



SMMUSD Financial Oversight Committee Meeting Minutes

Date: Thursday, February 11, 2021

Time: 6:00 pm to 8:00 pm

Location: Zoom

<https://drive.google.com/file/d/1bllvGXJg1MQcYWDOqKnUXcK8Pobg3VLy/view?usp=sharing>

I. Call to Order

6:01 pm

Committee Members: Matthew Covington

Seth Jacobson

Shawn Landres

Renu Mevasse

Payal Maniar

Natalie Ricciardulli, SAMOHI student rep

Matthew Crawford arrived @ 6:44 p.m.

Michael Kremer

Marc Levis-Fitzgerald

Melinda Newman

Staff:

Melody Canady

Gerardo Cruz

Kim Nguyen

Richard Marchini left @ 7:13 p.m.

Jacqueline Mora left @ 7:13 p.m.

Bertha Roman left @ 7:13 p.m.

Tom Whaley left @ 7:13 p.m.

Board Liaison:

Keith Coleman

Jon Kean

Absent:

Alex Farivar

Gordon Lee

Kimya Afshar, Malibu Student Rep

Public:

Shilo Gorospe, District Auditor - Eide Bailly left @ 7:45 p.m.

Esther Hickman

Nikki Kolhoff

Lydia Muraro

Marc Verville

II. Approval of Agenda

6:03 pm

A motion was made by Mr. Kremer and seconded by Ms. Newman to approve the meeting agenda.

AYES: Eight (8) (Mr. Covington, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: One (1) (Ms. Ricciardulli)

NOES: None (0)

ABSENT: Three (3) (Mr. Crawford, Mr. Farivar, Mr. Lee)

ABSTAIN: None (0)

III. Approval of FOC Meeting Minutes

6:03 pm Approval of the January 7, 2021 meeting minutes was postponed to the March 11, 2021 meeting.

IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady (10 min)

6:09 pm Ms. Canady reported that Keith Coleman replaced Laurie Lieberman as one of the Board Liaisons.

V. Discussion/Action Items

A. District Audit Report

6:10 pm Ms. Gorospe provided the committee an overview of the 2019-2020 district audit report. The committee requested clarification on the restatement of the general fund, of what assumption changes were for \$16M increase in OPEB liability, and clarification of explanation of errors that changed restatement balance.

There was concern with the student count of Free & Reduced Lunch (818 miscount). The program side data is good data; however, there was a window during the first part of the year where a student can be served meals in the first 60 days until a new application was required. There was discussion regarding delay and getting it into the system and the potential penalty that may or may not be instituted. The District was excluded from paying the penalty due to its status as a basic aid district nor was there impact on its basic aid status. The District was in process of merging Child & Nutrition database and CALPADS but certain filters did not pick up updated data.

The District was working with the LACOE to move the ASB financial system to CGI program for timely ASB deposits.

State audit guidelines were changed where some programs were suspended from audit due to COVID. The auditors will consider options to include footnotes of suspended programs due to COVID to give context and/or language in the District's response in the audit report for situational awareness in the 2020-2021 audit report.

In reference to page 75, the reclassification of the retiree benefit trust funds to governmental funds. Fund 71 was reported \$8M-\$9M at end of the year – attributed to OPEB trust \$5.9M in restatement irrevocable trust. This should be reported in Fund 71 because they are not irrevocable but Fund 20 or Fund 17 – extensions of general fund as special reserves set aside for future use. If the monies are placed in a specific trust, then it becomes irrevocable. The net position beginning as restated at \$5.4M was government wide and was the net effect of all changes of long-term debt which does not affect the general fund.

The committee asked about the impact of \$25M. There was no impact on day to day general operating budget. This number was predominantly to the general obligation bond accounting and the refunding that occurred over the years largely because of the financing that district does. On a government wide level, that number mostly looked at bond underwriters, financial advisors, bond ratings, new issuances where they will take those numbers into consideration. Crossover bonds are unique and the District had two crossover bonds over the last five years.

SAMOHI Student Rep Ricciardulli questioned the SAMOHI recommendation regarding \$46,000 in the ASB Account. There was perhaps an account that closed a long time ago but an accounting reconciliation was never made. The money was moved to another account but previously never reflected so this was a reconciliation clean up.

The report may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/AuditReport1920.pdf>

Ms. Kolhoff addressed the committee on this item.

B. Measure R audit report

7:13 pm

Ms. Gorospe provided the committee an overview of the report to include general authority of the issuance, purpose, objective, scope, methodology, whether funds were accounted for separately, amounts established in accordance to the annual plan and budgeted parameters, administrative requirements, reporting of revenues and expenditure, sampling, internal controls and compliance of the Measure R. The audit was customized to the needs of the performance, specifically to the Measure R ballot and language that it needs to adhere to. It was a clean report as the result of the rest did not identify any findings or issue with Measure R compliance. The auditors looked at 30% for sampling; conclusion: no exceptions, Measure R was compliant. Going forward, there will be a specific allocation that will provide a better tracking and review. Sampling technique looked at almost \$2M of \$6.5M in expenditures, approximately 30%, specifically in the account for Measure R. There were no standard of percentages required to be met. There were no exceptions so the results were no findings. Otherwise, it would be reported to the committee.

The FOC asked to be informed of training sessions offered by the district auditor.

The report may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/MeasureRAuditReport1920.pdf>

Ms. Kolhoff and Ms. Muraro addressed the committee on this item.

7:34 pm

The committee spoke to the district auditor without presence of staff.

C. 2020-21 1st Interim Cashflow Projection as of 12/31/2020

7:45 pm

Mr. Cruz provided an overview of the cashflow projection as of 12/31/2020. The projection may be found at the end of these minutes.

Ms. Kolhoff addressed the committee on this item.

VI. Ad Hoc Subcommittee Report

A. Budget Recommendations: Ms. Maniar, *Mr. Covington, Mr. Jacobson, Ms. Newman*

8:06 pm

Ms. Maniar reported met to address district structural deficit spending. She provided a brief recap starting back in September 2020. LACOE requested the District to submit an updated fiscal stabilization plan that shows budget reductions or revenue enhancements going through 2021 to 2023.

Fiscal Department was in active efforts working to implementing and identifying those budget reductions. Given COVID and in light of what happened in the last year, decisions were made to not make resource cut decisions. When looking at the numbers, there was a delta between the budget and the fiscal stabilization plan.

Ms. Maniar posed the following clarifying questions. 1) What was the official status update on the timing to identify some of these budget reductions/revenue enhancements to address the delta and to meet LACOE requirements? 2) Specifically, to the Board, has the Board reviewed the efforts under way by Fiscal Department and where are you in those discussions

Special Education spending and liabilities was planned for March 4, 2021 Board meeting and March 11, 2021 FOC meeting.

B. Tax Revenue and Assessed Valuation: *Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman*

8:16 pm

Mr. Crawford will follow up on tax revenue projection from the City of Santa Monica. The subcommittee will meet to review the mid-year budget report that was publicly available at end of January. There are some specific projections made for sales and use tax.

C. Bond Oversight: *Mr. Kremer, Mr. Covington, Mr. Crawford, Mr. Lee, Ms. Mevasse*

8:14 pm

There was no report.

D. Nomination: *Mr. Crawford, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Newman*

8:14 pm Mr. Crawford reported that the subcommittee will meet soon regarding the FOC recruitment. Mr. Crawford received response from stating interest in applying for new term; will start process of identifying areas, putting out requests and working with staff to remind members that need full application

All District Financial Reports are posted on the District website and may be found at <https://www.smmusd.org/Page/3900>.

VII. Receive and File (Limited Discussion)

8:18 pm A. CERBT Account Quarterly Update as of 12/31/2020

B. 2020-21 First Interim Other Local Income Detail

Ms. Kolhoff addressed the committee on this item.

C. Measure R Parcel Tax Opinion of Counsel

VIII. Public Comments None

IX. Committee Comments

8:23 pm The committee suggested future discussion on public private partnerships, construction project costs.

