



# February 2020 Financials

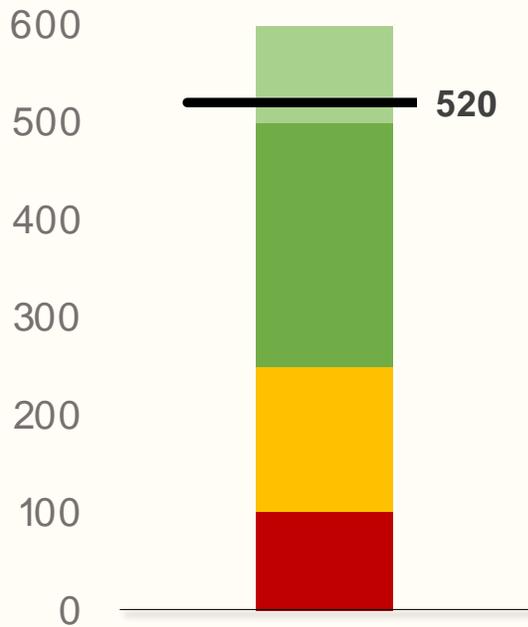
PREPARED MARCH 2020 BY



- **Key Performance Indicators**
- **Forecast Overview**
- **Cash Forecast**
- **Notable Forecast Variances**
- **Appendix: Financials**

## Days of Cash

Cash balance at year-end divided by average daily expenses

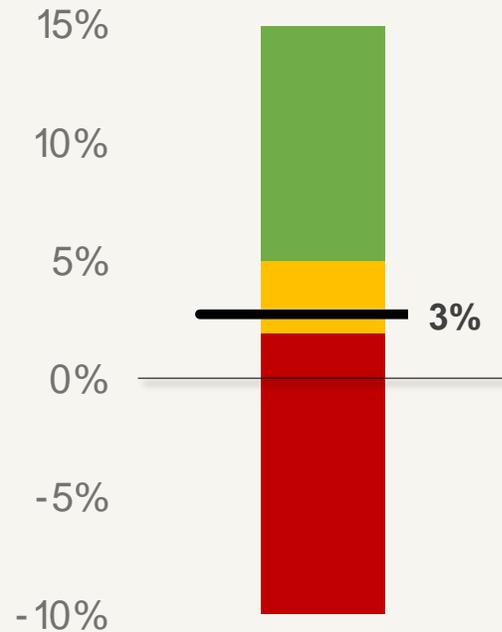


### 520 DAYS OF CASH AT YEAR'S END

The school will end the year with 520 days of cash. This is above the recommended 60 days, and 9 more days than last month

## Gross Margin

Revenue less expenses, divided by revenue

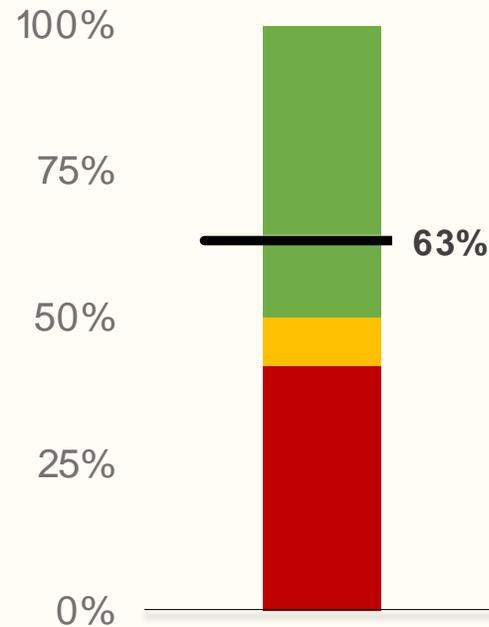


### 3% GROSS MARGIN

The forecasted net income is \$235k, which is \$58k above the budget. It yields a 3% gross margin.

## Grants Invoiced

Federal grants requested divided by federal grants awarded.

