



# April 2021 Financials

PREPARED **MAY 2021** BY

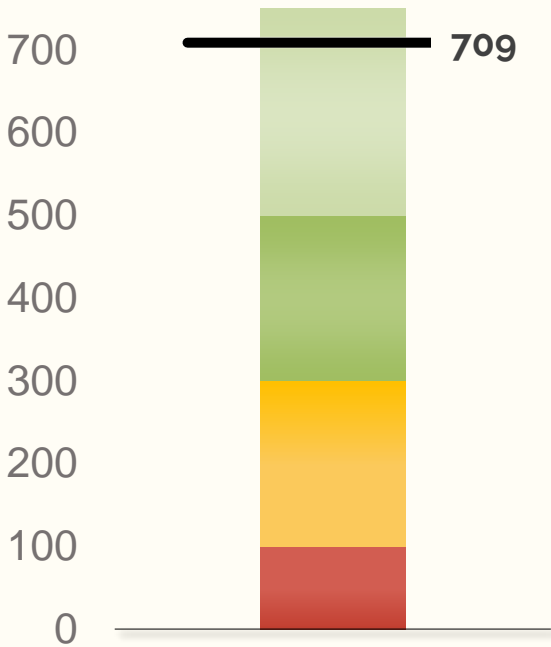


- **Executive Summary**
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- Our SY20-21 enrollment of 428 students is 3 higher than budgeted. We also enrolled 16 more SpEd level 1 students, 2 more SpEd level 4 students and 57 more At-Risk students than budgeted. This leads to \$479k more per pupil funding than budgeted.
- Our forecasted net income of \$2.38m is \$2.33m above budget largely due to \$479k higher per pupil revenue, \$323k higher SOAR allocation and \$582k lower than budgeted teacher aides salaries.
- Our forecasted year ending cash balance is \$14.84m which results in 709 days of cash. This is \$3m higher than budgeted mainly because we started the year with \$543k more cash than budgeted and our forecasted FY21 net income is \$2.33m higher than budgeted.

## Days of Cash

Cash balance at year-end divided by average daily expenses

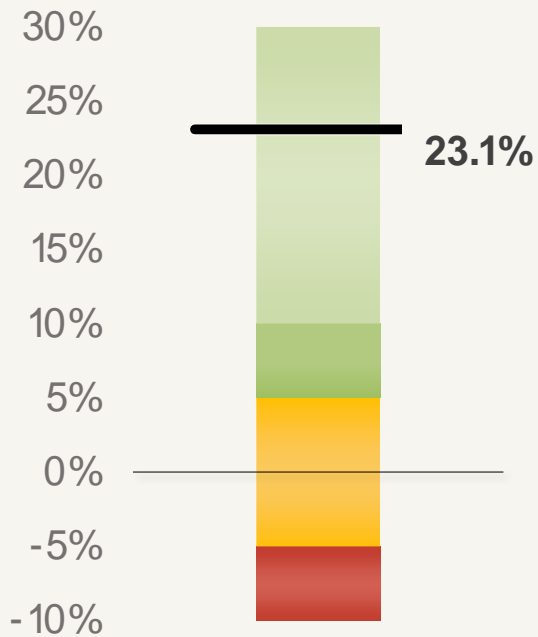


### 709 DAYS OF CASH AT YEAR'S END

The school will end the year with 709 days of cash. This is above the recommended 60 days, and 47 more days than last month

## Gross Margin

Revenue less expenses, divided by revenue

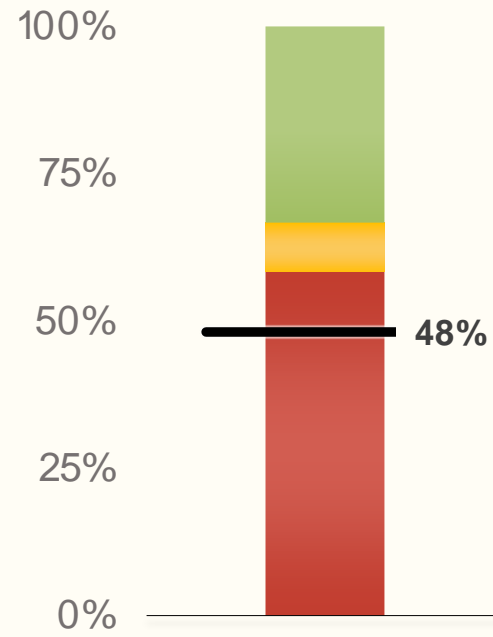


### 23.1% GROSS MARGIN

The forecasted net income is \$2.38m, which is \$2.33m above the budget. It yields a 23.1% gross margin.

