

Community Learning Center Schools

December Financials



January 19, 2017

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Financial Presentation Agenda



- December/YTD Financials
- 16-17 Forecast Update
- 17-18 Budgeting Plan

1. December/YTD

ACLC: Revenues exceeded expenses in December

-\$318K income YTD, trend expected to reverse towards end of FY



- Revenues: LCFF and federal revenues on track, other state revenues ahead of schedule, fundraising lagging behind (14% of forecast received)
- Expenses: December expenses lower than previous months, YTD \$1.5M (43%) of forecast spent
 - Changes to benefit elections via open enrollment likely offsetting rate increases

	Oct	Nov	Dec	Actual YTD	Budget YTD	Variance (YTD less Budget)
SUMMARY						
Revenue						
LCFF Entitlement	366,202	205,147	278,246	1,052,972	1,052,973	(1)
Federal Revenue	-	-	-	-	-	-
Other State Revenues	38,377	15,345	63,193	134,058	79,396	54,662
Local Revenues	1,110	1,284	240	5,690	1,683	4,006
Fundraising and Grants	861	1,203	3,271	5,777	14,760	(8,983)
Total Revenue	406,549	222,980	344,949	1,198,497	1,148,813	49,684
Expenses						
Compensation and Benefits	197,346	201,451	186,232	1,025,064	1,094,132	69,069
Books and Supplies	13,766	6,447	11,990	112,219	110,709	(1,510)
Services and Other Operating Expenditures	79,948	55,411	51,267	379,091	500,351	121,260
Total Expenses	291,059	263,309	249,490	1,516,373	1,705,192	188,819
Operating Income	115,490	(40,330)	95,459	(317,875)	(556,379)	238,503

ACLC: December Ending Cash Balance of \$1.4M



December Beginning Cash	\$1,250,336
Operating Income	95,459
Revenues – Prior Year Accruals	32,539
Accounts Payable – Current Year	(124)
Summer Holdback for Teachers	3,997
Loans Payable (Current)	<u>14,660</u>
December Ending Cash	<u>\$1,396,867</u>

Nea: Revenues exceeded expenses in December

-\$578K Income YTD; trend expected to reverse towards end of FY



- Revenues: LCFF and federal revenues on track, other state revenues ahead of schedule, fundraising lagging behind (6% of forecast received)
- Expenses: December expenses lower than previous months, YTD \$2.3M (45%) of forecast spent
 - Changes to benefit elections via open enrollment likely offsetting rate increases
 - Books and supplies: Minimal expenditures in Dec (\$1.4K), 58% spent YTD

	Oct	Nov	Dec	Actual YTD	Budget YTD	Variance (YTD less Budget)
SUMMARY						
Revenue						
LCFF Entitlement	505,081	289,380	389,207	1,469,152	1,470,191	(1,039)
Federal Revenue	6,578	-	-	6,578	9,005	(2,426)
Other State Revenues	44,769	21,591	69,545	160,316	107,236	53,080
Local Revenues	17	25,703	6,195	52,144	32,738	19,406
Fundraising and Grants	311	932	6,206	7,831	2,869	4,962
Total Revenue	556,757	337,606	471,153	1,696,020	1,622,038	73,982
Expenses						
Compensation and Benefits	347,903	327,085	321,130	1,747,873	1,714,790	(33,083)
Books and Supplies	4,039	33,112	1,392	125,790	137,992	12,202
Services and Other Operating Expenditures	38,309	57,830	61,872	400,447	481,857	81,411
Depreciation	-	-	-	-	-	-
Total Expenses	390,251	418,027	384,394	2,274,110	2,334,639	60,529
Operating Income	166,506	(80,421)	86,759	(578,090)	(712,601)	134,511

