

Scotts Valley Unified School District

2007-2008 Budget

Compared to

2007-2008 Actual

Financial Summary FY 07-08

| Scotts Valley Unified School District | | | | | | | | | |
|---------------------------------------|------------------------|--------------------|-------------------|-------------------------------|--------------------|-------------------|-----------------------|---------------------|--------------------|
| | Final Budget 2007-2008 | | | Actual Expenditures 2007-2008 | | | Variance | | |
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted Variance | Restricted Variance | Total Variance |
| | | | | | | | f-c | g-d | h-e |
| Revenue Detail | | | | | | | | | |
| Revenue Limit | 14,830,151 | 277,340 | 15,107,492 | 14,832,357 | 278,030 | 15,110,388 | 2,206 | 690 | 2,896 |
| Federal Revenue | - | 582,401 | 582,401 | - | 539,986 | 539,986 | - | (42,415) | (42,415) |
| Other State Revenue | 1,199,391 | 1,120,490 | 2,319,881 | 1,182,673 | 1,079,875 | 2,262,548 | (16,718) | (40,615) | (57,333) |
| Other Local Revenue | 272,924 | 1,806,331 | 2,079,256 | 239,212 | 1,894,870 | 2,134,081 | (33,713) | 88,538 | 54,826 |
| Total Revenue | 16,302,467 | 3,786,563 | 20,089,030 | 16,254,242 | 3,792,761 | 20,047,003 | (48,225) | 6,198 | (42,026) |
| Expenditure Detail | | | | | | | | | |
| Certificated | 7,755,838 | 1,291,179 | 9,047,017 | 7,681,853 | 1,279,494 | 8,961,347 | (73,985) | (11,685) | (85,670) |
| Classified | 1,296,276 | 970,723 | 2,266,999 | 1,268,220 | 861,016 | 2,129,236 | (28,056) | (109,707) | (137,763) |
| Employee benefits | 2,992,477 | 637,077 | 3,629,554 | 2,983,075 | 573,326 | 3,556,401 | (9,402) | (63,751) | (73,153) |
| Books & Supplies | 278,154 | 1,718,078 | 1,996,232 | 234,528 | 879,310 | 1,113,838 | (43,626) | (838,768) | (882,394) |
| Service, Other Operating | 1,142,107 | 2,668,921 | 3,811,028 | 1,124,280 | 2,226,580 | 3,350,859 | (17,827) | (442,342) | (460,169) |
| Capital Outlay | - | 55,668 | 55,668 | - | 49,726 | 49,726 | - | (5,942) | (5,942) |
| Other Outgo | 23,150 | 108,970 | 132,120 | 12,514 | 80,041 | 92,555 | (10,636) | (28,929) | (39,565) |
| Direct Support/Indirect | (393,619) | 393,619 | - | (246,666) | 246,666 | - | 146,953 | (146,953) | - |
| Total Expenditures | 13,094,383 | 7,844,235 | 20,938,619 | 13,057,804 | 6,196,158 | 19,253,962 | (36,579) | (1,648,077) | (1,684,657) |
| Excess/(Deficiency) | 3,208,083 | (4,057,672) | (849,589) | 3,196,438 | (2,403,397) | 793,041 | (11,645) | 1,654,275 | 1,642,630 |
| Other Financing Sources/uses | | | | | | | | | |
| Transfers In | - | 266,060 | 266,060 | - | 266,060 | 266,060 | - | - | - |
| Transfers Out | 78,265 | 116,439 | 194,704 | 80,813 | 116,439 | 197,252 | 2,548 | - | 2,548 |
| Other Sources | - | - | - | - | - | - | - | - | - |
| Other Uses | - | - | - | - | - | - | - | - | - |
| Contributions | (3,033,413) | 3,033,413 | - | (2,453,784) | 2,453,784 | - | 579,629 | (579,629) | - |
| Total Other Sources/Uses | (3,111,678) | 3,183,034 | 71,356 | (2,534,597) | 2,603,405 | 68,808 | 577,081 | (579,629) | (2,548) |
| Net Inc/Dcr to Fund Balance | 96,405 | (874,638) | (778,233) | 661,841 | 200,009 | 861,849 | 565,436 | 1,074,646 | 1,640,082 |
| Beginning Balance | 1,851,475 | 1,490,719 | 3,342,194 | 1,851,475 | 1,490,719 | 3,342,194 | - | - | - |
| Ending Balance | 1,947,880 | 616,081 | 2,563,961 | 2,513,316 | 1,690,728 | 4,204,043 | 565,436 | 1,074,646 | 1,640,082 |

The Bottom Line

Unrestricted

| | Budget | Actual | Variance |
|---------------------------------------|-------------|-------------|-----------|
| Net Increase/Decrease to Fund Balance | \$ 96,405 | \$ 661,841 | \$565,436 |
| Ending Fund Balance | \$1,947,880 | \$2,513,316 | \$565,436 |

The unrestricted portion of the district's general fund ending balance was approximately \$565,436 greater than projected in the final budget as presented to the Board on June 10, 2008.