## Grants Invoiced

Federal grants requested divided by federal grants awarded.

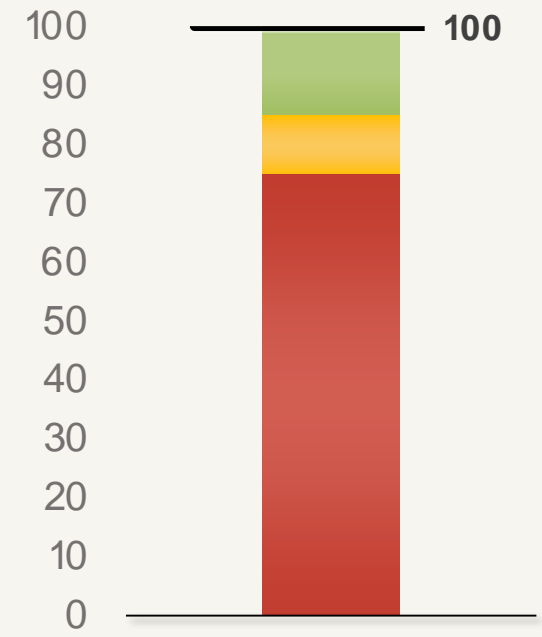


### 48% GRANTS INVOICED

We've completely drawn down the FFY19 SOAR grant, continuation Title VB, ESEA and IDEA grants. We are currently drawing down the FFY20 SOAR grant while the DC Reopening grant is still pending approval.

## Forecasted FAR

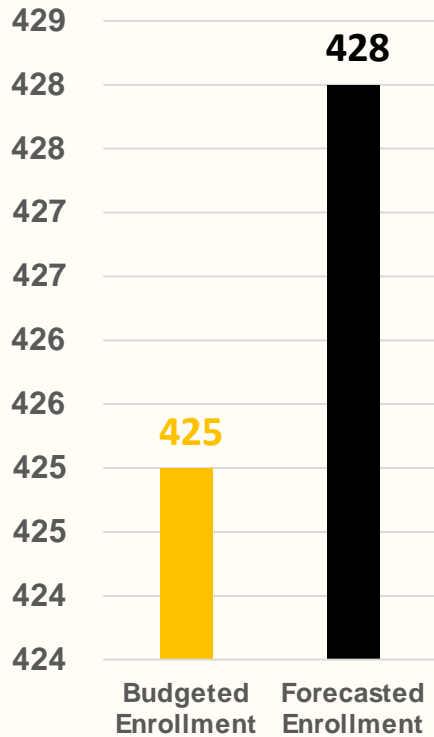
Forecasted calculation of PCSB's Financial Audit Review (FAR) at year-end



### FORECASTED FAR SCORE: 100

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

## Student Expectations



Per the final certification, the school has 428 students for SY20-21. The target in the budget submitted to PCSB in July 2020 was 425 students. The enrollment projection provided to PCSB in November 2019 was 445 students.

## \$479k More Per-Pupil Funding Than Expected

	Current Forecast	SY20-21 Budget	Difference	Financial Gain / (Loss)
<b>Grade-Level</b>	<b>428</b>	<b>425</b>	<b>3</b>	<b>29k</b>
<b>Special Education</b>	<b>43</b>	<b>25</b>	<b>18</b>	<b>293k</b>
Level 1	41	25	16	176k
Level 2	0	0	0	0
Level 3	0	0	0	0
Level 4	2	0	2	79k
Compliance	43	25	18	38k
<b>LEP/NEP</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At-Risk</b>	<b>307</b>	<b>250</b>	<b>57</b>	<b>147k</b>
<b>Residential</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Facilities</b>	<b>428</b>	<b>425</b>	<b>3</b>	<b>10k</b>
<b>Total</b>	<b>428</b>	<b>425</b>	<b>3</b>	<b>479k</b>

