

THE **O** FARRELL CHARTER SCHOOL

AN AVID NATIONAL DEMONSTRATION SCHOOL



Board of Directors AGENDA December 8, 2014



Closed Session: 5:00 p.m. – 5:30 p.m.
Public Session: 5:30 p.m. – 7:00 p.m.

I. CALL TO ORDER

II. CLOSED SESSION

1. In accordance with Government Code Section 54957, the Board will meet in closed session to consider: **PERSONNEL MATTERS**
2. In accordance with Government Code Section 54956.8, the Board will meet in closed session to consider: **REAL ESTATE MATTERS**
3. In accordance with Government Code Section 54957.6, the Board will meet in closed session to consider: **SALARY AND HEALTH AND WELFARE MATTERS**

RECONVENE TO OPEN SESSION

III. ACTION ITEMS CONSIDERED IN CLOSED SESSION

IV. PLEDGE OF ALLEGIANCE

V. PRESENTATION

1. Anne Mathews – Literary Night
2. Anne Mathews – NCUSP Application
3. Dr. Dean and Mr. Rainey – High School Update
4. AVID Visit Review – Jill Andersen

RECONVENE TO OPEN SESSION

VI. PUBLIC COMMENT

Anyone may address the Board for up to three minutes on any item. The public commentary period preceding the formal agenda shall be limited to a total of 15 minutes. Please submit a "Request to Address the Board" slip to the Board chairperson. The Board Chair will call you forward at the appropriate time.

VII. APPROVAL OF AGENDA

Principal/Superintendent's Recommendation: Approve Agenda.

Moved by _____ Seconded by _____ Vote _____

VIII. DISCUSSION ITEMS

- 1. Principal/Superintendent AnnouncementsPage 4
- 2. Charter Vision Board Reports.....Page 9

IX. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS

All items listed under the Consent Calendar are considered by the Board in one action. **There will be no discussion of these items** prior to the time the Board votes on the motion, unless members of the Board, staff, or public request specific items to be discussed and/or removed from the Consent Calendar.

- 1. Approval of Minutes from the October 6, 2014 Board of DirectorsPage 16
- 2. Approve/ratify recommended actions on the personnel activity listPage 18
- 3. Approve/ratify check registersPage 19
- 4. Approve the application for a gas station/fleet credit card with a \$5,000 line of credit that would enable our staff to fuel the school bus and school van.
- 5. Authorize Dr. Jonathan Dean to negotiate a lease with Jacobs Center for a school site for Ingenuity Charter School.Page 28
- 6. Approve the Memorandum of Understanding (MOU) between King Chavez Neighborhood of Schools and The O’Farrell Charter Schools to partner in the usage of school buses and school bus drivers for the transportation of students and school employees on school sponsored events.Page 30

Principal/Superintendent’s Recommendation: Approve Consent Calendar.

Moved by _____ Seconded by _____ Vote _____

X. ACTION ITEMS

- 1. Approve the June 30, 2014 Audit Report and its FindingsPage 33

Principal/Superintendent’s Recommendation: Approve Action Item 1

Moved by _____ Seconded by _____ Vote _____

- 2. Approve the Positive Certification and Budget Revisions for the First Interim Financial Report for October 31, 2014.Page 74

Principal/Superintendent’s Recommendation: Approve Action Item 2

Moved by _____ Seconded by _____ Vote _____

- 3. Ratify adjustments to the 2014-2015 budget.Page 78

Principal/Superintendent’s Recommendation: Ratify Action Item 3

Moved by _____ Seconded by _____ Vote _____

- 4. Approve the renewal term for Christian Scott to remain a member of the Board of Directors in the role as Chair for another two years, 2014-2016Page 80

Principal/Superintendent’s Recommendation: Approve Action Item 4

Moved by _____ Seconded by _____ Vote _____

5. Approve the renewal term for Timothy Katzman to remain a member of the Board of Directors in the role as Vice Chair for another two years, 2014-2016.....Page 81

Principal/Superintendent's Recommendation: Approve Action Item 5

Moved by _____ Seconded by _____ Vote _____

6. Approve the renewal term for Delano Jones to remain a member of the Board of Directors in the role as Secretary for another two years, 2014-2016Page 82

Principal/Superintendent's Recommendation: Approve Action Item 6

Moved by _____ Seconded by _____ Vote _____

XI. ROUNDTABLE

XII. ADJOURNMENT

NOTICES

The next regular meeting of The O'Farrell Charter School Board of Directors will be January 12, 2015 at 5:30 p.m.

The O'Farrell Charter School does not discriminate on the basis of disability in the admission or access to, or treatment in employment in its programs or activities. Jonathan Dean, Principal/Superintendent, has been designated to receive requests for disability-related modifications or accommodations in order to enable individuals with disabilities to participate in The O'Farrell Charter School's open and public meetings. Please notify Jonathan Dean at (619) 263-3009, extension 2202 seventy-two (72) hours prior to disability accommodations being needed in order to participate in the meeting.

From time-to-time writings that are public records, which are related to open session items on an agenda for a regular meeting, may be distributed to school board members after the posting of the agenda. Whenever this occurs, such writings will be available for public inspection in the office of the Principal/Superintendent at 6130 Skyline Drive, San Diego, CA 92114

Certification of Posting

I, Jonathan Dean, Principal/Superintendent, hereby certify that I posted this agenda on Thursday, December 4, 2014 at 3 p.m. When conducting a Teleconference Board of Directors meeting, all board members are required to post this agenda at their location.

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BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Discussion Item 1
Principal/Superintendent Announcements

Student Demographics in PowerSchool as of December 2, 2014:

Ethnicity	YOK/K	1	2	3	4	5	6	7	8	9	10	11	T
American Indian or Alaska Native	0	0	0	0	0	0	0	1	0	0	0	0	1
Asian	8	5	2	8	10	7	49	50	51	30	30	26	276
Native Hawaiian/Other Pac Islander	3	0	0	0	0	0	1	3	0	0	0	2	9
Black or African American	12	11	13	10	12	18	46	49	48	26	18	19	282
White	3	2	0	0	1	1	3	4	0	4	0	1	19
Hispanic/Latino	38	26	35	29	30	29	147	118	137	92	51	42	774
Two or More Race Categories	3	2	1	2	4	4	15	14	12	4	2	3	66
Unspecified	0	0	0	0	0	0	0	1	1	0	0	0	2
Totals	67	46	51	49	57	59	261	240	249	156	101	93	1429

Ingenuity Charter School Awarded Grant

Ingenuity was awarded the PCSGP (Public Charter Schools Grant Program) Planning and Implementation Grant in the amount of \$275,000.00.

Percentage of OCS students on track to graduate

The table below reflects our current graduation rates based on two data points, A-G completion and above 2.0 and CAHSEE passage rates. Transcript audits are evaluated annually and counseling has worked to ensure at-risk students are enrolled in summer school for credit recovery. In a few cases students complete credit recovery concurrently throughout the traditional school year.

Class of 2016 (11th grade)	# of students with a 2.0 or higher and on track with A-G	total # of students enrolled	Percentage
	89	93	95%
	# of general education students meeting CAHSEE req.		
	87	93	93%
Class of 2017 (10th grade)	# of students with a 2.0 or higher and on track with A-G		
	96	96%	96%
	# of general education students meeting CAHSEE req.		
	NA	NA	NA

On Track to Graduate -- A-G Requirements

Clairemont High School: 48 percent

- Crawford High School: 25 percent
- Patrick Henry: 76 percent
- Hoover High School: 33 percent
- Kearny High School Construction Tech Academy: 55 percent
- Kearny High School Digital Media and Design: 49 percent
- Kearny High School International Business: 62 percent
- Kearny High School Science Connections and Technology: 70 percent
- La Jolla High School: 78 percent

- Lincoln High School: 29 percent
- Madison High School: 60 percent
- Mira Mesa High School: 65 percent
- Mission Bay High School: 60 percent
- Morse High School: 53 percent
- Point Loma High School: 69 percent
- San Diego High School of Business and Leadership: 23 percent
- San Diego High School of International Studies: 67 percent*
- San Diego High School Metro Career and Tech: 73 percent
- San Diego High School Media, Visual and Performing Arts: 14 percent
- San Diego High School of Science and Technology: 26 percent
- School of the Creative and Performing Arts: 80 percent
- Scripps Ranch High School: 86 percent
- Serra High School: 67 percent
- University City High School: 81 percent

2014-15 A-G Compliance, CAHSEE and graduation data

The tables below reflect A-G compliance and graduation rates based on A-G completion, above 2.0 and CAHSEE passage rates. Transcripts are evaluated biannually and counseling staff has worked to ensure at-risk students are enrolled in summer school for credit recovery. In a few cases students complete credit recovery concurrently throughout the traditional school year. The list below includes OCS supports to ensure all students meet A-G requirements, graduate high school and are eligible to apply to the competitive college of their choice.

- Academic Supports
 - Quarterly transcript audits
 - Weekly counseling student meetings
 - Supportive Learning Plans with teachers
- Strong Parent Communication
 - Parent communication to academically at-risk students every progress report
 - Annual parent meetings with counseling staff and teachers
- Course/Credit recovery options
 - Concurrent enrollment
 - Ingenuity - Online
 - ISPE allows students to be enrolled in more A-G courses

O'Farrell Charter School vs. San Diego Unified

	OCS 2014-15*	SDUSD 2012-13*
Graduation Rate	95% African American 98% Hispanic 100% Filipino	83% African American 82% Hispanic 96% Filipino
	OCS 2013-14	SDUSD 2013-14
CAHSEE	93%	83%

*Based on A-G completion data

**2012-13 CDE data quest district wide graduation rates

Class of 2016 (11 th grade)	# of students with a 2.0 or higher and on track with A-G	Percentage
	89/93	95%
	# of general education students meeting CAHSEE req	
	87/93	93%
Class of 2017 (10 th grade)	# of students with a 2.0 or higher and on track with A-G	Percentage
	96/103	96%
	# of general education students meeting CAHSEE req	
	NA	NA

The O'Farrell Charter School A-G Compliant

Black or African American percentage of students A-G compliant			
Total African American A-G schoolwide compliant		95%	
Total school enrollment		18%	
Grade Level	% of AA students on track	# students on track	Black or African American Enrollment Summary
11	90%	17/19	19/93
10	94%	17/18	18/101
9	NA All students enrolled in A-G courses	NA/156	26/156

Hispanic or Latino percentage of students A-G compliant			
Total Hispanic or Latino A-G schoolwide compliant		98%	
Total school enrollment		52%	
Grade Level	% of H/L students on track	# students on track	Hispanic or Latino Enrollment Summary
11	95%	38/42	42/93
10	99%	50/51	51/101
9	NA All students enrolled in A-G courses	NA/156	92/156

Asian or Filipino percentage of students A-G compliant			
Total Asian or Filipino schoolwide compliant		100%	
Total school enrollment		25%	
Grade Level	% of A/F students on track	# students non track	Asian or Filipino Enrollment Summary
11	100%	26/26	26/93
10	100%	30/30	30/101
9	NA All students enrolled in A-G courses	NA/156	30/156

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Discussion Item 2
Charter Vision Board Report

Segment Name	
Object	
Restriction	
Location	
Program	All

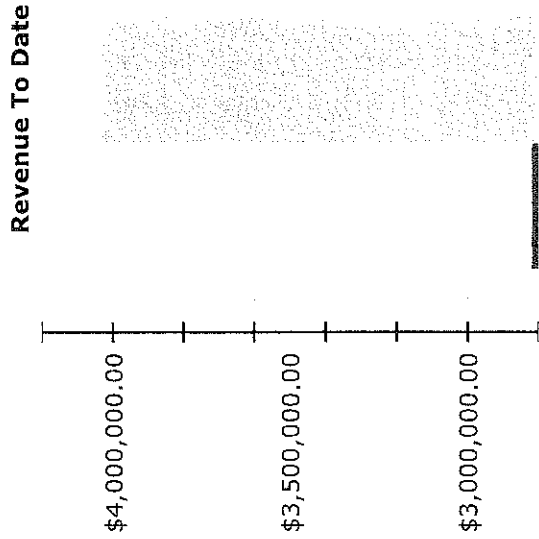
For the period beginning in July 1, 2013 through October 31, 2014

