

**Manhattan Beach Unified School
District
Audit Report
June 30, 1995**

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COUNTY OF LOS ANGELES
MANHATTAN BEACH, CALIFORNIA

AUDIT REPORT

JUNE 30, 1995

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

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FINANCIAL SECTION

SMITH & GRANSTROM
CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

24430 HAWTHORNE BOULEVARD, SUITE 101
TORRANCE, CALIFORNIA 90505
(310) 375-7476
FAX (310) 378-2561

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District as of and for the year ended June 30, 1995, as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Manhattan Beach Unified School District does not maintain a complete record of the historical cost of its fixed assets. Accordingly, the financial statements do not include the general fixed assets group of accounts, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except for the effect on the financial statements of the omission of the general fixed assets account group, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Manhattan Beach Unified School District at June 30, 1995 and the results of its operations and the cash flows of its Proprietary Fund for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the individual and combining

financial statements referred to above present fairly, in all material respects, the financial position of each individual fund and account group of the Manhattan Beach Unified School District at June 30, 1995, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles.

SMITH & GRANSTROM

SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND THE ACCOUNT GROUP
JUNE 30, 1995

| | -----GOVERNMENTAL FUND TYPES----- | | | FIDUCIARY FUND TYPES | PROPRIETARY FUND ---TYPES--- | LONG-TERM DEBT ACCOUNT GROUP | TOTALS (MEMORANDUM) ONLY) |
|---|-----------------------------------|---------------------|---------------------|--------------------------|---------------------------------|------------------------------------|---------------------------------|
| | GENERAL | SPECIAL REVENUE | CAPITAL PROJECTS | TRUST INTERNAL AGENCY | SERVICE FUND | | |
| ASSETS | | | | | | | |
| CASH IN COUNTY TREASURY | \$ 1,155,664 | \$ 4,908,238 | \$ 40,380 | \$ | \$ 569,689 | \$ | \$ 6,673,971 |
| CASH ON HAND AND IN BANKS | 32,070 | 101,669 | | 240,736 | | | 374,475 |
| CASH IN REVOLVING FUND | 10,000 | | | | | | 10,000 |
| INVESTMENTS (NOTE 3) | 610,605 | 15,053,787 | | | 1,001,016 | | 16,665,408 |
| ACCOUNTS RECEIVABLE (NOTE 5) | 1,832,687 | 567,045 | 4,189 | | 12,751 | | 2,416,672 |
| PREPAID EXPENSES | 268,050 | | | | | | 268,050 |
| DUE FROM OTHER FUNDS (NOTE 6) | 1,165,555 | | | | | | 1,165,555 |
| STORES & FOOD INVENTORY | 84,109 | 27,243 | | | | | 111,352 |
| AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG-TERM DEBT (NOTE 8) | | | | | | 1,223,401 | 1,223,401 |
| TOTAL ASSETS | <u>\$ 5,158,740</u> | <u>\$20,657,982</u> | <u>\$ 44,569</u> | <u>\$ 240,736</u> | <u>\$1,583,456</u> | <u>\$1,223,401</u> | <u>\$28,908,884</u> |
| LIABILITIES AND FUND EQUITY | | | | | | | |
| LIABILITIES: | | | | | | | |
| ACCOUNTS PAYABLE | \$ 3,662,795 | \$ 350,942 | \$ 35,471 | \$ | \$ 16,084 | | \$ 4,065,292 |
| DUE TO OTHER FUNDS | | 1,165,555 | | | | | 1,165,555 |
| TEMPORARY LOANS | 610,605 | | | | | | 610,605 |
| TRUST ACCOUNTS | | | | 240,736 | | | 240,736 |
| OTHER LIABILITIES | 746 | 10,817 | | | 1,486,596 | | 1,498,159 |
| DEFERRED INCOME | 158,149 | | | | | | 158,149 |
| EARLY RETIREMENT | | | | | | 512,626 | 512,626 |
| ACCRUED VACATION BENEFITS | | | | | | 221,467 | 221,467 |
| MUNICIPAL LEASE OBLIGATION | | | | | | 489,308 | 489,308 |
| TOTAL LIABILITIES | <u>4,432,295</u> | <u>1,527,314</u> | <u>35,471</u> | <u>240,736</u> | <u>1,502,680</u> | <u>1,223,401</u> | <u>8,961,897</u> |
| FUND EQUITY: | | | | | | | |
| FUND BALANCES: | | | | | | | |
| RESERVED FOR STORES AND REVOLVING FUND | 56,342 | 27,243 | | | | | 83,585 |
| UNRESERVED - DESIGNATED AMOUNTS: | | | | | | | |
| ECONOMIC UNCERTAINTIES | 76,783 | 19,103,363 | | | | | 19,180,146 |
| UNRESERVED - UNDESIGNATED AMOUNTS: | 593,320 | 62 | 9,098 | | 80,776 | | 683,256 |
| TOTAL FUND BALANCES | <u>726,445</u> | <u>19,130,668</u> | <u>9,098</u> | | <u>80,776</u> | | <u>19,946,987</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 5,158,740</u> | <u>\$20,657,982</u> | <u>\$ 44,569</u> | <u>\$ 240,736</u> | <u>\$ 1,583,456</u> | <u>\$ 1,223,401</u> | <u>\$28,908,884</u> |

The notes to the financial statements are an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COMBINED BALANCE SHEET - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | -----GOVERNMENTAL FUND TYPES----- | | | |
|---|-----------------------------------|----------------------------|-----------------------------|---|
| <u>REVENUES</u> | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> | <u>CAPITAL PROJECTS</u> | <u>-----TOTALS----- (MEMORANDUM ONLY)</u> |
| REVENUE LIMIT SOURCES | \$16,998,714 | \$ 832,740 | \$ | \$17,831,454 |
| FEDERAL REVENUE | 397,992 | 165,549 | -- | 563,541 |
| OTHER STATE REVENUES | 2,772,350 | 7,882 | -- | 2,780,232 |
| OTHER LOCAL REVENUES | <u>1,884,850</u> | <u>2,405,863</u> | <u>397,885</u> | <u>4,688,598</u> |
| TOTAL REVENUES | <u>22,053,906</u> | <u>3,412,034</u> | <u>397,885</u> | <u>25,863,825</u> |
| <u>EXPENDITURES</u> | | | | |
| CERTIFICATED SALARIES | 11,646,414 | 518,856 | -- | 12,165,270 |
| CLASSIFIED SALARIES | 4,229,092 | 978,870 | -- | 5,207,962 |
| EMPLOYEE BENEFITS | 3,270,669 | 355,345 | -- | 3,626,014 |
| SUPPLIES AND MATERIALS | 910,037 | 494,596 | 60,247 | 1,464,880 |
| SERVICES AND OTHER OPERATING EXPENDITURES | 2,264,300 | 67,885 | 190,543 | 2,522,728 |
| CAPITAL OUTLAY | 189,970 | 31,706 | 845,551 | 1,067,227 |
| OTHER OUTGO | <u>517,743</u> | <u>59,429</u> | <u>45,643</u> | <u>622,815</u> |
| TOTAL EXPENDITURES | <u>23,028,225</u> | <u>2,506,687</u> | <u>1,142,164</u> | <u>26,677,076</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | <u>(974,319)</u> | <u>905,347</u> | <u>(744,279)</u> | <u>(813,251)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| PROCEEDS FROM CAPITAL LEASE | | | 520,000 | 520,000 |
| INTERFUND TRANSFERS | | | | |
| TRANSFERS IN | 1,165,555 | 1,826,284 | -- | 2,991,839 |
| TRANSFERS OUT | (18,528) | (11,655,557) | -- | (1,184,083) |
| OTHER | | (242) | | (242) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>1,147,027</u> | <u>(660,487)</u> | <u>520,000</u> | <u>2,327,514</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 172,708 | 1,565,834 | (224,279) | 1,514,263 |
| FUND BALANCE, JULY 1, 1994* Restated | <u>* 553,737</u> | <u>17,564,883</u> | <u>233,377</u> | <u>18,351,997</u> |
| FUND BALANCE, JUNE 30, 1995 | <u>\$ 726,445</u> | <u>\$19,130,717</u> | <u>\$ 9,098</u> | <u>\$ 19,866,260</u> |

* Restated - see note 14

The notes to the financial statements are an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995
 (PAGE 1 OF 4)

| | -----GENERAL FUND----- | | | -----SPECIAL REVENUE FUNDS----- | | |
|---------------------------------------|------------------------|------------------|--|---------------------------------|------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| <u>SOURCES OF FINANCIAL RESOURCES</u> | | | | | | |
| REVENUES: | | | | | | |
| REVENUE LIMIT SOURCES: | | | | | | |
| STATE APPORTIONMENTS AND | | | | | | |
| LOCAL SOURCES | \$17,020,057 | \$16,998,714 | \$(21,343) | \$ 815,000 | \$ 832,740 | \$ 17,740 |
| TOTAL REVENUE LIMIT SOURCES | 17,020,057 | 16,998,714 | (21,343) | 815,000 | 832,740 | 17,740 |
| FEDERAL REVENUES | 331,076 | 397,992 | 66,916 | 134,364 | 165,549 | 31,185 |
| OTHER STATE REVENUES | 2,587,522 | 2,772,350 | 184,828 | 8,144 | 7,882 | (262) |
| OTHER LOCAL SOURCES | <u>1,570,610</u> | <u>1,884,850</u> | <u>314,240</u> | <u>2,030,862</u> | <u>2,405,863</u> | <u>375,001</u> |
| TOTAL REVENUES | \$21,509,265 | \$22,053,906 | \$ 544,641 | \$ 2,988,370 | \$ 3,412,034 | \$ 423,664 |

The notes to the financial statements are an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995
 (PAGE 2 OF 4)

| | -----CAPITAL PROJECTS FUND----- | | | -----TOTALS (MEMORANDUM ONLY)----- | | |
|---|---------------------------------|----------------|--|------------------------------------|------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| <u>SOURCES OF FINANCIAL RESOURCES</u> | | | | | | |
| REVENUES: | | | | | | |
| REVENUE LIMIT SOURCES: | | | | | | |
| STATE APPORTIONMENTS AND LOCAL SOURCES | \$ -- | \$ -- | \$ -- | \$17,835,057 | \$17,831,454 | \$ (3,603) |
| TOTAL REVENUE LIMIT SOURCES | -- | -- | -- | 17,835,057 | 17,831,454 | (3,603) |
| FEDERAL REVENUES | -- | -- | -- | 465,440 | 563,541 | 98,101 |
| OTHER STATE REVENUES | -- | -- | -- | 2,595,666 | 2,780,232 | 184,566 |
| OTHER LOCAL REVENUES | <u>466,350</u> | <u>397,885</u> | <u>(68,465)</u> | <u>4,067,822</u> | <u>4,688,598</u> | <u>620,776</u> |
| TOTAL REVENUES | \$ 466,350 | \$ 397,885 | \$ (68,465) | \$24,963,985 | \$25,863,825 | \$ 899,840 |

