

# 2025-2026 Point Arena Schools First Interim Budget

Board Meeting Date: December 10, 2025

## Point Arena Schools 2025-2026 First Interim Revenues

	October Update (Oct. 2025)	First Interim (Dec. 2025)	Variance
<b>Revenues</b>			
Taxes	8,609,565	8,721,820	112,255
Charter Cash in Lieu	(659,299)	(659,299)	-
LCFF/EPA	772,721	772,721	-
Federal Revenue	457,436	457,436	-
State Revenue	1,001,417	1,159,957	158,540
Local Revenue	392,843	436,043	43,200
Transfers In	30,000	50,000	20,000
<b>Total Revenues</b>	<b>10,604,683</b>	<b>10,938,678</b>	<b>333,995</b>

**+3.15%**

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

- Taxes (+1.3%): net of lower P1 Mendocino tax projections and higher P1 Sonoma County tax projections (Mendocino: -58k; Sonoma: +170k).
- State Revenue (+15.83%): additional LREGB funds (+24k); higher projected ELOP (+134k).
- Local Revenue (+11%): estimated higher interest based on year-to-date (+43k).
- Transfers In (+66.67%): additional technology related expenditures, therefore we transfer in funds from Fund 17 (+20k).

**Overall** – Total Estimated Revenues increased by ~\$334k (3.15%) 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 2025-2026 First Interim Expenditures

	October Update (Oct. 2025)	First Interim (Dec. 2025)	Variance
<b>Expenses</b>			
Certificated Salaries	2,980,245	3,001,313	21,068
Classified Salaries	2,289,632	2,301,507	11,875
Employee Benefits	2,986,436	2,996,097	9,661
Books/Supplies	579,976	683,380	103,404
Services & Operations	1,516,018	1,628,543	112,525
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	435,333	435,333	-
<b>Total Expenses</b>	<b>10,787,641</b>	<b>11,046,173</b>	<b>258,532</b>

**+2.4%**

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

- Certificated Salaries (+0.71%): net of position changes/adjustments and estimated higher additional duty based on year-to-date (+21k).
- Classified Salaries (+0.52%): net of position changes/adjustments and estimated higher additional duty based on year-to-date (+12k).
- Employee Benefits (+0.32%): fluctuation is in tandem with salary and position changes, and benefit changes (+9.7k).
- Supplies (+17.83%): estimated higher curricula (+29k), maintenance (+10k), fuel (+10k), technology (+25k), makers space furniture (+20k), athletics (+5k), other misc. (+4k).
- Services/Ops (+7.42%): estimated higher utilities (+5k), maintenance (+30k), culinary art room (+26k), after school services (+45k), travel/conferences (+2k), other misc. (+4k).

**Overall** – Total Estimated Expenses increased by ~\$258k (+2.4%) since the October Budget Update.

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# Point Arena Schools 2025-2026 First Interim and Multi-year Projection

