

# **Finance Committee**

**October 1, 2020**



# Finance Committee Agenda

	#	Category	Attached Statements, if applicable
Recurring Discussion Items	1	<b>Goals: today &amp; upcoming meetings</b>	-
	2	<b>Financial Statements: FY20</b>	Budget vs. Actuals (Soft Close)
	3	<b>Financial Statements: FY21</b>	1) YTD Income Statement (August Close), 2) Two-year Cash Flow Projections, 3) Balance Sheet
Recurring Consent Items	4	<b>Facilities</b>	1) Sources & Uses, 2) Project-to-date [FINAL]
	5	<b>Check Registers</b>	July & August 2020 Register
	6	<b>Contracts</b>	N/A
Current Items	7	<b>PPP Update</b>	-
	8	<b>BOT Assessment</b>	Moved first, w/ Sam Falk from BOT joining from 5:00 - 5:20.
	9	<b>Closing</b>	-



# Goals & Upcoming Scope

In advance of October's Board Meeting, **today's primary goals** include:

1. Vet any questions for recommended October Revise
2. Vet any questions about close of financials for: A) FY20 and B) Facilities
3. Give input on Board on Track Assessment

Upcoming Meetings will focus on:

## **December**

1) Audit, 2) LCPS Staff Compensation Plan & MYP Assumptions

## **February**

1) Governor's January Budget & update on 2021+ planning, 2) Scoping out Facility Refinancing timeline (possibly April based on need)



# Recurring Discussion Items

- **Financials Statements (FY20) - Unaudited Actuals**
- **Financial Statements (FY21) - October Revised Budget**



# FY20: Soft Close

As of: <u>June 30, 2020 (Final version for Unaudited Actuals)</u>				
		Budget	Actuals	Budget vs. Final Actuals
<b>Summary</b>				-
<b>Unrestricted</b>				
<b>Revenues</b>				
8000	Local Control Funding Formula	14,062,425	14,248,490	186,065
8100	Federal Revenue	1,358,076	1,541,643	183,567
8300	Other State Revenues	2,713,338	3,003,277	289,939
8600	Local Revenues	980,337	969,655	(10,681)
8800	Fundraising and Grants	976,700	1,321,347	344,647
	<b>TOTAL</b>	<b>20,090,876</b>	<b>21,084,412</b>	<b>993,536</b>
<b>Expenses</b>				
1-2000	Compensation	10,771,055	10,612,224	(158,831)
3000	Employee Benefits	2,423,930	2,419,172	(4,758)
4000	Books and Supplies	1,704,283	1,481,900	(222,383)
5000	Services & Other Operating Exp.	4,884,639	5,124,351	239,713
6000	Capital Outlay	25,000	-	(25,000)
	<b>TOTAL</b>	<b>19,808,907</b>	<b>19,637,741</b>	<b>(171,166)</b>
<b>Operating Income, before Depreciation</b>		<b>281,969</b>	<b>1,446,671</b>	<b>1,164,702</b>
<i>Operating Income, as a % of expenses</i>		<i>1.4%</i>	<i>7.4%</i>	
6900	Depreciation Expense	40,000	295,867	255,867
<b>Change in Unrestricted Net Assets (inc. Depreciation)</b>		<b>241,969</b>	<b>1,150,803</b>	<b>908,834</b>
<b>Capital Campaign</b>				
Net Change		-	1,783,339	1,783,339

Our submission of the Unaudited Actuals confirmed the projections heading into the end of the year.

LCPS far outperformed its budget expectations. This provides some much needed buffer for cash reserves, looking ahead to spring 2021 deferrals.

Over the course of the year, the primary drivers of this change were:

1. improved ADA, resulting in +\$220K
2. improvement on select programs totaling \$260K
  - a. Alder: \$60K
  - b. G1: \$20K
  - c. Nutrition: \$180K, which
3. reduced expenses, with the majority come at EOY (~\$400K)

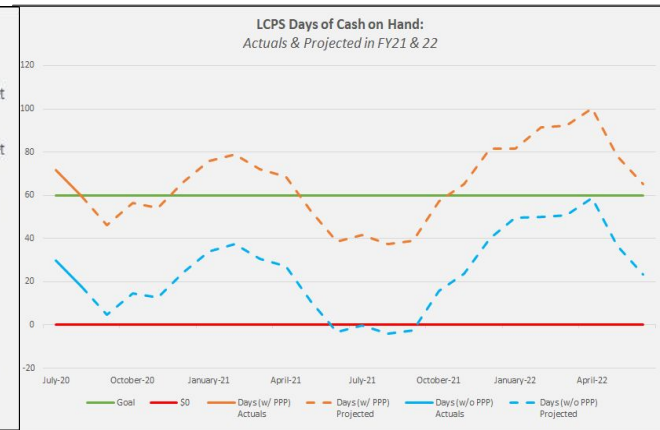
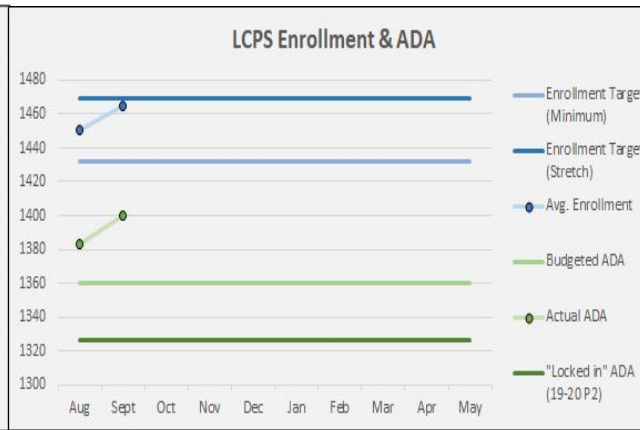
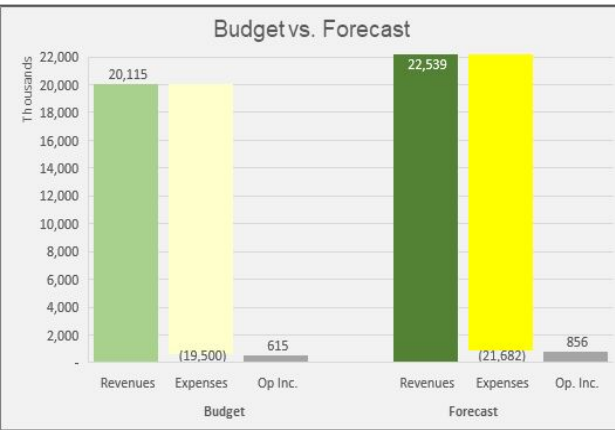
# FY21: Key Indicators

See subsequent 3 slides for Zoomed-in view

## Budget vs. Actuals

## Enrollment & ADA

## Cash Flow Forecast



Two revenue increases (LCFF & one-time Learning Loss Mitigation funding) drive improvement, and are up even further since we examined this in August.

Both our average enrollment (+25 YTD) and ADA (+31) have been higher than our budgeted targets.

On average, we've been seeing daily participation rates of 95.5%.

**Orange** indicates balances with PPP, and **Blue** without.

Note the drastic impact of deferrals in summer of 2021. This dip is less drastic than at our last review, based on improved revenues.

