

SANTA ANA UNIFIED SCHOOL DISTRICT

Preparing All Students for Success in College and Career

2021-22 Second Interim Report



March 8, 2022

2021-22 SAUSD

Second Interim Financial Report

Agenda

- **Our Vision and Mission**
- **Budget Reporting Cycle**
- **Our Financial Position as of 01/31/22**
 - **General Fund**
 - **COVID Relief One-Time Funds**
 - **Other Funds & Multi-Year Projection**
- **Multi-Year Projection Summary**
- **Important Dates**

2021-22 SAUSD Second 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.

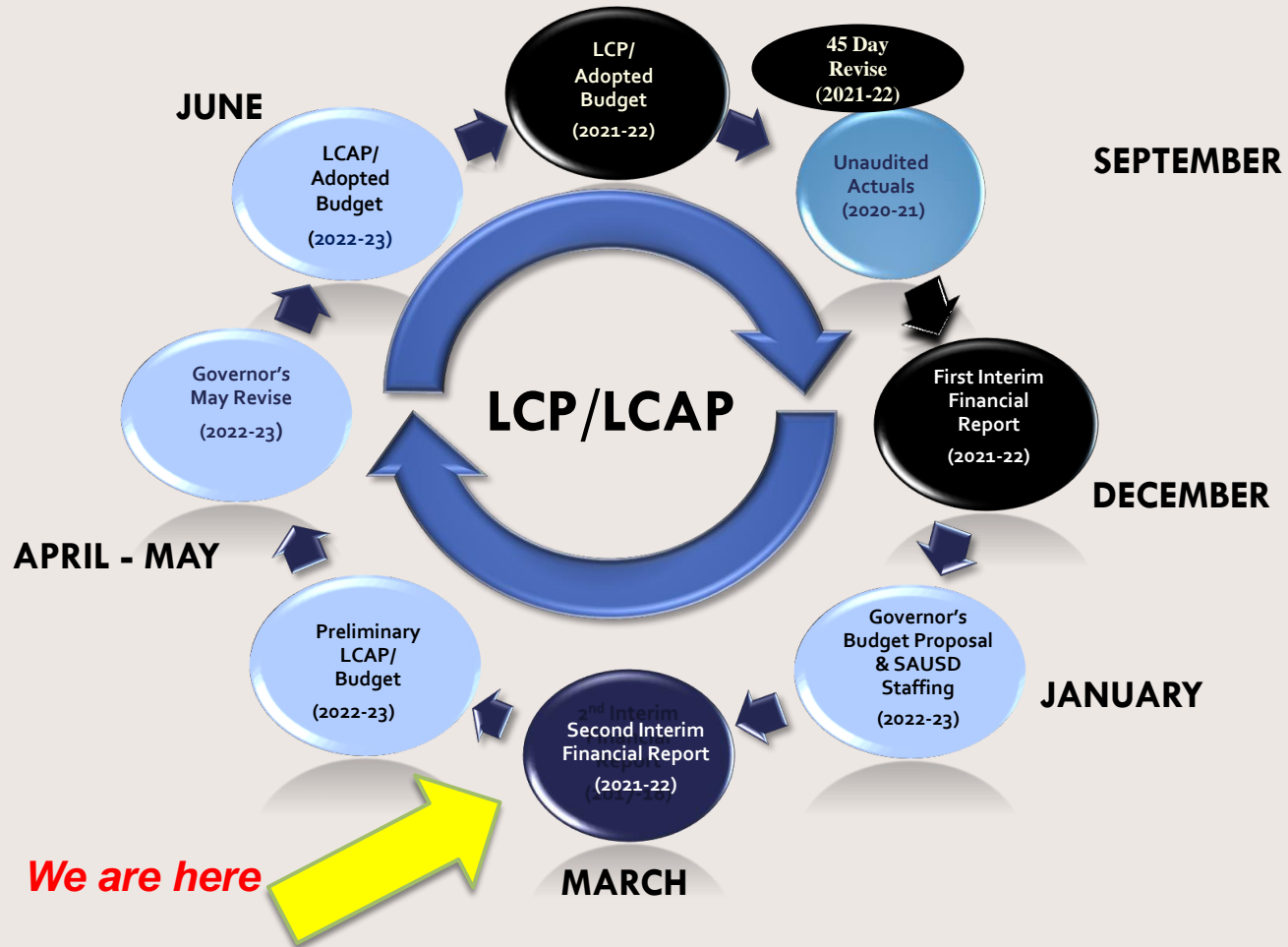
Mission

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 Second Interim Report

Fund Overview

Fund Accounting

Fund accounting is a specific system for recording and managing District resources. Financial transactions of the District are separated into various funds which ensures 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*

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**Data as of
January 31, 2022**

