

East Bay Innovation Academy

14-15 Update and 15-16 Budget Update



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Financial Presentation Agenda



- Preliminary Look at 14-15
- 15-16 California State Budget Update
- 15-16 EBIA Budget Update
- Cash Flow Update

1. 14-15 Soft Close

2014-15 End-of-Year Process

Closing of the books and the audit process



- June will remain open as any final transactions are reconciled through mid-August
 - **The 2014-15 figures in this presentation are subject to change**
- Unaudited Actuals will be submitted to the district in September
- Audit will be conducted in September/October, with the auditing process typically yielding small changes for schools
 - An audit report is produced in November/December to officially close the financial process for the 2014-15 FY, and will be submitted for the board approval
- July & August financials will be reported to the board in September

EBIA: 14-15 Expected to Close with ~\$11K Operating Income, \$33K Fund Balance

- Strong fundraising finish in June (+\$61K)
- Title funds revised downward based on expenditure, may be deferred to 15-16
- Special education revenue and expense grossed up (on net, no impact)
- Subject to change: a few items remain open, Balance Sheet under review

		Apr	May	Jun	November Reapproved Budget	Previous Month's Forecast	Current Forecast
SUMMARY							
Revenue							
	General Block Grant	145,273	134,869	134,869	1,512,277	1,528,864	1,527,688
	Federal Revenue	-	-	4,270	326,445	308,955	302,553
	Other State Revenues	18,695	18,695	18,695	126,873	133,067	139,395
	Local Revenues	124	165	(67)	278	1,621	1,621
	Fundraising and Grants	23,129	26,227	61,195	151,434	96,275	157,470
	Total Revenue	187,221	179,955	218,962	2,117,307	2,068,781	2,128,726
Expenses							
	Compensation and Benefits	97,697	108,159	94,854	1,198,310	1,212,843	1,203,091
	Books and Supplies	9,652	2,710	10,088	194,729	195,124	186,031
	Services and Other Operating Exp.	51,686	45,776	107,328	678,848	716,049	728,542
	Capital Outlay	-	-	-	-	-	-
	Total Expenses	159,035	156,645	212,269	2,071,887	2,124,021	2,117,664
	Operating Income (excluding Depreciation)	28,186	23,310	6,693	45,419	(55,239)	11,062

2. 15-16 California Budget

State Budget Update: 2015-16 Final Budget Act

Governor signed the final budget for the 2015-16 fiscal year



- The budget includes:
 - Increases ongoing funding for implementation of the LCFF by nearly \$6 billion
 - Closes the remaining gap between a school's actual LCFF funding and its target rate at full LCFF implementation by 51.52 percent (down from the 53.08% proposed in the May Revise)
 - Target LCFF rates will receive a Cost of Living Adjustment of 1.02% over the 2014-15 targets
 - Eliminates all inter-year deferrals for the first time since the 2000-01 fiscal year

- The Final Budget also approved spending on other K-12 programs:
 - Provides a total of \$3.2 billion for one-time discretionary funds (approx. \$530 per 2014-15 P2 ADA). This is down from the \$601/ADA proposed in the May Revise
 - Provides \$490 million for one-time grants (approx. \$80 per 2014-15 P2 ADA) to provide professional development to teachers and administrators. This was not in the May Revise
 - Provides \$20 million in new ongoing funding for SB 740 charter school facilities rent and lease reimbursement. The budget also reduces the eligibility threshold to 55% free and reduced priced meal eligibility at the school site or within the traditional elementary school attendance where the charter school is located

3. 15-16 EBIA Budget

15-16 Expected Operating Income Revised Upward to \$274K, Largely Due to Summer Staffing



- Revenues: revised slightly upward, driven by increase in fundraising goal and increased forecast for Special Ed revenues
- Expenses: Summer staffing led to efficiencies and savings based on actuals (- \$92K)
- TBD: Director position for Curriculum Instruction (~\$110K with benefits)
 - Expected Operating Income: \$164K in 15-16, \$119K in 16-17, \$315K in 17-18

		2015/16	2015/16	2016/17	2017/18
		Approved Budget	Current Forecast	Preliminary Budget	Preliminary Budget
SUMMARY					
Revenue					
	General Block Grant	2,446,331	2,438,900	3,262,804	4,170,203
	Federal Revenue	217,262	213,881	102,137	130,515
	Other State Revenues	329,532	349,015	293,337	360,864
	Local Revenues	1,849	1,849	97,292	211,917
	Fundraising and Grants	170,000	200,000	190,000	200,000
	Total Revenue	3,164,974	3,203,645	3,945,570	5,073,500
Expenses					
	Compensation and Benefits	1,990,115	1,898,283	2,449,697	3,103,314
	Books and Supplies	199,221	199,221	293,791	375,877
	Services and Other Operating Expenditure	814,101	832,327	975,749	1,166,721
	Capital Outlay	-	-	-	-
	Total Expenses	3,003,437	2,929,831	3,719,237	4,645,913
Operating Income (excluding Depreciation)		161,537	273,813	226,333	427,587

4. Cash Flow

Cash Position Slightly Improved; Working Capital Now Needed Around September



- Cash shortfall in September projected to be around \$133K - \$160K (with or without the incremental position)
- Nov-Feb/Mar expected to be cash-negative
- Revenue catching up after P-1 certification, around Mar-Apr
- Financing options explored
 - Line of Credit with guarantee
 - Receivable Sales
 - May require 2 rounds, early and late fall