

Los Angeles Leadership Academy

Monthly Financial Update

2020-21 Forecast Update – November 2020

KRISTIN DIETZ

JANUARY 11, 2021

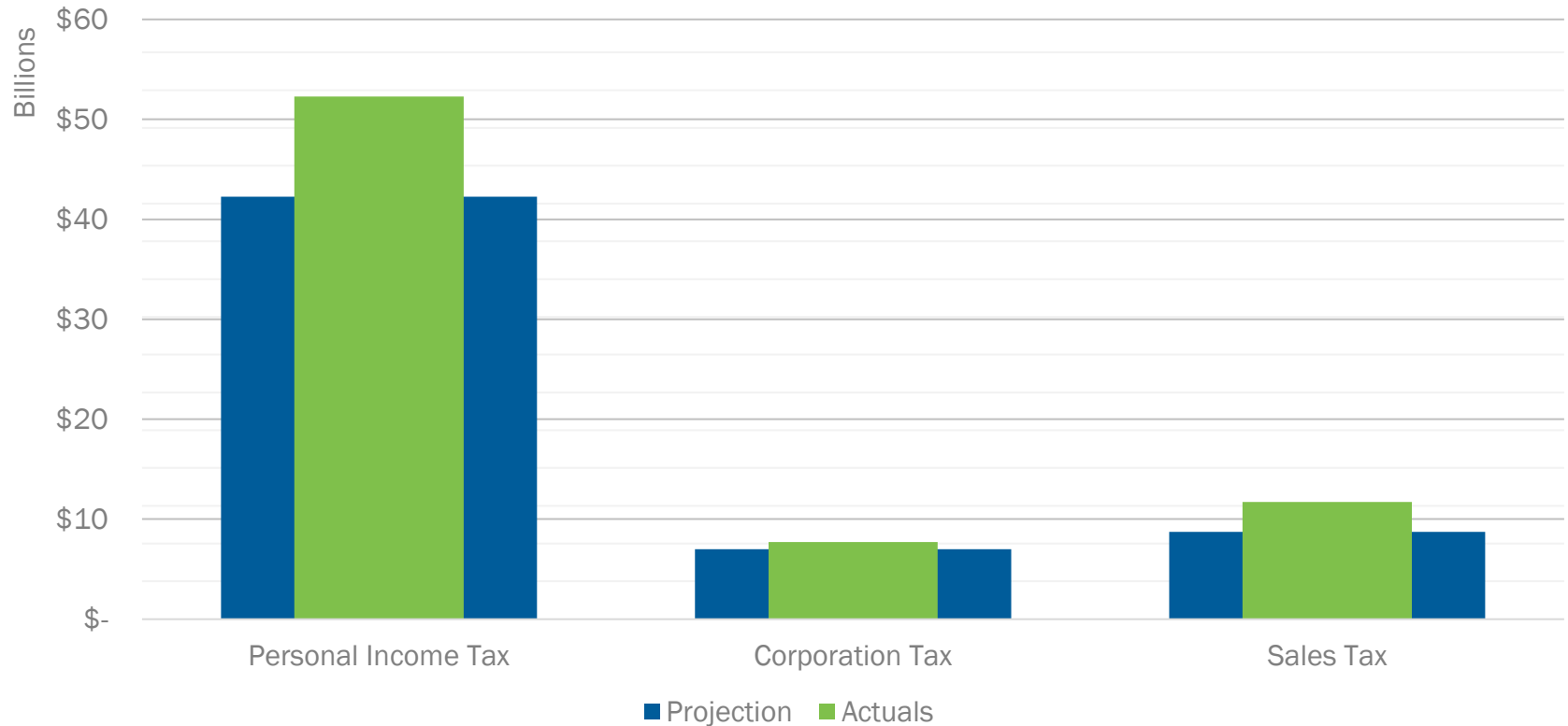


1. State Budget Update
2. 2020-2021 Forecast Update – November 2020
3. Cash Flow
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State Budget Update



Tax receipts through November beating projections by 24%



State estimated to end year \$15.5B better than budget

Governor's January Budget: Proposal for FY22



Overall positive outlook on funding, expecting to return to “normal”

COLA

- 3.84% for LCFF (incl. 2.3% reinstated from FY21 and new 1.5%)
- 1.5% COLA for other state funding streams like SpEd

Deferrals

- No plans yet to walk back currently scheduled FY21 deferrals
- Pay \$7.3B of \$11B in deferrals in FY22; only June deferral remains

ADA

- In-person instruction expected as default mode
- No “hold harmless” or growth caps; normal ADA tracking expected

STRS/PERS

- School STRS contribution down to 15.92% from 16%
- School PERS contribution expected to hold at 23%

Other Funds

- \$545M for teacher training & development; distribution TBD
- Other smaller funds mentioned, details scarce so far

