

FONTANA USD UNAUDITED ACTUALS

SEPTEMBER 14, 2016



Business Services
Randal Bassett
Bethany Figueroa



BUDGET CALENDAR

- **September** **Previous Year's Unaudited Actuals**
- **December** **1st Interim (as of October 31st)**
- **January** **Governor's Budget**
- **January** **Independent Audit Report**
- **March** **2nd Interim (as of January 31st)**
- **May** **Governor's May Revise**
- **June** **3rd Interim (If necessary - as of April 30th)**
- **June** **3-Year Budget Adoption**



UNAUDITED ACTUALS

- District prepared year-end financial statements as of June 30th using the State format known as SACS (Standardized Account Code Structure) for all District funds
- Report of activities in all District funds, identifying unspent funds or reserves that are carried forward into future years
- Used by external auditors to prepare the official Audit Report



UNAUDITED ACTUALS

- The financial books of the District have been closed
- Year-end closing entries are prepared and posted
- Unspent allocations have been identified and committed or assigned to the Fund Balance as appropriate
- Unaudited Actuals are compared to Estimated Actuals and presented with the 2016-17 Adopted Budgets

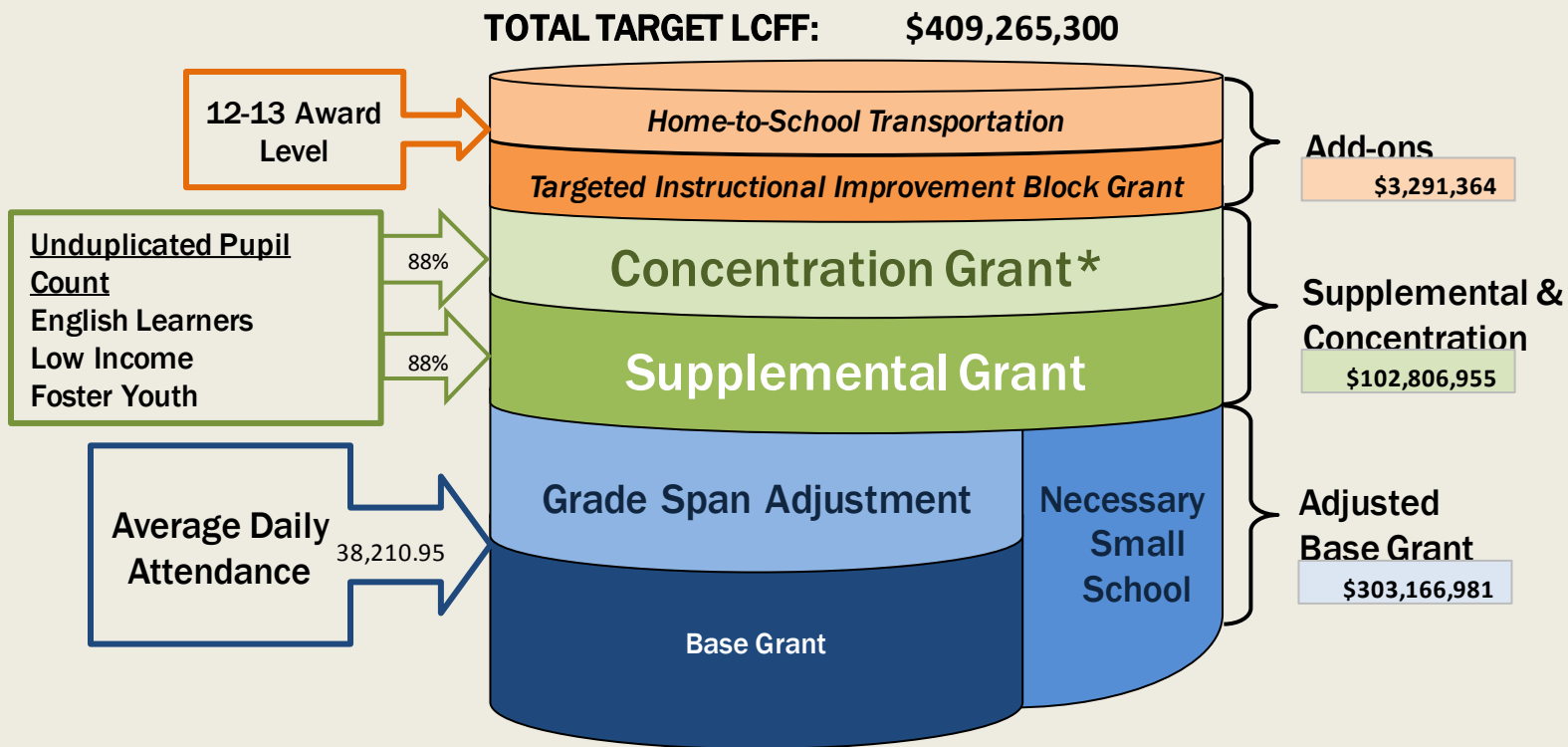


2015-16 REVIEW

- LCAP
- One-time funds
- PERS and STRS rate increases
- Reserve Cap
- New accounting treatments