# Forecast Overview

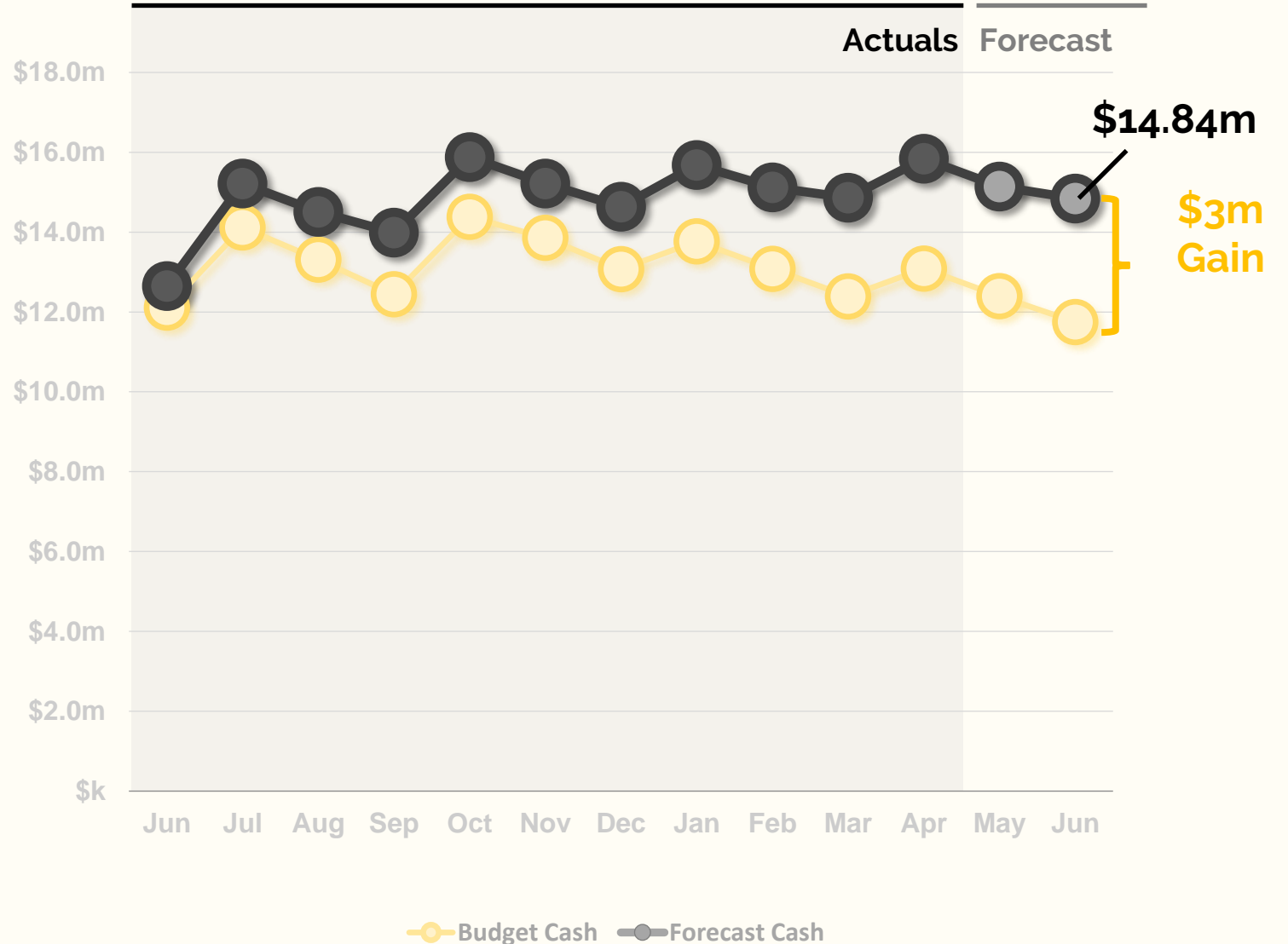
	Forecast	Budget	Variance	Variance Graphic	Comments
Revenue	\$10m	\$9.8m	\$532k	+532k	Revenue is \$532k higher than budgeted due to higher than budgeted per pupil revenue, local and federal grants partially offset by lower than budgeted NSLP revenue and short-term investment revenue.
Expenses	\$7.9m	\$9.7m	\$1.8m	+1.8m	Expenses are \$1.8m lower than budgeted mainly due to lower than budgeted salaries and benefits, janitorial supplies, food service fees and interest expenses.
<b>Net Income</b>	<b>\$2.4m</b>	<b>\$46k</b>	<b>\$2.3m</b>	2.3m	
Cash Flow Adjustments	-\$190k	-\$405k	\$215k	+215k	Total cash adjustment is \$215k higher than budgeted mainly due to lower than budgeted cash outflow on building improvements and negative adjustment on accrued salaries.
<b>Change in Cash</b>	<b>\$2.2m</b>	<b>-\$358k</b>	<b>\$2.5m</b>	2.5m	