Big COVID-related funds: New In-Person Instruction & Expanded Learning Grants

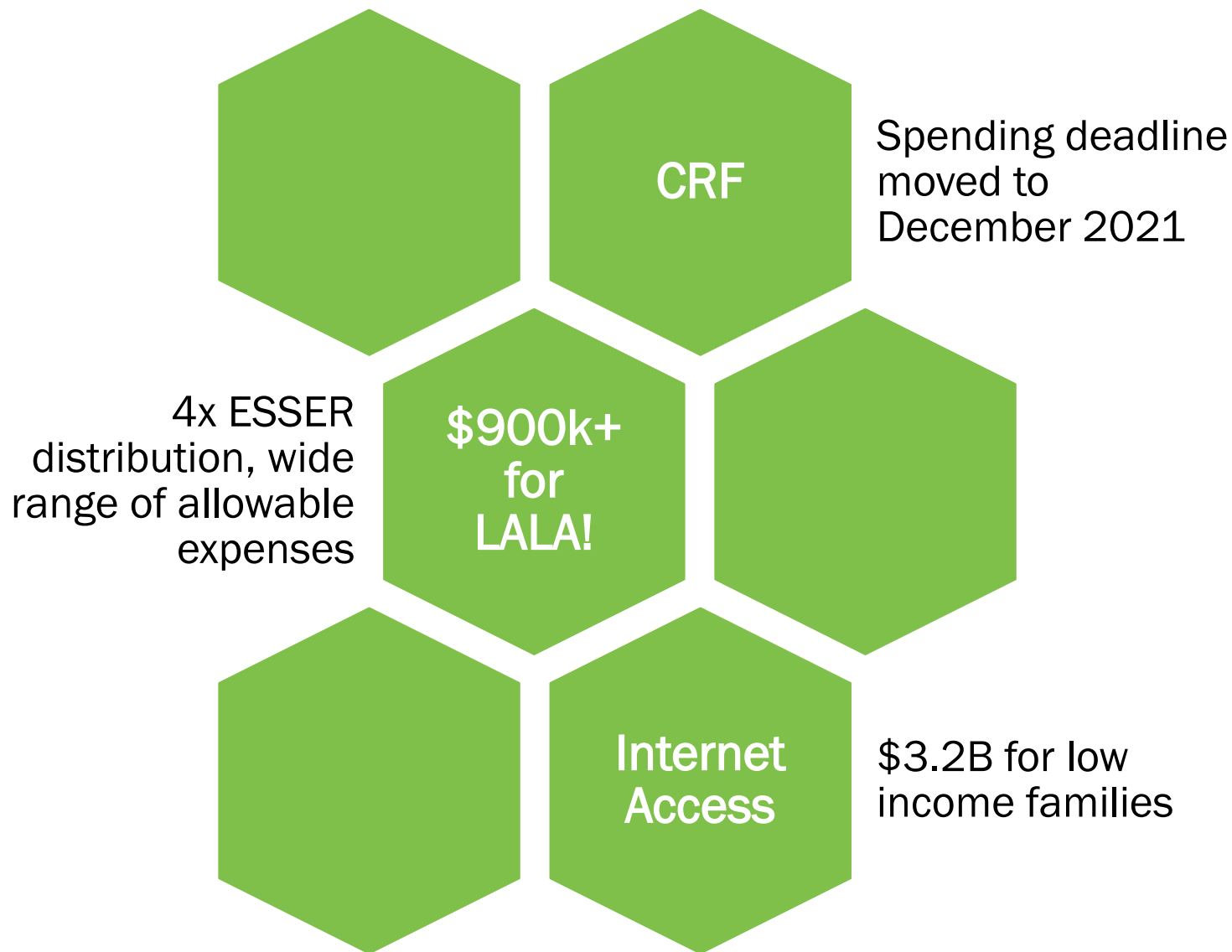
IN-PERSON INSTRUCTION GRANT

- Requires safety plan submitted to County Office of Ed; current in-person schools do not need to resubmit
- Must certify students at home have online access
- Two timelines: Round 1 - Plan submitted by 2/1, continuous instruction must begin by 2/16; Round 2 - Plan by 3/1, instruction begins by 3/15
- Round 1 eligible for \$450/ADA base, with add-ons like LCFF; Round 2 rate drops to \$338/ADA base
- Use is flexible; spend through 12/31/21

EXPANDED LEARNING TIME AND ACADEMIC INTERVENTION

- \$4.6B in one-time funding (2.3x reopening grant!)
- Targeted for low-income, ELL, foster & homeless youth
- Extended school year & academic interventions
- Very limited detail but mention of flexibility

Federal Stimulus Package December 2020



2020-21 Forecast Update



FY20-21 Updated Forecast – Nov20



Forecast largely tracking with approved budget

		LALA-MS/HS	LALPA	Home Office	Eliminations (CMO Fee)	Total
November 30, 2020						
Revenue	LCFF Entitlement	5,314,427	3,403,608	-		8,718,035
	Federal Revenue	1,355,350	992,213	-		2,347,563
	Other State Revenues	1,045,693	755,268	-		1,800,961
	Local Revenues	-	-	857,836	(837,836)	20,000
	Fundraising and Grants	-	25,000	-		25,000
	Total Revenue	7,715,470	5,176,089	857,836	(837,836)	12,911,559
Expenses	Comp and Benefits	4,049,644	2,556,159	691,389		7,297,192
	Books and Supplies	1,014,944	811,078	2,430		1,828,452
	Services and Other Ops	2,244,544	1,420,214	164,017	(837,836)	2,990,939
	Depreciation	139,730	80,555	-		220,285
	Total Expenses	7,448,863	4,868,006	857,836	(837,836)	12,336,869
	Operating Income	266,607	308,083	-	-	574,691
Fund Balance	Beginning Balance (Unaudited)	5,504,053	4,089,022	19,995		9,613,070
	Operating Income	266,607	308,083	-		574,691
Ending Fund Balance (incl. Depreciation)		5,770,660	4,397,105	19,995		10,187,761
Ending Fund Balance as % of Expenses		77.47%	90.33%	2.33%		82.58%
Enrollment		485	325	-		810
ADA (PY P2 ADA Hold Harmless)**		455	306	-		761
Forecasted UPP		424	259	-		683
Forecasted UPP % (LAUSD cap = 85.47%)		87.4%	79.7%			
Add PPP*		887,000	591,000	-		1,478,000
Operating Income, incl PPP		1,153,607	899,083	-	-	2,052,691

