



Eastmont School District

Fiscal Year 2007-2008
Recommended Budget
As Presented for Public Hearing
June 25, 2007

Presentation Summary

- Overview Budget Development Process
- Review Recommended Budget for:
 - General Fund
 - Associated Student Body Fund
 - Debt Service Fund
 - Capital Project Fund
 - Transportation Vehicle Fund
- Next Steps

Proposed 2007-2008 Budget

- The Budget is the financial plan that provides an estimate of the cost of operations, by fund, for the fiscal year September 1st to August 31st as well as an estimate of the resources used to finance those costs.
- Form F-195 is the official document required by the Office of the Superintendent of Public Instruction (OSPI) that must be used to report the district's budget.
- The Budget establishes the maximum spending amount for each fund.
- All funds will have a budget where total resources equal or exceed total expenditures. (Total resources=Beginning Fund Balance + Estimated Revenues)

Proposed 2007-2008 Budget

- Eastmont School District prepares a budget for the following 5 funds:
 - **General Fund** – used to account for all the instructional and ordinary operations of the school district
 - **Associated Student Body Fund** – used to account for student activities such as clubs, classes, athletics and student government.
 - **Capital Projects Fund** – used to account for the acquisition of land and/or facilities as well as major renovation and remodeling of existing facilities or systems.
 - **Transportation Vehicle Fund** – used to account for the purchase, major repair, rebuilding and related debt service incurred for pupil transportation equipment.
 - **Debt Service Fund** – used to account for the principal and interest payments on outstanding debt.

2007-2008 Budget Development

- The focus of the development of the 2007-2008 Budget continued to be providing a high quality education while recognizing the limited resources available and maintaining as efficient operations as possible.
- Budget management is the process of:
 - regulating expenditures during the fiscal year to ensure that expenditures do not exceed authorized amounts.
 - Ensure expenditures must also be for intended and legal purposes.

2007-2008 Budget Preparation Timeline

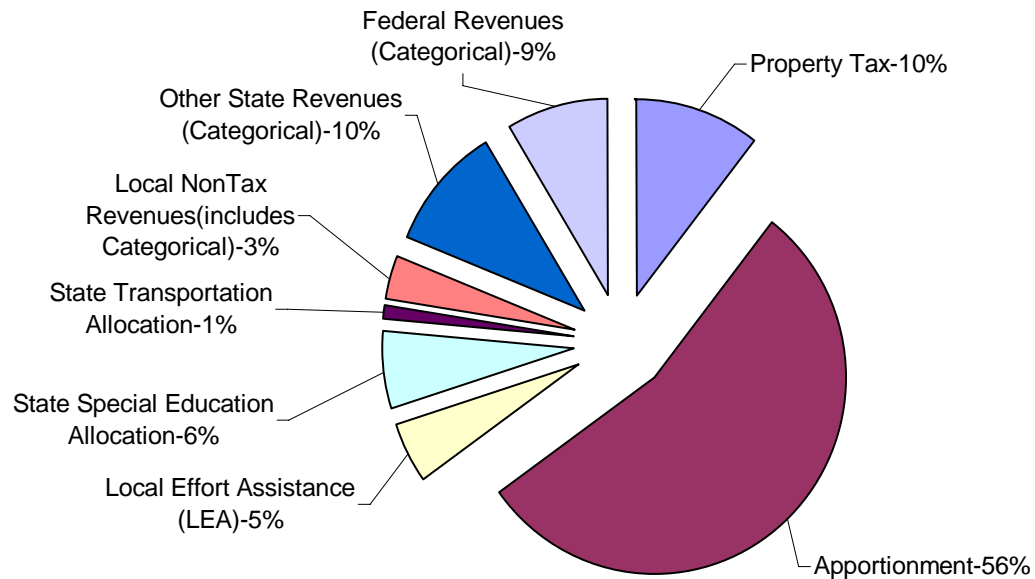
<u>Date</u>	<u>Description</u>
Dec/Jan	Monitor current enrollment and create initial projection for FY 2007-08
1-Feb-07	Begin work on enrollment projections for 2007-2008
12-Feb-07	Budget Memo #1: 2007-2008 Budget Timeline - Board Information
26-Feb-07	Budget Memo #2: Preliminary Enrollment Projections - Board Information
12-Mar-07	Budget Memo #3: Recommended Enrollment Projections - Board Information
March/April 2007	Legislative Session Ends; impacts analyzed
26-Mar-07	Preliminary Basic Ed and Special Program Allocations Distributed to Buildings
26-Mar-07	ASB Budget Worksheets distributed
23-Apr-07	Allocation Redistribution due from Buildings
23-Apr-07	ASB Budgets due from Schools
23-Apr-07	I-728 Committee 2007-08 Recommendations to Board**
21-May-07	School ASB Budgets Presented to Board - Board Presentation
11-Jun-07	Publish First Notice of Public Hearing
18-Jun-07	Publish Second Notice of Public Hearing
	Public Hearing Proposed Budget for all Funds of District
25-Jun-07	Budget Memo #4: Budget Summary Review and Study Session on all fund budgets (GF, CPF, DSF, TVF, ASB)
16-Jul-07	Budget Memo #5: Adoption of 2007-2008 Budgets for all funds of the district (GF, CPF, DSF, TVF, ASB)
20-Jul-07	Forward copy of Approved Budget to North Central ESD
27-Jul-07	Convert Financial/Human Resource software to WESPac

