



Financial Report

Treasurer

January 11th, 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.

2020-21 LA Budget Review

December 2020

- **Student FTE:** Student count has declined over the from 764.3 budgeted to 721.0 capture as the Oct 1st official count. This represents a drop of 5%.
- **Revenues:** Updated information regarding revenues continue to be gathered as national and state funding continue to evolve. Revenue has been impacted by both declining student FTE and reduced PPR and Mill Levy. Spring PPR rescission of \$80 per student and Cap Construction Adjustment of \$80 per student resulting in additional revenue drop of ~\$95k.
- **Salaries & Benefits:** Salaries continue to be reviewed and adjusted to reflect current situational needs. Overall, LA is still anticipating spending \$5.5M on teacher and staff compensation this year or 70% of the budget expenditures. CARE funding has been applied to the Dec financials.
- **Purchased Services:** District funding is expected to decline due to lower FTE. HVAC cost continue to be assessed but the financial team is expecting to spend an additional \$25k in utilities and double maintenance costs from prior year. CARE funding has been applied to the Dec financials.
- **Materials:** Additional changes due to lower FTE are being reviewed. CARE funding has been applied to the Dec financials.
- **Capital:** \$150k Funding for the building C roof will now come from our general account instead of the R&R fund via the Bond. This will allow for more cash management in any new Bond issuance. Capital costs of \$672k include completion of 5B capital projects, building C roof replacement and the playground equipment costs covered by PTO donation.
- **Margin:** As a result of revenue and FTE changes noted, the current budget has a decrease of carry forward of \$662,220 with a current operating margin of negative \$12,220. However, this budget does not account for various anticipated savings and grant opportunities throughout the remainder of the year (minimum of \$60k expected). Operating team will continue to track and manage budgets throughout the year.s.

2020-2021 LA Budget Highlights

- Flexibility

- The Covid-19 pandemic has and will impact numerous aspects of the financial budget including funding (revenue), student count (FTE) and operational expenses. As Lincoln works to reopen under various education models, the finance council will work to provide the administrative team with budget flexibility to support the goal of safe learning for our students.
- The business team will be tracking expenses related to safe reopening. All expenditures over \$20k will be reviewed by the finance council and the council has authorized for up to \$100k in overall spending before additional review is required.

- Property Improvements

- In coordination with the facilities committee, the finance team will continue tracking property improvement related to the 5b bond funds.

- 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.

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.