



3159 Campus Drive
Norcross, GA 30071

Board of Directors Meeting Agenda Item

X Discussion

Board Meeting Date: February 14, 2019

Title of Agenda Item: 2018-19 Amended Budget Version 2

Submitted by: Lori Parrish

Background and Summary:

Attached please find

- 1) 2018-19 Version 2 vs. Version 1, and 2017-18 Actual
- 2) 2018-19 Budget (v2 Full Yr.) v. Actual
- 3) 2018-19 Budgets All Funds Version 2

Note: Governmental and Capital Projects Funds have not been included.

On July 1, 2016 law was enacted by the State of Georgia requiring “local boards of education and certain charter schools to hold at least two public meetings on the proposed annual operating budget...” This meeting is the first of two public meetings. The Board is being asked to review the 2018-19 Amended Budget Version 2. Assumptions for preparation were based upon the most current information available. Revenues for 2018-19 are based upon amounts provided by Ted Beck, Superintendent/Chief Financial Officer, Georgia Department of Education (DOE).

The 2018-19 Amended Budget Version 2 reflects an increase to the General Fund Balance of \$148,022. This is a \$130,337 increase over Version 1.

The General Fund is used for operating the school. The Board has discretion over how this money is spent. The school receives Federal Funding (as follows). The DOE approves the budgets for each of these programs based upon strict federal guidelines. These budgets have been set up in separate funds. Separate funds have, also, been set up for Parent Council and Student Activity Funds.

REVENUE

The school's adopted budget was based upon receiving revenue for 540 students. The actual October 2018 count was 496. BIA was held harmless at 500. The passing of HB787 provided approximately \$600 per FTE increased funding. (See below)

State Funding	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Amended
Funded Enrollment	378	500	540	500
QBE Formula Earnings	\$1,256,836	\$1,917,623		\$1,688,479
Charter Supplement	\$1,495,023	\$1,971,418		\$2,586,521
Total State Funding	\$2,751,859	\$3,889,041	\$4,292,816	\$4,275,000
Per FTE	\$7,280	\$7,780	\$7,950	\$8,550
HB787 Per FTE Increase				\$600

Federal Programs	2018-19 Funding	2017-18 Carryover	2018-19 Amended Budget
Title I-Improving Disadvantaged Achievement	\$32,600	\$3,325	\$35,925
Title II-Improving Teacher Quality	\$ 4,848	\$ 41	\$ 4,889
Special Education IVB-Flow through	\$53,966	\$ 0	\$53,966
Charter School – Implementation Grant (*)	\$650,000	\$ 0	\$650,000
TOTAL	\$741,414	\$3,366	\$744,780

*The Charter School – Implementation Grant totaled \$775,000. This budget assumes that \$125,000 will be spent during July 1, 2019 and September 30, 2019.

Fundraising (School-Based) & Field Trips

The amount of money collected from families for field trips covers the cost of the field trips. Additionally, when families buy Scholastic Books, the amount collected is submitted to the company. Prior to the 2017-18 Audit, these amounts were not budgeted because the net effect was \$0. It is appropriate to budget the income and expense. Thus, the increase of \$28,500 in the Fundraising (School-Based) & Field Trips Budget. An amount equal to this has been budgeted to Books Other Than Text, Transportation, and Other Purchased Services.

Other Revenues

The school has received three grants from the State so far this year:

- 1) Math & Science Supplement – Catherine Rossi, a middle school teacher, met the qualifications for receiving the funding. The school received funding and paid the employee through payroll. The amount was \$6,544.50

- 2) GOSA Grant - The school applied for and received funds from “the Round 5 Connections for Classrooms Grant Program to assist with funding their digital end-user devices.” The school purchased student computers with the money. The amount received was \$23,891.12.
- 3) State Charter School Commission Admin Fee Reduction Grant – The State Charter School Commission withholds a portion of the State Commission Charter Supplement. The grant is based upon the cost savings that the State Charter administration has achieved. There generally are two allocations each year. Since the funding is not guaranteed, the second payment has not been budgeted. The amount received was \$19,311.74.

EXPENDITURES

Salaries and benefits make up 63% of the school’s expenditures. The following compares the adopted to the amended budget.

