A young girl with dark hair, wearing a blue t-shirt with a logo, black leggings, and a pink jacket tied around her waist, stands to the right of a large stone sign. The sign is set against a building with large windows. The sign text is: MARY ANN SANDERS
ELEMENTARY SCHOOL
SYLVAN UNION SCHOOL DISTRICT

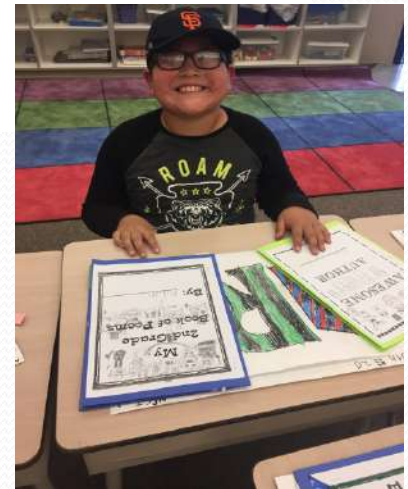
MARY ANN SANDERS
ELEMENTARY SCHOOL
SYLVAN UNION SCHOOL DISTRICT

***2018-19 1ST Interim
Budget Report***

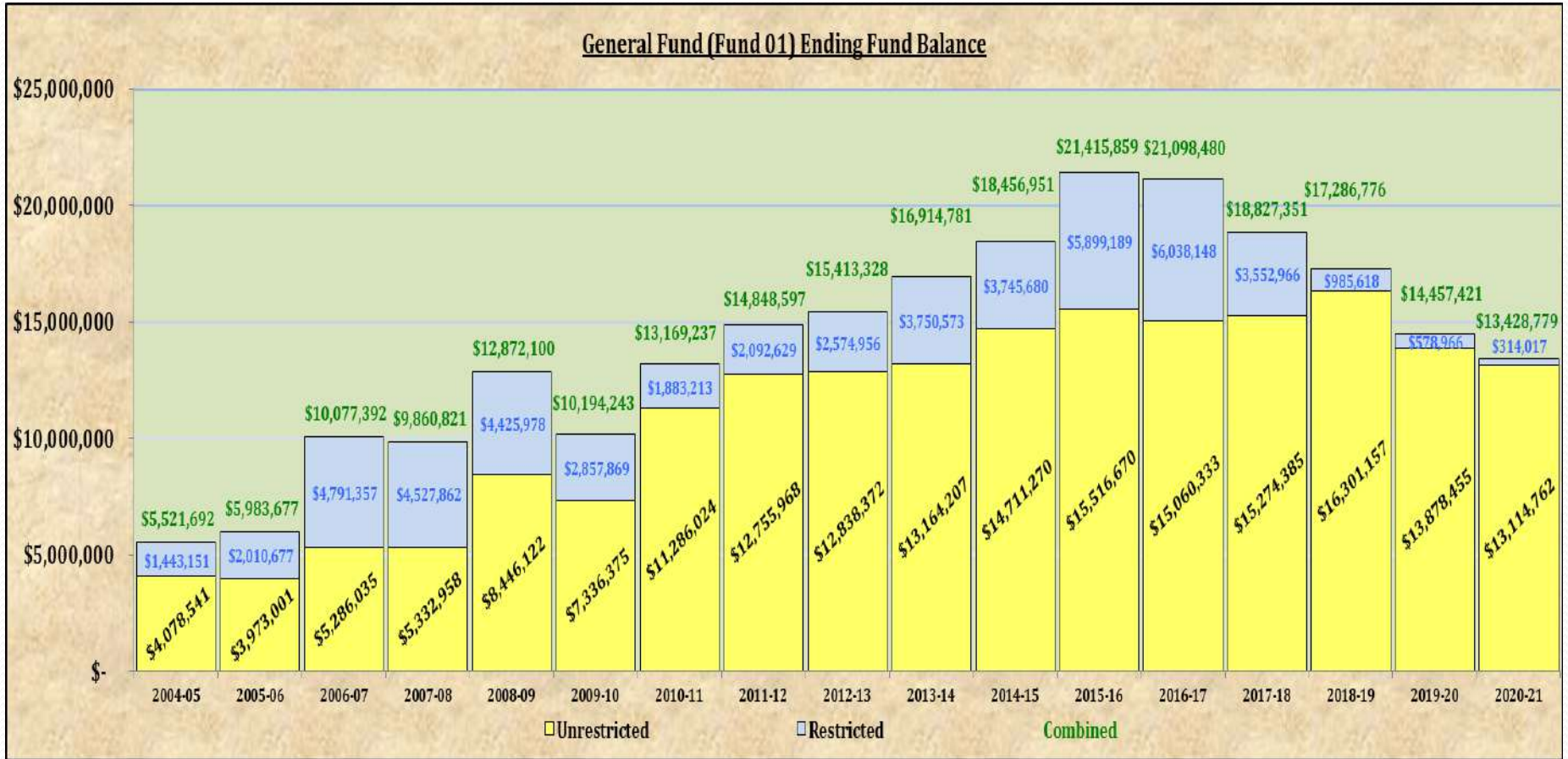
Sylvan Union School District

2018-19 1st Interim Report

