

Los Angeles Leadership Academy

Monthly Financial Update

2021-22 Forecast Update – March 2022 & 2022-2023 Budget Draft

KRISTIN DIETZ

MAY 19, 2022

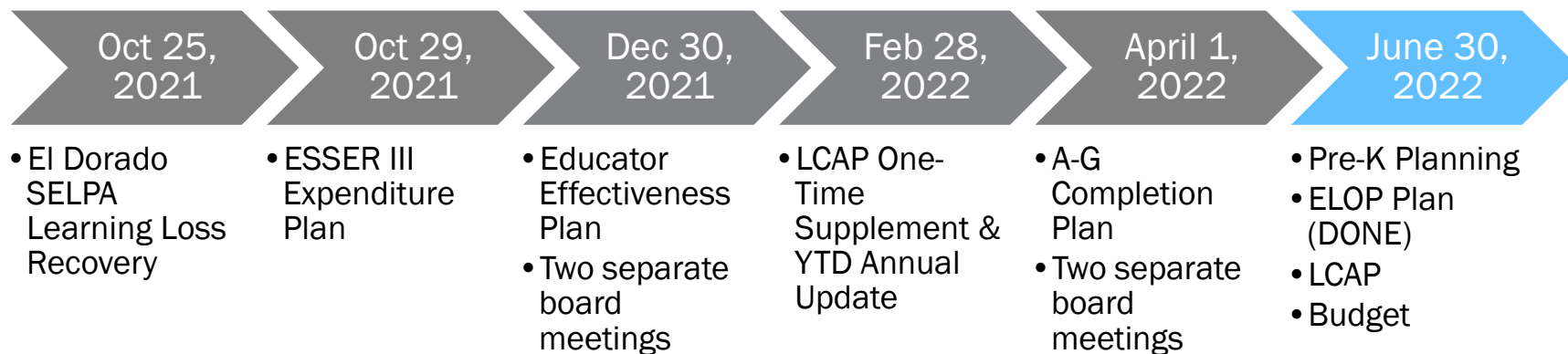


1. State Budget Update
2. 2021-2022 Forecast Update – March 2022
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State Budget Update



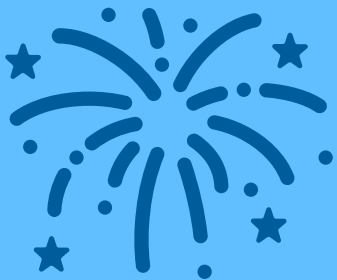
Plans Due Throughout 2021-22





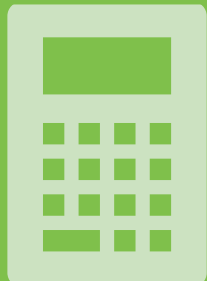
~10% COLA

- 6.56% statutory COLA, minimum legally required
- Plus, \$2.1B base grant increase



One-Time Discretionary Grant

- \$8B allocated on per pupil basis
- ~ \$1350-1400 per FY22 ADA
- Staffing, student learning, mental health, etc.



FY22 Flexibility in LCFF Driver

- LEA's choice: FY22 P2 ADA or FY22 CALPADS enrollment x FY20 attendance percentage*
- No hold harmless to match FY20 ADA

