



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2017-18 First Interim Report

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Business and Fiscal Services

December 14, 2017 Board Meeting
Agenda Item XI.F



SMMUSD 1st Interim Report

- Shows the District's financial position as of October 31, 2017
- Displays the Adopted Budget, Current Actuals, and Projected Totals for each District fund
- Includes an analysis of standards for financial reporting set by the State
- Projects General Fund activity for the current and next two fiscal years
- Certifies one of three conditions: positive, negative or qualified

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2017-18 FIRST INTERIM REPORT
AS OF 10/31/17
GENERAL FUND (01)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	153,228,949	17,316,546	156,157,831	2,928,882
EXPENDITURES	155,371,152	31,218,217	160,583,133	5,211,981
EXCESS OR (DEFICIENCY)	(2,142,203)	(13,901,671)	(4,425,302)	(2,283,099)
BEGINNING BALANCE	31,220,582		31,220,582	0
PROJECTED ENDING BALANCE	29,078,379		26,795,280	(2,283,099)

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2017-18 FIRST INTERIM REPORT
AS OF 10/31/17
GENERAL FUND (01) Ending Fund Balance Components

Nonspendable Amounts

Stores, Revolving Cash, Prepaid 141,783

Restricted

2,128,435

Assigned Amounts

Reserve for 2017-18 and 2018-19 Deficit Spending 6,857,212
Reserve for up to 2 months General Fund Expenditures 12,850,357

Unassigned/Unappropriated Amounts

Reserve for Economic Uncertainties 4,817,494

FUND BALANCE

26,795,280

SMMUSD 2017-18 First Interim

Unrestricted General Fund Major Changes as Approved by Board November 16, 2017

	Adopted Budget 7/1/2017	Revised Budget as of 10/31/17	Changes						
Revenues									
Beginning Fund Balance	26,917,922	26,917,922							
LCFF Revenue	94,200,253	94,312,253	112,000						
Federal Revenue	13,000	30,963	17,963						
State Revenue	2,005,018	3,563,587	1,558,569						
Local Revenue	43,528,808	43,703,144	174,336						
Local General Fund Contributions	(27,317,568)	(28,235,112)	(917,544)						
Total Revenue	112,429,511	113,374,835	945,324						
Expenditures									
Certificated Salaries	53,125,663	53,350,947	225,284						
Classified Salaries	18,615,548	18,757,612	142,064						
Employee Benefits	28,373,611	28,067,162	(306,449)						
Books and Supplies	3,393,897	3,076,659	(317,238)						
Services and Other Operating Cost	9,923,263	10,041,671	118,408						
Capital Outlay	615,481	947,881	332,400						
Other Outgo	-	120,000	120,000						
Indirect Costs	(1,084,672)	(1,138,016)	(53,344)						
Debt Services	98,000	98,000	-						
Transfer Out/Fund 12, 13	1,442,223	2,303,995	861,772						
Total Expenditures	114,503,014	115,625,911	1,122,897						
Increase/(Decrease) Fund Balance	(2,073,503)	(2,251,076)	(177,573)						
Projected Fund Balance	24,844,419	24,666,846							
Major Changes									
Revenues:									
\$ 112,000				Reclassified Transfer to County Specialized Schools & Chapter School (from 8096 to 7222)					
\$ 17,963				Increase in MAA Reimbursement					
\$ 1,558,569				One time Mandated funds, \$147/ADA					
\$ 174,336				Increase in Other Local Revenues					
\$ (1,249,212)				Increase Local General Fund Contribution to Special Ed					
\$ 331,668				Transfer ROP fund Balance to Unrestricted General Fund					
Expenditures:									
\$ 225,284				Increase Certificated Salaries/6.7 FTEs teaching positions, (1) FTE Student Advisor					
\$ 142,064				Increase Classified Salaries, 2.375 FTEs classified positions funded by Stretch Grant					
\$ (306,449)				Decrease in Benefits/ (\$366,333) in H/W benefits					
\$ (317,238)				Decrease in Books & Supplies					
\$ 118,408				Increase in Services and Operating Costs					
\$ 332,400				Increase in Equipment/Replacements from prior year's encumbered					
\$ 120,000				Reclassified transfer to County Office from object code "8096" to "7222"					
\$ (53,344)				Increase in Indirect Charge to Categorical Programs					



