



TO: Charter School Governing Board
 THRU: Nelson Stephenson, Superintendent
 FROM: Mary Anne Moniz, Business Manager *Mary Anne Moniz*
 DATE: February 23, 2015
 SUBJECT: FY 2014–FY 2015 Budget Amendment #1

The FY 2014-2015 Operating Budget of \$25,682,229 was adopted by the City of Cape Coral Charter School Authority Governing Board on August 12, 2014, which included \$2,713,430 in Undesignated Reserves. The Charter School Authority’s Business Manager, previous Superintendent, Principals and respective Staff developed the budget which was projected to use \$92,700 of undesignated reserves. In addition, it should be noted that this is the second consecutive year that includes the full payment of long term obligations without the use of debt capitalization.

The proposed Budget Amendment is being requested to modify the estimates of revenues and appropriations previously budgeted in these categories. The table below provides a summary of the proposed changes:

SOURCES	FY 2015 ADOPTED	AJDUSTMENTS	FY 2015 AMENDED	% CHANGE
Balances Brought Forward	\$ 2,806,130	\$ -	\$ 2,806,130	0.00%
Revenues:				
Intergovernmental	20,814,221	447,934	21,262,155	2.15%
Capital Outlay	1,123,174	(55,353)	1,067,821	0.00%
Charges for Services	569,168	21,141	590,309	3.71%
Miscellaneous Revenue	369,536	28,441	397,977	7.70%
Total Increase (Reduction) of Revenues & Balances Fwd	\$ 25,682,229	\$ 442,163	\$ 26,124,392	1.72%

USES	FY 2015 ADOPTED	AJDUSTMENTS	FY 2015 AMENDED	% CHANGE
Personnel	\$ 15,513,590	\$ 18,284	\$ 15,531,874	0.12%
Operating	7,424,209	140,822	7,565,031	1.90%
Capital Outlay	31,000	(4,000)	27,000	-12.90%
Other	-	-	-	0.00%
Reserves	2,713,430	287,057	3,000,487	10.58%
Total Increase (Reduction) of Appropriated Expend & Reserves	\$ 25,682,229	\$ 442,163	\$ 26,124,392	1.72%

The proposed Budget Amendment would increase the Charter School's total budgeted expenditures by \$155,106 and increase reserves by \$287,057, for a net increase in appropriated expenditures and reserves of \$442,163 (from \$25,682,229 to \$26,124,392) or 1.72%.

A detailed chart showing all of the changes in revenues and expenditure budgets is provided on the pages immediately following this memo. The proposed budget amendment is necessary for several reasons:

SOURCES

Sources, also known as revenues, reflect a proposed increase of \$442,163 or 1.72% above the original budget. Contributing factors are associated with:

BALANCES BROUGHT FORWARD

Balances Brought Forward was initially budgeted at \$2,806,130 and it is estimated that these levels will remain consistent.

INTERGOVERNMENTAL

- ***FEFP - Florida Education Finance Program (State Shared)***
The original budget was estimated at 96% of projected revenue based on enrollment of 3,140 full time equivalents (fte's). The school year began with a twelve day count of 3,124.38 fte's. At the beginning of the 3rd Quarter, the total fte count reflected 3,127.38 fte's enrolled. Overall, the enrollment has decreased by 12.62 fte's from the original budget (3,140 to 3,124). Staff feels confident that no major enrollment changes are anticipated so the budget has been adjusted to reflect 98% of FEFP funding levels of \$20,044,820 which reflects an increase of \$262,363.
- ***AICE (State Shared)***
AICE money was received in the amount of \$496,242, compared to the \$299,163 received last fiscal year. This reflects an increase of \$196,242 to the original budget of \$300,000.
- ***Florida Teacher Lead Program (State Shared)***
While there was no definitive of whether The State of Florida would provide this funding directly to our teachers or to the schools, it was initially decided not to include this item as part of the Adopted Budget. Since then, this funding was awarded to the schools and distributed to teachers. Total funding increased revenue by \$46,888 which was an offset to expenditures.
- ***National School Lunch Program***
While student population was projected to increase by 130 students, the Adopted Budget was based on a 2% increase in revenues to the overall school lunch program which includes Student Lunch Services reported under Charges for Services. The National School Lunch Program currently assists 36% of the school population, which is consistent with last fiscal year. Despite the increase in students, the National School Lunch Program revenues continue to decline. Staff believes this is due to the latest nutrition requirements. To better

forecast revenues there has been a decrease of \$56,872 to the National School Lunch Program budgets (\$25,066 to breakfast and \$31,806 to lunch). Despite the decrease, staff continues to make changes to menu items but find food substitutions to be very limited.

