

GRANADA HILLS

CHARTER HIGH SCHOOL

TO: Governing Board

DATE: February 28, 2011

FROM: Walter Wallace, Chief Business Officer

SUBJECT: January 2011 Monthly Financial Report

Attached is the January financial report showing the revenues, expenditures, fund balance, and balance sheet accounts as of January 31, 2011. This year to date activity is compared to the 2010-11 Adopted Budget, as well as to revisions to the budget through November 30 and January 31.

Because this month's report will be used to complete the Second Interim Financial Report to the District through January 31, I've made additional budget changes, which reflect updated grant funding, higher average daily attendance than originally projected, and the projection for spending out all of the Federal stimulus funding by June 30.

On the revenue side, actual receipts are on schedule with the revised payment plan from the State. We are all caught up through this point in the year – we have received 55% of our anticipated funding from the state and local property taxes. The next major deferrals will occur in February (only 1/9 of normal) and March (complete deferral of this one no later than April 29). Expenditures are comparable to previous years. Our cash flow continues to do well. As requested at the last meeting, I have prepared an updated cash flow schedule for the current year and it will be provided as a separate report. Most of our daily cash is still in the County Treasury, where the interest rate for the Oct-Dec quarter fell from 1.5% to 1.3%. We are using the California Credit Union for payroll activities, and they are still paying 1.5%. East West Bank (other accounts payable) offers somewhat less than that.

The P-1 apportionment calculation at February 22 is now available for our analysis. After being funded from July through January on the "Advance Apportionment", which was calculated as a projection from last year's funding, the P-1 schedule takes our current funding rate and multiplies it by the December (P-1) state attendance report of average daily attendance (ADA) to determine how we will be funded for the entire year through May. A more complete calculation is done in June (P-2), based on the April P-2 attendance report; this attendance is our "final" funded attendance for the year. Any changes in basic funding for 2010-11 over the next 12 to 18 months will be small as the state makes adjustments to our funding rate, which is based on the state average.

To further explain, our adopted budget was calculated on almost 3,950 ADA at last year's official funding rate (\$6,130), less the \$253 prior year reduction; we were continuing this rate into the new year based on the previous Governor's May Budget Revision. When the current year budget was approved in October, the basic charter rate rose from \$6,130 to \$6,158 **without** the anticipated reduction; if the Governor and Legislature take no further action on current year state funding, we will realize an additional amount of \$1,124,000 for this year. **But**, funding

An Independent Public School

may fall by **\$350 per student next year** – equivalent to \$1,400,000. So, our current budget plan (at your request) is to maintain our original lower funding projection and expect a small additional reduction next year. If we do indeed receive the additional funding this year, we will place it in reserve to help meet the uncertainties of the following year.

Thanks to the current year state budget, we have also received about \$125,000 in Mandated Costs Reimbursement against our 2009-10 claim, based on our amount of average daily attendance. This is very good news, because the current position by the State Controller's Office and others is that charter schools are not eligible claimants (since we are not listed in the state government code along with school districts). Our actual claim for 2009-10 was in excess of \$700,000, and we have received no funding after the 2005-06 year.

We also will be receiving a final distribution of the ARRA Federal Stimulus funding in the amount of \$211,834, which must be spent by September 30. Currently, we are looking at a new textbook adoption in Social Studies, as well as computer replacement for the new year. These funds are not expected to be received until we report the expenditures (on a quarterly basis).

In spite of the funding increases, there are two areas of reduction. Due to reduced funding in the current state budget, the categorical block grant funding is down almost \$200,000 from our adopted budget. Also, the funding for supplemental instructional hours (summer school) is reduced over \$150,000 because about 25% of the eligible funds have been deferred into the next year. Because it is not funded in this year's state budget, we probably won't be allowed to claim this funding until next year.

On the expenditure side, we continue to monitor the projected spending for salaries and employee benefits, and we've made a few minor changes related to staffing shifts and program needs. In the non-personnel areas, there are some increases to cover spending the stimulus funding as well as some revisions in capital outlay to cover some stimulus expenditures as well as the final expenditures for the quad upgrade that was completed last summer, but paid in the current year.