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## 709 Days of Cash at year's end








We forecast the school's year ending cash balance as **\$14.84m**, **\$3m** above budget.

Cash balance at year end is expected to be \$3m more than budgeted since we started the year with \$543k more cash than budgeted and our forecasted FY21 net income is \$2.33m higher than budgeted.



# State and Local Revenue | \$583k annual cash increase

Total state and local revenue is \$583k more than budgeted mainly due to enrollment of 3 more students than budgeted, 16 more SpEd Level 1 students, 2 more SpEd Level 4 students and 57 more At-Risk students than budgeted.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Per-pupil alloc</b> Per pupil revenue is \$29k higher than budgeted due to enrollment of 3 more students than budgeted.	6m	6m	 29k	0
<b>Per-pupil SpEd alloc</b> Per pupil SpEd revenue is \$293k higher than budgeted due to enrollment of 16 more level 1 and 2 more level 4 SpEd students than budgeted.	620k	327k	 293k	0
<b>Per-pupil At Risk</b> Per pupil At Risk revenue is \$147k higher than budgeted due to enrollment of 57 more At Risk students than budgeted.	783k	636k	 147k	0
<b>Per-pupil adjustment</b> This month, forecast was increased by \$14k since we received the first supplemental payment for new SpEd and At-Risk students.	14k	0	 14k	14k
<b>Per-pupil facility alloc</b> Per pupil facilities revenue is \$10k higher than budgeted due to enrollment of 3 more students than budgeted.	1.5m	1.4m	 10k	0
<b>Local grants</b> This month, forecast for local grants was increased by \$99k since we received a final allocation for the Mayor's PCS Reopening grant.	99k	0	 99k	99k
<b>Local programs</b> Reduced by \$12k since fewer meals were served under COVID-19 related school closure and A/B schedule since reopening.	6k	17k	-12k 	-2k

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# Federal Revenue | \$116k annual cash increase

Overall federal revenue is \$116k higher than budgeted mainly due to additional CARES and SOAR funding partially offset by lower anticipated NSLP revenue.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>ESEA Title 4</b> Title-IV revenue is \$15k lower than budgeted due to lower allocation in EGMS.	11k	26k	-15k	0
<b>CARES Act Funds</b> \$77k higher than budgeted CARES revenue since we received additional CARES funding that had not been budgeted for including an increased allocation due to the new grade level added this year.	77k	0	77k	0
<b>Competitive federal grants</b> \$323k higher than budgeted SOAR revenue since we received additional FFY20 SOAR funding that had not been budgeted for.	600k	277k	323k	0
<b>National school lunch prog</b> Reduced by \$276k since fewer meals were served under COVID-19 related school closure and A/B schedule since reopening. This reduction in revenue is balanced by a similar reduction in the food service fees.	55k	331k	-276k	0
<b>Donated federal commodities</b> Reduced by \$10k since fewer meals were served under COVID-19 related school closure and A/B schedule since reopening.	8k	18k	-10k	0
<b>E-rate program</b> Forecast increased by \$14k based on the e-rate Funding Commitment Decision Letter from USAC.	25k	11k	14k	0

