



2025-26 Third Interim Financial Report

Board Meeting
June 4, 2026
Agenda Item No. 12.1

Presented by:
Lisa Grant-Dawson, Interim Chief Business Officer

SCUSD Core Value & Guiding Principle

SCUSD Core Value

We recognize that our system is inequitable by design and we vigilantly work to confront and interrupt inequities that exist to level the playing field and provide opportunities for everyone to learn, grow and reach their greatness.

SCUSD GUIDING PRINCIPLE

All students are given an equal opportunity to graduate with the greatest number of postThirdary choices from the widest array of options

Third Interim Agenda

- **Financial Reporting Schedule & Third Interim Assumptions**
- **Unrestricted General Fund**
- **Restricted General Fund**
- **Multi-Year Projection**
- **Cash Flow**
- **Fiscal Solvency Dashboard Update**
- **Next Steps**



Financial Overview of District Accountability

Overview of District Financial Report Cycle

- California school districts are accountable to the State (through the County) for use of funds provided by the state and federal government.
- The process of accountability is prescribed by state law which includes district officials ensuring that the district is able to meet its financial commitments each year and into the future.

Budget Adoption - By July 1

Projected results for the following fiscal year (July 1 - June 30) | *Ed Code §42127*

Unaudited Actuals - By Sept 15th

Actual full year results for prior year (July 1 - June 30) | *Ed Code §42100*

First Interim - By December 15

Updated projections as of October 31 | *Ed Code §42130 & §42131*

Second Interim - By March 15

Updated projections as of January 31 | *Ed Code §42130 & §42131*

Third Interim - By June 1

Updated projections as of April 30th | *Ed Code §42130 & §42131* [Required if 2nd Interim is qualified or negative]



Third Interim Assumptions

SCUSD 2025-28 Budget Assumptions - Third Interim Budget			
Category	2025-26	2026-27	2027-28
Cost of Living Adjustment (COLA)	2.30%	2.87%	3.30%
Augmentation		1.44%	
Special Education Increase		\$422/ADA	
Enrollment	36,135	35,791	35,644
Enrollment Charters - Reported in Fund 09	1,411	1,389	1,379
Total Enrollment - SCUSD	37,546	37,180	37,023
Attendance Used for Funding (Highest Year or 3 Year Average)	33,678	33,484	33,130
Attendance (ADA)	33,219	32,698	32,698
Enrollment to ADA %	91.93%	91.36%	91.73%
Unduplicated Pupil Count	68.07%	67.36%	68.22%
Step & Column Certificated	1.6%	1.6%	1.6%
Step & Column Classified	1.40%	1.40%	1.40%
Consumer Price Index (CPI)	3.25%	3.76%	3.18%
Special Education Contribution (In Millions)	\$172.2	\$188.8	\$190.3
Routine Restricted Maintenance Contribution (In Millions)	\$24.9	\$26.1	\$26.8
Health Benefit Assumptions *	0.00%	4.00%	4.00%
SCTA Agreement	2.00%	2.00%	0.00%
SEIU Agreement	2.00%	2.00%	
<u>Mandatories & Benefits - Certificated</u>	5.14%	5.14%	5.14%
Mandatories & Benefits - Classified	11.34%	11.34%	11.34%
State Teachers Retirement System	19.10%	19.10%	19.10%
California Public Retirement System	26.81%	26.40%	26.80%
Total Mandatories & Benefits Certificated	24.24%	24.24%	24.24%
Total Mandatories & Benefits Classified	38.15%	37.74%	38.14%

The District has included the May Revise and proposed adjustments to its assumptions in the Third Interim, specifically for updates to the 2025-26 financing and the Multi-Year Projection and the impacts to the 2026-27 and 2027-28 fiscal year.



