



Finance Committee Report June 25, 2018

The Finance Committee met on Tuesday, February 20, Tuesday, March 20, Tuesday, April 17, Tuesday, May 22 and Tuesday, June 19, 2018 at 2 pm. Members of the committee consist of Mr. Joe Cummings and Dr. Kathy Granger (Committee Chair). Mr. J.J. Lewis, President & CEO, serves as an ex-officio member, and Mr. Miguel Aguilar, Executive Assistant to the CEO, serves as secretary.

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

Leases

We currently sublet two (2) properties to iLead Charter School: Bethel Church in Encino, and Friar Street in Van Nuys. These are the former locations for VIP North and VIP South, which were closed in June 2014. Our Bethel Church lease runs through August 1, 2019 and we anticipate renewing our sublease with iLead through July 31, 2019. Our Friar Street lease runs through May 31, 2024, and we are reviewing options to sublease to another charter.

2017-18 Audit

Christy White Associates was on-site on Friday, March 23 to begin work on our 2017-18 audit. They reviewed attendance compliance, as well as HR compliance. Once we close the books, they will return to review our financial compliance.

2018-19 Budget

Staff worked with CSMC on Monday, May 14 to lay the groundwork on the 2018-19 operating budget. Time was spent reviewing budget to actual for 2017-18, projections for the balance of the year, and projections for the upcoming year.

2018-19 Funding Update

The Advisory Commission on Charter Schools met last Tuesday, June 12 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 our three (3) of charters: CCS of Fresno, CCS of LA, and CCS of San Diego. This funding is for the next four (4) years. The next and final step is action by the State Board of Education, which is scheduled for mid-July.

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

Mr. Lewis led the committee in a review of the proposed CCS Budgeting Philosophy, which is based on current operating practice. Revenue is recognized in each individual charter and expenses shared between schools and distributed to each charter based on enrollment.

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 LCFF revenues for reserves.

The Finance Committee voted unanimously to recommend approval of the Budget Philosophy for inclusion in the Board Policy Manual to the full Board of Directors.

Mr. Lewis and Mr. Warner walked the committee through the Second Interim Reports at the March meeting.

The Finance Committee provided guidance on FY19 budget priorities to staff at the April meeting, which was to spend the current year revenue on current scholars, keep marketing efforts intact, and main our current reserve levels.

Mr. Lewis walked the committee through the 2016 Form 990 at the May meeting.

Mr. Lewis led the committee in a formal presentation and review of the draft FY19 operating budget at the May meeting. He led the committee through a second review of the draft FY19 budget at the June meeting.

The Finance Committee voted unanimously to recommend approval the FY19 operating budget to the full Board of Directors.

The Finance Committee will reconvene at the start of the 2018-19 school year.

Respectfully Submitted,

Dr. Kathy Granger
Board Treasurer &
Finance Committee Chair