



## **SMMUSD Financial Oversight Committee**

**Date: Wednesday, June 23, 2021**

**Time: 6:00 pm to 8:00 pm**

**Via Zoom by phone at: 669-900-6833 or online at:**

<https://zoom.us/j/87194305360?pwd=bWl2Umh6akdwdEV5b3Z6VFJ2NHl6UT09>

**Meeting ID: 871 9430 5360 / Passcode: Oversight1 - Per Executive Order N-29-20 Issued By Governor Gavin Newsom**

### **AGENDA**

As per Executive Order N-29-20 from Governor Newsom, the Santa Monica-Malibu Unified School District Board of Education meetings will move to a virtual/teleconferencing environment using Zoom. The purpose of the Governor's executive order is to control the spread of Coronavirus (COVID-19) and to reduce and minimize the risk of infection by "limiting attendance at public assemblies, conferences, or other mass events." The Governor's executive order on March 12, 2020, already waived the requirement for a majority of board members to physically participate in a public board meeting at the same location.

The intent is not to limit public participation, but rather to protect public health by following the Governor's Stay at Home executive order and the LA County's Safer at Home order. Persons wishing to address the Committee regarding an item that is scheduled for this meeting must submit a Google survey "sign up" prior to discussion of that item. Persons wishing to address the Committee regarding an item that is not scheduled on this meeting's agenda may speak during the Public Comments section by submitting the Google survey "sign up" at the beginning of the meeting.

#### **Instructions for public comments**

1. Submit a Google survey "sign up" at <https://forms.gle/CmESurF2KLy3o2u16>. This survey will take the place of the "speaker chits" available at meetings.
2. Speakers will fill in their name and select if they wish to address the committee regarding a specific agenda item or during General Public Comments.
3. Speakers are asked to attend the FOC meeting virtually through the call-in number at the top of the agenda.
4. When it is time for the speakers to address the committee, their name will be called.
5. As with all meetings, once discussion begins on an agenda item, any speakers who sign up after that time will be given one minute to speak.

#### **Instrucciones para comentarios del público**

1. Una encuesta de Google "registrarse" <https://forms.gle/K6c62mDebmTWmaoXA>. Esta encuesta ocupará el lugar de las "fichas" disponibles en las reuniones.
2. Los miembros del público las completarán con su nombre y seleccionarán si desean dirigirse a la junta con respecto a un punto específico de la orden del día o durante los comentarios públicos generales.
3. Se pide a las personas que deseen hacer comentarios que asistan a la reunión de la junta virtualmente a través del enlace que contiene la invitación de llamada de conferencia en la parte superior de la agenda.
4. Cuando llegue el momento de que el público se dirija a la junta directiva, se mencionará su nombre.
5. Al igual que las demás reuniones, una vez que comience el debate sobre un punto de la orden del día, los oradores que se inscriban después de ese momento, tendrán un minuto para hablar.

- I. **Call to Order**
- II. **Approval of Agenda**
- III. **Approval of FOC Meeting Minutes:** February 11, 2021  
March 11, 2021  
April 15, 2021  
May 12, 2021
- IV. **Assistant Superintendent, Business and Fiscal Report: Melody Canady (30 min)**  
  
2021-22 Preliminary budget documents  
Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=131176&MID=6287>  
Attachment: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=131175&MID=6287>  
Multi-year Projection: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=131174&MID=6287>  
Unrestricted General Fund Budget: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=131173&MID=6287>  
Fiscal Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=131172&MID=6287>  
Interim Report Review: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=131171&MID=6287>
- V. **Discussion/Action Items**
  - A. Public Private Partnership (15 min)
  - B. Committee report to the Board of Education on July 15, 2021 (15 min)  
Budget Recommendations: Ms. Maniar, Mr. Covington, Mr. Jacobson, Ms. Newman  
Tax Revenue and Assessed Valuation: Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman  
Bond Oversight: Mr. Kremer, Mr. Crawford, Mr. Landres, Ms. Mevasse
- VI. **Receive and File (Limited Discussion)**
- VII. **Public Comments**
  - A. Public Comments is the time when members of the audience may address the Committee on items not scheduled on the meeting's agenda. All speakers are limited to three (3) minutes. When there are a large number of speakers, the Chair may reduce the allotted time to two (2) minutes per speaker. The Brown Act (Government Code) states that Committee members may not engage in discussion of issues raised during "XIII. Public Comments" except to ask clarifying questions, make a brief announcement; make a brief report on his or her own activities, or to refer the matter to staff. This Public Comment section is limited to 20 minutes. If the number of persons wishing to address the Committee exceeds the time limit, additional time will be allowed at the discretion of the Chair.
- VIII. **Committee Comments**
- IX. **Next Meeting:**
  - July 15, 2021 \* Please note: This is a Joint Meeting / Study Session with the Board of Education

## X. Adjournment

**Future Meetings will be held monthly in the Testing Room at the District's Administrative Offices, 1651 16th Street, Santa Monica, California, unless otherwise noted.**

*In compliance with the Americans with Disabilities Act, for those requiring special assistance to access the meeting room, to access written documents being discussed at the meeting, or to otherwise participate at the meetings, please contact the Office of Assistant Superintendent, Business and Fiscal Services at 310-450-8338 for assistance. Notification at least 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility to the meeting and to provide required accommodations, auxiliary aids or services.*



### **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 OPED 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 OPED 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 1<sup>st</sup> 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
	OBJECT	BUDGET	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	TOTAL
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
2	AS OF	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	10/31/2020	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>A. BEGINNING CASH</b>	9110																			
5	<b>B. RECEIPTS</b>																				
6	REVENUE LIMIT/LCFF																				
7	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	7,521,210.00
8	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	3,412,475.32	0.00	90,804,345.68
9	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	1,557,197.50	0.00	0.00	0.00	0.00	0.00	1,855,277.82	0.00	0.00	3,412,475.32
10	REVENUE LIMIT TRANSFERS	8090-8099	(287,000.00)	-	-	-	-	-	-	-	-	-	-	(19,000.00)	-	-	-	(249,000.00)	(19,000.00)	(287,000.00)	
11	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	2,858,837.59	10,244,359.00
12	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	411,655.00	0.00	502,374.05	502,374.05	200,000.00	0.00	304,070.00	225,846.00	200,547.00	437,449.18	490,678.95	4,947,392.00
13	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	1,723,171.11	50,980,340.01
14	OTHER RECEIPTS/NON-REVENUE		-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	-	-	-	0.00
15	<b>TOTAL RECEIPTS</b>		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	5,053,687.65	167,623,122.01
16	<b>C. DISBURSEMENTS</b>																				
17	CERTIFICATED SALARIES	1000-1999	65,682,420.00	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	5,775,000.00	5,775,000.00	65,682,420.00
18	CLASSIFIED SALARIES	2000-2999	32,114,876.00	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	2,900,000.00	2,900,000.00	32,114,876.00
19	EMPLOYEE BENEFITS	3000-3999	43,009,619.00	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	3,750,000.00	3,750,000.00	43,009,619.00
20	BOOKS AND SUPPLIES	4000-4999	9,999,092.00	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	1,849,376.41	0.00	9,999,092.00
21	SERV. & OTHER OPER. EXPEN	5000-5999	21,899,683.00	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	0.00	21,899,683.00
22	CAPITAL OUTLAY	6000-6999	237,323.00	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	0.00	237,323.00
23	OTHER DISBURSEMENTS	7000-7999	(353,271.00)	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)	0.00	(353,271.00)
24	TRANSFER OUT	7600-7699	3,848,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,848,000.00
25	OTHER DISBURSEMENTS/NON-EXPENSES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
26	<b>TOTAL DISBURSEMENTS</b>		176,435,742.00	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	11,408,991.03	176,435,742.00
27	<b>RECEIPTS-DISBURSEMENTS</b>		(5,747,987.00)	(3,708,583.62)	(556,194.00)	(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)	3,421,045.17	(6,355,303.38)	(8,812,619.99)
28	<b>D. BALANCE SHEET TRANSACTIONS</b>		(5,747,987.00)	(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)	3,421,045.17	(6,355,303.38)	(8,812,619.99)
29	<b>ASSETS</b>																				
30	CASH NOT IN TREASURY	9111-9199	20,003.34	-	-	(0.08)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.08)
31	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	(5,053,687.65)	2,924,385.08
32	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	0.00	0.00
33	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	0.00	0.00
34	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	0.00	0.00	170,362.38
35	OTHER CURRENT ASSETS	9340-9342	3,063,231.94	2,991,243.00	-	-	544.50	544.50	-	-	-	-	-	-	-	-	-	-	-	-	2,991,787.50
36	<b>SUBTOTAL ASSETS</b>		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	(5,053,687.65)	6,086,534.88
37	<b>LIABILITIES</b>																				
38	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	11,408,991.03	(2,628,909.71)
39	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	0.00	0.00
40	CURRENT LOANS	9640-9640	-	0.00	0.00	0.00	5,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	(8,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41	DEFERRED REVENUES	9650-9650	1,232,742.67	-	-	(394,912.67)	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	(394,912.67)
42	<b>SUBTOTAL LIABILITIES</b>		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	11,408,991.03	(3,023,822.38)
43	<b>FUND BALANCE ADJ.</b>	9910 (Suspense Clearing Account)	(208,709.87)	(2,873.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
44	<b>TOTAL BALANCE SHEET</b>		(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		

