



Orinda USD Second Interim Report 2022-23

Board of Trustees Meeting, 03.13.2023

Orinda USD 2022-23 Second Interim Budget

Introduction

Orinda USD Board of Trustees adopted the 2022-2023 budget on June 13, 2022.

Education Code Section 41230 requires school districts to prepare the Second Interim Report as of the January 31st reporting period and prior to March 15th.

The Second Interim report covers the financial condition of the District for the period that ended January 31



Annual Budget Cycle

2022-2023 Fiscal Year Budget Cycle	
Description	Board of Trustees Meeting
District Adopted Budget	June 13, 2022
State Enacted Budget	July 1, 2022
First Interim (as of October 31)	December 12, 2022
*Second Interim (as of January 31)	March 13, 2023
Unaudited Actuals	September, 2023
Annual Financial Audit	January, 2024



Orinda USD Second Interim: The Highlights

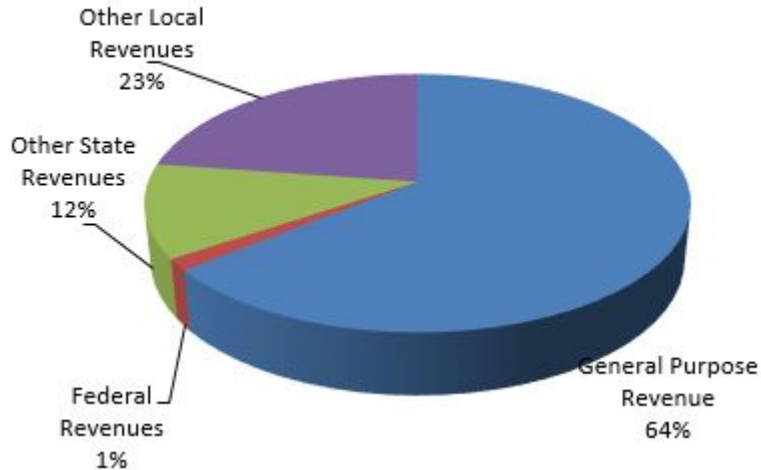
1. **2022-23:** District expects to meet all financial obligations, including the 9% Reserve for Economic Uncertainties.
2. COLA for 2023-24 increased from 5.38% to 8.13%
3. Budget revisions resulting from the tentative agreements approved during the 12/05/2022 Board Meeting were not reflected in the First Interim and are now reflected in the Second Interim report.
4. **2023-24:** District expects to meet financial obligation.
5. **2024-25:** District expects to meet financial obligation.



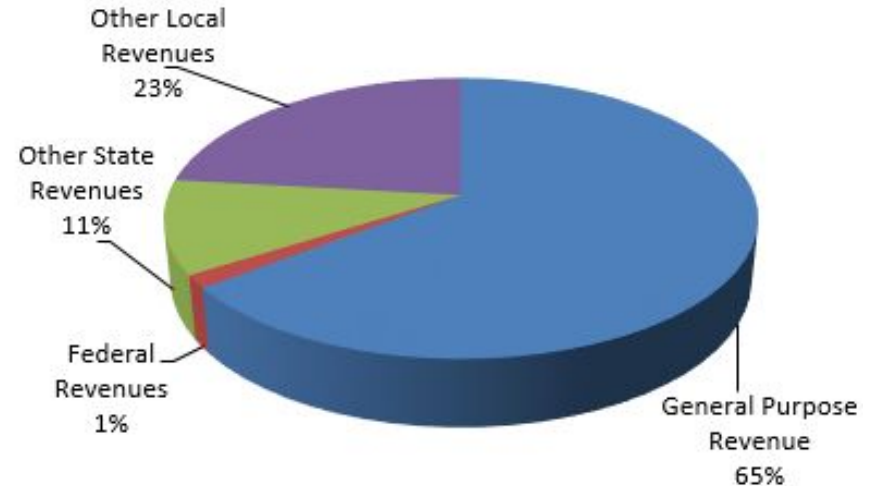
Second Interim Revenue

Orinda USD is an LCFF funded district with 65% of revenue projected to be received from the State. Local funding is significant with 23% projected to be funded by parent club donations (10%), the local parcel tax and the community redevelopment agency funds (10%), special education services provided to other districts, and interest earnings through the County investments.

