



2020-2021 Unaudited Actuals

BY: JUAN PABLO HERRERA & ARLETA ILYAS
PALISADES CHARTER HIGH SCHOOL

Presentation

- 2020-21 Unaudited Actuals Overview
- Revenue: Estimated vs. Unaudited
- Expense: Estimated vs. Unaudited
- Pali's 3- Year Financial History
- Special Ed Cost per Year
- Lifetime Benefits & Building a reserve
- Immediate Concerns



2020-2021 Unaudited Actuals

Revenue category	2020-2021 Adopted Budget (6/5/2020)	2020-2021 2 nd Interim	2020-2021 Estimated Actuals (5/21/2021)	2020-2021 Unaudited Actuals (8/16/2021)	Difference (Unaudited vs. Estimated)	Actuals vs. Budgeted
LCFF	\$27,196,847	\$29,539,379	\$29,477,600	\$29,454,781	(\$22,819)	\$2,257,934
Federal	\$1,653,358	\$2,485,095	\$2,379,411	\$2,385,793	\$6,382	\$732,435
State	\$969,722	\$1,201,361	\$1,504,288	\$2,680,024	\$1,175,736	\$1,710,302
Local	\$3,842,816	\$2,917,323	\$2,936,621	\$3,065,385	\$128,764	(\$777,431)
Total	\$33,662,743	\$36,143,158	\$36,297,920	\$37,585,983	\$1,288,063	\$3,923,240
Expense Category	2020-2021 Adopted Budget (6/5/2020)	2020-2021 2 nd Interim	2020-2021 Estimated Actuals (5/21/2021)	2020-2021 Unaudited Actuals (8/16/2021)	Difference (Unaudited vs. Estimated)	Actuals vs. Budgeted
Certificated Salaries	\$14,103,004	\$14,997,660	\$15,354,688	\$15,463,117	\$108,429	\$1,360,113
Classified Salaries	\$4,369,612	\$4,794,155	\$4,202,100	\$4,420,938	\$218,838	\$51,326
Benefits	\$7,844,229	\$8,195,951	\$8,151,712	\$7,683,646	(\$468,066)	(\$160,583)
Books & Supplies	\$694,027	\$1,524,091	\$1,327,478	\$1,249,644	(\$77,834)	\$555,617
Services, Other Operating Exp.	\$5,647,067	\$5,252,458	\$4,938,518	\$4,998,761	\$60,243	(\$648,306)
Depreciation	\$900,000	\$900,000	\$900,000	\$970,500	\$70,500	\$70,500
Indirect Cost/Debt Service	\$330,306	\$333,592	\$332,974	\$318,343	(\$14,631)	(\$11,963)
Total Expenses	\$33,888,245	\$35,997,907	\$35,207,470	\$35,104,949	(\$102,521)	\$1,216,704
Net Total (Revenue – Expense)	(\$225,502)	\$145,250	\$1,090,450	\$2,481,034	\$1,390,584	\$2,255,532



Revenue: Estimated vs. Unaudited



LCFF: Prior year revenue adjustments

Federal:

- Increase in federal cafeteria revenue through operating the seamless summer program (free meals for students), \$12K

State:

- Increase in Lottery Revenue, Non Prop 20 \$86K, Prop 20 \$83K
- Deferred CTE revenue to 21/22 **(\$77K)**
- Recognized In-Person Instruction Grant revenue used in 20/21, \$53K
- Received Expanded Learning Opportunities Grant funds, \$1M (to be used in 21/22)

Local Revenue:

- Increase in Pool/Permit revenue, \$139,230
- Decrease in interest received **(\$46K)**
- Increase in LAUSD SpEd COP (charter operated programs) revenue, \$10K
- Increase in fundraising revenue, \$26K



Expense: Estimated vs. Unaudited

- Increase in Certificated Salaries, \$108K
- Increase in Classified Salaries, \$218K
- Cost savings in Certificated/Classified Benefits **(\$468K)**
- Increase spending in IMA, \$22K
- Decrease in tech supplies expenses **(\$83K)**
- Increase expenses in subscriptions, \$10K
- Decrease in operations supplies **(\$22K)**
- Cost savings in utilities **(\$71K)**
- Increase in rentals/leases/repairs, **\$90k**
- Increase in transportation, \$69K
- Increase in Depreciation Expense, \$70K
- Decrease in indirect costs, **(\$14K)**



Pali's 3-Year Financial History

Revenue	18/19 Actuals	19/20 Actuals	20/21 Actuals
LCFF	\$27,952,129	\$29,621,752	\$29,454,781
Federal	\$1,393,072	\$1,243,671	\$2,385,793
State	\$3,603,453	\$963,245	\$2,680,024
Local	\$1,873,588	\$3,558,434	\$3,065,385
Total Revenue:	\$34,822,242	\$35,387,102	\$37,585,983
Expense	18/19 Actuals	19/20 Actuals	20/21 Actuals
Cert Salaries	\$14,809,971	\$14,270,782	\$15,463,117
Class Salaries	\$4,647,915	\$4,736,132	\$4,420,938
Benefits	\$7,605,701	\$7,823,442	\$7,683,646
Books/Supplies	\$773,877	\$546,163	\$1,249,644
Services, Other Operating Exp.	\$6,528,022	\$5,469,467	\$4,998,761
Depreciation	\$872,447	\$856,150	\$970,500
Debt Service/Indirect	\$332,193	\$358,382	\$318,343
Total Expense	\$35,570,846	\$34,060,518	\$35,104,949
Net Balance (financial statement balance)	(\$748,604)	\$1,326,584	\$2,481,034
Net balance (cash statement balance)	(\$480,470)	\$1,885,252	\$3,004,543



