



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# 2020-21 Second Interim Report

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Assistant Superintendent,  
Business & Fiscal Services

March 4, 2021 Board Meeting  
Agenda Item II.K.9



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

- Shows the District's financial position as of January 31, 2021
- 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
- Includes the ongoing Fiscal Stabilization Plan as required by LACOE
- Certifies one of three conditions:
  - Positive, Negative or Qualified



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# GENERAL FUND

FUND 01

## FUND 01: UNRESTRICTED GENERAL FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	22,216,871	22,216,871	
8011-8099	LCFF Revenue	104,515,664	104,515,664	-
8100-8299	Federal Revenue	300,000	300,000	-
8300-8590	State Revenue	1,867,482	1,864,137	(3,345)
8600-8799	Local Revenue	41,352,512	40,543,336	(809,176)
8980-8999	Local General Fund Contributions	(30,242,378)	(30,308,210)	(65,832)
	<b>Total Revenue</b>	<b>117,793,280</b>	<b>116,914,927</b>	<b>(878,353)</b>
1000-1999	Certificated Salaries	52,848,028	53,173,046	325,018
2000-2999	Classified Salaries	19,470,936	19,231,084	(239,852)
3000-3999	Employee Benefits	31,294,799	30,944,304	(350,495)
4000-4999	Books and Supplies	1,672,404	1,404,805	(267,599)
5000-5999	Services and Other Operating Costs	14,868,582	13,734,680	(1,133,902)
6000-6999	Capital Outlay	153,822	153,822	-
7100-7299	Other Outgo	75,000	75,000	-
7300-7399	Indirect Costs	(1,170,043)	(1,080,062)	89,981
7400-7499	Debt Services	-	-	
7600-7629	Transfer Out/ Fund 12, 13, 14	3,848,000	4,748,000	900,000
	<b>Total Expenditures</b>	<b>123,061,528</b>	<b>122,384,679</b>	<b>(676,849)</b>
	Increase /(Decrease) Fund Balance	<b>(5,268,248)</b>	<b>(5,469,752)</b>	<b>(201,504)</b>
	<b>Projected Fund Balance</b>	<b>16,948,623</b>	<b>16,747,119</b>	



## 2020-21 Second Interim Budget Report

### Revenues:

\$	(3,345)	State Mandated Cost Reimbursement Increase of \$1,655 and Other State Revenue decrease of \$5,000
\$	(809,176)	Decrease in Local Revenue
		<i>(139K) Stale/Expired Payroll Warrants</i>
		<i>(117K) Muir/SMASH First Vandalism Insurance Claim Settlement</i>
		<i>(81K) Delinquent Property Tax Revenue</i>
		<i>(76K) Canceled Vendor Warrants</i>
		<i>(57K) Woolsey Fire Losses Insurance Claim Settlement</i>
		<i>(54K) Woolsey Fire Damages Insurance Claim Settlement</i>
		<i>(52K) Muir/SMASH Second Vandalism Insurance Claim Settlement</i>
		<i>(50K) Interest Earned</i>
		<i>(43K) Stale/Expired Vendor Warrants</i>
		<i>(37K) Refund of Prepaid Risk Management Services Consultant (due to vacancy of Risk Manager by Gary Bradbury)</i>
		<i>(33K) Refund of 2018-19 Health Benefits Rebate</i>
		<i>(29K) Woolsey Fire Loss Insurance Claim Settlement for Classroom Aquarium</i>
		<i>(22K) Insurance Claim Settlement for Restoring Room 92 @ JAMS for Leaking AC Unit that Cause Water Damage</i>
		<i>(13K) Southern California Edison Rebate for Overcharge of Utilities</i>
		<i>(6K) American Fidelity Refund of Flexible Savings Account Over-contribution</i>
\$	(65,832)	Increase in Local General Fund Contribution (LGFC) to Special Education - Decrease to Revenue

# 2020-21 Second Interim Budget Report

## Expenditures:

- \$ 325,018 Increase in Certificated Hourly and Substitute Salaries to Support Distance Learning
- \$ (239,852) Decrease in Classified Hourly, Overtime, and Substitute Salaries Due to Covid-19 Closure
- \$ (350,495) Decrease in Statutory Benefits (-355K) & Increase in Employee Health Benefits (+5K)
- \$ (267,599) Decrease in Books & Supplies to Support Distance Learning - Budget will come from Restricted CARES Funds
- \$ (1,133,902) Decrease in Services & Operating Costs (legal costs, independent contractors, conf/travel)
  - (492,497) Consultants & Other Operating*
    - 750K Decrease in Pupil Fees Lawsuit to Move to Fiscal Year 2021-22*
    - 446K Decrease in Other Operational Costs (Maintenance Agmts, Advertising, Memberships, Interfund Transfers, Other)*
    - 399K Increase in Consultants at Site Level to Support Distance Learning (PS Arts, Reading & Writing Project, Virtual Music Classes, STAR Science, Digital Dragon, Etc.)*
    - 305K Increase in Legal (non-special education)*
  - (421,000) Utilities*
  - (273,162) Interfund Transfers (zero net-effect against Restricted General Fund)*
  - (8,450) Travel & Conference*
  - 43,582 Rentals, Leases, Repairs*
- \$ 89,981 Increase in Indirect Charge to Categorical Programs
- \$ 900,000 Increase in Interfund Transfer to Food Services



## FUND 01: RESTRICTED GENERAL FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	5,631,954	5,631,954	
8100-8299	Federal Revenue	9,944,359	9,917,772	(26,587)
8300-8590	State Revenue	3,079,910	3,154,652	74,742
8600-8799	Local Revenue	9,627,828	8,101,982	(1,525,846)
8980-8999	Local General Fund Contributions	30,242,378	30,308,210	65,832
	<b>Total Revenue</b>	<b>52,894,475</b>	<b>51,482,616</b>	<b>(1,411,859)</b>
1000-1999	Certificated Salaries	12,834,392	12,783,505	(50,887)
2000-2999	Classified Salaries	12,643,940	12,537,603	(106,337)
3000-3999	Employee Benefits	11,714,820	11,532,502	(182,318)
4000-4999	Books and Supplies	8,326,688	8,232,118	(94,570)
5000-5999	Services and Other Operating Costs	7,029,101	7,334,879	305,778
6000-6999	Capital Outlay	83,501	110,743	27,242
7300-7399	Indirect Costs	741,772	738,039	(3,733)
	<b>Total Expenditures</b>	<b>53,374,214</b>	<b>53,269,389</b>	<b>(104,825)</b>
	Increase /(Decrease) Fund Balance	<b>(479,739)</b>	<b>(1,786,773)</b>	<b>(1,307,034)</b>
	Projected Fund Balance	<b>5,152,215</b>	<b>3,845,181</b>	



## 2020-21 Second Interim Budget Report

### Revenues:

- \$ (26,587) Decrease in Special Education IDEA Funds
- \$ 74,742 Increase in Special Education Mental Health State Entitlement
- \$ (1,525,846) Decrease in Projected Rental & Lease Revenue
  - (1.4M) Facility Use Permit Funds from Facility Rentals*
  - (100K) Leases & Rents from Children's Creative Workshop & Growing Place*
- \$ 65,832 Increase in Local General Fund Contribution (LGFC) to Special Education

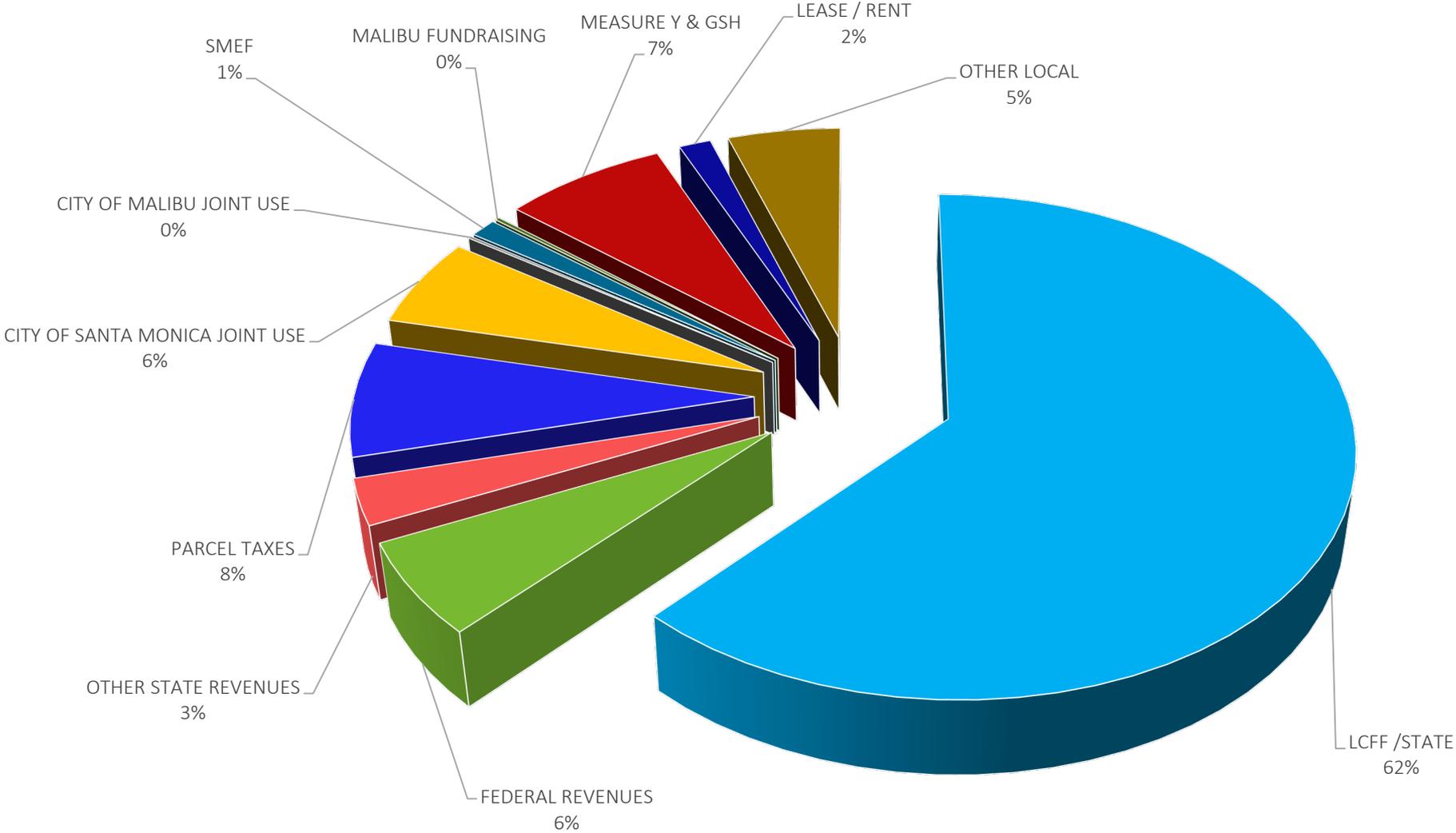
### Expenditures:

- \$ (50,887) Decrease in Certificated Hourly and Substitute Salaries during Distance Learning
- \$ (106,337) Decrease in Classified Hourly, Overtime, and Substitute Salaries during Distance Learning
- \$ (182,318) Decrease in Statutory Benefits (-44K) & in Employee Health Benefits (-138K)
- \$ (94,570) Decrease in Books & Supplies to transfer to Services & Other Operating
- \$ 305,778 Increase in Services & Operating Costs (legal costs, independent contractors, conf/travel)
  - 225K Special Education NPS and NPA Contracts*
  - 60K Repair by Vendor for Ongoing Major Maintenance Account*
  - 20K Other Operating Costs (Maintenance Agmts, Advertising, Memberships, Interfund Transfers, Other)*
- \$ 27,242 Increase in Equipment
  - 17K New Commercial Riding Lawnmower for Gardening Use*
  - 10K Power Sweeper for Custodial Use*
- \$ (3,733) Decrease in Indirect Costs from various programs

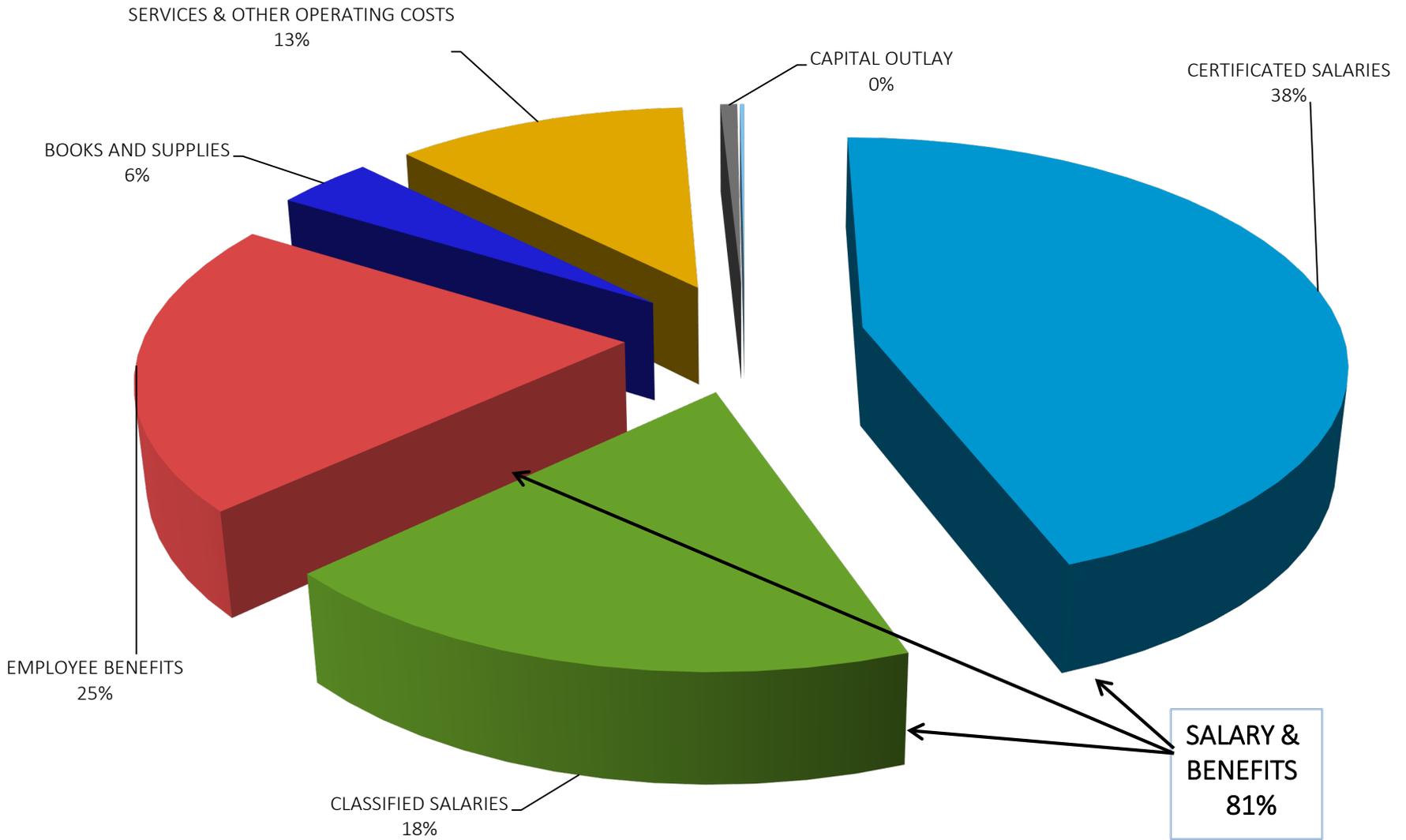
	ESSER	ESSER II	Learning Loss Mitigation Funding (LLMF)				SB 117
			GEER	GEER II	CR	GF	
<b>Full Name</b>	Elementary and Secondary School Emergency Relief	Elementary and Secondary School Emergency Relief	Governor's Emergency Education Relief	Governor's Emergency Education Relief	Coronavirus Relief Fund	State General Fund	SB 117 Covid-19 LEA Response Funds
<b>Distribution Formula</b>	Based on Title I, Part A allocation	Based on Title I, Part A allocation	Based on pupil aged 3-22 counts from 2019-20 Fall 1 CALPADS data	TBD	Based on supplemental and concentration grant funding as of 2019-20 second principal apportionment	Based on LCFF Entitlement	Based on ADA for the 2019-20 First Reporting Period
<b>State Allocation</b>	\$1,482,575,514	\$6,709,633,866	\$355,227,000	\$341,442,086	\$4,439,844,000	\$539,936,000	\$100,000,000
<b>SMMUSD + Private School allocation</b>	\$935,547	\$3,733,573	\$613,655	TBD	\$4,103,874	\$795,192	\$175,346
<b>Resource Code</b>	3210	3212	3215	TBD	3220	7420	7388
<b>Equitable Services</b>	Yes	No	Yes	No	No	No	No
<b>Deadline for expenditures</b>	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	December 30, 2020	December 30, 2020	June 30, 2021



# 2020-21 GENERAL FUND (FUND 01) REVENUES PROJECTION



# 2020-21 GENERAL FUND (Fund 01) EXPENDITURES



2020-21 Second Interim Budget Report  
As of 1/31/2021

**Components of Ending Fund Balances**

**2020-21**

**Fund 01: Unrestricted General Fund**

Unrestricted General Fund Balance	\$ 22,216,871
Current Year Deficit Spending	(5,469,752)
Fund Balance that Requires Explanation	16,747,119

**Reasons for Assigned and Unassigned Ending Fund Balances**

**\*Below State Recommended 17% Minimum Level for Unified Districts**

	16,747,119
Less: 3% Reserve for Economic Uncertainties	(5,269,623)
Reserve for Revolving Cash & Prepaid	(190,366)
Reserve for 21-22 Deficit Spending	(1,135,532)
Reserve for 22-23 Deficit Spending	-
^Reserve for up to 2 months General Fund Expenditures	10,151,598
<b>Unappropriated Balance</b>	<b>-</b>

\*current reserve is at 12.49% (up 0.01% from 12.48% @ First Interim 10/31/2020)

\*2018-19 Statewide Average Reserve for Unified Districts is 17.26%

^A 2-month reserve would be approximately \$26.8M



# 2020-21 Second Interim Budget Report

2020-21 LOCAL CONTROL FUNDING FORMULA (LCFF) CALCULATION					1/31/2021
<b>BASE GRANT</b>					
	TK-3	4-6	7-8	9-12	<b>TOTAL</b>
	2,729.94	2,157.79	1,581.61	3,048.76	9,518.10
2020-21 BASE	7,702	7,818	8,050	9,329	
2020-21 0% COLA	7,702	7,818	8,050	9,329	
	21,025,998	16,869,602	12,731,961	28,441,882	<b>79,069,443</b>
<b>AUGMENTATION GRANTS:</b>					
CSR AUGMENTATION: BASE GRANT X 10.4%					<b>2,186,704</b>
CTE AUGMENTATION 9-12 BASE GRANT X 2.6%					<b>739,489</b>
<b>SUPPLEMENTAL AND CONCENTRATION GRANTS:</b>					
TOTAL ENROLLMENT (3-YEAR AVERAGE)					10,599
TOTAL UNDUPLICATED PUPIL COUNT (3-YEAR AVERAGE)					3,081
					29.07%
<b>SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLMENT</b>					<b>4,767,026</b>
<b>TRANSPORTATION AND TIIG GRANT</b>					
2012-13 TRANSPORTATION					<b>820,273</b>
2012-13 TARGETED INSTRUCTIONAL IMPROVEMENT BLOCK GRANT					<b>429,757</b>
<b>TOTAL 2020-21 LCFF ENTITLEMENT</b>					<b>88,012,692</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>79,426,849</b>
<b>LOCAL REVENUE / PROPERTY TAXES</b>					<b>94,216,821</b>
<b>Amount of Property Tax Over LCFF Funding (Basic Aid when negative)</b>					<b>(14,789,972)</b>

**Note Outside of Calculation:**

<b>EDUCATION PROTECTION ACCOUNT</b>	2,000,000
<b>TRANSFER TO CHARTER SCHOOL</b>	-287,000



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# OTHER FUNDS

FUNDS

11, 12, 13, 14, 21, 25, 40, 51, 71

## FUND 11: ADULT EDUCATION FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	851,124	851,124	-
8100-8299	Federal Revenue	49,935	49,935	-
8300-8590	Other State Revenue	728,789	728,789	-
8600-8799	Local Revenue	-	-	-
	<b>Total Revenues</b>	<b>778,724</b>	<b>778,724</b>	-
1000-1999	Certificated Salaries	297,711	297,711	-
2000-2999	Classified Salaries	188,195	184,606	(3,589)
3000-3999	Employee Benefits	180,742	179,442	(1,300)
4000-4999	Books and Supplies	47,327	52,216	4,889
5000-5999	Services and Other Operating Costs	21,815	21,815	-
7300-7399	Indirect Costs	42,934	42,934	-
	<b>Total Expenditures</b>	<b>778,724</b>	<b>778,724</b>	-
	Increase /(Decrease) Fund Balance	-	-	-
	<b>Projected Fund Balance</b>	<b>851,124</b>	<b>851,124</b>	

**Revenue:** No Change Since First Interim Budget

**Expenditure:**

- \$ (3,589) Decrease in Classified Hourly, Overtime, and Substitute to Transfer to Supplies
- \$ (1,300) Decrease in Statutory Benefits (-1K) & in Employee Health Benefits (-300)
- \$ 4,889 Increase in Supplies to Support Distance Learning



## FUND 12: CHILD DEVELOPMENT FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	813,848	813,848	-
8100-8299	Federal Revenue	-	-	-
8300-8590	State Revenue	2,370,884	2,267,526	(103,358)
8600-8799	Local Revenue	371,755	223,401	(148,354)
8900-8929	Interfund Transfer from Fund 01	1,948,000	1,948,000	-
	<b>Total Revenues</b>	<b>4,690,639</b>	<b>4,438,927</b>	<b>(251,712)</b>
1000-1999	Certificated Salaries	1,574,565	1,414,087	(160,478)
2000-2999	Classified Salaries	1,370,256	1,160,249	(210,007)
3000-3999	Employee Benefits	1,466,655	1,279,056	(187,599)
4000-4999	Books and Supplies	112,339	88,027	(24,312)
5000-5999	Services and Other Operating Costs	325,237	286,597	(38,640)
6000-6999	Capital Outlay	-	-	-
7300-7399	Indirect Costs	221,095	168,170	(52,925)
	<b>Total Expenditures</b>	<b>5,070,147</b>	<b>4,396,186</b>	<b>(673,961)</b>
	Increase /(Decrease) Fund Balance	<b>(379,508)</b>	<b>42,741</b>	<b>422,249</b>
	<b>Projected Fund Balance</b>	<b>434,340</b>	<b>856,589</b>	



## *2020-21 Second Interim Budget Report*

### **Revenues:**

- \$ (103,358) Projected Loss in State Preschool & Child Care Funding Program Due to Covid-19 Closure
- \$ (148,354) Projected Loss in Revenue in Full Fee Program Due to Covid-19 Closure

### **Expenditures:**

- \$ (160,478) Decrease in Certificated Hourly, Overtime, and Substitute Salaries Due to Covid-19 Closure
- \$ (210,007) Decrease in Classified Hourly, Overtime, and Substitute Salaries Due to Covid-19 Closure
- \$ (187,599) Decrease in Corresponding Statutory Benefits (-95K) & Increase in Employee Health Benefits (-92K)
- \$ (24,312) Decrease in Supplies Due to Covid-19 Closure
- \$ (38,640) Decrease in Services and Other Operating Costs Due to Covid-19 Closure

## FUND 13: CAFETERIA SPECIAL FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	402,307	402,307	-
8100-8299	Federal Revenue	1,250,000	733,801	(516,199)
8300-8590	State Revenue	80,000	50,000	(30,000)
8600-8799	Local Revenue (Food Sales)	1,260,000	6,000	(1,254,000)
8900-8929	Interfund Transfer	900,000	1,800,000	900,000
	<b>Total Revenues</b>	<b>3,490,000</b>	<b>2,589,801</b>	<b>(900,199)</b>
2000-2999	Classified Salaries	1,598,958	1,597,143	(1,815)
3000-3999	Employee Benefits	701,669	713,229	11,560
4000-4999	Books and Supplies	1,179,204	258,801	(920,403)
5000-5999	Services and Other Operating Costs	(195,000)	108,000	303,000
6000-6999	Capital Outlay	-	-	-
7300-7399	Indirect Costs	164,242	130,919	(33,323)
	<b>Total Expenditures</b>	<b>3,449,073</b>	<b>2,808,092</b>	<b>(640,981)</b>
	Increase /(Decrease) Fund Balance	<b>40,927</b>	<b>(218,291)</b>	<b>(259,218)</b>
	<b>Projected Fund Balance</b>	<b>443,234</b>	<b>184,016</b>	

### Revenue:

- \$ (516,199) Projected Loss in Federal Meal Reimbursement Revenue Due to Covid-19 Closure
- \$ (30,000) Projected Loss in State Meal Reimbursement Revenue Due to Covid-19 Closure
- \$ (1,254,000) Projected Loss in Food Sales Revenue Due to Covid-19 Closure
- \$ 900,000 Additional Food Service Interfund Transfer from General Fund

### Expenditures:

- \$ (1,815) Decrease in Hourly, Overtime, and Substitute Salaries Due to Serving Less Students
- \$ 11,560 Increase in Corresponding Statutory Benefits (6K) & Employee Shifts in Health Benefits (5K)
- \$ (920,403) Decrease in Food Costs & Associated Food Supplies
- \$ 303,000 Reduced Revenue Off-set for Food Services for Interfund Transfers
- \$ (33,323) Decrease in Indirect Costs Due to Less Expenditures from Serving Less Students

## FUND 14: DEFERRED MAINTENANCE FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	797,907	797,907	
8010-8099	LCFF transfer to Fund 14	-	-	-
8600-8799	Local Revenue	5,000	5,000	-
8919	Transfer form General Fund	1,000,000	1,000,000	-
	<b>Total Revenues</b>	<b>1,005,000</b>	<b>1,005,000</b>	<b>-</b>
4000-4999	Books and Supplies	16,000	-	(16,000)
5000-5999	Services and Other Operating Costs	570,000	764,368	194,368
6000-6999	Capital Outlay	-	-	-
	<b>Total Expenditures</b>	<b>586,000</b>	<b>764,368</b>	<b>178,368</b>
	Increase /(Decrease) Fund Balance	<b>419,000</b>	<b>240,632</b>	<b>(178,368)</b>
	<b>Projected Fund Balance</b>	<b>1,216,907</b>	<b>1,038,539</b>	

**Revenue:** No Change Since First Interim Budget

**Expenditure:**

\$ (16,000) Transfer to Services & Other Operating Costs

\$ 194,368 High Schools Pool Servicing, Barnum Hall Repairs, Abatement at Lincoln



## 2020-21 Second Interim Budget Report

### \*FUND 21: BUILDING FUND / MEASURE BB, ES, SMS, & M - All Series

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	208,013,401	208,013,401	
8600-8799	Local Revenue	700,000	700,000	-
8800-8951	Bond Proceeds - ES Series E	-	-	-
8800-8951	Bond Proceeds - SMS Series A	-	-	-
8800-8951	Bond Proceeds - M Series A	-	-	-
8952-8979	Other Financing	-	-	-
	<b>Total Revenues</b>	<b>700,000</b>	<b>700,000</b>	<b>-</b>
2000-2999	Classified Salaries	839,449	839,449	-
3000-3999	Employee Benefits	431,392	431,392	-
4000-4999	Books and Supplies	498,800	503,500	4,700
5000-5999	Services and Other Operating Costs	47,895,250	51,041,950	3,146,700
6000-6999	Capital Outlay	132,443,984	147,833,084	15,389,100
	<b>Total Expenditure</b>	<b>182,108,875</b>	<b>200,649,375</b>	<b>18,540,500</b>
	Increase /(Decrease) Fund Balance	<b>(181,408,875)</b>	<b>(199,949,375)</b>	<b>(18,540,500)</b>
	<b>Projected Fund Balance</b>	<b>26,604,526</b>	<b>8,064,026</b>	

\*Budget by Sub-Fund, Measure & Series In Second Interim Board Item Attachment



## *2020-21 Second Interim Budget Report*

### FUND 25: CAPITAL FACILITIES FUND

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	4,623,720	4,623,720	
8681	Developer Fees	1,770,000	1,770,000	-
8660	Local Revenue	50,000	50,000	-
	<b>Total Revenues</b>	<b>1,820,000</b>	<b>1,820,000</b>	<b>-</b>
4000-4999	Supplies	-		-
5000-5999	Services and Other Operating Costs	1,693,000	1,693,000	-
6000-6999	Capital Outlay	-	-	-
	Total Expenditures	<b>1,693,000</b>	<b>1,693,000</b>	<b>-</b>
	Increase /(Decrease) Fund Balance	<b>127,000</b>	<b>127,000</b>	<b>-</b>
	<b>Projected Fund Balance</b>	<b>4,750,720</b>	<b>4,750,720</b>	

**Revenue:** No Change Since First Interim Budget

**Expenditure:** No Change Since First Interim Budget



## 2020-21 Second Interim Budget Report

### FUND 40: SPECIAL RESERVE FUND FOR CAPITAL OUTLAY

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	15,988,916	15,988,916	
8590-8599	State Revenue	-	-	-
8600-8625	Local Revenue	4,000,000	4,000,000	-
8626-8660	Local Revenue (Interest Earned)	150,000	150,000	-
8661-8699	Local Revenue	-	-	-
	<b>Total Revenues</b>	<b>4,150,000</b>	<b>4,150,000</b>	-
4000-4999	Supplies	21,500	21,500	-
5000-5999	Services and Other Operating Costs	2,010,000	2,010,000	-
6000-6999	Capital Outlay	240,000	240,000	-
7400-7499	COPS Payments	1,875,000	1,875,000	-
	<b>Total Expenditures</b>	<b>4,146,500</b>	<b>4,146,500</b>	-
	Increase /(Decrease) Fund Balance	<b>3,500</b>	<b>3,500</b>	-
	<b>Projected Fund Balance</b>	<b>15,992,416</b>	<b>15,992,416</b>	

**Revenue:** No Change Since First Interim Budget

**Expenditure:** No Change Since First Interim Budget



## *2020-21 Second Interim Budget Report*

### **FUND 51: BOND INTEREST & REDEMPTION FUND**

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	75,090,637	75,090,637	-
8611-8614	Local Revenue	42,964,911	42,964,911	-
8661-8799	Local Revenue Interest	199,141	199,141	-
	<b>Total Revenues</b>	<b>43,164,052</b>	<b>43,164,052</b>	<b>-</b>
7433	Debt Service - Bond Redemptions	37,733,576	37,733,576	-
7434	Debt Service - Bond Interest & Other Services	30,371,057	30,371,057	-
	<b>Total Expenditures</b>	<b>68,104,633</b>	<b>68,104,633</b>	<b>-</b>
	Increase /(Decrease) Fund Balance	<b>(24,940,581)</b>	<b>(24,940,581)</b>	<b>-</b>
	<b>Projected Fund Balance</b>	<b>50,150,056</b>	<b>50,150,056</b>	<b>-</b>

**Revenue:** No Change Since First Interim Budget

**Expenditure:** No Change Since First Interim Budget



## *2020-21 Second Interim Budget Report*

### **FUND 71: RETIREE BENEFIT FUND FOR OPEB**

Object	Description	First Interim Budget 10/31/2020	Second Interim Budget 1/31/2021	Changes
	Beginning Fund Balance	8,298,347	8,298,347	
8600-8660	Local Revenue Interest	25,000	25,000	
8661-8799	Local Revenue	1,355,000	1,355,000	
	<b>Total Revenues</b>	<b>1,380,000</b>	<b>1,380,000</b>	-
5000-5999	Services and Other Operating Costs	1,378,000	1,378,000	-
	Total Expenditures	1,378,000	1,378,000	-
	Increase /(Decrease) Fund Balance	2,000	2,000	-
	<b>Projected Fund Balance</b>	<b>8,300,347</b>	<b>8,300,347</b>	

**Revenue:** No Change Since First Interim Budget

**Expenditure:** No Change Since First Interim Budget





# 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
  - 0% (2020-21)
  - 0% (2021-22)
  - 0% (2022-23)
- LCFF Gap Fully Funded (100%)
- Student enrollment declining each year and at 9,263 as of 2/23/2021 for 2020-21



# Multi-Year Projection Reflects:

- Local revenue from Parcel Taxes, Prop Y & GSH, City of Malibu & Santa Monica Joint Uses, Santa Monica Education Foundation, Malibu Fundraising, Leases & Rentals, Other Local Income:
  - \$40.5 million in 2020-21
  - \$42.9 million in 2021-22
  - \$44.6 million in 2022-23
- Employee health & welfare increases of 5% and Step & Column increases of 1.50% each year
- Reserve for Economic Uncertainties at 3%



# Multi-Year Projection Reflects:

- Reserves for future deficit spending offset by Budget Reductions in the form of Fiscal Stabilization Plan
- Reserve for Up To 2 Months of General Fund Expenditures
- Projected Property Tax Increases of 5%
- Does not include potential salary schedule changes as a result of negotiations with SMMCTA, SEIU, or SMMASA

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

	A	B	C	D	E	F	G
	2020-21	2020-21	2020-21			2021-22	2022-23
Description	ADOPTED BUDGET	FIRST INTERIM BUDGET	SECOND INTERIM BUDGET	CHANGE	PROJECTED BUDGET	PROJECTED BUDGET	
<b>Revenue:</b>							
1 Property Tax	94,216,821	94,216,821	94,216,821	-	98,177,662	102,336,545	
2 Education Protection Account (EPA)	1,818,182	2,000,000	2,000,000	-	2,000,000	2,000,000	
3 LCFF Transfer to Fund 14	-	-	-	-	-	-	-
4 LCFF In Lieu Property Tax Transfer to Charter School	(38,000)	(287,000)	(287,000)	-	(287,000)	(287,000)	
5 Prior Year LCFF Adjustment	-	-	-	-	-	-	-
6 Minimum State Aid	7,805,312	8,585,843	8,585,843	-	8,585,843	8,585,843	
<b>7 Subtotal LCFF Funding</b>	<b>103,802,315</b>	<b>104,515,664</b>	<b>104,515,664</b>	<b>-</b>	<b>108,476,505</b>	<b>112,635,388</b>	



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

	A	B	C	D	E	F	G
		2020-21	2020-21	2020-21		2021-22	2022-23
Description		ADOPTED BUDGET	FIRST INTERIM BUDGET	SECOND INTERIM BUDGET	CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
8 Other Federal (MAA - Medi-Cal Administrative Activities)		100,000	300,000	300,000	-	200,000	200,000
9 Lottery - Unrestricted		1,454,545	1,452,482	1,452,482	-	1,452,482	1,452,482
10 Mandated Reimbursement Block Grant		372,727	410,000	411,655	1,655	410,000	410,000
11 One-time Discretionary Funds		-	-	-	-	-	-
12 Other State Revenue		5,000	5,000	-	(5,000)	5,000	5,000
13 Measure 'R' - Parcel Tax		12,698,211	12,568,316	12,568,316	-	12,819,682	13,076,076
14 Measure 'Y' & 'GSH' - City of Santa Monica		12,537,500	12,537,500	12,537,500	-	14,292,750	15,436,170
15 Joint Use Agreement - City of Santa Monica		9,799,171	9,799,171	9,799,171	-	9,995,154	10,195,057
16 Joint Use Agreement - City of Malibu		340,000	246,827	246,827	-	246,827	246,827
17 Santa Monica-Malibu Ed Foundation Donation		-	-	-	-	-	-
18 Santa Monica Ed Foundation Donation		2,000,000	2,068,155	2,068,155	-	1,871,644	2,000,000
19 Malibu Fundraising Entity Donation		165,000	337,543	337,543	-	337,543	337,543
20 Lease & Rental		2,450,000	2,450,000	2,450,000	-	2,450,000	2,450,000
21 Interest Earned		200,000	200,000	150,000	(50,000)	200,000	200,000
22 Revenue Associated with TRANS Issuance		300,000	-	-	-	-	-
23 <i>ORIGINAL ISSUE PREMIUM</i>		<i>150,000</i>	-	-	-	-	-
24 <i>PROJECTED INTEREST EARNED</i>		<i>150,000</i>	-	-	-	-	-
25 All Other Local Income		945,000	1,145,000	385,824	(759,176)	700,000	700,000
26 Local General Fund Contribution		(31,783,596)	(30,242,378)	(30,308,210)	(65,832)	(31,744,225)	(32,379,109)
27 <b>TOTAL REVENUE</b>		<b>115,385,873</b>	<b>117,793,280</b>	<b>116,914,927</b>	<b>(878,353)</b>	<b>121,713,363</b>	<b>126,965,434</b>



MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C	D	E	F	G
		2020-21	2020-21	2020-21		2021-22	2022-23
Description		ADOPTED BUDGET	FIRST INTERIM BUDGET	SECOND INTERIM BUDGET	CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
<b>28 Expenditure:</b>							
<b>29 Certificated Salary</b>		52,856,734	52,848,028	53,173,046	325,018	53,970,642	54,780,201
<b>30 Classified</b>		19,879,252	19,470,936	19,231,084	(239,852)	19,763,000	20,059,445
<b>31 Benefits</b>		31,326,649	31,294,799	30,944,304	(350,495)	32,374,101	35,112,137
	STRS	8,363,812	8,279,952	8,353,978	74,026	8,592,126	9,860,436
	PERS	4,270,291	3,875,558	3,815,161	(60,397)	4,545,490	5,275,634
	SOCIAL SECURITY & MEDICARE	2,276,234	2,253,491	2,239,891	(13,600)	2,294,444	2,328,860
	HEALTH AND WELFARE	12,211,627	12,698,884	12,343,099	(355,785)	12,822,208	13,463,319
	SUI	36,328	36,163	36,207	44	36,867	37,420
	WORKERS COMP	3,055,322	3,049,443	3,055,033	5,590	3,096,813	3,143,265
	OPEB	1,057,804	1,053,352	1,054,659	1,307	921,671	935,496
	CASH IN -LIEU	55,231	47,956	46,276	(1,680)	64,483	67,707
<b>40 Supplies/Books/Textbooks</b>		1,719,709	1,672,404	1,404,805	(267,599)	2,000,000	3,000,000
<b>41 Other Operational Costs</b>		14,876,832	14,868,582	13,734,680	(1,133,902)	15,534,956	14,556,979
	504 PLAN ACCOMODATION (STUDENT SERVICES)	30,754	30,754	30,754	-	30,754	30,754
	TRAVEL & CONFERENCE	150,944	141,219	132,769	(8,450)	160,000	160,000
	DUES & MEMBERSHIPS	53,795	56,995	57,495	500	55,400	55,400
	INSURANCE	1,371,875	1,230,865	1,230,865	-	1,440,469	1,512,492
	UTILITIES	3,178,500	3,214,539	2,793,539	(421,000)	3,200,000	3,200,000
	RENTALS, LEASES, REPAIRS	2,853,843	2,607,297	2,650,879	43,582	2,850,150	2,850,150
	INTRA-FUND TRANSFERS FOR SERVICES	(39,009)	(59,609)	(59,609)	-	(32,000)	(32,000)
	INTER-FUND TRANSFERS FOR SERVICES	(124,084)	248,405	(24,757)	(273,162)	(125,000)	(125,000)
	CONSULTANTS & OTHER OPERATING	7,126,404	7,124,307	6,631,810	(492,497)	7,664,968	6,614,968
	Other Operational Costs	2,185,236	2,188,648	1,741,961	(446,687)	2,100,000	2,100,000
	Consultants	2,176,200	2,270,691	2,669,881	399,190	2,200,000	2,200,000
	Legal	1,000,000	900,000	1,205,000	305,000	1,600,000	1,300,000
	Pupil Fees Lawsuit	750,000	750,000	-	(750,000)	750,000	-
	Cost of Early Retirement Incentive (SERP)	1,014,968	1,014,968	1,014,968	-	1,014,968	1,014,968
	COMMUNICATIONS (LAND & MOBILE)	273,810	273,810	290,935	17,125	290,215	290,215
<b>57 Capital Outlay</b>		225,000	153,822	153,822	-	285,000	285,000
<b>58 Costs Associated with TRANS Issuance</b>		150,000	-	-	-	-	-
	UNDERWRITER'S DISCOUNT	7,815	-	-	-	-	-
	COST OF ISSUANCE	10,185	-	-	-	-	-
	INTEREST DUE	132,000	-	-	-	-	-
<b>62 Transfer to County Specialized Schools</b>		75,000	75,000	75,000	-	75,000	75,000
<b>63 Indirect</b>		(1,388,501)	(1,170,043)	(1,080,062)	89,981	(1,200,000)	(1,200,000)
<b>64 Fiscal Stabilization Plan (Budget Reductions)</b>		-	-	-	-	(3,953,803)	(3,538,060)
<b>65 Malibu Fundraising Entity General Fund Off-Set</b>		(250,000)	-	-	-	-	-
<b>66 GSH Technology Plan/Replacement</b>		-	-	-	-	-	-
<b>67 Interfund Transfer Out to Fund 12 Child Development</b>		1,000,000	1,748,000	1,748,000	-	1,000,000	1,000,000
<b>68 LCAP Transfer Out to Fund 12 Child Development</b>		200,000	200,000	200,000	-	200,000	200,000
<b>69 Interfund Transfer Out to Fund 13 Food Services</b>		900,000	900,000	1,800,000	900,000	1,800,000	900,000
<b>70 Interfund Transfer Out to Fund 14 Deferred Maint.</b>		1,000,000	1,000,000	1,000,000	-	1,000,000	1,000,000
<b>71 TOTAL EXPENDITURE</b>		<b>122,570,675</b>	<b>123,061,528</b>	<b>122,384,679</b>	<b>(2,653,743)</b>	<b>122,848,896</b>	<b>126,230,703</b>

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

	A	B	C	D	E	F	G
		2020-21	2020-21	2020-21		2021-22	2022-23
Description		ADOPTED BUDGET	FIRST INTERIM BUDGET	SECOND INTERIM BUDGET	CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
72 Increase (Decrease) Fund Balance		(7,184,802)	(5,268,248)	(5,469,752)	(201,504)	(1,135,532)	734,731
73 Beginning Fund Balance		14,678,938	22,216,871	22,216,871	(0)	16,747,119	15,611,587
74 Ending Fund Balance (net of lines 72-73)		7,494,136	16,948,623	16,747,119	(201,504)	15,611,587	16,346,318
75 Reserve - Revolving Cash, Prep-pays		251,984	190,362	190,366	4	190,362	190,362
76 Reserve - Deficit Spending in 21-22		-	-	1,135,532	1,135,532	-	-
77 Reserve - Deficit Spending in 22-23		-	-	-	-	-	-
78 3% Contingency Reserve		5,188,034	5,293,078	5,269,623	(23,455)	5,095,808	5,189,544
79 Reserve Up to 2-months of Expenses		2,054,118	11,465,183	10,151,598	(1,313,586)	10,325,416	10,966,411
80 Unappropriated Balance		0	0	0	0	0	0



# 2018-19

## Statewide Average Reserves

2018-19 Average Unrestricted General Fund, Plus Fund 17; Net Ending Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change From Prior ~Year
Elementary School Districts	20.47%	0.28%
High School Districts	15.64%	0.01%
Unified School Districts	17.26%	0.28%
†SMMUSD Reserve (as of 2018-19 Actuals)	13.59%	†(7.85%)
^SMMUSD Reserve (as of 2020-21 Second Interim)	12.49%	*3.91%

† Paid back 2017-18 ERAF in 2018-19

^ Lower Expenditures in 2020-21 due to Covid-19 & Additional CARES Funds

\* Compared to 2019-20 Second Interim

Source: Statewide Certified Data (School Services of California)

~Compared to reserve levels of 2017-18





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

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



# Next Steps

- Receive Board Direction on District Budget Recommendations
- Board Approval of 2020-21 Second Interim
- Audit Firm to present March 17, 2021
  - ✓ Final Audit Report for 2019-20