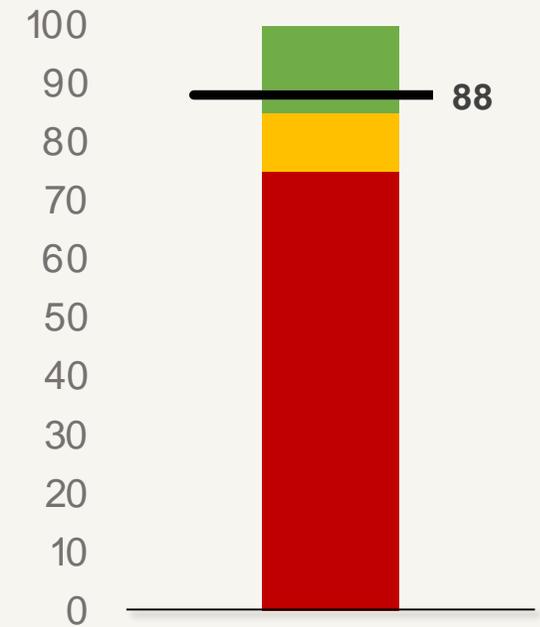


### 63% GRANTS INVOICED

IDEA and ESEA grants have been fully drawn down. SOAR grant reimbursement was submitted in January,

## Forecasted FAR

Forecasted calculation of PCSB's Financial Audit Review (FAR) at year-end



### FORECASTED FAR SCORE: 88

The Financial Audit Review (FAR) is the PCSB's annual evaluation of the school's financial and operational position.