# 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

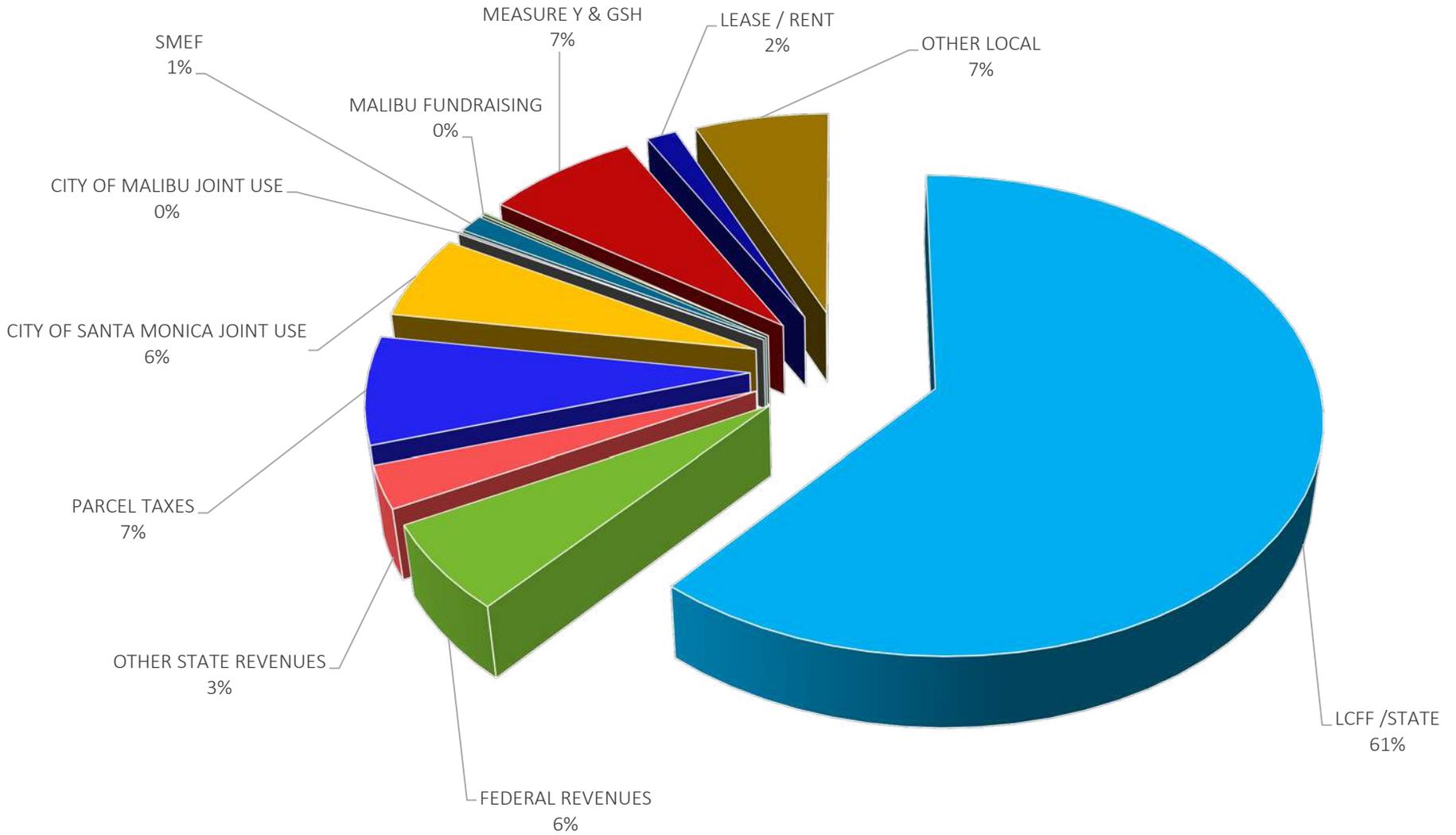
## Questions? Where to Get Trust Fund Information?

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

Program E-mail Addresses	Prefunding Programs Webpages
<a href="mailto:CERBT4U@calpers.ca.gov">CERBT4U@calpers.ca.gov</a> – Questions & Document Submittal	<a href="http://www.calpers.ca.gov/CERBT">www.calpers.ca.gov/CERBT</a>
<a href="mailto:CEPPT4U@calpers.ca.gov">CEPPT4U@calpers.ca.gov</a> – Questions & Document Submittal	<a href="http://www.calpers.ca.gov/CEPPT">www.calpers.ca.gov/CEPPT</a>
<a href="mailto:CERBTACCOUNT@calpers.ca.gov">CERBTACCOUNT@calpers.ca.gov</a> – Online Record Keeping System	

Ask us about prefunding pension costs.  
[CEPPT4U@calpers.ca.gov](mailto:CEPPT4U@calpers.ca.gov).

