

Urban Charter Schools Collective (UCSC)
Board Meeting Agenda
December 07, 2015
Special Meeting Minutes
This meeting is being video recorded.

Board Members

Miles E. Myles President (Term Expires June 2016)
Lance Fang, Vice President (Term Expires June 2018)
Dennis Mah, Board Treasurer (Term Expires June 2018)
Kou Xiong, Board Member (Term Expires June 2016)
____ Vacant; Board Secretary (Term Expires June 2017)
____ Vacant; Board Member (Term Expires June 2017)
____ Vacant; SCUSD Representative (no expiration)

6:00 p.m. Convene
6:05 Closed Session
6:35 Reconvene Open Session
9:00 Adjourn

Lisbon Elementary Staff Room
7555 S. Land Park Drive, Sacramento 95831

* Supporting materials will be distributed at the meeting.

1. **CALL TO ORDER** 6:00 PM
2. **BOARD ROLL CALL** 6:01 PM
3. **ADJUST AGENDA ITEMS AS NEEDED** 6:02 PM
4. **PUBLIC COMMENT** – Limit Two Minutes Per Person And Ten Minutes Per Issue Listed In The Agenda 6:05 PM
5. **ACTION ITEM** – Presentation and Acceptance of 2014 –15 Annual Audit Report, Presented by Gilbert Associates 6:05 PM*

Closed Session: 6:25 PM

- C-1. Transitions: Hires, Resignations, and Leaves
- C-2. OCR & CDE Update
- C-3. Discuss Resignation, Election of Officers & Appointment of New Member

Closed session minutes from previous month's meeting will be distributed during closed session.

Closed session intended for:

- 1) considering appointment, employment, evaluation of performance, discipline or dismissal of an employee (employee may request hearing of discipline or complaint be done in opens session);
- 2) meeting with law enforcement or security personnel concerning the security of public buildings and services;
- 3) receiving advice from legal counsel concerning existing litigation, initiating litigation, or situations involving significant expose to litigation;
- 4) considering labor negotiations, although final decisions concerning salaries must be made in public;
- 5) considering price and term in connection to purchase, sale, exchange or lease of real property.

Definition: Significant exposure to litigation is created when: 1) existing facts and circumstances are not known to plaintiffs, 2) a claim is received threatening litigation, 3) a person at a public meeting threatens litigation, 4) a person outside a public meeting threatens litigation and an agency official having knowledge of the threat makes a record of the statement prior to the meeting. Brown Act 54956.9(b)(3)

6. **REPORT OUT CLOSED SESSION** 6:45 PM
7. **CONSENT AGENDA** 6:45 PM
 - a) Approval of Regular Meeting Minutes on November 09, 2015
8. **INFORMATIONAL ITEM** – Monthly Administrative Reports 6:55 PM*
 - 8.1 Principal's Report on Instruction & Learning
 - 7.1.1 Enrollment, Attendance & Student Disciplinary Actions
 - 7.1.2 Core Curriculum & Instruction
 - 7.1.2.1 Hmong Language Development and Movement Program Update

NOTE: If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact Lee Yang (916 752-8791 at least 48 hours before the scheduled Board meeting so we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Regularly Scheduled UCSC Board meetings are held on the second Monday of each month, except as noted.

- All meetings start at 6:00 PM and are conducted in the Lisbon Elementary staff lounge.

- Regular board meetings for 2015-16 have been scheduled for Aug. 10, Sept. 14, Oct. 12, Nov. 9, Dec. 14, Jan. 11, Feb. 8, Mar. 14, Apr. 11, May 9, Jun. 13 and Jun 22, 2016.

7.1.2.2 Update of Moby Max usage – what is the impact on scholars using Moby Max at YPSA?

7.1.3 Academy Council

7.2 Business Office Manager's Summary of Finance & Operation 7:20 PM*

7.2.1 Cash Flow & Balance Sheet Review with Board

8 CONFERENCE ITEM–YPSA Middle School Project Work Plan 7:40 PM

9 INFORMATIONAL ITEM –1st Interim Financial Report for July 1 – Oct. 31' Due To SCUSD and SCOE By December 15, 2015 8:00 PM*

10 INFORMATIONAL ITEM – Superintendent's Data Presentation 8:10 PM*

11 BOARD MEMBERS IDENTIFY ITEMS FOR NEXT BOARD AGENDA 8:55 PM

12 ADJOURN 9:00 PM

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Calendar of Regular Board Meetings

Regularly Scheduled UCSC Board meetings are held on the second Monday of each month, except as noted below for November and June. All meetings start at 6:00 PM and are conducted in the Lisbon Staff Lounge located at 7555 South Land Park Drive in Sacramento, CA 95831.

Each regular meeting will have the following two agenda items:

- 1) Principal's Report on Instruction & Learning which includes: ELAC update, Academy Council update, enrollment & attendance update, and suspension & referral update.
- 2) Business Office Manager's summary of Finance & Operation which includes: profit & loss statement for through the end of the prior month and cash flow update,

