



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# 2015-16 UNAUDITED ACTUALS

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Business and Fiscal Services  
Chief Financial Officer

September 1, 2016 Board Meeting  
Agenda Item A.40.



# What are Unaudited Actuals?

- District prepared year-end financial statements as of June 30<sup>th</sup> using State format known as SACS (State Account Code Structure) for all District funds
- Report of activities in all District funds, identifying unspent funds or reserves that are carried forward into future years
- Used by external auditors to prepare the official Audit Report
- In June, staff presented 2015-16 Estimated Actuals during the 2016-17 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
- Unaudited Actuals are compared to Estimated Actuals as presented with the 2016-17 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 underestimating 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)

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**GENERAL FUND (01)**

	2015-16 ESTIMATED ACTUALS	2015-16 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	146,329,655	147,277,468	947,813
EXPENDITURES	150,445,656	144,944,516	5,501,140
EXCESS OR (DEFICIENCY)	(4,116,001)	2,332,951	6,448,952
BEGINNING BALANCE	35,474,469	35,474,469	-
PROJECTED ENDING BALANCE	31,358,468	37,807,421	6,448,952
Unrestricted General Fund	28,590,016	32,609,848	4,019,832
Restricted General Fund	2,768,452	5,197,573	2,429,121
Combined General Fund	31,358,468	37,807,421	6,448,953

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**GENERAL FUND (01)**  
**DESIGNATION OF ENDING BALANCE**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>STORES/INVENTORY/REVOLVING CASH</b>	-	152,233	152,233
<b>RESTRICTED ENDING BALANCE</b>	2,768,453	5,197,572	2,429,120
<b>RESERVE FOR ECONOMIC UNCERTAINTIES</b>	4,501,037	4,348,336	(152,701)
<b>OTHER DESIGNATIONS</b>	24,088,979	28,109,279	4,020,300
<b>UNAPPROPRIATED AMOUNT</b>	-	-	-
<b>PROJECTED ENDING BALANCE</b>	31,358,468	37,807,421	6,448,952

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 UNAUDITED ACTUAL SUMMARIES  
GENERAL FUND (01)**

**Changes to Fund Balance**

	<b>Estimated Actuals June 2016</b>	<b>Unaudited Actuals August 2016</b>	<b>Difference</b>
<b>Unrestricted</b>	<b>(2,944,903)</b>	<b>1,074,929</b>	<b>4,019,832</b>
<b>Restricted</b>	<b>(1,171,098)</b>	<b>1,258,022</b>	<b>2,429,120</b>
<b>Combined</b>	<b>(4,116,001)</b>	<b>2,332,951</b>	<b>6,448,952</b>



# Explanation of differences between June Estimates and September Actuals

	<b>\$4.0 M</b> (2.8%)
<b>Revenue:</b> Property Taxes – 148,773 Prop Y – 152,230 Lottery – 164,718 Other Local Income – 380,888	<b>846,609</b>
Unspent Special Education Budget	<b>1,049,883</b>
Unspent Site/Department Budgets	<b>950,000</b>
Subtotal	2,846,492 (2.0%)
Unspent Stretch Grants - Carryover	<b>209,577</b>
Rollover Encumbrances	<b>910,662</b>

