



PALISADES

CHARTER HIGH SCHOOL

CBO Report Board of Trustees Meeting December 14, 2021

2021-2022 BUDGET UPDATE

- First Interim Financial Report: PCHS' first interim report has been submitted to LAUSD. This has been quite volatile year and we will continue to monitor revenue projections and expenditures. The biggest impactor was a decrease in enrollment and ADA, which significantly reduced our revenue.
- We now are projecting a deficit of \$336,943. While this number can seem scary, we have time to analyze trends and make recommendations for fund reallocations in order to balance the budget come Second Interim.

COMPLIANCE

- The 2020-2021 audit is now underway. The deadline has been extended to January 31, 2022, so we will instead be sharing out the audit report at the January meeting.

POST EMPLOYMENT RETIREMENT BENEFIT

- Our actuary, DFA, has completed an actuarial "annual update." Typically, we have only performed a valuation every 2 years, but moving forward we will monitor it on an annual basis to better understand changes in our liabilities. This is a best practice and a "recommendation" from LAUSD Charter Schools Division.
- The report measures the Accumulated Postretirement Benefit Obligation (APBO) as of June 30, 2021 and is based on our actuarial valuation as of June 30, 2020.
- The APBO decreased by approximately 31.9% compared to the amount reported in PCHS's June 30, 2020, financial statement.

INVESTMENT OF RETIREE FUND

- We are eager to invest the funds with the help of our Investment Advisor team at Merrill Lynch. However, to be transparent, we need to approve a board resolution that clearly states PCHS is transferring 100% of the retiree benefit fund (Fund 20) into our brokerage account at Merrill Lynch (under management of the RVR Group) and any Accounts Receivable or funds owed to the Retiree Benefit Fund.

CAFETERIA/NUTRITION

- **Addressing Long Lunch Lines:** Our cafeteria meal production continues to grow. The cafeteria served 16,454 free meals in November. Including a-la-cart sales, the meals served exceeded 22,700. We have hired a 3rd student worker in the cafeteria to facilitate meal distribution. In addition, the 2 double ovens are being installed over winter break, which will allow for more baking capacity and streamline our operations. Our food service vendor (Chartwells) still has openings for full-time staff in our cafeteria.



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NEW SOURCES OF FUNDS

- **EEF:** If you recall, as part of the Governor’s 2021-22 State Budget, he proposed a \$1.5 Billion “Educator Effectiveness Block Grant (EEF).” PCHS’ estimated allocation is **\$531,476**. This is new one-time funds that must be Board approved by December 30, 2021 and spent by **September 30, 2026**. This item is listed as a separate agenda item. Please note, these funds are not yet built into our budget because they are not yet board approved.
- **A-G Completion Improvement Grant:** PCHS’ preliminary allocation is \$816,034. The final allocation will be available in February 2022. This grant must increase access to A-G courses and eligibility. PCHS must adopt a plan by April 1, 2022 and must spend the funds 2026. More information regarding allowable can be found [here](#).

LOOKING AHEAD

- PPP forgiveness is still pending. The SBA has once again requested additional information. Given the size of the loan amount, they are doing their due diligence before making a decision regarding loan forgiveness.
- The Governor’s workshop will be held between January 18-21, 2022. This workshop will review/analyze the Governor’s preliminary budget proposal for the 2022-2023 year. This includes revenue projections, COLA (cost-of-living adjustment) and legislation updates. This information is critical in helping us develop our 2022-2023 budget assumptions.
- As we close out the calendar year, we are closely monitoring the impact of the vaccination mandate. This can impact enrollment count, virtual academy enrollment and of course ADA. In a future meeting, the finance team will recommend a reallocation of relief funds to close the gap and