



2023-24 PROPOSED BUDGET

Board and Management's Roles and Responsibilities

Management

- 1** Produce the budget
- 2** Adjust the budget for drops in enrollment and revenue
- 3** Stay within the approved budget when making purchases

Board of Directors

- 1** Determine whether the budget is reasonable
- 2** Monitor enrollment and ensure plans are in place to adjust expenses if necessary
- 3** Monitor budget-to-actual reports and ensure understanding of variances

Summary

Anchor: without additional support, projections show cash on hand on August 31, 2024 will be \$191K below the 60-day cash covenant.

Risk: PCM needs a \$300K loan to reach 30 days cash

Solution: WA Charters has agreed to provide PCM a grant of approximately \$300K and indicated they will negotiate a low-interest line of credit if needed to reach >30-days cash if PCM maintains close to projected enrollment.

Operating Net Income

-(10)K

▲ 66K

Net Cash Effect

255K

▲ 402K

Ending Cash

260K

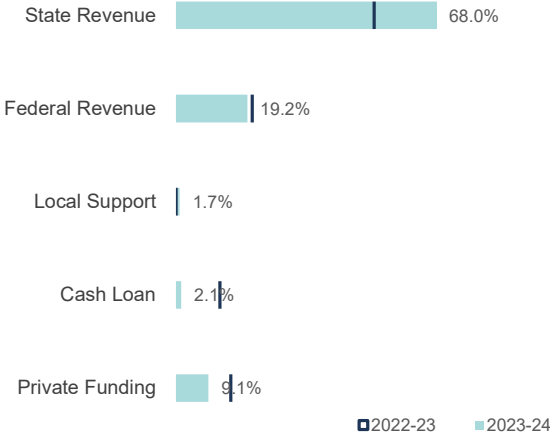
▲ 256K

Days of Cash on Hand

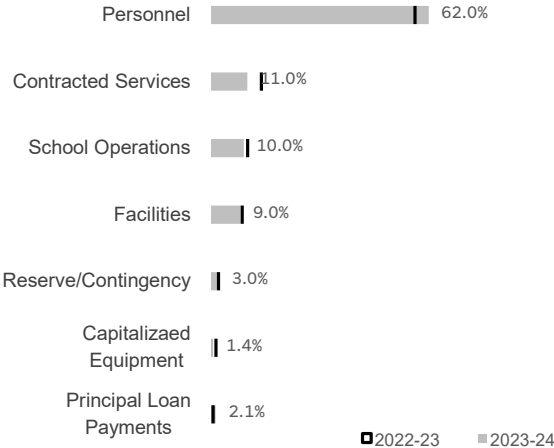
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▲ 7

Revenue by Funding Source



Expenditures by Category



Key data

- **Grades** offered: K-7th
- Budgeted **enrollment**: 136 (+36)
- **Cash loan**: WA Charters loan of \$300k to help balance cash
 - Relying on 9th grade small school bonus to repay and balance future budgets
- Total **teaching staff** (incl SPED & assistants): 14.5 (+3.5)
- Total **staff FTE**: 23.3 (+4.5)
- Per-pupil **gen apport** = \$11k; chg from PY = same
- Per-pupil **expenditures** = \$20.8k; change from PY = -\$2.5k
- **SPED Projected Program Loss** = -\$45k
- **Contingency** of \$71k = approx. 9 students (6%)

Budget Summary Continued

Budget Summary	Amount	Change From PY	Notes
Revenue			
State Revenue	\$1.9M	\$510k	Enrollment
Federal Revenue	\$537k	\$27k	CSP transfer
Local Donations	\$25k	\$22k	
Misc Local Revenue	\$22k	\$6k	Meals
Private Grants	\$255k	\$(115)k	
Total	\$2.7M	\$400k	
Expenditures			
Personnel	\$1.76M	\$355k	
Contracted Services	\$366k	\$(5)k	
School Ops	\$237k	\$(39)k	Supplies
Facility	\$326k	\$90k	Enrollment
Contingency	\$72k	\$3k	
Principal Loan Payments	\$59k	\$26k	Bridge Loan
Capitalized Equipment	\$29k	\$(22)k	Kitchen
Total	\$2.8M	\$500k	