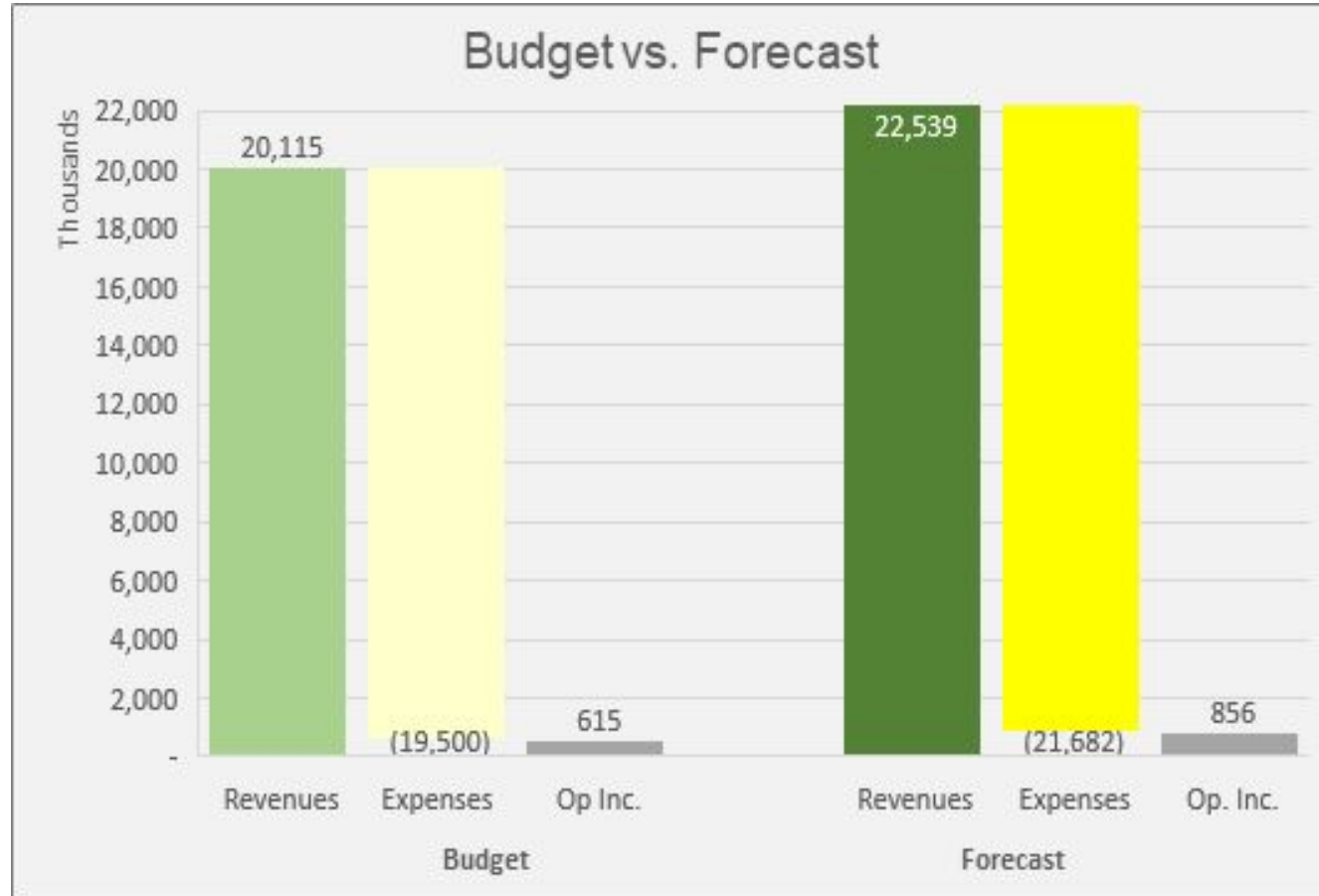


# FY21: Key Indicator #1 - BUDGET vs. FORECAST

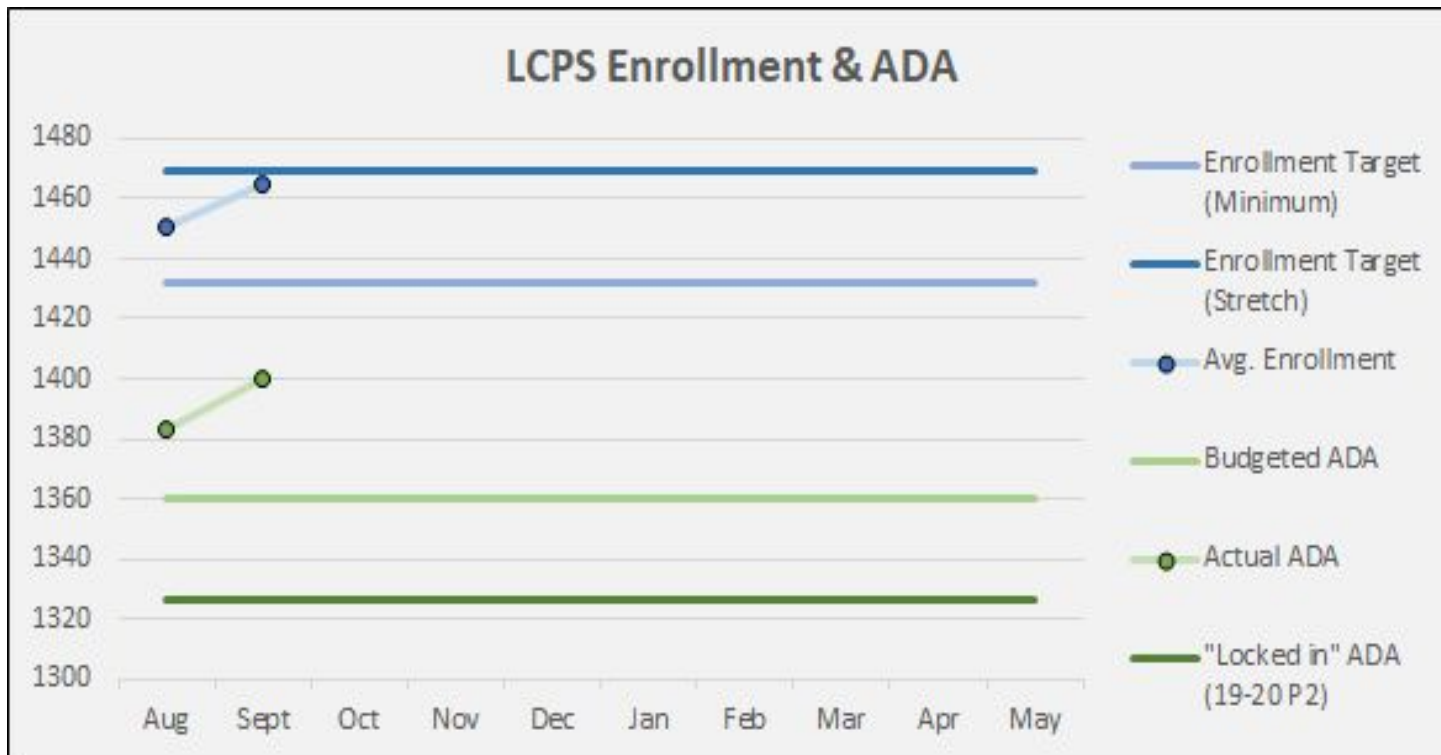
Recurring **DISCUSSION** Items

The current forecast is recommended for adoption as the October Revised Budget.

There are 2 major changes detailed on the ensuing slides:  
1) LCFF changes since June adoption, and  
2) One-time Learning Loss mitigation funds.



