

Community Learning Center Schools

December Financial Presentation



January 22, 2015

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Financial Presentation Agenda



- State Budget Update
- P-1 ADA Reporting
- December Financials
 - ACLC
 - Nea
- Cash Flow Update

1. State Budget Update

2015-16 California State Budget

Governor Brown's proposed budget bodes well for K-12 education



- Proposition 98 (primary legislation mandating spending on education) funding increased by \$7.8B, to a total of \$65.7B
- Funding increase will primarily be used for faster LCFF implementation and to pay down deferrals
 - Allocating additional \$4B for LCFF implementation to close approximately 32% of remaining gap towards schools' target rates
 - Eliminating remaining June deferral
- Spending increases on other K-12 programs also proposed
 - Funding for SB 740 program to permanently lower FRPM eligibility threshold to 55%
 - \$1.1B for one-time Common Core implementation grant (\$180/ADA)
 - \$100M for internet connectivity and infrastructure
 - \$320M for school energy efficiency grants
- Just the first step in iterative process involving Governor and Legislature that will result in final budget being approved in June
 - At this time, no recommendation to make any changes to previous assumptions for 15-16 planning purposes

2. P-1 ADA

ACLC P-1 ADA Higher Than Budget Forecast, Driven by Higher Actual Attendance



- P-1 ADA of 361.50 reported to the State

	Month 1	Month 2	Month 3	Month 4	P-1
Enrollment	375	376	374	374	
Attendance	97.3%	96.8%	95.7%	95.4%	96.4%
ADA	365.00	364.00	359.00	356.79	361.50

- Approved Budget and Previous Forecast assumed enrollment of 374 and attendance rate of 95% for the year, resulting in 355.3 ADA
- Current Forecast assumptions based on P-1 ADA of 361.5
 - Revenue impact from previous forecast: +\$47K
- CALPADS Unduplicated Count submitted in December
 - Lower 14-15 count incorporated into the budget forecast last month

NEA P-1 ADA Largely on Target with Budget Forecast



- P-1 ADA of 457.9 reported to the State

	Month 1	Month 2	Month 3	Month 4	P-1
Enrollment	477	476	480	485	
Attendance	95.61%	97.43%	96.21%	95.07%	96.15%
ADA	450.21	462.89	459.74	459.07	457.90

- Previous Budget forecast assumed enrollment of 485 and attendance rate of 95% for the year, resulting in ADA of 460; Approved Budget assumed 457.9 ADA
- Current Forecast returns to 457.9 ADA to be conservative
 - Revenue impact from previous forecast: -\$15K
- CALPADS Unduplicated Count submitted in December
 - Lower 14-15 count incorporated into the budget forecast last month

3a. ACLC December Financials

P-1 ADA and Other Changes Resulted in Higher Projected Operating Income for ACLC



	Approved Budget	Previous Month's Forecast	Current Forecast	(Previous vs. Current Forecast)	(Budget vs. Current Forecast)
SUMMARY					
Revenue					
General Block Grant	2,489,751	2,482,355	2,525,043	42,688	35,292
Federal Revenue	55,201	55,201	54,061	(1,140)	(1,140)
Other State Revenues	275,022	279,562	283,617	4,055	8,596
Local Revenues	128,349	128,349	128,617	267	267
Fundraising and Grants	140,948	140,948	120,705	(20,243)	(20,243)
Total Revenue	3,089,270	3,086,415	3,112,042	25,627	22,772
Expenses					
Compensation and Benefits	1,858,204	1,859,393	1,836,613	22,779	21,591
Books and Supplies	224,877	224,901	225,228	(327)	(351)
Services and Other Op. Ex.	933,415	933,097	942,327	(9,230)	(8,912)
Capital Outlay	-	-	-	-	-
Total Expenses	3,016,496	3,017,391	3,004,169	13,222	12,328
Operating Income	72,774	69,024	107,874	38,850	35,100

- Operating Income projected to be \$108K, previous forecast was \$69K

Increase in ACLC's Projected Operating Income Driven by Both Revenues and Expenses



- Projected revenue higher than previous forecast by **\$25.6K**
 - P-1 ADA impact: **+\$47K**
 - Donations/Fundraising increased **+\$41K** (Parents Group)
 - 180 Degree Foundation Grant terminated (**-\$62K**)
 - Federal SPED entitlement announced at \$126.53 per PY ADA, slightly lower than projected \$130 per PY ADA (**-\$1K**)
- Projected expenses lower than previous forecast by **\$13K**
 - Expenses related to 180 Degree Foundation reduced by **\$30K**
 - Offset by **\$14K** increase to SPED budget
 - Transportation for a SPED learner: actual cost higher than budgeted by \$3K
 - One-one aide negotiated for a potential NPS student at \$11.2K
 - Marketing budget increased by **\$900** to offset actual expenses
 - Bad Debt Expense increased by **\$2K**: over-accrued PY 4th Q lottery revenue
- Payroll changes (no fiscal impact)
 - Resource specialist and counselor positions moved from payroll to contract services

3b. Near December Financials

P-1 ADA in Nea's Current Forecast, Operating Income Projected to be Lower Than Previous Forecast