Revenue Sources: First Interim 2022-23



Revenue Sources: Second Interim 2022-23



Revenues - Combined

Revenues Combined	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change	Percent Change
Local Control Funding Formula (LCFF)	\$25,033,446	\$25,109,872	\$76,426	0.3%
Federal	\$567,793	\$573,857	\$6,064	1.1%
Other State	\$4,572,593	\$4,191,869	-\$380,724	-8.3%
All Other Local	\$8,872,959	\$9,033,556	\$160,597	1.8%
REVENUES	\$39,046,791	\$38,909,154	-\$137,637	-0.4%



Revenues – Unrestricted

Unrestricted Revenues	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change	Percent Change
Local Control Funding Formula (LCFF)	\$24,329,343	\$24,405,769	\$76,426	0.3%
Federal	\$0	\$0	\$0	0.0%
Other State	\$415,592	\$621,926	\$206,324	49.6%
All Other Local	\$3,756,001	\$3,908,607	\$152,606	4.1%
REVENUES	\$28,500,936	\$28,936,292	\$435,356	2.0%



Revenues – Restricted

Restricted Revenues	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change	Percent Change
Local Control Funding Formula (LCFF)	\$704,103	\$704,103	\$0	0.0%
Federal	\$567,793	\$573,857	\$6,064	1.1%
Other State	\$4,157,001	\$3,569,954	-\$587,047	-14.1%
Other Local	\$5,116,958	\$5,124,949	\$7,991	0.2%
Revenues	\$10,545,855	\$9,972,862	-\$572,993	-5.0%



Second Interim Revenue Highlights

- Ongoing revenues increased due to an **increase** in LCFF.
- Received ongoing reimbursement for 60% of Home-to-School transportation costs.
- One-time revenue **increase** in Lottery as prior year adjustments.
- Local revenues **increased** to reflect field trip donations and higher interest rate earnings
- Significant revenue **decrease** was seen in the area of restricted funding.
 - Arts, Music and Instructional Materials Block Grant - \$535,709 (one time)
 - Learning Recovery Emergency Block Grant - \$71,700 (one time)



Expenditures – Combined

Expenditures Combined	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change	Percent Change
Certificated Salaries	\$15,283,450	\$15,925,810	\$642,360	4.2%
Classified Salaries	\$4,875,122	\$5,267,781	\$392,659	8.1%
Employee Benefits	\$9,925,447	\$10,364,806	\$439,359	4.4%
Books and Supplies	\$1,359,664	\$1,356,913	-\$2,751	-0.2%
Contracts and Services	\$6,333,630	\$6,625,911	\$292,282	4.6%
Capital Outlay	\$42,437	\$58,437	\$16,000	37.7%
Other Outgo	\$566,725	\$574,335	\$7,610	1.3%
Indirect Support Cost	\$0	\$0	\$0	0.0%
EXPENDITURES	\$38,386,475	\$40,170,201	\$1,783,726	4.6%

Expenditures – Unrestricted

Unrestricted Expenditures	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change	Percent Change
Certificated Salaries	\$10,737,422	\$11,190,410	\$452,988	4.2%
Classified Salaries	\$3,391,176	\$3,586,979	\$195,803	5.8%
Employee Benefits	\$5,829,359	\$6,195,796	\$366,437	6.3%
Books and Supplies	\$918,246	\$939,923	\$21,677	2.4%
Contracts and Services	\$2,368,620	\$2,318,732	-\$49,888	-2.1%
Capital Outlay	\$19,906	\$35,906	\$16,000	80.4%
Other Outgo	\$268,424	\$268,424	\$0	0.0%
Indirect Support Costs	-\$49,717	-\$126,459	-\$76,742	154.4%
EXPENDITURES	\$23,483,436	\$24,409,711	\$926,275	3.9%

Expenditures – Restricted

Restricted Expenditures	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change	Percent Change
Certificated Salaries	\$4,546,028	\$4,735,400	\$189,372	4.2%
Classified Salaries	\$1,483,946	\$1,680,802	\$196,856	13.3%
Employee Benefits	\$4,096,088	\$4,169,010	\$72,922	1.8%
Books and Supplies	\$441,418	\$416,990	-\$24,428	-5.5%
Contracts and Services	\$3,965,010	\$4,307,180	\$342,170	8.6%
Capital Outlay	\$22,531	\$22,531	\$0	0.0%
Other Outgo	\$298,301	\$305,911	\$7,610	2.6%
Indirect Support Costs	\$49,717	\$122,666	\$72,949	146.7%
EXPENDITURES	\$14,903,039	\$15,760,490	\$857,451	5.8%