Staffing

Staffing load is high compared to fiscal sustainability ratios

Average Teacher Salary

\$65k

▲\$4k

Teacher FTE

5.5

▼0.5

SPED Staff FTE

3.0

▲1

Total FTE

24.3

▲5.5

Fiscal Sustainability Ratio

■ Projection ■ Target

Students-to-Adult

5.64

0 10 20

Increasing Faculty Compensation to Retain Talent

- 1 3.5% raise to all salary schedules
- 2 \$1 raise for hourly staff on top of 3.5%
- 3 Summer PD Pay

Debt and Repayment

Debt to cash ratio will be bad until FY26 and launch of adolescent program allows net incomes that will enable the relatively quick repayment of all loans

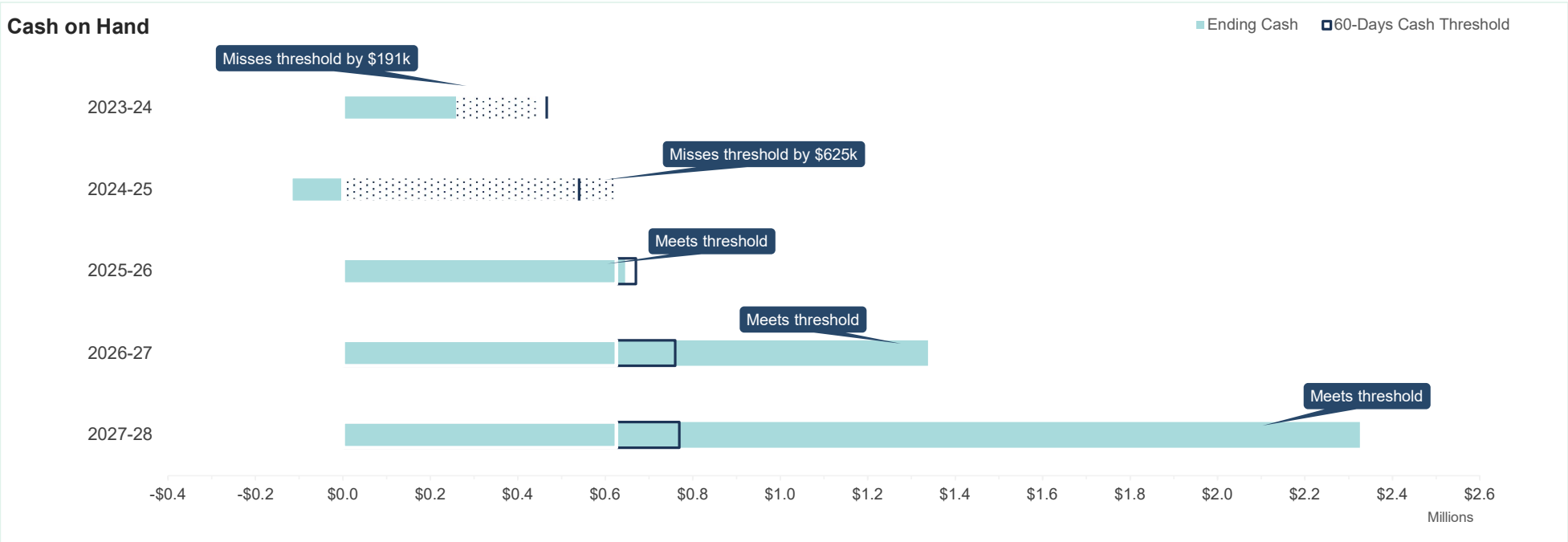
PCM Loan Summary		Balance	
Lender	8/31/2023	8/31/2024	Notes
Raza Construction Loan	434,917	418,417	Regular payments to continue
WA Charters Construction Loan	56,692	56,692	On interest only payments until FY26
Raza Cash Bridge Loan	59,385	-	Expected to be paid off with \$300k WA Charters loan
WA Charters Cash Loan	-	307,500	Expected 2.5% interest
Total	550,994	782,609	