X. Next Meeting: Thursday, March 11, 2021 – Zoom

XI. Adjournment: 8:27 p.m.

	A	B	C	D	E	F	G	H	AA	BB	CC	DD	I	J	K	L	M	N	O	P	Q
1		OBJECT	BUDGET	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL
2	ACTUALS BY MONTH:		AS OF	JULY	AUG	SEP	OCT	NOV	NOV 1-15	NOV 16-30	DEC 1-15	DEC 16-31	DEC	JAN	FEB	MAR	APR	MAY	JUNE	ACCRUAL	
3	A. BEGINNING CASH		9110	10/31/2020	35,980,944.74	24,050,961.08	22,274,594.67	19,976,797.85	14,873,890.82	14,873,890.82	5,279,022.25	8,341,872.42	3,831,195.29	8,341,872.42	40,677,640.77	35,421,140.09	29,785,401.01	17,650,737.34	32,663,743.91	25,352,165.21	30,019,454.38
4	B. RECEIPTS																				
5	REVENUE LIMIT/LCFF																				
6	PRINCIPAL APPORTIONMENT		8010-8019	10,585,843.00	429,292.00	429,292.00	1,277,362.00	772,726.00	772,726.00	0.00	772,726.00	0.00	1,277,361.00	1,277,361.00	772,726.00	363,182.00	643,726.00	139,091.00	139,091.00	504,635.00	0.00
7	TAX RELIEF SUBVENTIONS		8020-8079	90,804,345.68	43,237.32	2,993,199.89	-	986,647.92	0.00	986,647.92	0.00	30,985,349.28	30,985,349.28	14,513,059.97	5,622,104.37	(55,284.49)	20,556,367.49	5,051,424.75	10,108,239.18	90,804,345.68	
8	COUNTY & DISTRICT TAXES		8080-8085	3,412,475.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,557,197.50	0.00	0.00	0.00	0.00	1,855,277.82	3,412,475.32	
9	REVENUE LIMIT TRANSFERS		8090-8099	(287,000.00)	-	-	-	-	-	-	-	-	-	-	(19,000.00)	-	-	-	(249,000.00)	(19,000.00)	
10	FEDERAL REVENUE		8100-8299	10,244,359.00	10,841.00	37,861.85	4,513,799.93	202,478.22	139,735.08	46,391.84	93,343.24	0.00	671,184.00	671,184.00	233,000.00	260,000.00	15,000.00	15,000.00	160,000.00	1,126,621.33	
11	OTHER STATE REVENUE		8300-8599	4,947,392.00	0.00	0.00	1,562,947.82	611,824.00	411,655.00	0.00	502,374.05	0.00	502,374.05	232,374.05	200,000.00	200,000.00	304,070.00	225,846.00	200,547.00	490,678.95	
12	OTHER LOCAL REVENUE		8600-8799	50,980,340.01	(1,083,312.88)	2,203,360.97	4,791,674.17	1,579,038.02	902,308.84	0.00	902,308.84	4,974,605.80	6,667,929.86	11,642,535.66	4,846,097.85	3,093,420.55	2,255,928.82	9,720,000.00	3,481,341.18	5,824,775.71	
13	OTHER RECEIPTS/NON-REVENUE			-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00	0.00	
14	TOTAL RECEIPTS			170,687,755.01	(599,942.56)	5,663,714.71	12,145,783.92	3,166,066.24	3,213,072.84	46,391.84	3,166,681.00	4,974,605.80	40,104,198.19	45,078,803.99	22,122,081.32	9,319,706.92	3,163,440.33	30,656,304.49	9,032,403.93	19,607,998.22	
15	C. DISBURSEMENTS																				
16	CERTIFICATED SALARIES		1000-1999	65,682,420	0.00	1,084,032.06	5,617,298.34	5,659,538.46	5,605,996.71	5,602,636.36	3,360.35	5,609,828.27	2,091.62	5,611,919.89	5,775,000.00	5,775,000.00	5,775,000.00	5,775,000.00	5,775,000.00	7,453,634.54	
17	CLASSIFIED SALARIES		2000-2999	32,114,876	1,158,531.67	1,980,237.33	2,713,006.64	3,010,261.14	2,732,243.66	76,341.09	2,655,902.57	84,612.60	2,641,898.70	2,726,511.30	2,900,000.00	2,900,000.00	2,900,000.00	2,900,000.00	2,900,000.00	394,084.26	
18	EMPLOYEE BENEFITS		3000-3999	43,009,619	603,964.63	1,583,156.63	3,758,574.51	3,503,821.58	3,748,269.67	2,269,670.07	1,478,599.60	2,263,790.96	1,486,768.79	3,750,559.75	3,750,000.00	3,750,000.00	3,750,000.00	3,750,000.00	3,750,000.00	3,561,272.23	
19	BOOKS AND SUPPLIES		4000-4999	9,999,092	18,986.50	272,636.03	436,513.81	282,755.35	209,053.89	90,560.93	118,492.96	260,317.76	19,452.25	279,770.01	1,250,000.00	1,250,000.00	1,250,000.00	1,450,000.00	1,450,000.00	0.00	
20	SERV. & OTHER OPER. EXPENSE		5000-5999	21,897,683	1,322,123.26	1,140,952.11	2,527,844.32	1,378,954.09	1,341,903.70	774,319.37	567,584.33	822,150.42	434,661.96	1,256,812.38	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,652,617.64	2,276,475.50	
21	CAPITAL OUTLAY		6000-6999	237,323	0.00	157,871.47	19,341.78	5,538.01	12,638.82	12,638.82	0.00	12,105.68	5,100.18	17,205.86	20,000.00	0.00	0.00	1,932.92	0.00	2,794.14	
22	OTHER DISBURSEMENTS		7000-7999	(353,271)	5,035.00	1,023.00	1,841.00	1,841.00	1,841.00	1,841.00	1,841.00	1,841.00	1,841.00	1,841.00	0.00	0.00	0.00	0.00	0.00	(366,693.00)	
23	TRANSFER OUT		7600-7699	3,848,000	-	-	-	450,000.00	-	-	-	-	-	-	3,398,000.00	0.00	0.00	0.00	0.00	3,848,000.00	
24	OTHER DISBURSEMENTS/NON-EXPENSES			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
25	TOTAL DISBURSEMENTS			176,435,742	3,108,641.06	6,219,908.63	15,074,420.40	14,292,709.63	13,651,947.45	8,826,166.64	4,825,780.81	9,052,805.69	4,591,814.50	13,644,620.19	19,093,000.00	15,675,000.00	15,675,000.00	15,876,932.92	16,527,617.64	16,186,953.05	
26	RECEIPTS-DISBURSEMENTS			(5,747,987)	(3,708,584)	(556,194)	(2,928,636)	(11,126,643)	(10,438,875)	(8,779,775)	(1,659,100)	(4,078,200)	35,512,384	31,434,184	3,029,081	(6,355,293)	(12,511,560)	14,779,372	(7,495,214)	3,421,045	
27	D. BALANCE SHEET TRANSACTIONS			(5,747,987)	(3,708,583.62)	(556,193.92)	(2,928,636.48)	(11,126,643.39)	(10,438,874.61)	(8,779,774.80)	(1,659,099.81)	(4,078,199.89)	35,512,383.69	31,434,183.80	3,029,081.32	(6,355,293.08)	(12,511,559.67)	14,779,371.57	(7,495,213.71)	(6,355,303.38)	
28	ASSETS																				
29	CASH NOT IN TREASURY		9111-9199	20,003.34	-	-	(0.08)	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
30	ACCOUNTS RECEIVABLE		9200-9299	9,193,882.80	2,556,137.62	348,779.62	1,224,358.91	299,341.25	54,858.33	54,858.33	-	356,412.00	-	356,412.00	20,000.00	419,554.00	658,635.00	633,635.00	633,635.00	772,726.00	
31	DUE FROM OTHER FUNDS		9310-9310	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
32	STORES		9320-9321	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	PREPAID EXPENDITURES		9330-9330	170,362.38	0.00	0.00	0.00	170,362.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170,362.38	
34	OTHER CURRENT ASSETS		9340-9342	3,063,231.94	2,991,243.00	-	-	544.50	544.50	-	-	-	-	-	-	-	-	-	-	-	
35	SUBTOTAL ASSETS			12,447,480.46	5,547,380.62	348,779.62	1,224,358.83	469,703.63	55,402.83	55,402.83	0.00	356,412.00	0.00	356,412.00	20,000.00	419,554.00	658,635.00	633,635.00	633,635.00	772,726.00	
36	LIABILITIES																				
37	ACCOUNTS PAYABLE		9500-9599	19,346,858.32	(13,560,070.79)	(1,566,079.11)	(198,606.50)	554,032.73	851,453.38	(870,496.60)	1,721,949.98	(788,889.24)	1,334,061.79	545,172.55	(305,582.00)	300,000.00	(281,739.00)	(400,000.00)	(450,000.00)	473,518.00	
38	DUE TO OTHER FUNDS		9610-9610	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	CURRENT LOANS		9640-9640	-	0.00	0.00	0.00	5,000,000.00	3,000,000.00	-	3,000,000.00	-	-	-	(8,000,000.00)	0.00	0.00	0.00	0.00	0.00	
40	DEFERRED REVENUES		9650-9650	1,232,742.67	-	-	(394,912.67)	-	-	-	-	-	-	-	-	-	-	-	0.00	(394,912.67)	
41	SUBTOTAL LIABILITIES			20,579,600.99	(13,560,070.79)	(1,566,079.11)	(593,519.17)	5,554,032.73	3,851,453.38	(870,496.60)	4,721,949.98	(788,889.24)	1,334,061.79	545,172.55	(8,305,582.00)	300,000.00	(281,739.00)	(400,000.00)	(450,000.00)	473,518.00	
42	FUND BALANCE ADJ.		9910 (Suspense Clearing Account)	(208,709.87)	(2,873.00)	(2,873.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	
43	TOTAL BALANCE SHEET			(8,132,120.53)	(8,221,400.04)	(1,220,172.49)	630,839.66	6,023,736.36	3,906,856.21	(815,093.77)	4,721,949.98	(432,477.24)	1,334,061.79	901,584.55	(8,285,582.00)	719,554.00	376,896.00	233,635.00	183,635.00	1,246,244.00	
44	E. NET INCREASE/DECREASE																				
45	(B-C+D)				(11,929,983.66)	(1,776,366.41)	(2,297,796.82)	(5,102,907.03)	(6,532,018.40)	(9,594,868.57)	3,062,850.17	(4,510,677.13)	36,846,445.48	32,335,768.35	(5,256,500.68)	(5,635,739.08)	(12,134,663.67)	15,013,006.57	(7,311,578.71)	4,667,289.17	
46	F. ENDING CASH (A+E)				24,050,961.08	22,274,594.67	19,976,797.85	14,873,890.82	8,341,872.42	5,279,022.25	8,341,872.42	3,831,195.29	40,677,640.77	40,677,640.77	35,421,140.09	29,785,401.01	17,650,737.34	32,663,743.91	25,352,165.21	30,019,454.38	

CERBT Account Update

Santa Monica-Malibu Unified School District

as of December 31, 2020

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Demsey, Filliger, and Associates	
Valuation Date	7/1/2019
Total OPEB Liability (TOL)	\$48,696,722
Valuation Assets	\$5,864,788
Net OPEB Liability (NOL)	\$42,831,934
Funded Status	12%
Actuarially Determined Contribution (ADC)	\$0
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	4.09%

CERBT Account Summary

As of December 31, 2020	
Initial contribution (06/23/2016)	\$1,500,000
Additional contributions	\$3,500,000
Disbursements	\$0
CERBT expenses	(\$18,569)
Investment earnings	\$2,129,732
Total assets	\$7,111,163
Money-weighted annualized net rate of return	9.73%

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$0	\$0	\$0	\$0	\$0
2009-10	\$0	\$0	\$0	\$0	\$0
2010-11	\$0	\$0	\$0	\$0	\$0
2011-12	\$0	\$0	\$0	\$0	\$0
2012-13	\$0	\$0	\$0	\$0	\$0
2013-14	\$0	\$0	\$0	\$0	\$0
2014-15	\$0	\$0	\$0	\$0	\$0
2015-16	\$1,500,000	\$0	(\$8,990)	(\$24)	\$1,490,986
2016-17	\$2,500,000	\$0	\$224,277	(\$1,830)	\$4,222,447
2017-18	\$1,000,000	\$0	\$536,176	(\$6,006)	\$5,530,170
2018-19	\$0	\$0	\$879,948	(\$10,719)	\$5,869,229
2019-20	\$0	\$0	\$1,089,729	(\$15,770)	\$6,073,959
as of 12/31/20	\$0	\$0	\$2,129,732	(\$18,569)	\$7,111,163

CERBT Expected Rates of Return & Risk

Portfolios	Strategy 1	Strategy 2	Strategy 3
Expected Time-Weighted Net Return, Near Term	5.85%	5.22%	4.41%
Expected Time-Weighted Blended Net Return, Longer Term	7.59%	7.01%	6.22%
Standard Deviation of Expected Investment Returns	11.83%	9.24%	7.28%

Near term is 10 years. Longer term is 60 years. Expected returns are net of fees. CERBT total fees are 10 bps. CERBT data use 2018 capital market assumptions. Standard deviation is 10 years.

