

RIDGECREST CHARTER SCHOOL

**(A California Non-Profit
Public Benefit Corporation)**

**Audited Financial Statements
for the Year Ended
June 30, 2010**

RIDGECREST CHARTER SCHOOL

TABLE OF CONTENTS

June 30, 2010

	<u>Page</u>
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6-10
History and Organization.....	11
Schedule of Expenditures by State Categories	12
Schedule of Instructional Minutes	13
Schedule of Average Daily Attendance (ADA).....	14
Reconciliation of Annual Financial Report with Audited Financial Statements	15
Notes to Supplementary Information.....	16
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	17-18
Report on State Compliance	19-20
Schedule of Findings and Questioned Costs	21
Status of Prior Year Findings and Questioned Costs.....	22



INDEPENDENT AUDITORS' REPORT

Board of Directors
Ridgecrest Charter School
Ridgecrest, CA

We have audited the statement of financial position of Ridgecrest Charter School (the School), a California non-profit public benefit corporation, as of June 30 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements described above present fairly, in all material respects, the financial position of the School as of June 30, 2010, and the changes in its net assets and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 12, 2010 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors
Ridgecrest Charter School

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules on pages 12-15 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


VICENTI, LLOYD & STUTZMAN LLP

October 12, 2010

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
June 30, 2010

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 192,887
Accounts receivable - Federal and State	606,829
Prepaid expenses	22,087
Total current assets	821,803

LONG-TERM ASSETS:

Land	133,750
Building and improvements	995,120
Less: Accumulated depreciation	(222,756)
Total long-term assets	906,114
Total assets	\$ 1,727,917

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 26,088
Accrued liabilities	52,822
Deferred revenue, current portion	61,562
Notes payable, current portion	43,300
Total current liabilities	183,772

LONG-TERM LIABILITIES:

Deferred revenue, net of current portion	184,686
Notes payable, net of current portion	300,754
Total long-term liabilities	485,440
Total liabilities	669,212

NET ASSETS:

Unrestricted	1,058,705
Total net assets	1,058,705
Total liabilities and net assets	\$ 1,727,917

The accompanying notes are an integral part of these financial statements.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

REVENUES:

State revenue:	
State aid portion of general-purpose block grant	\$1,160,998
Block grant - categorical	127,292
Lottery revenue	31,295
Other state revenue	305,673
Federal revenue:	
Grants and entitlements	133,261
Local revenue:	
In-lieu property tax revenue	69,997
Interest income	2,358
Other revenue	<u>75,352</u>
Total revenues	<u>1,906,226</u>

EXPENSES:

Program services:	
Educational programs	1,249,389
Support services:	
General and administrative	<u>358,997</u>
Total expenses	<u>1,608,386</u>
Increase in unrestricted net assets	297,840
Beginning unrestricted net assets	<u>760,865</u>
Ending unrestricted net assets	<u><u>\$1,058,705</u></u>

The accompanying notes are an integral part of these financial statements.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2010

CASH FLOWS from OPERATING ACTIVITIES:

Change in Net Assets	\$ 297,840
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	85,070
(Increase) and decrease in operating assets:	
Accounts receivable	(254,653)
Prepaid expenses	(14,685)
Increase and (decrease) in operating liabilities:	
Accounts payable	2,524
Accrued liabilities	10,305
Deferred revenue	246,248
Net cash provided by operating activities	<u>372,649</u>

CASH FLOWS from INVESTING ACTIVITIES:

Purchase of buildings	<u>(335,655)</u>
Net cash used by investing activities	<u>(335,655)</u>

CASH FLOWS from FINANCING ACTIVITIES:

Repayment of long-term debt	<u>(40,381)</u>
Net cash used by financing activities	<u>(40,381)</u>
Net decrease in cash and cash equivalents	(3,387)
Cash and cash equivalents at the beginning of the year	<u>196,274</u>
Cash and cash equivalents at the end of the year	<u>\$ 192,887</u>
Interest paid during the year	<u>\$ 32,581</u>

The accompanying notes are an integral part of these financial statements.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities – Ridgecrest Charter School (the School) is a California non-profit public benefit corporation and is organized to manage and operate a public charter school. The School began serving students in July 2001 and is sponsored by the California State Board of Education (the Sponsor).

The School is funded principally through State of California public education monies received through the California Department of Education and the District.

The charter may be revoked by the Sponsor for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Net Asset Classes – The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Net assets of the School consist of the following:

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of the organization.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. The School does not currently have any temporarily restricted net assets.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by the School. The School does not currently have any permanently restricted net assets.

Basis of Accounting – The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and other liabilities.

Revenue Recognition – Amounts received from the California Department of Education are recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in temporarily restricted net assets.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Cash and Cash Equivalents – The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for specific use in future periods are reported as temporarily restricted. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets for expenditure.

