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Michael C. Watkins, Superintendent • 400 Encinal Street, Santa Cruz, CA 95060 • 831-466-5600 • FAX 831-466-5607 • [www.santacruzcoe.org](http://www.santacruzcoe.org)

September 15, 2016

Michael Shulman  
President, Governing Board  
Scotts Valley Unified School District  
15 Kerry Court  
Scotts Valley, CA 95066

Re: 2016-17 Budget and LCAP Approval and Comments

Dear Mr. Shulman:

In accordance with Education Code Sections 52070 and 42127, the Santa Cruz County Office of Education has reviewed the Local Control Accountability Plan (LCAP) and adopted budget of the Scotts Valley Unified School District for fiscal year 2016-17.

Education Code requires the County Superintendent of Schools to approve the LCAP or annual update for each school district after determining all of the following:

The LCAP adheres to the template adopted by the State Board of Education.

The budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP.

The LCAP adheres to the expenditure requirements for funds apportioned on the basis of the number and concentration of unduplicated students pursuant to Sections 42238.02 and 42238.03.

Education Code requires the County Superintendent to approve, conditionally approve, or disapprove the final adopted budget for each school district after doing the following:

Examine the adopted budget to determine whether it complies with the standards and criteria established pursuant to Section 33127 and identify any technical corrections needed to bring the budget into compliance with those standards and criteria.

Determine whether the adopted budget will allow the district to meet its financial obligations during the current fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments.

Determine whether the adopted budget includes the expenditures necessary to implement the LCAP or annual update to the LCAP.

Our office has completed its review of the district's 2016-17 Adopted Budget and LCAP; both have been **approved**. However, we do want to bring to the board's attention specific budget items noted in the attached documents. The district settled negotiations with its units after preparing the Estimated Actuals and Adopted budget. These items are not included in the Adopted Budget. The district should post all changes due to negotiations and be prepared to display them in the 1<sup>st</sup> Interim report. The outlook for the district will show increases in deficit spending and decreases in ending fund balances.

As the implementation of the Local Control Funding Formula (LCFF) evolves, the district should continue to share information with its stakeholders about the funding formula and its impact on the district's budget, the budget development process and the expectations for the LCAP.

Governor Brown signed the Budget Act for fiscal year 2016-17 on June 27, 2016. The Budget provides increased funding for schools, primarily in the form of \$2.9 billion to continue implementation of LCFF. Additionally, the Budget provides \$1.28 billion in one-time money for mandated costs equal to \$214/ADA.

Education Code Section 42127(i)(4) requires the district to review, and if necessary, revise its budget within 45 days of the Governor signing the annual Budget Act. Any budget revisions identified should have been made available for public review by August 11, 2016.

Assembly Bill (AB) 2756 requires school districts to submit copies of any study or reports that indicate signs or symptoms of fiscal distress to the county office of education. Should the district acquire any such reports or studies during the fiscal year, please submit them to the County Office to the attention of Mary Hart, as soon as they are available.

A complete listing of any technical corrections and/or recommendations related to the adopted budget has been attached and sent directly to your chief business official and Superintendent. Comments related to the LCAP are listed below.

Your district's adopted LCAP has been analyzed in the context of the guidance provided by the California County Superintendents Educational Services Association (CCSESA) and the California Department of Education (CDE). Based on our analysis, the district's LCAP for the 2016-17 fiscal year ***has been approved*** by the Santa Cruz County Superintendent of Schools.

We would like to commend you on the following aspects of your plan:

- The plan provides a strong introduction for the community reader; the addition of the mission, background and vision gives context for the plan's four goals.
- Section 3B gives a clear explanation on how services for unduplicated students are above the base program.
- The plan includes an action that addresses Site Single Plans for Student Achievement that aligns with the LCAP for continuity and increased understanding.

In keeping with the goal of your LCAP as a coherent plan focusing on student achievement and closing the achievement gap, we have provided the following suggestions during our review and approval process to enhance continuous improvement in your district:

- Develop a monitoring tool for tracking plan metrics for the state priorities and your plan actions; the monitoring cycle should be, at a minimum, biannually with a mid-year report to Trustees and stakeholders.

If you have any questions about the LCAP, please contact Mary Anne James, Associate Superintendent of Educational Services at (831) 466-5890 or Kris Stanga, Senior Director of District Support and Leadership at (831) 466-5806. If you have any questions about the adopted budget, please contact Mary Hart, Deputy Superintendent, Business, at (831) 466-5601 or Jean Gardner, Senior Director of Fiscal Services at (831) 466-5604.

The district's budget will be reevaluated at the time of the First Interim Report to determine if the budget should be certified as positive, qualified, or negative. We fully anticipate the district will have a positive certification at that time.

Sincerely,



Michael C. Watkins  
County Superintendent of Schools

MH/lk

c: Tanya Krause , Superintendent, Scotts Valley Unified School District  
Rudolph Ramirez, CBO, Scotts Valley Unified School District  
Mary Hart, SCCOE Deputy Superintendent, Business  
Jean S. Gardner, SCCOE Senior Director, Fiscal Services  
Mary Anne James, SCCOE Associate Superintendent, Educational Services  
Kris Stanga, SCCOE Senior Director, District Support and Leadership

## REVIEW AND APPROVAL OF FISCAL YEAR 2016/17 FINAL ADOPTED BUDGET

TO THE GOVERNING BOARD:

Scotts Valley Unified School District

FROM:

Michael C. Watkins, County Superintendent of Schools  
Santa Cruz County Office of Education

In accordance with the provisions of Education Code Section 42127, a review of the final adopted budget for your district has been completed by this office. A report on that review follows.

