

Point Arena Schools 2016-2017 First Interim Revenues

		Adopted Budget (June 2016)	First Interim (Dec 2016)	Variance
Revenues				
	Taxes	5,714,115	5,624,162	(89,954)
	Charter Cash in Lieu	(581,359)	(420,634)	160,725
	LCFF/EPA	780,977	780,977	-
	Federal Revenue	401,650	402,303	654
	State Revenue	572,529	713,776	141,247
	Local Revenue	511,545	502,960	(8,585)
	Transfers In	62,162	59,069	(3,093)
	Total Revenues	7,461,619	7,662,612	200,993

+2.69%

Variance Explanations (First Interim vs. Adopted Budget):

- Taxes (-1.57%): Net of lower P1 tax projections combined from Mendocino & Sonoma Counties (Mendocino County P1 tax projections were lower than the ~2% projected increase (-141k); Sonoma was higher (+51k). Net = (-90k).
- Charter cash-in-lieu (-27.6%): lower estimated Charter ADA causes lower projected cash-in-lieu fee (+161k).
- State Revenue (+24.7%): One-time College Readiness Block Grant (+75k); CTEIG funds received in 15/16 recognized in 16/17 (+52k); Reduction of one-time mandate-related funds (-11k); GASB 68 STRS On-Behalf Entry (represents the state's contribution to the pension plan) (+\$24k) (equalizing expense added, net effect is zero).
- Local Revenue (-1.68%): Net of SELPA funding update and sale of surplus equipment.

Overall – Total Estimated Revenues increased by ~\$201k (+2.69%) since the June 2016 Adopted Budget.

**Note: the contents of this slide contain projected information, which are estimates at the time of preparation and subject to change based on future events and updates.*

Point Arena Schools 2016-2017 First Interim Expenditures

		Adopted Budget (June 2016)	First Interim (Dec 2016)	Variance
Expenses				
	Certificated Salaries	2,386,114	2,417,538	31,423
	Classified Salaries	1,590,034	1,566,754	(23,280)
	Employee Benefits	1,970,175	1,962,612	(7,563)
	Books/Supplies	447,741	436,957	(10,783)
	Services & Operations	1,004,360	957,548	(46,812)
	Capital Outlay	287,915	400,500	112,585
	Other Outgo	2,285	2,285	-
	Transfers Out	272,984	264,050	(8,934)
	Total Expenses	7,961,608	8,008,244	46,636

+0.586%

Variance Explanations (First Interim vs. Adopted Budget):

- Salaries (+0.2%): Net of Certificated column movement (+26k); Step/Col placement for Cert. new hires (-51k); PE teacher position (+52k); remove Behavioral Specialist (-5k); Mental Health Counselor adjustment (-17k); remove partial year mechanic (-30k); classified staffing changes and new hires (+20k); ASES driver (+4k); staff extra duty (+9k).
- Employee Benefits (-0.38%): In tandem with salary changes ~(-1k); OPEB adjustment (-6k); new hire benefit lag (-24k); plus GASB 68 STRS On-Behalf Entry (represents the state’s contribution to the pension plan) (+24k) (equalizing revenue added, net effect is zero).
- Books/Supplies (-2.41%): AUES curricula paid in 15/16 (-48k); HS classroom furniture & staff lounge supplies (+30k); CTE grant equipment and lottery curricula adjustment ~(-5k); AUES laptops (+12k).
- Services/Ops (-4.66%): NPA counselor time adjustment (-22k); AutoShop heater (+14k); CTE grant expenses increased salaries so reduced identical amt. bdgt’d in Svcs/Ops (-8k); moved expenses to Supplies category to help cover overages (-19k); higher advertising (+4k); update Prop39 energy manager 16-17 est. cost (-16k).
- Capital Outlay: Backhoe general fund contribution (+19k); Prop39 update based on IES contract (project & invoice timing) (+93k).
- Transfers Out: PreK higher est. revenue (-15k); OPEB out year analysis update (-16k), Cafeteria employee hrs. added (+12k), and Deferred Maintenance savings update (+10k).

Overall – Total Estimated Expenses increased by ~\$47k (+0.59%) since the June 2016 Adopted Budget.

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Point Arena Schools 2016-2017 First Interim and Multi-year Projection

	Adopted	First	Multi-Year	
	Budget (June 2016)	Interim (Dec 2016)	2017-2018	2018-2019
Revenues				
Taxes	5,714,115	5,624,162	5,708,524	5,794,152
Charter Cash in Lieu	(581,359)	(420,634)	(442,244)	(444,362)
LCFF/EPA	780,977	780,977	780,977	780,977
Federal Revenue	401,650	402,303	402,303	402,303
State Revenue	572,529	713,776	529,696	425,282
Local Revenue	511,545	502,960	502,960	502,960
Transfers In	62,162	59,069	59,069	59,069
Total Revenues	7,461,619	7,662,612	7,541,285	7,520,380
Expenses				
Certificated Salaries	2,386,114	2,417,538	2,462,181	2,492,737
Classified Salaries	1,590,034	1,566,754	1,613,453	1,649,396
Employee Benefits	1,970,175	1,962,612	2,106,255	2,194,021
Books/Supplies	447,741	436,957	379,913	383,712
Services & Operations	1,004,360	957,548	914,098	822,037
Capital Outlay	287,915	400,500	125,397	-
Other Outgo	2,285	2,285	-	-
Transfers Out	272,984	264,050	280,994	291,213
Total Expenses	7,961,608	8,008,244	7,882,292	7,833,116
Excess/(Deficit)	(499,988)	(345,632)	(341,007)	(312,736)
Beginning Fund Balance	2,344,668	2,344,668	1,999,037	1,658,029
Ending Fund Balance	1,844,680	1,999,037	1,658,029	1,345,294