The notes to the financial statements are an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995
 (PAGE 3 OF 4)

| | -----GENERAL FUND----- | | | -----SPECIAL REVENUE FUNDS----- | | |
|--|------------------------|-------------------|--|---------------------------------|---------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| EXPENDITURES | | | | | | |
| CERTIFICATED SALARIES | \$11,648,336 | \$11,646,414 | \$ 1,922 | \$ 416,350 | \$ 518,856 | \$ (102,506) |
| CLASSIFIED SALARIES | 4,231,428 | 4,229,092 | 2,336 | 898,509 | 978,870 | (80,361) |
| EMPLOYEE BENEFITS | 3,343,164 | 3,270,669 | 72,495 | 321,768 | 355,345 | (33,577) |
| SUPPLIES AND MATERIALS | 1,033,217 | 910,037 | 123,180 | 405,228 | 494,596 | (89,368) |
| SERVICES AND OTHER OPERATING EXPENDITURES | 2,265,729 | 2,264,300 | 1,429 | 300,440 | 67,885 | 232,555 |
| CAPITAL OUTLAY | 196,681 | 189,970 | 6,711 | 533,000 | 31,706 | 501,294 |
| OTHER OUTGO | 582,263 | 517,743 | 64,520 | -- | 59,429 | (59,429) |
| TOTAL EXPENDITURES | <u>23,300,818</u> | <u>23,028,225</u> | <u>272,593</u> | <u>2,875,295</u> | <u>2,506,687</u> | <u>368,608</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,791,553)</u> | <u>(974,319)</u> | <u>817,234</u> | <u>113,075</u> | <u>905,347</u> | <u>792,210</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| CERTIFICATE OF PARTICIPATION | -- | -- | -- | 1,000,000 | -- | (1,000,000) |
| TRANSFERS IN - INTERFUND | 914,555 | 1,165,555 | 251,000 | -- | 1,826,284 | 1,826,284 |
| TRANSFERS OUT - INTERFUND | (15,500) | (18,528) | (3,028) | (1,167,555) | (1,165,555) | 2,000 |
| OTHER | -- | -- | -- | -- | (242) | (242) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>899,055</u> | <u>1,147,027</u> | <u>247,972</u> | <u>(167,555)</u> | <u>660,487</u> | <u>828,042</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ (892,498)</u> | <u>\$ 172,708</u> | <u>\$ 1,065,206</u> | <u>\$ (54,480)</u> | <u>\$1,565,834</u> | <u>\$1,620,252</u> |
| FUND BALANCE, JULY 1, 1994 * (adjusted) | | <u>553,737</u> | | | <u>17,564,883</u> | |
| FUND BALANCE, JUNE 30, 1995 | | <u>\$ 726,445</u> | | | <u>\$19,130,717</u> | |

The notes to the financial statements are an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995
 (PAGE 4 OF 4)

| | -----CAPITAL PROJECTS FUND----- | | | -----TOTALS (MEMORANDUM ONLY)----- | | |
|--|---------------------------------|------------------|--|------------------------------------|---------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| <u>EXPENDITURES</u> | | | | | | |
| CERTIFICATED SALARIES | \$ -- | \$ -- | \$ -- | \$12,064,686 | \$12,165,270 | \$ (100,584) |
| CLASSIFIED SALARIES | -- | -- | -- | 5,129,937 | 5,207,962 | (78,025) |
| EMPLOYEE BENEFITS | -- | -- | -- | 3,664,932 | 3,626,014 | 38,918 |
| SUPPLIES AND MATERIALS | 72,000 | 60,427 | 11,573 | 1,510,445 | 1,465,060 | 45,385 |
| SERVICES AND OTHER OPERATING EXPENDITURES | 238,000 | 190,543 | 47,457 | 2,804,169 | 2,522,728 | 281,441 |
| CAPITAL OUTLAY | 169,500 | 845,551 | (676,051) | 899,181 | 1,067,227 | (168,046) |
| OTHER OUTGO | -- | 45,643 | (45,643) | 582,263 | 622,815 | (40,552) |
| TOTAL EXPENDITURES | <u>479,500</u> | <u>1,142,164</u> | <u>(662,664)</u> | <u>26,655,613</u> | <u>26,677,076</u> | <u>(21,463)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(13,150)</u> | <u>(744,279)</u> | <u>(731,129)</u> | <u>(1,691,628)</u> | <u>(813,251)</u> | <u>878,377</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| CERTIFICATE OF PARTICIPATION | -- | -- | -- | 1,000,000 | -- | (1,000,000) |
| PROCEEDS FROM CAPITAL LEASE | -- | 520,000 | 520,000 | -- | 520,000 | 520,000 |
| TRANSFERS IN - INTERFUND | -- | -- | -- | 914,555 | 2,991,839 | 2,077,284 |
| TRANSFERS OUT - INTERFUND | -- | -- | -- | (1,183,055) | (1,184,083) | (1,028) |
| OTHER | -- | -- | -- | -- | (242) | (242) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>--</u> | <u>520,000</u> | <u>520,000</u> | <u>731,500</u> | <u>2,327,514</u> | <u>1,596,014</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ (13,150)</u> | <u>(224,279)</u> | <u>\$ (211,129)</u> | <u>\$ 960,128</u> | <u>1,514,263</u> | <u>\$ 2,474,391</u> |
| FUND BALANCE, JULY 1, 1994 | | <u>233,377</u> | | | <u>18,351,997</u> | |
| FUND BALANCE, JUNE 30, 1995 | | <u>\$ 9,098</u> | | | <u>\$19,866,260</u> | |

The notes to the financial statements are an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COMBINED BALANCE SHEET-PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS
JUNE 30, 1995

| | Self Insurance <u>Fund</u> | Retiree Benefit <u>Fund</u> | Combined <u>Total</u> |
|--|----------------------------------|-----------------------------------|--------------------------|
| ASSETS | | | |
| Cash in County Treasury | \$ 79,271 | \$ 490,418 | \$ 569,689 |
| Accounts Receivable | 1,505 | 11,246 | 12,751 |
| Investments (Note 3) | <u>--</u> | <u>1,001,016</u> | <u>1,001,016</u> |
| TOTAL ASSETS | <u>\$ 80,776</u> | <u>\$1,502,680</u> | <u>\$1,583,456</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities: | | | |
| Accounts Payable | \$ -- | \$ 16,084 | \$ 16,084 |
| Retiree Benefits Obligation | -- | 550,041 | 550,041 |
| Retiree Benefits Obligation Administered on Behalf of Another District | <u>--</u> | <u>936,555</u> | <u>936,555</u> |
| TOTAL LIABILITIES | <u>--</u> | <u>1,502,680</u> | <u>1,502,680</u> |
| Retained Earnings | <u>80,776</u> | <u>--</u> | <u>80,776</u> |
| TOTAL LIABILITIES AND RETAINED EARNINGS | <u>\$ 80,776</u> | <u>\$1,502,680</u> | <u>\$1,583,456</u> |

The notes to the financial statements are
an integral part of this statement

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF FUND BALANCE-PROPRIETARY FUND TYPE
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>Self Insurance Fund</u> | <u>Retiree Benefit Fund</u> | <u>Combined Total</u> |
|-------------------------------------|------------------------------------|-------------------------------------|---------------------------|
| RETAINED EARNINGS, JULY 1, 1994 | \$ 78,207 | \$ -- | \$ 78,207 |
| NET INCOME (LOSS) | <u>2,569</u> | <u>--</u> | <u>2,569</u> |
| RETAINED EARNINGS, JUNE 30, 1995 | <u>\$ 80,776</u> | <u>\$ --</u> | <u>\$ 80,776</u> |

The notes to the financial statements are
 an integral part of this statement

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS-PROPRIETARY FUND TYPE
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>Self Insurance Fund</u> | <u>Retiree Benefit Fund</u> | <u>Combined Total</u> |
|--|------------------------------------|-------------------------------------|---------------------------|
| OPERATING REVENUES | | | |
| TOTAL OPERATING REVENUES | \$ -- | \$ -- | \$ -- |
| OPERATING EXPENSES | | | |
| Employee Benefits | | 303,600 | 303,600 |
| Contracted Services | <u>1,780</u> | <u>5,000</u> | <u>6,780</u> |
| TOTAL OPERATING EXPENSES | <u>1,780</u> | <u>308,600</u> | <u>310,380</u> |
| OPERATING INCOME (LOSS) | <u>(1,780)</u> | <u>(308,600)</u> | <u>(310,380)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest Income | 4,349 | 38,963 | 43,312 |
| Increase (Decrease) in Amount Due to Retiree Benefits | <u> --</u> | <u>269,637</u> | <u>269,637</u> |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | <u>4,349</u> | <u>308,600</u> | <u>312,949</u> |
| NET INCOME (LOSS) | <u>\$ 2,569</u> | <u>\$ --</u> | <u>\$ 2,569</u> |

The notes to the financial statements are
 an integral part of this statement

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINED STATEMENT OF CASH FLOWS-PROPRIETARY FUND TYPE
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>Self Insurance Fund</u> | <u>Retiree Benefit Fund</u> | <u>Combined Total</u> |
|---|------------------------------------|-------------------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash Payments for Goods and Services | \$ (2,522) | \$ (330,098) | \$ (332,620) |
| Net Cash Provided (Used) by Operating Activities | <u>(2,522)</u> | <u>(330,098)</u> | <u>(332,620)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Increase in Investments | -- | (1,001,016) | (1,001,016) |
| Receipt of Interest | <u>4,349</u> | <u>38,963</u> | <u>43,312</u> |
| | <u>4,349</u> | <u>(962,053)</u> | <u>(957,704)</u> |
| NET INCREASE (DECREASE) IN CASH | 1,827 | (1,292,152) | (1,290,325) |
| CASH, JULY 1, 1994 | <u>77,444</u> | <u>1,782,570</u> | <u>1,860,014</u> |
| CASH, JUNE 30, 1995 | <u>\$ 79,271</u> | <u>\$ 490,418</u> | <u>\$ 569,689</u> |

The notes to the financial statements are
 an integral part of this statement

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS - CONTINUED

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>Self Insurance Fund</u> | <u>Retiree Benefit Fund</u> | <u>Combined Total</u> |
|--|------------------------------------|-------------------------------------|---------------------------|
| OPERATING INCOME (LOSS) | \$ (1,780) | \$(308,600) | \$(310,380) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Increase (Decrease) in Accounts Payable | -- | (12,710) | (12,711) |
| (Increase) Decrease in Accounts Receivable | <u>(742)</u> | <u>(8,788)</u> | <u>(9,529)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ (2,522)</u> | <u>\$(330,098)</u> | <u>\$(332,620)</u> |

The notes to the financial statements are
an integral part of this statement

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Policies

The district accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of 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.

B. Reporting Entity

The Manhattan Beach Unified School District and the Manhattan Beach School Facilities Corporation have a financial and operational relationship which meets the reporting entity definition criteria of GASB Statement No. 14, "The Financial Reporting Entity," for the inclusion of the corporation as a component unit of the district. The corporation as of the balance sheet was not funded.

The following are those aspects of the relationship between the district and the corporation which satisfy GASB Statement No. 14 criteria.

Accountability:

1. The corporation's Board of Directors were appointed by the district's Board of Education.
2. The district is able to impose its will upon the corporation, based on the following:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

- All major financing arrangements, contracts, and other transactions of the corporation must have the consent of the district.
 - The district exercises significant influence over operations of the corporation as it is anticipated that the district will be the sole lessee of all facilities owned by the corporation. Likewise, it is anticipated that the district's lease payments will be the sole revenue source of the corporation.
3. The corporation provides specific financial benefits or imposes specific financial burdens on the district based upon the following:
- Any deficits incurred by the corporation will be reflected in the lease payments of the district.
 - Any surpluses of the corporation revert to the district at the end of the lease period.
 - The district has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the corporation.