*attendance % = FY20 P2 ADA / FY20 CALPADS Enrollment

FY23 One-Time Discretionary Funds



Could bring \$1 million in additional funding next year

LALPA

\$420k

LALA-MS

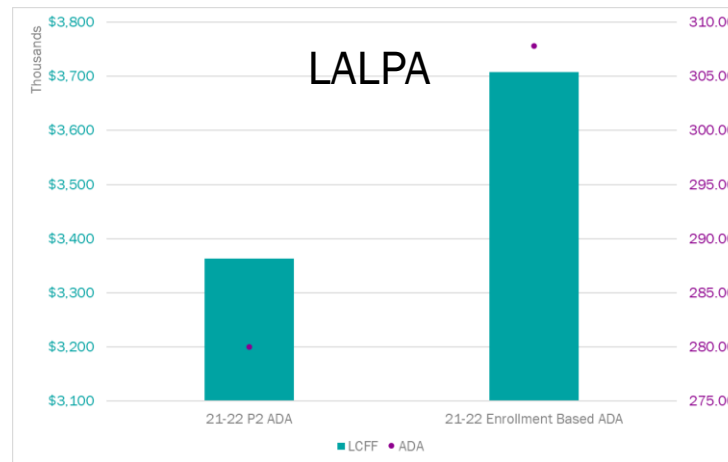
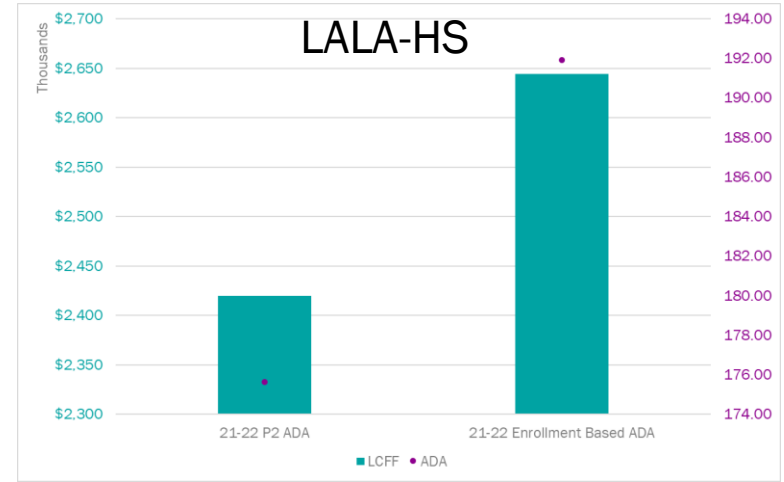
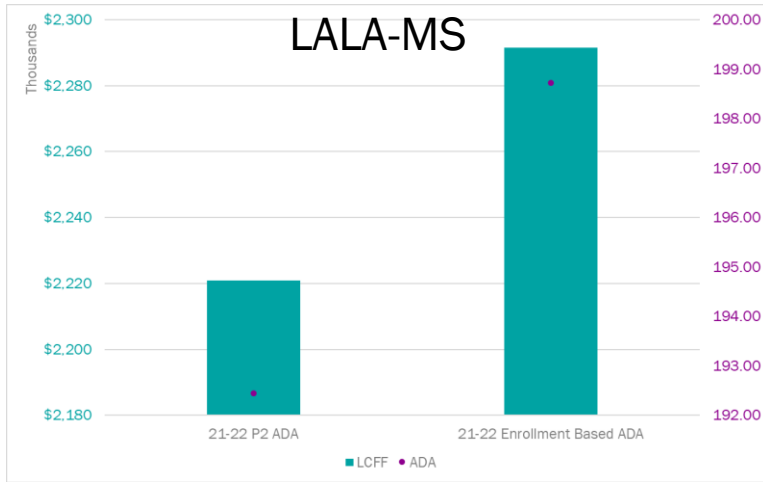
\$285k

LALA-HS

\$260k

FY22 Enrollment Based Funding

LEAS to choose greater of P2 ADA or CALPADS Enrollment Based ADA



Enrollment-based LCFF +639k over ADA-based; current forecast approximates Enrollment-based amount

AB 2484 – Dismantling of SB740



Bill would upend existing SB740 and put many schools in financial crisis

Reduction in Eligibility

LEAs that previously qualified by being physically located in an attendance area of a 55% FRL elementary school lose eligibility

Cap on Grant Amount

Facilities owned by related parties* may not receive funding in excess of 100% of the property acquisition cost

Deed Restriction

After receiving 50% of cost of the facility via SB740 a deed restriction is required – must be used for public, nonsectarian educational purposes

*Single-member LLC

- Force schools to take money out of the classroom to pay facility costs and avoid default

Schools



- Deed restrictions leave bondholders with a facility they cannot lease or convert for other use in the event of default

Investors



- Unavailability of SB740 leads to more use of Prop 39 – squeezes districts for space and creates conflicts

