

City of Cape Coral Charter School Authority
Administration Division

TO: Charter School Authority Governing Board
THRU: Dr. Lee Bush, Charter School Administrator
FROM: David Fiorillo, Business Manager
DATE: February 10, 2012
SUBJECT: FY 2012 Budget Amendment #1

Budget amendments are processed periodically in order to make various adjustments to the operating budget. A budget amendment is required in order to increase or decrease revenues and expenditures. This memo is intended to provide the Board with summary information regarding the proposed budget amendment.

Midyear Budget Highlights:

National School Lunch Program: It is anticipated that for the first time ever the Food Services Division will be cash flow positive by an estimated \$75,000. This is primarily due to a number of factors. First, the schools were able to enter into a more competitive food contract piggybacking on Manatee and Lee County's food and beverage contracts. Second, the schools acceptance into the National School Lunch Program in April 2011, that assists over 30% of the student population. Third, the schools have a better control system with regards to food inventory and food procurement practices which includes standardized lunch menus and bulk ordering practices. Much of the credit for the food program success should be directed to Danielle Jensen, the Food Service Supervisor.

School Recognition Funds ("A" Money): Three of the four schools received additional funding for Teachers and Staff due to the high school achievement recognized by the State of Florida.

AICE Funds: For the second year in a row the Oasis High School has received AICE Funding for superior achievement on the Cambridge University AICE Curriculum testing. This funding is expected to continue to grow as the class sizes in the High School increase.

Parent Teacher Organization Support: This year has the highest amount of dollars given back to the Authority, almost \$46,000 year to date which includes almost \$16,000 earmarked for a senior class trip. Some of the success can be attributed to a matching program between the Authority and the PTO's. In theory this program should more closely align the goals of the PTO's with the priorities of the Authority. The administration believes strongly this is a win-win program for everyone.

Budget Amendment Summary:

With the adoption of Budget Amendment #1, the overall budget will increase by \$803,000 or approximately 3.7% from \$21,381,663 to \$22,184,663. The revenue increases are summarized as follows:

- ✓ National School Lunch Program (\$213,000)
- ✓ National School Breakfast Program (\$9,500)
- ✓ Florida Educational Funding Program (\$351,500)

- ✓ Charter School Capital Outlay (\$47,500)
- ✓ Teacher lead stipend program (\$31,333)
- ✓ Title II Funding (-\$11,695)
- ✓ AICE Program (\$27,974)
- ✓ PTO Donations (\$9,788)
- ✓ School recognition funds (A-rated schools money) (\$144,300)
- ✓ Student Technology Fee (-\$20,000)

While the overall revenues have increased since the adoption of the original budget so have expenses in select areas. However, the differences between the overall revenue changes are greater than the overall change in expenses, allowing the Charter School Authority to increase the overall budget reserves by \$129,500 this year to \$2,896,107.

It should still be noted that the difficult economic conditions over the past few years have led to across the board reductions in per student funding and capital dollars. However the Authority's administration is committed and will continue work hard to balance the needs of the students, staff, and existing debt obligations to the best of their abilities, operating in a conservative and prudent manner conducive to long term success. Below is a summary of the Budget Amendment #1.

<i>Revenue</i>	CY Budget	CY Actuals	BA#1	Amended Budget
Revenue	18,626,197	9,345,315	803,000	19,429,197
<i>Sub Total</i>	<i>18,626,197</i>	<i>9,345,315</i>	<i>803,000</i>	<i>19,429,197</i>
Cash Carry Forward	2,755,464			2,755,464
Total	21,381,661	9,345,315	803,000	22,184,661

<i>Expense</i>	CY Budget	CY Actuals	BA#1	Amended Budget
Personnel	12,668,492	5,452,350	144,300	12,812,792
Operating	5,719,668	3,220,657	397,100	6,116,768
Capital	108,844	15,713	129,100	237,944
Debt	118,050	2,509	3,000	121,050
<i>Sub Total</i>	<i>18,615,054</i>	<i>8,691,230</i>	<i>673,500</i>	<i>19,288,554</i>
Reserves	2,766,607		129,500	2,896,107
Total	21,381,661	8,691,230	803,000	22,184,661

Attachment #1 provides a summary detail of the adopted budget accounts impacted by the budget amendment amounts. Attachment #2 provides a summary detail of the adopted budget accounts versus the amended budget totals by object.

It is staff's recommendation that the Governing Board approve this budget amendment and we will be available to answer any questions you might have.

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Attachments

- C: Victoria Bateman, Finance Director
 Sheena Milliken, Mgt/Budget Administrator
 Steve Hook, Principal
 Chris Terrill, Principal
 Jacquelin Collins, Principal
 Melissa Byington, Principal

- a) Employee Recognition/Bonus (\$144,300)
 - . Distribution of the "A" money for Oasis Elem, Oasis Middle, and Christa McAuliffe, there is an equal offset on the revenue side.
- b) Other Professional Services (\$150,000)
 - . Facilities improvement & maintenance, including a concrete pad by Oasis Elem (funded mostly by the PTO), road entrance and line striping, A/C component failures and other miscellaneous expansion items not covered in the NDC contract that were performed by the City of Cape Coral Facilities Division.
- c) Employee Health Clinic (\$1000)
 - . A new service for benefited employees that allows access to a health care provider at no charge (employee) and a \$25 charge (employer). This program will reduce the overall cost of Health Insurance.
- d) Outside Services (\$21,500)
 - . The part of the wireless access project that was partially funded by the various PTO organizations.
- e) Travel Costs (\$2580)
 - . Approved travel outside of Title II funds.
- f) Electric (\$47,000)
 - . Revised expense estimate based on actual usage and updated energy costs.
- g) Propane (\$19,500)
 - . The expansion project has propane run equipment as opposed electric.
- h) Copy & Fax Machine Rent/Lease (\$1000)
- i) Insurance (\$39,000)
 - . The insurance requirements were changed by Lee County subsequently the premiums were increased.
- j) Diesel Fuel (-\$10,000)
- k) Unleaded Fuel (\$500)
- l) Other Repairs and Maintenance (-\$14,000)
- m) Advertising (-\$22,000)
- n) Small Equipment (\$83,320)
 - . Expansion related expenses such as phones, additional classroom furniture, and A/V equipment not included in the projects FF&E budget.
- o) Food & Beverage (\$120,000)
 - . Increased lunches served create an increase in revenue and a increase in expenditures. Since enrolling in the NSLP it is projected to be cash flow positive in Food Service Department for the first time in school history.
- p) Other Materials and Supplies (\$36,000)
 - . Teacher Lead funding directly to the teachers
 - . A high school safety project that was identified by Risk Management (resurface the main staircase)

- q) Textbooks (-\$18,300)
 - . Textbook orders came in under the estimated budget.
- r) Other Operating Mat & Supplies (-\$50,000)
 - . Reduced to offset increases in small equipment.
- s) Training and Seminars (-\$10,000)
 - . This more than offset the increase in Travel and Unleaded Fuel increases.
- t) Leasehold Improvements (\$132,000)
 - . (\$100,000) Fund an Air-nasium at the Christa McAuliffe Campus for RFP purposes.
 - . Additional fence projects not covered in the NDC Scope of work
 - . Improvements made to the JROTC classroom area
- u) Equipment (\$20,100)
 - . Lego (STEM), Apple Cart, Oasis Playground relocation project, and the high school concession area equipment, ice maker, etc., and additional fitness center equipment.
- v) Library Books (-\$20,000)
 - . Reduced library book funding, due partly to the deal with Christ Lutheran because the schools were able to purchase an entire library for a fraction of the cost of buying new.