

Community Learning Center Schools

December Financials



January 21, 2016

Presented by: Michelle Cho

©2016 EdTec Inc.

Financial Presentation Agenda



- December Financials
- 15-16 Current Forecast
 - Attendance Update
- Cash Flow Update
- 16-17 State Budget Update

1. December Financials

ACLC: Revenues Ahead, Expenses Behind Schedule

YTD Expenses at 39% of Forecast



- Month 4: Enrollment down by 3 to 370; attendance at 94%
- Still awaiting child nutrition reimbursements
- \$13K computer purchase; firewall installed (\$5K)

	Oct	Nov	Dec	Actual YTD	Budget YTD	Variance (YTD less Budget)
SUMMARY						
Revenue						
General Block Grant	401,300	132,291	320,415	1,000,996	1,000,475	521
Federal Revenue	-	-	-	-	5,378	(5,378)
Other State Revenues	36,059	25,208	15,333	85,118	79,151	5,968
Local Revenues	128,245	897	(38,808)	90,571	892	89,680
Fundraising and Grants	-	1,871	1,649	4,765	4,765	-
Total Revenue	565,604	160,267	298,589	1,181,451	1,090,661	90,790
Expenses						
Compensation and Benefits	183,387	161,686	178,178	918,805	977,909	59,104
Books and Supplies	9,604	16,814	26,313	121,705	241,630	119,925
Services and Other Operating Expenditures	101,151	86,818	79,094	370,533	388,140	17,607
Capital Outlay	1,480	-	4,825	47,945	307,597	259,652
Total Expenses	295,623	265,318	288,410	1,458,989	1,915,276	456,287
Operating Income (excluding Depreciation)	269,981	(105,051)	10,179	(277,538)	(824,615)	547,077
<i>Operating Income (including Depreciation)</i>	271,461	(105,051)	15,004	(229,593)	(517,018)	287,425

NEA: Revenues Ahead, Expenses Behind Schedule

YTD Expenses at 41% of Forecast



- Month 4: Enrollment increased again to 528; attendance holding at 95%
- SPED state revenues early, still awaiting child nutrition reimbursements
- High substitute expense again in Dec (\$12K)
- Firewall installed \$7K

	Oct	Nov	Dec	Actual YTD	Budget YTD	Variance (YTD less Budget)
SUMMARY						
Revenue						
General Block Grant	667,172	169,847	250,311	1,276,050	1,276,049	1
Federal Revenue	-	-	-	-	18,072	(18,072)
Other State Revenues	50,311	29,068	19,678	120,921	112,824	8,097
Local Revenues	28,938	1,520	110,352	147,793	37,954	109,839
Fundraising and Grants	40	1,300	-	25,494	38,886	(13,392)
Total Revenue	746,461	201,735	380,341	1,570,258	1,483,785	86,473
Expenses						
Compensation and Benefits	292,347	288,124	282,104	1,498,778	1,542,590	43,812
Books and Supplies	9,464	24,079	12,177	193,745	294,036	100,291
Services and Other Operating Expenditures	59,457	85,691	81,026	354,359	458,057	103,698
Capital Outlay	2,160	-	7,238	85,423	481,396	395,973
Total Expenses	363,428	397,894	382,545	2,132,306	2,776,080	643,773
Operating Income (excluding Depreciation)	383,033	(196,159)	(2,204)	(562,048)	(1,292,294)	730,246
<i>Operating Income (including Depreciation)</i>	385,193	(196,159)	5,034	(476,625)	(810,898)	334,275

2. Current Forecast FY 15-16

Forecast Update: Unduplicated Count

CALPADS data submitted in December



- **Unduplicated count** is component of Local Control Funding Formula
 - Portion of funding allocated to schools based on Free or Reduced Price Meal, English Language Learner, or Foster Youth student count, with *no student counted twice*
- CALPADS is formal source of data, and first deadline for submission was December 18
 - Opportunity to make corrections to data until February 19 if data was not complete

	Budgeted	Actual	Difference	Revenue Impact (budget ADA)
ACLIC	69	64	5	\$1.5K
Nea	180	167	13	\$4.5K

P-1 ADAs Above the Previous Projections

358.6 for ACLC and 499.5 for Nea



- P-1 ADA is average number of students who attended school each day from first day of school until approximately holiday break