General Fund-Revenue Estimates

- **Enrollment and Certificated Staff Counts are the main driver in determining the amount of funding that a school district receives from the State. The FY 2007-2008 budget includes the 11.5 new certificated staff:**
 - **3.5 funded in Basic Education**
 - **4.0 funded in I728 (One Full Day Kindergarten at 4 elementaries)**
 - **4.0 funded in other special programs (Special Ed/Title/Migrant/Bilingual)**
- **Our enrollment projection is based on analyzing grade move up in consideration with past trends and current patterns.**
- **Average K-12 for 2007-2008 enrollment, excluding the Skill Center, is estimated to be 5,055 AAFTE.**
 - **Increase of 105 FTE from prior year budget**
 - **Estimate is 25 FTE less than FY 2006-2007 actual**

General Fund-Revenue Estimates

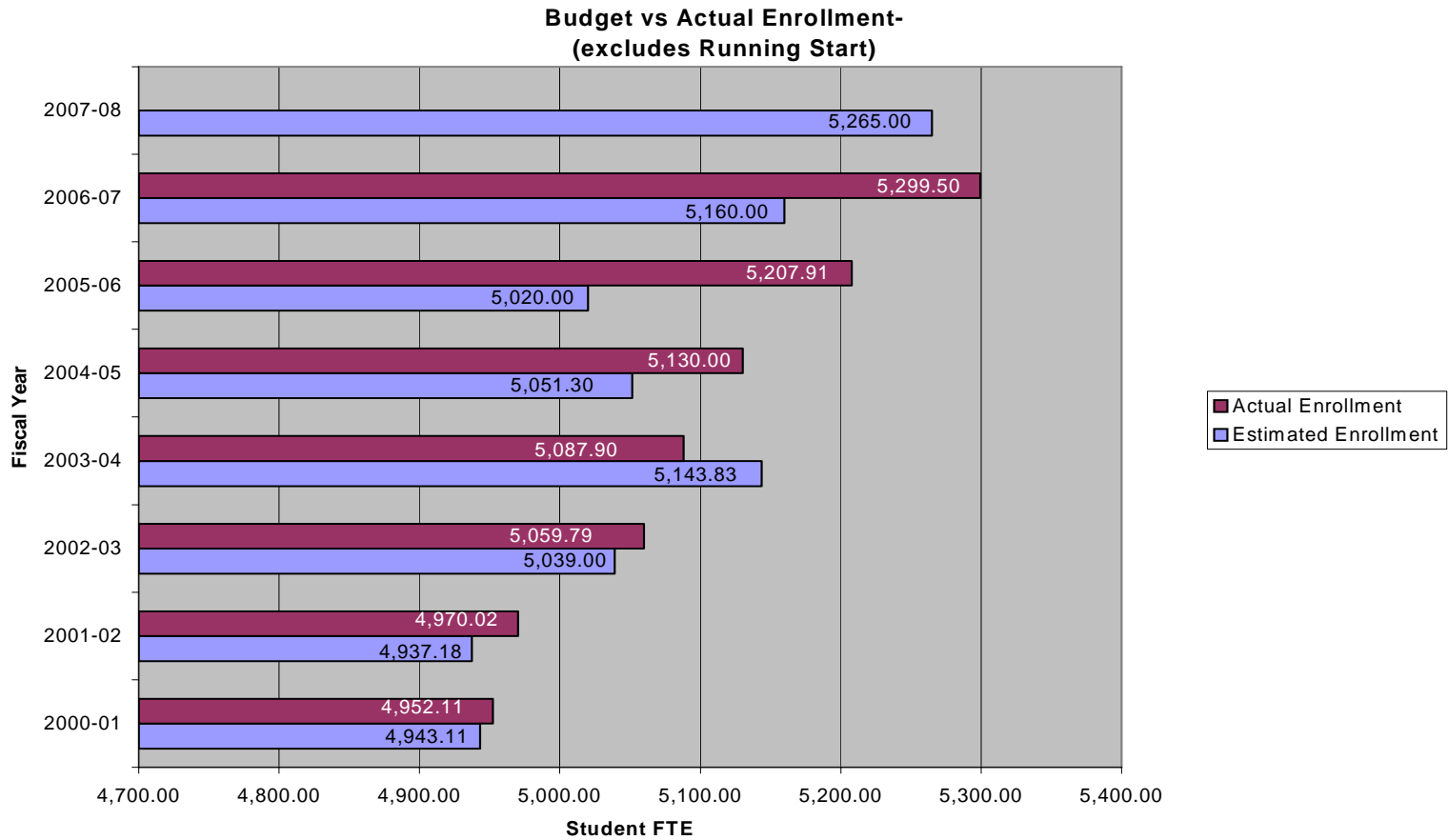
2007-2008 Revenue Estimate - \$49 Million