CERBT Asset Class Target Allocations

Asset Classification	Benchmark	Strategy 1	Strategy 2	Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - 10 basis points of assets under management
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management

CERBT Fee Rate History

Fiscal Year	Total Participation Cost
2007-2008	2.00 basis points
2008-2009	6.00 basis points
2009-2010	9.00 basis points
2010-2011	12.00 basis points
2011-2012	12.00 basis points
2012-2013	15.00 basis points
2013-2014	14.00 basis points
2014-2015	10.00 basis points
2015-2016	10.00 basis points
2016-2017	10.00 basis points
2017-2018	10.00 basis points
2018-2019	10.00 basis points
2019-2020	10.00 basis points
2020-2021	10.00 basis points

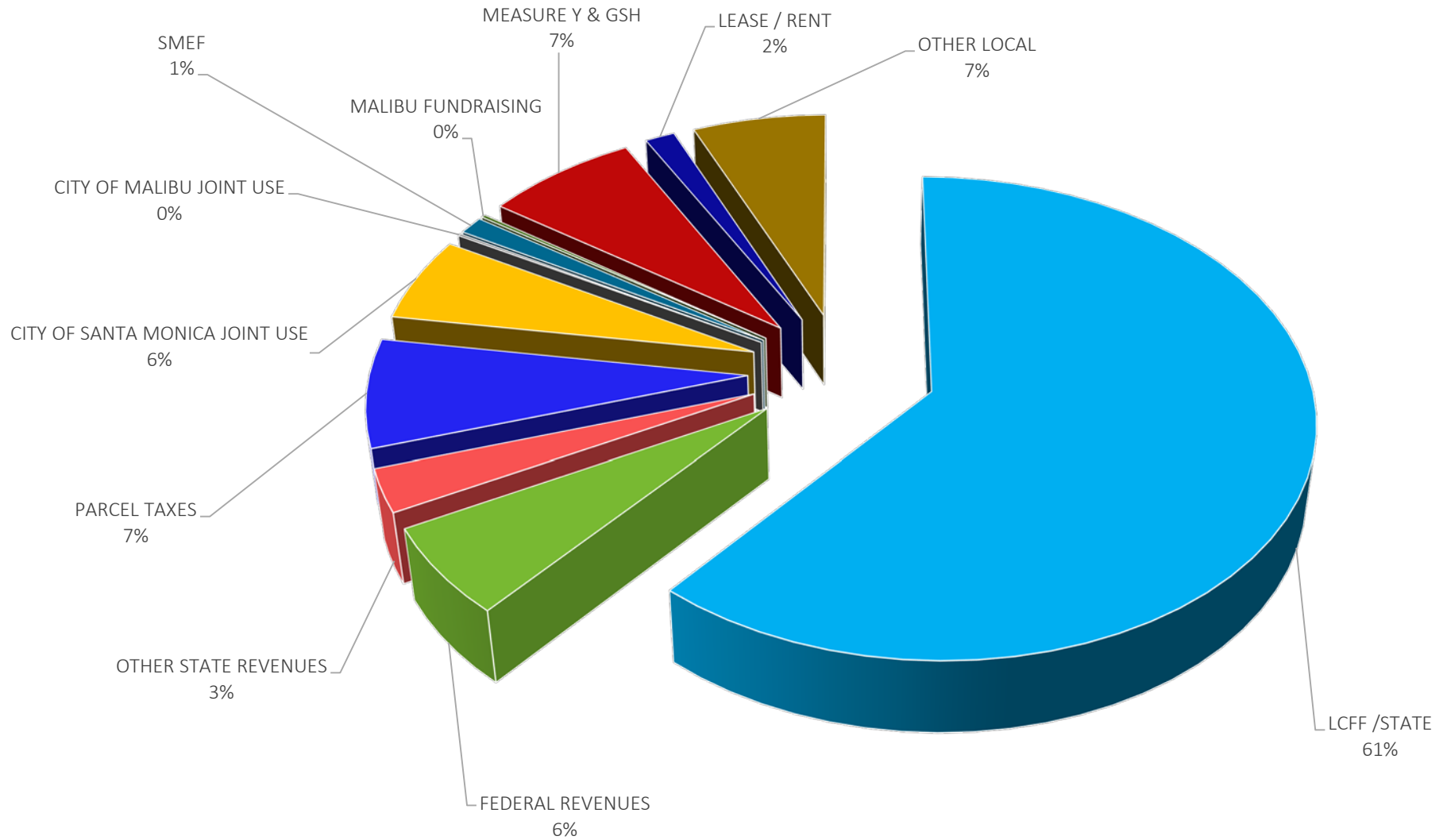
Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	Karen.Lookingbill@calpers.ca.gov	(916) 795-1387	(916) 501-2219
Bob Honer	Outreach & Support Manager	Robert.Honer@calpers.ca.gov	(916) 795-0531	(279) 203-5563
Jasper Jacobs	Outreach & Support Analyst	Jasper.Jacobs@calpers.ca.gov	(916) 795-0432	(916) 717-3886
Jean MacDonald	Outreach & Support Analyst	Jean.MacDonald@calpers.ca.gov	(916) 795-0675	(916) 291-1325
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Adan deCastro-Lobisser	Administration & Reporting Manager	Adan.deCastro-Lobisser@calpers.ca.gov	(916) 795-9478	

Program E-mail Addresses	Prefunding Programs Webpages
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	

Ask us about prefunding pension costs.
CEPPT4U@calpers.ca.gov.

2020-21 GENERAL FUND (FUND 01) REVENUES

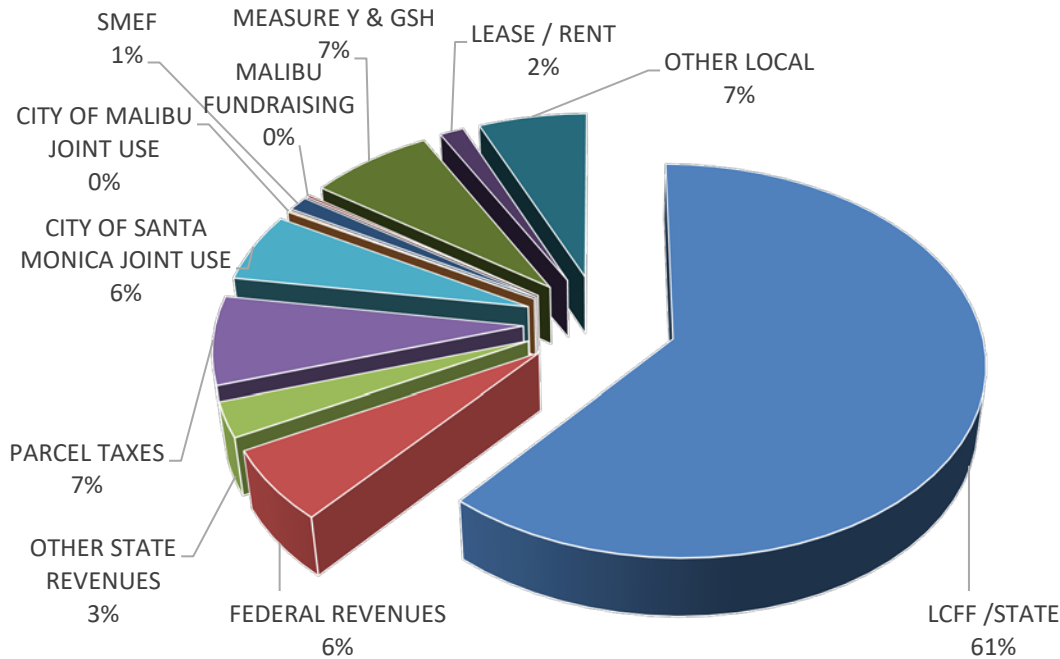


**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2020-21 FIRST INTERIM BUDGET
COMBINED RESTRICTED & UNRESTRICTED GENERAL FUND**

REVENUES

BEGINNING BALANCE	\$	27,848,825
LCFF /STATE	\$	104,515,664
FEDERAL REVENUES	\$	10,244,359
OTHER STATE REVENUES	\$	4,947,392
PARCEL TAXES	\$	12,568,316
CITY OF SANTA MONICA JOINT USE	\$	9,799,171
CITY OF MALIBU JOINT USE	\$	246,827
SMEF	\$	2,068,155
MALIBU FUNDRAISING	\$	337,543
MEASURE Y & GSH	\$	12,537,500
LEASE / RENT	\$	2,450,000
OTHER LOCAL	\$	10,972,828
TOTAL REVENUES	\$	170,687,755
TOTAL AVAILABLE FUNDS	\$	198,536,580

