

CBO REPORT

Juan Pablo Herrera

Board of Trustees Meeting
April 20, 2021

Cafeteria Updates

■ Cafeteria Audit

- *CDE Nutrition audit began in Feb. Review still in progress. Currently pending feedback.*
- *In-depth audit which covers nutrition sales/revenue, meal counts/claims, food safety, income verification, etc.*

■ Cafeteria Operations:

- *Still operating under the Seamless Summer Option (SSO) program, which allows for free meals for all.*
- *Currently distributing and making free meals/water available to all students on-site*

■ Cafeteria Contract Renewal

- *Option to extend for the final year in our contract with ChartWells (food service vendor).*
- *Contract renewal calls for a ~4.4% increase in meal prices (due to CPI index)*
- *Budget & Finance committee is aligned with staying with this vendor.*
- *Contract renewal details will be discussed as a separate agenda item.*

Business Compliance Updates

■ 2019-2020 Tax Return Update

- *Form 990 initially due on 3/1. PCHS filed for a 6-month extension (Form 8868). New deadline is 5/17.*
- *Working with Christy White Accounting Firm to finalize the Form 990.*
- *Will present Form 990 at May B&F and BOT meetings.*

■ CARS Application – Consolidated Application Reporting System (Formerly ConApp)

- *CDE requirement to certify and submit application by 3/31.. Will be discussed later as a separate agenda item.*

■ LAUSD Charter Schools Division (CSD) Oversight

- *Financial reports, internal control process & data submitted to LAUSD in early March*
- *Fiscal oversight meeting (segregation of duties) took place on 4/12.*
- *Preliminary questions received regarding (1) OPEB liability, (2) relief funding and (3) 2019-20 audit finding.*
- *Specifically, LAUSD has asked for additional information regarding our audit finding and the corrective action plan in place. Item to be discussed in more detail as a separate agenda item.*

Business Updates

■ Cash Flow

- *Cash ending balance for the month ending 03/31/21 was \$11,402,758.44. We are monitoring our cash closely.*
- *At last month's BOT meeting, an interfund transfer was approved, allowing PCHS to transfer funds from LTHB fund to the General Fund (short term transfer to be repaid in July 2021 with any lost interest)*
- *We have NOT transferred any of the funds and will only do so if we foresee a cash shortage in May/June 2021.*

■ 2021-2022 Budget Development

- *The plan was to bring textbook and IMA recommendations to the April BOT meeting. However, not all department budgets were received.*
- *Will bring textbook/IMA budget recommendations to the May B&F committee & BOT meetings for review/approval.*

■ PPP loan

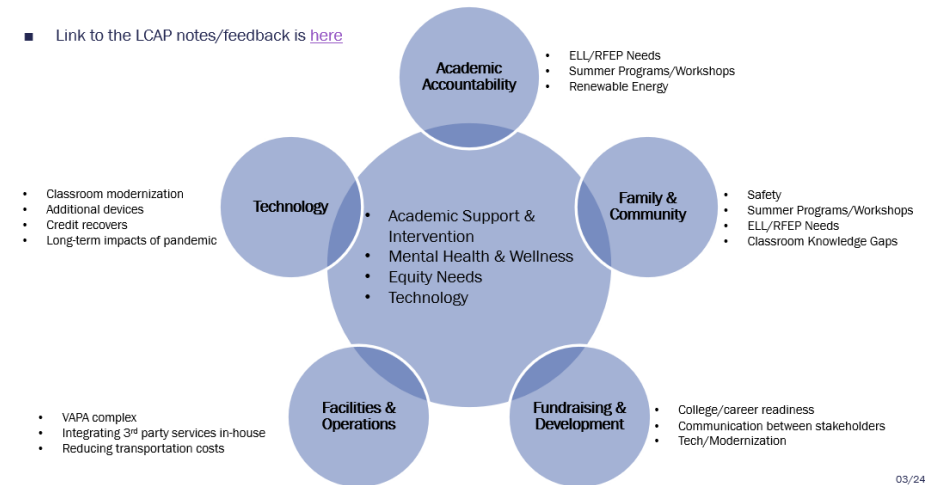
- *Application requires proof of a utility bill to match our PPP utility expense amount. Submitted a 2nd request to LAUSD to obtain our May 2020 utility bill.*
- *First payment date will be Sept 2021, OR when the SBA provides a decision on forgiveness eligibility (following month)*
- *We are planning on working with our bank to extend the repayment terms for any remaining balance from 2 years to 5 years (1% interest rate).*

Business Updates Continued...

