

Point Arena Schools
2022-2023 Unaudited Actuals
and
2023-2024 October Budget Update

Board Meeting Date: October 11, 2023

2022-23 Point Arena Schools – Unaudited Actuals

	Estimated Budget (at June 2023)	Unaudited Actuals (at Oct. 2023)	Higher than Plan	Lower than Plan	% Change
Revenues					
Taxes	6,800,007	6,960,308	160,301		2.36%
LCFF/EPA	773,419	774,771	1,352		0.17%
Federal Revenue	948,076	1,017,948	69,872		7.37%
State Revenue	1,745,996	1,736,324		(9,672)	-0.55%
Local Revenue	457,052	494,574	37,522		8.21%
Transfers In	-	-			0.00%
Total Revenues	10,724,550	10,983,925	269,047	(9,672)	2.42%
Expenses					
Certificated Salaries	2,976,454	3,014,843	(38,389)		1.29%
Classified Salaries	1,936,076	1,898,074		38,003	-1.96%
Employee Benefits	2,819,685	2,744,776		74,909	-2.66%
Books/Supplies	627,817	691,765	(63,948)		10.19%
Services & Ops	1,217,566	1,348,293	(130,727)		10.74%
Capital Outlay	-	-		-	0.00%
Other Outgo	-	-			0.00%
Transfers Out	336,343	453,495	(117,152)		34.83%
Total Expenses	9,913,942	10,151,245	(350,215)	112,912	2.39%
Excess/(Deficit)	810,609	832,680		(22,072)	
Beginning Fund Balance	1,889,342	1,889,342			
Ending Fund Balance	2,699,951	2,722,022			

REVENUE

Taxes: (+2.36%) (+160k); higher Annual taxes compared to P2 – update from Mendocino & Sonoma Counties.

Federal Rev.: (+7.37%) (+70k); higher Impact Aid funds (+23k); higher ESSER III due to add'l spending (+5k); Title I (+4k); higher CSI due to add'l spending (+28k); higher Homeless Youth (+4k); other misc. (+6k).

State Rev.: (+0.55%) (-10k); lottery funds (+30k); Early Intervention PreK (+20k); higher AMIM grant (+56k); lower LREBG (-76k); lower STRS On-Behalf (-40k) (nets to zero).

Local Rev.: (+8.21%) (+37k); Mental Health (+12k); higher SPED related (+73k); higher interest (+24k); less FMV cash entry-will reverse in 23-24 (-59k); net of other misc. (-1k).

EXPENSES

Salaries: (+0.01%) (+0.3k); net of higher Cert. add'l duty; lower Class. time; and impact of leaves & open positions.

Benefits: (-2.66%) (-75k); lower STRS On-Behalf (-40k); higher SUI rate; impact of mid-year position changes; remaining in tandem with salary movement.

Books/Supplies: (+10.19%) (+64k); net of higher curricula, fuel, janitorial, security, and athletics, and lower other instructional related, maintenance, & misc. supplies.

Service/Ops: (+10.74%) (+130k); higher speech (+30k); nurse (+18k); transportation/maintenance (+25k); instructional related (+38k); utilities (+25k); net of other misc. (-6k).

Transfers Out: (+34.8%) (+117k); lower Cafeteria transfer out (-21k); higher PreK (+8k); higher facility transfers out (+115k); higher deferred maintenance (+5k); and higher tech. (+10k).

2022-23 Education Protection Account Expenditure (EPA) Reporting

EPA - Education Protection Account Funds Spent on Certificated Instructional Salaries at both sites.

AUESD = \$41,256 (01-1400-0-1100-001-1100-1000-0000)

PAJUHS D = \$26,130 (01-1400-0-1100-002-1100-1000-0000)

2022-23 Point Arena Schools – Unaudited Actuals Components of Ending Fund Balance

	Estimated Budget (at June 2023)	Unaudited Actuals (at Oct. 2023)
Revolving Cash	3,150	3,150
Restricted	1,201,406	1,104,111
Economic Uncertainty	1,200,000	1,200,000
Lottery funds Reserve	52,804	68,843
MAA related GF Reserve	108,791	114,188
Legal GF Reserve	66,900	115,865
Maintenance & Transportation GF Reserve	66,900	115,865
Unassigned/Other	(0)	(0)
Ending Fund Balance	2,699,951	2,722,022

2022-2023 Projected Reserves at Unaudited Actuals

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.

