



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2017-18 UNAUDITED ACTUALS

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September 6, 2018 Board Meeting
Agenda Item X.F.

What are Unaudited Actuals?

- District prepared year-end financial statements as of June 30th using State format known as SACS (State Account Code Structure) for all District funds (*Attachment A*)
- Report of activities in all District funds, identifying unspent funds or reserves that are carried forward into future years (*Attachments 1 & 2*)
- Used by external auditors to prepare the official Audit Report
- In June, staff presented 2017-18 Estimated Actuals during the 2018-19 Budget Adoption process



What has changed since June?

- The financial books of the District have been closed
- Year-end closing entries are prepared and posted
- Unspent allocations have been identified and reserved or assigned the Fund Balance as appropriate (*Attachments 3 & 4*)
- Unaudited Actuals are compared to Estimated Actuals as presented with the 2018-19 Adopted Budget



Why are Projections Different than Expected?

- School districts use conservatively estimated revenue and allocated expenditures during the budget and interim reporting processes
- The risk of miscalculating or under estimating is too great – running out of cash is never a good thing

What are Common Reasons for Differences?

- Revenue is received that was not anticipated
- Expenditure allocations or budgets were not completely used
- Purchase Orders (PO) issued before 6/30 – work completed or goods received after 7/1 (Rollover PO's):
 - Purchase Orders for Equipment & Replacement: \$286,431
 - Purchase Orders for Textbooks: \$801,802
 - Purchase Orders for Other Services: \$133,484



Explanation of <u>major</u> differences between June Estimates and September Actuals	\$5,701,386
Revenue: LCFF – 1,004,766 MAA – 198,914 MEASURE GSH & Y – 384,494 OTHER STATE REVENUES/LOTTERY – 97,512 INTEREST EARNED & OTHER LOCAL REVENUES – 356,028	2,041,714
No Transfer to Fund 12 Child Development	390,830
Unspent Special Education LGFC	759,102
Unspent Stretch Grants & Formula	45,657
Unspent LCAP Funds	503,780
Unspent Textbooks	801,802
Unspent Certificated Salary/Unfilled Positions, Hourly/Sub	604,054
Lower than Anticipated Utility Costs	207,207

SANTA MONICA- MALIBU USD - PROPERTY TAXES COMPARISON

FISCAL YEAR	P2 REPORT			ANNUAL REPORT			VAR %	
	PROPERTY TAXES	RDA FUNDS	TOTAL	PROPERTY TAXES	RDA FUNDS	TOTAL		
2004-05	35,768,686		35,768,686	35,155,555		35,155,555	(613,131)	-1.71%
2005-06	37,340,704		37,340,704	35,225,078		35,225,078	(2,115,626)	-5.67%
2006-07	39,816,823		39,816,823	37,564,644		37,564,644	(2,252,179)	-5.66%
2007-08	41,690,234	880,161	42,570,395	38,462,707	880,161	39,342,868	(3,227,527)	-7.58%
2008-09	45,906,557	1,174,757	47,081,314	45,143,652	1,174,754	46,318,406	(762,908)	-1.62%
2009-10	48,907,003	1,323,795	50,230,798	49,174,813	1,323,795	50,498,608	267,810	0.53%
2010-11	47,654,739	1,383,695	49,038,434	43,775,461	5,683,215	49,458,676	420,242	0.86%
2011-12	49,510,393	1,373,286	50,883,679	48,132,913	3,571,288	51,704,201	820,522	1.61%
2012-13	49,542,296	8,783,796	58,326,092	53,499,704	10,956,778	64,456,482	6,130,390	10.51%
2013-14	51,700,678	6,958,920	58,659,598	52,656,493	13,157,653	65,814,146	7,154,548	12.20%
2014-15	55,736,580	10,582,632	66,319,212	57,371,774	15,200,596	72,572,370	6,253,158	9.43%
2015-16	60,240,363	10,225,493	70,465,856	62,583,086	11,082,687	73,665,773	3,199,917	4.54%
2016-17	65,588,613	6,517,394	72,106,007	66,181,738	14,731,464	80,913,202	8,807,195	12.21%
2017-18	72,407,623	7,073,023	79,480,646	73,824,603	18,279,332	92,103,935	12,623,289	15.88%
2018-19				76,028,004	15,000,000	96,709,132	4,605,197	5.00%



Unrestricted General Fund Balance Historical Differences

*June Estimated vs. August Actuals
Unrestricted General Fund balance:*

<u>Fiscal Year</u>	<u>Estimated vs. Unaudited Actuals</u>
2007-08	2,878,677
2008-09	2,755,068
2009-10	2,127,851
2010-11	4,189,571
2011-12	1,575,461
2012-13	9,756,047
2013-14	2,671,242
2014-15	8,414,916
2015-16	4,019,832
2016-17	3,092,853
2017-18	5,701,386



Unrestricted General Fund Net Increase / (Decrease) in Fund Balance

<u>Fiscal Year</u>	<u>(Deficit Spending)</u>
2007-08	4,337,478
2008-09	1,436,131
2009-10	(3,647,602)
2010-11	3,062,920
2011-12	(2,280,283)
2012-13	7,184,608
2013-14	(2,975,908)
2014-15	9,759,555
2015-16	1,074,929
2016-17	(5,691,926)
2017-18	7,968,107



MULTI-YEAR PROJECTION

2017-18 – 2021-22

(Attachment 5)

Observations To Keep In Mind

- Moderate declining enrollment
- Property taxes are an extremely high percentage of LCFF funding with a great deal of volatility
- Community Redevelopment Funds are a significant percentage of LCFF funding
- Parcel taxes, special sales tax measures and donations are a significant percentage of total revenue
- Given the potential for revenue volatility, expenditures need to be managed strategically
- The multiyear projects are showing an end to deficit spending by 2020/21. However, we will need to continue to set and hold ourselves accountable in order to fully eliminate deficit spending