

# El Camino Real Charter High School



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**2020-2021 BUDGET PRESENTATION**

**GREGORY WOOD-CBO**

# PROFIT & LOSS (SUMMARY)

## COMPARISON OF PRIOR YEAR AND YEAR TO DATE

	Unaudited Actuals 19-20	Working Budget 20-21	Jul - Oct 2020 (YTD)	% of Budget
<b>REVENUES</b>				
LCFF *	\$ 34,550,625	\$ 34,623,203	\$ 10,041,048	29.0%
Federal	1,601,353	3,455,377	1,837,227	53.2%
State	1,432,984	1,409,106	503,922	35.8%
Local	5,219,063	3,192,091	1,345,236	42.1%
	42,804,025	42,679,777	13,727,433	32.2%
<b>EXPENSES</b>				
Salaries and benefits **	33,915,362	30,492,305	9,721,347	31.9%
Student supplies	2,687,207	2,604,498	885,714	34.0%
Operating Exp	7,468,465	6,970,529	1,922,908	27.6%
Capital Outlay	566,444	550,254	213,338	38.8%
Other Outgo	-	31,280	-	0.0%
	44,637,478	40,648,866	12,743,308	31.3%
<b>NET INCOME (LOSS)</b>	\$ (1,833,453)	\$ 2,030,911	\$ 984,125	48.5%

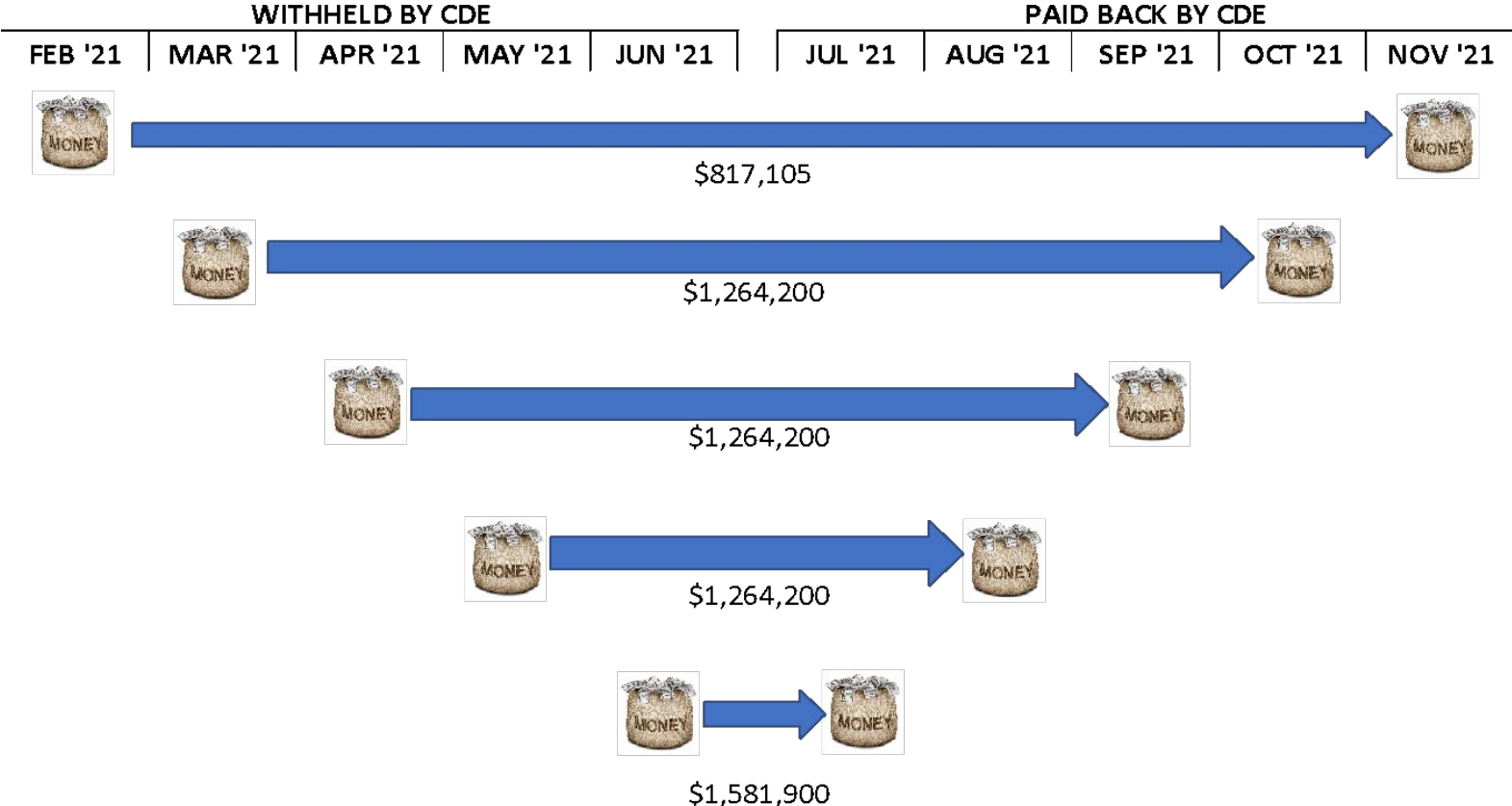
\$ (6,191,605) 20/21 Deferrals (IOUs)

