

Oakland School for the Arts Financial Update

MAY 28, 2020

Oakland School for the Arts 20-21 Budget Scenarios

	<u>5% Loss in Funding</u>	<u>10% Loss in Funding</u>
Projected Enrollment	815	815
Projected ADA	758	758
Projected Fundraising Revenue	\$900,000	\$900,000
Change in Per Pupil Funding	-5%	-10%
Total LCFF Revenue	\$6,662,998	\$6,315,968
Change in Revenue per 1%		
Change in LCFF Funding	\$66,630	\$63,160
Change in Pay for Teaching Staff	Step Only	Step Only
Change in Pay for Non-Teaching Staff	0%	0%
	Step Increase Only	Step Increase Only
Change in Expenses per change in FTE	\$73,122.00	\$73,122.00
Total Salaries & Benefits	\$7,897,124	\$7,897,124
Change in Expenses per 1%		
Change in Staff Pay	\$78,971	\$78,971
Deficit	(\$748,740)	(\$1,092,299)

Factors that led to our new projections:

- 2 budget scenarios shown at the last meeting reflected a 5% and 10% decrease in LCFF funding
- Current scenario shows a 7.92% decrease in LCFF funding
 - Governor's decrease included projected COLA and then a 10% cut which led to -7.92%
- Additional federal revenue for COVID relief
- Updated LCFF calculator released on 5/22

Oakland School for the Arts



	NAME	2020-21 ADOPTED	REVISED	VARIANCE
	TOTAL ENROLLMENT	815	-	(815)
	AVERAGE DAILY ATTENDANCE	758	-	(758.0)
REVENUE	State LCFF Revenue	\$ 6,426,097	\$ -	\$ (6,426,097)
	Federal Revenue	\$ 151,127	\$ -	\$ (151,127)
	Other State Revenue	\$ 1,632,148	\$ -	\$ (1,632,148)
	Local Revenue	\$ 1,537,254	\$ -	\$ (1,537,254)
	TOTAL REVENUE	\$ 9,746,626	\$ -	\$ (9,746,626)
EXPENSES	Certificated Salaries	\$ 3,886,918	\$ -	\$ (3,886,918)
	Classified Salaries	\$ 2,138,175	\$ -	\$ (2,138,175)
	Benefits	\$ 1,788,958	\$ -	\$ (1,788,958)
	<i>TOTAL PERSONNEL EXPENSES</i>	<i>\$ 7,814,051</i>	<i>\$ -</i>	<i>\$ (7,814,051)</i>
	Books and Supplies	\$ 347,871	\$ -	\$ (347,871)
	Services and Other Operating Expenses	\$ 2,211,377	\$ -	\$ (2,211,377)
	Capital Outlay	\$ 243,000	\$ -	\$ (243,000)
	Other Outgoing	\$ -	\$ -	\$ -
	<i>TOTAL OTHER EXPENSES</i>	<i>\$ 2,802,248</i>	<i>\$ -</i>	<i>\$ (2,802,248)</i>
	TOTAL EXPENSES	\$ 10,616,299	\$ -	\$ (10,616,299)
SUMMARY	SURPLUS\(DEFICIT)	\$ (869,673)	\$ -	\$ 869,673
	<i>% of LCFF Revenue</i>	<i>-13.5%</i>	<i>0.0%</i>	<i>13.6%</i>
	BEGINNING FUND BALANCE		\$ -	\$ -
	ENDING BALANCE	\$ (869,673)	\$ -	\$ 869,673
	<i>% of LCFF Revenue</i>	<i>-13.5%</i>		

Revenue Breakdown 20-21 \$ 9,746,626.00

LCFF: State Aid	\$ 3,477,940.00
LCFF: EPA	\$ 1,046,460.00
LCFF: In-lieu of property taxes	\$ 1,901,697.00
Total LCFF Revenue	\$ 6,426,097.00

Mandate Block Grant	\$ 27,060.00
Lottery	\$ 115,966.00
Restricted Lottery	\$ 40,929.00
SB740 Rent Reimb. Program	\$ 848,034.00
SPED - State	\$ 600,159.00
Other State Revenue	\$ 1,632,148.00

SPED - Federal	\$ 100,147.00
Other Federal Revenue (COVID)	\$ 14,239.00
Title I	\$ 17,294.00
Title II	\$ 9,447.00
Title IV	\$ 10,000.00
Total Federal Revenue	\$ 151,127.00

Interest Income	\$ 32,867.00
Advancement	
Donations/Grants/Annual Fund	\$ 900,000.00
School Site Fundraising	\$ 30,000.00
Measure G1	\$ 18,887.00
Measure N	\$ 243,000.00
Billboard Revenue	\$ 157,500.00
Rental Income	\$ 70,000.00
Show Revenue	\$ 85,000.00
Local Revenue	\$ 1,537,254.00