# FY21: Key Indicator #2 - ENROLLMENT & ADA

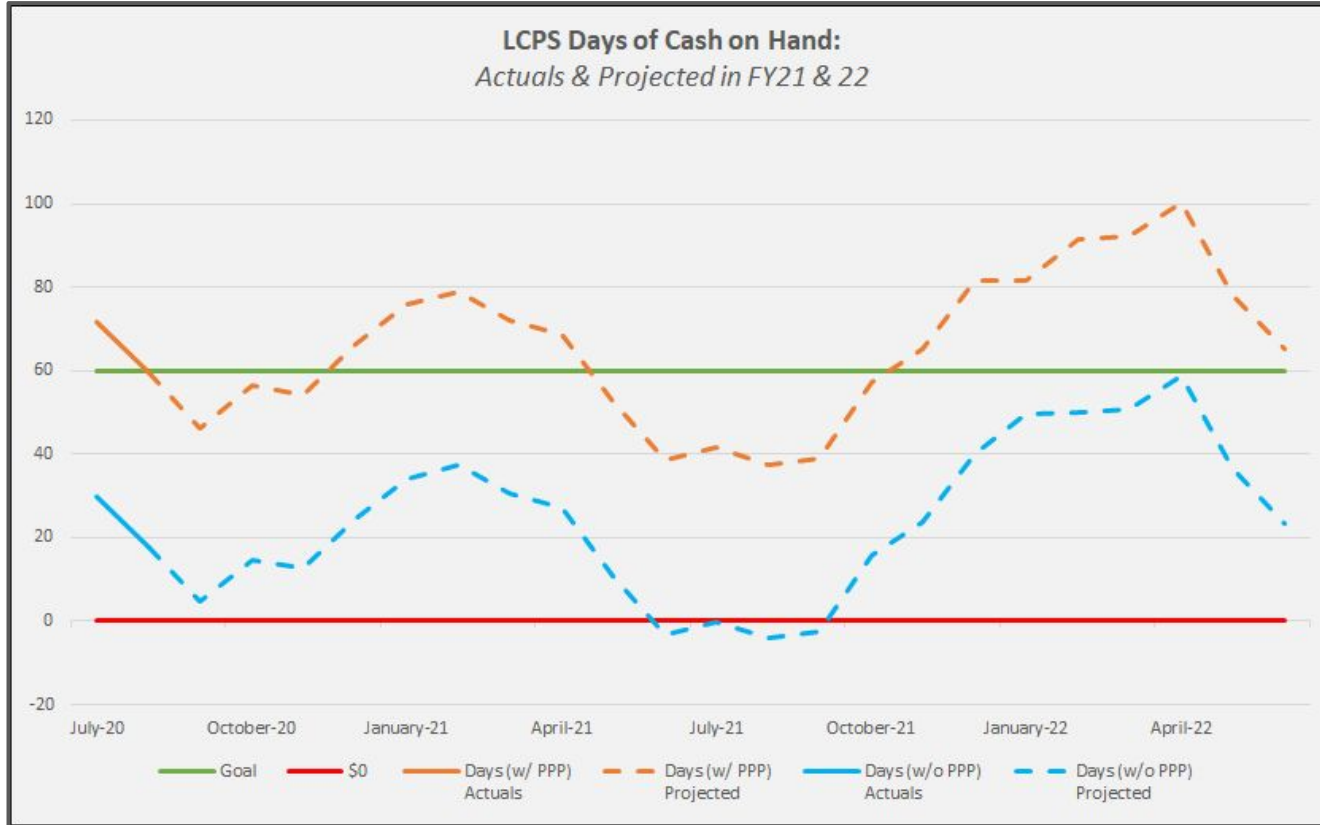


**During the year, this will show ongoing enrollment and ADA.**

Note: UPP to be added at Census Day (October 7).



# FY21: Key Indicator #3 - CASH FLOW



**Key Assumptions:**

This includes the state's proposed deferrals, impacting LCFF from March - December 2021.

*Note: Projected balances above do NOT include two additional sources of available cash:  
1. LCPS cash reserve account (\$250K / 5 Days COH); 2. Line of Credit with FRB (\$500K / 10 Days COH)*

# FY21: October Budget Adoption

Major revenue changes since June prompt a formal budget revision

## Closer look at the 2 primary changes from June to October

### LCFF

Total projected at \$14.7M, up \$1.1M from June budget

**Drivers:** The increase is attributed to:

1. increased rates at the state level (~\$650K)
2. growing population at Lodestar (~\$450K)

**Variability:** Base funding will be driven by last year's ADA, so it's largely locked in. However, there are 2 remaining inputs: student counts and Unduplicated Pupil Counts\*, as of 10/7.

### Learning Loss Mitigation

LCPS revenues totaled \$1.4M

**Uses:** This is one-time funding that will support needs associated with our COVID response including: acquisition of PPE & cleaning costs, improved Technology for students & staff, platforms to implement Distance Learning, to support high needs students & professional development for staff.

**Potential Upside:** this will positively support cash in the spring, given how we expend the funds through the fall. We'll have a firmer update about that bottom line impact in Jan. (requirement to encumber funds by 12/31 for majority of LLM)

\* The Unduplicated Pupil Count is the number of students who (1) are English learners, (2) meet requirements for free or reduced-price meals, or (3) are foster youth. This impacts the "Supplemental and Concentration" calculation of LCFF.

# Cash Flow Highlight: LCFF Deferrals

State deferrals delay \$2M in 2021.

23% of the LCFF state funding will be deferred into the following year, prompting the cash dip shown in our projections

LCPS	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Deferral from...	-220K	-350K	-350K	-350K	-875K					
Deferred to...						+875K	+350K	+350K	+350K	+220K
Cumulative impact	-220K	-570K	-920K	-1.3M	-2.1M	-1.3M	-920K	-570K	-220K	0



## What does this mean for LCPS?

At the low point in June-September 2021, we'll have about \$2M less in the bank

## How will LCPS manage this cash deferral?

At this point, we are projecting to meet this challenges through a combination of: 1) receiving loan forgiveness of PPP loan, 2) recognizing revenue upsides (prior slide), 3) use of Cash Reserve account (\$250K), or 4) short-term use of Line of Credit (up to \$500K; FRB has indicated an increase to \$1M would be reviewed at the time of the line's renewal in March, if the need remains)

# Recurring Consent Items

- **Facilities**
- **Check Register**
- **Contracts (N/A this month)**



# Lodestar Facility

## Looking back...

PCSD 701 105th Ave LLC - Lighthouse Lodestar - Financing Summary

Project Financing & Re-Financing Summary

PHASE 1: ACQUISITION & ADAPTIVE REHABILITATION OF 2 EXISTING STRUCTURES 12/1/2017-8/31/18

USES		SOURCES	
Acquisition Costs	\$ 8,759,775	PCSD Capital Contribution	\$ 3,480,000
Hard Costs	\$ 4,830,461	Lighthouse Capital Contribution	\$ 1,840,000
Soft Costs	\$ 1,319,636	Lighthouse - More Capital Needed	\$ -
Finance Costs	\$ 399,194	FRB - Loan Phase 1	\$ 10,000,000
Management Costs	\$ -	FRB - Loan Phase 2	\$ -
Contingency	\$ 10,873		\$ -
<b>Total Project Costs</b>	<b>\$ 15,320,000</b>	<b>Total Sources</b>	<b>\$ 15,320,000</b>

PHASE 2B: PERM BLDG 3/1/19-6/30/2020

USES		SOURCES	
Acquisition Costs	\$ -	PCSD Capital Contribution	\$ 2,951,000
Hard Costs	\$ 11,388,890	Lighthouse Capital Contribution	\$ 2,861,500
Soft Costs	\$ 1,239,584	Lighthouse - Add'l Capital for	\$ 94,000
Finance Costs	\$ 365,000	FRB - Loan Phase 1	\$ -
Management Costs	\$ -	FRB - Loan Phase 2	\$ 7,800,000
Contingency	\$ 713,026		\$ -
<b>Total Project Costs</b>	<b>\$ 13,706,500</b>	<b>Total Sources</b>	<b>\$ 13,706,500</b>

