



Magnolia Public Schools

Finance/Audit Committee Meeting

Date and Time

Thursday November 5, 2015 at 5:30 PM

Location

Teleconference

Regular Meeting Teleconference Information: Dial:1 (408) 650-3123 Code: 215-828-029
Finance Committee Members: Ms. Noel Russell-Unterburger, Chair Mr. Serdar Orazov
Access to the Board Meeting: Any interested parties or community members from remote locations may attend the meeting at the following school sites or the addresses where the Board members are joining the meeting from: • MSA-1 school site: 18238 Sherman Way, Reseda, CA, 91335 • MSA-6 school site: 3754 Dunn Dr., Los Angeles, CA, 90034 • 2451 Ridge Rd. Berkeley, CA 94709 • 1745 Technology Dr. Ste 200 San Jose, CA 95110 • 1020 South Olive Street, 7th Floor Los Angeles, CA 90015 In compliance with the Americans with Disabilities Act (ADA) and upon request, Magnolia Public Schools may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact the MPS central office. If you need special assistance to attend the meeting, please notify Barbara Torres at (714) 892-5066 x100 to make arrangements and accommodate your disability.

Agenda

	Purpose	Presenter	Duration
I. Opening Items			
A. Record Attendance and Guests			
B. Call the Meeting to Order			
C. Approve Minutes	Approve Minutes	Barbara Torres	1
II. Action/Discussion Item- Recommendations to the Full Board			
A. Approval of Changes in Financial Policies	Vote	Oswaldo Diaz	25
B. Approval of Revised Budget and Required Ongoing Contracts	Vote	Oswaldo Diaz	10
III. Information Item			
A. Review of Quarterly Financial Statement	FYI	Oswaldo Diaz	5
IV. Closing Items			
A. Adjourn Meeting	Vote		

Agenda Cover Sheets

Section: **II. Action/Discussion Item- Recommendations to the Full Board**
Item: A. Approval of Changes in Financial Policies
Purpose: Vote
Goal:
Submitted by:
Related Material: II A Changes in Financial Policies.pdf

Section: **II. Action/Discussion Item- Recommendations to the Full Board**
Item: B. Approval of Revised Budget and Required Ongoing Contracts
Purpose: Vote
Goal:
Submitted by:
Related Material: II B Revised Budget and On Going Contracts.pdf

Section: **III. Information Item**
Item: A. Review of Quarterly Financial Statement
Purpose: FYI
Goal:
Submitted by:
Related Material: III A Quarterly Financial Statements.pdf



Magnolia Public Schools

Minutes

Finance/Audit Committee Meeting

Date and Time

Thursday September 3, 2015 at 6:00 PM

Location

Teleconference 13950 Milton Ave. Ste 200 Westminster, CA 92683 Conference Rm

Board Members Present

N. Huynh (remote), N. Russell-Unterburger (remote), U. Yapanel (remote)

Board Members Absent

Guests Present

B. Torres (remote), C. Young (remote), O. Diaz (remote)

I. Opening Items

A.Record Attendance and Guests

B.Call the Meeting to Order

U. Yapanel called a meeting of the Finance/Audit committee of Magnolia Public Schools to order on Thursday Sep 3, 2015 @ 6:00 PM at Teleconference 13950 Milton Ave. Ste 200 Westminster, CA 92683 Conference Rm.

C.Approve Minutes of Finance Committee Meeting that took place on June 1, 2015

Dr. Yapanel made a motion to approve the minutes as presented. Mr. Nguyen second. The minutes were approved unanimously.

II. Action/Discussion Item

A.Unaudited 2014-15 Financial

Mr. Diaz, Magnolia CFO, explained to the Finance Committee that the unaudited financials presented were submitted to the Magnolia authorizers. He also explained that the audited financials are still needed and these would include the increase in salaries and benefits as well as an increase due to legal fees with LAUSD. Mr. Diaz addressed all board member questions. Ms. Unterburger made a motion to direct the Finance Committee to give their recommendation of the approval of the unaudited 2014-15 financials as presented to the full board during the next regular MPS Board Meeting. Mr. Nguyen second. The motion was passed unanimously.

B.Magnolia Science Academy 1 Single Audit Report

Mr. Diaz explained to the committee that the single audit report is a requirement for non profits who receive more than \$500,000 for Fiscal Year 2014-15. This report demonstrates that funds were used in accordance with the proper use by reporting how items were spent. This report was created by the former Magnolia external auditors and they reviewed expenses to confirm that expenses were used appropriately. Ms. Unterburger made a motion to recommend the approval of the 2014-15 MSA-1 Single Audit Report as presented, to the full board in the next regular MPS Board Meeting. Mr. Nguyen seconded. The motion was passed unanimously.

III. Closing Items

A.Adjourn Meeting

Dr. Yapanel adjourned the meeting at 7:00 p.m.
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:00 PM.

Respectfully Submitted,
U. Yapanel



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	II A
Date:	November 5, 2015
To:	MPS Finance Committee
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Oswaldo Diaz, Chief Financial Officer
RE:	Approval of Changes in Financial Policies

Proposed Board Recommendation

I move that the MPS Finance Committee makes a motion to make the recommendation to the full MPS Board to approve the revisions to the financial policies as presented.

Background

As of July 1, 2015, EdTec initiated back-office service functions for Magnolia Public Schools. EdTec has been hired to provide a fully-outsourced solution that includes budgeting, financial statement preparation, accounting, accounts payable processing, training, government financial reporting, payroll, and audit support.

The proposed revised changes to the financial policies are based on the new functions provided by EdTec and reflect the new structure that will be effective and applicable for FY 2015-16.

Revised Policies

The following policies have been updated to reflect the new accounting and finance functions:

Cash

CSH101 Cash Boxes
CSH103 Problem Checks
CSH108 Inter-Account Bank Transfers
CSH109 Journal and Reclassification Entries
CSH110 Petty Cash Purchases
CSH112 Intercompany Receivables and Payables
CSH113 Financial Reserves

General & Administrative

G&A103 Travel and Entertainment
G&A104 Management Reports
G&A105 Period-End Review and Closing
G&A107 Taxes and Insurance
G&A115 Accrued Liabilities
G&A116 Notes Payable
G&A117 Financial and Tax Reporting
G&A118 Budgeting
G&A121 School Site Accounting



MAGNOLIA PUBLIC SCHOOLS

13950 Milton Ave. 200B Westminster, CA 92683

P: (714) 892-5066 F: (714) 362-9588

Purchasing

PUR102 General Purchasing
PUR103 Receiving and Inspection
PUR104 Accounts Payable and Cash
Disbursements
PUR105 Prepaid Expenses
PUR106 Reimbursements

Revenue

REV101 Sales Receipt Processing
REV102 Invoicing and Accounts Receivable
REV103 Process Billing
REV105 Revenue Recognition Grants and
Contributions
REV106 Gifts-In-Kind
REV107 Restricted Funds

Fixed Assets

INV102 Fixed Assets Capitalization &
Depreciation

Name of Staff Originator:

Oswaldo Diaz, Chief Financial Officer

Summary of Revisions to MPS Financial Policies -11-12-15

Policy Number	Policy Title	Description of Changes	Description
CSH101	CASH BOXES	Inclusion of back-office service provider process	Bank deposit documentation needs to be emailed to EdTec, in PDF format, for entry into the general ledger on a weekly basis.
CSH103	PROBLEM CHECKS	Inclusion of back-office service provider process	EdTec is responsible for processing all check transactions for each school.
CSH108	INTER-ACCOUNT BANK TRANSFERS	Inclusion of back-office service provider process	EdTec monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. EdTec recommends to the Chief Financial Officer when a transfer should be made to maximize the potential for earning interest or when funds are needed for processing payroll or other transfer needed. The Chief Financial Officer will determine when to make a transfer and in what amount. After the transfer has been initiated by the Chief Financial Officer, the Chief Executive Officer must log into the online banking system in order to complete the bank transfer process. A copy of the transfer is given to EdTec.
CSH109	JOURNAL ENTRIES AND RECLASSIFICATION ENTRIES	Revision of responsibilities	The Chief Financial Officer is responsible for review and approval of all journal entries and reclassification entries. 1.1 The Chief Financial Officer the Financial Analysts and EdTec monitor the balances in the accounting records of the Organization. It is the policy of MERF that all journal entries not originating from subsidiary ledgers shall be authorized in writing by the Chief Financial Officer initialing or signing the entries.
CSH110	PETTY CASH PURCHASES	Removal of petty cash use	The Organization does not permit the use of petty cash. This applies all petty cash transactions.
CSH112	INTERCOMPANY RECEIVABLES AND PAYABLES (DUE TO/DUE FROM)	Revision of responsibilities	The Finance Department is responsible for alerting EdTec regarding intercompany transactions. EdTec is responsible for recording it into the accounting system, and ensuring accuracy of fiscal year-end balances. The Chief Financial Officer, with the support of the Finance Department and EdTec monitors cash balances daily for the charter schools.
CSH113	FINANCIAL RESERVES	Inclusion of back-office service processes	EdTec is responsible for day to day monitoring of charter school cash accounts and ensuring their accuracy. EdTec will monitor the cash balance for each charter school to ensure its accuracy and to be able to project future amounts.
G&A103	TRAVEL AND ENTERTAINMENT	Inclusion of back-office provider process	The Finance Department will receive and review the expense report documentation and send to EdTec to process necessary employee reimbursement.
G&A104	MANAGEMENT REPORTS	Revision of responsibilities	EdTec will prepare summary reports of vital operating statistics for the Organization, including revenues, current debt, operating cash, accounts receivable and projected short-term cash flows. EdTec will be responsible for assuring effective and informative reporting for the Organization. EdTec will file a copy of repetitive reports for later retrieval, auditing or trend analysis. EdTec will notify the Chief Financial Officer of any shortfall so that the Organization may determine alternative courses of action to rectify the situation.
G&A105	PERIOD-END REVIEW & CLOSING	Inclusion of back-office service provider process	EdTec is responsible for creating and reviewing all period-end activities to ensure the period-end financial statements accurately reflect the results of the Organization's activities. All final closing adjustments should be approved by the Chief Financial Officer.
G&A107	TAXES AND INSURANCE	Inclusion of back-office service provider process	The Financial Analysts are responsible for determining all tax liabilities and fees, and the dates due. EdTec is responsible for ensuring the timely payment of all tax liabilities and fees.
G&A115	ACCRUED LIABILITIES	Inclusion of back-office service provider	The Financial Analysts with the support of EdTec are responsible for ensuring that the accrued liabilities are properly accounted for.
G&A116	NOTES PAYABLE	Changes in responsibilities	EdTec is responsible for ensuring that all notes, loans, and other similar obligations are properly accounted for.

Summary of Revisions to MPS Financial Policies -11-12-15

Policy Number	Policy Title	Description of Changes	Description
G&A117	FINANCIAL AND TAX REPORTING	Inclusion of back-office service provider process	EdTec is responsible for preparing all Organization financial statements. 3.1 All financial statements and supporting schedules shall be reviewed and approved by the Chief Financial Officer, prior to being issued by EdTec. They should be signed by the preparer and the Chief Executive Officer.
G&A118	Budgeting	Inclusion of back-office provider process	The School Site Principals with the support of EdTec are responsible for preparing, monitoring, and implementing the annual school site budget. Principal is responsible for providing information to EdTec so that the back-office service provider can prepare the annual site budget and make revisions as needed. The Finance Department is responsible for reviewing the school site and Organization-wide budgets and budget revisions. Edtec is responsible for preparing monthly budget vs. actual comparison reports. 1.1 The Organization-wide budget will be prepared by the Chief Financial Officer with the support of EdTec.
G&A121	School Site Accounting	Inclusion of back-office provider processes	EdTec, with the support of the Financial Analysts, is responsible for timely and accurate recording of transactions, providing useful management information, and properly reporting such information for various user needs. The Chief Financial Officer is responsible for overseeing the Financial Analysts and providing assistance where needed. Each Charter School will have its own accounting file to assist in maintaining separate accounting for each school, and a separate bank account to avoid comingling of funds. Revenues from fundraising will be recorded in the accounting system using the resource tracking system in order to account for funds received from different events.
INV102	FIXED ASSET CAPITALIZATION & DEPRECIATION	Revision of capitalization policy relating to technology aggregate purchases	Bulk computer, software, and other technology purchases with an aggregate value of \$25,000 or more are captured as fixed assets regardless of individual price of item.
PUR102	GENERAL PURCHASING	Inclusion of back-office service provider processes	All purchases of goods and services shall be consistent with the Board-approved budget. Chief Financial Officer and the Finance Department are responsible for using good purchasing methods, optimizing price savings, quality or value of products, vendor working relationships, placing orders with approved suppliers, negotiating pricing with suppliers, and forwarding all paperwork to EdTec accounts payable for payment. EdTec accounts payable is responsible for payment of invoices only after satisfactory completion or delivery of goods or services has been made. The School Site Personnel and Other Designated Individuals are responsible for receiving, inspecting materials, and forwarding all paperwork to a designated agent at EdTec.
PUR103	RECEIVING AND INSPECTION	Changes to responsibilities	Purchasing is responsible for accepting or rejecting damaged goods. EdTec is responsible for payment of invoices. The Finance Department will review and authorize all rejections.
PUR104	ACCOUNTS PAYABLE AND CASH DISBURSEMENTS	Inclusion of back-office service provider process	The Principal at each school site is responsible for reviewing and approving payments under \$5,000, in accordance with the approved budget. The Chief Financial Officer is responsible for reviewing and approving payments over \$5,000, up to \$10,000 in accordance with the approved budget. A designee can be assigned by the Chief Financial Officer to approve these payments. The Chief Executive Officer is responsible for reviewing and approving payments over \$10,000 in accordance with the board approved budget, as well as up to \$10,000 for non-budgeted items.
PUR105	PREPAID EXPENSES	Revision of responsibilities	The Chief Financial Officer is responsible for reviewing and authorizing prepaid expenses. The Finance Department with the support of EdTec is responsible for processing prepaid payments and amortizing the prepaid cost of the expected future life of the prepaid asset. The Finance Department shall maintain a schedule of all prepaid expenses.

Summary of Revisions to MPS Financial Policies -11-12-15

Policy Number	Policy Title	Description of Changes	Description
PUR106	REIMBURSEMENTS	Inclusion of back office service provider and amount limit changes.	The Chief Financial Officer is responsible for reviewing and approving payments over \$5,000, up to \$10,000 in accordance with the approved budget. A designee can be assigned by the Chief Financial Officer to approve these payments. EdTec accounts payable is responsible for payment of reimbursements in a timely manner. A timely manner is defined as within two weeks upon submission to EdTec accounts payable.
REV101	SALES RECEIPT PROCESSING	Inclusion of back-office service provider process	EdTec approves sales receipt documentation. 1.1 Sales Receipts are often used for Parenting Fees and other similar fees and require completion of the EdTec Deposit Log
REV102	INVOICING, ACCOUNTS RECEIVABLE, RECEIVABLE ACCRUALS	Inclusion of back office service provider	The Finance Department is responsible for the timely preparation and distribution of invoices to optimize cash flow and customer payments. The Finance Department with the support of EdTec will also maintain accurate records over Accounts Receivables and Accruals and abide by proper internal controls.
REV103	PROJECT(Grant/Contract) REVENUE: PROGRESS BILLING	Inclusion of back-office provider and revision of responsibilities.	The Finance Department is responsible for the confirmation of all final program amounts and is responsible for knowing the correct procedures to be followed for each contract. Chief Financial Officer reviews the billings of the contract and ensures that all available opportunities to recover reimbursable costs have been considered. 2.1 The Finance Department with the support of EdTec is responsible for the final reconciliation of all grant and other contracts at the end of the year by reviewing final billings prepared by the Financial Analyst and/or the School Principal.
REV105	REVENUE RECOGNITION - GRANTS AND CONTRIBUTIONS	Change in responsibilities	Chief Financial Officer and the Finance Department direct the separate accounting for grant revenue and contributions received. EdTec ensures that grant and contribution revenues are separately tracked within the accounting system.
REV106	GIFTS-IN-KIND	Inclusion of back-office service provider process	The Financial Analysts are responsible for assessing value of gift and informing EdTec so that it can be recorded into the accounting system. 1.5 The Financial Analyst will then provide necessary information to EdTec so that it can be assigned as an asset or income to the appropriate school or to the central office.
REV107	RESTRICTED FUNDS	Change in responsibilities	EdTec is responsible for recording restricted donations and releases from restrictions properly in the accounting system. EdTec is also responsible for periodic reconciliation of restricted asset totals and monitoring restrictions to determine whether they have been met. 1.1 At the time revenue is earned by the Organization, the Financial Analysts with the support of EdTec will review any related documentation associated with the revenue to determine whether there are any restrictions on the money. EdTec will record in a separate class in the accounting system to keep separate from unrestricted funds.

SOP # CSH101 Revision: 1

Prepared by: Central Office

Effective Date: 2/14/13 11/12/15

Approved by: BOD

Title: CSH101 CASH BOXES

Policy: Proper internal control should be maintained over funds received by cashiers or sales clerks of any type, even at fundraising events at all times.

Purpose: To identify the practices for cash box control, including cash receipts, special tender items, cash payouts and reconciliation with deposits.

Scope: All personnel that deal with the cash transactions.

Responsibilities:

Principal is responsible for safeguarding / verifying and controlling all cash assets at each school.

School Office Manager is responsible for ensuring the completeness and accuracy of all opening, closing and intermediate transactions.

School Office Manager is responsible for overseeing all event transactions.

Procedure:

1.0 CASH BOX/SAFE

- 1.1 Each fundraiser or individual collecting cash should collect cash for events and safeguard properly. Once all cash has been collected, this individual should submit the cash received to the School Office Manager as soon as possible for placement in the cash box. It is important to ensure that only one person has responsibility for collecting cash as to limit any opportunities for misappropriation.
- 1.2 All cash collected must be collected by the School Office Manager, counted together with the School Principal and one other person, and signed off by all three individuals that the cash count is accurate. The funds will then be safely secured until deposited by a designee of the School Office Manager.
- 1.3 If the cash balance at the end of day exceeds \$1,000, a bank deposit will need to be made the same day. Otherwise, all bank deposits will need to be made by the last business day of the week. At the end of the week there should be no more than \$50 left in the cash box for the following week.
- 1.4 Bank deposit documentation needs to be emailed to EdTec, in PDF format, for entry into the general ledger on a weekly basis.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, Chief Financial Officer

SOP # CSH103 Revision: 1
Office
Effective Date: 11/12/15

Prepared by: Central
Approved by: BOD

Title: CSH103 PROBLEM CHECKS

Problem: To save time in returning and following-up on unsigned, checks marked "payment in full", or returned by the bank. These checks should be processed as follows and deposited.

Purpose: To describe how these types of checks should be handled before depositing.

Scope: This procedure applies to all checks received by the Organization.

Responsibilities:

EdTec is responsible for processing all check transactions for each school.

Definitions: NSF. Non-Sufficient Funds or NSF checks are those that are returned from the bank because the balance in the checking account was not high enough to cover the check. The check is then stamped NSF or "insufficient funds", "uncollected funds", or maybe "account closed".

Procedure:

1.0 UNSIGNED CHECKS

1.1 The word "over" should be typed or written on the line where the signature would normally appear. On the back, type "Lack of Signature Guaranteed" and then add the Organization name, manager's name, title and signature.

Note: This indicates to the bank that the Organization will take back the check as a charge against its account in the event it isn't honored. In the event the check is not honored, the Office Manager should immediately follow-up with the issuer.

1.2 Continue processing the check.

2.0 PARTIAL PAYMENT CHECKS MARKED "PAYMENT IN FULL"

2.1 If there's no dispute as to the amount, a check tendered for less than the amount due and marked "payment in full" (or similar wording) can be cashed without jeopardizing the right to recover the balance. However, if there's a bona fide dispute as to the amount owing, the Organization runs the risk that payment will be deemed to have settled the disputed claim for the lesser amount.

2.2 To overcome any potential pitfall, the check should be endorsed with the following statement "Check is accepted without prejudice and with full reservation of all rights under section 1-207 of the UNIFORM COMMERCIAL CODE (see Reference A).

- 2.3 Continue processing the check as per procedure CSH102 CASH RECEIPTS AND DEPOSITS.
- 2.4 The Office Manager should then work with the customer to resolve collection of the remaining balance due.

3.0 RETURNED CHECKS

- 3.1 A returned check for less than \$100 or stamped "uncollected funds," should be re-deposited the following day, if the check is not already stamped, "Do Not Re-Deposit".
- 3.2 For returned checks in amounts greater than \$100, the bank that the check is drawn against should be telephoned to determine if the check amount will clear the customer's account. If sufficient funds exist the check should be re-deposited. If the check is very large, consider taking the check directly to the issuing bank for recovery.

Note: The customer's account number should be the second number series located at the bottom center of the check.

4.0 REDEPOSITED CHECKS

- 4.1 In the event a re-deposited check is returned or if sufficient funds do not exist to cover the check, the Office Manager should contact the issuer by phone to report the problem and discuss how the matter will be resolved. Then issue a formal notice CSH103 Ex1 BAD CHECK NOTICE via certified mail with a return receipt requested to ensure the customer understands the seriousness of the issue.
- 4.2 Whenever a check is re-deposited more than once a handling fee should be considered.

References:

A. UNIFORM COMMERCIAL CODE (UCC)

The "Uniform Commercial Code" or UCC began as a model for each state legislature to modify and adopt as law in that state. Therefore, the UCC is not the same in every state. Each state's court system can interpret the UCC differently thereby creating different case law in that state and producing different results. Business people cannot assume that the law will be exactly the same in each state. For more information see the Secretary of State for each State in question.

B. BAD CHECK LAW

Bad Checks are considered part of the UCC and therefore are a matter of state law enforcement. Section 3-104(2)(b) of the UCC, defines a check as "a draft drawn on a bank and payable on demand." Each state has a different "Bad Check Law" see UCC above.

Postdated check: since it is not payable on demand, most states believe that the giving of a post-dated check does not constitute a present fraud nor is it within the scope of the bad check laws.

Payments for COD or pre-existing debt: In most cases, NSF checks are not considered under the bad check law if they are used to pay a note payment or to pay an invoice that is on account. However, if the debtor provides a creditor with a NSF check for a COD order, then that act does fall within the bad check laws.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office provider process	Oswaldo Diaz, Chief Financial Officer

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CSH103 Ex1 BAD CHECK NOTICE

Date:

CUSTOMER NAME
ADDRESS
CITY, STATE, ZIP

Dear Sir:

Payment on your Check No. _____ in the amount of \$ _____, presented to us on, {DAY MONTH YEAR} , has been returned by your bank and marked insufficient funds. We have re-deposited your check and attempted to collect on this check twice already.

We have verified with your bank that insufficient funds remain to clear this check. Therefore, we request that you replace this check with a certified check immediately.

Unless we receive the certified funds for the amount listed above within 15 days, we shall immediately begin appropriate legal action to protect our interest. Upon receipt of replacement funds we shall return the dishonored check.

Sincerely,

Office Manager
MAGNOLIA EDUCATION AND RESEARCH FOUNDATION

Certified Mail, Return Receipt Requested.

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SOP # CSH108 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: CSH108 INTER-ACCOUNT BANK TRANSFERS

Policy: To ensure the accuracy of the Organization's bank account records by proving documentation of bank transfers.

Purpose: To outline the practices for preparation of an inter-account bank transfer

Scope: This applies to all bank accounts maintained by the Organization.

Responsibilities:

Chief Executive Officer is responsible for review and approval of all inter-account bank transfers

Chief Financial Officer is responsible for performing all inter-account bank transfers.

Background: Errors or omissions can be made to the Organization's bank account records due to the many cash transactions that occur. Therefore, it is necessary to authorize all inter-account bank transfers.

Procedure:

1.0 INTER-ACCOUNT BANK TRANSFER

1.1 EdTec monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. EdTec recommends to the Chief Financial Officer when a transfer should be made to maximize the potential for earning interest or when funds are needed for processing payroll or other transfer needed. The Chief Financial Officer will determine when to make a transfer and in what amount. After the transfer has been initiated by the Chief Financial Officer, the Chief Executive Officer must log into the online banking system in order to complete the bank transfer process. A copy of the transfer is given to EdTec.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, Chief Financial Officer

SOP # CSH109 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: CSH109 JOURNAL ENTRIES AND RECLASSIFICATION ENTRIES

Policy: To ensure the accuracy of the Organization's books and records by proving documentation of journal entries and reclassification entries. All journal entries shall be authorized in writing by the Finance Manager initialing or signing the entries.

Purpose: To outline the practices for preparation of journal entries and reclassification entries.

Scope: This applies to all accounting transactions performed by the Organization.

Responsibilities:

The Chief Financial Officer is responsible for review and approval of all journal entries and reclassification entries.

EdTec is responsible for performing all journal entries and reclassification entries

Background: Journal entries can directly affect the presentation of financial statements. Therefore, it is necessary to authorize all journal and reclassification entries.

Procedure:

1.0 JOURNAL ENTRIES AND RECLASSIFICATION ENTRIES

1.1 The Chief Financial Officer the Financial Analysts and EdTec monitor the balances in the accounting records of the Organization.

All general ledger entries including audit adjusting entries, reclassification entries, or other such journal entries shall be supported by journal vouchers or other documentation, which shall include a reasonable explanation of each entry. Examples of such journal entries include:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Non-recurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses

3. Accruals of recurring expenses
4. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of a journal voucher.

It is the policy of MERF that all journal entries not originating from subsidiary ledgers shall be authorized in writing by the Chief Financial Officer initialing or signing the entries.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Revision of responsibilities	Oswaldo Diaz, Chief Financial Officer

SOP # CSH110 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: CSH110 PETTY CASH PURCHASES

Policy: The Organization does not permit the use of petty cash.

Scope: This applies to all petty cash transactions.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Removal of petty cash use	Oswaldo Diaz, Chief Financial Officer

SOP # CSH112 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

**Title: CSH112 INTERCOMPANY RECEIVABLES AND PAYABLES
(DUE TO/DUE FROM)**

Policy: To ensure that intercompany transactions between individual charter schools and the central office are processed correctly

Purpose: To outline the practices for intercompany transactions between individual charter schools and the central office

Scope: This applies to all charter schools operated by the Organization.

Responsibilities:

Chief Financial Officer is responsible for performing the intercompany transactions with approval from the Board of Directors.

The Finance Department is responsible for alerting EdTec regarding intercompany transactions. EdTec is responsible for recording it into the accounting system, and ensuring accuracy of fiscal year-end balances.

Background: Charter schools are highly dependent on government funding to operate. Government cuts and funding deferrals can result in cash shortages for schools. Therefore the need arises to allocate resources from other schools to cover any shortfall. It is necessary to correctly record transactions between the charter schools and the central office in order to properly determine each school's receivable/liability.

Procedure:

1.0 INTERCOMPANY TRANSACTIONS

1.1 The Chief Financial Officer, with the support of the Finance Department and EdTec, monitors cash balances daily for the charter schools. When a charter school realizes a need for funds, the Chief Financial Officer will assess resource levels for the other schools as well as the central office. If the central office does not have sufficient funds to advance to the charter school requestor, at the discretion of the Chief Financial Officer, the Chief Financial Officer may transfer funds from a charter school with surplus funds into the central office. The Chief Financial Officer may then transfer funds to the charter school requestor from the central office. For policy regarding inter-account bank transfers, refer to **CSH108 INTER-ACCOUNT BANK TRANSFERS**.

1.2 At the end of the fiscal year, each school's receivable or payable account will be reconciled in accordance with **G&A105 PERIOD-END REVIEW & CLOSING**. Once balances are reconciled, an agreement is prepared at the end of the fiscal year between each school and the central office to document the amount owed and repayment terms.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Revision of responsibilities	Oswaldo Diaz, CFO

SOP # CSH113 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: CSH113 FINANCIAL RESERVES

Policy: To ensure each charter school maintains a fund reserve in order to protect itself from unforeseen revenue shortfalls or unexpected expenditures.

Purpose: To describe responsibilities and monitoring procedures over each charter school's fund reserve

Scope: This applies to all charter schools operated by the Organization.

Responsibilities:

EdTec is responsible for day to day monitoring of charter school cash accounts and ensuring their accuracy.

Chief Financial Officer is responsible for oversight over charter school cash accounts as to ensure that required fund reserve amounts are met.

Background: California regulations state that the following reserve amounts must be maintained:

- Greater of 5% of prior year operational expenditures or \$55,000 for districts with 0-300 ADA
- Greater of 4% of prior year operational expenditures or \$55,000 for districts with 301-1,000 ADA

Procedure:

1.0 FUND RESERVE BALANCES

1.1 EdTec will monitor the cash balance for each charter school to ensure its accuracy and to be able to project future amounts. This will be accomplished through timely bank reconciliations and regular budget vs. actual comparisons. This process is critical to quickly detect any potential cash shortages so expenditures can be modified or more resources can be requested.

1.2 If the required fund reserve amount for a charter school cannot be met, the Chief Financial Officer with the support of EdTec will need to determine where cash can be derived from in order to restore the fund balance. This can come from central office funds or from another charter school with surplus funds. See CSH112 INTERCOMPANY RECEIVABLES AND PAYABLES (DUE TO/DUE FROM) for this procedure.

Revision History:

Revision n	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service processes	Oswaldo Diaz, CFO

SOP # G&A103 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A103 TRAVEL AND ENTERTAINMENT

Policy: All reservations required for business travel and entertainment will be made through the Purchase Manager or designated staff. Expenses are to be within established Organization guidelines and will be reimbursed with proper documentation. Employees are expected to spend the Organization's money as carefully and judiciously as they would their own.

The Organization recognizes that employees who travel far from home to represent the Organization's business interests must forego their living accommodations and may forfeit personal time. Accordingly, the Organization will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for employees. However, these items are not intended to be perquisites and the Organization reserves the right to deny reimbursement of expenses that are considered lavish or extravagant.

Purpose: To provide guidelines for travel and entertainment expenses as they were actually spent, account for all advances promptly and accurately and to communicate the procedures for reimbursement.

Scope: This procedure applies to all departments and individuals who travel or entertain for the Organization.

Responsibilities:

Responsible Party: The individual employee and/or the Purchase Manager

- When the Purchase Manager does not make travel arrangements, each employee is responsible for making arrangements needed for business travel.
- The Purchase Manager may make travel arrangements when requested, provided that arrangements are made at least 15 days in advance.

The Finance Department will receive and review the expense report documentation and send to EdTec to process necessary employee reimbursement. (See PUR106, Reimbursements, for more detailed information.)

Procedure:

1.0 TRAVEL ARRANGEMENTS

1.1 All arrangements required for business travel are to be made individually or through the Purchase Manager. When possible, the Purchase Manager can solicit better corporate discounts and rates for hotels, airlines, car rental agencies and travel agencies. Employees benefit because they do not have to spend their own time comparing rates and making their own arrangements. If making your own arrangements, the employee must find the best possible travel pricing.

1.2 For maximum savings on airfares, this form should always be completed at least 15 days in advance unless an emergency trip is required.

1.3 It is preferable that all employees travel during non-working hours to maximize efficiency. The Purchase Manager will make arrangements for the trip as required and will return a travel itinerary and any tickets or reservation forms to the employee.

1.4 **Cash Advances** - To help ensure accurate and timely expense report preparation and reduce the additional paperwork required to process and track Cash Advances, the Organization generally **discourages** cash advances unless special circumstances apply. Employees are encouraged to use credit cards with a grace period to provide float time between incurring the expense and receiving reimbursement from the Organization.

If an employee requires a cash advance, a formal request must be made through CoolSIS as a check request. The advance request will then be forwarded to accounting for processing upon approval. Travel advance amounts are approved on an as needed basis.

When a cash advance is received, the employee will reduce their expense reimbursement by the amount of the cash advance. In the case where the cash advance exceeds the expenses for the report submitted, the remaining cash must be turned into the accounting department with the expense report. Amounts owed the Organization cannot be carried forward to future expense reports. Any advance outstanding will be deducted from the employee's paycheck.

1.5 **Direct Billings** - Direct billings to the Organization from motels, restaurants, etc. are not permitted unless previously authorized.

2.0 EXPENSE GUIDELINES

2.1 Air Travel - Airline reservations are based on the following criteria:

- Expediency: Getting the employee to their destination in an expedient way. (Direct flights when possible or connecting flights if necessary for faster flight schedules).
- Cost: Employees will fly coach class unless extenuating circumstances apply.
- Air Carrier: An employee's preferred airline can be utilized as long as expediency and cost factors are equal. In most cases, airfare will be directly billed to the Organization's credit card account.

On occasion, employees may have no alternative but to book their own flight. If this is the case, employees must use regularly scheduled airlines and obtain the lowest (discount) fare available. This may mean that employees will fly at times that are not always the most convenient for them.

2.2 Lodging - Lodging arrangements are based on value, convenience for the traveler and according to what is usual and customary Organization guide lines.

Whenever multiple employees are traveling to the same location, employees will be required to share accommodations if possible (i.e. male/male or female/female). Lodging accommodations will then be made for double rooms accordingly. If an employee is accompanied by a non-employee such as family or a friend, and therefore requires

separate accommodations, the employee will be responsible for payment of any excess lodging accommodations.

- 2.3 Meals - Employees on Organization business where an overnight stay is not required will be reimbursed for the actual cost of their lunch and dinner meals not to exceed \$25 and receipts are required. Any amounts spent in excess of \$25 will not be reimbursed. The cost of meals should be reasonably priced based on the locality.

Employees who are required to stay overnight for the Organization's business are allowed a per-diem rate of \$35 per day and receipts are not required.

Officers may include reimbursement of actual guest meals for the business of the Organization at their discretion. When officers are traveling under per-diem meal arrangements, and guest meals are paid for, that day's per-diem amount must be adjusted downward by \$15 and cannot be claimed.

See form PUR104 Accounts Payable and Cash Disbursements and PUR 106 Reimbursements for additional information regarding Meals.

- 2.4 Car Rentals – When possible, advance arrangements should be made by the Purchase Manager if a car is required at the destination, otherwise the employee is required to make their own car rental arrangements. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the employee(s) and any demonstration equipment.

Supplemental auto insurance coverage offered by car rental agencies must be purchased and will be reimbursed.

- 2.5 Personal Vehicles - An employee who uses their own automobile for business will be reimbursed at 36 cents a mile. The employee must provide on the expense report, documentation including dates, miles traveled and purpose of each trip.

The Organization assumes no responsibility for personal automobiles used for business. Further, any parking or speeding violation is the sole responsibility of the employee and each employee must have valid minimum automobile liability insurance as required by state law.

- 2.6 Telephone - Telephone charges from the hotel are not allowed unless it is an emergency.

- 2.7 Entertainment - Entertainment expenses are not allowed.

- 2.8 Miscellaneous Expenses - Any additional business expenses that are not categorized above should be listed under miscellaneous expenses and documented with all pertinent information to substantiate the expense.

- 2.9 Non-Reimbursable Expenses - Some expenses are not considered valid business expenses by the Organization, yet may be incurred for the convenience of the traveling individual. Since these are not expenses for the business then they are not reimbursable. (The following can be used as a guide of expenses, which are not reimbursable)

Examples include:

- Airline or travel insurance

- Airline or travel lounge clubs
- Shoe shine or Dry-cleaning (except for extended travel beyond 5 days)
- Movies or personal entertainment
- Books, magazines or newspapers
- Theft or loss of personal property
- Doctor bills, prescriptions, or other medical services
- Parking tickets, traffic tickets or Car towing if illegally parked
- Health club memberships
- Baby sitter or Pet care fees
- Barbers and Hairdressers

3.0 EXPENSE REPORT PREPARATION AND REIMBURSEMENT

3.1 All business reimbursement expenditures incurred by employees of the Organization are reimbursed through CoolSIS. Reimbursement receipts must be submitted monthly and any receipt that is older than 60 days will not be reimbursed at the discretion of the Chief Financial Officer.

Expense report forms must be filled out completely. Required original receipts for items charged must accompany all reimbursement documentation as well as uploaded into CoolSIS. Any questions regarding completion of the report should be directed to the employee's supervisor or the accounting department.

Upon completion, the expense report along with all attachments should be submitted to the employee's appropriate supervisor in CoolSIS for approval. After approval, the expense report is submitted to the accounting department for processing and reimbursement. In order to expedite reimbursement, the employee should ensure that the report is completed properly, required documentation is attached, proper authorization is obtained, and any unusual items properly explained and documented.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office provider process	Oswaldo Diaz, CFO

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SOP # G&A104 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD/

Title: G&A104 MANAGEMENT REPORTS

Policy: EdTec will prepare summary reports of vital operating statistics for the Organization, including revenues, current debt, operating cash, accounts receivable and projected short-term cash flows. These reports are to be prepared and are to supplement detailed monthly and quarterly financial reports and are to be used for timely "hands-on" management.

Purpose: To provide the format and content requirements for preparation of the Financial Reports.

Scope: The procedure applies to EdTec and the Finance personnel required for preparation of these reports.

Responsibilities:

EdTec will be responsible for assuring effective and informative reporting for the Organization.

Finance Manager is responsible for preparing and maintaining a summary of all reports.

Procedure:

1.0 PREPARATION GUIDELINES

1.1 The logistics of preparing financial summaries will vary, depending on the accounting system used and the needs of the Organization. Most computerized systems offer an "executive summary" screen of critical financial information. The objective is to provide a quick recap of the financial status of the Organization that should lead to plans for corrective actions or adjustments.

Bi-monthly reports should be considered "exception reports" that provide management the necessary information to understand whether the Organization is progressing as planned.

The timing of reports is critical to the effective operation of the Organization. Reports should be prepared and distributed in a timely fashion following the end of the reporting period.

To improve readability, simplify preparation, and allow users to focus on the materiality of the data, all reporting should be rounded and/or plugged to the nearest \$1 increments when possible. Note: larger companies may wish to focus on \$100 or more increments.

1.2 If details are not available then use control totals and note on the report any estimates. Follow up with actual results as soon as practical. The preparer should keep in mind that the objective of the report is to provide a quick recap of the financial status of the Organization and not a time-consuming detailed

financial analysis. Leave exhausting details in the books for later analysis as required.

- 1.3 Make statements easy to read. Use the following style guidelines to improve readability:
 - Use 8-1/2 x 11 paper
 - Use a lot of “white space” on the page
 - Limit columns of figures to three columns
 - Omit cents and use thousands of dollars as appropriate. Indicate on the report the units used in a legend.
 - Indicate only significant expenses and group remaining items
 - The preparer should date (month/day/year) and initial all reports.
- 1.4 EdTec will file a copy of repetitive reports for later retrieval, auditing or trend analysis.
- 1.5 The Finance Manager will prepare and maintain a summary of all reporting. The summary will include the following categories:
 - Department or Functional Area
 - Name of Report
 - Purpose of the Report
 - Frequency of Preparation
 - Distribution of Copies
- 1.6 Updates of the summary will be issued to all Organization officers and department managers. Managers should use the summary to determine what information is being compiled and the format and distribution of reporting. Many times duplicate or redundant information gathering, reporting and filing can be avoided by merely changing the format or distribution of existing reports.

2.0 FINANCIAL REPORTS

- 2.1 The Chief Financial Officer and Finance Manager should review accounting program financial reports on a regular basis.

3.0 CASH FLOW REPORT

- 3.1 The Cash Flow Report represents a summary of the cash flowing through the Organization in the near term and identifies any potential shortfall that might occur in the near future before it occurs. The Cash Flow Report should be reviewed quarterly by the Chief Financial Officer. This report supplements the detailed monthly and quarterly financial statement reports and provides a quick look at the cash performance of the Organization.

- 3.2 The Cash Flow Report should include projected operating cash balances for each week with estimated cash receipts by major classifications and projected disbursements by major account classifications.
- 3.3 EdTec will notify the Chief Financial Officer of any shortfall so that the Organization may determine alternative courses of action to rectify the situation.

4.0 BUDGET VS. ACTUAL REPORT

- 4.1 The Budget vs. Actual Report represents a comparison of planned operating expenses to the actual expenses incurred for the period. The objective is to highlight results against plan, percentages and variances and thus provide a basis for management decisions. The Budget vs. Actual Report is prepared and maintained by EdTec on a monthly basis.
- 4.2 The Budget vs. actual report should be divided into three main components. 1) Current period budget, actual and variance totals, 2) a description of the major income and expense account classifications similar to the financial statements, and 3) the Current year-to-date budget, actual and variance totals. The percent column should be used to list each line as a percentage of total revenues. Alternatively, it can also represent the percentage variance or change from last period.

5.0 FINANCIAL STATEMENTS

- 5.1 The Chief Financial Officer, Chief Executive Officer, and the Board of Directors should review the Financial Statements bi-monthly for each board meeting. This report provides one indication of the performance of the Organization.
- 5.2 The Financial Statements typically are comprised of three main parts: The Statement of Financial Position, Statement of Activities, and the Statement of Cash Flows (Statement of Cash Flows quarterly).

The Statement of Financial Position lists all of the Organization's assets (cash, receivables, deposits, inventory, equipment, intellectual property, etc.), liabilities (debt, lease obligations, etc) and net assets. It identifies the assets (which are "the business") and the financiers, or debt and equity holders and the relationship between the two.

The Statement of Activities represents the Organization's operational sources of cash - revenue - or uses - business expenses and is typically divided into operating periods that represent months, quarters or years of operations. It identifies the profitability of the Organization as a function of the accounting decisions.

The Statement of Cash Flows is the difference between the Statement of Financial Position sources and uses of cash and the Statement of Activities sources and uses of cash. This difference assists in identifying the health of the Organization's operations. It identifies whether the Organization is producing cash or consuming cash and at what rate and from what sources.

- 5.3 The Financial Statements should be produced after the close of the Organization's period (see procedure G&A105 PERIOD-END REVIEW & CLOSING). The final Financial Statements form the basis for the Organization's formal presentations to the Board of Directors, or other stakeholders such as banks, outside agencies, or creditors in accordance with procedure G&A109 CONFIDENTIAL INFORMATION RELEASE.

References:**FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)**

Since 1973, the Financial Accounting Standards Board (FASB www.fasb.org) has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports. They are officially recognized as authoritative by the Securities and Exchange Commission (Financial Reporting Release No. 1, Section 101) and the American Institute of Certified Public Accountants (Rule 203, Rules of Professional Conduct, as amended May 1973 and May 1979). FASB pronouncements are the primary sources of GAAP.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A collection of accounting principles. Typically includes the most recent developments of all generally accepted accounting principles (GAAP) as derived or collected from various technical pronouncements. Sources include FASB statements, interpretations, technical bulletins and concepts; American Institute of CPAs (AICPA); Accounting Principles Board opinions, accounting research bulletins, and position statements; and Securities and Exchange (SEC) financial reporting releases.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Revision of responsibilities	Oswaldo Diaz, CFO

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SOP # G&A105 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A105 PERIOD-END REVIEW & CLOSING

Policy: An orderly, timely and comprehensive review of all general ledger accounts should be performed or directed by the Chief Financial Officer to ensure an accurate representation of the company's financial statements. These practices are aimed at proving that the financial accounts are accurate, and if not, are properly adjusted to make them accurate, prior to closing.

Purpose: To provide a general overview of the process to be completed for reviewing the accounting records at year-end or any particular month-end prior to closing.

Scope: These practices apply to all accounts. Typically, all financial accounts are reviewed and then closed out as of the company's year-end. Consequently, the procedures that follow are discussed in reference to year-end review. However, a sub-set of these procedures is also applicable to month-end reviews. Month-end procedures are identified near the end of this module.

Responsibilities:

EdTec is responsible for creating and reviewing all period-end activities to ensure the period-end financial statements accurately reflect the results of the Organization's activities. All final closing adjustments should be approved by the Chief Financial Officer.

The Financial Analysts are responsible for helping gather all documentation required to complete the period-end closing.

Definition: "Review" refers to the procedures involved in examining the financial statement balances at any given period to ascertain their accuracy.

"Closing" is the process of advancing from one month or period to the next or from one year to the next. In most computerized accounting systems the periods are closed by executing a menu command. Monthly closings usually involve nothing more than entering the next month and responding to the program's suggestion to print various month-end reports or inserting a password such that transactions cannot be entered back in time from a specific point. Even after moving to the next month, many accounting systems allow the user to return to previous months to enter or edit transactions.

The yearly closing is more rigorous since it involves re-setting all Statement of Activities accounts to zero. Once a year is "closed", some accounting systems do not allow the user to go back or open a closed period to make changes. So be careful, once the period is closed, it is

official and any adjustments that are required will need to be made in the current or next open period. The prior year should be password protected once it is closed to prohibit transactions being posted in the prior year.

Background: The financial statement is the most important management tool for the Chief Financial Officer. It is comprised of the statement of financial position and the statement of activities.

The statement of financial position accounts are measured at a moment in time, like a snapshot. They reflect a total of items at any particular time: a total of cash, accounts receivable, inventory, fixed assets, accounts payable, debts, and net assets retained in the company.

The statement of activities accounts are measured over a period of time, like a movie. They represent the sum total of transactions: sales, purchases, payroll, etc. The difference in sales less all related expenses equals the net income or loss for the period of time being measured.

Accounting is a double-entry system. Thus, each business transaction has two equal sides. For example, paying an expense decreases cash on the statement of financial position and increases an expense on the statement of activities. Getting paid for a service, fundraising, or grant revenue increases cash on the statement of financial position and increases revenue on the statement of activities. Because of this interdependency, the accuracy of the statement of activities is dependent upon the accuracy of the statement of financial position.

It is easier to prove the accuracy of the statement of financial position. Adding up how much each customer owes the store or reconciling cash to the bank statement is a much simpler process than attempting to add up each individual sales transaction on the statement of activities. For this reason, more time is actually spent on proving the accuracy of the statement of financial position.

Once the statement of financial position is proven, the statement of activities, in total, must be right! The only errors would be misclassifications, (i.e.: the phone bill could be incorrectly posted to the rent expense account). The accounts of the statement of activities are generally reviewed for reasonableness by comparing amounts to prior periods and analyzing ratios. However, the accounts of the statement of financial position are compared to actual totals of items counted (cash, receivables, inventory, payables, fixed assets, etc.).

The Chief Financial Officer or Finance Manager is encouraged to understand these concepts and to take the initiative to keep the financial statements as accurate as possible, regardless of how much an outside accounting service is utilized.

Procedure:

1.0 CLOSINGS PREPARATIONS

- 1.1 The steps to the actual period-end are not all performed on the exact end of the period. Some accounts cannot be "settled", proved, or reconciled until all third party information is received.

Bank statements from banks usually don't arrive until a couple weeks after a month end. And, many final payroll tax payments and yearly reconciliation forms aren't due until the end of the following month. Also needed are final bills from vendors, credit card statements, month end statements from vendors and year-end loan statements from banks and other financial institutions. All of this information is needed before a business can truly "close its books".

Fortunately, most accounting systems allow a business to continue posting transactions into subsequent months of the new year, without actually "closing" the previous year-end. The Finance Manager should be familiar with the specific software procedures for keeping the prior year open until all final closing adjustments have been made. It's not unusual for businesses to continue processing transactions for almost the entire next year before closing the prior year.

- 1.2 Compile all period-end documents in preparation for closing the accounting period. These documents include:

- Bank statements to all accounts
- Final payroll and tax amounts
- All final bills and month-end statements from vendors
- All credit card statements
- All year-end loan or debt statements
- All asset acquisition and disposition transactions
- All program costs

- 1.3 Fewer procedures are performed at month-end dates. At a minimum the following procedures would be expected for monthly closings:

- Reconcile all bank accounts
- Print and compare the aged receivables and payables to the general ledger. Make appropriate adjustments to balance the accounts.
- Review all Statement of Financial Position and Statement of Activities accounts for completeness
- Retain all above reports in a monthly summary file.

2.0 STATEMENT OF FINANCIAL POSITION: ASSETS

- 2.1 Prepare a year-end closing file to store all reconciliation documents and printed reports as described below.

- 2.2 **Cash accounts** - prepare the bank reconciliations for year-end balances per the bank statement to the balance per books for each account. The year-end reconciliation is especially important for preparing the final year-end financial statements to ensure that it is completely accurate.
- Show origination dates and description of each reconciling item. Prepare the necessary journal entries to adjust to the reconciliations. Prepare a summary of all petty cash and change drawer funds. Totals must agree with the general ledger. File all reconciliation reports in the year-end closing file.
- 2.3 **Accounts Receivable** – Print a detailed aged accounts receivable report and then reconciles it to the General Ledger. This can be prepared as soon as all accounts receivable are calculated as of year-end. Calculate possible allowances for uncollectible accounts. Adjust prior allowances to calculated amount. Write off any un-locatable differences. Retain a complete copy of the detailed accounts receivable, along with any reconciling adjustments in the year-end closing file.
- 2.4 **Inventory** – Supplies inventory may be small but should be evaluated periodically for cost increases.
- 2.5 **Capital Assets** - Update the detailed schedule of fixed assets with any additions and deletions and reconcile to the general ledger balances.
- 2.6 **Other Assets** - Other assets include utility or real estate deposits, prepaid insurance, advances to employees, and intangibles like store pre-opening costs. These should all be identified and documented. For example, a copy of the initial deposit with the utility company, or a list of the facility pre-opening costs with a schedule showing how much of those costs are to be amortized each year. File copies of these documents in the year-end closing file.

3.0 STATEMENT OF FINANCIAL POSITION: LIABILITIES AND NET ASSETS

- 3.1 Liabilities are shown as the amount to be paid in the subsequent period. If in doubt, record the liability.
- 3.2 **Accounts Payable** - Print a detailed aged accounts payable report and reconcile it to the general ledger. This is generally completed 2 to 4 weeks after the year-end to ensure that all vendor invoices relating to services and merchandise purchased have been received and entered.
- Compare all month-end vendor statements to balances per accounts payable and investigate any differences. Consider making adjustments for any significant unrecorded liabilities such as work started prior to year-end, but not yet billed by the supplier. Retain a complete copy of the accounts payable detail, along with any reconciling adjustments, in the year-end closing file.
- 3.3 **Accrued Expenses** - Review accruals for sales tax, payroll, payroll tax, payroll deductions payable, interest expense on short-term borrowings and long-term debt.
- 3.4 **Loan Debt** - Verify recorded accuracy of debt by ensuring the general ledger balances agree to year-end statements from lending institutions. Save all year-end statements in year-end closing file.
- 3.5 **Contingent Liabilities and Commitments** - Prepare a schedule of any outstanding litigation and possible losses. Prepare a schedule of all long-term rental agreements with amounts due by year for the next five years. Retain these schedules in the year-end closing file.
- 3.6 **Net Assets** - Record any changes in the Prior Period Adjustment category but ordinarily this account does not have any transactions directly posted to it.

4.0 STATEMENT OF ACTIVITIES: REVENUE & SUPPORT

- 4.1 **Revenue & Support** – Review all program billings, reimbursement billings, and any other donations.
- 4.2 Additionally, the Chief Financial Officer should periodically review revenue trends, cost associated with revenues, variable expenses and fixed expenses. Look for patterns, new trends, seasonal variances, or profitable emerging products that may indicate changes in customer or program behavior.
- 4.3 The Chief Financial Officer and/or Finance Manager should analytically review the revenue reports and explain all variances.

5.0 STATEMENT OF ACTIVITIES: EXPENSES

- 5.1 Each expense total should be compared to expense total from the year before (and budgets if applicable). Attempt to explain any unusual variances. Some expense items are directly related to asset or liability accounts and can be reconciled in conjunction with the related Statement of Financial Position account.

- 5.2 **Program Costs** - A detailed report should be produced of program costs and analyzed in relation to the associated revenues and to prior periods.
- 5.3 **Payroll** - At year-end, the various payroll expense accounts should agree to total gross payroll per payroll reports. Account for all deductions for W-3 reported to the Social Security Administration, 1099s for vendors, as well as FICA and other taxes reported accordingly.
- 5.4 **Bad Debt Expense** - Prepare a list of all accounts written off during the year. Note specifically any addition to the allowance for uncollectible accounts.
- 5.5 **Interest Expense** - Prepare a schedule of interest expense by source. Reconcile amounts to short-term borrowings and long-term debt.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, CFO

SOP # G&A107 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A107 TAXES AND INSURANCE

Policy: To ensure compliance with all Federal, state, local, and other regulatory taxation requirements

Purpose: To outline the general areas of taxation. To be used as a checklist or guide in complying with tax requirements related to each specific location and organizational structure.

Scope: This statement applies to the business activities of the company.

Responsibilities:

The Financial Analysts are responsible for determining all tax liabilities and fees, and the dates due

EdTec is responsible for ensuring the timely payment of all tax liabilities and fees..

Procedure:

1.0 ORGANIZATION FEES AND TAXES

1.1 Fees and taxes will vary depending on the legal structure of the business activity. The Organization is a Not-For-Profit organization; however, there may be from time to time revenue earned that is taxable as if the Organization were a For-Profit entity and those profits would be considered Unrelated Business Income and subject to tax.

1.2 The School Site Accountant should check with the secretary of state, registry of charitable trusts, the IRS, and any other agency that non-profit organizations may pay fees with in order to ensure all fees are paid in a timely manner. Failure to pay such fees can result in the loss of the company's legal status or structure.

2.0 UNRELATED BUSINESS INCOME TAX

2.1 Activities conducted not related to the exempt purpose of the Organization can be subject to unrelated business income tax.

3.0 PAYROLL FEES AND TAXES

3.1 The Federal and state governments charge an **unemployment tax**, based on a specified minimum amount of each worker's salary level. For most states, the rate can change from business to business depending on the Company's history of claims and the economic health of the state in which the Company is located.

3.2 **Worker's compensation insurance** may be imposed by a state like a tax. It can also vary based on the amount of payroll, past history of worker's compensation claims, and the type of work in which the business is engaged. This coverage is generally arranged through an insurance company.

- 3.3 At the Federal level, payroll is taxed at a uniform rate for **Social Security** and **Medicare**. These two taxes are evenly shared between the company and the employee up to certain levels of income. Additionally, personal income taxes, based on the employee's compensation, must be **withheld** from the employee's earnings and remitted to the government by the company, along with the company's and employee's share of **Social Security** and **Medicare** taxes.
- 3.4 In California, a portion of the employee's compensation is also **withheld** and remitted to the state by the Organization.
- 3.5 Other payroll withholdings, mandated by Federal or state requirements, may require wage garnishments to fulfill a bankruptcy edict or childcare payment requirement.
- 3.6 The Treasury Department and or the Internal Revenue Service (IRS) collects all monies due the Federal Government. Technically, withholding amounts deducted from a paycheck are considered the government's money and the business owner is temporarily holding the money, in deposit, until it can be transferred to the government. Any failure to pay in a timely fashion is considered a serious matter by the IRS and will not be ignored.
- The IRS will impose a penalty for failing to pay the required withholding amounts on time. In addition, interest will be charged until the amount is paid. Both interest and penalties imposed by the IRS can add up significantly. Therefore, the IRS is not a good source to "borrow" money from if cash is tight.
- Note: Money due the IRS is NOT dischargeable in bankruptcy.
- 3.7 Certain local municipalities charge an **Earnings tax** based on payroll, income, assets, stock options granted or any combination. Check with the city clerk for details.

4.0 EXCISE TAXES

- 4.1 There are many different federal government taxes or fees imposed on the commerce of different types of businesses. The following represents the most common.
- 4.2 Penalties and interest may result from any of the following acts.
- Failing to collect and pay over tax as the collecting agent.
 - Failing to keep adequate records.
 - Failing to file returns.
 - Failing to pay taxes.
 - Filing returns late.
 - Filing false or fraudulent returns.
 - Paying taxes late.
 - Failing to make deposits.

- Depositing taxes late.
- Making false statements relating to tax.
- Failing to register.

5.0 OTHER TAXES AND CREDITS

5.1 Many state, counties, and cities impose **real estate taxes**. The Organization should ensure that where possible the Organization has applied for exemption from property taxes as a non-profit organization.

5.3 **Sales Taxes** – at this time, the Organization does not sell any products and is not subject to sales tax.

6.0 TAX PAYMENTS

6.1 The School Site Accountant should create and maintain a detailed tax calendar as a guide, which provides a sample guide to some of the most common taxes. The guide should serve a reminder of tax due dates.

7.0 INSURANCE

7.1 Insurance needs for a business can be grouped in two broad categories, those that are directed at safeguarding assets and those that are furnished as employee benefits. Employee benefit insurance such as, health insurance, disability insurance and key man life insurance, should be considered in light of its importance in the entire employee compensation mix and in light of the personal needs of the company's owner(s).

7.2 Insurance used for safeguarding company's assets includes: property, casualty, key-man and professional liability insurance, as well as auto insurance, errors and omissions, directors' liability or business interruption insurance. The levels and terms of these policies should be determined based upon the value of the assets at risk and creditor or state and local requirements.

7.3 Business with a lot of employees should consider employment practices liability insurance covers businesses against some types of employee lawsuits including:

- Sexual harassment
- Discrimination
- Wrongful termination
- Breach of employment contract
- Negligent evaluation
- Failure to employ or promote
- Wrongful discipline
- Deprivation of career opportunity

- Wrongful infliction of emotional distress
- Mismanagement of employee benefit plans

7.4 Certificates of insurance may be required to be on file or on display depending on governmental requirements. It is important to consider that the insurance policy is a contract. Each year's policy should be saved in a permanent file. A product liability suit can go back many years, and if the potential claim is significant, the protection afforded by the prior year's insurance coverage will be improved if that year's policy has been saved.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, CFO

SOP # G&A115 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A115 ACCRUED LIABILITIES

Policy: The Organization will establish a list of commonly incurred expenses that may require accrual at the end of the fiscal year accounting period.

Purpose: The purpose of this policy is to properly recognize and accrue liabilities.

Scope: This applies to potential liabilities.

Responsibilities:

The Financial Analysts with the support of EdTec are responsible for ensuring that the accrued liabilities are properly accounted for.

Background: Accrued liabilities are liabilities that have been incurred such as vacation pay but have not been paid.

Procedure:

1.0 Accrued Liabilities

1.1 Some of the expenses that shall be accrued by MERF at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay/Compensated absences
- Rent
- Interest on notes payable
- Insurance premiums
- Audit fees
- Charter Management Organization fees

Revision History:

Revision n	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider	Oswaldo Diaz, CFO

SOP # G&A116 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A116 NOTES PAYABLE

Policy: It is the policy of MERF to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents.

Purpose: The purpose of this policy is to properly track and recognize all notes payable and other similar obligations.

Scope: This applies to notes, loans, lines of credit, and obligations of the Organization.

Responsibilities:

EdTec is responsible for ensuring that all notes, loans, and other similar obligations are properly accounted for.

Background: Properly tracking and monitoring long term debt such as loans is important such that as payments become due, the Organization has sufficient cash flow to honor the obligation.

Procedure:

1.0 NOTES PAYABLE

1.1 Prepare a schedule that shall be based on the underlying loan documents and shall include all of the following information:

1. Name and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt or available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to which payments should be sent
10. Contact person at lender
11. Loan covenants, if applicable

2.0 ACCOUNTING AND CLASSIFICATION

2.1 An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due with the next

year shall be classified as a current liability in the statements of financial position of MERF. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statements of financial position.

- 2.2 Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

- 2.3 A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

3.0 NON-INTEREST-BEARING NOTES PAYABLE

- 3.1 As a charitable organization, MERF may from time to time receive notes payable that do not require the payment of interest, or that require the payment of a below-market rate of interest for the type of obligation involved. In such cases, it shall be the policy of MERF to record contribution income for any unpaid interest.

- 3.2 For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on the outstanding principal balance of the loan during that period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by MERF.

- 3.3 For loans with fixed maturities or payment dates, the note payable shall be recorded at the present value of the future principal payments, using as a discount rate the difference between a normal interest rate for that type of loan and the rate, if any, which is required to be paid by MERF. The difference between the cash proceeds of the note and the present value shall be recorded as contribution income in the period the loan is made. Thereafter, interest expense shall be recorded in each accounting period using the effective interest method, with the corresponding credit entry increasing the note payable account to reflect the amount(s) that shall be repaid.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Changes in responsibilities	Oswaldo Diaz, CFO

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SOP # G&A117 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A117 FINANCIAL AND TAX REPORTING

Policy: The Organization will prepare annual and monthly financial statements as management considers necessary and prepare non-profit tax information and tax information returns within eight months of the fiscal year close.

Purpose: The purpose is to control and prepare consistent and accurate financial statements and tax returns that are relied upon by both internal and external parties.

Scope: This applies to financial statements and tax reporting documents.

Responsibilities:

Chief Financial Officer or his designee is responsible for preparing all tax documents and ensuring Organization financial statements are accurate.

EdTec is responsible for preparing all Organization financial statements.

Background: Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to MERF. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

Procedure:

1.0 STANDARD FINANCIAL STATEMENTS

1.1 Prepare the basic financial statements at year end and as considered necessary for reporting purposes. The basic financial statements of the Organization are maintained and prepared by MERF on an Organization wide basis and shall include:

1. **Statements of Financial Position** - reflects assets, liabilities and net assets of MERF and classifies assets and liabilities as current or non-current/long-term.
2. **Statements of Activities** - presents support, revenues, expenses, and other changes in net assets of MERF, by category of net asset (unrestricted, temporarily restricted and permanently restricted)

2.0 FREQUENCY OF PREPARATION

- 2.1 The objective of the EdTec is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:
- 2.2 A standard set of financial statements described in the preceding section shall be produced on a bi-monthly basis for presentation at the Board of Directors meeting. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:
1. Individual statements of activities on a departmental and functional basis (and/or program/grant basis)
 2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The bi-monthly set of financial statements shall be prepared on the cash basis of accounting with exception of year-end reports where accrual method of accounting must be used. Year-end report must include all receivables, accounts payable received by the end of the reporting period, and actual depreciation expense.

3.0 REVIEW AND DISTRIBUTION

- 3.1 All financial statements and supporting schedules shall be reviewed and approved by the Chief Financial Officer, prior to being issued by EdTec. They should be signed by the preparer and the Chief Executive Officer.
- 3.2 After approval by the Chief Financial Officer, a complete set of monthly financial statements shall, including the supplemental schedules described above, shall be distributed to the following individuals:
1. All members of the Finance and Audit Committee of the Board
 2. Chief Executive Officer
 3. School Principals and any other employee with budget-monitoring responsibilities will receive only the budget vs. actual report
- 3.3 Financial statements may include an additional supplemental schedule prepared or compiled by the Chief Financial Officer. The purpose of this schedule is to provide known explanations for material budget variances in accordance with MERF'S budget monitoring policies. Also included is a list which lists all invoices that have not been paid at the end of the year and all revenues, if any, that have not been received.

4.0 ANNUAL FINANCIAL STATEMENTS

- 4.1 A formal presentation of MERF's annual financial statements shall be provided by the independent auditor to the full Board of Directors at MERF's annual meeting. This presentation will be preceded by a meeting with MERF's Finance and Audit Committee, at which the Finance and Audit Committee will vote to accept or reject the annual financial statements.

5.0 GOVERNMENT RETURNS

- 5.1 MERF must be aware of its tax and information return filing obligations and comply with all such requirements of the Federal government, California and local jurisdictions. Filing requirements of MERF include, but are not limited to, filing annual information returns with the Internal Revenue Service (IRS), California charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll withholding tax returns.

6.0 FILING OF RETURNS

- 6.1 It is the policy of MERF to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Chief Financial Officer shall be responsible for identifying all filing requirements and assuring that MERF is in compliance with all such requirements.
- 6.2 It is also the policy of MERF to file complete and accurate returns with all authorities. MERF shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.
- 6.3 Reports and returns which may be required to be filed by MERF include, but are not limited to, the following returns:
1. **Form 990** - Annual information return of tax-exemption of MERF, filed with IRS. Form 990 for MERF is due on the **fifteenth day of November, annually.**
 2. **Form 990-T** – Annual tax return to report MERF'S unrelated trade or business activities (if any), filed with the IRS. Form 990-T is due on the **fifteenth day of November, annually.**
 3. **Form 199** – Exempt Organization Annual Information Statement or Return (California) – This form is due on the **fifteenth day of November, annually.**
 4. **Form 5500** - Annual return for MERF'S employee benefit plans. Form 5500 is due on the **fifteenth day of November, annually.**
 5. **Federal and State Payroll Returns** - Filed on a quarterly or annual basis.

6. **Form RRF-1** – Registration/Renewal Fee Report to Attorney General of California. This form is due on the **fifteenth day of November, annually.**
7. **SF-SAC** – The Office of Management and Budget requires all Form SF-SAC and Single Audit submissions to be submitted on the Federal Audit Clearinghouse (FAC) Internet Data Entry System. The due date is established by OMB Circular A-133.
8. **Form 1099's** – See **PUR101 VENDOR SELECTION.**

- 6.4 MERF'S fiscal and tax year-end is June 30. All annual tax and information returns of MERF Form 990, Form 990-T are filed on the accrual basis of reporting.
- 6.5 Federal and all applicable California payroll tax returns are prepared by the Chief Financial Officer, in consultation with MERF'S independent auditor and the pension plan third-party administrator.
- 6.6 It is the policy of MERF to comply with all California payroll tax requirements by withholding and remitting payroll taxes to California for each MERF employee.

7.0 PUBLIC ACCESS TO INFORMATION RETURNS

- 7.1 Under regulations that became effective in 1999, MERF is subject to Federal requirements to make the following forms "widely available" to all members of the general public:
 1. The three most recent annual information returns (Form 990), and
 2. MERF'S original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.
- 7.2 It is the policy of MERF to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:
 1. Anyone appearing in person at the offices of MERF during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Chief Financial Officer shall be responsible for maintaining this copy of each form and for making it available to all requesters.
 2. For all written requests for copies of forms received by MERF, the Organization shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, MERF will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.

3. The copying cost charged by MERF for providing copies of requested forms shall be \$1.00 for the first page copied and \$0.20 for each subsequent page. All copies shall be shipped to requesters via Priority Mail, thus, shipping charges will be a standard \$5.00 per shipment.
4. After payment is received by MERF, all requested copies should be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Accounting Department.
5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits provided the request is for twenty-five (25) or less copied pages. Requests for copies in excess of 25 pages but less than 100 pages will be available the next business day. All requests in excess of 100 pages will be available to the requestor five (5) business days after the request.
6. MERF shall accept certified checks and money orders for requests for copies made in person. MERF shall accept certified checks and money orders or personal checks as payment for copies of forms requested in writing. Personal checks must clear the bank prior to the copies being made and delivered to the requestor.

8.0 UNRELATED BUSINESS ACTIVITIES

- 8.1 Identification and Classification of unrelated business activities must be separately identified.
- 8.2 It is the policy of MERF to properly identify and classify income-producing activities that are unrelated to MERF's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of MERF in order to facilitate tracking and accumulation of unrelated trade or business activities.
- 8.3 It is the policy of MERF to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of MERF not to distribute copies of Form 990-T to anyone other than management and the Board of Directors of MERF.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, CFO

SOP # G&A118 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A118 BUDGETING

Policy: The School Site Principals with the support of EdTec are responsible for preparing, monitoring, and implementing the annual school site budget. The School Site Principal must have the school site budget approved by the Board of Directors no less than 60 days before the fiscal year end. It is the School Site Principal's responsibility to work with the central office in order to acquire the necessary budgetary information to implement their program. The budget may be revised as needed.

An annual Organization-wide budget shall be prepared on the accrual basis of accounting and the budget shall be adopted by the Board of Directors. The budget may be revised as needed. It is the policy of the Organization to adopt a final annual operating budget at least 60 days before the beginning of MERF's fiscal year.

Purpose: A budget is a management commitment of a plan for present and future MERF activities that will ensure survival. It provides an opportunity to examine the composition and viability of MERF's programs and activities simultaneously in light of all available resources

Scope: This applies to all departments and chart of accounts of the Organization.

Responsibilities:

Principal is responsible for providing information to EdTec so that the back-office service provider can prepare the annual site budget and make revisions as needed.

The Finance Department is responsible for reviewing the school site and Organization-wide budgets and budget revisions.

Edtec is responsible for preparing monthly budget vs. actual comparison reports.

Background: Budgeting is an integral part of managing MERF in that it is concerned with the translation of MERF's goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the MERF's financial and human resources. A budget is a management commitment of a plan for present and future MERF activities that will ensure survival. It provides an opportunity to examine the composition and viability of MERF's programs and activities simultaneously in light of all available resources.

Procedure:

1.0 PREPARATION AND ADOPTION

- 1.1 The school site budgets will be developed by the School Site Principals and EdTec., The Organization-wide budget will be prepared by the Chief Financial Officer with the support of EdTec. They will gather proposed budget information from all School Site Accountants and others with budgetary responsibilities and prepare the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts from prior years.
- 1.2 After appropriate revisions and a compilation of all school site budgets by EdTec, a draft of the school site budgets and Organization-wide budget will be presented to the Chief Financial Officer for discussion, revision, and preliminary approval. The Chief Executive Officer is responsible for the final approval of all budgets.
- 1.3 The final budget is then submitted by the Chief Financial Officer to the Board of Directors for adoption. School Site Principals shall be present at the Board of Directors budget approval meeting.
- 1.4 It is the policy of MERF to adopt a final annual operating budget at least 60 days before the beginning of the MERF's fiscal year. In addition, the Accounting Department must setup the new fiscal year accounts, to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts), to ensure proper classification of activities and comparison of budget versus actual once the new year commences.

2.0 MONITORING PERFORMANCE

- 2.1 MERF will monitor its financial performance by comparing and analyzing actual results with budgeted amounts. This function will be accomplished in conjunction with the monthly financial reporting process described earlier.
- 2.2 On a monthly basis, budget reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by EdTec and distributed to each respective School Principal by the 20th of the following month.
- 2.3 The financial reports will also be distributed, on a bi-monthly basis, to the Board of Directors. The Chief Financial Officer and School Site Principal, with the

support of EdTec, will be responsible for answering budget questions posed at the Board meetings.

- 2.4 The Chief Financial Officer will also institute an on-going monitoring plan to ensure the fiscal operations effectively implement all Federal and State requirements and to ensure the safeguarding of Federal and State funds and assets.

3.0 BUDGET MODIFICATION

- 3.1 After a budget has been approved by the Board of Directors and adopted by MERF, reclassifications of budgeted expense amounts may be made by EdTec, with approval from the Chief Financial Officer.

- 3.2 Budget reclassifications of any amount are at the discretion of the Chief Financial Officer.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office provider process	Oswaldo Diaz, CFO

SOP # G&A121 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A121 SCHOOL SITE ACCOUNTING

Policy: It is the policy of MERF to consider each school to be a separate and distinct financial accounting entity in order to maintain an accurate fund accounting system.

Purpose: The purpose of this policy is to clearly define relationships between each school and with the business office in regards to financial accounting.

Scope: This applies to the Organization's charter schools and business office.

Responsibilities:

EdTec, with the support of the Financial Analysts, is responsible for timely and accurate recording of transactions, providing useful management information, and properly reporting such information for various user needs.

The Chief Financial Officer is responsible for overseeing the Financial Analysts and providing assistance where needed.

Background: Separate accounting for each of the charter schools is critical in order to monitor budget performance and to determine how to allocate resources.

Procedure:

1.0 SEPARATE ACCOUNTING

1.1 EdTec will utilize the same accounting policies for each school they are responsible for. Consistency in accounting will ensure that the charter schools can be evaluated using the same benchmarks and will assist in evaluating performance.

1.2 Each Charter School will have its own accounting file to assist in maintaining separate accounting for each school, and a separate bank account to avoid comingling of funds.

2.0 FUNDRAISING

2.1 Fundraising generated from each school may not be transferred to another school.

2.2 Revenues from fundraising will be recorded in the accounting system using the resource tracking system in order to account for funds received from different events. Funds may be used for operating purposes unless restricted by the donor or explicitly restricted by the event.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office provider processes	Oswaldo Diaz, CFO

SOP # PUR102 Revision: 2

Prepared by: Central Office

Effective Date: 11/12/15

Approved by: BOD

Title: PUR102 GENERAL PURCHASING

Policy: All purchases of goods and services shall be consistent with the Board-approved budget. The investment in supplies and capital equipment will be facilitated through the Purchasing Department, maintained at the lowest effective level and supervised consistent with a common set of procedures and controls as required by all regulatory and customer contract requirements.

Purpose: To outline the actions to be taken for 1) the procurement of supplies and capital equipment, 2) the completion of related documents.

Scope: This procedure applies to the purchase of all supplies and capital equipment for all departments within the Organization.

Responsibilities:

All personnel that require a product or service must complete a request in CoolSIS specifying items for purchase and obtain required approvals.

Chief Financial Officer and the Finance Department are responsible for using good purchasing methods, optimizing price savings, quality or value of products, vendor working relationships, placing orders with approved suppliers, negotiating pricing with suppliers, and forwarding all paperwork to EdTec accounts payable for payment.

EdTec accounts payable is responsible for payment of invoices only after satisfactory completion or delivery of goods or services has been made.

The School Site Personnel and Other Designated Individuals are responsible for receiving, inspecting materials, and forwarding all paperwork to a designated agent at EdTec.

Procedure:

1.0 ORDER DETERMINATION AND REQUISITION

1.1 Purchasing should obtain the optimal price for any purchases. All purchases above \$5,000 require at least 3 quotes to be obtained. Quotes may be submitted by the requestor, Controller or the Purchase Manager can obtain the 3 quotes. The quotes are entered into CoolSIS along with evaluation and selection of the best option by the requestor. The Chief Financial Officer reviews the 3 quotes and forwards the recommendations to the Chief Executive Officer for final review and decision.

1.2 For purchases of goods and supplies, a request in CoolSIS will be prepared by the originating individual or department. The CoolSIS request should be completed

and approved with the following items and any additional supporting documentation:

- Complete description with part or model numbers and link to website if available
- Engineering drawings and specifications
- Type, Class, Grade required
- Quantity required
- Date required
- Requesting department, account code, and allowance/resource code
- Recommended vendor or source if applicable
- Other requirements
- Special shipping requirements
- Special inspection requirements upon receipt

For the following purchases, additional information is required:

- Textbooks – Full ISBN
- Airline tickets - passenger(s) legal name(s), date of birth, gender, departure/arrival airport codes and exact dates
- Vehicle rentals - vehicle type, exact dates and exact pick up/drop off locations

1.3 If the requisition is for subcontracted services:

- A complete description of the service to be performed
- Engineering drawings and specifications if appropriate
- Requirements for qualification of personnel
- Other documents such as insurance forms, etc.
- Quality standards to be applied

1.4 Purchasing/Accounting will analyze terms, vendor, pricing, quantity breaks, etc., and will order accordingly in the Organization's best interest. Purchasing will notify the requester of any material variances prior to placement of the order.

1.5 Reimbursements for purchases made by staff will be processed upon proper authorization through CoolSIS.

2.0 ORDER PLACEMENT

2.1 Requestor is responsible for completing a purchase order form for all orders. This can be processed through CoolSIS. Purchase orders are exempted for items such as salaries and related costs, utilities, and instate travel, or where a contract exists.

- 2.2 If there are any requirements for items to be inspected at the supplier’s or the Organization's premises by the Organization or our customer, the arrangements and method of product release shall be included in the purchasing information.
- 2.4 Buyers must review their purchase orders for accuracy. The buyer submits their authorization through CoolSIS indicating the review was performed.
- 2.5 Orders can be placed with the vendor either by telephone, fax, internet or mail. When placing orders by telephone, the vendor contact and date of order should be noted and a confirming copy of the order sent to the vendor. Pre-approval for any purchase is always required.
- 2.6 Purchasing is responsible for communicating with those receiving the supplies, following-up on shipping, delivery, and expediting and partial shipments of ordered items. Purchasing can either telephone vendors or use a PUR102 Ex1 PURCHASE ORDER FOLLOW-UP form to verify, trace or expedite orders.

3.0 RECORDKEEPING AND MATCHING

- 3.1 When Purchase Orders are issued, the Purchasing and Accounting copies will be placed in an Open File until the items are received. The Open File should be reviewed on a weekly basis to determine whether any orders need follow up.
- 3.2 Items will be received in accordance with procedure PUR103 RECEIVING AND INSPECTION. The completed vendor's packing list is kept at the site where the shipment was received.
- 3.4 For partial shipments, a note will be made in CoolSIS to identify the shipment as partially received. The original Purchase Order will be kept in the open file until all items are received.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	2/13/15	Segregation of duties and limits	Oswaldo Diaz, CFO
2	11/12/15	Inclusion of back-office service provider processes	Oswaldo Diaz, CFO

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PUR102 Ex1 PURCHASE ORDER FOLLOW-UP

To:

Date: _____

Please rush a reply to us by fax or telephone on the information requested below. Thank you.

Our Purchase Order #: _____

From:

Dated: _____

Please Respond To Our Request As Indicated Below

- Please rush shipment. Advise delivery date: _____
- Has shipment been made? Advise carrier/date: _____
- Partial shipment received. Balance to ship when? _____
- Can you ship in accordance with our requested date? _____
- This shipment will be shipped via what? _____
- Price on Terms do not match quotation: _____
- Please review attached and confirm accuracy of all information and prices. Acknowledge below.
- These items are not taxable. Our Tax Exempt No. is _____. Please revise invoice.
- Incorrect calculations on invoice noted. See attached and verify.
- Other _____

Comments or Reply: _____

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SOP # PUR103 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

TITLE: PUR103 RECEIVING AND INSPECTION

Policy: All parts, components, goods and materials will be received in an organized manner and inspected for conformance prior to stocking or use in order to provide an initial quality control inspection. Any items or shipments rejected will be properly quarantined from other inventory items until disposition.

Purpose: This procedure outlines the steps for the receiving and inspection of materials, components, or parts and the disposition of rejected items.

Scope: This procedure applies to the receipt of all purchases.

Responsibilities:

Anyone Performing the Receiving Function are responsible for receiving, inspecting materials, filing receiving documents at site, and marking purchase order as received.

Purchasing is responsible for accepting or rejecting damaged goods.

EdTec is responsible for payment of invoices.

The Finance Department will review and authorize all rejections.

Procedure:

1.0 RECEIVING

1.1 A "receiver" is any form used to record the specific types and counts of product or materials received. Usually, the receiver is provided by the vendor and is not part of the Organization's system at all.

An example of this would be a detailed packing slip, furnished by the vendor with the shipment. The packing slip should be kept at the school site.

All incoming product or materials are to be counted and reconciled with what was originally purchased. Discrepancies must be recorded.

1.2 All incoming shipments must be examined for apparent package damage. If the shipment has apparent damage, notify Purchasing/Accounting immediately. Purchasing will decide to either accept or reject the shipment from the carrier and/or file a freight claim.

1.3 If the shipment shows no signs of damage or the Purchase Manager or School Site Principal or designee has decided to accept a damaged shipment, count the shipping pieces (i.e., packages, boxes but not the contents; see Inspection below) and confirm with the bill of lading and note any exceptions (i.e., package damage or shortages).

2.0 INSPECTION

- 2.1 At the receiving holding area, each shipment should be unpacked and all items piece counted and matched to the packing list. If a packing list is not available, complete as an example PUR103 Ex1 RECEIVING AND INSPECTION REPORT.
- 2.2 The shipment will then be inspected for conformance according to the inspection level required for each part number (see PUR103 Ex3 INVENTORY INSPECTION LEVELS). If multiple part number classes are included in the shipment, each class will be segregated and inspected accordingly.
- 2.3 Any previously undiscovered damage to individual inventory items should be noted on the inspection report and immediately followed up with the vendor.

3.0 REJECTION, DISCREPANCIES AND DISPOSITION

- 3.1 Any count discrepancies will be noted on the packing list or as an example PUR103 Ex2 RECEIVING AND INSPECTION REPORT, signed and forwarded to Purchasing. Purchasing will then follow-up with the vendor to resolve the shipping discrepancy.
- 3.2 If there is a non-conformance discrepancy, the suspect goods will be red-tagged and separated (quarantined) from other parts and immediately placed in a separate holding area for disposition.
- 3.3 If only partial goods in the shipment are of non-conformance, the accepted goods should be noted on the paperwork and stocked or placed in use per above procedure.
- 3.4 Complete as an example PUR103 Ex2 RECEIVING AND INSPECTION REPORT for any rejected parts. Accounting will review and authorize all rejections and complete Part II of the report.
- 3.5 Goods found to be in conformance or suitable for their intended use and accepted by Accounting will have the red tag removed and be returned to the receiving area or location the product is needed for use. Accounting will note on the report the justification for any accepted parts and forward the report along with the packing list to the Purchase Manager.

Goods rejected by Accounting will continue to be quarantined and red tagged until disposed. Purchasing will determine and arrange for the appropriate disposition of rejected items (i.e., return to vendor for credit, scrap, etc.).
- 3.6 Unidentified shipments should be resolved by the Purchase Manager. Contact the Chief Financial Officer to resolve any suspicious looking packages.

Revision History:

Revision n	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Changes to responsibilities	Oswaldo Diaz, CFO

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PUR103 Ex2 RECEIVING AND INSPECTION REPORT

PART I RECEIVING

Date: _____

Vendor/Supplier/Subcontractor: _____

P.O. Or Contract No.: _____

Item No.	Description	INSPECTION Criteria	QUANTITIES			
			Ordered	Received	Inspected	Accepted

Received By: _____

PART II INSPECTION

Inspected By: _____

Sample Lot

Conformance/Discrepancies to Specifications

		YES	NO		YES	NO
Lot Size: _____	Shipping Damage	<input type="checkbox"/>	<input type="checkbox"/>	Functional	<input type="checkbox"/>	<input type="checkbox"/>
Sample Qty: _____	Markings/Finish	<input type="checkbox"/>	<input type="checkbox"/>	Dimensions	<input type="checkbox"/>	<input type="checkbox"/>
	Attributes	<input type="checkbox"/>	<input type="checkbox"/>	Other	<input type="checkbox"/>	<input type="checkbox"/>

Accepted: _____ Date: _____ Rejected: _____ Date: _____

Place in Stock

Cause for Rejection: _____

Forward to Next Operation

PART III REJECTED PARTS DISPOSITION

Return to Vendor

Conditional Acceptance Approvals

Signature

Signature

Remarks: _____

Further comments may be noted on back of report or additional sheets if necessary.

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PUR103 Ex3 INVENTORY INSPECTION LEVELS

The following are generic descriptions of the type of inspections that should be performed for various classes of inventory items. These descriptions are not completely comprehensive for all the possible types of inventory that can be received and therefore, the inspector should use appropriate judgment to determine any special inspection procedures that may be necessary for unique items.

The inspection levels are intended to be cumulative in that higher level inspections will also include all lower level inspection procedures.

The percentage of the total parts inspected will be according to the part number specifications. For example, an inspection level indication of "Level II, 25" would require that 25% of the parts received in the shipment will be examined at a Level II inspection.

If defects or rejected items are discovered within a shipment and less than a 100% inspection has been performed, the receiving inspector will consult with the Quality Control Manager to determine the appropriate action for assurance of the remainder of the shipment.

- Level I: Visual inspection of the shipment or lot. Items appear reasonably to match packing list description(s). Nothing comes to the attention of the inspector as noticeable defects or as unusual and unordinary.
- Level II: Actual hands-on visual inspection of individual parts. Each part inspected will be analyzed for the quality of workmanship and construction and the appearance of any defects.
- Level III: A functional test of the part will be performed as appropriate for the item. For example, pneumatic parts should indicate function when attached to compressed air source; moving parts should rotate, slide etc.; electrical components should operate, light, etc.
- Level IV: The part will be inspected against a set performance or measurement standard as indicated in the part file. For example, structural items will be measured for compliance to drawings within specified tolerances; electrical and mechanical devices will function according to specified performance standards.

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SOP # PUR104 Revision: 2
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: PUR104 ACCOUNTS PAYABLE AND CASH DISBURSEMENTS

Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, coding of General Ledger accounts and appropriate timing of payments. All accounts payable and cash disbursements will have documented pre-approval, and the authorization limits are stated in the below Responsibilities section.

Purpose: To explain the practices for documenting, recording and issuing payments for accounts payable transactions. (Note: Payments, disbursements, and expenditures result from accounts payable transactions)

Scope: This procedure applies to all purchases including, contractors, consultants, and merchandise and non-merchandise purchases.

Responsibilities:

The Principal at each school site is responsible for reviewing and approving payments under \$5,000 in CoolSIS, in accordance with the approved budget.

The Chief Financial Officer is responsible for reviewing and approving payments over \$5,000, up to \$10,000 in accordance with the approved budget. A designee can be assigned by the Chief Financial Officer to approve these payments.

The Chief Executive Officer is responsible for reviewing and approving payments over \$10,000 in accordance with the board approved budget, as well as up to \$10,000 for non-budgeted items.

EdTec is responsible for payment of invoices in a timely manner.

Background: Properly recording liabilities is generally a three-step process, particularly, for merchandise purchases.

The first step is recording the liability upon receipt of merchandise, using the purchase order estimates or other documentation as a guideline. For accuracy and timeliness of data, a liability should be recorded as soon as the Organization receives the purchased items.

Consultant projects are not recognized as a liability until the invoicing from the consultant is received unless and accrual has been recorded to recognize the total estimated cost of the consultant's services.

By necessity, this initial recording is usually an estimate or encumbrance and can be finalized when the actual invoice arrives. This is why a Purchase Order is so important for merchandise purchases. It documents

the Organization's understanding of how much each item will cost, per the vendor's terms. This includes estimates for freight and any other charges.

The second step takes place when the vendor's invoice is received. At this point the actual liability is finalized, with any necessary adjustments to the item costs, freight, or other charges.

The third step involves the preparation, issuance of payment for the goods received, and subsequent filing of all paperwork for easy retrieval.

Procedure Overview:

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements
7. Marketing/promotional materials

Checks are processed throughout the week.

Requests for cash disbursements are submitted to Accounting through CoolSIS.

Documentation for CoolSIS requests can be in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

All invoices must be approved by the appropriate staff prior to being submitted to accounts payable. Accounts payable will determine the account code for each invoice.

Approvals for reimbursement requests must be obtained prior to the purchase. The Organization is not obligated to reimburse requests where prior approval was not obtained; however this decision is made at the discretion of the Chief Financial Officer.

Every employee reimbursement or purchase request must be documented in CoolSIS. Please see PUR106 Reimbursements for more details.

Requests for payment are reviewed in CoolSIS by the Principal, Controller, or Chief Financial Officer dependent on purchase amount. The appropriate personnel:

1. Verifies expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the School Site Accountant for processing

EdTec processes all payments and:

1. Immediately enters them into the Accounts Payable module unless it is paid upon receipt on the same day
2. Prints checks according to allocation and payment date provided by the authorizing party
3. Submits checks, with attached backup documentation, to Chief Financial Officer for approval and signature.
4. Mails checks and appropriate backup documentation
5. Files all backup documentation in the appropriate file
6. Monitors accounts payable throughout the month

Procedure:

1.0 DOCUMENTING ACCOUNTS PAYABLE

1.1 The following documents will be forwarded to EdTec accounts payable as a PDF batch for temporary filing and subsequent matching to form an accounts payable voucher package:

- Purchase Order from CoolSIS
- Vendor invoice
- Vendor/Consultant contract

1.2 Once EdTec has received all of the above documents, the following steps will be performed to ensure proper authorization, validity of purchase, receipt of purchased items or services and accuracy of amounts.

- The purchase order should be evaluated for proper authorization and the nature of the purchase and pricing as shown on the invoice reviewed for validity.
- The quantities shown shipped or delivered on the invoice will be compared to the packing slip and/or receiving reports if items have been received by the

designee of each site. Any discrepancies must be followed-up and resolved prior to commencing with the disbursement process.

- Calculations on the invoice will be recomputed such as quantities received multiplied by unit price and totals.

2.0 RECORDING NON-MERCHANDISE PAYABLES

- 2.1 Non-merchandise expenditures like utilities, rent, insurance, taxes, repairs, professional fees, etc., are generally not recorded through the purchase order routine. However, there may be other documentation, like contracts, requisitions, and other agreements. These should be filed in the applicable vendor file as documentary support. Upon receipt of the invoice, the charges should be entered into the payable system and coded to the appropriate expense account.
- 2.2 Generally, once invoices (both merchandise and non-merchandise) have been entered, they can be filed in the respective vendor files, ordered by date. To guard against misfiling an un-entered invoice, consider stamping "entered" on each invoice when it's recorded in accounts payable. It is also helpful to note the entered date and initial the entry.

3.0 PAYMENT OF ACCOUNTS PAYABLE

- 3.1 Accounts payable systems generally provide an aged accounts payable report and list the open payables within the accounting system. Open payables are reviewed by EdTec. The Chief Financial Officer should select the bills to be paid based on the funds available and a projection of cash flow or receipts over the coming week. Once complete, process the disbursements by either printing the check, electronic online bill pay, wire transfer, or ACH withdrawal for the selected bills to be paid.

Note: Accounts payable should normally be paid within seven days or sooner of their payment term unless otherwise determined by the Chief Financial Officer.

- 3.2 Any vendor credits which are amounts owed to the Organization should be applied to amounts currently owed to the vendor when determining payment. These are normally received in the form of a credit memo or adjusting invoice. These should be entered into the system like any other invoice and applied to the next payment being made. There is no reason to "age" a credit memo.
- 3.3 Pull all Invoices to be paid from the files and match them with the printed checks, wire transfer, electronic online bill pay, or ACH withdrawal documentation. Present the materials to the Chief Financial Officer for review and signing.
- 3.4 Immediately ensure that all printed checks, wire transfer, electronic online bill pay, or ACH withdrawal documentation are signed and approved and correctly recorded in the accounting system. Stamp the invoices "paid" to document they've been paid. Use only checks that incorporate a two stub plus check form in order to attach one stub to the paid invoice and the other to the remittance copy of the Invoice.

- 3.5 If one check or electronic online bill pay pays several Invoices then either photocopy the stub or print the electronic online bill pay screen print and attach a copy to each paid Invoice or consider attaching all paid Invoices to the one check stub or the electronic online bill pay document. File all resulting documentation according to check number sequentially in the checks paid binders.
- 3.6 Mail the checks as soon as possible once checks have been posted and "paid" by the system. It is not advisable to "hold" checks for additional days after posting. This practice usually occurs when there are insufficient cash flows. However holding checks increases the difficulty of projecting cash flow, reduces cash balance accuracy, and causes confusion when trying to reconcile accounts payable vendor balances. None of these balances will be accurate if printed checks are held back from mailing. If cash flow is insufficient to mail the checks, then it is advisable not to post and print checks in the first place.

4.0 MANUAL CHECKS

- 4.1 The Organization does not permit the use of manual checks.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	2/13/15	Revision of Purchase limits	Oswaldo Diaz, CFO
2	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, CFO

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SOP # PUR105 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: PUR105 PREPAID EXPENSES

Policy: It is the policy of MERF to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to amortize these items over the corresponding time period. For purposes of this policy, prepaids are only accounted for at the end of the fiscal year and the amount that is considered to be prepaid remains at the discretion of the Chief Financial Officer.

Purpose: To ensure the proper payment and accounting of expenses that have a future benefit allocated over time.

Scope: Any transaction that is currently paid that has a value that can be amortized over a future time period.

Responsibilities:

The Chief Financial Officer is responsible for reviewing and authorizing prepaid expenses.

The Finance Department with the support of EdTec is responsible for processing prepaid payments and amortizing the prepaid cost of the expected future life of the prepaid asset.

Background: Prepaid expenses are very common and allow the Organization to on occasion take advantage of pre-paying for certain expenses and thus recovering discounts or ensuring that a certain expense is fully paid.

Procedure:

1.0 ACCOUNTING TREATMENT

1.1 Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statements date shall be classified as non-current assets.

2.0 PROCEDURES

2.1 As part of the account coding process performed during the processing of accounts payable at the end of the fiscal year, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The Finance Department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This

schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Revision of responsibilities	Oswaldo Diaz, CFO

SOP # PUR106 Revision: 2
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: PUR106 REIMBURSEMENTS

Policy: Internal controls are required to ensure that only valid and authorized reimbursements are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, coding of General Ledger accounts and appropriate timing of payments.

Purpose: To explain the practices for documenting, recording and issuing payments for reimbursement transactions.

Scope: This procedure applies to all reimbursements.

Responsibilities:

The Principal at each school site is responsible for reviewing and approving payments under \$5,000 in Coolsis, in accordance with the approved budget.

The Chief Financial Officer is responsible for reviewing and approving payments over \$5,000, up to \$10,000 in accordance with the approved budget. A designee can be assigned by the Chief Financial Officer to approve these payments.

The Chief Executive Officer is responsible for reviewing and approving payments over \$10,000 in accordance with the board approved budget, as well as up to \$10,000 for non-budgeted items.

EdTec accounts payable is responsible for payment of reimbursements in a timely manner. A timely manner is defined as within two weeks upon submission to EdTec accounts payable.

Background: Properly recording reimbursements is generally a three-step process.

The first step is accurately submitting reimbursement receipts along with a reimbursement authorization form.

The second step is obtaining the appropriate authorization.

The third step involves the preparation, issuance of reimbursement payment in a timely manner, and subsequent filing of all paperwork for easy retrieval.

Procedure Overview:

Reimbursements are generally made for:

1. Travel and conferences
2. Mileage
3. Meals

4. School/classroom supplies
5. Allowable academic expenses
6. Student awards
7. Other expenses

Reimbursement checks are processed on two week cycles or sooner.

Requests for cash disbursements are submitted to Accounting through CoolSIS. Documentation for CoolSIS requests can be in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

All reimbursement requests must be approved by the appropriate staff prior to being submitted to accounts payable. Accounts payable will determine the account code for each invoice.

Approvals for reimbursement requests must be obtained prior to the purchase. The Organization is not obligated to reimburse requests where prior approval was not obtained.

Every employee reimbursement or purchase request must be documented in CoolSIS with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Travel and Conferences - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose. This includes itemized receipts for parking, tolls and bridges, car rentals, taxis, and conference receipts. (See G&A103, Travel and Entertainment policy for more detailed information.)

Car Rentals – When possible, advance approvals are recommended. The employee is required to make their own car rental arrangements. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the employee(s) and any demonstration equipment.

Supplemental auto insurance coverage offered by car rental agencies must be purchased and will be reimbursed.

Mileage/Personal Vehicles - An employee required to use their own automobile for business will be reimbursed in accordance with the current IRS mileage reimbursement rate. The employee must provide on the expense report, documentation including dates, miles traveled and purpose of each trip.

The Organization assumes no responsibility for personal automobiles used for business. Further, any parking or speeding violation is the sole responsibility of the employee.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose. Entertainment expenses are disallowed.

Meal and Entertainment tips are limited to 15% (unless automatically assessed by the eating establishment) of the pre-tax meal total cost and any tip that is in excess of the pre-tax meal total cost will not be reimbursed. For example, a meal that costs \$10 may have an 8% sales tax bringing the total meal price before tip to \$10.80. Figure the tip on the \$10 amount at 15% or \$1.50 and that amount of tip or less is reimbursable. If you tipped more than a \$1.50, that difference is not reimbursable. You are always allowed to tip less than 15% should you choose to do so.

School/Classroom Supplies, Allowable Academic Expenses, and Student Awards – these expenditures are subject to the approval of the Principal. Gifts of any kind are never allowed. Student awards may only be paid from non-ADA and unrestricted sources. In other words, student awards may be paid from unrestricted fundraising or from other unrestricted sources of income, subject to approval of the Principal and/or Central Office.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

Non-Reimbursable Expenses - Some expenses are not considered valid business expenses by the Organization, yet may be incurred for the convenience of the traveling individual. Since these are not expenses for the business then they are not reimbursable. (The following can be used as a guide of expenses, which are not reimbursable)

Examples include:

- Airline or travel trip interruption insurance
- Airline or travel lounge clubs
- Shoe shine or Dry-cleaning (except for extended travel beyond 5 days)
- Movies or personal entertainment
- Books, magazines or newspapers
- Theft or loss of personal property
- Doctor bills, prescriptions, or other medical services

- Parking tickets, traffic tickets or Car towing if illegally parked
- Health club memberships
- Baby sitter or Pet care fees
- Barbers and Hairdressers

Requests for reimbursement payments are reviewed in CoolSIS by the Principal, Chief Financial Officer, or Chief Executive Officer, dependent on purchase amount. The appropriate personnel:

1. Verifies and matches expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the School Site Accountant for processing

Accounts Payable processes all payments and:

1. Immediately enters them into the Accounts Payable module, unless paid upon receipt on the same day
2. Prints checks according to allocation and payment date provided by the approving party
3. Submits checks, with attached backup documentation, to Chief Financial Officer for approval and signature
4. Stamps invoice “paid”
5. Mails checks and appropriate backup documentation
6. Files all backup documentation in the appropriate file
7. Monitors accounts payable throughout the month

Procedure:

1.0 DOCUMENTING REIMBURSEMENTS

All business reimbursement expenditures incurred by employees of the Organization are reimbursed through CoolSIS. Reimbursement receipts must be submitted monthly and any receipt that is older than 60 days will not be reimbursed at the discretion of the Chief Financial Officer.

Expense report forms must be filled out completely. Required original receipts for items charged must accompany all reimbursement documentation as well as uploaded into CoolSIS. Any questions regarding completion of the report should be directed to the employee's supervisor or the accounting department.

Upon completion, the expense report along with all attachments should be submitted to the employee's appropriate supervisor in CoolSIS for approval. After approval, the expense report is submitted to the accounting department for processing and reimbursement. In order to expedite reimbursement, the employee should ensure that the report is completed properly, required documentation is attached, proper authorization is obtained, and any unusual items properly explained and documented.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	2/13/15	Amount limit changes. Mileage reimbursement rate.	Oswaldo Diaz, CFO
2	11/12/15	Inclusion of back office service provider and amount limit changes.	Oswaldo Diaz, CFO

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SOP # REV101 Revision: 1

Prepared by: Central Office

Effective Date: 11/12/15

Approved by: BOD

Title: REV101 SALES RECEIPT PROCESSING

Policy: To ensure the most accurate process for billing for services, sales receipts will be properly evaluated and approved prior to entry into the accounting system.

Purpose: This procedure outlines the activities and responsibilities involved in verifying the acceptability of all sales receipts.

Scope: These procedures are to be followed for all sales receipts.

Responsibilities:

EdTec approves sales receipt documentation.

Procedure:

1.0 DOCUMENT VERIFICATION

1.1 Sales Receipts are often used for Parenting Fees and other similar fees. Verify that all of the correct documents have been used and are present to support the sales receipt transaction. The following documents are required to complete the Sales Receipt transaction:

- Document identifying what the money collected is for
- Approval or authorized signature for the course
- Customer, parent, or other correspondence or support documentation, etc
- Complete the EdTec Deposit Log

1.2 Verify that all required information is available to complete the sales receipt.

1.3 Review the customer's Accounts Receivable aging and determine that the customer is current with their payments and that the new sales receipt will not affect their balance.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, CFO

SOP # REV102 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: REV102 INVOICING, ACCOUNTS RECEIVABLE, RECEIVABLE ACCRUALS

Policy: The Finance Department is responsible for the timely preparation and distribution of invoices to optimize cash flow and customer payments. The Finance Department with the support of EdTec will also maintain accurate records over Accounts Receivables and Accruals and abide by proper internal controls.

Purpose: To explain the methods for the preparation of invoices, accounts receivable, and receivable accruals records processing.

Scope: This procedure applies to all revenue earned and services provided by the company.

Procedure:

1.0 SALES RECEIPT REVIEW

1.1 A formal invoice is not always applicable such as when service fees are collected for items such as Parenting.

1.2 The SALES RECEIPT should contain all pertinent billing information as part of the company's sales receipt procedure. However, as part of proper internal control, Billing will verify the information contained on the customer's sales receipt documentation.

As part of this review process, the propriety and accuracy of contact information, prices, description of services, extensions and footings will be determined.

2.0 INVOICE PREPARATION AND POSTING

2.1 The next sequentially numbered Invoice (see example REV102 Ex1 INVOICE) will be prepared from the information from the Federal, State, or Local Grant or Contract Language including all reimbursable costs and will include the invoice date, service item, description of services or billing information, quantity, rate, class or program code, price and extended amounts and the customer's billing addresses.

2.2 Post the invoice by saving the transaction.

3.0 DISTRIBUTION

3.1 Send one copy of the invoice to the customer and retain a second copy of the invoice in the customer file.

4.0 ACCOUNTS RECEIVABLE

4.1 Accounts Receivable will receive and process payments from customers in accordance with the CASH RECEIPTS procedure.

- 4.2 On a monthly basis, Accounts Receivable will generate an aged trial balance of customers' accounts with individual invoice information and days outstanding and will forward to Finance Manager and Chief Financial Officer for their follow up on any aged invoices.
- 4.3 Accounts Receivable will generate monthly statements of outstanding customers' accounts and issue them to customers no later than 10 days after each month end.
- 4.4 Accounts Receivable will issue Credit Memos to customers upon receipt of approved changes in the terms.

5.0 RECEIVABLE ACCRUALS

- 5.1 Monthly receivable accruals are at the discretion of the Chief Financial Officer and the Finance Manager when those amounts are reasonably known and quantifiable. Fiscal year end receivable accruals are required to be quantified and recorded no later than August 15th.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back office service provider	Oswaldo Diaz, CFO

REV102 Ex1 INVOICE

INVOICE NO. _____

CUSTOMER:

Item	Description	Qty	Rate	Class	Amount
------	-------------	-----	------	-------	--------

Total

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**REV102 Ex 2 ACCOUNTS RECEIVABLE
WRITE-OFF AUTHORIZATION**

Customer: _____

Date: _____

Invoice No's:

Amount of Write-Off

TOTAL

\$ _____

JUSTIFICATION

Summary of Collection Actions To Date:

(Include brief description of collection actions taken by accounting, other Company departments and outside collection agency or legal, if applicable)

Approvals:

Credit Manager: _____

Date: _____

Controller: _____

Date: _____

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SOP # REV103 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: REV103 PROJECT(Grant/Contract) REVENUE: PROGRESS BILLING

Policy: Progress billings will be made to clients on a timely basis throughout the life of the project. Projects are typically considered Federal, State, and Local Grant contracts. These billings will be accurate and easily understood by both parties involved.

Purpose: The purpose for creating progress billings is to obtain payment for the portion of labor and materials, i.e. "reimbursed costs" used up to a certain point in time and before the project is fully completed. This improves the cash flow typical of long-term projects or assignments. This procedure applies to all Federal, State, and Local Grants and Contracts, Service agreements or Projects provided by the Organization.

Scope: This procedure applies to all service agreements or projects provided by the Organization.

Responsibilities:

The Finance Department is responsible for the confirmation of all final program amounts and is responsible for knowing the correct procedures to be followed for each contract.

Procedure:

1.0 CONTRACT TYPES

1.1 Reimbursement for Services. Progress billing for Reimbursement for Services contracts requires School Site Accountants to be up to date and monitor the services being provided according to the terms of each contract. The School Site Accountant will enter into the reimbursement request the allowable costs that may be billed according to the contract. From time to time and at the end of the contract, the Chief Financial Officer reviews the billings of the contract and ensures that all available opportunities to recover reimbursable costs have been considered.

1.2 Set Contracts. Set contracts such as with the individual charter schools involve reimbursement for costs such as building rental and an allowance for the amount of apportionment attendance earned. Although the contract is set by terms of the contract, since student attendance can vary, the invoicing for these types of contracts is the same amount throughout the fiscal year and reconciled at the end of the year to account for the final attendance counts.

2.0 BREAKDOWN OF CONTRACT AMOUNT

2.1 The Finance Department with the support of EdTec is responsible for the final reconciliation of all grant and other contracts at the end of the year by reviewing final billings prepared by the School Site Accountant and/or the School Principal. Normally, the contractual agreement will specify the procedures for payment and may also specify the form of the breakdown of contract amount that is required. Care should be taken to be sure that all costs, services, and fees are fully billed and accounted for in each contract.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office provider and revision of responsibilities.	Oswaldo Diaz, CFO

SOP # REV105 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: REV105 REVENUE RECOGNITION - GRANTS AND CONTRIBUTIONS

Policy: The Organization receives revenue from several types of transactions. It is the policy of the Organization to separate and recognize revenue from grants and contributions separately in the financial statements of the Organization and to comply with all current Federal and California rules regarding solicitation and collection of charitable contributions.

Purpose: To provide a separate accounting of grant and contribution income.

Scope: This procedure applies to all grant and contribution income.

Responsibilities:

Chief Financial Officer and the Finance Department direct the separate accounting for grant revenue and contributions received.

EdTec ensures that grant and contribution revenues are separately tracked within the accounting system.

Definition:

Contribution - An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Organization or releases the promisor from its obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in the Organization's articles of incorporation and bylaws. Restrictions on the Organization's use of an asset may be temporary or permanent.

Nonreciprocal Transfer - A transaction in which an entity incurs a liability or transfers assets to the Organization without directly receiving value from the Organization in exchange.

Promise to Give - A written or oral agreement to contribute cash or other assets to the Organization.

Exchange Transaction - A reciprocal transaction in which the Organization and another entity each receive and sacrifice something of approximately equal value

Procedure:

1.0 GRANT AND CONTRIBUTION REVENUE RECOGNITION

1.1 **Grant income** – Recognized as income when received, based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards). The types of grant income typically received by the Organization are:

- (a) Education payments for MERF Charter services.
- (b) Various Federal, State, and Local grants and contracts.
- (c) Other types of grant income may be received from time to time.

At year-end, grant income that has been incurred but not yet received are accrued to conform with generally accepted accounting principles.

1.2 **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income).

1.3 CONTRIBUTIONS RECEIVED

A. Distinguishing Contributions from Exchange Transactions

The Organization may receive income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. The Organization shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. The Organization's intent in soliciting the asset, as stated in the accompanying materials;
2. The expressed intent of the entity providing resources to the Organization (i.e. does the resource provider state its intent is to support the Organization's programs or that it anticipates specified benefits in exchange?);

3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of the Organization (contribution);
4. Whether payment received by the Organization is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by the Organization, or the cost of those assets plus a markup (exchange transaction);
5. Whether there are provisions for penalties (due to nonperformance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
6. Whether assets are to be delivered by the Organization to individuals or other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or the Organization is closely connected to the resource provider.

B. Accounting for Contributions

The Organization shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions. See REV107 Restricted Funds for more details.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of the Organization in the period that the Organization receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to the Organization at the time the Organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in the form of volunteer labor, the Organization shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
 - a. It is the type of service that would typically need to be purchased by the Organization if it had not been contributed,
 - b. It requires specialized skills (i.e. formal training in a trade or profession), and
 - c. It is provided by an individual possessing those specialized skills.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

C. Receipts and Disclosures

The Organization and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and its underlying regulations. To comply with those rules, the Organization shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by the Organization, it shall provide a receipt to the donor. The receipt shall be prepared by the School Principal. All receipts prepared by the Organization shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any noncash property received;
2. A statement of whether the Organization provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor, and
3. If any goods or services were provided to the donor by the Organization, a description and good faith estimate of the value of those goods or services.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Change in responsibilities	Oswaldo Diaz, CFO

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SOP # REV106 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: REV106 GIFTS-IN-KIND

Policy: MERF may accept contributions of goods or services that can be used to advance the mission of MERF and/or any of its schools or may be converted readily into cash. When accepting a gift-in-kind, the receiver must ask the donor to complete as an example REV106 Ex1 GIFT-IN-KIND FORM. Once the donor has completed the form, the receiver must sign the form and send it immediately to the central office for processing.

Purpose: To ensure that Gift-In-Kind transactions are handled in accordance with IRS guidelines and are properly recorded.

Scope: All Gift-In-Kind transactions.

Responsibilities:

Receiver is responsible for assessing the gift for usefulness to the Organization.

School Principal is responsible for handling donor documentation.

The Financial Analysts are responsible for assessing value of gift and informing EdTec so that it can be recorded into the accounting system.

Definition: **Gifts-In-Kind** - Transactions categorized as a voluntary contribution of goods or services that can be used to advance the mission of MERF or can be readily converted to cash and may qualify as a charitable deduction for the person(s) making the gift.

Contributed services cannot be counted as a gift and do not qualify as a charitable tax deduction to the donor. However, a donor of services may be able to deduct expenses incurred while performing said services. In such cases, the donor should be advised to consult with a tax accountant.

Background: The IRS has specific regulations regarding gifts-in-kind. This policy outlines the process an employee of MERF should follow when presented with a gift-in-kind. It limits the liability that may inadvertently be assumed by placing value on gifts or by accepting a gift that does not advance the mission of MERF or cannot be readily converted to cash. It further assures that a donor will receive timely acknowledgement of his/her contribution.

Procedure:

1.0 RECEIPT OF GIFT

1.1 When presented with a potential gift-in-kind, an individual must assess if the gift can be used to advance the mission of MERF or could be readily converted to cash. If there is any question as to whether the contribution meets either of these

criteria, the individual should contact his/her immediate supervisor or the central office.

- 1.2 If the gift is accepted, the individual should offer an immediate and sincere expression of gratitude. At that time, the donor should be given a Gift-In-Kind form and be encouraged to complete the form at that time. If the donor is unable or unwilling to complete the form, the receiver may complete the form, write "N/A" as the estimated fair market value, and enter that the form was completed by him/her in the note section in the lower right hand corner.

The individual accepting the gift cannot offer tax advice or dictate the value of the contribution. It is the responsibility of the donor to determine the fair market value of the contribution. **Note:** the value is for MERF internal gift reporting and accounting only; the donor's receipt and/or acknowledgement will not indicate value in any way that could be construed as an endorsement of its value.

- 1.3 If the item is personal property of the donor and is valued at more than \$5,000, the donor must obtain a certified appraisal. The appraisal cannot be dated more than 60 days from the date of the donation. It must be prepared, signed and dated by a qualified appraiser. Federal law requires that the donor pay for the appraisal. (The cost of the appraisal is also tax deductible). This value will be used for gift reporting purposes only.

What constitutes a qualified appraisal:

- I. Appraiser must hold himself or herself out to the public as an appraiser and state credentials showing that he or she is qualified to appraise the type of property being valued.
- II. Appraiser must value the property no more than 60 days before the date of gift; it can be done after the gift has been accepted by the MERF.
- III. Appraiser cannot be (1) the donor, (2) the donee (MERF), (3) any party to the transaction, (4) an appraiser used regularly by (1), (2) or (3), or anyone employed or related to (1),(2), or (3).

The appraisal must contain the following information:

- 1. A description of the item
 - 2. Its physical condition
 - 3. The date (or expected date) of the contribution
 - 4. Name, address and tax ID number of the appraiser
 - 5. Qualifications of the appraiser including his/her background, experience and education
 - 6. A statement that the appraisal was prepared for income tax purposes
 - 7. Date the item was valued
 - 8. Appraised fair market value of the item
 - 9. Method of valuation (income approach; market data approach; replacement cost minus depreciation approach.)
 - 10. Appraiser must complete Part IV of Section B on form 8283
- 1.4 The individual accepting the gift will sign and date the Gift-In-Kind form only after the donor has irrevocably turned over the gift-in-kind. Once signed, the

form should be turned over to the School Principal immediately for processing and acknowledgement.

- 1.5 The School Principal will notify the School Site Accountant of the contribution. The School Site Accountant will then provide necessary information to EdTec so that it can be assigned as an asset or income to the appropriate school or to the central office.

2.0 COMPLIANCE

- 2.1 The IRS allows an individual to deduct the full fair market value of a donated item if it is kept by MERF and used for one of its tax-exempt purposes. If the item is to be converted to cash, then the donor may claim a deduction of the cost value or the fair market value, whichever is less. **It is the sole responsibility of the donor to determine the value of a contributed item; the receiver cannot assign a value to the donated item(s).**
- 2.2 Upon receipt of a gift-in-kind, MERF will issue an acknowledgement to the donor along with a copy of the Gift-In-Kind form. The acknowledgement will contain only a description of the contribution and will not include a statement as to the value of the contribution. It will further contain a statement as to what, if any, goods or services were given in exchange for the contribution. MERF cannot issue an acknowledgement for contributions that cannot be used or readily converted to cash.
- 2.3 For gifts with values exceeding \$5,000, the donor must complete all parts of IRS form 8283 and submit the form to MERF for signature. The School Principal, the Chief Financial Officer and the Chief Executive Officer are the only individuals authorized to sign 8283 forms.

If MERF has signed an IRS form 8283 and then sells, exchanges or otherwise transfers the gift within two years from the date of gift, the central office must file a donee information return, IRS form 8282, within 125 days of disposing the property. MERF will advise the donor if such a transaction occurs as it may affect the charitable tax deduction for which they qualify.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Inclusion of back-office service provider process	Oswaldo Diaz, CFO

REV106 Ex1 GIFT-IN-KIND CONTRIBUTION FORM

Date: _____

Event Name (if applicable): _____

Donor Information:

Donor Name _____

Contact Person _____

Address _____

City _____ State _____ Zip _____

Daytime phone _____ E-mail Address _____

Gift Description: _____

Estimated fair market value (by donor): \$ _____

Special instructions (e.g., item delivery or pick up, restrictions, etc.):

Please return this form to:

Finance Department Phone: (714)892-5066
13950 Milton Ave. Fax: (714)362-9588
Suite 200B
Westminster, CA 92683

Per IRS regulations, any item you value over \$500 requires IRS Form 8283; any item you value over \$5,000 requires Form 8283 and a written appraisal.

This form does not serve as a receipt for this contribution, but is intended for our internal record keeping purposes only. A receipt describing the items or merchandise donated will be mailed to the address supplied above. Magnolia Educational & Research Foundation is unable to include the estimated value on the donor receipt. It is the responsibility of the donor to substantiate the fair market value for his/her own tax purposes. The donation of services, although very valuable and much appreciated, is generally not considered tax deductible by the IRS. Please consult with your tax advisor to determine the tax implications of your gift.

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SOP # REV107 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: REV107 RESTRICTED FUNDS

Policy: To properly record and track funds with restrictions in order to ensure the donor's intended uses are met, assist with cash flow planning purposes, and to stay within compliance with laws relating to use of restricted funds.

Purpose: Generally accepted accounting principles require the Organization to classify funds based on the restrictions provided by the donor. These classifications may be unrestricted, temporarily restricted or permanently restricted. Donor restrictions should be in writing, to ensure proper treatment.

Scope: This procedure applies to funds received that are classified as temporarily or permanently restricted.

Responsibilities:

EdTec is responsible for recording restricted donations and releases from restrictions properly in the accounting system. EdTec is also responsible for periodic reconciliation of restricted asset totals and monitoring restrictions to determine whether they have been met.

Chief Financial Officer is responsible for monitoring of restrictions and determining whether fulfilling restrictions can be viable for the Organization.

Definition:

Unrestricted Net Assets - net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Temporarily Restricted Net Assets - net assets whose use are limited by donors to either a specified purpose or a later date. Pledges receivable are considered to be temporarily restricted because of an inference that uncollected amounts are intended for future periods.

Permanently Restricted Net Assets - net assets whose use are restricted in perpetuity, such as endowments.

Procedure:

1.0 RESTRICTED FUNDS

1.1 At the time revenue is earned by the Organization, the Financial Analysts with the support of EdTec will review any related documentation associated with the revenue to determine whether there are any restrictions on the money. Examples

of restrictions are individual donations given with the intent of supporting a particular program or campaign, a grant received to operate a specific program or project, and donations received to hold in perpetuity. This information can be found on the award letter or on the financial instrument itself. If the revenue is determined to contain restrictions, EdTec will record in a separate class in the accounting system to keep separate from unrestricted funds.

- 1.2 **Temporarily Restricted Funds** – These funds will be monitored for satisfaction of donor restrictions on a regular basis. Once stipulations are met, they are reclassified from temporarily restricted funds to unrestricted funds regardless of when the related expenses will occur. This is known as “net assets released from restrictions.”
- 1.3 **Permanently Restricted Funds** – These funds are restricted by the donor for a designated purpose or time restriction that will never expire. The intent is that the principle balance of the contribution will remain as an investment forever, and the Organization will utilize the interest and investment returns, such as with an endowment.

2.0 ACCOUNTING FOR RESTRICTED FUNDS

- 2.1 In addition to the obligation to its donors, the Organization is bound by law to spend contributed dollars as designated. If a condition on restricted funding has not been fulfilled and the money has been spent, the donor can demand that the funds be returned, pursue legal action, or contact the Office of the Attorney General. It is of the utmost importance that donor restricted funds are handled properly.
- 2.2 Do not budget to spend money unavailable to Organization. When planning and budgeting, be mindful of any and all of the time and activity restrictions present on restricted funds. Understand how restrictions will impact cash flow and availability of funds.
- 2.3 Educate staff and board members who are accountable for the Organization’s financial decisions so that they fully understand funding restrictions. Know when the restrictions are satisfied and how to release the funds from restriction.
- 2.4 When analyzing financial reports, pay close attention to unrestricted funds and, unless you are making decisions regarding programming for which the funds have been restricted, avoid basing decisions on restricted funds. Try to focus your attention on the “Unrestricted” amounts. Formatting financial report with columns that delineate unrestricted and restricted funds can be very helpful.
- 2.5 Most restrictions on funds directly relate to the grant or fundraising request. When researching and applying for grants, be aware of any challenges that potential restrictions could present to the Organization.
- 2.6 Fundraising letters and appeals can inadvertently place restrictions on donations. Be certain that managers and donors understand the purpose of contributed dollars and understand if restrictions are present. Also, be certain that staff charged with fundraising understand that appeals can lead to restricted gifts.

- 2.7 Work with staff to understand the true cost of programming. Allocate all direct costs associated with a program. These allocations help to prepare more accurate budgets for grants and fundraising appeals, and better utilize contributions restricted to specific programs to ease the pressure on limited general operating dollars.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Change in responsibilities	Oswaldo Diaz, CFO

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SOP # INV102 Revision: 1
Effective Date: 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: INV102 FIXED ASSET CAPITALIZATION & DEPRECIATION

Policy: Asset acquisitions with a useful life expectancy of greater than one year and with a minimum threshold amount as specified by the Chief Financial Officer should be capitalized by the Organization and depreciated.

Purpose: The purpose of this procedure is to delineate the capitalization and depreciation methods for various asset groups.

Scope: All acquisitions of capital assets for the Organization.

Definitions: Capitalization - Capitalization is the method chosen to record the purchase of a fixed asset on the Organization's accounting books. If an asset is capitalized then it is not expensed in the same year the asset is purchased. Instead the asset is generally recorded on the balance sheet and individually on an asset schedule. Examples of capital expenditures are purchases of land, buildings, machinery, office equipment, leasehold improvements and vehicles. The asset is expensed each year as depreciation.

Depreciation - is an annual income tax deduction that allows the write-down or write-off of the cost of the asset over its estimated useful life to recover the cost or other basis of certain property over the time the property is used. It is an allowance expense for the wear and tear, age, deterioration, or obsolescence of the property.

As an asset ages and is used by the Organization, its value declines. It, in effect, becomes worth less and less over time. The declining value or usefulness of the asset over time is represented as a discount that is applied to the original purchase price. At the end of the asset's depreciation period, (and/or useful life), its value on the balance sheet will be zero, or fully-depreciated. At the same time, the individual depreciation expenses will have all been recorded on the income statement.

Note: Land is not depreciated because land does not wear out, become obsolete, or get used up. But, the building on the land is depreciated. Land is generally viewed as an appreciating asset while all other capital assets are generally viewed as depreciating over time, with use. But, unlike depreciation, an asset's appreciation is not recorded on the books until the asset is sold, which is when the assets appreciation is realized.

Cost basis – The total amount paid for the asset, in cash or kind, is considered the “cost-basis”. This should include all charges relating to the purchase, such as the purchase price, freight charges and installation, if applicable. The cost basis is not the market value or list price of the

asset. It is the total amount invested in the purchase or the total amount paid.

Procedure:

1.0 CAPITALIZATION

- 1.1 All assets with a useful life of greater than one year and costing more than \$5,000 will be capitalized and (except for land) will be recorded in the depreciation records.

Bulk computer, software, and other technology purchases with an aggregate value of \$25,000 or more are captured as fixed assets regardless of individual price of item.

In addition, remodeling modifications and replacement costs of integral structural components are only capitalized when such costs incurred exceed \$50,000. Depreciation or amortization is computed on the straight-line basis over the useful lives of the assets.

Any asset that does not meet the above criteria will be expensed such as small tools and equipment or repairs and maintenance.

- 1.2 The cost basis of furniture and equipment assets will include all charges relating to the purchase of the asset including the purchase price, freight charges and installation if applicable.
- 1.3 Leasehold improvements including painting are to be capitalized if they relate to the occupancy of a new office or a major renovation of an existing office or site. Expenditures incurred in connection with maintaining an existing facility in good working order should be expensed as a repair.
- 1.4 The cost of buildings should include all expenditures related directly to its acquisition or construction. This cost includes materials, labor and overhead incurred during construction, and fees, such as attorney's and architect's and building permits.
- 1.5 Maintain proper files on the details to all acquisitions, expenditures, and maintenance performed on all assets. These records are vital for proper tax preparation and are used during yearly tax reporting and planning.

2.0 DEPRECIATION

- 2.1 The depreciation methods/lives for assets must be selected at the time the asset is first placed into service in order to ensure consistent financial reporting and tax compliance.

The Organization uses the straight-line method of depreciation.

The following represents a sample of the useful lives that the Organization may use for financial reporting purposes:

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor	20
Buildings		20 - 50
HVAC systems	Heating, ventilation, and air systems	10 - 20
Roofing		20
Interior construction	Leasehold improvements	20 - 25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, tanks	20
Machinery & tools	Shop & maintenance equipment,	3 - 15
Custodial equipment	Floor scrubbers, vacuums, other	7 - 15
Furniture & accessories	Classroom & other furniture	10 - 20
Business machines	Fax, duplicating & printing	3 - 10
Copiers		3 - 10
Communication equipment	Mobile, portable radios	3 - 7
Computer hardware	PCs, printers, network hardware	3 - 5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still & digital)	5 - 10
Athletic equipment	Wrestling mats, weight machines	7 - 10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	5 - 10

- 2.2 The lowest life permitted by tax regulations for asset classes should be selected to optimize depreciation deductions.
- 2.3 Regardless of the depreciation rate required an Organization can elect to use a different method for financial statement purposes. Such method should be justified based on the expected useful life of the asset.
- 2.4 Depreciation will be recorded in the accounting system at the end of the fiscal year.

Revision History:

Revision n	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/12/15	Revision of capitalization policy relating to technology aggregate purchases	Oswaldo Diaz, CFO

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SOP # CSH101 Revision: 01

Prepared by: Central Office

Effective Date: 2/14/13 11/12/15

Approved by: BOD

Title: CSH101 CASH BOXES

Policy: Proper internal control should be maintained over funds received by cashiers or sales clerks of any type, even at fundraising events at all times.

Purpose: To identify the practices for cash box control, including cash receipts, special tender items, cash payouts and reconciliation with deposits.

Scope: All personnel that deal with the cash transactions.

Responsibilities:

Principal is responsible for safeguarding / verifying and controlling all cash assets at each school.

School Office Manager is responsible for ensuring the completeness and accuracy of all opening, closing and intermediate transactions.

School Office Manager is responsible for overseeing all event transactions.

Procedure:

1.0 CASH BOX/SAFE

- 1.1 Each fundraiser or individual collecting cash should collect cash for events and safeguard properly. Once all cash has been collected, this individual should submit the cash received to the School Office Manager as soon as possible for placement in the cash box. It is important to ensure that only one person has responsibility for collecting cash as to limit any opportunities for misappropriation.
- 1.2 All cash collected must be collected by the School Office Manager, counted together with the School Principal and one other person, and signed off by all three individuals that the cash count is accurate. The funds will then be safely secured until deposited by a designee of the School Office Manager.
- 1.3 If the cash balance at the end of day exceeds \$1,000, a bank deposit will need to be made the same day. Otherwise, all bank deposits will need to be made by the last business day of the week. At the end of the week there should be no more than \$50 left in the cash box for the following week.
- 1.4 Bank deposit documentation needs to be ~~mailed to the business office no later than the next Tuesday following the date of deposit.~~ emailed to EdTec, in PDF format, for entry into the general ledger on a weekly basis.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	7/24/15 <u>11/12/15</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz,</u> <u>Chief Financial</u> <u>Officer</u>

SOP # CSH103 Revision: 01
Effective Date: 2/14/13 ~~11/12/15~~

Prepared by: Central Office
Approved by: BOD

Title: CSH103 PROBLEM CHECKS

Problem: To save time in returning and following-up on unsigned, checks marked "payment in full", or returned by the bank. These checks should be processed as follows and deposited.

Purpose: To describe how these types of checks should be handled before depositing.

Scope: This procedure applies to all checks received by the Organization.

Responsibilities:

~~School Site Accountant~~ EdTec is responsible for processing all check transactions for each school.

Definitions: NSF. Non-Sufficient Funds or NSF checks are those that are returned from the bank because the balance in the checking account was not high enough to cover the check. The check is then stamped NSF or "insufficient funds", "uncollected funds", or maybe "account closed".

Procedure:

1.0 UNSIGNED CHECKS

1.1 The word "over" should be typed or written on the line where the signature would normally appear. On the back, type "Lack of Signature Guaranteed" and then add the Organization name, manager's name, title and signature.

Note: This indicates to the bank that the Organization will take back the check as a charge against its account in the event it isn't honored. In the event the check is not honored, the Office Manager should immediately follow-up with the issuer.

1.2 Continue processing the check.

2.0 PARTIAL PAYMENT CHECKS MARKED "PAYMENT IN FULL"

2.1 If there's no dispute as to the amount, a check tendered for less than the amount due and marked "payment in full" (or similar wording) can be cashed without jeopardizing the right to recover the balance. However, if there's a bona fide dispute as to the amount owing, the Organization runs the risk that payment will be deemed to have settled the disputed claim for the lesser amount.

2.2 To overcome any potential pitfall, the check should be endorsed with the following statement "Check is accepted without prejudice and with full reservation of all rights under section 1-207 of the UNIFORM COMMERCIAL CODE (see Reference A).

- 2.3 Continue processing the check as per procedure CSH102 CASH RECEIPTS AND DEPOSITS.
- 2.4 The Office Manager should then work with the customer to resolve collection of the remaining balance due.

3.0 RETURNED CHECKS

- 3.1 A returned check for less than \$100 or stamped "uncollected funds," should be re-deposited the following day, if the check is not already stamped, "Do Not Re-Deposit".
- 3.2 For returned checks in amounts greater than \$100, the bank that the check is drawn against should be telephoned to determine if the check amount will clear the customer's account. If sufficient funds exist the check should be re-deposited. If the check is very large, consider taking the check directly to the issuing bank for recovery.

Note: The customer's account number should be the second number series located at the bottom center of the check.

4.0 REDEPOSITED CHECKS

- 4.1 In the event a re-deposited check is returned or if sufficient funds do not exist to cover the check, the Office Manager should contact the issuer by phone to report the problem and discuss how the matter will be resolved. Then issue a formal notice CSH103 Ex1 BAD CHECK NOTICE via certified mail with a return receipt requested to ensure the customer understands the seriousness of the issue.
- 4.2 Whenever a check is re-deposited more than once a handling fee should be considered.

References:

A. UNIFORM COMMERCIAL CODE (UCC)

The "Uniform Commercial Code" or UCC began as a model for each state legislature to modify and adopt as law in that state. Therefore, the UCC is not the same in every state. Each state's court system can interpret the UCC differently thereby creating different case law in that state and producing different results. Business people cannot assume that the law will be exactly the same in each state. For more information see the Secretary of State for each State in question.

B. BAD CHECK LAW

Bad Checks are considered part of the UCC and therefore are a matter of state law enforcement. Section 3-104(2)(b) of the UCC, defines a check as "a draft drawn on a bank and payable on demand." Each state has a different "Bad Check Law" see UCC above.

Postdated check: since it is not payable on demand, most states believe that the giving of a post-dated check does not constitute a present fraud nor is it within the scope of the bad check laws.

Payments for COD or pre-existing debt: In most cases, NSF checks are not considered under the bad check law if they are used to pay a note payment or to pay an invoice that is on account. However, if the debtor provides a creditor with a NSF check for a COD order, then that act does fall within the bad check laws.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	7/24/15 <u>11/12/15</u>	<u>Inclusion of back-office provider process</u>	<u>Oswaldo Diaz,</u> <u>Chief Financial</u> <u>Officer</u>

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CSH103 Ex1 BAD CHECK NOTICE

Date:

CUSTOMER NAME
ADDRESS
CITY, STATE, ZIP

Dear Sir:

Payment on your Check No. _____ in the amount of \$ _____, presented to us on, {DAY MONTH YEAR} , has been returned by your bank and marked insufficient funds. We have re-deposited your check and attempted to collect on this check twice already.

We have verified with your bank that insufficient funds remain to clear this check. Therefore, we request that you replace this check with a certified check immediately.

Unless we receive the certified funds for the amount listed above within 15 days, we shall immediately begin appropriate legal action to protect our interest. Upon receipt of replacement funds we shall return the dishonored check.

Sincerely,

Office Manager
MAGNOLIA EDUCATION AND RESEARCH FOUNDATION

Certified Mail, Return Receipt Requested.

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SOP # CSH108 Revision: ~~01~~
Effective Date: ~~11/12/152/14/13~~

Prepared by: Central Office
Approved by: BOD

Title: CSH108 INTER-ACCOUNT BANK TRANSFERS

Policy: To ensure the accuracy of the Organization's bank account records by providing documentation of bank transfers.

Purpose: To outline the practices for preparation of an inter-account bank transfer

Scope: This applies to all bank accounts maintained by the Organization.

Responsibilities:

Chief Executive Officer is responsible for review and approval of all inter-account bank transfers

Chief Financial Officer is responsible for performing all inter-account bank transfers.

Background: Errors or omissions can be made to the Organization's bank account records due to the many cash transactions that occur. Therefore, it is necessary to authorize all inter-account bank transfers.

Procedure:

1.0 INTER-ACCOUNT BANK TRANSFER

1.1 ~~The Chief Financial Officer, Finance Manager, and/or the School Site Accountant~~ EdTec monitors the balances in the bank accounts to determine when there is a shortage or excess in the checking account. ~~The Finance Manager~~ EdTec recommends to the Chief Financial Officer when a transfer should be made to maximize the potential for earning interest or when funds are needed for processing payroll or other transfer needed. The Chief Financial Officer will determine when to make a transfer and in what amount. After the transfer has been initiated by the Chief Financial Officer, the Chief Executive Officer must log into the online banking system in order to complete the bank transfer process. A copy of the transfer is given to ~~the School Site Accountant~~ EdTec.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>7/29</u> 11/12/15	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz,</u> <u>Chief Financial</u> <u>Officer</u>

SOP # CSH109 Revision: ~~01~~
Effective Date: ~~2/14/13~~17/1511/12/15

Prepared by: Central Office
Approved by: BOD

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Title: CSH109 JOURNAL ENTRIES AND RECLASSIFICATION ENTRIES

Policy: To ensure the accuracy of the Organization's books and records by proving documentation of journal entries and reclassification entries. All journal entries shall be authorized in writing by the Finance Manager initialing or signing the entries.

Purpose: To outline the practices for preparation of journal entries and reclassification entries.

Scope: This applies to all accounting transactions performed by the Organization.

Responsibilities:

~~Finance Manager~~ The Chief Financial Officer is responsible for review and approval of all journal entries and reclassification entries.

~~School Site Accountant~~ EdTec is responsible for performing all journal entries and reclassification entries

Background: Journal entries can directly affect the presentation of financial statements. Therefore, it is necessary to authorize all journal and reclassification entries.

Procedure:

1.0 JOURNAL ENTRIES AND RECLASSIFICATION ENTRIES

1.1 The Chief Financial Officer, ~~Finance Manager, and the School Site Accountant~~ the Financial Analysts and EdTec monitor the balances in the accounting records of the Organization.

All general ledger entries including audit adjusting entries, reclassification entries, or other such journal entries shall be supported by journal vouchers or other documentation, which shall include a reasonable explanation of each entry.

Examples of such journal entries include:

1. Recording of noncash transactions
2. Corrections of posting errors
3. Non-recurring accruals of income and expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets

- 2. Amortization of prepaid expenses
- 3. Accruals of recurring expenses
- 4. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of a journal voucher.

It is the policy of MERF that all journal entries not originating from subsidiary ledgers shall be authorized in writing by the ~~Finance Manager~~ Chief Financial Officer initialing or signing the entries.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	9/11/17 / <u>12/15</u>	<u>Revision of responsibilities</u>	<u>Oswaldo Diaz,</u> <u>Chief Financial</u> <u>Officer</u>

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SOP # CSH110 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: CSH110 PETTY CASH PURCHASES

Policy: ~~The Organization does not permit the use of petty cash. Purchases of an emergency nature costing \$50 or less shall be allowed with the use of the Petty Cash Fund which shall be maintained at each school site in the custody of the Principal, Office Manager, or designee. The item or items to be purchased shall be verified as not available in the Organization's stock of supplies prior to the disbursement of cash.~~

Purpose: ~~To be able to make small emergency purchases through the use of a Petty Cash system.~~

Scope: ~~This applies to emergency transactions of less than \$50. all petty cash transactions.~~

Responsibilities:

~~Principal, Office Manager, or designee (Petty Cash Custodian) is responsible for review and approval of all petty cash transactions.~~

~~School Site Accountant is responsible for recording the transactions in the accounting records~~

Background: ~~Petty cash transactions are necessary from time to time in order to accommodate emergency needs for small purchases.~~

Procedure:

~~4.0~~ PETTY CASH TRANSACTIONS

~~1.1 The Organization does not permit the use of petty cash. The Petty Cash Custodian upon presentation with a request for Petty Cash that does not exceed \$50 performs the following (expended petty cash expenditures greater than \$50 is not allowed):~~

~~As assigned by the Petty Cash Custodian or performed by the Petty Cash Custodian, a staff member verifies if the item or items are available in the Organization's stock of supplies.~~

~~If the item or items are not available in the Organization's stock of supplies, obtain a Petty Cash Receipt/Form from the Accounting Department.~~

~~The Petty Cash Custodian certifies the petty cash expenditure if funded/budgeted and assigns a budget account number.~~

~~The Petty Cash Custodian or designee approves the request for petty cash expenditure and ensures that the transaction is complete.~~

Authorized staff, after making the purchase, turns into the Accounting Department the proof of purchase (vendor's invoice or receipt).

Once the petty cash balance falls below \$20, Accounting Department will issue a check to the Petty Cash Custodian for the outstanding purchases. The Petty Cash Custodian will then replenish the petty cash.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>7/3011/12/15</u>	<u>Removal of petty cash use</u>	<u>Oswaldo Diaz,</u> <u>Chief Financial</u> <u>Officer</u>

SOP # CSH112 Revision: 01
Effective Date: 2/14/13 ~~11/12/15~~

Prepared by: Central Office
Approved by: BOD

**Title: CSH112 INTERCOMPANY RECEIVABLES AND PAYABLES
(DUE TO/DUE FROM)**

Policy: To ensure that intercompany transactions between individual charter schools and the central office are processed correctly

Purpose: To outline the practices for intercompany transactions between individual charter schools and the central office

Scope: This applies to all charter schools operated by the Organization.

Responsibilities:

Chief Financial Officer is responsible for performing the intercompany transactions with approval from the Board of Directors.

~~School Site Accountant~~ The Finance Department is responsible for alerting EdTec regarding recording intercompany transactions. EdTec is responsible for recording it into the ~~into~~ accounting system, and ensuring accuracy of fiscal year-end balances.

Background: Charter schools are highly dependent on government funding to operate. Government cuts and funding deferrals can result in cash shortages for schools. Therefore the need arises to allocate resources from other schools to cover any shortfall. It is necessary to correctly record transactions between the charter schools and the central office in order to properly determine each school's receivable/liability.

Procedure:

1.0 INTERCOMPANY TRANSACTIONS

- 1.1 The Chief Financial Officer, with the support of the Finance Department and EdTec, and Finance Manager monitors cash balances daily for the charter schools. When a charter school realizes a need for funds, the Chief Financial Officer will assess resource levels for the other schools as well as the central office. If the central office does not have sufficient funds to advance to the charter school requestor, at the discretion of the Chief Financial Officer, the Chief Financial Officer may transfer funds from a charter school with surplus funds into the central office. The Chief Financial Officer may then transfer funds to the charter school requestor from the central office. For policy regarding inter-account bank transfers, refer to **CSH108 INTER-ACCOUNT BANK TRANSFERS**.
- 1.2 At the end of the fiscal year, each school's receivable or payable account will be reconciled in accordance with **G&A105 PERIOD-END REVIEW & CLOSING**. Once balances are reconciled, an agreement is prepared at the end of

the fiscal year between each school and the central office to document the amount owed and repayment terms.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	10/5 <u>11/12/15</u>	<u>Revision of responsibilities</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

SOP # CSH113 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: CSH113 FINANCIAL RESERVES

Policy: To ensure each charter school maintains a fund reserve in order to protect itself from unforeseen revenue shortfalls or unexpected expenditures.

Purpose: To describe responsibilities and monitoring procedures over each charter school's fund reserve

Scope: This applies to all charter schools operated by the Organization.

Responsibilities:

~~School Site Accountant~~ EdTec is responsible for day to day monitoring of charter school cash accounts and ensuring their accuracy.

Chief Financial Officer is responsible for oversight over charter school cash accounts as to ensure that required fund reserve amounts are met.

Background: California regulations state that the following reserve amounts must be maintained:

- Greater of 5% of prior year operational expenditures or \$55,000 for districts with 0-300 ADA
- Greater of 4% of prior year operational expenditures or \$55,000 for districts with 301-1,000 ADA

Procedure:

1.0 FUND RESERVE BALANCES

1.1 ~~The School Site Accountant~~ EdTec will monitor the cash balance for each charter school to ensure its accuracy and to be able to project future amounts. This will be accomplished through timely bank reconciliations and regular budget vs. actual comparisons. This process is critical to quickly detect any potential cash shortages so expenditures can be modified or more resources can be requested.

1.2 If the required fund reserve amount for a charter school cannot be met, the Chief Financial Officer with the support of EdTec will need to determine where cash can be derived from in order to restore the fund balance. This can come from central office funds or from another charter school with surplus funds. See CSH112 INTERCOMPANY RECEIVABLES AND PAYABLES (DUE TO/DUE FROM) for this procedure.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>7/31/15</u>	<u>Inclusion of back-office service processes</u>	<u>Oswaldo Diaz, CFO</u>

SOP # G&A103 Revision: 01
Effective Date: 2/14/139/1711/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A103 TRAVEL AND ENTERTAINMENT

Policy: All reservations required for business travel and entertainment will be made through the Purchase Manager or designated staff. Expenses are to be within established Organization guidelines and will be reimbursed with proper documentation. Employees are expected to spend the Organization's money as carefully and judiciously as they would their own.

The Organization recognizes that employees who travel far from home to represent the Organization's business interests must forego their living accommodations and may forfeit personal time. Accordingly, the Organization will make efforts to provide comfortable and secure accommodations for lodging, meals and travel for employees. However, these items are not intended to be perquisites and the Organization reserves the right to deny reimbursement of expenses that are considered lavish or extravagant.

Purpose: To provide guidelines for travel and entertainment expenses as they were actually spent, account for all advances promptly and accurately and to communicate the procedures for reimbursement.

Scope: This procedure applies to all departments and individuals who travel or entertain for the Organization.

Responsibilities:

Responsible Party: The individual employee and/or the Purchase Manager

- When the Purchase Manager does not make travel arrangements, each employee is responsible for making arrangements needed for business travel.
- The Purchase Manager may make travel arrangements when requested, provided that arrangements are made at least 15 days in advance.

~~Accounting~~ The Finance Department will receive and review the expense report documentation and send to EdTec to process necessary employee reimbursement. (See PUR106, Reimbursements, for more detailed information.)

Procedure:

1.0 TRAVEL ARRANGEMENTS

1.1 All arrangements required for business travel are to be made individually or through the Purchase Manager. When possible, the Purchase Manager can solicit better corporate discounts and rates for hotels, airlines, car rental agencies and travel agencies. Employees benefit because they do not have to spend their own time comparing rates and making their own arrangements. If making your own arrangements, the employee must find the best possible travel pricing.

1.2 For maximum savings on airfares, this form should always be completed at least 15 days in advance unless an emergency trip is required.

1.3 It is preferable that all employees travel during non-working hours to maximize efficiency. The Purchase Manager will make arrangements for the trip as required and will return a travel itinerary and any tickets or reservation forms to the employee.

1.4 **Cash Advances** - To help ensure accurate and timely expense report preparation and reduce the additional paperwork required to process and track Cash Advances, the Organization generally **discourages** cash advances unless special circumstances apply. Employees are encouraged to use credit cards with a grace period to provide float time between incurring the expense and receiving reimbursement from the Organization.

If an employee requires a cash advance, a formal request must be made through CoolSIS as a check request. The advance request will then be forwarded to accounting for processing upon approval. Travel advance amounts are approved on an as needed basis.

When a cash advance is received, the employee will reduce their expense reimbursement by the amount of the cash advance. In the case where the cash advance exceeds the expenses for the report submitted, the remaining cash must be turned into the accounting department with the expense report. Amounts owed the Organization cannot be carried forward to future expense reports. Any advance outstanding will be deducted from the employee's paycheck.

1.5 **Direct Billings** - Direct billings to the Organization from motels, restaurants, etc. are not permitted unless previously authorized.

2.0 EXPENSE GUIDELINES

2.1 Air Travel - Airline reservations are based on the following criteria:

- Expediency: Getting the employee to their destination in an expedient way. (Direct flights when possible or connecting flights if necessary for faster flight schedules).
- Cost: Employees will fly coach class unless extenuating circumstances apply.
- Air Carrier: An employee's preferred airline can be utilized as long as expediency and cost factors are equal. In most cases, airfare will be directly billed to the Organization's credit card account.

On occasion, employees may have no alternative but to book their own flight. If this is the case, employees must use regularly scheduled airlines and obtain the lowest (discount) fare available. This may mean that employees will fly at times that are not always the most convenient for them.

2.2 Lodging - Lodging arrangements are based on value, convenience for the traveler and according to what is usual and customary Organization guide lines.

Whenever multiple employees are traveling to the same location, employees will be required to share accommodations if possible (i.e. male/male or female/female). Lodging accommodations will then be made for double rooms accordingly. If an employee is accompanied by a non-employee such as family or a friend, and therefore requires

separate accommodations, the employee will be responsible for payment of any excess lodging accommodations.

- 2.3 Meals - Employees on Organization business where an overnight stay is not required will be reimbursed for the actual cost of their lunch and dinner meals not to exceed \$25 and receipts are required. Any amounts spent in excess of \$25 will not be reimbursed. The cost of meals should be reasonably priced based on the locality.

Employees who are required to stay overnight for the Organization's business are allowed a per-diem rate of \$35 per day and receipts are not required.

Officers may include reimbursement of actual guest meals for the business of the Organization at their discretion. When officers are traveling under per-diem meal arrangements, and guest meals are paid for, that day's per-diem amount must be adjusted downward by \$15 and cannot be claimed.

See form PUR104 Accounts Payable and Cash Disbursements and PUR 106 Reimbursements for additional information regarding Meals.

- 2.4 Car Rentals – When possible, advance arrangements should be made by the Purchase Manager if a car is required at the destination, otherwise the employee is required to make their own car rental arrangements. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the employee(s) and any demonstration equipment.

Supplemental auto insurance coverage offered by car rental agencies must be purchased and will be reimbursed.

- 2.5 Personal Vehicles - An employee who uses their own automobile for business will be reimbursed at 36 cents a mile. The employee must provide on the expense report, documentation including dates, miles traveled and purpose of each trip.

The Organization assumes no responsibility for personal automobiles used for business. Further, any parking or speeding violation is the sole responsibility of the employee and each employee must have valid minimum automobile liability insurance as required by state law.

- 2.6 Telephone - Telephone charges from the hotel are not allowed unless it is an emergency.

- 2.7 Entertainment - Entertainment expenses are not allowed.

- 2.8 Miscellaneous Expenses - Any additional business expenses that are not categorized above should be listed under miscellaneous expenses and documented with all pertinent information to substantiate the expense.

- 2.9 Non-Reimbursable Expenses - Some expenses are not considered valid business expenses by the Organization, yet may be incurred for the convenience of the traveling individual. Since these are not expenses for the business then they are not reimbursable. (The following can be used as a guide of expenses, which are not reimbursable)

Examples include:

- Airline or travel insurance

- Airline or travel lounge clubs
- Shoe shine or Dry-cleaning (except for extended travel beyond 5 days)
- Movies or personal entertainment
- Books, magazines or newspapers
- Theft or loss of personal property
- Doctor bills, prescriptions, or other medical services
- Parking tickets, traffic tickets or Car towing if illegally parked
- Health club memberships
- Baby sitter or Pet care fees
- Barbers and Hairdressers

3.0 EXPENSE REPORT PREPARATION AND REIMBURSEMENT

3.1 All business reimbursement expenditures incurred by employees of the Organization are reimbursed through CoolSIS. Reimbursement receipts must be submitted monthly and any receipt that is older than 60 days will not be reimbursed at the discretion of the Chief Financial Officer.

Expense report forms must be filled out completely. Required original receipts for items charged must accompany all reimbursement documentation as well as uploaded into CoolSIS. Any questions regarding completion of the report should be directed to the employee's supervisor or the accounting department.

Upon completion, the expense report along with all attachments should be submitted to the employee's appropriate supervisor in CoolSIS for approval. After approval, the expense report is submitted to the accounting department for processing and reimbursement. In order to expedite reimbursement, the employee should ensure that the report is completed properly, required documentation is attached, proper authorization is obtained, and any unusual items properly explained and documented.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>9/17/11/12/15</u>	<u>Inclusion of back-office provider process</u>	<u>Oswaldo Diaz, CFO</u>

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SOP # G&A104 Revision: 01
Effective Date: 2/14/13 ~~11/12/15~~

Prepared by: Central Office
Approved by: BOD/

Title: G&A104 MANAGEMENT REPORTS

Policy: ~~School Site Accountants~~ EdTec will prepare summary reports of vital operating statistics for the Organization, including revenues, current debt, operating cash, accounts receivable and projected short-term cash flows. These reports are to be prepared and are to supplement detailed monthly and quarterly financial reports and are to be used for timely "hands-on" management.

Purpose: To provide the format and content requirements for preparation of the Financial Reports.

Scope: The procedure applies to ~~Ed+Tec and the Finance and Accounting~~ personnel required for preparation of these reports.

Responsibilities:

~~School Site Accountants~~ EdTec will be responsible for assuring effective and informative ~~internal-reporting for the Organization, within their departments and between departments.~~

Finance Manager is responsible for preparing and maintaining a summary of all reports.

Procedure:

1.0 PREPARATION GUIDELINES

1.1 The logistics of preparing financial summaries will vary, depending on the accounting system used and the needs of the Organization. Most computerized systems offer an "executive summary" screen of critical financial information. The objective is to provide a quick recap of the financial status of the Organization that should lead to plans for corrective actions or adjustments. Bi-monthly reports should be considered "exception reports" that provide management the necessary information to understand whether the Organization is progressing as planned.

The timing of reports is critical to the effective operation of the Organization. Reports should be prepared and distributed in a timely fashion following the end of the reporting period.

To improve readability, simplify preparation, and allow users to focus on the materiality of the data, all reporting should be rounded and/or plugged to the nearest \$1 increments when possible. Note: larger companies may wish to focus on \$100 or more increments.

1.2 If details are not available then use control totals and note on the report any estimates. Follow up with actual results as soon as practical. The preparer should

keep in mind that the objective of the report is to provide a quick recap of the financial status of the Organization and not a time-consuming detailed financial analysis. Leave exhausting details in the books for later analysis as required.

- 1.3 Make statements easy to read. Use the following style guidelines to improve readability:
- Use 8-1/2 x 11 paper
 - Use a lot of “white space” on the page
 - Limit columns of figures to three columns
 - Omit cents and use thousands of dollars as appropriate. Indicate on the report the units used in a legend.
 - Indicate only significant expenses and group remaining items
 - The preparer should date (month/day/year) and initial all reports.

1.4 ~~The preparer should file a copy of repetitive reports in a 3 ring binder~~ EdTec will file a copy of repetitive reports for later retrieval, auditing or trend analysis.

~~1.5 While current QuickBooks accounting systems may automatically provide many types of information, it is helpful to review the manual exhibits provided to understand the mechanism for generating this type of information.~~

~~1.6~~ 1.5 The Finance Manager will prepare and maintain a summary of all reporting. The summary will include the following categories:

- Department or Functional Area
- Name of Report
- Purpose of the Report
- Frequency of Preparation
- Distribution of Copies

~~1.7~~ 1.6 Updates of the summary will be issued to all Organization officers and department managers. Managers should use the summary to determine what information is being compiled and the format and distribution of reporting. Many times duplicate or redundant information gathering, reporting and filing can be avoided by merely changing the format or distribution of existing reports.

2.0 FINANCIAL REPORTS

2.1 The Chief Financial Officer and Finance Manager should review accounting program financial reports on a regular basis.

3.0 CASH FLOW REPORT

3.1 The Cash Flow Report represents a summary of the cash flowing through the Organization in the near term and identifies any potential shortfall that might occur in the near future before it occurs. The Cash Flow Report should be reviewed quarterly by the Chief Financial Officer. This report supplements the

detailed monthly and quarterly financial statement reports and provides a quick look at the cash performance of the Organization.

- 3.2 The Cash Flow Report should include projected operating cash balances for each week with estimated cash receipts by major classifications and projected disbursements by major account classifications.
- 3.3 ~~The Finance Manager should~~ EdTec will notify the Chief Financial Officer of any shortfall so that the Organization may determine alternative courses of action to rectify the situation.

4.0 BUDGET VS. ACTUAL REPORT

- 4.1 The Budget vs. Actual Report represents a comparison of planned operating expenses to the actual expenses incurred for the period. The objective is to highlight results against plan, percentages and variances and thus provide a basis for management decisions. The Budget vs. Actual Report is prepared and maintained by ~~the Accounting department~~ EdTec on a monthly basis.
- 4.2 The Budget vs. actual report should be divided into three main components. 1) Current period budget, actual and variance totals, 2) a description of the major income and expense account classifications similar to the financial statements, and 3) the Current year-to-date budget, actual and variance totals. The percent column should be used to list each line as a percentage of total revenues. Alternatively, it can also represent the percentage variance or change from last period.

5.0 FINANCIAL STATEMENTS

- 5.1 ~~The Chief Financial Officer is responsible for maintaining current Financial Statements on a bi-monthly basis.~~ The Chief Financial Officer, Chief Executive Officer, and the Board of Directors should review the Financial Statements ~~bi-~~ bi- monthly for each board meeting. This report ~~is-~~ provides one indication of the performance of the Organization.
- 5.2 The Financial Statements typically are comprised of three main parts: The Statement of Financial Position, Statement of Activities, and the Statement of Cash Flows (Statement of Cash Flows quarterly).

The Statement of Financial Position lists all of the Organization's assets (cash, receivables, deposits, inventory, equipment, intellectual property, etc.), liabilities (debt, lease obligations, etc) and net assets. It identifies the assets (which are "the business") and the financiers, or debt and equity holders and the relationship between the two.

The Statement of Activities represents the Organization's operational sources of cash - revenue - or uses - business expenses and is typically divided into operating periods that represent months, quarters or years of operations. It identifies the profitability of the Organization as a function of the accounting decisions.

The Statement of Cash Flows is the difference between the Statement of Financial Position sources and uses of cash and the Statement of Activities sources and uses of cash. This difference assists in identifying the health of the Organization's operations. It identifies whether the Organization is producing cash or consuming cash and at what rate and from what sources.

- 5.3 The Financial Statements should be produced after the close of the Organization's period (see procedure G&A105 PERIOD-END REVIEW & CLOSING). The final Financial Statements form the basis for the Organization's formal presentations to the Board of Directors, or other stakeholders such as banks, outside agencies, or creditors in accordance with procedure G&A109 CONFIDENTIAL INFORMATION RELEASE.

References:

FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)

Since 1973, the Financial Accounting Standards Board (FASB www.fasb.org) has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports. They are officially recognized as authoritative by the Securities and Exchange Commission (Financial Reporting Release No. 1, Section 101) and the American Institute of Certified Public Accountants (Rule 203, Rules of Professional Conduct, as amended May 1973 and May 1979). FASB pronouncements are the primary sources of GAAP.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A collection of accounting principles. Typically includes the most recent developments of all generally accepted accounting principles (GAAP) as derived or collected from various technical pronouncements. Sources include FASB statements, interpretations, technical bulletins and concepts; American Institute of CPAs (AICPA); Accounting Principles Board opinions, accounting research bulletins, and position statements; and Securities and Exchange (SEC) financial reporting releases.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>7/24/11/12/15</u>	<u>Revision of responsibilities</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

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SOP # G&A105 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A105 PERIOD-END REVIEW & CLOSING

Policy: An orderly, timely and comprehensive review of all general ledger accounts should be performed or directed by the Chief Financial Officer to ensure an accurate representation of the company's financial statements. These practices are aimed at proving that the financial accounts are accurate, and if not, are properly adjusted to make them accurate, prior to closing.

Purpose: To provide a general overview of the process to be completed for reviewing the accounting records at year-end or any particular month-end prior to closing.

Scope: These practices apply to all accounts. Typically, all financial accounts are reviewed and then closed out as of the company's year-end. Consequently, the procedures that follow are discussed in reference to year-end review. However, a sub-set of these procedures is also applicable to month-end reviews. Month-end procedures are identified near the end of this module.

Responsibilities:

~~Finance Manager~~ EdTec is responsible for creating and reviewing all period-end activities to ensure the period-end financial statements accurately reflect the results of the Organization's activities. ~~The Finance Manager should be familiar with the specific software procedures for keeping the prior year open until a~~ All final closing adjustments ~~have been~~ should be made and approved by the Chief Financial Officer.

~~School Site Accountant~~ The Financial Analysts ~~are~~ is responsible for ~~helping gathering~~ all documentation required to complete the period-end closing and ~~completing all ledger adjustments~~.

Definition: "Review" refers to the procedures involved in examining the financial statement balances at any given period to ascertain their accuracy.

"Closing" is the process of advancing from one month or period to the next or from one year to the next. In most computerized accounting systems the periods are closed by executing a menu command. Monthly closings usually involve nothing more than entering the next month and responding to the program's suggestion to print various month-end reports or inserting a password such that transactions cannot be entered back in time from a specific point. Even after moving to the next month, many accounting systems allow the user to return to previous months to enter or edit transactions.

The yearly closing is more rigorous since it involves re-setting all Statement of Activities accounts to zero. Once a year is "closed", some

accounting systems do not allow the user to go back or open a closed period to make changes. So be careful, once the period is closed, it is official and any adjustments that are required will need to be made in the current or next open period. The prior year should be password protected once it is closed to prohibit transactions being posted in the prior year.

Background: The financial statement is the most important management tool for the Chief Financial Officer. It is comprised of the statement of financial position and the statement of activities.

The statement of financial position accounts are measured at a moment in time, like a snapshot. They reflect a total of items at any particular time: a total of cash, accounts receivable, inventory, fixed assets, accounts payable, debts, and net assets retained in the company.

The statement of activities accounts are measured over a period of time, like a movie. They represent the sum total of transactions: sales, purchases, payroll, etc. The difference in sales less all related expenses equals the net income or loss for the period of time being measured.

Accounting is a double-entry system. Thus, each business transaction has two equal sides. For example, paying an expense decreases cash on the statement of financial position and increases an expense on the statement of activities. Getting paid for a service, fundraising, or grant revenue increases cash on the statement of financial position and increases revenue on the statement of activities. Because of this interdependency, the accuracy of the statement of activities is dependent upon the accuracy of the statement of financial position.

It is easier to prove the accuracy of the statement of financial position. Adding up how much each customer owes the store or reconciling cash to the bank statement is a much simpler process than attempting to add up each individual sales transaction on the statement of activities. For this reason, more time is actually spent on proving the accuracy of the statement of financial position.

Once the statement of financial position is proven, the statement of activities, in total, must be right! The only errors would be misclassifications, (i.e.: the phone bill could be incorrectly posted to the rent expense account). The accounts of the statement of activities are generally reviewed for reasonableness by comparing amounts to prior periods and analyzing ratios. However, the accounts of the statement of financial position are compared to actual totals of items counted (cash, receivables, inventory, payables, fixed assets, etc.).

The Chief Financial Officer or Finance Manager is encouraged to understand these concepts and to take the initiative to keep the financial statements as accurate as possible, regardless of how much an outside accounting service is utilized.

Procedure:

1.0 CLOSINGS PREPARATIONS

- 1.1 The steps to the actual period-end are not all performed on the exact end of the period. Some accounts cannot be "settled", proved, or reconciled until all third party information is received.

Bank statements from banks usually don't arrive until a couple weeks after a month end. And, many final payroll tax payments and yearly reconciliation forms aren't due until the end of the following month. Also needed are final bills from vendors, credit card statements, month end statements from vendors and year-end loan statements from banks and other financial institutions. All of this information is needed before a business can truly "close its books".

Fortunately, most accounting systems allow a business to continue posting transactions into subsequent months of the new year, without actually "closing" the previous year-end. The Finance Manager should be familiar with the specific software procedures for keeping the prior year open until all final closing adjustments have been made. It's not unusual for businesses to continue processing transactions for almost the entire next year before closing the prior year.

- 1.2 Compile all period-end documents in preparation for closing the accounting period. These documents include:

- Bank statements to all accounts
- Final payroll and tax amounts
- All final bills and month-end statements from vendors
- All credit card statements
- All year-end loan or debt statements
- All asset acquisition and disposition transactions
- All program costs

- 1.3 Fewer procedures are performed at month-end dates. At a minimum the following procedures would be expected for monthly closings:

- Reconcile all bank accounts
- Print and compare the aged receivables and payables to the general ledger. Make appropriate adjustments to balance the accounts.
- Review all Statement of Financial Position and Statement of Activities accounts for completeness
- Retain all above reports in a monthly summary file.

2.0 STATEMENT OF FINANCIAL POSITION: ASSETS

- 2.1 Prepare a year-end closing file to store all reconciliation documents and printed reports as described below.
- 2.2 **Cash accounts** - prepare the bank reconciliations for year-end balances per the bank statement to the balance per books for each account. The year-end reconciliation is especially important for preparing the final year-end financial statements to ensure that it is completely accurate.
- Show origination dates and description of each reconciling item. Prepare the necessary journal entries to adjust to the reconciliations. Prepare a summary of all petty cash and change drawer funds. Totals must agree with the general ledger. File all reconciliation reports in the year-end closing file.
- 2.3 **Accounts Receivable** – Print a detailed aged accounts receivable report and then reconciles it to the General Ledger. This can be prepared as soon as all accounts receivable are calculated as of year-end. Calculate possible allowances for un-collectible accounts. Adjust prior allowances to calculated amount. Write off any un-locatable differences. Retain a complete copy of the detailed accounts receivable, along with any reconciling adjustments in the year-end closing file.
- 2.4 **Inventory** – Supplies inventory may be small but should be evaluated periodically for cost increases.
- 2.5 **Capital Assets** - Update the detailed schedule of fixed assets with any additions and deletions and reconcile to the general ledger balances.
- 2.6 **Other Assets** - Other assets include utility or real estate deposits, prepaid insurance, advances to employees, and intangibles like store pre-opening costs. These should all be identified and documented. For example, a copy of the initial deposit with the utility company, or a list of the facility pre-opening costs with a schedule showing how much of those costs are to be amortized each year. File copies of these documents in the year-end closing file.

3.0 STATEMENT OF FINANCIAL POSITION: LIABILITIES AND NET ASSETS

- 3.1 Liabilities are shown as the amount to be paid in the subsequent period. If in doubt, record the liability.
- 3.2 **Accounts Payable** - Print a detailed aged accounts payable report and reconcile it to the general ledger. This is generally completed 2 to 4 weeks after the year-end to ensure that all vendor invoices relating to services and merchandise purchased have been received and entered.
- Compare all month-end vendor statements to balances per accounts payable and investigate any differences. Consider making adjustments for any significant unrecorded liabilities such as work started prior to year-end, but not yet billed by the supplier. Retain a complete copy of the accounts payable detail, along with any reconciling adjustments, in the year-end closing file.
- 3.3 **Accrued Expenses** - Review accruals for sales tax, payroll, payroll tax, payroll deductions payable, interest expense on short-term borrowings and long-term debt.
- 3.4 **Loan Debt** - Verify recorded accuracy of debt by ensuring the general ledger balances agree to year-end statements from lending institutions. Save all year-end statements in year-end closing file.
- 3.5 **Contingent Liabilities and Commitments** - Prepare a schedule of any outstanding litigation and possible losses. Prepare a schedule of all long-term rental agreements with amounts due by year for the next five years. Retain these schedules in the year-end closing file.
- 3.6 **Net Assets** - Record any changes in the Prior Period Adjustment category but ordinarily this account does not have any transactions directly posted to it.

4.0 STATEMENT OF ACTIVITIES: REVENUE & SUPPORT

- 4.1 **Revenue & Support** – Review all program billings, reimbursement billings, and any other donations.
- 4.2 Additionally, the Chief Financial Officer should periodically review revenue trends, cost associated with revenues, variable expenses and fixed expenses. Look for patterns, new trends, seasonal variances, or profitable emerging products that may indicate changes in customer or program behavior.
- 4.3 The Chief Financial Officer and/or Finance Manager should analytically review the revenue reports and explain all variances.

5.0 STATEMENT OF ACTIVITIES: EXPENSES

- 5.1 Each expense total should be compared to expense total from the year before (and budgets if applicable). Attempt to explain any unusual variances. Some expense items are directly related to asset or liability accounts and can be reconciled in conjunction with the related Statement of Financial Position account.

- 5.2 **Program Costs** - A detailed report should be produced of program costs and analyzed in relation to the associated revenues and to prior periods.
- 5.3 **Payroll** - At year-end, the various payroll expense accounts should agree to total gross payroll per payroll reports. Account for all deductions for W-3 reported to the Social Security Administration, 1099s for vendors, as well as FICA and other taxes reported accordingly.
- 5.4 **Bad Debt Expense** - Prepare a list of all accounts written off during the year. Note specifically any addition to the allowance for uncollectible accounts.
- 5.5 **Interest Expense** - Prepare a schedule of interest expense by source. Reconcile amounts to short-term borrowings and long-term debt.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>8/4/11/1215</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz, CFO</u>

SOP # G&A107 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A107 TAXES AND INSURANCE

Policy: To ensure compliance with all Federal, state, local, and other regulatory taxation requirements

Purpose: To outline the general areas of taxation. To be used as a checklist or guide in complying with tax requirements related to each specific location and organizational structure.

Scope: This statement applies to the business activities of the company.

Responsibilities:

~~School Site Accountant~~ The Financial Analysts are responsible for determining all tax liabilities and fees, and the dates due

EdTec is responsible, ~~and~~ for ensuring the timely payment of all tax liabilities and fees.~~each.~~

Procedure:

1.0 ORGANIZATION FEES AND TAXES

1.1 Fees and taxes will vary depending on the legal structure of the business activity. The Organization is a Not-For-Profit organization; however, there may be from time to time revenue earned that is taxable as if the Organization were a For-Profit entity and those profits would be considered Unrelated Business Income and subject to tax.

1.2 The School Site Accountant should check with the secretary of state, registry of charitable trusts, the IRS, and any other agency that non-profit organizations may pay fees with in order to ensure all fees are paid in a timely manner. Failure to pay such fees can result in the loss of the company's legal status or structure.

2.0 UNRELATED BUSINESS INCOME TAX

2.1 Activities conducted not related to the exempt purpose of the Organization can be subject to unrelated business income tax.

3.0 PAYROLL FEES AND TAXES

3.1 The Federal and state governments charge an **unemployment tax**, based on a specified minimum amount of each worker's salary level. For most states, the rate can change from business to business depending on the Company's history of claims and the economic health of the state in which the Company is located.

3.2 **Worker's compensation insurance** may be imposed by a state like a tax. It can also vary based on the amount of payroll, past history of worker's compensation claims, and the type of work in which the business is engaged. This coverage is generally arranged through an insurance company.

- 3.3 At the Federal level, payroll is taxed at a uniform rate for **Social Security** and **Medicare**. These two taxes are evenly shared between the company and the employee up to certain levels of income. Additionally, personal income taxes, based on the employee's compensation, must be **withheld** from the employee's earnings and remitted to the government by the company, along with the company's and employee's share of **Social Security** and **Medicare** taxes.
- 3.4 In California, a portion of the employee's compensation is also **withheld** and remitted to the state by the Organization.
- 3.5 Other payroll withholdings, mandated by Federal or state requirements, may require wage garnishments to fulfill a bankruptcy edict or childcare payment requirement.
- 3.6 The Treasury Department and or the Internal Revenue Service (IRS) collects all monies due the Federal Government. Technically, withholding amounts deducted from a paycheck are considered the government's money and the business owner is temporarily holding the money, in deposit, until it can be transferred to the government. Any failure to pay in a timely fashion is considered a serious matter by the IRS and will not be ignored.

The IRS will impose a penalty for failing to pay the required withholding amounts on time. In addition, interest will be charged until the amount is paid. Both interest and penalties imposed by the IRS can add up significantly. Therefore, the IRS is not a good source to "borrow" money from if cash is tight.

Note: Money due the IRS is NOT dischargeable in bankruptcy.

- 3.7 Certain local municipalities charge an **Earnings tax** based on payroll, income, assets, stock options granted or any combination. Check with the city clerk for details.

4.0 EXCISE TAXES

- 4.1 There are many different federal government taxes or fees imposed on the commerce of different types of businesses. The following represents the most common.
- 4.2 Penalties and interest may result from any of the following acts.
- Failing to collect and pay over tax as the collecting agent.
 - Failing to keep adequate records.
 - Failing to file returns.
 - Failing to pay taxes.
 - Filing returns late.
 - Filing false or fraudulent returns.
 - Paying taxes late.
 - Failing to make deposits.

- Depositing taxes late.
- Making false statements relating to tax.
- Failing to register.

5.0 OTHER TAXES AND CREDITS

- 5.1 Many state, counties, and cities impose **real estate taxes**. The Organization should ensure that where possible the Organization has applied for exemption from property taxes as a non-profit organization.
- 5.3 **Sales Taxes** – at this time, the Organization does not sell any products and is not subject to sales tax.

6.0 TAX PAYMENTS

- 6.1 The School Site Accountant should create and maintain a detailed tax calendar as a guide, which provides a sample guide to some of the most common taxes. The guide should serve a reminder of tax due dates.

7.0 INSURANCE

- 7.1 Insurance needs for a business can be grouped in two broad categories, those that are directed at safeguarding assets and those that are furnished as employee benefits. Employee benefit insurance such as, health insurance, disability insurance and key man life insurance, should be considered in light of its importance in the entire employee compensation mix and in light of the personal needs of the company's owner(s).
- 7.2 Insurance used for safeguarding company's assets includes: property, casualty, key-man and professional liability insurance, as well as auto insurance, errors and omissions, directors' liability or business interruption insurance. The levels and terms of these policies should be determined based upon the value of the assets at risk and creditor or state and local requirements.
- 7.3 Business with a lot of employees should consider employment practices liability insurance covers businesses against some types of employee lawsuits including:
- Sexual harassment
 - Discrimination
 - Wrongful termination
 - Breach of employment contract
 - Negligent evaluation
 - Failure to employ or promote
 - Wrongful discipline
 - Deprivation of career opportunity

- Wrongful infliction of emotional distress
- Mismanagement of employee benefit plans

7.4 Certificates of insurance may be required to be on file or on display depending on governmental requirements. It is important to consider that the insurance policy is a contract. Each year's policy should be saved in a permanent file. A product liability suit can go back many years, and if the potential claim is significant, the protection afforded by the prior year's insurance coverage will be improved if that year's policy has been saved.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>8/411/12/15</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz, CFO</u>

SOP # G&A115 Revision: 01
Effective Date: 2/14/13 ~~11/12/15~~

Prepared by: Central Office
Approved by: BOD

Title: G&A115 ACCRUED LIABILITIES

Policy: The Organization will establish a list of commonly incurred expenses that may require accrual at the end of the fiscal year accounting period.

Purpose: The purpose of this policy is to properly recognize and accrue liabilities.

Scope: This applies to potential liabilities.

Responsibilities:

~~School Site Accountant~~ ~~The Finance Department~~ ~~cial Analysts~~ with the support of EdTec ~~is~~ ~~are~~ are responsible for ensuring that the accrued liabilities are properly accounted for.

Background: Accrued liabilities are liabilities that have been incurred such as vacation pay but have not been paid.

Procedure:

1.0 Accrued Liabilities

1.1 Some of the expenses that shall be accrued by MERF at the end of an accounting period are:

- Salaries and wages
- Payroll taxes
- Vacation pay/Compensated absences
- Rent
- Interest on notes payable
- Insurance premiums
- Audit fees
- Charter Management Organization fees

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>10/5/12/15</u>	<u>Inclusion of back-office service provider</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

SOP # G&A116 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A116 NOTES PAYABLE

Policy: It is the policy of MERF to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents.

Purpose: The purpose of this policy is to properly track and recognize all notes payable and other similar obligations.

Scope: This applies to notes, loans, lines of credit, and obligations of the Organization.

Responsibilities:

School Site Accountant EdTec is responsible for ensuring that all notes, loans, and other similar obligations are properly accounted for.

Background: Properly tracking and monitoring long term debt such as loans is important such that as payments become due, the Organization has sufficient cash flow to honor the obligation.

Procedure:

1.0 NOTES PAYABLE

1.1 Prepare a schedule that shall be based on the underlying loan documents and shall include all of the following information:

1. Name and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt or available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to which payments should be sent
10. Contact person at lender
11. Loan covenants, if applicable

2.0 ACCOUNTING AND CLASSIFICATION

2.1 An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principal portion of payments due with the next

year shall be classified as a current liability in the statements of financial position of MERF. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statements of financial position.

- 2.2 Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

- 2.3 A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

3.0 NON-INTEREST-BEARING NOTES PAYABLE

- 3.1 As a charitable organization, MERF may from time to time receive notes payable that do not require the payment of interest, or that require the payment of a below-market rate of interest for the type of obligation involved. In such cases, it shall be the policy of MERF to record contribution income for any unpaid interest.
- 3.2 For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on the outstanding principal balance of the loan during that period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by MERF.
- 3.3 For loans with fixed maturities or payment dates, the note payable shall be recorded at the present value of the future principal payments, using as a discount rate the difference between a normal interest rate for that type of loan and the rate, if any, which is required to be paid by MERF. The difference between the cash proceeds of the note and the present value shall be recorded as contribution income in the period the loan is made. Thereafter, interest expense shall be recorded in each accounting period using the effective interest method, with the corresponding credit entry increasing the note payable account to reflect the amount(s) that shall be repaid.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	7/31/11 <u>12/15</u>	<u>Changes in responsibilities</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

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SOP # G&A117 Revision: ~~01~~
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A117 FINANCIAL AND TAX REPORTING

Policy: The Organization will prepare annual and monthly financial statements as management considers necessary and prepare non-profit tax information and tax information returns within eight months of the fiscal year close.

Purpose: The purpose is to control and prepare consistent and accurate financial statements and tax returns that are relied upon by both internal and external parties.

Scope: This applies to financial statements and tax reporting documents.

Responsibilities:

Chief Financial Officer or his designee is responsible for preparing all tax documents and ensuring Organization financial statements are accurate.

~~Finance Manager~~ EdTec is responsible for preparing all Organization financial statements.

Background: Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to MERF. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

Procedure:

1.0 STANDARD FINANCIAL STATEMENTS

1.1 Prepare the basic financial statements at year end and as considered necessary for reporting purposes. The basic financial statements of the Organization are maintained and prepared by MERF on an Organization wide basis and shall include:

1. **Statements of Financial Position** - reflects assets, liabilities and net assets of MERF and classifies assets and liabilities as current or non-current/long-term.

2. **Statements of Activities** - presents support, revenues, expenses, and other changes in net assets of MERF, by category of net asset (unrestricted, temporarily restricted and permanently restricted)

2.0 FREQUENCY OF PREPARATION

- 2.1 The objective of the ~~Accounting Department~~ EdTec is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting this responsibility, the following policies shall apply:
 - 2.2 A standard set of financial statements described in the preceding section shall be produced on a bi-monthly basis for presentation at the Board of Directors meeting. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:
 1. Individual statements of activities on a departmental and functional basis (and/or program/grant basis)
 2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The bi-monthly set of financial statements shall be prepared on the cash basis of accounting with exception of year-end reports where accrual method of accounting must be used. Year-end report must include all receivables, accounts payable received by the end of the reporting period, and actual depreciation expense.

3.0 REVIEW AND DISTRIBUTION

- 3.1 All financial statements and supporting schedules shall be reviewed and approved by the Chief Financial Officer, prior to being issued by ~~the Accounting Department~~ EdTec. They should be signed by the preparer and the Chief Executive Officer.
- 3.2 After approval by the Chief Financial Officer, a complete set of monthly financial statements shall, including the supplemental schedules described above, shall be distributed to the following individuals:
 1. All members of the Finance and Audit Committee of the Board
 2. Chief Executive Officer
 3. School Principals and any other employee with budget-monitoring responsibilities will receive only the budget vs. actual report
- 3.3 Financial statements may include an additional supplemental schedule prepared or compiled by the Chief Financial Officer. The purpose of this schedule is to

provide known explanations for material budget variances in accordance with MERF'S budget monitoring policies. Also included is a list which lists all invoices that have not been paid at the end of the year and all revenues, if any, that have not been received.

4.0 ANNUAL FINANCIAL STATEMENTS

4.1 A formal presentation of MERF's annual financial statements shall be provided by the independent auditor to the full Board of Directors at MERF's annual meeting. This presentation will be preceded by a meeting with MERF's Finance and Audit Committee, at which the Finance and Audit Committee will vote to accept or reject the annual financial statements.

5.0 GOVERNMENT RETURNS

5.1 MERF must be aware of its tax and information return filing obligations and comply with all such requirements of the Federal government, California and local jurisdictions. Filing requirements of MERF include, but are not limited to, filing annual information returns with the Internal Revenue Service (IRS), California charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll withholding tax returns.

6.0 FILING OF RETURNS

6.1 It is the policy of MERF to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Chief Financial Officer shall be responsible for identifying all filing requirements and assuring that MERF is in compliance with all such requirements.

6.2 It is also the policy of MERF to file complete and accurate returns with all authorities. MERF shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

6.3 Reports and returns which may be required to be filed by MERF include, but are not limited to, the following returns:

1. **Form 990** - Annual information return of tax-exemption of MERF, filed with IRS. Form 990 for MERF is due on the **fifteenth day of November, annually.**
2. **Form 990-T** – Annual tax return to report MERF'S unrelated trade or business activities (if any), filed with the IRS. Form 990-T is due on the **fifteenth day of November, annually.**

3. **Form 199** – Exempt Organization Annual Information Statement or Return (California) – This form is due on the **fifteenth day of November, annually.**
 4. **Form 5500** - Annual return for MERF'S employee benefit plans. Form 5500 is due on the **fifteenth day of November, annually.**
 5. **Federal and State Payroll Returns** - Filed on a quarterly or annual basis.
 6. **Form RRF-1** – Registration/Renewal Fee Report to Attorney General of California. This form is due on the **fifteenth day of November, annually.**
 7. **SF-SAC** – The Office of Management and Budget requires all Form SF-SAC and Single Audit submissions to be submitted on the Federal Audit Clearinghouse (FAC) Internet Data Entry System. The due date is established by OMB Circular A-133.
 8. **Form 1099's** – See **PUR101 VENDOR SELECTION.**
- 6.4 MERF'S fiscal and tax year-end is June 30. All annual tax and information returns of MERF Form 990, Form 990-T are filed on the accrual basis of reporting.
- 6.5 Federal and all applicable California payroll tax returns are prepared by the Chief Financial Officer, in consultation with MERF'S independent auditor and the pension plan third-party administrator.
- 6.6 It is the policy of MERF to comply with all California payroll tax requirements by withholding and remitting payroll taxes to California for each MERF employee.

7.0 PUBLIC ACCESS TO INFORMATION RETURNS

- 7.1 Under regulations that became effective in 1999, MERF is subject to Federal requirements to make the following forms "widely available" to all members of the general public:
1. The three most recent annual information returns (Form 990), and
 2. MERF'S original application for recognition of its tax-exempt status (Form 1023 or Form 1024), filed with IRS, and all accompanying schedules and attachments.
- 7.2 It is the policy of MERF to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:
1. Anyone appearing in person at the offices of MERF during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Chief Financial Officer shall be

responsible for maintaining this copy of each form and for making it available to all requesters.

2. For all written requests for copies of forms received by MERF, the Organization shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, MERF will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. The copying cost charged by MERF for providing copies of requested forms shall be \$1.00 for the first page copied and \$0.20 for each subsequent page. All copies shall be shipped to requesters via Priority Mail, thus, shipping charges will be a standard \$5.00 per shipment.
4. After payment is received by MERF, all requested copies should be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Accounting Department.
5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits provided the request is for twenty-five (25) or less copied pages. Requests for copies in excess of 25 pages but less than 100 pages will be available the next business day. All requests in excess of 100 pages will be available to the requestor five (5) business days after the request.
6. MERF shall accept certified checks and money orders for requests for copies made in person. MERF shall accept certified checks and money orders or personal checks as payment for copies of forms requested in writing. Personal checks must clear the bank prior to the copies being made and delivered to the requestor.

8.0 UNRELATED BUSINESS ACTIVITIES

- 8.1 Identification and Classification of unrelated business activities must be separately identified.
- 8.2 It is the policy of MERF to properly identify and classify income-producing activities that are unrelated to MERF's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of MERF in order to facilitate tracking and accumulation of unrelated trade or business activities.
- 8.3 It is the policy of MERF to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public

access or disclosure requirements. Accordingly, it is the policy of MERF not to distribute copies of Form 990-T to anyone other than management and the Board of Directors of MERF.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>8/411/12/15</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz, CFO</u>

SOP # G&A118 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A118 BUDGETING

Policy: The School Site Principals ~~and with the support of EdTec~~ their team are responsible for preparing, monitoring, and implementing the annual school site budget. The School Site Principal must have the school site budget approved by the Board of Directors no less than 60 days before the fiscal year end. It is the School Site Principal's responsibility to work with the central office in order to acquire the necessary budgetary information to implement their program. The budget may be revised as needed.

An annual Organization-wide budget shall be prepared on the accrual basis of accounting and the budget shall be adopted by the Board of Directors. The budget may be revised as needed. It is the policy of the Organization to adopt a final annual operating budget at least 60 days before the beginning of MERF's fiscal year.

Purpose: A budget is a management commitment of a plan for present and future MERF activities that will ensure survival. It provides an opportunity to examine the composition and viability of MERF's programs and activities simultaneously in light of all available resources

Scope: This applies to all departments and chart of accounts of the Organization.

Responsibilities:

Principal is responsible for ~~preparing~~ providing information to EdTec so that the back-office service provider can prepare the annual site budget and make revisions as needed.

~~Finance Manager~~ The Finance Department is responsible for reviewing the school site and Organization-wide budgets and budget revisions.

~~Edtec School Site Accountant~~ is responsible for preparing monthly budget vs. -actual comparison reports.

Background: Budgeting is an integral part of managing MERF in that it is concerned with the translation of MERF's goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the MERF's financial and human resources. A budget is a management commitment of a plan for present and future MERF activities that will ensure survival. It provides an opportunity to examine the composition and viability of MERF's programs and activities simultaneously in light of all available resources.

Procedure:

1.0 PREPARATION AND ADOPTION

- 1.1 The school site budgets will be developed by the School Site Principals and ~~their team EdTec.~~ and ~~the~~ Organization-wide budget will be prepared by the ~~Finance Manager~~ Chief Financial Officer with the support of EdTec. They will gather proposed budget information from all School Site Accountants and others with budgetary responsibilities and prepare the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts from prior years.
- 1.2 After appropriate revisions and a compilation of all school site budgets by ~~EdTec~~ the Finance Manager, a draft of the school site budgets and Organization-wide budget will be presented to the Chief Financial Officer for discussion, revision, and preliminary approval. The Chief Executive Officer is responsible for the final approval of all budgets.
- 1.3 The final budget is then submitted by the Chief Financial Officer to the Board of Directors for adoption. School Site Principals shall be present at the Board of Directors budget approval meeting.
- 1.4 It is the policy of MERF to adopt a final annual operating budget at least 60 days before the beginning of the MERF's fiscal year. In addition, the Accounting Department must setup the new fiscal year accounts, to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts), to ensure proper classification of activities and comparison of budget versus actual once the new year commences.

2.0 MONITORING PERFORMANCE

- 2.1 MERF will monitor its financial performance by comparing and analyzing actual results with budgeted amounts. This function will be accomplished in conjunction with the monthly financial reporting process described earlier.
- 2.2 On a monthly basis, budget reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by ~~the School Site Accountants~~ EdTec and distributed to each respective School Principal by the 20th of the following month.
- 2.3 The financial reports will also be distributed, on a bi-monthly basis, to the Board of Directors. The Chief Financial Officer and School Site Principal, with the

support of EdTec, will be responsible for answering budget questions posed at the Board meetings.

- 2.4 The Chief Financial Officer will also institute an on-going monitoring plan to ensure the fiscal operations effectively implement all Federal and State requirements and to ensure the safeguarding of Federal and State funds and assets.

3.0 BUDGET MODIFICATION

- 3.1 After a budget has been approved by the Board of Directors and adopted by MERF, reclassifications of budgeted expense amounts may be made by ~~the Finance Manager~~, EdTec, with approval from the Chief Financial Officer.

- 3.2 Budget reclassifications of any amount are at the discretion of the Chief Financial Officer.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	7/31 <u>11/12/15</u>	<u>Inclusion of back-office provider process</u>	<u>Oswaldo Diaz, CFO</u>

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SOP # G&A121 Revision: 01
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: G&A121 SCHOOL SITE ACCOUNTING

Policy: It is the policy of MERF to consider each school to be a separate and distinct financial accounting entity in order to maintain an accurate fund accounting system.

Purpose: The purpose of this policy is to clearly define relationships between each school and with the business office in regards to financial accounting.

Scope: This applies to the Organization's charter schools and business office.

Responsibilities:

~~School Site Accountant~~ EdTec, with the support of the Financial Analysts, is responsible for timely and accurate recording of transactions, providing useful management information, and properly reporting such information for various user needs.

~~Finance Manager~~ The Chief Financial Officer is responsible for overseeing ~~School Site Accountants~~ the Financial Analysts and providing assistance where needed.

Background: Separate accounting for each of the charter schools is critical in order to monitor budget performance and to determine how to allocate resources.

Procedure:

1.0 SEPARATE ACCOUNTING

- 1.1 ~~Each School Site Accountant~~ EdTec ~~should~~ will utilize the same accounting policies for each school they are responsible for. Consistency in accounting will ensure that the charter schools can be evaluated using the same benchmarks and will assist in evaluating performance.
- 1.2 Each Charter School will have its own ~~QuickBooks~~ accounting file to assist in maintaining separate accounting for each school, and a separate bank account to avoid comingling of funds.

2.0 FUNDRAISING

- 2.1 Fundraising generated from each school may not be transferred to another school.
- 2.2 Revenues from fundraising will be recorded in ~~QuickBooks~~ the accounting system using the ~~class~~ resource tracking system in order to account for funds

received from different events. Funds may be used for operating purposes unless restricted by the donor or explicitly restricted by the event.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>7/24</u> 11/12/15	<u>Inclusion of back-office provider processes</u>	<u>Oswaldo Diaz, CFO</u>

SOP # PUR102 Revision: 12

Prepared by: Central Office

Effective Date: 112/1220/15

Approved by: BOD

Title: PUR102 GENERAL PURCHASING

Policy: All purchases of goods and services shall be consistent with the Board-approved budget. The investment in supplies and capital equipment will be facilitated through the Purchasing Department, maintained at the lowest effective level and supervised consistent with a common set of procedures and controls as required by all regulatory and customer contract requirements.

Purpose: To outline the actions to be taken for 1) the procurement of supplies and capital equipment, 2) the completion of related documents.

Scope: This procedure applies to the purchase of all supplies and capital equipment for all departments within the Organization.

Responsibilities:

All personnel that require a product or service must complete a request in CoolSIS specifying items for purchase and obtain required approvals.

Chief Financial Officer, ~~Controller, & School Site Accountant~~ and the Finance Department are responsible for using good purchasing methods, optimizing price savings, quality or value of products, vendor working relationships, placing orders with approved suppliers, negotiating pricing with suppliers, and forwarding all paperwork to ~~accounting~~ EdTec accounts payable for payment.

~~School Site Accountant~~ EdTec accounts payable is responsible for payment of invoices only after satisfactory completion or delivery of goods or services has been made.

The School Site Personnel and Other Designated Individuals are responsible for receiving, inspecting materials, and forwarding all paperwork to a designated agent at EdTec ~~Accounting~~.

Procedure:

1.0 ORDER DETERMINATION AND REQUISITION

1.1 Purchasing should obtain the optimal price for any purchases. All purchases above \$5,000 require at least 3 quotes to be obtained. Quotes may be submitted by the requestor, Controller or the Purchase Manager can obtain the 3 quotes. The quotes are entered into CoolSIS along with evaluation and selection of the best option by the requestor. The Chief Financial Officer reviews the 3 quotes and forwards the recommendations to the Chief Executive Officer for final review and decision.

1.2 For purchases of goods and supplies, a request in CoolSIS will be prepared by the originating individual or department. The CoolSIS request should be completed and approved with the following items and any additional supporting documentation:

- Complete description with part or model numbers and link to website if available
- Engineering drawings and specifications
- Type, Class, Grade required
- Quantity required
- Date required
- Requesting department, ~~and accounting~~ account code, and allowance/resource code
- Recommended vendor or source if applicable
- Other requirements
- Special shipping requirements
- Special inspection requirements upon receipt

For the following purchases, additional information is required:

- Textbooks – Full ISBN
- Airline tickets - passenger(s) legal name(s), date of birth, gender, departure/arrival airport codes and exact dates
- Vehicle rentals - vehicle type, exact dates and exact pick up/drop off locations

1.3 If the requisition is for subcontracted services:

- A complete description of the service to be performed
- Engineering drawings and specifications if appropriate
- Requirements for qualification of personnel
- Other documents such as insurance forms, etc.
- Quality standards to be applied

1.4 Purchasing/Accounting will analyze terms, vendor, pricing, quantity breaks, etc., and will order accordingly in the Organization's best interest. Purchasing will notify the requester of any material variances prior to placement of the order.

1.5 Reimbursements for purchases made by staff will be processed upon proper authorization through CoolSIS.

2.0 ORDER PLACEMENT

- 2.1 Requestor is responsible for completing a purchase order form for all orders. This can be processed through CoolSIS. Purchase orders are exempted for items such as salaries and related costs, utilities, and instate travel, or where a contract exists.
- 2.2 If there are any requirements for items to be inspected at the supplier’s or the Organization's premises by the Organization or our customer, the arrangements and method of product release shall be included in the purchasing information.
- 2.4 Buyers must review their purchase orders for accuracy. The buyer submits their authorization through CoolSIS indicating the review was performed.
- 2.5 Orders can be placed with the vendor either by telephone, fax, internet or mail. When placing orders by telephone, the vendor contact and date of order should be noted and a confirming copy of the order sent to the vendor. Pre-approval for any purchase is always required.
- 2.6 Purchasing is responsible for communicating with those receiving the supplies, following-up on shipping, delivery, and expediting and partial shipments of ordered items. Purchasing can either telephone vendors or use a PUR102 Ex 1 PURCHASE ORDER FOLLOW-UP form to verify, trace or expedite orders.

3.0 RECORDKEEPING AND MATCHING

- 3.1 When Purchase Orders are issued, the Purchasing and Accounting copies will be placed in an Open File until the items are received. The Open File should be reviewed on a weekly basis to determine whether any orders need follow up.
- 3.2 Items will be received in accordance with procedure PUR103 RECEIVING AND INSPECTION. The completed vendor's packing list is kept at the site where the shipment was received.
- 3.4 For partial shipments, a note will be made in CoolSIS to identify the shipment as partially received. The original Purchase Order will be kept in the open file until all items are received.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	2/13/15	Segregation of duties and limits	Oswaldo Diaz, CFO
<u>2</u>	<u>11/12/15</u>	<u>Inclusion of back-office service provider processes</u>	<u>Oswaldo Diaz, CFO</u>

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PUR102 Ex1 PURCHASE ORDER FOLLOW-UP

To:

Date: _____

Please rush a reply to us by fax or telephone on the information requested below. Thank you.

Our Purchase Order #: _____

From:

Dated: _____

Please Respond To Our Request As Indicated Below

- Please rush shipment. Advise delivery date: _____
- Has shipment been made? Advise carrier/date: _____
- Partial shipment received. Balance to ship when? _____
- Can you ship in accordance with our requested date? _____
- This shipment will be shipped via what? _____
- Price on Terms do not match quotation: _____
- Please review attached and confirm accuracy of all information and prices. Acknowledge below.
- These items are not taxable. Our Tax Exempt No. is _____. Please revise invoice.
- Incorrect calculations on invoice noted. See attached and verify.
- Other _____

Comments or Reply: _____

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SOP # PUR103 Revision: 01
Effective Date: 11/12/15/~~14/13~~

Prepared by: Central Office
Approved by: BOD

TITLE: PUR103 RECEIVING AND INSPECTION

Policy: All parts, components, goods and materials will be received in an organized manner and inspected for conformance prior to stocking or use in order to provide an initial quality control inspection. Any items or shipments rejected will be properly quarantined from other inventory items until disposition.

Purpose: This procedure outlines the steps for the receiving and inspection of materials, components, or parts and the disposition of rejected items.

Scope: This procedure applies to the receipt of all purchases.

Responsibilities:

Anyone Performing the Receiving Function are responsible for receiving, inspecting materials, filing receiving documents at site, and marking purchase order as received.

Accounting/Purchasing is responsible for accepting or rejecting damaged goods.

School Site Accountant/EdTec is responsible for payment of invoices.

School Site Accountant/Finance Manager The Finance Department will review and authorize all rejections.

Procedure:

1.0 RECEIVING

1.1 A "receiver" is any form used to record the specific types and counts of product or materials received. Usually, the receiver is provided by the vendor and is not part of the Organization's system at all.

An example of this would be a detailed packing slip, furnished by the vendor with the shipment. The packing slip should be kept at the school site.

All incoming product or materials are to be counted and reconciled with what was originally purchased. Discrepancies must be recorded.

1.2 All incoming shipments must be examined for apparent package damage. If the shipment has apparent damage, notify Purchasing/Accounting immediately. Purchasing will decide to either accept or reject the shipment from the carrier and/or file a freight claim.

1.3 If the shipment shows no signs of damage or the Purchase Manager or School Site Principal or designee has decided to accept a damaged shipment, count the shipping pieces (i.e., packages, boxes but not the contents; see Inspection below)

and confirm with the bill of lading and note any exceptions (i.e., package damage or shortages).

2.0 INSPECTION

- 2.1 At the receiving holding area, each shipment should be unpacked and all items piece counted and matched to the packing list. If a packing list is not available, complete as an example PUR103 Ex1 RECEIVING AND INSPECTION REPORT.
- 2.2 The shipment will then be inspected for conformance according to the inspection level required for each part number (see PUR103 Ex3 INVENTORY INSPECTION LEVELS). If multiple part number classes are included in the shipment, each class will be segregated and inspected accordingly.
- 2.3 Any previously undiscovered damage to individual inventory items should be noted on the inspection report and immediately followed up with the vendor.

3.0 REJECTION, DISCREPANCIES AND DISPOSITION

- 3.1 Any count discrepancies will be noted on the packing list or as an example PUR103 Ex2 RECEIVING AND INSPECTION REPORT, signed and forwarded to Purchasing. Purchasing will then follow-up with the vendor to resolve the shipping discrepancy.
- 3.2 If there is a non-conformance discrepancy, the suspect goods will be red-tagged and separated (quarantined) from other parts and immediately placed in a separate holding area for disposition.
- 3.3 If only partial goods in the shipment are of non-conformance, the accepted goods should be noted on the paperwork and stocked or placed in use per above procedure.
- 3.4 Complete as an example PUR103 Ex2 RECEIVING AND INSPECTION REPORT for any rejected parts. Accounting will review and authorize all rejections and complete Part II of the report.
- 3.5 Goods found to be in conformance or suitable for their intended use and accepted by Accounting will have the red tag removed and be returned to the receiving area or location the product is needed for use. Accounting will note on the report the justification for any accepted parts and forward the report along with the packing list to the Purchase Manager.

Goods rejected by Accounting will continue to be quarantined and red tagged until disposed. Purchasing will determine and arrange for the appropriate disposition of rejected items (i.e., return to vendor for credit, scrap, etc.).
- 3.6 Unidentified shipments should be resolved by the Purchase Manager. Contact the Chief Financial Officer to resolve any suspicious looking packages.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>11/7/12</u> 31/15	<u>Changes to responsibilities</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

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PUR103 Ex2 RECEIVING AND INSPECTION REPORT

PART I RECEIVING

Date: _____

Vendor/Supplier/Subcontractor: _____

P.O. Or Contract No.: _____

Item No.	Description	INSPECTION Criteria	QUANTITIES			
			Ordered	Received	Inspected	Accepted Rejected

Received By: _____

PART II INSPECTION

Inspected By: _____

Sample Lot

Conformance/Discrepancies to Specifications

		YES	NO		YES	NO
Lot Size: _____	Shipping Damage	<input type="checkbox"/>	<input type="checkbox"/>	Functional	<input type="checkbox"/>	<input type="checkbox"/>
Sample Qty: _____	Markings/Finish	<input type="checkbox"/>	<input type="checkbox"/>	Dimensions	<input type="checkbox"/>	<input type="checkbox"/>
	Attributes	<input type="checkbox"/>	<input type="checkbox"/>	Other	<input type="checkbox"/>	<input type="checkbox"/>

Accepted: _____ Date: _____ Rejected: _____ Date: _____

Place in Stock

Cause for Rejection: _____

Forward to Next Operation

PART III REJECTED PARTS DISPOSITION

Return to Vendor

Conditional Acceptance Approvals

Signature

Signature

Remarks: _____

Further comments may be noted on back of report or additional sheets if necessary.

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PUR103 Ex3 INVENTORY INSPECTION LEVELS

The following are generic descriptions of the type of inspections that should be performed for various classes of inventory items. These descriptions are not completely comprehensive for all the possible types of inventory that can be received and therefore, the inspector should use appropriate judgment to determine any special inspection procedures that may be necessary for unique items.

The inspection levels are intended to be cumulative in that higher level inspections will also include all lower level inspection procedures.

The percentage of the total parts inspected will be according to the part number specifications. For example, an inspection level indication of "Level II, 25" would require that 25% of the parts received in the shipment will be examined at a Level II inspection.

If defects or rejected items are discovered within a shipment and less than a 100% inspection has been performed, the receiving inspector will consult with the Quality Control Manager to determine the appropriate action for assurance of the remainder of the shipment.

- Level I: Visual inspection of the shipment or lot. Items appear reasonably to match packing list description(s). Nothing comes to the attention of the inspector as noticeable defects or as unusual and unordinary.
- Level II: Actual hands-on visual inspection of individual parts. Each part inspected will be analyzed for the quality of workmanship and construction and the appearance of any defects.
- Level III: A functional test of the part will be performed as appropriate for the item. For example, pneumatic parts should indicate function when attached to compressed air source; moving parts should rotate, slide etc.; electrical components should operate, light, etc.
- Level IV: The part will be inspected against a set performance or measurement standard as indicated in the part file. For example, structural items will be measured for compliance to drawings within specified tolerances; electrical and mechanical devices will function according to specified performance standards.

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SOP # PUR104 Revision: 12
Effective Date: ~~2/20/15~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: PUR104 ACCOUNTS PAYABLE AND CASH DISBURSEMENTS

Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, coding of General Ledger accounts and appropriate timing of payments. All accounts payable and cash disbursements will have documented pre-approval, and the authorization limits are stated in the below Responsibilities section.

Purpose: To explain the practices for documenting, recording and issuing payments for accounts payable transactions. (Note: Payments, disbursements, and expenditures result from accounts payable transactions)

Scope: This procedure applies to all purchases including, contractors, consultants, and merchandise and non-merchandise purchases.

Responsibilities:

The Principal at each school site is responsible for reviewing and approving payments under \$35,000 in ~~Coolsis~~ CoolSIS, in accordance with the approved budget.

~~The Controller is responsible for reviewing and approving payments over \$3,000, up to \$5,000 in accordance with the approved budget.~~

The Chief Financial Officer is responsible for reviewing and approving payments over \$5,000, up to \$10,000 in accordance with the approved budget. A designee can be assigned by the Chief Financial Officer to approve these payments.

The Chief Executive Officer is responsible for reviewing and approving payments over \$10,000 in accordance with the board approved budget, as well as up to \$10,000 for non-budgeted items.

~~School Site Accountant~~ EdTec is responsible for payment of invoices in a timely manner.

Background: Properly recording liabilities is generally a three-step process, particularly, for merchandise purchases.

The first step is recording the liability upon receipt of merchandise, using the purchase order estimates or other documentation as a guideline. For accuracy and timeliness of data, a liability should be recorded as soon as the Organization receives the purchased items.

Consultant projects are not recognized as a liability until the invoicing from the consultant is received unless and accrual has been recorded to recognize the total estimated cost of the consultant's services.

By necessity, this initial recording is usually an estimate or encumbrance and can be finalized when the actual invoice arrives. This is why a Purchase Order is so important for merchandise purchases. It documents the Organization's understanding of how much each item will cost, per the vendor's terms. This includes estimates for freight and any other charges.

The second step takes place when the vendor's invoice is received. At this point the actual liability is finalized, with any necessary adjustments to the item costs, freight, or other charges.

The third step involves the preparation, issuance of payment for the goods received, and subsequent filing of all paperwork for easy retrieval.

Procedure Overview:

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements
7. Marketing/promotional materials

Checks are processed throughout the week.

Requests for cash disbursements are submitted to Accounting through CoolSIS. Documentation for CoolSIS requests can be in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

All invoices must be approved by the appropriate staff prior to being submitted to accounts payable. Accounts payable will determine the account code for each invoice.

Approvals for reimbursement requests must be obtained prior to the purchase. The Organization is not obligated to reimburse requests where prior approval was not obtained; however this decision is made at the discretion of the Chief Financial Officer.

Every employee reimbursement or purchase request must be documented in CoolSIS. Please see PUR106 Reimbursements for more details.

Requests for payment are reviewed in CoolSIS by the Principal, Controller, or Chief Financial Officer dependent on purchase amount. The appropriate personnel:

1. Verifies expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the School Site Accountant for processing

~~The Accounting Staff~~ EdTec processes all payments and:

1. Immediately enters them into the Accounts Payable module unless it is paid upon receipt on the same day
2. Prints checks according to allocation and payment date provided by the authorizing party
3. Submits checks, with attached backup documentation, to Chief Financial Officer for approval and signature.
- ~~4. Stamps invoice "paid"~~
- ~~5.4.~~ Mails checks and appropriate backup documentation
- ~~6.5.~~ Files all backup documentation in the appropriate file
- ~~7.6.~~ Monitors accounts payable throughout the month

Procedure:

1.0 DOCUMENTING ACCOUNTS PAYABLE

1.1 The following documents will be forwarded to EdTec accounts payable as a PDF batch for temporary filing and subsequent matching to form an accounts payable voucher package:

- Purchase Order from CoolSIS
- Vendor invoice
- Vendor/Consultant contract

1.2 Once ~~the accounting department~~ EdTec has received all of the above documents, the following steps will be performed to ensure proper authorization, validity of purchase, receipt of purchased items or services and accuracy of amounts.

- ~~• The vendor invoice will be stapled on top of the purchase order.~~

- The purchase order should be evaluated for proper authorization and the nature of the purchase and pricing as shown on the invoice reviewed for validity.
- The quantities shown shipped or delivered on the invoice will be compared to the packing slip and/or receiving reports if items have been received by the designee of each site. Any discrepancies must be followed-up and resolved prior to commencing with the disbursement process.
- Calculations on the invoice will be recomputed such as quantities received multiplied by unit price and totals.

2.0 RECORDING NON-MERCHANDISE PAYABLES

- 2.1 Non-merchandise expenditures like utilities, rent, insurance, taxes, repairs, professional fees, etc., are generally not recorded through the purchase order routine. However, there may be other documentation, like contracts, requisitions, and other agreements. These should be filed in the applicable vendor file as documentary support. Upon receipt of the invoice, the charges should be entered into the payable system and coded to the appropriate expense account.
- 2.2 Generally, once invoices (both merchandise and non-merchandise) have been entered, they can be filed in the respective vendor files, ordered by date. To guard against misfiling an un-entered invoice, consider stamping "entered" on each invoice when it's recorded in accounts payable. It is also helpful to note the entered date and initial the entry.

3.0 PAYMENT OF ACCOUNTS PAYABLE

- 3.1 Accounts payable systems generally provide an aged accounts payable report and list the open payables within the accounting system. Open payables are reviewed by EdTecthe School Site Accountant. ~~The School Site Accountant~~ The Chief Financial Officer should select the bills to be paid based on the funds available and a projection of cash flow or receipts over the coming week. Once complete, process the disbursements by either printing the check, electronic online bill pay, wire transfer, or ACH withdrawal for the selected bills to be paid.

Note: Accounts payable should normally be paid within seven days or sooner of their payment term unless otherwise determined by the Chief Financial Officer.

- 3.2 Any vendor credits which are amounts owed to the Organization should be applied to amounts currently owed to the vendor when determining payment. These are normally received in the form of a credit memo or adjusting invoice. These should be entered into the system like any other invoice and applied to the next payment being made. There is no reason to "age" a credit memo.
- 3.3 Pull all Invoices to be paid from the files and match them with the printed checks, wire transfer, electronic online bill pay, or ACH withdrawal documentation. Present the materials to the Chief Financial Officer for review and signing.

- 3.4 Immediately ensure that all printed checks, wire transfer, electronic online bill pay, or ACH withdrawal documentation are signed and approved and correctly recorded in the accounting system. Stamp the invoices “paid” to document they've been paid. Use only checks that incorporate a two stub plus check form in order to attach one stub to the paid invoice and the other to the remittance copy of the Invoice.
- 3.5 If one check or electronic online bill pay pays several Invoices then either photocopy the stub or print the electronic online bill pay screen print and attach a copy to each paid Invoice or consider attaching all paid Invoices to the one check stub or the electronic online bill pay document. File all resulting documentation according to check number sequentially in the checks paid binders.
- 3.6 Mail the checks as soon as possible once checks have been posted and "paid" by the system. It is not advisable to "hold" checks for additional days after posting. This practice usually occurs when there are insufficient cash flows. However holding checks increases the difficulty of projecting cash flow, reduces cash balance accuracy, and causes confusion when trying to reconcile accounts payable vendor balances. None of these balances will be accurate if printed checks are held back from mailing. If cash flow is insufficient to mail the checks, then it is advisable not to post and print checks in the first place.

4.0 MANUAL CHECKS

- 4.1 The Organization does not permit the use of manual checks.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	2/13/15	Revision of Purchase limits	Oswaldo Diaz, CFO
<u>2</u>	<u>8/411/12/15</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

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SOP # PUR105 Revision: 01
Effective Date: 11/2/12/153

Prepared by: Central Office
Approved by: BOD

Title: PUR105 PREPAID EXPENSES

Policy: It is the policy of MERF to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to amortize these items over the corresponding time period. For purposes of this policy, prepaids are only accounted for at the end of the fiscal year and the amount that is considered to be prepaid remains at the discretion of the Chief Financial Officer and the Finance Manager.

Purpose: To ensure the proper payment and accounting of expenses that have a future benefit allocated over time.

Scope: Any transaction that is currently paid that has a value that can be amortized over a future time period.

Responsibilities:

~~Finance Manager~~ The Chief Financial Officer is responsible for reviewing and authorizing prepaid expenses.

~~School Site Accountant~~ The Finance Department with the support of EdTec is responsible for processing prepaid payments and -

~~School Site Accountant~~ is responsible for amortizing the prepaid cost of the expected future life of the prepaid asset.

Background: Prepaid expenses are very common and allow the Organization to on occasion take advantage of pre-paying for certain expenses and thus recovering discounts or ensuring that a certain expense is fully paid.

Procedure:

1.0 ACCOUNTING TREATMENT

1.1 Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statements date shall be classified as non-current assets.

2.0 PROCEDURES

2.1 As part of the account coding process performed during the processing of accounts payable at the end of the fiscal year, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

~~The School Site Accountant~~ The Finance Department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the

period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>110/125/15</u>	<u>Revision of responsibilities</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

SOP # PUR106 Revision: 12
Effective Date: 2/20/15 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: PUR106 REIMBURSEMENTS

Policy: Internal controls are required to ensure that only valid and authorized reimbursements are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, coding of General Ledger accounts and appropriate timing of payments.

Purpose: To explain the practices for documenting, recording and issuing payments for reimbursement transactions.

Scope: This procedure applies to all reimbursements.

Responsibilities:

The Principal at each school site is responsible for reviewing and approving payments under \$35,000 in Coolsis, in accordance with the approved budget.

~~The Controller is responsible for reviewing and approving payments over \$3,000, up to \$5,000 in accordance with the approved budget.~~

The Chief Financial Officer is responsible for reviewing and approving payments over \$5,000, up to \$10,000 in accordance with the approved budget. A designee can be assigned by the Chief Financial Officer to approve these payments.

The Chief Executive Officer is responsible for reviewing and approving payments over \$10,000 in accordance with the board approved budget, as well as up to \$10,000 for non-budgeted items.

~~School Site Accountant~~ EdTec accounts payable is responsible for payment of reimbursements in a timely manner. A timely manner is defined as within two weeks upon submission to ~~the School Site Accountant~~ EdTec accounts payable.

Background: Properly recording reimbursements is generally a three-step process.

The first step is accurately submitting reimbursement receipts along with a reimbursement authorization form.

The second step is obtaining the appropriate authorization.

The third step involves the preparation, issuance of reimbursement payment in a timely manner, and subsequent filing of all paperwork for easy retrieval.

Procedure Overview:

Reimbursements are generally made for:

1. Travel and conferences
2. Mileage
3. Meals
4. School/classroom supplies
5. Allowable academic expenses
6. Student awards
7. Other expenses

Reimbursement checks are processed on two week cycles or sooner.

Requests for cash disbursements are submitted to Accounting through CoolSIS. Documentation for CoolSIS requests can be in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

All reimbursement requests must be approved by the appropriate staff prior to being submitted to accounts payable. Accounts payable will determine the account code for each invoice.

Approvals for reimbursement requests must be obtained prior to the purchase. The Organization is not obligated to reimburse requests where prior approval was not obtained.

Every employee reimbursement or purchase request must be documented in CoolSIS with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Travel and Conferences - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose. This includes itemized receipts for parking, tolls and bridges, car rentals, taxis, and conference receipts. (See G&A103, Travel and Entertainment policy for more detailed information.)

Car Rentals – When possible, advance approvals are recommended. The employee is required to make their own car rental arrangements. Vehicle selection will be based upon the most cost-effective class that satisfies requirements for the employee(s) and any demonstration equipment.

Supplemental auto insurance coverage offered by car rental agencies must be purchased and will be reimbursed.

Mileage/Personal Vehicles - An employee required to use their own automobile for business will be reimbursed in accordance with the current IRS mileage reimbursement rate. The employee must provide on the expense report, documentation including dates, miles traveled and purpose of each trip.

The Organization assumes no responsibility for personal automobiles used for business. Further, any parking or speeding violation is the sole responsibility of the employee.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose. Entertainment expenses are disallowed.

Meal and Entertainment tips are limited to 15% (unless automatically assessed by the eating establishment) of the pre-tax meal total cost and any tip that is in excess of the pre-tax meal total cost will not be reimbursed. For example, a meal that costs \$10 may have an 8% sales tax bringing the total meal price before tip to \$10.80. Figure the tip on the \$10 amount at 15% or \$1.50 and that amount of tip or less is reimbursable. If you tipped more than a \$1.50, that difference is not reimbursable. You are always allowed to tip less than 15% should you choose to do so.

School/Classroom Supplies, Allowable Academic Expenses, and Student Awards – these expenditures are subject to the approval of the Principal. Gifts of any kind are never allowed. Student awards may only be paid from non-ADA and unrestricted sources. In other words, student awards may be paid from unrestricted fundraising or from other unrestricted sources of income, subject to approval of the Principal and/or Central Office.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

Non-Reimbursable Expenses - Some expenses are not considered valid business expenses by the Organization, yet may be incurred for the convenience of the traveling individual. Since these are not expenses for the business then they are not reimbursable. (The following can be used as a guide of expenses, which are not reimbursable)

Examples include:

- Airline or travel trip interruption insurance
- Airline or travel lounge clubs
- Shoe shine or Dry-cleaning (except for extended travel beyond 5 days)
- Movies or personal entertainment

- Books, magazines or newspapers
- Theft or loss of personal property
- Doctor bills, prescriptions, or other medical services
- Parking tickets, traffic tickets or Car towing if illegally parked
- Health club memberships
- Baby sitter or Pet care fees
- Barbers and Hairdressers

Requests for reimbursement payments are reviewed in CoolSIS by the Principal, Chief Financial Officer, or Chief Executive Officer, dependent on purchase amount. The appropriate personnel:

1. Verifies and matches expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the School Site Accountant for processing

Accounts Payable processes all payments and:

1. Immediately enters them into the Accounts Payable module, unless paid upon receipt on the same day
2. Prints checks according to allocation and payment date provided by the approving party
3. Submits checks, with attached backup documentation, to Chief Financial Officer for approval and signature
4. Stamps invoice “paid”
5. Mails checks and appropriate backup documentation
6. Files all backup documentation in the appropriate file
7. Monitors accounts payable throughout the month

Procedure:

1.0 DOCUMENTING REIMBURSEMENTS

All business reimbursement expenditures incurred by employees of the Organization are reimbursed through CoolSIS. Reimbursement receipts must be submitted monthly and any receipt that is older than 60 days will not be reimbursed at the discretion of the Chief Financial Officer.

Expense report forms must be filled out completely. Required original receipts for items charged must accompany all reimbursement documentation as well as uploaded into CoolSIS. Any questions regarding completion of the report should be directed to the employee's supervisor or the accounting department.

Upon completion, the expense report along with all attachments should be submitted to the employee's appropriate supervisor in CoolSIS for approval. After approval, the expense report is submitted to the accounting department for processing and reimbursement. In order to expedite reimbursement, the employee should ensure that the report is completed properly, required documentation is attached, proper authorization is obtained, and any unusual items properly explained and documented.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	2/13/15	Amount limit changes. Mileage reimbursement rate.	Oswaldo Diaz, CFO
<u>2</u>	<u>11/10/2015/15</u>	<u>Inclusion of back office service provider and amount limit changes.</u>	<u>Oswaldo Diaz, CFO</u>

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SOP # REV101 Revision: 01
Effective Date: 11/12/15/~~14/13~~

Prepared by: Central Office
Approved by: BOD

Title: REV101 SALES RECEIPT PROCESSING

Policy: To ensure the most accurate process for billing for services, sales receipts will be properly evaluated and approved prior to entry into the accounting system.

Purpose: This procedure outlines the activities and responsibilities involved in verifying the acceptability of all sales receipts.

Scope: These procedures are to be followed for all sales receipts.

Responsibilities:

~~School Site Accountant/Finance Manager~~ EdTec approves sales receipt documentation.

Procedure:

1.0 DOCUMENT VERIFICATION

1.1 Sales Receipts are often used for Parenting Fees and other similar fees. Verify that all of the correct documents have been used and are present to support the sales receipt transaction. The following documents are required to complete the Sales Receipt transaction:

- Document identifying what the money collected is for
- Approval or authorized signature for the course
- Customer, parent, or other correspondence or support documentation, etc
- Complete the EdTec Deposit Log

1.2 Verify that all required information is available to complete the sales receipt.

1.3 Review the customer's Accounts Receivable aging and determine that the customer is current with their payments and that the new sales receipt will not affect their balance.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	117/1231 <u>/15</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

SOP # REV102 Revision: 01
Effective Date: 11/12/152/14/13

Prepared by: Central Office
Approved by: BOD

Title: REV102 INVOICING, ACCOUNTS RECEIVABLE, RECEIVABLE ACCRUALS

Policy: The ~~Accounting~~ Finance Department is responsible for the timely preparation and distribution of invoices to optimize cash flow and customer payments.
~~Accounting~~ The Finance Department with the support of EdTec will also maintain accurate records over Accounts Receivables and Accruals and abide by proper internal controls.

Purpose: To explain the methods for the preparation of invoices, accounts receivable, and receivable accruals records processing.

Scope: This procedure applies to all revenue earned and services provided by the company.

Procedure:

1.0 SALES RECEIPT REVIEW

1.1 A formal invoice is not always applicable such as when service fees are collected for items such as Parenting.

1.2 The SALES RECEIPT should contain all pertinent billing information as part of the company's sales receipt procedure. However, as part of proper internal control, Billing will verify the information contained on the customer's sales receipt documentation.

As part of this review process, the propriety and accuracy of contact information, prices, description of services, extensions and footings will be determined.

2.0 INVOICE PREPARATION AND POSTING

2.1 The next sequentially numbered Invoice (see example REV102 Ex1 INVOICE) will be prepared from the information from the Federal, State, or Local Grant or Contract Language including all reimbursable costs and will include the invoice date, service item, description of services or billing information, quantity, rate, class or program code, price and extended amounts and the customer's billing addresses.

2.2 Post the invoice by saving the transaction.

3.0 DISTRIBUTION

3.1 Send one copy of the invoice to the customer and retain a second copy of the invoice in the customer file.

4.0 ACCOUNTS RECEIVABLE

4.1 Accounts Receivable will receive and process payments from customers in accordance with the CASH RECEIPTS procedure.

- 4.2 On a monthly basis, Accounts Receivable will generate an aged trial balance of customers' accounts with individual invoice information and days outstanding and will forward to Finance Manager and Chief Financial Officer for their follow up on any aged invoices.
- 4.3 Accounts Receivable will generate monthly statements of outstanding customers' accounts and issue them to customers no later than 10 days after each month end.
- 4.4 Accounts Receivable will issue Credit Memos to customers upon receipt of approved changes in the terms.

5.0 RECEIVABLE ACCRUALS

- 5.1 Monthly receivable accruals are at the discretion of the Chief Financial Officer and the Finance Manager when those amounts are reasonably known and quantifiable. Fiscal year end receivable accruals are required to be quantified and recorded no later than August 15th.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>11/10/12</u> <u>15/15</u>	<u>Inclusion of back office service provider</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

REV102 Ex1 INVOICE

INVOICE NO. _____

CUSTOMER:

Item	Description	Qty	Rate	Class	Amount
------	-------------	-----	------	-------	--------

Total

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**REV102 Ex 2 ACCOUNTS RECEIVABLE
WRITE-OFF AUTHORIZATION**

Customer: _____

Date: _____

Invoice No's:

Amount of Write-Off

TOTAL

\$ _____

JUSTIFICATION

Summary of Collection Actions To Date:

(Include brief description of collection actions taken by accounting, other Company departments and outside collection agency or legal, if applicable)

Approvals:

Credit Manager: _____

Date: _____

Controller: _____

Date: _____

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SOP # REV103 Revision: 01
Effective Date: ~~2/14/13~~ 11/19/12 1/7/15

Prepared by: Central Office
Approved by: BOD

Title: REV103 PROJECT(Grant/Contract) REVENUE: PROGRESS BILLING

Policy: Progress billings will be made to clients on a timely basis throughout the life of the project. Projects are typically considered Federal, State, and Local Grant contracts. These billings will be accurate and easily understood by both parties involved.

Purpose: The purpose for creating progress billings is to obtain payment for the portion of labor and materials, i.e. "reimbursed costs" used up to a certain point in time and before the project is fully completed. This improves the cash flow typical of long-term projects or assignments. This procedure applies to all Federal, State, and Local Grants and Contracts, Service agreements or Projects provided by the Organization.

Scope: This procedure applies to all service agreements or projects provided by the Organization.

Responsibilities:

~~Finance Manager~~ The Finance Department is responsible for the confirmation of all final program amounts and is responsible for knowing the correct procedures to be followed for each contract.

Procedure:

1.0 CONTRACT TYPES

1.1 Reimbursement for Services. Progress billing for Reimbursement for Services contracts requires School Site Accountants to be up to date and monitor the services being provided according to the terms of each contract. The School Site Accountant will enter into the reimbursement request the allowable costs that may be billed according to the contract. From time to time and at the end of the contract, the ~~Finance Manager~~ Chief Financial Officer reviews the billings of the contract and ensures that all available opportunities to recover reimbursable costs have been considered.

1.2 Set Contracts. Set contracts such as with the individual charter schools involve reimbursement for costs such as building rental and an allowance for the amount of apportionment attendance earned. Although the contract is set by terms of the contract, since student attendance can vary, the invoicing for these types of contracts is the same amount throughout the fiscal year and reconciled at the end of the year to account for the final attendance counts.

2.0 BREAKDOWN OF CONTRACT AMOUNT

2.1 The Finance ~~Manager~~ Department with the support of EdTec is responsible for the final reconciliation of all grant and other contracts at the end of the year by reviewing final billings prepared by the School Site Accountant and/or the School Principal. Normally, the contractual agreement will specify the procedures for payment and may also specify the form of the breakdown of contract amount that is required. Care should be taken to be sure that all costs, services, and fees are fully billed and accounted for in each contract.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>119/127/15</u>	<u>Inclusion of back-office provider and revision of responsibilities.</u>	<u>Oswaldo Diaz, CFO</u>

SOP # REV105 Revision: 10
Effective Date: 11/12/15/~~14~~/13

Prepared by: Central Office
Approved by: BOD

Title: REV105 REVENUE RECOGNITION - GRANTS AND CONTRIBUTIONS

Policy: The Organization receives revenue from several types of transactions. It is the policy of the Organization to separate and recognize revenue from grants and contributions separately in the financial statements of the Organization and to comply with all current Federal and California rules regarding solicitation and collection of charitable contributions.

Purpose: To provide a separate accounting of grant and contribution income.

Scope: This procedure applies to all grant and contribution income.

Responsibilities:

~~Finance Manager and~~ Chief Financial Officer and the Finance Department direct the separate accounting for grant revenue and contributions received.

~~School Site Accountant~~ EdTec ~~insures~~ ensures that grant and contribution revenues are separately tracked within the accounting system.

Definition:

Contribution - An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promisor a right of return of the assets it has transferred to the Organization or releases the promisor from its obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in the Organization's articles of incorporation and bylaws. Restrictions on the Organization's use of an asset may be temporary or permanent.

Nonreciprocal Transfer - A transaction in which an entity incurs a liability or transfers assets to the Organization without directly receiving value from the Organization in exchange.

Promise to Give - A written or oral agreement to contribute cash or other assets to the Organization.

Exchange Transaction - A reciprocal transaction in which the Organization and another entity each receive and sacrifice something of approximately equal value

Procedure:

1.0 GRANT AND CONTRIBUTION REVENUE RECOGNITION

1.1 **Grant income** – Recognized as income when received, based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards). The types of grant income typically received by the Organization are:

- (a) Education payments for MERF Charter services.
- (b) Various Federal, State, and Local grants and contracts.
- (c) Other types of grant income may be received from time to time.

At year-end, grant income that has been incurred but not yet received are accrued to conform with generally accepted accounting principles.

1.2 **Contributions** - Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income).

1.3 CONTRIBUTIONS RECEIVED

A. Distinguishing Contributions from Exchange Transactions

The Organization may receive income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. The Organization shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. The Organization’s intent in soliciting the asset, as stated in the accompanying materials;
2. The expressed intent of the entity providing resources to the Organization (i.e. does the resource provider state its intent is to support the Organization’s programs or that it anticipates specified benefits in exchange?);

3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of the Organization (contribution);
4. Whether payment received by the Organization is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by the Organization, or the cost of those assets plus a markup (exchange transaction);
5. Whether there are provisions for penalties (due to nonperformance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
6. Whether assets are to be delivered by the Organization to individuals or other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or the Organization is closely connected to the resource provider.

B. Accounting for Contributions

The Organization shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions. See REV107 Restricted Funds for more details.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of the Organization in the period that the Organization receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to the Organization at the time the Organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in the form of volunteer labor, the Organization shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a nonfinancial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
 - a. It is the type of service that would typically need to be purchased by the Organization if it had not been contributed,
 - b. It requires specialized skills (i.e. formal training in a trade or profession), and
 - c. It is provided by an individual possessing those specialized skills.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

C. Receipts and Disclosures

The Organization and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and its underlying regulations. To comply with those rules, the Organization shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by the Organization, it shall provide a receipt to the donor. The receipt shall be prepared by the School Principal. All receipts prepared by the Organization shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any noncash property received;
2. A statement of whether the Organization provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor, and
3. If any goods or services were provided to the donor by the Organization, a description and good faith estimate of the value of those goods or services.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>11/7/2015</u>	<u>Change in responsibilities</u>	<u>Oswaldo Diaz,</u> <u>CFO</u>

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SOP # REV106 Revision: 01
Effective Date: 11/12/15/~~14~~/13

Prepared by: Central Office
Approved by: BOD

Title: REV106 GIFTS-IN-KIND

Policy: MERF may accept contributions of goods or services that can be used to advance the mission of MERF and/or any of its schools or may be converted readily into cash. When accepting a gift-in-kind, the receiver must ask the donor to complete as an example REV106 Ex1 GIFT-IN-KIND FORM. Once the donor has completed the form, the receiver must sign the form and send it immediately to the central office for processing.

Purpose: To ensure that Gift-In-Kind transactions are handled in accordance with IRS guidelines and are properly recorded.

Scope: All Gift-In-Kind transactions.

Responsibilities:

Receiver is responsible for assessing the gift for usefulness to the Organization.

School Principal is responsible for handling donor documentation.

~~School Site Accountant~~ The Financial Analysts are responsible for assessing value of gift and ~~recording into the accounting system~~ informing EdTec so that it can be recorded into the accounting system.

Definition: **Gifts-In-Kind** - Transactions categorized as a voluntary contribution of goods or services that can be used to advance the mission of MERF or can be readily converted to cash and may qualify as a charitable deduction for the person(s) making the gift.

Contributed services cannot be counted as a gift and do not qualify as a charitable tax deduction to the donor. However, a donor of services may be able to deduct expenses incurred while performing said services. In such cases, the donor should be advised to consult with a tax accountant.

Background: The IRS has specific regulations regarding gifts-in-kind. This policy outlines the process an employee of MERF should follow when presented with a gift-in-kind. It limits the liability that may inadvertently be assumed by placing value on gifts or by accepting a gift that does not advance the mission of MERF or cannot be readily converted to cash. It further assures that a donor will receive timely acknowledgement of his/her contribution.

Procedure:

1.0 RECEIPT OF GIFT

1.1 When presented with a potential gift-in-kind, an individual must assess if the gift can be used to advance the mission of MERF or could be readily converted to cash. If there is any question as to whether the contribution meets either of these

criteria, the individual should contact his/her immediate supervisor or the central office.

- 1.2 If the gift is accepted, the individual should offer an immediate and sincere expression of gratitude. At that time, the donor should be given a Gift-In-Kind form and be encouraged to complete the form at that time. If the donor is unable or unwilling to complete the form, the receiver may complete the form, write "N/A" as the estimated fair market value, and enter that the form was completed by him/her in the note section in the lower right hand corner.

The individual accepting the gift cannot offer tax advice or dictate the value of the contribution. It is the responsibility of the donor to determine the fair market value of the contribution. **Note:** the value is for MERF internal gift reporting and accounting only; the donor's receipt and/or acknowledgement will not indicate value in any way that could be construed as an endorsement of its value.

- 1.3 If the item is personal property of the donor and is valued at more than \$5,000, the donor must obtain a certified appraisal. The appraisal cannot be dated more than 60 days from the date of the donation. It must be prepared, signed and dated by a qualified appraiser. Federal law requires that the donor pay for the appraisal. (The cost of the appraisal is also tax deductible). This value will be used for gift reporting purposes only.

What constitutes a qualified appraisal:

- I. Appraiser must hold himself or herself out to the public as an appraiser and state credentials showing that he or she is qualified to appraise the type of property being valued.
- II. Appraiser must value the property no more than 60 days before the date of gift; it can be done after the gift has been accepted by the MERF.
- III. Appraiser cannot be (1) the donor, (2) the donee (MERF), (3) any party to the transaction, (4) an appraiser used regularly by (1), (2) or (3), or anyone employed or related to (1),(2), or (3).

The appraisal must contain the following information:

- 1. A description of the item
 - 2. Its physical condition
 - 3. The date (or expected date) of the contribution
 - 4. Name, address and tax ID number of the appraiser
 - 5. Qualifications of the appraiser including his/her background, experience and education
 - 6. A statement that the appraisal was prepared for income tax purposes
 - 7. Date the item was valued
 - 8. Appraised fair market value of the item
 - 9. Method of valuation (income approach; market data approach; replacement cost minus depreciation approach.)
 - 10. Appraiser must complete Part IV of Section B on form 8283
- 1.4 The individual accepting the gift will sign and date the Gift-In-Kind form only after the donor has irrevocably turned over the gift-in-kind. Once signed, the

form should be turned over to the School Principal immediately for processing and acknowledgement.

- 1.5 The School Principal will notify the School Site Accountant of the contribution. The School Site Accountant will then provide necessary information to EdTec so that it can be ~~and~~ assigned ~~it~~ as an asset or income to the appropriate school or to the central office.

2.0 COMPLIANCE

- 2.1 The IRS allows an individual to deduct the full fair market value of a donated item if it is kept by MERF and used for one of its tax-exempt purposes. If the item is to be converted to cash, then the donor may claim a deduction of the cost value or the fair market value, whichever is less. **It is the sole responsibility of the donor to determine the value of a contributed item; the receiver cannot assign a value to the donated item(s).**
- 2.2 Upon receipt of a gift-in-kind, MERF will issue an acknowledgement to the donor along with a copy of the Gift-In-Kind form. The acknowledgement will contain only a description of the contribution and will not include a statement as to the value of the contribution. It will further contain a statement as to what, if any, goods or services were given in exchange for the contribution. MERF cannot issue an acknowledgement for contributions that cannot be used or readily converted to cash.
- 2.3 For gifts with values exceeding \$5,000, the donor must complete all parts of IRS form 8283 and submit the form to MERF for signature. The School Principal, the Chief Financial Officer and the Chief Executive Officer are the only individuals authorized to sign 8283 forms.

If MERF has signed an IRS form 8283 and then sells, exchanges or otherwise transfers the gift within two years from the date of gift, the central office must file a donee information return, IRS form 8282, within 125 days of disposing the property. MERF will advise the donor if such a transaction occurs as it may affect the charitable tax deduction for which they qualify.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	11/31/15 <u>11/31/15</u>	<u>Inclusion of back-office service provider process</u>	<u>Oswaldo Diaz, CFO</u>

REV106 Ex1 GIFT-IN-KIND CONTRIBUTION FORM

Date: _____

Event Name (if applicable): _____

Donor Information:

Donor Name _____

Contact Person _____

Address _____

City _____ State _____ Zip _____

Daytime phone _____ E-mail Address _____

Gift Description: _____

Estimated fair market value (by donor): \$ _____

Special instructions (e.g., item delivery or pick up, restrictions, etc.):

Please return this form to:

Finance Department Phone: (714)892-5066
13950 Milton Ave. Fax: (714)362-9588
Suite 200B
Westminster, CA 92683

Per IRS regulations, any item you value over \$500 requires IRS Form 8283; any item you value over \$5,000 requires Form 8283 and a written appraisal.

This form does not serve as a receipt for this contribution, but is intended for our internal record keeping purposes only. A receipt describing the items or merchandise donated will be mailed to the address supplied above. Magnolia Educational & Research Foundation is unable to include the estimated value on the donor receipt. It is the responsibility of the donor to substantiate the fair market value for his/her own tax purposes. The donation of services, although very valuable and much appreciated, is generally not considered tax deductible by the IRS. Please consult with your tax advisor to determine the tax implications of your gift.

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SOP # REV107 Revision: 01
Effective Date: 112/124/153

Prepared by: Central Office
Approved by: BOD

Title: REV107 RESTRICTED FUNDS

Policy: To properly record and track funds with restrictions in order to ensure the donor's intended uses are met, assist with cash flow planning purposes, and to stay within compliance with laws relating to use of restricted funds.

Purpose: Generally accepted accounting principles require the Organization to classify funds based on the restrictions provided by the donor. These classifications may be unrestricted, temporarily restricted or permanently restricted. Donor restrictions should be in writing, to ensure proper treatment.

Scope: This procedure applies to funds received that are classified as temporarily or permanently restricted.

Responsibilities:

~~School Site Accountant~~ EdTec is responsible for recording restricted donations and releases from restrictions properly in the accounting system. ~~EdTec~~

~~Finance Manager~~ EdTec is also responsible for periodic reconciliation of restricted asset totals and monitoring restrictions to determine whether they have been met.

Chief Financial Officer is responsible for monitoring of restrictions and determining whether fulfilling restrictions can be viable for the Organization.

Definition:

Unrestricted Net Assets - net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Temporarily Restricted Net Assets - net assets whose use are limited by donors to either a specified purpose or a later date. Pledges receivable are considered to be temporarily restricted because of an inference that uncollected amounts are intended for future periods.

Permanently Restricted Net Assets - net assets whose use are restricted in perpetuity, such as endowments.

Procedure:

1.0 RESTRICTED FUNDS

- 1.1 At the time revenue is earned by the Organization, the ~~School Site Accountant~~ Financial Analysts with the support of EdTec will review any related documentation associated with the revenue to determine whether there are any restrictions on the money. Examples of restrictions are individual donations given with the intent of supporting a particular program or campaign, a grant received to operate a specific program or project, and donations received to hold in perpetuity. This information can be found on the award letter or on the financial instrument itself. If the revenue is determined to contain restrictions, ~~the School Site Accountant~~ EdTec will record in a separate class in the accounting system to keep separate from unrestricted funds. ~~The School Site Accountant should also track the funds in a separate spreadsheet to aid with reconciliation at the fiscal year end.~~
- 1.2 **Temporarily Restricted Funds** – These funds will be monitored for satisfaction of donor restrictions on a regular basis. Once stipulations are met, they are reclassified from temporarily restricted funds to unrestricted funds regardless of when the related expenses will occur. This is known as “net assets released from restrictions.”
- 1.3 **Permanently Restricted Funds** – These funds are restricted by the donor for a designated purpose or time restriction that will never expire. The intent is that the principle balance of the contribution will remain as an investment forever, and the Organization will utilize the interest and investment returns, such as with an endowment.

2.0 ACCOUNTING FOR RESTRICTED FUNDS

- 2.1 In addition to the obligation to its donors, the Organization is bound by law to spend contributed dollars as designated. If a condition on restricted funding has not been fulfilled and the money has been spent, the donor can demand that the funds be returned, pursue legal action, or contact the Office of the Attorney General. It is of the utmost importance that donor restricted funds are handled properly.
- 2.2 Do not budget to spend money unavailable to Organization. When planning and budgeting, be mindful of any and all of the time and activity restrictions present on restricted funds. Understand how restrictions will impact cash flow and availability of funds.
- 2.3 Educate staff and board members who are accountable for the Organization’s financial decisions so that they fully understand funding restrictions. Know when the restrictions are satisfied and how to release the funds from restriction.
- 2.4 When analyzing financial reports, pay close attention to unrestricted funds and, unless you are making decisions regarding programming for which the funds have been restricted, avoid basing decisions on restricted funds. Try to focus your attention on the “Unrestricted” amounts. Formatting financial report with columns that delineate unrestricted and restricted funds can be very helpful.

- 2.5 Most restrictions on funds directly relate to the grant or fundraising request. When researching and applying for grants, be aware of any challenges that potential restrictions could present to the Organization.
- 2.6 Fundraising letters and appeals can inadvertently place restrictions on donations. Be certain that managers and donors understand the purpose of contributed dollars and understand if restrictions are present. Also, be certain that staff charged with fundraising understand that appeals can lead to restricted gifts.
- 2.7 Work with staff to understand the true cost of programming. Allocate all direct costs associated with a program. These allocations help to prepare more accurate budgets for grants and fundraising appeals, and better utilize contributions restricted to specific programs to ease the pressure on limited general operating dollars.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
1	11/7/12 11/15/15	Change in responsibilities responsibilities	Oswaldo Diaz, CFO

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SOP # INV102 Revision: 10
Effective Date: ~~2/14/13~~ 11/12/15

Prepared by: Central Office
Approved by: BOD

Title: INV102 FIXED ASSET CAPITALIZATION & DEPRECIATION

Policy: Asset acquisitions with a useful life expectancy of greater than one year and with a minimum threshold amount as specified by the Chief Financial Officer should be capitalized by the Organization and depreciated.

Purpose: The purpose of this procedure is to delineate the capitalization and depreciation methods for various asset groups.

Scope: All acquisitions of capital assets for the Organization.

Definitions: Capitalization - Capitalization is the method chosen to record the purchase of a fixed asset on the Organization's accounting books. If an asset is capitalized then it is not expensed in the same year the asset is purchased. Instead the asset is generally recorded on the balance sheet and individually on an asset schedule. Examples of capital expenditures are purchases of land, buildings, machinery, office equipment, leasehold improvements and vehicles. The asset is expensed each year as depreciation.

Depreciation - is an annual income tax deduction that allows the write-down or write-off of the cost of the asset over its estimated useful life to recover the cost or other basis of certain property over the time the property is used. It is an allowance expense for the wear and tear, age, deterioration, or obsolescence of the property.

As an asset ages and is used by the Organization, its value declines. It, in effect, becomes worth less and less over time. The declining value or usefulness of the asset over time is represented as a discount that is applied to the original purchase price. At the end of the asset's depreciation period, (and/or useful life), its value on the balance sheet will be zero, or fully-depreciated. At the same time, the individual depreciation expenses will have all been recorded on the income statement.

Note: Land is not depreciated because land does not wear out, become obsolete, or get used up. But, the building on the land is depreciated. Land is generally viewed as an appreciating asset while all other capital assets are generally viewed as depreciating over time, with use. But, unlike depreciation, an asset's appreciation is not recorded on the books until the asset is sold, which is when the assets appreciation is realized.

Cost basis – The total amount paid for the asset, in cash or kind, is considered the “cost-basis”. This should include all charges relating to the purchase, such as the purchase price, freight charges and installation, if applicable. The cost basis is not the market value or list price of the

asset. It is the total amount invested in the purchase or the total amount paid.

Procedure:

1.0 CAPITALIZATION

- 1.1 All assets with a useful life of greater than one year and costing more than \$5,000 will be capitalized and (except for land) will be recorded in the depreciation records.

Bulk computer, software, and other technology purchases with an aggregate value of \$25,000 or more are captured as fixed assets regardless of individual price of item.

In addition, remodeling modifications and replacement costs of integral structural components are only capitalized when such costs incurred exceed \$50,000. Depreciation or amortization is computed on the straight-line basis over the useful lives of the assets.

Any asset that does not meet the above criteria will be expensed such as small tools and equipment or repairs and maintenance.

- 1.2 The cost basis of furniture and equipment assets will include all charges relating to the purchase of the asset including the purchase price, freight charges and installation if applicable.
- 1.3 Leasehold improvements including painting are to be capitalized if they relate to the occupancy of a new office or a major renovation of an existing office or site. Expenditures incurred in connection with maintaining an existing facility in good working order should be expensed as a repair.
- 1.4 The cost of buildings should include all expenditures related directly to its acquisition or construction. This cost includes materials, labor and overhead incurred during construction, and fees, such as attorney's and architect's and building permits.
- 1.5 Maintain proper files on the details to all acquisitions, expenditures, and maintenance performed on all assets. These records are vital for proper tax preparation and are used during yearly tax reporting and planning.

2.0 DEPRECIATION

- 2.1 The depreciation methods/lives for assets must be selected at the time the asset is first placed into service in order to ensure consistent financial reporting and tax compliance.

The Organization uses the straight-line method of depreciation.

The following represents a sample of the useful lives that the Organization may use for financial reporting purposes:

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor	20
Buildings		20 - 50
HVAC systems	Heating, ventilation, and air systems	10 - 20
Roofing		20
Interior construction	Leasehold improvements	20 - 25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, tanks	20
Machinery & tools	Shop & maintenance equipment,	3 - 15
Custodial equipment	Floor scrubbers, vacuums, other	7 - 15
Furniture & accessories	Classroom & other furniture	10 - 20
Business machines	Fax, duplicating & printing	3 - 10
Copiers		3 - 10
Communication equipment	Mobile, portable radios	3 - 7
Computer hardware	PCs, printers, network hardware	3 - 5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still & digital)	5 - 10
Athletic equipment	Wrestling mats, weight machines	7 - 10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	5 - 10

- 2.2 The lowest life permitted by tax regulations for asset classes should be selected to optimize depreciation deductions.
- 2.3 Regardless of the depreciation rate required an Organization can elect to use a different method for financial statement purposes. Such method should be justified based on the expected useful life of the asset.
- 2.4 Depreciation will be recorded in the accounting system at the end of the fiscal year.

Revision History:

Revision	Date	Description of changes	Requested By
0	2/14/13	Initial Release	
<u>1</u>	<u>11/12/15</u>	<u>Revision of capitalization policy relating to technology aggregate purchases</u>	<u>Oswaldo Diaz, CFO</u>

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MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item	II B
Date:	November 12, 2015
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Oswaldo Diaz, Chief Financial Officer
RE:	Approval of Revised 2015-16 Budget and Required Ongoing Contracts

Proposed Board Recommendation

I move that the Board approves the Approval of Revised 2015-16 Budget and Required Ongoing Contracts as presented in the board agenda, item III B.

The revised budget is a balanced budget. It reflects a reduction in anticipated revenue of \$1,675,123 due to lower than anticipated enrollment, offset by a reduction in expenditures of \$644,270 and of current year net operating reserves of \$1,030,853. All schools continue to maintain a five percent reserve in current annual revenue.

Background and Overall Assumptions

The proposed revised 2015-16 budget is presented for review and approval, and includes revised assumptions based on Average Daily Attendance (ADA), the State budget update, and actual operational expenses for the quarter ended September 30, 2015. The operating budget does not include capital expenditures and revenue or prior year reserves.

Final June State budget approval included slightly lower Local Control Funding Formula (LCFF) implementation rate. The final gap closure percentage of 51.52% was lower than the May revised rate of 53%. However, the One-Time Mandated Block Grant funding was not available at the time when the Board approved the FY 2015-16 MPS budget in June 2015, and has been included in the revised budget. The One-Time Mandated Block Grant provides an average of \$530 per ADA more than anticipated in the original 2015-16 budget, based on the information reported at the 2014-15 P2.

MPS One-Time Mandated Block Grant

Charter Number	MPS School	2014-15 P-2 ADA	Total Entitlement
0438	Magnolia Science Academy	511.86	\$ 270,922
0906	Magnolia Science Academy 2	438.11	\$ 231,887
0917	Magnolia Science Academy 3	433.47	\$ 229,430
0986	Magnolia Science Academy 4	213.76	\$ 113,141
0987	Magnolia Science Academy 5	103.15	\$ 54,596
0988	Magnolia Science Academy 6	160.49	\$ 84,945
0989	Magnolia Science Academy 7	281.40	\$ 148,942

1236	Magnolia Science Academy Bell	475.84	\$	251,857
1686	Magnolia Science Academy - Santa Ana	157.11	\$	83,156
0698	Magnolia Science Academy San Diego	356.35	\$	188,612
1116	Magnolia Science Academy Santa Clara	464.55	\$	245,879
Total 2015-16 One-Time Mandated Block Grant			\$	1,903,367

Actual school enrollment was lower than expected due in part to the relocation of the Santa Clara school site, higher enrollment projections in Santa Ana. School enrollment had slight enrollment variances for MSA-4 and MSA-5.

Enrollment	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
K-3	192	184	(8)
4-6	1,018	864	(154)
7-8	1,752	1,539	(213)
9-12	1,001	861	(140)
Total Enrolled	3,963	3,448	(515)

State Lottery had a slight increase from budget estimates of \$145 per ADA to \$181 per ADA.

Revenues

The major source of revenue to Magnolia Public Schools (MPS) is the Local Control Funding Formula (LCFF) apportionment calculated on a base revenue formula per unit of Average Daily Attendance (ADA). These unrestricted revenues are based upon each school’s ADA multiplied by the LCFF applicable to each of the schools.

Consolidated MPS Budget revenue (excluding home office revenue) has decreased \$1.86 million from the Board approved budget totaling \$40.7 million to the revised budget of \$38.8 million due in part to the lower student enrollment. MPS’ revenue decrease was partially mitigated by the addition of the One-Time Mandated Block Grant that increased revenue by a total of \$ 1.9 million.

MPS Consolidated Budget Revenue (Excluding Home Office)

Revenue	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
General Block Grant	32,779,494	28,758,133	(4,021,361)
Federal Revenue	3,007,282	3,129,979	122,697
Other State Revenues	4,288,085	6,266,250	1,978,165
Local Revenues	357,500	479,876	122,376

Fundraising and Grants	283,000	216,000	(67,000)
Total Revenue	40,715,361	38,850,238	(1,865,123)

Expenditures

Total salaries and benefits have been revised downward by \$1.7 million reflecting the lower than expected student enrollment. The revised decrease in salaries and benefits is primarily due to the decrease in salaries and benefits of MSA-SC totaling \$1.0 million.

Books and supplies increased \$1.0 million from the previous Board approved budget due to computer equipment and core curriculum materials that have been included in the revised budget.

MPS Consolidated Budget Expenses (Excluding Home Office)

Expenses	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
Compensation and Benefits	21,154,734	19,438,224	1,716,510
Books and Supplies	3,893,005	4,903,593	(1,010,588)
Services and Other Operating Expenditures	13,052,099	12,935,952	116,146
Capital Outlay	261,807	41,144	220,663
Total Expenses	38,361,644	37,318,912	1,042,732

Home Office Budget

Revenue

The home office is funded by service fees charged to the schools based on a board approved formula. The original budget assumed \$25,000 fundraising or grants revenue, an overly conservative estimate. Overall, home office revenue increased \$190,000 due to a projected increase in fundraising and grants related efforts totaling \$250,000. Projected revenue is offset by the waiving of CMO fees totaling \$60,000 from MSA-SC.

Expenditures

Total expenditures increased \$398,000 primarily due to an increase in Compensation and Benefits related to new non-budgeted positions in academic, regional leadership, and accounting and human resources. The increase was offset by the removal of two business positions that had been included in the budget of FY 2015-16, but will not be hired until FY 2016-17. Services and other operating expenditures increased by a net of \$34,000.

MPS Home Office Budget

	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
Local Revenues	4,787,533	4,727,533	(60,000)
Fundraising and Grants	-	250,000	250,000
Total Revenue	4,787,533	4,977,533	190,000
Expenses			
Compensation and Benefits	2,415,009	2,778,672	(363,662)
Books and Supplies	87,874	87,874	-
Services and Other Operating Expenditures	2,056,672	2,091,472	(34,800)
Capital Outlay	-	-	-
Total Expenses	4,559,555	4,958,018	(398,462)
Operating Income (excluding Depreciation)	227,978	19,515	(208,462)

MPS Consolidated Budget (Including Home Office)

	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
Revenue			
General Block Grant	32,779,494	28,758,133	(4,021,361)
Federal Revenue	3,007,282	3,129,979	122,697
Other State Revenues	4,288,085	6,266,250	1,978,165
Local Revenues	5,145,033	5,207,410	62,376
Fundraising and Grants	283,000	466,000	183,000
Total Revenue	45,502,894	43,827,772	(1,675,123)
Expenses			
Compensation and Benefits	23,569,743	22,216,895	1,352,848
Books and Supplies	3,980,879	4,991,467	(1,010,588)
Services and Other Operating Expenditures	15,108,771	15,027,424	81,346
Capital Outlay	261,807	41,144	220,663
Total Expenses	42,921,200	42,276,930	644,270
Operating Income (excluding Depreciation)	2,581,695	1,550,841	(1,030,853)

Recurring Consultant Contracts

Background

Magnolia Public Schools enters into contracts to secure professional and educational services for the benefit of its student population. New and recurring contracts relate to school operations, construction projects, and academic services approved by the Board for the educational and operational requirements of the schools in accordance with Board delegated authority to the CEO.

The contracts presented are within the budget authority previously approved by the Board and included in the Board approved budget for FY 2015-16.

<u>Contractor</u>	<u>Description</u>	<u>Source of Funds</u>	<u>Monthly Amount</u>
Arnoldo S Torres	Community Engagement and Advocacy Consultant. Assist MPS to identify and integrate resources and services from the community to strengthen school programs, family practices, and student learning and development.	General Unrestricted	\$ 5,000
Bob Burke & Company	Community Engagement and Advocacy Consultant. Assist MPS to identify and integrate resources and services from the community to strengthen school programs, family practices, and student learning and development.	General Unrestricted	\$3,000
Dave Cunningham & Associates	Community Engagement and Advocacy Consultant. Assist MPS to identify and integrate resources and services from the community to strengthen school programs, family practices, and student learning and development.	General Unrestricted	\$3,000
Larson Communications	Marketing and Communications	General Unrestricted	\$12,000

<u>Contractor</u>	<u>Description</u>	<u>Source of Funds</u>	<u>Hourly Amount</u>
Century Group Professionals, LLC	Temporary finance and accounting staff to perform various roles in purchasing and accounts payable.	General Unrestricted	Hourly rate ranging from \$40 to \$45
Accountemps	Temporary finance and accounting staff to perform various roles in payroll, accounts payable, and purchasing.	General Unrestricted	Hourly rate ranging from \$29 to \$37
21st Century Staffing LLC	Substitute teachers	General Unrestricted	Daily rate of \$130 - \$160
Teachers on Reserve	Substitute Teachers	General Unrestricted	Daily Rate of \$30 - \$35
Law Offices of Young, Minney & Corr, LLP	Legal services	General Unrestricted	Hourly rate of \$215 to \$250
Law Offices of Nadadur S. Kumar	Immigration lawyer	General Unrestricted	\$12,000 per petition
Law Offices of William M. Nassar & Assoc.	Legal Services	General Unrestricted	Hourly rate ranging from \$200 to \$310
Musick, Peeler & Garrett LLP	Legal Services	General Unrestricted	Hourly rate \$485

Name of Staff Originator: Oswaldo Diaz, Chief Financial Officer

Magnolia Science Academy 1
Proposed Revised Budget FY 2015-16

	Budget		Variance (Budget vs. Current Forecast)
	Approved Budget	Forecast (Proposed Revised Budget)	

SUMMARY

Revenue			
General Block Grant	4,910,326	4,914,540	4,214
Federal Revenue	715,235	737,286	22,051
Other State Revenues	1,034,658	1,306,172	271,514
Local Revenues	34,000	34,000	-
Fundraising and Grants	35,000	35,000	-
Total Revenue	6,729,220	7,026,998	297,779

Expenses			
Compensation and Benefits	3,037,855	3,164,092	(126,237)
Books and Supplies	927,664	928,664	(1,000)
Services and Other Operating Exp	2,698,001	2,705,608	(7,607)
Capital Outlay	-	10,400	(10,400)
Total Expenses	6,663,521	6,808,765	(145,244)

Operating Income (excluding Deprecial	65,699	218,234	152,535
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<i>Operating Income (including Depreciation)</i>	30,699	152,066	121,367
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Fund Balance

Beginning Balance (Unaudited)	-	2,101,135	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	2,101,135	
Operating Income (including Depr	30,699	152,066	
Ending Fund Balance (including Depre	30,699	2,253,201	

Total Enrolled	550	542	(8)
Total ADA	533.5	525.7	(8)

REVENUE

LCFF Entitlement

8011	Charter Schools LCFF - State Aid	3,407,053	3,274,065	(132,988)
8012	Education Protection Account Entitle	702,273	775,753	73,480
8096	Charter Schools in Lieu of Property 1	801,000	864,721	63,721
		4,910,326	4,914,540	4,214

8100 Federal Revenue

8181	Special Education - Entitlement	105,985	104,444	(1,542)
8220	Child Nutrition Programs	378,550	378,550	-
8291	Title I	210,000	202,757	(7,243)
8292	Title II	2,700	8,035	5,335

Magnolia Science Academy 1
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8293	Title III	18,000	41,984	23,984
8297	PY Federal - Not Accrued	-	1,516	1,516
SUBTOTAL - Federal Income		715,235	737,286	22,051
8300 Other State Revenues				
8319	Other State Apportionments - Prior Y	-	1,322	1,322
8381	Special Education - Entitlement (Stal	298,611	294,267	(4,343)
8520	Child Nutrition - State	34,648	34,648	-
8545	School Facilities Apportionments	450,000	394,305	(55,695)
8550	Mandated Cost Reimbursements	20,000	14,884	(5,116)
8560	State Lottery Revenue	81,400	95,159	13,759
8590	All Other State Revenue	-	321,588	321,588
8593	ASES	150,000	150,000	-
SUBTOTAL - Other State Income		1,034,658	1,306,172	271,514
8600 Other Local Revenue				
8634	Food Service Sales	5,000	5,000	-
8636	Uniforms	10,000	10,000	-
8690	Other Local Revenue	19,000	19,000	-
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		34,000	34,000	-
8800 Donations/Fundraising				
8803	Fundraising	35,000	35,000	-
SUBTOTAL - Fundraising and Grar		35,000	35,000	-
TOTAL REVENUE		6,729,220	7,026,998	297,779
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	1,732,854	1,757,093	(24,238)
1300	Certificated Supervisor & Adminis	358,176	378,034	(19,858)
SUBTOTAL - Certificated Employee		2,091,030	2,135,127	(44,097)
Classified Employees Summary				
2400	Classified Clerical & Office Salarie	95,539	164,213	(68,675)
2900	Classified Other Salaries	176,124	175,674	450

Magnolia Science Academy 1
Proposed Revised Budget FY 2015-16

				Budget		
				Forecast	Variance	
				(Proposed Revised	(Budget vs.	
				Budget)	Current Forecast)	
				Approved Budget		
SUBTOTAL - Classified Employees				271,663	339,887	(68,225)
3000	Employee Benefits					
3100	STRS	219,539		223,057		(3,518)
3200	PERS	15,602		18,900		(3,298)
3300	OASDI-Medicare-Alternative	53,892		60,164		(6,272)
3400	Health & Welfare Benefits	266,500		307,500		(41,000)
3500	Unemployment Insurance	38,039		32,281		5,759
3600	Workers Comp Insurance	30,715		32,175		(1,460)
3900	Other Employee Benefits	50,875		15,000		35,875
SUBTOTAL - Employee Benefits				675,163	689,078	(13,915)
4000	Books & Supplies					
4100	Approved Textbooks & Core Curricul	250,000		250,000		0
4200	Books & Other Reference Materials	26,000		26,000		-
4315	Custodial Supplies	34,000		34,000		-
4320	Educational Software	38,000		32,850		5,150
4325	Instructional Materials & Supplies	-		5,150		(5,150)
4326	Art & Music Supplies	-		5,000		(5,000)
4330	Office Supplies	30,000		29,500		500
4340	Professional Development Supplies	-		1,000		(1,000)
4345	Non Instructional Student Materials &	50,000		45,000		5,000
4346	Teacher Supplies	-		500		(500)
4400	Noncapitalized Equipment	70,000		70,000		-
4410	Classroom Furniture, Equipment & S	5,000		5,000		-
4420	Computers (individual items less tha	15,000		13,187		1,813
4430	Non Classroom Related Furniture, E	-		1,813		(1,813)
4700	Food	409,664		409,664		-
SUBTOTAL - Books and Supplies				927,664	928,664	(1,000)
5000	Services & Other Operating Expenses					
5101	Shared Management Fee - CMO	873,103		873,103		(0)
5200	Travel & Conferences	40,000		36,768		3,232
5210	Conference Fees	-		3,000		(3,000)
5215	Travel - Mileage, Parking, Tolls	-		500		(500)
5300	Dues & Memberships	7,000		7,854		(854)
5450	Insurance - Other	41,250		41,250		-
5500	Operations & Housekeeping	29,400		29,400		-
5510	Utilities - Gas and Electric	42,600		42,600		-
5605	Equipment Leases	24,000		24,000		-
5610	Rent	600,000		600,000		-
5611	Prop 39 Related Costs	-		-		-

Magnolia Science Academy 1
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5615	Repairs and Maintenance - Building	36,000	35,000	1,000
5617	Repairs and Maintenance - Other Eq	-	1,000	(1,000)
5803	Accounting Fees	-	5,000	(5,000)
5808	Service 3	-	-	-
5809	Banking Fees	1,500	1,500	-
5813	School Programs - After School Prog	150,000	150,000	-
5814	School Programs - Academic Comp	-	100	(100)
5819	School Programs - Other	50,000	49,900	100
5820	Consultants - Non Instructional	29,000	24,000	5,000
5821	Consultants - Non Instructional - Cus	-	-	-
5822	Other Professional Services	70,000	69,000	1,000
5824	District Oversight Fees	49,103	49,145	(42)
5830	Field Trips Expenses	20,000	20,000	-
5843	Interest - Loans Less than 1 Year	283,876	283,876	-
5845	Legal Fees	20,000	20,000	-
5851	Marketing and Student Recruiting	18,000	18,000	-
5857	Payroll Fees	250	3,366	(3,116)
5861	Prior Yr Exp (not accrued)	-	1,502	(1,502)
5863	Professional Development	85,000	86,900	(1,900)
5869	Special Education Contract Instructo	50,000	50,000	-
5872	Special Education Encroachment	80,919	79,742	1,177
5884	Substitutes	53,200	54,280	(1,080)
5887	Technology Services	28,200	28,200	0
5893	Transportation - Student	-	1,000	(1,000)
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	9,600	9,600	-
5915	Postage and Delivery	6,000	6,022	(22)
SUBTOTAL - Services & Other Ope		2,698,001	2,705,608	(7,607)
6000	Capital Outlay			
6200	Buildings & Improvement of Building	-	10,400	(10,400)
SUBTOTAL - Capital Outlay		-	10,400	(10,400)
TOTAL EXPENSES		6,663,521	6,808,765	(145,244)
6900	Total Depreciation (includes Prior	35,000	76,567	(41,567)
TOTAL EXPENSES including Depreciation		6,698,521	6,874,932	(176,411)

Magnolia Science Academy 2
Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	4,330,206	4,221,852	(108,354)
Federal Revenue	242,378	297,775	55,397
Other State Revenues	363,289	643,821	280,531
Local Revenues	55,000	99,256	44,256
Fundraising and Grants	25,000	25,000	-
Total Revenue	5,015,874	5,287,703	271,830
Expenses			
Compensation and Benefits	2,703,724	2,472,466	231,258
Books and Supplies	423,562	683,524	(259,962)
Services and Other Operating Exp	1,770,647	1,789,873	(19,226)
Capital Outlay	-	-	-
Total Expenses	4,897,933	4,945,863	(47,930)
Operating Income (excluding Depreciat	117,940	341,841	223,900
<i>Operating Income (including Depreciation)</i>	68,694	307,117	238,422
Fund Balance			
Beginning Balance (Unaudited)	-	987,700	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	987,700	
Operating Income (including Depr	68,694	307,117	
Ending Fund Balance (including Depre	68,694	1,294,817	
Total Enrolled	495	485	(10)
Total ADA	482.6	472.9	(10)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	2,987,772	2,761,831	(225,941)
8012 Education Protection Account Entitle	621,173	682,251	61,078
8096 Charter Schools in Lieu of Property 1	721,261	777,771	56,510
	4,330,206	4,221,852	(108,354)
8100 Federal Revenue			
8181 Special Education - Entitlement	95,878	93,941	(1,937)
8291 Title I	135,000	128,406	(6,594)

Magnolia Science Academy 2
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8292	Title II	2,000	-	(2,000)
8293	Title III	9,500	1,131	(8,369)
8296	Other Federal Revenue	-	74,297	74,297
SUBTOTAL - Federal Income		242,378	297,775	55,397
8300 Other State Revenues				
8319	Other State Apportionments - Prior Y	-	335	335
8381	Special Education - Entitlement (Stal	270,135	264,678	(5,457)
8382	Special Education Reimbursement (S	10,012	10,012	-
8550	Mandated Cost Reimbursements	10,765	11,895	1,130
8560	State Lottery Revenue	72,377	85,590	13,213
8590	All Other State Revenue	-	271,310	271,310
SUBTOTAL - Other State Income		363,289	643,821	280,531
8600 Other Local Revenue				
8636	Uniforms	30,000	30,000	-
8682	Summer Program	-	43,951	43,951
8690	Other Local Revenue	10,000	10,000	-
8693	Field Trips	15,000	15,000	-
8720	Refunds	-	305	305
SUBTOTAL - Local Revenues		55,000	99,256	44,256
8800 Donations/Fundraising				
8802	Donations - Private	-	100	100
8803	Fundraising	25,000	24,900	(100)
SUBTOTAL - Fundraising and Grant		25,000	25,000	-
TOTAL REVENUE		5,015,874	5,287,703	271,830
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	1,581,425	1,472,237	109,188
1300	Certificated Supervisor & Adminis	297,358	234,598	62,759
SUBTOTAL - Certificated Employee		1,878,782	1,706,835	171,947
Classified Employees Summary				

Magnolia Science Academy 2
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
2100	Classified Instructional Aide Salar	-	-	-
2200	Classified Support Salaries	-	-	-
2300	Classified Supervisor & Administr	-	-	-
2400	Classified Clerical & Office Salarie	130,636	165,006	(34,370)
2600	Classified Bonuses & Extra Pay	-	-	-
2900	Classified Other Salaries	50,421	59,766	(9,345)
SUBTOTAL - Classified Employees		181,058	224,772	(43,715)
3000	Employee Benefits			
Employee Benefits Summary				
3100	STRS	193,018	177,177	15,841
3200	PERS	18,891	22,900	(4,009)
3300	OASDI-Medicare-Alternative	46,048	45,047	1,001
3400	Health & Welfare Benefits	324,000	266,663	57,337
3500	Unemployment Insurance	1,030	961	69
3600	Workers Comp Insurance	30,898	25,111	5,787
3900	Other Employee Benefits	30,000	3,000	27,000
SUBTOTAL - Employee Benefits		643,885	540,859	103,026
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	170,000	260,000	(90,000)
4200	Books & Other Reference Materials	30,000	30,000	-
4315	Custodial Supplies	6,000	6,000	-
4320	Educational Software	10,000	10,000	-
4325	Instructional Materials & Supplies	-	13,500	(13,500)
4326	Art & Music Supplies	-	1,500	(1,500)
4330	Office Supplies	35,000	25,000	10,000
4335	PE Supplies	-	1,000	(1,000)
4340	Professional Development Supplies	-	2,000	(2,000)
4345	Non Instructional Student Materials &	35,000	34,000	1,000
4346	Teacher Supplies	-	250	(250)
4350	Uniforms	-	500	(500)
4400	Noncapitalized Equipment	15,000	15,000	-
4410	Classroom Furniture, Equipment & S	25,000	25,000	-
4420	Computers (individual items less tha	-	160,968	(160,968)
4700	Food	97,562	97,562	-
4720	Other Food	-	1,244	(1,244)
SUBTOTAL - Books and Supplies		423,562	683,524	(259,962)
Books & Supplies Summary				
4100	Approved Textbooks & Core Curri	170,000	260,000	(90,000)
4200	Books & Other Reference Material	30,000	30,000	-

Magnolia Science Academy 2
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
4300	Materials & Supplies	86,000	93,750	(7,750)
4400	Noncapitalized Equipment	40,000	200,968	(160,968)
4700	Food	97,562	98,806	(1,244)
SUBTOTAL - Books and Supplies		423,562	683,524	(259,962)
5000	Services & Other Operating Expenses			
5101	Shared Management Fee - CMO	873,103	873,103	(0)
5200	Travel & Conferences	10,000	8,038	1,962
5210	Conference Fees	30,000	30,714	(714)
5215	Travel - Mileage, Parking, Tolls	-	200	(200)
5300	Dues & Memberships	6,000	6,000	-
5450	Insurance - Other	37,125	37,125	-
5500	Operations & Housekeeping	8,400	8,400	-
5605	Equipment Leases	14,400	14,400	-
5610	Rent	144,000	144,000	-
5615	Repairs and Maintenance - Building	6,000	5,000	1,000
5617	Repairs and Maintenance - Other Eq	-	1,000	(1,000)
5803	Accounting Fees	-	8,345	(8,345)
5809	Banking Fees	1,000	1,000	-
5813	School Programs - After School Prog	-	1,105	(1,105)
5814	School Programs - Academic Comp	-	1,000	(1,000)
5815	Consultants - Instructional	75,000	75,000	-
5819	School Programs - Other	-	3,000	(3,000)
5820	Consultants - Non Instructional	26,345	18,000	8,345
5822	Other Professional Services	60,000	56,000	4,000
5824	District Oversight Fees	43,302	42,219	1,084
5830	Field Trips Expenses	35,000	35,000	-
5843	Interest - Loans Less than 1 Year	1,000	1,000	-
5845	Legal Fees	30,000	30,000	-
5851	Marketing and Student Recruiting	24,000	24,000	-
5857	Payroll Fees	300	3,686	(3,386)
5861	Prior Yr Exp (not accrued)	-	13,888	(13,888)
5863	Professional Development	119,946	118,000	1,946
5869	Special Education Contract Instructo	60,000	60,000	-
5872	Special Education Encroachment	73,203	71,724	1,479
5884	Substitutes	58,923	60,326	(1,403)
5887	Technology Services	28,200	28,200	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	-	5,020	(5,020)
5915	Postage and Delivery	5,400	5,380	20
SUBTOTAL - Services & Other Ope		1,770,647	1,789,873	(19,226)

Magnolia Science Academy 2

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
Services & Other Operating Expenditures Summary				
5100	Subagreements for Services	873,103	873,103	(0)
5200	Travel & Conferences	40,000	38,952	1,048
5300	Dues & Memberships	6,000	6,000	-
5400	Insurance	37,125	37,125	-
5500	Operations & Housekeeping	8,400	8,400	-
5600	Rentals, Leases, & Repairs	164,400	164,400	-
5800	Other Services & Operating Expen	636,219	651,492	(15,273)
5900	Communications	5,400	10,400	(5,000)
	SUBTOTAL - Services & Other Ope	1,770,647	1,789,873	(19,226)
6000	Capital Outlay			
	SUBTOTAL - Capital Outlay	-	-	-
	TOTAL EXPENSES	4,897,933	4,945,863	(47,930)

Magnolia Science Academy 3

Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	4,366,759	4,062,033	(304,726)
Federal Revenue	613,936	601,468	(12,468)
Other State Revenues	662,571	941,388	278,817
Local Revenues	5,500	34,509	29,009
Fundraising and Grants	10,000	10,000	-
Total Revenue	5,658,766	5,649,398	(9,368)
Expenses			
Compensation and Benefits	2,661,639	2,661,541	98
Books and Supplies	741,354	787,954	(46,600)
Services and Other Operating Exp	1,733,232	1,791,208	(57,976)
Capital Outlay	-	-	-
Total Expenses	5,136,225	5,240,703	(104,478)
Operating Income (excluding Depreciat	522,541	408,695	(113,846)
<i>Operating Income (including Depreciation)</i>	472,541	396,165	(76,376)
Fund Balance			
Beginning Balance (Unaudited)	-	513,286	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	513,286	
Operating Income (including Depr	472,541	396,165	
Ending Fund Balance (including Depre	472,541	909,451	
Total Enrolled	470	465	(5)
Total ADA	451.2	446.4	(5)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	3,081,289	2,688,169	(393,120)
8012 Education Protection Account Entitle	608,670	639,638	30,968
8096 Charter Schools in Lieu of Property T	676,800	734,225	57,425
	4,366,759	4,062,033	(304,726)
8100 Federal Revenue			
8181 Special Education - Entitlement	89,789	88,682	(1,107)
8220 Child Nutrition Programs	349,549	349,549	-
8291 Title I	171,288	156,691	(14,597)

Magnolia Science Academy 3
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8292	Title II	3,310	6,395	3,085
8293	Title III	-	151	151
SUBTOTAL - Federal Income		613,936	601,468	(12,468)
8300	Other State Revenues			
8319	Other State Apportionments - Prior Y	-	1,118	1,118
8381	Special Education - Entitlement (Stat	254,364	249,859	(4,505)
8520	Child Nutrition - State	34,955	34,955	-
8545	School Facilities Apportionments	147,060	147,060	-
8550	Mandated Cost Reimbursements	9,000	11,196	2,196
8560	State Lottery Revenue	67,192	80,798	13,606
8590	All Other State Revenue	-	266,402	266,402
8593	ASES	150,000	150,000	-
SUBTOTAL - Other State Income		662,571	941,388	278,817
8600	Other Local Revenue			
8634	Food Service Sales	500	500	-
8682	Summer Program	-	29,009	29,009
8699	All Other Local Revenue	5,000	5,000	-
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		5,500	34,509	29,009
8800	Donations/Fundraising			
8803	Fundraising	10,000	10,000	-
SUBTOTAL - Fundraising and Grant		10,000	10,000	-
TOTAL REVENUE		5,658,766	5,649,398	(9,368)
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	1,296,280	1,396,323	(100,043)
1300	Certificated Supervisor & Adminis	406,500	362,884	43,617
SUBTOTAL - Certificated Employee		1,702,780	1,759,206	(56,426)
Classified Employees Summary				
2400	Classified Clerical & Office Salaric	67,500	62,188	5,312

Magnolia Science Academy 3
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
2900	Classified Other Salaries	281,433	249,183	32,250
	SUBTOTAL - Classified Employees	348,933	311,371	37,562
3000	Employee Benefits			
3100	STRS	179,489	187,952	(8,462)
3200	PERS	34,239	26,322	7,917
3300	OASDI-Medicare-Alternative	53,244	49,548	3,696
3400	Health & Welfare Benefits	247,000	296,194	(49,194)
3500	Unemployment Insurance	33,033	1,032	32,001
3600	Workers Comp Insurance	26,672	26,917	(245)
3900	Other Employee Benefits	36,250	3,000	33,250
	SUBTOTAL - Employee Benefits	609,926	590,965	18,962
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	164,000	204,000	(40,000)
4200	Books & Other Reference Materials	44,000	44,000	-
4320	Educational Software	14,000	14,000	-
4325	Instructional Materials & Supplies	-	16,000	(16,000)
4326	Art & Music Supplies	-	500	(500)
4330	Office Supplies	20,000	10,000	10,000
4345	Non Instructional Student Materials & S	70,000	70,000	-
4346	Teacher Supplies	-	100	(100)
4400	Noncapitalized Equipment	27,000	23,000	4,000
4410	Classroom Furniture, Equipment & S	5,000	6,000	(1,000)
4420	Computers (individual items less tha	20,000	18,500	1,500
4430	Non Classroom Related Furniture, E	-	4,500	(4,500)
4700	Food	377,354	377,354	-
	SUBTOTAL - Books and Supplies	741,354	787,954	(46,600)
5000	Services & Other Operating Expenses			
5101	Shared Management Fee - CMO	873,103	873,103	(0)
5200	Travel & Conferences	20,000	19,500	500
5210	Conference Fees	20,000	20,000	-
5215	Travel - Mileage, Parking, Tolls	-	500	(500)
5300	Dues & Memberships	24,000	24,000	-
5450	Insurance - Other	35,250	35,250	-
5605	Equipment Leases	15,600	15,600	-
5610	Rent	240,000	240,000	-
5615	Repairs and Maintenance - Building	12,000	12,000	-
5803	Accounting Fees	-	5,000	(5,000)
5809	Banking Fees	1,500	1,500	-
5820	Consultants - Non Instructional	29,000	24,000	5,000

Magnolia Science Academy 3
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5822	Other Professional Services	65,000	101,000	(36,000)
5824	District Oversight Fees	43,668	40,620	3,047
5830	Field Trips Expenses	50,000	50,000	-
5845	Legal Fees	20,000	20,000	-
5851	Marketing and Student Recruiting	30,000	30,000	-
5857	Payroll Fees	2,400	3,100	(700)
5861	Prior Yr Exp (not accrued)	-	1,446	(1,446)
5863	Professional Development	55,000	79,000	(24,000)
5869	Special Education Contract Instructo	50,000	50,000	-
5872	Special Education Encroachment	68,831	67,708	1,123
5884	Substitutes	38,880	38,880	0
5887	Technology Services	24,000	24,000	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	9,000	9,000	-
5915	Postage and Delivery	6,000	6,000	-
	SUBTOTAL - Services & Other Ope	1,733,232	1,791,208	(57,976)
6000	Capital Outlay			
	SUBTOTAL - Capital Outlay	-	-	-
	TOTAL EXPENSES	5,136,225	5,240,703	(104,478)
6900	Total Depreciation (includes Prior	50,000	12,530	37,470
	TOTAL EXPENSES including Depreciation	5,186,225	5,253,233	(67,008)

Magnolia Science Academy 4
Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	1,866,585	1,594,460	(272,125)
Federal Revenue	120,178	222,232	102,054
Other State Revenues	152,358	272,664	120,305
Local Revenues	5,000	30,534	25,534
Fundraising and Grants	10,000	10,000	-
Total Revenue	2,154,121	2,129,890	(24,231)
Expenses			
Compensation and Benefits	1,081,300	1,010,597	70,703
Books and Supplies	178,967	227,395	(48,428)
Services and Other Operating Exp	694,178	652,796	41,382
Capital Outlay	-	-	-
Total Expenses	1,954,445	1,890,788	63,657
Operating Income (excluding Depreciat	199,676	239,102	39,426
<i>Operating Income (including Depreciation)</i>	184,676	229,881	45,205
Fund Balance			
Beginning Balance (Unaudited)	-	502,151	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	502,151	
Operating Income (including Depr	184,676	229,881	
Ending Fund Balance (including Depre	184,676	732,033	
Total Enrolled	220	183	(37)
Total ADA	209.0	173.9	(35)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	1,242,992	1,049,126	(193,866)
8012 Education Protection Account Entitle	276,862	259,391	(17,471)
8096 Charter Schools in Lieu of Property T	346,731	285,943	(60,788)
	1,866,585	1,594,460	(272,125)
8100 Federal Revenue			
8181 Special Education - Entitlement	41,520	34,537	(6,983)
8220 Child Nutrition Programs	28,757	23,920	(4,836)
8291 Title I	48,101	58,584	10,483

Magnolia Science Academy 4

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8292	Title II	1,800	-	(1,800)
8293	Title III	-	151	151
8296	Other Federal Revenue	-	104,958	104,958
8297	PY Federal - Not Accrued	-	82	82
SUBTOTAL - Federal Income		120,178	222,232	102,054
8300 Other State Revenues				
8319	Other State Apportionments - Prior Y	-	2,024	2,024
8381	Special Education - Entitlement (Stat	116,981	97,307	(19,674)
8520	Child Nutrition - State	2,897	2,410	(487)
8550	Mandated Cost Reimbursements	-	6,365	6,365
8560	State Lottery Revenue	32,480	31,467	(1,013)
8590	All Other State Revenue	-	133,091	133,091
SUBTOTAL - Other State Income		152,358	272,664	120,305
8600 Other Local Revenue				
8634	Food Service Sales	-	50	50
8636	Uniforms	-	1,655	1,655
8682	Summer Program	-	23,829	23,829
8699	All Other Local Revenue	5,000	5,000	-
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		5,000	30,534	25,534
8800 Donations/Fundraising				
8803	Fundraising	10,000	10,000	-
SUBTOTAL - Fundraising and Grant		10,000	10,000	-
TOTAL REVENUE		2,154,121	2,129,890	(24,231)
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	518,637	459,626	59,011
1300	Certificated Supervisor & Adminis	256,923	278,582	(21,660)
SUBTOTAL - Certificated Employee		775,559	738,208	37,351
Classified Employees Summary				

Magnolia Science Academy 4
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
2400	Classified Clerical & Office Salaries	32,299	36,728	(4,429)
2900	Classified Other Salaries	22,000	22,000	-
SUBTOTAL - Classified Employees		54,299	58,728	(4,429)
3000	Employee Benefits			
3100	STRS	82,981	79,210	3,772
3200	PERS	3,826	4,329	(502)
3300	OASDI-Medicare-Alternative	19,855	15,318	4,536
3400	Health & Welfare Benefits	93,750	105,241	(11,491)
3500	Unemployment Insurance	13,361	398	12,962
3600	Workers Comp Insurance	9,543	9,165	379
3900	Other Employee Benefits	28,125	-	28,125
SUBTOTAL - Employee Benefits		251,442	213,661	37,781
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	31,500	92,200	(60,700)
4200	Books & Other Reference Materials	9,000	9,000	-
4320	Educational Software	5,000	5,000	-
4325	Instructional Materials & Supplies	16,000	10,000	6,000
4330	Office Supplies	-	6,000	(6,000)
4345	Non Instructional Student Materials &	35,000	35,000	0
4400	Noncapitalized Equipment	7,500	-	7,500
4410	Classroom Furniture, Equipment & S	2,000	9,500	(7,500)
4700	Food	72,967	60,695	12,272
SUBTOTAL - Books and Supplies		178,967	227,395	(48,428)
5000	Services & Other Operating Expenses			
5101	Shared Management Fee - CMO	163,707	163,707	0
5200	Travel & Conferences	3,000	3,000	-
5210	Conference Fees	5,000	5,000	-
5300	Dues & Memberships	3,000	3,000	-
5450	Insurance - Other	16,500	13,725	2,775
5605	Equipment Leases	6,000	6,000	-
5610	Rent	141,600	141,600	-
5615	Repairs and Maintenance - Building	1,200	1,200	-
5803	Accounting Fees	-	4,278	(4,278)
5809	Banking Fees	500	500	-
5819	School Programs - Other	12,000	12,000	-
5820	Consultants - Non Instructional	10,278	2,000	8,278
5822	Other Professional Services	56,408	50,130	6,278
5824	District Oversight Fees	18,666	15,945	2,721
5830	Field Trips Expenses	5,000	5,000	-

Magnolia Science Academy 4
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5843	Interest - Loans Less than 1 Year	500	500	-
5845	Legal Fees	5,000	5,000	-
5851	Marketing and Student Recruiting	7,200	7,200	-
5857	Payroll Fees	1,800	2,250	(450)
5861	Prior Yr Exp (not accrued)	-	4,292	(4,292)
5863	Professional Development	10,000	16,000	(6,000)
5869	Special Education Contract Instructo	50,000	50,000	-
5872	Special Education Encroachment	60,819	26,369	34,450
5884	Substitutes	28,000	25,200	2,800
5887	Technology Services	16,800	13,991	2,809
5890	Transcript	-	2,809	(2,809)
5893	Transportation - Student	64,000	64,000	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	3,600	4,500	(900)
5915	Postage and Delivery	3,600	3,600	-
SUBTOTAL - Services & Other Ope		694,178	652,796	41,382
6000	Capital Outlay			
SUBTOTAL - Capital Outlay		-	-	-
TOTAL EXPENSES		1,954,445	1,890,788	63,657
6900	Total Depreciation (includes Prior	15,000	9,221	5,779
TOTAL EXPENSES including Depreciation		1,969,445	1,900,008	69,436

Magnolia Science Academy 5
Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	1,369,146	1,226,157	(142,989)
Federal Revenue	65,198	136,848	71,650
Other State Revenues	106,490	240,694	134,204
Local Revenues	4,000	4,000	-
Fundraising and Grants	3,000	3,000	-
Total Revenue	1,547,833	1,610,699	62,866
Expenses			
Compensation and Benefits	873,235	828,548	44,686
Books and Supplies	104,400	152,900	(48,500)
Services and Other Operating Exp	469,584	471,686	(2,101)
Capital Outlay	-	-	-
Total Expenses	1,447,219	1,453,134	(5,915)
Operating Income (excluding Deprecial	100,614	157,565	56,951
<i>Operating Income (including Depreciation)</i>	82,614	140,364	57,750
Fund Balance			
Beginning Balance (Unaudited)	-	890,631	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	890,631	
Operating Income (including Depr	82,614	140,364	
Ending Fund Balance (including Depre	82,614	1,030,995	
Total Enrolled	170	150	(20)
Total ADA	161.5	142.5	(19)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	895,854	788,030	(107,824)
8012 Education Protection Account Entitle	205,363	203,748	(1,615)
8096 Charter Schools in Lieu of Property 1	267,929	234,380	(33,549)
	1,369,146	1,226,157	(142,989)
8100 Federal Revenue			
8181 Special Education - Entitlement	32,084	28,309	(3,775)
8291 Title I	32,564	32,564	-
8292 Title II	550	511	(39)

Magnolia Science Academy 5
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8293	Title III	-	754	754
8296	Other Federal Revenue	-	74,297	74,297
8297	PY Federal - Not Accrued	-	413	413
SUBTOTAL - Federal Income		65,198	136,848	71,650
8300 Other State Revenues				
8319	Other State Apportionments - Prior Y	-	2,528	2,528
8381	Special Education - Entitlement (Stat	90,395	79,760	(10,635)
8550	Mandated Cost Reimbursements	-	1,466	1,466
8560	State Lottery Revenue	16,095	25,793	9,698
8590	All Other State Revenue	-	66,402	66,402
8593	ASES	-	64,746	64,746
SUBTOTAL - Other State Income		106,490	240,694	134,204
8600 Other Local Revenue				
8636	Uniforms	1,000	1,000	-
8699	All Other Local Revenue	3,000	3,000	-
SUBTOTAL - Local Revenues		4,000	4,000	-
8800 Donations/Fundraising				
8803	Fundraising	3,000	3,000	-
SUBTOTAL - Fundraising and Gar		3,000	3,000	-
TOTAL REVENUE		1,547,833	1,610,699	62,866
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	427,955	394,881	33,074
1300	Certificated Supervisor & Adminis	152,455	156,548	(4,093)
SUBTOTAL - Certificated Employee		580,410	551,430	28,980
Classified Employees Summary				
2400	Classified Clerical & Office Salarie	38,559	39,650	(1,091)
2900	Classified Other Salaries	37,500	60,000	(22,500)
SUBTOTAL - Classified Employees		76,059	99,650	(23,591)

Magnolia Science Academy 5
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
3000	Employee Benefits			
3100	STRS	62,171	59,168	3,002
3200	PERS	4,569	4,568	2
3300	OASDI-Medicare-Alternative	17,579	15,719	1,860
3400	Health & Welfare Benefits	96,000	90,201	5,799
3500	Unemployment Insurance	10,569	326	10,244
3600	Workers Comp Insurance	7,878	7,487	390
3900	Other Employee Benefits	18,000	-	18,000
	SUBTOTAL - Employee Benefits	216,766	177,469	39,297
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	40,000	87,800	(47,800)
4200	Books & Other Reference Materials	7,500	7,500	-
4315	Custodial Supplies	2,400	2,400	-
4320	Educational Software	2,000	2,000	-
4325	Instructional Materials & Supplies	20,000	19,500	500
4330	Office Supplies	-	1,200	(1,200)
4345	Non Instructional Student Materials &	15,000	14,927	73
4350	Uniforms	-	73	(73)
4400	Noncapitalized Equipment	7,000	4,039	2,961
4420	Computers (individual items less tha	-	2,961	(2,961)
4700	Food	10,500	10,500	-
	SUBTOTAL - Books and Supplies	104,400	152,900	(48,500)
5000	Services & Other Operating Expenses			
5101	Shared Management Fee - CMO	65,483	65,483	0
5200	Travel & Conferences	2,000	2,000	-
5210	Conference Fees	5,000	5,000	-
5300	Dues & Memberships	4,200	3,200	1,000
5305	Dues & Membership - Professional	-	1,000	(1,000)
5450	Insurance - Other	11,900	11,900	-
5605	Equipment Leases	6,600	6,600	-
5610	Rent	120,000	120,000	-
5615	Repairs and Maintenance - Building	600	600	-
5617	Repairs and Maintenance - Other Eq	-	2,500	(2,500)
5803	Accounting Fees	-	1,895	(1,895)
5809	Banking Fees	400	400	-
5813	School Programs - After School Prog	-	381	(381)
5819	School Programs - Other	10,000	-	10,000
5820	Consultants - Non Instructional	26,895	25,000	1,895
5822	Other Professional Services	55,216	46,216	9,000
5824	District Oversight Fees	13,691	12,262	1,430

Magnolia Science Academy 5

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5830	Field Trips Expenses	8,000	8,000	-
5843	Interest - Loans Less than 1 Year	400	400	-
5845	Legal Fees	8,000	8,000	-
5851	Marketing and Student Recruiting	7,200	7,200	-
5857	Payroll Fees	1,800	1,800	-
5861	Prior Yr Exp (not accrued)	-	9,915	(9,915)
5863	Professional Development	25,000	34,000	(9,000)
5869	Special Education Contract Instructo	40,000	40,000	-
5872	Special Education Encroachment	18,079	21,614	(3,535)
5884	Substitutes	15,120	15,120	-
5887	Technology Services	14,400	14,400	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	4,800	4,800	-
5915	Postage and Delivery	4,800	2,000	2,800
SUBTOTAL - Services & Other Ope		469,584	471,686	(2,101)
6000	Capital Outlay			
SUBTOTAL - Capital Outlay		-	-	-
TOTAL EXPENSES		1,447,219	1,453,134	(5,915)
6900	Total Depreciation (includes Prior	18,000	17,201	799
TOTAL EXPENSES including Depreciation		1,465,219	1,470,335	(5,116)

Magnolia Science Academy 6
Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	1,309,037	1,375,307	66,270
Federal Revenue	99,722	109,779	10,057
Other State Revenues	119,616	226,103	106,487
Local Revenues	4,000	4,000	-
Fundraising and Grants	10,000	10,000	-
Total Revenue	1,542,375	1,725,189	182,813
Expenses			
Compensation and Benefits	779,091	784,522	(5,431)
Books and Supplies	106,526	215,690	(109,164)
Services and Other Operating Exp	434,422	424,382	10,040
Capital Outlay	-	11,905	(11,905)
Total Expenses	1,320,039	1,436,499	(116,460)
Operating Income (excluding Depreciat	222,336	288,689	66,353
<i>Operating Income (including Depreciation)</i>	210,336	298,194	87,858
Fund Balance			
Beginning Balance (Unaudited)	-	485,437	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	485,437	
Operating Income (including Depr	210,336	298,194	
Ending Fund Balance (including Depre	210,336	783,631	
Total Enrolled	170	168	(2)
Total ADA	166.6	164.6	(2)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	834,385	880,035	45,650
8012 Education Protection Account Entitle	198,263	224,477	26,214
8096 Charter Schools in Lieu of Property 1	276,389	270,795	(5,594)
	1,309,037	1,375,307	66,270
8100 Federal Revenue			
8181 Special Education - Entitlement	33,097	32,707	(389)
8182 Special Education Reimbursement	-	-	-
8220 Child Nutrition Programs	29,472	29,472	-

Magnolia Science Academy 6
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8291	Title I	36,643	46,306	9,663
8292	Title II	510	692	182
8293	Title III	-	602	602
SUBTOTAL - Federal Income		99,722	109,779	10,057
8300 Other State Revenues				
8319	Other State Apportionments - Prior Y	-	445	445
8381	Special Education - Entitlement (Sta	93,249	92,152	(1,097)
8382	Special Education Reimbursement (f	-	-	-
8520	Child Nutrition - State	3,167	3,167	-
8550	Mandated Cost Reimbursements	-	2,281	2,281
8560	State Lottery Revenue	23,200	29,800	6,600
8590	All Other State Revenue	-	98,259	98,259
SUBTOTAL - Other State Income		119,616	226,103	106,487
8600 Other Local Revenue				
8699	All Other Local Revenue	4,000	4,000	-
SUBTOTAL - Local Revenues		4,000	4,000	-
8800 Donations/Fundraising				
8802	Donations - Private	-	5,000	5,000
8803	Fundraising	10,000	5,000	(5,000)
SUBTOTAL - Fundraising and Gran		10,000	10,000	-
TOTAL REVENUE		1,542,375	1,725,189	182,813
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	389,115	401,740	(12,625)
1300	Certificated Supervisor & Adminis	153,400	157,145	(3,745)
SUBTOTAL - Certificated Employe		542,515	558,885	(16,370)
Classified Employees Summary				
2400	Classified Clerical & Office Salarie	40,250	41,125	(875)
2900	Classified Other Salaries	16,000	17,000	(1,000)

Magnolia Science Academy 6
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUBTOTAL - Classified Employees		56,250	58,125	(1,875)
3000	Employee Benefits			
3100	STRS	48,175	59,968	(11,793)
3200	PERS	4,737	4,768	(31)
3300	OASDI-Medicare-Alternative	15,163	12,644	2,520
3400	Health & Welfare Benefits	85,800	82,727	3,073
3500	Unemployment Insurance	9,640	309	9,332
3600	Workers Comp Insurance	7,185	7,096	90
3900	Other Employee Benefits	9,625	-	9,625
SUBTOTAL - Employee Benefits		180,326	167,512	12,814
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	18,000	53,327	(35,327)
4200	Books & Other Reference Materials	5,200	5,295	(95)
4320	Educational Software	1,000	5,518	(4,518)
4325	Instructional Materials & Supplies	6,000	1,609	4,391
4330	Office Supplies	-	424	(424)
4335	PE Supplies	-	953	(953)
4345	Non Instructional Student Materials & S	14,000	12,697	1,303
4346	Teacher Supplies	-	180	(180)
4400	Noncapitalized Equipment	1,000	1,000	-
4410	Classroom Furniture, Equipment & S	-	2,500	(2,500)
4420	Computers (individual items less tha	14,000	84,000	(70,000)
4700	Food	47,326	48,186	(860)
SUBTOTAL - Books and Supplies		106,526	215,690	(109,164)
5000	Services & Other Operating Expenses			
5101	Shared Management Fee - CMO	65,482	65,483	(0)
5200	Travel & Conferences	2,000	1,854	146
5210	Conference Fees	1,000	985	15
5215	Travel - Mileage, Parking, Tolls	-	115	(115)
5300	Dues & Memberships	3,000	1,954	1,046
5305	Dues & Membership - Professional	-	1,000	(1,000)
5450	Insurance - Other	11,050	11,251	(201)
5500	Operations & Housekeeping	3,000	3,000	-
5510	Utilities - Gas and Electric	6,600	6,600	-
5605	Equipment Leases	4,800	4,800	-
5610	Rent	110,400	112,407	(2,007)
5615	Repairs and Maintenance - Building	480	480	-
5803	Accounting Fees	-	4,500	(4,500)
5809	Banking Fees	500	500	-
5819	School Programs - Other	10,000	10,000	-

Magnolia Science Academy 6
Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5820	Consultants - Non Instructional	10,500	6,000	4,500
5822	Other Professional Services	54,109	57,109	(3,000)
5824	District Oversight Fees	13,090	13,753	(663)
5830	Field Trips Expenses	4,000	4,000	-
5843	Interest - Loans Less than 1 Year	500	500	-
5845	Legal Fees	5,000	5,000	-
5851	Marketing and Student Recruiting	6,000	6,000	-
5857	Payroll Fees	1,800	1,772	28
5861	Prior Yr Exp (not accrued)	-	1,313	(1,313)
5863	Professional Development	15,000	21,000	(6,000)
5869	Special Education Contract Instructo	25,000	25,455	(455)
5872	Special Education Encroachment	48,481	24,972	23,509
5884	Substitutes	14,630	14,405	225
5887	Technology Services	9,600	9,775	(175)
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	4,800	4,800	-
5915	Postage and Delivery	3,600	3,600	-
SUBTOTAL - Services & Other Ope		434,422	424,382	10,040
6000 Capital Outlay				
6400	Equipment	-	11,905	(11,905)
SUBTOTAL - Capital Outlay		-	11,905	(11,905)
TOTAL EXPENSES		1,320,039	1,436,499	(116,460)
6900	Total Depreciation (includes Prior	12,000	2,400	9,600
TOTAL EXPENSES including Depreciation		1,332,039	1,426,994	(94,955)

Magnolia Science Academy - 7

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY				
Revenue				
General Block Grant		2,520,779	2,386,946	(133,833)
Federal Revenue		252,632	292,506	39,874
Other State Revenues		558,813	701,489	142,675
Local Revenues		27,000	63,967	36,967
Fundraising and Grants		50,000	50,000	-
Total Revenue		3,409,224	3,494,908	85,684
Expenses				
Compensation and Benefits		1,651,837	1,671,109	(19,272)
Books and Supplies		337,491	357,677	(20,186)
Services and Other Operating Ex		1,258,657	1,238,852	19,805
Capital Outlay		19,000	12,788	6,213
Total Expenses		3,266,985	3,280,425	(13,441)
Operating Income (excluding Depreciat		142,239	214,483	72,244
<i>Operating Income (including Depreciation)</i>		155,439	203,949	48,510
Fund Balance				
Beginning Balance (Unaudited)		764,370	762,024	
Audit Adjustment		-	-	
Beginning Balance (Audited)		764,370	762,024	
Operating Income (including Depr		155,439	203,949	
Ending Fund Balance (including Depre		919,809	965,972	
Total Enrolled		300	291	(9)
Total ADA		294.0	282.3	(12)
LCFF Entitlement				
8011	Charter Schools LCFF - State Aid	1,686,539	1,549,814	(136,725)
8012	Education Protection Account Entitle	346,458	372,863	26,405
8096	Charter Schools in Lieu of Property T	487,781	464,269	(23,512)
		2,520,779	2,386,946	(133,833)
8100	Federal Revenue			
8181	Special Education - Entitlement	58,406	54,300	(4,106)
8220	Child Nutrition Programs	108,698	159,133	50,435
8291	Title I	78,876	78,240	(636)

Magnolia Science Academy - 7

Proposed Revised Budget FY 2015-16

		Budget		
		Approved	Forecast	Variance
		Budget	(Proposed Revised Budget)	(Budget vs. Current Forecast)
8292	Title II	4,040	-	(4,040)
8293	Title III	2,613	302	(2,311)
8297	PY Federal - Not Accrued	-	531	531
SUBTOTAL - Federal Income		252,632	292,506	39,874
8300	Other State Revenues			
8319	Other State Apportionments - Prior Y	-	333	333
8381	Special Education - Entitlement (Sta	164,558	139,822	(24,736)
8520	Child Nutrition - State	21,591	12,415	(9,176)
8545	School Facilities Apportionments	177,022	174,719	(2,302)
8550	Mandated Cost Reimbursements	3,157	3,999	841
8560	State Lottery Revenue	42,486	51,091	8,605
8590	All Other State Revenue	-	169,110	169,110
8593	ASES	150,000	150,000	-
SUBTOTAL - Other State Income		558,813	701,489	142,675
8600	Other Local Revenue			
8634	Food Service Sales	12,000	11,760	(240)
8636	Uniforms	8,000	8,000	-
8682	Summer Program	-	28,894	28,894
8690	Other Local Revenue	7,000	7,000	-
8699	All Other Local Revenue	-	8,313	8,313
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		27,000	63,967	36,967
8800	Donations/Fundraising			
8803	Fundraising	50,000	50,000	-
SUBTOTAL - Fundraising and Grar		50,000	50,000	-
TOTAL REVENUE		3,409,224	3,494,908	85,684
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	721,452	787,811	(66,359)
1300	Certificated Supervisor & Adminis	202,790	164,413	38,377

Magnolia Science Academy - 7

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUBTOTAL - Certificated Employee		924,242	952,224	(27,982)
Classified Employees Summary				
2400	Classified Clerical & Office Salaries	46,350	107,530	(61,180)
2900	Classified Other Salaries	329,848	279,537	50,311
SUBTOTAL - Classified Employees		376,198	387,067	(10,869)
3000 Employee Benefits				
Employee Benefits Summary				
3100	STRS	81,917	96,755	(14,838)
3200	PERS	19,249	19,754	(505)
3300	OASDI-Medicare-Alternative	42,289	46,654	(4,365)
3400	Health & Welfare Benefits	157,500	157,892	(392)
3500	Unemployment Insurance	20,937	670	20,267
3600	Workers Comp Insurance	13,004	10,093	2,912
3900	Other Employee Benefits	16,500	-	16,500
SUBTOTAL - Employee Benefits		351,397	331,818	19,579
4000 Books & Supplies				
4100	Approved Textbooks & Core Curriculum	78,000	93,000	(15,000)
4200	Books & Other Reference Materials	21,500	21,500	-
4300	Materials & Supplies	-	100	(100)
4315	Custodial Supplies	8,000	8,000	-
4320	Educational Software	8,000	8,000	-
4325	Instructional Materials & Supplies	14,400	10,486	3,914
4326	Art & Music Supplies	-	500	(500)
4330	Office Supplies	12,086	12,000	86
4345	Non Instructional Student Materials & Supplies	-	1,000	(1,000)
4346	Teacher Supplies	-	2,400	(2,400)
4410	Classroom Furniture, Equipment & Supplies	9,500	6,000	3,500
4420	Computers (individual items less than \$500)	1,500	3,523	(2,023)
4430	Office Furniture, Equipment & Supplies	-	1,000	(1,000)
4700	Food	1,600	1,600	-
4710	Student Food Services	182,905	188,568	(5,663)
SUBTOTAL - Books and Supplies		337,491	357,677	(20,186)
5000 Services & Other Operating Expenses				
5101	CMO Fees	545,689	545,689	-
5200	Travel & Conferences	3,000	2,000	1,000
5215	Travel - Mileage, Parking, Tolls	-	1,000	(1,000)

Magnolia Science Academy - 7

Proposed Revised Budget FY 2015-16

		Budget		
		Approved	Forecast	Variance
		Budget	(Proposed Revised Budget)	(Budget vs. Current Forecast)
5300	Dues & Memberships	6,000	6,000	-
5450	Insurance - Other	18,900	18,900	-
5500	Operations & Housekeeping	10,000	10,000	-
5510	Utilities - Gas and Electric	55,680	55,680	-
5605	Equipment Leases	8,400	8,400	-
5610	Rent	236,029	232,959	3,070
5615	Repairs and Maintenance - Building	25,000	38,000	(13,000)
5617	Repairs and Maintenance - Other Eq	25,000	2,000	23,000
5803	Accounting & Audit Fees	5,500	5,500	-
5809	Banking Fees	3,000	3,000	-
5813	School Programs - After School Prog	18,000	10,000	8,000
5819	School Programs - Other	-	8,000	(8,000)
5820	Consultants - Non Instructional	-	392	(392)
5822	Other Professional Services	6,000	6,000	-
5824	District Oversight Fees	27,208	23,869	3,338
5830	Field Trips Expenses	10,000	10,000	-
5845	Legal Fees	20,000	20,000	-
5851	Marketing and Student Recruiting	3,000	3,000	-
5857	Payroll Fees	1,800	3,780	(1,980)
5863	Professional Development	41,000	41,000	-
5869	Special Education Contract Instructo	80,000	80,000	-
5872	Special Education Encroachment	44,593	38,824	5,768
5884	Substitutes	21,658	21,658	-
5887	Technology Services	33,600	33,600	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	6,000	6,000	-
5915	Postage and Delivery	3,600	3,600	-
SUBTOTAL - Services & Other Ope		1,258,657	1,238,852	19,805
6000	Capital Outlay			
6100	Sites & Improvement of Sites	4,000	-	4,000
6400	Equipment	5,000	12,788	(7,788)
6410	Computers (capitalizable items)	10,000	-	10,000
SUBTOTAL - Capital Outlay		19,000	12,788	6,213
TOTAL EXPENSES		3,266,985	3,280,425	(13,441)
6900	Total Depreciation (includes Prior	5,800	23,322	(17,522)
TOTAL EXPENSES including Depreciation		3,253,785	3,290,959	(37,175)

Magnolia Science Academy - 7
Proposed Revised Budget FY 2015-16

Budget		
Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)

Magnolia Science Academy - 8

Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	4,355,404	4,091,513	(263,891)
Federal Revenue	305,941	292,852	(13,089)
Other State Revenues	541,593	781,510	239,918
Local Revenues	40,000	66,810	26,810
Fundraising and Grants	20,000	20,000	-
Total Revenue	5,262,937	5,252,685	(10,252)
Expenses			
Compensation and Benefits	2,951,755	2,737,527	214,228
Books and Supplies	480,338	736,116	(255,779)
Services and Other Operating Exp	1,715,279	1,708,513	6,766
Capital Outlay	113,200	-	113,200
Total Expenses	5,260,572	5,182,156	78,415
Operating Income (excluding Deprecial	2,366	70,529	68,163
<i>Operating Income (including Depreciation)</i>	<i>(20,274)</i>	<i>62,995</i>	<i>83,269</i>
Fund Balance			
Beginning Balance (Unaudited)	3,108,231	2,896,467	
Audit Adjustment	-	-	
Beginning Balance (Audited)	3,108,231	2,896,467	
Operating Income (including Depr	(20,274)	62,995	
Ending Fund Balance (including Depre	3,087,957	2,959,462	
Total Enrolled	495	489	(6)
Total ADA	480.2	474.3	(6)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	2,930,404	2,662,814	(267,590)
8012 Education Protection Account Entitle	615,975	648,535	32,560
8096 Charter Schools in Lieu of Property T	809,025	780,164	(28,861)
	4,355,404	4,091,513	(263,891)
8100 Federal Revenue			
8181 Special Education - Entitlement	95,141	91,247	(3,894)
8291 Title I	199,000	199,018	18
8292 Title II	3,000	2,436	(564)

Magnolia Science Academy - 8

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8293	Title III	8,800	151	(8,649)
SUBTOTAL - Federal Income		305,941	292,852	(13,089)
8300	Other State Revenues			
8319	Other State Apportionments - Prior Y	-	1,488	1,488
8381	Special Education - Entitlement (Stai	269,987	234,959	(35,028)
8382	Special Education Reimbursement (8,676	8,676	-
8550	Mandated Cost Reimbursements	36,000	6,762	(29,238)
8560	State Lottery Revenue	76,930	85,854	8,924
8590	All Other State Revenue	-	293,773	293,773
8593	ASES	150,000	150,000	-
SUBTOTAL - Other State Income		541,593	781,510	239,918
8600	Other Local Revenue			
8636	Uniforms	30,000	30,000	-
8682	Summer Program	-	26,810	26,810
8693	Field Trips	10,000	10,000	-
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		40,000	66,810	26,810
8800	Donations/Fundraising			
8802	Donations - Private	-	100	100
8803	Fundraising	20,000	19,900	(100)
SUBTOTAL - Fundraising and Grant		20,000	20,000	-
TOTAL REVENUE		5,262,937	5,252,685	(10,252)
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	1,442,714	1,416,884	25,830
1300	Certificated Supervisor & Adminis	406,543	412,497	(5,954)
SUBTOTAL - Certificated Employee		1,849,257	1,829,381	19,876
Classified Employees Summary				
2400	Classified Clerical & Office Salarie	286,567	180,480	106,087
2900	Classified Other Salaries	110,544	149,165	(38,621)

Magnolia Science Academy - 8

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUBTOTAL - Classified Employees		397,110	329,644	67,466
3000	Employee Benefits			
3100	STRS	186,622	196,293	(9,670)
3200	PERS	44,676	31,554	13,123
3300	OASDI-Medicare-Alternative	55,953	51,837	4,116
3400	Health & Welfare Benefits	348,500	276,256	72,244
3500	Unemployment Insurance	1,123	1,080	44
3600	Workers Comp Insurance	22,464	21,484	980
3900	Other Employee Benefits	46,050	-	46,050
SUBTOTAL - Employee Benefits		705,388	578,502	126,887
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	150,000	150,000	-
4200	Books & Other Reference Materials	25,000	25,000	-
4320	Educational Software	5,000	5,278	(278)
4325	Instructional Materials & Supplies	40,000	30,000	10,000
4326	Art & Music Supplies	-	20,000	(20,000)
4330	Office Supplies	50,000	12,000	38,000
4340	Professional Development Supplies	-	5,000	(5,000)
4345	Non Instructional Student Materials &	-	9,000	(9,000)
4346	Teacher Supplies	-	5,000	(5,000)
4350	Uniforms	-	8,000	(8,000)
4351	Yearbook	-	1,000	(1,000)
4410	Classroom Furniture, Equipment & S	14,500	-	14,500
4420	Computers (individual items less tha	-	262,000	(262,000)
4430	Office Furniture, Equipment & Suppli	-	8,000	(8,000)
4710	Student Food Services	195,838	195,838	(0)
SUBTOTAL - Books and Supplies		480,338	736,116	(255,779)
5000	Services & Other Operating Expenses			
5101	CMO Fees	873,103	873,103	0
5200	Travel & Conferences	35,000	12,000	23,000
5210	Conference Fees	-	3,800	(3,800)
5215	Travel - Mileage, Parking, Tolls	-	12,000	(12,000)
5220	Travel and Lodging	-	3,000	(3,000)
5300	Dues & Memberships	7,200	7,200	-
5450	Insurance - Other	27,225	27,225	-
5500	Operations & Housekeeping	99,000	99,000	-
5510	Utilities - Gas and Electric	125,000	125,000	(0)
5605	Equipment Leases	21,600	21,600	-
5615	Repairs and Maintenance - Building	6,000	3,000	3,000

Magnolia Science Academy - 8

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5617	Repairs and Maintenance - Other Eq	-	3,000	(3,000)
5803	Accounting & Audit Fees	9,021	9,021	-
5809	Banking Fees	1,000	1,000	-
5813	School Programs - After School Prog	25,000	25,000	-
5819	School Programs - Other	-	250	(250)
5822	Other Professional Services	75,000	75,000	-
5824	District Oversight Fees	45,554	45,554	-
5830	Field Trips Expenses	40,000	40,000	-
5843	Interest - Loans Less than 1 Year	1,000	1,000	-
5845	Legal Fees	10,000	10,000	-
5851	Marketing and Student Recruiting	6,000	6,000	-
5857	Payroll Fees	4,800	9,000	(4,200)
5861	Prior Yr Exp (not accrued)	-	656	(656)
5863	Professional Development	68,000	68,000	-
5869	Special Education Contract Instructo	56,000	56,000	-
5872	Special Education Encroachment	73,026	65,354	7,672
5884	Substitutes	64,750	64,750	-
5887	Technology Services	30,000	30,000	-
5899	Miscellaneous Operating Expenses	-	-	-
5915	Postage and Delivery	12,000	12,000	-
SUBTOTAL - Services & Other Ope		1,715,279	1,708,513	6,766
6000 Capital Outlay				
6100	Sites & Improvement of Sites	113,200	-	113,200
SUBTOTAL - Capital Outlay		113,200	-	113,200
TOTAL EXPENSES		5,260,572	5,182,156	78,415
6900 Total Depreciation (includes Prior		22,640	7,534	15,106
TOTAL EXPENSES including Depreciation		5,283,212	5,189,690	(19,679)

Magnolia Science Academy - Santa Ana

Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	1,931,126	1,136,266	(794,860)
Federal Revenue	340,684	290,627	(50,056)
Other State Revenues	161,998	324,146	162,148
Local Revenues	34,000	34,000	-
Fundraising and Grants	20,000	17,500	(2,500)
Total Revenue	2,487,808	1,802,539	(685,268)
Expenses			
Compensation and Benefits	1,285,358	1,139,323	146,034
Books and Supplies	246,400	378,294	(131,894)
Services and Other Operating Exp	650,024	621,731	28,293
Capital Outlay	-	-	-
Total Expenses	2,181,781	2,139,348	42,434
Operating Income (excluding Deprecial	306,026	(336,808)	(642,835)
<i>Operating Income (including Depreciation)</i>	275,526	(355,078)	(630,605)
Fund Balance			
Beginning Balance (Unaudited)	276,785	2,300,710	
Audit Adjustment	-	-	
Beginning Balance (Audited)	276,785	2,300,710	
Operating Income (including Depr	275,526	(355,078)	
Ending Fund Balance (including Depre	552,312	1,945,632	
Total Enrolled	250	145	(105)
Total ADA	242.5	140.7	(102)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	1,882,626	874,197	(1,008,429)
8012 Education Protection Account Entitle	48,500	28,130	(20,370)
8096 Charter Schools in Lieu of Property 1	-	233,939	233,939
	<u>1,931,126</u>	<u>1,136,266</u>	<u>(794,860)</u>
8100 Federal Revenue			
8181 Special Education - Entitlement	30,684	27,057	(3,627)
8220 Child Nutrition Programs	63,000	35,872	(27,128)
8291 Title I	45,000	26,705	(18,295)

Magnolia Science Academy - Santa Ana

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8292	Title II	2,000	465	(1,535)
8293	Title III	-	528	528
8298	Implementation Grant	200,000	200,000	-
SUBTOTAL - Federal Income		340,684	290,627	(50,056)
8300 Other State Revenues				
8380	Special Ed	15,000	15,000	-
8381	Special Education - Entitlement (Stat	121,250	69,671	(51,579)
8520	Child Nutrition - State	-	4,138	4,138
8545	School Facilities Apportionments	-	105,488	105,488
8550	Mandated Cost Reimbursements	-	3,986	3,986
8560	State Lottery Revenue	25,748	25,458	(290)
8590	All Other State Revenue	-	100,406	100,406
SUBTOTAL - Other State Income		161,998	324,146	162,148
8600 Other Local Revenue				
8634	Food Service Sales	9,000	9,000	-
8636	Uniforms	15,000	15,000	-
8693	Field Trips	10,000	10,000	-
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		34,000	34,000	-
8800 Donations/Fundraising				
8801	Donations - Parents	10,000	2,000	(8,000)
8802	Donations - Private	-	5,500	5,500
8803	Fundraising	10,000	10,000	-
SUBTOTAL - Fundraising and Grar		20,000	17,500	(2,500)
TOTAL REVENUE		2,487,808	1,802,539	(685,268)
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	785,743	696,232	89,511
1300	Certificated Supervisor & Adminis	142,825	87,290	55,535
SUBTOTAL - Certificated Employee		928,568	783,522	145,046

Magnolia Science Academy - Santa Ana

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
Classified Employees Summary				
2400	Classified Clerical & Office Salarie	35,836	66,149	(30,313)
2900	Classified Other Salaries	42,560	68,706	(26,146)
SUBTOTAL - Classified Employees		78,396	134,854	(56,458)
Employee Benefits				
3100	STRS	86,309	73,449	12,859
3200	PERS	4,245	7,692	(3,447)
3300	OASDI-Medicare-Alternative	27,162	27,850	(688)
3400	Health & Welfare Benefits	136,000	103,334	32,666
3500	Unemployment Insurance	503	459	44
3600	Workers Comp Insurance	10,674	8,161	2,512
3900	Other Employee Benefits	13,500	-	13,500
SUBTOTAL - Employee Benefits		278,393	220,947	57,447
Books & Supplies				
4100	Approved Textbooks & Core Curricul	47,500	156,000	(108,500)
4200	Books & Other Reference Materials	10,900	10,330	570
4320	Educational Software	5,000	4,739	261
4325	Instructional Materials & Supplies	45,000	44,500	500
4330	Office Supplies	20,000	20,000	-
4335	PE Supplies	-	500	(500)
4400	Noncapitalized Equipment	12,500	12,500	-
4410	Classroom Furniture, Equipment & S	11,000	21,000	(10,000)
4420	Computers (individual items less tha	-	50,000	(50,000)
4710	Student Food Services	94,500	58,625	35,875
4720	Other Food	-	100	(100)
SUBTOTAL - Books and Supplies		246,400	378,294	(131,894)
Services & Other Operating Expenses				
5101	CMO Fees	60,000	60,000	-
5200	Travel & Conferences	40,000	15,000	25,000
5210	Conference Fees	-	5,000	(5,000)
5215	Travel - Mileage, Parking, Tolls	-	20,000	(20,000)
5300	Dues & Memberships	6,000	5,333	667
5450	Insurance - Other	13,750	13,750	-
5500	Operations & Housekeeping	-	5,000	(5,000)
5510	Utilities - Gas and Electric	7,800	2,800	5,000
5605	Equipment Leases	5,400	3,672	1,728
5610	Rent	228,000	209,000	19,000
5615	Repairs and Maintenance - Building	12,000	12,000	-
5803	Accounting & Audit Fees	3,009	3,009	-

Magnolia Science Academy - Santa Ana

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5809	Banking Fees	500	1,400	(900)
5822	Other Professional Services	15,000	15,000	-
5824	District Oversight Fees	19,311	11,363	7,949
5843	Interest - Loans Less than 1 Year	500	500	-
5845	Legal Fees	25,000	25,000	-
5851	Marketing and Student Recruiting	24,000	24,000	-
5857	Payroll Fees	3,600	3,000	600
5863	Professional Development	19,000	19,000	-
5869	Special Education Contract Instructo	112,000	112,000	-
5872	Special Education Encroachment	6,077	3,869	2,208
5884	Substitutes	26,276	26,276	0
5887	Technology Services	18,000	17,059	941
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	-	3,900	(3,900)
5915	Postage and Delivery	4,800	4,800	-
SUBTOTAL - Services & Other Ope		650,024	621,731	28,293
6000	Capital Outlay			
6200	Buildings & Improvement of Building	-	-	-
SUBTOTAL - Capital Outlay		-	-	-
TOTAL EXPENSES		2,181,781	2,139,348	42,434
6900	Total Depreciation (includes Prior	30,500	18,270	12,230
TOTAL EXPENSES including Depreciation		2,212,281	2,157,618	54,664

Magnolia Science Academy - Santa Clara

Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	2,798,940	770,883	(2,028,057)
Federal Revenue	148,229	63,688	(84,541)
Other State Revenues	313,515	347,168	33,653
Local Revenues	42,000	-	(42,000)
Fundraising and Grants	80,000	15,500	(64,500)
Total Revenue	3,382,684	1,197,239	(2,185,445)
Expenses			
Compensation and Benefits	2,104,697	1,066,860	1,037,837
Books and Supplies	138,577	80,670	57,907
Services and Other Operating Expense	845,281	688,291	156,990
Capital Outlay	129,607	6,051	123,556
Total Expenses	3,218,162	1,841,872	1,376,290
Operating Income (excluding Depreciation)	164,521	(644,633)	(809,154)
<i>Operating Income (including Depreciation)</i>	268,207	(678,435)	(946,642)
Fund Balance			
Beginning Balance (Unaudited)	466,305	473,945	
Audit Adjustment	-	-	
Beginning Balance (Audited)	466,305	473,945	
Operating Income (including Depreciation)	268,207	(678,435)	
Ending Fund Balance (including Depreciation)	734,512	(204,490)	
Total Enrolled	405	107	(298)
Total ADA	388.8	102.7	(286)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	780,077	252,703	(527,374)
8012 Education Protection Account Entitlement	487,498	144,372	(343,126)
8096 Charter Schools in Lieu of Property Tax	1,531,365	373,808	(1,157,557)
	2,798,940	770,883	(2,028,057)
8100 Federal Revenue			
8181 Special Education - Entitlement	77,760	50,752	(27,008)
8220 Child Nutrition Programs	42,969	6,880	(36,089)
8291 Title I	26,500	5,000	(21,500)

Magnolia Science Academy - Santa Clara

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8292	Title II	1,000	-	(1,000)
8293	Title III	-	1,056	1,056
SUBTOTAL - Federal Income		148,229	63,688	(84,541)
8300 Other State Revenues				
8381	Special Education - Entitlement (State	233,280	45,338	(187,942)
8520	Child Nutrition - State	1,940	554	(1,386)
8550	Mandated Cost Reimbursements	10,000	5,138	(4,862)
8560	State Lottery Revenue	68,295	18,592	(49,703)
8590	All Other State Revenue	-	277,546	277,546
SUBTOTAL - Other State Income		313,515	347,168	33,653
8600 Other Local Revenue				
8699	All Other Local Revenue	42,000	-	(42,000)
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		42,000	-	(42,000)
8800 Donations/Fundraising				
8801	Donations - Parents	-	500	500
8803	Fundraising	80,000	15,000	(65,000)
SUBTOTAL - Fundraising and Grant		80,000	15,500	(64,500)
TOTAL REVENUE		3,382,684	1,197,239	(2,185,445)
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	1,142,470	624,925	517,545
1300	Certificated Supervisor & Administ	290,170	173,536	116,634
SUBTOTAL - Certificated Employees		1,432,640	798,462	634,178
Classified Employees Summary				
2400	Classified Clerical & Office Salaries	169,225	51,135	118,090
2900	Classified Other Salaries	32,760	25,232	7,528
SUBTOTAL - Classified Employees		201,985	76,367	125,618

Magnolia Science Academy - Santa Clara

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
3000	Employee Benefits			
3100	STRS	127,138	81,847	45,291
3200	PERS	20,048	5,589	14,459
3300	OASDI-Medicare-Alternative	45,638	19,493	26,145
3400	Health & Welfare Benefits	188,500	67,500	121,000
3500	Unemployment Insurance	32,693	437	32,255
3600	Workers Comp Insurance	32,856	17,164	15,692
3900	Other Employee Benefits	23,200	-	23,200
	SUBTOTAL - Employee Benefits	470,072	192,031	278,041
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricula	7,000	2,000	5,000
4200	Books & Other Reference Materials	18,000	6,600	11,400
4315	Custodial Supplies	2,000	500	1,500
4320	Educational Software	5,500	5,500	0
4325	Instructional Materials & Supplies	24,000	16,050	7,950
4330	Office Supplies	28,500	28,500	-
4410	Classroom Furniture, Equipment & Su	800	3,000	(2,200)
4420	Computers (individual items less than	25,000	6,500	18,500
4430	Non Classroom Related Furniture, Eq	-	500	(500)
4700	Food	27,777	11,520	16,257
	SUBTOTAL - Books and Supplies	138,577	80,670	57,907
5000	Services & Other Operating Expenses			
5101	CMO Fees	60,000	-	60,000
5200	Travel & Conferences	-	5,000	(5,000)
5210	Conference Fees	5,000	5,000	-
5215	Travel - Mileage, Parking, Tolls	12,000	-	12,000
5220	Travel and Lodging	-	7,000	(7,000)
5300	Dues & Memberships	4,000	975	3,025
5450	Insurance - Other	27,945	10,765	17,181
5500	Operations & Housekeeping	-	2,500	(2,500)
5510	Utilities - Gas and Electric	52,260	6,000	46,260
5605	Equipment Leases	21,600	60,000	(38,400)
5610	Rent	500,000	311,245	188,755
5615	Repairs and Maintenance - Building	6,000	1,000	5,000
5617	Repairs and Maintenance - Other Equ	-	1,000	(1,000)
5631	Other Rentals, Leases and Repairs - !	-	66,800	(66,800)
5803	Accounting & Audit Fees	6,000	6,000	-
5809	Banking Fees	1,800	1,800	-
5822	Other Professional Services	20,620	3,120	17,500
5824	District Oversight Fees	27,989	7,709	20,281

Magnolia Science Academy - Santa Clara

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5830	Field Trips Expenses	7,000	-	7,000
5843	Interest - Loans Less than 1 Year	1,000	1,000	-
5845	Legal Fees	10,000	10,000	-
5851	Marketing and Student Recruiting	12,000	3,600	8,400
5857	Payroll Fees	2,640	4,004	(1,364)
5863	Professional Development	14,000	1,706	12,294
5884	Substitutes	20,979	12,188	8,792
5887	Technology Services	21,000	21,000	-
5893	Transportation - Student	-	118,080	(118,080)
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	6,624	16,000	(9,376)
5915	Postage and Delivery	4,824	4,800	24
SUBTOTAL - Services & Other Oper.		845,281	688,291	156,990
6000 Capital Outlay				
6100	Sites & Improvement of Sites	20,000	-	20,000
6200	Buildings & Improvement of Buildings	109,607	-	109,607
6400	Equipment	-	6,051	(6,051)
SUBTOTAL - Capital Outlay		129,607	6,051	123,556
TOTAL EXPENSES		3,218,162	1,841,872	1,376,290
6900	Total Depreciation (includes Prior Y	25,921	39,853	(13,932)
TOTAL EXPENSES including Depreciation		3,114,477	1,875,674	1,238,803

Magnolia Science Academy - San Diego

Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
General Block Grant	3,021,186	2,978,176	(43,010)
Federal Revenue	103,151	84,919	(18,232)
Other State Revenues	273,183	481,095	207,912
Local Revenues	107,000	108,800	1,800
Fundraising and Grants	20,000	20,000	-
Total Revenue	3,524,520	3,672,990	148,470
Expenses			
Compensation and Benefits	2,024,242	1,901,637	122,605
Books and Supplies	207,727	354,709	(146,982)
Services and Other Operating Exp	782,793	843,014	(60,220)
Capital Outlay	-	-	-
Total Expenses	3,014,762	3,099,359	(84,597)
Operating Income (excluding Depreciat	509,757	573,631	63,873
<i>Operating Income (including Depreciation)</i>	<i>459,757</i>	<i>529,012</i>	<i>69,254</i>
Fund Balance			
Beginning Balance (Unaudited)	557,901	615,301	
Audit Adjustment	-	-	
Beginning Balance (Audited)	557,901	615,301	
Operating Income (including Depr	459,757	529,012	
Ending Fund Balance (including Depre	1,017,659	1,144,313	
Total Enrolled	438	423	(15)
Total ADA	423.8	409.3	(15)
REVENUE			
LCFF Entitlement			
8011 Charter Schools LCFF - State Aid	812,997	678,457	(134,540)
8012 Education Protection Account Entitle	516,302	558,923	42,621
8096 Charter Schools in Lieu of Property T	1,691,887	1,740,796	48,909
	3,021,186	2,978,176	(43,010)
8100 Federal Revenue			
8181 Special Education - Entitlement	50,852	38,931	(11,921)
8220 Child Nutrition Programs	22,906	23,833	927
8291 Title I	28,593	22,155	(6,438)

Magnolia Science Academy - San Diego

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
8292	Title II	800	-	(800)
SUBTOTAL - Federal Income		103,151	84,919	(18,232)
8300	Other State Revenues			
8311	Other State Apportionments - Currer	-	-	-
8319	Other State Apportionments - Prior Y	-	-	-
8381	Special Education - Entitlement (Stai	209,764	180,632	(29,132)
8520	Child Nutrition - State	3,692	3,841	149
8550	Mandated Cost Reimbursements	5,933	5,064	(869)
8560	State Lottery Revenue	53,795	74,075	20,280
8590	All Other State Revenue	-	217,484	217,484
8593	Other State Revenue 3	-	-	-
SUBTOTAL - Other State Income		273,163	481,095	207,912
8600	Other Local Revenue			
8634	Food Service Sales	12,000	12,000	-
8636	Uniforms	30,000	30,000	-
8660	Interest	-	1,800	1,800
8693	Field Trips	35,000	35,000	-
8699	All Other Local Revenue	30,000	30,000	-
8999	Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues		107,000	108,800	1,800
8800	Donations/Fundraising			
8802	Donations - Private	-	5,000	5,000
8803	Fundraising	20,000	15,000	(5,000)
SUBTOTAL - Fundraising and Grar		20,000	20,000	-
TOTAL REVENUE		3,524,520	3,672,990	148,470
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	1,194,357	1,178,805	15,553
1300	Certificated Supervisor & Adminis	226,144	208,731	17,413
SUBTOTAL - Certificated Employee		1,420,502	1,387,536	32,966

Magnolia Science Academy - San Diego

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
Classified Employees Summary				
2400	Classified Clerical & Office Salaries	71,919	59,885	12,034
2900	Classified Other Salaries	87,915	92,691	(4,776)
SUBTOTAL - Classified Employees		159,834	152,576	7,259
3000 Employee Benefits				
3100	STRS	133,199	129,113	4,086
3200	PERS	20,013	14,033	5,980
3300	OASDI-Medicare-Alternative	51,832	43,269	8,563
3400	Health & Welfare Benefits	161,200	154,222	6,978
3500	Unemployment Insurance	31,607	993	30,613
3600	Workers Comp Insurance	14,855	19,895	(5,040)
3900	Other Employee Benefits	31,200	-	31,200
SUBTOTAL - Employee Benefits		443,906	361,525	82,381
4000 Books & Supplies				
4100	Approved Textbooks & Core Curriculum	25,000	145,000	(120,000)
4200	Books & Other Reference Materials	10,500	10,500	-
4300	Materials & Supplies	-	50	(50)
4315	Custodial Supplies	9,000	9,000	-
4320	Educational Software	15,000	15,000	-
4325	Instructional Materials & Supplies	22,000	16,900	5,100
4330	Office Supplies	50,000	49,764	236
4335	PE Supplies	-	5,000	(5,000)
4340	Professional Development Supplies	-	3,000	(3,000)
4350	Uniforms	-	15,205	(15,205)
4400	Noncapitalized Equipment	-	1,300	(1,300)
4410	Classroom Furniture, Equipment & Supplies	33,000	31,700	1,300
4420	Computers (individual items less than \$500)	10,000	17,500	(7,500)
4700	Food	-	236	(236)
4710	Student Food Services	33,227	34,554	(1,327)
SUBTOTAL - Books and Supplies		207,727	354,709	(146,982)
5000 Services & Other Operating Expenses				
5101	CMO Fees	338,248	334,759	3,489
5200	Travel & Conferences	-	3,000	(3,000)
5210	Conference Fees	20,000	4,000	16,000
5215	Travel - Mileage, Parking, Tolls	-	3,000	(3,000)
5220	Travel and Lodging	-	10,000	(10,000)
5300	Dues & Memberships	5,400	5,400	-
5450	Insurance - Other	35,040	17,978	17,063
5510	Utilities - Gas and Electric	37,200	37,200	-

Magnolia Science Academy - San Diego

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5605	Equipment Leases	18,000	18,000	-
5615	Repairs and Maintenance - Building	-	4,800	(4,800)
5617	Repairs and Maintenance - Other Eq	9,600	4,800	4,800
5803	Accounting & Audit Fees	20,000	5,000	15,000
5809	Banking Fees	1,000	1,000	-
5819	School Programs - Other	-	42	(42)
5822	Other Professional Services	54,500	54,500	-
5824	District Oversight Fees	93,386	89,345	4,040
5830	Field Trips Expenses	15,000	45,000	(30,000)
5843	Interest - Loans Less than 1 Year	1,000	1,000	-
5845	Legal Fees	12,000	50,000	(38,000)
5851	Marketing and Student Recruiting	12,000	24,000	(12,000)
5857	Payroll Fees	150	3,590	(3,440)
5863	Professional Development	13,000	10,000	3,000
5869	Special Education Contract Instructo	55,000	55,000	-
5884	Substitutes	5,670	25,000	(19,330)
5887	Technology Services	19,200	19,200	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	17,400	17,400	-
SUBTOTAL - Services & Other Ope		782,793	843,014	(60,220)
6000	Capital Outlay			
6200	Buildings & Improvement of Building	-	-	-
SUBTOTAL - Capital Outlay		-	-	-
TOTAL EXPENSES		3,014,762	3,099,359	(84,597)
6900	Total Depreciation (includes Prior	50,000	44,619	5,381
TOTAL EXPENSES including Depreciation		3,064,762	3,143,978	(79,216)

MERF

Proposed Revised Budget FY 2015-16

	Budget		
	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUMMARY			
Revenue			
Local Revenues	4,787,533	4,727,533	(60,000)
Fundraising and Grants	-	250,000	250,000
Total Revenue	4,787,533	4,977,533	190,000
Expenses			
Compensation and Benefits	2,415,009	2,778,672	(363,662)
Books and Supplies	87,874	87,874	-
Services and Other Operating Exp	2,056,672	2,091,472	(34,800)
Capital Outlay	-	-	-
Total Expenses	4,559,555	4,958,018	(398,462)
Operating Income (excluding Depreciat	227,978	19,515	(208,462)
<i>Operating Income (including Depreciation)</i>	227,978	11,850	(216,128)
Fund Balance			
Beginning Balance (Unaudited)	-	689,915	
Audit Adjustment	-	-	
Beginning Balance (Audited)	-	689,915	
Operating Income (including Depreciat	227,978	11,850	
Ending Fund Balance (including Depreciat	227,978	701,765	
8600 Other Local Revenue			
8701 CMO Management Fee - MSA1	873,103	873,103	-
8702 CMO Management Fee - MSA2	873,103	873,103	-
8703 CMO Management Fee - MSA3	873,103	873,103	-
8704 CMO Management Fee - MSA4	163,707	163,707	-
8705 CMO Management Fee - MSA5	65,483	65,483	-
8706 CMO Management Fee - MSA6	65,483	65,483	-
8707 CMO Management Fee - MSA7	545,689	545,689	-
8708 CMO Management Fee - MSA8	873,103	873,103	-
8709 CMO Management Fee - MSA-SA	60,000	60,000	-
8711 CMO Management Fee - MSA-SC	60,000	-	(60,000)
8712 CMO Management Fee - MSA-SD	334,759	334,759	-
8999 Uncategorized Revenue	-	-	-
SUBTOTAL - Local Revenues	4,787,533	4,727,533	(60,000)
8800 Donations/Fundraising			
8802 Donations - Private	-	250,000	250,000

MERF

Proposed Revised Budget FY 2015-16

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
SUBTOTAL - Fundraising and Grant		-	250,000	250,000
TOTAL REVENUE		4,787,533	4,977,533	190,000
EXPENSES				
Compensation & Benefits				
Certificated Employees Summary				
1100	Teachers Salaries	-	-	-
1300	Certificated Supervisor & Adminis	322,900	320,000	2,900
SUBTOTAL - Certificated Employee		322,900	320,000	2,900
Classified Employees Summary				
2400	Classified Clerical & Office Salarie	1,568,629	1,948,475	(569,592)
2900	Classified Other Salaries	-	21,267	(21,267)
SUBTOTAL - Classified Employees		1,568,629	1,969,742	(590,859)
3000	Employee Benefits			
3100	STRS	34,647	-	34,647
3200	PERS	156,863	-	156,863
3300	OASDI-Medicare-Alternative	120,000	189,504	(69,504)
3400	Health & Welfare Benefits	195,500	170,618	24,882
3500	Unemployment Insurance	784	12,005	(11,221)
3600	Workers Comp Insurance	15,686	24,795	(9,109)
SUBTOTAL - Employee Benefits		523,481	488,930	34,550
4000	Books & Supplies			
4100	Approved Textbooks & Core Curricul	-	1,000	(1,000)
4200	Books & Other Reference Materials	10,000	-	10,000
4320	Educational Software	-	18,900	(18,900)
4325	Instructional Materials & Supplies	-	100	(100)
4330	Office Supplies	7,874	3,874	4,000
4340	Professional Development Supplies	-	-	-
4400	Noncapitalized Equipment	60,000	44,000	16,000
4420	Computers (individual items less tha	-	6,000	(6,000)
4700	Food	10,000	5,000	5,000
4720	Other Food	-	9,000	(9,000)
SUBTOTAL - Books and Supplies		87,874	87,874	-
5000	Services & Other Operating Expenses			
5200	Travel & Conferences	-	10,000	(10,000)
5210	Conference Fees	-	5,000	(5,000)
5215	Travel - Mileage, Parking, Tolls	-	5,000	(5,000)

MERF**Proposed Revised Budget FY 2015-16**

		Budget		
		Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)
5220	Travel and Lodging	160,000	140,000	20,000
5300	Dues & Memberships	10,000	10,000	-
5450	Insurance - Other	14,400	14,400	-
5500	Operations & Housekeeping	32,272	20,272	12,000
5605	Equipment Leases	-	12,000	(12,000)
5610	Rent	150,000	150,000	-
5803	Accounting & Audit Fees	6,000	6,000	-
5809	Banking Fees	-	4,000	(4,000)
5812	Business Services	695,000	695,000	-
5820	Consultants - Non Instructional	252,000	307,000	(55,000)
5822	Other Professional Services	307,000	263,000	44,000
5845	Legal Fees	100,000	100,000	-
5851	Marketing and Student Recruiting	30,000	20,000	10,000
5857	Payroll Fees	-	15,800	(15,800)
5863	Professional Development	95,000	95,000	-
5887	Technology Services	61,000	61,000	-
5899	Miscellaneous Operating Expenses	-	-	-
5900	Communications	144,000	144,000	-
5915	Postage and Delivery	-	14,000	(14,000)
SUBTOTAL - Services & Other Op		2,056,672	2,091,472	(34,800)
6000	Capital Outlay			
6200	Buildings & Improvement of Building	-	-	-
SUBTOTAL - Capital Outlay		-	-	-
TOTAL EXPENSES		4,559,555	4,958,018	(588,208)
6900	Total Depreciation (includes Prior	-	7,666	(7,666)
TOTAL EXPENSES including Depreciation		4,559,555	4,965,684	(595,874)



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	III A
Date:	November 12, 2015
To:	MPS Finance Committee
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Oswaldo Diaz, Chief Financial Officer
RE:	Review of Quarterly Financial Statements

Proposed Board Recommendation

Written report. No action required.

Financial Highlights

Consolidated Revenue

Local Control Funding Formula Entitlements

The major source of revenue to Magnolia Public Schools (MPS) is the Local Control Funding Formula (LCFF) apportionment calculated on a base revenue formula per unit of Average Daily Attendance (ADA). These unrestricted revenues are based upon each school's ADA multiplied by the LCFF applicable to each of the schools.

The 2015-16 State budget made public on June 17, 2015 included a reduction of the Local Control Funding Formula gap closure from \$6.176 billion proposed in the May Revision to \$5.994 billion, lowering the gap closure percentage from 53.08% in May to 51.52%. The current percentage of 51.52% can change throughout the course of the current fiscal year as new data become available.

MPS consolidated revenue for the quarter ended September 30, 2015 reflects the reduction caused by the LCFF gap closure:

**MPS LCFF Entitlements
(For the Quarter Ended September 30, 2015)**

LCFF Entitlement		
8011	Charter Schools LCFF - State Aid	1,914,128
8012	Education Protection Account Entitlement	1,097,844
8096	Charter Schools in Lieu of Property Taxes	1,425,558
	MPS General Block Grant	4,437,529

Federal and Other State Revenue



MAGNOLIA PUBLIC SCHOOLS

13950 Milton Ave. 200B Westminster, CA 92683

P: (714) 892-5066 F: (714) 362-9588

MPS schools received federal education entitlements totaling \$126,000 and Special Education revenue totaling \$410,000 for the quarter ended September 30, 2015.

The State Controller's Office released the 2014-15 fourth quarter Lottery apportionments on September 30, 2015. The actual fourth quarter apportionments are up slightly from the projections provided in July 2015. State Lottery had a slight increase from budget estimates of \$145 per ADA to \$181 per ADA (\$140 per ADA in unrestricted Lottery revenues and \$41 per ADA in Proposition 20 revenues).

MPS schools received Lottery apportionments totaling \$42,000 as of September 30, 2015. It is expected that the 2015-16 first quarter Lottery apportionment will be released at the end of December, and will include adjustments due to the recalculations of 2013-14 and 2014-15 based on final Lottery revenue and actual ADA reports.

MPS School Revenue (For the period ended September 30, 2015)

Revenue	Actual YTD
General Block Grant	4,437,529
Federal Revenue	126,165
Other State Revenues	462,220
Local Revenues	273,676
Fundraising and Grants	13,608
Total Revenue	5,313,200

Consolidated Expenditures

Compensation and Benefits totaling \$4.5 million reflect a reduction of Certificated and Classified employees based on the lower than expected enrollment for MSA-SC.

Books and supplies totaling \$1.0 million includes core curriculum expenses and McGraw Hill textbook purchases for FY 2015-16.

MPS School Expenses (For the period ended September 30, 2015)

Expenses	Actual YTD
Compensation and Benefits	4,521,425
Books and Supplies	1,025,446
Services and Other Operating Expenditures	2,139,981
Capital Outlay	41,143
Total Expenses	7,727,995



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Home Office

Revenue

Home Office revenue totaling \$1.3 million represents the CMO expense allocation that was approved by the board during FY 2014-15. The Home Office Expense Allocation is designed to maintain reserves for economic uncertainties at the individual charter school level and as a consolidated organization.

Expenditures

Compensation and Benefits totaling \$631,000 reflect new non-budgeted positions in academic, regional leadership, and business and human resources. The increase was offset by the removal of two business positions that had been included in the budget of FY 2015-16, that will not be hired until FY 2016-17.

Home Office (For the Period Ended September 30, 2015)	
Revenue	Actual YTD
Local Revenues	1,311,723
Fundraising and Grants	25,000
Total Revenue	1,336,723
Expenses	
Compensation and Benefits	631,350
Books and Supplies	33,192
Services and Other Operating Expenditures	463,830
Capital Outlay	-
Total Expenses	1,128,372
Operating Income (excluding Depreciation)	208,351

Name of Staff Originator: Oswaldo Diaz, Chief Financial Officer

Magnolia Public Schools

September 2015 Financial Presentation



October 27, 2015

Kristin Dietz, Aubrey Marsh and Cindy Frantz

Agenda

- ❖ State Budget Update
- ❖ 2015/16 Forecast Update - Consolidated
 - ❖ Financial Summary
 - ❖ Opportunities and Potential Threats
 - ❖ Budget vs. Actual Summary by Site
 - ❖ YTD ADA Comparison
- ❖ Exhibits
 - ❖ Budget vs. Actual Detail – by site

State Budget Update

Final June State Budget approval included slightly lower LCFF implementation rate, one-time funding for schools, and revised SB740 eligibility



- LCFF Rate Decrease
 - Final gap closure percentage of 51.52% vs. May Revise rate of 53%

- One-time mandated cost reimbursement / mandated block grant funding
 - \$528 per Prior Year ADA – unrestricted funds, intended to cover professional development, new teacher training, and Common Core implementation
 - Not in approved budgets – increased revenues across all sites

- State Lottery
 - \$181/ADA – approved budgets estimated \$145/ADA

- SB740 update
 - Eligibility for SB740 grant lowered to 55% (from previous threshold of 70%)

- CSFIGP Incentive Grant Program
 - Awarded to MSA-2, MSA-4, and MSA-5

FY 16 Educator Effectiveness Entitlement

Detailed information published this month on one-time funding for improving teacher quality



- One-time grant from state to fund teacher quality improvement initiatives
- Amount is \$1,466 per certificated FTE reported in CALPADS in FY15
- 80% of funds disbursed in December 2015; 20% in March 2016
- Funds can be spent over 3 years (FY16-FY18)
- Four major types of eligible expenses
 - Beginning teacher and administrator support and mentoring (including BTSA induction)
 - Professional development and support for teachers identified as needing improvement
 - Professional development for teachers and admin aligned to state content standards
 - Professional development focused on mentoring and coaching certificated staff
- Schools must approve plan and track expenses to be in compliance
 - Present expenditure plan at board meeting; approve it at subsequent meeting
 - Provide detailed expenditure report to CDE on or before July 1, 2018
 - Format for reporting still in development
 - Will require number of teachers, admin, and paras who received professional development
 - Likely to also request list of specific expenditures
- Magnolia will receive a combined **\$312,913** from this grant

Forecast – Consolidated by Site

Forecasted Operating Income of \$1.55M after depreciation, with combined ADA of 3,335



	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16
	Current Forecast - MSA-1	Current Forecast - MSA-2	Current Forecast - MSA-3	Current Forecast - MSA-4	Current Forecast - MSA-5	Current Forecast - MSA-6	Current Forecast - MSA-7	Current Forecast - MSA-8	Current Forecast - MSA-SA	Current Forecast - MSA-SC	Current Forecast - MSA-SD	Current Forecast - MERF	Current Forecast - TOTAL
SUMMARY													
Revenue													
General Block Grant	4,914,540	4,221,852	4,062,033	1,594,460	1,226,157	1,375,307	2,386,946	4,091,513	1,136,266	770,883	2,978,176	-	28,758,133
Federal Revenue	737,286	297,775	601,468	222,232	136,848	109,779	292,506	292,852	290,627	63,688	84,919	-	3,129,979
Other State Revenues	1,306,172	643,821	941,388	272,664	240,694	226,103	701,489	781,510	324,146	347,168	481,095	-	6,266,250
Local Revenues	34,000	99,256	34,509	30,534	4,000	4,000	63,967	66,810	34,000	-	108,800	4,727,533	5,207,410
Fundraising and Grants	35,000	25,000	10,000	10,000	3,000	10,000	50,000	20,000	17,500	15,500	20,000	250,000	466,000
Total Revenue	7,026,998	5,287,703	5,649,398	2,129,890	1,610,699	1,725,189	3,494,908	5,252,685	1,802,539	1,197,239	3,672,990	4,977,533	43,827,772
Expenses													
Compensation and Benefits	3,164,092	2,472,466	2,661,541	1,010,597	828,548	784,522	1,671,109	2,737,527	1,139,323	1,066,860	1,901,637	2,778,672	22,216,895
Books and Supplies	928,664	683,524	787,954	227,395	152,900	215,690	357,677	736,116	378,294	80,670	354,709	87,874	4,991,467
Services and Other Operating Expenditures	2,705,608	1,789,873	1,791,208	652,796	471,686	424,382	1,238,852	1,708,513	621,731	688,291	843,014	2,091,472	15,027,424
Capital Outlay	10,400	-	-	-	-	11,905	12,788	-	-	6,051	-	-	41,144
Total Expenses	6,808,765	4,945,863	5,240,703	1,890,788	1,453,134	1,436,499	3,280,425	5,182,156	2,139,348	1,841,872	3,099,359	4,958,018	42,276,930
Operating Income (excluding Depreciation)	218,234	341,841	408,695	239,102	157,565	288,689	214,483	70,529	(336,808)	(644,633)	573,631	19,515	1,550,841
<i>Operating Income (including Depreciation)</i>	152,066	307,117	396,165	229,881	140,364	298,194	203,949	62,995	(355,078)	(678,435)	529,012	11,850	1,298,079
Fund Balance													
Beginning Balance (Unaudited)	2,101,135	987,700	513,286	502,151	890,631	485,437	762,024	2,896,467	2,300,710	473,945	615,301	689,915	13,218,702
Operating Income (including Depreciation)	152,066	307,117	396,165	229,881	140,364	298,194	203,949	62,995	(355,078)	(678,435)	529,012	11,850	1,298,079
Ending Fund Balance (including Depreciation)	2,253,201	1,294,817	909,451	732,033	1,030,995	783,631	965,972	2,959,462	1,945,632	(204,490)	1,144,313	701,765	14,516,781
<i>Ending Fund Balance as a % of Expenses</i>	<i>33%</i>	<i>26%</i>	<i>17%</i>	<i>39%</i>	<i>71%</i>	<i>55%</i>	<i>29%</i>	<i>57%</i>	<i>91%</i>	<i>-11%</i>	<i>37%</i>	<i>14%</i>	<i>34%</i>
Total Enrolled	542	485	465	183	150	168	291	489	145	107	423	-	3,448
Total ADA	526	473	446	174	143	165	282	474	141	103	409	-	3,335

Forecast vs. Budget – MSA-1

Forecasted Operating Income of \$152K after depreciation, an increase of \$121.3K from the Approved Budget.



	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	724,867	4,910,326	4,914,540	4,214	4,189,673
Federal Revenue	27,117	715,235	737,286	22,051	710,169
Other State Revenues	76,748	1,034,658	1,306,172	271,514	1,229,424
Local Revenues	8,210	34,000	34,000	-	25,790
Fundraising and Grants	1,850	35,000	35,000	-	33,150
Total Revenue	838,793	6,729,220	7,026,998	297,779	6,188,205
Expenses					
Compensation and Benefits	699,228	3,037,855	3,164,092	(126,237)	2,464,864
Books and Supplies	57,840	927,664	928,664	(1,000)	870,824
Services and Other Operating Expenditures	526,884	2,698,001	2,705,608	(7,607)	2,178,724
Capital Outlay	10,400	-	10,400	(10,400)	-
Total Expenses	1,294,352	6,663,521	6,808,765	(145,244)	5,514,412
Operating Income (excluding Depreciation)	(455,560)	65,699	218,234	152,535	673,793
<i>Operating Income (including Depreciation)</i>	<i>(445,159)</i>	<i>30,699</i>	<i>152,066</i>	<i>121,367</i>	<i>597,226</i>
Fund Balance					
Beginning Balance (Unaudited)	2,101,135	-	2,101,135		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	2,101,135	-	2,101,135		
Operating Income (including Depreciation)	(445,159)	30,699	152,066		
Ending Fund Balance (including Depreciation)	1,655,975	30,699	2,253,201		
Total Enrolled		550	542	(8)	
Total ADA		533.5	525.7	(8)	

Includes addition of one-time discretionary funds & Educator Eff. Funding

- Salaries based on current contracted positions / rates

Forecast vs. Budget – MSA-2

Forecasted Operating Income of \$307.1K after depreciation, an increase of \$238.4K from the Approved Budget.

	Actual YTD	Approved Budget	Current Forecast	(Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	596,061	4,330,206	4,221,852	(108,354)	3,625,791
Federal Revenue	21,913	242,378	297,775	55,397	275,862
Other State Revenues	64,894	363,289	643,821	280,531	578,927
Local Revenues	55,976	55,000	99,256	44,256	43,280
Fundraising and Grants	1,231	25,000	25,000	-	23,769
Total Revenue	740,076	5,015,874	5,287,703	271,830	4,547,628
Expenses					
Compensation and Benefits	601,180	2,703,724	2,472,466	231,258	1,871,285
Books and Supplies	438,442	423,562	683,524	(259,962)	245,083
Services and Other Operating Expenditure	228,449	1,770,647	1,789,873	(19,226)	1,561,424
Capital Outlay	-	-	-	-	-
Total Expenses	1,268,071	4,897,933	4,945,863	(47,930)	3,677,792
Operating Income (excluding Depreciation)	(527,995)	117,940	341,841	223,900	869,836
<i>Operating Income (including Depreciation)</i>	(527,995)	68,694	307,117	238,422	835,112
Fund Balance					
Beginning Balance (Unaudited)	987,700	-	987,700		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	987,700	-	987,700		
Operating Income (including Depreciation)	(527,995)	68,694	307,117		
Ending Fund Balance (including Depreciation)	459,705	68,694	1,294,817		
Total Enrolled		495	485	(10)	
Total ADA		482.6	472.9	(10)	

Includes addition of one-time discretionary funds & Educator Eff. Funding

Salaries are based on actual contracted positions

Chromebooks moved from CapEx and additional textbooks

Forecast vs. Budget – MSA-3

Forecasted Operating Income of \$396.1K after depreciation,
an **decrease of \$76.3K** from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	601,247	4,366,759	4,062,033	(304,726)	3,460,786
Federal Revenue	21,681	613,936	601,468	(12,468)	579,787
Other State Revenues	64,993	662,571	941,388	278,817	876,395
Local Revenues	74,055	5,500	34,509	29,009	(39,546)
Fundraising and Grants	-	10,000	10,000	-	10,000
Total Revenue	761,976	5,658,766	5,649,398	(9,368)	4,887,422
Expenses					
Compensation and Benefits	615,212	2,661,639	2,661,541	98	2,046,329
Books and Supplies	267,399	741,354	787,954	(46,600)	520,555
Services and Other Operating Expenditures	132,496	1,733,232	1,791,208	(57,976)	1,658,712
Capital Outlay	-	-	-	-	-
Total Expenses	1,015,107	5,136,225	5,240,703	(104,478)	4,225,596
Operating Income (excluding Depreciation)	(253,131)	522,541	408,695	(113,846)	661,826
<i>Operating Income (including Depreciation)</i>	<i>(253,131)</i>	<i>472,541</i>	<i>396,165</i>	<i>(76,376)</i>	<i>649,296</i>
Fund Balance					
Beginning Balance (Unaudited)	513,286	-	513,286		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	513,286	-	513,286		
Operating Income (including Depreciation)	(253,131)	472,541	396,165		
Ending Fund Balance (including Depreciation)	260,155	472,541	909,451		
Total Enrolled		470	465	(5)	
Total ADA		451.2	446.4	(5)	

Corrected LCFF using FCMAT

One-time discretionary funds were not budgeted

Books based on actual McGraw Hill purchase

Includes Title I consulting (SES and Saturday School) Services

Forecast vs. Budget – MSA-4

Forecasted Operating Income of \$229.8K after depreciation, an increase of \$45.2K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	296,931	1,866,585	1,594,460	(272,125)	1,297,529
Federal Revenue	10,773	120,178	222,232	102,054	211,459
Other State Revenues	33,523	152,358	272,664	120,305	239,141
Local Revenues	25,494	5,000	30,534	25,534	5,040
Fundraising and Grants	1,648	10,000	10,000	-	8,352
Total Revenue	368,370	2,154,121	2,129,890	(24,231)	1,761,520
Expenses					
Compensation and Benefits	265,919	1,081,300	1,010,597	70,703	744,678
Books and Supplies	12,996	178,967	227,395	(48,428)	214,399
Services and Other Operating Expenditures	103,332	694,178	652,796	41,382	549,464
Capital Outlay	-	-	-	-	-
Total Expenses	382,247	1,954,445	1,890,788	63,657	1,508,541
Operating Income (excluding Depreciation)	(13,877)	199,676	239,102	39,426	252,979
<i>Operating Income (including Depreciation)</i>	<i>(13,877)</i>	<i>184,676</i>	<i>229,881</i>	<i>45,205</i>	<i>243,758</i>
Fund Balance					
Beginning Balance (Unaudited)	502,151	-	502,151		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	502,151	-	502,151		
Operating Income (including Depreciation)	(13,877)	184,676	229,881		
Ending Fund Balance (including Depreciation)	488,274	184,676	732,033		
Total Enrolled		220	183	(37)	
Total ADA		209.0	173.9	(35)	

- Less LCFF funding due to drop in enrollment
- Added one-time funds, CSFIGP, and EFF

Overspent on books & supplies

(37)
(35)

Forecast vs. Budget – MSA-5

Forecasted Operating Income of \$140.3K after depreciation, an increase of \$57.8K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	137,520	1,369,146	1,226,157	(142,989)	1,088,637
Federal Revenue	5,572	65,198	136,848	71,650	131,276
Other State Revenues	59,813	106,490	240,694	134,204	180,881
Local Revenues	463	4,000	4,000	-	3,537
Fundraising and Grants	80	3,000	3,000	-	2,920
Total Revenue	203,448	1,547,833	1,610,699	62,866	1,407,251
Expenses					
Compensation and Benefits	160,761	873,235	828,548	44,686	667,788
Books and Supplies	4,560	104,400	152,900	(48,500)	148,340
Services and Other Operating Expenditures	47,484	469,584	471,686	(2,101)	424,201
Capital Outlay	-	-	-	-	-
Total Expenses	212,805	1,447,219	1,453,134	(5,915)	1,240,329
Operating Income (excluding Depreciation)	(9,357)	100,614	157,565	56,951	166,922
<i>Operating Income (including Depreciation)</i>	(9,357)	82,614	140,364	57,750	149,721
Fund Balance					
Beginning Balance (Unaudited)	890,631	-	890,631		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	890,631	-	890,631		
Operating Income (including Depreciation)	(9,357)	82,614	140,364		
Ending Fund Balance (including Depreciation)	881,274	82,614	1,030,995		
Total Enrolled		170	150	(20)	
Total ADA		161.5	142.5	(19)	

- Less funding due to drop in enrollment
- Add one-time funding and EFF

Increase due to book purchases

Forecast vs. Budget – MSA-6

Forecasted Operating Income of \$298.2K after depreciation, an increase of \$87.9K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	208,192	1,309,037	1,375,307	66,270	1,167,115
Federal Revenue	8,027	99,722	109,779	10,057	101,752
Other State Revenues	24,094	119,616	226,103	106,487	202,009
Local Revenues	-	4,000	4,000	-	4,000
Fundraising and Grants	4,253	10,000	10,000	-	5,748
Total Revenue	244,565	1,542,375	1,725,189	182,813	1,480,623
Expenses					
Compensation and Benefits	190,252	779,091	784,522	(5,431)	594,270
Books and Supplies	6,690	106,526	215,690	(109,164)	209,000
Services and Other Operating Expenditures	72,874	434,422	424,382	10,040	351,508
Capital Outlay	11,905	-	11,905	(11,905)	0
Total Expenses	281,721	1,320,039	1,436,499	(116,460)	1,154,778
Operating Income (excluding Depreciation)	(37,156)	222,336	288,689	66,353	325,845
<i>Operating Income (including Depreciation)</i>	<i>(25,251)</i>	<i>210,336</i>	<i>298,194</i>	<i>87,858</i>	<i>323,445</i>
Fund Balance					
Beginning Balance (Unaudited)	485,437	-	485,437		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	485,437	-	485,437		
Operating Income (including Depreciation)	(25,251)	210,336	298,194		
Ending Fund Balance (including Depreciation)	460,186	210,336	783,631		
Total Enrolled		170	168	(2)	
Total ADA		166.6	164.6	(2)	

Added One-time funds and Educator Eff. Funding

Textbook and computer purchases

Forecast vs. Budget – MSA-7

Forecasted Operating Income of 201.1K after depreciation, an increase of 45.7K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	368,619	2,520,779	2,386,946	(133,833)	2,018,327
Federal Revenue	14,606	252,632	292,506	39,874	277,900
Other State Revenues	41,799	558,813	701,489	142,675	659,689
Local Revenues	40,071	27,000	63,967	36,967	23,896
Fundraising and Grants	1,006	50,000	50,000	-	48,994
Total Revenue	466,101	3,409,224	3,494,908	85,684	3,028,807
Expenses					
Compensation and Benefits	367,295	1,651,837	1,671,109	(19,272)	1,303,814
Books and Supplies	34,781	337,491	357,677	(20,186)	322,895
Services and Other Operating Expenditures	303,446	1,258,657	1,238,852	19,805	935,406
Capital Outlay	12,788	19,000	26,788	(7,788)	14,001
Total Expenses	718,309	3,266,985	3,294,426	(27,441)	2,576,116
Operating Income (excluding Depreciation)	(252,209)	142,239	200,482	58,243	452,691
<i>Operating Income (including Depreciation)</i>	(239,421)	155,439	201,149	45,709	440,570
Fund Balance					
Beginning Balance (Unaudited)	762,024	764,370	762,024		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	762,024	764,370	762,024		
Operating Income (including Depreciation)	(239,421)	155,439	201,149		
Ending Fund Balance (including Depreciation)	522,603	919,809	963,172		
Total Enrolled		300	291	(9)	
Total ADA		294.0	282.3	(12)	

Enrollment decline resulted in reduced LCFF funding

One time grant significantly increased State Revenue

Slight increase in both salaries and books & supplies

Forecast vs. Budget – MSA-8

Forecasted Operating Income of \$62.9K after depreciation, a increase of \$83.3K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	651,418	4,355,404	4,091,513	(263,891)	3,440,095
Federal Revenue	16,477	305,941	292,852	(13,089)	276,375
Other State Revenues	50,032	541,593	781,510	239,918	731,479
Local Revenues	39,868	40,000	66,810	26,810	26,942
Fundraising and Grants	794	20,000	20,000	-	19,206
Total Revenue	758,588	5,262,937	5,252,685	(10,252)	4,494,097
Expenses					
Compensation and Benefits	666,703	2,951,755	2,737,527	214,228	2,070,824
Books and Supplies	103,676	480,338	736,116	(255,779)	632,440
Services and Other Operating Expenditures	423,664	1,715,279	1,708,513	6,766	1,284,849
Capital Outlay	-	113,200	-	113,200	-
Total Expenses	1,194,043	5,260,572	5,182,156	78,415	3,988,114
Operating Income (excluding Depreciation)	(435,455)	2,366	70,529	68,163	505,983
<i>Operating Income (including Depreciation)</i>	<i>(435,455)</i>	<i>(20,274)</i>	<i>62,995</i>	<i>83,269</i>	<i>498,449</i>
Fund Balance					
Beginning Balance (Unaudited)	2,896,467	3,108,231	2,896,467		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	2,896,467	3,108,231	2,896,467		
Operating Income (including Depreciation)	(435,455)	(20,274)	62,995		
Ending Fund Balance (including Depreciation)	2,461,012	3,087,957	2,959,462		
Total Enrolled		495	489	(6)	
Total ADA		480.2	474.3	(6)	

Salary forecast has increased from approved budget

New computer and printer purchases

Forecast vs. Budget – MSA-SA

Forecasted Operating Loss of \$335K after depreciation, a decrease of \$630.6K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	93,363	1,931,126	1,136,266	(794,860)	1,042,903
Federal Revenue	-	340,684	290,627	(50,056)	290,627
Other State Revenues	14,177	161,998	324,146	162,148	309,969
Local Revenues	5,889	34,000	34,000	-	28,111
Fundraising and Grants	2,216	20,000	17,500	(2,500)	15,284
Total Revenue	115,645	2,487,808	1,802,539	(685,268)	1,686,895
Expenses					
Compensation and Benefits	210,811	1,285,358	1,139,323	146,034	928,512
Books and Supplies	49,803	246,400	378,294	(131,894)	328,491
Services and Other Operating Expenditures	115,625	650,024	621,731	28,293	506,106
Capital Outlay	-	-	-	-	-
Total Expenses	376,238	2,181,781	2,139,348	42,434	1,763,109
Operating Income (excluding Depreciation)	(260,594)	306,026	(336,808)	(642,835)	(76,215)
<i>Operating Income (including Depreciation)</i>	(260,594)	275,526	(355,078)	(630,605)	(94,485)
Fund Balance					
Beginning Balance (Unaudited)	2,300,710	276,785	2,300,710		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	2,300,710	276,785	2,300,710		
Operating Income (including Depreciation)	(260,594)	275,526	(355,078)		
Ending Fund Balance (including Depreciation)	2,040,116	552,312	1,945,632		
Total Enrolled		250	145	(105)	
Total ADA		242.5	140.7	(102)	

Reduction in ADA -> less funding

One-time discretionary funds and Educator Eff. Funding

Forecast vs. Budget – MSA-SC

Forecasted Operating Loss of **678.4K** after depreciation, a decrease of **\$946.6K** from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	271,748	2,798,940	770,883	(2,028,057)	499,135
Federal Revenue	-	148,229	63,688	(84,541)	63,688
Other State Revenues	-	313,515	347,168	33,653	347,168
Local Revenues	252	42,000	-	(42,000)	(252)
Fundraising and Grants	5	80,000	15,500	(64,500)	15,496
Total Revenue	272,004	3,382,684	1,197,239	(2,185,445)	925,235
Expenses					
Compensation and Benefits	361,464	2,104,697	1,066,860	1,037,837	705,397
Books and Supplies	14,365	138,577	80,670	57,907	66,305
Services and Other Operating Expenditures	120,965	845,281	688,291	156,990	567,326
Capital Outlay	6,051	129,607	6,051	123,556	-
Total Expenses	502,844	3,218,162	1,841,872	1,376,290	1,339,027
Operating Income (excluding Depreciation)	(230,840)	164,521	(644,633)	(809,154)	(413,793)
<i>Operating Income (including Depreciation)</i>	(224,789)	268,207	(678,435)	(946,642)	(453,646)
Fund Balance					
Beginning Balance (Unaudited)	473,945	466,305	473,945		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	473,945	466,305	473,945		
Operating Income (including Depreciation)	(224,789)	268,207	(678,435)		
Ending Fund Balance (including Depreciation)	249,156	734,512	(204,490)		
Total Enrolled		405	107	(298)	
Total ADA		388.8	102.7	(286)	

Significant drop in enrollment led to less funding

Forecasted expenses have been reduced by 43%

Forecast vs. Budget – MSA-SD

Forecasted Operating Income of \$529K after depreciation, an increase of \$69.2K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
General Block Grant	487,563	3,021,186	2,978,176	(43,010)	2,490,613
Federal Revenue	-	103,151	84,919	(18,232)	84,919
Other State Revenues	32,147	273,183	481,095	207,912	448,948
Local Revenues	23,399	107,000	108,800	1,800	85,401
Fundraising and Grants	526	20,000	20,000	-	19,474
Total Revenue	543,634	3,524,520	3,672,990	148,470	3,129,356
Expenses					
Compensation and Benefits	382,601	2,024,242	1,901,637	122,605	1,519,036
Books and Supplies	34,893	207,727	354,709	(146,982)	319,816
Services and Other Operating Expenditures	64,764	782,793	843,014	(60,220)	778,250
Capital Outlay	-	-	-	-	-
Total Expenses	482,257	3,014,762	3,099,359	(84,597)	2,617,102
Operating Income (excluding Depreciation)	61,377	509,757	573,631	63,873	512,254
<i>Operating Income (including Depreciation)</i>	61,377	459,757	529,012	69,254	467,635
Fund Balance					
Beginning Balance (Unaudited)	615,301	557,901	615,301		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	615,301	557,901	615,301		
Operating Income (including Depreciation)	61,377	459,757	529,012		
Ending Fund Balance (including Depreciation)	676,678	1,017,659	1,144,313		
Total Enrolled		438	423	(15)	
Total ADA		423.8	409.3	(15)	

One time grant increased revenues

Forecast has increased due to Textbooks

Forecast vs. Budget – MERF

Forecasted Operating Income of 11.8K after depreciation, a decrease of \$216K from the Approved Budget.



	Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
SUMMARY					
Revenue					
Local Revenues	1,311,723	4,787,533	4,727,533	(60,000)	3,415,811
Fundraising and Grants	25,000	-	250,000	250,000	225,000
Total Revenue	1,336,723	4,787,533	4,977,533	190,000	3,640,811
Expenses					
Compensation and Benefits	631,350	2,415,009	2,778,672	(363,662)	2,337,068
Books and Supplies	33,192	87,874	87,874	-	54,682
Services and Other Operating Expenditures	463,830	2,056,672	2,091,472	(34,800)	1,627,642
Capital Outlay	-	-	-	-	-
Total Expenses	1,128,372	4,559,555	4,958,018	(398,462)	4,019,392
Operating Income (excluding Depreciation)	208,351	227,978	19,515	(208,462)	(378,581)
<i>Operating Income (including Depreciation)</i>	208,351	227,978	11,850	(216,128)	(386,247)
Fund Balance					
Beginning Balance (Unaudited)	689,915	-	689,915		
Audit Adjustment	-	-	-		
Beginning Balance (Audited)	689,915	-	689,915		
Operating Income (including Depreciation)	208,351	227,978	11,850		
Ending Fund Balance (including Depreciation)	898,266	227,978	701,765		

Forecast includes 5 additional employees, new 401K plan expense

YTD ADA Comparison

Actual ADA as of September is on track with the current forecasted ADA

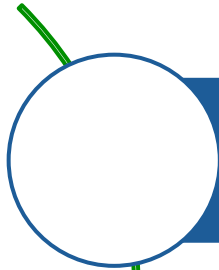


Site	Approved Budget Enrollment	Forecasted Enrollment	Forecasted ADA	Actual Cumulative ADA	ADA Variance %	ADA Variance	Actual ADA %
MSA-1	550	542	525.74	527.70	0.00	1.96	97%
MSA-2	495	485	472.88	468.62	-0.01	-4.25	97%
MSA-3	470	465	446.40	443.08	-0.01	-3.32	95%
MSA-4	220	183	173.85	179.19	0.03	5.34	98%
MSA-5	170	150	142.50	142.08	0.00	-0.42	95%
MSA-6	170	168	164.64	162.81	-0.01	-1.83	97%
MSA-7	300	291	282.27	282.57	0.00	0.30	97%
MSA-8	495	489	474.33	480.22	0.01	5.89	98%
MSA-SA	250	145	140.65	141.90	0.01	1.25	98%
MSA-SC	405	107	102.72	99.79	-0.03	-2.93	93%
MSA-SD	438	423	409.25	409.86	0.00	0.61	97%
Total	3963	3448	3335.23	3337.83	0.00	2.60	97%

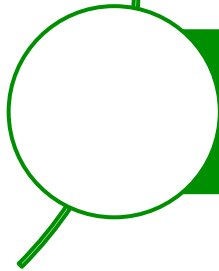
*MSA-SA and MSA-SC only includes August Data

On the Horizon

Future presentations to include more in-depth analyses as additional information becomes available



Cash Flow Forecasts



Grant & Program Analyses

Exhibits

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	724,867	4,910,326	4,914,540	4,214	4,189,673	15%
Federal Revenue	27,117	715,235	737,286	22,051	710,169	4%
Other State Revenues	76,748	1,034,658	1,306,172	271,514	1,229,424	6%
Local Revenues	8,210	34,000	34,000	-	25,790	24%
Fundraising and Grants	1,850	35,000	35,000	-	33,150	5%
Total Revenue	838,793	6,729,220	7,026,998	297,779	6,188,205	12%
Expenses						
Compensation and Benefits	699,228	3,037,855	3,164,092	(126,237)	2,464,864	22%
Books and Supplies	57,840	927,664	928,664	(1,000)	870,824	6%
Services and Other Operating Expenditures	526,884	2,698,001	2,705,608	(7,607)	2,178,724	19%
Capital Outlay	10,400	-	10,400	(10,400)	-	100%
Total Expenses	1,294,352	6,663,521	6,808,765	(145,244)	5,514,412	19%
Operating Income (excluding Depreciation)	(455,560)	65,699	218,234	152,535	673,793	
<i>Operating Income (including Depreciation)</i>	(445,159)	30,699	152,066	121,367	597,226	
Fund Balance						
Beginning Balance (Unaudited)	2,101,135	-	2,101,135			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	2,101,135	-	2,101,135			100%
Operating Income (including Depreciation)	(445,159)	30,699	152,066			
Ending Fund Balance (including Depreciation)	1,655,975	30,699	2,253,201			73%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	550	542	(8)		
Total ADA	533.5	525.7	(8)		

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	322,308	3,407,053	3,274,065	(132,988)	2,951,757	10%
8012	Education Protection Account Entitlement	183,667	702,273	775,753	73,480	592,086	24%
8096	Charter Schools in Lieu of Property Taxes	218,892	801,000	864,721	63,721	645,829	25%
		724,867	4,910,326	4,914,540	4,214	4,189,673	15%
8100 Federal Revenue							
8181	Special Education - Entitlement	25,601	105,985	104,444	(1,542)	78,842	25%
8220	Child Nutrition Programs	-	378,550	378,550	-	378,550	0%
8291	Title I	-	210,000	202,757	(7,243)	202,757	0%
8292	Title II	-	2,700	8,035	5,335	8,035	0%
8293	Title III	-	18,000	41,984	23,984	41,984	0%
8297	PY Federal - Not Accrued	1,516	-	1,516	1,516	-	100%
	SUBTOTAL - Federal Income	27,117	715,235	737,286	22,051	710,169	4%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	1,322	-	1,322	1,322	-	100%
8381	Special Education - Entitlement (State)	75,426	298,611	294,267	(4,343)	218,841	26%
8520	Child Nutrition - State	-	34,648	34,648	-	34,648	0%
8545	School Facilities Apportionments	-	450,000	394,305	(55,695)	394,305	0%
8550	Mandated Cost Reimbursements	-	20,000	14,884	(5,116)	14,884	0%
8560	State Lottery Revenue	-	81,400	95,159	13,759	95,159	0%
8590	All Other State Revenue	-	-	321,588	321,588	321,588	0%
8593	ASES	-	150,000	150,000	-	150,000	0%
	SUBTOTAL - Other State Income	76,748	1,034,658	1,306,172	271,514	1,229,424	6%
8600 Other Local Revenue							
8634	Food Service Sales	158	5,000	5,000	-	4,842	3%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8636	Uniforms	1,303	10,000	10,000	-	8,697	13%
8690	Other Local Revenue	1,897	19,000	19,000	-	17,103	10%
8999	Uncategorized Revenue	4,853	-	-	-	(4,853)	
SUBTOTAL - Local Revenues		8,210	34,000	34,000	-	25,790	24%
8800	Donations/Fundraising						
8803	Fundraising	1,850	35,000	35,000	-	33,150	5%
SUBTOTAL - Fundraising and Grants		1,850	35,000	35,000	-	33,150	5%
TOTAL REVENUE		838,793	6,729,220	7,026,998	297,779	6,188,205	12%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	395,350	1,732,854	1,757,093	(24,238)	1,361,743	23%
1300	Certificated Supervisor & Administrator Salari	63,312	358,176	378,034	(19,858)	314,722	17%
	SUBTOTAL - Certificated Employees	458,662	2,091,030	2,135,127	(44,097)	1,676,465	21%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	44,673	95,539	164,213	(68,675)	119,540	27%
2900	Classified Other Salaries	45,716	176,124	175,674	450	129,958	26%
	SUBTOTAL - Classified Employees	90,389	271,663	339,887	(68,225)	249,498	27%
3000	Employee Benefits						
3100	STRS	48,449	219,539	223,057	(3,518)	174,608	22%
3200	PERS	5,165	15,602	18,900	(3,298)	13,735	27%
3300	OASDI-Medicare-Alternative	13,151	53,892	60,164	(6,272)	47,014	22%
3400	Health & Welfare Benefits	71,709	266,500	307,500	(41,000)	235,791	23%
3500	Unemployment Insurance	6,422	38,039	32,281	5,759	25,858	20%
3600	Workers Comp Insurance	-	30,715	32,175	(1,460)	32,175	0%
3900	Other Employee Benefits	5,280	50,875	15,000	35,875	9,720	35%
	SUBTOTAL - Employee Benefits	150,176	675,163	689,078	(13,915)	538,902	22%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	3,963	250,000	250,000	0	246,037	2%
4200	Books & Other Reference Materials	886	26,000	26,000	-	25,114	3%
4315	Custodial Supplies	1,309	34,000	34,000	-	32,691	4%
4320	Educational Software	2,341	38,000	32,850	5,150	30,509	7%
4325	Instructional Materials & Supplies	4,855	-	5,150	(5,150)	295	94%
4326	Art & Music Supplies	1,345	-	5,000	(5,000)	3,655	27%
4330	Office Supplies	2,010	30,000	29,500	500	27,490	7%
4340	Professional Development Supplies	421	-	1,000	(1,000)	579	42%
4345	Non Instructional Student Materials & Supplies	2,724	50,000	45,000	5,000	42,276	6%
4346	Teacher Supplies	170	-	500	(500)	330	34%
4400	Noncapitalized Equipment	-	70,000	70,000	-	70,000	0%
4410	Classroom Furniture, Equipment & Supplies	4,145	5,000	5,000	-	855	83%
4420	Computers (individual items less than \$5k)	9,754	15,000	13,187	1,813	3,433	74%
4430	Non Classroom Related Furniture, Equipment & Supplies	1,420	-	1,813	(1,813)	393	78%
4700	Food	22,499	409,664	409,664	-	387,165	5%
	SUBTOTAL - Books and Supplies	57,840	927,664	928,664	(1,000)	870,824	6%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	Shared Management Fee - CMO	291,034	873,103	873,103	(0)	582,069	33%
5200	Travel & Conferences	493	40,000	36,768	3,232	36,275	1%
5210	Conference Fees	1,251	-	3,000	(3,000)	1,749	42%
5215	Travel - Mileage, Parking, Tolls	337	-	500	(500)	163	67%
5300	Dues & Memberships	-	7,000	7,854	(854)	7,854	0%
5450	Insurance - Other	-	41,250	41,250	-	41,250	0%
5500	Operations & Housekeeping	967	29,400	29,400	-	28,433	3%
5510	Utilities - Gas and Electric	16,107	42,600	42,600	-	26,493	38%
5605	Equipment Leases	3,106	24,000	24,000	-	20,894	13%
5610	Rent	139,906	600,000	600,000	-	460,094	23%
5611	Prop 39 Related Costs	-	-	-	-	-	
5615	Repairs and Maintenance - Building	9,233	36,000	35,000	1,000	25,767	26%
5617	Repairs and Maintenance - Other Equipment	378	-	1,000	(1,000)	622	38%
5803	Accounting Fees	-	-	5,000	(5,000)	5,000	0%
5808	Service 3	-	-	-	-	-	
5809	Banking Fees	48	1,500	1,500	-	1,452	3%
5813	School Programs - After School Program	8,219	150,000	150,000	-	141,781	5%
5814	School Programs - Academic Competitions	100	-	100	(100)	-	100%
5819	School Programs - Other	3,875	50,000	49,900	100	46,025	8%
5820	Consultants - Non Instructional	147	29,000	24,000	5,000	23,853	1%
5821	Consultants - Non Instructional - Custom 2	-	-	-	-	-	
5822	Other Professional Services	-	70,000	69,000	1,000	69,000	0%
5824	District Oversight Fees	10,751	49,103	49,145	(42)	38,394	22%
5830	Field Trips Expenses	3,058	20,000	20,000	-	16,942	15%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	283,876	283,876	-	283,876	0%
5845	Legal Fees	-	20,000	20,000	-	20,000	0%
5851	Marketing and Student Recruiting	-	18,000	18,000	-	18,000	0%
5857	Payroll Fees	1,161	250	3,366	(3,116)	2,205	34%
5861	Prior Yr Exp (not accrued)	1,502	-	1,502	(1,502)	-	100%
5863	Professional Development	855	85,000	86,900	(1,900)	86,045	1%
5869	Special Education Contract Instructors	125	50,000	50,000	-	49,875	0%
5872	Special Education Encroachment	20,206	80,919	79,742	1,177	59,537	25%
5884	Substitutes	-	53,200	54,280	(1,080)	54,280	0%
5887	Technology Services	7,820	28,200	28,200	0	20,380	28%
5893	Transportation - Student	964	-	1,000	(1,000)	36	96%
5899	Miscellaneous Operating Expenses	3,589	-	-	-	(3,589)	
5900	Communications	1,633	9,600	9,600	-	7,967	17%
5915	Postage and Delivery	19	6,000	6,022	(22)	6,003	0%
SUBTOTAL - Services & Other Operating Exp.		526,884	2,698,001	2,705,608	(7,607)	2,178,724	19%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
6200	Buildings & Improvement of Buildings	10,400	-	10,400	(10,400)	- 100%
	SUBTOTAL - Capital Outlay	10,400	-	10,400	(10,400)	- 100%
	TOTAL EXPENSES	1,294,352	6,663,521	6,808,765	(145,244)	5,514,412 19%
6900	Total Depreciation (includes Prior Years)	-	35,000	76,567	(41,567)	76,567 0%
	TOTAL EXPENSES including Depreciation	1,283,952	6,698,521	6,874,932	(176,411)	5,590,979 19%

Magnolia Science Academy 1

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	596,061	4,330,206	4,221,852	(108,354)	3,625,791	14%
Federal Revenue	21,913	242,378	297,775	55,397	275,862	7%
Other State Revenues	64,894	363,289	643,821	280,531	578,927	10%
Local Revenues	55,976	55,000	99,256	44,256	43,280	56%
Fundraising and Grants	1,231	25,000	25,000	-	23,769	5%
Total Revenue	740,076	5,015,874	5,287,703	271,830	4,547,628	14%
Expenses						
Compensation and Benefits	601,180	2,703,724	2,472,466	231,258	1,871,285	24%
Books and Supplies	438,442	423,562	683,524	(259,962)	245,083	64%
Services and Other Operating Expenditures	228,449	1,770,647	1,789,873	(19,226)	1,561,424	13%
Capital Outlay	-	-	-	-	-	-
Total Expenses	1,268,071	4,897,933	4,945,863	(47,930)	3,677,792	26%
Operating Income (excluding Depreciation)	(527,995)	117,940	341,841	223,900	869,836	
<i>Operating Income (including Depreciation)</i>	(527,995)	68,694	307,117	238,422	835,112	
Fund Balance						
Beginning Balance (Unaudited)	987,700	-	987,700			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	987,700	-	987,700			100%
Operating Income (including Depreciation)	(527,995)	68,694	307,117			
Ending Fund Balance (including Depreciation)	459,705	68,694	1,294,817			36%
Total Enrolled		495	485	(10)		
Total ADA		482.6	472.9	(10)		

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	254,996	2,987,772	2,761,831	(225,941)	2,506,835	9%
8012	Education Protection Account Entitlement	153,712	621,173	682,251	61,078	528,539	23%
8096	Charter Schools in Lieu of Property Taxes	187,353	721,261	777,771	56,510	590,417	24%
		596,061	4,330,206	4,221,852	(108,354)	3,625,791	14%
8100 Federal Revenue							
8181	Special Education - Entitlement	21,913	95,878	93,941	(1,937)	72,029	23%
8291	Title I	-	135,000	128,406	(6,594)	128,406	0%
8292	Title II	-	2,000	-	(2,000)	-	
8293	Title III	-	9,500	1,131	(8,369)	1,131	0%
8296	Other Federal Revenue	-	-	74,297	74,297	74,297	0%
SUBTOTAL - Federal Income		21,913	242,378	297,775	55,397	275,862	7%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	335	-	335	335	-	100%
8381	Special Education - Entitlement (State)	64,559	270,135	264,678	(5,457)	200,119	24%
8382	Special Education Reimbursement (State)	-	10,012	10,012	-	10,012	0%
8550	Mandated Cost Reimbursements	-	10,765	11,895	1,130	11,895	0%
8560	State Lottery Revenue	-	72,377	85,590	13,213	85,590	0%
8590	All Other State Revenue	-	-	271,310	271,310	271,310	0%
SUBTOTAL - Other State Income		64,894	363,289	643,821	280,531	578,927	10%
8600 Other Local Revenue							
8636	Uniforms	5,955	30,000	30,000	-	24,045	20%
8682	Summer Program	43,951	-	43,951	43,951	-	100%
8690	Other Local Revenue	5,766	10,000	10,000	-	4,234	58%

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8693	Field Trips	-	15,000	15,000	-	15,000	0%
8720	Refunds	305	-	305	305	-	100%
SUBTOTAL - Local Revenues		55,976	55,000	99,256	44,256	43,280	56%
8800	Donations/Fundraising						
8802	Donations - Private	56	-	100	100	44	56%
8803	Fundraising	1,175	25,000	24,900	(100)	23,725	5%
SUBTOTAL - Fundraising and Grants		1,231	25,000	25,000	-	23,769	5%
TOTAL REVENUE		740,076	5,015,874	5,287,703	271,830	4,547,628	14%

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES						-	
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	349,655	1,581,425	1,472,237	109,188	1,122,582	24%
1300	Certificated Supervisor & Administrator Salaries	70,341	297,358	234,598	62,759	164,257	30%
SUBTOTAL - Certificated Employees		419,996	1,878,782	1,706,835	171,947	1,286,839	25%
Classified Employees Summary							
2100	Classified Instructional Aide Salaries	-	-	-	-	-	
2200	Classified Support Salaries	-	-	-	-	-	
2300	Classified Supervisor & Administrator Salaries	-	-	-	-	-	
2400	Classified Clerical & Office Salaries	32,794	130,636	165,006	(34,370)	132,213	20%
2600	Classified Bonuses & Extra Pay	-	-	-	-	-	
2900	Classified Other Salaries	23,445	50,421	59,766	(9,345)	36,322	39%
SUBTOTAL - Classified Employees		56,238	181,058	224,772	(43,715)	168,534	25%
3000 Employee Benefits							
Employee Benefits Summary							
3100	STRS	43,156	193,018	177,177	15,841	134,021	24%
3200	PERS	4,990	18,891	22,900	(4,009)	17,910	22%
3300	OASDI-Medicare-Alternative	9,043	46,048	45,047	1,001	36,004	20%
3400	Health & Welfare Benefits	67,502	324,000	266,663	57,337	199,161	25%
3500	Unemployment Insurance	256	1,030	961	69	706	27%
3600	Workers Comp Insurance	-	30,898	25,111	5,787	25,111	0%
3900	Other Employee Benefits	-	30,000	3,000	27,000	3,000	0%
SUBTOTAL - Employee Benefits		124,947	643,885	540,859	103,026	415,912	23%

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	226,833	170,000	260,000	(90,000)	33,167	87%
4200	Books & Other Reference Materials	1,485	30,000	30,000	-	28,515	5%
4315	Custodial Supplies	-	6,000	6,000	-	6,000	0%
4320	Educational Software	9,700	10,000	10,000	-	300	97%
4325	Instructional Materials & Supplies	13,192	-	13,500	(13,500)	308	98%
4326	Art & Music Supplies	1,138	-	1,500	(1,500)	362	76%
4330	Office Supplies	7,555	35,000	25,000	10,000	17,445	30%
4335	PE Supplies	778	-	1,000	(1,000)	222	78%
4340	Professional Development Supplies	775	-	2,000	(2,000)	1,225	39%
4345	Non Instructional Student Materials & Supplies	341	35,000	34,000	1,000	33,659	1%
4346	Teacher Supplies	119	-	250	(250)	131	48%
4350	Uniforms	467	-	500	(500)	33	93%
4400	Noncapitalized Equipment	-	15,000	15,000	-	15,000	0%
4410	Classroom Furniture, Equipment & Supplies	13,444	25,000	25,000	-	11,556	54%
4420	Computers (individual items less than \$5k)	160,968	-	160,968	(160,968)	-	100%
4700	Food	401	97,562	97,562	-	97,161	0%
4720	Other Food	1,244	-	1,244	(1,244)	-	100%
	SUBTOTAL - Books and Supplies	438,442	423,562	683,524	(259,962)	245,083	64%
	Books & Supplies Summary						
4100	Approved Textbooks & Core Curricula Materia	226,833	170,000	260,000	(90,000)	33,167	87%
4200	Books & Other Reference Materials	1,485	30,000	30,000	-	28,515	5%
4300	Materials & Supplies	34,066	86,000	93,750	(7,750)	59,684	36%
4400	Noncapitalized Equipment	174,412	40,000	200,968	(160,968)	26,556	87%
4700	Food	1,645	97,562	98,806	(1,244)	97,161	2%
	SUBTOTAL - Books and Supplies	438,442	423,562	683,524	(259,962)	245,083	64%
5000	Services & Other Operating Expenses						
5101	Shared Management Fee - CMO	145,517	873,103	873,103	(0)	727,586	17%
5200	Travel & Conferences	715	10,000	8,038	1,962	7,323	9%

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5210	Conference Fees	854	30,000	30,714	(714)	29,861	3%
5215	Travel - Mileage, Parking, Tolls	152	-	200	(200)	48	76%
5300	Dues & Memberships	2,943	6,000	6,000	-	3,057	49%
5450	Insurance - Other	-	37,125	37,125	-	37,125	0%
5500	Operations & Housekeeping	-	8,400	8,400	-	8,400	0%
5605	Equipment Leases	843	14,400	14,400	-	13,557	6%
5610	Rent	-	144,000	144,000	-	144,000	0%
5615	Repairs and Maintenance - Building	937	6,000	5,000	1,000	4,063	19%
5617	Repairs and Maintenance - Other Equipment	611	-	1,000	(1,000)	389	61%
5803	Accounting Fees	-	-	8,345	(8,345)	8,345	0%
5809	Banking Fees	48	1,000	1,000	-	952	5%
5813	School Programs - After School Program	1,105	-	1,105	(1,105)	-	100%
5814	School Programs - Academic Competitions	227	-	1,000	(1,000)	773	23%
5815	Consultants - Instructional	-	75,000	75,000	-	75,000	0%
5819	School Programs - Other	2,288	-	3,000	(3,000)	712	76%
5820	Consultants - Non Instructional	6,448	26,345	18,000	8,345	11,552	36%
5822	Other Professional Services	4,880	60,000	56,000	4,000	51,120	9%
5824	District Oversight Fees	8,674	43,302	42,219	1,084	33,545	21%
5830	Field Trips Expenses	1,379	35,000	35,000	-	33,621	4%
5843	Interest - Loans Less than 1 Year	-	1,000	1,000	-	1,000	0%
5845	Legal Fees	4,500	30,000	30,000	-	25,500	15%
5851	Marketing and Student Recruiting	260	24,000	24,000	-	23,740	1%
5857	Payroll Fees	1,036	300	3,686	(3,386)	2,650	28%
5861	Prior Yr Exp (not accrued)	13,888	-	13,888	(13,888)	-	100%
5863	Professional Development	6,853	119,946	118,000	1,946	111,148	6%
5869	Special Education Contract Instructors	-	60,000	60,000	-	60,000	0%
5872	Special Education Encroachment	17,294	73,203	71,724	1,479	54,429	24%
5884	Substitutes	-	58,923	60,326	(1,403)	60,326	0%
5887	Technology Services	2,071	28,200	28,200	-	26,129	7%
5899	Miscellaneous Operating Expenses	2,875	-	-	-	(2,875)	
5900	Communications	2,052	-	5,020	(5,020)	2,968	41%
5915	Postage and Delivery	-	5,400	5,380	20	5,380	0%

Magnolia Science Academy 2

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Current Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUBTOTAL - Services & Other Operating Exp.		228,449	1,770,647	1,789,873	(19,226)	1,561,424	13%
Services & Other Operating Expenditures Summary							
5100	Subagreements for Services	145,517	873,103	873,103	(0)	727,586	17%
5200	Travel & Conferences	1,720	40,000	38,952	1,048	37,232	4%
5300	Dues & Memberships	2,943	6,000	6,000	-	3,057	49%
5400	Insurance	-	37,125	37,125	-	37,125	0%
5500	Operations & Housekeeping	-	8,400	8,400	-	8,400	0%
5600	Rentals, Leases, & Repairs	2,391	164,400	164,400	-	162,009	1%
5800	Other Services & Operating Expenses	73,826	636,219	651,492	(15,273)	577,666	11%
5900	Communications	2,052	5,400	10,400	(5,000)	8,348	20%
SUBTOTAL - Services & Other Operating Exp.		228,449	1,770,647	1,789,873	(19,226)	1,561,424	13%
6000	Capital Outlay						
SUBTOTAL - Capital Outlay		-	-	-	-	-	
TOTAL EXPENSES		1,268,071	4,897,933	4,945,863	(47,930)	3,677,792	26%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	601,247	4,366,759	4,062,033	(304,726)	3,460,786	15%
Federal Revenue	21,681	613,936	601,468	(12,468)	579,787	4%
Other State Revenues	64,993	662,571	941,388	278,817	876,395	7%
Local Revenues	74,055	5,500	34,509	29,009	(39,546)	215%
Fundraising and Grants	-	10,000	10,000	-	10,000	0%
Total Revenue	761,976	5,658,766	5,649,398	(9,368)	4,887,422	13%
Expenses						
Compensation and Benefits	615,212	2,661,639	2,661,541	98	2,046,329	23%
Books and Supplies	267,399	741,354	787,954	(46,600)	520,555	34%
Services and Other Operating Expenditures	132,496	1,733,232	1,791,208	(57,976)	1,658,712	7%
Capital Outlay	-	-	-	-	-	
Total Expenses	1,015,107	5,136,225	5,240,703	(104,478)	4,225,596	19%
Operating Income (excluding Depreciation)	(253,131)	522,541	408,695	(113,846)	661,826	
<i>Operating Income (including Depreciation)</i>	(253,131)	472,541	396,165	(76,376)	649,296	-64%
Fund Balance						
Beginning Balance (Unaudited)	513,286	-	513,286			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	513,286	-	513,286			100%
Operating Income (including Depreciation)	(253,131)	472,541	396,165			
Ending Fund Balance (including Depreciation)	260,155	472,541	909,451			29%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	470	465	(5)		0%
Total ADA	451.2	446.4	(5)		0%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	264,836	3,081,289	2,688,169	(393,120)	2,423,333	10%
8012	Education Protection Account Entitlement	151,042	608,670	639,638	30,968	488,596	24%
8096	Charter Schools in Lieu of Property Taxes	185,369	676,800	734,225	57,425	548,856	25%
		601,247	4,366,759	4,062,033	(304,726)	3,460,786	15%
8100 Federal Revenue							
8181	Special Education - Entitlement	21,681	89,789	88,682	(1,107)	67,001	24%
8220	Child Nutrition Programs	-	349,549	349,549	-	349,549	0%
8291	Title I	-	171,288	156,691	(14,597)	156,691	0%
8292	Title II	-	3,310	6,395	3,085	6,395	0%
8293	Title III	-	-	151	151	151	0%
	SUBTOTAL - Federal Income	21,681	613,936	601,468	(12,468)	579,787	4%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	1,118	-	1,118	1,118	-	100%
8381	Special Education - Entitlement (State)	63,875	254,364	249,859	(4,505)	185,984	26%
8520	Child Nutrition - State	-	34,955	34,955	-	34,955	0%
8545	School Facilities Apportionments	-	147,060	147,060	-	147,060	0%
8550	Mandated Cost Reimbursements	-	9,000	11,196	2,196	11,196	0%
8560	State Lottery Revenue	-	67,192	80,798	13,606	80,798	0%
8590	All Other State Revenue	-	-	266,402	266,402	266,402	0%
8593	ASES	-	150,000	150,000	-	150,000	0%
	SUBTOTAL - Other State Income	64,993	662,571	941,388	278,817	876,395	7%
8600 Other Local Revenue							
8634	Food Service Sales	-	500	500	-	500	0%
8682	Summer Program	29,009	-	29,009	29,009	-	100%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8699	All Other Local Revenue	-	5,000	5,000	-	5,000	0%
8999	Uncategorized Revenue	45,046	-	-	-	(45,046)	
SUBTOTAL - Local Revenues		74,055	5,500	34,509	29,009	(39,546)	215%
8800	Donations/Fundraising						
8803	Fundraising	-	10,000	10,000	-	10,000	0%
SUBTOTAL - Fundraising and Grants		-	10,000	10,000	-	10,000	0%
TOTAL REVENUE		761,976	5,658,766	5,649,398	(9,368)	4,887,422	13%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	314,353	1,296,280	1,396,323	(100,043)	1,081,970	23%
1300	Certificated Supervisor & Administrator Salari	109,477	406,500	362,884	43,617	253,407	30%
	SUBTOTAL - Certificated Employees	423,830	1,702,780	1,759,206	(56,426)	1,335,376	24%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	30,393	67,500	62,188	5,312	31,794	49%
2900	Classified Other Salaries	39,702	281,433	249,183	32,250	209,481	16%
	SUBTOTAL - Classified Employees	70,095	348,933	311,371	37,562	241,275	23%
3000	Employee Benefits						
3100	STRS	44,161	179,489	187,952	(8,462)	143,791	23%
3200	PERS	6,093	34,239	26,322	7,917	20,229	23%
3300	OASDI-Medicare-Alternative	11,752	53,244	49,548	3,696	37,796	24%
3400	Health & Welfare Benefits	59,035	247,000	296,194	(49,194)	237,159	20%
3500	Unemployment Insurance	247	33,033	1,032	32,001	784	24%
3600	Workers Comp Insurance	-	26,672	26,917	(245)	26,917	0%
3900	Other Employee Benefits	-	36,250	3,000	33,250	3,000	0%
	SUBTOTAL - Employee Benefits	121,287	609,926	590,965	18,962	469,678	21%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	202,442	164,000	204,000	(40,000)	1,558	99%
4200	Books & Other Reference Materials	-	44,000	44,000	-	44,000	0%
4320	Educational Software	7,972	14,000	14,000	-	6,028	57%
4325	Instructional Materials & Supplies	15,792	-	16,000	(16,000)	208	99%
4326	Art & Music Supplies	336	-	500	(500)	165	67%
4330	Office Supplies	3,321	20,000	10,000	10,000	6,679	33%
4345	Non Instructional Student Materials & Supplies	1,571	70,000	70,000	-	68,429	2%
4346	Teacher Supplies	69	-	100	(100)	31	69%
4400	Noncapitalized Equipment	-	27,000	23,000	4,000	23,000	0%
4410	Classroom Furniture, Equipment & Supplies	5,864	5,000	6,000	(1,000)	136	98%
4420	Computers (individual items less than \$5k)	201	20,000	18,500	1,500	18,299	1%
4430	Non Classroom Related Furniture, Equipment & Supplies	3,699	-	4,500	(4,500)	801	82%
4700	Food	26,133	377,354	377,354	-	351,222	7%
	SUBTOTAL - Books and Supplies	267,399	741,354	787,954	(46,600)	520,555	34%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	Shared Management Fee - CMO	72,759	873,103	873,103	(0)	800,345	8%
5200	Travel & Conferences	-	20,000	19,500	500	19,500	0%
5210	Conference Fees	-	20,000	20,000	-	20,000	0%
5215	Travel - Mileage, Parking, Tolls	55	-	500	(500)	445	11%
5300	Dues & Memberships	-	24,000	24,000	-	24,000	0%
5450	Insurance - Other	-	35,250	35,250	-	35,250	0%
5605	Equipment Leases	733	15,600	15,600	-	14,867	5%
5610	Rent	6,965	240,000	240,000	-	233,035	3%
5615	Repairs and Maintenance - Building	-	12,000	12,000	-	12,000	0%
5803	Accounting Fees	-	-	5,000	(5,000)	5,000	0%
5809	Banking Fees	68	1,500	1,500	-	1,432	5%
5820	Consultants - Non Instructional	385	29,000	24,000	5,000	23,615	2%
5822	Other Professional Services	-	65,000	101,000	(36,000)	101,000	0%
5824	District Oversight Fees	8,838	43,668	40,620	3,047	31,782	22%
5830	Field Trips Expenses	-	50,000	50,000	-	50,000	0%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5845	Legal Fees	4,875	20,000	20,000	-	15,126	24%
5851	Marketing and Student Recruiting	1,483	30,000	30,000	-	28,517	5%
5857	Payroll Fees	1,339	2,400	3,100	(700)	1,761	43%
5861	Prior Yr Exp (not accrued)	1,446	-	1,446	(1,446)	-	100%
5863	Professional Development	198	55,000	79,000	(24,000)	78,802	0%
5869	Special Education Contract Instructors	-	50,000	50,000	-	50,000	0%
5872	Special Education Encroachment	17,111	68,831	67,708	1,123	50,597	25%
5884	Substitutes	960	38,880	38,880	0	37,920	2%
5887	Technology Services	6,296	24,000	24,000	-	17,704	26%
5899	Miscellaneous Operating Expenses	6,042	-	-	-	(6,042)	
5900	Communications	1,435	9,000	9,000	-	7,565	16%
5915	Postage and Delivery	1,507	6,000	6,000	-	4,493	25%
SUBTOTAL - Services & Other Operating Exp.		132,496	1,733,232	1,791,208	(57,976)	1,658,712	7%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
	SUBTOTAL - Capital Outlay	-	-	-	-	-
	TOTAL EXPENSES	1,015,107	5,136,225	5,240,703	(104,478)	4,225,596 19%
6900	Total Depreciation (includes Prior Years)	-	50,000	12,530	37,470	12,530 0%
	TOTAL EXPENSES including Depreciation	1,015,107	5,186,225	5,253,233	(67,008)	4,238,126 19%

Magnolia Science Academy 3

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	296,931	1,866,585	1,594,460	(272,125)	1,297,529	19%
Federal Revenue	10,773	120,178	222,232	102,054	211,459	5%
Other State Revenues	33,523	152,358	272,664	120,305	239,141	12%
Local Revenues	25,494	5,000	30,534	25,534	5,040	83%
Fundraising and Grants	1,648	10,000	10,000	-	8,352	16%
Total Revenue	368,370	2,154,121	2,129,890	(24,231)	1,761,520	17%
Expenses						
Compensation and Benefits	265,919	1,081,300	1,010,597	70,703	744,678	26%
Books and Supplies	12,996	178,967	227,395	(48,428)	214,399	6%
Services and Other Operating Expenditures	103,332	694,178	652,796	41,382	549,464	16%
Capital Outlay	-	-	-	-	-	
Total Expenses	382,247	1,954,445	1,890,788	63,657	1,508,541	20%
Operating Income (excluding Depreciation)	(13,877)	199,676	239,102	39,426	252,979	-6%
<i>Operating Income (including Depreciation)</i>	<i>(13,877)</i>	<i>184,676</i>	<i>229,881</i>	<i>45,205</i>	<i>243,758</i>	<i>-6%</i>
Fund Balance						
Beginning Balance (Unaudited)	502,151	-	502,151			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	502,151	-	502,151			100%
Operating Income (including Depreciation)	(13,877)	184,676	229,881			-6%
Ending Fund Balance (including Depreciation)	488,274	184,676	732,033			67%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	220	183	(37)		0%
Total ADA	209.0	173.9	(35)		0%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	127,960	1,242,992	1,049,126	(193,866)	921,166	12%
8012	Education Protection Account Entitlement	77,559	276,862	259,391	(17,471)	181,832	30%
8096	Charter Schools in Lieu of Property Taxes	91,412	346,731	285,943	(60,788)	194,531	32%
		296,931	1,866,585	1,594,460	(272,125)	1,297,529	19%
8100 Federal Revenue							
8181	Special Education - Entitlement	10,691	41,520	34,537	(6,983)	23,846	31%
8220	Child Nutrition Programs	-	28,757	23,920	(4,836)	23,920	0%
8291	Title I	-	48,101	58,584	10,483	58,584	0%
8292	Title II	-	1,800	-	(1,800)	-	
8293	Title III	-	-	151	151	151	0%
8296	Other Federal Revenue	-	-	104,958	104,958	104,958	0%
8297	PY Federal - Not Accrued	82	-	82	82	-	100%
	SUBTOTAL - Federal Income	10,773	120,178	222,232	102,054	211,459	5%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	2,024	-	2,024	2,024	0	100%
8381	Special Education - Entitlement (State)	31,499	116,981	97,307	(19,674)	65,808	32%
8520	Child Nutrition - State	-	2,897	2,410	(487)	2,410	0%
8550	Mandated Cost Reimbursements	-	-	6,365	6,365	6,365	0%
8560	State Lottery Revenue	-	32,480	31,467	(1,013)	31,467	0%
8590	All Other State Revenue	-	-	133,091	133,091	133,091	0%
	SUBTOTAL - Other State Income	33,523	152,358	272,664	120,305	239,141	12%
8600 Other Local Revenue							
8634	Food Service Sales	50	-	50	50	-	100%
8636	Uniforms	1,655	-	1,655	1,655	-	100%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8682	Summer Program	23,829	-	23,829	23,829	-	100%
8699	All Other Local Revenue	-	5,000	5,000	-	5,000	0%
8999	Uncategorized Revenue	(40)	-	-	-	40	
SUBTOTAL - Local Revenues		25,494	5,000	30,534	25,534	5,040	83%
8800	Donations/Fundraising						
8803	Fundraising	1,648	10,000	10,000	-	8,352	16%
SUBTOTAL - Fundraising and Grants		1,648	10,000	10,000	-	8,352	16%
TOTAL REVENUE		368,370	2,154,121	2,129,890	(24,231)	1,761,520	17%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	110,864	518,637	459,626	59,011	348,762	24%
1300	Certificated Supervisor & Administrator Salari	85,632	256,923	278,582	(21,660)	192,950	31%
SUBTOTAL - Certificated Employees		196,497	775,559	738,208	37,351	541,712	27%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	11,245	32,299	36,728	(4,429)	25,483	31%
2900	Classified Other Salaries	-	22,000	22,000	-	22,000	0%
SUBTOTAL - Classified Employees		11,245	54,299	58,728	(4,429)	47,483	19%
3000	Employee Benefits						
3100	STRS	19,834	82,981	79,210	3,772	59,376	25%
3200	PERS	1,040	3,826	4,329	(502)	3,289	24%
3300	OASDI-Medicare-Alternative	4,086	19,855	15,318	4,536	11,232	27%
3400	Health & Welfare Benefits	29,731	93,750	105,241	(11,491)	75,510	28%
3500	Unemployment Insurance	104	13,361	398	12,962	295	26%
3600	Workers Comp Insurance	3,382	9,543	9,165	379	5,782	37%
3900	Other Employee Benefits	-	28,125	-	28,125	-	
SUBTOTAL - Employee Benefits		58,177	251,442	213,661	37,781	155,484	27%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	6,295	31,500	92,200	(60,700)	85,905	7%
4200	Books & Other Reference Materials	-	9,000	9,000	-	9,000	0%
4320	Educational Software	-	5,000	5,000	-	5,000	0%
4325	Instructional Materials & Supplies	3,028	16,000	10,000	6,000	6,972	30%
4330	Office Supplies	3,270	-	6,000	(6,000)	2,730	54%
4345	Non Instructional Student Materials & Supplies	-	35,000	35,000	0	35,000	0%
4400	Noncapitalized Equipment	-	7,500	-	7,500	-	
4410	Classroom Furniture, Equipment & Supplies	119	2,000	9,500	(7,500)	9,381	1%
4700	Food	285	72,967	60,695	12,272	60,410	0%
	SUBTOTAL - Books and Supplies	12,996	178,967	227,395	(48,428)	214,399	6%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	Shared Management Fee - CMO	54,569	163,707	163,707	0	109,138	33%
5200	Travel & Conferences	-	3,000	3,000	-	3,000	0%
5210	Conference Fees	100	5,000	5,000	-	4,900	2%
5300	Dues & Memberships	370	3,000	3,000	-	2,630	12%
5450	Insurance - Other	5,589	16,500	13,725	2,775	8,136	41%
5605	Equipment Leases	115	6,000	6,000	-	5,885	2%
5610	Rent	1,241	141,600	141,600	-	140,359	1%
5615	Repairs and Maintenance - Building	-	1,200	1,200	-	1,200	0%
5803	Accounting Fees	-	-	4,278	(4,278)	4,278	0%
5809	Banking Fees	48	500	500	-	452	10%
5819	School Programs - Other	-	12,000	12,000	-	12,000	0%
5820	Consultants - Non Instructional	516	10,278	2,000	8,278	1,484	26%
5822	Other Professional Services	870	56,408	50,130	6,278	49,260	2%
5824	District Oversight Fees	4,423	18,666	15,945	2,721	11,521	28%
5830	Field Trips Expenses	-	5,000	5,000	-	5,000	0%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	500	500	-	500	0%
5845	Legal Fees	3,100	5,000	5,000	-	1,900	62%
5851	Marketing and Student Recruiting	-	7,200	7,200	-	7,200	0%
5857	Payroll Fees	710	1,800	2,250	(450)	1,540	32%
5861	Prior Yr Exp (not accrued)	4,292	-	4,292	(4,292)	-	100%
5863	Professional Development	-	10,000	16,000	(6,000)	16,000	0%
5869	Special Education Contract Instructors	-	50,000	50,000	-	50,000	0%
5872	Special Education Encroachment	8,438	60,819	26,369	34,450	17,931	32%
5884	Substitutes	-	28,000	25,200	2,800	25,200	0%
5887	Technology Services	2,020	16,800	13,991	2,809	11,971	14%
5890	Transcript	2,809	-	2,809	(2,809)	-	100%
5893	Transportation - Student	6,422	64,000	64,000	-	57,578	10%
5899	Miscellaneous Operating Expenses	3,000	-	-	-	(3,000)	
5900	Communications	4,377	3,600	4,500	(900)	123	97%
5915	Postage and Delivery	321	3,600	3,600	-	3,279	9%
SUBTOTAL - Services & Other Operating Exp.		103,332	694,178	652,796	41,382	549,464	16%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
	SUBTOTAL - Capital Outlay	-	-	-	-	-
	TOTAL EXPENSES	382,247	1,954,445	1,890,788	63,657	1,508,541 20%
6900	Total Depreciation (includes Prior Years)	-	15,000	9,221	5,779	9,221 0%
	TOTAL EXPENSES including Depreciation	382,247	1,969,445	1,900,008	69,436	1,517,761 20%

Magnolia Science Academy 4

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	137,520	1,369,146	1,226,157	(142,989)	1,088,637	11%
Federal Revenue	5,572	65,198	136,848	71,650	131,276	4%
Other State Revenues	59,813	106,490	240,694	134,204	180,881	25%
Local Revenues	463	4,000	4,000	-	3,537	12%
Fundraising and Grants	80	3,000	3,000	-	2,920	3%
Total Revenue	203,448	1,547,833	1,610,699	62,866	1,407,251	13%
Expenses						
Compensation and Benefits	160,761	873,235	828,548	44,686	667,788	19%
Books and Supplies	4,560	104,400	152,900	(48,500)	148,340	3%
Services and Other Operating Expenditures	47,484	469,584	471,686	(2,101)	424,201	10%
Capital Outlay	-	-	-	-	-	-
Total Expenses	212,805	1,447,219	1,453,134	(5,915)	1,240,329	15%
Operating Income (excluding Depreciation)	(9,357)	100,614	157,565	56,951	166,922	
<i>Operating Income (including Depreciation)</i>	(9,357)	82,614	140,364	57,750	149,721	
Fund Balance						
Beginning Balance (Unaudited)	890,631	-	890,631			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	890,631	-	890,631			100%
Operating Income (including Depreciation)	(9,357)	82,614	140,364			
Ending Fund Balance (including Depreciation)	881,274	82,614	1,030,995			85%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	170	150	(20)		0%
Total ADA	161.5	142.5	(19)		0%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	57,544	895,854	788,030	(107,824)	730,486	7%
8012	Education Protection Account Entitlement	35,865	205,363	203,748	(1,615)	167,883	18%
8096	Charter Schools in Lieu of Property Taxes	44,111	267,929	234,380	(33,549)	190,269	19%
		137,520	1,369,146	1,226,157	(142,989)	1,088,637	11%
8100 Federal Revenue							
8181	Special Education - Entitlement	5,159	32,084	28,309	(3,775)	23,150	18%
8291	Title I	-	32,564	32,564	-	32,564	0%
8292	Title II	-	550	511	(39)	511	0%
8293	Title III	-	-	754	754	754	0%
8296	Other Federal Revenue	-	-	74,297	74,297	74,297	0%
8297	PY Federal - Not Accrued	413	-	413	413	-	100%
	SUBTOTAL - Federal Income	5,572	65,198	136,848	71,650	131,276	4%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	2,528	-	2,528	2,528	-	100%
8381	Special Education - Entitlement (State)	15,200	90,395	79,760	(10,635)	64,560	19%
8550	Mandated Cost Reimbursements	-	-	1,466	1,466	1,466	0%
8560	State Lottery Revenue	-	16,095	25,793	9,698	25,793	0%
8590	All Other State Revenue	42,085	-	66,402	66,402	24,317	63%
8593	ASES	-	-	64,746	64,746	64,746	0%
	SUBTOTAL - Other State Income	59,813	106,490	240,694	134,204	180,881	25%
8600 Other Local Revenue							
8636	Uniforms	463	1,000	1,000	-	537	46%
8699	All Other Local Revenue	-	3,000	3,000	-	3,000	0%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUBTOTAL - Local Revenues		463	4,000	4,000	-	3,537	12%
8800	Donations/Fundraising						
8803	Fundraising	80	3,000	3,000	-	2,920	3%
SUBTOTAL - Fundraising and Grants		80	3,000	3,000	-	2,920	3%
TOTAL REVENUE		203,448	1,547,833	1,610,699	62,866	1,407,251	13%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	75,984	427,955	394,881	33,074	318,897	19%
1300	Certificated Supervisor & Administrator Salari	38,169	152,455	156,548	(4,093)	118,379	24%
	SUBTOTAL - Certificated Employees	114,153	580,410	551,430	28,980	437,277	21%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	10,311	38,559	39,650	(1,091)	29,338	26%
2900	Classified Other Salaries	3,274	37,500	60,000	(22,500)	56,726	5%
	SUBTOTAL - Classified Employees	13,585	76,059	99,650	(23,591)	86,065	14%
3000	Employee Benefits						
3100	STRS	11,889	62,171	59,168	3,002	47,280	20%
3200	PERS	1,808	4,569	4,568	2	2,760	40%
3300	OASDI-Medicare-Alternative	2,676	17,579	15,719	1,860	13,043	17%
3400	Health & Welfare Benefits	14,701	96,000	90,201	5,799	75,499	16%
3500	Unemployment Insurance	46	10,569	326	10,244	280	14%
3600	Workers Comp Insurance	1,903	7,878	7,487	390	5,584	25%
3900	Other Employee Benefits	-	18,000	-	18,000	-	
	SUBTOTAL - Employee Benefits	33,022	216,766	177,469	39,297	144,447	19%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	-	40,000	87,800	(47,800)	87,800	0%
4200	Books & Other Reference Materials	-	7,500	7,500	-	7,500	0%
4315	Custodial Supplies	-	2,400	2,400	-	2,400	0%
4320	Educational Software	-	2,000	2,000	-	2,000	0%
4325	Instructional Materials & Supplies	468	20,000	19,500	500	19,032	2%
4330	Office Supplies	1,058	-	1,200	(1,200)	142	88%
4345	Non Instructional Student Materials & Supplies	-	15,000	14,927	73	14,927	0%
4350	Uniforms	73	-	73	(73)	-	100%
4400	Noncapitalized Equipment	-	7,000	4,039	2,961	4,039	0%
4420	Computers (individual items less than \$5k)	2,961	-	2,961	(2,961)	-	100%
4700	Food	-	10,500	10,500	-	10,500	0%
	SUBTOTAL - Books and Supplies	4,560	104,400	152,900	(48,500)	148,340	3%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	Shared Management Fee - CMO	21,828	65,483	65,483	0	43,655	33%
5200	Travel & Conferences	-	2,000	2,000	-	2,000	0%
5210	Conference Fees	300	5,000	5,000	-	4,700	6%
5300	Dues & Memberships	800	4,200	3,200	1,000	2,400	25%
5305	Dues & Membership - Professional	870	-	1,000	(1,000)	130	87%
5450	Insurance - Other	-	11,900	11,900	-	11,900	0%
5605	Equipment Leases	-	6,600	6,600	-	6,600	0%
5610	Rent	-	120,000	120,000	-	120,000	0%
5615	Repairs and Maintenance - Building	-	600	600	-	600	0%
5617	Repairs and Maintenance - Other Equipment	2,175	-	2,500	(2,500)	325	87%
5803	Accounting Fees	-	-	1,895	(1,895)	1,895	0%
5809	Banking Fees	48	400	400	-	352	12%
5813	School Programs - After School Program	381	-	381	(381)	-	100%
5819	School Programs - Other	-	10,000	-	10,000	-	
5820	Consultants - Non Instructional	340	26,895	25,000	1,895	24,660	1%
5822	Other Professional Services	-	55,216	46,216	9,000	46,216	0%
5824	District Oversight Fees	2,028	13,691	12,262	1,430	10,234	17%
5830	Field Trips Expenses	-	8,000	8,000	-	8,000	0%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	400	400	-	400	0%
5845	Legal Fees	-	8,000	8,000	-	8,000	0%
5851	Marketing and Student Recruiting	25	7,200	7,200	-	7,175	0%
5857	Payroll Fees	1,154	1,800	1,800	-	646	64%
5861	Prior Yr Exp (not accrued)	9,915	-	9,915	(9,915)	0	100%
5863	Professional Development	-	25,000	34,000	(9,000)	34,000	0%
5869	Special Education Contract Instructors	-	40,000	40,000	-	40,000	0%
5872	Special Education Encroachment	4,072	18,079	21,614	(3,535)	17,542	19%
5884	Substitutes	-	15,120	15,120	-	15,120	0%
5887	Technology Services	542	14,400	14,400	-	13,858	4%
5899	Miscellaneous Operating Expenses	1,828	-	-	-	(1,828)	
5900	Communications	546	4,800	4,800	-	4,254	11%
5915	Postage and Delivery	633	4,800	2,000	2,800	1,367	32%
SUBTOTAL - Services & Other Operating Exp.		47,484	469,584	471,686	(2,101)	424,201	10%

Magnolia Science Academy 5

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
	SUBTOTAL - Capital Outlay	-	-	-	-	-
	TOTAL EXPENSES	212,805	1,447,219	1,453,134	(5,915)	1,240,329 15%
6900	Total Depreciation (includes Prior Years)	-	18,000	17,201	799	17,201 0%
	TOTAL EXPENSES including Depreciation	212,805	1,465,219	1,470,335	(5,116)	1,257,530 14%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	208,192	1,309,037	1,375,307	66,270	1,167,115	15%
Federal Revenue	8,027	99,722	109,779	10,057	101,752	7%
Other State Revenues	24,094	119,616	226,103	106,487	202,009	11%
Local Revenues	-	4,000	4,000	-	4,000	0%
Fundraising and Grants	4,253	10,000	10,000	-	5,748	43%
Total Revenue	244,565	1,542,375	1,725,189	182,813	1,480,623	14%
Expenses						
Compensation and Benefits	190,252	779,091	784,522	(5,431)	594,270	24%
Books and Supplies	6,690	106,526	215,690	(109,164)	209,000	3%
Services and Other Operating Expenditures	72,874	434,422	424,382	10,040	351,508	17%
Capital Outlay	11,905	-	11,905	(11,905)	0	100%
Total Expenses	281,721	1,320,039	1,436,499	(116,460)	1,154,778	20%
Operating Income (excluding Depreciation)	(37,156)	222,336	288,689	66,353	325,845	-13%
<i>Operating Income (including Depreciation)</i>	<i>(25,251)</i>	<i>210,336</i>	<i>298,194</i>	<i>87,858</i>	<i>323,445</i>	<i>-8%</i>
Fund Balance						
Beginning Balance (Unaudited)	485,437	-	485,437			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	485,437	-	485,437			100%
Operating Income (including Depreciation)	(25,251)	210,336	298,194			-8%
Ending Fund Balance (including Depreciation)	460,186	210,336	783,631			59%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	170	168	(2)		0%
Total ADA	166.6	164.6	(2)		0%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	86,348	834,385	880,035	45,650	793,687	10%
8012	Education Protection Account Entitlement	53,212	198,263	224,477	26,214	171,265	24%
8096	Charter Schools in Lieu of Property Taxes	68,632	276,389	270,795	(5,594)	202,163	25%
		208,192	1,309,037	1,375,307	66,270	1,167,115	15%
8100 Federal Revenue							
8181	Special Education - Entitlement	8,027	33,097	32,707	(389)	24,680	25%
8182	Special Education Reimbursement	-	-	-	-	-	
8220	Child Nutrition Programs	-	29,472	29,472	-	29,472	0%
8291	Title I	-	36,643	46,306	9,663	46,306	0%
8292	Title II	-	510	692	182	692	0%
8293	Title III	-	-	602	602	602	0%
	SUBTOTAL - Federal Income	8,027	99,722	109,779	10,057	101,752	7%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	444	-	445	445	0	100%
8381	Special Education - Entitlement (State)	23,649	93,249	92,152	(1,097)	68,503	26%
8382	Special Education Reimbursement (State)	-	-	-	-	-	
8520	Child Nutrition - State	-	3,167	3,167	-	3,167	0%
8550	Mandated Cost Reimbursements	-	-	2,281	2,281	2,281	0%
8560	State Lottery Revenue	-	23,200	29,800	6,600	29,800	0%
8590	All Other State Revenue	-	-	98,259	98,259	98,259	0%
	SUBTOTAL - Other State Income	24,094	119,616	226,103	106,487	202,009	11%
8600 Other Local Revenue							
8699	All Other Local Revenue	-	4,000	4,000	-	4,000	0%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUBTOTAL - Local Revenues		-	4,000	4,000	-	4,000	0%
8800	Donations/Fundraising						
8802	Donations - Private	3,000	-	5,000	5,000	2,000	60%
8803	Fundraising	1,253	10,000	5,000	(5,000)	3,748	25%
SUBTOTAL - Fundraising and Grants		4,253	10,000	10,000	-	5,748	43%
TOTAL REVENUE		244,565	1,542,375	1,725,189	182,813	1,480,623	14%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
EXPENSES						
Compensation & Benefits						
Certificated Employees Summary						
1100	Teachers Salaries	93,734	389,115	401,740	(12,625)	308,006 23%
1300	Certificated Supervisor & Administrator Salari	38,168	153,400	157,145	(3,745)	118,977 24%
	SUBTOTAL - Certificated Employees	131,902	542,515	558,885	(16,370)	426,983 24%
Classified Employees Summary						
2400	Classified Clerical & Office Salaries	10,479	40,250	41,125	(875)	30,646 25%
2900	Classified Other Salaries	5,613	16,000	17,000	(1,000)	11,387 33%
	SUBTOTAL - Classified Employees	16,092	56,250	58,125	(1,875)	42,033 28%
3000	Employee Benefits					
3100	STRS	13,563	48,175	59,968	(11,793)	46,405 23%
3200	PERS	1,138	4,737	4,768	(31)	3,631 24%
3300	OASDI-Medicare-Alternative	3,144	15,163	12,644	2,520	9,500 25%
3400	Health & Welfare Benefits	22,163	85,800	82,727	3,073	60,564 27%
3500	Unemployment Insurance	74	9,640	309	9,332	235 24%
3600	Workers Comp Insurance	2,176	7,185	7,096	90	4,920 31%
3900	Other Employee Benefits	-	9,625	-	9,625	-
	SUBTOTAL - Employee Benefits	42,257	180,326	167,512	12,814	125,255 25%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	-	18,000	53,327	(35,327)	53,327	0%
4200	Books & Other Reference Materials	-	5,200	5,295	(95)	5,295	0%
4320	Educational Software	-	1,000	5,518	(4,518)	5,518	0%
4325	Instructional Materials & Supplies	105	6,000	1,609	4,391	1,504	7%
4330	Office Supplies	424	-	424	(424)	0	100%
4335	PE Supplies	953	-	953	(953)	-	100%
4345	Non Instructional Student Materials & Supplies	-	14,000	12,697	1,303	12,697	0%
4346	Teacher Supplies	180	-	180	(180)	-	100%
4400	Noncapitalized Equipment	-	1,000	1,000	-	1,000	0%
4410	Classroom Furniture, Equipment & Supplies	456	-	2,500	(2,500)	2,044	18%
4420	Computers (individual items less than \$5k)	4,572	14,000	84,000	(70,000)	79,428	5%
4700	Food	-	47,326	48,186	(860)	48,186	0%
	SUBTOTAL - Books and Supplies	6,690	106,526	215,690	(109,164)	209,000	3%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	Shared Management Fee - CMO	21,828	65,482	65,483	(0)	43,655	33%
5200	Travel & Conferences	20	2,000	1,854	146	1,834	1%
5210	Conference Fees	-	1,000	985	15	985	0%
5215	Travel - Mileage, Parking, Tolls	115	-	115	(115)	-	100%
5300	Dues & Memberships	-	3,000	1,954	1,046	1,954	0%
5305	Dues & Membership - Professional	870	-	1,000	(1,000)	130	87%
5450	Insurance - Other	3,519	11,050	11,251	(201)	7,732	31%
5500	Operations & Housekeeping	-	3,000	3,000	-	3,000	0%
5510	Utilities - Gas and Electric	1,051	6,600	6,600	-	5,549	16%
5605	Equipment Leases	311	4,800	4,800	-	4,489	6%
5610	Rent	27,000	110,400	112,407	(2,007)	85,407	24%
5615	Repairs and Maintenance - Building	-	480	480	-	480	0%
5803	Accounting Fees	-	-	4,500	(4,500)	4,500	0%
5809	Banking Fees	67	500	500	-	433	13%
5819	School Programs - Other	-	10,000	10,000	-	10,000	0%
5820	Consultants - Non Instructional	281	10,500	6,000	4,500	5,719	5%
5822	Other Professional Services	704	54,109	57,109	(3,000)	56,405	1%
5824	District Oversight Fees	3,004	13,090	13,753	(663)	10,749	22%
5830	Field Trips Expenses	-	4,000	4,000	-	4,000	0%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	500	500	-	500	0%
5845	Legal Fees	-	5,000	5,000	-	5,000	0%
5851	Marketing and Student Recruiting	-	6,000	6,000	-	6,000	0%
5857	Payroll Fees	821	1,800	1,772	28	952	46%
5861	Prior Yr Exp (not accrued)	1,313	-	1,313	(1,313)	-	100%
5863	Professional Development	-	15,000	21,000	(6,000)	21,000	0%
5869	Special Education Contract Instructors	-	25,000	25,455	(455)	25,455	0%
5872	Special Education Encroachment	6,335	48,481	24,972	23,509	18,637	25%
5884	Substitutes	-	14,630	14,405	225	14,405	0%
5887	Technology Services	1,385	9,600	9,775	(175)	8,390	14%
5899	Miscellaneous Operating Expenses	4,242	-	-	-	(4,242)	
5900	Communications	-	4,800	4,800	-	4,800	0%
5915	Postage and Delivery	10	3,600	3,600	-	3,590	0%
SUBTOTAL - Services & Other Operating Exp.		72,874	434,422	424,382	10,040	351,508	17%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
6400	Equipment	11,905	-	11,905	(11,905)	0 100%
	SUBTOTAL - Capital Outlay	11,905	-	11,905	(11,905)	0 100%
	TOTAL EXPENSES	281,721	1,320,039	1,436,499	(116,460)	1,154,778 20%
6900	Total Depreciation (includes Prior Years)	-	12,000	2,400	9,600	2,400 0%
	TOTAL EXPENSES including Depreciation	269,816	1,332,039	1,426,994	(94,955)	1,157,178 19%

Magnolia Science Academy 6

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

Magnolia Science Academy - 7

Budget vs. Actuals

As of most recent monthly close

	Budget vs.		Budget			
	Actual		Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
	Actual YTD	Approved Budget				
SUMMARY						
Revenue						
General Block Grant	368,619	2,520,779	2,386,946	(133,833)	2,018,327	15%
Federal Revenue	14,606	252,632	292,506	39,874	277,900	5%
Other State Revenues	41,799	558,813	701,489	142,675	659,689	6%
Local Revenues	40,071	27,000	63,967	36,967	23,896	63%
Fundraising and Grants	1,006	50,000	50,000	-	48,994	2%
Total Revenue	466,101	3,409,224	3,494,908	85,684	3,028,807	13%
Expenses						
Compensation and Benefits	367,295	1,651,837	1,671,109	(19,272)	1,303,814	22%
Books and Supplies	34,781	337,491	357,677	(20,186)	322,895	10%
Services and Other Operating Expenditures	303,446	1,258,657	1,238,852	19,805	935,406	24%
Capital Outlay	12,788	19,000	12,788	6,213	-	100%
Total Expenses	718,309	3,266,985	3,280,425	(13,441)	2,562,116	22%
Operating Income (excluding Depreciation)	(252,209)	142,239	214,483	72,244	466,691	-118%
<i>Operating Income (including Depreciation)</i>	(239,421)	155,439	203,949	48,510	443,370	-117%
Fund Balance						
Beginning Balance (Unaudited)	762,024	764,370	762,024			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	762,024	764,370	762,024			100%
Operating Income (including Depreciation)	(239,421)	155,439	203,949			-117%
Ending Fund Balance (including Depreciation)	522,603	919,809	965,972			54%
Total Enrolled		300	291	(9)		0%
Total ADA		294.0	282.3	(12)		0%

Magnolia Science Academy - 7

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
LCFF Entitlement					-	-	
8011	Charter Schools LCFF - State Aid	157,888	1,686,539	1,549,814	(136,725)	1,391,926	10%
8012	Education Protection Account Entitlement	90,393	346,458	372,863	26,405	282,470	24%
8096	Charter Schools in Lieu of Property Taxes	120,338	487,781	464,269	(23,512)	343,931	26%
		368,619	2,520,779	2,386,946	(133,833)	2,018,327	15%
8100 Federal Revenue							
8181	Special Education - Entitlement	14,075	58,406	54,300	(4,106)	40,226	26%
8220	Child Nutrition Programs	-	108,698	159,133	50,435	159,133	0%
8291	Title I	-	78,876	78,240	(636)	78,240	0%
8292	Title II	-	4,040	-	(4,040)	-	
8293	Title III	-	2,613	302	(2,311)	302	0%
8297	PY Federal - Not Accrued	531	-	531	531	-	100%
SUBTOTAL - Federal Income		14,606	252,632	292,506	39,874	277,900	5%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	333	-	333	333	-	100%
8381	Special Education - Entitlement (State)	41,466	164,558	139,822	(24,736)	98,356	30%
8520	Child Nutrition - State	-	21,591	12,415	(9,176)	12,415	0%
8545	School Facilities Apportionments	-	177,022	174,719	(2,302)	174,719	0%
8550	Mandated Cost Reimbursements	-	3,157	3,999	841	3,999	0%
8560	State Lottery Revenue	-	42,486	51,091	8,605	51,091	0%
8590	All Other State Revenue	-	-	169,110	169,110	169,110	0%
8593	ASES	-	150,000	150,000	-	150,000	0%
SUBTOTAL - Other State Income		41,799	558,813	701,489	142,675	659,689	6%

Magnolia Science Academy - 7

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual					
		Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8600	Other Local Revenue						
8634	Food Service Sales	1,585	12,000	11,760	(240)	10,175	13%
8636	Uniforms	639	8,000	8,000	-	7,361	8%
8682	Summer Program	28,894	-	28,894	28,894	-	100%
8690	Other Local Revenue	230	7,000	7,000	-	6,770	3%
8699	All Other Local Revenue	8,313	-	8,313	8,313	-	100%
8999	Uncategorized Revenue	409	-	-	-	(409)	
	SUBTOTAL - Local Revenues	40,071	27,000	63,967	36,967	23,896	63%
8800	Donations/Fundraising						
8803	Fundraising	1,006	50,000	50,000	-	48,994	2%
	SUBTOTAL - Fundraising and Grants	1,006	50,000	50,000	-	48,994	2%
	TOTAL REVENUE	466,101	3,409,224	3,494,908	85,684	3,028,807	13%
	EXPENSES						
	Compensation & Benefits						
	Certificated Employees Summary						
1100	Teachers Salaries	180,474	721,452	787,811	(66,359)	607,338	23%
1300	Certificated Supervisor & Administrator Salarie	45,532	202,790	164,413	38,377	118,882	28%
	SUBTOTAL - Certificated Employees	226,005	924,242	952,224	(27,982)	726,219	24%

Magnolia Science Academy - 7

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	20,435	46,350	107,530	(61,180)	87,094	19%
2900	Classified Other Salaries	50,423	329,848	279,537	50,311	229,114	18%
SUBTOTAL - Classified Employees		70,858	376,198	387,067	(10,869)	316,209	18%
3000 Employee Benefits							
Employee Benefits Summary							
3100	STRS	24,705	81,917	96,755	(14,838)	72,050	26%
3200	PERS	3,129	19,249	19,754	(505)	16,624	16%
3300	OASDI-Medicare-Alternative	8,199	42,289	46,654	(4,365)	38,456	18%
3400	Health & Welfare Benefits	30,044	157,500	157,892	(392)	127,848	19%
3500	Unemployment Insurance	148	20,937	670	20,267	521	22%
3600	Workers Comp Insurance	4,205	13,004	10,093	2,912	5,888	42%
3900	Other Employee Benefits	-	16,500	-	16,500	-	
SUBTOTAL - Employee Benefits		70,432	351,397	331,818	19,579	261,386	21%
4000 Books & Supplies							
4100	Approved Textbooks & Core Curricula Materials	53	78,000	93,000	(15,000)	92,947	0%
4200	Books & Other Reference Materials	1,041	21,500	21,500	-	20,459	5%
4300	Materials & Supplies	-	-	100	(100)	100	0%
4315	Custodial Supplies	635	8,000	8,000	-	7,365	8%
4320	Educational Software	3,500	8,000	8,000	-	4,500	44%
4325	Instructional Materials & Supplies	8,552	14,400	10,486	3,914	1,934	82%
4326	Art & Music Supplies	100	-	500	(500)	400	20%
4330	Office Supplies	2,519	12,086	12,000	86	9,481	21%
4345	Non Instructional Student Materials & Supplies	526	-	1,000	(1,000)	474	53%
4346	Teacher Supplies	752	-	2,400	(2,400)	1,648	31%
4410	Classroom Furniture, Equipment & Supplies	897	9,500	6,000	3,500	5,103	15%
4420	Computers (individual items less than \$5k)	3,523	1,500	3,523	(2,023)	-	100%

Magnolia Science Academy - 7

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Budget					
		Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4430	Office Furniture, Equipment & Supplies	611	-	1,000	(1,000)	389	61%
4700	Food	-	1,600	1,600	-	1,600	0%
4710	Student Food Services	12,073	182,905	188,568	(5,663)	176,495	6%
SUBTOTAL - Books and Supplies		34,781	337,491	357,677	(20,186)	322,895	10%
5000	Services & Other Operating Expenses						
5101	CMO Fees	181,896	545,689	545,689	-	363,793	33%
5200	Travel & Conferences	-	3,000	2,000	1,000	2,000	0%
5215	Travel - Mileage, Parking, Tolls	257	-	1,000	(1,000)	743	26%
5300	Dues & Memberships	1,914	6,000	6,000	-	4,086	32%
5450	Insurance - Other	6,210	18,900	18,900	-	12,690	33%
5500	Operations & Housekeeping	688	10,000	10,000	-	9,312	7%
5510	Utilities - Gas and Electric	11,048	55,680	55,680	-	44,632	20%
5605	Equipment Leases	-	8,400	8,400	-	8,400	0%
5610	Rent	63,534	236,029	232,959	3,070	169,425	27%
5615	Repairs and Maintenance - Building	1,916	25,000	38,000	(13,000)	36,084	5%
5617	Repairs and Maintenance - Other Equipment	520	25,000	2,000	23,000	1,480	26%
5803	Accounting & Audit Fees	-	5,500	5,500	-	5,500	0%
5809	Banking Fees	48	3,000	3,000	-	2,952	2%
5813	School Programs - After School Program	575	18,000	10,000	8,000	9,425	6%
5819	School Programs - Other	5,000	-	8,000	(8,000)	3,000	63%
5820	Consultants - Non Instructional	392	-	392	(392)	-	100%
5822	Other Professional Services	-	6,000	6,000	-	6,000	0%
5824	District Oversight Fees	5,329	27,208	23,869	3,338	18,540	22%
5830	Field Trips Expenses	837	10,000	10,000	-	9,163	8%
5845	Legal Fees	-	20,000	20,000	-	20,000	0%
5851	Marketing and Student Recruiting	-	3,000	3,000	-	3,000	0%
5857	Payroll Fees	1,318	1,800	3,780	(1,980)	2,462	35%

Magnolia Science Academy - 7

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5863	Professional Development	1,984	41,000	41,000	-	39,016	5%
5869	Special Education Contract Instructors	3,361	80,000	80,000	-	76,640	4%
5872	Special Education Encroachment	11,108	44,593	38,824	5,768	27,716	29%
5884	Substitutes	-	21,658	21,658	-	21,658	0%
5887	Technology Services	1,525	33,600	33,600	-	32,075	5%
5899	Miscellaneous Operating Expenses	3,320	-	-	-	(3,320)	
5900	Communications	666	6,000	6,000	-	5,334	11%
5915	Postage and Delivery	-	3,600	3,600	-	3,600	0%
SUBTOTAL - Services & Other Operating Exp.		303,446	1,258,657	1,238,852	19,805	935,406	24%
6000	Capital Outlay						
6100	Sites & Improvement of Sites	-	4,000	-	4,000	-	
6400	Equipment	12,788	5,000	12,788	(7,788)	-	100%
6410	Computers (capitalizable items)	-	10,000	-	10,000	-	
SUBTOTAL - Capital Outlay		12,788	19,000	12,788	6,213	-	100%
TOTAL EXPENSES		718,309	3,266,985	3,280,425	(13,441)	2,562,116	22%
6900	Total Depreciation (includes Prior Years)	-	5,800	23,322	(17,522)	23,322	0%
TOTAL EXPENSES including Depreciation		705,522	3,253,785	3,290,959	(37,175)	2,585,437	21%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	651,418	4,355,404	4,091,513	(263,891)	3,440,095	16%
Federal Revenue	16,477	305,941	292,852	(13,089)	276,375	6%
Other State Revenues	50,032	541,593	781,510	239,918	731,479	6%
Local Revenues	39,868	40,000	66,810	26,810	26,942	60%
Fundraising and Grants	794	20,000	20,000	-	19,206	4%
Total Revenue	758,588	5,262,937	5,252,685	(10,252)	4,494,097	14%
Expenses						
Compensation and Benefits	666,703	2,951,755	2,737,527	214,228	2,070,824	24%
Books and Supplies	103,676	480,338	736,116	(255,779)	632,440	14%
Services and Other Operating Expenditures	423,664	1,715,279	1,708,513	6,766	1,284,849	25%
Capital Outlay	-	113,200	-	113,200	-	
Total Expenses	1,194,043	5,260,572	5,182,156	78,415	3,988,114	23%
Operating Income (excluding Depreciation)	(435,455)	2,366	70,529	68,163	505,983	-617%
<i>Operating Income (including Depreciation)</i>	(435,455)	(20,274)	62,995	83,269	498,449	-691%
Fund Balance						
Beginning Balance (Unaudited)	2,896,467	3,108,231	2,896,467			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	2,896,467	3,108,231	2,896,467			100%
Operating Income (including Depreciation)	(435,455)	(20,274)	62,995			-691%
Ending Fund Balance (including Depreciation)	2,461,012	3,087,957	2,959,462			83%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	495	489	(6)		0%
Total ADA	480.2	474.3	(6)		0%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	271,736	2,930,404	2,662,814	(267,590)	2,391,078	10%
8012	Education Protection Account Entitlement	158,212	615,975	648,535	32,560	490,323	24%
8096	Charter Schools in Lieu of Property Taxes	221,470	809,025	780,164	(28,861)	558,694	28%
		651,418	4,355,404	4,091,513	(263,891)	3,440,095	16%
8100 Federal Revenue							
8181	Special Education - Entitlement	16,477	95,141	91,247	(3,894)	74,770	18%
8291	Title I	-	199,000	199,018	18	199,018	0%
8292	Title II	-	3,000	2,436	(564)	2,436	0%
8293	Title III	-	8,800	151	(8,649)	151	0%
	SUBTOTAL - Federal Income	16,477	305,941	292,852	(13,089)	276,375	6%
8300 Other State Revenues							
8319	Other State Apportionments - Prior Years	1,488	-	1,488	1,488	-	100%
8381	Special Education - Entitlement (State)	48,544	269,987	234,959	(35,028)	186,415	21%
8382	Special Education Reimbursement (State)	-	8,676	8,676	-	8,676	0%
8550	Mandated Cost Reimbursements	-	36,000	6,762	(29,238)	6,762	0%
8560	State Lottery Revenue	-	76,930	85,854	8,924	85,854	0%
8590	All Other State Revenue	-	-	293,773	293,773	293,773	0%
8593	ASES	-	150,000	150,000	-	150,000	0%
	SUBTOTAL - Other State Income	50,032	541,593	781,510	239,918	731,479	6%
8600 Other Local Revenue							
8636	Uniforms	10,237	30,000	30,000	-	19,763	34%
8682	Summer Program	26,810	-	26,810	26,810	-	100%
8693	Field Trips	-	10,000	10,000	-	10,000	0%
8999	Uncategorized Revenue	2,821	-	-	-	(2,821)	

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUBTOTAL - Local Revenues		39,868	40,000	66,810	26,810	26,942	60%
8800	Donations/Fundraising						
8802	Donations - Private	10	-	100	100	90	10%
8803	Fundraising	784	20,000	19,900	(100)	19,116	4%
SUBTOTAL - Fundraising and Grants		794	20,000	20,000	-	19,206	4%
TOTAL REVENUE		758,588	5,262,937	5,252,685	(10,252)	4,494,097	14%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	340,841	1,442,714	1,416,884	25,830	1,076,043	24%
1300	Certificated Supervisor & Administrator Salari	114,533	406,543	412,497	(5,954)	297,964	28%
	SUBTOTAL - Certificated Employees	455,374	1,849,257	1,829,381	19,876	1,374,007	25%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	41,263	286,567	180,480	106,087	139,217	23%
2900	Classified Other Salaries	32,556	110,544	149,165	(38,621)	116,609	22%
	SUBTOTAL - Classified Employees	73,819	397,110	329,644	67,466	255,826	22%
3000	Employee Benefits						
3100	STRS	45,737	186,622	196,293	(9,670)	150,556	23%
3200	PERS	7,406	44,676	31,554	13,123	24,148	23%
3300	OASDI-Medicare-Alternative	12,670	55,953	51,837	4,116	39,167	24%
3400	Health & Welfare Benefits	64,270	348,500	276,256	72,244	211,986	23%
3500	Unemployment Insurance	266	1,123	1,080	44	814	25%
3600	Workers Comp Insurance	7,161	22,464	21,484	980	14,322	33%
3900	Other Employee Benefits	-	46,050	-	46,050	-	
	SUBTOTAL - Employee Benefits	137,510	705,388	578,502	126,887	440,992	24%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	12,648	150,000	150,000	-	137,352	8%
4200	Books & Other Reference Materials	1,388	25,000	25,000	-	23,612	6%
4320	Educational Software	5,278	5,000	5,278	(278)	-	100%
4325	Instructional Materials & Supplies	8,923	40,000	30,000	10,000	21,077	30%
4326	Art & Music Supplies	2,744	-	20,000	(20,000)	17,256	14%
4330	Office Supplies	2,441	50,000	12,000	38,000	9,560	20%
4340	Professional Development Supplies	901	-	5,000	(5,000)	4,099	18%
4345	Non Instructional Student Materials & Supplies	1,341	-	9,000	(9,000)	7,659	15%
4346	Teacher Supplies	402	-	5,000	(5,000)	4,598	8%
4350	Uniforms	1,091	-	8,000	(8,000)	6,909	14%
4351	Yearbook	827	-	1,000	(1,000)	173	83%
4410	Classroom Furniture, Equipment & Supplies	-	14,500	-	14,500	-	
4420	Computers (individual items less than \$5k)	65,451	-	262,000	(262,000)	196,549	25%
4430	Office Furniture, Equipment & Supplies	242	-	8,000	(8,000)	7,758	3%
4710	Student Food Services	-	195,838	195,838	(0)	195,838	0%
	SUBTOTAL - Books and Supplies	103,676	480,338	736,116	(255,779)	632,440	14%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	CMO Fees	291,034	873,103	873,103	0	582,069	33%
5200	Travel & Conferences	388	35,000	12,000	23,000	11,612	3%
5210	Conference Fees	1,099	-	3,800	(3,800)	2,701	29%
5215	Travel - Mileage, Parking, Tolls	1,894	-	12,000	(12,000)	10,106	16%
5220	Travel and Lodging	2,230	-	3,000	(3,000)	770	74%
5300	Dues & Memberships	-	7,200	7,200	-	7,200	0%
5450	Insurance - Other	8,214	27,225	27,225	-	19,011	30%
5500	Operations & Housekeeping	-	99,000	99,000	-	99,000	0%
5510	Utilities - Gas and Electric	-	125,000	125,000	(0)	125,000	0%
5605	Equipment Leases	1,474	21,600	21,600	-	20,126	7%
5615	Repairs and Maintenance - Building	-	6,000	3,000	3,000	3,000	0%
5617	Repairs and Maintenance - Other Equipment	1,170	-	3,000	(3,000)	1,830	39%
5803	Accounting & Audit Fees	-	9,021	9,021	-	9,021	0%
5809	Banking Fees	48	1,000	1,000	-	952	5%
5813	School Programs - After School Program	1,097	25,000	25,000	-	23,903	4%
5819	School Programs - Other	250	-	250	(250)	-	100%
5822	Other Professional Services	-	75,000	75,000	-	75,000	0%
5824	District Oversight Fees	6,501	45,554	45,554	-	39,053	14%
5830	Field Trips Expenses	2,116	40,000	40,000	-	37,884	5%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	1,000	1,000	-	1,000	0%
5845	Legal Fees	-	10,000	10,000	-	10,000	0%
5851	Marketing and Student Recruiting	-	6,000	6,000	-	6,000	0%
5857	Payroll Fees	1,344	4,800	9,000	(4,200)	7,656	15%
5861	Prior Yr Exp (not accrued)	656	-	656	(656)	-	100%
5863	Professional Development	15,723	68,000	68,000	-	52,277	23%
5869	Special Education Contract Instructors	-	56,000	56,000	-	56,000	0%
5872	Special Education Encroachment	13,004	73,026	65,354	7,672	52,350	20%
5884	Substitutes	236	64,750	64,750	-	64,514	0%
5887	Technology Services	6,751	30,000	30,000	-	23,249	23%
5899	Miscellaneous Operating Expenses	67,392	-	-	-	(67,392)	
5915	Postage and Delivery	1,042	12,000	12,000	-	10,958	9%
SUBTOTAL - Services & Other Operating Exp.		423,664	1,715,279	1,708,513	6,766	1,284,849	25%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
6100	Sites & Improvement of Sites	-	113,200	-	113,200	-
	SUBTOTAL - Capital Outlay	-	113,200	-	113,200	-
	TOTAL EXPENSES	1,194,043	5,260,572	5,182,156	78,415	3,988,114 23%
6900	Total Depreciation (includes Prior Years)	-	22,640	7,534	15,106	7,534 0%
	TOTAL EXPENSES including Depreciation	1,194,043	5,283,212	5,189,690	(19,679)	3,995,648 23%

Magnolia Science Academy - 8

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	93,363	1,931,126	1,136,266	(794,860)	1,042,903	8%
Federal Revenue	-	340,684	290,627	(50,056)	290,627	0%
Other State Revenues	14,177	161,998	324,146	162,148	309,969	4%
Local Revenues	5,889	34,000	34,000	-	28,111	17%
Fundraising and Grants	2,216	20,000	17,500	(2,500)	15,284	13%
Total Revenue	115,645	2,487,808	1,802,539	(685,268)	1,686,895	6%
Expenses						
Compensation and Benefits	210,811	1,285,358	1,139,323	146,034	928,512	19%
Books and Supplies	49,803	246,400	378,294	(131,894)	328,491	13%
Services and Other Operating Expenditures	115,625	650,024	621,731	28,293	506,106	19%
Capital Outlay	-	-	-	-	-	-
Total Expenses	376,238	2,181,781	2,139,348	42,434	1,763,109	18%
Operating Income (excluding Depreciation)	(260,594)	306,026	(336,808)	(642,835)	(76,215)	77%
<i>Operating Income (including Depreciation)</i>	(260,594)	275,526	(355,078)	(630,605)	(94,485)	73%
Fund Balance						
Beginning Balance (Unaudited)	2,300,710	276,785	2,300,710			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	2,300,710	276,785	2,300,710			100%
Operating Income (including Depreciation)	(260,594)	275,526	(355,078)			73%
Ending Fund Balance (including Depreciation)	2,040,116	552,312	1,945,632			105%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	250	145	(105)		0%
Total ADA	242.5	140.7	(102)		0%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	78,221	1,882,626	874,197	(1,008,429)	795,976	9%
8012	Education Protection Account Entitlement	-	48,500	28,130	(20,370)	28,130	0%
8096	Charter Schools in Lieu of Property Taxes	15,142	-	233,939	233,939	218,797	6%
		93,363	1,931,126	1,136,266	(794,860)	1,042,903	8%
8100 Federal Revenue							
8181	Special Education - Entitlement	-	30,684	27,057	(3,627)	27,057	0%
8220	Child Nutrition Programs	-	63,000	35,872	(27,128)	35,872	0%
8291	Title I	-	45,000	26,705	(18,295)	26,705	0%
8292	Title II	-	2,000	465	(1,535)	465	0%
8293	Title III	-	-	528	528	528	0%
8298	Implementation Grant	-	200,000	200,000	-	200,000	0%
	SUBTOTAL - Federal Income	-	340,684	290,627	(50,056)	290,627	0%
8300 Other State Revenues							
8380	Special Ed	-	15,000	15,000	-	15,000	0%
8381	Special Education - Entitlement (State)	14,177	121,250	69,671	(51,579)	55,494	20%
8520	Child Nutrition - State	-	-	4,138	4,138	4,138	0%
8545	School Facilities Apportionments	-	-	105,488	105,488	105,488	0%
8550	Mandated Cost Reimbursements	-	-	3,986	3,986	3,986	0%
8560	State Lottery Revenue	-	25,748	25,458	(290)	25,458	0%
8590	All Other State Revenue	-	-	100,406	100,406	100,406	0%
	SUBTOTAL - Other State Income	14,177	161,998	324,146	162,148	309,969	4%
8600 Other Local Revenue							
8634	Food Service Sales	143	9,000	9,000	-	8,857	2%
8636	Uniforms	5,242	15,000	15,000	-	9,758	35%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8693	Field Trips	-	10,000	10,000	-	10,000	0%
8999	Uncategorized Revenue	504	-	-	-	(504)	
SUBTOTAL - Local Revenues		5,889	34,000	34,000	-	28,111	17%
8800 Donations/Fundraising							
8801	Donations - Parents	-	10,000	2,000	(8,000)	2,000	0%
8802	Donations - Private	2,216	-	5,500	5,500	3,284	40%
8803	Fundraising	-	10,000	10,000	-	10,000	0%
SUBTOTAL - Fundraising and Grants		2,216	20,000	17,500	(2,500)	15,284	13%
TOTAL REVENUE		115,645	2,487,808	1,802,539	(685,268)	1,686,895	6%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	138,626	785,743	696,232	89,511	557,606	20%
1300	Certificated Supervisor & Administrator Salari	14,548	142,825	87,290	55,535	72,742	17%
	SUBTOTAL - Certificated Employees	153,175	928,568	783,522	145,046	630,348	20%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	14,874	35,836	66,149	(30,313)	51,275	22%
2900	Classified Other Salaries	12,370	42,560	68,706	(26,146)	56,336	18%
	SUBTOTAL - Classified Employees	27,243	78,396	134,854	(56,458)	107,611	20%
3000	Employee Benefits						
3100	STRS	14,669	86,309	73,449	12,859	58,780	20%
3200	PERS	2,444	4,245	7,692	(3,447)	5,248	32%
3300	OASDI-Medicare-Alternative	4,752	27,162	27,850	(688)	23,099	17%
3400	Health & Welfare Benefits	8,460	136,000	103,334	32,666	94,874	8%
3500	Unemployment Insurance	68	503	459	44	391	15%
3600	Workers Comp Insurance	-	10,674	8,161	2,512	8,161	0%
3900	Other Employee Benefits	-	13,500	-	13,500	-	
	SUBTOTAL - Employee Benefits	30,393	278,393	220,947	57,447	190,554	14%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	-	47,500	156,000	(108,500)	156,000	0%
4200	Books & Other Reference Materials	1,914	10,900	10,330	570	8,416	19%
4320	Educational Software	1,517	5,000	4,739	261	3,222	32%
4325	Instructional Materials & Supplies	3,515	45,000	44,500	500	40,985	8%
4330	Office Supplies	308	20,000	20,000	-	19,692	2%
4335	PE Supplies	97	-	500	(500)	403	19%
4400	Noncapitalized Equipment	-	12,500	12,500	-	12,500	0%
4410	Classroom Furniture, Equipment & Supplies	37	11,000	21,000	(10,000)	20,963	0%
4420	Computers (individual items less than \$5k)	42,415	-	50,000	(50,000)	7,585	85%
4710	Student Food Services	-	94,500	58,625	35,875	58,625	0%
4720	Other Food	-	-	100	(100)	100	0%
SUBTOTAL - Books and Supplies		49,803	246,400	378,294	(131,894)	328,491	13%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	CMO Fees	-	60,000	60,000	-	60,000	0%
5200	Travel & Conferences	-	40,000	15,000	25,000	15,000	0%
5210	Conference Fees	300	-	5,000	(5,000)	4,700	6%
5215	Travel - Mileage, Parking, Tolls	192	-	20,000	(20,000)	19,808	1%
5300	Dues & Memberships	601	6,000	5,333	667	4,732	11%
5450	Insurance - Other	-	13,750	13,750	-	13,750	0%
5500	Operations & Housekeeping	4,673	-	5,000	(5,000)	328	93%
5510	Utilities - Gas and Electric	-	7,800	2,800	5,000	2,800	0%
5605	Equipment Leases	1,449	5,400	3,672	1,728	2,223	39%
5610	Rent	76,000	228,000	209,000	19,000	133,000	36%
5615	Repairs and Maintenance - Building	-	12,000	12,000	-	12,000	0%
5803	Accounting & Audit Fees	-	3,009	3,009	-	3,009	0%
5809	Banking Fees	456	500	1,400	(900)	944	33%
5822	Other Professional Services	270	15,000	15,000	-	14,730	2%
5824	District Oversight Fees	-	19,311	11,363	7,949	11,363	0%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	500	500	-	500	0%
5845	Legal Fees	-	25,000	25,000	-	25,000	0%
5851	Marketing and Student Recruiting	-	24,000	24,000	-	24,000	0%
5857	Payroll Fees	723	3,600	3,000	600	2,277	24%
5863	Professional Development	-	19,000	19,000	-	19,000	0%
5869	Special Education Contract Instructors	-	112,000	112,000	-	112,000	0%
5872	Special Education Encroachment	-	6,077	3,869	2,208	3,869	0%
5884	Substitutes	-	26,276	26,276	0	26,276	0%
5887	Technology Services	1,071	18,000	17,059	941	15,987	6%
5899	Miscellaneous Operating Expenses	28,813	-	-	-	(28,813)	
5900	Communications	1,077	-	3,900	(3,900)	2,823	28%
5915	Postage and Delivery	-	4,800	4,800	-	4,800	0%
SUBTOTAL - Services & Other Operating Exp.		115,625	650,024	621,731	28,293	506,106	19%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
6200	Buildings & Improvement of Buildings	-	-	-	-	-
	SUBTOTAL - Capital Outlay	-	-	-	-	-
TOTAL EXPENSES		376,238	2,181,781	2,139,348	42,434	1,763,109 18%
6900	Total Depreciation (includes Prior Years)	-	30,500	18,270	12,230	18,270 0%
TOTAL EXPENSES including Depreciation		376,238	2,212,281	2,157,618	54,664	1,781,379 17%

Magnolia Science Academy - Santa Ana

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	271,748	2,798,940	770,883	(2,028,057)	499,135	35%
Federal Revenue	-	148,229	63,688	(84,541)	63,688	0%
Other State Revenues	-	313,515	347,168	33,653	347,168	0%
Local Revenues	252	42,000	-	(42,000)	(252)	
Fundraising and Grants	5	80,000	15,500	(64,500)	15,496	0%
Total Revenue	272,004	3,382,684	1,197,239	(2,185,445)	925,235	23%
Expenses						
Compensation and Benefits	361,464	2,104,697	1,066,860	1,037,837	705,397	34%
Books and Supplies	14,365	138,577	80,670	57,907	66,305	18%
Services and Other Operating Expenditures	120,965	845,281	688,291	156,990	567,326	18%
Capital Outlay	6,051	129,607	6,051	123,556	-	100%
Total Expenses	502,844	3,218,162	1,841,872	1,376,290	1,339,027	27%
Operating Income (excluding Depreciation)	(230,840)	164,521	(644,633)	(809,154)	(413,793)	36%
<i>Operating Income (including Depreciation)</i>	<i>(224,789)</i>	<i>268,207</i>	<i>(678,435)</i>	<i>(946,642)</i>	<i>(453,646)</i>	<i>33%</i>
Fund Balance						
Beginning Balance (Unaudited)	473,945	466,305	473,945			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	473,945	466,305	473,945			100%
Operating Income (including Depreciation)	(224,789)	268,207	(678,435)			33%
Ending Fund Balance (including Depreciation)	249,156	734,512	(204,490)			-122%
Total Enrolled		405	107	(298)		0%
Total ADA		388.8	102.7	(286)		0%

REVENUE

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	170,543	780,077	252,703	(527,374)	82,160	67%
8012	Education Protection Account Entitlement	101,205	487,498	144,372	(343,126)	43,167	70%
8096	Charter Schools in Lieu of Property Taxes	-	1,531,365	373,808	(1,157,557)	373,808	0%
		271,748	2,798,940	770,883	(2,028,057)	499,135	35%
8100 Federal Revenue							
8181	Special Education - Entitlement	-	77,760	50,752	(27,008)	50,752	0%
8220	Child Nutrition Programs	-	42,969	6,880	(36,089)	6,880	0%
8291	Title I	-	26,500	5,000	(21,500)	5,000	0%
8292	Title II	-	1,000	-	(1,000)	-	
8293	Title III	-	-	1,056	1,056	1,056	0%
	SUBTOTAL - Federal Income	-	148,229	63,688	(84,541)	63,688	0%
8300 Other State Revenues							
8381	Special Education - Entitlement (State)	-	233,280	45,338	(187,942)	45,338	0%
8520	Child Nutrition - State	-	1,940	554	(1,386)	554	0%
8550	Mandated Cost Reimbursements	-	10,000	5,138	(4,862)	5,138	0%
8560	State Lottery Revenue	-	68,295	18,592	(49,703)	18,592	0%
8590	All Other State Revenue	-	-	277,546	277,546	277,546	0%
	SUBTOTAL - Other State Income	-	313,515	347,168	33,653	347,168	0%
8600 Other Local Revenue							
8699	All Other Local Revenue	-	42,000	-	(42,000)	-	
8999	Uncategorized Revenue	252	-	-	-	(252)	
	SUBTOTAL - Local Revenues	252	42,000	-	(42,000)	(252)	
8800 Donations/Fundraising							
8801	Donations - Parents	5	-	500	500	496	1%

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8803	Fundraising	-	80,000	15,000	(65,000)	15,000	0%
	SUBTOTAL - Fundraising and Grants	5	80,000	15,500	(64,500)	15,496	0%
	TOTAL REVENUE	272,004	3,382,684	1,197,239	(2,185,445)	925,235	23%

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	193,476	1,142,470	624,925	517,545	431,450	31%
1300	Certificated Supervisor & Administrator Salari	44,039	290,170	173,536	116,634	129,498	25%
SUBTOTAL - Certificated Employees		237,515	1,432,640	798,462	634,178	560,947	30%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	20,529	169,225	51,135	118,090	30,606	40%
2900	Classified Other Salaries	7,736	32,760	25,232	7,528	17,496	31%
SUBTOTAL - Classified Employees		28,265	201,985	76,367	125,618	48,102	37%
3000 Employee Benefits							
3100	STRS	24,636	127,138	81,847	45,291	57,212	30%
3200	PERS	1,130	20,048	5,589	14,459	4,459	20%
3300	OASDI-Medicare-Alternative	5,296	45,638	19,493	26,145	14,197	27%
3400	Health & Welfare Benefits	57,337	188,500	67,500	121,000	10,163	85%
3500	Unemployment Insurance	134	32,693	437	32,255	304	31%
3600	Workers Comp Insurance	7,152	32,856	17,164	15,692	10,012	42%
3900	Other Employee Benefits	-	23,200	-	23,200	-	
SUBTOTAL - Employee Benefits		95,684	470,072	192,031	278,041	96,347	50%
4000 Books & Supplies							
4100	Approved Textbooks & Core Curricula Materials	106	7,000	2,000	5,000	1,894	5%
4200	Books & Other Reference Materials	845	18,000	6,600	11,400	5,755	13%
4315	Custodial Supplies	-	2,000	500	1,500	500	0%
4320	Educational Software	-	5,500	5,500	0	5,500	0%
4325	Instructional Materials & Supplies	4,905	24,000	16,050	7,950	11,145	31%
4330	Office Supplies	839	28,500	28,500	-	27,661	3%

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4410	Classroom Furniture, Equipment & Supplies	704	800	3,000	(2,200)	2,296	23%
4420	Computers (individual items less than \$5k)	6,111	25,000	6,500	18,500	389	94%
4430	Non Classroom Related Furniture, Equipment & s	465	-	500	(500)	35	93%
4700	Food	389	27,777	11,520	16,257	11,131	3%
SUBTOTAL - Books and Supplies		14,365	138,577	80,670	57,907	66,305	18%

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	CMO Fees	-	60,000	-	60,000	-	
5200	Travel & Conferences	4,299	-	5,000	(5,000)	701	86%
5210	Conference Fees	-	5,000	5,000	-	5,000	0%
5215	Travel - Mileage, Parking, Tolls	-	12,000	-	12,000	-	
5220	Travel and Lodging	3,783	-	7,000	(7,000)	3,217	54%
5300	Dues & Memberships	34	4,000	975	3,025	941	3%
5450	Insurance - Other	10,765	27,945	10,765	17,181	-	100%
5500	Operations & Housekeeping	2,000	-	2,500	(2,500)	500	80%
5510	Utilities - Gas and Electric	4,822	52,260	6,000	46,260	1,178	80%
5605	Equipment Leases	15,664	21,600	60,000	(38,400)	44,336	26%
5610	Rent	58,290	500,000	311,245	188,755	252,955	19%
5615	Repairs and Maintenance - Building	387	6,000	1,000	5,000	613	39%
5617	Repairs and Maintenance - Other Equipment	770	-	1,000	(1,000)	230	77%
5631	Other Rentals, Leases and Repairs - Site Reloca	11,115	-	66,800	(66,800)	55,685	17%
5803	Accounting & Audit Fees	-	6,000	6,000	-	6,000	0%
5809	Banking Fees	48	1,800	1,800	-	1,752	3%
5822	Other Professional Services	870	20,620	3,120	17,500	2,250	28%
5824	District Oversight Fees	-	27,989	7,709	20,281	7,709	0%
5830	Field Trips Expenses	-	7,000	-	7,000	-	
5843	Interest - Loans Less than 1 Year	-	1,000	1,000	-	1,000	0%
5845	Legal Fees	-	10,000	10,000	-	10,000	0%
5851	Marketing and Student Recruiting	75	12,000	3,600	8,400	3,525	2%
5857	Payroll Fees	846	2,640	4,004	(1,364)	3,158	21%
5863	Professional Development	-	14,000	1,706	12,294	1,706	0%
5884	Substitutes	-	20,979	12,188	8,792	12,188	0%
5887	Technology Services	2,111	21,000	21,000	-	18,889	10%
5893	Transportation - Student	-	-	118,080	(118,080)	118,080	0%
5899	Miscellaneous Operating Expenses	2,556	-	-	-	(2,556)	
5900	Communications	1,814	6,624	16,000	(9,376)	14,186	11%
5915	Postage and Delivery	716	4,824	4,800	24	4,084	15%
SUBTOTAL - Services & Other Operating Exp.		120,965	845,281	688,291	156,990	567,326	18%

Magnolia Science Academy - Santa Clara

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
6000	Capital Outlay						
6100	Sites & Improvement of Sites	-	20,000	-	20,000	-	
6200	Buildings & Improvement of Buildings	-	109,607	-	109,607	-	
6400	Equipment	6,051	-	6,051	(6,051)	-	100%
	SUBTOTAL - Capital Outlay	6,051	129,607	6,051	123,556	-	100%
	TOTAL EXPENSES	502,844	3,218,162	1,841,872	1,376,290	1,339,027	27%
6900	Total Depreciation (includes Prior Years)	-	25,921	39,853	(13,932)	39,853	0%
	TOTAL EXPENSES including Depreciation	496,793	3,114,477	1,875,674	1,238,803	1,378,881	26%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
General Block Grant	487,563	3,021,186	2,978,176	(43,010)	2,490,613	16%
Federal Revenue	-	103,151	84,919	(18,232)	84,919	0%
Other State Revenues	32,147	273,183	481,095	207,912	448,948	7%
Local Revenues	23,399	107,000	108,800	1,800	85,401	22%
Fundraising and Grants	526	20,000	20,000	-	19,474	3%
Total Revenue	543,634	3,524,520	3,672,990	148,470	3,129,356	15%
Expenses						
Compensation and Benefits	382,601	2,024,242	1,901,637	122,605	1,519,036	20%
Books and Supplies	34,893	207,727	354,709	(146,982)	319,816	10%
Services and Other Operating Expenditures	64,764	782,793	843,014	(60,220)	778,250	8%
Capital Outlay	-	-	-	-	-	-
Total Expenses	482,257	3,014,762	3,099,359	(84,597)	2,617,102	16%
Operating Income (excluding Depreciation)	61,377	509,757	573,631	63,873	512,254	11%
<i>Operating Income (including Depreciation)</i>	61,377	459,757	529,012	69,254	467,635	12%
Fund Balance						
Beginning Balance (Unaudited)	615,301	557,901	615,301			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	615,301	557,901	615,301			100%
Operating Income (including Depreciation)	61,377	459,757	529,012			12%
Ending Fund Balance (including Depreciation)	676,678	1,017,659	1,144,313			59%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
Total Enrolled	438	423	(15)		0%
Total ADA	423.8	409.3	(15)		0%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
REVENUE							
LCFF Entitlement							
8011	Charter Schools LCFF - State Aid	121,748	812,997	678,457	(134,540)	556,709	18%
8012	Education Protection Account Entitlement	92,977	516,302	558,923	42,621	465,946	17%
8096	Charter Schools in Lieu of Property Taxes	272,838	1,691,887	1,740,796	48,909	1,467,958	16%
		487,563	3,021,186	2,978,176	(43,010)	2,490,613	16%
8100 Federal Revenue							
8181	Special Education - Entitlement	-	50,852	38,931	(11,921)	38,931	0%
8220	Child Nutrition Programs	-	22,906	23,833	927	23,833	0%
8291	Title I	-	28,593	22,155	(6,438)	22,155	0%
8292	Title II	-	800	-	(800)	-	
	SUBTOTAL - Federal Income	-	103,151	84,919	(18,232)	84,919	0%
8300 Other State Revenues							
8311	Other State Apportionments - Current Year	-	-	-	-	-	
8319	Other State Apportionments - Prior Years	-	-	-	-	-	
8381	Special Education - Entitlement (State)	32,147	209,764	180,632	(29,132)	148,485	18%
8520	Child Nutrition - State	-	3,692	3,841	149	3,841	0%
8550	Mandated Cost Reimbursements	-	5,933	5,064	(869)	5,064	0%
8560	State Lottery Revenue	-	53,795	74,075	20,280	74,075	0%
8590	All Other State Revenue	-	-	217,484	217,484	217,484	0%
8593	Other State Revenue 3	-	-	-	-	-	
	SUBTOTAL - Other State Income	32,147	273,183	481,095	207,912	448,948	7%
8600 Other Local Revenue							
8634	Food Service Sales	-	12,000	12,000	-	12,000	0%
8636	Uniforms	21,674	30,000	30,000	-	8,326	72%
8660	Interest	158	-	1,800	1,800	1,642	9%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8693	Field Trips	-	35,000	35,000	-	35,000	0%
8699	All Other Local Revenue	-	30,000	30,000	-	30,000	0%
8999	Uncategorized Revenue	1,566	-	-	-	(1,566)	
SUBTOTAL - Local Revenues		23,399	107,000	108,800	1,800	85,401	22%
8800	Donations/Fundraising						
8802	Donations - Private	526	-	5,000	5,000	4,474	11%
8803	Fundraising	-	20,000	15,000	(5,000)	15,000	0%
SUBTOTAL - Fundraising and Grants		526	20,000	20,000	-	19,474	3%
TOTAL REVENUE		543,634	3,524,520	3,672,990	148,470	3,129,356	15%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
EXPENSES							
Compensation & Benefits							
Certificated Employees Summary							
1100	Teachers Salaries	223,446	1,194,357	1,178,805	15,553	955,359	19%
1300	Certificated Supervisor & Administrator Salari	52,294	226,144	208,731	17,413	156,437	25%
	SUBTOTAL - Certificated Employees	275,740	1,420,502	1,387,536	32,966	1,111,796	20%
Classified Employees Summary							
2400	Classified Clerical & Office Salaries	11,766	71,919	59,885	12,034	48,119	20%
2900	Classified Other Salaries	15,182	87,915	92,691	(4,776)	77,508	16%
	SUBTOTAL - Classified Employees	26,949	159,834	152,576	7,259	125,627	18%
3000	Employee Benefits						
3100	STRS	28,362	133,199	129,113	4,086	100,752	22%
3200	PERS	2,218	20,013	14,033	5,980	11,815	16%
3300	OASDI-Medicare-Alternative	6,160	51,832	43,269	8,563	37,109	14%
3400	Health & Welfare Benefits	38,101	161,200	154,222	6,978	116,121	25%
3500	Unemployment Insurance	151	31,607	993	30,613	842	15%
3600	Workers Comp Insurance	4,921	14,855	19,895	(5,040)	14,975	25%
3900	Other Employee Benefits	-	31,200	-	31,200	-	
	SUBTOTAL - Employee Benefits	79,913	443,906	361,525	82,381	281,613	22%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	-	25,000	145,000	(120,000)	145,000	0%
4200	Books & Other Reference Materials	474	10,500	10,500	-	10,026	5%
4300	Materials & Supplies	-	-	50	(50)	50	0%
4315	Custodial Supplies	553	9,000	9,000	-	8,447	6%
4320	Educational Software	-	15,000	15,000	-	15,000	0%
4325	Instructional Materials & Supplies	1,832	22,000	16,900	5,100	15,068	11%
4330	Office Supplies	2,218	50,000	49,764	236	47,546	4%
4335	PE Supplies	786	-	5,000	(5,000)	4,214	16%
4340	Professional Development Supplies	37	-	3,000	(3,000)	2,963	1%
4350	Uniforms	15,205	-	15,205	(15,205)	-	100%
4400	Noncapitalized Equipment	1,243	-	1,300	(1,300)	57	96%
4410	Classroom Furniture, Equipment & Supplies	9,288	33,000	31,700	1,300	22,412	29%
4420	Computers (individual items less than \$5k)	3,020	10,000	17,500	(7,500)	14,480	17%
4700	Food	236	-	236	(236)	0	100%
4710	Student Food Services	-	33,227	34,554	(1,327)	34,554	0%
SUBTOTAL - Books and Supplies		34,893	207,727	354,709	(146,982)	319,816	10%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5101	CMO Fees	-	338,248	334,759	3,489	334,759	0%
5200	Travel & Conferences	210	-	3,000	(3,000)	2,790	7%
5210	Conference Fees	-	20,000	4,000	16,000	4,000	0%
5215	Travel - Mileage, Parking, Tolls	1,066	-	3,000	(3,000)	1,934	36%
5220	Travel and Lodging	6,575	-	10,000	(10,000)	3,425	66%
5300	Dues & Memberships	90	5,400	5,400	-	5,310	2%
5450	Insurance - Other	5,962	35,040	17,978	17,063	12,016	33%
5510	Utilities - Gas and Electric	6,180	37,200	37,200	-	31,020	17%
5605	Equipment Leases	4,306	18,000	18,000	-	13,694	24%
5615	Repairs and Maintenance - Building	273	-	4,800	(4,800)	4,527	6%
5617	Repairs and Maintenance - Other Equipment	363	9,600	4,800	4,800	4,437	8%
5803	Accounting & Audit Fees	-	20,000	5,000	15,000	5,000	0%
5809	Banking Fees	60	1,000	1,000	-	940	6%
5819	School Programs - Other	42	-	42	(42)	-	100%
5822	Other Professional Services	276	54,500	54,500	-	54,224	1%
5824	District Oversight Fees	10,027	93,386	89,345	4,040	79,319	11%
5830	Field Trips Expenses	-	15,000	45,000	(30,000)	45,000	0%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5843	Interest - Loans Less than 1 Year	-	1,000	1,000	-	1,000	0%
5845	Legal Fees	3,152	12,000	50,000	(38,000)	46,848	6%
5851	Marketing and Student Recruiting	2,055	12,000	24,000	(12,000)	21,945	9%
5857	Payroll Fees	999	150	3,590	(3,440)	2,591	28%
5863	Professional Development	736	13,000	10,000	3,000	9,264	7%
5869	Special Education Contract Instructors	-	55,000	55,000	-	55,000	0%
5884	Substitutes	-	5,670	25,000	(19,330)	25,000	0%
5887	Technology Services	3,438	19,200	19,200	-	15,762	18%
5899	Miscellaneous Operating Expenses	17,376	-	-	-	(17,376)	
5900	Communications	1,579	17,400	17,400	-	15,821	9%
SUBTOTAL - Services & Other Operating Exp.		64,764	782,793	843,014	(60,220)	778,250	8%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
6200	Buildings & Improvement of Buildings	-	-	-	-	-
	SUBTOTAL - Capital Outlay	-	-	-	-	-
	TOTAL EXPENSES	482,257	3,014,762	3,099,359	(84,597)	2,617,102 16%
6900	Total Depreciation (includes Prior Years)	-	50,000	44,619	5,381	44,619 0%
	TOTAL EXPENSES including Depreciation	482,257	3,064,762	3,143,978	(79,216)	2,661,721 15%

Magnolia Science Academy - San Diego

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

MERF

Budget vs. Actuals

As of most recent monthly close

	Budget vs. Actual		Budget			
	Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
SUMMARY						
Revenue						
Local Revenues	1,311,723	4,787,533	4,727,533	(60,000)	3,415,811	28%
Fundraising and Grants	25,000	-	250,000	250,000	225,000	10%
Total Revenue	1,336,723	4,787,533	4,977,533	190,000	3,640,811	27%
Expenses						
Compensation and Benefits	631,350	2,415,009	2,778,672	(363,662)	2,337,068	23%
Books and Supplies	33,192	87,874	87,874	-	54,682	38%
Services and Other Operating Expenditures	463,830	2,056,672	2,091,472	(34,800)	1,627,642	22%
Capital Outlay	-	-	-	-	-	-
Total Expenses	1,128,372	4,559,555	4,958,018	(398,462)	4,019,392	23%
Operating Income (excluding Depreciation)	208,351	227,978	19,515	(208,462)	(378,581)	1068%
<i>Operating Income (including Depreciation)</i>	208,351	227,978	11,850	(216,128)	(386,247)	1758%
Fund Balance						
Beginning Balance (Unaudited)	689,915	-	689,915			100%
Audit Adjustment	-	-	-			
Beginning Balance (Audited)	689,915	-	689,915			100%
Operating Income (including Depreciation)	208,351	227,978	11,850			1758%
Ending Fund Balance (including Depreciation)	898,266	227,978	701,765			128%

MERF

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent

MERF

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
8600	Other Local Revenue						
8701	CMO Management Fee - MSA1	291,034	873,103	873,103	-	582,069	33%
8702	CMO Management Fee - MSA2	145,517	873,103	873,103	-	727,586	17%
8703	CMO Management Fee - MSA3	72,759	873,103	873,103	-	800,345	8%
8704	CMO Management Fee - MSA4	54,569	163,707	163,707	-	109,138	33%
8705	CMO Management Fee - MSA5	21,828	65,483	65,483	-	43,655	33%
8706	CMO Management Fee - MSA6	21,828	65,483	65,483	-	43,655	33%
8707	CMO Management Fee - MSA7	181,896	545,689	545,689	-	363,793	33%
8708	CMO Management Fee - MSA8	291,034	873,103	873,103	-	582,069	33%
8709	CMO Management Fee - MSA-SA	-	60,000	60,000	-	60,000	0%
8711	CMO Management Fee - MSA-SC	-	60,000	-	(60,000)	-	
8712	CMO Management Fee - MSA-SD	-	334,759	334,759	-	334,759	0%
8999	Uncategorized Revenue	231,258	-	-	-	(231,258)	
	SUBTOTAL - Local Revenues	1,311,723	4,787,533	4,727,533	(60,000)	3,415,811	28%
8800	Donations/Fundraising						
8802	Donations - Private	25,000	-	250,000	250,000	225,000	10%
	SUBTOTAL - Fundraising and Grants	25,000	-	250,000	250,000	225,000	10%
TOTAL REVENUE		1,336,723	4,787,533	4,977,533	190,000	3,640,811	27%

MERF

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
EXPENSES						
Compensation & Benefits						
Certificated Employees Summary						
1100	Teachers Salaries	-	-	-	-	-
1300	Certificated Supervisor & Administrator Salari	79,506	322,900	320,000	2,900	240,494 25%
SUBTOTAL - Certificated Employees		79,506	322,900	320,000	2,900	240,494 25%
Classified Employees Summary						
2400	Classified Clerical & Office Salaries	454,650	1,568,629	1,948,475	(569,592)	1,683,571 23%
2900	Classified Other Salaries	12,460	-	21,267	(21,267)	8,807 59%
SUBTOTAL - Classified Employees		467,110	1,568,629	1,969,742	(590,859)	1,692,378 24%
Employee Benefits						
3100	STRS	-	34,647	-	34,647	-
3200	PERS	-	156,863	-	156,863	-
3300	OASDI-Medicare-Alternative	41,885	120,000	189,504	(69,504)	147,619 22%
3400	Health & Welfare Benefits	38,775	195,500	170,618	24,882	131,843 23%
3500	Unemployment Insurance	4,073	784	12,005	(11,221)	7,932 34%
3600	Workers Comp Insurance	-	15,686	24,795	(9,109)	24,795 0%
SUBTOTAL - Employee Benefits		84,734	523,481	488,930	34,550	404,197 17%

MERF

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
4000	Books & Supplies						
4100	Approved Textbooks & Core Curricula Materials	233	-	1,000	(1,000)	767	23%
4200	Books & Other Reference Materials	-	10,000	-	10,000	-	
4320	Educational Software	16,160	-	18,900	(18,900)	2,740	86%
4325	Instructional Materials & Supplies	44	-	100	(100)	56	44%
4330	Office Supplies	564	7,874	3,874	4,000	3,310	15%
4340	Professional Development Supplies	-	-	-	-	-	
4400	Noncapitalized Equipment	1,686	60,000	44,000	16,000	42,314	4%
4420	Computers (individual items less than \$5k)	3,986	-	6,000	(6,000)	2,014	66%
4700	Food	1,438	10,000	5,000	5,000	3,562	29%
4720	Other Food	9,081	-	9,000	(9,000)	(81)	101%
	SUBTOTAL - Books and Supplies	33,192	87,874	87,874	-	54,682	38%

MERF

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget			
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining	% of Forecast Spent
5000	Services & Other Operating Expenses						
5200	Travel & Conferences	2,982	-	10,000	(10,000)	7,018	30%
5210	Conference Fees	2,754	-	5,000	(5,000)	2,246	55%
5215	Travel - Mileage, Parking, Tolls	3,202	-	5,000	(5,000)	1,798	64%
5220	Travel and Lodging	15,412	160,000	140,000	20,000	124,588	11%
5300	Dues & Memberships	4,929	10,000	10,000	-	5,071	49%
5450	Insurance - Other	-	14,400	14,400	-	14,400	0%
5500	Operations & Housekeeping	494	32,272	20,272	12,000	19,778	2%
5605	Equipment Leases	1,826	-	12,000	(12,000)	10,174	15%
5610	Rent	44,637	150,000	150,000	-	105,363	30%
5803	Accounting & Audit Fees	-	6,000	6,000	-	6,000	0%
5809	Banking Fees	2,594	-	4,000	(4,000)	1,406	65%
5812	Business Services	116,163	695,000	695,000	-	578,837	17%
5820	Consultants - Non Instructional	59,458	252,000	307,000	(55,000)	247,542	19%
5822	Other Professional Services	65,235	307,000	263,000	44,000	197,765	25%

MERF

Budget vs. Actuals

As of most recent monthly close

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5845	Legal Fees	40,580	100,000	100,000	-	59,420	41%
5851	Marketing and Student Recruiting	11,425	30,000	20,000	10,000	8,575	57%
5857	Payroll Fees	3,000	-	15,800	(15,800)	12,800	19%
5863	Professional Development	20,723	95,000	95,000	-	74,277	22%
5887	Technology Services	6,244	61,000	61,000	-	54,756	10%
5899	Miscellaneous Operating Expenses	57,017	-	-	-	(57,017)	
5900	Communications	4,307	144,000	144,000	-	139,693	3%
5915	Postage and Delivery	847	-	14,000	(14,000)	13,153	6%
SUBTOTAL - Services & Other Operating Exp.		463,830	2,056,672	2,091,472	(34,800)	1,627,642	22%

MERF

Budget vs. Actuals

As of most recent monthly close

		Budget vs. Actual		Budget		
		Actual YTD	Approved Budget	Forecast (Proposed Revised Budget)	Variance (Budget vs. Current Forecast)	Forecast Remaining
6000	Capital Outlay					
6200	Buildings & Improvement of Buildings	-	-	-	-	-
	SUBTOTAL - Capital Outlay	-	-	-	-	-
TOTAL EXPENSES		1,128,372	4,559,555	4,958,018	(588,208)	4,019,392 23%
6900	Total Depreciation (includes Prior Years)	-	-	7,666	(7,666)	7,666 0%
TOTAL EXPENSES including Depreciation		1,128,372	4,559,555	4,965,684	(595,874)	4,027,058 23%

MERF

Budget vs. Actuals

As of most recent monthly close

Budget vs. Actual		Budget			
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