Districts



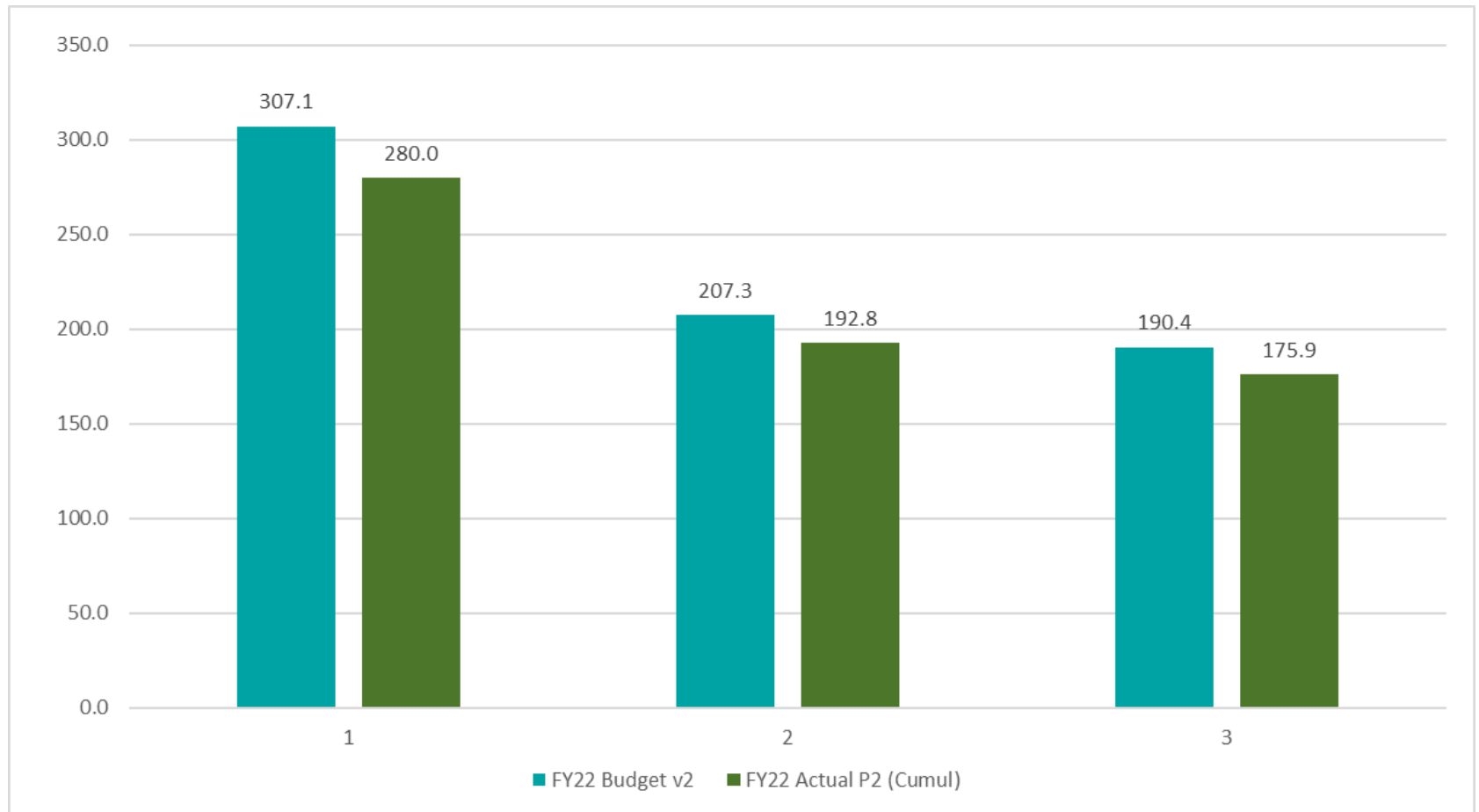
2021-22 Forecast Update

March 2022



ADA Summary at P2

Cumulative ADA as of Month 8 (P2) trails behind budget by -56, anticipating relief with SB579



FY21-22 Updated Forecast

		LALA-MS/HS	LALPA	Home Office	Eliminations (CMO Fee)	Total
FY21-22 Mar22						
Revenue	LCFF Entitlement	5,011,991	3,698,790	-		8,710,781
	Federal Revenue	2,635,342	2,212,269	-		4,847,611
	Other State Revenues	1,653,926	1,476,664	-		3,130,590
	Local Revenues	13,314	4,837	960,125	(940,037)	38,239
	Fundraising and Grants	5,660	3,439	-		9,099
	Total Revenue	9,320,233	7,396,000	960,125	(940,037)	16,736,321
Expenses	Comp and Benefits	4,063,776	2,558,871	717,851		7,340,498
	Books and Supplies	1,924,029	1,305,807	3,259		3,233,095
	Services and Other Ops	4,025,157	3,308,098	239,015	(940,037)	6,632,233
	Depreciation	154,652	101,636	-		256,288
	Total Expenses	10,167,614	7,274,412	960,125	(940,037)	17,462,114
	Operating Income	(847,381)	121,588	-	-	(725,793)
Fund Balance	Beginning Balance (Unaudited)	6,849,014	5,028,400	9,865		11,887,279
	Operating Income	(847,381)	121,588	-		(725,793)
Ending Fund Balance (incl. Depreciation)		6,001,633	5,149,988	9,865		11,161,486
Ending Fund Balance as % of Expenses		59.03%	70.80%	1.03%		63.92%
Enrollment		420	326	-		746
ADA per Forecast		398	307	-		705
Forecasted UPP		358	278	-		636
Forecasted UPP % (LAUSD cap = 85.18%)		85.2%	85.3%			

FY21-22 Mar22 vs. Jan22 (2nd Int) - Consolidated

		2021-22	2021-22	\$ Change
		Jan22 Forecast (2nd Interim	Mar22 Forecast	
Revenue	LCFF Entitlement	8,705,462	8,710,781	5,319
	Federal Revenue	4,865,214	4,847,611	(17,602)
	Other State Revenues	2,768,075	3,130,590	362,515
	Local Revenues	940,935	978,276	37,341
	Fundraising and Grants	5,884	9,099	3,215
	Total Revenue	17,285,569	17,676,358	390,788
Expenses	Comp and Benefits	7,466,008	7,340,498	(125,510)
	Books and Supplies	3,147,693	3,233,095	85,403
	Services and Other Ops	6,871,915	7,572,270	700,355
	Depreciation	256,288	256,288	-
	Total Expenses	17,741,903	18,402,151	660,248
	Operating Income	(456,334)	(725,793)	(269,459)
	Beginning Balance (Unaudited)	11,887,279	11,887,279	-
	Operating Income	(456,334)	(725,793)	(269,459)
	Ending Fund Balance (incl. Depreciation)	11,430,945	11,161,486	269,459
	Ending Fund Balance as % of Expenses	68.05%	60.65%	12.20%
	ADA	704.80	704.80	-

FY21-22 Mar22 vs. Jan22 (2nd Int) – LALA (MS/HS)

