



2018-19 SAUSD FIRST INTERIM REPORT

DECEMBER 11, 2018

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Overview

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- × Approval of First Interim
- × Our Vision and Budget
- × Our Financial Positions
- × Comparability
- × Fiscal Outlook

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First Interim Action

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- × **Education Code 42131 requires the Interim Report and Certification of Financial Condition approved by the Governing Board of the School District**
- × **Staff recommends “Positive Certification” which certifies that based upon the current projections Santa Ana Unified School District will meet its financial obligations for the current fiscal year and subsequent two fiscal years**

Our Vision and Budget

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- × **Work collaboratively and comprehensively with staff, parents, and the community to strengthen a learning environment focused on raising the achievement of all students and preparing them for success in college and career**
- × **Maintain District stability, solvency, and local control**

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Our Financial Positions – Revenue Components GF

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\$ in Millions

LCFF Sources	\$	521.44
Federal Revenues	\$	51.81
Other State Revenues	\$	95.63
Other Local Revenues	\$	14.17
Total Revenues	\$	683.05

LCFF Sources
76.34%

Federal Revenues
7.59%

Other Local Revenues
2.07%

Other State Revenue
14.0%

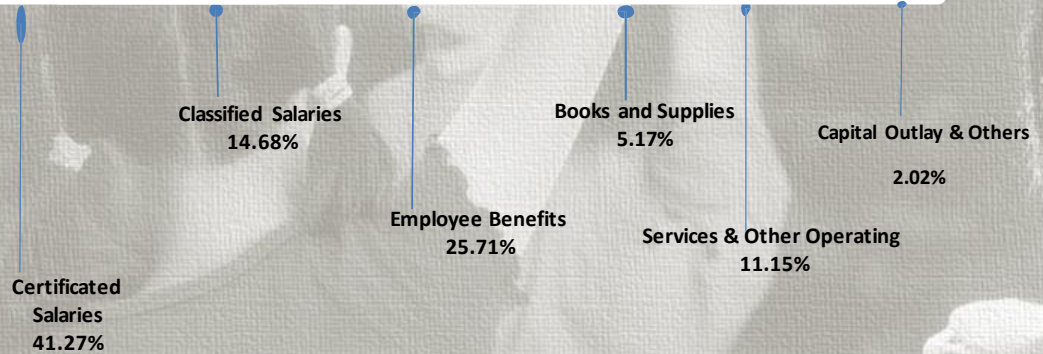
Our Financial Positions – Expenditure Components GF

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\$ in Millions

Certificated Salaries	\$ 283.00
Classified Salaries	\$ 100.67
Employee Benefits	\$ 176.32
Books and Supplies	\$ 35.46
Services and Other Operating	\$ 76.41
Capital Outlay	\$ 10.35
Other Outgo	\$ 6.11
Direct Support/Indirect Cost	\$ (2.78)
Debt Service	\$ 0.15
Total Expenditures	\$ 685.69
Interfund Transfers Out	\$ 5.11



Our Financial Positions – General Fund (GF) Changes

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General Fund <i>Combined</i>	Adopted Budget	First Interim
Total Revenue	\$666.93 M	\$683.05 M
Total Expenditures & Transfers	\$676.34 M	\$690.80 M
Net Increase / Decrease	\$(9.41) M	\$(7.75) M
Beginning Fund Balance	\$105.95 M*	\$105.95 M
Ending Fund Balance	\$96.54 M	\$98.20 M