Other Funds

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
 2017-18 FIRST INTERIM REPORT
 AS OF 10/31/17
 ADULT EDUCATION (11)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	755,252	119,364	766,770	11,518
EXPENDITURES	787,650	180,890	857,817	70,167
EXCESS OR (DEFICIENCY)	(32,398)	61,526	(91,047)	(58,649)
BEGINNING BALANCE	664,376		664,376	0
PROJECTED ENDING BALANCE	631,978		573,329	(58,649)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
 2017-18 FIRST INTERIM REPORT
 AS OF 10/31/17
 CHILD DEVELOPMENT FUND (12)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	8,526,960	2,717,168	8,987,399	460,439
EXPENDITURES	8,528,682	1,685,189	9,363,018	834,336
EXCESS OR (DEFICIENCY)	(1,722)	1,031,979	(375,619)	(373,897)
BEGINNING BALANCE	400,598		400,598	0
PROJECTED ENDING BALANCE	398,876		24,979	(373,897)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2017-18 FIRST INTERIM REPORT
AS OF 10/31/17
CAFETERIA FUND (13)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	3,452,400	423,345	3,452,400	0
EXPENDITURES	3,454,289	585,860	3,412,902	(41,387)
EXCESS OR (DEFICIENCY)	(1,889)	(162,515)	39,498	41,387
BEGINNING BALANCE	112,629		112,629	0
PROJECTED ENDING BALANCE	110,740		152,127	41,387

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
 2017-18 FIRST INTERIM REPORT
 AS OF 10/31/17
 DEFERRED MAINTENANCE (14)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	252,000	0	952,000	700,000
EXPENDITURES	350,000	428,788	1,200,000	850,000
EXCESS OR (DEFICIENCY)	(98,000)	(428,788)	(248,000)	(150,000)
BEGINNING BALANCE	667,808		667,808	0
PROJECTED ENDING BALANCE	569,808		419,808	(150,000)

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2017-18 FIRST INTERIM REPORT
AS OF 10/31/17
BUILDING FUND (21)



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	775,000	144	775,000	0
EXPENDITURES	20,107,592	20,496,636	73,794,922	53,687,330
EXCESS OR (DEFICIENCY)	(19,332,592)	(20,496,492)	(73,019,922)	(53,687,330)
BEGINNING BALANCE	119,317,497		119,317,497	0
PROJECTED ENDING BALANCE	99,984,905		46,297,575	(53,687,330)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
 2017-18 FIRST INTERIM REPORT
 AS OF 10/31/17
 CAPITAL FACILITIES FUND - DEVELOPER FEES (25)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	803,000	111,607	803,000	0
EXPENDITURES	803,000	45,464	803,000	0
EXCESS OR (DEFICIENCY)	0	66,143	0	0
BEGINNING BALANCE	2,257,734		2,257,734	0
PROJECTED ENDING BALANCE	2,257,734		2,257,734	0

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
 2017-18 FIRST INTERIM REPORT
 AS OF 10/31/17
 SPECIAL RESERVE - CAPITAL OUTLAY (40)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	6,800,629	1,712,404	8,513,033	1,712,404
EXPENDITURES	4,788,194	5,056,575	9,938,194	5,150,000
EXCESS OR (DEFICIENCY)	2,012,435	(3,344,156)	(3,669,999)	(3,437,596)
BEGINNING BALANCE	9,859,832		9,859,832	0
PROJECTED ENDING BALANCE	11,872,267		8,434,671	(3,437,596)

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
2017-18 FIRST INTERIM REPORT**

AS OF 10/31/17

BOND INTEREST AND REDEMPTION (51)



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	35,418,972	0	35,418,972	0
EXPENDITURES	40,592,764	0	40,592,764	0
EXCESS OR (DEFICIENCY)	(5,173,792)	0	(5,173,792)	0
BEGINNING BALANCE	40,102,927		40,102,927	0
PROJECTED ENDING BALANCE	34,929,135		34,929,135	0

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
 2017-18 FIRST INTERIM REPORT
 AS OF 10/31/17
 RETIREE HEALTH BENEFIT FUND (71)**



	ADOPTED BUDGET	ACTUALS AS OF 10/31/17	2017-18 ESTIMATED ACTUALS	DIFF
REVENUE	1,330,000	30	1,330,000	0
EXPENDITURES	1,300,000	470,338	1,300,000	0
EXCESS OR (DEFICIENCY)	30,000	(470,308)	30,000	0
BEGINNING BALANCE	6,389,644		6,389,644	0
PROJECTED ENDING BALANCE	6,419,644		6,419,644	0

