

EXECUTIVE SUMMARY – REQUEST APPROVAL OF THE GENERAL FUND & SPECIAL REVENUE FUND BUDGETS FOR FISCAL YEAR 2020-21

July 26, 2021 – Work Session Agenda Item & Board Meeting Action Item

AGENDA ITEM: Request board of trustee approval of the operating budget for the general fund, special revenue funds and the capital projects fund of Lake Wales Charter Schools, Inc. for fiscal year 2021-22. (*Resolution 01-2022*) The budget incorporates school enrollment projections, estimated state, federal, and local appropriation amounts; and any changes in personnel and programming. The Florida Education Finance Program (FEFP) appropriation data utilized in the FY22 budget is from the Final Conference Report for SB 2500 regular legislative session.

Please find below a synopsis of the proposed Fiscal Year 2022 budget:

REVENUES:

The state legislature completed this year's regular session with a 0.50% (\$38.71) increase in funding per Unweighted FTE(UFTE) statewide, and for Polk County student funding, a -2.51% (\$195) decrease. The Lake Wales Charter Schools funding per UFTE is projected to be down \$138.39 for the fiscal year.

Notable FEFP changes statewide indicates an increase to the Teacher Salary Increase Allocation to \$550,000,000 statewide up \$50,000,000, along with an increase of 20% up \$20,000,000 in the Mental Health allocation. Other noticeable increases are within the .748 Mill Compression up 3.35%, along with a increase in the ESE Guaranteed Allocation of 2.83%. The allocation for Fund Compression & Hold Harmless is reduced by \$17,764,809(-26.12%).

Key Components of LWCS FEFP Calculation

FTE student membership, Program Cost Factors, Base Student Allocation, DCD (District Cost Differential), DJJ supplement, 0748 Dis. Compression, Safe Schools, Reading Program, SAI, ESE Guaranteed, Instructional Materials, Teacher Salary Increase Allocation, Teacher Classroom Supply Assistance, Student Transportation, Digital Classroom, Required Local Effort (RLE) and other FEFP categorical programs.

- The General Fund (GF) budgeted student membership count is set at a projected **4,945 FTE** (full-time equivalent). This student count represents a decrease of 18 students from the actual enrollment during the **FY21 funded student count of 4,963**. (*The FTE chart on page 4 shows the actual paid FTE membership by school site by year.*)
- The FEFP funding foundation is the Base Student Allocation (BSA). The BSA increased from \$4,184.29 to \$4,234.29 an increase of \$50/FTE. (*For the BSA, refer to the comparison shown on page 5, lines 3, 4 & 5. Lines 6 through 22 display the other categorical funding adjustments.*)
- Total funding amount per un-weighted FTE (UFTE) is \$7,101.96 after factoring all state categorical funding and adjustments. It is a decrease of \$138.39 from the 2020-21 actual of \$7,240.35. The UFTE per-pupil amount includes projected enrollment, shifts in the population of ESE students, the change in school taxable property taxes and millage rate. (*Refer to page 5 FEFP comparison line 32*)
- The legislature's in Specific appropriation 19 of Senate Bill 2500 (2021 General Appropriations Act) Capital Outlay funding (PECO) for start-up charter schools in the of \$182,864,353 up from \$169,000,000 appropriated in FY21. While this is a significant increase from the prior year, we are still unsure of how many additional start-up schools will be drawing from the pool of funds which ultimately will determine both Boks funding for the year. We are projecting a Bok North allocation of \$307,872 and a Bok South allocation at \$320,551 during the FY22.

EXECUTIVE SUMMARY – REQUEST APPROVAL OF THE GENERAL FUND & SPECIAL REVENUE FUND BUDGETS FOR FISCAL YEAR 2020-21

- The LWCS Foundation plays a vital role bridging the funding shortfalls in public education with designated and unrestricted giving. The Foundation has been an integral and emerging resource for each of our school sites. **This budget includes an estimated \$287,781 in donations coming from the Foundation to the System.**

Incorporating all the revenue pieces, the total GF revenue base is **estimated to decrease by \$1,201,774 or -2.93%** from the FY21 school year. *(Refer to page 15 for the General fund revenues and service activities by school and system consolidated totals.)*

EXPENSES:

The proposed **GF expenditures increased by 2.64%** from the FY21 school year. The increase can be attributed to the rising healthcare insurance cost, transportation cost and Teacher Salary Increase Initiatives (HB641 and HB5101) which is partially funded from other operational funds. Budget narratives (pages 9-15) provide an overview of budgetary revisions and investments at each LWCS location.

The FY22 budget for all funds includes the post HB 641 salary adjustments. All other performance increases will be base salary adjustments for instructional staff based on the Pay-For-Performance (PFP) articulated in statute under the 2011 Student Success Act (Ch. 2011-1, Laws of Florida). This law links the salary adjustment to observations and student assessment scoring utilizing the Value-Added Model (VAM). However, No PFP is budgeted as this budget has a Teacher Salary Increase Allocation (TSIA) of \$721,044 for instructional employees' system-wide pursuant to HB 641. LWCS will consider a one-time bonus at the end of the school year once the final TSIA allocation is determined.

The proposed budget incorporates new employer paid and dependent care rates under a fully funded health and welfare benefits package with UHC. LWCS will continue to provide 100% coverage of the cost of single employee medical, dental, long-term disability and life insurance benefits. Marketing and negotiations for the July 1st plan year produced an **8.0%** rate increase for medical benefits, with employer paid dental insurance rates flat with no change in coverage. The Life insurance benefits plans are renewed with no premium increases.

The mandatory 3.0% contribution rate by employees into the Florida Retirement System (FRS) remains the same in FY20. **The employer FRS base contribution rate is 10.82% for employee classifications excluding DROP.**

The system's debt service portfolio consists of **three loans**. The largest component of the portfolio is the Bok campus loan refinanced in spring of 2014. The current outstanding balance on the twenty-year loan is \$2,770,682 after 7 years of payments. The annualized P&I payments equate to \$282,000. The debt service is paid directly from the Capital Projects fund. The second loan is the Central Office Administration Building loan refinanced in March 2015 with an outstanding balance of \$106,500 and three-plus years of payments remaining. The annualized P&I payments equate to \$30,680. During the final quarter of the 2019-20 year, LWCS purchased the New Bok North campus from the City of Lake Wales for \$575,000 and signed a promissory note to pay \$28,750 annually for 20 years commencing November 2020.

