



EAST BAY
INNOVATION
ACADEMY

Financial Update SY 2017-18

EBIA, January 2018

Agenda

- Q1 and Q2 actuals
- Current forecast for FY 2017-18
- Cash update
- Preview of 18-19 CA budget



Q1-Q2: expenses outpacing revenue

- Expenses: \$2.5M incurred through December (46% of forecast)
- Revenues: \$1.8M received through December (34% of forecast)
 - Donations and fundraising: \$112K YTD
- Fund balance fully engaged in supporting operations until revenues catch up

	Oct	Nov	Dec	Actual YTD	Budget YTD	Variance (YTD less Budget)
SUMMARY						
Revenue						
LCFF Entitlement	330,427	273,869	273,869	1,413,540	1,395,025	18,515
Federal Revenue	8,217	1,941	5,796	18,181	14,709	3,472
Other State Revenues	17,879	17,990	82,347	156,258	209,322	(53,064)
Local Revenues	(504)	72,854	807	127,135	16,471	110,664
Fundraising and Grants	26,327	34,743	26,672	112,492	104,160	8,332
Total Revenue	382,346	401,397	389,491	1,827,606	1,739,688	87,919
Expenses						
Compensation and Benefits	300,654	302,260	287,420	1,623,630	1,669,266	45,636
Books and Supplies	3,988	21,372	6,442	159,917	180,062	20,145
Services and Other Operating Expenditures	189,023	175,132	103,914	720,199	837,749	117,550
Depreciation	-	-	-	-	-	-
Total Expenses	493,665	498,764	397,777	2,503,746	2,687,077	183,331
Operating Income	(111,319)	(97,367)	(8,285)	(676,140)	(947,390)	271,250

FY 17-18 Forecast: attrition pressure

- Since M1, enrollment has decreased by 16 (3%)

	M1	M5	Difference
6th	125	122	3
7-8th	240	236	4
9-10th	134	125	9
Total	499	483	16

- Attendance also declining slightly through winter, from 97% to 95%
- P1 ADA (M1 through M4): reported at 477.47; P2 ADA (M1 through M8) will likely be lower, around 470
 - M5 ADA: 461.5
- FRL count: 131 (26%), reported through CALPADS in December

Potential negative impact to revenues from ADA decrease largely mitigated through conservative budgeting and higher than expected FRL

FY 17-18 Forecast: with limits on state/fed funding, development pressure is high

- Current gap: \$169K to break-even in 17-18
 - Development goal of \$150K removed in current forecast, Parent Donations reduced by \$50K
- Resource constraint: Internal capacity to drive development efforts are limited
- Grants update
- Gala update

Current forecast (without development)

- Some adjustments to payroll, based on transitions/upcoming leaves
 - Net savings: \$28K
- Re-allocations in books and supplies/ services, with minimal impact
 - Combined net savings: \$6K

	Revised Budget	Previous Month's Forecast	Current Forecast	(Previous vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
LCFF Entitlement	3,840,102	3,840,102	3,848,721	8,620	2,435,181
Federal Revenue	299,520	299,520	141,082	(158,438)	122,901
Other State Revenues	602,853	602,853	742,042	139,190	585,784
Local Revenues	166,498	166,498	168,952	2,454	41,817
Fundraising and Grants	612,900	612,900	417,250	(195,650)	304,758
Total Revenue	5,521,872	5,521,872	5,318,047	(203,825)	3,490,441
Expenses					
Compensation and Benefits	3,477,487	3,477,487	3,449,789	27,698	1,826,160
Books and Supplies	243,086	243,086	241,697	1,389	81,780
Services and Other Operating Expenditures	1,800,448	1,800,448	1,795,816	4,632	1,075,617
Depreciation	-	-	-	-	-
Total Expenses	5,521,021	5,521,021	5,487,302	33,719	2,983,556
Operating Income	851	851	(169,255)	(170,106)	506,885

* Current projection assumes 50% of the Seneca contract will be expended.



Cash expected to be tight over next few months

- Actively aging to manage cash position
- Ending Dec: \$135K
- Financing may be necessary to meet payroll and other expenses
 - SVS \$200K expected in January
 - LOC expanded to \$70K

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected
Beginning Cash	399,540	387,492	215,785	275,562	174,378	131,435	134,763	115,944	82,218	119,330	136,734	246,923
Total Revenue	11,128	203,899	439,345	382,346	401,397	389,491	573,820	423,770	499,274	448,445	510,851	405,228
Total Expenses	235,328	462,142	429,482	480,254	499,031	397,777	616,468	474,233	478,900	439,445	417,399	474,899
Operating Cash Inflow (Outflow)	(224,200)	(258,242)	9,863	(97,908)	(97,633)	(8,285)	(42,648)	(50,464)	20,375	9,000	93,452	(69,671)
Revenues - Prior Year Accruals	329,290	99,493	686	17,501	-	-	15,426	-	-	-	-	-
Expenses - Prior Year Accruals	(838)	(0)	-	(1,882)	(31,563)	-	-	-	-	-	-	-
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current Year	(88,497)	(25,579)	37,397	(19,010)	82,920	8,451	-	-	-	-	-	-
Summerholdback for Teachers	(73,542)	12,622	11,832	8,448	11,666	11,494	16,737	16,737	16,737	16,737	16,737	16,737
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	-	-	-	(8,333)	(8,333)	(8,333)	(8,334)	-	-	(8,334)	-	-
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Changes	45,740	-	-	-	-	-	-	-	-	-	-	-
Ending Cash	387,492	215,785	275,562	174,378	131,435	134,763	115,944	82,218	119,330	136,734	246,923	193,990

Preview of 18-19 California Budget

- CA revenues are significantly above projections (+\$4.7B)
- LCFF to be fully-funded by 18-19 (up from 66% of gap)
- COLA increase from 2.15% to 2.51%
- One-time funds (~\$300 per PY ADA)
- Some additional support for special education teacher recruiting, technical assistance