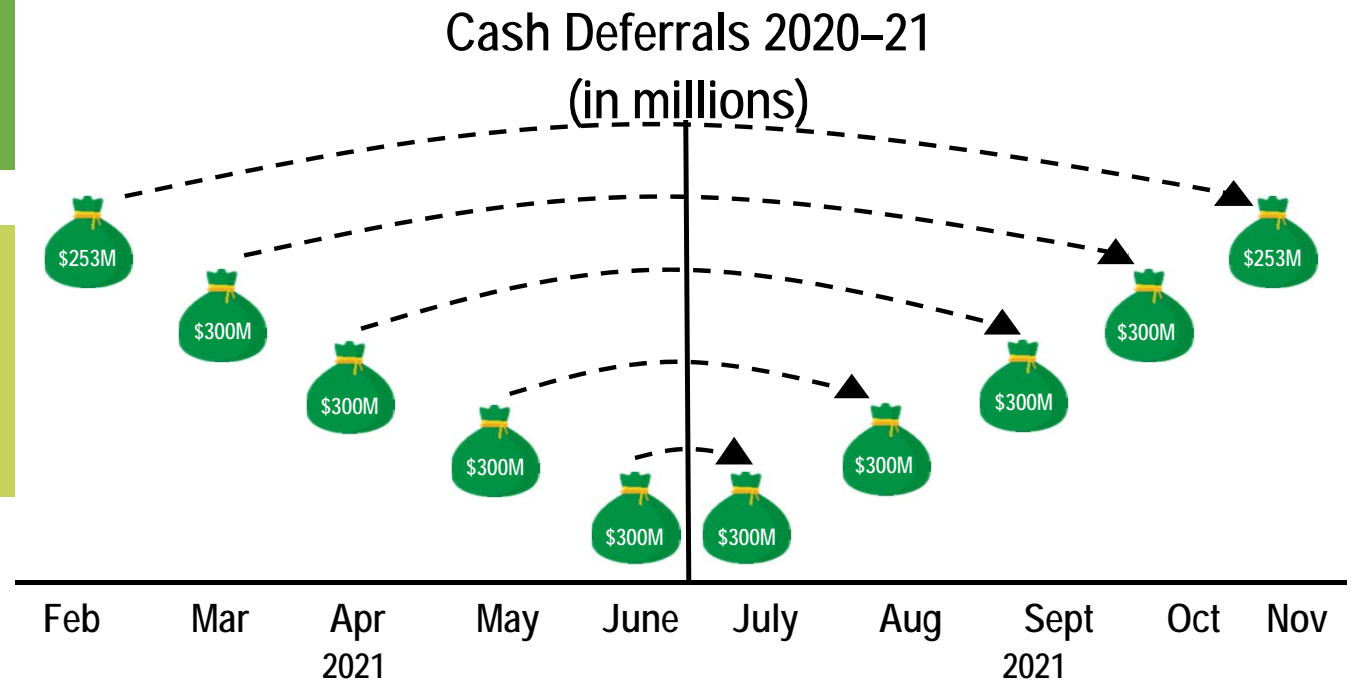
- ▣ Local property tax collections
 - However, these will be affected by other recent actions by our policy makers
- ▣ Education Protection Account (EPA) funds
 - However, these were over-appropriated in 2019–20, which is deducted from state aid



Community College Deferrals

The Budget agreement requires the following schedule for deferred payments totaling \$1.45 billion:

The Budget agreement provides that if sufficient federal funds materialize by fall, then \$791.1 million would not be deferred



Deferrals and Cash Flow: CCD

- Apportionment schedule for CCDs is weighted heavier to the first half of the fiscal year, leaving less during the deferral period
 - ✓ State Chancellor has authority to defer a mix of apportionments in order to meet the targeted amount; and
 - ✓ Adjust the monthly deferral schedule to increase a given month's amount if it ensures a shorter time between deferral and repayment



Apportionment Deferrals

- Apportionment deferrals raise several major policy considerations
 - ✓ Low property wealth districts are hit hardest by deferrals because they rely heavily on the state aid component of the LCFF and SCFF
 - These districts are forced into short-term borrowing and must incur the associated costs
 - Also, resources allocated to buying down deferrals are not available for restoration of past program cuts or for funding new programs



Deferrals and Cash Flow

- Review projected cash balances at the end of each month and determine whether cash is expected to be either negative or near zero
 - ✓ If so, how will cash needs be met?
 - Temporary interfund borrowing
 - Tax and Revenue Anticipation Notes (TRANs)
 - Borrowing from the county office of education
 - Borrowing from the county treasurer



Deferral Exemption: K-12

- County Superintendent certifies to Department of Education and Department of Finance that LEA cannot meet obligations for month of deferral or subsequent months
- For school districts:
 - ✓ Must have exhausted all internal and external borrowing options
 - ✓ Demonstrate that if not exempt would require a state emergency loan
- \$100 million maximum exemption per month (all LEAs)
 - ✓ May be up to \$300 million under certain circumstances



Deferral Exemption: CCD

- District certifies to State Chancellor and Department of Finance that the district cannot meet obligations for month of deferral or subsequent months
- For community college districts:
 - ✓ Certification shall be based on the criteria used qualify for an emergency apportionment
 - ✓ May receive no more than the lesser of: 1) amount needed to meet obligations, or 2) the amount the district was entitled to receive with the deferral
- \$30 million maximum exemption per month (all CCDs)
 - ✓ May be up to \$60 million under certain circumstances

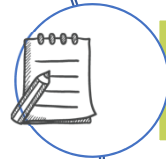


Deferrals and Cash Flow

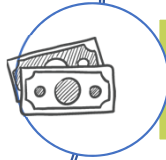
• How does an LEA make sure to have enough cash to make payroll and pay the bills?