Forecasted FY24 Metrics	Result	Goal
Expected Cash	259,514	469,476
Debt to Cash	3.02	<1

Repayment Plan: carry debt forward until adolescent program launches and large projected net incomes (\$780k in FY26) allow for relatively quick repayment of all loans

Long-Term Outlook

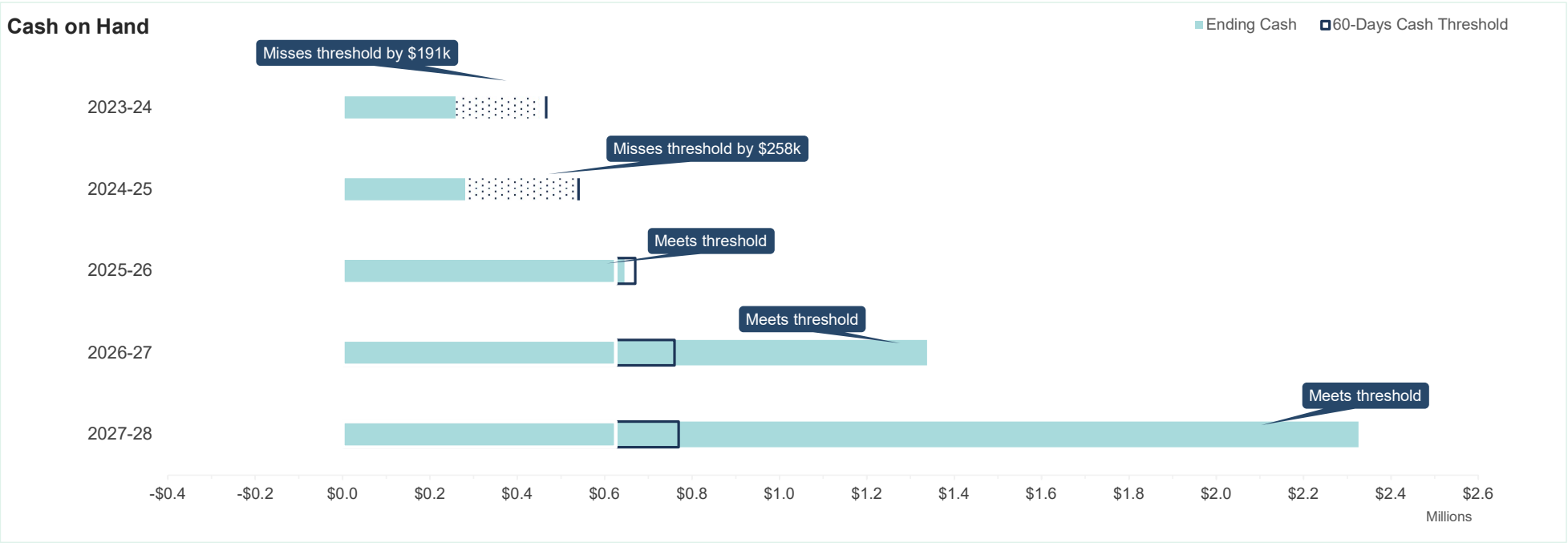
Levy equalization or additional funding needed



Short term budget will need additional funding to materialize or cuts to reach sustainability