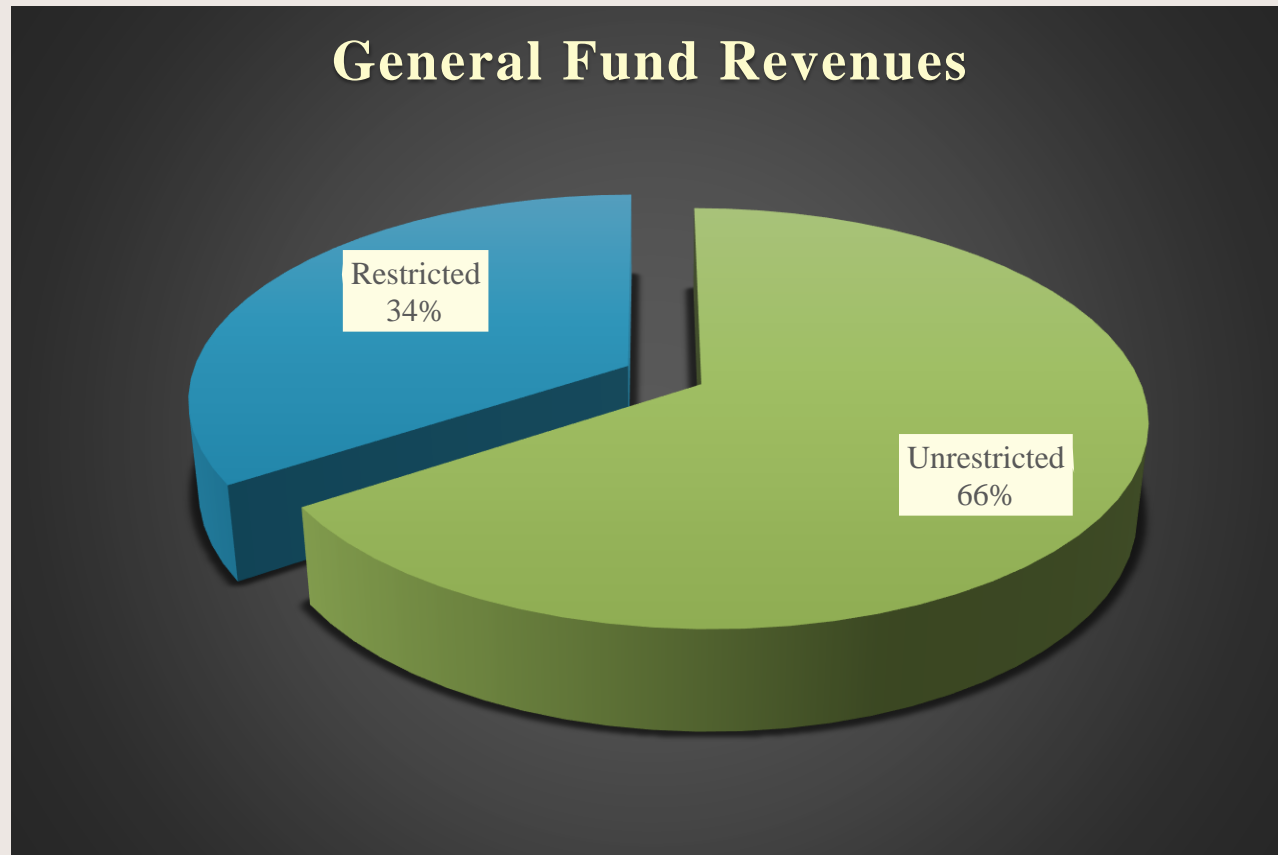
Revenues

2021-22 Second Interim Report

2021-22 SAUSD

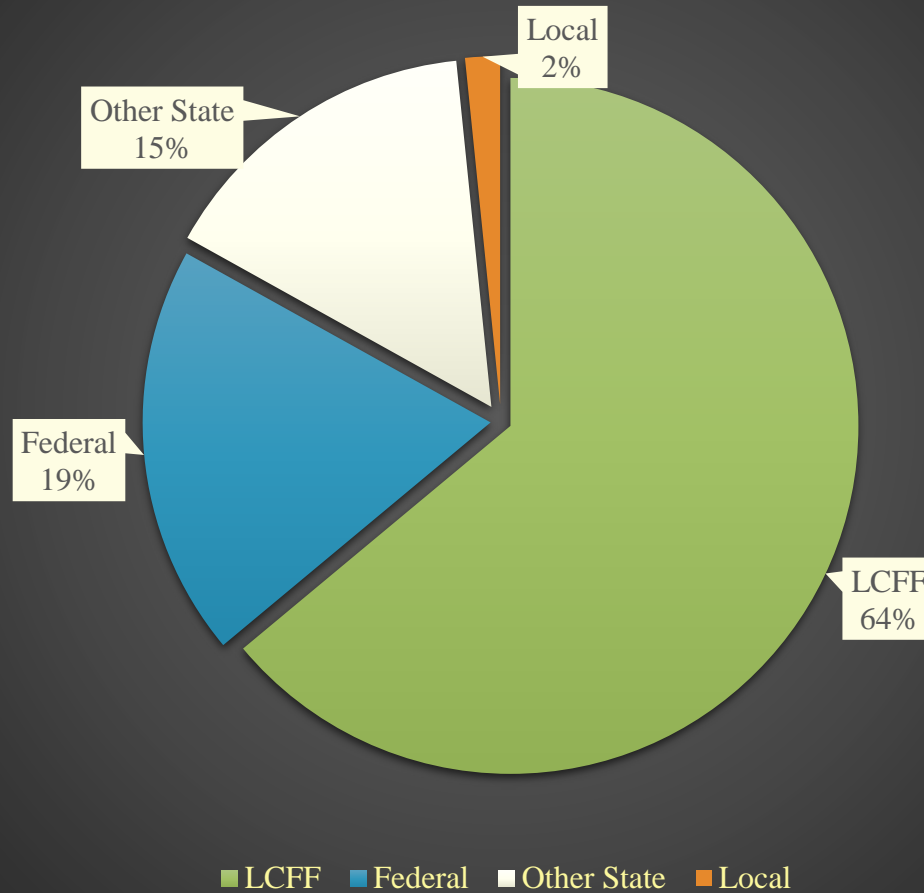
Second Interim Financial Report

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 Second Interim Financial Report

