

School Fund Revenue

State Revenue

State revenues will provide \$68,519,628, or 43.8% of the school fund FY06 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 FY06 estimated amount of state sales tax is \$14,968,855.

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 55/45 sharing of the cost to fund the SOQ. A locality of average wealth would exhibit a .5500 composite index. Hanover's composite index was decreased to .4539 representing that Hanover's wealth is growing at a slower rate than the State average. This most recent adjustment to the state-wide formula sees a majority of localities experiencing a similar decrease, due to the extraordinary increase in Northern Virginia's wealth and its significant influence on the state average. The State provides 54.61% of the estimated SOQ cost with Hanover providing 45.39%. 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:

	Local property value/local ADM*		Local AGI/local ADM		Local retail sales/local ADM	ADM
.5 X	State property value/state ADM	+ .4 X	State AGI/state ADM	+1 X	State retail sales/state ADM	= INDEX
	Local property value/local population		Local AGI/local population		Local retail sales/local population	ADM
.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 \$6,214,890 or 4.0% 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 \$1,511,261, or .9% of the school's budget.

Tuition is charged to non-resident students in the amount of \$4,017. 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 FY06 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 continuous maintenance program, technology enhancements, and environmental projects. Local revenues will provide \$80,055,169, or 51.2% 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>FY04 Budget</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Charges for Services						
Tuition Payments	\$ 393,385	\$ 309,574	\$ 430,903	\$ 489,584	13.6%	\$ 58,681
Drivers Ed Fees	127,404	84,296	151,626	151,626	0.0%	-
Student Parking Fees	35,000	31,540	35,000	36,000	2.9%	1,000
Charges for Services	\$ 555,789	\$ 425,410	\$ 617,529	\$ 677,210	9.7%	\$ 59,681
Recovered Costs						
Miscellaneous Refunds	\$ 268,388	\$ 391,472	\$ 390,300	\$ 437,000	12.0%	\$ 46,700
Payments-Other Agencies	-	33,034	8,300	8,300	100.0%	-
Recovered Costs	\$ 268,388	\$ 424,506	\$ 398,600	\$ 445,300	11.7%	\$ 46,700
Intergovernmental						
Non-Categorical State Aid						
Basic Aid	\$ 32,139,289	\$ 32,178,425	\$ 36,779,098	\$ 39,255,198	6.7%	\$ 2,476,100
Vocational Educ. - SOQ	272,733	271,965	375,826	523,417	39.3%	147,591
Special Education-SOQ	2,614,476	2,607,117	3,544,954	4,821,478	36.0%	1,276,524
Gifted & Talented-SOQ	338,565	337,612	385,983	382,497	-0.9%	(3,486)
Remedial Education	474,244	400,789	506,235	490,501	-3.1%	(15,734)
Fringe Benefits	2,526,230	2,545,922	3,833,835	4,135,102	7.9%	301,267
Other Categorical	3,273,104	3,240,487	3,446,816	3,695,335	7.2%	248,519
Non-Categorical State Aid	\$ 41,638,641	\$ 41,582,317	\$ 48,872,747	\$ 53,303,528	9.1%	\$ 4,430,781
Categorical State Aid						
Sales Tax	\$ 11,398,766	\$ 11,839,662	\$ 12,147,192	\$ 14,968,855	23.2%	\$ 2,821,663
Foster Home Children	96,656	134,042	84,270	92,213	9.4%	7,943
General Adult Education	9,450	9,239	9,450	9,450	0.0%	-
Vocational Education	45,839	38,862	46,825	45,777	-2.2%	(1,048)
Other Categorical	126,890	166,377	134,032	99,805	-25.5%	(34,227)
Categorical State Aid	\$ 11,677,601	\$ 12,188,183	\$ 12,421,769	\$ 15,216,100	22.5%	\$ 2,794,331
Total State Aid	\$ 53,316,242	\$ 53,770,500	\$ 61,294,516	\$ 68,519,628	11.8%	\$ 7,225,112

