

AGENDA

REGULAR MEETING

BOARD OF DIRECTORS SACRAMENTO VALLEY CHARTER SCHOOL

2301 Evergreen Avenue, West Sacramento, California 95691

December 16, 2019

5:00 p.m.

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS

The Sacramento Valley Charter School ("School") welcomes your participation at the School's Board meetings. The purpose of a public meeting of the Board of Directors ("Board") is to conduct the affairs of the School in public. We are pleased that you are in attendance. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. Agendas are available to all audience members at the door to the meeting.
2. "Request to Speak" forms are available to all audience members who wish to speak on any agenda items or under the general category of "Oral Communications." "Oral Communications" is set aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen-requested item.
3. You may also complete a "Request to Speak" form to address the Board on Agenda items. With regard to such agenda items, you may specify that agenda item on your "Request to Speak" form and you will be given an opportunity to speak for up to three (3) minutes when the Board discusses that item.
4. When addressing the Board, speakers are requested to state their name and address from the podium and adhere to the time limits set forth.
5. Any public records relating to an agenda item for an open session of the Board which are distributed to all, or a majority of all, of the Board members shall be available for public inspection at Sacramento Valley Charter School in the School Office at 2399 Sellers Way, West Sacramento, CA 95691 and viewed online at <https://www.sacvalleycharter.org/board-meetings-2017-19.html>.

I. OPEN SESSION

A. CALL TO ORDER

Meeting was called to order by the Board Chair at _____.

B. ROLL CALL

	Present	Absent
Chamkaur Dhatt	_____	_____
Narinder Thandi	_____	_____
Darshan Mundy	_____	_____
Surjit S. Dhillon	_____	_____
Bhajan S. Bhinder	_____	_____

II. APPROVAL OF THE MEETING AGENDA

III. APPROVAL OF MEETING MINUTES: Regular Meeting November 13, 2019

IV. COMMUNICATIONS

A. ORAL COMMUNICATIONS: 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. *Persons requiring and interpreter shall receive a maximum of six (6) minutes.

B. FOR INFORMATION: BOARD/STAFF DISCUSSIONS: Board and staff discuss items of mutual interest.

V. CONSENT AGENDA ITEMS: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board votes on them.

VI. PUBLIC HEARINGS

VII. ITEMS SCHEDULED FOR ACTION

A. BUSINESS (5 minutes)

1. Approve Revenue and Expense Reports
2. Approve the First Interim Report including budget transfers and revisions.
3. Receive the Audit Report for fiscal year ended June 30, 2019 and authorize the report to be filed with WUSD, YCOE, SCO and CDE.

4. Approve 3-year agreement for monthly ¼ page advertising in the Southport Spotlight magazine at a cost of \$10,224 plus applicable tax.
5. Approve custodial services agreement with New Horizon Flooring/Cesar Corleto for services during and after the school day.
6. Approve parking lot safety improvements (i.e. gates or swing arms to limit traffic in play areas during the school day).

B. CURRICULUM AND INSTRUCTION

C. PERSONNEL

D. PUPIL SERVICES

VIII. ITEMS SCHEDULED FOR INFORMATION/DISCUSSION

A. BUSINESS

B. CURRICULUM AND INSTRUCTION (10 minutes)

1. Principal's Report: This is a presentation of information which has occurred since the previous Board meeting. This also includes ongoing efforts for student performance and enrollment update.

C. PERSONNEL (5 minutes)

1. Staffing Update 2019-20

D. PUPIL SERVICES (15 minutes)

1. Updated on Transportation Services
2. Update on School Safety
 - A. Status of main gate on Coke Street
 - B. Review of daily school operations and perceived challenges

IX. ITEMS FROM THE BOARD

X. ADJOURNMENT

The meeting was adjourned at _____

Future Meeting Agenda Items:
Fiscal Policies
Board Governance Policies
International Baccalaureate Program

MINUTES

REGULAR MEETING

BOARD OF DIRECTORS
SACRAMENTO VALLEY CHARTER SCHOOL

2301 Evergreen Avenue, West Sacramento, California 95691

November 13, 2019

6:00 p.m.

**INSTRUCTIONS FOR PRESENTATIONS TO
THE BOARD BY PARENTS AND CITIZENS**

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I. OPEN SESSION

A. CALL TO ORDER

Meeting was called to order by the Board Chair at 6:22 PM.

B. ROLL CALL

	Present	Absent
Chamkaur Dhatt	<u>X</u>	_____
Narinder Thandi	<u>X</u>	_____
Darshan Mundy	<u>X</u> (arrived 6:45PM)	_____
Surjit S. Dhillon	<u>X</u>	_____
Bhajan S. Bhinder	_____	<u>X</u>

II. APPROVED THE MEETING AGENDA As Motioned by N. Thandi, Seconded by S. Dhillon and Approved by vote of 3 – Ayes, 2 – Absent.

III. APPROVED MEETING MINUTES: for the Regular Meeting October 23, 2019 as Motioned by S. Dhillon, Seconded by N. Thandi and Approved by vote of 3 – Ayes, 2 – Absent.

IV. COMMUNICATIONS

A. ORAL COMMUNICATIONS: 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. *Persons requiring and interpreter shall receive a maximum of six (6) minutes.

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VI. PUBLIC HEARINGS

VII. ITEMS SCHEDULED FOR ACTION

A. BUSINESS (5 minutes)

1. Approved the Revenue and Expense Reports as Motioned by S. Dhillon, Seconded by C. Dhatt and Approved by vote of 3 – Ayes, 2 – Absent.

2. Approved the Overnight Fieldtrip to Alliance Redwoods as Motioned by S. Dhillon, Seconded by N. Thandi and Approved by vote of 3 – Ayes, 2 – Absent.
3. Approved Barbara J. Gross to prepare and file Forms 990 and 199 for year ended December 31, 2018 at a cost of \$1,000 and authorized Dr. Singh to sign the Engagement Letter as Motioned by S. Dhillon, Seconded by N. Thandi and Approved by vote of 4 – Ayes, 1 – Absent.
4. Approved the Principal and one other attendee to attend the 2020 CCSA conference March 16-19 in Long Beach to include conference costs, air fare, hotel, ground transportation and meals, etc. at a budget not to exceed \$3,000 as Motioned by N. Thandi, Seconded by D. Mundy and Approved by vote of 4 – Ayes, 1 Absent.
5. Approved SVCS representatives to attend the El Dorado Charter SELPA Potential New Partner Meeting in Long Beach on March 16, 2020 during the CCSA Conference in order to take the next steps for the SELPA application process as Motioned by S. Dhillon, Seconded by D. Mundy and Approved by vote of 4 – Ayes, 1 – Absent.