LCAP Development

- Excellent feedback from prior 2 LTSP meetings, which were focused on goal development (see presentation materials [here](#))
 - *Preliminary focus areas: academic support/intervention, college/career readiness, mental health.*
 - *Technology and equity are key focus areas. Not stand-alone goals, but should be integrate into each goal/action*
- Upcoming meeting on 4/21 will share output of top 3-5 goals and the focus will be on **action items**.
 - *Discussing potential action items to support overall LCAP goals*
 - *Assigning expenditures to action items*
 - *Brainstorming new action items that can add value and support our LCAP goals (using one-time relief funds)*
- **Attend LTSP and ensure your voice is heard!**

Feb LTSP: Preliminary LCAP Goal Development



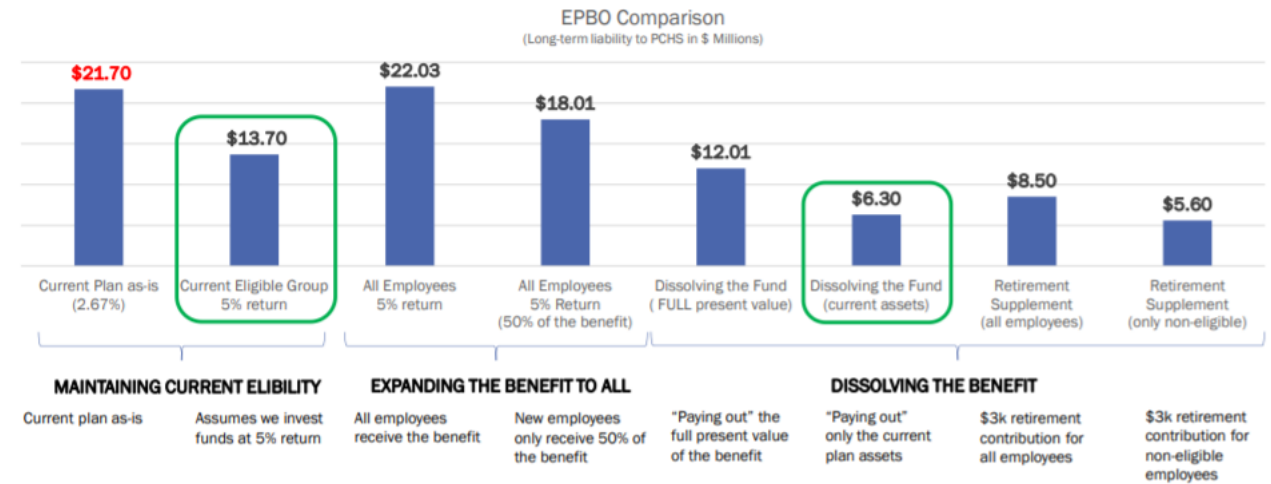
Business Updates Continued...

■ OPEB Scenarios

- *The expanded actuarial scope is complete. Presented report at the 3/26 LTHB committee meeting.*
- *Watch the meeting video and review the presentation materials (click [here](#))!*
- *As I have communicated before, regardless of what scenario we pursue, PCHS will need to significantly increase the annual contribution level.*
- *Currently operating on the pay-as-you go plan, but actuary recommends contributions of **2X-3X** what we are currently contributing*

The EPBO (long-term liability) or impact of each scenario is shown below

- The chart below shows the Expected Post-Retirement Benefit Obligation (total liability to PCHS)
- Maintaining the current eligibility or dissolving the benefit are the recommended approaches



Looking Ahead

- State Budget deferrals currently underway
 - *We are closely monitoring our cash!*
- Relief funding to be received in May 2021 (approximately \$1.5 Million)
 - *50% of the allocation of the (1) In-person Incentive Grant and (2) Expanded Learning Opportunity Grant*
- Extended Learning Opportunity Grant – Required CDE Template (click [here](#))
 - *Required CDE template due 6/1 (board approved), outlining how we will spend the funds*
 - *Required as a condition of receiving the funds*
 - *Initial feedback will be solicited at upcoming LTSP meeting*
- 2021-2022 Budget Development & LCAP
 - *In progress*

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