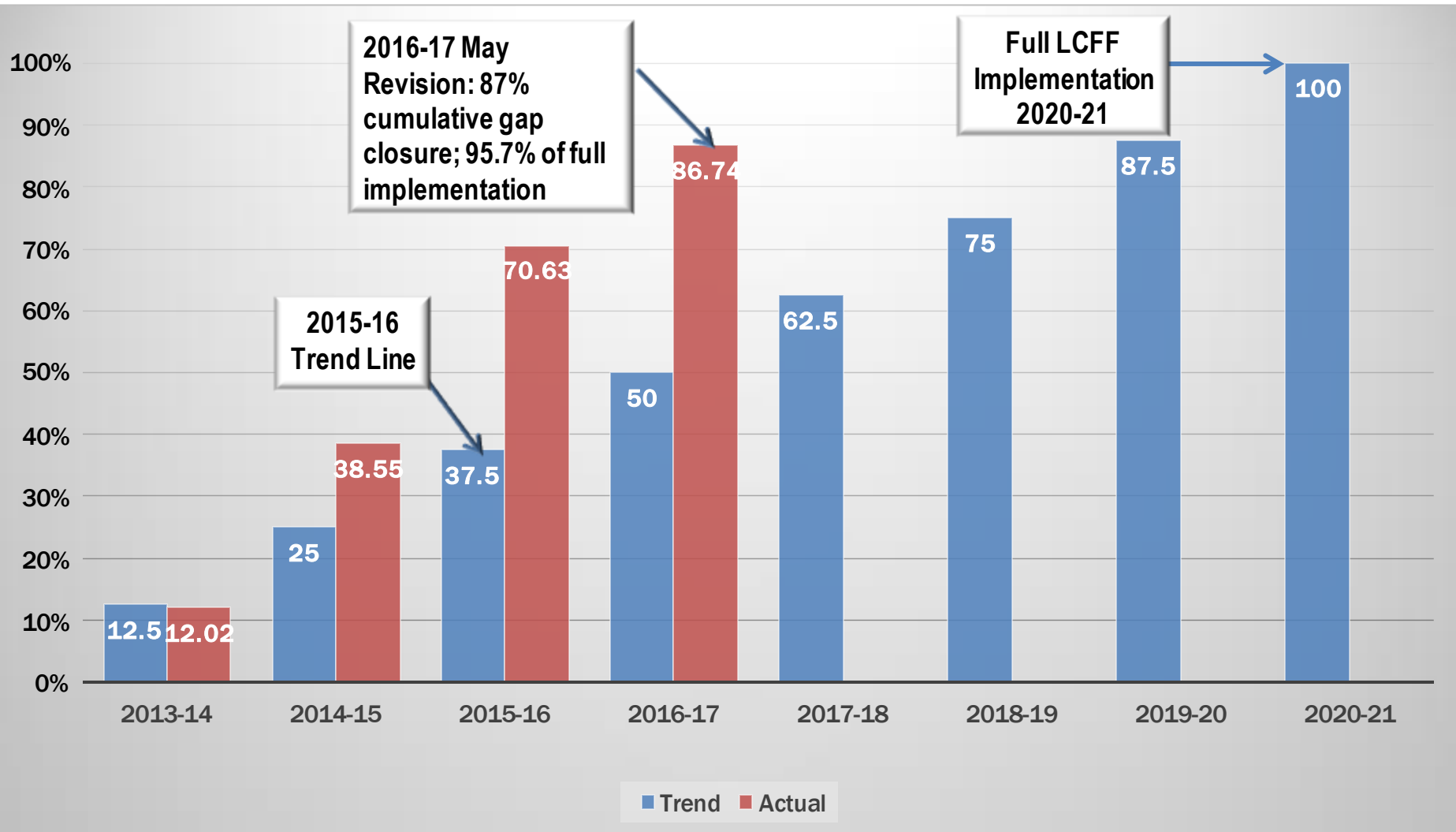
COMPONENTS OF LCFF TARGET



*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

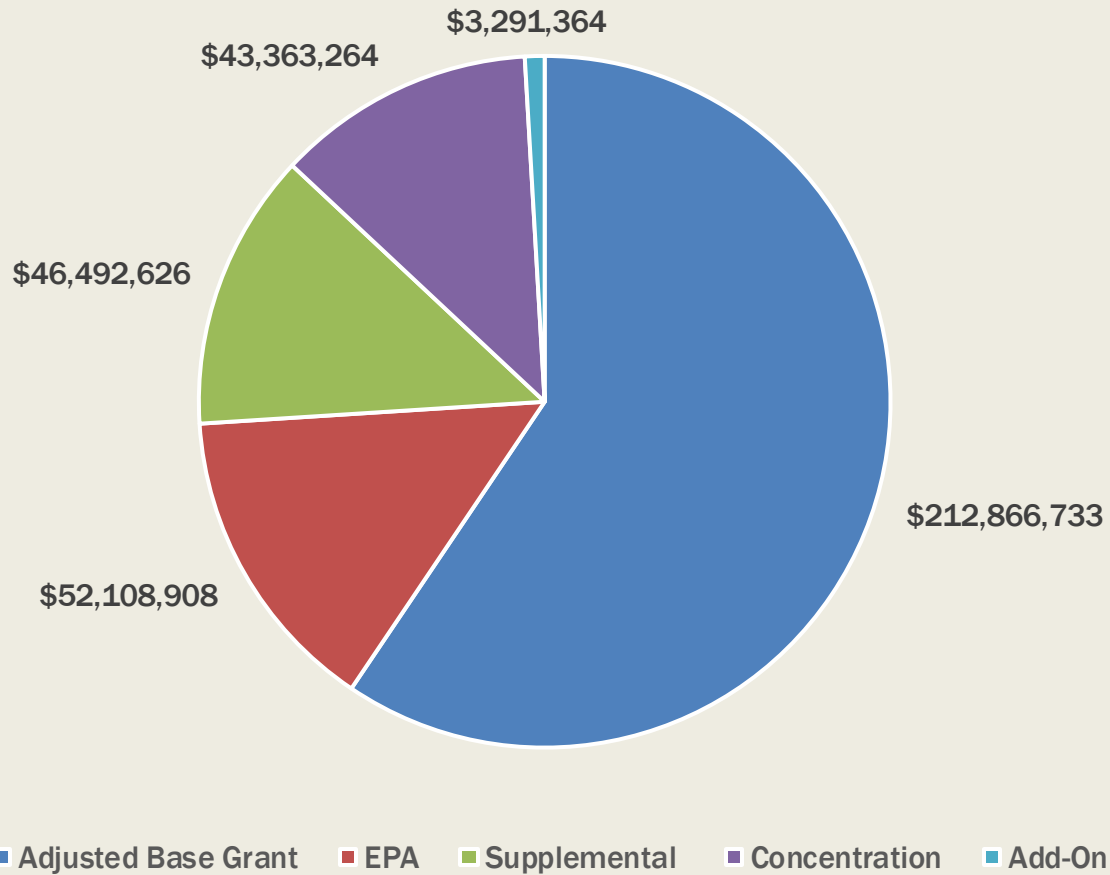


PROGRESS TOWARDS LCFF IMPLEMENTATION





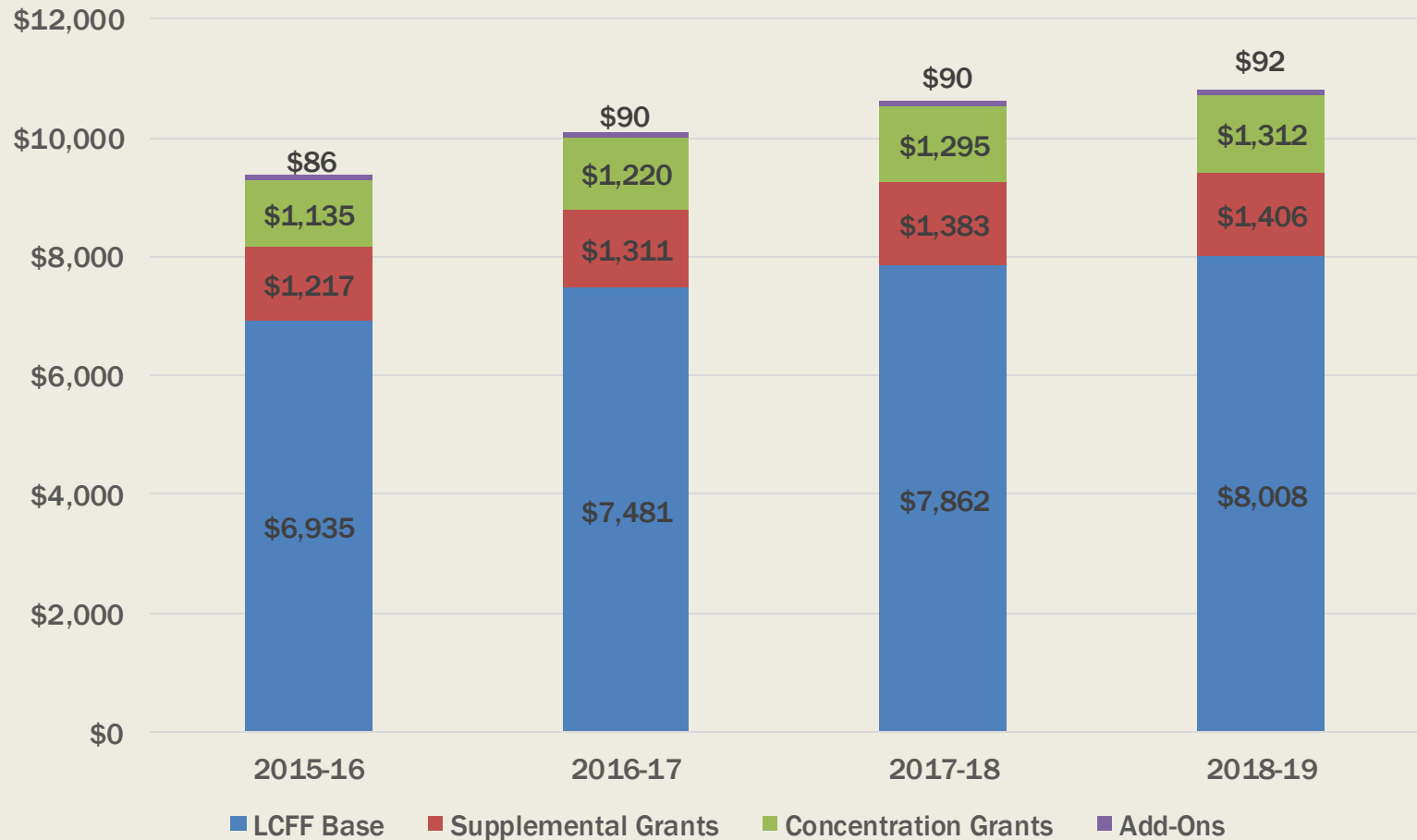
COMPONENTS OF LCFF



Total LCFF: \$358,122,895

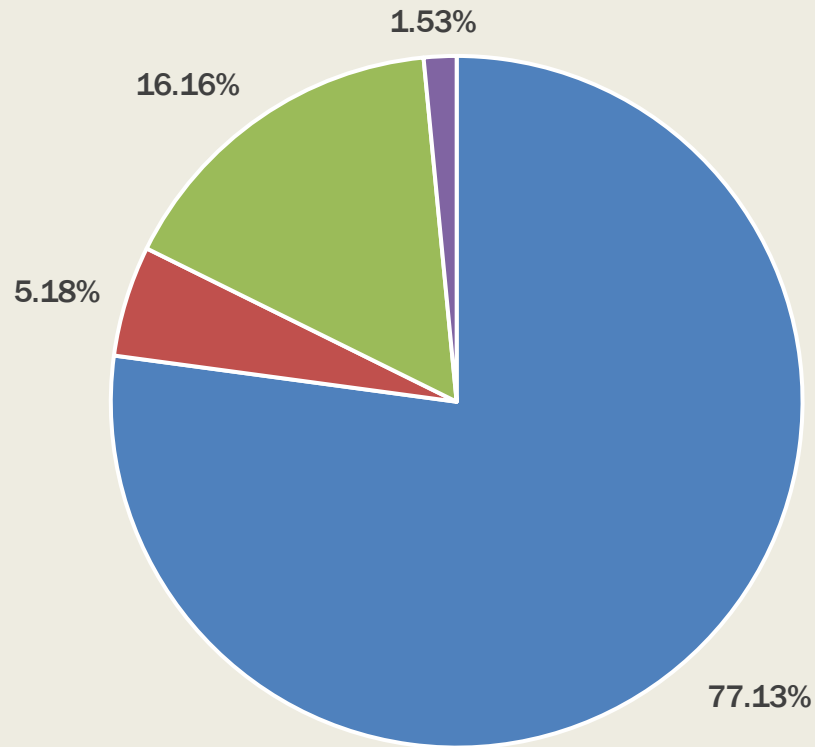