- ***Title II-A***

Title II funding has continued to remain level over the last few years. A slight decrease of \$687 has been made to this account to align the budget to actual funding awarded.

CAPITAL OUTLAY

- Capital Outlay funding is based on both fte counts and the total number of schools eligible to receive this funding. There was a total of \$75m awarded across all schools in the current fiscal year. Based on our initial estimates, we budgeted \$1,123,174 which was estimated at 96% of our funding. In December, a decrease of \$33,560 was realized and funding was reduced to \$1,089,614. To remain consistent with FEFP Funding, the Capital Outlay dollars have also been adjusted to 98% of the latest funding breakdown which equates to \$1,067,822, a decrease of \$55,352 or 4.9% reduction to the original budget.

CHARGES FOR SERVICE

- ***Student Lunch Service Charges***

Student Lunch Service Charges are those dollars collected from students who do not qualify for the National School Lunch Program or the reduced portion that the National School Lunch Program does not cover. In addition, both the Middle Schools and High Schools offer A La Carte items which have become very popular with the students. An increase of \$21,141 is anticipated.

MISCELLANEOUS

- ***Contributions/Donations Private Source***

Contributions/Donations reflect an increase of \$51,330. This increase is primarily due to the change in past practice where PTO's have purchased items direct. Last year, we had asked that all contributions/donations go through the schools so we can better account for the needs of our schools and the items being purchased. Our schools have received several major contributions which were used for Technology and Art/Music areas. Staff would like to thank our PTO's, parents, and our community business partners for their continued support and generosity.

- ***Health Care Insurance Profit Sharing***

As a partner with the City, we received a total of \$194,423 associated with our 2011 and 2012 health care rebate. This reflected a slight reduction of \$1,589 compared to the original amount quoted by the City.

- ***Other Miscellaneous Revenue/Reimbursable Charges***

A decrease of \$21,300 was associated with the change to our lunchroom software. In the previous fiscal year we received revenue in this category for students who purchased

breakfast/lunch through credit card transactions. Late last year we changed software providers and these funds are now directed to the appropriate food revenue category.

- ***School Recognition Funds ("A" Money)***
All four of our schools will receive additional funding for teachers and staff for achieving school recognition by the State of Florida. While we have not received the funding to date, the school staff determines the use of the funds. In previous years, this money was given to the respective school personnel. It is anticipated that this funding will be distributed in March.

USES

After accounting for changes in budgeted expenditures resulting from this proposed amendment we are projecting a shortfall in expenditures of approximately \$155,106. This number is made up of \$18,284 in Personnel and \$140,822 in Operating. As noted, many of the amended items below are associated with the net offset of revenues.

PERSONNEL

- ***Payroll***
While there were several sources associated with payroll savings, there were also a number of items that offset these savings. For instance, the savings associated with our previous Superintendent and Executive Assistant was used to cover additional time for the Interim positions as well as unanticipated Leave Payouts. In addition, we had additional salary savings associated with one of the Speech Therapists who went from an employee to an outside contractor position.

It should be noted that Leave Payouts will reduce our Long Term, Liabilities since these compensated leave absences will be eliminated from our liabilities.

- ***Workers Compensation***
Workers Compensation invoices are calculated on prior year actuals and are true-up through audited payroll. As previously discussed, it was identified that the tables in Kronos (Payroll Software) had not been updated over the last several years to reflect the most current rates. While these tables were adjusted last fiscal year, a result of incorrect rates and various claims increase our premiums.

Workers Comp is prepaid in advanced based on payroll estimates. In FY 2013, we prepaid an excess amount of \$29,497 which was to be applied toward our FY 2014 true-up; however, it was inadvertently applied to the incorrect account causing the final allocation expense to be \$59,590. If this did not happen, our short fall would have been \$30,093 compared to \$80,000 in the previous fiscal year.

In the current year, the Business Manager has confirmed we are using the correct table rates and has estimated payroll based on actuals. It is anticipated that we will not have to pay a true-up allocation in the next fiscal year.

- ***Employee Recognition Bonus***

A total of \$26,250.00 has been placed in this account for the pay-out of \$17,250.00 for AICE Bonus Awards for the AICE Staff at Oasis High School. In addition, \$9,000.00 has been set aside for the payout of Wellness Fair dollars.