### 1. TYPE OF APPROVAL

- ☒ The adopted budget has been approved.
- ☐ The adopted budget has been conditionally approved, see section 5 (recommendations requiring a response).
- ☐ The adopted budget has not been approved.
- ☐ Approval of the adopted budget is being withheld at this time.

**An item marked with an asterisk (\*) indicates (when checked) a conditional approval of your budget requiring the district Superintendent and governing board by October 15<sup>th</sup> to do the following:**

- Review the indicated recommendations and/or technical corrections at a public meeting of the board and, if requested, respond in writing indicating your concurrence or the proposed actions to be taken, if any.

### 2. RESERVES

We have made the following computation of budget year reserves based upon updated prior year information. Adjustments made after this date could further impact the projected ending reserve fund balance.

	Unrestricted	Restricted
Beginning fund balance as adopted per estimated actuals:	3,161,306	704,260
Projected Increase/decrease in fund balance per adopted	\$28,519	(\$244,236)
Ending fund balance per adopted budget:	\$3,189,825	\$460,024
State required unrestricted reserves: \$ 695,655		
District Reserves for Economic Uncertainty (9789) Fund 01:	\$0	
District Reserves for Economic Uncertainty (9789) Fund 17:	\$737,456	
REU percentage per state criteria and standards: 3.00%		
District REU percentage per Interim: 3.52%		
Restricted funds (9780/9740):		460,024
Other unrestricted nonspendable, assigned and committed funds	2,000	
Unassigned funds (9790):	3,187,825	

REVIEW AND APPROVAL OF FISCAL YEAR 2016/17 FINAL ADOPTED BUDGET

Scotts Valley Unified School District

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3. STATEWIDE CRITERIA AND STANDARDS (Ed. Code 33127)

We have reviewed your board adopted budget evaluation based upon state mandated budget criteria and standards for fiscal stability, including narrative(s), if any.

☒ We accept your Summary Review Document calculations as complete and narrative(s) as reasonable.

☐ \* We have made recalculations based upon updated information for the prior fiscal year. See attached.

☐ \* We were unable to base our evaluation on the criteria and standards, as the information was not completed. The district provided no narratives.

4. RECOMMENDATION AND TECHNICAL CORRECTIONS

A. Unrestricted Reserves Available through the Multi-Year Projections (MYP)

☒ Appear to be adequate (as recalculated).

☐ \* Are below state recommended levels for your size district (See Section 5, below).  
Level: 3% of budgeted expenditures or: \$ N/A, whichever is greater.

B. Revenue and Expenditures through the Multi-Year Projections

☐ The revenue appears to be overstated (see Section 5, below).

☒ The total expenditures appear to be understated (see Section 5, below).

☒ The proposed expenditures and transfers out exceed the estimated total revenue.

☒ Total available reserves appear adequate to offset this condition.

☐ \* Total available reserves do not appear adequate to offset this condition, (see Section 5, below).

C. ADA: We recommend budgeting no more revenue limit funding than the state guarantee (prior year ADA). The average daily attendance upon which this budget is based: 2,456

☒ ADA budgeted represents the state guaranteed level of ADA revenue limit funding.

☐ With our prior concurrence, this level of ADA is above the state guaranteed level of revenue limit funding by \_\_\_\_\_ ADA. Actual ADA should be monitored closely.

☐ \* This level of ADA exceeds the state guaranteed level of revenue limit funding by \_\_\_\_\_ ADA. (see Section 5, below).

D. Other Recommendations

☒ See Section 5 for details.

☐ \* See Section 5 for details (response required).

# REVIEW AND APPROVAL OF FISCAL YEAR 2016/17 FINAL ADOPTED BUDGET

Scotts Valley Unified School District

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## E. Technical Corrections

☐

Other technical corrections have been made to your final adopted budget as explained in Section 5, below.