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FEDERAL PROGRAMS:

The FDOE's allocation and application process for FY21 federal entitlement programs is progressing slowly. The special revenue fund accounts for the activity of our federal entitlement grants, competitive grants and the National School Lunch Program (NSLP). The federal programs listed under special revenues in FY20 includes Title I, Title I, Title II, Title III, Title IX, IDEA, IDEA Pre-K, CARES Act, ROTC and Carl Perkins. Federal awards are projected to increase to \$4.6 million, up 62% from the FY21 adopted budget. The majority of the grants expenditures will be to support supplemental staff across the system to support student instruction. *(Refer to page 16 for grant and food service activity for the system with consolidated totals.)*

FOOD SERVICE PROGRAM:

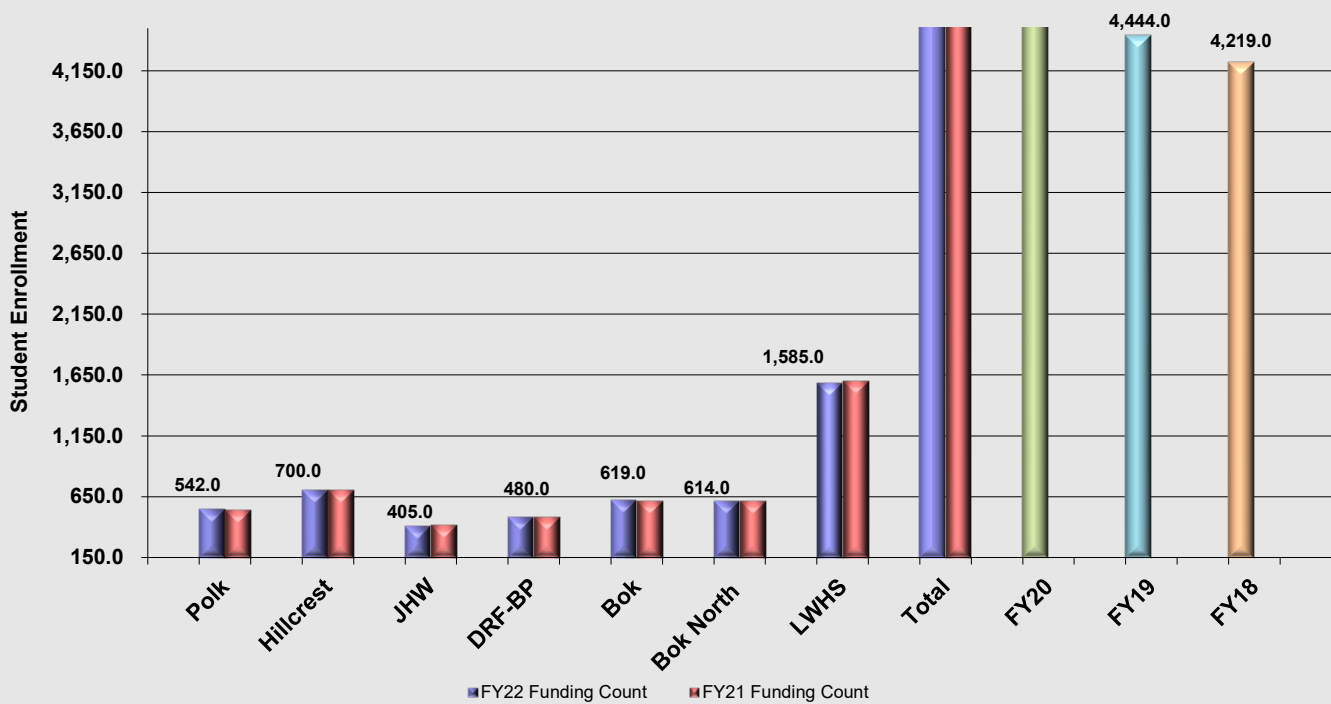
- The LWCS food service operations in FY22 will continue its partnership with SLA Management for the school year breakfast, lunch and snack operations, school Pre-K programs and the summer community food service program. During the 2021-22 school year, LWCS will continue participating in the Community Eligibility Program (CEP) which allow schools and LEAs with high poverty rates to provide free breakfast and lunch to all students. The CEP will encompass our four elementary schools and sponsorship for the OCA school. The Boks and LWHS student eligibility for free and reduced-price meals will continue through the traditional household income application. All food service activity is accounted under central administration in the food service fund and are restricted for future food service operations.

CAPITAL PROJECTS:

The Capital Projects fund incorporate activities funded for Edward Bok North Academy and the Edward Bok South Academy campuses. For FY22 the projected PECO revenues will be \$628,423 for both schools. The estimated expenditures are \$7,914,106 which includes debt service for Bok South campus and Bok North campus construction/ renovation cost, site devilmnt cost, the portable leases, and debt service for the outstanding loan with the City of Lake Wales. Deficit spending will need to be offset with reserves in the fund balance along with securing a loan from a financial institution. *(Refer to page 17 for Capital Projects funding schedule.)*

LAKE WALES CHARTER SCHOOLS

FY22 - UnWeighted FTE Enrollment Analysis *(Projected Funding FTE)*



	<u>October Count</u>	<u>February Count</u>	<u>FY22 Funding Count</u>	<u>FY21 Funding Count</u>
Polk	271.00 ^A	271.00 ^E	542.00	539.00
Hillcrest	350.00 ^A	350.00 ^E	700.00	702.40
JHW	202.50 ^A	202.50 ^E	405.00	414.62
DRF-BP	240.00 ^A	240.00 ^E	480.00	479.00
Bok	309.50 ^A	309.50 ^E	619.00	614.31
Bok North	307.00 ^A	307.00 ^E	614.00	614.00
LWHS	792.50 ^A	792.50 ^E	1,585.00	1,600.00
Total	2,472.50 ^A	2,472.50 ^E	4,945.00	4,963.33
FY20	2,355.77 ^A	2,355.77 ^A	4,711.53	
FY19	2,221.99 ^A	2,221.99 ^A	4,443.98	
FY18	2,109.50 ^A	2,109.50 ^A	4,219.00	

A = Audited; UA = Unaudited; E = Estimated

LAKE WALES CHARTER SCHOOLS, INC
Funding Summary
FY21 Actuals Compared to FY22 Adopted

