

**LA CAÑADA UNIFIED SCHOOL DISTRICT
BUSINESS SERVICES MEMORANDUM**

August 16, 2016

TO: Wendy K. Sinnette, Superintendent

FROM: Mark Evans, Chief Business and Operations Officer

SUBJECT: Approve Summary of Revenue and Expenditures for 2015-16
(Unaudited), Needed Revisions to the Adopted Budget, Budget Transfer for
Deferred Maintenance, and Review of Current Budgetary Projections for 2016-17
and Future Years

Background

California Education Code §42100 requires the Governing Board of each school district to provide the County Office of Education (on or before September 15) a report of all revenue and expenditures for the preceding fiscal year. Although the prior fiscal year formally ended on June 30, final accounting tabulations are not generally completed by the District and LACOE until the end of August. It is noted that all data contained in the attached report are subject to final audit by the District's Independent Auditor (Vavrinek, Trine, Day & Co., LLP).

General Fund Ending Balance 2015-16

The General Fund ending balance (inclusive of the reserve for Economic Uncertainties, revolving cash, warehouse inventory, school site and district carryover funds, legally restricted and other designated reserves, etc.) is currently estimated at \$4,066,215. This amount includes the following:

"Legally Restricted Reserves"

- \$463,012 in Restricted Lottery, State Mental Health funding, Ongoing & Major Maintenance Account, Educator Effectiveness, and California Clean Energy Jobs Act (Prop 39).

"Other Assigned Reserves"

- \$198,949 in Carryover Funds (Donations / PTA /etc.)
- \$295,636 in Textbooks

"Other Committed Reserves"

- \$490,000 in Future PERS/STRS increased district contribution

"Other Reserves"

- \$4,066,215 Reserve for Economic Uncertainties
- \$ 6,000 Revolving Cash Fund
- \$ 154,948 Warehouse / Stores Inventory/Prepaid Expense

District Budget for 2016-17 and Multi-Year Projection Scenarios

The Governing Board, at its meeting on June 28, 2016 adopted the District's Budget for 2016-17. With the passing of the state budget, the district has revised its Original Budget to reflect any changes in revenue and expenditures shown on the Revenues and Expenditures Multiyear Budgets.

Summary

This agenda item provides the following information:

District Budgetary Assumptions (Page 3) remain the same as approved at Budget adoption.

- Enrollment Assumptions (Page 4) are based on prior year information and will be updated at the First Interim when more current information is available.
- An overview of Revenues and Expenditures (Unaudited) for 2015-16, the 2016-17 Budget as adopted by the Governing Board on June 28, 2016 (based on LCFF), current revisions to that budget, and revised multi-year budgetary projections (Pages 5) which reflect the current funding model; Local Control Funding Formula.
- 2015-16 All Fund Ending Balance Summary (Page 6)

Recommendation

It is recommended that the Governing Board approve the summary of District revenues and expenditures for 2015-16 (Unaudited) and the Revised Budget for 2016-17.

It is also recommended that the Governing Board approve cash transfers for 2016-17 from the General Fund 01.0 to Deferred Maintenance Fund 14.0 in the amount of \$441,448, to the Cafeteria Fund 13.0 in the amount of \$48,045, to the Post Employment Benefit Fund 20.0 in the amount of \$125,000, and \$16,000 to the General Fund from the Lease Interruption Fund 17.1.

It is also recommended that the Governing Board approve a cash transfer for 2015-16 of \$14,387.99 to the General Fund from the Lease Interruption Fund 17.1.

La Canada Unified School District
Business Office
Budgetary Assumptions 2014-15 through 2018-19
August 16, 2016