GRANADA HILLS CHARTER HIGH SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF JANUARY 31, 2011

COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
A. REVENUES (Summary- -See details below)						
1) Revenue Limit Sources			23,207,328	23,214,150	13,583,703	23,508,000
2) Federal Revenues			1,722,075	2,814,745	1,790,737	3,351,555
3) Other State Revenues			5,956,882	5,997,625	3,260,113	5,776,760
4) Other Local Revenues			1,009,000	834,000	507,776	834,000
5) TOTAL REVENUES			<u>31,895,285</u>	<u>32,860,520</u>	<u>19,142,329</u>	<u>33,470,315</u>
B. EXPENDITURES (Summary- - See details below)						
1) Certificated Salaries			15,125,126	15,167,077	7,139,661	15,167,077
2) Classified Salaries			4,578,183	4,379,631	2,335,220	4,464,986
3) Employee Benefits			5,426,891	5,770,691	2,700,942	5,821,128
4) Books & Supplies			1,593,333	1,772,776	1,425,376	2,222,776
5) Srvcs, Other Operating Expenditures			3,689,042	3,767,352	2,533,690	3,767,352
6) Capital Outlay			515,000	515,000	191,172	615,050
7) Other Outgo			40,000	303,158	23,080	303,158
8) Dir.Supp/Indir. Costs			1,613,502	1,597,702	696,065	1,597,702
9) Other Transfers Out			0	0	52	0
10) TOTAL EXPENDITURES			<u>32,581,077</u>	<u>33,273,387</u>	<u>17,045,258</u>	<u>33,959,229</u>
C. EXCESS (DEF) OF REVENUE OVER EXPENDITURES BEFORE OTHER FINANCIAL SOURCES & USES						
			-685,792	-412,867	2,097,071	-488,914
D. OTHER FINANCING SOURCES/USES						
2) Other Sources/Uses						
a) Sources			0	0	0	0
b) Uses			0	0	0	0
3) Contrib to Restricted Programs			0	0	0	0
4) TOTAL OTHER FINANCING SOURCES/USES			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
E. NET INCREASE (DECR) IN FUND BALANCE						
			-685,792	-412,867	2,097,071	-488,914

GRANADA HILLS CHARTER HIGH SCHOOL

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
F. FUND BALANCE RESERVES						
1) Beginning Fund Balance						
a) As of June 2010 - Unaudited Actuals			9,829,685	9,829,685	9,829,685	9,829,685
b) Audit Adjustments/Restatement			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
c) Adjusted Beginning Balance			<u>9,829,685</u>	<u>9,829,685</u>	<u>9,829,685</u>	<u>9,829,685</u>
2) Ending Fund Balance			9,143,893	9,416,818	11,926,756	9,340,771
Components of Fund Ending Balance						
a) Reserved Amounts:						
Revolving Cash			677	677	677	677
Stores			4,273	4,273	4,273	4,273
Prepaid Expenditures			116,127	116,127	0	0
General Reserve			302,515	124,596	124,596	124,596
b) Designated Amounts:						
Designated for Economic Uncertainties			3,258,108	3,327,339	3,327,339	3,395,923
Reserve for Capital Improvements			400,000	400,000	400,000	400,000
Facility Reserve			1,200,000	1,200,000	1,200,000	1,200,000
Errors & Omissions Reserve			300,000	300,000	300,000	300,000
Balance of Mandated Cost Revenue			1,230,083	1,230,083	1,230,083	1,230,083
Post Retirement Health Benefits Reserve			<u>1,151,250</u>	<u>1,151,250</u>	<u>1,151,250</u>	<u>1,151,250</u>
c) Undesignated/Unappropriated Amounts			<u>1,180,860</u>	<u>1,562,473</u>	<u>4,188,538</u>	<u>1,533,969</u>

GRANADA HILLS CHARTER HIGH SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

