



Finance - FY23
Bond Update
Presented to LCPS
Finance Committee
11/30/22



**Bond and Cash Flow Projections -
Budget Updates FY 23
November 30, 2022**



FY23 Summary of Key Metrics for Bond Covenant

Key Metrics / Bond Covenant	Current (Nov, 2022)	Dashboard
<p>Our Debt Coverage Ratio is important</p> <ul style="list-style-type: none"> This is defined as LCPS's ability to cover our debt service (row H and K on slide 5) Our bond covenant sets this at 1.1 	<ul style="list-style-type: none"> 1.8 debt coverage ratio 	
<p>Our Days Cash on Hand is important</p> <ul style="list-style-type: none"> This is defined as our current cash divided by our operating expenses divided by 365 days (row L to S on slide 5); our daily cash rate is ~\$88K Our bond covenant sets our days cash at 45 days 	<ul style="list-style-type: none"> 61 days of cash on hand 56 days "hard" cash on hand as of November (based on current operating activities on slide 6) 	
<p>Bond Covenant (June 2023 Projections)</p> <ul style="list-style-type: none"> The bond covenant includes cash and 3 months of accounts receivables 	<ul style="list-style-type: none"> 100 days Bond Covenant cash on hand (slide 7) 63 days "hard" cash projected at the end of fiscal year (based on projected operating activities on slide 6) 	

FY23: Budget Revision (Oct) vs. First Interim with Bond Variables

		FY23 Bond Budget (Stifel Oct 22)	FY23 1st Interim Bud (Nov 22)	Change
	Enrollment			
	Enrollment	1,579	1,558	(21)
	ADA %	92%	92%	0%
	Average Daily Attendance ("ADA")	1,452.68	1,428.75	(23.93)
A	Revenue			
	LCFF Sources	20,721,566	20,524,381	(197,185)
	Federal Revenues	2,743,394	2,739,905	(3,489)
	Other State Revenues	4,753,817	5,192,122	438,305
	SB 740	1,676,042	1,634,309	(41,733)
	Philanthropy	1,943,976	1,943,976	0
	Local Revenues	<u>1,011,836</u>	<u>1,011,836</u>	<u>0</u>
	Total Revenue	32,850,631	33,046,529	195,898
B	Expenses			
	Certificated Salaries	15,086,407	15,304,305	217,897
	Noncertificated Salaries	2,871,525	2,780,115	(91,410)
	Employee Benefits	3,950,745	3,812,203	(138,542)
	Books and Supplies	2,278,786	2,453,331	174,544
	Services and Other Operating Expenditures	4,085,784	4,126,602	40,818
	Other Outgo	683	0	(683)
	Depreciation	755,827	730,000	(25,827)
	Existing Lodestar Facility Lease Rent	400,500	403,667	3,167
	Prior Lighthouse Facilities Lease Rent	251,767	232,000	(19,767)
	Base Rent - Lightkeepers Lease (suborninated Ground Rent)	1,328,976	1,328,976	0
	Base Rent - Series 2022 Net Debt Service	<u>926,009</u>	<u>1,266,667</u>	<u>340,658</u>
	Total Expense	31,937,009	32,437,864	500,855
	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	913,622	608,665	(304,956)
	<i>Reserve Set Aside</i>	-	324,379	324,379
c	NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	913,622	284,287	

New! We want to formally set aside \$324K from our 608K projected revenue into a reserve account

FY23: Bond Budget Revision (Oct) vs. First Interim

			FY23 Bond Budget (Stifel Oct 22)	FY23 1st Interim Bud (Nov 22)	Change
	C	EXPENDITURES	913,622	284,287	(629,335)
	D	Add Back: Depreciation	755,827	730,000	(25,827)
	E	New Base Rent - Lightkeepers Lease (Ground Rent Prorated)	1,328,976	1,328,976	0
	F	New Base Rent - Lodestar Lease (Prorated)	926,009	1,266,667	340,658
C+D+E+F	G	Consolidated Net Operating School Revenue	3,924,433.87	3,609,929.44	(314,504)
G/F	H	Consolidated Payment Obligations Coverage Ratio	4.24	2.85	-1.39
	I	New Base Rent - Lightkeepers Lease (Ground Rent Prorated)	(1,328,976)	(1,328,976)	0
G+I	J	Consolidated Net Operating School Revenue	2,595,458	2,280,953	(314,504)
J/F	K	Consolidated Payment Obligations Coverage Ratio	2.80	1.80	(1.00)
	L	Beginning Cash Balance	4,788,708	3,937,920	(850,788)
	M	Plus : Depreciation	755,827	730,000	(25,827)
	N	Plus : Net Income	913,622	608,665	(304,956)
L+M+N	O	Ending Cash Balance	6,458,157	5,276,585	(1,181,572)
	P	Total Expenses	31,937,009	32,437,864	500,855
	Q	Less : Depreciation	(755,827)	(730,000)	25,827
P+Q	R	Operating Expenses	31,181,182	31,707,864	526,682
O/(R/365)	S	Days Cash on Hand	76	61	(14.86)

