



COMPASS
CHARTER SCHOOLS



2021-22 Finance Update

December 2021

(855) 937- 4227

CompassCharters.org

COMPASS
CHARTER SCHOOLS



Agenda

- Mission and Vision
- Values
- Enrollment Update
- Fiscal Impacts
- Funding Determination
- Q & A



Our Mission and Vision

MISSION STATEMENT

Our mission is to inspire and develop innovative, creative, self-directed learners, one scholar at a time.



VISION STATEMENT

Our vision is to create a collaborative virtual learning community, inspiring scholars to appreciate the ways in which arts and sciences nurture a curiosity for life-long learning, and prepare scholars to take responsibility for their future success.



Our Values

COMPASS CHARTERS

-  **A**chievement: Engage in and take charge of your learning.
-  **R**espect: Be respectful in all interactions with fellow scholars, learning coaches, faculty, and staff.
-  **T**eamwork: Work cooperatively with all persons involved in your education. *Teamwork makes the Dreamwork*
-  **I**ntegrity: Behave following strong ethical principles, values, and academic honesty.
-  **C**ommunication: Frequently and proactively communicate with all persons involved in your education.



2021 – 22 Local Control Funding Rates

Grade Span	LCFF Base Grant
TK-3	\$8,093
4-6	\$8,215
7-8	\$8,458
9-12	\$9,802

Grade Span	Grade Span Adjustment
TK-3	\$842
9-12	\$255



FY 22 Revenue - projected

Los Angeles	San Diego	YOLO	Home Office	Total
\$10,043,308	\$10,054,783	\$7,129,390	\$0	\$27,227,481

FY 22 Expenses - projected

Los Angeles	San Diego	YOLO	Home Office	Total
\$9,675,754	\$10,303,964	\$6,708,065	\$0	\$26,667,783

FY 22 Ending surplus/deficit - projected

Los Angeles	San Diego	YOLO	Home Office	Total
\$367,554	\$(249,181)	\$421,325	\$0	\$539,667

Based on enrollment of 2,336 scholars



Actual to Budget Summary

FY 2021-2022, July - October

This report displays all actual and budgeted revenue and expenditures by object code series and by month. This report can be useful in ensuring you receive your revenue in a timely manner and that you stay within the board approved expenditure levels.

Revenue

\$7,363,952

Expenses

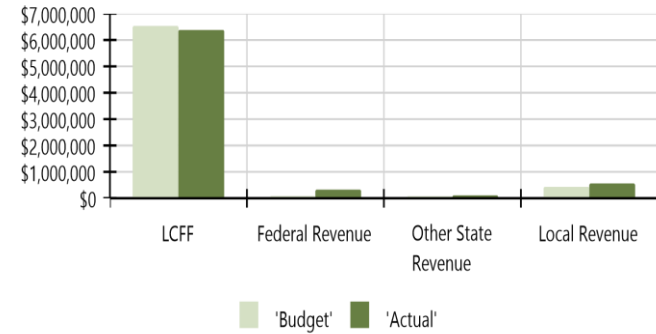
\$8,805,999

Surplus / (Deficit)

(\$1,442,047)

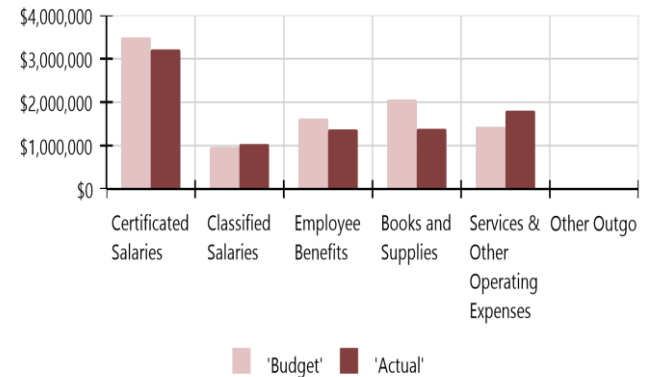
Account Description	July - Last Closed			2021-2022		
	Actual	Budget	Variance \$	Total Budget	Actual to Total Budget %	Remaining Budget
LCFF	\$6,381,026	\$6,527,160	(\$146,134)	\$29,431,667	21.7 %	\$23,050,641
Federal Revenue	\$321,799	\$27,940	\$293,859	\$2,039,955	15.8 %	\$1,718,156
Other State Revenue	\$107,161	\$21,201	\$85,959	\$973,474	11.0 %	\$866,313
Local Revenue	\$553,966	\$430,544	\$123,422	\$2,008,847	27.6 %	\$1,454,881
Total Revenue	\$7,363,952	\$7,006,845	\$357,107	\$34,453,942	21.4 %	\$27,089,991