August 10, 2015	September 14, 2015	October 12, 2015	November 9, 2015
<ul style="list-style-type: none"> Review actual enrollment and attendance and compare to projected Review work of board nominating committee Sick Leave/Vacation Policy Staff evaluation process Preparing for annual board self-evaluation Appoint nominating committee for vacant board position(s) Update Board priorities 	<ul style="list-style-type: none"> Annual Board organizational meeting Annual Board self-evaluation Review annual program audit before submission to SCUSD by the principal Approve prior year unaudited actuals – due to SCOE 9/15 Set goals for next 12 months Approve Public Charter Schools Grant's Application Discuss Academy Council and Board relationship; See governance section of charter Micromanagement Update Board priorities 	<ul style="list-style-type: none"> Update Board priorities 	<ul style="list-style-type: none"> Update Board priorities Receive & review prior year fiscal audit conducted by Gilbert Associates –due to district, county, CDE, and state controller by 12/15
December 14, 2015	January 11, 2016	February 8, 2016	March 14, 2016
<ul style="list-style-type: none"> Approve 1st Interim Financial Report for July 1-Oct. 31st due to SCUSD and SCOE by Dec. 15 Introduce mid-year budget revisions to 2014-15 budget for approval at January meeting Update Board priorities Update progress of YPSA's renewal process 	<ul style="list-style-type: none"> Reviewing the Hmong Language Development Program Review P-1 Attendance report submitted to CDE to compare project & actual attendance. P-1 ended on Dec. 31 Approve mid-year budget revisions to 2014-15 budget Review random drawing (lottery procedure) when applicants outnumber available seats Plan for board member and academy council training Update Board priorities Update progress of YPSA's renewal process 	<ul style="list-style-type: none"> Approve Budget Development Calendar for creating next year's budget Review enrollment and staffing projections in preparation for next year's staffing. Review preliminary budget for next fiscal year based on governor's proposal Approve ConApp Part 2. Due to CDE on Feb 24 Discuss staff release procedures Update Board priorities Update progress of YPSA's renewal process 	<ul style="list-style-type: none"> Approve 2nd Interim Financial Report for July 1 - Jan. 31st and due to SCUSD and SCOE by Mar. 15 Review parent involvement policy Approve instructional calendar for the next school year Review admin, teacher, and other staff compensation Update Board priorities Update progress of YPSA's renewal process
April 11, 2016	May 9, 2016	June 13, 2016	June 22, 2016
<ul style="list-style-type: none"> Board reviews and gives feedback to Academy Council on their budget recommendations for next year Approve 2nd budget revisions to 2014-15 budget Update one-year study and application process to join new SELPA Salary schedule for 2015-16 Update Board priorities Update progress of YPSA's renewal process 	<ul style="list-style-type: none"> If released, review governor's May revisions to next year's proposed budget. Might not be released until the 15th Review P-2 Attendance report submitted to CDE to compare project and actual attendance. P-1 ended on April 15th Approve new hires Approve list of employees with reasonable assurance of returning next year Update Board priorities Update progress of YPSA's renewal process 	<ul style="list-style-type: none"> Public hearing on the updated-LCAP and 2015-2016 budget. Update Board priorities Update progress of YPSA's renewal process 	<ul style="list-style-type: none"> Approve next year's budget and submit to SCUSD and SCOE by July 1st Annual review and affirmation of Title I Parent Involvement Policy ConApp Part 1 due June 30 for Title I, II, & III funding Review all staff evaluations Approve new hires Approve updated-LCAP and 2015-16 Budget Update Board priorities Update progress of YPSA's renewal process

Calendar of Regular Board Meetings

Approved and Adopted on July 7, 2014

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**URBAN CHARTER
SCHOOLS COLLECTIVE**

**YAV PEM SUAB ACADEMY
CHARTER SCHOOL # 1186**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED
JUNE 30, 2015 AND 2014**



Gilbert Associates, Inc.
CPAs and Advisors

Relax. We got this.

URBAN CHARTER SCHOOLS COLLECTIVE

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Urban Charter Schools Collective
Sacramento, California**

Report on the Financial Statements

We have audited the accompanying financial statements of Urban Charter Schools Collective (UCSC), a California non-profit public benefit corporation, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and of cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UCSC as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our 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, as required by the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2014-15*, published by the Education Audit Appeals Panel, is presented for purposes of additional analysis 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 our 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*, we have also issued our report dated November 23, 2015, on our consideration of UCSC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 UCSC's internal control over financial reporting and compliance.

Gilbert Associates, Inc.

**GILBERT ASSOCIATES, INC.
Sacramento, California**

November 23, 2015

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,329,282	\$ 782,655
Due from state and local governments	113,153	490,493
Other accounts receivable	3,164	
Prepaid expenses and other assets	<u>37,163</u>	<u>22,410</u>
Total current assets	1,482,762	1,295,558
 PROPERTY AND EQUIPMENT - Net	 <u>48,352</u>	 <u>30,533</u>
 TOTAL ASSETS	 <u>\$ 1,531,114</u>	 <u>\$ 1,326,091</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 330,498	\$ 157,083
Accrued expenses	1,212	26,933
Funds held for others	8,797	3,991
Deferred revenue	7,528	1,548
Capital lease, current portion	<u>5,545</u>	
Total current liabilities	<u>353,580</u>	<u>189,555</u>
 LONG TERM LIABILITIES:		
Capital lease	<u>21,889</u>	
 TOTAL LIABILITIES	 <u>375,469</u>	 <u>189,555</u>
 NET ASSETS:		
Unrestricted	1,089,494	1,017,933
Temporarily restricted	<u>66,151</u>	<u>118,603</u>
Total net assets	<u>1,155,645</u>	<u>1,136,536</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,531,114</u>	 <u>\$ 1,326,091</u>