PROJECTED FUNDING PER ADA





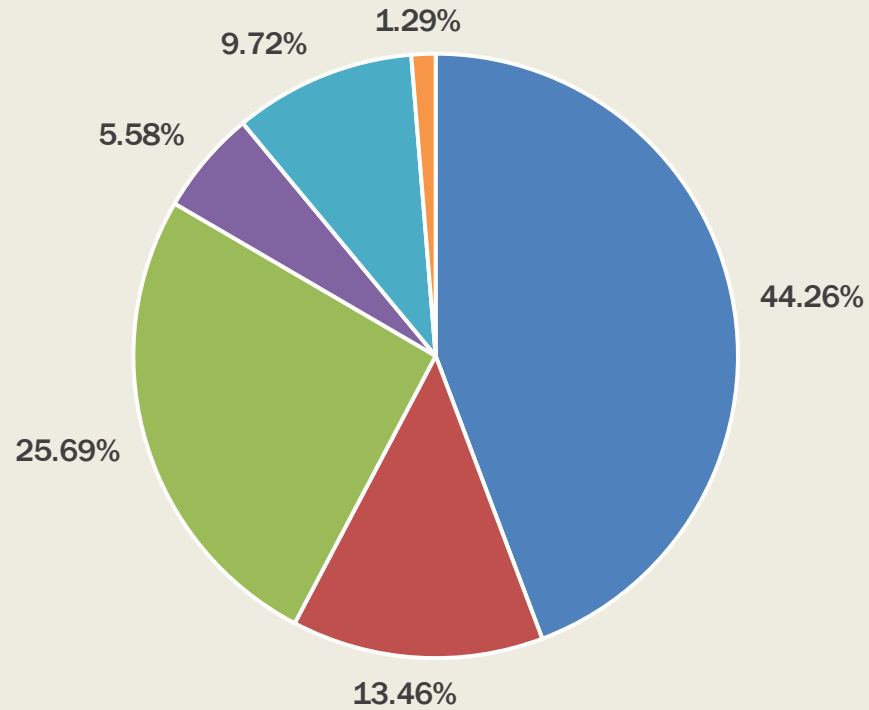
REVENUE BREAKDOWN



■ Local Control Funding Formula ■ Federal Revenue ■ Other State Revenue ■ Local Revenue



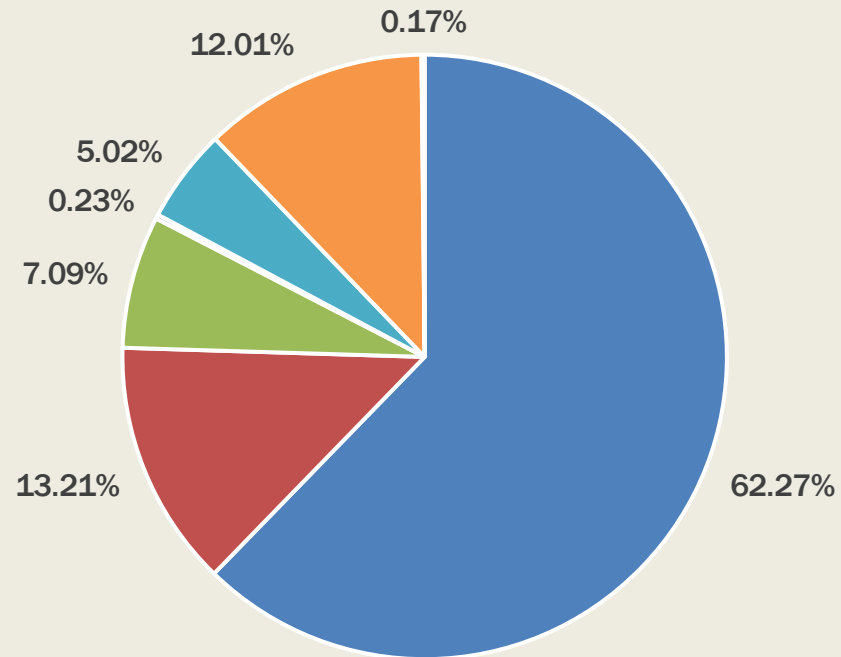
EXPENDITURE BY OBJECT



- Certificated Salaries
- Classified Salaries
- Employee Benefits
- Books and Supplies
- Services and Other Operating Expenditures
- Capital Outlay and Other Outgo



EXPENDITURE BY FUNCTION



- Instruction
- Instruction - Related Services
- Pupil Services
- Community Services
- General Administration
- Plant Services
- Ancillary and Other Ougo



SUMMARY OF UNRESTRICTED GENERAL FUND

	2015-16 Estimated Actuals	2015-16 Unaudited Actuals	Difference
Revenue	\$387,435,396	\$390,905,321	\$3,469,925
Expenses	\$320,079,670	\$318,101,520	\$1,978,150
Contributions	(\$33,958,097)	(\$34,206,973)	(\$248,876)
Net Revenue	\$353,477,299	\$356,698,348	\$3,221,049
Beginning Balance	\$61,812,681	\$61,812,681	\$0
Ending Balance	\$95,210,310	\$100,409,509	\$5,199,199
Net Increase (Decrease)	\$33,397,629	\$38,596,828	\$5,199,199
Reserve for Economic Uncertainties	\$16,325,478	\$16,684,147	\$358,669
Revolving Cash, Stores, and Prepaid	\$529,807	\$637,653	\$107,846
Assigned	\$17,086,298	\$49,929,328	\$32,843,030
Unassigned	\$61,268,727	\$33,158,381	(\$28,110,346)