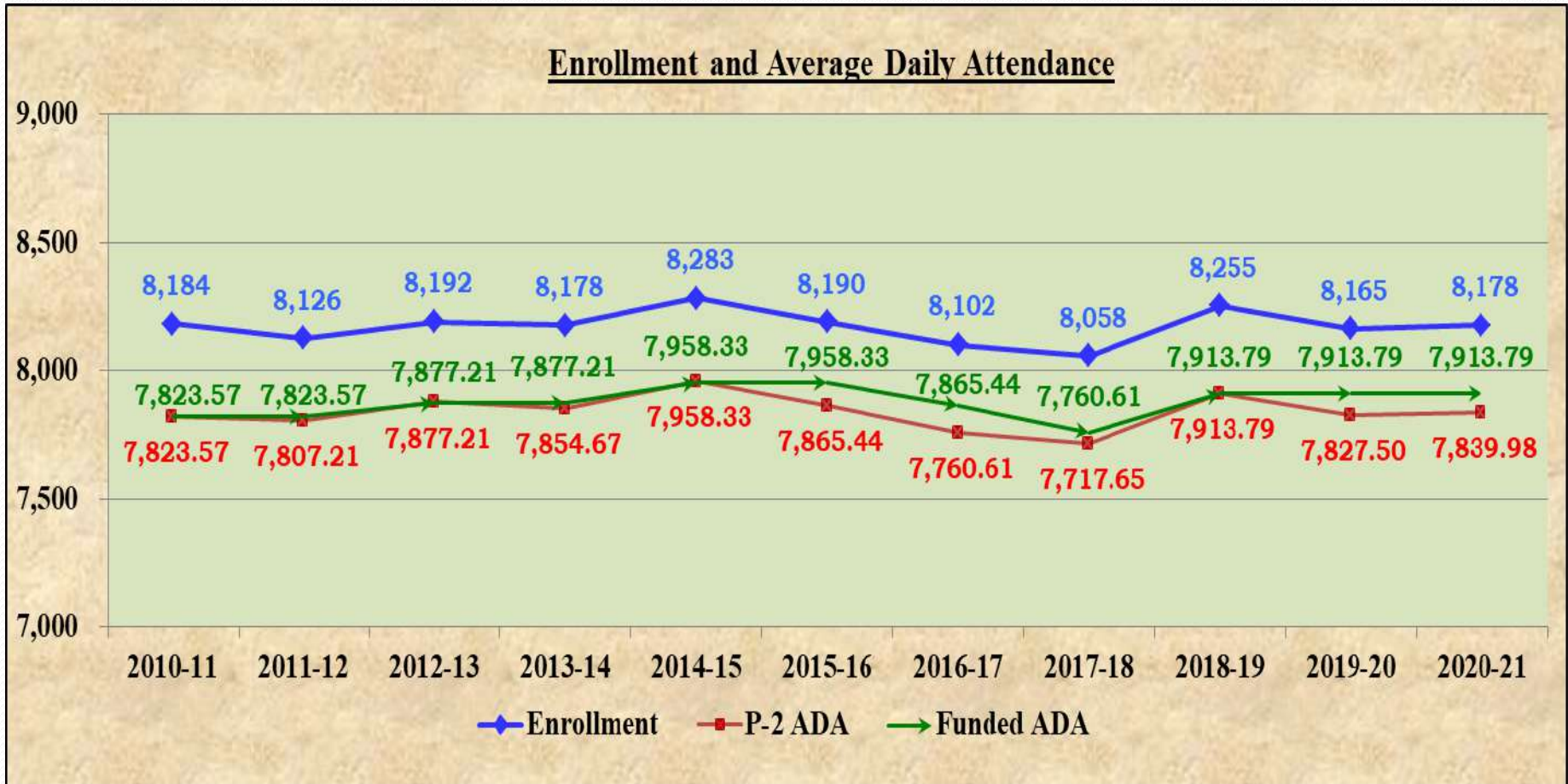
- The 1st Interim Budget Report covers the reporting period from July 1, 2018 through October 31, 2018.
- The budget projects revenues and expenditures through June 30, 2019 are based on the latest estimates and information available.



Ending Fund Balance Historical & Projected



Enrollment & Average Daily Attendance Historical & Projected



Please note:

- Certified CALPADS data was submitted December 5, 2018.
- Enrollment for 2018-19 reported on CBEDS date October 3, 2018 was 8,255.