	October Update	First Interim	Multi-Year	
	(Oct. 2025)	(Dec. 2025)	2026-2027	2027-2028
<b>Revenues</b>				
Taxes	8,609,565	8,721,820	8,896,256	9,074,182
Charter Cash in Lieu	(659,299)	(659,299)	(672,485)	(685,935)
LCFF/EPA	772,721	772,721	772,721	772,721
Federal Revenue	457,436	457,436	457,436	457,436
State Revenue	1,001,417	1,159,957	941,294	941,294
Local Revenue	392,843	436,043	416,043	416,043
Transfers In	30,000	50,000	30,000	30,000
<b>Total Revenues</b>	<b>10,604,683</b>	<b>10,938,678</b>	<b>10,841,265</b>	<b>11,005,741</b>
<b>Expenses</b>				
Certificated Salaries	2,980,245	3,001,313	3,061,624	3,105,184
Classified Salaries	2,289,632	2,301,507	2,351,316	2,397,337
Employee Benefits	2,986,436	2,996,097	3,010,370	3,020,809
Books/Supplies	579,976	683,380	656,247	669,372
Services & Operations	1,516,018	1,628,543	1,618,349	1,650,716
Capital Outlay	-	-	-	-
Other Outgo	-	-	-	-
Transfers Out	435,333	435,333	447,358	462,258
<b>Total Expenses</b>	<b>10,787,641</b>	<b>11,046,173</b>	<b>11,145,264</b>	<b>11,305,676</b>
<b>Excess/(Deficit)</b>	<b>(182,958)</b>	<b>(107,495)</b>	<b>(303,999)</b>	<b>(299,935)</b>
Beginning Fund Balance	2,699,501	2,699,501	2,592,006	2,288,007
<b>Ending Fund Balance</b>	<b>2,516,543</b>	<b>2,592,006</b>	<b>2,288,007</b>	<b>1,988,072</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: 26-27 --> less Student Support & Professional Dev. Discretionary BG (-105k); less one-time LREBG add'l apportionment (-24k); less higher than average ELOP (-89k).
- Local: 26-27 --> less higher than average interest (-20k).
- Transfer In: based on estimated FD17 technology related transfers in
- Cert. Salaries: 26-27 and 27-28 → position adjustments & estimated step increase (~2%).
- Class. Salaries: 26-27 and 27-28 → position adjustments & estimated step increase (~3%).
- Benefits: in tandem with estimated salary changes, plus future STRS and PERS projected updates.
- Books/Supplies: 26-27 → less higher than average curricula (-20k); less higher than average furniture (-20k), +2% for inflation; 27-28 → +2% for inflation.
- Service/Ops: 26-27 → less portion of SELF excess liability insurance (-16k); less CTE maintenance (-26k); +2% for inflation; 27-28 → +2% for inflation.
- Transfers Out: plus estimated salary & benefit changes in other funds (Preschool, Cafeteria).

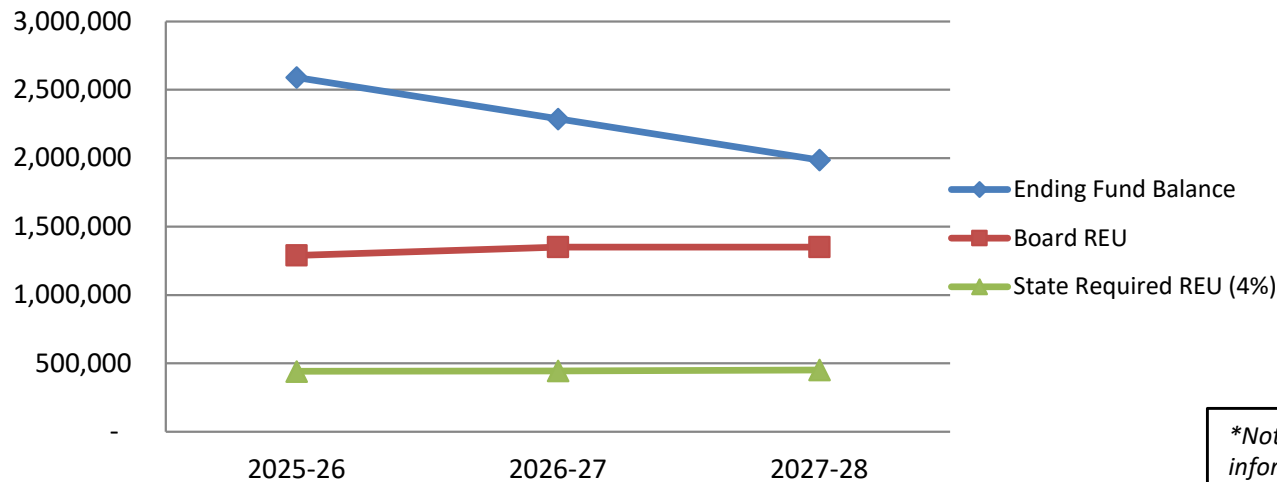
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# Point Arena Schools 2025-2026 First Interim & MYP Ending Fund Balance

