

## **ROSS VALLEY SCHOOL DISTRICT**

### **ROSS VALLEY CHARTER RENEWAL PETITION**

**DISTRICT STAFF REPORT**  
Published October 26, 2020

### **INTRODUCTION**

Ross Valley Charter School ("RVC" or "Charter School") is currently authorized by the State Board of Education ("SBE"). Although RVC was granted its charter to begin operation in 2016, it obtained a material revision from the SBE to begin operations in the 2017-18 school year. RVC's current charter expires on June 30, 2021. Accordingly, on August 10, 2020, pursuant to Education Code section 47605.9, RVC submitted its charter renewal petition to the Ross Valley School District ("District") seeking renewal of the charter for a five (5) year term from July 1, 2021 to June 30, 2026 ("Petition"), with a signed certification from Petitioner that it deems the Petition to be complete, as now required by Education Code section 47605 to verify that the Petitioner has reviewed the information provided and ensures to the receiving entity that the charter petition has all the required information and documentation. The District worked with legal counsel as well as an expert in charter finance to review/evaluate the Petition and supporting materials.

In order to evaluate the past history of the Charter School as required for consideration of renewal, the District requested records from the Charter School and from the California Department of Education ("CDE") as the entity currently charged with oversight of the Charter School. The District received very limited information regarding the Charter School's academic performance. No verifiable summative academic performance data other than two years of CAASPP scores for 3rd through 5th grades to show a single year of growth was provided.<sup>1</sup> In addition to concerns with the Charter School's fiscal status and the lack of information regarding its student population and adequate and comprehensive performance information, serious concerns of fraud and false statements made by RVC in connection with its application for and receipt of a Paycheck Protection Program ("PPP") loan during the spring of 2020 as well as issues with the Charter School's compliance with the Brown Act came to the District's attention. As a potential authorizer, and in order to evaluate the operations, status, and performance of the Charter School, the District investigated and substantiated the concerns.

Accordingly, on or about September 3, 2020, the District Board of Trustees ("Board") issued RVC a Notice of Alleged Violations and Reasonable Opportunity to Cure ("NOAV"), pursuant to Education Code section 47607(e), for engaging in fiscal mismanagement and substantial mismanagement in governance in connection with the PPP loan, in addition to other concerns related to its operations including RVC's failure to serve students with disabilities and complete renovations and fire life safety improvements necessary to provide for Americans with Disabilities access and for the safe operation of its campus.

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<sup>1</sup> In accordance with Education Code section 47607.2, the State is developing criteria for "verified data." Although the State has not yet done so, the statute nonetheless requires a charter authorizer, or potential authorizer, to consider year over year academic performance as set forth in section 47607.2(b)(3).

The NOAV provided RVC with an opportunity to cure the alleged violations within thirty (30) calendar days and directed RVC to take the following corrective actions by October 5, 2020: (1) return all PPP loan monies received to date and close out the loan; (2) remove Conn Hickey from his position as RVC Business Official; (3) remove Luke Duchene as Executive Director; (4) take all steps needed to replace the current RVC Board of Directors and provide new RVC Directors with mandatory Brown Act training; (5) complete all required renovations to satisfy ADA facility access requirements for the RVC school site located at 102 Marinda Drive, Fairfax, California including ADA compliance and fire and life safety compliance; (6) complete all other renovations/improvements in compliance with applicable state and local building enforcement agencies with jurisdiction in the area where RVC is located, that are necessary for RVC to be authorized to serve students in person at the RVC school site; and (7) establish a plan for compensatory education for disabled students deprived of in-person instruction.

On or about October 5, 2020, RVC responded to the NOAV. Upon review, and as detailed below, RVC's responses to the NOAV were inadequate; RVC affirmatively declined to take corrective action relating to its fiscal and governance deficiencies, with the exception of having provided Brown Act training to some of its officials; RVC did not demonstrate any action or intent to take any additional action in connection with its building renovations; nor did RVC describe any plan to ensure that access and compensatory education would be provided for students with disabilities who were deprived of services and in-person education.

The review team carefully reviewed the Petition as well as the limited information provided by RVC and CDE including the CAASPP academic performance information provided. The budget, projections and budget narrative were reviewed as were prior year budget documents, agendas and minutes related to the RVC governance. As detailed below, the information raised several concerns regarding the Charter School's fiscal status and whether it is sustainable as a going concern in light of excessive debt, failures to accurately book debt and required expenditures, and the overall reasonableness of the Charter School budget. The information further demonstrates that RVC has engaged in conflicts of interest in violation of law and their policy regarding conflicts of interest. Governance concerns are also raised by improper delegation of authority and the sudden departure of an RVC board member whom RVC represented would be on the Board through the new term. In addition, the Charter School has not been ADA compliant and student data reflects that RVC does not serve students with significant disabilities on par with statewide numbers and has no academic performance information regarding any subgroup of students to demonstrate year over year growth for its five year term. The Petition itself does not set forth a reasonably comprehensive description of each of the required elements.

In accordance with Education Code section 47605(b), and the mutually agreed-upon timeline for consideration of the Petition, on October 13, 2020, a public hearing on the provisions of the charter was held, at which time the Board considered the level of support for the Petition by teachers employed by the District, other employees of the school district, and parents.

Pursuant to agreement between the District and RVC, the Board is scheduled to either grant or deny the Petition during its meeting on November 10, 2020. This staff report includes the District staff's recommendations, including the recommended findings, on the Petition, and is being published on the District's website at least fifteen (15) days prior to the November 10th meeting, pursuant to Education Code section 47605(b).

## **STANDARD OF REVIEW FOR RENEWAL PETITION**

Although RVC was authorized by the SBE, Education Code section 47605.9(b) requires RVC to submit its renewal petition to the District because RVC is located within the District's boundaries. Specifically, Education Code section 47605.9(b) states:

A charter school operating under a charter approved by the state board pursuant to Section 47605, as that section read on January 1, 2019, may continue to operate under the authority of that chartering authority only until the date on which the charter is up for renewal, at which point the charter school shall submit a petition for renewal to the governing board of the school district within the boundaries of which the charter school is located.

Charters may be renewed pursuant to Education Code section 47607(a)(2), which states as follows:

A chartering authority may grant one or more subsequent renewals pursuant to subdivisions (b) and (c) and Section 47607.2. Notwithstanding subdivisions (b) and (c) and Section 47607.2, a chartering authority may deny renewal pursuant to subdivision (e).

Additionally, renewals of charters are governed by the standards and criteria described in Education Code section 47605, and must include a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed. (Ed. Code, § 47607(b).)

Education Code section 47607.2 sets forth the standards for the renewal of charter schools that are considered "middle performing" which qualify for a five year renewal term. Specifically, the chartering authority must consider "the schoolwide performance and performance of all subgroups of pupils served by the charter school on the state indicators included in the evaluation rubrics adopted pursuant to Section 52064.5 and the performance of the charter school on the local indicators included in the evaluation rubrics adopted pursuant to Section 52064.5." (Ed. Code, § 47607.2(b)(1).) The chartering authority must provide "greater weight to performance on measurements of academic performance in determining whether to grant a charter renewal." (Ed. Code, § 47607.2(b)(2).)

In addition to the state and local indicators, the chartering authority must consider clear and convincing evidence showing either of the following: (a) the school achieved measurable increases in academic achievement, as defined by at least one year's progress for each year in school; or (b) strong postsecondary outcomes, as defined by college enrollment, persistence, and completion rates equal to similar peers. (Ed. Code, § 47607.2(b)(3).) Such evidence must be demonstrated by "verified data" (Ed. Code, § 47607.2(b)(4)), and must be considered by the chartering authority for the next two (2) subsequent renewals until January 1, 2026. (Ed. Code, § 47607.2(b)(5).)

Education Code section 47607.2(c) defines "verified data" as follows:<sup>2</sup>

(1) For purposes of this section, "verified data" means data derived from nationally recognized, valid, peer-reviewed, and reliable sources that are

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<sup>2</sup> See FN 1.

externally produced. Verified data shall include measures of postsecondary outcomes.

(2) By January 1, 2021, the state board shall establish criteria to define verified data and identify an approved list of valid and reliable assessments that shall be used for this purpose.

(3) No data sources other than those adopted by the state board pursuant to paragraph (2) shall be used as verified data.

(4) Notwithstanding paragraph (3), a charter school under consideration for renewal before the state board's adoption pursuant to paragraph (2) may present data consistent with this subdivision.

(5) Adoption of the criteria pursuant to this subdivision shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(6) The state board may adopt and make necessary revisions to the criteria in accordance with the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(7) Upon adoption of a pupil-level academic growth measure for English language arts and mathematics, the state board may reconsider criteria adopted pursuant to this subdivision.<sup>3</sup>

It is noted that CDE has designated RVC as "middle performing" though the basis for determining this designation is not known nor published.<sup>4</sup> The District's independent analysis of the Charter School's academic performance is made difficult by the lack of data to demonstrate year over year improvement. The available CAASPP data does demonstrate one year of improved scores from 2017-18 to 2018-19 for three of the seven grades served, but no data was made available for the remaining years of operation, for all grades, or for any subgroups served by the Charter School with the exception of students who identify as "White" or "Hispanic/Latino." It should be noted that in the case of CAASPP scores for the Hispanic/Latino subgroup, there was no grade-by-grade level data provided. In other words, CAASPP data for the Hispanic/Latino subgroup was provided for the entire subgroup only.

With regard to a "middle performing" charter school, the chartering authority may deny renewal only upon making written findings, setting forth specific facts to support the findings, that the charter school has failed to meet or make sufficient progress toward meeting standards that provide a benefit to the pupils of the school, that closure of the charter school is in the best interest of pupils and, if applicable, that its decision provided greater weight to performance on measurements of academic performance. (Ed. Code,

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<sup>3</sup> The State has not yet developed the statutorily required criteria to define verifiable data.

<sup>4</sup> The list of charter schools and their respective performance categories as determined by CDE is published by CDE's Charter Schools Division at <https://www.cde.ca.gov/sp/ch/documents/ab1505results2020.xlsx>.

§ 47607.2(b)(6).) Renewals for “middle performing” charter schools shall be for a period of five years. (Ed. Code, § 47607.2(b)(7).)

Notwithstanding the standards above, Education Code section 47607(e) provides that denial of renewal of a charter may be based upon a finding that the school is demonstrably unlikely to successfully implement its program due to substantial fiscal or governance factors, or if it is not serving all pupils who wish to attend:

Notwithstanding subdivision (c) and subdivisions (a) and (b) of Section 47607.2, the chartering authority may deny renewal of a charter school upon a finding that the school is demonstrably unlikely to successfully implement the program set forth in the petition due to substantial fiscal or governance factors, or is not serving all pupils who wish to attend, as documented pursuant to subdivision (d). The chartering authority may deny renewal of a charter school under this subdivision only after it has provided at least 30 days’ notice to the charter school of the alleged violation and provided the charter school with a reasonable opportunity to cure the violation, including a corrective action plan proposed by the charter school. The chartering authority may deny renewal only by making either of the following findings: (1) The corrective action proposed by the charter school has been unsuccessful. (2) The violations are sufficiently severe and pervasive as to render a corrective action plan unviable.

Because Education Code section 47605.9(b) requires RVC to submit its renewal Petition to the District, the District applies the above standards in determining charter renewal.

### **RECOMMENDATION**

Based upon a comprehensive review and analysis by District staff, in collaboration with legal counsel and its expert in charter finance, of the Petition, the Charter School’s operational history, the limited/incomplete academic performance data, the September 3, 2020 NOAV, RVC’s October 5, 2020 written response, the documents provided by the Charter School and CDE, as well as the level of support for the charter as expressed during the October 13, 2020 public hearing, District staff recommends that the Petition be **denied**. Findings with respect to the primary deficiencies are set forth herein. This staff report contains the written factual findings specific to the RVC renewal petition which support the recommendation. Denial of the Petition is recommended on the following grounds:

- **RVC is demonstrably unlikely to successfully implement the program set forth in the Petition due to substantial fiscal or governance factors. (Ed. Code, § 47607(e).)**
- **Corrective action has been unsuccessful. (Ed. Code, § 47607(e)(1).)**
- **Petitioners are demonstrably unlikely to successfully implement the program set forth in the petition. (Ed. Code, § 47605(c)(2).)**
- **The Petition does not contain reasonably comprehensive descriptions of the required charter elements. (Ed. Code, § 47605(c)(5).)**

Factual findings regarding the most significant deficiencies are described herein. This staff report does not exhaustively list every concern, and focuses on those believed to most greatly impact the Board’s decision on whether to grant the Petition. Should the Board take action to deny the Petition, the Board may adopt this staff report as the written factual findings required to support the denial of the Petition.

## **FINDINGS**

Review and analysis of the Petition and the Charter School's historical performance resulted in the following findings<sup>5</sup>:

### **A. RVC Is Demonstrably Unlikely To Successfully Implement Its Program Set Due To Substantial Fiscal Or Governance Factors**

#### **Fiscal Mismanagement**

The following facts demonstrate substantial fiscal mismanagement regarding the operation of RVC in connection with its application for and acquisition of a PPP loan.

##### **1. Timeline of Paycheck Protection Program Loan Process**

On April 2, 2020, during a special meeting of the RVC Board, the RVC Board appointed Conn Hickey to serve as RVC's Business Official on a "volunteer" basis. The April 2nd agenda included the express limitation that, "[a]ll external checks will continue to require two signatures and *this position will not include check signing authority or authority to sign contracts and other agreements committing the school.* This will be a volunteer position." (Emphasis added.) This is not a position authorized by the RVC charter. It is noted that while the Board action identifies Mr. Hickey as a volunteer Business Official, the RVC website represents him to hold the office of Treasurer.<sup>6</sup>

According to its charter and consistent with law, the RVC Board itself is solely responsible to "[a]ct as a fiscal agent. This includes the receipt of funds for the operation of RVCS in accordance with RVCS laws and the receipt of grants and donations consistent with the Mission of RVCS." (Charter, p. 140.) While the April 2nd meeting minutes reflect that the RVC Board ultimately approved Mr. Hickey's authority to sign checks, the RVC Board did not approve authority to enter into contracts and agreements, nor do the minutes include any discussion or notes related to this issue. Notably, the April 2nd agenda did not identify any item related to the PPP, though the Board discussed COVID-19 related financial impacts during the meeting. (Attached hereto as Exhibit A are true and correct copies of the RVC Board Meeting Agenda and Minutes, dated April 2, 2020.) The April 2 minutes were approved and posted on May 7, 2020.

Nonetheless, without Board authorization or any other authority to submit an application for federal PPP funding, or to enter into agreements to bind RVC, on April 9, 2020, Mr. Hickey applied online to Westamerica Bank for a \$292,485 PPP loan as RVC's "Authorized Representative or Applicant." Mr. Hickey is expressly not RVC's authorized representative or applicant. On April 9, 2020, in applying for the loan, Mr. Hickey also misrepresented that RVC Board analysis of the requirements to obtain the loan were met – this was untrue as there was no RVC Board discussion or authorization of a PPP loan. Later that same day, at or about 4:24 p.m., Westamerica confirmed receipt of the loan application (Reference #12494090). (Attached hereto as Exhibit B is a true and correct copy of PPP Application, Reference #12494090, dated April 9, 2020; Exhibit C is an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program – Application Received," dated April 9, 2020.) Notably, Westamerica Bank is Mr. Hickey's former employer.

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<sup>5</sup> Although this Section is entitled Findings, any and all statements contained within the Staff Report are included in support of the Findings.

<sup>6</sup>See RVC website, "RVC BOARD AND GOVERNANCE" page.

On April 16, 2020, Westamerica notified Mr. Hickey that Small Business Administration ("SBA") funding limits were reached but that it would continue to process applications should additional funds become available. (Attached hereto as Exhibit D is a true and correct copy of an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program," dated April 16, 2020.)

Three (3) days later, on April 19, 2020, Westamerica informed Mr. Hickey that RVC was eligible for less than the \$292,485 requested – specifically, RVC was eligible for \$270,653. Westamerica asked if the lower amount was acceptable. (Attached hereto as Exhibit E is a true and correct copy of an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Application – Information Request #12494090," dated April 19, 2020.)

The following day, on April 20, 2020, RVC uploaded the RVC Board agenda for its upcoming April 23rd meeting. Even though Mr. Hickey had submitted the loan application and received confirmation from Westamerica that RVC was eligible for \$270,000 in PPP funding, the April 23rd agenda did not identify any item for discussion or action regarding the PPP loan. Furthermore, while budget documents (e.g., RVC's 6-Year Budget Draft and Budget Draft Key Assumptions) submitted for the April 23rd meeting reflected assumptions for the receipt of a \$300,000 facility loan and other smaller CARES Act funding, they do not show PPP loan assumptions or impacts on revenue. (Attached hereto as Exhibit F is a true and correct copy of RVC's 6-Year Budget Draft and April 20, 2020 Budget Draft Key Assumptions.) The April 23 minutes were approved and posted on March 14, 2020.

On April 23, 2020, at 10:27 a.m., Mr. Hickey responded to Westamerica to "accept your counter offer" of \$270,000 in PPP funding. This again occurred without RVC Board approval and well before the RVC Board's meeting later that evening at 7:00 p.m.; though again, this item was not agendized for the April 23 meeting. (Attached hereto as Exhibit G is a true and correct copy of an email from Mr. Hickey to Westamerica re: Paycheck Protection Program Loan Application – Information Request #12494090," dated April 23, 2020; see also, Exhibit H, true and correct copies of the RVC Board Meeting Agenda and Minutes, dated April 23, 2020.)

During the April 23rd RVC Board meeting at 7:00 p.m., minutes reflect that the RVC Board discussed and/or took action on the PPP loan, which was not noticed in the April 23rd meeting agenda as required by the Brown Act.<sup>7</sup> (Gov. Code, §§ 54950 et seq.) Specifically, the April 23rd meeting minutes<sup>8</sup> indicate that: "\$270 PPP loan/grant with reserve helps balance for three years" and "Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000." This direction did not authorize Mr. Hickey as RVC's Business Official to participate in any loan process and, importantly, was made *after* Mr. Hickey already applied for and accepted Westamerica's PPP loan of \$270,000. (Exhibit H, RVC Board Meeting Agenda and Minutes, dated April 23, 2020.) The minutes reflect RVC Board action "5-0-1" though no action was agendized, let alone action on a PPP loan. (*Ibid.*)

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<sup>7</sup> The fact that no discussion or action regarding the PPP loan is noticed on the April 23rd agenda is also a violation of the Brown Act. (Gov. Code, §§ 54954.2, 54954.3(a) ["no action shall be taken on any item not appearing on the agenda"].)

<sup>8</sup> The April 23rd meeting minutes were not publicly posted until nearly a month later on May 14, 2020, just hours before the May 14th Board meeting and the April 23 minutes were not approved until June 12, 2020.

Mr. Hickey applied for the PPP loan as RVC's "Authorized Representative or Applicant" on April 9th, *without* authorization to engage, apply for, or obtain a PPP loan on RVC's behalf. Not only is the conduct without authorization, it is contrary to the charter and state and federal law governing transparency. Additionally, the misrepresentations to obtain the loan violate the duty to be honest in seeking state or federal loans and therefore constitute fraud.<sup>9</sup>

Four (4) days after the April 23rd meeting, on April 27, 2020, RVC's PPP loan was awarded.<sup>10</sup> On April 29, 2020, Westamerica informed Mr. Hickey that the bank's processing of the loan was complete and would be submitted to the SBA for the loan documents.

On May 8, 2020, at 8:46 a.m., Westamerica emailed the loan documents to Luke Duchene, Director, which must be signed by "principals within the company." At 8:49 a.m., Mr. Duchene forwarded the email to Sharon Sagar, Board Chair, and Mr. Hickey. Then, at 10:45 a.m., Mr. Duchene electronically signed the loan agreement. (Attached hereto as Exhibit I is a true and correct copy of an email from Mr. Duchene to Ms. Sagar and Mr. Hickey, re: "Fwd: Westamerica Bank has sent you the document "12494090" to sign," dated May 8, 2020, including attachments.) This action made RVC and Mr. Duchene complicit in the misrepresentations made to obtain the loan.

On May 13, 2020, Westamerica emailed Mr. Hickey confirming that the bank was "[p]leased to have funded an SBA loan for your business" and outlined loan forgiveness requirements. Still, by this point, the RVC Board had not documented any action related to this loan. Furthermore, the RVC Board had taken no action to even evaluate the need for the loan or make any public representation in seeking the loan. (Attached hereto as Exhibit J is a true and correct copy of an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Forgiveness Information," dated May 13, 2020.)

The following day, on May 14, 2020, the RVC Board approved Resolution No. 2020-5-14, "Acceptance of Paycheck Protection Program Loan," *after* the loan was actually funded. ("Resolution"). Again, the May 14th RVC Board meeting agenda does not mention the PPP loan or the Resolution – another violation of the Brown Act.<sup>11</sup> Nowhere in the Resolution does the RVC Board even acknowledge Mr. Hickey's April 9th loan application or his unauthorized acceptance of the Westamerica loan. In fact, the Resolution falsely states that the loan was received on May 8th and that Mr. Duchene "was authorized at the April 23, 2020 board meeting to enter into the [PPP] Agreement." As evidenced above, the loan had already been applied for and accepted by Mr. Hickey. (Attached hereto as Exhibit K is a true and correct copy of Resolution No. 2020-5-14, "Acceptance of Paycheck Protection Program Loan.") Any purported action to authorize Mr. Duchene was invalid for failure to agendaize and give the public notice of any action related to the PPP loan.

The May 14th Resolution falsely claims that, on April 23, 2020, the RVC Board authorized Mr. Duchene to:

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<sup>9</sup> It is a violation of federal law to knowingly present a false or fraudulent claim for payment to the United States government.

<sup>10</sup> See <https://projects.propublica.org/coronavirus/bailouts/search?q=Ross+Valley+Charter>

<sup>11</sup> Both the Resolution and the April 23rd meeting minutes were uploaded to Board Docs at 12:30 p.m. on May 14th, the day of the meeting. The May 14th meeting minutes, which document the RVC Board's approval of the Resolution, were not approved until the RVC Board's June 11, 2020 meeting.

Borrow Money. To borrow, from Westamerica Bank (Lender) on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars (\$270,653.00).  
Execute Note. To execute and deliver to Lender the Paycheck Protection Program note.

No discussion of the loan, its terms nor any indication that the RVC Board was informed of Mr. Hickey's application or subsequent emails with Westamerica were agendaized or reflected in the approved minutes. (Ex. H.) The only notation regarding this issue is the inclusion of a single sentence authorization for the "Chair or School Director to execute a PPP loan up to \$290,000 as soon as available." This is not the authorization that was stated in the May 7th loan authorization document or the Resolution. Additionally, it was invalid as it was not an agendaized action item. (Ex. H.)

In sum contrary to the various statements in the Resolution, the facts show the Resolution was approved by the RVC Board after the loan was already applied for by Mr. Hickey on April 9; accepted by Mr. Hickey on April 23rd prior to the April 23rd Board meeting; was awarded by the SBA on April 27; was signed by Mr. Duchene on May 8th; and was funded on May 13th ("Westamerica is pleased to have funded an SBA Paycheck Protection Program Loan for your business."). None of these facts are included in the Resolution.

## **2. Approval of Resolution Misrepresenting Facts Related to the Paycheck Protection Program Loan Process**

As stated above, on May 14, 2020, the RVC Board approved Resolution No. 2020-5-14. The Resolution adopted by the RVC Board was RVC's *post hoc* effort to document purported compliance with PPP loan requirements. As the Resolution states, RVC must certify that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant." However, this was never done despite representations to the contrary.

On or about May 19, 2020, Sharon Sagar, RVC Board President, said RVC "needs the money for operations in case state cash payments to schools are deferred as predicted."<sup>12</sup> In an email from Mr. Duchene to RVC families, Mr. Duchene also stated, "[t]hree weeks ago, our state financial regulator directed all public schools to create additional, emergency cash reserves, to protect against state deferrals of our revenue, which the Governor just announced will start next month, and which in the last recession grew in length to 5 full months of deferrals." (Attached hereto as Exhibit L is a true and correct copy of an email from Mr. Duchene to RVC families, re: Further Explanation of RVC's Acceptance of the PPP Loan, dated May 20, 2020.)

However, the Resolution makes repeated references to unsubstantiated future and possible financial issues (e.g., potential cash deferrals, possible multi-year recession and difficulty in obtaining bank loans), not current problems as required for the loan. It is clear that RVC acquired the PPP loan to increase its reserves in anticipation of future need, not to mitigate past or current economic hardship – the "current" nature of the "economic need" to which

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<sup>12</sup> *Ross Valley Charter Gets \$270K Small Business Relief Loan*, Marin Independent Journal, published May 19, 2020, available at <https://www.marinij.com/2020/05/19/ross-valley-charter-gets-270k-small-business-relief-loan/>.

applicants must attest is for short-term cash-flow hardships created by current, and not future anticipated, COVID-19 related impacts.

RVC also failed to acknowledge both to the community and in applying for the loan, the fact that state education funding was not impacted by COVID-19 expressly to ensure funding to pay teachers and staff in the 2019-20 school year (during the term of the loan). Governor Newsom's March 13, 2020 Executive Order N26-20 expressly states that county offices of education, school districts and charter schools will continue to receive state funding in order to, among other things, "[c]ontinue to pay its employees." (See Governor Newsom's March 13, 2020 Executive Order N26-20.<sup>13</sup>)

RVC was also assured of its ongoing Average Daily Attendance revenue during the timeframe of the loan. (California State Budget 2020-21 Summary, p. 36 ["the Budget includes: A hold-harmless for the purpose of calculating apportionment in the 2020-21 fiscal year; average daily attendance shall be based on the 2019-20 year, except for new charter schools commencing instruction in 2020-21."].)

As stated, no need or basis for the loan was discussed or referenced at any time prior to applying for and obtaining the PPP loan, nor are RVC's claims for current need for the intended purposes of the PPO loan honest. As reflected in the calculations for a PPP loan, it is based upon 2.5 times the average monthly *payroll*. The PPP loan is a short term payroll loan, not a loan for speculative future need. From inception, the PPP loan program was primarily for payroll with the following requirement in place at the time RVC applied:

At least 75 percent of the PPP loan proceeds shall be used for payroll costs. For purposes of determining the percentage of use of proceeds for payroll costs (but not for forgiveness purposes), the amount of any refinanced EIDL will be included. The rationale for this 75 percent floor is contained in the First PPP Interim Final Rule.

In addition to payroll, certain rent and utility payments were for over the initial eight-week period following the date of loan disbursement. These are the requirements in place April 2, 2020, at the time of the loan was requested and certified. (See Interim Final Rule.<sup>14</sup>)

Mr. Duchene also stated in an email that RVC had "lost out on about \$30,000 in Family Giving" and justified the loan as having been applied for because of State budget cuts and deferrals. (Attached hereto as Exhibit M is a true and correct copy of an email from Mr. Duchene to RVC families, re: Our Finances – Weathering the Storm, dated May 17, 2020.) However, RVC's budget documents and Board meeting minutes show that it was given a \$20,000 COVID grant from the Walton Foundation, and that expenses were lower than revenue – which made up for the family giving shortfalls. Furthermore, there is no documented proof that the family giving shortfall was experienced after COVID and not before. The budget did not show a negative fund balance and did not incorporate the PPP loan funds.

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<sup>13</sup> <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.13.20-EO-N-26-20-Schools.pdf>

<sup>14</sup> <https://www.federalregister.gov/documents/2020/04/20/2020-08257/business-loan-program-temporary-changes-paycheck-protection-program-additional-eligibility-criteria>

The intent of the CARES Act was to mitigate immediate COVID-19 hardship so that businesses would not have imminent closures. In response to the Marin Independent Journal article relating to RVC's PPP loan, Congressman Jared Huffman, on Facebook, expressed, "I never imagined that public charter schools which had experienced no revenue loss would seek - much less receive - this funding." Again, payroll was *expressly* covered by the funds provided to charter schools under Governor Newsom's March 13, 2020 Executive Order N26-20.

RVC also claims in the Resolution that it needs the PPP loan because RVC does not have access to revenue sources available to traditional public school districts. Specifically, the Resolution falsely states that "RVC's only other option for working capital would be receivables sale ("factoring loans")." However, RVC fails to acknowledge the unique revenue sources that it does have access to that traditional public districts do not.

In fact, all non-profit corporations like RVC are, if qualified, eligible to access a line of credit with a bank. While some banks may have limited their lending activity, there are still banks making loans and extending lines of credit. Merely because RVC does not *currently* have a line of credit does not mean it could not acquire one. Nowhere in the Resolution is it reflected that RVC even tried to acquire a line of credit, increase its current credit limit, or renegotiate the terms. And had RVC educated itself on its options it would have learned that the State was implementing a program specifically to assist charter schools with deferral relief.

Unlike traditional public school districts, charter schools, such as RVC, have access to many sources of funding and financing available only to charters schools, many of which RVC has availed itself of in the past and is currently in the process of acquiring, including but not limited to the following:

- *Charter only grants:* RVC has received hundreds of thousands of dollars in charter-specific grants and has access to many more. RVC received a \$300,000 grant from the Walton Foundation in or about the 2018-19 school year. In fact, while RVC was applying for PPP funds, RVC received a COVID-19 Walton Foundation grant for \$20,000.
- *Charter-only loans:* RVC received hundreds of thousands of dollars in a charter-only start-up loan from the CDE during its first year of operation. While claiming in its PPP application that it had no other sources of capital, RVC was already in the process of applying for a \$300,000 capital facility improvement loan from Charter Schools Development Corporation (and at least \$50,000 of that loan application has since been approved). There are many charter lending organizations such as the PNC Financial Services Group, Inc., which represents itself to be "[a] leader in charter school financing," and Charter School Capital, among many others.
- *Private Personal Loans and Donations:* Unlike traditional public schools, nonprofit corporation operated charter schools can directly accept private loans from individuals, as well as any amount of private donations. RVC has many outstanding loans from private individuals associated with the charter school. Additionally, the National Charter School Resource Center provides information on varying types of charter-specific funding resources.

Besides the unique charter-specific funds noted above, at the time of its PPP loan application, RVC was also assured receipt of its State allocation of funds to cover its state entitlement and payroll. (See Governor Newsom's March 13, 2020 Executive Order N26-20,

FN 11.) However, RVC nonetheless represented the need for a PPP loan to fund those same payroll costs - essentially double dipping.

Purported need due to lack of other resources is no basis to flout the law and misrepresent to the government and the community in order to obtain funds. The application for and receipt of the PPP loan was improper and demonstrates fiscal mismanagement.

### **3. False Statements to the Federal Government in the PPP Loan Process**

Mr. Hickey made numerous false statements in connection with his application for and receipt of PPP loan funding. RVC participated and adopted those false statements in accepting the loan that was obtained based on the misrepresentations.

U.S. Small Business Association ("SBA") PPP FAQ #31 states that, before submitting a PPP application, all borrowers should review carefully the required certification that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant" and that "all borrowers must assess their economic need for a PPP loan." FAQ #31 was always applicable to small businesses and FAQ #37 served to clarify this point. But notably, RVC appeared to understand this requirement as it was included in the May 14, 2020 Resolution.<sup>15</sup> In fact, from inception, the PPP loan has required the assessment of economic need. However, RVC represented it had complied when in fact it had not. And, regardless of requirements for forgiveness, this certification is a standing requirement for all PPP applications.

Certifications supporting the PPP loan application should be documented, reviewed and approved by the Board. Such written record should demonstrate that a bona fide, good faith effort was undertaken to support the certifications truthfully. If a defensible written record cannot be produced, then the loan proceeds should be returned, ideally before elapse of the grace period for doing so. This is a matter of public concern properly sunshined for public input and properly discussed and analyzed by the governing board as a matter of fiscal responsibility.

As discussed above, the RVC Board appointed Conn Hickey to serve as RVC's Business Official on a "volunteer" basis. The April 2, 2020 Board meeting agenda included the express limitation that, "[a]ll external checks will continue to require two signatures and *this position will not include check signing authority or authority to sign contracts and other agreements committing the school.* This will be a volunteer position." (Emphasis added.) This is not a position authorized by the RVC charter. Additionally, the RVC Board itself is solely responsible to "[a]ct as a fiscal agent. This includes the receipt of funds for the operation of RVCS in accordance with RVC Board Bylaws and the receipt of grants and donations consistent with the Mission of RVC." (Charter, p. 142.) At no time did the RVC Board grant Mr. Hickey authority to act as an "authorized representative" to enter into contracts and agreements generally or to pursue a PPP loan. (See Exhibit A, RVC Board Meeting Agenda and Minutes, dated April 2, 2020.)

Nonetheless, Mr. Hickey applied for the loan on April 9 and committed to the loan on April 16, 2020 – all without RVC Board authorization. The RVC Board did not undertake any assessment of a COVID-19 related economic need for a PPP loan before or at the time the

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<sup>15</sup> SBE FAQ #37 was published April 28, 2020, clarifying the application of FAQ #31, before the Resolution was adopted by the RVC Board.

loan application was submitted as was required by the SBA PPP FAQ #31 or Interim Final Rule. Nor did it do so at any time prior to receipt of the loan despite representations to the contrary – representations made both to the federal government and the public. There was no assessment related to the PPP loan at the April 23, 2020 meeting despite Mr. Duchene’s representation to SBE Oversight on June 16, 2020 when RVC first notified its authorizer of more than a quarter million dollar loan. (Attached hereto as Exhibit N is a true and correct copy of an email from Mr. Duchene to SBEOVERIGHT re: Paycheck Protection Program Loans, dated June 16, 2020.) Again, there was no agenda item related to PPP loan on the April 23 board meeting agenda. (See Exhibit H, RVC Board Meeting Agenda and Minutes, dated April 23, 2020.)

Both Mr. Hickey and Mr. Duchene certified by their initials on their respective loan applications that “knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law.”<sup>16</sup> Indeed, SBA PPP FAQ #11 warns borrowers that, as the Borrower Application Form indicates, only an authorized representative of the business seeking a loan may sign on behalf of the business.

An individual’s signature as an “Authorized Representative of Applicant” is a representation to the lender and to the U.S. government that the signer is authorized to make the certifications, including with respect to the applicant and each owner of 20% or more of the applicant’s equity, contained in the Borrower Application Form.

In applying for the PPP loan, Mr. Hickey was required to represent in good faith that current economic uncertainty makes the loan request necessary to support the ongoing operations of the Applicant. However, such evaluation never occurred prior to April 9th when Mr. Hickey actually applied for the loan making such representation by his certification on the application.

Again, Mr. Hickey applied for the PPP loan as RVC’s “Authorized Representative or Applicant” on April 9th, though he had no authority either by his position or from the governing board to do so. (See Exhibit A, RVC Board Meeting Agenda and Minutes, dated April 2, 2020.) (Charter p. 142.) Not only was his conduct without authorization, it is contrary to state and federal law governing transparency. Additionally, the misrepresentations made to the federal government to obtain the loan violated the duty to be honest in seeking state or federal loans and therefore constitute fraud. It is a violation of federal law to knowingly present a false or fraudulent claim for payment to the United States government. (31 U.S. Code § 3729.)

RVC’s actions including acceptance of the PPP loan and efforts taken to cover up the improper process that was undertaken to obtain the loan, including adoption of the Resolution rife with false statements, demonstrate that the RVC administration and RVC Board were complicit with the deceitful actions of Mr. Hickey in applying for and obtaining the PPP loan.

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<sup>16</sup> Contrary to representations made, Mr. Duchene did *not* apply for the loan. The application which was submitted and resulted in the loan was submitted by Mr. Hickey. The application with Mr. Duchene’s certification was not the actual loan application though it was presented to the public as if it were.

The above described facts demonstrate:

- Failure to obtain federal loan in compliance with law
- The PPP application was presented or caused to be presented to the Federal Government with knowingly false and/or fraudulent information for purposes of obtaining funding
- Misrepresentations were made to the public for purposes of avoiding review of the Charter School's acts in seeking and obtaining federal PPP funding
- Failure of the Governing Board to actively manage the Charter School's fiscal operations in compliance with law

### **Governance Mismanagement, Violation of Charter, Violation of Law**

The above-described facts demonstrating RVC's fiscal mismanagement also demonstrate substantial mismanagement in governance of RVC by its Board and administration establishing that RVC is demonstrably unlikely to successfully implement the program. The following facts further demonstrate RVC's governance mismanagement, violation of the RVC Charter, and violation of law such that RVC is unlikely to successfully implement the program.

#### **1. Board Misrepresentation To The Public Regarding Paycheck Protection Program Loan Application And Funding**

In RVC Board Resolution No. 2020-5-14, RVC misrepresented to the public the series of events and justifications for its application for and receipt of a PPP loan.

On April 9, 2020, Mr. Hickey submitted the application for the PPP loan to Westamerica, his former employer. On April 16, Mr. Hickey was informed that RVC qualified for a lesser amount of approximately \$270,000 and Mr. Hickey "accepted" the "counter offer." (See Exhibit G, email from Mr. Hickey to Westamerica re: Paycheck Protection Program Loan Application – Information Request #12494090," dated April 23, 2020.) On April 29, 2020, Westamerica informed Mr. Hickey that the bank's processing of the loan was complete and would be submitted to the SBA for the loan documents.

On May 8, 2020, at 8:46 a.m., Westamerica emailed the loan documents to RVC Director, Luke Duchene, which was required to be signed by "principals within the company." At 8:49 a.m., Mr. Duchene forwarded the email to Sharon Sagar, RVC Board Chair, and Mr. Hickey. Then, at 10:45 a.m., Mr. Duchene electronically signed the loan agreement. (See Exhibit I, email from Mr. Duchene to Ms. Sagar and Mr. Hickey, re: "Fwd: Westamerica Bank has sent you the document "12494090" to sign," dated May 8, 2020, including attachments.) This action demonstrates that RVC and Mr. Duchene were complicit in the misrepresentations made to obtain the loan.

On May 13, 2020, Westamerica emailed Mr. Hickey confirming that the bank was "[p]leased to have funded an SBA loan for your business" and outlined loan forgiveness requirements. Still, by this point, the RVC Board had not documented any action related to this loan. Furthermore, the Board had taken no action to even evaluate the need for the loan or make any public representation in seeking the loan. (See Exhibit J, email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Forgiveness Information," dated May 13, 2020.) Nor did it notify its oversight agency of any intention to obtain a nearly \$300,000 federal PPP loan.

The following day, on May 14, 2020, the RVC Board approved Resolution No. 2020-5-14, after the loan was actually funded. Again, the May 14, 2020 Board meeting agenda does not mention the PPP loan or the Resolution.<sup>17</sup> Nowhere in the Resolution does the RVC Board even acknowledge Mr. Hickey's April 9th loan application or his unauthorized acceptance of the Westamerica loan. In fact, the Resolution falsely states that the loan was received on May 8th and that Mr. Duchene "was authorized at the April 23, 2020 board meeting to enter into the [PPP] Agreement." As evidenced above, the loan had *already* been applied for and accepted by Mr. Hickey. (Attached hereto as Exhibit K is a true and correct copy of Resolution No. 2020-5-14, "Acceptance of Paycheck Protection Program Loan.")

The May 14th Resolution falsely claims that, on April 23, 2020, the RVC Board authorized Mr. Duchene to:

Borrow Money. To borrow, from Westamerica Bank (Lender) on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars (\$270,653.00).  
Execute Note. To execute and deliver to Lender the Paycheck Protection Program note.

No such discussion or action on the PPP loan was agendized on April 23, 2020. The only agenda item was "DISCUSSION/BUDGET UPDATE," which is not an action item and makes no mention of a PPP loan, the criteria for a PPP loan, or a needs assessment for a PPP loan. In fact, the April 23rd minutes do not include any documented discussion of the loan, its terms or indication that the Board was informed of Mr. Hickey's application or subsequent emails with Westamerica. The only notation regarding this issue is the inclusion of a single sentence authorization for the "Chair or School Director to execute a PPP loan up to \$290,000 as soon as available." This is not the authorization that was stated in the May 7th loan authorization document or the Resolution nor was it direction that could be properly given in light of the failure to agendize the topic as required by the Brown Act.

Contrary to the various statements in the Resolution, the facts show the Resolution was approved by the RVC Board after the loan was already applied for without authority by Mr. Hickey on April 9; accepted without authority by Mr. Hickey on April 23rd prior to the April 23rd Board meeting; was awarded by the SBA on April 27; was signed by Mr. Duchene on May 8th; and was funded on May 13th ("Westamerica is pleased to have funded an SBA Paycheck Protection Program Loan for your business.").

None of these facts are included in the Resolution. Contrary to the representations in the Resolution, at no time was an evaluation done as required by the PPP loan and as misrepresented in seeking and obtaining the loan.

## **2. Improper Delegation of Authority**

As stated above, Mr. Hickey was not properly delegated the authority from the RVC Board to engage in the actions related to the PPP loan. On April 2, 2020, during a special meeting of the RVC Board, the Board appointed Mr. Hickey to serve as RVC's Business Official on a

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<sup>17</sup> This also constitutes a violation of the Brown Act in addition to those identified below as no item is to be discussed or acted upon unless properly agendized to provide notice to the public. (Gov. Code, § 54954.2.)

"volunteer" basis. The April 2, 2020, Board meeting agenda included the express limitation that, "[a]ll external checks will continue to require two signatures and *this position will not include check signing authority or authority to sign contracts and other agreements committing the school.* This will be a volunteer position." (Emphasis added.) Notably, this is not a position authorized by the RVC charter.

Furthermore, the RVC Board itself is solely responsible to "[a]ct as a fiscal agent. This includes the receipt of funds for the operation of RVC in accordance with RVC Board Bylaws and the receipt of grants and donations consistent with the Mission of RVC." (Charter, p. 142.) While the April 2, 2020, Board meeting minutes reflect that the Board ultimately approved Mr. Hickey's authority to sign checks, the Board did *not* approve authority to enter into contracts and agreements generally, nor do the minutes include any discussion or notes related to this issue. The April 2nd agenda did not identify any item related to the PPP, though the Board discussed COVID-19 related financial impacts during the meeting. (See Exhibit A, RVC Board Meeting Agenda and Minutes, dated April 2, 2020.)

### **3. Repeated Failure to Comply with the Brown Act**

The existing RVC Charter includes an assurance that the Charter School shall comply with the Ralph M. Brown Act ("Brown Act"), and the Board will meet regularly "in full compliance with the Brown Act." (Charter, pp. 12, 141.)<sup>18</sup> This is further a requirement of law as recognized by the Attorney General in its 2018 opinion (OAG Opinion No. 11-201) and SB 126 (Ed. Code, § 47604.1), in effect at the time of the events discussed here. Among other requirements, the Brown Act requires RVC to "post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session"; and "[n]o action or discussion shall be undertaken on any item not appearing on the posted agenda . . ." (Gov. Code, § 54954.2.)

