

Ocean Charter School									
Five Year Budget Detail									
Prepared by ExED. For use by ExED and ExED clients only. © 2016 ExED									26%
		-1	0	1	2	3	4		37%
		2015-16	2016-17 Forecast - Proposed Budget	2017-18	2018-19	2019-20	2020-21	2016-17 Budget Variance Better/(Worse)	Comments
	Enrollment	467	498	532	532	532	532	498	Enrollment and ADA based on addition of 1 8th grade class in 16-17 and 1 K class in 17-18. The K class will move through each year to 1st, then 2nd, etc. Average class size increases from 25.9 in 15-16 to 26.6 in 17-18
	ADA	438.38	473.10	505.40	505.40	505.40	505.40	473	
Income									
8011-8096 · Local Control Funding Formula Revenue									
8011	Local Control Funding Formula	1,752,724	2,051,131	2,275,663	2,352,757	2,485,538	2,560,597	298,407	
8012	Education Protection Account	582,318	633,248	676,482	676,482	676,482	676,482	50,930	
8019	Local Control Funding Formula - Prior Year	(7,153)	-					7,153	
8096	In Lieu of Property Taxes	826,138	898,393	959,729	959,729	959,729	959,729	72,255	
Total 8011-8096 · Local Control Funding Formula Revenue		3,154,027	3,582,772	3,911,874	3,988,968	4,121,749	4,196,808	428,745	Increase based on 55% Gap closure and 0% COLA per Governor's May budget revision. Decision made to base revenues on an average of SSC and DOF gap closure estimates in future years. We typically use more conservative SSC numbers.
8100-8299 · Other Federal Income									
8181	Federal Special Education (IDEA)	83,691	91,010	97,224	97,224	98,196	99,178	7,320	Increased ADA budgeted
8291	Title I, A Basic Grants Low-Income	-	31,207	33,932	36,249	36,249	36,249	31,207	New funding source. Supports services for at risk students. Requires submission of a LEA/SSD Plan to the state and approval
8292	Title II, A Teacher Quality	-	1,783	1,939	2,071	2,071	2,071	1,783	New funding source. Supports PD. See 8292 above.
Total 8100-8299 · Other Federal Income		83,691	124,000	151,559	154,008	154,981	155,963	40,309	
8300-8599 · Other State Income									
8311	Special Ed - AB602	246,569	268,134	286,441	286,441	289,305	292,198	21,565	Increased ADA budgeted

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8550	Mandate Block Grant	239,797	110,033	6,623	7,076	7,076	7,076	(129,764)	One-time funding. Funding rate reduced from \$530 to \$237 per prior year ADA in 16-17. Amounts beyond that year are based on base rates.	
8560	State Lottery Revenue	79,001	85,631	94,222	97,048	99,960	102,959	6,630	Increased ADA budgeted	
8580	Prop 1 D Revenue	2,627,894	937,500	12,144,187	-	-	-	(1,690,394)	15-16 revenues primarily represent grant portion of 1D funds allocated to land purchase. 16-17 revenues represent grant portion of 1D funds applied to project soft costs. 17-18 amount represents grant portion of 1D funds to pay off bridge bonds.	
8591	SB740	164,340	171,000	189,525	-	-	-	6,660	Increased ADA budgeted. SB 740 will not be available to pay costs at new site because it will be owned by LAUSD	
8599	All Other State Revenues	32,264	-	-	-	-	-	(32,264)	Educator Effectiveness Grant in 15-16 was one-time funds	
Total 8300-8599 · Other State Income		3,389,865	1,572,299	12,720,997	390,564	396,340	402,232	(1,817,566)		
8600-8799 · Other Income-Local										
8634	Food Service Sales	55,238	69,866	75,383	76,137	76,898	77,667	14,628	Based on increased enrollment	
8660	Interest / Dividend Income	2,021	2,021	2,021	2,021	2,021	2,021	-		
8670	Capital Appeal	-	187,500	187,500	187,500	187,500	-	187,500	Assumes \$750K capital appeal over 4 years	
8690	All Other Local Revenue	204,630	210,700	210,700	215,700	259,700	259,700	6,070	Assumes income from facility rental at the new site	
8698	Grants	5,400	-	-	-	-	-	(5,400)	No grants assumed	
8699	Fundraising	449,152	398,500	408,901	408,901	421,435	421,435	(50,652)	Assumes special 15-16 gift does not recurr. 5% increase in AFG assumed in 19-20	
8792	LAUSD Augmentation Grant	-	-	18,580,944	7,220,944	-	-	-	Augmentation Grant used to pay for project hard costs and \$4.2K 1D loan reduction	
Total 8600-8799 · Other Income-Local		716,442	868,587	19,465,449	8,111,203	947,554	760,823	152,146		