# Forecast Overview

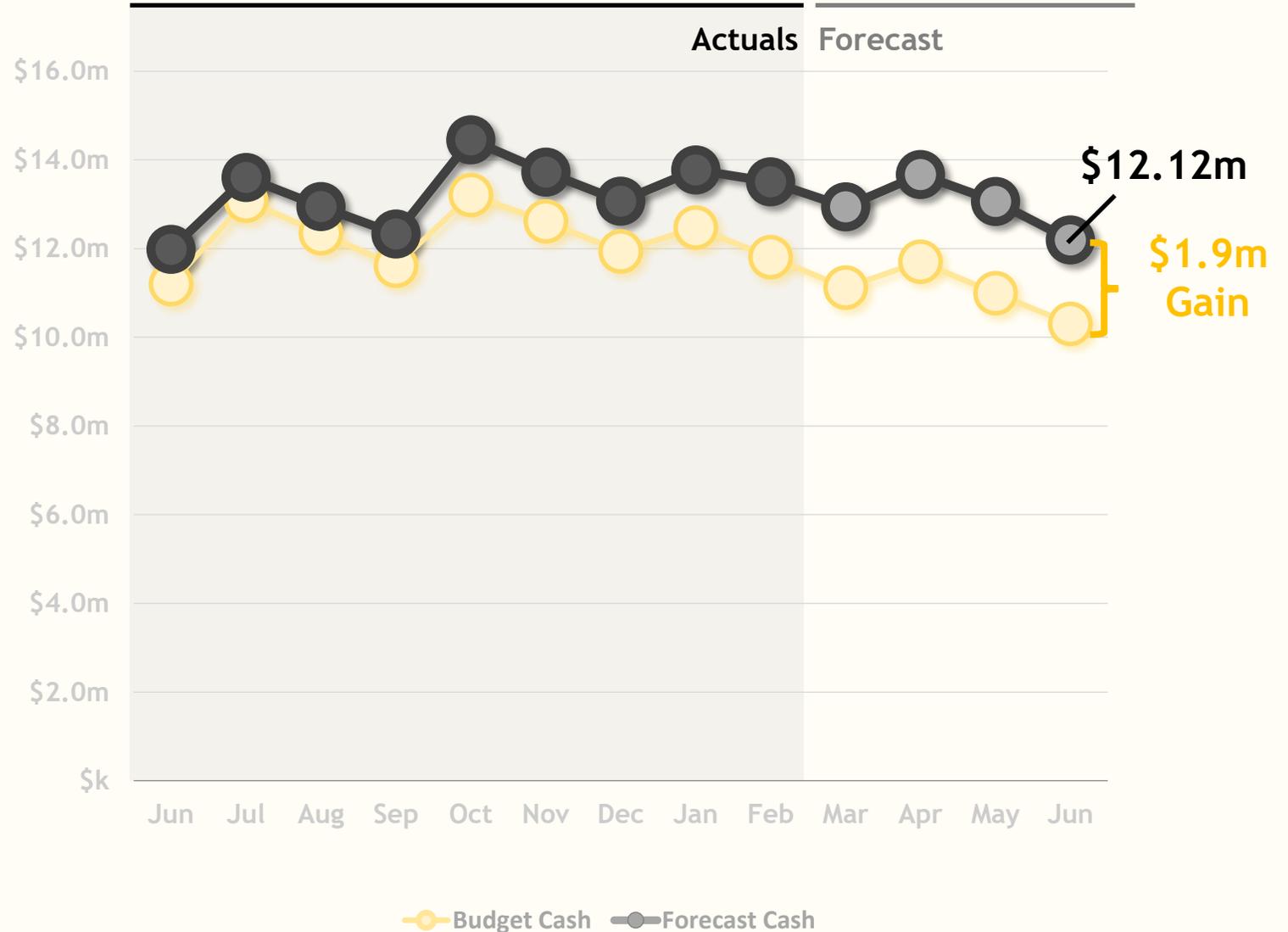
	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$8.6m	\$8.5m	\$89k	+89k	Driven by higher than budgeted SOAR grant revenue and 2 additional students partially offset by lower than budgeted per pupil SpED revenue due to lower Level 2 and Level 3 SpEd student enrollment and lower before/after care fees due to COVID-19 related school closure.
Expenses	\$8.4m	\$8.4m	-\$31k	-31k	Driven mainly by higher than budgeted salaries, health insurance, and payment of unemployment taxes from previous years partially offset by lower than budgeted direct student expenses and office and business expenses.
Net Income	\$235k	\$178k	\$58k	58k	
Cash Flow Adjustments	-\$99k	-\$1.1m	\$978k	+978k	Driven by fewer principal payments than budgeted being made on the Main campus loan.
Change in Cash	\$136k	-\$900k	\$1m	1m	

0

## 520 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$12.12m**, **\$1.9m** above budget.

Forecasted cash balance at year end is \$1.9m more than budgeted due to higher than budgeted starting cash, fewer principal payments than budgeted being made on the BB&T main loan and higher than budgeted net income forecast.



# State and Local Revenue | \$19k annual decrease

Total state and local revenue is forecasted at \$19k less than budgeted due to changes in enrollment driven mainly by lesser than budgeted Level 2 and Level 3 SpED enrollment.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Per-pupil alloc</b> Forecast is \$70k higher than budgeted due to enrollment of 2 more students than budgeted.	5.2m	5.1m	 70k	0
<b>Per-pupil SpEd alloc</b> Forecast for Sped revenue is \$140k lower than budgeted due to enrollment of 5 fewer Level 2 and 5 fewer Level 3 students than budgeted partially offset by 4 more Level 1 students than budgeted.	369k	508k	-140k 	0
<b>Per-pupil LEP/NEP alloc</b> Forecast for ELL revenue is \$16k higher than budgeted due to enrollment of 3 more students than budgeted in this category.	16k	0	 16k	0
<b>Per-pupil At Risk</b> Forecast for At-Risk revenue is \$17k higher than budgeted due to enrollment of 4 more students than budgeted in this category.	615k	598k	 17k	0
<b>Per-pupil facility alloc</b> Forecast is \$7k higher than budgeted due to enrollment of 2 more students than budgeted.	1.2m	1.2m	7k 	0