SMMUSD 2017-18 First Interim

Restricted General Fund Major Changes as Approved by Board November 16, 2017

Restricted General Fund	Adopted Budget 7/1/2017	Revised Budget as of 10/31/17	Changes					
Revenues								
Beginning Fund Balance	4,302,660	4,302,660						
Federal Revenue	4,214,280	4,256,390	42,110					
State Revenue	1,010,637	1,208,630	197,993					
Local Revenue	8,256,953	9,082,864	825,911					
Local General Fund Contributions	27,317,568	28,235,112	(917,544)					
Total Revenue	40,799,438	42,782,996	1,983,558					
Expenditures								
Certificated Salaries	13,076,822	13,090,059	13,237					
Classified Salaries	10,972,295	11,254,994	282,699					
Employee Benefits	9,902,404	10,068,846	166,442					
Books and Supplies	1,621,136	3,061,894	1,440,758					
Services and Other Operating Costs	4,578,350	6,324,835	1,746,485					
Capital Outlay	215,000	625,843	410,843					
Indirect Costs	502,131	530,751	28,620					
Total Expenditures	40,868,138	44,957,222	4,089,084					
Increase/(Decrease) Fund Balance	(68,700)	(2,174,226)	(2,105,526)					
Projected Fund Balance	4,233,960	2,128,434						
Major Changes								
Revenues:								
\$ 270,434	2016-17 Carryover from Title I, II and III federal programs							
\$ (220,000)	Decrease in MEDICAL Reimbursement							
\$ 200,049	Increase in Special Ed mental Health Services							
\$ 227,206	Increase in SMMEF programs (Dream Wind, Bergman Grant, & Teacher Grant)							
\$ 763,961	Increase in PTA, Boosters Club & Gifts							
\$ 1,249,212	Increase Local General Fund Contribution to Special Ed							
\$ (331,668)	Transfer ROP program fund Balance to Unrestricted General Fund							
Expenditures:								
Expenditure increases reflect the new funding/carryover from various categorical programs								
\$ 13,237	Increase Certificated Salaries							
\$ 282,699	Increase Classified Salaries, 1 FTE Special Ed occupational Therapist, 5.75 FTE Special Ed Para							
\$ 166,442	Increase Employee Benefits							
\$ 1,440,758	Increase in Books & Supplies, \$85k Special Ed staff Development							
\$ 1,746,485	Increase in Services and Operating Costs							
	\$572,000 NPS & NPA Services							
	\$300,000 In Special Ed Settlement							
	\$52,500 in Special Ed Staff Development							
	\$731,983 in Other Local Programs							
\$ 410,843	Increase in Equipment							
	\$227,866 Cabrillo Playground Project from prior year							
	\$79,205 SMOHI Marquee/SAMOHI Permit							
	\$20,000 Cafeteria Video Upgrade/Lincoln & Permit							
	\$72,232 Copier replacement, shade & structures/Franklin PTA							
	\$18,743 Sar Awnings/Grant PTA							
\$ 28,620	Increase in indirect costs from various programs							

Multi-year Projection Reflects:

- The District's financial position over the current and next two fiscal years.
- State revenue Cost of Living (COLA) increases over the next three years
 - 1.56% (2017-18)
 - 2.15% (2018-19)
 - 2.35% (2019-20)
- LCFF Gap Funding increasing
 - 43.19% (2017-18)
 - 66.12% (2018-19)
 - 64.92% (2019-20).
- Student enrollment stable at 10,822 each year.
- Local revenue from parcel taxes, Prop Y & GSH and the City of Santa Monica contribution projections
 - \$37.5 million in 2017-18
 - \$38.2 million in 2018-19
 - \$39 million in 2019-20.



Multi-year Projection continued:

- Does not include potential salary schedules changes; as a result of negotiations with SMMCTA or SEIU.
- Employee health and welfare increases of 7.0% and Step and Column salary increase, increases of 1.50% each year.
- The Reserve for Economic Uncertainties remains at 3.0%.
- Reserves for future deficit spending, projected property tax increases, and up to 2 months of General Fund Expenditures are included.

