



Wesley International Academy

Finance Committee Review

FY2019 PROPOSED BUDGET



AGENDA

- × FY2019 Enrollment Assumptions
- × FY2019 Revenue Assumptions
- × FY2019 Budget By Function
- × FY 2019 Compensation Overview
- × FY 2019 Gap Analysis
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- × Appendix – FY2019 Detailed Budget (handout)

FY2019 ENROLLMENT ASSUMPTIONS (FTE)

Enrollment	FY2018 Funded FTE	FY2019 Forecast	Change
QBE and Local Funding Model	792	Base Case: 800 FTEs	+8 FTEs
QBE and Local Funding Model	792	Best Case: 822 FTEs	+30 FTEs

- The Base assumption represents a moderate increase in student-teacher ratio from 22:1 school-wide, to 22:1 for Kindergarten and 23:1 for Grades 1-8.
- Full enrollment, per Charter Petition, is defines as 824 FTE.
- Full enrollment and is not expected to be realized until FY2021.

FY2019 REVENUE ASSUMPTIONS

REVENUE	FY 2018 REVISED BUDGET	FY2019 FORECAST	CHANGE	% CHANGE
State	\$4,207,320	\$4,345,670	\$138,350	3.29%
Local	\$5,536,440	\$5,955,890	\$419,450	7.58%
Federal	\$215,108	\$0	-\$215,108	-100.00%
Other	\$245,236	\$206,260	-\$38,976	-15.89%
Red Thread	\$43,434	\$60,000	\$16,566	38.14%
Cash Reserves	\$257,500	\$300,017	\$42,517	16.51%
Grand Total	\$10,505,038	\$10,867,837	\$362,799	3.45%

2019 REVENUE ASSUMPTIONS -

- State: Assumes QBE held flat with an additional \$50,000 in recovered funds from the elimination of austerity.
- Local: Assumes residential tax digest remains frozen at 2016 levels but commercial and industrial categories grow at the same rate as previous year. APS Fund Balance remains flat with previous year.
- Other: Field trip, athletic, club and other school fees.
- Cash Reserves: Special one-time funding for roll-out of new school-wide curriculum, seniority based signing bonuses and operating deficit.

FY2019 BUDGET BY FUNCTION

FUNCTION CODE/GROUP	FY 2018 REVISED BUDGET	FY2019 FORECAST	CHANGE	% CHANGE
1000 Instruction	\$6,591,848	\$6,723,703	\$131,855	2.00%
2100 Pupil Services	\$524,778	\$564,315	\$39,536	7.53%
2210 Improvement of Inst. Svc	\$374,548	\$458,762	\$84,214	22.48%
2300 General Admin	\$648,706	\$762,758	\$114,052	17.58%
2400 School Admin	\$945,624	\$975,093	\$29,469	3.12%
2500 Support Svc - Bus	\$373,248	\$351,795	-\$21,454	-5.75%
2600 Maint. & Ops Facility	\$986,110	\$969,293	-\$16,818	-1.71%
2700 Student Transportation	\$40,000	\$41,100	\$1,100	2.75%
3100 School Nutrition	\$16,000	\$16,000	\$0	0.00%
Grand Total	\$10,500,864	\$10,862,818	\$361,954	3.45%

2019 EXPENSE DRIVERS AND ASSOCIATED FUNCTION CODE–

- \$214K Increase in personnel from 107 to 111 (2100, 2600)
- \$235K for 24% increase in TRS employer contribution (1000, 2100, 2210, 2300, 2500, 2600)
- \$100K for 50% increase in APS District Fee (2300)
- \$87K for 15% increase in employer Healthcare subsidy (1000, 2100, 2210, 2300, 2500, 2600)
- \$163K one-time expense for PYP/MYP new curriculum (1000)
- \$93K one-time expense for seniority based signing bonuses for returning staff (excludes Leadership)

FY2019 TOTAL COMPENSATION OVERVIEW

FUNCTION CODE/GROUP	FY 2018 REVISED BUDGET	FY2019 FORECAST	% of Exp
1000 Instruction	\$5,603,538	\$5,777,693	70.1%
2100 Pupil Services	\$464,073	\$503,610	6.1%
2210 Improvement of Inst. Svc	\$374,548	\$458,762	5.6%
2300 General Admin	\$317,531	\$327,411	4.0%
2400 School Admin	\$810,124	\$844,093	10.2%
2500 Support Svc - Bus	\$255,948	\$256,495	3.1%
2600 Maint. & Ops Facility	\$0	\$73,941	0.9%
Grand Total	\$7,825,764	\$8,242,005	100.0%

COMPENSATION ALLOCATION BY STAFF

- 82% of total compensation is allocated to Instruction, Pupil Services and Staff Services
- 10% of total compensation is allocated to School Admin: Prins, APs, School Services , Office Staff, etc
- 7.1% of total compensation is allocated to General Admin (In-house District Services): ED, CFO, Procurement, IT, HR, etc.
- 0.9% of total compensation is allocated to Maintenance

FY2019 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 2018 forecasted YE expense is \$10,313,364 (excluding special items), so the estimated 2019 Unrestricted Cash Balance is \$1,271,511.