		2021-22	2021-22	\$ Change
		Jan22 Forecast (2nd Interim	Mar22 Forecast	
Revenue	LCFF Entitlement	5,000,603	5,011,991	11,388
	Federal Revenue	2,817,068	2,635,342	(181,726)
	Other State Revenues	1,608,222	1,653,926	45,704
	Local Revenues	13,314	13,314	0
	Fundraising and Grants	2,920	5,660	2,740
	Total Revenue	9,442,127	9,320,233	(121,894)
Expenses	Comp and Benefits	4,113,775	4,063,776	(49,999)
	Books and Supplies	1,885,080	1,924,029	38,949
	Services and Other Ops	3,822,999	4,025,157	202,158
	Depreciation	154,652	154,652	-
	Total Expenses	9,976,505	10,167,614	191,109
	Operating Income	(534,378)	(847,381)	(313,003)
	Beginning Balance (audited)	6,849,014	6,849,014	-
	Operating Income	(534,378)	(847,381)	(313,003)
	Ending Fund Balance (incl. Depreciation)	6,314,636	6,001,633	313,003
	Ending Fund Balance as % of Expenses	68.05%	59.03%	15.29%
	ADA	397.70	397.70	-

FY21-22 Mar22 vs. Jan22 (2nd Int) - LALPA

		2021-22	2021-22	\$ Change
		Jan22 Forecast (2nd Interim)	Mar22 Forecast	
Revenue	LCFF Entitlement	3,704,859	3,698,790	(6,069)
	Federal Revenue	2,048,145	2,212,269	164,124
	Other State Revenues	1,159,853	1,476,664	316,811
	Local Revenues	4,837	4,837	-
	Fundraising and Grants	2,964	3,439	475
	Total Revenue	6,920,659	7,396,000	475,341
Expenses	Comp and Benefits	2,634,382	2,558,871	(75,511)
	Books and Supplies	1,259,697	1,305,807	46,111
	Services and Other Ops	2,846,899	3,308,098	461,199
	Depreciation	101,636	101,636	-
	Total Expenses	6,842,614	7,274,412	431,798
	Operating Income	78,045	121,588	43,543
	Beginning Balance (Unaudited)	5,028,400	5,028,400	-
	Operating Income	78,045	121,588	43,543
	Ending Fund Balance (incl. Depreciation)	5,106,445	5,149,988	(43,543)
	Ending Fund Balance as % of Expenses	68.05%	70.80%	-3.88%
	ADA	307.10	307.10	-

FY21-22 Forecast Changes

CATEGORY	LALA Bottom Line Impact	LALPA Bottom Line Impact	NOTES
Fundraising, other	2,740	475	Adj per actuals
COVID Funding - Federal	(178,634)	146,889	ESSER adjustments to match spending plan, FEMA round 1
State Funding	65,447	324,625	Add ELO-P, offsetting expenses
LCFF & Other	(11,446)	3,352	PY revenue adjustments
Compensation	49,998	75,512	Adjusted per actuals & vacant positions, updated payroll master, offset by contracted subs
Office & other supplies	(38,949)	(46,111)	Added ed software, COVID supplies, IMA
College Readiness expense	(18,000)		Increase per actuals
Tutoring	(96,450)	(420,953)	ELO-P/ESSER funded adjustments
Contracted substitutes	(30,000)	(30,000)	Increased per actuals annualized
Sports	(18,500)		Correct, adj timing of planned PD funded by ESSER
Building repairs	(11,589)		
Misc. Other	(27,620)	(10,246)	CMO fee, SpEd, etc
	(313,003)	43,543	Total Change - Mar22 vs. Jan22

Restricted Funds Tracking – LALA (MS/HS)

Spending occurring for all restricted programs

	Title I/IV	Title II	Title III	NSLP	SpEd
	3010	4035	4203	5310	3310/6500
Apportionment/ Budgeted Funds	191,855	25,683	12,957	406,762	380,323
Comp and Benefits	191,855				206,836
Books and Supplies				320,712	1,132
Services and Other Ops		15,093	7,434		184,835
Total Spent to Date	191,855	15,093	7,434	320,712	392,803
Budget Remaining	0	10,590	5,523	86,050	(12,480)
Percent of Funds Remaining	0%	41%	43%	21%	0%

Monitoring spending monthly, on track to spend all this year

Restricted Funds Tracking – LALPA

Includes carryover of Title II from prior year

	Title I/IV	Title II	Title III	NSLP	SpEd
	3010	4035	4203	5310	3310/6500
Apportionment/ Budgeted Funds	146,523	24,997	20,864	334,800	293,660
Comp and Benefits	111,810		14,393		178,022
Books and Supplies				246,818	1,983
Services and Other Ops		24,997			149,512
Total Spent to Date	111,810	24,997	14,393	246,818	329,517
Budget Remaining	34,713	0	6,471	87,982	(35,857)
Percent of Funds Remaining	24%	0%	31%	26%	0%

On track to spend all this year

LALA has \$581k (22%) of COVID funds remaining, primarily ESSER II-III

	GEER	ESSER I, II, III	AB 86 In Person Instruction	AB 86 Expanded Learning
Revenue	28,061	2,111,586	173,659	368,781
Expense – to date	28,061	1,530,785	173,659	368,781
Salaries & Benefits	-	24,803	62,811	28,565
Books & Supplies	23,524	404,685	15,714	-
Services & Other	4,537	1,048,578	95,134	340,216
Capital Projects	-	52,719	-	-
Remaining Funds	-	580,801	-	-
% Remaining	0%	28%	0%	0%