Unrestricted EFB - Multi-Year Projection

UNRESTRICTED	2017-2018 Unaudited Actuals	2018-2019 First Interim Budget	2019-2020 Projections	2020-2021 Projections
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 54,322,092	\$ 58,406,161	\$ 58,656,002	\$ 59,185,053
TOTAL EXPENSES and OTHER USES	\$ 54,108,039	\$ 57,379,389	\$ 61,078,704	\$ 59,948,747
BEGINNING FUND BALANCE	\$ 15,060,333	\$ 15,274,385	\$ 16,301,157	\$ 13,878,455
NET INCREASE/(DECREASE) IN FUND BALANCE	\$ 214,052	\$ 1,026,772	\$ (2,422,702)	\$ (763,694)
ENDING FUND BALANCE	\$ 15,274,385 18.10%	\$ 16,301,157 18.74%	\$ 13,878,455 15.75%	\$ 13,114,762 15.04%
GENERAL FUND - COMPONENTS OF ENDING FUND BALANCE				
Nonspendable: Revolving Cash & Prepaid	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	2,420,165	2,673,343	200,000	200,000
Insurance Deductibles	200,000	200,000	200,000	200,000
Professional Learning	281,673	-	-	-
Textbook Adoptions	1,938,491	2,473,343	-	-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties (REU)	2,531,200 3.00%	2,609,573 3.00%	2,642,850 3.00%	2,615,535 3.00%
Unassigned/Unappropriated Amount	\$ 10,313,020 12.22%	\$ 11,008,241 12.66%	\$ 11,025,605 12.52%	\$ 10,289,227 11.80%
TOTAL COMPONENTS OF ENDING FUND BALANCE	\$ 15,274,385 18.10%	\$ 16,301,157 18.74%	\$ 13,878,455 15.75%	\$ 13,114,762 15.04%

- General Finance Officers Association (GFOA) recommends, at a minimum, maintaining unrestricted reserves of no less than two (2) months of operating expenditures.
 - Two (2) months of operating expenditures is approximately \$14,281,594 million.
- The other rule of thumb is to maintain unrestricted reserves equivalent to three (3) months of payroll which is approximately \$16,938,260 million.

Restricted EFB – Multi-Year Projection

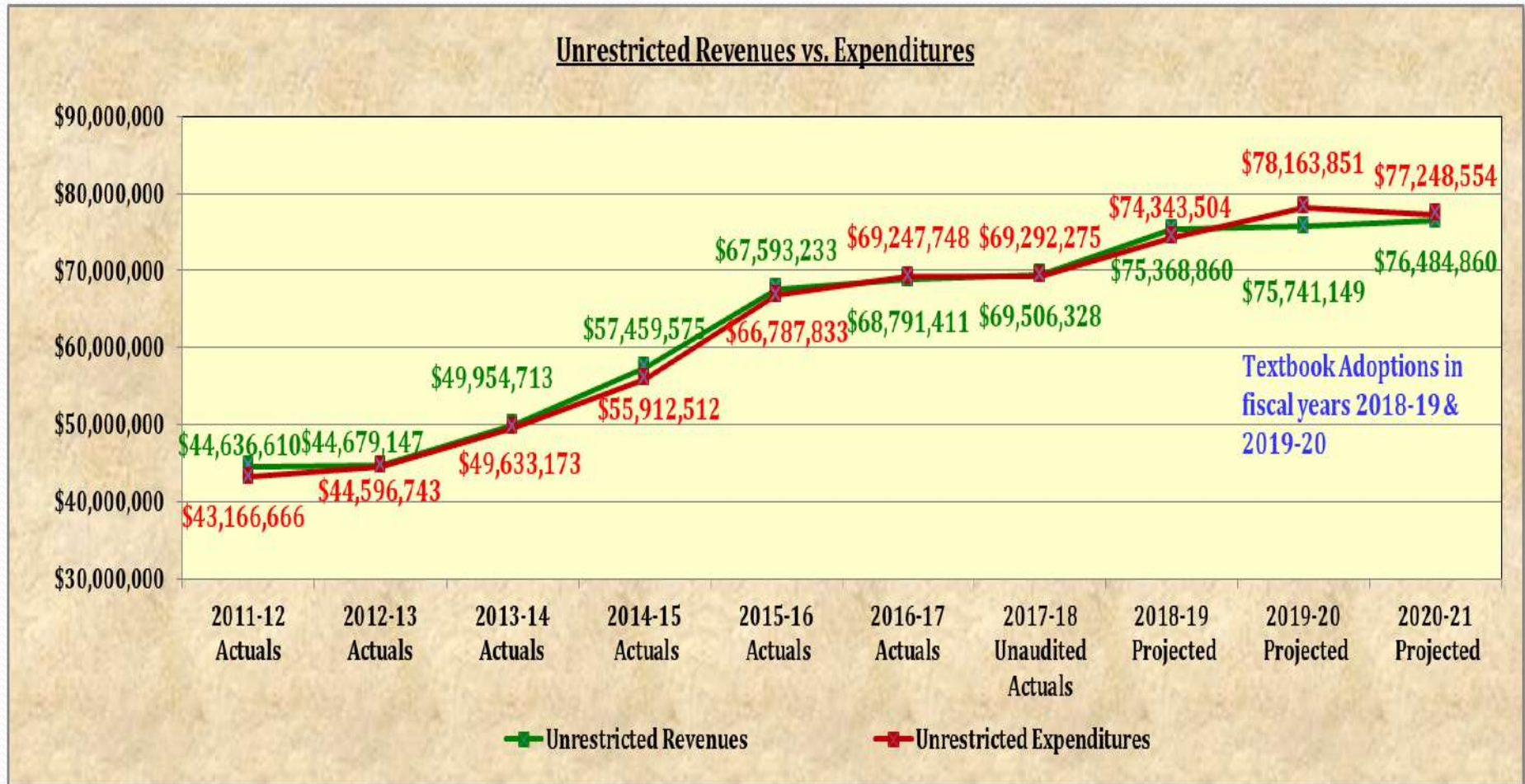
RESTRICTED	2017-2018 Unaudited Actuals	2018-2019 First Interim Budget	2019-2020 Projections	2020-2021 Projections
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 27,780,116	\$ 27,039,033	\$ 26,609,641	\$ 26,970,796
TOTAL EXPENSES and OTHER USES	\$ 30,265,297	\$ 29,606,381	\$ 27,016,293	\$ 27,235,745
BEGINNING FUND BALANCE	\$ 6,038,148	\$ 3,552,966	\$ 985,618	\$ 578,966
NET INCREASE/(DECREASE) IN FUND BALANCE	\$ (2,485,181)	\$ (2,567,348)	\$ (406,652)	\$ (264,949)
ENDING FUND BALANCE	\$ 3,552,966	\$ 985,618	\$ 578,966	\$ 314,017
COMPONENTS OF ENDING FUND BALANCE				
Restricted	\$ 3,552,966	\$ 985,618	\$ 578,966	\$ 314,017
Assigned	-	-	-	-
Unassigned/Unappropriated Amount	-	-	-	-
Total Components of Ending Fund Balance	\$ 3,552,966	\$ 985,618	\$ 578,966	\$ 314,017