0

# Earned Fees | \$168k annual cash decrease

Earned fees revenue is \$168k lower than budgeted driven mainly by lower than budgeted before after care revenue and lower short-term investment revenue.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Before care after care fees</b> Forecast for before after care fees is \$60k lower than budgeted since there was no participation in the program due to COVID-19.	75	60k	-60k	0
<b>Short-term investments</b> Forecast is \$108k below budget since we're making payments on the derivative instrument for both Main and MLK derivative interest.	75k	33k	-108k	-0k
				0

# Salaries | \$702k annual cash increase

Overall salary expense is \$702k below budget mainly due to lesser than budgeted salary expense on teachers, teacher aides, summer school salaries and before-after care salaries partially offset by two sets of hazard pays.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Teacher salaries</b> Forecast is \$137k less than budgeted mainly since we hired 3 fewer teachers than budgeted.	1.1m	1.3m	137k	1k
<b>Teacher aides salaries</b> Forecast is \$582k lower than budgeted since we have 14 fewer Associate Teachers and IAs than budgeted due to remote classrooms/ smaller sized classrooms since reopening, and since we will not pay summer pay to hourly staff this year.	694k	1.3m	582k	10k
<b>Clerical salaries</b> Forecast is \$90k lower than budgeted due to \$12k lower than budgeted salary for executive admin assistant and not filling the budgeted executive admin assistant position.	138k	228k	90k	-0k
<b>Business, operations salaries</b> Forecast is \$69k higher than budgeted mainly due to higher than budgeted starting salary for Director of Ops/HR and salary raises given to business and operations staff in October.	496k	427k	-69k	0
<b>Before care after care salaries</b> Forecast for before after care salaries is \$171k lower than budgeted since we did not run the before after care program this year.	7k	178k	171k	0
<b>Summer school salaries</b> Forecast for summer school salaries is \$100k lower than budgeted since we did not hold summer school this year.	0	100k	100k	0
<b>Hazard Pay</b> Forecast for hazard pay is \$372k above budgeted due to two hazard pays being paid to some staff members in February and April.	372k	0	-372k	-9k

0

# Benefits and Taxes | \$241k annual cash increase

Total benefits and taxes expense is \$241k below budget driven mainly by savings on social security, medicare, and staff development expenses.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Retirement plan contrib</b> Retirement plan contribution expense forecast was increased by \$30k due to higher anticipated contribution this year.	133k	103k	-30k	0
<b>Health insurance</b> Health insurance expense reduced by \$39k due to lower than budgeted YTD spending and similar trend expected in the future. This is mainly caused by having fewer staff members than budgeted.	286k	325k	39k	9k
<b>Social security &amp; medicare</b> Social security and medicare taxes are \$70k lower than budgeted due to lower than budgeted total salary expense.	324k	394k	70k	2k
<b>State unemployment tax</b> Forecast for unemployment taxes was reduced by \$40k due to lower taxes than budgeted.	26k	66k	40k	0
<b>Staff development (non-travel)</b> Forecast is \$87k lower than budgeted due to lower YTD spending on staff development and similar expected trend in the future.	82k	169k	87k	4k
<b>Staff development travel</b> Forecast was reduced by \$25k since we will not be incurring any expenses for staff development travel this year.	0	25k	25k	0




# Staff-Related Costs | \$37k annual cash increase

Total staff related costs are \$37k lower than budgeted due to lower than budgeted spending on staff meals, events and awards.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Staff meals, events &amp; awards</b> Forecast was reduced by \$34k since we do not expect to spend as much as we had earlier anticipated on staff meals, events and awards.	21k	56k	34k 	0

# Occupancy Service | \$230k annual cash increase







Total occupancy service expense is \$230k lower than budgeted mainly due to lower than budgeted maintenance and repairs, and janitorial supplies forecast.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Utilities &amp; garbage removal</b> Forecast is \$27k lower than budgeted considering lower than budgeted spending till April and a similar expected trend for the rest of the year.	155k	182k	 27k	9k
<b>Maintenance and repairs</b> Forecast is \$61k lower than budgeted considering lower than budgeted spending till April and a similar expected trend for the rest of the year.	156k	217k	 61k	0
<b>Janitorial supplies</b> Forecast for janitorial supplies is \$137k less than budgeted considering lower than budgeted spending till April and a similar expected trend for the rest of the year.	13k	150k	 137k	0