## 5. DESCRIPTION OF RECOMMENDATIONS AND TECHNICAL CORRECTIONS

SECTION NUMBER	DESCRIPTION
B-1	According to the district's multi-year projections, the district is not projecting to deficit spend in the unrestricted resources in the budget year. The district is projecting to deficit spend in these resources in 2017-18 by \$168,582 and in 2018-19 by \$372,424. The district prepared and presented an AB1200 public disclosure document at the same board meeting as the 2016-17 budget was presented. The deficit spending based on the disclosure will increase due to the salary increases in all three years. The district should closely monitor the spending as ADA is also projected to decline which affects the overall funding to the district.
C-1	The district is projecting a decrease of approximately 19 ADA in the budget year, no change in 2017-18 and an increase of 7.68 ADA in 2018-19. District operational revenues under the Local Control Funding Formula (LCFF) are projected based on the the prior year P2 ADA guarantee for the current and first subsequent fiscal year. ADA had increased in the district in 2014-15 but prior to that, the district had experienced several years of declining enrollment. The district should continue to monitor the enrollment and ADA closely.
D-1	We note that the district has conservatively budgeted the gap funding percentages for its projected LCFF funding increase in fiscal years 2017-18 and 2018-19 in the multi-year projections based on the School Services of California published Dartboard. This is prudent as we have seen large fluctuations in the gap funding estimates. The district has also experienced declining enrollment and as mentioned above recently given a salary increase since the beginning of last fiscal year. The district is currently projecting a 12.54% disadvantaged student population. As in the previous year this percentage does allocate additional revenues to the district under the new formula and is those additional revenues are accounted for in the overall LCFF revenue. The district has budgeted \$214 per ADA for the Mandate Reimbursement in FY 2016-17. The district's State Revenues show a decrease in the multi-year projections as is appropriate for the reduction of other one-time funds.
D-2	Contributions to restricted programs are projected to decrease by 6.2% in the budget year, increase by 1.3% in 2017-18, and increase by 5.3% in 2018-19. Contributions in the budget year total \$3.6 million and are due to the cost of Special Education (83.2%) and the contribution to Routine Restricted Maintenance (16.8%).
D-3	At this time, the district has a good cash balance and does not anticipate any cash flow problems in the budget year.
	This section is continued on the next page...
	* Item requires specific board action (see Section I).

5. DESCRIPTION OF RECOMMENDATIONS AND TECHNICAL CORRECTIONS continued...

SECTION & COMMENT NUMBER	DESCRIPTION
	Continued from previous page...
D-4	With the salary increase, increases in FTE's and retirees, it is highly recommended the district re-evaluate its expenditure budgets in all the employee salary and benefits (1000-3000 expenditure categories) and materials and supplies (4000 expenditure category) to ensure budget levels are adequate once all the salary changes are incorporated into the 2016-17 budget and MYP. The supply budgets vary greatly in the current and subsequent years. This can be partially due to one-time funding but should be investigated.
D-5	Negotiations were not settled with the district's Certificated bargaining unit for the budget year and compensation issues were also not settled with the unrepresented groups at the time of the preparation of the district's 2016-17 adopted budget. Health and Welfare benefit increases are budgeted in line with the district's rolling cap. The district has budgeted a 5% increase in the medical plan in the budget year and the subsequent two fiscal years. No other salary increases beyond step and column advancements are included in the budget or multi-year projections. The district settled for 2015-16 in June and so was not able to include those costs in the applicable expenditure lines for salaries and benefits.
D-6	As we have previously noted, the district is currently repaying its Certificates of Participation (COPS) with Redevelopment Agency (RDA) pass-through funds. The payment schedule for the RDA's 2009 Lease Revenue Bonds Series A extends to October, 2039, so the COPS debt is in place for 23 more years. Current statute requires that pass-through payments are terminated once the dissolved RDA has repaid all its debt although new legislation could always be introduced at a later date. The district is currently paying about \$250,000 per year to repay its COPS. If the RDA pass-through funds are terminated before the COPS are repaid, this payment will become the obligation of the district's General Fund. It would be prudent for the district to assign a portion of its fund balance for at least one annual payment in the event that these revenues cease.
D-7	Preliminary COE analysis of the district's expenditures (the books were not closed at the time of the analysis) indicated that the district may have a higher ending fund balance at unaudited actuals than projected at estimated actuals, which is typical for school districts as line item supply budgets are generally not completely spent. The district's salary and benefit costs for 2015-16 appear slightly higher than the estimates, but the supply budgets do appear to have enough unspent funds to suggest a higher ending fund balance at unaudited.
	* Item requires specific board action (see Section I).

REVIEW AND APPROVAL OF FISCAL YEAR 2016/17 FINAL ADOPTED BUDGET

Scotts Valley Unified School District

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5. DESCRIPTION OF RECOMMENDATIONS AND TECHNICAL CORRECTIONS continued...

SECTION & COMMENT NUMBER	DESCRIPTION
	Continued from previous page...
D-8	The district's parcel tax ended on June 30, 2015. The annual revenue was \$289,000.
D-9	The district maintains its reserves for economic uncertainty (REU) in Fund 17, the Special Reserve Fund for Other than Capital Outlay. The district is currently projecting adequate reserves in this fund for all three years displayed in the multi-year projections.
D-10	According to the district's criteria and standards document, the district has an unfunded actuarially accrued liability (UAAL) for other post-employment benefits (OPEB) of \$2.2 million, as of the district's latest actuarial report dated August 6, 2013. The district is currently handling these costs on a pay-as-you-go basis and is estimating these costs at \$104,000 in the budget year, \$110,000 in 2017-18 and \$118,000 in 2018-19.
	* Item requires specific board action (see Section 1).

