



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2016-17 UNAUDITED ACTUALS

Michael Bishop, Sr.
Interim Assistant Superintendent,
Business and Fiscal Services
Chief Financial Officer

August 30, 2017 Board Meeting
Agenda Item X.A



What are Unaudited Actuals?

- District prepared year-end financial statements as of June 30th using State format known as SACS (State Account Code Structure) for all District funds
- Report of activities in all District funds, identifying unspent funds or reserves that are carried forward into future years
- Used by external auditors to prepare the official Audit Report
- In June, staff presented 2016-17 Estimated Actuals during the 2017-18 Budget adoption process



What has changed since June?

- The financial books of the District have been closed
- Year-end closing entries are prepared and posted
- Unspent allocations have been identified and reserved or assigned the Fund Balance as appropriate
- Unaudited Actuals are compared to Estimated Actuals as presented with the 2017-18 Adopted Budget



Why are Projections Different than Expected?

- School districts use conservatively estimated revenue and allocated expenditures during the budget and interim reporting processes
- The risk of miscalculating or underestimating is too great – running out of cash is never a good thing





What are Common Reasons for Differences?

- Revenue is received that was not anticipated
- Expenditure allocations or budgets were not completely used
- Purchase Orders (PO) issued before 6/30 – work completed or goods received after 7/1 (Rollover PO's)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
GENERAL FUND (01)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	151,027,978	151,639,295	611,317
EXPENDITURES	162,706,037	158,226,133	(4,479,904)
EXCESS OR (DEFICIENCY)	(11,678,059)	(6,586,838)	5,091,221
BEGINNING BALANCE	37,807,421	37,807,421	-
ENDING BALANCE	26,129,362	31,220,582	5,091,221
Unrestricted General Fund	23,825,069	26,917,922	3,092,853
Restricted General Fund	2,304,292	4,302,660	1,998,368
Combined General Fund	26,129,362	31,220,582	5,091,221

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT

2016-17 UNAUDITED ACTUAL SUMMARIES

GENERAL FUND (01)

DESIGNATION OF ENDING BALANCE

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
STORES/INVENTORY/REVOLVING CASH	141,782	143,465	1,683
RESTRICTED ENDING BALANCE	2,304,292	4,302,660	1,998,368
RESERVE FOR ECONOMIC UNCERTAINTIES	4,834,371	4,746,784	(87,587)
OTHER DESIGNATIONS	18,848,916	22,027,673	3,178,757
UNAPPROPRIATED AMOUNT	-	-	-
PROJECTED ENDING BALANCE	26,129,362	31,220,582	5,091,221

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
GENERAL FUND (01)**

Changes to Fund Balance

	Estimated Actuals June 2017	Unaudited Actuals August 2017	Difference
Unrestricted	(8,784,779)	(5,691,926)	3,092,853
Restricted	(2,893,280)	(894,912)	1,998,368
Combined	(11,678,059)	-6,586,838	5,091,221

Explanation of differences between June Estimates and September Actuals

	\$3,092,853 (2.7%)
Revenue: LCFF – 239,274 MAA – 192,942 OTHER STATE REVENUES – (10,631) OTHER LOCAL REVENUES – 192,319	613,903
Unspent Special Education LGFC	1,011,007
Unspent Site/Department Budgets	989,151
Unspent Stretch Grants & Formula	100,139
Unspent Stretch Grants & LCAP GRANT	378,653

Did the Minimum State Calculation Impact SMMUSD in 2016-17?

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

2016-17 LCFF Calculation

Impact of Minimum State Aid Calculation

			SMMUSD Unaudited Actuals	Example if Receive Less Property Taxes
LCFF Entitlement	A		87,770,280	87,770,280
Property Taxes	B		80,913,202	75,000,000
Difference	C	A - B	6,857,078	12,770,280
Prop 30 - EPA	D		2,141,662	2,141,662
State Aid	E	C - D	4,715,416	10,628,618
Minimum Guarantee	F		8,585,843	8,585,843
Minimum State Aid Benefit	G	F - E	3,870,427	-
Total Funding	H	B + D + E + G	91,640,707	87,770,280
Transfers Out	I		251,982	251,982
LCFF Revenue	J	H - I	91,388,725	87,518,298

