

SANTA MONICA- MALIBU UNIFIED SCHOOL DISTRICT

2012-13 SECOND INTERIM REPORT

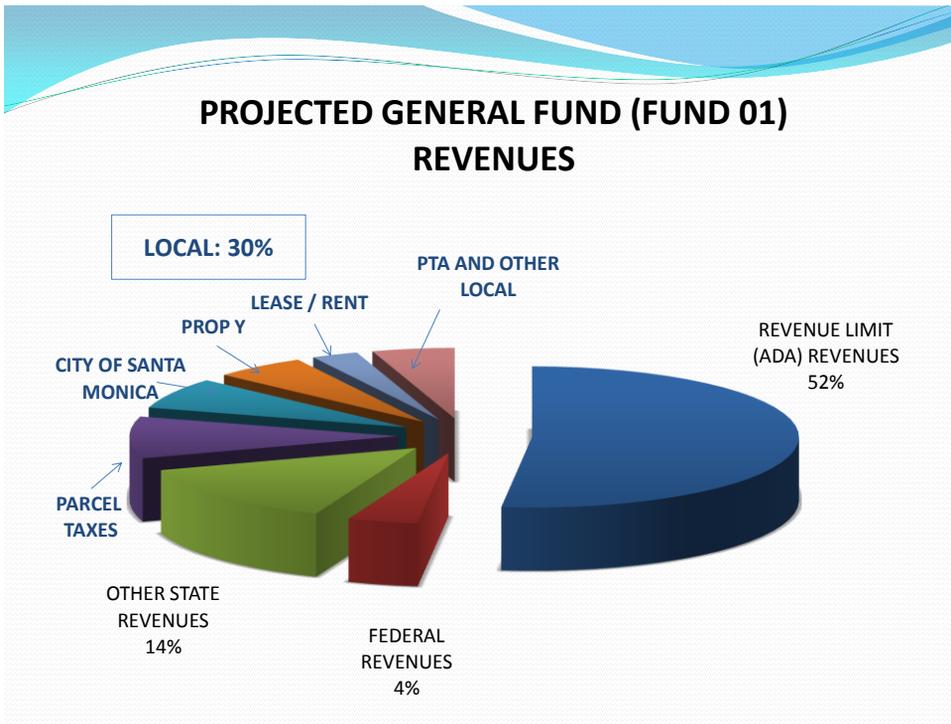
MARCH 5, 2013

AGENDA ITEM A.27.

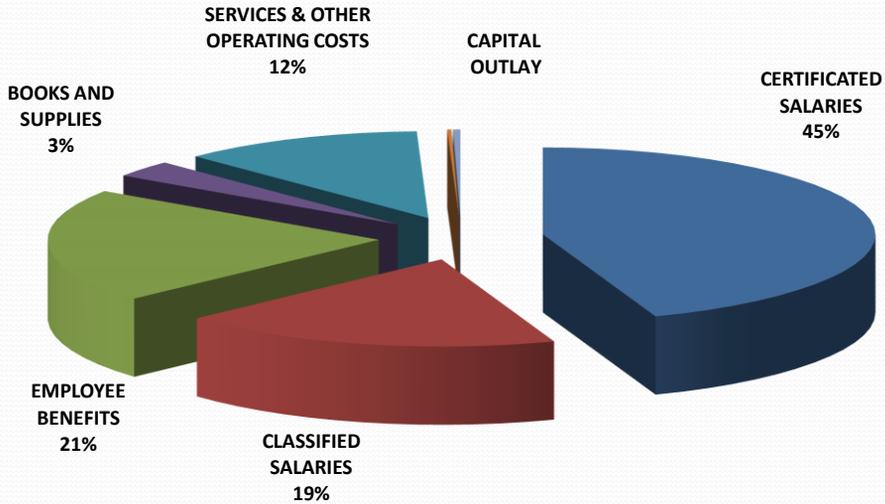
SMMUSD 2nd Interim Report

- Shows District financial position as of January 31, 2013
- Displays the Adopted Budget, Current Actuals, and Projected Totals for each District fund
- Includes an analysis of standards for financial reporting set by the State
- Projects the General Fund for the current and next two fiscal years
- Certifies one of three conditions: positive, negative or qualified

