

2024-2025
Arena Union Elementary /
Point Arena Joint Union High
Budget Adoption

Public Hearing: June 12, 2024 Board Meeting

Adoption: June 26, 2024 Board Meeting

2024-2025 Proposed Budget

	(A) 2023-24	(B) 2023-24	(C) 2024-25		
	2nd Interim	June Update	Proposed	Variance	Variance
	(March 2024)	(June 2024)	Budget	= (B)-(A)	= (C)-(B)
Revenues					
Taxes	7,163,080	7,172,808	7,402,304	9,728	229,496
LCFF/EPA	773,419	773,419	773,211	-	(208)
Federal Revenue	950,956	990,956	463,703	40,000	(527,253)
State Revenue	938,221	988,221	911,865	50,000	(76,356)
Local Revenue	447,360	506,637	454,681	59,277	(51,956)
Transfers In	43,503	77,626	-	34,123	(77,626)
Total Revenues	10,316,539	10,509,667	10,005,764	193,128	(503,903)
Expenses					
Certificated Salaries	2,963,339	2,946,321	2,936,669	(17,018)	(9,653)
Classified Salaries	2,072,437	2,119,614	2,178,876	47,177	59,262
Employee Benefits	2,920,348	2,911,816	2,934,077	(8,533)	22,261
Books/Supplies	745,820	829,233	670,951	83,413	(158,282)
Services & Operations	1,342,879	1,503,509	1,325,950	160,630	(177,560)
Capital Outlay	-	38,500	-	38,500	(38,500)
Other Outgo	-	-	-	-	-
Transfers Out	479,487	418,841	274,570	(60,646)	(144,271)
Total Expenses	10,524,311	10,767,835	10,321,092	243,523	(446,743)
Excess/(Deficit)	(207,772)	(258,168)	(315,328)		
Beginning Fund Balance	2,722,022	2,722,022	2,463,854		
Ending Fund Balance	2,514,250	2,463,854	2,148,527		

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Revenue: 2023-24 2nd Interim to June Update

Taxes: P-2 Mendo. & Sonoma tax update (+10k).

Federal: higher Impact Aid (+40k).

State: plus Equity Multiplier funding (+50k).

Local: Fair Market value adjustment (+59k).

Transfers In: funds from FD17 for Chromebooks (+34k).

Expenses: 2023-24 2nd Interim to June Update

Salaries & Benefits: leave impacts (-25k), added cert. sub time (+8k), added Para. position & sub time (+16k), higher Maintenance addt'l duty & sub time (+27k), added SPED drivers (+7k), and benefit impact in tandem with salary change (-9k); other misc. (-2k).

Supplies: FD17 chromebooks (+34k), KIT supplies (-28k), fuel (+20k), maintenance/janitorial (+27k), KIT equipment (+28k); misc. (+2k)

Svcs/Ops: repairs (+5k), speech (+10k), KIT services (+14k), mechanic (+20k), field maintenance (+62k), general maintenance (+33k), janitorial (+7k), office related (+5k), other misc. (+5k).

Capital Outlay: KIT generator (+38k).

Trsfrs Out: higher cafeteria (+79k), less set-asides to other funds (-140k).

Revenue: 23-24 June Update to 24-25 Proposed

Taxes: estimated 3% increase relative to 23-24 P-2 (+229k).

Federal: SPED (+33k); Impact Aid (-25k), Supply Chain Assistance (-20k), ESSER (-365k), Comprehensive Support Intervention (-150k).

State: UPK (-38k), Mental Health (+8k), AMIM (-2k), Equity Multiplier (-50k); STRS On-Behalf (nets to zero) (+5k).

Local: FMV (-59k), SEL (-10k), Medi-Cal (-12k), SPED (+36k), misc. (-6k).

Transfers In: less 23-24 FD17 tech. (-77k).

Expenses: 23-24 June Update to 24-25 Proposed

Cert. Salaries: plus 5% (+122k), est. position updates (-150k), less net of est. addt'l & sub duty (-24k), and est. step increases (+42k).

Class. Salaries: plus 5% (+85k), full or partial year classified position changes (-42k), less addt'l/sub est. (-33k), and est. step increases (+49k).

Benefits: net of in tandem flux w/ salary changes, PERS rate +0.37% (+7k), raise impact (+56k), plus full or partial yr position changes (-46k), less STRS On-Behalf est. (nets to zero) (+5k).

