

LAKE ARROWHEAD CHRISTIAN SCHOOLS

"Go therefore and make disciples of all the nations ... Teaching them to observe all things that I have commanded you; and lo, I am with you always, even to the end of the age ..." Matthew 28:19–20

Wednesday, April 19, 2023

To Parents, Students, and Staff:

After much discussion and prayer, the leadership team overseeing Lake Arrowhead Christian Schools (LACS) has made the very difficult decision to discontinue the school's 9th through 12th-grade program. The high school's closing will be effective at the end of the 2022–2023 school year, with provisions for students currently in the 11th grade to complete their senior year. A combination of several factors drove the decision to close, including insurmountable financial challenges coupled with declining enrollment. As we look to the future, we believe the most realistic path toward financial sustainability is to consolidate LACS into a kindergarten through 8th-grade program.

For the past few years, overall attendance at LACS has declined as more families move away from the area. From the pre-pandemic peak enrollment of 250 students, that number is presently down to 144. Dwindling tuition income is adding to our already substantial budget deficit. Simply put, LACS is now experiencing a shortfall of \$500,000. For several years, the school's parent organization, Calvary Chapel Costa Mesa (CCCM), has generously underwritten the growing deficit, but being faced with ballooning negative projections, we have had to reevaluate to achieve financial sustainability.

CCCM acquired LACS in 2012, investing in infrastructure improvements and salaries. Over the past five years alone, the church has invested over \$1 million in those endeavors. As the church reviews its financial position, it has required all affiliated ministries to do the same and has asked all income-generating ministries to work toward a cash flow-positive balance sheet.

While financial challenges are problematic for all our schools, the high school program is the most critical. Currently, there are (on average) 7.5 students per grade in our high school; we have calculated that 19 students per grade would be the minimum number required for sustainability. Even with the sunniest of forecasts, we do not see a path to adding nearly 50 new high school students in the upcoming school year. In the past five years, LACS has admitted only 12 new high school students; in contrast, new student admissions are eight times more likely in grades 1 through 8.

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The financial impact of closing the high school will save approximately \$400,000, which leaves LACS with a net loss of under \$100,000 for the 2023–2024 school year. The plan is to pursue specific revenue enhancement projects to erase that deficit by the 2024–2025 academic year and thereby shore up the financial foundation for K–8. Despite the change, we are committed to our elementary and middle schools and remain firm in our resolve to offer the very best in Christian education to our local community.

We know the news about our shift in strategy will be hard for many and create a disruption for some, and we will work hard to smooth the transition for our affected students and colleagues. We are trusting the Lord during this difficult season and praying for those who will be impacted.

Undoubtedly you will have questions as you process the news. Please know that we will be available to answer questions or address concerns.

Sincerely,

The Leadership Team
Lake Arrowhead Christian Schools