



**COMPASS**  
CHARTER SCHOOLS



# **2021-22 Finance Update**

**September 2021**

**(855) 937- 4227**

**CompassCharters.org**

**COMPASS**  
CHARTER SCHOOLS



# Agenda

- Mission and Vision
- Values
- Enrollment Update
- Fiscal Impacts
- Funding Determination
- Q & A



# **Our Mission and Vision**

## **MISSION STATEMENT**

Our mission is to inspire and develop innovative, creative, self-directed learners, one scholar at a time.

## **VISION STATEMENT**

Our vision is to create a collaborative virtual learning community, inspiring scholars to appreciate the ways in which arts and sciences nurture a curiosity for life-long learning, and prepare scholars to take responsibility for their future success.



# Our Values

## COMPASS CHARTERS

-  **A**chievement: Engage in and take charge of your learning.
-  **R**espect: Be respectful in all interactions with fellow scholars, learning coaches, faculty, and staff.
-  **T**eamwork: Work cooperatively with all persons involved in your education. \*Teamwork makes the Dreamwork\*
-  **I**ntegrity: Behave following strong ethical principles, values, and academic honesty.
-  **C**ommunication: Frequently and proactively communicate with all persons involved in your education.



# 2021 – 22 Local Control Funding Rates

Grade Span	LCFF Base Grant
TK-3	\$8,093
4-6	\$8,215
7-8	\$8,458
9-12	\$9,802

Grade Span	Grade Span Adjustment
TK-3	\$842
9-12	\$255



## FY 22 Revenue - projected

Los Angeles	San Diego	YOLO	Home Office	Total
\$10,043,308	\$10,054,783	\$7,129,390	\$0	\$27,227,481

## FY 22 Expenses - projected

Los Angeles	San Diego	YOLO	Home Office	Total
\$9,675,754	\$10,303,964	\$6,708,065	\$0	\$26,667,783

## FY 22 Ending surplus/deficit - projected

Los Angeles	San Diego	YOLO	Home Office	Total
\$367,554	\$(249,181)	\$421,325	\$0	\$539,667

Based on enrollment of 2,336 scholars



# Actual to Budget Summary

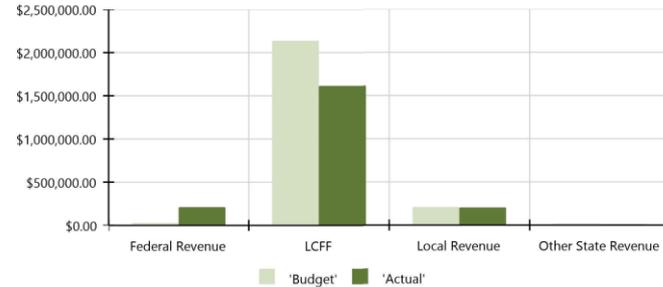
FY 2021-2022, July - August

This report displays all actual and budgeted revenue and expenditures by object code series and by month. This report can be useful in ensuring you receive your revenue in a timely manner and that you stay within the board approved expenditure levels.

Revenue	Expenses	Surplus / (Deficit)
<b>\$2,027,584</b>	<b>\$3,496,769</b>	<b>(\$1,469,185)</b>

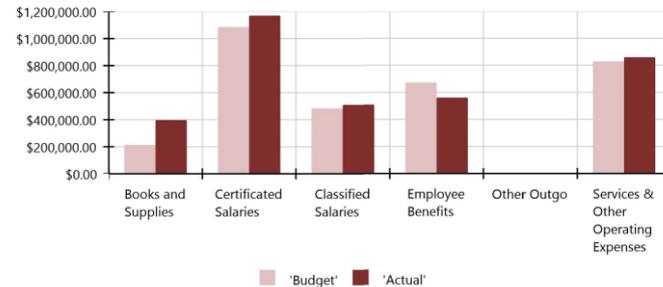
Account Description	July - Last Closed			
	Actual	Budget	Variance \$	Variance %
LCFF	\$1,614,626	\$2,135,908	(\$521,282)	-24.4 %
Federal Revenue	\$210,319	\$27,940	\$182,379	652.8 %
Other State Revenue	-	\$7,677	(\$7,677)	-100.0 %
Local Revenue	\$202,639	\$208,523	(\$5,884)	-2.8 %
<b>Total Revenue</b>	<b>\$2,027,584</b>	<b>\$2,380,047</b>	<b>(\$352,463)</b>	<b>-14.8 %</b>

