



2022-23 Second Interim Budget Revisions March 9, 2023

Each student will reach his/her fullest potential as we strive for District excellence through sound leadership, effective communication, accountability, and investment in our staff

Financial Reporting Cycle

Budget
development
is a
continuous
process

- Budget Timeline:
 - Governor released his 2022-23 Budget Proposal in January 2022
 - Governor released the May Revise on May 2022, which was based on updated revenue and expenditure data
 - Legislature met the constitutional deadline and passed the 2022-2023 budget on June 15
 - Assumptions used to develop the budget, which was due to the Yuba County Office of Education by July 1, were based on the information in the May Revise
 - Budget projections were updated and approved by the Board on August 25, 2022 and October 20, 2022.
 - Budget adjustments were updated and approved January 19, 2023 to include the PLTA salary increase.
- Districts are required to file two interim reports on the status of the LEAS's financial health during the year.
 - This is an opportunity to make adjustments to the assumptions, revenue, and expenditures. Reports are due:
 - First Interim – Due December 15, 2022
 - Second Interim – Due March 15, 2023
- Annual financial reporting:
 - Budget Adoption – Due July 1, 2022
 - First Interim – Due December 15, 2022
 - *Second Interim – Due March 15, 2023*
 - Unaudited Actuals – Due September 15, 2023

Budget Assumptions

Description	2022-23 Budget Development Assumptions	2022-23 October Budget Revisions Assumptions	2022-23 First Interim Budget Revisions Assumptions	2022-23 January Budget Revisions Assumptions	2022-23 Second Interim Budget Revisions Assumptions
Statutory COLA	6.56%	6.56% 6.28% Augmentation	6.56% 6.70% Augmentation	6.56% 6.70% Augmentation	6.56% 6.70% Augmentation
Estimated LCFF Entitlement per ADA	\$10,256	\$10,935	\$10,978	\$10,978	\$10,968
Enrollment (includes county)	1421	1421	1501	1501	1500
Unduplicated Count (includes county)	567	567	596	596	602
Average Daily Attendance (ADA)	1336.16 K-8 + 3.89 County = 1340.05	1339.86+ 3.14 County = 1343.00 Hold Harmless ADA = 1387.19	1401.93 K-8 + 3.41 County = 1405.34	1401.93 K-8 + 3.41 County = 1405.34	1426.59 K-8 + 1.5 County = 1427.94
Lottery Base Lottery Prop 20	\$163 per ADA \$65 per ADA	\$163 \$65	\$170 \$67	\$170 \$67	\$170 \$67
STRS	19.10%	19.10%	19.10%	19.10%	19.10%
PERS	25.37%	25.37%	25.37%	25.37%	25.37%

Budget Assumptions (continued)

- The District applied for the COVID-19 Hold harmless ADA funding for the 2021-2022 school year
 - California Department of Education (CDE) compared 2019-20 ADA percentage to 2021-22 ADA percentage
 - ADA Loss Mitigation Factor 1.0322
 - 2021-22 Annual ADA adjusted = 1386.09
 - Prior year LCFF has been certified for an additional \$400K
 - These funds are projected in this year's revenue
 - These funds will be paid February 2023-June 2023
- The District expects to receive approximately \$163K for the 2021-22 home-to-school transportation expenditures
 - These funds will not be certified by the CDE until June
 - These funds are not projected in this year's revenue

Revenue Sources

Description	2022-23 Budget Development	2022-23 Oct Budget Revisions	2022-23 First Interim	2022-23 Jan Budget Revisions	2022-23 Second Interim	Difference
LCFF Sources	\$13,559,784	\$14,971,215	\$15,220,624	\$15,220,624	\$15,856,055	+\$635K – Adjust for ADA and prior year COVID hold harmless adjustment
Federal Revenue	\$1,867,209	\$1,962,727	\$1,964,820	\$1,964,820	\$1,964,054	(-\$766) Adjust Title II funding
Other State Revenue	\$725,292	\$3,732,090	\$4,651,886	\$4,651,886	\$4,342,643	(-\$309K) – Adjust Art/Music/Inst'l Materials & SPED Preschool
Other Local Revenue	\$1,394,961	\$1,283,354	\$1,430,700	\$1,430,700	\$1,633,535	+\$203K – Adjust SPED funding
Transfers In	\$24,500	\$24,500	\$24,500	\$24,500	\$24,500	
Total	\$17,571,746	\$21,973,886	\$23,292,530	\$23,292,530	\$23,820,787	+\$528K