Nov20 Forecast vs. Approved Budget - Consolidated

		2020-21	2020-21	\$ Change
		Approved Budget - v2	Nov-20 Forecast	
Revenue	LCFF Entitlement	8,718,035	8,718,035	-
	Federal Revenue	2,347,563	2,347,563	-
	Other State Revenues	1,800,961	1,800,961	-
	Local Revenues	854,789	857,836	3,047
	Fundraising and Grants	25,000	25,000	-
	Total Revenue	13,746,348	13,749,395	3,047
Expenses	Comp and Benefits	7,296,853	7,297,192	339
	Books and Supplies	1,825,864	1,828,452	2,588
	Services and Other Ops	3,825,728	3,828,775	3,047
	Depreciation	220,285	220,285	-
	Total Expenses	13,168,731	13,174,705	5,974
	Operating Income	577,617	574,691	(2,927)
	Beginning Balance (Unaudited)	9,613,070	9,613,070	-
	Operating Income	577,617	574,691	(2,927)
Ending Fund Balance (incl. Depreciation)		10,190,687	10,187,761	2,927
Ending Fund Balance as % of Expenses		68.05%	77.33%	-12.00%
ADA		738.50	760.70	22.20
Add PPP*		1,478,000	1,478,000	-
Operating Income, incl PPP		2,055,617	2,052,691	(2,927)

Nov20 Forecast – LALA (MS/HS)

		2020-21	2020-21	\$ Change
		Approved Budget - v2	Nov-20 Forecast	
Revenue	LCFF Entitlement	5,314,427	5,314,427	-
	Federal Revenue	1,355,350	1,355,350	-
	Other State Revenues	1,045,693	1,045,693	-
	Local Revenues	-	-	-
	Fundraising and Grants	-	-	-
	Total Revenue	7,715,470	7,715,470	-
Expenses	Comp and Benefits	4,052,352	4,049,644	(2,708)
	Books and Supplies	1,012,356	1,014,944	2,588
	Services and Other Ops	2,242,724	2,244,544	1,820
	Depreciation	139,730	139,730	-
	Total Expenses	7,447,163	7,448,863	1,700
	Operating Income	268,307	266,607	(1,700)
	Beginning Balance (audited)	5,504,053	5,504,053	-
	Operating Income	268,307	266,607	(1,700)
Ending Fund Balance (incl. Depreciation)		5,772,360	5,770,660	1,700
Ending Fund Balance as % of Expenses		68.05%	77.47%	-12.16%
ADA		422.60	454.50	31.90
Add PPP*		887,000	887,000	-
Operating Income, incl PPP		1,155,307	1,153,607	(1,700)

Nov20 Forecast - LALPA

		2020-21	2020-21	\$ Change
		Approved Budget - v2	Nov-20 Forecast	
Revenue	LCFF Entitlement	3,403,608	3,403,608	-
	Federal Revenue	992,213	992,213	-
	Other State Revenues	755,268	755,268	-
	Local Revenues	-	-	-
	Fundraising and Grants	25,000	25,000	-
	Total Revenue	5,176,089	5,176,089	-
Expenses	Comp and Benefits	2,556,159	2,556,159	-
	Books and Supplies	811,078	811,078	-
	Services and Other Ops	1,418,988	1,420,214	1,226
	Depreciation	80,555	80,555	-
	Total Expenses	4,866,780	4,868,006	1,226
	Operating Income	309,310	308,083	(1,226)
	Beginning Balance (Unaudited)	4,089,022	4,089,022	-
	Operating Income	309,310	308,083	(1,226)
	Ending Fund Balance (incl. Depreciation)	4,398,332	4,397,105	1,226
	Ending Fund Balance as % of Expenses	68.05%	90.33%	-24.66%
	ADA	315.90	306.20	(9.70)
	Add PPP*	591,000	591,000	-
	Operating Income, incl PPP	900,310	899,083	(1,226)

Forecast Variance Details

Minor staffing adjustment, true up of educational software and CMO fees

LALA – MS/HS

CATEGORY	BOTTOM LINE IMPACT	NOTES
Compensation and benefits	2,708	Transfer 1 month of clerical employee to HO
Books & supplies	(2,588)	Increase software per actuals - PowerSchool
Services and operating	(1,820)	Adjust CMO fee
	(1,700)	Total Change - Nov20 vs. Oct20

LALPA

CATEGORY	BOTTOM LINE IMPACT	NOTES
Services and operating	(1,226)	Adj CMO fee
	(1,226)	Total Change - Nov20 vs. Oct20

