

Del Mar Union School District

2007/08 Second Interim Report

NARRATIVE

RESTRICTED AND UNRESTRICTED FUND SUMMARY

The following narrative explains changes that have occurred in the District's 2007/08 Budget since the Board approved the 2007/08 First Interim Budget at the December 6, 2007 Board meeting.

Income

Property Tax and Revenue Limit Sources **No Change**

Budgeted amounts remain at the same level as First Interim.

Federal Revenue **\$44,019**

Special education revenues increased due to higher student enrollment

State Revenue **\$12,344**

Increase in State funding was to adjust estimated funding levels to California Department of Education apportionment documents

Local Revenue **-\$14,546**

As of February 28, 2008, the District will no longer be receiving rent from the Winston School. The local revenue budget for rents received was reduced by \$65,748. An increase of \$51,202 in various site donations offsets most of the the reduction.

Expenditures

Certificated Salaries **\$43,329**

Since First Interim, there have been minor staffing adjustments. Leave of absences, substitutes, and extra-time all occur during the school year. Although they are an anticipated event, it is difficult to quantify their effect during the budget process. This adjustment was necessary to align salary budgets up through January 31, 2008.

Classified Salaries **\$12,684**

Just as with certificated staff, classified employees are also eligible for time-off requiring substitutes or extra-pay. This adjustment was necessary to align salary budgets up through January 31, 2008.

Employee Benefits **\$169,925**

The increase in expenditures for health benefits is a function of the current employee contract and the increase in health premiums effective January 1, 2008. Currently our health benefit cap for full-time employees is \$8,048. Depending on the health carrier selected and family size, many individuals

were not yet using the complete \$8,048. When health premiums are increased annually, the rate increases are provided to the district from the carriers through Keenan & Associates. Employees have the opportunity every October during open enrollment to change carriers, select alternate coverage in the same carrier, or alter family coverage. All of these aspects effect the expenditure for health benefits mid-year.

Books and Supplies **\$25,230**

An increase in this account is related to the increase in State and local revenue. Since revenues were also increased, this does not have an adverse effect on the ending balance.

Services and Other Operating Expenditures **\$111,324**

There has been an increase in various contracts and services the district participates in. Many of these expenditures are offset by increases in revenues. Some, like utilities, have increased and will have a negative impact on the ending balance.

Capital Outlay **\$21,916**

The increase in this budget category was due to a transfer of budget from supplies to capital outlay.

Other Outgo **No change**

This budget line was adjusted at First Interim and remains.

Transfers of Indirect/Direct Support **No change**

The \$22,121 is to allocate General Fund support to the Cafeteria Fund. This amount is an estimate and will be adjusted and year-end.

Other Financing Sources and Uses **-\$3,973**

The district was able to reduce the required contribution to the Deferred Maintenance Fund.

Projected Ending Balance

Ending Balance **-\$346,564**

The ending balance is projected to decrease an additional \$346,564 since First Interim. This is due to the net effect of the above transactions. The district continues to have healthy reserves and meet the State minimum requirement of 3%.