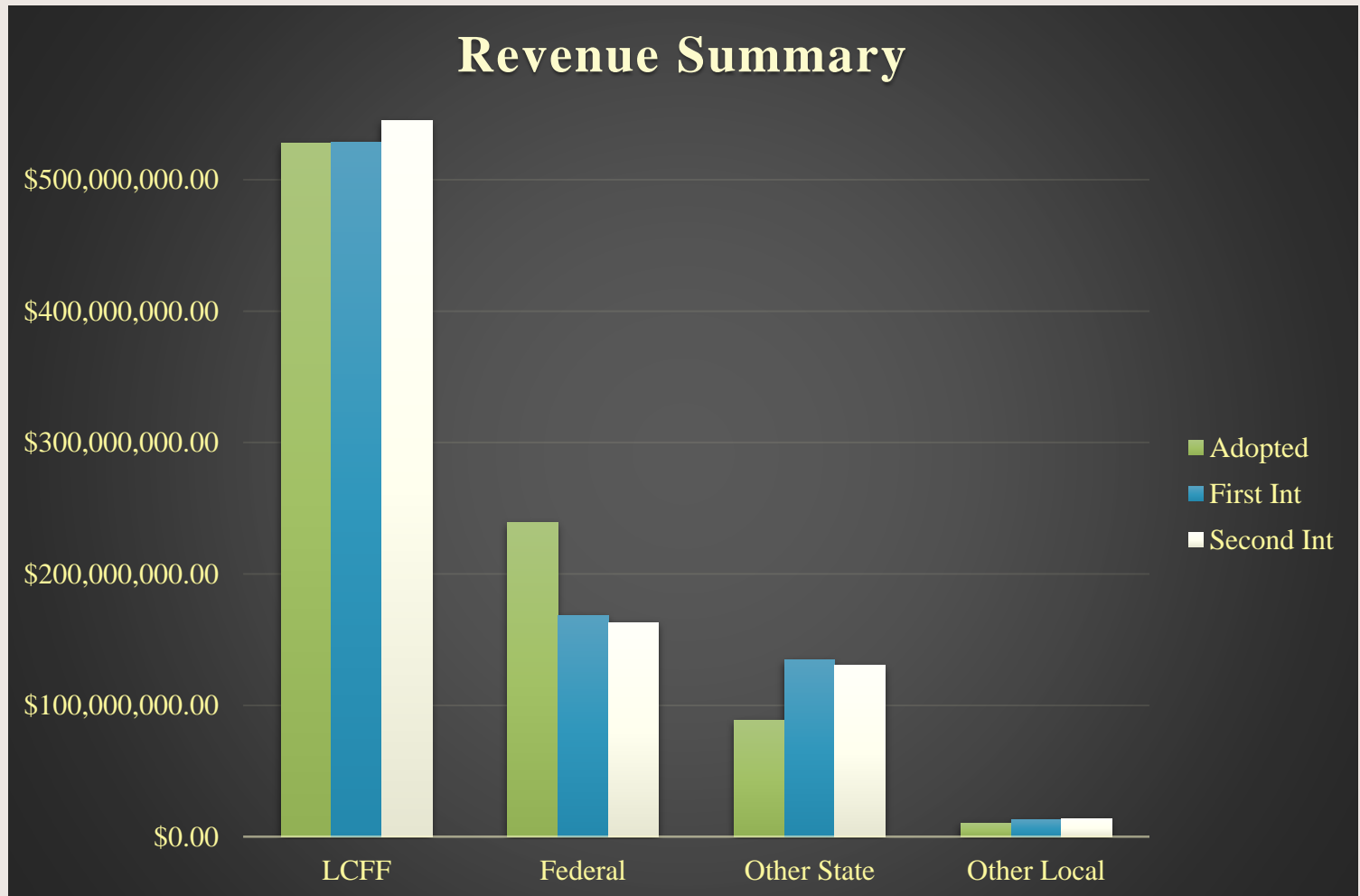
General Fund Revenues by Source



2021-22 SAUSD

Second Interim Financial Report

General Fund Unrestricted/Restricted



2021-22 SAUSD

Second Interim Financial Report

General Fund Revenues

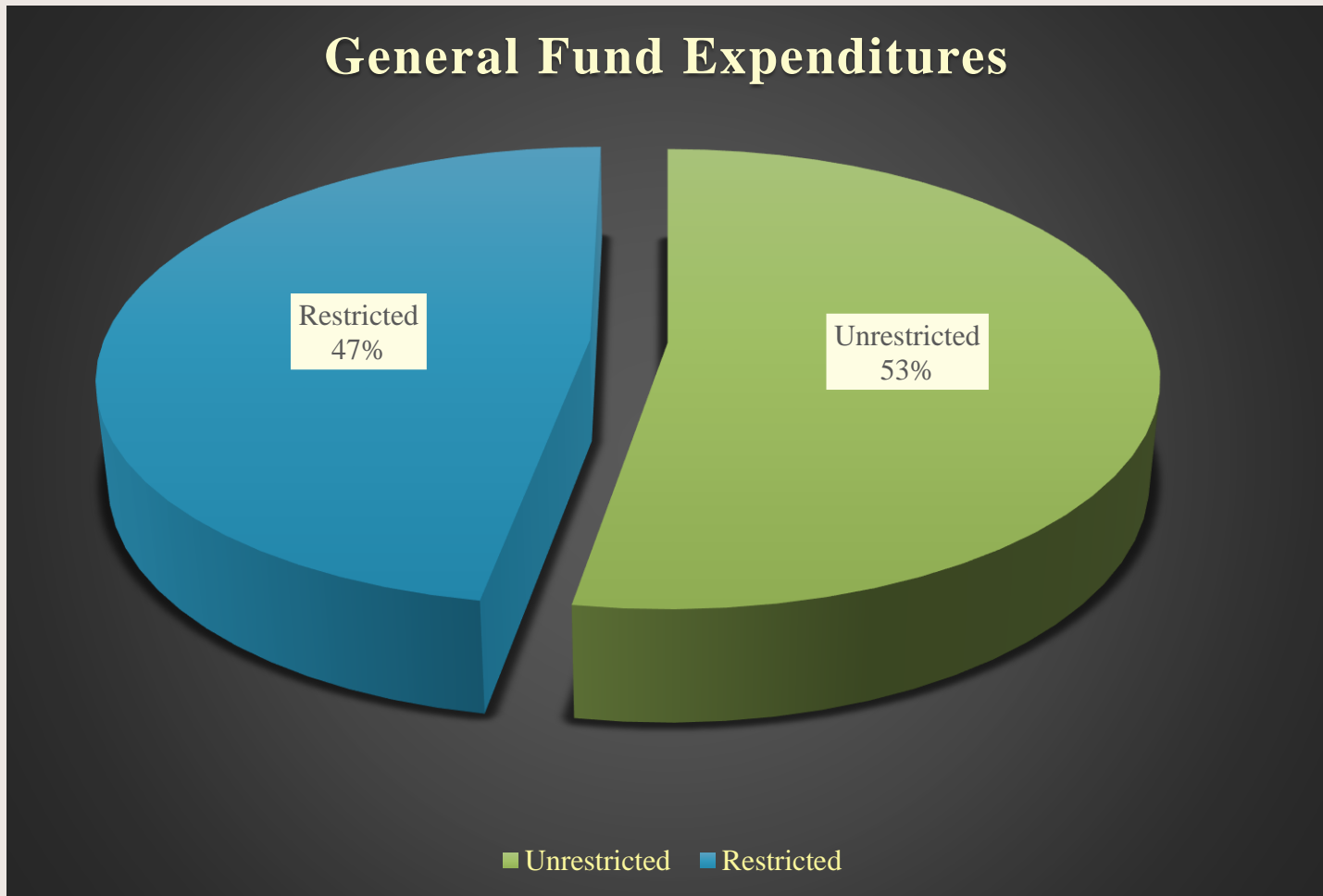
- \$16.1M Increase to LCFF funding
Increased Unduplicated Pupil Percentage (UPP):
86.05% from 81.27%
- \$6M Decrease to Federal ESSER
- \$4.2M Decrease to State Special Education
- \$0.8M Increase to Local CTE



