



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# 2018-19 Second Interim Report

Melody Canady  
Assistant Superintendent,  
Business & Fiscal Services

Gerardo Cruz,  
Director of Fiscal Services

March 7, 2019 Board Meeting



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

- Shows the District's financial position as of January 31, 2019
- Displays the First Interim Budget and the Second Interim Budget with the change between the two periods
- Includes an analysis of standards and assumptions for financial reporting set by the State
- Analyzes the impact on the Multi-Year Projections of the General Fund for the current and next two fiscal years
- Certifies one of three conditions:
  - ✓ Positive, Negative or Qualified



General Fund

# 2018-19 Second Interim Budget Report

## FUND 01: UNRESTRICTED GENERAL FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	34,886,030	34,886,030	
8011-8099	LCFF Revenue	101,575,847	94,107,184	(7,468,663)
8100-8299	Federal Revenue	286,703	301,398	14,695
8300-8590	State Revenue	3,917,259	3,941,438	24,179
8600-8799	Local Revenue	42,568,373	42,568,373	-
8980-8999	Local General Fund Contributions	(28,306,108)	(28,706,303)	(400,195)
	<b>Total Revenue</b>	<b>120,042,074</b>	<b>112,212,090</b>	<b>(7,829,984)</b>
1000-1999	Certificated Salaries	54,313,871	53,748,752	(565,119)
2000-2999	Classified Salaries	19,244,565	19,170,597	(73,968)
3000-3999	Employee Benefits	30,383,028	29,568,474	(814,554)
4000-4999	Books and Supplies	5,573,327	6,107,897	534,570
5000-5999	Services and Other Operating	11,475,314	11,416,647	(58,667)
6000-6999	Capital Outlay	76,362	302,222	225,860
7100-7299	Other Outgo	148,800	148,800	-
7300-7399	Indirect Costs	(1,022,123)	(1,073,849)	(51,726)
7400-7499	Debt Services	-	-	
7600-7629	Transfer Out/ Fund 12, 13, 14	2,400,000	2,400,000	-
	<b>Total Expenditures</b>	<b>122,593,144</b>	<b>121,789,540</b>	<b>(803,604)</b>
	Increase /(Decrease) Fund Balance	<b>(2,551,070)</b>	<b>(9,577,450)</b>	<b>(7,026,380)</b>
	<b>Projected Fund Balance</b>	<b>32,334,960</b>	<b>25,308,580</b>	



# 2018-19 Second Interim Budget Report

## Major Changes

### Revenues:

- \$ (7,468,663) Decrease in Property Tax Revenue of which \$849,245 is ERAF due to Basic Aid status in 17-18 & 18-19
- \$ 14,695 Increase in Federal MAA Reimbursement
- \$ 24,179 Increase in Unrestricted State Lottery
- \$ 400,195 Increase in Local General Fund Contribution to Special Education

### Expenditures:

- \$ (565,119) Decrease in Certificated Salaries
  - \$360K - 4.0 FTE Correction of FTE allocation from Budget Adoption*
  - \$127K - 1.0 FTE Pt. Dume Principal*
  - \$24K - 1.0 FTE Interim Site Administrator (pre-planned for potential admin changes)*
  - \$54K - Teacher salary adjustments based on placement, leave use, & vacancies*
- \$ (73,968) Decrease in Classified Salaries by 1.75 FTEs for classified positions
- \$ (814,554) Decrease in Benefits - Adopted 10% increase with 2nd Interim increase at 5%
- \$ 534,570 Increase in Books & Supplies - Moved from Certificated Salaries
- \$ (58,667) Decrease in Services & Operating Costs (legal costs, independent contractors, conf/travel)
- \$ 225,860 Increase in Capital Outlay
  - \$56K Replace maintenance truck #35*
  - \$143K Rollover P.O. for additional replacement maintenance vehicles*
  - \$6K Two (2) Basketball Scoreboards for Santa Monica High School*
  - \$9K Gym floor covering for Santa Monica High School*
  - \$11K Adapter Sleeve for Volleyball court/net for Lincoln Middle School*
- \$ (51,726) Increase in Indirect Charge to Categorical Programs



# 2018-19 Second Interim Budget Report

## FUND 01: RESTRICTED GENERAL FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	3,912,282	3,912,282	
8100-8299	Federal Revenue	4,322,261	4,485,956	163,695
8300-8590	State Revenue	1,091,748	1,751,525	659,777
8600-8799	Local Revenue	9,524,268	9,727,877	216,153
8980-8999	Local General Fund Contributions	28,306,108	28,706,303	400,195
	<b>Total Revenue</b>	<b>43,244,385</b>	<b>44,671,661</b>	<b>1,439,820</b>
1000-1999	Certificated Salaries	12,755,592	12,843,127	87,535
2000-2999	Classified Salaries	11,546,479	11,800,121	253,642
3000-3999	Employee Benefits	10,524,904	10,575,493	50,589
4000-4999	Books and Supplies	3,192,923	3,768,670	575,747
5000-5999	Services and Other Operating Costs	5,323,736	5,865,669	541,933
6000-6999	Capital Outlay	58,100	99,100	41,000
7300-7399	Indirect Costs	477,169	511,996	34,827
	<b>Total Expenditures</b>	<b>43,878,903</b>	<b>45,464,176</b>	<b>1,585,273</b>
	Increase /(Decrease) Fund Balance	<b>(634,518)</b>	<b>(792,515)</b>	<b>(157,997)</b>
	<b>Projected Fund Balance</b>	<b>3,277,764</b>	<b>3,119,767</b>	



