

Treasurer Analysis 2019-2020 Budget Effect on 5-Year Projection

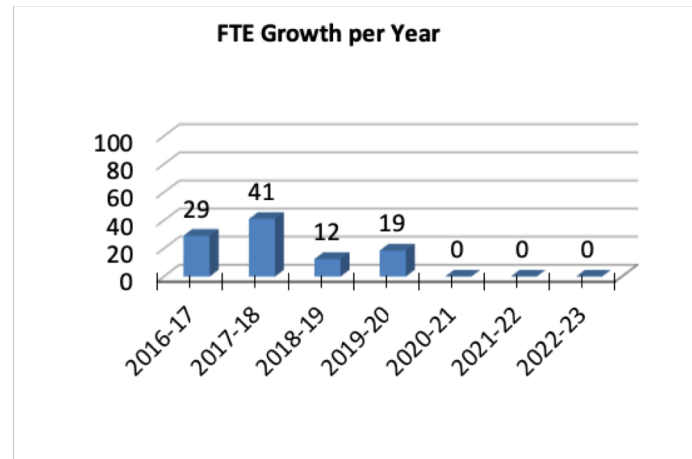
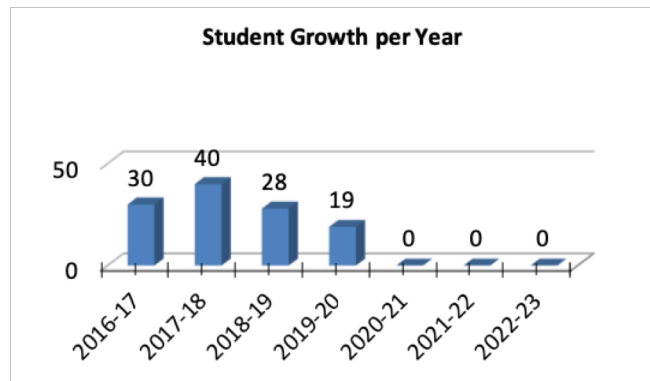
March 11, 2019

Nathan Alley, Lincoln Academy Board Treasurer

Description	18-19 WORKING BUDGET DECEMBER 2018 BOARD APPROVED DEC 10, 2018			19-20 WORKING BUDGET BOARD DRAFT			
	Estimated Revenue	Budget	Bond Transfers	Estimated Revenue	Budget	Bond Transfers	
Revenues	7,147,083.84	0.00	467,155.04	7,586,943.56	0.00	464,799.16	106%
Adminstration		271,200.00			292,815.44		108%
Teacher		2,058,200.60			2,579,142.24		125%
Substitute Teacher		35,000.00			40,000.00		114%
Counselor		24,000.00			24,355.76		101%
Teacher Librarian		50,000.00			56,002.72		112%
Coordinator - Classified		47,147.20			45,001.92		95%
Instructional Coach		76,459.60			91,177.72		119%
Occupational Therapist		34,792.50			38,075.22		109%
Charter Nurse		28,433.60			30,256.37		106%
Psychologist		31,032.00			32,586.00		105%
Social Worker		52,846.00			53,802.72		102%
Speech Therapist		52,886.40			56,526.72		107%
School Secretary		143,408.86			171,608.80		120%
Paraprofessional		549,470.58			600,951.31		109%
Clinic Aides		20,986.00			22,604.72		108%
Custodian		137,674.15			167,717.89		122%
Unused Sick Leave		22,000.00			22,000.00		100%
Additional Pay - Certificated		108,670.00			15,000.00		14%
Additional Pay-Classified		74,810.00			1,750.00		2%
Additional Pay-Administrative		7,750.00			1,750.00		23%
Salaries		3,826,767.49	-		4,343,125.55	-	113%
Employee Benefits		1,067,717.08	-		1,294,828.26	-	121%
Benefits		1,067,717.08	-		1,294,828.26	-	121%
Total Salaries and Benefits		4,894,484.57			5,637,953.81		115%
Purchased Services		1,598,161.94	467,915.00		1,623,834.50	465,635.00	102%
Materials and Supplies		308,293.00	-		279,606.00	-	91%
Building Improvements		375,000.00	0.00		0.00	0.00	
Capital Outlay		375,000.00	-		0.00	-	
Total Expenditures		7,439,739.51	467,915.00		7,541,394.31	465,635.00	101%
NET PROFIT/(LOSS)		-292,655.67			45,549.25		

5-Year Budget Assumptions

1. NO more student growth after next year. (We are projecting that four students will leave LA each year in 7th & 8th grade)
2. PPR grows by 3% each year after year 1
3. Mill Levy staying flat for years 2-5. This is a change from PY since we had been projecting for a steady decline over year. Expecting no decline in Jeffco students which would dilute the Mill Levy pool.
4. All other revenue staying steady
5. 2 FTE considered per 8th grade growth. Flatlines in 2020
6. Salaries have been projected out for three year by Cindie - the 5 yr plan utilized those bi-annual growth factors to project each salary categories in year 4 &5.
7. General expenses are projected to increase by 2% in years 2-4, rather than projected by student number increases
8. Add \$75k in years 3-5 for building improvement.