Bks/Supplies: less SCA food (-20k), tech. (-33k); KIT (-60k), fuel (-15k), janitorial (-13k), instructional (-18k), other misc. (+1k).

Svcs/Ops: less Carnegie (-110k), higher CTE (+65k), ELOP (-41k), maintenance (-30k), speech (-20k), transportation (-12k), instructional (-16k), BTSa (-10k), other misc. (-3k).

Capital Outlay: KIT generator (-38k).

Trsfrs Out: 5% for PreK & Café (+24k), other PreK & Café updates (-68k); less set-asides for savings (-100k).

2024-2025 Proposed Budget & Multi-Year Projections

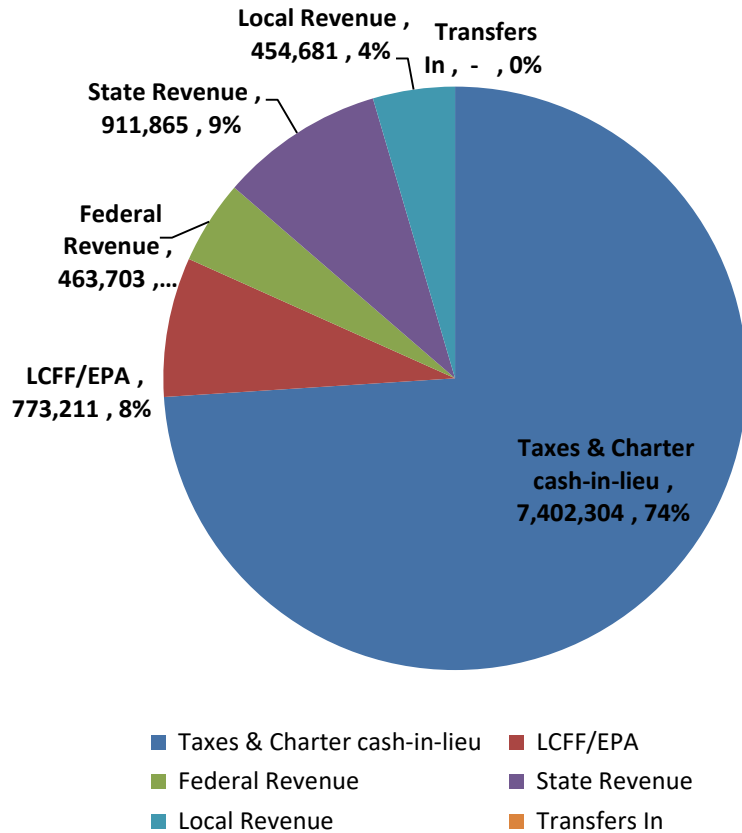
	Proposed Budget	Multi-Year	
	2024-2025	2025-2026	2026-2027
Taxes	7,402,304	7,587,362	7,777,046
LCFF/EPA	773,211	773,211	773,211
Federal Revenue	463,703	463,703	463,703
State Revenue	911,865	911,865	911,865
Local Revenue	454,681	454,681	454,681
Transfers In	-	-	-
Total Revenues	10,005,764	10,190,822	10,380,506
Expenses			
Certificated Salaries	2,936,669	2,980,688	3,022,683
Classified Salaries	2,178,876	2,223,434	2,269,269
Employee Benefits	2,934,077	2,932,654	2,943,360
Materials & Supplies	670,951	607,870	620,027
Services & Operations	1,325,950	1,352,469	1,379,518
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	274,570	290,435	306,330
Total Expenses	10,321,092	10,387,549	10,541,188
Excess/(Deficit)	(315,328)	(196,727)	(160,682)
Beginning Fund Balance	2,463,854	2,148,527	1,951,799
Ending Fund Balance	2,148,527	1,951,799	1,791,117

Multi-Year Assumptions:

- Taxes: +2.5% budgeted increase year-over-year.
- LCFF/EPA: Flat
- Federal: Flat
- State: Flat
- Local: Flat
- Transfers In: Flat – estimate at zero
- Salaries: plus step increases and estimated staffing adjustments
- Benefits: in tandem with salary increases plus future STRS & PERS rate changes. Note: the assumed 24-25 Work. Comp. rate is the same as the 23-24 rate of 3.624%, which will be updated in 24-25 to 2.914% once we are able to make 24-25 system budget adjustments.
- Books/Supplies: less est. one-time Kitchen Infrastructure Grant related expenses; plus 2% est. increase year-over-year.
- Service/Ops: plus 2% estimated increase year-over-year.
- Transfers Out: Estimated salary & benefit increases in other funds (ie. PreK & Cafeteria); Reduced by budgeted set-asides to other funds.

