

# Community Learning Center Schools

January Financial Presentation

**edtec**

Business and Development Specialists  
for Charter Schools

February 20, 2014

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# Financial Presentation Agenda



- LCAP Overview - Update
- CLCS Account Summary
- Financial Update for 2013-14
  - January Actuals
    - ACLC
    - Nea
  - January Forecast Update
    - ACLC
    - Nea
  - January Cash Flow

# 1. LCAP Overview - Update

# LCAP Overview

With “emergency” LCAP regulations passed, further changes are possible, but ACLC and Nea should start the process of developing their plan and engaging stakeholders.

- In January, the State Board of Education adopted regulations to implement spending targets for high need pupils under LCFF and new templates for charter schools and districts to develop a Local Control Accountability Plan (LCAP) as required under the new LCFF law.
- The LCAP will share a school’s story, explaining how LCFF resources contribute to goals and actions for significant subgroups.
  - Goals and actions must align to the eight state priorities in Education Code section 52060(d).
  - Supplemental and Concentration Grant funds specifically must be used to increase or improve services for EL/LI/FY pupils.
- The SBE, CDE and WestEd are now working on guidance materials, including a document that features best practices and an evaluation rubric.
- Schools should begin the process of developing their LCAP now, which should be in place by July 1, 2014. We expect authorizers to issue separate deadlines.
- The process is more important than the product, and an integral piece of that process is engaging parents, pupils, and other stakeholders
  - School must engage parents/families of subgroups with 30 or more students in the LCAP development process [for Foster Youth, 15 students are considered numerically significant].

# Sample Planning and Adoption Process

The LCAP will be a three-year rolling plan that is updated annually, including a review of progress towards the eight state priorities and any changes to the goals needed to reach those priorities.

## February – March Assess and Engage

Engage in a process to identify student needs, involve parents, school personnel, pupils, and bargaining groups in the plan development

## March – April Draft and Consult

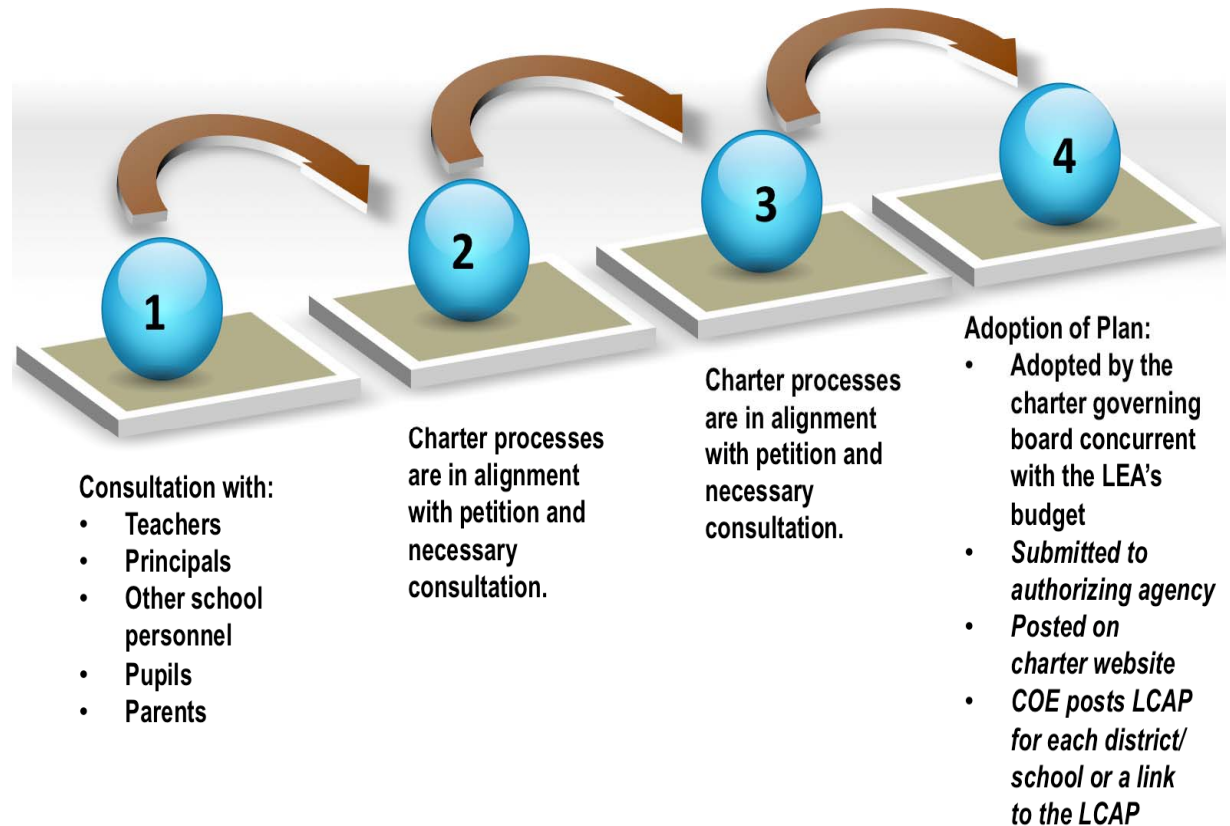
Share with parent advisory groups and other stakeholders, and respond in writing to comments

