

# Indian Diggings Elementary School District

2024-25 Adopted Budget

June 6<sup>th</sup>, 2024



# Budget Timeline

- Legally required to adopt a budget by July 1<sup>st</sup>, 2024
  - This is a summary of the budget proposed for adoption
  - Documents in official SACS (Standardized Account Code Structure)
- Financial cycles for 2024-25
  - If material changes due to state budget, revise budget 45 days later
  - First Interim Budget – December 2024
  - Second Interim Budget – March 2025
  - Final Actual Financial Report – September 2025
  - Audit Report – December 2025

# Will There Be a Revised State Budget?

- While the May Revision gives us important anchors for state and local budgets that must be adopted by July 1<sup>st</sup>, 2024, there continues to be information that we need to build more accurate budgets
- The state will likely need to revise its budget when more information becomes available later this summer

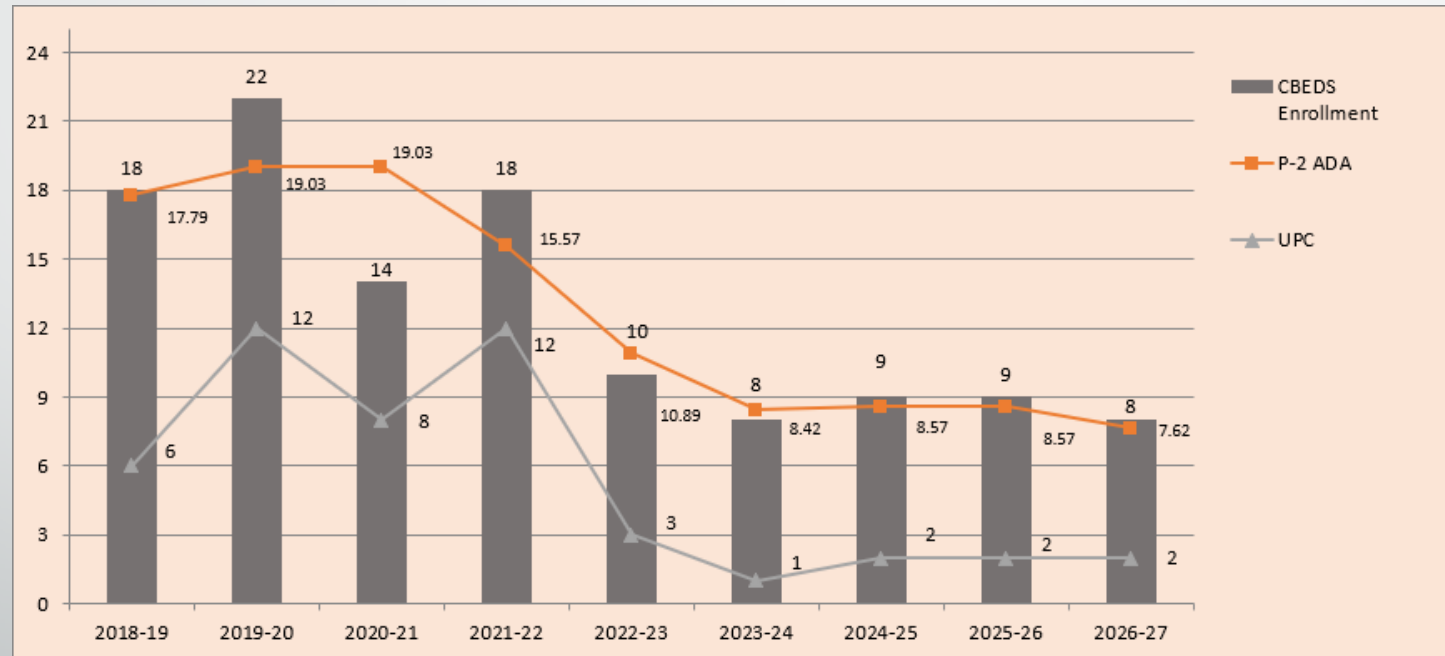
# Budget Goals

- To continue to support district's Local Control Accountability Plan (LCAP)
  - Increase student achievement
  - Increase enrichment activities
  - Keep safe, well-maintained facilities
- To continue to provide exceptional educational services to our students

