

To: Reach Charter Academy Board of Directors
From: Jeff Ratuszny – Director of Financial Operations
Subject: 2018-19 Initial Budget
Date: 4/25/2018

In preparation for the upcoming school year, we are presenting to you the proposed initial budget for the 2018-19 year. This is the first budget that will be presented to you for your consideration and approval for the upcoming 2018-19 school year. This budget will ensure to state and other agencies that a fiscal plan is in place for the continuation of educational services at the school.

The budget has been constructed with the following assumptions:

- 652 students for fall 2018
- 25 classrooms utilized
- \$7,856 per pupil funding

Student counts shown above reflect anticipated outcomes based on current enrollment data and historical trends; counts are not necessarily based on 2018 Enrollment Goals or Offered Capacities already established. These counts are not intended to represent the pupil membership used for purposes of determining state aid funding from state and local government.

There are four similar reports included in this package:

The first report, entitled “**A Resolution of the Board of Directors**”, is for your approval of the initial budget as it is being presented. A signed board resolution is required as an acknowledgement of the board’s approval of the budget.

The budget is presented in two funds:

The **General Fund** contains the activity of the school pertaining to the general or main functions at the school. This fund contains the primary revenue sources such as state and local student aid and the primary expenditures.

The **School Service Fund** contains the activity for the food service program at the school. This fund includes the revenue generated for the food service program from federal (Department of Agriculture) and state sources, as well as from parents. It also includes the expenditures related to the food service program.

We recognize that the School Service Fund may need assistance from the General Fund to balance its budget. Therefore, a fund transfer is indicated on the “Transfer between funds” line on the budget as necessary.

The total of these funds will be the basis for the comparisons on the following pages.

The second report, entitled “**2018-19 Initial Budget Detail**”, shows the initial budget for the upcoming school year in a greater level of detail.

The third report, entitled “**2018-19 Initial Budget Comparison to 2017-18 Budget**”, compares the proposed budget for the upcoming school year to the budget that was last approved by the board.

Changes between the budgets are primarily due to expected changes in student counts, classrooms, and grant allotments. The initial budget that is being presented at this time is a conservative estimate of funds that will be available for the school. Any changes in grant revenue will have a corresponding change in grant expense.

The fourth report, entitled "**Three Year Comparison**", compares the actual results from the prior school year, the most recent board approved budget, and the proposed budget for the upcoming school year.

To follow is a brief explanation of budget line items:

REVENUES:

State Aid – The per pupil funding provided by the state for general education.

Other State Sources – The portion of state funding allocated for special education as well as grant funds issued by the state and state funding for food services.

Local Sources – Primarily special education funds that flow through the local school district as well as grant funds and student aid issued by local municipalities.

Federal Sources – Grant funds issued by the federal government such as charter school grants and entitlement program grants for specific education purposes. Also included in Federal Sources is the Department of Agriculture reimbursement for the food services program.

Private Sources – Any non-governmental funds, e.g. privately funded grants, including those from authorizers or private foundations, as well as any amount paid to the school by parents.

Contribution from NHA - The contribution from NHA if the overall revenues are not sufficient to cover all expenses.

EXPENDITURES:

Instruction:

Basic Instruction – Expenses incurred for the basic educational experience at the school including items such as salaries and benefits for teachers, curriculum and textbooks, classroom supplies, and field trips. Also included is board discretionary expense. Since we don't know how the board will allocate these funds, it is all budgeted in this line. As the funds are spent, they are charged to the correct category in the actual column - i.e. equipment, field trips, etc.

Added Needs – Costs associated with at-risk programs at the school. At-risk programs are designed to meet the needs of children who are academically or economically challenged. Costs include items such as salaries and benefits for teachers, curriculum and textbooks, and classroom supplies.

Special Education – Expenses for classroom-type settings for special education students including costs incurred in the Resource Room and individual aides within a classroom setting.

Support Services:

Pupil Services– Costs related to the special education student's individualized instruction, including speech and language services, occupational therapy, physical therapy, social work services, and psychology services. Since these services are dependent upon the actual needs of the student population, which have not been identified at this time, the budget reflects estimates of these services and will be refined as more information becomes available.