P-1 ADA	Budget	Actual	Difference
ACLC	357.4	358.6	1.2
Nea	489.3	499.5	10.3

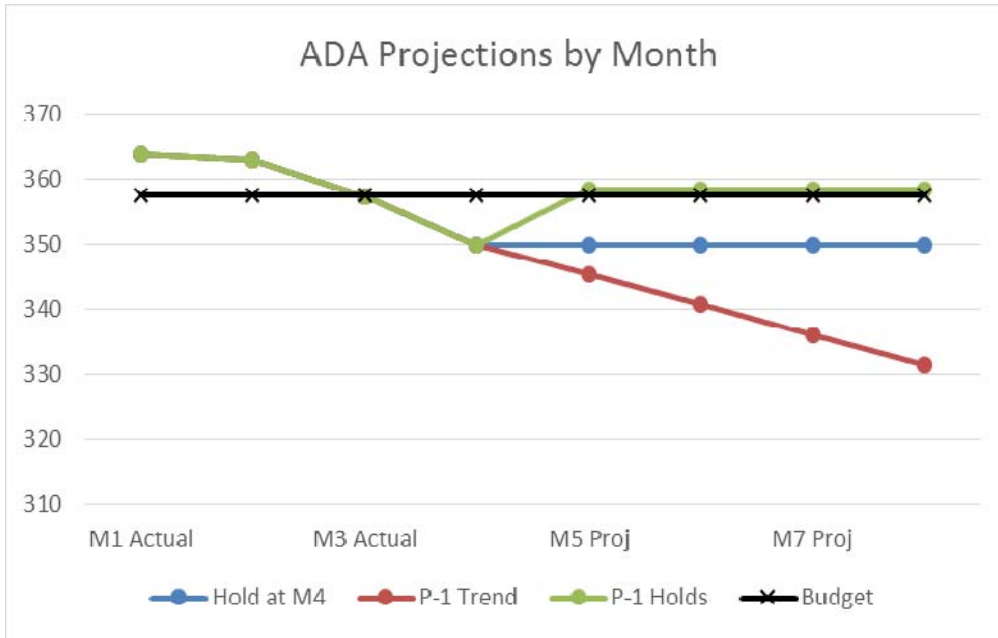
- P-1 attendance generally stable around 95%
- Enrollment has changed from Month 1 to Month 4
 - ACLC decreasing: 378 to 370
 - Nea increasing: 515 to 528