# Budget Assumptions

- Funding based on 3 Prior Year Average ADA of 11.43
  - Estimated 2024-25 P-2 ADA is 8.57 based on 9 students
- NSS Funding, COLA 0.76%
  - District is currently budgeting a smaller COLA than currently projected due to the volatility with the state budget at the current time. Will update again at 1<sup>st</sup> Interim.
- Unduplicated enrollment 22.22%
  - Due to the percentage being below 55%, the district isn't receiving LCFF concentration dollars
- Staffing
  - Estimated increases for Supt/Principal/Teacher step & column adjustments
  - Estimated increases for Classified staff step & column adjustments
  - STRS employer rate of 19.10%
  - PERS employer rate of 27.05%
- District meets Minimum Reserve requirements

# Indian Diggings Enrollment History



# Restricted Funding

- Programs funded for special purposes or categories of students
  - During the year assume expenditures of all available funding
  - At year-end it is normal to have unspent balances
  - U = Unearned revenue, revenue not earned until grant award is spent
  - F = Fund balance, balances restricted in ending balance for use next year



# Restricted Funding 2024-25 Budget

Federal Grant Awards	4035	REAP
	U	U
	4035	5810
Prior Year Carryover	-	-
Current Year Award	222	19,404
Current Year Contributions	607	5,782
Expenditures/Other	829	25,186
Unused Grant Award	-	-

State Programs	ELO Program	State Lottery	EPA	Lottery-Instr Matl	SpEd-State Funded	State Mental Health Svcs	SpEd-Early Intervention Preschool	Arts & Music Grant	Prop28	STRS On-Behalf
	F	F	F	F	F	F	F	F	F	F
	2600	1100	1400	6300	6500	6546	6547	6762	6770	7690
Prior Year Carryover	12,663	1,926	154	1,178	-	450	6,871	1,482	1,340	-
Current Year Award	50,000	1,680	69,817	915	16,572	617	-	-	1,340	15,518
Current Year Contributions	-	-	-	-	13,162	-	-	-	-	-
Expenditures/Other	40,231	1,000	69,527	400	29,734	167	-	1,482	2,680	15,518
Unused Grant Award	22,432	2,606	444	1,693	-	900	6,871	-	-	-

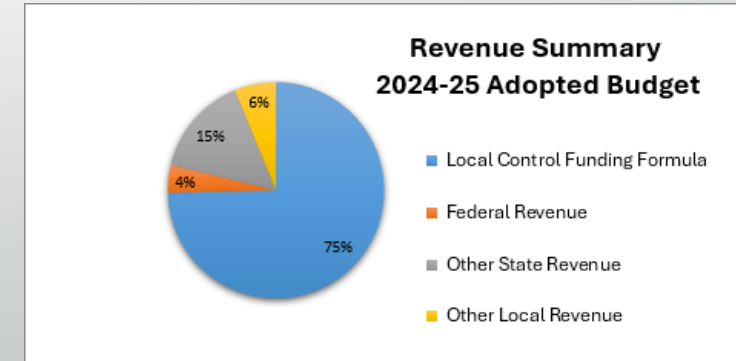


# Revenue Summary

## 2023-24 June Update to 2024-25 Budget

	2023-24 June Update			2024-25 Adopted Budget					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
<b>Revenue Detail</b>									
Local Control Funding Formula	355,216	-	355,216	350,405	-	350,405	(4,811)	-	(4,811)
Federal Revenue	-	26,097	26,097	-	19,626	19,626	-	(6,471)	(6,471)
Other State Revenue	2,068	67,623	69,691	2,068	68,390	70,458	-	767	767
Other Local Revenue	13,388	16,572	29,960	12,628	16,572	29,200	(760)	-	(760)
<b>Total Revenue</b>	<b>370,672</b>	<b>110,292</b>	<b>480,964</b>	<b>365,101</b>	<b>104,588</b>	<b>469,689</b>	<b>(5,571)</b>	<b>(5,704)</b>	<b>(11,275)</b>

