



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2018-19 Second Interim Report

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March 7, 2019 Board Meeting



SMMUSD 2nd Interim Report

- Shows the District's financial position as of January 31, 2019
- Displays the First Interim Budget and the Second Interim Budget with the change between the two periods
- Includes an analysis of standards and assumptions for financial reporting set by the State
- Analyzes the impact on the Multi-Year Projections of the General Fund for the current and next two fiscal years
- Certifies one of three conditions:
 - ✓ Positive, Negative or Qualified



General Fund

2018-19 Second Interim Budget Report

FUND 01: UNRESTRICTED GENERAL FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	34,886,030	34,886,030	
8011-8099	LCFF Revenue	101,575,847	94,107,184	(7,468,663)
8100-8299	Federal Revenue	286,703	301,398	14,695
8300-8590	State Revenue	3,917,259	3,941,438	24,179
8600-8799	Local Revenue	42,568,373	42,568,373	-
8980-8999	Local General Fund Contributions	(28,306,108)	(28,706,303)	(400,195)
	Total Revenue	120,042,074	112,212,090	(7,829,984)
1000-1999	Certificated Salaries	54,313,871	53,748,752	(565,119)
2000-2999	Classified Salaries	19,244,565	19,170,597	(73,968)
3000-3999	Employee Benefits	30,383,028	29,568,474	(814,554)
4000-4999	Books and Supplies	5,573,327	6,107,897	534,570
5000-5999	Services and Other Operating	11,475,314	11,416,647	(58,667)
6000-6999	Capital Outlay	76,362	302,222	225,860
7100-7299	Other Outgo	148,800	148,800	-
7300-7399	Indirect Costs	(1,022,123)	(1,073,849)	(51,726)
7400-7499	Debt Services	-	-	
7600-7629	Transfer Out/ Fund 12, 13, 14	2,400,000	2,400,000	-
	Total Expenditures	122,593,144	121,789,540	(803,604)
	Increase /(Decrease) Fund Balance	(2,551,070)	(9,577,450)	(7,026,380)
	Projected Fund Balance	32,334,960	25,308,580	



2018-19 Second Interim Budget Report

Major Changes

Revenues:

- \$ (7,468,663) Decrease in Property Tax Revenue of which \$849,245 is ERAF due to Basic Aid status in 17-18 & 18-19
- \$ 14,695 Increase in Federal MAA Reimbursement
- \$ 24,179 Increase in Unrestricted State Lottery
- \$ 400,195 Increase in Local General Fund Contribution to Special Education

Expenditures:

- \$ (565,119) Decrease in Certificated Salaries
 - \$360K - 4.0 FTE Correction of FTE allocation from Budget Adoption*
 - \$127K - 1.0 FTE Pt. Dume Principal*
 - \$24K - 1.0 FTE Interim Site Administrator (pre-planned for potential admin changes)*
 - \$54K - Teacher salary adjustments based on placement, leave use, & vacancies*
- \$ (73,968) Decrease in Classified Salaries by 1.75 FTEs for classified positions
- \$ (814,554) Decrease in Benefits - Adopted 10% increase with 2nd Interim increase at 5%
- \$ 534,570 Increase in Books & Supplies - Moved from Certificated Salaries
- \$ (58,667) Decrease in Services & Operating Costs (legal costs, independent contractors, conf/travel)
- \$ 225,860 Increase in Capital Outlay
 - \$56K Replace maintenance truck #35*
 - \$143K Rollover P.O. for additional replacement maintenance vehicles*
 - \$6K Two (2) Basketball Scoreboards for Santa Monica High School*
 - \$9K Gym floor covering for Santa Monica High School*
 - \$11K Adapter Sleeve for Volleyball court/net for Lincoln Middle School*
- \$ (51,726) Increase in Indirect Charge to Categorical Programs

2018-19 Second Interim Budget Report

FUND 01: RESTRICTED GENERAL FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	3,912,282	3,912,282	
8100-8299	Federal Revenue	4,322,261	4,485,956	163,695
8300-8590	State Revenue	1,091,748	1,751,525	659,777
8600-8799	Local Revenue	9,524,268	9,727,877	216,153
8980-8999	Local General Fund Contributions	28,306,108	28,706,303	400,195
	Total Revenue	43,244,385	44,671,661	1,439,820
1000-1999	Certificated Salaries	12,755,592	12,843,127	87,535
2000-2999	Classified Salaries	11,546,479	11,800,121	253,642
3000-3999	Employee Benefits	10,524,904	10,575,493	50,589
4000-4999	Books and Supplies	3,192,923	3,768,670	575,747
5000-5999	Services and Other Operating Costs	5,323,736	5,865,669	541,933
6000-6999	Capital Outlay	58,100	99,100	41,000
7300-7399	Indirect Costs	477,169	511,996	34,827
	Total Expenditures	43,878,903	45,464,176	1,585,273
	Increase /(Decrease) Fund Balance	(634,518)	(792,515)	(157,997)
	Projected Fund Balance	3,277,764	3,119,767	