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2400	Clerical/Technical/Office Staff Salaries	314,388	314,251	317,393	258,495	258,495	258,495	137	Includes office and admin staff. PT summer help moved to 2200. Diversity outreach coordinator in budget for full year in 16-17. At new site, assumed reduction of duplicate positions at the current 2 sites
2900	Other Classified Salaries (Supervision, After School)	105,275	104,707	105,754	102,038	102,038	102,038	567	Includes Aftercare and supervision staff. At new site, assumed reduction of duplicate site supervisor positions
Total 2000 · Classified Salaries		1,033,030	1,027,937	1,062,526	914,683	914,683	914,683	5,094	
3000 · Employee Benefits									
3111	STRS - State Teachers Retirement System	148,302	217,092	264,206	304,580	342,515	363,688	(68,789)	STRS contribution rate for schools increases from 10.73% to 12.58% in 16-17, also increase in certificated salaries and new laws requiring STRS for classified staff meeting CDE definition of creditable service. 2% increase in STRS contribution rate continues for each year through out the 5-year period with 19.1% rate in 20-21.
3311	OASDI - Social Security	65,812	53,002	54,879	45,602	45,602	45,602	12,810	Reclassification of certain classified staff to STRS results in reduction to Social Security
3331	MED - Medicare	35,737	37,418	39,383	37,793	38,059	38,275	(1,681)	
3401	H&W - Health & Welfare	247,115	290,044	314,905	340,098	367,305	396,690	(42,929)	Assumes 8% increase at March renewal and each year after
3501	SUI - State Unemployment Insurance	1,005	1,290	1,358	1,303	1,312	1,320	(286)	
3601	Workers' Compensation	24,937	27,088	29,651	29,592	30,992	32,415	(2,151)	
3901	403B	31,341	23,129	23,907	20,580	20,580	20,580	8,213	Reduction in director contributions
3902	Other Benefits	3,269	3,269	3,269	3,269	3,269	3,269	-	
Total 3000 · Employee Benefits		557,520	652,333	731,559	782,818	849,636	901,839	(94,813)	

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4000 - Supplies									Expense COLA between 2 and 2.7 each year for applicable expenses
4110	Approved Textbooks and Core Curriculum Materials	382	2,060	2,104	2,160	2,218	2,274	(1,678)	
4210	Books and Other Reference Materials	7,480	7,422	7,580	7,781	7,993	8,193	58	
4310	Student Materials	50,000	77,453	82,783	84,799	87,105	89,283	(27,453)	Removed restrictions on spending for classroom supplies
4350	Office Supplies	15,000	15,000	16,365	16,799	17,256	17,687	-	
4370	Custodial Supplies	4,295	4,600	5,019	5,152	5,292	5,424	(305)	
4390	Other Supplies	28,150	30,000	30,639	31,451	32,306	33,114	(1,850)	
4400	Non Capitalized Equipment	11,285	2,000	5,043	4,097	5,154	5,208	9,285	New classroom setup and equipment replacement
4700	Food and Food Supplies	54,408	69,616	74,740	75,114	75,490	75,867	(15,208)	See note for 8634 above
	Total 4000 - Supplies	171,000	208,151	224,273	227,352	232,814	237,050	(37,151)	
5000 - Operating Services									
5200	Travel and Conferences	20,000	43,400	44,324	45,499	46,737	47,905	(23,400)	Restored reductions in PD imposed in 15-16
5300	Dues and Memberships	34,912	29,603	31,275	32,104	32,977	33,802	5,309	One-time set-up fees not expected to recur
5450	General Insurance	34,642	36,376	39,687	40,739	41,847	42,893	(1,734)	
5500	Operation and Housekeeping Services	21,524	37,452	38,250	62,927	64,638	66,254	(15,928)	Increased cleaning costs in 16-17. Increased facility operating costs in 18-19 at new site
5610	Rent - Facilities / Buildings / Space	360,504	382,931	391,088	-	-	-	(22,427)	Reflects increases to MV lease and addition for property tax reimbursement in 16-17: rent ends after move-in to new site
5620	Equipment Lease	39,807	32,200	32,886	24,322	24,984	25,608	7,607	Elimination of rent for Yellow House ramp
5630	Vendor Repairs	19,414	24,500	25,022	12,056	12,384	12,694	(5,086)	Increase maintenance budget due to requirements in new MV lease. Deferred maintenance not required at new site
5812	Field Trips/Pupil Transportation	59,660	66,830	68,253	70,062	71,968	73,767	(7,170)	Increase due to higher enrollment