☐

This section is required based on review:

<b>PROPOSED BOARD ACTION:</b>	
Signed: _____	Date: _____
<b>CONCURRED:</b>	
Signed: _____	Date: _____

EXAMINED BY COUNTY SUPERINTENDENT OF SCHOOLS:

BY: Michael C. Watkins  
Michael C. Watkins  
County Superintendent of Schools

Date: 9/15/16

cc: District Superintendent  
District Business Office  
County Business Office

Revised: 7/2010



## FINANCIAL ANALYSIS OF GENERAL FUND

GENERAL FUND	2012/13	2013/14	2014/15	2015/16	2016/17	Change Between 14/15 EA & 15/16 EA	2017/18	Change Between 16/17 & 17/18	2018/19	Change Between 17/18 & 18/19
	Unaudited Actuals	Unaudited Actuals	Unaudited Actuals	Estimated Actuals	Adopted Budget	15/16 EA AR	Projected Budget	Projected Budget	Projected Budget	Projected Budget
<b>Revenues</b>										
8010-8099 Local Control Funding Formula	\$ 12,823,115	\$ 14,400,498	\$ 16,168,732	\$ 18,387,582	\$ 19,369,896	13.7%	\$ 19,435,529	0.3%	\$ 19,960,471	2.7%
8100-8299 Federal	605,710	713,871	673,794	671,790	719,696	-0.3%	719,696	0.0%	719,616	0.0%
8300-8599 Other State	1,783,497	1,231,208	1,384,361	2,675,332	1,995,638	93.3%	663,759	-66.7%	663,759	0.0%
8600-8799 Other Local	2,583,617	2,360,529	2,213,875	1,600,587	887,544	-27.7%	886,730	-0.1%	887,730	0.1%
8810-8929 Interfund Transfers In	-	-	-	-	-	-	-	-	-	-
8930-8979 Other Sources	-	-	-	-	-	-	-	-	-	-
8980 Contributions From Unrestricted	-	-	-	-	-	-	-	-	-	-
8990 Contributions From Restricted	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue, Transfers, and Other Sources</b>	<b>\$ 17,795,939</b>	<b>\$ 18,706,107</b>	<b>\$ 20,440,763</b>	<b>\$ 23,335,291</b>	<b>\$ 22,972,774</b>	<b>14.2%</b>	<b>\$ 21,705,714</b>	<b>-5.5%</b>	<b>\$ 22,231,576</b>	<b>2.4%</b>
<b>Expenditures</b>										
1000-1999 Certificated Salary	\$ 7,958,896	\$ 8,488,573	\$ 9,235,227	\$ 9,344,710	\$ 9,444,577	1.2%	\$ 9,614,127	1.8%	\$ 9,794,899	1.9%
2000-2999 Classified Salary	2,181,141	2,368,563	2,452,978	2,228,091	2,163,410	-9.2%	2,195,861	1.5%	2,228,799	1.5%
3000-3999 Employee Benefit	4,226,369	4,344,567	5,305,754	5,730,801	6,160,113	8.0%	5,883,401	-7.5%	6,309,419	7.2%
4000-4999 Bonds & Supplies	679,425	704,124	1,003,101	1,870,341	1,429,128	86.5%	586,976	-23.6%	586,976	0.0%
5000-5999 Services & Other Operating Expenditures	2,462,499	2,778,752	2,735,336	3,947,692	3,671,071	44.3%	3,567,538	-2.8%	3,567,538	0.0%
6000-6599 Capital Outlay	25,241	14,304	165,276	-	-	-100.0%	-	-	-	0.0%
7100-7299 Other Outgo	263,859	263,063	275,324	267,045	270,193	-3.0%	251,393	-7.0%	251,393	0.0%
7300-7399 Direct & Indirect Support	-	-	50,000	50,000	50,000	0.0%	50,000	0.0%	50,000	0.0%
7610-7629 Interfund Transfers Out	-	-	-	-	-	-	-	-	-	-
7630-7699 Other Uses	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures, Transfers, and Other Uses</b>	<b>\$ 17,797,430</b>	<b>\$ 18,961,946</b>	<b>\$ 21,222,995</b>	<b>\$ 23,438,680</b>	<b>\$ 23,188,491</b>	<b>10.4%</b>	<b>\$ 22,149,296</b>	<b>-4.5%</b>	<b>\$ 22,789,024</b>	<b>2.9%</b>
<b>Excess (Deficiency)</b>	<b>\$ (1,491)</b>	<b>\$ (255,840)</b>	<b>\$ (782,233)</b>	<b>\$ (103,389)</b>	<b>\$ (215,717)</b>	<b>-86.8%</b>	<b>\$ (443,582)</b>	<b>105.6%</b>	<b>\$ (557,448)</b>	<b>25.7%</b>
<b>Beginning Balance</b>	<b>\$ 5,008,518</b>	<b>\$ 5,007,027</b>	<b>\$ 4,751,187</b>	<b>\$ 3,966,955</b>	<b>\$ 3,865,566</b>	<b>-16.5%</b>	<b>\$ 3,649,849</b>	<b>-5.6%</b>	<b>\$ 3,206,267</b>	<b>-12.2%</b>
<b>Audit Adjustments / Restatements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>\$ 5,007,027</b>	<b>\$ 4,751,187</b>	<b>\$ 3,968,955</b>	<b>\$ 3,865,566</b>	<b>\$ 3,649,849</b>	<b>-2.6%</b>	<b>\$ 3,206,267</b>	<b>-12.2%</b>	<b>\$ 2,648,820</b>	<b>-17.4%</b>
<b>Reserves:</b>										
Normal Reserve Level per Criteria & Standards	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
<b>Recommended REU (Computed in CES)</b>	<b>\$ 533,923</b>	<b>\$ 589,735</b>	<b>\$ 636,690</b>	<b>\$ 703,160</b>	<b>\$ 695,655</b>	<b>10.4%</b>	<b>\$ 664,479</b>	<b>-4.5%</b>	<b>\$ 683,671</b>	<b>2.9%</b>
<b>Reserves per District (REU 9789)</b>										
Revolving Cash / Nonspendable	2,000	2,000	2,000	2,000	2,000	0.0%	2,000	0.0%	2,000	0.0%
Stores / Prepaid Expenditures/ All Other	2,616	4,378	12,281	704,260	460,024	-100.0%	185,024	-59.8%	(0)	-100.0%
Restricted	918,294	1,531,681	1,162,029	3,159,306	3,187,825	-39.4%	3,019,244	-5.3%	2,646,820	-12.3%
Committed	194,437	184,598	2,792,645	(0)	-	13.1%	-	-	-	-
Assigned	3,889,679	3,028,530	-	-	-	-100.0%	-	-	-	-
Unassigned	\$ 4,085,649	\$ 3,354,364	\$ 2,896,911	\$ 3,193,602	\$ 3,233,127	10.2%	\$ 3,098,221	-4.2%	\$ 2,709,371	-12.6%
<b>Excess (Deficiency) above state recommended REU</b>	<b>2,340,997</b>	<b>2,981,969</b>	<b>3,327,792</b>	<b>3,828,324</b>	<b>3,591,617</b>	<b>15.0%</b>	<b>3,639,985</b>	<b>1.3%</b>	<b>3,833,450</b>	<b>5.3%</b>
<b>Contributions to Restricted Programs</b>										
<b>Average Daily Attendance</b>										
Total P-2 ADA	2,395	2,397	2,404	2,465	2,446	2.6%	2,446	0.0%	2,454	0.3%
ADA Transfer (COE)	(12)	(14)	13	9	9	-29.2%	9	0.0%	9	0.0%
District Only P-2 ADA	2,383	2,383	2,391	2,456	2,437	2.7%	2,437	0.0%	2,445	0.3%
Funded ADA (District Only)	2,395	2,383	2,391	2,456	2,456	2.7%	2,437	-0.8%	2,445	0.3%
Net Shift of Charter ADA (to and from District)	2,395	2,383	2,383	2,391	2,456	0.4%	2,437	-0.8%	2,437	0.0%
Prior Year ADA Guarantee	-	-	-	-	-	-	-	-	-	-
Total Charter ADA	2,479	2,474	2,487	2,545	2,548	2.3%	2,548	0.1%	2,556	0.3%
CBEDS Enrollment	96.1%	96.3%	96.1%	96.5%	95.6%	-	95.6%	-	95.7%	-
Enrollment to ADA Ratio										
<b>Special Reserve Fund 17</b>	<b>\$ 728,350</b>	<b>\$ 730,970</b>	<b>\$ 740,956</b>	<b>\$ 737,456</b>	<b>\$ 740,956</b>	<b>0.5%</b>	<b>\$ 743,456</b>	<b>0.3%</b>	<b>\$ 746,222</b>	<b>0.4%</b>

