



# East Bay Innovation Academy

## January Actuals & Forecast Update

**edtec**

Business and Development Specialists  
for Charter Schools

February 20, 2015

Presented by Dena Koren

# Agenda



- Review of January actuals
- Updated 2014-15 forecast
- Review of cash flow status
- Beginning of multi-year budgeting process



# January Actuals

# January Actuals: Summary

Revenue and expenses were as expected in January,  
Expenses are a bit better than budgeted, but likely just due to timing



As of January 31, 2015		Actual			Budget vs. Actual		
		Nov	Dec	Jan	Actual YTD	Forecast YTD	Variance (YTD less Forecast)
<b>SUMMARY</b>							
<b>Revenue</b>							
	General Block Grant	-	-	259,049	826,847	826,847	-
	Federal Revenue	-	-	219,400	264,400	264,400	-
	Other State Revenues	-	-	-	-	-	-
	Local Revenues	0	1,109	2	1,389	694	696
	Fundraising and Grants	3,627	23,742	14,189	44,692	26,986	17,706
	<b>Total Revenue</b>	<b>3,627</b>	<b>24,851</b>	<b>492,640</b>	<b>1,137,328</b>	<b>1,118,926</b>	<b>18,402</b>
<b>Expenses</b>							
	Compensation and Benefits	104,166	105,817	105,571	655,623	693,007	37,384
	Books and Supplies	6,113	5,323	12,208	156,293	166,554	10,261
	Services and Other Operating Exp.	41,609	65,467	27,464	385,676	395,890	10,214
	Capital Outlay	-	-	-	-	-	-
	<b>Total Expenses</b>	<b>151,887</b>	<b>176,606</b>	<b>145,243</b>	<b>1,197,592</b>	<b>1,255,450</b>	<b>57,858</b>
	<b>Operating Income (excluding Depreciation)</b>	<b>(148,260)</b>	<b>(151,755)</b>	<b>347,397</b>	<b>(60,264)</b>	<b>(136,524)</b>	<b>76,260</b>

# January Actuals: Detail

Great revenue month for both State and Federal funding;  
First round of invoices for 2<sup>nd</sup> intersession



- **493K revenue in Jan (1.1M YTD, 52% of forecast)**
  - 219K PCSGP (Implementation) Grant
  - 186K LCFF funding (second “special” advanced apportionment)
  - 63 In Lieu of Property Tax (OUSD)
  - 14K in local fundraising
  - 10K EPA funding
  
- **145K expenses in Jan (1.2M YTD, 54% of forecast)**
  - 106K in Comp & Benefits – expected run rate
  - 12K in Books & Supplies – Maker Space bike & craft shop, replacement chairs
  - 27K in Services & Other Operating Expenses
    - 6K utilities
    - 4K intersession costs (partial payment for January intersession)
    - 4K consultants
    - 4K custodial services
    - 3K business manager training

