

# Heartwood Charter School

## Agenda for the Special Meeting of the Heartwood Charter School Board of Directors

Location: 170 Liberty School Road, Petaluma, CA 94930

Call in location: 55 Fire Rd, Woodacre, CA 94973

The meeting may be joined by phone: [\(US\) +1 309-205-3325](tel:+13092053325) Passcode: 441193

Or by video conference

Join Zoom Meeting: <https://us06web.zoom.us/j/82135003396?pwd=bTttG8SMBpHb3j8cGPhyNLmGHhajMV.1>

**Wednesday, December 11, 2024**

**9:30 AM Public Session**

Call to Order

- I. Roll Call
- II. Agenda Adjustments and Approval
- III. Correspondence
- IV. Approval of meeting minutes
- V. Public Comment
- VI. Reports and Information
  - A. Director's Report
    1. Staffing
    2. Academics
  - B. Finance Report
    1. Budget
- VII. Action Items
  - A. The Board will consider the personnel actions, and approve, defer or agree to study further.
  - B. The Board will consider the Kindergarten and Transitional Kindergarten organization, staffing and class sizes for the 2025-26 school year and approve, defer or agree to study further.
  - C. The Board will consider the class size limits for the Bothin Program for upcoming registration for the 2025-26 school year, and approve, defer or agree to study further.
  - D. The Board will consider the finalized School Calendar for 2025-26 and approve, defer or agree to study further.
  - E. The Board will consider the First Interim Budget for the 2024-25 school year, and approve, defer or agree to study further.
  - F. The Board will consider the Heartwood Charter School Audit Report and Management Representation Letter for the 2023-24 school year and approve, defer or agree to study further.
  - G. The Board will consider the revised Teacher and Staff Leave Policy adjunct to the Employee Handbook, and approve, defer or agree to study further.
- VIII. Consent Items
- IX. Board Discussion
  - A. CAASPP test results 2023-24
  - B. Plan to improve test scores and academic gaps
  - C. Charter Renewal Discussion with Young Minney Corr (Fixed time 10:30 – 11:15 AM)
- X. Closed Session
  - A. Public Employee Performance Evaluation (Gov. Code section 54957(b)(1).)
  - B. Public Employee Discipline/Dismissal/Release (Gov. Code section 54957(b).)

- XI. Open Session
- XII. Action Taken in Closed Session
- XIII. Dates and Future Agenda Items conditions
- XIV. Adjourn



**Heartwood Charter School**

**Board Policy for Early Childhood Class Organization and Enrollment 2025-26**

Proposed 12/11/2024

<b>Homeschool Program</b>	<b>Bothin Waldorf Program</b>
<b>2024-25 Enrollment Closes March 28, 2025</b>	<b>2024-25 Enrollment Closes February 12, 2025</b>
<b>TK-</b> any child 4 years of age by September 1, 2025	<b>TK1: 10 students</b> *Students must turn 4 years of age by September 1, 2025 Program Details: Hybrid program, 2 partial days onsite and 3 independent days (may be supported by an outside vendor) -more details to come
	<b>TK 2: 16 students (8 in each class)</b> *Students must turn 5 years of age by April 20, 2026
<b>Kindergarten:</b> Date of Birth must be between 9/2/2019 - 9/1/2020	<b>K: 20 students (10 in each class)</b> *Students must turn 6 years of age by April 20, 2026
<b>Grade 1:</b> Date of Birth must be between 9/2/2018 - 9/1/2019	<b>Grade 1:</b> *Students must turn 7 years of age by April 20, 2026
<b>Homeschool Program will not be increasing the cap, 575</b>	<b>Board will vote in the December meeting on what classes will be closed to new enrollment</b>

**Important Dates:**

Priority Enrollment opens December 2, 2024, and closes January 14, 2025

- Board member’s children
- Employee’s children
- Siblings of currently enrolled students

- Students transferring from Bothin to Homeschool or vice versa

Enrollment opens to the public on January 15, 2025

- Priority enrollment becomes open enrollment on this date

Bothin Lottery for the TK1, TK2 and Kindergarten classes will be held virtually on February 13, 2025, at 10:30. The number of available spots for each class will be announced on December 2, 2024

Important Bothin Campus Dates:

\*August 8, 2025 first day on campus for office staff (tentative date)

August 16, 2025- Move onto Bothin campus

August 21, 2025 through August 25, 2024 independent study days

August 26, 2025 first day on Bothin campus

## Heartwood Charter School

### Board Policy for Bothin Program Class Enrollment Limits

Balance of 2024-25 and 2025-26

Proposed 12/11/2024

#### 2024-25 School Year

Class	Enrollment Limit
1	Frozen Enrollment and currently closed

#### 2025-26 School Year

Class	Enrollment Status
TK 1 (4 yrs by 9/1/2025)	Open to capacity limit of 10 students (subject to lottery)
TK 2 (5 yrs by 4/20/26)	Open to capacity limit of 16 students (subject to lottery)
K (6 yrs by 4/20/26)	Open to capacity limit of 20 students (subject to lottery)
1	Open to capacity limit of 24 students
2	Frozen Enrollment and currently closed
3	Open to capacity limit of 24 (currently 26)
4	Open to capacity limit of 22
5	Open to capacity limit of 20 students
6	Open to capacity limit of 18 students
7	Open to capacity limit of 18 students
8	Limited to two new students and roster frozen

**Open classes** may have room for additional students up to the stated capacity limit. Individual classes may have different size limits. Once the limit is reached, the classes are closed. Student withdrawals may be filled up to the limit.

**Closed classes** are currently closed to new students, but withdrawals may be filled up to the stated limit.

**Frozen enrollment classes** are currently closed to new students and only currently enrolled students will be admitted. There is not a stated class size limit, and withdrawals will not be filled.

**Limited classes** are closed with a limited number of new students allowed to enroll. After the specified limited number of new students are enrolled, the class will be again closed and frozen. There is not a stated class size limit, and withdrawals will not be filled.



**HEARTWOOD**  
**CHARTER SCHOOL**  
 170 Liberty School Road  
 Petaluma, CA 94952

## Management Representation Letter

Nigro & Nigro, PC  
 25220 Hancock Avenue, Suite #400  
 Murrieta, CA 92562

This representation letter is provided in connection with your audit of the financial statements of Heartwood Charter, which comprise the statement(s) of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of **December 3, 2024**, the following representations made to you during your audit.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 23, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

**Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 19) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
- 20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 22) Heartwood Charter is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 23) We acknowledge our responsibility for presenting the 2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, issued by the Education Audit Appeals Panel:
  - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.



