

# 2024-2025 Point Arena Schools First Interim Budget

Board Meeting Date: December 11, 2024

## Point Arena Schools 2024-2025 First Interim Revenues

		October Update (Oct. 2024)	First Interim (Dec. 2024)	Variance
<b>Revenues</b>				
	Taxes	8,005,724	8,220,328	214,604
	Charter Cash in Lieu	(603,420)	(646,372)	(42,952)
	LCFF/EPA	772,721	772,721	-
	Federal Revenue	469,236	469,236	-
	State Revenue	911,803	911,803	-
	Local Revenue	521,285	503,491	(17,794)
	Transfers In	70,819	107,036	36,218
	<b>Total Revenues</b>	<b>10,148,168</b>	<b>10,338,243</b>	<b>190,076</b>

**+1.873%**

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

- Taxes (+2.68%): Net of higher P1 tax projections combined from Mendocino & Sonoma Counties (Mendocino: +118k; Sonoma: +97k).
- Charter cash-in-lieu (+7.12%): Higher projected charter cash-in-lieu based on +2% of 23-24 actuals (-43k).
- Local Revenue (-3.4%): primarily due to updated SELPA Extraordinary Cost reimbursement estimates (-18k).
- Transfers In (+51.14%): additional technology related expenditures, therefore we transfer in funds from Fund 17 (+36k).

**Overall** – Total Estimated Revenues increased by ~\$190k (1.873%) 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 2024-2025 First Interim Expenditures

	October Update (Oct. 2024)	First Interim (Dec. 2024)	Variance
<b>Expenses</b>			
Certificated Salaries	2,858,444	2,860,553	2,109
Classified Salaries	2,167,382	2,177,360	9,978
Employee Benefits	2,855,863	2,849,300	(6,563)
Books/Supplies	730,473	816,597	86,123
Services & Operations	1,417,043	1,420,203	3,160
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	273,689	351,142	77,454
<b>Total Expenses</b>	<b>10,302,894</b>	<b>10,475,155</b>	<b>172,261</b>

+1.672%

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

- Certificated Salaries (+0.07%): net of position changes/adjustments (+2k).
- Classified Salaries (+0.46%): net of adding an AUES SPED Para. II, and other position changes/adjustments (+10k).
- Employee Benefits (-0.23%): fluctuation is in tandem with salary and position changes, and benefit changes (-6.5k).
- Supplies (+11.79%): added FD17 technology expenditures (ie. Chromebooks, Macbooks, Activ Panels) (+36k), added Cafeteria Supply Chain Assistance related expenses (+20k), Kitchen Infrastructure Grant expenses that were not spent in the prior year (+34k), and other misc. (-4k).
- Services/Ops (+0.22%): net of educator effectiveness expense adjustment and added CTE related services (+3k).
- Transfers Out (+28.3%): Preschool fund updates (-2.5k); added transfers out for savings to FD43 (deferred maintenance) (+80k).

**Overall** – Total Estimated Expenses increased by ~\$172k (+1.672%) since the October Budget Update.

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# Point Arena Schools 2024-2025 First Interim and Multi-year Projection

	October Update (Oct. 2024)	First Interim (Dec. 2024)	Multi-Year	
			2025-2026	2026-2027
<b>Revenues</b>				
Taxes	8,005,724	8,220,328	8,384,735	8,552,429
Charter Cash in Lieu	(603,420)	(646,372)	(659,299)	(672,485)
LCFF/EPA	772,721	772,721	772,721	772,721
Federal Revenue	469,236	469,236	469,236	469,236
State Revenue	911,803	911,803	911,803	911,803
Local Revenue	521,285	503,491	369,816	369,816
Transfers In	70,819	107,036	-	-
<b>Total Revenues</b>	<b>10,148,168</b>	<b>10,338,243</b>	<b>10,249,011</b>	<b>10,403,520</b>
<b>Expenses</b>				
Certificated Salaries	2,858,444	2,860,553	2,923,364	2,967,448
Classified Salaries	2,167,382	2,177,360	2,232,922	2,278,458
Employee Benefits	2,855,863	2,849,300	2,914,016	2,944,261
Books/Supplies	730,473	816,597	636,233	648,958
Services & Operations	1,417,043	1,420,203	1,448,607	1,477,579
Capital Outlay	-	-	-	-
Other Outgo	-	-	-	-
Transfers Out	273,689	351,142	372,725	387,522
<b>Total Expenses</b>	<b>10,302,894</b>	<b>10,475,155</b>	<b>10,527,867</b>	<b>10,704,226</b>
<b>Excess/(Deficit)</b>	<b>(154,726)</b>	<b>(136,911)</b>	<b>(278,856)</b>	<b>(300,706)</b>
<b>Beginning Fund Balance</b>	<b>2,681,424</b>	<b>2,681,424</b>	<b>2,544,512</b>	<b>2,265,657</b>
<b>Ending Fund Balance</b>	<b>2,526,697</b>	<b>2,544,512</b>	<b>2,265,657</b>	<b>1,964,950</b>

