



Finance Committee Report
June 26, 2017

The Finance Committee met on Tuesday, April 18, Tuesday, May 16 and Tuesday, June 20 at 2 pm. Members of the committee consist of Mr. Joe Cummings and Dr. Kathy Granger (Committee Chair), both of whom were present at each meeting. Mr. J.J. Lewis, President & CEO, serves as an ex-officio member and Mr. Miguel Aguilar, Executive Assistant to the CEO, serves as secretary; both were present at each meeting. Lisa Fishman, Director of Operations, and Scott Warner, School Business from CSMC, were also present at each meeting.

Mr. Lewis provided highlights from the Staff Report (the entire Staff Report can be found online, in our April, May and June Finance Committee Meeting Packets):

2016-17 Audit

Christy White Associates were on-site on Thursday, April 20 to begin work on our 2016-17 audit. They reviewed attendance compliance, as well as HR compliance. Once we close the books, they will return to review our financial compliance.

2016-17 Funding Update

The Advisory Commission on Charter Schools met on Wednesday, June 7 to consider our Funding Determination Forms and approved the CDE recommendation. The California Department of Education, Charter Schools Division, issued a positive recommendation of 100% funding for three (3) of our charters: AAS Sonoma, CCS of Fresno, and CCS of LA; and 85% for AAS Thousand Oaks & Simi Valley and CCS of San Diego. This funding is retroactive for the current year, and for the upcoming 2017-18 school year. The next and final step is action by the State Board of Education, which is scheduled for July 12 & 13.

Charter School Development Center Charter Business Officer Training Program

Lisa Fishman, Director of Operations, and J.J. Lewis, President & CEO, completed COB training through the CSDC. They will both become certified once they submit key assignments, which are due by the end of July. Training topics included attendance accounting, budget development and monitoring, charter school auditing, personnel & labor, and more. This was a three (3) month program with both in-person and online modules.

Mr. Lewis led the committee in a review of the 2015 Form 990 during the April meeting. He shared that the information is from July 1, 2015 through June 30, 2016 and that the Form 990 was completed by Christy White Associates. The Form 990 has been filed and also posted to our Guidestar profile.

Mr. Lewis led the committee in a review of the Executive Compensation Study at both the May and June meetings. He shared a spreadsheet based on data gathered from the California Charter Development School's Charter Business Officer cohort, a spreadsheet

with data from charters authorized by Acton Agua-Dulce USD, a spreadsheet with data from charters authorized by Mountain Empire USD, and a spreadsheet with three comparable charters based on data from Transparency California. He noted that the salary and compensation information was from three years ago, and made the assumption of an annual increase of 5%. Mr. Cummings asked that the assumption be changed to an annual increase of 3%, Dr. Granger concurred.

Mr. Lewis and Mr. Scott Warner, School Business Manager from CSMC, led the committee in a review of the proposed 2017-18 operating budget at both the May and June meetings. Revenue is based on 100% funding for both Compass Charter Schools of Fresno and Compass Charter Schools of Los Angeles, and 85% funding for Compass Charter Schools of San Diego. Revenue is also based on an overall enrollment of 1,100 scholars at 97% ADA. Expense projections are also based on 1,100 scholars and were examined line by line to current year spending. We are projecting a \$1.5 million deficit based on these projections. Factors include the 85% funding level for CCS of San Diego, and conservative enrollment numbers.

The Finance Committee voted unanimously to recommend approval to the full Board of Directors the 2017-18 operating budget.

Mr. Lewis and Mr. Warner walked the committee through the Balance Sheet and Year to Date Actual to Budget Detail at each meeting.

The Finance Committee will reconvene at the start of the 2017-18 school year.

Respectfully Submitted,

Dr. Kathy Granger
Board Treasurer &
Finance Committee Chair