General Fund-Revenue Estimates

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
	Actual	Actual	Est Actual	Budget	Budget
STAFF FTE					
Certificated Staff	328.18	336.32	332.45	336.40	347.89
Classified Staff	187.71	183.69	181.86	184.48	190.78
STUDENT FTE					
Kingergarten	196	168	190	185	184
Grade 1	362	419	373	400	368
Grade 2	336	356	413	360	383
Grade 3	424	326	372	410	357
Grade 4	375	429	346	370	411
Grade 5	399	387	428	350	393
Grade 6	394	410	424	435	369
Grade 7	401	401	420	425	435
Grade 8	473	419	453	420	438
Grade 9	453	470	413	445	458
Grade 10	398	453	466	470	470
Grade 11	442	432	489	490	514
Grade 12	432	467	421	400	485
Sub-Total	5,088	5,138	5,211	5,160	5,265
Running Start	46.2	54.8	52.6	70.5	70.5
Total K-12	5,134	5,193	5,263	5,231	5,336

General Fund-Revenue Estimates



General Fund-Revenue Estimates

- The chart below identifies, by revenue category, the amount the district actually received in FY 2005-2006 as well as what the district budgeted to receive in FY 2006-2007 and FY 2007-2008.

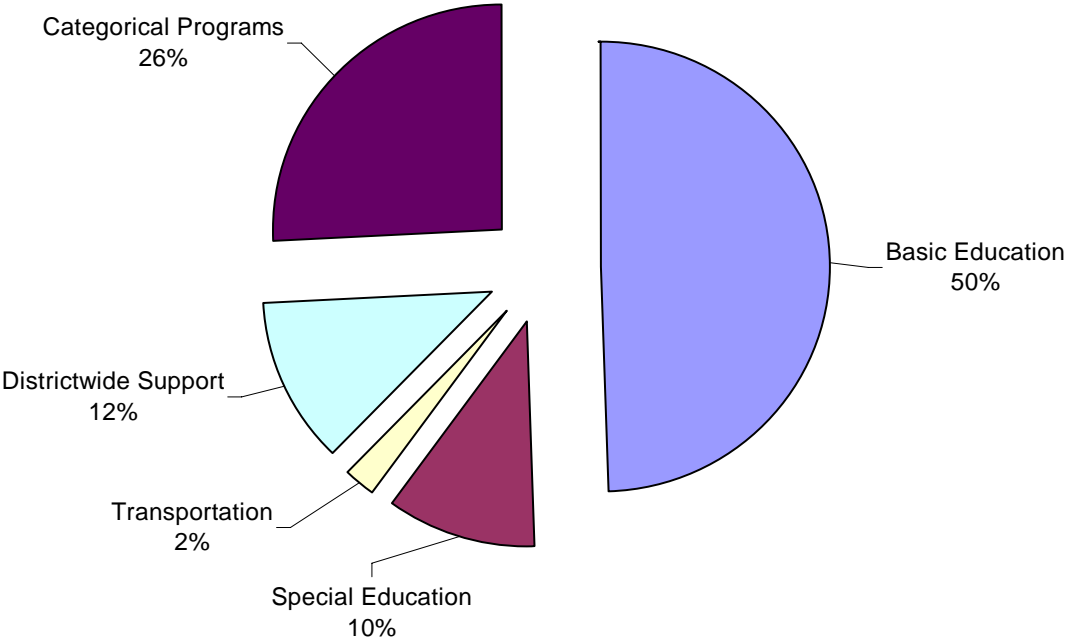
	Actual FY 2005-06	Budget FY 2006-07	Budget FY 2007-08
Revenues by Category			
By Category:			
Local Taxes	4,517,427	4,681,645	5,145,515
Local Non-Tax	1,559,004	1,526,900	1,624,101
State, General Purpose (Apportionment)	26,038,004	27,423,000	29,221,665
State Special Purpose	6,119,876	7,590,790	8,729,759
Federal General & Special Purpose	4,146,535	4,216,400	4,242,800
Revenues from Other School Districts	130,524	71,000	71,000
Revenues from Other Entities	51,497	90,000	11,001
Other Financing Sources			
TOTAL REVENUES	\$ 42,562,867	\$ 45,599,735	\$ 49,045,841

General Fund-Revenue Estimates

- Changes in Revenue:
 - State included 3.7% COLA, as well as mandated benefit increases for funded staff, in new year apportionment calculation. Formula includes 105 more student FTE than last year.
 - Increase in allocation formula for Special Education, LAP, and pupil transportation
 - Estimate additional \$430,000 in Student Achievement funding (increase \$75 per Student AAFTE - \$375 to \$450)
 - Estimate additional \$160,000 for Promoting Academic Success- new categorical funding created by State for assisting students who have not met standard in the WASL.
 - Change in Special Education funding formula estimated to provide additional \$102,000.
 - Increase in Wee Wildcat Tuition rates per adopted schedule.
 - Increase paid lunch \$0.05 (\$1.75-elementary & \$2.00-secondary) to stay at break even with increase in food costs, labor, etc associated with Food Service Program.

General Fund-Expenditure Estimates

2007-2008 Estimated Expenditures - \$45.5 Million



General Fund-Expenditure Estimates

	Actual FY 2005-06	Budget FY 2006-07	Budget FY 2007-08
Expenditures by Program			
00 Basic Education	\$ 21,063,957	\$ 22,810,826	\$ 24,546,466
20 Special Education	4,386,661	\$ 5,268,383	\$ 6,193,788
30 Vocational Education	1,680,152	\$ 1,717,263	\$ 1,974,984
40 Skills Center	1,562,156	\$ 1,701,263	\$ 1,414,483
50-60 Compensatory Education (Disadvantaged, School Improvement, I-728)	4,440,445	\$ 5,226,483	\$ 5,755,608
70 Other Instructional Programs (Gifted/Enrichment)	171,110	\$ 175,094	\$ 188,582
80 Community Services (Daycare)	384,424	\$ 371,966	\$ 378,520
90 Support Services (Districtwide Support, Food Services, Transportation)	8,127,166	\$ 8,328,456	\$ 8,969,406
TOTAL EXPENDITURES	\$ 41,816,071	\$ 45,599,734	\$ 49,421,837