Expenditures

2021-22 Second Interim Report

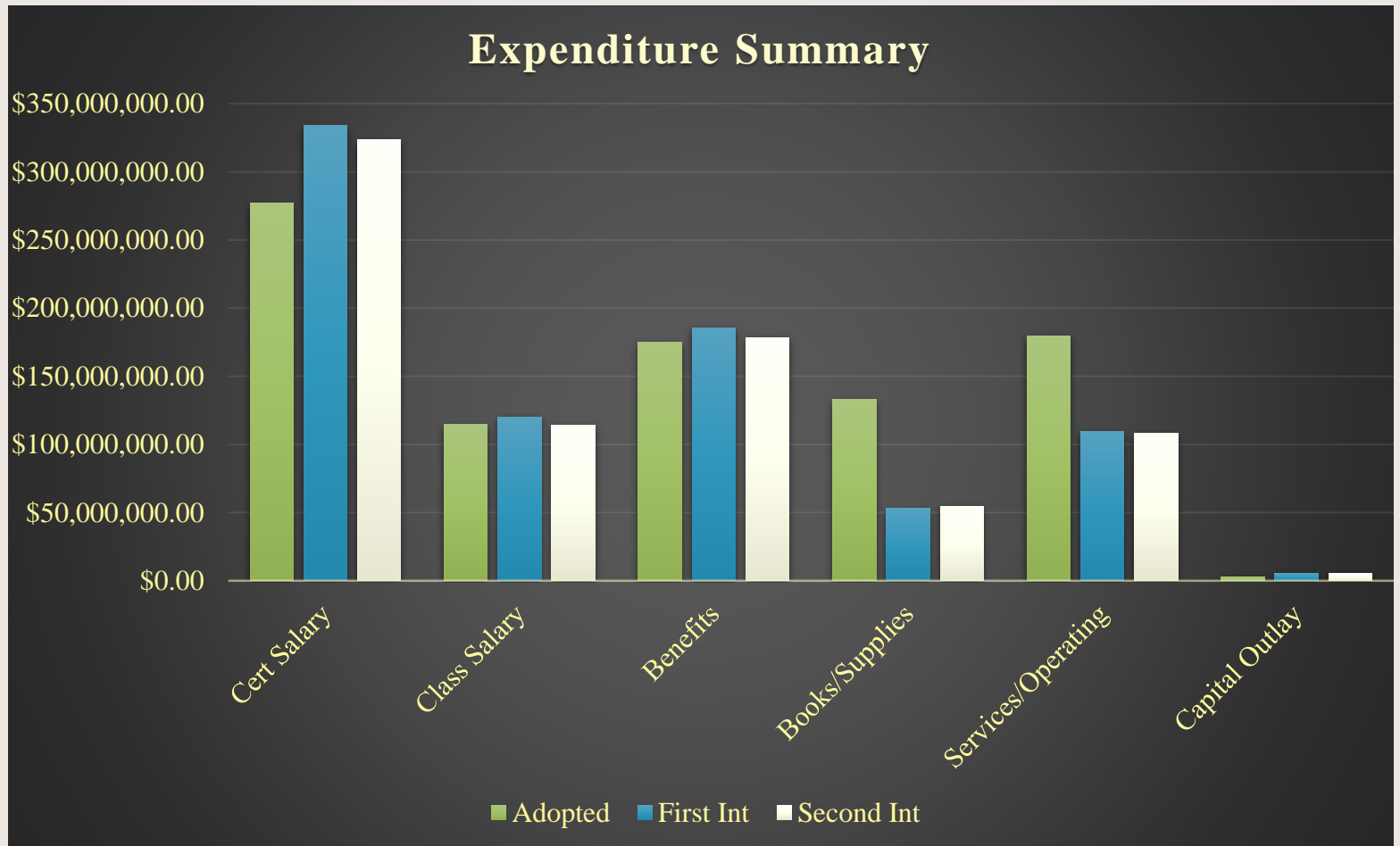
2021-22 SAUSD Second Interim Financial Report



2021-22 SAUSD

Second Interim Financial Report

General Fund Unrestricted/Restricted



2021-22 SAUSD

Second Interim Financial Report

General Fund Expenditures

- \$10.7M Decrease in Certificated Salaries; \$6.3M Decrease in Classified Salaries; \$7.2M Decrease in Benefits due to New Positions, Vacancies, and True Up
- Books/Supplies; Services/Operating; Capital Outlay all Stable with Very Minor Changes