	October Update (Oct. 2025)	First Interim (Dec. 2025)	Multi-Year	
<i>Components of Ending Fund Balance:</i>			2026-2027	2027-2028
Revolving Cash	3,150	3,150	3,150	3,150
Restricted	553,698	723,619	543,172	394,557
Board Reserve-Economic Uncertainty	1,290,000	1,290,000	1,350,000	1,350,000
Lottery funds Reserve	55,369	60,099	60,099	60,099
MAA GF Reserve	73,965	58,633	58,633	58,633
Legal Reserve	270,181	228,252	136,477	60,816
Maintenance/Transportation GF Reserve	270,181	228,252	136,477	60,816
Other Assigned Reserves	-	-	-	-
Unassigned/Other	(0)	0	(0)	0
	2,516,543	2,592,006	2,288,007	1,988,072

## Ending Fund Balance



### Board REU

2025-26 = \$1,290,000 (12%)  
 2026-27 = \$1,350,000 (12%)  
 2027-28 = \$1,350,000 (12%)

### State Required REU (4%)

2025-26 = \$441,847  
 2026-27 = \$445,811  
 2027-28 = \$452,227

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**2025-2026 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

Per Education Code Section 42127(a)(2)(B), 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.

	2025-26	2026-27	2027-28
Total General Fund Expenditures & Other Uses	\$ 11,046,173	\$ 11,145,264	\$ 11,305,676
Minimum Reserve requirement 4%	\$ 441,847	\$ 445,811	\$ 452,227
General Fund Combined Ending Fund Balance	\$ 2,592,006	\$ 2,288,007	\$ 1,988,072
Special Reserve Fund Ending Fund Balance	\$ 348,869	\$ 348,869	\$ 348,869
Components of ending balance:			
Nonspendable (revolving, prepaid, etc.)	\$ 3,150	\$ 3,150	\$ 3,150
Restricted	\$ 723,619	\$ 543,172	\$ 394,557
Committed	\$ -	\$ -	\$ -
Assigned	\$ 924,106	\$ 740,554	\$ 589,234
Reserve for economic uncertainties	\$ 1,290,000	\$ 1,350,000	\$ 1,350,000
Unassigned and Unappropriated	\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated	\$ 2,214,106	\$ 2,090,554	\$ 1,939,234
Total Components of ending balance	\$ 2,940,875	\$ 2,636,876	\$ 2,336,941
	TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement	\$ 1,772,259	\$ 1,644,743	\$ 1,487,007

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	\$ 1,290,000
- Fund 01: Lottery Funds Reserve for curricula	60,099
- Fund 01: MAA General Fund Reserve for Health related expenses	58,633
- Fund 01: Reserve for Maintenance Department related expenses	114,126
- Fund 01: Reserve for Transportation Department related expenses	114,126
- Fund 01: Legal Reserve	228,252
- Fund 17: Special Reserve Fund for STRS, PERS, and H&W increases	100,500
- Fund 17: Special Reserve Fund for Technology Purchases	248,369
	\$0
<b>Total of Substantiated Needs</b>	\$ 2,214,106
<b>Remaining Unsubstantiated Balance</b>	\$ (0)

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

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## Point Arena Schools Fund 17 Activity at 2025-26 First Interim

<b>FUND 17</b>		2025-26	2025-26	
<b>TECHNOLOGY AND STRS &amp; PERS</b>		October	First	
		Update	Interim	<i>Variance</i>
Beginning Balance - Technology		201,369	201,369	-
Beginning Balance - STRS & PERS		100,500	100,500	-
<b>Total Beginning Balance</b>		<b>301,869</b>	<b>301,869</b>	<b>-</b>
Revenues				
Interest		2,000	2,000	-
Transfers In - for Technology		95,000	95,000	-
Transfers In - for STRS & PERS		-	-	-
<b>Total Budgeted Revenues</b>		<b>97,000</b>	<b>97,000</b>	<b>-</b>
Expenses				
Technology equipment		30,000	50,000	20,000
<b>Total Budgeted Expenses</b>		<b>30,000</b>	<b>50,000</b>	<b>20,000</b>
<b>Budgeted Excess/(Deficit)</b>		<b>67,000</b>	<b>47,000</b>	<b>(20,000)</b>
<b>Ending Fund Balance - Technology</b>		<b>268,369</b>	<b>248,369</b>	<b>(20,000)</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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