



SANTA ANA UNIFIED SCHOOL DISTRICT

Preparing All Students for Success in College and Career

2021-22 First Interim Report



December 14, 2021

2021-22 SAUSD

First Interim Financial Report

Agenda

- **Our Vision, Mission and Budget**
- **Budget Reporting Cycle**
- **Our Financial Position**
 - **General Fund**
 - **COVID Related One-Time Funds**
 - **Multiyear Projections**
 - **Other District Funds Report**
- **Summary Comments/ Q&A**

2021-22 SAUSD First Interim Financial Report



Vision

We will 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.

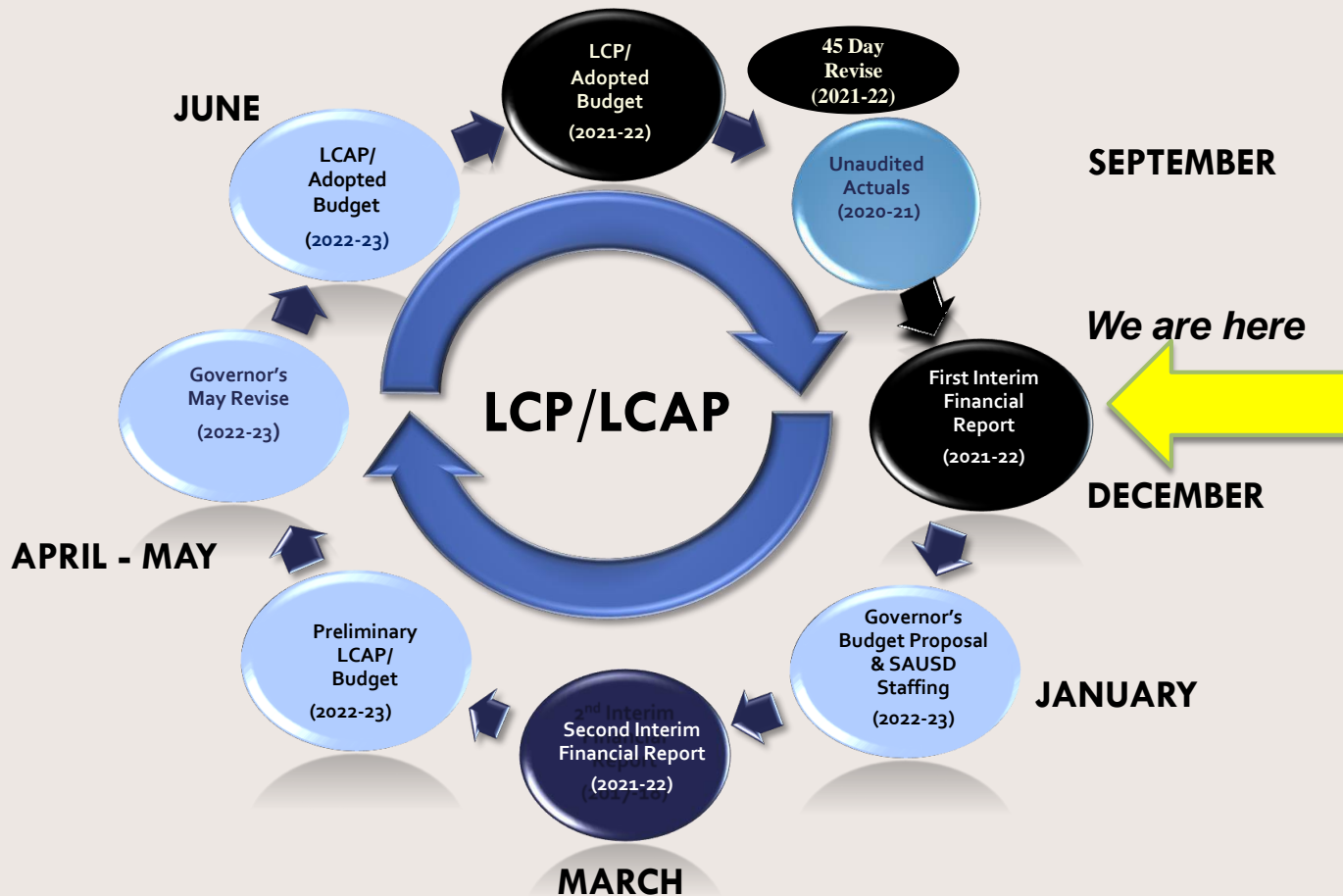
Mission

We assure well-rounded learning experiences, which prepare our students for success in college and career. We engage, inspire, and challenge all of our students to become productive citizens, ethical leaders, and positive contributors to our community, country and a global society.