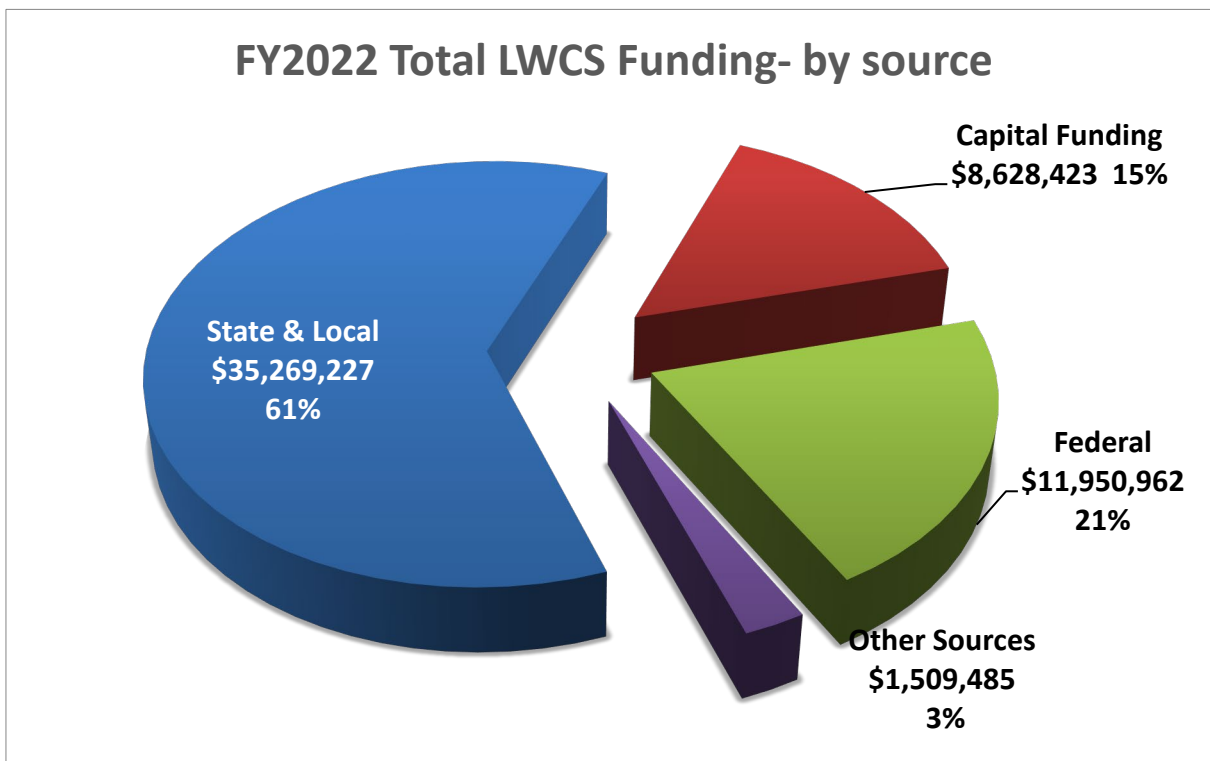
	FY20/21 Actual	FY21/22 Adopted Budget	Difference	Percent
	-A-	-B-	-C-	-D-
FEFP FORMULA COMPONENTS				
1 K-12 Unweighted FTEs - (UFTE)	4,963.33	4,945.00	(18.33)	-0.37%
2 K-12 Weighted FTEs - (WFTE)	5,194.29	5,165.17	(29.12)	-0.56%
3 State Base Student Allocation (BSA)	\$ 4,319.49	\$ 4,372.91	53.42	1.24%
4 (x) District Cost Differential (DCD)	0.9687	0.9683	(0.0004)	-0.04%
5 LWCS Base Funding	\$ 4,184.29	\$ 4,234.29	50.00	1.19%
FEFP DETAIL				
6 WFTE x BSA x DCD (Base FEFP)	21,734,401	21,870,799	136,398	0.63%
7 Teacher Salary Increase Allocation	756,752	721,044	(35,708)	-4.72%
8 ESE Guarantee	1,132,106	1,281,323	149,217	13.18%
9 Supplemental Academic Instruction	1,276,736	1,271,475	(5,261)	-0.41%
10 Class Size Reduction	5,118,664	4,773,948	(344,716)	-6.73%
11 .748 Mill Compression	1,471,316	1,474,611	3,295	0.22%
12 Safe Schools	270,670	263,102	(7,568)	-2.80%
13 Transportation	794,595	894,413	99,818	12.56%
14 Instructional Materials	377,456	407,554	30,098	7.97%
15 Reading Allocation	202,722	196,943	(5,779)	-2.85%
16 Digital Classroom Allocation	5,954	5,747	(207)	-3.48%
17 Additional Allocation (Hold Harmless)	1,039,597	-	(1,039,597)	-100.00%
18 Proration of Funds	(104,796)	-	104,796	-100.00%
19 Mental Health Assistance Allocation	171,565	198,637	27,072	15.78%
20 Funding Compression Allocation	214,104	296,388	82,284	38.43%
21 Prior Year Adj.	12,455	-	(12,455)	-100.00%
22 TOTAL STATE FEFP	34,474,297	33,655,984	(818,313)	-2.37%
Local Property Taxes				
23 School Taxable Value	2,301,972,931,658	2,369,515,452,989	67,542,521,331	2.93%
24 Required Local Effort	3.720	3.720	0.000	0.00%
25 Basic Discretionary Local Effort (Millage)	0.748	0.748		0.00%
26 Supplemental Discretionary Local Effort	0.000	0.000		
Local Property Taxes				
27 Basic Discretionary Local Effort (0.748/.0748)	1,461,953	1,463,201	1,248	0.09%
28 Supplemental Discretion Local Effort		-	-	0.00%
29 Total Local Property Taxes	1,461,953	1,463,201	1,248	0.09%
30 Total FEFP	\$ 35,936,250	\$ 35,119,185	(817,065)	-2.27%
31 TOTAL FUNDING PER UNWEIGHTED FTE	\$ 7,240.35	\$ 7,101.96	\$ (138.39)	-1.91%
32 TOTAL FUNDING w/o TRANSPORTATION	\$ 35,141,655	\$ 34,224,772	(916,883)	-2.61%
33 TOTAL FUNDING PER UFTE w/o TRANSPORTATION	\$ 7,080.26	\$ 6,921.09	\$ (159.17)	-2.25%

Lake Wales Charter Schools, Inc.

Proposed Budget in Brief for Fiscal Year 2022

Sources	Actual FY 2019	Actual FY 2020	Actual FY 2021	Adopted Budget FY 2022	Change FY21-22	% Change
Operational	\$ 33,139,479	\$ 34,630,086	\$ 38,843,186	\$ 36,778,712	\$ (2,064,474)	-5.31%
Capital Projects	\$ 1,744,037	\$ 583,868	\$ 2,223,954	\$ 8,628,423	\$ 6,404,469	287.98%
Special Revenue Fund	\$ 6,423,441	\$ 6,066,305	\$ 7,342,197	\$ 11,950,962	\$ 4,608,765	38.6%
Total Governmental Funds	\$ 41,306,957	\$ 41,280,259	\$ 48,409,337	\$ 57,358,097	\$ 8,948,760	18.49%

Where the money comes from....



State & Local – includes base student allocation and other state categorical funding (CSR, ESE guarantee, safe schools, mental health, instructional materials, discretionary lottery, .748 Mill equalization). It also includes the local property tax revenues & bonus funds where applicable for School Recognition, IB and advance placement funds.