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

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
REVENUES:		
Federal revenue	\$ 168,875	\$ 109,943
State revenue:		
State aid portion of general purpose funding	1,918,223	1,673,552
Lottery revenue	55,424	51,911
All other	33,201	10,917
Local revenue:		
Cash in-lieu of property taxes	549,125	565,779
Contributed services		140,774
Contributions and other local revenues	17,902	7,892
Net assets released from restrictions	<u>610,901</u>	<u>536,178</u>
Total revenues	<u>3,353,651</u>	<u>3,096,946</u>
EXPENSES:		
Program expenses:		
Educational programs	3,051,635	2,802,150
Supporting services:		
Management and general	<u>230,455</u>	<u>196,119</u>
Total expenses	<u>3,282,090</u>	<u>2,998,269</u>
INCREASE IN UNRESTRICTED NET ASSETS	71,561	98,677
TEMPORARILY RESTRICTED NET ASSETS:		
EPA revenue	543,727	446,047
Other state revenue		194,226
Lottery revenue	14,722	12,874
Net assets released from restrictions	<u>(610,901)</u>	<u>(536,178)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(52,452)</u>	<u>116,969</u>
INCREASE IN NET ASSETS	19,109	215,646
NET ASSETS, Beginning of year	<u>1,136,536</u>	<u>920,890</u>
NET ASSETS, End of year	<u>\$ 1,155,645</u>	<u>\$ 1,136,536</u>

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

URBAN CHARTER SCHOOLS COLLECTIVE

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 19,109	\$ 215,646
Reconciliation to net cash provided by operating activities:		
Depreciation	22,281	10,305
Capital lease payments made by service provider	(4,536)	
Changes in:		
Due from state and local governments	377,340	488,959
Other accounts receivable	(3,164)	
Prepaid expenses	(14,753)	(14,360)
Accounts payable	173,415	(44,897)
Accrued expenses	(25,721)	8,982
Due to state and local governments		(55,179)
Funds held for others	4,806	(1,920)
Deferred revenue	5,980	592
Net cash provided by operating activities	<u>554,757</u>	<u>608,128</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(8,130)</u>	<u>(31,812)</u>
Net cash used in investing activities	<u>(8,130)</u>	<u>(31,812)</u>
NET INCREASE IN CASH	546,627	576,316
CASH, Beginning of year	<u>782,655</u>	<u>206,339</u>
CASH, End of year	<u>\$ 1,329,282</u>	<u>\$ 782,655</u>
NON-CASH FINANCING TRANSACTIONS:		
Interest payments made by service provider	\$ 3,272	
Capital lease payments made by service provider	\$ 4,536	
OTHER CASH FLOW INFORMATION:		
Equipment acquired by incurring capital lease obligation	\$ 31,970	

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Urban Charter Schools Collective (UCSC) was incorporated October 29, 2009 and is organized to manage, operate, guide, direct, and promote the public charter school, Yav Pem Suab Academy – Preparing for the Future Charter (YPSA). The charter school number is 1186.

UCSC is funded principally through State of California public education monies received through the California Department of Education and the Sacramento City Unified School District (SCUSD), the Sponsoring District. A Board of Directors, consisting of five board members, governs UCSC.

SCUSD approved the charter for YPSA for a five-year term through June 30, 2015. Along with the approval of the Charter, UCSC signed a Memorandum of Understanding (MOU) with SCUSD through June 30, 2015. During 2015, the charter and MOU were renewed through June 30, 2020.

The charter may be revoked by SCUSD 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.

Basis of accounting and financial statement presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with accounting standards for not-for-profit entities. UCSC reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. UCSC had no permanently restricted net assets at June 30, 2015 and 2014.

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 lives of the property and equipment. Accordingly, actual results could differ from those estimates.

Revenue recognition – Contributions and grants are recognized when the donor/grantor makes an unconditional promise to give to UCSC or when received. Donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "Net Assets Released from Restrictions." Government grants are recognized as revenue in accordance with the terms of the applicable grant agreement, which is generally upon the incurrence of expenditures related to the required services.

Property and equipment purchases greater than or equal to \$1,000 are capitalized at cost and depreciated using the straight-line method over an estimated useful life of one and a half to three years.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Funds held for others – UCSC has an Associated Student Body (ASB) which consists of various clubs and student groups. Funds raised by the various student groups are held in a separate bank account by UCSC. UCSC provides oversight and monitors the activities in these groups. The cash and cash equivalent balance on the *Statements of Financial Position* includes \$8,797 and \$3,991 at June 30, 2015 and 2014, respectively, that was held on behalf of the ASB. Revenues and expenses of the ASB are generated separately from UCSC and therefore are not included on UCSC's *Statements of Activities*.

Donated materials and services – In-kind contributions are recorded at their estimated fair values at the date of donation. Donated services are recorded when they create or enhance non-financial assets or require a specialized skill that UCSC would otherwise need to purchase.

Income taxes – UCSC 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. There is no unrelated taxable income and, accordingly, there is no provision for income taxes in these financial statements. UCSC has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements. With some exceptions, UCSC is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2011.

Functional allocation of expenses – The cost of providing the school program and other activities has been summarized on a functional basis in the *Statements of Activities*. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Subsequent events have been reviewed through November 23, 2015, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2015, that requires recognition or disclosure in such financial statements.

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 13,539	\$ 13,539
Equipment	71,912	31,812
Less accumulated depreciation	<u>(37,099)</u>	<u>(14,818)</u>
Property and equipment, net	<u>\$ 48,352</u>	<u>\$ 30,533</u>

Depreciation and amortization expense for the years ended June 30, 2015 and 2014 was \$22,281 and \$10,305, respectively.

UCSC has \$31,970 in equipment that was acquired through a capital lease during 2015 (see Note 6). The leased assets are being depreciated over the term of the lease and depreciation expense for the leased property is included in the total depreciation expense. Accumulated depreciation on the leased equipment as of June 30, 2015 was \$6,934.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

3. AGREEMENTS

UCSC had a Facility Use Agreement through July 31, 2015. To assist UCSC in meeting its goals and objectives, SCUSD agreed to provide shared use of the existing Lisbon Elementary facilities and on-site equipment to UCSC for an annual pro-rata cost of the facility. UCSC used approximately 43,767 square feet at a cost of \$2.10 per square foot for the 2015 and 2014 school years. SCUSD will recalculate and adjust these fees annually for the remaining fiscal years for the term of this agreement. UCSC paid approximately \$92,800 and \$85,100 for the years ended June 30, 2015 and 2014, respectively. During 2015, the Agreement was renewed to extend through July 31, 2018.