Nov20 Forecast – Home Office

Minor adj for staffing reallocation to home office

		2020-21	2020-21	Variance	% Variance
		Approved Budget	Nov-20 Forecast		
Revenue	Local Revenues	854,789	857,836	3,047	0%
	Fundraising and Grants	0	0	-	0%
	Total Revenue	854,789	857,836	3,047	0%
Expenses	Comp and Benefits	688,342	691,389	3,047	0%
	Books and Supplies	2,430	2,430	0	0%
	Services and Other Ops	164,017	164,017	-	0%
	Depreciation	-	-	-	
	Total Expenses	854,789	857,836	3,047	0%
	Operating Income	0	0	(0)	
	Beginning Balance (Audited)	19,995	19,995		
	Operating Income	0	0	(0)	
	Ending Fund Balance (incl. Depreciation)	19,995	19,995	0	
	Ending Fund Balance as % of Expenses	2.34%	2.33%	0.36%	

Nov20 Year-To-Date Actuals vs Forecast – LALA (MS/HS)

Year-to-date Net loss is -\$164k, with 26% of revenues received

		2020-21	2020-21	Remaining Balance	% Spent
		Nov20 YTD	Nov-20 Forecast		
Revenue	LCFF Entitlement	1,510,951	5,314,427	3,803,476	28.4%
	Federal Revenue	659,550	2,242,350	1,582,800	29.4%
	Other State Revenues	101,426	1,045,693	944,267	9.7%
	Local Revenues	0	0	-	100.0%
	Fundraising and Grants	0	0	-	100.0%
	Total Revenue	2,271,927	8,602,470	6,330,543	26.4%
Expenses	Comp and Benefits	1,422,510	4,049,644	2,627,134	35.1%
	Books and Supplies	387,232	1,014,944	627,712	38.2%
	Services and Other Ops	626,289	2,244,544	1,618,255	27.9%
	Depreciation	-	139,730	139,730	0.0%
	Total Expenses	2,436,031	7,448,863	5,012,832	32.7%
	Operating Income	(164,104)	1,153,607	1,317,711	

Nov20 Year-To-Date Actuals vs Forecast – LALPA

Year-to-date Net Loss is -\$139k, with 26% of revenues received

		2020-21	2020-21	Remaining Balance	% Remaining
		Nov20 YTD	Nov-20 Forecast		
Revenue	LCFF Entitlement	985,788	3,403,608	2,417,820	29.0%
	Federal Revenue	420,207	1,583,213	1,163,006	26.5%
	Other State Revenues	68,331	755,268	686,937	9.0%
	Local Revenues	-	0	0	0.0%
	Fundraising and Grants	25,000	25,000	-	100.0%
	Total Revenue	1,499,326	5,767,089	4,267,763	26.0%
Expenses	Comp and Benefits	909,582	2,556,159	1,646,577	35.6%
	Books and Supplies	319,252	811,078	491,826	39.4%
	Services and Other Ops	409,500	1,420,214	1,010,714	28.8%
	Depreciation	-	80,555	80,555	0.0%
	Total Expenses	1,638,334	4,868,006	3,229,672	33.7%
	Operating Income	(139,008)	899,083	1,038,091	

FY21 Restricted Funds Tracking – LALA (MS/HS)

Title I-IV, NSLP and SpEd are restricted, spending is slow

	Title I/IV	Title II	Title III	NSLP	SpEd
	3010	4035	4203	5310	3310/6500
Apportionment/ Budgeted Funds	191,855	23,520	12,957	406,762	392,524
Comp and Benefits	67,713				94,612
Books and Supplies				40,887	
Services and Other Ops		16,446			70,477
Depreciation					
Other Outflows					
Total Spent to Date	67,713	16,446	0	40,887	165,089
Budget Remaining	124,142	7,074	12,957	365,875	227,435
Percent of Funds Remaining	65%	30%	100%	90%	58%

Spending being monitored monthly

FY21 Restricted Funds Tracking – LALPA

Restricted programs spent to date as of 11/30/20

	Title I/IV	Title II	Title III	NSLP	SpEd
	3010	4035	4203	5310	3310/6500
Apportionment/ Budgeted Funds	141,407	28,876	20,708	333,535	264,446
Comp and Benefits	53,964		8,882		79,630
Books and Supplies			9,977	42,866	0
Services and Other Ops		16,495			41,344
Depreciation					
Other Outflows					
Total Spent to Date	53,964	16,495	18,858	42,866	120,974
Budget Remaining	87,443	12,381	1,850	290,669	143,472
Percent of Funds Remaining	62%	43%	9%	87%	54%