Signature: \_\_\_\_\_

Name: Mark Puccinelli

Title: Governing Board President

**HEARTWOOD CHARTER SCHOOL**

**Charter No. 2071**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**For the Fiscal Year Ended  
June 30, 2024**

DRAFT

**HEARTWOOD CHARTER SCHOOL**  
*For the Fiscal Year Ended June 30, 2024*  
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*Financial Section*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Heartwood Charter School  
Petaluma, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying combined financial statements of Heartwood Charter School (a California nonprofit Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heartwood Charter School as of June 30, 2024, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Organization's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the LEA Organization Structure but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2024 on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.

Murrieta, California  
December 3, 2024

# HEARTWOOD CHARTER SCHOOL

## Notes to Financial Statements

June 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Nature of Activities

Heartwood Charter School (the “School”) is a non-profit public benefit corporation that was incorporated July 5, 2019. The School became a charter school that was petitioned through Liberty Elementary School District (“Sponsor”) and approved by the State of California Department of Education in 2019. The School's most recent charter was approved through the County for a five-year period ending in July 2024. Due to EC Section 47607.4 the School’s Charter was extended by one year. The School is an independent study public school that serves the communities of Marin, Sonoma and other surrounding counties. The School's mission is to inspire an enthusiasm for learning by supporting school readiness and literacy in the community.

#### B. Basis of Presentation and Accounting

The School accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual*.

The financial statements of the School have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective January 1, 2018 and addresses general-purpose external financial statements appropriate for not-for-profit organizations.

Under the provisions of the ASC 958-205, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the School and changes therein are classified as follows:

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by the actions of the not-for-profit organization to satisfy a particular purpose restriction, or by the passage of time. Some donor restrictions are perpetual (or permanent) in nature, whereby the donor has stipulated the funds be maintained in perpetuity, whereby the corpus of the donation must remain unspent.

#### C. Revenue and Revenue Recognition

Revenue is recognized when earned. Operating funds for the School are derived principally from state sources. The School receives state funding based on each of the enrolled student’s average daily attendance (ADA) in its school. Unrestricted support given by the state is recognized as revenue when received. Any such funds received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

#### D. Donated Materials and Supplies

Donated materials and supplies are recorded as contributions at their estimated fair market value at the date of donation if a value can be reasonably determined. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

#### E. Contributed Services

During the year ended June 30, 2024, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the School, but these services do not meet the criteria for recognition as contributed services.



# HEARTWOOD CHARTER SCHOOL

## Notes to Financial Statements

June 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### F. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Significant estimates include the lives used for depreciation of property and equipment and allocation of costs between the various programs and expense categories. Actual results could differ from those estimates.

#### G. Income Taxes

The School is a non-profit entity and is currently applying for exemption from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files information returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state tax purposes is generally three and four years, respectively.

#### H. Cash and Cash Equivalents

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

#### I. Accounts Receivable

Accounts receivable consists mainly of grants and contract payments from other public agencies. No allowance for uncollectable amounts has been estimated as creditworthiness of payors and industry experience provide evidence to support amounts as fully collectible.

#### J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### K. Property and Equipment

It is the School's policy to capitalize property and equipment over \$5,000. Purchased property and equipment are reported at historical cost or estimated historical cost. Contributed assets are recorded as contributions at their estimated fair value as of the date received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose or time of use. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. As of June 30, 2024, the School does not have any capital assets.

#### L. Leases

The School has adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. This ASU codifies FASB Accounting Standards Codification (ASC) 842, Leases. FASB ASC 842 is applicable to any entity that enters into a lease and applies to all leases and subleases of property, plant, and equipment.

## HEARTWOOD CHARTER SCHOOL

### Notes to Financial Statements

June 30, 2024

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### L. Leases (continued)

Similar to ASC 840, the prior lease accounting standard, ASC 842 uses a two-model approach for lessees; each lease is classified as either a finance lease or an operating lease. This applies to all leased asset categories covered under the standard, including leases of equipment and real estate. “Finance lease” is a new term and replaces the term, “capital lease,” used under Topic 840. Additionally, ASC 842 changes the criteria defining a finance/capital lease. Lessees reporting under Topic 842 are required to recognize both the assets and the liabilities arising from their leases. The lease liability is measured as the present value of lease payments, while the lease asset is equal to the lease liability adjusted for certain items like prepaid rent, initial direct costs, and lease incentives.

Lessor accounting remains largely unchanged from ASC 840 to 842. Lessors can classify leases as operating, sales-type, or direct financing leases, but the leveraged lease type under ASC 840 is eliminated under ASC 842. Lessor accounting is covered in full detail in ASC 842-30. No significant changes were made to the requirements for balance sheet recognition.

##### M. Fair Value Measurements

In accordance with fair value measurements, the School categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The School has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the School's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

##### N. Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

# HEARTWOOD CHARTER SCHOOL

## Notes to Financial Statements

June 30, 2024

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### NOTE 2 – LIQUIDITY

The School’s financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

Cash and cash equivalents	\$	2,598,616
Accounts receivable		1,310,344
Prepaid expenses		552
Less: donor restrictions		<u>(10,000)</u>
Total current assets	\$	<u>3,899,512</u>

The School’s policy for liquidity management requires that it structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### NOTE 3 – CASH AND CASH EQUIVALENTS

Cash at June 30, 2024 is reported at fair value and consisted of the following:

Cash in banks	\$	2,173,685
Cash in county treasury		<u>424,931</u>
Total Cash and Cash Equivalents	\$	<u>2,598,616</u>

### Pooled Funds

In accordance with Education Code Section 41001, the School maintains cash in the interest-bearing Sonoma County Treasurer’s Pooled Investment Fund. The School is considered to be an involuntary participant in an external investment pool. The fair value of the School’s investment in the pool is reported in the financial statements at amounts based upon the School’s pro-rata share of the fair value provided by the Sonoma County Treasurer for the entire portfolio (in relation to the amortized cost of that polio). The balance available for withdrawal is based on the accounting records maintained by the Sonoma County Treasurer, which is recorded on the amortized basis.

Except for investment by trustees of debt proceeds, the authority to invest School funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website.

### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School’s deposits may not be returned to it. The School does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions.

As of June 30, 2024, \$1,973,585 of the School’s bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agency, but not in the name of the School.

# HEARTWOOD CHARTER SCHOOL

## Notes to Financial Statements

June 30, 2024

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### NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable outstanding at June 30, 2024, consisted of the following:

Federal Government:		
Special education	\$	198,284
Education stabilization		142,003
State Government:		
LCFF sources		785,032
Special education		135,676
Lottery		49,253
Local Sources:		
Other local		96
Total Accounts Receivable	\$	<u>1,310,344</u>

### NOTE 5 – DEBT

#### California School Finance Authority Revolving Loan Fund Program

On May 4, 2020, the School was accepted into the California School Finance Authority Revolving Loan Fund Program. The School received a loan in the amount of \$250,000. The term of the loan is for five years and bears an interest rate of 0.532 percent. The loan will be repaid monthly during the months of August through January of each year beginning in 2021-22. On September 1, 2021 the loan was extended by 12 months.

