



East Bay Innovation Academy

2014-15 Forecast Update: New Budget

edtec

Business and Development Specialists
for Charter Schools

November 19, 2014

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Agenda



- Proposed re-approval of 2014-15 annual budget
- Review of cash flow status

2014-15 Budget for Re-approval

2014-15 Budget for Re-approval

Given changes to forecast accumulated over first 4 months,
recommend approving a new budget to match current forecast



		2013/14	2014/15	2014/15	2015/16	2016/17
		Startup Budget	Approved Budget	November Budget Proposal	Preliminary Budget	Preliminary Budget
SUMMARY						
Revenue						
	General Block Grant	-	1,708,198	1,512,277	2,277,852	3,204,407
	Federal Revenue	125,600	398,372	326,445	218,045	110,871
	Other State Revenues	-	107,903	126,873	200,720	269,024
	Local Revenues	207	99,873	278	0	0
	Fundraising and Grants	66,069	105,466	501,384	250,000	257,500
	Total Revenue	191,876	2,419,812	2,467,257	2,946,617	3,841,803
Expenses						
	Compensation and Benefits	11,064	1,462,566	1,198,310	1,865,998	2,392,418
	Books and Supplies	13,145	413,540	194,729	249,297	298,888
	Services and Other Op Exp	145,254	473,226	678,848	746,811	962,953
	Capital Outlay	-	-	-	-	-
	Total Expenses	169,463	2,349,332	2,071,887	2,862,106	3,654,259
Operating Income (excluding Depreciation)		22,414	70,480	395,369	84,511	187,544
<i>Operating Income (including Depreciation)</i>		22,414	70,480	395,369	84,511	187,544
Fund Balance						
	Beginning Balance (Unaudited)		-	22,414	417,783	502,294
	Operating Income (including Depreciation)	22,414	70,480	395,369	84,511	187,544
Ending Fund Balance (including Depreciation)		22,414	70,480	417,783	502,294	689,838
Required Reserve Level (3%)			70,480	62,157	85,863	109,628
Ending Fund Balance as a % of Expenses		13%	3%	20%	18%	19%

2014-15 Budget: Variance to Prior Month

Variance to budget built up over multiple meetings – this month,
 Δ of **(42K)** driven by lower-than-projected revenue



	Budget					Variance (Prev vs. Curr Forecast)	Variance (Budget vs. Current Forecast)
	Approved Budget	Previous Month's Forecast	Current Forecast				
SUMMARY							
Revenue							
General Block Grant	1,708,198	1,548,861	1,512,277		(36,585)	(195,921)	
Federal Revenue	398,372	348,247	326,445		(21,802)	(71,927)	
Other State Revenues	107,903	128,549	126,873		(1,676)	18,970	
Local Revenues	99,873	0	278		278	(99,595)	
Fundraising and Grants	105,466	500,184	501,384		1,200	395,918	
Total Revenue	2,419,812	2,525,841	2,467,257		(58,585)	47,444	
Expenses							
Compensation and Benefits	1,462,566	1,168,705	1,198,310		(29,605)	264,256	
Books and Supplies	413,540	229,308	194,729		34,578	218,811	
Services and Other Operating Exp.	473,226	690,705	678,848		11,857	(205,622)	
Capital Outlay	-	-	-		-	-	
Total Expenses	2,349,332	2,088,717	2,071,887		16,830	277,445	
Operating Income (excluding Depreciation)	70,480	437,124	395,369		(41,755)	324,889	

2014-15 Budget: Detail v Prior Month

(42K) change based on variety of components in 3 main buckets



Revenue: Two Major Changes

- Projected 30% Free/Reduced Lunch Students - now ~15%
 - ▣ Reduces State Aid
 - ▣ Reduces Title funding
- Fed/State Subsidized Lunch Program reimbursement not taking effect until January
 - ▣ Reduced Fed/State Nutrition Revenue by 50%

Expenses: Payroll Increases

- Math Teacher: Adjustments to cover subs and new hire
- Admin: Adjustments for increase to Interim ED and severance of prior ED
- Clerical Changes: Increased pay rate for Office Manager and addition of lunch supervision

Expenses: Supplies & Services

- Reduced furniture and equip. cost projection
- Reduced food service cost projection
- Reduced janitorial cost projection
- Increased PD budget
- Increased consultants, fingerprints, subscrip.
- Decreased subs, other exp tied to revenue

**Total Δ =
(42K)**

(59K)

(30K)

46K

Note: Numbers may not add due to rounding

2014-15 Budget: Changes v Prior Approval

Many changes – programmatic and administrative – driving variance



Category	June budget	Nov budget	Notes
Enrollment	232	215	Original enrollment was not in line with board/educational leadership expectations
Attendance	97%	95%	Overall ADA: 225 → 204.3
FRL-eligible student	68	32	Reduced school-wide funding and title funding
PCSGP Grant	\$350,000	\$299,400	Modified to match expected funds in 14-15
Lottery Revenue	\$0	\$32,000	Correction of initial budget omission
Food Service Program	In-House	Out-Sourced	Overall change: -\$100K revenue, -\$122K exp
Fundraising	\$100,000	\$500,000	Goal for fundraising changed: Cover current year shortfall and future cash flow issues
Payroll changes – Certificated	\$850,000	\$785,000	Various changes shared with board over past several months (e.g., admin departure)
Payroll changes – Classified	\$300,000	\$246,000	Various changes shared with board over past several months (e.g., shift in class → cert)
Books & Supplies	\$414,000	\$195,000	Driven by food svc and furniture
Services & Other	\$473,000	\$681,000	Driven by omissions: Intersession, janitorial, legal, Special Ed, substitutes
		Total Impact	\$348,000 increase
		Total w/o Fundraising	\$47,000 decrease