SANTA MONICA- MALIBU USD - PROPERTY TAXES COMPARISON

FISCAL YEAR	P2 REPORT			ANNUAL REPORT			VAR	%
	PROPERTY TAXES	RDA FUNDS	TOTAL	PROPERTY TAXES	RDA FUNDS	TOTAL		
2004-05	35,768,686		35,768,686	35,155,555		35,155,555	(613,131)	-1.71%
2005-06	37,340,704		37,340,704	35,225,078		35,225,078	(2,115,626)	-5.67%
2006-07	39,816,823		39,816,823	37,564,644		37,564,644	(2,252,179)	-5.66%
2007-08	41,690,234	880,161	42,570,395	38,462,707	880,161	39,342,868	(3,227,527)	-7.58%
2008-09	45,906,557	1,174,757	47,081,314	45,143,652	1,174,754	46,318,406	(762,908)	-1.62%
2009-10	48,907,003	1,323,795	50,230,798	49,174,813	1,323,795	50,498,608	267,810	0.53%
2010-11	47,654,739	1,383,695	49,038,434	43,775,461	5,683,215	49,458,676	420,242	0.86%
2011-12	49,510,393	1,373,286	50,883,679	48,132,913	3,571,288	51,704,201	820,522	1.61%
2012-13	49,542,296	8,783,796	58,326,092	53,499,704	10,956,778	64,456,482	6,130,390	10.51%
2013-14	51,700,678	6,958,920	58,659,598	52,656,493	13,157,653	65,814,146	7,154,548	12.20%
2014-15	55,736,580	10,582,632	66,319,212	57,371,774	15,200,596	72,572,370	6,253,158	9.43%
2015-16	60,240,363	10,225,493	70,465,856	62,583,086	11,082,687	73,665,773	3,199,917	4.54%
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%

Unrestricted General Fund Balance Historical Differences

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

<u>Fiscal Year</u>	<u>Estimated vs. Unaudited Actuals</u>
2007-08	2,878,677
2008-09	2,755,068
2009-10	2,127,851
2010-11	4,189,571
2011-12	1,575,461
2012-13	9,756,047
2013-14	2,671,242
2014-15	8,414,916
2015-16	4,019,832
2016-17	3,092,853

Unrestricted General Fund Net Increase / (Decrease) in Fund Balance

<u>Fiscal Year</u>	<u>(Deficit Spending)</u>
2007-08	4,337,478
2008-09	1,436,131
2009-10	(3,647,602)
2010-11	3,062,920
2011-12	(2,280,283)
2012-13	7,184,608
2013-14	(2,975,908)
2014-15	9,759,555
2015-16	1,074,929
2016-17	(5,691,926)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
3-YEAR PROJECTIONS
UNRESTRICTED GENERAL FUND (01)

	2017-18	2018-19	2019-20
	Working	Projected	Projected
	Budget	Budget	Budget
REVENUE	113,744,363	115,569,392	119,488,604
EXPENDITURES	117,158,840	117,977,259	121,727,345
EXCESS OR (DEFICIENCY)	(3,384,477)	(2,407,867)	(2,238,741)
BEGINNING BALANCE	26,917,922	23,533,445	21,125,578
ENDING BALANCE	23,533,445	21,125,578	18,886,837

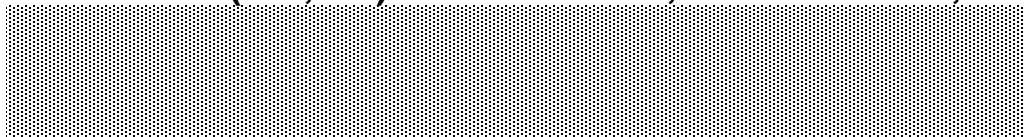
Observations To Keep In Mind

- Moderate declining enrollment
- Property taxes are an extremely 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
- The District is in a position to just about anything it wants to do, it just can't do everything it wants to do...priority setting will be the key to solvency



SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
ADULT EDUCATION FUND (11)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	769,915	781,565	11,650
EXPENDITURES	1,062,434	777,089	(285,345)
EXCESS OR (DEFICIENCY)	(292,519)	4,476	296,995
BEGINNING BALANCE	659,900	659,900	-
ENDING BALANCE	367,381	664,376	296,995

