

2025-2026  
Arena Union Elementary /  
Point Arena Joint Union High  
Budget Adoption

Public Hearing: June 11, 2025 Board Meeting

Adoption: June 25, 2025 Board Meeting

# 2025-2026 Proposed Budget

	(A) 2024-25 2nd Interim (March 2024)	(B) 2024-25 June Update (June 2024)	(C) 2025-26 Proposed Budget	Variance = (B)-(A)	Variance = (C)-(B)
<b>Revenues</b>					
Taxes	7,573,956	7,774,035	7,950,266	200,079	176,231
LCFF/EPA	772,721	772,721	772,721	-	-
Federal Revenue	469,236	483,078	451,994	13,842	(31,084)
State Revenue	912,203	962,738	917,255	50,535	(45,483)
Local Revenue	521,991	587,071	392,843	65,080	(194,228)
Transfers In	132,028	152,062	30,000	20,034	(122,062)
<b>Total Revenues</b>	<b>10,382,135</b>	<b>10,731,705</b>	<b>10,515,079</b>	<b>349,570</b>	<b>(216,626)</b>
<b>Expenses</b>					
Certificated Salaries	2,925,793	2,933,606	2,974,123	7,814	40,516
Classified Salaries	2,229,150	2,235,914	2,302,930	6,764	67,016
Employee Benefits	2,874,764	2,881,497	3,002,035	6,732	120,539
Books/Supplies	841,590	891,654	588,713	50,064	(302,941)
Services & Operations	1,516,793	1,532,328	1,428,693	15,535	(103,635)
Capital Outlay	-	-	-	-	-
Other Outgo	-	-	-	-	-
Transfers Out	255,012	381,391	435,333	126,379	53,942
<b>Total Expenses</b>	<b>10,643,102</b>	<b>10,856,390</b>	<b>10,731,827</b>	<b>213,288</b>	<b>(124,563)</b>
<b>Excess/(Deficit)</b>	<b>(260,967)</b>	<b>(124,685)</b>	<b>(216,748)</b>		
Beginning Fund Balance	2,681,424	2,681,424	2,556,739		
<b>Ending Fund Balance</b>	<b>2,420,456</b>	<b>2,556,739</b>	<b>2,339,990</b>		

*\*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.*

## Revenue: 2024-25 2<sup>nd</sup> Interim to June Update

Taxes: P-2 Mendo. & Sonoma tax update (+200k).

Federal: Title I update (+12k), other misc. (+2k).

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

Local: Medi-Cal funding est. update (+25k), SELPA est. update (+40k).

Transfers In: funds from FD17 for audio equipment (+20k).

## Expenses: 2024-25 2<sup>nd</sup> Interim to June Update

Salaries & Benefits: mid year position updates (+15k), and benefit impact in tandem with salary change (+7k).

Supplies: FD17 auditorium audio equipment and iPads (+22k), technology (+20k), athletics (+10k), other misc. (-2k).

Svcs/Ops: travel/conferences (+10k), waste disposal (+15k), MCOE Psych (+46k), SPED related (-55k).

Trsfrs Out: higher cafeteria (+60k), higher PreK revenue (-4k), higher set-asides to other funds (facilities and deferred maintenance) (+70k).

## Revenue: 24-25 June Update to 25-26 Proposed

Taxes: estimated 2.5% increase relative to 24-25 P-2 (+176k).

Federal: Impact Aid (-15k), Title I (-10k), Title VI (-5k), other misc. (-1k).

State: Lottery (+7k), Equity Multiplier (-50k); other misc. (-2k).

Local: Interest (-10k), MCOE SEL (-25k), SIGNAL net equity (-109k), Medi-Cal (-5k), SPED (-47k), other misc. (+2k).

Transfers In: less 24-25 FD17 tech. (-122k).

## Expenses: 24-25 June Update to 25-26 Proposed

Cert. Salaries: plus 4.7% (+114k), est. position updates (-84k), less net of est. add'l & sub duty (-14k), and est. step increases (+24k).

Class. Salaries: plus 4.7% (+95k), full or partial year classified position changes and position updates (-12k), vacant Para. position (-30k), less add'l/sub est. (-17k), and est. step increases (+31k).

Benefits: net of in tandem fluctuation w/ salary changes (+38k), PERS rate -0.24% (-6k), raise impact (+121k), plus full or partial yr position changes (-34k), other misc. (+1k).

Supplies: curricula (-7k), tech (-97k), less ELOP based on updated apportionment (-36k), less KIT grant related (-90k), less SCA food (-20k), athletics (-26k), non-cap instructional equipment (-10k), other non-cap equipment (-5k), less reference materials (-2k), other misc. (-9k).