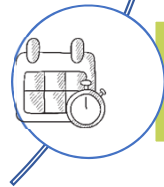
• Prepare cash flow projections going out 18 to 24 months



• Prompt monthly reconciliation of cash and all other general ledger accounts

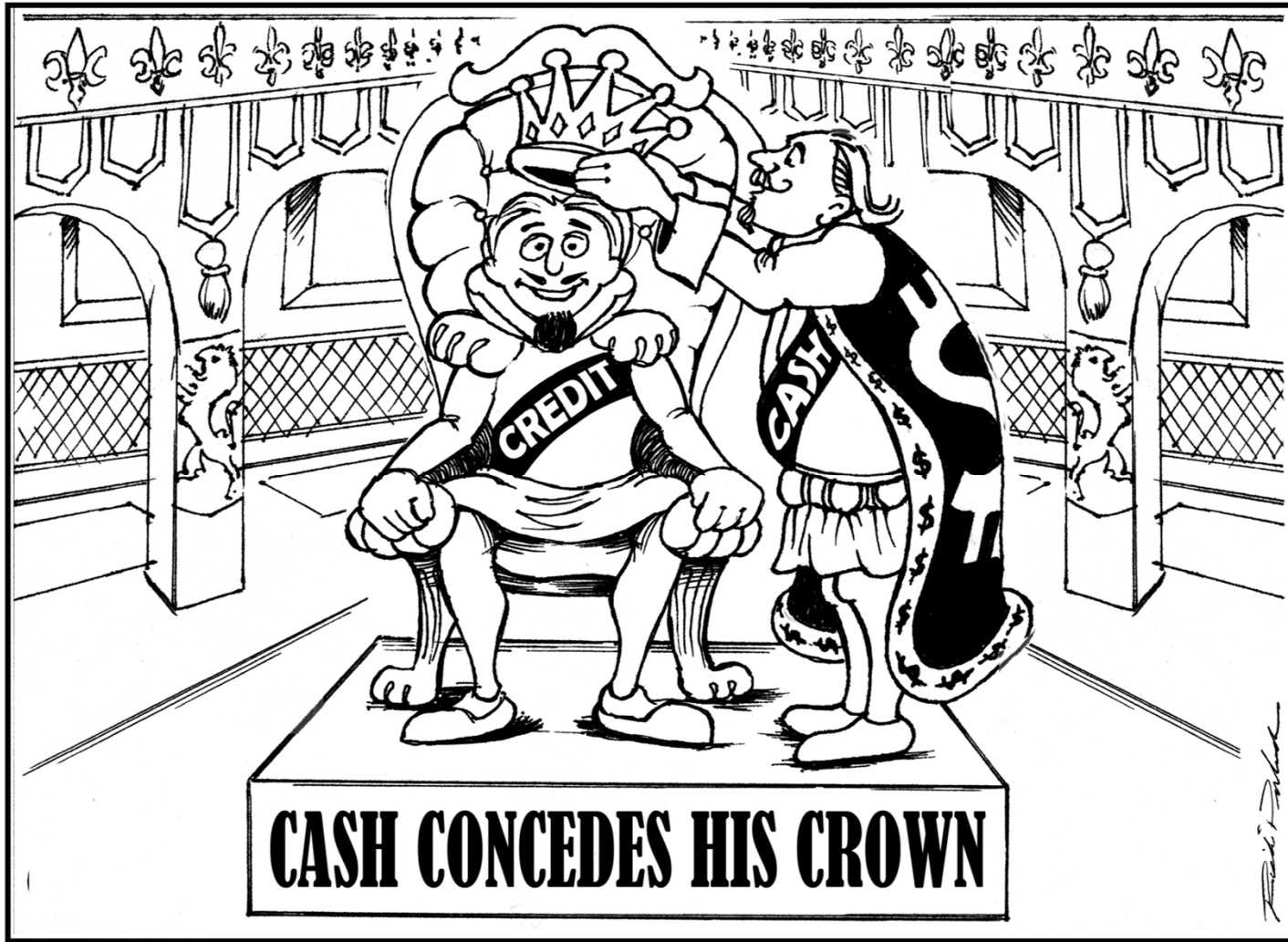


• Updating the cash flow projection with the actuals as each month closes



• Re-projecting cash receipts and disbursements for the rest of the months





Key Steps in Preparing and Monitoring

Preparation

- One of three critical SACS (K-12) reports: budget, multiyear financial projection and cash flow
 - ✓ Use Projection-Pro or other tools
- CCD: 311 report (cash flow not required)
- Balance to budget
- Ensure accuracy based on historical information, updated for new apportionment schedules and expenditure plans
- 18 months minimum, 24 months better
- All funds

Monitoring

- Timely
- Monthly (sometimes weekly) posting of actuals and reconciliation
 - ✓ Don't forget balance sheet accounts (accounts receivables and payables)
- Updating 18- / 24-month view as actuals are posted
- Updating forecast as information changes



What is Cash and Cash Flow?