UCSC also had a MOU with SCUSD through June 30, 2015. As stated in the Education Code, up to 1% of all YPSA's revenues (excluding grants and private monies outside of the funding model) can be paid to the Sponsoring District for the actual expenses incurred in monitoring and overseeing UCSC. Fees of \$29,419 and \$27,533 were accrued as of June 30, 2015 and 2014, respectively, in accordance with this agreement. The MOU also states that SCUSD shall serve as the LEA for special education purposes for UCSC, therefore SCUSD will retain all state and federal special education funding allocated for UCSC's students through the SELPA. In addition, UCSC paid SCUSD a pro-rata share of unfunded special education costs, or encroachment. UCSC was charged \$235,977 and \$245,650 in special education encroachment costs for the years ended June 30, 2015 and 2014, respectively. During 2015, the MOU was extended through June 30, 2020.

4. RELATED-PARTY TRANSACTION

During the year ended June 30, 2014, UCSC received contributed services from Dr. Mah & Associates, a California non-profit public benefit corporation, which were valued at \$140,774. Dr. Dennis Mah is a Board Member of UCSC and was also given the title of Superintendent and performed the duties and responsibilities of the position through the year ended June 30, 2014. His pro bono services were provided while under the employment of Dr. Mah & Associates. Effective July 1, 2014, Dr. Mah transitioned from the position of Superintendent and assumed the position of Board Treasurer. UCSC did not receive contributed services from Dr. Mah & Associates during the year ended June 30, 2015.

5. OPERATING LEASE COMMITMENT

UCSC leases equipment under a non-cancelable operating lease through August 2018. Rental expense for the years ended June 30, 2015 and 2014 was \$1,824 and \$1,672, respectively.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 1,824
2017	1,824
2018	1,824
2019	<u>152</u>
Total	<u>\$ 5,624</u>

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

6. CAPITAL LEASE

UCSC leases communication equipment under a capital lease agreement, effective July 2014 through July 2019. As part of a service agreement with their communications provider, payments on this lease are made by the service provider on behalf of UCSC, contingent upon UCSC's continued use of the provider's services. Monthly lease and accrued interest payments made on UCSC's behalf are recognized as contribution revenue. Contributions of \$7,808 were recognized as revenue during the year ended June 30, 2015.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 8,518
2017	8,518
2018	8,518
2019	8,518
2020	710
Total	34,782
Less interest	(7,348)
Present value	27,434
Less current portion	(5,545)
Long-term portion	<u>\$ 21,889</u>

7. EMPLOYEE RETIREMENT

Qualified certificated employees are covered under the following defined benefit pension plan maintained by the State of California.

Plan name:	California State Teachers' Retirement System (CalSTRS)
Plan's EIN:	94-6291617
Actuarial value of assets:	\$158,495
Actuarial accrued liability:	\$231,213
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued as of June 30, 2014, the most recent actuarial valuation date.

Plan Description

The Organization participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over the next seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 19.10% of covered payroll over the seven-year period. Active plan members are required to contribute 8.15% of their salary. The required employer contribution rate for fiscal years 2015 and 2014 were 8.88% and 8.25% of annual payroll, respectively. UCSC's contributions to CalSTRS for the years ended June 30, 2015 and 2014, were \$93,731 and \$95,743, respectively, and equaled 100% of the required contributions for the periods.

8. RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
California Clean Energy Jobs Act Funds	\$ 52,786	\$ 109,822
Common Core Implementation Funds		6,800
Instructional materials	<u>13,365</u>	<u>1,981</u>
Total	<u>\$ 66,151</u>	<u>\$ 118,603</u>

9. CONTINGENCIES

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

URBAN CHARTER SCHOOLS COLLECTIVE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

10. CONCENTRATION

UCSC minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. UCSC has not experienced any losses in such accounts and management believes UCSC is not exposed to any significant credit risk related to cash.

SUPPLEMENTARY INFORMATION

URBAN CHARTER SCHOOLS COLLECTIVE

SCHEDULES OF FUNCTIONAL EXPENSES YEARS ENDED JUNE 30, 2015 AND 2014

<u>2015</u>	<u>Program expenses</u>	<u>Supporting services</u>	<u>Total expenses</u>
Certificated salaries	\$ 1,044,948	\$ 117,188	\$ 1,162,136
Classified salaries	470,981	82,032	553,013
Employee benefits	352,969	16,217	369,186
Books and supplies	92,734	2,364	95,098
Services and other operating expenses	879,160	12,654	891,814
Capital outlay	188,562		188,562
Depreciation	<u>22,281</u>	<u></u>	<u>22,281</u>
Total expenses	<u>\$ 3,051,635</u>	<u>\$ 230,455</u>	<u>\$ 3,282,090</u>

<u>2014</u>	<u>Program expenses</u>	<u>Supporting services</u>	<u>Total expenses</u>
Certificated salaries	\$ 1,173,238		\$ 1,173,238
Classified salaries	383,912	\$ 61,322	445,234
Employee benefits	333,691	12,091	345,782
Books and supplies	88,676	2,632	91,308
Services and other operating expenses	712,903	7,455	720,358
Capital outlay	71,270		71,270
Depreciation	10,305		10,305
Contributed services	<u>28,155</u>	<u>112,619</u>	<u>140,774</u>
Total expenses	<u>\$ 2,802,150</u>	<u>\$ 196,119</u>	<u>\$ 2,998,269</u>

URBAN CHARTER SCHOOLS COLLECTIVE

ORGANIZATION, GOVERNING BOARD, AND ADMINISTRATION YEAR ENDED JUNE 30, 2015

ORGANIZATION

Urban Charter Schools Collective (UCSC) was incorporated October 29, 2009, and is organized to manage, operate, guide, direct, and promote Yav Pem Suab Academy - Preparing for the Future Charter, a California public charter school.

