



Wesley International Academy

Finance Committee Meeting

Date and Time

Wednesday June 17, 2020 at 8:00 AM EDT

Location

Kelly Street House Conference Room

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:00 AM
Opening Items			
A. Record Attendance and Guests		Chip Hill	4 m
B. Call the Meeting to Order		Chip Hill	3 m
C. Adopt Meeting Agenda	Vote	Chip Hill	5 m
D. Approve May 2020 Meeting Minutes	Approve Minutes	Chip Hill	5 m
Approve minutes for Finance Committee Meeting on May 20, 2020			
E. Review of March, April and May Financials		Lisa Price	10 m
F. FY 2021 Draft Budget Review	Vote	Lisa Price	30 m
A. Revenue outlook			
B. Staff Salaries			
C. Healthcare & Pension Expense Projections			
D. Other Expenses			
E. Q&A			
II. Closing Items			8:57 AM
A. Adjourn Meeting	Vote		

Cover Sheet

Approve May 2020 Meeting Minutes

Section: I. Opening Items
Item: D. Approve May 2020 Meeting Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Finance Committee Meeting on May 20, 2020



Wesley International Academy

Minutes

Finance Committee Meeting

Date and Time

Wednesday May 20, 2020 at 8:00 AM

Location

Join Zoom Meeting

<https://us02web.zoom.us/j/89738022759?pwd=Wk5CdzZwTTBDdUM4TXhJZ0JaTzlxZ09>

Meeting ID: 897 3802 2759

Password: finance

Committee Members Present

C. Hill (remote), E. Cater, K. Delp, T. Tidwell

Committee Members Absent

J. Marshall, L. Price

Guests Present

A. Pullen, C. Wyatt, D. Johnson, D. Mason, R. Goodman, T. Ryan-Lawrence

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

C. Hill called a meeting of the Finance committee of Wesley International Academy to order on Wednesday May 20, 2020 @ 8:11 AM at

Join Zoom Meeting

<https://us02web.zoom.us/j/89738022759?pwd=Wk5CdzZwTTBDdUM4TXhJZ0JaTzlxZ09>

Meeting ID: 897 3802 2759

Password: finance

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C. Adopt Meeting Agenda

K. Delp made a motion to Adopt agenda as distributed in advance.
E. Cater seconded the motion.
The committee **VOTED** unanimously to approve the motion.

D. Update on Utilization of PPP Grant

WIA Received a little over \$1m in April. Have 8 weeks to utilize funds and will use it to cover payroll. Funds will be depleted by mid-June.

E. Discuss FY 20 Cash Flow Assumptions

As a result of PPP grant, WIA will carry forward an additional \$1m in surplus, with a total of approximately \$2.5 million in surplus at 6/30/20.

Tom asked if moving to online learning resulted in additional costs or savings. Lisa said yes as utilities is an example of an item that will be substantially lower than in previous months.

F. FY 2021 Draft Budget Review

FY 21 draft budget was prepared in advance. Lisa reviewed priorities and goals associated with presentation.

Funding will continue to be aligned with charter goals and other delineated strategic objectives.

Uncertain funding climate due to pandemic.

Enrollment assumptions unchanged at 800 students for 20-21.

Assume 14% reduction in state appropriations coming through QBE and 2.98% increase in local funds per APS guidance but effectively offset by corresponding reductions in other sources. Total revenue of \$10.65 million projected for FY 21. Expect some Title I funds to be received next year. About a \$600 decline in per student funding for next fiscal year.

Instruction compensation reflects hiring of lower cost employees over the past year resulting in cost savings rather than the elimination of positions. Planning on flat salaries for FY 21. Have been aggressive with raises and merit increases over the past 5 years. Benefit coverage will remain similar without any cost increases to employees.

Outstanding work by leadership team and commitment of everyone to streamline expenses through consolidation of purchasing as well as decreased utilization of spending on substitute teaching. Prior investments in IT infrastructure and architecture over past couple of years helped make transition to online learning go as well as it did.

Original funding gap for FY 21 to be covered by savings from FY 20 associated with PPP grant savings. Heaving lifting during FY 21 to plan for balancing the budget FY 22 and beyond.

Have generally frozen a variety of capital improvements for the upcoming year. Had to replace 2 servers that were lost during a recent storm. Library shelving had a long lead time and was already on order when Covid began.

II. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:16 AM.

Respectfully Submitted,
T. Tidwell

Cover Sheet

Review of March, April and May Financials

Section: I. Opening Items
Item: E. Review of March, April and May Financials
Purpose: FYI
Submitted by:
Related Material: April 2020 FC Financial Report_Unaudited.pdf
FC March Financial Report.pdf