Due dates extend as far as September 2024

COVID Funding - LALPA

LALPA has \$250k (13%) of COVID funds remaining, primarily ESSER II-III

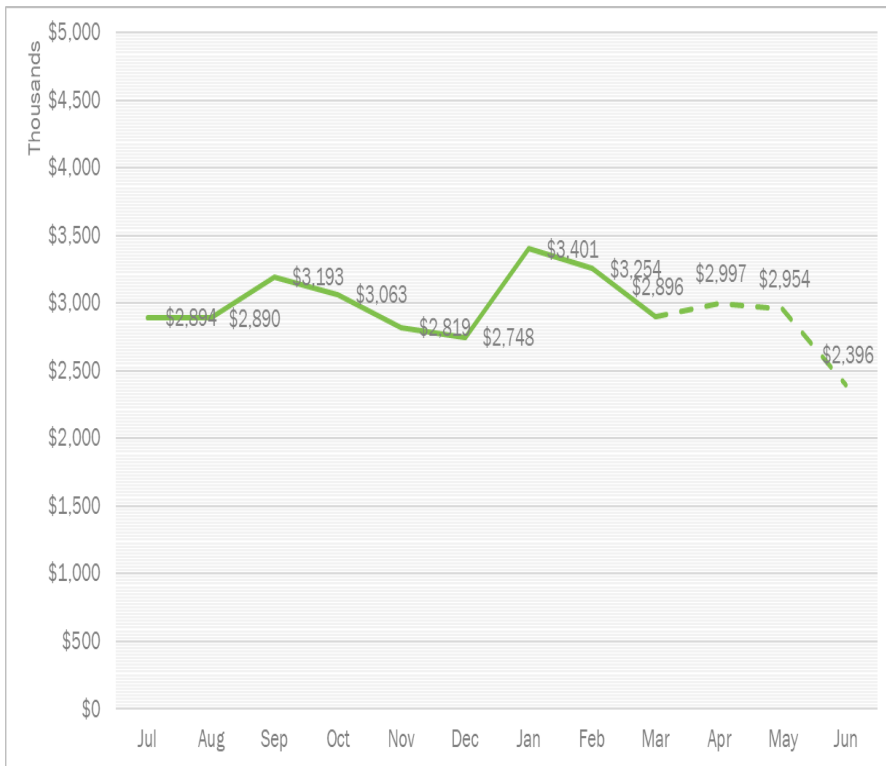
	GEER	ESSER I, II, III	AB 86 In Person Instruction	AB 86 Expanded Learning
Revenue	9,660	1,510,439	112,274	236,484
Expense – to date	9,660	1,260,589	112,274	236,484
Salaries & Benefits	-	-	56,146	8,934
Books & Supplies	6,014	214,678	22,868	-
Services & Other	3,646	1,009,031	33,260	227,550
Capital Projects	-	36,880	-	-
Remaining Funds	-	249,850	-	-
% Remaining	0%	17%	0%	0%