Federal – includes all Federal Awards as well as JROTC and National School Lunch Program funding.

Capital Funding – includes Public Education Capital Outlay & External funding related to the Bok North Campus.

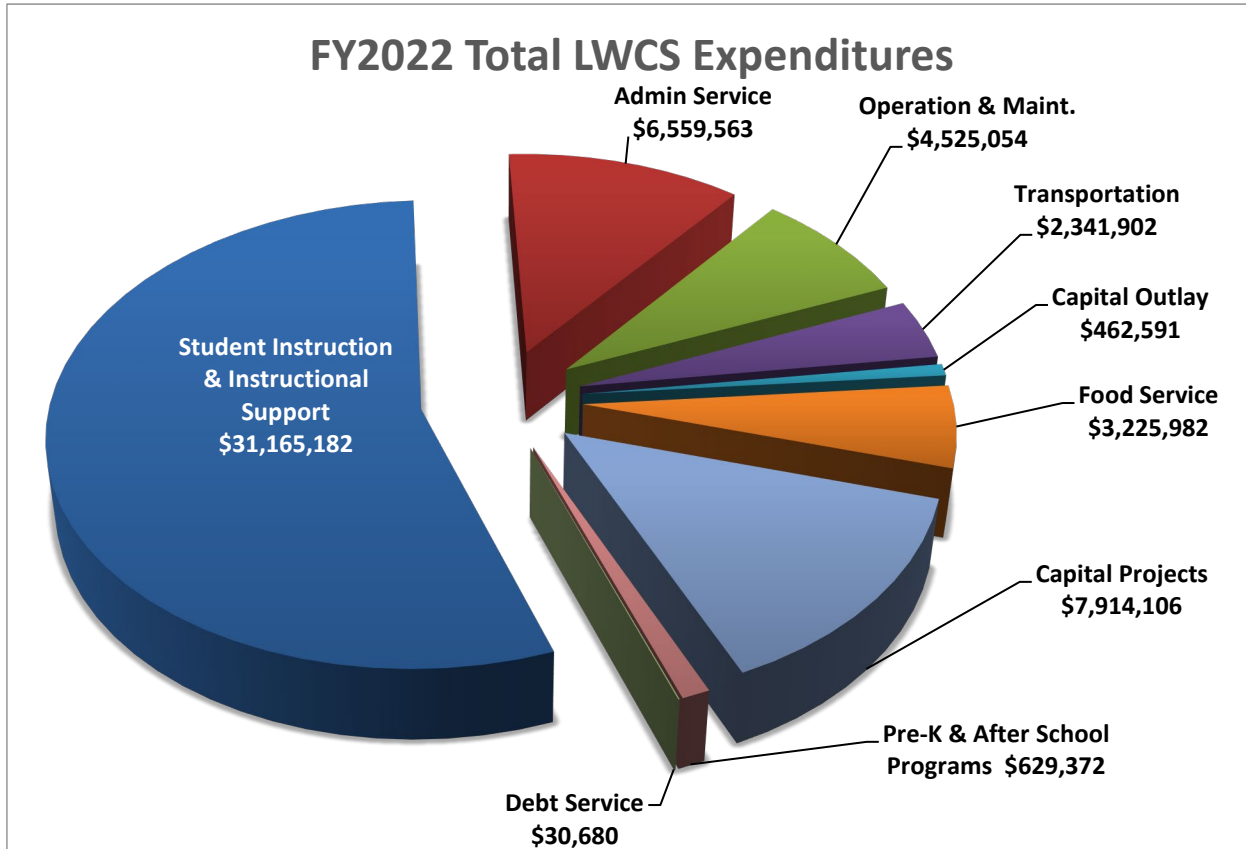
Other Sources – includes Pre-K and After-school programs & support from the LWCS Foundation.

Lake Wales Charter Schools, Inc.

Adopted Budget in Brief for Fiscal Year 2022

Sources	Actual FY 2019	Actual FY 2020	Actual FY 2021	Budget FY 2022	Change FY21-22	% Change
Operational	\$ 32,838,764	\$ 34,640,171	\$ 36,199,922	\$ 36,760,523	\$ 560,601	1.55%
Capital Projects	\$ 1,883,518	\$ 1,531,177	\$ 3,206,823	\$ 7,914,106	\$ 4,707,283	146.79%
Special Revenue Fund	\$ 6,199,752	\$ 6,117,781	\$ 7,203,912	\$ 12,179,803	\$ 4,975,891	40.9%
Total Governmental Funds	\$ 40,922,034	\$ 42,289,129	\$ 46,610,657	\$ 56,854,432	\$ 10,243,775	21.98%

Where the money goes...



All expenditure divisions include a share of fringe benefit costs based on staffing FTE which includes health, dental, life insurance, long-term disability, FICA, workers compensation insurance, FRS retirement and unemployment compensation charges.

Administrative Services – includes Board of Trustees, General & School Administration, Fiscal Services, Central Services, Community Services/Athletics and Operating Transfers.

Operation & Maintenance – includes activities of ongoing management, repairs and preventative maintenance of buildings & grounds, utility cost, building & liability insurance.

Debt Service – includes P&I payments for the administration office.

Transportation – includes personnel, fuel, insurance, and vehicle lease payments for the system operated bus service for ESE and regular students.

Food Service – includes personnel, supplies, utility cost, repairs and maintenance and contracted management service for food service.

Capital Outlay – represents capital expenditures (furniture, fixtures, equipment, buildings & improvements) of the system in the General Fund.

Capital Projects – represents PECO for both Bok South & Bok North Campus as well as the construction for the Bok North Campus.

POLK AVENUE ELEMENTARY – 1351
BUDGET NARRATIVE
FY 2021-2022

Polk Avenue Elementary will be focusing on English Language Arts (ELA) for all grade levels and the new B.E.S.T. Standards being implemented for K-2 for the 21-22 school year. Polk Avenue is very thankful for the various Grant monies that will assist us with various positions and paraprofessionals to assist our students with learning loss due to COVID and provide the supports our students and teaching staff need for this upcoming school year.

Revenues:

- The adopted budget was built on a projected enrollment of 542.
- Included in the revenues are the schools proportionate share of the Teacher Salary Increase Allocation.

Expenditures:

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- The Charter System will be moving to a centralized cleaning service, by doing so the school was able to save approximately \$50k in cleaning expenses.
- “Reading Wonders” will be implemented for grades Kg through 5th grade to meet the new Florida **BEST** standards.
- Funds will be used to purchase Teach Like a Champion 2.0 for each staff member for PD and a focus on high-yield strategies that will have a large impact on teacher instruction and student learning.

