

BOYERTOWN AREA SCHOOL DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISON

June 30, 2007

I. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year).

On or before the first of February of each year, all school principals submit requests for appropriations to the District's Business Manager so that the General Fund budget may be prepared. The budget is prepared by function and major object level and is based on the modified accrual basis of accounting. Before May 30, the proposed budget is presented to the School Board for review. The School Board holds public hearings and may add to, subtract from, or change appropriations. Upon approval, the approved budget is submitted to the Pennsylvania Department of Education.

Legal budgetary control is maintained at the sub function/major object level. The Board of School Directors may make transfers of funds appropriated to any particular line of expenditure by legislative action in accordance with the PA school code. Management may amend the budget at the sub function/ sub object level without board approval. During the year, the School Board authorized several budgetary transfers.

Encumbrance accounting is employed in the General Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are expensed.

II. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following areas of the General Fund:

<u>Function/program</u>	<u>Amount</u>
Special programs	\$ 291,072
Adult education programs	4,90
Pupil Health	88,698
Pupil Transportation	1,540,809
Other support services	5,306
Student activities	10,591
Community Services	2,976
Capital Outlay	141,658
Debt Service interest	471,349

These over expenditures were funded by greater than anticipated revenues and available fund balance in the General Fund.