

Urban Montessori Charter School

March Financial Presentation



May 13, 2015

Presented by: Michelle Cho

Financial Presentation Agenda



- Solid March Financials
- 14-15 Forecast: Focusing on Loose Ends
- Cash Update: Reductions to AP
- Looking to 15-16: Draft Budget

1. March Financials

Solid Financials in March

Activities generated \$47K operating income



- Significant fundraising revenue (\$112K), largely from the comedy event

	Jan	Feb	Mar	Actual YTD	Budget YTD	Variance (YTD less Budget)
SUMMARY						
Revenue						
General Block Grant	190,148	100,626	179,095	1,051,758	1,114,180	(62,422)
Federal Revenue	10,372	4,314	18,156	55,455	60,108	(4,653)
Other State Revenues	20,834	26,220	16,045	112,038	108,168	3,870
Local Revenues	18,156	21,222	5,816	86,994	103,233	(16,240)
Fundraising and Grants	1,457	17,827	111,726	179,629	130,000	49,629
Total Revenue	240,967	170,209	330,838	1,485,874	1,515,690	(29,816)
Expenses						
Compensation and Benefits	131,006	127,711	129,926	1,062,976	1,111,278	48,302
Books and Supplies	10,939	8,528	10,286	110,370	110,949	578
Services and Other Operating Expenditures	88,911	50,791	143,356	556,996	548,260	(8,736)
Capital Outlay	-	-	-	-	-	-
Total Expenses	230,856	187,030	283,568	1,730,342	1,770,486	40,144
Operating Income (excluding Depreciation)	10,111	(16,821)	47,270	(244,468)	(254,796)	10,328

2. 14-15 Forecast

Current 14-15 Forecast Projects Operating Income of \$70K (Largely Unchanged Since Previous Forecast)

	Mar	Actual YTD	Approved Budget	Previous Month's Forecast	Current Forecast
SUMMARY					
Revenue					
General Block Grant	179,095	1,051,758	1,792,242	1,746,383	1,749,088
Federal Revenue	18,156	55,455	123,541	122,538	116,914
Other State Revenues	16,045	112,038	223,928	220,972	217,301
Local Revenues	5,816	86,994	147,476	147,476	145,241
Fundraising and Grants	111,726	179,629	275,000	325,000	348,000
Total Revenue	330,838	1,485,874	2,562,188	2,562,369	2,576,544
Expenses					
Compensation and Benefits	129,926	1,062,976	1,488,864	1,474,276	1,462,363
Books and Supplies	10,286	110,370	148,687	163,198	156,024
Services and Other Operating Expenditures	143,356	556,996	819,730	855,101	888,008
Capital Outlay	-	-	-	-	-
Total Expenses	283,568	1,730,342	2,457,281	2,492,575	2,506,395
Operating Income (excluding Depreciation)	47,270	(244,468)	104,907	69,794	70,148
<i>Operating Income (including Depreciation)</i>	47,270	(244,468)	104,907	69,794	70,148
Fund Balance					
Beginning Balance (Unaudited)	(270,629)	21,109	(30,144)	21,109	21,109
Audit Adjustment		(2,557)	-	(2,557)	(2,557)
Beginning Balance (Audited)		18,552	(30,144)	18,552	18,552
Operating Income (including Depreciation)	47,270	(244,468)	104,907	69,794	70,148
Ending Fund Balance (including Depreciation)	(223,359)	(225,916)	74,763	88,346	88,700

- Expected fund balance of \$88.7K (3.5% of expenses)

14-15 Revenue Update:

\$14K additional revenues expected; bulk of \$2.6M projected revenues secured



- P-2 ADA submitted (260.24)
 - LCFF funding: \$1.75M
 - Unduplicated count amended with CALPADS (changed to 116 from 107) (+\$2.7K)
- Title funding revised (+\$14.8K), to reflect revised entitlement from CDE
- Child nutrition revenues revised based on actuals (-\$22.5K)
- State Lottery revenues revised (-\$1.6K)
- Monitoring local revenues (60% of forecast received so far)
 - After School Program Revenue revised (-\$2.2K)
- Fundraising: \$325K secured, about \$23K remain
 - \$18K Rainin Foundation grant for summer school expenses
 - Additional \$5K gross revenue from comedy event based on latest tally
 - Not yet secured: \$22K Parent Fundraising
 - Secured but not yet collected: \$29K commitments from comedy event

14-15 Expenses Update:

On net, \$13.8K additional expenses projected



- Fundraising expenses increased by **\$12K** based on the latest tally of the comedy event
- Additional Jupiter support, after school expenses expected to increase for the remainder of the year (**\$4.3K**)
- Utilities and legal fees adjusted based on actuals (**\$12K**)
- Legal settlement of \$13.5K spread across 2 years (**\$7K** in 14-15)
- Budgets reallocated to cover actuals
 - Expense reductions (**\$6K**): Office Supplies, Equipment, Student Food Services, Administrative Fees, Fingerprinting, Printing and Repro, Student Health Services, After School Reimbursements
 - Overages (**\$4K**): Instructional Materials, PE Supplies, Unemployment Insurance, Liability Insurance, Field Trip Expenses, Fines
- Lunch supervision expenses reduced by **\$2K**
- Health benefit costs revised based on actuals by **\$12K**
- Half of NGLC devices expense pushed to 15-16 (**\$5.5K**)

3. Cash Flow

AP Reductions Began in March, More to Follow in April and May



- Ending Cash in March was \$167K
- Last PCSGP Implementation Grant payment arrived in March (\$57.5K)
- Successful cash management helped us through the lean months
- June deferral exemption likely not needed this year

4. 15-16 DRAFT Budget

15-16 Budgeting Continues



- EdTec working with the board and the school leadership to budget for 15-16 school year (Feb-Mar)
- Further revisions made since the last meeting (Apr)
- This draft is near final
 - May Revise of the State Budget will be made available soon, which will affect revenue (and potentially expense) forecasts
 - Delivery of after-school care is TBD
 - Board/community feedback to be considered and incorporated
- Budget to be approved and submitted to the County in June
- In the fall, the approved budget will be revised:
 - State budget will be approved in July
 - Final hiring decisions will be made over summer/fall
 - Actuals v. estimates

Reflection on 2014-15 Budget



- Interest in UMCS remains high, as reflected by initial enrollment (279)
 - Some natural attrition
- Attendance hit by a strong flu season
 - Didn't hit 97% (goal) in any given month; averaged 94.5%
 - Offset by ADA contingency
- Fundraising effort remains high, with results
 - Comedy event (estimated to be \$140K net revenues)
 - Grant-writing (e.g., \$100K NGLC grant)
- Savings on salaries and overages in services largely driven by Special Education and After School services provided through contractors rather than staff on payroll
- Staffing transitions required substitute coverage
 - Filled in part by re-configuration of duties by existing staff
- Additional supervision, behavioral support and enrichment mid-year

15-16: Key Revenue Assumptions

Enrollment projected at 311



Grade Level	Students
TK/K	56
1	60
2	60
3	60
4	50
5	25
TOTAL	311

- Enrollment expected to be 311, with 95% attendance
 - ADA goal: 295.5
 - 160 on Waiting List
- 11 Classrooms with 28-30 each
- LCFF implementation expected to be 32.19% in 15-16 (FCMAT)
 - \$7,247 per ADA (\$6,721 in 14-15)
- To meet 3% unrestricted fund balance (of expenditures), \$291K needed in combined fundraising efforts (less than \$348K in 14-15)
- Total revenue per student: \$9,410
 - Approx \$9,369 in 14-15

15-16: Key Expense Assumptions

Compensation and Benefits to Grow approximately 38%



- Growth from additional enrollment, increased support, and transition of services from contractors to in-house staff

	14-15	15-16	Diff
Certificated Salaries	\$686K	\$851K	+\$166K
Classified Salaries	\$492K	\$729K	+\$237K
Benefits	\$284K	\$430K	+\$146K
Total	\$1.462M	\$2.010M	+\$549K

- Certificated Salaries: 2 additional lead teachers, 0.6 FTE Speech, 06 FTE OT, 0.25 FTE Psychologist
- Classified Salaries: 2.5 additional support teachers, 0.75 FTE reading specialist, 1 school climate coach, 2 behavioral aides, part-time art studio and music, part-time custodian
- Benefits: health cost increase at 10%, STRS at 10.73%

* Positions in green represent services provided by contractors in 14-15.

15-16: Key Expense Assumptions

Books and Supplies to Grow by 49%; Services to Decline by 29%



- Books and Supplies growth from increase in ADA, larger Instructional Materials budget, NGLC expenditures, and transfer of services to in-house
 - NGLC expenditures: +\$50K
 - Instructional Materials: +\$10K
- Services and Other Operating Expenditures set to decline as many services are brought in-house, offset by NGLC expenditures
 - Special Ed contractors budgets: -\$237K
 - Rent and Janitorial Services: -\$37K
 - NGLC expenditures: +\$18K
 - ADA contingency of \$12K

4a. Special Education

Special Education Expenses Were Spread Across Multiple Categories in 14-15 Budget



	Current Forecast
<u>4340 (SPED Intervention Supplies)</u>	
<u>5869 (Special Education Contract Instructors) (Seneca)</u>	\$ 216,916
<u>5854 (Consultants - Other 1) (Non-Seneca)</u>	\$ 78,813
<u>5820 (Consultants - Non Instructional - Custom 1)</u>	\$ 29,768
<u>Payroll</u>	\$ 134,298
Total	\$ 459,795