Finance Committee Report

Monthly Financials
For the period ended April 30, 2020

Prepared by
Lisa C. Price

Prepared on
May 29, 2020

A-2020(R) Monthly Statement of Activity

April 2020

	Total
REVENUE	
01-4500 Interest income	197
Grant Funds	
02-4000 Restricted Grants	1,105,420
Total Grant Funds	1,105,420
Other School Funds	
01-4300 General Field Trip Fees	(1,125)
01-4325 Other Revenue	(2,100)
Total Other School Funds	(3,225)
State/Local Funds	
01-4105 State/Local Revenue FTE	1,095,204
Total State/Local Funds	1,095,204
Total Revenue	2,197,597
GROSS PROFIT	2,197,597
EXPENDITURES	
00-0000 Compensation	
00-1000 Instruction - Compensation	348,123
00-2100 Pupil Services - Compensation	11,754
00-2210 Improvement of Instruction - Compensation	44,642
00-2300 General Admin - Compensation	14,049
00-2400 School Admin - Compensation	47,973
00-2500 Support Services (Business) - Compensation	27,206
00-2600 Mtc & Ops of Plant Services - Compensation	7,260
00-5100 Payroll Taxes	37,121
00-5200 Employee Benefits	79,622
00-5300 Pension Contributions	115,489
Total 00-0000 Compensation	733,238
1000-01 Instruction	
2213-01 Instructional Staff Training	
5535 Staff Development	18,060
Total 2213-01 Instructional Staff Training	18,060
5515 Technology - Licenses	2,309
5525 FFE	7,077
5545 Student Assessment	1,228
5550 Awards	1,980
5671 Substitute - Contractor/Agency	5,910
5700 Other Contractors	420
Total 1000-01 Instruction	36,984
2100-01 Pupil Services	
5685 Consulting	1,748

	Total
Total 2100-01 Pupil Services	1,748
2300-01 General Administration	
5820 Insurance	14,661
5840 Administrative Fees (District)	21,237
5845 Fundraising/Resource Develop	3,200
Total 2300-01 General Administration	39,098
2400-01 School Administration	
5630 Marketing	612
5675 Communications/Media	1,500
Total 2400-01 School Administration	2,112
2500-01 Support Services - Business	
5615 Printing and Copy	665
5636 Human Resources	3,100
5638 Temp Agency	981
5640 Payroll	1,063
5805 Bank Fees	1,240
Total 2500-01 Support Services - Business	7,049
2600-01 Mtc & Ops of Plant Services	
5665 Technology Services	12,762
5680 Security	3,166
5905 Water	1,558
5910 Electric	6,942
5915 Gas	1,411
5920 Waste	585
5925 Landscaping	500
5930 Inspections/Compliance	175
5935 Maintenance Repairs	4,689
5940 Rent/Lease/Mortgage	4,875
5945 Janitorial Service	11,865
5950 Janitorial Supplies	1,298
5955 Telephone/Internet	5,577
5970 Contractors/Porters	1,500
5975 FFE	7,250
Total 2600-01 Mtc & Ops of Plant Services	64,154
9999 Uncategorized Expenditure	4,024
Total Expenditures	888,407
NET OPERATING REVENUE	1,309,190
NET REVENUE	\$1,309,190

NOTE

02-4000: Restricted Grant (PPP Program)

01-4300: Family Refunds for School Activities

01-4325: Family Refunds for School Activities

5535: Datawise Coaching (Title Program Reimbursement)

5525: 30 Student Chromebooks in immediate response to COVID 19

5975: Auditorium upgrades (automated shades)

A-2020(R) Monthly Statement of Financial Position

As of April 30, 2020

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash-Operating Account	3,320,071
1005 Donations-Red Thread Campaign	139,108
1010 Travel Abroad Account	7,949
1015 Unrestricted Cash Reserve	1,203,560
1072 CPO BillPay Money Out Clearing	300
Total Bank Accounts	4,670,988
Accounts Receivable	
1100 Accounts Receivable	22,262
Total Accounts Receivable	22,262
Other Current Assets	
1205 Prepaid Expenses	69,107
1210 Prepaid Insurance	6,517
1215 Deposits	34,421
Total Other Current Assets	110,045
Total Current Assets	4,803,294
Fixed Assets	
1300 Furniture, Fixtures & Equipment	295,391
1305 FFE Accumulated Depreciation	(226,252)
1310 Leasehold Improvement	551,740
1315 LHI Accumulated Depreciation	(529,534)
1350 Construction in Progress	395,701
Total Fixed Assets	487,045
Other Assets	
1500 Other Assets	
1515 Suspense	0
Total 1500 Other Assets	0
1505 Deferred Outflows of Resources - Pension	2,715,386
Total Other Assets	2,715,386
TOTAL ASSETS	\$8,005,726

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 Accounts Payable	164,807
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Total Accounts Payable	164,807
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Other Current Liabilities

2008 Deferred Income	152,095
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	Total
Total Other Current Liabilities	152,095
Total Current Liabilities	316,902
Long-Term Liabilities	
2500 Net Pension Liability	8,189,431
2505 Deferred Inflows of Resources - Pension	240,794
Total Long-Term Liabilities	8,430,225
Total Liabilities	8,747,127
Equity	
3000 Investment in Capital Assets	256,969
32000 *Unrestricted Net Assets	(2,928,578)
3401 Net Assets - Red Thread Campaign	1,867
Net Revenue	1,928,340
Total Equity	(741,401)
TOTAL LIABILITIES AND EQUITY	\$8,005,726

