

# 2019-2020 UNAUDITED ACTUALS

By: Arleta Ilyas, Juan Pablo Herrera, Sara Margiotta of  
Budget/Finance



# Presentation

- 2020-21 Unaudited Actuals Overview
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- Expense: Estimated vs. Unaudited
- Pali's 3- Year Financial History
- Special Ed Cost per Year
- Lifetime Benefits & Building a reserve
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# 2019-2020 Unaudited Actuals

Revenue category	2019-2020 Adopted Budget (6/19/2019)	2019-2020 2 <sup>nd</sup> Interim	2019-2020 Estimated Actuals (6/5/2020)	2019-2020 Unaudited Actuals (8/19/2020)	Difference (Unaudited vs. Estimated)	Actuals vs. Budgeted
LCFF	\$29,384,582	\$29,514,591	\$29,610,004	\$29,621,752	\$11,748	\$237,170
Federal	\$1,426,470	\$1,411,810	\$1,262,281	\$1,243,671	(\$18,610)	(\$182,800)
State	\$836,697	\$1,028,975	\$1,025,156	\$963,245	(\$61,911)	\$126,548
Local	\$3,987,112	\$3,827,947	\$3,492,808	\$3,558,434	\$65,626	(\$428,678)
<b>Total</b>	<b>\$35,634,861</b>	<b>\$35,783,323</b>	<b>\$35,390,249</b>	<b>\$35,387,102</b>	<b>(\$3,147)</b>	<b>(\$247,759)</b>
Expense Category	2019-2020 Adopted Budget (6/19/2019)	2019-2020 2 <sup>nd</sup> Interim	2019-2020 Estimated Actuals (6/5/2020)	2019-2020 Unaudited Actuals (8/19/2020)	Difference (Unaudited vs. Estimated)	Actuals vs. Budgeted
Certificated Salaries	\$14,108,265	\$14,373,171	\$14,298,171	\$14,270,782	(\$27,389)	\$162,517
Classified Salaries	\$4,649,783	\$4,567,856	\$4,567,856	\$4,736,132	\$168,276	\$86,348
Benefits	\$7,924,422	\$7,877,956	\$7,963,291	\$7,823,442	(\$139,849)	(\$100,980)
Books & Supplies	\$648,819	\$763,044	\$648,506	\$546,163	(\$102,343)	(\$102,655)
Services, Other Operating Exp.	\$5,880,186	\$5,739,800	\$5,305,488	\$5,469,467	\$163,979	(\$410,720)
Depreciation	\$900,000	\$900,000	\$900,000	\$856,150	(\$43,850)	(\$43,850)
Indirect Cost/Debt Service	\$331,305	\$332,605	\$333,559	\$358,382	\$24,823	\$27,077
<b>Total Expenses</b>	<b>\$34,442,781</b>	<b>\$34,554,432</b>	<b>\$34,016,870</b>	<b>\$34,060,519</b>	<b>\$43,647</b>	<b>(\$529,110)</b>
<b>Net Total (Revenue - Expense)</b>	<b>\$1,192,080</b>	<b>\$1,228,891</b>	<b>\$1,373,379</b>	<b>\$1,326,584</b>	<b>(\$46,795)</b>	<b>\$281,351</b>



# Revenue: Estimated vs. Unaudited



- LCFF: Prior year revenue adjustments
- Federal: Increased IDEA funding (\$9k), Lowered claims for Dept. of Rehab program, Disputed CDE food services audit, write off from prior years (-\$18K)
- State: Deferred \$10K of COVID-19 grant to 20-21, recognized more CTE revenue for 19-20 FY
- Local: Received more AB602 Special Ed Revenue