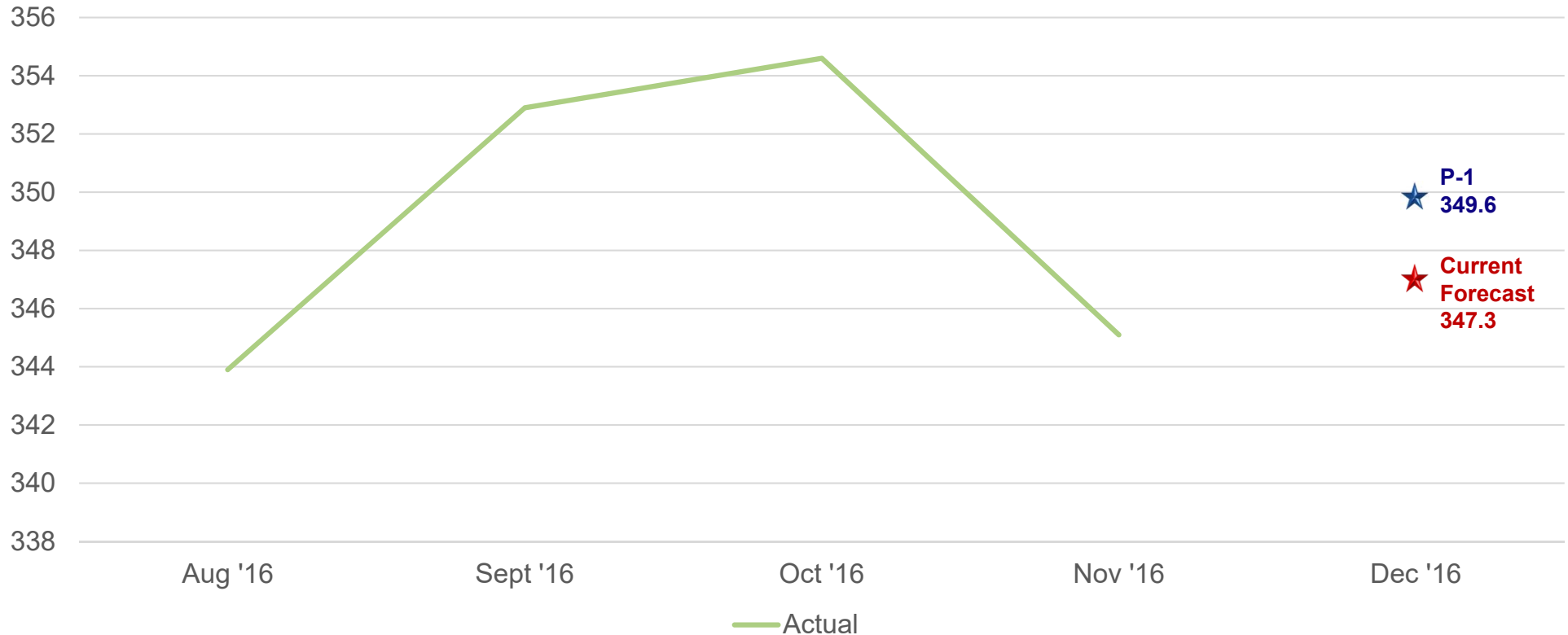
Nea: December Ending Cash Balance of \$996K



December Beginning Cash	\$922,174
Operating Income	86,759
Revenues – Prior Year Accruals	18,672
Expenses – Prior Year Accruals	(22,896)
Accounts Payable – Current Year	(3,132)
Summer Holdback for Teachers	9,474
Loans Payable (Current)	<u>(14,660)</u>
December Ending Cash	<u>\$996,391</u>

2. 16-17 Forecast Update

ACLC: ADA fluctuating, estimated P-2 ADA lowered from 351 to 347.3 (loss of 3.7)



Enrollment dropped by 7 in month 4, affecting P-1 ADA.

