



Pullman Community Montessori 21/22 Proposed Budget Revision

Narrative

Why is a budget revision needed? Revenue: Enrollment is down 20.5 FTE, which mixed with other factors, has led to a drop in State apportionment of 243k in aggregate. Expenses: as we learn more about PCM's fiscal trends, we can update expenses to reflect reality and those trends.

What does a revision accomplish? This is managements updated vision for rest of year spending based on the new revenue reality.

What did management focus on? Making sure the program being offered is as true to the Montessori model as possible while still ending the year with at least 30 days cash to ensure short term fiscal viability.

Overall: extra Federal revenue and tight budget management by school staff has led to staffing being able to stay relatively flat in the face of large State revenue drops.

What should the Board focus on? Some important questions are: does this budget (1) meet the needs of students and staff? (2) set PCM up for short and long term fiscal sustainability?

Important reminder: a school isn't a business, if revenue drops by X, we cannot just make the same amount of cuts. Classes and programs must still be offered, and operational roles must continue. Cuts have been made where deemed possible without damaging the integrity of the program and model.

Summary

Revise (Change)

Grade Levels & Enrollment	Total FTE SPED FTE	FRL% SPED% TBIP%	Surplus / (Deficit)	Other Cash Effects	Ending Cash (08/31/22)
K-5 73.5 (-20.5)	12.1 (-0.9) 1	30% (-5%) 13.5% 4.9% (-6%)	Net income: -45k (-15k) Net cash effect: +2k (-11k)	Starting cash: 191k (+18k) Grant recognition cash effect: +103k (+45k)	193k 42 days (+4)

Key Data

Revision (Change)

Total Revenue	State Revenue	Federal Revenue	Private Revenue	Per Pupil General Apportionment	Per Pupil Revenue
1.73M (-113k)	952k (-241k)	518k (+136k)	260k (+19k)	11.2k (+671)	24k (+5k)

Total Expenses	Staffing Costs	School Operations (supplies)	Contractor Costs	Facility Costs	Per Pupil Expenditures
1.97M (-15k)	964k (-14k)	243k (-74k)	298k (+47k)	179k (-14k)	24k

Notable Budget Changes

Revenue

- A. Private foundations increased 19.5k
 - a. Lower than expected due to shift in enrollment strategy for 22-23 which results in a smaller WA Charters grant.
- B. State apportionment dropped 241k total, helped by 34.5k "Learn to Return" grant, private grants, and Federal funding
- C. CSP funding increased 117k, timing issue only, funding expected in FY20-21 not received until 21-22
- D. Other Federal funding increased 140k (Federal food revenue drop combined with increase in ESSER, e-rate, and CSP)
- E. Local donations reduced to 5k but original goal of 25k surpassed by 100k of grants; misc sales of good removed (7k)

Expenses

- F. Personnel salary costs decreased 14k, decreased MC and assistant FTE met with increased nurse FTE, lunch server FTE, and floating teacher additions; sub costs moved to in-house from contracted
- G. Back office support costs increased 65k increase from addition of SIA contract
- H. Various contractors: oversight fee 8k drop from revenue decrease and YMCA contract decrease of 9.7k; removed HSFC 9.5k cost
 - I. Furniture decreased 11k from drop in needed 22-23 supplies; actual drop is higher but there's an increase needed to accommodate 13k of 21-22 purchases
- J. Transportation costs decreased 24k, program didn't begin when anticipated
- K. School meals costs and revenues decreased about 45k to reflect actual student participation and Federal reimbursement rate
- L. Loan payments increased 44k from pay off of CSP bridge loan, originally thought to be paid back in summer 2021

Budget Revision - Summary		Original Budget	Change
Total Enrollment	73.5	94.00	(20.50)
Total Revenue	1,736,065	1,849,210	(113,145)
PnL Expenses	1,780,982	1,879,101	(98,118)
Total Expenses	1,973,110	1,988,872	(15,762)
Net Income	(44,918)	(29,891)	(15,027)
Revenue Per Pupil	24,801	19,672	5,128
General Apportionment Per Pupil	11,202	10,531	671
Expenses Per Pupil	28,187	21,158	7,029

