



GPA Finance Committee Meeting

November 10, 2020 3:30 pm

Virtual Meeting Via Zoom

Minutes of Meeting

Members Present:

Cecil Steppe, Pete Chodzko, Vincent Riveroll, Jacque Nevels

Excused:

Mike Rodrigues

Visitors and Staff Present:

Larry Tamayo (ExED)

Jeremy Hurlbert (Assistant Director)

Jane Levenson (Assistant Director)

Lisa Maples (Assistant Director)

Paz Garcia-Ramirez (Executive Assistant)

Meeting called to order – 3:40 p.m.

Peter Chodzko –M/S approval of the October Financial Minutes

Larry Tamayo

Mr. Chodzko opened the meeting with a statement reminding the Finance Committee that the United States and California are in the midst of a pandemic and an uncertain financial future due to the ongoing closing of businesses over the last 9 months. He reminded the Finance Committee that they will need to be conservative in their future budgets as the one time funds from the states are not necessarily going to return next year creating the potential for cuts to human capital.

1. September Financials – Action Item

- Budgeted ADA for the year was 1,166.40, based on an enrollment of 1215. GPA will be funded at its prior year ADA – 1,297.94.
- As of September 30, 2020 GPA's total debt was \$2,255,500.
- GPA is projected to have a net income of \$1,276,966 compared to a budgeted net income of \$709,803.
- Revenue for the 2020-2021 school year is projected to be \$19,088,979 which is \$2,638,713 more than the budgeted amount.
 - LCFF is projected to be \$2,414,284 over budget. The school passed a budget that had a -7.92% COLA, however the state budget ended up approving a 0% COLA with ADA frozen at the 19-20 P2 amount.
 - All Other Federal Revenue is projected to be \$117,907 more due to the school receiving additional Learning Loss Mitigation Funds.

- State Revenue – Other is projected to be \$115,907 more due to the school receiving additional Learning Loss Mitigation Funds, a portion of which is considered state funding.
 - All Other Local Revenue is projected to be \$62,000 under budget due primarily to less utilities reimbursements expected from SDUSD.
 - Total expenses for the 2020-2021 school year are projected to be \$17,812,013 which is \$2,071,550 more than the budgeted amount.
 - Certificated Salaries and Classified Salaries are projected to be \$1,495,926 and \$229,870 respectively over budget as the school reinstated staffing after the state froze ADA at the 19-20 levels and passed a 0% COLA.
 - Employee Benefits are projected to be \$488,154 over budget as a result of the increased salaries.
 - Core Curricula Materials are projected to be \$83,940 as additional materials were purchased.
 - Security Services are projected to be \$81,661 over budget due to services from One Shield Services.
 - Special Education Services are projected to be \$284,580 under budget due to less services from Stepping Stones and the services covered by the staff.
 - District Oversight Fees are projected to be \$72,429 over budget due to the additional revenue being forecasted this year.
 - All Other Expenses are projected to be \$92,063 under budget as their will be less on loan fees.
 - Internet is projected to be \$159,091 over budget due to hot spot fees.
 - Depreciation is projected to be \$77,869 under budget as the large capitalized equipment purchases may not occur until later in the year.
 - Cash on hand as of September 30, 2020 was \$7,660,148.
 - By June 30, 2021 the school's cash balance is projected to be \$3,672,867.
 - As of September 30, 2020 the school's Accounts Receivable balance was \$316,846
 - As of September 30, 2020, Accounts Payable balance, including payroll liabilities, totaled \$3,019,770. The amount includes the Paycheck Protection Program loan of \$2,255,500.
- M/S to approve the September Financials.*

Questions asked after the financial report:

As we look into the 2021-2022 school year GPA's financial picture quickly changes. I notice that we have -

- Flat funding - I am interested to find out if the state can do this two years in a row with an economy that has been impacted by business closures since March.
- Potential for more deferrals from the state as it cannot approve a budget that creates a deficit
- The absence of \$3 million in one time funds from the federal and state governments
- Increase in expenses moving forward in future years

Is this a proper reading of the financial situation of GPA?

- *Yes*

We had a similar financial crisis in 2008 and that caused GPA to make cuts to its budget, including human capital.

How long did it take for the state to bounce back financially from that recession?

- *3-4 years*

What needs to change from the state and federal agencies to avoid the budget crisis for next year?

- *Deferrals need to be less than this year*
- *One time funds from Federal and State sources to equal \$3million*
- *Raise in COLA funding*

What can GPA do to avoid a budget crisis?

- *Cut expenses – the largest expense is human capital which makes up more than 60% of the budget.*

Development Committee Report – Jacque Nevels

No Development Committee report

Meeting Adjourned: 4:05 pm

Next Finance Committee Meeting: 12/8/20