## May Share and Respond

Commence public comment period and hold public hearing

## June Decide and Implement

Adopt LCAP and LEA budget



# ACLC Minimum Proportionality Percentage

The minimum proportionality percentage dictates the amount by which the school must increase or improve services to high need pupils.

(Note that this calculation is based on the most recent information from SBE.)



**The school must increase or improve services for high need pupils in proportion to the increase in funds apportioned for supplemental and concentration grants.**

## How is this percentage calculated?

- 1 Compute the amount of 14-15 LCFF funding that is specifically attributable to closing the gap toward the target Supplemental & Concentration Grants

**\$43K - \$54K**

**This is the amount to invest in high need pupils in 14-15**

- 2 Express this amount as a percentage of the 14-15 LCFF funding that can be spent on all pupils

**1.8% - 2.3%**

**This is the % by which services for high need pupils must be increased or improved as compared to services provided to all pupils in 14-15**

\* **High Need Pupils** = Unduplicated count of low income, ELL and foster youth

# NEA Minimum Proportionality Percentage

The minimum proportionality percentage dictates the amount by which the school must increase or improve services to high need pupils.

(Note that this calculation is based on the most recent information from SBE.)



**The school must increase or improve services for high need pupils in proportion to the increase in funds apportioned for supplemental and concentration grants.**

## How is this percentage calculated?

- 1 Compute the amount of 14-15 LCFF funding that is specifically attributable to closing the gap toward the target Supplemental & Concentration Grants

**\$58K - \$90K**

**This is the amount to invest in high need pupils in 14-15**

- 2 Express this amount as a percentage of the 14-15 LCFF funding that can be spent on all pupils

**1.8% - 2.8%**

**This is the % by which services for high need pupils must be increased or improved as compared to services provided to all pupils in 14-15**

\* **High Need Pupils** = Unduplicated count of low income, ELL and foster youth

# LCAP Next Steps

We may not have full clarity on LCAP requirements and best practices until March. However, now is the time to begin thinking about what the process will look like.

- Read the regulations! Read the template! Both can be found here:  
<http://www.cde.ca.gov/be/ag/ag/yr14/documents/jan14item20a3.doc>  
The template includes “Guiding Questions” that will help greatly in focusing the schools’ thoughts and efforts.
- Determine which subgroups need to be included in the LCAP.
- Compile student achievement and other data in relevant subgroups.
- Start setting goals for those subgroups and think about how you will use LCFF funds to address the eight state priorities in Education Code section 52060(d) that apply to the grade levels served, or the nature of the program operated.
  - For high need pupils in particular, consider how you will spend those restricted funds on improving services to high need pupils.
- Parent/Community/Pupil Involvement: For schools without site councils, find a way to get these stakeholders involved in decision making, especially related to LCAP. Also, make sure existing site councils fulfill the new requirement. [Education Code section 47606.5 specifies the minimum requirements for charter schools.]
  - Provide adequate data to these stakeholders.



