

SUBJECT

Heritage Academy Fiscal Update

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §33-5209(C)(1)

BACKGROUND

Heritage Academy (HA) is a public charter school authorized by the Public Charter School Commission (PCSC). Located in Jerome, HA serves approximately 170 students in grades K-8 and recently completed its fourth year of operation.

On June 11, 2014, because of the school's unstable financial position, the PCSC directed Heritage Academy to provide the PCSC with quarterly financial updates throughout FY 2015.

DISCUSSION

HA projects an FY15 year-end balance of approximately \$48,000. However, the school anticipates drawing \$50,000 on a line of credit from D.L. Evans Bank in order to meet summer cash flow requirements, which represent FY15 encumbrances. The line of credit will be repaid with FY16 revenues received in August 2015.

HA's projections indicate that the school can maintain a positive cash flow throughout FY16, and complete the upcoming fiscal year with a carryover.

IMPACT

HA's financial status merits ongoing PCSC monitoring in the interest of protecting student and taxpayer interests.

STAFF COMMENTS AND RECOMMENDATIONS

Although it appears that HA will be able to access a line of credit in order to meet cash flow demands, the school will rely on FY16 revenues to cover FY15 expenditures, a practice that is unsustainable in the long term. For this reason, PCSC staff recommends that the PCSC require HA to provide a fall enrollment update, as well as quarterly financial reports throughout FY16.

COMMISSION ACTION

A motion to direct Heritage Academy to provide the PCSC with a 2015-2016 enrollment update by September 1, 2015, and quarterly financial reports through fiscal year 2016.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

June 11, 2015

Heritage Academy FY16 --- BUDGET SUMMARY

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	AMENDED / WORKING BUDGET	FYTD ACTIVITY	UNRECEIVED / UNEXPENDED BALANCE	FYTD %	PROJECTED YEAR-END	NOTES
REVENUE							
414100 Tuition							
415000 Earnings on Investments	150.00					150.00	
416100 School Food Service	91,500.00					91,500.00	
416200 Meal sales: non-reimbursable							
416900 Other Food Sales							
417100 Admissions / Activities							
417200 Bookstore Sales							
417300 Clubs / Organization Fees, etc.							
417400 School Fees & Charges/Fundraising							
417900 Other Student Revenue							
419100 Rentals							
419200 Contributions/Donations	12,500.00					12,500.00	
419900 Other Local Revenue							
431100 Base Support Program	803,856.00					803,856.00	
431200 Transportation Support	65,490.00					65,490.00	
431400 Exceptional Child Support							
431600 Tuition Equivalency							
431800 Benefit Apportionment	106,217.00					106,217.00	
431900 Other State Support	117,588.00					117,588.00	
437000 Lottery / Addtl State Maintenance	10,230.00					10,230.00	
439000 Other State Revenue	5,000.00					5,000.00	
442000 Indirect Unrestricted Federal							
443000 Direct Restricted Federal							
445000 Title I - ESEA	49,837.00					49,837.00	
445500 Child Nutrition Reimbursement							
445600 Title VI-B IDEA	28,471.00					28,471.00	
445900 Other Indirect Restricted Federal	99,127.00					99,127.00	
451000 Proceeds							
460000 Transfers In							
TOTAL REVENUE	\$1,389,966.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$1,389,966.00	

June 11, 2015

Heritage Academy FY16 --- BUDGET SUMMARY

ACCOUNT DESCRIPTION	ORIGINAL BUDGET	AMENDED / WORKING BUDGET	FYTD ACTIVITY	UNRECEIVED / UNEXPENDED BALANCE	FYTD %	PROJECTED YEAR-END	NOTES
EXPENDITURES							
100 SALARIES	683,077.00					683,077.00	
200 EMPLOYEE BENEFITS	271,372.00					271,372.00	
300 PURCHASED SERVICES	278,424.00					278,424.00	
400 SUPPLIES	67,477.00					67,477.00	
500 CAPITAL OUTLAY							
600 DEBT RETIREMENT	53,844.00					53,844.00	
700 INSURANCE	8,281.00					8,281.00	
920000 TRANSFERS OUT							
TOTAL EXPENDITURES	\$1,362,475.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$1,362,475.00	
TOTAL FUND REVENUES OVER EXPENDITURES	\$27,491.00	\$0.00	\$0.00			\$27,491.00	
TOTAL BEGINNING BALANCE (All Funds)	\$48,848.00	\$48,848.00	\$48,848.00			\$48,848.00	
TOTAL CHANGES (All Funds)	\$27,491.00	\$0.00	\$0.00			\$27,491.00	
Ending Balance (All funds)	\$76,339.00	\$48,848.00	\$48,848.00			\$76,339.00	