However, RVC demonstrates a systemic failure to comply with the letter or spirit of the Brown Act. On April 20, 2020, RVC uploaded the Board agenda for its upcoming April 23, 2020, meeting. Even though Mr. Hickey had submitted the PPP loan application and received confirmation from Westamerica that RVC was eligible for \$270,000 in PPP funding, and accepted that "counter offer of \$270,000 in PPP funding," the April 23rd agenda did not identify any item for discussion regarding the PPP loan. Furthermore, while budget documents submitted for the April 23rd meeting reflected assumptions for the receipt of a \$300,000 facility loan and other smaller CARES Act funding, they do not show PPP loan assumptions or impacts on revenue. (Attached hereto as Exhibit O is a true and correct copy of RVC's 6-Year Budget Draft and April 20, 2020 Budget Draft Key Assumptions.)

The minutes from the April 23, 2020, RVC Board meeting reflect that without the requisite notice to the public, the Board discussed and/or took action on the PPP loan in violation of the Brown Act. Specifically, the April 23rd meeting minutes indicate that: "\$270 PPP loan/grant with reserve helps balance for three years" and "Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000." This direction did not authorize Mr. Hickey as RVC's Business Official to participate in any loan process and, importantly, was made *after* Mr. Hickey already applied for and accepted Westamerica's PPP loan of \$270,000. (See Exhibit H, RVC Board Meeting Agenda and Minutes, dated April 23, 2020.)

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<sup>18</sup> Similar assurances regarding compliance with the Brown Act are included in the Renewal Petition.

A fundamental purpose of the Brown Act is to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public. (See Gov. Code, § 54954.3(a).) The fact that RVC Board discussion relating to the PPP loan was not noticed/agendized in the April 23rd meeting agenda deprived the public of the opportunity to address the Board regarding that decision constituting multiple violations of the Brown Act. The overall lack of transparency and the false and misleading information presented to the public as well as the government is directly contrary to the purposes of the Brown Act of the integrity of public institutions.

#### **4. Failure to Comply with Americans with Disabilities Act**

RVC is required to admit all students who wish to attend the Charter School and shall not discriminate against any pupil on the basis of any of the characteristics listed in Education Code section 220, which includes students with disabilities. (Ed. Code, §§ 47605(e); 220.) Furthermore, in its existing Charter, RVC assures: "All facilities of the Charter School shall be accessible for all students with disabilities in accordance with the ADA." (Charter, p. 97)

However, the Charter School was notified by the California Department of Education ("CDE") on May 17, 2019, and again on October 18, 2019, that its facility located at 102 Marinda Drive, Fairfax, California, was conditionally authorized by CDE to open and operate for the 2019-20 school year, based on RVC's completion of several renovation projects *by August 19, 2020*, including those necessary to satisfy the Americans with Disabilities Act ("ADA") facility requirements. (Attached hereto as Exhibit P is a true and correct copy of a letter from CDE Charter Schools Division to Ms. Sagar re: RVC renovation projects, dated August 24, 2020.)

By the start of the school year on August 19, 2020, the renovations necessary to come into compliance with the ADA had not been completed yet RVC operated in disregard for the authorizer's health and safety directives. As a result, by correspondence dated August 24, 2020, the CDE informed RVC that it "shall provide weekly updates of the progress of the ADA renovations" to CDE by the last day of each month starting August 28, 2020 – meaning the ADA renovations had still not been completed. According to the August 24, 2020, correspondence from CDE, RVC anticipates completion of the outstanding ADA work by November 30, 2020, over three months *after* its school start date.<sup>19</sup>

Even though the 2020-21 school year is well underway, the site remains out of compliance with the ADA. Because the site is out-of-compliance with the ADA and therefore inaccessible to students with disabilities, RVC is not serving or able to serve all students who wish to attend the Charter School in violation of its Charter and the law.

CDE informed RVC that due to noncompliance with the life safety requirements it was precluded from serving any students at the school site.

Additionally, on August 25, 2020, the CDPH issued Guidance Related to Cohorts ("Cohorting Guidance") regarding permissible use of small-group in-person services.<sup>20</sup> The Cohorting Guidance provides guidance for necessary in-person limited instruction, targeted support

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<sup>19</sup> The failure to RVC to make necessary renovations, including for ADA compliance, also demonstrates RVC's fiscal and governance mismanagement as well as a failure to adhere to SBE's oversight directives.

<sup>20</sup><https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/small-groups-child-youth.aspx>

services, and facilitation of distance learning in small group environments for a specified subset of children and youth. The Cohorting Guidance applies to schools that cannot reopen for in person instruction pursuant to the CDPH's July 17, 2020 reopening framework, including elementary schools that have not received an elementary school waiver through their local county public health office.

Pursuant to the Cohorting Guidance, a school that is otherwise unable to reopen under the CPDH framework, will be able to provide supervision and care for students, including, specialized services for students with disabilities and English learners, access to the Internet and devices for distance learning, and in-person support for at-risk and high-need students, if specified conditions are met.

Per the Targeted, Specialized Support and Services at School Frequently Asked Questions accompanying the Cohorting Guidance: "Students with disabilities should be prioritized by the LEA and school for receiving targeted supports and services. In addition, English learners, students at higher risk of further learning loss or not participating in distance learning, students at risk of abuse or neglect, foster youth and students experiencing homelessness may also be prioritized."<sup>21</sup> In fact, the Office of Administrative Hearings ("OAH") has recently reinforced that absent in-person instruction and provision of services, disabled students are denied free and appropriate public education.

Since RVC is prohibited from having any students physically on its campus, not only is RVC prohibited from seeking a waiver from the Marin County Department of Health that would allow it to conduct in-person instruction, but the lack of a facility accessible to those with disabilities for the provision of in-person education services, inhibits the ability of RVC to serve the needs of special needs students and prevents those students from receiving necessary services. The ability of RVC to meet the needs of English learners and other at-risk and high-need students are also impacted.

## **5. Failure to Comply with Fire and Life Safety Requirements**

"Every public, private, or parochial school building having an occupancy of 50 or more pupils or students or more than one classroom shall be provided with a dependable and operative fire alarm system." (Ed. Code, § 32001.)

In addition to the need for ADA compliance, RVC was informed by the fire inspector that the Charter School must have an updated fire and life safety system. According to SBE communications, RVC estimated the cost to be \$100,000 – CDE staff concluded, "Clearly, they don't have that kind of money, and will not be able to move forward with the ADA conditions." (Attached hereto as Exhibit Q is a true and correct copy of an email from Matthew Huddleston to Carrie Lopes re: Ross Valley Construction to meet ADA condition, dated May 7, 2020.)

Absent compliance with ADA and fire and life safety requirements, students, including those with special needs, may not access the school site.<sup>22</sup> Access to the school site is a fundamental requirement for provision of education and services for all students, including students with special needs. RVC states that it has obtained loans to cover the costs of the

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<sup>21</sup> <https://files.covid19.ca.gov/pdf/guidance-schools-cohort-FAQ.pdf>

<sup>22</sup> The failure to RVC to make necessary renovations, including for fire and life safety compliance, also demonstrates RVC's fiscal and governance mismanagement.

necessary work, however, the issue of excessive debt burden is a serious concern as set forth in more detail below.

## **6. Conflict of Interest**

Conflict of interest laws apply to charter schools, including RVC, and are intended to prevent conflicts between private interests and public duties, foster integrity in public service, and promote the public's trust and confidence in that service by placing restrictions on public officers and those that advise them.

Mr. Hickey was formerly the RVC CFO and Treasurer of RVC, and resigned on November 12, 2019. Despite the resignation, the RVC website continues to represent him to hold the office of Treasurer. Approximately five (5) months later, on April 2, 2020, the RVC Board appointed Mr. Hickey to serve as RVC's Business Official on a "volunteer" basis. (Attached hereto as Exhibit R is a true and correct copy of RVC Board Meeting Minutes, dated November 18, 2019.)

According to Mr. Hickey's 2019 Form 700, Mr. Hickey also served as an Associate Client Manager for EdTec from July 22, 2019, through November 12, 2019, receiving between \$10,001 and \$100,000 in salary. At the same time as Mr. Hickey was under contract with EdTec, RVC contracted with EdTec for finance and accounting, payroll, and other back office services since at least February 2017. (Attached hereto as Exhibit S is a true and correct copy of Mr. Hickey's Form 700, dated December 30, 2019.)

Notably, on or about June 25, 2019, Mr. Hickey signed an agreement (Statement of Work #4) as CFO-Treasurer on behalf of RVC with EdTec for finance, accounting, payroll and other back office services for the term of July 1, 2019, through June 30, 2020. Less than one (1) month later, on July 22, 2019, Mr. Hickey began working for EdTec as an Associate Client Manager while still RVC's CFO-Treasurer. Since entering into the Statement of Work #4 agreement, RVC has entered into numerous other agreements with EdTec – Statement of Work #5 (on September 6, 2019); Statement of Work #6 (on August 18, 2020); Statement of Work #7 (on August 18, 2020); and Statement of Work #8 (on September 19, 2020). (Attached hereto as Exhibit T are true and correct copies of Statements of Work with EdTec, dated June 25, 2019; September 6, 2019; August 18, 2020; August 18, 2020; and September 19, 2020.)

Board members and management employees, including charter school board members and management employees, are subject to several statutory and common law conflict of interest provisions: (1) Government Code section 1090 prohibits a governing board member or public employee from being financially interested in any contract made by the member/employee in his or her official capacity ("Section 1090"); (2) the Political Reform Act of 1974 (Gov. Code, § 87100 et seq., "PRA") prohibits public officials from using their official positions to influence governmental decisions in which they have a financial interest; and (3) the common law conflict of interest doctrine requires public employees and officers to avoid placing personal interests above or in conflict with their duty to the public.

In addition to the Attorney General's Opinion that these laws apply equally to charter school board members and employees, SB 126 was recently signed into law confirming the application of Government Code section 1090 and the Fair Political Practices Act, among other public integrity statutes, specifically to charter schools.

The term "financially interested" has been liberally interpreted and includes both direct and indirect financial interests in a contract. (*Thomson v. Call* (1985) 38 Cal.3d 633, 645.) "It

includes any monetary or proprietary benefit, or gain of any sort or the contingent possibility of monetary or proprietary benefits." (*People v. Honig* (1996) 48 Cal.App.4th 289, 332.) "Put in ordinary, but nonetheless precise terms, an official has a financial interest in a contract if he might profit from it." (*Id.* at 333.) "[F]inancial interests may be indirect as well as direct, and may involve financial losses, or the possibility of financial losses, as well as the prospect of pecuniary gain." (86 Ops.Cal.Atty.Gen. 138, 140 (2003).)

Mr. Hickey's position as CFO-Treasurer creates a conflict of interest under Section 1090 with regard to the EdTec agreements discussed above relative to any participation in the making of the agreement(s). For example, on September 6, 2019, RVC and EdTec entered into an agreement for Statement of Work #5, which is during the time when Mr. Hickey was simultaneously serving as CFO-Treasurer and an Associate Client Manager for EdTec.

What is also notable is the increases in the EdTec Contracts:

- Statement of Work #4 – June 25, 2019 – Back office services of \$58,925 for the 2019-20 school fiscal year / For the CALPADS services described in Annex A, there will be an additional fee of \$5,500 per school fiscal year.
- Statement of Work #5 – September 6, 2019 – CAASPP Test Analysis: \$950 flat fee per chartering agent / charter school.
- Statement of Work #6 – August 18, 2020 – Back Office Services: EdTec will provide these services at a fixed fee per school fiscal year as follows: \$58,925 for the 2020-21 school fiscal year.
- Statement of Work #7 – August 18, 2020 – Back Office Services: EdTec will provide these services at a fixed fee per school fiscal year as follows: \$90,000 for the 2021-22 school fiscal year; \$92,250 for the 2022-23 school fiscal year.

In the years after Mr. Hickey worked with EdTec while also serving as "volunteer" Business Official for RVC, the EdTec contract nearly doubled from \$58,925 to \$90,000 for the 2021-22 school fiscal year and \$92,250 for the 2022-23 school fiscal year.

The prohibition against self-dealing found in Section 1090 is not satisfied by the interested official's recusal from discussions, meetings, and votes pertaining to the contract. (*Fraser-Yamor Agency, Inc. v. County of Del Norte* (1977) 68 Cal. App. 3d 201, 211-212.) No matter how carefully or completely the official attempts to avoid participating in or influencing the execution of a contract, he or she is conclusively presumed to have "made" the contract for purposes of Section 1090, and the contract is void. (*Thomson v. Call* (1985) 38 Cal. 3d 633, 649.) That said, there is no information provided by RVC in response to requests from the District to demonstrate any disclosures or other efforts to avoid the conflict of interest.

While Section 1090 prohibits the making of a contract, the PRA prohibits public officials or employees from using their official positions to influence any governmental decisions in which they have a financial interest. The proscription is broad – it not only prohibits participation in the vote on such matters but precludes making, participating in making, or influencing or attempting to influence a decision where there is a conflict of interest. (Gov. Code, § 87100.) This prohibition extends to providing "information, an opinion, or a recommendation for the purpose of affecting the decision." (FPPC Regs., § 18704.)

It is not enough under either the PRA or Section 1090 that Mr. Hickey refrained from voting on the above agreements; it must be apparent that he had no input whatsoever and did nothing to influence any others in the making of the contract. This is not apparent under the circumstances presented. But again, there is no information provided by RVC in response to requests from the District regarding this matter to demonstrate any disclosures or other efforts to avoid the conflict of interest.

Finally, the common law conflict of interest doctrine requires public employees and officers to avoid placing personal interests above or in conflict with their duty to the public. Here, the appearance of impropriety is apparent. Mr. Hickey has been with RVC from its inception. Shortly after entering into an agreement with EdTec on behalf of RVC, Mr. Hickey worked for EdTec and received compensation from the company while still serving as the CFO-Treasurer, during which time RVC entered into at least one (1) agreement for work with EdTec. Since Mr. Hickey's "resignation" from RVC in November 2019, Mr. Hickey joined RVC again as a "volunteer" Business Official, during which time RVC again entered into agreements with EdTec. Regardless of the status as "volunteer" (which is not a position authorized by the charter) it remains that Mr. Hickey routinely and consistently advises the RVC board with regard to all financial matters including those involving EdTec.

RVC has also represented that Mr. Hickey is not required to file a Form 700 in 2020 and appears to believe that he is not subject to conflict of interest laws because he is no longer employed with RVC. However, conflicts apply to those that serve in a position to influence or provide input on board decisions, which includes his position as Business Official, and Mr. Hickey is required to file an annual statement disclosing his investments and his interests in real property. (Gov. Code, §§ 87200, 87203.) The District is informed and believes that had he met this requirement, the Form would reflect that he continues to receive payment from EdTec.

In fact, the assertion by RVC that Mr. Hickey is not subject to reporting requirements in contrary to RVC's own Conflict of Interest Code which requires those individuals who hold positions that involve the making, or participation in the making, of decisions that may foreseeably have a material effect on any financial interest, to file a Form 700 Statement of Economic Interest in accordance with California Code of Regulations, title 2, section 18730, to disclose reportable investments, interests in real property, business positions, and income required to be reported under the categories assigned to the specific position. The Conflict of Interest Code requires the individual in the CFO position to disclose all assigned categories, regardless of whether that individual is paid by RVC or by a vendor, such as EdTec.

RVC's violation of and lack of knowledge of conflict of interest laws is alarming, and is consistent with the misconduct demonstrated in connection with Mr. Hickey's efforts to secure a PPP loan from his former employer, Westamerica Bank, as described above.

## **7. Board Stability Concerns**

After the fiscal and transparency improprieties relating to RVC's PPP loan came to light and after the issuance of the September 3rd NOAV, according to the September 24th RVC Board meeting minutes RVC Board Member Kristi Kimball retired from the Board, despite the fact that she has almost two (2) years remaining on her term through June 30, 2022. (Attached hereto as Exhibit U is a true and correct copy of the RVC Board Meeting Minutes, dated September 24, 2020.) This resignation also came despite her designation in the renewal Petition as a board member for the proposed new term of the RVC Charter, 2021-2026 as required by Education Code section 47605(h). Past governance concerns are also of concern

including Conn Hickey's daughter serving on the RVC board despite being a resident of Nevada.

As an Executive Director, advisor, and program officer of numerous education foundations and nonprofits, with service with the U.S. Department of Education, the Education Policy Research Center at the Urban Institute, and in the Education Office of the U.S. Senate Health, Education, Labor and Pensions Committee, Ms. Kimball was one (1) of only (3) three RVC Board members with experience in public education. Notably, Ms. Kimball serves as a board member of the California Charter Schools Association. The untimely departure of a Board member with Ms. Kimball's level of experience leaves more Board members with experience in private-sector finance and accounting (or other non-education related backgrounds) than in public education itself on the RVC Board. This is particularly concerning as the renewal Petition relied upon Ms. Kimball's involvement as a board member and there is no information regarding a replacement. (See, Ed. Code, § 47605(h).) It also reflects the instability of RVC's governance under current circumstances and undermines confidence in RVC's governance.

The above described facts demonstrate:

- Repeated violations of the Brown Act and the rights of the public
- Board misrepresentations to the public regarding the history and actions take related to the PPP loan
- Failure of the Board to lead the Charter School and make the requisite decisions particularly with regard to its finances as evidenced by improper delegation and creation of a position that is not authorized by the charter and for the apparent purposes of avoiding compliance with conflict of interest laws
- Ongoing failure to comply with the directive of the oversight agency to ensure an accessible school site compliant with fire life and safety requirements
- Failure to provide a school site accessible to all students and to those students who require personal learning in accordance with the rulings of the OAH and CDPH Cohorting Guidance
- Failure of the RVC governance and management to understand and adhere to the conflict of interest laws and RVC's Conflict of Interest Policy and apparent purposeful efforts to avoid the application of same
- Concerns with RVC board governance in light of sudden departure of board member in the wake of allegations regarding governance and in the midst of the renewal process wherein this board member was represented to be a board member for the proposed new term undermining compliance with Education Code section 47605(h)

### **The Charter School Has Failed to Meet the District's Corrective Action or Propose Any Corrective Action Resulting in Failure to Successfully Remedy the Violations**

As a preliminary matter, in its October 5, 2020 written response to the District's September 3, 2020 Notice of Alleged Violations and Reasonable Opportunity to Cure, RVC claims that the District does not have legal authority to invoke Education Code section 47607(e) to deny the Petition because the SBE is its chartering authority. As made clear in the NOAV, while the District does not believe it is required to issue a notice of violation and provide RVC with a reasonable opportunity to cure the violations, in order to find that RVC is not demonstrably likely to successfully implement the program, the District nevertheless issued the NOAV to afford RVC 30 days' notice and opportunity to correct the alleged violations before any action is taken on the Petition. (Attached hereto as Exhibit V is a true and correct copy of the District's Notice of Alleged Violations and Reasonable Opportunity to

Cure, dated September 3, 2020<sup>23</sup>; Exhibit W is a true and correct copy of RVC's Written Response to the Notice of Alleged Violation, dated October 5, 2020.)

Because recent changes to the law – namely, Education Code section 47605.9(b) – require RVC to submit its renewal Petition to the District (despite the fact that the District is not currently RVC's authorizer), the District is to apply the standards for renewal as the chartering authority, especially given that, if the Petition is approved, the District would serve as the chartering authority. (Ed. Code, § 47607(e)(2) ["A chartering authority may grant one or more subsequent renewals pursuant to subdivisions (b) and (c) and Section 47607.2. Notwithstanding subdivisions (b) and (c) and Section 47607.2, a chartering authority may deny renewal pursuant to subdivision (e)."].)

RVC's contention that the District cannot apply the process under Education Code section 47607(e) based on the statute's use of the verbiage, "the chartering authority," as opposed to "a chartering authority," ignores the fact that Education Code section 47607(c)(1) and 47607.2(a) and (b) also use the term "the chartering authority." (Ex. W, Response, dated October 5, 2020, pp. 2-3.) If RVC's reasoning were accurate, then the academic performance provisions of the renewal process would not apply to the renewal process before the District, which RVC does not contend. RVC also cites to Education Code section 47607(c)(7), indicating that it "sets forth a process for 'the' chartering authority to determine accountability metrics for a Dashboard Alternative Status School" and that "[t]his recognizes the fact that such a charter school would seek renewal from its authorizer." However, again, by the terms of Education Code section 47605.9, the renewal is before the District, not SBE and therefore the District is referred to as "the chartering authority."

RVC also claims that FCMAT dismissed the District's claim of financial wrongdoing as purported support for its position that RVC did not engage in fiscal mismanagement or fraud as alleged in the NOAV. (Ex. W, Response, dated October 5, 2020, p. 1.) However, contrary to what RVC suggests, FCMAT did not make an affirmative finding that RVC did not engage in wrongdoing – instead, FCMAT only concluded that it was recommending that Marin County decline to conduct an extraordinary audit under Education Code section 1241.5(c). In fact, FCMAT acknowledged "legitimate concerns" about RVC's governance process and its compliance with PPP application and assurances requirements, and recommended referral of these issues to the Marin County District Attorney's office and the Office of the Inspector General of the U.S. Small Business Administration in lieu of the extraordinary audit as the proper agencies, instead of MCOE, to address the serious issues identified. The District notes that RVC has made the same misrepresentations to the public and the press which is consistent with the conduct identified in both the letter to MCOE and the NOAV. Of course, the District has a separate legal obligation to conduct a charter petition review under the Charter Schools Act that is independent of the decision of FCMAT's recommendation to decline an extraordinary audit.

Separate and apart from RVC's assertion that it disputes the District's authority to invoke the procedures set forth under Education Code section 47607(e), the issues identified in the District's NOAV also demonstrate that Petitioner is demonstrably unlikely to successfully

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<sup>23</sup> The exhibits are not attached to the Notice but are attached to the staff report.

implement the program set forth in the Petition. Accordingly, those issues – and RVC’s responses to them – are appropriately considered in this Petition review.

### **1. Failure to Correct Deficiencies Identified in the NOAV**

On September 3, 2020, the District issued RVC with a NOAV, which identified the deficiencies detailed above and provided the Charter School with an opportunity to cure the alleged violations by taking the following corrective actions by October 5, 2020: (1) return all PPP loan monies received to date and close out the loan; (2) remove Conn Hickey from his position as RVC Business Official; (3) remove Luke Duchene as Executive Director; (4) take all steps needed to replace the current RVC Board of Directors and provide new RVC Directors with mandatory Brown Act training; (5) complete all required renovations to satisfy ADA facility access requirements for the RVC school site located at 102 Marinda Drive, Fairfax, California including ADA compliance and fire and life safety compliance; (6) complete all other renovations/improvements in compliance with applicable state and local building enforcement agencies with jurisdiction in the area where RVC is located, that are necessary for RVC to be authorized to serve students in person at the RVC school site; and (7) establish a plan for compensatory education for disabled students deprived of in-person instruction.

On October 5, 2020, RVC provided the District with a written response which failed to identify any corrective action. Specifically, RVC affirmatively declined to take any action in response to the District’s NOAV and specifically declined to take actions (1) through (4) identified by the District as appropriate corrective actions, with the exception that “all current Board members, the School Director and Secretary to the Board all completed annual Brown Act training and Conflict of Interest training on September 16, 2020.” (Ex. W, Response, dated October 5, 2020, p. 10.) Notably, this training did not include any CFO, Treasurer, “volunteer” Business Official, or other financial advisor.

In connection with RVC’s failure to comply with the ADA, and related failure to serve all students who wish to attend the Charter School in violation of charter and law, RVC still has not demonstrated that it has completed the renovation project, despite the 2020-21 school year being underway. RVC suggests that the current incompleteness of the renovation project is effectively moot because RVC is currently operating its program through virtual learning. However, this does not address – and RVC ignores – the fact that disabled students (and other high-need student populations) need access to in-person instruction to be provided free and appropriate public education, as contemplated by CDPH’s Cohorting Guidance and the OAH. This further ignores RVC’s failure and/or refusal to abide by its authorizer’s directive to ensure the facility was corrected. RVC blames the delay on the COVID-19 pandemic, but the project was delayed well before the outbreak. RVC insists without any evidence that all ADA renovations will be timely completed and stated at the public hearing that the renovations were complete. Yet at the time this report is posted no evidence of completion and compliance has been provided as required by the NOAV.

Similarly, in connection with RVC’s failure to comply with fire and life safety requirements, the Charter School again insists that it will upgrade its fire and fire system by winter break, at which point nearly half of the 2020-21 school year would have concluded, without any evidence or supporting documentation that the Charter School will in fact meet this deadline. In fact, RVC received notice of the need to correct in *May 2019* yet still has not done so. Moreover, RVC fails to acknowledge that it does not have \$100,000 to perform the necessary upgrade, as confirmed by CDE, or provide any evidence that it has the funds to complete the upgrade. However, as noted in the fiscal analysis, RVC has taken out significant debt and has deficit spent in each year of operation. As stated above, without the

necessary upgrade, RVC cannot operate its program and has not demonstrated completion of all renovations and improvements in compliance with applicable state and local building enforcement agencies that are necessary for RVC to be authorized to serve students in person at the RVC school site. Again, RVC may assert it has completed this work, however, no documentation has been provided as required by the NOAV.

Lastly, RVC wholly fails to address the issue of whether it will establish a plan for compensatory education for disabled students deprived of in-person instruction. Specifically, RVC summarily states that it has not begun on campus in-person instruction for any students and therefore no disabled student has been excluded from in-person instruction. RVC misunderstands its obligation to serve students with disabilities, who have unique needs that cannot be met through solely virtual or distance learning. RVC does not provide a plan to identify those students as contemplated by CDPH's Guidance Related to Cohorts, dated August 25, 2020.

The fact that RVC is treating its students with disabilities the same as "the thousands of other students across the country who are waiting for their public schools to reopen their campuses" raises significant concerns regarding RVC's knowledge of the rights of students with disabilities and its ability to meet its obligations to these students. It is noted that the information provided by RVC shows that it does not serve any students with intellectual disability and primarily serves students with speech and language needs. Of the thirteen categories of disability, RVC serves four categories whereas, by example, the District serves students in nine categories of disability including intellectual disability. The data does show RVC enrolled one student in 2018-19 with an intellectual disability but that student was no longer enrolled in the 2019-20 school year. The lack of an accessible space does not support enrollment for all students who wish to attend.

## **2. Responses to Allegations**

RVC refused to take corrective action – whether by complying with the District's directives as stated in the NOAV or by proposing its own corrective actions to address the District's concerns – based upon an interpretation of events that do not otherwise address the fiscal mismanagement and governance concerns raised by the District.

Notably, in its October 5th response, RVC states that "[it] does not dispute the dates cited by the District" in connection with RVC's efforts to secure a PPP loan. Yet, RVC seeks to excuse its conduct by focusing on a "lack of clarity from the federal government [that] resulted in chaos" to explain its own mishandling of the PPP loan process. However, the "unmitigated chaos" that RVC describes is not only inaccurate but, even if true, is all the more reason why RVC's actions and intent pertaining to the PPP loan should have been thoughtful, clear, and discussed by the RVC Board after full compliance with its obligations to notice the public per the Brown Act. Notably, the Brown Act has been in place for over 50 years and compliance with its requirements cannot be explained away by purported chaos. Additionally, RVC's board president, Sharon Sagar, heralds her extensive 14 years of board experience serving on the Ross Valley School District Board of Trustees, yet the lack of compliance is extensive. The same is true for the volunteer Business Official, Conn Hickey, who also served on the Ross Valley School District Board of Trustees for a reported seven years.

Instead, RVC offers explanations of its efforts to obtain the PPP loan that were not properly agendaized or recorded in the minutes, keeping the public uninformed, ill-informed or misinformed about its actions. For example, RVC states that "[w]hat the [April 2nd] minutes (which document only a brief summary of the meeting) may not clearly show for

those not in attendance is that the Board very much wanted to apply for the PPP loan at Westamerica," - an admission that the April 2nd agenda and minutes do not discuss any items related to the PPP, nor any Board authorization for Mr. Hickey to enter into contract or agreement, or to seek a PPP loan. There is no dispute this violates the Brown Act.

Again, RVC concedes that the April 23rd agenda and minutes were not specific on the issue of the Board authorizing Mr. Hickey to execute the PPP loan. To explain why, RVC states that RVC did not agendize the PPP loan because "it did not believe it would be awarded any PPP funds." RVC's rationale obscures the truth - on April 19, 2020, *before* RVC's agenda posting deadline, Westamerica informed Mr. Hickey that RVC qualified for \$270,000 in PPP funding. While RVC contends Mr. Hickey did not see the email until April 23rd because it was erroneously routed to his "promotions" email folder, this strains credulity given RVC's stated heightened concern and desire for PPP funding. However, even if Mr. Hickey first read Westamerica's email with the \$270,000 counterproposal on April 23rd, the RVC Board had no authority to take action with regard to the loan on the 23rd. It could have held a special meeting if time was of the essence. But stated urgency is no excuse for ongoing failure to comply with the rights of the public as delineated in the Brown Act.

In fact, the April 23rd meeting minutes were not publicly posted until nearly a month later on May 14, 2020, just hours before the May 14th Board meeting where the RVC Board approved the Resolution regarding the loan. There is no reasoning for this and it effectively deprived the public of any notice or opportunity to comment on RVC's intent and efforts to secure the loan until it was already secured. And of course, even the Resolution was not noticed on the RVC agenda - again obscuring the fact that RVC was seeking PPP funding. These repeated failures to comply with the Brown Act and active failure to inform the public reflect that that keeping the PPP loan undisclosed was by design.

RVC also contends that the anticipated cash deferrals compelled RVC to seek the PPP loan; otherwise, it would not have made payroll on July 31, 2020. RVC's October 5th response, ignores and offers no response to the fact that Governor Newsom's *March 13, 2020* Executive Order N26-20 expressly stated that charter schools will continue to receive state funding *in order to continue to pay its employees*; RVC was assured of its ongoing Average Daily Attendance revenue during the timeframe of the loan; RVC was given a \$20,000 COVID grant from the Walton Foundation; and RVC had other opportunities to pursue lines of credit or sources of funding. And, per PPP loan requirements, the Charter School was required to certify that a current economic uncertainty made the loan necessary to support its ongoing operations. RVC does not identify any uncertainty that was current at the time it entered into the PPP loan; instead, RVC acquired the PPP loan to increase its reserves in anticipation of future need, not to mitigate past or current economic hardship or meet its payroll.

While RVC summarily claims it could not pursue loans because it was a "new school" and that banks are "unlikely" to issue lines of credit to RVC, however, there is no evidence that RVC ever applied and was denied such lines of credit. In fact, the fiscal review demonstrates that RVC has incurred extensive debt. It is clear that cash deferrals were an *ad hoc* justification for the PPP loan - RVC states that it tasked Mr. Hickey to obtain a loan as early as April 2nd, yet this is *after* the Governor's Executive Order ensuring funding, well *before* serious discussions about cash deferrals were taking place and well *before* the release of the Governor's May 15, 2020 May Revise Budget which proposed cash deferrals. Thus, certifications signed by RVC's "agents" that "current" economic uncertainty based upon cash

deferrals makes PPP loan funds necessary to support RVC's ongoing operations could not have been made in good faith.

RVC's October 5th response further claims that the District has alleged that "the School Director was not authorized to accept the PPP loan and execute the loan documents." RVC does not correctly identify the issue – as stated above, RVC did not provide authorization for the volunteer Business Official to accept the PPP loan, nor did he have any delegated authority to act on behalf of RVC in pursuing the loan. The fact that the April 23rd minutes reflect that the Board authorized the Board Chair or School Director to execute a PPP loan does not change the fact that the School Director would be entering into a loan that was already negotiated and accepted by Mr. Hickey – as a volunteer Business Official – without any express authority to do so. And again, this purported action to authorize the acceptance of the loan and execution of loan documents was taken without an agenda item.

RVC's October 5th response is inadequate and fails to demonstrate that any corrective actions were successful. In fact, the response repeatedly asserts matters verified by documentary evidence are false and suggests that there is no fraud because there was "no intent." However, the evidence demonstrates the requisite intent by the repeated failure to comply with law and the creation and "approval" of a Resolution that misrepresents the facts. That said, RVC's conduct need not amount to fraud to be serious fiscal and governance mismanagement.

As the facts show, RVC has neither taken the issues set forth in the NOAV seriously nor been willing to take responsibility for its actions/inactions. RVC has failed to correct in accordance with the District's requirements nor offered any of its own corrective measures and the NOAV stands.

## **B. Petitioners Are Demonstrably Unlikely To Successfully Implement The Program Set Forth In The Petition Due to Fiscal Deficiencies**

Part of the renewal process is to review the fiscal status of the charter school, including its likelihood of success in light of its fiscal status and future projections, budget and budget narrative. The Petition presents significant fiscal deficiencies rendering the educational program unlikely to be successfully implemented. An independent analysis of RVC's budget, narrative assumptions, and cash flow was conducted by an expert in charter school finance including budget development and analysis. Attached hereto as Exhibit X is a true and correct copy of the analysis and findings which are incorporated herein by reference. A summary of the findings is also provided below and supplement the findings regarding fiscal mismanagement set forth above.

### **1. Excessive Debt**

RVC has significant existing and potential debt burden and its revenues from student enrollment of approximately 200 – 220 students is not sufficient to sustain the amount of debt burden when minor decreases in student enrollment and average daily attendance will have a major impact on the fiscal stability of the Charter School. It is noted that that RVC's debt reflects that it has been deficit spending in each year of operation and is entirely reliant on debts as well as unsecured grants and donations to balance its books. RVC's long term debt of \$921,947 is excessive and unsustainable.

It is a best practice in many state and local governments for the governing board to adopt a comprehensive debt management policy that creates guidelines for issuing and managing debt. This is particularly true when school districts and charter schools are entering an era

of fiscal uncertainty and economic downturn. It is recommended by the Government Finance Officers Association that all forms of government adopt a comprehensive debt policy. This helps ensure that underwriters and financial advisers provide the district with adequate information to analyze future debt, enabling the charter school to make sound business decisions.

Best practices is to provide guidelines for debt burden ratios and factors combined with debt affordability criteria in the debt management policy. A reasonable debt burden factor of 1 - 2% of the unrestricted general fund revenues is reasonable. A debt burden ratio indicates the LEA's ability to support annual debt payments, including principal and interest, from current unrestricted revenue sources.

Applying this methodology to the current debt obligation for RVC reveals that debt service payment obligations clearly exceed these recommended levels, an amount that cannot be feasibly sustained by the charter's unrestricted general fund in the long-term. RVC has significant existing debt burden, including but not limited to state revolving loans, PPP loan<sup>24</sup>, construction loan, and also projects loan(s) for cash deferrals. This excludes debt for the repayment of personal loans. This is an extraordinarily high level of significant existing and potential debt burden without a secure repayment stream. Revenues from student enrollment of approximately 200 or even 220 students is not sufficient to sustain the amount of long-term debt.

The budget documents submitted by RVC do not accurately reflect its debt. For example, the state revolving loan is not represented in the expenditure budget or cash flow document. This is a startup loan in the amount of \$250,000 for five years with payments of \$62,500 each year. It is expected to be paid in full during the 2019-20 school year but is not represented in the cash flow. Additionally, RVC's construction loan includes a balloon payment of \$123,080 that is due in June 2024 according to the budget narrative, however, the cash flow does not show this payment as a reduction in cash. Including this payment causes negative cash flows for that month.

While depreciation expense appears normal, RVC does not project the repayment of loan obligations. Unless the state revolving loan was paid in full prior to 2020, which is not indicated, payments of \$62,500 in each of five years needs to be budgeted in this category. While the loan payment may be deducted from the Principal Apportionment (LCFF), the financial statements do not show this amount recorded in either the LCFF revenue section as a separate line item deduction, or the Other Outflows as expected.

RVC has entered into an agreement for a new loan to make required ADA renovations to the existing school site facility. According to the narrative, \$350,000 "has been budgeted as a loan to pay for this work"; however, the loan repayment is not represented in the expenditure projection.

The projected loan payment for the PPP is not a guaranteed loan. Based upon the significant issues regarding how RVC obtained the loan, the loan may not be forgiven, in which case the amount due would be the entire amount of \$270,563, instead of 50% as is represented in the narrative document. This would cause RVC to establish repayment to the federal government plus interest, which would create an unsustainable burden on the

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<sup>24</sup> The PPP loan forgiveness is dependent on compliance with the PPP loan program. As stated, the RVC PPP loan does not comport with the stated purposes of the PPP loan program as public school payroll was funded by the State of California.

General Fund. EdTec's Income Statement from April 2020 shows that, without the PPP loan, RVC would have negative equity of \$50,863.77.

Cash deferrals scheduled for February through June 2021 are projected by RVC to be a total of \$643,128. While loans to charter schools from the California School Finance Authority and in the private marketplace, and revenue anticipation notes, may be available, they are not guaranteed as these opportunities include repayment documents to be approved by the lenders and agencies and consideration of debt burden is evaluated.

RVC forecasts "a 12% minimum reserve throughout the [next] 6 years." (Budget MYP, p.1) RVC states that the Charter School "plans to maintain at least 10% undesignated budget reserve for economic uncertainties. It has grown its reserve over its first three years to 11% and plans to eventually have a 40% reserve." (RVC Budget Narrative, p. 10.) The high reserve amount reflects RVC's intent to store cash and not expend such valuable resources on its educational programming and for its students. While a reasonable reserve is an important component of a healthy budget, RVC's intent to maintain a 40% reserve is unreasonably high and is something of a fiction in light of its extensive debt.

## **2. Cash Flow/Deferrals**

The Governor's Budget Act for fiscal year 2020-21 includes five consecutive deferrals beginning in February 2021. For fiscal year 2020-21 starting in February 2021, deferrals will be deducted and repaid in the next fiscal year. During times of cash deferrals, the function of cash management becomes imperative. RVC relies heavily upon fundraising and donations to balance its budget. Pressure from existing and proposed cash borrowing is unsustainable over time. Should the PPP loan require full repayment, RVC will need to factor (sell) its receivables at high interest rates or negotiate a credit line to ensure that payroll and other obligations are met. Given the low enrollment and current economic uncertainties, coupled with existing debt burden, it calls into question whether RVC is a going concern.

In the RVC monthly cash forecast, deferrals are projected to start in March 2021, but should begin in February 2021. Errors in forecasting can substantially alter the need for cash to pay obligations. It is unusual to use the cash flow model to project loan payments that are not represented in the budget as loan repayments. RVC should ensure that except for temporary loans, long-term loan payments should be included in object codes 7438 – Principal and 7439 – Interest for full disclosure and for true evaluation of its debts and obligations. In addition, temporary loan inflows and outflows are to be represented on separate lines and totaled in the "Forecast" columns. These totals should agree with prior year accruals for both accounts receivable and accounts payable. Currently, these amounts are not totaled and do not agree with prior year accruals. For example, total "Revenues – Prior Year Accruals" listed in 2022-23 of \$785,798 do not agree with "Remaining Balance" in 2020-21 of \$717,908 – a difference of \$67,890.

## **3. Enrollment/ADA**

The number of students projected of 204 in the current year projecting to 222 in the subsequent year (2021-22) may be unattainable. However, because the number of students enrolled by RVC is low, a drop in enrollment, even negligible, creates a large variance in projected LCFF revenues and additional pressure for cash management. For example, a decrease of 5 students in grades 4-6 will cause revenue to decrease by \$44,152 in 2021-22, which demonstrates the volatility of enrollment and resulting ADA projections particularly for a school with a history of using debt to balance its budget.

#### **4. Fundraising and Grants**

Fundraising and local grants are not guaranteed income sources. During times of fiscal instability and/or downturn in the economy, these types of revenue sources decrease in amount. Best practice is to budget these revenues when award letters are obtained. While RVC has reduced estimates by 40% in the current budget, overall, the projection still represents 5.7% of total projected revenues, or \$130,670 in 2020-21. In 2021-22, donations increase to \$208,240, or 8.3% of revenues, which is not reasonable.

#### **5. Salaries and Benefits**

While salaries and benefits are the single largest expenditures in a public school employer's budget, normally representing 80% to 85% of operating expenditures, RVC's salaries and benefits in fiscal year 2021-22 total \$1,593,329, or 65.8%; and in fiscal year 2022-23, salaries and benefits total \$1,619,355, or 67.8%, which are far below normal levels. It is noted that RVC relies upon contract services far more than employees for its educational program.

#### **6. Insurance**

Included in the narrative documents is a statement that "property, liability and workers compensation insurance are budgeted at 2020-21 contracted prices." During this unprecedented time of COVID, it is expected and employers are informed that Workers' Compensation insurance will increase as well as property insurance. Property, liability and workers' compensation insurance amounts are likely to increase as a result of the COVID pandemic and wildfires throughout California. SB 1159 effective immediately codifies Workers Compensation and expands covered benefits including "full hospital, surgical, medical treatment, disability, indemnity, and death benefits" related to COVID-19. In addition, AB 685 effective January 1, 2021, establishes statewide occupational safety standards, and provides the California Division of Occupational Safety and Health expanded authority to enforce the new requirements, including civil penalties for non-compliance. The impact of these two legislative enhancements to workers who contract COVID-19 will have an impact on Worker Compensation rates; therefore, budgeting these expenditures for Workers Compensation without increases is an unreasonable assumption. Budgeting these expenditures without increases is unreasonable.

#### **7. Books and Supplies**

Classroom supplies and the additional need for Personal Protective Equipment ("PPE") as students and staff return to hybrid learning or in-person learning is not sufficiently represented in the budget forecast model for at least the 2021-22 school year. In fiscal year 2021-22, RVC projects a nominal amount of \$76,768, or 0.03%, of the operating budget; and in fiscal year 2022-23, an amount of \$37,260, or 0.02%. Budgeting these expenditures at this low cost is unreasonable.

#### **8. Operating Expenditures and Services**

Services and other operating expenditures represent a significant and unusual portion of the overall operating budget demonstrating the need to rely upon outside services for several aspects of the business operations. For fiscal year 2021-22, RVC projects total expenditures totaling \$687,877, or 28.4% of the operating budget; and in fiscal year 2022-23, \$672,543, or 28.1%, almost ten (10) times the amount spent on books and supplies.

## **9. Reserves**

RVC touts a large reserve of 12 percent, however, reserves as a percentage can be misleading particularly for a small school. A best practice is to have sufficient fund balance to cover two or more months of salary and benefits. A review of RVC cash flow document for February 2021, shows salary and benefits total \$145,091. Without paying any other obligations for the month, the fund balance of \$106,012 would be insufficient to cover one month of payroll.

According to the June 30, 2020 Financial Report – Alternative Form, the total reserve is \$269,518.72 representing 12.7% of expenditures. While this is above the required percentage levels, this amount represents cash and noncash items and does not set aside the required Reserve for Economic Uncertainty.

Of this amount, \$106,012, or 5%, must be set aside for the Reserve for Economic Uncertainty and cannot be spent. This leaves \$163,507 available for any adjustments, additional expenditures, or reductions in revenues.