Special Education – Costs Per Year

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (projected)
Federal (IDEA)	\$549,373	\$565,541	\$588,067	\$597,250	\$591,955	\$777,041
State (AB602)	\$1,619,536	\$1,681,851	\$1,761,835	\$1,791,069	\$1,831,540	\$2,002,632
Local (STEP Grant)	\$166,207	\$172,997	\$355,834	\$160,504	\$149,610	\$100,000
Total Revenue	\$2,168,909	\$2,247,392	\$2,705,736	\$2,548,823	\$2,573,106	\$2,879,673
Total Cost	\$4,315,948	\$4,581,186	\$5,942,921	\$4,940,067	\$4,783,692	\$5,130,107
General Fund (Encroachment)	\$1,980,832	\$2,160,797	\$3,237,185	\$2,391,247	\$2,210,586	\$2,250,434
% Increase (Total)	19%	6%	7%	-16%	-3%	7%
% Increase (Gen Fund)	48%	9%	7%	-26%	-7.5%	1.8%
% Funded by Gen Fund	46%	47%	47%	48%	46%	43%

School closures due to pandemic has decreased special ed costs.



Lifetime Benefits



This is a very expensive benefit we offer eligible employees.

As calculated by our actuaries at DF&A, PCHS has an Expected Postretirement Benefit Obligation (EPBO) of \$26,002,065. This represents the total cost of current/future retiree benefits.

Our annual OPEB (Other Post-Retirement Benefits) is \$1,768,494/year. This is the cost PCHS has to pay each year in order to sustain the lifetime health benefits program

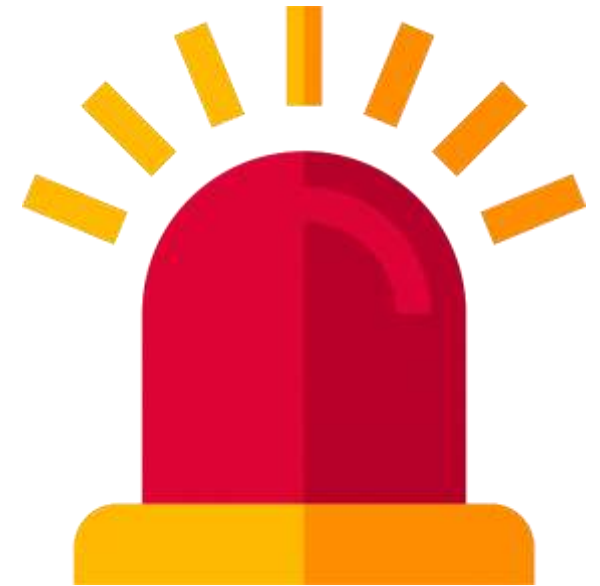
However, we are operating under the assumption that PCHS is investing the entire retiree fund and earning a net 5% rate of return (20 years). This reduces our annual pre-funding contribution to \$790,000 (20 years).

This is approx. 2.5X the amount we have contributed in past years... & we must continue this for 20 years.



Immediate Concerns/Next Steps

- Unrestricted Cash Reserves: well on our way to a 5% minimum reserve level
 - Attributed to limited operations during the pandemic
- ADA impacts due to quarantine
- Lower UPP (unduplicated pupil percentage)
- COVID-19 Impact
- Use of Relief Funds (allocation, tracking, compliance)
- PPP Forgiveness: Update should be provided soon
- Track multi-year projections





2021-2022 Budget Update

BY: JUAN PABLO HERRERA & ARLETA ILYAS
PALISADES CHARTER HIGH SCHOOL

2021-22 Budget Update: Topline Summary

After the Board of Trustees approved our 2021-22 Budget, the CDE revised revenue allocations

- State Lottery apportionment: Increased by +\$114,303
- In-Person Instruction Grant Allocation: Increased by +76,721
- LCFF Entitlement: Decreased by -\$47,366
- State Unemployment Insurance Rate: Decreased from 1.23% to 0.5% (savings of \$155,959)

PCHS has also reached a tentative agreement with UTLA, which has been factored into the 8/20/21 budget revision

- 1.75% salary increase & PD rate increase to \$50: Estimated cost is ~\$287,000

The 3rd column shows a scenario in which there is a schoolwide Tentative Agreement (including PESPU & unrepresented)

- Estimated cost of a schoolwide agreement is approximately \$402,710

2021-22 Budget Update: Topline Summary

	21/22 Adopted Budget	21/22 Revised Budget Including CDE updates & UTLA Tentative Agreement (8/20/2021)	21/22 Revised Budget (Assuming a Schoolwide Tentative Agreement is reached)
Total Revenue:	\$ 39,950,522	\$ 40,142,190	\$ 40,142,190
Total Expense	\$ 39,690,487	\$ 39,915,364	\$ 40,051,666
Net balance (Financial statement balance)	\$ 260,035	\$ 226,826	\$ 90,524