

John Adams Academy – El Dorado Hills: Renewal Charter Petition Budget Narrative

Budget Projections:

John Adams Academy has maintained a conservative approach to its budgeting process as well as in the execution of its mission. The enclosed budget is the John Adams Academies Inc. board approved budget for the El Dorado campus, that are based on the following assumptions.

Beginning with Revenues, the Academy projects COLA between 0.25% - 0.75% lower than the CA Department of Finance projections, and plan for an average daily attendance factor of 95%. Based on total end of year enrollment, and end of year ADA, the Academy had a 93.4% attendance rate in 2017-18 and successfully increased our attendance to 95.0% at end of year 2018-19. John Adams Academies, Inc.'s historic average has consistently exceeded this level. These assumptions are entered into the FCMAT Calculator for revenue projection. On the expense side, we do a detailed projection of the salaries and benefits, and for the other operating expenses, we start with an increase of the previous year's final projections increased for COLA, enrollment growth and FTE increases. We then look at each general ledger account and make adjustments based on known or anticipated expenditure increases. El Dorado Hills (EDH) has shown continued growth since its founding. The Academy expects to continue to grow organically, as groups of scholars in the elementary grades move into the secondary grades and fill in our capacity. Current projections indicate that the EDH campus' rate of growth will slow over the next 3 years.

Enrollment:

Below are the enrollment projections for the next 5 years. The 2019-20 projections are based on current new and re-enrollment applications, waitlist data. Also included are adjustments for scholar turnover, and program capacities. Future year projections are based primarily on the prior year's projections adjusted for organic growth and reductions in the number of classes offered per grade based on program capacities.

Fiscal Year Grades offered	Projected Enrollment				
	2019-20 TK-12	2020-21 TK-12	2021-22 TK-12	2022-23 TK-12	2023-24 TK-12
Transitional Kindergarten	21	25	25	25	25
Kindergarten	90	60	60	60	60
Grades 1	86	90	60	60	60
Grades 2	90	90	90	60	60
Grades 3	80	90	90	90	60
Grades 4	88	90	90	90	90
Grades 5	82	88	90	90	90
Grades 6	90	80	80	75	75
Grades 7	60	90	80	80	60
Grades 8	60	60	90	80	80
Grades 9	30	54	54	65	67
Grades 10		30	54	54	65
Grades 11			30	54	54
Grades 12				30	54
Total Projected Enrollment	777	847	893	913	900

Revenues

LCFF Revenues are calculated using the FCMAT Calculator. The academy applies a 95% attendance factor to calculate ADA which drives the revenue calculation. Future revenues project a 2.5% COLA. Other state and federal revenues include projections for lottery funding, mandated block grant, Special Education and National School Lunch programs. One time funding sources are not included as they are unknown and current governor's budget does not typically provide for such funding. Based on previous experience, projected local revenues are reduced by 25% as such revenues are not guaranteed. Local revenues include, but are not limited to: fundraising event earnings, general contributions, family donations for field trips and other activities.

General Expenses

The academy has projected salaries based on current board of trustees (Board) approved positions, anticipated new positions needed by program growth or other factors, current salaries plus anticipated increases. The annual increase factors in adjustments are based on COLA, increased minimum wage, and other internal benchmarking. Benefits are projected at 25% of total salaries; as employee election of benefits can change from year to year and recent averages are closer to 23% this is a reasonable projection.

Books, supplies services and other general operating expenses are projected based on the prior year and adjusted to consider enrollment and FTE increases and COLA. Some expenditures such as new curriculum or technology to be purchased that are currently planned or anticipated have been included.

Debt & Interest

The budget reflects actual expenses and payments based on current debt schedules. The academy does not anticipate incurring additional debt in the budget periods presented.