## **10. Americans with Disabilities Act Compliance**

RVC has been informed that its facility must comply with Americans with Disabilities Act ("ADA"). Specifically, RVC is required to correct specific access and fire, life, and safety concerns, as directed, and has entered into a loan agreement totaling \$360,000 for the necessary renovations. RVC is prohibited to have students on campus until the work is complete.

According to the RVC Budget Narrative, dated September 23, 2020, the RVC Board has approved a new loan in the amount of \$355,000. The cash flow projections, the loan proceeds of \$350,000 and expenses of \$337,500 are represented in September 2020; however, the "balloon" payment of \$123,080 that should be included in the June 2024 cash outflows is not represented as described in the RVC Budget Narrative discussion.

## **11. Volunteer Business Official**

According to the narrative statement, the volunteer Business Official states that he has the requisite experience to manage RVC. While the evidence indicates that he has private sector financial management experience, California school finance is uniquely different. Even with a strong background in private sector accounting by the volunteer Business Official, RVC contracts out all the critical functions of the Business Office. Contracting for business services continues throughout the projection period for bookkeeping, accounts payable, accounting, payroll, and student accounting reporting services leaving the charter organization vulnerable to timing and processing delays where critical decisions need to be made. It is further noted that the costs of these services have significantly increased over the last year, nearly doubling.

## **12. Conflict of Interest**

The conflicts of interest, as described above, demonstrate that RVC is demonstrably unlikely to successfully implement its program. As detailed above, the conflicts of interest relate directly to the operation agreements with EdTec, a company that RVC relies heavily upon to perform important operational functions. Furthermore, with an unstable governing board, the conflicts represent a serious deficiency indicating a lack of understanding and execution

of important duties related to public integrity and transparency, breaches of which would constitute violations of law and charter.

### **C. The Petition Does Not Contain Reasonably Comprehensive Descriptions Of The Required Charter Elements**

#### **1. Element 1 – Educational Program**

In light of the COVID-19 pandemic, it is expected that RVC develop and describe a comprehensive plan that makes necessary adjustments to its educational program to apply to the health and safety regulations implemented by local and state officials, including plans for distance, hybrid, and/or in-person pupil learning. However, the Petition only contains several brief and broadly-worded paragraphs regarding the COVID-19 pandemic and distance learning, and the description of how the educational program has been changed is not specific. (Petition, p. 115-116.) For example, there is no detailed description of the school day, staffing adjustments, staff duties and expectations, technological issues, or any other important logistical or legal issues (such as, for example, the Charter School's compliance with special education FAPE requirements under a distance learning model) resulting from social distancing mandates that indicates that the Charter School will be able to deliver instruction in an effective manner. Furthermore, no separate plan is attached and made part of the Petition such as a Learning Continuity Plan or like document. Absent this information, there is no ability for the District, Board or the public to understand the educational program for the 2020-21 school year or beyond. Nor does this reflect the requisite planning needed to ensure appropriate education for all students, including those with disabilities.<sup>25</sup>

#### **2. Elements 2/3 – Measurable Student Outcomes/Methods of Measurement**

According to the California School Dashboard, in 2019, RVC's chronic absenteeism and suspension rates (yellow) were higher than those of the District (green). Given RVC's lagging absenteeism and suspension rates, it would be expected that the Petition provide specific information detailing how RVC plans to improve in these areas.

However, RVC's description of the measurable pupil outcomes and methods of assessment for addressing and improving student absenteeism is both vague and inadequate. (Petition, p. 146-147.) First, the Petition commits RVC to achieving an absenteeism rate in relation to the State average but makes no mention of whether it will achieve absenteeism rates comparable to those of the District, which is significant because RVC serves families residing in the District's community. Second, the Petition's actions to achieve the goal are vague – RVC will "incorporate a social-emotional curriculum" by "review of yearly, unit, and daily lesson plans." RVC vaguely states that it will "conduct regular community building events and activities," without identifying the activities, and does not otherwise explain how community-building events will improve student attendance. Nor are any of these aspirational statements measurable.

The Petition also wholly fails to provide any description of the measurable pupil outcomes and methods of assessment for addressing and improving student suspension. While the Petition provides a description, albeit vaguely, of addressing pupil expulsion rates, a

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<sup>25</sup> The District did request information regarding RVC's plan for ensuring compensatory education and would expect to see the LCP if not a more specific document setting forth the Charter School's plan.

discussion on the Charter School's plan to address suspension rates is omitted. (Petition, p. 148.) With recent changes in the law regarding student discipline and since the charter document governs, this area is expected to be detailed and measurable.

### **3. Element 5 – Employee Qualifications**

According to the Petition, the position of School Director – which is the equivalent of a school principal – is not required to hold any credential. (Petition, p. 178.) It is unclear how an un-credentialed employee effectively evaluates credentialed staff and/or the effectiveness of the educational program. In fact, "relevant experience with school and organizational leadership and educational innovation" is merely a "preferred" requirement, not a mandatory one.

### **4. Element 6 – Health and Safety Procedures**

The Petition does not provide a copy of RVC's school safety plan as expressly required by Education Code section 47605(c)(5)(F): "The development of a school safety plan, which shall include the safety topics listed in subparagraphs (A) to (J), inclusive, of paragraph (2) of subdivision (a) of Section 32282."

The need for a school safety plan is critically important but particularly where, as here, the school is located at the site where it shared the space and apparently also utilizes the public library located across the street as part of its educational program. (Petition, p. 188.) The site safety plan is an essential component of the Petition.

### **5. Element 10 – Suspension and Expulsion Procedures**

The Petition does not provide or describe any rights or procedures to appeal a suspension, which is problematic given that its suspension rates are higher than those of the District as described above. (Petition, p. 211.) As stated in section 2, with recent changes in the law regarding student discipline, this area is expected to be detailed and ensure both appropriate discipline and due process.

## **D. Academic Performance**

As a preliminary matter, it must be noted that RVC's failure to timely open the charter school in 2016 has directly led to a lack of complete and adequate academic assessment data. Although SBE approved RVC on January 14, 2016, for a five-year term to begin operations in the 2016-17 school year, four (4) months later, RVC submitted a request to SBE for a material revision to its charter requesting to open in the 2017-18 school year. SBE approved the delay on July 14, 2016.

RVC's self-imposed delay has led to inadequate student assessment information – namely, RVC has only provided two (2) years of CAASPP results to demonstrate their year-over-year growth. This serves to provide only one year of potential growth data over a five year term, in 3rd through 5th grade only, and grade-by-grade level data for a single subgroup category of student –students whose ethnicity is identified as "White." For the Hispanic/Latino subgroup, only cumulative student data is available (i.e., no grade-by-grade level data was provided).

Additionally, CAASPP does not test all grade levels but rather tests, in the relevant RVC grade levels, grades 3-5. So the only data provided, relates to 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> grade students only, showing a single year of growth. RVC has not provided any results or

“verified data” from any other formative or summative assessments or metrics to demonstrate growth for all students and student subgroups served. While SBE has not yet established criteria for determining “verified data,” RVC could – but did not – submit any information using any number of commonly-utilized and respected subject matter competency assessments demonstrating the requisite academic growth for each year of operation and for *all* students and grades served.

With that said, the District has considered RVC’s 3<sup>rd</sup> through 5<sup>th</sup> grade performance and performance of any subgroups of pupils served by the Charter School on the state and local indicators included in the evaluation rubrics adopted pursuant to Education Code section 52064.5. (Ed. Code, § 47607.2(b)(1).) Upon review of the Petition and the results from RVC’s Dashboard indicators for 2019, RVC earned Blue ratings for ELA and math. However, again, these scores are limited to the single statistically significant demographic of white students and does not reflect any subgroups of students. And while RVC’s chronic absenteeism and suspension rates (Yellow) may be comparable with the state (Yellow), they lag behind those of the District, which are rated Green. Academic performance questions are also raised where there is significant absenteeism and suspension rates.

In the absence of any assessment data, the District evaluated RVC’s 3<sup>rd</sup> through 5<sup>th</sup> grade CAASPP scores for 2017-18, and 2018-19. Analysis of RVC’s CAASPP scores is conducted using a combination of queries from the CDE’s CAASPP website and the study of raw data pulled from the CDE’s CAASPP research files for 2017-18 and 2018-19.<sup>26</sup> In sum, RVC’s 3<sup>rd</sup> through 5<sup>th</sup> grade year-over-year growth on CAASPP (namely, pupils who have met or exceeded standards) for the single year of comparative data provided is generally greater than that of Marin County and the State as a whole, based on ELA and math scores.

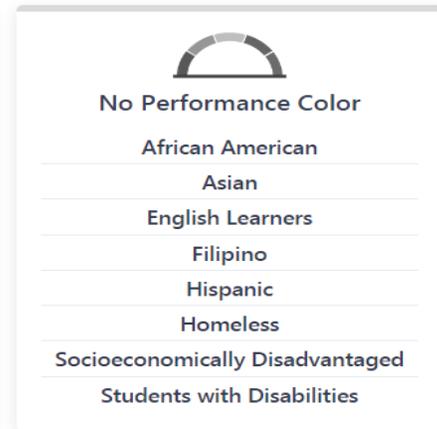
However, there are significant considerations regarding the data that limits its validity, reliability, and utility in evaluating potential schoolwide increases in academic achievement. For example, the late opening of the Charter School and the 2019-20 CAASPP cancellation due to COVID-19 leaves no information to reliably demonstrate trends given the overall limitations of the data set. Moreover, due to low enrollment size, RVC’s sample size is relatively small, thereby subjecting its overall CAASPP scores (as well as scores for subgroups) to potentially dramatic year-over-year fluctuation. For example, the data indicates there were 10 more students taking the ELA and mathematics assessments in 2018-19 than in 2017-18. This reflects an 11.9% increase in the number of students taking the CAASPP from 2017-18 (84 students in total) to 2018-19 (94 students in total).

Additionally, CDE does not report data in cases where ten or fewer students took a particular test. In the case of a small school such as RVC, this limitation makes it impossible to analyze grade-level data for various subgroups such as (in RVC’s case) students whose

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<sup>26</sup> While the CDE’s CAASPP website (<https://caaspp-elpac.cde.ca.gov/caaspp/>) does contain a relatively robust search engine for extracting various CAASPP data, the search filters are limited and some of them do not function properly. For example, the “Test Results at a Glance” page features a “School Type” dropdown that allows users to filter for all schools, charter schools and non-charter schools. This filter for “charter schools” seems to work for the 2018-19 data set, but not for 2017-18. Even if this particular filter worked properly for each school year, it should be noted that the data labeling within the data sets, is inconsistent. For example, in 2017-18 RVC is listed as a “locally funded charter school” (i.e. a dependent charter). In 2018-19, RVC is listed as a “direct funded charter school” (i.e. an independent charter). This discrepancy was found through analysis of the very large and unwieldy raw data sets (e.g. research files) located on the CDE website.

ethnicity is other than “white” and students with disabilities. While these students may be tested, grade-level and/or the subgroups scores are not reported.<sup>27</sup>



As a result, only cumulative data is available. Moreover, the CDE’s CAASPP website does not allow for in-depth analysis and the raw data research files are inconsistent. (See FN.25.)

A single year of growth for three of seven grade levels served by charter school that has been authorized to operate for five years is inadequate to demonstrate year over year growth with any degree of reliability or validity as required to meet the accountability standards of the Charter Schools Act. As stated by the court in *Wilson v. State Board of Education* (1999) 75 Cal.App.4th 1125, 1129, citing the Little Hoover Report, “Simple in theory, complex in practice, charter schools promise academic results in return for freedom from bureaucracy.” (See also, Ed. Code, §47601.) The District has not been provided evidence of year over year growth for all students and all subgroups to be able to confirm that RVC has met the academic performance requirements of Education Code sections 47607 and 47607.2 for its five year term.

## **CONCLUSION**

While the above limited academic indicators were taken into consideration, as explained, the information is incomplete/inadequate to support a valid and reliable finding that RVC has demonstrated year over year growth for all of its students or subgroups of students over its five year term. Even to accept RVC as a “middle performing” charter, Education Code section 47607(e) provides that a charter petition may be denied renewal upon a finding that the school is demonstrably unlikely to successfully implement its program due to substantial fiscal or governance factors, or is not serving all pupils who wish to attend, notwithstanding Education Code section 47607.2. The facts demonstrate the findings of substantial fiscal and governance factors, as detailed herein, together with the Charter School failure to serve all pupils who wish to attend by virtue of its limited accessibility and demonstrated by its disaggregated data, support the District’s recommendation to deny the Petition as demonstrably unlikely to successfully implement the program. Furthermore, serious fiscal, governance, and pupils issues are of such fundamental and significant concern that they show RVC to be demonstrably unlikely to successfully implement the program and further undermine and place at risk RVC’s overall operations such that future academic

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<sup>27</sup>See, e.g., <https://www.caschooldashboard.org/reports/21770650135350/2019/academic-performance#english-language-arts>

achievement is unlikely. These substantial issues outweigh any academic performance offered by the Charter School.

For the reasons stated above, the facts and findings support the conclusions that: RVC is demonstrably unlikely to successfully implement the program set forth in the Petition due to substantial fiscal and governance factors; RVC is not equipped to and has not served all students who wish to attend; the Charter School did not propose or comply with corrective action and therefore did not successfully respond to the NOAV; Petitioners are further demonstrably unlikely to successfully implement the program set forth in the Petition as the Petition is not supported by a reasonable fiscal plan and does not reflect the requisite understanding of relevant law to successfully administer the program; and, the Petition does not contain reasonably comprehensive descriptions of the required charter elements. (Ed. Code, § 47605(c)(2) and (5).) Accordingly, it is recommended that the Petition be **denied**. Should the Board take action to deny the Petition, it is recommended that the Board adopt this staff report as the written factual findings in support of the denial of the Petition.

# **EXHIBIT “A”**



**SPECIAL MEETING  
BOARD OF TRUSTEES  
ROSS VALLEY CHARTER SCHOOL**

**April 2, 2020 7 p.m.**

**Ross Valley Charter School 102 Marinda Drive, Fairfax, CA  
For Agenda and Supplemental Materials to go:**

<https://sites.google.com/a/rossvalleycharter.org/rvc-board-docs/2020-04-02-special-meeting>

**Board Members:**

**Sharon Sagar, Chair**

**Amy Gramajo**

**Kristi Kimball**

**John Kirk**

**Cheryl Flick**

**Sonya Stanley**

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

The Ross Valley Charter School ("School") welcomes your participation at the School's Board meetings. The purpose of a public meeting of the Board of Trustees ("Board") is to conduct the affairs of the School in public. Your participation assures us of continuing community interest in our School.

A few agendas are available at the door to the meeting. Supplementary materials will not be available in paper form.

When addressing the Board, speakers are requested to state their name and city, adhere to the time limits set forth and respect the Meeting Norms and Procedural Guidelines outlined below in the Section on Communications.

**As a result of Statewide directives regarding "shelter in place" in relation to the COVID-19 pandemic, this meeting will be conducted virtually (all Board Members and Staff will connect remotely.) Public comments addressing items on the agenda may be forwarded via email to [sharon.sagar@rossvalleycharter.org](mailto:sharon.sagar@rossvalleycharter.org) in advance of the scheduled meeting start time. As this is a special meeting, public comments are limited to items on the agenda.**

**I. PRELIMINARY**  
**A. CALL TO ORDER**

**B. TRUSTEE ROLL CALL**

	Present(Remotely)	Absent
Kristi Kimball	_____	_____
John Kirk	_____	_____
Cheryl Flick	_____	_____
Amy Gramajo	_____	_____
Sharon Sagar, Chair	_____	_____
Sonya Stanley	_____	_____

**C. APPROVAL OF AGENDA OF SPECIAL BOARD MEETING OF APRIL 2, 2020.**  
**VOTE**

**II. COMMUNICATION**

**A. REVIEW of MEETING NORMS**

1. Speak respectfully, avoiding blame and inflammatory language and raised voices.
2. Listen respectfully without interrupting.
3. Listen actively and try to understand others' views.
4. Don't roll your eyes, make faces or audibly react while someone is speaking.
5. Be concise when it is your turn to speak.
6. Assume others' good intentions.
7. Keep on the topic under discussion.
8. Politely enforce ground rules.
9. Remember to mute cell phones.

**B. REVIEW PROCEDURAL GUIDELINES for Public Discussion on Agendized Items**

1. Presentation by Staff, Officers or Guest Presenters
2. Board discussion, questions, clarifications
3. All Public Comment taken at once. Individuals will be limited to three minutes per speaker unless Board Chair determines that the number of speakers warrants a reduction to a lesser amount of time. The board or Officers will not respond during public comment time. Questions will be noted and answered as outlined in next bullet.
4. Board or officers attempt to answer questions regarding agendized items. Questions that seek information or clarifications will attempt to be answered. Questions that are deemed to violate meeting norms above or to be argumentative in nature will not be responded to.
5. Any remaining Board discussion, questions, clarifications, deliberation and motion

and vote if appropriate.

C. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA:

As this is a Special Meeting, all comments should only be related to items on the agenda. We request that comments be sent by email prior to the meeting in order for us to incorporate addressing them during the meeting.

D. For Information: School Director

This is a presentation of information and activities that have occurred since the previous Board meeting. These topics are informational only and no action will be taken by the board.

E. For Information: Board/Staff Information Updates

Board and staff present information updates since the previous Board meeting.

**III. GENERAL ITEMS**

A. ENROLLMENT REPORT AND 2020/21 CLASS CONFIGURATION UPDATE

Staff will present the March enrollment report followed by a 2020/21 class number and size discussion.

DISCUSSION

B. LCAP UPDATE

We will discuss any recommended modification to our LCAP plan cycle given the conditions imposed by stay-in-place orders.

DISCUSSION

C. REVIEW OF POTENTIAL COVID-19 RELATED IMPACTS ON BUDGET

The operational and related financial impacts of COVID-19 require that we review how this has changed our current year budget assumptions.

DISCUSSION/VOTE

D. APPOINT CONN HICKEY AS BUSINESS OFFICIAL and AS AN AUTHORIZED SIGNER ON THREE WESTAMERICA ACCOUNTS

We recommend appointing Conn Hickey as our Business Official, in which capacity he will code debits and credits in the GL system as appropriate, provide back up on these transactions to EdTec for control purposes, and oversee the management of our balances in our three bank accounts by transferring funds between them. The three accounts are our normal business checking account, our bank account that is used for our debit card which the School Director and Office Manager have, and our money market account that collects some interest. He will prepare financial reports for review by the board and school director.

He will also coordinate the collection of In-Lieu of Property Taxes from basic aid districts. All external checks will continue to require two signatures and this position will not include check signing authority or authority to sign contracts and other agreements committing the school. This will be a volunteer position.

DISCUSSION/VOTE

E. ELECTION OF A NEW TREASURER

Cheryl Flick has resigned as Treasurer and our by-laws require the corporation to have a treasurer. Board Member Kirk has volunteered to fill this role and staff recommends his election by the board.

DISCUSSION/VOTE

**IV. CONSENT AGENDA ITEMS**

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

None

**V. FUTURE MEETING NEEDS AND TOPICS** – trustee requests of topics for future meetings

**VI. MEETING REVIEW AND EVALUATION**

A. Quick Evaluation of Meeting to improve process for future meetings

**VII. ADJOURNMENT**



**MINUTES OF THE SPECIAL MEETING  
BOARD OF TRUSTEES  
ROSS VALLEY CHARTER SCHOOL**

**Ross Valley Charter School 102 Marinda Drive, Fairfax CA  
For Agenda and Supplemental Materials go to:**

<https://sites.google.com/a/rossvalleycharter.org/rvc-board-docs/2020-04-02-special-meeting>

**April 2, 2020 7:04 P.M. via Zoom video conference**

**Board Members:**

- Sharon Sagar, Chair**
- Amy Gramajo**
- Kristi Kimball**
- John Kirk**
- Cheryl Flick**
- Sonya Stanley**

**I. PRELIMINARY**

**A. CALL TO ORDER**

**B. TRUSTEE ROLL CALL**

	Present	Absent
Kristi Kimball	X	_____
Amy Gramajo	X_____	_____
John Kirk	X_____	_____
Cheryl Flick	X_____	_____
Sharon Sagar, Chair	X_____	_____
Sonya Stanley	X_____	_____

**C. APPROVAL OF AGENDA OF REGULAR BOARD MEETING OF April 2, 2020.**

Approval of the Agenda was duly moved, seconded and approved 4-0-2 (Ms. Kimball and Ms. Gramajo not yet present)

**II. COMMUNICATION**

- C. No public comment on items not on the agenda.
- D. For Information: School Director

- Two months of distance learning ahead.
- Surveyed families, 65 responses spanning broad range of needs.
- Torri and Marilyn reaching out to families needing support. Community Council working to connect families.
- Streamlining communications; families are overwhelmed.
- Sarah Foley rewrote all IEPs, adjusting service minutes and connecting with teachers.
- Jen Wolf providing lunches to FRPL eligible families daily.
- Teachers putting in a lot of hours and navigating resources.
- Got Chromebooks out to families. 10% have connectivity issues. Exploring free wifi: Google, Xfinity, Sonic; may buy household hotspots.
- Hiring two new teachers, posted on EdJoin. Video chats next week.

### **III. GENERAL ITEMS**

#### **A. ENROLLMENT REPORT AND 2020/21 CLASS CONFIGURATION – see chart**

- 212 projection based on 77% confirmed enrollment.
- 9 standard classrooms; 3 full TK/K/1s and under-enrolled 4/5s.
- Non-standard arrangement distributes class sizes more evenly.
- Offering admission to 15 second enrollment period applicants.

No public comment.

#### **B. LCAP UPDATE**

- RVC's LCAP is tied to our charter petition.
- Extended and waiting to get feedback

No public comment

#### **C. REVIEW OF POTENTIAL COVID-19 RELATED IMPACTS ON BUDGET – see reports**

- Review current year budget assumptions
- Changes in after school program: less revenue.
- Change in substitute teacher needs.
- Budgeting less for Torri Chappell, learning specialist.
- No Walker Creek
- Lower mental health costs
- \$51K surplus this year.
- State and Federal rescue funds
  - Federal money coming for Title 1
  - CARES Act: Small business admin and not for profits. Applying for 2.5 months of payroll expenses. Bank is a SPA approved lender.
  - 75% of money must be in personnel retention.
  - Loan with first 8 weeks forgiven.
- 3-year budget: 1.5 million is compensation.

- Donations to date assuming nothing further than half of projected auction revenue.
- Does not include \$10K SBA money.
- Edtec recommends preparing for 7% decline in ADA.
- Increased health care costs.
- State is in free fall. No decisions to be made tonight. Will know more in 6 weeks.
- Bank \$55K reserve for whatever comes next year.
- No decision on raises.
- Need to keep doing what we're doing; supporting teachers, planting seeds, budget cuts where possible.
- Economic downturn is hitting the service economy and our families hard.

No public comment

#### D. APPOINT CONN HICKEY AS BUSINESS OFFICIAL and AS AN AUTHORIZED SIGNER ON THREE WESTAMERICA ACCOUNTS

- Coding debits and credits in the GL.
- Oversee bank accounts and prepare financial reports.
- Coordinate collection of In-Lieu property taxes from basic aid districts.
- This is a volunteer position.

No public comment

Approval of Conn Hickey's appointment as RVC Business Official and authorized bank signer was duly moved, seconded and approved 6-0-0.

#### E. ELECTION OF A NEW TREASURER

- Cheryl Flick has resigned as Treasurer.
- Board member Kirk has volunteered to fill this role. Staff recommends his election by the board.

Approval of John Kirk's appointment as RVC Treasurer was duly moved, seconded and approved 6-0-0

#### **IV. CONSENT AGENDA ITEMS**

None

#### **VI. FUTURE MEETING NEEDS AND TOPICS**

- Enrollment and ADA update

Meeting adjourned 9:02 P.M.



# **EXHIBIT “B”**

## PPP Application

Reference #	12494090
Status	Complete
I have read and understand the purpose of this form. Loan is subject to funding availability by the Small Business Administration CARES Act.	Yes, I understand
Westamerica Business Checking Account Number	
Business Type	501(c)(3) nonprofit
Business Legal Name	Ross Valley Charter School
Business TIN (EIN, SSN)	471755679
Business Address	25 Deer Park Lane
City	Fairfax
State	California
Zip Code	94930
Primary Contact Email Address	<a href="mailto:conn.hickey@rossvalleycharter.org">conn.hickey@rossvalleycharter.org</a>
By providing your email address, you are agreeing to receive all correspondence, communications and loan documentation via email.	I Agree
Primary Contact First Name	Conn

Primary Contact Last Name	Hickey
Primary Contact Phone	
Average Monthly Payroll	116994
x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request	292485.23
Number of Employees	24
Purpose of Loan (may select more than one)	<ul style="list-style-type: none"> <li>• Payroll</li> <li>• Lease/Mortgage Interest</li> <li>• Utilities</li> </ul>
If other, explain:	This is just a note to let you know that our school is located at 102 Marinda Dr., Fairfax, CA. This was previously used for St. Rita's school. The Deer Park lane address is what is listed in both state incorporation and the IRS lists. We do get mail there but either address works for us. Thank you. Conn Hickey
Controlling Person First Name	Luke
Controlling Person Last Name	Duchene
Controlling Person Title	School Director, President
Controlling Person Email Address	<a href="mailto:luke.duchene@rossvalleycharter.org">luke.duchene@rossvalleycharter.org</a>
Controlling Person Street Address (no P.O. box)	102 Marinda Drive., Fairfax, CA
Controlling Person Address Line 2	He is a signatory on the
Controlling Person City	Fairfax
Controlling Person State	California
Controlling Person Zip Code	94930
Controlling Person TIN (EIN, SSN)	
ID Type	Driver's License
ID Number	

Issue Date

---

Expiration Date

---

Upload Photo ID

---

Owner First Name 501(c)(3)Not for profit - no owner

---

Owner Last Name Other account signatories are on file at WAB

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1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy? No

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2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government? No

---

3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship below. No

---

4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details below. No

---

5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? No

---

Initial here to confirm your response

CBH

6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)?

No

Initial here to confirm your response

CBH

7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?

Yes

8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?

No

Initial

CBH

Initial

CBH

Initial

CBH

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Initial

C B H

Initial

C B H

Signature of Authorized Representative of Applicant



Type Name

Conn B. Hickey, School Business Official

Last Update

2020-04-09 10:48:41

Start Time

2020-04-09 10:14:24

Finish Time

2020-04-09 10:48:40

IP

Anonymous

Browser

Other

OS

Other

Referrer

N/A

# **EXHIBIT “C”**

**From:** [Westamerica Bank](#)  
**To:** [conn.hickey@rossvalleycharter.org](mailto:conn.hickey@rossvalleycharter.org)  
**Subject:** Paycheck Protection Program - Application Received  
**Date:** Thursday, April 9, 2020 4:24:07 PM

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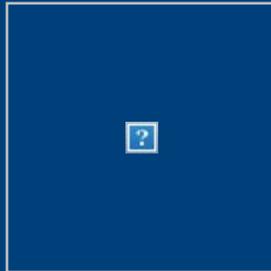
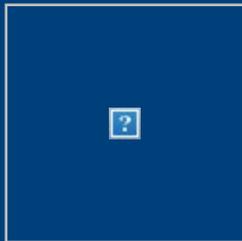
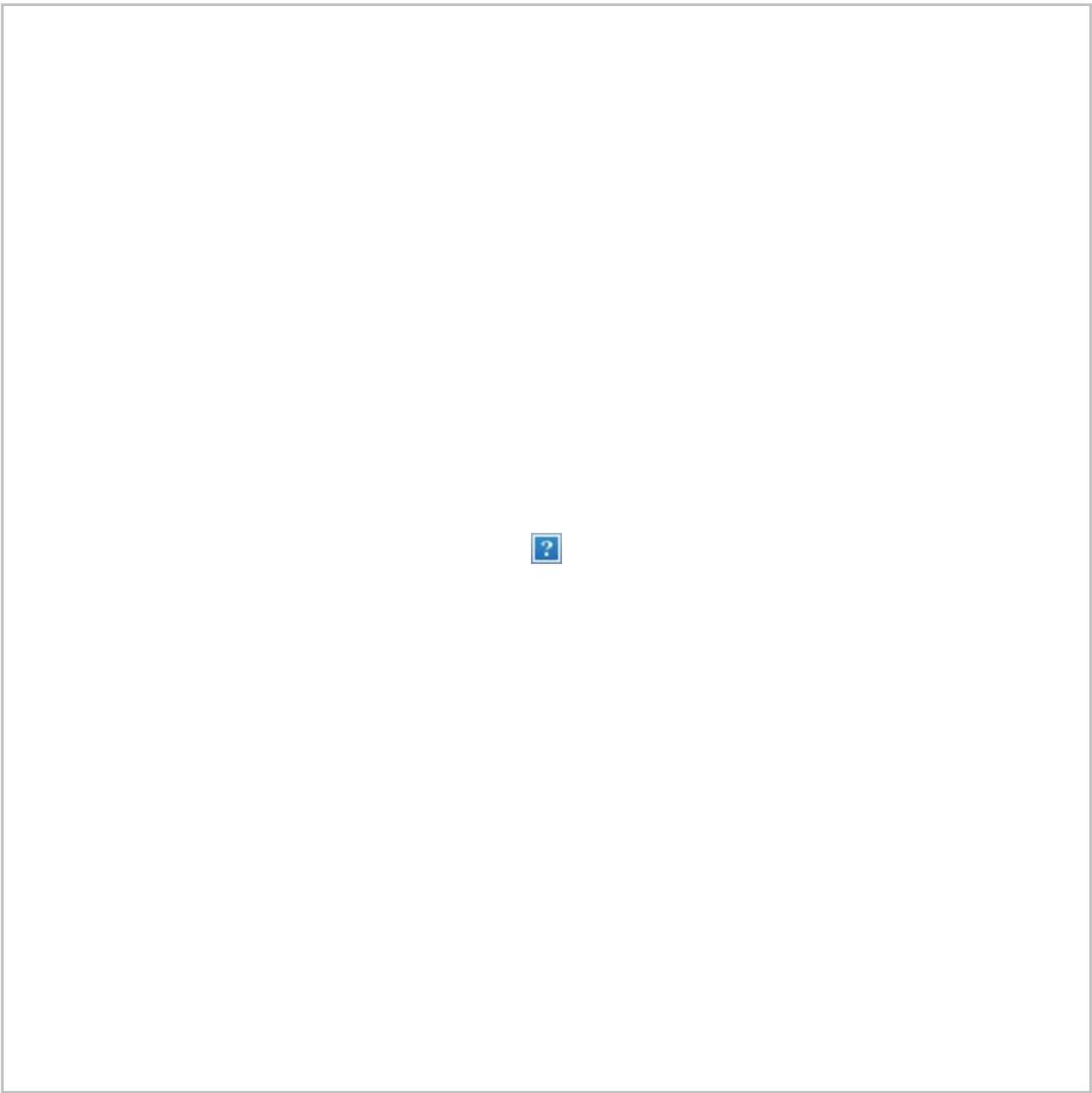
## Paycheck Protection Program Application

We are writing to confirm receipt of your application for the SBA CARES Paycheck Protection Program. We are processing applications in the order they were received. Due to the high volume of applications, please allow three business days for a status update. You will be contacted by the bank via email if we need additional information to process your application.

### **Important Information about the Paycheck Protection Program:**

The Paycheck Protection Program is administered by the SBA and is limited to an authorized funding amount. The SBA has indicated that loans under the Paycheck Protection Program will be made available on a first come, first served basis. Given the limitations on SBA authorized funding and the significant volume of applications already submitted to Westamerica Bank and other lenders, **not every qualified applicant will receive loan proceeds under the program.**

Thank you for your patience as we work to provide the best service to all of our customers.



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**Our mailing address is:**  
Westamerica Bank

PO Box 1200  
Suisun City, CA 94585

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Westamerica Bank · 4550 Mangels Boulevard · A2H · Fairfield, CA 94534 · USA

# **EXHIBIT “D”**

**From:** [Westamerica Bank](#)  
**To:** [conn.hickey@rossvalleycharter.org](mailto:conn.hickey@rossvalleycharter.org)  
**Subject:** Paycheck Protection Program  
**Date:** Thursday, April 16, 2020 12:29:26 PM

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## **Paycheck Protection Program - Loan Application**

We are writing about your loan application for the SBA CARES Act Paycheck Protection Program. We received notification from the Small Business Administration that the program funding limits were reached on Thursday, April 16, 2020 and the SBA is no longer accepting applications.

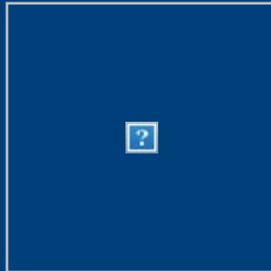
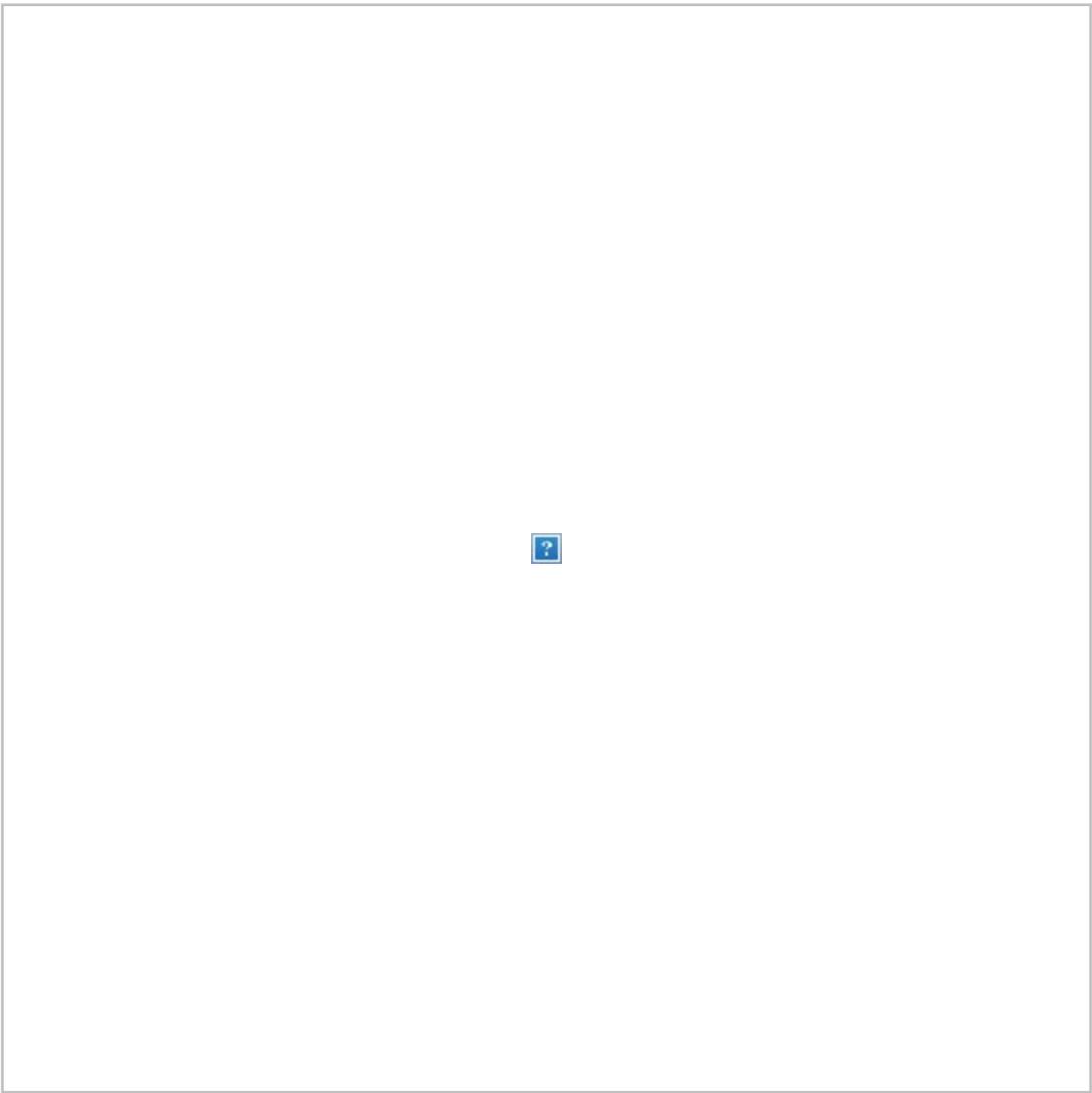
Westamerica will continue processing and preparing submitted applications. In the event the program receives additional funding and program rules and guidance allow us to do so, we will resume submission to the SBA for loan guaranty and approval.

Thank you for your patience as we work to provide the best service to our customers.

Sincerely,

Westamerica Bank  
1 (800) 848-1088

*The Paycheck Protection Program is administered by the SBA and is limited to an authorized funding amount. The SBA has indicated that loans under the Paycheck Protection Program will be made available on a first come, first served basis. Given the limitations on SBA authorized funding and the significant volume of applications already submitted to Westamerica Bank and other lenders, not every qualified applicant will receive loan proceeds under the program.*



---

**Our mailing address is:**  
Westamerica Bank

PO Box 1200  
Suisun City, CA 94585

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# **EXHIBIT “E”**



Conn Hickey &lt;conn.hickey@rossvalleycharter.org&gt;

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**Paycheck Protection Program Loan Application – Information Request #12494090**

1 message

**SBA Lending** <SBA.Lending@westamerica.com>

Sun, Apr 19, 2020 at 9:52 AM

To: "conn.hickey@rossvalleycharter.org" &lt;conn.hickey@rossvalleycharter.org&gt;

We received notification from the Small Business Administration that the SBA CARES Act Paycheck Protection Loan program funding limits were reached on Thursday, April 16, 2020 and they are no longer accepting applications.

**Westamerica will continue processing and preparing submitted applications.**

In the event the program receives additional funding and program rules and guidance allow us to do so, we will resume submission to the SBA for loan guaranty and approval.

We have received your application for processing and data verification. Your business appears to meet the criteria for a PPP loan, however we need additional information from your business to complete our processing:

Documentation submitted with your application supports a maximum loan amount of: \$270,653.00.

-

**You may accept this loan amount or you may complete the attached Payroll Calculation Worksheet and return to us with corresponding documentation of 2019 payroll.**

- If this loan amount is acceptable to you, please respond to this message stating the reduced loan amount is acceptable. We will proceed with our processing.
- You may complete and submit the attached Payroll Calculation Worksheet which shows your calculations of your original loan request. Respond directly to this message requesting an additional review with the completed worksheet and corresponding documentation of 2019 payroll.

If you would like to submit documents containing non-public information via a secure document portal, please notify us by replying to this email and we will send you a link.

The Paycheck Protection Program is administered by the SBA and is limited to an authorized funding amount as designated by the federal government. The SBA has indicated that loans under the Paycheck Protection Program will be made available on a first come, first served basis. Given the limitations on SBA authorized funding and the significant volume of applications already submitted to Westamerica Bank and other lenders, not every qualified applicant will receive loan proceeds under the program.

Sincerely,

Westamerica Bank

1 (800)848-1088

*The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of age (provided the applicant has the capacity to enter into a binding contract); color, religion, national origin, sex, marital status; because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning Westamerica Bank is: Federal Reserve Consumer Help Center, PO Box 1200, Minneapolis, MN 55840.*



**Loan Availability Guideline Fill In.pdf**  
199K

# **EXHIBIT “F”**



## **April 20, 2020 Budget Draft Key Assumptions:**

What follows is a four year budget with the following assumptions.

1. 2019-20 revenues remain as budgeted. This budget includes some state and federal aid for COVID 19. \$3K state money for uses related to COVID19 and \$8,000 from CARES Act. ADA is actual P2.
2. 2020-21 state LCFF cola is reduced by 5%, and cola for the next four years is zero. This is the current EdTec recommendation. Eric Premack of CSDC is recommending budgeting between zero and minus 10-20%. At minus 10%, many large school districts will likely fail, unless legislature suspends requirement to provide pink slips to tenured teachers by March 15.
3. *2020-25 salaries have no increase.*
4. Non-Compensation expense rise at 1.5% per year, except health insurance costs to RVC which go up 4% per year.
5. Assumes enrollment of 215 next year and 222 the year after in 9 classrooms. ADA% is 95%, This year we closed at 94.88%, up from 94.14 in 18-19.
6. Assumes two new teachers starting next year, each earning \$68K per year with health benefits
7. No Spanish teachers (saves around \$12K per year) but art and music continue as is. There is \$51 budgeted for classroom aids, which is two classroom special education aids and two math aids, which is what we have now.
8. It includes a new expense line called Director's Contingency (Account # 5826) of \$10k, \$40, \$40K, \$30K, and \$30K in the 5 out years to fund surprises like further cola reductions. 2% additional cola reduction is around \$35K
9. The budget assumes a \$300,000 PCSD loan to fund a \$300,000 ADA project, depreciated over 8 years. There is also a 4%, 3 year amortizing \$100K loan assumed at the end of 2023-24 to pay off the PCSD loan and keep our cash flow positive in 2024-25. The elements of the project have now been estimated and \$300K seems to be a reasonable cap.
10. The resulting forecast retains a 12% minimum reserve throughout the 6 years.

The various rate assumptions are on page 9 below and the cash flow starts on page 11.