OPERATING

Through transfers between various accounts we have been able to maintain our operating expenses fairly well. During the course of the year we have had a multitude of a/c repairs, including the replacement of several mini split a/c systems, two variable frequency drives and the roof top unit coils at the Oasis Elementary School. Our schools have done an exceptional job in cutting costs to make up for these unfunded costs.

Items of note include:

- ***Other Professional Services***

Other Professional Services was increased by \$6,000.00 which was increased through payroll saving transfers. The Speech Therapist position at the Oasis Elementary School was replaced as an Outside Service. It is anticipated that this position will be filled in-house next fiscal year.

- ***Food & Beverage***

With the reduction of revenues in the National School Lunch Program, the Food & Beverage account was also reduced by \$45,000 to help offset the cost of foods.

- ***Building Maintenance***

As our buildings age, we are beginning to experience major repairs. The Oasis Elementary School was forced to replace the roof top coil units due to ongoing loss of the a/c systems. Since then, we have had to replace a circuit board along with several small motors. While we have been able to transfer funds between accounts, we anticipate a shortfall of \$15,273.

It should also be noted that the Christa McAuliffe Elementary School's a/c roof top units were identified as needing replacement but have been targeted for next fiscal year.

- ***Blue Cross/Blue Shield Pro Share***

While we received \$194,423 for savings associated with our 2011 and 2012 health care rebates, there was a pay-out to those employees who were in the PPO Family Plan. A total pay-out was made to those employees in the amount of \$32,564.

- ***Small Equipment***

Small Equipment was increased by \$12,779 primarily due to the mini split a/c systems. In addition, \$3,750 was associated with the Sam's Club Grant which was used to purchase band equipment at the high school.

- **Operating Supplies**
Each teacher received a check in the amount of \$259.05 to spend on their educational supplies. This was an offset to the \$46,888 received in revenues.
- **Computer Equipment**
As noted, there has been a change to past practice in the way Contributions/Donations dollars have been made by PTO's, parents, and community business partners. Computer Equipment has increased by \$65,442 which is solely related to the dollars received through Contributions/Donations. It should also be noted that \$14,600 of this funding was associated with Christa McAuliffe's PTO donation from our previous fiscal year in which the revenues were applied to previous year budgets but the expense posted in July as the funding for the purchase order was inadvertently overlooked.

CAPITAL OUTLAY

- **Capital Outlay**
While Capital Outlay expenditures are down significantly, it should be noted that the Capital Policy was revised last year where the capital equipment threshold was increased from \$1,000 to \$5,000. Therefore, many items which would have normally been capitalized have now become part of the Operating category.
- **Library Books**
While there was \$4,000 budgeted for Library Books, they are no longer considered to be a capital item with the change in the Capital Outlay Policy; therefore, these dollars have been reduced.

In conclusion, it is evident that staff has done an exceptional job in adhering to budgets. Many of the increases noted above are associated with revenue and expenditure offsets. The original budget was adopted with 1.54 months of operating reserves and using the first 6-month actual expenditures it is estimated that our reserves will increase to 1.70 months – a sign we are heading in the right direction. Staff will continue to monitor spending closely as we continue the year and continue to focus on building reserves for future needs. Therefore, it is recommended that the Governing Board approve this Budget Amendment to the Fiscal Year 2014-2015.

MM

Attachments

cc: Nelson Stephenson, Superintendent, Cape Coral Charter School Authority
Steve Hook, Principal, Oasis Elementary School
Jacqueline Collins, Principal, Christa McAuliffe Elementary School
Kimberly Lunger, Principal, Oasis High School
Kevin Beckman, Principal, Oasis Middle School
Victoria Bateman, Financial Services Director, City of Cape Coral
Sheena Milliken, Assistant Financial Services Director, City of Cape Coral

FY 2014-2015 Budget Amendment #1

Sources (Revenue)

Total as Adopted	\$ 25,682,229
Budget Amendment Adjustments	
Balances Forward	\$ - ¹
Current	
Intergovernmental	\$ 447,934 ²
Capital Outlay	\$ (55,353) ³
Charges for Service	\$ 21,141 ⁴
Miscellaneous Revenue	\$ 28,441 ⁵
Total Adjustments	<u>\$ 442,163</u>
Amended Budget	<u>\$ 26,124,392</u>