Liquidity Ratio	
Assets	
Current Assets	
Cash	\$5,933,052
Accounts Receivables	\$76,053
Prepaid Expenses	\$8,551
Other Current Assets	\$6,791
Total Current Assets	\$6,024,448
Fixed Assets	
Land	\$89,935
Buildings and Improvements	\$48,311
Computer Equipment	\$30,173
Furniture and Fixtures	\$31,405
Construction in Progress	\$1,838,845
Transportation Equipment	\$46,141
Accumulated Depreciation	(\$102,447)
Total Fixed Assets	\$1,982,364
Other Assets	

Total Other Assets	\$0
Total Assets	\$8,006,812
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	\$15,210
Accrued Salaries, Payroll Taxes, Postemployment Benefits	\$9,031
Deposits held on behalf of other employees	\$90,827
Total Current Liabilities	\$115,068
Long Term Liabilities	
Total Long Term Liabilities	\$0
Total Liabilities	\$115,068
Net Assets	
Restricted Net Assets	\$456,754
Unrestricted Net Assets	\$6,440,073
Profit/Loss YTD	\$994,917
Total Net Assets	\$7,891,744
Total Liabilities and Net Assets	\$8,006,812

Total Cash on Hand

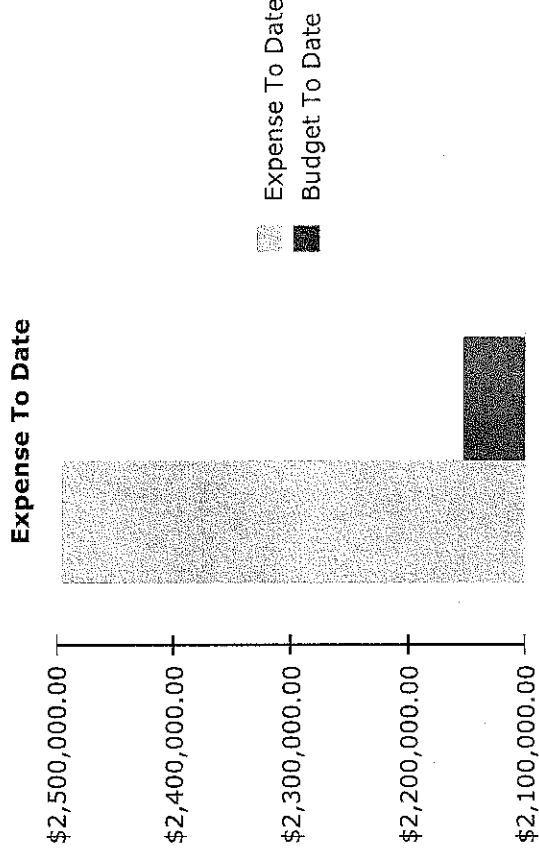
Book Balance: \$5,437,952



Revenue \$2,818,819

Budget \$4,034,556

Revenue To Budget 70 %



Expense \$2,495,096

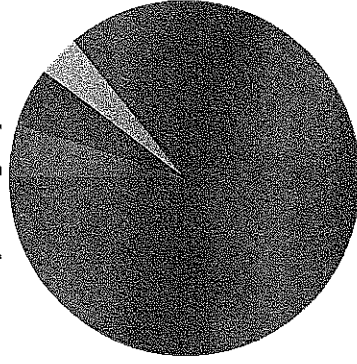
Budget \$2,153,194

Expense To Budget 116 %

Revenue By Category

Account Group	Description	Total	Percent
800	Revenue Limit	\$2,425,887.00	86.06 %
820	Federal Revenue	\$134,452.00	4.77 %
840	Other State Revenue	\$107,040.83	3.80 %
870	Local Revenue	\$151,439.13	5.37 %
Total:		\$2,818,818.96	

Revenue By Category

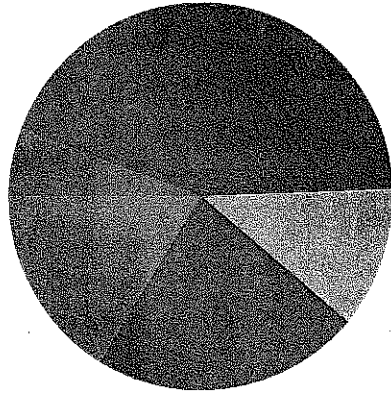


- Federal Revenue
- Local Revenue
- Other State Revenue
- Revenue Limit

Expenses By Category

Account Group	Description	Total	Percent
100	Certificated Salaries	\$1,086,815.38	43.56 %
200	Classified Salaries	\$293,106.55	11.75 %
300	Employee Benefits	\$563,757.62	22.59 %
400	Books and Supplies	\$144,538.46	5.79 %
500	Services & Other Operating Expenses	\$406,878.29	16.31 %
Total:		\$2,495,096.30	

Expenses By Category



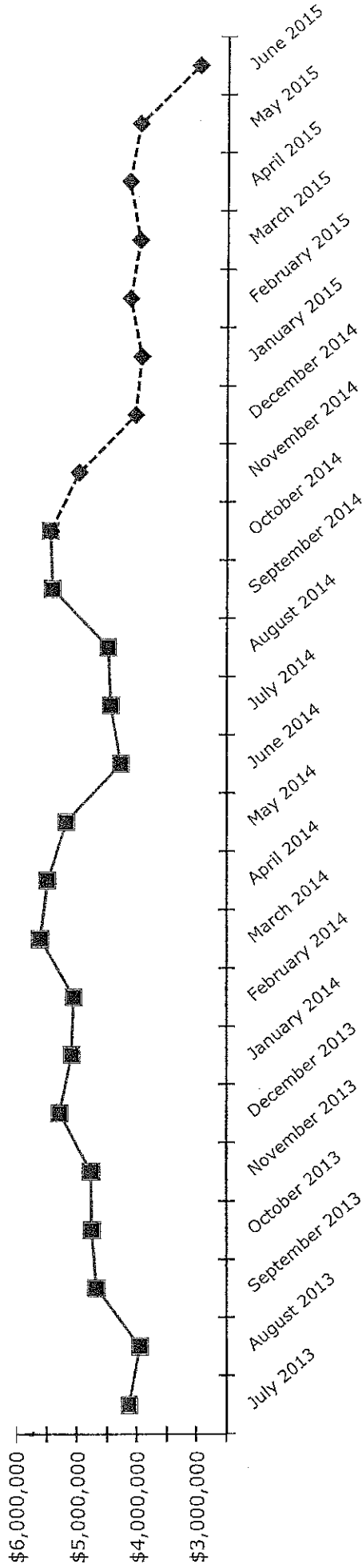
- Books and Supplies
- Certificated Salaries
- Classified Salaries
- Employee Benefits
- Services & Other Operating Expenses

Segment Name: **Filter Applied**

- Object: All
- Restriction: All
- Location: All
- Program: All

Account Description	July - October			2014 - 2015		
	Actual	Budget	Variance \$	Variance %	Total Budget	Remaining Budget
Revenue Limit	\$2,425,887	\$3,422,848	(\$996,961)	-29.1 %	\$10,268,544	\$7,062,018
Federal Revenue	\$134,452	\$221,752	(\$87,300)	-39.4 %	\$674,256	\$539,804
Other State Revenue	\$107,041	\$299,956	(\$192,915)	-64.3 %	\$899,868	\$695,213
Local Revenue	\$151,439	\$90,000	\$61,439	68.3 %	\$270,000	\$118,561
Total Revenue	\$2,818,819	\$4,034,556	(\$1,215,737)	-30.1 %	\$12,112,668	\$8,415,596
Certificated Salaries	\$1,086,815	\$964,302	(\$122,513)	-12.7 %	\$4,821,510	\$3,688,774
Classified Salaries	\$293,107	\$244,768	(\$48,339)	-19.7 %	\$1,223,840	\$923,899
Employee Benefits	\$563,758	\$412,214	(\$151,544)	-36.8 %	\$1,581,206	\$930,867
Total Personnel Expenses	\$1,943,680	\$1,621,284	(\$322,396)	-19.9 %	\$7,626,556	\$5,543,539
Books and Supplies	\$144,538	\$178,412	\$33,874	19.0 %	\$892,060	\$744,721
Services & Other Operating Expenses	\$406,878	\$302,898	(\$103,980)	-34.3 %	\$1,514,490	\$1,042,690
Capital Outlay	-	-	-	0.0 %	-	-
Other Outgo	-	\$50,600	\$50,600	100.0 %	\$253,000	\$253,000
Total Operational Expenses	\$551,417	\$531,910	(\$19,507)	-3.7 %	\$2,659,550	\$2,040,412
Total Expenses	\$2,495,096	\$2,153,194	(\$341,902)	-15.9 %	\$10,286,106	\$7,583,951
Net Income	\$323,723	\$1,881,362	(\$1,557,639)	-82.8 %	\$1,826,562	\$831,645

Monthly Book Balance Over Time



■ Cash - Actual ◆ Projected Cash - Current Fiscal Year

	Cash Amount	Actual or Projected
July 2013	\$4,117,862.72	Actual
August 2013	\$3,935,026.43	Actual
September 2013	\$4,671,615.83	Actual
October 2013	\$4,747,422.71	Actual
November 2013	\$4,757,424.86	Actual
December 2013	\$5,283,491.78	Actual
January 2014	\$5,079,742.49	Actual
February 2014	\$5,043,357.78	Actual
March 2014	\$5,601,966.75	Actual
April 2014	\$5,480,905.49	Actual
May 2014	\$5,169,834.77	Actual
June 2014	\$4,262,967.39	Actual

	Cash Amount	Actual or Projected
July 2014	\$4,434,927.59	Actual
August 2014	\$4,479,387.83	Actual
September 2014	\$5,404,768.75	Actual
October 2014	\$5,437,952.47	Actual
November 2014	\$4,962,000.00	Projected
December 2014	\$4,020,000.00	Projected
January 2015	\$3,920,000.00	Projected
February 2015	\$4,110,000.00	Projected
March 2015	\$3,950,000.00	Projected
April 2015	\$4,125,000.00	Projected
May 2015	\$3,950,150.00	Projected
June 2015	\$2,950,150.00	Projected

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: December 8, 2014

Consent Calendar Item 1

RECOMMENDATION: Approve the Minutes from the October 6, 2014 Board of Directors meeting.

Minutes

Board of Directors meeting

October 6, 2014

Members Present: Christian Scott, Linda Logan, Delano Jones, Agnés Barrelet, Tim Katzman, Salvador Rivera, Shar Dela Cruz

Members Absent: None

Guests: Jill Andersen, Anne Mathews, Brian Rainey, Candace Austin, Eileen Logue

I. CALL TO ORDER – 5:12 p.m.

II. CLOSED SESSION – 5:13 p.m.

1. In accordance with Government Code Section 54957.8, the Board will meet in closed session to consider: **PERSONNEL MATTERS - None**
2. In accordance with Government Code Section 54957.8, the Board will meet in closed session to consider: **REAL ESTATE MATTERS**

RECONVENE TO OPEN SESSION – 5:32 p.m.

III. ACTION ITEMS CONSIDERED IN CLOSED SESSION

1. No action taken on Personnel Matters
2. No action taken on Real Estate Matters

IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Christian Scott.

V. PRESENTATION

1. Teacher Evaluations – Jill Andersen handed out the Certificated Classroom Teacher Performance Evaluation, Classroom Walk-Through Form, Performance Observation Worksheet, Performance Evaluation Worksheet and Standards and Indicators of Effective Teaching Practice to the board members.
2. Ninth Grade Retreat – Brian Rainey shared what a great experience the ninth grade retreat was this year and handed out thank you cards written by the ninth graders to all of the board members and Dr. Dean for allowing them to take the trip.

VI. PUBLIC COMMENT

None.

VII. APPROVAL OF AGENDA

Approved. Christian Scott moved and Tim Katzman seconded. Motion carried 7-0-0.