	Approved Budget	Previous Month's Forecast	Current Forecast	(Previous vs. Current Forecast)	(Budget vs. Current Forecast)
SUMMARY					
Revenue					
General Block Grant	3,155,827	3,161,567	3,147,457	(14,110)	(8,370)
Federal Revenue	84,691	84,822	83,124	(1,698)	(1,567)
Other State Revenues	367,013	369,715	372,299	2,584	5,286
Local Revenues	247,358	247,506	247,506	-	148
Fundraising and Grants	96,628	96,628	96,628	-	-
Total Revenue	3,951,517	3,960,238	3,947,013	(13,224)	(4,504)
Expenses					
Compensation and Benefits	2,759,211	2,749,775	2,750,697	(922)	8,514
Books and Supplies	195,696	192,969	187,969	5,000	7,726
Services and Other Operating Expenditures	973,646	990,162	994,479	(4,317)	(20,834)
Capital Outlay	-	-	-	-	-
Total Expenses	3,928,552	3,932,907	3,933,146	(239)	(4,593)
Operating Income (excluding Depreciation)	22,965	27,331	13,868	(13,463)	(9,097)

- Operating Income projected to be \$14K, previous forecast was \$27K

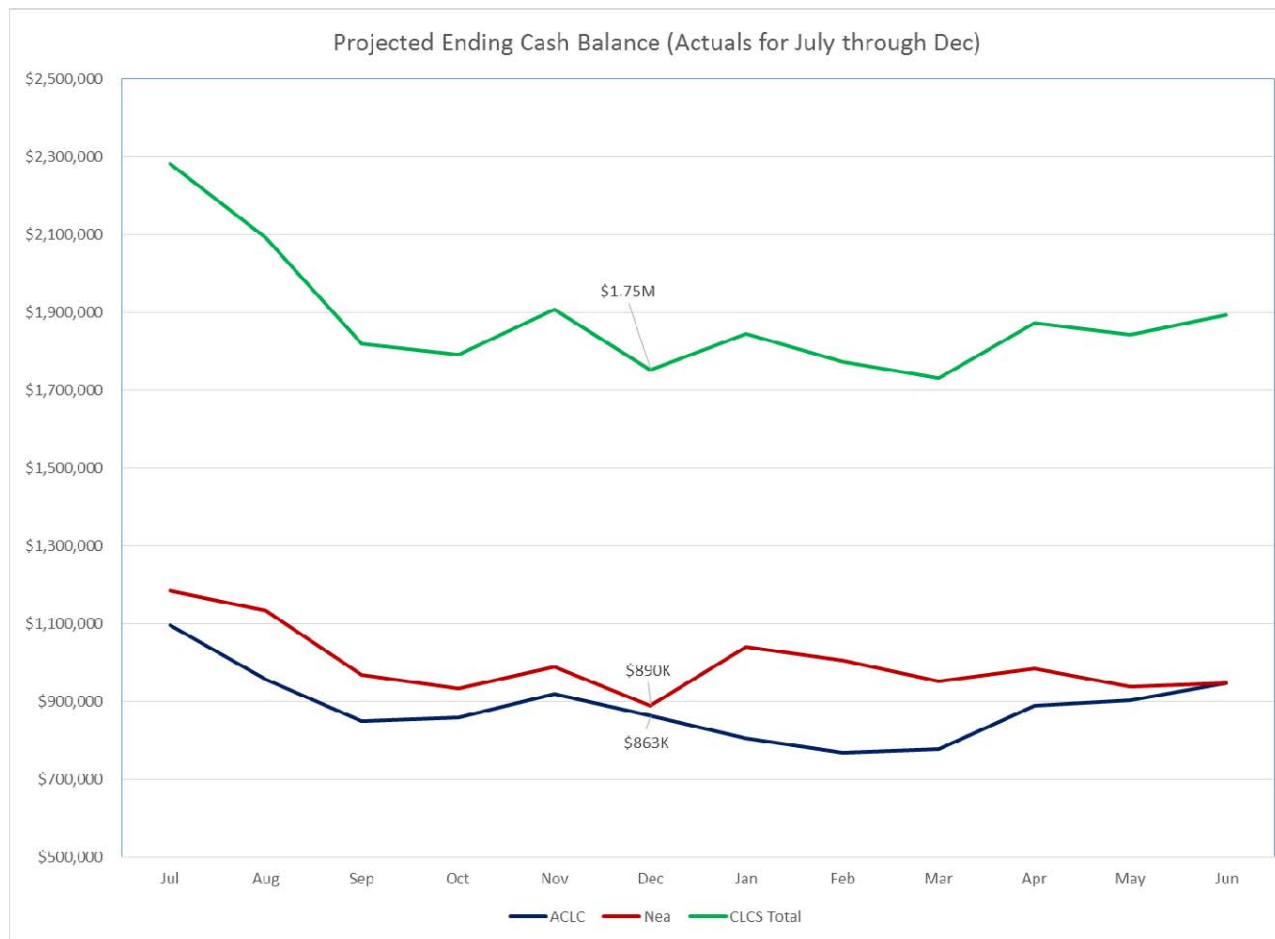
Reduction in Nea's Projected Operating Income Driven Largely By P-1 ADA



- Projected revenue lower than previous forecast by **-\$13K**
 - P-1 ADA: **-\$15K**
 - Federal SPED entitlement announced at \$126.53 per PY ADA, slightly lower than projected \$130 per PY ADA (**-\$2K**)
 - Offset by **\$4K** PY under-accrued PY 4th Q lottery revenue
- Projected expenses higher by **\$239**
- A number of budgets were re-allocated (zero fiscal impact), such as:
 - Classroom Furniture
 - PE Supplies
 - Consultants-Instructional
 - Recoding of payroll

4. Cash Flow Update

Cash Flow Update: Reserves Strong for Both Schools



- Revenue timing: for both schools, property tax rev and state SPED entitlements lagging slightly behind
- Ending Cash in Dec. was \$863K for ACLC and \$890K for Nea – \$1.75M for both schools combined