- The 2018-19 restricted ending fund balance of \$985,615 represents the following funds in Lottery Instructional Materials (RS 6300) & Ongoing & Major Maintenance Account (RS 8150)
- Funds in Facilities (RS 9225) were fully expensed in 2018-19.
- In fiscal year 2018-19, \$1,660,530 in funds are designated for textbooks from Lottery, Instructional Materials (RS 6300) causing an increase in expenses.

Combined EFB – Multi-Year Projection

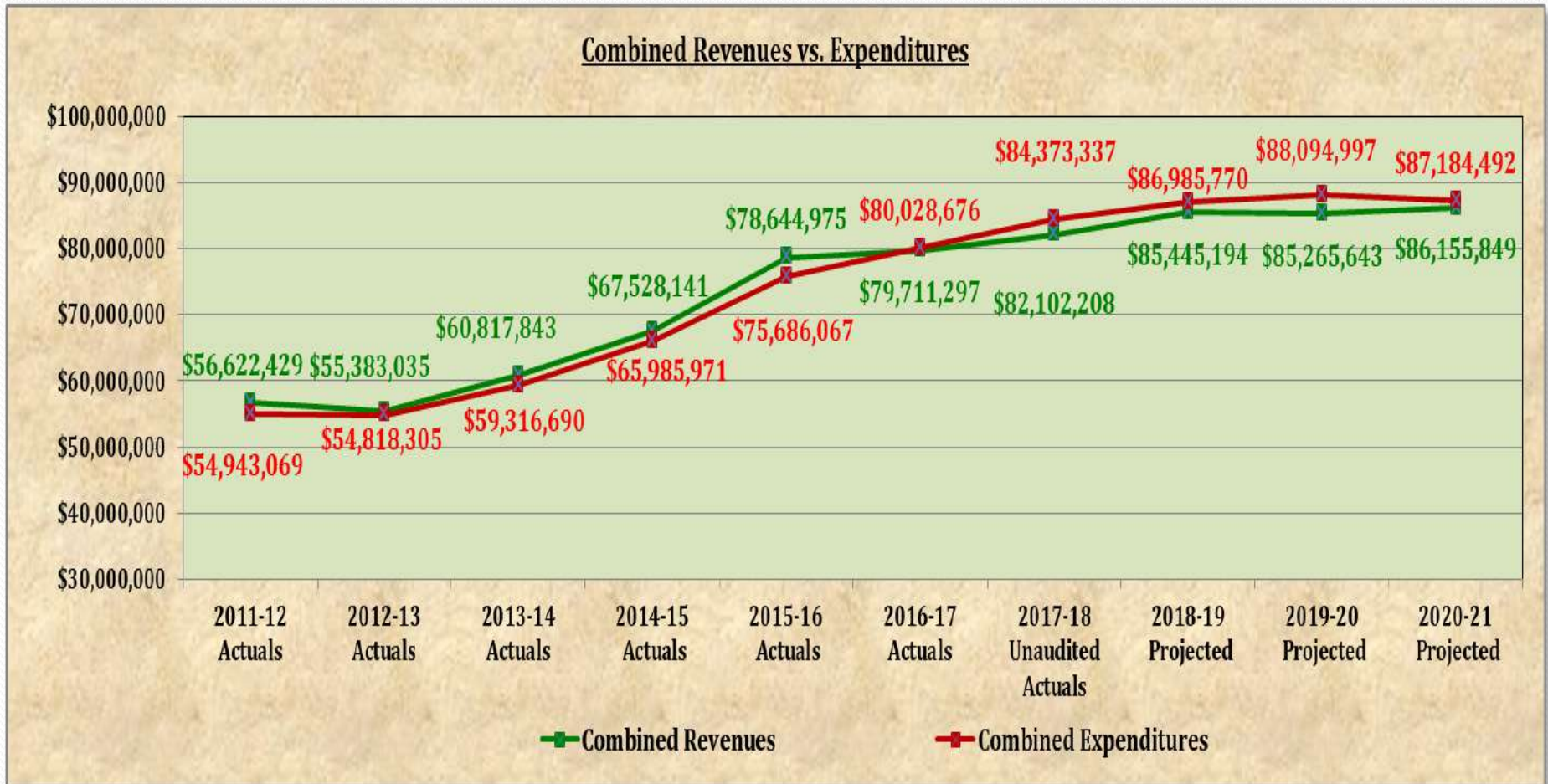
COMBINED	2017-2018 Unaudited Actuals	2018-2019 First Interim Budget	2019-2020 Projections	2020-2021 Projections
TOTAL REVENUES and OTHER FINANCING SOURCES	\$ 82,102,208	\$ 85,445,194	\$ 85,265,643	\$ 86,155,849
TOTAL EXPENSES and OTHER FINANCING USES	\$ 84,373,337	\$ 86,985,770	\$ 88,094,997	\$ 87,184,492
BEGINNING FUND BALANCE	\$ 21,098,480	\$ 18,827,351	\$ 17,286,776	\$ 14,457,421
NET INCREASE/(DECREASE) IN FUND BALANCE	(2,271,129)	(1,540,576)	(2,829,354)	(1,028,643)
ENDING FUND BALANCE	\$ 18,827,351 <i>22.31%</i>	\$ 17,286,776 <i>19.87%</i>	\$ 14,457,421 <i>16.41%</i>	\$ 13,428,779 <i>15.40%</i>
<u>GENERAL FUND - COMPONENTS OF ENDING FUND BALANCE</u>				
Nonspendable: Revolving Cash & Prepaid	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	3,552,966	985,618	578,966	314,017
Committed	-	-	-	-
Assigned	2,420,165	2,673,343	200,000	200,000
Insurance Deductibles	200,000	200,000	200,000	200,000
Professional Learning	281,673			
Textbook Adoptions	1,938,491	2,473,343		-
Unassigned/Unappropriated				
Reserve for Economic Uncertainties (REU)	2,531,200 <i>3.00%</i>	2,609,573 <i>3.00%</i>	2,642,850 <i>3.00%</i>	2,615,535 <i>3.00%</i>
