

# ARISE High School Board Financial Update

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NOVEMBER 17, 2020



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# 1<sup>st</sup> Interim Financial Report

## What is it?

- First mandated financial report for the fiscal year covering July 1-October 31.
- Due December 1 to OUSD.
- Includes YTD actuals through October, updated budget forecast, and multi-year projection.

## What does it say?

- Revenues and expenses generally on track, so no troubling trends to report.
- Out-year projections also show positive operating incomes, but smaller because of lack of one-time funding.

## Next Steps

- Review, ARISE Board to approve report.
- Submit by December 1.

# 2020-21 October Forecast Update

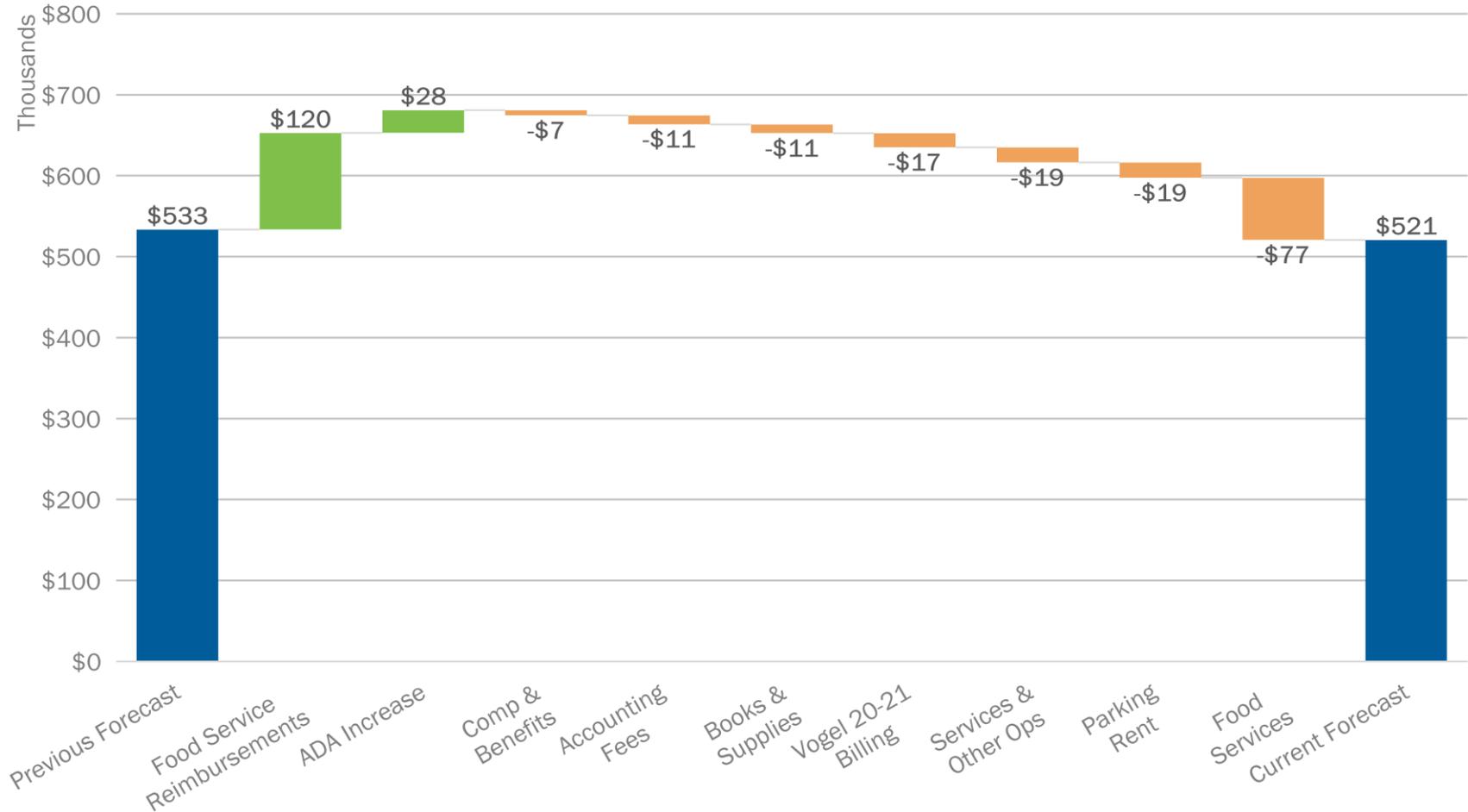
Actuals through 10/31/2020

**edtec** 



# 20-21 Forecast Waterfall

## Increased food services expenses and reimbursements after review



## Net \$13K decrease in operating income

		2020-21	2020-21	Variance
		Previous Forecast	Current Forecast	