Maintain District Stability, Solvency, and Local Control

Budget Reporting Cycle



2021-22 SAUSD

First Interim Financial Report

First Interim Action

- **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.**

2021-22 SAUSD First Interim Report

Fund Overview

Fund Accounting

Fund accounting shares some characteristics with commercial accounting, but it has its own information needs and reporting requirements. Financial transactions of the District are separated into various funds in order to permit administrators to ensure, and report on, compliance with laws and regulations that affect governmental agencies.

SAUSD Operates 15 Funds in Addition to the General Fund:

- ✓ “The General Fund”
- ✓ Charter School Special Revenue Fund
- ✓ Child Development Fund
- ✓ Cafeteria Fund
- ✓ Deferred Maintenance Fund
- ✓ Special Reserve Funds (3)
- ✓ Building & Capital Facilities Funds (4)
- ✓ Bond & Debt Services Funds (2)
- ✓ Self Insurance Fund
- ✓ Retiree Benefit Fund



*Each District Fund has its own Budget
and Compliance Requirements!!*

2021-22 SAUSD

First Interim Financial Report

The General Fund

Unrestricted/Restricted Revenue Summary

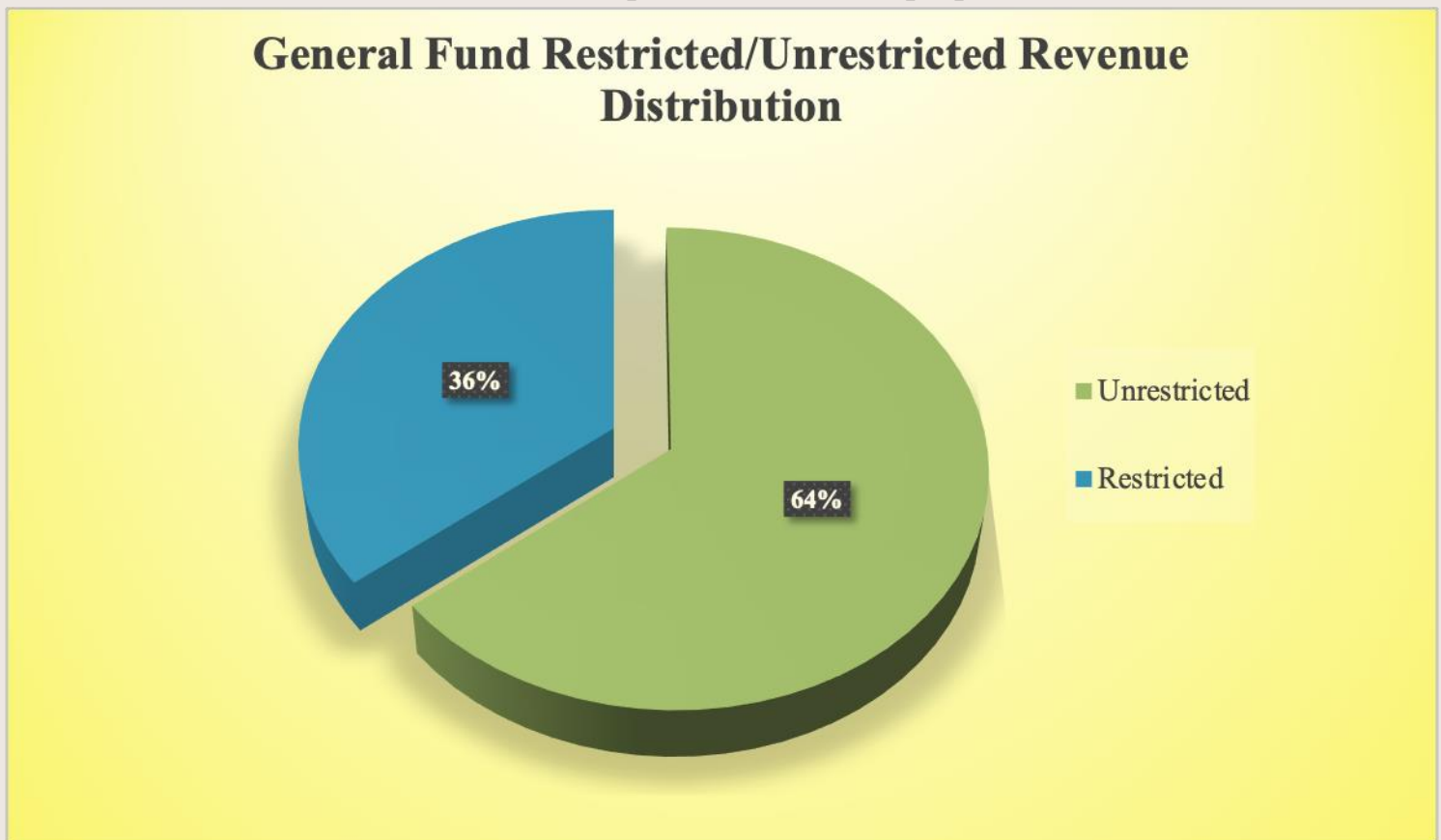
Revenues	Budget (AB)	Proj'd Budget (FI)	FI-AB Change
LCFF/Revenue Limit Sources	\$527,576,807	\$528,881,235	\$1,304,428
Federal	238,969,120	168,602,922	(70,366,198)
Other State	88,472,495	134,693,373	46,220,878
Local	<u>10,350,698</u>	<u>12,872,504</u>	<u>2,521,806</u>
Totals	\$865,369,120	\$845,050,035	(\$20,319,085)