NSD Funding

John Adams Academy maintains a Non-Profit Services Division (NSD), which acts as a separate operating division of the consolidated John Adams Academies Inc.; each school operated by John Adams Academy operates as a separated individual division. The NSD serves the Academy by providing for the general business needs such as Accounting, Payroll, Human Resources and Compliance. The NSD is paid an 11% fee of the LCFF revenues to cover these overhead expenses. This annual fee is reviewed and set annually by the Board.

School Meal Program

The 2019-20 school year is the Academy's first year operating a meal program. The Academy has worked with food vendors and program management consultants to understand potential opportunities and to estimate the costs of running a food program at the academy. The Academy has estimated the revenues and expenses using lower than expected participation rates leading to a budgeted decrease in net assets for this program for the implementation year.

Supplemental Funds

The Academy calculates anticipated supplemental funding using the FCMAT Calculator. Each year the Academy creates a specific spending plan to support our unduplicated population ensuring they received the designed increase or improvement in services. The budget and future projections

include expenditures of supplemental funds based on the previous year's spending plan with annual increases based on enrollment and COLA.

Special Education

The Academy works with the El Dorado Charter Special Education Local Plan Area (SELPA) to ensure scholars with special needs receive the services they require to succeed. The academy's leadership and program management work together to budget and plan for the school year to ensure that the requisite resources are made available to serve our special education population. Revenues are calculated using SEPLA projections for funding rates multiplied by projected ADA. Future expenditures of Special Education dollars are estimated based on the previous year's spending plan with annual increases based on enrollment and COLA. As is typical for most schools, the Academy experiences consistent encroachment of special education programming into the general funds. The budget and future projections include provision for such encroachment.



*Restoring America's Heritage
by Developing Servant Leaders*

John Adams Academy
- El Dorado Hills
2019-20 Annual Budget

Presented to the Board
June 20, 2019

Prepared by the Support Services Team

JOHN ADAMS ACADEMY - EL DORADO HILLS
FINANCIAL REPORT - ALTERNATIVE FORM
 July 1, 2019 - June 30, 2020

Annual Budget

Charter School Name: John Adams Academy - El Dorado Hills
 CDS#: 09100900136036
 Charter Approving Entity: El Dorado County Office of Education
 County: El Dorado County
 Charter #: 1880

Accrual Basis (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities/Net Position objects are 6900, 7438, 9400-9489, 9660-9669, 9796, and 9797)

Description	Object Code	Budget		
		Unrestricted	Restricted	Total
A REVENUES				
1 LCFF Sources				
State Aid - Current Year	8011	4,327,664	-	4,327,664
Education Protection Account State Aid - Current Year	8012	147,630	-	147,630
State Aid - Prior Years	8019	-	-	-
Transfers to Charter Schools In Lieu of Property Taxes	8096	1,774,513	-	1,774,513
Other LCFF Transfers	8091, 8097	-	-	-
Total, LCFF Sources		6,249,807	-	6,249,807
2 Federal Revenues (See NOTE in Section L)				
No Child Left Behind		-	-	-
Special Education - Federal	8181, 8182	-	65,500	65,500
Child Nutrition - Federal	8220	-	55,279	55,279
Other Federal Revenues	8290	-	-	-
Total, Federal Revenues		-	120,779	120,779
3 Other State Revenues				
Special Education - State	StateRevSE	-	416,547	416,547
All Other State Revenues	8500	88,228	25,298	113,526
Total, Other State Revenues		88,228	441,845	530,073
4 Other Local Revenues				
All Other Local Revenues	8600-8799	182,855	58,845	241,700
Total, Local Revenues		182,855	58,845	241,700
5 TOTAL REVENUES				
		6,520,890	621,469	7,142,359
B EXPENDITURES				
1 Certificated Salaries				
Certificated Teachers' Salaries	1100	1,876,432	113,574	1,990,006
Certificated Pupil Support Salaries	1200	-	-	-
Certificated Supervisors' and Administrators' Salaries	1300	280,750	-	280,750
Other Certificated Salaries	1900	-	-	-
Total, Certificated Salaries		2,157,182	113,574	2,270,756
2 Noncertificated Salaries				
Noncertificated Instructional Salaries	2100	279,788	106,269	386,056
Noncertificated Support Salaries	2200	219,791	27,560	247,351
Noncertificated Supervisors' and Administrators' Salaries	2300	-	-	-
Clerical and Office Salaries	2400	224,792	20,000	244,792
Other Noncertificated Salaries	2900	-	-	-
Total, Noncertificated Salaries		724,371	153,829	878,199
3 Employee Benefits				
STRS	3100	-	-	-
Retirement Benefits	3200	129,670	12,033	141,703
OASDI / Medicare / Alternative	3300	220,439	20,456	240,895
Health and Welfare Benefits	3400	246,373	22,863	269,236
Unemployment Insurance	3500	1,441	134	1,574
Workers' Compensation Insurance	3600	64,835	6,017	70,851
OPEB, Allocated	3700	-	-	-
OPEB, Active Employees	3750	-	-	-
Other Employee Benefits	3900	-	-	-
Total, Employee Benefits		662,757	61,503	724,260
4 Books and Supplies				
Approved Textbooks and Core Curricula Materials	4100	146,681	-	146,681
Books and Other Reference Materials	4200	43,029	-	43,029
Materials and Supplies	4300	149,684	3,648	153,332
Noncapitalized Equipment	4400	84,429	3,648	88,077