Capital Expenditures:

- Through Federal Funds we will be able to purchase a new air filtration system for the school.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	Polk Avenue Elementary	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 4,134,084	\$ 3,946,337
Contributions and other revenue	22,796	22,900
Total Revenues	4,156,880	3,969,237
EXPENDITURES		
Instruction	2,802,973	2,871,362
Pupil Personnel Services	27,246	37,706
Instructional Media	28,496	34,994
Instruction & Curriculum Development		
Instructional Staff Training		
Instructional Related Technology	13,622	7,200
Board of Education	11,000	11,500
General Administration		
School Administration	415,910	378,534
Facilities Acquisition & Construction		
Fiscal Services	18,224	21,138
Central Services		
Transportation	57	
Operation of Plant	265,076	219,484
Maintenance of Plant		
Administrative Related Technology		
Community Services/Athletics		
Debt Service		
Operating Transfers	285,716	387,319
Capital Expenditures	16,449	-
Total Expenditures	3,884,770	3,969,237
Net Changes in Fund Balance	272,110	-
Beginning Fund balance - July 1,	1,115,861	1,387,971
Est. Ending Fund balance - June 30,	\$ 1,387,971	\$ 1,387,971
Est. Unassigned Fund balance ratio	33.39%	34.97%
FEFP Budgeted Enrollment	539	542
Actual FEFP Funded Count	539.00	0

E Estimate

1. Year to Date Actuals as of 6/30/2021
2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

HILLCREST ELEMENTARY – 1361
BUDGET NARRATIVE
FY 2021-2022

Hillcrest Elementary 2021-2022 budget shows the continued commitment to increase the level of quality instruction in all classrooms and TOGETHER provide needed support to help all students succeed. Our primary goal this year will be to refocus on those basic strategies that are proven to best teach students and help them reach their full potential. As a staff, we will receive training on the “Teach Like A Champion” strategies and implement them in all facets of learning across campus. We have also received a grant which will help us begin to create school-wide announcement videos and improve on-campus communication. We continue to gather data from all stakeholders to determine where improvements can be made throughout the school and allocate funds to those areas.

Revenues:

- The adopted budget was built on a projected enrollment of 700 but hopes to maintain 705 or higher for additional revenue.
- Included in the revenues are the schools proportionate share of the Teacher Salary Increase Allocation.
- Our successful Pre-K and Afterschool program continues to bring in additional revenue to support the needs of the school and the savings continues to build in our reserve for these two programs.

Expenditures:

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- The Charter System will be moving to a centralized cleaning service, by doing so the school was able to save approximately \$60k in cleaning expenses.
- We have one possible additional guardian this school year, which increased the supplements in this area.
- We have also added a custodial position employed by LWCS as opposed to an outside company.
- We have reinstated our K support position and ESE Resource classroom as data has reflected the need for support in these areas.
- Foundation strategies found in “Teach Like a Champion” will be a focus to help teachers facilitate learning at the highest level possible and are reflected in supplies and trainings.
- We will also purchase furniture for our K support and resource classroom as necessary.

Safety & Mental Health:

- We will continue with projects to improve safety of the school, such as adding additional safety cameras and possible tinting windows where appropriate.
- Federal grants will allow for Hillcrest to have a full-time social worker on campus every day to help meet the social-emotional needs of students.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	Hillcrest Elementary	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 5,345,269	\$ 5,100,229
Contributions and other revenue	-	36,643
Total Revenues	5,345,269	5,136,872
EXPENDITURES		
Instruction	3,569,510	3,597,015
Pupil Personnel Services	38,921	41,780
Instructional Media	77,454	104,397
Instruction & Curriculum Development	2,400	2,000
Instructional Staff Training	62,539	68,099
Instructional Related Technology	3,619	3,000
Board of Education	11,000	11,500
General Administration		
School Administration	434,198	389,545
Facilities Acquisition & Construction		
Fiscal Services	23,433	27,300
Central Services		
Transportation	57	
Operation of Plant	294,254	314,711
Maintenance of Plant	14,982	5,000
Administrative Related Technology		
Community Services/Athletics		
Debt Service		
Operating Transfers	342,141	479,474
Capital Expenditures	133,777	93,051
Total Expenditures	5,008,285	5,136,872
Net Changes in Fund Balance	336,984	-
Beginning Fund balance - July 1,	2,298,120	2,635,104
Est. Ending Fund balance - June 30,	^E \$ 2,635,104	\$ 2,635,104
Est. Unassigned Fund balance ratio	49.30%	51.30%
FEFP Budgeted Enrollment	700.00	700.00
Actual FEFP Funded Count	702.40	0

E Estimate

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2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

JANIE HOWARD WILSON ELEMENTARY -1401
BUDGET NARRATIVE
FY 2021-2022

Projected Enrollment

The proposed budget is based on a projected enrollment of 405 students. This is based on historical data prior to Covid-19. To determine teacher units to meet class size with student enrollment, student enrollment numbers will be monitored weekly until we meet our goal of 405 students.

Instruction & Curriculum Updates

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- Our Reading Resource Teacher, Math Resource, Network Manager and Instructional Para will be supported by our Title I budget without affecting our GF balance. Due to the savings, our GF can purchase a new reading curriculum to meet the new **Florida BEST** standards.
- Professional Development will be provided to instructional and administrative staff to develop a deeper understanding of the reading **BEST** standards highlighting key components of the curriculum for core-academic subjects, and implement the **MTSS** process with fidelity.
- The ESE program will be restructured to meet the state expectations regarding the inclusion model. The ESE Coordinator will work closely with administration and the ESE Director to provide training from the school psychologist and USF. The ESE matrices will be reviewed individually prior to October FTE to provide accurate and full funding for ESE at JHW.
- To increase enrollment, we have hired a new Art and Music Teacher.
- **“Reading Wonders”** will be implemented for grades Kg through 5th grade.
- We will continue to implement **“Top Score”** to prepare for the state writing exam.
- We will continue to implement **“Istation”** reading individualized instruction to meet the needs of the MTSS model.
- Continue to utilize **NWEA /MAP** progress monitoring tool.
- Continue to use **“Go Math”** and **“Math COACH”** instructional curriculum which is aligned with the K-5 Math standards.
- Continue to implement **STEMScopes** curriculum for science. To address the Science proficiency, we have purchased **Science Acaletics** and **Science COACH** for 5th grade.
- Continue to implement the **“Reading Rangers”** and **“Sound Partners”** as a LWCS initiatives to meet individualized student needs.
- Continue to implement **“Acaletics”** math, **“Khan Academy”** and **“Rocket Math”** to increase math proficiency.