***One-Time COVID Related Funding
Distorts the District's Financial Picture***

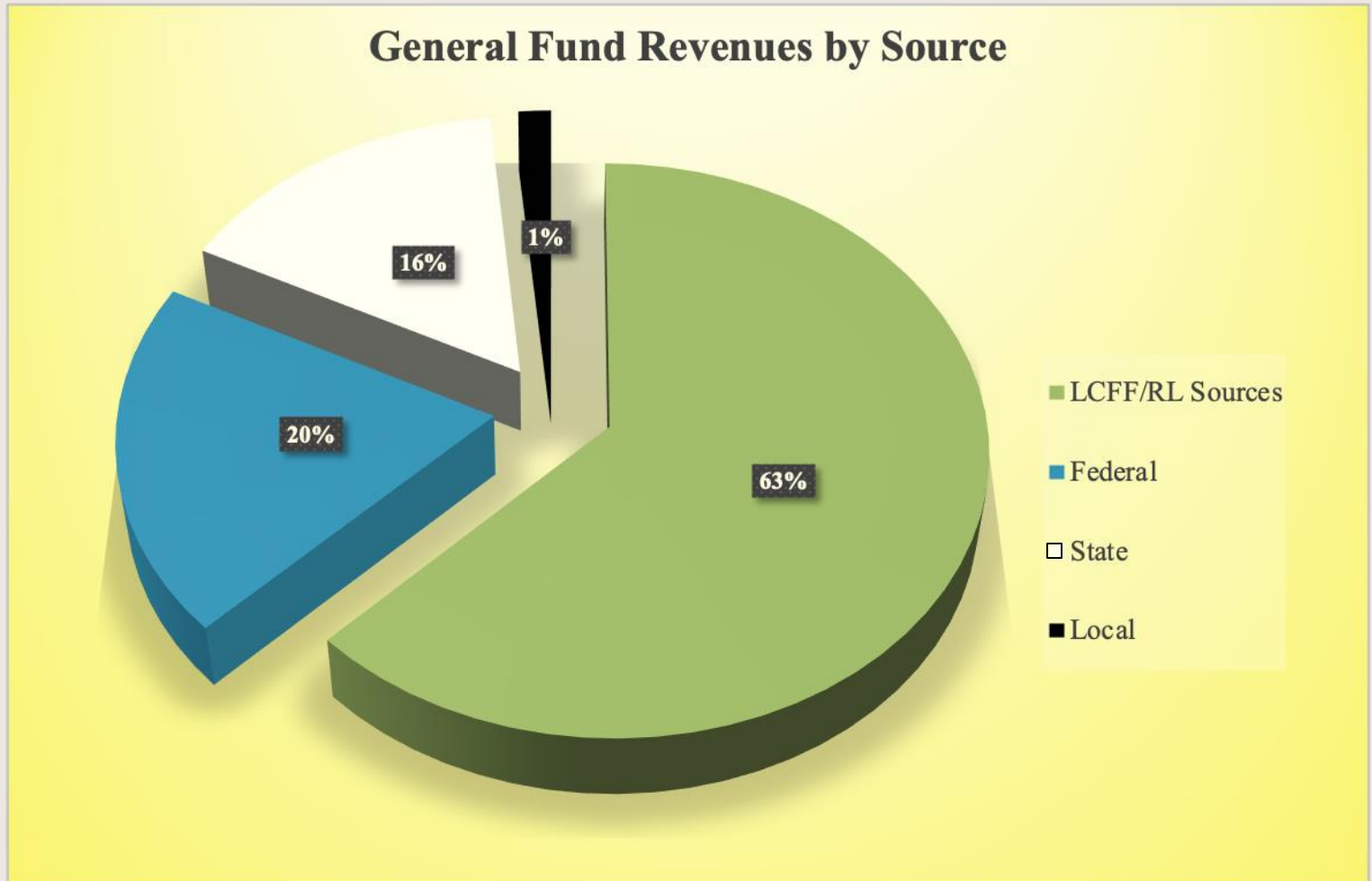
2021-22 SAUSD

First Interim Financial Report

District revenues are received as restricted or unrestricted funds. Unrestricted funds are used for general purposes and are the primary resource for the core educational programs. Restricted revenues are received for specific and limited purposes.



2021-22 SAUSD First Interim Financial Report



2021-22 SAUSD

First Interim Financial Report

The General Fund – **Unrestricted**

Revenue Summary

The District's revenues come from a variety of federal, state and local sources with LCFF/Revenue Limit Sources generates approximately 63% of the District's funding.

Revenues	Budget (AB)	Proj'd Budget (FI)	FI-AB Change
LCFF/Revenue Limit Sources	\$527,576,807	\$528,881,235	\$1,304,428
Federal	140,000	140,000	0
Other State	9,736,228	10,579,700	843,472
Local	<u>3,819,239</u>	<u>4,183,223</u>	<u>363,985</u>
Totals	\$541,272,273	\$543,784,158	\$2,511,885

***Unrestricted Side of the Budget
Largely Clear of COVID Related Funding***

2021-22 SAUSD

First Interim Financial Report

The General Fund - **Restricted**

Revenue Summary

The District's restricted revenues come from a variety of federal, state and local sources and are provided for specific program uses.

Revenues	Budget (AB)	Proj'd Budget (FI)	FI-AB Change
LCFF/Revenue Limit Sources	\$0	\$0	\$0
Federal	238,829,120	168,462,922	(70,366,198)
Other State	78,736,268	124,113,673	45,377,405
Local	<u>6,531,459</u>	<u>8,689,281</u>	<u>2,157,822</u>
Totals	\$324,096,847	\$301,265,877	(\$22,830,970)

***COVID Related Funding Shifts
Evident on the Restricted Side of the Budget***

2021-22 SAUSD

First Interim Financial Report

General Fund Expenditure Summary