Instructional Staff Support – Costs for services focused on working with staff to better enhance the educational experience for all students. Included in this area are Dean and library and technology personnel costs, as well as supplies and equipment for these school departments. Professional development for teaching staff is also included here.

Board of Education – Board supporting services such as legal and audit costs, and NHA board relations assistance.

Executive Administration – Support services representing the general administration cost from the authorizer (where applicable) and NHA.

Grant Procurement – Costs incurred for investigating, requesting, and monitoring grant activities at the school.

School Administration – Costs associated with the principal and general office of the school including salaries and benefits, supplies, postage, printing and general fees.

Other School Administration – Central services in support of admissions and parent relations, as well as ensuring school quality.

Business & Internal Services – The NHA cost for accounting, financial reporting, payroll, purchasing, and compliance services.

Central Services – Costs associated with the recruiting and hiring of staff and employee relations, as well as technology and marketing functions, and the design and delivery of professional development to school leadership.

Operations & Maintenance – Costs related to renting and maintaining the building, including utilities, as well as the purchase of any general equipment for use in the building. Costs related to maintaining school safety and security are also included.

Pupil Transportation Services – Costs related to the conveyance of pupils to and from school.

Food Services – The total cost of the food service program at the school.

If you have any questions on this, please direct them to your Partner Services Representative.

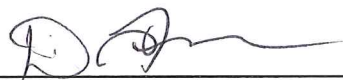
Reach Charter Academy
A Resolution of the Board of Directors
2018-2019 Initial Budget

RESOLVED, that this resolution shall be the general appropriations act of the Academy for the
Fiscal Year 2018-2019.

	General	School Services	Total (Memorandum Only)
REVENUE			
State Aid	5,008,478	-	5,008,478
Other State Sources	657,028	5,022	662,050
Local Sources	57,243	-	57,243
Federal Grants	523,663	271,822	795,485
Private Sources	41,600	16,193	57,793
Contribution from Management Company	255,710		255,710
Total Revenues and Transfers	6,543,722	293,037	6,836,759
EXPENDITURES - CONTRACTED SERVICE FEE:			
Instruction			
Basic Instruction	2,032,672	-	2,032,672
Added Needs	794,229	-	794,229
Special Education	334,354	-	334,354
Support Services			
Pupil Services	176,327	-	176,327
Instructional Staff Support	732,605	-	732,605
Board of Education	56,965	-	56,965
Executive Administration	169,720	-	169,720
Grant Procurement	18,897	-	18,897
School Admin - Office of the Principal	347,884	-	347,884
Other School Administration	116,165	-	116,165
Business & Internal Services	69,964	-	69,964
Central Services	262,061	-	262,061
Operations & Maintenance	1,423,629	-	1,423,629
Pupil Transportation Services	8,250	-	8,250
Food Services	-	257,086	257,086
Total Expenditures	6,543,722	257,086	6,800,808
EXCESS OF REVENUES OVER EXPENDITURES	-	35,951	35,951
Transfer Between Funds	-	-	-
FUND BALANCE, BEGINNING OF YEAR	63,838	-	63,838
CURRENT FUND BALANCE	63,838	35,951	99,789

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Board of Directors
at a properly noticed meeting, held on May 16, 2018
where a quorum of the board was present.

Signed By: 
Dated: 5-16-18

Reach Charter Academy
2018-2019 Initial Budget Detail

2018-2019
Initial Budget

General Fund

REVENUE

State Aid	5,008,478
Revenue from State Sources	657,028
Revenue from Local Sources	57,243
Restricted-Federal 'Pass thru' Grants - Title I	339,333
Restricted-Federal 'Pass thru' Grants - Title II	53,320
Restricted-Federal 'Pass thru' Grants - Title IV	10,000
Restricted-Federal 'Pass thru' Grants - IDEA	121,010
Revenue from Private Sources	41,600
Contribution from Management Company	255,710
Total Revenue & Other Transactions	6,543,722