A-2020(R) Monthly BVA Summary Format

April 2020

	Apr 2020			Total		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget
REVENUE						
01-4500 Interest income	197			197	0	0%
Grant Funds	1,105,420	17,290	6,393.00 %	1,105,420	17,290	6,393.00 %
Other School Funds	(3,225)	17,646	(18.00 %)	(3,225)	17,646	(18.00 %)
State/Local Funds	1,095,204	1,090,712	100.00 %	1,095,204	1,090,712	100.00 %
Total Revenue	2,197,597	1,125,648	195.00 %	2,197,597	1,125,648	195.00 %
GROSS PROFIT	2,197,597	1,125,648	195.00 %	2,197,597	1,125,648	195.00 %
EXPENDITURES						
00-0000 Compensation	733,238	756,468	97.00 %	733,238	756,468	97.00 %
1000-01 Instruction	36,984	61,034	61.00 %	36,984	61,034	61.00 %
2100-01 Pupil Services	1,748	3,850	45.00 %	1,748	3,850	45.00 %
2300-01 General Administration	39,098	35,865	109.00 %	39,098	35,865	109.00 %
2400-01 School Administration	2,112	10,873	19.00 %	2,112	10,873	19.00 %
2500-01 Support Services - Business	7,049	12,403	57.00 %	7,049	12,403	57.00 %
2600-01 Mtc & Ops of Plant Services	64,154	61,546	104.00 %	64,154	61,546	104.00 %
2700-01 Student Transportation		2,592		0	2,592	0%
3100-01 School Nutrition		667		0	667	0%
9999 Uncategorized Expenditure	4,024			4,024	0	0%
Total Expenditures	888,407	945,297	94.00 %	888,407	945,297	94.00 %
NET OPERATING REVENUE	1,309,190	180,351	726.00 %	1,309,190	180,351	726.00 %
NET REVENUE	\$1,309,190	\$180,351	726.00 %	\$1,309,190	\$180,351	726.00 %

A-2020(R) YTD BVA Revised Budget

July 2019 - April 2020

			Total
	Actual	Budget	% of Budget
REVENUE			
01-4500 Interest income	2,007		
Grant Funds	1,198,750	155,610	770.00 %
Other School Funds	55,496	158,814	35.00 %
State/Local Funds	9,873,215	9,816,412	101.00 %
Total Revenue	11,129,468	10,130,836	110.00 %
GROSS PROFIT	11,129,468	10,130,836	110.00 %
EXPENDITURES			
00-0000 Compensation	7,204,898	7,223,715	100.00 %
1000-01 Instruction	494,916	610,338	81.00 %
2100-01 Pupil Services	40,645	38,504	106.00 %
2300-01 General Administration	403,580	336,268	120.00 %
2400-01 School Administration	114,407	108,729	105.00 %
2500-01 Support Services - Business	114,709	124,029	92.00 %
2600-01 Mtc & Ops of Plant Services	772,016	615,457	125.00 %
2700-01 Student Transportation	31,139	25,917	120.00 %
3100-01 School Nutrition	6,985	6,667	105.00 %
9999 Uncategorized Expenditure	17,833		
Total Expenditures	9,201,128	9,089,623	101.00 %
NET OPERATING REVENUE	1,928,340	1,041,212	185.00 %
NET REVENUE	\$1,928,340	\$1,041,212	185.00 %



Finance Committee Report

Monthly Financials
For the period ended March 31, 2020

Prepared by
Lisa C. Price

Prepared on
April 24, 2020



Wesley International Academy

STATEMENT OF ACTIVITY

March 2020

	TOTAL
Revenue	
01-4500 Interest income	204
Other School Funds	
01-4300 General Field Trip Fees	945
01-4301 Athletic Fees	1,440
01-4303 China Trip Fees	(42,250)
01-4305 School Fundraising Fees	133
01-4325 Other Revenue	2,296
01-4330 Refunds/Rebates	2,774
Total Other School Funds	(34,663)
State/Local Funds	
01-4105 State/Local Revenue FTE	1,095,204
Total State/Local Funds	1,095,204
Total Revenue	\$1,060,746
GROSS PROFIT	\$1,060,746
Expenditures	
00-0000 Compensation	
00-1000 Instruction - Compensation	357,518
00-2100 Pupil Services - Compensation	12,229
00-2210 Improvement of Instruction - Compensation	45,917
00-2300 General Admin - Compensation	14,049
00-2400 School Admin - Compensation	48,453
00-2500 Support Services (Business) - Compensation	27,206
00-2600 Mtc & Ops of Plant Services - Compensation	7,719
00-5100 Payroll Taxes	38,483
00-5200 Employee Benefits	74,290
00-5300 Pension Contributions	116,191
Total 00-0000 Compensation	742,055
1000-01 Instruction	
2213-01 Instructional Staff Training	397
5530 Instructional Travel	1,483
Total 2213-01 Instructional Staff Training	1,880
5510 Classroom Supplies	6,736
5515 Technology - Licenses	3,113
5520 Reference Material/Library	173
5525 FFE	435
5545 Student Assessment	120
5550 Awards	1,480
5671 Substitute - Contractor/Agency	11,220
5700 Other Contractors	2,895