Due dates extend as far as September 2024

2021-2022 Cash Flow By Charter

LALA MS/HS

cash balance \$2.9M as of
3/31/22



LALPA

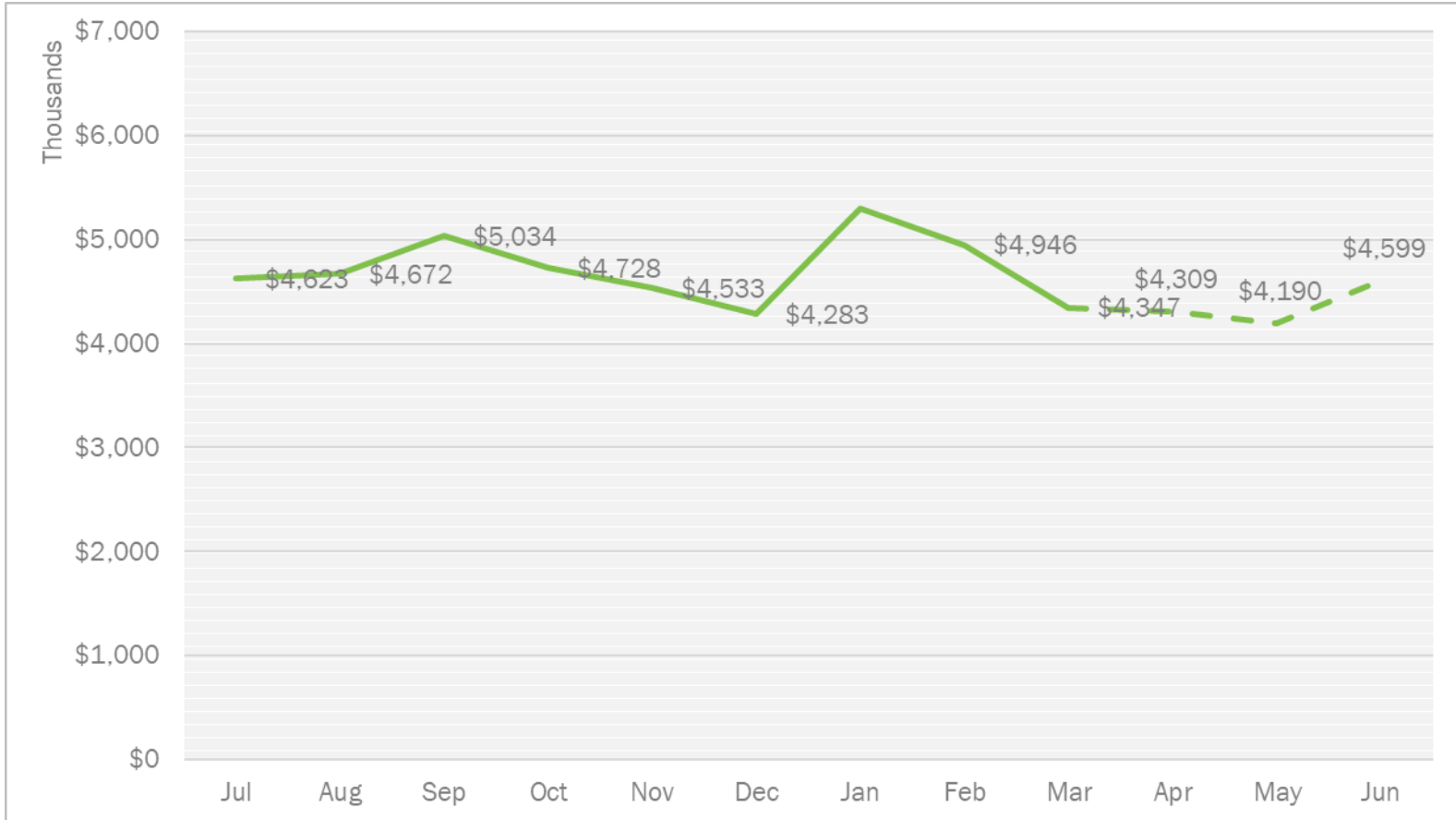
cash balance \$2.1M as of
3/31/22



Year-end cash balance of 24% reserve for LALA (86 days cash on hand), and 29% reserve for LALPA (108 days cash on hand)

2021-2022 Cash Flow - Consolidated

Cash balance is steady - consolidated balance of \$4.3M as of 3/31/22



Forecasting to end year with 26% reserve in cash,
96 days (3.2 months) cash on hand

Balance Sheet – Consolidated as of March 2022

What the Organization owns and owes as of 3/31/22 (Unaudited)

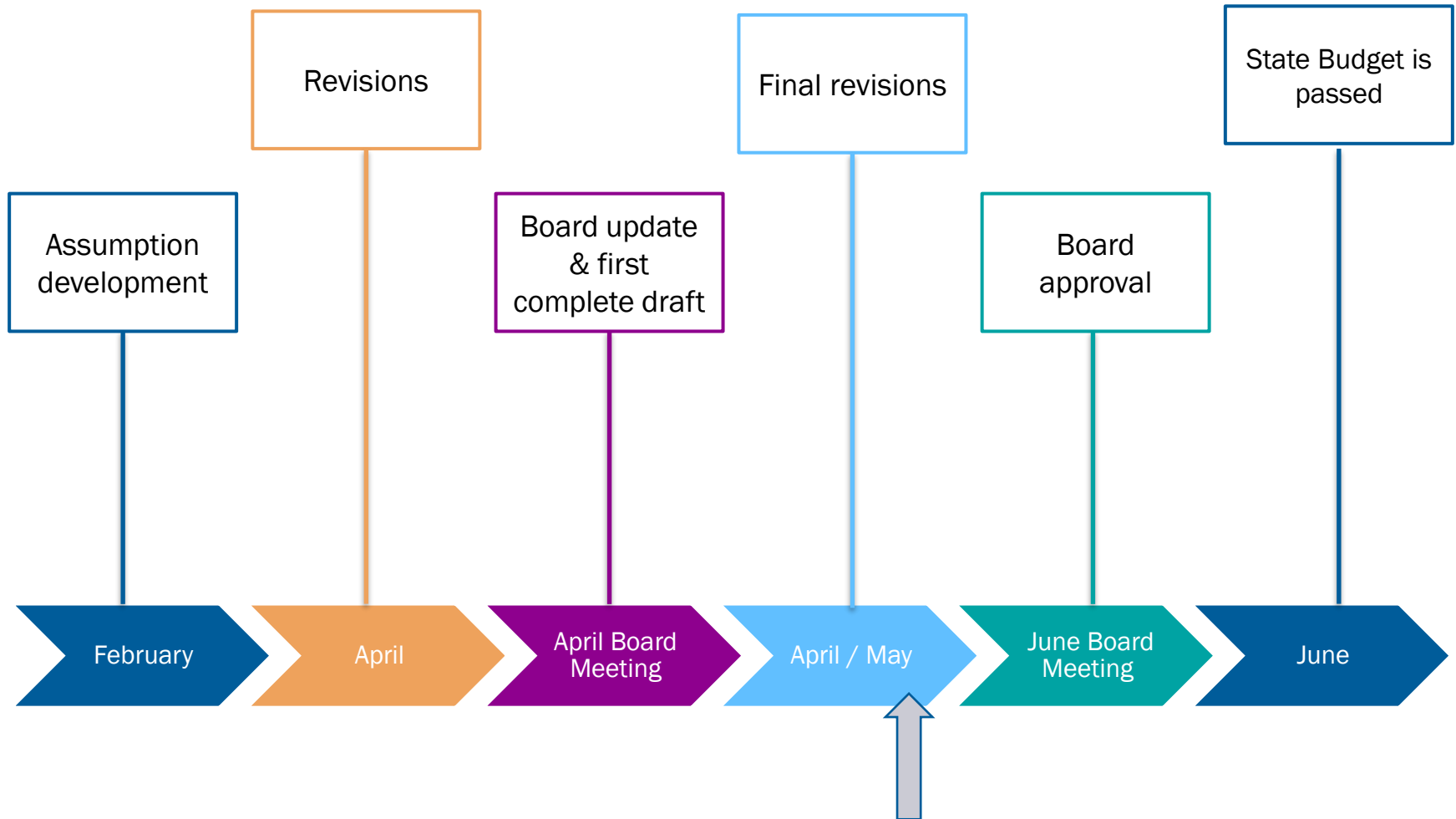
		LALA-MS/HS	LALPA	Home Office	Total 3/31/22 (Unaudited)	Total 6/30/21 (Audited)	YTD CHANGE
Assets	Cash Balance	2,896,427	2,074,963	(624,728)	4,346,662	4,892,672	(546,010)
	Accounts Receivable	46,577	22,274		68,851	3,009,139	(2,940,288)
	Prepays and Other Assets	46,089	38,014		84,103	234,597	(150,494)
	Fixed Assets, Net	3,929,393	2,392,057		6,321,450	6,321,450	-
	Total Assets	6,918,486	4,527,308	(624,728)	10,821,066	14,457,858	(3,636,792)
Liabilities & Equity	Accounts Payable	158,161	61,147	-	219,308	409,297	(189,989)
	Deferred Revenues	131,559	278,980		410,539	502,443	(91,904)
	Current Loans and Other Payables	332,717	133,364	81,421	547,502	731,836	(184,334)
	Long-Term Loans and Other Liabilities	927,000	-		927,000	927,000	-
	Beginning Net Assets	6,849,014	5,028,400	9,865	11,887,279	9,613,070	2,274,209
	Net Income (Loss) to Date	(1,479,965)	(974,583)	(716,014)	(3,170,562)	2,274,212	(5,444,774)
	Total Liabilities & Equity	6,918,486	4,527,308	(624,728)	10,821,066	14,457,858	(3,636,792)