EXPENDITURES

Basic Instruction

Salaries, Taxes, & Benefits	1,705,631
Local Meetings	5,815
Printing and Binding	18,760
Teaching Supplies	74,104
Textbooks	54,559
Software & Equipment	-
Equipment Lease	79,200
Dues/Memberships	3,980
Field trips	17,300
Contracted Services	34,073
Employment Expenses	1,500
Finger Printing & Background Checks	2,750
Board Funds	35,000
Total - Basic Instruction	2,032,672

Added Needs

Salaries, Taxes, & Benefits	669,817
Teaching Supplies	124,412
Total - Added Needs	794,229

Special Education

Salaries, Taxes, & Benefits	281,465
Instructional Services	20,000
Local Meetings	375
Workshops and Conferences	1,576
Teaching Supplies	3,385
Software & Equipment	665
Indirect Costs	26,888
Total - Special Education	334,354

Pupil Services

Occupational Therapist Services	22,264
Psychological Services	33,764
Speech Pathology	80,976
Social Work Services	39,323
Total - Pupil Services	176,327

Instructional Staff Support	
Salaries, Taxes, & Benefits	438,328
Workshops and Conferences	6,851
Improvement of Instruction	87,890
Professional Development	98,644
Library Books	4,000
Library	915
Technology	53,395
Special Education	27,808
Recess Aides	14,774
Total - Instructional Staff Support	732,605
Board of Education	
Board of Education Administration	26,958
Legal Fees	7,500
Audit	10,405
Travel & Expense Staff	475
Insurance	11,627
Contracted Services	-
Miscellaneous	-
Total - Board of Education	56,965
Executive Administration	
Executive Administration	19,466
Oversight Fee	150,254
Total - Executive Administration	169,720
Grant Procurement	
Grant Procurement	18,897
Total - Grant Procurement	18,897
Office of the Principal	
Salaries, Taxes, & Benefits	237,183
Local Meetings	6,880
Workshops and Conferences	5,877
Mailing	4,900
Printing & Binding	2,750
Office Supplies	8,400
Dues/Memberships	3,000
Equipment Purchases	-
Advertising	77,994
Contracted Services	325
Finger Printing & Background Checks	-
Bank Charges	575
Indirect Costs	-
Accrued Unallocated Expenses	-
Total - Office of the Principal	347,884
Other School Administration	
Admissions & Other Administrative Support	84,838
Salaries, Taxes, & Benefits	24,567
Local Meetings	500
Workshops and Conferences	315
Mailing	3,445
Printing & Binding	2,500
Office Supplies	-
Dues/Memberships	-
Equipment Purchases	-
Total - Other School Administration	116,165

Business & Internal Services	
Fiscal Services	67,246
Internal Distribution Services	2,718
Interest Expense	-
Bad Debt Expense	-
Total - Business & Internal Services	69,964
Operations & Maintenance	
Internal Building Services	11,711
Other Purchased Service (Janitorial)	-
Telephone	6,736
Heat	19,778
Electric	64,087
Sewer	7,475
Waste & Trash Disposal	4,500
Building Maintenance & Repair	254,197
Equipment Maintenance & Repair	1,750
Lease of Building	970,080
Lease of Equipment	10,175
Supplies	-
Equipment Purchases	17,450
Liability Insurance	606
Miscellaneous	-
Interest Expense	-
Miscellaneous (Property Taxes)	39,967
Property Insurance	11,880
Safety & Security	3,237
Total - Operations & Maintenance	1,423,629
Pupil Transportation Services	
Contracted Transportation	8,250
Total - Pupil Transportation Services	8,250
Central Services	
Planning, Research, Development	-
Information Services	32,774
Staff/Personnel Services	105,006
Data Processing Services	69,234
Other Central Services	55,047
Total - Central Services	262,061
Outgoing Transfer to Special Service Fund	-
Total Expenditures & Other Transactions	6,543,722
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	
	-
Beginning Fund Balance (7/1)	63,838
Ending Fund Balance	63,838

Food Service Fund

REVENUE

Food Sales to Pupils	16,193
State Revenue	5,022
Department of Agriculture	202,918
Department of Agriculture - Breakfast	50,888
Department of Agriculture - Fruit/Veg	-
Commodities	18,016
Other Federal Grants	-
Total Food Service Revenue	<u>293,037</u>