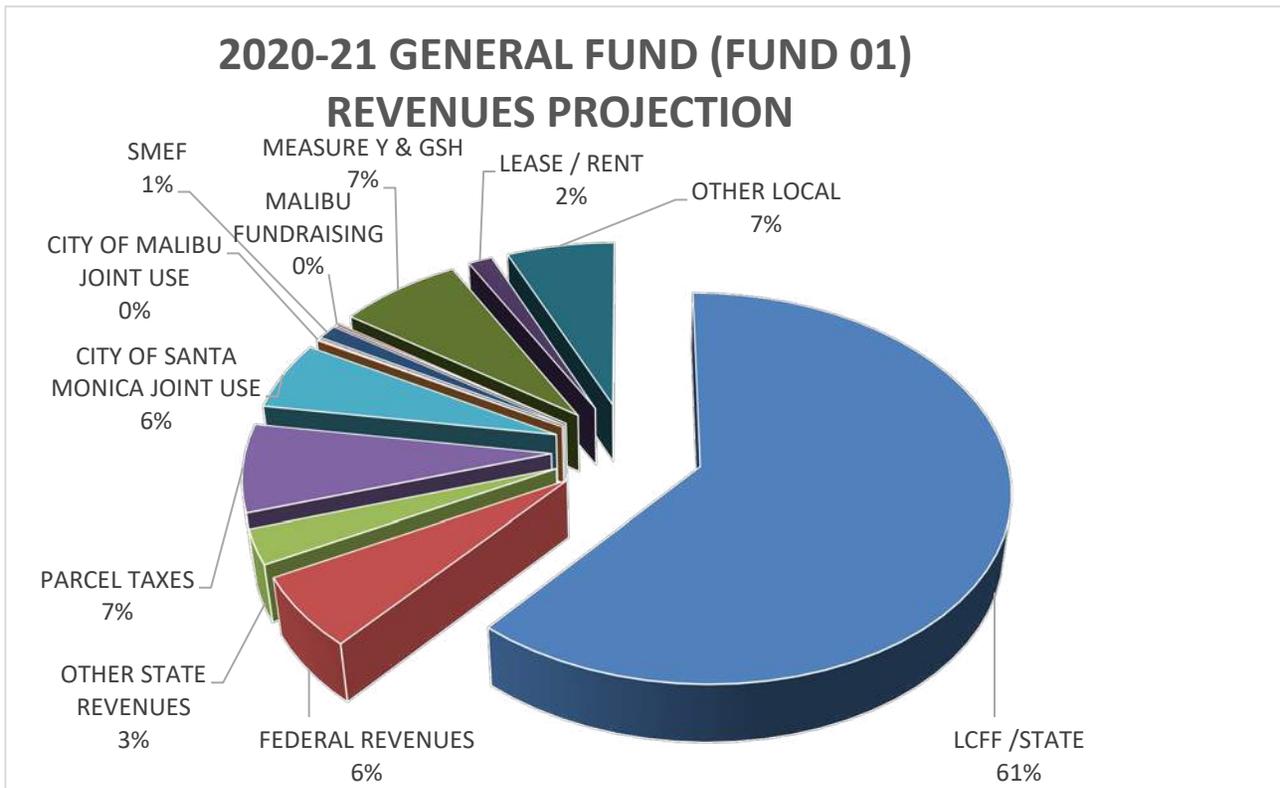
# 2020-21 GENERAL FUND (FUND 01) REVENUES



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

**REVENUES**

<b>BEGINNING BALANCE</b>	<b>\$</b>	<b>27,848,825</b>
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
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>170,687,755</b>
<b>TOTAL AVAILABLE FUNDS</b>	<b>\$</b>	<b>198,536,580</b>



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 Hlgh 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 Hlgh 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	Pd	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,STALE0247001,1.00,20	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 Lacoee.	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 Lacoee.	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 Lacoee.	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 Lacoee. CR21-052, RN 40019 CHK# 1058 [REDACTED] ATTY AT LAW WITNESS APPEARANCE/SUB POENA FEE	290.00	
24	All Other Local Revenue	0000000	District-Wide	3	09/29/2020	Unrestricted Resource	JVDEP,210000000010,1.00,66	Deposits to Lacoee. 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 Lacoee. CR21-021, RN 39987 CHK#1868 [REDACTED] RECORDS	338.50	
26	All Other Local Revenue	0000000	District-Wide	4	10/12/2020	Unrestricted Resource	GAX,210000001092,1.00,1	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	1,345.90	
28	All Other Local Revenue	0000000	District-Wide	4	10/13/2020	Unrestricted Resource	JVDEP,210000000011,1.00,10	Deposit to Lacoee 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
30	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	
32	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 INT'L E-WASTE REBATE FROM I.T.	130.00	
34	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	
36	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	
									<b>329,859.67</b>	



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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	
<b>REVENUE:</b>		<b>12,160,249</b>		<b>12,568,316</b>
<b>EXPENDITURES:</b>				
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 <sup>TH</sup> GRADES)			44.000	6,082,334
<b>SUBTOTAL EXPENDITURES FOR MEASURE "R"</b>	<b>69.875</b>	<b>6,406,584</b>	<b>114.500</b>	<b>12,568,316</b>
BALANCE USED TO PRESERVE PROGRAMS AND REPLACE FUNDS LOST DUE TO INADEQUATE STATE FUNDING		5,753,665		0
<b>TOTAL BUDGET MEASURE "R"</b>		<b>12,160,249</b>		<b>12,568,316</b>

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 16<sup>th</sup> 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.

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2020-21 PROPOSED BUDGET**

6/11/2020

*New Expenditure **Increased Expenditure	2019-20 BUDGET		2020-21 PROPOSED BUDGET	
<b>REVENUE:</b>	12,160,249		12,568,316	
<b>EXPENDITURES:</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>
<b>GENERAL EDUCATION:</b>				
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
<b>TOTAL FOR UNRESTRICTED TEACHERS</b>	-	<b>5,753,665</b>	<b>44.0000</b>	<b>6,082,334</b>

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
<b>ADMINISTRATION COST</b>		<b>23,500</b>		<b>24,500</b>

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
<b>ACCOMPANIST/MUSIC AIDES / SECONDARY</b>				
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
SAMOHI	1.5000	93,509	2.0000	83,219
*MARIACHI LEADS & STAFF		-		21,613
SECURITY O/T		-		-
<b>NON-PERSONNEL ELEMENTARY &amp; SECONDARY</b>				
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
<b>TOTAL BUDGET FOR MUSIC PROGRAM:</b>	<b>15.7500</b>	<b>1,504,915</b>	<b>18.8750</b>	<b>1,562,621</b>

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2020-21 PROPOSED BUDGET**

6/11/2020

*New Expenditure **Increased Expenditure	2019-20 BUDGET		2020-21 PROPOSED BUDGET	
<b>REVENUE:</b>	12,160,249		12,568,316	
<b>EXPENDITURES:</b>	FTE	AMOUNT	FTE	AMOUNT
01-00001-0-19480-10000-2xxx-030-1501				
<b>PE PROGRAM</b>				
<b>ELEMENTARY</b>				
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
<b>SECONDARY</b>				
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
<b>TOTAL BUDGET FOR PE PROGRAM:</b>	<b>17.0000</b>	<b>901,711</b>	<b>16.2500</b>	<b>976,407</b>

01-00001-0-19530-24200-1210/2410/2910				
<b>LIBRARY PROGRAM</b>				
<b>ELEMENTARY</b>				
LIBRARY ASSISTANT	9.1250	356,257	7.3750	292,678
<b>SECONDARY</b>				
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
<b>TOTAL BUDGET FOR LIBRARY PROGRAM:</b>	<b>18.1250</b>	<b>1,397,644</b>	<b>16.3750</b>	<b>1,300,491</b>

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

**SANTA MONICA MALIBU UNIFIED SCHOOL DISTRICT**  
**2020-21 PROPOSED BUDGET**

6/11/2020

*New Expenditure **Increased Expenditure	2019-20 BUDGET		2020-21 PROPOSED BUDGET	
<b>REVENUE:</b>	12,160,249		12,568,316	
<b>EXPENDITURES:</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>
01-00001-0-19100-xxxxx-xxxx-xxx-xxxx <b>TECHNOLOGY</b>				
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		-		-
<b>TOTAL BUDGET FOR TECHNOLOGY</b>	<b>18.0000</b>	<b>2,497,917</b>	<b>18.0000</b>	<b>2,543,242</b>
<b>TOTAL REVENUE FOR MEASURE "R":</b>		<b>12,160,249</b>		<b>12,568,316</b>
<b>TOTAL EXPENDITURE FOR MEASURE "R":</b>	<b>69.875</b>	<b>6,406,584</b>	<b>114.500</b>	<b>12,568,316</b>

**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  
Table of Contents  
June 30, 2019**

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Exhibit B – Findings and Recommendations .....	7
Exhibit C – Prior Year Findings and Recommendations .....	8



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 REPORTED</u>	<u>2018-19 BUDGET</u>	<u>2018-19 REPORTED</u>
<b>Revenues Collected</b>			
Measure "R" Taxes Collected by the County	\$ 11,920,265	\$ 12,205,124	\$ 12,359,440
<b>Reported Expenditures</b>			
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

CERTIFIED PUBLIC ACCOUNTANTS

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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-Upon 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-Upon 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-Upon 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-Upon 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.*



### III. Approval of FOC Meeting Minutes

6:12 pm A motion was made by Mr. Landres and seconded by Mr. Crawford to approve the January 7, 2021 meeting minutes as amended.