- Cash is the result of what actually happens—the real world
- Cash flow is the difference between the available cash balance at the beginning of a period (i.e., a month) compared to the available cash balance at the end of the of the period
 - ✓ The actual inflow and outflow of funds
 - ✓ “Cash position” is balance at the end of the period
- Negative cash positions can be mitigated by borrowing



What is Cash Insolvency?

- Cash insolvency occurs when payroll expense exceeds available cash, and all options for borrowing have been exhausted
- Cash insolvency is a function of deficit spending, erosion of fund balance and sustained negative cash flow over time
- Cash is king! Cash shows no mercy! Cash insolvency is the end of road—game over—and is usually the trigger point for an emergency appropriation and the resulting changes in governance



Budget vs. Cash Flow

Budget

- Annual
- Anticipated revenue/source, expenditures/uses and reserves
- Generally Accepted Accounting Principles regarding recognizing revenues, accruals
- K-12: 45-day and interim report updates
- CCD: 311 ~~and quarterly updates~~
- Fund specific

Cash Flow

- Monthly (sometimes weekly)
- Actual receipts, disbursements and available funds in the county treasury
 - ✓ Forecast: annual data with time factors such as apportionment schedules
- Cash and budget are equalized with accruals (e.g., receivables and payables)
- Monthly updates; first sign of fiscal distress
- All funds



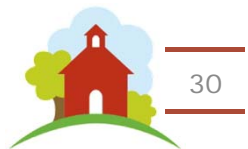
Sample Cash Flow Prior to Borrowing

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 12,520,000 | 6,320,000 | 4,630,000 | (3,270,000) | (9,770,000) | 1,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | | | | | | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | | | | | | | | | | | |
| NET CHANGE IN CASH | 700,000 | (9,180,000) | (6,200,000) | (1,690,000) | (7,900,000) | (6,500,000) | 11,500,000 | (1,640,000) | 4,660,000 | (1,400,000) | (3,220,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 12,520,000 | 6,320,000 | 4,630,000 | (3,270,000) | (9,770,000) | 1,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 4,630,000 | (3,270,000) | (9,770,000) | 1,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



Internal Cash Borrowing

- Alternative liquidity is available cash resources in other internal funds
- Borrowing cash from other funds to satisfy temporary shortfalls in operating cash is common practice
- Borrowed funds shall not be available for appropriation or considered income to the borrowing fund—not about budget deficits, but cash shortfalls
- Borrowing limits and timelines apply for K-12; more flexible for CCDs



Internal Cash Borrowing

Education Code Section (EC §) 42603

- Authority for temporarily transferring funds between any fund for payment of LEA obligations
- Requires repayment in same fiscal year or subsequent fiscal year when conditions are met
- No more than 75% of the fund balance can be transferred

EC § 42603.1

- Flexibility under the Budget Act due to cash deferrals
- Expands authority in EC § 42603 to 85% of the fund balance can be transferred
- Requires:
 - ✓ Resolution subsequent to a public hearing
- Repayment terms remain the same
- Effective only for 2020–21 and 2021–22

For CCDs: equivalent codes / restrictions do not exist; local policy applies; best practice is to follow above requirements



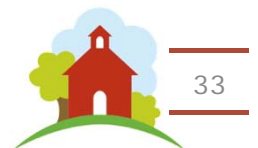
Internal Cash Borrowing

- Ed Code does not limit interfund borrowing to particular funds
- Borrowing from bond proceeds is not advisable and, under some circumstances, may be inappropriate
- Local decision made in concert with bond counsel considering:
 - ✓ Potential loss of tax-exempt status of bonds
 - ✓ Potential loss of direct subsidy payments
 - ✓ Disclosure violations



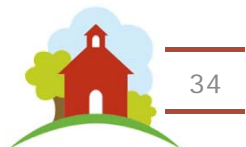
Sample Cash Flow with Internal Borrowing

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | | | | | | | | | | | |
| NET CHANGE IN CASH | 700,000 | (9,180,000) | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 11,000,000 | (4,640,000) | 4,660,000 | (1,400,000) | (3,220,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



External Cash Borrowing

- Selected external sources of temporary cash include:
 - County superintendent of schools
 - ✓ Borrowing: EC § 42621 (K-12) / EC § 85221 (CCD)
 - ✓ Conditional advance apportionment: EC § 42622 (K-12) / EC § 85222 (CCD)
 - County treasurer
 - ✓ County treasurer is LEA treasurer
 - ✓ Limitations on amount and timeline
 - ✓ Calif Constitution, Article XVI, Section 6, and EC § 42620 (K-12) / EC § 85220 (CCD)
 - Financial Markets
 - ✓ TRAN



