APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Board meeting

January 2024 Finance and Investment Board meeting

Date and Time
Thursday January 18, 2024 at 5:30 PM

Location
Main Campus - Principals Conference Room (PCR)

5440 Valley Circle Boulevard
Woodland Hills, CA 91367

The Finance and Investment Committee is a standing committee of the Board of Directors of El Camino Real Alliance.

For committee meeting materials, please go to the school's main office, or call (818) 595-7500. Some board meeting materials are also posted in the school's website (https://ecrchs.net - click the ECR Board tab).

ATTENTION:

WE HAVE RETURNED TO "IN-PERSON" FINANCE AND INVESTMENT COMMITTEE MEETINGS.

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND OTHER MEETING ATTENDEES:

El Camino Real Alliance ("ECRA") welcomes your participation at ECRA's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of ECRA in public.

Your participation assures us of continuing community interest in our charter school. To assist you in the ease of speaking/ participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the door to the meeting.

2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Public Comments."

"Public Comments" is set aside for members of the audience to raise issues that are not specifically on the agenda.

However, due to public meeting laws, the Board can only listen to your issue, not respond or take action.
These presentations are limited to ***two (2) minutes*** and total time allotted to non-agenda items will not exceed thirty (30) minutes. A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak.

The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.

3. You may also complete a "Request to Speak" form to address the Board on Agenda items. With regard to such agenda items, you may specify the item(s) on your "Request to Speak" form and you will be given an opportunity to speak for up to three (3) minutes before the item is addressed, and total time allocated to agenda items will not exceed six (6) minutes for a Discussion item and nine (9) minutes per Vote item.

A member of the public who requires the use of a translator, in order to receive the same opportunity as others to directly address the Board, shall be permitted twice the allotted time to speak, and the total allocated time shall be appropriately increased as well.

4. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth. In order to maintain allotted time limits, the Board Chair may modify speaker time allocations or the total amount of allotted time for an item.

5. Any public records relating to an agenda item for an Open Session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at 5440 Valley Circle Blvd., Woodland Hills, California, 91367.

IMPORTANT NOTE REGARDING PUBLIC COMMENTS:

Effective September 2022, public comments presentations at all ECRA Regular and Special Board Meetings and Committee Meetings must be made in person.

There is no obligation on the part of the school to have a school official read public comments during in-person Board Meetings.

A member of the public is welcome to appear at the Board meeting to make a public comment or make arrangements with another person in attendance to speak on the person's behalf.

Consent Agenda: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion or more motions in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board vote(s) on the Consent Agenda item(s). The Executive Director recommends approval of all consent agenda items.

In compliance with the Americans with Disabilities Act (ADA) and upon request, El Camino Real Alliance may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Requests for disability related modifications or accommodations shall be made 24 hours prior to the meeting to David Hussey, in person, by email at comment@ecrchs.net, or by calling (818) 595-7500.

Committee Members Present
Daniela Lopez-Vargas, Gregg Solkovits

Committee Members Absent
Alexandra Ramirez

Guests Present
Maureen Barican, Ryan Guinto

I. Opening Items

A. Call the Meeting to Order

Daniela Lopez-Vargas called a meeting of the Finance and Investment Committee Committee of El Camino Real Charter High School to order on Thursday Jan 18, 2024 at 5:43 PM.

B. Record Attendance and Guests

C. Pledge of Allegiance to the United States of America (USA)

Mr. Wood led Board members and guests in the Pledge of Allegiance to the United States of America (USA).

D. Public Comments

There were no public comments

E. CBO Report

Mr. Wood, ECRCHS CBO, provided his CBO Report to the Committee with highlights as follows:

Governor's Budget and Policy: The governor's budget, Governor Newsom, released information on the 2024-25 budget. Late last week, we have some preliminary information. I'm going to be attending school services in California. There's a statewide meeting being held tomorrow in Anaheim, which I will be attending tommorow. And I'll share a broader aspect of that conference. We'll share information learned and provide that at the next board meeting.
Preliminarily, they did have conversations that suggest there's going to be a significant budget shortfall. They're going to backfill it with some of the surpluses generated from prior years. The COLA is at this point is still subject to change until May, but at this point, the 2024-25 COLA is being projected at less than 1%, 0.76%. So if that were to hold for next year, we would get basically a $400 per student LCF increase, subject to having similar enrollment.

Cafeteria Management and Food Services: given that our enrollment is down about 7%, 8%, the meal service is following the same trend. Meals served for the year, through December, we're down about 8.6% in terms of meals served. So that is not as good as we had originally budgeted. We've been adjusting our budget subsequently to account for the lower amounts.
Today, because the state is still providing free meals for every kid, and I hear that's also being proposed for next year as well, so regardless of whether you're Free, Reduced, or Pay, any student can come in and have a breakfast and a lunch provided at no cost. So that is generating profitability, if you will, but stays within the cafeteria.
To date, we have made about $60,000 worth of investments in cafeteria infrastructure. So we have about a $72,000 surplus to continue to spend on other infrastructure. We're currently working with our food service company to provide. They've identified some equipment, like ovens, and ice machines, and things like that to do investments. There is no timeline of when we have to spend any surplus we would have in the cafeteria account. So we're going to still look to improve the cafeteria beyond the equipment, maybe possibly some of the facility improvements in addition to equipment. We'll be looking at those measures, bring it to the board- very large items, we'll bring it to the

board, get buy-in, and make sure we get surveys out to, particularly if it's other than equipment things. It makes sense that this infrastructure will provide more access and speed up the lines and everything. That's the plan.
Mr.Solkovits: Quick question. Enrollment's down 7 to 8%, but meal service is down 8.67%. But that would imply that fewer kids are choosing to eat…..? any thoughts to what that is?
Mr: Wood: I am anxious to see the cafeteria over the winter break has added three people. Current plans starting next week is to take some carts. And if you're familiar with the current food delivery service, everything is going either through the center of the cafeteria area where they go online. We have six windows. We're looking to add two remote mobile carts across the campus. Hopefully, they capture those particularly in the morning for the breakfast, I want a cart sitting outside the flagpole so if kids are running late, a lot of cases, they won't go by the cafeteria. You know, they have two chances for breakfast, either before school starts, if they don't grab it then, they can get it during nutrition. But I see a lot of kids get dropped off in the morning and they're running off. And if we can have carts there, they can do a grab and, so to those students, this can help. And just having carts at other places across campus so if they have clubs or something, other types of events that keep them from making it to the cafeteria, that's the hope there. They've also hired one of the new people also has a chef experience. So we're already starting to upgrade some of the menu choices to provide more students.
Mr.Solkovits: Two questions. One, have students been surveyed in terms of what kind of food they want? And the second question, which is unrelated, but you've got this money to spend on the cafeteria. Would you be allowed to spend some of that money to promote the food that's being offered to the students?
Mr: Wood: Yes, to the second question. Survey, I believe they sent out one at the beginning of the year. We generally try to do at least two to three. Surveys need to be in play and in addition the food service company should be doing some outreach to the student leadership to help. And not just have them be the voice of the voice to connect with the larger student group. So those are the efforts going on there.