	Amended 2018-19	Adopted 2018-19	Increase/ (Decrease)
Teachers	29.0	29.0	
Gifted & EIP	1.0	2.0	(1.0)
Art, Music, PE	2.0	2.0	
ESOL	1.5	1.0	.5
Instructional Coach	1.0	1.0	
Counselor	1.0	1.0	
Principal	1.0	1.0	
Assistant Principal	1.0	1.0	
Dean/Director of State and Federal Programs	1.0	1.0	
Business Manager	.5	.5	
Aides	1.0	1.0	
Special Ed Paraeducators	3.0	5.0	(2.0)
Nurse	0	1.0	(1.0)
Technology Specialist	1.0	1.0	
Student Information	0	1.0	(1.0)
Receptionist	1.0	1.0	
Business Office Clerk	1.0	1.0	
Sub-Total	46.0	50.5	
Teacher – Title I	.5		.5
TOTAL	46.5	50.5	(4.0)

The following provides explanations for some of the higher dollar changes in budgeted amounts:

Expenditure Group	2018-19 Amended V2	2018-19 Adopted V1	Increase/ (Decrease)	Explanation
Personal Services-Salaries	\$2,124,312	\$2,301,772	(\$177,460)	<ul style="list-style-type: none"> Reduction of 4 positions
Personal Services-Benefits	\$650,995	\$811,412	(\$160,417)	<ul style="list-style-type: none"> 0% increase in medical benefits; Adopted assumed a 15% increase
Purchased Professional and Tech Services	\$316,505	\$171,000	\$145,505	<ul style="list-style-type: none"> Transferred position from an employee to a contractor Addition of the EIP Contract Cost savings for psychologist, occupational and speech therapists
Supplies	\$309,551	\$232,000	\$77,551	Expendable Equipment and Computer Equipment were purchased. Some of the purchases were funded with the GOSA Grant (\$23,891) and a transfer from the Student Activities Fund (\$16,516).

NEXT STEPS

The 2018-19 Amended Budget Version 2 will return as an action item at the Board Meeting on March 14, 2019.

The 2018-2019 Amended Budget Version 2 provides the basis for the 2019-20 Adopted Budget. In June the Board will be presented with Version 3 for 2018-19 and Version 1 for 2019-20.

Fiscal Impact: As indicated.

Recommendation: Review and provide feedback.

Brookhaven Innovation Academy
 2018-19 Version 2 vs. Version 1
 2017-18 Actual

	Year Ending 06/30/2019			Year Ending 06/30/2018
	18-19 Amend - V2	18-19 Adopt - V1	Budget Variance	Actual
Net Income with Financing and Capital Items				
Net Operating Income/(Loss)				
Revenues				
Revenue - Local Sources				
Charter Commission Revenue	4,275,000	4,292,816	(17,816)	3,945,950
Donations	175,000	175,000	0	149,063
Fundraising (School-Based) & Field Trips	33,500	5,000	28,500	20,282
After School Care Revenues	2,000	2,000	0	1,395
Other Revenues	49,748	16,000	33,748	18,481
Total Revenue - Local Sources	4,535,248	4,490,816	44,432	4,135,171
Total Revenues	4,535,248	4,490,816	44,432	4,135,171
Expenses				
Personal Services - Salaries				
Teachers	1,443,479	1,458,165	(14,686)	1,407,550
Substitute - Non Certified	45,000	45,000	0	38,300
Extended Day - Teachers	11,300	11,300	0	10,925
Art, Music, PE Teachers	79,132	86,328	(7,196)	84,848
Principal	100,000	100,000	0	118,750
Assistant Principal	145,000	135,000	10,000	77,328
Aides And Paraprofessionals	87,249	132,000	(44,751)	140,854
Secretarial Staff	29,072	25,979	3,093	26,509
Clerical Staff	34,080	36,000	(1,920)	32,160
Accountant	52,000	52,000	0	47,700
Technology Specialist	0	50,000	(50,000)	42,146
School Nurse/Special Education Nurse Lpn	0	28,000	(28,000)	0
Teacher Support Specialist	50,000	50,000	0	0
Secondary Counselor	48,000	50,000	(2,000)	0
Other Administrative Personnel	0	42,000	(42,000)	0
Total Personal Services - Salaries	2,124,312	2,301,772	(177,460)	2,027,070
Personal Services - Benefits				
Health Insurance	170,739	288,600	(117,861)	159,276
FICA/Medicare	33,789	36,166	(2,377)	31,626
Teachers Retirement System	427,210	469,304	(42,094)	330,368
Unemployment Compensation	18,115	16,191	1,924	16,043
Other Employee Benefits	1,142	1,151	(9)	933
Total Personal Services - Benefits	650,995	811,412	(160,417)	538,246
Purchased Professional and Tech Svcs				
Contracted Service -Administration	0	0	0	45,000
Contracted Service -Counselors	40,000	55,000	(15,000)	58,533
Contracted Service -Technology Specialist	102,000	35,000	67,000	48,712
Backgrounds & Fingerprints	1,505	1,000	505	415
Professional Legal Services	23,000	35,000	(12,000)	31,944
Per Diem and Fees	0	0	0	1,144
Per Diem and Fees - Prof. Dev.	30,000	45,000	(15,000)	24,554
Purchased Professional and Technical Services	120,000	0	120,000	0
Total Purchased Professional & Tech	316,505	171,000	145,505	210,302

