



Financial Report

Treasurer

October 12th, 2020

Finance Committee:

Jeff Baucum, Lincoln Academy Board Treasurer

Nathan Alley, Lincoln Academy Board President

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

September 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% including 4 students departures since August. Educational funding is expected to drop by approximately \$448k across all revenue sources including Mill levy, PPR and special education. These revenue impacts will be monitored against fiscal, safety and educational goals.
- **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.
- **Salaries & Benefits:** Staffing additions required to cover additional classes and remote learning have added to the salaries and benefits by \$105k. Staffing changes were provided in last month's principal's report.
- **Purchased Services:** District funding is expected to decline due to lower FTE. While the new HVAC units are more efficient, LA has more units in the school. As such, utilities and maintenance are anticipated to increase this year by 30% and 100% respectively. Reserves are being released earlier than in prior years to help support the overall margin goals.
 - Please note: CARE costs during this year are included in the financials reported in Sept. They will be offset once they are reimbursed by CARES. That process is expected to begin in October.
- **Materials:** Additional changes due to lower FTE are being reviewed.
- **Capital:** Roof repair for Building C will begin soon -\$150k Funding will come from the Repair and Replace fund provided by our Bond. Additional increase in capital costs of \$60k in our Bond projects from budget. However, bond project are still expected to be under the initial budget by \$40k.
- **Margin:** As a result of the FTE changes noted (including additional a lower FTE count) projected operational margin has adjusted to \$56k. However, this budget does not account for various anticipated expenses that are not included in the current budget. Reserves are being released earlier than in prior years to help support the margin goals.

2020-2021 COVID & CARE

CARES FUNDING SUMMARY MARCH 2020 THROUGH DECEMBER 2020				
LA's ALLOCATION OF CARES FUNDS		361,951.00		
FY 19-20 SUBMISSION		26,894.94		
JULY/AUGUST SUBMISSION		13,245.42		
SEPT PROJECTION 9/28/2020		63,815.34		
pending order/contract		115,719.31		
Total COVID Expenses considered for Reimb		219,675.01		
Amount Reimbursed to Date		26,894.94		
remaining CAREA funds as of 9/29/2020		142,275.99		

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 during Sept.

- 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.