Wesley International Academy

STATEMENT OF ACTIVITY

March 2020

	TOTAL
6100 Fundraising	2,182
Total 1000-01 Instruction	30,235
2100-01 Pupil Services	
5685 Consulting	2,175
6305 Athletics	2,673
6315 Clubs	247
6320 Supplies - Student Services	357
Total 2100-01 Pupil Services	5,452
2300-01 General Administration	
5820 Insurance	5,761
5840 Administrative Fees (District)	21,237
5845 Fundraising/Resource Develop	3,200
Total 2300-01 General Administration	30,198
2400-01 School Administration	
5630 Marketing	2,446
5645 Legal	2,162
5675 Communications/Media	1,500
6020 Technology (Non-Instruction)	1,033
6035 Supplies - G&A	476
6038 Special Events/Activities	583
Total 2400-01 School Administration	8,200
2500-01 Support Services - Business	
5610 Postage and Shipping	19
5615 Printing and Copy	3,170
5636 Human Resources	1,500
5637 Office Support	1,500
5638 Temp Agency	2,440
5640 Payroll	2,111
5805 Bank Fees	1,379
Total 2500-01 Support Services - Business	12,120
2600-01 Mtc & Ops of Plant Services	
5665 Technology Services	12,819
5680 Security	10,657
5905 Water	2,795
5910 Electric	7,546
5915 Gas	1,307
5920 Waste	585
5925 Landscaping	700
5930 Inspections/Compliance	1,510
5935 Maintenance Repairs	1,221



Wesley International Academy

STATEMENT OF ACTIVITY

March 2020

	TOTAL
5940 Rent/Lease/Mortgage	2,400
5945 Janitorial Service	10,855
5950 Janitorial Supplies	1,227
5955 Telephone/Internet	2,276
5965 Pest Control	230
5970 Contractors/Porters	1,445
Total 2600-01 Mtc & Ops of Plant Services	57,572
2700-01 Student Transportation	
5605 Transportation	3,080
Total 2700-01 Student Transportation	3,080
3100-01 School Nutrition	
5625 Food and Beverage	76
Total 3100-01 School Nutrition	76
9999 Uncategorized Expenditure	8,331
Total Expenditures	\$897,318
NET OPERATING REVENUE	\$163,428
NET REVENUE	\$163,428



Wesley International Academy

MONTHLY STATEMENT OF FINANCIAL POSITION

As of March 31, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash-Operating Account	2,050,786
1005 Donations-Red Thread Campaign	137,720
1010 Travel Abroad Account	7,949
1015 Unrestricted Cash Reserve	1,203,363
1072 CPO BillPay Money Out Clearing	300
Total Bank Accounts	\$3,400,118
Accounts Receivable	
1100 Accounts Receivable	1,262
Total Accounts Receivable	\$1,262
Other Current Assets	
1205 Prepaid Expenses	82,430
1210 Prepaid Insurance	6,900
1215 Deposits	34,421
Total Other Current Assets	\$123,751
Total Current Assets	\$3,525,131
Fixed Assets	
1300 Furniture, Fixtures & Equipment	295,391
1305 FFE Accumulated Depreciation	(226,252)
1310 Leasehold Improvement	551,740
1315 LHI Accumulated Depreciation	(529,534)
1350 Construction in Progress	393,201
Total Fixed Assets	\$484,545
Other Assets	
1500 Other Assets	
1515 Suspense	0
Total 1500 Other Assets	0
1505 Deferred Outflows of Resources - Pension	2,715,386
Total Other Assets	\$2,715,386
TOTAL ASSETS	\$6,725,063
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	198,078
Total Accounts Payable	\$198,078
Other Current Liabilities	



Wesley International Academy

MONTHLY STATEMENT OF FINANCIAL POSITION

As of March 31, 2020

	TOTAL
2008 Deferred Income	148,326
Total Other Current Liabilities	\$148,326
Total Current Liabilities	\$346,404
Long-Term Liabilities	
2500 Net Pension Liability	8,189,431
2505 Deferred Inflows of Resources - Pension	240,794
Total Long-Term Liabilities	\$8,430,225
Total Liabilities	\$8,776,629
Equity	
3000 Investment in Capital Assets	256,969
32000 *Unrestricted Net Assets	(2,928,578)
3401 Net Assets - Red Thread Campaign	1,867
Net Revenue	618,175
Total Equity	\$ (2,051,566)
TOTAL LIABILITIES AND EQUITY	\$6,725,063