Multi-Year Assumptions:

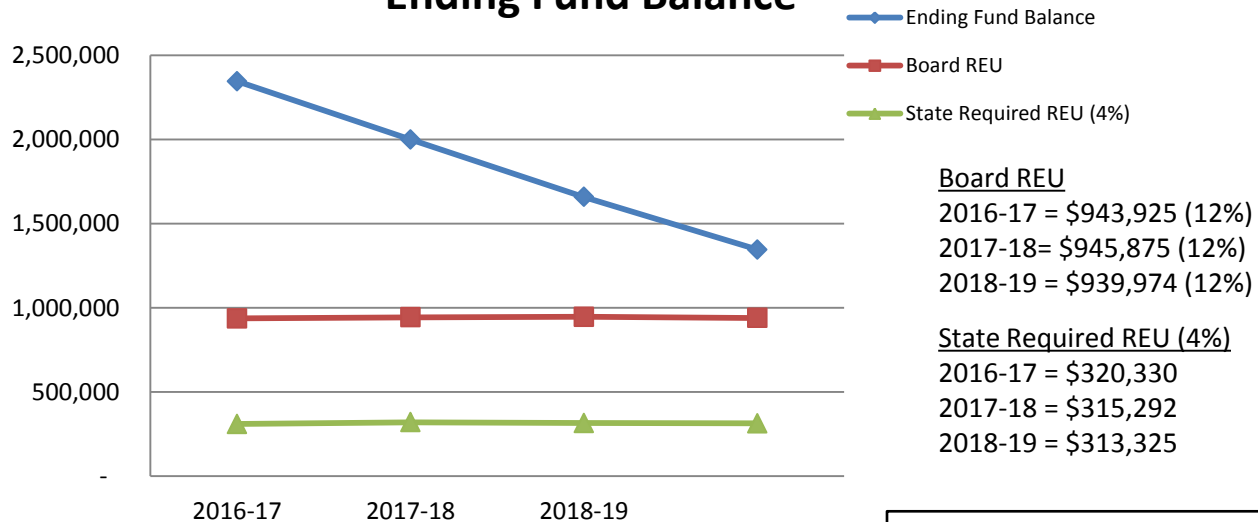
- Taxes: +1.5% estimate and updated Charter cash-in-lieu calculator.
- LCFF/EPA, Federal, Local, Trsfrs In: – flat
- State: – (17-18): less 1x Mandated-related revenue (-77k); less 1x College/Career Readiness BG (-75k); plus Prop39 est. Yr. 5 rev. diff. (+28k); less est. CTEIG grant diff. (-60k); (18-19): less est. Prop39 rev. (-104k)
- Salaries: less temporary positions; plus estimated step increase (~2-3%) year over year.
- Benefits: in tandem with salary changes plus future STRS and PERS, projected increases.
- Books/Supplies: (17-18): less 1x AE laptops (-12k); less est. CTEIG diff. due to higher match but less funding (-48k); plus 1% est. incr.; (18-19): plus 1% est. incr.
- Service/Ops: (17-18): less NTN fee diff. (-7.5k); less est. CTEIG diff. due to higher match but less funding (-25k); less est. Mechanic Prof.Svc. (-20k); plus 1% est. incr.; (18-19): less NTN fee (-102.2k); plus 1% est. incr.
- Capital Outlay: (17-18): Less Prop39 est. project cost diff. (-256k); (18-19): projected at \$0
- Transfers Out: Net of salary/benefit changes in other funds.

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Point Arena Schools 2016-2017 First Interim & MYP Ending Fund Balance

Components of Ending Fund Balance:	Adopted	First	Multi-Year	
	Budget (June 2016)	Interim (Dec 2016)	2017-2018	2018-2019
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	132,498	44,362	35,811	35,811
Economic Uncertainty	939,191	943,925	945,875	939,974
Legal Reserve	107,500	87,500	87,500	87,500
Facility Reserve	175,000	225,000	225,000	175,000
Other Assignment	1,239	10,022	1,239	1,239
Strategic Goal #1-Academics	15,000	15,000	15,000	2,619
Strategic Goal #2-Health & Safety	15,000	15,000	15,000	-
Strategic Goal #3-Technology	100,000	100,000	100,000	100,000
Strategic Goal #4-Outreach	5,000	5,000	5,000	-
Unassigned	351,102	550,077	224,454	0
	1,844,680	1,999,037	1,658,029	1,345,294

Ending Fund Balance



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2016-17 First Interim 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.

		2016-17	2017-18	2018-19
Total General Fund Expenditures & Other Uses		\$ 8,008,244	\$ 7,882,292	\$ 7,833,116
Minimum Reserve requirement	4%	\$ 320,330	\$ 315,292	\$ 313,325
General Fund Combined Ending Fund Balance		\$ 1,999,037	\$ 1,658,029	\$ 1,345,294
Special Reserve Fund Ending Fund Balance		\$ -	\$ -	\$ -
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 44,362	\$ 35,811	\$ 35,811
Committed		\$ -	\$ -	\$ -
Assigned		\$ 457,522	\$ 398,739	\$ 13,330
Reserve for economic uncertainties		\$ 943,925	\$ 945,875	\$ 939,974
Unassigned and Unappropriated		\$ 550,078	\$ 274,454	\$ 353,029
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,951,525	\$ 1,619,068	\$ 1,306,333
Total Components of ending balance		\$ 1,999,037	\$ 1,658,029	\$ 1,345,294
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,631,195	\$ 1,303,776	\$ 993,008

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 2016-17 Reserve is greater than the 4% minimum including, but not limited to, the following reasons:

- Legal Reserve	\$87,500
- Facility Reserve	\$225,000
- Reserve for Economic Uncertainty (approximately 1.75 month's payroll cost)	\$943,925
- 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	\$255,050
- ongoing maintenance department expenditures (HVAC, floors, painting, etc.)	\$255,050

Total of Substantiated Needs \$1,951,524.72

Remaining Unsubstantiated Balance **\$0.00**

December 7, 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).
- Local Revenue: Typically receive higher than budgeted based on unknown one-time donations/funding at First Interim.
- Planned Technology Transfer Out to Fund 17 (\$40k) not yet in budget due to timing lag in Fund 17 set up at the County level.
- 2016-17 First Interim projected budget does not yet include any added (supplemental) expenditures related to the College & Career Readiness Block Grant.

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Prop 39 Funds Summary Assumptions – First Interim Update

REVENUE KEY FACTS:			
A. Total Estimated Amount of Prop 39 funds each district is eligible for:			
Arena Union Elementary	\$ 263,940	A1	
Point Arena Joint Union High School	\$ 258,130	A2	
TOTAL	\$ 522,070		
B. Of the Total Eligible Amount, the Years 1 & 2 amounts the districts are approved for are as follows (based on 12-13 ADA):			
Arena Union Elementary	\$ 106,242	B1	
Point Arena Joint Union High School	\$ 103,422	B2	
	\$ 209,664		
D. Years 3 & 4 amounts the districts are expected to be approved for:			
Arena Union Elementary	\$ 104,910	C1	
Point Arena Joint Union High School	\$ 103,082	C2	
	\$ 207,992		
C. Funds received to date (through 2015-16):			
Arena Union Elementary	\$ 134,947	D1	
Point Arena Joint Union High School	\$ 206,504	D2	
	\$ 341,451		
E. Total Funds estimated to be received for Years 1 - 4:			
Arena Union Elementary	\$ 211,152	E1=B1+C1	
Point Arena Joint Union High School	\$ 206,504	E2=B2+C2	
	\$ 417,656		
F. Amount estimated to be received for Years 1 - 4 in 2016-17:			
Arena Union Elementary	\$ 76,205	F1=E1-D1	
Point Arena Joint Union High School	\$ -	F2=E2-D2	
	\$ 76,205		
G. Amount estimated to be received for Year 5 in 2017-18:			
Arena Union Elementary	\$ 52,788	= E1/4	
Point Arena Joint Union High School	\$ 51,626	= E2/4	
	\$ 104,414		

EXPENSE KEY FACTS:			
A. Total 2014-15 and 2015-16 Prop 39 expenses to date:			
14-15 AUES Prop39 Consultant expenses	\$ 11,647	F1a	
14-15 PAHS Prop39 Consultant expenses	\$ 14,235	F1b	
Total 2014-15 expenses to date	\$ 25,882	F1=F1a+F1b	
15-16 AUES Prop39 Consultant expenses	\$ 1,194	F2a	
15-16 PAHS Prop39 Consultant expenses	\$ 1,460	F2b	
Total 2015-16 expenses to date	\$ 2,654	F2=F2a+F2b	
TOTAL 2014-15 and 2015-16 Prop 39 expenses to date:	\$ 28,536	= F1+F2	
B. Total Project Costs (per IES) & Estimated timing of future expenses:			
Arena estimated Total Project Costs	\$ 233,607	G1	
PAHS estimated Total Project Costs	\$ 280,910	G2	
	\$ 514,517		
Arena Estimated 16-17 Prop39 Expenses for project costs	\$ 198,311	H1=E1-F1a-F2a	
PAHS Estimated 16-17 Prop39 Expenses for project costs	\$ 190,809	H2=E2-F1b-F2b	
	\$ 389,120		
Amount budgeted to be spent in 2017-18 and 2018-19:	\$ 125,397	= G-H	

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