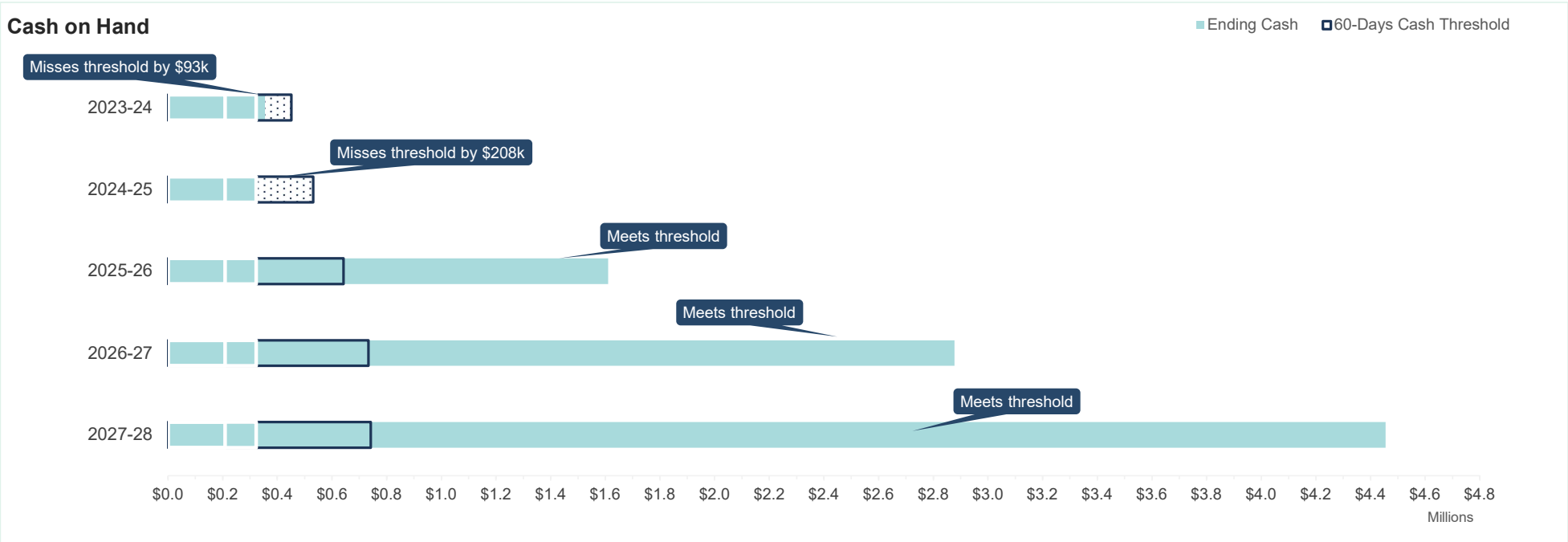
Long-Term Outlook w/ Credit Line (\$400k)

Credit Line Draw Needed to Meet 30 days cash in 24-25



Short term budget will need additional funding to materialize or cuts to reach sustainability

Long-Term Outlook – with levy equalization



Levy equalization would remove the need for a 24-25 cash loan or credit line

Four Year Outlook

PCM is obligated to file an estimated high-level four-year outlook with OSPI – the following has levy equalization in each year and theoretical cuts made that would allow sustainability in 24-25

F-195F Tool				
Enrollment	136.00	193.00	237.00	270.00
Staffing FTE	23.29	27.88	33.1	38
REVENUES AND OTHER FINANCING SOURCES	2023-24	2024-25	2025-26	2026-27
1000 Local Taxes	\$ -	\$ -	\$ -	\$ -
2000 Local Nontax Support	46,456	55,449	62,391	67,597
3000 State, General Purpose	1,558,881	2,101,037	4,080,819	4,450,014
4000 State, Special Purpose	560,120	764,842	947,933	1,088,713
5000 Federal, General Purpose	-	-	-	-
6000 Federal, Special Purpose	537,473	263,775	140,794	161,497
7000 Revenues from Other School Districts	-	-	-	-
8000 Revenues from Other Entities	255,000	-	-	-
9000 Other Financing Sources	-	-	-	-
A. TOTAL REVENUES AND OTHER FINANCING SOURCES	2,957,930	3,185,103	5,231,936	5,767,822
EXPENDITURES				
00 Regular Instruction	1,215,680	1,641,564	2,256,123	2,553,115
10 Federal Stimulus	-	-	-	-
20 Special Education Instruction	276,902	399,374	496,082	572,551
30 Vocational Education Instruction	-	-	-	-
40 Skill Center Instruction	-	-	-	-
50 and 60 Compensatory Education Instruction	46,780	68,400	88,820	104,775
70 Other Instructional Programs	381,299	149,002	-	-
80 Community Services	-	-	-	-
90 Support Services	919,315	924,160	1,234,833	1,397,151
B. TOTAL EXPENDITURES	2,839,976	3,182,500	4,075,858	4,627,593