UCSC supervises the activities and financial affairs of the charter school to ensure the requirements of the California Education Code are met.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Kou Xiong	President	2016
Miles Myles	Vice-President	2015
Dr. Dennis Mah	Treasurer	2015
Therese Moua Jaspersen	Board Member	2017
Lance Fang	Board Member	2017

ADMINISTRATION

Lee Yang
Superintendent

Megan Lao
Business Office Manager

URBAN CHARTER SCHOOLS COLLECTIVE

SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2015

Classroom-based ADA:	<u>Second Period Report</u>	<u>Annual Report</u>
Yav Pm Suab Academy		
Grades K through 3	231.55	230.84
Grades 4 through 6	<u>165.53</u>	<u>165.82</u>
ADA Totals	<u>397.08</u>	<u>396.66</u>

URBAN CHARTER SCHOOLS COLLECTIVE

SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2015

Effective January 1, 2000, California Education Code Section 47612.5 requires classroom-based charter schools to offer a minimum number of minutes of instruction, as specified in Section 46201. This schedule documents the compliance of Yav Pem Suab Academy's campus with these requirements.

	2014-15 Minutes		
	Requirement	Actual	Status
Kindergarten	34,971	56,000	In Compliance
Grades 1 through 3	48,960	79,625	In Compliance
Grades 4 through 6	52,457	79,625	In Compliance

**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**

Independent Auditor's Report

**Board of Directors
Urban Charter Schools Collective
Sacramento, California**

We 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 Urban Charter Schools Collective (UCSC), a non-profit public benefit corporation, which comprise the statement of financial position as of June 30, 2015, 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 our report thereon dated November 23, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and recommendations, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in finding 2015-001 the accompanying schedule of findings recommendations to be a material weakness.

Compliance and Other Matters

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

UCSC's Response to Findings

UCSC's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. UCSC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Gilbert Associates, Inc.

**GILBERT ASSOCIATES, INC.
Sacramento, California**

November 23, 2015

REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH STANDARDS AND PROCEDURES FOR AUDITS OF CALIFORNIA K-12 LOCAL EDUCATION AGENCIES

Independent Auditor's Report

**Board of Directors
Urban Charter Schools Collective
Sacramento, California**

Report on State Compliance

We have audited Urban Charter Schools Collective's (UCSC) compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies, 2014-15* applicable to UCSC's programs identified in the below schedule for the school year ended June 30, 2015.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of UCSC's management.

Auditor's Responsibility

Our responsibility is to express an opinion on UCSC's compliance based on our audit.

We conducted our 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 *Standards and Procedures for Audits of California K-12 Local Education Agencies, 2014-15*, published by the Education Audit Appeals Panel. Those standards and the *Standards and Procedures for Audits of the California K-12 Local Education Agencies* require that we 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 material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about UCSC's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination on UCSC's compliance with those requirements.

In connection with the requirements referred to above, we selected and tested transactions and records to determine UCSC's compliance with the applicable programs identified below:

Compliance Requirements	Procedures Performed
SCHOOL DISTRICTS, COUNTY OFFICE OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control And Accountability Plan	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non-classroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Non-classroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Opinion on State Compliance

In our opinion, UCSC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the State programs for the school year ended June 30, 2015.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

November 23, 2015

FINDINGS AND RECOMMENDATIONS

URBAN CHARTER SCHOOLS COLLECTIVE

FINDINGS AND RECOMMENDATIONS YEAR ENDED JUNE 30, 2015

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 X Yes

 No

Significant deficiency(ies) identified?

 Yes

 X None Reported

Noncompliance material to financial
statements noted?

 Yes

 X No

State Compliance:

Internal control over state programs:

Material weakness(es) identified?

 Yes

 X No

Significant deficiency(ies) identified?

 Yes

 X None Reported

Any audit findings disclosed that are required
to be reported in accordance with Audits of
K-12 Local Education Agencies?

 Yes

 X No

Type of auditor's report issued on
compliance for state programs:

Unmodified

URBAN CHARTER SCHOOLS COLLECTIVE

FINDINGS AND RECOMMENDATIONS YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENT FINDINGS

2015-001 FINANCIAL CLOSE – CDDC #30000

Finding:

One element of an entity's internal control over financial reporting is the ability to detect misstatement in the financial statements independent of the audit process and produce financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjustments arising from the audit of an organization's financial statements are generally an indication that internal controls over financial reporting are not functioning properly. Adjustments were required related to revenue recognition and capitalized lease obligations as a result of identified errors and post-closing adjustments were required by management for accounts that were reconciled after the start of the audit.

Criteria:

Accrual based accounting in accordance with GAAP for not-for-profit organizations.

Cause:

Non-routine transactions were not sufficiently analyzed and reviewed to ensure proper accounting treatment.

Questioned Cost:

No questioned costs or misstatement of ADA were noted related to this finding and errors identified were corrected by management.

Recommendation:

We recommend that UCSC evaluate the financial policies and procedures for monthly and year-end closing processes to ensure the financial records and financial statements are maintained in accordance with GAAP and that non-routine transactions be sufficiently reviewed and analyzed to ensure proper accounting treatment.

