



DATE: August 2, 2023

TO: Board of Education

FROM: Kerstin Kramer, Superintendent Chief Learning Officer

SUBJECT: Approve 2023-2024 Dry Period Financing Application through County of Placer

PRESENTED BY: Todd Rivera, Assistant Superintendent Chief Business Officer

ACTION REQUESTED

Approve 2023-2024 Dry Period Financing Application through County of Placer

BACKGROUND INFORMATION

Due to the intermittent nature of revenue receipts, school districts may experience cash shortages at various times throughout the fiscal year. TTUSD usually experiences cash shortfalls in October/November of each fiscal year prior to our first main property tax allocation scheduled in December. Our most recent cash flow analysis shows that TTUSD will experience negative cash in the General Fund during the months of September through November, although the exact timing of revenue receipts and expenditures is difficult to predict. In addition, unanticipated expenditures could occur at any time which could put TTUSD in a negative cash position. To alleviate some of the operational impacts and costs associated with cash shortages, the County of Placer offers a dry period financing option for school districts. The County will cover all cash shortfalls during the fiscal year up to a maximum amount. In order to provide some protection from possible cash shortfalls, TTUSD is requesting cash flow and dry period financing for the 2023-2024 year in the amount of \$10,000,000. In the event that cash falls negative, Placer County will cover the shortfalls with county fund sources. The only cost to the District would be interest charges for the amounts temporarily borrowed.

RESOURCES REQUIRED: General Fund charges for interest if dry period funding is activated

PREPARED BY: Laura Rowe for Todd Rivera, Assistant Superintendent Chief Business Officer

Attachment: Dry Period Funding Application, Cash Flow Estimate