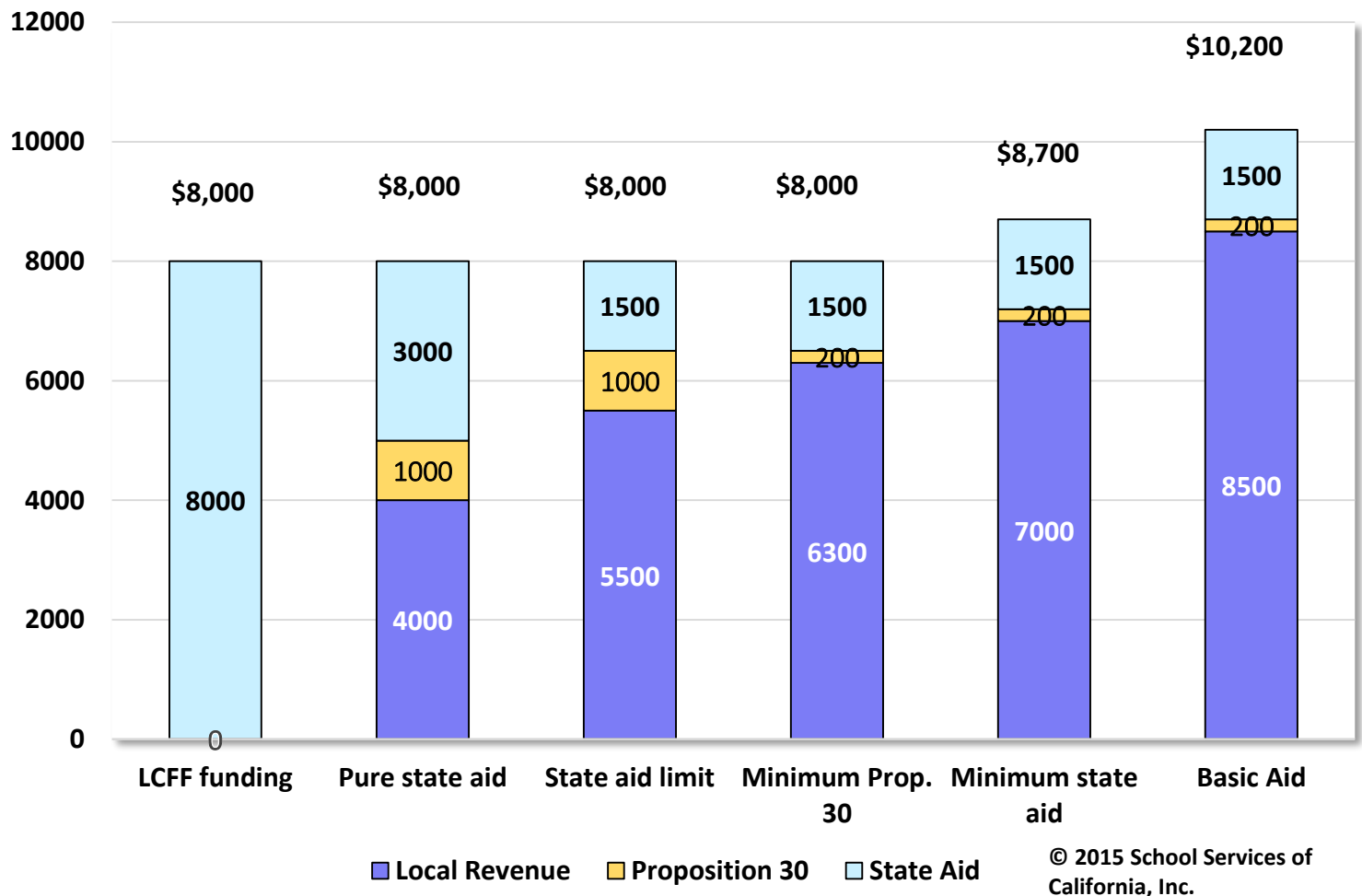


# Did the Minimum State Calculation Impact SMMUSD in 2015-16?

- With the change to the LCFF calculation, districts were guaranteed at least the same amount of funding from the State as they had received in 2012-13 in categorical funds
- For Santa Monica-Malibu, that level of funding was \$8.5M
- The amount of the minimum is determined by comparing State Aid in the LCFF calculation to \$8.5M
- If the State Aid portion is less than \$8.5M, the district will receive the difference – in addition to the LCFF entitlement

