APPROVED

El Camino Real Charter High School

Minutes

Finance and Investment Board Committee Meeting

4-16-26 Finance and Investment Board Committee Meeting

Date and Time
Thursday April 16, 2026 at 5:45 PM

Location
El Camino Real Charter High School - (Principal's Conference Room)

5440 Valley Circle Woodland Hills CA 91367

Meeting can also be seen and heard at:

North Campus - 7401 Shoup Ave. West Hills CA 91307

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

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

ATTENTION:

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

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

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

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

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

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

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

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

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

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

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

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

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

IMPORTANT NOTE REGARDING PUBLIC COMMENTS:

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

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

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

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

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

Committee Members Present
Alexandra Ramirez, Brad Wright

Committee Members Absent
None

Guests Present
David Hussey, Fernando Delgado, Vania Rodriguez

I. Opening Items

A. Call the Meeting to Order

Alexandra Ramirez called a meeting of the Finance and Investment Committee Committee of El Camino Real Charter High School to order on Thursday Apr 16, 2026 at 5:45 PM.

B. Record Attendance and Guests

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

Mr. Hussey led the Pledge of Allegiance.

D. Public Comments

Mrs. Rodriguez confirmed that there were no requests for public comment.

E. CBO Report

Enrollment Update

- Current enrollment stands at 2,827 students
- Includes 69 foreign exchange students
- Month 7 (recently closed):
    - Shows a net loss of 7 students
- Enrollment has been fluctuating throughout the year
- Discussion referenced prior figures, indicating some confusion or inconsistency in earlier reported totals
- Administration will continue monitoring enrollment trends closely, especially approaching the final quarter

Attendance & Funding (P2 Reporting)

- P2 reporting identified as a critical upcoming milestone
- Covers Months 1–8
- Determines a significant portion of state funding
- Report submission expected by the end of the month
- Emphasis on accuracy and stability of data due to financial impact

LCAP Development (2026–2027 School Year)

- LCAP (Local Control and Accountability Plan) development has officially started
- Business team is:
    - Meeting with teachers and departments
    - Collecting input to align priorities with school needs
- Goal is to ensure strategic alignment between funding and program goals

Financial Tracking & Transparency Improvements

- Development of a matrix dashboard to:
    - Track spending

- Monitor program progress
- Provide a centralized view for decision-making

• Accounting team is working to:
- Strengthen spend management
- Improve project tracking systems
- Focus on more precise documentation of LCAP expenditures throughout the year

Staff Feedback & Response

• Staff have requested:
- Greater clarity
- Improved transparency in financial reporting
- Clear comparison between:
  - Budgeted amounts
  - Actual expenditures

• Current improvements are designed to address these concerns directly

II. Investment

A. March 2026 Investment Update

OPEB Trust Performance (March 2026)

• **Ending Balance (March 31, 2026):**
- Approximately $34.4 million ($34,402,558)

• **Monthly Performance:**
- 5.6% decline for March
- Decline reflects market-driven losses, not operational issues

Market Conditions & Key Drivers

• March described as a difficult month across capital markets
• Key contributing factors:
- Equity market decline
- S&P 500 fell approximately 5% in March
- Represents the worst quarterly performance since Q3 2022
- External/global conditions (e.g., geopolitical factors) noted as influencing volatility

Fiscal Year-to-Date (FYTD) Performance

• Despite March losses:
- OPEB Trust remains +3.0% FYTD

• Performance is:
- Aligned with policy benchmarks

- Still considered stable over the long term

Manager Performance Summary

- **OPEB Trust (Fiduciary Management):**
  - March: -8.3%
  - FYTD: -12.5%
- **Beacon Pointe (OPEB Account):**
  - March: -5.4%
  - FYTD: +4.3%
- **General Investment Accounts:**
  - **Fiduciary Management:**
    - March: -8.3%
  - **Beacon Pointe:**
    - March: -3.6%
    - FYTD: +5.6%

Portfolio Value Context

- Total investment portfolio value:
  - $42.5 million as of March 31, 2026
- Increased from $41.6 million on July 1, 2025
- Indicates overall growth despite recent monthly decline

Next Steps & Recommendations

- Staff and Beacon Pointe will:
  - Continue monitoring portfolio performance
  - Ensure alignment with the Investment Policy Statement (IPS)
- Any proposed changes to:
  - Asset allocation
  - Investment managers
  - Will be brought to the Board for formal review
- Ongoing focus on:
  - OPEB performance gap tracking
  - Maintaining long-term investment stability

III. Finance

A. March 2026 Financial Update

March 2026 Financial Update
Presenter: Mr. Delgado, Chief Business Officer (CBO)
April 2026 Investment Outlook

- **Market Conditions (Early April)**

        - Markets have shown initial signs of recovery following March declines
        - Improved sentiment driven by:
            - Potential easing of geopolitical tensions
        - However:
            - Volatility remains elevated
            - Overall environment still uncertain
    - **Advisor Insight – Beacon Pointe Advisors**
        - Portfolio remains:
            - Well-diversified
            - Aligned with long-term Investment Policy
        - Short-term fluctuations are expected within current market conditions

Recommended Actions

- No changes recommended at this time to:
    - Investment Policy
    - Asset Allocation
- March decline:
    - Consistent with broad market performance
    - Portfolio diversification functioned as intended
    - Notably supported by alternative investments allocation

Monitoring Priorities for the Board

1. **Manager Performance Comparison**
    - Continue tracking performance differential between:
        - Beacon Pointe Advisors
        - Fiduciary Management
    - If gap persists through fiscal year-end:
        - Staff will recommend a formal review of Fiduciary Management relationship
2. **April Market Rebound**
    - Monitor whether early recovery sustains or weakens
    - Key external risks:
        - Trade policy developments
        - Interest rate expectations
        - Ongoing geopolitical conditions
3. **Upcoming Quarterly Review**
    - Next quarterly portfolio review with Beacon Pointe will:
        - Provide clearer insight into recovery trajectory
        - Identify any needed tactical adjustments

Overall Position

- Portfolio remains:

    - Stable in structure
    - Strategically aligned for long-term performance
- Current approach emphasizes:
    - Monitoring over immediate action
    - Maintaining discipline amid short-term volatility

Budget Development (2026–2027)

- Entering budget development season for the upcoming fiscal year
- Two major variables must be finalized before building spending assumptions:
    - P2 reporting (attendance-based funding)
    - Revenue projections tied to enrollment/ADA
- P2 data (Months 1–8) will be finalized by the end of the month
- Once P2 is confirmed:
    - The team will refine the assumption sheet
    - Allows for more accurate forecasting and budget planning
- Emphasis on:
    - Data-driven budgeting
    - Avoiding premature assumptions before final funding figures are known

Investment Update Integration

- Referenced the March 2026 investment performance:
    - OPEB Trust declined by 5.6% in March

Financial Reporting & Presentation Approach

- Introduced a new approach to financial reporting for the Board
- First time incorporating a PowerPoint presentation format
- Current reporting formats being tested:
    - Dashboard-style visuals
    - PowerPoint presentations
    - Executive summaries
- Goal:
    - Determine which format is most effective and accessible for Board members
- A two-page high-level summary was also provided:
    - Designed for quick reference and clarity
    - Complements more detailed reports

Board Engagement & Feedback

- Board members were invited to:
    - Share preferences on reporting format
    - Provide input on what is easiest to understand and most useful
- CBO emphasized flexibility:

- Will adjust reporting style based on Board guidance

B. Discussion and Vote to Recommend to the Full Board Approval of the March 2026 Check Registers

Presenters:
Mr. Delgado, Chief Business Officer (CBO)
Janneyra Verduzco, Director of Accounting and Finance

Main Check Register (General Payables)

- Serves as the primary account for issuing payables
- Dashboard includes a highlight of highest vendor payments for transparency
- Notable expense:
  - $299,700.28 paid to Avery Jones Educational Solutions
  - For laptop purchases (accounted in April)
- Additional expenditures:
  - Multiple Amazon purchases, categorized by department
- Payment activity:
  - 79 ACH payments issued
  - 122 checks issued
  - ~200 total payments processed monthly
- Recurring vendors mentioned:
  - Charter
  - Wallace
  - Super Subs

AP – ASB Trust Account (Student Activity Funds)

- Used for student-related transactions and activities
- Payment activity:
  - 48 checks issued
- Vendors include:
  - HD Print & Design
  - Picture Perfect Graphics
  - GNG (student supply vendor)
  - Legacy Awards
  - SoCal Flowers
- Example expense:
  - Purchase of flowers for a student event

Fundraising Account

- Minimal activity:
  - Single recurring check issued
- Vendor:

    - Charcoals Division
- Purpose:
    - Weekly purchase of bagels and cream cheese (every Wednesday)
- Supplies appear to be procured in bulk for the year

General Account (Recurring Expenses)

- Covers ongoing operational payables
- Recurring vendors/services include:
    - Charter
    - Save (likely services/subscriptions)
    - Spencer
    - Purchase Power
    - AVID
    - LegalShield

Additional Notes

- Expenses are organized and sortable by payee for easier tracking
- Emphasis on recurring payments and operational consistency
- No concerns or questions were raised following the presentation

Alexandra Ramirez made a motion to Recommend to the Full Board Approval of the March 2026 Check Registers.
Brad Wright seconded the motion.
The committee **VOTED** unanimously to approve the motion.

C. Discussion and Vote to Recommend to the Full Board Approval of the March 2026 Credit Card Charges.

Presenters:
Mr. Delgado, Chief Business Officer (CBO)
Janneyra Verduzco, Director of Accounting and Finance
Oversight and Review Process

- A detailed audit and review is conducted for all credit card transactions
- Focus on cards issued to:
    - Mr. Hussey
    - Mr. Delgado
- Each transaction includes:
    - Supporting purchase orders
    - Formal approval documentation
    - Identification of:
        - Requesting individual
        - Department
        - Associated account or funding source

- Ongoing improvements:
    - Enhancing transaction descriptions to include:
        - Purpose of expense
        - Number of students involved
        - Business justification (especially for travel)

Documentation Clarification

- A missing description was identified for:
    - DigiCert charge
- Clarified as payment for an SSL certificate
- Noted need to ensure complete and consistent descriptions for all entries

Mr. Hussey's Credit Card Summary

- Total charges: $47,093.92
- All transactions:
    - Reviewed and verified
    - Properly documented with purchase orders and approvals

Mr. Delgado's (Fernando's) Credit Card Summary

- Total charges: $47,321.25
- Key expenses include:
    - Courtyard San Diego trip
        - Related to Robotics program
        - Charged to appropriate robotics trust account
    - Indeed (HR expenses)
        - Recruitment-related costs
    - Six Flags Magic Mountain
        - Associated with STEP Nationals event
- Travel activity:
    - Students recently attended a national championship in Pensacola, Florida
    - 45 students participated
    - Anticipated reimbursement for trip expenses

Contested Charge

- A $2.49 charge was flagged as contested:
    - Likely related to a Google charge
    - Reviewed and acknowledged during discussion

Additional Notes

- Continued emphasis on:
    - Transparency and accountability in credit card usage

    - Clear linkage between expenses and student programs or operational needs
- No further questions or concerns were raised following clarification

Brad Wright made a motion to Recommend to the Full Board Approval of the March 2026 Credit Card Charges.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

D. Discussion and Review of the 2024-2025 IRS Form 990 (Non-Profit Tax Return)

Filing Timeline & Process

- Official IRS deadline: November, but organization files an extension (Form 8868) to May 15
- Board meeting scheduled before May 15 to allow timely approval
- Form is prepared by Christy White & Associates using audited financial statements
- Filing is informational only (not a tax bill):
    - Reports revenue, expenses, and financial activity to federal and state authorities

Purpose and Components of Form 990

- Public disclosure document for tax-exempt organizations
- Includes:
    - Financial overview (revenue, expenses, operating results)
    - Year-over-year comparisons
    - Compensation disclosures (executives, board members)
    - Governance and compliance policies
- Required due to organization's revenue size (full Form 990 vs simplified versions)

Financial Highlights (2024–2025)

- Total Revenue: ~$49.0M (down from $55.3M previous year)
- Net decrease: $6.3M
- Primary reasons for revenue decline:
    - Decrease in enrollment
    - Reduction in one-time funding sources
- Expenses:
    - Relatively stable (only ~0.3% change)
    - Increased spending due to raises and operational costs
- Net Assets:
    - Increased from ~$47M to $50.1M
    - Growth supported largely by investment gains

Revenue Breakdown

- Government Grants (LCFF & state funding):

    - Major revenue source
    - Declined by ~$5.7M (~11%)
- Program Service Revenue:
    - Increased due to international student tuition (~+$1.5M)
- Investment Income:
    - Includes dividends and interest
    - Critical in offsetting operational deficit

Operating Position

- Organization is operating at a deficit (~$1.7M) from core operations
- Investment income helps keep overall finances positive ("in the black")
- Concern raised:
    - Investment income may not be reliable long-term
    - Future budgeting will use conservative estimates (4–5% returns)

Expense Breakdown

- Salaries and personnel costs: ~70% of total expenses
- Other expenses include:
    - Books and supplies (~6%)
    - Substitute teachers (~3%)
    - Charter authorizer fees
- Total expenses approximately $49.5M

Reserves and Financial Strategy

- Organization holds approximately $23M in reserves
- Monthly operating cost: ~$3M (≈7 months coverage)
- Leadership emphasized:
    - Reserves are a "rainy day fund"
    - Not intended for bonuses or discretionary spending
    - Importance of maintaining at least 6 months of reserves

Executive Compensation Disclosure

- Required public disclosure in Form 990:
    - Lists highest-paid employees and leadership
    - Includes salary, benefits, and pension contributions
- Noted:
    - 106 employees earning over $100,000
    - Board members receive no compensation

Independent Contractors

- Major vendors include:

    - Food services (e.g., Chartwells)
    - Substitute staffing providers
    - Security and other contracted services
- Contract costs are usage-based (hourly/services rendered)

Financial Position (Balance Sheet)

- Total Assets: ~$60.6M (increase of ~$6M)
- Total Liabilities: Increased by ~$3M
- Net Assets: ~$50.1M
- Includes $3.34M unrealized investment gains:
    - Not actual cash; reflects market value changes

Governance & Compliance

- Organization meets key IRS governance standards:
    - Independent board oversight
    - Conflict of interest policy
    - Whistleblower policy
    - Document retention policy
- Independent audits conducted regularly
- No unrelated business income reported (no Form 990-T required)

Key Takeaways

- Revenue declined significantly (~11.4%) due to enrollment and funding changes
- Financial position remains stable but requires monitoring
- Investment income is currently critical to maintaining positive net results
- Core operations alone are not fully self-sustaining at present

IV. School Business

A. Discussion and Vote to Recommend to the Full Board for the Awarding of the 2026-27 E-Rate Network Project

Discussion and Vote to Recommend to the Full Board for the Awarding of the 2026–27 E-Rate Network Project
E-Rate Program & Funding

- The project was bid through Infinity, the school's E-Rate consultant
- Participation in the E-Rate program allows the school to:
    - Secure approximately a 60% discount on eligible services
- The current year marks:
    - The first year of a new five-year E-Rate cycle
- The school expects:
    - Approximately $600,000 in federal funding allocated for:

        - Internet services
        - Network infrastructure improvements

Project Scope & Purpose

- Focus on upgrading the network backbone infrastructure, specifically:
    - Replacement/upgrading of network switches
- Rationale for upgrade:
    - Existing switches are underpowered
    - Increased demand from:
        - Wireless access points
        - Security cameras
        - HVAC systems
    - New systems require greater power and capacity to function efficiently
- Goal:
    - Improve network performance, reliability, and scalability

Bidding Process

- The project was formally put out for bid
- Three vendors submitted proposals

Proposal Evaluation Findings

- One vendor (BDJ) submitted:
    - A vendor quote instead of a complete proposal
    - An incomplete RFP response, including:
        - Missing 21 required electronic items
- This proposal was deemed non-compliant/incomplete

Selected Vendor

- The contract is recommended to be awarded to:
    - Golden Star Technology (GST)
- Reasons for selection:
    - Submitted a complete and compliant proposal
    - Offered the most economical pricing among qualified bidders
    - Demonstrated familiarity with the existing system/environment, adding implementation efficiency

Conclusion

- After reviewing all submissions:
    - GST emerged as the most qualified and cost-effective vendor
- Recommendation:

- Proceed with awarding the project to Golden Star Technology

Brad Wright made a motion to Recommend to the Full Board for the Awarding of the 2026-27 E-Rate Network Project.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

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 6:21 PM.

Respectfully Submitted,
Vania Rodriguez
Brad Wright made a motion to Adjourn the meeting.
Alexandra Ramirez seconded the motion.
The committee **VOTED** unanimously to approve the motion.