JOHN ADAMS ACADEMY - EL DORADO HILLS
FINANCIAL REPORT - ALTERNATIVE FORM
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Annual Budget

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Description	Object Code	Budget		Total
		Unrestricted	Restricted	
Food	4700	-	-	-
Total, Books and Supplies		423,823	7,296	431,119
5 Services and Other Operating Expenditures				
Subagreements for Services	5100	2,651	121,470	124,121
Travel and Conferences	5200	94,325	-	94,325
Dues and Memberships	5300	4,465	-	4,465
Insurance	5400	18,918	-	18,918
Operating and Housekeeping Services	5500	248,449	-	248,449
Rentals, Leases, Repairs, and Noncap. Improvements	5600	1,111,611	-	1,111,611
Transfers of Direct Costs	5700	-	-	-
Professional/Consulting Services and Operating Expend.	5800	87,344	201,631	288,975
Communications	5900	30,640	-	30,640
Total, Services and Other Operating Expenditures		1,598,403	323,101	1,921,504
6 Capital Outlay				
Land and Land Improvements	6100	-	-	-
Buildings and Improvements of buildings	6200	-	-	-
Books and Media for New School Libraries	6300	-	-	-
Equipment	6400	-	-	-
Equipment Replacement	6500	-	-	-
Depreciation Expense (accrual basis only)	6900	20,430	-	20,430
Total, Capital Outlay		20,430	-	20,430
7 Other Outgo				
Transfers of Indirect Costs	7211-7213	-	-	-
Other Outgo	7141	687,479	-	687,479
All Other Transfers	7299	-	-	-
Debt Service:				
Interest	7438	1,600	-	1,600
Principal	7439	-	-	-
Total, Other Outgo		689,079	-	689,079
8 TOTAL EXPENDITURES		6,276,044	659,302	6,935,346
C EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES		244,846	(37,834)	207,013
D OTHER FINANCING SOURCES / USES				
1 Other Sources		-	-	-
2 Less: Other Uses		-	-	-
3 Contributions Between Unrestricted and Restricted Accounts (must net to zero)		-	-	-
Total, Other Financing Sources / Uses		-	-	-
E NET INCREASE (DECREASE IN FUND BALANCE / NET POSITION)		244,846	(37,834)	207,013
F FUND BALANCE / NET POSITION				
1 Beginning Fund Balance / Net Position As of Unaudited Actuals		307,423	54,398	361,821
2 Ending Fund Balance / Net Position		552,269	16,564	568,834