Scope of Public Service:

The corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State on June 26, 1995. The corporation was formed for the sole purpose of providing financing assistance to the district for construction and acquisition of major capital facilities. Upon completion, the district intends to occupy all corporation facilities under a

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

lease-purchase agreement effective through the year 2020. At the end of the lease term, title of all corporation property will pass to the district for no additional consideration.

Financial Presentation:

For financial presentation purposes, the corporation's financial activity will be blended, or combined, with the financial data of the district. Certificates of participation issued by the corporation will be included in the General Long-Term Debt Account Group. Fixed assets acquired or constructed by the corporation will be included in the General Fixed Assets Account Group.

C. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into three broad categories which in aggregate include four fund types, and one account group as follows:

GOVERNMENT FUNDS:

The General Fund is the general operating fund of the District. It is used to account for all financial

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains special revenue funds:

1. The Child Development Fund is used to account for resources committed to child development programs maintained by the District.
2. Deferred Maintenance Fund is used for the purpose of major repair or replacement of District property.
3. The Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeterias.
4. Special Reserve Fund

Capital Project Funds are used to account for the acquisition of all major governmental general fixed assets. The District maintains one capital project fund:

The Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

PROPRIETARY FUNDS:

Internal Revenue Funds are used to account for services rendered on a cost reimbursement basis within the District. The District maintains two internal service funds:

1. The self insurance fund is used to provide

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued
JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

medical benefits to its employees.

2. The retiree benefit fund was established upon the dissolution of the South Bay Union High School District to pay for health benefits of the dissolved district. This responsibility is a joint obligation of the two successor Districts (see note 12). The Manhattan Beach Unified School District is the administrator of the successor Districts' obligation.

FIDUCIARY FUNDS:

Expendable Trust Funds are used to account for assets held by the district as trustee. The District maintained one expendable trust fund, the Article XIII-B Fund, which was used for the purpose of providing for economic uncertainties. The Fund was closed during the fiscal year.

Agency Funds are used to account for assets of others for which the District acts as an agent. The District maintains three agency funds; one for each associated student body.

ACCOUNT GROUPS:

The accounting and reporting treatment applied to the long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

This means that only current assets and current liabilities are generally included on their balance sheet. Their reported fund balance is considered a measure of "available spendable resources." Thus, long-term liabilities associated with governmental funds are accounted for in the account group of the District.

General Long-Term Debt Account Group accounts for long-term liabilities expected to be financed from governmental funds.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

Governmental Funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). Agency Fund assets and liabilities are also accounted for on the modified accrual basis.

E. Budgets and Budgetary Accounting

By state law, the District's governing board must approve a tentative budget no later than July 1 and adopt a final budget no later than September 15. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. It is this final revised budget that is presented in the financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

F. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contract, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

G. Inventories

Inventory is recorded using the purchase method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventory is valued at average cost and consists of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of current assets.

H. Compensated Absences

Accumulated unpaid employee vacation benefits are

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - continued

recognized as liabilities of the District. The liabilities are recognized in the general long-term debt account group.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

I. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use. The Reserve for Revolving Fund and Reserve for Inventory reflect the portions of fund balance represented by revolving fund cash and inventory, respectively. These amounts are not available for appropriation and expenditure at the balance sheet date.

Designations of the ending fund balances indicate tentative plans for financial resource utilization in a future period.

J. Property Tax

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Los Angeles bills and collects the taxes for the District. Tax revenues are recognized by the District when received.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 3 - CASH AND INVESTMENTS - continued

invests the cash. These pooled funds are carried at cost. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Investments at June 30, 1995, held on behalf of the Manhattan Beach Unified School District, are presented below, categorized to give an indication of the level of risk associated with each investment:

| | <u>CATEGORY 1</u> | <u>CATEGORY 2</u> | <u>CARRYING AMOUNT</u> | <u>MARKET VALUE</u> |
|------------|-----------------------|-----------------------|----------------------------|-------------------------|
| U.S. | | | | |
| GOVERNMENT | | | | |
| SECURITIES | \$ -- | \$16,665,408 | \$16,665,408 | \$ |

Category 1 includes investments that are insured or collateralized. Category 2 includes investments that are not insured or collateralized.

NOTE 4 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations in individual funds are as follows:

| <u>Fund</u> | <u>Excess Expenditures</u> |
|------------------------|--------------------------------|
| Child Development Fund | |
| Certificated Salaries | \$ 102,506 |
| Classified Salaries | 41,232 |
| Employee Benefits | 27,671 |
| Books and Supplies | 42,709 |
| Services and other | |
| operating expenses | 61,659 |
| Other Outgo | 59,429 |

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 4 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS - continued

Cafeteria Fund:

| | |
|---------------------|--------|
| Classified Salaries | 46,929 |
| Employee Benefits | 7,396 |
| Food and Supplies | 46,659 |
| Capital Outlay | 892 |

District response as to the causes of excess of expenditures over appropriations:

Child Development Fund:

A late settlement on classified salary negotiations coupled with increased revenue, due to higher student participation created unanticipated increased expenses.

Cafeteria Fund:

A late settlement on classified salary negotiations coupled with increased revenue, due to higher student participation created unanticipated increased expenses.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 5 - RECEIVABLES

Receivables in the governmental funds, at June 30, 1995 consist of the following:

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Capital Project Funds</u> | <u>Totals</u> |
|-------------------------------|-------------------------|--------------------------------------|--------------------------------------|--------------------|
| Federal Government: | | | | |
| Categorical Aid Programs | \$ 218,929 | \$ -- | \$ -- | \$ 218,929 |
| National School Lunch Program | | 25,432 | | 25,432 |
| National Breakfast Program | -- | <u>2,047</u> | -- | <u>2,047</u> |
| Subtotal | <u>218,929</u> | <u>27,479</u> | -- | <u>246,408</u> |
| State Government: | | | | |
| Revenue Limit Sources | 461,217 | | | 461,217 |
| Categorical Aid Programs | 24,821 | | | 24,821 |
| Child Nutrition Programs | | <u>1,551</u> | -- | <u>1,551</u> |
| Subtotal | <u>486,038</u> | <u>1,551</u> | -- | <u>487,589</u> |
| Local Sources: | | | | |
| Other | 969,393 | 158,474 | 2,195 | 1,130,062 |
| Interest | <u>158,327</u> | <u>379,541</u> | <u>1,994</u> | <u>539,862</u> |
| Subtotal | <u>1,127,720</u> | <u>538,015</u> | <u>4,189</u> | <u>1,669,924</u> |
| Totals | <u>\$1,832,687</u> | <u>\$567,045</u> | <u>\$4,189</u> | <u>\$2,403,921</u> |

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 6 - INTERFUND TRANSACTIONS

A. Interfund Receivable/Payable (Due to/Due from)

Individual fund interfund receivable and payable balances at June 30, 1995 are as follows:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|-----------------|---------------------------------|------------------------------|
| General Fund | \$1,165,555 | \$ |
| Cafeteria Fund | | |
| Special Reserve | | |
| Fund # 1 | <u> </u> | <u>1,165,555</u> |
| | <u>\$1,165,555</u> | <u>\$1,165,555</u> |

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the 1994-95 fiscal year were as follows:

| | |
|---|--------------------|
| Transfer from General Fund | |
| to the Cafeteria Fund | |
| to cover operating expenditures | \$ 18,528 |
| Transfer from The Special Reserve | |
| Fund to the General Fund | |
| to cover operating expenditures | 1,165,555 |
| Transfer from The Article XIII-B | |
| Expendable Trust Fund to the Special | |
| Reserve Fund #1 to close the Article XIII-B | |
| Expendable Trust Fund | <u>1,807,756</u> |
| | <u>\$2,991,839</u> |

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 7 - EMPLOYMENT RETIREMENT SYSTEM

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System, and classified employees are members of the Public employees' Retirement System.

Plan Description and Provisions

State Teachers' Retirement System (STRS)

All full-time certificated employees participate in STRS, a cost-sharing multiple-employer contributory public employee retirement system. At June 30, 1995, the District employed 329 certificated employees with a total payroll of \$11,531,051.

Employees attaining the age of 60 with 5 years of credited California service (service) are eligible for normal retirement and are entitled to a monthly benefit of 2 percent of their final compensation for each year of service. Final compensation is defined as the average salary earnable for the highest three consecutive years of service. The plan permits early retirement options at age 55 or as early as age 50 with 30 years of service. Disability benefits of up to 90 percent of final compensation are available to members with 5 years of service. A family benefit is available if the deceased member had at least one year of service. After 5 years of credited service, members become 100 percent vested in retirement benefits earned to date. If a member's employment is terminated, the accumulated member contributions are refundable. The current rate of interest credited to members' accounts is 4.5 percent per annum.

Benefit provisions for STRS are established by the State Teachers' Retirement Law (Part 13 of the California Education Code, §22000 et seq.)

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 7 - EMPLOYMENT RETIREMENT SYSTEM - continued

California Public Employees Retirement System (PERS)

All full-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The Manhattan Beach Unified School District is part of a "cost sharing" pool within PERS. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each. At June 30, 1995, the District employed 406 classified employees with a total payroll of \$4,213,208.

Employees are eligible for retirement at the age of 60 and are entitled to a monthly benefit of 2 percent of final compensation for each year of service credit. Retirement compensation is reduced if the plan is coordinated with Social Security. Retirement may begin at the age 50 with a reduced benefit rate, or after age 60 to 63 with an increased rate. The plan also provides death and disability benefits. Retirement benefits fully vest after 5 years of credited service. Upon separation from the Fund, members' accumulated contributions are refundable with interest credited through the date of separation.

Benefit provisions for PERS are established by the Public Employees Retirement Law (Part 3 of the California Government Code, §20000 et seq.).

Funding Status and Progress of the Retirement Plans

The "pension benefit obligation" reported below is a standardized disclosure of the present value of pension benefits adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the retirement plans' funding status on an going-concern basis, assess progress made in accumulating sufficient

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 7 - EMPLOYMENT RETIREMENT SYSTEM - continued

assets to pay benefits when due, and make comparisons among retirement systems and employers. The measure is independent of the funding method used to determine contributions to the retirement systems.

The pension benefits obligations for STRS was computed as part of the actuarial valuation performed June 30, 1995. The significant actuarial assumptions used by STRS to compute the June 30, 1995 actuarial valuation are different from those applied in prior years.

The assumed long-term investment yield is 8.50%, and the assumed long-term salary increase assumption for inflation is 4.50%. The normal cost rate is 17.17% of covered payroll and the 26 year equivalent amortization rate for the unfunded actuarial obligation is 3.26%. Member and employer contribution rates are set by law and are not affected by the changed assumptions.

Under current law the pension benefit obligation for STRS is not the responsibility of the District. The State of California makes annual contributions to PERS toward the unfunded obligation. The pension benefit obligation for PERS is included in the financial statement for PERS and the State of California.