Revenue by Category



Account Description	July - Last Closed			
	Actual	Budget	Variance \$	Variance %
Certificated Salaries	\$1,169,270	\$1,084,940	(\$84,330)	-7.8 %
Classified Salaries	\$509,629	\$483,249	(\$26,381)	-5.5 %
Employee Benefits	\$560,732	\$672,262	\$111,530	16.6 %
<b>Total Personnel Expenses</b>	<b>\$2,239,631</b>	<b>\$2,240,451</b>	<b>\$820</b>	<b>0.0 %</b>
Books and Supplies	\$397,245	\$213,050	(\$184,195)	-86.5 %
Services & Other Operating Expenses	\$859,893	\$829,137	(\$30,756)	-3.7 %
Other Outgo	-	-	-	0.0 %
<b>Total Operational Expenses</b>	<b>\$1,257,138</b>	<b>\$1,042,187</b>	<b>(\$214,951)</b>	<b>-20.6 %</b>
<b>Total Expenses</b>	<b>\$3,496,769</b>	<b>\$3,282,638</b>	<b>(\$214,131)</b>	<b>-6.5 %</b>
<b>Net Income</b>	<b>(\$1,469,185)</b>	<b>(\$902,590)</b>	<b>(\$566,595)</b>	<b>-62.8 %</b>

Expense by Category





# Understanding the Financial Health of the Organization

## Current Ratio (Liquidity)

Ability to pay short-term obligations

	Current:	Target:
	4.0	> 1.0

**Formula:**  
(Current Assets) / (Current Liabilities)

## Defensive Interval

Months of continued operation without incoming funds

	Current:	Target:
	5.0	> 4 months

**Formula:**  
(Cash + Securities + AR)/(Average Expenses for Past 12 Months)

The chart below explains some of the parameters that the school's leadership can evaluate to understand their financial health, and potential areas of weakness.