Under Agenda Item V.A., City of Malibu School District Separation Consultant – LaTanya KirkCarter,

...The Malibu School District Separation Town Hall may be viewed at <https://www.youtube.com/watch?v=r3jlGtM1vJk>. **They also responded to questions raised by Committee members, after the SMMUSD school district separation consultant presentation to the FOC on December 2020.**

Under Agenda Item V.B., Application process for nomination to the committee effective July 1, 2021,

...Members whose terms are up will inform the subcommittee chair of their intention on serving future terms **by the February meeting of each year.**

Under Agenda Item IX. Committee Comments,

...The committee asked for comparable data of the District Office building -1717 4th Street purchase. as well as clarity on the purpose of Measure R funds and **the new reporting SMMUSD plan to implement for Measure R compliance.** ~~whether the way funds accounted was meant to change considering that the District is now basic aid; and that nothing changed although the District transitioned from LCFF to basic aid.~~

The breakdown of the beginning fund balance of \$7.5M reported at the 1<sup>st</sup> interim budget was attributed to a combination of **the** fiscal stabilization plan adopted in 2020-21 and not **a change in** spending due to school site closures. The committee requested a break out of the savings.

AYES: Ten (10) (Mr. Covington, Mr. Crawford, Mr. Farivar, 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: One (1) (Mr. Lee)

ABSTAIN: None (0)

### IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady (5 min)

6:12 pm There was no report.

## V. Discussion/Action Items

6:12 pm

### A. Presentation of Special Education mid-year report (45 min)

Ms. Sinfield provided the committee with a mid-year report that included successes for 2020-2021, financials, extra funding, legal cases by eligibility, information on cases from 2019-2020 and 2020-2021, multi-year legal settlements/long term liabilities, and next steps.

Ms. Sinfield and Ms. Hurst explained the changes to those involved in litigation and the steps they are taking to address it. The department has been doing foundational work over the past year and a half trying to understand current programs and where programs meet needs. Immediate impacts may not be realized but staff was working on longer-term initiatives to reduce the litigation such as working on relational management. IEP meetings are set up starting with strengths, document preparation prior to the meeting and addressing the parents' concerns and building trust.

7:48 pm

Ms. Murano addressed the committee on this item.

The committee recommended a conversation and options to help students reacclimate, especially social skills and learning loss so they are caught up as much as possible come Fall; rethink pace of recovery; and how to learn instead of what to learn.

The presentation may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/031121SpecialEdMid-YearReporttoFOC.pdf>

### B. Presentation of Second Interim Report (45 min)

8:49 pm

Ms. Canady and Mr. Cruz provided 2<sup>nd</sup> interim changes and its impact to the multi-year projection. Large settlement claims from school vandalism and Woolsey fire were revised downward as it was not certain whether it will materialize in this year's budget. There was expired payroll where checks were not cashed from retro-payroll in addition to vendor warrants. These will go back into general fund as unclaimed property.

The following 2<sup>nd</sup> interim documents may be found in the following link:

- Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104429&MID=5506>
- Report: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=106076&MID=5506>
- Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104432&MID=5506>
- Narrative Attachment of Other Local Funding: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104430&MID=5506>
- Multi-year Projection: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104431&MID=5506>
- Traditional vs. Covid Budget Line Items: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104433&MID=5506>

8:00 pm

C. Presentation of Proposed 2021-22 Measure R Annual Plan to be posted by 3/30/21 (30 min)

Mr. Cruz provided the committee with an overview of the proposed 2021-22 Measure R annual plan.

The Measure R annual plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR/MeasureR-AnnualPlan2122.pdf>

8:11 pm

Ms. Muraro addressed the committee on this item.

The committee continued with discussion and questions on this item. Some line item of the benefit increase was disproportionately larger than the salary increases due to some listed separately between benefits and salary while others was combined together.

The student information system was a valid expenditure as the ballot language prohibits administrative salary. Specifically, the ballot language was to preserve programs or replace funds due to inadequate state funding; to sustain achievement in reading, writing, and mathematics for all students and all grade levels; and to fulfill the district's core curriculum. The auditors have said that SIS falls in the purview of the ballot language and was legally permissible.

SIS is the backbone of the entire district that contains all of the student data; helps analyze and maintain records and transcripts; and everything that we use to help and support students in terms of intervention and all programs that the district run was embedded in the SIS. It allows the district to deliver the level of services and to augment programming for students as a result of leveraging this resource in this way. It supports what happens on the back end of what are seen on the front end by services and programs delivered by the teachers to help students reach their potential.

The committee commented that a list of vendors looks like administrative costs. It was recommended that the annual plan include a strong explanation as to the reasons why those programs are included in the plan. Mr. Jacobson informed the committee that in previous years, the committee had discussed and developed a narrative and outline for the Measure R funds. The committee requested that the Board make it one of the FOC charges to examine the Measure R funding that the public can understand what the parcel tax supports

A motion was made by Mr. Landres and seconded by Ms. Newman to agendaize discussion and action of creating a standing committee of FOC to work with staff to prepare the annual Measure R report narrative.

AYES: Nine (9) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Newman)

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

NOES: None (0)

ABSENT: Two (2) (Ms. Mevasse, Mr. Lee)

ABSTAIN: None (0)

The Measure R plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR/MeasureR-AnnualPlan2122.pdf>

## VI. Ad Hoc Subcommittee Report

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

7:25 pm

Dr. Drati provided an update on the status of the subcommittee in addressing the budget deficit and aligning the budget. The Superintendent Advisory Committee was established to look at the budget and address the substantial budget deficit. Dealt with the situation in two phases: the current budget and future budget. There was a cut of about \$8M in reductions but still need to address \$7M deficit in the out years. The process was stopped midway due to COVID that created uncertainty to move forward with a fixed number of \$7M. Things happened along the way such as federal money, no travel for sporting games, reduction of expenses for reduced/non-use of utilities, and declining enrollment (less than 500 students than expected). Staffing was kept intact without reducing staffing. Districts typically align staff with enrollment but it was difficult to anticipate the needs come Fall 2021. There was an infusion of one-time stimulus funds into the budget – used for equipment to reopening schools and expansion of programs for learning loss. The structural deficit has not been forgotten.

Dr. Drati answered committee members' questions regarding county's response to stimulus funds. The committee requested/urged Dr. Drati to leverage the FOC to start thinking about the Fall and decline in enrollment.

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

9:11 pm

There was no report

### C. Bond Oversight: Mr. Kremer, Mr. Covington, Mr. Crawford, Mr. Landres, Mr. Lee

9:15 pm

There was no report.

Mr. Kremer requested an update on the work staff was going to do on the enforced obligations the City. The tax revenue subcommittee reported to the Board last July with identified opportunities for savings of redevelopment obligations as interest rates are rising. Ms. Canady will talk with Mr. Kremer offline regarding this item.

