

**RIDGECREST CHARTER SCHOOL
GOVERNING BOARD**

Special Meeting

Wednesday September 13, 2017

Time: 5: PM

325 South Downs Street, Ridgecrest, CA 93555

SKYPE: Hilton Garden Inn Lobby

310 N Madison Avenue, Yuma Arizona 85364

I. AGENDA

A. CALL TO ORDER

B. ROLL CALL

	Present	Absent
Eric Bruen, President	_____	_____
Celesa Sanders, Vice-President	_____	_____
Elsa Hennings, Secretary	SKYPE _____	_____
Ray Miller, Treasurer	_____	_____
Deanna Lukens, Member	_____	_____

C. FLAG SALUTE

D. MOMENT OF SILENCE

II. PUBLIC COMMENT

Non-agenda items: no individual presentation shall be for more than three (3) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation.

Oral Communications was opened at _____ and closed at _____.

III. ITEMS SCHEDULED FOR ACTION/DISCUSSION/INFORMATION

1. Approval of Unaudited Actuals

Motion: _____ Second: _____ Vote: _____

IV. CLOSED SESSION

The meeting will now convene to closed session to discuss the following matters pursuant with Brown Act Section: 54957

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

1. One Case

Closed session was entered in at ___pm and concluded at ___pm.

V. RECONVENE TO PUBLIC SESSION

The meeting was reconvened to Open Session at ___pm.

Report out of Closed Session:

VI. FUTURE MEETINGS

1. September 27, 2017
2. October 25, 2017
3. November 29, 2017

VII. CLOSING BOARD COMMENTS

VIII. ADJOURNMENT

The meeting was adjourned at _____.

In compliance with the Americans with Disabilities Act (ADA) and upon request, the School may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modifications of the agenda in order to participate in Board meetings are invited to contact the Director's office. Per Brown Act 54954.3(a) at any special meeting the public has the right to address any item described in the agenda before or during consideration of that item.

**Ridgecrest Charter School
Board Meeting**

September 13, 2017

ITEM: June 30, 2017 Financial Reports
Approval of 2016-17 Unaudited Financial Report

BACKGROUND: California Charter Schools, as public-school agencies, periodically prepare and present Financial Reports to the Governing Boards. State law requires that all Local Education Agencies (LEAs) in the state prepare and have Governing Board adoption, approval or ratification of several budget and financial reports through the year. The mandatory approvals are:

- Annual Budget Report, on or before July 1 of fiscal year;
- Unaudited Financial Report of prior fiscal year data, on or before September 15th of fiscal year;
- First Interim Financial Report, as of October 31, on or before December 15th of the fiscal year;
- Audited Financial Report of prior fiscal year, on or before December 15th of the fiscal year; and
- Second Interim Financial Report, as of January 31, on or before March 15th of the fiscal year.

In addition to the above mandatory budget and financial reports presented to the Governing Board, many LEAs also prepare and provide monthly and/or quarterly financial reports. A 'best practice' for a charter school is to present monthly financial reports for several reasons:

- As an education agency of relatively small size, a charter school's economic stability is more fragile than a larger agency;
- Fluctuations in enrollment by a few students have significant impact on the schools 'bottom line';
- Costs, such as utilities are subject to unpredictable rate hikes and utilization increase;
- Relatively small agencies have few opportunities to transfer or allocate fixed costs between and among cost centers or programs;
- Revenue fluctuations beyond the control of the charter school are difficult to predict and insulate against;
- Cash flow for most of revenue sources are outside the control of the charter school.

FINANCIAL REPORT STATUS: For the primary reasons listed above, Ridgecrest Charter School has, since authorization, prepared and submitted periodic Financial Reports. The monthly or quarterly reports provided are:

- Balance Sheet
- Summary Income Statement
- Summary Income Statement by Program
- Vendor Warrants
- Payroll Warrants
- Budget to Actual

Prior to submission of the Financial Reports to the Governing Board, the Chief Operations Officer reviews the reports with Back Office Services' Provider. Significant deviations, if any, from one month to another are highlighted within the Financial Report or in the narrative of the Board Agenda.

It is important to note that Charter School financial data is compiled in accord with requirements of the Financial Accounting Standards Board, or 'FASB'. This reporting is slightly different than 'GASB', the Governmental Accounting Standards Board which other local public education agencies, including the Sierra

Sands Unified School District and the Kern County Office of Education, follow. Charter School revenue accruals are reflected in June; throughout the year, revenues are reflected on a cash basis.