B. CURRICULUM AND INSTRUCTION

C. PERSONNEL

D. PUPIL SERVICES

VIII. ITEMS SCHEDULED FOR INFORMATION/DISCUSSION

A. BUSINESS

1. Ethnic Balance Plan Update – Dr. Singh and Vicky shared the advertising and events that have been conducted and are planned. Another update will be brought to the January and/or February meeting(s).

B. CURRICULUM AND INSTRUCTION (15 minutes)

1. Update on California Dashboard Data Local Indicators
2. School Accountability Report Card (SARC)
3. Principal's Report: This is a presentation of information which has occurred since the previous Board meeting. This also includes ongoing efforts for student performance and enrollment update.

C. PERSONNEL (5 minutes)

1. Staffing Update 2019-20
 - A. School Secretary – Lizvet Aguilera has been hired.
 - B. Other updates include changes in office staffing and the addition of a part-time Punjabi language instructor as a result of higher enrollment.

D. PUPIL SERVICES (5 minutes)

1. Updated on Transportation Services

IX. ITEMS FROM THE BOARD

X. ADJOURNMENT

The meeting was adjourned at 8:35 PM as Motioned by S. Dhillon, Seconded by D. Mundy and Approved by vote of 4 – Ayes, 1 - Absent

Sacramento Valley Charter School Transaction Report

November 12 - December 9, 2019

	Account	Amount
Total for 8096 - Cash in Lieu of Property Taxes	UNRESTRICTED REVENUE:0000 - Unrestricted:8096 - Cash in Lieu of Property Taxes	\$ 33,980.00
Total for After School Program	UNRESTRICTED REVENUE:0000 - Unrestricted:8699 - Other Local Income:After School Program	\$ 1,320.00
Total for Miscellaneous	UNRESTRICTED REVENUE:0000 - Unrestricted:8699 - Other Local Income:Miscellaneous , Bhangra Class & US Bank rebate	\$ 467.92
Total for Transportation	UNRESTRICTED REVENUE:0000 - Unrestricted:8699 - Other Local Income:Transportation	\$ 475.00
Total		\$ 36,242.92

Sacramento Valley Charter School Check Detail

November 12 - December 09, 2019

Date	Num	Name	Memo/Description	Amount
11/12/2019	3915	Kristine Koven	Reimbursement for Professional development snacks	26.99
11/12/2019	3916	California Charter Schools Association	Charter School Membership	2,300.00
11/12/2019	3917	Wave Broadband	Phone and Internet Service	357.71
11/12/2019	3918	North Valley Fleet Services, Inc.	45 days inspection for all buses	550.00
11/12/2019	3919	Young, Minney & Corr, LLP	Legal Service Regarding Special Ed. Plan	5.23
11/15/2019	3920	Chill-Chain, Inc.	Milk	97.11
11/15/2019	3921	Alliance Redwoods	Camp for 5th grade	731.25
11/15/2019	3922	Jus Broadcasting Corp.	Advertisement on Punjabi Channel	1,500.00
11/15/2019	3923	Sikh Temple	Rent for October	23,362.00
11/15/2019	3924	Inderjit singh	Transport Students to School	325.00
11/15/2019	3925	California Choice Builder	December Premium	747.62
11/21/2019	3926	Amazon.Com	Classroom Supplies & Doc Camera	3,786.08
			Office Supplies	314.84
			Virco Student Chairs for Kindergarten	578.36
			use tax on classroom supplies and chairs for kindergarten	-150.82
				4,528.46
11/21/2019	3927	Sikh Temple	Rent for November	23,362.00
11/21/2019	3928	Serve 3 Network	Technology Support	955.28
11/21/2019	3929	Kristine Koven	Reimbursement for classroom Supplies	8.60
11/21/2019	3930	Amarjit Nijjar	Reimbursement for classroom Supplies	21.55
11/21/2019	3931	Harpreet Singh	Transport Students to School	650.00
11/21/2019	3932	MetLife	Life, LTD, ADD	321.74
11/21/2019	3933	Harpreet Singh	Transport Students to School	1,530.00
11/21/2019	3934	Manmohan Singh	Transport Students to School	975.00
11/22/2019	3935	Aptech Surveillance	14 Outdoor/Indoor Infrared IP Dome Cameras & Amplifier, Wireless Access Points	4,849.95
			Installation fees	850.00
				5,699.95
12/03/2019	3936	SWEAT Team	Fitness Session 4	1,980.00
12/03/2019	3937	Sikh Temple	Janitorial Service	2,200.00
12/03/2019	3938	Chill-Chain, Inc.	Milk/ Butter	239.11
12/03/2019	3939	Prabhjot Singh	Bhangra Class	875.00
12/03/2019	3940	Preet Cheema	Reimbursement for classroom supplies	196.11

12/03/2019	3941 Kuldip K. Bagri	Reimbursement for CPR and First Aid Training	88.63
12/03/2019	3942 Great America Financial	Copier Lease	1,195.24
12/03/2019	3943 California Choice	January Premium	9,348.63
12/03/2019	3944 Wave Broadband	Phone & Internet Service	363.82
12/03/2019	3945 US Bank	Lunch Grocery	3,366.34
		After School Snacks	151.42
		Travel Workshops for Dr.singh (Long Beach), Lizvet Aguilera(Holiday inn), Ms. Whittall,Ms. Provost, Ms.lester, Ms. Koven(sacramento)	1,372.98
		Classroom Supplies	680.37
		Bus Keys	60.08
		Office Supplies	133.45
		Microsoft/ online websites	549.00
		Teachers book Orders	175.00
		Breakfast snacks on professional development training	95.91
		Phone/Internet Service	224.15
			<u>6,808.70</u>
12/03/2019	3946 The UPS Store	Live scan	76.00
		Mailing Service	330.41
			<u>406.41</u>
12/03/2019	3947 Melvin Krines	Training for transportation staff	585.00
12/03/2019	3948 Victoria Dali	November Invoice	1,706.25
12/03/2019	3949 Heinemann	Teacher Writing Edition for Kindergarten	263.50
12/03/2019	3950 TIAA Bank	Copier Lease	99.99
12/03/2019	3951 Teresa Phillips	Reimbursement for Classroom supplies	107.25

**Sacramento Valley Charter School
2019-20 First Interim Report Narrative
Dec. 11, 2019**

The following narrative is provided to highlight and explain significant components and assumptions used in developing the First Interim Report and to describe major changes since the budget was adopted.

Revenue:

LCFF:

The main reason for the \$133,130 increase in LCFF revenue from adopted to 1st Interim is enrollment growth. While the budget was adopted with an estimate for 10 additional students, the actual enrollment increased by about 25.