Svcs/Ops: travel/conferences (-12k), MCOE Psych. (-27k), NTN fee (-37k), BTSA (-5k), legal (-11k), postage (-2k), internet (-2k), other misc. (-7k).

Trsfrs Out: 4.7% for PreK & Café (+29k), other PreK & Café updates (-90k); set-asides for savings (+115k).

# 2025-2026 Proposed Budget & Multi-Year Projections

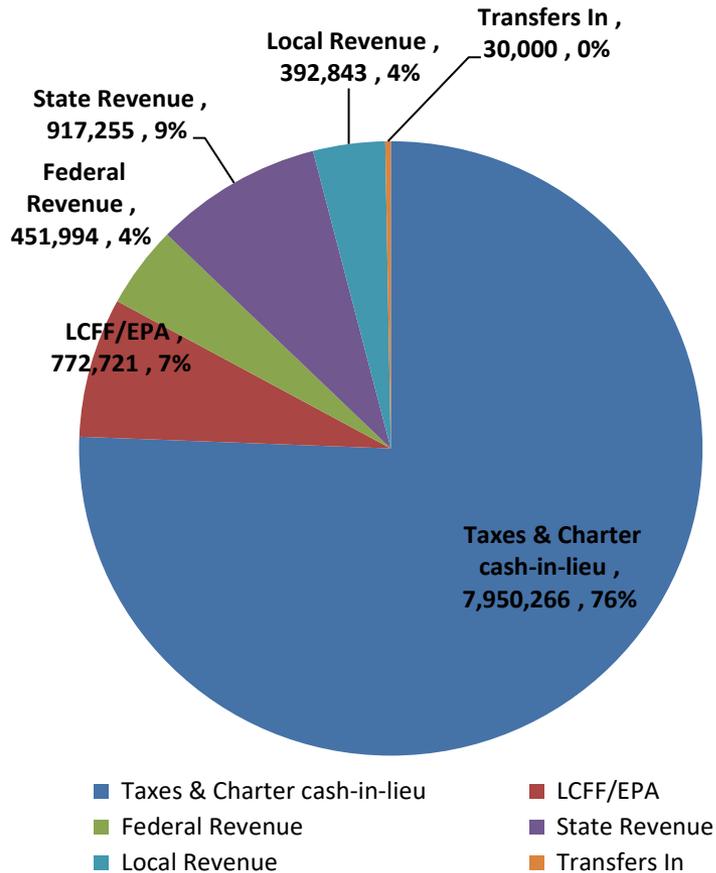
	Proposed Budget	Multi-Year	
	2025-2026	2026-2027	2027-2028
Taxes	7,950,266	8,109,271	8,271,457
LCFF/EPA	772,721	772,721	772,721
Federal Revenue	451,994	451,994	451,994
State Revenue	917,255	917,255	917,255
Local Revenue	392,843	392,843	392,843
Transfers In	30,000	30,000	30,000
<b>Total Revenues</b>	<b>10,515,079</b>	<b>10,674,084</b>	<b>10,836,270</b>
<b>Expenses</b>			
Certificated Salaries	2,974,123	3,018,844	3,059,898
Classified Salaries	2,302,930	2,350,300	2,396,060
Employee Benefits	3,002,035	3,012,752	3,022,591
Materials & Supplies	588,713	600,487	612,497
Services & Operations	1,428,693	1,457,267	1,486,413
Capital Outlay	-	-	-
Other Outgo	-	-	-
Transfers Out	435,333	416,450	436,346
<b>Total Expenses</b>	<b>10,731,827</b>	<b>10,856,100</b>	<b>11,013,805</b>
<b>Excess/(Deficit)</b>	<b>(216,748)</b>	<b>(182,016)</b>	<b>(177,535)</b>
Beginning Fund Balance	2,556,739	2,339,990	2,157,974
<b>Ending Fund Balance</b>	<b>2,339,990</b>	<b>2,157,974</b>	<b>1,980,439</b>

## Multi-Year Assumptions:

- Taxes: +2% budgeted increase year-over-year.
- LCFF/EPA: Flat
- Federal: Flat
- State: Flat
- Local: Flat
- Transfers In: Flat
- Salaries: plus step increases and estimated staffing adjustments
- Benefits: in tandem with salary increases plus future STRS & PERS rate changes.
- Books/Supplies: 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 (ie. Facilities, Deferred Maintenance, Pupil Transportation).