Spending is slow, monitoring monthly

FY21 COVID Relief Funds Tracking

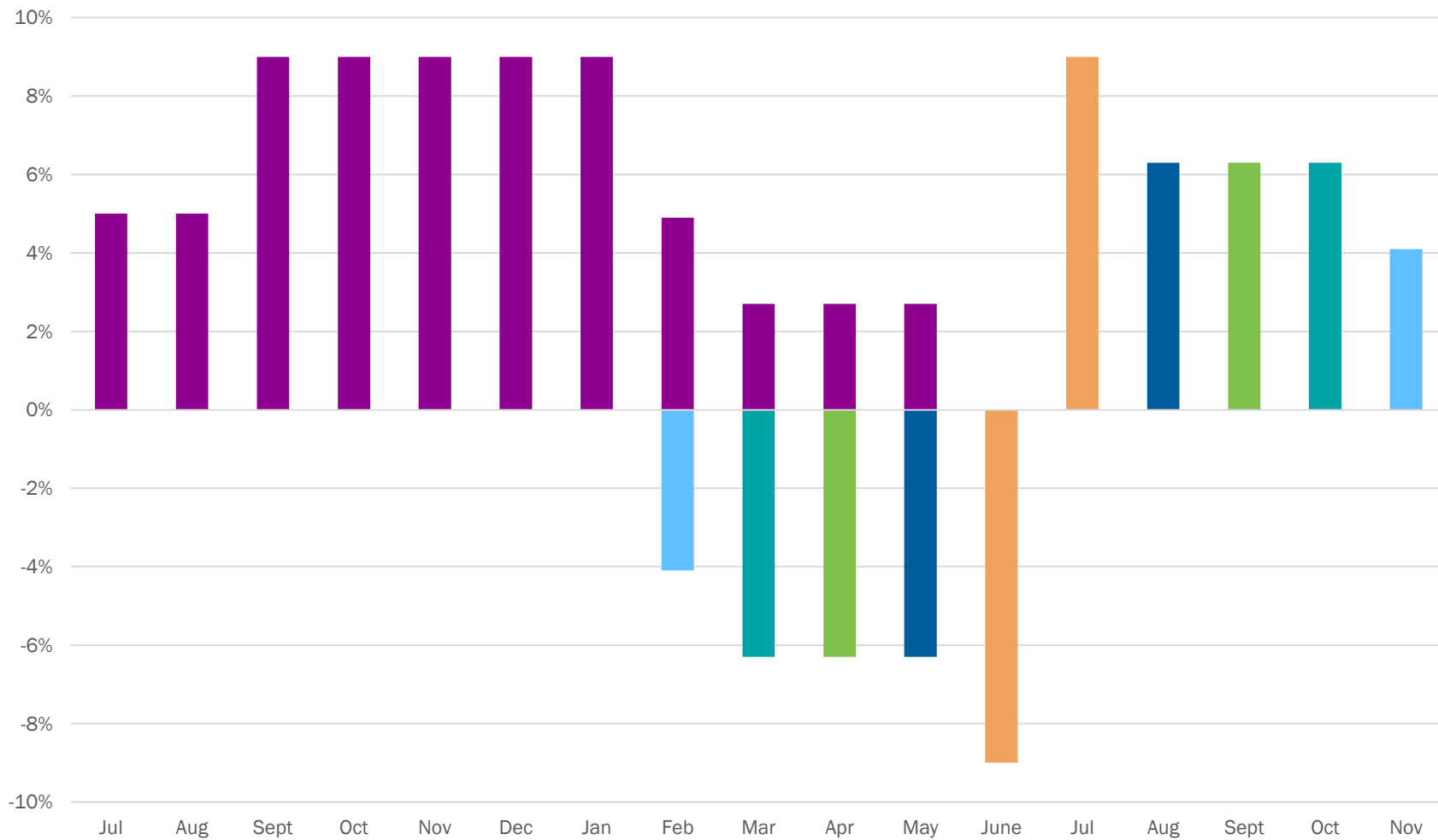
One-Time relief funds exceed \$1.1M, majority must be spent by 12/30/20, tracking spending closely

LALA (MS/HS)					
	ESSER (9/30/22)	LLM-GEER (9/30/22)	LLM-CRF (12/30/20)	LLM-GF (6/30/21)	Total
	3210	3215	3220	7420	
Apportionment/ Budgeted Funds	147,030	28,061	487,242	44,425	706,758
Comp and Benefits	31,823	0	154,724		186,547
Books and Supplies			184,209	0	184,209
Services and Other Ops	35,000	28,061	148,308	44,425	255,794
Other Outflows					-
Total Budgeted Expense	66,823	28,061	487,242	44,425	626,551
Net	80,207	0	0	0	80,207
Spent to date 11/30/20	0	0	392,487	0	392,487
Balance Remaining	147,030	28,061	94,755	44,425	314,271
Percent of Funds Remaining	100%	100%	19%	100%	44%

LALPA					
	ESSER (9/30/22)	LLM-GEER (9/30/22)	LLM-CRF (12/30/20)	LLM-GF (6/30/21)	Total
	3210	3215	3220	7420	
Apportionment/ Budgeted Funds	108,217	9,660	305,429	28,891	452,197
Comp and Benefits	50,098	3,957	104,586	28,891	187,531
Books and Supplies		5,703	166,543	0	172,246
Services and Other Ops	17,500		34,300	0	51,800
Other Outflows					-
Total Budgeted Expense	67,598	9,660	305,429	28,891	411,578
Net	40,619	0	0	0	40,619
Spent to date 11/30/20	0	0	292,566	0	292,566
Balance Remaining	108,217	9,660	12,863	28,891	159,631
Percent of Funds Remaining	100%	100%	4%	100%	35%