EDH (El Dorado Hills) - Summary Statement of Activities (Year 1 Projection)

	Unrestricted	Supplemental	Special Education	Child Nutrition	Other Restricted	Total
Federal Revenues	-	-	65,500	55,279	-	120,779
State Revenue						
State Aid	4,145,630	182,034	-	-	-	4,327,664
EPA	147,630	-	-	-	-	147,630
Special Education	-	-	416,547	-	-	416,547
Lottery	102,245	-	-	-	-	102,245
Mandate Claims	11,281	-	-	-	-	11,281
Other State Revenues	-	-	-	-	-	-
Total State Revenues	4,406,786	182,034	416,547	-	-	5,005,367
Local Revenues						
Cash In-Lieu of Prperty Taxes	1,774,513	-	-	-	-	1,774,513
All Other Local Contributions	182,855	-	-	58,845	-	241,700
Total Local Revenues	1,957,368	-	-	58,845	-	2,016,213
TOTAL Revenues	6,364,154	182,034	482,047	114,124	-	7,142,359
Certificated Salaries	2,122,012	35,170	113,574	-	-	2,270,756
Classified Salaries	619,842	104,529	126,269	27,560	-	878,199
Employee benefits	634,817	27,940	55,164	6,339	-	724,260
Books and supplies	377,823	46,000	3,040	4,256	-	431,119
Services and other operating expenses	1,590,304	8,099	196,275	126,826	-	1,921,504
Interest Expense	1,600	-	-	-	-	1,600
Depreciation	20,430	-	-	-	-	20,430
NSD Funding	687,479	-	-	-	-	687,479
	6,054,306	221,738	494,322	164,981	-	6,935,346
	309,848	(39,704)	(12,274)	(50,857)	-	207,013

John Adams Academy - El Dorado Hills Five Year Projections

	Year Ending 6/30/2020	Year Ending 6/30/2021	Year Ending 6/30/2022	Year Ending 6/30/2023	Year Ending 6/30/2024
Revenues					
LCFF Sources	\$ 6,249,807	\$ 7,046,856	\$ 7,672,562	\$ 8,124,482	\$ 8,260,840
Federal Revenues	120,779	158,594	172,583	184,199	193,081
Other State Revenues	530,073	632,968	690,665	726,708	738,627
Local revenues	241,700	263,616	278,603	287,870	291,231
Total Revenues	7,142,359	8,102,034	8,814,413	9,323,258	9,483,779
Expenses					
Certificated Salaries	2,270,756	2,527,489	2,817,104	3,009,409	3,147,107
Classified Salaries	878,199	995,812	1,154,670	1,199,027	1,229,002
Employee benefits	724,260	810,359	913,507	967,938	1,006,504
Books and supplies	431,119	385,678	518,172	569,024	625,510
Services and other operating expenses	1,921,504	2,144,783	2,328,625	2,394,815	2,470,686
Interest expense	1,600	676	-	-	-
Depreciation	20,430	20,430	20,430	16,473	9,321
NSD Funding	687,479	775,154	767,256	812,448	826,084
Total Expenses	6,935,346	7,660,381	8,519,764	8,969,134	9,314,215
CHANGE IN NET ASSETS	\$ 207,013	\$ 441,653	\$ 294,649	\$ 354,124	\$ 169,564

John Adams Academy - El Dorado Hills
Monthly Statement of Cash Flows
For the Fiscal Year 2019-20