2018-19 Second Interim Budget Report

Major Changes

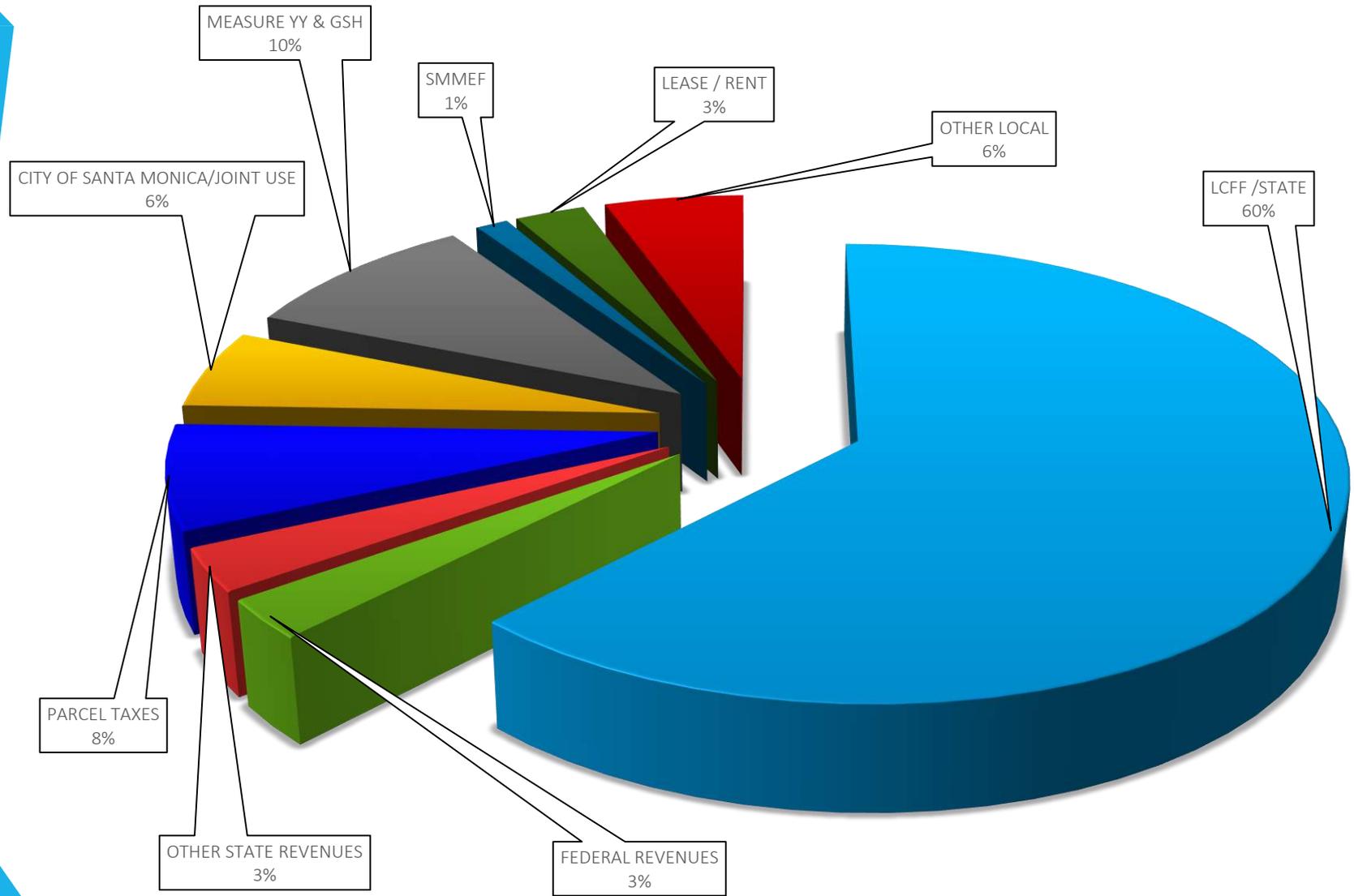
Revenues:

- \$ 163,695 Increase from Title I, II, III and IV federal programs
- \$ 659,777 Increase in State Revenue
 - \$98K Special Education Mental Health*
 - \$452K Low Performing Students Block Grant*
 - \$107K Classified Professional Development Block Grant*
(priority to school safety plans per AB1840 sec. 38)
- \$ 216,153 Increase in PTA , Booster Clubs, Gifts, & Interest Earned
- \$ 400,195 Increase in Local General Fund Contribution to Special Education

