

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2022-23 Second Interim Notes**

SECOND INTERIM BUDGET

The Second Interim budget report is a snapshot in time of the local educational agency's (LEA) revenue and expenditure forecasts for the current fiscal year as well as a projection of the two subsequent fiscal years. It is a time to update the budget based Federal, State and local grant allocations, and other factors that impact revenue and expenditures. The Second Interim report covers the period of time from July 1 through December 31st each fiscal year and must be submitted to the county office of education no later than March 15th.

BUDGET ASSUMPTIONS

Planning Factors for Second Interim and Multi-Year Projections (MYP):

The 2022-23 budget assumptions are used to prepare the 2022-23 Budget and multi-year projections for 2023-24 and 2024-25 fiscal years. The multi-year projections provide a view of the current year (2022-23) budget and the next two years' budget plan (2023-24 and 2024-25). They are built with assumptions provided by PCOE Common Message, School Services of California, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district trends and data. Property taxes, state allocations, LCFF Funding estimates, new legislature, federal funding and budget projections, and ballot measures can all have a significant impact on revenue assumptions.

Additionally, PCOE recommends the district incorporate projection information from FCMAT and School Services of California (SSC) Dartboard for specific budget circumstances for our individual district. Every district receives differing amounts of revenue through the LCFF funding model and has its own particular set of financial risk factors. It is important that all districts continue to assess their individual situation and plan accordingly to maintain fiscal solvency.

Key planning factors for LEAs to incorporate into the 2022-23 budget and multiyear projections are listed on the next page and based on the latest information available.

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
2022-23 Second Interim Notes**

GENERAL FUND BUDGET ASSUMPTIONS 2ND INTERIM & MYP – REVENUES AND EXPENDITURES

	21/22 Unaudited Actuals	22/23 First Interim	22/23 Second Interim	23/24 Projection	24/25 Projection	
REVENUES						
Enrollment	7,235	7,531	7,560	7,636	7,712	22-23: CALPADS enrollment; 23-24 and 24-25, 1% growth each year
ADA Yield	92.3%	94.0%	93.5%	94.0%	94.5%	Projected ADA/enrollment
ADA (Excl. County ADA)	6,676	7,079	7,069	7,177	7,288	
ADA (Incl. County ADA)	6,699	7,094	7,085	7,194	7,305	
% Increase (Decrease) Enrollment	0.4%	4.1%	4.5%	1.0%	1.0%	
# Increase (Decrease) Enrollment	201	296	325	76	76	
Funded ADA (excl. County ADA)	7,015	7,079	7,069	7,177	7,288	Projected ADA based on 93.5% ADA to enrollment factor in 22-23, 94.0% in 23-24 and 94.5% in 24-25
Funded ADA (incl. County ADA)	7,015	7,094	7,085	7,194	7,305	
% Increase (Decrease) Funded ADA	1.0%	0.9%	0.8%	1.4%	1.5%	
# Increase (Decrease) Funded ADA	68	64	54	98	110	Projected ADA based on 93.5% ADA to enrollment factor in 22-23, 94.0% in 23-24 and 94.5% in 24-25
State Statutory COLA %	1.70%	6.56%	6.56%	8.13%	3.54%	Per SSC Dartboard
Base Grant Increase	0.00%	6.70%	6.70%	0.00%	0.00%	Per SSC Dartboard
COLA Suspension	0.00%	0.00%	0.00%	0.00%	0.00%	Per SSC Dartboard
Prior Year COLA Recognition	2.31%	0.00%	0.00%	0.00%	0.00%	Per SSC Dartboard
Funded COLA %	5.07%	13.26%	13.26%	8.13%	3.54%	Per SSC Dartboard
LCFF Entitlement per ADA (Inc Supp \$)	\$9,733	\$11,028	\$11,089	\$11,959	\$12,375	Per LCFF Calculator
Transfers In	\$24,505	\$24,104	\$39,705	\$0	\$0	
Lottery Unrestricted/ADA	\$176.94	\$170.00	\$170.00	\$170.00	\$170.00	Per SSC Dartboard
Lottery Restricted/ADA	\$81.94	\$67.00	\$67.00	\$67.00	\$67.00	Per SSC Dartboard
EXPENDITURES						
Certificated New Positions - FTE	6.5	12.0	12.0	4.0	2.0	23-24: 3 growth teachers & TBHS VP; 24-25: 2 growth teachers
Cert. New Positions - New Schools	4.6	9.6	9.6	0.0	0.0	TBHS opening/additional grades (11th 22/23, 12th 23/24; (Counselor 22/23)
Certificated Step/Column	1.46%	1.51%	1.51%	1.51%	1.51%	3-year average
Avg. teacher compensation	\$116,099	\$124,208	\$124,208	\$126,083	\$127,987	
Classified New Positions - FTE	6.0	9.6	9.6	2.5	0.0	
Classified New Positions - New Schools	10.5	4.3	4.3	1.4	0.0	TBHS opening/additional grades (11th 22/23, 12th 23/24) 23/24 - TBHS 1 custodian, 3 hr library tech
Classified Step/Column	1.33%	1.39%	1.39%	1.39%	1.39%	3-year average
Classified Total Statutory Benefits Rate	32.40%	35.06%	35.06%	36.39%	37.49%	Assumes UI to reduce to .2% in 23/24
Certificated Total Statutory Benefits Rate	20.22%	22.59%	22.59%	22.29%	22.29%	Assumes UI to reduce to .2% in 23/24
Transfers Out	\$28,421	\$525,360	\$525,360	\$525,360	\$933,217	Adult Ed (\$25k), Cafeteria (24-25 only)
Contribution to RRM	\$2,324,203	\$3,039,303	\$3,039,303	\$3,039,303	\$3,039,303	3% of GF Expenditures (Excl STRS On-Behalf and federal pandemic relief funds)
Designated for Economic Uncertainty	3%	3%	3%	3%	3%	
Site Discretionary Allocations (per student):						
Elementary	\$47.00	\$50.08	\$50.08	\$50.08	\$50.08	
Middle School	\$58.50	\$62.34	\$62.34	\$62.34	\$62.34	
High School	\$83.75	\$89.24	\$89.24	\$89.24	\$89.24	
Lottery per teacher	\$500	\$500	\$500	\$500	\$500	Per Contract

