



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2015-16 SECOND INTERIM REPORT

MARCH 3, 2016

AGENDA ITEM A.32



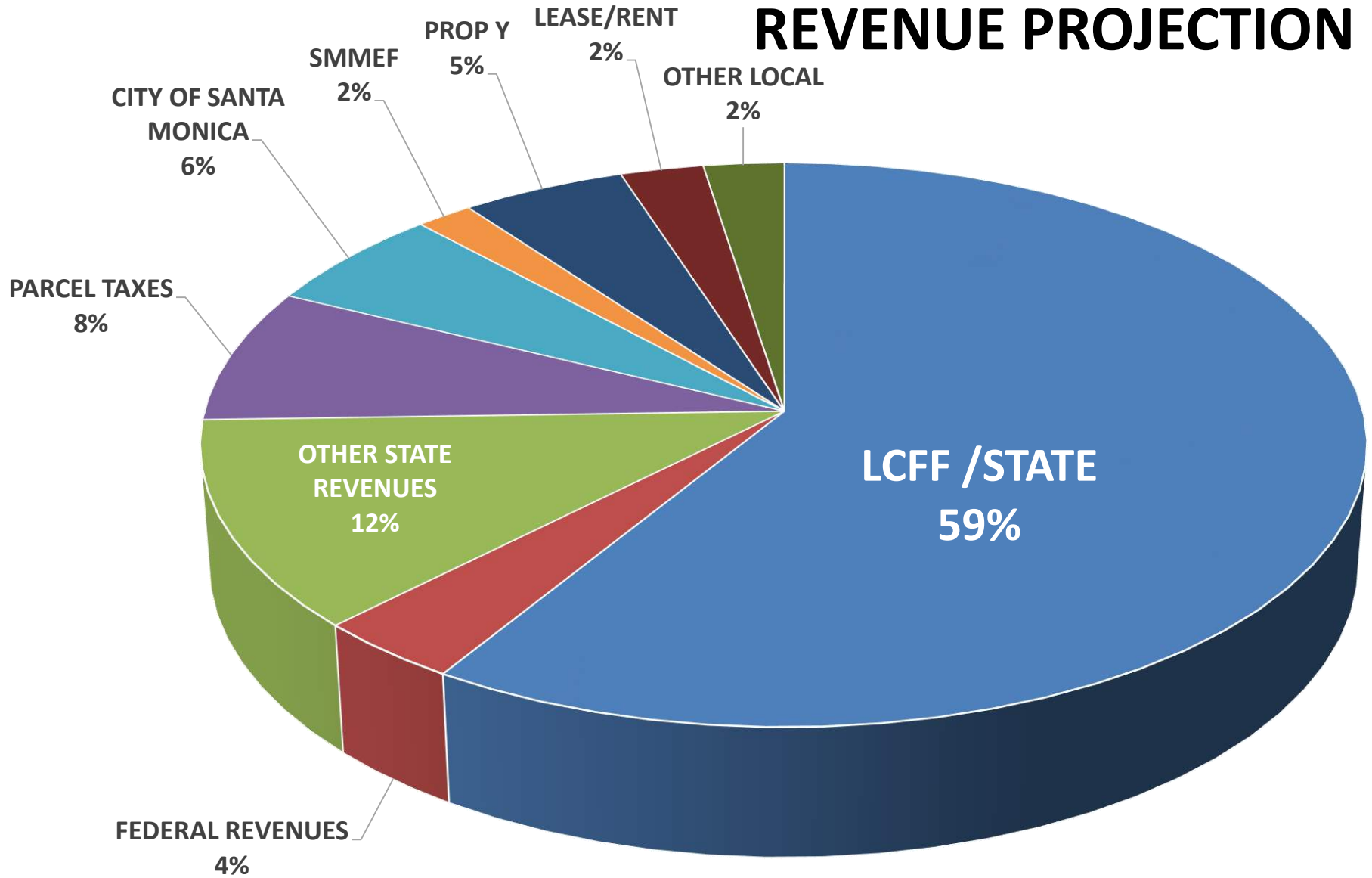
# SMMUSD 2<sup>nd</sup> Interim Report

- Shows the District's financial position as of January 31, 2016
- Displays the Adopted Budget, Current Actuals, and Projected Totals for each District fund
- Includes an analysis of standards for financial reporting set by the State
- Projects General Fund activity for the current and next two fiscal years
- Certifies one of three conditions: positive, negative or qualified

