

Point Arena Schools 2015-2016 Second Interim Revenues

		First Interim (Dec 2015)	Second Interim (Mar 2016)	Variance
Revenues				
	Taxes	5,439,339	5,439,339	-
	Charter Cash in Lieu	(552,220)	(552,684)	(464)
	LCFF/EPA	781,315	781,315	-
	Federal Revenue	514,238	607,538	93,300
	State Revenue	704,122	704,122	-
	Local Revenue	531,407	576,450	45,042
	Transfers In	73,702	73,702	-
	Total Revenues	7,491,903	7,629,781	137,878

+1.84%

Variance Explanations:

- Taxes (-0.084%): Updated Charter ADA estimates within LCFF calculator, which slightly increased the Charter cash-in-lieu projected payment.
- Federal Revenue (+18.14%): Primarily due to MAA funds (~\$59.8k) (related to FY13/14 amounts owed) and Addt'l Impact Aid funds update (~\$33.5k).
- Local Revenue (+8.48%): Rotary donation (~\$5k) and E-Rate discount portion of broadband equipment (~\$40k – added to both revenue and expense, so nets to zero).

Overall – Total Estimated Revenues increased by ~\$138k (+1.84%) since the 2015-16 First Interim Report estimate in December 2015.

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Point Arena Schools 2015-2016 Second Interim Expenditures

	First Interim (Dec 2015)	Second Interim (Mar 2016)	Variance
Expenses			
Certificated Salaries	2,442,969	2,405,724	(37,245)
Classified Salaries	1,458,627	1,464,758	6,131
Employee Benefits	1,878,357	1,863,244	(15,114)
Books/Supplies	466,149	512,870	46,721
Services & Operations	823,375	829,585	6,210
Capital Outlay	198,006	198,006	-
Other Outgo	6,855	6,855	-
Transfers Out	278,233	279,036	804
Total Expenses	7,552,571	7,560,078	7,507

+0.1%

Variance Explanations:

- Certificated Salaries (-1.5%): Primarily due to Elementary PE teacher position changes.
- Classified Salaries (+0.42%): Primarily due to High School Librarian & Para educator position changes plus Transportation overtime.
- Employee Benefits (-0.81%): In tandem with Salary fluxes.
- Books/Supplies (+10.02%): Primarily due to E-Rate broadband portion of discount (~\$40k – added to both revenue and expense, so nets to zero).
- Services/Ops (+0.75%): Due to adjustments to athletic dues, water/sewer, legal, phone, laundry/dry cleaning, and postage based on year-to-date actuals.
- Transfers Out (+0.29%): Due to Food Service Director position changes.

Overall – Total Estimated Expenses increased by ~\$7.5k (+0.1%) since the 2015-16 First Interim Report estimate in December 2015.

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Point Arena Schools 2015-2016 Second Interim and MYP

	First	Second	Multi-Year	
	Interim (Dec 2015)	Interim (Mar 2016)	2016-2017	2017-2018
Revenues				
Taxes	5,439,339	5,439,339	5,507,331	5,576,172
Charter Cash in Lieu	(552,220)	(552,684)	(581,359)	(596,578)
LCFF/EPA	781,315	781,315	780,977	780,977
Federal Revenue	514,238	607,538	434,859	434,859
State Revenue	704,122	704,122	510,951	431,671
Local Revenue	531,407	576,450	536,450	536,450
Transfers In	73,702	73,702	67,070	60,010
Total Revenues	7,491,903	7,629,781	7,256,278	7,223,561
Expenses				
Certificated Salaries	2,442,969	2,405,724	2,404,029	2,434,510
Classified Salaries	1,458,627	1,464,758	1,498,423	1,520,650
Employee Benefits	1,878,357	1,863,244	1,975,725	2,086,066
Books/Supplies	466,149	512,870	423,212	423,212
Services & Operations	823,375	829,585	819,940	819,940
Capital Outlay	198,006	198,006	221,446	261,446
Other Outgo	6,855	6,855	6,855	6,855
Transfers Out	278,233	279,036	287,248	297,616
Total Expenses	7,552,571	7,560,078	7,636,878	7,850,296
Excess/(Deficit)	(60,667)	69,704	(380,600)	(626,735)
Beginning Fund Balance	2,101,354	2,060,733	2,130,437	1,749,837
Ending Fund Balance	2,040,687	2,130,437	1,749,837	1,123,102

