

Treasurer Financial Report

December 10, 2018

Nathan Alley, Lincoln Academy Board Treasurer

*Finance Committee: (Staff) Janelle Johnson, Cindie Poulter,
Larisa Rogers, Jeanne Coyle*

(Parents) Jeff Baucum, Trey Johnson

• 2018-2019 Budget Notes

Expenses

- The second round of bonuses will go out in December, per prior board decisions. The bonus has been qualified as PERA eligible which means we will expense the benefit, as per the budget. The June payment did not qualify for PERA, so we did not have that expense.
- The Ytd expenses for the Fire Alarm is \$69,086
- The projected margin remains at a loss, although that number has reduced some, of \$292k mainly because of the fire alarm.

Revenues

- The District has yet to release official data on the Mill Levy (5A) and District Bond (5B). The Current projection for Mill Levy income for '18 – '19 school year is \$263k, \$400 per student.
- Budget adjustments from the October student count have been entered in, adjusting the operating budget.

2018-2019 Budget & 5-Year Projections

LINCOLN ACADEMY CHARTER SCHOOL

5 Year Plan 2018 - 2023

DRAFT BASED ON BUDGETING 12/10/18

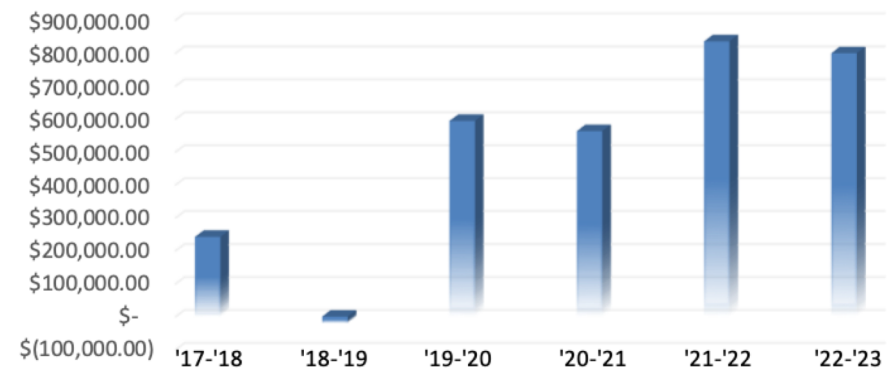
School Year	School Year	School Year	School Year	School Year	School Year
Prior Year 2017-18	Current 2018-19	2019-20	2020-21	2021-22	2022-23
Actuals	1	2	3	4	5

EXECUTIVE SUMMARY

STUDENT ONE DAY COUNT	690.0	703.0	725.0	723.0	723.0	723.0
PPR	\$ 7,473.15	\$ 7,945	\$ 8,199	\$ 8,461	\$ 8,732	\$ 9,011
Capital Reserves	\$ 463,350.00	\$ 463,350	\$ 463,350	\$ 463,350	\$ 463,350	\$ 463,350
School Obligation	\$ 7,785,168.00	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168	\$ 7,785,168
Operating Debt Ratio (<18% of Rev)	11.2%	10.2%	9.8%	9.4%	5.5%	5.4%
Debt Service Coverage (>1.0; 1.1 better)	1.31	0.64	1.86	1.84	2.99	2.91
Unrestricted Cash as % of Exp (8% < 17%)	32.6%	22.6%	33.8%	41.3%	54.4%	64.1%
Days Unrestricted Cash on Hand (>40)	148	115	153	180	228	264
REVENUE OVER EXPENSES	\$ 241,626.98	\$ (281,696)	\$ 674,460	\$ 644,865	\$ 919,817	\$ 886,477
Operating Margin	3.5%	-3.7%	8.4%	7.9%	11.0%	10.4%
CARRYFORWARD	\$ 2,887,030.98	\$ 2,605,335	\$ 3,279,795	\$ 3,924,660	\$ 4,844,477	\$ 5,730,954

- 2018-2019 Projecting a loss of \$281k
 - \$375k for Fire Alarms upgrade
- 2019-2020 is the final year of classroom growth. Student increases will level out after that
- 2020-2021 is the final year of payments for the temporary building.
- Operating margins have skyrocketed because of the election measures. These numbers will most likely level off once the additional revenue is apportioned

