

2020-2021 Point Arena Schools Second Interim Budget

Board Meeting Date: March 10, 2021

Point Arena Schools 2020-2021 Second Interim Revenues

		First Interim (Dec. 2020)	Second Interim (Mar. 2021)	Variance
Revenues				
	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	859,462	-
	State Revenue	616,921	616,921	-
	Local Revenue	387,833	383,117	(4,716)
	Transfers In	21,327	21,327	-
	Total Revenues	8,753,170	8,748,453	(4,716)

-0.05%

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

- Local Revenue (-1.2%): Added one-time SELPA Mental Health funds (+7.5k); Less athletic fees and other miscellaneous revenue (-12k).

Overall – Total Estimated Revenues decreased by ~\$5k (-0.05%) since the First Interim Budget Update in December 2020.

**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 Second Interim Expenditures

		First	Second	
		Interim	Interim	
		(Dec. 2020)	(Mar. 2021)	Variance
Expenses				
	Certificated Salaries	2,634,469	2,575,754	(58,715)
	Classified Salaries	1,617,570	1,546,874	(70,696)
	Employee Benefits	2,434,130	2,423,125	(11,005)
	Books/Supplies	474,591	529,225	54,634
	Services & Operations	926,890	823,283	(103,607)
	Capital Outlay	-	-	-
	Other Outgo	-	-	-
	Transfers Out	635,030	785,426	150,396
	Total Expenses	8,722,680	8,683,686	(38,993)

-0.5%

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

- Cert. Salaries (-2.2%): Less estimated add'l duty and substitute duty primarily related to COVID-19 impacts, including athletics (-14k), sub time (-31k), class advisor stipends (-6k), after school homework club (-7k).
- Class. Salaries (-4.37%): Less estimated add'l duty and substitute duty primarily related to COVID-19 impacts, including athletics (-33k), sub time (-23k), after school program add'l duty(-21k), other position changes and misc. (-7k).
- Employee Benefits (-0.45%): Budgeted health & welfare estimate update for three positions (+4k). Remaining fluctuation is in tandem with salary & position changes (-15k).
- Supplies (+11.5%): Net of lower materials & supplies budgeted with higher equipment budgeted, including additional tech. devices (+45k); other CARES Act related purchases such as air filtration and PPE equipment (+9k).
- Services/Ops (-11.2%): Less athletic related services & fees (-36k), certain utilities and repairs trending lower (-12k), est. lower legal (-16k), less travel/conferences (-16k), less SPED related (-3k), less general fund maintenance & custodial services (-11k); other misc. (-9k).
- Transfers Out (+23.68%): Cafeteria position adjustments and lower Cafeteria revenue projections (+22k); and higher transfers out to other funds for savings (ie. Deferred Maintenance, Facilities, Pupil Transportation) (+128k).

Overall – Total Estimated Expenses decreased by ~\$39k (-0.5%) since the First Interim Budget Update in December 2020.

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

	2020-2021 Estimated Budget	2020-2021 Estimated Recurring Activity	2020-2021 Est. Non-Recurring and Board Discretionary Activity
Revenues			
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	383,117	294,828	88,289
Transfers In	21,327	21,327	-
Total Revenues	8,748,453	8,149,527	598,926
Expenses			
Certificated Salaries	2,575,754	2,575,754	
Classified Salaries	1,546,874	1,539,641	7,233
Employee Benefits	2,423,125	2,416,271	6,854
Books/Supplies	529,225	371,225	158,000
Services & Operations	823,283	823,283	-
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	785,426	464,112	321,314
Total Expenses	8,683,686	8,190,285	493,401
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Excess/(Deficit)	64,767	(40,758)	105,525

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 Second Interim and Multi-year Projection

	First	Second	Multi-Year	
	Interim (Dec. 2020)	Interim (Mar. 2021)	2021-2022	2022-2023
Revenues				
Taxes	6,653,586	6,653,586	6,736,756	6,820,965
Charter Cash in Lieu	(563,073)	(563,073)	(563,073)	(563,073)
LCFF/EPA	777,113	777,113	777,113	777,113
Federal Revenue	859,462	859,462	857,873	396,791
State Revenue	616,921	616,921	581,955	581,955
Local Revenue	387,833	383,117	325,184	325,184
Transfers In	21,327	21,327	-	16,005
Total Revenues	8,753,170	8,748,453	8,715,808	8,354,940
Expenses				
Certificated Salaries	2,634,469	2,575,754	2,740,893	2,783,311
Classified Salaries	1,617,570	1,546,874	1,724,547	1,762,055
Employee Benefits	2,434,130	2,423,125	2,573,120	2,722,629
Books/Supplies	474,591	529,225	431,225	371,225
Services & Operations	926,890	823,283	925,983	925,983
Capital Outlay	-	-	217,720	-
Other Outgo	-	-	-	-
Transfers Out	635,030	785,426	380,673	297,416
Total Expenses	8,722,680	8,683,686	8,994,160	8,862,619
Excess/(Deficit)	30,490	64,767	(278,352)	(507,678)
Beginning Fund Balance	1,531,378	1,531,378	1,596,145	1,317,793
Ending Fund Balance	1,561,868	1,596,145	1,317,793	810,115

Multi-Year Assumptions:

- Taxes: +1.25% estimate year over year.
- LCFF/EPA, State: flat
- Federal: (21-22) --> less one-time CARES Act funds (-\$463k); plus one-time CARES Act ESSER II estimate (+461k). (22-23) --> less one-time ESSER II estimate (-461k).
- State: (21-22) less CARES Act funds (-35k).
- Local: (21-22): less LCSSP Attendance grant (-14k); less CTE MCOE funds (-67k); plus added Mental Health related funds (+18k); add back athletic fees and est. misc. donations (+12.5k); less one-time SELPA MH funds (-7.5k).
- 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 est. CARES Act related expenses (-135k); less higher ASES materials budget in 20-21 (-23k).
- Service/Ops (21-22): higher NTN fee (+27k); add back athletic fees (+36k); add back est. travel (+10k); add back est. higher instructional, maintenance & transportation svcs (+20k); other misc. (+10k).
- Capital Outlay: Add portion of facilities est. to be paid with CARES Act funds (+217k).
- Transfers Out: Net of estimated salary & benefit changes in other funds (PreK, Café); less estimated transfers out for set-asides in order to maintain adequate reserves.

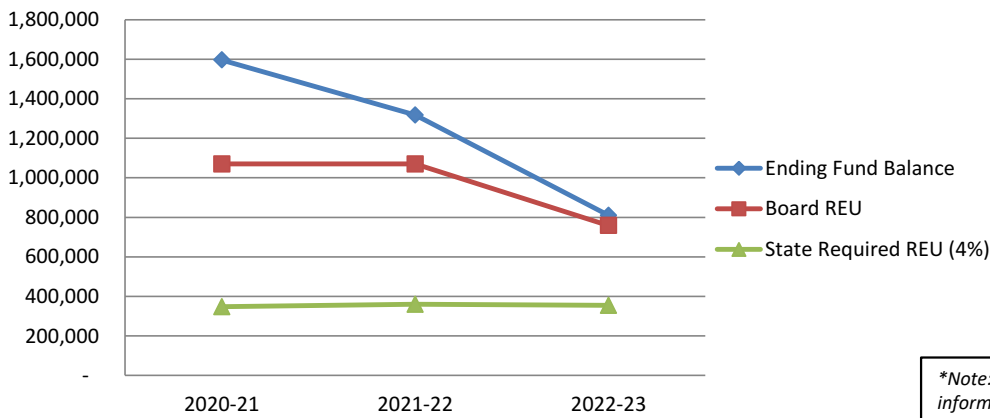
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Point Arena Schools 2020-2021 Second Interim & MYP Ending Fund Balance

	First Interim (Dec. 2020)	Second Interim (Mar. 2021)	Multi-Year	
			2021-2022	2022-2023
<i>Components of Ending Fund Balance:</i>				
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	87,659	71,938	63,567	48,150
Board Reserve-Economic Uncertainty	1,070,000	1,070,000	1,070,000	758,816
Lottery funds Reserve	84,178	89,678	79,678	-
MAA GF Reserve	75,502	75,502	40,502	-
Legal Reserve	120,690	142,939	30,448	-
Maintenance/Transportation GF Reserve	120,690	142,939	30,448	-
Other Assigned Reserves	-	-	-	-
Unassigned/Other	(0)	0	0	(0)
	1,561,868	1,596,145	1,317,793	810,115

Ending Fund Balance



Board REU

2020-21 = \$1,070,000 (12%)
 2021-22 = \$1,070,000 (12%)
 2022-23 = \$758,816 (9%)

State Required REU (4%)

2020-21 = \$347,347
 2021-22 = \$359,766
 2022-23 = \$354,505

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2020-2021 Projected Reserves at Second 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		\$ 8,683,686	\$ 8,994,160	\$ 8,862,619
Minimum Reserve requirement	4%	\$ 347,347	\$ 359,766	\$ 354,505
General Fund Combined Ending Fund Balance		\$ 1,596,145	\$ 1,317,793	\$ 810,115
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		\$ 71,938	\$ 63,567	\$ 48,150
Committed		\$ -	\$ -	\$ -
Assigned		\$ 685,663	\$ 425,683	\$ 244,606
Reserve for economic uncertainties		\$ 1,070,000	\$ 1,070,000	\$ 758,816
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,755,663	\$ 1,495,683	\$ 1,003,422
Total Components of ending balance		\$ 1,830,751	\$ 1,562,400	\$ 1,054,721
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,408,316	\$ 1,135,917	\$ 648,917

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	\$89,678
- Fund 01: MAA General Fund Reserve	\$75,502
- Fund 01: Maintenance & Transportation GF Reserve	\$142,939
- Fund 01: Legal Reserve	\$142,939
- Fund 17: STRS, PERS, and H&W Special Reserve Fund Reserve	\$100,500
- Fund 17: Technology Reserve	\$134,106
	\$0
Total of Substantiated Needs	\$1,755,663
Remaining Unsubstantiated Balance	\$0.00

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

FUND 17		2020-21	2020-21	
TECHNOLOGY AND STRS & PERS		First	Second	
		Interim	Interim	<i>Variance</i>
Beginning Balance - Technology		93,706	93,706	-
Beginning Balance - STRS & PERS		100,500	100,500	-
Total Beginning Balance		194,206	194,206	-
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		134,106	134,106	-
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 and next year's 2021-2022 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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