

# East Bay Innovation Academy

November/December Financials

**edtec**

Business and Development Specialists  
for Charter Schools

January 18, 2017

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# Financial Presentation Agenda



- November and December Financials
- 16-17 Current Forecast
- 17-18 Budget Update
  - State Budget summary
  - Budgeting Plan

# 1. November and December

# Q2 generally on track with current forecast, expenses still outpacing revenues



- LCFF, Other State and local revenues are on track; federal revenues are lagging
  - Checking on child nutrition reimbursements
- Conservative spending in every category

		Oct	Nov	Dec	Actual YTD	Budget YTD	Variance (YTD less Budget)
<b>SUMMARY</b>							
<b>Revenue</b>							
	LCFF Entitlement	281,308	158,118	267,470	1,239,161	1,239,161	0
	Federal Revenue	4,648	-	0	6,637	11,914	(5,277)
	Other State Revenues	21,110	14,316	19,163	84,950	67,794	17,156
	Local Revenues	(130,582)	131,611	(128,848)	17,139	6,400	10,739
	Fundraising and Grants	78,428	43,044	82,744	406,994	586,934	(179,940)
	<b>Total Revenue</b>	<b>254,911</b>	<b>347,089</b>	<b>240,529</b>	<b>1,754,881</b>	<b>1,912,203</b>	<b>(157,322)</b>
<b>Expenses</b>							
	Compensation and Benefits	281,435	267,860	250,911	1,375,772	1,379,307	3,535
	Books and Supplies	(514)	22,715	11,803	147,727	216,868	69,141
	Services and Other Operating Expenditures	110,278	162,615	78,927	562,639	616,873	54,234
	Depreciation	-	-	-	-	-	-
	<b>Total Expenses</b>	<b>391,199</b>	<b>453,190</b>	<b>341,641</b>	<b>2,086,137</b>	<b>2,213,047</b>	<b>126,910</b>
<b>Operating Income</b>		<b>(136,288)</b>	<b>(106,101)</b>	<b>(101,112)</b>	<b>(331,256)</b>	<b>(300,845)</b>	<b>(30,412)</b>

# Balance Sheet as of December 31, 2016

Assets fueled Q1 and Q2 activities and reduced liabilities



		12/31/2016	6/30/2016	YTD Change
<b>Assets</b>				
	Cash Balances	\$ 288,331	\$ 391,575	\$ (103,245)
	Accounts Receivable	\$ 79,152	\$ 550,975	(471,822)
	Prepays and Other Assets	\$ -	\$ 27,880	(27,880)
	Fixed Assets, Net	\$ -	\$ -	-
	Investments	\$ -	\$ -	-
	Due to/from other	\$ -	\$ -	-
	<b>Total Assets</b>	<b>367,483</b>	<b>970,430</b>	<b>(602,947)</b>
<b>Liabilities &amp; Equity</b>				
	Accrued Expenses	\$ 83,100	\$ 129,792	\$ (46,692)
	Due to Grantor Governments/Others	\$ -	\$ -	-
	OPEB Liability	\$ -	\$ -	-
	Deferred Revenue	\$ -	\$ 200,000	(200,000)
	Loans and other payables	\$ 175,003	\$ 200,002	(24,999)
	Beginning Net Assets - Audited	\$ 440,636	\$ 34,377	406,259
	Other Restatements	\$ -	\$ -	-
	Net Income (Loss) to Date	\$ (331,256)	\$ 406,259	(737,515)
	<b>Total Liabilities &amp; Equity</b>	<b>367,483</b>	<b>970,430</b>	<b>(602,947)</b>

## 2. 16-17 Current Forecast

# Attendance Update: ADA stabilizing, supported by strong attendance



- Month 1-4 average ADA: 406.3
  - Enrollment: 420
  - Attendance: 96.7%
- Current Forecast ADA: 403.7
  - Budget: 422.5
  - Previous Forecast: 401.6
- Current Forecast unduplicated pupil percentage: 19%
  - Budget: 15%
  - Previous Forecast: 23%

***Net Fiscal Impact: +\$9K***

# Current forecast continues to improve but some uncertainty remains with Special Education

- Special Education revenue forecast adjusted upward on net, led by Mental Health reimbursement (+\$32K)
- For expenses, technology services increased by \$10K and student information systems increased by \$18K based on actuals
  - Monitoring substitute and legal budgets; high utilization YTD

		Approved Budget	Previous Forecast	Current Forecast	Variance (Previous vs. Current Forecast)
<b>SUMMARY</b>					
<b>Revenue</b>					
	LCFF Entitlement	3,329,153	3,135,500	3,144,241	8,741
	Federal Revenue	304,213	204,211	182,004	(22,207)
	Other State Revenues	385,027	371,321	428,072	56,751
	Local Revenues	38,318	32,116	32,095	(21)
	Fundraising and Grants	503,500	714,260	712,940	(1,320)
	<b>Total Revenue</b>	<b>4,560,212</b>	<b>4,457,408</b>	<b>4,499,353</b>	<b>41,944</b>
<b>Expenses</b>					
	Compensation and Benefits	2,952,284	3,019,420	3,025,119	(5,699)
	Books and Supplies	288,783	238,771	234,356	4,415
	Services and Other Operating Expenditures	1,312,232	1,184,566	1,211,696	(27,130)
	Depreciation	-	-	-	-
	<b>Total Expenses</b>	<b>4,553,299</b>	<b>4,442,757</b>	<b>4,471,171</b>	<b>(28,414)</b>
	<b>Operating Income</b>	<b>6,913</b>	<b>14,652</b>	<b>28,181</b>	<b>13,530</b>



# Cash expected to be positive through 16-17



- Ending cash in Dec: \$288K
- SVS grant was instrumental for Q1 and Q2 cash flow; second investment expected soon
- P-1 expected to certify around late January
- Some vendor management recommended

## 3. 17-18 Budget Update

# 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 budget approval and subsequent submission to District



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