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

9:12 pm

Mr. Crawford looked at the messaging around the outreach and how to best communicate announcement to generate more interest and clarity in the type of expertise that committee was looking for to serve on the FOC. He suggested that committee members also distribute the notice in addition to the District's press release

## VII. Receive and File (Limited Discussion)

9:25 pm

### A. Updates to the 2020-2021 Audit Guide – Distance Learning and Beyond dated February 2021

**VIII. Public Comments**

*9:18 pm*

Ms. Muraro addressed the committee regarding Measure R language point D to protect the taxpayer investment in education and ensure district accountability for special citizen financial oversight and independent annual audits; inequity of art teachers at Lincoln and John Adams Middle Schools of approximately 0.4 FTE.

Mr. Kean clarified the public comment that it would be more appropriate to request an increase in FTE at Lincoln which does not pertain to Measure R and the purview of the FOC.

**IX. Committee Comments**

*9:22 pm*

Mr. Landres stated that the FOC reviews the budget for fiscal management and audit oversight, not policy.

Ms. Newman stated the FOC's charge include Measure R oversight in a way that the public would approve of.

**X. Next Meeting:** Thursday, April 15, 2021 – Zoom

**XI. Adjournment:** 9:25 p.m.



**CPAs & BUSINESS ADVISORS**

# **UPDATES TO THE 2020-2021 AUDIT GUIDE — DISTANCE LEARNING AND BEYOND**

February 2021

# PRESENTERS



Royce Townsend, CPA  
Partner  
rtownsend@eidebailly.com  
909-755-2830



Shilo Gorospe, CPA  
Partner  
sgorospe@eidebailly.com  
909-755-2832

# TOPICS FOR DISCUSSION

---

**Audit Guide:** Changes for 2020-2021.

What areas the auditor might emphasize and how you can prepare for the audit.

**Audit Guide:** Looking ahead into 2021-2022 changes.

## CHANGES FOR THE 2020-2021 AUDIT GUIDE

- **Suspended Procedures:**
  - **Independent Study**
  - **Continuation Education**
  - **Juvenile Court Schools**
  - **Middle or Early College High Schools**
  - **Independent Study – Course Based  
(except as it pertains to non-classroom  
based charters)**



A background image showing a group of business professionals in a meeting. They are seated around a table, looking at documents and charts. The lighting is bright, with a lens flare effect in the upper left corner. The image is partially obscured by a dark blue rounded rectangle containing text.

## CHANGES FOR THE 2020-2021 AUDIT GUIDE

- **Suspended Procedures (cont.):**
  - **Transportation Maintenance of Effort**
  - **After/Before School Education and Safety Program**
  - **Local Control and Accountability Plan**
  - **Immunizations**
  - **Charter Schools – Annual Instructional Minutes**

# Changes for the 20-21 Audit Guide - Amendments

## Report Components – Removed references to ADA in the report

Schedule of ADA

Schedule of Findings and Questioned Costs

## Remove reference to ADA throughout audit procedures:

Kindergarten Continuance

State in a finding the ~~resulting units of ADA~~ noncompliance

K-3 Grade Span Adjustment

....received funding for K-3 Grade Span Adjustment

~~reported ADA~~.....

# Changes for the 20-21 Audit Guide - Amendments

## Auditing Standards: Sampling

The auditor should select samples ~~Sampling should be~~ based on the guidance.....

**Materiality Levels:** Table below (based on 2018-2019 ADA) only applies to Independent Study – Course Based Program.

All suspended ADA related programs, such as independent study should be audited as part of Attendance and Distance Learning (Section A)

<u>LEA's Total Reported ADA</u>	<u>Materiality Level/Program</u>
1 - 1,000	10 or more ADA
1,001 - 2,500	20 or more ADA
2,501 - 10,000	50 or more ADA
More than 10,000	100 or more ADA

# Changes for the 20-21 Audit Guide - Amendments

**Teacher Certification and Misassignments:** Select a representative sample of teachers for the school sites selected... ~~For each teacher selected...~~

**Instructional Materials (technical change):** Delete references to Education Code (EC) Sections 60605 and 60605.8 (Procedure 5), and a word change from 'foreign' to 'world' (Procedure 6)

**School Accountability Report Card (technical change):** Change from 'misassignment' to 'misassignments' to align with EC Section 33126(b)(5)

# Changes for the 20-21 Audit Guide - Amendments

**Unduplicated LCFF Pupil Counts:** Amend Procedures to include Adult English Learner (ADEL) eligible (new English Learner Acquisition Status designation)

**Independent Study – Course Based:** Procedure 1 is changed to apply to charter schools classified as non-classroom based as of 2019-2020 instead of 'LEA' as distance learning requirements apply to school districts, county offices of education, classroom-based charter schools, and newly operating charter schools. References to ADA and its fiscal impact, in addition to the independent study ratio, have been deleted as no ADA is being reported

# Changes for the 20-21 Audit Guide - Amendments

**Charter School - Attendance:** Eliminate all references to ADA. Deleted procedures for pupils over the age of 19 years that generated ADA apportionment. Moved verification of annual days to nonclassroom-based instruction section

**Charter School – Mode of Instruction:** If the charter school is a nonclassroom-based charter school, proceed to the nonclassroom based instruction and determination of funding for nonclassroom based instruction sections. Otherwise, proceed to the Attendance and Distant Learning section

# Changes for the 20-21 Audit Guide - Amendments

## **Charter School – Nonclassroom-Based**

**Instruction/Independent Study:** References to ADA and its fiscal impact, in addition to the independent study ratio, have been deleted as no ADA is being reported

Review the school attendance calendar and determine the number of days offered by grade level (minimum of 175 days to be offered)

# Changes for the 20-21 Audit Guide - Amendments

**Charter School – Determination of Funding for Nonclassroom-Based Instruction:** If a charter school was classified as a nonclassroom-based charter school as of the 2019-2020 fiscal year ~~more than 20 percent of the charter school's total ADA was generated through nonclassroom based instruction (independent study)...~~

For funding determination audit findings for 2020-2021 fiscal year only, report the number of units of 2019-2020 second period ADA by grade span and an estimate of their dollar value.

# Changes for the 20-21 Audit Guide - Amendments

## Instructional Time: Key Elements

In order for a day to count as a day of instruction towards meeting the annual day requirement (180 days for school districts, 175 days for charter schools), students must be scheduled to attend a school day equivalent to the minimum day of instruction

For the 2020–21 school year, the minimum schoolday for a local educational agency is as follows:

- (a) 180 instructional minutes in kindergarten.
- (b) 230 instructional minutes in grades 1 to 3, inclusive.
- (c) 240 instructional minutes in grades 4 to 12, inclusive.

# Changes for the 20-21 Audit Guide - Amendments

**Instructional Time:** Key elements to understand to ensure compliance:

A school day can be met through in-person instruction, distance learning, or a combination of both

Instructional time for distance learning is calculated based on the time value of synchronous and/or asynchronous instruction and assignments as determined and certified by a certificated employee

Instructional time for in-person instruction is calculated based on time scheduled under the immediate physical supervision and control of a certificated employee

# Changes for the 20-21 Audit Guide - Amendments

## Instructional Time: New Procedures

Review school attendance calendars, bell or class schedules, or other documentation, to determine if any individual days are shorter than the normal length

- For distance learning, documentation includes the certificated employee certification of time value
- The certification to time value may be a stand-alone document, or in the weekly engagement record

For distance learning, select a sample of classes **and** pupils and review a sample of days to verify the pupils were offered at least the minimum school length

# Changes for the 20-21 Audit Guide - Amendments

## Instructional Time: Concerns and Challenges

Significant differences from prior year

District-wide schedules vs. time value at site/class level

Key component – certification of time value by a certificated employee – Will this create inconsistencies between what the district/site report vs. what the teacher “certifies”