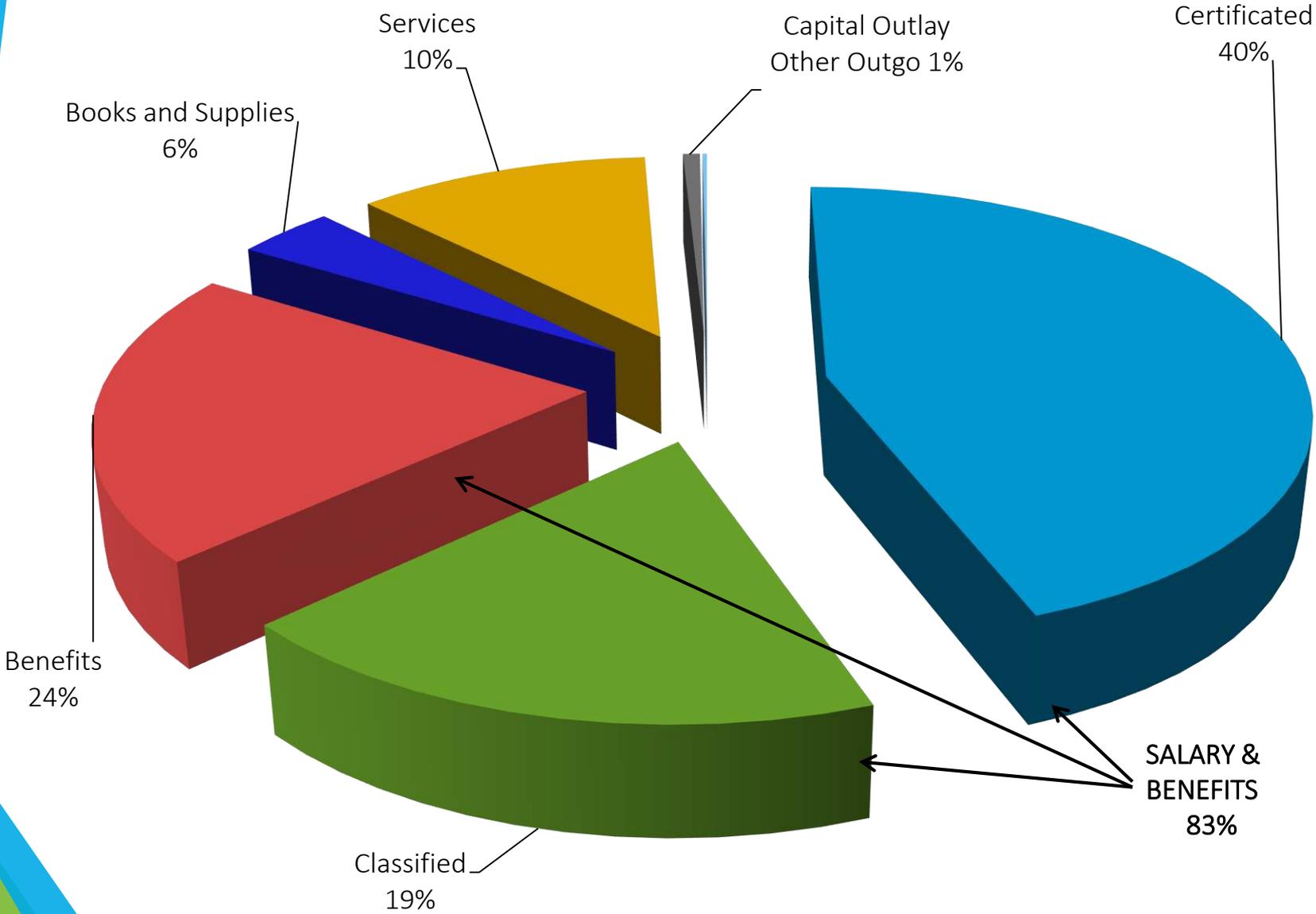
Expenditures:

- \$ 87,535 Increase in Certificated Salaries
- \$ 253,642 Increase in Classified Salaries
 - 5.2883 FTE Special Ed Paraeducator*
- \$ 50,589 Increase in Employee Benefits
- \$ 575,747 Increase in Books, General Supplies and Textbooks
- \$ 541,933 Increase in Services and Other Operating Costs
 - \$78K Non-Public Agency Settlements*
 - \$88K Conference & Travel*
 - \$28K Repairs and Noncapitalized Improvements*
 - \$324K Consultant Services*
 - \$4K Communication Services*
 - \$16K Inter-department transfer of costs*
- \$ 41,000 Increase in Equipment for Franklin Elementary Shade Structure
- \$ 34,827 Increase in indirect costs from various programs

2018-19 GENERAL FUND (01) REVENUE



2018-19 GENERAL FUND (01) EXPENDITURES





Fund Balance

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2018-19 FIRST INTERIM REPORT
AS OF 10/31/18
GENERAL FUND (01) Ending Fund Balance Components

Combined Assigned and Unassigned Fund Balances	2018-19
Fund 01: Unrestricted General Fund	
Unrestricted General Fund Balance	\$ 32,305,954
Total Assigned and Unassigned Fund Balance	32,305,954
Less: Reserve for Economic Uncertainties	4,907,906
Fund Balance that Requires Explanation	27,398,048
Reasons for Assigned and Unassigned Ending Fund Balances	
*Above the State Recommended Minimum Level	
	27,398,048
Reserve for Reevolving Cash, Store & Prepaid	(162,762)
Reserve for 19-20 Deficit Spending	(1,056,683)
Reserve for 19-20 SERP Pymnt 1 of 5	(904,060)
^Reserve for up to 2 months General Fund Expenditures	(21,858,330)
Unappropriated Balance	3,445,219

*current reserve is at 19.32% (up 1.54% from 17.78% @ Budget Adoption in June 2018)

^A 2-month reserve would be approximately \$26.9M

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2018-19 SECOND INTERIM REPORT
AS OF 1/31/19**

GENERAL FUND (01) Ending Fund Balance Components

Combined Assigned and Unassigned Fund Balances	2018-19
Fund 01: Unrestricted General Fund	
Unrestricted General Fund Balance	\$ 25,308,580
Total Assigned and Unassigned Fund Balance	25,308,580
Less: Reserve for Economic Uncertainties	5,017,611
Fund Balance that Requires Explanation	20,290,969
Reasons for Assigned and Unassigned Ending Fund Balances	
*Above the State Recommended Minimum Level	
	20,290,969
Reserve for 2017-18 ERAF Repayment	(8,861,132)
Reserve for Revolving Cash & Prepays	(162,762)
Reserve for 19-20 Deficit Spending	(5,156,868)
Reserve for 20-21 Deficit Spending	(4,999,995)
^Reserve for up to 2 months General Fund Expenditures	(1,110,212)
Unappropriated Balance	0

*current reserve is at 9.73% (down 9.59% from 19.32% @ First Interim Dec. 2018)

