



CAMINO NUEVO CHARTER ACADEMY

Financial Analysis

March 2021

Net Income

Camino Nuevo Charter Academy is projected to achieve a net income of \$5.13M in FY20-21 compared to \$2.70M in the board approved budget. Reasons for this positive \$2.44M variance are explained below in the Income Statement section of this analysis.

Balance Sheet

As of March 31, 2021, the school's cash balance was \$16.23M. By June 30, 2021, the school's cash balance is projected to be \$7.81M, which represents an 18% reserve.

As of March 31, 2021, the Accounts Receivable balance was \$90K, down from \$210K in the previous month, due to the receipt of revenue earned in FY19-20.

As of March 31, 2021, the Accounts Payable balance, including payroll liabilities, totaled \$1.22M, compared to \$1.20M in the prior month.

As of March 31, 2021, CNCA had a debt balance of \$19.94M compared to \$20.13M in the prior month. An additional \$290K will be paid this fiscal year. Debt balances consist of the following:

- \$10.63M - 3rd St/Prop 55 Long-Term loan due back to the State.
- \$9.31M - Prop ID loan due back to the State. CNCA has received confirmation that upon CNHS vacating the premises on 06/30/21, they will be released from this obligation.

Income Statement

Revenue

Total revenue for FY20-21 is projected to be \$50.25M, which is \$881K or 1.7% under budgeted revenue of \$51.13M.

Object Code 8221: Federal Nutrition Revenue is expected to be \$1.15M under budget. Due to school closures related to COVID-19, participation rates for the school nutrition program are lower than budgeted. Reduced revenue is offset by decreased nutrition food expenses (**Object 4711**).

Object Code 8520: State Nutrition Revenue is expected to be \$82K under budget. Due to school closures related to COVID-19, participation rates for the school nutrition program are lower than budgeted. Reduced revenue is offset by decreased nutrition food expenses (**Object 4711**).

Object Code 8694: In Kind Donations are \$108K over budget largely due to a \$93K See's Candy Donation received by the Dalzell Lance site. This is offset by Fundraising Expense (**Object Code 5865**).

This report will discuss revenue and expenditure variances from the Board-approved budget that are above \$75,000 and 10%.



Object Code 8698: SELPA Grants are projected to be \$121K over budget based on Round 1 of STEP grants awarded to the charter schools.

Object Code 8999: Prior Year revenue is expected to be \$141K over largely due to \$91K of SMAA funds & \$41k of additional FY19-20 nutrition funds provided by CARES act.

Expenses

Total expenses for FY20-21 are projected to be \$45.12M, which is \$3.32M or 6.8% under budgeted expenditures of \$48.44M.

Object Code 1299: Certificated Pupil Support expense is projected to be \$189K under budget as a result of multiple open positions for the SPED Program.

Object Code 2200: Classified Support salaries are projected to be \$84K under budget as a result of open nurse or custodian positions across sites during the year.

Object Code 3601: Workers' Compensation expense is projected to be \$114K under budget based on final policy details.

Object Code 4390: Other Supplies is projected to be \$107K over budget due to the reclassification of personal protective equipment from custodial supplies to all other supplies.

Object Code 4411: Non Capitalized Equipment is projected to be \$848K under budget as a result of tech purchases being capitalized.

Object Code 4711: Nutrition Program Food expense is projected to be \$1.29M under budget due to school closures related to COVID-19 and commodity credits received. Impact of school closure is offset by decreased nutrition revenue (**Object Code 8220, 8520**).

Object Code 5511: Utilities expense is projected to be \$121K under budget based on lower trends as a result of school closures.

Object Code 5531: Housekeeping Services expense is projected to be \$153K under budget due to decreased services needed during school closures.

Object Code 5841: Contracted Substitute Teachers expense is projected to be \$109K over budget as a result of additional substitute usage across the charter schools. This is offset by savings in teacher salaries due to teachers on leave or vacant positions.

Object Code 5842: Special Education Services expense is projected to be \$539K under budget based on a lower billing trend for special education invoices. This is largely due to decreased or different services being able to be provided in a remote setting.

Object Code 5844: After School Services expense is projected to be \$117K over budget due to the inclusion of the final payment for the ASES Kids Code grant as well as additional program services being provided as students return to campus.

Object Code 5849: Other Student Instructional Services expense is projected to be \$350K under budget largely due to the reclassification of consultant expenses from this line item to Special Education Consultants (**Object 5842**), PD Expense (**Object Code 5852**), and Other Consultants (**Object 5859**).

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Object Code 5865: Fundraising Cost expense is \$95K over budget. As mentioned above, Dalzell Lance received \$93K See's Candy In-kind Donation.

ADA

Budgeted average ADA for FY20-21 is 3216.40 based on an enrollment of 3374 and a 95.0% attendance rate.

The forecast assumes an ADA of 3218.84 based on an enrollment of 3367 and a 95.0% attendance rate.

Due to school closures related to COVID-19, schools are to be funded on FY19-20 ADA. An exception was allowed for new schools and schools that budgeted growing enrollment during FY20-21. For growing schools, ADA can be calculated based on enrollment on Census Day (Oct. 7th) at the state average ADA rate. All of Camino's charters are being forecasted at FY19-20 P2 ADA with the exception of Burlington. As such, an increase of 2.44 ADA is reflected in the forecast for Burlington site.

The ExED dashboard is not reflecting current enrollment. However, it is important for the school to continue to monitor enrollment numbers.

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