BUDGET GAP ANALYSIS – 2019 ESTIMATES

FY2019 Estimated Beginning Operating Bank Balance (cash reserves):	\$1,641,680
FY2019 YE required Unrestricted Cash Balance:	\$1,271,511
FY 2019 Maximum reserves available for operations :	\$370,169
FY 2019 Proposed utilization of cash reserves:	\$300,017

FY2019 SENSITIVITY ANALYSIS

Scenario 1 -

If APS receives an additional \$49M in local revenue (due to Fulton County residential tax digest being unfrozen), WIA's local funding is expected to increase by +\$600K.

Action Plan 1-

- \$300K allocated toward retroactive salary step increases for all teachers.
- \$300K allocated toward Cash Reserves for the purpose of anticipated local funding shortfalls in 2020 (SB 485).

Scenario 2 -

If WIA has an enrollment shortfall of 30 pupils (800 to 770 FTEs), WIA's revenue shortfall is estimated at -\$386K.

Action Plan 2 -

- Board approve reduction of Unrestricted Cash Balance from 45 days to 30 days freeing up approximately \$420K for deficit funding.

Scenario 3 -

If the APS 2% District Fee remains flat at 2% for FY2019, WIA's funding is expected to increase by \$100K.

Action Plan 3 -

- Reduce the use of Cash Reserves to balance the budget.

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

APPENDIX – FY2019 DETAILED BUDGET

SEE HANDOUT

#	Function	Description	2018 Budget Revision	2019 Draft Budget	2019 Draft Budget
1	Enrollment	Revenue - (FTE)	780	800	Base Case FTE Count Profile: Oct: 800, March: 792, Funding @801
2			100.0%	0	
3	Other	01-4000 Grants	\$0	0	
4	Other	01-4000 Grants	\$1,886	0	
5	Other	01-4100 Contributions	\$511	0	
6	Red Thread	01-4101 Red Thread Donations for Future Periods	\$0	0	
7	State	01-4105 State/Local Revenue FTE	\$4,207,320	4,345,670	2019 Earnings Forecast Worksheet (\$12,877/FTE)
8	Local	01-4105 State/Local Revenue FTE	\$5,536,440	5,955,890	
9	Federal	01-4110 Title I Funding (Reimb)	\$215,108	0	No title 1 Funding
10	Federal	01-4115 Cafeteria State/Federal Revenue	\$0	0	
11	Other	01-4300 General Field Trip Fees	\$61,000	61,440	Field Trip-Awards-Lockers-Agenda Worksheet
12	Other	01-4301 Athletic Fees	\$22,500	22,500	Athletics-Club Worksheet
13	Other	01-4302 Club Fees	\$4,500	4,500	Historic Trend
14	Other	01-4303 China Trip Fees	\$90,000	95,000	Field Trip-Awards-Lockers-Agenda Worksheet
15	Other	01-4305 School Fundraising Fees	\$5,000	0	Historic Trend
16	Other	01-4310 Cafeteria Food Revenue	\$0	0	
17	Other	01-4315 BASP Revenue	\$0	0	
18	Other	01-4320 Summer Camp Revenue	\$0	0	
19	Other	01-4325 Other Revenue	\$23,720	22,820	Field Trip-Awards-Lockers-Agenda Worksheet
20	Other	01-4330 Refunds/Rebates	\$1,000	0	Historic Trend
21	Other	01-4600 Donated Goods & Services	\$0	0	
22	Cash Reserves	01-4901 General Funds Release		163,500	PYP/MYP Textbooks, MYP 6-YR Curriculum One Time Expense
23	Cash Reserves	01-4901 General Funds Release		43,400	1 YR deficit funding (healthcare, pension)
24	Cash Reserves	01-4901 General Funds Release	\$257,500	93,117	\$86.5K signing bonus for returning staff (ex. Leadership)
25	Red Thread	01-4999 Release from Restriction - Red Thread	\$43,434	60,000	
26		01-4610 Debt Forgiveness	\$0	0	
27		01-4900 Transfer between Dept	\$0	0	
28		01-4999 Release from Restriction-Red Thread	\$0	0	
29	Other	01-9999 Uncategorized Revenue	\$20,000	0	
30	Other	02-4000 Restricted Grants	\$14,119	0	
31	Other	02-4100 Restricted Contributions	\$1,000	0	
32		Total Revenue	\$10,505,038	\$10,867,837	
33		Expenditures			
34		Salaries - By Program			
35	1000	1000-INSTRUCTION	\$5,603,538	\$5,777,693	Teachers, Paras Stipends: Leads, WIA Univ, Bonus
36	2100	2100-PUPIL SERVICES	\$464,073	\$503,610	Counselor, SST, Nurse, Stipends: Clubs, Sports
37	2210	2210-IMPROVEMENT OF INSTRUCTIONAL SERVICES	\$374,548	\$458,762	IC, IB Coord, DATA Coach
38	2300	2300-GENERAL ADMINISTRATION	\$317,531	\$327,411	ED, ED Asst, Comm.
39	2400	2400-SCHOOL ADMINISTRATION	\$810,124	\$844,093	APs, Prin, Dir, Off MGR, Registrar, Student Data
40	2500	2500-SUPPORT SERVICES (BUSINESS)	\$255,948	\$256,495	CFO, HR, Bookkeeper
41	2600	2660-MTC & OPS OF PLANT SERVICES	\$0	\$73,941	2-FT Staff
42		Total Compensation	\$7,825,764	\$8,242,005	
43		5500 Instruction			