**SCOTT'S VALLEY UNIFIED SCHOOL DISTRICT**  
**ALL FUNDS SUMMARY**  
**2016/17**  
**Adopted Budget**

	01 General	13 Cafeteria	14 Deferred Maintenance	17 Special Reserve	21 Building	25 Capital Facilities	40 Spec Reserve Capital Outlay	51 Bond Interest Redemption	Total All Funds
<b>Revenue</b>									
8000-8099 LCFF	\$ 19,369,896	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,369,896
8100-8299 Federal Revenue	719,696	125,000	-	-	-	-	-	-	844,696
8300-8599 State Revenue	1,995,638	9,900	-	-	-	-	-	-	2,005,538
8600-8699 Local Revenue	887,544	355,250	50	3,500	60,000	100,000	-	-	1,406,344
<b>Total Revenue</b>	<b>\$ 22,972,774</b>	<b>\$ 490,150</b>	<b>\$ 50</b>	<b>\$ 3,500</b>	<b>\$ 60,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,626,474</b>
<b>Expenditures</b>									
1000 Certificated Salaries	\$ 9,444,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,444,577
2000 Classified Salaries	2,163,410	173,696	-	-	-	-	-	-	2,337,106
3000 Employee Benefits	6,160,113	82,904	-	-	-	-	-	-	6,243,017
4000 Books & Supplies	1,429,128	237,300	-	-	-	-	-	-	1,666,428
5000 Services & Other Oper.	3,671,071	8,615	80,000	-	155,000	83,000	15,000	-	4,012,686
6000 Equipment	-	-	-	-	9,845,000	-	-	-	9,845,000
7100-7299 Other Outgo (74XX)	270,193	-	-	-	-	-	-	-	270,193
7300 Indirect Costs	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 23,138,491</b>	<b>\$ 502,515</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ 10,000,000</b>	<b>\$ 83,000</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 33,819,006</b>
<b>Excess (Deficiency)</b>	<b>\$ (165,717)</b>	<b>\$ (12,365)</b>	<b>\$ (79,950)</b>	<b>\$ 3,500</b>	<b>\$ (9,940,000)</b>	<b>\$ 17,000</b>	<b>\$ (15,000)</b>	<b>\$ -</b>	<b>\$ (10,192,532)</b>
<b>Other Sources/Uses</b>									
89XX Transfers In	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
8930-8979 Other Sources	-	-	-	-	-	-	-	-	-
7610-7629 Transfers Out	50,000	-	-	-	-	-	-	-	-
7630-7699 Other Uses	-	-	-	-	-	-	-	-	50,000
<b>Total Other Sources/Uses</b>	<b>\$ (50,000)</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Incr (Decr) in Fund Balance</b>	<b>\$ (215,717)</b>	<b>\$ (12,365)</b>	<b>\$ (29,950)</b>	<b>\$ 3,500</b>	<b>\$ (9,940,000)</b>	<b>\$ 17,000</b>	<b>\$ (15,000)</b>	<b>\$ -</b>	<b>\$ (10,192,532)</b>
<b>Beginning Fund Balance</b>	<b>\$ 3,865,566</b>	<b>\$ 52,816</b>	<b>\$ 72,387</b>	<b>\$ 737,456</b>	<b>\$ 13,340,956</b>	<b>\$ 335,412</b>	<b>\$ 24,205</b>	<b>\$ 2,097,532</b>	<b>\$ 20,526,330</b>
Audit Adjustments/Restatements	-	-	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ 3,649,849</b>	<b>\$ 40,450</b>	<b>\$ 42,437</b>	<b>\$ 740,956</b>	<b>\$ 3,400,956</b>	<b>\$ 352,412</b>	<b>\$ 9,205</b>	<b>\$ 2,097,532</b>	<b>\$ 10,333,798</b>
Deficit (Surplus) as % of Fund Balance	-5.6%	-23.4%	-41.4%	0.5%	-74.5%	5.1%	-62.0%	0.0%	-49.7%

