



San Ysidro School District

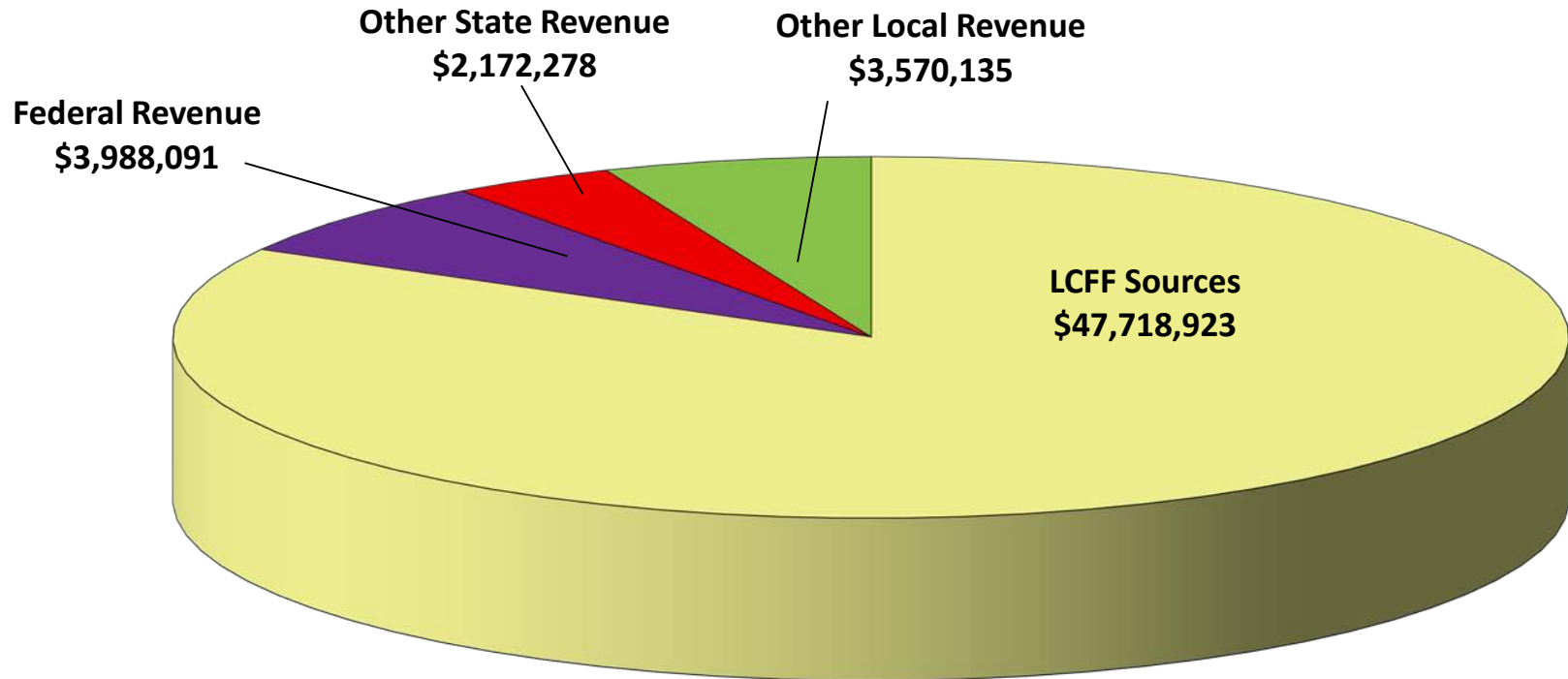
2018 - 2019

First Interim Financial Report

as of October 31, 2018

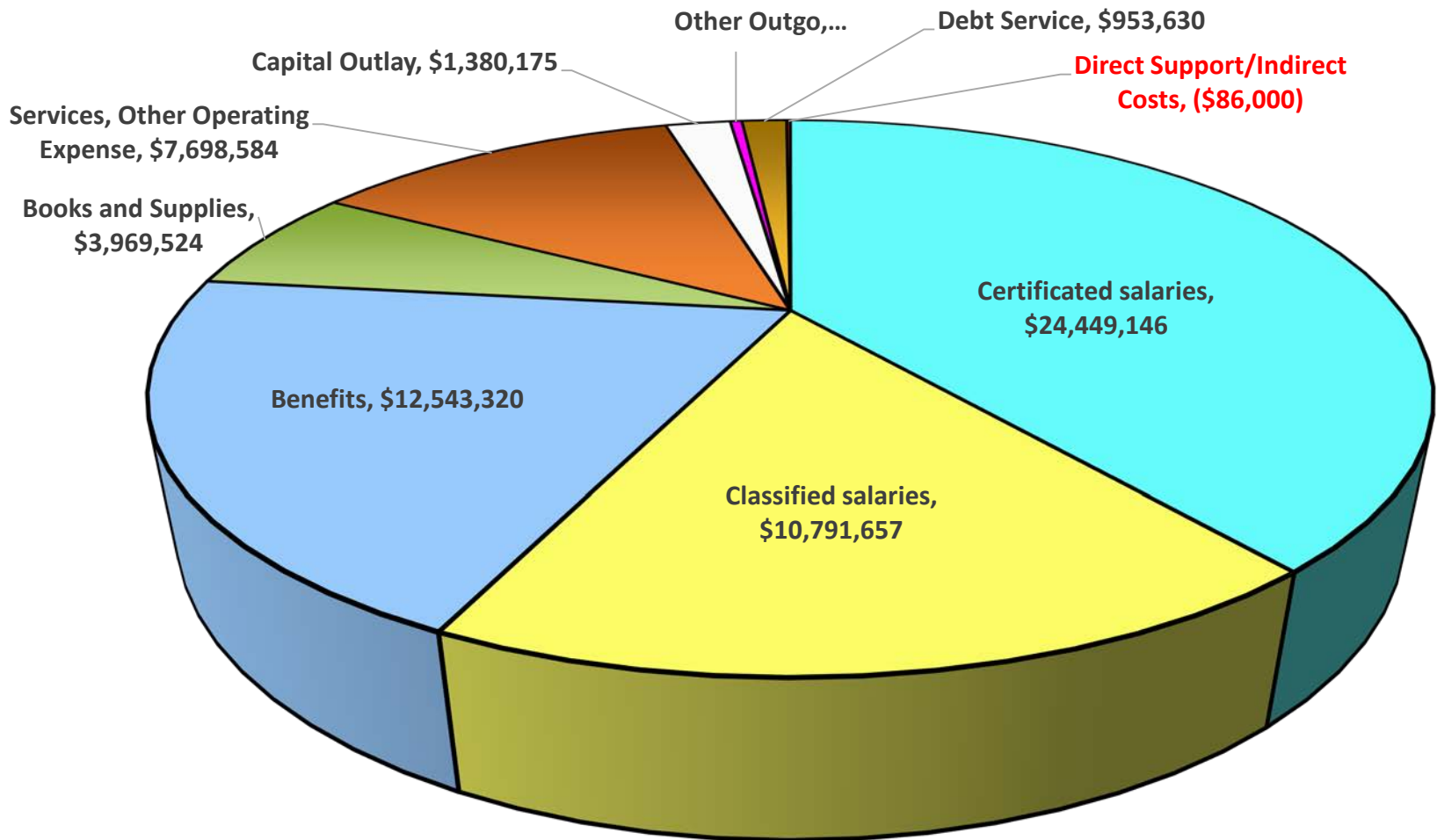
Governing Board Report
December 2018

General Fund Revenues



Estimated Unrestricted Revenue	\$49,616,897
Estimated Restricted Revenue	\$7,832,530
Estimated Total Revenue	\$57,449,427

General Fund Expenditures



Total Expenditures = \$61,950,036


Projected Multi-Year Deficit Spending

Qualified Budget Certification

	2018-19	2019-2020	2020-21
Beginning Balance	\$10,768,436	\$6,267,827	\$608,139
Revenues	57,449,427	55,176,132	56,849,163
Expenses	(61,950,036)	(60,835,820)	(62,218,863)
Ending Fund Balance	\$6,267,827	\$608,139	(\$4,761,562)
Reserve for Economic Uncertainties	(\$2,013,555)	\$0	\$0
Projected Deficit Spending	Estimated \$4.5 million	Estimated \$5.7 million	Estimated \$5.4 million

*3% reserve = \$1.86 million

*1 month payroll = \$4.0 million



Top 4 Issues Impacting the SYSD Budget

1. Declining Enrollment
2. STRS/PERS Cost Increases
3. Construction Project Debt
4. Special Education Costs

Cash Flow Crisis

- As of Dec. 10th, cash was about \$300,000
- On Dec. 11th, property tax posted in the amount of \$5,811,828
- Est. monthly payroll is about \$4.0 million will post on Dec. 21st
- Est. monthly payment of invoices is about \$1.2 million
- Est. remaining cash balance on Dec 24th = \$900,000
- 3% reserve = \$1.86 million