Land, Buildings and Equipment – Land, buildings and equipment are stated at cost if purchased or at estimated fair market value if donated. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. The School capitalizes all expenditures for land, buildings and equipment in excess of \$5,000.

Income Taxes – The School is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not (>50%) of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files informational returns in the U.S. federal jurisdiction, and the state of California. With few exceptions, the School is no longer subject to U.S. federal, state, and local examinations by tax authorities for years before 2005.

Evaluation of Subsequent Events – The organization has evaluated subsequent events through October 12, 2010, the date these financial statements were available to be issued.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

NOTE 2 - CONCENTRATION OF CREDIT RISK:

The School maintains its cash in bank deposit accounts at various institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2010, there were no deposits in excess of the FDIC limit.

NOTE 3 - ACCOUNTS RECEIVABLE:

Accounts receivable consists of funds due from state and federal governments, therefore no provisions for uncollectible accounts were recorded related to those accounts receivable.

NOTE 4 - EMPLOYEE RETIREMENT:

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the Public Employees' Retirement System (PERS).

State Teachers' Retirement System (STRS)

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2009-10 was 8.25% of annual payroll. The contribution requirements of the plan members are established and may be amended by State statute.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

NOTE 4 - EMPLOYEE RETIREMENT: (continued)

Public Employees' Retirement System (PERS)

Plan Description

The School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their salary and the School is required to contribute an actuarially determine rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2009-10 was 9.709%. The contribution requirements of the plan members are established and may be amended by State statute.

Contributions to STRS and PERS

The School's contributions to STRS and PERS for each of the last three fiscal years are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>STRS</u> <u>Required</u> <u>Contribution</u>	<u>STRS</u> <u>Percent</u> <u>Contributed</u>	<u>PERS</u> <u>Required</u> <u>Contribution</u>	<u>PERS</u> <u>Percent</u> <u>Contributed</u>
2008	\$46,145	100%	\$14,217	100%
2009	\$53,533	100%	\$17,281	100%
2010	\$56,586	100%	\$13,934	100%

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

NOTE 5 - FACILITIES:

On May 29, 2009, the Sierra Funds Unified School District agreed to purchase facilities for the School in lieu of Proposition 39 fund payments to the School for five years starting July 1, 2009. The School capitalized the facilities and deferred the revenue on a straight-line basis for five years.

NOTE 6 - NOTES PAYABLE:

In December 2004 the School entered into a note payable with Millennium Ministries, Inc., secured by a deed of trust in the amount of \$535,000 which bears an annual interest rate of 7%. As of June 30, 2010 the principal balance on the note was \$344,054. Monthly principal and interest payments are \$5,501 and the note matures December 2016.

Principal payment requirements on notes payable are as follows:

<u>June 30,</u>	<u>Amount</u>
2011	\$ 43,300
2012	46,430
2013	49,786
2014	53,386
2015	57,245
Thereafter	<u>93,907</u>
Total	<u>\$344,054</u>

NOTE 7 - CONTINGENCIES:

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

SUPPLEMENTARY INFORMATION

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

HISTORY AND ORGANIZATION
For the Year Ended June 30, 2010

Ridgecrest Charter School (the School) is a California non-profit public benefit corporation and is organized to manage and operate a public charter school. The School began serving students in July 2001 and is sponsored by the California State Board of Education (the Sponsor).

Charter School number authorized by the State: 350

The Board of Directors and the Director for the fiscal year ended June 30, 2010 were as follows:

Board of Directors

<u>Member</u>	<u>Office</u>	<u>Term Expires</u>
Richard Smith	President	6/30/10
Craig Bradley	Vice-President	6/30/11
Jerry Perez	Treasurer/Secretary	6/30/10
Debby Kilburn Kurti	Staff Liaison	6/30/11
Robert Pritchard	Member	6/30/11

Administrator

Tina Ellingsworth	Director
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RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
For the Year Ended June 30, 2010

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
Certificated salaries	\$ 711,416	\$ -	\$ 711,416
Classified salaries	45,180	115,663	160,843
Employee benefits	208,069	31,808	239,877
Books and supplies	96,788	7,940	104,728
Services and other operating expenses	102,866	203,586	306,452
Depreciation	<u>85,070</u>	<u>-</u>	<u>85,070</u>
Total	<u>\$ 1,249,389</u>	<u>\$ 358,997</u>	<u>\$ 1,608,386</u>

See notes to the supplementary information.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF INSTRUCTIONAL MINUTES
For the Year Ended June 30, 2010