District funds are allocated to support for services to students. The following chart illustrates the District's General Fund budget variance as of October 31, 2021

Expenditures	Budget (AB)	Proj'd Budget (FI)	Change (FI-AB)
1000 Certificated Salaries	\$276,903,707	\$334,164,114	\$57,260,407
2000 Classified Salaries	114,665,640	120,194,101	5,528,460
3000 Employee Benefits	174,891,317	185,599,379	10,708,063
4000 Books and Supplies	128,550,412	52,900,528	(75,649,884)
5000 Contracts & Services	175,311,123	109,591,661	(65,719,463)
6000 Capital Outlay	3,001,148	5,575,608	2,574,459
7100/7200 Other Outgo	5,150,356	5,150,356	0
7300 Dir Support/Ind Costs	(1,953,800)	(2,062,863)	(109,063)
Totals	\$876,519,905	\$811,112,884	(\$65,407,021)

2021-22 SAUSD

First Interim Financial Report

General Fund Expenditures - Unrestricted

District funds are allocated to support for services to students. The following chart illustrates the District's General Fund budget variance as of October 31, 2021

Expenditures	Budget (AB)	Proj'd Budget (FI)	Change (FI-AB)
1000 Certificated Salaries	\$201,417,995	\$200,066,122	(\$1,351,873)
2000 Classified Salaries	63,174,270	62,625,932	(548,338)
3000 Employee Benefits	96,534,636	90,909,396	(5,625,240)
4000 Books and Supplies	17,788,263	17,847,429	59,165
5000 Contracts & Services	52,263,665	52,995,443	731,778
6000 Capital Outlay	1,622,898	2,470,275	847,377
7100/7200 Other Outgo	1,650,356	1,650,356	0
7300 Dir Support/Ind Costs	(16,525,175)	(12,497,823)	(4,027,352)
Totals	\$417,926,909	\$416,067,129	(\$1,859,780)

2021-22 SAUSD

First Interim Financial Report

General Fund Expenditures-Restricted

District funds are allocated to support for services to students. The following chart illustrates the District's General Fund budget variance as of October 31, 2021