# LCFF Funding Scenarios

## Local Revenue, Education Protection Account (Proposition 30) and State Aid Interaction



# 2015-16 LCFF Calculation

## Impact of Minimum State Aid Calculation

			SMMUSD Unaudited Actuals	Less Property Taxes
<b>LCFF Entitlement</b>	<b>A</b>		<b>84,351,795</b>	<b>84,351,795</b>
<b>Property Taxes</b>	<b>B</b>		<b>73,665,773</b>	<b>72,000,000</b>
<b>Difference</b>	<b>C</b>	<b>A - B</b>	<b>10,686,022</b>	<b>12,351,795</b>
<b>Prop 30 - EPA</b>	<b>D</b>		<b>2,159,478</b>	<b>2,159,478</b>
<b>State Aid</b>	<b>E</b>	<b>C - D</b>	<b>8,526,544</b>	<b>10,192,317</b>
<b>Minimum Guarantee</b>	<b>F</b>		<b>8,585,843</b>	<b>8,585,844</b>
<b>Minimum State Aid</b>	<b>G</b>	<b>F - E</b>	<b>59,299</b>	<b>-</b>
<b>Total Funding</b>	<b>H</b>	<b>B + D + E + G</b>	<b>84,411,094</b>	<b>84,351,795</b>
<b>Transfers Out</b>	<b>I</b>		<b>360,360</b>	<b>360,360</b>
<b>LCFF Revenue</b>	<b>J</b>	<b>H - I</b>	<b>84,050,734</b>	<b>83,991,435</b>

# 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%

# What Happens if Prop. 30 Funding is Gone?

SMMUSD  
Unaudited  
Actuals

Without Prop. 30

LCFF Entitlement	A		84,351,795	84,351,795
Property Taxes	B		73,665,773	73,665,773
Difference	C	A - B	10,686,022	10,686,022
Prop 30 - EPA	D		2,159,478	-
State Aid	E	C - D	8,526,544	10,686,022
Minimum Guarantee	F		8,585,843	8,585,844
Minimum State Aid	G	F - E	59,299	-
Total Funding	H	B + D + E + G	84,411,094	84,351,795
Transfers Out	I		360,360	360,360
LCFF Revenue	J	H - I	84,050,734	83,991,435



# Unrestricted General Fund Balance Historical Differences

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

<u>Fiscal Year</u>	<u>Estimated vs. Unaudited Actuals</u>
2006-07	3,062,325
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



**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**ADULT EDUCATION FUND (11)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>776,572</b>	<b>842,085</b>	<b>65,513</b>
<b>EXPENDITURES</b>	<b>859,912</b>	<b>551,751</b>	<b>308,161</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(83,340)</b>	<b>290,334</b>	<b>373,674</b>
<b>BEGINNING BALANCE</b>	<b>369,566</b>	<b>369,566</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>286,226</b>	<b>659,900</b>	<b>373,674</b>



**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT  
2015-16 UNAUDITED ACTUAL SUMMARIES  
CHILD DEVELOPMENT FUND (12)**

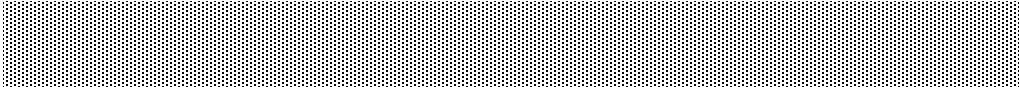
	2015-16 ESTIMATED ACTUALS	2015-16 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	8,127,056	8,401,096	274,040
EXPENDITURES	8,353,653	8,366,396	(12,743)
EXCESS OR (DEFICIENCY)	(226,597)	34,700	261,297
BEGINNING BALANCE	264,166	264,166	-
PROJECTED ENDING BALANCE	37,569	234,491	196,922

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**CAFETERIA FUND (13)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>2,917,010</b>	<b>3,036,244</b>	<b>119,234</b>
<b>EXPENDITURES</b>	<b>2,961,984</b>	<b>3,016,471</b>	<b>(54,487)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(44,974)</b>	<b>19,773</b>	<b>64,747</b>
<b>BEGINNING BALANCE</b>	<b>176,203</b>	<b>176,203</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>131,229</b>	<b>195,976</b>	<b>64,747</b>