	2014-15	2015-16	2016-17	2017-18	2018-19
Enrollment*	4048	4092	4096 est	4096 est	4046 est
Enrollment increase/decline from prior year*	5	44	4	0	-50
FTE loss related to Enrollment Decline/Other*	0	-2.0 FTE	0	0	-2.0 FTE
Educational Foundation additional FTE					
Gr 4-6 CSR	+5.0 FTE	n/a	-5.0 FTE		
K Aides/Custodians Classified	+7.75 FTE	n/a	-7.75 FTE		
Counselors	+1.8 FTE	n/a	-2.0 FTE		
LCFF CSR (K-3) 20:1	+11.8 FTE	n/a	n/a	n/a	n/a
LCFF Gr 4-6 CSR		n/a	+5.0 FTE		
ROP funding from LACOE	\$354,560	\$136,429	\$0	\$0	0
ADA to Enrollment factor est.	97.91%	97.58%	97.58%	97.58%	97.58%
Governing Board/Other Elections	\$0	\$0	\$0	\$100,000	0
Employee Salary Compensation	4%	TBD	TBD	TBD	TBD
H & W Increase*	0.85%	1.02%	0.00%	1.10%	2.42%
Step and Column Increase Estimated*	1.5% Cert \$264,414 1.0% Class \$55,350	1.5% Cert \$252,640 1.0% Class \$44,507	1.75% Cert \$336,695 1.0% Class \$44,952	1.75% Cert \$339,588 1.0% Class \$45,402	1.75% Cert \$340,071 1.0% Class \$45,402
Program Expansion (supplemental grant)*	\$217,482	\$343,579	\$420,164	\$486,029	\$503,126
Technology infrastructure/equipment/support	\$500,000	\$450,000	\$450,000	\$450,000	\$450,000
Routine Restricted Maintenance Contribution	3.0%	3.0%	3.0%	3.0%	3.0%
Utility Increase (under review)*	6.0% \$76,469	-14.0% -\$178,201	8.00% \$96,050	8.00% \$103,734	8.00% \$112,033
Capital Outlay*	\$207,208	\$75,000	\$40,000	\$40,000	\$40,000
Special Education Increase Contribution (under review)	n/a	\$125,000	\$125,000	\$125,000	\$125,000
GASB 45 (Post employment benefits contribution)	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
STRS Employer rate projection	8.88%	10.73%	12.58%	14.43%	16.28%
increase over last year	\$ 153,425	\$ 355,935	\$ 348,741	TBD	TBD
increase from 13-14 contribution	\$ 153,425	\$ 509,360	\$ 858,101	TBD	TBD
PERS Employer rate projection	11.771%	11.85%	13.88%	15.50%	17.10%
increase over last year	\$ 77,742	\$ 39,010	\$ 62,366	TBD	TBD
increase from 13-14 contribution	\$ 77,742	\$ 116,752	\$ 179,118	TBD	TBD
Reserve level	3.50%	3.50%	3.50%	3.50%	3.50%
Projected Lease Income (under review)*	\$1,868,185	\$1,904,216	\$1,973,463	\$2,031,917	\$2,090,700
Fund 17 Lease Interruption Contingency	\$1,825,000	\$1,825,000	\$1,825,000	\$1,825,000	\$1,825,000
Mandated Block Grant	\$418,092	\$152,582	\$152,582	\$152,582	\$152,582
One Time Prior Year Mandate*	n/a	\$2,097,797	\$945,192	\$0	\$0
Parcel Tax Revenue	\$2,597,400	\$2,579,850	\$2,559,850	\$2,539,850	\$2,539,850
Educational Foundation Revenue*	\$2.1 M	\$2.1 M	\$2.0 M est	\$1.5 M est	\$1.5 M est
Transfer to Fund 40 (planned capital projects)*	\$350,000	\$830,000	\$0	\$0	\$0
Deferred Maintenance Contribution (includes LCFF)*	\$675,000	\$572,127	\$441,448	\$441,655	\$ 446,863
Educator Effectiveness Program	n/a	\$324,322	0	0	0
Lottery Non-Proposition 20	\$128.00	\$140.00	\$140.00	\$140.00	\$140.00
Lottery Proposition 20	\$34.00	\$41.00	\$41.00	\$41.00	\$41.00
Projected Annual Budgetary Savings in Unrestricted General Fund (under review)*	\$ 510,206	TBD	TBD	TBD	TBD

*Changes reflected after March 1, 2016

La Canada Unified School District
Projected Average Daily Attendance
August 16, 2016

add 50 to 2016-17

CBEDS to P2 ADA Projections

	A	B	C	D (C-B)	E (C-A) Difference	F (C/A) %Difference
	CBEDS	P1 ADA	P2 ADA			
2015-16	4092	4006.91	3988.15	-18.76	-104	-0.9746
2014-15	4048	3991	3963	-28	-85	-0.9791
2013-14	4043	3960	3957	-3	-86	-0.9787
2012-13	4123	4037	4025	-12	-98	-0.9761
2011-12	4070	3980	3966	-14	-104	-0.9744
2010-11	4022	3930	3903	-27	-119	-0.9704
			Average:	-14	-82	-0.9758

2014-15	**	4048	3963	0.9791		
	seniors out	-363				
	others in	148				
	NPS 15	4				
	K in	255				
2015-16	***	4092	3988	0.9746		
	seniors out	-342				
	others in	103				
	NPS 13	-2				
	K in	245				
2016-17		4096	3997	0.9758	(under review)	Increase 50 from 4046
	seniors out	-338				
	others in	103				
	NPS 13	0				
	K in	235				
2017-18		4096	3997	0.9758	(under review)	
	seniors out	-361				
	others in	76				
	NPS 13	0				
	K in	235				
2018-19		4046	3948	0.9758	(under review)	

* includes NPS

** Includes 11 NPS

*** includes 15 NPS

seniors out per Enrollment report 10/27/2015

NPS per Sp Ed report 10/27/15

	*	*	*	*	*
Projected ADA	2014-15	2015-16	2016-17	2017-18	2018-19
ADA	3963	3988	3997	3997	3948
Increase/Dcline from Prior Yr		25	9	0	-49
Funded ADA		3988	3997	3997	3997

La Canada Unified School District
Unaudited Actuals 2015-16 Revised Budget 2016-17

SSC GAP%

Inc 50 enrolled 16-17 17-18,
LCTA 4.25% 15-16, 5.54% 16-17 Appendix D, others 4.0% 15-16
August 16, 2016