UNRESTRICTED VARIANCES

■ Revenue

- Additional LCFF Revenue due to increased implementation percentage
- Increased Federal funds from Medi-Cal Billing
- Other Local Revenue increase from 3rd & 4th Quarter Interest, Redevelopment, and 1st Five

■ Expenses

- Variances in previous estimates for hourly salaries and benefits
- Unspent site and department budgets



SUMMARY OF RESTRICTED GENERAL FUND

	2015-16 Estimated Actuals	2015-16 Unaudited Actuals	Difference
Revenue	\$58,874,829	\$73,354,007	\$14,479,178
Expenses	\$88,064,363	\$99,002,167	\$10,937,804
Contributions (From Unrestricted)	\$33,958,097	\$34,173,787	(\$215,690)
Net Revenue	\$92,832,926	\$107,527,794	\$14,694,868
Net Increase (Decrease)	\$4,768,563	\$8,525,627	\$3,757,064
Beginning Balance	\$13,949,374	\$13,949,374	\$0
Ending Balance	\$18,717,937	\$22,475,001	\$3,757,064



RESTRICTED VARIANCES

■ Revenue

- New Regulations require District's to record the State STRS on behalf contribution – Approximately \$11 Million
- Additional funds received for Clean Energy

■ Expenses

- New Regulations require District's to record the State STRS on behalf contribution – Approximately \$11 Million



STRUCTURAL INFLUENCES

- Enrollment
- Employee and Retiree Compensation (Actuals)
- Inflation
- Long-Term Commitments
- Legal Requirements



CYCLICAL INFLUENCES

- Vacancy Rates
- New Construction
- Carryover
- Legal Judgments
- One-Time Funding



CALSTRS RATE INCREASES

Year	Employer	Pre-PEPRA* Employees	Post- PEPRA* Employees
2015-16	10.73%	9.20%	8.56%
2016-17	12.58%	10.25%	9.205%
2017-18	14.43%	10.25%	9.205%
2018-19	16.28%	10.25%	9.205%
2019-20	18.13%	10.25%	9.205%
2020-21	19.10%	10.25%	9.205%

Cumulative Impact of Increase: \$16,222,086



CALPERS RATE INCREASES

Year	Employer	Pre-PEPRA* Employees	Post- PEPRA* Employees
2015-16	11.847%	7%	6%
2016-17	13.888%	7%	6%
2017-18	15.50%	7%	6%
2018-19	17.10%	7%	6%
2019-20	18.60%	7%	6%
2020-21	20.4%	7%	6%

Cumulative Impact of Increase: \$5,879,365



HEALTH & WELFARE INCREASES

Year	Anticipated Increase
2016-17	1,354,090
2017-18	2,789,425
2018-19	2,956,791
2019-20	3,134,198
2020-21	3,322,250