2025-26 Third Interim Unrestricted General Fund

Second v Third Interim Comparison

Comparison of 2025-26 Third Interim to 2025-26 Second Interim

Description	2025-26 Second Interim			2025-26 Third Interim			Changes between 2025-26 Third Interim & Second Interim		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUE AND OTHER FINANCING SOURCES									
LCFF/Revenue Limit Sources	\$483,415,359	\$2,688,064	\$486,103,423	\$482,006,035	\$2,688,064	\$484,694,099	-\$1,409,324	\$0	-\$1,409,324
Federal Revenues	\$0	\$51,472,813	\$51,472,813	\$0	\$49,516,287	\$49,516,287	\$0	-\$1,956,527	-\$1,956,527
Other State Revenues	\$20,318,456	\$150,304,301	\$170,622,757	\$8,001,560	\$152,536,180	\$160,537,740	-\$12,316,896	\$2,231,879	-\$10,085,017
Other Local Revenues	\$7,134,013	\$9,374,549	\$16,508,563	\$19,475,406	\$13,527,033	\$33,002,440	\$12,341,393	\$4,152,484	\$16,493,877
TOTAL REVENUES	\$510,867,828	\$213,839,728	\$724,707,556	\$509,483,001	\$218,267,564	\$727,750,565	-\$1,384,827	\$4,427,836	\$3,043,009
EXPENDITURE AND OTHER FINANCING SOURCES									
Certificated Salaries	\$226,250,044	\$96,495,944	\$322,745,987	\$203,553,833	\$99,805,582	\$303,359,415	-\$22,696,211	\$3,309,639	-\$19,386,572
Classified Salaries	\$64,945,569	\$44,892,956	\$109,838,525	\$65,624,796	\$44,298,249	\$109,923,045	\$679,226	-\$594,706	\$84,520
Employee Benefits	\$164,603,538	\$106,567,420	\$271,170,957	\$158,579,402	\$107,220,108	\$265,799,511	-\$6,024,135	\$652,689	-\$5,371,447
Books & Supplies	\$14,033,894	\$38,406,377	\$52,440,271	\$21,076,587	\$26,472,103	\$47,548,689	\$7,042,693	-\$11,934,274	-\$4,891,581
Services & Other Operating Expenses	\$55,714,485	\$132,114,939	\$187,829,424	\$55,332,368	\$128,000,949	\$183,333,317	-\$382,118	-\$4,113,990	-\$4,496,107
Capital Outlay	\$2,325,777	\$8,331,179	\$10,656,956	\$2,300,459	\$6,782,100	\$9,082,559	-\$25,318	-\$1,549,079	-\$1,574,397
Other Outgo (excluding Indirect Costs)	\$1,378,467	\$0	\$1,378,467	\$1,378,467	\$0	\$1,378,467	\$0	\$0	\$0
Other Outgo - Indirect Costs	-\$13,499,754	\$10,996,068	-\$2,503,686	-\$13,187,005	\$10,734,682	-\$2,452,323	\$312,749	-\$261,386	\$51,363
TOTAL EXPENDITURES	\$515,752,020	\$437,804,881	\$953,556,901	\$494,658,906	\$423,313,773	\$917,972,679	-\$21,093,114	-\$14,491,108	-\$35,584,222
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES	-\$4,884,191	-\$223,965,154	-\$228,849,345	\$14,824,096	-\$205,046,209	-\$190,222,114	\$19,708,287	\$18,918,944	\$38,627,231
OTHER FINANCING SOURCES/USES									
Interfund Transfers									
Transfers In	\$12,755,880	\$0	\$12,755,880	\$12,755,880	\$0	\$12,755,880	\$0	\$0	\$0
Transfers Out	\$1,615,102	\$0	\$1,615,102	\$2,479,084	\$0	\$2,479,084	\$0	\$863,981	\$863,981
Contributions	-\$176,536,984	\$176,536,984	\$0	-\$149,273,759	\$149,273,759	\$0	\$27,263,225	-\$27,263,225	\$0
TOTAL, OTHER FINANCING SOURCES/USES	-\$165,396,206	\$176,536,984	\$11,140,778	-\$138,996,963	\$149,273,759	\$10,276,796	\$27,263,225	-\$28,127,206	-\$863,981
NET INCREASE (DECREASE) IN FUND BALANCE	-\$170,280,398	-\$47,428,170	-\$217,708,567	-\$124,172,867	-\$55,772,450	-\$179,945,318	\$46,971,511	-\$9,208,262	\$37,763,250
FUND BALANCE, RESERVES									
Beginning Fund Balance	\$62,354,384	\$94,775,274	\$157,129,658	\$62,354,384	\$94,775,274	\$157,129,658	\$0	\$0	\$0
Ending Fund Balance	-\$107,926,013	\$47,347,104	-\$60,578,909	-\$61,818,483	\$39,002,824	-\$22,815,659	\$46,971,511	-\$9,208,262	\$37,763,250

2025-26 Third Interim Unrestricted Comparison

2025-26 Third Interim Unrestricted Budget Summary

	Second Interim	Third Interim	Second Interim v Third Interim
A. Revenues			
5) Total Revenues	\$ 510,867,828	\$ 509,483,001	\$ (1,384,827)
B. Expenditures			
9) Total Expenditures	\$515,752,020	\$ 494,658,906	\$ (21,093,114)
C. Excess (Deficiency) of Revenues Over Expenditures	\$ (4,884,191)	\$ 14,824,096	\$ 19,708,287
D. Other Financing Sources/Uses			
4) Total, Other Financing Sources/Uses	\$ (165,396,206)	\$ (138,996,963)	\$ 26,399,243
E. Net Increase (Decrease) in Fund Balance (C + D4)	\$ (170,280,398)	\$ (124,172,867)	\$ 46,107,530
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 62,354,384	\$ 62,354,384	\$ -
b) Restricted		\$ -	
2) Ending Balance, June 30 (E + F1e)	\$ (107,926,013)	\$ (61,818,483)	\$ 46,107,530