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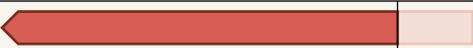
# Federal Revenue | \$152k annual increase

Total federal revenue is expected to be \$152k higher than budgeted mainly due to higher SOAR grant allocation.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Competitive federal grants</b> <small>SOAR Grant allocation was \$153k higher than budgeted.</small>	287k	134k		153k 0
<b>National school lunch prog</b> <small>NSLP revenue forecast was reduced by \$11k based on lower YTD revenue and trends from previous years.</small>	258k	269k		-11k 0

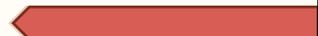
# Earned Fees | \$44k annual decrease

Total earned fees is \$44k lower than budgeted driven mainly by lower before and after care revenue forecast due to COVID-19 related school closure.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<p><b>Before care after care fees</b></p> <p>This month, before after care revenue forecast was reduced by \$50k due to school closure resulting in no before/after care services for the foreseeable future.</p>	120k	162k	<p>-42k</p> 	-50k

# Salaries | \$161k annual decrease

Total salaries are higher than budgeted by \$161k mainly due to higher spending on teacher salaries, student support salaries and before after care salaries partially offset by savings on Specials salaries and teacher aides salaries.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Teacher salaries</b> This month, forecast was reduced by \$20k due to termination of 1 teacher in February. Overall forecast is \$39k higher than budgeted because we hired 2 additional teachers than budgeted partially offset by termination of 2 teachers in October and February.	1.1m	1m	 -39k	20k
<b>Specials salaries</b> Forecast is \$63k lower than budgeted since we did not hire a music teacher and the Spanish teacher took on an Instructional Assistant role.	103k	166k	 63k	0
<b>Teacher aides salaries</b> This month, forecast was reduced by \$10k due to fewer hours worked by Teacher Aides in February. Overall forecast is \$66k lower than budgeted since we have a total of 29 teacher aides on staff as opposed to the 33 that were originally budgeted.	998k	1.1m	 66k	10k
<b>Student support salaries</b> Forecast is \$123k higher because the Parent Center Coordinator and Behavior Specialist positions had not been budgeted for.	265k	141k	 -123k	1k
<b>Clerical salaries</b> Forecast is \$38k higher than budgeted due to addition of new coordinator position.	200k	162k	 -38k	1k
<b>Business, operations salaries</b> Forecast is \$15k higher than budgeted due to higher salary for Director of Marketing.	415k	400k	-15k 	0
<b>Security salaries</b> Forecast is \$21k higher than budgeted due to hiring of night security guard.	62k	40k	 -21k	1k
<b>Other service salaries</b> Forecast is \$15k higher than budgeted due to hiring of additional kitchen staff.	98k	84k	 -15k	1k

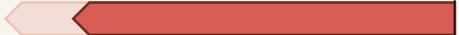
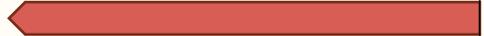
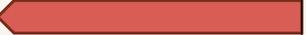
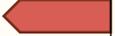
# Salaries | \$161k annual decrease

Total salaries are higher than budgeted by \$161k mainly due to higher spending on teacher salaries, student support salaries and before after care salaries partially offset by savings on Specials salaries and teacher aides salaries.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Supplemental service stipends</b> Total YTD spending of \$132k in this account exceeds the total annual budget by \$10k.	132k	122k	-10k	0k
<b>Before care after care salaries</b> Forecast is \$58k higher than budgeted due to hiring of 4 additional staff members than budgeted and more hours being spent on before/ after care.	197k	139k		-58k 0k
<b>Exe, dev stipends</b> Total YTD spending of \$36k is approaching total annual budget of \$37k.	37k	37k		

