

Eastmont School District
Monthly Budget Status Report
January 31, 2008



MEMORANDUM

TO: Eastmont School Board
Dr. Garn Christensen, Superintendent

FROM: Cindy Ulrich, Director of Financial Services

DATE: Tuesday, February 12, 2008

SUBJECT: 2007-2008 Monthly Budget Status Report as of January 31, 2008

Attached for your review is the 2007-2008 Fiscal Year Budget to Actual Comparison of Revenues and Expenditures for all funds of the District for which a budget was adopted. This report summarizes revenue and expenditures of the District through January 2008.

This analysis is presented in the following format:

- In the upper right hand corner of each page is a box displaying the “percent of budget year elapsed”. This figure may be used as a general indicator of revenue and expenditures.
- The “Budget” column reflects the 2007-2008 Budget that was approved by the Board on July 16, 2007.
- Page one relates to the General Fund. This fund is utilized to account for the day-to-day operations of the district. This fund accounts for the largest portion of funds received and expended by the district.
- Page two provides information about the Capital Projects Fund. This fund is used for the acquisition of land or existing buildings; construction of buildings; purchase of equipment, or, under certain conditions, for the improvement of buildings. 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.
- Page three provides information about the Debt Service Fund. This fund is established to account for the payment of principal, interest, and other expenditures related to the redemption of outstanding bonds.
- Page four provides information about the Associated Student Body (ASB) Fund. This fund is financed by the collection of fees for attendance at any optional noncredit extracurricular event of the district. Student fund-raisers may also raise revenue. The monies paid from this fund are used to support activities of the general student body, classes, clubs, etc.
- Page five provides information about the Transportation Vehicle Fund. 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 such equipment.
- An analysis of the fund balance (equity) is presented for each of these funds. The beginning fund balance figures are those that are reflected as the ending total in the District’s 2006-2007 Fiscal Year Financial Report. The current fund balance figure represents the FY 2006-2007 ending fund balance added to the results of FY 2007-2008 operations. It is important to keep in mind that the fund balance and fund equity numbers do not represent cash.

The following are items that I would like to bring to your attention.

GENERAL FUND (page 1)

Revenues received as of January 31, 2008 are at 40.3% of the amount projected with 41.6% of the year elapsed. Total revenues collected for the month of January were \$3,890,514. Explanations for significant increases or decreases in comparison to the previous year are as follows:

- Property tax revenue reflects the first half collection due October 31. Total levy collections for calendar year 2008 are \$321,800 more than calendar year 2007.
- Local Non-tax Revenues are comprised of tuition (Wee Wildcat Preschool), fees (Pay to Play), sales of goods (local food service), investment earnings, gifts/donations, insurance recoveries and fines. There are no significant variance in these categories in comparison to January of last year.
- State General Purpose revenues are \$598,555 greater than last year. This revenue category is used to account for the apportionment allocation for Basic Education as well as the Local Effort Assistance monies allocated by the State.
 - Districts are funded on their budgeted Average Actual Full-Time Enrollment (AAFTE) September through December. The District is now funded based on our Actual Average FTE, which is the average number of full time equivalent students attending from September through May (nine months). The District's budgeted average K-12 enrollment for FY 2007-08 is 5,055. The District's average actual K-12 enrollment through January is 5,134.68 FTE.
 - The Legislature granted \$67,000 to the District for one-time technology allocation. The funds were received in September and October. \$50,000 is for the District, \$11,000 is for the Skill Center and \$6,000 is for Canyon View Group Home. The funds allocated for the District were used to purchase video conferencing technology.
 - Rock Island Elementary is eligible for Full Day Kindergarten funding allocated by the Legislature. We anticipate that the District will receive approximately \$118,000 for this program. It will be used to continue the full day program that was currently in existence at this building and free Title 1 funding to be used at the other eligible buildings.
 - Local Effort Assistance is state matching money for maintenance and operation levies paid to eligible districts. The September through December 2007 LEA allocation equals 28 percent of the 2007 calendar year allocation. The January through August 2008 LEA allocation equals 72 percent of the 2007 calendar year allocation. The allocation for this year will be \$2,583,376.
- State Special Purpose revenues are revenues that are provided for support of remedial learning, handicapped students, highly capable students, special and pilot programs, student achievement funding, pupil transportation, and food services. Many of these allocations increased as part of the State and OSPI's budget process. As of January 2008, total state allocations paid are \$598,555 more than last year. Notable program allocations are as follows:
 - Middle School Vocational (Program 34) – allocation is new for FY 2007-08 and is estimated to be \$29,300. This funding is to be used at Eastmont Junior High for eighth graders in certain Family and Consumer Science Education classes (FASCE).
 - Learning Assistance Program (Program 55) – allocation for FY 2007-08 is estimated to be \$115,216 more than what was allocated for FY 2006-07. The formula allocation uses prior year total student FTE, poverty and a per student allocation – all of these factors increased this year.
 - National Board for Professional Teaching Standards – allocation is to fund \$5,000 stipend for each teacher that qualifies. Nine of our teachers were successful in completing this certification this fall – we now have a total of 11 teachers with this certification.
 - Promoting Academic Success (Program 63) – allocation continues for FY 2007-08 (new funding created in FY 2006-07 to assist students who have failed the WASL). The District is estimated to receive \$197,000. This money is primarily used to fund certificated staff at EHS.