Revenue	LCFF Entitlement	4,391,126	4,416,211	25,085
	Federal Revenue	637,185	744,982	107,797
	Other State Revenues	789,927	801,870	11,943
	Local Revenues	450,410	451,611	1,201
	Fundraising and Grants	-	-	-
	<b>Total Revenue</b>	<b>6,268,648</b>	<b>6,414,674</b>	<b>146,026</b>
Expenses	Compensation and Benefits	3,431,313	3,437,843	(6,530)
	Books and Supplies	289,730	377,412	(87,682)
	Services and Other Operating	1,674,791	1,747,404	(72,613)
	Depreciation	280,000	272,578	7,422
	Other Outflows	59,412	58,691	721
	<b>Total Expenses</b>	<b>5,735,246</b>	<b>5,893,929</b>	<b>(158,682)</b>
<b>Operating Income</b>	<b>533,401</b>	<b>520,745</b>	<b>(12,656)</b>	
	Beginning Balance (Unaudited)	1,767,139	1,696,356	(70,783)
	Operating Income	533,401	520,745	(12,656)
<b>Ending Fund Balance (incl. Depreciation)</b>		<b>2,300,540</b>	<b>2,217,101</b>	<b>(83,439)</b>
<b>Ending Fund Balance as % of Expenses</b>		<b>40.1%</b>	<b>37.6%</b>	<b>-2.5%</b>

# Multi-Year Projection



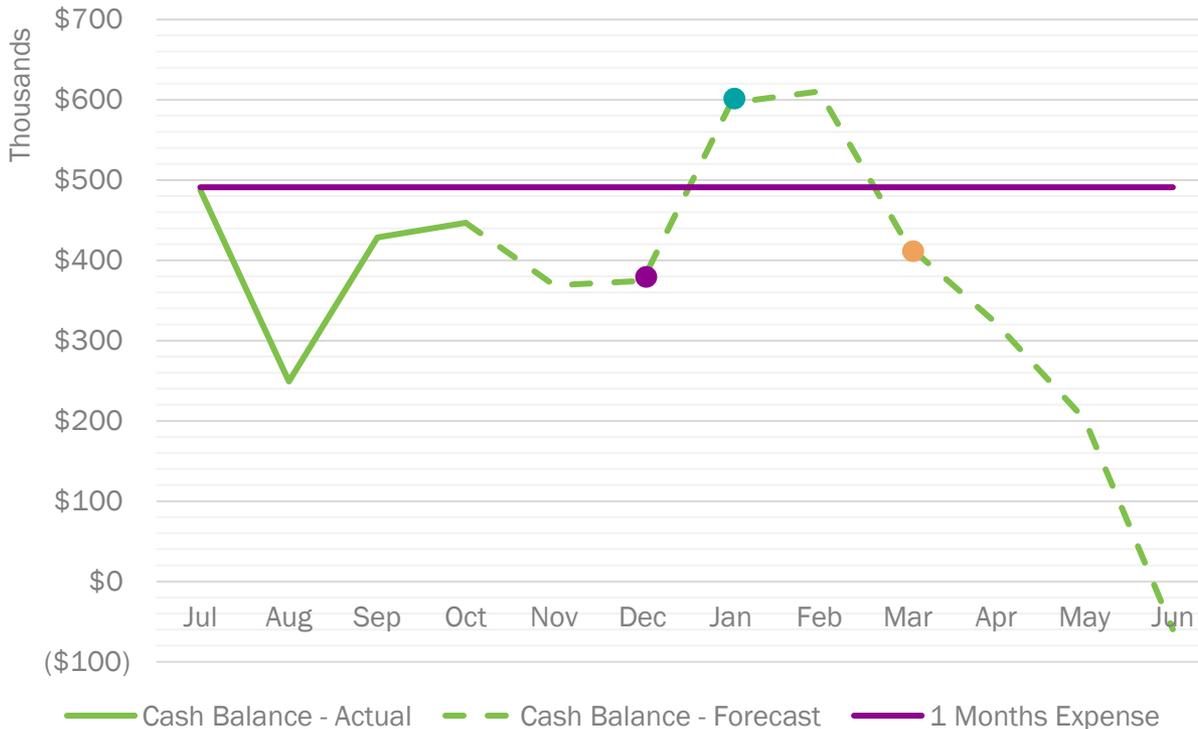
## Positive operating incomes but no one-time aid projected in out years