#	Function	Description	2018 Budget Revision	2019 Draft Budget	2019 Draft Budget
44	1000	5505 Textbooks	\$90,000	\$87,000	PYP One time textbooks (assume 3yr life)
45	1000	5506 Consumables		\$59,400	Annual consumables
46	1000	5510 Classroom Supplies	\$80,000	\$80,000	Assume \$100 per pupil FTE. Art/Music/PE Included
47	1000	5511 Red Thread Project	\$0	\$0	
48	1000	5515 Technology - (Instructional Licenses Renewables)	\$55,000	\$134,450	\$76.5 MYP 3YR Pearson curriculum, \$58K PYP annual renewable
49	1000	5520 Reference Material/Library	\$10,710	\$20,000	Media Center to submit budget
50	1000	5525 FFE	\$238,500	\$40,000	
51	1000	5530 Instructional Travel	\$25,000	\$25,000	
52	1000	5535 Staff Development	\$65,000	\$85,000	add \$20K Datewise
53	1000	5540 Field Trip Fees	\$139,300	\$135,840	Worsheet
54	1000	5545 Student Assessment	\$40,800	\$30,000	Trending down for 2018
55	1000	5550 Awards	\$12,000	\$17,320	Worsheet
56	1000	5555 Instruction - PCard	\$0	\$0	
57		Total 5500 Instruction	\$756,310	\$714,010	
58		5600 Services			
59	2700	5605 Transportation	\$40,000	\$41,100	Marta, Fieldtrips, sports. Historical
60	2500	5610 Postage and Shipping	\$8,000	\$6,000	
61	2500	5615 Printing and Copy	\$40,000	\$40,000	Copier lease
62	2400	5620 Recruiting	\$5,000	\$5,000	Indeed, etc
63	3100	5625 Food and Beverage	\$16,000	\$16,000	Historical
64	2400	5630 Marketing	\$10,000	\$10,000	Hoodies, brochures, etc
65	2500	5640 Payroll	\$15,300	\$15,300	Trend
66	2500	5645 Legal	\$15,000	\$15,000	Need HR input
67	2600	5665 Technology Services	\$103,530	\$125,000	Contract \$8.5K/mo + \$10K repairs +\$7.8K Microsoft+ \$3.7 GoGuardian
68	2100	5670 Psychologists	\$17,000	\$17,000	
69	1000	5671 Substitute - Contractor/Agency	\$142,000	\$142,000	6-Collab/Cohort Mtgs per year (PYP)= \$6K. 85 educators @10days/YR = \$85K
70	2400	5675 Other Communications	\$5,000	\$41,000	T-Mobile Anytime/Anyplace Wifi for MYP Chromebooks (\$36K), Historical
71	2600	5680 Security	\$181,280	\$181,280	APS 2019 Buyback rates flat
72	2100	5685 Consulting	\$5,000	\$5,000	
73	2600	5690 Rentals	\$2,500	\$2,500	
74	2600	5695 Moving	\$3,000	\$3,000	
75	1000	5700 Other Contractors	\$80,000	\$90,000	\$44K ESOL, KSU \$36K, \$10K other.
76	2600	5705 Services - PCard	\$0	\$0	
77		Total 5600 Services	\$688,610	\$755,180	
78		5800 Governance and Management			
79	2500	5805 Bank Fees	\$9,000	\$9,000	
80	2300	5810 Audit	\$12,300	\$12,300	
81	2300	5815 Legal - G&M	\$1,000	\$1,000	
82	2300	5820 Insurance	\$95,000	\$95,000	Need renewal numbers??
83	2300	5825 Food and Beverage - G&M	\$1,500	\$1,500	
84	2300	5830 Supplies	\$1,500	\$1,500	
85	2300	5835 Consulting	\$25,000	\$15,000	\$8K Board On Track. \$7K Board training??
86	2300	5840 Administrative Fees (District)	\$194,875	\$309,047	Increased to 3% (APS)