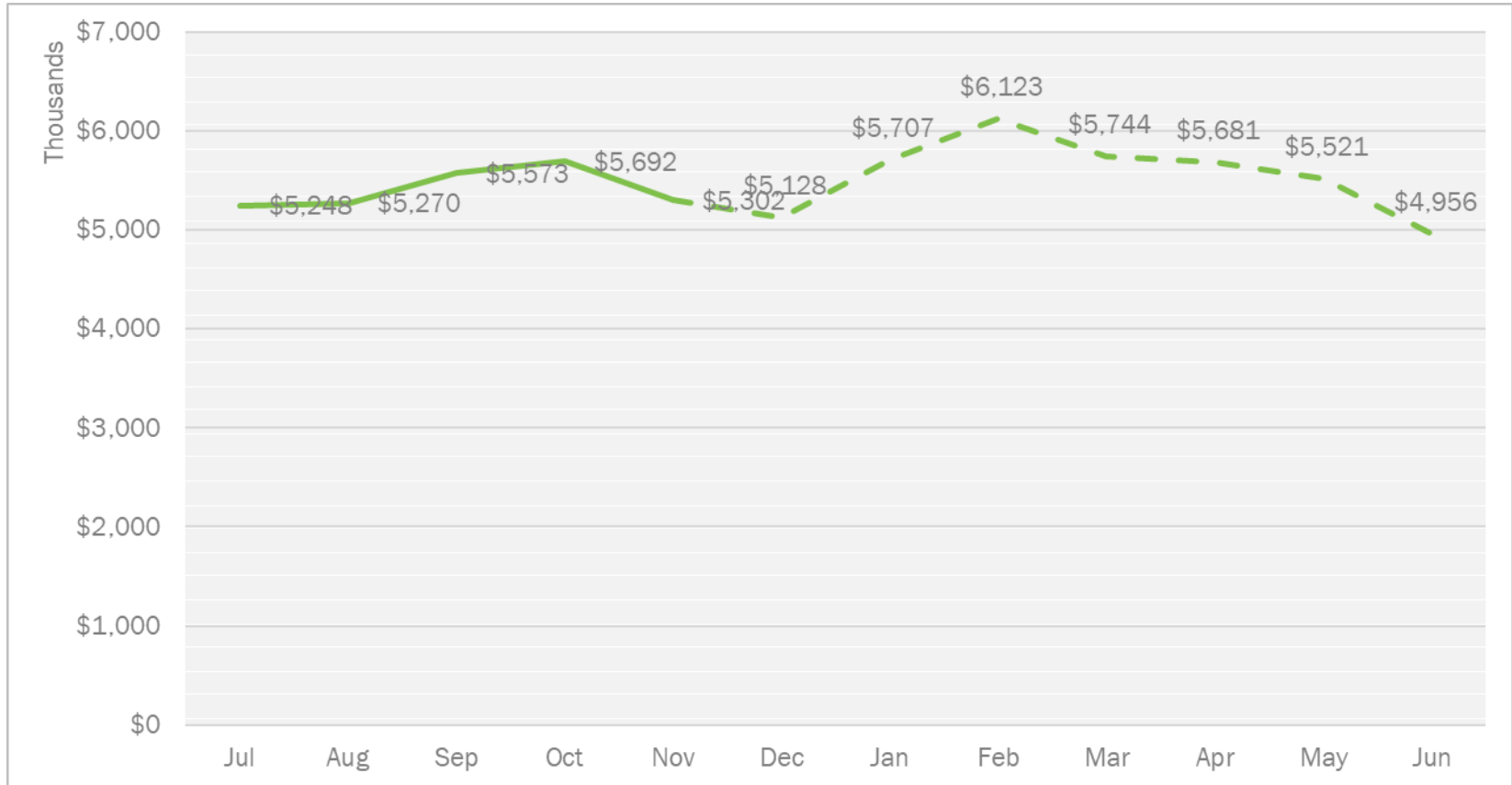
2020-21 State Aid Deferrals

Spring State Aid to be paid much later in the year



2020-2021 Cash Flow Forecast - Consolidated

Cash balance is steady - consolidated balance of \$5.3M as of 11/30/20, expected to dip in Spring with deferrals

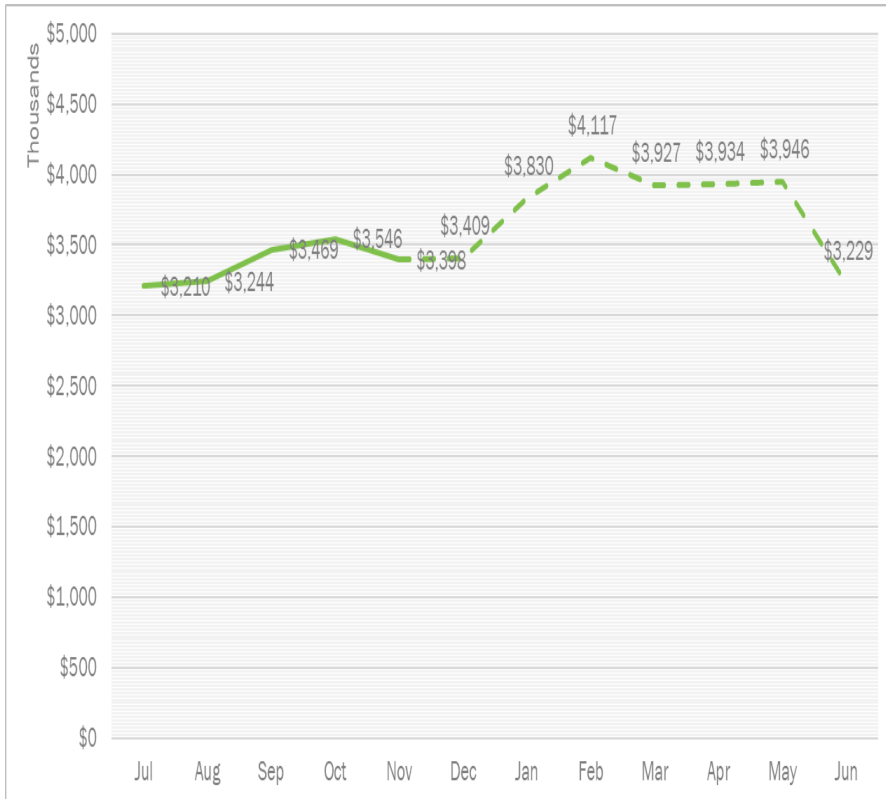


Forecasting to end year with 41% reserve in cash, 146 days (4.9 months) cash on hand - consolidated