Audits: In addition to cafeteria updates, LAUSD, the charter school division, will be coming to visit El Camino, the end of February the 29th, they will be coming, including the fiscal group. They had a list of 30 items on the fiscal group that we had to send in preparation for their review typically, what happens there I just send them the list of 30 items. And even though they send it out, we send it to them the middle of January. They typically wait like three days before the visit and ask you to pull all these out. So it's like a normal outside of external audit. So they will look at bank drafts 9:32 and disbursements and things doing their due diligence of the obligation that the charter school division does every year. And that visit then, in turn, provides us the report for fiscal and operations. And so that's when historically schools get a maximum of four points. And a very bad rating would be like a rating of one. So that will happen in February, this is earlier than in prior years. I would suspect that there was to be some follow-up conversations going on after that meeting. Or that might be in April when we kind of get our scores in all areas

that was a lot sooner than last year I think we didn't get them until June. So that's what's going on in the fiscal world.
2nd Interim Report: We are also, right around the corner, for the official second interim financial report. That will be in March. But this month of January, when we close out our financials, we're going to be using our January financial results to then reproject or reforecast, kind of a budget update based upon actual information through January. So that's pretty much what's happening in the world of El Camino finance.

II. Consent

A. Approve Minutes of Dedcember 11, 2023, Finance and Investment Committee Meeting

The committee couldn't proceed with voting on the approval of the minutes due to their unavailability.

III. Investment

A. Investment Update

Mr. Wood, CBO, Mr. Breller and Mr. Thompson from Beacon Pointe presented the December, 2023, ECRCHS Investment Update with the following highlights:

OPEB Account: Bill and Mike, if you allow me, Mike's familiar with this, Bill, maybe not so much today. So on the screen, I basically summarize what our financial position is with our investments through December. What's new on this is, we are showing the monthly payments or contributions that the OPEB is making for the retirees now. So through December 31st of 2023, the OPEB portion of our investment is at $28.134 million in it. We have Mr. Breller and Mr. Thompson who can talk specifically 12:23. This screen shows the three different advisors that are managing these funds on a summer basis. Through six months, we started the year with the OPEB of $25.3 million. We have had some major increases in the last couple months. So we are having that $28.134 million. In the executive summary on this, is that we made payments out of the OPEB account for $152,000 to cover some of those retiree benefit costs. We've also made six months worth of contributions of $1.32 million for the six months into December. And the portfolios have had $1.6 million in gains. So this is very good. If we can match this for the second half of the year.
So investments are up 6.4% and the total change in the account from the beginning of the school year is 11%.
General Investment Account: Down below, we have the General Investment Accounts that have three portfolio managers. We also have an Annuity with Midland at 4.8%. We have a T-bill that's at 4.89%. So that has $7.4 million in the account too, which is also a lot healthier than it has been in prior years. With that, I will turn to a full presentation to Mike.

Markets and Portflolio:

Mr. Breller:

This is Mike Brawler. You know I've been on this account since inception-Beacon Pointe. And I'm joined today by Bill Thompson. Bill Thompson is the director in our institutional group as a partner with me, servicing your account. So we thought we'd take this opportunity when we're meeting virtually to have Bill join as well. He is a member of this team, there will be times when he joins without me or joins with me. And is always here and a part of the portfolio management team managing your account and also servicing the account. And so I'm going to actually have Bill start out and just talk about the markets a little bit. That's that slide 1, if you will. And then I'll talk about the portfolios in more detail from there.

Capital Markets:

Mr. Thompson: I think I'll just offer some big picture comments transition to the capital markets here, and then pass it off to Mike to get into the detail of the portfolio. I think when we think about 2023, it was a year of surprise. I think we, and I'm sure you heard Mike, communicate this several times throughout the year, last year, which was that we had anticipated that we would enter a recession this past year. I think we were in good company. Most economists anticipated that we'd be in recession. That, of course, did not transpire. The economy was extremely resilient. The consumer was extremely resilient. Inflation moderated. And the markets were off the races. And that is a good thing for your portfolio, as was noted earlier by Mr. Wood. Some very strong returns this past year. And particularly as we wrapped up the year. So big picture, I thought I would just note. And all this kind of feeds through as we look forward to the new year 2024.

From an economic standpoint, we spent most of the year 2023 bouncing around economic growth of 2 to 2 plus percent. We had a really, really strong bounce in the third quarter, almost 5%. So a really, really strong year for economic growth, one that was unanticipated. And so we're expecting we'll wrap up 2023 with economic growth, GDP growth of about 2.4%. So very attractive given the concerns we had going into the year, and we're likely to see growth if the crystal ball is accurate, something around 2% as we look forward to 2024. So seeing economic growth, GDP, moderate a bit relative to this year. And we would expect global growth to be mostly on trend.

2023 Inflation: Of course, the big story this year was inflation moderating significantly. I know you've seen our graphs in the past. We saw headline inflation drop from 9%. All the way down to around 3%. And so the hiking that the Fed did, while painful in the early phases, appears to have dampened the flames of inflation. And so we are now bouncing around 3%. So we're above the target. We're above the target 2%. And we expect, you know, forecast by most economists looking into the new year, are that inflation should moderate around 2.4%. So again, above the 2% target of the Fed, however, much lower than where we were, you know, 18 plus months ago. And what does that mean? Well, as long as economic growth remains at or around 2%, and inflation moderates to around that 2.5%, that certainly gives the Fed support and confidence around decisions to cut rates. And at the moment, you know, if you look at what the markets are pointing to, is looking at about four cuts in 2024 here in the US. So that drops rates by about 1%. Again, I don't think we should bet anything, but nonetheless, anticipation and outlook is for