#	Function	Description	2018 Budget Revision	2019 Draft Budget	2019 Draft Budget
87	2300	5845 Fundraising/Resource Develop	\$0	\$0	
88	2300	5850 G&M - PCard	\$0	\$0	
89		Total 5800 Governance and Management	\$340,175	\$444,347	
90		5900 Facility			
91	2600	5905 Water	\$60,000	\$48,000	\$4K/month
92	2600	5910 Electric	\$112,200	\$100,000	
93	2600	5915 Gas	\$7,000	\$7,000	
94	2600	5920 Waste	\$22,000	\$22,000	Reg \$1.6/mo + summer dumpster
95	2600	5925 Landscaping	\$12,000	\$10,000	Trending down 2018
96	2600	5930 Inspections/Compliance	\$12,500	\$12,500	Worksheet
97	2600	5935 Maintenance Repairs	\$100,000	\$105,971	Worksheet
98	2600	5940 Rent/Lease/Mortgage	\$56,100	\$56,100	3 trailers & kelly house (\$4,675/mo)
99	2600	5945 Janitorial Service	\$200,000	\$120,000	2 FT salary. \$120K max contractor.
100	2600	5950 Janitorial Supplies	\$20,000	\$20,000	Trend
101	2600	5955 Telephone/Internet	\$25,000	\$25,000	New erate contract with greater bandwidth. Nominal change.
102	2600	5960 Materials/Supplies	\$5,000	\$5,000	Worksheet
103	2600	5965 Pest Control	\$4,000	\$4,000	
104	2600	5970 Contractors	\$40,000	\$38,000	Worksheet
105	2600	5975 FFE	\$20,000	\$10,000	Worksheet
106	2600	5980 Facility - PCard	\$0	\$0	
107		Total 5900 Facility	\$695,800	\$583,571	
108		6000 General & Administrative Support			
109	2400	6005 Field Trips-G&A	\$0	\$0	
110	2400	6010 Awards	\$5,000	\$1,000	
111	2400	6015 FFE-G&A	\$7,500	\$2,500	
112	2400	6020 Technology-G&A	\$2,500	\$2,500	
113	2400	6025 Staff Development - G&A	\$35,000	\$15,000	Only Admin and Leadership
114	2400	6030 Food and Beverage - G&A	\$25,000	\$18,500	\$1.2K.mo + \$3.5K Staff Appreciation
115	2400	6035 Supplies - G&A	\$10,000	\$7,500	Non instructional supplies (Nurse, Kelly Office, Cook Office, etc)
116	2400	6040 Travel-G&A	\$5,000	\$2,500	
117	2400	6045 Professional Dues	\$25,500	\$25,500	IB = \$17K, GCSA=\$3K, Other \$5.5K
118	2500	6050 Contractor- G&A	\$30,000	\$10,000	Limit use of outside consultants
119	2400	6055 G&A - PCard	\$0	\$0	
120		Total 6000 General & Administrative Support	\$145,500	\$85,000	
121	1000	6100 Fundraising	\$10,000	\$0	
122		6300 Extra Curricular Activities			
123	2100	6305 Athletics	\$32,505	\$32,505	Worksheet
124	2100	6315 Clubs	\$6,200	\$6,200	Worksheet
125		Total 6300 Extra Curricular Activities	\$38,705	\$38,705	
126		9999 Uncategorized Expenditure	\$0	\$0	
127		Total Expenditures	\$10,500,864	\$10,862,818	
128		Net Operating Revenue	\$4,174	\$5,019	
129					

2019 Draft Budget_5-1-18, 2019 Master Budget (byFunction)

#	Function	Description	2018 Budget Revision	2019 Draft Budget	2019 Draft Budget
130		Starting Cash Balance	\$1,905,006	\$1,641,680	
131		- Cash Reserves (General Funds Release)	\$257,500	\$300,017	2018 \$187.5K for special funding of Chrome books/Carts/Datawise.
132		+Net Operating Revenue	\$4,174	\$5,019	
133		-Capital Projects	\$10,000	\$0	2018: \$10K for card access park gate 2019: Potential \$75K for new trailer prep for SY2020
134		-Capital (HVAC, roof, electrical, plumbing, etc)	\$0	\$25,000	2018 actual = \$0
135		Ending Cash Balance	\$1,641,680	\$1,321,682	
136		Unrestricted Cash Threshold (45 days OPEX)	\$1,294,627	\$1,271,511	
137		Threshold Maintained	YES	YES	