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Business and Development
Specialists for Charter Schools

Community Learning Center Schools

Financial Presentation

March Financials and Budget Forecast Update

April 18, 2013

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Agenda

- Attendance Update
- March Financials
- March Cash Flow Forecast

Summary of Key Points

- Enrollment/Attendance
  - ACLC attendance rate was down ~2% in Month 6. Nea saw some attrition, which was previously updated in the forecast. Final attendance updates will be made at P2.
- Operating Income
  - At $148K, ACLC's operating income is above 7% of operating expenses for the year
  - Nea's operating income increased to $256K, putting its operating income above 7% of operating expenses for the year
- Cash Flow
  - Cash flow forecast remains as projected in the last couple of months - Nea will need to borrow from ACLC in May.
  - CLCS will need to borrow approximately $100K from the $700K line of credit in June, and should be able to repay in full after July Prop 30 funds are received.

- Please see presentation and accompanying March financials in the board documents workspace for further information.

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Enrollment/Attendance Update

In Month 6, ADA at ACLC and Nea both declined from P-1 ADA.

- ACLC
  - Month 6 ending enrollment was 304, two more learners than Month 5 ending enrollment.
  - However, ADA in Month 6 declined to 285.8 (289.2 in Month 5) due to decrease in attendance rate from 96% to 94%.
  - ADA forecast of 291 may be slightly overstated and will be adjusted at P2.
- Nea
  - Month 6 ending enrollment was 500, 10 fewer learners than Month 5 ending enrollment
  - ADA in Month 6 declined to 485.6 (493.5 in Month 5), due to enrollment. Attendance rate remained just under 96%.
  - ADA forecast of 493 includes this decline and any ADA adjustment will be made at P2.

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March Financial Update - ACLC

In March, projected annual operating income decreased to $151K, $5K less than last month's forecast

- Revenue forecast increased by $10K
  - $2K increase from prior year state aid
  - $5K increase from federal Special Ed (updated forecast from SELPA)
  - $1K increase from state Special Ed entitlement and mental health reimbursement (updated forecast from SELPA)
  - $3K increase in local revenues from Leadership Program
- Expense forecast increased $15K:
  - No changes to salaries and benefits
  - $3K increase to Books and Supplies for uniform purchase
  - $12K increase in Services and Operating Expenses focused on instructional priorities including, $12K additional technology services expenses, <$200 increase to other revenue-driven expenses (district oversight, business services)

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March Financial Update - ACLC

At $148K, ACLC's operating income is above 7% of operating expenses for the year

		Approved Budget	February Forecast	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY						
Revenue						
	General Block Grant	1,591,241	1,655,801	1,658,289	67,047	796,764
	Federal Revenue	49,439	49,295	53,856	4,416	39,411
	Other State Revenues	313,507	325,134	324,532	11,024	140,935
	Local Revenues	110,205	107,813	111,053	848	96,945
	Fundraising and Grants	20,000	56,204	56,204	36,204	12,921
	Total Revenue	**2,084,393**	2,194,245	**2,203,933**	**119,540**	**1,086,976**
Expenses						
	Compensation and Benefits	1,527,542	1,537,018	1,537,018	(9,476)	416,147
	Books and Supplies	113,119	107,127	109,877	3,242	25,446
	Services and Other Operating Expenditures	382,632	393,856	406,110	(23,478)	214,984
	Capital Outlay	-	-	-	-	-
	Total Expenses	**2,023,293**	2,038,001	**2,053,005**	**(29,712)**	**656,577**
Operating Income (excluding Depreciation)		**61,100**	**156,244**	**150,928**	**89,828**	**430,399**
Operating Income (including Depreciation)		61,100	156,244	150,928	89,828	430,399
Fund Balance						
	Beginning Balance (Unaudited)	-	832,449	832,449		
	Audit Adjustment	-	0	0		
	Beginning Balance (Audited)	-	832,450	832,450		
	Operating Income (including Depreciation)	61,100	156,244	150,928		
Ending Fund Balance (including Depreciation)		**61,100**	**988,694**	**983,377**		

March Financial Update - Nea

In March, projected annual operating income is $256K, $45K more than last month's forecast

- Revenue forecast increased by $62K, main drivers include
  - $7K increase to federal special ed revenues based on new schedule from SELPA
  - $33K increase to state special ed revenues
    - $16K in entitlement revenues
    - $17K mental health reimbursement
  - $19K increase to Other Local Revenue and fundraising
    - $17K from PTSA donation
- Expense forecast increased by $18K:
  - Net $10K savings to salaries and benefits, comprised of $15K savings in certificated salaries for unfilled teacher position and $2K in benefits, which is offset by additional $6K in substitute teacher expenses
  - $2.5K increase to Books and Supplies, though shifted budget from books to office supplies
  - $19K increase in Services and Operating Expenses, mostly driven by additional $10K for NCS Pearson for PowerSchool subscription, and ongoing SIS support, $3K for monthly Comcast internet fees, $2K in after school program food and $2K for field trip expenses

