

## **Highlights from the 2025-26 Unaudited Actuals**

### **General Fund Ending Balance 2025-26**

*Unrestricted Funds*– The Unrestricted General Fund ending balance (inclusive of a Board-approved 3% Reserve for Economic Uncertainties, revolving cash, pre-paid expenditures, reserves for future deficit spending, reserve for up to 2 months of general fund expenditures, etc.) is currently reported to be \$68,628,727 as summarized in *Attachment 1*. A surplus of \$6,078,673 was added to the Estimated Actuals Ending Balance; thus increasing the Unaudited Actuals Ending Balance to \$9,848,735 from a projected deficit at the Estimated Actuals of a negative -\$3,770,062.

The components of the \$68,628,727 Ending Balance includes the following:

- Revolving Cash: \$20,023
- Reserve for 3% Economic Uncertainties: \$7,284,120

Assignments of \$61,324,584 Fund Balance which is less Revolving/Prepaid and the 3% reserve:

- Reserve for Deficit Spending in 2026-27 of \$12,06,377
- Reserve for Deficit Spending in 2027-28 of \$9,175,016
- Reserve for Deficit Spending in 2028-29 of \$9,802,713
- Reserve for Up to 2 (two) Months of Operating Expenses of \$30,280,479
  - A full two-month reserve would be equal to \$35,700,000.

The Local General Fund Contributions (LGFC) and Interfund Transfers are summarized in *Attachment 2*.

There were substantial Budget Revisions after the 2026-27 Budget Adoption that required a net change to the Budget after Adoption. These revisions were outlined in the District's 2026-27 45 Day Budget Revision that was presented at the August 6, 2026 Board of Education Meeting. These adjustments to the Adopted Budget will be reflected in the 2026-27 First Interim Budget Report.

The *Unrestricted General Fund* balance is \$9,848,735 higher than expected from the Estimated Actuals that were prepared with the 2026-27 Budget Adoption in June 2026. This fund balance increase can largely be explained by the following major differences:

- Increased LCFF Funds: \$3,168,910
  - RDA: \$0
  - Property Taxes: -\$866,760
  - State Backfill Funds Due to January 2025 Wildfires: \$2,735,670 [one-time funds]
  - State Budget Committee Funds for January 2025 Wildfires: \$1,300,000 [one-time funds]

- Increased Education Protection Account (EPA): \$27,790
- Decreased In-Lieu Property Tax Transfer to Charters: \$511,311 (increase to revenue)
- Decreased Lottery (Unrestricted): \$1,994
- Increased Measure R: \$1,331,552
- Decreased Measure GSH & Y: \$186,428
- Increased Santa Monica Foundation: \$5,616
- Decreased Malibu Education Foundation: \$171,158
- Increased Lease & Rental Revenue: \$954,263
- Increase Interest Earned: \$1,660,075
- Decreased Other Local Income: \$135,089
- Increased Local General Fund Contribution to Routine Restricted Maintenance Account (RRMA): \$241,496 (Decrease to revenue)
- Increased Local General Fund Contribution to Special Education: \$753,655 (Decrease to revenue)
- Unspent Site Formula Allocations: \$24,118
- Unspent Site SMEF Stretch Grant Funds: \$55,053
- Unspent Supplies/Textbooks & Technology: \$820,377 (due to funds being spent from the restricted general fund)
- Increased Salaries and Benefits: \$344,681
- Unspent Other Operating Costs: \$2,479,031
- Decrease Transfers to County Specialized Schools for SPED Students: \$27,251
- Decrease Debt Service Implementation of GASB 87 for Rents and Leases: \$315,490
- Unpent Transfer to Deferred Maintenance: \$700,000

Details of unspent funds per location outlined in *Attachment 3*.

*Restricted Funds* –The Restricted General Fund accounts for the remaining categorical funds, local resources, in addition to a couple of one-time block grants from the State of California such as the Learning Recovery Emergency Block Grant as well as the Student Support & Professional Development Discretionary Block Grant. The ending balance for that portion of the General Fund was more due to the revenue being received with still several years before the funds have to be drawn down and spent. This is a result of strategic planned spending by year for the categorical expenditures as well as committed local carryovers which are the majority of assigned and committed funds.

Details of the Multi-Year Projection (MYP) are outlined in *Attachment 5*.

Details of the District's Reserve History are outlined in *Attachment 6*.