

Date: May 19,2008
To: Board of Trustees
From: Michelle DeLuna
Subject: 2007-2008 Budget Revision Info Sheet

The following is a brief summary of the changes in the General Fund budget for 2007-2008:

This year I have added some supplementary information that I am using to prepare the meritorious budget for 2008-2009. It gives some past detail and some comparison and explanations of the programs within the General Fund.

REVENUE

Local Revenue-

Local revenue increased from what was actually budgeted due to increased interest rates in the beginning of the year, unbudgeted revenue received from Erate, State insurance dividend and an increase in ARTEC distributions. This was offset slightly due decreases in State REA taxes.

State Revenue-

State revenue shows a decrease due to overestimation of 3.5 units. Differences in transportation support and tuition equivalency were also determining factors. A total overall decrease of \$337,261 from what was originally budgeted. Other State Revenue increased due to new grants, Medicaid and carryover programs.

Interfund Transfers-

This is the amount, based on 2.2% of total expenditures of Federal Programs we are permitted to charge for costs associated with district costs to run that program (payroll, accounts payable, financial reporting, mailing and forms etc.) This year we also had the State match a percentage of our square footage of school buildings in the amount of \$413,000 to help cover maintenance costs in the General Fund.

EXPENDITURES

Carryover Funds-

The carryover in the amount of \$1,643,454 was added to the appropriate budgets. A summary of these accounts follows:

Specific State grants (Medicaid, Standards, IRI, LEP)-	\$ 182,978
Curriculum	\$ 40,000
Matching grants purchase orders	\$ 14,709
Budgeted Carryover to balance 07-08	\$ 550,000.
The remaining was deposited as Contingency	\$ 855,767.

Salaries had an increase or decrease, primarily due to when we are budgeting, we are basing it on a point in time. After the summer, staff may change from either movement of a higher paid salary and then replaced by a lower paid staff member. An increase shows possible lane movement and an increase in pay.

There were significant changes between the elementary and secondary programs due to the language curriculum. Language was purchased for the elementary schools and will not be purchased for the secondary schools until 2008-2009. There was a significant change in the pupil to school program due to bus driver salaries that were not budgeted for summer/afterschool programs and the continuing increase in fuel. A change in the buildings custodial was due to increased premiums for value changes on the buildings and insurance for the construction of our two new buildings. An increase in school administration stems from not budgeting the ARTEC administration(nor was the revenue). An increase in instruction improvement is due the carryover brought forward from the Medicaid program and a change in claims.

All expenditures have been revised to what was actually spent or what is projected to be spent by June 30th. The remaining has been budgeted into a contingency to project what the fund balance will be for the beginning of next year. A spreadsheet is attached showing the revenues and expenditures (to date and projected to year end) and what the projected carryover for next year will be. Between the increases in revenue sources and overall expenditures for the year, we were able to increase the previously budgeted contingency of \$750,000 to \$850,000. I am projecting the fund balance to carry forward to 08-09 to be \$900,000. Of the \$900,000 we will need \$500,000 to balance the projected 08-09 budget, leaving \$400,000 for next years contingency.