



ROYAL OAK SCHOOLS

A COMMUNITY OF EXCELLENCE

MEMORANDUM

TO: Shawn Lewis-Lakin

FROM: Rick West, Executive Director Finance & Operations

DATE: April 7, 2014

RE: Community Service Budget Amendment #1

Rick West

The Community Service Fund budget amendment is procedural and does not represent a significant modification to the fund. The fund is used to account for the revenue and expenses associated with Churchill's Alternative Education Program, Great Start Readiness Program (GSRP), and fee for service programs including Young Oaks and Latchkey. The following is a summary of the most recent developments in the fund:

Revenue

- Revenues are anticipated to increase by \$287,067 of which \$252,679 can be attributed to the increase in our districts GSRP allocation. GSRP funds are allocated by the state, received by the county, and passed onto our district. The entire current year allocation of \$321,316 is budgeted along with the prior year revenue received this fiscal year in the amount of \$105,363. The revenue is offset dollar for dollar with expenses; therefore, the increase in allocation has zero impact on the bottom line of the fund. Any funds not expensed in this fiscal year are considered deferred revenue and will be placed on our balance sheet.
- The remainder of the increase in revenue is attributable to an overall increase in anticipated revenue from our fee for service programs, specifically tuition for our Young Oak's program.
- The GF transfer of \$429,506 needed to subsidize the fund remains unchanged from the original budget. As revenues and expenses are reconciled, the transfer will be adjusted accordingly to assure a balanced budget for the fund.

Expenditures

- Expenses are anticipated to increase by \$287,067 of which \$252,679 can be attributed to the increase in our districts GSRP allocation. Again, these expenses are offset dollar for dollar by GSRP revenue as explained in the paragraph above.

- The additional increase of approximately \$30,000 are adjustments in salary, benefit, contracted service, and supply lines throughout the budget and do not consist of any significant modification.

In summary, revenues and expenses are increasing by \$287,067, in large part due to the increase of the GSRP allocation. If the entire allocation is not used this fiscal year, it will be considered deferred revenue in the year-end financial statements. With the final amendment in June, I will recommend the General Fund subsidy transfer be adjusted to assure a balanced budget as the Community Service Fund currently carries a sufficient fund balance of \$1,404,984.

Attachments:

CS Budget Amendment 1

CS Budget Amendment 1 Resolution