



# Camino Nuevo Charter Academy

## Finance Committee Meeting

Published on May 29, 2024 at 2:21 PM PDT

Amended on June 3, 2024 at 11:07 AM PDT

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### Date and Time

Monday June 3, 2024 at 4:00 PM PDT

### Location

Home Support Office  
Conference Room  
3435 W. Temple St  
Los Angeles, CA 90026

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This meeting is open to the public at Home Support Office's Conference Room at 3435 W. Temple St, Los Angeles, CA 90026.

The board meeting is also accessible at board member virtual locations via teleconference connection:

601 West 5th street, Los Angeles, CA 90071  
1818 Colby Ave, Los Angeles, CA 90025  
115 W Allen Ave, San Dimas, CA 91773  
33 W. 5th St. Los Angeles, CA 90071

Members of the public who wish to address the Board may make public comment at any of the meeting locations. Public comments are limited to 2 minutes each. The Board Chair has the discretion to modify the amount of time allotted for public comment if they deem it necessary. Brown Act regulations restrict the Board from discussing or taking action on any subject presented that is not on the agenda.

The CNCA Board can also be contacted via email at [cnca.board@caminonuevo.org](mailto:cnca.board@caminonuevo.org).

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## Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>4:00 PM</b>
<b>A.</b> Record Attendance		Gil Flores	2 m
<b>B.</b> Call the Meeting to Order		Gil Flores	2 m
<b>II. Approve Minutes</b>			<b>4:04 PM</b>
<b>A.</b> March 12, 2024 Minutes	Approve Minutes	Gil Flores	2 m
<b>III. Public Comment</b>			<b>4:06 PM</b>
<b>A.</b> Public Comment	Discuss	Gil Flores	2 m
<b>IV. FY23-24 Financials</b>			<b>4:08 PM</b>
<b>A.</b> March 2024 Financials	Discuss	Sonia Oliva	35 m
<b>B.</b> CNCA Investment Policy	Discuss	Adriana Abich	25 m
<b>C.</b> 24-25 Budget	Discuss	Sonia Oliva	20 m
<b>V. Closing Items</b>			<b>5:28 PM</b>
<b>A.</b> Adjourn Meeting	Vote	Gil Flores	2 m

# Coversheet

## March 12, 2024 Minutes

**Section:** II. Approve Minutes  
**Item:** A. March 12, 2024 Minutes  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for Finance Committee Meeting on March 12, 2024

APPROVED



# Camino Nuevo Charter Academy

## Minutes

### Finance Committee Meeting

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#### **Date and Time**

Tuesday March 12, 2024 at 4:00 PM

#### **Location**

Home Support Office  
Conference Room  
3435 W. Temple St  
Los Angeles, CA 90026

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This meeting is open to the public at Home Support Office's Conference Room at 3435 W. Temple St, Los Angeles, CA 90026.

The board meeting is also accessible at every CNCA Campus and board member virtual locations via teleconference connection:

CNCA Burlington 697 S. Burlington Ave., Los Angeles, CA 90057  
CNCA Kayne Siart 3400 W. 3rd Street., Los Angeles, CA 90020  
CNCA Jose A. Castellanos 1723 W. Cordova St., Los Angeles, CA 90007  
CNCA Jane B. Eisner 2755 W 15th St., Los Angeles, CA 90006  
CNCA Sandra Cisneros 1018 Mohawk St., Los Angeles, CA 90026  
1818 Colby Ave, Los Angeles, CA 90025  
2616 N Sepulveda Blvd, Manhattan Beach, CA 90266

Members of the public who wish to address the Board may make public comment at any of the meeting locations. Public comments are limited to 2 minutes each. The Board Chair has the discretion to modify the amount of time allotted for public comment if they deem it necessary.

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#### **Committee Members Present**

D. Gidlow (remote), G. Flores (remote), J. Ortega (remote), T. Powers (remote)

#### **Committee Members Absent**

F. Jimenez

#### **Committee Members who arrived after the meeting opened**

G. Flores

#### **Guests Present**

A. Abich (remote), Jeannette Sandoval, N. Cabrel, S. Herrera

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### **I. Opening Items**

#### **A. Record Attendance**

G. Flores arrived at 4:15 PM.

#### **B. Call the Meeting to Order**

D. Gidlow called a meeting of the Finance Committee of Camino Nuevo Charter Academy to order on Tuesday Mar 12, 2024 at 4:08 PM.

### **II. Approve Minutes**

#### **A. January 24, 2024 Minutes**

D. Gidlow made a motion to approve the minutes from Finance Committee Meeting on 01-24-24.

J. Ortega seconded the motion.

The committee **VOTED** to approve the motion.

### **III. Public Comment**

#### **A. Public Comment**

There was no public comment.

### **IV. FY23-24 Financials**

#### **A.**

### **January 2024 Financials**

January financials were reviewed by the committee. Revenue was positively impacted by interest & dividend income, E-Rate and SELPA grants. Cash on hand net of one-time funds remains robust, with a notable 83-days days on hand.

### **B. Wells Fargo Update - Change in Accounts**

The committee reviewed a bank initiated change to CNCA's accounts, that will provided modest interest to be earned on average balances on hand. For the sake of clarity; this is passive interest earned, no derivate exposure of any kind was discussed nor proposed.

## **V. Closing Items**

### **A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:00 PM.

Respectfully Submitted,  
G. Flores

# Coversheet

## March 2024 Financials

**Section:** IV. FY23-24 Financials  
**Item:** A. March 2024 Financials  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** 03.24 - CNCA Consolidated - Financial Packet.pdf

## CAMINO NUEVO CHARTER ACADEMY - Financial Dashboard (March 2024)

**1 Key Performance Indicators**

ADA vs. Budget ● Cash on Hand ●

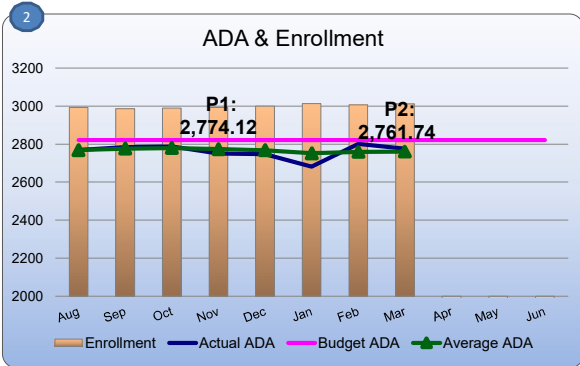
Net Income / (Loss) ● Year-End Cash ●

**KEY POINTS**

Enrollment is currently 11 students above the revised budget. P2 ADA is 9.63 lower than budget resulting in a \$171K decrease in LCFF Revenue.

Forecast includes \$5.06M of restricted one-time funds. An additional \$7.73M remains available to spend through FY27/28.

Net Income is projected at \$1.15M and cash is projected to end at \$23M



**3 Average Daily Attendance Analysis**

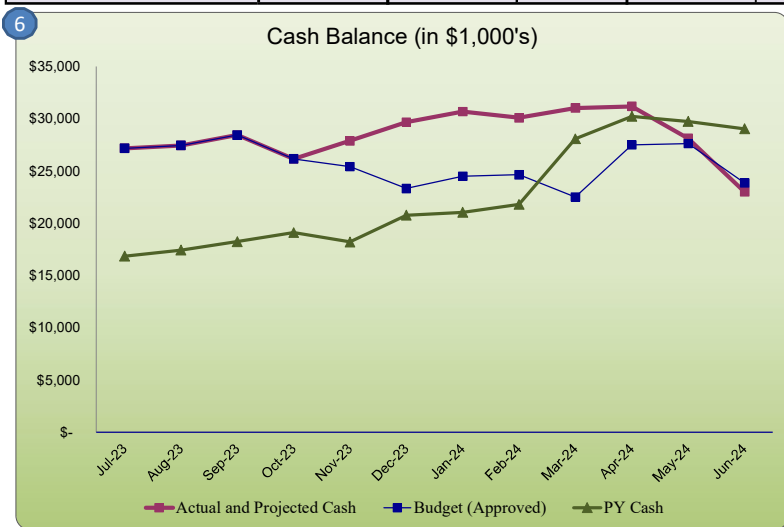
Category	Actual through Month 8	Actual P2	Budgeted P2	Better/ (Worse)	Prior Month Forecast	Prior Year P2
Enrollment	3,012	3,012	3,001	11	3,008	2,972
ADA %	92.2%	92.2%	92.2%	0.0%	0.0%	89.6%
Average ADA	2,761.76	2,761.74	2,771.37	(9.63)	2,763.23	2,680.25

**4 LCFF Supplemental & Concentration Grant Factors**

Category	Budget	Forecast	Variance	Prior Year
Unduplicated Pupil %	95.73%	97.08%	1.35%	95.67%
3-Year Average %	94.97%	95.42%	0.45%	94.63%
District UPP C. Grant Cap	85.97%	85.67%	-0.30%	85.97%