Brookhaven Innovation Academy
 2018-19 Version 2 vs. Version 1
 2017-18 Actual

	Year Ending 06/30/2019			Year Ending 06/30/2018
	18-19 Amend - V2	18-19 Adopt - V1	Budget Variance	Actual
Purchased Property Svcs				
Facility TICAM and Cleaning Services	100,000	91,000	9,000	84,288
Repair & Maint. - General and Facility	13,000	13,000	0	16,077
Repair & Maint. - Technology	4,500	3,000	1,500	1,820
Building and Land Rental	369,192	372,793	(3,601)	358,440
Equipment and Vehicle Rental	4,375	0	4,375	0
Computer and IT Rental	0	0	0	2,483
Other Purchased Property Services	45,000	45,000	0	46,966
Total Purchased Property Svcs	536,067	524,793	11,274	510,074
Other Purchased Services				
Student Transportation	9,250	0	9,250	6,650
Insurance	26,653	26,000	653	18,743
Communication	30,000	40,000	(10,000)	39,816
Food Service Management	45,000	48,000	(3,000)	36,698
Travel - Employees	7,000	8,000	(1,000)	7,904
Other Purchased Services	76,087	50,000	26,087	96,435
Total Other Purchased Services	193,990	172,000	21,990	206,246
Supplies				
Supplies - General	49,138	15,000	34,138	39,283
Supplies - Instructional and Tech	28,262	35,000	(6,738)	17,642
Computer Software	74,704	88,000	(13,296)	88,873
Energy	60,000	65,000	(5,000)	47,548
Purchased Food	500	0	500	2,638
Textbooks	0	0	0	15,174
Books (Other Than Textbooks)	23,785	25,000	(1,215)	20,477
Expendable Equipment	15,172	2,000	13,172	2,071
Expendable Computer Equipment	57,990	2,000	55,990	0
Total Supplies	309,551	232,000	77,551	233,706
Other Operating Expenses				
Dues & Fees	10,415	7,500	2,915	5,974
Interest	47,305	50,000	(2,695)	65,014
FFE Lease Costs	0	33,319	(33,319)	0
Total Other Operating Expenses	57,720	90,819	(33,099)	70,988
Total Expenses	4,189,140	4,303,796	(114,656)	3,796,632
Total Operating Net Income/(Loss)	346,108	187,020	159,088	338,539
Financing Sources and Uses				
Capital Lease Proceeds	0	0	0	96,329
Other Loan Proceeds	0	0	0	3,237,677
Principal Payments	0	0	0	(3,237,677)
Operating Transfers to Other Funds	(156,042)	(112,890)	(43,152)	(138,522)
Operating Transfers From Other Funds	16,516	0	16,516	0
Total Financing Sources and Uses	(139,526)	(112,890)	(26,636)	(42,193)
Capital Items				
Building Improvements	(58,560)	(56,445)	(2,115)	(6,945)
Purchase of Equipment	0	0	0	(96,329)
Total Capital Items	(58,560)	(56,445)	(2,115)	(103,274)
Net Income with Financing and Cap. Items	148,022	17,685	130,337	193,072

