



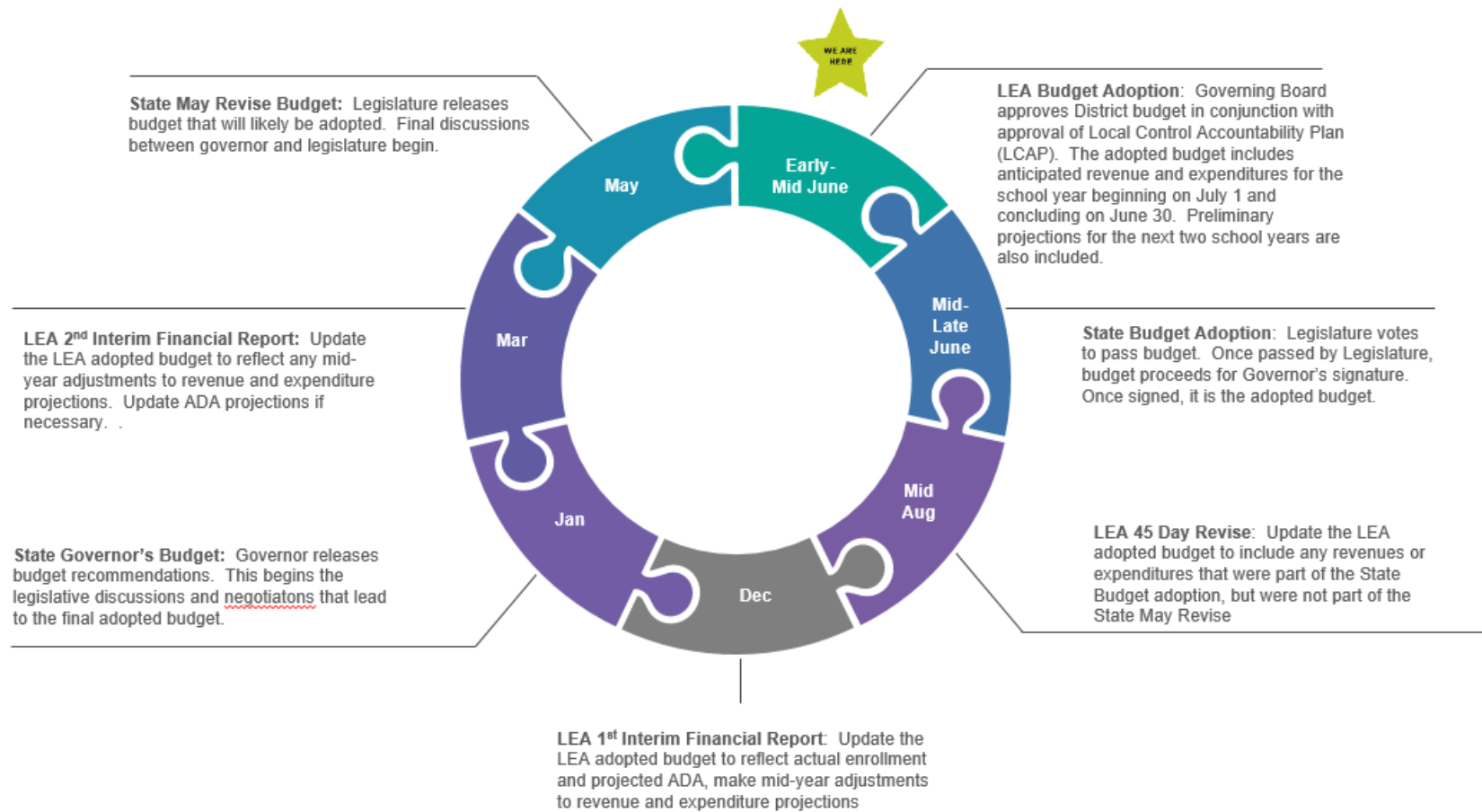
Roseland Charter School

2023-24

Proposed Adopted Budget Presentation & Public Hearing

