



MULTI-YEAR STRATEGIC FISCAL PLAN UPDATE 8/10/04

As part of its Charter Petition, the Livermore Valley Charter School (LVCS) submitted to the Livermore Valley Joint Unified School District (LVJUSD) a balanced budget and cash flow covering its start-up expenditures and first five years of operations. This detailed Multi-Year Strategic Fiscal Plan and Cash Flow laid out in great detail the operating assumptions, critical variables and specific budget assumptions, resulting in a line-item budget prepared in accord with California School Accounting parameters.

The original Plan was submitted to the District on 3/16/04, and provided LVCS with a sound and achievable financial stratagem based upon currently known factors, but also clearly stated that it was a fluid document, subject to refinement and update on a regular basis.

As part of the submittal to the California State Board of Education, and in line with maintaining a current financial plan, LVCS has presented below a summary of the major differences between the original Fiscal Plan submitted to LVJUSD and its current Fiscal Plan, submitted herewith in summary format only.

**Figure 1: Summary Multi Year Budget Projection - 2005-2006 through 2009-2010**

	Year I	Year II	Year III	Year IV	Year V
	2005-06	2006-07	2007-08	2008-09	2009-10
	Projected Budget				
<b>Key Budget and Financial Variables</b>					
School Enrollment	481	562	643	724	724
School ADA	464	543	621	699	699
Ratio of ADA to Enrollment	96.5%	96.6%	96.6%	96.5%	96.5%
<b>Total Revenues</b>	\$ 2,808,889	\$ 3,323,808	\$ 3,866,704	\$ 4,440,845	\$ 4,567,451
<b>Total Expenditures</b>	\$ 2,701,715	\$ 3,237,341	\$ 3,875,095	\$ 4,433,619	\$ 4,571,874
<b>Net Operations: Sub Total</b>	\$ 107,174	\$ 86,467	\$ (8,391)	\$ 7,226	\$ (4,423)
<b>Plus: Financings/Sources/Uses</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Net Change</b>	\$ 107,174	\$ 86,467	\$ (8,391)	\$ 7,226	\$ (4,423)
<b>Beginning Balance</b>	\$ 5,966	\$ 113,140	\$ 199,607	\$ 191,217	\$ 198,443
<b>Ending Balance</b>	\$ 113,140	\$ 199,607	\$ 191,217	\$ 198,443	\$ 194,019

**Figure 2: Detailed Multi Year Budget Projection - 2005-2006 through 2009-2010**

	Year I	Year II	Year III	Year IV	Year V
	2005-06	2006-07	2007-08	2008-09	2009-10
	Projected Budget				
<b>A. Revenues:</b>					
<b>Block Grant and Other State Funding</b>	\$2,727,838	\$3,226,688	\$3,750,451	\$4,307,836	\$4,430,295
<b>Federal</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Local</b>	\$ 81,051	\$ 97,120	\$ 116,253	\$ 133,009	\$ 137,156
<b>Total Revenues</b>	<b>\$2,808,889</b>	<b>\$3,323,808</b>	<b>\$3,866,704</b>	<b>\$4,440,845</b>	<b>\$4,567,451</b>
<b>B. Expenditures:</b>					
<b>Certificated Salaries</b>	\$1,383,125	\$1,699,986	\$2,045,163	\$2,322,453	\$2,408,520
<b>Classified Salaries</b>	\$ 94,300	\$ 155,420	\$ 217,100	\$ 267,600	\$ 277,500
<b>Employee Benefits</b>	\$ 338,097	\$ 427,692	\$ 523,787	\$ 601,275	\$ 623,552
<b>Total Compensation Costs</b>	<b>\$1,815,522</b>	<b>\$2,283,098</b>	<b>\$2,786,050</b>	<b>\$3,191,328</b>	<b>\$3,309,572</b>
<b>Books and Supplies</b>	\$ 184,062	\$ 122,099	\$ 125,188	\$ 140,918	\$ 134,454
<b>Operating Costs</b>	\$ 702,131	\$ 832,144	\$ 963,856	\$1,101,373	\$1,127,849
<b>Capital Costs</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$2,701,715</b>	<b>\$3,237,341</b>	<b>\$3,875,095</b>	<b>\$4,433,619</b>	<b>\$4,571,874</b>
<b>Net Operations: Sub Total</b>	<b>\$ 107,174</b>	<b>\$ 86,467</b>	<b>\$ (8,391)</b>	<b>\$ 7,226</b>	<b>\$ (4,423)</b>
<b>C. Other Financings/Sources/Uses</b>					
<b>Plus: Loans and Transfers In</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Less: Oversight Fee to District</b>	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
<b>Less: Debt Service</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net: Total Other Financings</b>	<b>\$ (0)</b>				
<b>Total Net Change</b>	<b>\$ 107,174</b>	<b>\$ 86,467</b>	<b>\$ (8,391)</b>	<b>\$ 7,226</b>	<b>\$ (4,423)</b>
<b>Beginning Balance</b>	\$ 5,966	\$ 113,140	\$ 199,607	\$ 191,216	\$ 198,442
<b>Ending Balance</b>	<b>\$ 113,140</b>	<b>\$ 199,607</b>	<b>\$ 191,216</b>	<b>\$ 198,442</b>	<b>\$ 194,019</b>
<b>(a) Includes payments made via District for in-lieu property tax funding</b>					