2025-26 Third Interim Unrestricted Comparison

- **Unrestricted Revenue - Increase \$1.4M**
 - LCFF Revenue - \$1.4M Increase
 - P-2 ADA lower than P-1
 - Other State Revenue - -\$12.3M
 - Other Local Revenues - +\$12.3M
 - Initial entries to book revenue to the proper resource object code for year end close.
- **Unrestricted Expenditures - Decrease \$-21M**
 - Certificated Salaries - \$22.7M Decrease
 - Correcting entry to balance Education Protection Act Revenue Allocation/Budget

2025-26 Third Interim Unrestricted Comparison

- Net Change in Contributions from Second Interim
 - \$27.3M - Net of Contributions From and To the General Fund
- Contributions from Unrestricted General Fund -\$207M

8980 Contributions frm Unrestricted		
0000 Unrestr NR		-207,373,111.42
0723 Transport		-12,269,760.00
0724 TransSpEd		22,641,487.59
3218 ELO/ESSER III		0.00
3219 ELO/STATE RES		0.00
3225 ESSERIII SUMMER		-136,285.93
4124 21STCCLC		0.00
5964 SAC STEM POWER		-22,968.02
6500 SpecialEd		172,255,418.65
8150 OngoMaint		24,905,219.13
8980 Contributions frm Unrestricted Total		0.00

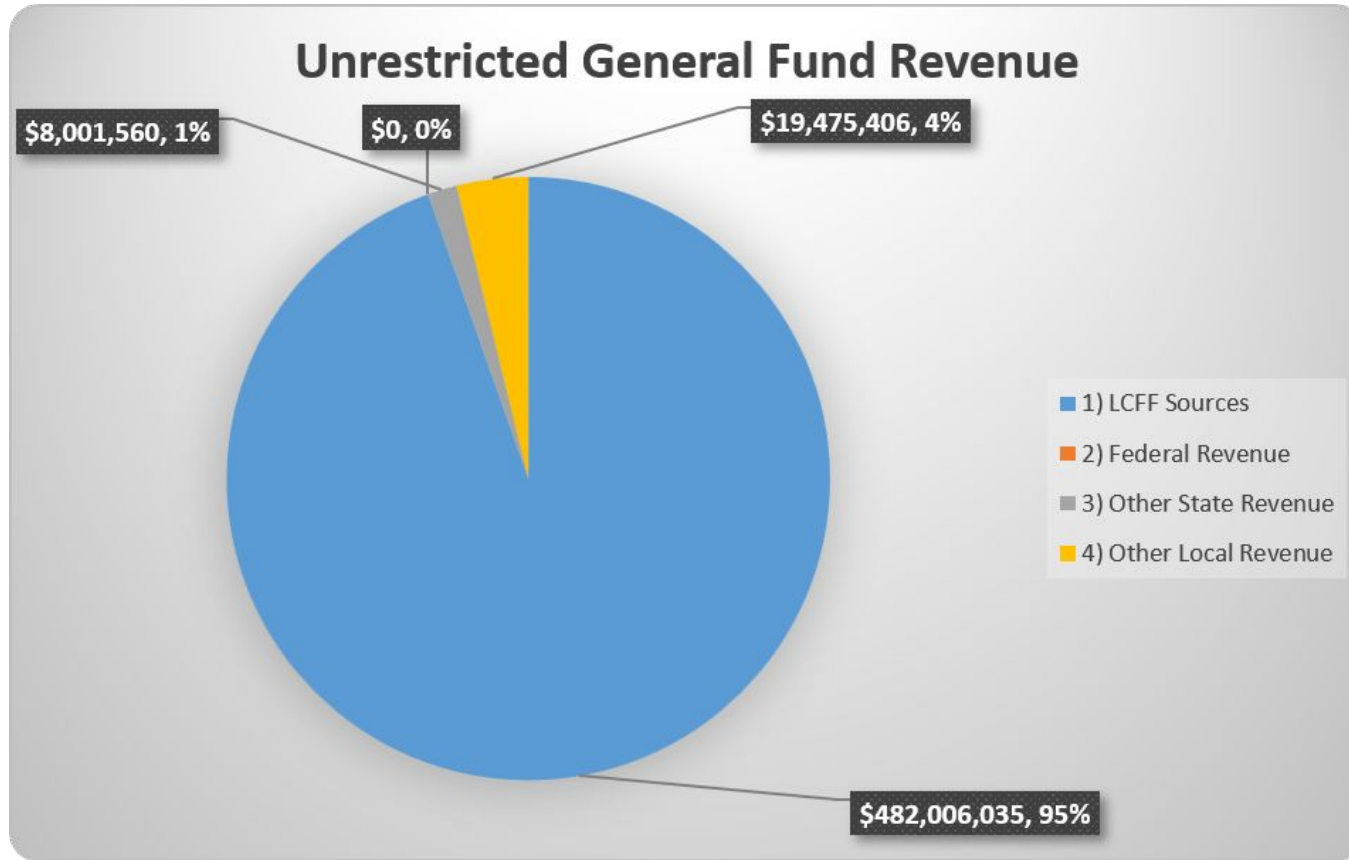
2025-26 Third Interim Unrestricted Comparison