Unassigned/Unappropriated Amount	\$ 10,313,020 <i>12.22%</i>	\$ 11,008,241 <i>12.66%</i>	\$ 11,025,605 <i>12.52%</i>	\$ 10,289,227 <i>11.80%</i>
TOTAL COMPONENTS OF ENDING FUND BALANCE	\$ 18,827,351 <i>22.31%</i>	\$ 17,286,776 <i>19.87%</i>	\$ 14,457,421 <i>16.41%</i>	\$ 13,428,779 <i>15.40%</i>

Unrestricted Revenues vs. Expenditures



- The gap between revenues and expenditures widens significantly in fiscal year 2019-20 due to the textbook adoption purchase occurring that year.

Combined Revenues vs. Expenditures



- The gap between revenues and expenditures closes in 2018-19 due to the increase in LCCF funding and the movement textbook adoption expenses to be in fiscal year 2019-20 with monies from Instructional Materials Adopted/Approved (RS 0617).

Adopted vs. 1st Interim Budget: Unrestricted Summary

Unrestricted General Fund	Adopted Budget	First Interim	Difference + / -	
			\$	%
REVENUES (Local, State and Federal)	\$ 73,645,416	\$ 75,368,860	\$ 1,723,444	2.34%
OTHER FINANCING SOURCES (Contributions to Restricted Programs)	\$ (16,603,666)	\$ (16,962,699)	\$ 361,865	-2.18%
Total Revenues & Other Financing Sources	\$ 57,041,750	\$ 58,406,161	\$ 2,085,309	3.66%
EXPENSES (Salaries, Benefits, Books, Services Direct Support/Indirect Costs)	\$ 58,809,197	\$ 56,717,389	\$ (2,064,204)	-3.51%
OTHER FINANCING USES (Intrafund Transfers Out)	\$ 662,000	\$ 662,000	\$ -	0.00%
Total Expenses & Other Financing Uses	\$ 59,471,197	\$ 57,379,389	\$ (2,064,204)	-3.47%
Beginning Fund Balance	\$ 13,581,504	\$ 15,274,385	\$ 1,692,881	12.46%
Net Increase / (Decrease) In Fund Balance	\$ (2,429,447)	\$ 1,026,772	\$ 4,149,513	
Unrestricted Ending Fund Balance	\$ 11,152,057	\$ 16,301,157	\$ 5,842,394	52.39%