Multi-Year Assumptions:

- Taxes: +1.25% & updated State Charter cash-in-lieu calculator
- LCFF/EPA: Less slight adjustment to projected EPA revenue
- Federal: Less higher than avg. MAA revenue (~134k) and Impact Aid (~35k); less CTE Perkins revenue (~4k)
- State: Less projected diff. in Mandated Cost Rev. (~119k); less Educator Effect. Funds (~45k); less change in projected year-to-year Prop 39 funding (~28k)
- Local: Less E-rate discount portion (~40k)
- Transfers In: Based on OPEB estimates
- Salaries: Plus estimated step incr. (~2%)
- Benefits: In tandem with salary increases plus future STRS, PERS, and H&W projected increases
- Books/Supplies: Less current year 1x exp.s (HS auditorium storage, bus engine, replacement furniture, E-rate discount portion of broadband equip.) (~89k)
- Service & Ops: Less estimated Prop39 consultant (~23k); Plus projected increase in phone costs (~13k)
- Capital Outlay: Estimated Prop39 related projects and AE painting
- Transfers Out: Estimated salary & benefit changes in other funds (PreK, Cafeteria)

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Point Arena Schools 2015-2016 Second Interim Projected Excess/(Deficit) Controlling for Estimated One-time Revenues & Expenses

Projected 2015-16 Excess/(Deficit) at 2nd Interim **69,704**

Estimated one-time revenues include:

<i>Higher than average Impact Aid estimate (\$93,366 base)</i>	<i>34,560</i>
<i>Higher than average MAA funds (\$73,424 base)</i>	<i>133,199</i>
<i>One-time Educator Effect. Funds (Bdgtd Rev- Bdgtd Exp)</i>	<i>30,552</i>
<i>One-time Mandated Cost Related Funds (Bdgtd Rev- Bdgtd Exp)</i>	<i>195,976</i>
TOTAL ONE-TIME REVENUES	394,287

Estimated larger one-time expenses include:

<i>E-Rate broadband equipment - portion funded by e-rate</i>	<i>40,000</i>
<i>High School Auditorium storage</i>	<i>12,060</i>
<i>Replacement bus engine</i>	<i>5,663</i>
<i>Prop39 estimated budgeted consultant expense</i>	<i>23,000</i>
TOTAL LARGER ONE-TIME EXPENSES	80,723

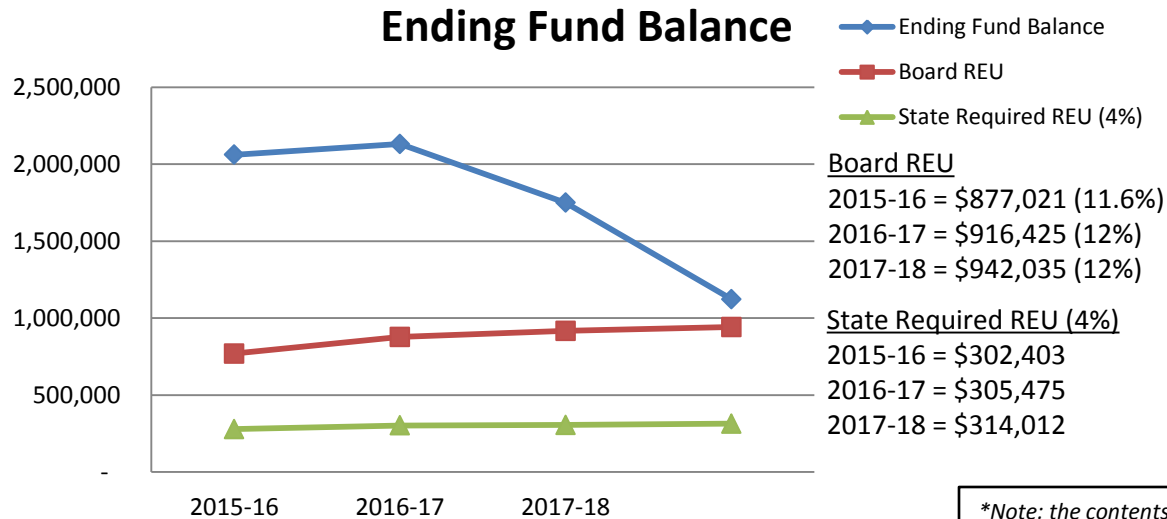
Adjusted Excess/(Deficit)