interest rates to come down about a point in the form of interest rate cuts. And I would say that trend is going to be consistent across the major central banks of the world.
Euro: So in the Euro area, just kind of looking at economists broadly, they're anticipating five cuts in the Euro area and three cuts in the UK. So on a global basis in the major developed markets, we would anticipate interest rates to trend down. The only exception of that would be Japan, where we, I shouldn't say we, but the market is looking to a couple of hikes. And that's probably a good thing, as you know, Japan has been kind of stuck for years. So anyway, Japan will be the one exception.
Future: So let me just wrap up by saying, you know, certainly as we look forward to the new year, if we learned anything from last year in 2023, there's risks in running with the herd. And the herd today thinks that the Fed is going to be able to manage what is referred to as a soft landing. So they've hiked up interest rates, it's brought in inflation and it hasn't come at any meaningful economic risk at this point. So the data seems to point towards a soft landing at this point. And I think that's really what's been driving the capital markets, the equity markets, higher. If you look at history, the Fed has not exhibited a very good history of delivering a soft landing. We continue to think that the recession risk is elevated. We don't have a crystal ball, we're not going to be investing your portfolio around any single scenario. But nonetheless, we do think that today, recession risks do remain elevated.
So that's kind of big picture in what's kind of happening, what drove the markets last year, a little bit of insight into what we're thinking about this year.
US equity market: If you look at the slides in front of you, you can see, and if you focus on that second column for YTD returns, without a doubt, the US equity market was the place to be relative to global stocks. And specifically, the Russell 1000 growth, which is really large cap growth oriented equities returning close to 43% last year. And that of course was driven by the tech names. They come in various forms, the Magnificent Seven. I think it's now the Tech A. Nonetheless, it's the Microsoft, the Amazon, the Netflix, Tesla, etc, Nvidia, that really drove that growth index significantly higher. But nonetheless, it did lift all boats in the S&P 500-returned over 26% this past year. Large cap outperformed small cap. So the Russell 2000, if you go down a few rows there, it returned close to 17% of very good year. However, it did lag the large cap equity component of the markets. Compared to international equities, so the all country world index is global equities that's heavily weighted towards US that return 22%. The world ex US, you can see that second row in the International Equity section there, return 18%. So as I said, US equities in the form of the S&P 500 returned over 26%, ex T 22:06 US returned 18%. So a good year, but non-US stocks did lag. And of course, the laggard was emerging markets. So emerging markets returned 10% last year. And that lag of course developed non-US 22:20 as well as US. And I think the big story last year of course was the growth versus value here in the US. So the tech names that drove that Russell 1000 growth index to 42.7% return really left that Russell 1000 value in the dust, so to speak. So the Russell 1000 value index returned 11.5%. So a real chasm between those two indices. When you look at over three years, you can see that the two indices were really on top of each other. But when you go out over 5 and 10 years, you do see

the growth index has outperformed over the longer term period, but not nearly to the degree that we saw this past year in 2023.

Fixed Income: And then just to wrap up fixed income, so it was a painful year going back two years ago. 2023 was a pretty good year. We saw mid-single-digit returns across most of the core fixed income indices. High yield would be the one exception with strong returns over 10%. So high yield returned 13.4%. And then lastly, real estate, a bit of a shocker there. Of course, all the headlines have been around the stress in real estate, but you can see that that FTSE NAREIT index at the bottom there returned 11.5% in 2023, so a very, very strong year, despite the challenges that were going on in the real estate space.

Investment Portfolio Management and Review:

Mr. Mike: I'll come to the top of the page and the bottom of the page as well. And this is where we checking in on our fiduciary duties to make sure that the assets are being managed as they say they will be in the investment policy statements. So you can see on slide two here, the bottom, the asset classes are listed there as US equity, International Equity, Fixed Income, Alternatives and Cash. As they are on the investment policy statement, as you move to the right, you can see the dollar balance for each of those classes, what that represents as a percentage of the total allocation, and what the policy is. So we don't have to be right on that target number. That's where we operate with some discretion. But we do need to be within the policy range, which is over to the right. And so what you'll see is that each one of these is within the policy range. It's our job as fiduciaries to check in on this on a quarterly basis. If anything's outside the range that we've discussed and what the plans are to bring any of those assets back within range that might have either grown outside the range because of performance or underperformed and gone underneath. So we manage these in between the quarter, but at the same time it’s this committee's chance on a quarterly basis to review it, make sure that we're staying within those guidelines. So all is good there. In terms of the allocation, we're not making a whole lot of adjustments away from that base target number. We hold a little extra fixed income and a little less in the alternatives bucket today, but that won't always be the case as we look for other types of investments here that have various types of short term liquidity. Nothing is locked up, nothing in terms of private assets, but we look for other types of alternative assets that might fill that bucket as we find something that meets the return and risk characteristics that we're looking for. You might see that alternative bucket climb towards that 15% target. That's one of the few changes that I'd say is you might see take place in the portfolio.

OPEB Account: At the top of the chart, you see the blue bar, of course, is the total portfolio for the OPEB account. So this is the total assets market value of $28 million. You'll see the returns from the three month and then the YTD in one year, which of course in this time period represents the same time period, which is the full calendar year of 2023.

Equity: Underneath the blue bar is your policy index. So it's just a stock bond benchmark to compare our returns to. And then the grey bars represent the different fund managers in that asset class. So they roll up to total equity. And the domestic and international equity, actually, those are sublines that roll up into the total equity as well. Then you see the Fixed Alts in Cash.

So strong performance. What Bill detail is something that was a good quarter for a good year for equities, particularly US. And bonds actually had a nice little rally in the fourth quarter that made it a good year. And so you see that represented in your portfolio. You just want to know that when it's a strong type of performance in the markets, that we're participating. And that's the case. You got 10% in the quarter. The policy index was 9.4. You got 16.8 on the calendar year. And the policy index was 15.4. So your portfolio not only kept up with, but outpaced in a really strong return environment without really taking a whole lot more risk. In fact, we'd say that it was risk managed pretty well and still attain that type of performance. We did so because the equities perform well both in the US and the international. So your US portfolio gained 12.7 in the quarter and 26 on the year and international got 10% in the quarter and 18 on the year.

Fixed Income: As Bill mentioned just a few minutes ago, that's kind of what we saw in the markets, right? So US led and our managers were doing their jobs within those categories. Your bonds did a little bit better. If you recall, we shortened up the duration, meaning we held some bonds that weren't five and seven years of maturity in your portfolio to protect a little bit earlier in the year. In fact, we did it in 2022 into 2023 and then we rolled that short duration out because we want to look more market-like or take on that interest rate sensitivity today as we think interest rates have maybe reached kind of a more close to their peak range on the long end of the curve like the 10-year treasury. So that call, if you will, that risk management strategy that we used in the fixed income investments was an absolute win. It protected in 2022. We've rolled it out and you've participated in the return recovery in 2023 and you can see that that outperformance in an asset class that's lower risk than equities, we outperformed without really taking more risk. We took less risk in that interest rate sensitivity. When interest rates were moving up in 2022, that net bond prices were moving down. So that's when I say we took less risk. We shortened it up and made it reinvested in the higher yields in a quicker way by shortening up that duration. And so that was a good thing that we were able to participate in.