Tax and Revenue Anticipation Notes (TRANs)

- TRANs are a short-term cash management tool for the General Fund, typically issued on tax-exempt basis
- Characteristics of tax-exempt TRANs:
 - ✓ Issued to even out temporary cash deficits (a) in advance of property tax receipts or (b) due to deferred State payments of LCFF revenues (not “structural” budget deficits)
 - ✓ Monthly cash flows prepared for past, current and projected FYs
 - ✓ Projected cash deficit must be within six months of issuance
 - ✓ TRAN sized to cover maximum cash deficit plus minor working capital reserve (up to 5% of last FY’s expenditures)
 - ✓ Repaid within 13 months of issuance from same FY’s revenues with set-aside dates in advance of final maturity



TRANs Issued for FY 2020-21 Deferred Apportionments

- Deferrals in February – June 2021 will cause Districts to hit their low cash point sometime in June
- Since the maximum projected cash deficit must be within six months of issuance, a TRAN to cover State deferrals can't fund until January 2021 or later
- The targeted funding date for the CSFA K-14 Districts TRAN Pool is late February 2021
- This Cross Fiscal Year TRAN will deliver funds in FY 2020-21 but will be repaid in FY 2021-22 when the Deferred Revenues from 2020-21 are received
- More on TRAN cash flows next
 - ✓ Needed for TK-12 and Community College District participants
 - ✓ Not required for Charter Schools participating in the ASAP Program



K-14 Districts TRAN Pool – Summarized Cash Flows

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | 12,000,000 | | | | | (5,200,000) | (2,150,000) | (2,150,000) | (2,150,000) | (350,000) | |
| NET CHANGE IN CASH | 700,000 | 2,820,000 | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 5,800,000 | (6,790,000) | 2,510,000 | (3,550,000) | (3,570,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



Summarized Cash Flows

Revenues and Expenditures

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | 12,000,000 | | | | | (5,200,000) | (2,150,000) | (2,150,000) | (2,150,000) | (350,000) | |
| NET CHANGE IN CASH | 700,000 | 2,820,000 | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 5,800,000 | (6,790,000) | 2,510,000 | (3,550,000) | (3,570,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



Summarized Cash Flows

Balance Sheet Changes

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | 12,000,000 | | | | | (5,200,000) | (2,150,000) | (2,150,000) | (2,150,000) | (350,000) | |
| NET CHANGE IN CASH | 700,000 | 2,820,000 | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 5,800,000 | (6,790,000) | 2,510,000 | (3,550,000) | (3,570,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



Summarized Cash Flows

Beginning and Ending Cash

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | 12,000,000 | | | | | (5,200,000) | (2,150,000) | (2,150,000) | (2,150,000) | (350,000) | |
| NET CHANGE IN CASH | 700,000 | 2,820,000 | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 5,800,000 | (6,790,000) | 2,510,000 | (3,550,000) | (3,570,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



Summarized Cash Flows

Apportionment Deferrals and the Maximum Projected Deficit

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | 12,000,000 | | | | | (5,200,000) | (2,150,000) | (2,150,000) | (2,150,000) | (350,000) | |
| NET CHANGE IN CASH | 700,000 | 2,820,000 | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 5,800,000 | (6,790,000) | 2,510,000 | (3,550,000) | (3,570,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