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>SUMMARY</b>						
<b>Revenue</b>						
LCFF Entitlement	1,614,981	1,711,514	1,755,252	1,750,352	1,748,366	1,745,882
Federal Revenue	45,000	41,125	43,875	44,750	44,750	44,750
Other State Revenues	144,236	163,546	169,219	169,442	169,550	169,550
Local Revenues	148,489	209,193	209,193	209,193	209,193	209,193
Fundraising and Grants	180,525	203,800	210,240	210,240	210,240	210,240
<b>Total Revenue</b>	<b>2,133,231</b>	<b>2,329,178</b>	<b>2,387,779</b>	<b>2,383,977</b>	<b>2,382,099</b>	<b>2,379,615</b>
<b>Expenses</b>						
Compensation and Benefits	1,518,231	1,619,341	1,620,226	1,624,468	1,628,879	1,623,731
Books and Supplies	21,390	30,943	29,715	30,100	30,492	30,889
Services and Other Operating Expenditures	526,638	614,964	656,706	669,056	671,800	684,916
Depreciation	5,015	41,738	44,863	44,863	41,576	38,280
Other Outflows	-	14,220	4,976	4,257	3,856	3,311
<b>Total Expenses</b>	<b>2,071,274</b>	<b>2,321,205</b>	<b>2,356,485</b>	<b>2,372,743</b>	<b>2,376,602</b>	<b>2,381,127</b>
<b>Operating Income</b>	<b>61,957</b>	<b>7,973</b>	<b>31,293</b>	<b>11,234</b>	<b>5,496</b>	<b>(1,513)</b>
<b>Fund Balance</b>						
Beginning Balance (Unaudited)	204,167	266,124	274,097	305,390	316,624	322,120
Audit Adjustment						
Beginning Balance (Audited)	204,167	266,124	274,097	305,390	316,624	322,120
Operating Income	61,957	7,973	31,293	11,234	5,496	(1,513)
<b>Ending Fund Balance</b>	<b>266,124</b>	<b>274,097</b>	<b>305,390</b>	<b>316,624</b>	<b>322,120</b>	<b>320,608</b>
<b>Total Revenue Per ADA</b>	11,615	11,404	11,322	11,304	11,295	11,283
<b>Total Expenses Per ADA</b>	11,278	11,365	11,173	11,251	11,269	11,290
<b>Operating Income Per ADA</b>	337	39	148	53	26	(7)
<b>Fund Balance as a % of Expenses</b>	13%	12%	13%	13%	14%	13%

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Key Assumptions</b>						
<b>Enrollment Breakdown</b>						
TK	10	13	-	6	6	6
K	27	36	36	30	30	30
1	31	32	36	36	36	36
2	35	34	36	36	36	36
3	29	41	36	36	36	36
4	29	32	39	39	39	39
5	34	28	39	39	39	39
<b>Total Enrolled</b>	<b>195</b>	<b>215</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>
<b>ADA %</b>						
K-3	93.7%	95.0%	95.0%	95.0%	95.0%	95.0%
4-6	95.3%	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Average ADA %</b>	<b>94.2%</b>	<b>95.0%</b>	<b>95.0%</b>	<b>95.0%</b>	<b>95.0%</b>	<b>95.0%</b>
<b>ADA</b>						
K-3	124	147	137	137	137	137
4-6	60	57	74	74	74	74
<b>Total ADA</b>	<b>184</b>	<b>204</b>	<b>211</b>	<b>211</b>	<b>211</b>	<b>211</b>
<b>Demographic Information</b>						
CALPADS Enrollment (for unduplicated % calc)	193	215	222	222	222	222
# Unduplicated (CALPADS)	63	62	65	62	60	60
# Free & Reduced Lunch (CALPADS)	55	61	63	63	63	63
# ELL (CALPADS)	33	37	38	38	38	38
New Students	35	22	7	-	-	-
<b>School Information</b>						
FTE's	18.7	19.6	19.5	19.5	19.5	19.5
Teachers	10	11	11	11	11	11
Certificated Pay Increases		0%	0%	0%	0%	0%
Classified Pay Increases		0%	0%	0%	0%	0%
# of school days	179	179	179	179	179	179
Default Expense Inflation Rate		2%	2%	2%	2%	2%

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>REVENUE</b>						
<b>LCFF Entitlement</b>						
8011 Charter Schools General Purpose Entitlement - State Aid	1,412,910	1,507,264	1,544,352	1,539,452	1,537,466	1,534,982
8012 Education Protection Account Entitlement	36,732	40,850	42,180	42,180	42,180	42,180
8019 State Aid - Prior Years	45	-	-	-	-	-
8096 Charter Schools in Lieu of Property Taxes	165,294	163,400	168,720	168,720	168,720	168,720
<b>SUBTOTAL - LCFF Entitlement</b>	<b>1,614,981</b>	<b>1,711,514</b>	<b>1,755,252</b>	<b>1,750,352</b>	<b>1,748,366</b>	<b>1,745,882</b>
<b>Federal Revenue</b>						
8181 Special Education - Entitlement	20,000	24,125	26,875	27,750	27,750	27,750
8291 Title I	15,000	15,000	15,000	15,000	15,000	15,000
8293 Title III	2,000	2,000	2,000	2,000	2,000	2,000
8296 COVID funds 80% 19-20 Titile 1	8,000	-	-	-	-	-
<b>SUBTOTAL - Federal Revenue</b>	<b>45,000</b>	<b>41,125</b>	<b>43,875</b>	<b>44,750</b>	<b>44,750</b>	<b>44,750</b>
<b>Other State Revenue</b>						
8319 Other State Apportionments - Prior Years	-	-	-	-	-	-
8381 Special Education - Entitlement (State)	98,809	112,746	116,417	116,417	116,417	116,417
8550 Mandated Cost Reimbursements	2,597	3,168	3,619	3,843	3,950	3,950
8560 State Lottery Revenue	39,708	44,160	45,597	45,597	45,597	45,597
8590 All Other State Revenue	3,122	3,472	3,585	3,585	3,585	3,585
<b>SUBTOTAL - Other State Revenue</b>	<b>144,236</b>	<b>163,546</b>	<b>169,219</b>	<b>169,442</b>	<b>169,550</b>	<b>169,550</b>
<b>Local Revenue</b>						
8660 Interest	1,500	1,500	1,500	1,500	1,500	1,500
8676 After School Program Revenue	138,500	192,000	192,000	192,000	192,000	192,000
8693 Field Trip Donations	-	8,693	8,693	8,693	8,693	8,693
8699 All Other Local Revenue	1,489	-	-	-	-	-
8701 All Script	7,000	7,000	7,000	7,000	7,000	7,000
<b>SUBTOTAL - Local Revenue</b>	<b>148,489</b>	<b>209,193</b>	<b>209,193</b>	<b>209,193</b>	<b>209,193</b>	<b>209,193</b>
<b>Fundraising and Grants</b>						
8801 Donations - Family	132,600	146,200	150,960	150,960	150,960	150,960
8802 Donations - Private	6,000	6,000	6,000	6,000	6,000	6,000
8803 Fundraising	-	-	-	-	-	-

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
8804 Fundraising - Fund Development	-	-	-	-	-	-
8811 Net Readathon Revenue	37,050	40,850	42,180	42,180	42,180	42,180
8812 Net Auction Revenue	4,875	10,750	11,100	11,100	11,100	11,100
<b>SUBTOTAL - Fundraising and Grants</b>	<b>180,525</b>	<b>203,800</b>	<b>210,240</b>	<b>210,240</b>	<b>210,240</b>	<b>210,240</b>
<b>TOTAL REVENUE</b>	<b>2,133,231</b>	<b>2,329,178</b>	<b>2,387,779</b>	<b>2,383,977</b>	<b>2,382,099</b>	<b>2,379,615</b>

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>EXPENSES</b>						
<b>Compensation &amp; Benefits</b>						
<b>Certificated Salaries</b>						
1100 Teachers Salaries	660,748	714,630	714,630	714,630	714,630	714,630
1103 Teacher - Substitute Pay	6,591	8,250	8,250	8,250	8,250	8,250
1148 Teacher - Special Ed	109,980	109,980	109,980	109,980	109,980	109,980
1200 Certificated Pupil Support Salaries	35,419	34,632	34,632	34,632	34,632	34,632
1300 Certificated Supervisor & Administrator Salaries	112,200	112,200	112,200	112,200	112,200	112,200
<b>SUBTOTAL - Certificated Salaries</b>	<b>924,938</b>	<b>979,692</b>	<b>979,692</b>	<b>979,692</b>	<b>979,692</b>	<b>979,692</b>
<b>Classified Salaries</b>						
2101 Classified - Electives	69,100	63,770	61,995	61,995	61,995	61,995
2103 Classified - Classroom Aides	64,415	51,737	51,737	51,737	51,737	51,737
2300 Classified Supervisor & Administrator Salaries	54,863	59,850	59,850	59,850	59,850	59,850
2400 Classified Clerical & Office Salaries	43,000	44,000	44,000	44,000	44,000	44,000
2905 Other Classified - After School	36,495	51,810	51,810	51,810	51,810	51,810
2930 Custodian	24,600	24,600	24,600	24,600	24,600	24,600
<b>SUBTOTAL - Classified Salaries</b>	<b>292,472</b>	<b>295,767</b>	<b>293,992</b>	<b>293,992</b>	<b>293,992</b>	<b>293,992</b>
<b>Employee Benefits</b>						
3100 STRS	157,935	180,263	177,324	177,324	177,324	177,324
3300 OASDI-Medicare-Alternative	35,869	36,832	36,696	36,696	36,696	36,696
3400 Health & Welfare Benefits	80,359	100,260	106,038	110,279	114,690	119,278
3500 Unemployment Insurance	12,050	11,222	11,201	11,201	11,201	1,466
3600 Workers Comp Insurance	14,609	15,306	15,284	15,284	15,284	15,284
<b>SUBTOTAL - Employee Benefits</b>	<b>300,822</b>	<b>343,882</b>	<b>346,543</b>	<b>350,784</b>	<b>355,195</b>	<b>350,048</b>
<b>Books &amp; Supplies</b>						
4100 Approved Textbooks & Core Curricula Materials	1,370	1,075	1,127	1,144	1,161	1,178
4200 Books & Other Reference Materials	-	1,505	1,577	1,601	1,625	1,649
4320 Educational Software	500	1,000	1,015	1,030	1,046	1,061
4325 Instructional Materials & Supplies	2,000	4,300	4,507	4,574	4,643	4,712
4326 Art & Music Supplies	1,000	1,500	1,523	1,545	1,569	1,592

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
4330 Office Supplies	1,500	2,000	1,200	1,218	1,236	1,255
4335 PE Supplies	-	360	365	371	376	382
4346 Teacher Supplies	3,200	4,000	4,000	4,000	4,000	4,000
4410 Classroom Furniture, Equipment & Supplies	120	2,000	1,000	1,015	1,030	1,046
4420 Computers: individual items less than \$5k	-	1,500	1,523	1,545	1,569	1,592
4430 Non Classroom Related Furniture, Equipment & Supplies	1,000	1,000	1,015	1,030	1,046	1,061
4710 Student Food Services	10,500	10,500	10,658	10,817	10,980	11,144
4720 Other Food	200	203	206	209	212	215
<b>SUBTOTAL - Books and Supplies</b>	<b>21,390</b>	<b>30,943</b>	<b>29,715</b>	<b>30,100</b>	<b>30,492</b>	<b>30,889</b>
<b>Services &amp; Other Operating Expenses</b>						
5200 Travel & Conferences	250	1,000	1,015	1,030	1,046	1,061
5300 Dues & Memberships	1,800	1,827	1,854	1,882	1,910	1,939
5450 Insurance - Other	21,000	21,315	22,168	23,054	23,976	24,936
5515 Janitorial, Gardening Services & Supplies	2,500	2,538	2,576	2,614	2,653	2,693
5525 Utilities - Waste	4,400	4,466	4,533	4,601	4,670	4,740
5535 Utilities - PGE & Sewer	12,000	15,500	15,733	15,968	16,208	16,451
5605 Equipment Leases	4,500	4,568	4,636	4,706	4,776	4,848
5610 Rent	168,980	187,625	193,254	199,051	205,023	211,174
5615 Repairs and Maintenance - Building	3,000	5,125	5,202	5,280	5,359	5,439
5803 Accounting Fees	12,600	13,600	13,804	14,011	14,221	14,435
5805 SELPA and other administrative Fees	3,780	4,267	4,472	4,539	4,607	4,676
5812 Business Services	65,025	67,626	70,331	73,144	76,070	79,113
5824 CDE Oversight Fees	16,150	17,115	17,553	17,504	17,484	17,459
5826 Directors Contingency	-	10,000	40,000	40,000	30,000	30,000
5828 Aftercare Expenses	7,400	1,025	1,040	1,056	1,072	1,088
5829 After school Enrichment Program	82,000	120,000	120,000	120,000	120,000	120,000
5830 Field Trips Expenses	800	15,595	15,829	16,066	16,307	16,552
5836 Fingerprinting	-	200	203	206	209	212
5843 Interest - Loans	1,000	900	-	-	-	-
5845 Legal Fees	5,000	5,075	5,151	5,228	5,307	5,386
5851 Marketing and Student Recruiting	15,500	15,733	15,968	16,208	16,451	16,698
5854 Counselling Contracting	5,890	14,700	14,921	15,144	15,371	15,602
5855 MH SPED Contractors	5,000	5,075	5,151	5,228	5,307	5,386
5857 Payroll Fees	3,240	3,289	3,338	3,388	3,439	3,490
5861 Prior Yr Exp (not accrued)	13,259	5,000	5,075	5,151	5,228	5,307
5863 Professional Development	9,000	15,000	15,225	15,453	15,685	15,920

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
5869 Special Education Contract Instructors	43,000	35,255	35,784	36,321	36,865	37,418
5875 Staff Recruiting	1,300	700	711	721	732	743
5880 Student Health Services	1,200	1,218	1,236	1,255	1,274	1,293
5881 Student Information System	3,664	3,719	3,775	3,831	3,889	3,947
5887 Technology Services	2,000	4,100	4,162	4,224	4,287	4,352
5910 Communications - Internet / Website Fees	5,000	5,075	5,151	5,228	5,307	5,386
5915 Postage and Delivery	400	645	676	686	696	707
5920 Communications - Telephone & Fax	6,000	6,090	6,181	6,274	6,368	6,464
<b>SUBTOTAL - Services &amp; Other Operating Exp.</b>	<b>526,638</b>	<b>614,964</b>	<b>656,706</b>	<b>669,056</b>	<b>671,800</b>	<b>684,916</b>
<b>Depreciation Expense</b>						
6900 Depreciation	5,015	41,738	44,863	44,863	41,576	38,280
<b>SUBTOTAL - Depreciation Expense</b>	<b>5,015</b>	<b>41,738</b>	<b>44,863</b>	<b>44,863</b>	<b>41,576</b>	<b>38,280</b>
<b>Other Outflows</b>						
7438 Long term debt - Interest	-	14,220	4,976	4,257	3,856	3,311
<b>SUBTOTAL - Other Outflows</b>	<b>-</b>	<b>14,220</b>	<b>4,976</b>	<b>4,257</b>	<b>3,856</b>	<b>3,311</b>
<b>TOTAL EXPENSES</b>	<b>2,071,274</b>	<b>2,321,205</b>	<b>2,356,485</b>	<b>2,372,743</b>	<b>2,376,602</b>	<b>2,381,127</b>

## Ross Valley Charter School

2019-20

As of Mar FY2020

	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Driver/ Rate Type
<b>Revenues and related expenses</b>							
<b>Statewide LCFF Assumptions</b>							
LCFF COLA	3.26%	-5.00%	0.00%	0.00%	0.00%	0.00%	
TK-3 LCFF Base	7,702	7,317	7,317	7,317	7,317	7,317	
4-6 LCFF Base	7,818	7,427	7,427	7,427	7,427	7,427	
TK-3 Gr Span Adj	801	761	761	761	761	761	
<b>School LCFF Assumptions</b>							
LCFF per ADA	8,793	8,380	8,323	8,299	8,290	8,278	
ILPT per ADA	900	800	800	800	800	800	
Unduplicated Pupil % (3 year avg)	31.04%	30.63%	30.16%	28.68%	28.08%	27.33%	
District UPP	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
<b>Other Federal and State Revenues</b>							
EDCOE SELPA Federal Rate	125.00	125.00	125.00	125.00	125.00	125.00	Prior Year Enrollment
EDCOE SELPA State Rate	538.00	552.00	552.00	552.00	552.00	552.00	ADA
Mandated Cost Reimbursements: K-8	16.86	17.25	17.72	18.22	18.73	18.73	Prior Year Enrollment
Mandated Cost Reimbursements: 9-12	46.87	47.94	49.24	50.63	52.06	52.06	Prior Year Enrollment
State Lottery Unrestricted	153.00	153.00	153.00	153.00	153.00	153.00	ADA
State Lottery Restricted	54.00	54.00	54.00	54.00	54.00	54.00	ADA
<b>Fees</b>							
Authorizer Fees	1.00%	1.00%	1.00%				% of LCFF
Special Education Encroachment Fees		0.00	0.00				
<b>Payroll</b>							
<b>Annual Pay Increase</b>							
Certificated		0.00%	0.00%	0.00%	0.00%	0.00%	
Classified		0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Benefits</b>							
STRS	17.10%	18.40%	18.10%	18.10%	18.10%	18.10%	% of eligible payroll
Social Security	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	% of eligible payroll
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	% of total payroll
H&W average annual increase		4.00%	4.00%	4.00%	4.00%	4.00%	



**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2019-20													Forecast	Remaining Balance
	Jul Actuals	Aug Actuals	Sep Actuals	Oct Actuals	Nov Actuals	Dec Actuals	Jan Actuals	Feb Actuals	Mar Actuals	Apr Forecast	May Forecast	Jun Forecast	Forecast		
<b>Beginning Cash</b>	<b>311,734</b>	<b>330,622</b>	<b>284,859</b>	<b>203,981</b>	<b>237,662</b>	<b>215,668</b>	<b>179,614</b>	<b>131,952</b>	<b>132,868</b>	<b>136,233</b>	<b>138,722</b>	<b>250,817</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	65,657	65,612	125,803	118,101	118,101	118,101	129,627	-	285,845	262,727	138,757	1,614,981	186,650	
Federal Revenue	-	-	-	-	-	-	-	-	-	25,167	4,917	667	45,000	14,250	
Other State Revenue	4,000	4,000	7,201	7,201	7,201	9,798	7,201	8,180	20,332	5,685	20,314	11,076	144,236	32,047	
Other Local Revenue	816	26,906	8,411	37,139	10,354	19,525	25,599	17,500	164,217	(168,247)	11,406	(5,135)	148,489	-	
Fundraising & Grants	1,289	166	14,401	46,123	38,814	22,836	5,822	49	45,783	3,635	10,801	6,408	180,525	(15,600)	
<b>TOTAL REVENUE</b>	<b>6,105</b>	<b>96,729</b>	<b>95,626</b>	<b>216,266</b>	<b>174,470</b>	<b>170,260</b>	<b>156,722</b>	<b>155,356</b>	<b>230,332</b>	<b>152,084</b>	<b>310,165</b>	<b>151,772</b>	<b>2,133,231</b>	<b>217,347</b>	
<b>EXPENSES</b>															
Certificated Salaries	66,530	73,568	78,505	79,400	80,890	77,110	77,544	81,272	42,128	105,955	82,020	80,017	924,938	-	
Classified Salaries	519	6,691	32,344	35,316	27,116	24,418	24,824	27,923	13,290	34,852	34,429	28,835	292,472	1,917	
Employee Benefits	34,218	21,612	23,433	15,054	25,534	24,035	38,292	27,142	7,418	30,379	30,527	23,032	300,822	147	
Books & Supplies	50	578	2,826	460	153	4,548	2,305	3,016	486	2,400	908	3,661	21,390	-	
Services & Other Operating Expenses	31,594	28,241	35,677	38,452	42,769	62,242	48,023	41,247	45,057	32,076	43,804	51,391	526,638	26,066	
Capital Outlay & Depreciation	-	-	-	-	-	864	144	144	144	418	418	2,883	5,015	-	
Other Outflows	-	-	-	-	-	-	-	1,682	22,058	(23,740)	-	-	-	-	
<b>TOTAL EXPENSES</b>	<b>132,910</b>	<b>130,689</b>	<b>172,785</b>	<b>168,682</b>	<b>176,461</b>	<b>193,216</b>	<b>191,132</b>	<b>182,426</b>	<b>130,580</b>	<b>182,339</b>	<b>192,106</b>	<b>189,818</b>	<b>2,071,274</b>	<b>28,129</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(126,806)</b>	<b>(33,961)</b>	<b>(77,159)</b>	<b>47,584</b>	<b>(1,991)</b>	<b>(22,956)</b>	<b>(34,410)</b>	<b>(27,070)</b>	<b>99,752</b>	<b>(30,256)</b>	<b>118,058</b>	<b>(38,047)</b>	<b>61,957</b>	<b>189,218</b>	
Revenues - Prior Year Accruals	167,083	356	-	-	7,735	-	-	646	-	25,355	-	-	-	-	
Other Assets	19,506	-	-	-	-	(625)	-	-	-	-	-	-	-	-	
Fixed Assets	-	-	-	(566)	(14,401)	864	84	144	(3,856)	(3,093)	418	2,883	-	-	
Expenses - Prior Year Accruals	-	(3,850)	-	-	-	-	-	2,469	-	(34,475)	-	-	-	-	
Accounts Payable - Current Year	(36,341)	(1,848)	(797)	-	-	-	-	38,064	(89,404)	51,340	-	-	-	-	
Summerholdback for Teachers	(4,555)	206	412	412	412	412	413	413	207	424	424	424	-	-	
Loans Payable (Current)	-	(6,667)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	
Loans Payable (Long Term)	-	-	-	(10,416)	(10,416)	(10,416)	(10,416)	(10,416)	-	(3,472)	(3,472)	(3,472)	-	-	
<b>Ending Cash</b>	<b>330,622</b>	<b>284,859</b>	<b>203,981</b>	<b>237,662</b>	<b>215,668</b>	<b>179,614</b>	<b>131,952</b>	<b>132,868</b>	<b>136,233</b>	<b>138,722</b>	<b>250,817</b>	<b>209,272</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2020-21														
	Actuals & Forecast													Forecast	Remaining Balance
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
<b>Beginning Cash</b>	<b>209,272</b>	<b>440,606</b>	<b>246,238</b>	<b>155,703</b>	<b>137,542</b>	<b>103,671</b>	<b>48,045</b>	<b>107,463</b>	<b>88,220</b>	<b>113,383</b>	<b>216,843</b>	<b>311,493</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	67,766	67,766	131,162	121,979	121,979	212,862	121,979	185,048	197,319	225,898	185,048	1,711,514	72,710	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	12,063	4,250	-	41,125	16,313	
Other State Revenue	289	5,230	5,230	9,182	9,182	12,350	9,182	19,109	11,970	11,970	21,897	11,970	163,546	35,986	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,183	12,183	12,183	12,850	12,850	16,616	12,850	12,850	53,523	9,261	21,966	14,484	203,800	-	
<b>TOTAL REVENUE</b>	<b>13,559</b>	<b>121,891</b>	<b>97,291</b>	<b>202,147</b>	<b>161,747</b>	<b>177,189</b>	<b>269,773</b>	<b>182,199</b>	<b>254,230</b>	<b>221,841</b>	<b>289,597</b>	<b>204,012</b>	<b>2,329,178</b>	<b>133,701</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,697	30,777	25,350	26,430	25,350	30,777	29,697	26,430	29,697	23,531	295,767	2,000	
Employee Benefits	32,906	27,145	32,818	29,534	28,347	28,429	32,836	29,534	29,452	26,995	27,456	18,277	343,882	153	
Books & Supplies	1,704	1,704	2,347	1,704	1,704	5,447	1,704	4,687	1,704	2,080	1,704	4,457	30,943	-	
Services & Other Operating Expenses	36,532	35,033	40,195	60,857	43,846	76,137	54,095	39,009	70,763	(23,080)	49,071	95,777	614,964	36,728	
Capital Outlay & Depreciation	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	41,738	-	
Other Outflows	500	495	490	486	481	476	471	466	461	456	452	8,985	14,220	-	
<b>TOTAL EXPENSES</b>	<b>137,676</b>	<b>159,246</b>	<b>193,806</b>	<b>211,616</b>	<b>186,921</b>	<b>224,114</b>	<b>201,649</b>	<b>192,732</b>	<b>220,335</b>	<b>120,076</b>	<b>196,637</b>	<b>237,514</b>	<b>2,321,205</b>	<b>38,881</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(124,117)</b>	<b>(37,355)</b>	<b>(96,514)</b>	<b>(9,469)</b>	<b>(25,175)</b>	<b>(46,925)</b>	<b>68,124</b>	<b>(10,533)</b>	<b>33,895</b>	<b>101,764</b>	<b>92,960</b>	<b>(33,502)</b>	<b>7,973</b>	<b>94,820</b>	
Revenues - Prior Year Accruals	205,695	7,402	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	15,805	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	(146,522)	(146,522)	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	-	
Expenses - Prior Year Accruals	(11,980)	(16,150)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(4,664)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	297,116	(2,889)	(2,894)	(13,315)	(13,320)	(13,324)	(13,329)	(13,334)	(13,355)	(2,928)	(2,933)	(106,438)	-	-	
<b>Ending Cash</b>	<b>440,606</b>	<b>246,238</b>	<b>155,703</b>	<b>137,542</b>	<b>103,671</b>	<b>48,045</b>	<b>107,463</b>	<b>88,220</b>	<b>113,383</b>	<b>216,843</b>	<b>311,493</b>	<b>176,177</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2021-22														
	Actuals & Forecast													Forecast	Remaining Balance
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
<b>Beginning Cash</b>	<b>176,177</b>	<b>125,112</b>	<b>101,212</b>	<b>18,124</b>	<b>25,700</b>	<b>15,810</b>	<b>(15,391)</b>	<b>71,600</b>	<b>77,431</b>	<b>106,417</b>	<b>202,314</b>	<b>291,704</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	74,783	74,783	144,822	134,609	134,609	229,182	134,609	178,092	189,302	220,272	178,092	1,755,252	62,097	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	13,438	4,250	-	43,875	17,688	
Other State Revenue	299	5,936	5,936	10,446	10,446	14,065	10,446	21,486	11,180	11,180	22,220	11,180	169,219	34,399	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,580	12,580	12,580	13,247	13,247	17,135	13,247	13,247	55,244	9,541	22,660	14,934	210,240	-	
<b>TOTAL REVENUE</b>	<b>13,965</b>	<b>130,011</b>	<b>105,411</b>	<b>217,467</b>	<b>176,037</b>	<b>192,054</b>	<b>287,753</b>	<b>197,603</b>	<b>248,206</b>	<b>214,689</b>	<b>284,988</b>	<b>196,717</b>	<b>2,387,779</b>	<b>122,877</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,492	30,572	25,194	26,274	25,194	30,572	29,492	26,274	29,492	23,408	293,992	2,000	
Employee Benefits	33,350	27,212	32,850	29,573	28,393	28,476	32,874	29,573	29,490	27,043	27,497	18,019	346,543	2,192	
Books & Supplies	1,588	1,588	2,241	1,588	1,588	5,388	1,588	4,616	1,588	1,971	1,588	4,383	29,715	-	
Services & Other Operating Expenses	37,633	35,970	41,148	61,139	44,797	77,162	55,151	39,993	71,631	(22,450)	50,002	97,221	656,706	67,310	
Capital Outlay & Depreciation	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	44,863	-	
Other Outflows	442	437	432	427	422	417	412	407	402	397	392	387	4,976	-	
<b>TOTAL EXPENSES</b>	<b>139,308</b>	<b>160,338</b>	<b>194,681</b>	<b>211,817</b>	<b>187,849</b>	<b>225,171</b>	<b>202,673</b>	<b>193,679</b>	<b>221,122</b>	<b>120,689</b>	<b>197,490</b>	<b>230,165</b>	<b>2,356,485</b>	<b>71,502</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(125,343)</b>	<b>(30,327)</b>	<b>(89,270)</b>	<b>5,650</b>	<b>(11,812)</b>	<b>(33,118)</b>	<b>85,080</b>	<b>3,924</b>	<b>27,085</b>	<b>94,000</b>	<b>87,498</b>	<b>(33,448)</b>	<b>31,293</b>	<b>51,374</b>	
Revenues - Prior Year Accruals	107,846	21,606	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	-	
Expenses - Prior Year Accruals	(21,766)	(17,115)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(12,597)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	(2,942)	(2,947)	(2,952)	(2,957)	(2,962)	(2,967)	(2,972)	(2,977)	(2,982)	(2,987)	(2,992)	(2,997)	(2,997)	-	
<b>Ending Cash</b>	<b>125,112</b>	<b>101,212</b>	<b>18,124</b>	<b>25,700</b>	<b>15,810</b>	<b>(15,391)</b>	<b>71,600</b>	<b>77,431</b>	<b>106,417</b>	<b>202,314</b>	<b>291,704</b>	<b>260,143</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2022-23														Remaining Balance
	Actuals & Forecast													Forecast	
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast	Forecast		
<b>Beginning Cash</b>	<b>260,143</b>	<b>164,473</b>	<b>138,760</b>	<b>54,502</b>	<b>80,357</b>	<b>71,114</b>	<b>40,669</b>	<b>136,870</b>	<b>143,654</b>	<b>157,913</b>	<b>239,069</b>	<b>314,026</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	76,973	76,973	166,177	138,551	138,551	241,766	138,551	167,216	177,761	209,396	167,216	1,750,352	51,221	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	13,875	4,250	-	44,750	18,125	
Other State Revenue	299	6,120	6,120	10,776	10,776	14,619	10,776	22,176	10,776	10,776	22,176	10,776	169,442	33,276	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,580	12,580	12,580	13,247	13,247	17,135	13,247	13,247	55,244	9,541	22,660	14,934	210,240	-	
<b>TOTAL REVENUE</b>	<b>13,965</b>	<b>132,384</b>	<b>107,784</b>	<b>239,153</b>	<b>180,309</b>	<b>196,549</b>	<b>300,668</b>	<b>202,234</b>	<b>236,926</b>	<b>203,182</b>	<b>274,068</b>	<b>185,437</b>	<b>2,383,977</b>	<b>111,315</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,492	30,572	25,194	26,274	25,194	30,572	29,492	26,274	29,492	23,408	293,992	2,000	
Employee Benefits	33,697	27,386	33,024	29,746	28,567	28,649	33,047	29,746	29,663	27,216	27,670	18,019	350,784	4,354	
Books & Supplies	1,607	1,607	2,269	1,607	1,607	5,464	1,607	4,680	1,607	1,995	1,607	4,444	30,100	-	
Services & Other Operating Expenses	38,768	36,935	42,125	61,991	45,866	78,288	56,299	41,070	72,522	(21,778)	50,959	98,603	669,056	67,407	
Capital Outlay & Depreciation	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	44,863	-	
Other Outflows	382	377	372	367	362	357	352	347	342	337	332	327	4,257	-	
<b>TOTAL EXPENSES</b>	<b>140,750</b>	<b>161,435</b>	<b>195,801</b>	<b>212,801</b>	<b>189,051</b>	<b>226,487</b>	<b>203,954</b>	<b>194,933</b>	<b>222,145</b>	<b>121,499</b>	<b>198,579</b>	<b>231,547</b>	<b>2,372,743</b>	<b>73,761</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(126,784)</b>	<b>(29,051)</b>	<b>(88,017)</b>	<b>26,352</b>	<b>(8,741)</b>	<b>(29,938)</b>	<b>96,713</b>	<b>7,301</b>	<b>14,782</b>	<b>81,683</b>	<b>75,489</b>	<b>(46,110)</b>	<b>11,234</b>	<b>37,554</b>	
Revenues - Prior Year Accruals	97,249	21,378	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	-	
Expenses - Prior Year Accruals	(51,911)	(17,553)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(12,597)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	(5,366)	(5,371)	(5,376)	(5,381)	(5,386)	(5,391)	(5,396)	(5,401)	(5,406)	(5,411)	(5,416)	(5,421)	-	-	
<b>Ending Cash</b>	<b>164,473</b>	<b>138,760</b>	<b>54,502</b>	<b>80,357</b>	<b>71,114</b>	<b>40,669</b>	<b>136,870</b>	<b>143,654</b>	<b>157,913</b>	<b>239,069</b>	<b>314,026</b>	<b>267,379</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2023-24													Forecast	Remaining Balance
	Actuals & Forecast														
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
<b>Beginning Cash</b>	<b>267,379</b>	<b>158,815</b>	<b>131,504</b>	<b>45,934</b>	<b>53,456</b>	<b>42,736</b>	<b>10,808</b>	<b>97,144</b>	<b>102,397</b>	<b>120,442</b>	<b>205,598</b>	<b>284,275</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	76,873	76,873	148,917	138,372	138,372	233,277	138,372	172,116	182,661	214,296	172,116	1,748,366	56,121	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	13,875	4,250	-	44,750	18,125	
Other State Revenue	299	6,120	6,120	10,776	10,776	14,726	10,776	22,176	10,776	10,776	22,176	10,776	169,550	33,276	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,580	12,580	12,580	13,247	13,247	17,135	13,247	13,247	55,244	9,541	22,660	14,934	210,240	-	
<b>TOTAL REVENUE</b>	<b>13,965</b>	<b>132,285</b>	<b>107,685</b>	<b>221,893</b>	<b>180,131</b>	<b>196,478</b>	<b>292,179</b>	<b>202,056</b>	<b>241,826</b>	<b>208,082</b>	<b>278,968</b>	<b>190,337</b>	<b>2,382,099</b>	<b>116,215</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,492	30,572	25,194	26,274	25,194	30,572	29,492	26,274	29,492	23,408	293,992	2,000	
Employee Benefits	34,051	27,563	33,200	29,923	28,743	28,826	33,224	29,923	29,840	27,393	27,847	18,019	355,195	6,643	
Books & Supplies	1,626	1,626	2,298	1,626	1,626	5,541	1,626	4,745	1,626	2,020	1,626	4,505	30,492	-	
Services & Other Operating Expenses	39,941	37,929	43,131	62,868	46,968	79,447	57,480	42,180	73,440	(21,081)	51,943	100,019	671,800	57,536	
Capital Outlay & Depreciation	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	41,576	-	
Other Outflows	322	317	312	306	301	296	291	286	281	276	270	599	3,856	-	
<b>TOTAL EXPENSES</b>	<b>141,961</b>	<b>162,290</b>	<b>196,678</b>	<b>213,540</b>	<b>190,014</b>	<b>227,564</b>	<b>204,996</b>	<b>195,950</b>	<b>222,923</b>	<b>122,063</b>	<b>199,423</b>	<b>233,022</b>	<b>2,376,602</b>	<b>66,179</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(127,995)</b>	<b>(30,005)</b>	<b>(88,993)</b>	<b>8,353</b>	<b>(9,883)</b>	<b>(31,086)</b>	<b>87,183</b>	<b>6,105</b>	<b>18,903</b>	<b>86,019</b>	<b>79,545</b>	<b>(42,685)</b>	<b>5,496</b>	<b>50,036</b>	
Revenues - Prior Year Accruals	86,047	21,018	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	3,465	-	
Expenses - Prior Year Accruals	(52,057)	(17,504)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(12,597)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	(5,426)	(5,431)	(5,436)	(5,442)	(5,447)	(5,452)	(5,457)	(5,462)	(5,467)	(5,472)	(5,478)	(7,364)	-	-	
<b>Ending Cash</b>	<b>158,815</b>	<b>131,504</b>	<b>45,934</b>	<b>53,456</b>	<b>42,736</b>	<b>10,808</b>	<b>97,144</b>	<b>102,397</b>	<b>120,442</b>	<b>205,598</b>	<b>284,275</b>	<b>238,836</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2024-25													Forecast	Remaining Balance
	Actuals & Forecast														
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast	Forecast		
<b>Beginning Cash</b>	<b>238,836</b>	<b>146,714</b>	<b>121,356</b>	<b>40,622</b>	<b>50,099</b>	<b>40,615</b>	<b>9,809</b>	<b>101,198</b>	<b>108,119</b>	<b>128,079</b>	<b>214,877</b>	<b>294,914</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	76,749	76,749	148,693	138,148	138,148	233,053	138,148	171,892	182,437	214,072	171,892	1,745,882	55,897	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	13,875	4,250	-	44,750	18,125	
Other State Revenue	299	6,120	6,120	10,776	10,776	14,726	10,776	22,176	10,776	10,776	22,176	10,776	169,550	33,276	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,580	12,580	12,580	13,247	13,247	17,135	13,247	13,247	55,244	9,541	22,660	14,934	210,240	-	
<b>TOTAL REVENUE</b>	<b>13,965</b>	<b>132,161</b>	<b>107,561</b>	<b>221,669</b>	<b>179,907</b>	<b>196,254</b>	<b>291,955</b>	<b>201,832</b>	<b>241,602</b>	<b>207,858</b>	<b>278,744</b>	<b>190,113</b>	<b>2,379,615</b>	<b>115,992</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,492	30,572	25,194	26,274	25,194	30,572	29,492	26,274	29,492	23,408	293,992	2,000	
Employee Benefits	33,925	27,256	29,973	29,616	28,924	29,006	29,510	29,616	29,534	27,574	28,028	18,019	350,048	9,067	
Books & Supplies	1,645	1,645	2,328	1,645	1,645	5,619	1,645	4,811	1,645	2,045	1,645	4,568	30,889	-	
Services & Other Operating Expenses	41,152	38,953	44,165	63,772	48,104	80,638	58,694	43,324	74,385	(20,357)	52,955	101,469	684,916	57,662	
Capital Outlay & Depreciation	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	38,280	-	
Other Outflows	325	316	307	298	289	281	272	263	254	245	236	227	3,311	-	
<b>TOTAL EXPENSES</b>	<b>142,794</b>	<b>162,752</b>	<b>194,235</b>	<b>213,874</b>	<b>191,063</b>	<b>228,724</b>	<b>202,221</b>	<b>196,556</b>	<b>223,279</b>	<b>122,687</b>	<b>200,326</b>	<b>233,888</b>	<b>2,381,127</b>	<b>68,729</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(128,828)</b>	<b>(30,591)</b>	<b>(86,674)</b>	<b>7,796</b>	<b>(11,156)</b>	<b>(32,469)</b>	<b>89,734</b>	<b>5,276</b>	<b>18,323</b>	<b>85,171</b>	<b>78,418</b>	<b>(43,775)</b>	<b>(1,513)</b>	<b>47,263</b>	
Revenues - Prior Year Accruals	90,947	21,018	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190	-	
Expenses - Prior Year Accruals	(42,205)	(17,484)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(12,597)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	(2,628)	(2,637)	(2,645)	(2,654)	(2,663)	(2,672)	(2,681)	(2,690)	(2,699)	(2,708)	(2,717)	(2,726)	-	-	
<b>Ending Cash</b>	<b>146,714</b>	<b>121,356</b>	<b>40,622</b>	<b>50,099</b>	<b>40,615</b>	<b>9,809</b>	<b>101,198</b>	<b>108,119</b>	<b>128,079</b>	<b>214,877</b>	<b>294,914</b>	<b>252,749</b>			

# **EXHIBIT “G”**

**From:** [Conn Hickey](#)  
**To:** [SBA Lending](#)  
**Subject:** Re: Paycheck Protection Program Loan Application – Information Request #12494090  
**Date:** Thursday, April 23, 2020 10:27:22 AM

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Dear Westamerica

We accept your counter offer.

Conn Hickey  
Business Official  
Ross Valley Charter

On Sun, Apr 19, 2020 at 9:52 AM SBA Lending <[SBA.Lending@westamerica.com](mailto:SBA.Lending@westamerica.com)> wrote:

We received notification from the Small Business Administration that the SBA CARES Act Paycheck Protection Loan program funding limits were reached on Thursday, April 16, 2020 and they are no longer accepting applications.

**Westamerica will continue processing and preparing submitted applications.**

In the event the program receives additional funding and program rules and guidance allow us to do so, we will resume submission to the SBA for loan guaranty and approval.

We have received your application for processing and data verification. Your business appears to meet the criteria for a PPP loan, however we need additional information from your business to complete our processing:

Documentation submitted with your application supports a maximum loan amount of:  
\$270,653.00.

**You may accept this loan amount or you may complete the attached Payroll Calculation Worksheet and return to us with corresponding documentation of 2019 payroll.**

- If this loan amount is acceptable to you, please respond to this message stating the reduced loan amount is acceptable. We will proceed with our processing.
- You may complete and submit the attached Payroll Calculation Worksheet which shows your calculations of your original loan request. Respond directly to this message requesting an additional review with the completed worksheet and corresponding documentation of 2019 payroll.

If you would like to submit documents containing non-public information via a secure document portal, please notify us by replying to this email and we will send you a link.

The Paycheck Protection Program is administered by the SBA and is limited to an authorized funding amount as designated by the federal government. The SBA has indicated that loans under the Paycheck Protection Program will be made available on a first come, first served basis. Given the limitations on SBA authorized funding and the significant volume of applications already submitted to Westamerica Bank and other lenders, not every qualified applicant will receive loan proceeds under the program.

Sincerely,

Westamerica Bank

1 (800)848-1088

*The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of age (provided the applicant has the capacity to enter into a binding contract); color, religion, national origin, sex, marital status; because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning Westamerica Bank is: Federal Reserve Consumer Help Center, PO Box 1200, Minneapolis, MN 55840.*

# **EXHIBIT “H”**



**REGULAR MEETING  
BOARD OF TRUSTEES  
ROSS VALLEY CHARTER SCHOOL**

**April 23, 2020 7 p.m.**

**Ross Valley Charter School 102 Marinda Drive, Fairfax, CA  
For Agenda and Supplemental Materials to go:**

<https://sites.google.com/a/rossvalleycharter.org/rvc-board-docs/2020-04-23-regular-meeting>

**Access to Board Materials:** A copy of the written materials which will be submitted to the School Board may be reviewed by any interested persons on The Ross Valley Charter School website listed above, along with this agenda, following the posting of the agenda at least 72 hours in advance of this meeting. Supplemental materials and written reports shall be posted as they become available.

**Disability Access:** Requests for disability-related modifications or accommodations to participate in this public meeting should be made 24 hours prior to the meeting by calling (415) 534-6970. All efforts will be made for reasonable accommodations. The agenda and public documents can be modified upon request as required by Section 202 of the Americans with Disabilities Act.

**Board Members:**

**Sharon Sagar, Chair**

**Amy Gramajo**

**Kristi Kimball**

**John Kirk**

**Cheryl Flick**

**Sonya Stanley**

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

The Ross Valley Charter School ("School") welcomes your participation at the School's Board meetings. The purpose of a public meeting of the Board of Trustees ("Board") is to conduct the affairs of the School in public. Your participation assures us of continuing community interest in our School.

A few agendas are available at the meeting (when we return to in-person meetings.) Supplementary materials will not be available in paper form.

When addressing the Board, speakers are requested to state their name and city (however this is not required), adhere to the time limits set forth and respect the Meeting Norms and Procedural Guidelines outlined below in the Section on Communications.

**This meeting will be by teleconference pursuant to Executive Orders N-25-20 and N-29-20.**

The Board and employees of Ross Valley Charter School shall meet via the Zoom meeting platform. Members of the public who wish to access this Board meeting may do so at <https://us02web.zoom.us/j/9814265913>. You may also call in using the Zoom phone number:

1 669 900 9128 (meeting ID# 981 426 5913).

Members of the public who wish to comment during the Board meeting may use the “raise hand” tool on the Zoom platform. Members of the public calling in will be given the opportunity to address the Board during the meeting. Individual comments will be limited to three (3) minutes. If an interpreter is needed for comments, they will be translated to English and the time limit shall be six (6) minutes. The Board may limit the total time for public comment to a reasonable time. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.