Expenditures	Budget (AB)	Proj'd Budget (FI)	Change (FI-AB)
1000 Certificated Salaries	\$75,485,712	\$134,097,992	\$58,612,280
2000 Classified Salaries	51,491,370	57,568,169	6,076,799
3000 Employee Benefits	78,356,680	94,689,984	16,333,303
4000 Books and Supplies	110,762,149	35,053,099	(75,709,049)
5000 Contracts & Services	123,047,459	56,596,218	(66,451,240)
6000 Capital Outlay	1,378,250	3,105,333	1,727,083
7100/7200 Other Outgo	3,500,000	3,500,000	0
7300 Dir Support/Ind Costs	14,571,375	10,434,960	(4,136,415)
Totals	\$458,592,996	\$395,045,755	(\$63,547,241)

2021-22 SAUSD

First Interim Financial Report

One Time Expenditures-**Restricted**

CDE Allocations and Total Expenditures (ALL FUNDS)							
Res#	Funding	Allocation by CDE			Actuals (Spent) Amount		Balance
		District	ALA	Total	21-22*	Grand Total	
3210	ESSER	\$ 14,508,488	\$0	\$ 14,508,488	\$ 1,470,338	\$ 7,534,582	\$ 6,973,906
3212	ESSER II	59,843,602	0	59,843,602	14,330,517	29,562,252	30,281,350
3213	ESSER III	107,597,326	0	107,597,326	6,048,631	6,048,631	101,548,695
3214	ESSER III (20% for learning loss)	26,899,331	0	26,899,331	0	0	26,899,331
3215	GEER	2,953,272	16,100	2,969,372	944	2,428,981	540,391
3216	ELO - ESSER II	5,984,095	46,411	6,030,506	0	0	6,030,506
3217	ELO - GEER II	1,373,403	10,652	1,384,055	0	0	1,384,055
3218	ELO - ESSER III	3,900,935	30,254	3,931,189	0	0	3,931,189
3219	ELO - ESSER III Learning Loss	6,724,540	52,153	6,776,693	0	0	6,776,693
3220	CRF	51,630,289	337,504	51,967,793	0	51,967,793	0
5058	(Fd 12) CRRSA Act-Onetime Stipend	237,038	0	237,038	0	0	237,038
5316	(Fd 13) ESSER from SEA Reserve*	984,796	0	984,796	0	984,796	0
7027	(Fd 13) ESSER from SEA Reserve*	597,642	0	597,642	0	597,642	0
7388	SB117 Funds	782,586	6,000	788,586	81,721	595,367	193,219
7420	Prop 98 (LLM)	4,443,402	31,951	4,475,353	0	4,475,353	0
7425	ELO Grant (GF)	19,139,554	175,734	19,315,288	20,612	20,612	19,294,676
7426	ELO - Para Professional Grant	3,519,281	26,320	3,545,601	0	0	3,545,601
Grand Total		\$ 311,119,579	\$ 733,079	\$ 311,852,658	\$ 21,952,764	\$ 104,216,008	\$ 207,636,650

*Actuals as of 10/31/21

2021-22 SAUSD

First Interim Financial Report

One Time Expenditures-**Restricted**

Original Budget / 1st Interim Budget Variance by Resource

ALL FUNDS - SUMMARY

Res#	Funding Source	Adopted Bdgt	1st Interim	Variance	Variance %
3210	ESSER	\$ 7,703,870	\$ 8,444,244	\$ 740,374	9.61%
3212	ESSER II	53,702,705	41,018,175	(12,684,530)	-23.62%
3213	ESSER III	106,657,097	55,078,424	(51,578,674)	-48.36%
3214	ESSER III (20% to address learning loss)	26,664,274	219,164	(26,445,110)	-99.18%
3215	GEER	474,676	541,335	66,659	14.04%
3216	ELO - ESSER II	0	1,997,895	1,997,895	100.00%
3217	ELO - GEER II	0	0	0	100.00%
3218	ELO - ESSER III	0	0	0	100.00%
3219	ELO - ESSER III Learning Loss	0	0	0	100.00%
7388	SB117 Funds	44,132	272,437	228,305	517.32%
7425	ELO Grant (GF)	31,383,111	13,796,499	(17,586,612)	-56.04%
7426	ELO - Para Professional Grant	0	1,539,253	1,539,253	100.00%
	Grand Total	\$ 226,629,866	\$ 122,907,426	(\$103,722,440)	-45.77%