2021-22 SAUSD

Second Interim Financial Report

General Fund Contributions

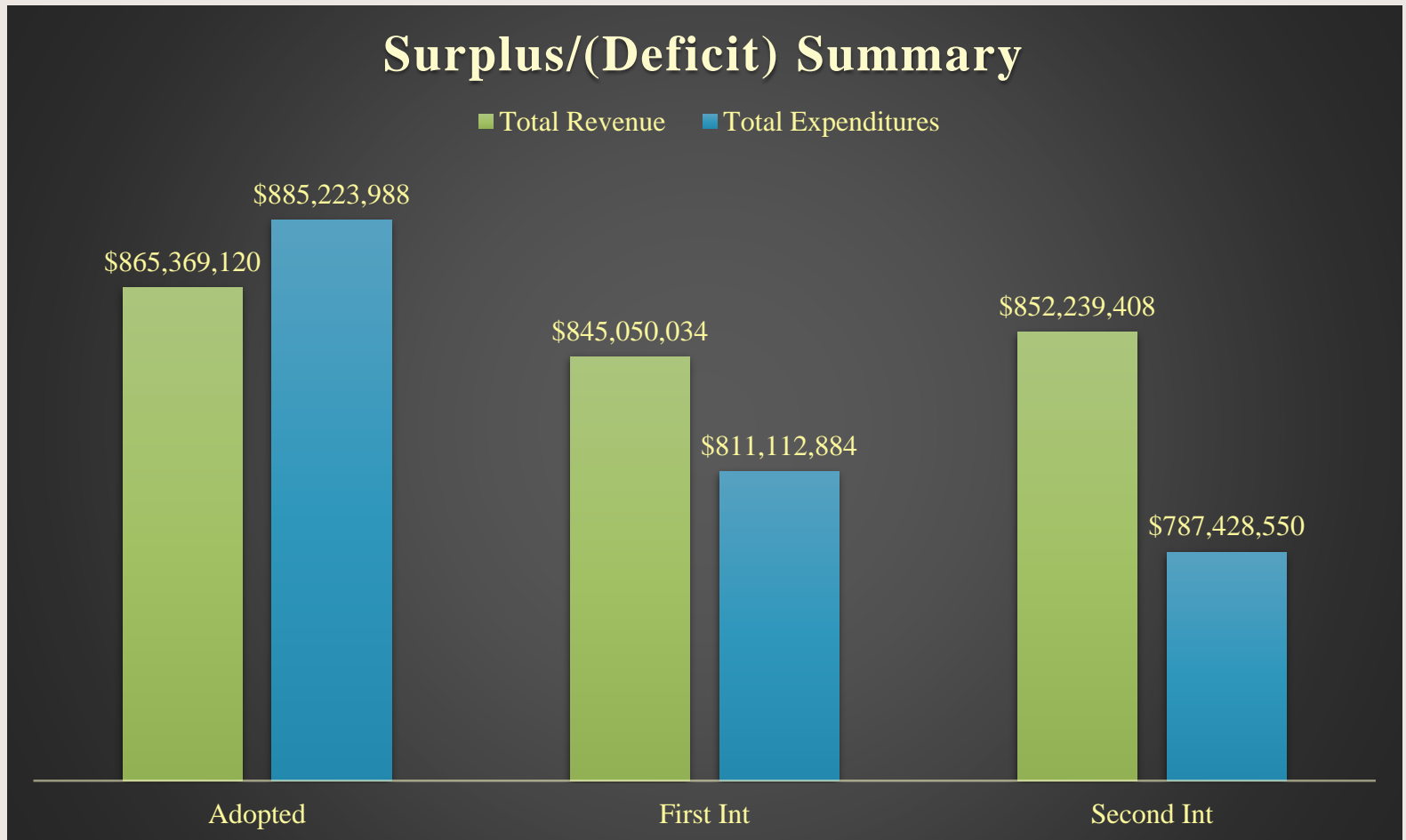
Some programs do not generate revenues that are sufficient to cover all expenses. For these programs the General Fund must “contribute” unrestricted dollars to maintain the program or service. Year end contributions for 2021-22 at Second Interim reporting are projected to be:

Program	Proj'd Budget (SI)
Special Education	\$81,945,343
Ongoing & Major Maintenance Account (3%)	19,934,383
After School Education and Safety (ASES)	1,209,362
Head Start Program	0
Special Education: Early Ed/Infant Needs Prog	52,814
Teaching Induction & Professional Support (TIPS)	82,500
Other	<u>2,500</u>
Total	\$103,226,902

