



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

# 2018-19 UNAUDITED ACTUALS

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

# 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 (*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
<p style="text-align: center;"><b>Revenue:</b> LCFF (RDA Property Tax) – (2,004,879) LCFF EDUCATION PROTECTION ACCOUNT (EPA) – 60,438 MAA – 140,097 MEASURE GSH &amp; Y – 1,439,265 MEASURE R – 154,316 OTHER STATE REVENUES/LOTTERY – 117,231 INTEREST EARNED &amp; OTHER LOCAL REVENUES – 510,701</p>	<b>417,169</b>
<b>Higher Special Education LGFC</b>	<b>(1,181,115)</b>
<b>Unspent Fund 13 Food Service Interfund Transfer</b>	<b>340,965</b>
<b>Unspent Fund 14 Deferred Maintenance Interfund Transfer</b>	<b>187,949</b>
<b>Unspent Stretch Grants &amp; Formula</b>	<b>45,645</b>
<b>Unspent Supplies/Textbooks</b>	<b>1,336,410</b>
<b>Unspent Certificated Salary due to Unfilled Positions and lower Hourly/Sub costs</b>	<b>852,117</b>
<b>Unspent Other Operating Costs (legal, travel, consultants, etc)</b>	<b>939,954</b>

## SANTA MONICA- MALIBU USD - PROPERTY TAXES COMPARISON

FISCAL YEAR	P2 REPORT			ANNUAL REPORT			VARIANCE	%	FY vs. FY VARIANCE
	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%	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	<b>Property Taxes</b>				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	<b>County &amp; District Taxes</b>									
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	<b>Sub Total Property Tax</b>		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	<b>Subtotal Property Tax</b>	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	<b>LCFF</b>									
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	<b>Subtotal LCFF</b>	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	<b>LCFF Transfer to Charter</b>	8096	-	(38,000)	(38,000)	(19,101)	(19,101)	(46,645)	(27,543.86)	(20,000)
20	<b>TOTAL LCFF FUNDING</b>	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 <b>Subtotal LCFF Funding</b>	<b>98,040,065</b>	<b>96,068,194</b>	<b>(1,971,871)</b>	<b>100,355,024</b>	<b>104,076,483</b>	<b>108,002,915</b>	



**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)
<b>22 TOTAL REVENUE</b>		<b>115,563,136</b>	<b>114,754,756</b>	<b>(808,381)</b>	<b>115,279,422</b>	<b>119,298,046</b>	<b>123,326,349</b>



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

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
		2018-19	2018-19	2018-19	2019-20	2020-21	2021-22
Description		ESTIMATED ACTUALS	UNAUDITED ACTUALS	CHANGE	ADOPTED BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
<b>47</b> Increase (Decrease) Fund Balance		(6,521,391)	(3,585,531)	2,935,860	(7,000,591)	(3,521,607)	(1,623,304)
<b>48</b> Beginning Fund Balance		34,886,030	34,886,030	-	22,439,368	15,438,777	11,917,170
<b>49</b> Reserve - 17-18 ERAF REPAYMENT		(8,861,132)	(8,861,132)	0	-	-	-
<b>50</b> 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
<b>51</b> Reserve - Revolving Cash, Prep-pays		162,762	251,984	89,222	251,984	251,984	251,984
<b>52</b> Reserve - SERP Retirement Incentive Pymnt		-	1,014,968	1,014,968	1,014,968	1,014,968	1,014,968
<b>53</b> Reserve - Deficiting Spending in 19-20		7,000,591	7,000,591	-	-	-	-
<b>54</b> Reserve - Deficiting Spending in 20-21		3,521,607	3,521,607	-	3,521,607	-	-
<b>55</b> Reserve - Deficiting Spending in 21-22		1,623,304	1,623,304	-	1,623,304	1,623,304	-
<b>56</b> Reserve - Deficiting Spending in 22-23		619,699	619,699	-	619,699	619,699	619,699
<b>57</b> 3% Contingency Reserve		5,017,611	5,017,101	(511)	5,047,523	5,095,784	5,199,490
<b>58</b> 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
<b>59</b> 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	<b>83,938,551</b>

**AUGMENTATION GRANTS:**

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

**SUPPLEMENTAL AND CONCENTRATION GRANTS:**

TOTAL ENROLLMENT (3-YEAR AVERAGE)	10,692
TOTAL UNDUPLICATED PUPIL COUNT (3-YEAR AVERAGE)	3,054
	28.56%
<b>SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLMENT</b>	<b>4,971,929</b>

**TRANSPORTATION AND TIIG GRANT**

2012-13 TRANSPORTATION	<b>820,273</b>
2012-13 TIIG	<b>429,757</b>

<b>TOTAL 2019-20 LCFF ENTITLEMENT</b>	<b>93,264,641</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>84,678,798</b>
<b>LOCAL REVENUE / PROPERTY TAXES</b>	<b>89,789,181</b>
<b>Amount of Property Tax Over LCFF Funding (Basic Aid when negative)</b>	<b>(5,110,383)</b>

**Note Outside of Calculation:**

<b>EDUCATION PROTECTION ACCOUNT</b>	2,000,000
<b>TRANSFER TO CHARTER SCHOOL</b>	-20,000



Thank you

