

School District of the City of Royal Oak
MEMORANDUM

TO: Thomas L. Moline

FROM: John R. Schwartz

DATE: February 15, 2008

SUBJECT: 2007-08 Budget Amendments – Community Service Fund

On the February 27th Board of Education Meeting agenda, a budget amendment for the Community Service Fund will be recommended for Board approval. Once again, these amendments can be considered routine in nature, part of the normal course of business, consistent with prior years and minor in amount. As a result, placing the resolution on the consent agenda would be appropriate. A summary of the recommended amendments is as follows:

Community Service Fund

The Community Service Fund accounts for the activities of the Addams Early Childhood Center and the Churchill Community Education Center. A decrease in the budgeted revenues and expenditures of \$78,906 is proposed.

- Revenue for all tuition based programs (childcare, infant, preschool and latchkey) was adjusted based upon current participation. With the exception of the childcare program, it should be noted that the revenue generated from the tuition based programs exceeds the direct costs of those programs. At this point, it appears that the childcare program will be operating at a “loss” for the year. Projections for the loss is currently about \$35,000 with hopes of a much smaller deficit. Contributing factors include the closing of Lincoln, the move to Churchill, another move to Addams all resulting in the loss of enrollment.
- State revenue sources were increased to reflect the carryover of funding for the Michigan School Readiness Program.
- Wages, benefits, retirement and social security were adjusted to reflect current staffing levels.
- Utility costs were adjusted to reflect year-to-date consumption.

I would encourage Board of Education members to contact me if they have questions or require additional information.