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5820	Legal / Audit Fees	148,610	104,450	56,675	58,177	59,759	61,253	44,160	Assumed reductions in legal expenses
5830	Advertisement / Recruitment	800	2,100	2,145	2,202	2,261	2,318	(1,300)	
5850	Non Instructional Consultants	25,639	11,668	11,916	12,232	12,565	12,879	13,972	15-16 included contract services for diversity outreach which is now in-house and level of PD reduced
5851	Instructional Consultants	298,820	307,734	314,289	322,618	331,393	339,678	(8,914)	Increase due to higher enrollment
5853	ExED	81,650	81,650	85,733	90,019	94,520	99,246	-	
5855	Prop 1D Expenditures	31,084	-					31,084	1D expenditures were recorded for half of costs for work prior to identification of current building site, offset by 1D revenues
5890	Other Fees / Bank Charges /Credit Card Fees	25,222	28,374	28,979	29,747	30,556	31,320	(3,153)	Increase for parent / volunteer livescans
5896	Special Ed Fair Share (LAUSD)	226,444	246,249	306,904	306,904	306,904	306,904	(19,805)	Increase due to higher enrollment
5897	Fundraising Cost	43,551	34,500	35,235	36,169	37,152	38,081	9,051	Assumed high costs for certain events in 15-16 would not recur
5900	Communications	36,384	36,852	37,637	28,818	29,602	30,342	(468)	Reduction in duplication of internet services when moving to new site
Total 5000 · Operating Services		1,508,667	1,506,870	1,550,298	1,174,594	1,200,248	1,224,945	1,797	
6000 · Capital Outlay									
6901	Depreciation Expense	8,368	8,687	7,821	1,015,376	1,106,471	1,100,213	(319)	The cost of the new buildings and land improvements (not land) is depreciated over 30 years beginning with move-in year
Total 6000 · Capital Outlay		8,368	8,687	7,821	1,015,376	1,106,471	1,100,213	(319)	
7000 · Other Outgo									
7299	District Oversight Fee	33,786	35,828	39,119	39,890	41,217	41,968	(2,042)	Increase due to higher enrollment