# 2014-15 Forecast Update

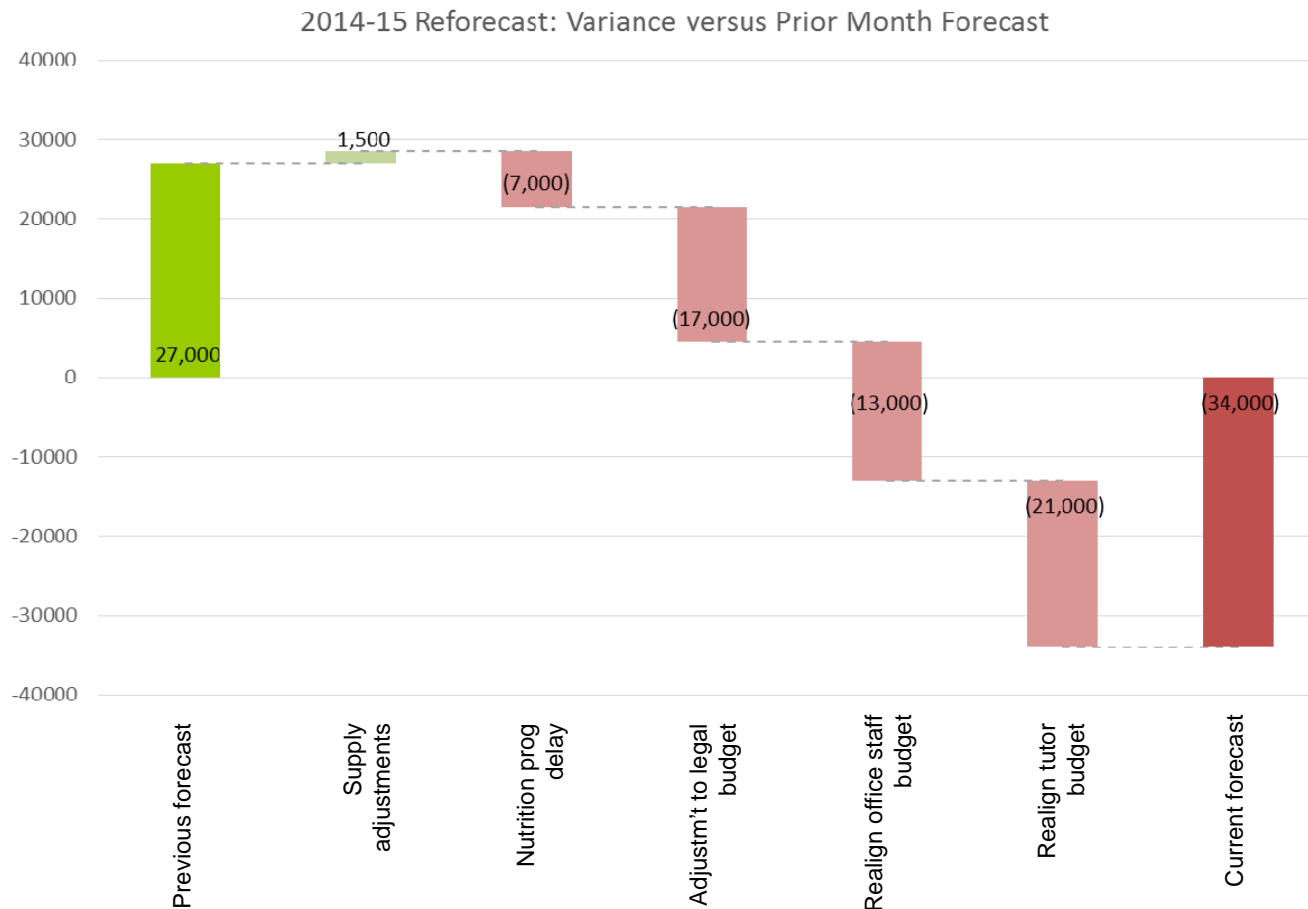
# 2014-15 Forecast Update

Unbudgeted expenses had significant impact this month; current state not viable – leadership team working to adjust expenses to regain positive ending balance

		Budget			
		November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)
<b>SUMMARY</b>					
<b>Revenue</b>					
	General Block Grant	1,512,277	1,557,796	1,557,796	-
	Federal Revenue	326,445	325,953	318,953	(7,000)
	Other State Revenues	126,873	137,278	137,278	-
	Local Revenues	278	1,387	1,387	0
	Fundraising and Grants	151,434	152,029	152,029	-
	<b>Total Revenue</b>	<b>2,117,307</b>	<b>2,174,444</b>	<b>2,167,444</b>	<b>(7,000)</b>
<b>Expenses</b>					
	Compensation and Benefits	1,198,310	1,246,419	1,285,564	(39,145)
	Books and Supplies	194,729	197,316	195,816	1,500
	Services and Other Operating Exp.	678,848	703,868	720,247	(16,379)
	Capital Outlay	-	-	-	-
	<b>Total Expenses</b>	<b>2,071,887</b>	<b>2,147,603</b>	<b>2,201,627</b>	<b>(54,025)</b>
	<b>Operating Income (excluding Depreciation)</b>	<b>45,419</b>	<b>26,841</b>	<b>(34,184)</b>	<b>(61,025)</b>
	<i>Operating Income (including Depreciation)</i>	45,419	26,841	(34,184)	(61,025)
<b>Fund Balance</b>					
	Beginning Balance (Unaudited)	22,414	22,414	22,414	
	Audit Adjustment	-	-	-	
	Beginning Balance (Audited)	22,414	22,414	22,414	
	Operating Income (including Depreciation)	45,419	26,841	(34,184)	
	<b>Ending Fund Balance (including Depreciation)</b>	<b>67,833</b>	<b>49,255</b>	<b>(11,770)</b>	

# 2014-15 Forecast update: Variance

**(61K)** total change based on several key factors;  
leadership team to make some tough decisions to end year on positive footing



Note: Numbers are rounded



# Review Cash Flow Status

# Cash Flow Projection

Due to PCSGP funds, cash flow looks positive (albeit fragile) for remainder of year, but 250K loan repayments begin in September and cash outlook is concerning