		2020-21	2021-22	2022-23
		Current Forecast	Projected Budget	Projected Budget
Revenue	LCFF Entitlement	4,416,211	4,548,441	4,541,067
	Federal Revenue	744,982	297,153	298,778
	Other State Revenues	801,870	787,703	788,182
	Local Revenues	451,611	448,710	448,710
	Fundraising and Grants	-	-	-
	<b>Total Revenue</b>	<b>6,414,674</b>	<b>6,082,007</b>	<b>6,076,737</b>
Expenses	Compensation and Benefits	3,437,843	3,431,936	3,480,273
	Books and Supplies	377,412	380,458	380,458
	Services and Other Operating	1,747,404	1,697,447	1,697,422
	Depreciation	272,578	272,578	266,917
	Other Outflows	58,691	56,819	51,153
	<b>Total Expenses</b>	<b>5,893,929</b>	<b>5,839,237</b>	<b>5,876,223</b>
<b>Operating Income</b>		<b>520,745</b>	<b>242,770</b>	<b>200,514</b>
	Beginning Balance (Audited)	1,696,356	2,217,101	2,459,871
	Operating Income	520,745	242,770	200,514
<b>Ending Fund Balance (incl. Depreciation)</b>		<b>2,217,101</b>	<b>2,459,871</b>	<b>2,660,385</b>
<b>Ending Fund Balance as % of Expenses</b>		<b>37.6%</b>	<b>42.1%</b>	<b>45.3%</b>

# 2020-21 Monthly Cash Flow Projection



## Cash balance trending upward until deferrals hit in March



### Revenue assumptions:

- **December** – PY SB740 (\$88K), PY Fed SpEd (\$42K)
- **January** – First 20-21 SB740 payment (\$183K)
- **March** – LCFF state aid deferrals start (53% deferred in March, 82% of each month thereafter)

Need to plan financing options for the spring

## Financing costs of each alternative to be compared

### Advances on State Aid Payments (ASAP)

- Offers advances on portion of deferred state aid payments
- Unknown financing cost, but expected to be competitive
- ARISE has already applied; cash would arrive by March 31

### Line of Credit

- ARISE could draw on its line of credit with CitiBank

### Receivable Sale

- ARISE could obtain cash by selling future receivables like monthly LCFF payments
- Financing costs expected to be less than during last financial crisis

# Arise Financial Dashboard

			2020-21 Board Meetings				
Metric	Target	Legend	9/15	10/20	11/17	12/8	2/16
Enrollment	385	>385 375-385 <375	385	387	387		
Attendance	93.5%	>93.5% 92-93.5% <92.0%	93.5%	93.5%	94.0%		
Expense variance to budget	No less than 5%	<4% 5% to 4% >5%	3.3%	3.1%	2.8%		
Uncategorized revenue & expense	<\$10,000	<\$10,000 \$10K-\$20K >\$20,000	\$166,000	\$17,000	\$23,995		
Cash on hand	45 days' expense	>45 30-45 <30	32	28	29		
Year-end fund balance (forecast)	20% of expenses	>20% 15-20% <15%	40.0%	41.0%	37.6%		

# Restricted Spending Update

## Measure N budgets being redone – some expenses rejected