## Cash Ratio

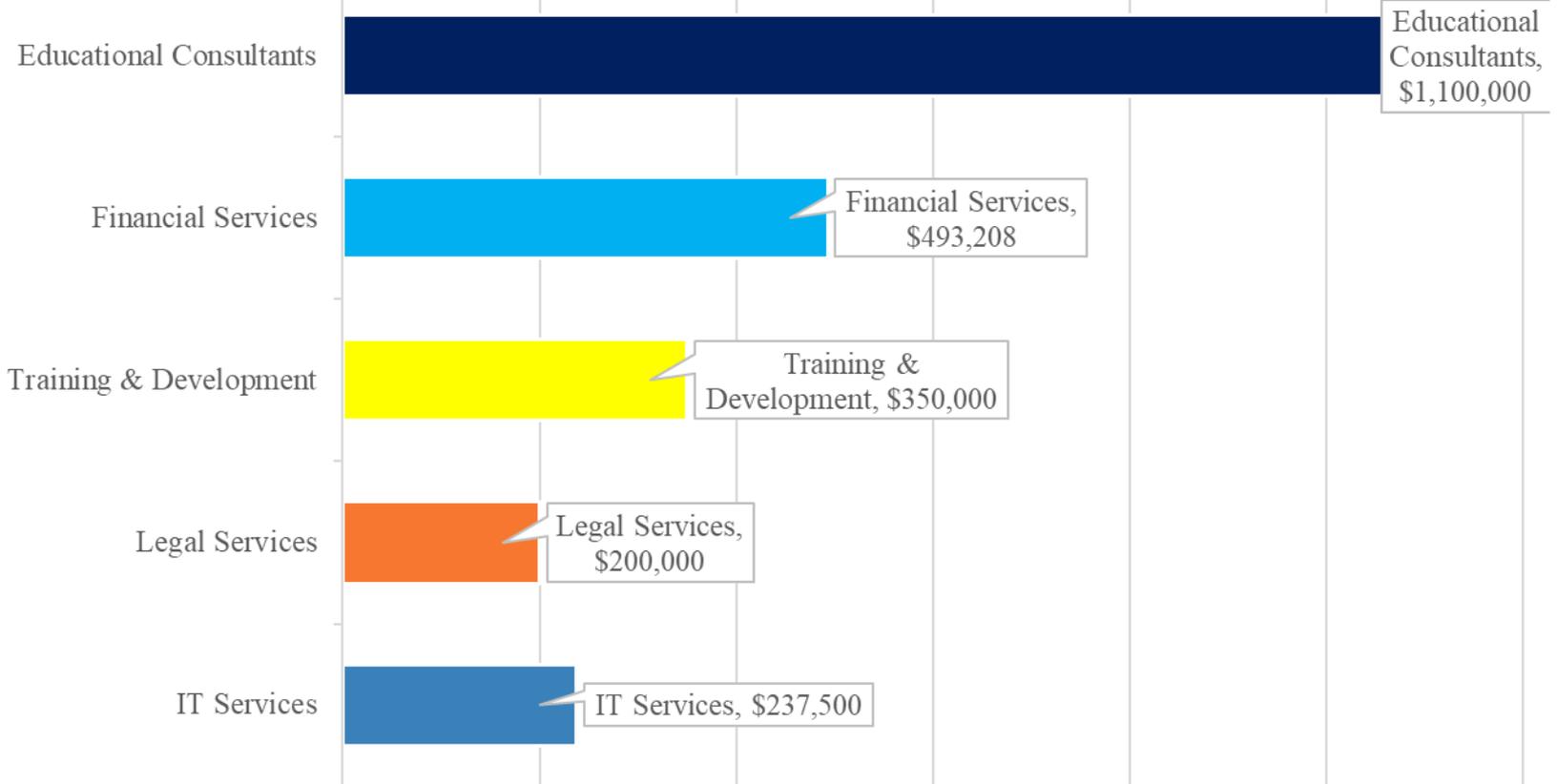
Ability to meet short-term obligations with cash

	Current:	Target:
	304.5 %	> 100.0%

**Formula:**  
(Cash) / (Current Liabilities)



# Top 5 Category 5000 Expenses - projected





# Funding Determination Overview

To qualify for a recommendation of 100 percent funding to the SBE, an NCB charter school must meet the following criteria:

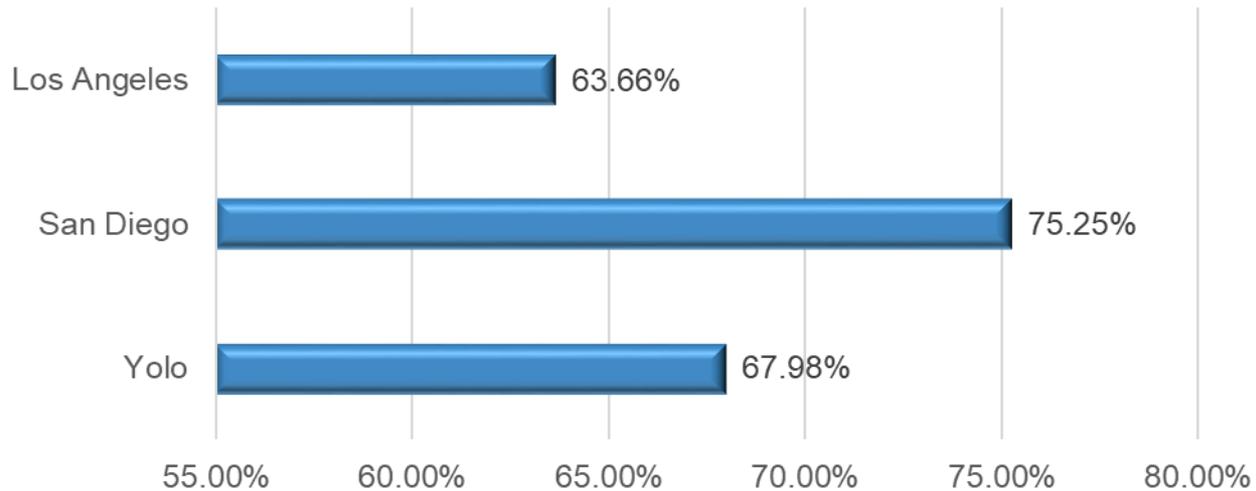
- Spend at least 40 percent of total public revenues (which includes federal revenues, state revenues, and local revenues from in-lieu property taxes) on salaries and benefits for all employees who possess a valid teaching certificate
- Spend at least 80 percent of total revenues on instruction and related services
  - Instruction/related services do not include:
    - Operations and Facilities;
    - Administration and All Other Activities; and
    - Other Outgo and Other Financing Uses.



# 80/40 Funding Determination

All FDF tests passed

Percent spent on Certificated Employee Salaries & Benefits to Total Public Revenues (5 CCR 11963.3[c][1])



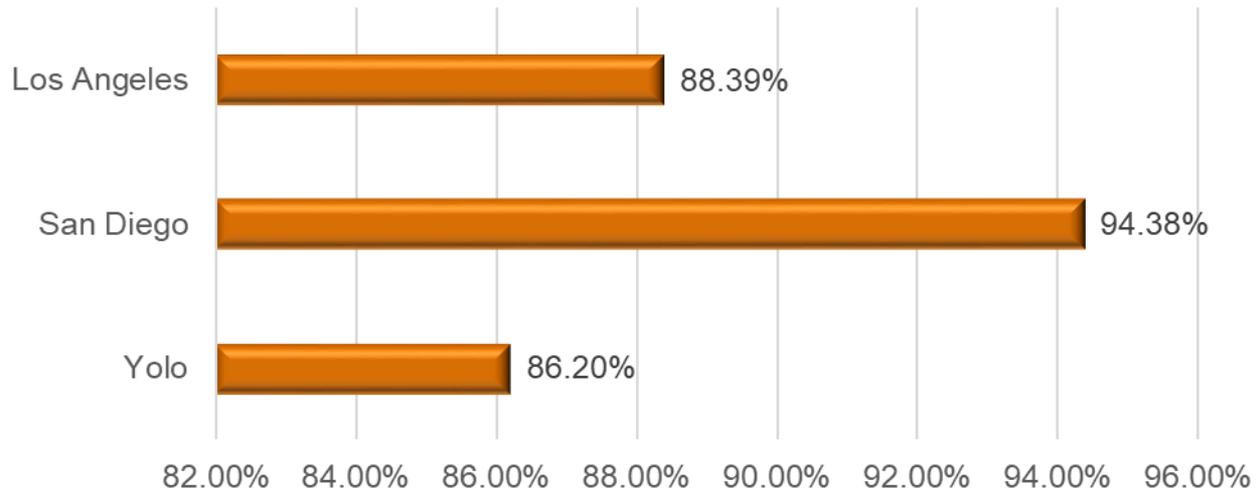
TARGET= 40%



# 80/40 Funding Determination

All FDF tests passed

Percent spent on Certificated Employee Salaries & Benefits to Total Public Revenues (5 CCR 11963.3[c][1])



TARGET= 80%



# Questions?



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