

**ARGYLE ISD 2009-2010
PRELIMINARY BUDGET NARRATIVE
MAY 18, 2009**

A balanced budget is being presented for review and discussion at the May 18, 2009 Board Meeting. This budget assumes no growth in enrollment. The following narrative will explain what adjustments to revenue and cuts in expenses have been made. The biggest three factors attributing to the elimination of the deficit we have been projecting are reduction in personnel, savings projected on utility costs, and an increase in our projected investment income as a result of our new Bank Depository contract.

CHANGES TO REVENUE:

- There is a \$12,000 increase to Rental Income due to plans to charge the Argyle Youth Boosters for facility rentals.
- There is a \$5,000 increase to revenues for Football Season Ticket Sales.
- There is an increase to revenues from UIL Participation Fees \$44,750 from the proposal of raising the Participation Fee from \$25 to \$75.
- State Aid has been adjusted up by \$15,281 because we have increased our Average Daily Attendance projection. Our year-to-date ADA is 1651, but we are using a projected ADA for next year of 1665. This takes into account our current enrollment of 1727 and assumes we have that enrollment for the entire year with the same current attendance percentage. Also, we are increasing our ADA by a couple of students that we would get credit for in a Pre-K program.
- Tuition & Fees has been increased \$16,200 to reflect tuition received by Pre-K students that do not meet the criteria to attend the program for free, but can still attend if they pay tuition. (\$75/week X 36 weeks X 6 students)
- Interest income has been increased by \$90,000. Our bank depository proposals came back more favorable than anticipated.
- We have added \$9,000 to revenue projected from having an After School Care Program at Hilltop Elementary.

CHANGES TO EXPENSES:

- Campus Staff Development costs have been reduced by \$12,000.
- An Asst. Principal position has been eliminated from the budget because we have decided to hire the Asst. Supt. Position from within and absorb an administrator's position. This will save \$72,000.
- A position at Hilltop Elem. is being absorbed and not replaced as a result of a retirement. This will save almost \$63,000 in salary and benefits.
- We are eliminating \$4,000 for Counselor's Travel.
- We are reducing District Teacher Travel by \$1,500.

- We are reducing a teacher at the Middle School from full time to part time. This will save \$25,000.
- A reduction in the need for therapists through the Special Ed Co-Op will save approximately \$19,000.
- We are not replacing an aide at the High School that will save \$20,000 in salary.
- We are reducing the maintenance staff by one person for a savings of \$30,000.
- Band expenses have been reduced, because this is not a State Marching Year.
- Budgeted utility costs have been reduced by \$194,500, which we are hoping to accomplish as a result of boiler repairs and scheduling changes we have implemented. I am very cautious, though, of reducing these budget items by any large amounts, until we have several months of utility bill history to go by, that will reflect the changes that have been made. We will have three more months of usage history to go by before we adopt the budget in August 2010. I am attaching some spreadsheets that have to do with utility costs.
- Also included in this latest projection is a year of experience step raise for the teachers which amounts to around \$65,000.
- Longevity Pay that has been discussed in previous meetings is also included in these budgeted expenditures. This affects 49 employees and totals close to \$39,000.
- We are losing a MS/HS Girls Coach and we are absorbing that position with our existing faculty.
- We are going to be able to replace a Special Education teacher's salary with Federal Stimulus money.
- Two support staff members at the High School are leaving and their positions are being absorbed by the existing support staff.

There are a couple of variables that are not included in this budget that could improve our situation even more. If we have any students at all, that will increase our state aid. The Legislature has some bills in process that would help our financial outlook. We do not know yet how much of an impact it could be, but it does look promising. The Federal Stimulus money is going to have a little bit of an impact for us as well.

Paul Lyles
CFO
Argyle ISD

ARGYLE ISD 2009-2010 PRELIMINARY BUDGET

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	Original 08-09 Budget	08-09 projected Actuals	March 2009 Budget Projection	April 2009 Budget Projection	May 2009 Budget Projection
Enrollment	1,740	1,718	1,718	1,725	1,733
Avg. Daily Attendance (ADA)	1,688	1,646	1,646	1,651	1,665
Revenue:					
State Aid	\$3,671,988	\$3,498,803	\$3,269,216	\$3,275,669	\$3,290,950
Local Property Taxes	\$10,565,000	\$10,565,000	\$10,565,000	\$10,565,000	\$10,565,000
Other Revenue	\$1,001,491	\$1,604,918	\$770,491	\$807,245	\$905,383
Total Revenue	\$15,238,479	\$15,668,721	\$14,604,707	\$14,647,914	\$14,761,333
Expenses:					
Budgeted Expenses	\$13,949,540	\$13,763,681	\$13,677,629	\$13,426,102	\$13,157,778
Ch. 41 Payment to State	\$1,596,748	\$1,884,650	\$1,649,088	\$1,635,567	\$1,603,555
Total Expenses:	\$15,546,288	\$15,648,331	\$15,326,717	\$15,061,669	\$14,761,333
Projected Revenue	\$15,238,479	\$15,668,721	\$14,604,707	\$14,647,914	\$14,761,333
Projected Expenses	\$15,546,288	\$15,648,331	\$15,326,717	\$15,061,669	\$14,761,333
Projected Surplus/(Deficit)	(\$307,809)	\$20,390	(\$722,010)	(\$413,755)	\$0