

2023-2024 Point Arena Schools First Interim Budget

Board Meeting Date: December 13, 2023

Point Arena Schools 2023-2024 First Interim Revenues

		October Update (Oct. 2023)	First Interim (Dec. 2023)	Variance
Revenues				
	Taxes	7,548,853	7,766,500	217,647
	Charter Cash in Lieu	(603,420)	(603,420)	-
	LCFF/EPA	773,419	773,419	-
	Federal Revenue	934,077	954,809	20,732
	State Revenue	671,130	922,877	251,747
	Local Revenue	424,363	425,613	1,250
	Transfers In	63,503	63,503	-
Total Revenues		9,811,925	10,303,301	491,376

+5%

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

- Taxes (+2.88%): Net of higher P1 tax projections combined from Mendocino & Sonoma Counties (Mendocino: +49k; Sonoma (+168k).
- Federal Revenue (+2.22%): added Cafeteria Supply Chain Assistance (SCA) funds (+21k).
- State Revenue (+37.51%): Plus Prop28 revenue (+57k); Plus 23-24 ELO-P (+191k); Arts/Music/Instructional Materials/Discretionary Block Grant (+4k).
- Local Revenue (+0.3%): updated Beginning Teacher Program (BTSA) estimates (+1k).

Overall – Total Estimated Revenues increased by ~\$491k (5%) since the October 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 2023-2024 First Interim Expenditures

	October Update (Oct. 2023)	First Interim (Dec. 2023)	Variance
Expenses			
Certificated Salaries	3,001,309	3,005,559	4,250
Classified Salaries	2,061,583	2,067,410	5,828
Employee Benefits	2,925,304	2,928,593	3,290
Books/Supplies	646,587	761,248	114,662
Services & Operations	1,215,727	1,333,927	118,200
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	409,487	479,487	70,000
Total Expenses	10,259,996	10,576,225	316,229

+3.08%

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

- Certificated Salaries (+0.14%): Stipend adjustments (+4k).
- Classified Salaries (+0.28%): Employee and position updates, & stipend adjustments (+6k).
- Employee Benefits (+0.11%): Fluctuation is in tandem with salary and position changes (+3k).
- Supplies (+17.73%): Higher budgeted curricula (+46k), Prop28 related arts & music expenditures (+38k), added Cafeteria SCA related expenses (+21k), other instructional materials (+10k).
- Services/Ops (+9.72%): Prop28 related arts & music expenditures (+19k), higher budgeted trainings including Social Emotional Learning (SEL) related (+10k), updated Beginning Teacher Program (BTSA) (+11k), Mental Health services (+10k), Virtual Tutoring Carnegie Learning services (+10k), higher utilities estimate (+33k), increased internet & phone estimates (+12k), other instructional services (+10k), other misc. (+3k).
- Transfers Out (+17%): Added transfers out for savings to FD43 (deferred maintenance) and FD15 (pupil transportation) (+70k).

Overall – Total Estimated Expenses increased by ~\$316k (+3.08%) since the October Budget Update.

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Point Arena Schools 2023-2024 First Interim and Multi-year Projection

	October Update (Oct. 2023)	First Interim (Dec. 2023)	Multi-Year	
			2024-2025	2025-2026
Revenues				
Taxes	7,548,853	7,766,500	7,960,663	8,159,679
Charter Cash in Lieu	(603,420)	(603,420)	(603,420)	(603,420)
LCFF/EPA	773,419	773,419	773,419	773,419
Federal Revenue	934,077	954,809	414,809	414,809
State Revenue	671,130	922,877	928,650	928,650
Local Revenue	424,363	425,613	415,613	415,613
Transfers In	63,503	63,503	-	-
Total Revenues	9,811,925	10,303,301	9,889,733	10,088,750
Expenses				
Certificated Salaries	3,001,309	3,005,559	3,105,398	3,150,683
Classified Salaries	2,061,583	2,067,410	2,091,380	2,133,814
Employee Benefits	2,925,304	2,928,593	3,014,238	3,054,649
Books/Supplies	646,587	761,248	718,969	617,068
Services & Operations	1,215,727	1,333,927	1,250,431	1,208,331
Capital Outlay	-	-	-	-
Other Outgo	-	-	-	-
Transfers Out	409,487	479,487	255,640	270,884
Total Expenses	10,259,996	10,576,225	10,436,056	10,435,429
Excess/(Deficit)	(448,071)	(272,924)	(546,322)	(346,679)
Beginning Fund Balance	2,722,022	2,722,022	2,449,098	1,902,776
Ending Fund Balance	2,273,951	2,449,098	1,902,776	1,556,097