LINCOLN ACADEMY CHARTER SCHOOL

5 Year Plan 2018 - 2023

3/11/19 DRAFT BASED ON BUDGETING

School Year	School Year	School Year	School Year	School Year	School Year	School Year
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Actual	Current Year	1	2	3	4	5

NOTES

EXECUTIVE SUMMARY

STUDENT ONE DAY COUNT	690.0	702.5	721.0	721.0	721.0	721.0	721.0
PPR	\$ 7,473	\$ 7,935	\$ 8,295	\$ 8,544	\$ 8,801	\$ 9,065	\$ 9,337
Capital Reserves	\$ 463,350	\$ 463,350	\$ 463,350	\$ 463,350	\$ 463,350	\$ 463,350	\$ 463,350
School Obligation	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168
Operating Debt Ratio	11.2%	10.2%	9.6%	9.2%	5.4%	5.3%	5.2%
TABOR RESERVE	41.9%	34.3%	33.1%	33.4%	37.1%	40.3%	43.8%
Margin to Debt Expenses	52.6%	-46.1%	9.5%	18.6%	81.1%	74.7%	84.2%
Debt Service Coverage	1.31	0.64	1.07	1.14	1.81	1.75	1.84
Unrestricted Cash as % of Exp	32.6%	22.6%	22.4%	22.9%	27.9%	31.1%	34.9%
Days Unrestricted Cash on Hand	148	116	111	112	131	143	157
REVENUE	\$ 6,884,508	\$ 7,620,356	\$ 8,063,810	\$ 8,317,903	\$ 8,502,726	\$ 8,693,094	\$ 8,889,173
Salaries	\$ 3,564,137	\$ 3,826,767	\$ 4,343,125	\$ 4,473,523	\$ 4,554,893	\$ 4,693,596	\$ 4,779,647
Benefits	\$ 858,186	\$ 1,067,717	\$ 1,294,829	\$ 1,346,099	\$ 1,387,086	\$ 1,441,059	\$ 1,479,428
PURCHASE SERVICES	\$ 1,908,908	\$ 2,055,117	\$ 2,089,469	\$ 2,102,506	\$ 1,819,047	\$ 1,840,617	\$ 1,862,718
MATERIAL AND SUPPLIES	\$ 258,794	\$ 572,093	\$ 279,606	\$ 285,198	\$ 290,902	\$ 296,720	\$ 302,655
CAPITAL OUTLAY	\$ 52,856	\$ 375,000	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
Total Expenditures	\$ 6,642,881	\$ 7,896,694	\$ 8,007,028	\$ 8,207,326	\$ 8,126,929	\$ 8,346,992	\$ 8,499,448
Building Fund Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE OVER EXPENSES	\$ 241,627	\$ (276,338)	\$ 56,782	\$ 110,577	\$ 375,798	\$ 346,102	\$ 389,725
Operating Margin	3.5%	-3.6%	0.7%	1.3%	4.4%	4.0%	4.4%
CARRYFORWARD	\$ 2,887,031	\$ 2,610,692	\$ 2,667,475	\$ 2,778,052	\$ 3,153,849	\$ 3,499,952	\$ 3,889,677