Ayes: Scott, Katzman, Jones, Logan, Barrelet, Rivera, Dela Cruz

Nays: None

Abstain: None

Absent: None

VIII. DISCUSSION ITEMS

1. Principal/Superintendent Announcements
2. Charter Vision Board Reports
3. Ingenuity Charter Update – nothing reported out

IX. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS

1. Approval of Minutes from the September 8, 2014 Board of Directors
2. Approve/ratify recommended actions on the personnel activity list
3. Approve/ratify check registers
Approved. Salvador Rivera moved and Tim Katzman seconded. Motion carried 6-0-1.
Ayes: Scott, Katzman, Logan, Barrelet, Rivera, Deal Cruz
Nays: None
Abstain: Jones
Absent: None

X. ACTION ITEMS

1. **Ratify the purchase of (425) Chromebooks in the amount of \$128,539.71; and the purchase of (14) carts for the Chromebooks in the amount of \$22,202.33.**
Ratified. Christian Scott moved and Tim Katzman seconded. Motion carried 7-0-0.
Ayes: Scott, Katzman, Jones, Logan, Barrelet, Rivera, Dela Cruz
Nays: None
Abstain: None
Absent: None
2. **Approve updates to the 2010-2015 Single School District Plan.**
Approved. Christian Scott moved and Tim Katzman seconded. Motion carried 7-0-0.
Ayes: Scott, Katzman, Jones, Logan, Barrelet, Rivera, Dela Cruz
Nays: None
Abstain: None
Absent: None
3. **Approve contracts for the following 10 Supplement Education Services providers for a cost not to exceed \$934.92 per pupil allotment for approximately 67 students.**
Approved. Christian Scott moved and Tim Katzman seconded. Motion carried 7-0-0.
Ayes: Scott, Katzman, Jones, Logan, Barrelet, Rivera, Dela Cruz
Nays: None
Abstain: None
Absent: None

XI. ROUNDTABLE

Dr. Dean stated that it has been a good year, busy, but the heat has taken its toll on everyone.

XII. ADJOURNMENT – 6:25 p.m.

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Consent Calendar Item 2

RECOMMENDATION: Approve/Ratify Personnel Activity List

NEW HIRES

Clark, Felicia	Special Education Assistant - high	December 2, 2014
DeGraffenreid, Tiffany	Lead Teacher for Ingenuity Charter	January 5, 2015
Dith, Virac	Education Specialist	October 2, 2014
Doyon, Leon	Computer Technician Intern	November 17, 2014
Estupinan, Oscar	Computer Technician	October 27, 2014
Jackson, Stephen	Extended Day Program Aide	September 25, 2014
Mejia, Byron	Extended Day Program Aide	October 10, 2014
Nunez, Alex	6 th Grade Teacher	October 10, 2014
Russell, Randy	Bus Driver/Custodian	October 23, 2014
Stout, Graham	Special Education Assistant - high	November 20, 2014
Thomas, Allison	Extended Day Program Aide - ASSETS	October 24, 2014
Bogner, Kelly	Substitute Teacher Pool	October 23, 2014
Boss, David	Substitute Teacher Pool	November 5, 2014
Crocco, Hannah	Substitute Teacher Pool	November 7, 2014
Nunez, Gina	Substitute Teacher Pool	November 7, 2014
Ornelas, Lizbeth	Student Teacher Sub for Cuttitta	September 25, 2014
Schrager, Gabriel	Substitute Teacher Poll	November 13, 2014

RESIGNATION/NON-RENEWAL

Thomas, Christopher	Computer Technician	October 16, 2014
Besette, Shauna	Special Education Assistant - elementary	December 19, 2014

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: December 8, 2014

Consent Calendar Item 3

RECOMMENDATION: Ratify Monthly Check Registers

General Account				
<u>Check#</u>	<u>Date</u>	<u>Vendor Name</u>	<u>Transaction Description</u>	<u>Check Amount</u>
1096	10/2/14	Lifesavers CPR	CPR training for (39) staff members	\$1560.00
1097	10/13/14	Countertops for Less	Final payment	\$13,000
1098	10/13/14	AAAE	Breakfast for five at Admin breakfast	\$75.00
1099	10/29/14	MTS	Student passes to the Old Globe	\$48.00
1100	VOID	-----	-----	-----
1101	VOID	-----	-----	-----
1102	10/29/14	CCIS	Registration fee for two attendees	\$570.00
1103	11/14/14	Rosalia Crivello	Reimbursement for materials to build theater set, for play and drama club	\$296.73
1104	11/14/14	Anne Mathews	Reimbursement for supplies for site meetings, student rewards and open house events	\$267.59
1105	11/18/14	Julia LeBlanc	ASES & ASSETS cooking club	\$800.00
1106	11/19/14	Jose's Mobil	Bus repair	\$615.90
1107	11/19/14	San Diego Music Exchange	Music instrument repair	\$356.95
1108	11/21/14	Rosalia Cribello	Reimbursment for props for play	\$60.28
1109	11/25/14	Nicole Hardin	Reimbursement for Parent Day meal and earphones	\$182.16

Check Register 10/1/2014 through 11/30/2014

O'Farrell Charter School

10002358	10/29/2014	4	Sharp Health Plan	Outstanding	\$61,235.50	3403-022-00-100	Health & Welfare Benefits	Nov 2014 Health Ins	\$52,654.67
						3403-022-01-100	Health & Welfare Benefits	Nov 2014 Health Ins - Title 1	\$3,812.75
						3403-022-03-100	Health & Welfare Benefits	Nov 2014 Health Ins - Title III	\$535.74
						3403-022-65-100	Health & Welfare Benefits	Nov 2014 Health Ins - SPED	\$3,875.18
						3403-022-61-100	Health & Welfare Benefits	Nov 2014 Health Ins - ASES	\$178.58
						3403-022-62-100	Health & Welfare Benefits	Nov 2014 Health Ins - ASSETS	\$178.58
10002359	10/29/2014	4	Southwest School & Office Supply	Cleared	\$46.01	4300-022-00-100	Materials and Supplies	Pink Copy Paper	\$46.01
10002360	10/29/2014	4	San Diego County Music Exchange	Outstanding	\$729.62	5610-026-00-102	Equipment Repair	Music Instrument Repairs	\$729.62
10002361	10/29/2014	4	TCR Services	Cleared	\$81.00	5605-022-00-100	Equipment Rental/Lease Expense	Card Replacement for Site Printer	\$81.00
10002362	10/29/2014	4	Upbeat Site Furnishings	Outstanding	\$7,274.50	4400-022-00-100	Noncapitalized Equipment	Outdoor Lunch Tables Qty 6	\$7,274.50
10002363	10/29/2014	4	Summer Valentine	Outstanding	\$57.00	5800-028-00-106	Professional/Consulting Services and Operating Expenditures	Referee Fee for 10/9/14 Volleyball Game	\$57.00
10002364	10/29/2014	4	Waxie Sanitary Supply	Outstanding	\$197.08	4300-022-00-100	Materials and Supplies	Sheila Shine Liquid for Site Yr 14-15	\$197.08
10002365	10/29/2014	4	Elizabeth Wong	Outstanding	\$29.98	4300-026-00-100	Materials and Supplies	REIMB for Bagles for AVID Visit	\$29.98
10002366	10/29/2014	4	Ward's Science	Outstanding	\$116.67	4315-028-00-109	Classroom Materials and Supplies	Phelnolph Agar For HS AP Bio Lab	\$116.67
10002367	10/29/2014	4	Sheryl Yeagar	Outstanding	\$58.90	4300-022-00-104	Materials and Supplies	REIMB for Water	\$58.90
10002368	10/31/2014	4	Christina Puentes	Outstanding	\$50.50	5900-020-00	Communications (Tele., Internet, Copies, Postage, Messenger)	REIMB for FED EX to Mail out Grant	\$50.50
10002369	11/3/2014		Public Employee Retirement System	Outstanding	\$18,560.18	9504-020	Accrued PERS	OCTOBER 2014 PERS	\$18,560.18
10002370	11/3/2014		State Teachers Retirement System	Outstanding	\$79,134.83	9503-020	Accrued STRS	OCTOBER 2014 STRS	\$79,134.83
10002373	11/5/2014		JS Printing, Inc.	Outstanding	\$360.00	4300-028-00-100	Materials and Supplies	1200 8 pg scht newspaper	\$360.00
10002374	11/5/2014		Jose's Mobil	Outstanding	\$442.79	5610-020-00	Equipment Repair	10/25-30/2014 Perform PMI	\$442.79

Check Register 10/1/2014 through 11/30/2014

O'Farrell Charter School

Account Number	Date	Vendor	Outstanding	Account Number	Category	Description	Amount
10002375	11/5/2014	Office Depot	Outstanding	4400-020-00	Noncapitalized Equipment	Portable Air Conditioner	\$609.67
				4300-020-00	Materials and Supplies	Golf, Pencils, Folders, Flair, Pens, Water Btls	\$110.44
				4300-020-00	Materials and Supplies	Folder, Golf Pencils, #2 pencils, Trimmer for supply rm	\$155.81
				4300-020-00	Materials and Supplies	Deskpad Calendar for Curric Crdtr	\$2.92
				4400-020-00	Noncapitalized Equipment	Shredder for Office	\$126.35
				4400-020-00	Noncapitalized Equipment	Floor Fan, Osc Fans For Classrms - qty 5	\$280.21
				4400-024-00-100	Noncapitalized Equipment	Easels for Elem qty 3	\$520.47
				4400-020-00	Noncapitalized Equipment	Floor Fan for Classrooms qty 4	\$329.31
				4300-022-00-100	Materials and Supplies	Coffee for Mtngs	\$11.99
				4300-022-00-100	Materials and Supplies	Coffee & Water Admin/Parent Mtngs	\$59.72
				4300-024-00-100	Materials and Supplies	Metal Whistles qty 20	\$58.10
10002376	11/5/2014	Randy Russell	Outstanding	4300-022-00-100	Materials and Supplies	REIMB Drug Testing Cost	\$60.00
10002377	11/5/2014	San Diego Facility Maintenance, Inc	Outstanding	5500-020-00	Operation and Housekeeping Services	Monthly Janitorial Service - Nov 2014	\$14,265.00
10002378	11/5/2014	Sound Therapies, Inc.	Outstanding	5810-020-65	Educational Consultants	Oct 2014 - Speech & Language Services: R.M.	\$9,937.44
10002379	11/7/2014	City Treasurer	Outstanding	5501-020-00	Utilities	Water, Sewer, Backflow & Fire Service 9/4 - 10/3/14	\$5,628.09
				5501-020-00	Utilities	Water, Sewer, Backflow & Fire Service 10/3 - 11/5/14	\$2,610.02

O'Farrell Charter School

Check Register 10/1/2014 through 11/30/2014

Account Number	Date	Guardian	Outstanding	Account Number	Description	Amount	Check Number	Balance
10002380	11/7/2014	Guardian	Outstanding	3403-022-00-100	Health & Welfare Benefits	\$14,245.45		\$5,941.41
				3403-022-01-100	Health & Welfare Benefits			\$416.76
				3403-022-03-100	Health & Welfare Benefits			\$60.79
				3403-022-65-100	Health & Welfare Benefits			\$529.76
				3403-022-00-100	Health & Welfare Benefits			\$6,286.37
				3403-022-01-100	Health & Welfare Benefits			\$416.76
				3403-022-03-100	Health & Welfare Benefits			\$63.84
				3403-022-65-100	Health & Welfare Benefits			\$529.76
10002381	11/7/2014	LAZEL	Outstanding	4315-024-00-100	Classroom Materials and Supplies	\$849.50		\$849.50
10002382	11/7/2014	San Diego Gas & Electric	Outstanding	5501-020-00	Utilities	\$43,930.39		\$43,930.39
10002383	11/7/2014	Wilkinson Hadley King & Co. LLP	Outstanding	5805-022-00-100	Legal Services and Audit	\$5,085.00		\$5,085.00
10002384	11/7/2014	YMCA Overnight Camps	Outstanding	5505-028-00-100	Student Transportation/Field Trips	\$10,492.00		\$10,492.00
10002385	11/14/2014	San Diego Facility Maintenance, Inc	Outstanding	5800-020-00	Professional/Consulting Services and Operating Expenditures	\$790.00		\$790.00
10002386	11/18/2014	Fidencio Carrasco	Outstanding	4300-022-00-108	Materials and Supplies	\$275.00		\$275.00
10002387	11/18/2014	Department of Motor Vehicle	Outstanding	5505-022-00-100	Student Transportation/Field Trips	\$219.00		\$219.00
10002388	11/18/2014	Fletcher Hills Printing	Outstanding	4300-020-00	Materials and Supplies	\$2,298.24		\$2,298.24
10002389	11/18/2014	JS Printing, Inc.	Outstanding	5900-028-00-100	Communications (Tele., Internet, Copies, Postage, Messenger)	\$360.00		\$360.00
10002390	11/18/2014	Anne Mathews	Outstanding	4300-022-03-100	Materials and Supplies	\$73.26		\$73.26
10002391	11/18/2014	Rosalia Crivello-Marquez	Outstanding	4315-028-62-110	Classroom Materials and Supplies	\$71.29		\$71.29