2021-22 SAUSD

Second Interim Financial Report

General Fund Unrestricted/Restricted



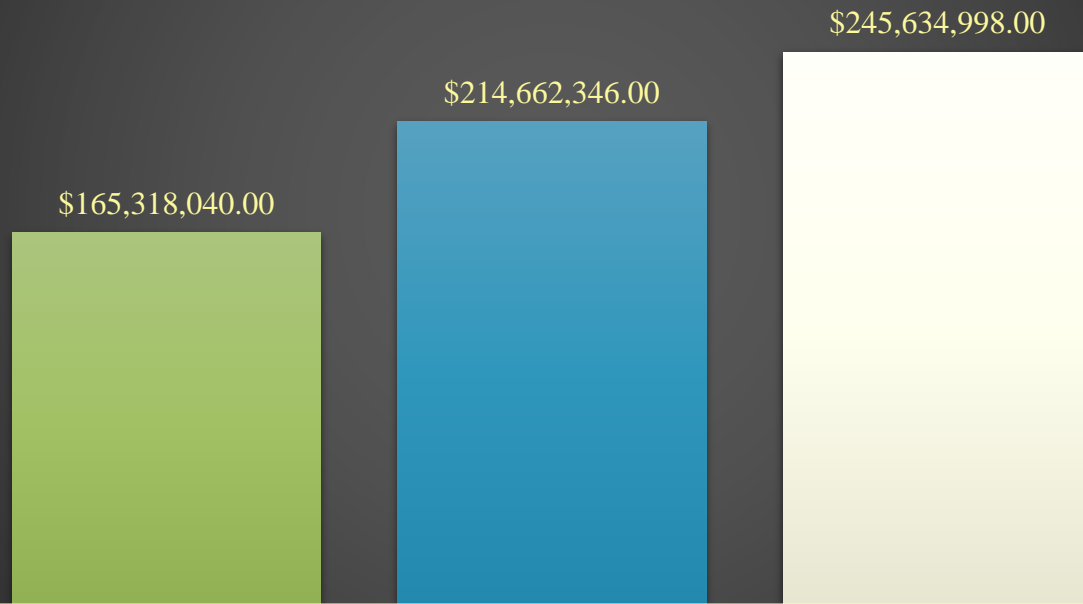
2021-22 SAUSD

Second Interim Financial Report

General Fund Unrestricted/Restricted

Projected Ending Fund Balance

■ Adopted ■ First Int ■ Second Int



Ending Fund Balance

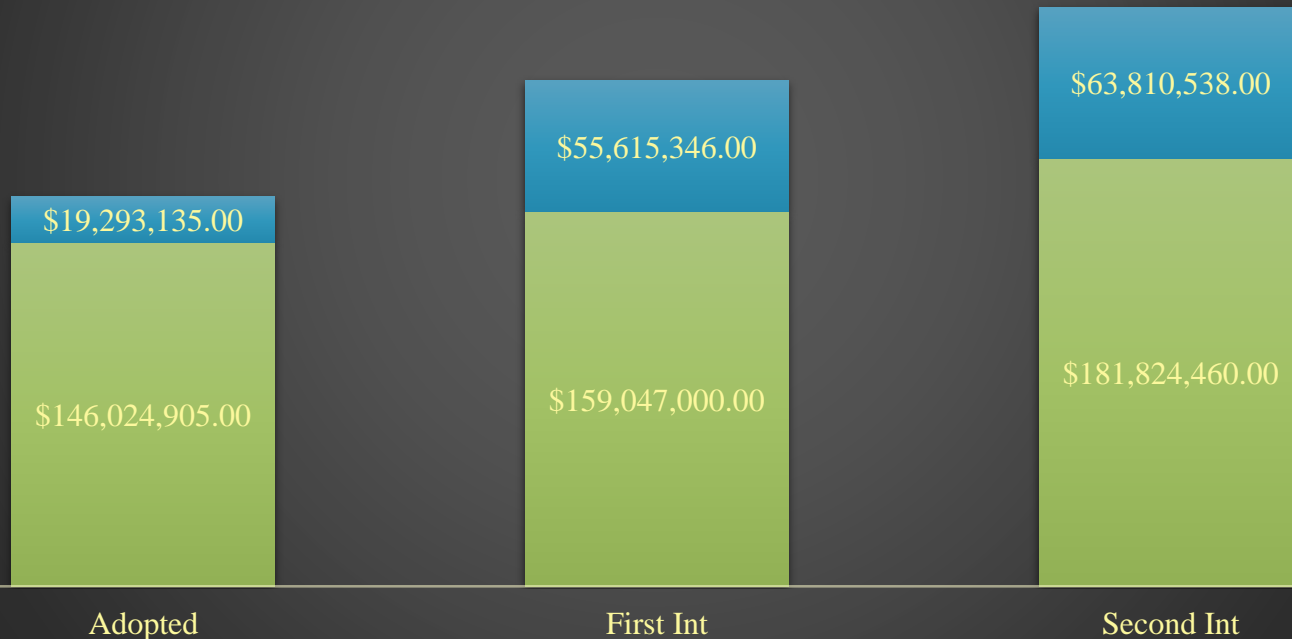
2021-22 SAUSD

Second Interim Financial Report

General Fund Unrestricted/Restricted

Projected Ending Fund Balance

■ Unrestricted ■ Restricted





COVID Relief Funds

2021-22 Second Interim Report

2021-22 SAUSD

Second Interim Financial Report

COVID Relief One-Time Expenditures

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	\$1,721,748	\$7,785,991	\$6,722,497
3212	ESSER II	59,951,476	0	59,951,476	23,357,888	38,589,622	21,361,854
3213	ESSER III	107,791,282	0	107,791,282	19,172,452	19,172,452	88,618,830
3214	ESSER III (20% for learning loss)	26,947,820	0	26,947,820	0	0	26,947,820
3215	GEER	2,953,272	16,100	2,969,372	98,506	2,526,543	442,829
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) ARP Preschool Program-One-time Stipend	237,038	0	237,038	0	0	237,038
5059	(Fd 12) CRRSA Act-One-time Stipend	302,400	0	302,400	0	0	302,400
5316	(Fd 13) ESSER from SEA Reserve*	984,796	0	984,796	0	984,796	0
5632	ARP-Homeless Children and Youth	312,748	0	312,748	0	0	312,748
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	81,634	595,280	193,306
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	332,727	332,727	18,982,561
7426	ELO - Para Professional Grant	3,519,281	26,320	3,545,601	12,860	12,860	3,532,741
Grand Total		\$312,085,047	\$733,079	\$312,818,126	\$44,777,815	\$127,041,059	\$185,777,067