^A 2-month reserve would be approximately \$26.9M

2016-17

Statewide Average Reserves

2016-17 Average Unrestricted General Fund, Plus Fund 17; Ending Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change From Prior Year*
Elementary School Districts	21.07%	(0.46%)
High School Districts	17.25%	0.06%
Unified School Districts	16.64%	0.19%
^ SMMUSD Reserve (as of 2018-19 Second Interim)	9.73%	†(9.59%)

^ Repayment of 2017-18 ERAF

^ Adjusted current year property tax to LACOE P-1 Property Tax Estimate

† Two year change from 2016-17 to 2018-19; 2017-18 Reserve levels will be published Spring 2019

Source: Statewide certified data

*Increase relative to the reserve levels of 2016-17





Other Funds

2018-19 Second Interim Budget Report

FUND 11: ADULT EDUCATION FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	664,347	664,347	
8100-8299	Federal Revenue	43,841	43,841	-
8300-8590	Other State Revenue	712,737	712,737	-
8600-8799	Local Revenue	32,500	32,500	-
	Total Revenues	789,078	789,078	-
1000-1999	Certificated Salaries	307,154	307,154	-
2000-2999	Classified Salaries	171,853	173,676	1,823
3000-3999	Employee Benefits	181,158	184,576	3,418
4000-4999	Books and Supplies	81,495	81,145	(350)
5000-5999	Services and Other Operating Costs	49,653	50,003	350
7300-7399	Indirect Costs	34,665	34,665	-
	Total Expenditures	825,978	831,219	5,241
	Increase /(Decrease) Fund Balance	(36,900)	(42,141)	(5,241)
	Projected Fund Balance	627,447	622,206	



2018-19 Second Interim Budget Report

Major Changes

Revenue:

No change in revenue since First Interim

Expenditure:

- \$ 1,823 Increase in monthly and hourly clerical office salary
- \$ 3,418 Increase in corresponding Benefits
- \$ (350) Decrease in Supplies
- \$ 350 Increase in Services & Other Operating Costs for Travel/Conference

2018-19 Second Interim Budget Report

FUND 12: CHILD DEVELOPMENT FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	805,928	805,928	
8100-8299	Federal Revenue	1,736,610	1,775,418	38,808
8300-8590	State Revenue	2,750,908	2,881,445	130,537
8600-8799	Local Revenue	4,309,848	4,504,123	194,275
8900-8929	Interfund Transfer from Fund 01	-	-	-
	Total Revenues	8,797,366	9,160,986	363,620
1000-1999	Certificated Salaries	2,983,082	3,055,082	72,000
2000-2999	Classified Salaries	2,472,513	2,496,213	23,700
3000-3999	Employee Benefits	2,263,570	2,381,192	117,622
4000-4999	Books and Supplies	213,439	216,955	3,516
5000-5999	Services and Other Operating Costs	713,898	843,781	129,883
7300-7399	Indirect Costs	346,484	363,383	16,899
	Total Expenditures	8,992,986	9,356,606	363,620
	Increase /(Decrease) Fund Balance	(195,620)	(195,620)	-
	Projected Fund Balance	610,308	610,308	



2018-19 Second Interim Budget Report

Major Changes:

Revenues:

- \$ 38,808 Increase in Federal Head Start funding to close out program as grantee with LACOE
- \$ 130,537 Increase in State California State Preschool Program (CSPP)
- \$ 194,275 Adjust budget to align with current fees collected

Expenditures:

- \$ 72,000 Increase in Certificated salaries
 - \$6K Teacher Hourly*
 - \$29K Teacher Sub*
 - \$21K Update Director salary allocation*
 - \$15K Update Coordinator salary allocation*
- \$ 23,700 Increase in Classified salary for Instructional Assistant Hourly & Subs
- \$ 117,622 Increase in Benefits
- \$ 3,516 Increase in Supplies
- \$ 129,883 Increase in Services and Other Operating Costs
 - \$80K Independent Contractors/Consultants*
 - \$30K Food Services Food Costs*
 - \$10K Utilities Costs*
 - \$10K Other Operating Costs (Conference/Travel)*
- \$ 16,899 Increase in Indirect Costs

2018-19 Second Interim Budget Report

FUND 13: CAFETERIA SPECIAL FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	377,344	377,344	
8100-8299	Federal Revenue	1,070,000	1,070,000	-
8300-8590	State Revenue	65,000	65,000	-
8600-8799	Local Revenue	1,130,300	1,130,300	-
8900-8929	Interfund Transfer from Fund 01	900,000	900,000	-
	Total Revenues	3,165,300	3,165,300	-
2000-2999	Classified Salaries	1,347,516	1,332,929	(14,587)
3000-3999	Employee Benefits	595,141	592,406	(2,735)
4000-4999	Books and Supplies	1,603,000	1,603,000	-
5000-5999	Services and Other Operating Costs	(295,550)	(295,550)	-
7300-7399	Indirect Costs	163,805	163,805	-
	Total Expenditures	3,413,912	3,396,590	(17,322)
	Increase /(Decrease) Fund Balance	(248,612)	(231,290)	17,322
	Projected Fund Balance	128,732	146,054	



2018-19 Second Interim Budget Report

Major Changes:

Revenues:

No change in revenue since 1st Interim

Expenditures:

\$ (14,587) Decrease in Classified salaries - adjustments based on leave use and vacancies