Management's Response:

We accept and will follow the recommendations made by Gilbert Associates, Inc. We appreciate the guidance from Gilbert Associates, Inc.

STATE COMPLIANCE

There were no state compliance findings for the year ended June 30, 2015.

STATUS OF PRIOR YEAR FINDINGS

There were no findings in the prior year.

URBAN CHARTER SCHOOLS COLLECTIVE

Communications With Those Charged With Governance

Submitted by

Gilbert Associates, Inc.

We have audited the financial statements of Urban Charter Schools Collective (UCSC) for the years ended June 30, 2015 and 2014. We are providing the UCSC's Board of Directors with information regarding the scope and results of the audit to assist the Board of Directors in overseeing management's financial reporting and disclosure process. This information is intended solely for the use of the Board of Directors and management of UCSC and is not intended to be, and should not be, used by anyone other than these specified parties. The following pages summarize these required communications.

November 23, 2015



Gilbert Associates, Inc.
CPAs and Advisors

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MANAGEMENT AND AUDITOR RESPONSIBILITIES

Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS), Government Auditing Standards, issued by the Comptroller General of the United States and Procedures for Audits of California K-12 Local Education Agencies, 2014-2015.

The financial statements are the responsibility of management. As stated in our engagement contract, our responsibility is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of UCSC. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether UCSC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

We issued an unmodified opinion on the financial statements of UCSC for the year ended June 30, 2015.

We issued an unmodified opinion on compliance over the state programs of UCSC for the year ended June 30, 2015.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

<p>Significant Accounting Policies</p> <p>Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement contract, we advised management about the appropriateness of accounting policies and their application.</p>	<p>The significant accounting policies used by UCSC are described in Note 1 to the financial statements.</p> <p>We noted no transactions entered into by UCSC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.</p>
<p>Management Judgments and Accounting Estimates</p> <p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.</p>	<p>The most sensitive estimates and disclosures affecting UCSC's financial statements were:</p> <ul style="list-style-type: none"> • Management's assessment of the collectability of accounts receivable is based on the likelihood of payment. • Management's basis for allocating between program and supporting service expenses is based on estimates of employees' time incurred and on usage of resources. • Management's estimate of the useful lives of property and equipment is based on historical experience and industry standards. <p>We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. In addition, the related financial statement disclosures are neutral, consistent, and clear.</p>

INTERACTIONS WITH MANAGEMENT

<p>Planned Scope and Timing of the Audit</p>	<p>We performed the audit according to the planned scope and timing previously communicated in our engagement contract.</p>
<p>Management Consultations with Other Independent Accountants</p> <p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to UCSC’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.</p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p>Disagreements with Management</p> <p>For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report.</p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Management Representations</p>	<p>We requested certain representations from management in a letter to us.</p>
<p>Difficulties Encountered in Performing the Audit</p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit. Management and staff were well prepared and very cooperative.</p>

OTHER MATTERS

Other Audit Findings or Issues	
<p>Corrected and Uncorrected Misstatements</p> <p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.</p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as UCSC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p> <p>The following misstatements detected as a result of audit procedures were corrected by management:</p> <ul style="list-style-type: none"> • Decrease accounts receivable and increase to expense by \$55,000 to correct revenue inappropriately recognized in previous year. • Increase capital lease obligation and capitalized equipment of \$32,000 to record capital lease obligation. <p>The following misstatement detected as a result of audit procedures was not corrected. Management has determined that its effects are not significant to the financial statements taken as a whole and does not impact ending net assets:</p> <ul style="list-style-type: none"> • Decrease beginning net assets and increase current year expense by \$55,000 to correct revenue inappropriately recognized in previous year.



Gilbert Associates, Inc.
CPAs and Advisors

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SUPPLEMENTARY INFORMATION

Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The supplementary information section, as listed in the table of contents of the financial statements of UCSC for the year ended June 30, 2015, is presented for purposes of additional analysis and is required by the *Procedures for Audits of California K-12 Local Education Agencies*, 2014-2015 and in our opinion is fairly stated in all material respects to the financial statements as a whole.



Gilbert Associates, Inc.
CPAs and Advisors

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Urban Charter Schools Collective (UCSC)
Board Meeting Agenda
November 09, 2015
Regular Meeting Minutes
This meeting is being video recorded.

Board Members

Miles E. Myles President (Term Expires June 2016)

Lance Fang, Vice President (Term Expires June 2018)

Dennis Mah, Board Treasurer (Term Expires June 2018)

Kou Xiong, Board Member (Term Expires June 2016)

____ Vacant; Board Secretary (Term Expires June 2017)

____ Vacant, Board Member (Term Expires June 2017)

____ Vacant, SCUSD Representative (no expiration)

6:00 p.m. Convene

6:05 Closed Session

6:35 Reconvene Open Session

9:00 Adjourn

Lisbon Elementary Staff Room

7555 S. Land Park Drive, Sacramento 95831

1. CALL TO ORDER

The Board of the UCSC meet on Monday, November 9, 2015 for a regular meeting. Myles called the meeting to order at 6:02 p.m.

2. BOARD ROLL CALL

Members Present: Miles E. Myles, Dennis Mah, Lance Fang, Kou Xiong

Staff in Attendance: Superintendent Lee Yang, Principal Vince Xiong, Business Office Manager Megan Lao, Administrative Assistant Kao Yee Vue

3. ADJUST AGENDA ITEMS AS NEEDED

No adjustment needed to be made.

4. PUBLIC COMMENT – Limit Two Minutes Per Person and Ten Minutes Per Issue Listed in the Agenda

No public comment were made.