**5 INCOME STATEMENT**

INCOME STATEMENT	Forecast	VS. Budget		VS. Last Month		FY 23-24 YTD			Historical	
	As of 03/31/24	FY 23-24 Budget	Variance B/(W)	Prior Month FC	Variance B/(W)	Actual YTD	Budget YTD	Variance B/(W)	FY 22-23	FY 21-22
Local Control Funding Formula	41,812,096	41,982,924	(170,828)	41,897,560	(85,464)	31,266,546	28,878,554	2,387,992	37,363,062	35,808,573
Federal Revenue	7,757,320	7,459,415	297,905	7,290,465	466,856	3,095,133	2,213,103	882,031	8,208,140	10,868,693
State Revenue	12,604,930	13,907,995	(1,303,066)	12,595,306	9,623	17,961,094	21,090,212	(3,129,119)	8,077,643	4,097,827
Other Local Revenue	3,906,434	2,968,841	937,592	3,886,708	19,726	3,197,253	2,306,592	890,661	4,198,910	2,971,632
Grants/Fundraising	526,511	516,693	9,818	518,981	7,530	96,504	64,861	31,643	850,526	390,444
<b>TOTAL REVENUE</b>	<b>66,607,291</b>	<b>66,835,869</b>	<b>(228,578)</b>	<b>66,189,021</b>	<b>418,270</b>	<b>55,616,530</b>	<b>54,553,322</b>	<b>1,063,208</b>	<b>58,698,282</b>	<b>54,137,169</b>
<i>Total per ADA</i>	24,118	24,117	1	23,966	151				21,900	20,473
<i>w/o Grants/Fundraising</i>	23,927	23,930	(3)	23,779	149				21,583	20,325
Certificated Salaries	16,277,329	16,833,279	555,951	16,377,037	99,709	11,575,204	12,138,962	563,758	16,042,300	16,070,067
Classified Salaries	7,528,030	7,982,003	453,972	7,533,385	5,355	5,219,879	5,742,677	522,798	6,976,915	6,291,816
Benefits	7,838,408	8,625,489	787,081	7,903,137	64,729	5,604,746	6,121,432	516,686	7,568,205	6,650,987
Student Supplies	5,651,510	5,548,839	(102,672)	5,585,703	(65,808)	3,173,783	3,649,688	475,905	4,159,277	4,615,770
Operating Expenses	26,522,879	25,767,881	(754,999)	26,266,690	(256,189)	15,119,023	18,019,305	2,900,282	22,079,760	19,409,944
Other	1,638,209	1,661,755	23,547	1,629,949	(8,260)	1,267,359	1,282,998	15,639	1,530,010	1,420,923
<b>TOTAL EXPENSES</b>	<b>65,456,365</b>	<b>66,419,245</b>	<b>962,880</b>	<b>65,295,901</b>	<b>(160,465)</b>	<b>41,959,995</b>	<b>46,955,063</b>	<b>4,995,068</b>	<b>58,356,467</b>	<b>54,459,506</b>
<i>Total per ADA</i>	23,701	23,966	265	23,643	58				21,773	20,595
<b>NET INCOME / (LOSS)</b>	<b>1,150,926</b>	<b>416,624</b>	<b>734,302</b>	<b>893,120</b>	<b>257,806</b>	<b>13,656,535</b>	<b>7,598,259</b>	<b>6,058,275</b>	<b>341,814</b>	<b>(322,337)</b>
<b>OPERATING INCOME</b>	<b>2,594,338</b>	<b>1,883,584</b>	<b>710,755</b>	<b>2,328,273</b>	<b>266,066</b>	<b>14,729,098</b>	<b>9,774,663</b>	<b>4,954,435</b>	<b>1,669,057</b>	<b>888,003</b>



**Year-End Cash Balance**

Projected	Budget	Variance
23,006,285	23,856,228	(849,944)

**7 Balance Sheet**

	6/30/2023	2/29/2024	3/31/2024	6/30/2024 FC
<b>Assets</b>				
Cash, Operating	29,037,719	30,091,980	31,026,271	23,006,284
Cash, Restricted	0	0	0	0
Accounts Receivable	5,629,420	572,103	572,103	8,040,427
Due From Others	286,926	490,266	563,836	139,451
Other Assets	24,615,268	24,273,682	24,251,050	24,347,061
Net Fixed Assets	39,642,835	39,387,540	39,428,515	40,004,156
<b>Total Assets</b>	<b>99,212,167</b>	<b>94,815,571</b>	<b>95,841,774</b>	<b>95,537,379</b>
<b>Liabilities</b>				
A/P & Payroll	4,132,432	2,752,554	2,001,642	3,971,346
Due to Others	2,277,644	356,002	194,886	3,696,633
Deferred Revenue	13,246,188	837,404	837,404	7,567,169
Other Liabilities	23,874,308	23,874,308	23,874,308	23,874,308
Total Debt	9,840,445	9,639,153	9,435,848	9,435,848
<b>Total Liabilities</b>	<b>53,371,017</b>	<b>37,459,422</b>	<b>36,344,089</b>	<b>48,545,304</b>
<b>Equity</b>				
Beginning Fund Bal.	45,499,335	45,841,150	45,841,150	45,841,150
Net Income/(Loss)	341,814	11,514,999	13,656,535	1,150,926
<b>Total Equity</b>	<b>45,841,150</b>	<b>57,356,149</b>	<b>59,497,685</b>	<b>46,992,075</b>
<b>Total Liabilities &amp; Equity</b>	<b>99,212,167</b>	<b>94,815,570</b>	<b>95,841,773</b>	<b>95,537,379</b>
<b>Available Line of Credit</b>				
Days Cash on Hand	186	172	177	131
Cash Reserve %	50.9%	47.1%	48.5%	35.9%











## CAMINO NUEVO CHARTER ACADEMY

### Financial Analysis

### March 2024

#### Net Income

Camino Nuevo Charter Academy is projected to achieve a net income of \$1.15M in FY23-24 compared to \$417K in the revised board approved budget. Reasons for this positive \$734K variance are explained below in the Income Statement section of this analysis.

#### Balance Sheet

As of March 31, 2024, the school's cash balance was \$31.03M. By June 30, 2024, the school's cash balance is projected to be \$23.01M, which represents a 36% reserve. There is a \$850K dip in projected cash as compared to the budget partially due to a correction in the ELOP funding receipt formula that had caused the projected deferred revenue and cash to be overstated. There is no net income effect to this correction.

As of March 31, 2024, the Accounts Receivable balance was \$572K.

As of March 31, 2024, the Accounts Payable balance, including payroll liabilities, totaled \$2.00M, compared to \$2.75M in the prior month.

As of March 31, 2024, CNCA had a debt balance of \$9.44M compared to \$9.64M in the prior month. This debt is related to Prop 55/Kayne Siart construction loan.

#### Income Statement

##### Revenue

Total revenue for FY23-24 is projected to be \$66.61M, which is \$229K or 0.3% under budgeted revenue of \$66.84M.

**All Other Federal Revenue (8299) \$383K increase** due to additional ESSER funds being spent in current year. This is largely due to \$400K Conexion payments projected to be paid in the current year.

**Prop 28 Arts & Music (8596) \$218K decrease** based on reduced spending toward this fund. Funds will be expended in future years.

**State Revenue - Other (8599) \$745K decrease** due to sites pushing off spending of Learning Recovery, Arts & Music Grant and other one-time funds to future years.

**Interest & Dividend Income (8660) \$595K increase** in interest revenue based on most recent LACOE interest distributions. This includes a \$243K adjustment to FY22-23.

**E-Rate (8697) \$124K increase** due to a \$73K networking contribution in Kayne Siart site.

**SELPA Grants (8698) \$112K increase** based on round one special education assistance awarded to each charter.

**Other Prior Year Adjustment (8999) \$86K increase** in Prior Year Revenues largely due to final FY22-23 Lottery rates and SMAA funds received.

*This report will discuss revenue and expenditure variances from the Board-approved budget that are above \$75,000 and 10%.*



### *Expenses*

Total expenses for FY23-24 are projected to be \$65.46M, which is \$963K or 1.4% under budgeted expenditures of \$66.42M.

**Teachers' Salaries - Stipend/Extra Duty (1175) \$62K under** budget as the semi-annual stipends came in lower than expected.

**Certificated Pupil Support - Psychologist (1215) \$122K under** budget due to vacant positions.

**Classified Teacher Salaries (2131) \$275K under** budget due to vacant positions and changes in the ELOP staffing needs. This is offset by reduced ELOP funds.

**H&W - Health & Welfare (3401) \$398K under** budget based on employee elections during open enrollment.

**Core Curricula Materials (4111) \$105K over** budget due to additional supply purchases being done.

**Non Capitalized Equipment (4411) \$195K over** budget largely due to a budgeted furniture purchase at the Dalzell Lance campus which did not meet the capitalization threshold.

**Nutrition Program Food & Supplies (4711) \$244K under** budget based on meal credits received and efforts to reduce meal overages at sites.

**Utilities (5511) \$89K over** budget based on current trend.

**Other Facility Operations & Utilities (5599) \$118K over** budget largely due to Castellanos site trending higher for LAUSD maintenance expenses on their Public School Choice Site.