2022-2023 Budget Draft



Budget Development

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



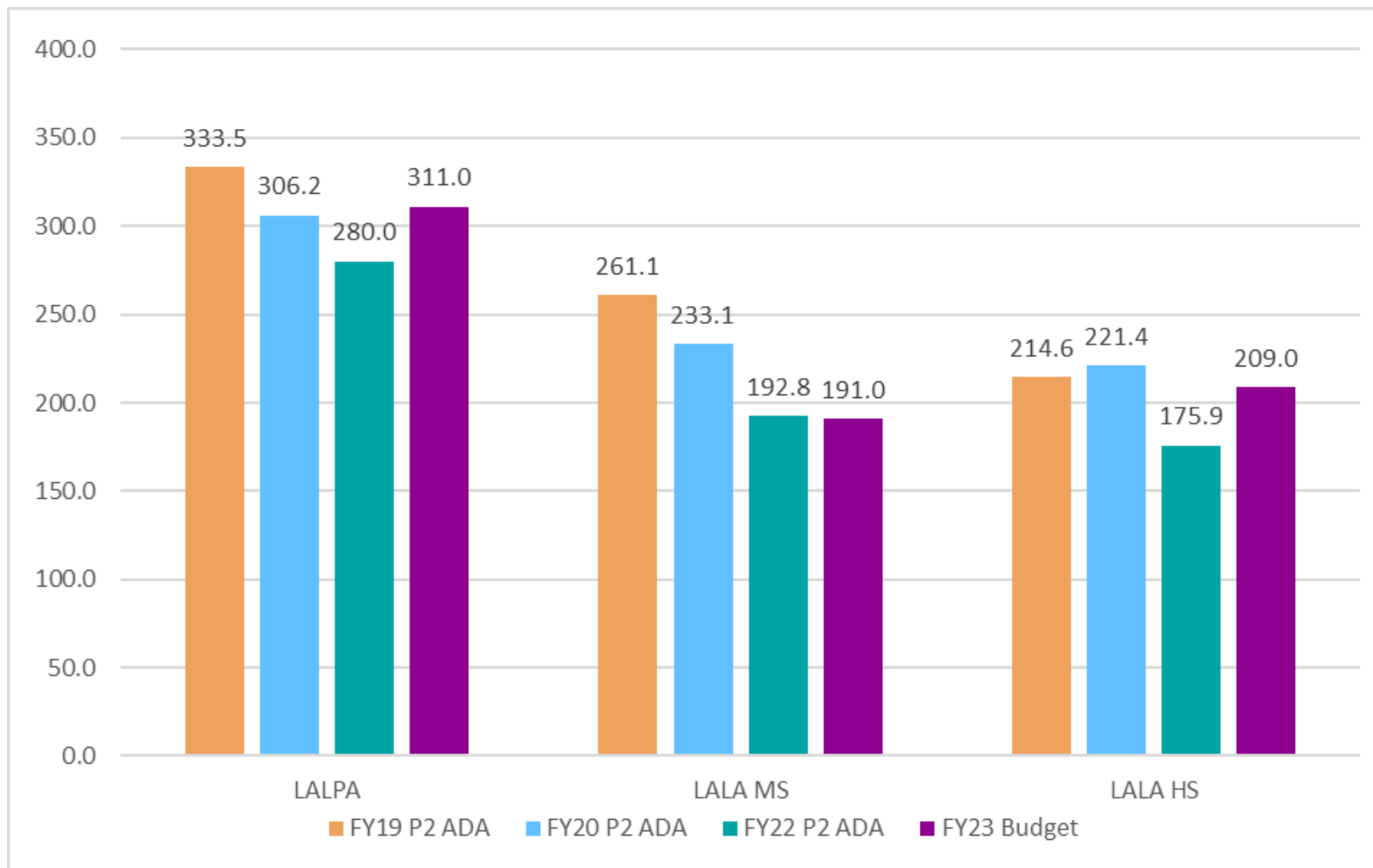
FY22-23 Budget Assumptions

	PS	MS	HS
Enrollment	324	201	220
ADA	311	191	209
Attendance Rate	96%	95%	95%
School Unduplicate	285	172	188
School UPP %	88%	86%	85%
District UPP %	85%	85%	85%

Funding Sources	2021-22	2022-23	Notes
LCFF			
Rate Per ADA	12,358	13,488	Per May Revise, COLA increase (9%+)
Federal Revenue			
SPED Per ADA	277	226	FY23 Pending confirmation from LAUSD
Title I/IV	347,025	347,025	Estimated - may increase
Title II	44,342	44,342	Estimated - may increase
Title III	34,836	34,836	Estimated - may increase
One-time (ESSER, etc) - LALPA	1,578,770	67,398	
One-time (ESSER, etc) - LALA	1,874,493	490,684	
Other State Revenues			
SPED Per ADA	786	819	
Lottery per ADA	228	228	Estimate flat funding, no COLA
SB740 Facility funding	1,232	1,298	\$1,298 per ADA to offset rent, capped at ADA, 90% prorated
Mandate per PY ADA	48	50	
ASES	443,725	356,094	FY22 includes carryovers from Prior Year
Other State (ELO-P, A-G, etc) - LALPA	654,935	857,464	
Other State (ELO-P, A-G, etc) - LALA	552,326	465,208	

Historical and Budgeted ADA

FY23 Budgeting flat ADA for MS, increase at LALPA and HS



FY22-23 Budget Draft

		LALA	LALPA	Home Office	Eliminations (CMO Fee)	Total (after eliminations)
Revenue	LCFF Entitlement	5,489,965	4,099,958	-		9,589,923
	Federal Revenue	1,125,378	598,381	-		1,723,759
	Other State Revenues	1,537,857	1,685,552	-		3,223,409
	Local Revenues	1,429	-	952,361	(932,361)	21,429
	Total Revenue	8,154,629	6,383,891	952,361	(932,361)	14,558,520
Expenses	Comp and Benefits	4,364,604	2,926,949	732,031		8,023,583
	Books and Supplies	885,970	582,031	3,259		1,471,260
	Services and Other Ops	3,132,891	2,715,207	217,072	(932,361)	5,132,808
	Depreciation	153,773	101,636	-		255,409
	Total Expenses	8,537,238	6,325,822	952,361	(932,361)	14,883,061
	Operating Income	(382,609)	58,069	(0)	-	(324,541)
	Beginning Balance (Unaudited)	6,001,633	5,149,988	9,865		11,161,486
	Ending Fund Balance (incl. Depreciation)	5,619,024	5,208,056	9,865		10,836,945
	Ending Fund Balance as % of Expenses	65.82%	82.33%	1.04%		72.81%
	Forecasted ADA (FY20 P2 counts)	400.00	311.00			711.00

FY22-23 Budget Compare to FY21-22

		2021-2022	2022-2023	\$ Change	Notes
		Mar22 Forecast	Budget Draft		
Revenue	LCFF Entitlement	8,710,781	9,589,923	879,142	COLA increase (9%+)
	Federal Revenue	4,847,611	1,723,759	(3,123,852)	Removal of one-time COVID funds
	Other State Revenues	3,130,590	3,223,409	92,819	ELO-P, A-G, offset by removed one-time funds
	Local Revenues	38,239	21,429	(16,810)	
	Total Revenue	16,727,222	14,558,520	(2,168,702)	
Expenses	Comp and Benefits	7,340,498	8,023,583	683,085	
	Books and Supplies	3,233,095	1,471,260	(1,761,836)	One-time COVID expenses
	Services and Other Ops	6,632,233	5,132,808	(1,499,425)	One-time COVID expenses
	Depreciation	256,288	255,409	(879)	
	Total Expenses	17,462,114	14,883,061	(2,579,053)	
	Operating Income	(734,892)	(324,541)	410,352	
	Beginning Balance (Unaudited)	11,887,279	11,161,486	(725,793)	
	Ending Fund Balance (incl. Depreciation)	11,152,387	10,836,945	(315,442)	
	Ending Fund Balance as % of Expenses	63.87%	72.81%	8.95%	
	ADA	704.80	711.00	6.20	

Exhibits

