

Highlights of the DRAFT 2011-12 CSAO Budget

The attached DRAFT 2011-12 CSAO Budget has been organized and prepared as follows:

Page 1 is a Combined Statement of Activities which summarizes the Revenues of Expenses of the CSAO. This combined statement and each of the detailed statements includes for comparative purposes the 2010-11 Adopted Budget, 2010-11 Revised Budget and actual balances (July 1, 2010 through May 31, 2011) as well as the proposed 2011-12 Budget. The combined statement includes budget and actual data for the CSAO general fund, Federal Title I, Federal Title IIa, Federal Safe & Drug Free Schools and the Charter School Review Panel. Care should be exercised by the reader of this report in understanding that the combined statement can be misleading because of the highly summarized nature of the information contained in this report and that the report combines the financial activities of all of the funds and programs operated by the CSAO. The overall change in unrestricted net assets of the CSAO during fiscal year 2011-12 is projected to decrease by \$203,858.

Pages 2-5 are the CSAO General Fund Budget. The primary source of revenues for the General Fund are based on a 1.85% funding rate applied to the State General Fund appropriations expected to be distributed to the charter schools in 2011-12. In addition the general fund budget includes \$18,875 in funding from the DOE for the McKinney-Vento position and a small amount in interest earnings.

General fund expenditures are classified as Personnel Costs, Supplies, Travel, Utilities, Rents and R&M, Contracted Services Other Current Expenses and Equipment. In addition budgeted amounts for expected Transfers in and Transfers out are also delineated. Personnel expenses are budgeted based on current employees of the CSAO plus a 2% cost of living adjustment for each position. No additional positions have been added. Supplies; Travel; Utilities, Rents and R&M; Contracted Services and Equipment expenses have been budgeted, with few exceptions, based upon historical spending within each of these accounts plus anticipated increases in cost due to inflation. The exceptions are that Office Rent has been increased to reflect leasing additional space for the CSAO (office space next door); Contracted Services has been increased to reflect the anticipated cost of replacing the CSAO accounting system with a more robust and capable system. Equipment is budgeted anticipating added costs for furniture and equipment for the newly rented space as well as new servers needed to continue existing tech support to the charter schools and the CSAO.

Pages 6-7 are the CSAO Federal Title I Budget. Because the amounts of funding available to the CSAO in this program are unknown this early in the year the amounts budgeted for revenue in this program is based on the best information available at this time. As more information becomes available the CSAO will revise the amounts budgeted to reflect the new information. Most of the funds in this program will be transferred to the charter schools. When this happens the amounts currently budgeted as revenue will be reclassified as transfers in and the payments to the schools will be classified as

transfers out. The CSAO anticipates spending \$66,400 in program revenues primarily for salaries and contracted services in support of this program.

Pages 8-9 are the CSAO Federal Title IIa Budget. The highlights pertaining to the Federal Title I budget also apply to this program. The CSAO anticipates spending \$34,600 in program revenues primarily for salaries and travel in support of this program.

Page 10 is the Federal Safe and Drug Free Schools Program. The CSAO is not budgeting any activity in this program for 2011-12. This page is included to for the purpose of disclosing the budget and financial activities in this program during the 2010-11 fiscal year.

Pages 11-12 are the Charter Schools Review Panel Budget. There are no revenues in this program, all support for the CSRP is provided through a transfer from the CSAO General Fund. Personnel expenses in this program are based on current year employees paid from this program plus a 2% cost of living adjustment. In addition added expenses are anticipated for the CSRP Clerical Assistant position as this position has replaced the previous contracted personnel responsible for taking minutes for CSRP meetings. Expenses in the other major accounts in this program are based on prior spending patterns and expected additional costs due to inflation and new CSRP members including projected travel costs for each panel member to visit one neighbor island school.