**Vendor Repairs (5631) \$252K over** budget mostly due to increased HVAC repair needs at sites.

**Contracted Substitute Teachers (5841) \$462K over** budget because of teacher vacancies and absenteeism.

**Special Education Services (5842) \$774K under** budget. This reduction is partly due to utilizing in-house staff for certain services, resulting in decreased overall service requirements. However, savings from consultants are offset by the need to hire SPED substitute staff to fill vacancies or cover absences among regular staff. Furthermore, consultant costs at the Cisneros site are exceeding the budgeted amount.

**PD Consultants & Tuition (5852) \$127K over** budget largely due to additional PD added with one-time funding.

### **ADA**

Budgeted P2 ADA is 2,771.37 based on enrollment of 3,001 and a 92.2% attendance rate.

Forecast P2 ADA is 2,761.74 based on enrollment of 3,012 and a 92.2% attendance rate.

Actual ADA through Month 8 is 2,761.76 with ending enrollment of 3,012 and a 92.2% attendance rate.

In Month 8, ADA was 2,777.33 with a 92.2% attendance rate.

*This report will discuss revenue and expenditure variances from the Board-approved budget that are above \$75,000 and 10%.*









**CAMINO NUEVO CHARTER ACADEMY**  
 2023-24 Cash Flow Forecast  
 Prepared by ExED. For use by ExED and ExED clients only. © 2023 ExED

	2023-24		ACTUAL										Actuals as of 3/31/2024				FORECAST	Budget Variance	
	Budget	Trend	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Accrual	Jul-23 - Jun-24	Better / (Worse)	% Better / (Worse)	
	Change in Deferred Revenue	(7,055,408)	(5,679,019)	(12,539,284)	-	-	-	-	130,500	-	-	-	-	-	-	6,729,765	(5,679,019)	1,376,388	
Change in Other Long Term Assets	145,078	329,241	36,083	36,207	36,332	36,456	36,581	36,707	36,832	36,958	37,085	-	-	-	-	329,241	-		
Change in Other Long Term Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation Expense	1,466,959	1,443,413	114,596	113,925	114,840	114,098	132,034	117,254	117,600	127,943	120,272	123,074	123,286	124,490	-	1,443,413	(23,547)		
<b>Cash Flow from Investing Activities</b>																			
Capital Expenditures	(1,431,172)	(1,804,734)	(14,800)	(47,196)	(65,512)	(79,773)	(264,543)	(107,981)	(97,707)	(19,484)	(161,246)	(495,951)	(50,540)	(400,000)	-	(1,804,734)	(373,562)		
<b>Cash Flow from Financing Activities</b>																			
Source - Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Use - Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Source - Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Use - Loans	(404,597)	(404,597)	-	-	(201,292)	-	-	-	-	-	(203,305)	-	-	-	-	-	-	-	
<b>Ending Cash Balance</b>	<b>23,856,228</b>	<b>14,554,086</b>	<b>27,168,442</b>	<b>27,439,638</b>	<b>28,441,870</b>	<b>26,169,346</b>	<b>27,877,647</b>	<b>29,673,010</b>	<b>30,684,588</b>	<b>30,091,981</b>	<b>31,026,272</b>	<b>31,184,954</b>	<b>28,127,556</b>	<b>23,006,285</b>	<b>23,006,285</b>	<b>23,006,285</b>	<b>(849,944)</b>		

# Coversheet

## CNCA Investment Policy

**Section:** IV. FY23-24 Financials  
**Item:** B. CNCA Investment Policy  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** Allowable Investments for Charter Schools.pdf  
Draft Investment Policy 4-12-21.pdf  
#3.Finance.c. Investment\_Policy\_\_03-07-24.pdf  
KIPP Investment and cash management info resource 3-21-23.pdf  
Larchmont's Investment Policy[2] (4891-1308-7799.v1)e.pdf

## Allowable Investments for Charter Schools

Per the Government Code, Section 53600-53609, the following types of investments are allowable for charter schools:

- Bonds issued by the local agency,
- Unites States Treasury notes, bonds, bills, or certificates of indebtedness,
- Registered state warrants or treasury notes or bonds of this state,
- Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state,
- Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments,
- Bankers acceptances (Bills of Exchange / Time Drafts) drawn on and accepted by a commercial bank,
- Commercial paper of “prime” quality of the highest ranking or highest letter and number rating by a nationally recognized statistical-rating organization,
- Negotiable certificates of deposit issued by a nationally or state-chartered bank, savings association or federal association
- Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements,
- Medium-term notes – corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less
- Shares of beneficial interest issued by diversified management companies
- Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness
- Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest
- Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, and/or
- Share of beneficial interest issued by a joint powers authority.

For more detail on any of the above, please review California Code Sections 53600 – 53609.

## GOVERNMENT CODE

### SECTION 53600-53609

53600. As used in this article, "local agency" means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

53600.3. Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

53600.5. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

53600.6. The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having money in a

sinking fund or money in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(e) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(f) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(g) Commercial paper of "prime" quality of the highest ranking or

of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(h) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(i) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value

shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(j) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

(k) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.



(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(1) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(m) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(n) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

(o) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in

subdivisions (a) to (n), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

53601.1. The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

53601.2. As used in this article, "corporation" includes a limited liability company.

53601.5. The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

53601.6. (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

53601.7. Notwithstanding the investment parameters of Sections 53601 and 53635, a local agency that is a county or a city and county may invest any portion of the funds that it deems wise or expedient, using the following criteria:

(a) No investment shall be made in any security, other than a security underlying a repurchase agreement, reverse repurchase agreement, or a securities lending agreement, that, at the time of purchase, has a term remaining to maturity in excess of 397 days, and that would cause the dollar-weighted average maturity of the funds in the investment pool to exceed 90 days.

(b) All corporate and depository institution investments shall

meet or exceed the following credit rating criteria at time of purchase:

(1) Short-term debt shall be rated at least "A-1" by Standard & Poor's Corporation, "P-1" by Moody's Investors Service, Inc., or "F-1" by Fitch Ratings. If the issuer of short-term debt has also issued long-term debt, this long-term debt rating shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.

(2) Long-term debt shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.

(c) (1) No more than 5 percent of the total assets of the investments held by a local agency may be invested in the securities of any one issuer, except the obligations of the United States government, United States government agencies, and United States government-sponsored enterprises.

(2) Up to 25 percent of the total assets of the investments held by a local agency may be invested in the first tier securities of a single issuer for a period of up to three business days after acquisition. The securities of no more than one issuer may be invested pursuant to this paragraph at a time.

(3) No more than 10 percent of the total assets of the investments held by a local agency may be invested in any one mutual fund.

(d) Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction. If subsequent to purchase, securities are downgraded below the minimum acceptable rating level, the securities shall be reviewed for possible sale within a reasonable amount of time after the downgrade.

(e) Within the limitations set forth in this section, a local agency electing to invest its funds pursuant to this section may invest in the following securities:

(1) Direct obligations of the United States Treasury or any other obligation guaranteed as to principal and interest by the United States government.

(2) Bonds, notes, debentures, or any other obligations of, or securities issued by, any federal government agency, instrumentality, or government-sponsored enterprise.

(3) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or other entity of the state.

(4) Bonds, notes, warrants, or other indebtedness of the local agency, or any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(5) Bankers acceptance, otherwise known as bills of exchange or time drafts drawn on and accepted by a commercial bank, primarily used to finance international trade. Purchases of bankers acceptances may not exceed 180 days to maturity.

(6) Short-term unsecured promissory notes issued by corporations for maturities of 270 days or less. Eligible commercial paper is further limited to the following:

(A) Issuing corporations that are organized and operating within the United States, having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Maturities for eligible commercial paper that may not exceed 270 days.

(7) A certificate representing a deposit of funds at a commercial bank for a specified period of time and for a specified return at maturity. Eligible certificates of deposit shall be issued by a nationally or state-chartered bank or a state or federal association, as defined in Section 5102 of the Financial Code, or by a state-licensed branch of a foreign bank. For purposes of this subdivision, certificates of deposits shall not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money may not invest local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decisionmaking authority in the administrative office, manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, other credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificate of deposit.

(8) Repurchase agreements, reverse repurchase agreements, or securities lending agreements of any securities authorized by this section, if the agreements meet the requirements of this paragraph and the delivery requirements specified in Section 53601. Investments in repurchase agreements may be made, on any investment authorized by this section, when the term of the agreement does not exceed one year. The market value of the securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities, and the value shall be adjusted no less than quarterly. Because the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance with this section if the value of the underlying securities is brought back to 102 percent no later than the next business day. Reverse repurchase agreements may be utilized only when all of the following criteria are met:

(A) The security being sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to the sale.

(B) The total of all reverse repurchase agreements on investments owned by the local agency not purchased or committed to purchase does not exceed 20 percent of the market value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement, may not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(E) Investments in reverse repurchase agreements or similar

investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security, shall only be made with prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

"Securities," for purposes of this paragraph, means securities of the same issuer, description, issue date, and maturity.