	Month Ending 7/31/2019	Month Ending 8/31/2019	Month Ending 9/30/2019	Month Ending 10/31/2019	Month Ending 11/30/2019	Month Ending 12/31/2019	Month Ending 1/31/2020	Month Ending 2/29/2020	Month Ending 3/31/2020	Month Ending 4/30/2020	Month Ending 5/31/2020	Month Ending 6/30/2020
CASH FLOWS FROM OPERATING ACTIVITIES												
Change in net assets												
Revenues												
LCFF Sources	147,920	220,703	437,053	363,300	363,300	388,530	363,300	637,154	945,674	718,599	718,599	945,674
Federal Revenues	-	5,528	5,528	5,528	5,528	5,528	21,903	5,528	21,903	5,528	5,528	32,750
Other State Revenues	5,519	5,519	9,934	9,934	37,181	9,934	9,934	94,094	77,647	66,847	94,094	109,434
Local Revenues	5,486	24,170	36,970	27,827	11,370	9,542	15,027	11,370	24,170	49,770	16,856	9,143
Total Revenues	158,925	255,920	489,485	406,590	417,379	413,534	410,165	748,146	1,069,394	840,744	835,076	1,097,001
Expenses												
Certificated Salaries	26,544	204,399	204,399	204,399	204,399	204,399	204,399	204,400	204,400	204,400	204,400	200,218
Classified Salaries	20,294	82,567	82,567	82,567	82,567	82,567	82,567	82,567	82,567	82,567	82,567	32,232
Employee benefits	12,128	65,756	65,756	65,756	65,756	65,756	65,756	65,756	65,756	65,756	65,756	54,575
Books and supplies	148,929	21,065	34,294	21,554	23,431	67,805	20,782	20,155	20,035	20,017	20,017	12,033
Services and other operating expenses	144,902	164,161	163,907	157,754	171,089	168,974	174,980	158,568	157,882	159,930	155,862	143,496
Interest expense	-	-	-	-	-	-	-	-	1,600	-	-	-
Depreciation	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702
NSD Funding	16,271	24,277	48,076	39,963	39,963	42,738	39,963	70,087	104,024	79,046	79,046	104,024
Total Expenses	370,770	563,928	600,701	573,695	588,907	633,942	590,387	603,862	638,087	613,436	609,350	548,280
Change in net assets	(211,846)	(308,007)	(111,216)	(167,105)	(171,528)	(220,408)	(180,222)	144,283	431,307	227,308	225,726	548,721
Reconciliation to net cash provided (used) by operating activities												
Depreciation	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702
Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in Statement of Financial Position operating accounts	104,956	109,828	(24,891)	(28,078)	(24,668)	28,037	194,733	(77,853)	(249,720)	(27,596)	(26,598)	(342,521)
Net cash provided (used) by operating activities	(105,187)	(196,476)	(134,405)	(193,481)	(194,493)	(190,668)	16,213	68,133	183,289	201,414	200,831	207,902
CASH FLOWS FROM INVESTING ACTIVITIES:												
Purchases of property and equipment	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:												
Net Proceeds from (payments on) debt	-	-	(13,888)	(13,888)	(13,888)	(13,888)	(13,888)	-	(13,888)	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(105,187)	(196,476)	(148,293)	(207,369)	(208,381)	(204,556)	2,325	68,133	169,401	201,414	200,831	207,902
CASH AND CASH EQUIVALENTS, Beginning of period	1,101,998	996,811	800,334	652,041	444,672	236,291	31,734	34,060	102,192	271,593	473,008	673,839
CASH AND CASH EQUIVALENTS, End of period	996,811	800,334	652,041	444,672	236,291	31,734	34,060	102,192	271,593	473,008	673,839	881,741
CASH AND CASH EQUIVALENTS	996,811	800,334	652,041	444,672	236,291	31,734	34,060	102,192	271,593	473,008	673,839	881,741
CASH WITH FISCAL AGENT	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH	996,811	800,334	652,041	444,672	236,291	31,734	34,060	102,192	271,593	473,008	673,839	881,741

John Adams Academy - El Dorado Hills
Monthly Statement of Cash Flows
For the Fiscal Year 2020-21

