



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2018-19 UNAUDITED ACTUALS

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Business & Fiscal Services

September 5, 2019 Board Meeting
Agenda Item XI.D.

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 (*SACS Report Attachment*)
- Report of activities in all District funds, identifying reserves that are carried forward into future years or unspent funds (*Attachments 1 & 2*)
- Used by external auditors to prepare the official Audit Report
- In June, staff presented 2018-19 Estimated Actuals during the 2019-20 Budget Adoption process



What has changed since June?

- Year-end closing entries are prepared and posted
- The financial books of the District have been closed
- Unspent allocations have been identified and reserved or assigned to the Fund Balance as appropriate (*Attachments 3 & 4*)
- Unaudited Actuals are compared to Estimated Actuals as presented with the 2019-20 Adopted Budget



Why are Projections Different than Expected?

- In general terms, 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
- A larger risk exist as a Basic Aid District

What are Common Reasons for Differences?

- Additional or less revenue is received that was not anticipated
- Expenditure allocations or budgets were not completely used
- No Rollover Purchase Orders (PO) are carried into the new year as the District transition to the new BEST-CGI Financial and Budget system



Explanation of <u>major</u> differences between June Estimates and September Actuals	\$2,935,860
Revenue: LCFF (RDA Property Tax) – (2,004,879) LCFF EDUCATION PROTECTION ACCOUNT (EPA) – 60,438 MAA – 140,097 MEASURE GSH & Y – 1,439,265 MEASURE R – 154,316 OTHER STATE REVENUES/LOTTERY – 117,231 INTEREST EARNED & OTHER LOCAL REVENUES – 510,701	417,169
Higher Special Education LGFC	(1,181,115)
Unspent Fund 13 Food Service Interfund Transfer	340,965
Unspent Fund 14 Deferred Maintenance Interfund Transfer	187,949
Unspent Stretch Grants & Formula	45,645
Unspent Supplies/Textbooks	1,336,410
Unspent Certificated Salary due to Unfilled Positions and lower Hourly/Sub costs	852,117
Unspent Other Operating Costs (legal, travel, consultants, etc)	939,954

SANTA MONICA- MALIBU USD - PROPERTY TAXES COMPARISON

FISCAL YEAR	P2 REPORT			ANNUAL REPORT			FY vs. FY		
	PROPERTY TAXES	RDA FUNDS	TOTAL	PROPERTY TAXES	RDA FUNDS	TOTAL	VARIANCE	%	VARIANCE
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%	0.20%
2006-07	39,816,823		39,816,823	37,564,644		37,564,644	(2,252,179)	-5.66%	6.64%
2007-08	41,690,234	880,161	42,570,395	38,462,707	880,161	39,342,868	(3,227,527)	-7.58%	4.73%
2008-09	45,906,557	1,174,757	47,081,314	45,143,652	1,174,754	46,318,406	(762,908)	-1.62%	17.73%
2009-10	48,907,003	1,323,795	50,230,798	49,174,813	1,323,795	50,498,608	267,810	0.53%	9.02%
2010-11	47,654,739	1,383,695	49,038,434	43,775,461	5,683,215	49,458,676	420,242	0.86%	-2.06%
2011-12	49,510,393	1,373,286	50,883,679	48,132,913	3,571,288	51,704,201	820,522	1.61%	4.54%
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%	24.66%
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%	2.11%
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%	10.27%
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%	1.51%
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%	9.84%
2017-18	72,407,623	7,073,023	79,480,646	64,963,302	18,279,332	83,242,634	3,761,988	4.73%	2.88%
2018-19	71,277,791	8,151,060	79,378,851	70,579,431	14,889,013	85,468,444	6,089,593	7.67%	2.67%
2019-20				74,789,181	15,000,000	89,789,181			5.06%

Unrestricted General Fund Balance Historical Differences

June Estimated vs. August Actuals & Deficit Spending

<u>Fiscal Year</u>	<u>Estimated vs. Unaudited Actuals</u>	<u>(Deficit Spending)</u>
2007-08	2,878,677	4,337,478
2008-09	2,755,068	1,436,131
2009-10	2,127,851	(3,647,602)
2010-11	4,189,571	3,062,920
2011-12	1,575,461	(2,280,283)
2012-13	9,756,047	7,184,608
2013-14	2,671,242	(2,975,908)
2014-15	8,414,916	9,759,555
2015-16	4,019,832	1,074,929
2016-17	3,092,853	(5,691,926)
*2017-18	5,701,386	7,968,107
2018-19	2,935,860	(3,585,531)