P-1 ADA submitted in December: 349.6

*LCFF revenue impact of revised P-2 ADA estimate: **-\$31K***

ACLC: 16-17 income expectations largely unchanged on net

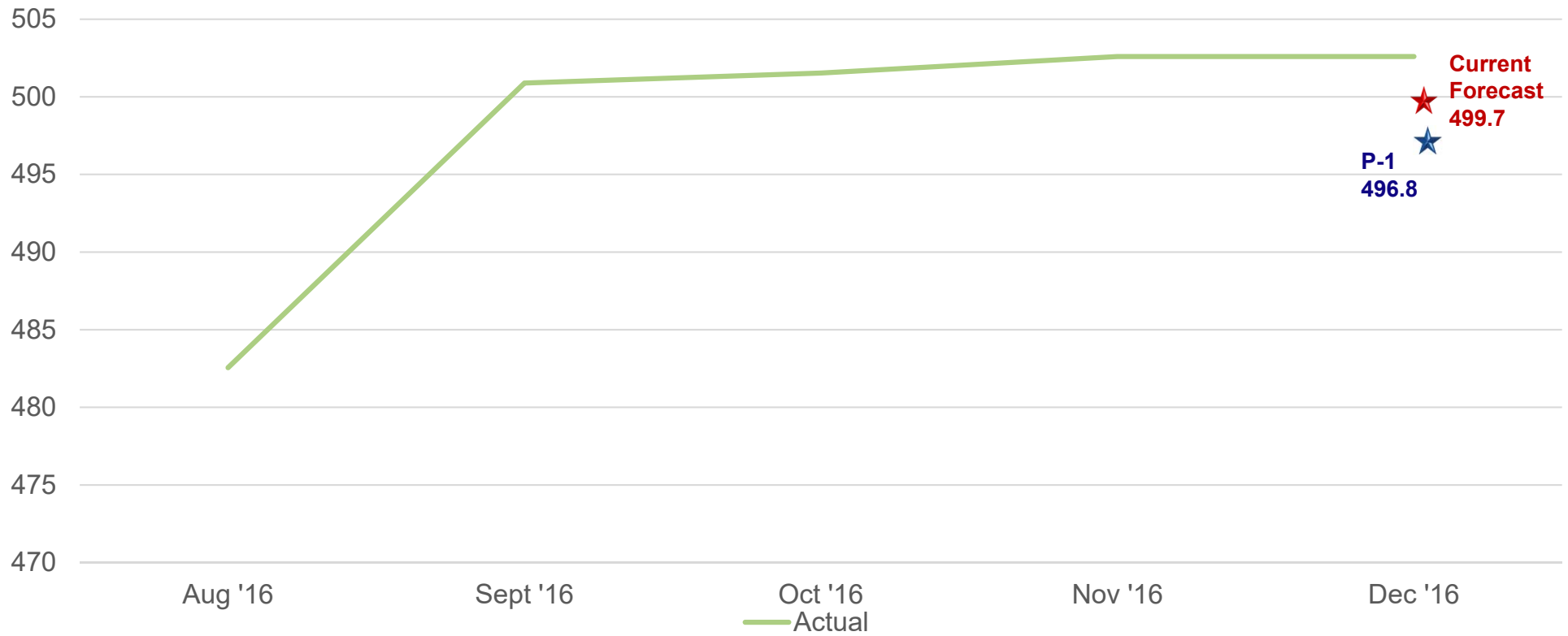
Operating Income \$115K, Fund Balance \$1.8M



	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)
SUMMARY				
Revenue				
LCFF Entitlement	2,891,394	2,861,759	2,830,238	(31,521)
Federal Revenue	303,243	275,760	233,905	(41,855)
Other State Revenues	343,062	423,040	422,294	(745)
Local Revenues	108,073	110,390	110,575	185
Fundraising and Grants	36,900	41,900	41,900	-
Total Revenue	3,682,671	3,712,848	3,638,912	(73,936)
Expenses				
Compensation and Benefits	2,321,157	2,392,940	2,359,175	33,765
Books and Supplies	203,123	167,076	168,857	(1,780)
Services and Other Operating Expenditures	1,063,745	1,024,084	990,670	33,414
Depreciation	5,044	5,044	5,044	-
Total Expenses	3,593,069	3,589,145	3,523,746	65,399
Operating Income	89,602	123,703	115,166	(8,537)

- SPED NPS expenses pro-rated, expected reimbursements also reduced (net impact **-\$3K**)
- Substitute budget pro-rated (**-\$17K** with benefits)
- Health costs and unemployment insurance reduced (**-\$16K**)
- \$5K re-allocated from Books and Other References to Textbooks and Curriculum
- Increases to furniture, other food, travel, grade-level fundraising, communications, postage budgets to cover actuals (combined **+\$7K**)
- Other ADA-related changes (combined **-\$3K**)

Nea: ADA trending upward, estimated P-2 ADA increased from 494 to 499.7 (gain of 5.7)



Month 4 ADA of 502.6 tracking ahead of P-1 and current forecast.