Capital Expenditures

- Through Federal Funds we will be able to purchase a new air filtration system for the school.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	Janie Howard Wilson Elementary	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 3,293,940	\$ 3,087,567
Contributions and other revenue	1,000	-
Total Revenues	3,294,940	3,087,567
EXPENDITURES		
Instruction	1,676,967	2,041,399
Pupil Personnel Services	37,507	42,048
Instructional Media	792	30,591
Instruction & Curriculum Development		
Instructional Staff Training		
Instructional Related Technology	3,535	7,450
Board of Education	11,000	11,500
General Administration		
School Administration	367,354	355,036
Facilities Acquisition & Construction		
Fiscal Services	13,868	15,795
Central Services		
Transportation	57	
Operation of Plant	207,821	204,689
Maintenance of Plant	220	500
Administrative Related Technology		
Community Services/Athletics		
Debt Service		
Operating Transfers	317,108	378,559
Capital Expenditures	39,878	-
Total Expenditures	2,676,107	3,087,567
Net Changes in Fund Balance	618,833	-
Beginning Fund balance - July 1,	1,612,932	2,231,765
Est. Ending Fund balance - June 30,	^E \$ 2,231,765	\$ 2,231,765
Est. Unassigned Fund balance ratio	67.73%	72.28%
FEFP Budgeted Enrollment	365.00	405.00
Actual FEFP Funded Count	414.62	0

E Estimate

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2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

**BABSON PARK ELEMENTARY – 1421
BUDGET NARRATIVE
FY 2021-2022**

Revenues:

- The adopted budget was built on a projected enrollment of 480 FTE.
- Included in the revenues are the schools proportionate share of the Teacher Salary Increase Allocation.

Expenditures:

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- The proposed budget reflects the cost for a new reading curriculum to meet the new Florida BEST standards.
- The Charter System will be moving to a centralized cleaning service, by doing so the school was able to save approximately \$60k in cleaning expenses.

Capital Expenditures:

- Through Federal Funds we will be able to purchase a new air filtration system for the school.
- All other capital expenses will be on hold until funding is released midyear.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	DRF Babson Park Elementary	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 3,635,735	\$ 3,486,557
Contributions and other revenue	220,344	48,400
Total Revenues	3,856,079	3,534,957
EXPENDITURES		
Instruction	2,468,128	2,510,839
Pupil Personnel Services	31,170	32,538
Instructional Media	78,408	76,701
Instruction & Curriculum Development	22,815	37,585
Instructional Staff Training	564	2,055
Instructional Related Technology	13,599	2,500
Board of Education	11,000	11,000
General Administration		
School Administration	348,322	346,927
Facilities Acquisition & Construction	-	
Fiscal Services	16,161	18,720
Central Services		
Transportation	57	
Operation of Plant	203,737	184,068
Maintenance of Plant		
Administrative Related Technology		
Community Services/Athletics		
Debt Service		
Operating Transfers	266,807	312,024
Capital Expenditures	234,408	-
Total Expenditures	3,695,176	3,534,957
Net Changes in Fund Balance	160,903	-
Beginning Fund balance - July 1,	1,166,371	1,327,274
Est. Ending Fund balance - June 30,	^E \$ 1,327,274	\$ 1,327,274
Est. Unassigned Fund balance ratio	36.51%	38.07%
FEFP Budgeted Enrollment	479	480
Actual FEFP Funded Count	479	0

E Estimate

1. Year to Date Actuals as of 6/30/2021
2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

**EDWARD W. BOK ACADEMY- 1601
BUDGET NARRATIVE
FY 2021-2022**

The goal of Bok Academy is to provide all students with relevant learning experiences in an engaging environment by continuing to provide quality instruction in all classrooms.

Projected Enrollment:

- The adopted budget is based on enrollment of 619 students but hopes to maintain 625 or higher for additional revenue.

Revenues:

- Included in the revenues are the schools proportionate share of the Teacher Salary Increase Allocation.
- The proposed budget includes a draw of \$25K on the foundation. Bok Academy will continue to pursue and maintain strong Business partnerships & Grant opportunities. This includes both monetary and in-kind donations.

Expenditures:

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- In FY21 Bok entered into a lease agreement with Apple, Inc. for \$222,000 payable over a 3 year period.
- The proposed budget reflects the repayment of an internal loan from Bok North for the construction costs on the Admin Building.
- To help reduce costs, Bok continues to partner with both Hillcrest & Bok North in sharing staff members.

Capital Expenditures:

- Through capital outlay funding we will be performing roof repairs on the Fulton Building.
- Operating capital expenses will be on hold until funding is released midyear.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	Bok South Middle School	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 4,366,079	\$ 4,387,897
Contributions and other revenue	13,597	25,000
Total Revenues	4,379,676	4,412,897
EXPENDITURES		
Instruction	2,544,953	2,569,609
Pupil Personnel Services	109,209	140,182
Instructional Media	623	
Instruction & Curriculum Development		
Instructional Staff Training		
Instructional Related Technology	65,069	45,510
Board of Education	10,500	10,500
General Administration		
School Administration	403,092	408,752
Facilities Acquisition & Construction	12,411	-
Fiscal Services	21,116	24,141
Central Services		
Transportation	599	550
Operation of Plant	359,778	344,682
Maintenance of Plant		
Administrative Related Technology		
Community Services/Athletics		
Debt Service		
Operating Transfers	786,009	868,971
Capital Expenditures	36,028	-
Total Expenditures	4,349,387	4,412,897
Net Changes in Fund Balance	30,288	-
Beginning Fund balance - July 1,	346,431	376,719
Est. Ending Fund balance - June 30,	^E \$ 376,719	\$ 376,719
Est. Unassigned Fund balance ratio	8.60%	8.54%
FEFP Budgeted Enrollment	625.00	619.00
Actual FEFP Funded Count	614.00	0

E Estimate

1. Year to Date Actuals as of 6/30/2021
2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

**EDWARD W BOK ACADEMY NORTH
BUDGET NARRATIVE
FY 2021-2022**

Edward W Bok Academy North is so to continue its progress in breaking ground for building its own physical plant. As well as, to have expanded to the level of a full middle school, encompassing grades 6, 7, and 8 for the first time on one campus for the 2021-2022 school year. We will continue to instill the 55 Essentials, “The BOK” way and teach the “whole-child”, building self-efficacy and life-long renaissance learners.

Projected Enrollment:

- The proposed budget is based on 614 FTE.
- Included in the revenues are the schools proportionate share of the Teacher Salary Increase Allocation.

Expenditures:

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- This budget accounts for teachers hired to remediate students in the critical tested areas of math, reading and science supplemented by the use of remaining CARE ACT funds, in additional instructional positions in Mathematics, Language Arts & Social Studies and electives.
- We have added a TRST position which will be responsible for the promotion and retention of students, focusing on students that are continuing to show signs of gaps in Mathematics, Reading and Science.
- Embedded in the proposed budget is \$140k estimated loan repayment to Citizen’s Bank & Trust for the construction loan on the campus.
- To help reduce costs, Edward W Bok Academy North continues to share instructional staff members for electives with Bok South.