Cumulative Impact of Increase: \$13,556,753

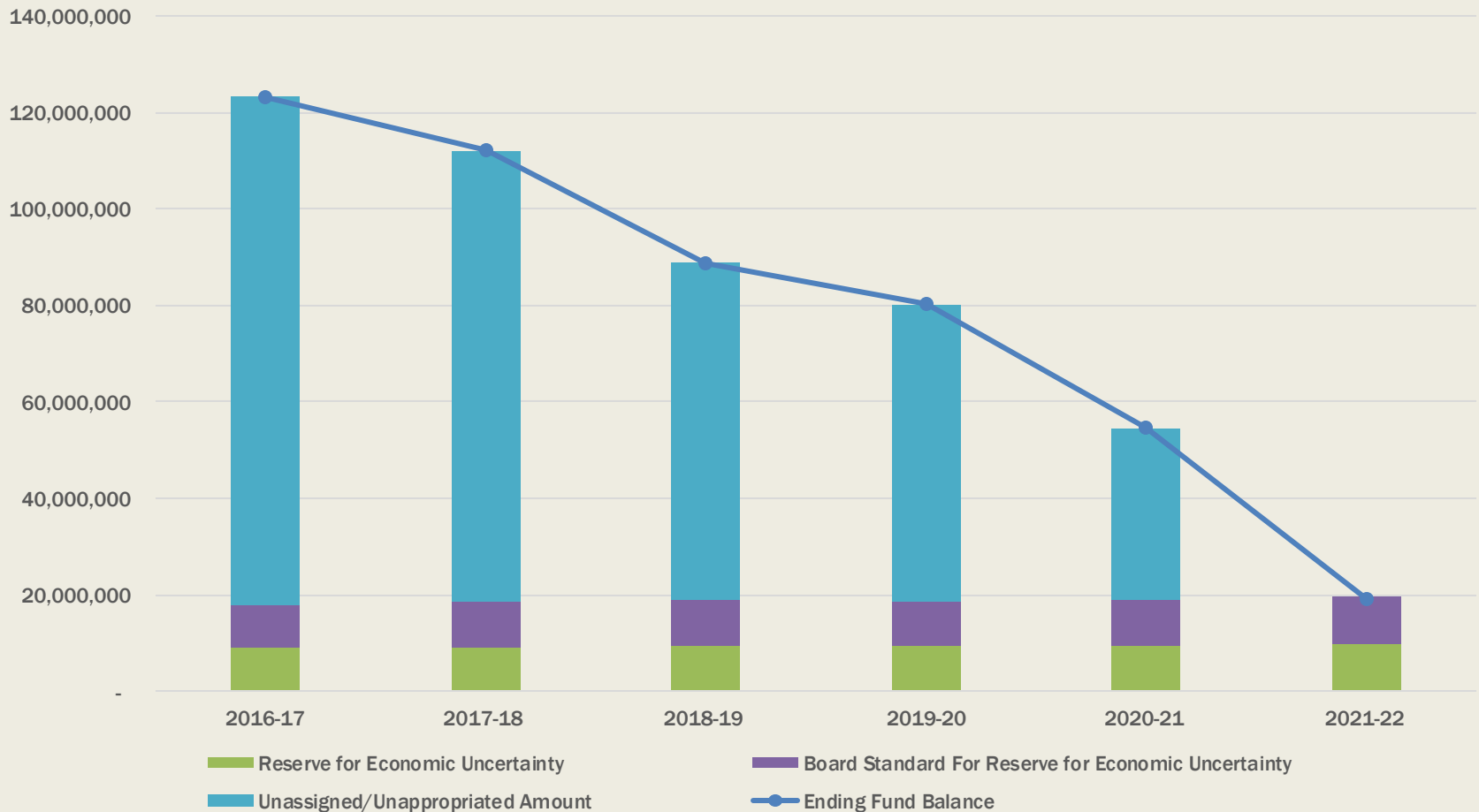


OPEB CONTRIBUTIONS

Year	District Contribution	Annual Required Contribution
2013-14	\$5,475,650	\$11,271,478
2014-15	\$7,475,650	\$13,135,612
2015-16	\$15,237,373	\$15,231,016
2016-17	\$15,231,016	\$15,231,016
2017-18	\$15,231,016	\$15,231,016



SIX YEAR FINANCIAL PROJECTION





MOVING FORWARD

- **Balanced budgeting techniques**
- **Focus on achieving business continuity at all levels**
- **Continue utilizing forecasting methods**
- **Implement PERS/STRS Pension Stabilization Trust**

QUESTIONS?