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7438 Debt Service - Interest	-	-	-	-	181,024	192,744	-	Interest on Prop 1D loan begins one year after move-in
Total 7000 - Other Outgo	33,786	35,828	39,119	39,890	222,242	234,712	(2,042)	
TOTAL EXPENSE	4,749,972	4,992,436	5,269,161	5,846,440	6,236,153	6,338,408	(242,464)	
NET INCOME	2,606,879	1,155,222	30,980,719	6,798,304	(615,529)	(822,582)	(1,451,657)	These net income numbers reflect amounts to be reported on audited financial statements and include transactions related to new site. See reconciliation below.
Beginning Cash Balance	8,567,118	3,347,187	1,593,038	1,469,520	519,867	788,814	-	
Cash Flow from Operating Activities							-	
Net Income	2,606,879	1,155,222	30,980,719	6,798,304	(615,529)	(822,582)		Carried down from NET INCOME above
Change in Accounts Receivable								
Prior Year Accounts Receivable	409,592	368,959	464,638	507,895	454,092	455,321		
Current Year Accounts Receivable	(361,012)	(464,638)	(507,895)	(454,092)	(455,321)	(475,753)		
Change in Accounts Payable	(93,224)	(13,475)	-	-	-	-		
Change in Due to	(18,451)	3,595	3,899	3,809	3,806	7,802		
Change in Payroll Liabilities	(18,706)	-	-	-	-	-		
Change in Prepaid Expenditures	74,924	-	-	-	-	-		
Change in Interest Escrow	(1,089,725)	544,863	544,863	-				This line shows ins and outs of interest escrow for bonds
Change in Deferred Revenue	(5,260,787)	(1,875,000)	(240,034)	-	-	-		This line adjusts cash flow for the Prop 1D revenues recognized (in line 8580) from funds received in 2012
Depreciation Expense	8,368	8,687	7,821	1,015,376	1,106,471	1,100,213		Depreciation expense, see above, is added back here because it is an expense that doesn't affect cash
Cash Flow from Investing Activities								
Capital Expenditures - Land & Buildings	(20,411,046)	(1,875,000)	(22,287,832)	(7,220,944)	-	-		This represents cash paid for land, soft costs and hard costs of project

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Capital Expenditures - Interest & Financing	(459,563)	(544,863)	(272,431)	-				This represents capitalized interest and financing costs
Cash Flow from Financing Activities								
Source - CFSA Bonds	16,765,000	-	(16,765,000)	-	-	-		This represents issuance and subsequent repayment of bridge bonds
Source - Prop 1D Loan	2,627,894	937,500	12,139,187	-	-	-		This represents increases to 1D loan. Equals half of expenditures made with 1D funds
Use - Prop 1D Loan	-	-	(4,191,451)	(1,600,000)	(224,573)	(249,726)		This represents repayments of 1D loan - \$4.2M from Augmentation grant, \$1.6M from capital appeal, reserves, and year 1 rent savings, last two years from loan payments
Ending Cash Balance	3,347,187	1,593,038	1,469,520	519,867	788,814	804,090		
Month with Lowest Ending Cash Balance	Jul: \$	Jun: \$1,593,038	Dec: \$762,313	Jun: \$523,137	Dec: \$430,429	Dec: \$650,244		
5% Reserve Goal	237,499	249,622	263,458	292,322	311,808	316,920		
Net Income as a Percent of Expenses	54.9%	23.1%	588.0%	116.3%	-9.9%	-13.0%		
Ending Cash as a Percent of Expenses	70.5%	31.9%	27.9%	8.9%	12.6%	12.7%		
NEW SITE NET INCOME AND CASH FLOW RECONCILIATION								
Stated Net Income	2,606,879	1,155,222	30,980,719	6,798,304	(615,529)	(822,582)		This line carried down from above
Prop 1D Revenue (net of expense)	(2,596,810)	(937,500)	(12,144,187)	-	-	-		The amounts on this line and below represent items in revenues and expenses that are attributable to the building project and are subtracted here to adjust to net income related to school operations
Augmentation Grant	-	-	(18,580,944)	(7,220,944)	-	-		"

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Capital Appeal	-	(187,500)	(187,500)	(187,500)	(187,500)	-		"
Prop 1D Interest					181,024	192,744		"
Depreciation	-	-	-	1,007,949	1,099,580	1,099,580		"
Adjusted Net Income (excluding New Site impacts)	10,069	30,222	68,088	397,809	477,576	469,742		
Interest					(181,024)	(192,744)		These amounts are related to 1D debt service costs that are to be paid out of school operating funds
Prop 1D Loan Principal Payments					(224,573)	(249,726)		"
Net income after debt service	10,069	30,222	68,088	397,809	71,979	27,272		
Adjusted Revenues		5,022,658	5,337,249	5,236,300	5,433,124	5,515,826		
Adjusted Expenses		4,992,436	5,269,161	4,838,491	4,955,548	5,046,084		
Adjusted Net Income		30,222	68,088	397,809	477,576	469,742		