GENERAL (Combined)									
Unaudited Actuals 15-16 and Revised Budget 16-17									
	1.02%	1.02%	1.02%	0.00%	0.00%	0.00%	1.11%	Projected Budget	2.42%
REVENUE	2015-16	2015-16	2015-16	2016-17	2016-17	2016-17	2017-18	2018-19	
LFFF	29,561,767	29,522,148	31,224,229	31,224,229	31,539,194	32,848,686			
Federal	881,486	892,201	874,388	874,388	883,898	883,898			
Other State	5,609,348	5,631,837	4,105,085	4,342,348	3,397,156	3,267,156			
Other Local	8,434,130	8,568,347	8,083,817	8,083,817	7,641,431	7,643,045			
Total Revenue	44,486,731	44,614,533	44,287,519	44,524,782	43,461,679	44,642,785			
EXPENDITURES									
Certificated	19,961,287	20,014,493	20,001,045	20,001,045	19,266,790	19,247,147			
Classified	7,482,400	7,414,549	7,578,627	7,578,627	7,420,413	7,494,617			
Benefits	8,005,843	7,894,906	8,081,952	8,081,952	8,729,167	9,383,812			
Supplies	1,877,053	1,821,465	2,227,858	2,371,454	3,125,454	2,595,454			
Services	5,761,518	5,468,813	5,727,991	5,727,991	5,817,165	5,821,050			
Capital Outlay	74,351	74,349	40,000	106,216	106,216	106,216			
Other Outgo	15,000	15,000	15,000	15,000	0	0			
Direct / Indirect	-40,012	-40,240	-41,566	-41,566	-39,144	-39,144			
Total Expense	43,137,440	42,863,334	43,630,907	43,840,719	44,426,061	44,609,151			
DIFFERENCE	1,349,291	1,951,199	656,612	884,063	-964,382	33,634			
OTHER SOURCES/USES									
Transfer Out Fund 14	-572,127	-572,127	-441,448	-441,448	-441,655	-446,863			
Transfer Out Fund 20	-125,000	-125,000	-125,000	-125,000	-125,000	-125,000			
Transfer Out Fund 40	-830,000	-830,000	0	0	0	0			
Transfer Out Fund 13	-120,000	-120,000	-48,045	-48,045	0	0			
Transfer In/(Out)	16,000	14,388	16,000	16,000	16,000	16,000			
Cont to Rest Maint	0	0	0	0	0	0			
Cont to Restricted	0	0	0	0	0	0			
Total Other SU	-1,631,127	-1,632,739	-598,493	-598,493	-550,655	-555,863			
FUND CHANGE	(281,835)	318,461	58,120	85,571	(1,515,036)	(522,228)			
Adjust	0	0	0	0	0	0			
BEG. BAL. 7/1	5,356,300	5,356,300	5,074,464	5,674,760	5,760,330	4,245,293			
END. BAL. 6/30	5,074,464	5,674,760	5,132,583	5,760,330	4,245,293	3,723,064			
Revolving Cash	8,500	6,000	8,500	8,500	8,500	8,500			
Stores/Prepays	7,500	154,948	7,500	46,905	7,500	7,500			
Legally Restricted	509,389	463,012	497,777	451,400	8,932	10,650			
Committed Funds PERS/STI	490,000	490,000	490,000	490,000	490,000	490,000			
Assigned Funds/LCFF Gap	0	0	0	0	314,252	733,744			
Assigned Funds/Donations	0	198,949	0	0	0	0			
Assigned Funds/Textbooks	326,303	295,636	960,951	930,284	525,284	120,284			
Economic Uncertainty	3,732,772	4,066,215	3,167,855	3,833,241	2,890,825	2,352,386			
Undesignated	0	0	0	0	0	0			
Unappropriated	0	0	0	0	0	0			
Reserve at 3.5%:	OK	OK	OK	OK	OK	OK			
3.50%	1,566,900	1,550,363	1,548,029	1,555,372	1,574,185	1,580,776			
3.00%	1,343,057	1,328,882	1,326,882	1,333,176	1,349,301	1,354,950			

La Cañada Unified School District
2015-16 Fund Balance Summary (all Funds)

Fund #	Fund/Account	Balance
01.0	General Fund "Legally" Restricted Reserve	\$463,012
01.0	General Fund "Committed/Assigned/Other Reserve Funds	1,145,533
01.0	General Fund "Reserve for Economic Uncertainties", Revolving Cash and Warehouse/Stores	4,066,215
13.0	Cafeteria Fund	16,587
14.0	Deferred Maintenance Fund	536,743
17.0	Special Reserve (Non-Capital Projects) – Mandated Costs	0
17.1	Special Reserve fund (Non-Capital Projects) – Lease Interruption	1,825,000
20.0	Post Employment Benefits Fund	645,691
21.2	Building Fund	0
25.0	Capital Facilities Fund (Developer Fees)	313,553
40.0	Special Reserve Fund (Capital Projects)	425,942
40.1	Stadium Facility Fund	103,632
40.2	Special Reserve Fund (Sewer Connection)	320,630
40.3	Field Agreement Fund	4,065
40.4	Field Replacement Fund	797,902