Wesley International Academy

STATEMENT OF ACTIVITY

July 2019 - March 2020

	JUL - SEP, 2019	OCT - DEC, 2019	JAN - MAR, 2020	TOTAL
Revenue				
01-4500 Interest income	606	606	598	\$1,810
Grant Funds	50	93,280		\$93,330
Other School Funds	19,276	46,071	(6,626)	\$58,721
State/Local Funds	2,123,655	3,368,742	3,285,613	\$8,778,010
Total Revenue	\$2,143,587	\$3,508,699	\$3,279,585	\$8,931,871
GROSS PROFIT	\$2,143,587	\$3,508,699	\$3,279,585	\$8,931,871
Expenditures				
00-0000 Compensation	1,933,490	2,319,258	2,218,911	\$6,471,660
1000-01 Instruction	227,957	92,062	138,638	\$458,657
2100-01 Pupil Services	10,064	14,538	14,296	\$38,898
2300-01 General Administration	133,057	113,524	117,901	\$364,482
2400-01 School Administration	52,703	26,294	33,549	\$112,545
2500-01 Support Services - Business	44,499	29,269	33,892	\$107,660
2600-01 Mtc & Ops of Plant Services	238,636	240,250	228,977	\$707,863
2700-01 Student Transportation	9,935	10,984	10,220	\$31,139
3100-01 School Nutrition	105	3,965	2,915	\$6,985
9999 Uncategorized Expenditure	0	0	13,808	\$13,808
Total Expenditures	\$2,650,446	\$2,850,143	\$2,813,107	\$8,313,696
NET OPERATING REVENUE	\$ (506,859)	\$658,556	\$466,478	\$618,175
NET REVENUE	\$ (506,859)	\$658,556	\$466,478	\$618,175



Wesley International Academy

BUDGET VS. ACTUALS: 2020 REVISED BUDGET - FY20 P&L

July 2019 - March 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Revenue				
01-4500 Interest income	1,810		1,810	
Grant Funds	93,330	138,320	(44,990)	67.00 %
Other School Funds	58,721	141,168	(82,447)	42.00 %
State/Local Funds	8,778,010	8,725,699	52,311	101.00 %
Total Revenue	\$8,931,871	\$9,005,187	\$ (73,316)	99.00 %
GROSS PROFIT	\$8,931,871	\$9,005,187	\$ (73,316)	99.00 %
Expenditures				
00-0000 Compensation	6,471,660	6,467,247	4,413	100.00 %
1000-01 Instruction	458,657	549,304	(90,648)	83.00 %
2100-01 Pupil Services	38,898	34,654	4,244	112.00 %
2300-01 General Administration	364,482	300,403	64,079	121.00 %
2400-01 School Administration	112,545	97,856	14,689	115.00 %
2500-01 Support Services - Business	107,660	111,626	(3,966)	96.00 %
2600-01 Mtc & Ops of Plant Services	707,863	553,911	153,952	128.00 %
2700-01 Student Transportation	31,139	23,325	7,814	134.00 %
3100-01 School Nutrition	6,985	6,000	985	116.00 %
9999 Uncategorized Expenditure	13,808		13,808	
Total Expenditures	\$8,313,696	\$8,144,326	\$169,370	102.00 %
NET OPERATING REVENUE	\$618,175	\$860,861	\$ (242,686)	72.00 %
NET REVENUE	\$618,175	\$860,861	\$ (242,686)	72.00 %

Note

1000-01: Lower than budget primary due to leadership focus on supplies, subs and consumables.

2300-01: Trending higher than budget due to fundraising expenses and increased insurance premiums.

2400-01: Trending higher than budget due to expenses associated with school video production and unexpected legal expenses.

2500-01: Unplanned expenses for temp agencies for nurses and home bound tutors.

2600-01: Underestimated general repair (HVAC/Plumbing) and maintenance and contractor porter expenses.

2700-01: Underestimated transportation expenses.

RED THREAD CAMPAIGN EXPENSES (Unaudited)
Statement of Activity by Class
July 2019 - March 2020

	Red Thread Campaign	Comments
Expenditures		
1000-01 Instruction	0	
5510 Classroom Supplies	5,685	Grade Level Grants
Total 1000-01 Instruction	\$ 5,685	
2300-01 General Administration	0	
5845 Fundraising/Resource Develop	42,520	Developer/Communication Consultants
Total 2300-01 General Administration	\$ 42,520	
2400-01 School Administration	0	
5630 Marketing	16,301	PMT for school video project
6020 Technology (Non-Instruction)	575	
6035 Supplies - G&A	396	
6037 Merchandising	1,360	Hoodies from WIA store
6038 Special Events/Activities	7,882	Teacher Team Buidling, 5K Fundraiser Fees, BOD_Leadership Holiday Event
Total 2400-01 School Administration	\$ 26,514	
2500-01 Support Services - Business	0	
5615 Printning and Copy	446	
5805 Bank Fees	1,010	
Total 2500-01 Support Services - Business	\$ 1,457	
Total Expenditures	\$ 76,176	<i>Total YTD OPEX</i>

Cash Flow Statement

Beginning Cash Balance (6/30/19)	\$81,591.18	
+YTD Donations	\$66,735.23	<i>Includes staff payroll deductions & restricted 2020 donations for Athletics & China Week, Charity Run</i>
-YTD OPEX	(\$76,176)	<i>See notes above</i>
-YTD CAPEX	(\$53,915.04)	<i>SMART Interactive Boards for all homeroom teachers</i>
+Net Assets	\$1,867.09	
YTD Ending Cash Flow	\$20,102.64	

Cover Sheet

FY 2021 Draft Budget Review

Section: I. Opening Items
Item: F. FY 2021 Draft Budget Review
Purpose: Vote
Submitted by:
Related Material:
FY2021 Proposed Budget Presentation_2nd Public Hearing_June 17 2020.pdf