Expenditures

Description	2022-2023 Budget Development	2022-23 Oct Budget Revisions	2022-23 First Interim	2022-23 Jan Budget Revisions	2022-23 Second Interim	Difference
Certificated Staff	\$8,658,877	\$8,995,238	\$9,018,686	\$9,617,253	\$9,719,986	+\$103K Add 9.5% increase for unrepresented unit members
Classified Staff	\$2,877,631	\$3,155,953	\$3,292,972	\$3,292,786	\$3,503,744	+\$211k – Add 9.5% increase for CSEA & unrepresented unit members
Employee Benefits	\$4,153,993	\$4,372,011	\$5,213,254	\$5,351,256	\$5,431,673	+\$80K – Adjust payroll taxes for raise
Books and Supplies	\$706,087	\$1,089,478	\$1,068,813	\$1,070,348	\$1,052,914	(\$17K) – Adjust supplies
Services/Other Op Expenditures	\$1,551,036	\$2,212,677	\$2,271,950	\$2,256,099	\$2,193,283	(\$63K) – Adjust ELO-P services/op exp
Capital Outlay	\$112,688	\$50,000	\$50,000	\$50,000	\$50,000	
Other Outgo	\$369,526	\$424,564	\$787,966	\$787,966	\$630,198	(\$158K) – Adjust SPED Excess Costs & county transfer
Transfers Out	(\$30,818)	(\$31,011)	(\$31,011)	(\$31,011)	(\$35,614)	(\$4.6K) – Adjust Fund 13 Indirect
Total Expenditures	\$18,399,020	\$20,268,910	\$21,672,630	\$22,394,697	\$22,546,184	+\$151K

General Fund Summary

Description	2022-23 Budget Development	2022-23 October Budget Revisions	2022-23 First Interim	2022-23 Jan Budget Revisions	2022-23 Second Interim
Beginning balance	\$4,549,240	\$4,763,185	\$4,763,185	\$4,763,185	\$4,763,185
Revenue	\$17,571,746	\$21,973,886	\$23,292,530	\$23,292,530	\$23,820,787
Expenditures	\$18,399,020	\$20,268,910	\$21,672,630	\$22,394,697	\$22,546,184
Net increase (decrease) in Fund Balance	(\$827,274)	\$1,704,976	\$1,619,900	\$897,833	\$1,274,603
Ending Fund Balance	\$3,721,966	\$6,468,162	\$6,383,085	\$5,661,019	\$6,037,788
Reserves for Economic Uncertainty	\$1,103,941	\$1,216,135	\$1,300,358	\$1,343,682	\$1,352,771
Revolving Fund	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
Prepays	\$29,765	\$52,609	\$52,609	\$52,609	\$52,609
Restricted Funds	\$550,055	\$2,562,722	\$2,713,822	\$2,713,822	\$2,594,125
Committed – Certificates of Participation Debt Service	\$387,892	\$387,892	\$387,892	\$387,892	\$387,892
Stabilization Fund	\$1,645,213	\$2,243,704	\$1,923,303	\$1,157,913	\$1,645,291
Balance	\$0	\$0	\$0	\$0	\$0

