

School Fund Revenue

State Revenue

State revenues will provide \$53,316,242, or 40.9% of the school fund FY04 budget. These revenues are divided into three categories:

Sales Tax

Included revenue from a 1% portion of state sales tax returned to localities, designated for public school education. This component of state sales tax is distributed on the basis of a locality's school age population. The FY04 estimated amount of state sales tax is \$11,398,766.

Standards of Quality Funds (SOQ)

These funds are distributed upon an "equalized" formula, which takes into account a locality's ability to pay. This "composite index" is applied to various revenue accounts to insure an equitable distribution of state funds to all school districts. The State assumes a 50/50 sharing of the cost to fund the SOQ. A locality of average wealth would exhibit a .5000 composite index. Hanover's composite index was increased to .4756 representing that Hanover's wealth is growing at a faster rate than the State average. The State provides 52.44% of the estimated SOQ cost with Hanover providing 47.56%. For each SOQ item, the State has established a per pupil cost for each locality based upon the school district's cost experience and the State's established staffing for the specific initiative. In all cases Hanover exceeds the State's minimum staffing requirement. State revenue for the item is established by multiplying the number of students in average daily membership by the per pupil amount, then by the composite index.

The composite index is calculated as follows:

	<u>Local property value/local ADM*</u>		<u>Local AGI/local ADM</u>		<u>Local retail sales/local ADM</u>	<u>ADM</u>
.5 X	State property value/state ADM	+	.4 X State AGI/state ADM	+	1 X State retail sales/state ADM	= INDEX
	<u>Local property value/local population</u>		<u>Local AGI/local population</u>		<u>Local retail sales/local population</u>	<u>ADM</u>
.5 X	State property value/state population	+	.4 X State AGI/state population	+	1 X State retail sales/state population	= INDEX
* ADM = average daily membership						

State Categorical Funds

This funding stream is offered as an offset to specific services provided by the local school district. Funds are provided in direct relation to the cost and level of services provided.

Federal Revenue

Amounts in this section of the revenue budget represent the Federal offset of certain specific programs. Some of these programs require a local funding match, while other programs are fully funded (self-sustaining). Most of the self-sustaining programs are mandated or grant initiatives. It is expected that at the end of the year these programs will be cost/revenue neutral. Federal funds will provide \$4,424,242 or 3.4% of the school's estimated revenue.

School Fund Revenue

Other Revenue

Revenue in this section is derived from non-governmental sources. For the most part these funds represent fees for services and specific cost recoveries. These "other revenues" will provide \$1,207,522, or .09% of the school's budget.

Tuition is charged to non-resident students in the amount of \$3,542. This fee is based on the total general fund appropriation to the school fund less debt service, divided by the total enrollment. The fee for FY04 has been increased in proportion to the increase in local revenue supporting the regular operating budget. The acceptance of non-resident students is contingent upon the capacity of the school.

Local Revenue

Includes local funds for regular school operation including the local share of the State Standards of Quality. Additional local funds are appropriated for debt service, the continuance maintenance program, technology enhancements, and environmental projects. Local revenues will provide \$71,510,423, or 54.8% of the school's budget.

Local funding of the School's budget is determined by a mutually agreed upon funding target methodology. This methodology is sensitive to both enrollment and cost increases. The target is established for a period of five years and is updated annually.

School Fund Revenue

	<u>FY02 Budget</u>	<u>FY02 Actual</u>	<u>FY03 Budget</u>	<u>FY04 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Charges for Services						
Tuition Payments	\$ 355,233	\$ 285,401	\$ 380,957	\$ 393,385	3.3%	\$ 12,428
Drivers Ed Fees	127,404	73,295	127,404	127,404	0.0%	-
Student Parking Fees	35,000	35,000	35,000	35,000	0.0%	-
Charges for Services	\$ 517,637	\$ 393,696	\$ 543,361	\$ 555,789	2.3%	\$ 12,428
Recovered Costs						
Miscellaneous Refunds	\$ 257,000	\$ 455,619	\$ 129,000	\$ 205,000	58.9%	\$ 76,000
Payments-Other						
Agencies	-	30,618	191,376	80,000	-58.2%	(111,376)
Recovered Costs	\$ 257,000	\$ 486,237	\$ 320,376	\$ 285,000	-11.0%	\$ (35,376)
Intergovernmental						
Non-Categorical State Aid						
Basic Aid	\$ 27,614,554	\$ 28,367,478	\$ 30,501,294	\$ 32,139,289	5.4%	\$ 1,637,995
Vocational Education - SOQ	262,528	265,221	266,103	272,733	2.5%	6,630
Special Education-SOQ	1,855,800	1,874,838	2,560,090	2,614,476	2.1%	54,386
Gifted and Talented- SOQ	325,897	329,240	330,334	338,565	2.5%	8,231
Remedial Education	521,664	471,275	266,103	272,733	2.5%	6,630
Fringe Benefits	2,466,618	2,309,631	2,459,095	2,526,230	2.7%	67,135
Other Categorical	4,266,602	4,326,683	2,414,368	2,625,105	8.7%	210,737
Non-Categorical State Aid	\$ 37,313,663	\$ 37,944,366	\$ 38,797,387	\$ 40,789,131	5.1%	\$ 1,991,744
Categorical State Aid						
Sales Tax	\$ 11,179,251	\$ 10,608,912	\$ 10,865,433	\$ 11,398,766	4.9%	\$ 533,333
Foster Home Children	73,010	88,903	96,656	96,656	0.0%	-
General Adult Education	9,450	10,272	9,450	9,450	0.0%	-
Vocational Education	62,153	46,208	62,153	45,839	-26.2%	(16,314)
Other Categorical	160,501	211,588	957,190	976,400	2.0%	19,210
Categorical State Aid	\$ 11,484,365	\$ 10,965,883	\$ 11,990,882	\$ 12,527,111	4.5%	\$ 536,229
Total State Aid	\$ 48,798,028	\$ 48,910,249	\$ 50,788,269	\$ 53,316,242	5.0%	\$ 2,527,973