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT 2012-13 SECOND INTERIM REPORT AS OF 1/31/13 GENERAL FUND (01)				
	ADOPTED BUDGET	ACTUALS AS OF 01/31/13	2012-13 ESTIMATED ACTUALS	DIFFERENCE
REVENUE	110,065,785	64,580,693	114,006,889	3,941,104
EXPENDITURES	115,388,956	54,218,183	120,717,575	(5,328,619)
EXCESS OR (DEFICIENCY)	(5,323,171)	10,362,510	(6,710,686)	(1,387,515)
BEGINNING BALANCE	20,542,710		20,542,710	0
PROJECTED ENDING BALANCE	15,219,539		13,832,024	(1,387,515)



**PROJECTED TOTAL GENERAL FUND (FUND 01)
EXPENDITURES**



**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT
2012-13 SECOND INTERIM REPORT
AS OF 1/31/13
GENERAL FUND (01)**

<u>Nonspendable Amounts</u>		
	Stores, Revolving Cash, Prepaid	50,000
<u>Restricted</u>		2,038,824
<u>Committed Amounts</u>		-
<u>Assigned Amounts</u>		
	Reserve for 2012-13 Deficit Spending	4,139,367
<u>Unassigned/Unappropriated Amounts</u>		
	Reserve for Economic Uncertainties	3,621,527
	Unassigned	3,982,306
FUND BALANCE		13,832,024

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
ADULT EDUCATION (11)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	395,634	57,329	402,574	6,940
EXPENDITURES	403,528	194,523	414,468	(10,940)
EXCESS OR (DEFICIENCY)	(7,894)	(137,194)	(11,894)	(4,000)
BEGINNING BALANCE	315,807		315,807	0
PROJECTED ENDING BALANCE	307,913		303,913	(4,000)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
CHILD DEVELOPMENT FUND (12)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	8,707,422	4,563,456	7,621,786	(1,085,636)
EXPENDITURES	8,707,422	3,739,860	7,622,056	1,085,366
EXCESS OR (DEFICIENCY)	0	823,595	(270)	(270)
BEGINNING BALANCE	41,298		41,298	0
PROJECTED ENDING BALANCE	41,298		41,028	(270)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
CAFETERIA FUND (13)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	3,141,850	1,454,875	3,143,850	2,000
EXPENDITURES	3,167,514	1,449,037	3,186,932	(19,418)
EXCESS OR (DEFICIENCY)	(25,664)	5,838	(43,082)	(17,418)
BEGINNING BALANCE	296,317		296,317	0
PROJECTED ENDING BALANCE	270,653		253,235	(17,418)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
DEFERRED MAINTENANCE (14)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	3,000	861	3,000	0
EXPENDITURES	250,000	154,148	250,000	0
EXCESS OR (DEFICIENCY)	(247,000)	(153,287)	(247,000)	0
BEGINNING BALANCE	482,843		482,843	0
PROJECTED ENDING BALANCE	235,843		235,843	0

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
BUILDING FUND (21)				
	ADOPTED BUDGET	ACTUALS AS OF 01/31/13	2012-13 ESTIMATED ACTUALS	DIFFERENCE
REVENUE	1,100,000	161,476	600,000	(500,000)
EXPENDITURES	46,230,028	25,473,380	68,244,936	(22,014,908)
EXCESS OR (DEFICIENCY)	(45,130,028)	(25,311,904)	(67,644,936)	(22,514,908)
BEGINNING BALANCE	89,004,340		89,004,340	0
PROJECTED ENDING BALANCE	43,874,312		21,359,404	(22,514,908)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
CAPITAL FACILITIES FUND - DEVELOPER FEES (25)				
	ADOPTED BUDGET	ACTUALS AS OF 01/31/13	2012-13 ESTIMATED ACTUALS	DIFFERENCE
REVENUE	830,000	261,356	1,173,695	343,695
EXPENDITURES	260,000	603,666	1,152,920	(892,920)
EXCESS OR (DEFICIENCY)	570,000	(342,310)	20,775	(549,225)
BEGINNING BALANCE	9,529,531		9,529,531	0
PROJECTED ENDING BALANCE	10,099,531		9,550,306	(549,225)

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
SPECIAL RESERVE - CAPITAL OUTLAY (40)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	6,142,605	1,200,804	2,076,605	(4,066,000)
EXPENDITURES	6,387,657	503,179	2,292,769	4,094,888
EXCESS OR (DEFICIENCY)	(245,052)	697,625	(216,164)	28,888
BEGINNING BALANCE	6,462,841		6,462,841	0
PROJECTED ENDING BALANCE	6,217,789		6,246,677	28,888

