

School Fund Revenue

STATE REVENUE

State revenues will provide \$83,575,156 (regular and self sustaining), or 45.5% of the school fund FY08 budget. These revenues are divided into three categories:

Sales Tax

Included revenue from a 1 1/8% 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 pro-rata share of school age population as based on the 2005 triennial census of school aged population. The FY08 estimated amount of state sales tax is \$17,910,569.

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 .4352 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 56.48% of the estimated SOQ cost with Hanover providing 43.52%. 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 \$5,782,696 or 3.2% 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 \$2,257,074, or 1.2% of the school's budget.

Tuition is charged to non-resident students in the amount of \$4,635. 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 FY08 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

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 \$92,045,273, or 50.1% of the school's budget.

Local funding of the School's budget is determined by a mutually agreed upon funding target methodology. This methodology maintains a constant proportion of locally generated revenue to the schools. The target is established for a period of five years and is updated annually.

School Fund Revenue

	<u>FY06</u> <u>Budget</u>	<u>FY06</u> <u>Actual</u>	<u>FY07</u> <u>Budget</u>	<u>FY08</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>
Charges for Services					
Tuition Payments	\$ 489,584	\$ 368,401	\$ 600,481	\$ 574,005	(4.4%)
Drivers Ed Fees	151,626	94,769	151,626	151,625	(0.0%)
Student Parking Fees	36,000	41,325	40,000	40,000	0.0%
Charges for Services	<u>\$ 677,210</u>	<u>\$ 504,495</u>	<u>\$ 792,107</u>	<u>\$ 765,630</u>	<u>(3.3%)</u>
Recovered Costs					
Miscellaneous Refunds	\$ 437,000	\$ 594,679	\$ 658,247	\$ 668,324	1.5%
Payments-Other Agencies	8,300	8,214	8,300	8,300	0.0%
Recovered Costs	<u>\$ 445,300</u>	<u>\$ 602,893</u>	<u>\$ 666,547</u>	<u>\$ 676,624</u>	<u>1.5%</u>
Intergovernmental					
Non-Categorical State Aid					
Basic Aid	\$ 39,255,198	\$ 38,813,142	\$ 46,068,452	\$ 48,720,703	5.8%
Vocational Education - SOQ	523,417	526,273	638,077	641,737	0.6%
Special Education-SOQ	4,821,478	4,847,785	5,242,867	5,262,244	0.4%
Gifted and Talented-SOQ	382,497	384,584	425,385	427,825	0.6%
Remedial Education	490,501	435,025	297,769	299,477	0.6%
Fringe Benefits	4,135,102	3,866,083	5,519,367	6,064,415	9.9%
Other Categorical	3,695,335	3,580,381	3,842,834	3,807,814	(0.9%)
Non-Categorical State Aid	<u>\$ 53,303,528</u>	<u>\$ 52,453,273</u>	<u>\$ 62,034,751</u>	<u>\$ 65,224,215</u>	<u>5.1%</u>
Categorical State Aid					
Sales Tax	\$ 14,968,855	\$ 16,005,136	\$ 18,867,930	\$ 17,910,569	(5.1%)
Foster Home Children	92,213	157,528	208,473	160,000	(23.3%)
General Adult Education	9,450	11,698	9,450	9,450	0.0%
Vocational Education	45,777	40,961	56,309	46,276	(17.8%)
Other Categorical	99,805	199,116	225,264	224,646	(0.3%)
Categorical State Aid	<u>\$ 15,216,100</u>	<u>\$ 16,414,439</u>	<u>\$ 19,367,426</u>	<u>\$ 18,350,941</u>	<u>(5.2%)</u>
Total State Aid	\$ 68,519,628	\$ 68,867,712	\$ 81,402,177	\$ 83,575,156	2.7%

School Fund Revenue

	<u>FY06</u> <u>Budget</u>	<u>FY06</u> <u>Actual</u>	<u>FY07</u> <u>Budget</u>	<u>FY08</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>
Categorical Federal Aid					
Drug Free Schools Grant	\$ 55,000	\$ 54,659	\$ 55,000	\$ 37,165	(32.4%)
Carl Perkins Grant	155,000	155,223	155,000	155,000	0.0%
Preschool Grants	82,700	86,729	82,700	81,269	(1.7%)
Basic Skills-Adult	50,000	35,210	40,000	40,000	0.0%
Title I	1,081,895	459,028	553,864	610,000	10.1%
Title II	655,244	388,814	393,226	388,548	(1.2%)
Title V	55,851	61,658	37,908	19,091	(49.6%)
Title VI-B Flow Thru	2,812,266	2,724,726	3,178,433	3,349,698	5.4%
Head Start	981,403	867,297	1,016,251	935,450	(8.0%)
Other Federal Funds	285,531	519,848	318,475	166,475	(47.7%)
Categorical Federal Aid	<u>\$ 6,214,890</u>	<u>\$ 5,353,192</u>	<u>\$ 5,830,857</u>	<u>\$ 5,782,696</u>	<u>(0.8%)</u>
Total Intergovernmental	\$ 74,734,518	\$ 74,220,904	\$ 87,233,034	\$ 89,357,852	2.4%
Miscellaneous					
Refunds and Rebates	\$ 145,658	\$ 267,625	\$ 174,000	\$ 174,000	0.0%
Sale of Buses/Equipment	7,500	2,131	10,000	-	(100.0%)
Miscellaneous Revenue	235,593	273,256	388,345	540,819	39.3%
Miscellaneous	<u>\$ 388,751</u>	<u>\$ 543,012</u>	<u>\$ 572,345</u>	<u>\$ 714,819</u>	<u>24.9%</u>
Interfund Transfers-In					
Transfers from General Fund	\$ 79,355,169	\$ 77,727,454	\$ 85,097,973	\$ 92,045,273	8.2%
Interfund Transfers-In	<u>\$ 79,355,169</u>	<u>\$ 77,727,454</u>	<u>\$ 85,097,973</u>	<u>\$ 92,045,273</u>	<u>8.2%</u>
Total	<u>\$ 155,600,948</u>	<u>\$ 153,598,758</u>	<u>\$ 174,362,006</u>	<u>\$ 183,560,198</u>	<u>5.3%</u>

Textbook Fund Revenue

STATE REVENUE

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

(Textbook rate X average daily membership X inverse of composite index) (100.28 X 18,937

X 0.5648). The projected allowance for FY08 is \$1,072,557, or 59.9% of the total estimated revenue.