A schedule of changes in loan payable for the year ended June 30, 2024, is shown below:

	Balance, June 30, 2023	Additions	Deductions	Balance, June 30, 2024	Amount Due in One Year
Charter school revolving loan	\$ 150,789	\$ -	\$ 47,622	\$ 103,167	\$ 47,622

### NOTE 6 – NET ASSETS

Donor-restricted net assets at June 30, 2024 were comprised of the following amounts and restrictions:

Net assets with donor restrictions:

Title IV	\$ <u>10,000</u>
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This amount is presented within net assets with donor restrictions on the Statement of Financial Position.

## **HEARTWOOD CHARTER SCHOOL**

*Notes to Financial Statements*

*June 30, 2024*

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### **NOTE 7 – RETIREMENT PLAN**

The School has a 403(b) plan covering employees who consistently work more than 20 hours a week. Eligible employees may participate in elective deferrals as of their hire date. All participants are 100% vested upon enrollment. To be eligible for employer matching contributions, employees must be at least 18 years old and complete 6 months of service. The plan allows the employer to make a discretionary matching contribution equal to a uniform percentage or dollar amount of an employee's elective deferral. Each year, the employer will determine the formula for the matching contribution. The contribution to the program during the year ended June 30, 2024 was \$231,260.

### **NOTE 8 – COMMITMENTS AND CONTINGENCIES**

#### **State and Federal Allowances, Awards, and Grants**

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

#### **Facilities Use Agreement**

On August 18, 2023, the School entered into a MOU with Girl Scouts of Northern California (GSNorCal) for the property located at 3125 Sir Francis Drake Boulevard, Fairfax, CA 94930. The agreement was for the period of August 12, 2023 to May 27, 2024. This agreement does not qualify as a lease under ASC842 due to the term of the agreement not exceeding one year.

### **NOTE 9 – RELATED PARTY TRANSACTIONS**

#### **Heartwood Educational Collaborative**

Heartwood Educational Collaborative (HEC) was formed as a nonprofit public benefit corporation in the State of California in 2014. HEC's mission is to provide a stimulating and enriching education, awakening critical and creative thinking, instilling a love of work and learning that propels our students to make positive, heart-felt and inspiring contributions to our shared room. HEC works closely with the School to provide support for families and students, and shares one board member with the School. During the year ended June 30, 2024, HEC did not make any significant donations.

### **NOTE 10 – ADJUSTMENT FOR RESTATEMENT**

The School has restated the balance of net assets at July 1, 2023 in the amount of \$60,000 due to a donation from Heartwood Educational Collaborative that should have been accrued for the 2022-23 fiscal year.

### **NOTE 11 – SUBSEQUENT EVENTS**

Events subsequent to June 30, 2024, have been evaluated through December 3, 2024 the date at which the School's audited financial statements were available to be issued.

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*Supplementary Information*

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**HEARTWOOD CHARTER SCHOOL**  
*Schedule of Average Daily Attendance*  
*June 30, 2024*

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	Second Period Report		Annual Report	
	Classroom-Based	Total ADA	Classroom-Based	Total Regular ADA
<b>Regular ADA:</b>				
TK/K-3	-	328.56	-	331.93
Grades 4-6	-	157.27	-	157.46
Grades 7-8	-	73.56	-	73.66
Grades 9-12	-	22.35	-	21.98
Total Regular ADA	-	581.74	-	585.03
<b>Special Education-Nonpublic, Nonsectarian Schools:</b>				
Grades 7-8	0.93	0.93	0.93	0.93
Total ADA	0.93	582.67	0.93	585.96

**HEARTWOOD CHARTER SCHOOL**

*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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	<u>Statement of Financial Position</u>
June 30, 2024, Annual Financial and Budget Report net assets	\$ 2,713,106
Adjustments and reclassifications:	
Increase (decrease) in total fund balances:	
Revenue underreported	<u>46,610</u>
June 30, 2024, audited financial statement net assets	<u>\$ 2,759,716</u>



## **HEARTWOOD CHARTER SCHOOL**

*Note to the Supplementary Information*

*June 30, 2024*

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### **NOTE 1 – PURPOSE OF SCHEDULES**

#### **Schedule of Average Daily Attendance (ADA)**

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

#### **Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

This schedule provides the information necessary to reconcile the net assets reported on the Unaudited Actual financial report to the audited financial statements.

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***Other Information***

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# HEARTWOOD CHARTER SCHOOL

## Local Education Agency Organizational Structure

June 30, 2024

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Heartwood Charter School (the “School”) was incorporated on July 5, 2019, and was granted its charter through Liberty Elementary School District (“Sponsor”) and its charter school status from the California Department of Education in 2019. Its charter school number is 2071. The School is a teacher led, community created independent study public school with its campus located in Petaluma, Sonoma County.

### BOARD OF DIRECTORS

<b>Name</b>	<b>Office</b>	<b>Term and Term Expiration</b>
Mark Puccinelli	Governing Board President	June 2025
Tracy Lapera	Governing Board Member and Personnel Chair	June 2025
Greg Browman	Governing Board Secretary	June 2025

### CHARTER ADMINISTRATOR

Stephanie Felton-Priestner,  
*Executive Director*

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***Other Independent Auditors' Reports***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Heartwood Charter School  
Petaluma, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Heartwood Charter School (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, cash flows, and functional expenses for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Heartwood Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Heartwood Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Heartwood Charter School's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Murrieta, California  
December 3, 2024

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**INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE  
AND ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Directors  
Heartwood Charter School  
Petaluma, California

**Report on Compliance**

***Opinion***

We have audited the Heartwood Charter School's (School) compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the School's state program requirements identified below for the year ended June 30, 2024.

In our opinion, Heartwood Charter School complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Heartwood Charter School's state programs.



***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the School's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the School's compliance with the state laws and regulations applicable to the following items:

<b>Description</b>	<b>Procedures Performed</b>
<b>School Districts, County Offices of Education, and Charter Schools:</b>	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	No*
<b>Charter Schools:</b>	
Attendance	Yes
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Areas marked as “Not Applicable” were not operated by the School.

\*The School reported transitional kindergarten ADA. However, due to the school only offering nonclassroom-based education, it is not required to do the transitional kindergarten (TK) ratio. The independent study ratio was performed in lieu of the TK ratio.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify in the audit.