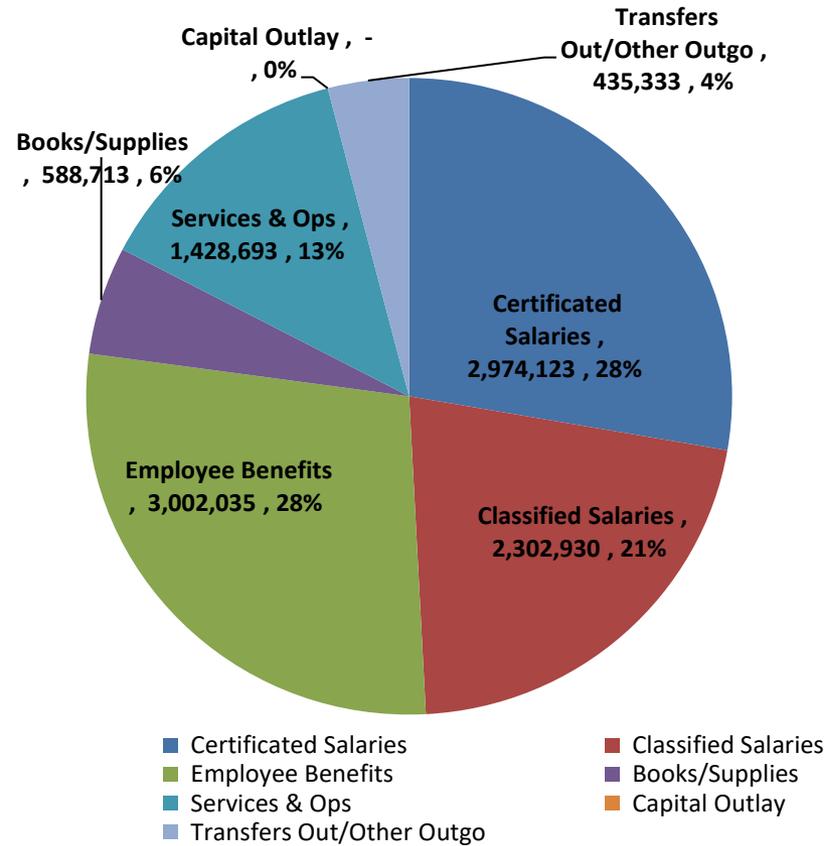
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## 2025-2026 Projected Revenues



Projected Revenues = \$10,674,084

## 2025-2026 Projected Expenditures



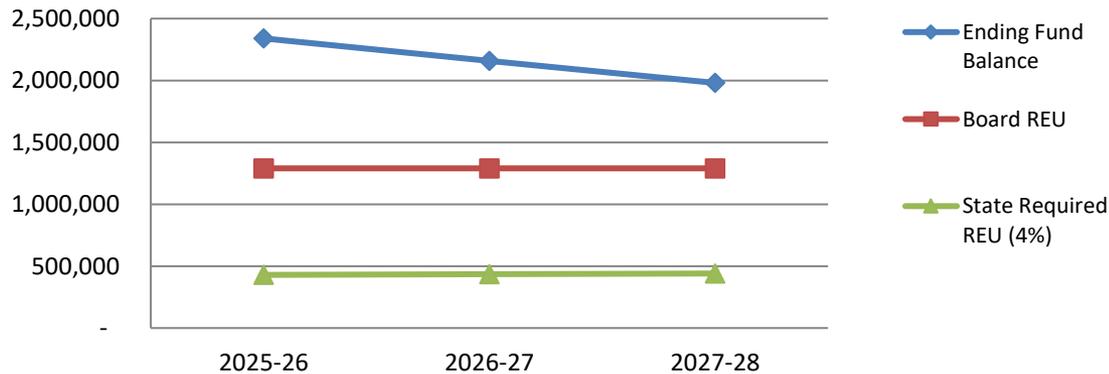
Projected Expenditures = \$10,731,827

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# 2025-26 Proposed Components of Ending Fund Balance

	Proposed	Multi-Year	
	2025-2026	2026-2027	2027-2028
Revolving Cash	3,150	3,150	3,150
Restricted	456,196	383,158	378,452
Board Reserve-Economic Uncertainty	1,290,000	1,290,000	1,290,000
Lottery funds Reserve	55,369	55,369	55,369
MAA GF Reserve	59,002	59,002	59,002
Legal Reserve	238,137	183,648	97,233
Maintenance/Transportation GF Reserve	238,137	183,648	97,233
Other Assigned Reserves	-	-	-
Unassigned/Other	(0)	0	0
	<u>2,339,990</u>	<u>2,157,974</u>	<u>1,980,439</u>
<b>Board REU (%age) =</b>	12%	12%	12%
<b>State Required REU (4%) =</b>	<b>429,273</b>	<b>434,244</b>	<b>440,552</b>