2021-22 SAUSD

First Interim Financial Report

General Fund Contributions & Encroachments

SAUSD, like most other school districts, experiences General Fund encroachment for programs that do not generate revenues that are sufficient to cover expenses. For these programs the General Fund must “contribute” unrestricted dollars to maintain the program or service. Year end contributions for 2021-22 at First Interim reporting are projected to be:

Program	Proj'd Budget (FI)
Special Education	\$83,023,702
Ongoing & Major Maintenance Account (3%)	20,456,103
After School Education and Safety (ASES)	3,212,662
Head Start Program	297,661
Special Education: Early Ed/Infant Needs Prog	133,362
Teaching Induction & Professional Support (TIPS)	82,500
Other	<u>6,727</u>
Totals	\$107,212,717

2021-22 SAUSD

First Interim Financial Report

General Fund Operating Surplus/(Deficit) & Impact on Fund Balance

	Budget (AB)	Proj'd Budget (FI)	FI-AB Change
Unrestricted	\$123,345,364	\$127,717,029	\$ 4,371,665
Restricted	(134,496,148)	(93,779,879)	(40,716,269)
Surplus/(Deficit)	(11,150,785)	33,937,151	45,087,936
Other Financings	(5,421,534)	(5,541,988)	120,454
Change in Fund Balance*	(16,572,318)	28,395,163	44,967,480 (3,529,209)
Ending Fund Balance	\$173,224,075	\$214,662,347	\$41,438,271
<i>Unrestricted</i>	150,108,228	159,047,000	8,938,772
<i>Restricted</i>	23,115,737	55,615,346	\$32,499,609

* Other Restatement to Restricted Fund balance not previously included in Approved Budget noted in ().

2021-22 SAUSD

First Interim Financial Report

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** Includes Unrestricted designations (e.g., revolving funds, Reserve for Economic Uncertainty

2021-22 SAUSD

First Interim Financial Report

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First Interim Financial Report

All Other Funds Expenditures Report (\$M)

Fund #	Fund Name	Adopted Budget Expenditures	First Interim Projected Expenditures	Change
09	Charter Schools Special Revenue Fund	4.68	6.80	2.12
12	Child Development Fund	11.48	11.45	(0.03)
13	Cafeteria Fund	37.10	39.75	2.85
14	Deferred Maintenance Fund	2.06	2.80	0.74
17	Special Reserve Fund for Other Than Capital Outlay Projects	0.00	0.00	0
20	Special Reserve for Postemployment Benefits	0.00	0.00	0
21	Building Fund	4.22	65.22	61.00
25	Capital Facilities Fund	4.85	5.74	0.89
35	County School Facilities Fund	0.00	0.59	0.59
40	Special Reserve Fund for Capital Outlay	4.01	5.42	1.41
49	Capital Project Fund for Blended Component Units	0.15	0.23	0.08
51	Bond Interest & Redemption Fund	27.18	27.18	0
56	Debt Service Fund	7.79	7.69	(0.10)
67	Self-Insurance Fund	19.36	19.42	0.06
71	Retiree Benefit Fund	10.00	10.00	0
	Total	\$132.78	\$202.29	\$69.51

2021-22 SAUSD

First Interim Financial Report

All Other Funds Expenditures Report (\$M)

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12	Child Development Fund	11.48	11.45	(0.03)
13	Cafeteria Fund	37.10	39.75	2.85
14	Deferred Maintenance Fund	2.06	2.80	0.74
17	Special Reserve Fund for Other Than Capital Outlay Projects	0.00	0.00	0
20	Special Reserve for Postemployment Benefits	0.00	0.00	0
21	Building Fund	4.22	65.22	61.00
25	Capital Facilities Fund	4.85	5.74	0.89
35	County School Facilities Fund	0.00	0.59	0.59
40	Special Reserve Fund for Capital Outlay	4.01	5.42	1.41
49	Capital Project Fund for Blended Component Units	0.15	0.23	0.08
51	Bond Interest & Redemption Fund	27.18	27.18	0
56	Debt Service Fund	7.79	7.69	(0.10)
67	Self-Insurance Fund	19.36	19.42	0.06
71	Retiree Benefit Fund	10.00	10.00	0
	Total	\$132.78	\$202.29	\$69.51