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COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
Revenues (DETAILS)						
1) Revenue Limit Sources						
General Purpose Entitlement - State Aid	8015	0000	17,285,850	17,832,318	10,462,240	17,992,000
In Lieu of Property Taxes - LAUSD	8096	0000	<u>5,921,478</u>	<u>5,381,832</u>	<u>3,121,463</u>	<u>5,516,000</u>
Total			23,207,328	23,214,150	13,583,703	23,508,000
2) Federal Revenues						
Education for Handicapped Children (IDEA)	8181	3310	769,257	789,628	457,984	789,628
Child Nutrition Program	8220	5310	491,287	491,287	189,706	491,287
NCLB:T1,Basic Grants	8290	3010	350,000	465,424	118,875	465,424
ARRA: State Fiscal Stabilization Final Pmt.	8290	3010	0	0	0	211,834
Education Jobs Fund	8290	3205		900,903	810,813	900,903
NCLB:TII, Teacher Quality	8290	4035	40,000	46,106	22,774	46,106
NCLB:TII,Enhancing Ed Thru Tech	8290	4045	5,000	1,476		1,476
NCLB:TIV, 21st Cent. Comm. Learning Ctrs.	8290	4124			140,125	280,250
NCLB:TIII, Immigrant Education Program	8290	4201		54,928	29,453	98,438
NCLB:TIII,Limited English Proficiency (LEP)	8290	4203	25,000	22,162	21,007	23,378
Perkins Voc. Tech	8290	4610	<u>41,531</u>	<u>42,831</u>		<u>42,831</u>
Total			<u>1,722,075</u>	<u>2,814,745</u>	<u>1,790,737</u>	<u>3,351,555</u>
3) Other State Revenues						
Special Education	8311	6500	2,495,411	2,327,211	1,349,782	2,327,211
Child Nutrition Program	8520	5310	45,541	45,541	18,179	45,541
Mandated Costs Reimbursement	8550	0000			125,941	125,941
State Lottery:Non Prop 20 - Current Yr	8560	1100	443,694	443,694	179,589	443,694
State Lottery:Non Prop 20 - Prior Yr	8560	1100		63,248	63,248	63,248
State Lottery:Prop 20 Instr Mat - Current Yr	8560	6300	46,598	46,598	1,337	46,598
State Lottery:Prop 20 Instr Mat - Prior Yr	8560	6300		9,884	9,884	9,884
Charter School Categorical Block Grant	8590	0000	2,156,746	2,136,950	1,088,706	1,946,050
Counseling	8590	0000	232,579	232,579	128,646	232,579
Art & Music Block Grant	8590	0000	56,636	57,512	31,161	56,658
CAHSEE Intensive	8590	0000	32,263	30,000	17,607	32,014
All Other State Funding	8590	0000				
Supplemental Hourly Programs	8590	0000	<u>447,414</u>	<u>604,408</u>	<u>246,033</u>	<u>447,342</u>

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	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
Total			5,956,882	5,997,625	3,260,113	5,776,760
4) Other Local Revenues						
Sales-Equip/Supplies - Publications	8631	0000	8,000	8,000	3,965	8,000
Food Service Sales	8634	5310	551,000	551,000	347,169	551,000
Other Sales	8639	0000				
Leases & Rentals	8650	0000		25,000	12,144	25,000
Interest	8660	0000	150,000	50,000	46,629	50,000
All Other Fees & Contracts	8689	0000				
Other Local Revenues	8689	0000	<u>300,000</u>	<u>200,000</u>	<u>97,869</u>	<u>200,000</u>
Total			1,009,000	834,000	507,776	834,000
TOTAL REVENUES			<u>31,895,285</u>	<u>32,860,520</u>	<u>19,142,329</u>	<u>33,470,315</u>
Expenditures by Sub-object						
1) Certificated Salaries						
Teachers	1110		11,833,384	11,733,384	5,592,875	11,733,384
Librarians	1210		70,023	86,831	41,519	86,831
Guidance/Counseling	1210		1,109,710	1,122,806	533,210	1,122,806
Attendance/Discipline	1210		295,625	307,025	156,152	307,025
Health Services	1210		335,388	393,244	163,269	393,244
Testing	1210		89,155	88,725	44,362	88,725
Exec. Dir. / Directors	1310		804,154	847,350	324,380	847,350
Supervisors - Special Education	1310		187,687	187,712	93,856	187,712
Other Certificated - Athletics/Activities	1910		<u>400,000</u>	<u>400,000</u>	<u>190,038</u>	<u>400,000</u>
Total Certificated Salaries			15,125,126	15,167,077	7,139,661	15,167,077
2) Classified Salaries						
Instructional Aides	2110		805,778	740,699	415,013	771,462
Maintenance/Security	2210		1,120,711	1,020,711	535,671	1,020,711
Food Services	2210		366,500	366,500	195,394	366,500
Classified Administration	2310		722,466	728,993	365,289	729,593
Clerical/Network Support	2410		1,347,728	1,307,728	695,070	1,361,720
Other Classified - Athletics/Activities	2910		<u>215,000</u>	<u>215,000</u>	<u>128,783</u>	<u>215,000</u>
Total Classified Salaries			4,578,183	4,379,631	2,335,220	4,464,986

GRANADA HILLS CHARTER HIGH SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AS OF JANUARY 31, 2011

COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
3) Employee Benefits						
STRS - Certificated	3100		1,211,512	1,211,512	563,150	1,211,512
PERS - Classified	3200		532,926	532,926	225,170	532,926
OASDI - Classified	3310		272,129	272,129	137,976	272,129
Medicare - Certificated	3330		193,036	215,413	103,728	215,413
- Classified			75,337	60,824	33,857	60,824
Retirement in Lieu of OASDI - Classified	3390		1,700	10,000	7,281	10,000
Health & Welfare Benefits - Certificated	3400		1,829,141	1,977,705	931,696	2,069,746
- Classified			998,040	1,111,369	491,463	1,069,765
Unemployment Insurance - Certificated	3500		63,273	106,964	59,290	106,964
- Classified			37,409	30,202	16,830	30,202
Workers' Compensation - Certificated	3600		144,843	188,654	98,328	188,654
- Classified			67,545	52,993	32,173	52,993
Other Benefits - Certificated	3900					
- Classified						
Total Employee Benefits			5,426,891	5,770,691	2,700,942	5,821,128
4) Books & Supplies						
Textbooks	4110		163,833	163,833	170,391	313,833
Books other than Textbooks	4210		10,000	10,000	7,532	10,000
Instructional Materials	4310		382,500	382,500	285,561	382,500
Other Supplies	4350		495,750	495,750	612,868	795,750
Non-capitalized Equipment	4400		16,250	195,693	154,600	195,693
Food Service Supplies	4710		525,000	525,000	194,424	525,000
Total Books & Supplies			1,593,333	1,772,776	1,425,376	2,222,776

GRANADA HILLS CHARTER HIGH SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF JANUARY 31, 2011

COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
5) Services, Other Operating Exp						
Instructional Contracted Services	5100		998,640	998,640	557,619	800,000
Travel/Conference/Mileage	5200		132,600	132,600	54,598	100,000
Dues/Memberships	5300		40,800	60,000	51,452	60,000
Insurance	5450		153,000	153,000	131,052	153,000
Operation and Housekeeping Services	5500		433,500	433,500	46,361	233,500
Rentals/Leases/Repairs	5600		1,091,400	1,091,400	521,970	1,091,400
Consulting Services& Operating Exp	5800		772,802	831,912	1,133,630	1,263,152
Communications	5900		66,300	66,300	37,008	66,300
Total Services, Other Operating Exp			3,689,042	3,767,352	2,533,690	3,767,352
6) Capital Outlay						
Sites & Improvement	6100		100,000	100,000	154,700	219,700
Bldgs & Improvement	6200		315,000	315,000	10,050	268,928
Equipment	6400		100,000	100,000	26,422	126,422
Total Capital Outlay			515,000	515,000	191,172	615,050
7) Other Outgo						
Debt Service:	7400		40,000	303,158	23,080	303,158
8) Indirect Costs/All Other Financing Uses						
Indirect Cost (supervisory oversight fees)	7200		634,102	662,650	153,735	662,650
Special Education Fair Share Assessment 30%	7200		979,400	935,052	542,330	935,052
Total Indirect/All Other			1,613,502	1,597,702	696,065	1,597,702
9) Other Transfers Out						
Transfer to			0	0	52	0
TOTAL EXPENDITURES			32,581,077	33,273,387	17,045,258	33,959,229

GRANADA HILLS CHARTER HIGH SCHOOL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AS OF JANUARY 31, 2011

COMPARISON OF LATEST BUDGET, ACTUAL REVENUE/EXPENDITURES, AND PROJECTED BUDGET

	SACS Object	Resource Code	ADOPTED BUDGET 07/01/10	REVISED BUDGET 11/30/10	YTD ACTIVITY 1/31/11	REVISED BUDGET 1/31/11
ASSETS						
Cash						
a) In County Treasury			572,620	572,620	5,192,487	572,620
b) In Banks			2,192,365	1,776,659	3,148,225	1,700,612
c) In Revolving Fund			420	677	677	677
d) with Fiscal Agent						
e) collection awaiting deposit						
Short Term Investments			4,454,886	4,454,886	4,445,185	4,454,886
Accounts Receivable(Includes Pledges)			6,362,649	6,365,231	21,770	6,365,231
Due from Other Funds						
Stores			4,273	4,273	4,273	4,273
Prepaid Expenditures			116,127	116,127	0	116,127
Other Current Assets			18,700	18,700	19,600	18,700
TOTAL ASSETS			<u>13,722,040</u>	<u>13,309,173</u>	<u>12,832,217</u>	<u>13,233,126</u>
LIABILITIES						
Accounts Payable			3,892,355	3,892,355	905,461	3,892,355
Due to Other Funds						
Current Loans						
Deferred Revenue						
Other Current Liabilities						
TOTAL LIABILITIES			<u>3,892,355</u>	<u>3,892,355</u>	<u>905,461</u>	<u>3,892,355</u>
FUND EQUITY			9,829,685	9,416,818	11,926,756	9,340,771