

# El Camino Real Charter High School

December 2016 Financials

© EdTec, Inc. 2017



**Feb 15, 2017**

**Chang Patel & Milada Rakijian**

# Financial Presentation

## Agenda



- December 2016 Financial Update
  - ▣ Current Forecast
  - ▣ YTD Actuals vs. YTD Budget
  - ▣ Cash Flow Projection
  - ▣ Balance Sheet



## December 2016 Financial Update

# Current Forecast: Dec 2016 Update

Operating income including depreciation is projected to be \$2.9M,  
a \$311K increase compared to the previous forecast.



|                        | Approved<br>Budget | Previous<br>Month's<br>Forecast | Current<br>Forecast | Variance<br>(Previous vs.<br>Current<br>Forecast) | Variance<br>Budget vs.<br>Current<br>Forecast) |
|------------------------|--------------------|---------------------------------|---------------------|---|--|
| Revenue                | 35,847,716         | 36,455,984                      | 36,776,401          | 320,416   | 928,685  |
| Expenses               | 35,283,279         | 33,847,564                      | 33,857,277          | (9,714)   | 1,426,002                                      |
| Net Income             | 564,437            | 2,608,421                       | 2,919,123           | 310,703   | 2,354,687                                      |
| Beginning Fund Balance | 17,194,987         | 17,194,987                      | 17,194,987          |   |  |
| Audit Adjustment       | -                  | 962,376                         | 962,376             |   |  |
| Ending Fund Balance    | 17,759,423         | 20,765,784                      | 21,076,486          |   |  |

# Current Revenue Forecast: Dec 2016 Update

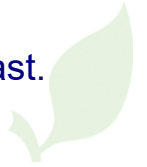
The revenue forecast is \$36.7M, an increase of \$320K when compared to the previous month's forecast.



| Revenue Summary        | Previous Month's Forecast | Current Forecast | Variance (Previous vs. Current Forecast) | Notes   |
|------------------------|---------------------------|------------------|--|---|
| LCFF Entitlement       | \$ 30,386,911             | \$ 30,386,911    | \$ -                                     | • No Change   |
| Federal Revenue        | \$ 1,202,649              | \$ 1,207,462     | \$ 4,813                                 | • Title Funding updated to match newly released entitlement schedule  |
| Other State Revenues   | \$ 3,516,436              | \$ 3,651,030     | \$ 134,594                               | <ul style="list-style-type: none"> <li>• Increase in All Other State Revenue: Added College Readiness Block Grant of \$127k to be spent over 3 years. Unspent portion will be recognized as restricted assets at end of year for spending in future years</li> <li>• Increase in All Other State Revenue updated Medi-CAL to actuals</li> </ul>                                       |
| Local Revenues         | \$ 1,299,988              | \$ 1,480,998     | \$ 181,009                               | <ul style="list-style-type: none"> <li>• Increase in Other Local Revenue – to match actuals<br/>+\$144k international student tuition<br/>+\$40k general operations, student store, fees &amp; fines, and woodshop</li> <li>• Increase in Food Service Sales to match actuals. Includes prepaid meals (+\$8k)</li> <li>• Net Decrease in Fair Value of Investment (-\$12k)</li> </ul> |
| Fundraising and Grants | \$ 50,000.00              | \$ 50,000.00     | \$ -                                     | • No Change   |
| Total Revenue          | \$ 36,455,984             | \$ 36,776,401    | \$ 320,416                               |   |

# Current Expense Forecast: Dec 2016 Update

The expense forecast is \$33.8M, an increase of \$9.7K when compared to the previous month's forecast.