SUMMARY - PROJECT INCEPTION THROUGH PERM BLDG 12/1/17-6/30/2020

USES		SOURCES	
Acquisition Costs	\$ 8,759,775	PCSD Capital Contribution	\$ 6,431,000
Hard Costs	\$ 16,219,351	Lighthouse Capital Contribution	\$ 4,701,500
Soft Costs	\$ 2,559,280	Lighthouse - More Capital Needed	\$ 94,000
Finance Costs	\$ 764,194	FRB - Loan Phase 1	\$ 10,000,000
Management Costs	\$ -	FRB - Loan Phase 2	\$ 7,800,000
Contingency	\$ 723,899	Other	\$ -
Budget Adjustment	\$ -	Reallocate Net Rental CF from LY2	\$ -
<b>Total Project Costs</b>	<b>\$ 29,026,500</b>	<b>Total Sources</b>	<b>\$ 29,026,500</b>

LH PURCHASE FROM PCSD 7/1/2024

USES		SOURCES	
Repay Acquisition Loan	\$ 10,000,000	PCSD - Credit for Net CF during lease	\$ 532,469
Repay Construction Loan	\$ 7,800,000	Credit for Loan #1 Amort. from rent	\$ 1,619,622
Repay PCSD Capital Contribution	\$ 6,431,000	Credit for Loan #2 Amort. from rent	\$ 827,917
Finance Costs	\$ 1,700,000	Lighthouse Capital Contribution	\$ 2,412,911
Management Costs	\$ -	New Loan	\$ 20,538,000
Contingency	\$ -		\$ -
<b>Total Project Costs</b>	<b>\$ 25,931,000</b>	<b>Total Sources</b>	<b>\$ 25,930,919</b>

Highlighted amount is \$200,000 under original budgeted amount.  
Final figures will be complete at conclusion of Turf installation.

## Looking forward...

On the Facilities front, we have **3 primary areas of focus** moving forward:

- 1) Development** (chart below): of the \$7.4M Capital Campaign, we have \$200K remaining to raise by refinancing in 2023-24.
- 2) Refinancing:** during
- 3) Approvals:** we have our Temporary Certificate of Occupancy and are working with the city towards Final Occupancy.

LCPS' Sources Required				Accounting of Sources		
Phase	Timing for initial contrib.	Timing for FINAL contrib.	Amount	Received	Pledged	Outstanding
PHASE 1	Dec. '17	Jan '18	1,840,000	1,840,000	-	-
PHASE 2	May '19	Spring '20	3,005,500	3,005,500	-	-
PHASE "3"	N/A	Spring '24	2,600,000	390,629	2,000,000	209,371
<b>TOTALS</b>			<b>7,445,500</b>	<b>5,236,129</b>	<b>2,000,000</b>	<b>209,371</b>
				70%	27%	3%

# Recurring Consent Items

## Check Register

The attached statement includes checks in July & August 2020.

# Current Topics

- **PPP Update**
- **Board On Track Assessment**



# PPP Loan

## Paycheck Protection Program

- Our lender (CRF) is still rolling out the application.
- Internal reports are prepared, and will be further evaluated as we prepare the application.



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# Board Assessment - I. Results

## Financial Indicators

### Finance

	 LEVEL 1 Basic	 LEVEL 2 Emerging	 LEVEL 3 Intermediate	 LEVEL 4 Advanced	 LEVEL 5 Excellent
Financial Oversight					 
Financial Policies and Procedures					
Financial Controls					
Financial Reports					
Developing Realistic Budgets					 
Board Education					
Annual Audit/990					
Financial Compliance					
Support of the CEO					 

# Board Assessment - II. Answer Key

Answer key for: Finance	
Financial Oversight	<ul style="list-style-type: none"> <li>All trustees have a clear understanding of the economics of your charter organization, including the budget and short- and long-term financial outlook.</li> <li>The board has a clear and consistent process for articulating priorities and mapping financial allocations to them.</li> </ul>
Financial Policies and Procedures	<ul style="list-style-type: none"> <li>There is a Financial Policies and Procedures (FPP) manual that is annually revised and reviewed by the Finance Committee.</li> <li>The Financial Policies and Procedures (FPP) manual meets and exceeds your charter authorizer's recommended standards.</li> </ul>
Financial Controls	<ul style="list-style-type: none"> <li>The books are closed on a timely basis each month, quarter, and year, without exception.</li> <li>The board's auditors are 100% comfortable with the internal controls (and compensating controls when you do not have enough staff members to divide up the duties).</li> <li>The board-approved financial-control policies provide meaningful checks and balances, which are followed consistently, without exception.</li> </ul>
Financial Reports	<ul style="list-style-type: none"> <li>Once a year, the CEO and the Finance Committee come to an agreement on what types of financial reports will be prepared for board review on an annual, quarterly, and monthly basis.</li> <li>Monthly, the board receives accurate financial reports that include projections through the end of the fiscal year each month or quarter.</li> <li>The financial reports allow the board to track the organization's financial position.</li> <li>Monthly, the Finance Committee reviews financial reports.</li> <li>The Finance Committee always make inquires into and understands the causes of any meaningful variances from the organization's projected budget.</li> </ul>
Developing Realistic Budgets	<ul style="list-style-type: none"> <li>Annually, there is a multi-year budget that has been approved by the full board and is revised and re-approved by the board.</li> <li>There is a strong annual budgeting process that involves a healthy dialogue between the CEO and both the Finance Committee and the full board about resource allocation priorities.</li> <li>The annual budgeting process gets completed in time for the CEO to make strategic hiring and programmatic decisions for the next year.</li> </ul>
Board Education	<ul style="list-style-type: none"> <li>Each trustee is well-versed in the key drivers and sources of revenues for your organization, and the related cash flows.</li> <li>The full board is annually trained by the Finance Committee to read, understand, and interpret the main points of the financial reports.</li> <li>The Finance Committee leads a portion of the new trustee orientation, orienting them to the organization's short and long-term financial health and training them on how to read and interpret financial reports.</li> </ul>
Annual Audit/990	<ul style="list-style-type: none"> <li>The organization always, without exception, receives an unqualified opinion and very few or no recommendations in the audit's management letter.</li> <li>If/when recommendations are received; they are always resolved and noted as completed in the subsequent management letter, without exception.</li> <li>The organization's completed 990 is reviewed/signed off by the Finance Committee and sent to the IRS on a timely basis, and shared annually with the full board, always and without exception.</li> </ul>
Financial Compliance	<ul style="list-style-type: none"> <li>The board is 100% confident that the organization's management team is properly handling restricted grants.</li> <li>The management provides the Finance Committee with a detailed checklist of all of management's deliverables and reports to various agencies, authorizers, and auditors.</li> <li>The Finance Committee annually confirms that the deliverables and reports to various agencies, authorizers, and auditors are completed/submitted accurately and on a timely basis.</li> </ul>
Support of the CEO	<ul style="list-style-type: none"> <li>The Finance Committee has an outstanding relationship with the CEO, and is able to actively help her/him develop their skills in overseeing the financial health of the organization.</li> <li>Recognizing that the members of the Finance Committee typically have more financial experience than the CEO, the Finance Committee annually helps the CEO assess whether the organization has an adequate number of staff members supporting the operational and financial needs of the organization.</li> <li>Annually, the Finance Committee assists the CEO in setting strategic goals about:             <ul style="list-style-type: none"> <li>Strengthening the staffing that supports the smooth finance and operations of the school</li> <li>Strengthening the financial systems of the organization</li> </ul> </li> </ul>