Adopted vs. 1st Interim Budget: Unrestricted Revenue

Unrestricted General Fund	Adopted Budget	First Interim	Difference + / -		
			\$	%	
REVENUES					
Local Control Funding Formula (LCFF)	\$ 68,931,647	\$ 71,612,026	\$ 2,680,379	3.89%	(a)
Federal Revenues	-	100,825	100,825	New	(b)
Other State Revenues	4,063,561	2,968,876	(1,094,685)	-26.94%	(c)
Other Local Revenues	650,208	687,133	36,925	5.68%	(d)
Total Revenues	\$ 73,645,416	\$ 75,368,860	\$ 1,723,444	2.34%	
OTHER FINANCING SOURCES					
Interfund Transfers In	\$ -	\$ 1,416	\$ 1,416	100.00%	
Other Sources	-	-	-	0.00%	
Contributions To Restricted Programs:					
Special Education (RS 6500)	(13,924,421)	(14,284,870)	360,449	2.59%	(e)
Ongoing & Major Maintenance (RS 8150)	(2,679,245)	(2,679,245)	-	0.00%	
Facilities Improvement (RS 9225)		-	-	0.00%	
Total Other Financing Sources	\$ (16,603,666)	\$ (16,962,699)	\$ 361,865	-2.18%	
Total Revenues & Other Financing Sources	\$ 57,041,750	\$ 58,406,161	\$ 2,085,309	3.66%	

- (a) Gap funding percentage 100%; gap closed. LCCF fully implemented
- (b) Received Medical Administrative Activities (MAA) funds
- (c) One-Time Discretionary Funds decreased from \$344 to \$184 per ADA
- (d) Increase in major donations; Make Dreams Real , D. Hutton, YourCause & PTAs
- (e) Increased cost of Special Education service contracts

Adopted vs. 1st Interim Budget: Unrestricted Expenses

Unrestricted General Fund	Adopted Budget	First Interim	Difference + / -		
			\$	%	
EXPENSES					
Certificated Salaries	\$ 31,864,844	\$ 32,129,502	\$ 264,658	0.83%	(a)
Classified Salaries	7,291,738	7,236,368	(55,370)	-0.76%	(b)
Employee Benefits	12,661,382	12,606,629	(54,753)	-0.43%	(c)
Books & Supplies	4,522,623	1,965,362	(2,557,261)	-56.54%	(d)
Services & Other Operating Expenditures	3,424,582	3,749,302	324,720	9.48%	(e)
Capital Outlay	-	-	-	0.00%	
Other Outgo	173,251	173,251	-	0.00%	
Direct Support/Indirect Costs	(1,129,223)	(1,143,025)	13,802	1.22%	(f)
Total Expenses	\$ 58,809,197	\$ 56,717,389	\$ (2,064,204)	-3.51%	
OTHER FINANCING USES					
Interfund Transfers Out	\$ 662,000	\$ 662,000	\$ -	0.00%	
Other Uses	-	-	-	0.00%	
Total Other Financing Sources & Uses	\$ 662,000	\$ 662,000	\$ -	0.00%	
Total Expenses & Other Financing Uses	\$ 59,471,197	\$ 57,379,389	\$ (2,064,204)	-3.47%	

- (a) (b) Positions and salaries updated
- (c) H&W premiums adjusted to reflect salary adjustments
- (d) Decrease attributed to moving textbook adoption costs from 2018-19 fiscal year to 2019-20 fiscal year
- (e) Increased costs in the following areas: advertisements, legal expenses, excess liability insurance, physicals & TB tests, outside service contracts, & other service contracts.
- (f) Increased expenditures result in increased indirect costs.

Adopted vs. 1st Interim Budget: Restricted Summary

Restricted General Fund	Adopted Budget	First Interim	Difference + / -	
			\$	%
REVENUES (Local, State and Federal)	\$ 9,834,949	\$ 10,074,918	\$ 239,969	2.44%
OTHER FINANCING SOURCES (Contributions to Restricted Programs)	\$ 16,603,666	\$ 16,964,115	\$ 360,449	2.17%
Total Revenues & Other Financing Sources	\$ 26,438,615	\$ 27,039,033	\$ 600,418	2.27%
EXPENSES (Salaries, Benefits, Books, Services Direct Support/Indirect Costs)	\$ 27,614,386	\$ 29,483,736	\$ 1,869,350	6.77%
OTHER FINANCING USES (Intrafund Transfers Out)	\$ -	\$ 122,645	\$ 122,645	0.00%
Total Expenses & Other Financing Uses	\$ 27,614,386	\$ 29,606,381	\$ 1,991,995	7.21%
Beginning Fund Balance	\$ 2,803,495	\$ 3,552,966	\$ 749,471	26.73%
Net Increase / (Decrease) In Fund Balance	\$ (1,175,771)	\$ (2,567,348)	\$ (1,391,577)	
Restricted Ending Fund Balance	\$ 1,627,724	\$ 985,618	\$ (642,106)	-39.45%