ADA Assumptions Revised Based on P-1 and P-1 Trend

Decrease to 354.14 for ACLC; Increase to 498.5 for Nea



ACLC



Resulting P-2 ADA budget assumption

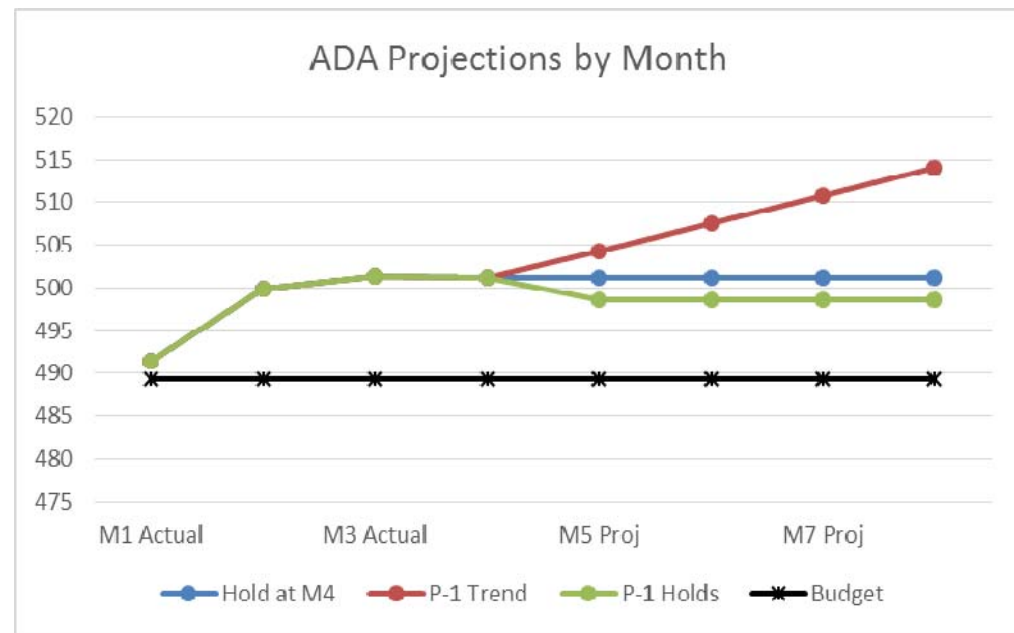
Hold at M4: 354.14

P-1 Trend: 348.39

P-1 Holds: 358.4

Budgeted: 357.4

Nea



Resulting P-2 ADA budget assumption

Hold at M4: 499.82

P-1 Trend: 503.83

P-1 Holds: 498.52

Budgeted: 489.30

Changes to FY 15-16 Current Forecast



- ACLC's expected operating income decreased by \$61K
 - P-2 ADA estimated to be 354.1 (down from 357.4) (-\$29K)
 - SPED Mental Health reimbursement revised based on budget submission (-\$23K)
 - SPED NPS reimbursement expected to be lower (\$54K), but expenses also expected to be lower (\$54K)
 - Stipends budget adjusted (\$9K)
- Nea's expected operating income increased by \$45K
 - P-2 ADA estimated to be 498.5 (up from 489.3) (\$76.3K)
 - SPED Mental Health reimbursement revised based on budget submission (-\$1.3K)
 - Substitute budget increased by \$5K; stipends increased by \$3K
 - Related benefits increased by \$1K
 - Building repairs and maintenance increased by \$15K (painting)
 - Other: ADA-driven expenses (\$5K)

ACLC: Expected Operating Income at \$132K, Fund Balance at \$1.6M (42% of Expenses)



	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	2,775,770	2,775,770	2,747,834	(27,936)	1,746,838	36%
Federal Revenue	224,902	224,902	170,441	(54,461)	170,441	0%
Other State Revenues	512,098	512,098	486,675	(25,423)	401,557	17%
Local Revenues	88,723	88,723	88,723	-	(1,848)	102%
Fundraising and Grants	59,127	59,127	59,127	-	54,362	8%
Total Revenue	3,660,620	3,660,620	3,552,800	(107,820)	2,371,350	33%
Expenses						
Compensation and Benefits	2,074,393	2,074,393	2,083,487	(9,094)	1,164,682	44%
Books and Supplies	324,918	324,918	325,044	(126)	203,339	37%
Services and Other Operating Expenditures	1,062,829	1,062,829	1,007,322	55,508	636,789	37%
Capital Outlay	307,597	307,597	307,597	-	259,652	16%
Total Expenses	3,769,737	3,769,737	3,723,451	46,287	2,264,462	39%
Operating Income (excluding Depreciation)	(109,117)	(109,117)	(170,651)	(61,533)	106,887	
<i>Operating Income (including Depreciation)</i>	193,436	193,436	131,903	(61,533)		
Fund Balance						
Beginning Balance (Unaudited)	1,430,450	1,430,450	1,430,450			
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	1,430,450	1,430,450	1,430,450			
Operating Income (including Depreciation)	193,436	193,436	131,903			
Ending Fund Balance (including Depreciation)	1,623,886	1,623,886	1,562,353			

Nea: Expected Operating Income at \$536K, Fund Balance at \$1.86M (35% of Expenses)



	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	3,744,105	3,744,105	3,814,002	69,897	2,537,952	33%
Federal Revenue	518,352	518,352	518,352	-	518,352	0%
Other State Revenues	689,539	689,539	694,624	5,085	573,703	17%
Local Revenues	189,138	189,138	189,138	-	41,345	78%
Fundraising and Grants	97,215	97,215	97,215	-	71,721	26%
Total Revenue	5,238,350	5,238,350	5,313,332	74,982	3,743,073	30%
Expenses						
Compensation and Benefits	3,303,912	3,303,912	3,313,220	(9,308)	1,814,442	45%
Books and Supplies	405,053	405,053	406,701	(1,648)	212,956	48%
Services and Other Operating Expenditures	1,029,542	1,029,542	1,047,907	(18,365)	693,547	34%
Capital Outlay	481,396	481,396	481,396	-	395,973	18%
Total Expenses	5,219,904	5,219,904	5,249,224	(29,320)	3,116,918	41%
Operating Income (excluding Depreciation)	18,445	18,445	64,107	45,662	626,155	
<i>Operating Income (including Depreciation)</i>	490,778	490,778	536,440	45,662		
Fund Balance						
Beginning Balance (Unaudited)	1,322,705	1,322,705	1,322,705			
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	1,322,705	1,322,705	1,322,705			
Operating Income (including Depreciation)	490,778	490,778	536,440			
Ending Fund Balance (including Depreciation)	1,813,484	1,813,484	1,859,146			