# Board Assessment - III. Discussion

**What jumps out from our results?**

**What do we want to prioritize?**



Lighthouse Community Public Schools

Year to Date: Budget vs. Actuals

Site: LCPS Roll up

As of: June 30, 2020 (Final version for Unaudited Actuals)

		Budget	Actuals	Budget vs. Final Actuals
<b>Summary</b>				-
<b>Unrestricted</b>				
<b>Revenues</b>				
8000	Local Control Funding Formula	14,062,425	14,248,490	186,065
8100	Federal Revenue	1,358,076	1,541,643	183,567
8300	Other State Revenues	2,713,338	3,003,277	289,939
8600	Local Revenues	980,337	969,655	(10,681)
8800	Fundraising and Grants	976,700	1,321,347	344,647
	<b>TOTAL</b>	<b>20,090,876</b>	<b>21,084,412</b>	<b>993,536</b>
<b>Expenses</b>				
1-2000	Compensation	10,771,055	10,612,224	(158,831)
3000	Employee Benefits	2,423,930	2,419,172	(4,758)
4000	Books and Supplies	1,704,283	1,481,900	(222,383)
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	<b>TOTAL</b>	<b>19,808,907</b>	<b>19,637,741</b>	<b>(171,166)</b>
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<i>Operating Income, as a % of expenses</i>		<i>1.4%</i>	<i>7.4%</i>	
6900	Depreciation Expense	40,000	295,867	255,867
<b>Change in Unrestricted Net Assets (inc. Depreciation)</b>		<b>241,969</b>	<b>1,150,803</b>	<b>908,834</b>
<b>Capital Campaign</b>				
	Net Change	-	1,783,339	1,783,339
<b>Fund Balance</b>				
Beginning Balance				-
	Unrestricted	3,839,919	3,839,919	
	Restricted	547,197	547,197	
Beginning Balance		4,387,116	4,387,116	
<b>Projected Ending Balance</b>		<b>4,629,085</b>	<b>5,578,604</b>	
<i>Projected Ending Balance, as a % of Expenses</i>		<i>23%</i>	<i>28%</i>	

Lighthouse Community Public Schools  
 Year to Date: Budget vs. Actuals  
 Site: LCPS Roll up  
 As of: June 30, 2020 (Final version for Unaudited Actuals)

	Budget	Actuals	Budget vs. Final Actuals
<b>Student Enrollment</b>			
<b>Enrollment Breakdown</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Budget vs. Forecast</b>
K	118	118	-
1	118	118	-
2	112	112	-
3	118	118	-
4	112	112	-
5	128	128	-
6	128	128	-
7	141	141	-
8	125	125	-
9	80	81	1
10	80	81	1
11	68	68	-
12	60	60	-
<b>Total</b>	<b>1,388</b>	<b>1,390</b>	<b>2</b>
<b>Attendance Percentage</b>			
<b>Average</b>	<b>94.4%</b>	<b>94.5%</b>	<b>0.1%</b>
<b>ADA</b>			
<b>Total ADA</b>	<b>1,310</b>	<b>1,314</b>	<b>4</b>
<b>Demographic Information</b>		<b>Final</b>	
Enrollment (CALPADS; Fall 1)	1,388	1,404	16
FRL (#)	964	1,139	175
EL (#)	510	568	58
Unduplicated (#)	1,126	1,210	84
FRL (%)	69.5%	81.1%	11.7%
EL (%)	36.7%	40.5%	3.7%
Unduplicated (%)	81.1%	86.2%	5.1%

Lighthouse Community Public Schools

Year to Date: Budget vs. Actuals

Site: LCPS Roll up

As of: June 30, 2020 (Final version for Unaudited Actuals)

Revenue Detail		Budget vs. Final		
		Budget	Actuals	Actuals
<b>8000</b>	<b>Local Control Funding Formula</b>			
8011	State Aid	9,776,988	10,177,650	400,662
8012	Education Protection Account	1,155,213	793,769	(361,444)
8096	Funding in Lieu of Property Taxes	3,130,224	3,337,396	207,172
	<b>Subtotal</b>	<b>14,062,425</b>	<b>14,308,815</b>	<b>246,390</b>
<b>8100</b>	<b>Federal Revenue</b>			
8290	Title Funding	797,656	741,117	(56,539)
8181	Special Education	153,720	173,944	20,224
8220	Child Nutrition	406,700	626,582	219,882
8100	Other Federal Revenues	-	-	(0)
	<b>Subtotal</b>	<b>1,358,076</b>	<b>1,541,643</b>	<b>183,567</b>
<b>8300</b>	<b>Other State Revenues</b>			
8381	Special Education	740,719	935,591	194,873
8300	All Other State Revenues	1,972,619	2,067,686	95,067
	<b>Subtotal</b>	<b>2,713,338</b>	<b>3,003,277</b>	<b>289,939</b>
<b>8600</b>	<b>Local Revenues</b>			
	<b>All Local</b>	<b>980,337</b>	<b>2,432,896</b>	<b>(10,681)</b>
<b>8800</b>	<b>Fundraising and Grants</b>			
	<b>All Philanthropy</b>	<b>976,700</b>	<b>3,104,685</b>	<b>2,127,985</b>
<b>8900</b>	<b>Other Inflow</b>			
	<b>All Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue</b>		<b>20,090,876</b>	<b>24,391,317</b>	<b>2,837,200</b>

Lighthouse Community Public Schools

Year to Date: Budget vs. Actuals

Site: LCPS Roll up

As of: June 30, 2020 (Final version for Unaudited Actuals)

Expense Detail		Budget vs. Final		
		Budget	Actuals	Actuals
<b>1000</b>	<b>Compensation</b>			
1100	Teacher Salaries	5,218,073	5,119,848	(98,225)
1300	Administrator Salaries	3,825,917	3,750,761	(75,156)
1400	Bonuses & Other Compensation	58,334	40,500	(17,834)
	<b>Subtotal</b>	<b>9,102,324</b>	<b>8,911,109</b>	<b>(191,215)</b>
<b>2000</b>	<b>Compensation</b>			
2100	Instructional Aide Salaries	439,457	501,723	62,266
2900	Other Non-certificated Salaries	1,229,274	1,199,391	(29,882)
	<b>Subtotal</b>	<b>1,668,731</b>	<b>1,701,114</b>	<b>32,384</b>
	<b>Total Compensation</b>	<b>10,771,055</b>	<b>10,612,224</b>	<b>(158,831)</b>
<b>3000</b>	<b>Employee Benefits</b>			
	<b>Subtotal</b>	<b>2,423,930</b>	<b>2,419,172</b>	<b>(4,758)</b>
<b>4000</b>	<b>Books and Supplies</b>			
4100	Textbooks & Curriculum	93,500	53,779	(39,721)
4200	Books & Other Materials	43,500	57,456	13,956
4300	Materials and Supplies	755,678	496,599	(259,079)
4400	Noncapitalized Equipment	170,982	170,171	(811)
4700	Food	640,623	703,895	63,272
	<b>Subtotal</b>	<b>1,704,283</b>	<b>1,481,900</b>	<b>(222,383)</b>
<b>5000</b>	<b>Services &amp; Other Operating Exp.</b>			
5100	Subagreements for Services	169,500	1,862,588	(96,600)
5200	Travel and Conferences	50,360	34,114	(16,246)
5300	Dues and Memberships	37,810	22,845	(14,965)
5400	Insurance	83,426	78,662	(4,764)
5500	Utilities	352,853	329,694	(23,294)
5600	Leases, Repairs, and Improvements	1,917,555	1,921,064	3,509
5800	Professional Services & Other Exp.	2,155,251	2,449,465	372,977
5900	Communications	117,885	136,979	19,094
	<b>Subtotal</b>	<b>4,884,639</b>	<b>6,835,412</b>	<b>239,713</b>
<b>6000</b>	<b>Capital Outlay</b>			
6100	Capital Projects	25,000	-	(25,000)
6900	Depreciation Expense (for full accrual only)	40,000	295,867	255,867
	<b>Subtotal</b>	<b>65,000</b>	<b>295,867</b>	<b>230,867</b>
<b>Total Expenses</b>		<b>19,848,907</b>	<b>21,644,669</b>	<b>84,702</b>