* Adjusted after 2017-18 Unaudited Actuals

12/11/2018

Our Financial Positions – Variances

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General Fund <i>Components</i>	Variance	Clarifications
LCFF Revenue	+8.30 M	COLA increase; Unduplicated Pupil Percentage increase; LCFF transfers decrease
Federal Revenue	+6.09 M	Title I, II, III, IV, MAA , Federal Mental Health, Carl Perkins Career & Technical Ed decrease (\$0.32M) Carryover from Prior Year (\$6.41M)
State Revenue	-(1.87) M	Onetime Mandate, Lighthouse Academy, Lower Performing Student BG, Classified Staff Development BG, Specialized Secondary, Lottery (-\$3.98M) Carryover from Prior Year (\$2.11M)
Other Local Revenue	+1.6 M	Local Revenue and Interest
Certificated Salaries	+5.45 M	Staffing teachers, itinerant support teachers, Coordinator of Special Ed, Director of Special Ed, Coordinator of Mental Health and Support, Coordinator of Student Achievement, School Social Workers, Extra duty, stipends
Classified Salaries	+1.23 M	Staffing new positions (various)
Services	+5.84 M	Wellness center, Mental Health and Special Education consultant for non-public schools, travel and conference for Title IV, Instructional consultant, field trips, budget transfers
Capital Outlay	+\$1.58 M	Wellness center at Adams ES, roll gate at Century HS, architectural support for Lathrop IS, budget transfers

Our Financial Positions – Other Funds

(\$ in Millions)

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Fund	Fund Description	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance
09	Charter Schools Special Revenue Fund (ALA)	\$ 1.07	\$ 4.47	\$ 3.64	\$ 1.90
12	Child Development Fund	\$ 0.45	\$ 8.42	\$ 8.38	\$ 0.49
13	Cafeteria Fund	\$ 21.00	\$ 41.79	\$ 44.71	\$ 18.08
14	Deferred Maintenance Fund	\$ 5.10	\$ 7.38	\$ 11.01	\$ 1.47
20	Special Reserve for Postemployment Benefits	\$ 0.31	\$ 0.01	\$ -	\$ 0.32
21	Building Fund	\$ -	\$ -	\$ -	\$ -
25	Capital Facilities Fund	\$ 24.17	\$ 6.77	\$ 15.10	\$ 15.84
35	County School Facilities Fund	\$ 29.79	\$ 0.30	\$ 3.27	\$ 26.82
40	Special Reserve Fund for Capital Outlay	\$ 12.53	\$ 11.13	\$ 19.71	\$ 3.95
49	Capital Project Fund for Blended Component Units	\$ 0.65	\$ 0.01	\$ 0.13	\$ 0.53
51	Bond Interest & Redemption Fund	\$ 24.61	\$ 20.01	\$ 20.34	\$ 24.28
56	Debt Service Fund	\$ 4.17	\$ 7.56	\$ 7.43	\$ 4.30
67	Self-Insurance Fund	\$ 24.08	\$ 24.09	\$ 25.06	\$ 23.11
71	Retiree Benefit Fund	\$ 50.01	\$ 0.01	\$ -	\$ 50.02

Fiscal Outlook

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UCLA Anderson Forecast predicts an economic slowdown on the horizon

- *The economy remains on a strong, broad-based 3 percent growth track, but growth will slow to 2 percent in 2019 and to a near recession at 1 percent in 2020*
- *California – simulated recession: \$31 - \$36 billion loss over two years*