## 2. CLCS Account Summary

# CLCS Account Summary

CLCS Account (0228) holds funds raised by CLCS Board and CLCS Service Fee paid by each school to support CLCS activities

- **ACLC and Nea share a bank account established for CLCS board fundraising and board activity expenses**
- **In 2012-13, each school contributed \$7,000 toward CLCS service fee for board activities**
- **CLCS Board raised nearly \$19K**

CLCS Service Fees (from ACLC/Nea)	\$14,000.00
Interest Accrued	\$33.86
Funds Raised by CLCS Board*	\$18,949.50
<b>Total Balance as of February 6, 2014:</b>	<b>\$32,983.36</b>
<i>* Board resolution directs funds raised by CLCS Board to be used for fund raising purposes</i>	

## 4. Update for 2013-14

# ACLC 2013-14 YTD Actuals

Revenues barely exceeded expenses in January, operating surplus of only \$3K



- **YTD revenues total \$1.2M, 44% of forecasted revenues**
  - January Revenues totaled \$198K and included:
    - \$163K in LCFF consisting of \$89K State Aid, \$74K from Education Protection Act
    - \$1.3K from Federal Child Nutrition Program
    - \$5K from prior year Lottery
    - \$12K State special education
    - \$12K in current year Lottery revenues
    - Other local revenues totaled: \$5K; with the majority being \$3,200 from BTSA reimbursement for professional development
  
- **YTD expenses total \$1.4M, or 52% of expenses forecasted for the year**
  - January expenses totaled \$196K and included:
    - Salaries and benefits - \$172K, higher than average due to prior month benefits invoices coming in as expected
    - Books and supplies – \$6K, trending lower than expected for this month
      - Main expenses were in instructional materials and computers
      - Overall, 75% of the Books and Supplies forecast has been spent through January
    - Services and Operating Expenses - \$17K, lower than expected this month. Some of the larger expenses included:
      - \$4K for janitorial services
      - Insurance payment of \$1.5K
      - \$3K for legal fees
      - \$5K for technology services
      - Overall, 38% of the Services and Operating Expense forecast spent to date

# 2013-14 ACLC Forecast Update

The projected 2013-14 operating income rose to \$88K. Primarily due to new revenues expected from SPED mental health reimbursement



- **Projected revenues at \$2.76M, are up by \$27K compared with prior month's forecast:**
  - \$19K decrease in enrollment from 344 to 341 learners
  - \$38K increase in state revenues from the Special Education mental health funding
  - \$10K increase to state and local revenues from YTD revenues received
- **Projected expenses at \$2.67M, up by \$2K compared with prior month's forecast:**
  - No changes to Salaries and Benefits
  - \$2K decrease to Books and Supplies,
    - \$3.5K increase to Custodial supplies with offsetting \$5K decrease to student food services projection
  - \$4K increase to Services and Operating
    - \$2K decrease to payroll fees due to initial over projection
    - \$7K increase to Communications due to under projection
    - Minor changes to ADA-driven expenses (business services and district oversight fees)
  - No change to Capital Outlay
- **This forecast will be submitted as the 2nd interim budget to AUSD**

# 2013-14 ACLC Forecast Update

The projected 2013-14 operating income increased to \$88K, 3.3% of projected expenses

	Actual YTD	Approved Budget	January Board Meeting Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining
<b>SUMMARY</b>						
<b>Revenue</b>						
General Block Grant	895,635	1,865,782	2,091,463	2,072,953	(18,510)	1,177,318
Federal Revenue	1,389	48,095	42,658	42,579	(79)	41,190
Other State Revenues	200,986	361,726	329,528	370,695	41,167	169,709
Local Revenues	20,200	102,122	113,349	117,872	4,523	97,673
Fundraising and Grants	82,539	123,330	153,330	153,330	-	70,790
<b>Total Revenue</b>	<b>1,200,749</b>	<b>2,501,055</b>	<b>2,730,329</b>	<b>2,757,429</b>	<b>27,100</b>	<b>1,556,680</b>
<b>Expenses</b>						
Compensation and Benefits	992,724	1,769,227	1,757,728	1,757,728	-	765,004
Books and Supplies	125,340	125,821	169,367	167,450	1,917	42,110
Services and Other Operating Expenditures	284,470	495,058	739,477	743,843	(4,365)	459,373
Capital Outlay	-	12,000	-	-	-	-
<b>Total Expenses</b>	<b>1,402,534</b>	<b>2,402,105</b>	<b>2,666,573</b>	<b>2,669,021</b>	<b>(2,448)</b>	<b>1,266,487</b>
<b>Operating Income (excluding Depreciation)</b>	<b>(201,785)</b>	<b>98,950</b>	<b>63,756</b>	<b>88,409</b>	<b>24,652</b>	<b>290,194</b>
<i>Operating Income (including Depreciation)</i>	(201,785)	108,550	63,756	88,409	24,652	290,194
<i>Operating Income (as % of expenses)</i>			2.39%	3.31%		
<b>Fund Balance</b>						
Beginning Balance (Unaudited)	1,006,144	-	1,006,144	1,006,144		
Operating Income (including Depreciation)	(201,785)	108,550	63,756	88,409		
<b>Ending Fund Balance (including Depreciation)</b>	<b>804,359</b>	<b>108,550</b>	<b>1,069,900</b>	<b>1,094,553</b>		