***Report on Internal Control over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Murrieta, California  
December 3, 2024

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*Schedule of Findings and Recommendations*

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**HEARTWOOD CHARTER SCHOOL**  
*Summary of Auditors' Results*  
*For the Fiscal Year Ended June 30, 2024*

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***Financial Statements***

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

***Federal Awards***

*The School expended less than \$750,000 in federal awards in fiscal year 2023-24; therefore, a Single Audit pursuant to OMB Uniform Guidance was not performed.*

***State Awards***

Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>
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**HEARTWOOD CHARTER SCHOOL**  
*Financial Statement Findings*  
*For the Fiscal Year Ended June 30, 2024*

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This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>AB 3627 Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

*There were no financial statement findings in 2023-24.*

## **HEARTWOOD CHARTER SCHOOL**

### *Federal Award Findings and Recommendations*

*For the Fiscal Year Ended June 30, 2024*

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This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

***The School expended less than \$750,000 on federal awards in 2023-24, therefore, a Single Audit pursuant to OMB Uniform Guidance was not performed.***

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**HEARTWOOD CHARTER SCHOOL**  
*State Award Findings and Recommendations*  
*For the Fiscal Year Ended June 30, 2024*

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This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

*There were no state award findings or questioned costs in 2023-24.*

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**HEARTWOOD CHARTER SCHOOL**  
*Summary Schedule of Prior Audit Findings*  
*For the Fiscal Year Ended June 30, 2024*

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*There were no findings or questioned costs in 2022-23.*

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**Heartwood Charter School**  
**Board Policy for Staff Leave**  
**Addendum to Employee Handbook**  
**Proposed 12/11/2024**

Teacher and Staff Sick Leave Policy

Purpose: To establish clear guidelines for teachers and staff requesting sick leave, ensuring proper notification and documentation while prioritizing the health and well-being of staff and students.

[Bothin Substitute Teacher List](#)

Policy:

**Notification:**

- Teachers must notify their immediate supervisor as soon as possible, preferably before the start of their workday, when they need to take a sick day. For those on the Bothin campus, notification must be delivered to Tamara Lemesh. For all other Departments, notify Heather Deyden-Littrell
- Notification should include the expected duration of absence and the reason for absence, if applicable.

**Documentation:**

- For absences exceeding [specified duration, e.g., 2 days], teachers and staff must provide a doctor's note or other medical documentation upon return to work, verifying the illness.
- In case of a contagious illness, teachers and staff must inform their immediate Supervisor so that proper notifications can be delivered to the community, if necessary.

**Procedure for Requesting Sick Leave:**

- Notifications must be delivered to your immediate supervisor by text message and email, preferably both but we will accept one form at least 2 hours before the school day begins.
- Clearly state the date(s) of absence, reason for absence, and anticipated return date.

**Excessive Absences:**

- Repeated or excessive use of sick leave may trigger a review process with the school administration, potentially leading to disciplinary action.

- The school will monitor attendance patterns and address concerns with individual teachers or staff members as needed.

**Emergency Situations:**

- In case of an emergency situation requiring immediate leave, contact your supervisor as soon as possible, followed by appropriate documentation upon return.

**Substitute Teacher Arrangements:**

- Teachers are responsible for making arrangements for substitute teachers when taking sick leave, ensuring a smooth transition in their classroom.

**CHARTER SCHOOL  
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM  
First Interim Report Certification**

Charter School Name: Heartwood Charter School  
(continued) 0  
CDS #: 49-70797-0139568  
Charter Approving Entity: Liberty Elementary  
County: Sonoma  
Charter #: 2071  
Fiscal Year: 2024-25

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**CERTIFICATION OF FINANCIAL CONDITION**

- POSITIVE CERTIFICATION**  
As the Charter School Official, I certify that based upon current projections this charter will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- QUALIFIED CERTIFICATION**  
As the Charter School Official, I certify that based upon current projections this charter may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
- NEGATIVE CERTIFICATION**  
As the Charter School Official, I certify that based upon current projections this charter will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

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To the entity that approved the charter school:  
(  ) 2024-25 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.  
Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Charter School Official  
(Original signature required)  
Print  
Name: Mark Puccinelli Title: Board President

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To the County Superintendent of Schools:  
(  ) 2024-25 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.  
Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Authorized Representative of  
Charter Approving Entity  
(Original signature required)  
Print  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

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For additional information on the First Interim Report, please contact:

For Approving Entity:

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Title  
\_\_\_\_\_  
Phone  
\_\_\_\_\_  
E-mail

For Charter School:

Bryce Fleming  
\_\_\_\_\_  
Name  
VP of Finance - EdTec  
\_\_\_\_\_  
Title  
341-234-3615  
\_\_\_\_\_  
Phone  
bryce@edtec.com  
\_\_\_\_\_  
E-mail

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This report has been verified for mathematical accuracy by the County Superintendent of Schools,

pursuant to *Education Code* Section 47604.33.

\_\_\_\_\_  
District Advisor

\_\_\_\_\_  
Date

**CHARTER SCHOOL  
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM  
First Interim Report - Detail**

Charter School Name: Heartwood Charter School  
(continued) \_\_\_\_\_  
CDS #: 49-70797-0139568  
Charter Approving Entity: Liberty Elementary  
County: Sonoma  
Charter #: 2071  
Fiscal Year: 2024-25

This charter school uses the following basis of accounting:

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
- Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>A. REVENUES</b>										
1. LCFF Sources										
State Aid - Current Year	8011	4,270,343.75	-	4,270,343.75	359,352.00	-	359,352.00	4,633,842.00	-	4,633,842.00
Education Protection Account State Aid - Current Year	8012	131,600.00	-	131,600.00	-	-	-	138,094.00	-	138,094.00
State Aid - Prior Years	8019	-	-	-	-	-	-	-	-	-
Transfers to Charter Schools in Lieu of Property Taxes	8096	3,271,576.00	-	3,271,576.00	186,675.00	-	186,675.00	3,266,086.00	-	3,266,086.00
Other LCFF Transfers	8091, 8097	-	-	-	-	-	-	-	-	-
Total, LCFF Sources		7,673,519.75	-	7,673,519.75	546,027.00	-	546,027.00	8,038,022.00	-	8,038,022.00
2. Federal Revenues										
No Child Left Behind/Every Student Succeeds Act	8290	-	-	-	-	-	-	-	-	-
Special Education - Federal	8181, 8182	-	78,000.00	78,000.00	-	-	-	-	83,860.00	83,860.00
Child Nutrition - Federal	8220	-	-	-	-	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-	-	-	-	-
Other Federal Revenues	8110, 8260-8299	-	-	-	-	-	-	-	-	-
Total, Federal Revenues		-	78,000.00	78,000.00	-	-	-	-	83,860.00	83,860.00
3. Other State Revenues										
Special Education - State	StateRevSE	-	635,875.72	635,875.72	-	43,810.00	43,810.00	-	674,320.24	674,320.24
All Other State Revenues	StateRevAO	9,941.70	466,077.40	476,019.09	-	7,732.00	7,732.00	209,365.60	356,192.00	565,557.60
Total, Other State Revenues		9,941.70	1,101,953.12	1,111,894.82	-	51,542.00	51,542.00	209,365.60	1,030,512.24	1,239,877.84
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO	70,000.00	-	70,000.00	1,957.40	-	1,957.40	70,000.00	-	70,000.00
Total, Local Revenues		70,000.00	-	70,000.00	1,957.40	-	1,957.40	70,000.00	-	70,000.00
5. TOTAL REVENUES										
		7,753,461.45	1,179,953.12	8,933,414.56	547,984.40	51,542.00	599,526.40	8,317,387.60	1,114,372.24	9,431,759.84
<b>B. EXPENDITURES</b>										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	2,951,197.34	570,357.32	3,521,554.66	680,666.93	223,834.97	904,501.90	2,835,576.20	785,504.76	3,621,080.96
Certificated Pupil Support Salaries	1200	-	-	-	-	-	-	-	-	-
Certificated Supervisors' and Administrators' Salaries	1300	378,644.24	-	378,644.24	85,388.98	-	85,388.98	314,541.87	-	314,541.87
Other Certificated Salaries	1900	-	-	-	-	-	-	-	-	-
Total, Certificated Salaries		3,329,841.58	570,357.32	3,900,198.90	766,055.91	223,834.97	989,890.88	3,150,118.08	785,504.76	3,935,622.84
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	240,462.16	52,948.48	293,410.64	168,087.61	-	168,087.61	395,647.04	77,306.88	472,953.92

Non-certificated Support Salaries	2200	-	-	-	-	-	-	-	-	-
Non-certificated Supervisors' and Administrators' Sal.	2300	178,725.04	-	178,725.04	51,312.37	7,823.84	59,136.21	158,424.40	24,551.60	182,976.00
Clerical and Office Salaries	2400	247,684.32	-	247,684.32	92,337.19	-	92,337.19	265,107.52	-	265,107.52
Other Non-certificated Salaries	2900	63,000.00	-	63,000.00	-	-	-	-	-	-
Total, Non-certificated Salaries		729,871.52	52,948.48	782,820.00	311,737.17	7,823.84	319,561.01	819,178.96	101,858.48	921,037.44
<b>3. Employee Benefits</b>										
STRS	3101-3102	-	-	-	-	-	-	-	-	-
PERS	3201-3202	-	-	-	-	-	-	-	-	-
OASDI / Medicare / Alternative	3301-3302	305,620.45	47,682.89	353,303.35	87,804.04	10,737.38	98,541.42	303,651.22	67,883.29	371,534.51
Health and Welfare Benefits	3401-3402	203,138.10	37,194.30	240,332.40	121,841.34	(1,139.72)	120,701.62	223,928.76	32,616.54	256,545.30
Unemployment Insurance	3501-3502	122,284.84	19,014.17	141,299.02	34,353.38	5,062.99	39,416.37	119,574.66	27,007.30	146,581.95
Workers' Compensation Insurance	3601-3602	56,835.98	8,726.28	65,562.26	5,348.00	-	5,348.00	55,570.16	12,423.09	67,993.24
OPEB, Allocated	3701-3702	-	-	-	-	-	-	-	-	-
OPEB, Active Employees	3751-3752	-	-	-	-	-	-	-	-	-
Other Employee Benefits	3901-3902	185,520.98	152,961.41	338,482.39	69,485.55	10,182.00	79,667.55	183,464.78	172,725.54	356,190.32
Total, Employee Benefits		873,400.36	265,579.06	1,138,979.42	318,832.31	24,842.65	343,674.96	886,189.58	312,655.75	1,198,845.33
<b>4. Books and Supplies</b>										
Approved Textbooks and Core Curricula Materials	4100	-	-	-	-	-	-	-	-	-
Books and Other Reference Materials	4200	7,343.90	-	7,343.90	-	-	-	7,343.90	-	7,343.90
Materials and Supplies	4300	1,090,685.00	-	1,090,685.00	294,994.52	-	294,994.52	1,125,185.00	-	1,125,185.00
Noncapitalized Equipment	4400	11,330.00	-	11,330.00	5,423.90	-	5,423.90	11,330.00	-	11,330.00
Food	4700	46,350.00	-	46,350.00	1,747.33	-	1,747.33	46,350.00	-	46,350.00
Total, Books and Supplies		1,155,708.90	-	1,155,708.90	302,165.75	-	302,165.75	1,190,208.90	-	1,190,208.90
<b>5. Services and Other Operating Expenditures</b>										
Subagreements for Services	5100	-	-	-	-	-	-	-	-	-
Travel and Conferences	5200	10,300.00	-	10,300.00	-	-	-	10,300.00	-	10,300.00
Dues and Memberships	5300	5,515.65	-	5,515.65	1,900.00	-	1,900.00	5,515.65	-	5,515.65
Insurance	5400	127,229.82	-	127,229.82	16,637.55	-	16,637.55	131,410.23	-	131,410.23
Operations and Housekeeping Services	5500	35,905.80	-	35,905.80	9,221.42	-	9,221.42	35,905.80	-	35,905.80
Rentals, Leases, Repairs, and Noncap. Improvements	5600	179,220.00	-	179,220.00	68,592.52	-	68,592.52	229,220.00	-	229,220.00
Transfers of Direct Costs	5700-5799	-	-	-	-	-	-	-	-	-
Professional/Consulting Services and Operating Expend.	5800	733,804.30	578,000.00	1,311,804.30	208,045.69	74,749.50	282,795.19	815,772.00	578,000.00	1,393,772.00
Communications	5900	6,277.85	-	6,277.85	3,171.84	-	3,171.84	6,277.85	-	6,277.85
Total, Services and Other Operating Expenditures		1,098,253.42	578,000.00	1,676,253.42	307,569.02	74,749.50	382,318.52	1,234,401.53	578,000.00	1,812,401.53
<b>6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only)</b>										
Land and Land Improvements	6100-6170	-	-	-	-	-	-	-	-	-
Buildings and Improvements of Buildings	6200	-	-	-	-	-	-	-	-	-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-	-	-	-
Equipment Replacement	6500	-	-	-	-	-	-	-	-	-
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	-	-	-	-	-
Total, Capital Outlay		-	-	-	-	-	-	-	-	-
<b>7. Other Outgo</b>										
Tuition to Other Schools	7110-7143	-	-	-	-	-	-	-	-	-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	-	-	-	-	-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	-	-	-	-	-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	-	-	-	-	-
All Other Transfers	7281-7299	-	-	-	-	-	-	-	-	-
Transfers of Indirect Costs	7300-7399	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest	7438	1,622.25	-	1,622.25	294.00	-	294.00	1,622.25	-	1,622.25
Principal (for modified accrual basis only)	7439	-	-	-	-	-	-	-	-	-
Total, Other Outgo		1,622.25	-	1,622.25	294.00	-	294.00	1,622.25	-	1,622.25