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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2022-23 Second Interim Notes**

PROPOSED BUDGET:

The 2022-23 Second Interim budget, presented below, is built from assumptions from the State-adopted budget, federal and local revenue projections, district historical data, SSC dashboard, FCMAT LCFF Calculator and PCOE Common Message.

	Second Interim		
	Unrestricted	2022-23 Restricted	Combined
Revenues			
LCFF Funding - Base	73,633,239	1,420,650	75,053,889
LCFF Funding - Supplemental	4,933,121	-	4,933,121
Federal Revenue	-	5,111,132	5,111,132
State Revenue	1,889,787	20,782,180	22,671,967
Local Revenue	1,701,094	4,862,274	6,563,368
Total Revenue	82,157,241	32,176,236	114,333,477
Expenditures			
Certificated Salaries	36,339,462	6,870,648	43,210,110
Classified Salaries	9,069,428	5,183,139	14,252,567
Benefits	17,694,540	9,420,253	27,114,793
Books and Supplies	7,399,490	10,771,963	18,171,453
Other Services & Oper. Exp	7,525,208	5,719,709	13,244,917
Capital Outlay	105,193	339,354	444,547
Other Outgo 7xxx	25,000	2,000,000	2,025,000
Transfer of Indirect 73xx	(2,385,403)	2,259,601	(125,802)
Total Expenditures	75,772,918	42,564,667	118,337,585
Surplus / (Deficit)	6,384,323	(10,388,431)	(4,004,108)
Transfers In	15,601	24,104	39,705
Transfers out	(525,360)	-	(525,360)
Contributions to Restricted	(14,342,723)	14,342,723	-
Net Increase (Decrease) in Fund Balance	(8,468,159)	3,978,396	(4,489,763)
Beginning Balance	15,709,782	6,128,605	21,838,387
Ending Fund Balance	7,241,623	10,107,001	17,348,624
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000		5,000
Restricted:			
State, Federal and Local programs	-	10,107,001	10,107,001
Committed:			
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	3,565,888		3,565,888
Reserve for Potential ADA yield loss (0.50%) at 22/23 P-2 reporting	400,000		400,000
School Site Staffing Allocation Increase 23/24 - to support school safety/security/health			
Charter Technical Assistance	217,140		217,140
Unassigned Economic Uncertainty surplus/(deficit)	3,053,595		3,053,595
Total Ending Fund Balance	7,241,623	10,107,001	17,348,624

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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2022-23 Second Interim Notes**

First Interim Budget vs. Second Interim Budget:

Each year our budget is revised as new information becomes available and assumptions are modified. The significant differences between the district's First Interim and Second Interim Budget are reflected in the table below and discussed with comments on the following pages.

