



## **Budgeting Philosophy**

Compass Charter Schools (CCS) operates three (3) charter schools:

- Compass Charter Schools of San Diego
  - Authorized by Mountain Empire USD
- Compass Charter Schools of Fresno
  - Authorized by Orange Center School District
- Compass Charter Schools of Los Angeles
  - Authorized by Acton-Agua Dulce USD

As the Charter Management Organization (CMO), CCS will approve and operate under a single operating budget for each fiscal year. Revenue will be recognized in each individual charter. Expenses will be recognized and attributed to each school where possible. Expenses that are shared between the schools will be consolidated in the CMO, then distributed to each individual charter based on an appropriate objective factor such as enrollment or proportional share of revenue.

The Finance Committee will meet monthly to review financial statements and monitor the proposed budget versus actual. The Finance Committee will share its reports to the full Board of Directors at their regularly scheduled meetings throughout the year.

All fund balances will be held by the CMO. The CMO will ensure each Charter will have available operating funds through intercompany receivables/payables and that ending fund balances for each individual charter maintain five-percent of LCFF revenues for reserves.