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



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Fund/Sub-Fund	Resource/Project Yr	Goal/Categorical	Function/Activity	District/Agency Revenue Object	District/Agency Revenue Object Desc	School Location	School Location Desc	Resource Desc	Current Operating Budget	Income Amount	Remaining Balance	% FYTD Time Passed	%FYTD of Earned Revenue Over	Under/Ov er FYTD Time Passed
1	01.0	00000.0	00000	00000	8625	Community Redevelopment Funds	0000000	District-Wide	Unrestricted Resource	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
2	01.0	00000.0	00000	00000	8629	TBD	0000000	District-Wide	Unrestricted Resource	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
3	01.0	00000.0	00000	00000	8634	Local Food Service Sales	0000000	District-Wide	Unrestricted Resource	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
4	01.0	00000.0	00000	00000	8660	Interest	0000000	District-Wide	Unrestricted Resource	500,000.00	21,542.99	478,457.01	33.33%	4.31%	(29.02%)
5	01.0	00000.0	00000	00000	8699	All Other Local Revenue	0000000	District-Wide	Unrestricted Resource	1,086,827.00	329,859.67	756,967.33	33.33%	30.35%	(2.98%)
6	01.0	00000.0	00000	36000	8675	Transp Fees from Individuals	0000000	District-Wide	Unrestricted Resource	0.00	(577.17)	577.17	33.33%	0.00%	(33.33%)
7	01.0	00000.0	00000	36000	8699	All Other Local Revenue	0000000	District-Wide	Unrestricted Resource	5,000.00	3,600.00	1,400.00	33.33%	72.00%	38.67%
8	01.0	00000.0	50010	36000	8699	All Other Local Revenue	0000000	District-Wide	Unrestricted Resource	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
9	01.0	65000.0	50010	00000	8791	TRF OF APPORTION FROM DISTRICT	0000000	District-Wide	Special Education	6,325,739.00	594,314.00	5,731,425.00	33.33%	9.40%	(23.94%)
10	01.0	90100.0	00000	00000	8650	Leases And Rentals	0000000	District-Wide	Other Local Income	205,113.00	8,627.02	196,485.98	33.33%	4.21%	(29.13%)
11	01.0	90100.0	00000	00000	8699	All Other Local Revenue	0000000	District-Wide	Other Local Income	0.00	79.00	(79.00)	33.33%	0.00%	(33.33%)
12	01.0	90110.0	00000	00000	8650	Leases And Rentals	0000000	District-Wide	Permits	2,091,001.00	169,748.43	1,921,252.57	33.33%	8.12%	(25.22%)
13	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0040000	Mckinley Elementary School	Gifts	450.00	750.00	(300.00)	33.33%	166.67%	133.33%
14	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0090000	Smash School	Gifts	1,930.00	1,929.50	0.50	33.33%	99.97%	66.64%
15	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0100000	Malibu High School	Gifts	706.00	705.46	0.54	33.33%	99.92%	66.59%
16	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0120000	Lincoln Middle School	Gifts	250.00	15.00	235.00	33.33%	6.00%	(27.33%)
17	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	Gifts	3,099.00	4,198.80	(1,099.80)	33.33%	135.49%	102.16%
18	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0250000	PERSONNEL SERVICES	Gifts	4,375.00	4,375.00	0.00	33.33%	100.00%	66.67%
19	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0300000	Curriculum and IMC	Gifts	0.00	9,710.00	(9,710.00)	33.33%	0.00%	(33.33%)
20	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0430000	SPECIAL ED	Gifts	10,000.00	0.00	10,000.00	33.33%	0.00%	(33.33%)
21	01.0	90120.0	00000	00000	8699	All Other Local Revenue	0510000	FISCAL SERVICES	Gifts	0.00	2,620.00	(2,620.00)	33.33%	0.00%	(33.33%)
22	01.0	90120.0	17000	00000	8699	All Other Local Revenue	0300000	Curriculum and IMC	Gifts	0.00	14,000.00	(14,000.00)	33.33%	0.00%	(33.33%)
23	01.0	90120.0	17100	00000	8699	All Other Local Revenue	0110000	John Adams Middle School	Gifts	1,058.00	70.00	988.00	33.33%	6.62%	(26.72%)
24	01.0	90120.0	17100	00000	8699	All Other Local Revenue	0300000	Curriculum and IMC	Gifts	46,510.00	146.10	46,363.90	33.33%	0.31%	(33.02%)
25	01.0	90120.0	17110	00000	8699	All Other Local Revenue	0120000	Lincoln Middle School	Gifts	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
26	01.0	90120.0	17120	00000	8699	All Other Local Revenue	0120000	Lincoln Middle School	Gifts	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
27	01.0	90120.0	17200	00000	8699	All Other Local Revenue	0120000	Lincoln Middle School	Gifts	15.00	0.00	15.00	33.33%	0.00%	(33.33%)
28	01.0	90120.0	19210	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	Gifts	1,100.00	0.00	1,100.00	33.33%	0.00%	(33.33%)
29	01.0	90140.0	00000	00000	8699	All Other Local Revenue	0100000	Malibu High School	Reimbursed By ASB	23,469.00	0.00	23,469.00	33.33%	0.00%	(33.33%)
30	01.0	90140.0	00000	00000	8699	All Other Local Revenue	0110000	John Adams Middle School	Reimbursed By ASB	5,428.00	0.00	5,428.00	33.33%	0.00%	(33.33%)
31	01.0	90140.0	00000	00000	8699	All Other Local Revenue	0120000	Lincoln Middle School	Reimbursed By ASB	6,975.00	0.00	6,975.00	33.33%	0.00%	(33.33%)
32	01.0	90140.0	00000	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	Reimbursed By ASB	155,910.00	0.00	155,910.00	33.33%	0.00%	(33.33%)
33	01.0	90141.0	00000	00000	8699	All Other Local Revenue	0100000	Malibu High School	MALIBU SHARK FUND	27,561.00	27,560.76	0.24	33.33%	100.00%	66.67%
34	01.0	90142.0	17000	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	SANTA MONICA ARTS PARENTS ASS	1,020.00	0.00	1,020.00	33.33%	0.00%	(33.33%)
35	01.0	90142.0	17110	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	SANTA MONICA ARTS PARENTS ASS	43,258.00	0.00	43,258.00	33.33%	0.00%	(33.33%)
36	01.0	90142.0	17120	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	SANTA MONICA ARTS PARENTS ASS	57,000.00	1,795.80	55,204.20	33.33%	3.15%	(30.18%)
37	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0010000	Edison Elementary School	Reimbursed By PTA	45,198.00	0.00	45,198.00	33.33%	0.00%	(33.33%)
38	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0020000	Franklin Elementary School	Reimbursed By PTA	48,700.00	0.00	48,700.00	33.33%	0.00%	(33.33%)
39	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0030000	Grant Elementary School	Reimbursed By PTA	47,125.00	0.00	47,125.00	33.33%	0.00%	(33.33%)
40	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0040000	Mckinley Elementary School	Reimbursed By PTA	50,096.00	0.00	50,096.00	33.33%	0.00%	(33.33%)
41	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0070000	Roosevelt Elementary School	Reimbursed By PTA	3,094.00	0.00	3,094.00	33.33%	0.00%	(33.33%)
42	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0080000	Webster Elementary School	Reimbursed By PTA	5,200.00	0.00	5,200.00	33.33%	0.00%	(33.33%)
43	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0090000	Smash School	Reimbursed By PTA	17,500.00	0.00	17,500.00	33.33%	0.00%	(33.33%)
44	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0110000	John Adams Middle School	Reimbursed By PTA	24,533.00	0.00	24,533.00	33.33%	0.00%	(33.33%)
45	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0120000	Lincoln Middle School	Reimbursed By PTA	77,265.00	0.00	77,265.00	33.33%	0.00%	(33.33%)
46	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0150000	Santa Monica High School	Reimbursed By PTA	36,850.00	0.00	36,850.00	33.33%	0.00%	(33.33%)
47	01.0	90150.0	00000	00000	8699	All Other Local Revenue	0180000	Malibu Elementary School	Reimbursed By PTA	6,000.00	0.00	6,000.00	33.33%	0.00%	(33.33%)
48	01.0	90260.0	71100	00000	8677	Interagency: Regional Occup Pr	0430000	SPECIAL ED	SP ED INTERAGENCY CONTRACT	80,000.00	0.00	80,000.00	33.33%	0.00%	(33.33%)
49	01.0	90810.0	00000	00000	8699	All Other Local Revenue	0000000	District-Wide	Sm Ed Foundation Teacher Grant	20,000.00	0.00	20,000.00	33.33%	0.00%	(33.33%)
50	01.0	90820.0	00000	00000	8699	All Other Local Revenue	0000000	District-Wide	Sm Ed Foundation Library Grant	0.00	0.00	0.00	33.33%	0.00%	(33.33%)
51	01.0	90820.0	17100	00000	8699	All Other Local Revenue	0000000	District-Wide	Sm Ed Foundation Library Grant	148,300.00	0.00	148,300.00	33.33%	0.00%	(33.33%)
52	01.0	90830.0	17100	00000	8699	All Other Local Revenue	0000000	District-Wide	SMMEF - DREAM WINDS	6,000.00	0.00	6,000.00	33.33%	0.00%	(33.33%)

11,219,655.00

Other Local 10,972,828.00
City of Malibu Joint Use 246,827.00 (01-0-00000-8699)
11,219,655.00

