



Finance Committee Report
September 25, 2017

The Finance Committee met on Tuesday, September 19 at 2:07 pm. Members of the committee consist of Mr. Joe Cummings and Dr. Kathy Granger (Committee Chair), both of whom were present at the 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 was also present at the meeting.

Mr. Lewis provided highlights from the Staff Report (the entire Staff Report can be found online, in our September Finance Committee Meeting Packet):

2016-17 Unaudited Actuals

CCS worked with CSMC to prepare our 2016-17 unaudited actuals. A formal presentation and review is under New Business.

2016-17 Funding Update

The State Board of Education met on Wednesday, July 12 to consider our Funding Determination Forms and approved the CDE and ACCS 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 previous year, and for the current 2017-18 school year.

Retroactive funding will be:

• AAS Sonoma:	\$776,361
• AAS Thousand Oaks & Simi Valley:	\$50,704
• CCS of Fresno:	\$619,471
• CCS of LA:	\$1,820,359
• CCS of San Diego:	\$1,819,922
• TOTAL:	\$5,086,817

Note – this total is lower because some of our charters had a large adjustment and prior year recomputation.

DBA

CCS filed and obtained a DBA under the names Academy of Arts & Sciences and AAS with the Ventura County Clerk. This will allow CCS to deposit all funds received under either of these names. This filing was necessary as all retro - funding received will be payable to the Academy of Arts & Sciences.

Mr. Lewis led the committee in a review and discussion on the Finance Committee charge, which was approved by the Board of Directors at their May 10, 2016 special meeting. Last year was the first year of operating a Finance Committee, and members agreed to continue to work to refine their process to best support the school.

Mr. Lewis walked the committee through the 2016-17 unaudited actuals. Mr. Lewis noted these are due to our authorizers and the California Department of Education by September 15.

	<u>Beginning Balance</u>	<u>Adjusted Beginning Balance</u>	<u>2016-17 Revenue</u>	<u>2016-17 Expenses</u>	<u>Ending Fund Balance</u>
AAS Sonoma	\$97,705.67	\$136,581.45	\$1,059,709.71	\$1,535,996.91	(\$339,705.75)
AAS Thousand Oaks & Simi Valley	\$1,249,121.52	\$1,533,613.26	\$3,130,926.92	\$1,653,021.41	\$3,011,518.77
CCS Fresno	\$399,233.59	\$493,034.00	\$852,722.52	\$1,217,796.11	\$127,960.41
CCS Los Angeles	\$709,824.98	\$753,361.99	\$4,273,578.81	\$4,226,112.57	\$800,828.23
CCS San Diego	\$304,387.05	\$377,224.42	\$7,432,642.76	\$3,763,255.63	\$4,046,611.55

The Finance Committee voted unanimously to recommend approval the 2016-17 Unaudited Actuals by the full Board of Directors.

Mr. Lewis walked the committee through the re-allocation of special education funds resolution. Mr. Lewis shared that \$35,000 was being re-allocated from AAS Thousand Oaks & Simi Valley to CCS of LA, which is allowable under the El Dorado Charter SELPA allocation plan with board approval.

The Finance Committee voted unanimously to recommend approval of Resolution 2017-03 by the full Board of Directors.

Mr. Lewis walked the committee through the July and August Financials. He walked the committee through the Balance Sheet, Check Registry and Year to Date Actual to Budget Detail.

Mr. Lewis led the committee in a review of the proposed 2017-18 amended operating budget. Revenue is still 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 now based on an overall enrollment of 1,000 scholars at 97% ADA. Expense projections are also now based on 1,000 scholars and were examined line by line to previous year spending. We are now projecting a \$2.1 million deficit based on these projections. Factors include the 85% funding level for CCS of San Diego, and lower actual enrollment numbers.

The Finance Committee voted unanimously to recommend approval the 2017-18 Amended Operating Budget to the full Board of Directors.

Mr. Lewis shared information with the committee on California Credit Union and factors in recommending them as a new partner to CCS.

The Finance Committee voted unanimously to recommend approval of opening a new bank account with California Credit Union to the full Board of Directors.

The meeting adjourned at 2:56 pm. The next Finance Committee meeting is scheduled for Tuesday, October 17 starting at 2 pm.

Respectfully Submitted,

Dr. Kathy Granger
Board Treasurer &
Finance Committee Chair