



Laguna Beach Unified School District

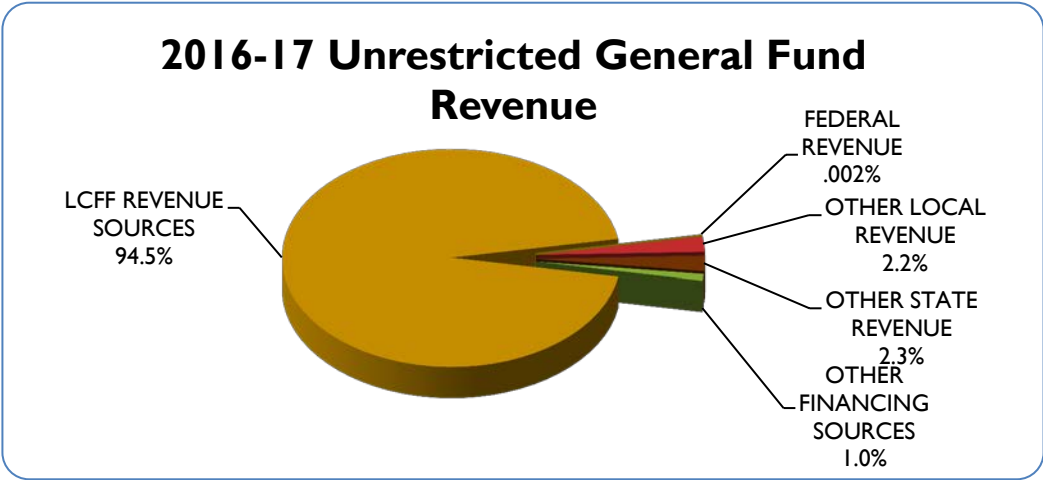
Fiscal Year 2016-17 Preliminary Budget

Presented By:
Dean West, CPA
Assistant Superintendent -
Business Services
June 14, 2016

Revenue

- LCFF Sources increased by \$2,300,000. 2016-17 Secured Property Tax revenue is projected at an increase of 5% over the 2015-16 Estimated Actual level.
- Federal revenue shows an decrease of \$26,755 due to federal projections for IDEA Mental Health and other federal programs.
- Other State Revenue decreased \$821,828 primarily as a result of lower one-time revenues that offset state obligations for outstanding mandate reimbursement claims.
- Local revenue has a decrease of \$1,278,307. City revenue for tennis court renovation was in 2015-16 only. Donation revenue is excluded at Budget Adoption, except SchoolPower.

Where Does The Money Come From



Expenditures

- **Salaries and Benefits:**
 - Bargaining Unit Settlements (3%)
 - New Staff: Two Elementary Science Teachers, RSP Teacher, Plumber
 - Increased STRS and PERS pension cost
- **Non-Salary:**
 - Remove carryover and adjust for other onetime items
 - Maintain School Allocations
 - Reduce Central Allocations to 3-year average plus CPI
- **Transfers Out from General Fund:**
 - \$165,000 to Food Services
 - \$900,000 to Facilities Repair and Replacement (FRRP)
 - \$9 million plan for Roofing, Lighting, HVAC Replacement
 - \$1,200,000 to Capital Improvement Plan (CIP)
 - \$12 million plan for field renovations, new spaces, new A/C

2016-17 Projected Expenditure Adjustments Compared To Prior Year

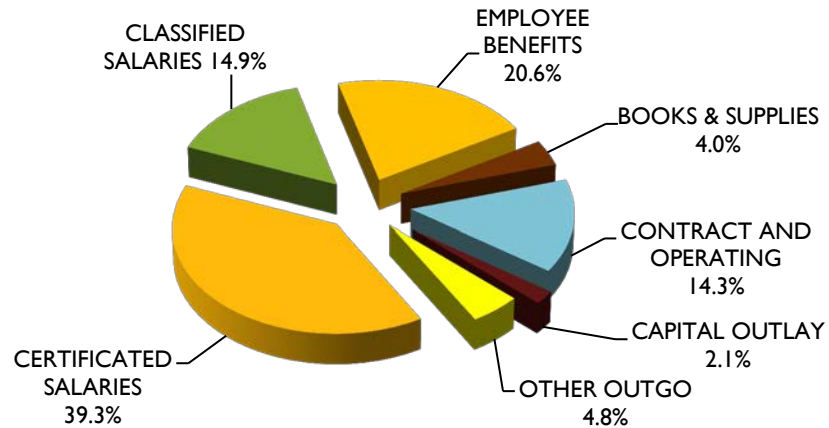
Major Object Description of Changes	Net Change Amount
Certificated Salaries	\$ 1,227,030
Classified Salaries	361,296
Employee Benefits	-1,057,184
Materials & Supplies	-817,529
Contracted Services & Other Operating Expenses	-994,384
Capital Outlay	-1,763,869
Other Outgo, Tuition, Excess Cost and Transfers	<u>-52,493</u>
Total Projected Expenditure Adjustments, including Transfers	\$ -3,097,133