**SANTA MONICA-MALIBU USD
MULTI-YEAR PROJECTION /UNRESTRICTED GENERAL
FUND**

Description	2017 FIRST INTERIM BUDGET	2018-19 PROJECTED BUDGET	2019-20 PROJECTED BUDGET
Revenue:			
Property Tax	83,997,852	87,447,745	91,070,132
Education Protection Account (EPA)	2,130,414	2,000,000	2,000,000
LCFF Transfer to Fund 14	(250,000)	(250,000)	(250,000)
Prior Year LCFF Adjustment	(151,856)		
LCFF State Aid	1,787,854		
Minimum State Aid/Old Categorical	6,797,989	8,585,843	8,585,843
<i>Subtotal LCFF Funding</i>	94,312,253	97,783,588	101,405,975
District Extra Funds	6,797,989	8,962,804	10,580,538

SANTA MONICA-MALIBU USD

MULTI-YEAR PROJECTION /UNRESTRICTED GENERAL FUND

Description	2017-18 FIRST INTERIM BUDGET	2018-19 PROJECTED BUDGET	2019-20 PROJECTED BUDGET
Revenue:			
Subtotal LCFF Funding	94,312,253	97,783,588	101,405,975
Other Federal	30,963	13,000	13,000
Lottery	1,600,000	1,600,000	1,600,000
Mandated Reimbursement Block Grant	1,952,487	380,000	380,000
Other State Revenue	11,100	11,100	11,100
Measure R – Parcel Tax	12,146,042	12,205,124	12,449,227
Measure YY / City of SM	8,200,000	8,400,000	8,600,000
Measure GSH / City of SM	8,200,000	8,400,000	8,600,000
Joint Use Agreement / City of SM	9,000,000	9,200,000	9,400,000
All Other Local Income – Rents/Leases	4,147,000	3,540,000	3,550,000
SMMEF Donation	2,010,102	2,000,000	2,000,000
Local General Fund Contribution	(28,235,112)	(29,138,116)	(29,720,878)
TOTAL REVENUE	113,374,835	114,394,696	118,288,424



SANTA MONICA-MALIBU USD

MULTI-YEAR PROJECTION /UNRESTRICTED GENERAL FUND

Description	2017-18 FIRST INTERIM BUDGET	2018-19 PROJECTED BUDGET	2019-20 PROJECTED BUDGET
Certificated Salary	53,350,947	54,151,211	54,963,479
Classified	18,757,612	19,038,976	19,324,561
Benefits	28,067,162	30,593,157	33,232,948
<i>STRS</i>	7,633,585	8,815,817	9,964,879
<i>PERS</i>	2,709,209	3,204,831	3,738,143
<i>SOCIAL SECURITY & MEDICARE</i>	2,261,731	2,241,674	2,275,299
<i>HEALTH AND WELFARE</i>	11,556,813	12,365,790	13,231,395
<i>SUI</i>	39,160	41,595	42,144
<i>WORKERS COMP</i>	2,884,342	2,927,607	2,971,522
<i>OPEB</i>	901,357	914,877	928,601
<i>CASH IN -LIEU</i>	80,965	80,965	80,965
Supplies/Books	3,076,659	3,000,000	3,000,000
Other Operational Costs	10,041,671	9,800,000	9,800,000
Capital Outlay	947,881	500,000	500,000
Transfer to County Specialized Schools	120,000	120,000	120,000
Indirect	(1,138,016)	(1,000,000)	(1,000,000)
Debt Services	98,000	98,000	98,000
Inter-fund Transfer Out to Fund 12	703,995	700,000	700,000
Inter-fund Transfer Out to Fund 13	900,000	900,000	900,000
Inter-fund Transfer Out to Fund 14	700,000		
TOTAL EXPENDITURE	115,625,911	117,901,345	121,638,988



SANTA MONICA-MALIBU USD

MULTI-YEAR PROJECTION /UNRESTRICTED GENERAL FUND

Description	2017-18 FIRST INTERIM BUDGET	2018-19 PROJECTED BUDGET	2019-20 PROJECTED BUDGET
Increase (Decrease) Fund Balance	(2,251,076)	(3,506,648)	(3,350,564)
Beginning Fund Balance	26,917,922	24,666,846	21,160,198
Ending Fund Balance	24,666,846	21,160,198	17,809,634
Reserve - Revolving cash, Store	141,783	141,783	141,783
Reserve - Deficit Spending in 18-19	3,506,648		
Reserve - Deficit Spending in 19-20	3,350,564	3,350,564	
3% Contingency Reserve	4,817,494	4,874,578	5,023,926
Reserve - up to 2-month General Fund Exp.	12,850,357	12,793,273	12,643,925





Positive Certification of 1st Interim Report

- The District is submitting the 1st Interim Report with a positive certification.
- The District will be able to meet its obligation in the current and next two fiscal years.