	First Interim	Second Interim			1st Interim vs 2nd Int Variance	
	2022-23 Combined	Unrestricted	Restricted	Combined		
Revenues						
LCFF Funding - Base	74,964,071	73,633,239	1,420,650	75,053,889	89,818	1
LCFF Funding - Supplemental	4,603,845	4,933,121	-	4,933,121	329,276	1
Federal Revenue	5,134,562	-	5,111,132	5,111,132	(23,430)	2
State Revenue	22,294,960	1,889,787	20,782,180	22,671,967	377,007	3
Local Revenue	6,187,283	1,701,094	4,862,274	6,563,368	376,085	4
Total Revenue	113,184,721	82,157,241	32,176,236	114,333,477	1,148,756	
Expenditures						
Certificated Salaries	42,932,555	36,339,462	6,870,648	43,210,110	277,555	5
Classified Salaries	14,273,717	9,069,428	5,183,139	14,252,567	(21,150)	6
Benefits	27,031,163	17,694,540	9,420,253	27,114,793	83,630	7
Books and Supplies	17,835,066	7,399,490	10,771,963	18,171,453	336,387	8
Other Services & Oper. Exp	12,997,639	7,525,208	5,719,709	13,244,917	247,278	9
Capital Outlay	393,087	105,193	339,354	444,547	51,460	10
Other Outgo 7xxx	2,025,000	25,000	2,000,000	2,025,000	-	
Transfer of Indirect 73xx	(125,409)	(2,385,403)	2,259,601	(125,802)	(393)	
Total Expenditures	117,362,818	75,772,918	42,564,667	118,337,585	974,767	
Surplus / (Deficit)	(4,178,097)	6,384,323	(10,388,431)	(4,004,108)	173,989	
Transfers In	24,104	15,601	24,104	39,705	15,601	11
Transfers out	(525,360)	(525,360)	-	(525,360)	-	
Contributions to Restricted	-	(14,342,723)	14,342,723	-	-	
Net Increase (Decrease) in Fund Balance	(4,679,353)	(8,468,159)	3,978,396	(4,489,763)	189,590	
Beginning Balance	21,838,387	15,709,782	6,128,605	21,838,387	-	
Ending Fund Balance	17,159,034	7,241,623	10,107,001	17,348,624	189,590	
Components of Ending Fund Balance						
Nonspendable:						
Revolving Cash	5,000	5,000		5,000	-	
Restricted:						
State, Federal and Local programs	10,316,656	-	10,107,001	10,107,001	(209,655)	
Committed:						
Unassigned/Unappropriated:						
Economic Uncertainty @ 3%	3,536,645	3,565,888		3,565,888	29,243	
Reserve for Potential ADA yield loss (0.50%) at 22/23 P-2 reporting		400,000		400,000	400,000	
School Site Staffing Allocation Increase 23/24 - to support school safety/security/health	200,000				(200,000)	
Charter Technical Assistance	217,140	217,140		217,140	-	
Unassigned Economic Uncertainty surplus/(deficit)	2,883,593	3,053,595		3,053,595	170,002	
Total Ending Fund Balance	17,159,034	7,241,623	10,107,001	17,348,624	189,590	

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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2022-23 Second Interim Notes**