A	B	C	D	E	F	G	H	I
Object Name	School Location	School Location Name	Record Date	Resource Desc	Doc ID	Document Description	Accounting Line Description	Revenue
1 All Other Local Revenue	0000000	District-Wide	1 07/15/2020	Unrestricted Resource	JVA,STALE00057001,1.00,22	Journal ID LED0057	All Other Local Revenue-- PSFS Journal Line Number 107	2,861.02
2 All Other Local Revenue	0000000	District-Wide	1 07/27/2020	Unrestricted Resource	JV,210000000048,1.00,2	Re-class from 9200 to 8699. Over-payment from City Inv. #479	Re-class from 9200 to 8699. Over-payment from City Inv. #479	(124.11)
3 All Other Local Revenue	0000000	District-Wide	1 07/30/2020	Unrestricted Resource	JV,210000000113,1.00,2	Re-class from 9200 to 8699. Over-payment from City Inv. #479	Re-class from 9200 to 8699. Over-payment from City Inv. #479	124.11
4 All Other Local Revenue	0000000	District-Wide	2 08/07/2020	Unrestricted Resource	JVA,REIWT01720001,1.00,7	Journal ID WT0172	All Other Local Revenue-- PSFS Journal Line Number 16	(295.54)
5 All Other Local Revenue	0000000	District-Wide	2 08/10/2020	Unrestricted Resource	JVDEP,210000000003,1.00,22	Deposits to LACOE	CR20-001, RN 39886□ CK# 0005018292□ fedex	45.11
6 All Other Local Revenue	0000000	District-Wide	2 08/10/2020	Unrestricted Resource	JVDEP,210000000003,1.00,80	Deposits to LACOE	CR21-007, RN 39911, CK#1034□ HALE MEDICAL SUPPLY□ DISCOUNTED PPE SUPPLIES AFTER THE PURCHASE ON AMEX	1,550.00
7 All Other Local Revenue	0000000	District-Wide	2 08/10/2020	Unrestricted Resource	JVDEP,210000000003,1.00,84	Deposits to LACOE	CR21-007, RN 39905□ CK# 1669□	20.25
8 All Other Local Revenue	0000000	District-Wide	2 08/10/2020	Unrestricted Resource	JVDEP,210000000003,1.00,90	Deposits to LACOE	CR21-007, RN 39908□ CK# 827626□ CA STATE UNIVERSITY OF LONG BEACH□ MENTOR TEACHER STIPEND SPRING20	300.00
9 All Other Local Revenue	0000000	District-Wide	2 08/12/2020	Unrestricted Resource	JVA,REIWT01840001,1.00,3	Journal ID WT0184	All Other Local Revenue-- PSFS Journal Line Number 24	(1,805.44)
10 All Other Local Revenue	0000000	District-Wide	2 08/13/2020	Unrestricted Resource	JVDEP,210000000004,1.00,26	Deposit to LACOE	CR21-009, RN 39930, CK# 14392535□ SPRINT□ REBATE	2,407.05
11 All Other Local Revenue	0000000	District-Wide	2 08/17/2020	Unrestricted Resource	JVA,STALE00247001,1.00,20	Journal ID LED0247	All Other Local Revenue-- PSFS Journal Line Number 113	1,168.46
12 All Other Local Revenue	0000000	District-Wide	3 09/08/2020	Unrestricted Resource	JVDEP,210000000006,1.00,68	DEPOSIT TO LACOE	CR21-016, RN 39973□ CHK# 019663□ EDUCATIONAL & INSTITUTIONAL□ GROWTH INCENTIVE FROM GRAINGER	207.82
13 All Other Local Revenue	0000000	District-Wide	3 09/08/2020	Unrestricted Resource	JVDEP,210000000006,1.00,70	DEPOSIT TO LACOE	CR21-016, RN 39974□ CHK# 019313□ EDUCATIONAL & INSTITUTIONAL□ GROWTH INCENTIVE FROM GRAINGER	272.96
14 All Other Local Revenue	0000000	District-Wide	3 09/08/2020	Unrestricted Resource	JVDEP,210000000006,1.00,72	DEPOSIT TO LACOE	CR21-016, RN 39975□ CHK# 1149411□ SMART & FINAL	2.71
15 All Other Local Revenue	0000000	District-Wide	3 09/14/2020	Unrestricted Resource	GAX,210000000875,1.00,1	Technology E-waste	Technology E-waste	(255.00)
16 All Other Local Revenue	0000000	District-Wide	3 09/15/2020	Unrestricted Resource	JVA,FRGRY04520001,1.00,2	Journal ID RY0452	All Other Local Revenue-- PSFS Journal Line Number 3	1,805.44
17 All Other Local Revenue	0000000	District-Wide	3 09/15/2020	Unrestricted Resource	JVDEP,210000000009,1.00,34	Deposit to IACOE	CR21-024, RN 40010□ CHK# 144969□ CITY OF SANTA MONICA□ INV#542 SPORTS FIELD REIM	118,800.42
18 All Other Local Revenue	0000000	District-Wide	3 09/15/2020	Unrestricted Resource	JVDEP,210000000009,1.00,4	Deposit to IACOE	cr21-024, rn 39996□ chk# 6215□ recycle international□ technology e-waste	255.00
19 All Other Local Revenue	0000000	District-Wide	3 09/18/2020	Unrestricted Resource	JVA,STALE00545001,1.00,20	Journal ID LED0545	All Other Local Revenue-- PSFS Journal Line Number 107	1,466.67
20 All Other Local Revenue	0000000	District-Wide	3 09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,36	Deposits to Lacoe.	CR21-052, RN 40015□ CHK# 0046547169□ CLEAN POWER ALLIANCE□ CREDITS/REBATE	346.50
21 All Other Local Revenue	0000000	District-Wide	3 09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,40	Deposits to Lacoe.	CR21-052, RN 40017□ CHK# 53029□ EDUCATIONAL & INSTITUTIONAL COOP-REBATE	188.02
22 All Other Local Revenue	0000000	District-Wide	3 09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,42	Deposits to Lacoe.	CR21-052, RN 40018□ CHK# 0043799432□ CLEAN POWER ALLIANCE OF SOUTHERN CAL-REBATE/CREDITS	346.50

A		B		C	D	E		F		G		H		I
Object Name	School Location	School Location Name	Pd	Record Date	Resource Desc	Doc ID	Document Description		Accounting Line Description			Revenue		
23	All Other Local Revenue	0000000	District-Wide	3	09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,44	Deposits to Lacoe.		CR21-052, RN 40019 CHK# 1058 ATTY AT LAW WITNESS APPEARANCE/SUB POENA FEE			290.00	
	All Other Local Revenue	0000000	District-Wide	3	09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,66	Deposits to Lacoe.		CR21-021, RN 39982 CHK# 14405393 SPRINT REBATE			2,407.05	
25	All Other Local Revenue	0000000	District-Wide	3	09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,76	Deposits to Lacoe.		CR21-021, RN 39987 CHK#1868 RECORDS			338.50	
	All Other Local Revenue	0000000	District-Wide	4	10/12/2020	Unrestricted Resource	GAX,210000001092,1.00,1	Frontier CTF adj		Frontier CTF Adj			34.56	
27	All Other Local Revenue	0000000	District-Wide	4	10/12/2020	Unrestricted Resource	GAX,210000001093,1.00,1	Frontier CTF adj		Frontier CTF adj			1,345.90	
	All Other Local Revenue	0000000	District-Wide	4	10/13/2020	Unrestricted Resource	JVDEP,210000000011,1.00,10	Deposit to Lacoe		CR21-053, RN 40047 VARIOUS REDORDS			30.00	
29	All Other Local Revenue	0000000	District-Wide	4	10/18/2020	Unrestricted Resource	JVA,STALED0787001,1.00,22	Journal ID LED0787		All Other Local Revenue-- PSFS Journal Line Number 121			16,351.79	
	All Other Local Revenue	0000000	District-Wide	4	10/20/2020	Unrestricted Resource	JVDEP,210000000014,1.00,10	Deposit to LACOE		CR21-061, RN 40080 CHK# 061552 CITY OF MALIBU SANTA MONICA JOINT USER AGREEMENT JULY SEPT 2020			50,662.80	
31	All Other Local Revenue	0000000	District-Wide	4	10/20/2020	Unrestricted Resource	JVDEP,210000000014,1.00,2	Deposit to LACOE		CR21-061 RN 40085 CHK# 1282323 RICOH REBATE			31.91	
	All Other Local Revenue	0000000	District-Wide	4	10/27/2020	Unrestricted Resource	JVDEP,210000000015,1.00,14	Deposits to LACOE		CR21-064, RN 40095 CHK# 04-387415 STATE OF CALIFORNIA STATE TEACHER'S RETIREMENT			119,714.87	
33	All Other Local Revenue	0000000	District-Wide	4	10/27/2020	Unrestricted Resource	JVDEP,210000000015,1.00,18	Deposits to LACOE		CR21-064 RN 40089 CHK#6286 RECYCLE INTL E-WASTE REBATE FROM I.T.			130.00	
	All Other Local Revenue	0000000	District-Wide	4	10/27/2020	Unrestricted Resource	JVDEP,210000000015,1.00,22	Deposits to LACOE		CR21-064 RN 40091 ALLIANCE OF SCHOOLS HEALTH BENEFITS REBATE FY 2019-20			5,495.00	
35	All Other Local Revenue	0000000	District-Wide	4	10/27/2020	Unrestricted Resource	JVDEP,210000000015,1.00,88	Deposits to LACOE		CR21-059 RN 40074 CHK#999992 STAPLES REBATE			932.29	
	All Other Local Revenue	0000000	District-Wide	4	10/27/2020	Unrestricted Resource	JVDEP,210000000015,1.00,90	Deposits to LACOE		CR21-059 RN 40075 CHK#14418656 SPRINT REBATE			2,407.05	
													329,859.67	



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October 16, 2020

Board of Education
Santa Monica-Malibu Unified School District
1651 16th Street
Santa Monica, California 90404

**Re: Opinion of Counsel Fagen Friedman & Fulfroft, LLP
Compliance with Measure R Parcel Tax**

To the Members of the Santa Monica-Malibu Unified School District Board of Education:

As legal counsel to the Santa Monica-Malibu Unified School District (“District”) Board of Education (“Board”), we have been requested to review and opine on whether the District and the Board have acted in compliance with the Santa Monica-Malibu Schools Quality Education Funding Renewal Measure, commonly referred to as “Measure R.”

Please note that Fagen Friedman & Fulfroft, LLP (“F3”) did not previously advise the Board in connection with the passage of Measure R and the opinions expressed herein are solely based on F3’s review and analysis of the information and documents recently provided by the District, including but not limited to the Audit Report for the fiscal year ended June 30, 2019 and the Revised Proposed Annual Plan of Measure R Expenditures for 2021-20, dated March 10, 2020 and revised on June 11, 2020, and analysis of existing laws of the State of California. The opinions may be affected by actions or events occurring, or not occurring, after the date hereof. We have not undertaken to determine whether or not any such actions or events will occur.