10002392	11/18/2014	Sharp Health Plan	Outstanding	\$72,504.93	3403-022-00-100	Health & Welfare Benefits	Dec 2014 Health Ins	\$63,924.10
					3403-022-01-100	Health & Welfare Benefits	Dec 2014 Health Ins - Title 1	\$3,812.75
					3403-022-03-100	Health & Welfare Benefits	Dec 2014 Health Ins - Title III	\$535.74
					3403-022-65-100	Health & Welfare Benefits	Dec 2014 Health Ins - SPED	\$3,875.18
					3403-022-61-100	Health & Welfare Benefits	Dec 2014 Health Ins - ASES	\$178.58
					3403-022-62-100	Health & Welfare Benefits	Dec 2014 Health Ins - ASSETS	\$178.58
10002393	11/18/2014	Employment Development Department	Outstanding	\$607.50	3503-020-00	State Unemployment Insurance	SEF Local Experience Charges 7/1/14-9/30/14	\$607.50
10002394	11/18/2014	Social Advocates for Youth, San Diego, Inc.	Outstanding	\$25,000.00	5810-022-00-100	Educational Consultants	Svcs Rndrd fr 7/1/14 - 6/30/15 - Contract w/ FSS/SAY	\$25,000.00
10002395	11/18/2014	Mary Skrabucha	Outstanding	\$82.29	4300-022-00-108	Materials and Supplies	REIMB - Office Supplies	\$82.29
10002396	11/18/2014	Teach For America	Outstanding	\$5,000.00	5800-028-00-100	Professional/Consulting Services and Operating Expenditures	Svs fr 9/21/14 - 6/19/15 - Teachers	\$5,000.00
10002397	11/26/2014	AT&T Mobility	Outstanding	\$175.94	5900-020-62	Communications (Tele., Internet, Copies,Postage,Messenger)	Ext. Day Phone Service - Oct 2014	\$149.51
10002398	11/26/2014	Aztec Leasing, Inc.	Outstanding	\$483.60	5900-022-00-100	Communications (Tele., Internet, Copies,Postage,Messenger)	Ext. Day Phone Service - Oct 2014	\$26.43
10002399	11/26/2014	California Consortium for Independent Study	Outstanding	\$570.00	5605-020-00	Equipment Rental/Lease Expense	Copier Lease Pmt, 10/1 - 11/1/14	\$483.60
10002400	11/26/2014	San Diego County Office of Education	Outstanding	\$85.00	5200-020-00	Travel and Conferences	CCIS 2014-15 Compliance Regstrn for: J Dean & B Rainey	\$570.00
10002401	11/26/2014	TCR Services	Outstanding	\$748.43	5605-020-00	Equipment Rental/Lease Expense	Registration: Sergio Padilla, Training - Oct 2, 2014	\$85.00
10002402	11/26/2014	Waxie Sanitary Supply	Outstanding	\$12,123.44	5500-020-00	Operation and Housekeeping Services	Print Cost Per Page for October 2014	\$748.43
					5500-020-00	Operation and Housekeeping Services	Janitorial Supplies	\$7,367.12
					5500-020-00	Operation and Housekeeping Services	Janitorial Supplies	\$49.41
					5500-020-00	Operation and Housekeeping Services	Janitorial Supplies	\$4,706.91

Check Register 10/1/2014 through 11/30/2014

O'Farrell Charter School

1096	10/2/2014	David Helfman	Cleared	\$1,560.00		
1097	10/13/2014	COUNTERTOPS 4 LESS	Cleared	\$13,000.00		
1098	10/28/2014	AAAE	Cleared	\$75.00		
1099	10/29/2014	Metropolitan Transit System (MTS)	Outstanding	\$48.00		
Total Check Amount				\$687,835.59	Total GL Amount	\$673,152.59



Check Register Detail

Check Register 10/1/2014 through 11/30/2014

O'Farrell Charter School

Payment Number	Payment Date	Payee Name	Rec Status	Check Amount	Account	Account Description	Transaction Description	Invoiced GL Amount
10002320	10/1/2014	Sharp Health Plan	Cleared	\$61,592.66	3403-022-00-100	Health & Welfare Benefits	Oct 2014 Health Ins.	\$53,011.83
					3403-022-01-100	Health & Welfare Benefits	Oct 2014 Health Ins. - Title 1	\$3,812.75
					3403-022-03-100	Health & Welfare Benefits	Oct 2014 Health Ins. - Title III	\$535.74
					3403-022-65-100	Health & Welfare Benefits	Oct 2014 Health Ins. - SPED	\$3,875.18
					3403-022-61-100	Health & Welfare Benefits	Oct 2014 Health Ins. - ASES	\$178.58
					3403-022-62-100	Health & Welfare Benefits	Oct 2014 Health Ins. - ASSETS	\$178.58
10002321	10/2/2014	Public Employee Retirement System	Outstanding	\$16,801.32	9504-020	Accrued PERS	SEPTEMBER 2014 PERS	\$16,801.32
10002322	10/2/2014	State Teachers Retirement System	Cleared	\$80,262.98	9503-020	Accrued STRS	SEPTEMBER 2014 STRS	\$80,262.98
10002323	10/8/2014	Apple Inc.	Cleared	\$21,176.24	4400-022-00-100	Noncapitalized Equipment	iMac 21.5" laptop (Qty 5)	\$6,934.41
					4400-022-00-100	Noncapitalized Equipment	App for MacBk Air, qty 10, Mac Mini	\$14,241.83
10002324	10/8/2014	CDW-Government	Cleared	\$2,335.19	4400-022-00-100	Noncapitalized Equipment	Linksys Router E2500 & MS Office (qty 10)	\$1,362.30
					4400-022-00-100	Noncapitalized Equipment	Linksys Router E2500 & MS Office (qty 7)	\$972.89
10002325	10/8/2014	Guardian	Cleared	\$6,117.87	3403-022-00-100	Health & Welfare Benefits	Sept 2014 Dental Ins.	\$5,118.14
					3403-022-01-100	Health & Welfare Benefits	Sept 2014 Dental Ins. - Title 1	\$416.76
					3403-022-03-100	Health & Welfare Benefits	Sept 2014 Dental Ins. - Title 3	\$53.21
					3403-022-05-100	Health & Welfare Benefits	Sept 2014 Dental Ins. - SPED	\$529.76
10002326	10/8/2014	Brian Henderson	Cleared	\$102.73	5200-022-02-100	Travel and Conferences	REIMB - Mileage & Fuel for BTSA Training 9/25/14	\$102.73
10002327	10/8/2014	KPM General Builders, Inc.	Cleared	\$4,262.00	5601-022-00-100	Building Maintenance	Painted Stage Walls in Theatre	\$4,262.00
10002328	10/8/2014	Brian Rainey	Outstanding	\$62.41	4300-026-00-100	Materials and Supplies	REIMB - Smores for 9th Grade Retreat	\$62.41

O'Farrell Charter School

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10002329	10/8/2014	San Diego Facility Maintenance, Inc	Cleared	\$14,265.00	5500-022-00-100	Operation and Housekeeping Services	Monthly Janitorial Services - Oct 2014	\$14,265.00
10002330	10/8/2014	Sound Therapies, Inc.	Cleared	\$1,656.24	5810-022-65-100	Educational Consultants	Aug 2014 - Speech & Language Services: R.M.	\$1,656.24
10002331	10/8/2014	School Outfitters	Cleared	\$1,383.28	4430-022-00-100	Noncapitalized Student Equipment	18' chairs for addit'l classrms (qty 40)	\$1,383.28
10002332	10/8/2014	SCHOOLSin	Cleared	\$1,187.50	4400-022-00-100	Noncapitalized Equipment	10 Folding Tables	\$1,187.50
10002333	10/8/2014	Mary Skrabucha	Cleared	\$60.51	4300-022-00-108	Materials and Supplies	REIMB - Mtg refreshments & storage containers	\$60.51
10002334	10/8/2014	Sharp Electronics Corporation	Cleared	\$580.76	5605-022-00-100	Equipment Rental/Lease Expense	Copier Maint. Contract, Overage 8/19 - 9/3/14	\$580.76
10002335	10/8/2014	Typing Agent	Cleared	\$2,400.00	4300-022-00-100	Materials and Supplies	Membership Typing Agent: Oct 2014-15, 800 students	\$2,400.00
10002336	10/8/2014	Plate Law Firm	Cleared	\$4,700.00	5805-022-00-100	Legal Services and Audit	Legal Fees	\$4,700.00
10002337	10/10/2014	Apple Inc.	Cleared	\$1,246.70	4400-022-00-100	Noncapitalized Equipment	MacBook Air for Music Teacher	\$1,246.70
10002338	10/10/2014	Candace Austin	Cleared	\$309.74	4300-022-00-100	Materials and Supplies	PETTY CASH REIMB: 8/27/14 - 10/3/14	\$309.74
10002339	10/10/2014	CDW-Government	Cleared	\$733.38	4400-022-00-100	Noncapitalized Equipment	HP Photosmart Printer for Photo Teacher/Classrm	\$216.54
					4400-022-00-100	Noncapitalized Equipment	Epson VS230 LCD Projector for IT	\$350.14
10002340	10/10/2014	Fletcher Hills Printing	Cleared	\$3,552.00	4300-022-00-100	Materials and Supplies	AVL Photo EL 12 LIC L3 - Photoshop for Photo Class	\$166.70
					4300-022-00-100	Materials and Supplies	NCR Forms: PAL shts, Referral, Uniform Violations	\$1,825.20
					4300-022-00-100	Materials and Supplies	NCR Forms: Span. PAL Form	\$89.52
					4300-022-00-100	Materials and Supplies	NCR Forms: Middle PAL Forms	\$967.68
					4300-022-00-100	Materials and Supplies	100,000 Hall Passes	\$669.60
10002341	10/10/2014	McGraw-Hill School Education LLC	Cleared	\$2,114.57	4100-024-00-100	Approved Textbooks and Core Curricula Materials	Everyday Math - Gr 5 - Qty 70 @	\$2,114.57
10002342	10/10/2014	Metropolitan Transit System (MTS)	Cleared	\$2,380.00	5505-022-00-100	Student Transportation/Field Trips	Bus Passes for Students - Sept 2014	\$2,380.00