Multi-Year Assumptions:

- Taxes: +2.5% estimate year over year.
- LCFF/EPA, State: flat
- Federal: (24-25) → less ESSER III funds (-365k), less CSI funds (-150k), less SCA funds (-21k), and less ARP Homeless Youth funds (-4k).
- State: (24-25) → less AMIM BG (-4), plus estimated higher CTEIG (+10k).
- Local: (24-25) → less MCOE SEL grant (-10k).
- Transfer In: (24-25) → less FD17 tech. trsfrs in.
- Cert. Salaries: (24-25 and 25-26) → position adjustments & estimated step increase (~2%).
- Class. Salaries: (24-25 and 25-26) → position adjustments & estimated step increase (~3%).
- Benefits: in tandem with estimated salary changes, plus future STRS and PERS projected updates.
- Books/Supplies: (24-25) → less est. one-time tech. (-32k), less SCA related (-21k), less ARP Homeless Youth related (-4k), +2% for inflation; (25-26) → less Kitchen Infrastructure Grant related (-114k), +2% for inflation.
- Service/Ops: (24-25) → less est. one-time tech. & Carnegie Learning related (-134k), plus 2% for inflation; (25-26) → less est. partial ELO-P & external SPED (-99k), plus 2% for inflation.
- Transfers Out: Net of estimated salary & benefit changes in other funds (PreK, Cafeteria); less estimated transfers out for set-asides in order to maintain adequate reserves.

Note: There are a significant amount of perceived one-time funds that is elevating revenue in the current 2023-24 year, including ESSER funds (365k) and CSI funds (150k). Therefore, at this time, overall revenue is projected to drop in 2024-25 and 2025-26 relative to 2023-24, which is contributing to the estimated continuing deficits. It is imperative that we carefully monitor expenditures as we adjust to operating without these one-time funds.

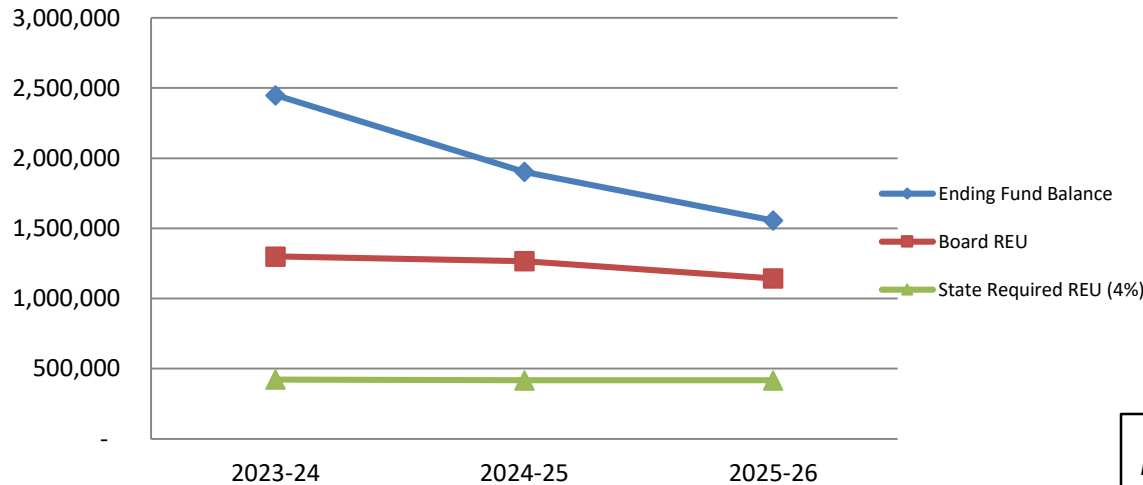
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Point Arena Schools 2023-2024 First Interim & MYP Ending Fund Balance