# Nea 2013-14 YTD Actuals

Nea had an operating surplus of \$46K in January; just below average since the beginning of the school year



- **YTD revenues total \$1.9M, or 49% of revenues forecasted for the year.**
  - January revenues totaled \$347K and included:
    - \$265K in LCFF consisting of \$146K State Aid, \$119K from the Education Protection Act
    - \$3K from Child Nutrition reimbursements
    - Prior year Lottery not accrued: \$7K
    - \$40K in Special Ed which included December and January payments
    - \$19K in current year Lottery revenue
    - Other local revenues - \$11K, including \$9K from the after school program, field trips, and food service sales
- **YTD expenses total \$2.0M, or 51% of expenses forecasted for the year.**
  - January expenses totaled \$301K and included:
    - Salaries and benefits - \$257K, also trending higher this month due to late benefits bills coming in
    - Books and supplies – \$12K. Some of the larger expenses included:
      - \$1.4K in Custodial Supplies
      - \$3K for instructional supplies
      - \$2K in Computers, \$4K for student food service
      - Overall, 70% of the Books and Supplies forecast has been spent through January
    - Services and Operating Expenses - \$32K
      - Major expenses included: Janitorial services, business services, equipment leases, insurance premiums, college consultants, and \$9K in special education contractors
      - Overall, 36% of the Services and Operating Expenses forecast has been spent through January

# Nea 2013-14 Forecast Update

The projected 2013-14 operating income has increased by \$12K from prior month's forecast to \$109K



- **Projected revenues at \$3.96M, are up by \$20K compared with prior month's forecast:**
  - \$13K from increased enrollment from 505 to 507 learners
  - \$7K from prior year lottery revenue due to higher than anticipated lottery rates
- **Projected expenses at \$3.86M, are up by \$8K compared with prior month's forecast:**
  - Salaries and Benefits – no change
  - \$3K increase to Books and Supplies
    - \$500 increase for art and music supplies – not originally budgeted
    - \$2.3K increase for computers purchased
  - \$5K increase to Services and Operating Expenses
    - \$1K ADA-driven expenses (business services and district oversight fees)
    - \$3K increase to non instructional consultants – scoliosis screening
    - \$1K in miscellaneous increases less than \$500
- **This forecast will be submitted as the 2nd interim budget to AUSD**



