

BOARD OF DIRECTORS

Mary Curtis
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SUPERINTENDENT
Faith A. Chapel

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Date: November 4, 2008
To: Faith Chapel, Superintendent
From: Peggy Paige, Director of Business Services
RE: Fiscal Year End Report – FY 07/08

Although we have not received final written approval from Puget Sound ESD 121 on our year-end report, the attached reports reflect the information as submitted for the final report.

Revenues came in under budget by \$71,813. The loss in apportionment (\$525,850) due to enrollment decline (101 fte) was offset by increases in Safety Net funding, local non-tax revenues and several State grant allocations. In November of 2007 we had estimated our loss of revenue to be about \$200,000 (reduction in apportionment but an increase in Safety Net) and took steps to decrease our expenditures for 07/08 accordingly.

Expenditures for 07/08 were \$50,835 below budget. While many cost saving measures were implemented last fall (reduction in para-ed hours, freeze on non-compensated overtime, reduction in administrative staff and contracted services, certificated staffing adjustments, freeze on school carryovers), we were not able to decrease costs enough to offset the loss in current year revenue and make improvements to the beginning fund balance (which was below budget estimates by \$235,000). We also had several areas of increased costs (over original budget estimates) during the year (fuel, testing/inspection expense, outside placements for Special Ed.).

Our final Year-End Unreserved Fund Balance for FY 07/08 is \$891,316 – 2.5%. While this is above our official board policy (Policy 6005) of 2%, it is below our target goal of 3%. Since our budget for 08/09 estimated a beginning fund balance of \$1,100,000, we will need to develop a plan to reach our 3% goal by the end of this fiscal year.



FINANCIAL REPORT

YEAR END 2008

SUMMARY OF GENERAL FUND

	BUDGET	ACTUAL
9/1/05 Unreserved Fund Balance: (excludes inventory - \$210,000)	1,550,000	1,315,676
Revenues	35,906,863	35,835,050
Expenditures	36,310,245	36,259,410
Total Unreserved Fund Balance	1,146,618	891,316
Unreserved, Designated - GL 870	60,000	0
Unreserved, Undesignated - GL 890	1,086,618	891,316
		2.5%

	Basic Ed. Enrollment	Special Ed. Enrollment
YTD Average	3868	514
Budget	3969	546

Revenue Detail

	<u>Budget</u>	<u>Actual</u>
Local taxes	6,817,772	6,800,217
Local Nontax	2,477,850	2,513,632
State-Apportionment	20,031,229	19,505,379
State-Special Purpose	5,499,962	5,628,536
Federal	1,080,050	1,299,422
Other Financing Sources	<u>0</u>	<u>87,864</u>
Total	35,906,863	35,835,050

Taxes-Collected less than 100% of taxes due (99.74%)

Local Nontax- This category is typically above budget estimates since all fees (activity, rental, lunch, field trips) and donations are included here and our estimates tend to be conservative. We did exceed our estimates this year, but not as much as in prior years.

Apportionment- Below budget \$525,850 due to unanticipated loss of enrollment.

State-Special- Above budget due to additional Safety Net revenue and special funding for Math & Science staff development and PAS (Promoting Academic Achievement). It is important to note that increases in these revenues have corresponding increases in our expenditures in these areas.

Federal- Above budget due to Safety Net revenue.

Other Financing Sources - We usually don't budget in this area as it has been used primarily for recording the non-current portion of long term debt (equipment bought on contract). We will also record the reimbursement for tech levy purchases here. This revenue is offset by equal expenditures.

Expenditure Detail (by Object)

	<u>Budget</u>	<u>Actual</u>
Certificated Salary	17,337,566	17,374,149
Classified Salary	6,162,160	6,338,542
Benefits	7,461,607	7,290,762
Supplies	1,744,907	1,830,116
Purchased Services	3,037,455	3,132,013
Travel	114,085	107,383
Capital Outlay	<u>452,465</u>	<u>186,445</u>
Total	36,310,245	36,259,410

Salary & Benefits- Certificated salaries exceed budget by \$36,583 due to additional Special Ed. expense, leave payoffs for retiring personnel and a change in the way health benefits were paid for administrative staff (offsetting reduction in benefit cost for this group). Classified staff costs exceeded budget by \$176,382. Areas of overage include Special Ed., leave payoffs, extra-time and substitutes. About \$45,000 of rental revenues offset some of these costs while Safety Net Funds provided some relief for increased Special Ed. expense.

Supplies- Expenses exceeded budget by \$85,209 due to purchases made with PTO contributions.

Purchased Services- Outside placements, assessments and health services for Special Ed. were major contributing factors to overages in this area. Other items to note were the payments for services related to Technology (reimbursed by Tech Levy), repairs made at the High School and increased testing, inspection and certification requirements for elevators, bleachers, water systems, etc.

Travel - Not all professional development allocations were used by staff - under budget by \$6,702.

Capital Outlay- Under budget by \$266,020 since extra budget capacity \$ are included here when developing the budget and are not released if enrollment comes in under budget.

Expenditure Detail (by Program)

	<u>Budget</u>	<u>Actual</u>
Basic Ed	20,344,733	19,962,445
Special Ed	4,722,825	4,971,633
Voc. Ed	667,543	719,164
Compensatory Ed.		
Disadvantaged	111,838	133,018
School Improvement	115,910	120,539
Learning Asst.	62,075	76,455
Special & Pilot Prgm	65,322	49,513
PAS	23,642	30,146
Tran. Bilingual	21,555	23,085
Student Achievement	1,817,432	1,829,742
Indian Ed.	11,518	14,269
Other Instructional Prgm		
Traffic Safety	47,787	0
Highly Capable	35,690	41,688
Math/Sci Staff Devlp.	0	8,971
Support Services		
Districtwide Support		
Central Office	1,367,101	1,280,920
Grounds/Maint	790,146	875,754
Custodial	1,377,096	1,437,244
Utilities	1,333,000	1,204,194
Insurance/Security	248,490	223,625
Information Services	623,871	616,949
Printing	37,300	7,243
Food Service	935,336	1,010,152
Transp./Motor Pool	1,550,035	1,622,660
Total	36,310,245	36,259,410