# Expense: Estimated vs. Unaudited



- Decrease in Certificated Salaries/Benefits (-\$27K)
- Increase in classified salaries/benefits (\$168k)
- Decreased spending in IMA due to re-classification of student conference expenses from IMA to other services (-\$18k)
- Increased non-capital spending as part of CTE grant
- Decreased spending in food service supplies due to school closure (-\$74k)
- Increased repair expense to account for LAUSD repair expense settlement (\$308K)
- Cost savings in Special Ed consulting, security, custodial, & food services, increase in legal expenses and re-class of landscaping services (\$55,614).
- Decreased cost in transportation due to stop in service, less parent billings (-\$159,374)



# Pali's 3-Year Financial History

Revenue	17/18 Actuals	18/19 Actuals	19/20 Actuals
LCFF	\$28,816,219	\$27,952,129	\$29,621,752
Federal	\$1,321,289	\$1,393,072	\$1,243,671
State	\$3,944,232	\$3,603,453	\$963,245
Local	\$1,780,114	\$1,873,588	\$3,558,434
Total Revenue:	\$33,861,854	\$34,822,242	\$35,387,102
Expense	17/18 Actuals	18/19 Actuals	19/20 Actuals
Cert Salaries	\$14,703,193	\$14,809,971	\$14,270,782
Class Salaries	\$4,592,164	\$4,647,915	\$4,736,132
Benefits	\$7,107,370	\$7,605,701	\$7,823,442
Books/Supplies	\$1,452,174	\$773,877	\$546,163
Services, Other Operating Exp.	\$5,960,039	\$6,528,022	\$5,469,467
Depreciation	\$637,921	\$872,447	\$856,150
Debt Service/Indirect	\$313,137	\$332,193	\$358,382
Total Expense	\$34,765,997	\$35,570,846	\$34,060,518
Net Balance (financial statement balance)	<b>(\$904,143)</b>	<b>(\$748,604)</b>	<b>\$1,326,584</b>
Net balance (cash statement balance)	<b>(\$266,970)</b>	<b>(\$480,470)</b>	<b>\$1,885,252</b>



# Special Education – Costs Per Year

	2015-16	2016-17	2017-18	2018-19	2019-20
Federal (IDEA)	\$540,503	\$549,373	\$565,541	\$588,067	\$597,250
State (AB602)	\$1,629,296	\$1,619,536	\$1,681,851	\$1,761,835	\$1,791,069
Local (STEP Grant)	\$107,588	\$166,207	\$172,997	\$355,834	\$160,504
Total Revenue	\$2,277,387	\$2,168,909	\$2,247,392	\$2,705,736	\$2,548,823
Total Cost	\$3,620,064	\$4,315,948	\$4,581,186	\$5,942,921	\$4,940,067
General Fund (Encroachment)	<b>\$1,342,676</b>	<b>\$1,980,832</b>	<b>\$2,160,797</b>	<b>\$3,237,185</b>	<b>\$2,391,247</b>
% Increase (Total)	-1%	19%	6%	7%	-16%
% Increase (Gen Fund)	-6%	48%	9%	7%	-26%
% Funded by Gen Fund	37%	46%	47%	47%	48%

5 year annual average increase of 3%, 5 year general fund increase of 6.4%



# Lifetime Benefits & Building a Reserve



- As calculated by our actuaries at Nyhart Epler, PCHS has a yearly OPEB (Other Post-Retirement Benefits) of \$1,534,631/year.
- This is the cost PCHS has to pay each year in order to sustain the lifetime health benefits program
- PCHS also has to build a reserve for any economic uncertainty
- There are currently 2 reserve requirements out there:
  - Reserve for economic uncertainty: 3% of our general fund expenses (19/20 amount = \$1,021,534.61) – PCHS Board MOU states a 5% reserve
  - Fund balance reserve policy of at least 17% of expenditures:  
(19/20 amount = \$5,790,288.06)
- 3% reserve would = 2 weeks of expense while 17% is about 2 months of expenses





# Immediate Concerns/Next Steps

- Monitor state budget analysis
- Cash Flow (Deferrals/State IOU)
- Reserves
- COVID-19 Impact
- Develop re-opening plans for hybrid model, monitor impacts to revenue and expense
- Track multi-year projections
- STRS/PERS increases