*Actuals as of 1/31/22 Second Interim

2021-22 SAUSD

Second Interim Financial Report

COVID Relief One-Time Expenditures

1st Interim / 2nd Interim Budget Variance by Resource

ALL FUNDS - SUMMARY

Res#	Funding Source	1 st Interim	2 nd Interim	Variance	Variance %
3210	ESSER	\$8,444,244	\$8,444,244	\$0	0.00%
3212	ESSER II	41,018,175	40,185,214	-832,961	-2.03%
3213	ESSER III	55,078,424	49,580,210	-5,498,214	-9.98%
3214	ESSER III (20% to address learning loss)	219,164	219,779	615	0.28%
3215	GEER	541,335	541,335	0	0.00%
3216	ELO - ESSER II	1,997,895	1,889,262	-108,633	-5.44%
3217	ELO - GEER II	0	0	0	0.00%
3218	ELO - ESSER III	0	0	0	0.00%
3219	ELO - ESSER III Learning Loss	0	0	0	0.00%
5058	(Fd 12) ARP Preschool Program-One-time Stipend	-	237,038	237,038	100.00%
5059	(Fd 12) CRRSA Act-One-time Stipend	0	0	0	0.00%
5632	ARP-Homeless Children and Youth	312,748	312,748	0	0.00%
7388	SB117 Funds	272,437	272,437	0	0.00%
7425	ELO Grant (GF)	13,796,499	6,070,059	-7,726,440	-56.00%
7426	ELO - Para Professional Grant	1,539,253	511,740	-1,027,513	-66.75%
Grand Total		\$123,220,174	\$108,264,066	(\$14,956,108)	-12.14%

COVID Relief Funds Outlook

COVID Funds are ONE-TIME Support

Expenditures will need to be reviewed as expenditure eligibility expires

Supports are Helpful and Needed

However, it is difficult for the General Fund to absorb all costs

Relief Funds are Supporting General Fund Expenditures



Other Funds & Multi-Year Projection

2021-22 Second Interim Report

2021-22 SAUSD

Second Interim Financial Report

All Other Funds Expenditures (\$M)

Fund #	Fund Name	First Interim Projected Expenditures	Second Interim Projected Expenditures	Change
09	Charter Schools Special Revenue Fund	6.80	6.89	0.09
12	Child Development Fund	11.45	13.06	1.61
13	Cafeteria Fund	39.75	41.16	1.41
14	Deferred Maintenance Fund	2.80	2.81	0.01
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	65.22	80.71	15.49
25	Capital Facilities Fund	5.74	5.89	0.15
35	County School Facilities Fund	0.59	6.06	5.47
40	Special Reserve Fund for Capital Outlay	5.42	5.46	0.04
49	Capital Project Fund for Blended Component Units	0.23	0.23	0
51	Bond Interest & Redemption Fund	27.18	27.18	0
56	Debt Service Fund	7.69	7.69	0
67	Self-Insurance Fund	19.42	19.45	0.03
71	Retiree Benefit Fund	10.00	10.00	0
	Total	\$202.29	\$226.59	\$24.3

2021-22 SAUSD

Second Interim Financial Report

General Fund Multi-Year Projection

- Assumptions:

- Continued Declining Enrollment - Decreased State and Federal Funding
- LCFF COLA Increase: 2022-23, 5.33% and 2023-24, 3.61%
- 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%
- Increased Reliance on General Fund Unrestricted as One-time Funding is Exhausted, Reductions in Staffing Possible

- Caveats:

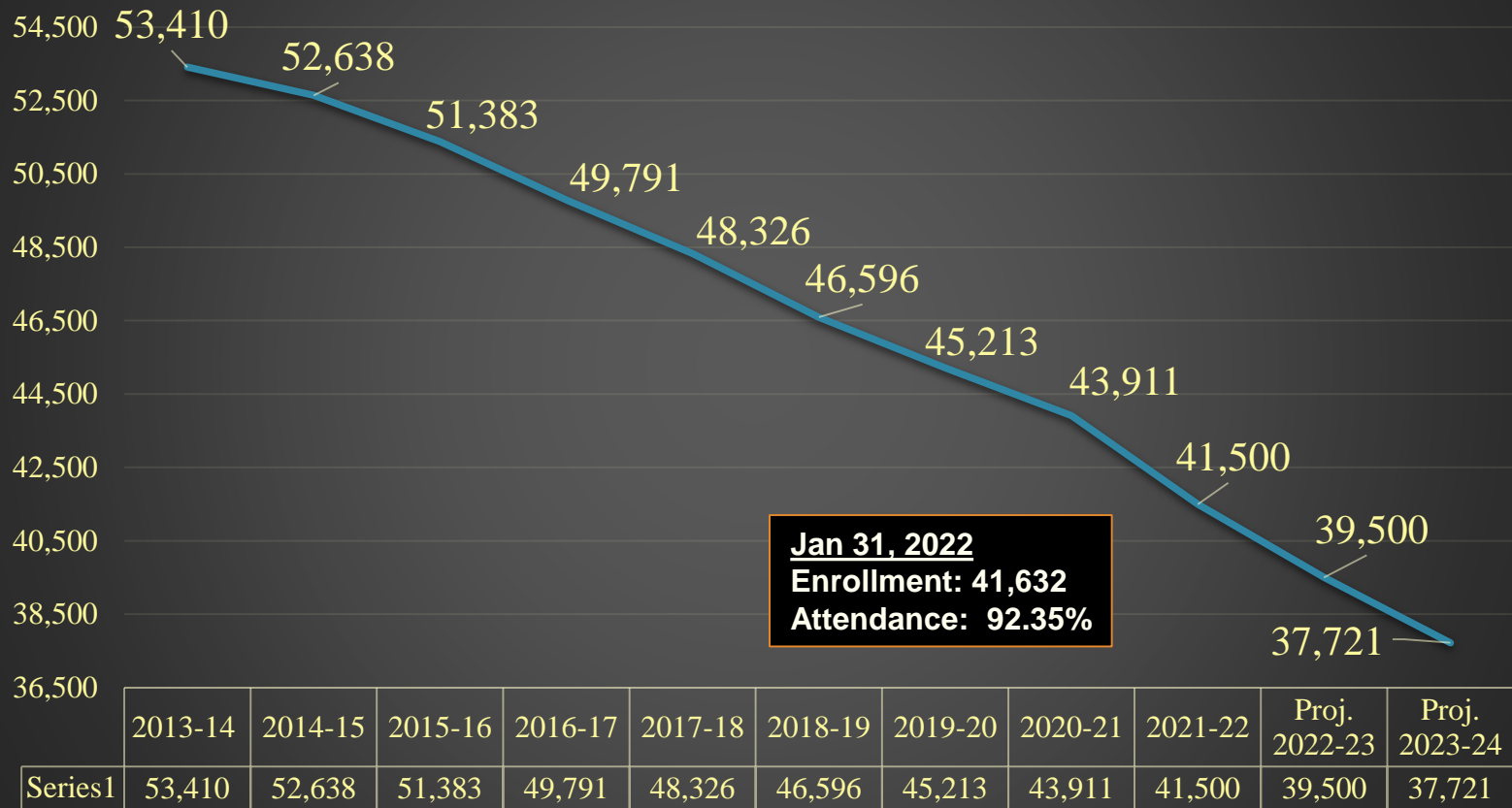
- 2021-22 Collective Bargaining and Potential Cost Impacts Possible
- Increase to Health & Welfare Benefits Rates Still Pending
- State Tax Revenue Projection Exceeding Budget Expectations
- Proposed New Programs/Mandates Not Included Until Enacted
- 10% Reserve Cap to be Implemented in 2022-23