Board of Directors
June 6, 2023

Background Information: Budget Cycle



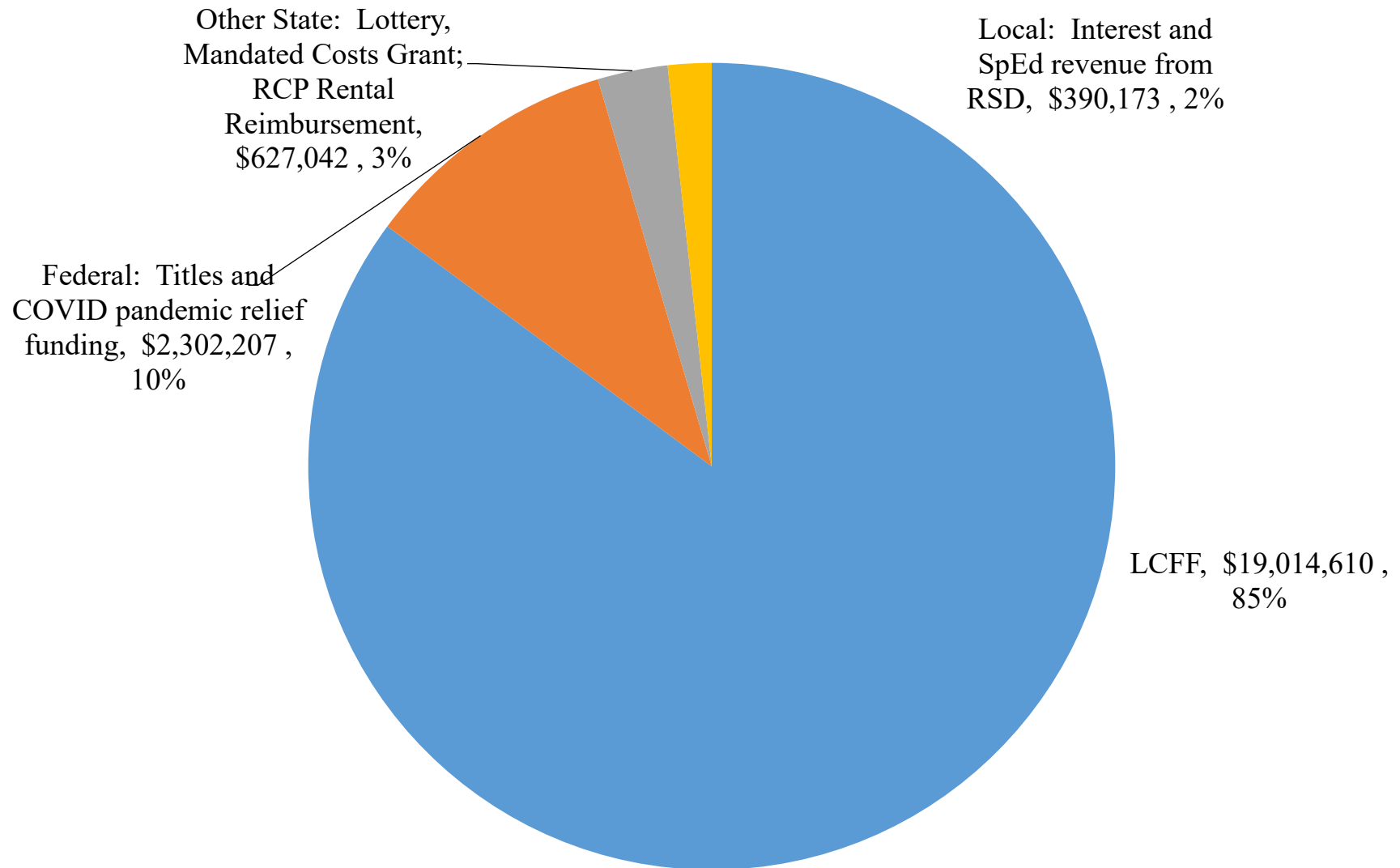
Budgeted Revenue (2023-24)