	2014/15 Actual & Projected							2015/16 Projected		
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
<b>Beginning Cash</b>	47,015	43,784	260,580	18,720	42,564	118,909	105,717	60,461	20,520	(105,204)
<b>Revenue</b>										
General Block Grant	-	269,940	-	164,294	139,000	128,554	128,554	-	79,356	100,801
Federal Income	-	219,400	-	2,029	2,029	2,029	4,529	-	-	-
Other State Income	-	-	2,160	21,120	19,539	12,259	876	4,815	4,815	9,091
Local Revenues	1,109	2	(2)	(0)	(0)	(0)	(0)	-	-	165
Fundraising and Grants	23,742	14,189	-	-	107,337	-	-	-	-	4,992
<b>Total Revenue</b>	<b>24,851</b>	<b>492,640</b>	<b>2,158</b>	<b>187,443</b>	<b>267,905</b>	<b>142,842</b>	<b>133,959</b>	<b>4,815</b>	<b>84,171</b>	<b>115,048</b>
<b>Expenses</b>										
Compensation & Benefits	105,817	105,571	136,952	117,063	115,883	115,883	113,632	82,009	206,813	192,374
Books & Supplies	5,323	12,208	14,369	8,244	5,629	5,029	6,244	23,719	57,711	43,915
Services & Other Operating E	65,467	27,464	85,173	41,697	73,453	38,527	62,745	13,936	29,967	91,896
Capital Outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>176,606</b>	<b>145,243</b>	<b>236,494</b>	<b>167,004</b>	<b>194,965</b>	<b>159,439</b>	<b>182,621</b>	<b>119,664</b>	<b>294,491</b>	<b>328,185</b>
<b>Operating Cash Inflow (Outflow)</b>	<b>(151,755)</b>	<b>347,397</b>	<b>(234,336)</b>	<b>20,439</b>	<b>72,940</b>	<b>(16,597)</b>	<b>(48,662)</b>	<b>(114,849)</b>	<b>(210,320)</b>	<b>(213,137)</b>
Revenues - Prior Year Accrued	-	-	-	-	-	-	-	174,316	78,559	-
Expenses - Prior Year Accrued	-	-	-	-	-	-	-	(63,513)	-	-
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current Year	58,872	(50,226)	(10,929)	-	-	-	-	\$0.00	-	-
Summerholdback for Teachers	4,652	4,625	3,405	3,405	3,405	3,405	3,405	(35,896)	6,038	6,038
Loans Payable (Current)	85,000	(85,000)	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	-	-	-	-	-	-	-	-	-	(10,417)
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Depreciation	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Changes	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash</b>	<b>43,784</b>	<b>260,580</b>	<b>18,720</b>	<b>42,564</b>	<b>118,909</b>	<b>105,717</b>	<b>60,461</b>	<b>20,520</b>	<b>(105,204)</b>	<b>(322,720)</b>

# Multi-year budgeting process

# 2015-16 Budget Development

Process for budget development heading toward May or June  
budget approval and submission to OUSD



When	What	Key Inputs / Notes
January	Initial draft	<ul style="list-style-type: none"> <li>▪ Enrollment plan (school leadership)</li> <li>▪ Revenue assumptions (EdTec; Governor's Proposal)</li> <li>▪ Expenditures assumptions based on 14-15 trends, expected growth, and strategic program development</li> </ul>
February	Draft revisions	<ul style="list-style-type: none"> <li>▪ Scenario analysis (EdTec and school leadership)</li> <li>▪ Updated assumptions and projections with latest information</li> </ul>
March / April board meeting	Board update & first complete draft	<ul style="list-style-type: none"> <li>▪ Key assumptions and decision points to date</li> <li>▪ First draft with 3-year horizon to assess sustainability</li> </ul>
April & May	Final draft for approval	<ul style="list-style-type: none"> <li>▪ Revenue assumptions with <i>May Revision</i> of state budget</li> <li>▪ Board feedback integration</li> </ul>
May / June board meeting	Board approval	<ul style="list-style-type: none"> <li>▪ Final 3-year budget proposal</li> <li>▪ Board approval – subsequent submission to OUSD</li> </ul>
June	State Budget is passed	<ul style="list-style-type: none"> <li>▪ Changes incorporated over summer; board may approve new budget in fall with these and other changes (e.g., actual enrollment)</li> </ul>

# 2015-16 Budget Development: Status Update

School leadership on point with budget development conversations



- School leaders met in January to begin developing early assumptions for budget
  
- Initial 3-year budget draft was not tenable
  - First round of assumptions integrated into holistic multi-year financial picture
  - Revenue limited and expenses related to growth and strategic program development were beyond school's means
  
- School leaders working on second draft of 3-year budget
  - Using more slimmed down program that we can build from as school establishes stronger financial footing

# 2015-16 Budget Development: The Basics

Key decisions in budget development include enrollment, staff expansion, key program dimensions, and fundraising target



1

## General Purpose Funding

- LCFF calculation, including ADA & unduplicated count
- State budget

2

## Other Earned Revenue

- Other public grants
- Sales & other earned revenue

3

## Fundraising

- How much and what type?
- Supports to achieve target

4

## Staffing plan

- How many staff needed / feasible?
- What type of staff?

5

## Equipment & materials

- Support growing school, but lower PCSGP grant \$
- High school needs in 16-17

6

## Operations

- Obligations (e.g., rent)
- Discretion & program support (e.g., intersession)