The pension benefit obligation for PERS was computed as a part of actuarial valuation performed June 30, 1994. Significant actuarial assumptions used to compute the PERS pension benefit obligation include an actuarial interest rate of 8.50% per annum. The salary scale used assumes salary increases that vary by length of service. The total increase in any future year includes an assumed 4.50% inflation rate across the board increase and merit increases that vary by length of service.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 7 - EMPLOYMENT RETIREMENT SYSTEM - continued

PERS does not make separate measurements of assets and pension benefit obligations for individual school districts or county offices. The total unfunded pension benefit obligation for local educational agencies as a whole, as of June 30, 1994, is as follows:

| <u>PENSION BENEFIT OBLIGATION</u> | <u>PERS</u> |
|--|-------------------------|
| RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS AND TERMINATED EMPLOYEES NOT YET RECEIVING BENEFITS | \$ 6,502,436,185 |
| CURRENT EMPLOYEES: | |
| ACCUMULATED EMPLOYEE CONTRIBUTIONS INCLUDING ALLOCATED INVESTMENT EARNINGS | 3,240,375,553 |
| EMPLOYER-FINANCED VESTED | 3,853,671,939 |
| EMPLOYER-FINANCED NON-VESTED | <u>256,044,046</u> |
| TOTAL PENSION BENEFIT OBLIGATION | 13,852,522,724 |
| NET ASSETS AVAILABLE FOR BENEFITS, AT COST (MARKET VALUE IS (\$15,147,161,434)) | <u>15,192,739,653</u> |
| OVERFUNDED (UNFUNDED) PENSION BENEFIT OBLIGATION | <u>\$ 1,340,216,929</u> |
| CHANGES IN THE PENSION BENEFIT OBLIGATION FROM LAST YEAR, \$515,962,227, RESULTED FROM THE FOLLOWING: | |
| CHANGES IN BENEFIT PROVISIONS | <u>\$ 0</u> |
| CHANGES IN ACTUARIAL ASSUMPTION | <u>\$ 331,165,331)</u> |

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 7 - EMPLOYMENT RETIREMENT SYSTEM - continued

Contributions Required and Contributions Made

The District is required by statute to contribute 8.25% and 6.755% of gross salary expenditures to STRS and PERS, respectively. Participants are required to contribute 8.00% and 7.00% of modified gross salary to STRS and PERS respectively.

The District contribution information for the years ended June 30, 1995 is as follows:

| NUMBER OF EMPLOYEES COVERED | TOTAL EMPLOYEE CONTRIBUTIONS | TOTAL EMPLOYER CONTRIBUTIONS | DISTRICT'S CURRENT YEAR COVERED PAYROLL | EMPLOYEE CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL | EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL |
|-----------------------------------|------------------------------------|------------------------------------|--|---|---|
| STRS 271 | \$922,375 | \$951,229 | \$11,531,051 | 8.0% | 8.25% |
| PERS 190 | \$281,239 | \$163,230 | \$ 4,213,208 | 6.7% | 3.87% |

The District's contribution represented .089% and .0023% of the total contributions required of all participating employers in STRS and PERS, respectively.

The District's employer contributions to STRS met required contribution rate established by law. Although the actuarially determined contribution rate exceeds the employer rate set in law, the District has no obligation for the deficit.

The District's employer contribution to PERS met the required contribution rate and satisfied the plan's funding requirements as determined by the PERS actuary. The funded contribution included amortization of the unfunded actuarial liability through the year 2011. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation, as previously described.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 7 - EMPLOYMENT RETIREMENT SYSTEM - continued

Trend Information

Ten year historical trend information of the STRS' and PERS' progress in accumulating sufficient assets to pay benefits when due is presented in the State Teacher' Retirement System Comprehensive Annual Financial Report for the year ended June 30, 1994.

The four-year trend information required to be reported for PERS is presented below.

| | <u>1991-92</u> | <u>1992-93</u> | <u>1993-94</u> | <u>1994-95</u> |
|--|----------------|----------------|----------------|----------------|
| NET ASSETS AVAILABLE FOR BENEFITS AS PERCENTAGES OF THE PENSION BENEFIT OBLIGATION | 95.0% | 96.9% | 101.2% | 109.7% |
| UNFUNDED PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF ANNUAL COVERED PAYROLL | 12.9% | 9.0% | (3.7)% | (31.5)% |
| EMPLOYER CONTRIBUTIONS MADE IN ACCORDANCE WITH ACTUARIALLY DETERMINED REQUIREMENTS, AS PERCENTAGES OF ANNUAL COVERED PAYROLL | 8.14% | 7.74% | 6.76% | 3.87% |

Other Information

Under STRS law, certain early retirement incentives require the employer to pay the present value of the additional benefit which may be paid on either a current or deferred basis. The District has no obligation to STRS for early retirement incentives granted to terminated employees.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 8 - LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 1995 is shown below:

| | ---BALANCE--- | ADDITIONS | DEDUCTIONS | ---BALANCE--- |
|----------------------------|---------------------|---------------------|------------------|----------------------|
| | <u>JULY 1, 1994</u> | | | <u>JUNE 30, 1995</u> |
| COMPENSATED ABSENCES | \$ 215,050 | \$ 6,417 | \$ | \$ 221,467 |
| MUNICIPAL LEASE OBLIGATION | -- | 489,308 | | 489,308 |
| EARLY RETIREMENT | -- | <u>533,126</u> | <u>20,500</u> | <u>512,626</u> |
| TOTALS | <u>\$ 215,050</u> | <u>\$ 1,028,851</u> | <u>\$ 20,500</u> | <u>\$ 1,223,401</u> |

NOTE 9 - JOINT POWERS AGREEMENTS

The Manhattan Beach Unified School District participates in four joint ventures under joint powers agreement (JPA) entities - the Los Angeles County Alliance of Schools of Co-operative Insurance programs - "ASCIP", the Schools Excess Liability Fund - "SELF", the Centinela South Bay Insurance Authority - "CSBIA", and the Los Angeles Regionalized Insurance Services Authority - "LARISA". The District pays premiums commensurate with the level of coverage requested or compensation of employees where payroll is a determining factor, and shares surpluses and deficits proportionate to its participation in the JPA.

Each JPA is governed by an independent board consisting of representatives of member districts. Each governing board controls the operation of its JPA, independent of any influence by the Manhattan Beach Unified School District beyond the District's representation on the governing boards. Each JPA is independently accountable for its fiscal matters.

The relationships between the Manhattan Beach Unified School District and the JPA's are such JPA's are not a component unit of the Redondo Beach Unified School District for financial reporting purposes.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 9 - JOINT POWERS AGREEMENTS - continued

Alliance of Schools for Co-operative Insurance (ASCIP) - The ASCIP arranges for and provides property and liability insurance for its members, all of whom are part of the Los Angeles Country School Districts.

Schools Excess Liability Fund (SELF) - The SELF arranges for and provides excess liability insurance for its members.

Centinela South Bay Insurance Authority (CSBIA) - The CSBIA arranges for and provides workers compensation, property, third party liability risk claims, and certain employee benefits insurance for its members. Manhattan Beach Unified School District participated in the workers' compensation programs as well as the dental and vision care programs during the fiscal year 1993-94.

Available condensed financial information of the JPA's for the fiscal periods indicating, which is the most currently available, is as follows:

| | -----ASCIP----- JUNE 30, 1995 | -----SELF----- JUNE 30, 1995 | -----CSBIA----- JUNE 30, 1995 |
|--|----------------------------------|---------------------------------|----------------------------------|
| TOTAL ASSETS | \$ 32,672,349 | \$ 98,993,542 | \$ 14,048,740 |
| TOTAL LIABILITIES | <u>24,280,982</u> | <u>63,898,122</u> | <u>4,887,127</u> |
| FUND BALANCE | <u>\$ 8,391,367</u> | <u>\$ 35,095,420</u> | <u>\$ 9,161,613</u> |
| TOTAL REVENUES | \$ 13,780,831 | \$ 8,234,487 | \$ 6,315,035 |
| TOTAL EXPENDITURES | <u>11,682,296</u> | <u>7,146,142</u> | <u>2,285,387</u> |
| NET INCREASE (DECREASE) IN FUND BALANCE | <u>\$ 2,098,536</u> | <u>\$ 1,088,345</u> | <u>\$ 4,029,648</u> |

The JPA's did not have long-term debt outstanding at June 30, 1995. The District's share of year-end assets, liabilities, or fund equity has not been provided by the JPA administrators.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 10 - COMMITMENTS AND CONTINGENCIES

A. Early Retirement

The District has adopted an early retirement incentive program. The District has entered into contracts with certain eligible employees whereby up to a maximum of \$6000 per year until age 65, and for certain employees for life. The District's obligations under the contracts are contingent upon the employees performing some required service. The estimated accumulated future liability for the district at June 30, 1995 for those benefits amounting to \$512,626.

B. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

NOTE 11 - TAX REVENUE ANTICIPATION NOTES

Fiscal Year 1994-95

The District issued \$ 3,100,000 in tax and revenue anticipation notes dated July 7, 1994. The notes matured on July 6, 1995 and yielded 3.75% interest. The notes were sold to supplement cash flow.

Repayment requirements are that 50% of the notes are to be deposited with the county treasurer prior to March 1996 and the remainder plus accrued interest to be made prior to April 1996.

Fiscal Year 1995-96

The District issued \$3,500,000 in tax and revenue anticipation notes dated July 7, 1995. The notes mature on July 6, 1996 and yield 4.10% interest. The notes were sold to supplement cash flow.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 12 - SUBSEQUENT EVENTS

Subsequent to the balance sheet date the Manhattan Beach Unified School District was approved on the November 1995 ballot to issue \$47,275,000 General Obligation Bonds.

On September 1, 1995 the District issued \$8,095,000 Current Interest Certificates of Participation Series A and \$2,905,000 Convertible Capital Appreciation Certificates of Participation Series B.

NOTE 13 - CAPITAL LEASES

The District leases equipment valued at \$520,000 under an agreement which provides for title to pass upon expiration of the lease period. Future minimum lease payments are as follows:

| Year Ending <u>June 30,</u> | Lease <u>Payment</u> |
|--|-------------------------|
| 1996 | \$ 91,285 |
| 1997 | 91,285 |
| 1998 | 91,285 |
| 1999 | 91,285 |
| Thereafter | <u>228,211</u> |
| Total | 593,351 |
| Less amount representing interest | <u>(104,043)</u> |
| Present value of net minimum lease payments | <u>\$489,308</u> |

The District will receive no sublease rental revenues nor pay any contingent rentals for this equipment.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - Continued