- Contributions from Restricted General Fund -\$23.6M

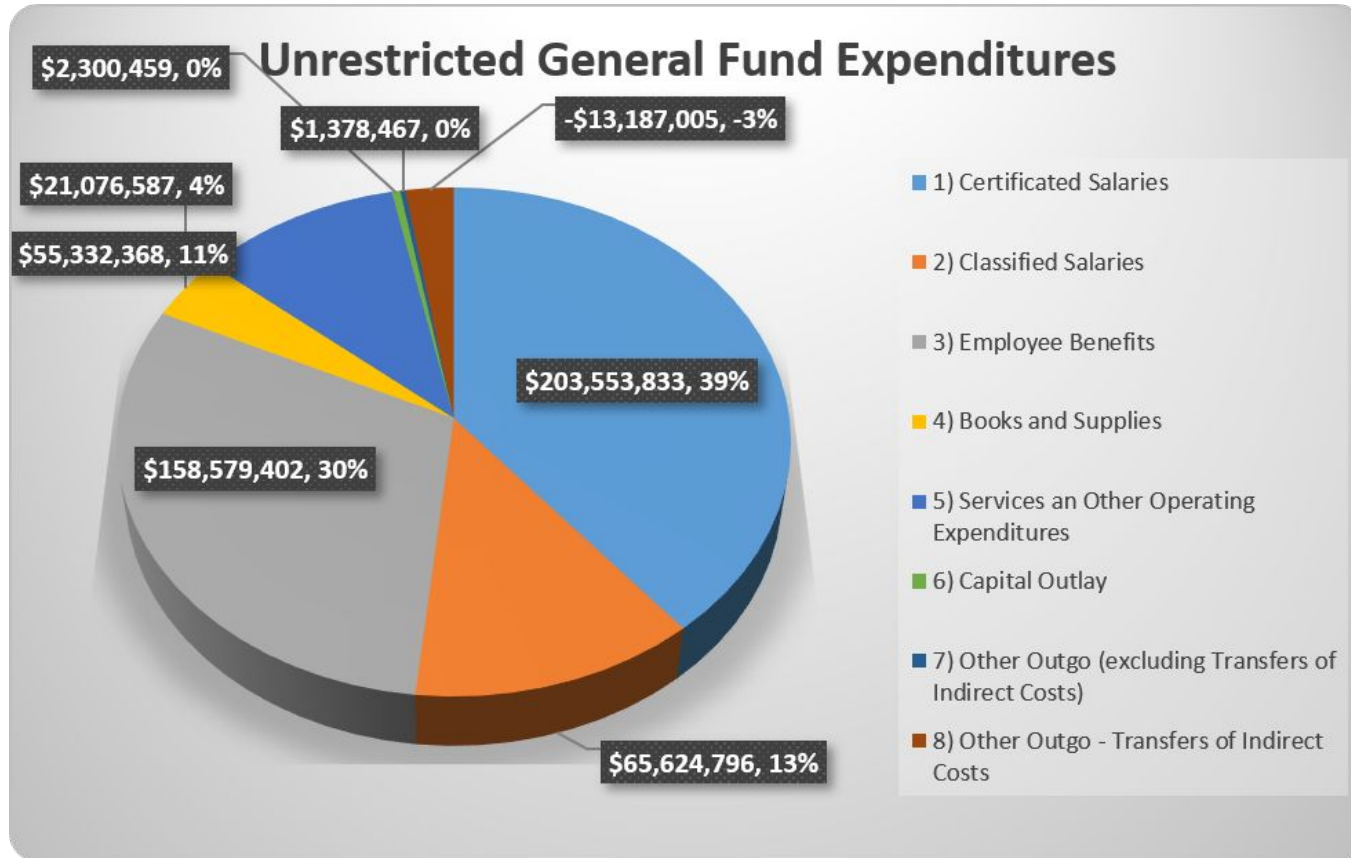
8990 Contributions frm Restricted R	0000 Unrestr NR	23,635,557.32	Fiscal Solvency Plan
	3010 IASALow	-3,135,090.66	
	3017 IASALow	591,352.66	
	3019 IASALow	2,543,738.00	
	3310 PL94-142	-495,297.93	
	3311 SP-Private ISP	219,271.40	
	3312 SP-Early Interv	276,026.53	
	4124 21STCCLC	0.00	
	5856 Smlr Lrng	90,149.71	
	6010 AftSchLer	0.00	
	6019 SS & PD BG	-9,256,759.52	
	6371 CalWORKs	0.00	
	6762 AMIMBG	355,081.58	
	7388 SB117 COVID19	0.00	
	7435 LREBG	0.00	
	9012 Action Civics	1,030.22	
	9016 SiliconValley	20,000.00	
	9023 Am for Art	201.98	
	9036 Barona Ed	5,000.00	
	9052 CAEndowmnt	11,784.88	
	9058 CTR YTH CT	1,085.43	
	9064 Civic Permits	758,298.74	
	9069 CityofRancho	10,000.00	
	9081 COLLABOR D. IPG	94,144.89	
	9082 Cowell Fndtn	3,924.37	
	9084 College Futures	4,145.10	

