

MEMORANDUM

DATE: July 22nd, 2016

TO: Dave Holmes, Superintendent
Board of Directors, La Center School District No. 101

FROM: Laurie Kansanback

SUBJECT: Budget for 2016/2017 Fiscal Year

First, please accept my apologies for not being at the board meeting to talk with you in person. I am at a critical training where I am learning exactly how to jump through the many new 'hoops' our legislators have put in place for this next year. I am certain no one will have trouble believing I would rather be there with you!

As a matter of fact, I need to perform one of those new hoop jumps now. *Per the Supplemental Budget Section 502(8)(a)(ii) pages 206-207: (ii) For the 2016-17 school year, as part of the budget development, hearing, and review process required by chapter 28A.505 RCW, each school district must disclose: (A) The amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies, and operating costs; (C) the difference between these two amounts; and (D) if (A) of this subsection (8)(a)(ii) exceeds (B) of this subsection (8)(a)(ii), any proposed use of this difference and how this will improve student achievement.* In other words, if the MSOC (materials, supplies and operating costs) allocations exceed the MSOC expenditures, we must report any proposed use of the difference and how this use will improve student achievement. So here are the required disclosures for your review:

| | |
|--|----------------------|
| Total MSOC Allocation from the state: | \$1,894,571 |
| Total Budgeted MSOC Expenditures: | \$3,320,020 |
| Difference: | \$(1,425,449) |

As you take a look at the proposed budget for 2016-2017 you will no doubt notice that expenditures are estimated to be about \$2.5 million higher than last year's budget. Therefore, I feel some explanations may be in order.

- Rumor has it that the state auditor's office is going to require us to record all the revenue and expenditures associated with KWRL this year. In the past we have not - we only recorded the unfunded and capital expenses. The revenue and to/from expenditures were handled by the Woodland School District on our behalf. In anticipation of this requirement we have added \$674,775 increased capacity to the budget.
- Capacity has been added to allow for all the transactions (known, anticipated and unknown but hoped for) associated with the work being done at the high school and the need to loan money to the Capital Projects Fund as well as receive payment back. In addition, we act as the fiscal agent for a grant with potential expenditures of nearly \$150,000 this year. When considered with the nearly \$800,000 grant reimbursement anticipated from the city, capacity of over \$1,000,000 is needed.
- General cost of living increases, increases in salaries and benefits and the addition of estimated expenses for possible employee retirements (due to an aging staff!) accounts for the remaining difference.

If I can answer any other questions for you please do not hesitate to ask.