**I. PRELIMINARY**

**A. CALL TO ORDER**

**B. TRUSTEE ROLL CALL**

	Present(Remotely)	Absent
Kristi Kimball	_____	_____
John Kirk	_____	_____
Cheryl Flick	_____	_____
Amy Gramajo	_____	_____
Sharon Sagar, Chair	_____	_____
Sonya Stanley	_____	_____

**C. APPROVAL OF AGENDA OF SPECIAL BOARD MEETING OF APRIL 23, 2020.  
ROLL CALL VOTE**

**II. COMMUNICATION**

**A. REVIEW of MEETING NORMS**

1. Speak respectfully, avoiding blame and inflammatory language and raised voices.
2. Listen respectfully without interrupting.
3. Listen actively and try to understand others’ views.
4. Don’t roll your eyes, make faces or audibly react while someone is speaking.
5. Be concise when it is your turn to speak.
6. Assume others’ good intentions.
7. Keep on the topic under discussion.

8. Politely enforce ground rules.
9. Remember to mute cell phones.

B. REVIEW PROCEDURAL GUIDELINES for Public Discussion on Agendized Items

1. Presentation by Staff, Officers or Guest Presenters
2. Board discussion, questions, clarifications
3. All Public Comment taken at once. Individuals will be limited to three minutes per speaker unless Board Chair determines that the number of speakers warrants a reduction to a lesser amount of time. The board or Officers will not respond during public comment time. Questions will be noted and answered as outlined in next bullet.
4. Board or officers attempt to answer questions regarding agendized items. Questions that seek information or clarifications will attempt to be answered. Questions that are deemed to violate meeting norms above or to be argumentative in nature will not be responded to.
5. Any remaining Board discussion, questions, clarifications, deliberation and motion and vote if appropriate.

C. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA:

No individual comment shall be for more than three (3) minutes (with the exception of translated comments) and the total time for this purpose shall not exceed (15) minutes. The Board may decide to continue this item to the end of the meeting in order to facilitate the scheduled items on the agenda. Ordinarily, Board members will not respond to comments and no action can be taken. However, staff may respond, and the Board may give direction to staff.

D. For Information: School Director

This is a presentation of information and activities that have occurred since the previous Board meeting. These topics are informational only and no action will be taken by the board.

E. For Information: Board/Staff Information Updates

Board and staff present information updates since the previous Board meeting.

**III. GENERAL ITEMS**

A. ENROLLMENT REPORT AND 2020/21 STAFFING UPDATE

We will review our enrollment numbers and predictions for the upcoming school year, as well as related staffing recommendations.

DISCUSSION/ROLL CALL VOTE

B. LCAP UPDATE

We will discuss any recommended modification to our LCAP plan cycle given the conditions imposed by stay-in-place orders.

DISCUSSION

C. SCHOOL LUNCH PROGRAM

We will discuss potential needed changes to our school lunch program given realities of COVID-19 on costs and lunch service model.

DISCUSSION/ROLL CALL VOTE

D. BUDGET/FUNDRAISING UPDATES

We will be discussing guidance on our 2020-2021 Budget given the expected economic fallout from COVID-19.

DISCUSSION/ROLL CALL VOTE

**IV. CONSENT AGENDA ITEMS**

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

- A. Minutes of March 9 Regular and Special meetings
- B. Minutes of April 2 Special Meeting
- C. Personnel Update

ROLL CALL VOTE INDIVIDUALLY OR COLLECTIVELY

**V. FUTURE MEETING NEEDS AND TOPICS** – trustee requests of topics for future meetings

**VI. MEETING REVIEW AND EVALUATION**

A. Quick Evaluation of Meeting to improve process for future meetings

**VII. ADJOURNMENT**  
**ROLL CALL VOTE**



**MINUTES OF THE REGULAR MEETING  
BOARD OF TRUSTEES  
ROSS VALLEY CHARTER SCHOOL**

**Ross Valley Charter School 102 Marinda Drive, Fairfax CA  
For Agenda and Supplemental Materials go to:**

<https://sites.google.com/a/rossvalleycharter.org/rvc-board-docs/2020-04-23-regular-meeting>

**April 23, 2020 7:06 P.M. via Zoom video conference**

**Board Members:**

- Sharon Sagar, Chair**
- Amy Gramajo**
- Kristi Kimball**
- John Kirk**
- Cheryl Flick**
- Sonya Stanley**

**I. PRELIMINARY**

**A. CALL TO ORDER**

**B. TRUSTEE ROLL CALL**

	Present	Absent
Kristi Kimball	-	X
Amy Gramajo	X	_____
John Kirk	X	_____
Cheryl Flick	X	_____
Sharon Sagar, Chair	X	_____
Sonya Stanley	X	_____

**C. APPROVAL OF AGENDA OF REGULAR BOARD MEETING OF April 23, 2020.**

Approval of the Agenda was duly moved, seconded and approved by roll call vote 5-0-1.

**II. COMMUNICATION**

C. No public comment on items not on the agenda.

**D. School Director Update**

- Shared distance learning K/1 survey with teachers. Broad range of family needs.
- Finished interviews for K/1 and 2/3 teachers. Offered positions to two candidates.
- Looking at LCAP data for next board meeting.

- Many holes in county/state/federal support for struggling families. Focusing on food and housing security and tech access.
- Sharing FSACC fundraiser. Children’s Center served 144 meals yesterday. Working with Marilyn, Jen and Torri.

**E. Board/Staff Update**

- Teachers are finding a better rhythm with distance learning. More face-to-face interacting.
- Not hearing from some kids. Teachers, Torri and Marilyn following up with these families by phone, online meetings, mailings, and school work deliveries as needed.
- Parents working on 5<sup>th</sup> grade graduation ceremony.
- Working on ways to get work out to families.
- Ms. Sagar call with superintendents today re kids dropping off in current climate.
- ADA construction project: may need to look for another funder. Continuing with plans and permits while waiting.

**III. GENERAL ITEMS**

**A. ENROLLMENT REPORT AND 2020/21 STAFFING UPDATE– see chart**

- 192 currently enrolled.
- 69 newly enrolled for next year.
- Projecting 212 students.
- Class loading scenarios for 2020/21: Nine non-standard class configuration (see tables).
- Based on 94% enrollment assumption.
- Nine non-standard keeps TK/K/1 classes smaller. All teachers roll up after one year.
- Using assistants and rearranging student numbers to more effectively teach math.

No public comment.

**B. LCAP UPDATE**

- LCAP plan: normally finalizing in June. Splitting into two-week process. New template due July 1<sup>st</sup> and actual LCAP due in December.
- Will look at data and results in May meeting.

No public comment

**C. SCHOOL LUNCH PROGRAM**

- Due to pandemic climate, not sensible to continue a la carte serving. Looking into sealed meals.
- National school lunch program is not a great subsidy.
- We’ll likely have more families eligible for FRPL and need to address cost.

- Working with Good Earth. Jen Wolf is looking into other vendors.
- We cut food costs in half this year.
- Option: volunteers pre-pack lunches?

No public comment

#### D. BUDGET/FUNDRAISING UPDATES (see budget draft and assumptions)

- 2020/21 budget guidance given expected economic fallout from COVID-19
- See four-year budget assumptions.
- Finance committee met yesterday
- Edtec recommends assuming state LCFF COLA reduction by 5%.
- Possible extension of ADA project timeline.
- CARES Act money comes in next year.
- \$50K surplus
- \$270 PPP loan/grant with reserve helps balance for three years.
- Focus on petition/renewal process
- Fundraising numbers reflect what we've collected, assuming not much more.
- Fundraising committee meeting April 30<sup>th</sup>.
- Auction is going well. Sharon sharing with alumni.
- Shifting family giving asks to community support and thank you messaging.
- Adjusting family giving ask to \$850/child next year.

No public comment

Authorization of the Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000, as soon as available, was duly moved, seconded and approved by roll call vote, 5-0-1.

#### **IV. CONSENT AGENDA ITEMS**

- A. Minutes of March 9 Regular and Special (embedded) meetings
- B. Minutes of April 2 Special Meeting
- C. Personnel Update: None

Approval of March 9<sup>th</sup> Regular and Special Meeting minutes was duly moved, seconded and approved by roll call vote 4-0-2 (Ms. Kimball and Ms. Gramajo absent from 3/9/20 meeting)

Approval of April 2<sup>nd</sup> Special Meeting minutes was duly moved, seconded and approved by roll call vote 5-0-1 (Ms. Kimball absent portion of 4/2/20 meeting)

#### **V. FUTURE MEETING NEEDS AND TOPICS**

- Next year's plan and precautions
- LCAP data
- Charter renewal

## **VI. MEETING REVIEW AND EVALUATION**

- Good to “see” everyone, and kids.
- Mr. Hickey purchased Zoom license for school account. Free during health crisis only.
- Include board meeting link in school newsletter going forward.

Meeting adjourned 8:29 P.M.

---

# **EXHIBIT “I”**

**From:** [Luke Duchene](#)  
**To:** [Sharon Sagar](#); [Conn Hickey](#)  
**Subject:** Fwd: Westamerica Bank has sent you the document "12494090" to sign  
**Date:** Friday, May 8, 2020 8:49:41 AM

---

Luke Duchene  
Director  
Ross Valley Charter

mobile: 760-487-8618  
office: 415-534-6970  
(sent via mobile device)

CONFIDENTIAL INFORMATION:

This email is for the sole use of the designated recipient(s) with a legitimate interest and may contain legally confidential information protected by the Family Education Act (FERPA) 20 USC 1232g. Any unauthorized review, use, distribution or disclosure is strictly prohibited. If you are not the intended recipient, please contact the sender by reply mail and destroy all copies of the original message. This email cannot be produced for a records request.

----- Forwarded message -----

**From:** Westamerica Bank <[documents@rightsignature.com](mailto:documents@rightsignature.com)>  
**Date:** Fri, May 8, 2020, 8:46 AM  
**Subject:** Westamerica Bank has sent you the document '12494090' to sign  
**To:** <[luke.duchene@rossvalleycharter.org](mailto:luke.duchene@rossvalleycharter.org)>

Thank you for applying for the SBA CARES Act Paycheck Protection Program. Your loan documents are now prepared and must be electronically signed by all principals within the company.

Once documents have been signed and returned electronically, loan funding generally occurs within one business day. The loan proceeds will be deposited directly into your Westamerica Bank business checking account.

Please do not respond to this message. This account is used for notifications only and it is not monitored. Send all correspondence to [sba.lending@westamerica.com](mailto:sba.lending@westamerica.com).



**12494090** (12494090.pdf)  
Reference #: 05adc2bf-94bc-4859-83df-dfa0a0b36c38  
Status: Pending  
Expires: 05/13/2020 11:46  
Sender: Westamerica Bank

To review the document and sign with an electronic signature, follow this link:

U.S. Small Business Administration  
**PAYCHECK PROTECTION PROGRAM**  
**NOTE**

Borrower's Tax ID # (EIN/SSN)	471755679
Loan Date	May 07, 2020
Loan Amount	\$270,653.00
Interest Rate	<b>1.00%</b>
Borrower (Name/Address/City/ST/ZIP)	ROSS VALLEY CHARTER SCHOOL 25 DEER PARK LANE  FAIRFAX, CALIFORNIA 94930

Words or phrases preceded by a checkbox () will apply only if the checkbox is marked ().

**1. PROMISE TO PAY:**

In return for the Loan, Borrower promises to pay to the order of Lender the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars interest on the unpaid principal balance, and all other amounts required by this Note.

**2. DEFINITIONS:**

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this Loan signed by Borrower.

"SBA" means the Small Business Administration, an Agency of the United States of America.

"CARES Act" means the federal Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136).

**3. PAYMENT TERMS:**

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

A. The term of this Loan shall be two (2) years from the Loan Date. This Loan shall mature on May 07, 2022 ("Maturity Date").

B. The Loan shall be payable monthly. The first six monthly payments are deferred.

C. Interest will accrue from the date of Loan (including during the deferral period) at the Interest Rate set forth above.

D. Payments will be required beginning December 07, 2020.

Your monthly payments will be an amount equal to all accrued but unpaid interest on that portion of the then-outstanding principal balance of the Loan (i.e., any portion of the Loan that has not been forgiven as described in Section 10), with the entire outstanding principal balance and all accrued but unpaid interest due and payable on the Maturity Date.

Your monthly payments will be an amount equal to the amount necessary to fully amortize the then-outstanding principal balance of the Loan (i.e., any portion of the Loan Amount that has not been forgiven as described in Section 10) at the Interest Rate specified above by the Maturity Date, with the entire outstanding principal balance and all accrued but unpaid interest due and payable on the Maturity Date.

E. There are no prepayment penalties for the Loan. Borrower may repay all or a portion of this Loan at any time without penalty.

F. The proceeds of the Loan shall be used for the following purposes only:

(i) payroll costs (as defined in the CARES Act, and in Section 2.f of the SBA *Interim Final Rule* dated April 2, 2020);

(ii) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;

(iii) mortgage interest payments (but not mortgage prepayments or principal payments);

(iv) rent payments;

(v) utility payments;

(vi) interest payments on any other debt obligations that were incurred before February 15, 2020; and/or

(vii) refinancing an SBA Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, under the conditions as specified in Section 2.r.vii of the SBA *Interim Final Rule* dated April 2, 2020.

**4. DEFAULT:**

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- D. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- E. Fails to pay any taxes when due;
- F. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- G. Has a receiver or liquidator appointed for any part of their business or property;
- H. Makes an assignment for the benefit of creditors;
- I. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- J. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- K. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

**5. LENDER'S RIGHTS IF THERE IS A DEFAULT:**

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower; or
- C. File suit and obtain judgment.

**6. LENDER'S GENERAL POWERS:**

Without notice and without Borrower's consent, Lender may:

- A. Incur expenses to collect amounts due under this Note or enforce the terms of this Note or any other Loan Document, including reasonable attorneys' fees and costs. If Lender incurs such expenses, it may demand immediate payment from Borrower or add the expenses to the principal balance; and
- B. Release anyone obligated to pay this Note.

**7. WHEN FEDERAL LAW APPLIES:**

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law or deny any obligation, defeat any claim of SBA, or preempt federal law.

**8. SUCCESSORS AND ASSIGNS:**

Under this Note, Borrower includes its successors, and Lender includes its successors and assigns.

**9. GENERAL PROVISIONS:**

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor.

**10. LOAN FORGIVENESS:**

Pursuant to Section 1106 of the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), the following provisions shall apply to the Loan:

- A. The Loan is subject to the limited loan forgiveness provisions of Section 1106 of the CARES Act, and the SBA Interim Final Rule dated April 2, 2020.

- B. The amount of loan forgiveness is determined by and is subject to the sole approval of the SBA
- C. Limited loan forgiveness is provided for amounts spent on payroll costs, rent and utilities payments, and interest payments on mortgages for Borrowers that apply. No more than 25.0% of the amount forgiven may be for costs other than payroll costs.
- D. The amount of loan forgiveness will be reduced if Borrower reduces the number of their employees (layoffs).
- E. Borrower is eligible for debt forgiveness on a covered loan in an amount equal to the following payments made during the 8-week period beginning on the Loan Date ("covered period"):
  - (i) payroll costs;
  - (ii) interest payments on mortgage obligations (excluding principal and prepaid principal);
  - (iii) rent; and
  - (iv) utility payments.
- F. The amount of forgiveness cannot exceed the principal balance of the Loan.
- G. Cancelled indebtedness will not be included in the Borrower's taxable income.
- H. To receive loan forgiveness, Borrower must apply for Debt Forgiveness through Lender. The Borrower must submit to the Lender servicing the loan an application, which must include documents verifying the number of full-time employees and the pay rates for the period described, including payroll tax filings to the IRS and State, income, payroll, and unemployment insurance filings, cancelled checks, payment receipts, transcript of accounts, or other documents verifying payments on covered mortgage loan obligations, lease obligations and utility payments, plus any other documentation the SBA deems necessary.
- I. ***There will be no loan forgiveness without Borrower's submission of the proper application and documentation to Lender.***

**11. BORROWER'S NAME(S) AND SIGNATURE(S):**

By signing below, each individual or entity becomes obligated under this Note as Borrower.

Borrower: ROSS VALLEY CHARTER SCHOOL

By X *Luke Duchene*  
 Luke Duchene

By X \_\_\_\_\_

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**PAYCHECK PROTECTION PROGRAM  
CORPORATE RESOLUTION TO BORROW**

---

Borrower: ROSS VALLEY CHARTER SCHOOL  
25 DEER PARK LANE  
  
FAIRFAX, CALIFORNIA 94930

Lender: Westamerica Bank  
Fairfield Credit Administration  
4550 Mangels Boulevard  
PO Box 1200 MAC A-1B  
Suisun, CA 94585

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**THE UNDERSIGNED, CERTIFY THAT:**

The complete and correct name of the Corporation is ROSS VALLEY CHARTER SCHOOL ("Corporation"). The Corporation is at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 25 DEER PARK LANE FAIRFAX, CALIFORNIA 94930. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on 04-23-2020, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolution set forth in this Resolution were adopted.

The authorized person(s) listed below may enter into the Paycheck Protection Program Agreement and the agreement will bind the Corporation. Specifically, but without limitation, such authorized person(s) are authorized, empowered and directed to do the following for and on behalf of the Corporation:

**Borrow Money.** To borrow, from Lender on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars(\$270,653.00).

**Execute Note.** To execute and deliver to Lender the Paycheck Protection Program note.

The officers named below are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

**PAYCHECK PROTECTION PROGRAM  
CORPORATE RESOLUTION TO BORROW  
(Continued)**

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The following named persons are authorized officers of ROSS VALLEY CHARTER SCHOOL:

<u>NAMES</u>	<u>TITLES</u>	<u>ACTUAL SIGNATURES</u>
<u>Luke Duchene</u>	<u>School Director, President</u>	X <u><i>Luke Duchene</i></u>
_____	_____	X _____

**We attest that the signatures set opposite the names listed above are their genuine signatures.**

**We each personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct.**

**This Corporate Resolution to Borrow is dated** 04-23-2020.

**CERTIFIED TO AND ATTESTED BY AUTHORIZED OFFICERS:**

X <u><i>Luke Duchene</i></u> Luke Duchene	Title: <u>School Director, President</u>
X _____	Title: _____

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## DISBURSEMENT REQUEST AND AUTHORIZATION

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Borrower: ROSS VALLEY CHARTER SCHOOL

Lender: Westamerica Bank  
Fairfield Credit Administration  
4550 Mangels Boulevard  
PO Box 1200 MAC A-1B  
Suisun, CA 94585

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**LOAN TYPE:** This is a Fixed Rate (1.000%) Paycheck Protection Program Loan for \$270,653.00 due on demand and, if no demand, on May 07, 2022.

**PRIMARY PURPOSE OF LOAN:** The primary purpose of this loan is for:

- (i) payroll costs (as defined in the CARES Act, and in Section 2.f of the SBA *Interim Final Rule* dated April 2, 2020);
- (ii) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
- (iii) mortgage interest payments (but not mortgage prepayments or principal payments);
- (iv) rent payments;
- (v) utility payments;
- (vi) interest payments on any other debt obligations that were incurred before February 15, 2020; and/or
- (vii) refinancing an SBA Economic Injury Disaster Loan (EIDL) made between January 31, 2020 and April 3, 2020, under the conditions as specified in Section 2.r.vii of the SBA *Interim Final Rule* dated April 2, 2020.

**DISBURSEMENT INSTRUCTIONS:** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds as follows:

<b>Amount paid to Borrower directly:</b>	\$270,653.00
Westamerica Bank Business Checking Account #	-----
<b>Note Principal:</b>	\$270,653.00

**BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT. THIS AUTHORIZATION IS DATED MAY 07, 2020.**

**BORROWER: ROSS VALLEY CHARTER SCHOOL**

By X Luke Duchene  
Luke Duchene

By X \_\_\_\_\_



**REFERENCE NUMBER**

05ADC2B 94BC 4859 83D D A0A0B36C38

**TRANSACTION DETAILS****Reference Number**  
05ADC2BF-94BC-4859-83DF-DFA0A0B36C38**Transaction Type**  
Signature Request**Sent At**  
05/08/2020 11:46 EDT**Executed At**  
05/08/2020 13:47 EDT**Identity Method**  
email**Distribution Method**  
email**Signed Checksum**  
e a e8 b ace0 5bebaaa e 5 00 d b eaa b acb a 85ed**Signer Sequencing**  
D sab ed**Document Passcode**  
D sab ed**DOCUMENT DETAILS****Document Name**  
12494090**Filename**  
12494090.pdf**Pages**  
13 pages**Content Type**  
application/pdf**File Size**  
606 KB**Original Checksum**  
5 e e5dd80eea 50 5 d e5ea a5 8 b0 5 d 5 8 0d 5e 8**SIGNERS**

SIGNER	E-SIGNATURE	EVENTS
<b>Name</b> Luke Duchene	<b>Status</b> signed	<b>Viewed At</b> 05/08/2020 13:28 EDT
<b>Email</b> luke.duchene@rossva.eycharter.org	<b>Multi-factor Digital Fingerprint Checksum</b> 58b 8 8 d bb 50a d 0d80a a d c5 50 b e eedc e0 de a0	<b>Identity Authenticated At</b> 05/08/2020 13:47 EDT
<b>Components</b> 20	<b>IP Address</b> 76.253.15.214	<b>Signed At</b> 05/08/2020 13:47 EDT
	<b>Device</b> Safari v a Mac	
	<b>Typed Signature</b> 	
	<b>Signature Reference ID</b> 2FA67879	

**AUDITS**

TIMESTAMP	AUDIT
05/08/2020 13:47 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) signed the document on Safari v a Mac from 76.253.15.214
05/08/2020 13:47 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) authenticated via email on Safari v a Mac from 76.253.15.214
05/08/2020 13:28 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) viewed the document on Safari v a Mac from 76.253.15.214
05/08/2020 13:26 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) viewed the document on Chrome Mobile v a Android from 209.107.188.68
05/08/2020 12:49 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) viewed the document on Microsoft Edge v a Windows from 108.88.230.29
05/08/2020 12:06 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) viewed the document on Chrome Mobile v a Android from 209.107.188.68
05/08/2020 11:46 EDT	Luke Duchene (luke.duchene@rossva.eycharter.org) was emailed a link to sign
05/08/2020 11:46 EDT	Westamerica Bank (sba.endng2@westamerica.com) created document 12494090.pdf on Chrome v a Windows from 64.168.94.26

# **EXHIBIT “J”**

**From:** [Westamerica Bank](#)  
**To:** [conn.hickey@rossvalleycharter.org](mailto:conn.hickey@rossvalleycharter.org)  
**Subject:** Paycheck Protection Program Loan Forgiveness Information  
**Date:** Wednesday, May 13, 2020 11:11:25 AM

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## Paycheck Protection Program

### Loan Forgiveness Information

Westamerica is pleased to have funded an SBA Paycheck Protection Program Loan for your business. Many customers have questions about loan forgiveness, so here are several critical points you should consider now that your loan has been disbursed.

Paycheck Protection Program loan amounts may be forgiven if in the eight weeks following the loan disbursement date you use the proceeds for eligible business expenses, including:

- Payroll Costs, including benefits;
- Interest on mortgage obligations, incurred before February 15, 2020;
- Rent, under lease agreements in force before February 15, 2020; and
- Utilities, for which service began before February 15, 2020.

Loan forgiveness is not automatic. You must submit a request to Westamerica Bank with documentation to verify loan proceeds were used for payroll and mortgage/rent and utilities during the eight week period after your loan funding.

When it's time to apply for loan forgiveness, you will need documentation to verify you spent your loan proceeds on the eligible categories. Make sure you are prepared to provide the following for certification:

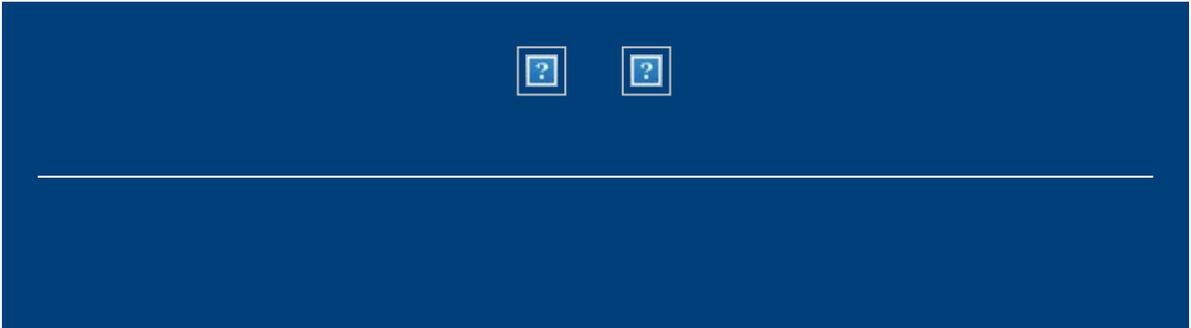
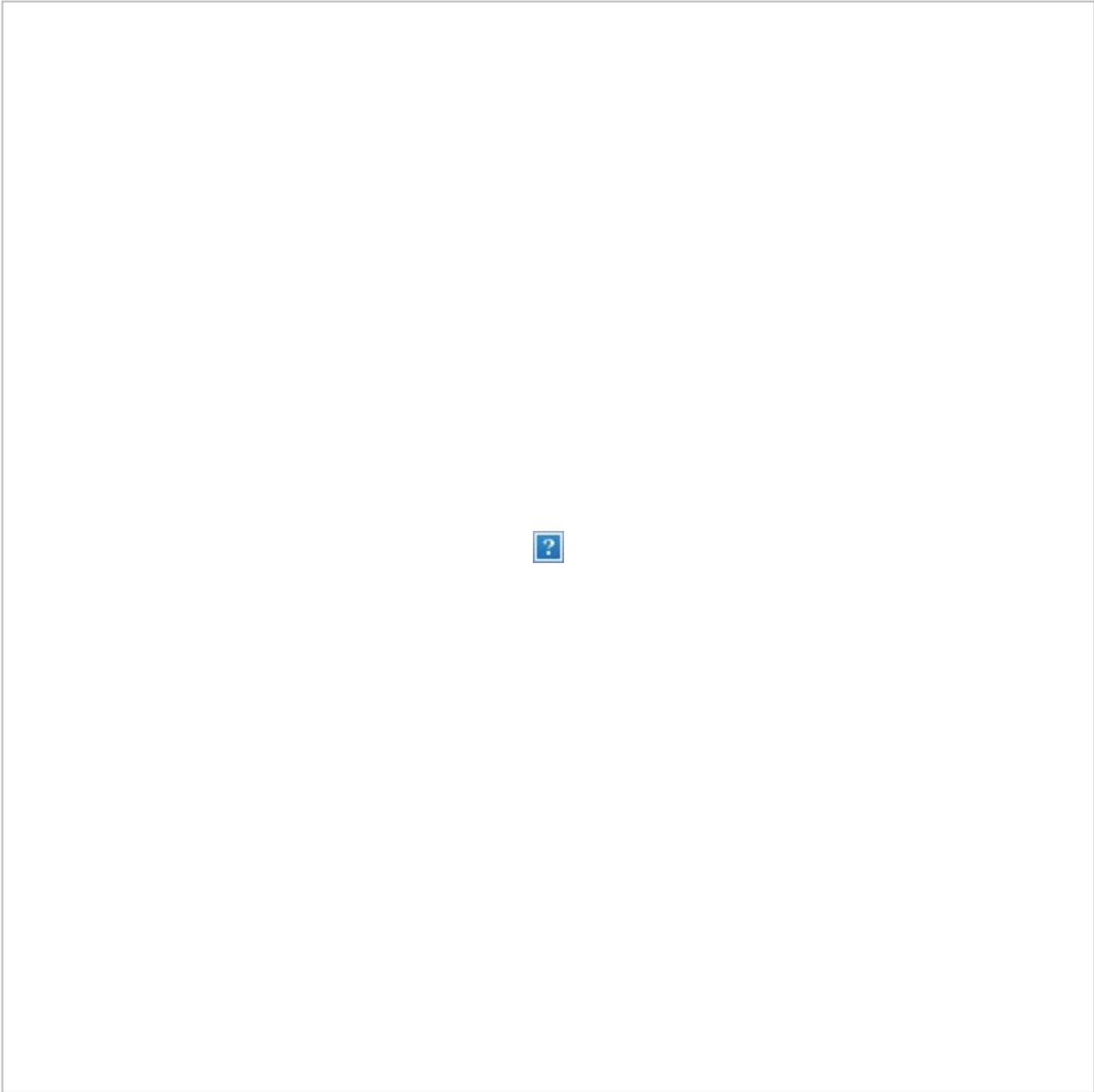
- Documents verifying the number of full-time equivalent employees and pay rates.
- Documents showing payments of eligible mortgage interest, rent, and utilities.

We will be providing additional information about how to request loan forgiveness as SBA guidance is issued, so please be sure to check your email for messages sent from

[SBA.Lending@westamerica.com](mailto:SBA.Lending@westamerica.com). For detailed information on the Paycheck Protection Program, visit [www.sba.gov](http://www.sba.gov).

Sincerely,

Westamerica Bank  
1 (800) 848-1088





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**Our mailing address is:**

Westamerica Bank  
PO Box 1200  
Suisun City, CA 94585

You are receiving this message because you completed a loan application on [www.westamerica.com](http://www.westamerica.com).  
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# **EXHIBIT “K”**



**RESOLUTION OF THE BOARD OF TRUSTEES  
Ross Valley Charter School  
A California Public Benefit Corporation**

**Board Resolution #2020-05-14**

**ACCEPTANCE OF PAYCHECK PROTECTION PROGRAM LOAN**

WHEREAS, Ross Valley Charter School (“RVC”) is a 501(c)(3) non-profit organization with fewer than 500 employees; and

WHEREAS, RVC received on May 8, 2020 a loan from the Small Business Administration (“SBA”) Paycheck Protection Program (“PPP loan”) in the amount of \$280,563 through Westamerica Bank; and

WHEREAS, applicants for PPP loans must certify to the following statements:

- *The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.*
- *Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.*
- *The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.*
- *The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.*
- *I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.*
- *I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.*
- *During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.*
- *I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001*

*and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.*

- *I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews; and*

WHEREAS, on April 23, 2020 the SBA provided, and has subsequently amended, a document titled “Paycheck Protection Program Loans Frequently Asked Questions (FAQs)” (the “Guidance”) regarding whether “businesses owned by large companies with adequate sources of liquidity to support the business’s ongoing operations qualify for a PPP loan;” and

WHEREAS, the Guidance advises that “all borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application” and “[a]lthough the CARES Act suspends the ordinary requirement that borrowers must be unable to obtain credit elsewhere (as defined in section 3(h) of the Small Business Act), borrowers still must certify in good faith that their PPP loan request is necessary”; and

WHEREAS, the Guidance advises that applicants pay particular attention to the certification in the PPP loan application regarding “current economic uncertainty” as follows:

- *Specifically, before submitting a PPP application, all borrowers should review carefully the required certification that “[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.” Borrowers must make this certification in good faith, taking into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business.*

WHEREAS, the SBA Guidance also states that there is a safe-harbor available if an applicant repays the loan funds before May 7, as follows:

- *Any borrower that applied for a PPP loan prior to the issuance of this guidance and repays the loan in full by May 7, 2020 will be deemed by SBA to have made the required certification in good faith; and*

WHEREAS, SBA has amended the Guidance to extend this safe harbor period to May 14, as follows:

- *SBA is extending the repayment date for this safe harbor to May 14, 2020. Borrowers do not need to apply for this extension; and*

WHEREAS, SBA has amended the Guidance on May 13, 2020 to clarify the good-faith certification, as follows:

- *SBA, in consultation with the Department of the Treasury, has determined that the following safe harbor will apply to SBA's review of PPP loans with respect to this issue: Any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification concerning the necessity of the loan request in good faith, and*

WHEREAS, notwithstanding the updated guidance from the SBA indicating that the “current economic uncertainty” certification is deemed to be made in good faith for all loans below \$2M, RVC meets the requirement that “[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant” because it faces substantial financial risk due to COVID-19, including but not limited to:

- Preparation for cash deferrals in state funding: The Fiscal Crisis and Management Assistance Team (“FCMAT”) is projecting that, due the COVID-19 pandemic, the State is likely, starting in June 2020 and potentially in May 2020, to implement cash deferrals as it did in the last recession.<sup>1</sup> In the event that the State were to defer May and June payments, RVC would need to cover \$347,000 of cash outlays, which would deplete the organization’s cash reserves which as of May 13, 2020 were \$125.215;
- Unlike school districts, RVC does not have access to county treasurer Tax Revenue Anticipation Notes, at very low interest rates, or the authorization to propose a parcel tax to increase revenue.
- Ross Valley Charter (RVC) has no current lines of credit. This school year, 2019-2020, is its first year of self-sustaining operations, and therefore given the increasing likelihood of a severe, multi-year deep recession or depression forecasted by FCMAT, with uncertain future state funding and enrollment, it is *highly unlikely* that any commercial bank is going to provide loans in a timely fashion that are of sufficient size to support ongoing operations.
- RVC’s only other option for working capital would be receivables sale (“factoring loans”). During the last recession, factoring loans made available to charter schools, but they were at fees that were large enough, sometimes 100% annualized, to be significantly detrimental to their borrowers’ businesses. As the recession deepens, and lending risks increase, these very high rates are likely to increase. If such a situation were to occur RVC would need to keep buying new factored loans on future state revenue as current state revenue is used to pay off previous factored loans, driving RVC deeper and deeper into the red to pay the fees that apply to each loan. This inevitably has a significantly detrimental effect on the RVC’s educational operations. In addition, these institutions could go bankrupt themselves which would like result in a permanent loss of access to RVS’s own receivables that were the collateral for these loans.
- Unlike district schools in Marin, RVC has no access to parcel taxes. For example, RVC is located in the Ross Valley Elementary School District, which has a parcel tax that brings in an excess of \$2,000 per student. If RVC had the same per-student

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<sup>1</sup> FCMAT Fiscal Alert, April 2020, “Effective Cash Management During Uncertain Times”

additional parcel tax revenue, that would mean more than \$400,000 in additional revenue every year. Most Marin district schools have similar or larger per pupil parcel tax revenues.

- RVC has no access to facilities bond revenues which districts in Marin use to fund their facilities.
- If district schools face bankruptcy, they are supported by state and county resources. If charter schools face insolvency, they are closed. This is an important factor in RVC not having access to private lending facilities during a severe recession when state revenues are falling.

WHEREAS, RVC has worked tirelessly with its back-office provider over the COVID-19 crisis to conduct a detailed cash flow projection for the next several months and into the 2020-21 school year that validates the assertions made above and specifically the borrowing need given the rapid decline in non-state revenues in 2019-20; and

WHEREAS, RVC was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; and

WHEREAS, the Board of Trustees has determined in good faith that the current economic uncertainty makes the federal Paycheck Protection Program loan necessary to support the ongoing operations of RVC; and

WHEREAS, the funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments as specified under the Paycheck Protection Program Rule; and

WHEREAS, other revenue received during the months of May, June and July will be used for other purposes and to replenish RVC reserves; and

WHEREAS, RVC will provide to Westamerica Bank documentation verifying the number of full-time equivalent employees on the RVC's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan; and

WHEREAS, RVC understands that loan forgiveness is expected to be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs; and

WHEREAS, RVC understands that during the period beginning on February 15, 2020 and ending on December 31, 2020, it has not and will not receive another loan under the Paycheck Protection Program; and

WHEREAS, RVC staff has certified that the information provided in its application and the information provided in all supporting documents and forms is true and accurate in all material respects; and

WHEREAS, RVC has taken into account its current business activity and its ability to access other sources of liquidity sufficient to support our ongoing operations in a manner that is not significantly detrimental to the business; now, therefore, be it

Resolved by the Board of Trustees of Ross Valley Charter School, That Ross Valley Charter School meets all requirements of the PPP certifications; and be it further

Resolved by the Board of Trustees of Ross Valley Charter School, That Ross Valley Charter School has been properly awarded \$270,653 in the PPP loan; and be it further

Resolved by the Board of Trustees of Ross Valley Charter School, that RVC shall not return the funds awarded through the PPP loan prior to May 14, 2020; and be it further

Resolved by the Board of Trustees of Ross Valley Charter School, That the funds awarded through the PPP loan are hereby authorized to be used in a manner consistent with the terms of the Paycheck Protection Program Rules;

And be it further resolved that Luke Duchene, School Director, was authorized at the April 23, 2020 board meeting to enter into the Paycheck Protection Program Agreement and the agreement will bind the Corporation. Specifically, but without limitation, such authorized person(s) are authorized, empowered and directed to do the following for and on behalf of the Corporation:

- **Borrow Money.** To borrow, from Westamerica Bank (Lender) on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars(\$270,653.00).
- **Execute Note.** To execute and deliver to Lender the Paycheck Protection Program note.

Luke Duchene, School Director and President, is duly elected, appointed, or employed by or for the Corporation. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

Further resolved by the Board of Trustees of Ross Valley Charter School, that the School Director of Ross Valley Charter School is hereby instructed to further review guidance relating to the PPP as it is released by the SBA and is hereby authorized to take appropriate steps, including the return of the funds, if changes to the Guidelines cause Ross Valley Charter School to no longer meet the program requirements.



# **EXHIBIT “L”**

**May 20 email to RVC Families**

**Further Explanation of RVC's Acceptance of the PPP Loan**

RVC Families,

I informed our school community on Sunday that we qualified for and accepted a PPP loan (which was part of the CARES Act stimulus bill). Our acceptance of this loan was not a decision we took lightly. I want to walk you through our process that led us to taking this loan.

Our board chose to pursue a PPP loan as we saw how dire this situation was for our school if we did not have access to funding to deal with the impact of this economic crisis. In the first round of funding we did not get a loan offer (the funding ran out), but in the second round we did. Before committing to signing the loan documents we consulted with our bank, outside lenders, and our lawyers about this loan and how it applies to our school specifically. I shared the news with our State Oversight in the California Department of Education, and they took no issue with us accepting the loan.

But, some have taken issue with our school's decision to accept this loan. Further, there is an organized group who used to post negative comments about our school on social media (in past years), which all but disappeared over the last year. This group seems to have reconstituted and started posting on Facebook and Next Door two days ago stating that we should not have taken this loan.

Many of the posts seem to compare our situation to that of other local districts. They are not the same, for reasons outlined below.

What did we consider as part of our decision to accept this loan?

- Three weeks ago, our state financial regulator directed all public schools to create additional, emergency cash reserves, to protect against state deferrals of our revenue, which the Governor just announced will start next month, and which in the last recession grew in length to 5 full months of deferrals.
- Charter schools are public schools which operate as non-profit organizations, and are therefore qualified to apply and receive funding through the PPP.
- If charter schools run out of money, they close. If school districts run out of money, they still remain open.
- Charter schools have expenses that district schools don't have, like paying monthly rent (for us this amounts to almost \$200,000 per year).
- Parcel taxes in our community do not include our school (they could have, but we were not written into the parcel tax), so we don't receive those funds (even though our families pay the tax). In RVSD, that amounts to approximately \$2,040 per student annually. If RVC received that amount per local student, it would amount to \$270,000 every year, the exact amount of our one-time loan.
- RVC, like many non-profit organizations, applied for and received the PPP. We have continued to pay all our employees, including aides, enrichment teachers, and aftercare workers, through the end of the school year.
- Our government funding already doesn't cover all of our bills. That is why we fundraise. Our fundraising effectively stopped on March 15 when the shelter-in-place order went into effect, which leads to a loss of about \$30,000 in funding.
- RVC is in its third school year, and we have been working to build our reserves to be prepared for challenging financial times. Before this crisis hit we were doing fine with about 45 days of cash on hand.
- The next several years are going to be painful for all public schools. One of the typical things that the state does to weather situations like this is to defer its monthly payments to schools. The Governor has already announced that payments normally made in June will not be paid in July and this is just the beginning. We need to ensure that our school is well-positioned, with healthy

reserves, to weather these deferrals, which in the last recession grew in length to five full months of deferrals. Without a loan, we will not be able to make payroll when the deferrals exceed 45 days.

- These deferrals for other local public Marin Schools (non-charter) are managed by getting low interest TRAN loans from the County Treasurer. Unfortunately, charter schools may not access these low interest loans. If we could, then we would not have to be as concerned about these deferrals that are coming.
- We are a small, not-for-profit business, and we are exactly the kind of operation that these loans were meant to help keep in business and pay their employees in times of cash shortages. There is still money available for those who are applying for these loans. We wish for all businesses, and not-for-profits, that need these funds to get them. I know many local businesses did in fact get this loan, as well as non-profits (like St. Rita's Church).

Regarding what is happening on social media, I myself have a policy of not posting or responding on social media to any of the claims 'stand' has made about our school in the past (I don't have a Facebook, Next Door, or Instagram account which helps). I did go against this policy (using Lauren's account, but making it clear that it was me posting) to stick up for our school (especially when they attacked our diversity and made up false claims about how we serve kids, including incorrect data about our test scores). I then stepped out of the conversation, but I have heard that they are continuing, and trying to expand their reach. My advice is to not engage in commenting on this online. It only makes them post more. If you do post, please take the high road and model civil discourse (even when others aren't). As a note, no one from this organization has reached out to our school to understand our circumstance for taking the loan, which they could have easily done.

I know this is already a stressful time, and we had hoped that taking this loan would allow us to have less stress about our immediate and nearterm survivability. But, I do acknowledge that some of you have valid questions about our decision and I hope that there is some deeper understanding of our circumstances and why we chose to accept this loan.

Please, if you have questions, comments, or concerns, reach out to me, or our board chair, Sharon Sagar ([sharon.sagar@rossvalleycharter.org](mailto:sharon.sagar@rossvalleycharter.org)).

In Community,

Luke

# **EXHIBIT “M”**

## **May 17 email to Parents**

### **Our Finances - Weathering the Storm**

As a public school, we are funded mainly by the State of California, with some additional money coming from the Federal Government and our Family Giving Campaign (and other smaller fundraisers).

Our first two years (as is the case for most startups) were tight financially. As we entered into this third year we were on solid ground with a decent (and growing) financial reserve.

As is the case for nearly every person, family, and institution, our financial picture changed with the realities of COVID-19, and has brought great uncertainty about the present and future.

With memories of the Great Recession with deep budget cuts and delayed funding to schools (school funding had officially "recovered" from the cuts of 11 years ago this past year), our board, business official (Conn Hickey), and I sprang into action to shore up our finances and plan for the future.

Our first step was to revise our budget to expect drastic spending cuts. Not only are funding cuts looming in the future, we have lost out on about \$30,000 in Family Giving (that normally comes in at the end of the school year). As a Charter School we, unfortunately, do not have access to financial tools available to districts that allow them to keep paying bills even when they have not received funding from the State. This is also a very difficult time to secure any loans. Our reserves were no longer enough to weather the storm. We were looking at the possibility of immediate cuts to deal with this reality.

With deeper need realized, our board authorized us to look into approval for a Payroll Protection (PPP) Loan (authorized by the CARES Act). We were pleased to find that (as a non-profit) we qualified for this program, and two weeks ago we were approved for a loan. Last week we accepted the loan.

This has been a big relief. While we still have anxiety about the future (as we all do), we have less stress about the present and can better prepare for what's to come.

