

2023-2024 Point Arena Schools Second Interim Budget

Board Meeting Date: March 13, 2024

Point Arena Schools 2023-2024 Second Interim Revenues

		First	Second	
		Interim	Interim	
		(Dec. 2023)	(Mar. 2024)	Variance
Revenues				
	Taxes	7,766,500	7,766,500	-
	Charter Cash in Lieu	(603,420)	(603,420)	-
	LCFF/EPA	773,419	773,419	-
	Federal Revenue	954,809	950,956	(3,854)
	State Revenue	922,877	938,221	15,344
	Local Revenue	425,613	447,360	21,747
	Transfers In	63,503	43,503	(20,000)
Total Revenues		10,303,301	10,316,539	13,237

+0.128%

Variance Explanations (Second Interim vs. First Interim):

- Federal Revenue (-0.4%): Homeless Youth funds updated based on prior year spending (-4k).
- State Revenue (+1.7%): added Mental Health related funds (+15k).
- Local Revenue (+5.1%): added Medi-Cal revenue received (+22k).
- Transfers In (-31.5%): less transfers in from FD17 for tech. items due to utilization of other restricted FD01 sources.

Overall – Total Estimated Revenues increased by ~\$13k (0.128%) since the First Interim 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 Second Interim Expenditures

		First Interim (Dec. 2023)	Second Interim (Mar. 2024)	Variance
Expenses				
	Certificated Salaries	3,005,559	2,963,339	(42,219)
	Classified Salaries	2,067,410	2,072,437	5,026
	Employee Benefits	2,928,593	2,920,348	(8,245)
	Books/Supplies	761,248	745,820	(15,428)
	Services & Operations	1,333,927	1,342,879	8,952
	Capital Outlay	-	-	-
	Other Outgo	-	-	-
	Transfers Out	479,487	479,487	-
	Total Expenses	10,576,225	10,524,311	(51,914)

-0.49%

Variance Explanations (Second Interim vs. First Interim):

- Certificated Salaries (-1.4%): Less partial year Mental Health Counselor (-34k); and other employee mid-year updates (-8k).
- Classified Salaries (+0.24%): Added ELD Paraeducator hours (+5k); and other employee mid-year updates (net to \$0).
- Employee Benefits (-0.28%): Fluctuation is in tandem with salary and position changes (-8k).
- Supplies (-2.03%): Primarily due to year-to-date activity where some restricted dollars originally earmarked toward supplies were shifted to services and salaries/benefits (-11k); ARP Homeless Youth expenses reduced to match revenue (-4k).
- Services/Ops (+0.67%): Primarily due to year-to-date activity where some restricted dollars originally earmarked toward supplies were shifted to services (+9k).

Overall – Total Estimated Expenses decreased by ~\$52k (-0.49%) since the First Interim Budget Update.

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

	First Interim (Dec. 2022)	Second Interim (Mar. 2023)	Multi-Year	
			2024-2025	2025-2026
Revenues				
Taxes	7,766,500	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	954,809	950,956	415,096	415,096
State Revenue	922,877	938,221	943,994	943,994
Local Revenue	425,613	447,360	437,360	437,360
Transfers In	63,503	43,503	-	-
Total Revenues	10,303,301	10,316,539	9,927,112	10,126,128
Expenses				
Certificated Salaries	3,005,559	2,963,339	3,048,596	3,092,767
Classified Salaries	2,067,410	2,072,437	2,075,859	2,118,408
Employee Benefits	2,928,593	2,920,348	2,995,653	3,037,739
Books/Supplies	761,248	745,820	707,457	605,326
Services & Operations	1,333,927	1,342,879	1,259,562	1,228,654
Capital Outlay	-	-	-	-
Other Outgo	-	-	-	-
Transfers Out	479,487	479,487	381,820	333,293
Total Expenses	10,576,225	10,524,311	10,468,949	10,416,185
Excess/(Deficit)	(272,924)	(207,772)	(541,837)	(290,057)
Beginning Fund Balance	2,722,022	2,722,022	2,514,250	1,972,413
Ending Fund Balance	2,449,098	2,514,250	1,972,413	1,682,357

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).
- State: (24-25) → less AMIM BG (-4k), 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), +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 (-108k), plus 2% for inflation; (25-26) → less est. external SPED (-55k), 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.

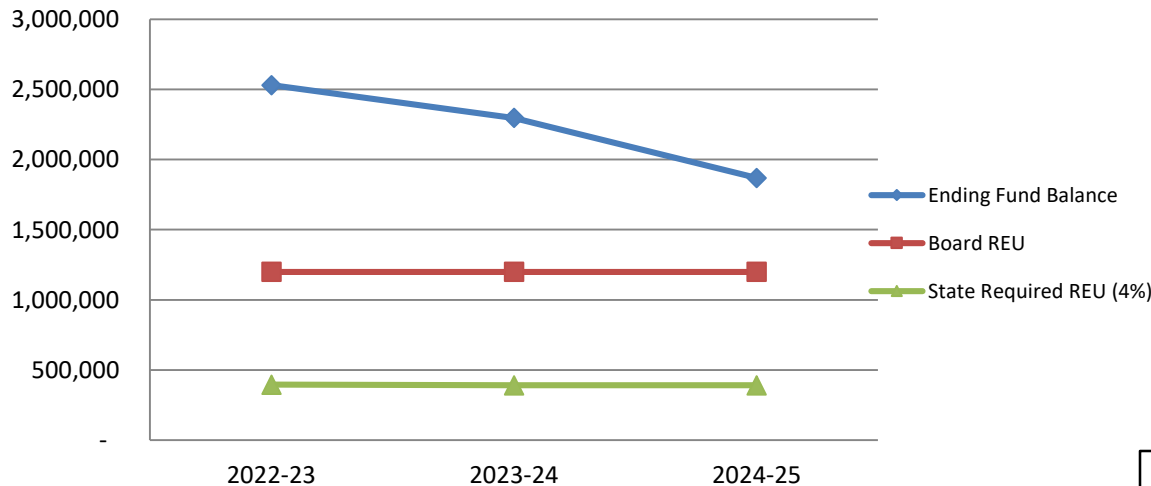
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Point Arena Schools 2023-2024 Second Interim & MYP Ending Fund Balance

	First	Second	Multi-Year	
	Interim (Dec. 2022)	Interim (Mar. 2023)	2024-2025	2025-2026
<i>Components of Ending Fund Balance:</i>				
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	874,954	912,045	586,952.22	416,094.76
Board Reserve-Economic Uncertainty	1,300,000	1,300,000	1,300,000	1,227,268
Lottery funds Reserve	55,844	55,844	45,844	35,844
MAA GF Reserve	69,945	73,024	36,467	-
Legal Reserve	72,603	85,094		
Maintenance/Transportation GF Reserve	72,603	85,094		
Other Assigned Reserves	-	-	-	-
Unassigned/Other	0	0	0.00	0.00
	2,449,098	2,514,250	1,972,413	1,682,357

Ending Fund Balance



Board REU

2023-24 = \$1,300,000 (12%)
 2024-25 = \$1,300,000 (12%)
 2025-26 = \$1,227,268 (12%)

State Required REU (4%)

2023-24 = \$420,972
 2024-25 = \$418,758
 2025-26 = \$416,647

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2023-2024 Projected Reserves at Second 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		\$ 10,524,311	\$ 10,430,707	\$ 10,296,986
Minimum Reserve requirement	4%	\$ 420,972	\$ 417,228	\$ 411,879
General Fund Combined Ending Fund Balance		\$ 2,514,250	\$ 2,010,655	\$ 1,839,798
Special Reserve Fund Ending Fund Balance		\$ 287,259	\$ 287,259	\$ 287,259
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 912,045	\$ 586,952	\$ 416,095
Committed		\$ -	\$ -	\$ -
Assigned		\$ 586,314	\$ 407,812	\$ 480,544
Reserve for economic uncertainties		\$ 1,300,000	\$ 1,300,000	\$ 1,227,268
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,886,314	\$ 1,707,812	\$ 1,707,812
Total Components of ending balance		\$ 2,801,509	\$ 2,297,914	\$ 2,127,057
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,465,342	\$ 1,290,584	\$ 1,295,933

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 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	73,024
- Fund 01: Maintenance & Transportation GF Reserve	85,094
- Fund 01: Legal Reserve	85,094
- Fund 17: STRS, PERS, and H&W Special Reserve Fund Reserve	100,500
- Fund 17: Technology Reserve	186,759
	\$0
<i>Total of Substantiated Needs</i>	\$ 1,886,314
Remaining Unsubstantiated Balance	\$ 0

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

FUND 17		2023-24	2023-24	
		First	Second	
		Interim	Interim	<i>Variance</i>
Beginning Balance - Technology		199,462	199,462	-
Beginning Balance - STRS & PERS		100,500	100,500	-
Total Beginning Balance		299,962	299,962	-
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 Medial iMacs		10,428	10,428	
Tech. Virtual Tutoring (partial)		32,000	12,000	<i>(20,000)</i>
Total Budgeted Expenses		63,503	43,503	<i>(20,000)</i>
Budgeted Excess/(Deficit)		<i>(32,703)</i>	<i>(12,703)</i>	<i>20,000</i>
Ending Fund Balance - Technology		166,759	186,759	<i>20,000</i>
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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