		2022-23	2023-24	2024-25
Total General Fund Expenditures & Other Uses		\$ 10,151,245	\$ 10,259,996	\$ 10,235,304
Minimum Reserve requirement	4%	\$ 406,050	\$ 410,400	\$ 409,412
General Fund Combined Ending Fund Balance		\$ 2,722,022	\$ 2,273,951	\$ 1,704,384
Special Reserve Fund Ending Fund Balance		\$ 294,496	\$ 261,793	\$ 281,793
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 1,104,111	\$ 762,179	\$ 484,562
Committed		\$ -	\$ -	\$ -
Assigned		\$ 709,257	\$ 570,415	\$ 363,145
Reserve for economic uncertainties		\$ 1,200,000	\$ 1,200,000	\$ 1,135,321
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,909,257	\$ 1,770,415	\$ 1,498,466
Total Components of ending balance		\$ 3,016,518	\$ 2,535,744	\$ 1,986,177
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,503,207	\$ 1,360,015	\$ 1,089,054

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

- Fund 01: Reserve for Economic Uncertainty	\$1,200,000
- Fund 01: Lottery Funds Reserve	68,843
- Fund 01: MAA General Fund Reserve	114,188
- Fund 01: Maintenance & Transportation GF Reserve	115,865
- Fund 01: Legal Reserve	115,865
- Fund 17: STRS, PERS, and H&W Special Reserve Fund Reserve	\$100,500
- Fund 17: Technology Reserve	\$193,996
	\$0
<i>Total of Substantiated Needs</i>	\$1,909,257
Remaining Unsubstantiated Balance	\$0.00

October 11, 2023
Board Meeting

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Point Arena Schools 2023-2023 Fund 17 – Unaudited Actuals

FUND 17		2022-23	2022-23	
TECHNOLOGY AND STRS & PERS		June	Unaudited	
		Update	Actuals	<i>Variance</i>
Beginning Balance - Technology		155,135	155,135	-
Beginning Balance - STRS & PERS		100,500	100,500	-
Revenues				
	Interest	800	4,327	3,527
	FMV Cash adjustment	-	(5,466)	
	Transfers In - for Technology	30,000	40,000	10,000
	Transfers In - for STRS & PERS	-	-	-
Total Revenues		30,800	38,861	8,061
Expenses				
	None	-	-	
Total Budgeted Expenses		-	-	-
Excess/(Deficit)		30,800	38,861	8,061
Ending Fund Balance - Technology		185,935	193,996	8,061
Ending Fund Balance - STRS & PERS		100,500	100,500	-

2023-24 Point Arena Schools Budget – October Update

	2023-2024	2023-2024	
	June Budget	October	
Revenues	Adoption	Update	Variance
Taxes	6,945,433	6,945,433	-
LCFF/EPA	773,419	773,419	-
Federal Revenue	783,652	934,077	150,425
State Revenue	671,130	671,130	-
Local Revenue	424,363	424,363	-
Transfers In	-	63,503	63,503
Total Revenues	9,597,997	9,811,925	213,928
Expenses			
Certificated Salaries	2,993,105	3,001,309	8,203
Classified Salaries	1,983,538	2,061,583	78,044
Employee Benefits	2,919,504	2,925,304	5,799
Books/Supplies	621,648	646,587	24,939
Services & Ops	1,060,431	1,215,727	155,297
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	417,365	409,487	(7,877)
Total Expenses	9,995,591	10,259,996	264,405
Excess/(Deficit)	(397,594)	(448,071)	
Beginning Fund Balance	2,699,951	2,722,022	
Ending Fund Balance	2,302,356	2,273,951	

REVENUE

- Federal Rev. (+150k): plus one-time HS Comprehensive Support Intervention (CSI) funds.
- Trsfers In (+63k): trsfr in dollars from FD17 to pay for tech. related expenditures - HS Chromebooks, iMacs, and (partial) Carnegie Learning Virtual Tutoring.

EXPENSES

- Cert. Salaries (+8k): step/col. changes for new hires (+47k); plus Independent Study (IS) positions (+69k); Primary & SPED position adj. (-40k); higher budgeted addt'l duty (+37k); Music adj. (-35k); Counselor moved to Classified (-88k); Counselor addt'l duty (+5k); summer school (+5k); est. addt'l tech time (+8k).
- Class. Salaries (+78k): Counselor moved to Classified (+78k); step/col. changes for new hires (-14k); van driver (+10k); net of other addt'l duty adjustments (+4k).
- Benefits (+6k): H&W estimate updates (-20k); salary change effects (+26k).
- Books/Supplies (+25k): added Chromebooks and iMacs (+31k); other misc. (-6k).
- Services/Ops (+155k): plus Carnegie Learning Virtual Tutoring (+100k); added est. Speech (+55k).
- Transfers Out (-8k): Cafeteria employee updates (-3k); net of transfers out to facilities, deferred maintenance, technology, and transportation (-5k).

A contributing factor to the 23-24 –(\$448k) projected deficit is due to budgeted expenditures that are spending down one-time funds where the revenue was recognized in prior years (ie. ELO-P, Educator Effectiveness, AMIM Block Grant, Kitchen Infrastructure Grant, A-G Block Grant, Learning Recovery Emergency Block Grant). Also, we are spending one-time funds, which are not projected to continue, on estimated recurring expenditures, which we may need to adjust in the future.