(= Excess/(Deficit) - Total One time Rev.s + Total Larger One-time Exp.s) **(243,861)**

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Point Arena Schools 2015-2016 Second Interim & MYP Ending Fund Balance

Components of Ending Fund Balance:	First Interim	Second Interim	Multi-Year	
	(Dec 2015)	(Mar 2016)	2016-2017	2017-2018
Revolving Cash	3,150	3,150	3,150	3,150
Economic Uncertainty	877,021	877,021	916,425	942,035
Legal Reserve	107,500	107,500	107,500	50,000
Facility Reserve	175,000	175,000	175,000	50,000
Restricted	79,905	86,595	57,780	5,606
Other Assignment	1,239	1,239	-	-
Strategic Goal #1-Academics	15,000	15,000	15,000	-
Strategic Goal #2-Health & Safety	15,000	15,000	15,000	-
Strategic Goal #3-Technology	100,000	100,000	100,000	72,310
Strategic Goal #4-Outreach	5,000	5,000	5,000	-
Unassigned	661,872	744,931	354,982	0
	2,040,687	2,130,437	1,749,837	1,123,102



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2015-16 Second Interim Budget Reserves

Substantiation of need for reserves greater than the state required minimum reserve for economic uncertainty

District: Point Arena Schools

CDS #: 23-76349

The governing board of a school district that proposes to adopt a budget that includes a combined assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties, shall, at the Budget Adoption public hearing, provide:

- The minimum recommended reserve for economic uncertainties;
- The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget; and
- A statement of reasons to substantiate the need for reserves that are higher than the minimum recommended reserve.

		2015-16	2016-17	2017-18
Total General Fund Expenditures & Other Uses		\$ 7,560,078	\$ 7,636,878	\$ 7,850,296
Minimum Reserve requirement	4%	\$ 302,403	\$ 305,475	\$ 314,012
General Fund Combined Ending Fund Balance		\$ 2,130,437	\$ 1,749,837	\$ 1,123,102
Special Reserve Fund Ending Fund Balance		\$ -	\$ -	\$ -
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 86,595	\$ 57,780	\$ 5,606
Committed		\$ -	\$ -	\$ -
Assigned		\$ 418,739	\$ 417,500	\$ 172,310
Reserve for economic uncertainties		\$ 877,021	\$ 916,425	\$ 942,036
Unassigned and Unappropriated		\$ 744,931	\$ 354,982	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 2,040,691	\$ 1,688,907	\$ 1,114,346
Total Components of ending balance		\$ 2,130,437	\$ 1,749,837	\$ 1,123,102
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,738,288	\$ 1,383,432	\$ 800,334

Statement of Reasons

The District's Fund Balance includes assigned, unassigned and unappropriated components, that in total are greater than the Minimum Recommended Reserve for Economic Uncertainties because:

The proposed 2015-16 Reserve is greater than the 4% minimum including, but not limited to, the following reasons:

- Legal Reserve	\$107,500
- Facility Reserve	\$175,000
- Reserve for Economic Uncertainty (approximately 1.68 month's payroll cost)	\$877,021
- Strategic Goal #1-Academics	\$15,000
- Strategic Goal #2-Health & Safety	\$15,000
- Strategic Goal #3-Technology	\$100,000
- Strategic Goal #4-Outreach	\$5,000
- cycle adoption textbooks and curricula	\$50,000
- large transportation department purchases and repairs	\$348,085
- ongoing maintenance department expenditures (HVAC, floors, painting, etc.)	\$348,085
<i>Total of Substantiated Needs</i>	\$2,040,691.27
Remaining Unsubstantiated Balance	\$0.00

March 9, 2016 Board Meeting

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Other Considerations

- Taxes: Property tax revenues may fluctuate throughout the year – we receive property tax updates from both Mendocino & Sonoma Counties at P1 (Fall), P2 (Spring), and Final (Summer).
- Timing of Prop 39 funds and expenses will vary due to pending California Department of Education cash allocation timing, as well as prioritization & execution of related projects. Budgeted Prop 39 revenue and expense amounts are based on timing estimates. Some expenses may end up in other categories (ie. Materials/Supplies, Service & Operations) in addition to the current budgeted category, Capital Outlay.

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Prop 39 Funds Summary Assumptions – 2nd Interim Update

REVENUE KEY FACTS:				EXPENSE KEY FACTS:			
A. Total Estimated Amount of Prop 39 funds each district is eligible for:				A. Total 2014-15 estimated Prop 39 expenses			
Arena Union Elementary		\$ 194,832.30	A1	Prop39 Consultant expenses		\$ 28,470.53	
Point Arena Joint Union High School		\$ 258,055.00	A2				
TOTAL		\$ 452,887.30					
B. Of the Total Eligible Amount, the Planning Funds the districts are approved for are as follows (based on 12-13 ADA):				B. Total 2015-16 estimated Prop 39 expenses:			
Arena Union Elementary		\$ 106,242.00	B1	Prop39 Consultant expenses		\$ 25,653.65	
Point Arena Joint Union High School		\$ 103,422.00	B2	Spend remaining HS planning funds on approved projects per Prop 39 plan		\$ 73,337.39	
		\$ 209,664.00		Spend remaining AE planning funds on approved projects per Prop 39 plan		\$ 76,242.00	
				TOTAL estimated Prop39 spending 2014-15 thru 2015-16		\$ 203,703.57	F
C. Planning Funds received to date (received in 2013-14):				Remaining projected Prop39 funds based on assumptions:			
Arena Union Elementary		\$ 30,000.00	C1			\$ 249,183.73	G1 = A1+A2-F
Point Arena Joint Union High School		\$ 30,000.00	C2	Divide remaining amount to be spent over an estimated time period of two years (2016-17 thru 2017-18):		\$ 124,591.87	= G1/2
		\$ 60,000.00				per year	
D. Remaining Planning Funds estimated to be received (budgeted in 2015-16):				Within Capital Outlay, to achieve a Savings-to-Investment ratio of at least 1.05, and based on ClearResult working with the CA Energy Commission for our plan to be approved, an additional district contribution amount has been budgeted for this purpose:			
Arena Union Elementary		\$ 76,242.00	D1=B1-C1			\$ 242,136.00	G2
Point Arena Joint Union High School		\$ 73,422.00	D2=B2-C2				
		\$ 149,664.00					
E. Remaining Funds (no planning funds) roughly estimated to be received over two years (2016-17 thru 2017-18):				The \$242k has been budgeted as follows, but will be revised as updates occur:			
Arena Union Elementary		\$ 88,590.30	E1=A1-B1	2015-16	\$	48,427.20	
Point Arena Joint Union High School		\$ 154,633.00	E2=A2-B2	2016-17	\$	96,854.40	
		\$ 243,223.30		2017-18	\$	96,854.40	
					\$	-	
					\$	242,136.00	
F. Divide by two years to obtain average amount budgeted per year in Prop39 funds from 2016-17 thru 2017-18:							
Arena Union Elementary		\$ 44,295.15	= E1/2				
Point Arena Joint Union High School		\$ 77,316.50	= E2/2				
		\$ 121,611.65					
				per year			

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