PCSD 701 105th Ave LLC - Lighthouse Lodestar - Financing Summary

Acquisition; Phase 1 R

5/1/2019

Project Financing & Re-Financing Summary

PHASE 1: ACQUISITION & ADAPTIVE REHABILITATION OF 2 EXISTING STRUCTURES

12/1/2017-8/31/18

USES		SOURCES	
Acquisition Costs	\$ 8,759,775	PCSD Capital Contribution	\$ 3,480,000
Hard Costs	\$ 4,830,461	Lighthouse Capital Contribution	\$ 1,840,000
Soft Costs	\$ 1,319,696	Lighthouse - More Capital Needed	\$ -
Finance Costs	\$ 399,194	FRB - Loan Phase 1	\$ 10,000,000
Management Costs	\$ -	FRB - Loan Phase 2	\$ -
Contingency	\$ 10,873		\$ -
<b>Total Project Costs</b>	<b>\$ 15,320,000</b>	<b>Total Sources</b>	<b>\$ 15,320,000</b>

PHASE 2B: PERM BLDG

3/1/19-6/30/2020

USES		SOURCES	
Acquisition Costs	\$ -	PCSD Capital Contribution	\$ 2,951,000
Hard Costs	\$ 11,388,890	Lighthouse Capital Contribution	\$ 2,861,500
Soft Costs	\$ 1,239,584	Lighthouse - Add'l Capital for Playground	\$ 94,000
Finance Costs	\$ 365,000	FRB - Loan Phase 1	\$ -
Management Costs	\$ -	FRB - Loan Phase 2	\$ 7,800,000
Contingency	\$ 713,026		\$ -
<b>Total Project Costs</b>	<b>\$ 13,706,500</b>	<b>Total Sources</b>	<b>\$ 13,706,500</b>

Includes \$256k from LY2 net CF

May pull from contingency

SUMMARY - PROJECT INCEPTION THROUGH PERM BLDG

12/1/17-6/30/2020

USES		SOURCES	
Acquisition Costs	\$ 8,759,775	PCSD Capital Contribution	\$ 6,431,000
Hard Costs	\$ 16,219,351	Lighthouse Capital Contribution	\$ 4,701,500
Soft Costs	\$ 2,559,280	Lighthouse - More Capital Needed	\$ 94,000
Finance Costs	\$ 764,194	FRB - Loan Phase 1	\$ 10,000,000
Management Costs	\$ -	FRB - Loan Phase 2	\$ 7,800,000
Contingency	\$ 723,899	Other	\$ -
Budget Adjustment	\$ -	Reallocate Net Rental CF from LY2	\$ -
<b>Total Project Costs</b>	<b>\$ 29,026,500</b>	<b>Total Sources</b>	<b>\$ 29,026,500</b>

LH PURCHASE FROM PCSD

7/1/2024

USES		SOURCES	
Repay Acquisition Loan	\$ 10,000,000	PCSD - Credit for Net CF during lease	\$ 532,469
Repay Construction Loan	\$ 7,800,000	Credit for Loan #1 Amort. from rent	\$ 1,619,622
Repay PCSD Capital Contribution	\$ 6,431,000	Credit for Loan #2 Amort. from rent	\$ 827,917
Finance Costs	\$ 1,700,000	Lighthouse Capital Contribution	\$ 2,412,911
Management Costs	\$ -	New Loan	\$ 20,538,000
Contingency	\$ -		\$ -
<b>Total Project Costs</b>	<b>\$ 25,931,000</b>	<b>Total Sources</b>	<b>\$ 25,930,919</b>

(80.77)

Loan #1 Financing Terms:	LEASE YEAR (LY):						Totals
	1	2	3	4	5	6	
LY Start Date:	7/23/18	7/1/19	7/1/20	7/1/21	7/1/22	7/1/23	
LY End Date:	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	
Enrollment (from LH projections)	512	648	716	781	843	843	
Loan Principal	\$ 10,000,000						
Loan Closing Date	3/29/18						
Maturity Date	3/1/25						
Interest Rate	3.01%						
Amortization (Yrs)	24.82						
Term (Yrs)	6.92						
Estimated Payoff Date	6/30/24						
MS Enrollment	512	576	576	576	576	576	
HS Enrollment	0	72	140	205	267	267	
ADA (95%) (PCSD estimate)	486	616	680	742	801	801	
Difference to Max Capacity	331	195	127	62	0	0	
Annual Lease Payment from Rent/ADA	658,350	820,800	1,020,300	1,112,925	1,201,500	1,201,500	
	1,355	1,332	1,500	1,500	1,500	1,500	
<b>CASH INFLOW</b>							
Lease Income	\$ 619,415	\$ 820,800	\$ 1,020,300	\$ 1,112,925	\$ 1,201,500	\$ 1,201,500	\$ 5,976,440.32
Distribution from DSRF	n/a						\$ -
Subtotal - Cash Inflow	\$ 619,415	\$ 820,800	\$ 1,020,300	\$ 1,112,925	\$ 1,201,500	\$ 1,201,500	\$ 5,976,440.32
<b>CASH OUTFLOW</b>							
Loan #1 Debt Svc. - Int. Exp.	\$ 276,769	\$ 292,355	\$ 283,808	\$ 275,000	\$ 265,923	\$ 256,569	\$ 1,650,425.48
Loan #1 Debt Svc. - Princ. Amort.	\$ 157,853	\$ 280,066	\$ 288,614	\$ 297,422	\$ 306,499	\$ 315,853	\$ 1,646,307.08
Loan #2 Debt Svc. - Int. Exp.	\$ -	\$ -	\$ 233,013	\$ 226,870	\$ 219,820	\$ 212,556	\$ 892,258.61
Loan #2 Debt Svc. - Princ. Amort.	\$ -	\$ -	\$ 132,028	\$ 231,772	\$ 238,821	\$ 246,085	\$ 848,706.53
Rent for Temp Modulars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PCSD Allowance for Mgmt Expens	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Op Exp / Phase 2 Costs	\$ 150,273	\$ 256,000	\$ -	\$ -	\$ -	\$ -	\$ 406,273
Subtotal - Cash Outflow	\$ 584,896	\$ 828,422	\$ 937,463	\$ 1,031,063	\$ 1,031,063	\$ 1,031,063	\$ 5,443,971.02
Net Cashflow	\$ 34,519	\$ (7,622)	\$ 82,837	\$ 81,862	\$ 170,437	\$ 170,437	\$ 532,469.30
DCR	1.08	0.99	1.09	1.08	1.17	1.17	
Cumulative DCR	1.08	1.03	1.06	1.06	1.09	1.11	

Refinancing:

Assumed Purchase Date:	6/30/24
Enrollment	843
ADA (95%)	801
S8740/ADA	\$ 1,050
Term (years)	35
Loan Balance	\$ 15,352,462
PCSD LLC Equity Payment	\$ 5,898,531
Refinancing Costs (8%)	\$ 1,700,000
<b>Principal Refinance Amount</b>	<b>\$ 22,950,992</b>
Additional School Contribution	\$ (2,412,911)
<b>Total Refinance Amount</b>	<b>\$ 20,538,081</b>