## Ending Fund Balance



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## Point Arena Schools Fund 17 Activity at 2025-2026 Budget Adoption

<b>FUND 17</b>		2024-25	2025-26	
<b>TECHNOLOGY AND STRS &amp; PERS</b>		June	Budget	
		Update	Adoption	<i>Variance</i>
Beginning Balance - Technology		283,467	133,406	(150,062)
Beginning Balance - STRS & PERS		100,500	100,500	-
<b>Revenues</b>				
Interest		2,000	2,000	-
Transfers In - for Technology		-	95,000	95,000
Transfers In - for STRS & PERS		-	-	-
<b>Total Revenues</b>		<b>2,000</b>	<b>97,000</b>	<b>95,000</b>
<b>Expenses</b>				
Activ Panels & related equipment		27,841	7,500	
MacBook Pros, Ipads & related items		63,530	7,500	
Chromebooks		40,364	15,000	
Audio equipment		20,327	-	
<b>Total Budgeted Expenses</b>		<b>152,062</b>	<b>30,000</b>	<b>(122,062)</b>
<b>Excess/(Deficit)</b>		<b>(150,062)</b>	<b>67,000</b>	<b>217,062</b>
<b>Ending Fund Balance - Technology</b>		<b>133,406</b>	<b>200,406</b>	<b>67,000</b>
<b>Ending Fund Balance - STRS &amp; PERS</b>		<b>100,500</b>	<b>100,500</b>	<b>-</b>

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## 2025-2026 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.

		2025-26	2026-27	2027-28
Total General Fund Expenditures & Other Uses		\$ 10,731,827	\$ 10,856,100	\$ 11,013,805
Minimum Reserve requirement	4%	\$ 429,273	\$ 434,244	\$ 440,552
General Fund Combined Ending Fund Balance		\$ 2,339,990	\$ 2,157,974	\$ 1,980,439
Special Reserve Fund Ending Fund Balance		\$ 300,906	\$ 300,906	\$ 300,906
<b>Components of ending balance:</b>				
Nonspendable (revolving, prepaid, etc.)		\$ 3,150	\$ 3,150	\$ 3,150
Restricted		\$ 456,196	\$ 383,158	\$ 378,452
Committed		\$ -	\$ -	\$ -
Assigned		\$ 891,550	\$ 782,571	\$ 609,743
Reserve for economic uncertainties		\$ 1,290,000	\$ 1,290,000	\$ 1,290,000
Unassigned and Unappropriated		\$ -	\$ -	\$ -
Subtotal Assigned, Unassigned & Unappropriated		\$ 2,181,550	\$ 2,072,571	\$ 1,899,743
Total Components of ending balance		\$ 2,640,896	\$ 2,458,880	\$ 2,281,345
		TRUE	TRUE	TRUE
Assigned & Unassigned balances above the minimum reserve requirement		\$ 1,752,277	\$ 1,638,327	\$ 1,459,191

### 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	55,369
- Fund 01: MAA General Fund Reserve for Health related expenses	59,002
- Fund 01: Reserve for Maintenance Department related expenses	119,068
- Fund 01: Reserve for Transportation Department related expenses	119,068
- Fund 01: Legal Reserve	238,137
- Fund 17: Special Reserve Fund for STRS, PERS, and H&W increases	100,500
- Fund 17: Special Reserve Fund for Technology Purchases	200,406
	\$0
<b>Total of Substantiated Needs</b>	<b>\$ 2,181,550</b>
<b>Remaining Unsubstantiated Balance</b>	<b>\$ -</b>

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 11, 2025 Board Meeting

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# Other Considerations

- We continue to operate without large one-time funds from previous years, and therefore, must be prudent with spending.
- We should be aware that the 2025-26 May Revise Common Message, released by the Business & Administration Services Committee, states, *“...the federal administration and Congress are considering significant cuts to education programs and to other programs, such as Medicaid, which would have a direct effect on LEA budgets but could potentially have a much larger indirect effect to the extent they force the state to redirect funding from schools to mitigate the impact of federal funding cuts.”*
- Thus far, we have not experienced significant cuts to our federal funding, which represents about 4% of our revenue budget. Our largest revenue source is property taxes, which comes in at about 76% of our revenue budget.
- 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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