2021-22 Budget Revision Detail		Original Budget	Change
REVENUES			
2000 - LOCAL SUPPORT - NON-TAX			
2200 - Sale Of Goods, Supplies, & Services	-	7,050	(7,050) E
2500 - Gifts Grants, and Donations (Local)	5,000	25,000	(20,000) E
TOTAL 2000 - LOCAL SUPPORT - NON-TAX	\$ 5,000	32,050	(27,050)
3000 - STATE REVENUE - GENERAL PURPOSE			
3100 - Apportionment	784,175	989,954	(205,779)
3121 - Special Education - General Apportionment	21,276	24,002	(2,726)
TOTAL 3000 - STATE REVENUE - GENERAL PURPOSE	\$ 805,451	1,013,955	(208,505) B
4000 - STATE REVENUE - SPECIAL PURPOSE			
4121 - Special Education - State	94,758	122,818	(28,060)
4155 - Learning Assistance	13,012	29,742	(16,730)
4165 - Transitional Bilingual	-	6,343	(6,343)
4199 - Transportation - Operations	-	18,675	(18,675)
4201 - State - Misc Grants	37,151	-	37,151
Total 4000 - STATE REVENUE - SPECIAL PURPOSE	\$ 146,975	180,219	(33,244) B
5000 - FEDERAL REVENUE - RESTRICTED			
IDEA Funding	15,036	11,985	3,051
6198 - School Food Services	50,060	92,316	(42,255)
CSP	298,184	154,304	143,880 C, D
Federal - Misc Grants	30,720	30,720	- D
ESSER	104,941	75,000	29,941 D
TOTAL 5000 - FEDERAL REVENUE - RESTRICTED	\$ 518,139	381,985	136,154
8000 - OTHER ENTITIES			
8200 - Private Foundations	260,500	241,000	19,500 A
TOTAL 8000 - OTHER ENTITIES	\$ 260,500	241,000	19,500
TOTAL REVENUE	\$ 1,736,065	\$ 1,849,210	(113,145)

EXPENSES		Original Budget	Change
ADMINISTRATIVE STAFF PERSONNEL COSTS			
Instructional Management	32,500	80,000	-47,500
Administrative Staff	49,815	45,000	4,815
TOTAL ADMINISTRATIVE STAFF PERSONNEL COSTS	\$ 172,315	215,000	-42,685 F
INSTRUCTIONAL PERSONNEL COSTS			
Teachers - Regular	273,914	249,301	24,613
Teaching Assistants	57,938	91,833	-33,896
Substitute Teachers	11,250	0	11,250
Other - Instructional	6,800	15,200	-8,400
TOTAL INSTRUCTIONAL PERSONNEL COSTS	\$ 414,400	420,833	-6,433 F
NON-INSTRUCTIONAL PERSONNEL COSTS			
Other - Non-Instructional	67,216	20,000	47,216
TOTAL NON-INSTRUCTIONAL PERSONNEL COSTS	\$ 67,216	34,720	32,496 F
TOTAL PERSONNEL SALARY COSTS	\$ 653,931	670,553	-16,622 F
PAYROLL TAXES AND BENEFITS			
TOTAL PAYROLL TAXES AND BENEFITS	\$ 310,590	307,867	2,723 F
TOTAL PERSONNEL, TAX & BENEFIT EXPENSES	\$ 964,521	978,420	-13,899 F

CONTRACTED SERVICES

Oversight Fee (3%)	27,458	35,825	-8,367 H
Substitute Teachers	-	11,250	-11,250 H
Back Office	161,000	96,000	65,000 G
Afterschool	27,316	37,070	-9,754 H
Food Service Management Company	-	9,500	-9,500 H
Tech support	22,000	20,000	2,000 H

TOTAL CONTRACTED SERVICES

\$ 298,794	251,095	47,699
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SCHOOL OPERATIONS

Equipment / Furniture	BS item	58,000	-11,290 I
Transportation (student)	15,000	39,600	-24,600 J
School Meals / Lunch	60,511	106,278	-45,767 K

TOTAL SCHOOL OPERATIONS

\$ 243,417	317,274	-73,857
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FACILITY OPERATION & MAINTENANCE