Major Changes to Fund Balance from First Interim to Second Interim 2022-23			
Budgeted Increase in Fund Balance at First Interim			(\$4,679,353)
Revenues			
Principal Apportionment			
Increase in supplemental funding due to increase in unduplicated student count from 25% to 32% (Oct 2022 CALPADS)	330,000		
Net increase in funding due to allocation of ADA among grades	90,000		
Total Principal Apportionment Changes		420,000	1
Federal Revenue - Transfer of Medi-Cal Billing revenues from federal to local		(25,000)	2
State Revenue - 2022-23 CTEIG Allocation		375,000	3
Local Revenue			
Increase in interest revenue - interest rate increases at County Treasurer	300,000		
Medi-Cal billing - Transfer from federal revenue plus new revenue budgeted when received	45,000		
Reimbursements from school ASB accounts	20,000		
Increase in budgeted farm revenues - Hay and cattle sales	10,000		
Total Local Revenue changes		<u>375,000</u>	4
Total Change in Revenues			1,145,000
Expenditures			
Certificated Salaries			
Increase in substitute teacher costs -increased absences / long term substitute	185,000		
Increase in add'l time paid to teachers for ATLAS IS case management	50,000		
Transfers from other objects	40,000		
Total Certificated Salaries changes		275,000	5
Classified Salaries - Actual cost of hires for vacant positions filled during time period		(20,000)	6
Statutory & Health & Welfare benefits for salary changes above		85,000	7
Books and supplies			
CTEIG allocation expenses budgeted	300,000		
Medi-Cal Billing expenditures (budgeted when spent)	75,000		
Increase in RRM expenditures (repair and maintenance)	50,000		
LHS lacrosse team startup expenditures	15,000		
LHS farm expenses (corresponds to revenue increase)	10,000		
Transfer to other objects	(95,000)		
Miscellaneous adjustments	(20,000)		
Total Books and Supplies		335,000	8
Services and Other Operating Costs			
City of Lincoln summer Kids Kamp (ELO-P)	25,000		
CTEIG allocation expenses budgeted	35,000		
Increase in Nonpublic Schools budget (4 new NPS students)	80,000		
Increase in RRM expenditures (repair and maintenance)	50,000		
Medi-Cal Billing expenditures (budgeted when spent)	15,000		
Transfers from other objects	55,000		
Miscellaneous adjustments	10,000		
Total Services and Other Operating Costs		<u>245,000</u>	9
Capital Outlay			
School marquee, LHS basketball scoreboard, security cameras at schools	50,000		
Total Capital Outlay		50,000	10
Transfers in - From Special Reserve Fund for LHS lacrosse team startup expenses		(15,000)	11
Total Change in Expenditures			\$955,000
Rounding			(\$410)
Total Change in Budgeted FB			\$189,590
Budgeted Deficit Spending at First Interim			<u>(\$4,489,763)</u>

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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Multi-Year Projections 2022-23, 2022-23 and 2024-25 Budget Years:

The multi-year projections provide a view of the current year (2022-23) budget and the subsequent two years' projected budgets.

	Second Interim 2022-23 Combined	Projection 2023-24 Combined	Projection 2024-25 Combined
Revenues			
LCFF Funding - Base	75,053,889	82,258,188	86,391,979
LCFF Funding - Supplemental	4,933,121	5,192,383	5,423,479
Federal Revenue	5,111,132	2,499,643	2,499,643
State Revenue	22,671,967	10,064,000	10,064,000
Local Revenue	6,563,368	6,419,152	6,419,152
Total Revenue	114,333,477	106,433,366	110,798,253
Expenditures			
Certificated Salaries	43,210,110	43,847,277	44,761,802
Classified Salaries	14,252,567	14,430,851	14,637,440
Benefits	27,114,793	27,342,670	27,633,382
Books and Supplies	18,171,453	6,549,361	6,749,361
Other Services & Oper. Exp	13,244,917	10,794,996	10,794,996
Capital Outlay	444,547	97,564	97,564
Other Outgo 7xxx	2,025,000	2,025,000	2,025,000
Transfer of Indirect 73xx	(125,802)	(125,802)	(125,802)
Total Expenditures	118,337,585	104,961,917	106,573,743
Surplus / (Deficit)	(4,004,108)	1,471,449	4,224,510
Transfers In	39,705	-	-
Transfers out	(525,360)	(525,360)	(933,217)
Contributions to Restricted	-	-	-
Net Increase (Decrease) in Fund Balance	(4,489,763)	946,089	3,291,293
Beginning Balance	21,838,387	17,348,624	18,294,713
Ending Fund Balance	17,348,624	18,294,713	21,586,006
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Restricted:			
State, Federal and Local programs	10,107,001	10,329,471	10,527,797
LCFF Supplemental Budget projection changes	-	208,903	389,126
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	3,565,888	3,164,618	3,225,209
Reserve for Potential ADA yield loss (0.50%) at 22/23 P-2 reporting	400,000	800,000	1,200,000
School Site Staffing Allocation Increase 23/24 - to support school safety/security/health		200,000	400,000
Charter Technical Assistance	217,140	217,140	217,140
Unassigned Economic Uncertainty surplus/(deficit)	3,053,595	3,369,581	5,621,734
Total Ending Fund Balance	17,348,624	18,294,713	21,586,006