Multi-Year Projections Assumptions

Description	2022-23 Second Interim Assumptions	2023-24 Projections Assumptions	2024-25 Projections Assumptions
Statutory COLA	6.56% 6.70% Augmentation	8.13%	3.54%
Estimated LCFF Entitlement per ADA	\$10,968	\$11,854	\$12,264
Enrollment (includes county)	1500	1500	1500
Unduplicated Count (includes county)	602	602	602
Average Daily Attendance (ADA)	<i>1426.59 K-8 + 1.35 County = 1427.94</i>	<i>1426.59 K-8 + 1.35 County = 1427.94</i>	<i>1426.59 K-8 + 1.35 County = 1427.94</i>
Lottery Base	\$170	\$170	\$170
Lottery Prop 20	\$67	\$67	\$67
STRS	19.10%	19.10%	19.10%
PERS	25.37%	27.0%	28.1%
Mandate Block Grant	\$34.94 per ADA	\$37.78 per ADA	\$39.12 per ADA
California CPI		2.58%	2.20%

Multi-Year Projections Assumptions (continued)

One-time funding	2022-23 Second Interim	2023-24 MYP	2024-25 MYP
Arts, Music, and Instructional Materials Discretionary Block Grant	Revenue = \$892,449 \$594,966 Expenditures = \$203,427 Carryover = \$391,539	Revenue = \$0 Expenditures = \$668,473 \$391,539	Revenue = \$0 Expenditures = \$0
Learning Recovery Emergency Block Grant	Revenue = \$1,236,331 Expenditures = 0 Carryover = \$1,236,331	Revenue = \$0 Expenditures = \$605,786 \$883,732	Revenue = \$0 Expenditures = \$630,545 \$352,599
Total expenditures from one-time funding reserves		\$1,275,271	\$352,599

Multi-Year Projections

Description	2022-23 Second Interim	2023-24 Projection	2024-25 Projection
Beginning balance	\$4,763,185	\$6,037,788	\$4,657,350
Revenue	\$23,820,787	\$20,304,841	\$20,932,855
Expenditures	\$22,546,184	\$21,685,279	\$22,132,027
Net increase (decrease) in Fund Balance	\$1,274,603	(\$1,380,438)	(\$1,199,172)
Ending Fund Balance	\$6,037,788	\$4,657,350	\$3,458,178
Reserves for Economic Uncertainty	\$1,352,771,	\$1,301,117	\$1,327,922
Revolving Fund	\$5,100	\$5,100	\$5,100
Prepays	\$52,609	\$15,728	\$0
Restricted Funds	\$2,594,125	\$1,057,979	\$480,350
Committed – Certificates of Participation Debt Service	\$387,892	\$387,255	\$394,972
Stabilization Fund	\$1,645,291	\$1,895,271	\$1,249,834
Balance	\$0	\$0	\$0

Fund 13 – Cafeteria Fund

Description	2022-23 Budget Development	2022-23 Oct Revised Budget	2022-23 First Interim	2022-23 Second Interim	Difference
<i>Beginning Balance</i>	\$229,793	\$483,513	\$483,513	\$483,513	
<i>Revenue</i>	\$1,097,400	\$1,143,294	\$1,143,328	\$1,454,794	\$311K – Increase State reimbursements based on actuals; increase interest
<i>Expenditures</i>					
Classified Staff and benefits	\$494,560	\$498,118	\$498,118	\$544,705	+\$47K – 9.5% increase and add sub time
Food and Supplies/Operating Exp	\$566,470	\$612,122	\$612,122	\$618,222	+\$6.1K – Add kitchen supplies
Capital Outlay				\$100,000	+\$100K – Add serving lines at Rio & Cob
Other Outgo (Indirect)	\$30,818	\$31,011	\$31,011	\$35,614	+\$4.6K – Indirect cost
<i>Total Expenditures</i>	\$1,091,848	\$1,141,251	\$1,141,251	\$1,298,541	+\$157K
<i>Net Increase/(Decrease) in Fund Balance</i>	\$5,552	\$2,043	\$2,077	\$156,253	
<i>Ending Balance</i>	\$235,345	\$485,556	\$485,590	\$639,766	

