



Date: March 29, 2006
To: Jim McCabe, Superintendent
From: Peg LaPlante, Chief Financial Officer
Subject: 2006-07 Preliminary Capital Reserve Fund Budget

The district transfers dollars from the general fund to the capital reserve fund to track expenditures that are capital in nature and for expenditures that are allowed by statute. For the 2006-07 budget year, the minimum per pupil allocation for capital and risk-related expenditures is \$279. Expenditures for risk management are currently estimated to be \$437,000. Approximately \$573,120 will be available from total program funding to be transferred to the capital reserve fund. The district uses capital reserve dollars for its copier leases, computer leases, and an energy lease. State statute also allows for expenditures for software licenses from the capital reserve fund.

Traditionally, the district has budgeted a contingency of \$100,000 in the capital reserve fund to cover emergency expenditures not covered by insurance. Because of the small amount available to cover building projects, I would like to propose reducing that contingency to \$50,000. A summary of proposed expenditures for the 2006-07 budget is attached as well as the five year Capital Improvement Plan (CIP). The CIP projects show preliminary estimates of costs of capital projects throughout the district. Those estimates and the need for additional capital improvements will be firmed up in the future by professional architects and engineers.