10002343	10/10/2014	Mind Research Institute	Cleared	4315-024-00-100	Classroom Materials and Supplies	Qty 300 - ST Math Single Student Subscription Lic. - 1 Yr	\$10,200.00		\$10,200.00
10002344	10/10/2014	NWEA	Cleared	4315-022-00-100	Classroom Materials and Supplies	Web-Based MAP, Reading & Language and MAP for Primary	\$12,914.00		\$12,914.00
10002345	10/10/2014	Rosetta Stone Ltd	Cleared	4315-022-00-100	Classroom Materials and Supplies	Language Lic. for 14-15 Yr, for School Site	\$16,995.00		\$16,995.00
10002346	10/10/2014	S & S Worldwide, Inc.	Cleared	4400-024-00-100	Noncapitalized Equipment	Wood Color cubes & Book Stands	\$306.88		\$306.88
10002347	10/10/2014	Staples Advantage	Cleared	4315-026-00-100	Classroom Materials and Supplies	Inv# 3241195565 - 35 TI-84 Plus, Graphic Calcs for Science	\$3,175.20		\$3,175.20
10002348	10/10/2014	Mary Skrabucha	Cleared	4300-022-00-108	Materials and Supplies	REIMB - Postage, Refreshments & Office Supplies	\$229.00		\$229.00
10002349	10/10/2014	San Diego County Office of Education	Cleared	5210-026-02-100	Training and Development Expense	FRWC Reg. Fee for 8 MS Teachers	\$2,632.00		\$2,632.00
10002350	10/10/2014	TCR Services	Cleared	5605-022-00-100	Equipment Rental/Lease Expense	Print Cost Per Page for August 2014	\$237.96		\$151.61
10002351	10/10/2014	Rachel Wells	Cleared	4300-022-00-100	Materials and Supplies	HP Formatter for cjr printer	\$87.77		\$86.35
10002352	10/29/2014	Candace Austin	Outstanding	5200-022-84-100	Travel and Conferences	REIMB - Springboard Training (meals)	\$87.77		\$87.77
10002353	10/29/2014	Dunbar Armored Inc	Outstanding	4300-022-00-100	Materials and Supplies	REIMB O's American Kitchen - Board of Directors	\$115.07		\$115.07
10002354	10/29/2014	Todd Fortune	Outstanding	5800-022-00-100	Professional/Consulting Services and Operating Expenditures	Armored Truck Service Thru September 2014	\$117.29		\$117.29
10002355	10/29/2014	Richard Martinez	Outstanding	5800-028-00-106	Professional/Consulting Services and Operating Expenditures	Referee Fee for 10/9/14 Volleyball Game	\$68.00		\$68.00
10002356	10/29/2014	Samantha Pohaku	Cleared	5800-028-00-106	Professional/Consulting Services and Operating Expenditures	Referee Fee for 10/7/14 Volleyball Game	\$57.00		\$57.00
10002357	10/29/2014	Douglas A. Roach	Outstanding	4300-022-00-100	Materials and Supplies	REIMB for Travel EDCOE Meeting, Parking, Taxis	\$66.00		\$66.00
				5800-028-00-106	Professional/Consulting Services and Operating Expenditures	Referee Fee for 10/7/14 Volleyball Game	\$68.00		\$68.00

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Consent Item 4

RECOMMENDTION: Approve the application gas station/fleet credit card with a \$5,000 line of credit that would enable our staff to fuel the school bus and school van.

BACKGROUND INFORMATION:

On August 23, 2014, the Board of Directors approved the purchase of a 66-passenger from the San Diego Unified School District in the amount of \$25,000.

CURRNT INFORMATION:

We are seeking a fleet gas card so that our school bus can be fueled.

A gas station account(or fleet card) enables our driver to fuel the bus, while the fleet account also allows us to restrict and monitor purchases, as well as log mileage so we can obtain MPG. The card is under The O'Farrell Charter Schools and then each driver can be given a 4 digit pin to access the account. This is an additional safety measure and allows us to easily add or remove drivers without closing the whole account.

We are seeking a \$5000.00 a month line of credit with Chevron. This will be used to fuel the school van and school bus(es).

Chevron was selected because that is the station closest to OCS with diesel, and that is bus accessible.

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Consent Item 5

RECOMMENDTION: Authorize Dr. Jonathan Dean to negotiate a lease with Jacobs Center for a school site for Ingenuity Charter School.

BACKGROUND INFORMATION:

On September 8, 2014, the Board of Directors approved the charter for Ingenuity Charter for 2015-2019 with its LCAP and budget.

On November 18, 2014, San Diego Unified School District granted the charter petition of Ingenuity to establish a new charter school with term dates beginning June 1, 2015 and ending June 30, 2019.

CURRNT INFORMATION:

On November 19, 2014 the Board was invited to inspect the proposed site at 342 Euclid Ave., San Diego 92102.

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: December 8, 2014

Consent Item 6

RECOMMENDATION: Approve the Memorandum of Understanding (MOU) between King Chavez Neighborhood of Schools and The O'Farrell Charter Schools to partner in the usage of school buses and school bus drivers for the transportation of students and school employees on school sponsored events.

BACKGROUND INFORMATION:

On August 23, 2014, the Board of Directors approved the purchase of a 66-passenger from the San Diego Unified School District in the amount of \$25,000.

CURRENT INFORMATION:

This MOU will serve as a good faith agreement that in the event that a school cannot provide the transportation needed for their school sponsored event, they may request assistance from the partner school in the form of a bus or a driver to fulfill that need.

ADDITIONAL INFORMATION:

O'Farrell has received the Certificate of Insurance from King Chavez providing the required coverages.

Memorandum of Understanding

Between

King-Chavez Academy of Excellence, Inc.

and

The O'Farrell Charter Schools

This Memorandum of Understanding (MOU) sets for the terms and understanding between the King-Chavez Neighborhood of Schools and the O'Farrell Charter Schools to partner in the usage of School Buses and School Bus Drivers, for the transportation of students and school employees on school sponsored events.

Background

Events may occur, such as but not limited to: A bus not starting, Bus out of service due to maintenance, An accident has occurred involving a bus, Bus Driver illness etc... during which one of the involved parties may not be able to provide the necessary transportation needed for a school sponsored event. Both parties have agreed, in good faith, to aide each other with backup transportation during such events.

Purpose

This MOU will serve as a good faith agreement that in the event that a school cannot provide the transportation needed for their school sponsored event, they may request assistance from the partner school in the form of a bus or a driver, to fulfill that need.

The above goals will be accomplished by undertaking the following activities:

King-Chavez Neighborhood of Schools will list O'Farrell Charter Schools as "also insured" on their insurance policy.

O'Farrell Charter Schools will list King-Chavez Academy of Excellence, Inc as "also insured" on their insurance policy.

DVR reports will be shared with each school.

To request transportation assistance O'Farrell will contact Jason Gentile.

To request transportation assistance King-Chavez will contact Corinda Mytinger.

(List and describe the activities that are planned for the partnership and who will do what)

Reporting

Both parties will provide a copy of the insurance policy listing the partner school as also insured, to the other school. Copies of DVR's will be given to each school.

Reimbursement

Usage:

Within one week of each backup transportation event, the school providing services will create and transmit an invoice to the school receiving services for the following:

- Reimbursement of driver salary/benefit cost for the time period used.
- Reimbursement for fuel cost at the agreed upon rate of 50 cents per mile.

Damages:

Schools agree that any damage caused by a bus driver to the bus itself or to public property shall be the responsibility of the school which employs the driver.

--Any injury to a student resulting from negligence of the bus driver will need be submitted to the school which employs the driver.

--Any damage to a bus made by a student, staff member, parent, or chaperone will be the responsibility of the school using the transportation.

--Any damages or injury shall be reported immediately to the designated school transportation contacts.

Duration

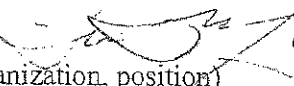
This MOU is at-will and may be modified only by mutual consent of authorized officials from King-Chavez Academy of Excellence, Inc. and O'Farrell Charter School. This MOU shall become effective upon signature by the authorized officials from King-Chavez Academy of Excellence, Inc. and O'Farrell Charter School and will remain in effect until modified by mutual consent, or terminated by written notice by either one or both of the partners.

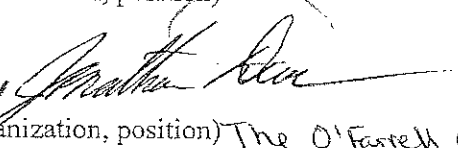
Contact Information

King-Chavez Neighborhood of Schools
Dr. Tim Wolf
CEO
415 31st St San Diego CA 92103
twolf@kingchavez.org

- Partner name
- Partner representative
- Position
- Address
- E-mail

Date:

(Partner signature)  CEO 11-19-14
(Partner name, organization, position)

Date: 12/3/14
(Partner signature) 
(Partner name, organization, position) The O'Farrell Charter Schools, Principal/Superintendent

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Action Item 1

RECOMMENDATION: Approve the June 30, 2014 Audit Report and its findings for the 2013-2014 school year.

BACKGROUND INFORMATION:

The O'Farrell Charter School contracted with Wilkinson Hadley LLP to conduct its June 30, 2014 audit of records.

CURRENT INFORMATION:

There were no findings reported in the prior year audit report.

The auditors will submit the audit to the California Department of Education, County of San Diego, San Diego Unified School District Charter Office and the State Controller's Office by December 15, 2014.

Aubrey King will be present at the Board of Directors meeting on December 8, 2014 to review the final report. This report provides a summary of the activities that are reviewed during the audit.

ADDITIONAL DATA:

See the attached June 30, 2014 Audit Report.

THE O'FARRELL CHARTER SCHOOLS
Financial Statements and Supplemental Information
Year Ended June 30, 2014

THE O'FARRELL CHARTER SCHOOLS
 Financial Statements and Supplemental Information
 Year Ended June 30, 2014

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Independent Auditor's Report

To the Board of Directors
The O'Farrell Charter Schools
San Diego, California

Report on Financial Statements

We have audited the accompanying financial statements of The O'Farrell Charter Schools (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 consolidated 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 The O'Farrell Charter Schools as of June 30, 2014, 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.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying additional supplementary information, as required by the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14*, 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 December 3, 2014 on our consideration of The O'Farrell Charter Schools' 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 The O'Farrell Charter Schools' internal control over financial reporting and compliance.

Wilkinson Hadley King & Co. LLP

El Cajon, California
December 3, 2014

FINANCIAL STATEMENTS

THE O'FARRELL CHARTER SCHOOLS
Statement of Financial Position
June 30, 2014

ASSETS

Current Assets		\$	4,262,967
Cash and cash equivalents			1,149,731
Accounts receivable			152,375
Loan receivable			163,444
Prepaid expenditures			<u>5,728,517</u>
Total Current Assets			
Noncurrent Assets			<u>1,924,928</u>
Capital assets, net			<u>1,924,928</u>
Total Noncurrent Assets			
TOTAL ASSETS		\$	<u><u>7,653,445</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		\$	756,618
Accounts payable			<u>756,618</u>
Total Current Liabilities			
Total Liabilities			<u>756,618</u>
Net Assets			6,651,543
Unrestricted			245,284
Temporarily restricted			<u>6,896,827</u>
Total Net Assets			
TOTAL LIABILITIES AND NET ASSETS		\$	<u><u>7,653,445</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

THE O'FARRELL CHARTER SCHOOLS
Statement of Activities
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Revenue			
LCFF Sources			
State aid, current year	\$ 1,991,811	\$ -	\$ 1,991,811
State aid, prior year	(9,109)	-	(9,109)
Education protection account funds	1,391,692	-	1,391,692
Payments in lieu of property taxes	4,917,287	-	4,917,287
Total LCFF Sources	<u>8,291,681</u>	<u>-</u>	<u>8,291,681</u>
Federal revenue	-	699,807	699,807
Other state revenue	329,841	1,008,239	1,338,080
Interest	17,902	-	17,902
Other local revenue	167,777	-	167,777
Total Revenues	<u>8,807,201</u>	<u>1,708,046</u>	<u>10,515,247</u>
Net assets released from restrictions:			
Grant restrictions satisfied	<u>1,462,762</u>	<u>(1,462,762)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>10,269,963</u>	<u>245,284</u>	<u>10,515,247</u>
EXPENSES			
Certificated salaries	4,248,136	-	4,248,136
Classified salaries	1,008,445	-	1,008,445
Taxes and employee benefits	1,376,938	-	1,376,938
Books and supplies	671,761	-	671,761
Rentals, leases and repairs	61,048	-	61,048
Other operating expenditures	1,275,696	-	1,275,696
Depreciation expense	41,984	-	41,984
TOTAL EXPENSES	<u>8,684,008</u>	<u>-</u>	<u>8,684,008</u>
CHANGE IN NET ASSETS	1,585,955	245,284	1,831,239
NET ASSETS, BEGINNING OF YEAR	<u>5,065,588</u>	<u>-</u>	<u>5,065,588</u>
NET ASSETS, END OF YEAR	<u>\$ 6,651,543</u>	<u>\$ 245,284</u>	<u>\$ 6,896,827</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE O'FARRELL CHARTER SCHOOLS
Statement of Cash Flows
Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 1,831,239
Depreciation	41,984
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) Decrease resulting from changes in assets:	
Accounts receivable	38,775
Loans receivable	25,000
Prepaid expenses	(17,637)
Increase (Decrease) resulting from changes in liabilities:	
Accounts payable	21,962
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,941,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	(1,336,459)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(1,336,459)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	604,864
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,658,103</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,262,967</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements
Year Ended June 30, 2014

A. Organization and Summary of Significant Accounting Policies

Organization

The O'Farrell Charter Schools (the School) was formed on January 1994 as a charter school pursuant to California Education Code §47600 under a charter agreement with San Diego Unified School District (the District). The School became a nonprofit public benefit corporation on July 1, 2010. The School is a classroom based instruction program offered to students in grades kindergarten through ten.