Transfer In from General Fund -

Total Revenue and Incoming Transfers 293,037

EXPENDITURES

Food Services

Supplies, Materials including Commodities expense	254,046
Salaries & Wages	3,040
Management Services	-
Total Food Service Expenditures	<u>257,086</u>

Beginning Fund Balance (7/1) -

Ending Food Service Fund Balance **35,951**

Reach Charter Academy

2018-19 Initial Budget Comparison to 2017-18 Amended Budget

	2017-18 Amended Budget	2018-19 Initial Budget Proposal	Change
REVENUE			
State Aid	4,813,205	5,008,478	195,273
Other State Sources	510,456	662,050	151,594
Local Sources	69,704	57,243	(12,461)
Federal Grants	816,881	795,485	(21,396)
Private Sources	75,075	57,793	(17,282)
Contribution from Management Company	197,040	255,710	58,670
Total Revenues and Transfers	6,482,361	6,836,759	354,398
EXPENDITURES - CONTRACTED SERVICE FEE:			
Instruction			
Basic Instruction	1,923,830	2,032,672	108,842
Added Needs	678,809	794,229	115,420
Special Education	330,349	334,354	4,005
Support Services			
Pupil Services	172,422	176,327	3,905
Instructional Staff Support	713,015	732,605	19,589
Board of Education	52,789	56,965	4,176
Executive Administration	165,192	169,720	4,528
Grant Procurement	18,673	18,897	224
School Admin - Office of the Principal	302,024	347,884	45,860
Other School Administration	112,293	116,165	3,872
Business & Internal Services	72,004	69,964	(2,040)
Central Services	238,075	262,061	23,987
Operations & Maintenance	1,400,332	1,423,629	23,297
Pupil Transportation Services	10,090	8,250	(1,840)
Food Services	295,642	257,086	(38,556)
Total Expenditures	6,485,539	6,800,808	315,269
EXCESS OF REVENUES OVER EXPENDITURES	(3,178)	35,951	39,129
Transfer Between Funds	-	-	-
FUND BALANCE, BEGINNING OF YEAR	67,016	63,838	(3,178)
CURRENT FUND BALANCE	63,838	99,789	35,951

Reach Charter Academy
Three Year Comparison

	2016-17 Actual	2017-18 Amended Budget	2018-19 Initial Budget Proposal
REVENUE			
State Aid	4,780,204	4,813,205	5,008,478
Other State Sources	631,784	510,456	662,050
Local Sources	75,503	69,704	57,243
Federal Grants	742,476	816,881	795,485
Private Sources	77,212	75,075	57,793
Contribution from Management Company	488,134	197,040	255,710
Total Revenues and Transfers	6,795,313	6,482,361	6,836,759
EXPENDITURES - CONTRACTED SERVICE FEE:			
Instruction			
Basic Instruction	2,176,944	1,923,830	2,032,672
Added Needs	695,277	678,809	794,229
Special Education	407,808	330,349	334,354
Support Services			
Pupil Services	211,867	172,422	176,327
Instructional Staff Support	626,054	713,015	732,605
Board of Education	70,731	52,789	56,965
Executive Administration	151,848	165,192	169,720
Grant Procurement	24,437	18,673	18,897
School Admin - Office of the Principal	288,626	302,024	347,884
Other School Administration	116,340	112,293	116,165
Business & Internal Services	75,698	72,004	69,964
Central Services	235,225	238,075	262,061
Operations & Maintenance	1,408,815	1,400,332	1,423,629
Pupil Transportation Services	12,298	10,090	8,250
Food Services	283,166	295,642	257,086
Total Expenditures	6,785,134	6,485,539	6,800,808
EXCESS OF REVENUES OVER EXPENDITURES	10,179	(3,178)	35,951
Transfer Between Funds	-	-	-
FUND BALANCE, BEGINNING OF YEAR	56,837	67,016	63,838
CURRENT FUND BALANCE	67,015	63,838	99,789