

MEMO

TO: Commissioners
FROM: Rick Alford, Contracts & Evaluation Coordinator
DATE: August 31, 2011
RE: FY 2010-11 and FY 2011-12 Commission Operating Budgets

BACKGROUND:

The FY 10-11 Commission Operating Budget (Attachment 1) reflects the internal tracking of the Commission's revenue and expenditures for the entire fiscal year. This draft will be used, in combination with the final FY 10-11 reports from the County Auditor's office, by staff and the Commission's contracted independent auditor to prepare the FY 10-11 Audit and Annual Report during September.

The FY 11-12 Commission Operating Budget (Attachment 2) is an updated internal tracking tool that reflects the Commission's:

- Fund balance at the beginning of the fiscal year categorized as required by GASB54
- Total projected revenue for FY 11-12 by revenue source
- Approved FY 11-12 budget amounts and year to date expenditures for Support Services & Direct Services
- Projected end of year fund balance categorized as required by GASB54

DISCUSSION:

FY 2010-11 Commission Operating Budget (Attachment 1)

Page 1 – Summary Page reflecting the draft FY 10-11 Totals and how they were allocated to Sustainability, Support Services and Direct Services:

Total Revenue: \$1,313,916

Total FY 09-10 Carry Over: \$4,660,750

Total Expenditures: \$2,864,903 – Support Services Detail Page 2, Direct Services Detail Page 3

End of Year Fund Balance: \$3,109,762

There are two items of note from the Direct Services Budget on Page 3, School Readiness and Community Funding (Line items 6 and 23). These items reflect budget amounts approved for FY 10-11, but some of the expenditures for those line items will be posted in FY 11-12, prompting a need to revise the FY 11-12 Direct Services Budget.

- The iPads for the Kindergarten Student Entry Profile Pilot were ordered during FY 10-11, but did not arrive until after June 30, 2011 and therefore must be categorized as a FY 11-12 expenditure.
- The Community Funding Initiative contracts run from October 2010 through September 2011 for Round 1 and from April 2011 through March 2012 for Round 2.

There are a total of 21 Community Funding Initiative Projects finishing up during the FY 11-12 fiscal year, accounting for approximately \$15,000 in final 10% CFI payments.

FY 2011-12 Commission Operating Budget (Attachment 2)

Page 1 – Updated Summary Page reflecting:

Beginning Fund Balance: \$3,109,762

GASB54 Fund Balance Reporting Categories: Nonspendable, Restricted, Committed, Assigned and Unassigned. The AB99 Payback is reflected as Restricted Funding (\$2,327,950) on line 3, the Commission's Sustainability Fund amount (\$292,833) is reflected on line 5 in accordance with the minimum fund balance reflected in the Fund Balance Reporting Policy approved by the Commission at the June meeting (2 months of current fiscal year operating budget), the remainder of the Beginning Fund Balance is reflected as Committed for Contracts (\$488,979) on line 4 to support approved FY 11-12 contracts.

Projected and Actual Receivables: Revenue by funding source.

Total Projected FY 11-12 Revenue: \$1,376,500, as of 8/31/2011 we have not yet received notice of any FY 11-12 revenue, this seems normal, as current fiscal year revenue deposits usually begin to post in September.

Commitments: FY 11-12 approved budget amounts

Expenses: Approved budget amounts and year to date expenditures for Support Services and Direct Services by categories

Projected and Current Fund Balance: Summarizes beginning fund balance, projected and actual total revenue, budgeted and actual total expenditures and projected and actual fund balance categorized in accordance with GASB54 and the Commission's Fund Balance Reporting Policy. Pages 2 and 3 provide line item detail for the Support Services and the Direct Services budgets.

CONCLUSIONS:

Consider revisions to FY 2011-2012 Commission Operating Budget:

- Increase the Ready - School Readiness line item on the Direct Services Budget from \$15,000 to \$60,132 to reflect the purchase of the iPads for the KSEP Pilot approved during FY 10-11 (an increase of \$45,132).
- Increase the Connected - Community Initiative line item on the Direct Services Budget from \$62,000 to \$77,000 to support final 10% payments for FY 10-11 Community Funding Initiative Projects (\$15,000) and the Commission's Communication Plan (\$5,000), Item 8 on the Commission Meeting Agenda, supporting updates to the first5eldorado.com website, the Commission's Facebook and Twitter accounts, and quarterly e-newsletters (an increase of \$20,000 to the Community Initiative line item).