\$ (2,735) Decrease in Benefits

2018-19 Second Interim Budget Report

FUND 14: DEFERRED MAINTENANCE FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	568,933	568,933	
8010-8099	LCFF transfer to Fund 14	-	-	-
8600-8799	Local Revenue	3,000	3,000	-
8919-	Transfer form General Fund	1,500,000	1,500,000	-
	Total Revenues	1,503,000	1,503,000	-
4000-4999	Books and Supplies	3,000	3,000	-
5000-5999	Services and Other Operating Costs	1,300,000	1,300,000	-
6000-6999	Capital Outlay	200,000	200,000	-
	Total Expenditures	1,503,000	1,503,000	-
	Increase /(Decrease) Fund Balance	-	-	-
	Projected Fund Balance	568,933	568,933	

Revenue:

No change since 1st Interim

Expenditure:

No change since 1st Interim



2018-19 Second Interim Budget Report

*FUND 21: BUILDING FUND / MEASURE "BB" & "ES" All Series

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	58,773,233	58,773,233	
8600-8799	Local Revenue	1,320,000	1,320,000	-
8800-8951	Bond Proceeds	120,000,000	120,000,000	
8952-8979	Other Financing	50,000	50,000	
8980-8999	Transfers	-	-	-
	Total Revenues	121,370,000	121,370,000	-
2000-2999	Classified Salaries	891,259	891,259	-
3000-3999	Employee Benefits	396,820	396,820	-
4000-4999	Books and Supplies	943,870	993,870	50,000
5000-5999	Services and Other Operating Costs	24,557,594	24,557,594	-
6000-6999	Capital Outlay	110,151,202	110,151,202	-
	Total Expenditure	136,940,745	136,990,745	50,000
	Increase /(Decrease) Fund Balance	(15,570,745)	(15,620,745)	(50,000)
	Projected Fund Balance	43,202,488	43,152,488	

*See Appendix for Fund 21 by Measure & Series



2018-19 Second Interim Budget Report

FUND 25: CAPITAL FACILITIES FUND

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	3,864,848	3,864,848	
8681	Developer Fees	800,000	800,000	-
8660	Local Revenue	15,000	15,000	-
	Total Revenues	815,000	815,000	-
4000-4999	Supplies	3,000	6,000	3,000
5000-5999	Services and Other Operating Costs	800,000	1,605,000	805,000
6000-6999	Capital Outlay	-	-	-
	Total Expenditures	803,000	1,611,000	808,000
	Increase /(Decrease) Fund Balance	12,000	(796,000)	(808,000)
	Projected Fund Balance	3,876,848	3,068,848	

Revenue:

No Change Since Budget Adoption

Expenditure:

\$ 3,000 Increase in supply costs related to Malibu Fire

\$ 805,000 Increase in consultant fees, independent contractors and other fees related to Malibu Fire



2018-19 Second Interim Budget Report

FUND 40: SPECIAL RESERVE FUND FOR CAPITAL OUTLAY

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	15,641,319	15,641,319	
8590-8599	State Revenue		-	-
8600-8625	Local Revenue	7,000,000	7,000,000	-
8626-8660	Local Revenue	60,000	60,000	
	Total Revenues	7,060,000	7,060,000	-
4000-4999	Supplies	92,675	92,675	-
5000-5999	Services and Other Operating Costs	2,698,008	2,718,008	20,000
6000-6999	Capital Outlay	1,501,817	1,481,817	(20,000)
7400-7499	COPS Payments	1,869,131	1,869,131	-
	Total Expenditures	6,161,631	6,161,631	-
	Increase /(Decrease) Fund Balance	898,369	898,369	-
	Projected Fund Balance	16,539,688	16,539,688	

Major Changes:

Revenue:

No change since 1st Interim

Expenditure:

Net Zero Transfer between object code 5000 and 6000



2018-19 Second Interim Budget Report

FUND 51: BOND INTEREST & REDEMPTION

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	42,183,382	42,183,382	
8600-8660	Local Revenue	-	-	
8661-8799	Local Revenue	33,892,357	33,892,357	
	Total Revenues	33,892,357	33,892,357	-
7100-7499	Other Outgo	42,989,935	42,989,935	-
	Total Expenditures	42,989,935	42,989,935	-
	Increase /(Decrease) Fund Balance	(9,097,578)	(9,097,578)	-
	Projected Fund Balance	33,085,804	33,085,804	-

Major Changes:

Revenue:

No change since 1st Interim

Expenditure:

No change since 1st Interim



2018-19 Second Interim Budget Report

FUND 71: RETIREE BENEFIT FUND FOR OPEB

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	7,850,512	7,850,512	
8600-8660	Local Revenue	100,000	100,000	
8661-8799	Local Revenue	1,300,000	1,300,000	
	Total Revenues	1,400,000	1,400,000	-
5000-5999	Services and Other Operating Costs	1,300,000	1,300,000	-
	Total Expenditures	1,300,000	1,300,000	-
	Increase /(Decrease) Fund Balance	100,000	100,000	-
	Projected Fund Balance	7,950,512	7,950,512	

Major Changes:

Revenue:

No change since 1st Interim

Expenditure:

No change since 1st Interim





Multi-Year Projection

Multi-year Projection Reflects:

- The District's financial position over the current and next two fiscal years.
- State revenue Cost of Living (COLA) increases over the next three years
 - 3.70% (2018-19)
 - 3.46% (2019-20) *Note: SSC published this will decrease to 3.26% at the May Revise*
 - 2.86% (2020-21)
- LCFF Gap Funding increasing
 - 100% (2018-19)
 - 100% (2019-20)
 - 100% (2020-21).
- Student enrollment is at 10,625 for 2018-19; down from 10,806 for 2017-18
- Local revenue from parcel taxes, Prop Y & GSH and the City of Santa Monica contribution projections
 - \$40.2 million in 2018-19
 - \$40.6 million in 2019-20
 - \$42.1 million in 2020-21.