2016-17 Projected Expenditures

Major Object Description of Changes	2016-17 Expenditure Budget
Certificated Salaries	\$ 21,777,987
Classified Salaries	8,225,918
Employee Benefits	11,421,674
Materials & Supplies	2,192,879
Contracted Services & Other Operating Expenses	7,919,226
Capital Outlay	1,151,065
Other Outgo, Tuition, Excess Cost and Transfers	<u>2,686,366</u>
Total Projected Expenditure Adjustments, including Transfers	\$ 55,375,115

Where Does The Money Go

2016-17 Total Projected Expenditures



Encroachments

Program Expenditures exceed Program Revenues

- Special Education \$ 5,133,257
- Home to School Transportation 761,450
- Special Education Transportation 522,800
- Food Services 165,000

2016-17 Components of Ending Fund Balance GASB 54 Compliant

2016-17 ESTIMATED ENDING FUND BALANCE	\$ 5,650,207
Nonspendable - Revolving Cash	50,000
Routine Restricted Maintenance (4%)	2,481,322
Assigned	
<ul style="list-style-type: none"> • Other Potential One-time Expenditures District Goals, GASB 45, Textbook Adoption, Special Education, Litigation, Furniture & Equipment, and Facilities 	118,885
State Requirement: 3% Economic Uncertainties per Board Policy: 2% Economic Uncertainties	3,000,000
2016-17 ESTIMATED ENDING FUND BALANCE	\$ 5,650,207

Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances

Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances	% of GF	Reserve Amount
Assigned		
<ul style="list-style-type: none"> • Other Potential One-time Expenditures District Goals, GASB 45, Textbook Adoption, Special Education, Litigation, Furniture & Equipment, and Facilities 	0.2%	118,885
State Required Reserve for Economic Uncertainties (REU)	3.0%	1,661,254
Local Board Policy Reserve for Economic Uncertainties (REU)	2.4%	1,338,746
	5.6%	\$ 3,118,885

Reserve CAP: Ed. Code 42127 states that District percentage would need to be under 6%, if triggered by a State rainy day fund contribution under Proposition 2

Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances - MYP

	2016-2017		2017-2018		2018-2019	
General Fund Expenditures		53,110,115		53,785,373		55,786,663
General Fund Transfers to Other Funds		2,265,000		2,665,000		2,865,000
General Fund Expenditures and Transfers		55,375,115		56,450,373		58,651,663
Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances	% of GF	Reserve Amount	% of GF	Reserve Amount	% of GF	Reserve Amount
<u>Assigned</u> Other Potential One-time Expenditures: District Goals, GASB 45, Textbook Adoption, Special Education, Litigation, Furniture & Equipment, and Facilities	0.2%	118,885	0.2%	119,668	0.7%	369,163
<u>Unassigned</u> State Required Reserve for Economic Uncertainties (REU)	3.0%	1,661,254	3.0%	1,693,511	3.0%	1,759,550
Local Board Policy Reserve for Economic Uncertainties (REU)	2.4%	1,338,746	2.3%	1,306,489	2.1%	1,240,450
	5.6%	\$ 3,118,885	5.5%	\$ 3,119,668	5.8%	\$ 3,396,163

Reserve CAP: Ed. Code 42127 states that District percentage would need to be under 6%, if triggered by a State rainy day fund contribution under Proposition 2

All Funds Budget

Laguna Beach Unified School District

2016-17 Preliminary Budget

(In Millions)