Varying ways to document compliance

# Changes for the 20-21 Audit Guide - Amendments

## **Instructional Time:** New Procedures (continued)

Verify if the schools deviated from calendar(s), schedules, or other supporting documentation

Consideration: Inconsistencies could result if planned offerings are developed at the district/site level, but time value certified is at the teacher level and does not agree with planned offerings

Consideration: Certify time value at the site level rather than by individual teacher to prevent errors or noncompliance

# Changes for the 20-21 Audit Guide - Amendments

## **Instructional Time:** New Procedures (continued)

Determine by grade level, the total number of school days in each sampled school's attendance calendar(s) that were of at least the minimum length required for a school day and compare to the required number of days for compliance

Noncompliance results in a penalty that is required to be reported in the audit report with an accompanying schedule

# Changes for the 20-21 Audit Guide - Amendments

## **Attendance and Distance Learning: Key Elements**

Each LEA shall document daily participation for each pupil on each schoolday

A pupil who does not participate in distance learning on a schoolday shall be documented as absent

Daily participation may include, but is not limited to, evidence of participation in online activities, completion of regular assignments, completion of assessments, and contact between employees and pupils/guardians

Ensure weekly engagement record is completed for each pupil documenting synchronous and asynchronous instruction, verifying daily participation and tracking assignments

# Changes for the 20-21 Audit Guide - Amendments

## **Attendance and Distance Learning: New Procedures**

Applies to School Districts, COE's, Classroom-based Charters, and Newly Operational Charters beginning 2020-2021

Select a sample of schools (minimum 10% or 1 school site for each grade span)

Select a representative sample of absences for each of the sites selected and verify that absences were reported correctly for site-based or distance learning instruction

Documentation of absences will most likely vary  
No evidence of daily participation is one example of an absence

# Changes for the 20-21 Audit Guide - Amendments

## **Attendance and Distance Learning: New Procedures (continued)**

Verify the LEA has written procedures relating to tiered reengagement strategies for all pupils who are absent from distance learning for more than three school days or 60% of the instructional days in the week

From the sample of schools selected, select a sample of pupils enrolled:

- If written procedures relating to tiered reengagement did not exist and the student sampled was absent for more than 3 days/60%, report noncompliance in a finding and estimate penalty
- Verify a certificated employee delivered instruction through distance learning and/or in person instruction
- Select one week after September 1, 2020 and verify attendance to weekly engagement records and daily participation

# Changes for the 20-21 Audit Guide - Amendments

## Attendance and Distance Learning: New Procedures (continued)

### Weekly engagement records and daily participation:

Verify each pupil had a completed weekly engagement record that documents synchronous or asynchronous instruction for each whole or partial day by verifying daily participation and tracking of assignments

- Weekly engagement records can be met in a stand-alone record or through a combination of records
- For students tested at the secondary level (period-to-period), all period records will be required to be tested

Verify for each pupil that daily participation was documented on each school day for which distance learning was provided

- This requirement can be met through separate daily participation records, within the student information system, or another method, as long as it meets the requirement.
- For student who did not participate in distance learning, verify they were marked absent for the day

# TIPS FOR SUCCESS

1

- Discuss your procedures with your auditors in advance so there is a clear understanding and approach to the audit

2

- If your procedures include a combination of documents for compliance, ensure you provide all related documents to your auditors to avoid confusion and excessive “back and forth” or misunderstandings

3

- Consider developing a checklist to ensure all required components of the weekly engagement record are present

# BEWARE!!!

---

Please  
note:

- The volume of audit requests will likely increase this year!

Be  
Patient:

- This is new for all of us and is subject to interpretation.

## WHAT IS BEING PROPOSED FOR THE 2021-2022 AUDIT GUIDE

- **Bring back programs that were suspended in 2020-2021**
- **Materiality levels:** Added clarity on which programs the materiality levels apply to for testing
- **Comprehensive School Safety Plans:** Changed terminology from “approved” to “adopted”
- **Local Control and Accountability Plan:** Changed sample selection of “actions and services” to just “actions”
- **Immunizations:** Confirm vaccinations of K, 1<sup>st</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grade students related to chickenpox, measles, and Tdap



# QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

# THANK YOU

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CPAs & BUSINESS ADVISORS



**SMMUSD Financial Oversight Committee Meeting Minutes**

**Date: Thursday, April 15, 2021**

**Time: 6:00 pm to 8:00 pm**

**Location: Zoom**

<https://drive.google.com/file/d/11-8twg86j4vC-VF4yqzYGqKMIHGc41cl/view>

**I. Call to Order**

6:03 pm

Committee Members: Matthew Crawford  
Seth Jacobson  
Shawn Landres  
Renu Mevasse  
Marc Levis-Fitzgerald - *arrived @ 6:06 pm*  
Natalie Ricciardulli, SAMOHI student rep  
Matthew Covington – *departed @ 7:05 pm*  
Michael Kremer  
Payal Maniar  
Melinda Newman

Staff: Melody Canady  
Jacqueline Mora – *departed @ 7:43 pm*  
Bertha Roman – *arrived @ 6:11 pm and departed @ 7:43 pm*  
Kim Nguyen

Board Liaison: Craig Foster  
Keith Coleman  
Jon Kean

Absent: Alex Farivar  
Kimya Afshar, Malibu Student Rep

Public: Jon Isom, Isom Advisors – District Bond Advisor – *departed @ 7:24 pm*  
John Baracy, Raymond James – District Underwriter – *departed @ 7:24 pm*

**II. Approval of Agenda**

6:03 pm

A motion was made by Mr. Landres and seconded by Mr. Crawford to approve the meeting agenda as amended to postpone Item VI. A. City of Malibu Memo RE: Petition for Unification of Independent School District dated March 30, 2021 from Receive and File.

Unification information may be found on the District website at:  
<https://www.smmusd.org/Page/4255>

AYES: Nine (9) (Mr. Covington, Mr. Crawford, 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: One (1) (Mr. Farivar)  
ABSTAIN: None (0)

### III. Assistant Superintendent, Business and Fiscal Report: Melody Canady (30 min)

6:17 pm

#### A. Bond Issuance and Refunding – Jon Isom and John Baracy

Mr. Isom and Mr. Baracy provided the committee with updates regarding Measures SMS and M GO Bonds, potential legislative considerations and GO Bond refunding plan of finance. It was anticipated that the District will receive AAA bond rating again. In a future bond e.g. 2024, the tax rate will be added to the existing tax rate. It does not account for District-wide tax rates that have been previously approved. An option was to look at combining all bonds districtwide. Districts are required to spend down within 3 years.

The committee requested historical and proposed spenddown, combined tax rates for the outstanding debt, and cashflow for the refunding.

The presentation may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/041521GO-BondUpdatePresentationtoFOC.pdf>

### IV. Discussion/Action Items

7:24 pm

#### A. Discussion of Measure R annual plan continued from March meeting

The committee was provided an update to the Measure R annual plan, specifically the minor change of a \$3,700 increase in revenue projection. The increase was applied to the Arts and Music programs and delineated to mileage for the itinerant music staff.

Dr. Mora spoke to the need for the District to maintain and clean or fix instruments in preparation and planning for the Fall. All music PPE items were ordered using CARES funding.

Mr. Crawford offered to assist with developing next year's annual plan to include a narrative for each line item.

The Measure R annual plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR/MeasureR-AnnualPlan2122.pdf>

7:37 pm

#### B. FOC applications posted March 12<sup>th</sup> with closing date of April 12<sup>th</sup>

The committee reported receipt of seven (7) applications at time of meeting. The committee will review applications, schedule interviews and have recommendations at the May FOC meeting. Mr. Levis-Fitzgerald will be ending his FOC appointment at the end of June due to increasing work responsibilities.