Multi-year Projection continued:

- Employee health and welfare increases of 7.0% and Step and Column salary increase, increases of 1.50% each year.
- The Reserve for Economic Uncertainties remains at 3.0%.
- Reserves for future deficit spending, projected property tax increases, up to 2 months of General Fund Expenditures, the net savings of the Supplemental Early Retirement Plan (SERP), and the projected savings of the Cabrillo and Pt. Dume merger.
- Does not include potential salary schedules changes; as a result of negotiations with SMMCTA, SEIU, or SMMASA.

2018-19 LCFF CALCULATION					1/31/2019
BASE GRANT					
	TK-3	4-6	7-8	9-12	TOTAL
	2,903.04	2,464.57	1,610.47	3,333.35	10,311.43
2017-18 BASE	7,193	7,301	7,518	8,712	
COLA 3.7%	7,459	7,571	7,796	9,034	
	21,653,775	18,659,259	12,555,224	30,113,484	82,981,743
AUGMENTATION GRANTS:					
CSR AUGMENTATION: BASE GRANT X 10.4%					2,251,993
CTE AUGMENTATION 9-12 BASE GRANT X 2.6%					782,951
SUPPLEMENTAL AND CONCENTRATION GRANTS:					
TOTAL ENROLLMENT					10,812
TOTAL UNDUPLICATED PUPIL COUNT					3,012
					27.85%
SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLM					4,791,816
TRANSPORTATION AND TIIG GRANT					
2012-13 TRANSPORTATION					820,273
2012-13 TIIG					429,757
TOTAL 2018-19 LCFF ENTITLEMENT					92,058,533
MINIMUM STATE AID / 2012-13 CATEGORICAL PROGRAMS					8,585,843
TOTAL FUNDING LESS: 2012-13 MINIMUM/CATEGORICAL					83,472,690
LOCAL REVENUE / PROPERTY TAXES					83,559,341
Amount of Property Tax Over LCFF Funding (Basic Aid when negative)					(86,651)

Note Outside of Calculation:

EDUCATION PROTECTION ACCOUNT	2,000,000
TRANSFER TO CHARTER SCHOOL	-38,000

MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C	D	E
	LCFF SOURCES	Object Code	2018-19	2018-19	2018-19
			ADOPTED BUDGET	1ST INTERIM BUDGET	2ND INTERIM BUDGET
1	Property Taxes				LACOE P-1 Estimate
2	Homeowners' Exemptions	8021	379,923	379,923	387,447
3	Other Subventions/In-Lieu Taxes	8029	393,354	393,354	315,818
4	County & District Taxes				
5	Secured Roll Taxes	8041	67,309,727	67,309,727	64,301,328
6	Unsecured Roll Taxes	8042	2,324,448	2,324,448	2,437,595
7	Prior Years' Taxes	8043	4,771,307	4,771,307	940,268
8	ERAF	8045	849,245	849,245	-
9	Sub Total Property Tax		76,028,004	76,028,004	68,382,456
10	Community Redevelopment Funds (RDA)	8047	15,000,000	15,000,000	15,176,885
11	Subtotal Property Tax	802X-804X	91,028,004	91,028,004	83,559,341
12	LCFF				
13	Education Protection Account (EPA)	8012	2,000,000	2,000,000	2,000,000
14	Minimum State Aid	8011	8,585,843	8,585,843	8,585,843
15	Subtotal LCFF	801X	10,585,843	10,585,843	10,585,843
16	LCFF Transfer to Charter	8096	-	(38,000)	(38,000)
17	TOTAL LCFF FUNDING	801X-8096	101,613,847	101,575,847	94,107,184

MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C
	2018-19	2019-20	2020-21
Description	2ND INTERIM BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
Revenue:			
1 Property Tax	83,559,341	86,801,579	90,391,658
2 Education Protection Account (EPA)	2,000,000	2,000,000	2,000,000
3 LCFF Transfer to Fund Fund 14	-	-	-
4 LCFF Transfer to Charter School	(38,000)	(38,000)	(38,000)
5 Pr. Year LCFF Adjustment	-	-	-
7 Minimum State Aid	8,585,843	8,585,843	8,585,843
8 <i>Subtotal LCFF Funding</i>	94,107,184	97,349,422	100,939,501
10 Other Federal	301,398	13,000	13,000
11 Lottery	1,624,179	1,600,000	1,600,000
12 Mandated Reimbursement Block Grant	416,289	380,000	380,000
13 One-time Mandated	1,895,510	-	-
14 Other State Revenue	5,460	5,000	5,000
15 Meas. "R"	12,205,124	12,449,227	12,698,211
16 Meas. Y & GSH/ City of SM	15,248,204	15,553,168	15,864,231
17 Joint Use Agreement	9,366,941	9,554,280	9,745,365
18 SMM Ed Foundation Donation	2,046,015	-	-
19 SM Ed Foundation Donation		2,000,000	2,000,000
20 Malibu Ed Foundation (tbd) Donation	-	500,000	500,000
21 Lease & Rental	2,450,000	2,450,000	2,450,000
22 All Other Local Income	1,252,089	1,170,000	1,180,000
24 Local General Fund Contribution	(28,706,303)	(29,280,429)	(29,866,038)
25 TOTAL REVENUE	112,212,090	113,743,667	117,509,271

MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C	D	E
	LCFF SOURCES	Object Code	2018-19	2019-20	2020-21
			2ND INTERIM BUDGET	PROJECTED BUDGET	PROJECTED BUDGET
1	Property Taxes		LACOE P-1 Estimate	Projected	Projected
2	Homeowners' Exemptions	8021	387,447	406,819	427,160
3	Other Subventions/In-Lieu Taxes	8029	315,818	331,609	348,189
4	County & District Taxes				
5	Secured Roll Taxes	8041	64,301,328	67,516,394	70,892,214
6	Unsecured Roll Taxes	8042	2,437,595	2,559,475	2,687,448
7	Prior Years' Taxes	8043	940,268	987,281	1,036,645
8	ERAF	8045	-	-	-
9	Sub Total Property Tax		68,382,456	71,801,579	75,391,658
10	Community Redevelopment Funds (RDA)	8047	15,176,885	15,000,000	15,000,000
11	Subtotal Property Tax	802X-804X	83,559,341	86,801,579	90,391,658
12	LCFF				
13	Education Protection Account (EPA)	8012	2,000,000	2,000,000	2,000,000
14	Minimum State Aid	8011	8,585,843	8,585,843	8,585,843
15	Subtotal LCFF	801X	10,585,843	10,585,843	10,585,843
16	LCFF Transfer to Charter	8096	(38,000)	(38,000)	(38,000)
17	TOTAL LCFF FUNDING	801X-8096	94,107,184	97,349,422	100,939,501

MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C
	2018-19	2019-20	2020-21
26 Expenditure:			
27 Certificated Salary	53,748,752	54,554,983	55,373,308
28 Classified	19,170,597	19,458,156	19,750,028
29 Benefits	29,588,474	31,667,397	33,865,930
30 <i>STRS</i>	<i>8,545,594</i>	<i>9,328,902</i>	<i>10,022,569</i>
31 <i>PERS</i>	<i>3,210,763</i>	<i>3,745,890</i>	<i>4,298,001</i>
32 <i>SOCIAL SECURITY & MEDICARE</i>	<i>2,360,783</i>	<i>2,279,596</i>	<i>2,313,790</i>
33 <i>HEALTH AND WELFARE</i>	<i>11,478,240</i>	<i>12,281,717</i>	<i>13,141,437</i>
34 <i>SUI</i>	<i>39,592</i>	<i>42,007</i>	<i>42,562</i>
35 <i>WORKERS COMP</i>	<i>2,922,103</i>	<i>2,960,526</i>	<i>3,004,933</i>
36 <i>OPEB</i>	<i>907,803</i>	<i>925,164</i>	<i>939,042</i>
37 <i>CASH IN -LIEU</i>	<i>103,596</i>	<i>103,596</i>	<i>103,596</i>
38 Supplies/Books	4,107,897	2,000,000	2,000,000
39 Other Operational Costs	11,416,647	9,500,000	9,500,000
40 Capital Outlay	302,222	200,000	500,000
41 Transfer to County Specialized Schools	120,000	120,000	120,000
42 Malibu Ed Foundation (tbd) Expenses	-	500,000	500,000
43 Debt Services / SERP Saving	28,799	(750,000)	(750,000)
44 Malibu Realignment (Cabrillo)	-	(600,000)	(600,000)
45 Indirect	(1,073,849)	(1,000,000)	(1,000,000)
46 GSH Technology Plan/Replacement	2,000,000	1,000,000	1,000,000
47 Interfund Transfer Out to Fund 12 CDS	-	1,000,000	1,000,000
48 Interfund Transfer Out to Fund 13 FNS	900,000	750,000	750,000
49 Interfund Transfer Out to Fund 14 DefM	1,500,000	500,000	500,000
50 TOTAL EXPENDITURE	121,789,539	118,900,535	122,509,266

MULTI-YEAR PROJECTIONS / UNRESTRICTED GENERAL FUND

	A	B	C
	2018-19	2019-20	2020-21
51 Increase (Decrease) Fund Balance	(9,577,449)	(5,156,868)	(4,999,995)
52 Beginning Fund Balance	34,886,030	16,447,449	11,290,581
53 Reserve - 17-18 ERAF REPAYMENT	(8,861,132)	-	-
54 Ending Fund Balance	16,447,449	11,290,581	6,290,586
55 Reserve - Revolving Cash, Pre-paids	162,762	162,762	162,762
56 Reserve - Deficiting Spending in 18-19	-	-	-
57 Reserve - Deficiting Spending in 19-20	5,156,868	-	-
58 Reserve - Deficiting Spending in 20-21	4,999,995	4,999,995	-
59 Reserve - Deficiting Spending in 21-22	-	-	-
60 3% Contingency Reserve	5,017,611	4,938,756	5,096,294
61 Reserve Up to 2-months of Expenses	1,110,212	1,189,067	1,031,529
62 Unappropriated Balance	0	0	0



**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2018-19 SECOND INTERIM REPORT
AS OF 1/31/19**

GENERAL FUND (01) Ending Fund Balance Components

Combined Assigned and Unassigned Fund Balances		2018-19
Fund 01: Unrestricted General Fund		
Unrestricted General Fund Balance	\$	25,308,580
Total Assigned and Unassigned Fund Balance		25,308,580
Less: Reserve for Economic Uncertainties		5,017,611
Fund Balance that Requires Explanation		20,290,969
Reasons for Assigned and Unassigned Ending Fund Balances		
*Above the State Recommended Minimum Level		
		20,290,969
Reserve for 2017-18 ERAF Repayment		(8,861,132)
Reserve for Revolving Cash & Prepays		(162,762)
Reserve for 19-20 Deficit Spending		(5,156,868)
Reserve for 20-21 Deficit Spending		(4,999,995)
^Reserve for up to 2 months General Fund Expenditures		(1,110,212)
Unappropriated Balance		0

*current reserve is at 9.73% (down 9.59% from 19.32% @ First Interim Dec. 2018)

^A 2-month reserve would be approximately \$26.9M



2nd Interim Certification Status



Positive Certification of 2nd Interim Report

- The District is submitting the 1st Interim Report with a **Positive Certification**.
- The District will be able to meet its obligation in the current and next two fiscal years.
- The District must address deficit spending or it will risk future positive certifications.