JUNE 30, 1995

NOTE 14 - PRIOR YEAR ADJUSTMENTS

Adjustments to prior year deferred revenue represent the difference between the amount of deferred revenue estimated and recorded at June 30, 1994, and the actual amount of deferred revenue subsequently earned in fiscal year 1994-5.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1995

| | Child Development | Special Reserve Fund | Deferred Maintenance | Cafeteria Account | Totals |
|---|-------------------------|----------------------------|-------------------------|--------------------------|----------------------------|
| ASSETS | | | | | |
| CASH IN COUNTY TREASURY | \$ 15,703 | \$ 4,746,809 | \$47,339 | \$ 98,387 | \$ 4,908,238 |
| CASH ON HAND AND IN BANKS | 9,200 | | | 92,469 | 101,669 |
| INVESTMENTS (NOTE 3) | | 15,053,787 | | | 15,053,787 |
| ACCOUNTS RECEIVABLE (Note 5) | | | | | |
| FEDERAL GOVERNMENT | | | | 27,479 | 27,479 |
| STATE GOVERNMENT | | | | 1,551 | 1,551 |
| INTEREST | 4,736 | 373,908 | 897 | | 379,541 |
| MISCELLANEOUS | 154,320 | | | 4,154 | 158,474 |
| INVENTORIES | | | | | |
| FOOD AND SUPPLIES | | | | 27,243 | 27,243 |
| TOTAL ASSETS | <u>\$183,959</u> | <u>\$20,174,504</u> | <u>\$48,236</u> | <u>\$ 251,283</u> | <u>\$20,657,982</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| ACCOUNTS PAYABLE | \$181,844 | \$ 22,235 | \$ | \$ 146,863 | \$ 350,942 |
| DUE TO OTHER FUNDS | | 1,165,555 | | | 1,165,555 |
| OTHER LIABILITIES | 83 | | | 10,734 | 10,817 |
| TOTAL LIABILITIES | <u>181,927</u> | <u>1,187,790</u> | <u>--</u> | <u>157,597</u> | <u>1,527,314</u> |
| FUND BALANCES | | | | | |
| RESERVED FOR STORES AND REVOLVING CASH | | | | 27,243 | 27,243 |
| DESIGNATED FOR ECONOMIC UNCERTAINTIES | 2,032 | 18,986,714 | 48,236 | 66,381 | 19,103,363 |
| UNDESIGNATED | | | | 62 | 62 |
| TOTAL FUND BALANCES | <u>2,032</u> | <u>18,986,714</u> | <u>48,236</u> | <u>93,686</u> | <u>19,130,668</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$183,959</u> | <u>\$20,174,504</u> | <u>\$48,236</u> | <u>\$ 251,283</u> | <u>\$20,657,982</u> |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 1995

| | CHILD DEVELOPMENT | SPECIAL RESERVE FUND | DEFERRED MAINTENANCE | CAFETERIA ACCOUNT | TOTALS |
|--|----------------------|----------------------------|-------------------------|----------------------|---------------------|
| REVENUES | | | | | |
| FEDERAL SOURCES: | \$ | \$ | \$ | \$ | \$ |
| NATIONAL SCHOOL LUNCH PROGRAM | | | | 165,549 | 165,549 |
| STATE SOURCES: | | | | | |
| APPORTIONMENT | 832,740 | | | | 832,740 |
| SPECIAL ALLOWANCES | | | | 7,882 | 7,882 |
| STATE GRANTS | | | | | |
| LOCAL SOURCES: | | | | | |
| INTEREST | 8,013 | 950,265 | 2,495 | 3,070 | 963,483 |
| FOOD SERVICES | -- | -- | -- | 562,487 | 562,487 |
| OTHER | 879,533 | | | | 879,533 |
| TOTAL REVENUES | <u>1,720,286</u> | <u>950,265</u> | <u>2,495</u> | <u>738,988</u> | <u>3,412,034</u> |
| EXPENDITURES | | | | | |
| CERTIFICATED SALARIES | 518,856 | -- | -- | -- | 518,856 |
| CLASSIFIED SALARIES | 641,435 | -- | -- | 337,435 | 978,870 |
| EMPLOYEE BENEFITS | 286,483 | -- | -- | 68,862 | 355,345 |
| FOOD AND SUPPLIES | 178,309 | -- | -- | 316,287 | 494,596 |
| SERVICES AND OTHER OPERATING EXPENDITURE | 51,459 | -- | -- | 16,426 | 67,885 |
| CAPITAL OUTLAY | 18,005 | -- | 2,809 | 10,892 | 31,706 |
| OTHER OUTGO | 59,429 | -- | -- | -- | 59,429 |
| TOTAL EXPENDITURES | <u>1,753,976</u> | <u>--</u> | <u>2,809</u> | <u>749,902</u> | <u>2,506,687</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(33,690)</u> | <u>950,265</u> | <u>(314)</u> | <u>(10,914)</u> | <u>905,347</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| TRANSFERS IN | -- | 1,807,756 | | 18,528 | 1,826,284 |
| TRANSFERS OUT | -- | (1,165,555) | | | (1,165,555) |
| OTHER | | | | (242) | (242) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>--</u> | <u>642,201</u> | <u>--</u> | <u>18,286</u> | <u>660,487</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES | <u>(33,690)</u> | <u>1,592,466</u> | <u>(314)</u> | <u>(7,372)</u> | <u>1,565,834</u> |
| FUND BALANCE - JULY 1, 1994 | <u>35,722</u> | <u>17,394,248</u> | <u>48,599</u> | <u>86,314</u> | <u>17,564,883</u> |
| FUND BALANCE - JULY 1, 1995 | <u>\$ 2,032</u> | <u>\$18,986,714</u> | <u>\$ 48,285</u> | <u>\$ 93,686</u> | <u>\$19,130,717</u> |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

(PAGE 1 OF 5)

| | <u>CHILD DEVELOPMENT FUND</u> | | |
|-----------------------------|-------------------------------|------------------|----------------------|
| | | | VARIANCE |
| | | | FAVORABLE |
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>(UNFAVORABLE)</u> |
| REVENUES | | | |
| STATE SOURCES: | | | |
| APPORTIONMENT FOR | | | |
| CHILDREN'S CENTERS | \$ 815,000 | \$ 832,740 | \$ 17,740 |
| STATE GRANTS | -- | -- | -- |
| TOTAL STATE SOURCES | <u>815,000</u> | <u>832,740</u> | <u>17,740</u> |
| LOCAL SOURCES: | | | |
| INTEREST | 5,000 | 8,013 | 3,013 |
| FEES AND CONTRACTS | 663,000 | 873,319 | 210,319 |
| DONATIONS, GIFTS | <u>3,000</u> | <u>6,214</u> | <u>3,214</u> |
| TOTAL LOCAL SOURCES | <u>671,000</u> | <u>887,546</u> | <u>216,546</u> |
| TOTAL REVENUES | <u>1,486,000</u> | <u>1,720,286</u> | <u>234,286</u> |
| EXPENDITURES | | | |
| CERTIFICATED SALARIES | 416,350 | 518,856 | (102,506) |
| CLASSIFIED SALARIES | 600,203 | 641,435 | (41,232) |
| EMPLOYEE BENEFITS | 258,812 | 286,483 | (27,671) |
| BOOKS AND SUPPLIES | 135,600 | 178,309 | (42,709) |
| SERVICES AND OTHER | | | |
| OPERATING EXPENSES | 44,800 | 51,459 | (6,659) |
| CAPITAL OUTLAY | 23,000 | 18,005 | (4,995) |
| OTHER OUTGO | -- | <u>59,429</u> | <u>(59,429)</u> |
| TOTAL EXPENDITURES | <u>1,478,765</u> | <u>1,753,976</u> | <u>(275,211)</u> |
| EXCESS (DEFICIENCY) OF | | | |
| REVENUES OVER EXPENDITURES | <u>7,235</u> | <u>(33,690)</u> | <u>(40,925)</u> |
| OTHER FINANCING SOURCES | | | |
| (USES) | -- | -- | -- |
| EXCESS (DEFICIENCY) OF | | | |
| REVENUES OVER EXPENDITURES | | | |
| AND OTHER USES | <u>\$ 7,235</u> | <u>(33,690)</u> | <u>\$ (40,925)</u> |
| FUND BALANCE--July 1, 1994 | | <u>35,722</u> | |
| FUND BALANCE--June 30, 1995 | | <u>\$ 2,032</u> | |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1995
(PAGE 2 OF 5)

| | <u>SPECIAL RESERVE FUND # 1</u> | | |
|--|---------------------------------|-----------------------------|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
| REVENUES: | | | |
| LOCAL SOURCES: | | | |
| INTEREST | \$ 830,000 | \$ 950,265 | \$ 120,265 |
| TOTAL REVENUES | <u>830,000</u> | <u>950,265</u> | <u>120,265</u> |
| EXPENDITURES | | | |
| CONTRIBUTED SERVICES | 172,000 | -- | 172,000 |
| CAPITAL OUTLAY | <u>500,000</u> | <u>--</u> | <u>500,000</u> |
| TOTAL EXPENDITURES | <u>672,000</u> | <u>--</u> | <u>672,000</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>158,000</u> | <u>950,265</u> | <u>792,265</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| TRANSFERS IN | -- | 1,807,756 | 1,807,756 |
| TRANSFERS OUT | (1,167,555) | (1,165,555) | 2,000 |
| CERTIFICATE OF PARTICIPATION | <u>1,000,000</u> | <u> </u> | <u>(1,000,000)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(167,555)</u> | <u>642,201</u> | <u>809,756</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES AND OTHER USES | <u>\$ (9,555)</u> | 1,592,466 | <u>\$1,602,021</u> |
| FUND BALANCE - July 1, 1994 | | <u>17,394,248</u> | |
| FUND BALANCE - June 30, 1995 | | <u>\$18,986,714</u> | |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1995
(PAGE 3 OF 5)

| | DEFERRED | MAINTENANCE | FUND |
|--|---------------------------|-------------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| STATE SOURCES | \$ -- | \$ -- | \$ -- |
| LOCAL SOURCES | | | |
| INTEREST | 20,208 | 2,495 | (17,713) |
| OTHER LOCAL | | | |
| TOTAL REVENUES | <u>20,208</u> | <u>2,495</u> | <u>(17,713)</u> |
| EXPENDITURES | | | |
| CLASSIFIED SALARIES | 7,800 | -- | 7,800 |
| EMPLOYEE BENEFITS | 1,490 | -- | 1,490 |
| BOOKS AND SUPPLIES | | | |
| SERVICES AND OTHER | | | |
| OPERATING EXPENSES | 48,000 | 2,809 | 45,191 |
| CAPITAL OUTLAY | | | |
| TOTAL EXPENDITURES | <u>57,290</u> | <u>2,809</u> | <u>54,481</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(37,082)</u> | <u>(314)</u> | <u>36,768</u> |
| OTHER FINANCING SOURCES (USES) : | <u>--</u> | <u>--</u> | <u>--</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u><u>\$ (37,082)</u></u> | <u>(314)</u> | <u><u>\$ 36,768</u></u> |
| FUND BALANCE--July 1, 1994 | | <u>48,599</u> | |
| FUND BALANCE--June 30, 1995 | | <u><u>\$ 48,285</u></u> | |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1995
(PAGE 4 OF 5)

| CAFETERIA FUND | | | |
|---|--------------------|------------------|--|
| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
| REVENUES | | | |
| Federal | \$134,364 | \$165,549 | \$ 31,185 |
| State | 8,144 | 7,882 | (262) |
| Local | 509,654 | 562,487 | 52,833 |
| Interest | -- | 3,070 | 3,070 |
| TOTAL REVENUE | <u>652,162</u> | <u>738,988</u> | <u>86,826</u> |
| EXPENDITURES | | | |
| Classified Salaries | 290,506 | 337,435 | (46,929) |
| Employee Benefits | 61,466 | 68,862 | (7,396) |
| Food and Supplies | 269,628 | 316,287 | (46,659) |
| Services and Other | | | |
| Operating Expenses | 35,640 | 16,426 | 19,214 |
| Capital Outlay | <u>10,000</u> | <u>10,892</u> | <u>(892)</u> |
| TOTAL EXPENDITURES | <u>667,240</u> | <u>749,902</u> | <u>(82,662)</u> |
| Excess (Deficiency) of Revenues Over Expenditure | <u>\$ (15,078)</u> | <u>(10,914)</u> | <u>\$ 4,164</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| TRANSFERS IN | -- | 18,528 | 18,528 |
| OTHER | | <u>(242)</u> | <u>(242)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>--</u> | <u>18,286</u> | <u>18,286</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) | <u>\$ (15,078)</u> | 7,372 | <u>\$ 22,450</u> |
| FUND BALANCE--July 1, 1994 | | <u>86,314</u> | |
| FUND BALANCE--June 30, 1995 | | <u>\$ 93,686</u> | |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1995
(PAGE 5 OF 5)