The O'Farrell Charter Schools is a tuition-free, community-oriented institution dedicated to fostering high academy standards, ensuring social and emotional growth, and maintaining a safe and secure learning environment for all of its students.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the School is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor or grant restrictions.
- Temporarily restricted net assets consist of contributed funds or grants subject to donor or grant imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the School may spend the funds.
- Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

The School had no permanently restricted net assets during the year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the School considers all highly liquid debt equity instruments purchased with an original maturity of three months or less to be cash equivalents.

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

Investments

The School's method of accounting for investments, in accordance with generally accepted accounting principles, is the fair value method. Fair value is determined by published quotes. Changes in fair value of investments results in increases or decreases in unrealized fair values of equity investments. Adjustments to fair values are reflected as unrealized gain/loss on investments in the accompanying statement of activities.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year end, as well as bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary as management believes that all amounts are collectible.

Capital Assets

Property and equipment are recorded at cost, or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The cost of assets sold or retired and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the School's earnings. Management has elected to capitalize and depreciate all assets costing \$5,000 or more; all other assets are charged to expense in the year incurred. The School's policy is to evaluate the remaining lives and recoverability in light of the current conditions. It is reasonably possible that the School's estimate to recover the carrying amount of the property and equipment will change. Estimated useful lives range from three to fifty years depending on the asset.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition or when resources are received by the School prior to the School meeting the requirements for legal claim to the resources.

In subsequent periods, when both revenue recognition criteria are met or when the School has legal claim to the resources, the liability for unearned revenue is removed from the statement of financial position and revenue is recognized.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions.

All donor or grant restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

Contributed Materials and Services

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The School receives services donated by volunteers in carrying out the School's operations. The services do not meet the criteria as contributions and are, therefore, not recognized in the financial statements.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contribution of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The School reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Local Control Funding Formula (LCFF)

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the School's average daily attendance (ADA) as reported at the Second Principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the School, which is funding in lieu of property taxes and education protection account funds paid by the state under proposition 30. The remaining balance is paid from the state General Fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 78% of the schools revenue. The School is not at risk of losing these funding sources, as long as the school maintains a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

Advertising

Advertising costs are expensed when incurred.

Income Taxes

The School is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The School is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The School may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2014, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The School follows provisions of uncertain tax positions as addressed in ASC 958. The School recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2014.

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

The School files informational and income tax returns in the United States and in the state of California. The federal income tax and informational returns are subject to examination by the Internal Revenue Service for three years after the returns are filed. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through December 3, 2014, the date the financial statements were available to be issued.

B. Cash and Cash Equivalents

Cash in County Treasury

The School maintains a portion of its cash in the San Diego County Treasury as part of the common investment pool (\$3,910,198 as of June 30, 2014). The county is restricted by Government Code §53635 pursuant to §53601 to invest in time deposits, U.S. Government Securities, state registered warrants, notes or bonds, State Treasurer's investment pool, banker's acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse agreements.

The fair value of the School's investments in the pool is reported based upon the School's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The balance available for withdrawal is equal to the balance recorded in these financial statements.

The School's investment in the county pool is as follows:

	Average Days to <u>Maturity</u>	Amount <u>Reported</u>	<u>Fair Value</u>
San Diego County Treasury Investment Pool	366 Days	\$3,910,198	\$3,915,232

Cash in Bank

The remainder of the School's cash (\$352,769 as of June 30, 2014) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. As of June 30, 2014, the School had \$102,107 exposed to uninsured deposit risk.

C. Analysis of Specific Deposit and Investment Risk

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. Cash invested as part of the County Treasury Investment Pool is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of the credit risk. The San Diego County Investment Pool is rated AAAf/S1 by Standard & Poors.

Custodial Credit Risk – Deposits

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the School's name. As of June 30, 2014, \$102,107 of deposits made were exposed to this risk.

Concentrations of Credit Risk

This risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The investment policy of the School contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such the School was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The School manages its exposure to interest rate risk by investing in the county pool.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. As of June 30, 2014 the school has not invested in any foreign investments and as such is not exposed to foreign currency risk.

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaning Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 Years	None	None
Registered State Bonds, Notes, Warrants	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Banker's Acceptance	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20% of Base	None
Medium-Term Corporate Notes	5 Years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 Years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

D. Accounts Receivable

As of June 30, 2014 accounts receivable consisted of:

	Accounts Receivable
Federal Government:	
Federal Grants	\$ 210,845
State Government:	
LCFF State Aid	216,090
Special Education	161,564
Lottery Revenue	79,891
Other State Grants	25,104
Local Sources:	
Interest	4,759
In Lieu of Property Taxes	372,284
Other Local Sources	79,194
Total Accounts Receivable	<u>\$ 1,149,731</u>

E. Loan Receivable

On April 15, 2014 the School entered into a loan agreement with Bella Mente Montessori Academy, a nonprofit public benefit corporation, lending \$150,000. Interest accrues on the loan at a rate of one half of one percent per month. Interest accrued at June 30, 2014 was \$2,375 and is payable with the principal balance no later than September 1, 2014.

F. Capital Assets

As of June 30, 2014 capital assets consisted of:

	Beginning Balance	Increases	Decreases	Ending Balance
Construction in progress	\$ 517,516	\$ 1,319,035	\$ -	\$ 1,836,551
Building and land improvements	95,535	8,000	-	103,535
Furnitures & fixtures	21,983	9,422	-	31,405
Equipment	55,883	-	-	55,883
Total capital assets	690,917	1,336,457	-	2,027,374
Less accumulated depreciation	(60,453)	(41,993)	-	(102,446)
Capital assets, net	<u>\$ 630,464</u>	<u>\$ 1,294,464</u>	<u>\$ -</u>	<u>\$ 1,924,928</u>

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

G. Accounts Payable

As of June 30, 2014 accounts payable consisted of:

	Accounts Payable
Vendors payable	\$ 183,145
Accrued payroll liabilities	443,844
Due to San Diego Unified School District	<u>129,629</u>
Total Accounts Payable	<u>\$ 756,618</u>

Accumulated unpaid employee vacation benefits of \$19,283 are recognized as liabilities of the School and are included as part of accrued payroll liabilities under accounts payable.

H. Temporarily Restricted Ending Net Assets

Temporarily restricted ending net assets consisted of restricted grants which have not yet been fully expended. Once the funds have been expended for an allowable purpose, they will be reclassified to unrestricted net assets. As of June 30, 2014 temporarily restricted ending net assets consisted of:

California Clean Energy Grant	\$ 116,331
Common Core Implementation Grant	<u>128,953</u>
Total Temporarily Restricted Net Assets	<u>\$ 245,284</u>

THE O'FARRELL CHARTER SCHOOLS
Notes to the Financial Statements, Continued
Year Ended June 30, 2014

I. Functional Expenses

As of June 30, 2014 functional expenses consisted of:

	Program Services	Management and General	Total
Compensation of officers, directors, trustees and key employees	\$ 155,200	\$ 38,800	\$ 194,000
Other salaries and wages	4,772,355	290,226	5,062,581
Pension plan accruals and contributions	411,765	40,724	452,489
Other employee benefits	130,853	12,941	143,794
Payroll taxes	710,396	70,259	780,655
Fees for services (non-employees):			
Management	-	292,663	292,663
Legal	-	3,683	3,683
Accounting	-	8,350	8,350
Other	149,099	261,133	410,232
Advertising and promotion	-	15,283	15,283
Conferences, conventions and meetings	-	25,397	25,397
Interest	-	737	737
Depreciation	-	41,984	41,984
Insurance	-	51,449	51,449
All other expenses			
Books and supplies	460,735	211,026	671,761
Operations and housekeeping	153,578	38,394	191,972
Utilities	136,658	34,164	170,822
Student transportation & field trips	59,517	-	59,517
Rentals, leases & repairs	48,838	12,210	61,048
Communications	-	28,109	28,109
Other expenses	-	17,482	17,482
Total expenses	<u>\$ 7,188,994</u>	<u>\$ 1,495,014</u>	<u>\$ 8,684,008</u>

J. Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The School has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement will not be material. As a result, no liability has been accrued.

Sick Leave

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulate sick leave. Employees, therefore, are never paid for any sick leave balance at termination of employment or any other time. Therefore, it is not appropriate to accrue the value of the accumulated sick leave.

K. Employee Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plans by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the School chooses to stop participating in some of its multi-employer plans, the School may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The School's participation in these plans for the fiscal year ended June 30, 2014, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2014 and 2013 is for the plan's year-end at June 30, 2014 and June 30, 2013, respectively. The zone status is based on information that the School received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. Finally, the number of employees covered by the School's multiemployer plans increased from 2013 to 2014, affecting the period-to-period comparability of the contributions for years 2013 and 2014. The significant increase in covered employees corresponded to an increase in overall business.

THE O'FARRELL CHARTER SCHOOLS

Notes to the Financial Statements, Continued

Year Ended June 30, 2014

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions of School Year Ended June 30			Number of Employees Participating	Surcharge Imposed
		Year Ended June 30			2014	2013	2012		
		2014	2013						
CalSTRS	NPA	Yellow	Yellow	No	\$ 344,575	\$ 271,779	\$ 214,596	86	No
CalPERS	NPA	Yellow	Yellow	No	\$ 107,914	\$ 91,354	\$ 63,797	63	No

NPA – Not publically available

CalSTRS:

The School contributes to the State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2014 active plan members were required to contribute 8% of their salary and the employer contribution rate was 8.25% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The School made contributions as noted above. For the year ended June 30, 2014 the State contributed \$221,073 on behalf of the School.

CalPERS:

The School contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Benefit provisions are established by state statutes, as legislatively amended, with the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Active plan members are required to contribute 7% of their salary, and the School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rates for fiscal year 2013-14 were 11.442% of salaries. The School made contributions as noted above.

L. Joint Ventures (Joint Powers Agreements)

The School participates in one joint powers agreement (JPA), the San Diego Charter Schools Special Education Consortium. The relationship between the School and the JPA is such that the JPA is not a component unit of the school.

The JPA arranges for and provides for various special education services and legal advice for its member schools as requested. The JPA is governed by a board consisting of one or more representatives from each member. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member schools beyond their representation on the board. Each member school pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

Financial information for the JPA can be requested at 2258 Island Avenue, San Diego, California 92102.