School Fund Revenue

	<u>FY02 Budget</u>	<u>FY02 Actual</u>	<u>FY03 Budget</u>	<u>FY04 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Categorical Federal Aid						
Drug Free Schools Grant	\$ 60,000	\$ 59,218	\$ 58,808	\$ 58,808	0.0%	\$ -
Carl Perkins Grant	132,567	135,157	135,157	135,157	0.0%	-
Preschool Grants	86,368	103,079	87,467	87,500	0.0%	33
Basic Skills-Adult	22,000	31,899	22,000	22,000	0.0%	-
Title VI	62,361	64,058	63,248	69,802	10.4%	6,554
Head Start	601,529	815,361	689,634	831,294	20.5%	141,660
Title I	423,854	579,460	501,498	690,737	37.7%	189,239
Title VI-B Flow Thru	1,552,513	1,649,086	1,826,305	2,049,905	12.2%	223,600
Other Federal Funds	311,879	517,280	382,387	479,039	25.3%	96,652
Categorical Federal Aid	\$ 3,253,071	\$ 3,954,598	\$ 3,766,504	\$ 4,424,242	17.5%	\$ 657,738
Total Intergovernmental	\$ 52,051,099	\$ 52,864,847	\$ 54,554,773	\$ 57,740,484	5.8%	\$ 3,185,711
Miscellaneous						
Refunds and Rebates	\$ 101,000	\$ 75,848	\$ -	\$ -	0.0%	\$ -
Insurance Recoveries	-	-	-	-	0.0%	-
Sale of School Buses and equipment	7,000	5,534	10,000	5,000	-50.0%	(5,000)
Bond Proceeds	-	-	-	-	0.0%	-
Gifts and Donations	-	-	173,345	173,345	0.0%	-
Miscellaneous Revenue	43,000	32,644	188,388	188,388	0.0%	-
Miscellaneous	\$ 151,000	\$ 114,026	\$ 371,733	\$ 366,733	-1.3%	\$ (5,000)
Interfund Transfers-In						
Transfers from the General Fund	\$ 62,239,291	\$ 61,987,977	\$ 66,655,799	\$ 71,510,423	0.0%	\$ 4,854,624
Interfund Transfers-In	\$ 62,239,291	\$ 61,987,977	\$ 66,655,799	\$ 71,510,423	7.3%	\$ 4,854,624
Total	\$ 115,216,027	\$ 115,846,783	\$ 122,446,042	\$ 130,458,429	6.5%	\$ 8,012,387

Textbook Fund Revenue

State Revenue

The State provides an allowance for textbooks, which is based on the following formula:

$$(\text{Textbook rate} \times \text{average daily membership} \times \text{inverse of composite index})$$

$$(\$75.36 \times 17,934 \times .5244)$$

The projected allowance for FY04 is \$708,730 or 51.7% of the total estimated revenue.

Local Funds

This category includes funds appropriated at the County level for funding of school textbooks. For FY04, the appropriated amount will be \$637,358, or 46.5% of total estimated revenue.