Brookhaven Innovation Academy

2018-19 Budget (v2 Full Yr) v. Actual

	Year Ending 06/30/2019 <u>18-19 Amend - V2</u>	07/01/2018 Through 12/31/2018 <u>Actual</u>	Summary	% of Budget - 50.00%
Net Income with Financing and Capital Items				
Net Operating Income/(Loss)				
Revenues				
Revenue - Local Sources				
Charter Commission Revenue	4,275,000	2,182,616	2,092,385	51.06 %
Donations	175,000	94,911	80,088	54.24 %
Fundraising (School-Based) & Field Trips	33,500	16,758	16,742	50.02 %
After School Care Revenues	2,000	958	1,042	47.92 %
Other Revenues	49,748	49,748	0	100.00 %
Total Revenue - Local Sources	<u>4,535,248</u>	<u>2,344,991</u>	<u>2,190,257</u>	<u>51.71 %</u>
Total Revenues	<u>4,535,248</u>	<u>2,344,991</u>	<u>2,190,257</u>	<u>51.71 %</u>
Expenses				
Personal Services - Salaries	2,124,312	903,900	1,220,413	42.55 %
Personal Services - Benefits	650,995	277,144	373,851	42.57 %
Purchased Professional and Tech Svcs	316,505	153,930	162,574	48.63 %
Purchased Property Svcs	536,067	252,849	283,219	47.17 %
Other Purchased Services	193,990	95,349	98,640	49.15 %
Supplies	309,551	188,178	121,374	60.79 %
Other Operating Expenses	57,720	32,411	25,309	56.15 %
Total Expenses	<u>4,189,140</u>	<u>1,903,761</u>	<u>2,285,380</u>	<u>45.45 %</u>
Total Operating Net Income/(Loss)	<u>346,108</u>	<u>441,230</u>	<u>(95,123)</u>	<u>127.48 %</u>
Financing Sources and Uses				
Other Loan Proceeds	0	213,200	(213,200)	0.00 %
Principal Payments	0	(213,200)	213,200	0.00 %
Operating Transfers to Other Funds	(156,042)	(76,079)	(79,963)	48.76 %
Operating Transfers From Other Funds	16,516	16,516	0	100.00 %
Total Financing Sources and Uses	<u>(139,526)</u>	<u>(59,563)</u>	<u>(79,963)</u>	<u>42.69 %</u>
Capital Items				
Building Improvements	(58,560)	(37,560)	(21,000)	64.14 %
Total Capital Items	<u>(58,560)</u>	<u>(37,560)</u>	<u>(21,000)</u>	<u>64.14 %</u>
Net Income with Financing and Cap. Items	<u>148,022</u>	<u>344,107</u>	<u>(196,086)</u>	<u>232.47 %</u>

Brookhaven Innovation Academy
2018-19 Budgets - All Funds
Version 2

	General Fund Year Ending 06/30/2019	Parent Council Year Ending 06/30/2019	Student Activity Fund Year Ending 06/30/2019	Charter School - Federal Year Ending 06/30/2019	Special Ed IVB - Flowthrough Year Ending 06/30/2019	Title I-Improving Disadv. Achieve. Year Ending 06/30/2019	Title II - Improving Teacher Quality Year Ending 06/30/2019	Total
Net Income with Financing and Capital Items								
Net Operating Income/(Loss)								
Revenues								
Revenue - Federal Sources								
Other Federal Grants Through GADOE	0	0	0	650,000	53,966	35,925	4,889	744,780
Total Revenue - Federal Sources	0	0	0	650,000	53,966	35,925	4,889	744,780
Revenue - Local Sources								
Charter Commission Revenue	4,275,000	0	0	0	0	0	0	4,275,000
Club Dues and Fees	0	0	3,684	0	0	0	0	3,684
Donations	175,000	12,735	0	0	0	0	0	187,735
Fundraising (School-Based) & Field Trips	33,500	0	0	0	0	0	0	33,500
After School Care Revenues	2,000	0	0	0	0	0	0	2,000
Other Revenues	49,748	0	0	0	0	0	0	49,748
Total Revenue - Local Sources	4,535,248	12,735	3,684	0	0	0	0	4,551,667
Total Revenues	4,535,248	12,735	3,684	650,000	53,966	35,925	4,889	5,296,447
Expenses								
Personal Services - Salaries	2,124,312	2,183	0	0	0	15,538	0	2,142,033
Personal Services - Benefits	650,995	43	0	0	0	4,819	0	655,857
Purchased Professional and Tech Svcs	316,505	0	0	325,000	53,966	357	4,889	700,717
Purchased Property Svcs	536,067	0	0	0	0	0	0	536,067
Other Purchased Services	193,990	2,769	0	10,000	0	1,500	0	208,259
Supplies	309,551	6,990	3,674	299,130	0	13,711	0	633,056
Other Operating Expenses	57,720	750	10	0	0	0	0	58,480
Total Expenses	4,189,140	12,735	3,684	634,130	53,966	35,925	4,889	4,934,469
Total Operating Net Income/(Loss)	346,108	0	0	15,870	0	0	0	361,978
Financing Sources and Uses								
Operating Transfers to Other Funds	(156,042)	0	(16,516)	0	0	0	0	(172,558)
Operating Transfers From Other Funds	16,516	0	0	0	0	0	0	16,516
Total Financing Sources and Uses	(139,526)	0	(16,516)	0	0	0	0	(156,042)
Capital Items								
Building Improvements	(58,560)	0	0	(15,870)	0	0	0	(74,430)
Total Capital Items	(58,560)	0	0	(15,870)	0	0	0	(74,430)
Net Income with Financing and Cap. Items	148,022	0	(16,516)	0	0	0	0	131,506