A motion was made by Mr. Landres and seconded by Ms. Newman to reopen the FOC application period with a deadline of April 30, 2021.

AYES: Eight (8) (Mr. Crawford, 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: Two (2) (Mr. Covington, Mr. Farivar)  
ABSTAIN: None (0)

**V. Ad Hoc Subcommittee Report**

7:48: pm A. Budget Recommendations: Ms. Maniar, *Mr. Covington, Mr. Jacobson, Ms. Newman*

Mr. Jacobson reported that the subcommittee has communicated with Staff to discuss the issues raised with Superintendent Drati at the previous meeting.

7:48 pm B. Tax Revenue and Assessed Valuation: *Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman*

There was no report.

C. Bond Oversight: *Mr. Kremer, Mr. Crawford, Mr. Landres*

7:49 pm Mr. Kremer reported that the subcommittee will meet to go over cashflows regarding bond refunding, the matrix used, efficiency ratio minimum and target, and discuss their report for the Board at the July meeting.

Mr. Covington will step down from the subcommittee. An additional member will need to be added to the subcommittee in the Fall.

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

7:53 pm Report was given under Agenda Item IV B. FOC applications posted March 12<sup>th</sup> with closing date of April 12<sup>th</sup>.

**VI. Receive and File (Limited Discussion)**

**VII. Public Comments** None

**VIII. Committee Comments**

7:53 pm Mr. Landres announced Superintendent's Message from Dr. Drati released during the meeting that 417 elementary school students and 34% of secondary students chose to continue with distanced learning. It was requested that this topic be discussed at a future meeting regarding the relative costs of getting back on campus and running distanced learning simultaneously.

Mr. Coleman commented on the number of students choosing to return to school. He suggested looking at other districts for examples of language/narrative and how to communicate positively to educate confidence and comfort-level.

Ms. Newman commented on the need to advocate for vaccinating students under the age of 16 and whatever advocacy District can participate in to facilitate.

The committee thanked Mr. Levis-Fitzgerald for his time and service.

Student Rep Ricciardulli informed the committee that she will be graduating from SAMOHI and attending Vanderbilt University. A new ASB Treasurer will be appointed as soon as school elections are conducted. She thanked the committee for their financial oversight over the District. She started with the committee as a junior and was not aware of what goes on behind the scenes. She found the committee's expertise and a group of adults who care to ensure all money was funded correctly. The committee wished her well in her future endeavors.

**IX. Next Meeting:** Wednesday, May 12, 2021 – Zoom

**X. Adjournment:** 8:04 p.m.



changes in expenses were in classified salary, unemployment insurance, and budgeted recall election costs. Staff met with the Tax Revenue and Assessed Valuation subcommittee to discuss the adjustments to recognize and applied a conservative approach to the projection. A 4<sup>th</sup> budget revision in June was currently being considered to recognize the actual increase. The committee discussed transparency within the budget to reflect the projections received and recommended using the actuals to be received in June for the budget.

Ms. Canady and Mr. Cruz answered the committee's questions regarding the overview of the various fund types in the restricted general fund with the additional funds the District anticipates to receive.

The following 3<sup>rd</sup> budget revision documents were part of this agenda item:

Presentation:

<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=126768&MID=6286>

Attachment:

<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=126769&MID=6286>

Multi-year Projection:

<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=126770&MID=6286>

Fiscal Stabilization Plan:

<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=126771&MID=6286>

Traditional Budget Line Item with Adjustments due to Covid-19:

<https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=126772&MID=6286>

#### **IV. Discussion/Action Items**

##### **A. Recommendation to Adopt Measure R Annual Plan (5 min)**

6:48 pm

A motion was made by Ms. Newman and seconded by Ms. Maniar to recommend that the Board of Education approve the 2021-22 Measure R annual plan as presented.

The Measure R annual plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR/MeasureR-AnnualPlan2122.pdf>

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

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: One (1) (Mr. Landres)

ABSTAIN: One (1) (Mr. Jacobson)

B. Discussion of District's anticipated 2<sup>nd</sup> series of Measure M GO Bonds and 2<sup>nd</sup> series of Measure SMS GO Bonds (ISOM proposal) and bond refunding approach (30 min)

6:51 pm

Mr. Kremer presented the Bond subcommittee's report regarding Measure SMS and Measure M GO Bonds. The subcommittee did not see urgency to go to Board at this time regarding bond refunding. The committee discussed the delays experienced to follow up questions when the information should have been readily available.

For Measure SMS, issuing bonds to fund the capital projects now, not just because interest rates are low. The recommendation was to proceed with Series 2021 Bond issuance, in the amount of \$200M given the low level of unspent series 2019 Bond proceeds and projected capital expenditures of the Measure SMS projects. For Measure M, the recommendation was to not proceed with Series 2021 Bond issuance in the amount of \$80M; recommend issuing when able to represent that will spend 85% in 3 years.

The committee discussed the risks of not hitting spenddown. Mr. Isom clarified that many districts do not meet the spenddown. Mr. Massetti believes that the bond issuance can be spent in 2.5 years.

Moving forward, the subcommittee requested to meaningfully participate and in order to make recommendations, the subcommittee requested that information be provided earlier than a few days before a committee meeting to allow time for members to do their analysis.

C. Recommendation to the Board of Education regarding size and timing of Measures M and SMS GO Bonds (5 min)

7:28 pm

A motion was made by Mr. Kremer and seconded by Ms. Mevasse to recommend to the Board of Education to proceed with Series 2021 Bond issuance of Measure SMS, in the amount of \$200M, and to not proceed with Series 2021 Bond issuance of Measure M, in the amount of \$80M.

AYES: Seven (7) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Kremer, Mr. Levis-Fitzgerald, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: One (1) (Mr. Jacobson)

ABSENT: One (1) (Mr. Landres)

ABSTAIN: One (1) (Ms. Maniar)

D. Committee report to the Board of Education on July 15, 2021

7:50 pm

Each subcommittee will submit their respective draft report and recommendations for committee member input and review prior to the June 10, 2021 FOC meeting.

E. Mandates for 2021-22 (15 min)

7:50 pm

The committee discussed potential mandates for 2021-22 to include

1. Measure R
  2. Transparency of financial data – to improve disclosures made to stakeholders; providing data and messaging of what District doing effectively; constructive communication to build trust; presentations that portray what was going on in District; discussion about process and creating functional element that allows for data to be synthesized and provided in an open and transparent way to the Board and Public
  3. Special Education
  4. Effects of Unification
  5. Redevelopment bond analysis - Contact city to get more details on the EOs that are outstanding and have the city or the county refinance them as it would increase revenue to the general fund. Suggest the District hire a redevelopment consultant to prepare a long-range plan to assist with budget projections.
- F. Nominating Subcommittee Recommendation for Membership effective July 1, 2021 (5 min)

8:00pm

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

Mr. Crawford reported that the subcommittee reviewed (10) ten applicants, including (2) two current FOC committee members and interviewed (4) four new applicants. The subcommittee recommended (4) four names to be appointed by the Board to serve on the FOC commencing July 1, 2021: Alex Farivar, Payal Maniar, JW Beekman and Michael Rotgin. The applications and resumes were emailed to the full committee and will be provided to the Board of Education with the recommendation.

A motion was made by Mr. Crawford and seconded by Ms. Newman to recommend Alex Farivar, Payal Maniar, JW Beekman, and Michael Rotgin to the Board of Education to serve on the Financial Oversight Committee commencing July 1, 2021.