Financing Costs (Loan Payments - Interest)	577	20,250	43,798 L
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TOTAL FACILITY OPERATION & MAINTENANCE

\$ 179,367	193,243	-13,876
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RESERVES / CONTIGENCY

-	44,185	-44,185
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Total Expenses

\$ 1,686,099	1,784,218	-98,118
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Net Income - Accrual Basis

\$ (44,918)	-29,891	-15,027
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Cash-Basis Adjustments**Liabilities**

Deferred Revenue - Revenue Recognized	(160,500)	(216,000)	55,500
Deferred Revenue / AR -Cash Received	264,285	274,500	(10,215)

Loan Withdrawals	40,573	-	40,573
Principal Loan Payments	(64,048)	-	43,798 L
Depreciation - Add back	94,883	94,883	-

Total Liability Adjustments

\$ 175,193	\$ 153,383	\$ 129,656
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Assets

Renovation costs - Construction	56,369	-	56,369
Prepays - Contractors	25,000	37,070	(12,070)
Equipment/Furniture	46,710	72,701	(25,991)

Total Asset Adjustments

\$ 128,079	\$ 109,771	\$ 18,308
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Total Cash Effects

\$ 47,114	\$ 43,612	\$ 3,502
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Final Cash Effects

\$ 2,196	\$ 13,721	\$ (11,525)
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Budget Overview

Pullman Community Montessori Budget Summary

Revenue	Amount	%	Original	Change
Local Support	\$ 5,000	0%	\$ 32,050	\$ (27,050)
State Revenue - General	\$ 784,175	45%	\$ 989,954	\$ (205,779)
State Revenue - Special Purpose	\$ 168,251	10%	\$ 204,221	\$ (35,970)
Federal Revenue	\$ 518,139	30%	\$ 381,985	\$ 136,154
Grants & Other Sources	\$ 260,500	15%	\$ 241,000	\$ 19,500
Total Revenue	\$ 1,736,065		\$ 1,849,210	\$ (113,145)

Expenses	Amount	%	Original	Change
Salaries	\$ 653,931	37%	\$ 670,553	\$ (16,622)
Personnel Taxes & Benefits	\$ 310,590	17%	\$ 307,867	\$ 2,723
Contracted Services	\$ 298,794	17%	\$ 251,095	\$ 47,699
School Operations	\$ 243,417	14%	\$ 317,274	\$ (73,857)
Facility Operations & Maintenance	\$ 179,367	10%	\$ 193,243	\$ (13,876)
Depreciation	\$ 94,883	5%	\$ 94,883	\$ -
Reserves / Contingency	\$ -	0%	\$ 44,185.32	\$ (44,185)
PnL Expenditures	\$ 1,780,982		\$ 1,879,101	\$ (98,118)
Operating Net Income	\$ (44,918)		\$ (29,891)	\$ (15,027)

Balance Sheet Expenses	Amount	Original	Change
Leasehold improvements	\$ 56,369	\$ -	\$ 56,369
Principal Loan Payments	\$ 64,048	\$ -	\$ 64,048
Capitalized Furniture / Equipment	\$ 46,710	\$ 72,701	\$ (25,991)
Prepays (Contractors)	\$ 25,000	\$ 37,070	\$ (12,070)
Balance Sheet Expenditures	\$ 192,128	\$ 109,771	\$ 82,357

Balance Sheet Cash Effects	Amount	Original	Change
Loan Withdrawal	\$ 40,573	\$ -	\$ 40,573
PY Recognized Revenue Received	\$ 103,785	\$ 58,500	\$ 45,285
Depreciation (non-cash expense)	\$ 94,883	\$ 94,883	\$ -
Total Cash Effects	\$ 239,241	\$ 153,383	\$ 85,858
Final Cash Effect	\$ 2,196	\$ 43,612	\$ (26,389)
Beginning Cash	\$ 191,098	\$ 173,947	\$ 17,151
Ending Cash	\$ 193,294	\$ 187,668	\$ 5,626
Days Cash	42	38	4

Budget Detail

SUMMARY

Total Enrollment	70.0
Total Revenue	1,736,065
Total Expenses	1,686,099
Net Income	49,965
Revenue Per Pupil	24,801
General Apportionment Per Pupil	11,202
Expenses Per Pupil	24,087

