



TO: Charter School Governing Board

THRU: Jacquelin Collins, Interim Superintendent

FROM: Mary Anne Moniz, Business Manager *Mary Anne Moniz*

DATE: September 6, 2017

SUBJECT: FY 2016-17 Budget Amendment #2

The FY 2016-17 Operating Budget of \$30,182,046 was adopted by the City of Cape Coral Charter School Authority Governing Board on August 9, 2016. The Charter School Authority's Business Manager, Superintendent, Principals and respective Operating Departments (Transportation, Food Service, Procurement, Maintenance, and Custodial) developed the budget which was projected to use \$729,976 from fund balance to support operating expenditures while setting aside \$1,000,000 in Reserves to begin planning for the Christa McAuliffe portables, building upgrades, and technology needs.

On March 14, 2017, Budget Amendment No. 1 was approved to modify the estimates of revenues and appropriations which were primarily due to the decrease in the Florida Education Finance Program (FEFP) revenues associated with imprecise enrollment numbers. Budget Amendment No. 2 is necessary to capture miscellaneous adjustments and the reclassification of debt associated with the Capital Chromebook and Bus Leases.

Following is a summary of the proposed changes for both revenue and expenditure categories. In addition, detailed tables outlining all of the changes can be found in the attachments that follow.

Revenue Category - Sources	FY 2017 Adopted	FY 2017 Amend. No. 1	Adjustments	FY 2017 Amend. No. 2	% Change BA #1
Use of Fund Balance	\$ 729,976	\$ 461,334	\$ (209,282)	\$ 252,052	-45.36%
Committed Fund Balance	-	1,000,000	(1,000,000)	-	-100.00%
Operating Fund Balance	4,214,688	3,828,722	1,209,282	5,038,004	31.58%
Intergovernmental	23,499,781	22,161,108	98,928	22,260,036	0.45%
Capital Outlay	749,131	867,875	-	867,875	0.00%
Charges for Service	585,400	632,400	-	632,400	0.00%
Miscellaneous	403,070	378,048	(98,928)	277,120	-26.31%
Other: Debt Proceeds	-	-	163,071	163,071	100.00%
Total Incr (Reduction) of Rev. & Bal. Forward	\$ 30,182,046	\$ 29,327,487	\$ 163,071	\$ 29,490,558	0.66%

Expenditure Category - Uses	FY 2017 Adopted	FY 2017 Amended	Adjustments	FY 2017 Amend. No. 2	% Change BA #1
Personnel	\$ 16,573,599	\$ 16,455,154	\$ -	\$ 16,455,154	0.00%
Operating	7,502,015	7,518,171	(63,172)	7,454,999	-0.84%
Capital Outlay	546,165	525,440	(206,702)	318,738	-39.34%
Debt	-	-	307,226	307,226	100.00%
Restricted Fund Balance	1,000,000	-	-	-	0.00%
Committed Fund Balance	-	1,000,000	(1,000,000)	-	-100.00%
Unassigned Fund Balance	4,560,267	3,828,722	1,125,719	4,954,441	29.40%
Total Incr (Reduction) of Approp. Expend. & Reserves	\$ 30,182,046	\$ 29,327,487	\$ 163,071	\$ 29,490,558	0.66%

BALANCES BROUGHT FORWARD

Balances Brought Forward (Cash) are estimated at \$5,290,056 and remain consistent with Budget Amendment No. 1 in which we used year-end balances outlined in the Comprehensive Annual Financial Report (June 2016). It should also be noted that at the time of this memorandum the FY 2017 CAFR has not been finalized.

While we anticipated using \$461,334 of Fund Balance when Budget Amendment #1 was presented this is no longer the case. The proposed budget amendment has been adjusted to reflect a total use of \$252,052.

In addition, when Budget Amendment No. 1 was approved, a total of \$1,000,000 was set aside for Committed Fund Balance. As you may recall, a total of \$500,000 to begin saving for the future planning of the Christa McAuliffe portables and another \$500,000 for building upgrades and future information technology needs. Since then, there has been discussion to issue debt for the portables; therefore, these funds have been placed back into Unassigned Balances until a solid decision is made in FY 2018.

SOURCES/REVENUES

Sources, also called revenues, reflect a proposed increase of \$163,071 or .56% over Budget Amendment No. 1. Explanations for each adjustment to revenue can be found below:

INTERGOVERNMENTAL

- ***Voluntary Pre-Kindergarten VPK***

While there is a \$98,928 adjustment reflected in this category, it was required to re-categorize the Christa McAuliffe VPK funding to Intergovernmental which was inadvertently presented under the Miscellaneous Revenue. There is no net effect from this change but more so, to have the funds reflected in the correct category.