Summarized Cash Flows

Cross Fiscal Year TRAN

| | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | Jul-21 | Aug-21 | Sep-21 | Oct-21 | Nov-21 | Dec-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> | <i>Projected</i> |
| BEGINNING CASH BALANCE | 21,000,000 | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 |
| REVENUES | | | | | | | | | | | | |
| Principal Apportionment | 5,500,000 | 4,300,000 | 10,400,000 | 4,300,000 | 4,300,000 | 10,400,000 | 3,000,000 | 3,000,000 | 11,200,000 | 5,500,000 | 5,500,000 | 11,200,000 |
| FY 2020-21 Prin. App. Deferrals | | (2,800,000) | (4,300,000) | (4,300,000) | (4,300,000) | (10,400,000) | 10,400,000 | 4,300,000 | 4,300,000 | 4,300,000 | 2,800,000 | |
| Other Revenue | 10,500,000 | 3,500,000 | 1,100,000 | 11,900,000 | 7,000,000 | 14,300,000 | 1,600,000 | 3,200,000 | 2,500,000 | 2,300,000 | 2,200,000 | 19,200,000 |
| TOTAL REVENUES | 16,000,000 | 5,000,000 | 7,200,000 | 11,900,000 | 7,000,000 | 14,300,000 | 15,000,000 | 10,500,000 | 18,000,000 | 12,100,000 | 10,500,000 | 30,400,000 |
| TOTAL EXPENDITURES | 14,000,000 | 14,700,000 | 13,500,000 | 13,800,000 | 14,300,000 | 16,800,000 | 1,900,000 | 11,900,000 | 13,400,000 | 14,500,000 | 13,900,000 | 14,200,000 |
| REVENUES MINUS EXPENDITURES | 2,000,000 | (9,700,000) | (6,300,000) | (1,900,000) | (7,300,000) | (2,500,000) | 13,100,000 | (1,400,000) | 4,600,000 | (2,400,000) | (3,400,000) | 16,200,000 |
| Total Change in Current Assets | 100,000 | 20,000 | 300,000 | 10,000 | (400,000) | (4,000,000) | 400,000 | 60,000 | 50,000 | 500,000 | (20,000) | 3,200,000 |
| Total Change in Current Liabilities | (1,400,000) | 500,000 | (200,000) | 200,000 | (200,000) | 0 | (2,000,000) | (300,000) | 10,000 | 500,000 | 200,000 | 1,400,000 |
| TOTAL CHANGE IN BALANCE SHEET | (1,300,000) | 520,000 | 100,000 | 210,000 | (600,000) | (4,000,000) | (1,600,000) | (240,000) | 60,000 | 1,000,000 | 180,000 | 4,600,000 |
| Due To/From Other Funds | | | | 3,500,000 | | | (500,000) | (3,000,000) | | | | |
| CROSS FY 2020-21 TRAN ISSUANCE | | 12,000,000 | | | | | (5,200,000) | (2,150,000) | (2,150,000) | (2,150,000) | (350,000) | |
| NET CHANGE IN CASH | 700,000 | 2,820,000 | (6,200,000) | 1,810,000 | (7,900,000) | (6,500,000) | 5,800,000 | (6,790,000) | 2,510,000 | (3,550,000) | (3,570,000) | 20,800,000 |
| ENDING CASH BALANCE | 21,700,000 | 24,520,000 | 18,320,000 | 20,130,000 | 12,230,000 | 5,730,000 | 11,530,000 | 4,740,000 | 7,250,000 | 3,700,000 | 130,000 | 20,930,000 |
| ENDING CASH BAL (WITHOUT TRAN) | 21,700,000 | 12,520,000 | 6,320,000 | 8,130,000 | 230,000 | (6,270,000) | 4,730,000 | 90,000 | 4,750,000 | 3,350,000 | 130,000 | 20,930,000 |



K-14 Districts TRAN Pool – Summarized TRAN Sizing

| Maximum TRAN Size | | | |
|--|---|---------------------------------------|----------------------|
| Using Working Capital Reserve Calculations | | | |
| Large Issuer FY 2020-21 Maximum Cumulative Cash Flow Deficit | | | \$ 6,270,000 |
| Large Issuer Working Capital Reserve = 5% of Adj Prior Year GF Expenditures | | | \$ 8,499,000 |
| | Maximum Large Issuer TRAN Sizing Using Working Capital Reserve Calculations | | \$ 14,769,000 |
| | | LESS Tax Counsel Adjustment | \$ (1,476,900) |
| | Adjusted Maximum Size of FY 2020-21 TRAN, based on Tax Rules >> | | \$ 13,290,000 |
| | Maximum TRAN Size Authorized, based on Board Resolution *** | | \$ 25,000,000 |
| | Preferred TRAN Size (if less than Adjusted Maximum Size, based on Tax Rules) | | \$ 12,000,000 |
| | Final Size of FY 2020-21 TRAN>> | | \$ 12,000,000 |
| Maximum TRAN Par Amount plus Interest cannot exceed Total Deferred Revenues | | | |
| | | Total Deferred Revenues in FY 2020-21 | 26,100,000 |
| | *** Maximum TRAN Amount, based on Deferrals allowing for Interest Cost | | 25,090,000 |



Summarized TRAN Sizing

Maximum Cumulative Cash Flow Deficit

| Maximum TRAN Size | | | |
|---|--|------------|----------------------|
| Using Working Capital Reserve Calculations | | | |
| Large Issuer FY 2020-21 Maximum Cumulative Cash Flow Deficit | | | \$ 6,270,000 |
| Large Issuer Working Capital Reserve = 5% of Adj Prior Year GF Expenditures | | | \$ 8,499,000 |
| Maximum Large Issuer TRAN Sizing Using Working Capital Reserve Calculations | | | \$ 14,769,000 |
| LESS Tax Counsel Adjustment | | | \$ (1,476,900) |
| Adjusted Maximum Size of FY 2020-21 TRAN, based on Tax Rules >> | | | \$ 13,290,000 |
| Maximum TRAN Size Authorized, based on Board Resolution *** | | | \$ 25,000,000 |
| Preferred TRAN Size (if less than Adjusted Maximum Size, based on Tax Rules) | | | \$ 12,000,000 |
| Final Size of FY 2020-21 TRAN>> | | | \$ 12,000,000 |
| Maximum TRAN Par Amount plus Interest cannot exceed Total Deferred Revenues | | | |
| Total Deferred Revenues in FY 2020-21 | | 26,100,000 | |
| *** Maximum TRAN Amount, based on Deferrals allowing for Interest Cost | | 25,090,000 | |