5869 (Special Ed Contract Instructors) (Seneca)

Psychological Services OT (maternity leave coverage)
 One-on-one Curriculum and Supplies
 Program Supervision Buffer

5820 (Consultants – Non Instructional – Custom 1)

School Climate Coach

5854 (Consultants – Other 1) (Non-Seneca)

Speech Social Work
 Deaf/hard of hearing Assistive PE

Payroll

SPED Director
 Resource One-on-One
 Occupational Therapy

In 15-16, More Contractor Services are Planned to be Provided by Staff on Payroll



	14-15 Current Forecast	15-16 Budget	Variance (15-16 Budget to Current Forecast)
<u>4340 (SPED Intervention Supplies)</u>		\$ 7,000	\$ 7,000
<u>5869 (Special Education Contract Instructors) (Seneca)</u>	\$ 216,916	\$ 40,000	\$ (176,916)
<u>5854 (Consultants - Other 1) (Non-Seneca)</u>	\$ 78,813	\$ 33,913	\$ (44,900)
<u>5820 (Consultants - Non Instructional - Custom 1)</u>	\$ 29,768	\$ -	\$ (29,768)
<u>Payroll</u>	\$ 134,298	\$ 319,920	\$ 185,622
Total	\$ 459,795	\$ 400,833	\$ (58,962)

5869 (Special Ed Contract Instructors) (Seneca)

Psychological Services OT (maternity leave coverage)
 One-on-one Curriculum and Supplies
 Program Supervision Buffer

5820 (Consultants – Non Instructional – Custom 1)

School Climate Coach

5854 (Consultants – Other 1) (Non-Seneca)

Speech Social Work
 Deaf/hard of hearing Assistive PE

Payroll

SPED Director
 Resource One-on-One
 Occupational Therapy

Taking Services In-House Would Lead to Cost Savings Even With Higher Caseload In 15-16



<u>Payroll</u>	<u>15-16 FTE assumptions</u>
School climate consultant	Position increased from 0.5 FTE to 1 FTE
Psychologist	Position increased from 0.2 FTE to 0.25 FTE
Speech with benefits	Position increased from 0.5 FTE to 0.6 FTE
SPED Lead	1 FTE
One-One/Behavioral Support	1 FTE
One-One/Behavioral Support	1 FTE
Occupational Therapy	Position increased from 0.4 FTE to 0.6 FTE

Audiology and assistive PE budgeted 25% higher than 14-15

- Enables flexible staffing configurations and increases the knowledge base
- Contractor program supervision and admin costs would be eliminated
- Contingency (buffer) of \$40-60K included

4a. Draft budget summary

15-16: Preliminary Budget Summary

Projected Operating Income of \$51K; Subject to Change



		2014/15	2015/16
		Current Forecast	Preliminary Budget
SUMMARY			
Revenue			
	General Block Grant	1,749,088	2,141,396
	Federal Revenue	116,914	120,279
	Other State Revenues	217,301	220,781
	Local Revenues	145,241	152,729
	Fundraising and Grants	348,000	291,440
	Total Revenue	2,576,544	2,926,625
Expenses			
	Compensation and Benefits	1,462,363	2,010,884
	Books and Supplies	156,024	231,918
	Services and Other Operating Expenditures	888,008	632,505
	Capital Outlay	-	-
	Total Expenses	2,506,395	2,875,307
Operating Income (excluding Depreciation)		70,148	51,318
<i>Operating Income (including Depreciation)</i>		70,148	51,318
Fund Balance			
	Beginning Balance (Unaudited)	21,109	88,700
	Audit Adjustment	(2,557)	-
	Beginning Balance (Audited)	18,552	88,700
	Operating Income (including Depreciation)	70,148	51,318
Ending Fund Balance (including Depreciation)		88,700	140,019
Ending Fund Balance as a % of Expenses		3.54%	4.870%

- Projected revenues: \$2.93M
- Projected expenses: \$2.88M
- Projected Operating Income: \$51K
- Projected Fund Balance: \$140K (5% of expenses)
 - Unrestricted Fund Balance: \$90K (3% of expenses)

Opportunities and Threats to the 15-16 Draft Budget



□ Opportunities

- Another round of Common Core/Mandate Claims funding
- Exceeding fundraising goal
 - Pending grant applications
 - Additional fundraising would help build fund balance for future facility needs
- Funding rates still preliminary

□ Threats

- Staffing to meet needs
 - Additional contractor services may be needed (at higher rates) if unable to recruit the needed positions
- Not meeting ADA projections
 - Attrition
 - Attendance
 - Free/reduced lunch demographics
- Unidentified need for special education services
- Not meeting fundraising goal
- Funding rates still preliminary