Revenue by Category



Account Description	July - Last Closed			2021-2022		
	Actual	Budget	Variance \$	Total Budget	Actual to Total Budget %	Remaining Budget
Certificated Salaries	\$3,211,182	\$3,489,152	\$277,970	\$12,401,028	25.9 %	\$9,189,846
Classified Salaries	\$1,034,530	\$966,497	(\$68,033)	\$2,905,117	35.6 %	\$1,870,587
Employee Benefits	\$1,369,927	\$1,617,297	\$247,370	\$5,261,376	26.0 %	\$3,891,448
Total Personnel Expenses	\$5,615,640	\$6,072,946	\$457,306	\$20,567,521	27.3 %	\$14,951,881
Books and Supplies	\$1,385,469	\$2,059,274	\$673,805	\$8,339,350	16.6 %	\$6,953,880
Services & Other Operating Expenses	\$1,804,890	\$1,430,619	(\$374,270)	\$4,004,647	45.1 %	\$2,199,757
Other Outgo	-	-	-	-	0.0 %	\$0
Total Operational Expenses	\$3,190,359	\$3,489,893	\$299,534	\$12,343,997	25.8 %	\$9,153,638
Total Expenses	\$8,805,999	\$9,562,840	\$756,841	\$32,911,517	26.8 %	\$24,105,519
Net Income	(\$1,442,047)	(\$2,555,995)	\$1,113,948	\$1,542,425	-93.5 %	\$2,984,472

Expense by Category





Understanding the Financial Health of the Organization

Current Ratio (Liquidity)

Ability to pay short-term obligations



Current:

4.1

Target:

> 1.0

Formula:

$(\text{Current Assets}) / (\text{Current Liabilities})$

Defensive Interval

Months of continued operation without incoming funds



Current:

4.8

Target:

> 4 months

Formula:

$(\text{Cash} + \text{Securities} + \text{AR}) / (\text{Average Expenses for Past 12 Months})$

The chart below explains some of the parameters that the school's leadership can evaluate to understand their financial health, and potential areas of weakness.

Cash Ratio

Ability to meet short-term obligations with cash



Current:

377.3 %

Target:

> 100.0 %

Formula:

$(\text{Cash}) / (\text{Current Liabilities})$

At the current time, the areas of concern that the school needs to keep a close eye on are careful management of restricted funds this fiscal year.



Financial Summary

Actual to Budget

- This report is as of Oct 31, 2021, compared against our board-approved budget on input date, based on input enrollment count students enrolled and input enrollment ADA.
- **YTD Revenues** Through Oct 31, 2021, are \$7,363,952 or 5.1% over our current budget due to the following variances:
 - LCFF- trending behind by (\$146,000)
 - Federal revenue- ESSER III \$73,000, ESSER I \$30,000, Prior Year Federal revenues \$58,000
 - State revenues- ELO \$75,000 September and \$25,000 October
 - Local- SPED revenues are \$125,000 ahead of budget
- **YTD Expenses** Through Oct 31, 2021, are \$8,805,999 or 7.9% under our current budget due to personnel costs coming in \$457,000 under budget, Book and supplies are also underspent by \$637,000. Services (5000) are ahead of budget in spending trend by \$374,000.

Therefore, net income is (\$1,442,047) or -43.6% over our current budget.


Balance Sheet

As of Oct 31, 2021, we had total cash of \$11,673,018, short-term liabilities of \$3,093,473, and long-term liabilities of \$0. The ending fund balance is \$9,462,395.

