

Contra Costa School of Performing Arts Board Financial Update

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- 1. 2021-22 Financial Update**
 - A. Forecast Update
 - B. Cash Flow
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 - A. State Budget Update
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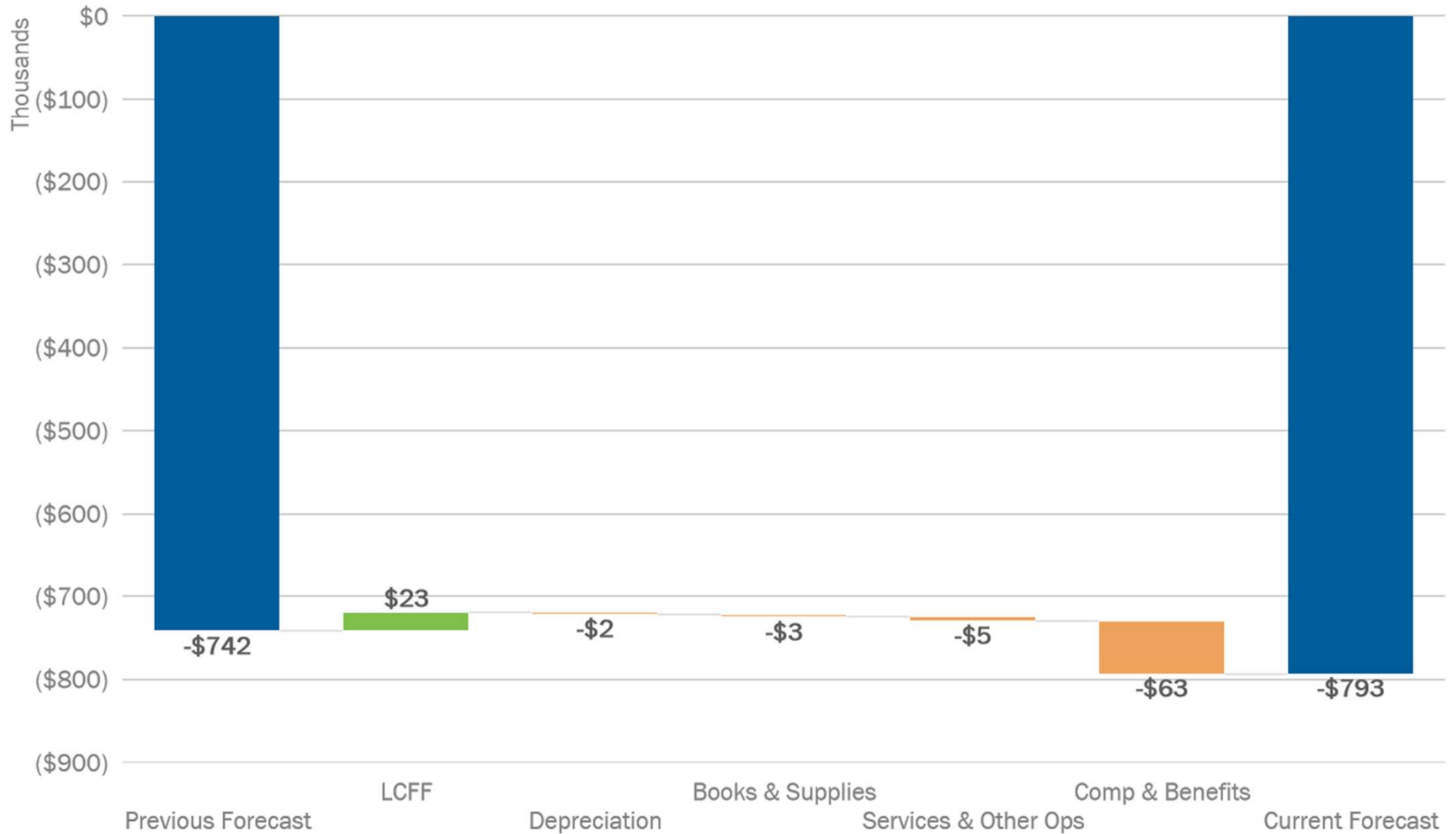
2021-22