0

# Direct Student Expense | \$549k annual cash increase

Direct student expense is \$549k lower than budgeted mainly due to lower food service fees, student recruiting and student supplies expenses.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Student supplies, snacks</b> Forecast for student supplies was reduced by \$85k mainly due to lower than budgeted spending on technology till April and a similar expected trend for the rest of the year.	225k	310k	 85k	0
<b>Contracted SpEd instruction</b> Forecast for contracted SpEd instruction is \$19k less than budgeted due to lower than budgeted invoices received from Infinite Potential till April and a similar expected trend for the rest of the year.	143k	162k	 19k	0
<b>Food service fees</b> Forecast is \$349k lower than budgeted since fewer meals were served under COVID-19 related school closure and A/B schedule since reopening. This reduction in expense is balanced by a similar reduction in NSLP revenue.	52k	401k	 349k	-4k
<b>Student field trips</b> Forecast was reduced by \$26k since we do not expect to have any field trips for the rest of the year.	0	26k	 26k	0
<b>Student recruiting</b> Forecast was reduced by \$47k due to lower than budgeted bills from the enrollment marketing and graphic design vendors.	205k	251k	 47k	-9k
<b>Student events</b> Forecast was reduced by \$19k since we do not expect to spend as much on student events as anticipated earlier.	5k	24k	 19k	0

# Office & Business Expense | \$22k annual cash increase

Total office and business expense is \$22k under budget due to higher non capitalized technology and computer support fees largely offset by lower office supplies, telephone and telecom expenses, and other professional fees.


Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Office supplies</b> Forecast for office supplies is \$23k lower than budgeted due to lower spending in this account till April and a similar expected trend for the rest of the year.	42k	65k	23k	0
<b>Telephone &amp; telecommunications</b> Forecast for telephone and telecommunications expenses is \$33k lower than budgeted due to lower YTD spending in this account.	99k	132k	33k	10k
<b>Legal fees</b> This month, forecast for legal fees was reduced by \$16k due to lower than anticipated spending till April and a similar expected trend for the rest of the year. Overall forecast is \$7k lower than budgeted.	44k	51k	7k	16k
<b>Computer support fees</b> Overall forecast for computer support fees is \$17k higher than budgeted due to higher Owia bills and more software purchases.	119k	102k	-17k	0
<b>Other professional fees</b> Forecast was other professional fees was reduced by \$15k since we will not be needing the cushion we had reserved for this account.	55k	70k	15k	0

0




# Contingency | \$100k annual cash decrease

Total contingency expense is \$100k above budgeted. We were unable to include a contingency in our budget since the budgeted net income was low. Now since the net income forecast is higher, we've included a contingency expense in the forecast to account for any unforeseen expenses.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Unforeseen expenses</b> Included a contingency expense of \$100k to account for any unforeseen expenses that may be required due to the pandemic.	100k	0	-100k 	0

# Interest | \$79k annual cash increase

Interest expense is \$79k lower than budgeted. This is offset by the payments being made on the derivative instruments for both Main and MLK loans.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Interest payments</b> Forecast reduced by \$79k due to lower than budgeted YTD interest expense and similar expected trend in the future.	61k	140k		79k      2k
			0	

# Buildings | \$267k annual cash increase

Total cash outflow on building improvements is \$267k less than budgeted.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Building Improvements</b> Forecast for building improvements was reduced by \$267k since we did not need to utilize the amount that had been budgeted for changes to the building to prepare for COVID-19.	33k	300k	267k 	0

0

# Other Operating Activities | \$98k annual cash decrease

Total cash adjustment on accrued salaries is \$98 less than budgeted. This has been updated to reflect the lower than budgeted salary expense forecast and the latest payroll schedule.