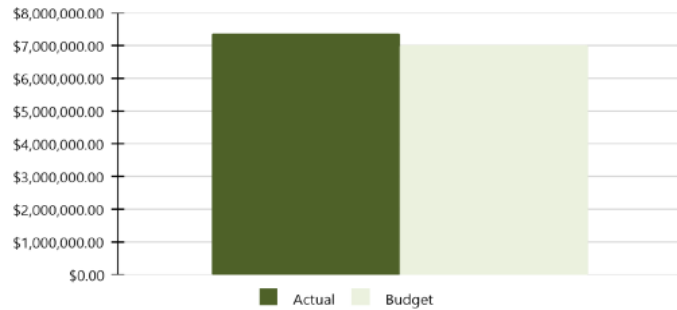


Compass Charter Schools Financial Snapshot

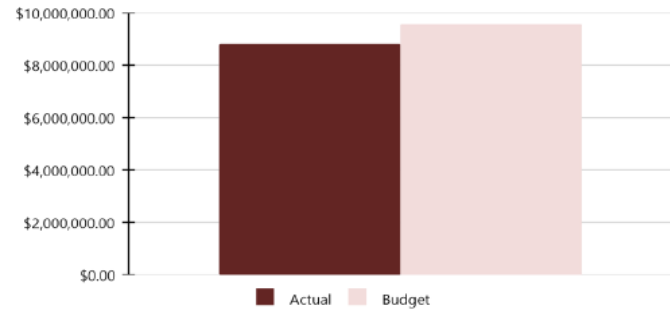
FY 2021-2022, July - October

Cash Balance  **\$11,673,018**

Revenue to Date



Expense to Date



Revenue Summary

Actual	\$7,363,952
Budget	\$7,006,845
Actual to Budget	5.1 %

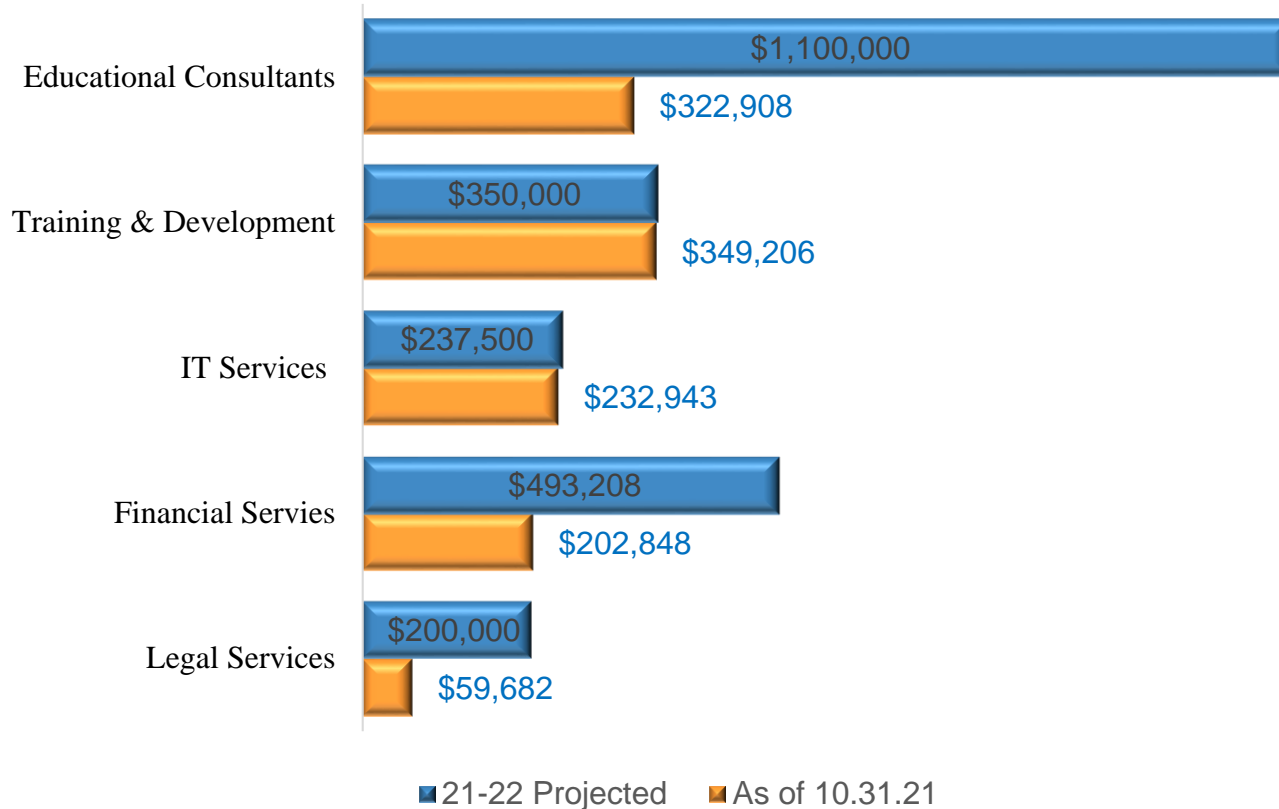
Expense Summary

Actual	\$8,805,999
Budget	\$9,562,840
Actual to Budget	-7.9 %





Top 5 Category 5000 Expenses





Funding Determination Overview

To qualify for a recommendation of 100 percent funding to the SBE, an NCB charter school must meet the following criteria:

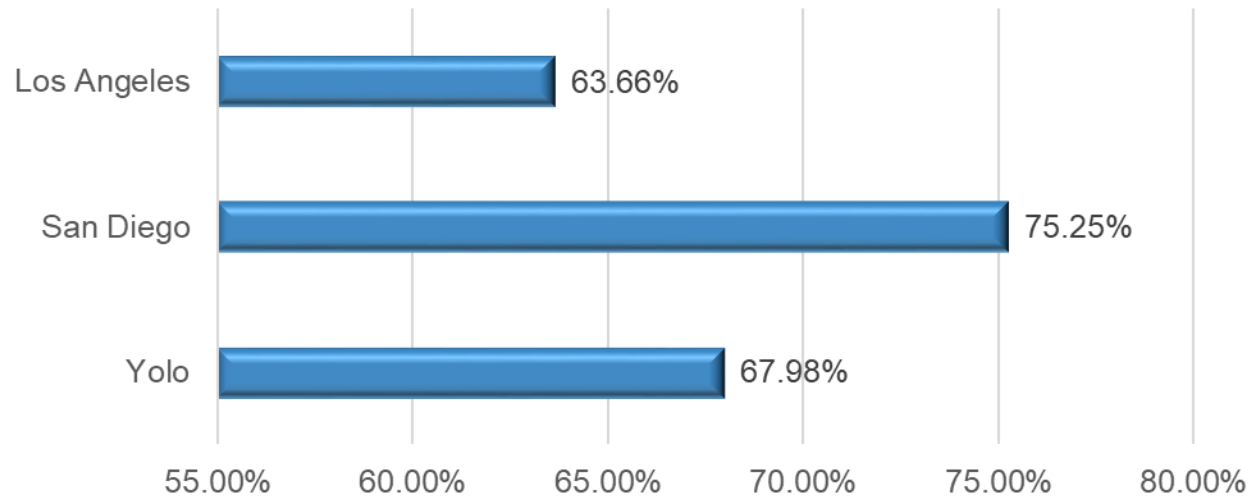
- Spend at least 40 percent of total public revenues (which includes federal revenues, state revenues, and local revenues from in-lieu property taxes) on salaries and benefits for all employees who possess a valid teaching certificate
- Spend at least 80 percent of total revenues on instruction and related services
 - Instruction/related services do not include:
 - Operations and Facilities;
 - Administration and All Other Activities; and
 - Other Outgo and Other Financing Uses.



80/40 Funding Determination

All FDF tests passed

Percent spent on Certificated Employee Salaries & Benefits to Total Public Revenues (5 CCR 11963.3[c][1])



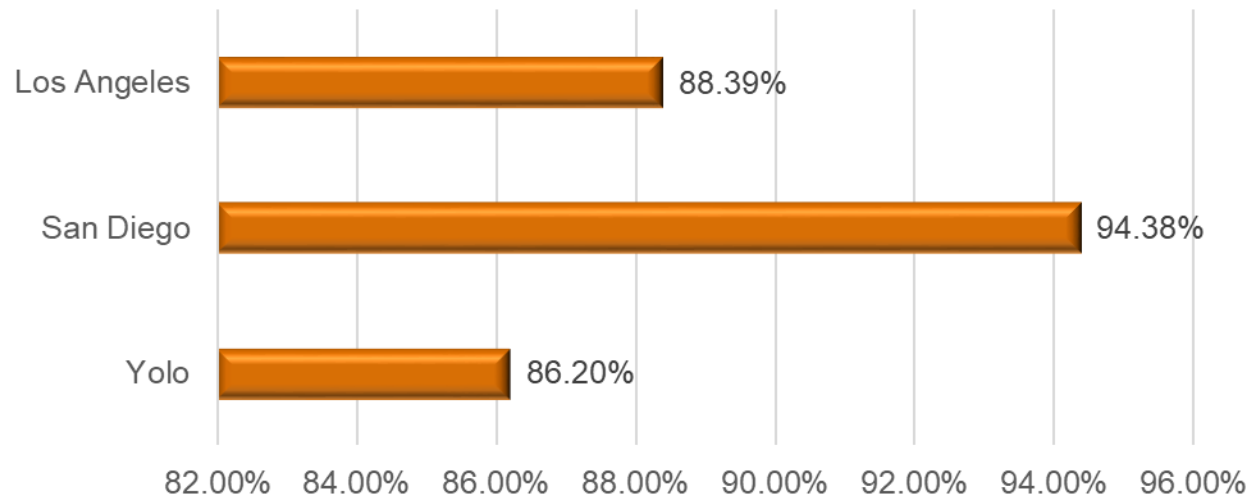
TARGET= 40%



80/40 Funding Determination

All FDF tests passed

Percent spent on Certificated Employee Salaries & Benefits to Total Public Revenues (5 CCR 11963.3[c][1])



TARGET= 80%



Questions?



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