## Multi-Year Assumptions:

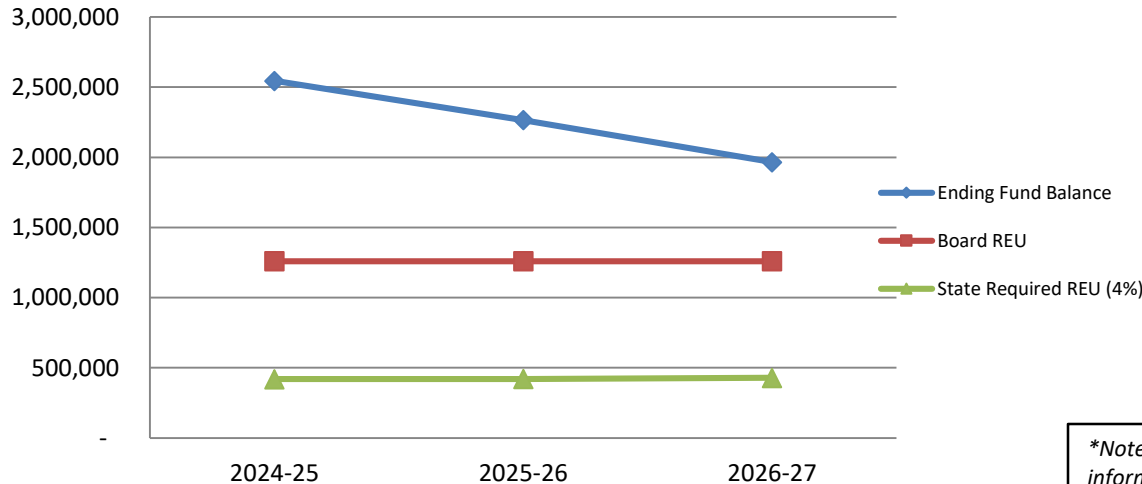
- Taxes: +2% estimate year over year.
- Charter cash-in-lieu: +2% est. year over year.
- LCFF/EPA, State: Flat
- Federal: Flat
- State: Flat
- Local: (25-26) → less MCOE SEL grant (-25k), and less one-time SIGNAL return of net equity (-109k).
- Transfer In: estimate at zero
- Cert. Salaries: (25-26 and 26-27) → position adjustments & estimated step increase (~2%).
- Class. Salaries: (25-26 and 26-27) → position adjustments & estimated step increase (~3%).
- Benefits: in tandem with estimated salary changes, plus future STRS and PERS projected updates.
- Books/Supplies: (25-26) → less est. FD17 related tech. (-102k), less Kitchen Infrastructure Grant related (-91k), +2% for inflation; (26-27) → +2% for inflation.
- Service/Ops: plus 2% year over year.
- Transfers Out: plus estimated salary & benefit changes in other funds (Preschool, Cafeteria).