School Fund Revenue

	<u>FY04 Budget</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Categorical Federal Aid						
Drug Free Schools Grant	\$ 58,808	\$ 58,075	\$ 58,816	\$ 55,000	-6.5%	\$ (3,816)
Carl Perkins Grant	135,157	160,415	160,415	155,000	-3.4%	(5,415)
Preschool Grants	87,500	86,854	87,524	82,700	-5.5%	(4,824)
Basic Skills-Adult	22,000	35,764	48,116	50,000	3.9%	1,884
Title I	690,737	599,975	672,387	1,081,895	60.9%	409,508
Title II	358,666	332,389	335,605	655,244	95.2%	319,639
Title V	69,802	82,552	73,972	55,851	-24.5%	(18,121)
Title VI-B Flow Thru	2,049,905	2,303,909	2,462,564	2,812,266	14.2%	349,702
Head Start	831,294	971,644	915,164	981,403	7.2%	66,239
Other Federal Funds	250,373	397,487	264,362	285,531	8.0%	21,169
Categorical Federal Aid	\$ 4,554,242	\$ 5,029,063	\$ 5,078,925	\$ 6,214,890	22.4%	\$ 1,135,965
Total Intergovernmental	\$ 57,870,484	\$ 58,799,563	\$ 66,373,441	\$ 74,734,518	12.6%	\$ 8,361,077
Miscellaneous						
Refunds and Rebates	\$ 75,000	\$ 147,146	\$ 65,000	\$ 145,658	124.1%	\$ 80,658
Sale of School Buses and equipment	5,000	10,151	5,000	7,500	50.0%	2,500
Gifts and Donations					100.0%	-
Miscellaneous Revenue	173,345	188,331	241,593	235,593	-2.5%	(6,000)
Miscellaneous	\$ 253,345	\$ 345,628	\$ 311,593	\$ 388,751	24.8%	\$ 77,158
Interfund Transfers-In						
Transfers from the						
General Fund	\$ 71,510,423	\$ 70,826,329	\$ 76,607,619	\$ 79,355,169	3.6%	\$ 2,747,550
Interfund Transfers-In	\$ 71,510,423	\$ 70,826,329	\$ 76,607,619	\$ 79,355,169	3.6%	\$ 2,747,550
Total	\$ 130,458,429	\$ 130,821,437	\$ 144,308,782	\$ 155,600,948	7.8%	\$ 11,292,166

Textbook Fund Revenue

State Revenue

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

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

$$(\$63.12 \times 18,432 \times .5461)$$

The projected allowance for FY06 is \$635,348 or 48.4% of the total estimated revenue.

Local Funds

This category includes funds appropriated at the County level for funding of school textbooks. For FY06, the appropriated amount will be \$676,173, or 40.9% of total estimated revenue.

	FY04 Budget	FY04 Actual	FY05 Budget	FY06 Budget	Percent Change	Dollar Change
Categorical State Aid						
Categorical State Aid	\$ 708,730	\$ 706,735	\$ 641,139	\$ 635,348	-0.9%	\$ (5,791)
Categorical State Aid	\$ 708,730	\$ 706,735	\$ 641,139	\$ 635,348	-0.9%	\$ (5,791)
Interfund Transfers-In						
Transfers from General Fund	\$ 637,358	\$ 637,358	\$ 656,479	\$ 676,173	3.0%	\$ 19,694
Interfund Transfers-In	\$ 637,358	\$ 637,358	\$ 656,479	\$ 676,173	3.0%	\$ 19,694
Balancing Accounts						
Prior Year's Balance	\$ 25,425	\$ 219,125	\$ -	\$ 341,793	100.0%	\$ 341,793
Balancing Accounts	\$ 25,425	\$ 219,125	\$ -	\$ 341,793	100.0%	\$ 341,793
Total	\$ 1,371,513	\$ 1,563,218	\$ 1,297,618	\$ 1,653,314	27.4%	\$ 355,696

Cafeteria Fund Revenue

Beginning Fund Balance

The cafeteria fund will begin the fiscal year with a projected fund balance of \$248,472. This amount represents a running balance of revenues received in excess of expenditures based upon an audited fund balance of \$534,751 as of June 30, 2004. This budget utilizes none of the fund balance for FY06 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 FY06, it is estimated that the Schools will receive \$1,027,649 in Federal revenue or 15.0% of the total estimated revenue.