Legislative Analyst Office forecasts

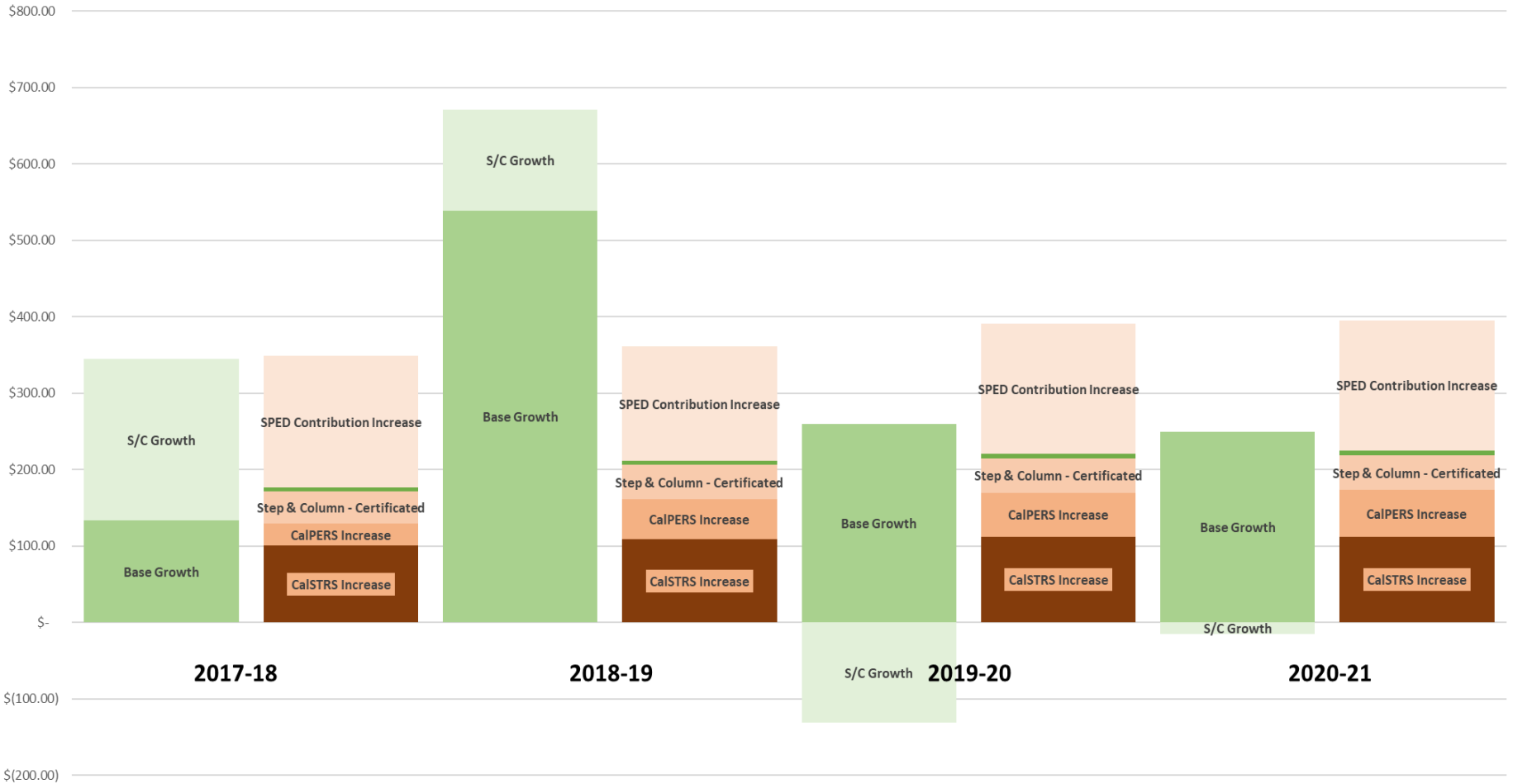
- Operating Surplus for next three years
- *California – simulated recession: \$16 billion loss over two years*

Proposition 98 Funding (2019-20)

- **3.1% increase or \$2.44 billion (2018-19: \$3.6 billion)**

Fiscal Outlook

SAUSD Revenue and Expenditure Outlook - Funding Per ADA



Our Financial Positions – Multi Year Projections GF

(\$ in Millions)