Major Variance Detail:			
REVENUE:	Unrestricted	Restricted	Total
LCFF Adjustments EPA, Taxes, PY Adj	(4,811)		(4,811)
Federal Revenue - REAP	-	(6,471)	(6,471)
STRS On Behalf Increase	-	767	767
Local Revenue - Donations/Facility Rental	(760)	-	(760)
	<b>\$ (5,571)</b>	<b>\$ (5,704)</b>	<b>\$ (11,275)</b>

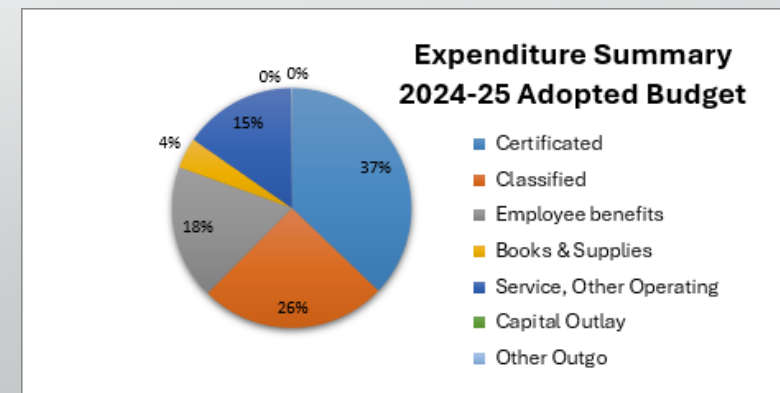


# Expenditure Summary

## 2023-24 June Update to 2024-25 Budget

	2023-24 June Update			2024-25 Adopted Budget					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
<b>Expenditure Detail</b>									
Certificated	143,264	19,462	162,726	156,603	19,866	176,469	13,339	404	13,743
Classified	81,022	37,190	118,212	93,497	26,712	120,209	12,475	(10,478)	1,997
Employee benefits	55,082	26,318	81,400	59,884	26,145	86,029	4,802	(173)	4,629
Books & Supplies	5,994	10,108	16,102	4,594	15,008	19,602	(1,400)	4,900	3,500
Service, Other Operating	55,655	21,479	77,134	45,405	26,979	72,384	(10,250)	5,500	(4,750)
Capital Outlay	69,460	-	69,460	-	-	-	(69,460)	-	(69,460)
Other Outgo	-	563	563	-	563	563	-	-	-
Direct Support/Indirect	(5,186)	5,186	-	(954)	954	-	4,232	(4,232)	-
<b>Total Expenditures</b>	<b>405,291</b>	<b>120,306</b>	<b>525,597</b>	<b>359,029</b>	<b>116,227</b>	<b>475,256</b>	<b>(46,263)</b>	<b>(4,079)</b>	<b>(50,341)</b>

Major Variance Detail:			
EXPENDITURES:	Unrestricted	Restricted	Total
Certificated - Step/Column Adjustments & Supt Extra Duty Days	13,339	404	13,743
Classified - Step/Column Adjustments & UR/R Adjustment	12,475	(10,478)	1,997
Benefits - Step/Column Adjustments	4,802	(173)	4,629
Books and Supplies - One time Tech Adj & ELOP Adj	(1,400)	4,900	3,500
Operating Service - One time exp & RSP Teacher & SpED Adj	(10,250)	5,500	(4,750)
Capital Outlay - Remove one time expense	(69,460)	-	(69,460)
Other Outgo	-	-	-
Indirect Cost - Rate decrease adjustment	4,232	(4,232)	-
	<b>\$ (46,263)</b>	<b>\$ (4,079)</b>	<b>\$ (50,341)</b>