Adopted vs. 1st Interim Budget: Restricted Revenue

Restricted General Fund	Adopted Budget	First Interim	Difference + / -		
			\$	%	
REVENUES					
Local Control Funding Formula (LCFF)	\$ 1,058,618	\$ 1,109,072	\$ 50,454	4.77%	(a)
Federal Revenues	4,372,775	4,482,645	109,870	2.51%	(b)
Other State Revenues	617,285	889,611	272,326	44.12%	(c)
Other Local Revenues	3,786,271	3,593,590	(192,681)	-5.09%	(d)
Total Revenues	\$ 9,834,949	\$ 10,074,918	\$ 239,969	2.44%	
OTHER FINANCING SOURCES					
Interfund Transfers In	\$ -	\$ -	\$ -	0.00%	
Other Sources	-	-	-	0.00%	
Contributions To Restricted Programs:					
Special Education (RS 6500)	13,924,421	14,284,870	360,449	2.59%	(e)
Ongoing & Major Maintenance (RS 8150)	2,679,245	2,679,245	-	0.00%	
Facilities Improvement (RS 9225)	-	-	-	0.00%	
Total Other Financing Sources	\$ 16,603,666	\$ 16,964,115	\$ 360,449	2.17%	
Total Revenues & Other Financing Sources	\$ 26,438,615	\$ 27,039,033	\$ 600,418	2.27%	

- (a) Information provided from SCOE & SELPA for property tax
- (b) Estimated carryover to next fiscal year
- (c) Increase in funding for restricted Lottery-Instructional Materials increased from \$48 to \$53 per ADA.
- (d) Estimate provided from SCOE & SELPA regarding fees for services
- (e) Increase due to cost increase of Special Education service contracts & sub agreements

Adopted vs. 1st Interim Budget: Restricted Expenses

Restricted General Fund	Adopted Budget	First Interim	Difference + / -		
			\$	%	
EXPENSES					
Certificated Salaries	\$ 7,578,567	\$ 7,398,320	\$ (180,247)	-2.38%	(a)
Classified Salaries	5,691,503	5,745,394	53,891	0.95%	(b)
Employee Benefits	4,124,618	4,073,778	(50,840)	-1.23%	(c)
Books & Supplies	1,103,548	2,963,443	1,859,895	168.54%	(d)
Services & Other Operating Expenditures	5,596,062	5,874,054	277,992	4.97%	(e)
Capital Outlay	997,000	887,117	(109,883)	-11.02%	(f)
Other Outgo	1,603,825	1,603,825	-	0.00%	(g)
Direct Support/Indirect Costs	919,263	937,805	18,542	2.02%	(h)
Total Expenses	\$ 27,614,386	\$ 29,483,736	\$ 1,869,350	6.77%	
OTHER FINANCING USES					
Interfund Transfers Out	\$ -	\$ 122,645	\$ 122,645	100.00%	(i)
Other Uses	-	-	-	0.00%	
Total Other Financing Sources & Uses	\$ -	\$ 122,645	\$ 122,645	0.00%	
Total Expenses & Other Financing Uses	\$ 27,614,386	\$ 29,606,381	\$ 1,991,995	7.21%	

- (a) (b) Positions and salaries updated
- (c) Decreased H&W premiums adjusted to reflect salary adjustments
- (d) Increase due to the following: Title I purchased chrome books. Medi-Cal incurred costs for NCS Pearson, Fun & Education. Restricted Lottery monies were used to purchase various text books. New federal award ESEA Title IV Student Support incurred supply costs related to student safety.
- (e) "Increases in the following budget areas: - Special Ed outside services. - Mileage, legal and consultant expenses. - Travel & conferences for professional development (PD), funding source is Title I, Medical Billing Option, & Title IV ESEA Student Support. - On-site PD and training, funding source Title I - Restricted maintenance incurred increased costs for repairs and services for various structural improvements. - "
- (f) Orchard HVAC project completed under budget resulting in decrease of budget for permanent construction.
- (g) Estimate provided by SCOE & SELPA for transportation costs of students
- (h) Increased in restricted expenditures results in increased indirect costs

