

Ocean Charter Finance Committee Meeting minutes

March 7, 2023

Committee members in attendance: Stephanie Edwards, Tammy Stanton, Debbie Tripp, Amanda Ferry, Kristy Mack-Fett

Committee members absent: Dan Wierzba

Community Member in attendance: Ayanthy Peris, ExED, Maryangee Cano, Ocean Charter School

Called to order: 3:35 pm

1. Open Forum

- a. Stephanie flagged that the audit agreements are due to LACOE by April 3, 2023. OCS admin will bring the 23-24 engagement letter to the March 27, 2023 Finance Committee meeting.

2. Meeting Minute

- a. Debbie Tripp made the motion to approve the 01/31/23 finance committee meeting minutes, and Amanda ferry seconded the motion. Yes Vote – Kristy Mack-Fett, Stephanie Edwards, Tammy Stanton, Amanda Ferry and Debbie Trip, No Vote – None, Motion passes

3. Discussion and vote regarding update to the Finance Committee meeting schedule

- a. Kristy made the motion to approve the proposed finding response, as drafted, and Debbie seconded the motion. Yes Vote – Kristy Mack-Fett, Stephanie Edwards, Tammy Stanton, Amanda Ferry and Debbie Trip, No Vote – None, Motion passes

4. Review and Discussion of final report for Ocean Charter School's SFP audit

- a. Audit firm and state agreed on numbers, final report submitted to state and LAUSD.

5. Review current year financials, January 2023 & 2nd Interim Report

- a. Jan 2023 financials were reviewed and discussed.
- b. Enrollment 562 (Month 5), which is 4 students more than budget; however, forecast assumes a conservative enrollment count of 558.
- c. Forecasted ADA is (9.06) below budget
- d. Forecasted operating net-income: \$440.892.
 1. One-time funds: Prior-Year Hold Harmless ADA, Arts, Music & Block Grant, Learning Recovery Grant – discussion held by committee on the importance of leveraging these funds for one-time needs.
 2. The January forecast does not assume the Gov's proposed current year reduction to the Arts, Music and Instructional Materials Bock Grant of 34% (should legislature approve the reduction it will occur on the reduction will occur in the 23-24 year).
- b. Fundraising Assumption \$95K greater than the board approved budget.
 1. Assumes Winter Faire Actuals
 2. Additional \$76K – miscellaneous fundraising amount – Gala will contribute to this amount. Directors to meet with Parent Collective to refine budget assumption

3. Annual Family Giving. Maryangee shared participation is trending nicely and similar to prior years with 68% of families contributing. ~\$22K compared \$48K in the prior month still to be collected to meet the \$250K annual goal.
4. Gala update – sold 86 tickets and 13 contributions
- e. Debt Service Coverage Ratio: Forecast assumes 1.31 and requires a minimum EBITDA of \$610K.
 1. The December forecast indicates EBITDA of \$610K
- f. Forecasted Cash
 1. Operating \$1MK which represents a 14.6% reserve and is not inclusive of the restricted facility project cash
 2. Facility Project Restricted cash \$385K
- g. Debt Balance Forecasted 06/30/22 Balance: \$11,218,135
 1. Facility Loan ~\$10M
 2. Prop 39 over-allocation ~\$1M
- h. 2nd Interim Report
 - a. The report shows the total net-income vs Operating or EBITDA
 - b. Reviewed report format
- 6. Review and discussion of two budget versions (one version assumes 35% reduction to Arts, Music, and Instructional Materials Block Grant)**
 - a. Enrollment 558
 - b. CLA 13.26%
 - c. Expense COLA 3%
 - d. Salary 2.5%
 - e. Both models achieve DSCR
 - f. Kept aftercare and enrichment assumes same rate as 22-23 forecast
 - g. Reductions made to one-time positions previously funded with COVID and Learning Loss: Keeping TK-Kinder aides and 6 others – maintain 10 aides out of 22 aides in 22-23 year
 - h. Reduction of classified aides represents 44% cost reduction
7. Not in the budget: Gym Rental revenue
8. What is in the budget:
 - a. PTE safety and maintenance to handle evening and weekends facility use
 - b. Waldorf summer training, internal/external mentors
 - c. specialties program assumes 2 with credential at rates that reflect credential rates (all new hires must have credential any existing employees need to be enrolled June 30, 2024)
 - d. Discussion on pros and cons of the model
- 9. Grant Sheet**
 - a. Reviewed Grant balances during budget review
- 10. Reviewed Multi-Year Projections – 3-yr model**
 - a. Assumes SSC Rates
 - b. 35% reduction of the Arts, Music, and Inst Materials Block Grant
- 11. Adjourned meeting: 5:17 pm**