
2008-09 Unaudited Actual Financial Statements

Scotts Valley Unified School District

General Fund

Unrestricted Funds

The Bottom Line

	Budget	Actual	Variance
Net Increase/Decrease to Fund Balance	(\$877,904)	\$ 314,455	\$1,192,359
Ending Fund Balance	\$1,635,412	\$2,827,771	\$1,192,359

The unrestricted portion of the district's general fund ending balance was greater than projected in the final budget as presented to the Board on June 23, 2009.

A Closer Look:

- Five factors can create a larger than anticipated fund balance
 - ⌚ Revenues greater than budgeted
 - ⌚ Expenditures less than budgeted
 - ⌚ Inter-fund transfers less than budgeted
 - ⌚ Other Financing Sources more than budgeted
 - ⌚ Contributions less than budgeted
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Unrestricted

Category	Budget	Actual	Variance
Revenues	\$14,741,661	\$15,448,296	\$706,635
Expenditures	\$13,203,724	\$13,307,189	(\$103,465)
Inter-fund Transfers	\$0	(\$90,674)	(\$90,674)
Other Sources /(Uses)	\$0	\$0	\$0
Contributions	(\$2,415,841)	(\$1,735,977)	\$679,864
Total:	\$(877,904)	\$314,456	\$1,192,360

Revenue Variance Highlights

Revenue Limit Sources	08-09	09-10	Combined
Budget	\$13,519,183	\$12,833,752	\$26,352,935
Actual / Revised	\$14,055,767	\$12,281,472	\$26,337,239
Variance:	\$536,584	(\$552,280)	(\$15,696)

Revenue Variance Highlights

● State Revenue

- Deferred Maintenance Apportionment \$90k
 - Received as Unrestricted funding source
 - Transferred out to Deferred Maintenance Fund
 - Class Size Reduction \$80k
 - New language minimized penalties in 2008-09
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Expenditure Variance Highlights

- Transfer of two restricted programs
 - No apportionment received in 08-09
 - Used flexibility provision to transfer entitlement
 - Expenditures coded as unrestricted
 - Supplemental School Counseling \$90k
 - School Safety & Violence Prevention \$40k
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Contributions to Restricted Programs

	Budget	Actual	Variance
Contributions	(\$2,706,497)	(\$2,624,763)	\$81,734
Transfers of Restricted Balances	\$256,148	\$521,131	\$264,983
Categorical Flexibility Transfers	\$34,508	\$367,654	\$333,146
Total:	(\$2,415,841)	(\$1,735,978)	\$679,863

Categorical Flexibility

Summary	Ending Balance	Flexibility	Total Transfer
Community Based English Tutoring	1,041	1,804	2,845
Safety and Violence Prevention	29,259	35,738	64,997
Reading Professional Development	150		150
Arts & Music Block Grant	2,259	37,333	39,592
Art/Music/P.E. Supply Block Grant	147,762		147,762
CAHSEE Instruction	13,695	6,105	19,800
CAHSEE Supplies	815		815
Supplemental Counseling	42,872	78,455	121,327
GATE	40,195	11,975	52,170
Instructional Materials	127,736	155,354	283,090
Peer Assistance & Review		2,404	2,404
International Baccalaureate		6,887	6,887
Pupil Retention Block Grant		382	382
Professional Development Block Grant	13,590	7,537	21,127
Targeted Instructional Improvement	12,045	23,680	35,725
School & Library Improvement	24,586	0	24,586
Site Block Grant	39,702		39,702
District Block Grant	25,425		25,425
Total:	521,132	367,654	888,786

Reasons for Variance

- July Budget Act
 - Added to list of ending balance sweep
 - Pushed textbook adoptions out
 - All tier three programs are unrestricted
 - No district option
 - 08-09 Entitlements quantified in July
 - Self imposed expenditure freeze
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General Fund

Restricted Funds

The Bottom Line

	Budget	Actual	Variance
Net Increase/Decrease to Fund Balance	(\$599,172)	\$ 257,252	\$856,424
Ending Fund Balance	\$1,091,556	\$1,947,980	\$856,424

The unrestricted portion of the district's general fund ending balance was greater than projected in the final budget as presented to the Board on June 23, 2009.

Restricted

Category	Budget	Actual	Variance
Revenues	\$3,448,385	\$4,355,183	\$906,798
Expenditures	\$6,430,343	\$5,800,852	\$629,491
Inter-fund Transfers	(\$33,056)	(\$33,056)	\$0
Other Sources /(Uses)	\$0	\$0	\$0
Contributions	\$2,415,841	\$1,735,977	(\$679,864)
Total:	(\$599,173)	\$257,252	\$856,425

Revenue Variance Highlights

● Federal Revenue

- State Fiscal Stabilization Funds \$841k
 - Revenues recognized in the year received vs. in the year spent



Expenditure Variance Highlights

- Transfer of two restricted programs
 - Supplemental School Counseling \$90k
 - School Safety & Violence Prevention \$40k
 - Local Donations \$260k
 - Carried over to be spent in 2009-10
 - Lottery IMF Order \$100k
 - Order received in 2009-10
 - Indirect Costs \$40K
 - Not charged on Tier 3 programs
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Future Impacts

Assessed Valuations

- Dropped 2.4% state wide, or \$107 Billion
 - Assessed valuation does not imply a corresponding change in tax collections
 - Decrease in property tax collections does require an equal and opposite increase in state aid (except for basic aid districts)
 - Budget act projected an overall increase in property tax collections of 2.2%
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Assessed Valuations