Next Steps

- Receive Board Direction on District Budget
- Board Approval of 2018-19 Second Interim
- Third Budget Revision Board Approval
 - ✓ *Thursday, May 16, 2019 BOE Meeting*



Appendix

(Bond by Measure & Series)

2018-19 Second Interim Budget Report

FUND 21.3: BUILDING FUND / MEASURE "BB" SERIES D

Object	Description	First Interim 10/31/18	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	23,374,934	23,374,934	
8600-8799	Local Revenue	120,000	120,000	-
8980	Transfer From ES Bond (Fund 21.7)	30,000,000	30,000,000	-
	Total Revenues	30,120,000	30,120,000	-
2000-2999	Classified Salaries	261,367	261,367	-
3000-3999	Employee Benefits	102,659	102,659	-
4000-4999	Books and Supplies	198,200	198,200	-
5000-5999	Services and Other Operating Costs	6,625,350	6,625,350	-
6000-6999	Capital Outlay	20,498,100	20,498,100	-
	Total Expenditure	27,685,676	27,685,676	-
	Increase /(Decrease) Fund Balance	2,434,324	2,434,324	-
	Projected Fund Balance	25,809,258	25,809,258	



2018-19 Second Interim Budget Report

FUND 21.4: BUILDING FUND / MEASURE "ES" SERIES A

Object	Description	First Interim 10/31/18	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	-	-	
8600-8799	Local Revenue	-	-	-
	Total Revenues	-	-	-
2000-2999	Classified Salaries	-	-	-
3000-3999	Employee Benefits	-	-	-
4000-4999	Books and Supplies	-	-	-
5000-5999	Services and Other Operating Costs	-	-	-
6000-6999	Capital Outlay	-	-	-
	Total Expenditure	-	-	-
	Increase /(Decrease) Fund Balance	-	-	-
	Projected Fund Balance	-	-	



2018-19 Second Interim Budget Report

FUND 21.5: BUILDING FUND / MEASURE "ES" SERIES B

Object	Description	First Interim 10/31/18	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	8,242,253	8,242,253	
8600-8799	Local Revenue	200,000	200,000	-
8980-8999	Transfer From ES Bond (Fund 21.6)	10,000,000	10,000,000	-
	Total Revenues	10,200,000	10,200,000	-
2000-2999	Classified Salaries	9,000	9,000	-
3000-3999	Employee Benefits	2,793	2,793	-
4000-4999	Books and Supplies	38,500	38,500	-
5000-5999	Services and Other Operating Costs	6,817,600	6,817,600	-
6000-6999	Capital Outlay	11,874,000	11,874,000	-
	Total Expenditure	18,741,893	18,741,893	-
	Increase /(Decrease) Fund Balance	(8,541,893)	(8,541,893)	-
	Projected Fund Balance	(299,640)	(299,640)	



2018-19 Second Interim Budget Report

FUND 21.6: BUILDING FUND / MEASURE "ES" SERIES C

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	27,156,047	27,156,047	
8600-8799	Local Revenue	500,000	500,000	-
8980-8999	Transfer to ES Project (Fund 21.5)	(9,990,000)	(9,990,000)	-
	Total Revenues	(9,490,000)	(9,490,000)	-
2000-2999	Classified Salaries	620,892	620,892	-
3000-3999	Employee Benefits	291,368	291,368	-
4000-4999	Books and Supplies	607,170	657,170	50,000
5000-5999	Services and Other Operating Costs	4,087,494	4,087,494	-
6000-6999	Capital Outlay	2,741,102	2,741,102	-
	Total Expenditure	8,348,026	8,398,026	50,000
	Increase /(Decrease) Fund Balance	(17,838,026)	(17,888,026)	(50,000)
	Projected Fund Balance	9,318,021	9,268,021	



2018-19 Second Interim Budget Report

FUND 21.7: BUILDING FUND / MEASURE "ES" SERIES D

Object	Description	First Interim 10/31/2018	Second Interim 1/31/2019	Changes
	Beginning Fund Balance	-	-	
8600-8799	Local Revenue	500,000	500,000	-
8800-8951	Bond Proceeds	120,000,000	120,000,000	
8952-8979	Other Financing	50,000	50,000	
8980-8999	Transfer to ES Project (Fund 21.3)	(30,010,000)	(30,010,000)	-
	Total Revenues	90,540,000	90,540,000	-
2000-2999	Classified Salaries	-	-	-
3000-3999	Employee Benefits	-	-	-
4000-4999	Books and Supplies	100,000	100,000	-
5000-5999	Services and Other Operating Costs	7,027,150	7,027,150	-
6000-6999	Capital Outlay	75,038,000	75,038,000	-
	Total Expenditure	82,165,150	82,165,150	-
	Increase /(Decrease) Fund Balance	8,374,850	8,374,850	-
	Projected Fund Balance	8,374,850	8,374,850	