\$ (4,160,694) Cash Reduction @ 06-30-2021

\* = 20-21 IOUs from CDE = \$6,191,605

\*\* = Includes 2019-2020 OPEB Adjustment of \$3M

# CASH DEFERRALS (I.O.U'S) DETAILED BY MONTH



- A total of 35.91% (\$6,191,605) of the 2020-21 State Funded LCFF Revenue won't be received until 2021-2022

# BALANCE SHEET

Description	Actual Oct 2020	Unaudited Actuals Jun 2020	\$ Change
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 13,852,886	\$ 7,222,141	\$ 6,630,745
Investments	20,801,383	19,956,143	845,240
Accounts Receivable	1,744,108	3,749,169	(2,005,061)
Prepaid Expenditures (Expenses)	380,195	842,971	(462,776)
Total Current Assets	36,778,572	31,770,424	5,008,148
<b>Fixed Assets, Net of Depreciation</b>	6,929,957	7,143,295	(213,338)
<b>Total Assets</b>	<b>\$ 43,708,529</b>	<b>\$ 38,913,719</b>	<b>\$ 4,794,810</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts Payables	\$ 198,881	\$ 81,011	\$ 117,870
Accrued Liabilities	1,098,997	2,560,842	(1,461,845)
Deferred Revenue	69,500	185,500	(116,000)
Total Current Liabilities	1,367,378	2,827,353	(1,459,975)
<b>Long-Term Debt</b>	35,092,248	30,197,156	4,895,092
<b>Total Liabilities</b>	36,459,626	33,024,509	3,435,117
<b>Net Assets</b>			
Restricted	-	-	-
Unrestricted	7,248,903	5,889,210	1,359,693
<b>Total Net Assets</b>	7,248,903	5,889,210	1,359,693
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 43,708,529</b>	<b>\$ 38,913,719</b>	<b>\$ 4,794,810</b>

# CASH ANALYSIS

	Oct 2020	Jun 2020	COMMENTS
Fundraising #1287	\$ 87.95	\$ -	
LAUSD Account #1295	402,407.13	-	• School received PPP Funding in August '20 to help with Future Cash Deferrals of 35.91%
PPP Account #1309	3,815,700.00	-	
General Account #1761	6,934,391.55	5,537,876.22	
A/P Account #1796	439,636.37	36,229.48	• School received one-time COVID-19 Funding of \$1,375,560 in September '20
ASB Trust #1826	325,563.10	164,872.41	
CNB ZBA Account	(23,687.78)	(21,958.45)	
Cetera MMA #3344	1,725,879.14	1,273,928.00	• 5% Reserve noted below is the CDE recommended <u>minimum</u> reserve level. Other Agencies and Districts recommend % of up to 16-20% of Budgeted Revenue
Cetera OPEB MMA #4925	225,781.86	230,858.53	
Undeposited Funds	7,127.00	335.00	
Total Checking/Savings/CDs	13,852,886.32	7,222,141.19	
Less -			
5% Reserve	(1,805,134.00)		
Total Cash Available	\$ 12,047,752.32	\$ 7,222,141.19	