OTHER

- ***Debt Proceeds***

As part of the Capital Lease associated with the Chromebooks, the City of Cape Coral's Finance Department has reclassified these costs to Debt Lease Proceeds as well as Capital Outlay to capture the assets in FY 2017. The total increase of \$163,071 has been recognized in both revenue and expense as an offset. In addition to the \$163,071, the annual payment of \$54,357 has been recognized as a true expense under Principal Expense Debt.

EXPENDITURES/USES

The proposed Budget Amendment No. 2 would increase the Charter School's total budgeted expenditures by \$163,071 from \$29,327,487 to \$29,490,558. In addition, reserves will increase by \$125,719 for a net increase in appropriated expenditures and reserves of \$163,071 or .56%.

PERSONNEL

No adjustments to personnel have been recognized in this amendment.

OPERATING

While there were multiple transfers of funds between operating lines, the overall Operating category decreased by \$63,172 from \$7,518,171 to \$7,454,999. Below are items that have initiated this change:

- ***Equipment Rental/Leases***
Equipment Rental/Leases was reduced by \$233,550 to account for the reclassification of the Bus Lease which is now accounted for under the newly created Debt category.
- ***Other Professional Services***
Other Professional Services reflects an increase of \$31,554. This is associated with the change to the Fiscal Service Chargebacks.
- ***Insurance***
Due to a reduction in claims and lower than estimated rates, we received a credit of approximately \$27,000 to our insurance premiums in FY 2017.
- ***Building Maintenance***
Building Maintenance reflects a reduction of \$38,068. While there were many projects to be completed, our staff was unable to get the work completed before the year-end deadline. This included the installation of parking lot lights as well as the purchase of outside light fixtures. It is anticipated that this work be completed in FY 2018.
- ***Warranty/Maint/Service Plans***
The City Finance Department performed a thorough review of the expenditures associated with Vology, the company who performed our IT Project. As such, several of these expenditures were reclassified in the Capital Outlay and Operating categories. A total of \$84,283 was reclassified to this newly created object as part of this change.

- ***Computer Software/License***

Due to reclassification of the Vology invoice associated with the IT Project, an estimated \$77,678 was reclassified to Computer Software/Licenses.

CAPITAL OUTLAY

Capital Outlay reflects a total reduction of \$206,702 being reduced from \$525,440 to \$318,738 or 34.34%.

- ***Equipment***

As noted above, the Chromebook Lease was initially projected to be Capital. After review, City Finance reclassified this expense to Debt. A total reduction of \$163,071 has been adjusted from Capital Outlay to Principal Expense Debt.

Also, Food Service was unable to purchase the \$10,000 steam table budgeted for Christa McAuliffe in FY2017 due to lack of inventory from the vendor. Therefore, an additional reduction of \$10,000 has been captured along with a slight reduction of \$3,100 for a total of \$206,702 in Capital Outlay.

OTHER

- ***Debt***

After reviewing the Chromebook Lease, City Finance had reclassified both the Chromebook and Bus Leases to Debt. This new expense category will capture both Principal Expense as well as Debt Interest. Funding was simply shifted between Operating and Capital categories.

CONCLUSION

In conclusion, this budget amendment is requested primarily to align expenditure categories due to miscellaneous adjustments or transfers between accounts as well as the reclassification of the Chromebook and Bus Leases.

While there is an increase of \$163,071 to the overall budget, the change is solely associated with the reclassification of the Chromebook Lease to get the assets on the appropriate statements.

Through the support of staff, we continue to offset our shortfalls and reduce anticipated use of fund balances. While our financial statements have not been finalized it is anticipated that our Reserves will reflect an even greater balance in FY 2018.

In closing, it is staff's recommendation that the Governing Board approve the FY 2016-17 Budget Amendment #2.

Attachments

cc: Victoria Bateman, Financial Services Director, City of Cape Coral
Kevin Brown, Principal, Christa McAuliffe Elementary
Jacqueline Collins, Interim Superintendent and Principal, Oasis Elementary
Donnie Hopper, Principal, Oasis Middle School
Christopher Phillips, Management/Budget Administrator, City of Cape Coral
Amanda Sanford, Principal, Oasis High School
Jo-Anne Velotti, Assistant Management/Budget Administrator, City of Cape Coral