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
BOND INTEREST AND REDEMPTION (51)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	21,712,791	0	21,712,791	0
EXPENDITURES	20,439,106	0	20,439,106	0
EXCESS OR (DEFICIENCY)	1,273,685	0	1,273,685	0
BEGINNING BALANCE	16,500,478		16,500,478	0
PROJECTED ENDING BALANCE	17,774,163		17,774,163	0

SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT				
2012-13 SECOND INTERIM REPORT				
AS OF 1/31/13				
SELF INSURANCE FUND - RETIREE HEALTH BENEFITS (67)				
	ADOPTED	ACTUALS	2012-13	
	BUDGET	AS OF	ESTIMATED	DIFFERENCE
		01/31/13	ACTUALS	
REVENUE	1,083,753	2,890	1,083,753	0
EXPENDITURES	1,068,753	383,542	1,068,753	0
EXCESS OR (DEFICIENCY)	15,000	(380,652)	15,000	0
BEGINNING BALANCE	(4,002,033)		(4,002,033)	0
PROJECTED ENDING BALANCE	(3,987,033)		(3,987,033)	0

Multi-year Projections – reflect:

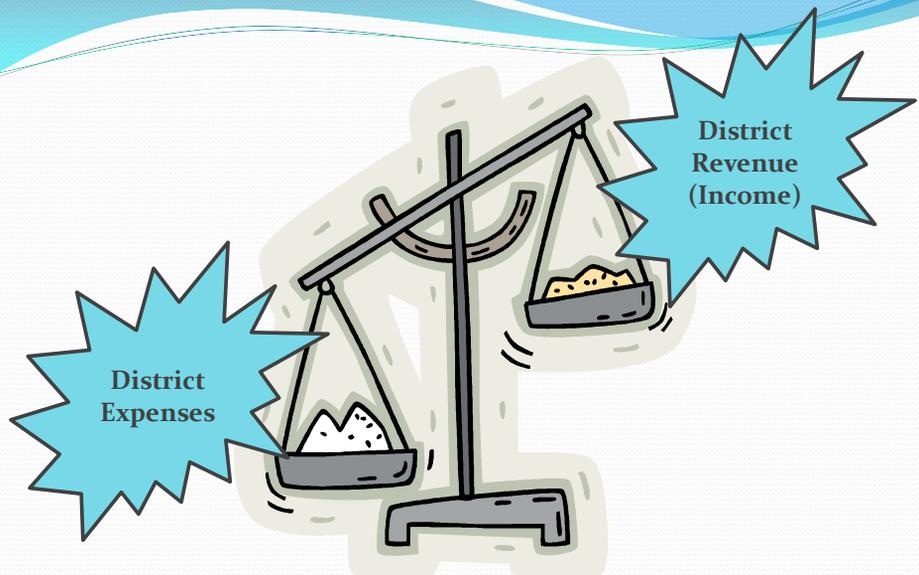
- The district's financial position over the current and next two fiscal years
- State revenue Cost of Living (COLA) increases of 1.65% (2013-14) and 2.20% (2014-15); State deficit of 22.272% each year
- Student enrollment stable at 11,401
- Local revenue from parcel taxes, Prop Y and City of Santa Monica contribution are projected at \$25.2 million in 2012-13, growing at a rate of 2.5 to 3.5% per year for the next two years
- Employee health and welfare increases of 7.0%
- Step and Column increases of 1.50%
- The Reserve for Economic Uncertainties of 3.0% each year

SMMUSD Budget: Current Reality

Unrestricted General Fund

- The 2012-13 operational deficit is \$5.8 million.
- Our reserve fund balance falls from \$17.6 million to \$11.8 million.
- Our reserve will last two years if no spending changes are made.
- Prop. 30 guarantees no mid-year state budget cuts for this year only.
- There is no new money from Prop 30 in 2012-13
- The district has a budget “problem” that requires action.

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Operational Deficit: The District spends about \$5.8 M more than it takes in annually and fills the gap by dipping into its reserve.

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Multi-year Challenges - continued

- If nothing changes and we continue to deficit spend:
 - we will consume reserve balances and have barely the required 3% reserve by the end of 2014-15,
 - at which time significant reductions in the budget will be necessary,
 - there will be no reserves available to cover future state reductions,
 - and will put pressure on the District's ability to issue long term debt for facility needs.

Positive Certification of 2nd Interim

- The District is submitting the 2nd Interim Report with a positive certification.
- The District will be able to meet its obligations in the current and next two fiscal years.
- However - changes to our budget are necessary.