With your permission, in connection with the opinion herein, we have assumed, without investigation: (i) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of the originals from which such copies were made; (ii) the truth and accuracy of all of the representations and warranties made by the District in the Annual Plan of Measure R Expenditures; and (iii) that there are no relevant, unknown facts that would have an effect on the opinions rendered herein.

Based on and subject to the foregoing, and in reliance thereon, we are of the following opinions:

I. The Relevant Background of Measure R

Section 4 of Article XIII A of the California Constitution and Government Code section 50075, *et seq.* authorize a school district, following notice and a public hearing, to levy a tax for specified purposes upon approval of at least two-thirds of the electorate voting on the measure.

On or about August 9, 2007, the Board established a Parcel Tax Renewal Feasibility Committee (“Feasibility Committee”). The Feasibility Committee was charged with bringing a recommendation to the Board on the feasibility of renewing one or both of the parcel tax Measures “S” and “Y” and which election date the renewal should be placed. On or about October 25, 2007, the Feasibility Committee made a recommendation to the Board (“Recommendation No. A.02”), recommending that the Board adopt Resolution No. 07-09 – Renewal of Special Taxes to be Placed on the February 5, 2008, Ballot for Voter Approval (“Resolution No. 07-09”).

On or about October 25, 2007, the District’s Board accepted the recommendations of the Feasibility Committee and adopted Resolution No. 07-09, which provided the foundation for Measure R. In relevant part, the Board’s Resolution “determined that there is a continuing and urgent need for the local revenues generated by these parcel taxes to make up for state funding shortfalls and provide stable financial support on an on-going basis and thereby enable the District to continue to provide its students with a high quality education; and... these revenues are critically necessary to attract and retain highly qualified teachers, maintain reduced class size, protect academic achievement in math, science, technology, arts, music, and reading programs, and to sustain school libraries[.]”

Accordingly, the ballot language of Measure R states its purpose as follows:

1. TITLE AND PURPOSE

The revenues raised by the “Santa Monica-Malibu Quality Education Funding Renewal Measure” (the “Funding Measure”) shall be used to prevent serious deterioration in the quality of public education in Santa Monica and Malibu in the face of inadequate state funding for public schools and to promote continued student achievement in the core curriculum.

2. SPECIFIC PURPOSES

The revenues raised by this Funding Measure shall be used by the Santa Monica-Malibu Unified School District (the “District”) exclusively for the following purposes:

- A. To preserve programs and replace funds lost or reduced due to inadequate state funding (including state budget reductions that are the result of reduced federal funding of state programs);
- B. To sustain achievement in reading, writing, and mathematics for all students at all grade levels and to fulfill the District's core curriculum which includes music, arts, and athletics;
- C. To attract and retain highly qualified teachers; and
- D. To protect the taxpayers' investment in education and ensure District accountability by providing for special citizen financial oversight and independent annual audits of revenues and expenditures... (Measure R, §§ 1 – 2.)

In the California State Election held on February 5, 2008 ("Election"), the voters of Santa Monica and Malibu approved the Measure R parcel tax by 73.03%, surpassing the statutory two-thirds threshold. On or about April 3, 2008, the District's Board passed Resolution No. 07-21, acknowledging that Measure R received the required number of votes to pass and authorizing the County Clerk to sign and deliver a Certificate of Statement of Votes Cast.

II. The District's Financial Oversight Committee Operates in Accordance with the Requirements Set Forth in Measure R

Section 5(A) of the Measure R ballot text requires the District's Board to appoint a special citizen financial oversight committee charged with reviewing the District's administration of and compliance with the terms of Measure R (also called the "Independent Citizens Oversight Committee"). Measure R does not expressly require that the committee be created solely for the purposes of Measure R.

The District's Financial Oversight Committee ("FOC") was created on or before 2004, prior to the Measure R parcel tax. The FOC consists of 11 members, appointed by the Board. FOC members are selected based on multiple criteria, including but not limited to individuals possessing a broad perspective of the District, as well as financial, management or legal expertise/experience and an ability to understand school district finances.

In accordance with the language of Measure R, the FOC's Statement of Purpose declares that one of the FOC's Roles and Responsibilities is to "[s]erve as the Measure R Independent Citizens Oversight Committee charged with reviewing the District's administration of and compliance with the terms of Measure R," as well as reviewing any matters potentially having a significant impact on District finances before the Board takes action. (See the FOC Roles and Responsibilities, <https://www.smmusd.org/Page/3901>; FOC's Statement of Purpose, § 4.)

It is our understanding, and District personnel have confirmed, that since the approval of Measure R in 2008, the FOC meets regularly during the school year to discuss expenditures and allocation of funds as related to Measure R. The FOC's Agendas and Minutes for the 2020-2021 school year are publicly available at the following link: <https://www.smmusd.org/Page/6163>. Archived Agendas and Minutes for the FOC for prior years are publicly available at the following link: <https://www.smmusd.org/Page/5921>.

The FOC also reports annually to the Board on Measure R and other oversight activities. Once a year, the FOC approves the Annual Plan for Measure R. The FOC then makes a recommendation to the Board to adopt the Annual Plan. Each year since 2008, the Board has adopted the Proposed Annual Plan. The Proposed Annual Plans are publicly available on the District's website at the following link: <https://www.smmusd.org/Page/3905>.

On the basis that the District has duly held regular FOC meetings to ensure proper oversight, expenditures, and allocation of Measure R funds, as well as FOC annual recommendations to the Board for the adoption of the publicly available Proposed Annual Plan, it is our opinion that the operations of the District's FOC are in compliance with Measure R.

III. The District Has Duly Posted an Annual Plan for Public Review

In the context of a local parcel tax, Government Code section 50075.1 mandates accountability measures including, in pertinent part, "[a]n annual report pursuant to Section 50075.3." (Gov. Code, § 50075.1(d).) Government Code section 50075.3 states that the annual report shall include the amount of funds collected and expended and the status of any project authorized to be funded by the parcel tax.

In accordance with statutory law, the Measure R ballot text requires that the District develop an annual expenditure plan ("Proposed Annual Plan") in consultation with the Independent Citizens Oversight Committee, to recommend expenditures of the parcel tax proceeds that are consistent with the intent of Measure R, which shall be made available for public review ninety (90) calendar days prior to the Board's adoption of its annual budget. (Measure R, § 5(B).)

As stated above in Section I, the intent of Measure R broadly includes the following: preserving programs and replacing funds reduced or lost due to inadequate state funding; sustaining achievement in reading, writing, mathematics; fulfilling the District's core curriculum including music, arts, and athletics; and attracting and retaining teachers. The Board's Resolution No. 07-09 further clarifies that the revenues from the parcel tax are critical to, *inter alia*, reduced class size, sustaining school libraries, and protecting academic achievement in technology, math, science, arts, music, and reading.

Each year since the passage of Measure R in 2008, the District has prepared and posted its Proposed Annual Plan on the District's website for public review. The most recent Proposed

Annual Plan, and Proposed Annual Plans for prior years, are publicly available at the following link: <https://www.smmusd.org/Page/3905>.

In addition, section 5(D) of Ballot Measure R requires that the District make available to the public and the Independent Citizens Oversight Committee updated budget and financial expenditure reports, separate and apart from the published Annual Plan. The District's current Chief Financial Officer, Melody Kanady, participates in the preparation and compilation of financials and financial reports related to the Measure R expenditures and allocation of funds. Specifically, these financial reports are included in the overall financials of the District which are reported by the Board three times per year as part of the District's interim budget reporting process. Further, Ms. Kanady also is involved in and has oversight over the FOC's expenditures report related to Measure R, that is independently presented to the Board.

It is our opinion that the expenditures identified in the Proposed Annual Plan are in compliance with those expenditures set forth in Measure R and Board Resolution No. 07-09, including those expenditures that may be used to sustain academic achievement, fulfill the District's core curriculum, attract and retain teachers, and preserve programs and replace funds insufficient due to inadequate state funding.

IV. The District's Accounting Procedures Are in Accordance with Standard Industry Practice

For purposes of accountability, Government Code section 50075.1 requires, in relevant part, "The creation of an account into which the proceeds shall be deposited." (Gov. Code, § 50075.1(c).) Accordingly, section 3 of the ballot text for Measure R states that "revenues raised by this Funding Measure shall be deposited in a separate account in accordance with Government Code section 50075.1 (or applicable successor law) and shall be expended solely for the specific purposes identified above." (Measure R, § 3.)

Following communications with District personnel, we confirmed that there is an industry standard practice adhered to by school districts wherein funds for a specific parcel tax are deposited into the school district's general fund using a separate, distinct accounting resource code limited to the revenues and expenditures for the parcel tax. This procedure of using separate resource codes is considered a proper accounting measure which creates a de facto separate account specific to the parcel tax.

Here, the District's Measure R funds are deposited into the District's General Fund with a separate tax account resource code specific to the Measure R parcel tax revenue and expenditures. The District makes an adjustment from the General Fund at the end of each year for Measure R expenditures. The District has represented and confirmed that all funds that have been placed in the District's general fund have been spent as directed by Measure R.

Throughout the time period in which Measure R has been in effect, as depicted in prior Annual Plans, the District included a line item for “Balance used to preserve programs and replace funds due to inadequate state funding.” The District has refined its reporting spreadsheet and the District’s current Proposed Annual Plan eliminates this line item and itemizes each expenditure category with the purpose of identifying all expenditures and their related allocations.

As shown in the attached Revised Proposed Annual Plan of Measure R Expenditures for 2020-21, the Proposed Annual Plan sets forth the revenues and expenditures for the Measure R budget, with expenditures including the Cost to Administer, Physical Education, Community Services, Technology, Art and Music Programs, Library Program, and General Education Teachers (TK-12th Grades).

Thus, in accordance with Measure R and Government Code section 50075.1, it is our opinion that the specific resource code used for Measure R serves as a separate account to properly account for Measure R revenues and expenditures.