The alternatives: when I see the alternatives returning 14% and the rest of the portfolio return about 15%, that means the alternatives did a pretty good job. They don't necessarily move in the same pattern or the same amplitude as your other types of investments. That's why you include some alternatives. But to get that variated type of return and get it with performance that kind of matched the markets when the markets were both doing well, that's a good outcome because usually if you get the insurance policy by investing in something different, a lot of times it doesn't really get a whole lot of return when the rest of your stuff is doing well. It's supposed to protect these types of investments, are supposed to protect more when your other investments aren't doing well. And that happened in 2022 with the hedge equity manager that protected quite well in this portfolio.

Domestic Equity: So if we forward to slide three here will show you just one page forward will show you the underlying managers for a categories. So let's focus on domestic equity, for instance. And so one manager that we’ve highlighted in the past is

Polen Capital Focus Growth Fund. In the growth category have been training for quite a few quarters, but you can see we kept it in the portfolio. We've maintained the allocation below that of the growth index. So the growth index has performed very well. We've maintained more money invested in the index, but the Polen Focus Growth Manager we said, hey, we have a lot of confidence in this manager still, and they did actually a great job of catching up with the market. 16% in a quarter and 42% in a year, nearly matching the growth index. That's a tough thing to do in a quarter in a year where basically the largest eight tech companies, it's hard to own more of them in a portfolio and they were the best performing types of things. So it was a really solid performance out of our growth manager.
Changes: The other thing I'll mention out of that is that we added a active mid-cap manager. You'll see Virtus, the first time you see it in the portfolio. Virtus, Kar Mid cap Core manager. And so we've paired it with the mid-cap ETF today, the passive strategy, but it will eventually take the full place of the mid-cap allocation will be an active manager and we will be rolling out the passive strategy as a part of your portfolio. So one small change taking place is that we actually moved in some active management in the mid-cap space and you'll see that take a large part of portfolio going forward.
International Equity: No changes. Managers are all doing quite well beating their benchmarks for the time period that we've been invested and same goes for your fixed income managers and the alt managers, no changes to that lineup today.
Alteranatives continued: As I mentioned, if you scroll forward just one more page to slide four, you'll see the alternatives piece. Just a couple of managers there. One is risk reduction under that alternatives banner or gray bar. You'll see that the Hedge Equity manager, well they basically purchase equities and then buy a put to protect from large losses in the market. So when the market's up, they're just not going to get all of that up because you basically bought an insurance policy. You've bought a hedge against things going down. So that hedge costs you money. It's like buying an insurance policy, paying a premium and then not using the insurance. So the hedge product still got 15% and returned well, but it's there for the purpose of when your other equities are doing really poorly, that part will still protect in the portfolio.
The other piece of that is real estate. We currently use a publicly traded real estate. Today Bill and I have been talking in the portfolio. Likely this is an area that we might see some new names in the portfolio and the quarters to come in types of strategies that we think can benefit the risk return of the total portfolio. And that's the take on the total portfolio for OPEB. Any questions on any of the asset classes or the manager? Or I can turn to the GA and get a sum back onto pace here.
Mr.Solkovits: Yeah, one question. My question for you is if we wanted to move towards a fossil free fuel free investing policy, what would the impact be in our portfolio?
Mr.Mike: It would be pretty impactful, right? If you say that you want fossil fuel free, that means none of these mutual fund managers, because that's a perspective, right? Their management perspective. That means all of those have to be held. You have to buy a fund that by prospectus would not invest in any fossil fuel. So your whole portfolio would change over. The two separate accounts you have, fiduciary management in Polen, those are the only two places where you have a manager managing a strategy specific to

your policy, because it's not a fund. It's a separate account. They're buying stocks in your account. We could put a fossil fuel restriction on those two managers, and it would just have a smaller impact on their parts of the portfolio. But in large part, we're talking 80% of the assets of this fund would have to turn over, and we would have to find a manager who's best in class, who has a strategy that is fossil fuel free. Entirely impactful. We don't know if that means better results or worse results. But I'll tell you, it means that you have less opportunities of active managers who have been doing it for the long term and have a track record, because they just haven't been that many years of experience of top performing managers that have the strategy of not owning fossil fuels. I can tell you that the CalSTRS do not employ a fossil fuel free mandate across the schools. So if you're looking for some kind of guidance in the schools in California from the state universities, I manage those portfolios. We just spoke at a conference for the CalSTRS, and that's not mandated across. Many of them do limit coal as a part of the portfolio when you do have a separate account, but they do nothing with the mutual funds. So there's not a mandate for that. UCs 37:00 have I think, a coal disallowance as well for separate account managers. But in large part, you don't see fossil fuel free portfolios because that's called a negative screening, can create a lot of reduction in the flexibilities of your management. You have fewer options on how to manage that portfolio unless you go all passive to do it. So it's a long conversation, and we're happy to spend more time educating on it.
Mr.Solkovits: I think…..34:34 a little bit more time to look towards that because it's pretty hypocritical for us as a school serving the needs of our students and be contributing a global warming in a major process. So I think it's a conversation worth having. I know that CalSTRS has not yet, to my knowledge, voted to go fossil free fuel investing, but they're moving in that direction. And I'm guessing you're going to see a lot of movement towards that direction in the coming months. So it'd be nice if we would know what the, you know, if we could determine in a little better fashion what the impact would be because clearly we also don't want to risk the solvency of our fund or a decent investment. But again, I think it's very hypocritical for us as a school to be contributing to global warming by dumping money into companies that are contributing to global warming.
Mr:Mike: It's worth the conversation and a deeper conversation so this committee all knows their responsibilities for that. I would say that most committees have said that it's not necessarily hypocritical to own anything that might have those because it's a very slippery slope. And so it does take a lot of education. You can create positive screening mechanisms, ask managers to make sure that they're looking for the best players in every industry. But I'll give you an example of why most entities, most CalSTRS entities, do not demand a fossil free portfolio. And that's this: Over 80% of the money that funds green energy projects in the United States comes from energy producing companies. So they know the writings on the wall. So the very oil companies that you might divest from are the same ones that are going to be providing the solutions in a green energy world. The second part of that is, while we're all meeting here on a technology platform today. We drive our cars to school. And so none of us are living carbon footprint free lives. And so most would say that you don't need your portfolio to represent carbon footprint or carbon free. You just need to have some type of understanding of what your policy might be, like providing impact investments. We could take parts of our portfolio in the

alternatives category and deploy 20% to impact investments that might offset some of the energy producing you might have in the rest of your portfolio. So without asking every manager to say, no, oil, you could have some oil that ends up in some of these managers and you could have impact investments offsetting that potential carbon footprint that you might have. So I didn't want to go into too much detail, but it's a much more complex conversation than to say that the wave is moving towards fossil fuel free because that's just not the case. This wave has been a long time coming and there's a complex set of arrangements that you can take that stops short of just basically canceling out all these strategies.

