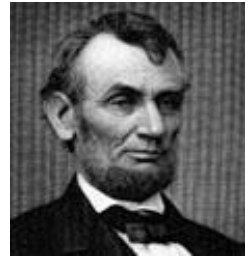




The Mission of Lincoln Academy is to help students attain their highest social and academic potential through an academically rigorous, content-rich educational program in a safe, orderly, and caring environment.



Lincoln Academy Board of Directors

Feb 2016

Finance Committee Summary presented to LA BoD (March 2016)

For the 2015-16 budget, Lincoln remains close to expected revenue and expense trends. While individual line items present some challenges, each overall category of expenses is being monitored and managed well by the operational teams. The final decision, to be made during this month's BoD meeting, around future space considerations will help in the development of clear vision for long term fiscal needs and necessary reserves to be grown.

Revenues Revenues for Feb ran at 76% of budget with 3 Quarters of district funding being received by LA. Some individual revenue accounts have been moved around to better account for the type of funds they represent. This creates some individual accounts to appear to be over or under budget but has not impact on overall revenue collections. A portion of the Penny's for Patients fund were run through the schools accounts but will net to zero for net margin. Fund raising will likely not make reach budgeted numbers for the current year. LA has seen additional Mill Levy funds appropriated by Jeffco for charter schools which is anticipated to result in a positive revenue margin against budget for this school year.

Expenses:

Salaries & Benefits: Overall, wages are running to expectation with full time employee salaries matching budget overall and total salaries running at 63% of annual forecast (compared to 67% of the school year being completed). By Year-end, salaries should be at budget or slightly under budget.

General Expenses: General Expenses (Purchased services) ended Feb at 56% of budget estimations. However, the current expectation is that LA will end the year very close to budget due to 1) Payment to Vanir in support of the school space expansion & BEST grant work they are providing for the Master Planning committee & 2) Unbudgeted Tree maintenance costs of \$12k. Note : The Vanir expenses were budgeted in the PY while payments were made in August of 2015. The net result was the same to the margin but has been split between years. Spending will continue to be monitored by the finance council each month.

Materials and Supplies: Running at 50% of budget, the materials and supplies is under projected annual budget but several larger expenses are incurred towards the end of the year such as annual ordering of classroom materials. New classroom expenses, such as printer ink and supplies, for the new 5th grade classroom were not added into the current school year budget. Several accounts will be reviewed for usage including Custodial Supplies & Instructional Equip.

Capital Expenditure: LA had projected spending \$50k towards capital improvements. However, these funds have been held in reserve pending the final proposal of the Master planning

committee. If unused this year, these funds will be placed in the building capital fund for future renovation needs.

Net Margin: Lincoln Academy is projecting to end the year with a positive margin of \$52k in 2015-16. However, the margin is impacted by the Building contingency fund as noted below. Further, the projected margin excludes receipts related to deposits for 2016-17 of \$18,715.

Carryforward: Reserves for Lincoln ended prior year at \$1.250M from the previous school year with \$300k of that balance earmarked for Facility growth needs leaving \$950k for operational reserves. The projected carryforward for 2016-17 is anticipated be end in excess of \$1.6M with over \$600k designated for school capital growth. Overall carry forward amounts are well above TABOR requirements and meet operating fiscal metrics goals.

Building Contingency Fund:

In anticipation of space concerns and long term facility planning, the finance council has initiated the allocation of monies to a specific fund designated for these long term plans. This fund is different from the general operational Carry forward amount. The fund will be tracked against the space planning cash requirements. Currently, we are projecting setting aside \$300k for this school year (increasing Building funding to over \$600k).

The Master planning group is nearly complete with their final proposal to be presented to the BoD. Based on those recommendations, the cash needs for LA may exceed \$2.5M. Should LA be awarded the BEST grant in May that amount might be reduced by \$600k. Various sources of funding these capital initiatives are under consideration including lease-to-buy, loan and lines of credit.