	October Update (Oct. 2023)	First Interim (Dec. 2023)	Multi-Year	
			2024-2025	2025-2026
<i>Components of Ending Fund Balance:</i>				
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	762,179	874,954	537,427	349,048
Board Reserve-Economic Uncertainty	1,200,000	1,300,000	1,266,410	1,143,110
Lottery funds Reserve	61,804	55,844	45,844	35,844
MAA GF Reserve	64,548	69,945	49,945	24,945
Legal Reserve	91,135	72,603		
Maintenance/Transportation GF Reserve	91,135	72,603		
Other Assigned Reserves	-	-	-	-
Unassigned/Other	0	(0)	(0)	0
	2,273,951	2,449,098	1,902,776	1,556,097

Ending Fund Balance



Board REU
 2023-24 = \$1,300,000 (12%)
 2024-25 = \$1,266,410 (12%)
 2025-26 = \$1,143,110 (11%)

State Required REU (4%)
 2023-24 = \$423,049
 2024-25 = \$417,442
 2025-26 = \$417,417

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2023-2024 Projected Reserves at First Interim

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

District: Arena Union Elementary / Point Arena Joint Union High

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.

		2023-24	2024-25	2025-26
Total General Fund Expenditures & Other Uses		\$ 10,576,225	\$ 10,436,056	\$ 10,435,429
Minimum Reserve requirement	4%	\$ 423,049	\$ 417,442	\$ 417,417
General Fund Combined Ending Fund Balance		\$ 2,449,098	\$ 1,902,776	\$ 1,556,097
Special Reserve Fund Ending Fund Balance		\$ 267,259	\$ 267,259	\$ 267,259
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 874,954	\$ 537,427	\$ 349,048
Committed		\$ -	\$ -	\$ -
Assigned		\$ 538,253	\$ 363,048	\$ 328,048
Reserve for economic uncertainties		\$ 1,300,000	\$ 1,266,410	\$ 1,143,110
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,838,253	\$ 1,629,458	\$ 1,471,157
Total Components of ending balance		\$ 2,716,357	\$ 2,170,035	\$ 1,823,356
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,415,204	\$ 1,212,016	\$ 1,053,740

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 2022-23 projected reserve is greater than the 4% minimum including, but not limited to, the following reasons:

- Fund 01: Reserve for Economic Uncertainty	\$ 1,300,000
- Fund 01: Lottery Funds Reserve	55,844
- Fund 01: MAA General Fund Reserve	69,945
- Fund 01: Maintenance & Transportation GF Reserve	72,603
- Fund 01: Legal Reserve	72,603
- Fund 17: STRS, PERS, and H&W Special Reserve Fund Reserve	100,500
- Fund 17: Technology Reserve	166,759
	\$0
<i>Total of Substantiated Needs</i>	
	\$ 1,838,254
Remaining Unsubstantiated Balance	
	\$ (0)

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Point Arena Schools Fund 17 Activity at 2023-24 First Interim

FUND 17		2023-24	2023-24	
TECHNOLOGY AND STRS & PERS		October	First	
		Update	Interim	<i>Variance</i>
Beginning Balance - Technology		193,996	199,462	5,466
Beginning Balance - STRS & PERS		100,500	100,500	-
Total Beginning Balance		294,496	299,962	5,466
Revenues				
Interest		800	800	-
Transfers In - for Technology		30,000	30,000	-
Transfers In - for STRS & PERS		-	-	-
Total Budgeted Revenues		30,800	30,800	-
Expenses				
Student Chromebooks		21,076	21,076	
Digital Media iMacs		10,428	10,428	
Tech. Virtual Tutoring (partial)		32,000	32,000	
Total Budgeted Expenses		63,503	63,503	-
Budgeted Excess/(Deficit)		(32,703)	(32,703)	-
Ending Fund Balance - Technology		161,293	166,759	5,466
Ending Fund Balance - STRS & PERS		100,500	100,500	-

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Other Considerations

- There are a significant amount of perceived one-time funds that is elevating revenue in the current 2023-24 year, including ESSER funds (365k) and CSI funds (150k). Therefore, at this time, overall revenue is projected to drop in 2024-25 and 2025-26 relative to 2023-24, which is contributing to the estimated continuing deficits. It is imperative that we carefully monitor expenditures as we adjust to operating without these one-time funds.
- Property tax revenues fluctuate throughout the year – we receive property tax updates from both Mendocino and Sonoma Counties at P-1 (Fall), P-2 (Spring), and Final (Summer).
- Unknown if the type and amount of certain fees will be recurring, which could change current & 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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