9085 Coca-Cola	902.03
9087 Whole Kids	35.94
9136 DrnkingWtr4Schs	2,915.70
9198 Fruit Tree	12,269.37
9306 JR LEAG OF SAC	5,348.59
9383 LOWE'S TOOLB	4,105.43
9545 ProjLead	250.00
9549 Project READ	321.88
9555 Raley's Extra C	5,245.38
9569 Rockefeller	9,706.14
9571 Rotary Club Gra	76.63
9606 SCHOLARDOLLARS	21,662.52
9611 SEL LEARN FUND	101,635.62
9613 SEL LEARN PROJ	1,868.77
9614 SD BECHTEL FOUN	19,909.48
9642 Stuart Fn	11,479.79
9646 SWIMMING	46.54
9648 TARGETFTGR	2,914.99
9649 TARGETFAMILY	77.17
9742 YSA	1,000.00
9747 BCLC	1,500.00
9749 SVMl Study Proj	6,673.59
9758 Medi-Cal Bill	-15,943,590.26
9760 MAA	0.00

2025-26 Third Interim Unrestricted Comparison



2025-26 Third Interim Unrestricted Comparison





2025-26 Third Interim Restricted General Fund

2025-26 Third Interim Restricted Comparison

2025-26 Third Interim Restricted Budget Summary

	Second Interim	Third Interim	Second Interim v Third Interim
A. Revenues			
5) Total Revenues	\$ 213,839,728	\$ 218,267,564	\$ 4,427,836
B. Expenditures			
9) Total Expenditures	\$ 437,804,881	\$ 423,313,773	\$ (14,491,108)
C. Excess (Deficiency) of Revenues Over Expenditures	\$ (223,965,154)	\$ (205,046,209)	\$ 18,918,944
D. Other Financing Sources/Uses			
4) Total, Other Financing Sources/Uses	\$ 176,536,984	\$ 149,273,759	\$ (27,263,225)
E. Net Increase (Decrease) in Fund Balance (C +D4)	\$ (47,428,170)	\$ (55,772,450)	\$ (8,344,281)
F. Fund Balance, Reserves			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 94,775,274	\$ 94,775,274	\$ 0
b) Restricted	\$ 47,347,104	\$ 39,002,824	\$ (8,344,280)
2) Ending Balance, June 30 (E + F1e)	\$ -	\$ -	\$ -

2025-26 Third Interim Restricted Comparison

- **Restricted Revenue - Increase \$4.4M**
 - Federal Revenues Decrease Res 4124 -\$2.5M
 - Other State Revenue Increase projection ASES Res 6010 \$2.2M
 - Other Local Revenues Increase in Medical Billing Res 9758 \$4.2M
- **Restricted Expenditures - Decrease \$14.5M**
 - Certificated Salaries Increase – \$1.4M
 - Res 2600, Expanded Learning Object 1103 Increase in Temporary Teacher Salary - \$1.1M
 - Res 6500, Teacher Salary Substitute Object 1102 \$1.2M