In Community

Luke

# **EXHIBIT “N”**

**From:** [SBEOVERSIGHT](#)  
**To:** [Matthew Huddleston](#)  
**Cc:** [Carrie Lopes](#)  
**Subject:** FW: [EXTERNAL] Re: Paycheck Protection Program Loans  
**Date:** Tuesday, June 16, 2020 2:42:15 PM  
**Attachments:** [Board Approved 042320 Board Mtg Minutes.pdf](#)

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**From:** Luke Duchene <luke.duchene@rossvalleycharter.org>  
**Sent:** Tuesday, June 16, 2020 1:42 PM  
**To:** SBEOVERSIGHT <SBEOVERSIGHT@cde.ca.gov>  
**Cc:** Matthew Huddleston <MHuddleston@cde.ca.gov>  
**Subject:** [EXTERNAL] Re: Paycheck Protection Program Loans

SBE Oversight,

Ross Valley Charter received a Payroll Protection Program loan in the amount of \$270,653.00. Attached are the meeting minutes from our 4/23 board meeting which authorized the receipt of this loan.

Please let me know if you have any questions.

Warmly,

Luke

**Luke Duchene** (he/him/his)  
School Director

Mobile:

  
Office: 41  
5-534-6970



I'd love to connect. [Here's my calendar link](#) to make finding time easy.

**CONFIDENTIAL INFORMATION:**

This email is for the sole use of the designated recipient(s) with a legitimate interest and may contain legally confidential information protected by the Family Education Act (FERPA) 20 USC 1232g. Any unauthorized review, use, distribution or disclosure is strictly prohibited. If you are not the intended recipient, please contact the sender by reply mail and destroy all copies of the original message. This email cannot be produced for a records request.

On Tue, Jun 16, 2020 at 1:18 PM Matthew Huddleston <[MHuddleston@cde.ca.gov](mailto:MHuddleston@cde.ca.gov)> wrote:

|

Charter Team,

The California Department of Education is asking all State Board of Education-authorized charter schools to report the amount of any Paycheck Protection Program loans received. Please send the loan amount, and the minutes of the governing board meeting which approved the receipt of the loan, to [sbeoversight@cde.ca.gov](mailto:sbeoversight@cde.ca.gov) by close of business on **July 1**.

If your charter did not apply for the Federal PPP loan, please respond as such.

Matt Huddleston

Education Programs Specialist

SBE Oversight Unit

CA Dept. of Education

916-323-5833

# **EXHIBIT “O”**



## **April 20, 2020 Budget Draft Key Assumptions:**

What follows is a four year budget with the following assumptions.

1. 2019-20 revenues remain as budgeted. This budget includes some state and federal aid for COVID 19. \$3K state money for uses related to COVID19 and \$8,000 from CARES Act. ADA is actual P2.
2. 2020-21 state LCFF cola is reduced by 5%, and cola for the next four years is zero. This is the current EdTec recommendation. Eric Premack of CSDC is recommending budgeting between zero and minus 10-20%. At minus 10%, many large school districts will likely fail, unless legislature suspends requirement to provide pink slips to tenured teachers by March 15.
3. *2020-25 salaries have no increase.*
4. Non-Compensation expense rise at 1.5% per year, except health insurance costs to RVC which go up 4% per year.
5. Assumes enrollment of 215 next year and 222 the year after in 9 classrooms. ADA% is 95%, This year we closed at 94.88%, up from 94.14 in 18-19.
6. Assumes two new teachers starting next year, each earning \$68K per year with health benefits
7. No Spanish teachers (saves around \$12K per year) but art and music continue as is. There is \$51 budgeted for classroom aids, which is two classroom special education aids and two math aids, which is what we have now.
8. It includes a new expense line called Director's Contingency (Account # 5826) of \$10k, \$40, \$40K, \$30K, and \$30K in the 5 out years to fund surprises like further cola reductions. 2% additional cola reduction is around \$35K
9. The budget assumes a \$300,000 PCSD loan to fund a \$300,000 ADA project, depreciated over 8 years. There is also a 4%, 3 year amortizing \$100K loan assumed at the end of 2023-24 to pay off the PCSD loan and keep our cash flow positive in 2024-25. The elements of the project have now been estimated and \$300K seems to be a reasonable cap.
10. The resulting forecast retains a 12% minimum reserve throughout the 6 years.

The various rate assumptions are on page 9 below and the cash flow starts on page 11.

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>SUMMARY</b>						
<b>Revenue</b>						
LCFF Entitlement	1,614,981	1,711,514	1,755,252	1,750,352	1,748,366	1,745,882
Federal Revenue	45,000	41,125	43,875	44,750	44,750	44,750
Other State Revenues	144,236	163,546	169,219	169,442	169,550	169,550
Local Revenues	148,489	209,193	209,193	209,193	209,193	209,193
Fundraising and Grants	180,525	203,800	210,240	210,240	210,240	210,240
<b>Total Revenue</b>	<b>2,133,231</b>	<b>2,329,178</b>	<b>2,387,779</b>	<b>2,383,977</b>	<b>2,382,099</b>	<b>2,379,615</b>
<b>Expenses</b>						
Compensation and Benefits	1,518,231	1,619,341	1,620,226	1,624,468	1,628,879	1,623,731
Books and Supplies	21,390	30,943	29,715	30,100	30,492	30,889
Services and Other Operating Expenditures	526,638	614,964	656,706	669,056	671,800	684,916
Depreciation	5,015	41,738	44,863	44,863	41,576	38,280
Other Outflows	-	14,220	4,976	4,257	3,856	3,311
<b>Total Expenses</b>	<b>2,071,274</b>	<b>2,321,205</b>	<b>2,356,485</b>	<b>2,372,743</b>	<b>2,376,602</b>	<b>2,381,127</b>
<b>Operating Income</b>	<b>61,957</b>	<b>7,973</b>	<b>31,293</b>	<b>11,234</b>	<b>5,496</b>	<b>(1,513)</b>
<b>Fund Balance</b>						
Beginning Balance (Unaudited)	204,167	266,124	274,097	305,390	316,624	322,120
Audit Adjustment						
Beginning Balance (Audited)	204,167	266,124	274,097	305,390	316,624	322,120
Operating Income	61,957	7,973	31,293	11,234	5,496	(1,513)
<b>Ending Fund Balance</b>	<b>266,124</b>	<b>274,097</b>	<b>305,390</b>	<b>316,624</b>	<b>322,120</b>	<b>320,608</b>
<b>Total Revenue Per ADA</b>	11,615	11,404	11,322	11,304	11,295	11,283
<b>Total Expenses Per ADA</b>	11,278	11,365	11,173	11,251	11,269	11,290
<b>Operating Income Per ADA</b>	337	39	148	53	26	(7)
<b>Fund Balance as a % of Expenses</b>	13%	12%	13%	13%	14%	13%

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>Key Assumptions</b>						
<b>Enrollment Breakdown</b>						
TK	10	13	-	6	6	6
K	27	36	36	30	30	30
1	31	32	36	36	36	36
2	35	34	36	36	36	36
3	29	41	36	36	36	36
4	29	32	39	39	39	39
5	34	28	39	39	39	39
<b>Total Enrolled</b>	<b>195</b>	<b>215</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>
<b>ADA %</b>						
K-3	93.7%	95.0%	95.0%	95.0%	95.0%	95.0%
4-6	95.3%	95.0%	95.0%	95.0%	95.0%	95.0%
<b>Average ADA %</b>	<b>94.2%</b>	<b>95.0%</b>	<b>95.0%</b>	<b>95.0%</b>	<b>95.0%</b>	<b>95.0%</b>
<b>ADA</b>						
K-3	124	147	137	137	137	137
4-6	60	57	74	74	74	74
<b>Total ADA</b>	<b>184</b>	<b>204</b>	<b>211</b>	<b>211</b>	<b>211</b>	<b>211</b>
<b>Demographic Information</b>						
CALPADS Enrollment (for unduplicated % calc)	193	215	222	222	222	222
# Unduplicated (CALPADS)	63	62	65	62	60	60
# Free & Reduced Lunch (CALPADS)	55	61	63	63	63	63
# ELL (CALPADS)	33	37	38	38	38	38
New Students	35	22	7	-	-	-
<b>School Information</b>						
FTE's	18.7	19.6	19.5	19.5	19.5	19.5
Teachers	10	11	11	11	11	11
Certificated Pay Increases		0%	0%	0%	0%	0%
Classified Pay Increases		0%	0%	0%	0%	0%
# of school days	179	179	179	179	179	179
Default Expense Inflation Rate		2%	2%	2%	2%	2%

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>REVENUE</b>						
<b>LCFF Entitlement</b>						
8011 Charter Schools General Purpose Entitlement - State Aid	1,412,910	1,507,264	1,544,352	1,539,452	1,537,466	1,534,982
8012 Education Protection Account Entitlement	36,732	40,850	42,180	42,180	42,180	42,180
8019 State Aid - Prior Years	45	-	-	-	-	-
8096 Charter Schools in Lieu of Property Taxes	165,294	163,400	168,720	168,720	168,720	168,720
<b>SUBTOTAL - LCFF Entitlement</b>	<b>1,614,981</b>	<b>1,711,514</b>	<b>1,755,252</b>	<b>1,750,352</b>	<b>1,748,366</b>	<b>1,745,882</b>
<b>Federal Revenue</b>						
8181 Special Education - Entitlement	20,000	24,125	26,875	27,750	27,750	27,750
8291 Title I	15,000	15,000	15,000	15,000	15,000	15,000
8293 Title III	2,000	2,000	2,000	2,000	2,000	2,000
8296 COVID funds 80% 19-20 Titile 1	8,000	-	-	-	-	-
<b>SUBTOTAL - Federal Revenue</b>	<b>45,000</b>	<b>41,125</b>	<b>43,875</b>	<b>44,750</b>	<b>44,750</b>	<b>44,750</b>
<b>Other State Revenue</b>						
8319 Other State Apportionments - Prior Years	-	-	-	-	-	-
8381 Special Education - Entitlement (State)	98,809	112,746	116,417	116,417	116,417	116,417
8550 Mandated Cost Reimbursements	2,597	3,168	3,619	3,843	3,950	3,950
8560 State Lottery Revenue	39,708	44,160	45,597	45,597	45,597	45,597
8590 All Other State Revenue	3,122	3,472	3,585	3,585	3,585	3,585
<b>SUBTOTAL - Other State Revenue</b>	<b>144,236</b>	<b>163,546</b>	<b>169,219</b>	<b>169,442</b>	<b>169,550</b>	<b>169,550</b>
<b>Local Revenue</b>						
8660 Interest	1,500	1,500	1,500	1,500	1,500	1,500
8676 After School Program Revenue	138,500	192,000	192,000	192,000	192,000	192,000
8693 Field Trip Donations	-	8,693	8,693	8,693	8,693	8,693
8699 All Other Local Revenue	1,489	-	-	-	-	-
8701 All Script	7,000	7,000	7,000	7,000	7,000	7,000
<b>SUBTOTAL - Local Revenue</b>	<b>148,489</b>	<b>209,193</b>	<b>209,193</b>	<b>209,193</b>	<b>209,193</b>	<b>209,193</b>
<b>Fundraising and Grants</b>						
8801 Donations - Family	132,600	146,200	150,960	150,960	150,960	150,960
8802 Donations - Private	6,000	6,000	6,000	6,000	6,000	6,000
8803 Fundraising	-	-	-	-	-	-

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
8804 Fundraising - Fund Development	-	-	-	-	-	-
8811 Net Readathon Revenue	37,050	40,850	42,180	42,180	42,180	42,180
8812 Net Auction Revenue	4,875	10,750	11,100	11,100	11,100	11,100
<b>SUBTOTAL - Fundraising and Grants</b>	<b>180,525</b>	<b>203,800</b>	<b>210,240</b>	<b>210,240</b>	<b>210,240</b>	<b>210,240</b>
<b>TOTAL REVENUE</b>	<b>2,133,231</b>	<b>2,329,178</b>	<b>2,387,779</b>	<b>2,383,977</b>	<b>2,382,099</b>	<b>2,379,615</b>

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>EXPENSES</b>						
<b>Compensation &amp; Benefits</b>						
<b>Certificated Salaries</b>						
1100	Teachers Salaries	660,748	714,630	714,630	714,630	714,630
1103	Teacher - Substitute Pay	6,591	8,250	8,250	8,250	8,250
1148	Teacher - Special Ed	109,980	109,980	109,980	109,980	109,980
1200	Certificated Pupil Support Salaries	35,419	34,632	34,632	34,632	34,632
1300	Certificated Supervisor & Administrator Salaries	112,200	112,200	112,200	112,200	112,200
	<b>SUBTOTAL - Certificated Salaries</b>	<b>924,938</b>	<b>979,692</b>	<b>979,692</b>	<b>979,692</b>	<b>979,692</b>
<b>Classified Salaries</b>						
2101	Classified - Electives	69,100	63,770	61,995	61,995	61,995
2103	Classified - Classroom Aides	64,415	51,737	51,737	51,737	51,737
2300	Classified Supervisor & Administrator Salaries	54,863	59,850	59,850	59,850	59,850
2400	Classified Clerical & Office Salaries	43,000	44,000	44,000	44,000	44,000
2905	Other Classified - After School	36,495	51,810	51,810	51,810	51,810
2930	Custodian	24,600	24,600	24,600	24,600	24,600
	<b>SUBTOTAL - Classified Salaries</b>	<b>292,472</b>	<b>295,767</b>	<b>293,992</b>	<b>293,992</b>	<b>293,992</b>
<b>Employee Benefits</b>						
3100	STRS	157,935	180,263	177,324	177,324	177,324
3300	OASDI-Medicare-Alternative	35,869	36,832	36,696	36,696	36,696
3400	Health & Welfare Benefits	80,359	100,260	106,038	110,279	119,278
3500	Unemployment Insurance	12,050	11,222	11,201	11,201	1,466
3600	Workers Comp Insurance	14,609	15,306	15,284	15,284	15,284
	<b>SUBTOTAL - Employee Benefits</b>	<b>300,822</b>	<b>343,882</b>	<b>346,543</b>	<b>350,784</b>	<b>350,048</b>
<b>Books &amp; Supplies</b>						
4100	Approved Textbooks & Core Curricula Materials	1,370	1,075	1,127	1,144	1,178
4200	Books & Other Reference Materials	-	1,505	1,577	1,601	1,649
4320	Educational Software	500	1,000	1,015	1,030	1,061
4325	Instructional Materials & Supplies	2,000	4,300	4,507	4,574	4,712
4326	Art & Music Supplies	1,000	1,500	1,523	1,545	1,592

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
4330 Office Supplies	1,500	2,000	1,200	1,218	1,236	1,255
4335 PE Supplies	-	360	365	371	376	382
4346 Teacher Supplies	3,200	4,000	4,000	4,000	4,000	4,000
4410 Classroom Furniture, Equipment & Supplies	120	2,000	1,000	1,015	1,030	1,046
4420 Computers: individual items less than \$5k	-	1,500	1,523	1,545	1,569	1,592
4430 Non Classroom Related Furniture, Equipment & Supplies	1,000	1,000	1,015	1,030	1,046	1,061
4710 Student Food Services	10,500	10,500	10,658	10,817	10,980	11,144
4720 Other Food	200	203	206	209	212	215
<b>SUBTOTAL - Books and Supplies</b>	<b>21,390</b>	<b>30,943</b>	<b>29,715</b>	<b>30,100</b>	<b>30,492</b>	<b>30,889</b>
<b>Services &amp; Other Operating Expenses</b>						
5200 Travel & Conferences	250	1,000	1,015	1,030	1,046	1,061
5300 Dues & Memberships	1,800	1,827	1,854	1,882	1,910	1,939
5450 Insurance - Other	21,000	21,315	22,168	23,054	23,976	24,936
5515 Janitorial, Gardening Services & Supplies	2,500	2,538	2,576	2,614	2,653	2,693
5525 Utilities - Waste	4,400	4,466	4,533	4,601	4,670	4,740
5535 Utilities - PGE & Sewer	12,000	15,500	15,733	15,968	16,208	16,451
5605 Equipment Leases	4,500	4,568	4,636	4,706	4,776	4,848
5610 Rent	168,980	187,625	193,254	199,051	205,023	211,174
5615 Repairs and Maintenance - Building	3,000	5,125	5,202	5,280	5,359	5,439
5803 Accounting Fees	12,600	13,600	13,804	14,011	14,221	14,435
5805 SELPA and other administrative Fees	3,780	4,267	4,472	4,539	4,607	4,676
5812 Business Services	65,025	67,626	70,331	73,144	76,070	79,113
5824 CDE Oversight Fees	16,150	17,115	17,553	17,504	17,484	17,459
5826 Directors Contingency	-	10,000	40,000	40,000	30,000	30,000
5828 Aftercare Expenses	7,400	1,025	1,040	1,056	1,072	1,088
5829 After school Enrichment Program	82,000	120,000	120,000	120,000	120,000	120,000
5830 Field Trips Expenses	800	15,595	15,829	16,066	16,307	16,552
5836 Fingerprinting	-	200	203	206	209	212
5843 Interest - Loans	1,000	900	-	-	-	-
5845 Legal Fees	5,000	5,075	5,151	5,228	5,307	5,386
5851 Marketing and Student Recruiting	15,500	15,733	15,968	16,208	16,451	16,698
5854 Counselling Contracting	5,890	14,700	14,921	15,144	15,371	15,602
5855 MH SPED Contractors	5,000	5,075	5,151	5,228	5,307	5,386
5857 Payroll Fees	3,240	3,289	3,338	3,388	3,439	3,490
5861 Prior Yr Exp (not accrued)	13,259	5,000	5,075	5,151	5,228	5,307
5863 Professional Development	9,000	15,000	15,225	15,453	15,685	15,920

**Ross Valley Charter School**  
**Multi-year Projection**  
**As of Mar FY2020**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
5869 Special Education Contract Instructors	43,000	35,255	35,784	36,321	36,865	37,418
5875 Staff Recruiting	1,300	700	711	721	732	743
5880 Student Health Services	1,200	1,218	1,236	1,255	1,274	1,293
5881 Student Information System	3,664	3,719	3,775	3,831	3,889	3,947
5887 Technology Services	2,000	4,100	4,162	4,224	4,287	4,352
5910 Communications - Internet / Website Fees	5,000	5,075	5,151	5,228	5,307	5,386
5915 Postage and Delivery	400	645	676	686	696	707
5920 Communications - Telephone & Fax	6,000	6,090	6,181	6,274	6,368	6,464
<b>SUBTOTAL - Services &amp; Other Operating Exp.</b>	<b>526,638</b>	<b>614,964</b>	<b>656,706</b>	<b>669,056</b>	<b>671,800</b>	<b>684,916</b>
<b>Depreciation Expense</b>						
6900 Depreciation	5,015	41,738	44,863	44,863	41,576	38,280
<b>SUBTOTAL - Depreciation Expense</b>	<b>5,015</b>	<b>41,738</b>	<b>44,863</b>	<b>44,863</b>	<b>41,576</b>	<b>38,280</b>
<b>Other Outflows</b>						
7438 Long term debt - Interest	-	14,220	4,976	4,257	3,856	3,311
<b>SUBTOTAL - Other Outflows</b>	<b>-</b>	<b>14,220</b>	<b>4,976</b>	<b>4,257</b>	<b>3,856</b>	<b>3,311</b>
<b>TOTAL EXPENSES</b>	<b>2,071,274</b>	<b>2,321,205</b>	<b>2,356,485</b>	<b>2,372,743</b>	<b>2,376,602</b>	<b>2,381,127</b>

## Ross Valley Charter School

2019-20

As of Mar FY2020

	Year 1 2019-20	Year 2 2020-21	Year 3 2021-22	Year 4 2022-23	Year 5 2023-24	Year 6 2024-25	Driver/ Rate Type
<b>Revenues and related expenses</b>							
<b>Statewide LCFF Assumptions</b>							
LCFF COLA	3.26%	-5.00%	0.00%	0.00%	0.00%	0.00%	
TK-3 LCFF Base	7,702	7,317	7,317	7,317	7,317	7,317	
4-6 LCFF Base	7,818	7,427	7,427	7,427	7,427	7,427	
TK-3 Gr Span Adj	801	761	761	761	761	761	
<b>School LCFF Assumptions</b>							
LCFF per ADA	8,793	8,380	8,323	8,299	8,290	8,278	
ILPT per ADA	900	800	800	800	800	800	
Unduplicated Pupil % (3 year avg)	31.04%	30.63%	30.16%	28.68%	28.08%	27.33%	
District UPP	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	
<b>Other Federal and State Revenues</b>							
EDCOE SELPA Federal Rate	125.00	125.00	125.00	125.00	125.00	125.00	Prior Year Enrollment
EDCOE SELPA State Rate	538.00	552.00	552.00	552.00	552.00	552.00	ADA
Mandated Cost Reimbursements: K-8	16.86	17.25	17.72	18.22	18.73	18.73	Prior Year Enrollment
Mandated Cost Reimbursements: 9-12	46.87	47.94	49.24	50.63	52.06	52.06	Prior Year Enrollment
State Lottery Unrestricted	153.00	153.00	153.00	153.00	153.00	153.00	ADA
State Lottery Restricted	54.00	54.00	54.00	54.00	54.00	54.00	ADA
<b>Fees</b>							
Authorizer Fees	1.00%	1.00%	1.00%				% of LCFF
Special Education Encroachment Fees		0.00	0.00				
<b>Payroll</b>							
<b>Annual Pay Increase</b>							
Certificated		0.00%	0.00%	0.00%	0.00%	0.00%	
Classified		0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Benefits</b>							
STRS	17.10%	18.40%	18.10%	18.10%	18.10%	18.10%	% of eligible payroll
Social Security	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	% of eligible payroll
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	% of total payroll
H&W average annual increase		4.00%	4.00%	4.00%	4.00%	4.00%	



**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2019-20													Forecast	Remaining Balance
	Jul Actuals	Aug Actuals	Sep Actuals	Oct Actuals	Nov Actuals	Dec Actuals	Jan Actuals	Feb Actuals	Mar Actuals	Apr Forecast	May Forecast	Jun Forecast	Forecast		
<b>Beginning Cash</b>	<b>311,734</b>	<b>330,622</b>	<b>284,859</b>	<b>203,981</b>	<b>237,662</b>	<b>215,668</b>	<b>179,614</b>	<b>131,952</b>	<b>132,868</b>	<b>136,233</b>	<b>138,722</b>	<b>250,817</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	65,657	65,612	125,803	118,101	118,101	118,101	129,627	-	285,845	262,727	138,757	1,614,981	186,650	
Federal Revenue	-	-	-	-	-	-	-	-	-	25,167	4,917	667	45,000	14,250	
Other State Revenue	4,000	4,000	7,201	7,201	7,201	9,798	7,201	8,180	20,332	5,685	20,314	11,076	144,236	32,047	
Other Local Revenue	816	26,906	8,411	37,139	10,354	19,525	25,599	17,500	164,217	(168,247)	11,406	(5,135)	148,489	-	
Fundraising & Grants	1,289	166	14,401	46,123	38,814	22,836	5,822	49	45,783	3,635	10,801	6,408	180,525	(15,600)	
<b>TOTAL REVENUE</b>	<b>6,105</b>	<b>96,729</b>	<b>95,626</b>	<b>216,266</b>	<b>174,470</b>	<b>170,260</b>	<b>156,722</b>	<b>155,356</b>	<b>230,332</b>	<b>152,084</b>	<b>310,165</b>	<b>151,772</b>	<b>2,133,231</b>	<b>217,347</b>	
<b>EXPENSES</b>															
Certificated Salaries	66,530	73,568	78,505	79,400	80,890	77,110	77,544	81,272	42,128	105,955	82,020	80,017	924,938	-	
Classified Salaries	519	6,691	32,344	35,316	27,116	24,418	24,824	27,923	13,290	34,852	34,429	28,835	292,472	1,917	
Employee Benefits	34,218	21,612	23,433	15,054	25,534	24,035	38,292	27,142	7,418	30,379	30,527	23,032	300,822	147	
Books & Supplies	50	578	2,826	460	153	4,548	2,305	3,016	486	2,400	908	3,661	21,390	-	
Services & Other Operating Expenses	31,594	28,241	35,677	38,452	42,769	62,242	48,023	41,247	45,057	32,076	43,804	51,391	526,638	26,066	
Capital Outlay & Depreciation	-	-	-	-	-	864	144	144	144	418	418	2,883	5,015	-	
Other Outflows	-	-	-	-	-	-	-	1,682	22,058	(23,740)	-	-	-	-	
<b>TOTAL EXPENSES</b>	<b>132,910</b>	<b>130,689</b>	<b>172,785</b>	<b>168,682</b>	<b>176,461</b>	<b>193,216</b>	<b>191,132</b>	<b>182,426</b>	<b>130,580</b>	<b>182,339</b>	<b>192,106</b>	<b>189,818</b>	<b>2,071,274</b>	<b>28,129</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(126,806)</b>	<b>(33,961)</b>	<b>(77,159)</b>	<b>47,584</b>	<b>(1,991)</b>	<b>(22,956)</b>	<b>(34,410)</b>	<b>(27,070)</b>	<b>99,752</b>	<b>(30,256)</b>	<b>118,058</b>	<b>(38,047)</b>	<b>61,957</b>	<b>189,218</b>	
Revenues - Prior Year Accruals	167,083	356	-	-	7,735	-	-	646	-	25,355	-	-	-	-	
Other Assets	19,506	-	-	-	-	(625)	-	-	-	-	-	-	-	-	
Fixed Assets	-	-	-	(566)	(14,401)	864	84	144	(3,856)	(3,093)	418	2,883	-	-	
Expenses - Prior Year Accruals	-	(3,850)	-	-	-	-	-	2,469	-	(34,475)	-	-	-	-	
Accounts Payable - Current Year	(36,341)	(1,848)	(797)	-	-	-	-	38,064	(89,404)	51,340	-	-	-	-	
Summerholdback for Teachers	(4,555)	206	412	412	412	412	413	413	207	424	424	424	-	-	
Loans Payable (Current)	-	(6,667)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	(3,333)	
Loans Payable (Long Term)	-	-	-	(10,416)	(10,416)	(10,416)	(10,416)	(10,416)	-	(3,472)	(3,472)	(3,472)	-	-	
<b>Ending Cash</b>	<b>330,622</b>	<b>284,859</b>	<b>203,981</b>	<b>237,662</b>	<b>215,668</b>	<b>179,614</b>	<b>131,952</b>	<b>132,868</b>	<b>136,233</b>	<b>138,722</b>	<b>250,817</b>	<b>209,272</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2020-21													Forecast	Remaining Balance
	Actuals & Forecast														
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
<b>Beginning Cash</b>	<b>209,272</b>	<b>440,606</b>	<b>246,238</b>	<b>155,703</b>	<b>137,542</b>	<b>103,671</b>	<b>48,045</b>	<b>107,463</b>	<b>88,220</b>	<b>113,383</b>	<b>216,843</b>	<b>311,493</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	67,766	67,766	131,162	121,979	121,979	212,862	121,979	185,048	197,319	225,898	185,048	1,711,514	72,710	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	12,063	4,250	-	41,125	16,313	
Other State Revenue	289	5,230	5,230	9,182	9,182	12,350	9,182	19,109	11,970	11,970	21,897	11,970	163,546	35,986	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,183	12,183	12,183	12,850	12,850	16,616	12,850	12,850	53,523	9,261	21,966	14,484	203,800	-	
<b>TOTAL REVENUE</b>	<b>13,559</b>	<b>121,891</b>	<b>97,291</b>	<b>202,147</b>	<b>161,747</b>	<b>177,189</b>	<b>269,773</b>	<b>182,199</b>	<b>254,230</b>	<b>221,841</b>	<b>289,597</b>	<b>204,012</b>	<b>2,329,178</b>	<b>133,701</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,697	30,777	25,350	26,430	25,350	30,777	29,697	26,430	29,697	23,531	295,767	2,000	
Employee Benefits	32,906	27,145	32,818	29,534	28,347	28,429	32,836	29,534	29,452	26,995	27,456	18,277	343,882	153	
Books & Supplies	1,704	1,704	2,347	1,704	1,704	5,447	1,704	4,687	1,704	2,080	1,704	4,457	30,943	-	
Services & Other Operating Expenses	36,532	35,033	40,195	60,857	43,846	76,137	54,095	39,009	70,763	(23,080)	49,071	95,777	614,964	36,728	
Capital Outlay & Depreciation	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	41,738	-	
Other Outflows	500	495	490	486	481	476	471	466	461	456	452	8,985	14,220	-	
<b>TOTAL EXPENSES</b>	<b>137,676</b>	<b>159,246</b>	<b>193,806</b>	<b>211,616</b>	<b>186,921</b>	<b>224,114</b>	<b>201,649</b>	<b>192,732</b>	<b>220,335</b>	<b>120,076</b>	<b>196,637</b>	<b>237,514</b>	<b>2,321,205</b>	<b>38,881</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(124,117)</b>	<b>(37,355)</b>	<b>(96,514)</b>	<b>(9,469)</b>	<b>(25,175)</b>	<b>(46,925)</b>	<b>68,124</b>	<b>(10,533)</b>	<b>33,895</b>	<b>101,764</b>	<b>92,960</b>	<b>(33,502)</b>	<b>7,973</b>	<b>94,820</b>	
Revenues - Prior Year Accruals	205,695	7,402	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	15,805	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	(146,522)	(146,522)	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	3,478	-	
Expenses - Prior Year Accruals	(11,980)	(16,150)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(4,664)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	297,116	(2,889)	(2,894)	(13,315)	(13,320)	(13,324)	(13,329)	(13,334)	(13,355)	(2,928)	(2,933)	(106,438)	-	-	
<b>Ending Cash</b>	<b>440,606</b>	<b>246,238</b>	<b>155,703</b>	<b>137,542</b>	<b>103,671</b>	<b>48,045</b>	<b>107,463</b>	<b>88,220</b>	<b>113,383</b>	<b>216,843</b>	<b>311,493</b>	<b>176,177</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2021-22														
	Actuals & Forecast													Forecast	Remaining Balance
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast			
<b>Beginning Cash</b>	<b>176,177</b>	<b>125,112</b>	<b>101,212</b>	<b>18,124</b>	<b>25,700</b>	<b>15,810</b>	<b>(15,391)</b>	<b>71,600</b>	<b>77,431</b>	<b>106,417</b>	<b>202,314</b>	<b>291,704</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	74,783	74,783	144,822	134,609	134,609	229,182	134,609	178,092	189,302	220,272	178,092	1,755,252	62,097	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	13,438	4,250	-	43,875	17,688	
Other State Revenue	299	5,936	5,936	10,446	10,446	14,065	10,446	21,486	11,180	11,180	22,220	11,180	169,219	34,399	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,580	12,580	12,580	13,247	13,247	17,135	13,247	13,247	55,244	9,541	22,660	14,934	210,240	-	
<b>TOTAL REVENUE</b>	<b>13,965</b>	<b>130,011</b>	<b>105,411</b>	<b>217,467</b>	<b>176,037</b>	<b>192,054</b>	<b>287,753</b>	<b>197,603</b>	<b>248,206</b>	<b>214,689</b>	<b>284,988</b>	<b>196,717</b>	<b>2,387,779</b>	<b>122,877</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,492	30,572	25,194	26,274	25,194	30,572	29,492	26,274	29,492	23,408	293,992	2,000	
Employee Benefits	33,350	27,212	32,850	29,573	28,393	28,476	32,874	29,573	29,490	27,043	27,497	18,019	346,543	2,192	
Books & Supplies	1,588	1,588	2,241	1,588	1,588	5,388	1,588	4,616	1,588	1,971	1,588	4,383	29,715	-	
Services & Other Operating Expenses	37,633	35,970	41,148	61,139	44,797	77,162	55,151	39,993	71,631	(22,450)	50,002	97,221	656,706	67,310	
Capital Outlay & Depreciation	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	44,863	-	
Other Outflows	442	437	432	427	422	417	412	407	402	397	392	387	4,976	-	
<b>TOTAL EXPENSES</b>	<b>139,308</b>	<b>160,338</b>	<b>194,681</b>	<b>211,817</b>	<b>187,849</b>	<b>225,171</b>	<b>202,673</b>	<b>193,679</b>	<b>221,122</b>	<b>120,689</b>	<b>197,490</b>	<b>230,165</b>	<b>2,356,485</b>	<b>71,502</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(125,343)</b>	<b>(30,327)</b>	<b>(89,270)</b>	<b>5,650</b>	<b>(11,812)</b>	<b>(33,118)</b>	<b>85,080</b>	<b>3,924</b>	<b>27,085</b>	<b>94,000</b>	<b>87,498</b>	<b>(33,448)</b>	<b>31,293</b>	<b>51,374</b>	
Revenues - Prior Year Accruals	107,846	21,606	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	-	
Expenses - Prior Year Accruals	(21,766)	(17,115)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(12,597)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	(2,942)	(2,947)	(2,952)	(2,957)	(2,962)	(2,967)	(2,972)	(2,977)	(2,982)	(2,987)	(2,992)	(2,997)	-	-	
<b>Ending Cash</b>	<b>125,112</b>	<b>101,212</b>	<b>18,124</b>	<b>25,700</b>	<b>15,810</b>	<b>(15,391)</b>	<b>71,600</b>	<b>77,431</b>	<b>106,417</b>	<b>202,314</b>	<b>291,704</b>	<b>260,143</b>			

**Ross Valley Charter School**  
**Monthly Cash Forecast**  
**As of Mar FY2020**

	2022-23														Remaining Balance
	Actuals & Forecast													Forecast	
	Jul Forecast	Aug Forecast	Sep Forecast	Oct Forecast	Nov Forecast	Dec Forecast	Jan Forecast	Feb Forecast	Mar Forecast	Apr Forecast	May Forecast	Jun Forecast	Forecast		
<b>Beginning Cash</b>	<b>260,143</b>	<b>164,473</b>	<b>138,760</b>	<b>54,502</b>	<b>80,357</b>	<b>71,114</b>	<b>40,669</b>	<b>136,870</b>	<b>143,654</b>	<b>157,913</b>	<b>239,069</b>	<b>314,026</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	76,973	76,973	166,177	138,551	138,551	241,766	138,551	167,216	177,761	209,396	167,216	1,750,352	51,221	
Federal Revenue	-	-	-	-	4,250	-	-	4,250	-	13,875	4,250	-	44,750	18,125	
Other State Revenue	299	6,120	6,120	10,776	10,776	14,619	10,776	22,176	10,776	10,776	22,176	10,776	169,442	33,276	
Other Local Revenue	1,087	36,712	12,112	48,953	13,486	26,245	34,879	24,011	3,690	(8,772)	15,586	(7,489)	209,193	8,693	
Fundraising & Grants	12,580	12,580	12,580	13,247	13,247	17,135	13,247	13,247	55,244	9,541	22,660	14,934	210,240	-	
<b>TOTAL REVENUE</b>	<b>13,965</b>	<b>132,384</b>	<b>107,784</b>	<b>239,153</b>	<b>180,309</b>	<b>196,549</b>	<b>300,668</b>	<b>202,234</b>	<b>236,926</b>	<b>203,182</b>	<b>274,068</b>	<b>185,437</b>	<b>2,383,977</b>	<b>111,315</b>	
<b>EXPENSES</b>															
Certificated Salaries	57,569	80,349	84,780	84,780	83,717	83,717	83,717	84,780	84,780	83,717	84,780	83,008	979,692	-	
Classified Salaries	4,988	11,042	29,492	30,572	25,194	26,274	25,194	30,572	29,492	26,274	29,492	23,408	293,992	2,000	
Employee Benefits	33,697	27,386	33,024	29,746	28,567	28,649	33,047	29,746	29,663	27,216	27,670	18,019	350,784	4,354	
Books & Supplies	1,607	1,607	2,269	1,607	1,607	5,464	1,607	4,680	1,607	1,995	1,607	4,444	30,100	-	
Services & Other Operating Expenses	38,768	36,935	42,125	61,991	45,866	78,288	56,299	41,070	72,522	(21,778)	50,959	98,603	669,056	67,407	
Capital Outlay & Depreciation	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	44,863	-	
Other Outflows	382	377	372	367	362	357	352	347	342	337	332	327	4,257	-	
<b>TOTAL EXPENSES</b>	<b>140,750</b>	<b>161,435</b>	<b>195,801</b>	<b>212,801</b>	<b>189,051</b>	<b>226,487</b>	<b>203,954</b>	<b>194,933</b>	<b>222,145</b>	<b>121,499</b>	<b>198,579</b>	<b>231,547</b>	<b>2,372,743</b>	<b>73,761</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(126,784)</b>	<b>(29,051)</b>	<b>(88,017)</b>	<b>26,352</b>	<b>(8,741)</b>	<b>(29,938)</b>	<b>96,713</b>	<b>7,301</b>	<b>14,782</b>	<b>81,683</b>	<b>75,489</b>	<b>(46,110)</b>	<b>11,234</b>	<b>37,554</b>	
Revenues - Prior Year Accruals	97,249	21,378	4,250	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fixed Assets	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	3,739	-	
Expenses - Prior Year Accruals	(51,911)	(17,553)	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts Payable - Current Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Summerholdback for Teachers	(12,597)	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	-	
Loans Payable (Current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans Payable (Long Term)	(5,366)	(5,371)	(5,376)	(5,381)	(5,386)	(5,391)	(5,396)	(5,401)	(5,406)	(5,411)	(5,416)	(5,421)	-	-	
<b>Ending Cash</b>	<b>164,473</b>	<b>138,760</b>	<b>54,502</b>	<b>80,357</b>	<b>71,114</b>	<b>40,669</b>	<b>136,870</b>	<b>143,654</b>	<b>157,913</b>	<b>239,069</b>	<b>314,026</b>	<b>267,379</b>			

# **EXHIBIT “P”**



**CALIFORNIA DEPARTMENT  
OF EDUCATION**

**TONY THURMOND**  
STATE SUPERINTENDENT OF  
PUBLIC INSTRUCTION

1430 N STREET, SACRAMENTO, CA 95814-5901 • 916-319-0800 • WWW.CDE.CA.GOV

August 24, 2020

Sharon Sagar, Board Chair  
Luke Duchene, Director  
Ross Valley Charter School  
97 Glen Drive  
Fairfax, CA 94930

Dear Ms. Sagar and Director Duchene:

Subject: Ross Valley Charter Facility

On May 17, 2019 and October 18, 2019 Ross Valley Charter (RVC) was informed that the facility located on 102 Marinda Drive, Fairfax, CA 94930 was conditionally authorized to open and operate for the 2019–20 academic with the intent to complete the following renovation projects by August 19, 2020.

- Storage space to secure computers and other expensive electronic devices
- Installation of signage for drop off/pickup areas
- Americans with Disability Act (ADA) facility requirements
- Minor painting required throughout the facility

During a phone call on August 19, 2020, RVC stated that the following projects had been completed:

- Storage space to secure computers and other expensive electron devices
- Installation of signage for drop off/pickup areas

CDE is requesting evidence of the above completed projects to be submitted to CDE by August 28, 2020.

We understand that work was delayed due to COVID-19 and that RVC has provided an updated timeline for the completion of the outstanding ADA work to the CDE. RVC has committed to completing the work and anticipates completion by November 30, 2020. Please be advised that RVC is not allowed to serve students at the site until the CDE has conducted a site inspection and has provided the necessary authorization, as set

Sharon Sagar, Board Chair  
Luke Duchene, Director  
August 24, 2020  
Page 2

forth by the California State Board of Education pertaining to the opening and operation of a new, expanded, and/or remodeled school.

RVC shall provide weekly updates of the progress of the ADA renovations, which will be submitted to [SBEOVERSIGHT@cde.ca.gov](mailto:SBEOVERSIGHT@cde.ca.gov) by the last day of each month, beginning with August 28, 2020.

If you have any questions regarding this letter, please contact Carrie Lopes, Education Administrator, Charter Schools Division, by email at [clopes@cde.ca.gov](mailto:clopes@cde.ca.gov).

Sincerely,

Stephanie Farland, Director  
Charter Schools Division

SF:cl

cc: Karen Stapf Walters, Executive Director, California State Board of Education

*Sent via First Class Mail and Email to:*

[sharon.sagar@rossvalleycharter.org](mailto:sharon.sagar@rossvalleycharter.org)  
[luke.duchene@rossvalleycharter.org](mailto:luke.duchene@rossvalleycharter.org)

# **EXHIBIT “Q”**

**From:** [Carrie Lopes](#)  
**To:** [Matthew Huddleston](#)  
**Subject:** RE: Ross Valley Construction to meet ADA conditions  
**Date:** Thursday, May 7, 2020 1:27:51 PM

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Have they started construction at all?

Carrie Lopes  
Charter Schools Division  
916-323-2694

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**From:** Matthew Huddleston  
**Sent:** Thursday, May 7, 2020 10:39 AM  
**To:** Carrie Lopes <CLopes@cde.ca.gov>  
**Subject:** Ross Valley Construction to meet ADA conditions

Carrie,

Just got off the phone with Luke at Ross Valley, and they have hit a snag in their construction.

They were waiting for the inspection team to okay the work (making doorways wider with lips that are ADA accessible), and the fire inspector assigned to them said they have to include a new updated fire safety system with any construction. Luke says the estimate for that system is \$100k.

Clearly, they don't have that kind of money, and will not be able to move forward with the ADA conditions. Luke is working with the city to see if they can get a second opinion or stay (apparently this specific Fire inspector is a lot more stringent than others.)

Meanwhile, I was wondering if there is a Grant or some kind of Safety funds he could apply for?

Thanks,

Matt

# **EXHIBIT “R”**



**ROSS VALLEY**  
**CHARTER**  
 A TK-5 PUBLIC SCHOOL  
 Be Curious

**MINUTES OF THE REGULAR MEETING  
 BOARD OF TRUSTEES  
 ROSS VALLEY CHARTER SCHOOL**

**Ross Valley Charter School 102 Marinda Drive, Fairfax, CA**

**For Agenda and Supplemental Materials go to:**

<https://sites.google.com/a/rossvalleycharter.org/rvc-board-docs/2019-11-18-regular-meeting>

**November 18, 2019**

**No Closed Session**

**Open Session 7:30 P.M.**

**Board Members:**

**Sharon Sagar, Chair**

**Amy Gramajo**

**Kristi Kimball**

**John Kirk**

**Cheryl Flick**

**Sonya Stanley**

**Board Member Kimball participating via TELECONFERENCE from 38 Winding Way San Carlos, CA 94070**

**I. PRELIMINARY**

**A. CALL TO ORDER**

**B. TRUSTEE ROLL CALL**

	Present	Absent
Kristi Kimball	<u>X</u>	_____
Amy Gramajo	<u>X</u>	_____
John Kirk	<u>X</u>	_____
Cheryl Flick	<u>X</u>	_____
Sharon Sagar, Chair	<u>X</u>	_____
Sonya Stanley	<u>X</u>	_____

**C. APPROVAL OF AGENDA OF REGULAR BOARD MEETING OF NOVEMBER 18, 2019.**

Approval of the Agenda was duly moved and seconded and approved 6-0.