Fund 14 – Deferred Maintenance Fund

Description	2022-23 Budget Development	2022-23 Oct Budget Revisions	2022-23 First Interim	2022-23 Second Interim	Difference
<i>Beginning Balance</i>	\$728,089	\$795,015	\$795,015	\$795,015	
<i>Total Revenue</i>	\$186,990	\$201,107	\$210,850	\$210,850	
<i>Expenditures</i>					
Services/Operating Expenditures	\$284,096	\$197,108	\$197,108	\$197,108	
<i>Total Expenditures</i>	\$284,096	\$197,108	\$197,108	\$197,108	
<i>Net Increase/(Decrease) in Fund Balance</i>	<i>(\$97,106)</i>	\$3,999	\$13,742	\$13,742	
<i>Ending Balance</i>	\$630,983	\$799,014	\$808,757	\$808,757	

No Revisions

Fund 25 – Capital Facilities Fund

Description	2022-23 Budget Development	2022-23 Oct Budget Revisions	2022-23 First Interim	2022-23 second Interim	Difference
<i>Beginning Balance</i>	\$3,695,358	\$5,377,033	\$5,377,033	\$5,377,033	
<i>Total Revenue</i>	\$2,020,002	\$2,025,702	\$10,211,588	\$10,211,588	
<i>Expenditures</i>					
Direct Costs/Services/Operating Expenditures	\$104,500	\$180,587	\$192,539	\$192,539	
<i>Debt Service – COP's</i>	\$646,486	\$646,486	\$8,822,074	\$8,822,074	
<i>Construction Costs</i>		\$1,929,654	\$893,358	\$947,789	+\$54K – Projects completed
<i>Total Expenditures</i>	\$741,425	\$779,225	\$9,907,971	\$9,962,402	
<i>Transfers In – From Fund 52</i>	\$258,594	\$258,594	\$258,594	\$258,594	
<i>Net Increase/(Decrease) in Fund Balance</i>	\$1,527,610	(\$472,431)	\$562,211	\$507,480	
<i>Ending Balance</i>	\$5,222,968	\$4,904,602	\$5,939,244	\$5,884,513	

Fund 52 – Debt Service Fund

Description	2022-23 Budget Development	2022-23 Oct Budget Revisions	2022-23 First Interim	2022-23 Second Interim	Difference
<i>Beginning Balance</i>	\$2,735,496	\$2,632,096	\$2,632,096	\$2,632,096	
Total Revenue	\$1,009,670	\$1,009,670	\$1,009,670	\$1,009,670	
Expenditures					
Debt Service – CFD 1 and CFD 2	\$316,994	\$316,994	\$316,994	\$316,994	
<i>Transfers Out</i>	\$283,094	\$283,094	\$283,094	\$283,094	
<i>Net Increase (Decrease) in Fund Balance</i>	\$409,582	\$409,582	\$409,582	\$409,582	
<i>Ending Fund Balance</i>	\$3,145,078	\$3,041,678	\$3,041,678	\$3,041,678	

No Revisions

Summary

- Based on current budget projections and multi-year projections, the District will have a surplus in the budget year and will be deficit spending in subsequent years.
 - 2022-23 - \$1,185,821
 - 2023-24 – (\$1,319,319)
 - Approximately \$1.5M is using one-time funding
 - 2024-25 – (\$1,135,679)
 - Approximately \$577K is using one-time funding
- The District has sufficient reserves to cover these deficits and has set aside funds in reserves to cover the operating deficits in subsequent years.
 - The District has experienced growth in enrollment this year and if enrollment/ADA continues to grow there is potential for an increase in revenue.
 - The District will receive additional funding for Home-to-School Transportation, which is currently not in the budget.
 - The District re-examines expenditure priorities during the budget development process and will make decisions based on growth and the state budget outlook.
- Based on current assumptions, staff recommend the PLESD Governing Board approve the 2022-2023 Second Interim with a positive certification and the budget adjustments within.