# General Fund Summary

## 2023-24 June Update to 2024-25 Budget

	2023-24 June Update			2024-25 Adopted Budget					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
<b>Revenue Detail</b>									
Local Control Funding Formula	355,216	-	355,216	350,405	-	350,405	(4,811)	-	(4,811)
Federal Revenue	-	26,097	26,097	-	19,626	19,626	-	(6,471)	(6,471)
Other State Revenue	2,068	67,623	69,691	2,068	68,390	70,458	-	767	767
Other Local Revenue	13,388	16,572	29,960	12,628	16,572	29,200	(760)	-	(760)
<b>Total Revenue</b>	<b>370,672</b>	<b>110,292</b>	<b>480,964</b>	<b>365,101</b>	<b>104,588</b>	<b>469,689</b>	<b>(5,571)</b>	<b>(5,704)</b>	<b>(11,275)</b>
<b>Expenditure Detail</b>									
Certificated	143,264	19,462	162,726	156,603	19,866	176,469	13,339	404	13,743
Classified	81,022	37,190	118,212	93,497	26,712	120,209	12,475	(10,478)	1,997
Employee benefits	55,082	26,318	81,400	59,884	26,145	86,029	4,802	(173)	4,629
Books & Supplies	5,994	10,108	16,102	4,594	15,008	19,602	(1,400)	4,900	3,500
Service, Other Operating	55,655	21,479	77,134	45,405	26,979	72,384	(10,250)	5,500	(4,750)
Capital Outlay	69,460	-	69,460	-	-	-	(69,460)	-	(69,460)
Other Outgo	-	563	563	-	563	563	-	-	-
Direct Support/Indirect	(5,186)	5,186	-	(954)	954	-	4,232	(4,232)	-
<b>Total Expenditures</b>	<b>405,291</b>	<b>120,306</b>	<b>525,597</b>	<b>359,029</b>	<b>116,227</b>	<b>475,256</b>	<b>(46,263)</b>	<b>(4,079)</b>	<b>(50,341)</b>
<b>Excess/(Deficiency)</b>	<b>(34,619)</b>	<b>(10,014)</b>	<b>(44,633)</b>	<b>6,072</b>	<b>(11,639)</b>	<b>(5,567)</b>	<b>40,692</b>	<b>(1,625)</b>	<b>39,066</b>
<b>Other Financing Sources/uses</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-	-	-
Contributions	(8,244)	8,244	-	(19,551)	19,551	-	(11,307)	11,307	-
<b>Total Other Sources/Uses</b>	<b>(8,244)</b>	<b>8,244</b>	<b>-</b>	<b>(19,551)</b>	<b>19,551</b>	<b>-</b>	<b>(11,307)</b>	<b>11,307</b>	<b>-</b>
<b>Net Inc/Dcr to Fund Balance</b>	<b>(42,863)</b>	<b>(1,770)</b>	<b>(44,633)</b>	<b>(13,479)</b>	<b>7,912</b>	<b>(5,567)</b>	<b>29,385</b>	<b>9,682</b>	<b>39,066</b>
<b>Beginning Balance</b>	<b>246,288</b>	<b>25,754</b>	<b>272,043</b>	<b>203,425</b>	<b>23,984</b>	<b>227,409</b>	<b>(42,863)</b>	<b>(1,770)</b>	<b>(44,633)</b>
<b>Audit Adjustment</b>									
<b>Restated Beginning Balance</b>	<b>246,288</b>	<b>25,754</b>	<b>272,043</b>	<b>203,425</b>	<b>23,984</b>	<b>227,409</b>	<b>(42,863)</b>	<b>(1,770)</b>	<b>(44,633)</b>
<b>Ending Balance</b>	<b>203,425</b>	<b>23,984</b>	<b>227,409</b>	<b>189,947</b>	<b>31,896</b>	<b>221,842</b>	<b>(13,479)</b>	<b>7,912</b>	<b>(5,567)</b>