AYES: Seven (7) (Mr. Covington, Mr. Crawford, Mr. Jacobson, Mr. Kremer, Mr. Levis-Fitzgerald, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: One (1) (Mr. Landres)

ABSTAIN: Two (2) (Mr. Farivar, Ms. Maniar)

G. Nomination and Election of Chair and Vice-Chair for 2021-22 (5 min)

8:07 pm

A motion was made by Mr. Jacobson and seconded by Ms. Newman to recommend Ms. Maniar as Chair and Mr. Kremer as Vice Chair of the Financial Oversight Committee for the 2021-22 year, contingent to Ms. Maniar's appointment to the FOC by the Board of Education.

AYES: Seven (7) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Levis-Fitzgerald, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: One (1) (Mr. Landres)

ABSTAIN: Two (2) (Mr. Kremer, Ms. Maniar)

H. 2021-22 Meeting Dates (5 min)

8:10 pm

The following are the FOC meeting dates of 2021-22:

- Wednesday, September 8, 2021
- Thursday, October 28, 2021
- Thursday, December 2, 2021 – Malibu City Hall, Multipurpose Room
- Thursday, January 6, 2022
- Wednesday, March 23, 2022 – Malibu City Hall, Multipurpose Room
- Wednesday, May 11, 2022
- Thursday, June 16, 2022
- TBD (July 2022) \* Please note: This is a Joint Meeting / Study Session with the Board of Education – *SMMUSD District Office Board Room, 1651 16<sup>th</sup> Street.*

It was clarified by staff that there were no meeting dates scheduled in November and February due to holidays and timing between meetings. Mr. Kean informed the committee that the District was working to find a return date with limited persons and will continue to provide a Zoom link for the meetings.

A motion was made by Ms. Maniar and seconded by Mr. Kremer to accept the FOC 2021-22 meeting dates.

AYES: Nine (9) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: None (0)

NOES: None (0)

ABSENT: One (1) (Mr. Landres)

ABSTAIN: None (0)

**V. Receive and File (Limited Discussion)**

- 8:16 pm
- A. Tax Rate Projections – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/TaxRateProjections051221.pdf>
  - B. Non-SFID General Obligation Bonds 2021 Taxable (BABs) Refunding – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/Non-SFIDGOBondsTaxableRefunding051221.pdf>
  - C. Non-SFID General Obligation Bonds 2021 Tax-Exempt Refunding – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/Non-SFIDGOBondsTax-ExemptRefunding051221.pdf>
  - D. SFID 1 General Obligation Bonds 2021 Taxable (BABs) Refunding – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID1GOBondsTaxableRefunding051221.pdf>
  - E. SFID 1 General Obligation Bonds 2021 Tax-Exempt Refunding – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID1GOBondsTax-ExemptRefunding051221.pdf>
  - F. SFID 2 General Obligation Bonds 2021 Taxable (BABs) Refunding – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID2GOBondsTaxableRefunding051221.pdf>
  - G. SFID 2 General Obligation Bonds 2021 Tax-Exempt Refunding – 4/16/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/FinReports/SFID2GOBondsTax-ExemptRefunding051221.pdf>
  - H. Expenditure by Project for 2019-20 - Measure M and SMS as of 02/28/21  
<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/ExpenditurebyProject19-20.pdf>

**VI. Public Comments**                      None

**VII. Committee Comments**

8:16 pm      Mr. Jacobson will have discussion with staff about convening the Budget subcommittee in June.

**VIII. Next Meeting:**                      Thursday, June 10, 2021 – Zoom

**IX. Adjournment:**                      8:17 p.m.

Date: May 11, 2021

To: The Financial Oversight Committee

From: The Nominations Sub-Committee

RE: Nominations for Open Committee Seats

Your Nominations Sub-Committee is pleased to submit this report on the 2021 nominations process and the people we recommend be recommended to the Board of Education for appointment to the Financial Oversight Committee.

Outside of simply identifying qualified candidates, the sub-committee's goal for this year was to expand the size and diversity of the candidate pool. This process partially achieved this goal, with a significantly larger number of applications but not as much diversity as we should strive for. This should remain an ongoing goal for the FOC in order to meet the language in our charter regarding mirroring the community we serve.

### The Process

This year, there were three seats open on the standard schedule: the seats currently filled by Alex Farivar and Payal Maniar and the seat formerly filled by Gordon Lee. The announcement by Marc Levis-Fitzgerald that he would be resigning created an additional vacancy to fill, bringing the total to four.

In total, ten applications were submitted, including two current FOC members whose terms are expiring. The Sub-Committee reviewed all of the applications for relevant knowledge and experience and decided to offer interviews to five candidates. It was decided not to interview the current FOC members applying for reappointment, based primarily on two factors: 1) These candidates' relevant knowledge and experience were detailed in their applications and were competitive with the other top candidates; and 2) The Sub-Committee was already familiar with these candidates' areas of interest and approach to participation on the FOC (the main topics of discussion in the interviews) from shared experience on the Committee.

District Staff scheduled the five interviews quickly and efficiently. Four interviews proceeded as scheduled, with one candidate asking to reschedule at the last moment. **All four of the candidates interviewed were qualified for service on the FOC and would likely make excellent committee members.**

After the interviews, the Sub-Committee discussed the relative merits of each of the four interviewees and the two current FOC member applicants. Given the late cancellation from the fifth candidate, the relative strength of their application and resume, and the candidate's lack of clear connection to the SMMUSD community, the Sub-Committee decided not to offer an alternative interview slot.

With four positions to fill, we decided to recommend four applicants to move forward to the full FOC for nomination to the Board of Education.

The four recommended candidates are the following:

### Recommended Candidates

**JW Beekman:** A Santa Monica resident and parent of three children currently attending SMMUSD, he is the Chief Financial Officer for Universal Music Publishing, a global company with 900 employees and more than \$1.4 billion in annual revenue. He has extensive experience preparing and reviewing budgets, financial reports, and audits, as well as expertise in cost management and financial planning. Mr. Beekman stated that his primary interest was to increase community confidence in the District's financial decision-making. He's also interested in issues of tax revenue and bonded debt and the financial implications of Malibu unification.

**Alex Farivar:** A Santa Monica resident with two children too young to yet attend SMMUSD schools, he is currently a Product Manager for Snap, Inc., designing software tools for global advertisers. His past experience includes leadership positions in two different educational technology businesses and experience in corporate finance. In his six years on the FOC Mr. Farivar has been an active participant in a number of sub-committees, most recently serving as the Chair of the Tax Revenue and Assessed Valuation Sub-Committee.

**Payal Maniar:** A Santa Monica resident with two children currently attending SMMUSD, she is currently Head of Business Development and Growth at Hopps, an AI-driven web startup. She has past experience in corporate finance and financial services strategy with various companies both large and small. Ms. Maniar has extensive experience in volunteer leadership roles with SMMUSD. In her three years on the FOC, she has been integral to the Committee's work on the financial aspects of special education, working collaboratively with District staff to effectuate improvements in that area, and has also served actively on the Budget Sub-Committee.

**Michael Rotgin:** A Santa Monica resident and parent of three children currently attending SMMUSD, he is a Partner and Chief Operating Officer for Shelter Capital Partners, a venture capital firm currently focusing on investments in educational technology. In this role, he is required to understand and analyze financial reports, audits, and financial plans, as well as often serving on Boards of Directors for small and volatile companies. He also has past experience working within government agencies, having held staff positions in the judicial and legislative branches and a short term role with a presidential transition team. Mr. Rotgin stated that his top interest in involvement with the FOC was to bring his skills and experience to the district, and believes that Malibu unification is the biggest financial issue currently facing the district.

**Your Nominations Sub-Committee believes that these are the best candidates from a high quality candidate pool.** If additional vacancies arise during the year, the FOC will be in an excellent position to quickly bring in interested, highly-qualified candidates. We would like to thank everyone who applied for their time and efforts, and their interest in serving the SMMUSD community.