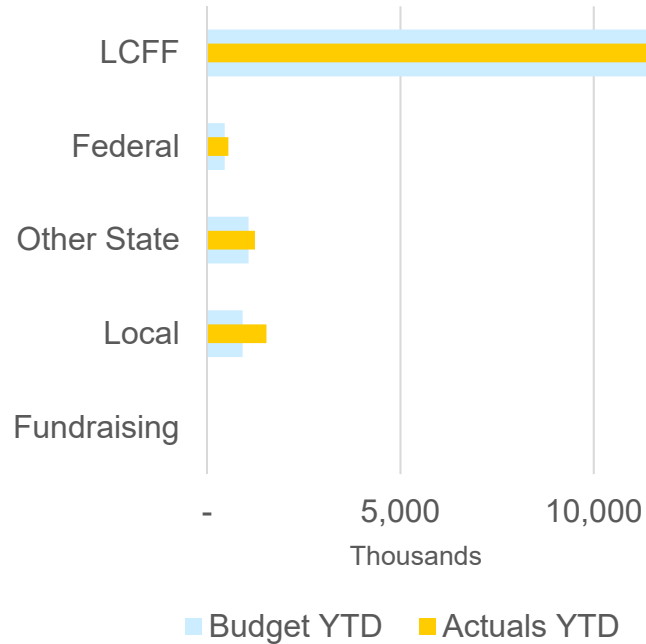
| Expense Summary                           | Previous Month's Forecast | Current Forecast | Variance (Previous vs. Current Forecast) | Notes  |
|---|---------------------------|------------------|--|--|
| Compensation and Benefits                 | \$ 26,101,717             | \$ 26,101,717    | \$ -                                     | <ul style="list-style-type: none"> <li>No Change. Comp &amp; Benefits spending on track.</li> <li>48% of forecast spent.</li> </ul>              |
| Books and Supplies                        | \$ 2,598,955              | \$ 2,598,955     | \$ -                                     | <ul style="list-style-type: none"> <li>No Change. Books &amp; Supplies spending slower than expected.</li> <li>28% of forecast spent.</li> </ul> |
| Services and Other Operating Expenditures | \$ 5,009,057              | \$ 5,018,770     | \$ (9,714)                               | <ul style="list-style-type: none"> <li>Increase in PY Expenses: Chartersafe 15-16</li> <li>46% of forecast spent</li> </ul>                      |
| Depreciation                              | \$ 137,835                | \$ 137,835       | \$ -                                     | <ul style="list-style-type: none"> <li>No Change</li> </ul>  |
| Total Expenses                            | \$ 33,847,564             | \$ 33,857,277    | \$ (9,714)                               |  |

# YTD Actuals vs YTD Budget: Dec 2016 Update

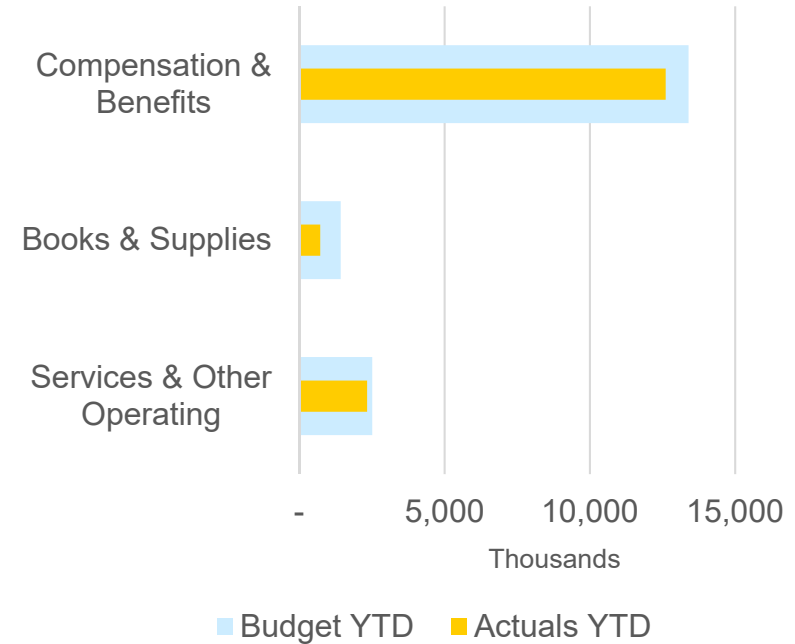
Revenues tracking ahead of budget by \$1M while expenses tracking behind budget by \$1.6M