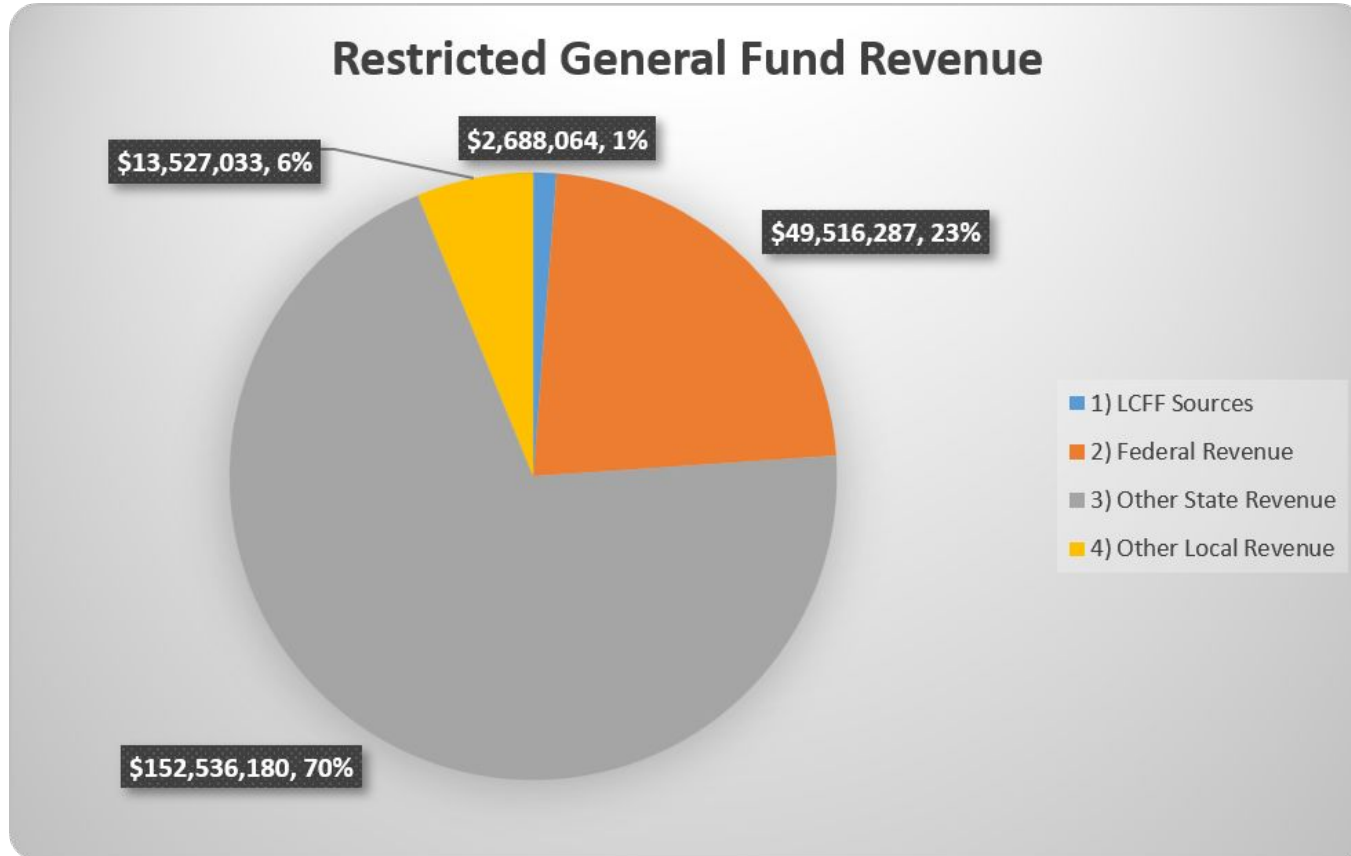
2025-26 Third Interim Restricted Comparison

- Classified Salaries
- Books & Supplies Decrease – \$11.9M
 - Res 2600 Expanded Learning reduction in expenditures \$13.9
 - Res 6053 Universal TK - Reduce -\$1.3M reallocate expenses to Res 6300 for instructional materials.
 - Res 8150 Ongoing Major Maintenance - Transfer allocation for picnic tables previously booked in the Unrestricted General Fund \$4.7M
- Services & Other Operating Expenses Decrease -\$4.1M
 - Res 2600 - Reduce -\$1.9M
 - Res 6500 - Reduce -\$3.2M Subagreements for Services