# True Ongoing Operating Deficit/Surplus

Unrestricted Prior to Current Budget Summary Comparison			
	2023-24 June Update	2024-25 Adopted Budget	
	Unrestricted	Unrestricted	Change
Total Revenue	370,672	365,101	(5,571)
Total Expenditures	405,291	359,029	(46,263)
Excess/(Deficiency)	(34,619)	6,072	40,692
Transfers In	0	0	0
Contributions	(8,244)	(19,551)	(11,307)
<b>Net Inc/Dcr to Fund Balance</b>	<b>(42,863)</b>	<b>(13,479)</b>	<b>29,385</b>
One-Time Net Adjustments	79,575	0	(79,575)
<b>True Ongoing Excess/ (Deficiency)</b>	<b>36,712</b>	<b>(13,479)</b>	<b>(50,190)</b>
Beginning Balance	246,288	203,425	(42,863)
Ending Balance (incl one-time)	203,425	189,947	(13,479)

- One-time net adjustments
  - \$79,575 in FY 2023-24 – Playground repair, phone line removal, plumbing repairs, front of classroom replacement, office equipment, Microsoft Office licenses
  - No one-time expenditures budgeted for 2024-25

# Components of Ending Fund Balance

## 2023-24 June Update to 2024-25 Budget

	<u>2023-24 June Update</u>			<u>2024-25 Adopted Budget</u>					
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
<b>Components of Ending Fund Balance</b>									
Revolving Cash	250		250	250		250	-	-	-
Stores			-			-	-	-	-
Prepaid Expend.	801		801	801		801	-	-	-
Reserve for Economic Uncertainty	80,000		80,000	87,000		87,000	7,000	-	7,000
Restricted		23,984	23,984		31,896	31,896	-	7,912	7,912
Assigned - Facility Maintenance Reserves			-			-	-	-	-
Unassigned / Unappropriated	122,374		122,374	101,896		101,896	(20,479)	-	(20,479)
<b>Total</b>	<b>203,425</b>	<b>23,984</b>	<b>227,409</b>	<b>189,947</b>	<b>31,896</b>	<b>221,842</b>	<b>(13,479)</b>	<b>7,912</b>	<b>(5,567)</b>

# Multi-Year Projections 2025-26 Assumptions



- Funding based on 3 Prior Year Average ADA of 9.10
  - Estimated 2025-26 P-2 ADA is 8.57 based on 9 students
- NSS Funding, COLA 1.00%
  - District is currently budgeting a smaller COLA than currently projected due to the volatility with the state budget at the current time. Will update again at 1<sup>st</sup> Interim.
- Unduplicated enrollment 19.23%
  - Due to the percentage being below 55%, the district isn't receiving LCFF concentration dollars
- Staffing: 2.8% increase to payroll/benefits
  - Estimated increases for Supt/Principal/Teacher step & column adjustments
  - Estimated increases for Classified staff step & column adjustments
  - STRS employer rate of 19.10% (flat)
  - PERS employer rate of 27.60% (0.37% increase from prior year)
- District meets Minimum Reserve requirements



# Multi-Year Projections 2026-27 Assumptions



- Funding based on Prior Year ADA of 8.57
  - Estimated 2026-27 P-2 ADA is 7.62 based on 8 students
- NSS Funding, COLA 1.00%
  - District is currently budgeting a smaller COLA than currently projected due to the volatility with the state budget at the current time. Will update again at 1<sup>st</sup> Interim.
- Unduplicated enrollment 23.08%
  - Due to the percentage being below 55%, the district isn't receiving LCFF concentration dollars
- Staffing: 2.0% increase to payroll/benefits
  - Estimated increases for Supt/Principal/Teacher step & column adjustments
  - Estimated increases for Classified staff step & column adjustments
  - STRS employer rate of 19.10% (flat)
  - PERS employer rate of 28.00% (0.40% increase from prior year)
- District meets Minimum Reserve requirements