**II. COMMUNICATION**

C. No public comment on items not on the agenda.

D. For Information: School Director – Mr. Duchene not in attendance.

E. For Information: Board/Staff Updates

- Monthly school tours a success; focus on curriculum, culture and educational approaches.
- Fall Gathering
- Need Events committee.
- Gratitude Feast, K/1 plays, (Scrooge, Nutcracker) and Inquiry Arc Expos coming up.
- Family Giving update: exceeded \$33K matching gift challenge.
- Conferences and report cards
- Music concert Dec. 12<sup>th</sup>, 1pm.
- White Hill students helping at school.
- Teachers attended Natalie Wexler presentation, The Commonwealth Club.
  - Examining how we teach reading, knowledge and comprehension.
  - Affirms RVC's approach and being knowledge-rich.
  - Addressing exposure gap.

**III. GENERAL ITEMS**

A. REPORT FROM COMMUNITY COUNCIL BUDGET COMMITTEE

- Committee includes Ms. Flick, Mr. Duchene, teachers and parents.
- Looking at budgets, resources and additional needs including classroom aides.
- Exploring salary increases, more students and increased costs.
- Current budget has a 9% reserve.
- Pursuing additional revenue, grants and funding sources. What if we exceed our fundraising goal?
- October financials in December.

B. ENROLLMENT REPORT – see November chart

- 195 enrolled students as of 11/1/19. Full capacity.
- Goal to add another 2/3 class next year.
- 24% of students are FRPL eligible.
- 22% of students are English Learners.
- 47% of students are non-white.
- Need to decide on new enrollment, current year.
- Need to address absenteeism and demonstrate growth.
- March 31<sup>st</sup> cutoff for new enrollment/ADA.

No public comment

C. UPDATE ON ELA CURRICULUM TRANSITION

- Ms. Chappell is working with K/1 teachers.
- Add to December agenda

#### D. ELECTION OF A NEW TREASURER

Mr. Hickey has resigned as Treasurer and our by-laws require the corporation to have a treasurer. Board Member Flick has volunteered to fill this role and staff recommends her election by the board.

- Ms. Flick is taking on new role as treasurer and is on our audit committee.
- Mr. Hickey: This school is giving the MAP concept a new form through new people and an evolving culture; a testament to Julie Quater's enduring vision and those who wrote charter petition.

Approval and appointment of board member Cheryl Flick as RVC's new treasurer was duly moved, seconded and approved 6-0.

#### E. BOARD RESOLUTION TO ADD A THIRD SIGNATORY TO ALL THREE RVC CHECKING ACCOUNTS.

Staff recommends the board pass the following resolution:

The Ross Valley Charter School Board of Trustees approves the removal of Conn Hickey as an approved signer on its three checking accounts at Westamerica Bank and adding Cheryl Flick in his place.

Approval of Cheryl Flick as Westamerica banking accounts signer in place of Conn Hickey was duly moved and seconded and approved 6-0.

#### F. 2020-21 CALENDAR PLANNING

- Mr. Duchene and teachers will bring back to the board with proposal based on MCOE's calendar.
- Minimum of 172 instructional days
- Ms. Flick recommends pulse survey to parents.

#### G. WELLNESS POLICY

- Teachers proposing revisions.
- Needs to be better communicated; ie birthday "treats".
- More education, communication and consistency.
- Address in newsletter
- Invite nutritionist for Parent Ed.

### **IV. CONSENT AGENDA ITEMS**

#### A. Minutes of Oct. 14th Board Meeting

Minutes for the October 14th board meeting were approved as presented by a motion duly moved and seconded and passed 5-0. Elizabeth Ellis will upload to website.

**V. FUTURE MEETING NEEDS AND TOPICS**

- Interim Financial Report
- ELA Curriculum transition update
- 2020/21 Calendar start/end date adoption
- Renewal process
- Enrollment timeline
- Attendance data

**VI.** Meeting adjourned at 9:27 p.m.

# **EXHIBIT “S”**

COVER PAGE

A PUBLIC DOCUMENT

DEC 30 2019

MARIN COUNTY  
ELECTIONS

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)  
Hickey Conn B

1. Office, Agency, or Court

Agency Name (Do not use acronyms)

Ross Valley Charter School

Division, Board, Department, District, if applicable

NA

Your Position

Treasurer

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: \_\_\_\_\_ Position: \_\_\_\_\_

2. Jurisdiction of Office (Check at least one box)

- State
- Multi-County \_\_\_\_\_
- City of \_\_\_\_\_
- Judge or Court Commissioner (Statewide Jurisdiction)
- County of \_\_\_\_\_
- Other Public Not-for-Profit Charter School

3. Type of Statement (Check at least one box)

- Annual: The period covered is January 1, 2018, through December 31, 2018.
- or-  
The period covered is \_\_\_\_/\_\_\_\_/\_\_\_\_, through December 31, 2018.
- Assuming Office: Date assumed \_\_\_\_/\_\_\_\_/\_\_\_\_
- Candidate: Date of Election \_\_\_\_\_ and office sought, if different than Part 1: \_\_\_\_\_
- Leaving Office: Date Left 11 / 12 / 19  
(Check one circle.)
- The period covered is January 1, 2018, through the date of leaving office.
- or-  
 The period covered is 1 / 1 / 2019, through the date of leaving office.

4. Schedule Summary (must complete) ► Total number of pages including this cover page: \_\_\_\_\_

Schedules attached

- Schedule A-1 - Investments - schedule attached
- Schedule A-2 - Investments - schedule attached
- Schedule B - Real Property - schedule attached
- Schedule C - Income, Loans, & Business Positions - schedule attached
- Schedule D - Income - Gifts - schedule attached
- Schedule E - Income - Gifts - Travel Payments - schedule attached

-or-  None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE  
 (Business or Agency Address Recommended - Public Document)  
 \_\_\_\_\_ Fairfax CA 94930

EMAIL ADDRESS  
\_\_\_\_\_

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the

Date Signed 12-21-19  
(month, day, year)

Signature \_\_\_\_\_

**SCHEDULE A-1  
Investments**

**Stocks, Bonds, and Other Interests**  
(Ownership Interest is Less Than 10%)

*Investments must be itemized.*

*Do not attach brokerage or financial statements.*

<b>CALIFORNIA FORM 700</b> FAIR POLITICAL PRACTICES COMMISSION Name Conn Hickey
--

▶ NAME OF BUSINESS ENTITY  
CVS

GENERAL DESCRIPTION OF THIS BUSINESS  
Drug Store Chain with local store

FAIR MARKET VALUE  
 \$2,000 - \$10,000       \$10,001 - \$100,000  
 \$100,001 - \$1,000,000       Over \$1,000,000

NATURE OF INVESTMENT  
 Stock       Other \_\_\_\_\_  
(Describe)  
 Partnership     Income Received of \$0 - \$499  
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:  
 \_\_\_\_\_/\_\_\_\_\_/18      \_\_\_\_\_/\_\_\_\_\_/18  
 ACQUIRED                      DISPOSED

▶ NAME OF BUSINESS ENTITY  
Microsoft

GENERAL DESCRIPTION OF THIS BUSINESS  
Computer related products and services

FAIR MARKET VALUE  
 \$2,000 - \$10,000       \$10,001 - \$100,000  
 \$100,001 - \$1,000,000       Over \$1,000,000

NATURE OF INVESTMENT  
 Stock       Other \_\_\_\_\_  
(Describe)  
 Partnership     Income Received of \$0 - \$499  
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:  
 \_\_\_\_\_/\_\_\_\_\_/18      \_\_\_\_\_/\_\_\_\_\_/18  
 ACQUIRED                      DISPOSED

▶ NAME OF BUSINESS ENTITY  
Wells Fargo

GENERAL DESCRIPTION OF THIS BUSINESS  
Commercial Baqnk

FAIR MARKET VALUE  
 \$2,000 - \$10,000       \$10,001 - \$100,000  
 \$100,001 - \$1,000,000       Over \$1,000,000

NATURE OF INVESTMENT  
 Stock       Other \_\_\_\_\_  
(Describe)  
 Partnership     Income Received of \$0 - \$499  
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:  
 \_\_\_\_\_/\_\_\_\_\_/18      \_\_\_\_\_/\_\_\_\_\_/18  
 ACQUIRED                      DISPOSED

▶ NAME OF BUSINESS ENTITY  
Google

GENERAL DESCRIPTION OF THIS BUSINESS  
Computer Services Company

FAIR MARKET VALUE  
 \$2,000 - \$10,000       \$10,001 - \$100,000  
 \$100,001 - \$1,000,000       Over \$1,000,000

NATURE OF INVESTMENT  
 Stock       Other \_\_\_\_\_  
(Describe)  
 Partnership     Income Received of \$0 - \$499  
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:  
 \_\_\_\_\_/\_\_\_\_\_/18      \_\_\_\_\_/\_\_\_\_\_/18  
 ACQUIRED                      DISPOSED

▶ NAME OF BUSINESS ENTITY  
Apple

GENERAL DESCRIPTION OF THIS BUSINESS  
Computer Hardware Supplies

FAIR MARKET VALUE  
 \$2,000 - \$10,000       \$10,001 - \$100,000  
 \$100,001 - \$1,000,000       Over \$1,000,000

NATURE OF INVESTMENT  
 Stock       Other \_\_\_\_\_  
(Describe)  
 Partnership     Income Received of \$0 - \$499  
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:  
 \_\_\_\_\_/\_\_\_\_\_/18      \_\_\_\_\_/\_\_\_\_\_/18  
 ACQUIRED                      DISPOSED

▶ NAME OF BUSINESS ENTITY  
Intel

GENERAL DESCRIPTION OF THIS BUSINESS  
Computer Chip Manufactuer

FAIR MARKET VALUE  
 \$2,000 - \$10,000       \$10,001 - \$100,000  
 \$100,001 - \$1,000,000       Over \$1,000,000

NATURE OF INVESTMENT  
 Stock       Other \_\_\_\_\_  
(Describe)  
 Partnership     Income Received of \$0 - \$499  
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:  
 \_\_\_\_\_/\_\_\_\_\_/18      \_\_\_\_\_/\_\_\_\_\_/18  
 ACQUIRED                      DISPOSED

Comments: \_\_\_\_\_



# **EXHIBIT “T”**

**STATEMENT OF WORK #4**  
by and between  
**EdTec Inc. and Ross Valley Charter School**

<b>Reference:</b>	Master Services Agreement dated February 15, 2017, by and between EdTec Inc. ("EdTec") and Ross Valley Charter School ("Client").
<b>Term:</b>	July 1, 2019 through June 30, 2020 (the "Initial Term"). This Statement of Work shall automatically renew for consecutive additional one (1) year terms unless either party provides written notice of non-renewal to the other at least one hundred twenty (120) days prior to the expiration of the then-current term (each, a "Renewal Term"). The Initial Term and any Renewal Term(s) are referred to as the Term.
<b>Scope of Services:</b>	<p>The philosophy of our Back-Office Services is that we provide a fully-outsourced solution so your school can focus on its educational mission. Moreover, you receive the benefit of our extensive experience with California Charter Schools.</p> <p><b>1. FINANCE and ACCOUNTING</b></p> <p><b>Accounting:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Setup of school's chart of accounts and general ledger</b> – EdTec sets up and maintains the school's chart of accounts, based on EdTec's standard structure which is designed to be compliant with SACS.</li> <li>▪ <b>Customized account codes</b> – EdTec maintains limited customized account codes for unique features of the school program. These must be established at the beginning of the fiscal year to avoid re-coding of historic transactions.</li> <li>▪ <b>Fund accounting</b> – EdTec can track revenue and expenditures by fund, e.g. implementation grant funds and expenses or Title I expenditures.</li> <li>▪ <b>Training</b> – EdTec trains appropriate personnel on accounting procedures and practices designed to ensure accurate record keeping.</li> <li>▪ <b>Transaction recording</b> – EdTec records in detail all transactions in a computerized accounting system.</li> <li>▪ <b>Journal entries and account maintenance</b> – EdTec prepares and records journal entries and maintains the general ledger according to accepted accounting standards.</li> <li>▪ <b>Bank reconciliation</b> – EdTec reconciles primary bank and investment accounts to general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required.</li> <li>▪ <b>Account for capital outlay expenses</b> – EdTec records capitalized assets as provided by the school. On an annual basis, EdTec records related depreciation and amortization in the general ledger and reconciles expenditures to fixed asset listing.</li> <li>▪ <b>Generate financial reports as requested</b> – EdTec can generate the following reports upon request: detailed account activity; bank register activity; summary of budget; expenditures by account; cash balances; payroll register (for periods when payroll is processed by EdTec); revenues; general ledger account balances.</li> </ul>

	<p><b>Accounts Payable &amp; Receivable:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Revenue verification</b> – EdTec verifies that the school is receiving the correct amount of funds from State and Federal sources.</li> <li>▪ <b>Revenue collection</b> – If the funds from the State or the county/district are not correct, EdTec tracks down the appropriate officials and alerts them of the problem. EdTec will use reasonable efforts to negotiate on behalf of the school in disputes with funding agencies over improperly calculated payments.</li> <li>▪ <b>Accounts payable</b> – EdTec processes all invoices and, pending approval from the school leader or surrogate, pays the bills and codes them, based on school input, in the financial software, typically on a two-week schedule with limited rush payments as needed. EdTec checks to make sure there are no double payments or double billings on multiple invoices. EdTec troubleshoots vendor payment issues with the school. EdTec also verifies that funds are available to pay the bill.</li> <li>▪ <b>Form 1099 processing</b> – EdTec prepares and sends 1099 Forms to vendors and government, provided that this SOW remains in effect at the end of the applicable calendar year and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of services under this SOW.</li> </ul> <p><b>Audit:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Audit support</b> – EdTec prepares financial documents for the auditors and works side-by-side with the auditors to help ensure a smooth and timely audit process. For clarification, the school is responsible to pay auditor fees. The school shall also provide all non-financial records required by the audit – e.g. attendance records, employee records, teacher certifications.</li> <li>▪ <b>Audit compliance training</b> – EdTec helps the school leader and audit staff develop financial policies designed to meet requirements and help protect the school from financial mismanagement.</li> <li>▪ <b>Single Audit Act of 1984</b> – EdTec provides support in school compliance with accounting related audit requirements, including the Single Audit Act of 1984.</li> <li>▪ <b>IRS Form 990 support</b> (and the corresponding State form, if applicable) – EdTec supports the school and auditor in preparing Form 990 tax-exempt organization annual filing. (For clarification, fees for audit and 990 are paid by school and it is the school's and auditor's sole responsibility to ensure these forms are filed).</li> <li>▪ <b>Annual auditor selection form</b> – EdTec sends auditor information to the county in the spring.</li> <li>▪ The school is responsible for attendance and audit of employee work.</li> </ul> <p><b>2. PAYROLL and HUMAN RESOURCES</b></p> <p><b>Payroll:</b> EdTec uses an external payroll processor to accomplish the following tasks. EdTec interfaces between the school and payroll processor, and</p>
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	<p>performs quality checking so that the school does not need to interact with the payroll processor. The school pays payroll processing fees.</p> <ul style="list-style-type: none"> <li>▪ <b>Payroll processing</b> – EdTec calculates and processes payroll and payroll-related payments/deductions for salaried and hourly employees based on information submitted by authorized Client representatives (excluding benefit accrual tracking such as vacation and sick time). EdTec works with the payroll processor to generate checks for signature by authorized Client representatives (or through electronic signature) or facilitates Direct Deposit at the Client's request. The fees set forth below include monthly or semi-monthly payroll processing; for a higher frequency payroll an additional fee will apply.</li> <li>▪ <b>Payroll reporting</b> – EdTec works with the payroll processor to prepare and file all required payroll reports for submission to Federal and State agencies and submits electronic payroll, payroll tax reports and payroll tax deposits to the appropriate authorities for a single EDD/tax ID number. For multiple reporting numbers, an additional fee will apply.</li> <li>▪ <b>Payroll record maintenance</b> – EdTec keeps track of payroll information. Client is responsible for maintaining all employee files, including forms based on EdTec-provided template files.</li> <li>▪ <b>W-2 processing</b> – EdTec prepares and sends Form W-2 to the school and files Forms W-2 and W-3 with the Social Security Administration, provided that this SOW remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of Services under this SOW.</li> <li>▪ <b>IRS, SDI, WC support</b> – EdTec assists in resolving payroll tax issues before the IRS and other Federal and State reporting agencies. EdTec also assists school with any State Disability, Workers Comp, or Unemployment Insurance claims by providing supporting payroll reports.</li> <li>▪ <b>STRS/PERS and other retirement plan administration</b> – EdTec will help the school set up STRS/PERS accounts, and makes appropriate deductions and payments to the county for STRS and/or PERS based on information provided by the school. Note that in some cases it can take approximately 12 months to set up such contributions because of district/county delays. Also, some counties charge separately for this mandated service. The school is responsible for STRS/PERS account setup, administration and enrollments and any fees from outside parties including late fees and interest levied by STRS/PERS.</li> </ul> <p><b>Human Resources, Benefits and Insurance:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Employee file setup</b> – EdTec provides clients with template employee files and procedures to help ensure compliance with State and Federal requirements regarding Live Scan procedures, TB Test information, and/or credential verification information.</li> <li>▪ <b>Contracts and handbook development support</b> – EdTec provides schools with non-legal, business advice on employment contracts and employee handbooks and their business implications.</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ <b>Health benefits administration</b> – EdTec assists in guiding the school in the health benefits procurement process, and assists with re-quotes of insurance on an annual basis. Client is responsible for all benefit reporting under the Affordable Care Act, including without limitation the Forms 1094-C and 1095-C.</li> <li>▪ <b>Teacher credentialing</b> – EdTec provides information and assistance to school leaders to help them evaluate teacher credentials and “highly qualified” requirements.</li> <li>▪ <b>Insurance procurement</b> – EdTec provides financial information necessary for the liability insurance quote process.</li> </ul> <p><b>3. COMPLIANCE and ACCOUNTABILITY</b></p> <ul style="list-style-type: none"> <li>▪ Note that compliance and accountability are the responsibility of the school. EdTec will provide advice on some matters, but this information is not comprehensive. In addition, since rules, regulations and interpretations regularly change, schools should seek independent verification from their attorneys or other sources.</li> <li>▪ <b>Mid-year internal review</b> – From time to time, EdTec may perform an internal review with client designed to help the school comply with many school regulations, or in preparation for a potential authorizer site visit. Using an EdTec-developed checklist, we assist the school staff in testing compliance in key areas, such as: Board resolutions and policies; risk management; food service; restricted funding; student and personnel files; and attendance reporting and student data.</li> <li>▪ <b>Employee files</b> – As noted above, EdTec provides schools with templates for employee files, forms, and procedures to help ensure compliance with employment laws. (Note: the school should have an attorney review all legal issues.)</li> <li>▪ <b>ESSA compliance support</b> – EdTec will track the financial reporting and can help provide related backup necessary for the Every Student Succeeds Act (ESSA) compliance. On an hourly billable basis, EdTec can provide assistance on Local Control Accountability Plan (LCAP) development and related school and student performance analysis.</li> <li>▪ <b>SPED compliance</b> – EdTec provides partial checklists and general information to help schools understand their responsibilities related to Special Education. EdTec assistance does not include educational program compliance and we recommend getting specialized assistance in this area to ensure complete compliance. EdTec assists the school in completing the following reports: Maintenance of Effort (MOE), Mental Health expenditure reporting, Excess Cost Report, and year-end reporting.</li> </ul> <p><b>4. ATTENDANCE and DATA REPORTING</b></p> <ul style="list-style-type: none"> <li>▪ <b>Local attendance reporting</b> – EdTec will provide support with monthly attendance reports based on school-provided data as outlined in the addendum to this Statement of Work.</li> <li>▪ <b>State attendance reporting</b> – Using school-provided data, and at the school’s request, EdTec will provide support on government attendance reports, including the 20-day report, P-1, P-2, and</li> </ul>
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	<p>Annual Attendance Report. For specific support level, please refer to the Roles and Responsibilities in Attachment 1.</p> <ul style="list-style-type: none"> <li>▪ <b>Non-attendance reporting</b> – EdTec will support school on CALPADS and CBEDS reporting. For specific support level, please refer to the Roles and Responsibilities in Attachment 1.</li> <li>▪ <b>Attendance procedures assistance</b> – EdTec will provide assistance reviewing schools' attendance accounting procedures and advising on areas for improvement, although the school is ultimately responsible for keeping accurate attendance and ADA compliance.</li> <li>▪ <b>Quarterly ADA analysis</b> – EdTec reviews ADA data to ensure the school is on track with projections, if EdTec is provided access by the school to their Student Information System.</li> <li>▪ <b>Start of year setup and support</b> – EdTec will provide start of year systems setup and support to the school. If the school has not chosen a Student Information System ("SIS"), EdTec will assist the school leader in evaluating the school's need for an SIS. If the school has already sourced an SIS, the school may use the designated hours for general SIS support for an EdTec-supported SIS or other data service supported by EdTec. If the school asks EdTec to access, use or troubleshoot an SIS not supported by EdTec, hourly charges will apply for EdTec to learn and use the SIS. (Note: The school is responsible for taking accurate attendance, on a system provided by the school, at the school's expense.)</li> <li>▪ School requests for EdTec assistance on items not listed in this section shall be billed hourly.</li> </ul>
<p><b>Excluded Services:</b></p>	<p>Other than the services outlined above, EdTec is not responsible for any other activities, unless mutually agreed to in writing. Examples of Excluded Services include, but are not limited to, outside legal costs, computer installation and support, purchasing of small items or of curriculum materials, printing and graphic arts, grant writing or fundraising, hiring and associated legal requirements (e.g., background checks, credential reviews) and recordkeeping, meetings with outside parties (e.g., the Board or District) beyond those meetings required to accomplish the included services, Special Ed administration, testing, assessment, compliance with ESSA, compliance with government grant requirements, audits, attendance accounting, and other outside professional services costs.</p>
<p><b>Compensation:</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Back Office Services:</b> EdTec will provide these services at a fixed fee per school fiscal year as follows:       <ul style="list-style-type: none"> <li>○ \$58,925 for the 2019-20 school fiscal year</li> </ul> <p>These fixed fees <u>include</u> all normal postage, telephone, copying, faxing, etc., <u>except</u> for bank and payroll fees that will be passed through. The annual fees are payable monthly commencing on July 1, 2019.</p> <ul style="list-style-type: none"> <li>○ The fees above are for the scope of services contained herein solely for those school(s) for which Client holds a granted charter or that have been in operation prior to the date of this SOW.</li> <li>○ In addition to the fees calculated as provided above, there will be an incremental fee for the following, if applicable:           <ul style="list-style-type: none"> <li>• Benefit accrual tracking such as vacation and sick time.</li> <li>• Use by school personnel of debit cards.</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• For the CALPADS services described in Annex A, there will be an additional fee of \$5,500 per school fiscal year.</li> <li>▪ <b>Consulting:</b> Should you desire additional services not in the above scope, and for any services provided prior to July 1, 2019 (other than the preparation of the budgets for submission to the State by July 1 as described above, for which there would be no additional hourly charge), we would be pleased to provide these, subject to staff availability, at the then-current discounted hourly fee schedule for back-office clients (travel time is billed at ½ of the applicable hourly rate). Typical additional services that are not in the above scope are charter petition writing and the implementation of computer systems or computerized Student Information Systems. Again, this rate includes normal phone, copying and incidental costs. Additional costs would include mileage reimbursement for travel, overnight delivery charges, and pre-approved out-of-pocket expenses.</li> <li>▪ <b>Fee Increases:</b> EdTec reserves the right to increase the fees payable under this Statement of Work by up to 5% upon the conclusion of the Initial Term and each Renewal Term. EdTec will provide written notice of a fee increase at least thirty (30) days prior to the expiration of the Initial Term or then-current Renewal Term, as applicable.</li> <li>▪ <b>Payment Terms:</b> All fees payable to EdTec must be received by EdTec within thirty (30) days of the date of invoice. EdTec reserves the right to suspend the provision of Services in the event an invoice is thirty days past due.</li> </ul>
<b>School Obligations</b>	<p>EdTec's services will assist with the operations of Client's back-office operations, but do not include auditing Client's provided information and operations for completeness and compliance. It is Client's responsibility to adopt and adhere to reasonable policies and procedures, and to ensure the school remains in compliance with all applicable rules and regulations and maintains sound fiscal operations. In order to fulfill the scope of services described herein, EdTec relies on Client to provide timely, accurate and complete information, and to cooperate reasonably with EdTec. Furthermore, Client must immediately inform EdTec of any material change that could affect EdTec's ability to complete its responsibilities and to assist Client in complying with all applicable laws and regulations.</p> <p>Client will comply with the attached Roles and Responsibilities document (Attachment 1).</p>
<b>Termination</b>	<p>Either party may, upon giving thirty (30) days' written notice identifying specifically the basis for such notice, terminate this Statement of Work for breach of a material term or condition of this Statement of Work, unless the party receiving the notice cures such breach within the thirty (30) day period. In addition, EdTec may terminate this Statement of Work immediately upon written notification and without liability, (a) if Client, in EdTec's reasonable judgment, violates any of the "School Obligations" above, (b) if Client does not open by September 30, 2019, or (c) upon any revocation of Client's charter. Upon any early termination under this section, Client shall pay EdTec for all services rendered by EdTec prior to the effective date of termination. In addition, if EdTec terminates this Statement of Work under this section, Client shall also pay EdTec for any demobilization or other costs resulting from such early termination.</p>

Statement of Work #4 by and between EdTec Inc.  
and Ross Valley Charter School  
Page 7 of 11, June 20, 2019

<b>EDTEC INC.</b> DocuSigned by: By: <u>Steve Campo</u> <small>7A50CD0252334E8...</small> Name: Steve Campo Title: President & CEO Date: <u>6/25/2019</u>  1410A 62nd Street Emeryville, CA 94608  Fax: 510.663.3503	<b>ROSS VALLEY CHARTER SCHOOL</b> DocuSigned by: Signature: <u>Conn Hickey</u> <small>F7CFD4701A1C4FA...</small> Name: <u>conn Hickey</u> Title: <u>CFO-Tresurer</u> Date: <u>6/25/2019</u> Address: <u>102 Marinda Drive</u> <u>Fairfax</u> Email: <u>conn.hickey@rossvalleycharter.org</u> Phone: <u>4152505879</u> Fax: _____
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## ATTACHMENT 1

### Roles and Responsibilities

Clarity on roles and responsibilities between EdTec and Ross Valley Charter School (“Client”) will help ensure high quality, timely business services. Table 1 below outlines the roles and responsibilities of both parties:

Table 1: Roles & Responsibilities

	<b>EdTec</b>	<b>Client</b>
<b>Payroll</b>	<ul style="list-style-type: none"> <li>▪ Accurate, complete payroll on a monthly/semi-monthly basis (additional fees apply for higher frequency payroll)</li> <li>▪ Published calendar of payroll deadlines</li> <li>▪ Reminders for payroll deadlines</li> <li>▪ Final payroll information sent to client for approval prior to client’s payroll approval deadline</li> <li>▪ Advice on setting up STRS/PERS</li> <li>▪ Primer on health insurance terminations, COBRA, and employee vs. contractor classifications</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Timecards and changes:</b> Submission to EdTec of the timesheet summary, payroll client change summary, and other payroll changes and backup forms by the payroll calendar deadlines and using EdTec forms/processes</li> <li>▪ <b>Payroll approval:</b> Approval (email or fax) to EdTec by payroll calendar deadlines</li> <li>▪ <b>New hires:</b> Timely submission to EdTec of new hire paperwork on EdTec new hire forms by payroll calendar deadline</li> <li>▪ Enrolling (or working with a broker to enroll) staff in any STRS, PERS, 403b, health plans, and other insurance/retirement/contribution/deduction programs</li> <li>▪ Terminating staff from health plans, other insurance, and other applicable contribution/deduction programs.</li> </ul>
<b>Accounts Payable</b>	<ul style="list-style-type: none"> <li>▪ Timely and accurate check payments</li> <li>▪ Payment of invoices according to client’s approval policies</li> <li>▪ Recordkeeping/processes adhering to generally accepted accounting standards for accuracy and security and approved by independent auditors</li> <li>▪ Payment systems linked to financial statements and analyses for informed managerial decision-making</li> <li>▪ Bank account reconciliations</li> <li>▪ Invoice/payment research</li> <li>▪ Advising clients on outstanding checks to ensure adequate cash availability</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Submission of payment and deposit information; provision to EdTec of view-only access to bank account</b> <ul style="list-style-type: none"> <li>○ Weekly submission to EdTec of invoices, reimbursement requests, deposits, and other expenditures using EdTec forms and processes</li> <li>○ Coding all expenses and non-State funding deposits using EdTec forms and processes and codes from the most recent budget.</li> </ul> </li> <li>▪ <b>Banking:</b> Monitoring and maintaining adequate bank account balances to meet expense obligations; securing</li> </ul>

		view-only access to school bank account(s) for use by EdTec.
<b>Attendance and Data Reporting</b>	<ul style="list-style-type: none"> <li>▪ <b>Start of year setup and support:</b> EdTec will provide SIS evaluation, initial setup and support (up to 3 hours in first year of Initial Term). Support beyond the initial 3 hours is available on an hourly billable or project billable basis.</li> <li>▪ <b>Monthly attendance reports:</b> Generation of complete, accurate attendance reports (based on school provided data) by the deadline (up to 1.5 hours per report). Resolution of data discrepancies and attendance revisions will be charged at the hourly rate.</li> <li>▪ <b>20-Day and P-Reports:</b> Generation of complete, accurate attendance reports (based on school provided data) by the deadline (up to 1.5 hours per report). Resolution of data discrepancies and attendance revisions will be charged at the hourly rate.</li> <li>▪ <b>CALPADS:</b> See Annex A.</li> <li>▪ <b>CBEDS:</b> EdTec will provide up to 2 hours to train Client on CBEDS procedures and report generation. CBEDS support beyond the initial 2 hours is available on an hourly billable or project billable basis.</li> <li>▪ <b>Training:</b> Conduct Attendance Primer training before the start of the school year to educate Client staff on basic attendance processes and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accurate and complete collection of attendance data in compliance with State rules.</li> <li>▪ <b>Monthly reports:</b> Preparation and submission of data to EdTec at least 3 business days before the deadline</li> <li>▪ <b>20-Day and P-Reports:</b> Submission of data to EdTec at least 5 business days before the deadline</li> <li>▪ Clients without student information system software will submit student and attendance data to EdTec using EdTec forms</li> <li>▪ Clients using a non-EdTec-supported SIS will provide student and attendance data to EdTec in an EdTec-approved format</li> <li>▪ <b>Training:</b> Key Client staff to attend start of year Attendance Primer training; EdTec will not be able to complete the Attendance / Data deliverables until the training is completed</li> </ul>

The payroll, accounts payable, and attendance deadlines / calendars referenced above shall be provided separately.

## 1. LATE FEES and PROCESSING CHARGES

### Payroll:

- **Timecards and payroll changes:** A late fee of \$100 will be imposed for each business day timecards for hourly staff and payroll changes are submitted late to EdTec based on the published Payroll Calendar. The latest Timecards and Changes can be accepted is one business day prior to Payroll Approval deadlines.
- **Manual checks:** EdTec will generate and distribute manual checks, as needed and without charge, for employee terminations and payroll corrections due to EdTec error. For manual checks for employee terminations, EdTec will bill the overnight delivery charges to the school if overnight delivery is requested. For all other manual check requests processed by EdTec, EdTec will charge a fee of \$35 plus overnight delivery charges (if overnight delivery is requested), and for all manual check requests processed by the

payroll processor, school will pay the additional fee charged by the payroll processor plus overnight delivery charges (if overnight delivery is requested). An additional payroll cycle outside of the normal payroll processing schedule is possible with adequate advance notice and subject to EdTec staff availability at the time the request is made; an additional payroll cycle will incur an added EdTec processing fee that will be quoted at that time for Client pre-approval.

**Accounts Payable:**

- **Weekly submittal:** Client must submit a weekly package conforming to EdTec forms and processes. The submittal shall contain invoices with appropriate coding, reimbursement requests, deposits, and/or other payment documents to EdTec using EdTec forms. If Client fails to submit this weekly package or fails to submit all necessary invoices and receipts to process payment, Client will be charged an additional processing fee of \$35.
- As a courtesy, EdTec may waive the first two occurrences (i.e. up to \$70) of the Weekly Submittal processing fee.

**Attendance and Data Reporting:**

- **Start of year setup and support:** EdTec fees include up to 3 hours in first year of Initial Term to assist Client with the evaluation of SIS systems, initial setup, and support.
- **Monthly, 20-Day and P-Reports:** EdTec fees include 1.5 hours of quality assurance and troubleshooting when processing and generating each report. Any EdTec work beyond this hour (including data correction and reconciliation with other periods) will be charged at the then-current discounted data service rate.
- **Expedite fee:** If Client misses an EdTec deadline for providing data and subsequently requests assistance in generating reports on an expedited basis, a \$100 expedite fee per occurrence may apply.
- **CBEDS reports:** EdTec fees include up to two hours for training and guidance on report generation. CBEDS support beyond the initial 2 hours is available on an hourly billable or project billable basis.
- EdTec can provide additional assistance for reports at the then-current discounted data service rate.
- If Client requires EdTec assistance for work with external deadlines (e.g. P-Reports), EdTec may set a deadline for receiving the request, data, and/or other materials from the Client to ensure timely and accurate processing. EdTec may charge an expedite fee for requests, data, and/or other materials not received from the client by the EdTec deadline.
- If Client does not have a student information software system, Client will use EdTec forms when submitting information to EdTec. Failure to use EdTec forms will result in a processing fee of \$100.
- As a courtesy, EdTec may waive the first occurrence of the forms processing fee.

ANNEX A: CALPADS Services		
The services described below will be performed for the fixed annual fee set forth in this Statement of Work, provided that Client uses an EdTec-preferred Student Information System (SIS). In the event that Client uses a non-preferred SIS, EdTec will provide up to 30 hours per school per school fiscal year of the service under the fixed annual fee; additional support hours shall be billed at the then-current discounted data service rate.		
Task Description	EdTec Responsibilities	School Responsibilities
<b>A. Fall 1 Submission (October - January)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review Fall 1 required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS Fall 1 setup in School's SIS (race/ethnicity, exit code mappings)</li> <li>-Train staff how to review Fall 1 certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all Fall 1 required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify Fall 1 snapshot reports and make corrections, as needed</li> </ul>
Student Enrollment Submission	<ul style="list-style-type: none"> <li>-Mass request SSIDs and update student enrollments through an SENR submission</li> <li>-Generate and troubleshoot SENR extracts</li> <li>-Train school how to manually generate single SSIDs in CALPADS for new students enrolling throughout the school year</li> </ul>	<ul style="list-style-type: none"> <li>-Enter required student demographic information into School's SIS</li> <li>-Follow up with other districts/schools to resolve CCE and MID anomalies</li> </ul>
Student Information Submission	<ul style="list-style-type: none"> <li>-Generate, upload and troubleshoot SINP extracts</li> <li>-Generate, upload and troubleshoot SELA extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure English Language Learner Information in School's SIS is up-to-date and accurate</li> </ul>
Student Programs Submission	<ul style="list-style-type: none"> <li>-Review student program records in School's SIS for completeness. Add student program records, if necessary</li> <li>-Generate, upload and troubleshoot SPRG extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Enter lunch eligible (free and reduced), foster youth and special education records into School's SIS</li> </ul>
<b>B. Fall 2 Submission (October - March)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review State required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS Fall 2 setup in School's SIS</li> <li>-Train staff how to review Fall 2 certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all Fall 2 required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify Fall 2 snapshot reports and make corrections, as needed</li> </ul>
Staff Demographics Submission	<ul style="list-style-type: none"> <li>-Generate reports that identify missing or inaccurate staff demographic data</li> <li>-Provide guidance on data requirements for staff demographic records</li> <li>-Provide guidance on obtaining SEID numbers for credentialed staff</li> </ul>	<ul style="list-style-type: none"> <li>-Request Statewide Educator ID (SEID) numbers for certificated staff</li> <li>-Enter staff demographic data and fix any error identified by EdTec</li> </ul>
Staff Assignments Submission	<ul style="list-style-type: none"> <li>-Update school-provided Staff Assignment data into School's SIS, as needed</li> <li>-Provide guidance on data requirements for staff assignment records</li> <li>-Generate, upload and troubleshoot SASS extract(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Enter staff assignments records in the staff assignments into School's SIS</li> </ul>
Course Sections Submission	<ul style="list-style-type: none"> <li>-Update school-provided Course/Section data into School's SIS</li> <li>-Generate, upload and troubleshoot CRSE extract(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Enter required course and section information in School's SIS</li> </ul>
Student Course Sections Submission	<ul style="list-style-type: none"> <li>-Generate, upload and troubleshoot SCSE extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure student schedules are up-to-date and accurate through Census Day</li> </ul>
<b>C. End-of-Year Submission (May - August)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review State required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS EOY setup in School's SIS (discipline codes, program codes)</li> <li>-Train staff how to review EOY certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all EOY required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify End-of-Year certification snapshot reports and make corrections, as needed</li> </ul>
Student Enrollment Update Submission	<ul style="list-style-type: none"> <li>-Generate and submit SENR and SINP extracts for all changes since the Fall 1 Submission</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with required student demographic information for students since the last enrollment update</li> <li>-Verify completers and graduates along with all associated data elements</li> </ul>
End-of-Year Program Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year program submission (SPRG)</li> <li>-Provide guidance on data requirements for additional program records</li> </ul>	<ul style="list-style-type: none"> <li>-Enter student End-of-Year student program records into School's SIS</li> </ul>
End-of-Year Discipline and Attendance Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year Discipline submission (SDIS)</li> <li>-Submit and troubleshoot the End-of-Year Attendance submission (STAS)</li> <li>-Provide guidance on data requirements and process for adding discipline records in School's SIS</li> </ul>	<ul style="list-style-type: none"> <li>-Enter student discipline information into School's SIS</li> <li>-Enter all absences for the reporting year into School's SIS</li> </ul>
End-of-Year Course Completion Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year Course Completion submission (CRSC and SCSC)</li> </ul>	<ul style="list-style-type: none"> <li>-Confirm all term grades have been entered into School's SIS for Grades 7-12</li> </ul>
<b>D. Anomaly Resolution (Year-long, as needed)</b>		
Anomaly Resolution Support	<ul style="list-style-type: none"> <li>-Assist school with identifying and fixing CCE, MID and ERD anomalies in CALPADS and School's SIS</li> <li>-Provide schools with CALPADS contact info for other LEAs</li> </ul>	<ul style="list-style-type: none"> <li>-Follow up with other LEAs to resolve anomalies</li> </ul>

\*This proposal does not include data remediation services. If it is determined that the initial data quality and set up requires significant intervention by EdTec, a separate scope of work for data remediation services may be required.