2021-22 SAUSD

First Interim Financial Report

All Other Funds Ending Fund Balance Report

Fund	Fund Description	Beginning Fund Balance	Revenues + Transfers in + other sources	Expenditures + Trans out + other uses	Ending Fund Balance
09	Charter Schools Special Revenue Fund (ALA)	2,185,941	6,603,934	6,796,227	1,967,251
12	Child Development Fund	1,243,718	11,456,298	11,446,057	1,253,959
13	Cafeteria Fund	11,959,777	40,400,869	39,751,786	12,608,860
14	Deferred Maintenance Fund	3,006,933	2,056,610	2,796,897	2,266,646
17	Special Reserve for Other Than Capital Outlay Projects	1,230,352	5,530	-	1,235,883
20	Special Reserve for Postemployment Benefits	329,261	2,339	-	331,601
21	Building Fund	80,687,999	312,261	65,216,418	15,783,843
25	Capital Facilities Fund	31,100,335	7,391,750	5,744,587	32,747,498

2021-22 SAUSD

First Interim Financial Report

All Other Funds Ending Balance Report

Fund	Fund Description	Beginning Fund Balance	Revenues + Transfers in + other sources	Expenditures + Trans out + other uses	Ending Fund Balance
35	County School Facilities Fund	\$502,132	\$7,359,101	\$593,094	\$7,268,140
40	Special Reserve Fund for Capital Outlay	8,990,744	3,725,913	5,422,552	7,294,105
49	Capital Project Fund for Blended Component Units	619,320	21,448	226,959	413,808
51	Bond Interest & Redemption Fund	41,324,820	7,758,878	27,183,191	21,900,507
56	Debt Service Fund	4,629,208	7,745,878	7,691,378	4,683,708
67	Self-Insurance Fund	42,571,224	14,651,601	19,420,332	37,802,493
71	Retiree Benefit Fund	\$38,596,110	\$223	\$10,000,008	\$28,596,325

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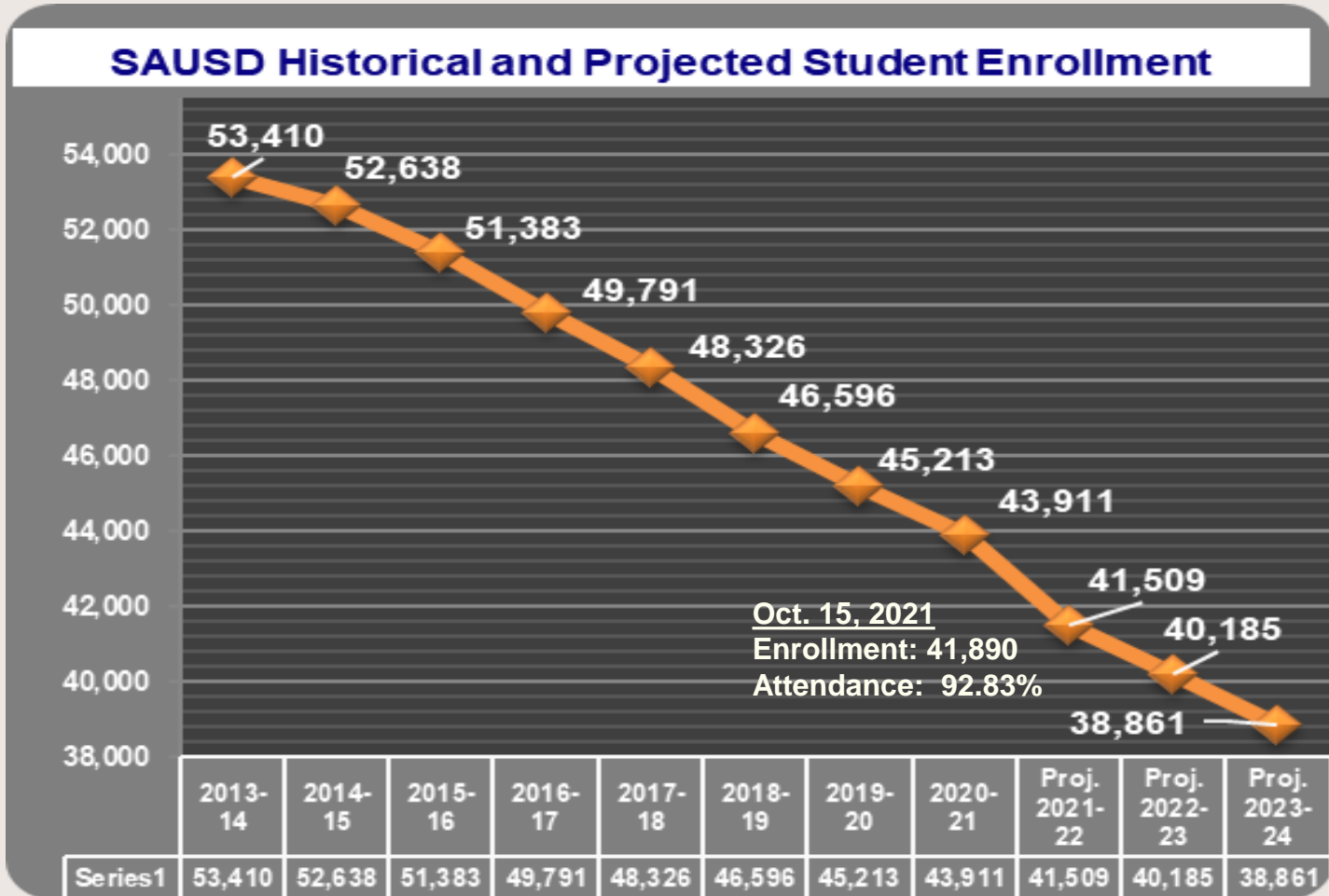
General Fund Multi-year Projections