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March Financial Update - Nea

Increase in operating income to $256K puts Nea's operating income above 7% of operating expenses for the year

		Approved Budget	February Forecast	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY						
Revenue						
	General Block Grant	2,506,272	2,655,609	2,658,513	152,241	1,332,457
	Federal Revenue	87,612	84,040	90,838	3,226	64,071
	Other State Revenues	603,233	618,002	651,651	48,418	329,517
	Local Revenues	196,172	236,037	238,499	42,326	139,214
	Fundraising and Grants	63,000	94,612	111,184	48,184	-
	Total Revenue	**3,456,289**	3,688,301	**3,750,685**	**294,396**	**1,865,259**
Expenses						
	Compensation and Benefits	2,549,408	2,611,773	2,601,308	(51,900)	703,641
	Books and Supplies	168,732	164,401	172,969	(4,238)	34,356
	Services and Other Operating Expenditures	604,574	701,156	720,562	(115,988)	368,655
	Total Expenses	**3,322,714**	3,477,329	**3,494,839**	**(172,125)**	**1,106,653**
Operating Income (excluding Depreciation)		**133,575**	**210,971**	**255,846**	**122,271**	**758,606**
Operating Income (including Depreciation)		133,575	210,971	255,846	122,271	758,606
Fund Balance						
	Beginning Balance (Unaudited)	-	593,868	593,868		
	Audit Adjustment	-	(2,088)	(2,088)		
	Beginning Balance (Audited)	-	591,780	591,780		
	Operating Income (including Depreciation)	133,575	210,971	255,846		
Ending Fund Balance (including Depreciation)		**133,575**	**802,752**	**847,626**		

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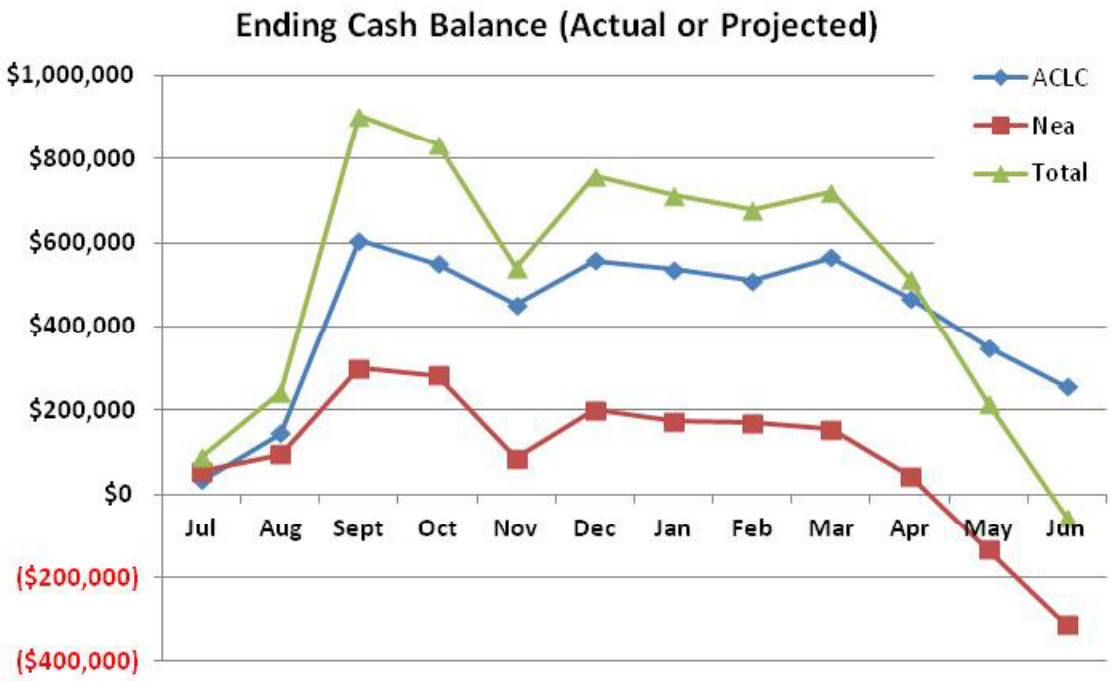
Cash Flow - CLCS

Cash flow forecast for CLCS remains similar to last month's forecast

- March was a break even month for ACLC, and ACLC ended the month with $566K in the bank.
- Nea had an operating surplus in March and ended the month with $154K in the bank.
- Cash flow outlook for Nea is similar to last month's forecast. Nea is forecasted to stay cash positive through April, and will still need to borrow from ACLC in May.
- In June, CLCS is forecasted have a cash deficit of ~$60K, and will need to borrow from the LOC. Once Prop 30 funds are received in July, CLC will be able to repay the LOC.