<u>Fund #</u>	<u>Fund Description</u>	Beginning Fund <u>Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers</u>	Ending Fund <u>Balance</u>
01	General	\$ 5.53	\$ 54.99	(53.11)	(1.77)	\$ 5.65
11	Adult Education	-	0.04	(0.04)	-	-
13	Nutrition	0.03	0.75	(0.92)	0.17	0.03
17	Special Reserve Non-Capital	15.95	0.09	-	-	16.04
25	Building Developer Fees	0.02	0.17	(0.02)	-	0.17
4040	Repair/Replacement (FRRP)	5.02	0.01	(5.36)	0.90	0.57
4041	Aliso Property Reserve	5.67	0.04	-	(0.50)	5.21
4042	Capital Improvement (CIP)	<u>2.76</u>	<u>0.01</u>	<u>(2.63)</u>	<u>1.20</u>	<u>1.34</u>
	All Funds	\$ <u>34.99</u>	\$ <u>56.10</u>	\$ <u>(62.08)</u>	\$ <u>-</u>	\$ <u>29.00</u>

Reserves for All Funds

Laguna Beach Unified School District
2016-17 Preliminary Budget

	General	Adult Education	Nutrition	Special Reserve Non-Capital	Building Developer Fees	Repair / Replacement (FRRP)	Aliso Property Reserve	Capital Improvement (CIP)	All Funds
Fund	01	11	13	17	25	40 Special Reserves-Facilities			
SubFund	0101	1111	1313	1717	2525	4040	4041	4042	
<u>Reserves</u>									
Nonspendable	50,000	-	8,121						58,121
Restricted	2,481,322	-	20,415		170,184				2,671,921
Committed				16,041,341		567,470	5,206,674	1,338,836	23,154,321
Assigned	118,885								118,885
Unassigned	3,000,000								3,000,000
Total Reserves	5,650,207	-	28,536	16,041,341	170,184	567,470	5,206,674	1,338,836	29,003,248



Laguna Beach Unified School District
Fiscal Year 2016-17
Assigned and Unassigned
Ending Fund Balance Reserves

Presented By:
Dean West, CPA
Assistant Superintendent -
Business Services

Reserves for All Funds

Laguna Beach Unified School District
2016-17 Preliminary Budget

	General	Adult Education	Nutrition	Special Reserve Non-Capital	Building Developer Fees	Repair / Replacement (FRRP)	Aliso Property Reserve	Capital Improvement (CIP)	All Funds
Fund	01	11	13	17	25	40 Special Reserves-Facilities			
SubFund	0101	1111	1313	1717	2525	4040	4041	4042	
Reserves									
Nonspendable	50,000	-	8,121						58,121
Restricted	2,481,322	-	20,415		170,184				2,671,921
Committed				16,041,341		567,470	5,206,674	1,338,836	23,154,321
Assigned	118,885								118,885
Unassigned	3,000,000								3,000,000
Total Reserves	5,650,207	-	28,536	16,041,341	170,184	567,470	5,206,674	1,338,836	29,003,248

Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances

Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances	% of GF	Reserve Amount
Assigned <ul style="list-style-type: none"> • Other Potential One-time Expenditures District Goals, GASB 45, Textbook Adoption, Special Education, Litigation, Furniture & Equipment, and Facilities 	0.2%	118,885
State Required Reserve for Economic Uncertainties (REU)	3.0%	1,661,254
Local Reserve for Economic Uncertainties (REU)	2.4%	1,338,746
	5.6%	\$ 3,118,885

Reserve CAP: Ed. Code 42127 states that District percentage would need to be under 6%, if triggered by a State rainy day fund contribution under Proposition 2

Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances - MYP

	2016-2017		2017-2018		2018-2019	
General Fund Expenditures		53,110,115		53,785,373		55,786,663
General Fund Transfers to Other Funds		2,265,000		2,665,000		2,865,000
General Fund Expenditures and Transfers		55,375,115		56,450,373		58,651,663
Education Code Section 42127(a)(2)(B) Assigned and Unassigned Balances	% of GF	Reserve Amount	% of GF	Reserve Amount	% of GF	Reserve Amount
<u>Assigned</u> Other Potential One-time Expenditures: District Goals, GASB 45, Textbook Adoption, Special Education, Litigation, Furniture & Equipment, and Facilities	0.2%	118,885	0.2%	119,668	0.7%	369,163
<u>Unassigned</u> State Required Reserve for Economic Uncertainties (REU)	3.0%	1,661,254	3.0%	1,693,511	3.0%	1,759,550
Local Board Policy Reserve for Economic Uncertainties (REU)	2.4%	1,338,746	2.3%	1,306,489	2.1%	1,240,450
	5.6%	\$ 3,118,885	5.5%	\$ 3,119,668	5.8%	\$ 3,396,163

Reserve CAP: Ed. Code 42127 states that District percentage would need to be under 6%, if triggered by a State rainy day fund contribution under Proposition 2