

Compass Charter School

Resolution 2023-02

Resolution to Designate Reserve Balances Based on Prior Year Unaudited Actual Results

WHEREAS, Compass Charter School, Inc. ("CCS") is a California nonprofit public benefit corporation;

NOW THEREFORE BE IT RESOLVED, in order to prepare adequately for future expenditures, CCS Board authorizes the following reserve designation trigger point, once a year, based upon the previous year's Unaudited Actual Results for each school as follows:

-Each school shall maintain a minimum reserve of 5% of total expenditures as legally required.

- Up to 15% of the reserve amount for each school shall be maintained for Economic Uncertainty.

- Once a school's reserve balance exceeds 15%, CCS's Management Team will determine the designation of those reserve amounts over 15% among the following categories during an August Management Meeting:

1. Economic Uncertainty
2. Future Special Education costs
3. Future Facilities costs
4. Future Legal Costs
5. Enrollment Uncertainty

-Management recommendations for reserve designations for each school shall be reported to the Board, annually, at CCS's September Board meeting.

ADOPTED by the Board of Directors at a meeting of the Board of Directors of Compass

Charter School, Inc. on _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:
