

2020-2021 Point Arena Schools First Interim Budget

Board Meeting Date: December 16, 2020

Point Arena Schools 2020-2021 First Interim Revenues

		September Update (Sept. 2020)	First Interim (Dec. 2020)	Variance
Revenues				
	Taxes	6,561,097	6,653,586	92,489
	Charter Cash in Lieu	(593,011)	(563,073)	29,938
	LCFF/EPA	777,113	777,113	-
	Federal Revenue	846,462	859,462	13,000
	State Revenue	619,472	616,921	(2,551)
	Local Revenue	387,833	387,833	-
	Transfers In	21,327	21,327	-
	Total Revenues	8,620,293	8,753,170	132,876

+1.54%

Variance Explanations (First Interim vs. Sept. Budget Update):

- Taxes (+1.41%): Net of higher P1 tax projections combined from Mendocino & Sonoma Counties (Mendocino County P1 tax projections were lower than projections (-10k); Sonoma was higher (+102k). Net = (+92k).
- Charter cash-in-lieu (-5.05%): Fee estimated to be lower based on 20-21 First Interim LCFF Calculator (+30k).
- Federal Revenue (+6.40%): Due to added MAA (Medi-Cal Administrative Activities) revenue estimate (+13k).
- State Revenue (+34.29%): Net of Lottery and Mandated Cost revenue estimate updates (-2.5k).

Overall – Total Estimated Revenues increased by ~\$133k (+1.54%) since the September 2020 Budget Update.

**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 2020-2021 First Interim Expenditures

	September Update (Sept. 2020)	First Interim (Dec. 2020)	Variance
Expenses			
Certificated Salaries	2,616,365	2,634,469	18,104
Classified Salaries	1,625,606	1,617,570	(8,036)
Employee Benefits	2,432,032	2,434,130	2,098
Books/Supplies	465,341	474,591	9,250
Services & Operations	929,102	926,890	(2,212)
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	531,464	635,030	103,566
Total Expenses	8,599,910	8,722,680	122,769

+1.43%

Variance Explanations (First Interim vs. Sept. Budget Update):

- Cert. Salaries (+0.7%): Net of additional Certificated settlement effects and position adjustments (+18k).
- Class. Salaries (-0.49%): Net of added temporary librarian hours and position adjustments (-8k).
- Employee Benefits (+0.09%): Budgeted PERS to STRS adjustment for one position (-7k). Remaining fluctuation is in tandem with salary & position changes (+9k).
- Supplies (+2%): added technology related materials and equipment (+9k).
- Services/Ops (-0.24%): 20-21 beginning balance adjustment effects (-2k).
- Transfers Out (+19.49%): Net of Cafeteria position adjustments and higher transfers out to other funds for savings (ie. Deferred Maintenance, Facilities) (+103k).

Overall – Total Estimated Expenses increased by ~\$123k (+1.43%) since the September 2020 Budget Update.

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2020-2021 - ESTIMATED 'Recurring'/'Non-recurring' Detail
(at First Interim)

		2020-2021	2020-2021	2020-2021
		Estimated	Estimated	Est. Non-Recurring
		Budget	Recurring	and Board
Revenues			Activity	Discretionary Activity
Taxes		6,653,586	6,653,586	-
Charter Cash in Lieu		(563,073)	(563,073)	-
LCFF/EPA		777,113	777,113	-
Federal Revenue		859,462	396,791	462,671
State Revenue		616,921	568,955	47,966
Local Revenue		387,833	307,044	80,789
Transfers In		21,327	21,327	-
Total Revenues		8,753,170	8,161,743	591,426
Expenses				
Certificated Salaries		2,634,469	2,634,469	
Classified Salaries		1,617,570	1,610,337	7,233
Employee Benefits		2,434,130	2,427,276	6,854
Books/Supplies		474,591	354,591	120,000
Services & Operations		926,890	906,890	20,000
Capital Outlay		-	-	-
Other Outgo		-	-	-
Transfers Out		635,030	313,716	321,314
Total Expenses		8,722,680	8,247,278	475,401
		c = a + b	a	b
Excess/(Deficit)		30,490	(85,535)	116,025

Recurring Activity column: Includes perceived ongoing revenues (ie. property taxes, Lottery funds, Mandate Block Grant funds, SELPA funds, Impact Aid, Title I, II, and VI funds, etc.), and perceived ongoing expenses (materials & services site budgets, ongoing tech. expenses, ongoing maintenance & transportation expenses, utility costs, ad. fees, data line charges, insurance, expected recurring salaries & benefits, recurring transfers to other funds) (ie. facilities, technology, pupil transportation, and deferred maintenance for future savings, etc.).

Non-recurring Activity column: Includes perceived one-time revenues (ie. CARES Act funds, attendance grant, etc.), perceived non-recurring expenses (ie. temp. positions, one-time grant related costs etc.), and Board discretionary expenses that the Board decides to invest in (ie. transfers out to other funds that may not be expected to recur, etc.).

Note 1: Changes to the 'Recurring' column can happen frequently, and may occur as a result of funding updates out of the district's control, staffing adjustments, overspending or underspending within site and other program budgets such as maintenance, transportation, cafeteria, etc. Also movement between 'Recurring' and 'Non-recurring' can happen if, for example, a perceived one-time expense ends up persisting or vice-versa.

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Point Arena Schools 2020-2021 First Interim and Multi-year Projection

	September Update (Sept. 2020)	First Interim (Dec. 2020)	Multi-Year	
			2021-2022	2022-2023
Revenues				
Taxes	6,561,097	6,653,586	6,686,854	6,720,288
Charter Cash in Lieu	(593,011)	(563,073)	(563,073)	(563,073)
LCFF/EPA	777,113	777,113	777,113	777,113
Federal Revenue	846,462	859,462	396,791	396,791
State Revenue	619,472	616,921	581,955	581,955
Local Revenue	387,833	387,833	324,984	324,984
Transfers In	21,327	21,327	40,013	48,015
Total Revenues	8,620,293	8,753,170	8,244,637	8,286,073
Expenses				
Certificated Salaries	2,616,365	2,634,469	2,727,047	2,769,052
Classified Salaries	1,625,606	1,617,570	1,691,668	1,728,004
Employee Benefits	2,432,032	2,434,130	2,579,928	2,719,888
Books/Supplies	465,341	474,591	354,591	354,591
Services & Operations	929,102	926,890	933,590	933,590
Capital Outlay	-	-	-	-
Other Outgo	-	-	-	-
Transfers Out	531,464	635,030	376,916	321,936
Total Expenses	8,599,910	8,722,680	8,663,740	8,827,062
Excess/(Deficit)	20,383	30,490	(419,104)	(540,989)
Beginning Fund Balance	1,531,378	1,531,378	1,561,868	1,142,764
Ending Fund Balance	1,551,761	1,561,868	1,142,764	601,776

Multi-Year Assumptions:

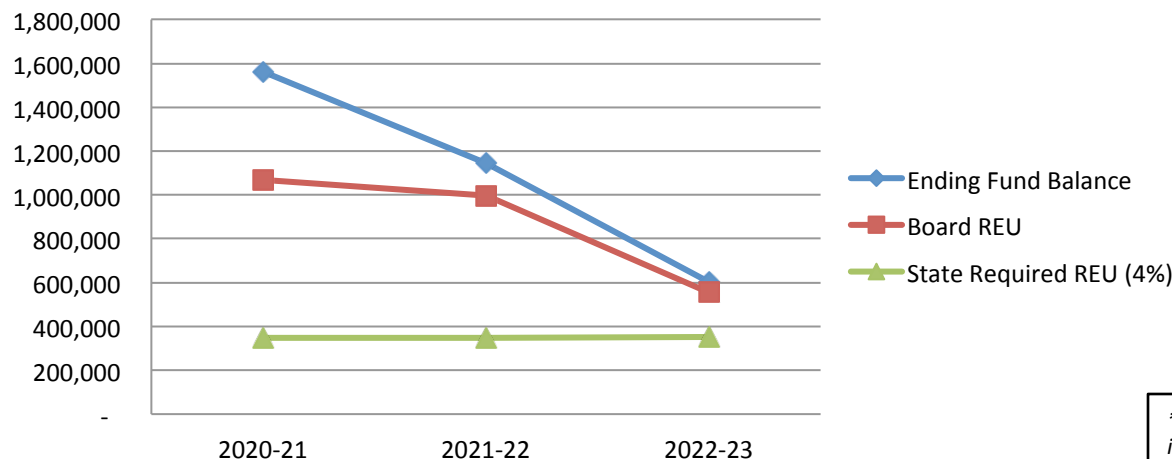
- Taxes: +0.5% estimate year over year.
- LCFF/EPA, State: flat
- Federal: (21-22) less one-time CARES Act funds (-463k).
- State: (21-22) less one-time CARES Act funds (-35k).
- Local: (21-22): less LCSSP Attendance grant (-14k); less CTE MCOE funds (-66k); plus added Mental Health related funds (+17k).
- Transfers In: adjusted based on OPEB estimates.
- Salaries: plus step increases; estimated staffing adjustments.
- Benefits: in tandem with estimated salary changes, plus future STRS and PERS projected increases.
- Books/Supplies: less one-time CARES Act related expenses (-120k).
- Service/Ops (21-22): added higher NTN fee (+27k); less other district aide support (-20k).
- Transfers Out: Net of estimated salary & benefit changes in other funds (PreK, Café) (21-22: +15k) (22-23: +18k); less estimated transfers out for set-asides in order to maintain adequate reserves (21-22: -273k) (22-23: -73k).

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Point Arena Schools 2020-2021 First Interim & MYP Ending Fund Balance

	September Update (Sept. 2020)	First Interim (Dec. 2020)	Multi-Year	
<i>Components of Ending Fund Balance:</i>			2021-2022	2022-2023
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	89,060	87,659	68,057	45,202
Board Reserve-Economic Uncertainty	1,000,000	1,070,000	997,379	553,424
Lottery funds Reserve	85,083	84,178	74,178	-
MAA GF Reserve	52,839	75,502	-	-
Legal Reserve	160,815	120,690	-	-
Maintenance/Transportation GF Reserve	160,815	120,690	-	-
Other Assigned Reserves	-	-	-	-
Unassigned/Other	0	(0)	0	0
	1,551,761	1,561,868	1,142,764	601,776

Ending Fund Balance



Board REU

2020-21 = \$1,070,000 (12%)
 2021-22 = \$997,379 (12%)
 2022-23 = \$553,424 (6%)

State Required REU (4%)

2020-21 = \$348,907
 2021-22 = \$346,550
 2022-23 = \$353,082

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2020-2021 Projected Reserves at First Interim

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.

		2020-21	2021-22	2022-23
Total General Fund Expenditures & Other Uses		\$ 8,722,680	\$ 8,663,740	\$ 8,827,062
Minimum Reserve requirement	4%	\$ 348,907	\$ 346,550	\$ 353,082
General Fund Combined Ending Fund Balance		\$ 1,561,868	\$ 1,142,764	\$ 601,776
Special Reserve Fund Ending Fund Balance		\$ 234,606	\$ 244,606	\$ 244,606
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 87,659	\$ 68,057	\$ 45,202
Committed		\$ -	\$ -	\$ -
Assigned		\$ 635,666	\$ 318,785	\$ 244,606
Reserve for economic uncertainties		\$ 1,070,000	\$ 997,379	\$ 553,424
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,705,666	\$ 1,316,164	\$ 798,030
Total Components of ending balance		\$ 1,796,474	\$ 1,387,371	\$ 846,382
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,356,759	\$ 969,614	\$ 444,948

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 2020-21 projected reserve is greater than the 4% minimum including, but not limited to, the following reasons:

- Fund 01: Reserve for Economic Uncertainty	\$1,070,000
- Fund 01: Lottery Funds Reserve	\$84,178
- Fund 01: MAA General Fund Reserve	\$75,502
- Fund 01: Maintenance & Transportation GF Reserve	\$120,690
- Fund 01: Legal Reserve	\$120,690
- Fund 17: STRS, PERS, and H&W Special Reserve Fund Reserve	\$100,500
- Fund 17: Technology Reserve	\$134,106
	\$0

Total of Substantiated Needs \$1,705,665.77

Remaining Unsubstantiated Balance **\$0.00**

December 16, 2020
Board Meeting

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Point Arena Schools Fund 17 Activity at 2020-21 First Interim

FUND 17		2020-21	2020-21	
TECHNOLOGY AND STRS & PERS		September	First	
		Update	Interim	<i>Variance</i>
Beginning Balance - Technology		90,101	93,706	3,605
Beginning Balance - STRS & PERS		100,500	100,500	-
Total Beginning Balance		190,601	194,206	3,605
Revenues				
Interest		400	400	-
Transfers In - for Technology		40,000	40,000	-
Transfers In - for STRS & PERS		-	-	-
Total Budgeted Revenues		40,400	40,400	-
Expenses				
none budgeted		-	-	-
Total Budgeted Expenses		-	-	-
Budgeted Excess/(Deficit)		40,400	40,400	-
Ending Fund Balance - Technology		130,501	134,106	3,605
Ending Fund Balance - STRS & PERS		100,500	100,500	-

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Other Considerations

- One-time CARES Act related funds have a large positive impact on the current year 2020-2021 budget.
- Property tax revenues fluctuate throughout the year – we receive property tax updates from both Mendocino & Sonoma Counties at P1 (Fall), P2 (Spring), and Final (Summer).
- Unknown if the type and amount of certain fees will be recurring, which could change current and future year estimates: transfers to other funds (ie. FD 17 – technology; FDs 14/43 – Deferred Maintenance; FD 40 – Facility; FD 15 – Pupil Transportation, etc.).

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