* Ending fund balance and deficit/surplus was inflated due to a overpayment of ERAF



Observations To Keep In Mind

- Declining enrollment
- Property taxes are a high percentage of LCFF funding
- Community Redevelopment funds 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
- Setting expenditure priorities is the key to eliminate deficit spending



MULTI-YEAR PROJECTION

2018-19 to 2022-23

(Attachment 5)

UNRESTRICTED GENERAL FUND

	A	B	C	D	E	F	G	H	I	J
	LCFF SOURCES	Object Code	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	2019-20
			ADOPTED BUDGET	1ST INTERIM BUDGET	2ND INTERIM BUDGET	3RD BUDGET REVISION	ESTIMATED ACTUALS	UNAUDITED ACTUALS	CHANGE	ADOPTED BUDGET
1	Property Taxes				LACOE P-1 Estimate	LACOE P-2 Estimate	AUDITOR-CONTROLLER	ACTUAL		
2	Homeowners' Exemptions	8021	379,923	379,923	387,447	382,234	382,234	382,234	-	380,000
3	Other Subventions/In-Lieu Taxes	8029	393,354	393,354	315,818	343,723	343,723	343,723	-	325,000
4	County & District Taxes									
5	Secured Roll Taxes	8041	67,309,727	67,309,727	64,301,328	65,621,550	65,621,760	65,854,429	232,669	69,964,181
6	Unsecured Roll Taxes	8042	2,324,448	2,324,448	2,437,595	2,458,363	2,458,363	2,458,363	-	2,600,000
7	Prior Years' Taxes	8043	4,771,307	4,771,307	940,268	2,421,921	1,941,711	2,191,663	249,952	1,500,000
8	Supplemental Taxes	8044	-	-	-	-	-	(688,685)	(688,685)	
9	ERAF	8045	849,245	849,245	-	-	-	(345)	(345)	-
10	Sub Total Property Tax		76,028,004	76,028,004	68,382,456	71,227,791	70,747,791	70,541,382	(206,409)	74,769,181
11	Community Redevelopment Funds (RDA)	8047	15,000,000	15,000,000	15,176,885	8,151,060	16,725,532	14,889,013	(1,836,519)	15,000,000
12	Delinquent Tax Penalty & Interest Earned	8049	-	-	-	-	-	38,049	38,049	-
13	Subtotal Property Tax	802X-804X	91,028,004	91,028,004	83,559,341	79,378,851	87,473,323	85,468,444	(2,004,879)	89,769,181
14	LCFF									
15	Education Protection Account (EPA)	8012	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,060,438	60,438	2,000,000
16	Minimum State Aid	8011	8,585,843	8,585,843	8,585,843	12,678,349	8,585,843	8,585,843	-	8,585,843
17	LCFF Prior Year Adjustment	8019	-	-	-	-	-	114	114	-
18	Subtotal LCFF	801X	10,585,843	10,585,843	10,585,843	14,678,349	10,585,843	10,646,395	60,552	10,585,843
19	LCFF Transfer to Charter	8096	-	(38,000)	(38,000)	(19,101)	(19,101)	(46,645)	(27,543.86)	(20,000)
20	TOTAL LCFF FUNDING	801X-8096	101,613,847	101,575,847	94,107,184	94,038,099	98,040,065	96,068,194	(1,971,871)	100,335,024



MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

Attachment 5

	A	B	C	D	E	F	G
		2018-19	2018-19	2018-19	2019-20	2020-21	2021-22
Description		ESTIMATED ACTUALS	UNAUDITED ACTUALS	CHANGE	ADOPTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
Revenue:							
1 Property Tax		87,473,323	85,468,444	(2,004,879)	89,789,181	93,528,640	97,455,072
2 Education Protection Account (EPA)		2,000,000	2,060,438	60,438	2,000,000	2,000,000	2,000,000
3 LCFF Transfer to Fund Fund 14		-	-	-	-	-	-
4 LCFF Transfer to Charter School		(19,101)	(46,645)	(27,544)	(20,000)	(38,000)	(38,000)
5 Prior Year LCFF Adjustment		-	114	114	-	-	-
6 Minimum State Aid		8,585,843	8,585,843	-	8,585,843	8,585,843	8,585,843
7 Subtotal LCFF Funding		98,040,065	96,068,194	(1,971,871)	100,355,024	104,076,483	108,002,915



MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

Attachment 5

	A	B	C	D	E	F	G
		2018-19	2018-19	2018-19	2019-20	2020-21	2021-22
Description		ESTIMATED ACTUALS	UNAUDITED ACTUALS	CHANGE	ADOPTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
8 Other Federal		411,650	551,747	140,097	13,000	13,000	13,000
9 Lottery		1,629,086	1,746,317	117,231	1,600,000	1,600,000	1,600,000
10 Mandated Reimbursement Block Grant		416,289	416,289	-	417,495	380,000	380,000
11 One-time Discretionary Funds		1,895,510	1,814,005	(81,505)	-	-	-
12 Other State Revenue		32,036	32,036	-	5,000	5,000	5,000
13 Meas. "R"		12,205,124	12,359,440	154,316	12,449,227	12,698,211	12,952,175
14 Meas. Y & GSH/ City of SM		15,248,204	16,687,469	1,439,265	15,553,168	15,864,231	16,181,516
15 Joint Use Agreement		9,366,941	9,366,941	0	9,554,280	9,745,365	9,940,273
16 SMM Ed Foundation Donation		-	-	-	-	-	-
17 SM Ed Foundation Donation		2,046,015	2,046,015	-	2,000,000	2,000,000	2,000,000
18 Malibu Ed Foundation (tbd) Donation		-	-	-	500,000	500,000	500,000
19 Lease & Rental		2,450,000	2,514,500	64,500	2,450,000	2,450,000	2,450,000
20 All Other Local Income		1,352,085	1,862,786	510,701	984,430	1,180,000	1,140,000
21 Local General Fund Contribution		(29,529,869)	(30,710,984)	(1,181,115)	(30,602,201)	(31,214,245)	(31,838,530)
22 TOTAL REVENUE		115,563,136	114,754,756	(808,381)	115,279,422	119,298,046	123,326,349



MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

Attachment 5

	A	B	C	D	E	F	G
		2018-19	2018-19	2018-19	2019-20	2020-21	2021-22
Description		ESTIMATED ACTUALS	UNAUDITED ACTUALS	CHANGE	ADOPTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
23 Expenditure:							
24 Certificated Salary		53,767,138	52,915,021	(852,117)	53,921,221	54,730,039	55,550,990
25 Classified		19,121,803	19,100,108	(21,695)	18,725,883	19,006,771	19,291,873
26 Benefits		29,472,694	29,298,838	(173,856)	30,672,971	33,507,843	34,531,791
27	STRS	8,548,590	8,420,142	(128,448)	8,542,347	9,906,137	9,888,076
28	PERS	3,214,029	3,065,753	(148,276)	3,610,798	4,171,606	4,467,419
29	SOCIAL SECURITY & MEDICARE	2,357,712	2,258,411	(99,301)	2,251,261	2,247,604	2,281,318
30	HEALTH AND WELFARE	11,384,407	11,556,872	172,465	12,412,367	13,032,985	13,684,635
31	SUI	39,559	35,769	(3,790)	39,128	41,868	42,421
32	WORKERS COMP	2,920,294	2,961,969	41,675	2,834,082	3,096,946	3,143,400
33	OPEB	907,276	900,662	(6,614)	894,692	921,710	935,536
34	CASH IN -LIEU	100,827	99,262	(1,565)	88,296	88,986	88,986
35 Supplies/Books		3,971,555	2,635,145	(1,336,410)	3,719,326	3,000,000	3,000,000
36 Other Operational Costs		11,973,362	11,033,408	(939,954)	12,348,571	9,500,000	9,500,000
37 Capital Outlay		383,322	247,821	(135,501)	130,000	100,000	100,000
38 Transfer to County Specialized Schools		40,000	27,874	(12,126)	75,000	75,000	75,000
39 Debt Services for Bus / SERP Payment		28,799	28,799	-	-	-	-
40 Indirect		(1,074,146)	(973,638)	100,508	(1,162,959)	(1,000,000)	(1,000,000)
41 GSH Technology Plan/Replacement		2,000,000	1,967,874	(32,126)	1,000,000	1,000,000	1,000,000
42 Interfund Transfer Out to Fund 12 CDS		-	-	-	1,000,000	1,000,000	1,000,000
43 LCAP Transfer Out to Fund 12 CDS		-	-	-	200,000	-	-
44 Interfund Transfer Out to Fund 13 FNS		900,000	559,035	(340,965)	900,000	900,000	900,000
45 Interfund Transfer Out to Fund 14 DefM		1,500,000	1,500,000	-	750,000	1,000,000	1,000,000
46 TOTAL EXPENDITURE		122,084,527	118,340,286	(3,744,241)	122,280,013	122,819,653	124,949,654



MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND
Attachment 5

	A	B	C	D	E	F	G
		2018-19	2018-19	2018-19	2019-20	2020-21	2021-22
Description		ESTIMATED ACTUALS	UNAUDITED ACTUALS	CHANGE	ADOPTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
47 Increase (Decrease) Fund Balance		(6,521,391)	(3,585,531)	2,935,860	(7,000,591)	(3,521,607)	(1,623,304)
48 Beginning Fund Balance		34,886,030	34,886,030	-	22,439,368	15,438,777	11,917,170
49 Reserve - 17-18 ERAF REPAYMENT		(8,861,132)	(8,861,132)	0	-	-	-
50 Ending Fund Balance (net of lines 48-50)		19,503,508	22,439,368	2,935,860	15,438,777	11,917,170	10,293,865
51 Reserve - Revolving Cash, Prep-pays		162,762	251,984	89,222	251,984	251,984	251,984
52 Reserve - SERP Retirement Incentive Pymnt		-	1,014,968	1,014,968	1,014,968	1,014,968	1,014,968
53 Reserve - Deficiting Spending in 19-20		7,000,591	7,000,591	-	-	-	-
54 Reserve - Deficiting Spending in 20-21		3,521,607	3,521,607	-	3,521,607	-	-
55 Reserve - Deficiting Spending in 21-22		1,623,304	1,623,304	-	1,623,304	1,623,304	-
56 Reserve - Deficiting Spending in 22-23		619,699	619,699	-	619,699	619,699	619,699
57 3% Contingency Reserve		5,017,611	5,017,101	(511)	5,047,523	5,095,784	5,199,490
58 Reserve Up to 2-months of Expenses		1,557,933	3,390,114	1,832,181	3,359,692	3,311,431	3,207,725
59 Unappropriated Balance		0	0	0	0	0	0



2019-20 LCFF CALCULATION

6/3/2019

BASE GRANT

	TK-3	4-6	7-8	9-12	TOTAL
	2,878.34	2,324.31	1,600.54	3,292.29	10,095.48
2018-19 BASE	7,459	7,571	7,796	9,034	
COLA 3.26%	7,702	7,818	8,050	9,329	
	22,168,975	18,171,456	12,884,347	30,713,773	83,938,551

AUGMENTATION GRANTS:

CSR AUGMENTATION: BASE GRANT X 10.4%	2,305,573
CTE AUGMENTATION 9-12 BASE GRANT X 2.6%	798,558

SUPPLEMENTAL AND CONCENTRATION GRANTS:

TOTAL ENROLLMENT (3-YEAR AVERAGE)	10,692
TOTAL UNDUPLICATED PUPIL COUNT (3-YEAR AVERAGE)	3,054
	28.56%

SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLMENT	4,971,929
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TRANSPORTATION AND TIIG GRANT

2012-13 TRANSPORTATION	820,273
2012-13 TIIG	429,757

TOTAL 2019-20 LCFF ENTITLEMENT	93,264,641
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MINIMUM STATE AID / 2012-13 CATEGORICAL PROGRAMS	8,585,843
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TOTAL FUNDING LESS: 2012-13 MINIMUM/CATEGORICAL	84,678,798
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LOCAL REVENUE / PROPERTY TAXES	89,789,181
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Amount of Property Tax Over LCFF Funding (Basic Aid when negative)	(5,110,383)
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Note Outside of Calculation:

EDUCATION PROTECTION ACCOUNT	2,000,000
TRANSFER TO CHARTER SCHOOL	-20,000



Thank you