	2009-10 Minutes			Status
	Requirement	Reduced	Actual	
Kindergarten	36,000	34,971	58,200	In compliance
Grade 1	50,400	48,960	58,200	In compliance
Grade 2	50,400	48,960	58,200	In compliance
Grade 3	50,400	48,960	58,460	In compliance
Grade 4	54,000	52,457	58,460	In compliance
Grade 5	54,000	52,457	58,460	In compliance
Grade 6	54,000	52,457	59,240	In compliance
Grade 7	54,000	52,457	59,240	In compliance
Grade 8	54,000	52,457	59,240	In compliance

See notes to the supplementary information.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
For the Year Ended June 30, 2010

	Second Period Report		Annual Report	
	Classroom		Classroom	
	Based	Total	Based	Total
Kindergarten	38.09	38.09	37.91	37.91
Grades 1 through 3	93.38	93.38	93.32	93.32
Grades 4 through 6	75.98	75.98	76.01	76.01
Grades 7 and 8	43.03	43.03	42.12	42.12
ADA Totals	250.48	250.48	249.36	249.36

See notes to the supplementary information.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

RECONCILIATION OF ANNUAL FINANCIAL
REPORT WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

June 30, 2010 Annual Financial Report Fund Balances (Net Assets)	\$ 1,109,898
Adjustments and Reclassifications:	
Increasing (Decreasing) the Fund Balance (Net Assets):	
Overstated property, plant and equipment	<u>(51,193)</u>
Net Adjustments and Reclassifications	<u>(51,193)</u>
June 30, 2010 Audited Financial Statement Fund Balances (Net Assets)	<u><u>\$ 1,058,705</u></u>

See notes to the supplementary information.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Expenditures by State Categories

This schedule presents expenses by the object codes according to state categories for analysis purposes.

B. Schedule of Instructional Minutes

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of Education Code Sections 46200 through 46206.

C. Schedule of Average Daily Attendance (ADA)

Average daily attendance is a measurement of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

D. Reconciliation of Annual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances (net assets) of the charter school as reported on the annual Financial Report form to the audited financial statements.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Ridgecrest Charter School
Ridgecrest, CA

We have audited the financial statements of Ridgecrest Charter School (the School) as of and for the year ended June 30, 2010, and have issued our report thereon dated October 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

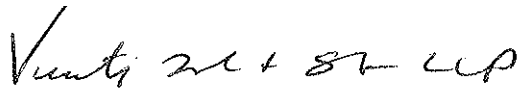
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, management, the State Board of Education, the Kern County Office of Education, the California Department of Education, the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.


VICENTI, LLOYD & STUTZMAN LLP

October 12, 2010



REPORT ON STATE COMPLIANCE

Board of Directors
Ridgecrest Charter School
Ridgecrest, CA

We have audited the financial statements of Ridgecrest Charter School as of and for the year ended June 30, 2010, and have issued our report thereon dated October 12, 2010. Our audit was made in accordance with auditing standards generally accepted in the United States of America, the standards for financial and compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2009-10 Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Ridgecrest Charter School's management is responsible for Ridgecrest Charter School's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine Ridgecrest Charter School's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance accounting:		
Attendance reporting	8	Not applicable
Kindergarten continuance	3	Not applicable
Continuation education	10	Not applicable
Independent study	23	Not applicable

REPORT ON STATE COMPLIANCE

<u>Description</u>	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Instructional time:		
School Districts	6	Not applicable
County Offices of Education	3	Not applicable
Class size reduction program:		
General requirements	7	Not applicable
Option 1	3	Not applicable
Option 2	4	Not applicable
One school serving K-3	4	Not applicable
Instructional materials general requirements	8	Not applicable
Ratios of administrative employees to teachers	1	Not applicable
Classroom teacher salaries	1	Not applicable
Early retirement incentive	4	Not applicable
GANN limit calculation	1	Not applicable
School Accountability Report Card	3	Not applicable
Public hearing requirement—receipt of funds	1	Not applicable
After School Education and Safety Program:		
General requirements	4	Not applicable
After school	4	Not applicable
Before school	5	Not applicable
Charter Schools:		
Contemporaneous records of attendance	1	Yes
Mode of Instruction	1	Yes
Nonclassroom based instructional/independent study	15	Not applicable
Determination of funding for nonclassroom-based instruction	3	Not applicable
Annual instructional minutes – classroom based	3	Yes

Based on our audit, we found that, for the items tested, Ridgecrest Charter School complied with the laws and regulations of the state programs referred to above. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Ridgecrest Charter School had not complied with the laws and regulations of state programs and requirements.

This report is intended solely for the information and use of the Board, management, the State Board of Education, the Kern County Office of Education, California Department of Education, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.


 VICENTI, LLOYD & STUTZMAN LLP

October 12, 2010

**RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2010**

All audit findings must be identified as one or more of the following eleven categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
41000	CalSTRS
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no findings for the year ended June 30, 2010.

RIDGECREST CHARTER SCHOOL
(A California Non-Profit Public Benefit Corporation)

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2010

There were no findings for the year ended June 30, 2009.