Summarized TRAN Sizing

Working Capital Reserve

| Maximum TRAN Size | | | | | | |
|--|---|---|--|---------------------------------------|--|----------------|
| Using Working Capital Reserve Calculations | | | | | | |
| | Large Issuer FY 2020-21 Maximum Cumulative Cash Flow Deficit | | | | | \$ 6,270,000 |
| | Large Issuer Working Capital Reserve = 5% of Adj Prior Year GF Expenditures | | | | | \$ 8,499,000 |
| | | Maximum Large Issuer TRAN Sizing Using Working Capital Reserve Calculations | | | | \$ 14,769,000 |
| | | | | LESS Tax Counsel Adjustment | | \$ (1,476,900) |
| | | Adjusted Maximum Size of FY 2020-21 TRAN, based on Tax Rules >> | | | | \$ 13,290,000 |
| | | Maximum TRAN Size Authorized, based on Board Resolution *** | | | | \$ 25,000,000 |
| | | Preferred TRAN Size (if less than Adjusted Maximum Size, based on Tax Rules) | | | | \$ 12,000,000 |
| | | Final Size of FY 2020-21 TRAN>> | | | | \$ 12,000,000 |
| Maximum TRAN Par Amount plus Interest cannot exceed Total Deferred Revenues | | | | | | |
| | | | | Total Deferred Revenues in FY 2020-21 | | 26,100,000 |
| | | *** Maximum TRAN Amount, based on Deferrals allowing for Interest Cost | | | | 25,090,000 |

Summarized TRAN Sizing

Maximum TRAN Size, based on Tax Rules

| Maximum TRAN Size | | | |
|--|--|---|----------------------|
| Using Working Capital Reserve Calculations | | | |
| Large Issuer FY 2020-21 Maximum Cumulative Cash Flow Deficit | | | \$ 6,270,000 |
| Large Issuer Working Capital Reserve = 5% of Adj Prior Year GF Expenditures | | | \$ 8,499,000 |
| Maximum Large Issuer TRAN Sizing Using Working Capital Reserve Calculations | | | \$ 14,769,000 |
| | | LESS Tax Counsel Adjustment | \$ (1,476,900) |
| | | Adjusted Maximum Size of FY 2020-21 TRAN, based on Tax Rules >> | \$ 13,290,000 |
| | | Maximum TRAN Size Authorized, based on Board Resolution *** | \$ 25,000,000 |
| | | Preferred TRAN Size (if less than Adjusted Maximum Size, based on Tax Rules) | \$ 12,000,000 |
| | | Final Size of FY 2020-21 TRAN>> | \$ 12,000,000 |
| Maximum TRAN Par Amount plus Interest cannot exceed Total Deferred Revenues | | | |
| | | Total Deferred Revenues in FY 2020-21 | 26,100,000 |
| | | *** Maximum TRAN Amount, based on Deferrals allowing for Interest Cost | 25,090,000 |



Summarized TRAN Sizing

Total Deferred Revenues to Guide Max TRAN Size for Board Reso

| Maximum TRAN Size | | | | | | |
|---|--|--|--|--|--|----------------|
| Using Working Capital Reserve Calculations | | | | | | |
| Large Issuer FY 2020-21 Maximum Cumulative Cash Flow Deficit | | | | | | \$ 6,270,000 |
| Large Issuer Working Capital Reserve = 5% of Adj Prior Year GF Expenditures | | | | | | \$ 8,499,000 |
| Maximum Large Issuer TRAN Sizing Using Working Capital Reserve Calculations | | | | | | \$ 14,769,000 |
| LESS Tax Counsel Adjustment | | | | | | \$ (1,476,900) |
| Adjusted Maximum Size of FY 2020-21 TRAN, based on Tax Rules >> | | | | | | \$ 13,290,000 |
| Maximum TRAN Size Authorized, based on Board Resolution *** | | | | | | \$ 25,000,000 |
| Preferred TRAN Size (if less than Adjusted Maximum Size, based on Tax Rules) | | | | | | \$ 12,000,000 |
| Final Size of FY 2020-21 TRAN>> | | | | | | \$ 12,000,000 |
| Maximum TRAN Par Amount plus Interest cannot exceed Total Deferred Revenues | | | | | | |
| Total Deferred Revenues in FY 2020-21 | | | | | | 26,100,000 |
| *** Maximum TRAN Amount, based on Deferrals allowing for Interest Cost | | | | | | 25,090,000 |