	Month Ending 7/31/2020	Month Ending 8/31/2020	Month Ending 9/30/2020	Month Ending 10/31/2020	Month Ending 11/30/2020	Month Ending 12/31/2020	Month Ending 1/31/2021	Month Ending 2/28/2021	Month Ending 3/31/2021	Month Ending 4/30/2021	Month Ending 5/31/2021	Month Ending 6/30/2021
CASH FLOWS FROM OPERATING ACTIVITIES												
Change in net assets												
Revenues												
LCFF Sources	227,116	333,587	658,659	550,771	550,771	587,678	550,771	632,614	835,931	641,514	641,514	835,931
Federal Revenues	-	6,147	6,147	6,147	6,147	6,147	30,428	6,147	30,428	6,147	6,147	48,563
Other State Revenues	19,222	19,222	34,600	34,600	73,772	34,600	34,600	85,074	60,301	45,901	85,074	106,002
Local Revenues	5,980	26,362	40,315	30,348	12,409	10,415	16,395	12,409	26,362	54,268	18,388	9,966
Total Revenues	252,318	385,318	739,720	621,865	643,098	638,840	632,194	736,244	953,022	747,829	751,123	1,000,463
Expenses												
Certificated Salaries	29,545	227,508	227,508	227,508	227,508	227,508	227,508	227,510	227,510	227,510	227,510	222,854
Classified Salaries	23,012	93,625	93,625	93,625	93,625	93,625	93,625	93,625	93,625	93,625	93,625	36,549
Employee benefits	13,569	73,573	73,573	73,573	73,573	73,573	73,573	73,573	73,573	73,573	73,573	61,063
Books and supplies	119,347	206,190	13,779	8,144	4,185	10,797	6,387	3,965	3,965	3,194	2,971	2,753
Services and other operating expenses	163,404	147,332	176,830	167,173	186,913	186,161	186,161	186,161	186,161	186,161	186,161	186,161
Interest expense	-	-	-	-	-	-	-	-	676	-	-	-
Depreciation	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702
NSD Funding	24,983	36,695	72,452	60,585	60,585	64,645	60,585	69,588	91,952	70,566	70,566	91,952
Total Expenses	375,563	786,625	659,470	632,310	648,092	658,012	649,542	656,124	679,165	656,332	656,109	603,036
Change in net assets	(123,245)	(401,308)	80,249	(10,445)	(4,994)	(19,172)	(17,349)	80,120	273,857	91,498	95,014	397,427
Reconciliation to net cash provided (used) by operating activities												
Depreciation	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702	1,702
Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Net changes in Statement of Financial Position operating accounts	175,120	145,178	(42,480)	(27,718)	(24,611)	(25,603)	(26,630)	(26,431)	(25,513)	(26,942)	(26,211)	(346,107)
Net cash provided (used) by operating activities	53,578	(254,427)	39,472	(36,461)	(27,902)	(43,073)	(42,276)	55,392	250,047	66,258	70,505	53,023
CASH FLOWS FROM INVESTING ACTIVITIES:												
Purchases of property and equipment	-	-	-	-	-	-	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:												
Net Proceeds from (payments on) debt	-	-	(13,888)	(13,888)	(13,888)	(13,888)	(13,888)	-	(13,904)	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	53,578	(254,427)	25,584	(50,349)	(41,790)	(56,961)	(56,164)	55,392	236,143	66,258	70,505	53,023
CASH AND CASH EQUIVALENTS, Beginning of period	881,741	935,318	680,891	706,474	656,126	614,336	557,375	501,211	556,603	792,745	859,003	929,508
CASH AND CASH EQUIVALENTS, End of period	935,318	680,891	706,474	656,126	614,336	557,375	501,211	556,603	792,745	859,003	929,508	982,531
CASH AND CASH EQUIVALENTS	935,318	680,891	706,474	656,126	614,336	557,375	501,211	556,603	792,745	859,003	929,508	982,531
CASH WITH FISCAL AGENT	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH	935,318	680,891	706,474	656,126	614,336	557,375	501,211	556,603	792,745	859,003	929,508	982,531