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
March 2016
Finance Committee Summary presented to LA BoD (April 2016)

For the 2015-16 budget, Lincoln remains close to expected revenue and expense trends. Each overall category of expenses is being monitored and managed well by the operational team. With the end of year approaching, the finance team is reviewing the school’s Opportunity list for any significant needs for LA. However, the overriding fiscal demands of the school’s expansion next year will be a priority.

**Revenues**
Revenues for Feb ran at 77% 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 minimal impact on overall revenue collection projections. Revenues for at risk students and Cap Construction funding will end higher than anticipated. Further the remaining $19k from the Bond capital fund will be absorbed in June. Based on these outcomes, LA should see total cash significantly above budgeted expectations.

**Expenses:**

**Salaries & Benefits:** Overall, wages are running to expectation with full time employee salaries matching budget overall and total salaries running at 72% of annual forecast (compared to 75% 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 March at 58% 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 53% 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. Several accounts will be reviewed for usage including Custodial Supplies & Instructional Equip.

**Capital Expenditure:** LA had budgeted 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 $45k 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 $37,555.

**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). 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.