Summarized TRAN Sizing

Final TRAN Size

| Maximum TRAN Size | | | |
|--|---|---------------------------------------|----------------------|
| Using Working Capital Reserve Calculations | | | |
| Large Issuer FY 2020-21 Maximum Cumulative Cash Flow Deficit | | | \$ 6,270,000 |
| Large Issuer Working Capital Reserve = 5% of Adj Prior Year GF Expenditures | | | \$ 8,499,000 |
| | Maximum Large Issuer TRAN Sizing Using Working Capital Reserve Calculations | | \$ 14,769,000 |
| | | LESS Tax Counsel Adjustment | \$ (1,476,900) |
| | Adjusted Maximum Size of FY 2020-21 TRAN, based on Tax Rules >> | | \$ 13,290,000 |
| | Maximum TRAN Size Authorized, based on Board Resolution *** | | \$ 25,000,000 |
| | Preferred TRAN Size (if less than Adjusted Maximum Size, based on Tax Rules) | | \$ 12,000,000 |
| | Final Size of FY 2020-21 TRAN>> | | \$ 12,000,000 |
| Maximum TRAN Par Amount plus Interest cannot exceed Total Deferred Revenues | | | |
| | | Total Deferred Revenues in FY 2020-21 | 26,100,000 |
| | *** Maximum TRAN Amount, based on Deferrals allowing for Interest Cost | | 25,090,000 |



K-14 Districts TRAN Pool – Alternative Liquidity

| General Guidelines: | | | | |
|--|---|-------------------|-------------------|-------------------|
| 1. | List cash resources of the District not included in General Fund Cash Flow. | | | |
| 2. | Include all District cash that can be loaned to General Fund on a short-term basis (less than six months). | | | |
| 3. | Do not include bond proceeds, deferred compensation, funds held by a trustee or other highly restricted funds | | | |
| | | | | |
| | | 2019-20 | 2020-21 | 2021-22 |
| NAME OR TYPE OF FUND | FUND PURPOSE | Actual | Projected | Projected |
| 1. Fund 11.0 - Adult Education | Adult Education | \$ 3,000,000 | \$ 2,500,000 | \$ 3,400,000 |
| 2. Fund 14.0 - Deferred Maintenance | Long Term Maintenance | \$ 400,000 | \$ 300,000 | \$ 1,000,000 |
| 3. Fund 25.0 - Capital Facilities | Growth Projects | \$ 155,000 | \$ 350,000 | \$ 1,300,000 |
| 4. Fund 40.0 - Special Reserve for Capital Outlay | Facilities Projects | \$ 12,000,000 | \$ 7,000,000 | \$ 10,000,000 |
| | TOTALS | 15,555,000 | 10,150,000 | 15,700,000 |
| NOTE: A District may normally borrow up to 75% of the balance of another fund to transfer to the General Fund for cash flow purposes. Because of the COVID-19 crisis, in 2020-21 and 2021-22, a District may borrow up to 85% from other funds if they have held a public hearing and taken Board action to do so. | | | | |



Alternative Liquidity

Planned Interfund Borrowing in FY 2020-21

| General Guidelines: | | | | |
|--|---|-------------------|-------------------|-------------------|
| 1. | List cash resources of the District not included in General Fund Cash Flow. | | | |
| 2. | Include all District cash that can be loaned to General Fund on a short-term basis (less than six months). | | | |
| 3. | Do not include bond proceeds, deferred compensation, funds held by a trustee or other highly restricted funds | | | |
| | | 2019-20 | 2020-21 | 2021-22 |
| NAME OR TYPE OF FUND | FUND PURPOSE | Actual | Projected | Projected |
| 1. Fund 11.0 - Adult Education | Adult Education | \$ 3,000,000 | \$ 2,500,000 | \$ 3,400,000 |
| 2. Fund 14.0 - Deferred Maintenance | Long Term Maintenance | \$ 400,000 | \$ 300,000 | \$ 1,000,000 |
| 3. Fund 25.0 - Capital Facilities | Growth Projects | \$ 155,000 | \$ 350,000 | \$ 1,300,000 |
| 4. Fund 40.0 - Special Reserve for Capital Outlay | Facilities Projects | \$ 12,000,000 | \$ 7,000,000 | \$ 10,000,000 |
| TOTALS | | 15,555,000 | 10,150,000 | 15,700,000 |
| NOTE: A District may normally borrow up to 75% of the balance of another fund to transfer to the General Fund for cash flow purposes. Because of the COVID-19 crisis, in 2020-21 and 2021-22, a District may borrow up to 85% from other funds if they have held a public hearing and taken Board action to do so. | | | | |



Alternative Liquidity

Rules Regarding Interfund Borrowing

| General Guidelines: | | | | |
|---|---|-------------------|-------------------|-------------------|
| 1. | List cash resources of the District not included in General Fund Cash Flow. | | | |
| 2. | Include all District cash that can be loaned to General Fund on a short-term basis (less than six months). | | | |
| 3. | Do not include bond proceeds, deferred compensation, funds held by a trustee or other highly restricted funds | | | |
| | | 2019-20 | 2020-21 | 2021-22 |
| NAME OR TYPE OF FUND | FUND PURPOSE | Actual | Projected | Projected |
| 1. Fund 11.0 - Adult Education | Adult Education | \$ 3,000,000 | \$ 2,500,000 | \$ 3,400,000 |
| 2. Fund 14.0 - Deferred Maintenance | Long Term Maintenance | \$ 400,000 | \$ 300,000 | \$ 1,000,000 |
| 3. Fund 25.0 - Capital Facilities | Growth Projects | \$ 155,000 | \$ 350,000 | \$ 1,300,000 |
| 4. Fund 40.0 - Special Reserve for Capital Outlay | Facilities Projects | \$ 12,000,000 | \$ 7,000,000 | \$ 10,000,000 |
| TOTALS | | 15,555,000 | 10,150,000 | 15,700,000 |

NOTE: A District may normally borrow up to 75% of the balance of another fund to transfer to the General Fund for cash flow purposes. Because of the COVID-19 crisis, in 2020-21 and 2021-22, a District may borrow up to 85% from other funds if they have held a public hearing and taken Board action to do so.