LOCAL FUNDS

This category includes funds appropriated at the County level for funding of school textbooks. For FY08, the appropriated

amount will be \$717,352, or 40.1% of total estimated revenue.

	<u>FY06</u> <u>Budget</u>	<u>FY06</u> <u>Actual</u>	<u>FY07</u> <u>Budget</u>	<u>FY08</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>
Use of Money & Property					
Sale-Supplies/Copies/Materials	\$ -	\$ 56,305	\$ -	\$ -	0.0%
Use of Money & Property	\$ -	\$ 56,305	\$ -	\$ -	0.0%
Categorical State Aid					
Categorical State Aid	\$ 635,348	\$ 638,815	\$ 1,082,711	\$ 1,072,557	(0.9%)
Categorical State Aid	\$ 635,348	\$ 638,815	\$ 1,082,711	\$ 1,072,557	(0.9%)
Interfund Transfers-In					
Transfers from General Fund	\$ 676,173	\$ 676,173	\$ 696,458	\$ 717,352	3.0%
Interfund Transfers-In	\$ 676,173	\$ 676,173	\$ 696,458	\$ 717,352	3.0%
Balancing Accounts					
Prior Year's Balance	\$ 341,793			\$ -	100.0%
Balancing Accounts	\$ 341,793	\$ -	\$ -	\$ -	100.0%
Total	\$ 1,653,314	\$ 1,371,293	\$ 1,779,169	\$ 1,789,909	0.6%

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Cafeteria Fund Revenue

BEGINNING FUND BALANCE

The cafeteria fund will begin the fiscal year with a projected fund balance of \$115,052. This amount represents a net accumulated balance of revenues received in excess of

expenditures based upon an audited fund balance of \$275,927 as of June 30, 2006. This budget does not utilize the fund balance.

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 FY08, it is estimated that the Schools will receive \$1,186,553 in Federal revenue or 15.7% of the total estimated revenue.

STATE FUNDS

State reimbursement for the School Lunch Program will provide \$68,000 or .9% of the FY08 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 \$2.00. The high schools will continue to operate with an a la carte food service program. Breakfast prices for students

will increase by \$.10 to \$1.25, with adult prices set at \$1.80 for breakfast and \$2.85 for lunch. It is anticipated that this price structure will contribute an estimated total of breakfast and lunch sales amounting to \$6,279,743, or 82.9% of total revenue.

OTHER FUNDS

Other funds include an estimate of interest income and miscellaneous refund amounts

which total \$38,750, or approximately .5% of total estimated revenue.

Cafeteria Fund Revenue

	<u>FY06</u> <u>Budget</u>	<u>FY06</u> <u>Actual</u>	<u>FY07</u> <u>Budget</u>	<u>FY08</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>
Use of Money & Property					
Interest on Investments	\$ 2,000	\$ 14,384	\$ 10,000	\$ 12,000	20.0%
Use of Money & Property	\$ 2,000	\$ 14,384	\$ 10,000	\$ 12,000	20.0%
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Charges for Services					
Sales, Elementary Schools	\$ 2,009,832	\$ 1,775,951	\$ 2,113,247	\$ 2,170,343	2.7%
Sales, Middle Schools	1,301,266	1,227,357	1,371,139	1,409,200	2.8%
Sales, High Schools	2,408,728	2,633,111	2,498,204	2,700,200	8.1%
Charges for Services	\$ 5,719,826	\$ 5,636,419	\$ 5,982,590	\$ 6,279,743	5.0%
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Categorical State Aid					
School Food Programs	\$ 73,297	\$ 66,253	\$ 69,000	\$ 68,000	(1.4%)
Categorical State Aid	\$ 73,297	\$ 66,253	\$ 69,000	\$ 68,000	(1.4%)
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Categorical Federal Aid					
USDA Donated Commodities	\$ 222,000	\$ 232,624	\$ 236,450	\$ 244,500	3.4%
Section 4, Cafeteria Charges	272,796	291,743	282,500	300,000	6.2%
Breakfast Reimbursement	115,842	142,926	140,862	144,938	2.9%
Supplmtl. Cafeteria Reimburesem	417,011	477,809	474,548	497,115	4.8%
Categorical Federal Aid	\$ 1,027,649	\$ 1,145,102	\$ 1,134,360	\$ 1,186,553	4.6%
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Total Intergovernmental	\$ 1,100,946	\$ 1,211,355	\$ 1,203,360	\$ 1,254,553	4.3%
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Miscellaneous					
Miscellaneous Refunds	\$ 23,000	\$ 23,774	\$ 26,000	\$ 26,750	2.9%
Miscellaneous	\$ 23,000	\$ 23,774	\$ 26,000	\$ 26,750	2.9%
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Balancing Accounts					
Prior Year's Balance	\$ -	\$ 23,066	\$ 160,875	\$ -	(100.0%)
Balancing Accounts	\$ -	\$ 23,066	\$ 160,875	\$ -	100.0%
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Total	\$ 6,845,772	\$ 6,908,998	\$ 7,382,825	\$ 7,573,046	2.6%