# Benefits and Taxes | \$105k annual decrease

Total benefits and taxes are \$105k over budget mainly due to higher than budgeted spending on state unemployment tax, health insurance, staff development and tuition reimbursements for staff members.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Health insurance</b> Forecast is \$36k higher than budgeted due to higher spending on Carefirst bills since December.	239k	204k	 -36k	6k
<b>State unemployment tax</b> Forecast is \$44k higher than budgeted due to payment made to DOES in January for unemployment taxes due from previous years.	110k	66k	 -44k	0
<b>Staff development (non-travel)</b> Forecast is \$28k higher than budgeted due to higher YTD spending trends. Major spending in this account includes monthly payments to KJ Consulting and other payments to Teachstone Training LLC, Honey Bee Company and ATIXA Conference.	202k	173k	-28k 	-0k
<b>Tuition reimbursement</b> Forecast is \$10k higher than budgeted due to higher expected tuition reimbursements to be given out to staff.	10k	0	-10k 	0

0

# Occupancy Service | \$18k annual decrease

Forecast for occupancy services is \$18k higher than budgeted due to higher expected spending on utilities and garbage removal.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Utilities &amp; garbage removal</b> Forecast is \$18k higher than budgeted mainly due to higher YTD spending on Direct Energy Business and PEPCO.	166k	148k		-18k    5k

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# Direct Student Expense | \$97k annual increase

Forecast for direct student expenses is \$97k less than budgeted driven mainly by lower than budgeted student supplies, student recruiting and student uniform costs partially offset by higher than budgeted food service fees.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Student supplies, snacks</b> Forecast is \$80k lower than budgeted due to lower YTD spending in this account.	85k	165k	 80k	0
<b>Student uniforms</b> Forecast is \$21k lower than budgeted due to lower YTD spending in this account.	30k	51k	21k 	0
<b>Food service fees</b> This month, the forecast was reduced by \$20k based on lower than anticipated spending on food service from November to February. Overall forecast is \$25k higher than budgeted to match higher spending due to switch to new food service vendor that offered higher rates than the vendor used in the budget.	296k	270k	 -25k	19k
<b>Student recruiting</b> Forecast is \$45k lower than budgeted since we do not need to utilize part of the cushion that was budgeted for this account.	210k	255k	 45k	0

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# Office & Business Expense | \$169k annual increase

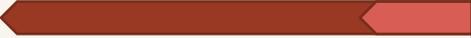
Forecast for total office and business expenses is \$169k lower than budgeted driven mainly by lower spending on computer support fees, other professional fees, office supplies and legal fees.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Office supplies</b> Forecast is \$21k lower than budgeted due to lower YTD spending in this account.	45k	66k	21k 	0
<b>Business insurance</b> Forecast is \$21k lower than budgeted mainly due to switch to Hanover Insurance Group that offered lower prices than the prices budgeted for McGriff and GAI.	27k	48k	 21k	2k
<b>Legal fees</b> Forecast is \$22k lower than budgeted since we do not need to utilize part of the cushion that was budgeted for this account.	55k	76k	 22k	0
<b>Computer support fees</b> Forecast is \$53k lower than budgeted since we do not need to utilize part of the cushion that was budgeted for this account.	100k	153k	 53k	0
<b>Other professional fees</b> Forecast is \$29k lower than budgeted primarily due to expected spending on SRL Consulting being \$13k lesser than budgeted and voiding of an uncleared check of \$12k from FY17.	50k	79k	 29k	0

0

# Buildings | \$19k annual decrease

Total cash outflow on building improvements is \$19k over budget mainly due to cash outflow on construction of toilet partitions.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Building Improvements</b> This month, forecast for cash outflow on building improvements was increased by \$14k due to spending on MD Partitions, Inc. for constructing toilet partitions.	19k	0	-19k 	-14k

0

# Facilities Project Adjustments | \$990k annual increase

Total cash flow adjustment on facilities projects in \$990k lesser than budgeted due to fewer/ semi-annual payments being made on the Main BB&T loan.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Loans Payable - Principal - BBT Refinance</b> Forecast changed to include only semi-annual principal payments	200k	1.2m		988k      0