	<u>FY02 Budget</u>	<u>FY02 Actual</u>	<u>FY03 Budget</u>	<u>FY04 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Revenues from Use of Money & Property						
Sale-Supplies, Copies & Materials	\$ -	\$ 11,119	\$ -	\$ -	0.0%	\$ -
Revenues from Use of Money & Property	\$ -	\$ 11,119	\$ -	\$ -	0.0%	\$ -
Categorical State Aid						
Categorical State Aid	\$ 554,477	\$ 560,165	\$ 691,500	\$ 708,730	2.5%	\$ 17,230
Categorical State Aid	\$ 554,477	\$ 560,165	\$ 691,500	\$ 708,730	2.5%	\$ 17,230
Interfund Transfers-In						
Transfers from General Fund	\$ 600,710	\$ 600,709	\$ 618,794	\$ 637,358	3.0%	\$ 18,564
Interfund Transfers-In	\$ 600,710	\$ 600,709	\$ 618,794	\$ 637,358	3.0%	\$ 18,564
Balancing Accounts						
Prior Year's Balance	\$ -	\$ -	\$ -	\$ 25,425	100.0%	\$ 25,425
Balancing Accounts	\$ -	\$ -	\$ -	\$ 25,425	100.0%	\$ 25,425
Total	\$ 1,155,187	\$ 1,171,993	\$ 1,310,294	\$ 1,371,513	4.7%	\$ 61,219

Cafeteria Fund Revenue

Beginning Fund Balance

The cafeteria fund will begin the fiscal year with a projected fund balance of \$572,273. This amount represents a running balance of revenues received in excess of expenditures based upon an audited fund balance of \$736,143 as of June 30, 2002. This budget utilizes \$207,374 of the fund balance for FY04 operations.

Federal Funds

Revenues in this category include the USDA Commodities donated to the school meals program and proceeds received through the National School Lunch program and other Federal nutritional programs. For FY04, it is estimated that the Schools will receive \$916,047 in Federal revenue or 14.7% of the total estimated revenue.

State Funds

State reimbursement for the School Lunch Program will provide \$63,836 of 1.0% of the FY04 total revenue.

Charges for Services

This category of revenue is comprised mainly of school cafeteria sales receipts. The elementary and middle school lunch price will increase by \$.05 to \$1.60. The high schools will continue to operate with an a la carte food service program. Breakfast prices for students will be \$1.05, with adult prices set at \$1.45 for breakfast and \$2.45 for lunch. It is anticipated that this price structure will contribute an estimated total of breakfast and lunch sales amounting to \$4,984,840, or 80.2% of total revenue.

Other Funds

Other funds includes an estimate of interest income and miscellaneous refund amounts which total \$43,800, or approximately .7% of total estimated revenue.

Cafeteria Fund Revenue

	<u>FY02</u> <u>Budget</u>	<u>FY02</u> <u>Actual</u>	<u>FY03</u> <u>Budget</u>	<u>FY04</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>	<u>Dollar</u> <u>Change</u>
Revenues from Use of Money & Property						
Interest on Investments	\$ 26,000	\$ 21,513	\$ 22,500	\$ 25,800	14.7%	\$ 3,300
Revenues from Use of Money & Property	\$ 26,000	\$ 21,513	\$ 22,500	\$ 25,800	14.7%	\$ 3,300
Charges for Services						
Sales, Elementary Schools	\$ 1,569,116	\$ 1,547,371	\$ 1,571,270	\$ 1,745,354	11.1%	\$ 174,084
Sales, Middle Schools	917,500	980,565	925,650	1,118,078	20.8%	192,428
Sales, High Schools	1,626,320	1,817,746	1,702,000	2,121,408	24.6%	419,408
Charges for Services	\$ 4,112,936	\$ 4,345,682	\$ 4,198,920	\$ 4,984,840	18.7%	\$ 785,920
Intergovernmental						
Categorical State Aid						
School Food Programs	\$ 62,030	\$ 61,567	\$ 63,545	\$ 63,836	0.5%	\$ 291
Categorical State Aid	\$ 62,030	\$ 61,567	\$ 63,545	\$ 63,836	0.5%	\$ 291
Categorical Federal Aid						
USDA Donated Commodities	\$ 150,000	\$ 190,281	\$ 156,000	\$ 195,000	25.0%	\$ 39,000
Section 4, Cafeteria Charges	213,750	240,773	240,830	245,380	1.9%	4,550
Breakfast Reimbursement	75,800	96,439	96,000	108,367	12.9%	12,367
Supplmtl. Cafeteria Reimbursement	286,695	343,600	332,360	367,300	10.5%	34,940
Categorical Federal Aid	\$ 726,245	\$ 871,093	\$ 825,190	\$ 916,047	11.0%	\$ 90,857
Total Intergovernmental	\$ 788,275	\$ 932,660	\$ 888,735	\$ 979,883	10.3%	\$ 91,148
Miscellaneous						
Miscellaneous Refunds	\$ 13,000	\$ 15,555	\$ 11,000	\$ 18,000	63.6%	\$ 7,000
Miscellaneous	\$ 13,000	\$ 15,555	\$ 11,000	\$ 18,000	63.6%	\$ 7,000
Balancing Accounts						
Prior Year's Balance	\$ -	\$ -	\$ 163,868	\$ 207,374	26.5%	\$ 43,506
Balancing Accounts	\$ -	\$ -	\$ 163,868	\$ 207,374	100.0%	\$ 43,506
Total	\$ 4,940,211	\$ 5,315,410	\$ 5,285,023	\$ 6,215,897	17.6%	\$ 930,874