(<18% of Rev)
(>3% of Rev)
(>10%)
(>1.0; 1.1 better)
(8%<=17%)
(40<=150 1/2 school year)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	NOTES
	Actual	Current Year	1	2	3	4	5	
Commissions/Profits	\$ 15,713	\$ 18,000	\$ 18,000	\$ 18,432	\$ 18,432	\$ 18,432	\$ 18,432	
Sales/Fund Raising	\$ 11,189	\$ 8,680	\$ 8,680	\$ 8,888	\$ 8,888	\$ 8,888	\$ 8,888	
Prop Tax-Mill Levy Override	\$ 961,827	\$ 1,242,515	\$ 1,287,685	\$ 1,355,458	\$ 1,355,458	\$ 1,355,458	\$ 1,355,458	
Earnings On Investments	\$ 5,917	\$ 3,800	\$ 3,800	\$ 3,891	\$ 3,891	\$ 3,891	\$ 3,891	
Capital Lease Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
REVENUE	\$ 6,884,508	\$ 7,620,356	\$ 8,063,810	\$ 8,317,903	\$ 8,502,726	\$ 8,693,094	\$ 8,889,173	
AVAILABLE	\$ 6,884,508	\$ 7,620,356	\$ 8,063,810	\$ 8,317,903	\$ 8,502,726	\$ 8,693,094	\$ 8,889,173	
Salaries	3,564,137	3,826,767	4,343,125	4,473,523	4,554,893	4,693,596	4,779,647	
Benefits	24.1% 858,186	27.9% 1,067,717	29.8% 1,294,829	30.1% 1,346,099	30.5% 1,387,086	30.7% 1,441,059	31.0% 1,479,428	
TOTAL BENEFITS AND SALARY	4,422,324	4,894,484	5,637,953	5,819,622	5,941,979	6,134,655	6,259,075	
Lease Purch-Other-Principal Bond	\$ 150,000	\$ 160,000	\$ 165,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000	
CSDC Loan Required Prin/Interest	\$ 252,736	\$ 131,509	\$ 131,509	\$ 131,509				
CSDC Loan Estimated prepayment	\$ 314,740	\$ 178,000	\$ 178,000	\$ 173,000				
Lease Purch-Other-Interest Bond	\$ 56,774	\$ 307,915	\$ 300,635	\$ 293,128	\$ 293,128	\$ 293,128	\$ 293,128	
Transfers District Fees	\$ 718,175	\$ 704,124	\$ 735,396	\$ 744,368	\$ 753,609	\$ 763,127	\$ 772,931	
PURCHASE SERVICES	1,908,908	2,055,117	2,089,469	2,102,506	1,819,047	1,840,617	1,862,718	
MATERIAL AND SUPPLIES	258,794	572,093	279,606	285,198	290,902	296,720	302,655	
Vehicles - Utility Fleet	\$ 12,500							
Building Improvements	\$ 40,356	\$ 375,000	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	
Site Building Fund	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	
CAPITAL OUTLAY	\$ 52,856	\$ 375,000	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	
Total Expenditures	\$ 6,642,881	\$ 7,896,694	\$ 8,007,028	\$ 8,207,326	\$ 8,126,929	\$ 8,346,992	\$ 8,499,448	
REVENUE OVER EXPENSES	\$ 241,627	\$ (276,338)	\$ 56,782	\$ 110,577	\$ 375,798	\$ 346,102	\$ 389,725	
CARRY FORWARD	\$ 2,887,031	\$ 2,610,692	\$ 2,667,475	\$ 2,778,052	\$ 3,153,849	\$ 3,499,952	\$ 3,889,677	
Fiscal Metrics								
Tabor Reserve Requirement	206,535	228,611	241,914	249,537	255,082	260,793	266,675	
Bond Cash Reserve Requirement	754,467	835,107	883,705	911,551	931,806	952,668	974,156	
Expense cost per day	18,055	20,607	21,937	22,486	22,060	22,663	23,081	
REVENUE	103.6%	96.5%	100.7%	101.3%	104.6%	104.1%	104.6%	
Salaries	52%	50%	54%	54%	54%	54%	54%	
Benefits	12%	14%	16%	16%	16%	17%	17%	
PURCHASE SERVICES	28%	27%	26%	25%	21%	21%	21%	
MATERIAL AND SUPPLIES	4%	8%	3%	3%	3%	3%	3%	
Total Expenditures as % of Rev	96%	104%	99%	99%	96%	96%	96%	
Total Revenue per Student	9,978	10,848	11,184	11,536	11,792	12,056	12,328	
Total Expense per Student	9,627	11,241	11,105	11,383	11,271	11,576	11,788	
Salaries as % of Total Expenses	53.7%	48.5%	54.2%	54.5%	56.0%	56.2%	56.2%	60% is ideal
Debt costs	774,249	777,424	775,144	767,637	463,128	463,128	463,128	
Debt cost as % of Revenue	11.2%	10.2%	9.6%	9.2%	5.4%	5.3%	5.2%	
Building costs	213,943	321,478	322,375	328,823	335,399	342,107	348,949	
Facility and Debt costs as % of Revenue	14%	14%	14%	13%	9%	9%	9%	<15%
Unrestricted Operating Funds (Reserves)	2,164,836	1,786,397	1,789,992	1,878,619	2,271,446	2,593,432	2,966,450	
Unrestricted Cash (thousands)	2,133	1,776	1,784	1,867	2,222	2,547	2,916	

Refer to Principal report on
proposal for 5A funds for further
explanation on salary increases.

Statement

It is my opinion that the 2019-2020 proposed budget aligns with Lincoln Academy's conservative value. Five-year projections trend in the positive in every category.

There is nothing significantly alarming about any of the projections, in fact, I believe the coming years offer the School new opportunities. We must always proceed with caution, but the numbers trend very well, considering that enrollment increases end next year.