(9) All debt securities issued by a corporation or depository institution with a remaining maturity of not more than 397 days, including securities specified as "medium-term notes," as well as other debt instruments originally issued with maturities longer than 397 days, but which, at time of purchase, have a final maturity of 397 days or less. Eligible medium-term notes shall be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

(10) (A) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations described in this subdivision and that comply with the investment restrictions of this section. However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement shall not be required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default. The value of the securities underlying a repurchase agreement may be 100 percent of the sales price if the securities are marked to market daily.

(B) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the federal Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(C) All shares of beneficial interest described in this paragraph shall have met either of the following criteria:

(i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(ii) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission and who has not less than five years' experience investing in money market instruments and with assets under management in excess of five hundred million dollars (\$500,000,000).

(11) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other paythrough bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

Securities eligible for investment under this paragraph shall be issued by an issuer having an "A" or higher rating from the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating.

(12) Contracts issued by insurance companies that provide the policyholder with the right to receive a fixed or variable rate of interest and the full return of principal at the maturity date.

(13) Any investments that would qualify under SEC Rule 2a-7 of the Investment Company Act of 1940 guidelines. These investments shall also meet the limitations detailed in this section.

(f) For purposes of this section, all of the following definitions shall apply:

(1) "Repurchase agreement" means a purchase of securities pursuant

to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement.

(2) "Significant banking relationship" means any of the following activities of a bank:

(A) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(B) Financing of a local agency's securities or funds as deposits.

(C) Acceptance of a local agency's securities or funds as deposits.

(3) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(4) "Securities lending agreement" means an agreement with a local agency that agrees to transfer securities to a borrower who, in turn agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(5) "First tier security" has the same meaning as that phrase is defined by SEC Rule 2a-7 of the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq).

(6) "Local agency" means a county or city and county.

(g) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, or other similar borrowing methods.

(h) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(i) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

53601.8. Notwithstanding Section 53601 or any other provision of this code, a local agency, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to this section, Section 53635.8, and subdivision (h) of Section 53601 do not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may submit the funds to a

private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the local agency's account.

(c) The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(d) The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the local agency's account.

(e) At the same time the local agency's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment.

(f) A local agency may not invest surplus funds with a selected depository institution for placement as certificates of deposit pursuant to this section on or after January 1, 2012. A local agency's surplus funds, invested pursuant to this section before January 1, 2012, may remain invested in certificates of deposit issued through a private sector entity for the full term of each certificate of deposit.

(g) Notwithstanding subdivisions (a) to (f), inclusive, no credit union may act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally-insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(h) It is the intent of the Legislature that nothing in this section shall restrict competition among private sector entities that provide placement services pursuant to this section.

53602. The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

53603. The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

53604. The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

53605. From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

53606. The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them uncanceled. While held uncanceled, the bonds may be resold.

53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

53608. The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

53609. Notwithstanding the provisions of this chapter or any other provisions of this code, funds held by a local agency pursuant to a written agreement between the agency and employees of the agency to defer a portion of the compensation otherwise receivable by the agency's employees and pursuant to a plan for such deferral as adopted by the governing body of the agency, may be invested in the types of investments set forth in Sections 53601 and 53602 of this



code, and may additionally be invested in corporate stocks, bonds, and securities, mutual funds, savings and loan accounts, credit union accounts, life insurance policies, annuities, mortgages, deeds of trust, or other security interests in real or personal property. Nothing herein shall be construed to permit any type of investment prohibited by the Constitution.

Deferred compensation funds are public pension or retirement funds for the purposes of Section 17 of Article XVI of the Constitution.

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## **PURPOSE**

From time to time [SCHOOL NAME] ("SCHOOL") will have more funds available than are needed to meet current obligations. These funds may be invested in various financial instruments. This policy establishes guidelines for such investments.

This policy is designed to govern the investment of funds held by SCHOOL. This policy is based upon federal, state, and local laws, and prudent money management practices. To the extent that this policy conflicts with applicable law, the applicable law shall prevail. The primary goals of this policy are:

- to assure compliance with all federal, state, and local laws governing the investment of monies;
- to protect the principal deposits of SCHOOL; and
- to generate investment income within the parameters of this policy.

Govt. Code section 53646(a)(2) states that the treasurer or chief fiscal officer of any other local agency may annually render to his/her legislative body and any oversight committee an investment policy that the legislative body shall consider at a public meeting.

## **SCOPE**

This investment procedure applies to all funds of SCHOOL. These funds are accounted for in SCHOOL's annual audit report and include all current funds, and any other funds that may be created from time to time. All transactions involving the funds and related activity of any funds shall be administered in accordance with the provisions of this procedure and the canons of the "prudent person rule."

SCHOOL shall maintain this set of procedures for the investment of SCHOOL funds that includes the following elements:

### **A. Scope**

1. A listing of authorized investments.
2. The standard of care that must be maintained by the persons investing the public funds.
3. Investment and diversification guidelines that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio.
4. Guidelines regarding collateral requirements, if any, for the deposit of public funds in a financial institution made pursuant to State Statute, and, if applicable, guidelines for contractual arrangements for the custody and safekeeping of that collateral.
5. Performance measures appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the school district's investment portfolio.
6. Appropriate periodic review of the investment portfolio, its effectiveness in meeting SCHOOL's need for safety, liquidity, rate of return, and diversification, and its general performance.
7. A policy regarding ethics and conflicts of interest (see SCHOOL Board policies).

### **B. Objectives**

SCHOOL's primary investment objective shall be to maintain the safety and liquidity of its funds. Safety of principal is the foremost objective of SCHOOL. The investment factors SCHOOL shall consider, in order of descending importance, are the following:

- safety of invested funds;
- sufficient liquidity to meet future cash flow requirements; and
- attain maximum yield consistent with the aforementioned requirements.

The Chief Business Officer for SCHOOL, under the direction of the Executive Director and Board of Directors, shall have the responsibility for all decisions and activities performed under the SCHOOL's Investment Policy. The Chief Business Officer shall have the ability to allocate resources or delegate responsibility as necessary to optimize the safety and liquidity of the investment portfolio and to implement this Investment Policy.

SCHOOL shall at times seek investment strategies that emphasize the following goals:

1. Safety of Principal - Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective only appropriate investment instruments will be purchased and insurance or collateral may be required to ensure the return of principal.
2. Liquidity – SCHOOL's investment portfolio shall be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.
3. Return on Investments - The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the risk constraints, the cash flow characteristics of the portfolio and legal restrictions for return on investments. In general, the Executive Director (ED) working with the Chief Business Officer (CBO) will strive to earn an average rate of return equal to or greater than the U.S. Treasury Bill rate for a given period of time.
4. Maintaining the Public's Trust - The investment officers shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in SCHOOL, the Board or the Board Treasurer.

### **C. Legal Constraints**

Pursuant to California Education Code Section 41015, SCHOOL may invest all or part of funds deposited in a Special Reserve Fund or any surplus monies not required for the immediate necessities of SCHOOL in any of the investments specified in California Government Code Sections 16430 or 53601. Special Reserve Funds are defined as those funds which the Board of Education has designated for capital outlay or other purposes, where an accumulation over a period of fiscal years is desired.

SCHOOL shall make investments in the context of the "Prudent Investor Rule" (Civil Code Section 2261, et seq.), which in substance states that:

"Investment shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence, exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

### **D. Investment Instruments**

SCHOOL may invest in any type of security allowed by State Statutes as may be amended from time to time. SCHOOL has chosen to limit its allowable investments to those instruments listed below:

1. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America, its agencies and allowable instrumentalities;
2. Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits, or any other investments constituting direct obligations of any bank;
3. Certificates of deposit with federally insured institutions that are collateralized or insured in excess of the maximum coverage allowed by the Federal Deposit Insurance Corporation;
4. Collateralized repurchase agreements that conform to the requirements stated in 118A.05 sub. 2 of the statutes;
5. Commercial paper meeting the following requirements:
  - a. Either:
    1. The corporation must be organized in the United States..
    2. The corporation's assets must exceed five hundred million dollars (\$500,000,000)..
    3. Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.OR
    1. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
    2. Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
    3. Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.
  - b. The obligations cannot have a maturity longer than 270 days.
  - c. Not more than 50% of the total investment fund can be invested in commercial paper at any time.
  - d. The total investment in any one corporation cannot exceed 10% of the corporation's outstanding obligations.
  - e. The total investment in any one corporation cannot be more than \$1 million.
2. Investments may be made only in those savings banks or savings and loan associations that are insured by the Federal Deposit Insurance Corporation.
3. Investment products that are considered as derivatives are specifically excluded from approved investments.

## **E. Diversification**

It is the policy of SCHOOL to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities. Diversification strategies shall be determined and revised periodically by the Board Treasurer. The diversification shall be as follows:

- a. Up to 100% of D.1., but not less than 10%
- b. Up to 90% of D.2. and D.3.
- c. Up to 50% of D.4. and D.5.

## **F. Collateralization**

1. It is the policy of SCHOOL to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default.
2. Eligible collateral instruments are any investment instruments acceptable under California Government Code Sections 16430 or 53601. The collateral must be placed in safekeeping at or

before the time SCHOOL buys the investments so that it is evident that the purchase of the investment is predicated on the securing of collateral.

## **G. Qualified Financial Institutions and Intermediaries**

1. Depositories - Demand Deposits
  - a. Any financial institution selected by SCHOOL shall provide normal banking services, including, but not limited to: checking accounts, wire transfers and safekeeping services.
  - b. SCHOOL will not maintain funds in any financial institution that is not a member of the FDIC system. In addition, SCHOOL will not maintain funds in any institution that does not first agree to post required collateral for funds or purchase private insurance in excess of FDIC insurable limits and in amounts acceptable to SCHOOL.
2. Banks and Savings and Loans - Certificates of Deposit. Any financial institution selected to be eligible for SCHOOL's competitive certificate of deposit purchase program must:
  - a. provide wire transfer and certificate of deposit safekeeping services;
  - b. be a member of FDIC system and be willing and capable of posting required collateral or private insurance for funds in excess of FDIC insurable limits and in amounts required by SCHOOL; and
  - c. meet at all times the financial criteria as established in the investment procedures of SCHOOL.
3. Intermediaries. Any financial intermediary selected to be eligible for SCHOOL's competitive investment program must:
  - a. provide wire transfer and deposit safekeeping services;
  - b. be a member of a recognized U.S. Securities and Exchange Commission Self-Regulatory Organization such as the New York Stock Exchange, National Association of Securities Dealers, Municipal Securities Rule Making Board, etc.;
  - c. provide an annual audit upon request;
  - d. maintain an office within the State and be licensed to conduct business in this State; and
  - e. be familiar with the Board of Education's policy and accept financial responsibility for any investment not appropriate according to the policy.

## **H. Management of Program**

1. The following individuals are authorized to purchase and sell investments, authorize wire transfers, authorize the release of pledged collateral, and to execute any documents required under this procedure:
  - a) Board Treasurer
  - b) Executive Director
  - c) Board Chair

These documents include:

- 1) Wire Transfer Agreement
- 2) Depository Agreement
- 3) Safekeeping Agreement
- 4) Custody Agreement

2. Management responsibility for the investment program is hereby delegated to the Board Treasurer who shall establish a system of internal controls and operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent

actions by employees of the entity. No person may engage in any investment transaction except as provided for under the terms of this policy.

3. The Board Treasurer may use financial intermediaries, brokers, and/or financial institutions to solicit bids for securities and certificates of deposit.

#### **I. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Further, no officer involved in the investment process shall have any interest in, or receive any compensation from, any investments in which SCHOOL is authorized to invest, or the sellers, sponsors or managers of those investments.

#### **J. Indemnification**

Investment officers and employees of SCHOOL acting in accordance with this Investment Procedure and such written operational policies as may be established by SCHOOL, and who otherwise exercise due diligence and act with reasonable prudence, shall be relieved of personal liability for an individual security's credit risk or market changes.

Ocean Charter School

Board Policy - Investments

**Investments**

I. Investment Authority

A. Delegation of Authority to Invest

From time-to-time, the Ocean Charter School has assets in excess of its anticipated near-term needs. This policy governs the investment of such funds determined to be in excess of near-term needs. If applicable state or federal law conflicts with this policy, the applicable state or federal laws shall prevail.

The Board of Directors of **Ocean Charter School (“Board”)** authorizes the Executive Director or Assistant Director to invest assets in accord with this policy, to purchase and sell investments and instruments, allow wire transfers, and execute documents necessary to implement this policy.

B. Controls and Oversight of Investments

*The California Corporations Code (CC § 5240) applies to assets held by the corporation for investment. Assets that are directly related to the corporation’s public or charitable programs are not subject to the Code. In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the corporation’s investments, the board is required to do the following: 1) Avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation’s capital; 2) Comply with additional standards, if any, imposed by the articles, bylaws or express terms of an instrument or agreement pursuant to which the assets were contributed to the corporation.*

*In complying with these requirements, directors are required to perform these duties in a manner that the director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. (CC §§ 5240, 5231) The Corporations Code specifically states that directors may rely upon others, such as counsel, independent accountants or other professionals, and officers or employees that the directors believe to be reliable and competent in the matters presented. When following these edicts, directors have the benefit of a shield from personal liability.*

*Investments made in compliance with the Uniform Prudent Management of Institutional Funds Act found in the California Probate Code (§§ 18501, et seq.) are deemed in compliance with these requirements.*

The Executive Director or Assistant Director ensure that written internal controls policies and procedures are developed and implemented to ensure that investments are made in accord with

this policy, that prevent losses of assets that may arise from fraud, error, misrepresentation, or imprudent action and that investments avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the corporation's capital.

The Finance Committee of the Board shall receive and review information on investment balances, allocations, and returns at least quarterly and present a summary report at least annually to the Board, whether separately or as a part of the budget process.

The trustees, officers and employees involved in the investment process shall refrain from any conflicts of interest in the management of the school's investments and shall have no interest in, nor receive any compensation nor inducements from any of the school's investments nor those involved in selling or managing those investments. All investment activity shall be in accordance with applicable laws governing conflicts of interest and the organization's Conflict-of-Interest Policies.

## II. Maintaining Liquidity

### A. Estimating Future Liquidity Needs

The Executive Director, in conjunction with the back-office finance/accounting organization, shall quarterly, or more frequently as needed, prepare or cause to be prepared cash flow projections that anticipate the Ocean Charter School' near-term cash position. The projections shall identify the amounts of cash and other assets needed to ensure that the Ocean Charter School maintains available cash reserves in alignment with levels specified in budgeting and financial policies, debt covenants, agreements with the charter authorizing agency, or other binding commitments. These shall be held on deposit in cash or cash-equivalent operating accounts at all times while also remaining current on all accounts payable and other obligations.

### B. Amounts Available for Investment

Amounts in excess of those needed to remain liquidity may be invested in longer-term investments identified below so as to meet the objectives listed below.

## III. Objectives

The objectives of this investment policy include the following:

1. Safety of Principal – Funds should be invested to preserve the principal in the overall portfolio.
2. Liquidity – Funds should be invested to ensure that the school can meet its anticipated cash liquidity needs based on reasonably detailed cash flow projections.



3. Return on Investments – Funds should be invested to attain the highest market returns relative to risk constraints, with a goal of achieving a maximum rate of return relative to the market at that the time of the investment and while ensuring liquidity.
4. Maintaining the Public’s Trust – Funds should be invested so as to act as responsible custodians of public funds and avoid transactions that would undermine public confidence in the school, its board, officers, and employees. Investments of donated assets shall conform to any related instrument or agreement pursuant to which the assets were donated to the Ocean Charter School.
5. Investment Philosophy – Investments should be invested in socially responsible funds.

#### IV. Investment Standards and Approved Investment Instruments

Individuals responsible shall manage and invest in good faith and with the care that an ordinary and prudent person would exercise under similar circumstances. The Ocean Charter School may only incur costs that are reasonable in relation to the assets being managed, considering the skills and expertise available to the Sample Charters Schools, and shall make a reasonable effort to verify facts relevant to the management and investment of assets.

Individuals responsible for managing and investing assets must consider the following:

- General economic conditions,
- The possible effects of inflation or deflation,
- Expected tax consequences, if any,
- The role that each investment or course of action plays relative to the Ocean Charter School overall investments,
- The expected total return from income and appreciation of investments,
- The needs of the Ocean Charter School to make distributions and preserve capital, and
- An asset’s special relationship or special value, if any, to the charitable purposes of the Ocean Charter School.

In alignment with this policy, the Ocean Charter School may invest in the following forms of investment instruments in alignment with the objectives listed above and to the extent allowed by applicable law:

- Bonds, notes, and treasury bills and other securities issued by and backed by the full faith and credit of the United States of America and its agencies.
- Interest-bearing savings accounts, checking accounts, cash management accounts, and certificates of deposit that are insured by the Federal Deposit Insurance Corporation (FDIC).

*Note: The instruments listed above are among the most conservative and near risk-free investments available on the market. They also generally generate the lowest investment returns. Some schools/organizations with more substantial assets and cash reserves are in a position to incur higher levels of risk, and presumably generate more substantial returns by investing in other instruments including corporate bonds, certificates of deposit from foreign banks, stocks/equities, etc. Schools/organizations doing so presumably may want to obtain professional advice and expand this sample policy to list the specific approved instruments. It presumably is also a good practice to set specific percentage or dollar limits on the percentage or amounts of the organization's funds that may be invested in such higher risk instruments.*

- Goal of splitting any investments between bonds, notes, and treasury bills, and FDIC insured products, but discretion is given to Executive Director or Assistant Director to have a different split as long as the products are allowable as outlined above.

All investments shall be made in the name of the Ocean Charter School.

Adopted:

Amended:



Franci Sassin <fsassin@exed.org>

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## Fwd: Quick follow-up

1 message

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**Sue Park** <spark@yumingschool.org>  
To: Franci Sassin <fsassin@exed.org>  
Cc: Yiaway Yeh <yyeh@yumingschool.org>

Tue, Mar 21, 2023 at 10:45 AM

Hi Franci,  
See KIPP Bay Area's Investment Policy attached. Thank you!

----- Forwarded message -----

From: **Yiaway Yeh** <yyeh@yumingschool.org>  
Date: Mon, Mar 20, 2023 at 7:44 PM  
Subject: Fwd: Quick follow-up  
To: Sue Park <spark@yumingschool.org>

FYI on KIPP's Investment Policy from Beth.

----- Forwarded message -----

From: **Beth Thompson** <sutkus.thompson@gmail.com>  
Date: Tue, Mar 14, 2023 at 4:45 PM  
Subject: Quick follow-up  
To: yyeh@yumingschool.org <yyeh@yumingschool.org>

Hi Yiaway --

Don't know if this is helpful but sharing just in case:

- I recommend that we look into a cash sweep account, where we hold no more than \$250K in any one bank (this is what KIPP does).
- Here is what else KIPP is doing:
  - Two months of cash and any dollars necessary for facilities construction are held in our Wells Fargo accounts. All funds in excess of the \$250K FDIC limit are swept into a 100% Treasury Money Market Fund (WOTXX).
  - All cash reserves exceeding our needs for current operations and construction are held in our Schwab investment account as follows:
    - If we have any sizeable facility investments on the horizon, we purchase a treasury for the dollar amount needed that matures at the time we need the money.
    - \$10M invested in Schwab Short Term US Treasury ETF (SCHO) for opportunistic facilities investments. The Finance Committee Cash Task Force picked SCHO because it meets our higher credit quality standards for the short-term while stretching for greater return than individual treasuries.
    - All remaining excess cash is invested in Vanguard Short Term Corporate Bond ETF (VCSH). The Finance Committee Cash Task Force picked VCSH because it meets our credit quality standards with an average maturity (3 years) approximately equal to the timing of our cash needs
- Attached is our investment policy

Best,

Beth

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### 2 attachments

 **2 - Investment Policy for Board Approval.docx.pdf**  
82K

 **1 - Investment Policy Cover Memo.docx.pdf**  
82K



# **INVESTMENT POLICY**

DRAFT: October 31, 2022

APPROVED:

## I. Purpose & Scope

The purpose of this Investment Policy is to provide a clear statement of the overall investment objectives, policies and guidelines for Larchmont Charter School (the "School") and to govern the activities related to the management of Larchmont Charter School's investment portfolios. The provision of this policy shall apply to all funds invested by the School.

## II. Definition of Duties

The Policy is designed to:

- A. Designate responsibility for investing and reporting and provide appropriate authorizations to those individuals;
- B. Provide investment parameters and limitations;
- C. Ensure safety of invested funds;
- D. Ensure sufficient liquidity to meet future cash flow requirements; and
- E. Attain a prudent yield, consistent with the aforementioned requirements.

The following designees are assigned to certain roles and responsibilities:

### Finance Committee

The members of the Finance Committee are responsible to the Executive Director and to the Larchmont Charter School Board.

### Investment Advisory Group ("Advisory Group")

This Advisory Group to the Finance Committee primary's responsibility is to supervise and direct the operations of the investments.

The Director of Operations for the School,

Under the direction of the Executive Director and Governing Board ("Board") Members, shall have the responsibility for all decisions and activities performed under this Policy. The Director of Operations shall have the authority to allocate resources or delegate responsibility as necessary to optimize the safety and liquidity of the investment portfolio and to implement this Investment Policy.

## III. Objective

To set forth the purpose, goals and guidelines regarding the investment of operating funds for the School. These funds are to be invested in a manner that:

- A. Preserves capital
- B. Provides liquidity
- C. Maintains appropriate diversification
- D. Generates returns relative to these guidelines and prevailing market conditions

## IV. Strategic Asset Allocation Framework

At all times, the School shall invest, reinvest, purchase, acquire, exchange, sell, and manage assets of the School pursuant to the requirements of Government Code Section 53600 *et. seq.*

The School's investment portfolio shall be maintained in a manner that minimizes risk of the invested capital. These risks include credit risk, interest rate risk and concentration risk (e.g. geographic; asset class; industry; etc.) The portfolio shall also generate a reasonable return given the risk and liquidity guidelines. The primary goal of the Policy and all investments governed by it is to support the current operations of The School, to preserve and provide long-term growth of the investments. To accomplish this, funds will be segregated into three categories:

### A. Short-term (savings) Account

The primary objective of this account is to meet the day-to-day operational needs of the School. The Director of Operations and/or Executive Director shall have the authority to transfer these funds as needed to the School's operating accounts in order to meet daily

operational needs. All funds in this account should be invested for capital preservation and liquidity.

#### B. Reserve Account/Intermediate Account

The primary objective of this account is to fund special projects, planned plant improvements, and unforeseen or unplanned expenditures, as deemed by the Board. The Advisory Group shall review the accounts at least on a semi-annual basis.

#### C. Long-term Investment Portfolio

The primary objective of this account is to achieve long-term growth of principal while minimizing risk. The volatility of the portfolio should be consistent with the School's investment approach, asset allocation, the volatility of the comparable market index, and the long-term strategy for growth. The Advisory Group shall review these accounts on a semi-annual basis.

### V. Investment Objectives

The School's primary investment objectives, in order of priority, are:

- 1) Safety - the preservation of principal
- 2) Liquidity - maintaining enough liquidity to meet its cash flow needs, and
- 3) Yield - achieving a reasonable rate of return on public funds, while minimizing the potential for capital losses.

A. Safety: Preservation of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit or default risk, interest rate risk, and market risk, as summarized below.

Credit or Default Risk – The risk of loss due to the failure of the security issuer and/or guarantor, or backer, may be mitigated by:

1. Limiting purchases to the safest types of investments,
2. Diversifying the investment portfolio among a variety of securities offering independent returns to minimize any potential losses on individual securities,
3. Avoiding the concentration of investments in any one specific security type or asset class, in any one financial institution, or in any one specific geographic area or industry,
4. Pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisers with which the School does business and ensuring competitive transaction pricing.

Interest Rate Risk – The risk that the market value of securities will fall as interest rates rise in the general market may be mitigated by:

1. Holding individual securities to maturity: i.e. structuring the investment portfolio to match the timing of cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity;
2. Employing a laddering strategy: i.e. staggering maturities of individual securities to provide incremental liquidity over a time horizon;
3. Investing an appropriate level of operating funds in money market mutual funds, or similar investment pools, which provide for same or next day access to cash.

Market Risk - The risk of market value fluctuations or volatility may be mitigated by:

1. Purchasing securities which are readily tradable in active secondary markets, rather than in thinly traded markets;
2. Maintaining prudent duration levels;
3. Staggering investment maturity dates over a desired overall duration target.

B. Liquidity: The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. This is accomplished by structuring the portfolio so that securities mature concurrently with the anticipated operational demands. Furthermore, since not all possible cash demands can be anticipated, it is

recommended that the minimum reserve is maintained in either very low risk and immediately accessible accounts.

C. Yield: The investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. In so far as the School generally maintains a "Buy-and-Hold" investment posture (one that avoids disposing of security positions prior to scheduled maturity) securities shall not be sold prior to maturity with the following exceptions:

1. A declining credit security which could be sold early to minimize loss of principal;
2. Liquidity needs of the portfolio that require the security to be sold;
3. A capital gain that would be realized to better position the overall portfolio to achieve investment policy goals.

#### VI. Responsible Investing

It is the responsibility of the Advisory Group to ensure that the fiscal and ethical goals of the School are reflected in the portfolio. Investments will be made in compliance with covenants, bonds, state, and federal regulations the Advisory Group may issue periodic restrictions of specific investments.

#### VIII. Monitoring and Review Process

The School's Advisory Group shall assist in the fulfillment of the Board's fiduciary responsibilities to safeguard the assets of the School while maximizing the return on those assets.

The specific responsibilities of the Advisory Group include, but are not limited to:

- A. Review and evaluate investment portfolio composition and performance.
- B. Provide investment direction to the Director of Operations and/or Executive for funds.
- C. Review the status of the investment portfolio quarterly and report investment performance to the Board at least twice annually.
- D. Monitor compliance with this Policy.
- E. Make recommendations to the Board regarding this Policy, including risk tolerance and asset allocation, and allocation of investments between the Enhanced Liquidity Portfolio and the Long-term Investment Portfolio.
- F. Interview, recommend and discuss retention of potential investment managers when deemed appropriate.
- G. Review this Policy on an annual basis, or more often as necessary, to ensure continued accuracy, appropriateness and consistency with the mission and financial goals of the School.
- H. Under the direction of the Advisory Group, the School's Director of Operations and/or Executive Director shall have the authority to act on behalf of the School to communicate and authorize investment transactions with all financial institutions in accordance with this Policy.

#### Investment Managers

The Board may engage professional investment managers to manage and supervise investment assets in accordance with the objectives and parameters of this Policy. All investment managers are hired and discharged by the Board in consultation with the Advisory Group.

Responsibilities of investment managers:

- A. Adherence to this Policy
- B. Observe the specific limitations, guidelines, attitudes, and philosophies stated herein or as expressed in any written amendments or instructions;



- C. Affirming the investment manager's belief that it is realistically capable of achieving the investment guidelines and limitations stated herein.
- D. Act on the school's behalf, with full or limited discretion, in the following areas:
  - a. Determination of portfolio composition through the selection, purchase and sale of securities, with approval from the Director of Operations and/or Executive Director;
  - b. Selection and use of sub-advisors as needed to build a diversified portfolio;
  - c. Broker-dealer selection for securities transactions and custody; Voting securities and executing proxies;
  - d. Provide the Advisory Group with its written proxy policy and annually submitting a report to the Finance Committee regarding outcomes of votes; and
  - e. Keeping all transactions related to the School's portfolio and investments confidential, maintaining confidentiality regarding any information to any party not affiliated with the investment manager without prior consent of the Advisory Group or Board.

#### Investment Manager Performance Monitoring and Reporting Responsibilities

Investment Managers will provide monthly statements of activity related to the School's portfolio to the Director of Operations and/or Executive Director. The status of the investment portfolio shall always be available to the Director of Operations and/or Executive Director. Reports will include a complete listing of the securities held, market price, purchase price, maturity dates, credit ratings and yield analysis.

On a quarterly basis, investment managers will meet with the Advisory Group to:

- A. Review past, present and prospective economic and market conditions, review the impact of these influences on the portfolio and performance, and discuss the positioning of portfolio investments to manage risk and maximize return.
- B. Review the portfolio's investment philosophy considering current and perceived economic and market conditions and discuss any suggestions where appropriate.
- C. Review any significant changes in personnel, management or ownership of the Investment Manager.
- D. Disclose any conflicts of interest.

Investment managers shall keep the School informed on a timely basis of major changes in its investment outlook, investment strategy, asset allocation, and other matters affecting its investment policies or philosophy.

All investment management fees shall be clearly spelled out in writing.

# Coversheet

## 24-25 Budget

**Section:** IV. FY23-24 Financials  
**Item:** C. 24-25 Budget  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** 24-25 Budget - CNCA Consolidated.pdf

**CAMINO NUEVO CHARTER ACADEMY**

2024-25 Budget by Site

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Camino Nuevo Charter Academy - Burien		Camino Nuevo Charter Academy - City		Camino Nuevo Charter Academy #3 - Castle Rock		Camino Nuevo Charter Academy #4 - Hill		Camino Nuevo Charter Academy #4 - Oak		HS #2 - Dalzell Lance High School		Central Administration		CAMINO NUEVO CHARTER ACADEMY		
	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast
Enrollment	602	603	690	709	450	451	272	273	506	515	491	505	-	-	3,011	3,056
ADA	569.63	572.85	630.06	666.46	398.98	414.92	252.72	256.62	452.48	478.95	457.80	474.70	-	-	2,761.67	2,864.50
ADA %	-	95.00%	-	94.00%	-	92.00%	-	94.00%	-	93.00%	-	94.00%	-	-	-	#DIV/0!
UPP	0.00%	99.61%	-	93.80%	-	98.81%	-	96.33%	-	92.87%	-	98.16%	-	0.00%	0.00%	0.00%
<b>Income</b>																
<b>8011-8098 - Local Control Funding Formula Sources</b>																
8011 Local Control Funding Formula	4,450,809	4,556,670	4,715,677	5,146,602	3,141,496	3,388,252	1,798,880	1,866,775	3,378,704	3,637,299	6,039,808	6,370,783	-	-	23,525,374	24,966,380
8012 Education Protection Account	1,924,845	1,956,420	2,135,591	2,283,119	1,342,342	1,410,895	850,260	872,611	1,530,918	1,637,800	91,560	94,940	-	-	7,875,516	8,255,785
8019 Local Control Funding Formula - Prior Year	(65,631)	-	(68,477)	-	(48,065)	-	(27,952)	-	(49,266)	-	(50,260)	-	-	-	(309,651)	-
8096 In Lieu of Property Taxes	2,147,197	2,159,335	2,374,986	2,512,194	1,503,939	1,564,024	952,618	967,319	1,705,605	1,805,383	1,725,659	1,789,363	-	-	10,410,005	10,797,618
8098 In Lieu of Property Taxes, Prior Year	65,628	-	68,735	-	48,166	-	27,854	-	56,824	-	50,259	-	-	-	317,466	-
<b>Total 8011-8098 - Local Control Funding Formula Sources</b>	<b>8,522,849</b>	<b>8,672,425</b>	<b>9,226,512</b>	<b>9,941,915</b>	<b>5,987,878</b>	<b>6,363,171</b>	<b>3,601,660</b>	<b>3,706,705</b>	<b>6,622,786</b>	<b>7,080,482</b>	<b>7,857,025</b>	<b>8,255,085</b>	-	-	<b>41,818,710</b>	<b>44,019,783</b>
<b>8100-8299 - Federal Revenue</b>																
8181 Special Education - Federal (IDEA)	138,585	139,369	153,290	162,143	97,068	100,946	61,484	62,433	110,084	116,524	111,395	115,490	-	-	671,906	696,904
8221 Child Nutrition - Federal	548,187	563,445	371,734	378,664	359,837	363,593	68,262	69,319	218,579	229,983	218,946	225,121	-	-	1,785,545	1,830,125
8223 CACFP Supper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8291 Title I	256,763	256,763	250,464	250,464	189,132	189,132	106,387	106,387	233,289	233,289	190,692	190,692	-	-	1,226,727	1,226,727
8292 Title II	27,459	27,459	28,918	28,918	20,766	20,766	11,681	11,681	23,489	23,489	21,137	21,137	-	-	133,450	133,450
8294 Title III	51,769	49,104	40,127	42,071	36,288	36,470	11,023	11,462	23,779	23,445	9,536	11,723	-	-	172,523	174,275
8295 Title IV, SSAE	21,570	21,570	21,309	21,309	13,509	13,509	8,020	8,020	18,115	18,115	15,236	15,236	-	-	97,759	97,759
8296 Title IV, PCSGP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8297 Facilities Incentive Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8299 All Other Federal Revenue	1,211,836	640,000	320,820	52,534	739,193	107,577	612,676	214,291	171,344	69,815	570,123	118,245	-	-	3,625,993	1,202,462
<b>Total 8100-8299 - Other Federal Income</b>	<b>2,256,170</b>	<b>1,697,710</b>	<b>1,186,663</b>	<b>936,102</b>	<b>1,455,794</b>	<b>831,994</b>	<b>879,533</b>	<b>483,592</b>	<b>798,679</b>	<b>714,660</b>	<b>1,137,066</b>	<b>697,644</b>	-	-	<b>7,713,904</b>	<b>5,361,702</b>
<b>8300-8599 - Other State Revenue</b>																
8520 Child Nutrition - State	128,441	132,526	97,531	107,419	78,648	79,533	16,926	16,171	58,128	56,981	60,663	59,272	-	-	440,337	451,903
8550 Mandate Block Grant	11,020	11,428	11,530	12,641	8,088	8,004	4,677	5,070	9,195	9,078	23,457	25,527	-	-	67,967	71,748
8561 State Lottery - Non Prop 20	105,228	105,902	116,645	123,208	74,364	76,706	46,698	47,441	84,371	88,543	84,472	87,758	-	-	511,778	529,558
8562 State Lottery - Prop 20	42,804	43,079	47,449	50,119	30,250	31,202	18,996	19,298	34,320	36,018	34,362	35,698	-	-	208,181	215,414
8560 Lottery Revenue	148,032	148,981	164,094	173,327	104,613	107,908	65,694	66,739	118,691	124,561	118,834	123,455	-	-	719,958	744,972
8587 State Grant Pass-Through	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8591 SB740	407,767	358,049	-	-	-	-	191,531	169,448	-	-	353,717	312,244	-	-	953,016	839,742
8592 State Mental Health	45,405	46,355	50,223	53,930	31,803	33,575	20,144	20,766	36,067	38,757	36,497	38,413	-	-	220,139	231,795
8593 After School Education & Safety	203,483	203,483	203,483	203,483	203,483	203,483	-	-	203,483	203,483	-	-	-	-	813,931	813,931
8594 Supplemental Categorical Block Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8595 Expanded Learning Opportunity Program	2,080,477	1,612,387	2,019,046	1,248,070	1,681,448	1,215,613	427,005	473,343	1,446,222	1,009,923	-	-	-	-	7,654,198	5,559,336
8596 Prop 28 Arts & Music	-	-	-	-	-	22,044	-	-	-	-	-	-	-	-	22,044	-
8599 State Revenue - Other	253,841	835,481	542,720	737,478	223,166	594,528	12,750	196,187	526,495	419,290	180,280	689,073	-	-	1,739,253	3,472,037
<b>Total 8300-8599 - Other State Income</b>	<b>3,278,467</b>	<b>3,348,690</b>	<b>3,088,626</b>	<b>2,536,346</b>	<b>2,331,249</b>	<b>2,264,690</b>	<b>738,729</b>	<b>947,725</b>	<b>2,398,280</b>	<b>1,862,073</b>	<b>773,449</b>	<b>1,247,985</b>	-	-	<b>12,608,800</b>	<b>12,207,508</b>
<b>8600-8799 - Other Local Revenue</b>																
8631 Sale of Equipment & Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8634 Food Service Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8650 Leases & Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8660 Interest & Dividend Income	213,093	25,000	173,800	25,000	133,047	15,000	75,051	10,000	162,500	15,000	135,000	25,000	-	-	892,491	115,000
8662 Net Increase (Decrease) in Fair Value of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8681 Intra-Agency Fee Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8682 Childcare & Enrichment Program Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8689 All Other Fees & Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8692 Grants	116,638	143,678	104,870	119,161	65,347	99,524	52,085	109,871	94,720	78,921	89,098	165,294	-	-	522,757	716,449





**CAMINO NUEVO CHARTER ACADEMY**  
 2024-25 Budget by Site  
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	Camino Nuevo Charter Academy - Camino Nuevo Charter Academy		Camino Nuevo Charter Academy #3		Camino Nuevo Charter Academy #4		Camino Nuevo Charter Academy #5		Camino Nuevo Charter Academy #6		HS #2 - Dalzell Lance High School		Central Administration		CAMINO NUEVO CHARTER ACADEMY	
	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast	2023-24	2024-25 Forecast
5923 Website Hosting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5931 Postage & Shipping	800	800	1,250	1,250	4,924	4,924	1,400	1,400	2,000	2,000	5,000	5,000	-	-	15,374	15,374
5999 Other Communications	17,471	720	20,204	756	12,774	504	7,752	293	14,783	637	14,587	551	-	-	87,571	3,461
<b>Total 5000 · Operating Services</b>	<b>5,914,554</b>	<b>5,238,226</b>	<b>5,659,091</b>	<b>4,880,911</b>	<b>4,259,075</b>	<b>3,589,050</b>	<b>2,248,838</b>	<b>2,006,850</b>	<b>4,586,364</b>	<b>3,901,232</b>	<b>4,063,958</b>	<b>3,829,801</b>	-	-	<b>26,731,881</b>	<b>23,446,070</b>
<b>6000 · Capital Outlay</b>																
6901 Depreciation Expense	192,071	285,972	695,449	703,408	136,901	140,437	66,258	106,788	142,547	142,200	199,531	224,357	-	-	1,432,757	1,603,161
6911 Amortization Expense - Lease Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6912 Amortization Expense - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6999 Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total 6000 · Capital Outlay</b>	<b>192,071</b>	<b>285,972</b>	<b>695,449</b>	<b>703,408</b>	<b>136,901</b>	<b>140,437</b>	<b>66,258</b>	<b>106,788</b>	<b>142,547</b>	<b>142,200</b>	<b>199,531</b>	<b>224,357</b>	-	-	<b>1,432,757</b>	<b>1,603,161</b>
<b>7000 · Other Outgo</b>																
7438 Interest Expense	-	-	194,796	186,664	-	-	-	-	-	-	-	-	-	-	194,796	186,664
<b>Total 7000 · Other Outgo</b>	<b>-</b>	<b>-</b>	<b>194,796</b>	<b>186,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194,796</b>	<b>186,664</b>
<b>TOTAL EXPENSE</b>	<b>14,364,307</b>	<b>14,309,465</b>	<b>14,394,541</b>	<b>14,164,919</b>	<b>10,347,932</b>	<b>9,882,255</b>	<b>5,348,851</b>	<b>5,394,360</b>	<b>10,554,039</b>	<b>10,134,961</b>	<b>10,393,321</b>	<b>10,757,680</b>	-	-	<b>65,402,991</b>	<b>64,643,641</b>
<b>NET INCOME</b>	<b>667,089</b>	<b>142,803</b>	<b>178,713</b>	<b>46,182</b>	<b>76,056</b>	<b>102,180</b>	<b>282,879</b>	<b>120,974</b>	<b>33,512</b>	<b>88,010</b>	<b>115,429</b>	<b>118,136</b>	-	-	<b>1,353,679</b>	<b>618,285</b>
<b>Beginning Cash Balance</b>	8,087,846	5,283,621	3,937,085	3,286,426	5,247,664	3,515,468	3,570,099	2,790,348	3,925,151	3,157,464	3,861,142	3,109,426	408,733	165,344	29,037,720	21,308,096
<b>Cash Flow from Operating Activities</b>																
Net Income	667,089	142,803	178,713	46,182	76,056	102,180	282,879	120,974	33,512	88,010	115,429	118,136	-	-	1,353,679	618,285
Change in Accounts Receivable																
Prior Year Accounts Receivable	1,093,573	2,557,058	1,519,332	1,655,476	588,406	1,630,530	319,379	1,262,012	1,232,185	1,007,561	876,545	1,562,906	-	-	5,629,420	9,675,543
Current Year Accounts Receivable	(2,557,058)	(1,669,954)	(1,655,476)	(1,797,836)	(1,630,530)	(1,165,297)	(1,262,012)	(642,775)	(1,007,561)	(1,197,487)	(1,562,906)	(1,492,102)	-	-	(9,675,543)	(7,965,452)
Change in Due from	1,264	-	(2,076)	-	80	-	-	-	(99)	-	834	-	147,388	-	147,391	-
Change in Accounts Payable	(18,623)	(17,691)	(11,202)	(27,731)	146,059	(39,360)	(6,524)	(6,198)	(19,000)	(18,050)	(11,831)	(11,240)	7,795	(979)	86,674	(121,249)
Change in Due to	453,948	698,233	105,067	(211,107)	591,709	(719,968)	(133,977)	928,949	(179,856)	(20,216)	(348,982)	(128,871)	(363,283)	-	124,627	547,021
Change in Accrued Vacation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Payroll Liabilities	(30,201)	-	(41,051)	-	(33,840)	-	(9,998)	-	(71,624)	-	(39,455)	-	(17,151)	-	(243,319)	-
Change in Prepaid Expenditures	(12,586)	(36,260)	(12,366)	(38,311)	(16,273)	(47,411)	(4,864)	(43,459)	(4,070)	(22,050)	(1,248)	(27,518)	(18,138)	(44,803)	(69,547)	(259,812)
Change in Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Deferred Revenue	(1,851,420)	(974,412)	(771,068)	(735,461)	(1,554,332)	4,686	111,117	(1,173,681)	(877,603)	(495,682)	9,401	(689,073)	-	-	(4,933,904)	(4,063,623)
Change in Other Long Term Assets	143,596	-	9,286	-	15,261	-	66,649	-	9,541	-	122,120	-	-	-	366,453	-
Change in Other Long Term Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	192,071	285,972	695,449	703,408	136,901	140,437	66,258	106,788	142,547	142,200	199,531	224,357	-	-	1,432,757	1,603,161
<b>Cash Flow from Investing Activities</b>																
Capital Expenditures	(885,879)	(1,268,060)	(260,670)	(100,000)	(51,693)	(310,000)	(208,658)	(307,500)	(25,660)	(60,000)	(111,154)	(364,000)	-	-	(1,543,714)	(2,409,560)
<b>Cash Flow from Financing Activities</b>																
Source - Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use - Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Source - Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use - Loans	-	-	(404,597)	(412,730)	-	-	-	-	-	-	-	-	-	-	(404,597)	(412,730)
<b>Ending Cash Balance</b>	<b>5,283,621</b>	<b>5,001,311</b>	<b>3,286,426</b>	<b>2,368,316</b>	<b>3,515,468</b>	<b>3,111,265</b>	<b>2,790,348</b>	<b>3,035,458</b>	<b>3,157,464</b>	<b>2,581,748</b>	<b>3,109,426</b>	<b>2,302,020</b>	<b>165,344</b>	<b>119,562</b>	<b>21,308,096</b>	<b>18,519,680</b>
5% Reserve Goal	718,215	715,473	719,727	708,246	517,397	494,113	267,443	269,718	527,702	506,748	519,666	537,884	-	-	3,270,150	3,232,182
Operating Income	859,160	428,775	874,162	749,591	212,958	242,617	349,137	227,761	176,059	230,210	314,961	342,493	-	-	2,786,436	2,221,446
EBITDA	859,160	428,775	1,068,958	936,254	212,958	242,617	349,137	227,761	176,059	230,210	314,961	342,493	-	-	2,981,232	2,408,110
Net Income as a Percent of Expenses	4.6%	1.0%	1.2%	0.3%	0.7%	1.0%	5.3%	2.2%	0.3%	0.9%	1.1%	1.1%	-	-	2.1%	1.0%
Ending Cash as a Percent of Expenses	36.8%	35.0%	22.8%	16.7%	34.0%	31.5%	52.2%	56.3%	29.9%	25.5%	29.9%	21.4%	-	-	32.6%	28.6%