

Cottonwood Valley Charter School  
Business Manager's Report  
February 6, 2017

The Budget Committee met on February 6, 2017 to review the January reports and other budgetary updates and concerns. Members attending: Kim Schaffer, Mary Cox, Karen Bailey-Bowman, Ruth Milner, Adrian Morris.

January Receipts:

104,011.32	Fund 11000: State Equalization Guarantee	250.00	Fund 11000: Donation – Science oom
337.20	Fund 11000: Box Tops for Education		
500.00	Fund 11000: NRAO – support for math & science programs		
500.00	Fund 11000: Jeanne Steele Memorial Fund – library		
31.45	Fund 11000: Amazon – marketplace shopping		
110.27	Fund 23000: 8 <sup>th</sup> grade trip		
393.28	Fund 23000: Science Olympiad		

February Receipts (to date):

18,015.59 Fund 24106: IDEA RfR #1

January had only one pay period for all staff. Lance Johnson, our new part-time maintenance man, began working on January 3<sup>rd</sup>. There were no unusual expenditures during January; all spending is being carefully monitored.

Budget Concerns:

---State Equalization Guarantee allocations: Beginning in January, PED began reducing our SEG allocation by a total of \$14,657.65 for the remainder of the year. This was the result of the Special Legislative Session.

---Cash Balance Reductions: the Legislature then approved reductions to the 6-30-16 cash balances for all schools to help balance the State budget. A preliminary worksheet being circulated shows that our reduction will be \$25,480.00. PED is to send out the official reduction in early March, so that the March funding allocations can be appropriately reduced. Our final reduction will be slightly more because our 6-30-16 projected cash balance has not been agreed to the audit report which has just been released by the State Auditor. THIS IS NOT GOOD NEWS!! The balance in the rents & leases line item in the operational funds is at \$20,267, leaving a gap of \$5,213. I am hoping that the small amount of extra cash balance from 6-30-16 that we have will not all be swept away by the funding cuts and that we will not have to start cutting other operational line items.

---January Legislative Session - We all need to pay close attention to proposed legislation that will impact school funding, especially any proposed reduction to the small school size adjustment in the funding formula. One scenario being proposed would cut this funding source by 10% annually for the next 5 years. If this is enacted, we would lose nearly \$11,000 each year, so that by the end of the 5<sup>th</sup> year, the small school size factor for CVCS would be reduced from \$108,602 to \$54,301. If enacted, this will quickly lead to a reduction of classroom staff positions. Again, NOT GOOD NEWS.

---Fund 24106 (IDEA) Our allocation of \$34,350 is now officially incorrectly doubled up in the PED system, but at least we can submit reimbursement requests for up to the \$34,350 allocated to CVCS by the District. PED response to this is that we had better be prepared to explain to our auditors how this happened. No problem, as it was a PED error.

PSFA construction close-out of the MPR: In October 2016, PSFA requested copies of several construction payments related to the MPR project from 2010-2011. A review of the copies provided allowed PSFA to officially close their books on the MPR construction project. The Socorro District Board approved the close-out certification at their January 30<sup>th</sup> meeting. CVCS is entitled to a final payment from PSFA in the amount of \$1,147.73. No-time line on when this might be received, if ever, depending on funding.

Landscaping Quotes: the Budget Committee reviewed 3 quotes from LGE Construction, Hilltop Landscape Architects & Contractors, and MRC Pro for the next phase of landscaping improvements. The quotes were carefully examined for materials and pricing comparability. Barring any negative findings from Construction Industries and the Better Business Bureau, the Budget Committee is recommending approval of the quote from LGE Construction.

BAR's: There will be several BAR's for the GC to approve on Wednesday.