8. TOTAL EXPENDITURES										
		7,188,698.04	1,466,884.86	8,655,582.90	2,006,654.16	331,250.96	2,337,905.12	7,281,719.29	1,778,018.99	9,059,738.29
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>										
		564,763.41	(286,931.74)	277,831.67	(1,458,669.76)	(279,708.96)	(1,738,378.72)	1,035,668.31	(663,646.76)	372,021.55
<b>D. OTHER FINANCING SOURCES / USES</b>										
1. Other Sources	8930-8979			-			-			-
2. Less: Other Uses	7630-7699			-			-			-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	(286,931.74)	286,931.74	-	(279,708.96)	279,708.96	-	(663,646.76)	663,646.76	-
4. TOTAL OTHER FINANCING SOURCES / USES		(286,931.74)	286,931.74	-	(279,708.96)	279,708.96	-	(663,646.76)	663,646.76	-
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		277,831.67	-	277,831.67	(1,738,378.72)	-	(1,738,378.72)	372,021.55	0.00	372,021.55
<b>F. FUND BALANCE, RESERVES</b>										
1. Beginning Fund Balance										
a. As of July 1	9791	2,664,274.31	-	2,664,274.31	2,713,105.00	-	2,713,105.00	2,713,105.00	-	2,713,105.00
b. Adjustments to Beginning Balance	9793, 9795	-	-	-	-	-	-	-	-	-
c. Adjusted Beginning Balance		2,664,274.31	-	2,664,274.31	2,713,105.00	-	2,713,105.00	2,713,105.00	-	2,713,105.00
2. Ending Fund Balance, June 30 (E + F.1.c.)		2,942,105.97	-	2,942,105.97	974,726.28	-	974,726.28	3,085,126.55	0.00	3,085,126.55
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-		-	-	0.00		0.00
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	432,779.14		432,779.14	452,967.51		452,967.51	452,986.91		452,986.91
Unassigned/Unappropriated Amount	9790	2,509,326.83	-	2,509,326.83	521,758.77	-	521,758.77	2,632,139.63	-	2,632,139.63

**CHARTER SCHOOL  
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM  
First Interim Report - Summary**

Charter School Name: Heartwood Charter School  
 (continued) 0  
 CDS #: 49-70797-0139568  
 Charter Approving Entity: Liberty Elementary  
 County: Sonoma  
 Charter #: 2071  
 Fiscal Year: 2024-25

					1st Interim vs. Adopted Budget Increase, (Decrease)	
Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
<b>A. REVENUES</b>						
<b>1. LCFF/Revenue Limit Sources</b>						
State Aid - Current Year	8011	4,270,343.75	359,352.00	4,633,842.00	363,498.25	8.51%
Education Protection Account State Aid - Current Year	8012	131,600.00	-	138,094.00	6,494.00	4.93%
State Aid - Prior Years	8019	-	-	-	-	
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	3,271,576.00	186,675.00	3,266,086.00	(5,490.00)	-0.17%
Other LCFF Transfers	8091, 8097	-	-	-	-	
Total, LCFF Sources		7,673,519.75	546,027.00	8,038,022.00	364,502.25	4.75%
<b>2. Federal Revenues</b>						
No Child Left Behind/Every Student Succeeds Act	8290	-	-	-	-	
Special Education - Federal	8181, 8182	78,000.00	-	83,860.00	5,860.00	7.51%
Child Nutrition - Federal	8220	-	-	-	-	
Donated Food Commodities	8221	-	-	-	-	
Other Federal Revenues	8110, 8260-8299	-	-	-	-	
Total, Federal Revenues		78,000.00	-	83,860.00	5,860.00	7.51%
<b>3. Other State Revenues</b>						
Special Education - State	StateRevSE	635,875.72	43,810.00	674,320.24	38,444.51	6.05%
All Other State Revenues	StateRevAO	476,019.09	7,732.00	565,557.60	89,538.51	18.81%
Total, Other State Revenues		1,111,894.82	51,542.00	1,239,877.84	127,983.02	11.51%
<b>4. Other Local Revenues</b>						
All Other Local Revenues	LocalRevAO	70,000.00	1,957.40	70,000.00	-	0.00%
Total, Local Revenues		70,000.00	1,957.40	70,000.00	-	0.00%



<b>5. TOTAL REVENUES</b>		8,933,414.56	599,526.40	9,431,759.84	498,345.27	5.58%
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Certificated Teachers' Salaries	1100	3,521,554.66	904,501.90	3,621,080.96	99,526.30	2.83%
Certificated Pupil Support Salaries	1200	-	-	-	-	
Certificated Supervisors' and Administrators' Salaries	1300	378,644.24	85,388.98	314,541.87	(64,102.37)	-16.93%
Other Certificated Salaries	1900	-	-	-	-	
Total, Certificated Salaries		3,900,198.90	989,890.88	3,935,622.84	35,423.93	0.91%
<b>2. Non-certificated Salaries</b>						
Non-certificated Instructional Aides' Salaries	2100	293,410.64	168,087.61	472,953.92	179,543.28	61.19%
Non-certificated Support Salaries	2200	-	-	-	-	
Non-certificated Supervisors' and Administrators' Sal.	2300	178,725.04	59,136.21	182,976.00	4,250.96	2.38%
Clerical and Office Salaries	2400	247,684.32	92,337.19	265,107.52	17,423.20	7.03%
Other Non-certificated Salaries	2900	63,000.00	-	-	(63,000.00)	(100%)
Total, Non-certificated Salaries		782,820.00	319,561.01	921,037.44	138,217.44	17.66%
<b>3. Employee Benefits</b>						
STRS	3101-3102	-	-	-	-	
PERS	3201-3202	-	-	-	-	
OASDI / Medicare / Alternative	3301-3302	353,303.35	98,541.42	371,534.51	18,231.16	5.16%
Health and Welfare Benefits	3401-3402	240,332.40	120,701.62	256,545.30	16,212.90	6.75%
Unemployment Insurance	3501-3502	141,299.02	39,416.37	146,581.95	5,282.94	3.74%
Workers' Compensation Insurance	3601-3602	65,562.26	5,348.00	67,993.24	2,430.98	3.71%
OPEB, Allocated	3701-3702	-	-	-	-	
OPEB, Active Employees	3751-3752	-	-	-	-	
Other Employee Benefits	3901-3902	338,482.39	79,667.55	356,190.32	17,707.93	5.23%
Total, Employee Benefits		1,138,979.42	343,674.96	1,198,845.33	59,865.91	5.26%
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	-	-	-	-	
Books and Other Reference Materials	4200	7,343.90	-	7,343.90	-	0.00%
Materials and Supplies	4300	1,090,685.00	294,994.52	1,125,185.00	34,500.00	3.16%
Noncapitalized Equipment	4400	11,330.00	5,423.90	11,330.00	-	0.00%
Food	4700	46,350.00	1,747.33	46,350.00	-	0.00%
Total, Books and Supplies		1,155,708.90	302,165.75	1,190,208.90	34,500.00	2.99%
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	-	-	-	-	
Travel and Conferences	5200	10,300.00	-	10,300.00	-	0.00%
Dues and Memberships	5300	5,515.65	1,900.00	5,515.65	-	0.00%
Insurance	5400	127,229.82	16,637.55	131,410.23	4,180.41	3.29%
Operations and Housekeeping Services	5500	35,905.80	9,221.42	35,905.80	-	0.00%