For 2017-2018 an RCS Administrative Team goal will be to provide clear, concise, consistent Financial Reports to the Board for policy analysis and policy direction.

UNAUDITED FINANCIAL REPORT: The June 30, 2017 Unaudited Financial Report for the 2016-2017 Fiscal Year is the School’s report that is required by law to be presented to the Governing Board and submitted to the California State Board of Education, the Charter School’s authorizer. This Report identifies all Revenues and all Expenditures for the 2016-2017. The financial data is segregated into Unrestricted and Restricted funds; the Unrestricted funds constitute the majority of the operating expenses, such as staff compensation, books and instructional supplies, facilities, of the school. RCS’ Revenue Limit monies, derived from the Local Control Funding Formula, generates most of the unrestricted revenues. The Restricted funds, also known as categorical funds, are monies whose use is determined by the grantor, hence ‘restricted’. Special Education and No Child Left Behind programs are primary examples of restricted funds. Unexpended Restricted fund balances from 2016-17 will be carry forward amounts to the 2017-18. These funds will be identified as Restricted funds in the Ending Balance.

In 2016-17 RCS School revenues were \$4,650,312 and expenses were \$3,740,672, which resulted in an Operating Surplus of \$909,640. The majority of the net operations will be used for the expansion and enhancement of school facilities. In accord with prior Board policy, Net Assets in excess of 7% are dedicated or set aside for facility enhancements of the Site.

ACTION ITEM: The School’s Executive Director recommends approval of the June 30, 2017 Unaudited Financial Report for the 2016-17 Fiscal Year and of the June 30, 2017 Financial Reports.

It was moved by _____ and seconded by _____ that the Board of the Ridgecrest Charter School approve the June 30, 2017 Financial Reports and the Unaudited Financial Report for the 2016-17 Fiscal Year, as presented.

_____ Ayes _____ Nays

RECOMMENDED BY: Steve Martinez, Ed.D., Executive Director, and Chevonne Dawson, Chief Operations Officer

Attachments:

2016-17 Draft Unaudited Financial Report, filed in format provided by the CA Department of Education

CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM
July 1, 2016 to June 30, 2017

CHARTER SCHOOL CERTIFICATION

Charter School Name: Ridgecrest Charter School
CDS #: 15756301530500 (002)
Charter Approving Entity: State Board of Education
County: Kern
Charter #: 0350

NOTE: An Alternative Form submitted to the California Department of Education will not be considered a valid submission if the following information is missing:

For information regarding this report, please contact:

<u>For County Fiscal Contact:</u>	<u>For Approving Entity:</u>	<u>For Charter School:</u>
<u>Charli Long</u> Name <u>Account Clerk II</u> <u>Kern County Superintendent of Schools</u> Title	<u>Kylie Kwok</u> Name <u>Education Fiscal Services Assistant</u> <u>Charter Schools Division, CA Dept of Ed</u> Title	<u>Ann C. Vogel</u> Name <u>Principal, Vogel & Associates</u> Title
<u>661-636-4494</u> Telephone	<u>916-319-0498</u> Telephone	<u>415-202-0659</u> Telephone
<u>chlong@kern.org</u> E-mail address	<u>KKwok@cde.ca.gov</u> E-mail address	<u>cathi@vogel-associates.com</u> E-mail address

To the entity that approved the charter school:

(X) 2016-17 CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 42100(b).

Signed: _____ Date: _____
Charter School Official
(Original signature required)

Printed Name: Steven F. Martinez Title: Executive Director

To the County Superintendent of Schools:

(X) 2016-17 CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 42100(a).

Signed: _____ Date: _____
Authorized Representative of
Charter Approving Entity
(Original signature required)

Printed Name: _____ Title: _____

To the Superintendent of Public Instruction:

(X) 2016-17 CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been verified for mathematical accuracy by the County Superintendent of Schools pursuant to *Education Code* Section 42100(a).