Mr.Solkovits: Well, like I said, I would be interested in having further conversation down the road because some of these fossil fuel companies are very good at greenwashing. But I think, again, it's an issue that I know that the two state teachers unions have made it a major issue and they're pressuring CalSTRS tremendously to get out of the fossil fuel business. So I think if you could down the road try to at least educate what the alternatives might be so it can start minimizing if possible, because again, I get the fact that we need to have a return on the portfolio, but on the other hand, because I drive a non-electric car to work, doesn't mean that the multi-million dollar investment portfolio, El Camino has shouldn't be taken out of the fossil fuel industry. It's reminiscent of the argument back when we were divesting from apartheids of supporting companies and we heard some of the same arguments until finally they just got out of them and somehow all these investment portfolios survived. So if down the road, sooner than later, we could have that discussion and what the possibilities might be, I think that would be a good thing.
Mr. Breller: And maybe a starting point would be we could just give you an estimate of what your exposure is today because while these perspectives don't necessarily say that a fossil fuel free, I'm going to tell you that if we look through your whole portfolio, you probably have less than 5% exposure to the energy sector in aggregate.
If we do that, it feels a lot easier to say, yeah, well, we're 95% there anyway. We don't need to turn over the portfolio to get to the 100%.
Mr.Solkovits: That would be a good thing. That would be helpful information.
Mr. Breller: And those are really great points and I wasn't trying to demean in the way your concerns there, I was trying to say that it's been really complex and the CalSTRS are doing a lot to try to figure out the right solution without turning over the apple card 43:02.
Mr.Solkovits: I get it. Just like when they got out of tobacco is a very big deal. CalSTRS took a long time to get out of tobacco. So I appreciate your efforts and sorry……my soapbox.
General: We won't need to get in the managers. As you know, the General Account on slide six here is roughly just under $7 million, $6.6 million in assets. Now, as opposed to the OPEB acount that's basically 70% kind of stock in the Alts with 30% bonds. This is flipped. This is 70% Fixed Income with 30% in Equities and Alternatives that are kind of Equity like Alternatives. And so a lot less in terms of return because your bonds were getting 5, 7% and equities were getting 20, 25%. And so you can see that the impact

instead of 9.9 the GA earned 7.9, but looked much like it's benchmark. And on the full year instead of we saw 17%, this is a 12%, but ahead of the benchmark on the one year. So again, on a comparative basis, we just have a flip in the types of assets because these are meant to be protective. The general account has a shorter potential time period that assets may be dependent upon to come in. So we can't have all of that to tied equities because we may not have the time for those to recover after a potential downturn in those markets. So that's why you have this allocation and that's why you see a difference in the total returns of the two accounts.
Other than that, the managers that we used to deploy those asset classes are mostly from the same set of funds. With a few differences.
Mr.Wood: Thanks Mike as part of the smaller committee, we'll share your report and represent Beacon Pointe to the full board when we meet next week. And we'll share not only our financial results, but some of the strategies you have been using and are looking possibly to implement with some of the new investment advisors. Thank you.

IV. Finance

A. December 2023 Financial Update

Revenues:
There's a number of slides that go into the details. We can go into the individual line items if there's a line item that looks strange or unusual. The screen here kind of summarizes the different revenue and expense categories of the organization. The last four columns basically represent when we did our first interim, which we updated. We adopted the budget, which is in the third box at the top. We've had some revisions. We had actual to date through October, which is kind of in the middle of the screen. The last three, the before the final column, we kind of based upon our results in October, as I mentioned, we updated our budget to reflect what we thought the budget would land based upon the information we knew in October. Now what you're seeing in summary is our actual through December, which is the last column. So again, it's a good reference point for now because we're six months through the year, so in looking in my lens, if you will, I look at the last column. Again, we're 50% through the year. How do some of these summary line items compare to kind of the total of the first interim projections?
LCFF: And so as you can see, our LCFF were slightly above. We've received $20.4 million, we projected $39 million to the year. So we are actually head of the game right now. However, we're getting funded on a higher ADA through December. We will start to see in February that with some of our ADA lower numbers were reported that will start trending down closer to the $39 million that we have in our projections.
Federal revenues: Federal revenues are only about 25% of what we projected. Alot of that has to do with the timing of a lot of the federal funding takes place. It's not one-twelfth of the year, so from a federal standpoint, we aren't 50% of the year. From some of our federal funding, we have seen the $1.2 million is not unusual for us to be 30% of that through December. So I have no concerns there.
State Revenues: State revenues are right about on course, you know, the $2.1 million. We were using a projection of $4.1 million. So we're basically right there.

Other Local Revenues: We're well in excess of the $5.7 million we used in the first interim projections. Two of the major items that are shown in the detail, what we don't necessarily project for that's included in that $4.86 million is the capital gains. The detail in the back shows that we had about $1.7 million of the Local Revenues is the gains on our portfolio. So we never try to project the portfolio results in that $5.7 million. So it's there, but it's kind of not there, if you know what I mean. The $4.8 million has the $1.7 million of the capital gains. The other thing that will stay there that we just got in December, we had filed for e-rate a year ago and that's on some of the computer equipment that we purchased and we did get almost between $400,000 and $500,000. The federal government, we had qualified and they sent and we received basically about half a million dollars in the month of December that in our original projections we had not known what the timing of that was going to be, so that is included in that number. And so when we do the second interim projections, we will be increasing our local revenues for that e-rate funding that we now have.

Mr. Solkovits: Looking at the ending balance, I noticed that under restricted it's short of -$842,851 if I'm reading it properly. Restricted is obviously money that can only be spent in a certain way. But was there any one thing that caused that number to?

Mr. Wood: Some of these restricted, some of the CARES funding,50:51. In the prior year we've received some of this restricted funding, but since we have multiple years to spend it, so the fact that we are in a deficit or in the red, $842,000, that's represented. If we got federal restricted money in say May or June last year we would report it as surplus in Restricted because it's more cash based. We would have gotten the revenue in a prior year, and now we're spending it down this year.

Mr. Solkovits: So basically that's a paper deficit?

Mr. Wood: Yes. Because as you accurately indicate we can't spend, since it's restricted, we can't over spend restricted money, it's a matter of either a timing of, we've spent money, we know, they'd be committed to that we will be getting this year and, or we got the money last year in the spending in these accounts are offsetting that.

Mr. Solkovits: Given the fact that we have a couple of relatively new members on the board, it might be worthwhile to explain to them when you make this presentation what a Restricted account is and why they shouldn't be alarmed if they see $842,000 deficit because not knowing otherwise that would brobably freak the out.

Mr. Wood: Yeah.