YEAR 1
2021-22

Description of Assumptions

2021-22 Budget Detail
REVENUES

2000 - LOCAL SUPPORT - NON-TAX

2200 - Sale Of Goods, Supplies, & Services	-	Misc school feels & sales
2500 - Gifts Grants, and Donations (Local)	5,000	Local donations
2298 - Local lunch sales	-	All 21-22 meals are reimbursed at the free rate, no local lunch sales

TOTAL 2000 - LOCAL SUPPORT - NON-TAX \$ 5,000

3000 - STATE REVENUE - GENERAL PURPOSE

3100 - Apportionment	784,175	Based on 73.50 AAFTE (current is 74)
3121 - Special Education - General Apportionment	21,276	

TOTAL 3000 - STATE REVENUE - GENERAL PURPOSE \$ 805,451

4000 - STATE REVENUE - SPECIAL PURPOSE

4121 - Special Education - State	94,758	SPED Count: 12
4155 - Learning Assistance	13,012	
4165 - Transitional Bilingual	-	21-22 TBIP application not complete
4174 - Highly Capable	2,054	
4198 - School Food Service	-	
4199 - Transportation - Operations	-	
4201 - State - Misc Grants	37,151	Learn to return + Meals grants

Total 4000 - STATE REVENUE - SPECIAL PURPOSE \$ 146,975

5000 - FEDERAL REVENUE - RESTRICTED

Title I	16,512	
Title II	2,686	
Title III & IV	-	
IDEA Funding	15,036	
6198 - School Food Services	50,060	Based on 65% participation; pro-rated for no Aug/Sep rev
CSP	298,184	
Federal - Misc Grants	30,720	E-rate emergency connectivity funding
ESSER	104,941	ESSER III

TOTAL 5000 - FEDERAL REVENUE - RESTRICTED \$ 518,139

8000 - OTHER ENTITIES

8200 - Private Foundations	260,500	WA Charters + 2 \$50k donations
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TOTAL 8000 - OTHER ENTITIES \$ 260,500

TOTAL REVENUE \$ 1,736,065

EXPENSES**ADMINISTRATIVE STAFF PERSONNEL COSTS**

Executive Management	90,000	Head of School
Instructional Management	32,500	Montessori Coach
Administrative Staff	49,815	Office Manager

TOTAL ADMINISTRATIVE STAFF PERSONNEL COSTS \$ 172,315

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	273,914	
Teachers - SPED	64,499	
Teaching Assistants	57,938	
Substitute Teachers	11,250	
Other - Instructional	6,800	Summer PD

TOTAL INSTRUCTIONAL PERSONNEL COSTS \$ 414,400

NON-INSTRUCTIONAL PERSONNEL COSTS

Other - Non-Instructional	67,216	Lunch server & Nurse
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TOTAL NON-INSTRUCTIONAL PERSONNEL COSTS \$ 67,216

TOTAL PERSONNEL SALARY COSTS \$ 653,931

PAYROLL TAXES AND BENEFITS

Social Security	40,544	
Medicare	9,482	
State Unemployment	9,025	
Paid Family Medical Leave (State)	1,635	
Worker's Compensation Insurance	6,539	
Federal Unemployment	3,924	
SEBB	151,008	
SERS (Classified Retirement)	24,659	
TRS (Certificated Retirement)	63,774	