2013-14: 230.42 ADA
2014-15: 226.46 ADA
2015-16: 215.36 ADA
2016-17: 198.58 ADA
2017-18: 220.42 ADA
2018-19: 239.78 ADA
2019-20: 260.75 est. ADA

Other State Revenue:

No change.

Local Revenue:

No change.

Expenses:

Certificated: The First Interim includes position changes from turn over, the addition of a 5th grade teacher and the mid-year addition of a Punjabi Language teacher.

Classified: Pay increases approved by the Board at meetings since budget adoption are reflected in the 1st Interim calculations. Positions not receiving an increase at the beginning of the year include a \$.50/hour raise effective 1/1/2020.

Benefits: Benefits were adjusted for turnover and the addition of full-time positions receiving benefits.

Books and Supplies: As we are well into the school year, the majority of textbooks, core materials and classroom equipment has been purchased allowing for a reduction to text books, other books. Some of those funds were applied as an increase to the supplies and non-capitalized equipment budgets (for the Board-approved purchase of 30 additional Chromebooks and a charging cart).

Services and Operating Expenses: Technology upgrades and contracted services budgets were increased for the 14 infrared dome cameras bought and installed plus the phone service, amplifier and cloud services.

Other Outgo/Financing Uses: Depreciation expense reflects a net increase of \$18,562 for the three new buses.

Summary:

SVCS is experiencing stability in its financial condition for the budgeted and two subsequent years. The modest budget surpluses will allow for small variances and fluctuations to occur without impacting the overall program. As funds allow, the Board has continued taking steps to ensure SVCS retains staff, maintains high morale and attracts well-qualified employees.

The multi-year projection shows that SVCS will be able to meet its future obligations as well as maintain its reserves at the Board's stated level of three times average monthly expenses (and exceed the 5% level contained in the Operations MOU).

Cash flow has improved greatly since 2018-19 and no longer requires daily monitoring. This is a direct result of having enrollment funding growth and being fiscally cautious during the prior year.

Sacramento Valley Charter School

Fiscal Year Budget Cycle	Adopted	Difference	1st Interim
	Budget		Budget
	6/5/2019		6/5/2019
	<u>2019-20</u>		<u>2019-20</u>
Key Budget and Financial Variables			
Enrollment	260.00	15.00	275.00
Estimated School P2 ADA	250.00	10.75	260.75
Unduplicated Count - EL/FRLE	185.00	9.00	194.00
A. Revenues:			
State (using FCMAT LCFF Calculator)			
Base Grade Span (includes CiL & EPA)	\$ 2,046,010	\$ 86,400	\$ 2,132,410
Supplemental and Concentration	410,246	46,730	456,976
PY Adj to Cil, EPA, State Aid	-	-	-
Subtotal - State Revenue	<u>\$2,456,256</u>	<u>\$133,130</u>	<u>\$2,589,386</u>
Federal			
Other State (Lottery, MBG, OTO, SB740 CSFGP)	221,209	-	221,209
Local (bus, fund raising, donations, after school)	69,500	-	69,500
Total Revenue	<u>\$ 2,746,965</u>	<u>\$ 133,130</u>	<u>\$ 2,880,095</u>
B. Expenditures:			
1000-1999 Certificated Personnel Salaries	\$849,570	\$51,700	\$901,270
1100 Teachers (all)	728,950	49,600	778,550
1100 2 P.D. days, 14 teachers @ \$140/day + 50 hours@\$20/hr	4,920	-	4,920
1100.01 Substitutes (absence coverage)	12,600	1,800	14,400
1100.03 Substitutes for PD release time	2,100	300	2,400
1100 Teacher-in-Charge Stipend	2,000	-	2,000
1100 Hard-to-Fill Position (Math+Science) Stipends	2,000	-	2,000
1300 Principal @ 210 days/yr	97,000	-	97,000
2000-2999 Classified Personnel Salaries	\$433,038	\$40,686	\$473,724
2100 Instructional Aides/EL, hourly (rates/hours vary, 180 days)	117,564	5,033	122,597
2200 Non-Certificated Support (drivers, food srvc, custodian)	177,191	27,460	204,651
2400 School Office/Clerical (all)	83,851	8,193	92,044
2900 Other Classified (RM, After School)	54,432	-	54,432
3000-3999 Employee Benefits	\$245,936	\$11,258	\$257,193
3300 OASDI and Medicare	100,685	7,252	107,937
3400 Health & Welfare	107,850	2,843	110,693
3500 State Unemployment	21,266	-	21,266
3600 Worker's Compensation	16,135	1,162	17,297
4000-4999 Books and Supplies	\$234,700	-\$31,000	\$203,700
4100 Textbooks	71,500	(10,000)	61,500
4200 Other Books/Library	35,000	(30,000)	5,000
4300 Materials and Supplies	44,700	6,000	50,700
4300 Transportation - Gasoline	47,000	-	47,000
4400 Non-capitalized Furn/Equip (>\$500, <\$5,000)	2,000	3,000	5,000
4700 Food	32,000	-	32,000
4700 After School Program Snacks	2,500	-	2,500
5000-5999 Services and Other Operating Expenditures	\$678,215	\$12,242	\$690,457
5200 Travel & Conferences	3,000	-	3,000
5300 Dues & Memberships	3,200	-	3,200
5400 Insurance	45,092	-	45,092
5501 Operations & Housekeeping	22,000	-	22,000
5530 Utilities	15,000	-	15,000
5610 Facility Rent/Lease	280,344	-	280,344
5600 Facility Maintenance and Safety Improvements	15,400	-	15,400
5630 Copier Leases	9,660	-	9,660
5600 Transportation - Bus/Van Maint	41,500	-	41,500