District	2008-09	2009-10	Difference
Bonny Doon	\$496,549,521	\$485,439,802	-2.24%
Happy Valley	\$247,771,866	\$239,553,185	-3.32%
Live Oak	\$2,875,675,309	\$2,825,495,923	-1.74%
Mountain	\$215,689,544	\$212,013,081	-1.70%
Pacific	\$152,759,720	\$140,661,218	-7.92%
Scotts Valley	\$3,301,582,612	\$3,213,555,660	-2.67%
Soquel	\$4,521,262,333	\$4,145,820,513	-8.30%
San Lorenzo Valley	\$3,020,472,989	\$2,902,800,580	-3.90%
SCCOE	\$33,444,486,335	\$32,415,517,965	-3.08%
SCCS-Elem	\$7,253,254,377	\$7,228,617,798	-0.34%
SCCS-Secondary	\$15,429,699,500	\$15,277,600,520	-0.99%
PVUSD	\$11,679,958,152	\$11,009,065,629	-5.74%
TOTALS	\$82,639,162,258	\$80,096,141,874	-3.08%

State Fiscal Stabilization Funds

- Under the terms of grant awards made by the U.S. Department of Education, states are required to maintain support of schools to at least 2006 levels
 - Following the initial application, California recalculated this benchmark
 - Calculation was based upon total dollar spending
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State Fiscal Stabilization Funds

- When applying for additional SFSSF, California recalculated the benchmark a second time
 - Due to declining enrollment statewide, the application now is using per-pupil spending as the basis for establishing this maintenance of effort
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State Fiscal Stabilization Funds

- Per pupil spending method
 - Per pupil spending in 2006 was \$5,527
 - Reported spending in 2010 will be \$5,548
 - Difference is \$21 per student
 - Potential impact to Scotts Valley (\$53,000)
 - State could re-bench again using % of total state budget as the methodology
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Redevelopment Agency Lawsuit

- July Budget Act shifted \$1.7 billion in funds from RDA's to education
 - Lawsuit filed against the state by RDA's regarding the legality of this shift
 - Potential impact to education is estimated at \$300 per pupil
 - Potential impact to Scotts Valley (\$756,000)
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Quality Education Investment Act

- July budget eliminated independent QEIA funding source
 - Reduced revenue limits of eligible districts to offset funding reduction
 - Directed districts to pursue additional Title One funds to “backfill”
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Quality Education Investment Act

- Legislature is amending SB84 language to hold harmless the revenue limits
 - Cut only upon certification by the superintendent of public instruction and the director of finance that an equivalent amount of state or federal funding has been made available
 - Legislature could direct second round of SFSF funds to QEIA districts
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Food Service Fund

Revenues:	Budget	Actual	Variance
Revenue Limit Sources	31,145	33,205	2,060
Federal & State	90,307	98,520	8,213
Local	406,566	380,657	(25,909)
Total Revenues:	528,018	512,382	(15,636)
Expenditures:			
Salaries & Benefits	254,294	255,143	(849)
Supplies	247,097	245,758	1,339
Services	21,311	13,980	7,331
Total Expenditures	522,702	514,881	7,821
Transfers In	0	1,222	1,222
Change in Fund Balance	5,316	-1,277	-6,593
Beginning Balance	9,548	9,548	
Ending Balance	14,864	8,271	-6,593

Fund Balance Components			
Revolving Cash	500	500	
Stores	9,000	7,771	(1,229)
Undesignated	5,364	0	

Future Impacts: AB851

- Consolidation of revenue limit “add-ons” into base revenue limit
 - Meals for Needy
 - Subject to COLA & Deficit
 - Base year is 2007-08
 - \$ per pupil in 2010-11
 - Flat dollar amount in 2011-12 and beyond
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Future Impacts: AB851

- Currently funded on program change
 - Amount per meal free or reduced meal served
 - Subject to COLA
 - \$1.0365 in 2007-08
 - \$1.0806 in 2008-09
 - Changes in response to meals served
 - Meals served in 2007-08 29,622 \$30,703
 - Meals served in 2008-09 37,700 \$40,739



Developer Fee Fund

	08-09 Budget	08-09 Actual	08-09 Variance	09-10 Budget
Revenues:				
State	0	0	0	
Local	116,600	93,668	(22,932)	148,400
Total Revenues:	116,600	93,668	(22,932)	148,400
Expenditures:				
Services	219,674	203,598	16,075	139,255
Total Expenditures	219,674	203,598	16,075	139,255
Other Outgo	9,041	9,041	0	9,041
Change in Fund Balance	-112,115	-118,971	-6,857	104
Beginning Balance	119,296	119,296		325
Ending Balance	7,181	325	-6,857	429

Fund Balance Components				
Assets		39,749		
Cash	1,111			
Prepaid Expenditures	38,638			
Liabilities		39,424		
Accounts Payable	23,424			
Due to Other Funds	16,000			
Fund Balance		325		

Talking Points:

- Changed to annual lease
 - ⌚ Reduced overall costs
 - Changed to 30 day invoicing cycle
 - ⌚ Better match to cash flow
 - ⌚ Flat dollar amount in 2011-12 and beyond
 - Prepaid expenditures
 - ⌚ Rent paid in 08-09 for FY 09-10 is an asset
 - ⌚ One time reduction in costs
 - Developer Fees Collected YTD \$6,000
 - ⌚ Shortfall in revenues requires General Fund \$
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