Signed: _____ Date: _____
County Superintendent/Designee
(Original signature required)

**CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM**

July 1, 2016 to June 30, 2017

Charter School Name: Ridgecrest Charter School

CDS #: 15756301530500

Charter Approving Entity: State Board of Education

County: Kern

Charter #: 0350

This charter school uses the following basis of accounting:

(Please enter an "X" in the applicable box below; check only one box)

Accrual Basis (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities/Net Position objects are 6900, 7438, 9400-9489, 9660-9669, 9796, and 9797)

Modified Accrual Basis (Applicable Capital Outlay/Debt Service/Fund Balance objects are 6100-6170, 6200-6500, 7438, 7439, and 9711-9789)

Description	Object Code	Unrestricted	Restricted	Total
A. REVENUES				
1. LCFF Sources				
State Aid - Current Year	8011	2,666,209.00		2,666,209.00
Education Protection Account State Aid - Current Year	8012	573,483.00		573,483.00
State Aid - Prior Years	8019	199,742.00		199,742.00
Transfers to Charter Schools in Lieu of Property Taxes	8096	385,662.89		385,662.89
Other LCFF Transfers	8091, 8097			0.00
Total, LCFF Sources		3,825,096.89	0.00	3,825,096.89
2. Federal Revenues (see NOTE in Section L)				
No Child Left Behind/Every Student Succeeds Act	8290		87,348.00	87,348.00
Special Education - Federal	8181, 8182		71,216.00	71,216.00
Child Nutrition - Federal	8220		104,879.38	104,879.38
Donated Food Commodities	8221			0.00
Other Federal Revenues	8110, 8260-8299	25,144.52		25,144.52
Total, Federal Revenues		25,144.52	263,443.38	288,587.90
3. Other State Revenues				
Special Education - State	StateRevSE		215,826.00	215,826.00
All Other State Revenues	StateRevAO	151,087.66	67,144.74	218,232.40
Total, Other State Revenues		151,087.66	282,970.74	434,058.40
4. Other Local Revenues				
All Other Local Revenues	LocalRevAO	81,819.26	20,749.68	102,568.94
Total, Local Revenues		81,819.26	20,749.68	102,568.94
5. TOTAL REVENUES				
		4,083,148.33	567,163.80	4,650,312.13
B. EXPENDITURES (see NOTE in Section L)				
1. Certificated Salaries				
Certificated Teachers' Salaries	1100	1,137,534.38	72,109.58	1,209,643.96
Certificated Pupil Support Salaries	1200			0.00
Certificated Supervisors' and Administrators' Salaries	1300	172,227.91	86,534.44	258,762.35
Other Certificated Salaries	1900			0.00
Total, Certificated Salaries		1,309,762.29	158,644.02	1,468,406.31
2. Noncertificated Salaries				
Noncertificated Instructional Salaries	2100	42,131.99	175,699.32	217,831.31
Noncertificated Support Salaries	2200	78,816.30	40,596.51	119,412.81
Noncertificated Supervisors' and Administrators' Salaries	2300	71,785.56		71,785.56
Clerical and Office Salaries	2400	133,725.08	8,321.51	142,046.59
Other Noncertificated Salaries	2900	51,294.67	285.38	51,580.05
Total, Noncertificated Salaries		377,753.60	224,902.72	602,656.32

**CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM**

July 1, 2016 to June 30, 2017

Charter School Name: Ridgecrest Charter School

CDS #: 15756301530500

Description	Object Code	Unrestricted	Restricted	Total
3. Employee Benefits				
STRS	3101-3102	151,501.94	19,124.11	170,626.05
PERS	3201-3202	55,305.15	30,154.06	85,459.21
OASDI / Medicare / Alternative	3301-3302	50,677.90	19,121.07	69,798.97
Health and Welfare Benefits	3401-3402	233,921.03	29,250.65	263,171.68
Unemployment Insurance	3501-3502	1,303.15	103.10	1,406.25
Workers' Compensation Insurance	3601-3602	20,184.38	4,619.43	24,803.81
OPEB, Allocated	3701-3702			0.00
OPEB, Active Employees	3751-3752			0.00
Other Employee Benefits	3901-3902			0.00
Total, Employee Benefits		512,893.55	102,372.42	615,265.97
4. Books and Supplies				
Approved Textbooks and Core Curricula Materials	4100	27,568.94		27,568.94
Books and Other Reference Materials	4200			0.00
Materials and Supplies	4300	67,163.78	15,024.67	82,188.45
Noncapitalized Equipment	4400	18,084.30	1,475.90	19,560.20
Food	4700		123,837.17	123,837.17
Total, Books and Supplies		112,817.02	140,337.74	253,154.76
5. Services and Other Operating Expenditures				
Subagreements for Services	5100	16.46	74,856.25	74,872.71
Travel and Conferences	5200	38,531.20	22,691.35	61,222.55
Dues and Memberships	5300	4,052.17	245.00	4,297.17
Insurance	5400	26,381.00		26,381.00
Operations and Housekeeping Services	5500	65,974.75	1,700.70	67,675.45
Rentals, Leases, Repairs, and Noncap. Improvements	5600	93,341.22	32,799.00	126,140.22
Transfers of Direct Costs	5700-5799			0.00
Professional/Consulting Services and Operating Expend.	5800	252,569.44	24,902.13	277,471.57
Communications	5900	10,966.87		10,966.87
Total, Services and Other Operating Expenditures		491,833.11	157,194.43	649,027.54
6. Capital Outlay				
(Objects 6100-6170, 6200-6500 modified accrual basis only)				
Land and Land Improvements	6100-6170			0.00
Buildings and Improvements of Buildings	6200			0.00
Books and Media for New School Libraries or Major Expansion of School Libraries	6300			0.00
Equipment	6400			0.00
Equipment Replacement	6500			0.00
Depreciation Expense (accrual basis only)	6900	152,160.86		152,160.86
Total, Capital Outlay		152,160.86	0.00	152,160.86
7. Other Outgo				
Tuition to Other Schools	7110-7143			0.00
Transfers of Pass-Through Revenues to Other LEAs	7211-7213			0.00
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE			0.00
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO			0.00
All Other Transfers	7281-7299			0.00
Transfers of Indirect Costs	7300-7399			0.00
Debt Service:				
Interest	7438			0.00
Principal (for modified accrual basis only)	7439			0.00
Total Debt Service		0.00	0.00	0.00
Total, Other Outgo		0.00	0.00	0.00
8. TOTAL EXPENDITURES		2,957,220.43	783,451.33	3,740,671.76

**CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM**

July 1, 2016 to June 30, 2017

Charter School Name: Ridgecrest Charter School

CDS #: 15756301530500

Description	Object Code	Unrestricted	Restricted	Total
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,125,927.90	(216,287.53)	909,640.37
D. OTHER FINANCING SOURCES / USES				
1. Other Sources	8930-8979			0.00
2. Less: Other Uses	7630-7699			0.00
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	(216,287.53)	216,287.53	0.00
4. TOTAL OTHER FINANCING SOURCES / USES		(216,287.53)	216,287.53	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE /NET POSITION (C+D4)		909,640.37	0.00	909,640.37
F. FUND BALANCE / NET POSITION				
1. Beginning Fund Balance/Net Position				
a. As of July 1	9791	2,676,414.00		2,676,414.00
b. Adjustments/Restatements	9793, 9795			0.00
c. Adjusted Beginning Fund Balance /Net Position		2,676,414.00	0.00	2,676,414.00
2. Ending Fund Balance /Net Position, June 30 (E+F1c)		3,586,054.37	0.00	3,586,054.37
Components of Ending Fund Balance (Modified Accrual Basis only)				
a. Nonspendable				
1. Revolving Cash (equals Object 9130)	9711			0.00
2. Stores (equals Object 9320)	9712			0.00
3. Prepaid Expenditures (equals Object 9330)	9713			0.00
4. All Others	9719			0.00
b. Restricted	9740			0.00
c. Committed				
1. Stabilization Arrangements	9750			0.00
2. Other Commitments	9760			0.00
d. Assigned	9780			0.00
e. Unassigned/Unappropriated				0.00
1. Reserve for Economic Uncertainties	9789			0.00
2. Unassigned/Unappropriated Amount	9790M			0.00
3. Components of Ending Net Position (Accrual Basis only)				
a. Net Investment in Capital Assets	9796	1,749,694.70		1,749,694.70
b. Restricted Net Position	9797			0.00
c. Unrestricted Net Position	9790A	1,836,359.67	0.00	1,836,359.67

**CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM**

July 1, 2016 to June 30, 2017

Charter School Name: Ridgecrest Charter School

CDS #: 15756301530500

Description	Object Code	Unrestricted	Restricted	Total
G. ASSETS				
1. Cash				
In County Treasury	9110			0.00
Fair Value Adjustment to Cash in County Treasury	9111			0.00
In Banks	9120	1,338,854.31		1,338,854.31
In Revolving Fund	9130	1,053.86		1,053.86
With Fiscal Agent/Trustee	9135			0.00
Collections Awaiting Deposit	9140			0.00
2. Investments	9150			0.00
3. Accounts Receivable	9200			0.00
4. Due from Grantor Governments	9290	608,490.11		608,490.11
5. Stores	9320			0.00
6. Prepaid Expenditures (Expenses)	9330	48,032.54		48,032.54
7. Other Current Assets	9340			0.00
8. Capital Assets (accrual basis only)	9400-9489	1,749,694.70		1,749,694.70
9. TOTAL ASSETS		3,746,125.52	0.00	3,746,125.52
H. DEFERRED OUTFLOWS OF RESOURCES				
1. Deferred Outflows of Resources	9490			0.00
2. TOTAL DEFERRED OUTFLOWS		0.00	0.00	0.00
I. LIABILITIES				
1. Accounts Payable	9500	160,070.51		160,070.51
2. Due to Grantor Governments	9590			0.00
3. Current Loans	9640			0.00
4. Unearned Revenue	9650			0.00
5. Long-Term Liabilities (accrual basis only)	9660-9669			0.00
6. TOTAL LIABILITIES		160,070.51	0.00	160,070.51
J. DEFERRED INFLOWS OF RESOURCES				
1. Deferred Inflows of Resources	9690			0.00
2. TOTAL DEFERRED INFLOWS		0.00	0.00	0.00
K. FUND BALANCE /NET POSITION				
Ending Fund Balance /Net Position, June 30 (G9 + H2) - (I6 + J2) (must agree with Line F2)		3,586,055.01	0.00	3,586,055.01

**CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM
July 1, 2016 to June 30, 2017**

Charter School Name: Ridgecrest Charter School
CDS #: 15756301530500

L. FEDERAL EVERY STUDENT SUCCEEDS ACT (ESSA) MAINTENANCE OF EFFORT REQUIREMENT

NOTE: IF YOUR CHARTER SCHOOL RECEIVED FEDERAL FUNDING, AS REPORTED IN SECTION A2, THE FOLLOWING ADDITIONAL INFORMATION MUST BE PROVIDED IN ORDER FOR THE CDE TO CALCULATE COMPLIANCE WITH THE FEDERAL EVERY STUDENT SUCCEEDS ACT (ESSA) MAINTENANCE OF EFFORT REQUIREMENT:

1. Federal Revenue Used for Capital Outlay and Debt Service

Included in the Capital Outlay and Debt Service expenditures reported in sections B6 and B7 are the following amounts paid out of federal funds:

Federal Program Name (If no amounts, indicate "NONE")	Capital Outlay	Debt Service	Total
a. NONE	\$ 0.00	0.00	0.00
b. _____			0.00
c. _____			0.00
d. _____			0.00
e. _____			0.00
f. _____			0.00
g. _____			0.00
h. _____			0.00
i. _____			0.00
j. _____			0.00
TOTAL FEDERAL REVENUES USED FOR CAPITAL OUTLAY AND DEBT SERVICE	0.00	0.00	0.00

2. Community Services Expenditures

Provide the amount of State and Local funds reported in Section B that were expended for Community Services Activities:

Objects of Expenditures	Amount (Enter "0.00" if none)
a. Certificated Salaries 1000-1999	0.00
b. Noncertificated Salaries 2000-2999	0.00
c. Employee Benefits 3000-3999	0.00
d. Books and Supplies 4000-4999	0.00
e. Services and Other Operating Expenditures 5000-5999	0.00
TOTAL COMMUNITY SERVICES EXPENDITURES	0.00

**CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM
July 1, 2016 to June 30, 2017**

Charter School Name: Ridgecrest Charter School
CDS #: 15756301530500

3. State and Local Expenditures to be Used for ESSA Annual Maintenance of Effort Calculation:

Results of this calculation will be used for comparison with 2015-16 expenditures. Failure to maintain the required 90 percent expenditure level on either an aggregate or per capita expenditure basis will result in reduction to allocations for covered programs in 2018-19.

a. Total Expenditures (B8)	3,740,671.76
b. Less Federal Expenditures (Total A2) [Revenues are used as proxy for expenditures because most federal revenues are normally recognized in the period that qualifying expenditures are incurred]	288,587.90
c. Subtotal of State & Local Expenditures [a minus b]	3,452,083.86
d. Less Community Services [L2 Total]	0.00
e. Less Capital Outlay & Debt Service [Total B6 plus objects 7438 and 7439, less L1 Total]	152,160.86
TOTAL STATE & LOCAL EXPENDITURES SUBJECT TO MOE [c minus d minus e]	\$ 3,299,923.00