Review Cash Flow Status

Recall: October's Cash Flow Projection

October expected to end at 191K, November at 9K,
and December would have a 140K shortfall



	2014/15											
	Jul Actual	Aug Actual	Sep Actual	Oct Projected	Nov Projected	Dec Projected	Jan Projected	Feb Projected	Mar Projected	Apr Projected	May Projected	Jun Projected
Beginning Cash	16,264	187,401	14,239	62,000	191,631	8,968	(139,634)	23,161	(114,444)	(108,466)	424,916	424,556
Revenue												
General Block Grant	-	-	-	568,177	-	-	304,122	-	158,939	134,512	124,300	124,300
Federal Income	26,275	-	-	18,725	-	-	51,391	6,391	6,391	51,391	6,391	8,891
Other State Income	-	-	-	-	-	-	559	559	19,226	19,226	12,170	1,137
Local Revenues	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Fundraising and Grants	-	84	100	(80)	10	10	10	10	10	500,010	10	10
Total Revenue	26,275	84	100	586,822	10	10	356,082	6,960	184,566	705,139	142,870	134,338
Expenses												
Compensation & Benefits	27,509	81,170	104,493	111,061	105,134	105,134	112,946	106,111	106,111	104,796	104,796	101,613
Books & Supplies	87,288	26,516	11,432	27,619	5,674	9,680	17,117	7,274	11,880	7,274	9,674	7,880
Services & Other Operating E	71,974	51,298	30,530	72,359	75,250	37,183	66,609	34,566	63,982	63,072	32,145	32,145
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	186,771	158,983	146,454	211,038	186,058	151,997	196,672	147,950	181,973	175,142	146,615	141,638
Operating Cash Inflow (Outflow)	(160,496)	(158,899)	(146,354)	375,783	(186,048)	(151,987)	159,410	(140,990)	2,593	529,997	(3,745)	(7,300)
Revenues - Prior Year Accru	42,672	-	-	-	-	-	-	-	-	-	-	-
Expenses - Prior Year Accru	(28,791)	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable - Curren	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current	63,852	(16,543)	(1,272)	(49,537)	-	-	-	-	-	-	-	-
Summerholdback for Teacher	-	2,280	3,519	3,385	3,385	3,385	3,385	3,385	3,385	3,385	3,385	3,385
Loans Payable (Current)	-	-	200,000	(200,000)	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	250,000	-	-	-	-	-	-	-	-	-	-	-
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Deprec	-	-	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Change	3,901	-	(8,132)	-	-	-	-	-	-	-	-	-
Ending Cash	187,401	14,239	62,000	191,631	8,968	(139,634)	23,161	(114,444)	(108,466)	424,916	424,556	420,641

November's Cash Flow Projection

October ended at 191K, but now November expected to fall close to zero and December predicted to have 142K shortfall



	2014/15												
	Projected												
	Jul Actual	Aug Actual	Sep Actual	Oct Actual	Nov Projected	Dec Projected	Jan Projected	Feb Projected	Mar Projected	Apr Projected	May Projected	Jun Projected	
Beginning Cash	16,264	187,401	14,239	62,000	190,767	639	(142,247)	30,134	(69,531)	(61,015)	437,961	395,516	
Revenue													
General Block Grant	-	-	-	567,798	-	-	338,452	40,915	131,611	106,613	96,971	96,971	
Federal Income	26,275	-	-	18,725	-	-	48,196	3,196	3,196	48,196	3,196	5,696	
Other State Income	-	-	-	-	-	-	279	279	18,946	18,946	11,890	858	
Local Revenues	0	0	0	278	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
Fundraising and Grants	-	84	100	2,950	-	-	-	-	-	498,250	-	-	
Total Revenue	26,275	84	100	589,751	(0)	(0)	386,927	44,390	153,753	672,005	112,057	103,525	
Expenses													
Compensation & Benefits	27,509	81,170	104,493	126,898	111,041	105,967	114,738	107,647	107,647	106,290	106,290	103,104	
Books & Supplies	87,288	26,516	11,432	7,413	13,483	7,400	10,764	5,364	7,970	5,364	5,764	5,970	
Services & Other Operating E	71,974	51,298	30,530	97,335	51,318	32,924	92,449	34,449	33,024	64,780	45,854	41,986	
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses	186,771	158,983	146,454	231,646	175,842	146,291	217,951	147,460	148,641	176,434	157,908	151,061	
Operating Cash Inflow (Outflow)	(160,496)	(158,899)	(146,354)	358,105	(175,842)	(146,291)	168,975	(103,070)	5,112	495,571	(45,851)	(47,536)	
Revenues - Prior Year Accru	42,672	-	-	-	-	-	-	-	-	-	-	-	
Expenses - Prior Year Accru	(28,791)	-	-	-	-	-	-	-	-	-	-	-	
Accounts Receivable - Curren	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current	63,852	(16,543)	(1,272)	(31,683)	(17,691)	-	-	-	-	-	-	-	
Summerholdback for Teacher	-	2,280	3,519	2,346	3,405	3,405	3,405	3,405	3,405	3,405	3,405	3,405	
Loans Payable (Current)	-	-	200,000	(200,000)	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	250,000	-	-	-	-	-	-	-	-	-	-	-	
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-	-	-	
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Expenditure & Deprec	-	-	-	-	-	-	-	-	-	-	-	-	
Other Balance Sheet Change	3,901	-	(8,132)	-	-	-	-	-	-	-	-	-	
Ending Cash	187,401	14,239	62,000	190,767	639	(142,247)	30,134	(69,531)	(61,015)	437,961	395,516	351,385	