



# Financial Report

## Treasurer

December 9th, 2019

*Finance Committee:*

Jeff Baucum, Lincoln Academy Board Treasurer

*Nathan Alley*, Lincoln Academy Board At-Large

*(Staff) 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.*

# 2019-2020 LA Revised Budget Highlights

|                        | 2019-20 Original Budget | 2019-20 Revised Budget | Variance    | Reason                                                                                                      |
|------------------------|-------------------------|------------------------|-------------|-------------------------------------------------------------------------------------------------------------|
| Revenues               | \$7,615,409             | \$7,599,992            | \$15,417    | Other revenue over budgeted \$(28k); FTE up 1.3; Expecting an additional Mill Increase of \$58K due to FRL% |
| Salaries & Benefits    | \$5,637,954             | \$5,595,428            | \$42,526    | Updated Benefit estimations<br>Expecting possible \$50K further savings                                     |
| Purchase Services      | \$1,642,680             | \$1,643,833            | \$(1,153)   |                                                                                                             |
| Materials and Supplies | \$279,606               | \$280,056              | \$(450)     |                                                                                                             |
| Capital                | \$55,000                | \$180,500              | \$(125,500) | Fire alarm project cost rolled over from 2018-19 - \$150k                                                   |
| Margin                 | \$169                   | \$(99,825)             | \$(99,994)  | Possible changes above would zero this negative margin                                                      |

Overall: Excluding the carryover of the fire alarm costs from prior year, revised budget is proposing only small corrections in each financial category. The budget demonstrates strong fiscal stewardship by improving operating margin.

# 2019-20 LA Budget Review

## November 2019

- **Revenues**: PPR rates were \$6 below budgeted but FTE was 1.3 higher. The net results is \$7k more than expected. LA received \$8k for ELPA which was unbudgeted. Overall, we believe the revenues will be slightly below budgeted forecasts due 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**: Additional Pre-payment on our Loan was made in October for \$178,000. Overall purchased services are on target to Budget. No significant issues.
- **Materials**: Additional cost for building radios (14) and a district security radio have been added to expected expenditures but will be covered by contingency. Overall on target against Budget.
- **Capital**: Financial council reviewed Capital requests for 5B and operational funding this month and will present those to the board this month.
- **Margin**: Currently Projecting a negative margin (Loss) of \$99k for the year. This is in relation to the Fire Alarm project expenses incurred into the 19-20 school year.

# 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 has been 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.
- Updated budget
  - Will be presented at the Board of Directors meeting. The budget will incorporate updates to capital, salaries, revenue (PPR, Mill Levy and student count). Will present an operational and overall margin projection for 2019-20.

# 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.