Sacramento Valley Charter School

Fiscal Year Budget Cycle	Adopted	Difference	1st Interim
	Budget		Budget
	6/5/2019		6/5/2019
	<u>2019-20</u>		<u>2019-20</u>
5625 Van Rental for Student Transportation	-	-	-
5640 Food Service Shopping & Delivery	4,725	-	4,725
5800 District Admin Oversight (1% State Aid)	24,563	1,331	25,894
5800 Nursing Services (screenings) est.	1,500	-	1,500
5800 Accounting Services	27,660	-	27,660
5820 Audit Services	11,025	-	11,025
5800 Fieldtrips	9,500	-	9,500
5625 Contracted Student Transportation (Three Drivers)	29,500	-	29,500
5830 Legal Services	10,000	-	10,000
5800 Marketing/Recruiting	10,000	-	10,000
5800 Technology Upgrade	5,000	5,211	10,211
5800 Technology Support	15,000	-	15,000
5800 Other Contracted Srvc (ADP, banking, tech, licenses, driver training, etc)	54,771	5,700	60,471
5800 Prop 39 Expenses	-	-	-
5800 Professional Development	32,775	-	32,775
5900 Postage and Communications	7,000	-	7,000
6000-6999 Capital Outlay	\$92,783	\$ 18,562	\$111,345
6400 Furniture and Equipment (>\$5,000)	-	-	-
6500 FF&E Replacement (>\$5,000)	-	-	-
6900 Depreciation Expense (non-cash)	92,783	18,562	111,345
Total Expenditures	<u>\$2,534,241</u>	<u>\$103,448</u>	<u>\$2,637,689</u>
Net Annual Operations	\$212,724	\$29,682	\$242,406
7000-7999 Other Outgo/Other Financing Uses			
7141 Special Ed. Pro-Rata Share of Unfunded Costs	\$ 174,200	\$ 16,575	\$ 190,775
7438 Debt Service (bus loan interest 3 buses)	83	3	86
7438 Debt Service (bus loan interest 1 bus)	8,863	153	9,016
7438 Debt Service (bus loan interest 3 buses)	-	12,984	12,984
Other Uses	-	-	-
Total Other Outgo	<u>\$183,146</u>	<u>\$29,715</u>	<u>\$212,861</u>
Net increase (decrease):	\$29,577	(\$32)	\$29,545
Beginning Balance	\$ 781,131	\$ 179,979	\$ 961,110
Ending Balance*	<u>\$ 810,708</u>	<u>\$ 179,947</u>	<u>\$ 990,655</u>
Bank cash balance at 6/30/2019:	<u>\$272,076</u>		
Book cash balance at 6/30/2019:	<u>\$269,619</u>		
Bank balance 12/10/19:	<u>\$369,104</u>		
Est cash balance at 6/30/2020:	<u>\$552,704</u>		
Loan Balance Due to Temple 6/30/19:	<u>\$25,000</u>		
Loan Balance Due to Temple at 6/30/20:	<u>\$0</u>		

Sacramento Valley Charter School

Fiscal Year Budget Cycle	1st Interim <u>2019-20</u>	MYP <u>2020-21</u>	MYP <u>2021-22</u>
Key Budget and Financial Variables			
Enrollment	275.00	275.00	275.00
Estimated School P2 ADA	260.75	260.00	260.00
Unduplicated Count - EL/FRLE	194.00	190.00	190.00
A. Revenues:			
State (using FCMAT LCFF Calculator)			
Base Grade Span (includes CiL & EPA)	\$ 2,132,410	\$ 2,190,103	\$ 2,251,347
Supplemental and Concentration	456,976	459,396	465,263
PY Adj to Cil, EPA, State Aid	-	-	-
Subtotal - State Revenue	<u>\$2,589,386</u>	<u>\$2,649,499</u>	<u>\$2,716,610</u>
Federal	-	-	-
Other State (Lottery, MBG, SB740 CSFGP)	221,209	225,246	229,127
Local (bus, fund raising, donations, after school)	69,500	69,500	69,500
Total Revenue	<u>\$ 2,880,095</u>	<u>\$ 2,944,245</u>	<u>\$ 3,015,237</u>
B. Expenditures:			
1000-1999 Certificated Personnel Salaries	\$901,270	\$917,559	\$928,795
1100 Teachers (all)	778,550	793,550	808,550
1100 2 P.D. days, 14 teachers @ \$140/day + 50 hours@\$20/hr	4,920	4,920	4,920
1100.01 Substitutes	14,400	14,914	10,150
1100.02 LT Subs at \$199/day	-	-	-
1100.03 Substitutes for PD	2,400	2,175	2,175
1100 Teacher-in-Charge Stipend	2,000	2,000	2,000
1100 Hard-to-Fill Position (Math+Science) Stipends	2,000	2,000	2,000
1300 Principal @ 210 days/yr	97,000	98,000	99,000
2000-2999 Classified Personnel Salaries	\$473,724	\$483,198	\$492,862
2100 Instructional Aides/EL, hourly (rates/hours vary, 180 days)	122,597	125,049	127,550
2200 Non-Certificated Support (drivers, food srvc)	204,651	208,744	212,919
2400 School Office/Clerical (all)	92,044	93,885	95,763
2900 Other Classified (RM, After School)	54,432	55,521	56,631
3000-3999 Employee Benefits	\$257,193	\$268,660	\$280,403
3300 OASDI and Medicare	107,937	109,959	111,600
3400 Health & Welfare	110,693	119,548	129,112
3500 State Unemployment	21,266	21,266	21,266
3600 Worker's Compensation	17,297	17,886	18,425
4000-4999 Books and Supplies	\$203,700	\$193,854	\$195,541
4100 Textbooks	61,500	50,000	50,000
4200 Other Books/Library	5,000	5,000	5,000
4300 Materials and Supplies (incl. after school)	50,700	51,714	52,748
4300 Transportation - Fuel	47,000	47,000	47,000
4400 Non-capitalized Furn/Equip (>\$500, <\$5,000)	5,000	5,000	5,000
4700 Food	32,000	32,640	33,293
4700 After School Program Snacks	2,500	2,500	2,500
5000-5999 Services and Other Operating Expenditures	\$690,457	\$712,104	\$730,861
5200 Travel & Conferences	3,000	3,000	3,000
5300 Dues & Memberships	3,200	3,200	3,200
5400 Insurance	45,092	46,219	47,375
5501 Operations & Housekeeping	22,000	22,550	23,114
5530 Utilities	15,000	20,000	20,000
5610 Facility Rent/Lease	280,344	288,754	296,839
5600 Facility Maintenance	15,400	15,785	16,180