2021-22 Forecast Update

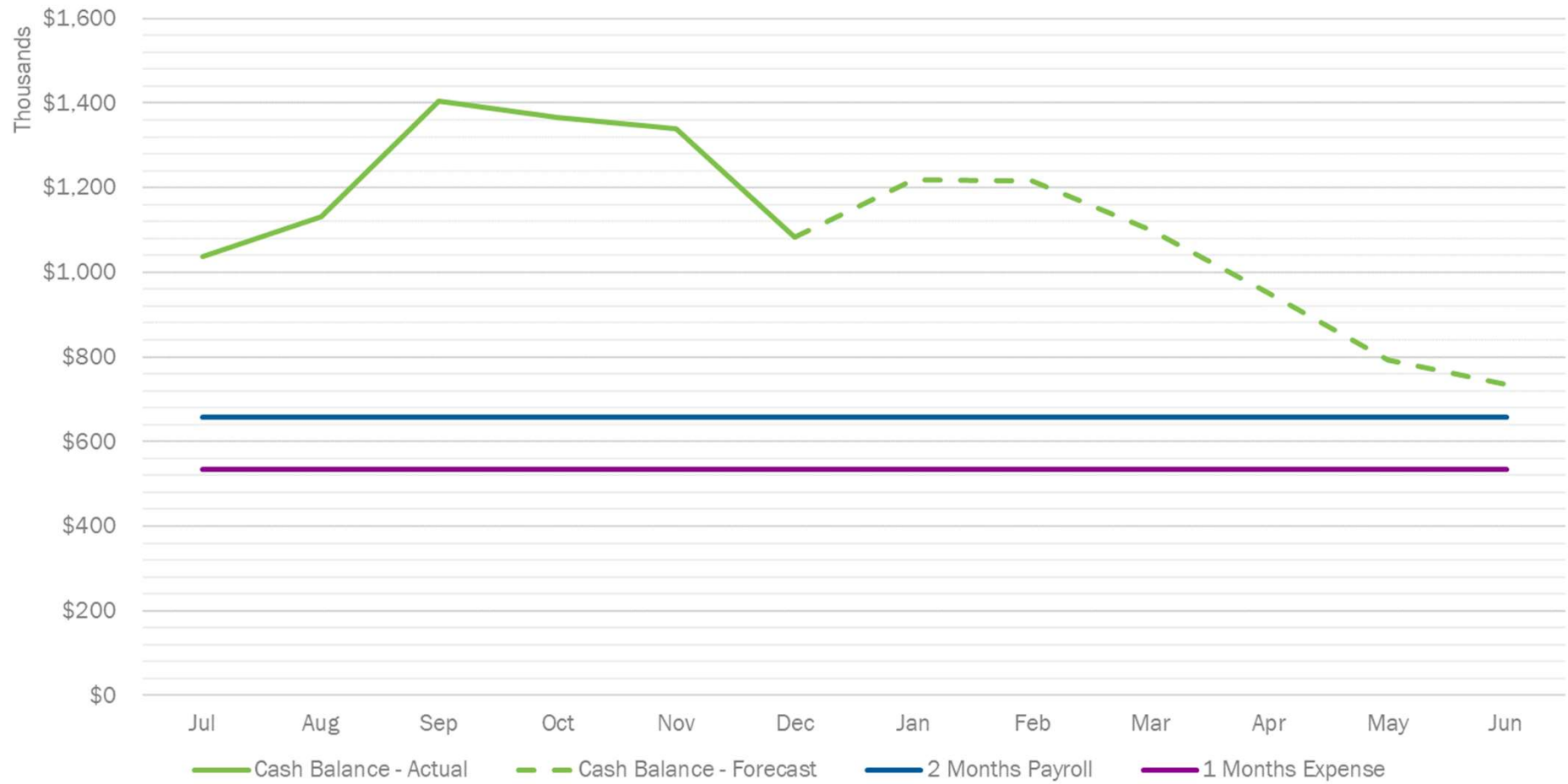


Operating income decreases \$51K since previous forecast



2021-22 Monthly Cash Balance

Cash flow drop in spring due to enrollment/ADA decrease



On track to meet Days Cash on Hand for FY22, but not Coverage Ratio

Debt Service Coverage Ratio

- Amount of times school can cover annual debt
- Current ratio is 2.34 (1/1/21-12/31/21)
- Projecting .51 debt service coverage for end of FY22
- Minimum requirement is 1.10

Days Cash On Hand

- # of days can pay for operating expenses without running out of cash
- December ends with 62 days cash on hand
- Projecting to end FY22 with 42 days of cash on hand
- Minimum requirement of 25 days

Failure to Meet Covenants

- Independent consultant hired by CCSPA to submit written report and make recommendations
- At CCSPA's expense
- If DSCR falls at or below 1.0, CCSPA is at risk of defaulting

