



PALISADES

CHARTER HIGH SCHOOL

CBO REPORT BOARD OF TRUSTEES MEETING MARCH 31, 2020

2019-2020

CASH

PCHS has not closed its' Financials for January as of the date of this report. However, February 2020 Cash Balances were combined cash balances were \$8.0 million (\$7.3 million Unrestricted, including the Lifetime Benefit Account) compared to \$7.9 million (\$7.1 million Unrestricted) in January 2020. The Quarterly Funding from EPA (Prop 30) of approximately \$1.5 million will also be received in March 2020.

ATTENDANCE (Covid Updates)

PCHS reported updated ADA & enrollment through Month 6 was 2,987 enrolled. The related ADA for these 6 months is 2,903. Due to the Covid-19 outbreak, the CDE has announced that School District Funding is now be based on ADA for periods on or before February 29, 2020. Month 6 is the last reporting period that will be used for our P-2 Report and we will be funded on this ADA amount. There is a nominal amount of ADA to claim (less than 4 ADA) for Non Public School (NPS) students.

FINANCIAL UPDATES

The Covid-19 pandemic has materially altered the Financial paradigm for PCHS. Several legislative changes have and are being made that will alter both our Revenue & Expenses for the remainder of the School Year. Some highlights of these changes are as follows:

- #1) The ADA Funding for 2019-2020 (P-2) has been changed from April 15th to February 29th
- #2) School closure for periods of up to 2+ months will cause PCHS to be prepared to issue refunds for Parent paid items such as; Transportation, Student Meals & ASB Activities
- #3) IRS Tax law changes will allow Tax credits for payroll related payments to employees for certain Covid related absences. Special coding of Payroll will need to isolate these amounts



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#4) The need to practice “Social Distancing” has resulted in PCHS to directly mail all live checks and direct deposit stubs to employees for the upcoming April 10th payroll for March earnings

#5) The increase in employees working remotely, uncertain return dates and expectation that the 2020-2021 Budget will materially change from the information received in January has resulted in the CBO temporarily freezing the 2020-2021 Budget Calendar. More information is expected from the CDE & the State on whether the Education Budget & LCAP submission requirements will change or not

#6) The CDE announced on March 19th that State passed SB 117 that will provide School Districts with \$100 million in relief for Covid expenditures required to provide Protective equipment, supplies & related labor. PCHS has not learned the exact amount of funding it will receive to offset these new costs, but this funding may amount to approximately \$50,000. PCHS Operations has been notified and both past expenditures and proposed new expenditures will be isolated and reported to the Board

#7) There is a strong expectation that the funding levels for 2020-2021 will be dramatically reduced given the significant amount of State Budget being spent this year to combat the Pandemic

#8) Weekly conference calls have taken place and are scheduled with the other 3 Conversion High School’s to share their respective organization’s handling of these emergency conditions

SECOND INTERIM FINANCIAL REPORT

The CDE required “Second Interim Report” is in the process of being prepared and will be submitted by the March 15th CDE deadline. This report will include Actual Revenue/Expenditures to January 31st and projected Revenue/Expenses to the end of 2019/2020. The report is attached as a separate Agenda item and will be discussed based upon what was submitted. However, the information noted above will materially change the 2019-2020 projections made in early March.

TAX RETURN

The 2018-2019 Tax Return is in progress with our Audit Firm. The Return will be presented to the Board for review prior to its’ filing. It is anticipated to be presented in April.