2024-25

Interest Rate	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%
<b>Annual Facility Expense:</b>							
Debt Service	\$ 1,091,249	\$ 1,166,374	\$ 1,243,838	\$ 1,323,514	\$ 1,405,272	\$ 1,488,980	\$ 1,574,506
<b>Total Debt + Lease Expense</b>	<b>\$ 1,091,249</b>	<b>\$ 1,166,374</b>	<b>\$ 1,243,838</b>	<b>\$ 1,323,514</b>	<b>\$ 1,405,272</b>	<b>\$ 1,488,980</b>	<b>\$ 1,574,506</b>
Per ADA Pupil Expense	\$ 1,362	\$ 1,456	\$ 1,553	\$ 1,652	\$ 1,754	\$ 1,859	\$ 1,966
Per ADA Pupil Exp. (Post S8740)	\$ 341	\$ 406	\$ 503	\$ 602	\$ 704	\$ 809	\$ 916

<b>Total LH Capital Needed:</b>	<b>\$ 7,208,411</b>
Funded for Phase 1:	\$ 1,840,000
Fund for Ph. 2	\$ 2,955,500
Fund by 6/30/24 for purch.:	\$ 2,412,911





LCPS  
701 105th Ave  
Sources to Date

LCPS' Sources Required				Accounting of Sources				
Phase	Timing for initial contrib.	Timing for FINAL contrib.	Amount	Received		Pledged		Outstanding
PHASE 1	Dec. '17	Jan '18	<b>1,840,000</b>	Full Amt. Rec.	1,840,000	N/A		N/A
				<b>Subtotal</b>	<b>1,840,000</b>	<b>Subtotal</b>	-	<b>Subtotal</b> -
PHASE 2	May '19	Spring '20	<b>3,005,500</b>	RFF ('19)	500,000			
				SVCF	1,000,000			
				Beaver Foun.	250,000			
				Individuals	27,790			
				Irwin *	132,710			
				RFF ('20)	500,000			
				Valley	500,000			
				Fund for Future	95,000			
				<b>Subtotal</b>	<b>3,005,500</b>	<b>Subtotal</b>	-	<b>Subtotal</b> -
PHASE "3"	N/A	Spring '24	<b>2,600,000</b>	Irwin Remainder	117,290	RFF ('21)	500,000	TBD
				Beaver	250,000	RFF ('22)	500,000	by refinancing
				Individuals	23,339	RFF ('23)	500,000	
						RFF ('24)	500,000	
				<b>Subtotal</b>	<b>390,629</b>	<b>Subtotal</b>	<b>2,000,000</b>	<b>Subtotal</b> <b>209,371</b>
TOTALS			<b>7,445,500</b>	<b>Subtotal</b>	<b>5,236,129</b>	<b>Subtotal</b>	<b>2,000,000</b>	<b>Subtotal</b> <b>209,371</b>
					70%		27%	3%

## Check Register

Lighthouse Community Public Schools

July

2020



Vendor	Check Number	Check Date	Description	Check Amount
Alameda County Dep. Of Environmental Health	72630	7/6/2020	Snack Bar permit	834.00
ACCO Engineered Systems	72631	7/10/2020	Lodestar service	1,782.50
Aeries Software	72632	7/10/2020	Lighthouse SIS	16,425.00
ASANA	72633	7/10/2020	Annual Subscription for Lighthouse	5,997.60
Bay Alarm Company	72634	7/10/2020	Inv 17044678	26.00
Bay Alarm Company	72635	7/10/2020	Sprinkler inspection 06/20-09/20	464.62
California Teaching Commission (CTC)	72636	7/10/2020	CTC credential permit	100.00
Carbon Lighthouse, Inc.,	72637	7/10/2020	Energy sales	3,600.00
City of Oakland - False Alarm	72639	7/10/2020	False Alarm for permit #389697	84.00
CPM Educational Program	72641	7/10/2020	Order #W124188	310.07
Crystal Williams	72642	7/10/2020	LCPS COVID-19 FUND	300.00
Ingrid Rojas Contreras	72643	7/10/2020	Visiting author	150.00
Joseph Rios	72644	7/10/2020	Visiting Author	150.00
Kenya Williams	72645	7/10/2020	Lunch for ops team	43.97
Kone Inc.	72646	7/10/2020	As per maintenance contract	252.31
Maria Candelaria Contreras	72647	7/10/2020	LCPS-COVID -19 FUND GIFT	300.00
Maria Distancia	72648	7/10/2020	LCPS COVID-19 FUNDS	300.00
Virginia McManus	72649	7/10/2020	Classroom supplies	1,020.42
National Equity Project	72650	7/10/2020	Travel & Mileage   Jan-Mar 2020   M. Mosely	181.76
Nob Hill Catering, Inc.	72651	7/10/2020	NSLP Lighthouse	88,025.00
Orkin LLC	72652	7/10/2020	Monthly service fee	260.00
Quality First Services, Inc	72653	7/10/2020	Janitorial services	595.00
San Jose State University	72654	7/10/2020	Memo: Scholarship for Francisco Garcia, Student ID # 014875094	2,500.00
Southern New Hampshire University	72655	7/10/2020	Memo: Juan Carlos Perez 1663463	2,167.00
The Sherwin-Williams Co.	72656	7/10/2020	Sales order number 6503-92616	409.47
Jacobo Torres	72657	7/10/2020	Lighthouse Landscape	3,300.00
USI Insurance Services LLC	72658	7/10/2020	Accident Ins, policy renewal	7,500.00
RICOH USA Program	72659	7/10/2020	Copier at shared services	12,636.89
CETPA	72660	7/10/2020	CITE Annual membership	250.00
Cogent Solutions & Supplies	72661	7/10/2020	Waste container	3,287.50
ABC security	72662	7/17/2020	Security services at Lighthouse	2,593.60
David F. Crutcher, Attorney at Law	72663	7/17/2020	Retirement fees	3,070.50
Law Offices of Young, Minney & Corr, LLP	72664	7/17/2020	Legal fees	1,345.20
LinkedIn	72665	7/17/2020	Order Number CS5761530-19	8,639.50
Orkin LLC	72666	7/17/2020	Service call	125.00
PODS Enterprise LLC	72667	7/17/2020	SFRNCS1012350	285.84
Seneca Family of Agencies	72668	7/17/2020	30ZUNIBRI NPS BZ	31,783.10
ABC security	72669	7/24/2020	Campus safety at Lighthouse	442.96
Henry C Levy Treasurer, Tax Collector, Alameda County	72670	7/24/2020	Property tax parcel #44-5076-3-1	1,391.63
Beretta Investment Group	72671	7/24/2020	433 ST 201/202 Rent	4,545.00