2022-23

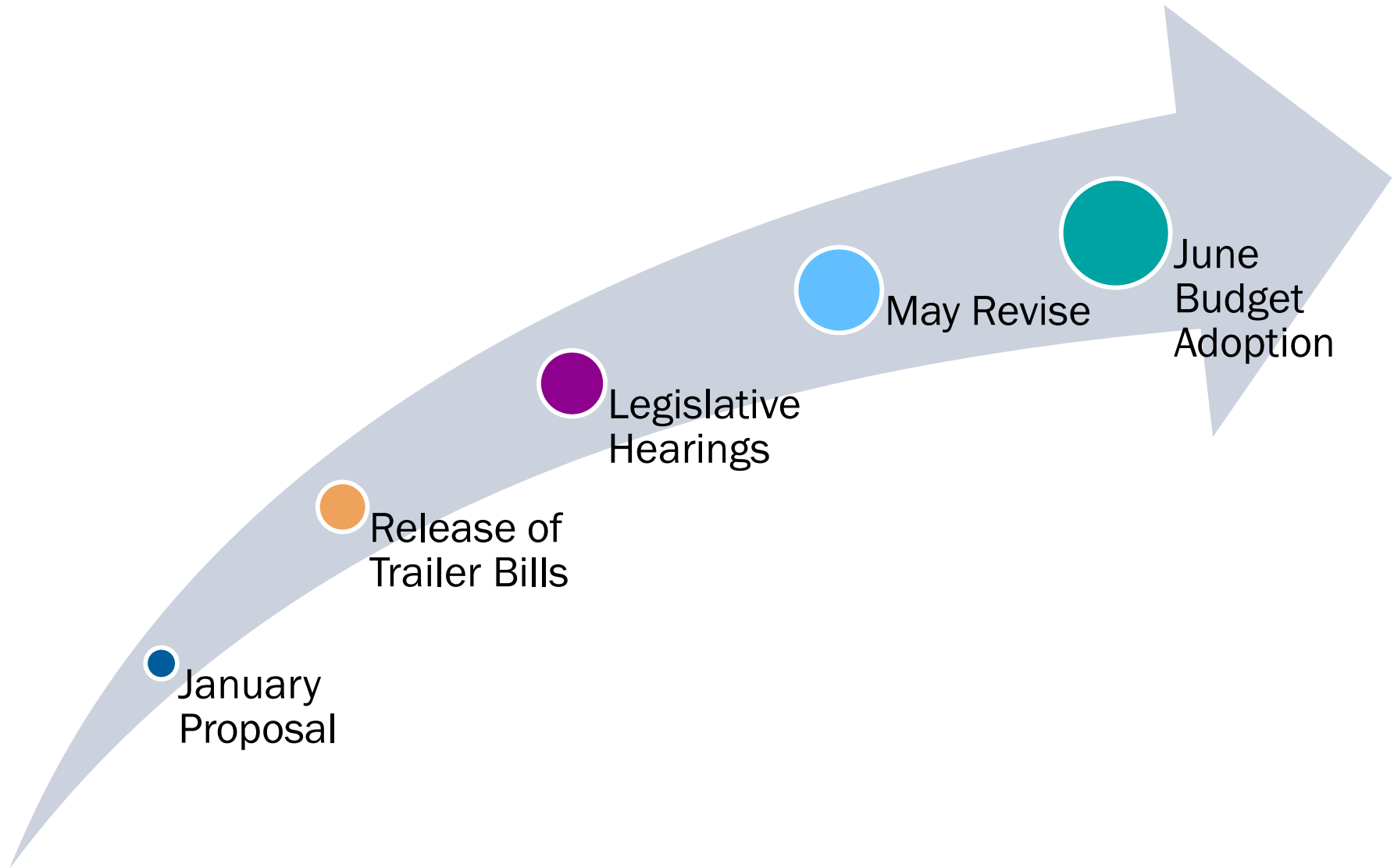
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State Budget Process



Iterative process with many changes to Governor's Proposal



Governor's January Proposal Summary



LCFF

- COLA of 5.33%
- Districts may choose between three ADA options – CY, PY, 3 Year Avg.
- Governor “to explore options for providing declining enrollment protection for charter schools.”

SPED

- ~\$105/ADA increase
- SPED addendum to LCAP – not expected to apply to 22-23
- Funding formula adjusted to calculate at LEA level – not SELPA level

ELO-P

- 2.5x funding compared to this year – CCSPA received \$50K in 2021-22
- Plus, one-time infrastructure investment with arts & music focus

Other

- TK, College & Career Pathways, early literacy, meals, independent study flexibility

Proposed Legislation

SB 830

- Enrollment based funding beginning FY24
- Sponsored by LAUSD

SB 579 &
AB 1609

- Hold harmless for FY23
- SB 579 includes hold harmless for charters in FY22
- If SB 579 passes, extra 12 ADA of LCFF for FY22

AB 1607

- Three year PY average ADA in FY23

AB 1614

- LCFF base grant increase

Budget Summary

Initial projections based on anticipated enrollment and staffing

		2021-22	2022-23	2023-24	2024-25
		Current Forecast	Projected Budget	Projected Budget	Projected Budget
Revenue	LCFF Entitlement	4,028,597	4,854,974	5,711,702	6,578,929
	Federal Revenue	253,459	401,321	145,424	155,621
	Other State Revenues	1,017,685	723,330	740,873	796,957
	Local Revenues	173,399	193,152	213,681	235,071
	Fundraising and Grants	147,280	156,580	166,370	175,833
	Total Revenue	5,620,420	6,329,357	6,978,050	7,942,412
Expenses	Compensation and Benefits	3,937,986	4,050,906	4,217,887	4,518,085
	Books and Supplies	280,957	325,205	359,314	399,244
	Services and Other Operating	2,144,539	2,195,933	2,251,194	2,315,106
	Depreciation	50,133	16,414	14,539	1,045
	Other Outflows	-	-	-	-
	Total Expenses	6,413,615	6,588,457	6,842,933	7,233,480
	Operating Income	(793,196)	(259,100)	135,117	708,932
	Beginning Balance (Audited)	1,158,535	365,339	106,239	241,355
	Operating Income	(793,196)	(259,100)	135,117	708,932
Ending Fund Balance (incl. Depreciation)		365,339	106,239	241,355	950,287
Ending Fund Balance as % of Expenses		5.7%	1.6%	3.5%	13.1%