Financial Concerns Causing Budget Deficits

ISSUES	ESTIMATED COST
Salary Schedule Step & Column	\$856,200
Benefit Cost Increases	TBD
Increased Pension Costs - STRS & PERS (2014-2021)	\$853,968 (2018-19 inc) \$6,007,475 (2018-19 Total Cost) \$5,184,394 (2014-21 Inc) \$7,597,590 (2021 Total Cost)
Other Post Employment Benefits (OPEB)	\$470,127 pay-as-you-go \$14,463,634 OPEB Liability
Litigation	\$1,000,000
Declining Enrollment <i>Actual Enrollment vs Projected Enrollment</i>	4,389 vs 4,628 ⁷ Est. Loss in LCFF Base Grant & S/C -\$2,128,742

Financial Concerns Causing Budget Deficits

ISSUES	ESTIMATED COST
Special Education	\$5.5M (contributed from GF) Approx \$7.8M Total Cost
Negotiations	TBD
Average Daily Attendance Overstatement Repayment - CDE Finding (15-16 and 16-17 @ \$2.6M/yr)	Approx \$5.2M 4 Year Repayment begins 18-19
Certificates of Participation (COPs) Annual Debt Payments: <ul style="list-style-type: none"> - Modernization of La Mirada & Smythe - 2017 COPs - \$29,662,168 - 30 annual payments from 18-19 to 47-48 	Approx \$470K - \$870K/yr General Fund Payments + \$353,718 - \$800,069/yr RDA Payments/YR
PNC Loan Debt Payments - Borrowed \$2M <ul style="list-style-type: none"> - Additional funds to enhance Prop 39 funds of \$1 million for larger scope HVAC construction project - La Mirada, Smythe, SYMS, & DO 	\$250K/yr Total borrowed - \$2M ⁸ Term - 10 years beginning 17-18

Budget Reduction Options

#	OPTION	INFO	One Time OR On Going Savings	EST SAVINGS
1	Hiring Freeze <ul style="list-style-type: none"> Fill only essential positions Reduce by natural attrition 		On Going	\$700K
2	Spending Freeze <ul style="list-style-type: none"> Purchase essential supplies Reallocate final 25% allocation to schools towards Deficit Spending (Base Grant) 		One Time	\$200K - \$300K
3	Supplemental/Concentration Shifts from Gen Fund		On Going	\$600K
4	Actual Cost Savings from Solar Systems	Analysis in Progress	Varies - SDGE Rates Change every 3 Years	\$0
5	Supplemental Retirement Plan - PARS	PARS will run SRP viability Analysis	On Going	\$500K - \$800K ⁹

Budget Reduction Options (cont'd)

#	OPTION	INFO	One Time OR On Going Savings	EST SAVINGS
6	Apply Staffing Ratios <ul style="list-style-type: none"> • Management Layoff Resolution • Classified Layoff Resolution • Certificated Layoff Resolution 	See Budget Development Timeline	On Going	TBD
7	Temporary Release Resolution		On Going	\$65K
8	Possible Auxiliary Program Reductions		On Going	\$240K - \$500K
9	Elimination of Non Essential Contracts		On Going	TBD

Approximately \$2.2 million - \$4.5 million

2019-20 Proposed Budget Development Timeline

NEXT STEPS	BOARD ACTION	BOARD ACTION CONT.
JANUARY <ul style="list-style-type: none"> Governor's State Proposed Budget Board Workshop - Budget (Jan/Feb) Seniority Lists P-1 Attendance 	JANUARY <ul style="list-style-type: none"> FY19-20 Projected Enrollment & Staffing District 17-18 Audit Report Review Supplemental Retirement Program Viability Study Results & Board Determination (Dec-Jan Board Meeting) 	MAY <ul style="list-style-type: none"> LCAP/DBAC Board Presentation LCAP Annual Review Public Hearing
APRIL <ul style="list-style-type: none"> P-2 Attendance 	FEBRUARY 28 (Special Board Meeting) <ul style="list-style-type: none"> Certificated Layoff Resolution - Part 1 Certificated Non Re-Elect Resolution Certificated Temporary Release 	JUNE <ul style="list-style-type: none"> Public Hearings - Proposed FY 2019-2020 Budget & Proposed LCAP FY19-20 Adopted Budget
MAY <ul style="list-style-type: none"> Governor's May Revise State Budget 	MARCH 14 <ul style="list-style-type: none"> Classified Layoff Resolution - Part 1 Certificated Layoff Resolution - Part 2 (optional) Second Interim Budget Report 	
JULY <ul style="list-style-type: none"> FY19-20 Adopted Budget due to SDCOE SDCOE Review of LCAP due Aug 2019 Annual Attendance Report 	APRIL 10 <ul style="list-style-type: none"> Classified Layoff Resolution - Part 2 (optional) Final Certificated Layoff Notice 	