## Check Register

Lighthouse Community Public Schools

July

2020



Vendor	Check Number	Check Date	Description	Check Amount
Gladys Carrillo	72672	7/24/2020	Summer institute reimb	550.00
Charles Schwab Bank	72673	7/24/2020	Billing period 01/1/20-03/31/20	842.35
City of Oakland - False Alarm	72674	7/24/2020	False Alarm at Lodestar	168.00
Cogent Solutions & Supplies	72675	7/24/2020	Cleaning supplies	1,504.90
Dept Of Justice	72676	7/24/2020	Fingerprint	243.00
Evan Blaser Photography	72677	7/24/2020	High school graduation	1,172.00
Veronica Haro	72678	7/24/2020	Classroom supplies	24.68
Light Keepers LLC	72679	7/24/2020	Rent for 444 Hegenberger Facility	58,000.00
NWEA - Northwest Evaluation Association	72680	7/24/2020	Map Growth K-12	17,100.00
Orkin LLC	72681	7/24/2020	Monthly service bill	250.00
Orkin	72682	7/24/2020	Annual contract	1,391.55
PCSD 701 105th ave LLC	72683	7/24/2020	PCSD 701 105th Ave	68,400.00
PODS Enterprise LLC	72684	7/24/2020	Storage	415.99
Seneca Family of Agencies	72685	7/24/2020	As per MOU LHC-FTE-JUN20	83,163.82
The Management Center	72686	7/24/2020	Training for Ops Associate	625.00
RICOH USA Program	72687	7/24/2020	Copier lease at Lodestar	1,979.97
Western Association of Schools dba Accrediting Commission	72688	7/24/2020	Annual Accreditation mem fee 2020-2021	1,070.00
Cogent Solutions & Supplies	72698	7/31/2020	Custodial supplies	1,681.92
Illuminate Education Inc.	72699	7/31/2020	Annual subscription	8,434.28
Aron Kidane	72700	7/31/2020	Training and parking	153.00
SDI Innovation	72701	7/31/2020	Lighthouse order#AA20-0181366	1743.54
Surfclean LLC	72702	7/31/2020	Deep cleaning at Lighthouse	20890
The Advisory Group of San Francisco, LLC	72703	7/31/2020	July 1, 2020 to September 30, 2020	7657.65
U.S Glass & Aluminum, Inc.	72704	7/31/2020	Glass repair at Lighthouse	1316
Monica Anthony	72705	7/31/2020	Cleaning supplies clorox	16.23

## Check Register

Lighthouse Community Public Schools

August

2020



Vendor	Check Number	Check Date	Description	Check Amount
ACCO Engineered Systems	72706	8/7/2020	Bid job for PCSD/Lodestar	2757
Blackbaud Inc	72707	8/7/2020	E-commerce annual subscription	100
Braven	72708	8/7/2020	Braven Career Booster fees - 44 enrollees	1760
Edtec Inc.	72709	8/7/2020	Platform license fee and training	11130
Laura Einhorn	72710	8/7/2020	Curriculum text	847.81
Girls Scouts of Northern California	72711	8/7/2020	Girls Scout for Lighthouse ASP	1000
Golden State Awards	72712	8/7/2020	Plaque with Logo and lettering	600.88
Kone Inc.	72713	8/7/2020	Monthly service charge	252.31
Law Offices of Amy Oppenheimer	72714	8/7/2020	Legal fees	31209
Love Educational Services, LLC	72715	8/7/2020	PDI speaker	1000
Orkin	72716	8/7/2020	Service call	3.23
Quality First Services, Inc	72717	8/7/2020	Custodial service	595
Renaissance	72718	8/7/2020	Schoolzilla enterprise annual subscription	13781.79
Julio Romero	72719	8/7/2020	Removal of dump at Lighthouse	600
RICOH USA Program	72720	8/7/2020	Shared service copier	5402.43
MIC Wright Specialty	72721	8/7/2020	Bill as of 7/31/2020	16822.6
Charter Schools Development Center	72722	8/14/2020	Registration conference fee	109
Cogent Solutions & Supplies	72723	8/14/2020	Custodial supplies	433.04
CPM Educational Program	72724	8/14/2020	Order number W127188	15.09
Jenna Stauffer	72725	8/14/2020	Consultation on charter renewal	7425
Nob Hill Catering, Inc.	72726	8/14/2020	Lodestar NSLP	28000
Panorama Education, Inc.	72727	8/14/2020	Project support and platform license	6125
Parchment LLC	72728	8/14/2020	Parchment Annual Subscription - Send Multi- Credential K12	420
Seneca Family of Agencies	72729	8/14/2020	Service as per MOU	15151.75
Surfclean LLC	72730	8/14/2020	School deep cleaning for COVID-19	9208
California Teaching Commission (CTC)	72731	8/14/2020	CTC permit	100
California Teaching Commission (CTC)	72732	8/14/2020	CTC permit	100
California Teaching Commission (CTC)	72733	8/14/2020	CTC permit	100
California Teaching Commission (CTC)	72734	8/14/2020	CTC permit	100
California Teaching Commission (CTC)	72735	8/14/2020	CTC permit	100
ACCO Engineered Systems	72736	8/21/2020	PGE Power Shut Off, Issues with Units	701.5
Arborwell Inc.	72737	8/21/2020	Tree trimming	4446
Carbon Lighthouse, Inc.,	72738	8/21/2020	Energy sales	3600
Claudia Torres Tapia	72739	8/21/2020	Alder Resident Stipend	2000
Gabriela Gonzales	72740	8/21/2020	Alder Resident Stipend	1818.18
Jessica Berdak	72741	8/21/2020	Alder Resident Stipend	1818.18
Josefina Belloso	72742	8/21/2020	Alder Resident Stipend	1818.18
Krishna Copy Center	72743	8/21/2020	Lodestar student work	154.24
Krueger International Inc.	72744	8/21/2020	Order number 177577	42376.26
Martha Carter	72745	8/21/2020	Alder Resident Stipend	1818.18

## Check Register

Lighthouse Community Public Schools  
August  
2020



Vendor	Check Number	Check Date	Description	Check Amount
Nicole Rodriguez	72746	8/21/2020	Alder Resident Stipend	1818.18
PCSD 701 105th ave LLC	72747	8/21/2020	Additional August 2020 Rent	8044.35
Rosie Galvez	72748	8/21/2020	Classroom supplies	12.83
Scenario Learning	72750	8/21/2020	SafeSchools Incident System - Annual Subscription	2580
SchoolOutfitters	72751	8/21/2020	Lodestar order ORD11325198	1776.09
Seneca Family of Agencies	72752	8/21/2020	NPS-48ZUNIBRI	24944.16
Tali Gonzales-Medina	72753	8/21/2020	Alder Resident Stipend	1818.18
The CLM Group, Inc.	72754	8/21/2020	Meal Time	325
Yesenia Sanchez	72755	8/21/2020	Alder Resident Stipend	1818.18
Jenna Stauffer	72757	8/28/2020	Charter renewal services	8775
Altitude Learning	72758	8/28/2020	Learning services and training	60000
Follett Library Resources	72759	8/28/2020	RPS for online Lexiles renewal 10/01/2020-09/30/2021	199
Language People Inc.	72760	8/28/2020	Spanish interpretation	963.54
CPM Educational Program	72761	8/28/2020	P.O 2020-0009	2613.25
Orkin	72762	8/28/2020	Service call	158.32
Kenya Williams	72763	8/28/2020	Check replacement	2121.02
Law Offices of Amy Oppenheimer	72764	8/28/2020	Legal service	19367.5
Staples Advantage	72765	8/28/2020	3454097804	1996.52
City of Oakland - False Alarm	72766	8/28/2020	Permit Number 389697	168
Dept Of Justice	72767	8/28/2020	Finger print	1188
Law Offices of Young, Minney & Corr, LLP	72768	8/28/2020	Legal service	2534.6
Clare Computer Solutions	72769	8/28/2020	Test and turn up new internet circuit	1262.5
Seneca Family of Agencies	72770	8/28/2020	As per MOU LHC-FTE-JUL20	51,021.69
PCSD 701 105th ave LLC	72771	8/28/2020	PCSD 701 105th Ave	85,025.00
Great Minds LLC	72772	8/28/2020	Reference #: 2020-0013	380.00
Seneca Family of Agencies	72773	8/28/2020	As per MOU LOESY-COM-JUL20	52,607.67