Lighthouse Community Public Schools
Forecasted Statement of Cash Flows
For the Twelve Months Ending June 30, 2023

('000s)

	Actual	Actual	Actual	Actual	Actual	Forecast	Projected											
	Jun	July	Aug	Sept	1Q	Oct	Nov	Dec	2Q	Jan	Feb	Mar	3Q	Apr	May	Jun	4Q	FY23
CASH FLOWS FROM OPERATING ACTIVITIES																		
Local Support		\$ 260	\$ 30	\$ 131	\$ 422	\$ 99	\$ 52	\$ 203	\$ 355	\$ 112	\$ 577	\$ 170	\$ 858	\$ 158	\$ 624	\$ 470	\$ 1,251	\$ 2,885
State Program Revenue		1,674	1,865	1,899	5,438	2,514	2,980	2,706	8,199	2,516	1,855	2,076	6,447	2,738	2,485	2,076	7,299	27,384
Federal Program Revenue		63	227	618	908	-	20	659	680	659	20	20	700	659	20	20	700	2,989
Cash Paid to Employees and Benefits		(951)	(1,707)	(1,388)	(4,046)	(1,653)	(1,492)	(2,028)	(5,173)	(2,152)	(1,854)	(2,038)	(6,045)	(1,664)	(2,084)	(2,884)	(6,632)	(21,897)
Cash Paid to Suppliers		(1,169)	(1,098)	(1,284)	(3,551)	(982)	(554)	(752)	(2,288)	(798)	(688)	(756)	(2,242)	(617)	(773)	(1,070)	(2,460)	(10,541)
Interest Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash flow provided (used) by Operating Activities		(123)	(683)	(24)	(830)	(21)	1,006	788	1,773	337	(90)	(528)	(282)	1,273	272	(1,388)	158	820
Net increase (decrease) in cash and cash equivalents		(123)	(683)	(24)	(830)	(21)	1,006	788	1,773	337	(90)	(528)	(282)	1,273	272	(1,388)	158	820
Cash and cash equivalents, Beginning of Period		4,789	4,666	3,983	4,789	3,959	3,938	4,944	3,959	5,732	6,069	5,979	5,732	5,450	6,724	6,996	5,450	4,789
Cash and cash equivalents, End of Period	4,789	\$ 4,666	\$ 3,983	\$ 3,959	\$ 3,959	\$ 3,938	\$ 4,944	\$ 5,732	\$ 5,732	\$ 6,069	\$ 5,979	\$ 5,450	\$ 5,450	\$ 6,724	\$ 6,996	\$ 5,608	\$ 5,608	\$ 5,608
Memo: Budgeted cash and cash equivalents, End of Period																		
Days Cash on Hand	54	53	45	45	45	44	56	64	64	68	67	61	61	76	79	63	63	63



Lighthouse Community Public Schools
Forecasted Statement of Cash Flows
For the Twelve Months Ending June 30, 2023

(‘000s)

	<u>Forecast</u>
	<u>Jun 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Local Support	\$ 470
State Program Revenue	2,076
Federal Program Revenue	20
Cash Paid to Employees and Benefits	(2,884)
Cash Paid to Suppliers	(1,070)
Interest Expense	-
Total cash flow provided (used) by Operating Activities	<u>(1,388)</u>
Net increase (decrease) in cash and cash equivalents	(1,388)
Cash and cash equivalents, Beginning of Period	6,996
Cash and cash equivalents, End of Period	<u>\$ 5,608</u>
Memo: Budgeted cash and cash equivalents, End of Period	
Days Cash on Hand	63
Projected Accounts Receivable at the end of June	<u>\$ 3,218</u>
Total Cash on Hand	<u>\$ 8,826</u>
Days Cash on Hand Bond Covenant	100