Second Interim Expenditure Highlights

- Salary and benefit budgets were adjusted to reflect the negotiated salary increase in the budget year
- Vacancy savings have been reflected in the salary and benefits budget
- Budgets were analyzed and aligned to represent projected expenditure
- Budgets in donation accounts were increased to reflect the collected revenues
- Recorded Indirect cost charges from Cafeteria Funds, which decreases General Fund expenditure



Change in Fund Balance

COMBINED	First Interim Budget 2022-23	Second Interim Budget 2022-23	Change
Total Revenues	\$39,090,635	\$38,990,645	-\$99,990
Total Expenditures	\$38,536,475	\$40,320,201	\$1,783,726
Net Inc (Dec) in Fund Balance	\$554,160	-\$1,329,556	-\$1,883,716



Components of the Fund Balance

Description	2022-2023
RESTRICTED	
Other Restricted	\$1,311,200
UNRESTRICTED	
Revolving Cash	\$7,500
3% Reserve for Economic Uncertainties	\$1,209,606
6% Reserve	\$2,419,212
Unassigned	\$719.392



Other Funds – Separate From General Fund

Projected 2022-2023 Ending Fund Balances As of June 30, 2022	
Fund Name	Second Interim
13 - Cafeteria Fund	In Progress
14 - Deferred Maintenance	\$130,000
21 - Building Fund (Measure E and I)	\$11,396,207
25 - Capital Facilities (Developer Fees)	\$821,355
40 - Special Reserve (Capital Outlay)	\$3,057,019
51 - Bond Interest and Redemption	\$5,905,902
71 - Retiree Benefit Fund (OPEB Trust)	\$1,393,069



Multi-Year Projection Assumptions

Major Assumptions	2022-23	2023-24	2024-25
Enrollment	2,516	2,522	2,549
Cost of Living Adjustment (COLA) for LCFF per pupil funding	13.26%	8.13%	3.54%
Consumer Price Index	6.00%	3.14%	2.77%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	25.37%	27.00%	28.10%
Unemployment Insurance Rate	0.5%	0.5%	0.5%



Multi Year Projections – Combined

2022-2023 Multi Year Projections (MYP) (Combined)			
Description	2022-23	2023-24	2024-25
REVENUES	\$39,990,645	\$39,844,786	\$41,123,601
EXPENDITURES	\$40,320,201	\$41,363,360	\$41,443,293
Net Increase (Decrease) in Fund Balance	-\$1,329,556	-\$1,518,574	-\$319,692
Net Beginning Fund Balance	\$7,057,630	\$5,666,910	\$4,148,336
Ending Fund Balance, June 30	*\$5,666,910	\$4,148,336	\$3,828,645
Unassigned	\$719,392	\$11,428	\$70,755
Estimated Total Fund Balance	14.05%	10.03%	9.24%
Estimated Unassigned	1.78%	0.03%	0.17%

*Includes audit adjustments

Orinda USD Second Interim Budget

Successes

- Continue being able to set aside 6% additional reserve after the bargaining agreement fiscal impact.
- Passing of the Measure Z Parcel Tax (not reflected in the interim report)

Challenges

- ADA decrease as a result of absences.
- Increase in general cost of doing business.
- PERS increase in 2023-24 (1.8%) and 2024-25 (3.5%) compared to Enacted Budget.
- Lower LCFF base rates and a lack of supplemental funds - Continues to be one of the lowest funded Districts per student.
- Unknown of Art, Music, Instructional Material Discretionary Block Grant funds
- Staff hiring and retention.
- Expansion of TK, need of deferred maintenance funds, impact of local fundraising efforts.



Budget Certification

Orinda USD Second Interim Budget Report 2022-23

Certification Positive - The District will be able to meet its financial obligations for the current and subsequent two fiscal years. Staff recommends the Board of Trustees approve the District Second Interim Report.