**Revenues**

The projected dollars for the Charter School General Purpose Entitlement, Charter School Categorical Block Grant, and Class Size Reduction have been changed in line with the most recent projections from School Services of California relative to the Adopted State Budget. The figures previously used were based on the proposed State Budget per the Governor's January 2004 Budget Proposal. The funding for Staff Development and other instruction material augmentations has also been removed, recognizing School Services assessment that these dollars have now been rolled into the Categorical Block Grant Funding. Finally, although LVCS fully supports its original fundraising objectives, our updated fiscal plan remains viable, fully supporting the operating plan and reserve plan with a reduction in contributions, donations, and fundraising revenue dollars to a level of 3% of projected expenditures, as compared to an average of 8.9% in the original submittal.

## Expenditures

In terms of personnel, the current plan reduces by one, the non-core certificated staffing level in year one only, from four positions to three. The plan also removes a part-time clerk in year one and excess part-time office manager staffing in years 3-5. The plan adds a permanent library tech position to the staff commencing in year two.

In the category of books & supplies, a reduction of \$10,000 in year one is a result of book and supply donations received to date.

A number of changes have occurred within Services and Other Operating Expenditures as follows:

- Reallocated staff training and development dollars in years 2-5, providing \$1,000 per year for incremental new staffing and \$300 per year for existing staffing
- Increased custodial costs for addition of 2<sup>nd</sup> site in years 2-5
- Added dollars for staffing and volunteer background checks
- Increased Student Testing and Assessment to \$30 per student from \$10
- Legal – Added \$7,500 in year 1, and \$12,500 per year in years 2-5
- Increased Special Education encroachment cost in line with LVJUSD's current projections, to \$422 per student from \$395 in year 1, increasing yearly thereafter
- Added facility rental costs in years 2-5, \$25,000, \$35,000, \$45,000, and \$45,000, respectively to cover supplemental growth and operating needs (as required)

In terms of Start-up Expenditures, the plan includes staffing cost for a Principal and Administrative Assistant for coverage beginning 6 months prior to school commencement, increased textbook expenditures in each year for grade additions of sixth through eighth, and added legal and financial costs over the original projections.

## Reserves

LVCS has maintained reserves equal to the greater of \$50,000 or 4%, in years 1-5. This does not represent a change from the original budget, but the specific dollars have changed with the respective level of expenditures changes noted above.

**Figure 3: Ending Balance and Reserve Projections - 2005-2006 through 2009-2010**

	Year I	Year II	Year III	Year IV	Year V
	2005-06	2006-07	2007-08	2008-09	2009-10
	Projected	Projected	Projected	Projected	Projected
Ending Fund Balance Components	Budget	Budget	Budget	Budget	Budget
Designated Amounts	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Economic Uncertainty	\$ 108,069	\$ 129,494	\$ 155,004	\$ 177,345	\$ 182,875
Unappropriated Amount	\$ 5,071	\$ 70,113	\$ 36,212	\$ 21,097	\$ 11,144
<b>Ending Fund Balance (Net)</b>	<b>\$ 113,140</b>	<b>\$ 199,607</b>	<b>\$ 191,216</b>	<b>\$ 198,442</b>	<b>\$ 194,019</b>

## Conclusion

In conclusion, LVCS's current fiscal plans, as well as its previous plan submittals to LVJUSD and the Alameda County Office of Education, fully portray a comprehensive, practical, and achievable fiscal program to support its proposed operations. These submittals have all been prepared without any funding which may be available as part of State start-up grant and/or revolving loan programs in order to show that LVCS has the financial wherewithal to support its planned operations. These additional funding sources, should they become available to LVCS in the future, would only serve to further enhance its operations, programming, financial capabilities, making it a model to be emulated throughout the state.