

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #39 (98-99)

August 24, 1998

TO: SCHOOL BOARD

FROM OFFICE OF THE SUPERINTENDENT

SUBJECT: REVISION TO FY 1997-98 FINANCIAL PLAN

RECOMMENDATION:

It is the Administration's recommendation that the School Board authorize the following budget adjustment to reflect the actual end-of-year expenditures in the Food Service Fund. The overall appropriation revision will not exceed the approved upper limit of the budget; therefore, no approval from the Anchorage Assembly is required. The total Food Service Fund budget will be increased \$240,000, from \$9,314,000 to \$9,554,000; and the General Fund budget will be reduced \$240,000, from \$302,786,900 to \$302,546,900. The total revised budget for FY 1997-98 will remain at the \$370,824,469 level as approved previously by the School Board and the Anchorage Assembly. The individual fund budgets will be as follows:

General Fund	\$302,546,900
Food Service Fund	9,554,000
Debt Service Fund	38,723,569
Local/State/Federal Projects Fund	<u>20,000,000</u>
Total All Funds	<u>\$370,824,469</u>

It is further recommended that the School Board approve and authorize the Superintendent to make the budget transfers and revisions as outlined below.

PERTINENT FACTS:

The Anchorage School District's FY 1997-98 Financial Plan, as revised provides an appropriation level of \$302,786,900 for the General Fund, \$9,314,000 for the Food Service Fund, \$38,723,569 for the Debt Service Fund, and \$20,000,000 for the Local/State/Federal Projects Fund, as approved by the Anchorage Assembly on

AR No. 97-237, dated November 11, 1997. The District's total revised budget for FY 1997-98, as approved by the Anchorage Assembly, is \$370,824,469.

Food Service Fund

On October 13, 1997 ASD Memorandum #80 (97-98) authorized a budget adjustment to the Food Service Fund in the amount of \$314,000 due to anticipated increased participation at the elementary level and an arbitration settlement on annual leave. This was an increase in the FY 1997-98 budget from \$9,000,000 to \$9,314,000.

Subsequent to that approval, expenditures are estimated to exceed the revised budget by approximately \$240,000, or 2.58 percent above the revised budget. Year-end closing and audit for FY 1997-98 is currently underway and final amounts are unavailable at this time. The estimated total expenditures for FY 1997-98 will be approximately \$9,554,000.

Increased student participation in the lunch program and implementation of the three-choice program at the elementary schools has resulted in increased labor and food costs. Middle school student participation increased 8 percent in the lunch program and 22 percent in the breakfast program. Elementary school student participation increased 6 percent. One-time labor costs for start-up of the three-choice program initially increased cost due to the learning curve involved.

Revenue sources, in excess of budgeted revenues, to support the increased expenditure level will be from increased local sales of \$85,350, increased federal reimbursement of \$18,642 and additional use of the Food Service undesignated fund balance in the amount of \$136,008. The remaining undesignated fund balance in the Food Service Fund as of June 30, 1998 will be approximately \$341,700 or 3.6 percent of the FY 1997-98 revised budget of \$9,554,000.

General Fund

As year-end closing and the annual audit for FY 1997-98 progresses, it is anticipated that the budgeted amount in various accounts within the General Fund will have remaining balances to accommodate the transfer to the Food Service Fund. Various purchased services accounts such as equipment repair, contracted services – administration, in-district mileage, and legal fees will have unexpended/unencumbered balances. In addition, expenditures for liability insurance are less than budgeted.

Budget Transfers

Based on the above recommendations, the following budget transfers will be made:

<u>Account Name</u>	<u>Account Number</u>	<u>Amount</u>
Funds will be added to:		
Food Service Fund:		
Food Service/Food Service Extra Help	06-091-xxx-xxx-190/194	\$ 59,000
Various Fringe Benefit Accounts	06-091-xxx-xxx-200's	5,000
Various Food Accounts	06-091-xxx-xxx-400's	<u>176,000</u>
Total		<u>\$240,000</u>

Funds will be subtracted from:

General Fund:		
Various Purchased Services Accounts	01-xxx-000-000-300's	\$190,000
Liability Insurance	01-099-000-000-607	<u>50,000</u>
Total		<u>\$240,000</u>

Summary By Fund

Upon approval of this request, the District's FY 1997-98 revised budget will be \$370,824,469 which is within the total appropriation level approved by the Anchorage Assembly. This is summarized by fund as follows:

<u>Fund Description</u>	<u>FY 1997-98 Revised Budget as of November 11, 1997</u>	<u>Requested Revision</u>	<u>FY 1997-98 Revised Budget as of August 24, 1998</u>
General Fund	\$302,786,900	\$(240,000)	\$302,546,900
Food Service Fund	9,314,000	240,000	9,554,000
Debt Service Fund	38,723,569		38,723,569
Local/State/Federal Projects Fund	<u>20,000,000</u>	<u> </u>	<u>20,000,000</u>
Total Anchorage School District Budget	<u>\$370,824,469</u>	<u>\$ -0-</u>	<u>\$370,824,469</u>

BC/JS/BR/DW
Attachment

Prepared by: Brent Rock, Director, Student Nutrition
Approved by: Janet Stokesbary, Chief Financial Officer