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Multi-Year Projections 2022-23, 2023-24 and 2024-25 Budget Years:

The multi-year projections provide a view of the current year (2022-23) and subsequent two years' projected budgets. The multi-year projections are built on assumptions provided by PCOE Common Message, School Services of California, the 2022-23 State adopted budget, the State Dept. of Finance (DOF), FCMAT LCFF Calculator, federal funding projections and district historical trends and data.

For the 2022-23 school year, approximately 15 classified and certificated staff were added for the addition of 11th grade at Twelve Bridges High School. In 2023-24, when the school offers four full grade levels and enrollment will increase by approximately 300 students, 1.4 FTE classified staff and 1.0 FTE certificated staff will be added along with additional teachers moving from Lincoln High School.

Local Control Funding Formula (LCFF)

The final State adopted budget for 2022-23 included the statutory 6.56% COLA and an additional base grant increase of 6.70%, providing a total 13.26% COLA increase per ADA in the Local Control Funding Formula (LCFF).

Below are the current planning factors used in calculating the district's LCFF funding:

	21/22 Unaudited Actuals	22/23 First Interim	22/23 Second Interim	23/24 Projection	24/25 Projection
State Statutory COLA %	1.70%	6.56%	6.56%	8.13%	3.54%
Base Grant Increase	0.00%	6.70%	6.70%	0.00%	0.00%
Funded COLA %	5.07%	13.26%	13.26%	8.13%	3.54%
LCFF Entitlement per ADA (Inc Supp \$)	\$9,733	\$11,028	\$11,089	\$11,959	\$12,375

CalSTRS, CalPERS Employer Contributions and Statutory Benefit Costs

All District salaries are subject to CalSTRS and CalPERS employer contributions. Under current law, once the legislated rates through 2020-21 are achieved, CalSTRS will have the authority to marginally increase or decrease the employer contribution rate. CalPERS is not subject to state law and the CalPERS Board can change rates as needed. Certificated and classified salaries are subject to statutory benefit cost which include CalSTRS or CalPERS and unemployment insurance, worker's compensation insurance and social security.

The CalSTRS and CalPERS benefit contribution rates are listed below and are included in the statutory classified or certificated statutory benefit rates:

	21/22 Unaudited Actuals	22/23 Second Interim	23/24 Projection	24/25 Projection
CalPERS Employer Rate	22.91%	25.37%	27.00%	28.10%
Classified Total Statutory Benefits Rate	32.40%	35.06%	36.39%	37.49%
CalSTRS Employer Rate	16.92%	19.10%	19.10%	19.10%
Certificated Total Statutory Benefits Rate	20.22%	22.59%	22.29%	22.29%

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Enrollment and ADA

In the current year, the District saw an increase in enrollment of 325 students from 2021-22, due in part to the second year of operation of the new Twelve Bridges High School and continued housing growth in the Twelve Bridges area. While we are seeing an increase in the ADA-to-enrollment factor, attendance rates are still significantly lower than pre-COVID. As noted above, based on 2022-23 actual P-1 ADA yield, we are reducing the projected attendance rate from 94.0% to 93.5%, resulting in a decrease of about 38 ADA. Conversely, final reported CALPADS enrollment was 29 greater than projected enrollment at First Interim reporting, leading to a net decrease of only about 9 ADA at Second Interim.

While 2022-23 enrollment is nearly 200 students greater than projected at the adopted budget, the current actual Average Daily Attendance (ADA) yield percentage is lower than the anticipated ADA yield rate of 94% at First Interim and is currently estimated to be 93.5% for 2022-23, based on December 2022 P-1 ADA/CALPADS enrollment. The projected ADA yield percentage is increasing slightly to 94.0% in 2023-24 and 94.5% in 2024-25. Before COVID, the district's ADA percentage was between 95.5% and 96.0% each year.