TOTAL PAYROLL TAXES AND BENEFITS \$ 310,590

TOTAL PERSONNEL, TAX & BENEFIT EXPENSES \$ 964,521

	56%	
CONTRACTED SERVICES		
Accounting / Audit	18,000	SAO (\$12k) + CPA (\$6k) audits
Legal	5,000	Flat yearly "in case" amount
Oversight Fee (3%)	27,458	Calculates as a % of total revenue for lines 3100, 3121, 4121, 4155, 4165, 4174 & 4199
Substitute Teachers	-	Subs handled in-house
Student Health	-	Nurse hired in-house
Back Office	161,000	JGP + SIA
Special Ed	38,020	Presence Learning, TMC contracts; other misc SPED costs
Program Support / PD		NCMPS, Nautilus, TSS
Afterschool	27,316	YMCA
Food Service Management Company	-	HSFC contract ended
Tech support	22,000	Galexis
TOTAL CONTRACTED SERVICES	<u>\$ 298,794</u>	
SCHOOL OPERATIONS		
Board Expenses	11,250	Yearly Board OnTrack + supplies
Classroom / Teaching Supplies & Materials	60,500	Includes \$25k of 21-22 supplies not paid in FY20-21 + the supplies for 22-23 (\$35.5k)
Special Ed Supplies & Materials	4,725	Estimate per SPED student (\$500)
Textbooks / Workbooks	5,250	\$75 per student
Equipment / Furniture		Office, common, kitchen and classroom furniture (\$33k for 22-23 needs, \$13k for 21-22 purchases) -
Internet / Phone	7,680	Internet / phone costs: \$490/mo. (\$300/mo internet, \$190/mo for VOIP, \$150/mo classroom phones);
Technology Hardware	17,206	4 laptops, 2 desktops, 1 charging cart; includes \$10k of 21-22 supplies not purchased in FY20-21
Technology Software	24,450	Skyward (\$15k), Adobe, Smartsheet, Microsoft, etc
Student Testing & Assessment	3,225	MAP tests & Reflection services
Field Trips	6,650	\$95 per student
Transportation (student)	15,000	Estimate to purchase bus & training + maintenance
Student Services - other	1,750	\$25 per student for clubs, dances, other school events
Office Expense	8,000	Flat amount for pens, hole punchers, etc
Staff Development	2,420	\$200 Per employee
Staff Recruitment	2,000	Flat amount for fingerprints and background checks
Student Recruitment / Marketing	3,000	Flat amount
School Meals / Lunch	60,511	Based on per student cost at 65% participation
Travel (Staff)	300	Flat amount
Fundraising	5,000	Database renewal costs, gift processing fees, printing of collateral, event costs
Dues & Memberships	2,000	WA Charters (\$5 per student), various fees (\$1.5k)
Printer	2,500	Printer rental costs + supplies (paper & staples)
TOTAL SCHOOL OPERATIONS	<u>\$ 243,417</u>	
FACILITY OPERATION & MAINTENANCE		
Insurance	12,500	Property, general liability, etc
Janitorial Services	4,053	Supplies only; services provided by Gladish
Building and Land Rent / Lease	159,238	Based on Gladish rent agreement
Repairs & Maintenance	3,000	Covered by landlord; flat amount for incidentals
Security Services	-	Not needed
Utilities	-	Covered by landlord
Financing Costs (Loan Payments - Interest)	577	Raza loan interest
TOTAL FACILITY OPERATION & MAINTENANCE	<u>\$ 179,367</u>	
RESERVES / CONTINGENCY	-	Attrition - 3% of State funding; Y1 removed (revenue already updated to actual)
Total Expenses	<u>\$ 1,686,099</u>	
Operating Net Income	<u>\$ 49,965</u>	
DEPRECIATION / AMORTIZATION	94,883	
Net Income - Accrual Basis	<u>\$ (44,918)</u>	

Cash-Basis Adjustments

Liabilities

Deferred Revenue - Revenue Recognized
 Deferred Revenue / AR -Cash Received

(160,500)
264,285
40,573
(64,048)
94,883
\$ 175,193

Grant revenue recognized but funds not received
 Actual grant revenue funds received - if recognized in a prior year
 21-22: includes \$190k of WA Charters grant recognized in 20-21 and \$74k of CSP revenue recognized in Aug 21
 Increases cash
 Loan payments - Principal (only affects the balance sheet)
 Depreciation is not a cash expense and gets "added back" for cash effect calculations

Total Liability Adjustments

Assets

Renovation costs - Construction
 Prepays - Contractors
 Equipment/Furniture

56,369
25,000
46,710
\$ 128,079

Final construction costs paid during FY21-22; includes \$6k pager system
 Contractor costs that are paid upfront for a full year of service are recorded as prepaid assets and
 Large furniture and equipment purchases are recorded as assets and depreciated over time

Total Asset Adjustments

Total Cash Effects

\$ 47,114

Final Cash Effects

\$ 2,196