# QUESTIONS?

Please contact your EdOps Finance Specialist:

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	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
<b>Revenue</b>							
State and Local Revenue	4,951,011	4,993,845	(42,834)	7,465,463	7,484,422	(18,958)	2,514,453
Federal Revenue	456,103	370,468	85,635	726,517	574,778	151,740	270,415
Private Grants and Donations	171	-	171	171	-	171	-
Earned Fees	309,937	313,150	(3,213)	428,771	473,190	(44,419)	118,835
Donated Revenue	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>5,717,221</b>	<b>5,677,463</b>	<b>39,758</b>	<b>8,620,923</b>	<b>8,532,390</b>	<b>88,534</b> ①	<b>2,903,702</b>
<b>Expenses</b>							
Salaries	2,778,413	2,741,629	(36,785)	4,562,189	4,401,350	(160,840)	1,783,776
Benefits and Taxes	687,970	612,392	(75,578)	1,065,121	960,605	(104,516)	377,151
Contracted Staff	-	-	-	-	-	-	-
Staff-Related Costs	37,621	46,280	8,660	72,335	69,676	(2,659)	34,714
Rent	-	-	-	-	-	-	-
Occupancy Service	421,858	403,240	(18,618)	623,290	604,860	(18,430)	201,432
Direct Student Expense	589,740	698,323	108,583	950,526	1,047,485	96,958	360,786
Office & Business Expense	365,885	528,701	162,815	587,106	756,096	168,990	221,221
Donated Expense	-	-	-	-	-	-	-
Contingency	-	52,676	52,676	79,014	79,014	0	79,014
Total Ordinary Expenses	4,881,488	5,083,242	201,754	7,939,582	7,919,086	(20,496)	3,058,094
Net Operating Income	835,733	594,221	241,512	681,341	613,304	68,037	(154,392)
<b>Extraordinary Expenses</b>							
Interest	102,767	109,282	6,515	163,923	163,923	(0)	61,156
Depreciation and Amortization	184,099	181,169	(2,930)	282,155	271,753	(10,402)	98,056
Total Extraordinary Expenses	286,866	290,450	3,585	446,078	435,676	(10,402)	159,212
<b>Total Expenses</b>	<b>5,168,353</b>	<b>5,373,692</b>	<b>205,339</b>	<b>8,385,660</b>	<b>8,354,762</b>	<b>(30,899)</b> ②	<b>3,217,307</b>
<b>Net Income</b>	<b>548,868</b>	<b>303,771</b>	<b>245,097</b>	<b>235,263</b>	<b>177,628</b>	<b>57,635</b> ③	<b>(313,604)</b>
Cash Flow Adjustments	976,596	304,413	672,183	(99,373)	(1,077,219)	977,847	(1,075,968)
<b>Change in Cash</b>	<b>1,525,463</b>	<b>608,184</b>	<b>917,279</b>	<b>135,891</b>	<b>(899,591)</b>	<b>1,035,482</b> ⑤	<b>(1,389,573)</b>

### ① REVENUE: \$89K AHEAD

Driven by higher than budgeted SOAR grant revenue and 2 additional students partially offset by lower than budgeted per pupil SpED revenue due to lower Level 2 and Level 3 SpEd student enrollment and lower before/after care fees due to COVID-19 related school closure.

### ② EXPENSES: \$31K BEHIND

Driven mainly by higher than budgeted salaries, health insurance, and payment of unemployment taxes from previous years partially offset by lower than budgeted direct student expenses and office and business expenses.

### ③ NET INCOME: \$58K ahead

### ④ CASH ADJ: \$978K AHEAD

Driven by fewer principal payments than budgeted being made on the Main campus loan.

### ⑤ NET CHANGE IN CASH: \$1M AHEAD