5. REPORT OUT CLOSED SESSION

Myles announced that during the closed session the Board discussed and/or approve the following:

Accepted resignation of one part time ATT Supervisor. All ayes by Mah, Myles, Fang, and K. Xiong. Motion carried.

Yang update the Board on OCR and CDE progress.

The Board discussed potential candidates ~~which~~ whom will be pursued by the nominating committee members. .

6. CONSENT AGENDA

a) Approval of Special Meeting Minutes on October 19, 2015

Motion made by K. Xiong to approve the consent agenda. Myles seconded the motion. All ayes by Mah, Myles, Fang and K. Xiong. Motion carried.

7. INFORMATIONAL ITEM – Monthly Administrative Reports

7.1 Principal's Report on Instruction & Learning

7.1.1 Enrollment, Attendance & Student Disciplinary Actions

V. Xiong presented an average monthly attendance of 97.4% and update on student suspension data.

7.1.2 Core Curriculum & Instruction

V. Xiong updated the Board with professional developments and Culture Competency Training for teachers, staff and parents.

7.1.1.1 Hmong Language Development and Movement Program Update

V. Xiong update the Board with the start of the 9 hours, 4 days a week schedule. There has been no new developments yet and an update will be brought back at the next meeting.

NOTE: If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact Lee Yang (916 752-8791 at least 48 hours before the scheduled Board meeting so we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Regularly Scheduled UCSC Board meetings are held on the second Monday of each month, except as noted.

- All meetings start at 6:00 PM and are conducted in the Lisbon Elementary staff lounge.

- Regular board meetings for 2015-16 have been scheduled for Aug. 10, Sept. 14, Oct. 12, Nov. 9, Dec. 14, Jan. 11, Feb. 8, Mar. 14, Apr. 11, May 9, Jun. 13 and Jun 22, 2016.

- 7.1.2 Academy Council – N/A
- 7.2 Business Office Manager’s Summary of Finance & Operation
- 7.2.1 Financials through Previous Month: Profit & Loss Statement, Balance Sheet and Actual to Budget
Lao update the Board on Actual expenses as of October 30th, 2015.
- 7.2.2 Update on 2014 – 2015 End of Year Audit with Gilbert CPA – Request for Special Board Meeting for Monday, December 7, 2015
Lao presented to the Board regarding end – of – year audit close out by Gilbert CPA and requested for a Special Board Meeting on December 7.
- 7.2.3 Pertinent Updates in Human Resources, Risk Management, Benefits, Etc.
Lao updated the Board regarding the current work progress with Golden State Employer Services regarding the interview process and exit interviews
- 8. CONFERENCE ITEM** – Discuss The Development Of Two New Charter Schools, A Second Elementary School And A Middle School
Yang updated the Board regarding moving forward with the development of a new middle school using the approach of applying for a revision to expand the current school to a of a K-8 model vs. going for approval for a brand new middle school. He commented that this approach would most likely ~~to~~ be achievable and recommends moving forward with the material revision of YPSA charter to a K-8 school.
- 9. ACTION ITEM** – Approval of YPSA Block Lettering To Read: Yav Pem Suab Academy, An Urban Charter Schools Collective School
Yang presented to the Board to two block lettering options for to be included in under YPSA’s block lettering. Motion made by Mah to adopt the word option of “an Urban Charter Schools Collective School.” Fang seconded the motion. All ayes by Mah, Myles, Fang and K. Xiong. Motion carried.
- 10. ACTION ITEM** – Approval Of Updated UCSC Employee Handbook Inclusive Of Employee Work Calendars & Further Clarification Of Sick Time For Full Time and Part Time Employees
Lao presented to the Board the new revisions made to the current sick leave eligibility for part timers and to updated the Employee Handbook to include work calendars for all staff. Motion made by K. Xiong to approve the updates to ~~the calendar to be included on~~ the handbook. Mah seconded the motion. All ayes by Mah, Myles, Fang and K. Xiong. Motion carried.
- 11. INFORMATIONAL ITEM** – Request for Proposal For Two Independent Contractors Needed For The Petition Drafting of a New Charter Petition and Program Quality Reviewer/Program Implementation Trainer for the HLD Program
Lao proposed the posting of two RFP one contractors to drafting of the petition of a new charter and one contractor to help develop a program/curriculum of the Hmong Language Program. Mah suggested to move forward with the Hmong Language Program first.
- 12. INFORMATIONAL ITEM** – Compensation and Retention Meeting Update to the Board
Mah and Fang updated the Board of the Compensation/ Retention Meeting. Staff expressed concerned in three areas: compensation, benefits and child Care. There will be further discussion and planning in the upcoming committee meetings to address these concerns.
- 13. INFORMATIONAL ITEM** – Report From Superintendent And Principal On Special Education And Personnel Training Workshop Attendance

NOTE: If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact Lee Yang (916 752-8791 at least 48 hours before the scheduled Board meeting so we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Regularly Scheduled UCSC Board meetings are held on the second Monday of each month, except as noted.

- All meetings start at 6:00 PM and are conducted in the Lisbon Elementary staff lounge.

- Regular board meetings for 2015-16 have been scheduled for Aug. 10, Sept. 14, Oct. 12, Nov. 9, Dec. 14, Jan. 11, Feb. 8, Mar. 14, Apr. 11, May 9, Jun. 13 and Jun 22, 2016.

V. Xiong and Yang provided an updated on recent trainings they participated in with regards to Charter School Personnel and Student Services Issues offered by Young, Minney and Corr, LLP.