**SCOTT'S VALLEY UNIFIED SCHOOL DISTRICT**  
**ALL FUNDS SUMMARY**  
**2015/16**  
**ESTIMATED ACTUALS**

	01 General	13 Cafeteria	14 Deferred Maintenance	17 Special Reserve	21 Building	25 Capital Facilities	40 Spec Reserve Capital Outlay	51 Bond Interest Redemption	Total All Funds
<b>Revenue</b>									
8000-8099 LCFF	\$ 18,387,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,387,582
8100-8299 Federal Revenue	671,790	125,000	-	-	-	-	-	-	796,790
8300-8599 State Revenue	2,675,332	9,900	-	-	-	-	-	-	2,685,232
8600-8699 Local Revenue	1,600,587	335,250	95	3,115	90,000	101,280	-	-	2,130,327
<b>Total Revenue</b>	<b>\$ 23,335,291</b>	<b>\$ 470,150</b>	<b>\$ 95</b>	<b>\$ 3,115</b>	<b>\$ 90,000</b>	<b>\$ 101,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,999,931</b>
<b>Expenditures</b>									
1000 Certificated Salaries	\$ 9,344,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,344,710
2000 Classified Salaries	2,228,091	164,634	-	-	-	-	-	-	2,392,725
3000 Employee Benefits	5,730,801	76,713	-	-	-	-	-	-	5,807,514
4000 Books & Supplies	1,870,341	227,500	-	-	-	-	2,000	-	2,099,841
5000 Services & Other Oper.	3,947,692	6,815	70,000	-	56,000	81,206	17,000	-	4,178,713
6000 Equipment	-	-	-	-	1,469,000	-	-	-	1,469,000
7100-7299 Other Outgo (74XX)	267,045	-	-	-	-	-	-	-	267,045
7300 Indirect Costs	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 23,388,680</b>	<b>\$ 475,662</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ 1,525,000</b>	<b>\$ 81,206</b>	<b>\$ 19,000</b>	<b>\$ -</b>	<b>\$ 25,559,548</b>
<b>Excess (Deficiency)</b>	<b>\$ 23,388,680</b>	<b>\$ (5,512)</b>	<b>\$ (69,905)</b>	<b>\$ 3,115</b>	<b>\$ (1,435,000)</b>	<b>\$ 20,074</b>	<b>\$ (19,000)</b>	<b>\$ -</b>	<b>\$ 21,882,452</b>
<b>Other Sources/Uses</b>									
89XX Transfers In	\$ -	\$ -	\$ 50,000	-	-	-	-	-	\$ 50,000
8930-8979 Other Sources	-	-	-	-	-	-	-	-	-
7610-7629 Transfers Out	50,000	-	-	-	-	-	-	-	-
7630-7699 Other Uses	-	-	-	-	-	-	-	-	50,000
<b>Total Other Sources/Uses</b>	<b>\$ (50,000)</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Incr (Decr) in Fund Balance</b>	<b>\$ (103,389)</b>	<b>\$ (5,512)</b>	<b>\$ (19,905)</b>	<b>\$ 3,115</b>	<b>\$ (1,435,000)</b>	<b>\$ 20,074</b>	<b>\$ (19,000)</b>	<b>\$ -</b>	<b>\$ (1,559,617)</b>
<b>Beginning Fund Balance</b>	<b>\$ 4,751,187</b>	<b>\$ 58,328</b>	<b>\$ 92,292</b>	<b>\$ 734,341</b>	<b>\$ 14,775,956</b>	<b>\$ 315,338</b>	<b>\$ 43,205</b>	<b>\$ 2,097,532</b>	<b>\$ 22,868,180</b>
<b>Audit Adjustments/Restatements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>\$ 3,958,955</b>	<b>\$ 52,816</b>	<b>\$ 72,387</b>	<b>\$ 737,456</b>	<b>\$ 13,340,956</b>	<b>\$ 335,412</b>	<b>\$ 24,205</b>	<b>\$ 2,097,532</b>	<b>\$ 21,308,563</b>
<b>Deficit (Surplus) as % of Fund Balance</b>	<b>-2.2%</b>	<b>-9.5%</b>	<b>-21.6%</b>	<b>0.4%</b>	<b>-9.7%</b>	<b>6.4%</b>	<b>-44.0%</b>	<b>0.0%</b>	<b>-6.8%</b>