Adopted vs. 1st Interim Budget: Combined

TOTAL GENERAL FUND - COMBINED	Adopted Budget	First Interim	Difference + / -	
			\$	%
REVENUES				
Local Control Funding Formula (LCFF)	\$ 69,990,265	\$ 72,721,098	\$ 2,730,833	3.90%
Federal Revenues	4,372,775	4,583,470	210,695	4.82%
Other State Revenues	4,680,846	3,858,487	(822,359)	-17.57%
Other Local Revenues	4,436,479	4,280,723	(155,756)	-3.51%
Total Revenues	\$ 83,480,365	\$ 85,443,778	\$ 1,963,413	2.35%
OTHER FINANCING SOURCES				
Interfund Transfers In	\$ -	\$ 1,416	\$ 1,416	100.00%
Other Sources	-	-	-	0.00%
Contributions To Restricted Programs:	-	-	-	-
Special Education (RS 6500)	-	-	-	0.00%
Ongoing & Major Maintenance (RS 8150)	-	-	-	0.00%
Facilities Improvement (RS 9225)	-	-	-	0.00%
Total Other Financing Sources	\$ -	\$ 1,416	\$ 1,416	0.00%
Total Revenues & Other Financing Sources	\$ 83,480,365	\$ 85,445,194	\$ 1,964,829	2.35%
EXPENSES				
Certificated Salaries	\$ 39,443,411	\$ 39,527,822	\$ 84,411	0.21%
Classified Salaries	12,983,241	12,981,762	(1,479)	-0.01%
Employee Benefits	16,786,000	16,680,407	(105,593)	-0.63%
Books & Supplies	5,626,171	4,928,805	(697,366)	-12.40%
Services & Other Operating Expenditures	9,020,644	9,623,356	602,712	6.68%
Capital Outlay	997,000	887,117	(109,883)	-11.02%
Other Outgo	1,777,076	1,777,076	-	0.00%
Direct Support/Indirect Costs	(209,960)	(205,220)	4,740	-2.26%
Total Expenses	\$ 86,423,583	\$ 86,201,125	\$ (222,458)	-0.26%
OTHER FINANCING USES				
Interfund Transfers Out	\$ 662,000	\$ 784,645	\$ 122,645	18.53%
Other Uses	-	-	-	0.00%
Total Other Financing Sources & Uses	\$ 662,000	\$ 784,645	\$ 122,645	18.53%
Total Expenses & Other Financing Uses	\$ 87,085,583	\$ 86,985,770	\$ (99,813)	-0.11%
Beginning Fund Balance	\$ 16,384,999	\$ 18,827,351	\$ 2,442,352	14.91%
Net Increase / (Decrease) In Fund Balance	\$ (3,605,218)	\$ (1,540,576)	\$ 2,064,642	
TOTAL General Fund Ending Balance	\$ 12,779,781	\$ 17,286,775	\$ 4,506,994	35.27%
Restricted	\$ 1,627,724	\$ 985,618	\$ (642,106)	-39.45%
Unrestricted	\$ 11,152,057	\$ 16,301,157	\$ 5,149,100	46.17%

Benefit Contribution Rates

Salaries & Benefit Percentages

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
STRS	12.580%	14.430%	16.280%	18.130%	19.100%	18.600%
PERS	13.888%	15.531%	18.062%	20.800%	23.500%	24.600%
<i>Social Security</i>	6.200%	6.200%	6.200%	6.200%	6.200%	6.200%
<i>Medicare</i>	1.450%	1.450%	1.450%	1.450%	1.450%	1.450%
<i>State Unemployment Ins</i>	0.050%	0.050%	0.050%	0.050%	0.050%	0.050%
<i>Worker's Comp</i>	1.100%	0.800%	0.800%	0.800%	0.800%	0.800%
Certificated % Cost	15.180%	16.730%	18.580%	20.430%	21.400%	20.900%
Classified % Cost	22.688%	24.031%	26.562%	29.300%	32.000%	33.100%

STRS

- > *STRS rates are set by statute*
- > *Current law increases contribution rates to 19.10% in 2020-21 and decreases in 2021-22 to 18.60%.*
- > *CalSTRS board has the authority to increase rates to 20.1% beginning in 2021-22, and to 20.25% in 2022-23 , if necessary.*
- > *Current law limits the employer contribution rate to 20.25%*

PERS

- > *PERS rates are projected until approved by the CalPERS board each year.*

Combined Fund 01 – Actual Costs By Fiscal Year

	2018-2019 Budget	2017-2018 Actual	2016-2017 Actual	2015-2016 Actual	2014-2015 Actual
31XX STRS EXPENDITURES	\$6,583,635	\$5,706,574	\$4,866,945	\$3,938,937	\$3,013,161
32XX PERS EXPENDITURES	\$2,246,937	\$1,725,494	\$1,428,053	\$1,192,273	\$1,085,851
TOTAL PERS & STRS	\$8,830,572	\$7,432,068	\$6,294,998	\$5,131,210	\$4,099,012
STRS & PERS Increase Year to Year	\$1,398,504	\$1,137,070	\$1,163,788	\$1,032,198	Base Year

Next Steps

- Review and evaluate each budget line, revenues, expenditures, positions, salaries & benefits to project the most accurate financial information
- The Governor's 2019-20 Proposed Budget will be released in mid-January 2019
- The 2nd Interim Budget Report will be delivered to the Board in March 2019
- Start preparations for 2019-20 budget development

*“The best way to
predict your future
is to create it.”*

-- Abraham Lincoln

Questions?