Selected Accounts	Forecast	Budget	Annual Impact on Cash (And Monthly Change)	Monthly Change
<b>Accrued salaries</b> Cash adjustment on accrued salaries is \$98k less than budgeted. This has been updated to reflect the latest total salary values as well as the payroll schedule.	64k	34k	-98k 	-2k

0

\*We accrue salaries that will be paid in July and August 2021 but are earned in our current fiscal year. Lower than budgeted accrued salaries negatively impact cash because we now have a lower expense that has been recorded but will not be paid out in this fiscal year



# QUESTIONS?

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	Year-To-Date			Annual Forecast			
	Actual	Budget	Variance	Forecast	Budget	Variance	Remaining
<b>Revenue</b>							
State and Local Revenue	7,424,044	7,017,142	406,902	8,999,958	8,416,849	583,109	1,575,914
Federal Revenue	514,151	798,666	(284,516)	1,095,388	979,447	115,942	581,238
Private Grants and Donations	500	-	500	500	-	500	-
Earned Fees	145,094	306,452	(161,358)	201,741	369,414	(167,673)	56,647
Donated Revenue	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>8,083,788</b>	<b>8,122,260</b>	<b>(38,472)</b>	<b>10,297,587</b>	<b>9,765,710</b>	<b>531,877</b> ①	<b>2,213,800</b>
<b>Expenses</b>							
Salaries	3,432,008	4,106,908	674,900	4,447,306	5,149,799	702,492	1,015,298
Benefits and Taxes	729,118	957,736	228,618	924,448	1,165,626	241,177	195,330
Contracted Staff	-	-	-	-	-	-	-
Staff-Related Costs	14,574	51,982	37,408	25,718	62,378	36,660	11,144
Rent	-	-	-	-	-	-	-
Occupancy Service	419,768	624,592	204,824	519,951	749,510	229,559	100,183
Direct Student Expense	646,781	1,207,382	560,600	817,589	1,366,627	549,038	170,807
Office & Business Expense	595,857	626,023	30,165	729,367	751,227	21,860	133,509
Donated Expense	-	-	-	-	-	-	-
Contingency	-	0	0	100,000	0	(100,000)	100,000
Total Ordinary Expenses	5,838,108	7,574,622	1,736,514	7,564,379	9,245,167	1,680,788	1,726,271
Net Operating Income	2,245,680	547,638	1,698,042	2,733,208	520,543	2,212,665	487,528
<b>Extraordinary Expenses</b>							
Interest	62,499	129,626	67,126	75,950	154,687	78,737	13,451
Depreciation and Amortization	232,074	266,146	34,072	278,859	319,375	40,517	46,784
Total Extraordinary Expenses	294,574	395,772	101,198	354,809	474,062	119,253	60,235
<b>Total Expenses</b>	<b>6,132,682</b>	<b>7,970,394</b>	<b>1,837,712</b>	<b>7,919,188</b>	<b>9,719,229</b>	<b>1,800,041</b> ②	<b>1,786,506</b>
<b>Net Income</b>	<b>1,951,106</b>	<b>151,866</b>	<b>1,799,240</b>	<b>2,378,400</b>	<b>46,481</b>	<b>2,331,919</b> ③	<b>427,293</b>
Cash Flow Adjustments	1,235,435	825,294	410,141	(189,931)	(404,818)	214,887	(1,425,365)
<b>Change in Cash</b>	<b>3,186,541</b>	<b>977,160</b>	<b>2,209,381</b>	<b>2,188,469</b>	<b>(358,337)</b>	<b>2,546,806</b> ⑤	<b>(998,072)</b>

## ① REVENUE: \$532K AHEAD

Revenue is \$532k higher than budgeted due to higher than budgeted per pupil revenue, local and federal grants partially offset by lower than budgeted NSLP revenue and short-term investment revenue.

## ② EXPENSES: \$1.8M AHEAD

Expenses are \$1.8m lower than budgeted mainly due to lower than budgeted salaries and benefits, janitorial supplies, food service fees and interest expenses.

## ③ NET INCOME: \$2.3M ahead

## ④ CASH ADJ: \$215K AHEAD

Total cash adjustment is \$215k higher than budgeted mainly due to lower than budgeted cash outflow on building improvements and negative adjustment on accrued salaries.

## ⑤ NET CHANGE IN CASH: \$2.5M AHEAD