Projected Savings in Operational Expenses

ACCT	ACCOUNT NAME	Possible Savings	Notes/Changes
4000 - BOOKS AND SUPPLIES			
	Materials for Plant Maintenance	\$ 7,500.00	CINTAS
	Food and Food Supplies	\$ 14,000.00	No OUSD Food Server
	TOTAL BOOKS SUPPLIES	\$ 21,500.00	
5000 - SERVICES AND OTHER OPERATING EXPENSES			
	Operation and Housekeeping Services/Supplies	\$ 138,400.00	VMA Vendor Contract & Cleaning Co.
	Utilities	\$ 28,278.00	Waste Management, PGE, Recycling
	Other Space Rental	\$ 41,843.00	No outside facility rentals
	Field Trips	\$ 15,676.00	No field trips
	Printing & Reproduction	\$ 2,000.00	No printing for fall shows
	TOTAL SERVICES AND OTHER OPEX	\$ 226,197.00	
	TOTAL OPERATIONAL SAVINGS	\$247,697	

OSA - CURRENT ASSETS (APRIL 2020)

Assets April 2020		
Current Assets		
BANK/INVESTMENT ACCOUNTS		
Cash	Cash in Bank(s)	\$1,609,143
Cash	Petty Cash	\$1
Investments	Investments Merrill Lynch	\$1,117,548
Investments	Investments US Bank Bond Series 2004 - Due 12/2020	\$981,751
RECEIVABLES		
Accounts Receivables	Pledges Receivable (Billboard #1 and #2 to offset FOX rent)	\$4,506,250
Accounts Receivables	Due from Grantor Governments	\$436
Prepaid Expenses	Prepaid Expenses (Prepaid Rent Balance for the FOX)	\$908,580
Other Current Assets	Employee Advances	\$700
Other Current Assets	Other Current Assets	\$36,786
Other Current Assets	Other Current Assets	\$250
Total Current Assets		\$9,161,446
FIXED ASSETS		
Buildings and Improvements	Building/Leasehold Improvements from 2008	\$5,936,242
Furniture and Fixtures	Furniture Fixtures and Equipment	\$2,781,340
Accumulated Depreciation	Accumulated Depreciation - Building/Leasehold Improvements	(\$5,417,343)
Accumulated Depreciation	Accumulated Depreciation - Furniture, Fixtures & Equipment	(\$2,587,300)
Total Fixed Assets		\$712,939
Total Assets		\$9,874,385

OSA - CURRENT ASSETS (APRIL 2020)

BANK/INVESTMENT ACCOUNTS		NOTES	
Cash	Cash in Bank	\$1,609,143	Operating accounts. Includes \$445,000 of restricted funds.
Cash	Petty Cash	\$1	No petty cash on hand. \$1 is booked to keep the account on the books.
Investments	Investments Merrill Lynch	\$1,117,548	OSA must maintain 10% of operating expenses in its reserves. We can't touch these funds per a board resolution.
Investments	Investments US Bank Bond Series 2004	\$981,751	All of these funds will be used to pay off a bond in December of this year that the school took out in 2004.
Total Bank/Investment Accounts		<i>\$3,708,443</i>	Merrill Lynch and US Bond can't be touched. Leaving \$1,164,143 of available cash on hand.

OSA - CURRENT ASSETS (APRIL 2020)

RECEIVABLES		NOTES	
Accounts Receivables	Pledges Receivable	\$4,506,250	Total revenue from Billboard #1 and #2 to offset FOX rent
Accounts Receivables	Due from Grantor Governments	\$436	Outstanding funding owed from 18-19
Prepaid Expenses	Prepaid Expenses	\$908,580	Prepaid Rent Balance for the FOX
Other Current Assets	Employee Advances	\$700	Advances owed
Other Current Assets	Other Current Assets	\$36,786	Booked as assets upon transition to CSMC. Research being done to try and reclass if possible.
Other Current Assets	Other Current Assets	\$250	Same as above.
Total Receivables		<i>\$5,453,002</i>	

OSA - CURRENT ASSETS (APRIL 2020)

FIXED ASSETS			NOTES
Buildings and Improvements	Building/Leasehold Improvements from 2008	\$5,936,242	Building improvements
Furniture and Fixtures	Furniture Fixtures and Equipment	\$2,781,340	Equipment
Accumulated Depreciation	Accumulated Depreciation - Building/Leasehold Improvements	(\$5,417,343)	Depreciation for improvements
Accumulated Depreciation	Accumulated Depreciation - Furniture, Fixtures & Equipment	(\$2,587,300)	Depreciation for equipment
Total Fixed Assets		\$712,939	

Budget Presentation Main Points:

- 20-21 shows a current **DEFICIT of \$869,673**
- Current scenario shows a 7.92% decrease in LCFF funding plus additional federal revenue for COVID relief
- Our goal is to come together as a community to address the deficit in order to assure the survival of OSA.

Budget Presentation Main Points:

- Brainstorm over ways to save:
 - Research rent relief - 10% = \$25,489/month
 - Facility operational expense cuts for fall 2020 (July – December) - \$247,697
 - Increase ADA attendance percentage from 93% to 94% or 95% (1% increase = \$69,098)
 - Continue to review spreadsheet with staff input for expense savings ideas
 - Increase enrollment - \$146,809 (10 students in LCFF revenue)
 - Utilize a portion of our PPP funding to offset expenses - \$300,000
 - Cut to admin leadership salaries (\$11,025 per 1%)
 - No salary increase for all employees - \$123,545
 - All employee pay cut (\$69,754.15 per 1%)
 - Lay-offs & program cuts (last resort)