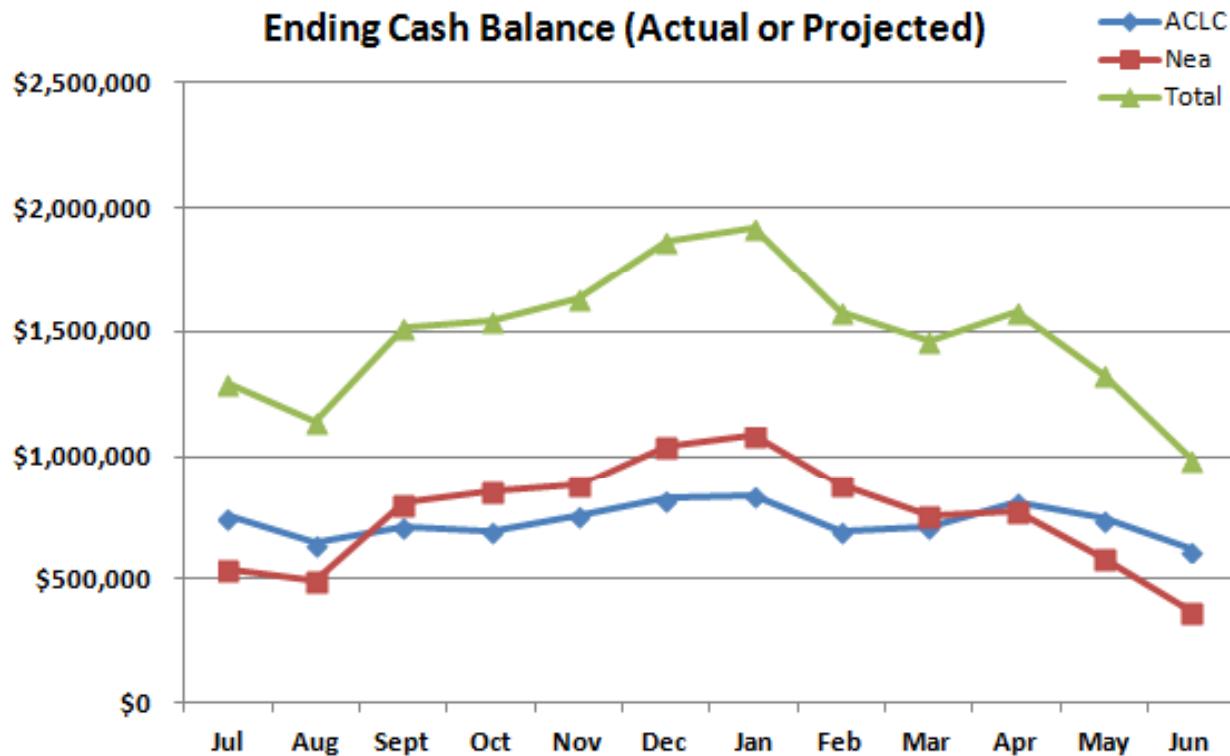
# Nea 2013-14 Forecast Update

The projected 2013-14 operating income is now projected to be \$109K, 2.8% of projected expenses

	Actual YTD	Approved Budget	January Board Meeting Forecast	Current Forecast	(Previous vs. Current Forecast)	Forecast Remaining
<b>SUMMARY</b>						
<b>Revenue</b>						
General Block Grant	1,479,717	2,983,808	2,998,478	3,010,220	11,742	1,530,503
Federal Revenue	2,994	94,608	78,699	78,699	-	75,705
Other State Revenues	320,393	702,468	537,598	546,130	8,533	225,738
Local Revenues	68,293	219,208	232,797	232,841	45	164,548
Fundraising and Grants	60,943	97,451	93,120	93,120	-	32,177
<b>Total Revenue</b>	<b>1,932,339</b>	<b>4,097,542</b>	<b>3,940,691</b>	<b>3,961,010</b>	<b>20,319</b>	<b>2,028,671</b>
<b>Expenses</b>						
Compensation and Benefits	1,471,111	2,929,176	2,713,203	2,713,203	-	1,242,092
Books and Supplies	150,917	204,048	211,630	214,489	(2,860)	63,572
Services and Other Operating Expenditures	330,502	804,279	918,826	924,001	(5,175)	593,499
Capital Outlay	-	-	-	-	-	-
<b>Total Expenses</b>	<b>1,952,530</b>	<b>3,937,503</b>	<b>3,843,659</b>	<b>3,851,694</b>	<b>(8,035)</b>	<b>1,899,163</b>
<b>Operating Income (excluding Depreciation)</b>	<b>(20,191)</b>	<b>160,039</b>	<b>97,032</b>	<b>109,317</b>	<b>12,284</b>	<b>129,508</b>
<i>Operating Income (including Depreciation)</i>	(20,191)	160,039	97,032	109,317	12,284	129,508
Operating Income (% of expenses)			2.5%	2.8%		
<b>Fund Balance</b>						
Beginning Balance (Unaudited)	1,039,509	-	1,039,509	1,039,509		
Operating Income (including Depreciation)	(20,191)	160,039	97,032	109,317		
<b>Ending Fund Balance (including Depreciation)</b>	<b>1,019,318</b>	<b>160,039</b>	<b>1,136,541</b>	<b>1,148,826</b>		

# 2013-14 Finances: Cash Flow Update

Cash flow still remains healthy throughout 2013-14. Projections will be updated in late February with P1 certification.



- With operating surpluses at each schools, ending cash balance in January was \$833K for ACLC and \$1.08M for Nea.
- With projected spring deferrals in place, ACLC and Nea are still anticipated to stay cash positive through the rest of the year.