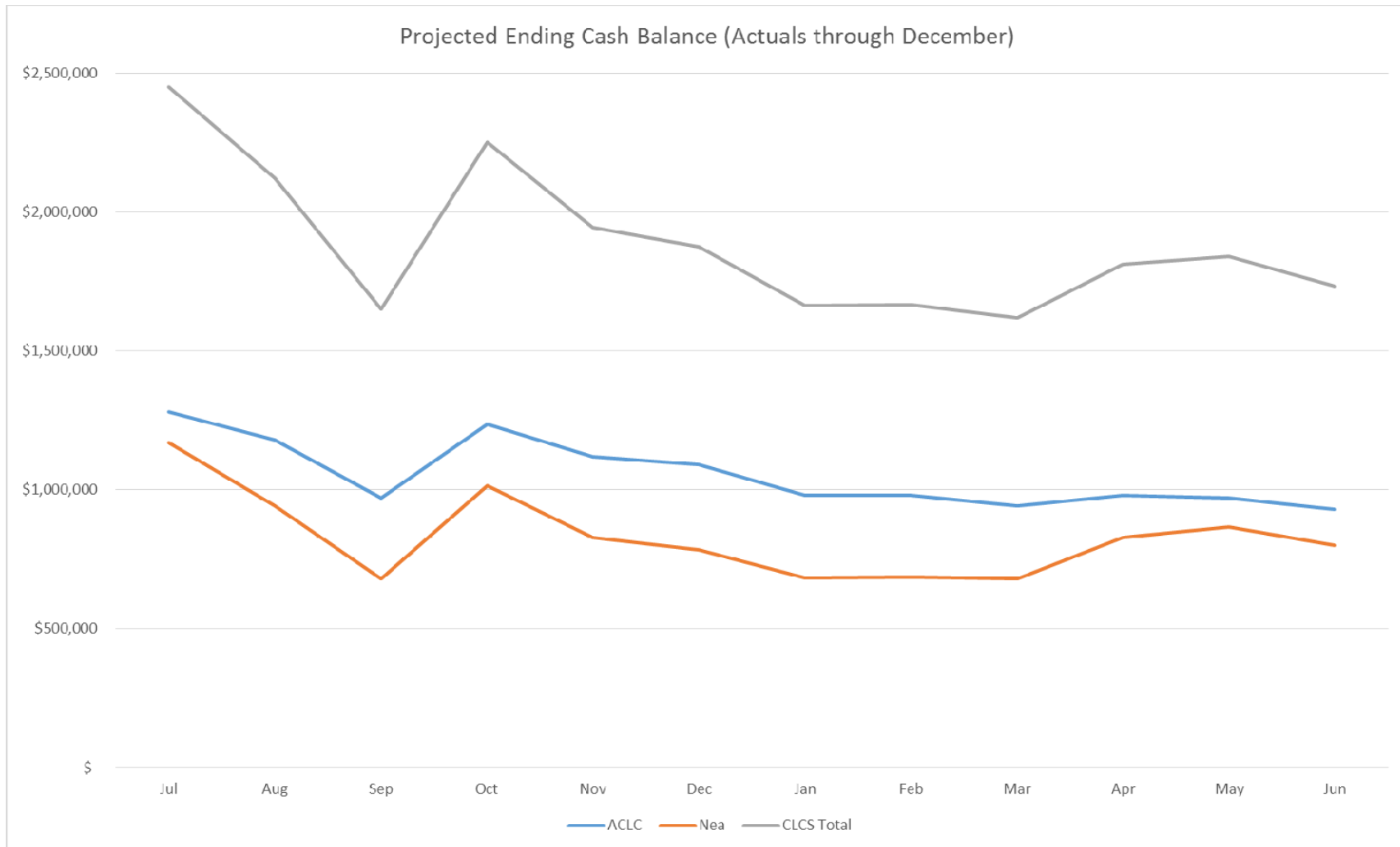
3. Cash Flow Update

Cash Position Strong

Expecting Cash to Decline as the Portables are Installed



- Ending Cash in Oct: \$1.9M combined (\$1.1M ACLC, \$786K Nea)



4. 16-17 State Budget Update

2016-17 California State Budget

Extended economic recovery is generating additional state revenues; Governor Brown's proposed budget increased Prop 98 funding to \$71.6B



- Allocate \$2.8B for LCFF implementation to close approximately 49.08% of remaining gap towards schools' target rates
 - Bringing the transition to 95% complete
 - Also funding a 0.47% COLA adjustment
- Spending increases on other K-12 programs also proposed
 - \$1.6B for Early Education Block Grant to consolidate different early education programs and to better target services to low-income and at-risk children
 - Another \$1.2B for one-time discretionary funding (approx. \$200/ADA)
 - \$20M for Charter School Startup Grants to help offset the loss of federal funding
 - \$365.4M 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
 - In addition to out-year gap funding percentage changes, FCMAT and SSC updated 2015-16 LCFF gap funding percentage to 51.97% from 51.52%
 - At this time, no recommendation to make any changes to previous assumptions for 16-17 planning purposes; 16-17 planning to begin soon