Capital Expenditures:

- All capital expenses have been put on hold due to budgetary constraints.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	Bok North Middle School	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 4,237,380	\$ 4,248,190
Contributions and other revenue	17,509	-
Total Revenues	4,254,889	4,248,190
EXPENDITURES		
Instruction	2,295,427	2,525,544
Pupil Personnel Services	22,803	39,995
Instructional Media		
Instruction & Curriculum Development	55,509	12,567
Instructional Staff Training		
Instructional Related Technology	33,774	16,700
Board of Education	10,500	11,000
General Administration		
School Administration	349,629	472,529
Facilities Acquisition & Construction		
Fiscal Services	20,082	23,946
Central Services		
Transportation	189	13,500
Operation of Plant	264,575	321,918
Maintenance of Plant		
Administrative Related Technology		
Community Services/Athletics		28,612
Debt Service		
Operating Transfers	573,457	750,839
Capital Expenditures	94,427	31,040
Total Expenditures	3,720,373	4,248,190
Net Changes in Fund Balance	534,515	-
Beginning Fund balance - July 1,	323,700	858,215
Est. Ending Fund balance - June 30,	^E \$ 858,215	\$ 858,215
Est. Unassigned Fund balance ratio	20.17%	20.20%
FEFP Budgeted Enrollment	590.00	614.00
Actual FEFP Funded Count	614	0

E Estimate

1. Year to Date Actuals as of 6/30/2021
2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

LAKE WALES HIGH SCHOOL – 1721
BUDGET NARRATIVE
FY 2021-2022

The budget is aligned with LWHS’s strategic plan to increase the graduation rate to 95%, improve student outcomes for all students, increase the number of students with post-secondary plans (4-year college, military, trade school), increase scholarship opportunities for both athletes, and non-athletes, and invest in new career academies (\$51,000 for the Engineering academy).

Projected Enrollment:

- The proposed budget is based on 1,585 FTE (blended).

Revenues:

- The attached budget includes a draw of \$250,000 on the foundation; Principal’s Discretionary fund, that will be used to cover specific expenses discussed with the donors to enhance the high school.
- Student performance based IB/AP program funding is projected to be \$150,000 in additional revenue which pays for the exam fees, and other programmatic costs.

Expenditures:

- The proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance. It also reflects a 2% holdback to be proactive in case a budget reduction is called for during the school year.
- The Instructional salaries schoolwide have risen due to the State mandated Teacher Salary Increase (HB641).
- The budget includes a lease payment for new laptops for staff member and purchase of 200 chrome books to replace older units (end of lifecycle).
- The Charter System will be moving to a centralized cleaning service, by doing so the school was able to save approximately \$210k in cleaning expenses.
- LWCS moved to a route-based cost allocation for transportation costs, and we optimized some of the traditional routes by eliminating and/or combining stops as well as reducing the daily miles of the bus routes. The changes have led to a reduction in our transportation cost from approx.\$765,000 to \$662,000.
- A reduction in Federal IDEA funding for LWHS has negatively impacted the general fund budget by approximately \$64k.
- Through additional Federal funding under the CARES Act we will add 5 intervention specialists who will work to remove barriers and set up a support structure to help students get back on track to graduate on time. These funds will also cover the cost of two social workers & many of the technology-based learning platforms.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed General Fund Budget
All School Sites & Administration

	Lake Wales High School	
	FY21 General Fund¹	FY22 General Fund²
REVENUES		
State and local sources	\$ 11,055,093	\$ 11,012,450
Contributions and other revenue	446,850	345,000
Total Revenues	11,501,943	11,357,450
EXPENDITURES		
Instruction	6,212,851	6,610,985
Pupil Personnel Services	522,067	533,466
Instructional Media		11,500
Instruction & Curriculum Development		
Instructional Staff Training	1,966	54,000
Instructional Related Technology	37,668	53,500
Board of Education	15,500	16,000
General Administration		
School Administration	970,718	1,046,763
Facilities Acquisition & Construction		
Fiscal Services	54,007	61,815
Central Services		
Transportation	26,200	57,700
Operation of Plant	928,612	828,709
Maintenance of Plant	16,170	
Administrative Related Technology		
Community Services/Athletics	392,131	369,875
Debt Service		
Operating Transfers	1,130,482	1,405,637
Capital Expenditures	641,745	307,500
Total Expenditures	10,950,118	11,357,450
Net Changes in Fund Balance	551,825	-
Beginning Fund balance - July 1,	1,266,105	1,817,930
Est. Ending Fund balance - June 30,	^E \$ 1,817,930	\$ 1,817,930
Est. Unassigned Fund balance ratio	15.81%	16.01%
FEFP Budgeted Enrollment	1,575.00	1,585.00
Actual FEFP Funded Count	1,600.00	0

E Estimate

1. Year to Date Actuals as of 6/30/2021
2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

CENTRAL ADMINISTRATION – 9000
BUDGET NARRATIVE
FY 2021-2022

Revenues:

- Approximately ninety percent of the Central Administration budgeted revenues come directly from the Schools via the Transportation Chargeback Fee & the Central Admin Fee. The system administration office works diligently to keep costs down to help relieve the financial load on the schools.

Expenditures:

- Similar to the school budgets, the proposed budget reflects an increase in Retirement of .82% and an 8% increase in Health Insurance.
- The Instruction function of the budget reflects the system-wide 3rd grade summer school program.
- The Instruction & Curriculum function decreased from the FY21 Revised Budget due to the retirement of the ESE Director.
- The Instructional Staff Training function increased due to the addition of a Professional Development Facilitator. This position's salary will be covered 50% under Title II.
- The Board function has increased due to the expected expense for a search committee to assist in filling the Superintendent vacancy.
- The General Administration function decreased primarily due to Superintendent vacancy.
- The Fiscal Services function increased due to the CFO being appointed Interim Superintendent and taking on the additional responsibilities.
- The transportation budget maintains routing for thirty buses. The addition of two drivers as well as the increase in retirement & health insurance are the primary factors driving the increase in cost for transportation.
- The Administrative Related Technology function increased due to the Network Director position being funded at 75% vs 50% on the Revised Budget. The remainder of this position's salary is covered under Title II.
- The debt service budget continues to reflect the principal & interest payments payable to Wells Fargo for the Central Administrative office.
- The capital expenditures were reduced in an effort to reduce overall costs which in turn reduces the financial burden on each school.

LAKE WALES CHARTER SCHOOLS, Inc.