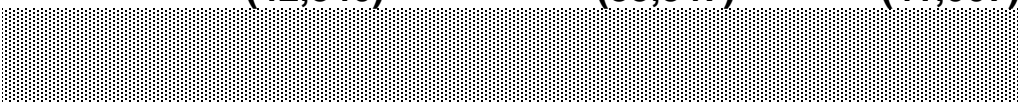


**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
CHILD DEVELOPMENT FUND (12)**

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	8,833,105	8,701,594	(131,511)
EXPENDITURES	9,007,022	8,599,862	(407,160)
EXCESS OR (DEFICIENCY)	(173,917)	101,732	275,649
BEGINNING BALANCE	298,866	298,866	-
ENDING BALANCE	124,949	400,598	275,649

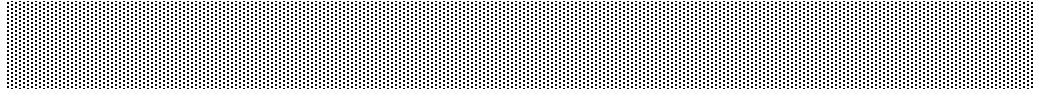
SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
CAFETERIA FUND (13)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	3,162,024	3,263,836	101,812
EXPENDITURES	3,204,364	3,347,183	142,819
EXCESS OR (DEFICIENCY)	(42,340)	(83,347)	(41,007)
BEGINNING BALANCE	195,976	195,976	-
ENDING BALANCE	153,636	112,629	(41,007)



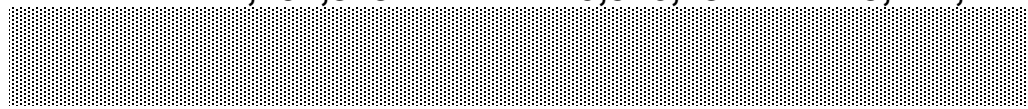
SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
DEFERRED MAINTENANCE (14)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	851,000	851,407	407
EXPENDITURES	411,000	395,796	(15,204)
EXCESS OR (DEFICIENCY)	440,000	455,611	15,611
BEGINNING BALANCE	212,196	212,196	-
ENDING BALANCE	652,196	667,808	15,611



SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
BUILDING FUND (21)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	60,573,000	61,213,346	640,346
EXPENDITURES	49,468,187	34,637,062	(14,831,125)
EXCESS OR (DEFICIENCY)	11,104,813	26,576,284	15,471,471
BEGINNING BALANCE	92,741,212	92,741,212	-
ENDING BALANCE	103,846,025	119,317,497	15,471,471



SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
CAPITAL FACILITIES FUND - DEVELOPER FEES (25)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	518,602	1,634,478	1,115,876
EXPENDITURES	814,000	613,422	-200,578
EXCESS OR (DEFICIENCY)	(295,398)	1,032,056	1,316,454
BEGINNING BALANCE	1,236,679	1,236,679	-
ENDING BALANCE	941,281	2,257,734	1,316,454

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
County School Facilities Fund (35)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	2,445,054	2,445,054	0
EXPENDITURES	2,445,054	2,445,054	0
EXCESS OR (DEFICIENCY)	0	0	0
BEGINNING BALANCE	0	0	0
ENDING BALANCE	0	0	0

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
SPECIAL RESERVE for CAPITAL PROJECTS (40)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	7,653,974	7,019,417	(634,557)
EXPENDITURES	9,456,523	8,603,795	(852,728)
EXCESS OR (DEFICIENCY)	(1,802,549)	(1,584,377)	218,172
BEGINNING BALANCE	11,444,209	11,404,209	-
ENDING BALANCE	9,641,660	9,859,832	218,172

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
BOND INTEREST AND REDEMPTION FUND (51)

	2016-17 ESTIMATED ACTUALS	2016-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	33,721,003	42,436,136	8,715,133
EXPENDITURES	38,769,959	38,842,886	72,927
EXCESS OR (DEFICIENCY)	(5,048,956)	3,593,250	8,642,206
BEGINNING BALANCE	36,509,677	36,509,677	-
ENDING BALANCE	31,460,721	40,102,927	8,642,206



SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2016-17 UNAUDITED ACTUAL SUMMARIES
RETIREE BENEFIT FUND (71)

	16-17 ESTIMATED ACTUALS	16-17 UNAUDITED ACTUALS	DIFFERENCE
REVENUE	1,350,821	2,337,571	986,750
EXPENDITURES	1,300,000	1,068,101	(231,899)
EXCESS OR (DEFICIENCY)	50,821	1,269,470	1,218,649
BEGINNING BALANCE	5,120,174	5,120,174	
ENDING BALANCE	5,170,995	6,389,644	1,218,649

Questions

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