Distribution of the Net Increase to Fund Balance

| <u>Unrestricted</u> | | Budget | Actual | Variance |
|---------------------|--|------------------|------------------|----------------|
| a) | <i>Reserved Amounts</i> | | | |
| | <i>Revolving Cash</i> | 2,000 | 2,000 | 0 |
| b) | <i>Designated Amounts for :</i> | | | |
| | <i>Reserve for Economic Uncertainty</i> | | | |
| | <i>Categorical Programs</i> | 0 | 0 | 0 |
| | <i>Designated Programs:</i> | | | |
| | <i>Mandated Costs Reserve</i> | 300,000 | 300,000 | 0 |
| | <i>Workers Compensation Safety Funds</i> | 2,546 | 2,569 | 24 |
| | <i>Class Size Reduction</i> | | 193,928 | 193,928 |
| c) | <i>Unappropriated Amounts</i> | 1,643,335 | 2,014,818 | 371,484 |
| d) | <i>Total, Components (= F2)</i> | 1,947,880 | 2,513,316 | 565,435 |

- Class size reduction continues to carry forward an unexpended balance from prior years.
- The Class Size Reduction balance will decrease in 08-09 by \$36,839

A Closer Look:

- Four factors can create a larger than anticipated fund balance
 - Revenues greater than the amount budgeted
 - Expenditures less than the amount budgeted
 - Other Financing Sources greater than the amount budgeted
 - Other Financing Uses less than the amount budgeted

Unrestricted Revenues

| Source | Budget | Actual | Variance |
|---------------|---------------------|---------------------|-------------------|
| Revenue Limit | \$14,830,151 | \$14,832,357 | \$2,206 |
| Federal | \$0 | \$0 | \$0 |
| State | \$1,199,391 | \$1,182,673 | \$(16,718) |
| Local | \$272,924 | \$239,212 | \$(33,713) |
| Total: | \$16,302,467 | \$16,254,242 | \$(48,225) |

Revenue Variance Highlights

- **Revenue Limit**

- Loss of 1.23 ADA (\$7,100)
- Revenue Limit adjustments \$10,500
- Prior year recertifications (\$1,200)

- **State Revenue**

- Maximization of hourly program categories \$6,800
- 3rd quarter lottery earnings and 4th quarter lottery accruals lower than May revise (\$30,500)
- Class Size Reduction & Special Ed One Time Settlement \$6,700

- **Local Revenue**

- Lower 3rd and 4th quarter interest earnings (\$13,300)
- Facilities rentals \$3,700
- Restitution collected and returned to insurance company (\$24,000)

Unrestricted Expenditures

| Category | Budget | Actual | Variance |
|-------------------------|---------------------|---------------------|-------------------|
| Certificated | \$7,755,838 | \$7,681,853 | (\$73,985) |
| Classified | \$1,296,276 | \$1,268,220 | (\$28,056) |
| Employee Benefits | \$2,992,477 | \$2,983,075 | (\$9,402) |
| Books & Supplies | \$278,154 | \$234,528 | (\$43,626) |
| Services & Utilities | \$1,142,107 | \$1,124,280 | (\$17,827) |
| Capital Outlay | \$0 | \$0 | \$0 |
| Other Outgo | \$23,150 | \$12,514 | \$(10,636) |
| Direct/Indirect support | (\$393,619) | (\$246,666) | \$146,953 |
| Total: | \$13,094,383 | \$13,057,804 | \$(36,579) |

Expenditure Variance Highlights

Salaries & Benefits

- **Certificated Wages**

- Substitute and extra duty savings (\$12,000)
- Turnover & Leaves of Absence (\$52,000)
- Counselors charged to Mental Health Pre-referral (Restricted program) (\$10,000)

- **Classified Wages**

- Class Size Overage aides (\$11,000)
- Clerical – District Office LOA & Vacancy (\$8,000)
- CBO Consultant (\$4,500)
- Yard Duty (\$4,500)

- **Employee Benefits**

- Lower retiree health benefit costs (\$3,800)
- Lower PERS reduction - Sp Ed aides charged to federal programs (\$5,800)

Expenditure Variance Highlights

Spending Freeze

- **Books and Supplies**

- Non-capitalized equipment (\$50,000)
- Higher supply costs \$7,000

- **Services & Utilities**

- Travel & Conference (\$14,000)
- Dues & Memberships (\$6,000)
- Utilities \$30,000
- Contracted Services (\$8,000)
- Repairs & Maintenance (\$20,000)

- **Other Outgo**

- Decrease in student placements in State Special Schools (\$6,600)
- Decreased costs of Medical Therapy Unit (\$4,000)

Unrestricted: Other Financing Sources

| | Budget | Actual | Variance |
|---------------|---------------|---------------|-----------|
| Transfers in | \$266,060 | \$266,060 | \$0 |
| Transfers Out | \$78,265 | \$80,813 | \$(2,548) |
| Other Sources | \$0 | \$0 | \$0 |
| Other Uses | \$0 | \$0 | \$0 |
| Contributions | (\$3,033,413) | (\$2,453,784) | \$579,629 |
| Total: | (\$3,111,678) | (\$2,534,597) | \$579,629 |