SUPPLEMENTAL INFORMATION

THE O'FARRELL CHARTER SCHOOLS
 Organization Structure
 Year Ended June 30, 2014

The O'Farrell Charter Schools (Charter #0048) was established in January 1994. The authorizing entity is San Diego Unified School District. The School serves student is grades kindergarten through ten.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Christian Scott	Chair	Two Year Term Expires November 2014
Tim Katzman	Vice Chair	Two Year Term Expires November 2014
Delano Jones	Secretary	Two Year Term Expires November 2014
Salvador Rivera	Financial Liason	Two Year Term Expires October 2015
Linda Logan	Director	Two Year Term Expires June 2016
Agnes Barrelet	Director	Two Year Term Expires January 2016
Joselito DeJesus	Director	Two Year Term Expires November 2013

ADMINISTRATION

Jonathan Dean, Ed.D
 Principal/Superintendent

THE O'FARRELL CHARTER SCHOOLS
 Schedule of Average Daily Attendance
 Year Ended June 30, 2014

	<u>Second Period Report</u>		<u>Annual Report</u>	
	<u>Original</u>	<u>Revised</u>	<u>Original</u>	<u>Revised</u>
Grades TK/K-3:				
Regular ADA - Classroom Based	186.97	N/A	184.84	N/A
Grades 4-6:				
Regular ADA - Classroom Based	343.11	N/A	337.97	N/A
Grades 7-8:				
Regular ADA - Classroom Based	484.64	N/A	477.52	N/A
Grades 9-12:				
Regular ADA - Classroom Based	<u>217.59</u>	<u>N/A</u>	<u>214.96</u>	<u>N/A</u>
Total Attendance	<u><u>1,232.31</u></u>	<u><u>N/A</u></u>	<u><u>1,215.29</u></u>	<u><u>N/A</u></u>

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

THE O'FARRELL CHARTER SCHOOLS
 Schedule of Instructional Time
 Year Ended June 30, 2014

<u>Grade Level</u>	<u>Minutes Requirement</u>	<u>2013-14 Actual Minutes</u>	<u>Number of Traditional Days</u>	<u>Status</u>
Kindergarten	34,971	67,365	181	Complied
Grade 1	48,960	64,625	181	Complied
Grade 2	48,960	65,310	181	Complied
Grade 3	48,960	65,310	181	Complied
Grade 4	52,457	65,310	181	Complied
Grade 5	52,457	65,310	181	Complied
Grade 6	52,457	69,150	181	Complied
Grade 7	52,457	69,150	181	Complied
Grade 8	52,457	69,150	181	Complied
Grade 9	62,949	73,215	181	Complied
Grade 10	62,949	73,215	181	Complied

The School receives incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the School and whether they complied with the provisions of Education Code Sections 46200 through 46206. Charter schools must maintain their instructional minutes at the 1986-87 requirements as adjusted by Education Code sections later adopted. The School has neither met nor exceeded its target funding.

THE O'FARRELL CHARTER SCHOOLS
 Schedule of Financial Trends and Analysis
 Year Ended June 30, 2014

	Budget 2015 (Note 1)	2014	2013	2012	2011
Revenues	\$ 12,110,177	\$ 10,515,247	\$ 8,185,547	\$ 6,958,253	\$ 6,867,252
Expenses	12,110,161	8,684,008	7,017,923	6,009,634	5,574,349
Change in Net Assets	16	1,831,239	1,167,624	948,619	1,292,903
Ending Net Assets	\$ 6,896,843	\$ 6,896,827	\$ 5,065,588	\$ 3,897,964	\$ 2,949,345
Unrestricted Net Assets	\$ 6,896,843	\$ 6,651,543	\$ 5,065,588	\$ 3,897,964	\$ 2,737,875
Unrestricted net assets as a percentage of total expenses	57%	77%	72%	65%	49%
Total Long Term Debt	\$ -	\$ -	\$ -	\$ -	\$ -
Average Daily Attendance at P2	1,386	1,232	1,028	869	884

Note 1: Budget information for 2015 is presented for analysis purposes only and is based on estimates of the 2014-15 fiscal year. The information has not been subject to audit.

This schedule discloses the School's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the School's ability to continue as a going concern for a reasonable period of time.

THE O'FARRELL CHARTER SCHOOLS

Reconciliation of Financial Report – Alternative Form with Audited Financial Statements
Year Ended June 30, 2014

June 30, 2014 financial report - alternative form net assets	<u>\$ 6,651,543</u>
Adjustments and reclassifications:	
Reclassification of deferred revenue to temporarily restricted for:	
Prop 39 clean energy act	116,331
Common core expenditures	<u>128,953</u>
Total adjustments and reclassifications	<u>245,284</u>
June 30, 2014 audited financial statement net assets	<u><u>\$ 6,896,827</u></u>

This schedule provides the information necessary to reconcile the fund balance as reported on the Annual Financial and Budget Report Alternative Form to the net assets reported in the audited financial statements.

THE O'FARRELL CHARTER SCHOOLS
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2014

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
US DEPARTMENT OF EDUCATION			
Passed through State Department of Education			
Title I	84.010	14329	364,068
Special Education	84.027	13379	128,431
Title IV - 21st Century Community Learning Centers Program	84.287	14349	113,750
Title III - Limited English Proficiency	84.365	14346	24,222
Title II - Teacher Quality	84.367	14341	69,336
Total passed through State Department of Education			699,807
Total U.S. Department of Education			699,807
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 699,807

The accompanying notes to the schedule of expenditures of federal awards is an integral part of this schedule.

THE O'FARRELL CHARTER SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2014

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA

Aubrey W. King, CPA
Richard K. Savage, CPA
Kevin A. Sproul, CPA

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
The O'Farrell Charter Schools
San Diego, 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 The O'Farrell Charter Schools (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 December 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The O'Farrell Charter Schools' 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 The O'Farrell Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of The O'Farrell Charter Schools' 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 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. 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.

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

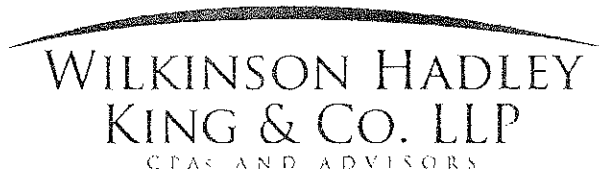
As part of obtaining reasonable assurance about whether The O'Farrell Charter Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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*.

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 the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
December 3, 2014



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA

Aubrey W. King, CPA
Richard K. Savage, CPA
Kevin A. Sproul, CPA

Independent Auditor’s Report on Compliance for Each Major
Program and on Internal Control over Compliance Required by
OMB Circular A-133

To the Board of Directors
The O’Farrell Charter Schools
San Diego, California

Report on Compliance for Each Major Federal Program

We have audited The O’Farrell Charter Schools’ compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The O’Farrell Charter Schools’ major federal programs for the year ended June 30, 2014. The O’Farrell Charter Schools’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of The O’Farrell Charter Schools’ major federal programs based on our audit of the types of compliance requirements referred to above. 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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The O’Farrell Charter Schools’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The O’Farrell Charter Schools’ compliance.

Opinion on Each Major Federal Program

In our opinion, The O’Farrell Charter Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of The O'Farrell Charter Schools are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The O'Farrell Charter Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The O'Farrell Charter Schools' internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

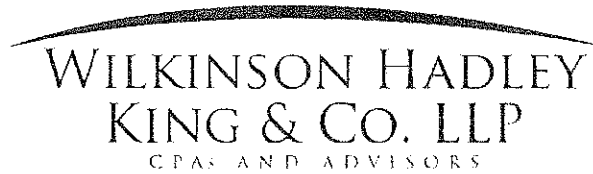
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California

December 3, 2014

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA
Natalie C. Azzam, CPA



Aubrey W. King, CPA
Richard K. Savage, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on State Compliance

To the Board of Directors
The O'Farrell Charter Schools
San Diego, California

Report on State Compliance

We have audited the School's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of the School's state programs identified below for the fiscal year ended June 30, 2014.

Management's Responsibility for State Compliance

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's audit Guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14* published by the Education Audit Appeals Panel. 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 the State's audit guide *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14* published by the Education Audit Appeals Panel. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the district's compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine the district's compliance with the state laws and regulations applicable to the following items:

Description	Procedures in Audit Guide	Procedures Performed
Local Education Agencies Other Than Charter Schools		
Attendance Accounting:		
Attendance Reporting	6	N/A
Teacher Certification and Misassignments	3	N/A
Kindergarten Continuance	3	N/A
Independent Study	23	N/A
Continuation Education	10	N/A
Instructional Time, School Districts	10	N/A
Instructional Materials, General Requirements	8	N/A
Ratios of Administrative Employees to Teachers	1	N/A
Classroom Teacher Salaries	1	N/A
Early Retirement Incentive	4	N/A
Gann Limit Calculation	1	N/A
School Accountability Report Card	3	N/A
Juvenile Court Schools	8	N/A
School Districts and Charter Schools		
Local Control Funding Formula Certification	1	Yes
California Clean Energy Jobs Act	3	Yes
After School Education and Safety Program:		
General Requirements	4	Yes
After School Component	5	Yes
Before School Component	6	N/A
Education Protection Account Funds	1	Yes
Common Core Implementation Funds	3	Yes
Unduplicated Local Control Funding Formula Pupil Counts	3	Yes
Charter Schools		
Contemporaneous Records of Attendance	8	Yes
Mode of Instruction	1	Yes
Nonclassroom-Based Instruction/Independent Study	15	N/A
Determination of Funding for Nonclassroom Based Instruction	3	N/A
Annual Instructional Minutes – Classroom Based	4	Yes
Charter School Facility Grant Program	1	N/A

The term N/A is used above to mean either the School did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Opinion on State Compliance

In our opinion, The O'Farrell Charter Schools complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This report is an integral part of an audit performed in accordance with *Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-14*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California

December 3, 2014

FINDINGS AND RECOMMENDATIONS

THE O'FARRELL CHARTER SCHOOLS
 Schedule of Auditor's Results
 Year Ended June 30, 2014

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 One or more material weakness(es) identified? Yes X No
 One or more significant deficiencies identified that are
 not considered material weakness(es)? Yes X No

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:
 One or more material weakness(es) identified? Yes X No
 One or more significant deficiencies identified that are
 not considered material weakness(es)? Yes X No

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

Any audit findings disclosed that are required to be
 reported in accordance with section 510(a) of
 OMB Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education
84.287	Title IV - 21st Century Community Learning Centers Program

Dollar threshold used to distinguish between Type A
 and Type B programs \$300,000

Auditee qualified as low-risk auditee? X Yes No

STATE AWARDS

Any audit findings disclosed that are required to be reported
 in accordance with *Standards and Procedures for Audits*
 of California K-12 Local Education Agencies? Yes X No

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

THE O'FARRELL CHARTER SCHOOLS
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

A. Financial Statement Findings

None

B. Federal Award Findings

None

C. State Award Findings

None

THE O'FARRELL CHARTER SCHOOLS
Schedule of Prior Year Audit Findings
Year Ended June 30, 2014

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation if Not Implemented</u>
There were no findings reported in the prior year audit.	N/A	N/A

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: December 8, 2014

Action Item 2

RECOMMENDATION: Approve the Positive Certification and Budget Revisions for the First Interim Financial Report for October 31, 2014.

BACKGROUND INFORMATION:

Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31. County superintendents are to report to the Superintendent of Public Instruction and the State Controller the certification for all districts in their county within 75 days after the close of the reporting period.

The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative. A positive certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year. In addition, the Superintendent of Public Instruction may reclassify any county office of education or appeal of a school district certification in accordance with the above standards.

CURRENT INFORMATION:

The O'Farrell Charter School has a positive certification and will meet its financial obligations for the current and two subsequent fiscal years.

See attached report.