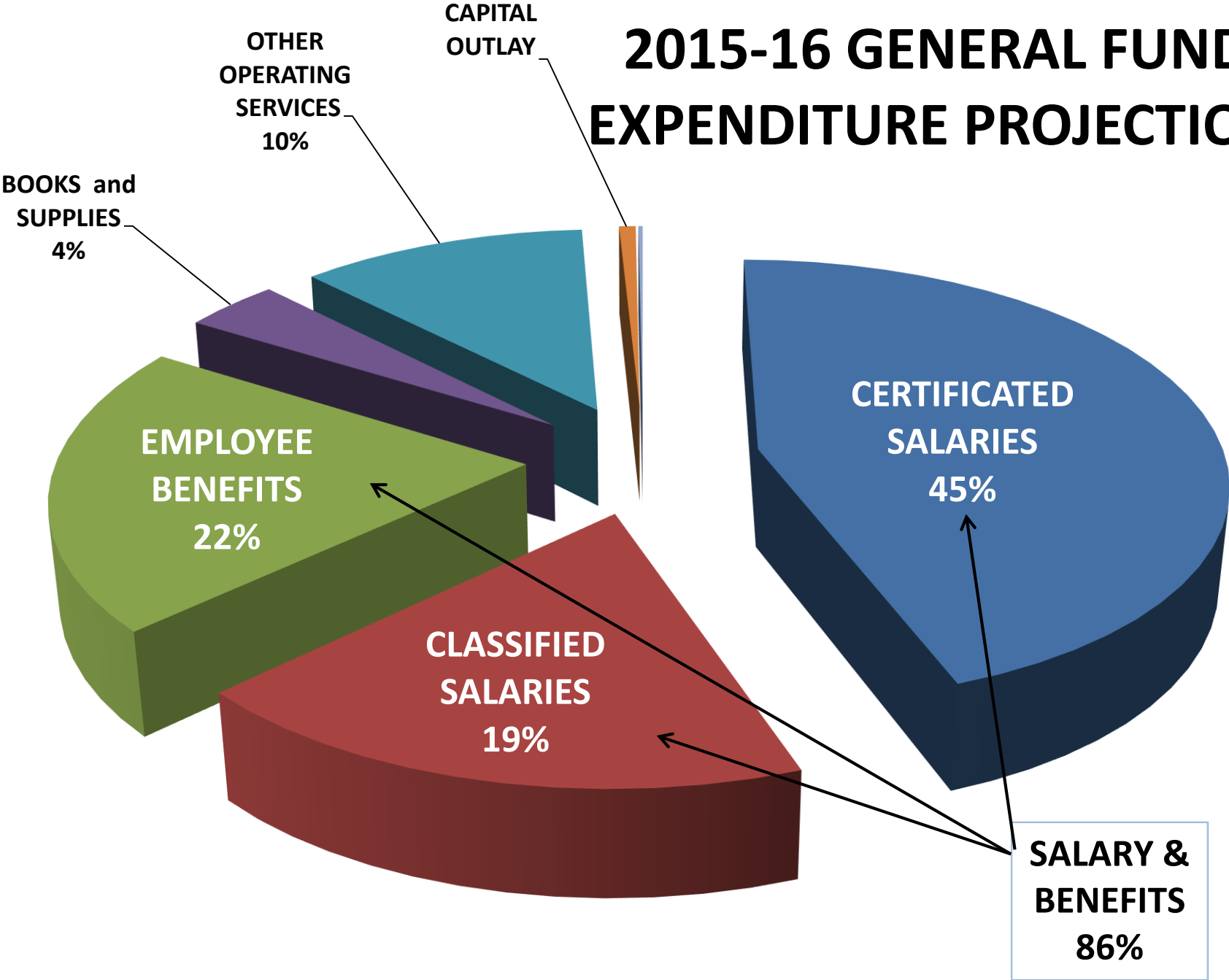
**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 SECOND INTERIM REPORT**  
**AS OF 1/31/16**  
**GENERAL FUND (01)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	138,057,596	72,647,465	147,144,174	9,086,578
EXPENDITURES	136,761,063	63,040,727	150,034,538	<b>(13,273,475)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>1,296,533</b>	<b>9,606,738</b>	<b>(2,890,364)</b>	<b>(4,186,897)</b>
BEGINNING BALANCE	35,474,469		35,474,469	0
PROJECTED ENDING BALANCE	36,771,002		32,584,105	<b>(4,186,897)</b>