Wesley International Academy

Finance Committee Meeting (Public Hearing #2) – June 17, 2020

FY2021 BUDGET FINAL



AGENDA

- ✓ FY2021 Budget Objectives
- ✓ FY2021 Enrollment Assumptions
- ✓ FY2021 Revenue Forecast
- ✓ FY2021 Compensation Overview
- ✓ FY2021 Total Expense Forecast
- ✓ FY2021 Budget Proposal
- ✓ FY2021 Capital and Special Items
- ✓ FY2021 Unrestricted Cash Balance
- ✓ FY 2021 Budget Options – Virtual Learning
- ✓ FY2021 Sensitivity Analysis
- ✓ Next Steps
- ✓ Appendix
 - Budget Function Definitions
 - Historic Austerity Rates in Georgia
 - APS History of Revenue

FY2021 BUDGET OBJECTIVES

1. WIA will develop a balanced budget for the purpose of allocating resources to support Strategic Initiatives and Charter Performance Goals as outline in the Charter Petition.
2. WIA will pursue the implementation of a competitive multi-year compensation model for teachers, with a goal of base salaries reflecting 95% of the APS 2019 published scales (as of April 2019). WIA will continue to implement signing bonus and stipend programs to retain high-quality teachers.
3. WIA will manage escalating pension and healthcare expenses through responsible budgeting, cash management and competitive bidding.
4. WIA will maintain an Unrestricted Cash Balance between 30-45 days of working capital.

FY2021 ENROLLMENT ASSUMPTIONS (FTE)

Enrollment	FY2020 Funded FTE	FY2021 Forecast	Change
QBE and Local Funding Model	800	Base Case: 800 FTEs	+0 FTEs
QBE and Local Funding Model	800	Best Case: 805 FTEs	+5 FTEs

- The Base Case assumption will remain flat at 800 FTEs (Base on 3-Count Rolling Average)
- The Best Case assumption will reflect enrollment growth to 805 FTEs
- Full enrollment, per Charter Petition, is defines as 824 FTEs.

FY2021 REVENUE ASSUMPTIONS

REVENUE	FY 2020 REVISED BUDGET	FY2021 FORECAST	CHANGE	% CHANGE
State/Local	\$10,907,124	\$10,936,588	\$29,464	0.3%
Federal	\$0	\$135,000	\$135,000	N/A
Grants	\$172,900	\$58,800	(\$114,100)	-66.0%
Other	\$176,210	\$84,900	(\$91,310)	-51.8%
Grand Total	\$11,256,234	\$11,215,288	(\$40,946)	-0.4%

2021 REVENUE ASSUMPTIONS -

- State: Confirmed 11% reduction in QBE allotment.
- Local: Assumes 2.98% increase per APS guidance. APS Fund Balance: \$30M. LFS increases by 11% (or \$17M).
- Title 1 Funding for 2021. Resources will be used to offset salaries (Social Worker & Parent Liaison)
- Grants: Includes School Fundraising to cover Development/Fundraising costs (est. \$59K)

****** Actual YE 2020 State/Local Funding may differ from the Revised 2020 Budget***

FY2021 COMPENSATION OVERVIEW

FUNCTION CODE/GROUP	FY 2020 REVISED BUDGET	FY2021 FORECAST	\$ Change	% Change
1000 Instruction	\$6,323,622	\$6,197,219	(\$126,403)	-2.0%
2100 Pupil Services	\$514,085	\$604,982	\$90,898	17.7%
2210 Improvement of Inst. Svc	\$751,015	\$693,699	(\$57,316)	-7.6%
2300 General Admin	\$222,302	\$262,448	\$40,146	18.1%
2400 School Admin	\$759,704	\$776,031	\$16,328	2.1%
2500 Support Svc - Bus	\$379,823	\$475,825	\$96,001	25.3%
2600 Maint. & Ops Facility	\$127,060	\$139,004	\$11,944	9.4%
Grand Total	\$9,077,611	\$9,149,208	\$71,598	0.8%

COMPENSATION ASSUMPTIONS -

- Teacher and Staff will receive Salary Step increase based on their respective tables.
- Employer pension contribution reduced from 21.14% to 19.06% for 2021
- Healthcare expenses are flat for 2021 with an expected credit of +\$80K toward 2021 premiums.
- Current personnel not reflected in 2020 Budget: PT Office Assistant (Acct 2400), FT Bus Manager/Bookkeeper (Acct 2500), 1 SPED Para (Acct 1000)
- New 2021 positons include Social Worker and Parent Liaison (Title 1 funded). Acct 2100
- Total 2020 WIA Personnel 104 (2020 Budget). Total 2021 WIA Personnel 109 (2021 Budget)