With a projected 1.0% enrollment increase, plus a 0.5% increase in the attendance rate, for each of the next two years, district ADA is projected to increase by 98, to 7,177 in 2023-24 and an additional 110, to 7,288 in 2024-25.

Enrollment and attendance information for the 2021-22 Unaudited Actuals, 2022-23 First Interim, Second Interim and the next two budget years are listed below.

	21/22 Unaudited Actuals	22/23 First Interim	22/23 Second Interim	23/24 Projection	24/25 Projection
Enrollment	7,235	7,531	7,560	7,636	7,712
ADA Yield	92.3%	94.0%	93.5%	94.0%	94.5%
ADA (Excl. County ADA)	6,676	7,079	7,069	7,177	7,288
ADA (Incl. County ADA)	6,699	7,094	7,085	7,194	7,305
% Increase (Decrease) Enrollment	0.4%	4.1%	4.5%	1.0%	1.0%
# Increase (Decrease) Enrollment	201	296	325	76	76
Funded ADA (excl. County ADA)	7,015	7,079	7,069	7,177	7,288
Funded ADA (incl. County ADA)	7,015	7,094	7,085	7,194	7,305
% Increase (Decrease) Funded ADA	1.0%	0.9%	0.8%	1.4%	1.5%
# Increase (Decrease) Funded ADA	68	64	54	98	110
State Statutory COLA %	1.70%	6.56%	6.56%	8.13%	3.54%

**WESTERN PLACER UNIFIED SCHOOL DISTRICT
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Contributions to Restricted Programs

Some categorical programs require contributions from the district unrestricted funds as the funding received does not cover the expenditures for that specific program. A summary of the change in contributions from 2022-23 First Interim Budget to 2022-23 Second Budget is presented below:

Contributions to Restricted Programs 2022-23 First Interim vs. 2022-23 Second Interim						
<u>Program</u>	<u>Resource</u>		<u>2022-23 1st Interim</u>	<u>2022-23 2nd Interim</u>	<u>Change</u>	<u>Comments</u>
Special Ed-Basic Grant (PL94-142)	3310	*	\$2,863,331	\$2,916,574	\$53,243	2.40 FTE new paraprofessional positions
Special Education	6500	*	\$8,591,100	\$8,733,769	\$142,669	Increase in NPS costs: \$80k; increase in substitute teacher costs: \$45k; inc in supplies and operating expenses: \$10k
Routine Repair & Maintenance (RRM)	8150		\$3,039,303	\$3,039,303	\$0	
RDA Funds - Facilities	9030		(\$350,000)	(\$350,000)	\$0	
	9010		\$0	\$3,077		NUTS contributions from teachers, contribution to Wellness program
Misc. Locally Restricted					\$3,077	
Total Contribution to Restricted Programs			<u>\$14,143,734</u>	<u>\$14,339,646</u>	<u>\$195,912</u>	
Total Special Ed Contribution			<u>\$ 11,454,431</u>	<u>\$ 11,650,343</u>	<u>\$ 195,912</u>	

Contribution to Routine Repair & Maintenance (RRM)

The State required contribution to RRM is funded through a combination of \$2,689,303 of unrestricted funds and \$350,000 of restricted RDA funds. The RRM contribution is budgeted at 3% of the District's projected expenditures and transfers out. The 2022-23 contribution will be recalculated at year-end based on 3% of actual 2022-23 general fund expenditures and transfers out, and adjusted accordingly.

Other Expenditure Assumptions

Negotiations were completed for the 2022-23 school year with all bargaining units, management, contract and confidential employees and these costs are included in the budget. No projected settlement costs are included in the 2023-24 or 2024-25 budget years.

Cash Flow

In prior years the district has often relied on short-term TRANS (Tax Revenue Anticipation Notes) borrowing to provide General Fund cash flow support during the months between property tax revenue receipts. In 2022-2023, it was determined that the district did not require a TRANS, and any short-term borrowing needs could be addressed through dry period financing with the Placer County Treasurer. The District is currently assessing the need for a TRANS in the 2023-24 school year.