# 2015-16 GENERAL FUND REVENUE PROJECTION



# 2015-16 GENERAL FUND EXPENDITURE PROJECTION



**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 SECOND INTERIM REPORT**  
**AS OF 1/31/16**  
**GENERAL FUND (01)**

**Nonspendable Amounts**

Stores, Revolving Cash, Prepaid 100,000

**Restricted**

2,724,710

**Assigned Amounts**

Reserve for 2016-17 Deficit Spending 7,185,288

Reserve for 2017-18 Deficit Spending 8,325,167

Reserve for One-Time funds 4,827,984

Reserve for 5% Property Tax Increase 2,720,603

Reserve for up to 2 months General Fund expenditures 2,199,317

**Unassigned/Unappropriated Amounts**

Reserve for Economic Uncertainties 4,501,037

**FUND BALANCE**

**32,584,105**

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 SECOND INTERIM REPORT  
AS OF 1/31/16  
ADULT EDUCATION (11)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	351,234	412,780	782,812	431,578
EXPENDITURES	394,454	221,554	501,152	<b>(106,698)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(43,220)</b>	191,226	281,660	324,880
BEGINNING BALANCE	369,566		369,566	0
PROJECTED ENDING BALANCE	326,346		651,226	324,880

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 SECOND INTERIM REPORT**  
**AS OF 1/31/16**  
**CHILD DEVELOPMENT FUND (12)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	8,001,668	3,630,045	8,335,527	333,859
EXPENDITURES	8,001,668	3,491,439	8,562,124	(560,456)
<b>EXCESS OR (DEFICIENCY)</b>	<b>0</b>	<b>138,606</b>	<b>(226,597)</b>	<b>(226,597)</b>
BEGINNING BALANCE	264,166		264,166	0
PROJECTED ENDING BALANCE	264,166		37,569	(226,597)



**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 SECOND INTERIM REPORT**  
**AS OF 1/31/16**  
**CAFETERIA FUND (13)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	2,917,010	1,082,838	2,917,010	0
EXPENDITURES	2,910,307	1,291,062	2,965,688	(55,381)
<b>EXCESS OR (DEFICIENCY)</b>	<b>6,703</b>	<b>(208,224)</b>	<b>(48,678)</b>	<b>(55,381)</b>
BEGINNING BALANCE	176,203		176,203	0
PROJECTED ENDING BALANCE	182,906		127,525	(55,381)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
 2015-16 SECOND INTERIM REPORT  
 AS OF 1/31/16  
 DEFERRED MAINTENANCE (14)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	251,000	501	251,000	0
EXPENDITURES	250,000	4,375	251,000	(1,000)
<b>EXCESS OR (DEFICIENCY)</b>	<b>1,000</b>	<b>(3,874)</b>	<b>0</b>	<b>(1,000)</b>
BEGINNING BALANCE	140,846		140,846	0
PROJECTED ENDING BALANCE	141,846		140,846	(1,000)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 SECOND INTERIM REPORT  
AS OF 1/31/16  
BUILDING FUND (21)**

	<b>ADOPTED BUDGET</b>	<b>ACTUALS AS OF 01/31/16</b>	<b>2015-16 ESTIMATED ACTUALS</b>	<b>DIFF</b>
<b>REVENUE</b>	<b>60,590,000</b>	<b>60,703,056</b>	<b>60,890,000</b>	<b>300,000</b>
<b>EXPENDITURES</b>	<b>50,692,730</b>	<b>14,650,749</b>	<b>83,161,696</b>	<b>(32,468,966)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>9,897,270</b>	<b>46,052,307</b>	<b>(22,271,696)</b>	<b>(32,168,966)</b>
<b>BEGINNING BALANCE</b>	<b>61,878,829</b>		<b>61,878,829</b>	<b>0</b>
<b>PROJECTED ENDING BALANCE</b>	<b>71,776,099</b>		<b>39,607,133</b>	<b>(32,168,966)</b>

