



PALISADES

CHARTER HIGH SCHOOL

CBO Report **Board of Trustees Meeting** **August 23, 2022**

2021-2022 UNAUDITED ACTUALS

- PCHS is in the final stages of closing out the 2021-2022 fiscal year. Our unaudited actuals report is due to LAUSD by 8/26/22. This report presents a look at our 2021-2022 final expenditures. Both LAUSD and our auditors will review our report and follow-up for additional information.
- We ended the year with a positive ending balance of \$2,020,136. Please note, this amount is significantly inflated because PCHS received restricted funds (grants, relief funding, etc.) that we had to account for in 2021-22, yet the expenses will not incur until 2022-23 and beyond.
- Of the \$2.02 Million positive ending balance, \$1.534 Million of it was restricted funds.
 - Educator Effectiveness Funds: \$397,553
 - A-G Completion Grant (Access/Success): \$421,507
 - A-G Completion Grant (Learning Loss): \$62,636
 - Ethnic Studies Block Grant: \$76,392
 - Supply Chain Assistance Grant: \$74,219
 - Child Nutrition: Kitchen Infrastructure Grant: \$27,000
 - Expanded Learning Opportunities Grant: \$475,182
- Some of the restricted funding sources above require board approved expenditure plans.

2022-2023 BUDGET UPDATE

- This item is included as a separate agenda item.
- The revised budget now includes the updated LCFF calculator and accounts for new assumptions and the impact of UTLA bargaining.
- There is a projected positive ending balance of \$343,155. This ending balance does not include the following: (1) impact of PESPU or unrepresented salary adjustments and (2) one-time funds included in the 22-23 state budget (because the allocations are not finalized).

FINANCE OFFICE TRANSITIONS

- Our Finance Director, Arleta Ilyas, has moved on to another great opportunity. Her leadership, skillset and passion will greatly be missed.

INVESTMENT OF RETIREE FUND

- As part of the recent CSD Oversight visit, LAUSD acknowledged our retiree benefit investment fund, but recommended that we establish a trust.
- We previously did not establish a trust because (1) we were in the process of evaluating multiple retiree benefit options and (2) the priority was to invest the current funds.
- We will evaluate three trust administrators based on feedback from our actuary, investment manager and K-12 referrals.
- Please note, the process is rigorous and there will be attorney/trust fees involved.



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COMPLIANCE

- The independent audit for 2021-22 is underway. We are hopeful for no findings this year.
- The actuarial valuation for 2021-22 is also in process. We are working closely with the actuary to provide updated census data and financial information.
- Lastly, the 2021-22 CSD Oversight Report is finalized. PCHS earned a 2 out of 4 in the Fiscal section. That is technically the highest rating that PCHS was eligible to receive as a result of 2 audit findings within the past 2 years. See below:
 - In 2019-20, PCHS received an audit finding for non-classroom-based instruction
 - Two independent study contracts were signed after the start of the school year.
 - In 2020-21, PCHS received an audit finding for Unduplicated Pupil Count: EL student
 - One student was not classified correctly, and the auditor acknowledged it was a clerical oversight.
- As a result of the above past findings, the maximum PCHS could receive was a 2 out of 4.

LOOKING AHEAD

- Over the next few weeks, finance will be evaluating:
 - 5-year textbook adoption cycle
 - 10-year furniture purchase plan
 - Deferred maintenance funding schedule
 - Ed Tech funding schedule
 - Will work with Datalink Networks (technology consultant who has K-12 experience) to refine the Ed Tech plan and evaluate funding scenarios.
- The one-time funds included in the 2022-23 state budget will be finalized soon. Once available, we will gather feedback from all educational partners and work with LTSP and budget committees to develop a spending plan.