

Rocklin Academy Family of Schools

2017-18 First Interim Report



Overview

Required to adopt a budget prior to July 1 of each year

- First Interim Report submitted to County by December 15th
- Submitted to Authorizers, County, Bondholders

First Interim Report provides an opportunity to revise the budget and evaluate the current year actuals as of October 31.

As we continue to develop our budget we will work to ensure we are able to meet our financial obligations and covenants for the current and two subsequent years.

Significant Changes

Within this Report we made a slight revision to one of the reports:

- Site at a Glance
 - Last year, was included to provide a site specific three year picture including Enrollment, ADA, profit/loss, staffing/FTE
 - This year we added site level cash flows to provide more information at the site level

Average Daily Attendance

Attendance is the most significant factor in determining our funding.

For Budgets we estimate the Attendance that we expect to have at the end of March (2018)

- Determines LCFF, Lottery, Special Education, etc.
- Main change was due to lower enrollment at the higher grade levels
- Approximate decrease of \$330K

School	Projected ADA (Budget)	Projected ADA (1 st Interim)	Change	LCFF	LCFF / ADA
Gateway	1,248.98	1,220.78	(28.20) / 2.3%	\$ 9,439,417	\$ 7,732
Meyers	180.42	175.91	(4.51) / 2.5%	\$ 1,346,468	\$ 7,654
Turnstone	360.84	360.88	0.04 / 0.0%	\$ 2,741,768	\$ 7,597
Western Sierra	748.60	739.22	(9.38) / 1.3%	\$ 6,270,226	\$ 8,482
Total	2,538.84	2,496.79	(42.05) / 1.7%	\$ 19,797,879	\$ 7,929

Enrollment

Attendance is driven by enrollment and percentage of kids in seats

Grade Span	Projected Enrollment (Budget)	Projected Enrollment (1 st Interim)	Variance
K - 3	912	902	(10)
4 - 6	630	626	(4)
7 - 8	490	469	(21)
9 - 12	608	588	(20)

Main decrease is within the upper grades where waitlist is lower and recurring count is harder to predict.

Grade	Projected Enrollment (Budget)	Projected Enrollment (1 st Interim)	Variance
K	264	259	(5)*
1	216	216	-
2	216	215	(1)
3	216	212	(4)
4	210	208	(2)
5	210	210	-
6	210	208	(2)
7	256	239	(17)
8	234	230	(4)
9	185	185	-
10	167	157	(10)
11	139	129	(10)
12	117	117	-

* Of the 5 variance, 4 are TK

Historical Enrollment

As we continue to further develop enrollment projections, we also looked back to evaluate the enrollment variances between Budget and First Interim for Gateway and Western Sierra

Western Sierra	First	End of year	31-Oct	Budget	1st Interim	Variance Budget and First day of school	Adjustments at First Interim
2012-13	524	541	556				
2013-14	719	718	730				
2014-15	725	713	732	740	732	(15)	(8)
2015-16	719	732	742	740	742	(21)	2
2016-17	754	741	755	787	763	(33)	(24)
2017-18	766		767	788	770	(22)	(18)

Gateway	First	End of year	31-Oct	Budget	1st Interim	Variance Budget and First day of school	Adjustments at First Interim
2013-14							
2014-15	803	810	816	828	813	(25)	(15)
2015-16	1,032	1,043	1,045	1,068	1,053	(36)	(15)
2016-17	1,184	1,178	1,196	1,248	1,206	(64)	(42)
2017-18	1,242		1,263	1,294	1,251	(52)	(43)

Unrestricted Revenues

Majority is Unrestricted (~91%)

Local Control Funding Formula - Decrease of approx. \$330K

State Revenue went up approx. \$370K.

Main Cause: One-Time funding approved at \$147.32/ADA

Local Revenue went up approx. \$182K

Main Cause: Adjustments to Food Services at Gateway

Remaining revenues largely due to self-funded resources (ie fieldtrips, athletics, etc.)

Overall increase of approx. \$250K

Unrestricted Expenses

Most significant revisions to expenses were to:

- Salaries and Benefits were aligned to board approval of salary schedules and movements between contracted and hired personnel
- Increase in books and supplies based on anticipated spending
- Increase in services due to higher than anticipated legal costs and hiring of outside firm.

Allocation of Support services is budgeted consistent with budget adoption and listed in the table below.

Allocation of Support Services:

Meyers	Turnstone	Western Sierra	Gateway
10%	20%	30%	40%

Unrestricted Expenses – Facility Cost

Charter Schools have additional costs which impact the unrestricted fund as compared to traditional districts:

- Facility costs (Rent and Principal/Interest)
- 1% oversight fees

The table below represents all facility costs (custodial, utilities, rent) as well as MOU fees and 1% for an evaluation across sites

School	Facility Costs	% of Unrestricted Budget
Gateway	\$ 2,452,584	24%
Meyers	133,622	10%
Turnstone	287,272	11%
Western Sierra	1,470,419	22%
Total	\$ 4,343,897	21%

Contributions to Restricted Program

We are very proud of the services that we provide to all of our students.

Unfortunately the Federal and State government have not provided the funding that was envisioned when the laws mandating programs for Special Ed students were adopted.

	Initial Proposal	Current Proposal
Special Education Expenses	2,137,441	2,099,291
Less: Funded Special Education	1,568,836	1,548,696
Special Education Contribution	568,605	539,800

Budgeted Net Income/Loss

Evaluation below is a summary of the year end projections

	Unrestricted	Restricted	Combined
Total Revenues	\$ 21.56M	\$ 2.21M	\$ 23.77M
Total Expenses	21.84M	2.48M	24.32M
Excess/(Deficit)	(0.28)M	(0.27)M	(0.55)M
Fund Balance (Beg)	7.94M	0.27M	8.21M
Fund Balance (End)	7.66M	-	7.66M

Of the \$280,000 deficit within unrestricted we have capital outlay of \$398,523. This is important to consider when evaluating how we are doing fiscally.

Budgeted Net Income/Loss by site

Evaluation below is over Unrestricted Accounts

School	Initial	Current
Meyers	10,760	(29,489)
Western Sierra	(150,553)	(270,162)
Turnstone	131,664	97,041
Gateway	103,504	70,318

*For Western Sierra and Meyers there is \$223,002 and \$23,100, respectively, budgeted within capital outlay which help to offset the current deficit.

Fund Balance - MYP

Note that projections include current salary schedule rolled forward.

Net Income (Loss)	Meyers	Western Sierra	Turnstone	Gateway *
2018-19	17,389	69,576	116,971	(24,336)
2019-20	910	68,352	86,709	(133,612)

* The cause for this deficit is:

- Bubble of 180 6th grade students (120 in 5th grade)
- Opened additional class K-3 in 2017-18 (144 vs 120)
- Gap in enrollment (1287 and 1274 outyears) and capacity as we walk forward the students in 3rd grade each year

We will continue to work with administration regarding outyears for all sites.

MYP – Items for Consideration

The most difficult items to project are those that move or are based on another factor. The most significant unknown items for our organization are:

Special Education

- unknown until children are enrolled in our schools
- Currently contribution to this program is ~25%

Retirement

- based on salaries which rise according to salary schedules
- Both STRS/PERS have significant unfunded liabilities, schedule continues to increase

Enrollment and Attendance

- Specifically related to the higher grade levels where our waiting list is lower and the continuation is harder to predict.

We will continue to update the outyears as more information becomes available.

Questions