- Transitional Bilingual (Program 65) – allocation for FY 2007-08 is estimated to be \$11,700 more than the allocation for FY 2006-07. The per eligible student allocation increased from \$805 to \$845.66. We are currently serving an average of 778 students. Last year, 800 students were served.
- Student Achievement (Program 66) – allocation for FY 2007-08 is estimated to be \$442,765 more than what was allocated for FY 2006-07, due to an increase in the per student allocation from the State. (\$375 to \$450 per FTE). The District receives the allocation based on the previous year's final average actual full time enrollment, which includes the Skill Center (5,370.53).
- Federal Special Purpose includes revenues that provide support for federal remediation learning programs such as Title I and Migrant. Federal dollars are received for handicapped students, school food services (including USDA commodities), and teacher quality. The District typically has to claim reimbursement in order to receive revenues in this category. Variances in program revenue received compared to last year are as follows:
 - Federal Special Education (Program 24) revenue to date is \$225,125 more than last year. This program was just approved in December so claims were eligible for January. Last year, the application was not approved until January and claims were not made until February.
 - Title I (Program 51) reimbursements are \$47,615 less than last year. This is due to a timing difference in correcting payroll expenditures.
 - Enhancing Education through Technology (Program 52) revenue is \$32,900 more due to Peer Coaching Grant received by 4 buildings (Kenroy, Cascade, Sterling and EHS).
 - Title II – Teacher Quality program receipts are \$57,700 less than last year due to using other program resources first for teacher professional development.
 - 21st Century (Program 52) receipts are \$35,920 more than last year as grant application/funding was approved in earlier than what it was last year.
 - GEAR-UP (Program 79) receipts are \$33,250 less than last year due to staffing changes with program director and coordinator.

Expenditures as of January 31, 2008 are at 41.0% of the amount projected with 41.5% of the year elapsed. Total expenditures for the month of January were \$3,618,318. Explanations for significant increases or decreases in comparison to the same time period for the previous year are as follows:

- The 3.7% Cost of Living Adjustment (COLA) authorized by the Washington State Legislature was passed through to all employees of the district. The insurance benefit also increased 3.6% (from \$682.54 per month to \$707.00 per month). The Health Care Retiree Subsidy also increased 4.6% (from \$55.15 per month to \$57.71 per month). Because the Basic Education Program accounts for the largest number of employees, these salary and benefit expenditures account for the majority of the increase when comparing previous year expenditures to the same period in time for this year.
- Special Education Program expenditures appear greater than those of last year due to a change in accounting for excess special education costs. These costs were previously recorded in the Basic Education program. All costs associated with special education are now recorded in Program 21 (State) and/or Program 24 (Federal).
- Skill Center expenditures are less as a result of program changes made to bring costs into alignment with anticipated revenues.
- Compensatory Instruction expenditures, above the salary & benefit costs increases, vary due to the following:
 - Addition of 4 certificated staff for one Full Day Kindergarten class each at Kenroy, Lee, Grant and Cascade elementaries that is funded through I728 (Program 66).
 - Staff at Kenroy, Cascade, Sterling and EHS received \$8,500 each (\$76,500 district wide) in Enhancing Education through Technology Peer Coaching grant (Program 52).
 - Navigation 101 expenditures – 2 year grant with funding not available until April of last year. (Program 58)
 - National Board Certification - expenditures increased with addition of 8 teachers who became certified and were eligible for the \$5,000 stipend funded by the State.
 - Promoting Academic Success (Program 63) – expenditures in this program are more than at the same time last year due to increased staffing. This was done based on the increased allocation, as discussed above.

- Support Services Program expenditures are those incurred in the operation of the school district. Expenditures in this category account for administrative, custodial/maintenance, and technology functions. Salary and benefit increases were applied to employees in these categories. Other significant variances are as follows:
 - Addition of Director of Human Resource – this position was filled in May 2007.
 - Technology purchased hardware improvements – costs \$137,500 more than through January 2007. The District has allocated \$375,000 for technology infrastructure improvements.
 - Fuel expenditures for the Transportation program are \$9,650 more than in the same period last year.
 - 4 full time positions were added to the Maintenance Department. These positions were filled in December and January.
 - \$125,000 was transferred from the General Fund to the Transportation Vehicle fund per authorization provided as part of the 2007-2008 budget adoption process.

Fund Balance – Fund balance is the equity portion of a fund balance sheet and measures the financial resources available in a governmental fund. For accounting purposes, fund balance is calculated as of year-end and is based on the difference between actual revenues and expenditures for the fiscal year. If revenues exceed expenditures, fund balance is positive and carries forward, designated either as reserved or unreserved. If expenditures exceed revenues, existing fund balance from a prior year is reduced.

Eastmont School District accounts for fund balance in the following subdivisions:

- **Reserved** – a portion of the fund balance not available for any expenditure; legally segregated for a specific future use. Examples are: Vocational and Student Achievement (1728) program revenues in excess of expenditures.
- **Unreserved, designated** – a portion of the fund balance established to indicate tentative plans for the future use of current resources. Examples are Building allocations and Student Care program revenues in excess of expenditures.
- **Unreserved, undesignated** – fund balance available for use without predefined restrictions.

Governments are recommended to maintain adequate levels of fund balance to mitigate current and future risks (i.e. revenue shortfalls and/or unanticipated expenditures).

Total fund balance in the General Fund as of January 31st is \$2,973,676 and represents an increase of \$1,261,300 from January 2007.

CAPITAL PROJECTS FUND

-The Capital Project Fund (page 2) - This fund is used for the acquisition of land or existing buildings; construction of buildings; purchase of capital equipment, or, under certain conditions, for the improvement of buildings. 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.

The ending fund balance at January 31st is \$889,572. Expenditures to date are \$477,395. Projects in-progress and their associated costs are as follows:

Projects In Progress		
Project Description	Total Expd FY 2006-07	Expd at 1/31/2008
Skill Center Facility Plan	\$ 70,674	14,560
Remodel Portable for Tech Dept	\$ 34,387	4,154
Skill Center Culinary Arts Kitchen	\$ 294,026	377,755
Skill Center - Collision Center Impvmt	\$ -	833
Kenroy Sidewalk Project	\$ 525	5,259
EJH Stair Nose Repair	\$ -	20,797
EHS Lockers	\$ -	4,632
Facility Study & Survey	\$ -	4,708
Miscellaneous Projects	\$ 15,277	44,698
	<u>\$ 414,889</u>	<u>\$ 477,395</u>

Total FY 2007-08 Expenditures \$ 477,395

DEBT SERVICE FUNDS

-The Debt Service Fund (page 3) - is used to account for the payment of principal, interest, and other expenditures related to the redemption of outstanding bonds. The country treasurer or fiscal agent makes the payment of interest and principal. Provision must be made annually for a levy sufficient to meet the payments of principal interest and related expenditures for voted debt; the amount levied for 2007 is \$3,600,000. The fund balance at January is \$422,635.

The District refinanced a portion of its outstanding bonds in order to take advantage of lower interest rates. The School Board at a Special Meeting held October 24, 2007 approved this action. The recent refinancing will save the District's taxpayers a total of over \$945,000 during the next 10 years. The Eastmont School Board accomplished these savings by approving the issuance of \$18,405,000 in refunding bonds. The District has been monitoring bond market conditions over the past year and recent low interest rates allowed the District to exceed its savings target. Interest rates averaged 3.94% on the new bonds compared to 5.22% on the old debt.

The debt payment schedule for this year is as follows:

December 1, 2007 - \$2,015,000 Principal
 \$346,352 Interest

June 1, 2008 - \$100,000 Principal
 \$768,854 Interest

ASSOCIATED STUDENT BODY FUND

-Associated Student Body (ASB) Fund (page 4) – This fund is financed by the collection of fees for attendance at any optional noncredit 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.

Total fund balance at January 31st is \$358,022.

TRANSPORTATION VEHICLE FUND

- The Transportation Vehicle Fund (page 5) - is used to account for the purchase and/or major repair of school buses.

The fund balance at January 31st is \$92,124.

SUPPLEMENTARY INFORMATION

Also included:

- A report that provides General Fund monthly revenue, expenditure and fund balance budget to actual comparisons for the last 5 fiscal years.
- A graph of General Fund monthly revenues and expenditures (cash basis).
- An analysis of monthly Cash and Investment balances per the County Treasurer Reports.

If you should have any questions or comments regarding the figures presented please don't hesitate to let me know.

Eastmont School District
Budget to Actual Comparison of Revenues and Expenditures
For the Period Ended January 31, 2008

Budget Year
 Elapsed = 41.6%

	FY 2006-07	FY 2007-08				FY 2007-08 to FY 2006-07
	Actual thru Jan-07	Budget	Actual thru Jan-08	Budget Remaining	% of Budget	Actual Comparison
GENERAL EXPENSE FUND						
<u>Revenues</u>						
1000 Local Taxes	2,083,592	5,145,515	2,371,873	2,773,642	46.1%	288,282
2000 Local Nontax	682,751	1,624,101	698,050	926,051	43.0%	15,299
3000 State, General Purpose	11,268,989	29,221,665	11,867,543	17,354,122	40.6%	598,555
4000 State, Special Purpose	2,926,000	8,729,759	3,427,369	5,302,390	39.3%	501,369
5000 Federal, General Purpose	3,416	3,000	3,296	(296)	109.9%	(121)
6000 Federal, Special Purpose	1,116,243	4,239,800	1,356,226	2,883,574	32.0%	239,984
7000 Revenues from Other School Districts	55,444	71,000	52,396	18,605	73.8%	(3,048)
8000 Revenues from Other Agencies	121	11,001	3,320	7,681	30.2%	3,199
9000 Other Financing Sources	0	0	0	0	#DIV/0!	0
Total Revenues	\$18,136,556	\$49,045,841	\$19,780,073	\$29,265,768	40.3%	1,643,517
<u>Expenditures</u>						
00 Regular Instruction	9,398,857	24,546,466	10,197,200	14,349,266	41.5%	798,343
20 Special Ed Instruction	2,043,517	6,193,788	2,489,503	3,704,285	40.2%	445,986
30 Vocational Instruction	794,857	1,974,984	762,948	1,212,036	38.6%	(31,909)
40 Skill Center Instruction	597,124	1,414,483	418,460	996,023	29.6%	(178,664)
50/60 Compensatory Instruction	1,823,289	5,755,608	2,205,513	3,550,095	38.3%	382,225
70 Other Instructional Program	57,100	188,582	31,841	156,741	16.9%	(25,258)
80 Community Support	142,950	378,520	134,478	244,042	35.5%	(8,473)
90 Support Services	3,883,445	8,969,406	4,029,582	4,939,824	44.9%	146,137
Total Expenditures	\$18,741,138	\$49,421,837	\$20,269,525	\$29,152,312	41.0%	1,528,387
Operating Transfers:						
Out to Transportation Vehicle Fund	0	-125,000	(125,000)			
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES	(604,582)	(500,996)	(614,451)			
Fund Balance at September 1,	\$2,316,923	\$3,258,941	\$3,588,127			
Current Total Fund Balance	\$1,712,341	\$2,757,946	\$2,973,676			
Ending Fund Balance Accounts						
GL 810 Reserved For Skill Center & Voc	\$351,022		\$452,410			
GL 850 Reserved For Uninsured Risk	\$40,000		\$40,000			
GL 870 Unrsrvd, Dsgntd-Other Items	\$50,000		\$50,000			
GL 875 Unrsrvd, Dsgntd-Contingencies	\$372,113		\$1,513,681			
GL 890 UnRsrvd Undsgntd Fnd Bal	\$899,207		\$917,585			
TOTAL Ending Fund Balance	\$1,712,342		\$2,973,676			

Eastmont School District
Budget to Actual Comparison of Revenues and Expenditures
For the Period Ended January 31, 2008

Budget Year
 Elapsed = 41.6%

	FY 2006-07	FY 2007-08				FY 2007-08 to FY 2006-07
	Actual thru Jan-07	Budget	Actual thru Jan-08	Budget Remaining	% of Budget	Actual Comparison
CAPITAL PROJECTS FUND						
Revenues						
2000 Local Nontax	57,094	56,000	21,627	34,373	38.6%	(35,467)
4000 State, Special Purpose	0	540,500	280,635	259,865	51.9%	280,635
8000 Revenues from Other Agencies	0	0	0	0	n/a	0
9000 Other Financing Sources	0	0	40,716	(40,716)	n/a	40,716
Total Revenues	\$57,094	\$596,500	\$342,978	\$253,522	57.5%	40,716
Expenditures						
10 Sites	60,344	258,500	10,799	247,701	4.2%	(49,545)
20 Building	589,435	762,000	466,596	295,404	n/a	(122,839)
30 Equipment	0	0	0	0	n/a	0
40 Energy	0	0	0	0	n/a	0
50 Sales & Lease Equipment	0	0	0	0	n/a	0
60 Bond Issuance Expenditure	0	0	0	0	n/a	0
90 Debt	0	0	0	0	n/a	0
Total Expenditures	\$649,779	\$1,020,500	\$477,395	\$543,105	46.8%	(172,384)
Operating Transfers: Out to DSF	0	0	0	0		
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES	(592,685)	(424,000)	(134,417)			
Fund Balance September 1,	\$1,626,169	\$985,000	\$1,023,989			
Current Fund Balance	\$1,033,484	\$561,000	\$889,572			

Eastmont School District
Budget to Actual Comparison of Revenues and Expenditures
For the Period Ended January 31, 2008

Budget Year
 Elapsed = 41.6%

	FY 2006-07	FY 2007-08				FY 2007-08 to FY 2006-07
	Actual thru Jan-07	Budget	Actual thru Jan-08	Budget Remaining	% of Budget	Actual Comparison
DEBT SERVICE FUND						
<u>Revenues</u>						
1000 Local Taxes	1,632,582	3,610,000	1,626,366	1,983,634	45.1%	(6,216)
2000 Local Nontax	31,720	50,000	27,972	22,028	55.9%	(3,748)
3000 State, General Purpose	0	0	0	0	n/a	0
4000 Federal, General Purpose	0	0	0	0	n/a	0
5000 Federal, Special Purpose	0	0	0	0	n/a	0
9000 Other Financing Sources	0	0	19,482,027	(19,482,027)	n/a	19,482,027
Total Revenues	\$1,664,301	\$3,660,000	\$21,136,365	(\$17,476,365)	577.5%	19,472,063
<u>Expenditures</u>						
Matured Bond Expenditures	1,840,000	2,115,000	2,015,000	100,000	95.3%	175,000
Interest on Bonds	873,570	1,611,045	346,351	1,264,694	21.5%	(527,219)
Interfund Loan Interest	0	0	0	0	n/a	0
Bond Transfer Fees	907	50,000	136,444	(86,444)	272.9%	135,537
Arbitrage Rebate	0	0	0	0	n/a	0
Total Expenditures	\$2,714,477	\$3,776,045	\$2,497,795	(\$35,593,698)	66.1%	38,601,871
Other Financing Uses:	0	0	(19,827,691)			
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES	(1,050,176)	(116,045)	(1,189,121)			
Fund Balance September 1,	\$1,591,515	\$1,667,000	\$1,611,756			
Current Fund Balance	\$541,339	\$1,550,955	\$422,635			

Eastmont School District
Budget to Actual Comparison of Revenues and Expenditures
For the Period Ended January 31, 2008

Budget Year
 Elapsed = 41.6%

	FY 2006-07	FY 2007-08				FY 2007-08 to FY 2006-07
	Actual thru Jan-07	Budget	Actual thru Jan-08	Budget Remaining	% of Budget	Actual Comparison
ASSOCIATED STUDENT BODY FUND						
<u>Revenues</u>						
1000 General Student Body	143,060	341,650	157,371	184,279	46.1%	14,310
2000 Athletics	147,823	338,300	180,438	157,862	53.3%	32,615
3000 Classes	0	39,500	0	39,500	0.0%	0
4000 Clubs	129,400	398,550	111,844	286,706	28.1%	(17,556)
6000 Private Moneys	13,035	42,400	7,353	35,047	17.3%	(5,682)
Total Revenues	\$433,318	\$1,160,400	\$457,006	\$703,394	39.4%	23,688
<u>Expenditures</u>						
1000 General Student Body	68,806	327,500	77,147	250,353	23.6%	8,341
2000 Athletics	170,415	384,500	194,581	189,919	50.6%	24,166
3000 Classes	358	35,500	1,142	34,358	3.2%	784
4000 Clubs	161,200	387,726	86,933	300,793	22.4%	(74,267)
6000 Private Moneys	11,364	37,400	5,818	31,582	15.6%	(5,546)
Total Expenditures	\$412,144	\$1,172,626	\$365,621	\$807,005	31.2%	(46,523)
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES	21,174	(12,226)	91,385			
Fund Balance September 1,	\$297,129	\$290,000	\$266,637			
Current Fund Balance	\$318,303	\$277,774	\$358,022			
Ending Fund Balance by School:						
Eastmont High School	\$171,107		\$207,436			
Eastmont Junior High	\$141,321		\$144,446			
NCT Skill Center	\$5,876		\$6,140			

Eastmont School District
Budget to Actual Comparison of Revenues and Expenditures
For the Period Ended January 31, 2008

Budget Year
Elapsed = 41.6%

	FY 2006-07	FY 2007-08				FY 2007-08 to FY 2006-07
	Actual thru Jan-07	Budget	Actual thru Jan-08	Budget Remaining	% of Budget	Actual Comparison
TRANSPORTATION VEHICLE FUND						
<u>Revenues</u>						
1000 Local Taxes	0	0	0	0	n/a	0
2000 Local Nontax	2,122	1,500	1,035	465	69.0%	(1,087)
3000 State, General Purpose	0	0	0	0	n/a	0
4000 State, Special Purpose	43,729	68,025	60,788	7,237	89.4%	17,059
5000 Federal, General Purpose	0	0	0	0	n/a	0
8000 Revenues fr Other Agencies	0	0	0	0	n/a	0
9000 Other Financing Sources	0	0	0	0	n/a	0
Total Revenues	\$45,851	\$69,525	\$61,823	\$7,702	88.9%	15,972
<u>Expenditures</u>						
Program 99 PUPIL TRANSPORTATION						
Act 57 Cash Purch/Rebuild Buses	94,565	257,500	172,719	84,781	67.1%	78,154
Act 58 Contract Purchase/Rebuild	0	0	0	0	n/a	0
Total Expenditures	\$94,565	\$257,500	\$172,719	\$84,781	67.1%	78,154
Operating Transfers:						
In From General Fund	0	125,000	125,000			
EXCESS (DEFICIT) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENDITURES	(48,714)	(62,975)	14,104			
Fund Balance September 1,	\$126,435	\$70,000	\$78,020			
Current Fund Balance	\$77,721	\$7,025	\$92,124			