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COMPONENTS OF ENDING FUNDS BALANCE

Details of the Components of Ending Fund Balance for 2022-23, 2023-24 and 2024-25 are listed below:

	Second Interim 2022-23 Combined	Projection 2023-24 Combined	Projection 2024-25 Combined
Components of Ending Fund Balance			
Nonspendable:			
Revolving Cash	5,000	5,000	5,000
Restricted:			
State, Federal and Local programs	10,107,001	10,329,471	10,527,797
LCFF Supplemental Budget projection changes	-	208,903	389,126
Unassigned/Unappropriated:			
Economic Uncertainty @ 3%	3,565,888	3,164,618	3,225,209
Reserve for Potential ADA yield loss (0.50%) at 22/23 P-2 reporting	400,000	800,000	1,200,000
School Site Staffing Allocation Increase 23/24 - to support school safety/security/health		200,000	400,000
Charter Technical Assistance	217,140	217,140	217,140
Unassigned Economic Uncertainty surplus/(deficit)	3,053,595	3,369,581	5,621,734
Total Ending Fund Balance	17,348,624	18,294,713	21,586,006
Unassigned/Economic Uncertainties Reserves as a % of Total Expenditures/Other Outgo	6.1%	7.3%	9.9%

When reviewing the components of Ending Fund balance it is important to distinguish those amounts that are *non-spendable, restricted – Federal/State/Local programs or unassigned/unappropriated*. For the 2022-23 budget year and next two budget years, the district is meeting the minimum 3% *Reserve for Economic Uncertainties*. Along with this reserve, the district is reserving funds for a one-time science textbook adoption, charter technical assistance, and a reserve for additional required supplemental funds spending increases in 2023-24 and 2024-25. Amounts that are not specifically identified for designated uses as noted above are included in the *Reserve – Unassigned Economic Uncertainty Surplus*.

Placer County Office of Education continues to reinforce the need for reserves over the minimum reserve requirements. In the projection years, funding growth is expected to be limited or flat growth due to the pandemic and revenues remain flat, employer contributions to retirement benefits are scheduled to rise and requirements to improve academic performance increase. Special attention must be made to out-year projections and the contributing factors both within and outside the control of district decision makers. To maximize success, districts will need to make deliberate use of resources and prudent fiscal decisions.

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DISTRICT OTHER FUNDS

Included below are the other Funds of the District. The budgets have been updated to reflect budget adjustments up to the Second Interim reporting period.

	2022-23 SECOND INTERIM			
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Fund 11 - Adult Education Fund	\$ 22,908	\$ 117,600	\$ 117,600	\$ 22,908
Fund 12 - Child Development Fund	\$ 11,327	\$ -	\$ -	\$ 11,327
Fund 13 - Cafeteria Fund	\$ 1,138,101	\$ 4,290,640	\$ 4,648,148	\$ 780,593
Fund 14 - Deferred Maintenance Fund	\$ -	\$ 500,000	\$ 146,555	\$ 353,445
Fund 17 - Special Reserve for Other Than Capital Outlay	\$ 724,776	\$ 8,800	\$ -	\$ 733,576
Fund 21 - Building Fund	\$ 1,491,319	\$ 125,455	\$ 339,324	\$ 1,277,450
Fund 22 - Building Fund	\$ 9,126,150	\$ 7,472,376	\$ 806,639	\$ 15,791,887
Fund 25 - Capital Facilities Fund	\$ 8,356,431	\$ 4,403,223	\$ 1,794,489	\$ 10,965,165
Fund 35 - County Schools Facilities Fund	\$ 10,336,716	\$ 7,572,702	\$ 7,472,376	\$ 10,437,042
Fund 40 - Special Reserve for Capital Outlay Projects	\$ 1,909,170	\$ 20,000	\$ 50,332	\$ 1,878,838
Fund 49 - Debt Service Fund for Blended Component Units	\$ 19,343,539	\$ 11,068,052	\$ 7,312,387	\$ 23,099,204
Fund 71 - Retiree Benefit Fund	\$ 7,315	\$ 100	\$ -	\$ 7,415
Fund 73 - Foundation Private- Purpose Trust Fund	\$ 162,727	\$ 2,000	\$ 1,400	\$ 163,327