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**DEFERRED MAINTENANCE (14)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>251,000</b>	<b>250,988</b>	<b>(12)</b>
<b>EXPENDITURES</b>	<b>251,000</b>	<b>179,638</b>	<b>71,362</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>-</b>	<b>71,350</b>	<b>71,350</b>
<b>BEGINNING BALANCE</b>	<b>140,846</b>	<b>140,846</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>140,846</b>	<b>212,196</b>	<b>71,350</b>





**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**BUILDING FUND (21)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>61,001,000</b>	<b>61,153,401</b>	<b>152,401</b>
<b>EXPENDITURES</b>	<b>88,712,326</b>	<b>30,291,018</b>	<b>58,421,308</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(27,711,326)</b>	<b>30,862,383</b>	<b>58,573,709</b>
<b>BEGINNING BALANCE</b>	<b>61,878,829</b>	<b>61,878,829</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>34,167,503</b>	<b>92,741,212</b>	<b>58,573,709</b>

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**CAPITAL FACILITIES FUND - DEVELOPER FEES (25)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>810,000</b>	<b>936,375</b>	<b>126,375</b>
<b>EXPENDITURES</b>	<b>4,149,300</b>	<b>3,134,057</b>	<b>1,015,243</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(3,339,300)</b>	<b>(2,197,682)</b>	<b>1,141,618</b>
<b>BEGINNING BALANCE</b>	<b>3,434,361</b>	<b>3,434,361</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>95,061</b>	<b>1,236,679</b>	<b>1,141,618</b>



**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2012-13 UNAUDITED ACTUAL SUMMARIES**  
**SPECIAL RESERVE for CAPITAL PROJECTS (40)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>5,564,395</b>	<b>5,938,788</b>	<b>374,393</b>
<b>EXPENDITURES</b>	<b>3,567,081</b>	<b>3,900,633</b>	<b>(333,552)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>1,997,314</b>	<b>2,038,155</b>	<b>40,841</b>
<b>BEGINNING BALANCE</b>	<b>9,406,055</b>	<b>9,406,055</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>11,403,369</b>	<b>11,444,209</b>	<b>40,841</b>
<b>DESIGNATED FOR MEASURE BB</b>	<b>6,200,000</b>	<b>6,200,000</b>	<b>-</b>
<b>AVAILABLE FUND BALANCE</b>	<b>5,203,369</b>	<b>5,244,209</b>	<b>40,841</b>

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2015-16 UNAUDITED ACTUAL SUMMARIES**  
**BOND INTEREST AND REDEMPTION FUND (51)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>31,948,352</b>	<b>39,486,293</b>	<b>7,537,941</b>
<b>EXPENDITURES</b>	<b>47,019,124</b>	<b>48,187,390</b>	<b>(1,168,266)</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>(15,070,772)</b>	<b>(8,701,097)</b>	<b>6,369,675</b>
<b>BEGINNING BALANCE</b>	<b>45,210,774</b>	<b>45,210,774</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>30,140,002</b>	<b>36,509,677</b>	<b>6,369,675</b>



**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**

**2015-16 UNAUDITED ACTUAL SUMMARIES**

**RETIREE BENEFIT FUND (71)**

	<b>2015-16 ESTIMATED ACTUALS</b>	<b>2015-16 UNAUDITED ACTUALS</b>	<b>DIFFERENCE</b>
<b>REVENUE</b>	<b>1,242,583</b>	<b>5,781,932</b>	<b>4,539,349</b>
<b>EXPENDITURES</b>	<b>1,183,160</b>	<b>661,758</b>	<b>521,402</b>
<b>EXCESS OR (DEFICIENCY)</b>	<b>59,423</b>	<b>5,120,174</b>	<b>5,060,751</b>
<b>BEGINNING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROJECTED ENDING BALANCE</b>	<b>59,423</b>	<b>5,120,174</b>	<b>5,060,751</b>





# Questions