# BUDGET COMPARISON (YTD)

Description	Jul 2020 to Oct 2020 (YTD)	Working Budget	% Used
<b>REVENUES</b>			
LCFF Revenues	\$ 10,041,048	\$ 34,623,203	29.00%
Federal Revenues	1,837,227	3,455,377	53.17%
State Revenues	1,257,732	3,626,197	34.68%
Local Revenues	591,426	975,000	60.66%
<b>Total Revenues</b>	<b>13,727,433</b>	<b>42,679,777</b>	<b>32.16%</b>
<b>EXPENDITURES</b>			
Certificated Salaries	4,889,419	15,411,545	31.73%
Classified Salaries	1,230,949	4,045,784	30.43%
Employee Benefits	3,600,979	11,034,976	32.63%
Books & Supplies	885,714	2,604,498	34.01%
Services and Operations	1,922,908	6,970,529	27.59%
Capital Outlay	213,338	550,254	38.77%
Other Outgo	-	31,280	0.00%
<b>Total Expenditures</b>	<b>12,743,308</b>	<b>40,648,866</b>	<b>31.35%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 984,125</b>	<b>\$ 2,030,911</b>	<b>48.46%</b>

CASH DEFERRALS (IOUS)

(6,191,505.00)



CASH REDUCTION @ JUNE 30, 2021

\$ (4,160,594.00)

# ECRCHS BUDGET PRESENTATION

## PAYCHECK PROTECTION PROGRAM

### (PPP)

*WHAT IS IT?*

- A LOAN PROGRAM RUN BY THE SMALL BUSINESS ADMINISTRATION (SBA) DESIGNED TO ASSIST SMALL BUSINESSES (INCLUDING NON-PROFIT 501c(3), LIKE ECRCHS) TO SUPPORT ORGANIZATIONS DURING THE COVID-19 PANDEMIC.

### ***HOW DOES IT APPLY TO ECRCHS?***

- OUR BOARD APPROVED OUR APPLICATION TO THE SBA FOR A PPP LOAN OF \$3.8157 MILLION. THE SBA APPROVED OUR PPP APPLICATION AND ECRCHS RECEIVED THESE FUNDS IN MID-AUGUST.

### ***WHY DID ECRCHS APPLY FOR THIS LOAN?***

- SINCE THE BEGINNING OF JUNE, ECRCHS BECAME AWARE THAT THE STATE OF CALIFORNIA WOULD OFFSET FUNDING IN 2020-2021 WITH DELAYED FUNDING (DEFERRALS) THAT WOULD NOT BE PAID BACK UNTIL THE 2021-2022 SCHOOL YEAR. WHEN THE CHARTER PETITION WAS SUBMITTED TO LAUSD, THE STATE FUNDING DEFERRAL WAS ESTIMATED AT \$8.5 MILLION. AFTER RECEIVING THIS PPP LOAN, THIS LARGE OF A DEFERRAL WOULD HAVE RESULTED IN OUR CASH BALANCE AT THE END OF THE 2021-2022 SCHOOL YEAR TO BE DOWN TO \$1.6 MILLION, THUS THE NEED FOR THE PPP LOAN.