FY21-22 Proposed General Fund Budget

All School Sites & Administration

	Administration		SystemWide Total		Eliminate FY21 Intercompany Transactions	Consolidated Total
	FY21 General Fund ¹	FY22 General Fund ²	FY21 General Fund ¹	FY22 General Fund ²		FY22 General Fund ²
REVENUES						
State and local sources			\$ 35,936,250	\$ 35,269,227	\$ -	\$ 35,269,227
Contributions and other revenue	4,095,226	3,956,758	4,969,452	4,434,701	(3,572,777)	861,924
Total Revenues	4,095,226	3,956,758	40,905,702	39,703,928	(3,572,777)	36,131,151
EXPENDITURES						
Instruction	17,134	38,553	21,587,945	22,765,306	-	22,765,306
Pupil Personnel Services	214,288	68,109	1,003,211	935,824	-	935,824
Instructional Media			185,773	258,183	-	258,183
Instruction & Curriculum Development	124,068	90,449	204,793	142,601	-	142,601
Instructional Staff Training		49,059	65,069	173,213	-	173,213
Instructional Related Technology	118,892	131,933	289,779	267,793	-	267,793
Board of Education	30,504	83,150	111,004	166,150	-	166,150
General Administration	409,749	259,608	409,749	259,608	-	259,608
School Administration			3,289,224	3,398,086	-	3,398,086
Facilities Acquisition & Construction			12,411	-	-	-
Fiscal Services	416,599	472,457	583,490	665,312	-	665,312
Central Services	188,119	254,823	188,119	254,823	-	254,823
Transportation	2,004,267	2,260,652	2,031,483	2,332,402	-	2,332,402
Operation of Plant	87,178	101,293	2,611,031	2,519,554	-	2,519,554
Maintenance of Plant			31,372	5,500	-	5,500
Administrative Related Technology	57,389	84,992	57,389	84,992	-	84,992
Community Services/Athletics			392,131	398,487	-	398,487
Debt Service	30,680	30,680	30,680	30,680	-	30,680
Operating Transfers	58,472		3,763,355	4,582,823	(3,572,777)	1,010,046
Capital Expenditures	-	31,000	1,196,713	462,591		462,591
Total Expenditures	3,757,340	3,956,758	38,044,720	39,703,928	(3,572,777)	36,131,151
Net Changes in Fund Balance	337,886	-	2,860,982	-	-	-
Beginning Fund balance - July 1,	(2,633,432)	(2,295,546)	5,172,388	7,498,855	-	7,498,855
Est. Ending Fund balance - June 30,	^E \$ (2,295,546)	^E \$ (2,295,546)	^E \$ 7,498,855	^E \$ 7,498,855	\$ -	\$ 7,498,855
Est. Unassigned Fund balance ratio			18.33%	18.89%		20.75%
FEFP Budgeted Enrollment			4,873	4,945.00		
Actual FEFP Funded Count			4,963	0		

^E Estimate

1. Year to Date Actuals as of 6/30/2021
2. Presented for adoption by board of trustees - July 26, 2021
3. Beginning Fund Balance represents audited Unassigned balance as of July 1, 2021.
4. Instruction function under Admin office reflects the funds for the systemwide summer program

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed Special Revenue Fund Budget

All School Sites & Administration

	Systemwide Total	
	<i>FY21 Special Revenue Fund¹</i>	<i>FY22 Special Revenue Fund²</i>
REVENUES		
Federal - Title I	\$ 1,624,809	\$ 1,681,382
Federal - IDEA	\$ 880,575	\$ 889,127
Federal - IDEA Pre K	\$ 31,649	\$ 8,852
Federal - Title I, Part C, Migrant	\$ 28,605	\$ 28,605
Federal - Title II	\$ 259,212	\$ 224,630
Federal - Title III, Part A, ELL	\$ 88,569	\$ 67,400
Federal- Title IV	\$ 122,644	\$ 140,303
Federal - ROTC	\$ 60,000	\$ 65,000
Federal - Title X, Part C, Homeless	\$ 56,941	\$ 55,000
Federal - Covid Prevention	\$ 53,928	\$ -
Federal - C. Perkins	\$ 72,336	\$ 63,018
Federal-Charter School Start Up- CSP	\$ 224,650	\$ -
Federal - ESSER under the CARES Act	\$ 1,163,398	\$ 5,730,504
Federal - GEER Summer Recovery Award	\$ 107,408	\$ -
Federal - NSLP	\$ 2,482,472	\$ 2,602,141
State and local sources	\$ 85,000	\$ 395,000
Total Revenues	7,342,197	11,950,962
EXPENDITURES		
Instruction	3,421,741	4,490,120
Pupil Personnel Services	97,141	1,099,686
Instructional Media	-	-
Instruction & Curriculum Development	406,262	950,533
Instructional Staff Training	137,323	81,923
Instructional Related Technology	4,740	-
Board of Education	-	-
General Administration	95,644	322,059
School Administration	-	-
Facilities Acquisition & Construction	-	-
Fiscal Services	-	-
Central Services	15,000	-
Food Service	2,754,896	3,225,982
Transportation	23,500	9,500
Operation of Plant	508,374	2,000,000
Maintenance of Plant	65,000	-
Community Services	-	-
Total Expenditures	7,529,621	12,179,803
Net Changes in Fund Balance	(187,424)	(228,841)
Beginning Fund balance - July 1,	1,281,721	1,281,721
Est. Ending Fund balance - June 30,	\$ 1,094,297	\$ 1,052,880

^E Estimate

¹ Revised budget presented for approval by Board of Trustees - March 30, 2021.

² Presented for adoption by board of trustees - August 23, 2021

³ Beginning Fund Balance represents estimated Unassigned balance as of July 1, 2021.

LAKE WALES CHARTER SCHOOLS, Inc.
FY21-22 Proposed Capital Project Budget

	Bok South Debt Svc	Bok North Campus	Total
1 PECO- Fixed Capital Outlay Funds	320,551	307,872	628,423
2 External funding (Loan)	-	8,000,000	8,000,000
3 Other Financing Sources	-	-	-
Total Revenues	320,551	8,307,872	8,628,423
4 Construction Costs	-	7,017,713	7,017,713
5 Architect/Design Fees	-	-	-
6 Rental	-	233,328	233,328
7 Debt service	282,000	28,750	310,750
8 Site Development	-	316,045	316,045
9 Other Costs	36,270	-	36,270
Total Expenses	318,270	7,595,836	7,914,106
Net Change in Fund Balance	2,281	712,036	714,317

Notes:

1. The External funding amount represents the portion of the anticipated \$8MM bank loan with Citizens Bank & Trust.

2. Other Financing Sources represents the fund balance as needed.

3. Estimated Fund Balances as of 7/1/2021

--Bok North: (\$979,705.83)

--HB5001 (Hurricane Recovery): (\$158,544.95)

4. Any excess PECO funds from Bok South will go towards their loan repayment to Bok North at year end.