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2023-24 Point Arena Schools Budget – October Update Multi-Year Projection

	October	Multi-Year	
	2023-2024	2024-2025	2025-2026
Revenues			
Taxes	6,945,433	7,292,705	7,657,340
LCFF/EPA	773,419	773,419	773,419
Federal Revenue	934,077	418,950	418,950
State Revenue	671,130	726,130	726,130
Local Revenue	424,363	424,363	424,363
Transfers In	63,503	-	-
Total Revenues	9,811,925	9,635,567	10,000,202
Expenses			
Certificated Salaries	3,001,309	3,055,078	3,100,363
Classified Salaries	2,061,583	2,146,299	2,190,249
Employee Benefits	2,925,304	3,019,386	3,060,734
Books/Supplies	646,587	649,319	546,025
Services & Ops	1,215,727	1,105,402	1,127,510
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	409,487	256,981	272,225
Total Expenses	10,259,996	10,232,464	10,297,107
Excess/(Deficit)	(448,071)	(596,898)	(296,905)
Beginning Fund Balance	2,722,022	2,273,951	1,677,053
Ending Fund Balance	2,273,951	1,677,053	1,380,149

Multi-Year Assumptions:

REVENUE

- Taxes: +5% estimate in 22-23 and 23-24.
- LCFF/EPA: – Flat
- Federal: – 24-25: less ESSER III funds (RS 3213) (-353k), less ESSER III funds (RS 3214) (-12k), less CSI funds (-150k).
- State: – 24-25: plus est. increase in CTEIG funds (+10k), plus est Prop28 funds that we’re also projected to receive in 23-24, but allocations are not yet announced (+45k).
- Local: - Flat
- Transfers In: - 24-25: less FD17 tech. transfer in

EXPENSES

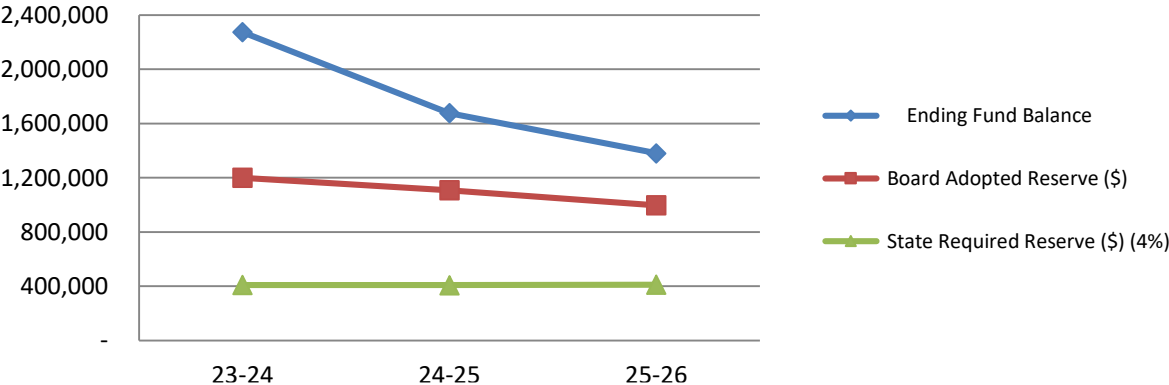
- Salaries: plus step increases; estimated staffing adjustments.
- Benefits: in tandem with salary increases plus future STRS & PERS rate changes.
- Books/Supplies: 24-25: less est. one-time expenditures tied to one-time funds (-10k); 25-26: less one-time Kitchen Infrastructure Grant related expenses (-114k); plus 2% increase year over year.
- Service/Ops: 24-25: less est. one-time expenditures tied to one-time funds (-60k); less (partial) Carnegie Virtual Tutoring (-72k); plus 2% increase year over year.
- Transfers Out: plus salary/benefit increases in other funds (ie. PreK & Cafe) (24-25: +17k, 25-26: +15k); Reduced by budgeted set-asides to retain FD 01 reserves (24-25: -170k).

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2023-24 PA Schools Budget – October Update Projected Components of Ending Fund Balance

	October	Multi-Year	
	2023-2024	2024-2025	2025-2026
Revolving Cash	3,150	3,150	3,150
Restricted	762,179	484,562	313,051
Board Reserve-Economic Uncertainty	1,200,000	1,107,990	997,596
Lottery funds Reserve	61,804	51,804	36,804
MAA GF Reserve	64,548	29,548	29,548
Legal Reserve	91,135	-	-
Maintenance/Transportation GF Reserve	91,135	-	-
Other Assigned Reserves	-	-	-
Unassigned/Other	0.00	0.00	(0.00)
Ending Fund Balance	2,273,951	1,677,053	1,380,149
State Required Reserve (4%)	410,400	409,299	411,884
Board Adopted Reserve (\$)	1,200,000	1,107,990	997,596
<i>Board Reserve %ages</i>	<i>12%</i>	<i>11%</i>	<i>10%</i>

Projected Ending Fund Balance & Reserves Line Graph



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Other Considerations

- Temporary funds have a large positive impact on 2022-23 Unaudited Actuals, and some continue to remain in the 2023-24 October Budget Update (ie. ESSER funds). At this time, the majority of these temporary funds are not expected to persist beyond 2024.
- We begin to see the effect of these funds going away (partially) in 23-24; and then more substantially in 24-25 and 25-26. As a result, we must be prudent and careful with spending.
- 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).

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