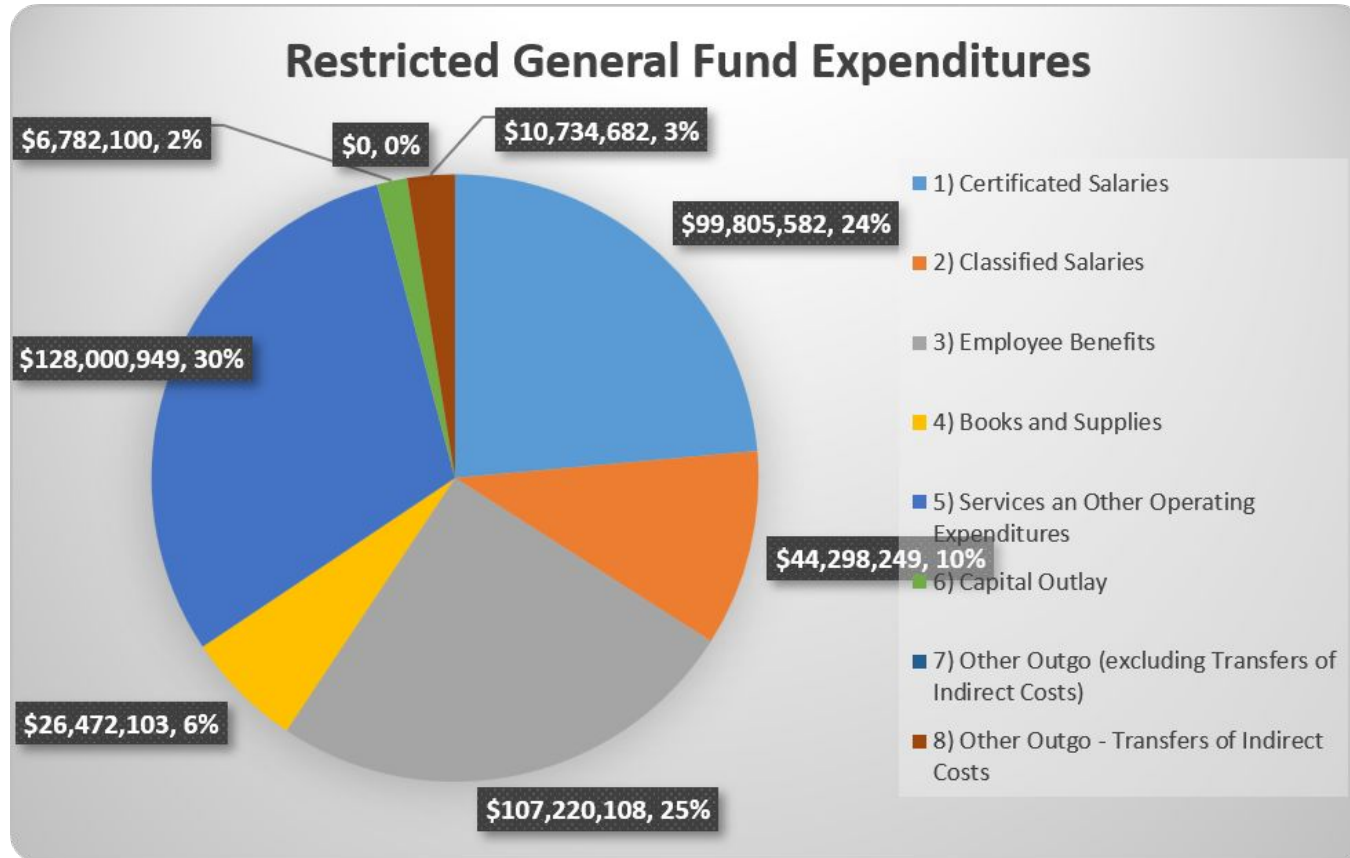
2025-26 Third Interim Restricted Comparison

- Capital Outlay - Reduction -\$1.5M
 - Res 8150, Ongoing Major Maintenance \$1.5M, buildings improvement.
- Contribution from Restricted Resources - \$27.3M
 - The Fiscal Solvency Plan notes two resources to support one time expenditure offsets to the General Fund
 - \$15.9M Resource 9758 - Medical Billing Contribution to the Unrestricted General Fund
 - \$3M Resource 9760 - Medical Administrative Activities