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 SECOND INTERIM REPORT  
AS OF 1/31/16  
CAPITAL FACILITIES FUND - DEVELOPER FEES (25)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	810,000	95,774	810,000	0
EXPENDITURES	841,200	1,588,693	2,649,300	<b>(1,808,100)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(31,200)</b>	<b>(1,492,919)</b>	<b>(1,839,300)</b>	<b>(1,808,100)</b>
BEGINNING BALANCE	3,434,361		3,434,361	0
PROJECTED ENDING BALANCE	3,403,161		1,595,061	<b>(1,808,100)</b>

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 SECOND INTERIM REPORT  
AS OF 1/31/16  
SPECIAL RESERVE - CAPITAL OUTLAY (40)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	2,525,960	1,186,391	2,525,960	0
EXPENDITURES	2,117,081	263,380	2,567,081	(450,000)
EXCESS OR (DEFICIENCY)	408,879	923,010	(41,121)	(450,000)
BEGINNING BALANCE	9,406,055		9,406,055	0
PROJECTED ENDING BALANCE	9,814,934		9,364,934	(450,000)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 SECOND INTERIM REPORT**

**AS OF 1/31/16**

**BOND INTEREST AND REDEMPTION (51)**

	<b>ADOPTED BUDGET</b>	<b>ACTUALS AS OF 01/31/16</b>	<b>2015-16 ESTIMATED ACTUALS</b>	<b>DIFF</b>
<b>REVENUE</b>	32,233,156	0	31,949,042	<b>(284,114)</b>
<b>EXPENDITURES</b>	25,507,835	0	47,019,124	<b>(21,511,289)</b>
<b>EXCESS OR (DEFICIENCY)</b>	6,725,321	0	<b>(15,070,082)</b>	<b>(21,795,403)</b>
<b>BEGINNING BALANCE</b>	40,498,436		40,498,436	0
<b>PROJECTED ENDING BALANCE</b>	47,223,757		25,428,354	<b>(21,795,403)</b>

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 SECOND INTERIM REPORT**  
**AS OF 1/31/16**  
**SELF INSURANCE FUND - RETIREE HEALTH BENEFITS (67)**

**FUND CLOSED**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	1,238,160	0	0	(1,238,160)
EXPENDITURES	1,183,160	0	0	1,183,160
EXCESS OR <b>(DEFICIENCY)</b>	55,000	0	0	(55,000)
TO FUND 71	0	0	5,802,283	5,802,283
BEGINNING BALANCE	(5,802,283)		(5,802,283)	0
PROJECTED ENDING BALANCE	(5,747,283)		0	5,747,283

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 SECOND INTERIM REPORT  
AS OF 1/31/16  
RETIREE HEALTH BENEFIT FUND (71)**

	ADOPTED BUDGET	ACTUALS AS OF 01/31/16	2015-16 ESTIMATED ACTUALS	DIFF
REVENUE	0	4,536,434	2,242,583	2,242,583
EXPENDITURES	0	10,433,230	1,183,160	<b>(1,183,160)</b>
<b>EXCESS OR (DEFICIENCY)</b>	0	<b>(5,896,796)</b>	1,059,423	1,059,423
FROM FUND 67			<b>(5,802,283)</b>	
BEGINNING BALANCE	0		<b>(5,802,283)</b>	<b>(5,802,283)</b>
PROJECTED ENDING BALANCE	0		<b>(4,742,860)</b>	<b>(4,742,860)</b>





# Multi-year Projection reflects:

- The district's financial position over the current and next two fiscal years.
- State revenue Cost of Living (COLA) increases of 1.02% (2015-16), 0.47% (2016-17), and 2.13% (2017-18).
- LCFF Gap Funding increasing by 51.97% (2015-16), 49.08% (2016-17), and 45.34% (2017-18).
- Student enrollment stable at 11,261 each year.
- Local revenue from parcel taxes, Prop Y and the City of Santa Monica contribution are projected at \$27.4 million in 2015-16, growing at a rate of between 1.4% each year over the next two years.



# Multi-year Projection continued:

- Includes the negotiated salary schedules change for SMMCTA of 6% in 2015-16, effective 1/1/16 and 2% effective 7/1/16; a calculated amount using the same percentages is projected and included for SEIU and Management salaries.
- Employee health and welfare increases of 7.0% and Step and Column salary increase, increases of 1.50% each year.
- The Reserve for Economic Uncertainties remains at 3.0%.
- Reserves for future deficit spending, projected property tax increases, and up to 2 months of General Fund Expenditures are included.