P-1 ADA submitted in December: 496.8

*LCFF revenue impact of revised P-2 ADA estimate: **+\$44K**.*

Nea expecting positive operating income

Operating Income estimated at \$9K, Fund Balance at \$1.6M



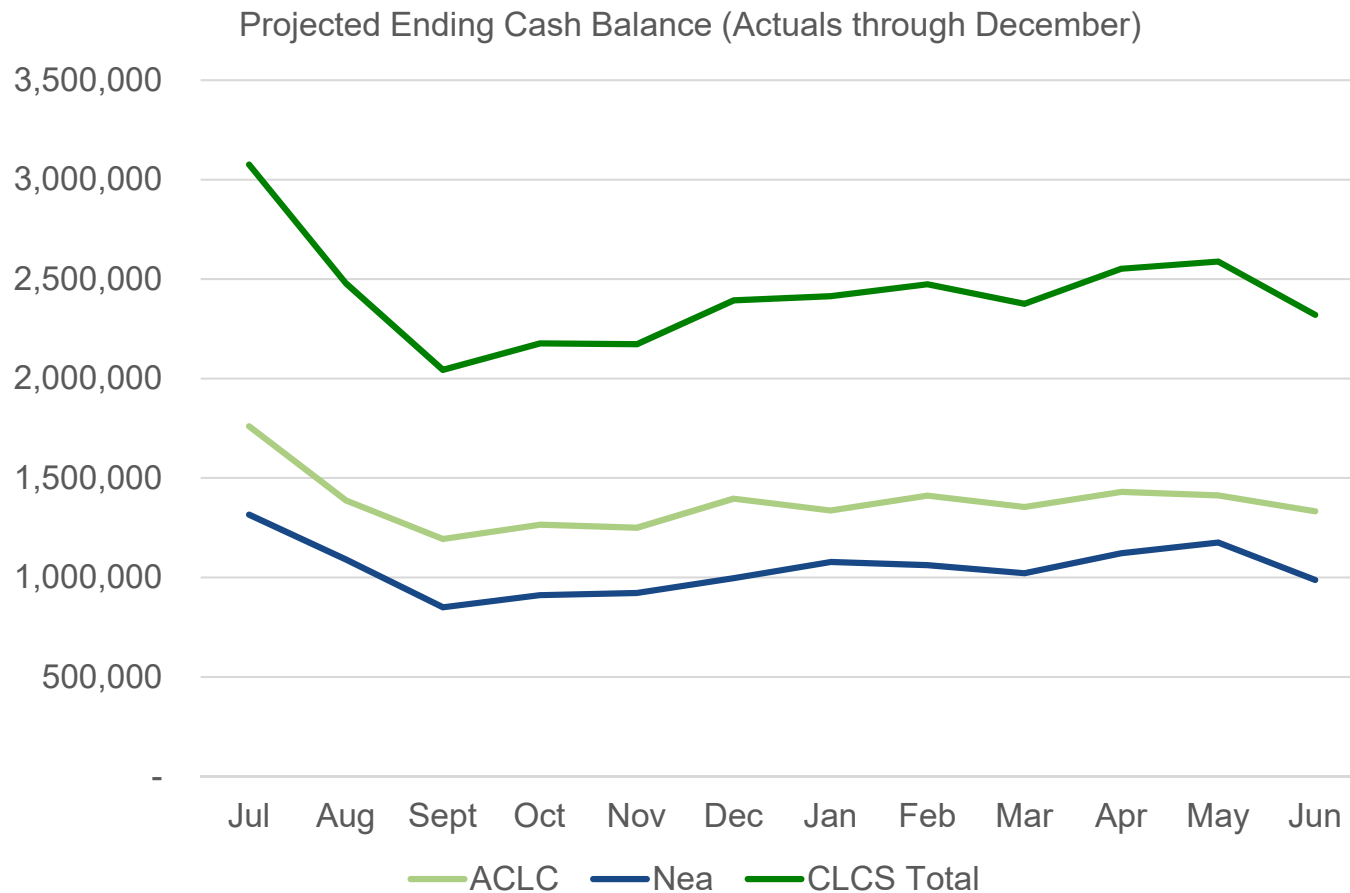
	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)
SUMMARY				
Revenue				
LCFF Entitlement	4,151,488	3,969,588	4,014,045	44,457
Federal Revenue	98,431	98,627	103,269	4,643
Other State Revenues	511,131	612,762	581,608	(31,153)
Local Revenues	202,673	221,360	220,841	(519)
Fundraising and Grants	104,652	124,652	125,186	534
Total Revenue	5,068,374	5,026,988	5,044,950	17,961
Expenses				
Compensation and Benefits	3,732,270	3,879,175	3,865,320	13,855
Books and Supplies	217,279	218,262	216,843	1,419
Services and Other Operating Expenditures	1,035,586	925,463	937,640	(12,177)
Depreciation	11,063	15,710	15,710	-
Total Expenses	4,996,198	5,038,609	5,035,513	3,096
Operating Income	72,176	(11,621)	9,437	21,058

