

**Financial report for January 22, 2024 GC Meeting**

**By Ian Johnson-Escudero/Mary Scofield**

**December 31, 2023 financial statements and cash disbursements**

**Statement of Financial Position:**

Total cash is at \$420421 as of December 31st with Operational having \$738821 in cash. Several grant funds have negative cash from unpaid requests for reimbursements. See below for a discussion of RFR by account. The capital funds (31600 and 31701) received part of the Fall tax payment, another amount will be received in January. The remainder of FY23 tax bills will be received in May/June, 2024.

**Statement of Revenue, Expenditures and Changes in Fund Balance:**

This statement provides a summary of actual expenditures by revenue source and expenditure functions, this is similar to the audited financial statements and provides a good summary of the type of revenues received and actual expenditures recognized for each fund.

**Disbursements:** Comments regarding the purpose for payments have been supplied for anticipated questions.

**Budget to Actual statements:**

All BARS approved by the Governing Council have been, as needed, approved by PED and have been entered into APTA fund.

We have certified our 40 day counts, as of the 40<sup>th</sup> day of school our enrollment was 319. We had anticipated that we would have 367 students. The School received operational budget dollars for the anticipated increase in enrollment to 367. Since our enrollment was only 319 students we have estimated that we will lose \$358,000 in revenue. In addition, we were funded at 341.50 students for our K-12+ Tier1 and Tier2 programs, since our enrollment on the 40 day was 319 we may lose an additional \$31,000.

Administration has been very careful in hiring positions and approving requisitions in order to allow for the above adjustments. Please note that in our December Operational budget to actual statements we have \$725000 in unspent/unencumbered funds

We have received notification from NMPED that they underestimated the cost of the K-12+ Tier 1 and Tier 2 programs by \$25 million dollars. They are asking the State Legislature for a supplemental fund allocation to cover those funds. If they are unsuccessful, the unit value used in budgeting FY24 revenues may be reduced. This will result in an additional reduction in FY24 revenue. We are trying to estimate what our portion of that may be.

PED also disclosed this week that they underestimated the cost of universal free lunch by \$22.5 million. They are asking the State Legislature for a supplemental fund allocation to cover those funds. If they are unsuccessful, PED has stated that the schools will have to fund

## ECRA

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those costs internally. Due to ECRA's USDA free and reduced lunch percentage of just under 86%, this cost is being calculated, but is much lower than other schools.

PED is asking all school's to reach out to their legislators to ask them to support the supplemental requests for funding for FY24.

#### **RFRS (requests for reimbursements):**

Requests for reimbursements are related to grant expenditures and the process for requesting reimbursements for those expenditures. All 24000 funds, with more than \$7500 in expenditures have been submitted for reimbursements through October 31 or November 2.

USDA (fund 21000) is not submitted through OBMS and therefore does not show on the provided report. Claims have been submitted through December,

Medicaid quarterly administrative claims are submitted in the second month after quarter end. The December claim will be submitted in early February.

Fund 31400 is our direct appropriation fund and the negative balance relates to the camera system installed during the summer and the architect's invoices for the science lab renovation.

RFRs through December 31 will be submitted at the end of next week.

#### **BARS:**

**BAR FY24-12 (11000)** This is a maintenance BAR for function 2000 within the operational budget and reflects changes due to actual expenditures and how those will be covered.

**BAR FY24-13 (24154)** This is a transfer BAR that reflects additional training provided to teachers on math. The day is not paid under their 194 day contract and we are amending the title 2 grant to cover this vital training.

#### **Temporary Loans to Other Funds:**

During quarter-end and year-end reporting we are required to report funds that have negative cash balances and show that the operational fund has adequate funds to cover those negative balances. The negative cash results because the School is a cash basis entity and does not record transactions that reflect the billing of grant funds until the cash is received and deposited into the bank.

As of December 31, 2023 the Operational fund had temporary loans to cover negative **cash in bank balances** for the following funds:

24000s – \$ 53,253.08  
25000s – \$ 23350.21  
31200 – \$139,263.50  
31400 – \$ 71,513.17

31600 – \$	74,433.09
31701 – \$	<u>3,790.63</u>
Total	\$ 365,603.68

**FY24 Purchase Orders need approval which are over \$15,000:**

At the start of FY24 we requested approval for a PO in the amount of \$20,000 for IT consulting services. Due to a series of unexpected circumstances, which have been briefly summarized below, our need for Yucca Group LLC's consulting services has been higher than anticipated. We are therefore requesting an increase in the amount of \$10,000, to ensure continuity of IT support for the remainder of the year.

Before commencing the 23/24 school year, Yucca Group LLC helped us image, prep, and procure student devices for the school year. This involved creating a deployment server which was used to prepare all Windows and Chromebook devices. After the year commenced, they assisted in fixing a major server crash and rebuilding the primary server, which required recovering domain controllers and backup servers, as well as creating a new shared storage system. Finally, in December, Yucca Group came out again to assist in sorting out problems with the domain controllers that had arisen after the server crash. At this time they also helped set up the computer labs for student state testing, beginning January 2024. All of these developments led to a greater use of Yucca Group than had been anticipated at the start of the year. We are therefore requesting the PO be increased by \$10,000, in order to ensure that we have access to valuable IT support for the remainder of the school year.

At the start of FY24 we had also requested approval for Business Management consulting services, as Mary Scofield transitions into retirement and Ian Johnson-Escudero assumes the position of School Business Official. This PO was approved in the amount of \$30,000 and due to the demands of the first semester, are requesting an increase in the amount of \$20,000 to ensure enough time for a comprehensive transition of duties from Ms. Scofield to Mr. Johnson.

This need was primarily brought about due to the staffing shortages experienced at the start of the school year. These shortages resulted in substantial savings, but also in increased duties and work for the staff who were present. As a result the timeline for the transition of Business Manager duties was delayed. During this time we were also experiencing regulatory changes at the state level, which led to complications with our calendar, demanding more of Ms. Scofield's time. These situations have led us to request the increase, which will ensure enough time with Ms. Scofield to complete a comprehensive transition. The timeline for the transition is now anticipated to continue as expected, with Ms. Scofield reducing her hours to one day a week in the next month.

Vendor	Purpose	Approved PO Amount	Requested Increase
Yucca Group LLC	IT Consulting	\$20,000	\$10,000
ACES	Business Office Consulting (Ms. Mary)	\$30,000	\$20,000