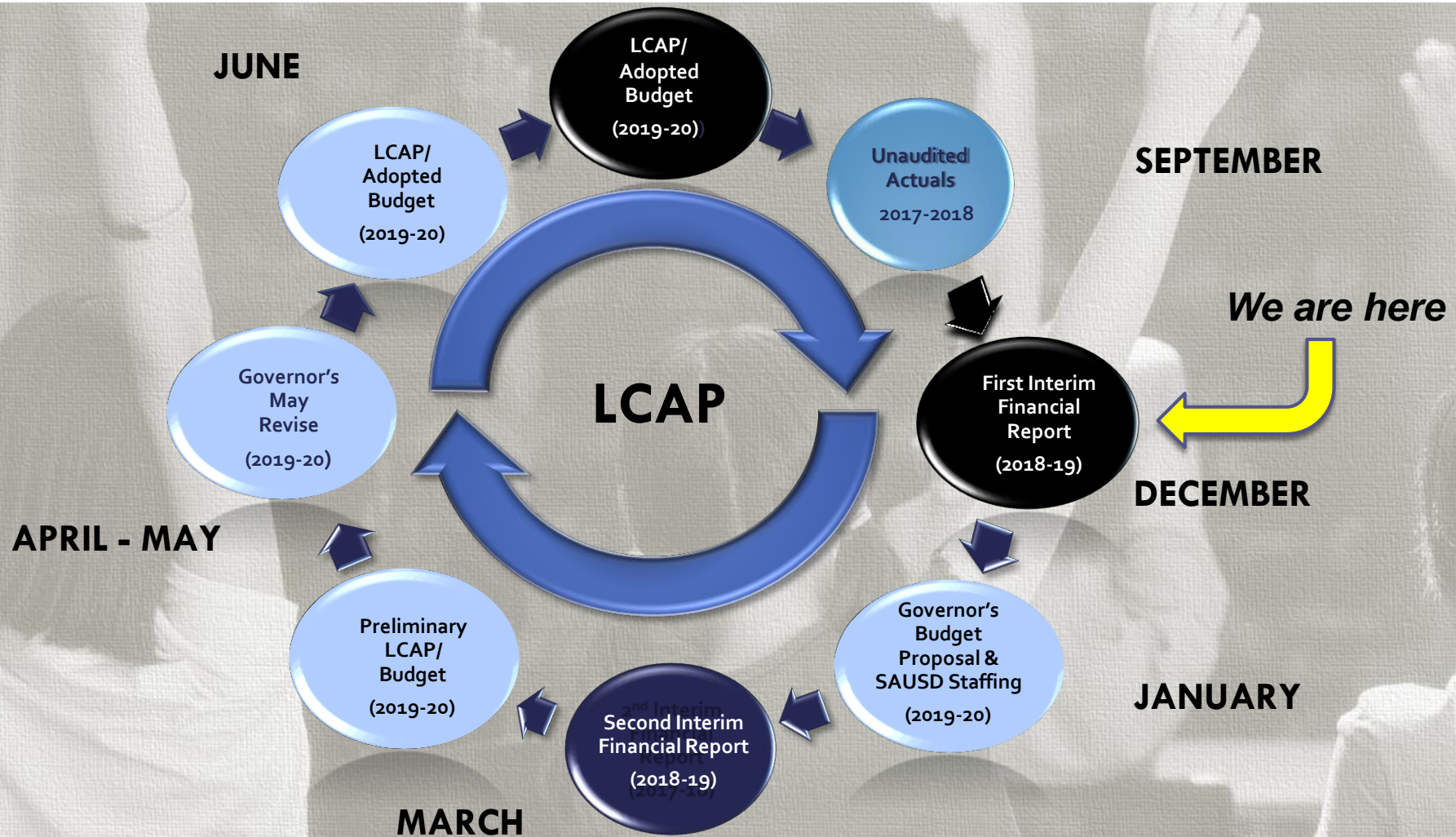
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	2018 - 19	2019 - 20	2020-21
Total Revenues	\$683.05	\$641.39	\$631.01
Total Expenditures without Adjustments	\$685.69	\$680.55	\$673.47
Other Adjustments (TBD)	\$0.00	(\$15.00)	(\$25.00)
Total Expenditures	\$685.69	\$665.55	\$648.47
Other Financing Sources/Uses	(\$5.11)	(\$5.24)	(\$5.36)
Net Increase (Decrease) in Fund Balance	(\$7.75)	(\$29.40)	(\$22.82)
Beginning Fund Balance	\$105.95	\$98.20	\$68.80
Ending Fund Balance	\$98.20	\$68.80	\$45.98
Ending Fund Balance Components	2018 - 19	2019 - 20	2020-21
Nonspendable Revolving Cash	\$0.19	\$0.19	\$0.19
Nonspendable Stores	\$1.00	\$1.00	\$1.00
Restricted Balance	\$23.74	\$17.38	\$16.02
Reserve for Economic Uncertainties	\$13.82	\$13.42	\$13.08
OPEB Contribution*	\$5.00	\$5.00	\$5.00
Undesignated/Unappropriated	\$59.45	\$36.81	\$15.69

*Ending Balances will change after Board Approval

Our Financial Positions - Budget Reporting Cycle

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Questions

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Questions?

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