## Revenues



## Expenditures



# 2016-17 Cash Flow Projection

Healthy ending cash balances for the rest of the year



2016/17 Cash Projections





# Balance Sheet

## Balances as of Dec 31, 2016



|                                       | 12/31/2016        | 6/30/2016         | YTD Change         |
|---------------------------------------|-------------------|-------------------|--------------------|
| <b>Assets</b>                         |                   |                   |                    |
| Cash Balances                         | \$ 8,955,260      | \$ 7,481,424      | \$ 1,473,836       |
| Accounts Receivable                   | \$ 25,430         | \$ 3,305,922      | (3,280,491)        |
| Prepays and Other Assets              | \$ 793            | \$ 371,574        | (370,781)          |
| Fixed Assets, Net                     | \$ 4,061,608      | \$ 4,061,608      | -                  |
| Investments                           | \$ 5,227,023      | \$ 5,195,254      | 31,769             |
| Due to/from other                     | \$ -              | \$ -              | -                  |
| <b>Total Assets</b>                   | <b>18,270,113</b> | <b>20,415,781</b> | <b>(2,145,667)</b> |
| <b>Liabilities &amp; Equity</b>       |                   |                   |                    |
| Accrued Expenses                      | \$ 61,768         | \$ 1,192,174      | \$ (1,130,406)     |
| Due to Grantor Governments/Others     | \$ 257,702        | \$ 215,256        | 42,446             |
| OPEB Liability                        | \$ -              | \$ -              | -                  |
| Deferred Revenue                      | \$ -              | \$ 850,988        | (850,988)          |
| Loans and other payables              | \$ -              | \$ -              | -                  |
| Beginning Net Assets - Audited        | \$ 18,157,363     | \$ 14,357,676     | 3,799,687          |
| Other Restatements                    | \$ -              | \$ -              | -                  |
| Net Income (Loss) to Date             | \$ (206,719)      | \$ 3,799,687      | (4,006,406)        |
| <b>Total Liabilities &amp; Equity</b> | <b>18,270,113</b> | <b>20,415,781</b> | <b>(2,145,667)</b> |

- \$8.9M cash balance as of 12/31/16
- \$25K remaining in 15-16 receivables
  - \$23K in Child Nutrition
  - \$2k Title II
- \$56k remaining in accrued expenses
  - 15-16 Miguel Leonis rent
- \$5.2M in Temporarily Restricted
  - \$5M – for facility
  - \$229k – Educator Effectiveness
- \$17.9M fund balance as of 12/31/16

# 2013-17 Budget Historicals

Fund balance has grown from 38% to 62% over last 3 years; \$5.3M of \$21M is restricted.

|   |   | 2013/14           | 2014/15           | 2015/16           | 2016/17           |
|---|---|-------------------|-------------------|-------------------|-------------------|
|   |   | Unaudited Actuals | Unaudited Actuals | Unaudited Actuals | Current Forecast  |
| <b>SUMMARY</b>                                      |   |                   |                   |                   |                   |
| <b>Revenue</b>                                      |   |                   |                   |                   |                   |
|   | LCFF Entitlement                          | 24,331,029        | 27,161,873        | 30,100,850        | 30,386,911        |
|   | Federal Revenue                           | 1,024,093         | 1,190,975         | 970,967           | 1,207,462         |
|   | Other State Revenues                      | 2,890,762         | 3,682,557         | 5,907,746         | 3,651,030         |
|   | Local Revenues                            | 1,344,252         | 1,528,327         | 2,100,154         | 1,480,848         |
|   | Fundraising and Grants                    | -                 | -                 | -                 | 50,000            |
|   | <b>Total Revenue</b>                      | <b>29,590,136</b> | <b>33,563,733</b> | <b>39,079,717</b> | <b>36,776,251</b> |
| <b>Expenses</b>                                     |   |                   |                   |                   |                   |
|   | Compensation and Benefits                 | 20,622,075        | 22,285,046        | 27,312,263        | 26,101,717        |
|   | Books and Supplies                        | 1,848,379         | 2,578,308         | 2,653,766         | 2,598,955         |
|   | Services and Other Operating Expenditures | 3,669,437         | 4,684,312         | 5,743,808         | 5,018,770         |
|   | Depreciation                              | 138,645           | 252,573           | 532,570           | 137,835           |
|   | <b>Total Expenses</b>                     | <b>26,278,537</b> | <b>29,800,240</b> | <b>36,242,407</b> | <b>33,857,277</b> |
| <b>Operating Income</b>                             |   | <b>3,311,599</b>  | <b>3,763,493</b>  | <b>2,837,311</b>  | <b>2,918,973</b>  |
| <b>Fund Balance</b>                                 |   |                   |                   |                   |                   |
|   | Beginning Balance (Unaudited)             | 6,704,831         | 10,004,993        | 14,357,675        | 18,157,362        |
|   | Audit Adjustment                          | (11,437)          | 589,189           | 962,376           | -                 |
|   | Beginning Balance (Audited)               | 6,693,394         | 10,594,182        | 15,320,051        | 18,157,362        |
|   | Operating Income                          | 3,311,599         | 3,763,493         | 2,837,311         | 2,918,973         |
| <b>Ending Fund Balance (including Depreciation)</b> |   | <b>10,004,993</b> | <b>14,357,675</b> | <b>18,157,362</b> | <b>21,076,335</b> |