OPERATING MARGIN PER YEAR



Annual Budgeted P&L

	School Year Prior Year 2017-18 Actuals	School Year Current 2018-19 1	School Year 2019-20 2	School Year 2020-21 3	School Year 2021-22 4	School Year 2022-23 5
REVENUES	\$ 6,884,508	\$ 7,614,239	\$ 8,013,633	\$ 8,168,255	\$ 8,349,349	\$ 8,536,928
SALARIES	\$ 3,564,137	\$ 4,090,568	\$ 3,849,455	\$ 3,982,103	\$ 4,121,665	\$ 4,268,327
BENEFITS	\$ 858,186	\$ 1,067,717	\$ 967,353	\$ 1,010,642	\$ 1,056,366	\$ 1,104,626
TOTAL BENEFITS AND SALARY	\$ 4,422,323	\$ 5,158,285	\$ 4,816,807	\$ 4,992,746	\$ 5,178,031	\$ 5,372,954
PURCHASE SERVICES	\$ 1,908,908	\$ 2,054,358	\$ 2,121,790	\$ 2,123,557	\$ 1,837,772	\$ 1,856,994
CAPITAL OUTLAY	\$ 52,856	\$ 375,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
TOTAL EXPENDITURES	\$ 6,642,881	\$ 7,895,936	\$ 7,339,173	\$ 7,523,390	\$ 7,429,532	\$ 7,650,451
REVENUE OVER EXPENSES	\$ 241,627	\$ (281,696)	\$ 674,460	\$ 644,865	\$ 919,817	\$ 886,477
CARRY FORWARD	\$ 2,887,031	\$ 2,605,335	\$ 3,279,795	\$ 3,924,660	\$ 4,844,477	\$ 5,730,954

			Future Year Projections			
Fiscal Metrics	Actuals	Current Year Projection	Year 2	Year 3	Year 4	Year 5
Tabor Reserve Requirement	\$ 206,535	\$ 228,427	\$ 240,409	\$ 245,048	\$ 250,480	\$ 256,108
Bond Cash Reserve Requirement	\$ 754,467	\$ 834,437	\$ 878,206	\$ 895,151	\$ 914,997	\$ 935,554
Unrestricted Operating Funds (Reserves)	\$ 2,164,836	\$ 1,781,123	\$ 2,483,721	\$ 3,108,398	\$ 4,038,501	\$ 4,900,768
Expense cost per day	\$ 18,055	\$ 20,605	\$ 19,902	\$ 20,407	\$ 20,149	\$ 20,755
Salaries	52%	54%	48%	49%	49%	50%
Benefits	12%	14%	12%	12%	13%	13%
PURCHASE SERVICES	28%	27%	26%	26%	22%	22%
MATERIAL AND SUPPLIES	4%	4%	4%	4%	4%	4%
CAPITAL OUTLAY	1%	5%	1%	1%	1%	1%
Total Expenditures as % of Rev	96%	104%	92%	92%	89%	90%
Total Revenue per Student	\$ 9,978	\$ 10,831	\$ 11,053	\$ 11,298	\$ 11,548	\$ 11,808
Total Expense per Student	\$ 9,627	\$ 11,232	\$ 10,123	\$ 10,406	\$ 10,276	\$ 10,582
Salaries as % of Total Expenses	53.7%	51.8%	52.5%	52.9%	55.5%	55.8%
Debt costs	\$ 774,249	\$ 776,664	\$ 781,664	\$ 767,637	\$ 463,128	\$ 463,128
Debt cost as % of Revenue	11.2%	10.2%	9.8%	9.4%	5.5%	5.4%
Building costs	\$ 213,943	\$ 321,478	\$ 328,533	\$ 333,247	\$ 338,262	\$ 343,378
Facility and Debt costs as % of Revenue	14%	14%	14%	13%	10%	9%

Dec 2018 Report

Lincoln Academy is currently on budget with no major concerns at this time.

There are a number of financial events that have yet to occur this school year, but it is my opinion that the school is in a very good financial position to cover any impending need. Nevertheless, we must maintain a conservative financial outlook, as the available resources do not come close to covering the potential needs in the future. (see opportunities list)

The proposed budget, titled “18-19 Working Budget” is adjusted per the official Per Pupil Revenue (PPR) of 702.46 students and current mill FTE of 695.5 students. The enrollment numbers are up three students from original projections, but State Revenue fell \$8.20 from initial projections. The net difference from the June projections to actuals is \$7,919

I recommend that the Board of Directors allows the Administration to move forward with operations, under the proposed budget (December 2018).