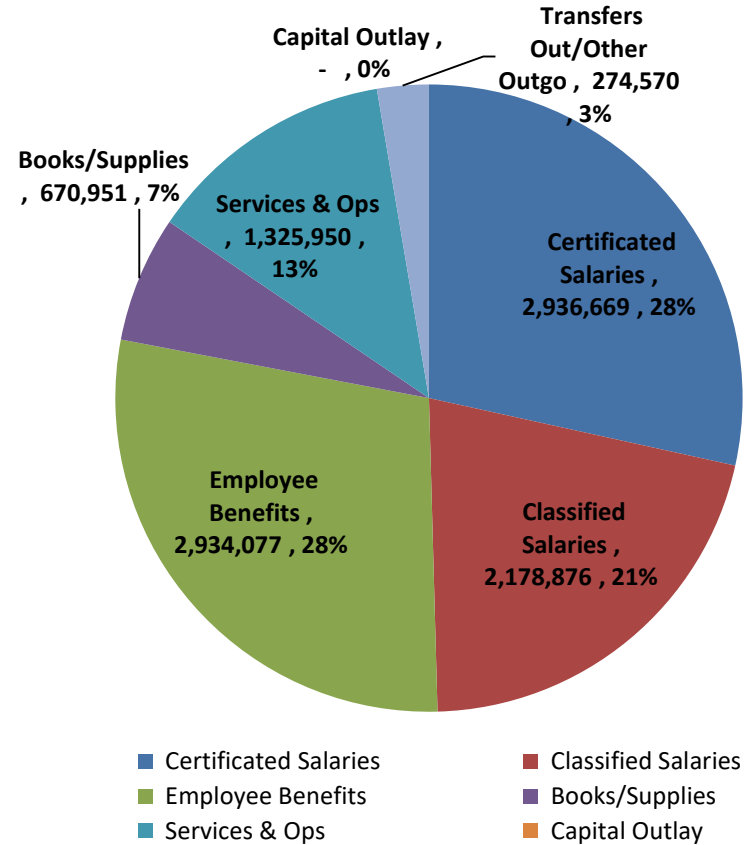
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2024-2025 Projected Revenues



Projected Revenues = \$10,005,764

2024-2025 Projected Expenditures

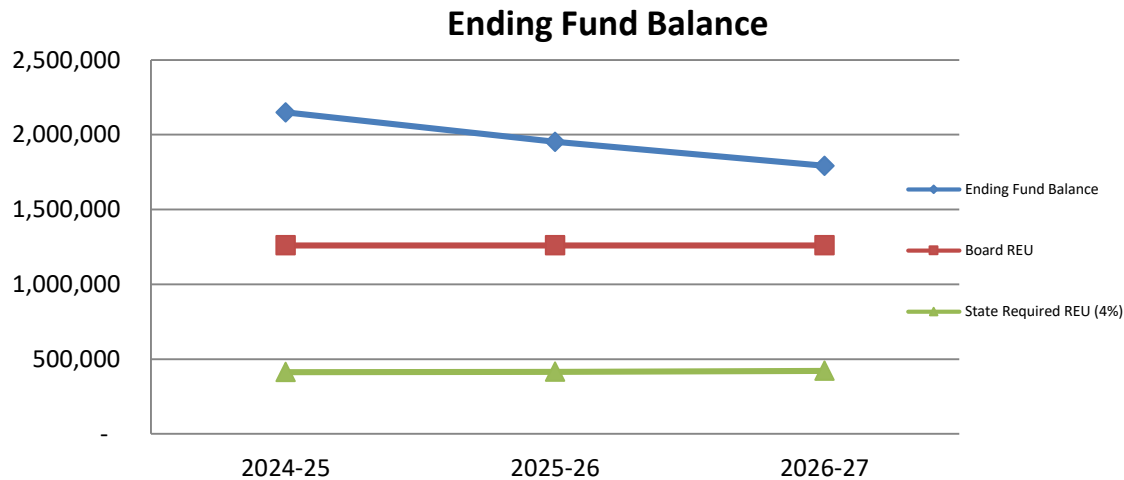


Projected Expenditures = \$10,321,092

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2024-25 Proposed Components of Ending Fund Balance