Description	Object Code	Unrestricted Adjusted Budget	Unrestricted Actuals to 10/31/14	Restricted Adjusted Budget	Restricted Actuals to 10/31/14	Total Adjusted Budget	Total Actuals to 10/31/14	Projected Year Totals (Higher of Budget or Actual)	Adjusted Budget to Projected Year Total Difference
A. REVENUES (8000-8799)									
1. Local Control Funding Formula (LCFF) - (8010-8099)									
LCFF - State Aid - (Current year)	8011	3,948,823	784,076			3,948,823	784,076	3,948,823	-
Education Protection Account - (Current year)	8012	1,633,326	363,315			1,633,326	363,315	1,633,326	-
LCFF - State Aid - Prior Years - (Include EPA & LCFF - State Aid)	8019								
Transfers to Charter Schools in Lieu Of Property Tax (Current & Prior Years)	8091-8099	4,731,412	1,276,494			4,731,412	1,276,494	4,731,412	-
LCFF - Transfers - Current & Prior Years	8091-8099								
Other LCFF - Sources (All those not reported separately)	8010-8099								
Total - LCFF Sources		10,313,561	2,425,887			10,313,561	2,425,887	10,313,561	
2. Federal Revenues (8100-8299)									
Federal Impact Aid - Survey Cards - Maintenance and Operations	8110								
No Child Left Behind (Title I, II, III, etc.)	8290								
Special Education - Federal	8181, 8182			498,406	34,452	498,406	134,452	498,406	-
Child Nutrition - Federal	8220			166,360		166,360		166,360	-
Other Federal Revenues (All those not reported separately)	8100-8299								
Total - Federal Revenues				664,766	134,452	664,766	134,452	664,766	
3. Other State Revenues (8300-8599)									
Special Education - State (All relevant objects per SELPA Instructions)	StateRevSE								
Child Nutrition - State	8520			744,862	113,892	744,862	113,892	744,862	-
Mandated Cost Reimbursements	8550								
Lottery Revenue - Non-Prop 20 Unrestricted RES 1100	8560	138,396		16,608		138,396		138,396	-
Lottery Revenue - Prop 20 Restricted RES 6300	8560			277,000	101,209	277,000	101,209	277,000	-
Other State Revenues (All those not reported separately)	8300-8599								
Total - Other State Revenues		138,396	5,892	1,038,470	215,101	1,176,866	220,933	1,176,866	
4. Other Local Revenue (8600-8799)									
All Other Local Revenue	8600-8799								
Total - Local Revenues									
5. TOTAL REVENUES		10,451,957	2,469,266	1,703,236	349,553	12,155,193	2,818,819	12,192,740	(37,547)
B. EXPENDITURES AND OTHER OUTGO (1000-7499)									
1. Certificated Salaries									
Certificated Teachers' Salaries	1100	3,323,043	718,608	586,419	149,507	3,909,462	928,115	3,909,462	-
Certificated Pupil Support Salaries	1200		227,274	91,000	17,086	91,000	39,060	91,000	-
Certificated Supervisors' and Administrators' Salaries	1300	456,470	98,661			456,470	98,661	456,470	-
Other Certificated Salaries	1900	129,102	226,79	273,513		402,615	22,679	402,615	-
Total, Certificated Salaries		3,908,615	920,222	950,932	166,593	4,859,547	1,086,815	4,859,547	
2. Classified Salaries									
Classified Instructional Salaries	2100	69,220	63,475	582,698	62,456	651,918	25,931	651,918	-
Classified Support Salaries	2200	87,274	12,046	52,164	3,354	139,438	49,690	139,438	-
Classified Supervisors' and Administrators' Salaries	2300								
Clerical and Office Salaries	2400	419,295	117,786	13,190		432,485	117,786	432,485	-
Other Classified Salaries	2900								
Total, Classified Salaries		575,789	223,317	648,052	68,790	1,223,841	293,907	1,223,841	
3. Employee Benefits									
STRS	3101-3102	343,958	81,531	76,075	14,995	420,033	65,935	420,033	-
PERS	3201-3202	67,367	25,562	75,822	8,055	143,189	33,617	143,189	-
OASDI / Medicare / Alternative	3301-3302	38,865	10,519	43,744	7,740	82,609	38,419	82,609	-
Health and Welfare Benefits	3401-3402	678,018	265,772	169,504	43,374	847,522	308,695	847,522	-
Unemployment Insurance	3501-3502	9,151	727	3,129	18	12,280	844	12,280	-
Workers' Compensation Insurance	3601-3602	152,500	56,157	32,061		184,561	86,957	184,561	-
Retiree Benefits	3701-3702								
Other Employee Benefits	3901-3902								
Total, Employee Benefits		1,289,859	490,193	400,335	73,625	1,690,194	563,759	1,690,194	

First Interim Report
FY 2014-15
For the Period Ending October 31, 2014

Charter School Name: The U-arrell Charter School
CDS# 37-68338-6051964
Authorizing Agency: San Diego Unified School District

Accrual Basis

Object Code	Description	Unrestricted Adjusted Budget	Unrestricted Actuals to 10/31/14	Restricted Adjusted Budget	Restricted Actuals to 10/31/14	Total Adjusted Budget	Total Actuals to 10/31/14	Projected Year Totals (Higher of Budget or Actual)	Adjusted Budget to Projected Year Total Difference
4100	4. Books and Supplies	445,000	12,050	24,050		469,050	12,050	469,050	
4200	Approved Textbooks and Core Curricula Materials	5,000	1,069			5,000	1,069	5,000	
4300	Books and Other Reference Materials	338,450	61,947	9,500		347,950	61,947	347,950	
4400	Materials and Supplies	532,500	48,493			532,500	48,493	532,500	
4700	Non-capitalized Equipment								
	Food								
	Total, Books and Supplies	1,320,950	124,558	33,550		1,354,500	144,538	1,354,500	
5100	6. Services and Other Operating Expenditures								
5200	Subagreements for Services	84,040	8,953	49,252		133,292	8,953	133,292	
5300	Travel and Conferences	18,700	8,346			18,700	8,346	18,700	
5400	Dues and Memberships	58,999	59,634			58,999	59,634	58,999	
5500	Insurance	465,000	155,664			465,000	155,664	465,000	
5600	Operations and Housekeeping Services	42,099	11,882			42,099	11,882	42,099	
5700	Rentals, Leases, Repairs and Non-capitalized Imprints	1,426,730	32,237	182,186		1,608,916	32,237	1,608,916	
5800	Transfer of Direct Costs (MUST NET TO ZERO)	29,999	5,285			29,999	5,285	29,999	
5900	Prof/Consulting Svcs and Operating Expend (Include District Oversight)								
	Communications								
	Total, Services and Other Operating Expenditures	2,126,567	381,599	231,438		2,358,005	406,876	2,358,005	
6900	6. Capital Outlay								
	Depreciation Expense (See Section G.9)								
	Total, Capital Outlay								
7110-7143	7. Other Outgo								
7211-7213	Tuition to Other Schools (include contribution to unfunded cost of Special Education)								
7221-7223	Transfers of Pass-through Revenues to Other LEAs								
7280-7289	Transfers of Appointments to Other LEAs - Spec Ed and All Others								
7300	All Other Transfers								
7438	Indirect Costs (MUST NET TO ZERO)								
	Debt Service - Interest								
	Total, Other Outgo								
	8. TOTAL EXPENDITURES	9,221,780	2,159,809	2,264,307	335,287	11,486,087	2,495,096	11,486,087	
	C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)	1,230,177	309,457	(561,071)	(14,266)	689,106	323,723	706,653	(37,547)
	D. OTHER FINANCING SOURCES/USES (7600-7699, 8930-8999)								
8930-8979	1. All Other Financing Sources								
7630-7699	2. Other Uses								
8980-8999	3. Contributions between unrestricted and restricted accounts (MUST NET TO ZERO) (include contribution to the unfunded cost of Special Education)								
	4. TOTAL OTHER FINANCING SOURCES/USES								

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Action Item 3

RECOMMENDATION: Ratify adjustments to the 2014-2015 budget.

BACKGROUND INFORMATION:

Revisions listed are a result of either changes made to the budget adopted by the State of California, changes to the school's enrollment, the elimination of programs, or the addition of programs at the school site level.

CURRENT INFORMATION:

O'Farrell ended the 2013/2014 school year with a fund balance of \$6,651,543 (including a ending cash balance of \$4,262,967)

1. The State of California adopted new LCFF (Local Control Funding Formula) which has changed school funding to allow for more dollars to be targeted toward "unduplicated" risk factors (i.e. FRMP, ELL, Foster youth) approx. 85%.
2. According to the latest LCFF calculator v15.3 O'Farrell's revenues are as follows:

Version 15.1	Version 15.3
LCFF - 3,142,546	LCFF - 3,948,823
EPA - 1,745,653	EPA - 1,633,326
PRPTX-5,380,346	PRPTX-4,731,412
10,268,545	10,313,561

Difference : 45,015 in additional revenue

ADA: Est P2 ADA of 1386

See table below for description of LCFF MMP Supplemental and Concentration Grant Amounts.

The O'Farrell Charter

12/3/14

5 CCR § 15496

**Minimum Proportionality Percentage (MPP):
Summary Supplemental & Concentration Grant**

		2013-14	2014-15	2015-16**	2016-17**
96(a)(1)	1. LCFF Target Supplemental & Concentration Grant Funding <i>from Calculator tab</i>		2,128,451	2,175,113	2,221,600
96(a)(2)	2. Prior Year (estimated) Expenditures for Unduplicated Pupils above what was spent on services for all pupils				
	Prior Year EIA expenditures 2014-15 py exp (2013-14 exp) must >= 2012-13 EIA exp				
96(a)(3)	3. Difference [1] less [2]		2,128,451	2,175,113	2,221,600
96(a)(4)	4. Estimated Additional Supplemental & Concentration Grant Funding <i>[3] * GAP funding rate</i>		629,170	449,813	566,064
	<i>GAP funding rate</i>		29.56%	20.68%	25.48%
96(a)(5) 96(a)(8)	5. Estimated Supplemental and Concentration Grant Funding [2] plus [4] (unless [3]<0 then [1]) <i>LCAP Section 3, Part A</i>		629,170	449,813	566,064
96(a)(6)	6. Base Funding <i>LCFF Phase-In Entitlement less [5], excludes Targeted Instructional Improvement & Transportation</i>		9,684,391	10,423,983	10,926,172
	<i>LCFF Phase-In Entitlement</i>		10,313,561	10,873,796	11,492,236
96(a)(7) 96(a)(8)	7/8. Minimum Proportionality Percentage* <i>[5] / [6]</i> <i>LCAP Section 3, Part B</i>		6.50%	4.32%	5.18%
<p>*percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP year. If Step 3a <=0, then calculate the minimum proportionality percentage at Estimated Supplemental & Concentration Grant Funding, step 5. **Regulations only require an LEA to demonstrate how it is meeting the proportionality percentage in the LCAP year, not across all three years.</p>					
SUMMARY SUPPLEMENTAL & CONCENTRATION GRANT & MPP					
			2014-15	2015-16	2016-17
Current year estimated supplemental and concentration grant funding in the LCAP year			\$ 629,170	\$ 449,813	\$ 566,064
Current year Minimum Proportionality Percentage (MPP)			6.50%	4.32%	5.18%

BOARD OF DIRECTORS AGENDA ITEM
Agenda Date: December 8, 2014
Action Item 4

RECOMMENDATION: Approve the renewal term for Christian Scott to remain a member of the Board of Directors in the role as Chair for another two years, 2014 – 2016.

BACKGROUND INFORMATION:

The regular term of each Director shall be two years.

CURRENT INFORMATION:

Christian Scott has served on the Board since 2006. This shall be his fifth term.

Board Member Approval Date: November 2006

Term 1: November 2006-2008

Term 2: November 2008-2010

Term 3: November 2010-2012

Term 4: November 2012-2014

Term 5: December 2014-2016

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: December 8, 2014

Action Item 5

RECOMMENDATION: Approve the renewal term for Tim Katzman to remain a member of the Board of Directors in the role as Vice Chair for another two years, 2014 – 2016.

BACKGROUND INFORMATION:

The regular term of each Director shall be two years.

CURRENT INFORMATION:

Tim Katzman has served on the Board since 2006. This shall be his fifth term.

Board Member Approval Date: November 2006

Term 1: November 2006-2008

Term 2: November 2008-2010

Term 3: November 2010-2012

Term 4: November 2012-2014

Term 5: December 2014-2016

BOARD OF DIRECTORS AGENDA ITEM

Agenda Date: December 8, 2014

Action Item 6

RECOMMENDATION: Approve the renewal term for Delano Jones to remain a member of the Board of Directors in the role as Secretary for another two years, 2014 – 2016.

BACKGROUND INFORMATION:

The regular term of each Director shall be two years.

CURRENT INFORMATION:

Delano Jones has served on the Board since 2006. This shall be his fifth term.

Board Member Approval Date: November 2006

Term 1: November 2006-2008

Term 2: November 2008-2010

Term 3: November 2010-2012

Term 4: November 2012-2014

Term 5: December 2014-2016