- Assumptions:
 - Funded ADA (enrollment) Losses: 2022/23, 2,402 ADA and 2023/24, 1,324
 - LCFE COLA Increase: 2022/23, 2.48% and 2023/24, 3.11%
 - Enrollment Related Federal Revenue Decrease: \$43.9M
 - Current & Projected STRS, PERS & SUI Rates:
 - STRS: 16.92% 19.10% 19.10%
 - PERS: 22.91% 26.10% 27.10%
 - SUI: 0.50% 0.50% 0.20%
 - Annual District Paid Health Care Increase: 6%
 - Reduction of Assigned Program & Staff as One-time Funding is Exhausted
- Caveats:
 - 2021-22 Collective Bargaining and Potential Cost Impacts Possible
 - State Tax Revenue Projection Exceeding Budget Expectations = Increase to Prop 98 Revenues/COLA
 - Proposed New Programs/Mandates Not Included in MYP
 - Universal Prekindergarten
 - 10% Reserve Cap to be implemented in 2022-23

2021-22 SAUSD

First Interim Financial Report

General Fund Multi-year Projections



2020-21 SAUSD

First Interim Financial Report

General Fund Multi-year Projections

<u>Fund Component</u>	<u>2021-22 (FI)</u>	<u>2022-23</u>	<u>2023-24</u>
Revenues	\$ 845,050,035	\$ 747,302,705	\$ 684,745,180
Expenditures & Transfers	811,112,884	768,952,575	709,991,264
Excess/(Deficiency) of Revenues	33,937,151	(27,209,123)	(30,912,890)
Other Financing	(5,421,988)	(5,559,253)	(5,666,806)
Inc./(Dec.) in Fund Balance	28,395,163	(21,649,870)	(25,246,084)
Beginning Fund Balance	189,796,393	214,662,347	193,012,477
Ending Fund Balance	\$214,662,346	<u>193,012,477</u>	<u>167,766,393</u>
<u>Ending Fund Balance:</u>			
Nonspendable	1,190,000	1,190,000	1,190,000
Restricted	55,615,346	69,167,213	91,641,149
Res. Econ. Uncertainty (2%)	16,333,097	15,379,051	14,199,825
Assigned	22,054,501	14,980,330	10,931,681
Unassigned/Unappropriated	119,469,402	92,295,881	49,803,736

2021-22 SAUSD

First Interim Financial Report

Summary Comments

- 2021-22 Financial Position Improved by \$41.4M
 - GF Revenue Projection Reduced
 - Unrestricted Revenues **Increased** \$2.5M on a \$541M Base
 - Restricted Revenues **Decreased** \$23M on a \$321M Base
 - GF Expenditure Projection Reduced
 - Unrestricted Expenses **Increased** \$1.86M on a \$418M Base
 - Restricted Expenses **Decreased** \$63.5M on a \$458.6M Base

- Financial Projection for Multi-year Improved . . . But,
 - 2022-24 GF Deficits Reduced, but not Eliminated
 - Right Sizing the District to Align with Enrollment is Key
 - Reserves Projected Above Adopted Budget Levels through 2023-24
 - Unrestricted Unassigned/Unappropriated Reserves **Decrease** by 59% (\$69M)
 - Restricted Reserves **Increase** by 40% (\$36M) thru 23-24
 - Unrestricted Deficit Spending 2022-24 = Structural Deficit
 - Restricted Programs One-time Fund Balance Requires Monitoring to Ensure Expenditure Timelines Are Met

- Look to Governor's 2022-23 Proposed Budget for Planning Guidance (Jan. 10, 2022)