2020-2021 Cash Flow Forecast By Charter

LALA MS/HS

cash balance \$3.4M and as of 11/30/20



LALPA

cash balance \$2.1M as of 11/30/20



Forecasted to end year with 43% reserve for LALA (158 DCOH), and 34.8% reserve for LALPA (127 DCOH); Spring deferrals drive balances down

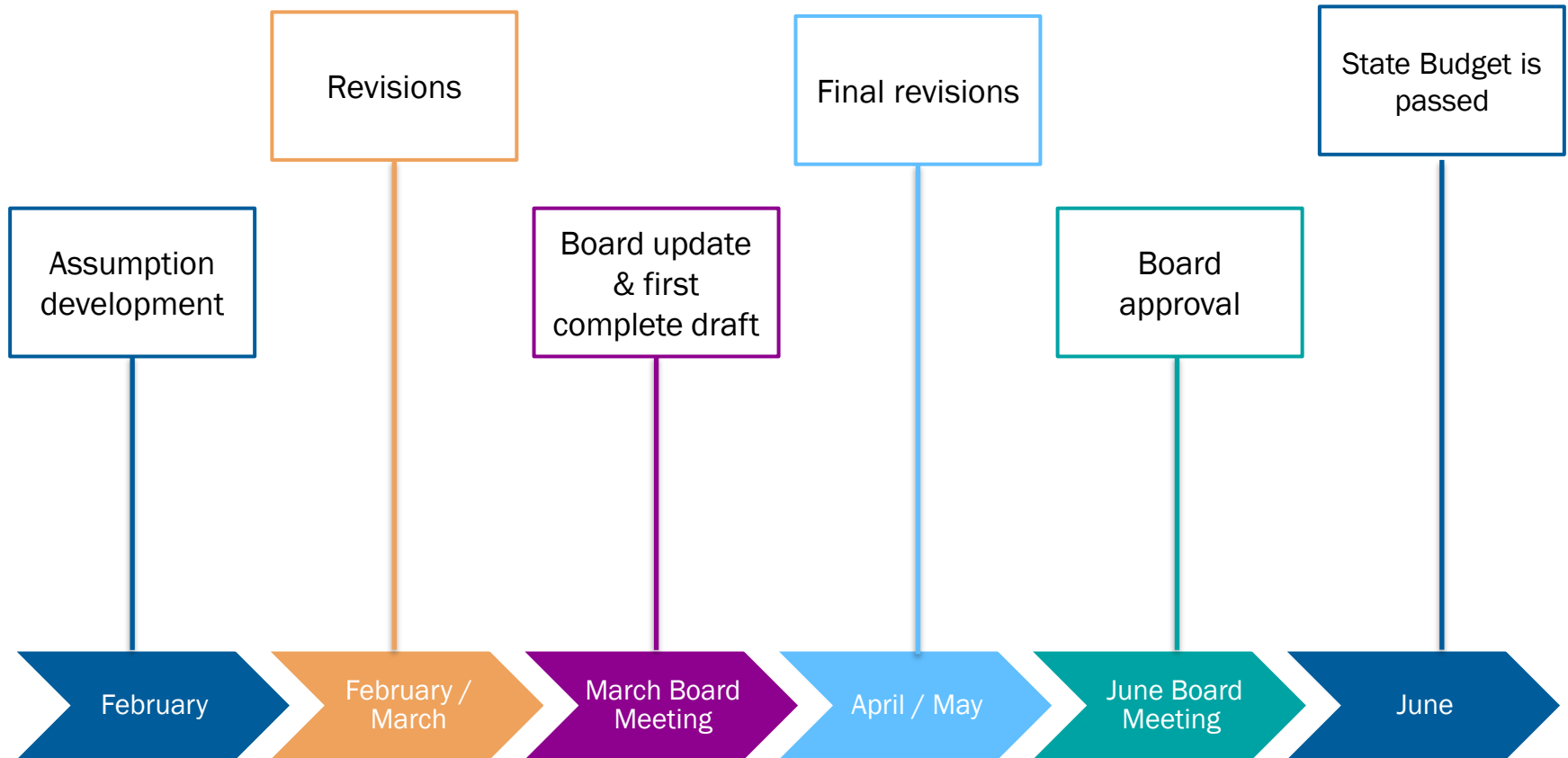
Balance Sheet – Nov 2020

What the Organization owns and owes as of 11/30/20 (Unaudited)