14. BOARD MEMBERS IDENTIFY ITEMS FOR NEXT BOARD AGENDA

Information Item: *Update on Moby Max usage – impact of using Moby Max on scholars at YPSA*

Action Item: *Balance Sheet and Cash Flow – how and where money are being used on*

Conference to Action: *Update on End of Year Closed Out from Gilbert CPA*

Closed Session: *Golden State Employers: Update and Details*

Action Item: *Request for Proposal for Independent Contractors needed for the Petition Drafting of a New Charter Petition*

Conference Item: *Material Revision for K – 8 school*

15. ADJOURN

Myles adjourned the meeting at 9:00 P.M.

NOTE: If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in the public meeting, please contact Lee Yang (916 752-8791 at least 48 hours before the scheduled Board meeting so we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. §12132)] Regularly Scheduled UCSC Board meetings are held on the second Monday of each month, except as noted.

- All meetings start at 6:00 PM and are conducted in the Lisbon Elementary staff lounge.

- Regular board meetings for 2015-16 have been scheduled for Aug. 10, Sept. 14, Oct. 12, Nov. 9, Dec. 14, Jan. 11, Feb. 8, Mar. 14, Apr. 11, May 9, Jun. 13 and Jun 22, 2016.

YPSA MIDDLE SCHOOL PROJECT WORK PLAN

Presented by UCSC Superintendent

December 7, 2015

Statement of Problem

The YPSA student enrollment has reached its limitation and the site is at its capacity with no available space to house additional scholars. To remain competitive, YPSA must successfully expand to the middle grades to increase student enrollment and free up classrooms to house the additional students on its current waiting list. YPSA must achieve this in order to provide a more consistent educational program for its scholars into the middle grades and remain financially stable to be competitive with the surrounding charter and traditional schools. As a successful independent charter school, the challenge for YPSA is its ability to reach these goals with its current limited available financial and human resources to achieve implementation of the goals by the fall of 2017.

Statement of Purpose

The purpose of this report is to develop a strategy that will allow YPSA to become a leading competitor in the Sacramento area. To do this, a comprehensive analysis of the available resources such as financial, materials, and personnel is necessary. This information will aid in the implementation of a new strategy to bring this vision to reality, and therefore, boost YPSA's ability to compete with surrounding schools. With these additions, YPSA will be in a position to maintain the integrity of its program and keep its promise *to grow and nurture all scholars to become high-performing individuals through a body-brain compatible education with the vision to develop Lifelong Learners and LIFESKILLED leaders, enabling them to be productive and responsible contributing members of society.*

Research Strategy (Sources and Methods of Data Collection)

The message is cleared that parents and students at YPSA want to have the middle school segment available as an option for the middle grades by evidence of the parents' hallway conversations at YPSA since the hiring of the new Superintendent in August 2014. As such, these talks will serve as a need for YPSA to develop the middle school grades, and an interest form will be sent to all of the fifth and sixth graders of YPSA student body to collect data that serve as a method of primary research. Returned responses will be counted as interest of the parents and parent interviews will not be necessary. Additionally, "request for proposals" will also be sent out to gather expert support with the write-up of the materials revision to YPSA's existing petition, and one will be selected as the consultant to lead the writing work. Concurrently, as equally important is securing two to three middle school experts, preferably middle school administrators, who have the knowledge to support with the development of the middle school educational programs and the structure of the middle school system. An income versus expenses allocation will also need to be developed in order to get a better understanding of the financial status for the before, beginning implementation, and full implementation stages. In addition, a facility assessments for all availability of space to house this expansion will need to be explored. Finally, a clear timeline is crucial to the success of the project. These resources will cohesively provide the information necessary to develop the middle school grades of YPSA, therefore, enabling its expansion success.

YPSA MIDDLE SCHOOL PROJECT WORK PLAN

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Tentative Outline

IV. Budget Allocation & Available Facility

A. Affordability

- i. Can UCSC afford it?
- ii. Where should the location of the middle school segment be?

I. Interest Form from the Parents

A. Develop interest form

- i. What are the current interests of the parents and students in the middle school?

II. Middle School Experts

A. Interested administrators who currently work in a middle school

- i. What is the availability of human resources that can support success of the project?

III. Request for Proposal & Materials Revisions to YPSA

A. Petition writing consultants

- i. What are the available options to achieving the success of the project?

V. Personnel Resources & Approval Process

A. Personnel

- i. Do we have the right persons onboard to get this work done?
- ii. What is the timeline for this project?

YPSA MIDDLE SCHOOL PROJECT WORK PLAN

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December 7, 2015

Work Schedule

Tasks	Due Date
Create a budget and locate an available facility	December 11, 2015
Create an interest form (hard copy and electronic) and send out to parents to gather intention to attend the YPSA middle school	December 18, 2015
Secure middle school experts (existing middle school administrators)	December 18, 2015
Request for proposal to secure a consultant to write the petition	January 15, 2016
Conduct material revisions to YPSA Petition	February 15, 2016
Submit the final petition to SCUSD and make revision as requested by SCUSD	March 1, 2016
Held public hearing by SCUSD and continue revision to petition as necessary	April 1, 2016
Approve petition by the SCUSD Board	May 1, 2016
Hire a middle school administrator to oversee the set-up and hiring of staff for the middle school segment	August 1, 2016
Plan curriculum and teacher training & hire staff	August 1, 2016
Complete the prop 39 for facility usage agreement	November 1, 2016
Secure furniture for office and classrooms	December 1, 2016
Order teaching supplies	January 1, 2017
Build all of the necessary tools needed for school operations for administration	February 1-June 1, 2017
Conduct staff HET, CCSS, ELD, and Multiple Intelligence training, staff meeting and provide staff an overview of the school year	July 1-August 1, 2017