2023-24 Revenue Planning Factors:

- Enrollment: 1300
 - 2022-23 – 1293 actual enrollment
- Average Daily Attendance (ADA): 94.3%
 - 2022-23 – 92.0% actual attendance
- Cost Of Living Adjustment (COLA): 8.22%

Revenue Type	Unrestricted	Restricted	Total
Local Control Funding Formula (LCFF)	19,014,610		19,014,610
Federal Revenues		2,302,207	2,302,207
Other State Revenues	252,336	374,706	627,042
Other Local Revenues	120,000	270,173	390,173
Contribution to Special Education	-1,273,576	1,273,576	
Total Revenues	\$18,113,370	\$4,220,662	\$22,334,032

Budgeted Total Revenue (2023-24)



Budgeted Revenue: Impact of Enrollment and Attendance

The following table provides estimated 2023-24 LCFF revenues, with all other factors being equal, for the following scenarios for enrollment and attendance

Scenario	Enrollment	Attendance Rate	ADA #s (\$15.5K/ADA)	LCFF Revenue
Adopted Budget	1300	94.3%	1225.63	19,014,610
Scenario 1	1293	92.0%	1189.64	18,463,880
Scenario 2	1300	92.0%	1196	18,566,200
Scenario 3	1300	96.4%	1253.2	19,432,952

- Scenario 1: This is equivalent to the enrollment and ADA rates that actually occurred during the 2022-23 school year
- Scenario 2: This is Charter enrollment at capacity with a continuation of the ADA rates that actually occurred during the 2022-23 school year
- Scenario 3: This is Charter enrollment at capacity, with a return to pre-pandemic ADA rates from the 2019-20 school year

Budgeted Expenditures (2023-24)

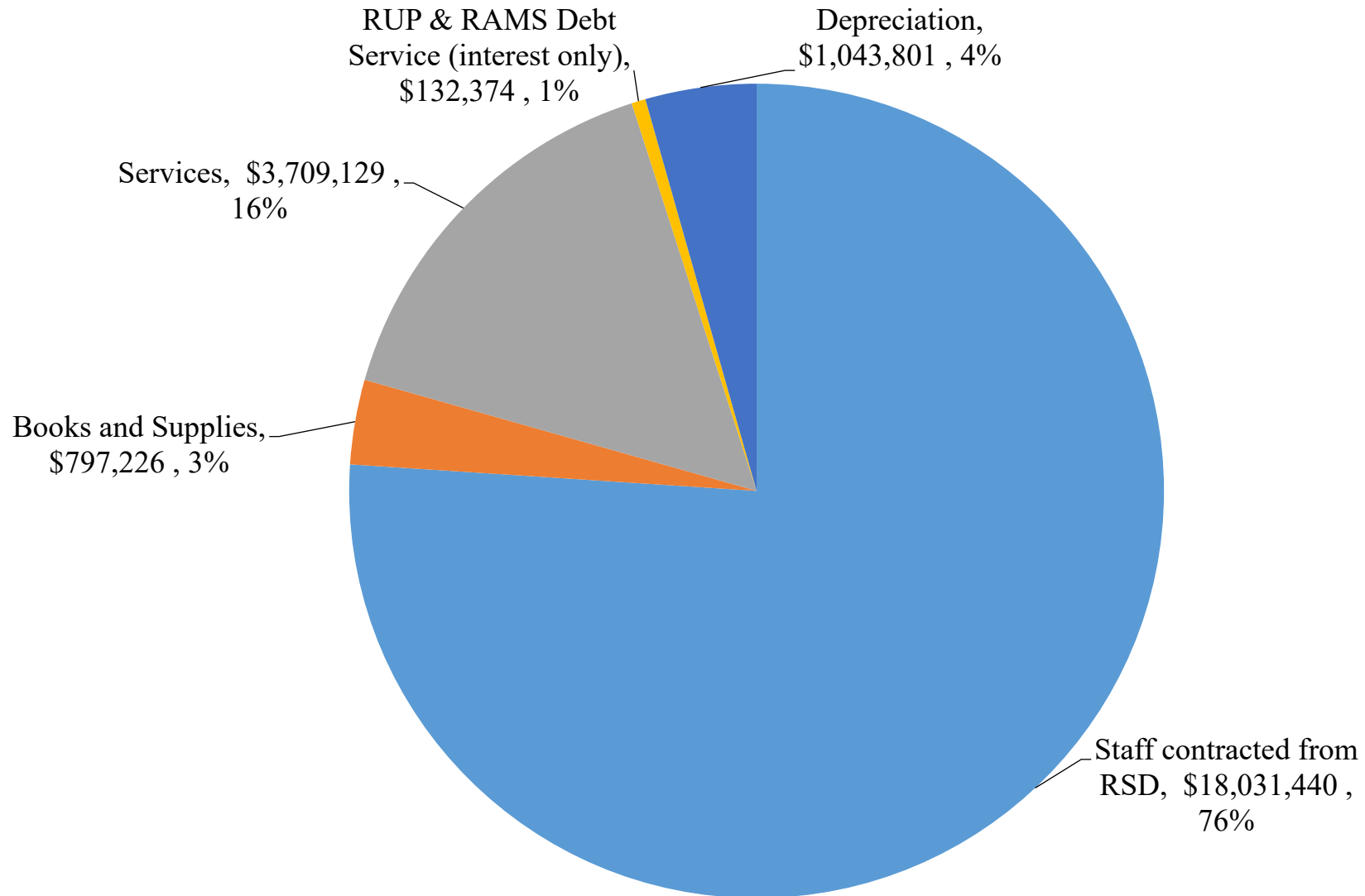
Most expenditures are defined in the Local Control Accountability Plan (LCAP)