State Funds

State reimbursement for the School Lunch Program will provide \$73,279 of 1.3% of the FY06 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 \$.10 to \$1.75. The high schools will continue to operate with an a la carte food service program. Breakfast prices for students will increase to \$1.10, with adult prices set at \$1.55 for breakfast and \$2.60 for lunch. It is anticipated that this price structure will contribute an estimated total of breakfast and lunch sales amounting to \$5,719,826, or 83.6% of total revenue.

Other Funds

Other funds includes an estimate of interest income and miscellaneous refund amounts which total \$25,000, or approximately .4% of total estimated revenue.

Cafeteria Fund Revenue

	<u>FY04</u> <u>Budget</u>	<u>FY04</u> <u>Actual</u>	<u>FY05</u> <u>Budget</u>	<u>FY06</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	\$ 25,800	\$ (804)	\$ 8,000	\$ 2,000	-75.0%	\$ (6,000)
Revenues from Use of Money & Property	\$ 25,800	\$ (804)	\$ 8,000	\$ 2,000	-75.0%	\$ (6,000)
Charges for Services						
Sales, Elementary Schools	\$ 1,745,354	\$ 1,618,439	\$ 1,852,554	\$ 2,009,832	8.5%	\$ 157,278
Sales, Middle Schools	1,118,078	1,100,457	1,182,458	1,301,266	10.0%	118,808
Sales, High Schools	2,121,408	2,120,993	2,200,320	2,408,728	9.5%	208,408
Charges for Services	\$ 4,984,840	\$ 4,839,889	\$ 5,235,332	\$ 5,719,826	9.3%	\$ 484,494
Intergovernmental						
Categorical State Aid						
School Food Programs	\$ 63,836	\$ 61,983	\$ 64,000	\$ 73,297	14.5%	\$ 9,297
Categorical State Aid	\$ 63,836	\$ 61,983	\$ 64,000	\$ 73,297	14.5%	\$ 9,297
Categorical Federal Aid						
USDA Donated Commodities	\$ 195,000	\$ 198,697	\$ 195,000	\$ 222,000	13.8%	\$ 27,000
Section 4, Cafeteria Charges	245,380	260,577	255,877	272,796	6.6%	16,919
Breakfast Reimbursement	108,367	110,665	111,700	115,842	3.7%	4,142
Supplmtl. Cafeteria Reimbursement	367,300	398,374	380,200	417,011	9.7%	36,811
Categorical Federal Aid	\$ 916,047	\$ 968,313	\$ 942,777	\$ 1,027,649	9.0%	\$ 84,872
Total Intergovernmental	\$ 979,883	\$ 1,030,296	\$ 1,006,777	\$ 1,100,946	9.4%	\$ 94,169
Miscellaneous						
Miscellaneous Refunds	\$ 18,000	\$ 22,441	\$ 17,000	\$ 23,000	35.3%	\$ 6,000
Miscellaneous	\$ 18,000	\$ 22,441	\$ 17,000	\$ 23,000	35.3%	\$ 6,000
Balancing Accounts						
Prior Year's Balance	\$ 207,374	\$ 227,488	\$ 286,279	\$ -	-100.0%	\$ (286,279)
Balancing Accounts	\$ 207,374	\$ 227,488	\$ 286,279	\$ -	-100.0%	\$ (286,279)
Total	\$ 6,215,897	\$ 6,119,310	\$ 6,553,388	\$ 6,845,772	4.5%	\$ 292,384