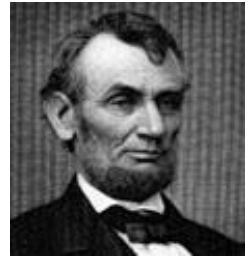




*The Mission of Lincoln Academy is to help students attain their highest social and academic potential through an academically rigorous, content-rich educational program in a safe, orderly, and caring environment.*



## Lincoln Academy Board of Directors

Nov 2015

### Finance Committee Summary presented to LA BoD (Dec 2015)

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. Development of clear vision towards the space utility, capital costs and mission continues and will help support the finance planning for long term fiscal requirements and necessary reserves to be grown.

**Revenues** Revenues for Nov ran at 54% of budget with 2 Quarter 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. Kindergarten tuition will likely exceed budget projections for the year and LA will see additional Mill Levy funds appropriated by Jeffco for charter schools. These should 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 39% of annual forecast (compared to 42% of the school year being completed). By Year-end, salaries should be at budget.

**General Expenses:** General Expenses (Purchased services) ended Nov at 42% of budget estimations. However, the current expectation is that LA will end the year above budget due to 1) Payment to Vanir in support of the school 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 39% of budget, the materials and supplies is running under projected annual budget but as we look forward, this category is currently project to run over budget. Approximately, \$11k of the overage will be offset by additional revenues (ie: Art Fund and ESL payment). However, expenses for printer ink and supplies for the new 5<sup>th</sup> grade classroom were not added into the current school year budget. However, the overage is reasonable and all expenditure will be monitored to try to meet budget goals.

**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 \$44k in 2015-16. However, the margin is impacted by the Building contingency fund as noted below.

**Carryforward:** Reserves for Lincoln ended at \$1.250k from the previous school year with \$300k earmarked for Facility growth needs leaving \$950k for operational reserves. The projected margin for the current year of \$44k would cause the operating carry forward balance to increase to \$999k. 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 decision throughout this year with an initial goal of \$1M in saving over 5 years. Currently, we are projecting setting aside \$90k for this school year (increasing Building funding to \$390k) with possible strategy & planning costs as well as initial facility work to be applied against that amount during the year.