CSFA Pooled TRANs – The Essentials

K-14 Districts Pool

- Open to CA school districts, community college districts and county offices of education
- Low tax-exempt interest rates based on anticipated high credit ratings
- Low issuance costs with oversight provided by the State Treasurer's Office (STO)
- Financing for seasonal cash shortfalls & FY 2020-21 apportionment deferrals
- Issuances planned for November, February and April/May

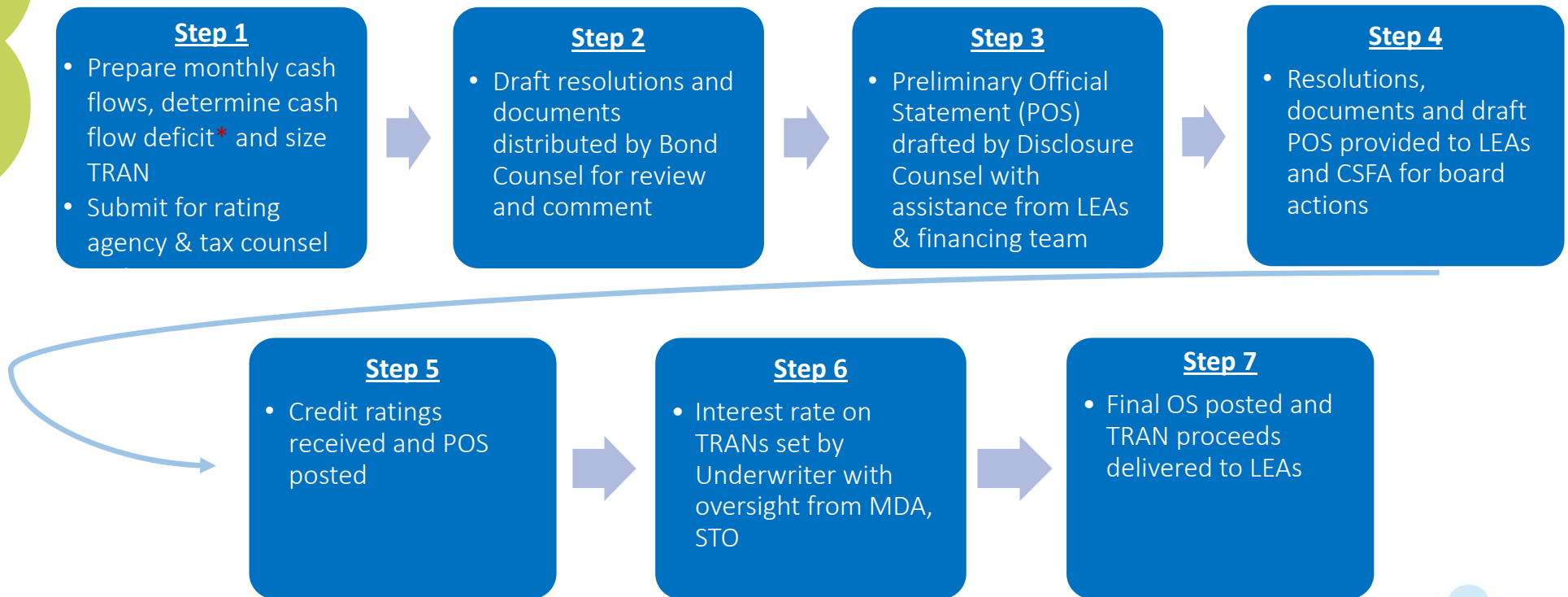
Charter Schools Pool (ASAP Program)

- Open to CA non-profit charter schools open in FY 2019-20
- High credit ratings attainable with reserve fund collateral provided by U.S. Dept. of Ed. credit enhancement grant
- Low taxable interest rates will avoid the time and expense of cash flow preparation
- TRAN size based on FY 2020-21 apportionment deferrals and rating requirements
- Low issuance costs and STO oversight
- Issuances planned for February and April/May

**** Pooled financing plans being finalized ****



CSFA Pooled TRANs – Steps to Borrow



* Charter school TRANs will be sized without monthly cash flows



CSFA Pooled TRANs – Low Cost Borrowing

- State-level intercept of TRAN debt service increases investor security while streamlining repayment for borrowers
- Experienced financing team assigned to transaction(s)
- Low issuance fees
- Online application portal for streamlined application process
- Interest rates anticipated to be competitive with other TRAN pools and stand-alone TRANs



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