SANTA CRUZ COUNTY SCHOOLS

SCOTT'S VALLEY UNIFIED SCHOOL DISTRICT

FINANCIAL ANALYSIS OF GENERAL FUND UNRESTRICTED AND RESTRICTED MONIES

GENERAL FUND	2014/15			2015-16			2016/17			2017/18			2018/19		
	Unaudited Actuals			Estimated Actuals			Adopted Budget			Projected Budget			Projected Budget		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Revenues:</b>															
8010-2090 Local Control Funding Formula	\$ 16,168,732	\$ 672,894	\$ 16,841,626	\$ 18,387,582	\$ 671,790	\$ 19,059,372	\$ 19,369,896	\$ 719,696	\$ 20,089,592	\$ 19,435,529	\$ 719,696	\$ 20,155,225	\$ 19,960,471	\$ 719,616	\$ 20,680,087
8300-2299 Federal	578,624	805,737	1,384,361	1,667,858	1,007,474	2,675,332	965,382	1,030,246	1,995,628	445,470	823,810	1,269,280	495,470	218,289	713,759
8600-3799 Other State	52,392	2,161,483	2,213,875	1,515,468	1,600,567	3,116,035	62,920	887,544	950,464	886,720	63,920	950,640	823,810	63,920	887,730
8910-3929 Interfund Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8920-3979 Other Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8960 Contributions From Unrestricted	3,327,792	-	3,327,792	-	-	-	3,591,617	-	3,591,617	-	-	-	-	-	-
8970 Contributions From Restricted	-	-	-	(3,828,324)	3,828,324	-	(3,591,617)	-	-	(3,639,985)	-	-	(3,833,450)	-	-
<b>Total Revenue, Transfers, and Other Sources</b>	<b>\$ 13,472,856</b>	<b>\$ 9,667,907</b>	<b>\$ 23,140,763</b>	<b>\$ 16,314,255</b>	<b>\$ 7,021,036</b>	<b>\$ 23,335,291</b>	<b>\$ 16,806,593</b>	<b>\$ 6,180,183</b>	<b>\$ 22,986,776</b>	<b>\$ 16,303,934</b>	<b>\$ 5,401,780</b>	<b>\$ 21,705,714</b>	<b>\$ 16,636,411</b>	<b>\$ 5,595,165</b>	<b>\$ 22,231,576</b>
<b>Expenditures:</b>															
1000-3999 Certificated Salary	\$ 7,295,563	\$ 1,939,664	\$ 9,235,227	\$ 7,827,273	\$ 1,517,437	\$ 9,344,710	\$ 8,051,052	\$ 1,393,675	\$ 9,444,727	\$ 8,195,518	\$ 1,418,698	\$ 9,614,217	\$ 8,390,796	\$ 1,444,144	\$ 9,834,940
1010-3999 Classified Salary	1,488,886	994,082	2,482,968	1,465,888	762,203	2,228,091	1,501,877	661,532	2,163,409	1,529,110	655,122	2,184,232	1,547,272	681,527	2,225,799
1020-3999 Other Personnel	3,822,436	1,483,318	5,305,754	4,266,721	1,464,080	5,730,801	4,546,616	1,613,497	6,160,113	4,927,288	955,112	5,882,400	5,286,505	1,023,914	6,906,419
4000-4999 Books & Supplies	1,259,986	943,133	2,203,119	816,388	1,053,953	1,870,341	1,100,834	328,294	1,429,128	266,410	320,565	586,675	230,565	1,086,662	1,317,240
5000-5999 Services & Other Operating Expenditures	1,259,986	943,133	2,203,119	1,709,602	2,238,090	3,947,692	1,678,676	1,992,395	3,671,071	1,678,676	1,888,162	3,567,838	1,678,676	1,888,162	5,456,000
6000-6999 Capital Outlay	20,916	144,360	165,276	15,652	251,393	267,045	18,800	281,393	300,193	169,783	251,393	421,176	169,783	251,393	592,569
7100-7299 Other Outgo	23,811	251,393	275,204	15,652	251,393	267,045	18,800	281,393	300,193	169,783	251,393	421,176	169,783	251,393	592,569
7300-7399 Direct & Indirect Support	(235,759)	235,759	-	(197,649)	191,649	-	(169,783)	169,783	-	50,000	169,783	-	50,000	169,783	-
7610-7629 Interfund Transfers Out	50,000	-	50,000	50,000	-	50,000	50,000	-	50,000	-	-	-	-	-	-
7620-7699 Other Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures, Transfers, and Other Uses</b>	<b>\$ 13,485,437</b>	<b>\$ 7,337,538</b>	<b>\$ 20,822,975</b>	<b>\$ 15,959,875</b>	<b>\$ 7,478,805</b>	<b>\$ 23,438,680</b>	<b>\$ 16,778,072</b>	<b>\$ 6,410,439</b>	<b>\$ 23,188,511</b>	<b>\$ 16,472,516</b>	<b>\$ 5,676,780</b>	<b>\$ 22,149,296</b>	<b>\$ 17,008,835</b>	<b>\$ 5,790,189</b>	<b>\$ 22,789,024</b>