FY2021 TOTAL EXPENSE FORECAST

FUNCTION CODE/GROUP	FY 2020 REVISED BUDGET	FY2021 BUDGET FORECAST	CHANGE	% CHANGE
1000 Instruction	\$7,006,028	\$7,145,009	\$138,981	2.0%
2100 Pupil Services	\$560,290	\$651,187	\$90,898	16.2%
2210 Improvement of Inst. Svc	\$751,015	\$693,699	(\$57,316)	-7.6%
2213 Instructional Staff Training	\$50,000	\$65,000	\$15,000	30.0%
2300 General Admin	\$607,915	\$679,980	\$72,065	11.9%
2400 School Admin	\$881,679	\$886,706	\$5,028	0.6%
2500 Support Svc - Bus	\$537,158	\$623,725	\$86,566	16.1%
2600 Maint. & Ops Facility	\$865,608	\$988,979	\$123,371	14.3%
2700 Student Transportation	\$31,100	\$20,000	(\$11,100)	-35.7%
3100 School Nutrition	\$8,000	\$10,000	\$2,000	25.0%
Grand Total	\$11,298,792	\$11,764,285	\$465,493	4.1%

NOTES-

Acct 1000: \$280K cost reductions in textbooks/consumables, supplies, tech licenses, subs, CSP. \$300K increase for PPE & \$230K Chromebooks

Acct 2100: Personnel (S. Worker/Parent Liaison)

Acct 2210: Updated salary info (2020 over estimate)

Acct 2300: 2021 includes fundraising/development expenses

Acct 2500: 2021 Personnel (FT Bookkeeper)

Acct 2600: Increase due to Security (SRO), Kelly lease, Tech Support Service. Tech Licenses, Internet

FY2021 BUDGET PROPOSAL (BASELINE)

REVENUE	FY 2020 REVISED BUDGET	FY20201 FORECAST	CHANGE	% CHANGE
State/Local	\$10,907,124	\$10,936,588	\$29,464	0.3%
Federal	\$0	\$135,000	\$135,000	N/A
Grants	\$172,900	\$58,800	(\$114,100)	-66.0%
Other	\$176,210	\$84,900	(\$91,310)	-51.8%
Grand Total	\$11,256,234	\$11,215,288	(\$40,946)	-0.4%

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3100 School Nutrition	\$8,000	\$10,000	\$2,000	25.0%
Grand Total	\$11,298,792	\$11,764,285	\$465,493	4.1%

FY2021 CAPITAL BUDGET & SPECIAL ITEMS

Capital Projects	Amount
Unplanned Planned MTC (Capital only)	\$25,000
Auditorium Renovations \$60K - On Hold	\$0
Media Center A/V Equipment \$10K - On Hold	\$0
IT Infrastructure (DellServes) + Install/Programing	\$55,000
Resurfacing Playground \$90K - On Hold	\$0
TOTAL	\$80,000

Special - One Time Expenditures	Amount
Website Redesign	\$25,000
Teacher Laptops (40*600)	\$25,000
Media Center Shelving	\$15,000
60 Student Chromebooks (60*400)	\$25,000
Other School Furniture (FFE)	\$15,000
<u>1:1 Student Devices + Accessories</u>	<u>\$230,000</u>
<u>\$230K</u>	
<u>PPE Supplies</u>	<u>\$300,000</u>
TOTAL	\$635,000

2021 UNRESTRICTED CASH BALANCE

The Wesley Board has set a budget parameter that the Unrestricted Cash Balance (Rainy Day Fund) should reflect at least 45 days of working capital at the end of each fiscal year. The basis of the calculation is derived from the previous year's actual operating expenses (or YE estimate), excluding special items. For context, the 2020 YE estimated expense is \$10,985,000 (excluding special items \$313,000), so the estimated YE 2021 Unrestricted Cash Balance is \$1,354,000.

- Current Unrestricted Cash Balance (4/30/2020): **>\$1,203,000**
Segregated funds
- Estimated YE 2020 Operating Cash Balance (6/30/2020): **≈\$2,500,000**
Reflects 2020 operating surplus due to the Federal PPP Grant
- **Total Estimated Unrestricted Cash Balance (6/30/2021): **>\$1,354,000****

FY2021 BUDGET OPTIONS – VIRTUAL LEARNING

2021 OPERATING BUDGET SCENARIOS	Traditional Calendar Budget Option 1	25% Virtual Calendar Budget Option 2	50% Virtual Calendar Budget Option 3	100% Virtual Calendar Budget Option 4
Revenue				
Enrollment	800	800	800	800
State Funding (Austerity)	-11.0%	-11.0%	-11.0%	-11.0%
Local Funding (YOY Variance)	2.98%	2.98%	2.98%	2.98%
State/Local Funding	\$10,936,588	\$10,936,588	\$10,936,588	\$10,936,588
Title 1	\$135,000	\$135,000	\$135,000	\$135,000
Other Revenue	\$143,700	\$123,700	\$72,890	\$61,200
Total Revenue	\$11,215,288	\$11,195,288	\$11,144,478	\$11,132,788
Expenses				
Number of Personnel (FT/PT)	109	109	109	109
Staff Step Increase	Yes	Yes	Yes	Yes
10/11 Month Staff Contract Realignment	0	0	0	0
12 Month Staff Furlough Days	0	0	0	0
Total Compensation	\$9,149,208	\$9,149,208	\$9,149,208	\$9,149,208
Total Other Expenses (Includes \$230K chromebooks & \$300K PPE)	\$2,615,077	\$2,505,541	\$1,949,644	\$1,527,409
Total Expenses	\$11,764,285	\$11,654,749	\$11,098,853	\$10,676,618
Net Income	(\$548,997)	(\$459,461)	\$45,625	\$456,170
2021 Cash Flow Analysis				
Starting Operating Cash Balance (estimated) <small>Includes +\$1M anticipated 2020 surplus</small>	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Net Income	(\$548,997)	(\$459,461)	\$45,625	\$456,170
CAPEX	(\$80,000)	(\$80,000)	(\$80,000)	(\$80,000)
Ending Operating Cash Balance	\$1,871,003	\$1,960,539	\$2,465,625	\$2,876,170