| | <u>TOTALS</u> | | |
|---|--------------------|---------------------|-----------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | VARIANCE FAVORABLE |
| <u>(UNFAVORABLE)</u> | | | |
| REVENUES | | | |
| FEDERAL SOURCES | \$ 134,364 | \$ 165,549 | \$ 31,185 |
| STATE SOURCES: | | | |
| APPORTIONMENT | 815,000 | 832,740 | 17,740 |
| SPECIAL ALLOWANCES | 8,144 | 7,882 | (262) |
| STATE GRANTS | | | |
| TOTAL STATE SOURCES | <u>823,144</u> | <u>840,622</u> | <u>17,478</u> |
| LOCAL SOURCES: | | | |
| INTEREST | 855,208 | 963,843 | 108,635 |
| FOOD SERVICES | 509,654 | 562,487 | 52,833 |
| OTHER | 666,000 | 879,533 | 213,533 |
| TOTAL LOCAL SOURCES | <u>2,030,862</u> | <u>2,405,863</u> | <u>375,001</u> |
| TOTAL REVENUES | <u>2,988,370</u> | <u>3,412,034</u> | <u>423,664</u> |
| EXPENDITURES | | | |
| CERTIFIED SALARIES | 416,350 | 518,856 | (102,506) |
| CLASSIFIED SALARIES | 898,500 | 978,870 | (80,361) |
| EMPLOYEE BENEFITS | 321,768 | 355,345 | (33,577) |
| BOOKS AND SUPPLIES | 405,228 | 494,596 | (89,368) |
| SERVICES AND OTHER | | | |
| OPERATING EXPENSES | 300,440 | 67,885 | 232,555 |
| CAPITAL OUTLAY | 533,000 | 31,706 | 501,294 |
| OTHER OUTGO | <u>--</u> | <u>59,429</u> | <u>(59,429)</u> |
| TOTAL EXPENDITURES | <u>2,875,295</u> | <u>2,506,687</u> | <u>368,608</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 113,075 | 905,347 | 792,272 |
| OTHER FINANCING SOURCES (USES) | <u>(167,555)</u> | <u>660,487</u> | <u>828,042</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES AND USES | <u>\$ (54,480)</u> | 1,565,834 | <u>1,620,314</u> |
| FUND BALANCE--July 1, 1994 | | <u>17,564,883</u> | |
| FUND BALANCE--June 30, 1995 | | <u>\$19,130,717</u> | |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS TYPE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>CAPITAL FACILITIES</u> | <u>TOTALS</u> |
|---------------------------------------|-------------------------------|------------------|
| Assets | | |
| Cash in County Treasury | \$ 40,380 | \$ 40,380 |
| Accounts Receivable | 4,189 | 4,189 |
| Total Assets | <u>\$ 44,569</u> | <u>\$ 44,569</u> |
| | | |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Accounts Payable | \$ 35,471 | \$ 35,471 |
| Total Liabilities | <u>35,471</u> | <u>35,471</u> |
| Fund Balance | | |
| Undesignated Funds | <u>9,098</u> | <u>9,098</u> |
| Total Fund Balance | 9,098 | 9,098 |
| Total Liabilities and Fund Balance | <u>\$ 44,569</u> | <u>\$ 44,569</u> |

The notes to the financial statements are
 an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECT TYPE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 1995

| | Capital Facilities Fund | Totals |
|---|-------------------------------|------------------|
| REVENUES | | |
| Local Revenues: | | |
| Building Permit Fees | \$ 393,171 | \$ 393,171 |
| Interest | <u>4,714</u> | <u>4,714</u> |
| TOTAL REVENUES | <u>397,885</u> | <u>397,885</u> |
| EXPENDITURES | | |
| Certificated Salaries | -- | -- |
| Classified Salaries | -- | -- |
| Employee Benefits | -- | -- |
| Books and Supplies | 60,427 | 60,427 |
| Services and Other | | |
| Operating Expenses | 190,543 | 190,543 |
| Capital Outlay | 845,551 | 845,551 |
| Other Debt Service | <u>45,643</u> | <u>45,643</u> |
| TOTAL EXPENDITURES | <u>1,142,164</u> | <u>1,142,164</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | <u>(744,279)</u> | <u>(744,279)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Proceeds from Capital Leases | <u>520,000</u> | <u>520,000</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>520,000</u> | <u>520,000</u> |
| Excess (Deficiency) of Revenue Over Expenditures and Other Financing Sources (Uses) | (224,279) | (224,279) |
| Fund Balance, July 1, 1994 | <u>233,377</u> | <u>233,377</u> |
| Fund Balance, June 30, 1995 | <u>\$ 9,098</u> | <u>\$ 9,098</u> |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | EXPENDABLE TRUST | AGENCY FUNDS | | | |
|-----------------------------|---------------------------|------------------------------------|---------------------------|--------------------------|------------------|
| | ARTICLE XIII-B FUND | MANHATTAN BEACH INTERMEDIATE | MIRA COSTA HIGH SCHOOL | TOTAL AGENCY FUNDS | TOTALS |
| ASSETS | | | | | |
| Cash in County Treasury | \$ | \$ | \$ | \$ | \$ |
| Cash on Hand | | | | | |
| and in Banks | | 14,667 | 226,069 | 240,736 | 240,736 |
| Accounts Receivable | | | | | |
| Interest | | | | | |
| | | | | | |
| TOTAL ASSETS | <u>\$ --</u> | <u>\$14,667</u> | <u>\$226,069</u> | <u>\$240,736</u> | <u>\$240,736</u> |
| LIABILITIES AND FUND EQUITY | | | | | |
| DUE TO STUDENT GROUPS | <u>\$ --</u> | <u>\$14,667</u> | <u>\$226,069</u> | <u>\$240,736</u> | <u>\$240,736</u> |
| FUND EQUITY | | | | | |
| Designated for | | | | | |
| Economic Uncertainties | | | | | |
| | | | | | |
| Undesignated | | | | | |
| | | | | | |
| TOTAL FUND EQUITY | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| TOTAL LIABILITIES AND FUND | | | | | |
| EQUITY | <u>\$ --</u> | <u>\$14,667</u> | <u>\$226,069</u> | <u>\$240,736</u> | <u>\$240,736</u> |

The notes to the financial statements are
an integral part of this statement.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 TRUST AND AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>BALANCE</u> <u>July 1, 1994</u> | <u>ADDITIONS</u> | <u>DELETIONS</u> | <u>BALANCE</u> <u>JUNE 30, 1995</u> |
|--------------------------------------|---------------------------------------|-------------------|-------------------|--|
| MANHATTAN BEACH INTERMEDIATE: | | | | |
| ASSETS | | | | |
| CASH ON HAND AND IN BANKS | <u>\$ 9.765</u> | <u>\$ 51.697</u> | <u>\$ 46.795</u> | <u>\$ 14.667</u> |
| LIABILITIES | | | | |
| DUE TO STUDENT GROUPS | <u>\$ 9.765</u> | <u>\$ 51.697</u> | <u>\$ 46.765</u> | <u>\$ 14.667</u> |
| MIRA COSTA HIGH SCHOOL: | | | | |
| ASSETS | | | | |
| CASH ON HAND AND IN BANKS | <u>\$ 220.541</u> | <u>\$ 660.191</u> | <u>\$ 654.663</u> | <u>\$ 226.069</u> |
| LIABILITIES | | | | |
| DUE TO STUDENT GROUPS | <u>\$ 220.541</u> | <u>\$ 660.191</u> | <u>\$ 654.663</u> | <u>\$ 226.069</u> |

The notes to the financial statements are
 an integral part of this statement.

SUPPLEMENTAL INFORMATION SECTION

SMITH & GRANSTROM
CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

24430 HAWTHORNE BOULEVARD, SUITE 101
TORRANCE, CALIFORNIA 90505
(310) 375-7476
FAX (310) 378-2561

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District as of the fiscal year ended June 30, 1995 and have issued our report thereon dated November 22, 1995. These financial statements are the responsibility of the District's management. Our responsibility was to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in Government Auditing Standards; issued by the Comptroller General of the United States; and Standards and Procedures for Audits of California K-12 Local Educational Agencies, prescribed by the State controller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL INFORMATION - Continued

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial and statistical information listed in the table of contents, including the Schedule of Federal and State Financial Assistance, is presented for purposes of additional analysis and is not a required part of the financial statements of the Manhattan Beach Unified School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose and combining financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

SMITH & GRANSTROM

SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
ORGANIZATION
JUNE 30, 1995

The Manhattan Beach Unified School District is a unified district that has been in existence since July 1, 1993. The District comprises an area of approximately 3.87 square miles located in the Southwest portion of Los Angeles County, California with boundaries contiguous with those of the incorporated city of Manhattan Beach, California. There were no changes in the boundaries of the District during the current year.

The Board of Trustees for the fiscal year ended June 30, 1995 was composed of the following members:

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|---------------------|----------------|---------------------|
| Barbara J. Dunsmoor | President | December 8, 1997 |
| Kathy Campbell | Vice-President | December 8, 1997 |
| Michele Memmott | Clerk | December 8, 1997 |
| Bernard O'Conner | Member | December 8, 1997 |
| Mary A. Rogers | Member | December 8, 1995 |

Administration

Gerald F. Davis
Superintendent of Schools

Dr. Sarah Content
Assistant Superintendent, Curriculum and Instruction

Scott J. Smith
Assistant Superintendent, Business and Financial Services

See the accompanying notes to supplementary information.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| <u>Grade Level</u> | <u>1986-87 Minutes Requirement</u> | <u>1982-83 Actual Minutes</u> | <u>1994-95 Actual Minutes</u> | <u>1994-95 Status</u> |
|---------------------|--|---------------------------------------|---------------------------------------|---------------------------|
| Kindergarten | 36,000 | * | 36,000 | In Compliance |
| Grades 1 through 3 | 50,400 | * | 50,400 | In Compliance |
| Grades 4 through 6 | 54,000 | * | 58,500 | In Compliance |
| Grades 7 through 8 | 54,000 | * | 64,740 | In Compliance |
| Grades 9 through 12 | 64,800 | * | 66,180 | In Compliance |

* Not Applicable - The District was formed July 1, 1993

See the Accompanying Notes to Supplementary Information.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| | <u>Second Period Report</u> | <u>Annual Report</u> |
|---|---------------------------------|----------------------|
| ELEMENTARY | | |
| Kindergarten | 343.89 | 342.73 |
| First through Third | 1,050.16 | 1,046.48 |
| Fourth through Sixth | 892.85 | 890.36 |
| Seventh and Eighth | 521.44 | 522.39 |
| Home and Hospital | .70 | .83 |
| Special Education | 27.34 | 26.81 |
| Extended Year | <u>2.84</u> | <u>2.84</u> |
| | <u>2,839.22</u> | <u>2,832.44</u> |
| HIGH SCHOOL | | |
| Regular Day Classes | 1,743.64 | 1,734.42 |
| Opportunity Schools and Classes | 8.33 | 8.95 |
| Home and Hospital | .26 | .40 |
| Special Education | 42.29 | 42.64 |
| Regional Occupational Center Mandated Programs | 70.34 | 108.87 |
| Extended Year | <u>.15</u> | <u>1.94</u> |
| | <u>1,865.01</u> | <u>1,897.22</u> |
| SUMMER SCHOOL | | |
| | <u>Hours of Attendance</u> | |
| Elementary | 23,678 | |
| High School | 20,260 | |

