



Financial Report

Treasurer

February 10th, 2020

Finance Committee:

Jeff Baucum, Lincoln Academy Board Treasurer

Nathan Alley, Lincoln Academy Board Vice-President

Janelle Johnson, 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.

2019-20 LA Budget Review

January 2019

- **Revenues**: 75% of annual revenues have been received, which matches annual expected cashflow. Overall, we believe the revenues will be slightly above budgeted forecasts despite adjustments to the other revenue adjusting downward by \$28k.
- **Salaries & Benefits**: Forecasted to be below budget due to lower benefit (PERA costs) by \$43k.
- **Purchased Services**: Overall purchased services are on target to Budget. No significant issues.
- **Materials**: Overall on target against Budget.
- **Capital**: No new capital requests were discussed.
- **Margin**: Currently Projecting a negative margin (Loss) of \$55k for the year. The negative margin is due to the Fire Alarm project expenses incurred into the 19-20 school year. Excluding this one time approved capital expense, operational margin is a *positive* \$77k, continuing to demonstrate the management's fiscal stewardship .

2020-21 Budget Schedule

- February 2020: Staff compensation review & FTE assessment: DONE
- March: Capital and opportunity list update
- March: 5 Year and expense forecast in first draft
- April: Initial proposed 2020-21 budget presented to the Board including cash flow and capital spend
- May: Final date due to Board for approval

2019-2020 LA Budget Highlights

- Salary increases
 - 5A mill levy override allowed Administration to increase overall salaries by approximately 10% from the previous year.
 - Benefits (incl PERA) will increase proportionately with salary increases and PERA contributions increased by about ½%.
- Early Debt Payoff
 - The planned early lump sum payment of \$178k for the Building C loan was made in October 2019. We will complete payment on the loan with a final payment in July 2020 (\$26,000 interest savings).
- Property Improvements
 - The 5B Bond related projects will likely add value to the property (and Lincoln's overall asset value), but the income/expense will not go through the school's financials. The payment process will take place at the district level.

Statement

The finance committee believes that Lincoln Academy is in a very good financial position regarding the 2019-2020 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. With the completion of the fire alarm project this year, Lincoln Academy can look forward to utilizing the generous district Bond issuance later in the school year to invest into the facility. The finance committee hopes to complete the loan for Building C within the next 18 months, freeing up funding for other budget priorities.

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.