# Multi-Year Projections

- To be funded as a Necessary Small School, a minimum of 5 resident students must be enrolled
  - The school must meet the qualifications set forth in EC 42283 to receive NSS funding; the distance requirements in 42283 (a) (1) and 42283 (a) (2) specifically state the students must reside in the district
- In 2025-26 and 2026-27 the district is currently projecting to meet this qualification with 8 resident students enrolled for each year
- If district were to lose NSS status in 2024-25, 2025-26 or 2026-27, LCFF would provide the following less revenue than NSS funding:

NSS vs. LCFF Funding in 2024-25	
NSS Revenue	\$ 350,405.00
LCFF Revenue	\$ 196,331.00
Difference	\$ (154,074.00)

NSS vs. LCFF Funding in 2025-26	
NSS Revenue	\$ 347,796.00
LCFF Revenue	\$ 167,974.00
Difference	\$ (179,822.00)

NSS vs. LCFF Funding in 2026-27	
NSS Revenue	\$ 356,856.00
LCFF Revenue	\$ 169,336.00
Difference	\$ (187,520.00)

# Multi-Year Projections with NSS Funding for Board Approval

MULTI -YEAR PROJECTIONS									
COLA	0.76%			1.00%			1.00%		
EPA%	48.76%			48.76%			48.76%		
LCFF GAP%	100.00%			100.00%			100.00%		
UNDUP ENR%	22.22%			19.23%			23.08%		
	2024-25 (NSS)			2025-26 (NSS)			2026-27 (NSS)		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	365,101	104,588	469,689	362,492	105,387	467,879	371,552	106,227	477,779
Total Expenditures	359,029	116,227	475,256	370,619	116,280	486,899	377,658	118,150	495,808
Excess/(Deficiency)	6,072	(11,639)	(5,567)	(8,127)	(10,893)	(19,020)	(6,106)	(11,923)	(18,029)
Transfers In	0	0	0	0	0	0	0	0	0
Contributions	(19,551)	19,551	0	(21,420)	21,420	0	(22,142)	22,142	0
<b>Net Inc/Dcr to Fund Balance</b>	<b>(13,479)</b>	<b>7,912</b>	<b>(5,567)</b>	<b>(29,547)</b>	<b>10,527</b>	<b>(19,020)</b>	<b>(28,248)</b>	<b>10,219</b>	<b>(18,029)</b>
Beginning Balance	203,425	23,984	227,409	189,947	31,896	221,842	160,400	42,423	202,822
Ending Balance	189,947	31,896	221,842	160,400	42,423	202,822	132,152	52,642	184,793
	Funded ADA =	11.43		Funded ADA =	9.10		Funded ADA =	8.57	

- The state required EUR is currently projected to be \$87,000 for FY 2024-25, which the district will meet. The district will also meet it's EUR in both FY 2025-26 & 2026-27
- The district is projected to deficit spend in all 3 years, due to ongoing staffing cost increases

# Multi-Year Projections with LCFF Funding in 2026-27 for Board Information Only

MULTI -YEAR PROJECTIONS- LCFF funding projection									
COLA	0.76%			1.00%			1.00%		
EPA%	48.76%			48.76%			48.76%		
LCFF GAP%	100.00%			100.00%			100.00%		
UNDUP ENR%	22.22%			19.23%			23.08%		
	2024-25 (NSS)			2025-26 (NSS)			2026-27 LCFF		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	365,101	104,588	469,689	362,492	105,387	467,879	184,032	106,227	290,259
Total Expenditures	359,029	116,227	475,256	370,619	116,280	486,899	377,658	118,150	495,808
Excess/(Deficiency)	6,072	(11,639)	(5,567)	(8,127)	(10,893)	(19,020)	(193,626)	(11,923)	(205,549)
Transfers In	0	0	0	0	0	0	0	0	0
Contributions	(19,551)	19,551	0	(21,420)	21,420	0	(22,142)	22,142	0
<b>Net Inc/Dcr to Fund Balance</b>	<b>(13,479)</b>	<b>7,912</b>	<b>(5,567)</b>	<b>(29,547)</b>	<b>10,527</b>	<b>(19,020)</b>	<b>(215,768)</b>	<b>10,219</b>	<b>(205,549)</b>
Beginning Balance	203,425	23,984	227,409	189,947	31,896	221,842	160,400	42,423	202,822
Ending Balance	189,947	31,896	221,842	160,400	42,423	202,822	(55,368)	52,642	(2,727)
	Funded ADA =	11.43		Funded ADA =	9.10		Funded ADA =	8.57	