See the Accompanying Notes to Supplementary Information.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FEDERAL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| PROGRAM NAME | FEDERAL CATALOG NUMBER | -----PROGRAM ENTITLEMENTS----- | | | -----PROGRAM REVENUE----- | | | TOTAL REVENUE | TOTAL EXPENDITURES | | | |
|---|------------------------------|--------------------------------|------------------------------|------------------|---------------------------|------------------------|--------------------|------------------|-----------------------|--|--|--|
| | | CURRENT YEAR | PRIOR YEAR CARRY- OVER | TOTAL | CASH RECEIVED | ACCOUNTS RECEIVABLE | DEFERRED INCOME | | | | | |
| <u>FEDERAL FINANCIAL ASSISTANCE</u> | | | | | | | | | | | | |
| <u>GENERAL FUND</u> | | | | | | | | | | | | |
| E.S.E.A. CHAPTER 1 | 84.010 | \$ 43,002 | \$ 3,738 | \$ 46,740 | \$ 38,140 | \$ 8,600 | \$13,596 | \$ 33,144 | \$ 33,144 | | | |
| E.S.E.A. CHAPTER 2 | 84.151 | 18,408 | 12,534 | 30,942 | 30,942 | | 16,047 | 14,895 | 14,895 | | | |
| PL94-142 EDUCATION OF THE HANDICAPPED-DISCRETIONARY | 84.027 | 137,061 | | 137,061 | 22,111 | 114,950 | | 137,061 | 220,865 | | | |
| PL94-142 AND PL99-457 SPLASH | 84.027 | 95,982 | | 95,982 | 74,230 | 94,222 | | 168,452 | 111,663 | | | |
| E.E.S.A. EISENHOWER MATH AND SCIENCE | 84.164 | 8,536 | 1,828 | 10,364 | 10,364 | | | 10,364 | 10,364 | | | |
| DRUG FREE SCHOOLS AND COMMUNITIES | 84.184 | 17,296 | 2,355 | 19,651 | 23,089 | | | 23,089 | 19,979 | | | |
| VOCATIONAL EDUCATION II - COMMUNITY BASED ORGANIZATIONS | 84.174 | 8,249 | | 8,249 | 7,647 | 602 | | 8,249 | 8,249 | | | |
| VOCATIONAL EDUCATION III - COMMUNITY BASED ORGANIZATIONS | 84.174 | <u>2,738</u> | <u> </u> | <u>2,738</u> | <u>2,182</u> | <u>555</u> | <u> </u> | <u>2,737</u> | <u>2,737</u> | | | |
| TOTAL GENERAL FUND | | <u>\$331,272</u> | <u>\$20,455</u> | <u>\$351,727</u> | <u>\$208,705</u> | <u>\$218,929</u> | <u>\$29,643</u> | <u>\$397,991</u> | <u>\$421,868</u> | | | |
| <u>CAFETERIA FUND</u> | | | | | | | | | | | | |
| NATIONAL SCHOOL LUNCH PROGRAM | 10.555 | \$ N/A | \$ N/A | \$ N/A | \$103,215 | \$ 25,432 | \$ | \$128,647 | \$128,647 | | | |
| SCHOOL BREAKFAST PROGRAM | 10.553 | N/A | N/A | N/A | 9,839 | 2,047 | | 11,886 | 11,886 | | | |
| FOOD DISTRIBUTION | 10.550 | <u>25,017</u> | <u>N/A</u> | <u>25,017</u> | <u>25,017</u> | <u> </u> | <u> </u> | <u>25,017</u> | <u>25,017</u> | | | |
| TOTAL CAFETERIA FUND | | <u>\$ 25,017</u> | <u>\$</u> | <u>\$ 25,017</u> | <u>\$138,071</u> | <u>\$ 27,479</u> | <u>\$</u> | <u>\$165,550</u> | <u>\$165,550</u> | | | |
| TOTAL FEDERAL PROGRAMS | | <u>\$356,289</u> | <u>\$20,455</u> | <u>\$376,744</u> | <u>\$346,776</u> | <u>\$246,408</u> | <u>\$ 29,643</u> | <u>\$563,541</u> | <u>\$587,446</u> | | | |

THE ACCOMPANYING NOTES TO THE SUPPLEMENTAL INFORMATION ARE AN INTEGRAL PART OF THIS STATEMENT.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
STATE PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| PROGRAM NAME | FEDERAL CATALOG NUMBER | PROGRAM ENTITLEMENTS | | | PROGRAM REVENUE | | | | |
|--|------------------------------|----------------------|--------------------------|-------------|------------------|------------------------|---------------------|------------------|-----------------------|
| | | CURRENT YEAR | PRIOR YEAR CARRY OVER | TOTAL | CASH RECEIVED | ACCOUNTS RECEIVABLE | DEFERRED REVENUE | TOTAL REVENUE | TOTAL EXPENDITURES |
| STATE FINANCIAL ASSISTANCE | | | | | | | | | |
| GENERAL FUND | | | | | | | | | |
| SPECIAL EDUCATION MASTER PLAN | N/A | \$1,182,031 | \$ | \$1,182,031 | \$1,182,031 | \$ | \$ | \$1,182,031 | \$1,182,964 |
| GIFTED AND TALENTED EDUCATION | N/A | 34,636 | | 34,636 | 34,636 | | | 34,636 | 34,636 |
| SCHOOL IMPROVEMENT PROGRAM | N/A | 239,341 | 45,677 | 285,018 | 285,018 | | 57,475 | 227,543 | 227,543 |
| ECONOMIC IMPACT AID | N/A | 34,710 | | 34,710 | 34,710 | | | 34,710 | 34,710 |
| INSTRUCTIONAL MATERIALS K-8 | N/A | 93,051 | 11,033 | 104,084 | 78,344 | 14,707 | | 93,051 | 83,344 |
| INSTRUCTIONAL MATERIALS 9-12 | N/A | 36,605 | 10,516 | 47,121 | 30,449 | 6,156 | | 36,605 | 47,121 |
| MENTOR TEACHER | N/A | 56,290 | 32,616 | 88,906 | 88,906 | | 34,299 | 54,607 | 54,607 |
| TOBACCO USE PREVENTION EDUCATION ACT | N/A | 7,996 | 5,610 | 13,606 | 13,606 | | 5,024 | 8,582 | 8,582 |
| SPECIAL EDUCATION - HOME TO SCHOOL TRANSPORTATION | N/A | 43,512 | | 43,512 | 43,512 | | | 43,512 | 43,512 |
| PROGRAM SPECIALIST REGIONALIZED SERVICES | N/A | 25,944 | | 25,944 | 23,544 | 2,400 | | 25,944 | 25,944 |
| TENTH GRADE COUNSELING | N/A | 9,244 | 2,784 | 12,028 | 12,028 | | 7,083 | 4,945 | 4,945 |
| STAFF DEVELOPMENT | N/A | 19,929 | | 19,929 | 19,929 | | 1,535 | 18,394 | 18,394 |
| SPECIAL EDUCATION - TRANSPORTATION | N/A | 23,712 | | 23,712 | 23,712 | | | 23,712 | 23,712 |
| TOTAL STATE PROGRAMS - GENERAL FUND | | \$1,807,001 | \$102,836 | \$1,909,837 | \$1,870,425 | \$23,263 | \$105,416 | \$1,788,272 | \$1,790,014 |
| CAFETERIA FUND | | | | | | | | | |
| CHILD NUTRITION PROGRAMS | N/A | \$ N/A | \$ N/A | \$ N/A | \$ 6,331 | \$ 1,551 | \$ | \$ 7,882 | \$ 7,882 |
| TOTAL STATE PROGRAMS | | \$1,807,001 | \$102,836 | \$1,909,837 | \$1,876,756 | \$24,814 | \$105,416 | \$1,796,154 | \$1,797,896 |

THE ACCOMPANYING NOTES TO THE SUPPLEMENTAL INFORMATION ARE AN INTEGRAL PART OF THIS STATEMENT.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

| <u>GENERAL FUND</u> | <u>BUDGETED 1995-1996</u> | <u>1994-1995</u> | <u>1993-1994*</u> | <u>1992-1993</u> |
|---|-------------------------------|---------------------|---------------------|------------------------------------|
| REVENUE | \$23,311,065 | \$22,053,906 | \$19,766,086 | District Formed July 1, 1993 |
| OTHER SOURCES | <u>971,500</u> | <u>1,147,027</u> | <u>1,746,000</u> | |
| TOTAL REVENUE AND OTHER SOURCES | <u>24,282,565</u> | <u>23,200,933</u> | <u>21,512,086</u> | |
| EXPENDITURES | 23,737,865 | 22,510,482 | 20,897,572 | |
| OTHER OUTGO | <u>488,700</u> | <u>517,743</u> | <u>500,006</u> | |
| TOTAL EXPENDITURES AND OTHER OUTGO | <u>24,226,565</u> | <u>23,028,225</u> | <u>21,397,578</u> | |
| CHANGE IN FUND BALANCE | \$ <u>56,000</u> | \$ <u>172,708</u> | \$ <u>114,508</u> | |
| ENDING FUND BALANCE | \$ <u>782,445</u> | \$ <u>726,445</u> | \$ <u>553,737</u> | |
| AVAILABLE RESERVES | <u>\$19,925,584</u> | <u>\$19,854,304</u> | <u>\$19,696,948</u> | |
| AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO | <u>82.25%</u> | <u>86.22%</u> | <u>92.05%</u> | |
| TOTAL LONG-TERM DEBT | \$ <u>762,590</u> | \$ <u>1,223,401</u> | \$ <u>215,050</u> | |
| AVERAGE DAILY ATTENDANCE AT P.2 | 4911 | 4,704.23 | 4,377.15 | |

* Restated See Note 14.

The general fund balance has increased by \$172,708 due to fund operations over the past year. For a district this size, the state recommends available reserves of at least three percent (3%) of total general fund expenditures, transfers out, and other uses (total outgo).

The District has not incurred operating deficits in the past year. Total long-term debt has increased during the past year.

Additional growth of 204 is anticipated during fiscal year 1995-1996.

The 1992-1993 information is not available, since the District began operations effective July 1, 1993.