Expenditures:

Salaries: So just summarizing on expenditures, overall, we're trending at or in most cases below the 50% level in terms of what we forecast for salaries, you can kind of see we had a $17.4 million forecast for Certificated salaries, it's only 8.4, so it's less than 50%. Some of that continues to be, we have teachers on leave and absences that, I think we will probably be lowering our **Certificated Salaries** just from open positions and, or vacancies that in some cases being filled by our substitute expenses which is higher than normal just to cover some of those things. **Classified Salaries** are pretty much on track with what we had forecast at the first interim. Some of the benefits are slightly lower, we forecasted about $14 million in benefits, the salaries being low. Because you got the substitute and then also our medical expenses, those are a little heavier, the second half

of the year, our medical premiums went up effective November 1st. The actual is kind of reflect a lower policy, it's medical expense in the first half. So it's probably still going to be a little bit lower than our last projection because with lower salaries in place and our substitutes who are not receiving benefits, then that would kind of go hand-to-hand.
Supplies: A lot of that, there's some lags in some of our expenses, so we're maybe a month or so out on some of the expenses, which is why I don't know at this point in time, because we haven't done a full analysis, it looks theoretically like we're $400,000 short of the 15% level of base upon our projections, but I think, we tend to see a higher rate of expenditures happening in the last six months plus, maybe one extra month per term, so it would be favorable if it continues another term, but I'm not surprised at that.
Services: services actually include LAUSD, so we maybe a half a million dollar lag in LAUSD, some of the maintenance, so that is very little reflected in our actuals to date, we're actually, in the last month or so. Some of the bills we get, they don't give us back up the detail to pay them, we are actively since December and January, we've been getting the back up, so that will start going up, so at the moment I'm not necessarily going to be lowering that 10.6 million dollar, we'll do full detail before we do the second interim report, but it looks on target.

Depreciation: It's kind of what's in our report now, which almost looks like we're already at budget of the $1.4 million, what is in there at the moment is, it's not only our depreciation expense, but our capital expenditures, which we will subsequently be putting on to the balance sheet of fixed assets. So out of that $1.4 million we're showing on a year to date basis, there's a number of capital projects that, until you actually capitalize your assets, there's about $1.2 million of that actual amount in the $1.4. It almost looks like it's 80% through December, so we will reflect and differentiate those items, and it's also reflected in some of the detail how much is in that depreciation expense line, which we should probably just call capital and depreciation, because it's a little misleading just to call that line depreciation.
Mr. Solkovits: I was just going to ask what's the process by which you would transform something from the depreciation?
Mr. Wood: Typically a lot of organizations have a capital budget that you're following. You follow your capital budget as an expense line, just so you can, track how much you set aside for capital versus how much money you spent, and then at the end of the year you can reflect how did your capital budget go, are you under your budget, so typically we would transfer the capital expenditures into….. close out the capital account into the balance sheet, and then reflect the associated depreciation at the end of the year. For end of year reporting depreciation expense is truly just that. Depreciating any assets you currently have, and or new assets you report.
Mr. Solkovits: Does that have to be signed off on by the Board of Trustees, or that just a function of you as chief.
Mr:Wood: At the moment it's a function of us. I might recommend, as we're doing future budgets, is having a capital budget, I know we've talked in different meetings because we have that capital committee that exists, and so having something that the organization wants to of officially say, okay, here's the 20 projects maybe we are committing these

amounts to, and if there's an account that, kind of emergency, a contingency capital, we could reflect that type of thing that we could or should start reflecting how we well are we operating to our capital plan?

Mr. Solkovits: It just seems it would be cleaner to do it that way, that's all.

Mr:Wood continuing: Okay all the detail that's attached to it, we're actually trending very good at the $4.6 million I think revenue, other than the gains that we should theoretically exclude, and we will be receiving lower revenue. We will make up for the federal that has delayed, but the LCFF will definitely come in lower, because they haven't reflected our lower ADA yet, and I mean, I don't see any red flags that are suggesting that there'll be some increases and decreases in all these areas, but I'm not suggesting to either this committee or the board that I see no major concerns.

Mr. Solkovits: There was a time where, and I could be wrong, but I remember in the back moment, the time where when there was a decline in ADA, you were essentially held harmless for the first year of it, because they went with the previous year's figures, and then it reflects the next year. Is that still the way state does this?

Mrs. Ilya: Just for districts. We had it for one for 1 year for COVID, during COVID,

Mr. Solkovits: it's different for the charters? because I thought it was actually a state budget issue, because the state held you harmless for the year, and basically made you take the lower number the next year. I thought that was a state issue.

Mr:Wood: I think wasn't it an average ADA over three years?

Mrs. Ilya: That's for districts.

Mr. Solkovits: So Charter is not dealt as a separate school district?

Mr:Wood: Not as a district. In terms of that enrollment decline….. we were able to kind of keep a higher pre-COVID ADA compared to kind of the lower of ADA amounts during COVID that didn't hurt us necessarily. But now the concern that I have is particularly in out years, if we're only going to have a.76% COLA, if we lose the level of students that we reflect this year, our ninth grade class is down, so continued deterioration of future ADA, the lower COLA will compound with lower enrollment to make our task more difficult to try to accomplish the educational goals of mission we're trying to do.

Mr. Solkovits: Yeah, that's interesting. I'm working at Reed right now. And so, the kids are getting ready to go into high school. I'm doing long term assignment. All this to say it's stunning the amount of promotion that the private schools in the area are doing because time was, those kids all thought I would go into either Cleveland or Manner East, Maine, or North Hollywood High School 1:55. And they are all missing class to go on tours of the private school. So there's a huge, and I would imagine we're doing some of the same things as the private schools out here.

Mr:Wood: Yep. I mean, our website, I know marketing, we passed the marketing budget I think they've released a new version of our website that heavily enterprise 1:2:21, make our web presence and appearance to people looking to go here, kind of upping our game. I am done with the financial updates.

B. Discussion and vote to recommend to the full board approval of the December 2023 Check Registers

ASB: I think we've kind of shown in the past these are as a result of our spending. This isn't check specific, but this is the ASB. The accounts that we have for the various clubs and organizations. Again, we track and we make sure that we have balances available for some of these clubs and groups to do what they're trying to do. The different sports that are coming up, the ROTCs one of the ones that, there's a lot of fundraising and gets money. They have $52,000. Our robotics, I think, is preparing to do competitions. They've got a healthy balance in their account.

The student council has inherited a healthy budget of $66,000 to accomplish some of the events that the students want to have. So, their group is looking to find things in the second semester to support the student needs. So, in general, we've got a healthy robust balance in the ASB.

Mr. Solkovits: Are all these clubs active?

Mr. Wood: They are pretty much active. I think our FPPs we try to do, if we have inactivity, the business office would send something to the student council. The WE club they haven't had any transactions at $123 raised two years ago. So, I think internally if it's inactive for two years, decisions have to be made to say, this is going to be something that the student association wants to continue to support or if they'd like to dissolve a certain one due to inactivity, the funds would then just roll to the student council.