Sacramento Valley Charter School

Fiscal Year Budget Cycle	1st Interim	MYP	MYP
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
5630 Copier Leases	9,660	9,660	9,660
5600 Transportation - Bus/Van Maint	41,500	45,000	50,000
5625 Van Rental for Student Transportation	-	-	-
5640 Food Service Shopping & Delivery	4,725	4,725	4,725
5800 District Admin Oversight (1% State Aid)	25,894	26,495	27,166
5800 Nursing Services (screenings) est.	1,500	1,575	1,654
5800 Accounting Services	27,660	28,160	28,660
5820 Audit Services	11,025	11,025	11,600
5800 Fieldtrips	9,500	9,500	9,500
5625 Contracted Student Transportation (Drivers)	29,500	30,000	30,500
5830 Legal Services	10,000	10,000	10,000
5800 Marketing/Recruiting	10,000	10,000	10,000
5800 Technology Upgrade	10,211	10,000	10,000
5800 Technology Support	15,000	15,000	15,000
5800 Other Contracted Srvc (ADP, banking, tech, licenses, driver tra	60,471	61,680	62,914
5800 Professional Development	32,775	32,775	32,775
5900 Postage and Communications	7,000	7,000	7,000
6000-6999 Capital Outlay	\$111,345	\$117,533	\$116,165
6400 Furniture and Equipment (>\$5,000)	-	-	-
6500 FF&E Replacement (>\$5,000)	-	-	-
6900 Depreciation Expense (non-cash)	111,345	117,533	116,165
Total Expenditures	\$2,637,689	\$2,692,909	\$2,744,628
Net Annual Operations	\$242,406	\$251,336	\$270,609
7000-7999 Other Outgo/Other Financing Uses			
7141 Special Ed. Pro-Rata Share of Unfunded Costs	\$ 190,775	\$ 202,270	\$ 214,420
7438 Debt Service (bus loan interest 3 buses)	86	-	-
7438 Debt Service (bus loan interest 1 bus)	9,016	7,122	5,108
7438 Debt Service (bus loan interest 3 buses)	12,984	15,569	11,771
Other Uses	-	-	-
Total Other Outgo	\$212,861	\$224,961	\$231,299
Net increase (decrease):	\$29,545	\$26,376	\$39,310
Beginning Balance	\$ 961,110	\$ 990,655	\$ 1,017,030
Ending Balance	\$ 990,655	\$ 1,017,030	\$ 1,056,340

**SACRAMENTO VALLEY CHARTER SCHOOL
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2019**

SACRAMENTO VALLEY CHARTER SCHOOL
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Valley Charter School
West Sacramento, California

Report on the Financial Statements

I have audited the accompanying financial statements of Sacramento Valley Charter School which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sacramento Valley Charter School as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1(H) to the financial statements, Sacramento Valley Charter School, adopted new accounting guidance, Accounting Standards Update (ASU) No. 2016-14 – Not-for-profits (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. My opinion is not modified with respect to this matter.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis, and as required by the 2018-19 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated December 10, 2019 on my consideration of Sacramento Valley Charter School's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sacramento Valley Charter School's internal control over financial reporting and compliance.

Patel & Associates, LLP

Oakland, California
December 10, 2019

FINANCIAL SECTION

**SACRAMENTO VALLEY CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

Current assets:

Cash	\$ 269,619
Prepaid expenses	52,107
Due from state and local governments (Note 4)	<u>387,559</u>
Total current assets	<u>709,285</u>

Noncurrent assets:

Long-term deposits (Note 6)	151,200
Property and equipment - net (Note 5)	<u>419,998</u>
Total noncurrent assets	<u>571,198</u>

Total assets	<u>\$ 1,280,483</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Account payable	\$ 121,674
Note payable to Temple (Note 6)	25,000
Vehicle loans - current (Note 7)	<u>43,325</u>
Total current liabilities	189,999

Long-term liabilities:

Loan (Note 7)	<u>129,374</u>
Total liabilities	<u>319,373</u>

Net assets:

With donor restrictions	195,249
Without donor restrictions	<u>765,861</u>
Total net assets	<u>961,110</u>

Total liabilities and net assets	<u>\$ 1,280,483</u>
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The accompanying notes are an integral part of these financial statements.

**SACRAMENTO VALLEY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Local Control Funding Formula Sources:			
State Aid	\$ 1,414,633	\$ -	\$ 1,414,633
EPA entitlement	377,124	-	377,124
Cash in-lieu of property taxes	424,754	-	424,754
Other state revenue	88,028	211,358	299,386
Local revenue:			
Contribution	22,333	-	22,333
Other local revenue	74,108	-	74,108
Net asset released from restrictions	<u>182,887</u>	<u>(182,887)</u>	<u>-</u>
Total support and revenues	<u>2,583,867</u>	<u>28,471</u>	<u>2,612,338</u>
EXPENSES			
Program expenses:			
Educational programs	2,044,225	-	2,044,225
Supporting services:			
Management and general	<u>331,551</u>	<u>-</u>	<u>331,551</u>
Total expenses	<u>2,375,776</u>	<u>-</u>	<u>2,375,776</u>
Change in net assets	208,091	28,471	236,562
Net assets, beginning of year	<u>557,770</u>	<u>166,778</u>	<u>724,548</u>
Net assets, end of year	<u>\$ 765,861</u>	<u>\$ 195,249</u>	<u>\$ 961,110</u>

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

**SACRAMENTO VALLEY CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 236,562
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	82,883
Changes in operating assets and liabilities:	
Due from state and local governments	(183,165)
Prepaid expenses	(11,281)
Accounts payable	<u>(44,172)</u>
Net cash provided by operating activities	<u>80,827</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	<u>(188,327)</u>
Net cash used in investing activities	<u>(188,327)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayment of note payable	(25,000)
Proceeds from vehicle loan	166,256
Repayment of vehicle loan	<u>(86,752)</u>
Net cash provided by financing activities	<u>54,504</u>

NET DECREASE IN CASH	(52,996)
CASH, beginning of year	<u>322,615</u>
CASH, end of year	<u>\$ 269,619</u>

Supplemental disclosures:

Interest paid during the year	<u>\$ 5,749</u>
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The accompanying notes are an integral part of these financial statements.

SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Sacramento Valley Charter School (the Charter School) is a California non-profit public benefit corporation that was incorporated on June 14, 2011, and is organized to manage, operate, guide, direct and promote a California Public Charter School.

The Charter School is funded principally through State of California Public Education monies received through the California Department of Education and the Yolo County Office of Education. A Board of Directors, consisting of five board members, governs the Charter School. Washington Unified School District (the Sponsoring District) renewed the charter for the Charter School for a five-year term through June 2024. Along with the approval of the Charter, the Charter School signed a Memorandum of Understanding (MOU) with the Sponsoring District.

The charter could be revoked by the Sponsoring District 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.

A. Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting recognizing revenues when earned and expenses when incurred. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Charter School and changes therein are classified as follows:

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Charter School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Charter School. The Charter School's board may designate assets without restrictions for specific operational purposes from time to time.

B. Revenue Recognition

The Charter School receives state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

The Charter School primarily receives the funds from California Department of Education (CDE). Amounts received from the CDE are recognized by the Charter School based on the average daily attendance (ADA) of students.

**SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contributions and grants are recognized in full when received or unconditionally promised. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor restricted amounts are reported as increases in net assets with donor restriction. Net assets with donor restriction become net assets without donor restriction, and are reported in the statement of activities as net assets released from restrictions, when time restrictions expire or the contributions are used for the restricted purpose.