Other Financing Sources / Uses: Variance Highlights

- **Transfers Out**

- Higher transfer out to Food Service fund
 - Deficit higher than anticipated \$2,500

- **Contributions to Restricted Programs**

- Expenditure savings resulted in lower deficits
 - Special Education (\$496,032)
 - Special Ed Transportation (\$54,437)
 - Other Categorical Programs (\$29,159)

The Bottom Line

Restricted

| | Budget | Actual | Variance |
|---------------------------------------|-------------|-------------|-------------|
| Net Increase/Decrease to Fund Balance | (\$874,638) | \$200,009 | \$1,074,646 |
| Ending Fund Balance | \$616,081 | \$1,690,728 | \$1,074,646 |

The restricted portion of the district's general fund was approximately one million dollars greater than projected in the final budget as presented to the Board on June 10, 2008.

Restricted funds are predominantly Federal and State categorical programs. For these programs, any unspent funds remaining from the current year are to be expended in the following year.

Distribution of the Net Increase to Restricted Fund Balance

| <u>Restricted</u> | | Budget | Actual | Variance |
|-------------------|--|----------|-----------|-----------|
| a) | <i>Reserved Amounts</i> | | | |
| | <i>Revolving Cash</i> | 0 | 0 | 0 |
| b) | <i>Designated Amounts for :</i> | | | |
| | <i>Reserve for Economic Uncertainty</i> | 0 | 0 | 0 |
| | <i>Categorical Programs</i> | 0 | 0 | 0 |
| | English Language Acquisition Program | | 6,495 | 6,495 |
| | Lottery Instructional Materials | | 90,065 | 90,065 |
| | School Safety/Violence Prevention | | 29,259 | 29,259 |
| | Reading Professional Development Institute | | 150 | 150 |
| | Arts & Music Block Grant | | 47,468 | 47,468 |
| | Arts,Music,P.E. Supplies & Equipment | 100,000 | 158,520 | 58,520 |
| | CAHSEE Instruction | | 13,695 | 13,695 |
| | CAHSEE Materials | | 815 | 815 |
| | Supplemental School Counseling Program | | 42,872 | 42,872 |
| | Gifted and Talented Education | | 40,195 | 40,195 |
| | Instl Materials Grades K-8 | | 161,696 | 161,696 |
| | Professional Development Block Grant | | 13,590 | 13,590 |
| | Targeted Instructional Improvement Block Grant | | 12,045 | 12,045 |
| | School and Library Improvement Block Grant | | 27,893 | 27,893 |
| | One-Time Discretionary Block Grant - Sites | | 62,771 | 62,771 |
| | One-Time Discretionary Block Grant - District | | 25,425 | 25,425 |
| | One-Time Instructional Materials, Technology Block Grant | | 31,213 | 31,213 |
| | Routine Restricted Maintenance | | 234,326 | 234,326 |
| | Other Local Grants & Donations | 516,082 | 692,234 | 176,152 |
| | <i>Designated Programs:</i> | | | |
| c) | <i>Unappropriated Amounts</i> | 0 | 0 | 0 |
| d) | <i>Total, Components (= F2)</i> | 616,082 | 1,690,728 | 1,074,646 |

The Final Results

| | Final Budget 2007-2008 | | | Actual Expenditures 2007-2008 | | | Variance | | |
|--|------------------------|----------------|------------------|-------------------------------|------------------|------------------|-----------------------|---------------------|------------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted Variance | Restricted Variance | Total Variance |
| Components of Ending Fund Balance | | | | | | | | | |
| Revolving Cash | 2,000 | - | 2,000 | 2,000 | - | 2,000 | - | - | - |
| Stores | - | - | - | - | - | - | - | - | - |
| Prepaid Expend. | - | - | - | - | - | - | - | - | - |
| Reserve for Economic Uncertainty | - | - | - | - | - | - | - | - | - |
| Other restricted | 302,546 | 616,081 | 918,627 | 496,497 | 1,690,728 | 2,187,225 | 193,952 | 1,074,646 | 1,268,598 |
| Undesignated | 1,643,335 | - | 1,643,335 | 2,014,818 | - | 2,014,818 | 371,484 | - | 371,484 |
| Total | 1,947,880 | 616,081 | 2,563,962 | 2,513,316 | 1,690,728 | 4,204,043 | 565,435 | 1,074,646 | 1,640,082 |

The district ended the year with its required 3% reserve for economic uncertainty.

Unrestricted mandated cost reimbursement carryover of approximately \$300,000 will remain reserved in the 2008-09 year.

Class Size reduction carryover of approximately \$194,000 will carry forward for expenditure in 2008-09 and future years.

Categorical carryover of approximately \$1,000,000 will be added to the 2008-09 budget for expenditure in their respective programs.

An additional \$371,000 over the May projection is available for expenditure on general purposes.