Mr. Solkovits: Well, I guess what my thinking was these various clubs that are clubs, are they actually still meeting? Is there anyone that ever checks to see? Like, for example, this one just jumped at me. You have a vegan piece club. Does that vegan piece club meet on a regular basis? And obviously, that doesn't matter a whole lot. It's not a lot of money. It just, it would seem to me that, maybe it doesn't matter if you just carry those accounts over and just let them roll over. But, it might be worth having, whoever your commissioner is in charge of clubs, go down the list and say, oh, that one hasn't existed.

Mr. Wood: I think that my understanding is at the end of every year, they look. They give it to the end of the year and then just decide whether to roll it over.

Check Register: This is the ASB check registers. So a similar format that we've had for a number of months, showing the dates that the transaction happened on the check, who was paid, whats the amounts were paid for, if a trust account was hit, which trust account was hit, how much was it hit for? So, the summary of all these checks, it was $150,000 worth of ASB checks written in the month of December.

Mr. Solkovits: This BRETT SCHMITT MEMORIAL FUND check for $54,000. What's that about?

Mr. Wood: So the friends of ECR, their lawyers remitted a check for us for actually $57,000, and in consultation with the SCHMITT's, we now have a 54,000. So, we set up a CD in the month of December, so we have a City National Bank CD. So the whole check got deposited into ASB. We wanted them to have seed money, so if you look there's a $3,400 Trust account for the BRETT SCHMITT kind of handle operating. They're going to do a scholarship and those types of things. We don't have to do any impact that the CD account, so that 54,000 is continuing, is earning interest of like 5.5%.

Mr. Solkovits: So, the memorial fund was established by the friends of El Camino and now we are discontinuing it?

Mr. Wood: Well, since they're closing down, friends of ECR, they dissolved it. They are picking up from them and carrying it forward.
Mr. Solkovits: And, excuse my ignorance, but who was BRETT SCHMITT? And why are we memorializing him?
Mr. Wood: Brett Schmidt is a former student that maybe four years ago, passed away under some, while they were still the teenager, the family wanted to set up this trust, and it's primarily scholarships, those funds also support the wellness, some mental health issue cause. The family is still active and kind of directing. They want scholarships in the tune of about three or five thousand dollars a year and its family guided they worked through accounts.
Stephanie Bair 1:9:10, one of the intervention counselors, even predating the schools involvement they work with the former booster, the friends of ECR, and the family to kind of identify what types of projects, other than scholarships, what type of operating expenses, and then, in fact, allocating this amount to a CD as I mentioned before, the family, was like, we want to keep as much money in an interest bearing CD as possible, so they basically ask for, operating, seed money of this $3,400, I want to say has been left in the trust, and then the $54,000 will then roll.
Mr. Solkovits: What is the mechanism that the Board of Trustees has to oversee this account?
Mr. Wood: I mean, the correct mechanism as it would exist, is having, having an ASB showing what the trust account is, and then with our financials, since it was just set up, we will be showing what the CD balance is. I mean, anybody, any public person, including the BRETT SCHMITT family, they're happy to hear that we're now getting like two hundred fifty dollars a month in interest as opposed to the two dollars and fifty cents a month.
Mr. Wood: Its a pretty large chunk of money. And one would think that there's…. I don't know if legally, if the Board of Trustees has any fiduciary responsibility, ASB funds, but it would seem to me that probably there is some sort of….., where the financial fiduciary is for the school. So that's why it just occurs what the oversight was because that's a big chunk of money.
Checking: Here we come with the checking account, which is obviously where most of the schools funds are going $1.16 million. So similar format at the ASB, including check dates and check numbers, what are the things being paid?, what's it for? How much was it paid for? Again, relative to the school, we try to indicate if it's, certain resources or funds, technology, just general operations, ECER funds 1:11:34 that we try to show that some of these checks are being written for restrictive purposes. So there's the list of all them.
Mr. Solkovits: Mary M Bush-counseling, $5,000, instructional consulting. Does she do a PD or something for the special ed department?
Mr. Wood: I mean, she's on a contract. She was like the special ed director at CalSTRS 1:11:59. She retired, I think, our current special ed director. So she helps. She does some counseling. She does some PD to the staff. So I think she, she bills us on a monthly basis.

Mr. Solkovits: So when hiring her, was there a request for proposal put out and were there other candidates or how did we decide to start?
Mr. Wood: I think it was done on an hourly rate. I can ask that question.
Mr. Solkovits: It's a large amount of money to be spending on a recurring basis to somebody without having put it out for a proposal. It's kind of smacks of nepotism if Im being honest with you.
Unknown Speaker 1:12:41: I had a quick question on page 2 on LA county tax collector. That's property tax version 1:12:47. Isn't there an exempt of property tax?
Mr. Wood: Technically, yes, getting that exemption is good. Their advice to us was pay it and then ask. Yes and no. We haven't gotten said exemption yet. But there is something that schools are……….
Mr. Solkovits: if you have any difficulty with that, you might contact. I'm thinking who your our board of supervisors here is. Lindsay Horvath or Cassey 1:13:19. Whichever one it is, you might actually ask for some help from the board of supervisors to work with you in the DSS office because bureaucracy can be very slow moving.
Mr. Wood: I don't know if there's anything else that stood out to anybody for the remainder of the check.
General: this is the general account check. ACHs are generated to these vendors for things like the insurance plan, the medical benefit plan, our monthly payment to the OPEB of the $220,000. And we're continuing to show kind of now that retiree benefits are being run through the OPEB account. So the example here would be we paid the $347,000 that we did for SISC was for active employees. We just still footnotes and say send us the entire bill.
The $42,000 and the $9,000 below those up until three months ago, when we switched it to the OPEB account, that $50,000 plus would have run through the school as opposed to the OPEB account.
Mr. Solkovits: I'm just curious about this $700. Enter Quest Detection Canines 1:15:32. Are you using the dogs to sweep the campus?
Mr. Wood: Yes. On a regular basis. I don't know what the exact frequency is, but yeah.

Vendor: This is just a version that kind of shows the checks written in the month of December appears in column one. And how much through six months has been written to these vendors in column2. So there's nothing in column1, you can still see how much potentially that vendor has been paid through 6 months. If column1 is the same as the YTD, then it's the 1st time they have ever appeared. It's a new vendor.
Gregg Solkovits made a motion to approve December 2023, check registers.
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

C. Discussion and Vote to Recommend to the Full Board Approval of the December, 2023, Credit Card Charges

Credit card Charges: So the reconciliation form that's on the screen and in your materials represents an accounting from our credit card statement. The kind of more

succinct detail of the charges that occurred in the billing period of November 24 to December 25. And here you'll see who we charged something for, what the charge was for, whose card, so Mr. Hussy and Mr. Wood are the two cardholders who requested it. What was the amount and kind of what these charges were made for. So what's being displayed here is that Mr. Hussy had $4,500 worth of charges during this credit card period. Mr. Wood had $5,092 during the same billing period. That is the total and then that's the detail and we also include for reference the credit card statement. So we had a balance before the $26,000 that is in transit prior balance. The total statement balance is the $36,481 and that's supported by the slide, the actual credit card statement.
Mr. Solkovits: The Gammas pantry restock what's that?
Mr.Wood: Gammas is our culinary teacher. So in some case she uses SparkFunnels, so her CTE funds are supporting her supplies materials that she's using to run the class.
Mr. Solkovits: And CTE is a state-supported program. And then we've got the restricted money through the cafeteria. Has there ever been any thought to see if either of those two funding sources could be used to...
Mr.Wood: They talked to Miss Gammas, the head of the culinary class, does actually connect with the Chartwells food service manager to possibly discuss in some cases they're trying to see if maybe we can climb on the back of some of Chartwells purchasing power and I can't be specific, but there are some materials, some cooking materials that I think that Chartwells has purchased to assist. So there is that partnership opportunity.
Mr. Solkovits: that money that they can't spend and their restricted funds and we can find a way to help them spend it.
Mr.Wood: So this is the actual statement from the credit card company. You can see the balance being $36,481 is the total that balance came a previous balance plus the current charges.
Gregg Solkovits made a motion to approve the December, 2023, credit card charges.
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

D. Discussion and vote for CONAPP

Consolidated application is a couple of times during the year to reflect some of the federal funding. We show to the stakeholdres.
Tittle I funding 2022-23: Last year we got $385,000 worth of Tittle 1 funding by the end of the fiscal we had spent it all. We show the state and reflected it in our financials that the monies they gave to us in 2022-23 have been spent. That's what this report is for next page.
Tittle I Funding 2023-24: this is the title I for 2023-24. We are currently scheduled to get $361,207. They ask for allocation or at least preparing a family in advance. Some small amount for family engagement. We have an indirect cost rate. For general funds its $12,350 dollars. We're allowed 10% just for administrative purposes. And then that leaves the rest of it, which is the $308,000, and it just goes for allocations the school chooses to make for federal purposes.

Tittle II Funding 2023-24: This is the title II teacher quality to $67,000. And again, just showing that we had either paid or spent those funds. And the same thing about indirect costs-our adjusted allocation to spend on tittle II. Expenditure is 64,000
Tittle IV Funding 2023-24: This is for $30,000 again the same thing applies there that's funding we got. Some of those funds, indirect costs. Just for administrative expenses is $1,000 and 28,000 goes to tittle IV allocations.
Consolidating funds: This is just if we choose, we have the opportunity if we want to move funds around as long as we tell the state and our own organization. Are we transferring or consolidating any of our funds from one federal program into another? Or no, whatever they provide us. We use that funding to do that.
School Student Counts: This one is where we report for our free and reduced students. So you can see that we report on this one, the total enrolment is 3156. And out of those, we had 989 that were free and reduced. So that's the allocation of that. And then subsequently on the next page here. So we have to take based upon having the 989 students. We just have to show that we've got a 31.34% of our population is free and reduced. And then just go through the mechanics of saying based on our funding. $312 is basically the per student per free and reduced student that we would have that. And utilizing that, but it doesn't say that each student needs a check for $312. And just the state wants to kind of get a sense of how much is the per pupil free and reduced based on how much we are giving.
Tittle II 2021-22.: This is our title II. Previously we've told them we'd spent all the tittle II this is just showing how we spent the title II monies from 2021-22.
Tittle IV 2021-22: same thing just showing how we've spent it otherwise. So we tell them we didn't spend it, they would send us an invoice to pay it back.
Those are the types of reports that we did as part of our consolidated application report that was due and we filed two weeks ago.

E. Discuss and Vote for CARES Act Winter Report

These are the restricted monies. The CARES covid money as we have received. These expenditures are primarily needed to be spent by September 24. The report indicates these are showing updated expenditures during the period of October through December 31. So for this particular ESSER fund III It showed that we got an allocation of $2,193,920. We have previously spent $1,094,000. And during this three month period, we spent $485,000. And after school tutoring counseling that's going on, primarily a lot of those expenditures are captured in this area for this particular fund.
Mr. Solkovits: But are we on track to spend it all by the deadline?
Mr. Wood: Yes
Unknown Speaker 1:28:45: Comments would really help with this numbers
Total Expended: So we're at $1,579,000 I believe it's kind of the where we are here to date on that. And just showing some of the areas, the percentages of some of the areas that these expenditures. Outside of the dollars just showing you areas where those funds are helping.

ESSER III: This is another ESSER account. On this one this $548,000 was the ESSER amount that we have an allocation for. We had previously reported expenditures of $54,832 during this three month window. Similar to the other one we spent $176,000 were about 50% of the way there. So we've spent $231,000 for this different CARES fund. And you get the same type of, similar expenditures, some of these interventions that are going basically with most of them.
And yes, we are definitely on course to spend everything by that September 30 deadline next year.
ESSER III Emergecy Relief: This one we got $230,000 allocated. We've received 117,000. So we haven't received it all. We previously spent $60,000. Due to the small amount. The fact that we haven't received everything the focus obviously is on some of the larger amounts and some of the ones we talked about before. We have to get the rest of the money in the first place, but we're not concerned at all that we are in jeopardy of losing it.
Mr. Solkovits: Is there any concern that they're going to switch any of this money back as part of the budget?
Mr. Wood: These no, but there are some other more state funding more current state funding. These commitments have probably already occurred and they're already out. This one you just saw, technically that they could reclaim that money, but then what are they going to do? If people have already spent it. Maybe they upfront spent some of this stuff. I highly doubt that some of the ESSER funds are at risk at all. Talking about deficits and everything, Large music could be impacted by spending cuts.
ELO-G Fund: This one again shows $397,000 that they allocated to date. We've already received $44,000. We still showed the current period, which are prior expenditures of $44,000. We spent $351,000 for this one. I think we're pretty close to 100% on that.
Those are reports filed with the CD to update our quarterly spending on these categories
Gregg Solkovits made a motion to Approve CARES Act Winter Report.
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.

V. Closing Items

A. Adjourn Meeting

Gregg Solkovits made a motion to Adjourn Meeting.
Daniela Lopez-Vargas seconded the motion.
The committee **VOTED** unanimously to approve the motion.
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:17 PM.

Respectfully Submitted,
Ryan Guinto