V. An Independent Audit Report is Prepared Each Year in Accordance with Measure R

Section 5(E) of the Measure R ballot text requires that the District retain an independent auditor who shall annually review the District’s records to determine that Measure R funds have been maintained and expended in accordance with the Adopted Annual Plan and that other conditions of Measure R have been satisfied. The audit is to be conducted in accordance with Measure R, generally accepted accounting principles, and the Standards and Procedures for Audits of K-12 Local Agencies. If Measure R funds have been spent for purposes other than those purposes identified and specified in Measure R, or if other Measure R conditions have not been satisfied, the independent auditor is required to submit a “Finding of Violation” to the District’s Board.

Since 2008, the District has retained an independent auditor to prepare an annual Independent Auditor’s Report on Measure “R” Schedule of Revenues and Expenditures (“Audit Report”). The Audit Report is published each December. The most recent Audit Report for the Fiscal Year Ended June 30, 2019, and Audit Reports for prior years, are publicly available at the following link: <https://www.smmusd.org/Page/3900>.

The Audit Report tests all ballot language in compliance with Measure R. Since the passage of Measure R in 2008, there have been no exceptions or Findings of Violations regarding Measure R. *As identified in the attached Audit Report for the Fiscal Year Ended June 30, 2019, the independent auditor has expressly found the District’s Measure R revenues and expenditures are in conformity with generally accepted accounting and financial audit principles*, including those prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. [Emphasis added.]

VI. Conclusion

Following F3's review, as outlined hereinabove, we have confirmed that the District's Board, the FOC members appointed by the Board, and an independent auditor have each independently determined that the District and the Board have acted in full compliance with the requirements of Measure R.

Pursuant to the foregoing, it is our opinion that the District and the Board have acted appropriately and in compliance with the Measure R parcel tax and applicable statutory laws. On behalf of the Board, the District has duly held regular FOC meetings, properly accounted for the Measure R funds and expenditures, performed yearly audits, and made Audit Reports and Annual Plans available to the public since the passage and inception of Measure R through the present.


This opinion is furnished solely for your benefit and solely with respect to the matter contained herein, upon the understanding, as we have advised you and as you have agreed, that we are not hereby assuming any professional responsibility to any other person whatsoever. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. This opinion is issued with all the exclusions and limitations set forth above. This opinion is delivered to you in connection with the above-referenced matter for your information and is not to be relied upon by any other person other than the Board, identified District personnel and its assigns. Please note that our opinion herein is not to be used, circulated, quoted, or otherwise referred to for any other purpose without our express written permission.

Best Regards,

FAGEN FRIEDMAN & FULFROST, LLP



Jessica Ehrlich



Mark S. Williams

Attachments: Revised Proposed Annual Plan of Measure R Expenditures for 2020-21
Audit Report for the Fiscal Year Ended June 30, 2019

cc: Melody Canady, Assistant Superintendent of Business and Fiscal Services, Santa Monica-Malibu Unified School District
Gerardo Cruz, Director, Fiscal Services, Santa Monica-Malibu Unified School District



SANTA MONICA - MALIBU UNIFIED SCHOOL DISTRICT

*Office of Melody Canady, Assistant Superintendent
Business and Fiscal Services*

TO: For Public Review
FROM: Melody Canady
RE: Revised Proposed Annual Plan of Measure R Expenditures for 2020-21
DATE: March 10, 2020; June 11, 2020 (revised plan date)

In accordance with *The Santa Monica-Malibu Schools Quality Education Funding Renewal Measure* (Measure R) Section 5.B, Accountability, Planning, Public Information, and Compliance Review Provisions-Annual Plan, the District must develop a Proposed Annual Plan to recommend expenditures of the tax proceeds that are consistent with the intent of Measure R, which shall be made available for public review ninety (90) calendar days prior to Board adoption of its annual budget.

Below is the Proposed Annual Plan of Measure R Expenditures for the 2020-21 fiscal year:

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
PARCEL TAX - MEASURE "R" BUDGET**

	2019-20 BUDGET		2020-21 PROPOSED	
	FTE		FTE	
REVENUE:		12,160,249		12,568,316
EXPENDITURES:				
COST TO ADMINISTER		23,500		24,500
PHYSICAL EDUCATION	17.00	901,711	16.250	976,407
COMMUNITY SERVICES	1.00	80,897	1.000	78,721
TECHNOLOGY	18.00	2,497,917	18.000	2,543,242
ART AND MUSIC PROGRAMS	15.75	1,504,915	18.875	1,562,621
LIBRARY PROGRAM	18.125	1,397,644	16.375	1,300,491
GENERAL EDUCATION TEACHERS (TK-12 TH GRADES)			44.000	6,082,334
SUBTOTAL EXPENDITURES FOR MEASURE "R"	69.875	6,406,584	114.500	12,568,316
BALANCE USED TO PRESERVE PROGRAMS AND REPLACE FUNDS LOST DUE TO INADEQUATE STATE FUNDING		5,753,665		0
TOTAL BUDGET MEASURE "R"		12,160,249		12,568,316

In accordance with Section 5.C-Public Comment Process, the Board shall hold a noticed public hearing on this plan no fewer than 60 calendar days before the annual budget is adopted for the subsequent fiscal year. Public notice will be published for the public hearing, to be held at the April 3, 2019 Board Meeting at the District's Administration Offices Board Room, 1651 16th Street, Santa Monica, CA 90404-3891. Section 5.C also states that no fewer than 30 days prior to the annual budget adoption, the Independent Citizens Oversight Committee will review the public hearing findings and make its recommendation to the Board.

MC/gc

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2020-21 PROPOSED BUDGET

6/11/2020

<i>*New Expenditure</i> <i>**Increased Expenditure</i>	2019-20 BUDGET		2020-21 PROPOSED BUDGET	
REVENUE:	12,160,249		12,568,316	
EXPENDITURES:	FTE	AMOUNT	FTE	AMOUNT
GENERAL EDUCATION:				
GENERAL EDUCATION TEACHERS		5,753,665	44.0000	6,082,334
Teachers Salaries & Benefits - TK-3rd Grades			14.0000	1,904,030
Teachers Salaries & Benefits - 4th & 5th Grades			8.0000	1,029,543
Teachers Salaries & Benefits - 6th-8th (Middle School) Grades			10.0000	1,471,555
Teachers Salaries & Benefits - 9th-12th (High School) Grades			12.0000	1,677,206
TOTAL FOR UNRESTRICTED TEACHERS	-	5,753,665	44.0000	6,082,334

MEASURE "R" AUDIT		2,500		4,000
MEASURE "R" EXEMPTION PROCESSING COST		4,500		4,500
SUPPLIES		1,000		1,000
SERVICES AND OTHER OPERATING COSTS		2,000		2,000
MEASURE R ASSESTMENT FEES		13,500		13,000
ADMINISTRATION COST		23,500		24,500

01-00001-0-17100-10000-1110-030-1501				
ART & MUSIC PROGRAM				
ELEMENTARY MUSIC TEACHERS	10.0000	790,475	10.0000	775,777
EXTRA DUTY UNIT -EDU		12,009		12,009
OTHER HOURLY		700		700
*TEACHER SUBS		-		3,000
*MARIACHI LEADS & STAFF		-		8,580
SPECIAL SERVICES		600		600
BENEFITS		307,124		309,157
ACCOMPANIST/MUSIC AIDES / SECONDARY				
ADAMS	1.4375	79,185	2.0000	79,023
LINCOLN	1.3750	61,550	2.0000	66,882
SMASH (CHANGED TO OBJ-2917)		6,000		6,000
MALIBU	1.4375	80,462	2.8750	85,696
SAMOH	1.5000	93,509	2.0000	83,219
*MARIACHI LEADS & STAFF		-		21,613
SECURITY O/T		-		-
NON-PERSONNEL ELEMENTARY & SECONDARY				
SUPPLIES		13,200		13,200
*Instruments		-		7,966
*Textbooks		-		200
*Sheet Music		-		500
*Other Supplies		-		1,000
*Monos		-		500
MILEAGE		2,500		2,500
**REPAIR BY VENDOR		40,000		50,000
**DIRECT COST-PRINTING & SCHOOL BUS		1,000		4,200
**TRANSPORTATION		1,300		5,000
*RENTS & LEASES		-		800
**CONSULTANT		15,000		20,000
*Professional Development/Recruitment		-		4,000
OTHER OPERATING COSTS		300		500
TOTAL BUDGET FOR MUSIC PROGRAM:	15.7500	1,504,915	18.8750	1,562,621

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2020-21 PROPOSED BUDGET

6/11/2020

<i>*New Expenditure</i> <i>**Increased Expenditure</i>	2019-20 BUDGET		2020-21 PROPOSED BUDGET	
REVENUE:	12,160,249		12,568,316	
EXPENDITURES:	FTE	AMOUNT	FTE	AMOUNT
01-00001-0-19480-10000-2xxx-030-1501				
PE PROGRAM				
ELEMENTARY				
PHYSICAL ACTIVITY SPECIALIST	14.6250	524,425	13.8750	545,715
BENEFITS		240,885		230,799
TEACHER HOURLY & SUB	-	2,500	-	15,000
PAS- SUB		15,000		20,000
BENEFITS		5,665		10,189
PE SUPPLIES		1,200		1,200
SECONDARY				
ADAMS	0.8750	36,169	0.8750	37,607
LINCOLN	0.7500	33,118	0.7500	32,097
MALIBU	0.7500	42,749	0.7500	42,024
*6TH & 7TH ISPE STUDENT SUPPORT STAFF		-		29,777
*7TH ISPE SUPPLIES/MATERIALS/NON-CAP EQUIP		-		12,000
TOTAL BUDGET FOR PE PROGRAM:	17.0000	901,711	16.2500	976,407

01-00001-0-19530-24200-1210/2410/2910				
LIBRARY PROGRAM				
ELEMENTARY				
LIBRARY ASSISTANT	9.1250	356,257	7.3750	292,678
SECONDARY				
LIBRARIANS	4.5000	381,934	4.5000	395,628
LIBRARY ASSISTANT/TEXBOOK COORDINATOR	4.5000	170,471	4.5000	177,111
BENEFITS		433,982		372,575
*YOUNG ADULT LIBRARY ASSOCIATION CONFERENCE		-		7,500
MAINTENANCE AGREEMENT		-		-
OTHER OPERATING COST		-		-
PROQUEST INFORMATION & LEARNING		55,000		55,000
TOTAL BUDGET FOR LIBRARY PROGRAM:	18.1250	1,397,644	16.3750	1,300,491