FY 2016-17 Revenues Budget Amendment No. 2

Object	Object Description	FY 2016-17 Adopted	FY 2016-17 Amend #1	Adjustment	FY 2016-17 Amend #2
531901	Other Federal Grants	\$ -	\$ (67,007)	\$ -	\$ (67,007)
533261	NSLP Reimbursement Lunch	(412,000)	(425,000)	-	(425,000)
533262	NSLP Reimbursement Breakfast	(62,000)	(61,000)	-	(61,000)
535750	FEFP-FL Ed Fin Prog St Shared	(22,217,714)	(20,618,105)	-	(20,618,105)
535751	FI Teacher Lead Prog St Shared	(47,891)	(47,656)	-	(47,656)
535752	School Recog Funds St Shared	-	(157,454)	-	(157,454)
535753	VPK Program State Shared	(197,856)	(198,073)	-	(198,073)
535754	Charter Sch Cap Outly St Share	(749,131)	(867,875)	-	(867,875)
535755	Other Misc State Shared	-	-	-	-
535756	Title II-A Funding St Shared	(34,163)	(34,691)	-	(34,691)
535757	AICE Revenue State Shared	(627,085)	(651,050)	-	(651,050)
547801	Student Lunch Serv Charges	(573,000)	(620,000)	-	(620,000)
547803	Transportation Service Charges	(12,400)	(12,400)	-	(12,400)
561102	Short term investment income	(9,090)	(23,573)	-	(23,573)
562101	Rents and Royalties	-	(100)	-	(100)
566101	Contrib/Donation Private Sourc	(64,819)	(56,169)	-	(56,169)
569101	Other Miscellaneous Revenue	-	(8,367)	-	(8,367)
569102	Insur Damage Claims Misc Rev	-	(17,352)	-	(17,352)
569103	Book Sales Misc Revenue	(22,850)	(22,600)	-	(22,600)
569104	Lost/Damaged/Sold Textbooks	(900)	(800)	-	(800)
569110	Reimbursable Charges	(115,676)	(124,359)	-	(124,359)
569116	Oth Misc Rev/Reimbursable Chrg	(67,007)	-	-	-
569901	Other Miscellaneous Revenues	(23,800)	(23,800)	-	(23,800)
	Total Revenues:	\$ (25,237,382)	\$ (24,037,431)	\$ -	\$ (24,037,431)
581301	Capital Lease Proceeds	\$ -	\$ -	\$ (163,071)	\$ (163,071)
	Total Lease Proceeds:	\$ -	\$ -	\$ (163,071)	\$ (163,071)
599920	Committed Balances	\$ -	\$ (1,000,000)	\$ 1,000,000	\$ -
599930	Assigned Balances	(729,976)	(461,334)	209,282	(252,052)
599940	Unassigned Balances	(4,214,688)	(3,828,722)	(1,209,282)	(5,038,004)
	Total Fund Balance (Cash):	\$ (4,944,664)	\$ (5,290,056)	\$ -	\$ (5,290,056)
	Grand Total All Revenues:	\$ (30,182,046)	\$ (29,327,487)	\$ (163,071)	\$ (29,490,558)



FY 2016-17 Expenditures Budget Amendment No. 2

Object	Object Description	FY 2016-17 Adopted	FY 2016-17 Amend #1	Adjustment	FY 2016-17 Amend #2
611110	Administrator/Principal Salary	\$ 636,693	\$ 684,405	\$ -	\$ 684,405
612120	Classroom Teacher Salary	7,622,438	7,622,438	-	7,622,438
612130	Oth Certified Personnel Salary	716,470	668,758	-	668,758
612150	Aides Salary	488,673	460,028	-	460,028
612160	Other Support Personnel Salary	2,019,774	1,954,874	-	1,954,874
613140	Substitutue Teacher Salary/Wag	233,000	213,000	-	213,000
614101	Overtime	3,750	3,750	-	3,750
615101	Special Pay/Add Pay	420,593	421,217	-	421,217
615107	Employee Recognition/Bonus	-	152,382	-	152,382
621101	FICA Taxes	749,995	744,149	-	744,149
621102	Medicare Taxes	175,403	174,118	-	174,118
622110	Florida Retirement System(FRS)	905,230	894,690	-	894,690
623101	Life,Health,Disability Insur	194,350	186,453	-	186,453
623102	Self-Insured Health Plan	2,138,194	2,094,028	(4,320)	2,089,708
623107	Opt Out Health Ins Subsidy	36,483	42,450	4,320	46,770
624101	Workers Compensation	232,553	138,414	-	138,414
	Total Personnel:	\$ 16,573,599	\$ 16,455,154	\$ -	\$ 16,455,154
631304	Legal Services	\$ -	\$ -	\$ 320	\$ 320
631312	Accounting & Auditing	68,636	91,734	(1,260)	90,474
631399	Other Professional Services	267,463	356,817	31,554	388,371
634107	Physicals - General	6,615	9,051	1,490	10,541
634119	Employee Health Clinic Charges	2,435	2,435	(100)	2,335
634120	Outside Services	16,440	14,673	150	14,823
634123	Dual Enrollment Tuition	30,000	29,000	1,730	30,730
634125	Athletics Coaches & Officials	82,250	80,885	(3,400)	77,485
640101	Food And Mileage (City)	7,737	8,033	(907)	7,126
640105	Travel Costs	15,062	20,454	2,945	23,399
641101	Communication Service	8,313	8,513	(433)	8,080
641102	Telephone Service	108,841	109,444	2,100	111,544
641103	Telecommunication Service	250	840	240	1,080
641104	Postage & Shipping	15,245	15,488	975	16,463
643202	Electric	484,549	484,549	(2,872)	481,677
643203	Water & Sewer	53,447	53,447	-	53,447
643205	Propane Fuel	5,000	5,050	-	5,050
644101	Building Rental/Leases	3,452,911	3,452,911	(11,847)	3,441,064
644102	Equipment Rental/Leases	256,423	255,592	(233,550)	22,042
644103	Copy & Fax Machine Rent/Lease	62,536	68,173	(10)	68,163
644199	Other Rentals/Leases	-	182	-	182
645101	Insurance	290,050	289,780	(19,000)	270,780
646102	Equip Repair/Maintenance	149,150	178,462	34,361	212,823
646103	Building Maintenance	206,542	205,462	(38,068)	167,394
646104	Diesel Fuel	131,400	108,110	(1,500)	106,610
646106	Unleaded Fuel	1,250	1,145	250	1,395
646108	Other Repairs & Maint.	6,700	18,138	(4,625)	13,513
646300	Warranty/Maint/Service Plans	-	-	84,283	84,283
647101	Printing	2,410	2,530	(530)	2,000
648101	Advertising	2,999	2,667	5	2,672
649102	Bank Fees	10,900	10,900	500	11,400
649103	Various Fees	185,445	162,615	(4,809)	157,806
652101	Office Supplies	81,500	81,520	2,062	83,582
652113	Uniforms	3,080	3,080	(750)	2,330
652114	Chemicals	30	105	-	105
652115	Tools	2,000	1,865	(233)	1,632