Notes: Sources

¹ No change to original budget estimate of Balances Brought Forward	\$ -
² Increase in FEFP Enrollment	\$ 262,363
Increase in AICE Funding	\$ 196,242
FL Teacher Lead - Not included in Adopted	\$ 46,888
Decrease in NLSP	\$ (56,872)
Decrease to Title II Funding	\$ (687)
³ Decrease in Capital Outlay	\$ (55,353)
⁴ Increase in Student Lunch Sales	\$ 21,141
⁵ Miscellaneous Revenue: Contributions/ Donations from PTO/Private/Sams	\$ 51,330
Healthcare Insurance Profit Share	\$ (1,589)
MCS Lunch Credits	\$ (21,300)

Total Adjustments: \$ 442,163

Uses (Expenditures) Adjustments

Total as Adopted	\$ 25,682,229
Budget Amendment Adjustments	
Personnel	\$ 18,230 ⁶
Operating	\$ 140,822 ⁷
Capital Outlay	\$ (4,000) ⁸
Other Expenses	\$ -
Reserves	\$ 287,111 ⁹
Total Adjustment	<u>\$ 442,163</u>
Amended Budget	<u>\$ 26,124,392</u>

Notes: Uses

⁶ Personnel	
Reduction in Payroll/True-up to Previous Year Workers Comp	\$ (67,612)
Payout of AICE Bonuses	\$ 59,592
Payout of Wellness Fair Bonus	\$ 17,250
Payout of Wellness Fair Bonus	\$ 9,000
⁷ Operating	
Net result from transfers between various accounts	\$ (4,072)
BC/BS Pro Share Payout	\$ 32,564
Teacher Lead Payout	\$ 46,888
Computer Equip from Contr/Donations	\$ 65,442
⁸ Capital Outlay	
Decrease to Library Books due to change in Capital Policy last FY	\$ (4,000)
⁹ Reserves	\$ 287,111

Total Adjustments: \$ 442,163

FY 2014-2015 Budget Amendment #1 - Revenues

Object	Description	FY 2015 Adopted	FY 2015 Adjustment	FY 2015 Amended
Intergovernmental				
533261	NSLP Reimbursement Lunch	\$ 422,198	\$ (31,806)	\$ 390,392
533262	NSLP Reimbursement Breakfast	79,710	(25,066)	54,644
535750	FEFP-FL Ed Fin Prog St Shared	19,782,457	262,363	20,044,820
535751	FI Teacher Lead Prog St Shared	-	46,888	46,888
535753	VPK Program State Shared	197,856	-	197,856
535756	Title II-A Funding St Shared	32,000	(687)	31,313
535757	AICE Revenue State Shared	300,000	196,242	496,242
	Total Intergovernmental:	\$ 20,814,221	\$ 447,934	\$ 21,262,155
Capital Outlay				
535754	Charter Sch Cap Outly St Share	\$ 1,123,174	\$ (55,353)	\$ 1,067,821
	Total Capital Outlay:	\$ 1,123,174	\$ (55,353)	\$ 1,067,821
Charges for Services				
547801	Student Lunch Serv Charges	\$ 554,568	21,141	\$ 575,709
547803	Transportation Service Charges	14,600	-	\$ 14,600
	Total Charges for Services:	\$ 569,168	\$ 21,141	\$ 590,309
Miscellaneous Revenue				
561102	Short term investment income	\$ 5,700	-	\$ 5,700
566101	Contrib/Donation Private Sourc	25,000	51,330	76,330
569103	Book Sales Misc Revenue	25,500	-	25,500
569116	Oth Misc Rev/Reimbursable Chrg	69,324	-	69,324
569119	HealthCare Ins Profit Sharing	196,012	(1,589)	194,423
569901	Other Miscellaneous Revenues	48,000	(21,300)	26,700
	Total Miscellaneous Revenue:	\$ 369,536	\$ 28,441	\$ 397,977
Unassigned Balances (Cash)				
599940	Unassigned Balances	\$ 2,806,130	-	\$ 2,806,130
	Total Unassigned Balances (Cash):	\$ 2,806,130	\$ -	\$ 2,806,130
	Grand Total:	\$ 25,682,229	\$ 442,163	\$ 26,124,392