Expenditure Type	Unrestricted	Restricted	Total
Staff (salaries and benefits contracted from RSD)	14,995,365	3,036,075	18,031,440
Supplies	664,444	132,782	797,226
Services	2,659,075	1,050,054	3,709,129
Debt Service (Interest on RUP, RAMS facility loans)	132,374		132,374
Total Expenditures before Depreciation	\$18,451,258	\$4,218,911	\$22,670,169
Depreciation expense (non-cash)	1,043,801		1,043,801
Total Expenditures	\$19,495,059	\$4,218,911	\$23,713,970

Additional cash outflows are projected for the principal payments for facility loans (not considered expense from an accounting/budgeting standpoint):

- RUP: \$198,844
- RAMS: \$ 12,760

Budgeted Total Expenditures (2023-24)



Multiyear Projections: Budgeted Revenue & Expense

Revenue Assumptions:

- 2024-25: Project 3.94% COLA
- 2025-26: Project 3.29% COLA
- 2026-27: Project 3.19% COLA
- All future years: Project 1300 enrollment and 94.3% attendance rate

Expenditure Assumptions:

- All future years: 4% total increase in staffing costs (combined increases in costs for salaries and benefits contracted from the Roseland School District)
- All future years: 1% increase in supply and service costs

Multiyear Projection (Simplified)

- See page 16 of the report for detailed information (and projection through 2026-27)