2021-22 SAUSD

Second Interim Financial Report

General Fund Multi-Year Projection

SAUSD Historical and Projected Student Enrollment



2020-21 SAUSD

Second Interim Financial Report

General Fund Balance Multi-Year Projection

<u>Fund Component</u>	<u>2021-22 (SI)</u>	<u>2022-23</u>	<u>2023-24</u>
Revenues	\$852,239,408	\$797,411,961	\$678,970,205
Expenditures & Transfers	792,879,593	787,943,851	725,736,647
Inc./(Dec.) in Fund Balance	59,359,815	9,468,110	(46,766,469)
Beginning Fund Balance	186,275,184	245,634,999	255,103,109
Ending Fund Balance	<u>\$245,634,999</u>	<u>\$255,103,109</u>	<u>\$208,336,639</u>
<u>Ending Fund Balance:</u>			
Nonspendable	1,190,000	1,190,000	1,190,000
Restricted	63,810,538	86,913,470	98,831,422
Res. Econ. Uncertainty (2%)	15,857,592	15,686,921	14,040,018
Assigned	22,054,501	14,939,539	9,764,471
Unassigned/Unappropriated	142,722,367	136,373,178	84,510,728

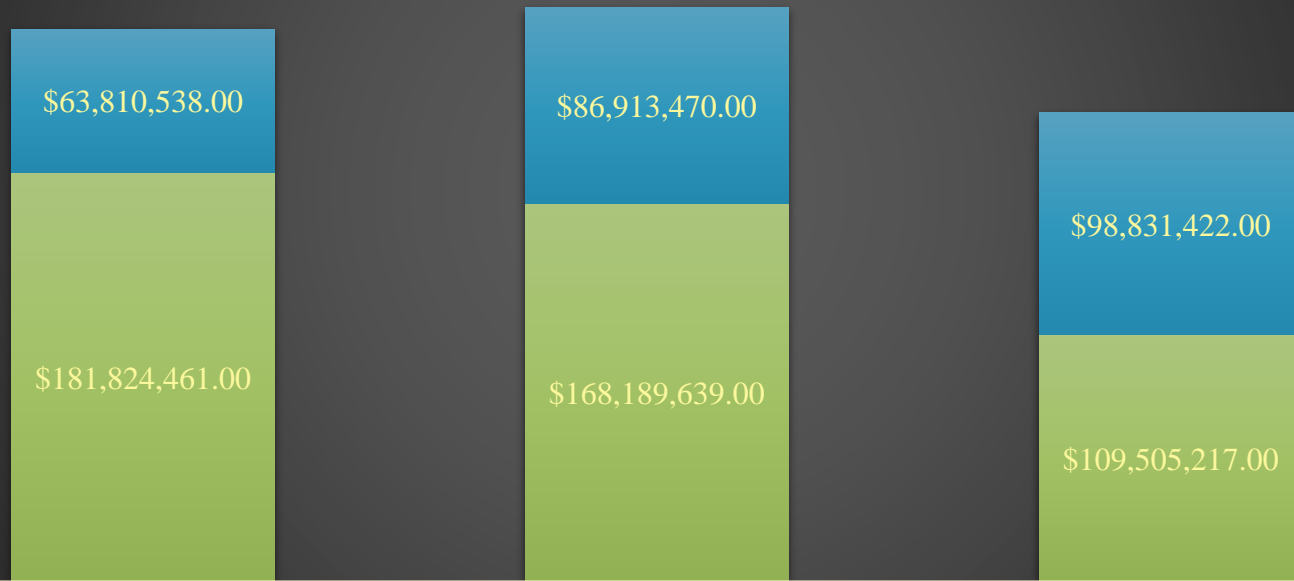
2021-22 SAUSD

Second Interim Financial Report

General Fund Unrestricted/Restricted

Multi-Year Projection Ending Fund Balance

■ Unrestricted ■ Restricted



2021-22 (SI)

Projected 2022-23

Projected 2023-24

2021-22 SAUSD

Second Interim Financial Report

MYP Summary Comments

- Multi-Year Projection Finances Improved . . . But,
 - General Fund Deficits Reduced, but not Eliminated
 - Unrestricted Deficit Spending Projected in 2022-23 and 2023-24
 - Right Sizing the District to Align with Declining Enrollment is Key
 - Collaborative Work Ahead to Create Multi-Year Plan
 - Reserves Projected Above Adopted Budget Levels through 2023-24
 - Restricted Programs One-time Fund Balance Will Be Monitored to Ensure Expenditure Timelines Are Met
- Look to Governor's 2022-23 May Revise for Planning Guidance

2021-22 SAUSD

Second Interim Financial Report

- **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

Second Interim Financial Report

Important Dates Ahead

- **March 15**
Special Board Meeting: Budget Workshop
Capitol Advisors
- **May 20**
SSCAL May Revise Workshop
- **June 14**
Proposed 2022-23 Budget Presentation
- **June 28**
Adoption of 2022-23 Budget

Thank You