C. Property and Equipment

Property and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donations. The Charter School capitalizes all expenditures for property and equipment in excess of \$5,000. Depreciation is computed using the straight-line method over an estimated useful life for vehicles of 7-8 years.

D. Donated Property and Equipment

Donation of property and equipments received prior to June 15, 2015 are recorded as contributions at fair value at the date of donation. Such donation is reported as increases in net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose. After June 15, 2015 these assets are recorded at acquisition value.

E. 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 certain reported amounts and disclosures. Significant estimates included in these financial statements are management's estimate of the collectability of accounts receivable and the useful life of vehicles. Accordingly, actual results could differ from those estimates.

F. Income Taxes

The Charter School is publicly supported and has received tax-exempt status under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code.

The Charter School uses the same accounting methods for tax and financial reporting. Accordingly, no provision for federal and state income taxes has been made in the accompanying financial statements. There is no unrelated taxable income and accordingly, there is no provision for income taxes in these financial statements.

SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Charter School in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Charter School's returns are subject to examination by Federal and State taxing Authorities, generally three years and four years respectively after they are filed.

G. Functional Expenses

In order to provide information related to service efforts, the costs of providing each of the Charter School's programs and support services have been presented in a separate statement of functional expenses. In this presentation, certain costs were required to be allocated among the programs and services with reasonable basis. The expenses that are allocated include rent, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

H. Recent accounting pronouncement

Financial Accounting Standards Board has issued various Accounting Standards updates as Amendments of the FASB Accounting Standards Codification. The summary of the updates is set out below:

Adopted

During 2018, the Charter School adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-profits (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 reduces the number of net assets from three to two: net assets without donor restrictions, previously reported as unrestricted assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets. The guidance also expands the quantitative and qualitative disclosures regarding liquidity and availability of resources and requires expenses to be reported by both their natural and functional classification in one location. The changes required by the update have been applied accordingly.

Not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The adoption of ASU 2016-02 is effective for the Charter School for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2016-02 on the financial statements.

SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services by identifying the contract(s) with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations in the contract, and recognizing revenue when (or as) the entity satisfies a performance obligation. In August 2015, the FASB issued ASU No. 2015-14, *Deferral of the Effective Date* ("ASU 2015-14"), which deferred the effective date of ASU 2014-09 for all entities by one year. In March 2016, the FASB issued ASU No. 2016-08, *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* ("ASU 2016-08"), which clarifies the implementation guidance on principal versus agent considerations in ASU 2014-09. In April 2016, the FASB issued ASU No. 2016-10, *Identifying Performance Obligations and Licensing* ("ASU 2016-10"), which clarifies the implementation guidance on identifying performance obligations and the licensing implementation guidance in ASU 2014-09, while retaining the related principles for those areas.

In May 2016, the FASB issued ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients* ("ASU 2016-12"), which provides narrow-scope improvements and practical expedients to ASU 2014-09. ASU 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, and ASU 2016-12 are effective for the Charter School for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU No. 2014-09, ASU 2015-14, ASU 2016-08, ASU 2016-10, and ASU 2016-12 on the financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit-Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit-Entities, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The adoption of ASU 2018-08 is effective for the Charter School for the year ending June 30, 2020. Management is currently evaluating the impact of the provisions of ASU 2018-08 on the financial statements.

NOTE 2: CASH IN BANK

The Charter School maintains its cash balance with a financial institution located in Northern California. Cash balances in these accounts are insured up to \$250,000 by the Federal Depository Insurance Corporation. At June 30, 2019, the Charter School has uninsured balance of \$22,076.

**SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Sacramento Valley Charter School monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Charter School had the following financial assets at June 30, 2019 that could readily be made available within one year to fund expenses without limitations:

Cash and cash equivalents	\$ 269,619
Due from state and local governments,	<u>387,559</u>
Total financial assets available for general expenditures within one year	<u>\$ 657,178</u>

NOTE 4: DUE FROM STATE AND LOCAL GOVERNMENTS

Due from State and Local Governments at June 30, 2019 consist of the following:

State sources	\$ 339,538
Local sources	<u>48,021</u>
	<u>\$ 387,559</u>

NOTE 5: PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2019 is as follows:

Vehicles	\$ 779,456
Less: accumulated depreciation	<u>(359,458)</u>
	<u>\$ 419,998</u>

Addition and depreciation expense for the year ended June 30, 2019 were \$188,327 and \$82,883 respectively.

NOTE 6: RELATED PARTY TRANSACTIONS

The Charter School and the Sikh Temple Sacramento (the Temple) share common board members and have entered into a memorandum of understanding (MOU) for issuance of note payable and use of facility. The following are the terms:

Note Payable

During 2011-12, the Charter School received loan advances totaling \$555,000 from the Temple for start-up costs. The Temple raised the funds from the members of the congregation. The loan is interest free and currently has no maturity date. During the year ended June 30, 2019, the Charter School repaid \$25,000 to the Temple. The outstanding balance as of June 30, 2019 is \$25,000.

**SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6: RELATED PARTY TRANSACTIONS (CONT'D)

Facility Lease

The Charter School leases the School facilities from the Temple under a non-cancelable operating lease effective August 2011 through July 2014. The operating lease was renewed for five more years effective July 1, 2014. Rental expense paid for the period ending June 30, 2019, was \$245,340. At its May 15, 2019 special meeting, the Board approved a facility lease agreement effective July 1, 2019 through June 30, 2024, with future increase tied to K-14 COLA adopted state budget cost of living allowance.

Future minimum lease payments under this lease as of June 30, 2019 are as follows:

Year Ending June 30,

2010	\$ 280,344
2021	288,754
2022	296,839
2023	306,219
2024	<u>316,018</u>
	<u>\$ 1,488,174</u>

Power Purchase Agreement

The Temple has entered into an agreement with Technology Credit Corporation/Staten Solar (the TCC) to install a Solar System with a total production capability of 3.77M KWH at the rear of the Evergreen Avenue Building. The Energy Commission Report recommended a Solar System with an output of 50,000 KWH per year for the Charter School, and awarded \$151,200 for this purpose. The Temple has an option in the agreement with the TCC to buy the Solar System after four years at a cost of \$361,000 given by the TCC (original value at installation date was \$743,000). Since the Charter School did not have enough funding for outright purchase of the solar system, due to the fact that current funding would be enough to proceed with the purchase option in four years to acquire about 40% ownership of the solar system, the Board decided to wait for four years to purchase the current solar system jointly with the Temple. In the meantime, in order to generate some revenue for the Charter School from the grant money, the Charter School, on June 11, 2018, entered into a power purchase agreement with the Temple to transfer the money as a non-collateralized deposit to the Temple in exchange for free annual use of up to 50,000 KWH power generated through the current solar system. Since the Temple pays 14.5 cents for each KWH to the TCC, this is estimated to be a total power-usage of \$7,250 per year allowed by the Temple to be used by the Charter School for the next four years in lieu of \$151,200 transferred to the Temple. However, the ability of the Temple to proceed with the purchase option at maturity will be affected by the financial condition of the Temple at the maturity of the purchase option. In addition, during this time the deposit will be exposed to all the potential risks associated with the Temple.

**SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7: VEHICLE LOAN

During the year ended June 30, 2015, the Charter School purchased three vehicles which were financed through a loan from a bank. The loan was for an original amount of \$362,250 with an interest rate of 4.99 percent and matures on August 19, 2019. The loan is secured by the vehicles. During the year, the Charter School repaid the loan amount of \$79,602. As of June 30, 2019, the outstanding balance was \$13,593. The principal payments on this loan payable for each of the next four years and in the aggregate are:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 13,593	\$ 85	\$ 13,678
Total	<u>13,593</u>	<u>\$ 85</u>	<u>\$ 13,678</u>
	<u>\$ 13,593</u>		

During the year ended June 30, 2019, the Charter School purchased one vehicle which was financed through a loan with a financing company. The loan was for an original amount of \$166,256 with an interest rate of 6.20% percent and matures on March 1, 2024. The loan is secured by the vehicle. During the year, the Charter School repaid the loan amount of \$7,150, As of June 30, 2019, the outstanding balance was \$159,106. The principal payments on this loan payable for each of the next five years and in the aggregate are:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 29,732	\$ 9,016	\$ 38,748
2021	31,626	7,122	38,748
2022	33,640	5,108	38,748
2023	35,783	2,965	38,748
2024	<u>28,325</u>	<u>736</u>	<u>29,061</u>
Total	159,106	<u>\$ 24,947</u>	<u>\$ 184,053</u>
Less current portion	<u>(29,732)</u>		
	<u>\$ 129,374</u>		

NOTE 8: AGREEMENT

The Charter School has an MOU with the Sponsoring District through June 30, 2014. As stated in the Education Code, up to 1% of all the Charter School's revenues (excluding grants and private monies outside of the funding model) is paid to the Sponsoring District for the actual expenses incurred in monitoring and overseeing the Charter School. During the year ended June 30, 2019, the Charter School incurred total oversight fee expense of \$22,360, out of this balance \$9,884 has been paid.

The MOU also states that the Sponsoring District shall serve as the LEA for special education purposes for the Charter School, therefore, the Sponsoring District will retain all state and federal special education funding allocated for the Charter School's students through the SELPA. In addition, the Charter School will pay the Sponsoring District a pro-rata share of the unfunded special education costs, or encroachment. For the year ended June 30, 2019, the Charter School incurred total special education encroachment costs \$155,383, and out of this balance \$72,243 has been paid.

**SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9: RESTRICTED NET ASSETS

Restricted net assets changes during the year ended June 30, 2019 are summarized as follows:

Description	June 30, 2018	Awarded during the year	Released from restrictions	June 30, 2019
Lottery Funds - Prop 20	\$ 2,415	\$ 19,618	\$ (9,377)	\$ 12,656
California Clean Energy Job Act Funds - Prop 39	164,363	-	(13,163)	151,200
Low performers student block grant	-	29,970	-	29,970
Classified School employee professional development block grant	-	1,772	(349)	1,423
California School Finance Authority - CSFGP SB740	-	159,998	(159,998)	-
	<u>\$ 166,778</u>	<u>\$ 211,358</u>	<u>\$ (182,887)</u>	<u>\$ 195,249</u>

NOTE 10: CONTINGENCIES

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

Operating Lease Commitment

During the year ended June 30, 2019, the Charter School entered into a non-cancelable operating lease agreement for equipment. Future minimum rental payments under these leases having remaining terms in excess of one year as of June 30, 2019 for each of the next three years and in the aggregate are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 3,780
2021	3,780
2022	<u>630</u>
Total future minimum payments	<u>\$ 8,190</u>

NOTE 11: SUBSEQUENT EVENTS

The management of the Charter School reviewed the results of operations for the period of time from its year end June 30, 2019 through December 10, 2019, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

SUPPLEMENTARY INFORMATION

**SACRAMENTO VALLEY CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Expenses</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Certificated salaries	\$ 766,494	\$ 35,321	\$ 801,815
Classified salaries	294,671	79,288	373,959
Employee benefits	177,072	19,642	196,714
Books and supplies	143,528	6,560	150,088
Rent	196,272	49,068	245,340
Services and other operating expenses	222,173	141,672	363,845
Depreciation	82,883	-	82,883
Special education share of excess costs	155,383	-	155,383
Interest expense	<u>5,749</u>	<u>-</u>	<u>5,749</u>
 Total expenses	 <u>\$ 2,044,225</u>	 <u>\$ 331,551</u>	 <u>\$ 2,375,776</u>

**SACRAMENTO VALLEY CHARTER SCHOOL
RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT
ALTERNATIVE FORM WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

	<u>Charter School</u>
June 30, 2019, Unaudited Actuals Financial Report	\$ 960,926
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Understatement of longterm liabilities (object 9660-9669)	184
Adjusted June 30, 2019, Unaudited Actuals Financial Report	961,110
June 30, 2019, audited financial statement net assets	\$ 961,110

**SACRAMENTO VALLEY CHARTER SCHOOL
ORGANIZATION
JUNE 30, 2019**

Sacramento Valley Charter School (the Charter School) is a California non-profit public benefit corporation that was incorporated on June 14, 2011, and is organized to manage, operate, guide, direct, and promote a California public charter school. The Charter School provides instruction to kindergarten to eighth grades.

GOVERNING BOARD

Name	Office	Term
Chamkaur Dhatt	Chairman	8/31/2020
Narinder Thandi	Board Member	8/31/2021
Darshan Mundy	Vice President	8/31/2020
Surjit Dhillon	Board Member	8/31/2021
Bhajan Bhinder	Board Member	8/31/2021

ADMINISTRATION

Dr. Amrik Singh
Principal/President

**SACRAMENTO VALLEY CHARTER SCHOOL
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 FOR THE YEAR ENDED JUNE 30, 2019**

Classroom based ADA:	Second Period Report Certificate No. 6AC1E8BA	Annual Report Certificate No. B69EBF4F
Grades K through 3	112.67	112.61
Grades 4 through 6	72.68	72.66
Grades 7 through 8	54.30	54.24
ADA total	<u>239.65</u>	<u>239.51</u>

See accompanying notes to supplementary information

**SACRAMENTO VALLEY CHARTER SCHOOL
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Grade Level</u>	<u>1986-87 Minutes requirement Education Code 47612.5</u>	<u>2018-19 Actual Minutes</u>	<u>Number of Days Traditional Calendar *</u>	<u>Status</u>
Kindergarten	36,000	56,755	177	In Compliance
Grade 1	50,400	56,755	177	In Compliance
Grade 2	50,400	57,605	177	In Compliance
Grade 3	50,400	57,605	177	In Compliance
Grade 4	54,000	57,605	177	In Compliance
Grade 5	54,000	57,605	177	In Compliance
Grade 6	54,000	60,155	177	In Compliance
Grade 7	54,000	60,155	177	In Compliance
Grade 8	54,000	60,155	177	In Compliance

* The Charter School's received an approved Form J-13A for three emergency closure days in 2018-19.