ROSELAND CHARTER SCHOOL 2024 Adopted Budget & Multi-year Projections Through 2025/26		2023/24 PROJECTION			2024/25 PROJECTION			2025/26 PROJECTION		
		Projected Enrollment		1,300	Projected Enrollment		1,300	Projected Enrollment		1,300
		Projected Unduplicated Pupil %		81.78%	Projected Unduplicated Pupil %		82.76%	Projected Unduplicated Pupil %		82.69%
		Projected ADA		1,225.63	Projected ADA		1,225.63	Projected ADA		1,225.63
		Projected ADA Rate		94.3%	Projected ADA Rate		94.3%	Projected ADA Rate		94.3%
		8.22% FUNDED COLA			3.94% FUNDED COLA			3.29% FUNDED COLA		
REVENUES		UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
Total Revenues		18,113,370	4,220,662	22,334,032	18,985,668	2,588,749	21,574,417	19,579,052	2,639,692	22,218,744
EXPENDITURES		UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
Total Expenses		19,495,059	4,218,911	23,713,970	20,301,572	2,587,782	22,889,354	20,964,830	2,621,982	23,586,812
Ending Fund Beginning Balance		29,407,894	8,286,325	37,694,219	28,026,205	8,288,076	36,314,281	26,710,301	8,289,043	34,999,344
Net Excess (Deficiency) of Revenues over Expenses		(1,381,689)	1,751	(1,379,938)	(1,315,904)	967	(1,314,937)	(1,385,778)	17,710	(1,368,068)
Ending Fund Net Ending Balance		28,026,205	8,288,076	36,314,281	26,710,301	8,289,043	34,999,344	25,324,523	8,306,753	33,631,276
COMPONENTS OF ENDING BALANCE		ASSIGNED	RESTRICTED OR CAPITAL FACILITIES	TOTAL	ASSIGNED	RESTRICTED OR CAPITAL FACILITIES	TOTAL	ASSIGNED	RESTRICTED OR CAPITAL FACILITIES	TOTAL
Total Designations		6,775,869	28,622,680	35,398,549	6,734,638	27,087,743	33,822,381	6,769,511	25,494,675	32,057,239
NET UNDESIGNATED ENDING FUND BALANCE				915,733			1,176,964			1,574,038

Footnotes Regarding Cash Flow Within Ending Fund Balance									
1. Unrestricted cash flow (Net Deficiency less Depreciation)		(337,888)			(272,103)			(341,977)	
2. Cash outflow required to pay principal of RUP facility loan		(198,844)			(202,855)			(206,947)	
3. Cash outflow required to pay principal of RAMS (Mod) loan		(12,760)			(13,016)			(13,276)	
4. Cash outflow estimated to pay principal of RAMS (NC) loan					(220,000)			(225,000)	
5. Total Cash Flows within Ending Fund Balance		(549,492)			(707,974)			(787,200)	

Multi-Year Projection Highlights

- The Charter is projected to spend more than it will receive in unrestricted revenues – this is referred to as a “structural deficit”
 - This means that the Charter will use funds from the ending fund to pay for ongoing expenses – this is unsustainable in time, and the deficit will be increased as the facility loan costs are increased in the next several years
 - Over time, this is unsustainable and must be corrected – the Charter will need to “right size” so that revenues are aligned with, or slightly exceed expenses
 - We have budgeted the use of the one-time grants that were allocated by the State (Learning Recovery Grant and Arts and Music Grant) to offset the deficit for the next several years – this will give us more time to right size without needing to make cuts, but will also limit our ability to sustain COVID funded positions
- Not factored into the multi-year projection are the following:
 - Costs to pay for the RCP “balloon payment” of \$4.5M (due 2026-27)
 - Costs to pay for deferred maintenance at any Charter site
 - Costs to pay for RCP facility development (significant construction)

Next Steps and Discussion

- Pending discussion tonight, the Administration will return next week and will recommend Adoption of this proposed budget for the 2023-24 school and fiscal year
- The state will adopt its budget in late June or early July. If any of the assumptions we included in our budget are changed by the state, the Charter will file a “45 Day Revision” to the Adopted Budget – which will be reviewed at the August or September Board meeting
- The Charter will file multiple interim reports throughout the year to reflect budget revisions – the “First Interim Financial Report” (December 2023) and the “Second Interim Financial Report” (March 2024)
- The Business Office will be “closing the books” for the 2022-23 school and fiscal year over the summer, and will present the “Unaudited Actuals” financial report in September 2023
- In the fall, our auditors will audit the Unaudited Actuals and will prepare the Audited Financial Statements for the winter 2023-24 (usually January or February Board)