FY 2016-17 Expenditures Budget Amendment No. 2

Object	Object Description	FY 2016-17 Adopted	FY 2016-17 Amend #1	Adjustment	FY 2016-17 Amend #2
652116	Small Equipment	70,695	82,061	(40)	82,021
652117	Janitorial Supplies	73,500	73,500	4,713	78,213
652119	Food And Beverage	529,500	548,000	5,100	553,100
652121	Computer Equip/Accessory	203,147	143,343	688	144,031
652122	Computer Software/License	128,293	116,315	77,678	193,993
652125	Sod, Seed, Sand And Soil	-	-	-	-
652128	Operating Supplies - Charter S	88,080	34,147	3,777	37,924
652129	Textbooks	215,000	157,081	(14,169)	142,912
652130	Periodicals	330	330	-	330
652139	School A La Carte Food	90,000	111,000	-	111,000
652141	Trophies/Awards	300	300	-	300
652145	Teacher Classroom Supply	-	47,144	2,161	49,305
652199	Other Operating Mat & Supplies	30,900	24,346	8,427	32,773
653105	Parking Lot Maintenance	-	-	9,955	9,955
654101	Books Pubs Subscript & Membrshp	790	1,165	75	1,240
654102	Wellness - Gym Memberships	-	-	-	-
655101	Training & Seminars	45,751	40,786	(12,707)	28,079
655102	In-House Training	8,120	5,003	12,099	17,102
Total Operating:		\$ 7,502,015	\$ 7,518,171	\$ (63,172)	\$ 7,454,999
662601	Improvements Other Than Bldgs	\$ 5,000	\$ 1,925	\$ -	\$ 1,925
664101	Equipment	485,765	498,115	(206,702)	291,413
664102	Vehicles	30,000	-	-	-
666101	Library Books	2,900	3,400	(348)	3,052
666102	Scholastic Book Fair	22,500	22,000	348	22,348
Total Capital Outlay:		\$ 546,165	\$ 525,440	\$ (206,702)	\$ 318,738
671100	Principal Expense - Debt	\$ -	\$ -	\$ 283,524	\$ 283,524
672101	Debt Interest Expense	-	-	23,702	23,702
Total Other/Debt:		\$ -	\$ -	\$ 307,226	\$ 307,226
699201	Restricted Fund Balance	\$ 1,000,000	\$ -	\$ -	\$ -
699301	Commmitted Fund Balance	-	1,000,000	(1,000,000)	-
699901	Unassigned Fund Balance	4,560,267	3,828,722	1,125,719	4,954,441
Total Reserves:		\$ 5,560,267	\$ 4,828,722	\$ 125,719	\$ 4,954,441
Grand Total:		\$ 30,182,046	\$ 29,327,487	\$ 163,071	\$ 29,490,558