

Treasurer Financial Report

October 8, 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

- Facilities and Maintenance project expensing several large repair projects with funds already appropriated through budget
 - Fence repair and replacement (\$8000-\$12,000)
 - Plumbing repair in “center house” (no quote yet)
 - Rerouting the drainage of the natural spring, per mineral ownership rights usage (no quote yet)
- No new update on Fire Alarm
 - With Fire Alarm work in process during Summer ‘19, Administration is evaluating the facilities capacity for day camps. This may affect revenue to the negative. Stay Tuned.

Revenues

- One Day count numbers are not complete, therefore State and district revenues are not finalized
- “Read Act” grant contributing \$15k in support of the cost of one (1) K teacher salary and benefits.

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)

October is filled with financial compliance matters, including the completion of the annual financial audit. The finance committee will review the audit draft upon its completion, and the final audit will be available before the November board meeting.

The Finance committee will also come to the November Board meeting with a preliminary outlook on the Financial Conditions and Activities (Board Policies).

I recommend that the board of directors allows the Administration to continue normal operations, under the approved budget (approved in June, 2018) without any adjustments.

2018-2019 & 5-Year Projections

Sept 2018 Report

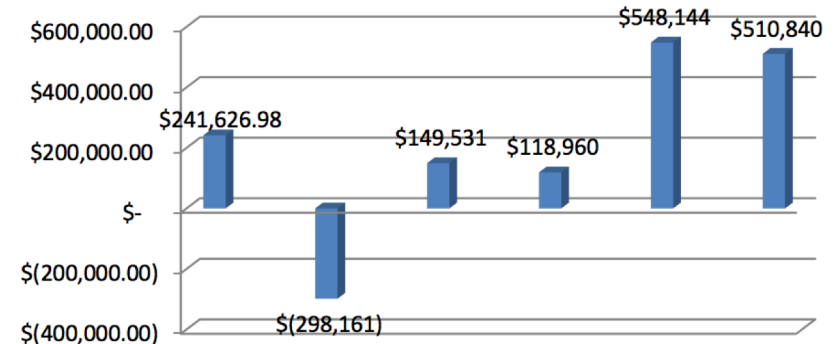
LINCOLN ACADEMY CHARTER SCHOOL 5 Year Plan 2018 - 2023

DRAFT BASED ON BUDGETING 9/7/2018

	Prior Year 2017-18	Current 2018-19	2019-20	2020-21	2021-22	2022-23	
	Actuals	1	2	3	4	5	NOTES
EXECUTIVE SUMMARY							
STUDENT ONE DAY COUNT	690.0	699.0	721.0	719.0	719.0	719.0	
PPR	\$ 7,473.15	\$ 7,945	\$ 8,199	\$ 8,461	\$ 8,732	\$ 9,011	
Operating Debt Ratio (<18% of Rev)	11.2%	10.6%	12.2%	11.8%	5.8%	5.6%	
Debt Service Coverage (>1.0; 1.1 better)	1.31	0.61	1.16	1.13	2.18	2.10	
Unrestricted Cash as % of Exp (8% < 17%)	32.6%	23.5%	25.3%	26.0%	34.6%	39.9%	
Days Unrestricted Cash on Hand (>40)	148	119	122	125	156	175	
REVENUE OVER EXPENSES	\$ 241,626.98	\$ (298,161)	\$ 149,531	\$ 118,960	\$ 548,144	\$ 510,840	
Operating Margin	3.5%	-4.1%	1.9%	1.5%	6.8%	6.2%	

- 2018-2019 Projecting a loss of \$298k
 - \$375k for Fire Alarms upgrade
 - \$215k for 2nd half of bonus
- 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 are projected to decline year-over-year at the rate of .5%

Operating Margin per Year



Annual Budgeted P&L

Sept 2018 Report

	Prior Year 2017-18 Actuals	Current 2018-19 1	2019-20 2	2020-21 3	2021-22 4	2022-23 5	NOTES
REVENUES	\$ 6,884,508	\$ 7,329,793	\$ 7,714,358	\$ 7,868,029	\$ 8,048,122	\$ 8,234,664	
SALARIES	\$ 3,564,137	\$ 3,838,913	\$ 3,862,116	\$ 3,995,244	\$ 4,135,315	\$ 4,282,519	
BENEFITS	\$ 858,186	\$ 1,071,433	\$ 1,037,262	\$ 1,083,005	\$ 1,131,312	\$ 1,182,290	
TOTAL BENEFITS AND SALARY	\$ 4,422,323	\$ 4,910,346	\$ 4,899,378	\$ 5,078,248	\$ 5,266,627	\$ 5,464,809	
PURCHASE SERVICES	\$ 1,908,908	\$ 2,048,515	\$ 2,278,235	\$ 2,277,363	\$ 1,833,524	\$ 1,852,690	
CAPITAL OUTLAY	\$ 52,856	\$ 375,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	
TOTAL EXPENDITURES	\$ 6,642,881	\$ 7,627,954	\$ 7,564,827	\$ 7,749,069	\$ 7,499,979	\$ 7,723,824	
REVENUE OVER EXPENSES	\$ 241,627	\$ (298,161)	\$ 149,531	\$ 118,960	\$ 548,144	\$ 510,840	
CARRY FORWARD	\$ 2,887,031	\$ 2,588,870	\$ 2,738,402	\$ 2,857,361	\$ 3,405,505	\$ 3,916,345	

			Future Year Projections			
Fiscal Metrics	Actuals	Current Year Projection	Year 2	Year 3	Year 4	Year 5
Tabor Reserve Requirement	\$ 206,535	\$ 219,894	\$ 231,431	\$ 236,041	\$ 241,444	\$ 247,040
Bond Cash Reserve Requirement	\$ 754,467	\$ 803,265	\$ 845,409	\$ 862,250	\$ 881,986	\$ 902,429
Unrestricted Operating Funds (Reserves)	\$ 1,926,029	\$ 1,565,711	\$ 1,661,562	\$ 1,759,071	\$ 2,282,075	\$ 2,766,876
Expense cost per day	\$ 18,055	\$ 19,871	\$ 20,520	\$ 21,025	\$ 20,342	\$ 20,956
REVENUE	103.6%	96.1%	102.0%	101.5%	107.3%	106.6%
Salaries	52%	52%	50%	51%	51%	52%
Benefits	12%	15%	13%	14%	14%	14%
PURCHASE SERVICES	28%	28%	30%	29%	23%	22%
MATERIAL AND SUPPLIES	4%	4%	4%	4%	4%	4%
CAPITAL OUTLAY	1%	5%	1%	1%	1%	1%
Total Revenue per Student	\$ 9,978	\$ 10,486	\$ 10,700	\$ 10,943	\$ 11,193	\$ 11,453
Total Expense per Student	\$ 9,627	\$ 10,913	\$ 10,492	\$ 10,778	\$ 10,431	\$ 10,742
Salaries as % of Total Expenses	53.7%	50.3%	51.1%	51.6%	55.1%	55.4%
Debt costs	\$ 774,249	\$ 774,249	\$ 942,249	\$ 925,637	\$ 463,128	\$ 463,128
Debt cost as % of Revenue	11.2%	10.6%	12.2%	11.8%	5.8%	5.6%
Building costs	\$ 213,943	\$ 321,478	\$ 328,545	\$ 333,257	\$ 338,273	\$ 343,388
Facility and Debt costs as % of Revenue	14%	15%	16%	16%	10%	10%