**SANTA MONICA-MALIBU USD**  
**MULTI-YEAR PROJECTION**  
**UNRESTRICTED GENERAL FUND**

1/31/2016

Description	2015-16 2ND INTERIM BUDGET	2016-17 PROJECTED BUDGET	2017-18 PROJECTED BUDGET
Property Tax	76,200,989	80,011,038	84,011,590
Education Protection Account (EPA)	2,169,732	2,151,600	2,151,600
LCFF Transfer to Fund 11 & Fund 14	(250,000)	(250,000)	(250,000)
LCFF Transfer County Specialized Secondary School	(84,000)	(86,000)	(88,000)
LCFF State Aide	8,585,843	8,585,843	8,585,843
<b>Subtotal LCFF Funding</b>	<b>86,622,564</b>	<b>90,412,481</b>	<b>94,411,033</b>
Other Federal	243,090	13,000	13,000
Lottery	1,413,403	1,413,403	1,413,403
Mandated Reimbursement Block Grant	6,123,033	2,699,560	397,348
Other State Revenue	8,000	8,000	8,000
Measure R – Parcel Tax	11,302,835	11,415,863	11,530,022
Prop. Y / City of Santa Monica	7,500,000	7,600,000	7,700,000
Joint Use Agreement / City of SM	8,617,269	8,789,614	8,965,407
All Other Local Income	3,980,561	3,530,000	3,530,000
SMMEF Donation	<b>2,365,721</b>	<b>2,500,000</b>	<b>2,500,000</b>
Local General Fund Contribution	(24,166,159)	(25,000,000)	(25,500,000)
<b>TOTAL REVENUE</b>	<b>104,010,317</b>	<b>103,381,922</b>	<b>104,968,213</b>

**SANTA MONICA-MALIBU USD  
MULTI-YEAR PROJECTION  
UNRESTRICTED GENERAL FUND**

1/31/2016

Description	2015-16 2ND INTERIM BUDGET	2016-17 PROJECTED BUDGET	2017-18 PROJECTED BUDGET
Certificated Salaries	50,883,137	53,627,628	54,272,042
Classified Salaries	17,663,822	18,865,491	19,148,474
Employee Benefits	23,828,881	26,097,549	27,637,561
Supplies/Books	3,007,411	2,700,000	2,700,000
Other Operational Costs	9,490,359	9,000,000	9,000,000
Capital Outlay	703,728	313,000	212,500
Debt Services	53,400	53,400	53,400
Indirect	(1,260,392)	(1,100,000)	(1,100,000)
Interfund Transfer Out to Fund 12	185,494	185,000	185,000
Interfund Transfer Out to Fund 13	130,000	130,000	130,000
Interfund Transfer Out to Fund 71	1,000,000		
LCAP increase above 2015-16		695,142	1,054,403
<b>TOTAL EXPENDITURE</b>	<b>105,685,840</b>	<b>110,567,210</b>	<b>113,293,380</b>

**SANTA MONICA-MALIBU USD****MULTI-YEAR PROJECTION****UNRESTRICTED GENERAL FUND**

1/31/2016

Description	2015-16 2ND INTERIM BUDGET	2016-17 PROJECTED BUDGET	2017-18 PROJECTED BUDGET
Increase (Decrease) Fund Balance	(1,675,523)	(7,185,288)	(8,325,167)
Beginning Fund Balance	31,534,919	29,859,395	22,674,107
Ending Fund Balance	29,859,395	22,674,107	14,348,940
Reserve - Revolving Cash, Stores	100,000	100,000	100,000
Reserve - Deficit Spending in 2016-17	7,185,288		
Reserve - Deficit Spending in 2017-18	8,325,167	8,325,167	
Reserve - 50% of 16-17 Gap Funding		2,120,450	2,120,450
Reserve - 50% of 17-18 Gap Funding			1,428,467
Reserve - Minimum State Aid exceeding LCFF funding	2,720,603	3,091,543	4,235,162
Reserve - One time Funds	4,827,984	4,428,554	1,743,252
Reserve - 2-month of General Fund Exp.	2,199,316		
3% Contingency Reserve	4,501,037	4,608,393	4,721,609
Unappropriated Balance	-	0	0



# Positive Certification of 2<sup>nd</sup> Interim

- The District is submitting the 2<sup>nd</sup> Interim Report with a positive certification
- The District will be able to meet its obligation in the current and next two fiscal years.