# ECRCHS BUDGET PRESENTATION

## PAYCHECK PROTECTION PROGRAM (PPP)

### ***WHAT ARE THE DETAILS OF THE LOAN? DO WE HAVE TO PAY IT BACK?***

- THE PPP LOAN IS FOR 5 YEARS PERIOD AND HAS AN INTEREST RATE OF 1%. THE LOAN HAS THE POSSIBILITY TO BE COMPLETELY FORGIVEN OR REDUCED UPON SUBMITTING A “LOAN FORGIVENESS APPLICATION” THIS APPLICATION CAN BE SUBMITTED TO OUR BANK AFTER 24 WEEKS (END OF JANUARY 2021). ONCE THE FORGIVENESS APPLICATION IS SUBMITTED TO OUR LENDING BANK, THEY HAVE 2 MONTHS TO REVIEW AND ADVISE ON ANY AMOUNT OF THE LOAN TO BE FORGIVEN. THE BANK’S RECOMMENDATION IS THEN FORWARDED TO THE SBA AND THEY HAVE 3 MONTHS TO ISSUE THE FINAL DETERMINATION OF ANY LOAN AMOUNT TO BE FORGIVEN. ANY AMOUNT NOT FORGIVEN WILL THEN BE PAID BACK OVER THE 5 YEAR TERM OF THE LOAN. USING THIS TIMELINE IDENTIFIED, ECRCHS WOULD EXPECT TO HEAR BACK FROM THE SBA ON ANY LOAN FORGIVENESS AMOUNTS BY THE END OF THE CURRENT SCHOOL YEAR.

### ***HOW WILL THE STAKEHOLDERS BE INFORMED ON WHETHER ANY LOAN AMOUNTS WILL BE FORGIVEN OR NOT?***

- AS SOON AS THE LOAN FORGIVENESS APPLICATION IS COMPLETED THE BOARD WILL BE ADVISED ON THE AMOUNT OF THE LOAN FORGIVENESS BEING REQUESTED. ONCE EITHER THE BANK AND/OR THE SBA REVIEWS AND APPROVES OUR APPLICATION, THE BOARD WILL BE ADVISED. IF THE FINAL LOAN DETERMINATION IS RECEIVED BY THE SBA IN TIME, THE 2021-2022 BUDGET WILL REFLECT THIS INFORMATION.



# ECRCHS BUDGET PRESENTATION

## LIFETIME RETIREE BENEFIT (OPEB) STATUS

- QUICK FACTS:

- CURRENT ACTIVE EMPLOYEES=245
- RETIRED EMPLOYEES PARTICIPATING= 24
- OPEB INVESTMENT BALANCE AT JUNE 30,2020=\$13,940,211
- OPEB OBLIGATION AT JUNE 30=\$30,003,560 (46.5% FUNDED)
- ACTIVE CONTRIBUTIONS BEING MADE MONTHLY (\$220,000 OR \$2.64M ANNUALLY)
- CURRENT OPEB INVESTMENT BALANCE AT OCTOBER 31<sup>ST</sup>=\$17,020,149
- FINANCE COMMITTEE OF THE BOARD MEETING MONTHLY TO REVIEW STATUS OF INVESTMENT ACCOUNTS OF ECRCHS

# ECRCHS BUDGET PRESENTATION

## BUDGET OUTLOOK FOR REMAINDER OF THIS YEAR AND 2021-2022

- STATE OF CALIFORNIA CURRENT BUDGET OUTLOOK FOR REMAINDER OF 2020-2021 IS IMPROVED FROM THE BUDGET PASSED BY THE LEGISLATURE IN JUNE (POSSIBLE LOWER DEFERRALS). ECRCHS IS RECEIVING FUNDING THIS YEAR BASED UPON FY'19-'20 ADA REPORTED AMOUNT (3,378 STUDENTS)
- HOWEVER, CONTINUED ECONOMIC UNCERTAINTY DUE TO THE COVID-19 PANDEMIC MAKES PROJECTIONS DIFFICULT
- STATE DEFERRAL AMOUNTS HAVE BEEN CHANGING FOR 2020-2021 AND ARE EXPECTED TO CONTINUE IN 2021-2022
- 2021-2022 BUDGET UPDATES WILL BE RECEIVED BY THE GOVERNOR IN JANUARY AND PROVIDE AN EARLY INDICATION OF FUNDING AVAILABILITY (OR NOT). MORE DIFFINITIVE BUDGET INFORMATION WILL BE DISSEMINATED IN MID-MAY “ MAY REVISE” THAT WILL BE USED TO SET THE 2021-2022 BUDGET FOR ECRCHS

# ECRCHS BUDGET PRESENTATION

## QUESTIONS?

CONTACT ME AT:

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LOOK FORWARD TO MEETING MOST OF YOU IN  
PERSON WHEN NORMALCY RETURNS

## THANK YOU!