Rentals, Leases, Repairs, and Noncap. Improvements	5600	179,220.00	68,592.52	229,220.00	50,000.00	27.90%
Transfers of Direct Costs	5700-5799	-	-	-	-	
Professional/Consulting Services and Operating Expend.	5800	1,311,804.30	282,795.19	1,393,772.00	81,967.70	6.25%
Communications	5900	6,277.85	3,171.84	6,277.85	-	0.00%
Total, Services and Other Operating Expenditures		1,676,253.42	382,318.52	1,812,401.53	136,148.11	8.12%
<b>6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)</b>						
Land and Land Improvements	6100-6170	-	-	-	-	
Buildings and Improvements of Buildings	6200	-	-	-	-	
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	
Equipment	6400	-	-	-	-	
Equipment Replacement	6500	-	-	-	-	
Depreciation Expense (for accrual basis only)	6900	-	-	-	-	
Total, Capital Outlay		-	-	-	-	
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	-	-	-	-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	
Transfers of Apportionments to Other LEAs - All Other All Other Transfers	7221-7223AO	-	-	-	-	
Transfers of Indirect Costs	7281-7299	-	-	-	-	
Debt Service:	7300-7399	-	-	-	-	
Interest	7438	1,622.25	294.00	1,622.25	-	0.00%
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		1,622.25	294.00	1,622.25	-	0.00%
<b>8. TOTAL EXPENDITURES</b>		8,655,582.90	2,337,905.12	9,059,738.29	404,155.39	4.67%
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		277,831.67	(1,738,378.72)	372,021.55	94,189.88	33.90%
<b>D. OTHER FINANCING SOURCES / USES</b>						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		-	-	-	-	
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		277,831.67	(1,738,378.72)	372,021.55	94,189.88	33.90%

<b>F. FUND BALANCE, RESERVES</b>						
<b>1. Beginning Fund Balance</b>						
a. As of July 1	9791	2,664,274.31	2,713,105.00	2,713,105.00	48,830.69	1.83%
b. Adjustments/Restatements	9793, 9795	-	-	-	-	
c. Adjusted Beginning Fund Balance		2,664,274.31	2,713,105.00	2,713,105.00		
<b>2. Ending Fund Balance, June 30 (E + F.1.c.)</b>		<b>2,942,105.97</b>	<b>974,726.28</b>	<b>3,085,126.55</b>		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	-	0.00	0.00	New
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	432,779.14	452,967.51	452,986.91	20,207.77	4.67%
Unassigned/Unappropriated Amount	9790	2,509,326.83	521,758.77	2,632,139.63	122,812.80	4.89%

**CHARTER SCHOOL  
MULTI-YEAR PROJECTION - ALTERNATIVE FORM  
First Interim Report - MYP**

Charter School Name: Heartwood Charter School  
 (continued) 0  
 CDS #: 49-70797-0139568  
 Charter Approving Entity: Liberty Elementary  
 County: Sonoma  
 Charter #: 2071  
 Fiscal Year: 2024-25

*This charter school uses the following basis of accounting:*

- Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
- Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2024-25			Totals for 2025-26	Totals for 2026-27
		Unrestricted	Restricted	Total		
<b>A. REVENUES</b>						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	4,633,842.00	0.00	4,633,842.00	4,923,882.40	5,276,698.00
Education Protection Account State Aid - Current Year	8012	138,094.00	0.00	138,094.00	139,624.00	142,106.00
State Aid - Prior Years	8019	0.00	0.00	0.00	0.00	0.00
Transfers to Charter Schools in Lieu of Property Taxes	8096	3,266,086.00	0.00	3,266,086.00	3,316,795.00	3,398,311.00
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00	0.00	0.00
Total, LCFF Sources		8,038,022.00	0.00	8,038,022.00	8,380,301.40	8,817,115.00
2. Federal Revenues						
No Child Left Behind/Every Student Succeeds Act	8290	0.00	0.00	0.00	0.00	0.00
Special Education - Federal	8181, 8182	0.00	83,860.00	83,860.00	103,460.00	102,340.00
Child Nutrition - Federal	8220	0.00	0.00	0.00	0.00	0.00
Donated Food Commodities	8221	0.00	0.00	0.00	0.00	0.00
Other Federal Revenues	8110, 8260-8299	0.00	0.00	0.00	0.00	0.00
Total, Federal Revenues		0.00	83,860.00	83,860.00	103,460.00	102,340.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	674,320.24	674,320.24	681,791.31	693,911.04
All Other State Revenues	StateRevAO	209,365.60	356,192.00	565,557.60	580,504.77	319,007.17
Total, Other State Revenues		209,365.60	1,030,512.24	1,239,877.84	1,262,296.07	1,012,918.21
4. Other Local Revenues						

All Other Local Revenues	LocalRevAO	70,000.00	0.00	70,000.00	70,000.00	70,000.00
Total, Local Revenues		70,000.00	0.00	70,000.00	70,000.00	70,000.00
<b>5. TOTAL REVENUES</b>		<b>8,317,387.60</b>	<b>1,114,372.24</b>	<b>9,431,759.84</b>	<b>9,816,057.47</b>	<b>10,002,373.21</b>
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Certificated Teachers' Salaries	1100	2,835,576.20	785,504.76	3,621,080.96	3,778,041.84	3,891,383.09
Certificated Pupil Support Salaries	1200	0.00	0.00	0.00	0.00	0.00
Certificated Supervisors' and Administrators' Salaries	1300	314,541.87	0.00	314,541.87	389,273.87	400,952.09
Other Certificated Salaries	1900	0.00	0.00	0.00	0.00	0.00
Total, Certificated Salaries		<b>3,150,118.08</b>	<b>785,504.76</b>	<b>3,935,622.84</b>	<b>4,167,315.71</b>	<b>4,292,335.18</b>
<b>2. Non-certificated Salaries</b>						
Non-certificated Instructional Aides' Salaries	2100	395,647.04	77,306.88	472,953.92	493,244.30	508,041.63
Non-certificated Support Salaries	2200	0.00	0.00	0.00	0.00	0.00
Non-certificated Supervisors' and Administrators' Sal.	2300	158,424.40	24,551.60	182,976.00	188,465.28	194,119.24
Clerical and Office Salaries	2400	265,107.52	0.00	265,107.52	273,060.75	281,252.57
Other Non-certificated Salaries	2900	0.00	0.00	0.00	0.00	0.00
Total, Non-certificated Salaries		<b>819,178.96</b>	<b>101,858.48</b>	<b>921,037.44</b>	<b>954,770.33</b>	<b>983,413.44</b>

Description	Object Code	FY 2024-25			Totals for 2025-26	Totals for 2026-27
		Unrestricted	Restricted	Total		
<b>3. Employee Benefits</b>						
STRS	3101-3102	0.00	0.00	0.00	0.00	0.00
PERS	3201-3202	0.00	0.00	0.00	0.00	0.00
OASDI / Medicare / Alternative	3301-3302	303,651.22	67,883.29	371,534.51	391,839.58	403,594.77
Health and Welfare Benefits	3401-3402	223,928.76	32,616.54	256,545.30	268,485.62	273,855.34
Unemployment Insurance	3501-3502	119,574.66	27,007.30	146,581.95	154,478.58	159,020.33
Workers' Compensation Insurance	3601-3602	55,570.16	12,423.09	67,993.24	71,709.20	73,860.48
OPEB, Allocated	3701-3702	0.00	0.00	0.00	0.00	0.00
OPEB, Active Employees	3751-3752	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3901-3902	183,464.78	172,725.54	356,190.32	375,855.48	387,131.14
Total, Employee Benefits		<b>886,189.58</b>	<b>312,655.75</b>	<b>1,198,845.33</b>	<b>1,262,368.47</b>	<b>1,297,462.05</b>
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	0.00	0.00	0.00	0.00	0.00
Books and Other Reference Materials	4200	7,343.90	0.00	7,343.90	7,564.22	7,791.14
Materials and Supplies	4300	1,125,185.00	0.00	1,125,185.00	1,171,300.55	1,227,127.12
Noncapitalized Equipment	4400	11,330.00	0.00	11,330.00	11,669.90	12,020.00
Food	4700	46,350.00	0.00	46,350.00	47,740.50	49,172.72
Total, Books and Supplies		<b>1,190,208.90</b>	<b>0.00</b>	<b>1,190,208.90</b>	<b>1,238,275.17</b>	<b>1,296,110.97</b>
<b>5. Services and Other Operating Expenditures</b>						

Subagreements for Services	5100	0.00	0.00	0.00	0.00	0.00
Travel and Conferences	5200	10,300.00	0.00	10,300.00	10,609.00	10,927.27
Dues and Memberships	5300	5,515.65	0.00	5,515.65	5,681.12	5,851.55
Insurance	5400	131,410.23	0.00	131,410.23	136,850.22	143,462.46
Operations and Housekeeping Services	5500	35,905.80	0.00	35,905.80	36,982.97	38,092.46
Rentals, Leases, Repairs, and Noncap. Improvements	5600	229,220.00	0.00	229,220.00	236,096.60	243,179.50
Transfers of Direct Costs	5700-5799	0.00	0.00	0.00		
Professional/Consulting Services and Operating Expend.	5800	815,772.00	578,000.00	1,393,772.00	1,450,762.89	1,514,418.73
Communications	5900	6,277.85	0.00	6,277.85	6,466.19	6,660.17
Total, Services and Other Operating Expenditures		1,234,401.53	578,000.00	1,812,401.53	1,883,448.98	1,962,592.14
<b>6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)</b>						
Land and Land Improvements	6100-6170	0.00	0.00	0.00	0.00	0.00
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00	0.00	0.00
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00	0.00	0.00
Equipment	6400	0.00	0.00	0.00	0.00	0.00
Equipment Replacement	6500	0.00	0.00	0.00	0.00	0.00
<i>Depreciation Expense (for accrual basis only)</i>	6900	0.00	0.00	0.00	0.00	0.00
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00	0.00	0.00
Transfers of Indirect Costs	7300-7399	0.00	0.00	0.00	0.00	0.00
Debt Service:						
Interest	7438	1,622.25	0.00	1,622.25	1,670.92	1,721.05
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00	0.00	0.00
Total, Other Outgo		1,622.25	0.00	1,622.25	1,670.92	1,721.05
<b>8. TOTAL EXPENDITURES</b>		7,281,719.29	1,778,018.99	9,059,738.29	9,507,849.57	9,833,634.83
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		1,035,668.31	(663,646.76)	372,021.55	308,207.90	168,738.38

Description	Object Code	FY 2024-25			Totals for 2025-26	Totals for 2026-27
		Unrestricted	Restricted	Total		
<b>D. OTHER FINANCING SOURCES / USES</b>						
1. Other Sources	8930-8979	0.00	0.00	0.00		
2. Less: Other Uses	7630-7699	0.00	0.00	0.00		
3. Contributions Between Unrestricted and Restricted Accounts						

(must net to zero)	8980-8999	(663,646.76)	663,646.76	0.00		
4. TOTAL OTHER FINANCING SOURCES / USES		(663,646.76)	663,646.76	0.00	0.00	0.00
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		372,021.55	0.00	372,021.55	308,207.90	168,738.38
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance						
a. As of July 1	9791	2,713,105.00	0.00	2,713,105.00	3,085,126.55	3,393,334.45
b. Adjustments to Beginning Balance	9793, 9795	0.00	0.00	0.00		
c. Adjusted Beginning Balance		2,713,105.00	0.00	2,713,105.00	3,085,126.55	3,393,334.45
2. Ending Fund Balance, June 30 (E + F.1.c.)		3,085,126.55	0.00	3,085,126.55	3,393,334.45	3,562,072.83
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00		
Stores (equals object 9320)	9712	0.00	0.00	0.00		
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00		
All Others	9719	0.00	0.00	0.00		
b. Restricted	9740	0.00	0.00	0.00		
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00		
Other Commitments	9760	0.00	0.00	0.00		
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00		
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	452,986.91	0.00	452,986.91		
Unassigned/Unappropriated Amount	9790	2,632,139.63	0.00	2,632,139.63	3,393,334.45	3,562,072.83