2025-26 Third Interim Unrestricted Comparison



2025-26 Third Interim Unrestricted Comparison





2025-26 Third Interim Multi-Year Projection

2025-28 Third Interim Multi-Year Projection

2025-26 Third Interim Multi-Year Projections

Description	2025-26 Third Interim Budget			2026-27 Projection			2027-28 Projection		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
REVENUE AND OTHER FINANCING SOURCES									
LCFF/Revenue Limit Sources	\$482,006,035	\$2,688,064	484,694,099	496,600,640	2,930,029	499,530,669	509,328,018	2,930,029	512,258,047
Federal Revenues	\$0	\$49,516,287	49,516,287	-	39,965,256	39,965,256	-	39,965,256	39,965,256
Other State Revenues	\$8,001,560	\$152,536,180	160,537,740	17,230,238	177,876,466	195,106,704	19,342,444	182,802,101	202,144,545
Other Local Revenues	\$19,475,406	\$13,527,033	33,002,440	4,037,100	8,637,174	12,674,274	4,110,706	8,637,174	12,747,879
TOTAL REVENUES	\$509,483,001	218,267,564	727,750,565	517,867,978	229,408,925	747,276,902	532,781,167	234,334,560	767,115,727
EXPENDITURE AND OTHER FINANCING SOURCES									
Certificated Salaries	\$203,553,833	\$99,805,582	303,359,415	247,741,413	104,918,783	352,660,196	251,705,276	106,597,483	358,302,759
Classified Salaries	\$65,624,796	\$44,298,249	109,923,045	59,170,067	69,322,721	128,492,788	59,170,067	69,322,721	128,492,788
Employee Benefits	\$158,579,402	\$107,220,108	265,799,511	176,399,353	158,857,748	335,257,100	177,670,303	160,174,570	337,844,873
Books & Supplies	\$21,076,587	\$26,472,103	47,548,689	9,791,158	15,881,802	25,672,960	10,060,415	16,318,551	26,378,966
Services & Other Operating Expenses	\$55,332,368	\$128,000,949	183,333,317	47,581,644	71,798,584	119,380,227	48,946,790	73,765,237	122,712,027
Capital Outlay	\$2,300,459	\$6,782,100	9,082,559	479,409	948,900	1,428,309	479,409	948,900	1,428,309
Other Outgo (excluding Indirect Costs)	\$1,378,467	\$0	1,378,467	1,378,467	-	1,378,467	1,378,467	-	1,378,467
Other Outgo - Indirect Costs	(\$13,187,005)	\$10,734,682	(2,452,323)	(17,751,084)	14,808,306	(2,942,778)	(17,751,084)	14,808,306	(2,942,778)
TOTAL EXPENDITURES	\$494,658,906	423,313,773	917,972,679	524,790,427	436,536,843	961,327,270	531,659,643	441,935,769	973,595,412
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES	\$14,824,096	(205,046,209)	(190,222,114)	(6,922,449)	(207,127,918)	(214,050,367)	1,121,525	(207,601,210)	(206,479,685)
OTHER FINANCING SOURCES/USES									
Interfund Transfers									
Transfers In	\$12,755,880	\$0	12,755,880	3,755,880	-	3,755,880	3,755,880	-	3,755,880
Transfers Out	\$2,479,084	\$0	2,479,084	2,479,084	-	2,479,084	2,479,084	-	2,479,084
Other Sources/Uses	\$0	\$0	-						
Sources	\$0	\$0	-						
Uses	\$0	\$0	-						
Contributions	(\$149,273,759)	\$149,273,759	-	(214,947,795)	214,947,795	-	(217,134,649)	217,134,649	-
TOTAL, OTHER FINANCING SOURCES/USES	(\$138,996,963)	149,273,759	10,276,796	(213,670,999)	214,947,795	1,276,796	(215,857,853)	217,134,649	1,276,796
NET INCREASE (DECREASE) IN FUND BALANCE	(\$124,172,867)	(55,772,450)	(179,945,318)	(220,593,448)	7,819,877	(212,773,571)	(214,736,328)	9,533,440	(205,202,889)
FUND BALANCE, RESERVES									
Beginning Fund Balance	\$62,354,384	94,775,274	157,129,658	(61,818,483)	39,002,824	(22,815,659)	(282,411,931)	46,822,701	(235,589,230)
Ending Fund Balance	(\$61,818,483)	39,002,824	(22,815,659)	(282,411,931)	46,822,701	(235,589,230)	(497,148,259)	56,356,140	(440,792,119)
Components of Ending Fund Balance:									
Non-spendable-Revolving Cash	\$0	-	-	-	-	-	-	-	-
Stores	\$0	39,002,824	39,002,824	-	-	-	-	-	-
Restricted	\$0	-	-	-	46,822,701	46,822,701	-	56,356,140	56,356,140
Reserve for Economic Uncertainties	\$0	-	-	-	-	-	-	-	-
Unassigned/Unappropriated	(\$61,818,483)	-	(61,818,483)	(282,411,931)	-	(282,411,931)	(497,148,259)	-	(497,148,259)

2025-28 Third Interim Multi-Year Projection

- The May Revise LCFF COLA projections have been implemented in the Budget
- All approved reductions have been implemented in the 2026-27 budget
- Compensation increases will continue to impact the budget and the District's plans to restructure and stabilize spending will support the investment in our valuable staff.
- The District must continue to work to restructure to close the gap using strategies from its revised Sustainability Plan. This plan includes revenue and expenditure strategies.



Cash Flow

June 30, 2026 Cash Flow Projections

Actuals as of	October 31, 2025	January 31, 2026	February 28, 2026	Second Interim March 19, 2026
	-\$1,000,000	+\$3,000,000	+\$13,000,000	+\$4,858,392

Actuals as of	March 30, 2026	April 30, 2026	May 31, 2026	June 30, 2026
	+\$11,408,668 +\$19,415,119***	+\$20,541,653		

Current Cash Deficit Projected in November 2026**

* Source: 2025-26 Cash Flow Projection with Actuals through April, 2026

** Updated as of the 24-Month Cash Flow update. The loss of cash from additional expenditures impacts lower cash available. The Cash Flow projection is being monitored and reconciled monthly and will include both fiscal years. **All projections are based on the Third Interim Budget and current revenue and spending trends.** District scheduled to receive Constitutional Advance of Property Taxes of \$111.1M which has been modeled. No Interfund Borrowing Modeled. District must have repayment plan/strategy determined to coincide with the action to borrow from another Fund.



Next Steps

Next Steps

- **June 2026**
 - Submit Third Interim to SCOE
 - Public Hearing - 2026-27 LCAP and Budget
 - Adoption of 2026-27 LCAP and Budget
 - 2025-26 Audit Prep Work in is progress
- **September 2026**
 - 2025-26 Unaudited Actuals