FY2021 BUDGET SENSITIVITY ANALYSIS

Scenario 1 -

Additional revenue shortfall is anticipated based on unplanned adjustments to QBE and/or Local Funding (>\$200K)

Action Plan 1 - (all options are available)

- Deficit funding will be offset by Operating Cash Reserves
- School Leadership will be more aggressive with non-compensation cost reduction initiatives
- School Leadership will evaluate the possibility of utilizing staff furlough days to offset additional budget deficits

Scenario 2 -

WIA has an enrollment shortfall >15 students (funding rate = \$13,670)

Action Plan 2 - (all options are available)

- Deficit funding will be offset by Operating Cash Reserves
- School Leadership will be more aggressive with non-compensation cost reduction initiatives
- School Leadership will evaluate the possibility of utilizing staff furlough days to offset additional budget deficits

Scenario 3 -

Wesley's school calendar includes 45 days or more of virtual learning during the school year

Action Plan 3 -

- The Board will conditionally adopt one of Wesley's Optional Budgets (#2, #3 or #4)
- School Leadership will initiate a mid-year budget revision to address changes in school operations due to virtual learning.

IMPLEMENTATION OF ALL, PARTS, OR A COMBINATION OF ACTION PLANS ARE AT THE DISCRETION OF SCHOOL LEADERSHIP AND THE BOARD OF DIRECTORS.

NEXT STEPS

- Special June Board Meeting
 - ✓ 2021 Budget Adoption

APPENDIX

1. Budget Function Definitions
2. GCSA: Historic Austerity Rates in Georgia
3. APS: District History of Revenue

FY2021 BUDGET BY FUNCTION - DEFINITIONS

FUNCTION CODE/GROUP	DEFINITIONS
1000 Instruction	Staff and activities dealing directly with the interaction between teachers and students. Includes all Teachers and Paras.
2100 Pupil Services	Staff and activities designed to assess and improve the well-being of students and to supplement the teaching process. Includes Counselor, Social Worker, Nurse, SST and all before and after school Extra Curricular Support.
2210 Improvement of Inst. Svc	Staff and activities designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing challenging learning experiences for students. Includes IC, Data Coach and IB Coord.
2300 General Admin	Staff and activities concerned with establishing and administering policy for operating the school. Includes the Board, Executive Director, Executive Assistant and Communications.
2400 School Admin	Staff and activities concerned with overall administrative responsibility for school operations. Includes Principal, Asst. Principal, Dir., Clerical Staff, Registrar, etc
2500 Support Svc - Bus	Staff and activities concerned with the fiscal operation of the school, including budgeting, financial and property accounting, purchasing, payroll, inventory, audit and managing funds. Includes CFO, HR Manager and Bookkeeper
2600 Maint. & Ops Facility	Staff and activities concerned with keeping the building open, comfortable and safe for use, and keeping the grounds, buildings and equipment in effective working condition and state of repair. Includes Building Porter.
2700 Student Transportation	Activities concerned with the conveyance of students to and from school and trips to school activities.
3100 School Nutrition	Activities concerned with providing food to students and staff at the school. This service also includes the preparation and serving of regular and incidental meals or snacks in connection with school activities and delivery of food.

Historic Austerity Rates in Georgia

%	2.62	3	6.20	5.86	2.76	2.16	7.52	13.51	14.78	18.50	15.42	14.13	9.73	5.88	2.08
Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017

Helpful Resource:

The National Alliance of Public Charter Schools just released an issue briefing titled [What Charter Schools Should know: Acting During the Impending Fiscal Downturn.](#)

Summary:

- The current crisis will have economic implications that will affect school budgets.
- Identifying and understanding these effects and possible ways to mitigate their impact is important as schools look ahead to the budget for next year and the years that follow.
- This brief provides an initial assessment of lessons learned from previous economic downturns, different ways that states and charter schools may be affected, and some things that charter school leaders can do now to prepare for the impending fiscal downturn.

History of Revenue

- While we do not anticipate large decreases in general fund revenue for FY2021, we DO anticipate potential large and impactful decreases in future years
- According to the U.S. National Bureau of Economic Research, the last recession began in December 2007 and ended in June 2009, and thus extended over eighteen months
- However, state funding saw the sharpest declines in FY2009 and FY2010. Local revenue was impacted most substantially in FY2010 and remained in a declining state through FY2013
- Therefore, we will be sweeping unspent funds for FY2020 and planning for sharp declines in local funding for FY2022 and FY2023 by growing fund balance wherever possible