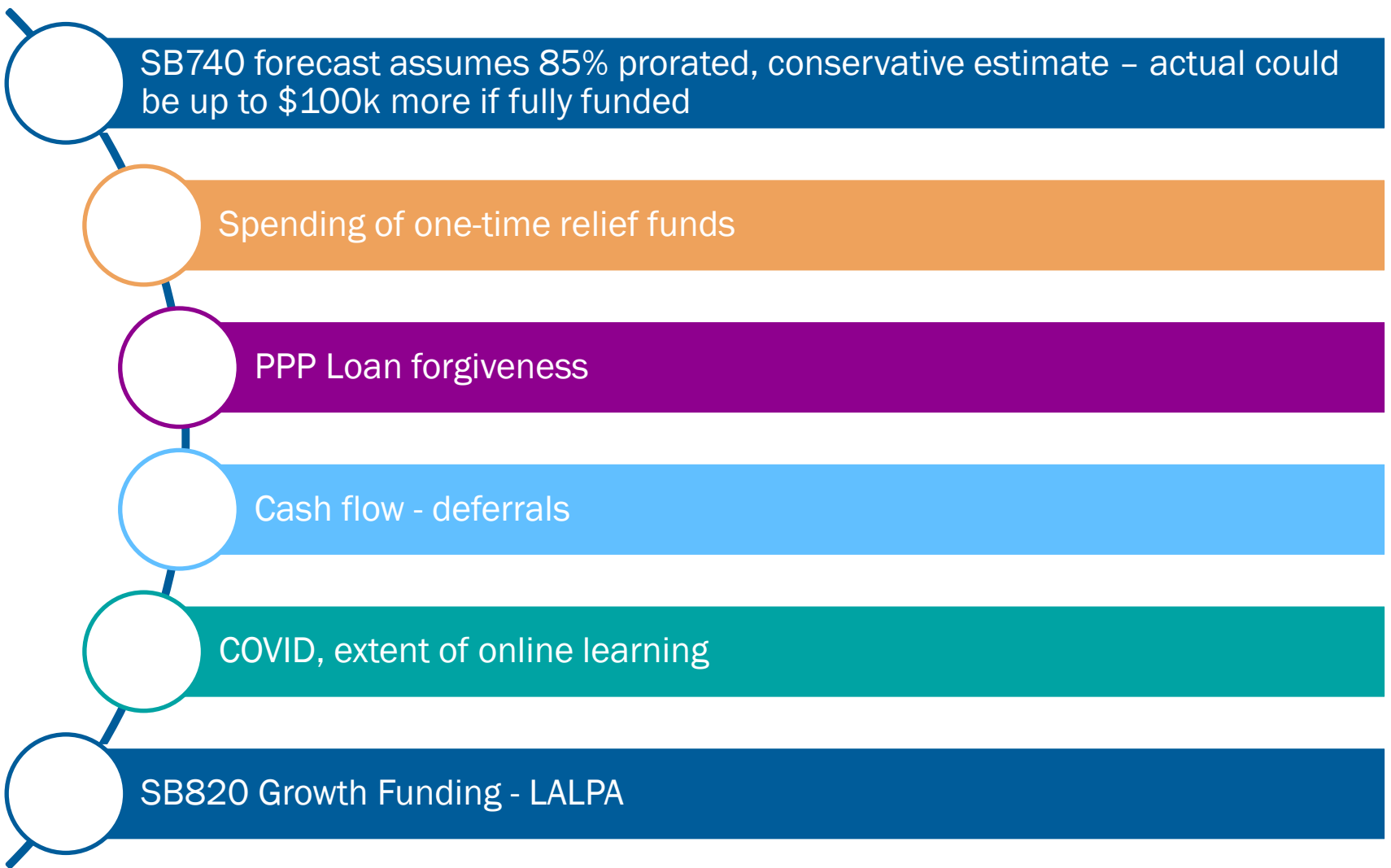
		LALA-MS/HS	LALPA	Home Office	Total 11/30/20 (Unaudited)	Total 6/30/20 (Audited)	YTD CHANGE
Assets	Cash Balance	3,397,556	2,147,817	(243,287)	5,302,086	5,291,510	10,576
	Accounts Receivable	87,760	73,083	-	160,843	956,330	(795,487)
	Prepays and Other Assets	45,434	35,108	-	80,542	153,692	(73,150)
	Fixed Assets, Net	4,022,735	2,454,058	-	6,476,793	6,449,576	27,217
	Total Assets	7,553,485	4,710,066	(243,287)	12,020,264	12,851,108	(830,844)
Liabilities & Equity	Accounts Payable	186,834	35,802	-	222,636	200,142	22,494
	Current Loans and Other Payables	211,702	133,250	71,427	416,379	631,896	(215,517)
	Long-Term Loans and Other Liabilities	1,815,000	591,000	-	2,406,000	2,406,000	-
	Beginning Net Assets	5,504,053	4,089,022	19,995	9,613,070	9,897,051	(283,981)
	Net Income (Loss) to Date	(164,104)	(139,008)	(334,709)	(637,821)	(283,981)	(353,840)
	Total Liabilities & Equity	7,553,485	4,710,066	(243,287)	12,020,264	12,851,108	(830,844)

Budget Development

Process begins in late winter/early spring with budget approval by June 30



Pending Items



SB740 forecast assumes 85% prorated, conservative estimate – actual could be up to \$100k more if fully funded

Spending of one-time relief funds

PPP Loan forgiveness

Cash flow - deferrals

COVID, extent of online learning

SB820 Growth Funding - LALPA

Exhibits