- The district is currently projected to maintain NSS status in all 3 years, however if it loses NSS status in 2026-27 we would not be able to meet our state required EUR, with at least \$144,368 in reductions needing to be made to meet the required EUR of \$89,000

# Multi-Year Projections with LCFF Funding in 2025-26 & 2026-27 for Board Information Only

MULTI -YEAR PROJECTIONS- LCFF funding projection									
COLA	0.76%			1.00%			1.00%		
EPA%	48.76%			48.76%			48.76%		
LCFF GAP%	100.00%			100.00%			100.00%		
UNDUP ENR%	22.22%			19.23%			23.08%		
	2024-25 (NSS)			2025-26 (LCFF)			2026-27 (LCFF)		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Total Revenue	365,101	104,588	469,689	167,974	105,387	273,361	184,032	106,227	290,259
Total Expenditures	359,029	116,227	475,256	370,619	116,280	486,899	377,658	118,150	495,808
Excess/(Deficiency)	6,072	(11,639)	(5,567)	(202,645)	(10,893)	(213,538)	(193,626)	(11,923)	(205,549)
Transfers In	0	0	0	0	0	0	0	0	0
Contributions	(19,551)	19,551	0	(21,420)	21,420	0	(22,142)	22,142	0
<b>Net Inc/Dcr to Fund Balance</b>	<b>(13,479)</b>	<b>7,912</b>	<b>(5,567)</b>	<b>(224,065)</b>	<b>10,527</b>	<b>(213,538)</b>	<b>(215,768)</b>	<b>10,219</b>	<b>(205,549)</b>
Beginning Balance	203,425	23,984	227,409	189,947	31,896	221,842	0	42,423	42,423
Ending Balance	189,947	31,896	221,842	(34,118)	42,423	8,304	(215,768)	52,642	(163,126)
	Funded ADA =	11.43		Funded ADA =	9.10		Funded ADA =	8.57	

- The district is currently projected to maintain NSS status in all 3 years, however if it loses NSS status in 2025-26 & 2026-27 we would not be able to meet our state required EUR, with at least \$122,118 in reductions needing to be made in 2025-26 to meet EUR and at least \$304,768 in 2026-27 to meet EUR

# Why is it Important for Indian Diggings to Maintain a Reserve?

- A reserve is a safety net that allows a district to meet its obligations as unplanned changes in revenues and expenditures occur
- If reserves must be used, it is important to remember that they are one-time funds
  - Once reserves are used, they are not replenished except by purposeful action by the Board of Trustees
- Most financial turbulence that a district encounters tends to be ongoing in nature
- Reserves can help carry the district through a year of financial problems – long enough for the district to make budget cuts to solve its ongoing financial issues
- If budget cuts are not made, reserves would continue to be used by default, and eventually the reserves will be depleted

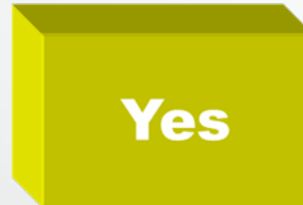
# Next Steps

- August 2024
  - 45-day 2024-25 budget revision due
    - Required if changes to state adopted budget are material for district
    - This could potentially be needed this year due to the uncertainty surrounding the latest May revision from the Governor
  - September 2024
    - 2023-24 Unaudited Actuals
      - If there is a delay in the update of the 2024-25 state budget, then district will bring updates for 2024-25 in September



# Fiscal Status

- Is the district fiscally solvent in the current budget year and next two years?



- The 2024-25 budget is estimated to have a deficit of approximately (\$13,000)
- The MYP budget projects deficit spending in both 2025-26 and 2026-27
- The district will continue to explore avenues of savings



# Questions?