THE ACCOMPANYING NOTES TO THE SUPPLEMENTAL INFORMATION ARE AN INTEGRAL PART OF THIS STATEMENT.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT
(J200) WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1995

| | <u>CAFETERIA FUND</u> | <u>DEFERRED MAINTENANCE</u> | <u>RETIREE BENEFIT FUND</u> |
|--|---------------------------|---------------------------------|-------------------------------------|
| JUNE 30, 1995 ANNUAL FINANCIAL AND BUDGET REPORT (FORM J200) FUND BALANCES | <u>\$ 93,624</u> | <u>\$48,236</u> | <u>\$1,486,596</u> |
| ADJUSTMENT AND RECLASSIFICATIONS: | | | |
| INCREASING (DECREASING) THE FUND BALANCE: | | | |
| INTEREST ACCRUAL | 62 | 49 | |
| RETIREE BENEFITS OBLIGATION | | | 550,041 |
| RETIREE BENEFITS OBLIGATION ADMINISTERED ON BEHALF OF ANOTHER DISTRICT | | | 936,555 |
| NET ADJUSTMENTS AND RECLASSIFICATIONS | <u>62</u> | <u>49</u> | <u>1,486,596</u> |
| JUNE 30, 1995 AUDITED FINANCIAL STATEMENT FUND BALANCES | <u>\$ 93,686</u> | <u>\$48,285</u> | <u>\$ --</u> |

| | <u>GENERAL LONG TERM DEBT ACCOUNT GROUP</u> |
|---|---|
| JUNE 30, 1995 ANNUAL FINANCIAL AND BUDGET REPORT (FORM J200) FUND BALANCES | <u>\$762,590</u> |
| ADJUSTMENT AND RECLASSIFICATIONS: | |
| INCREASING (DECREASING) TOTAL LIABILITIES | |
| COMPENSATED ABSENCE ADJUSTMENT | 46,003 |
| EARLY RETIREMENT INCENTIVE | 512,626 |
| MUNICIPAL LEASE OBLIGATION ADJUSTMENT | <u>(97,818)</u> |
| NET ADJUSTMENTS AND RECLASSIFICATIONS | <u>460,811</u> |
| JUNE 30, 1995 AUDITED FINANCIAL STATEMENT FUND BALANCES | <u>\$1,223,401</u> |

THE ACCOMPANYING NOTES TO THE SUPPLEMENTAL INFORMATION ARE AN INTEGRAL PART OF THIS STATEMENT.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 1995

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

B. Schedule of Instructional Time

The District has received incentive funds for increasing instructional time as provided by the Incentives for Longer Instructional Days. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

C. Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

D. Schedule of State and Federal Financial Assistance

OMB Circular A-128 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with OMB Circular A-128 and state requirements.

E. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the Form J-200 to the audited financial statements.

SMITH & GRANSTROM
CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

24430 HAWTHORNE BOULEVARD, SUITE 101
TORRANCE, CALIFORNIA 90505
(310) 375-7476
FAX (310) 378-2561

INDEPENDENT AUDITORS' COMBINED REPORT
ON INTERNAL CONTROL STRUCTURE

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District (The District) as of and for the year ended June 30, 1995, and have issued our report thereon dated November 22, 1995. We have also audited the District's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 22, 1995.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States' and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the combined and combining financial statements are free of material misstatement and about whether the District complied with laws and regulations non-compliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30 1995, we considered the District's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the District's financial statements and on its compliance with requirements applicable to major federal financial assistance programs ,and not to provide assurance on the internal control structure.

The management of the District is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control

INDEPENDENT AUDITORS' COMBINED REPORT
ON INTERNAL CONTROL STRUCTURE - Continued

structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure errors, irregularities or instances of non-compliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures into the following categories:

Accounting Applications

- Billings
- Receivables
- Cash Receipts
- Purchasing and Receiving
- Accounts Payable
- Cash Disbursements
- Payroll
- Inventory Control
- Property and Equipment
- General Ledger
- Attendance

General Requirements

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and
Real Property Management
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug Free Workplace
- Administrative Requirements

INDEPENDENT AUDITORS' COMBINED REPORT
ON INTERNAL CONTROL STRUCTURE - Continued

Specific Requirements

Types of Services

Eligibility

Matching, Level, of Effort or Earmarking
Reporting

Cost Allocation

Special Requirements, if any

Monitoring Subrecipients

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above we obtained an understanding of the design of the relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1995, the District had no major federal financial assistance programs and expended 59.50% of its total federal financial assistance under the following non-major federal financial assistance programs:

| | |
|-------------------------------|-----------|
| PUBLIC LAW 94-142 | \$349,512 |
| NATIONAL SCHOOL LUNCH PROGRAM | \$128,647 |

We performed tests of controls as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material non-compliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the District's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure, policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific

INDEPENDENT AUDITORS' COMBINED REPORT
ON INTERNAL CONTROL STRUCTURE - Continued

internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited or that non-compliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Trustees, management, the State Department of Education, and the State Controller's Office. However, this report is a matter of public record and its distribution is not limited.

SMITH & GRANSTROM

SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995.

SMITH & GRANSTROM
CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

24430 HAWTHORNE BOULEVARD, SUITE 101
TORRANCE, CALIFORNIA 90505
(310) 375-7476
FAX (310) 378-2561

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District as of and for the year ended June 30, 1995, and have issued our report thereon dated November 22, 1995. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the State Controller's Standards and Procedures for Audits of California K-12 Local Educational Agencies. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The District's management is responsible for the District's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following state laws and regulations:

- Attendance Accounting
- Incentives For Longer Instructional Days
- Gann Limit Calculation
- School Improvement Program
- Economic Impact Aid
- Categorical Programs - Mega Item
- Early Retirement Incentive Program
- State Residency

INDEPENDENT AUDITORS' REPORT
ON STATE COMPLIANCE - Continued

Board Policy on Open Enrollment
Coding and Content of Audit Findings

Based on our audit, we found that, for the items tested, the Manhattan Beach Unified School District complied with the state laws and regulations referred to above, except as described in the Findings and Recommendations section of this report. Further based on our examination, for items not tested, nothing came to our attention to indicate that the Manhattan Beach Unified School District had not complied with the state laws and regulations, except as described in the Findings and Recommendations section of this report.

Smith & Granstrom
SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995

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CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

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TORRANCE, CALIFORNIA 90505
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FAX (310) 378-2561

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
FEDERAL LAWS AND REGULATIONS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUED BY THE G.A.O.

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District as of and for the year ended June 30, 1995, and have issued our report thereon dated November 22, 1995.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws regulations, contracts, and grants applicable to the District is the responsibility of the District's management. As part of our audit, we assessed the risk that non compliance with certain provisions of laws, regulations, contracts and grants could cause the financial statements to be materially misstated. We concluded that the risk of such material misstatement was sufficiently low that it was not necessary to perform tests of the District's compliance with such provisions of laws, regulations, contracts, and grants.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
FEDERAL LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUES BY THE G.A.O. - continued

However, in connection with our audit, nothing came to our attention that caused us to believe that the District had not complied, in all material respects with the laws, regulations, contracts, and grants referred to in the preceding paragraph.

The results of our tests indicate that with respect to the items tested Manhattan Beach Unified School District complied, in all material respects with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Trustees, management, the State Department of Education, and the public record and its distribution is not limited.

SMITH & GRANSTROM

SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995

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CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

24430 HAWTHORNE BOULEVARD, SUITE 101
TORRANCE, CALIFORNIA 90505
(310) 375-7476
FAX (310) 378-2561

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District as of and for the year ended June 30, 1995, and have issued our report thereon dated November 22, 1995.

We have applied procedures to test the District's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance for the year ended June 30, 1995.

Political Activity
Civil Rights
Cash Management
Federal Financial Reports
Allowable Costs/Cost Principles
Drug Free Workplace
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested the results of those procedures disclosed no material instances of non-compliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS - continued

came to our attention that caused us to believe that the Manhattan Beach Unified School District had not complied in all material respects, with those requirements.

This report is intended for the information of the Board of Trustees, management, the State Department of Education, and the State Controller's Office. However, this report is a matter of public record and its distribution is not limited.

SMITH & GRANSTROM

SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995

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A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

24430 HAWTHORNE BOULEVARD, SUITE 101
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FAX (310) 378-2561

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAM TRANSACTIONS

Board of Trustees,
Manhattan Beach Unified School District,
Manhattan Beach, California

We have audited the combined and combining financial statements of the Manhattan Beach Unified School District (the District) as of and for the year ended June 30 1995, and have issued our report thereon dated November 22, 1995.

In connection with our audit of the June 30 1995 combined and combining financial statements of the Manhattan Beach Unified School District (the District), and with our study and evaluation of the District's control structure used to administer federal financial assistance programs, as required by the Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain non-major Federal financial assistance programs for the year ended June 30, 1995.

As required by OMB Circular A-128 we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility; that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the District's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Manhattan Beach Unified School District had not complied, in all material respects, with those

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAM TRANSACTIONS - continued

requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which are described in the accompanying schedule of Findings and Recommendations.

This report is intended for the information of the Board of trustees, management, the State Department of Education, and the State Controller's Office. However, this report is a matter of public record and its distribution is not limited.

SMITH & GRANSTROM
SMITH & GRANSTROM,
CERTIFIED PUBLIC ACCOUNTANTS

Torrance, California
November 22, 1995

FINDINGS AND RECOMMENDATIONS SECTION

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

FINDINGS # 1
PAYROLL CLEARANCE FUND
(TYPE # 60000)

The district is common with most school districts maintains a payroll clearance fund. The Payroll clearance fund should be reconciled monthly. It was noted during the course of our audit the payroll clearance fund is not being reconciled on a monthly basis.

Recommendation:

Reconciliations of the payroll clearance fund should be done monthly to ensure liabilities and cash balances are properly stated.

District Response:

The district has began reconciling the payroll clearance fund monthly and subsequent to June 30, 1995.

FINDINGS # 2
GENERAL LEDGER SUBSIDIARY REVENUE
RECONCILIATION
(TYPE # 60000)

Periodically the district shall report revenue on federal and state categorical programs to other governmental entities as to the County of Los Angeles offices of Education annually on Form J390. The periodic reportings are not reconciled to the districts general ledger and result in erroneous program revenue disclosure in an improperly adjusted general ledger.

Recommendation:

All subsidiary general ledger reportings, such as the Form J390, should be reconciled to the district's general ledger.

District Response:

The district has reconciled all subsidiary revenue reportings, subsequent to June, 1995.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

INTERNAL CONTROL

FINDINGS # 1
PAYROLL CLEARANCE FUND
(TYPE # 60000)

The district in common with most school districts maintains a payroll clearance fund. The payroll clearance fund should be reconciled monthly. It was noted during the course of our audit the payroll clearance fund is not being reconciled on a monthly basis.

Recommendation:

Reconciliations of the payroll clearance fund should be done monthly to ensure liabilities and cash balances properly stated.

Current Status:

Implemented subsequent to June 30, 1995.

District Explanation if not Implemented:

MISCELLANEOUS
FINDINGS # 2

GENERAL LEDGER SUBSIDIARY REVENUE
RECONCILIATION
(TYPE # 60000)

Periodically the district shall report revenue on federal and state categorical programs to the governmental entities such as to the County of Los Angeles Offices of Education annually on Form J390. The periodic reportings are not reconciled to the districts general ledger and result in erroneous program revenue disclosure in an improperly adjusted general ledger.

Recommendation:

All subsidiary general ledger reportings, such as the Form J390, should be reconciled to the district's general ledger.

Current Status:

Implemented subsequent to June 30, 1995.

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

District Explanation if not Implemented:

STATE COMPLIANCE
FINDINGS # 1
STAFF DEVELOPMENT DAYS
(TYPE # 40000)

The district had eight (8) staff development days during the fiscal year which were used for apportionment purposes. Each staff development day must tie to a site development program approved in a school site plan approved by the Board of Trustees.

Recommendation:

All staff development days must be supported by a site development program approved in a school site plan approved by the Board of Trustees.

Current Status:

Implemented.

District Explanation if not Implemented:

MANHATTAN BEACH UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS--continued
FOR THE FISCAL YEAR ENDED JUNE 30, 1995

FEDERAL COMPLIANCE

FINDINGS # 1
DRUG-FREE WORKPLACE ACT
(TYPE # 50000)

The district in accordance with the drug-free workplace act to provide a drug free environment must notify employees by providing a copy of a policy statement that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace.

Recommendation:

The district should distribute a copy of the district's drug free workplace policy statement to each employee engaged in the performance of a federal program.

Current Status:

Implemented.

District Explanation if not Implemented: