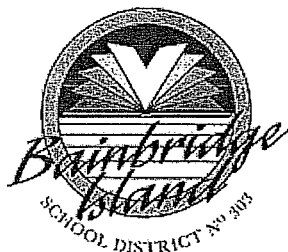


BOARD OF DIRECTORS

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SUPERINTENDENT  
Faith A. Chapel

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8489 Madison Avenue NE \* Bainbridge Island, Washington 98110 \* (206) 842-4714 \* Fax: (206) 842-2928

Date: November 19, 2012  
To: Faith Chapel, Superintendent  
From: Peggy Paige, Director of Business Services  
RE: Fiscal Year End Report – FY 11/12

We have received final written approval from Puget Sound ESD 121 on our year-end report and the attached reports are a brief summary of the General Fund information as submitted for the final report. The entire report includes all funds and will be posted to the OSPI website following their review and approval. We will also post the report on our district website.

Revenues came in under budget by \$7,062. Local revenues (including tax collections) and Safety Net funds offset reductions due to enrollment decline in both basic ed and special ed.

Expenditures for 11/12 were \$1.1M below budget. Challenges in creating the budget in our new software system resulted in excess budget capacity in the benefits area while several other areas (utilities, legal fees, election expense) had lower costs than estimated. Some of the budget excess for supplies and capital outlay will be available as a reallocation this year.

Our ending fund balance is reserved in several categories per accounting guidelines from OSPI. GL 872 *Committed to Minimum Fund Balance Policy* is \$1,100,000 (3%). GL 888 *Assigned to Other Purposes* is \$1,257,000 (3.5%). This is the portion of fund balance that was committed to FY 12/13 as well as grant and building carryovers. *Unassigned* fund balance of \$468,322 (1.3%) is in GL 890, while GL 840 *Inventory Reserve* has \$191,500 and GL 821 *Restricted for Carryover (Vocational)* has \$18,400.

A brief summary of our year-end financial position.

#### Revenues-

- Tax collections exceeded budget estimates by \$ 48,000 for fiscal year 11/12. A portion of this is collection of back taxes but we also had an increase in the percent of taxes collected in April.
- Exceeded budget estimates in donations and rental revenues.
- Actual enrollment was under budget estimates, impacting state funding.
- Federal revenues exceeded budget estimates due to the receipt of Safety Net funds.

#### Expenditures-

- The main areas of savings last year were in the area of benefits, supplies/materials, and purchased services.
- Over \$100,000 of remaining budget dollars for supplies will be reallocated as carryover funds for this year. Postage, fuel and food service costs came in below budget and are not subject to carryover.
- Benefit costs were overestimated when creating the budget last year. We have made adjustments in FY 12/13 budget.
- Overages in substitute costs and sick leave/vacation payoffs were generally offset by the equivalent of one unfilled cert position and reduced (below budget estimates) classified staffing expense in Spec Ed and Information Services.

#### Year-end fund balance comprised of-

- Committed to Minimum Fund Balance - \$1,100,000 (3%)
- Assigned to Other Purposes - \$1,257,000 (3.5%) Includes grant and building carryovers as well as the portion of fund balance committed to 12/13
- Unassigned Fund Balance - \$ 468,322 (1.3%) (\$235,000 to be used for staff development in 12/13)
- Inventory Reserve \$ 191,500 (.5%)
- Restricted for Carryover - Vocational \$ 18,400

## Revenue Detail

	<u>Budget</u>	<u>Actual</u>	<u>Over/Under Budget</u>
Local taxes	8,805,711	8,853,916	48,205
Local Nontax	3,165,400	3,330,547	165,147
State-Apportionment	19,275,000	19,192,258	(82,742)
State-Special Purpose	3,916,855	3,581,597	(335,258)
Federal	1,133,513	1,418,421	284,908
Other Financing Sources	<u>250,000</u>	<u>162,679</u>	<u>(87,321)</u>
<b>Total</b>	<b>36,546,479</b>	<b>36,539,417</b>	<b>(7,062)</b>

**Taxes** - Increase in the percent of taxes collected in April payment. A corresponding decrease would be anticipated in October (FY 12/13).

**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. Last year several areas were above budget estimates. Tuitions/Fees exceeded estimates by \$13,000, donations by \$90,000 and rental revenues by \$89,000. Sale of goods (includes lunch sales and class materials fees) was under budget by \$27,000.

**Apportionment**- Revenues reflect that actual enrollment was under budget estimates.

**State-Special**- Special Ed enrollment was under budget estimates and a portion of Safety Net revenues budgeted in this category were actually received as federal revenues.

**Federal**- Over budget estimates due to the receipt of Safety Net Funds. Conservative estimates are used due to the uncertainty of this revenue source.

**Other Financing Sources** - This area is used primarily for recording the reimbursement for purchases being funded by the tech levy. This revenue is offset by equal expenditures.

## Expenditure Detail (by Object)

	<u>Budget</u>	<u>Actual</u>	<u>Over/Under Budget</u>
Certificated Salary	17,349,291	17,368,611	19,320
Classified Salary	6,293,279	6,242,382	(50,897)
Benefits	8,172,278	7,800,835	(371,443)
Supplies	1,968,519	1,717,661	(250,858)
Purchased Services	3,560,023	3,140,268	(419,755)
Travel	100,120	80,266	(19,854)
Capital Outlay	<u>112,389</u>	<u>71,110</u>	<u>(41,279)</u>
<b>Total</b>	37,555,899	36,421,133	(1,134,766)

**Certificated Salaries** - Overages in substitute costs and sick leave/vacation buyback were generally offset by reduced expense in basic ed salaries (equivalent to one unfilled position).

**Classified Salaries** - Savings in Special Ed (\$96,000) and Information Services (\$46,000) covered overages for custodial overtime (related to rentals), substitute costs and sick leave/vacation buyback.

**Benefits** - Over calculation of expected cost when creating budget.

**Supplies**- Over \$100,000 of these remaining budget dollars will be reallocated in FY 12/13 as carryover funds. Areas that came in under budget and are not considered carryover funds include fuel, postage and food service costs.

**Purchased Services**- Utilities, Legal Fees and Election costs were the primary areas that were below budget estimates. A mild winter, energy conservation measures and stable pricing for propane favorably impacted costs in 11/12. Legal fees are typically budgeted at highest expected costs based on historical data. Fortunately, we did not have to fully expend these funds this year.

**Travel** - Not all allocations for staff development and administrative travel were fully expended.

**Capital Outlay**- Not all departmental allocations were fully expended. These funds are not subject to carryover.

## Expenditure Detail (by Program)

	<u>Budget</u>	<u>Actual</u>	<u>Over/Under Budget</u>
Basic Ed	22,082,349	21,704,044	(378,305)
Special Ed	5,413,215	5,262,542	(150,673)
Voc. Ed	887,082	894,604	7,522
Compensatory Ed.			
Disadvantaged	107,598	113,059	5,461
School Improvement	111,397	111,134	(263)
Learning Asst.	78,103	73,793	(4,310)
Special & Pilot Prgm	110,948	116,405	5,457
Tran. Bilingual	56,705	56,061	(644)
Student Achieve/SFSF	0	0	0
Indian Ed.	25,893	21,920	(3,973)
Other Instructional Prgm			
Highly Capable	43,286	32,607	(10,679)
Math/Sci Staff Devlp.	53,258	28,212	(25,046)
Other Community Serv.	30,000	36,260	6,260
Support Services			
Districtwide Support			
Central Office	1,383,381	1,189,913	(193,468)
Grounds/Maint	819,086	821,473	2,387
Operation of Buildings	1,378,368	1,414,526	36,158
Utilities	1,500,000	1,251,643	(248,357)
Insurance/Security	303,131	324,773	21,642
Information Services	655,994	578,090	(77,904)
Other	11,000	10,828	(172)
Food Service	999,015	944,331	(54,684)
Transp./Motor Pool	1,506,090	1,434,917	(71,173)
Total	37,555,899	36,421,133	(1,134,766)

**Basic Ed.** - Under budget in benefits, supplies and purchased services. Some of these remaining budget allocations (\$100,000) will be redistributed as carryover in 12/13.

**Special Ed.** - Changes in enrollment resulted in reduced classified staffing costs.

**Compensatory** - Programs in this area are supported with grant funds and spending is aligned with revenues. Actual grant allocations may vary from initial expenditure estimates.

**Other Instructional Programs** - Highly Capable expenditures aligned with revenues.

Math/Science Staff Development - Activities not completed in FY 11/12 will take place in 12/13 - previously received grant revenues are included in the fund balance.

**Districtwide Support** -

Central Office - Savings in legal fees (\$88,000), election costs, postage and purchased services in Business Office and Public Relations Office.

Operation of Buildings - Over budget due to overtime (offset by rental fees).

Utilities - Under budget for electric/propane (\$195,000), phones (\$15,000), water/sewer (\$22,000) and stormwater fees.

Information Services -Primarily savings in salaries/benefits (unfilled position).

Food Services - Under budget in capital outlay and supplies.

Transportation/Motor Pool - Overages for supplies expense were offset by savings in fuel costs, capital outlay and the transfer of costs to the using groups (extracurricular and field trip).