# 2018-19 Second Interim Budget Report

## Major Changes

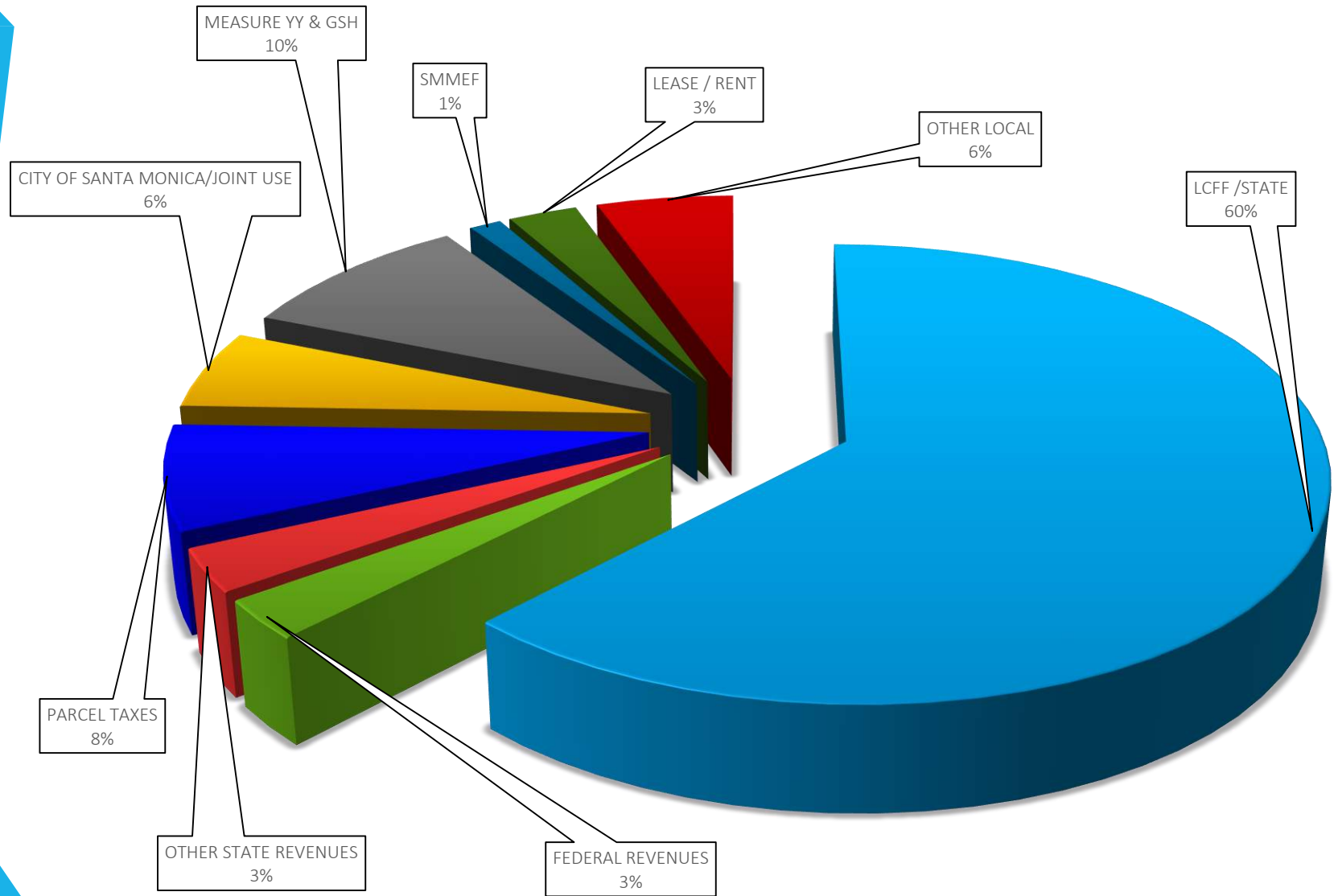
### Revenues:

- \$ 163,695 Increase from Title I, II, III and IV federal programs
- \$ 659,777 Increase in State Revenue
  - \$98K Special Education Mental Health*
  - \$452K Low Performing Students Block Grant*
  - \$107K Classified Professional Development Block Grant*  
*(priority to school safety plans per AB1840 sec. 38)*
- \$ 216,153 Increase in PTA , Booster Clubs, Gifts, & Interest Earned
- \$ 400,195 Increase in Local General Fund Contribution to Special Education

### Expenditures:

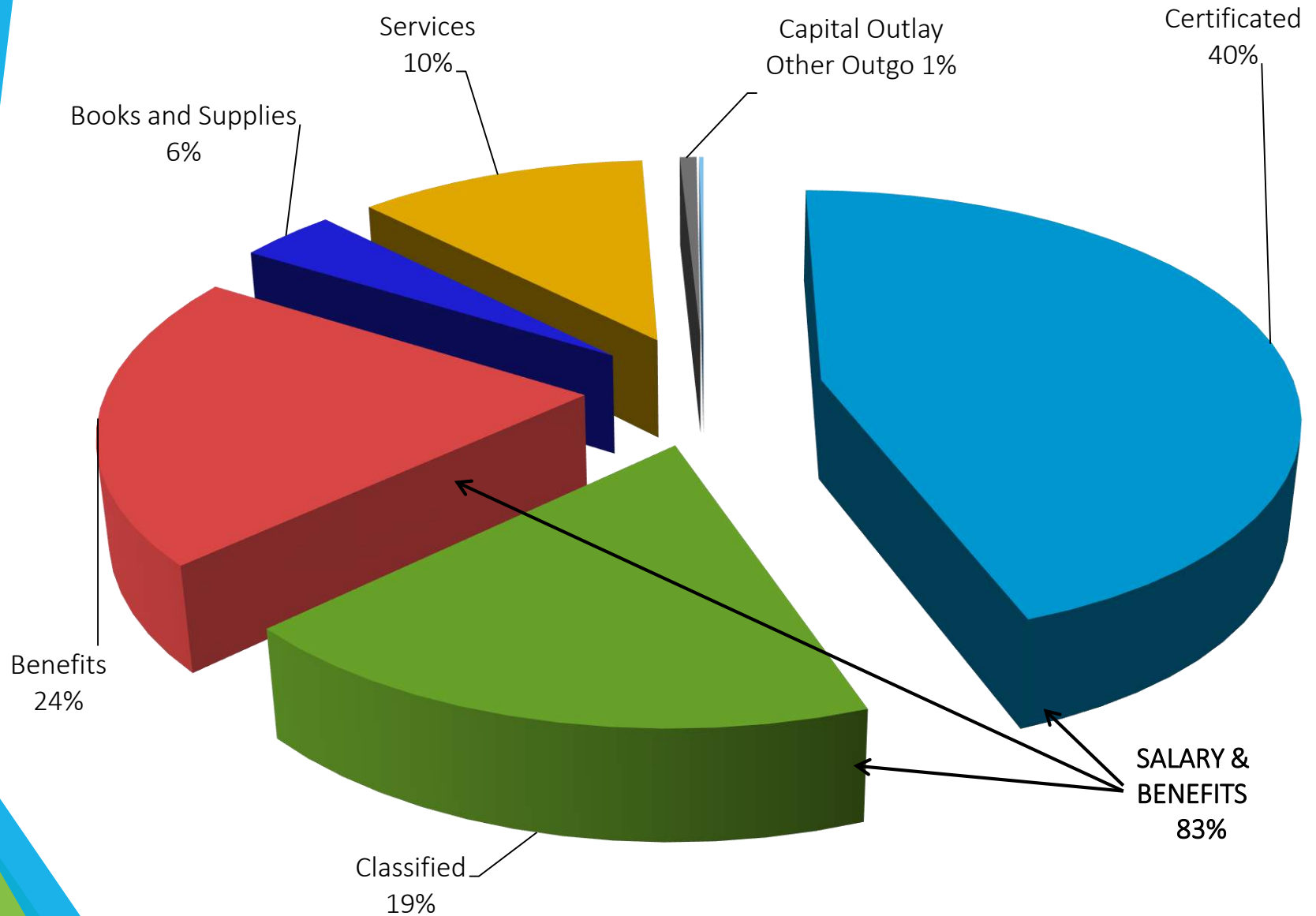
- \$ 87,535 Increase in Certificated Salaries
- \$ 253,642 Increase in Classified Salaries
  - 5.2883 FTE Special Ed Paraeducator*
- \$ 50,589 Increase in Employee Benefits
- \$ 575,747 Increase in Books, General Supplies and Textbooks
- \$ 541,933 Increase in Services and Other Operating Costs
  - \$78K Non-Public Agency Settlements*
  - \$88K Conference & Travel*
  - \$28K Repairs and Noncapitalized Improvements*
  - \$324K Consultant Services*
  - \$4K Communication Services*
  - \$16K Inter-department transfer of costs*
- \$ 41,000 Increase in Equipment for Franklin Elementary Shade Structure
- \$ 34,827 Increase in indirect costs from various programs


# 2018-19 GENERAL FUND (01) REVENUE





# 2018-19 GENERAL FUND (01) EXPENDITURES





Fund Balance

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2018-19 FIRST INTERIM REPORT**  
**AS OF 10/31/18**  
**GENERAL FUND (01) Ending Fund Balance Components**

<b>Combined Assigned and Unassigned Fund Balances</b>		<b>2018-19</b>
<b>Fund 01: Unrestricted General Fund</b>		
Unrestricted General Fund Balance	\$	32,305,954
Total Assigned and Unassigned Fund Balance		32,305,954
Less: Reserve for Economic Uncertainties		4,907,906
Fund Balance that Requires Explanation		27,398,048
<b>Reasons for Assigned and Unassigned Ending Fund Balances</b>		
<b>*Above the State Recommended Minimum Level</b>		
		27,398,048
Reserve for Reevolving Cash, Store & Prepaid		(162,762)
Reserve for 19-20 Deficit Spending		(1,056,683)
Reserve for 19-20 SERP Pymnt 1 of 5		(904,060)
^Reserve for up to 2 months General Fund Expenditures		(21,858,330)
<b>Unappropriated Balance</b>		<b>3,445,219</b>

\*current reserve is at 19.32% (up 1.54% from 17.78% @ Budget Adoption in June 2018)

^A 2-month reserve would be approximately \$26.9M

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2018-19 SECOND INTERIM REPORT**  
**AS OF 1/31/19**  
**GENERAL FUND (01) Ending Fund Balance Components**

<b>Combined Assigned and Unassigned Fund Balances</b>		<b>2018-19</b>
<b>Fund 01: Unrestricted General Fund</b>		
Unrestricted General Fund Balance	\$	25,308,580
Total Assigned and Unassigned Fund Balance		25,308,580
Less: Reserve for Economic Uncertainties		5,017,611
Fund Balance that Requires Explanation		20,290,969
<b>Reasons for Assigned and Unassigned Ending Fund Balances</b>		
<b>*Above the State Recommended Minimum Level</b>		
		20,290,969
Reserve for 2017-18 ERAF Repayment		(8,861,132)
Reserve for Revolving Cash & Prepaids		(162,762)
Reserve for 19-20 Deficit Spending		(5,156,868)
Reserve for 20-21 Deficit Spending		(4,999,995)
^Reserve for up to 2 months General Fund Expenditures		(1,110,212)
<b>Unappropriated Balance</b>		<b>0</b>

\*current reserve is at 9.73% (down 9.59% from 19.32% @ First Interim Dec. 2018)

^A 2-month reserve would be approximately \$26.9M



# 2016-17

## Statewide Average Reserves

2016-17 Average Unrestricted General Fund, Plus Fund 17; Ending Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change From Prior Year*
Elementary School Districts	21.07%	(0.46%)
High School Districts	17.25%	0.06%
Unified School Districts	16.64%	0.19%
^ SMMUSD Reserve (as of 2018-19 Second Interim)	9.73%	†(9.59%)

^ Repayment of 2017-18 ERAF

^ Adjusted current year property tax to LACOE P-1 Property Tax Estimate

† Two year change from 2016-17 to 2018-19; 2017-18 Reserve  
levels will be published Spring 2019

Source: Statewide certified data

\*Increase relative to the reserve levels of 2016-17





Other Funds

# 2018-19 Second Interim Budget Report

## FUND 11: ADULT EDUCATION FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	664,347	664,347	
8100-8299	Federal Revenue	43,841	43,841	-
8300-8590	Other State Revenue	712,737	712,737	-
8600-8799	Local Revenue	32,500	32,500	-
	<b>Total Revenues</b>	<b>789,078</b>	<b>789,078</b>	-
1000-1999	Certificated Salaries	307,154	307,154	-
2000-2999	Classified Salaries	171,853	173,676	1,823
3000-3999	Employee Benefits	181,158	184,576	3,418
4000-4999	Books and Supplies	81,495	81,145	(350)
5000-5999	Services and Other Operating Costs	49,653	50,003	350
7300-7399	Indirect Costs	34,665	34,665	-
	<b>Total Expenditures</b>	<b>825,978</b>	<b>831,219</b>	<b>5,241</b>
	Increase /(Decrease) Fund Balance	<b>(36,900)</b>	<b>(42,141)</b>	<b>(5,241)</b>
	<b>Projected Fund Balance</b>	<b>627,447</b>	<b>622,206</b>	



# 2018-19 Second Interim Budget Report

## Major Changes

### Revenue:

No change in revenue since First Interim

### Expenditure:

- \$ 1,823 Increase in monthly and hourly clerical office salary
- \$ 3,418 Increase in corresponding Benefits
- \$ (350) Decrease in Supplies
- \$ 350 Increase in Services & Other Operating Costs for Travel/Conference



## 2018-19 Second Interim Budget Report

### FUND 12: CHILD DEVELOPMENT FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	805,928	805,928	
8100-8299	Federal Revenue	1,736,610	1,775,418	38,808
8300-8590	State Revenue	2,750,908	2,881,445	130,537
8600-8799	Local Revenue	4,309,848	4,504,123	194,275
8900-8929	Interfund Transfer from Fund 01	-	-	-
	<b>Total Revenues</b>	<b>8,797,366</b>	<b>9,160,986</b>	<b>363,620</b>
1000-1999	Certificated Salaries	2,983,082	3,055,082	72,000
2000-2999	Classified Salaries	2,472,513	2,496,213	23,700
3000-3999	Employee Benefits	2,263,570	2,381,192	117,622
4000-4999	Books and Supplies	213,439	216,955	3,516
5000-5999	Services and Other Operating Costs	713,898	843,781	129,883
7300-7399	Indirect Costs	346,484	363,383	16,899
	<b>Total Expenditures</b>	<b>8,992,986</b>	<b>9,356,606</b>	<b>363,620</b>
	Increase /(Decrease) Fund Balance	<b>(195,620)</b>	<b>(195,620)</b>	-
	<b>Projected Fund Balance</b>	<b>610,308</b>	<b>610,308</b>	





# 2018-19 Second Interim Budget Report

## Major Changes:

### Revenues:

- \$ 38,808 Increase in Federal Head Start funding to close out program as grantee with LACOE
- \$ 130,537 Increase in State California State Preschool Program (CSPP)
- \$ 194,275 Adjust budget to align with current fees collected

### Expenditures:

- \$ 72,000 Increase in Certificated salaries
  - \$6K Teacher Hourly*
  - \$29K Teacher Sub*
  - \$21K Update Director salary allocation*
  - \$15K Update Coordinator salary allocation*
- \$ 23,700 Increase in Classified salary for Instructional Assistant Hourly & Subs
- \$ 117,622 Increase in Benefits
- \$ 3,516 Increase in Supplies
- \$ 129,883 Increase in Services and Other Operating Costs
  - \$80K Independent Contractors/Consultants*
  - \$30K Food Services Food Costs*
  - \$10K Utilities Costs*
  - \$10K Other Operating Costs (Conference/Travel)*
- \$ 16,899 Increase in Indirect Costs

## 2018-19 Second Interim Budget Report

### FUND 13: CAFETERIA SPECIAL FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	377,344	377,344	
8100-8299	Federal Revenue	1,070,000	1,070,000	-
8300-8590	State Revenue	65,000	65,000	-
8600-8799	Local Revenue	1,130,300	1,130,300	-
8900-8929	Interfund Transfer from Fund 01	900,000	900,000	-
	<b>Total Revenues</b>	<b>3,165,300</b>	<b>3,165,300</b>	-
2000-2999	Classified Salaries	1,347,516	1,332,929	(14,587)
3000-3999	Employee Benefits	595,141	592,406	(2,735)
4000-4999	Books and Supplies	1,603,000	1,603,000	-
5000-5999	Services and Other Operating Costs	(295,550)	(295,550)	-
7300-7399	Indirect Costs	163,805	163,805	-
	<b>Total Expenditures</b>	<b>3,413,912</b>	<b>3,396,590</b>	<b>(17,322)</b>
	Increase /(Decrease) Fund Balance	<b>(248,612)</b>	<b>(231,290)</b>	<b>17,322</b>
	<b>Projected Fund Balance</b>	<b>128,732</b>	<b>146,054</b>	



# 2018-19 Second Interim Budget Report

## Major Changes:

### Revenues:

No change in revenue since 1st Interim

### Expenditures:

\$ (14,587) Decrease in Classified salaries - adjustments based on leave use and vacancies

\$ (2,735) Decrease in Benefits



# 2018-19 Second Interim Budget Report

## FUND 14: DEFERRED MAINTENANCE FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	568,933	568,933	
8010-8099	LCFF transfer to Fund 14	-	-	-
8600-8799	Local Revenue	3,000	3,000	-
8919-	Transfer form General Fund	1,500,000	1,500,000	-
	<b>Total Revenues</b>	<b>1,503,000</b>	<b>1,503,000</b>	-
4000-4999	Books and Supplies	3,000	3,000	-
5000-5999	Services and Other Operating Costs	1,300,000	1,300,000	-
6000-6999	Capital Outlay	200,000	200,000	-
	<b>Total Expenditures</b>	<b>1,503,000</b>	<b>1,503,000</b>	-
	Increase /(Decrease) Fund Balance	-	-	-
	<b>Projected Fund Balance</b>	<b>568,933</b>	<b>568,933</b>	

### Revenue:

No change since 1st Interim

### Expenditure:

No change since 1st Interim



## 2018-19 Second Interim Budget Report

### \*FUND 21: BUILDING FUND / MEASURE "BB" & "ES" All Series

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	58,773,233	58,773,233	
8600-8799	Local Revenue	1,320,000	1,320,000	-
8800-8951	Bond Proceeds	120,000,000	120,000,000	
8952-8979	Other Financing	50,000	50,000	
8980-8999	Transfers	-	-	-
	<b>Total Revenues</b>	<b>121,370,000</b>	<b>121,370,000</b>	-
2000-2999	Classified Salaries	891,259	891,259	-
3000-3999	Employee Benefits	396,820	396,820	-
4000-4999	Books and Supplies	943,870	993,870	50,000
5000-5999	Services and Other Operating Costs	24,557,594	24,557,594	-
6000-6999	Capital Outlay	110,151,202	110,151,202	-
	<b>Total Expenditure</b>	<b>136,940,745</b>	<b>136,990,745</b>	50,000
	<b>Increase /(Decrease) Fund Balance</b>	<b>(15,570,745)</b>	<b>(15,620,745)</b>	<b>(50,000)</b>
	<b>Projected Fund Balance</b>	<b>43,202,488</b>	<b>43,152,488</b>	

\*See Appendix for Fund 21 by Measure & Series



# 2018-19 Second Interim Budget Report

## FUND 25: CAPITAL FACILITIES FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	3,864,848	3,864,848	
8681	Developer Fees	800,000	800,000	-
8660	Local Revenue	15,000	15,000	-
	<b>Total Revenues</b>	<b>815,000</b>	<b>815,000</b>	<b>-</b>
4000-4999	Supplies	3,000	6,000	3,000
5000-5999	Services and Other Operating Costs	800,000	1,605,000	805,000
6000-6999	Capital Outlay	-	-	-
	<b>Total Expenditures</b>	<b>803,000</b>	<b>1,611,000</b>	<b>808,000</b>
	Increase /(Decrease) Fund Balance	<b>12,000</b>	<b>(796,000)</b>	<b>(808,000)</b>
	<b>Projected Fund Balance</b>	<b>3,876,848</b>	<b>3,068,848</b>	

### Revenue:

No Change Since Budget Adoption

### Expenditure:

\$ 3,000 Increase in supply costs related to Malibu Fire

\$ 805,000 Increase in consultant fees, independent contractors and other fees related to Malibu Fire



# 2018-19 Second Interim Budget Report

## FUND 40: SPECIAL RESERVE FUND FOR CAPITAL OUTLAY

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	15,641,319	15,641,319	
8590-8599	State Revenue		-	-
8600-8625	Local Revenue	7,000,000	7,000,000	-
8626-8660	Local Revenue	60,000	60,000	
	<b>Total Revenues</b>	<b>7,060,000</b>	<b>7,060,000</b>	-
4000-4999	Supplies	92,675	92,675	-
5000-5999	Services and Other Operating Costs	2,698,008	2,718,008	20,000
6000-6999	Capital Outlay	1,501,817	1,481,817	(20,000)
7400-7499	COPS Payments	1,869,131	1,869,131	-
	<b>Total Expenditures</b>	<b>6,161,631</b>	<b>6,161,631</b>	-
	Increase /(Decrease) Fund Balance	<b>898,369</b>	<b>898,369</b>	-
	<b>Projected Fund Balance</b>	<b>16,539,688</b>	<b>16,539,688</b>	

### Major Changes:

#### Revenue:

No change since 1st Interim

#### Expenditure:

Net Zero Transfer between object code 5000 and 6000





# 2018-19 Second Interim Budget Report

## FUND 51: BOND INTEREST & REDEMPTION

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	42,183,382	42,183,382	
8600-8660	Local Revenue	-	-	
8661-8799	Local Revenue	33,892,357	33,892,357	
	<b>Total Revenues</b>	<b>33,892,357</b>	<b>33,892,357</b>	-
7100-7499	Other Outgo	42,989,935	42,989,935	-
	Total Expenditures	<b>42,989,935</b>	<b>42,989,935</b>	-
	Increase /(Decrease) Fund Balance	<b>(9,097,578)</b>	<b>(9,097,578)</b>	-
	<b>Projected Fund Balance</b>	<b>33,085,804</b>	<b>33,085,804</b>	-

### Major Changes:

#### Revenue:

No change since 1st Interim

#### Expenditure:

No change since 1st Interim



# 2018-19 Second Interim Budget Report

## FUND 71: RETIREE BENEFIT FUND FOR OPEB

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	7,850,512	7,850,512	
8600-8660	Local Revenue	100,000	100,000	
8661-8799	Local Revenue	1,300,000	1,300,000	
	<b>Total Revenues</b>	<b>1,400,000</b>	<b>1,400,000</b>	-
5000-5999	Services and Other Operating Costs	1,300,000	1,300,000	-
	<b>Total Expenditures</b>	<b>1,300,000</b>	<b>1,300,000</b>	-
	Increase /(Decrease) Fund Balance	100,000	100,000	-
	<b>Projected Fund Balance</b>	<b>7,950,512</b>	<b>7,950,512</b>	

### Major Changes:

#### Revenue:

No change since 1st Interim

#### Expenditure:

No change since 1st Interim





# Multi-Year Projection

# Multi-year Projection Reflects:

- The District's financial position over the current and next two fiscal years.
- State revenue Cost of Living (COLA) increases over the next three years
  - 3.70% (2018-19)
  - 3.46% (2019-20) *Note: SSC published this will decrease to 3.26% at the May Revise*
  - 2.86% (2020-21)
- LCFF Gap Funding increasing
  - 100% (2018-19)
  - 100% (2019-20)
  - 100% (2020-21).
- Student enrollment is at 10,625 for 2018-19; down from 10,806 for 2017-18
- Local revenue from parcel taxes, Prop Y & GSH and the City of Santa Monica contribution projections
  - \$40.2 million in 2018-19
  - \$40.6 million in 2019-20
  - \$42.1 million in 2020-21.



# Multi-year Projection continued:

- 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, up to 2 months of General Fund Expenditures, the net savings of the Supplemental Early Retirement Plan (SERP), and the projected savings of the Cabrillo and Pt. Dume merger.
- Does not include potential salary schedules changes; as a result of negotiations with SMMCTA, SEIU, or SMMASA.



2018-19 LCFF CALCULATION					1/31/2019
<b>BASE GRANT</b>					
	TK-3	4-6	7-8	9-12	<b>TOTAL</b>
	2,903.04	2,464.57	1,610.47	3,333.35	10,311.43
2017-18 BASE	7,193	7,301	7,518	8,712	
COLA 3.7%	7,459	7,571	7,796	9,034	
	21,653,775	18,659,259	12,555,224	30,113,484	<b>82,981,743</b>
<b>AUGMENTATION GRANTS:</b>					
CSR AUGMENTATION: BASE GRANT X 10.4%					2,251,993
CTE AUGMENTATION 9-12 BASE GRANT X 2.6%					782,951
<b>SUPPLEMENTAL AND CONCENTRATION GRANTS:</b>					
TOTAL ENROLLMENT					10,812
TOTAL UNDUPLICATED PUPIL COUNT					3,012
					27.85%
<b>SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLM</b>					<b>4,791,816</b>
<b>TRANSPORTATION AND TIIG GRANT</b>					
2012-13 TRANSPORTATION					820,273
2012-13 TIIG					429,757
<b>TOTAL 2018-19 LCFF ENTITLEMENT</b>					<b>92,058,533</b>
<b>MINIMUM STATE AID / 2012-13 CATEGORICAL PROGRAMS</b>					<b>8,585,843</b>
<b>TOTAL FUNDING LESS: 2012-13 MINIMUM/CATEGORICAL</b>					<b>83,472,690</b>
<b>LOCAL REVENUE / PROPERTY TAXES</b>					<b>83,559,341</b>
<b>Amount of Property Tax Over LCFF Funding (Basic Aid when negative)</b>					<b>(86,651)</b>

**Note Outside of Calculation:**

<b>EDUCATION PROTECTION ACCOUNT</b>	2,000,000
<b>TRANSFER TO CHARTER SCHOOL</b>	-38,000

# **MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND**

	A	B	C	D	E
	LCFF SOURCES	Object Code	2018-19	2018-19	2018-19
			ADOPTED BUDGET	1ST INTERIM BUDGET	2ND INTERIM BUDGET
1	<b>Property Taxes</b>				LACOE P-1 Estimate
2	Homeowners' Exemptions	8021	379,923	379,923	387,447
3	Other Subventions/In-Lieu Taxes	8029	393,354	393,354	315,818
4	<b>County &amp; District Taxes</b>				
5	Secured Roll Taxes	8041	67,309,727	67,309,727	64,301,328
6	Unsecured Roll Taxes	8042	2,324,448	2,324,448	2,437,595
7	Prior Years' Taxes	8043	4,771,307	4,771,307	940,268
8	ERAF	8045	849,245	849,245	-
9	<b>Sub Total Property Tax</b>		76,028,004	76,028,004	68,382,456
10	Community Redevelopment Funds (RDA)	8047	15,000,000	15,000,000	15,176,885
11	<b>Subtotal Property Tax</b>	802X-804X	91,028,004	91,028,004	83,559,341
12	<b>LCFF</b>				
13	Education Protection Account (EPA)	8012	2,000,000	2,000,000	2,000,000
14	Minimum State Aid	8011	8,585,843	8,585,843	8,585,843
15	<b>Subtotal LCFF</b>	801X	10,585,843	10,585,843	10,585,843
16	<b>LCFF Transfer to Charter</b>	8096	-	(38,000)	(38,000)
17	<b>TOTAL LCFF FUNDING</b>	801X-8096	101,613,847	101,575,847	94,107,184

# MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

		A	B	C
		2018-19	2019-20	2020-21
	Description	2ND INTERIM BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
	Revenue:			
1	Property Tax	83,559,341	86,801,579	90,391,658
2	Education Protection Account (EPA)	2,000,000	2,000,000	2,000,000
3	LCFF Transfer to Fund Fund 14	-	-	-
4	LCFF Transfer to Charter School	(38,000)	(38,000)	(38,000)
5	Pr. Year LCFF Adjustment	-	-	-
7	Minimum State Aid	8,585,843	8,585,843	8,585,843
8	<b>Subtotal LCFF Funding</b>	<b>94,107,184</b>	<b>97,349,422</b>	<b>100,939,501</b>
10	Other Federal	301,398	13,000	13,000
11	Lottery	1,624,179	1,600,000	1,600,000
12	Mandated Reimbursement Block Grant	416,289	380,000	380,000
13	One-time Mandated	1,895,510	-	-
14	Other State Revenue	5,460	5,000	5,000
15	Meas. "R"	12,205,124	12,449,227	12,698,211
16	Meas. Y & GSH/ City of SM	15,248,204	15,553,168	15,864,231
17	Joint Use Agreement	9,366,941	9,554,280	9,745,365
18	SMM Ed Foundation Donation	2,046,015	-	-
19	SM Ed Foundation Donation		2,000,000	2,000,000
20	Malibu Ed Foundation (tbd) Donation	-	500,000	500,000
21	Lease & Rental	2,450,000	2,450,000	2,450,000
22	All Other Local Income	1,252,089	1,170,000	1,180,000
24	Local General Fund Contribution	(28,706,303)	(29,280,429)	(29,866,038)
25	<b>TOTAL REVENUE</b>	<b>112,212,090</b>	<b>113,743,667</b>	<b>117,509,271</b>

# MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C	D	E
	LCFF SOURCES	Object Code	2018-19	2019-20	2020-21
			2ND INTERIM BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
1	<b>Property Taxes</b>		LACOE P-1 Estimate	Projected	Projected
2	Homeowners' Exemptions	8021	387,447	406,819	427,160
3	Other Subventions/In-Lieu Taxes	8029	315,818	331,609	348,189
4	<b>County &amp; District Taxes</b>				
5	Secured Roll Taxes	8041	64,301,328	67,516,394	70,892,214
6	Unsecured Roll Taxes	8042	2,437,595	2,559,475	2,687,448
7	Prior Years' Taxes	8043	940,268	987,281	1,036,645
8	ERAF	8045	-	-	-
9	<b>Sub Total Property Tax</b>		68,382,456	71,801,579	75,391,658
10	Community Redevelopment Funds (RDA)	8047	15,176,885	15,000,000	15,000,000
11	<b>Subtotal Property Tax</b>	802X-804X	83,559,341	86,801,579	90,391,658
12	<b>LCFF</b>				
13	Education Protection Account (EPA)	8012	2,000,000	2,000,000	2,000,000
14	Minimum State Aid	8011	8,585,843	8,585,843	8,585,843
15	<b>Subtotal LCFF</b>	801X	10,585,843	10,585,843	10,585,843
16	<b>LCFF Transfer to Charter</b>	8096	(38,000)	(38,000)	(38,000)
17	<b>TOTAL LCFF FUNDING</b>	801X-8096	94,107,184	97,349,422	100,939,501



**MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND**

		<b>A</b>	<b>B</b>	<b>C</b>
		2018-19	2019-20	2020-21
<b>26</b>	<b>Expenditure:</b>			
<b>27</b>	Certificated Salary	53,748,752	54,554,983	55,373,308
<b>28</b>	Classified	19,170,597	19,458,156	19,750,028
<b>29</b>	Benefits	29,588,474	31,667,397	33,865,930
<b>30</b>	<i>STRS</i>	<b>8,545,594</b>	<b>9,328,902</b>	<b>10,022,569</b>
<b>31</b>	<i>PERS</i>	<b>3,210,763</b>	<b>3,745,890</b>	<b>4,298,001</b>
<b>32</b>	<i>SOCIAL SECURITY &amp; MEDICARE</i>	<b>2,360,783</b>	<b>2,279,596</b>	<b>2,313,790</b>
<b>33</b>	<i>HEALTH AND WELFARE</i>	<b>11,478,240</b>	<b>12,281,717</b>	<b>13,141,437</b>
<b>34</b>	<i>SUI</i>	<b>39,592</b>	<b>42,007</b>	<b>42,562</b>
<b>35</b>	<i>WORKERS COMP</i>	<b>2,922,103</b>	<b>2,960,526</b>	<b>3,004,933</b>
<b>36</b>	<i>OPEB</i>	<b>907,803</b>	<b>925,164</b>	<b>939,042</b>
<b>37</b>	<i>CASH IN -LIEU</i>	<b>103,596</b>	<b>103,596</b>	<b>103,596</b>
<b>38</b>	Supplies/Books	4,107,897	2,000,000	2,000,000
<b>39</b>	Other Operational Costs	11,416,647	9,500,000	9,500,000
<b>40</b>	Capital Outlay	302,222	200,000	500,000
<b>41</b>	Transfer to County Specialized Schools	120,000	120,000	120,000
<b>42</b>	Malibu Ed Foundation (tbd) Expenses	-	500,000	500,000
<b>43</b>	Debt Services / SERP Saving	28,799	(750,000)	(750,000)
<b>44</b>	Malibu Realignment (Cabrillo)	-	(600,000)	(600,000)
<b>45</b>	Indirect	(1,073,849)	(1,000,000)	(1,000,000)
<b>46</b>	GSH Technology Plan/Replacement	2,000,000	1,000,000	1,000,000
<b>47</b>	Interfund Transfer Out to Fund 12 CDS	-	1,000,000	1,000,000
<b>48</b>	Interfund Transfer Out to Fund 13 FNS	900,000	750,000	750,000
<b>49</b>	Interfund Transfer Out to Fund 14 DefM	1,500,000	500,000	500,000
<b>50</b>	<b>TOTAL EXPENDITURE</b>	<b>121,789,539</b>	<b>118,900,535</b>	<b>122,509,266</b>



## MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C
	2018-19	2019-20	2020-21
<b>51</b> Increase (Decrease) Fund Balance	<b>(9,577,449)</b>	<b>(5,156,868)</b>	<b>(4,999,995)</b>
<b>52</b> Beginning Fund Balance	34,886,030	16,447,449	11,290,581
<b>53</b> Reserve - 17-18 ERAF REPAYMENT	(8,861,132)	-	-
<b>54</b> Ending Fund Balance	16,447,449	11,290,581	6,290,586
<b>55</b> Reserve - Revolving Cash, Pre-pays	162,762	162,762	162,762
<b>56</b> Reserve - Deficiting Spending in 18-19	-	-	-
<b>57</b> Reserve - Deficiting Spending in 19-20	5,156,868	-	-
<b>58</b> Reserve - Deficiting Spending in 20-21	4,999,995	4,999,995	-
<b>59</b> Reserve - Deficiting Spending in 21-22	-	-	-
<b>60</b> 3% Contingency Reserve	5,017,611	4,938,756	5,096,294
<b>61</b> Reserve Up to 2-months of Expenses	1,110,212	1,189,067	1,031,529
<b>62</b> Unappropriated Balance	<b>0</b>	<b>0</b>	<b>0</b>



**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
**2018-19 SECOND INTERIM REPORT**  
**AS OF 1/31/19**  
**GENERAL FUND (01) Ending Fund Balance Components**

<b>Combined Assigned and Unassigned Fund Balances</b>		<b>2018-19</b>
<b>Fund 01: Unrestricted General Fund</b>		
Unrestricted General Fund Balance	\$	25,308,580
Total Assigned and Unassigned Fund Balance		25,308,580
Less: Reserve for Economic Uncertainties		5,017,611
Fund Balance that Requires Explanation		20,290,969
<b>Reasons for Assigned and Unassigned Ending Fund Balances</b>		
<b>*Above the State Recommended Minimum Level</b>		
		20,290,969
Reserve for 2017-18 ERAF Repayment		(8,861,132)
Reserve for Revolving Cash & Prepaids		(162,762)
Reserve for 19-20 Deficit Spending		(5,156,868)
Reserve for 20-21 Deficit Spending		(4,999,995)
^Reserve for up to 2 months General Fund Expenditures		(1,110,212)
<b>Unappropriated Balance</b>		<b>0</b>

\*current reserve is at 9.73% (down 9.59% from 19.32% @ First Interim Dec. 2018)

^A 2-month reserve would be approximately \$26.9M



## 2<sup>nd</sup> Interim Certification Status



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


- The District is submitting the 1<sup>st</sup> Interim Report with a **Positive Certification**.
- The District will be able to meet its obligation in the current and next two fiscal years.
- The District must address deficit spending or it will risk future positive certifications.



# Next Steps

- Receive Board Direction on District Budget
- Board Approval of 2018-19 Second Interim
- Third Budget Revision Board Approval
  - ✓ *Thursday, May 16, 2019 BOE Meeting*





# Appendix

(Bond by Measure & Series)

# 2018-19 Second Interim Budget Report

## FUND 21.3: BUILDING FUND / MEASURE "BB" SERIES D

Object	Description	First Interim 10/31/18	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	23,374,934	23,374,934	
8600-8799	Local Revenue	120,000	120,000	-
8980	Transfer From ES Bond (Fund 21.7)	30,000,000	30,000,000	-
	Total Revenues	<b>30,120,000</b>	<b>30,120,000</b>	-
2000-2999	Classified Salaries	261,367	261,367	-
3000-3999	Employee Benefits	102,659	102,659	-
4000-4999	Books and Supplies	198,200	198,200	-
5000-5999	Services and Other Operating Costs	6,625,350	6,625,350	-
6000-6999	Capital Outlay	20,498,100	20,498,100	-
	Total Expenditure	<b>27,685,676</b>	<b>27,685,676</b>	-
	Increase /(Decrease) Fund Balance	<b>2,434,324</b>	<b>2,434,324</b>	-
	<b>Projected Fund Balance</b>	<b>25,809,258</b>	<b>25,809,258</b>	



# 2018-19 Second Interim Budget Report

## FUND 21.4: BUILDING FUND / MEASURE "ES" SERIES A

Object	Description	First Interim 10/31/18	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	-	-	
8600-8799	Local Revenue	-	-	-
	Total Revenues	-	-	-
2000-2999	Classified Salaries	-	-	-
3000-3999	Employee Benefits	-	-	-
4000-4999	Books and Supplies	-	-	-
5000-5999	Services and Other Operating Costs	-	-	-
6000-6999	Capital Outlay	-	-	-
	Total Expenditure	-	-	-
	Increase /(Decrease) Fund Balance	-	-	-
	<b>Projected Fund Balance</b>	-	-	



# 2018-19 Second Interim Budget Report

## FUND 21.5: BUILDING FUND / MEASURE "ES" SERIES B

Object	Description	First Interim 10/31/18	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	8,242,253	8,242,253	
8600-8799	Local Revenue	200,000	200,000	-
8980-8999	Transfer From ES Bond (Fund 21.6)	10,000,000	10,000,000	-
	Total Revenues	<b>10,200,000</b>	<b>10,200,000</b>	-
2000-2999	Classified Salaries	9,000	9,000	-
3000-3999	Employee Benefits	2,793	2,793	-
4000-4999	Books and Supplies	38,500	38,500	-
5000-5999	Services and Other Operating Costs	6,817,600	6,817,600	-
6000-6999	Capital Outlay	11,874,000	11,874,000	-
	Total Expenditure	<b>18,741,893</b>	<b>18,741,893</b>	-
	Increase /(Decrease) Fund Balance	<b>(8,541,893)</b>	<b>(8,541,893)</b>	-
	<b>Projected Fund Balance</b>	<b>(299,640)</b>	<b>(299,640)</b>	



# 2018-19 Second Interim Budget Report

## FUND 21.6: BUILDING FUND / MEASURE "ES" SERIES C

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	27,156,047	27,156,047	
8600-8799	Local Revenue	500,000	500,000	-
8980-8999	Transfer to ES Project (Fund 21.5)	(9,990,000)	(9,990,000)	-
	Total Revenues	<b>(9,490,000)</b>	<b>(9,490,000)</b>	-
2000-2999	Classified Salaries	620,892	620,892	-
3000-3999	Employee Benefits	291,368	291,368	-
4000-4999	Books and Supplies	607,170	657,170	50,000
5000-5999	Services and Other Operating Costs	4,087,494	4,087,494	-
6000-6999	Capital Outlay	2,741,102	2,741,102	-
	Total Expenditure	<b>8,348,026</b>	<b>8,398,026</b>	50,000
	Increase /(Decrease) Fund Balance	<b>(17,838,026)</b>	<b>(17,888,026)</b>	<b>(50,000)</b>
	<b>Projected Fund Balance</b>	<b>9,318,021</b>	<b>9,268,021</b>	





# 2018-19 Second Interim Budget Report

## FUND 21.7: BUILDING FUND / MEASURE "ES" SERIES D

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	-	-	
8600-8799	Local Revenue	500,000	500,000	-
8800-8951	Bond Proceeds	120,000,000	120,000,000	
8952-8979	Other Financing	50,000	50,000	
8980-8999	Transfer to ES Project (Fund 21.3)	(30,010,000)	(30,010,000)	-
	Total Revenues	<b>90,540,000</b>	<b>90,540,000</b>	-
2000-2999	Classified Salaries	-	-	-
3000-3999	Employee Benefits	-	-	-
4000-4999	Books and Supplies	100,000	100,000	-
5000-5999	Services and Other Operating Costs	7,027,150	7,027,150	-
6000-6999	Capital Outlay	75,038,000	75,038,000	-
	Total Expenditure	<b>82,165,150</b>	<b>82,165,150</b>	-
	Increase /(Decrease) Fund Balance	<b>8,374,850</b>	<b>8,374,850</b>	-
	<b>Projected Fund Balance</b>	<b>8,374,850</b>	<b>8,374,850</b>	

