



Financial Report

Treasurer

Presented on April 12th, 2021

Finance Committee:

Jeff Baucum, Lincoln Academy Board Treasurer

Janelle Johnson, Principal

Lindsey Tomsick, Vice-Principal

Cindie Poulter, Larisa Rogers, Jeanne Coyle, Lori Woods

The Mission of Lincoln Academy is to help students attain their highest social and academic potential through an academically rigorous, content-rich educational program in a safe, orderly, and caring environment.

Bond Refinancing Summary

Lincoln Academy Debt was refinanced this past week to allow for capital improvements and 72nd Road construction.

Notes: Overall the interest rate held steady from the time of the BoD decision to refinance. DA Davidson, our bond representative, purchased the last \$1.5M in Lincoln's bonds to ensure the deal went forward.

Lincoln Academy		
Series 2021 Bond Financing Summary		
	Series 2013	Series 2021
Par Amount Outstanding	\$6,475,000	\$8,835,000
Final Maturity	3/1/2043	3/1/2056
Annual Debt Service	\$470,000	\$460,000
Interest Rate	4.51%	3.76%
New Money Proceeds	\$0	\$1,871,618
Call Date @ 100% of Par	3/1/2023	3/1/2031

2020-21 LA Budget Review

March 2021

- **Student FTE:** Student count declined this year from 764.3 budgeted to 721.0 at the Oct 1st official count. This represents a drop of 5%.
- **Revenues:** Annual Revenue has been impacted by declining student FTE count. However, PPR and Capital Construction have exceeded our initial budget expectations. Capital Construction estimates have been updated to include a \$100 increase as finalized in January. The \$74k positive impact is reported in the updated budget report. PPR was increased by \$130 per FTE by State legislature to account for statewide declining student enrollment. These additional funds have fueled the unexpected positive margin for the year.
- **Salaries & Benefits:** Salaries continue to be reviewed and adjusted to reflect current situational needs. Overall, LA is anticipating spending \$5.26M on teacher and staff compensation this year or 76% of the budget expenditures. Annual expenses will come in slightly under budget as the financial team accounts for known savings. Additional reduction in salary expenses are already accounted for with the proposed ESSER 2 salary costs of \$112k.
- **Purchased Services:** District overhead will increase from prior budget estimates due to the increase in PPR Revenue. The financial team is expecting purchased services to end up \$55k over budget. Utilities (\$25k), BoD initiatives (\$30k) including Bond costs. Some of the Bond financing costs will be reimbursed impacting the final variance.
- **Materials:** Additional changes due to lower FTE are being reviewed. CARES and ESSER 1 funding has been applied. The financial team is expecting material purchases to come in under budget \$39k. Additional ESSER 2 of \$80k is accounted for in the 2020-21 budget.
- **Capital:** Capital costs of \$672k include completion of 5B capital projects, building C roof replacement and the playground equipment costs covered by PTO donation. Funding from the release of Jeffco's 2nd 5B Bond premium will be applied against those capital projects essentially eliminating the capital project costs from the budget.
- **Margin:** As a result of revenue and FTE changes noted as well as Jeffco's 2nd 5B Bond premium, the current projected budget is reporting a \$373k positive margin.

2020-2021 LA Budget Highlights

- Flexibility & Uncertainty
 - The COVID-19 pandemic has impacted numerous aspects of the financial budget including funding (revenue), student count (FTE) and operational expenses. The finance and operational team have been working all year to closely monitor expenses and adjust as necessary.
- Property Improvements
 - The facilities committee and the finance team have continued to track property improvements related to Jeffco's 5B bond funds.
 - Funding from the 5B Jeffco Bonds has been received.
- Margin Watch:
 - With the decline in student count, the finance council will be looking to reduce expenditures related to a lower FTE in addition to further cost saving metrics.
- COVID-19 funding opportunities:
 - Maximizing the opportunity to support our mission and vision from pandemic related funding. CARES and ESSER have required thoughtful approaches to the year in management and tracking. PPR and Capital Construction increase just realized will help support LA fiscally and allow for stronger opportunities in the future.

Finance Goals

Goal: Operating Margin: 0.0%

Projected: Operating Margin: 5.31%

Projected Budget Margin: 5.31%

Due to 5B Jeffco Bond funding of \$635k, PPR, Capital Construction, CARES and ESSER funding increases

Staff “Thank you” Bonus

Due to additional funding from federal grants, Lincoln Academy is estimating their projected margin for the 20-21 school year to be well over \$300,000 which will be significantly higher than originally budgeted for the year. The finance council would like to propose a one-time bonus payment to staff members to say “thank you” for their work throughout the year.

Proposal: Bonus capped at \$2,000 per staff based on their FTE and who have been employed at Lincoln for at least 6 months and remain employed until the end of the school year. (1.0 FTE - \$2,000; 0.67 FTE - \$1,340)

Total Cost: ~\$190,000

Statement

The finance committee believes that Lincoln Academy is in a very good financial position regarding the 2020-2021 school year. The school has a robust carry-forward that will allow leadership and Board of Directors to plan for the next five to ten years of operational and capital requirements, including in the areas of the educational environment, warm-safe-dry building and employee salaries.

We continue to support a conservative fiscal approach, as the school looks forward to future dynamic opportunity in academic leadership, student support, and the Lincoln community.