**FY 2014-2015
Budget Amendment #1 - Expenditures**

Object	Description	FY 2015 Adopted	FY 2015 Adjustment	FY 2015 Amended
Personnel				
611110	Administrator/Principal Salary	\$ 597,242	\$ -	\$ 597,242
612120	Classroom Teacher Salary	7,221,778	(22,497)	7,199,281
612130	Oth Certified Personnel Salary	572,391	(45,115)	527,276
612150	Aides Salary	586,659	-	586,659
612160	Other Support Personnel Salary	1,996,423	-	1,996,423
613140	Substitutue Teacher Salary/Wag	232,000	-	232,000
614101	Overtime	4,050	-	4,050
615101	Special Pay/Add Pay	436,538	-	436,538
615107	Employee Recognition/Bonus	-	26,250	26,250
621101	FICA Taxes	712,832	-	712,832
621102	Medicare Taxes	168,626	-	168,626
622110	Florida Retirement System(FRS)	793,078	-	793,078
623101	Life,Health,Disability Insur	2,004,576	(960)	2,003,616
623107	Opt Out Health Ins Subsidy	-	960	960
624101	Workers Compensation	121,597	59,646	181,243
624102	Unemployment	21,500	-	21,500
624103	Leave Payout	44,300	-	44,300
	Total Personnel:	\$ 15,513,590	\$ 18,284	\$ 15,531,874
Operating				
631312	Accounting & Auditing	\$ 80,443	\$ -	\$ 80,443
631399	Other Professional Services	271,055	5,450	276,505
634107	Med Exam/New Hire/General	7,400	50	7,450
634119	Employee Health Clinic Charges	2,700	-	2,700
634120	Outside Services	50,651	3,923	54,574
634123	Dual Enrollment Tuition	5,500	-	5,500
640101	Food And Mileage (City)	5,775	(370)	5,405
640104	Recruitment Travel	-	1,611	1,611
640105	Travel Costs	16,750	(1,117)	15,633
641101	Communication Service	8,666	(92)	8,574
641102	Telephone Service	82,500	649	83,149
641103	Telecommunication Service	225	(108)	117
641104	Postage & Shipping	15,100	281	15,381
643202	Electric	451,000	-	451,000
643203	Water & Sewer	46,000	-	46,000
643205	Propane Fuel	13,200	25	13,225
644101	Building Rental/Leases	3,455,532	-	3,455,532
644102	Equipment Rental/Leases	235,284	(713)	234,571
644103	Copy & Fax Machine Rent/Lease	57,265	2,380	59,645
644199	Other Rentals/Leases	1,000	(750)	250
645101	Insurance	557,721	-	557,721
646102	Equip Repair/Maintenance	67,050	17,075	84,125
646103	Building Maintenance	167,058	15,273	182,331
646104	Diesel Fuel	181,570	1,867	183,437
646105	Parts Repair/Maintenance	500	-	500
646106	Unleaded Fuel	1,050	370	1,420
646108	Other Repairs & Maint.	19,800	(10,961)	8,839
647101	Printing	4,790	500	5,290
648101	Advertising	3,250	(1,355)	1,895
649101	Uncollectable Accts Expns	300	-	300
649102	Bank Fees	12,000	-	12,000
649103	Various Fees	108,380	650	109,030
649130	BC/BS ProShare	-	32,564	32,564
652101	Office Supplies	80,200	328	80,528
652113	Uniforms	3,450	(44)	3,406
652115	Tools	500	-	500
652116	Small Equipment	52,359	12,779	65,138

**FY 2014-2015
Budget Amendment #1 - Expenditures**

Object	Description	FY 2015 Adopted	FY 2015 Adjustment	FY 2015 Amended
652117	Janitorial Supplies	\$ 64,000	\$ (3,000)	\$ 61,000
652119	Food And Beverage	570,000	(45,000)	525,000
652121	Computer Equip/Accessory	177,516	65,442	242,958
652122	Computer Software/License	109,392	4,506	113,898
652128	Operating Supplies - Charter S	66,279	36,383	102,662
652129	Textbooks	237,559	(7,633)	229,926
652130	Periodicals	400	-	400
652139	School A La Carte Food	95,000	-	95,000
652199	Other Operating Mat & Supplies	2,250	10,809	13,059
654101	Books Pubs Subscript & Membrshp	9,240	39	9,279
655101	Training & Seminars	11,749	(359)	11,390
655102	In-House Training	14,800	(630)	14,170
	Total Operating:	\$ 7,424,209	\$ 140,822	\$ 7,565,031
Capital Outlay				
666101	Library Books	\$ 4,000	\$ (4,000)	-
666102	Scholastic Book Fair	27,000	-	27,000
	Total Capital Outlay:	\$ 31,000	\$ (4,000)	\$ 27,000
699901	Unassigned Fund Balance	\$ 2,713,430	\$ 287,057	\$ 3,000,487
	Total Reserves:	\$ 2,713,430	\$ 287,057	\$ 3,000,487
	Grand Total:	\$ 25,682,229	\$ 442,163	\$ 26,124,392