General Fund-Expenditure Estimates

- Salary and Benefit Increases – Legislative action:
 - 3.7% Cost of Living Adjustment for all employee groups
 - Health Care Authority Retiree Subsidy payment increase of \$31 per year, per employee
 - Insurance Benefit increase \$295 per year, per employee
 - Retirement rate increase:
 - 1.09% for Teacher Retirement System (TRS)
 - 0.68% for Public Employees Retirement (PERS)
 - 1.04% for School Employees Retirement (SERS)

General Fund-Expenditure Estimates

- Other Expenditures:
 - Maintained “adds” from 2006-07:
 - Transportation Director
 - Security Staff at EHS
 - \$30,000 to K-12 Music
 - \$50,000 to Buildings
 - \$50,000 for Technology
 - Added 11.5 Certificated Instructional Staff-includes Goal 4 Administrator at EHS
 - Legislature allocated \$134,000 to Rock Island Elementary for Full Day Kindergarten.
 - LAP, Bilingual, and Student Achievement (I728) program – increase in expenditures due to increase in allocation.
 - \$310,000 District Social Studies and Science curriculum adoption
 - \$125,000 Operating Transfer to Transportation Vehicle Fund
 - \$66,000 for purchase of Maintenance Equipment

General Fund - Fund Balance

- Fund balance is the excess of fund assets over its liabilities. We account for fund balance using the following subdivisions:
 - **Reserved** – a portion of the fund balance legally segregated for a specific future use (Vocational, Skill Center, I-728).
 - **Unreserved, Designated** – a portion of the fund balance established to indicate tentative plans for the future use of a current resource (Building Carryforward, Curriculum Reserve)
 - **Unreserved, Undesignated** – fund balance for use without predefined restrictions.

General Fund – Fund Balance

- We estimate the total fund balance at the end of this fiscal year to be \$3,259,000 in the General Fund. The estimated reservations/designations are as follows:

Reserve for Other Items (Voc, Skill Ctr, I-728)	379,000
Reserve for Uninsured Risks	40,000
Unreserved, Designated for Other Items (Carryover)	506,248
Unreserved, Designated for Contingencies	50,000
Unreserved, Undesignated	2,283,941
	<u>\$ 3,259,189</u>

General Fund – Fund Balance

- The effect of the proposed budget on fund balance would be as follows:

Total Estimated Beginning Fund Balance	\$ 3,258,940
Add: Anticipated Revenues	\$49,045,841
Subtract: Anticipated Expenditures	\$49,546,837
Total Estimated Ending Fund Balance	\$ 2,757,944

General Fund – Fund Balance

- We estimate the total fund balance at the end of the 2007-2008 year to be \$2,797,952.
- The Undesignated, Unreserved portion of the fund balance is estimated to be 3.29% of revenues.

Reserve for Other Items (Voc, Skill Ctr, I-728)	243,000
Reserve for Uninsured Risks	40,000
Unreserved, Designated for Other Items (Carryover)	966,500
Unreserved, Designated for Contingencies	50,000
Unreserved, Undesignated	1,498,452
Total Fund Balance	<u>\$ 2,797,952</u>

2007-2008 Capital Project Fund Budget Summary

- The Capital Projects Fund includes all monies and resources set aside for the construction of buildings, certain purchases of new equipment, and making capital improvements to buildings. This is also used to account for the cost of replacing roofs, carpet, and service systems.
- Revenues received by this fund are typically from the sale of bonds, state match, or special levies. Monies received from the sale of surplus real property must also be received in this fund

2007-2008 Capital Project Fund Budget Summary

	Actual 2004-05	Actual 2005-06	Budget 2006-07	Budget 2007-08
Beginning Fund Balance:	803,314	913,313	1,500,000	985,000
Revenue:	578,401	1,476,638	543,000	596,500
Expenditures:	468,402	763,782	1,301,020	1,020,500
Ending Fund Balance:	913,313	1,626,169	741,980	561,000

- Revenue estimate - Interest earnings; OSPI funds for Facility Improvement at NCTSC and Facility Study
- Expenditure estimate – NCTSC Facility Improvements; Sidewalk construction at Rock Island, Kenroy and Cascade; OSPI Facility Study