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# Point Arena Schools 2024-2025 First Interim & MYP Ending Fund Balance

	October Update (Oct. 2024)	First Interim (Dec. 2024)	Multi-Year	
			2025-2026	2026-2027
<i>Components of Ending Fund Balance:</i>				
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	585,217	608,466	414,538	363,149
Board Reserve-Economic Uncertainty	1,260,000	1,260,000	1,260,000	1,260,000
Lottery funds Reserve	45,210	55,233	55,233	55,233
MAA GF Reserve	62,724	66,464	66,464	66,464
Legal Reserve	285,199	275,600	233,136	108,477
Maintenance/Transportation GF Reserve	285,199	275,600	233,136	108,477
Other Assigned Reserves	-	-	-	-
Unassigned/Other	0	(0)	0	0
	2,526,697	2,544,512	2,265,657	1,964,950

## Ending Fund Balance



### Board REU

2024-25 = \$1,260,000 (12%)  
 2025-26 = \$1,260,000 (12%)  
 2026-27 = \$1,260,000 (12%)

### State Required REU (4%)

2024-25 = \$419,006  
 2025-26 = \$421,115  
 2026-27 = \$428,169

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## 2024-2025 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.

		2024-25	2025-26	2026-27
Total General Fund Expenditures & Other Uses		\$ 10,475,155	\$ 10,527,867	\$ 10,704,226
Minimum Reserve requirement	4%	\$ 419,006	\$ 421,115	\$ 428,169
General Fund Combined Ending Fund Balance		\$ 2,544,512	\$ 2,265,657	\$ 1,964,950
Special Reserve Fund Ending Fund Balance		\$ 278,931	\$ 278,931	\$ 278,931
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 608,466	\$ 537,427	\$ 349,048
Committed		\$ -	\$ -	\$ -
Assigned		\$ 951,828	\$ 737,601	\$ 748,573
Reserve for economic uncertainties		\$ 1,260,000	\$ 1,266,410	\$ 1,143,110
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 2,211,828	\$ 2,004,011	\$ 1,891,683
Total Components of ending balance		\$ 2,823,443	\$ 2,544,588	\$ 2,243,881
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,792,822	\$ 1,582,896	\$ 1,463,514

### 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	\$ 1,260,000
- Fund 01: Lottery Funds Reserve	55,233
- Fund 01: MAA General Fund Reserve	66,464
- Fund 01: Maintenance & Transportation GF Reserve	275,600
- Fund 01: Legal Reserve	275,600
- Fund 17: STRS, PERS, and H&W Special Reserve Fund Reserve	100,500
- Fund 17: Technology Reserve	178,431
	\$0
<b>Total of Substantiated Needs</b>	<b>\$ 2,211,828</b>
<b>Remaining Unsubstantiated Balance</b>	<b>\$ -</b>

December 11, 2024  
Board Meeting

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## Point Arena Schools Fund 17 Activity at 2024-25 First Interim

<b>FUND 17</b>		2024-25	2024-25	
<b>TECHNOLOGY AND STRS &amp; PERS</b>		October	First	
		Update	Interim	<i>Variance</i>
Beginning Balance - Technology		154,836	283,467	128,631
Beginning Balance - STRS & PERS		100,500	100,500	-
<b>Total Beginning Balance</b>		<b>255,336</b>	<b>383,967</b>	<b>128,631</b>
<b>Revenues</b>				
Interest		2,000	2,000	-
Transfers In - for Technology		-	-	-
Transfers In - for STRS & PERS		-	-	-
<b>Total Budgeted Revenues</b>		<b>2,000</b>	<b>2,000</b>	<b>-</b>
<b>Expenses</b>				
Activ Panels & related equipment		19,508	27,841	
MacBook Pros, Ipads & related items		51,311	59,013	
Chromebooks		-	20,182	
<b>Total Budgeted Expenses</b>		<b>70,819</b>	<b>107,036</b>	<b>36,218</b>
<b>Budgeted Excess/(Deficit)</b>		<b>(68,819)</b>	<b>(105,036)</b>	<b>(36,218)</b>
<b>Ending Fund Balance - Technology</b>		<b>86,017</b>	<b>178,431</b>	<b>92,414</b>
<b>Ending Fund Balance - STRS &amp; PERS</b>		<b>100,500</b>	<b>100,500</b>	<b>-</b>

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# Other Considerations

- 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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