- SPED entitlement adjustments (+\$6K)
- SPED mental health reimbursement lowered by \$37K (SEIS count lower than expected)
- Classified budgets (hourly staff) adjusted based on YTD actuals (+\$14K with benefits)
- Health costs and unemployment insurance reduced (-\$28K)
- Re-allocations from textbooks, books and other references, educational software to cover actuals in furniture, other food (combined \$13K, net decrease to books and supplies: -\$1K)
- Re-allocations from utilities, non-instructional consultants, payroll fees, misc. to cover expected overages in legal, travel, insurance, rentals and repair, staff recruiting (combined \$11K)
 - Legal fees increased on net by \$12K

Ending cash in December: \$2.39M combined cash position strong through 16-17



- ACLC: \$1.40M
- Nea: \$996K



3. 17-18 Budgeting

2017-18 California State Budget

Governor proposes a cautious budget; no additional funding toward LCFF implementation



- **LCFF**
 - No funding toward implementation
 - Cost of Living Adjustment of 1.48% over the 2016-17 targets
 - Increase on average of \$120 per ADA (will vary based on school specific targets)
 - Also applies to other state programs
 - June Deferral: One third of June LCFF payment deferred to July

- **One Time Funds**
 - Approx. \$48 per ADA (down from \$214 per ADA in 16-17)

- **School Facilities**
 - Up to \$500M available after accountability provisions on bond funds are enacted

- Just the first step in iterative process involving Governor and Legislature that will result in final budget being approved in June
 - EdTec will continue to monitor developments and provide updates

2017-18 Budget Development Timeline

Aiming for May/June budget approval and subsequent submission to District



When	What	Key Inputs / Notes
January/ February	Early work to develop assumptions	<ul style="list-style-type: none">▪ Enrollment & staffing plan (school leadership)▪ Revenue assumptions (EdTec; Governor's Proposal)▪ Expenditures assumptions based on 16-17 trends, expected growth, and strategic program development
March	Revisions	<ul style="list-style-type: none">▪ Updated assumptions and projections
April	Board update & first complete draft	<ul style="list-style-type: none">▪ Key assumptions to date▪ Presentation of first draft budget, with 3-year horizon to assess sustainability▪ Board feedback▪ Shore-up areas of uncertainty
May/June board meeting	Board approval	<ul style="list-style-type: none">▪ May State Budget revision▪ Presentation of final 3-year budget▪ Board approval – subsequent submission to District
June	State Budget is passed	<ul style="list-style-type: none">▪ Changes incorporated over summer