2007-2008 Debt Service Budget Summary

- Washington State law requires that this fund be established to account for the payment of principal, interest, and other expenditures related to the redemption of outstanding bonds.
- Provisions must be made annually for the making of a levy sufficient to meet payment of principal and interest.
- The County Treasurer holds collected levy monies in authorized interest earning accounts and/or securities until bond maturity or interest payment dates

2007-2008 Debt Service Budget Summary

	Actual 2004-05	Actual 2005-06	Budget 2006-07	Budget 2007-08
Beginning Fund Balance:	1,735,686	1,581,474	1,524,000	1,667,000
Revenue:	3,520,440	3,578,229	3,548,000	3,660,000
Expenditures:	3,674,652	3,568,188	3,695,280	3,776,045
Ending Fund Balance:	1,581,474	1,591,515	1,376,720	1,550,955

Detail of Outstanding Bonds

Date of Issue	Amount of Original Issue	Estimated Amount Outstanding 8/31/07
6/1/2000	9,900,000	3,555,000
1/1/2001	30,545,700	25,460,700
3/15/2004	7,250,000	6,980,000
	<u>47,695,700</u>	<u>35,995,700</u>

2007-2008 Associated Student Body Fund Budget Summary

- This fund is financed by the collection of fees from students and non-students for attendance at any optional non-credit extracurricular events of the district.
- Revenue may also be raised by student fund-raisers. The monies paid from this fund are used to support activities of the general student body, classes, clubs, etc.
- The Junior High, Senior High and Skill Center student bodies develop the individual budgets. This presentation is the compilation of those budgets as they were presented to the Board in May 2007.

2007-2008 Associated Student Body Fund Budget Summary

FY 2007-08 Budget

Revenue	EJH	EHS	NCTSC	Total
General Student Body	219,000	122,150	500	341,650
Athletics	103,000	235,300	-	338,300
Classes	24,000	15,500	-	39,500
Clubs	194,000	182,850	21,700	398,550
Private Moneys	20,000	17,400	5,000	42,400
	<u>560,000</u>	<u>573,200</u>	<u>27,200</u>	<u>1,160,400</u>
Expenditure				
General Student Body	211,700	107,800	8,000	327,500
Athletics	100,600	283,900	-	384,500
Classes	24,000	11,500	-	35,500
Clubs	191,600	177,126	19,000	387,726
Private Moneys	20,000	17,400	-	37,400
	<u>547,900</u>	<u>597,726</u>	<u>27,000</u>	<u>1,172,626</u>
Gain/Loss	<u>12,100</u>	<u>(24,526)</u>	<u>200</u>	<u>(12,226)</u>
Estimated Beginning Fund Balance	<u>125,000</u>	<u>160,000</u>	<u>5,000</u>	<u>290,000</u>
Estimated Ending Fund Balance	<u><u>137,100</u></u>	<u><u>135,474</u></u>	<u><u>5,200</u></u>	<u><u>277,774</u></u>

2007-2008 Transportation Vehicle Fund Budget Summary

- This fund is provided to account for the state reimbursement to school districts for approved student transportation as well as for the purchase or major repair of transportation equipment.
- The proposed budget includes an operating transfer from the General Fund. This transfer, in addition to depreciation funding, will purchase 3 buses.

2007-2008 Transportation Vehicle Fund Budget Summary

	Actual 2004-05	Actual 2005-06	Budget 2006-07	Budget 2007-08
Beginning Fund Balance:	106,436	77,141	126,000	70,000
Revenue:	62,323	50,593	46,500	69,525
Operating Transfer In:	-	-	-	125,000
Expenditures:	91,618	1,300	110,000	257,500
Ending Fund Balance:	77,141	126,435	62,500	7,025

Next Steps

- July 16th – Adoption of 2007-2008 Budgets for All Funds
- July 20th – Forward copy of Approved Budget to North Central ESD
- August 31st – Final date for adoption of budget (early adoption due to Financial/Human Resource software conversion by NCESD)
- September 3rd – Final date for filing with NCESD
- September 10th – Last date for NCESD to file with OSPI
- October – Close books for FY 2006-2007
- November – First interim report for FY 2007-2008

Proposed 2007-2008 Budget

- Questions?