**SACRAMENTO VALLEY CHARTER SCHOOL
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - PURPOSE OF SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

This schedule presents information on the amount of instruction time offered by the charter School and whether the charter School complied with the provisions of subdivision (a)(1) of Education Code Section 47612.5 reduced pursuant to the provisions of *Education Code* Section 46201.2 and 46201.3.

OTHER INDEPENDENT AUDITOR'S REPORT



7677 Oakport Street, Suite 460
Oakland, California 94621

Telephone: (510) 452-5051
Fax: (510) 452-3432

**INDEPENDENT AUDITOR'S 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**

To the Board of Directors
Sacramento Valley Charter School
West Sacramento, California

I have audited, in accordance with the 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, the financial statements of Sacramento Valley Charter School (the Charter School), which comprise statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated December 10, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, I do not express an opinion on the effectiveness of the Charter School's internal control.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Charter School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patel & Associates, LLP

Oakland, California
December 10, 2019



7677 Oakport Street, Suite 460
Oakland, California 94621

Telephone: (510) 452-5051
Fax: (510) 452-3432

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Directors
Sacramento Valley Charter School
West Sacramento, California

Report on State Compliance

I have audited Sacramento Valley Charter School's compliance with the types of compliance requirements as identified in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Sacramento Valley Charter School's state programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance of each of the Sacramento Valley Charter School state programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about the Sacramento Valley Charter School's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance with the requirements referred to above. However, my audit does not provide a legal determination of Sacramento Valley Charter School's compliance with those requirements.

In connection with the audit referred to above, I selected and tested transactions and records to determine Sacramento Valley Charter School's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes-Classroom Based	Yes
Charter School Facility Grant Program	Yes
California Clean Energy Jobs Act	Yes
After/before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Count	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable

Opinion on State Compliance

In my opinion, Sacramento Valley Charter School complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table above for the year ended June 30, 2019.

Patel & Associates, LLP

Oakland, California
December 10, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SACRAMENTO VALLEY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

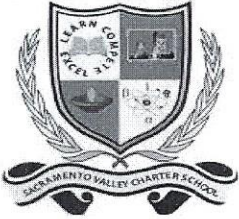
All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no findings and questioned costs related to the basic financial statements or state compliance for the year ended June 30, 2019

**SACRAMENTO VALLEY CHARTER SCHOOL
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

No findings were reported in the prior year.



Sacramento Valley Charter School

Principal Report

November 14, 2019 – December 11, 2019

Christopher Mount- Benites, Chief Business Official, Washington Unified School District visited SVCS school site on November 14, 2019. A whole school tour was given. It was a part WUSD's annual visit.

PTO Magic Night: PTO organized Magic Night on November 15. Many parents and families attended the event. The magic show lasted for about two hours.

Renaissance PD Webinar on Accelerated Reading took place on December 6, 2019. Teachers got training on how to administer assessments and encourage reading among scholars.

Thanksgiving Break: The school was off for the break. However, the office was open for three days to catchup with Calpads data, Schoolwise Gradebooks, payroll and ordering and receiving material.

ECO Hero Assembly was arranged in cooperation with West Sacramento City on December 2. It was a free assembly to encourage scholars to keep the environment clean.

Socks and Gloves Drive: December 2-13: SVCS participates in Socks and Gloves drives each year. Our parents are generous in donating for the neediest of the society.

Staff Update: The Office clerk cum Instruction Assistant, Charnjit Kaur resigned. Mr. Amarjit Singh Nijjar, a long-term sub, has been assigned Punjabi K-5 and math projects for low performing students. Ms. Nadine Ibrahim and Dr. Christine Boudreau took CBEST to be credentialed as substitute teachers.

Food Policy: In view of the rising cases of allergies due to various kinds of nuts, parents and families have been sent notices not to send any food in the classroom on the occasions of birthdays, festivals or holidays.

School Safety: As there are so many incidents happening nationwide, schools are exposed to many unsafe conditions. SVCS is making efforts to keep scholars safe and prevent anything that endangers school kids' safety.



I PTO Magic Night November 15, 2019



Sacramento Valley Charter School

2399 Sellers Way | West Sacramento, CA 95691 | P: 916.596.6422

Dear Parents,

Food allergies are becoming increasingly common among children, according to data included in the Centers for Disease Control and Prevention (CDC) guidelines, “nearly 1 in 5 students with food allergies has had a reaction at school.” This year, there are students in your children's classrooms who have severe allergy to nuts and other allergens -any exposure to these items, even a tiny amount, could be potentially very serious and life threatening for these children. For this reason, we have reviewed and evaluated our outside food policies and have opted to not allow parents and family members send any outside food to classrooms as part of a holiday and/or celebration.

We are in the process of revising and tightening our controls regarding food allergens, and are revising our offered menus accordingly, to make our lunch program as safe as possible. Even with this increased awareness and care, we highly suggest that parents of children with severe food allergies send their students to school with a home-packed, allergen free lunch, as the surest method of limiting exposure to allergens.

Teachers may award students labeled food incentives only under their close supervision and they have the responsibility to help students with food allergies read labels.

We do ask our students and families to help make the school environment safer for all students, by following these simple suggestions:

- Please make sure the office is aware if your child has a dangerous food allergy.
- Please avoid sending any food as part of a gift, celebration and/or holiday, such as birthdays, instead consider the use of non-food incentives for prizes, gifts, and awards.
- Please remind your child never to share his/her food and drinks with other students.
- Please wash your child's face and hands thoroughly before they leave home, especially if your child has eaten nuts/allergens (ex. Nutella, peanut butter) prior to coming to school.
- Please remind your child often to wash their hands before and after eating.

We greatly appreciate your support for children with food allergies. Together we can make a difference and thank you for helping to support our school community.

Kind regards,

Dr. Amrik Singh, Principal