	Proposed	Multi-Year	
	2024-2025	2025-2026	2026-2027
Revolving Cash	3,150	3,150	3,150
Restricted	610,352	412,616	392,024
Board Reserve-Economic Uncertainty	1,260,000	1,260,000	1,260,000
Lottery funds Reserve	42,510	42,510	42,510
MAA GF Reserve	42,631	32,631	32,631
Legal Reserve	94,942	100,446	30,401
Maintenance/Transportation GF Reserve	94,942	100,446	30,401
Other Assigned Reserves	-	-	-
Unassigned/Other	0	0	0
	2,148,527	1,951,799	1,791,117
Board REU (%age) =	12%	12%	12%
State Required REU (4%) =	412,844	415,502	421,648



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Point Arena Schools Fund 17 Activity at 2024-2025 Budget Adoption

FUND 17		2023-24	2024-25	
TECHNOLOGY AND STRS & PERS		June	Budget	
		Update	Adoption	<i>Variance</i>
Beginning Balance - Technology		199,462	154,836	(44,626)
Beginning Balance - STRS & PERS		100,500	100,500	-
FMV adjustment		(5,466)	-	5,466
Revenues				
Interest		3,000	2,000	(1,000)
Transfers In - for Technology		30,000	-	(30,000)
Transfers In - for STRS & PERS		-	-	-
FMV adjustment offset		5,466	-	(5,466)
Total Revenues		38,466	2,000	(36,466)
Expenses				
Student Chromebooks		55,199	-	
Digital Media iMacs		10,428	-	
Tech. Virtual Tutoring (partial)		12,000	-	
Total Budgeted Expenses		77,626	-	(77,626)
Excess/(Deficit)		(39,160)	2,000	41,160
Ending Fund Balance - Technology		154,836	156,836	2,000
Ending Fund Balance - STRS & PERS		100,500	100,500	-

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2024-2025 Projected Reserves at Budget Adoption

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.

		2024-25	2025-26	2026-27
Total General Fund Expenditures & Other Uses		\$ 10,321,092	\$ 10,387,549	\$ 10,541,188
Minimum Reserve requirement	4%	\$ 412,844	\$ 415,502	\$ 421,648
General Fund Combined Ending Fund Balance		\$ 2,148,527	\$ 1,951,799	\$ 1,791,117
Special Reserve Fund Ending Fund Balance		\$ 257,336	\$ 257,336	\$ 257,336
Components of ending balance:				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 610,352	\$ 412,616	\$ 392,024
Committed		\$ -	\$ -	\$ -
Assigned		\$ 532,361	\$ 533,369	\$ 393,279
Reserve for economic uncertainties		\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 1,792,361	\$ 1,793,369	\$ 1,653,279
Total Components of ending balance		\$ 2,405,863	\$ 2,209,135	\$ 2,048,453
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,379,517	\$ 1,377,867	\$ 1,231,631

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 for curricula	42,510
- Fund 01: MAA General Fund Reserve for Health related expenses	42,631
- Fund 01: Reserve for Maintenance Department related expenses	47,471
- Fund 01: Reserve for Transportation Department related expenses	47,471
- Fund 01: Legal Reserve	94,942
- Fund 17: Special Reserve Fund for STRS, PERS, and H&W increases	100,500
- Fund 17: Special Reserve Fund for Technology Purchases	156,836
	\$0

Total of Substantiated Needs	\$ 1,792,361
Remaining Unsubstantiated Balance	\$ (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.

Includes Fund 01 and Fund 17 Projected Fund Balances

June 12, 2024 Board Meeting

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Other Considerations

- A significant decrease in budgeted Federal and State revenues in 24-25 compared to 23-24 (-\$603k to revenue), including ESSER funds (-365k) and CSI funds (-150k), coupled with the salary & benefit settlement impact (+\$325k) to expense, produces a negative ~\$928k impact to the budget.
- In order to alleviate the impact of this ~\$928k negative change and reduce the projected deficit so that General Fund reserves do not dip to dangerously low levels, the district and all its staff should continue to be prudent with spending – particularly in the categories where spending is the greatest.
- 2024-25 appears to be the first in several years where we will operate without significant one-time revenues, and therefore we're also hopeful property tax values stay strong and rates increase sufficiently relative to projections.
- 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).

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