Ocean Charter Finance Committee Meeting Minutes

January 28, 2025

Committee members in attendance: Debbie Tripp, Tammy Stanton, Jennifer Jacobus, Kristen Curran, Josh Stokes

Kristy MackFett joined meeting at 3:48 PM

Committee members absent: None

Community members in attendance: Ayanthy Peiris from ExED

1. **Called to order:** 3:42 PM
2. **Open Forum**
	* None
3. **November 12, 2024 Minutes**
	* Discuss 11/12/24 meeting minutes.
	* Motion-Debbie to approve, Kristen seconded. Debbie, Kristen and Tammy vote in favor. Josh abstention. Kristy – not yet arrived to meeting. Motion passed.
4. **November & December 2024 Financial Report**
	* As of Month 4, which represents P1 the ADA was 535.8.
	* Month 5 attendance reporting period, ADA rate 95% and ADA is 531.78 and trending 4.79 greater than budget. Forecast 529.09, which is higher than budget by 4.57.
	* Net Income (year-end as of June 30, 2025) $401K projected, which is ($13K) lower than budget.
	* Revenues are trending ~$10K higher than budget:
		1. LCFF $34K higher than budget as a result of the increased ADA projection.
		2. Title I $32K higher resulting from the prior year Unduplicated Pupil percentage (UPP) rate.
		3. State revenue is lower by ($32K) as a result of unearned ELO-P revenue deferred to subsequent fiscal year – this amount could fluctuate if the program projections shift due to participation rates.
	* Expenses are trending $25K higher than budget:
		1. Savings in classified salaries and benefits resulting from position vacancies and lower worker’s comp cost.
		2. Special Ed Encroachment rate increase of ~$40K or 10% increase to option 1 fair share rate.
	* Debt Service Coverage Ratio: Year-end (as of June 30, 2025) 1.27 projected, Hanmi Bank requirement is 1.25.
	* Cash: Dec balance $2.4M Operating, $317K restricted facility fund. Year-End projection $2.4M operating, $317K restricted facility fund
5. **Hanmi Bank Line of Credit Renewal**
	* Background on former Hanmi LOC structure, will move to a 3-yr term, covenants increased to capture DSC to calculate qtrly
	* New requirements: ADA report and ADA Comparison, Maximum decrease in ADA measured quarterly, Compliance Certificate, Min liquid assets 3% same, **Intercept of ADA based funding (State, Federal, Local)**
	* Conversation on reaching out to other Banks to obtain terms that do not include revenue intercept terms
	* Renews March 3, 2025. Kristy will respond to Hanmi that OCS cannot accept the intercept term and could they modify the structure.
	* Kristy Patti Derry@ Banc of California, Josh will reach out to bank connections to inquire if they offer LOC credit structures to charter schools.
6. **Fiscal Policies – Stale Dated Checks**
	* Background ExED utilizes InvoicePay for AP processing, which use an 180-day stale dated; however, sometimes checks are ssued in-house by ExED system and there is a need to align the stale dated range.
	* Kristy proposed motion to amend OCS Fiscal Policies to align stale dated checks at 180-days on ExED issued checks with InvoicePay
	* Motion-Kristy to approve, Josh seconded. Debbie, Kristen, Kristy, Josh and Tammy vote in favor. No abstentions. Motion passed.
7. **Fundraising Update**
	* Table report – OCS Business Mgr out sick and unable to attend mtg today
8. **Review OCS Enrichment Programs**
	* Programs offered via a Trimester schedule
	* Each trimester the program profit and loss actuals are reviewed and programs are on track
9. **Review Expanded Learning Opportunities (ELO-P)**
	* Programing to continue per the Gov’s Jan 2025-26 Budget Proposal
	* Admin will bring forth a calendar for the upcoming year
	* 9-hr day (before and after care counts) plus 30-non instructional days
10. **Invest Firm Identification**
	* Committee members discussed the history of the DA Davidson Proposal
	* Josh obtained proposals from Truist Bank and two wealth management firms, Bernstein, Cheviot,
	* Kristy to follow-up with DA Davidson on rate
	* Proposals to review
11. **Adjourned meeting:** 5:00 PM