<b>Excess (Deficiency)</b>	<b>\$ (412,581)</b>	<b>\$ (349,631)</b>	<b>\$ (762,212)</b>	<b>\$ 354,381</b>	<b>\$ (457,770)</b>	<b>\$ (103,389)</b>	<b>\$ 28,519</b>	<b>\$ (244,236)</b>	<b>\$ (215,717)</b>	<b>\$ (168,582)</b>	<b>\$ (275,000)</b>	<b>\$ (443,582)</b>	<b>\$ (372,424)</b>	<b>\$ (185,024)</b>	<b>\$ (557,448)</b>
<b>Beginning Balance</b>	<b>\$ 3,219,506</b>	<b>\$ 1,531,681</b>	<b>\$ 4,751,187</b>	<b>\$ 2,806,925</b>	<b>\$ 1,162,029</b>	<b>\$ 3,968,954</b>	<b>\$ 3,161,306</b>	<b>\$ 704,260</b>	<b>\$ 3,865,566</b>	<b>\$ 3,109,825</b>	<b>\$ 460,024</b>	<b>\$ 3,569,849</b>	<b>\$ 3,021,244</b>	<b>\$ 185,024</b>	<b>\$ 3,206,267</b>
<b>Ending Balance</b>	<b>\$ 2,806,925</b>	<b>\$ 1,162,029</b>	<b>\$ 3,968,954</b>	<b>\$ 3,161,306</b>	<b>\$ 704,260</b>	<b>\$ 3,865,566</b>	<b>\$ 3,109,825</b>	<b>\$ 460,024</b>	<b>\$ 3,569,849</b>	<b>\$ 3,021,244</b>	<b>\$ 185,024</b>	<b>\$ 3,206,267</b>	<b>\$ 2,648,820</b>	<b>\$ (0)</b>	<b>\$ 2,648,820</b>
<b>Reserves:</b>															
Minimum Reserve Level per Criteria & Standards	3%	-	-	3%	-	-	3%	-	-	3%	-	-	3%	-	-
Recommended NEU (Computed in GAS)	\$ 636,680	-	\$ 636,680	\$ 703,160	-	\$ 703,160	\$ 695,655	-	\$ 695,655	\$ 664,479	-	\$ 664,479	\$ 683,671	-	\$ 683,671
<b>Reserves per District (NEU 9789)</b>															
Total P2 ADA	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 2,000	\$ 2,000	\$ 4,000
State / Local / Federal / Other	12,281	1,162,029	1,174,310	704,260	704,260	1,408,520	460,024	460,024	920,048	185,024	185,024	370,048	185,024	185,024	370,048
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	2,792,645	-	2,792,645	3,159,306	-	3,159,306	3,187,825	-	3,187,825	3,012,244	-	3,012,244	2,646,820	-	2,646,820
Unassigned	-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-
Excess (Deficiency) above state recommended NEU	\$ 2,806,911	\$ 1,162,029	\$ 3,968,940	\$ 3,192,602	\$ 704,260	\$ 3,896,862	\$ 3,233,127	\$ 460,024	\$ 3,693,151	\$ 3,088,221	\$ 185,024	\$ 3,273,245	\$ 2,648,820	\$ (0)	\$ 2,648,820
Contributions to Restricted Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Average Daily Attendance</b>															
Total P2 ADA	2,403.60	2,403.60	4,807.20	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38
ADA Transfer (COE)	12.281	1,162,029	1,174,310	704,260	704,260	1,408,520	460,024	460,024	920,048	185,024	185,024	370,048	185,024	185,024	370,048
District Only P2 ADA	2,391.32	2,391.32	4,782.64	2,455.26	2,455.26	4,926.12	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38
State ADA (District Only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local ADA (District Only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal ADA (District Only)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Year ADA	2,382.57	2,382.57	4,765.14	2,455.26	2,455.26	4,926.12	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38
Total Charter ADA	2,382.57	2,382.57	4,765.14	2,455.26	2,455.26	4,926.12	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38	2,465.19	2,465.19	4,930.38
CBEDS Enrollment	2,467	2,467	4,934	2,545	2,545	5,089	2,545	2,545	5,089	2,545	2,545	5,089	2,545	2,545	5,089
Enrollment to ADA Ratio	96.1%	96.1%	96.1%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%	96.5%
<b>Special Reserve Fund 17</b>	<b>\$ 740,956</b>	<b>\$ 737,456</b>	<b>\$ 1,478,412</b>	<b>\$ 737,456</b>	<b>\$ 737,456</b>	<b>\$ 1,474,912</b>	<b>\$ 740,956</b>	<b>\$ 737,456</b>	<b>\$ 1,478,412</b>	<b>\$ 743,456</b>	<b>\$ 743,456</b>	<b>\$ 1,486,912</b>	<b>\$ 746,222</b>	<b>\$ 746,222</b>	<b>\$ 1,492,444</b>