01-000010-0-81000-54000-2910-046-1501				
COMMUNITY SERVICES				
MEDIA TECHNICIAN/BARNUM HALL	1.00	80,897	1.00	78,721
TOTAL BUDGET FOR COMMUNITY SERVICES				

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2020-21 PROPOSED BUDGET

6/11/2020

<i>*New Expenditure</i> <i>**Increased Expenditure</i>	2019-20 BUDGET		2020-21 PROPOSED BUDGET	
REVENUE:	12,160,249		12,568,316	
EXPENDITURES:	FTE	AMOUNT	FTE	AMOUNT
01-00001-0-19100-xxxxx-xxxx-xxx-xxxx TECHNOLOGY				
TECHNOLOGY SUPPORT ASSISTANT	14.0000	950,808	14.0000	951,000
NETWORK ENGINEER	2.0000	220,956	2.0000	225,924
SYSTEMS ANALYST	1.0000	84,432	1.0000	86,328
AV TECHNICIAN	1.0000	43,728	1.0000	51,756
TECHNICIAN- HOURLY & OT				3,000
BENEFITS		570,993		472,734
**SUPPLIES		5,000		10,000
**NON-CAPITAL EQUIPMENT		-		10,000
MILEAGE		1,000		500
**CONFERENCE		1,000		2,000
INTERFUND TRANSFER		-		-
MAINTENANCE AGREEMENT		525,000		700,000
INDEPENDENT CONTRACTOR FOR APPLE		75,000		-
REPAIR BY VENDOR		-		10,000
OTHER OPERATING COSTS		20,000		20,000
EQUIPMENT		-		-
TOTAL BUDGET FOR TECHNOLOGY	18.0000	2,497,917	18.0000	2,543,242
TOTAL REVENUE FOR MEASURE "R":		12,160,249		12,568,316
TOTAL EXPENDITURE FOR MEASURE "R":	69.875	6,406,584	114.500	12,568,316

MEASURE “R”

QUALITY EDUCATION FUNDING RENEWAL MEASURE

**SANTA MONICA-MALIBU UNIFIED
SCHOOL DISTRICT**

AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

MEASURE “R” QUALITY EDUCATION FUNDING RENEWAL MEASURE

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

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MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S REPORT
ON MEASURE "R" SCHEDULE OF REVENUES AND EXPENDITURES**

Governing Board Members and
Santa Monica-Malibu Unified School District
Santa Monica, California

Report on the Schedule of Revenues and Expenditures

We have audited the accompanying Measure "R" Schedule of Revenues and Expenditures of Santa Monica-Malibu Unified School District for the fiscal year ended June 30, 2019 and June 30, 2018, and the related notes to the schedule specific to the Measure "R" Quality Education Funding Renewal Measure.

Management's Responsibility for the Schedule of Revenues and Expenditures

Management is responsible for the preparation and fair presentation of the schedule of revenues and expenditures in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule of revenues and expenditures based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of revenues and expenditures is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the schedule of revenues and expenditures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of revenues and expenditures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of revenues and expenditures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Auditor's Responsibility (continued)

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of revenues and expenditures. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the schedule presents only the revenues and expenditures specific to the Santa Monica-Malibu Unified School District's Quality Education Funding Renewal Measure, as approved by the voters on February 5, 2008, and is not intended to present fairly the financial position and results of operations of the Santa Monica-Malibu Unified School District in conformity with generally accepted accounting principles.

Opinion

In our opinion, the schedule of revenues and expenditures referred to above present fairly, in all material respects, the respective financial information of Santa Monica-Malibu Unified School District's Quality Education Funding Renewal Measure "R" for the fiscal year ended June 30, 2019 and June 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
January 23, 2020

MEASURE “R” QUALITY EDUCATION FUNDING RENEWAL MEASURE
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
Measure “R” Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2019 and 2018

	<u>2017-18</u> <u>REPORTED</u>	<u>2018-19</u> <u>BUDGET</u>	<u>2018-19</u> <u>REPORTED</u>
Revenues Collected			
Measure "R" Taxes Collected by the County	<u>\$ 11,920,265</u>	<u>\$ 12,205,124</u>	<u>\$ 12,359,440</u>
Reported Expenditures			
Fine Art and Music Programs	1,420,598	1,532,694	1,510,820
Physical Education Programs	943,633	938,459	909,099
Library Programs	1,340,138	1,425,240	1,362,952
Community Services	77,476	76,918	81,576
Technology	2,463,030	2,587,870	2,569,139
Costs to Administer	<u>27,614</u>	<u>29,483</u>	<u>17,255</u>
Total Expenditures	<u>6,272,489</u>	<u>6,590,664</u>	<u>6,450,841</u>
Total Measure "R" Revenues Spent	<u>6,272,489</u>	<u>6,590,664</u>	<u>6,450,841</u>
Balance Used to Preserve Programs and Replace			
Funds Lost Due to Inadequate State Funding	<u>\$ 5,647,776</u>	<u>\$ 5,614,460</u>	<u>\$ 5,908,599</u>

The accompanying notes are an integral part of this schedule.

MEASURE “R” QUALITY EDUCATION FUNDING RENEWAL MEASURE
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
Notes to Financial Schedule
June 30, 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The accounting policies of the Santa Monica-Malibu Unified School District, (the “District”) conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Santa Monica-Malibu Unified School District accounts for their financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

B. Financial Reporting Entity

On February 5, 2008, the District voters passed the "Santa Monica-Malibu Unified School District Quality Education Funding Renewal Measure" (Measure "R") which replaced the previous parcel tax Measures "S" and Measure "R" results in a tax of \$410.49 per parcel, as of June 30, 2019, adjusted annually for inflation by the Consumer Price Index-All Urban Consumers with exemptions for parcels owned and occupied by persons age 65 or older. The revenues raised by Measure "R" shall be used to prevent deterioration in the quality of public education in Santa Monica and Malibu in the face of cuts in funding for public schools, and to promote continued student achievement in the core curriculum.

C. Financial Presentation

Measure "R" requires that an annual expenditure plan be developed to recommend expenditures of the tax proceeds that are consistent with the intent of the Measure. For financial presentation purposes, the District has reported the District's Annual Measure "R" Schedule of Revenues and Expenditures.

D. Accounting Method

Revenue is recorded under the modified accrual method of accounting. Revenue consists of the special secured tax levy that attaches as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. The property taxes are payable in one installment on or before August 31st. The Los Angeles County Treasury and collects the taxes for the District. The District recognizes tax revenues when received. Expenditures are recorded under the modified accrual basis of accounting.



MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Governing Board
Santa Monica-Malibu Unified School District
Santa Monica, California

We have performed the agreed-upon procedures enumerated in Exhibit A, which was agreed to by the Santa Monica-Malibu Unified School District for the purpose of determining compliance with the Santa Monica-Malibu Unified School District Quality Education Funding Renewal Measure "R", as approved by the voters February 5, 2008 for the fiscal year ended June 30, 2019. This engagement to perform Agreed-Upon Procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated results, findings and recommendations are described in this report as Exhibits A & B, respectively.

This report is intended for the information and use of the Governing Board, and management of Santa Monica-Malibu Unified School District, and is not intended to be and should not be used by anyone other than these specified parties who have agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
January 22, 2020

MEASURE “R” QUALITY EDUCATION FUNDING RENEWAL MEASURE
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
Exhibit A – Agreed-Upon Procedures
For the Fiscal Year Ended June 30, 2019

The Santa Monica-Malibu Unified School District requested that the following agreed-upon procedures be performed.

- A. Reconcile the Measure "R" Schedule of Revenues and Expenditures to the District's general ledger.
- B. Obtain an understanding of the internal controls over the recording of revenues collected by the County.
- C. Obtain an understanding of the internal controls over the recording of expenditures and observe support for the allocations report for Measure “R”.
- D. Review the compliance with the expenditure provisions/restrictions in the Santa Monica-Malibu Unified School District Quality Education Funding Renewal Measure.

MEASURE "R" QUALITY EDUCATION FUNDING RENEWAL MEASURE
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
Exhibit B – Findings and Recommendations
For the Fiscal Year Ended June 30, 2019

The following results are based-upon, the performance of the agreed-upon procedures as discussed in Exhibit A.

Agreed-Up on Procedure A: Reconcile the Measure "R" Schedule of Revenues and Expenditures to the District's general ledger.

Results: For the year fiscal year ended June 30, 2019, revenues and expenditures reported by the Santa Monica-Malibu Unified School District for Measure "R" are included in the general ledger of the District.

Agreed-Up on Procedure B: Obtain an understanding of the internal controls over the recording of revenues collected by the County.

Results: For the year fiscal year ended June 30, 2019, there were no exceptions noted over revenues reported by the Santa Monica-Malibu Unified School District for Measure "R."

Agreed-Up on Procedure C: Obtain an understanding of the internal controls over the recording of expenditures and observe support for the allocations reported for Measure "R."

Results: For the year fiscal year ended June 30, 2019, there were no exceptions noted over expenditures reported by the Santa Monica-Malibu Unified School District for Measure "R."

Agreed-Up on Procedure D: Review the compliance with the expenditure provisions/restrictions in the Santa Monica-Malibu Unified School District Quality Education Funding Renewal Measure.

Results: We reviewed salary and benefits of fifteen (15) employees charged to Measure which included teachers' salaries and non-administrative classified salaries, as well as selected ten (10) non-payroll disbursements made during 2018-19. We evaluated the selected expenditures for Measure "R" allowability, adequacy of supporting documentation, and appropriate Standardized Account Code Structure (SACS) account coding. There were no exceptions noted in the testing.

**MEASURE “R” QUALITY EDUCATION FUNDING RENEWAL MEASURE
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
Exhibit C – Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2019**

There were no exceptions noted within the findings and recommendations for agreed-upon procedures performed over the Santa Monica-Malibu Unified School District’s Measure “R” for the year ended June 30, 2018.