**STATEMENT OF WORK #5**  
by and between  
**EdTec Inc. and Ross Valley Charter School**

<b>Reference:</b>	Master Services Agreement dated February 15, 2017, by and between EdTec Inc. ("EdTec") and Ross Valley Charter School ("Client").
<b>Term:</b>	September 23, 2019 through June 30, 2020.
<b>Scope of Services:</b>	<p><b><u>CAASPP Test Analysis:</u></b></p> <p>The CAASPP Test Analysis is provided by EdTec to Client in a Microsoft Excel workbook that includes the following, per chartering agent / charter school:</p> <ul style="list-style-type: none"> <li>▪ Graphs/tables comparing CAASPP scores and Distance from Level 3, schoolwide and by cohort, including expanded subgroup filters.</li> <li>▪ Growth graphs/tables for students tested in more than one year (applicable only for elementary/middle schools).</li> <li>▪ Detail graphs/tables for SBAC ELA and for SBAC Math comparing test scores by grade level and claim area. All include filters for subgroups.</li> <li>▪ EdEquity graphs to easily compare and analyze performance by race/ethnicity, EL and economic status</li> </ul> <p>In order for EdTec to provide this service, <u>Client must provide the following:</u></p> <ul style="list-style-type: none"> <li>▪ Client's <u>CAASPP Student Results Report - Student Score Data Extract</u> in electronic format (.zip file with .dat and .csv files) for the 2016-17, 2017-18, and 2018-19 school years (if all three years are available). <ul style="list-style-type: none"> <li>○ The required CAASPP data can be downloaded from the Test Operations Management System (TOMS) by Client and sent electronically to EdTec or can be downloaded by EdTec.</li> <li>○ If Client would like EdTec to download the required data, Client to provide EdTec with its TOMS LEA testing coordinator login information.</li> </ul> </li> </ul> <p><u>Note:</u> The longitudinal analyses to be provided under this service are based on Client's students that have complete data for the 2016-17, 2017-18, and 2018-19 school years and that were tested at Client's school in at least two consecutive years. Students who were not enrolled at Client's school at the time of testing are excluded from the analyses.</p>
<b>Excluded Services:</b>	Other than the services outlined above, EdTec is not responsible for any other activities, unless mutually agreed to in writing.
<b>Compensation:</b>	<ul style="list-style-type: none"> <li>▪ <b><u>CAASPP Test Analysis:</u></b> <ul style="list-style-type: none"> <li>○ \$950 flat fee per chartering agent / charter school.</li> <li>○ Flat fee is subject to Client's compliance with the School Obligations set forth below.</li> <li>○ The estimated delivery timeline for this service is within two weeks of EdTec's receipt of all required Client data.</li> </ul> </li> <li>▪ <b><u>Consulting:</u></b></li> </ul>

	<ul style="list-style-type: none"> <li>○ Should Client desire additional services not in the above Scope of Services, EdTec would be pleased to provide these, subject to staff availability, on a time and materials basis at the hourly rate of \$150.</li> <li>○ Upon discussing Client's requirements for additional consulting or analyses, EdTec may provide a time and cost estimate for Client approval, in advance of performing any additional consulting work.</li> </ul> <ul style="list-style-type: none"> <li>▪ <b>Travel:</b> If travel by EdTec staff is required in the provision of services, actual travel costs and out of pocket expenses will be billed to Client and travel time will be billed to Client at \$75/hour (half the hourly fee).</li> <li>▪ <b>Payment Terms:</b> All fees payable to EdTec must be received by EdTec within thirty (30) days of the date of invoice.</li> </ul>
<p><b>School Obligations</b></p>	<p>In order to fulfill the scope of services described herein, EdTec relies on Client to provide timely, accurate and complete information, to cooperate reasonably with EdTec, and to timely complete all tasks assigned to Client.</p>
<p><b>Termination</b></p>	<p>This Statement of Work may only be terminated for material breach, with cause, after written notice, with full payment of work completed and a 30 day opportunity to cure. EdTec may also terminate this Statement of Work at any time without liability in the event Client violates any of the School Obligations above.</p>

<p><b>EDTEC INC</b> DocuSigned by:                  By: <u>Steve Campo</u>  <small>7A50CD0252334E8...</small></p> <p>Name: Steve Campo</p> <p>Title: President &amp; CEO</p> <p>Date: 9/26/2019</p> <p>1410A 62nd Street                  Emeryville, CA 94608</p> <p>Fax: 510.663.3503</p>	<p><b>ROSS VALLEY CHARTER SCHOOL</b> DocuSigned by:                  Signature: <u>Luke Duchene</u>  <small>155DA7BA265F46F...</small></p> <p>Name: Luke Duchene</p> <p>Title: Director</p> <p>Date: 9/26/2019</p> <p>Address: 102 Marinda Dr.                  Fairfax, CA 94930</p> <p>Email: luke.duchene@rossvalleycharter.org</p> <p>Phone: 415-534-6970</p> <p>Fax:</p>
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**STATEMENT OF WORK #6**  
by and between  
**EdTec Inc. and Ross Valley Charter School**

<b>Reference:</b>	Master Services Agreement dated February 15, 2017, by and between EdTec Inc. ("EdTec") and Ross Valley Charter School ("Client").
<b>Term:</b>	July 1, 2020 through June 30, 2021 (the "Term"). This Statement of Work shall automatically renew for consecutive additional one (1) year terms unless either party provides written notice of non-renewal to the other at least one hundred twenty (120) days prior to the expiration of the then-current term (each, a "Renewal Term"). The Term and any Renewal Term(s) are referred to as the Term.
<b>Scope of Services:</b>	<p>The philosophy of our Back-Office Services is that we provide outsourced solutions so your school can focus on its educational mission. Moreover, you receive the benefit of our extensive experience with California Charter Schools.</p> <p><b>1. FINANCE and ACCOUNTING</b></p> <p><b>Accounting:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Setup of school's chart of accounts and general ledger</b> – EdTec sets up and maintains the school's chart of accounts, based on EdTec's standard structure which is designed to be compliant with SACS.</li> <li>▪ <b>Customized account codes</b> – EdTec maintains limited customized account codes for unique features of the school program. These must be established at the beginning of the fiscal year to avoid re-coding of historic transactions.</li> <li>▪ <b>Fund accounting</b> – EdTec can track revenue and expenditures by fund, e.g. implementation grant funds and expenses or Title I expenditures.</li> <li>▪ <b>Training</b> – EdTec trains appropriate personnel on accounting procedures and practices designed to ensure accurate record keeping.</li> <li>▪ <b>Transaction recording</b> – EdTec records in detail all transactions in a computerized accounting system.</li> <li>▪ <b>Journal entries and account maintenance</b> – EdTec prepares and records journal entries and maintains the general ledger according to accepted accounting standards.</li> <li>▪ <b>Bank reconciliation</b> – EdTec reconciles primary bank and investment accounts to general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required.</li> <li>▪ <b>Account for capital outlay expenses</b> – EdTec records capitalized assets as provided by the school. On an annual basis, EdTec records related depreciation and amortization in the general ledger and reconciles expenditures to fixed asset listing.</li> <li>▪ <b>Generate financial reports as requested</b> – EdTec can generate the following reports upon request: detailed account activity; bank register activity; summary of budget; expenditures by account; cash</li> </ul>

	<p>balances; payroll register (for periods when payroll is processed by EdTec); revenues; general ledger account balances.</p> <p><b>Accounts Payable &amp; Receivable:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Revenue verification</b> – EdTec verifies that the school is receiving the correct amount of funds from State and Federal sources.</li> <li>▪ <b>Revenue collection</b> – If the funds from the State or the county/district are not correct, EdTec tracks down the appropriate officials and alerts them of the problem. EdTec will use reasonable efforts to negotiate on behalf of the school in disputes with funding agencies over improperly calculated payments.</li> <li>▪ <b>Accounts payable</b> – EdTec processes all invoices and, pending approval from the school leader or surrogate, pays the bills and codes them, based on school input, in the financial software, typically on a two-week schedule with limited rush payments as needed. EdTec checks to make sure there are no double payments or double billings on multiple invoices. EdTec troubleshoots vendor payment issues with the school. EdTec also verifies that funds are available to pay the bill.</li> <li>▪ <b>Form 1099 processing</b> – EdTec prepares and sends 1099 Forms to vendors and government, provided that this SOW remains in effect at the end of the applicable calendar year and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of services under this SOW.</li> </ul> <p><b>Audit:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Audit support</b> – EdTec prepares financial documents for the auditors and works side-by-side with the auditors to help ensure a smooth and timely audit process. For clarification, the school is responsible to pay auditor fees. The school shall also provide all non-financial records required by the audit – e.g. attendance records, employee records, teacher certifications.</li> <li>▪ <b>Audit compliance training</b> – EdTec helps the school leader and audit staff develop financial policies designed to meet requirements and help protect the school from financial mismanagement.</li> <li>▪ <b>Single Audit Act of 1984</b> – EdTec provides support in school compliance with accounting related audit requirements, including the Single Audit Act of 1984.</li> <li>▪ <b>IRS Form 990 support</b> (and the corresponding State form, if applicable) – EdTec supports the school and auditor in preparing Form 990 tax-exempt organization annual filing. (For clarification, fees for audit and 990 are paid by school and it is the school's and auditor's sole responsibility to ensure these forms are filed).</li> <li>▪ <b>Annual auditor selection form</b> – EdTec sends auditor information to the county in the spring.</li> <li>▪ The school is responsible for attendance and audit of employee work.</li> </ul> <p><b>2. PAYROLL and HUMAN RESOURCES</b></p> <p><b>Payroll:</b></p>
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	<p>EdTec uses an external payroll processor to accomplish the following tasks. EdTec interfaces between the school and payroll processor, and performs quality checking so that the school does not need to interact with the payroll processor. The school pays payroll processing fees.</p> <ul style="list-style-type: none"> <li>▪ <b>Payroll processing</b> – EdTec calculates and processes payroll and payroll-related payments/deductions for salaried and hourly employees based on information submitted by authorized Client representatives (excluding benefit accrual tracking such as vacation and sick time). EdTec works with the payroll processor to generate checks for signature by authorized Client representatives (or through electronic signature) or facilitates Direct Deposit at the Client's request. The fees set forth below include monthly or semi-monthly payroll processing; for a higher frequency payroll an additional fee will apply.</li> <li>▪ <b>Payroll reporting</b> – EdTec works with the payroll processor to prepare and file all required payroll reports for submission to Federal and State agencies and submits electronic payroll, payroll tax reports and payroll tax deposits to the appropriate authorities for a single EDD/tax ID number. For multiple reporting numbers, an additional fee will apply.</li> <li>▪ <b>Payroll record maintenance</b> – EdTec keeps track of payroll information. Client is responsible for maintaining all employee files, including forms based on EdTec-provided template files.</li> <li>▪ <b>W-2 processing</b> – EdTec prepares and sends Form W-2 to the school and files Forms W-2 and W-3 with the Social Security Administration, provided that this SOW remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of Services under this SOW.</li> <li>▪ <b>IRS, SDI, WC support</b> – EdTec assists in resolving payroll tax issues before the IRS and other Federal and State reporting agencies. EdTec also assists school with any State Disability, Workers Comp, or Unemployment Insurance claims by providing supporting payroll reports.</li> <li>▪ <b>STRS/PERS and other retirement plan administration</b> – EdTec will help the school set up STRS/PERS accounts, and makes appropriate deductions and payments to the county for STRS and/or PERS based on information provided by the school. Note that in some cases it can take approximately 12 months to set up such contributions because of district/county delays. Also, some counties charge separately for this mandated service. The school is responsible for STRS/PERS account setup, administration and enrollments and any fees from outside parties including late fees and interest levied by STRS/PERS.</li> </ul> <p><b>Human Resources, Benefits and Insurance:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Employee file setup</b> – EdTec provides clients with template employee files and procedures to help ensure compliance with State and Federal requirements regarding Live Scan procedures, TB Test information, and/or credential verification information.</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ <b>Contracts and handbook development support</b> – EdTec provides schools with non-legal, business advice on employment contracts and employee handbooks and their business implications.</li> <li>▪ <b>Health benefits administration</b> – EdTec assists in guiding the school in the health benefits procurement process, and assists with re-quotes of insurance on an annual basis. Client is responsible for all benefit reporting under the Affordable Care Act, including without limitation the Forms 1094-C and 1095-C.</li> <li>▪ <b>Teacher credentialing</b> – EdTec provides information and assistance to school leaders to help them evaluate teacher credentials and “highly qualified” requirements.</li> <li>▪ <b>Insurance procurement</b> – EdTec provides financial information necessary for the liability insurance quote process.</li> </ul> <p><b>3. COMPLIANCE and ACCOUNTABILITY</b></p> <ul style="list-style-type: none"> <li>▪ Note that compliance and accountability are the responsibility of the school. EdTec will provide advice on some matters, but this information is not comprehensive. In addition, since rules, regulations and interpretations regularly change, schools should seek independent verification from their attorneys or other sources.</li> <li>▪ <b>Mid-year internal review</b> – From time to time, EdTec may perform an internal review with client designed to help the school comply with many school regulations, or in preparation for a potential authorizer site visit. Using an EdTec-developed checklist, we assist the school staff in testing compliance in key areas, such as: Board resolutions and policies; risk management; food service; restricted funding; student and personnel files; and attendance reporting and student data.</li> <li>▪ <b>Employee files</b> – As noted above, EdTec provides schools with templates for employee files, forms, and procedures to help ensure compliance with employment laws. (Note: the school should have an attorney review all legal issues.)</li> <li>▪ <b>ESSA compliance support</b> – EdTec will track the financial reporting and can help provide related backup necessary for the Every Student Succeeds Act (ESSA) compliance. On an hourly billable basis, EdTec can provide assistance on Local Control Accountability Plan (LCAP) development and related school and student performance analysis.</li> <li>▪ <b>SPED compliance</b> – EdTec provides partial checklists and general information to help schools understand their responsibilities related to Special Education. EdTec assistance does not include educational program compliance and we recommend getting specialized assistance in this area to ensure complete compliance. EdTec assists the school in completing the following reports: Maintenance of Effort (MOE), Mental Health expenditure reporting, Excess Cost Report, and year-end reporting.</li> </ul> <p><b>4. ATTENDANCE and DATA REPORTING</b></p> <ul style="list-style-type: none"> <li>▪ <b>Local attendance reporting</b> – EdTec will provide support with monthly attendance reports based on school-provided data as outlined in the addendum to this Statement of Work.</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ <b>State attendance reporting</b> – Using school-provided data, and at the school’s request, EdTec will provide support on government attendance reports, including the 20-day report, P-1, P-2, and Annual Attendance Report. For specific support level, please refer to the Roles and Responsibilities in Attachment 1.</li> <li>▪ <b>Non-attendance reporting</b> – EdTec will support school on CALPADS and CBEDS reporting. For specific support level, please refer to the Roles and Responsibilities in Attachment 1.</li> <li>▪ <b>Attendance procedures assistance</b> – EdTec will provide assistance reviewing schools’ attendance accounting procedures and advising on areas for improvement, although the school is ultimately responsible for keeping accurate attendance and ADA compliance.</li> <li>▪ <b>Quarterly ADA analysis</b> – EdTec reviews ADA data to ensure the school is on track with projections, if EdTec is provided access by the school to their Student Information System.</li> <li>▪ School requests for EdTec assistance on items not listed in this section shall be billed hourly.</li> </ul>
<b>Excluded Services:</b>	<p>Other than the services outlined above, EdTec is not responsible for any other activities, unless mutually agreed to in writing. Examples of Excluded Services include, but are not limited to, outside legal costs, computer installation and support, purchasing of small items or of curriculum materials, printing and graphic arts, grant writing or fundraising, hiring and associated legal requirements (e.g., background checks, credential reviews) and recordkeeping, meetings with outside parties (e.g., the Board or District) beyond those meetings required to accomplish the included services, Special Ed administration, testing, assessment, compliance with ESSA, compliance with government grant requirements, audits, attendance accounting, and other outside professional services costs.</p>
<b>Compensation:</b>	<ul style="list-style-type: none"> <li>▪ <b>Back Office Services:</b> EdTec will provide these services at a fixed fee per school fiscal year as follows: <ul style="list-style-type: none"> <li>○ \$58,925 for the 2020-21 school fiscal year</li> </ul> <p>These fixed fees <u>include</u> all normal postage, telephone, copying, faxing, etc., <u>except</u> for bank and payroll fees that will be passed through. The annual fees are payable monthly commencing on July 1, 2020.</p> <ul style="list-style-type: none"> <li>○ The fees above are for the scope of services contained herein solely for those school(s) for which Client holds a granted charter or that have been in operation prior to the date of this SOW.</li> <li>○ In addition to the fees calculated as provided above, there will be an incremental fee for the following, if applicable: <ul style="list-style-type: none"> <li>• Benefit accrual tracking such as vacation and sick time.</li> <li>• Use by school personnel of debit cards.</li> <li>• For the CALPADS services described in Annex A, there will be an additional fee of \$7,500 per school fiscal year.</li> </ul> </li> </ul> </li> <li>▪ <b>Consulting:</b> Should you desire additional services not in the above scope, we would be pleased to provide these, subject to staff availability, at the then-current discounted hourly fee schedule for back-office clients (travel time is billed at ½ of the applicable hourly rate). Typical additional services that are not in the above scope are charter petition writing and the implementation of computer systems or computerized Student Information</li> </ul>

	<p>Systems. Again, this rate includes normal phone, copying and incidental costs. Additional costs would include mileage reimbursement for travel, overnight delivery charges, and pre-approved out-of-pocket expenses.</p> <ul style="list-style-type: none"> <li>▪ <b>Fee Increases:</b> EdTec reserves the right to increase the fees payable under this Statement of Work by up to 5% upon the conclusion of the Term and each Renewal Term. EdTec will provide written notice of a fee increase at least thirty (30) days prior to the expiration of the Term or then-current Renewal Term, as applicable.</li> <li>▪ <b>Payment Terms:</b> All fees payable to EdTec must be received by EdTec within thirty (30) days of the date of invoice. EdTec reserves the right to suspend the provision of Services in the event an invoice is thirty days past due.</li> </ul>
<b>School Obligations</b>	<p>EdTec's services will assist with the operations of Client's back-office operations, but do not include auditing Client's provided information and operations for completeness and compliance. It is Client's responsibility to adopt and adhere to reasonable policies and procedures, and to ensure the school remains in compliance with all applicable rules and regulations and maintains sound fiscal operations. In order to fulfill the scope of services described herein, EdTec relies on Client to provide timely, accurate and complete information, and to cooperate reasonably with EdTec. Furthermore, Client must immediately inform EdTec of any material change that could affect EdTec's ability to complete its responsibilities and to assist Client in complying with all applicable laws and regulations.</p> <p>Client will comply with the attached Roles and Responsibilities document (Attachment 1).</p>
<b>Termination</b>	<p>Either party may, upon giving thirty (30) days' written notice identifying specifically the basis for such notice, terminate this Statement of Work for breach of a material term or condition of this Statement of Work, unless the party receiving the notice cures such breach within the thirty (30) day period. In addition, EdTec may terminate this Statement of Work immediately upon written notification and without liability, (a) if Client, in EdTec's reasonable judgment, violates any of the "School Obligations" above, (b) if Client does not open by September 30, 2020, or (c) upon any revocation of Client's charter. Upon any early termination under this section, Client shall pay EdTec for all services rendered by EdTec prior to the effective date of termination. In addition, if EdTec terminates this Statement of Work under this section, Client shall also pay EdTec for any demobilization or other costs resulting from such early termination.</p>

Statement of Work #6 by and between EdTec Inc.  
and Ross Valley Charter School  
Page 7 of 11, effective as of July 1, 2020

<p><b>EDTEC INC.</b></p> <p>DocuSigned by: By: <u>Steve Campo</u> 7A50CD0252334E8...</p> <p>Name: Steve Campo</p> <p>Title: President &amp; CEO</p> <p>Date: 8/20/2020</p> <p>1410A 62nd Street Emeryville, CA 94608</p> <p>Fax: 510.663.3503</p>	<p><b>ROSS VALLEY CHARTER SCHOOL</b></p> <p>DocuSigned by: Signature: <u>Luke Duchene</u> 155DA7BA265FA6E...</p> <p>Name: Luke Duchene</p> <p>Title: Director</p> <p>Date: 8/18/2020</p> <p>Address: 102 Marinda Dr. Fairfax, CA 94930</p> <p>Email: luke.duchene@rossvalleycharter.org</p> <p>Phone: 415-534-6970</p> <p>Fax: _____</p>
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The undersigned officer of Ross Valley Charter School, a California public charter school (the "School"), hereby certifies that this Agreement has been duly approved by the governing body of the School, at a publicly noticed meeting held on July 13, 2020.

**ROSS VALLEY CHARTER SCHOOL**

DocuSigned by:  
Signature: Sharon Sagar  
D19228509AAC4BB...

Name: Sharon Sagar

Title: Board Chair

## ATTACHMENT 1

### Roles and Responsibilities

Clarity on roles and responsibilities between EdTec and Ross Valley Charter School ("Client") will help ensure high quality, timely business services. Table 1 below outlines the roles and responsibilities of both parties:

Table 1: Roles & Responsibilities

	<b>EdTec</b>	<b>Client</b>
<b>Payroll</b>	<ul style="list-style-type: none"> <li>▪ Accurate, complete payroll on a monthly/semi-monthly basis (additional fees apply for higher frequency payroll)</li> <li>▪ Published calendar of payroll deadlines</li> <li>▪ Reminders for payroll deadlines</li> <li>▪ Final payroll information sent to client for approval prior to client's payroll approval deadline</li> <li>▪ Advice on setting up STRS/PERS</li> <li>▪ Primer on health insurance terminations, COBRA, and employee vs. contractor classifications</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Timecards and changes:</b> Submission to EdTec of the timesheet summary, payroll client change summary, and other payroll changes and backup forms by the payroll calendar deadlines and using EdTec forms/processes</li> <li>▪ <b>Payroll approval:</b> Approval (email or fax) to EdTec by payroll calendar deadlines</li> <li>▪ <b>New hires:</b> Timely submission to EdTec of new hire paperwork on EdTec new hire forms by payroll calendar deadline</li> <li>▪ Enrolling (or working with a broker to enroll) staff in any STRS, PERS, 403b, health plans, and other insurance/retirement/contribution/deduction programs</li> <li>▪ Terminating staff from health plans, other insurance, and other applicable contribution/deduction programs.</li> </ul>
<b>Accounts Payable</b>	<ul style="list-style-type: none"> <li>▪ Timely and accurate check payments</li> <li>▪ Payment of invoices according to client's approval policies</li> <li>▪ Recordkeeping/processes adhering to generally accepted accounting standards for accuracy and security and approved by independent auditors</li> <li>▪ Payment systems linked to financial statements and analyses for informed managerial decision-making</li> <li>▪ Bank account reconciliations</li> <li>▪ Invoice/payment research</li> <li>▪ Advising clients on outstanding checks to ensure adequate cash availability</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Submission of payment and deposit information; provision to EdTec of view-only access to bank account</b> <ul style="list-style-type: none"> <li>○ Weekly submission to EdTec of invoices, reimbursement requests, deposits, and other expenditures using EdTec forms and processes</li> <li>○ Coding all expenses and non-State funding deposits using EdTec forms and processes and codes from the most recent budget.</li> </ul> </li> <li>▪ <b>Banking:</b> Monitoring and maintaining adequate bank account balances to meet expense obligations; securing</li> </ul>

		view-only access to school bank account(s) for use by EdTec.
<b>Attendance and Data Reporting</b>	<ul style="list-style-type: none"> <li>▪ <b>Monthly attendance reports:</b> Generation of complete, accurate attendance reports (based on school provided data) by the deadline (up to 1.5 hours per report). Resolution of data discrepancies and attendance revisions will be charged at the hourly rate.</li> <li>▪ <b>20-Day and P-Reports:</b> Generation of complete, accurate attendance reports (based on school provided data) by the deadline (up to 1.5 hours per report). Resolution of data discrepancies and attendance revisions will be charged at the hourly rate.</li> <li>▪ <b>CALPADS:</b> See Annex A.</li> <li>▪ <b>CBEDS:</b> EdTec will provide up to 2 hours to train Client on CBEDS procedures and report generation. CBEDS support beyond the initial 2 hours is available on an hourly billable or project billable basis.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accurate and complete collection of attendance data in compliance with State rules.</li> <li>▪ <b>Monthly reports:</b> Preparation and submission of data to EdTec at least 3 business days before the deadline</li> <li>▪ <b>20-Day and P-Reports:</b> Submission of data to EdTec at least 5 business days before the deadline</li> <li>▪ Clients without student information system software will submit student and attendance data to EdTec using EdTec forms</li> <li>▪ Clients using a non-EdTec-supported SIS will provide student and attendance data to EdTec in an EdTec-approved format</li> </ul>

The payroll, accounts payable, and attendance deadlines / calendars referenced above shall be provided separately.

## 1. LATE FEES and PROCESSING CHARGES

### Payroll:

- **Timecards and payroll changes:** A late fee of \$100 will be imposed for each business day timecards for hourly staff and payroll changes are submitted late to EdTec based on the published Payroll Calendar. The latest Timecards and Changes can be accepted is one business day prior to Payroll Approval deadlines.
- **Manual checks:** EdTec will generate and distribute manual checks, as needed and without charge, for employee terminations and payroll corrections due to EdTec error. For manual checks for employee terminations, EdTec will bill the overnight delivery charges to the school if overnight delivery is requested. For all other manual check requests processed by EdTec, EdTec will charge a fee of \$35 plus overnight delivery charges (if overnight delivery is requested), and for all manual check requests processed by the payroll processor, school will pay the additional fee charged by the payroll processor plus overnight delivery charges (if overnight delivery is requested). An additional payroll cycle outside of the normal payroll processing schedule is possible with adequate advance notice and subject to EdTec staff availability at the time the request is made; an additional payroll cycle will incur an added EdTec processing fee that will be quoted at that time for Client pre-approval.

### Accounts Payable:

Statement of Work #6 by and between EdTec Inc.  
and Ross Valley Charter School  
Page 10 of 11, effective as of July 1, 2020

- **Weekly submittal:** Client must submit a weekly package conforming to EdTec forms and processes. The submittal shall contain invoices with appropriate coding, reimbursement requests, deposits, and/or other payment documents to EdTec using EdTec forms. If Client fails to submit this weekly package or fails to submit all necessary invoices and receipts to process payment, Client will be charged an additional processing fee of \$35.
- As a courtesy, EdTec may waive the first two occurrences (i.e. up to \$70) of the Weekly Submittal processing fee.

**Attendance and Data Reporting:**

- **Monthly, 20-Day and P-Reports:** EdTec fees include 1.5 hours of quality assurance and troubleshooting when processing and generating each report. Any EdTec work beyond this hour (including data correction and reconciliation with other periods) will be charged at the then-current discounted data service rate.
- **Expedite fee:** If Client misses an EdTec deadline for providing data and subsequently requests assistance in generating reports on an expedited basis, a \$100 expedite fee per occurrence may apply.
- **CBEDS reports:** EdTec fees include up to two hours for training and guidance on report generation. CBEDS support beyond the initial 2 hours is available on an hourly billable or project billable basis.
- EdTec can provide additional assistance for reports at the then-current discounted data service rate.
- If Client requires EdTec assistance for work with external deadlines (e.g. P-Reports), EdTec may set a deadline for receiving the request, data, and/or other materials from the Client to ensure timely and accurate processing. EdTec may charge an expedite fee for requests, data, and/or other materials not received from the client by the EdTec deadline.
- If Client does not have a student information software system, Client will use EdTec forms when submitting information to EdTec. Failure to use EdTec forms will result in a processing fee of \$100.
- As a courtesy, EdTec may waive the first occurrence of the forms processing fee.

Statement of Work #6 by and between EdTec Inc. and  
 Ross Valley Charter School  
 Page 11 of 11, effective as of July 1, 2020

ANNEX A: CALPADS Services		
The services described below will be performed for the fixed annual fee set forth in this Statement of Work, provided that Client uses an EdTec-preferred Student Information System (SIS). In the event that Client uses a non-preferred SIS, EdTec will provide up to 30 hours per school per school fiscal year of the service under the fixed annual fee; additional support hours shall be billed at the then-current discounted data service rate.		
Task Description	EdTec Responsibilities	School Responsibilities
<b>A. Fall 1 Submission (October - January)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review Fall 1 required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS Fall 1 setup in School's SIS (race/ethnicity, exit code mappings)</li> <li>-Train staff how to review Fall 1 certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all Fall 1 required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify Fall 1 snapshot reports and make corrections, as needed</li> </ul>
Student Enrollment Submission	<ul style="list-style-type: none"> <li>-Mass request SSIDs and update student enrollments through an SENR submission</li> <li>-Generate and troubleshoot SENR extracts</li> <li>-Train school how to manually generate single SSIDs in CALPADS for new students enrolling throughout the school year</li> </ul>	<ul style="list-style-type: none"> <li>-Enter required student demographic information into School's SIS</li> <li>-Follow up with other districts/schools to resolve CCE and MID anomalies</li> </ul>
Student Information Submission	<ul style="list-style-type: none"> <li>-Generate, upload and troubleshoot SINF extracts</li> <li>-Generate, upload and troubleshoot SELA extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure English Language Learner Information in School's SIS is up-to-date and accurate</li> </ul>
Student Programs Submission	<ul style="list-style-type: none"> <li>-Review student program records in School's SIS for completeness. Add student program records, if necessary</li> <li>-Generate, upload and troubleshoot SPRG extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Enter lunch eligible (free and reduced), foster youth and special education records into School's SIS</li> </ul>
<b>B. Fall 2 Submission (October - March)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review State required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS Fall 2 setup in School's SIS</li> <li>-Train staff how to review Fall 2 certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all Fall 2 required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify Fall 2 snapshot reports and make corrections, as needed</li> </ul>
Staff Demographics Submission	<ul style="list-style-type: none"> <li>-Generate reports that identify missing or inaccurate staff demographic data</li> <li>-Provide guidance on data requirements for staff demographic records</li> <li>-Provide guidance on obtaining SEID numbers for credentialed staff</li> </ul>	<ul style="list-style-type: none"> <li>-Request Statewide Educator ID (SEID) numbers for certificated staff</li> <li>-Enter staff demographic data and fix any error identified by EdTec</li> </ul>
Staff Assignments Submission	<ul style="list-style-type: none"> <li>-Update school-provided Staff Assignment data into School's SIS, as needed</li> <li>-Provide guidance on data requirements for staff assignment records</li> <li>-Generate, upload and troubleshoot SASS extract(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Enter staff assignments records in the staff assignments into School's SIS</li> </ul>
Course Sections Submission	<ul style="list-style-type: none"> <li>-Update school-provided Course/Section data into School's SIS</li> <li>-Generate, upload and troubleshoot CRSE extract(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Enter required course and section information in School's SIS</li> </ul>
Student Course Sections Submission	<ul style="list-style-type: none"> <li>-Generate, upload and troubleshoot SCSE extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure student schedules are up-to-date and accurate through Census Day</li> </ul>
<b>C. End-of-Year Submission (May - August)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review State required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS EOY setup in School's SIS (discipline codes, program codes)</li> <li>-Train staff how to review EOY certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all EOY required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify End-of-Year certification snapshot reports and make corrections, as needed</li> </ul>
Student Enrollment Update Submission	<ul style="list-style-type: none"> <li>-Generate and submit SENR and SINF extracts for all changes since the Fall 1 Submission</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with required student demographic information for students since the last enrollment update</li> <li>-Verify completers and graduates along with all associated data elements</li> </ul>
End-of-Year Program Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year program submission (SPRG)</li> <li>-Provide guidance on data requirements for additional program records</li> </ul>	<ul style="list-style-type: none"> <li>-Enter student End-of-Year student program records into School's SIS</li> </ul>
End-of-Year Discipline and Attendance Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year Discipline submission (SDIS)</li> <li>-Submit and troubleshoot the End-of-Year Attendance submission (STAS)</li> <li>-Provide guidance on data requirements and process for adding discipline records in School's SIS</li> </ul>	<ul style="list-style-type: none"> <li>-Enter student discipline information into School's SIS</li> <li>-Enter all absences for the reporting year into School's SIS</li> </ul>
End-of-Year Course Completion Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year Course Completion submission (CRSC and SCSC)</li> </ul>	<ul style="list-style-type: none"> <li>-Confirm all term grades have been entered into School's SIS for Grades 7-12</li> </ul>
<b>D. Anomaly Resolution (Year-long, as needed)</b>		
Anomaly Resolution Support	<ul style="list-style-type: none"> <li>-Assist school with identifying and fixing CCE, MID and ERD anomalies in CALPADS and School's SIS</li> <li>-Provide schools with CALPADS contact info for other LEAs</li> </ul>	<ul style="list-style-type: none"> <li>-Follow up with other LEAs to resolve anomalies</li> </ul>

\*This proposal does not include data remediation services. If it is determined that the initial data quality and set up requires significant intervention by EdTec, a separate scope of work for data remediation services may be required.

**STATEMENT OF WORK #7**  
by and between  
**EdTec Inc. and Ross Valley Charter School**

<b>Reference:</b>	Master Services Agreement dated February 15, 2007, by and between EdTec Inc. ("EdTec") and Ross Valley Charter School ("Client").
<b>Term:</b>	July 1, 2021 through June 30, 2023 (the "Term"). This Statement of Work shall automatically renew for consecutive additional one (1) year terms unless either party provides written notice of non-renewal to the other at least one hundred twenty (120) days prior to the expiration of the then-current term (each, a "Renewal Term"). The Term and any Renewal Term(s) are referred to as the Term.
<b>Scope of Services:</b>	<p>The philosophy of our Back-Office Services is that we provide outsourced solutions so your school can focus on its educational mission. Moreover, you receive the benefit of our extensive experience with California Charter Schools.</p> <p><b>1. FINANCE and ACCOUNTING</b></p> <p><b>Budgeting:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Annual and multi-year budgets including cash flows</b> – For existing clients, EdTec works with the school leader to create annual and multi-year budgets in time for submission to the State by July 1, and for new clients entering their first year of operations, in the spring or when services begin, EdTec will review the school's budget in time for submission to the State by July 1. EdTec strives to ensure that the annual budgets are strategic documents that capture the operations and direction of the school.</li> <li>▪ <b>Budget revisions (as needed, on demand)</b> – EdTec revises budgets as needed to reflect changing circumstances at the school or in State funding.</li> <li>▪ <b>Updated monthly budget forecasts</b> – EdTec tracks budget to actuals and updates the budget forecast on a monthly basis (if forecasts move materially off budget, we recommend a budget revision).</li> </ul> <p><b>Financial Statements:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Monthly year-to-date financial statements</b> – EdTec prepares YTD financials compared to budget in time for the regularly scheduled board or committee meeting. EdTec makes the financials and presentation electronically available as part of the board package ahead of the meeting. For schools with board or committee meetings on or before the 15th of the month, EdTec will furnish the financials and presentation in time for (but not in advance of) the meeting. For schools with board or committee meetings on or before the 10th of the month, EdTec will furnish the financials and presentation (for the month prior to the previous month) ahead of the meeting.</li> <li>▪ <b>Monthly cash flow projections</b> – EdTec monitors the school's cash position and tries to anticipate any cash shortfalls in future months so the school can adjust spending accordingly or attempt to secure cash flow loans.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Financial statement analysis (monthly)</b> – In addition to financial statements, EdTec provides a succinct PowerPoint summary and analysis of the financial statements so Board and staff can quickly focus on the salient financial issues facing the school.</li> <li>▪ <b>Customized financial analysis</b> – EdTec performs reasonable financial analysis that the staff or board requests, e.g. providing a comparative analysis of the school’s budget relative to industry norms, scenario modeling (within reason), or fulfilling a request from the authorizing entity. EdTec will also provide customized reports (within reason) for grant proposals.</li> <li>▪ <b>Support in resolving financial issues</b> – EdTec helps the school leader find solutions to financial issues by recommending budget changes and/or identifying sources of potential funding.</li> </ul> <p><b>Accounting:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Setup of school’s chart of accounts and general ledger</b> – EdTec sets up and maintains the school’s chart of accounts, based on EdTec’s standard structure which is designed to be compliant with SACS.</li> <li>▪ <b>Customized account codes</b> – EdTec maintains limited customized account codes for unique features of the school program. These must be established at the beginning of the fiscal year to avoid re-coding of historic transactions.</li> <li>▪ <b>Fund accounting</b> – EdTec can track revenue and expenditures by fund, e.g. implementation grant funds and expenses or Title I expenditures.</li> <li>▪ <b>Training</b> – EdTec trains appropriate personnel on accounting procedures and practices designed to ensure accurate record keeping.</li> <li>▪ <b>Transaction recording</b> – EdTec records in detail all transactions in a computerized accounting system.</li> <li>▪ <b>Journal entries and account maintenance</b> – EdTec prepares and records journal entries and maintains the general ledger according to accepted accounting standards.</li> <li>▪ <b>Bank reconciliation</b> – EdTec reconciles primary bank and investment accounts to general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required.</li> <li>▪ <b>Account for capital outlay expenses</b> – EdTec records capitalized assets as provided by the school. On an annual basis, EdTec records related depreciation and amortization in the general ledger and reconciles expenditures to fixed asset listing.</li> <li>▪ <b>Generate financial reports as requested</b> – EdTec can generate the following reports upon request: detailed account activity; bank register activity; summary of budget; expenditures by account; cash balances; payroll register (for periods when payroll is processed by EdTec); revenues; general ledger account balances.</li> </ul> <p><b>Accounts Payable &amp; Receivable:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Revenue verification</b> – EdTec verifies that the school is receiving the correct amount of funds from State and Federal sources.</li> <li>▪ <b>Revenue collection</b> – If the funds from the State or the county/district are not correct, EdTec tracks down the appropriate officials and alerts them of the problem. EdTec will use reasonable</li> </ul>
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	<p>efforts to negotiate on behalf of the school in disputes with funding agencies over improperly calculated payments.</p> <ul style="list-style-type: none"> <li>▪ <b>Accounts payable</b> – EdTec processes all invoices and, pending approval from the school leader or surrogate, pays the bills and codes them, based on school input, in the financial software, typically on a two-week schedule with limited rush payments as needed. EdTec checks to make sure there are no double payments or double billings on multiple invoices. EdTec troubleshoots vendor payment issues with the school. EdTec also verifies that funds are available to pay the bill.</li> <li>▪ <b>Form 1099 processing</b> – EdTec prepares and sends 1099 Forms to vendors and government, provided that this SOW remains in effect at the end of the applicable calendar year and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of services under this SOW.</li> </ul> <p><b>Purchasing:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Vendor selection</b> – EdTec provides guidance on vendors based on its experience with vendors around the State and country.</li> <li>▪ <b>Purchasing assistance on big-ticket items</b> – EdTec can assist the school in its purchase or leasing of big ticket items such as portables.</li> </ul> <p><b>Government Financial Reporting:</b>    Subject to timely receipt of information and/or materials from Client, EdTec provides the following:</p> <ul style="list-style-type: none"> <li>▪ <b>Preliminary and final budget reports</b> – EdTec prepares and files the preliminary budget report by July 1st based on the board adopted budget and a final budget as required.</li> <li>▪ <b>Interim financial reports</b> – EdTec prepares and files the two interim financial reports to the district or county by the December 15 and March 15 deadlines.</li> <li>▪ <b>Audited financial reports</b> – Subject to timely receipt of information and/or materials from the auditor, EdTec prepares and files the unaudited financial report by September 15. EdTec supports the Client and the auditor in the preparation (by the auditor) of the final audited report by December 15.</li> </ul> <p><b>Audit:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Audit support</b> – EdTec prepares financial documents for the auditors and works side-by-side with the auditors to help ensure a smooth and timely audit process. For clarification, the school is responsible to pay auditor fees. The school shall also provide all non-financial records required by the audit – e.g. attendance records, employee records, teacher certifications.</li> <li>▪ <b>Audit compliance training</b> – EdTec helps the school leader and audit staff develop financial policies designed to meet requirements and help protect the school from financial mismanagement.</li> <li>▪ <b>Single Audit Act of 1984</b> – EdTec provides support in school compliance with accounting related audit requirements, including the Single Audit Act of 1984.</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ <b>IRS Form 990 support</b> (and the corresponding State form, if applicable) – EdTec supports the school and auditor in preparing Form 990 tax-exempt organization annual filing. (For clarification, fees for audit and 990 are paid by school and it is the school's and auditor's sole responsibility to ensure these forms are filed).</li> <li>▪ <b>Annual auditor selection form</b> – EdTec sends auditor information to the county in the spring.</li> <li>▪ The school is responsible for attendance and audit of employee work.</li> </ul> <p><b>2. PAYROLL, BENEFITS and INSURANCE</b></p> <p><b>Payroll:</b>        EdTec uses an external payroll processor to accomplish the following tasks. EdTec interfaces between the school and payroll processor, and performs quality checking so that the school does not need to interact with the payroll processor. The school pays payroll processing fees.</p> <ul style="list-style-type: none"> <li>▪ <b>Payroll processing</b> – EdTec calculates and processes payroll and payroll-related payments/deductions for salaried and hourly employees based on information submitted by authorized Client representatives (excluding benefit accrual tracking such as vacation and sick time). EdTec works with the payroll processor to generate checks for signature by authorized Client representatives (or through electronic signature) or facilitates Direct Deposit at the Client's request. The fees set forth below include monthly or semi-monthly payroll processing; for a higher frequency payroll an additional fee will apply.</li> <li>▪ <b>Payroll reporting</b> – EdTec works with the payroll processor to prepare and file all required payroll reports for submission to Federal and State agencies and submits electronic payroll, payroll tax reports and payroll tax deposits to the appropriate authorities for a single EDD/tax ID number. For multiple reporting numbers, an additional fee will apply.</li> <li>▪ <b>Payroll record maintenance</b> – EdTec keeps track of payroll information. Client is responsible for maintaining all employee files, including forms based on EdTec-provided template files.</li> <li>▪ <b>W-2 processing</b> – EdTec prepares and sends Form W-2 to the school and files Forms W-2 and W-3 with the Social Security Administration, provided that this SOW remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of Services under this SOW.</li> <li>▪ <b>IRS, SDI, WC support</b> – EdTec assists in resolving payroll tax issues before the IRS and other Federal and State reporting agencies. EdTec also assists school with any State Disability, Workers Comp, or Unemployment Insurance claims by providing supporting payroll reports.</li> <li>▪ <b>STRS/PERS and other retirement plan administration</b> – EdTec will help the school set up STRS/PERS accounts, and makes appropriate deductions and payments to the county for STRS and/or PERS based on information provided by the school. Note that in some cases it can take approximately 12 months to set up such</li> </ul>
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	<p>contributions because of district/county delays. Also, some counties charge separately for this mandated service. The school is responsible for STRS/PERS account setup, administration and enrollments and any fees from outside parties including late fees and interest levied by STRS/PERS.</p> <p><b>Benefits and Insurance:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Health benefits administration</b> – EdTec assists in guiding the school in the health benefits procurement process, and assists with re-quotes of insurance on an annual basis. Client is responsible for all benefit reporting under the Affordable Care Act, including without limitation the Forms 1094-C and 1095-C.</li> <li>▪ <b>Insurance procurement</b> – EdTec provides financial information necessary for the liability insurance quote process.</li> </ul> <p><b>3. BUSINESS CONSULTING</b></p> <p>EdTec is a strategic thought partner to its Clients and provides high-value support and guidance in the following areas:</p> <ul style="list-style-type: none"> <li>▪ <b>Negotiations</b> – EdTec supports the school director and board with non-legal, business advice in negotiations related to issues such as MOUs, facilities, and SPED with districts, landlords, vendors, and others, including developing presentations and analyses to buttress the school's position.</li> <li>▪ <b>Strategic budget development</b> – EdTec can assist the school director and board with strategic financial planning and budget scenario development.</li> <li>▪ <b>Financing support</b> – EdTec assists clients in preparing loan packages and connecting the school with non-traditional/specialized funding sources such as bonds, New Market Tax Credits, Community Development Financial Institution (CDFI) resources, and philanthropic funds.</li> <li>▪ <b>Legal services optimization</b> – EdTec can help clients think through and frame issues in preparation for engaging legal counsel, thereby assisting in a more efficient use of legal services costs.</li> <li>▪ <b>Special projects</b> – EdTec performs business-related special projects within reason, such as modeling growth, compensation and facilities scenarios, and providing an understanding of and analyzing food service and transportation options. (Note: due to State regulations, EdTec cannot complete the School Food Authority (SFA) application. However, EdTec provides assistance in understanding the process.) EdTec can also assist the school leader, within reason, in the analysis and understanding of best practices regarding a structurally sound pay scale.</li> </ul> <p><b>4. BOARD MEETING SUPPORT</b></p> <ul style="list-style-type: none"> <li>▪ <b>Board materials (electronic)</b> – EdTec collects, organizes, and collates materials for each meeting (up to two board meetings per month) and makes the materials electronically available to Client in advance of the meeting. Client prints board meeting materials to have on hand for attendees.</li> <li>▪ <b>Board meeting attendance</b> – EdTec attends regularly scheduled board and finance committee meetings in person or by</li> </ul>
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	<p>teleconference (at most a total of one meeting per month and at least two meetings per three months), and presents its financial analysis presentation. EdTec can assist the board in staying in compliance with the Brown Act.</p> <ul style="list-style-type: none"> <li>▪ <b>Board meeting minutes</b> - Client takes board meeting minutes and provides to EdTec for incorporation into board meeting materials. EdTec reviews and edits minutes, incorporating Client feedback, as needed.</li> </ul> <p><b>5. FACILITIES</b></p> <ul style="list-style-type: none"> <li>▪ <b>Facility needs assessment and planning</b> – EdTec works with clients to help them refine their thinking about key facilities-related considerations and identify important facility requirements based on the school program and industry standards. EdTec helps clients think creatively about their facility needs and come up with workable solutions.</li> <li>▪ <b>Prop 39</b> – EdTec helps the school prepare Prop 39 requests, including analyzing student data, and helps to manage timelines related to the Prop 39 process.</li> <li>▪ <b>District negotiations</b> – EdTec will help the school negotiate deals with the district regarding facilities.</li> <li>▪ <b>SB 740</b> – As State funding is available, EdTec prepares and submits SB 740 facilities reimbursements on the school’s behalf.</li> <li>▪ <b>Financial reporting to lender</b> - EdTec provides financial data to lenders for loan covenants.</li> <li>▪ <b>Facilities funding support</b> – EdTec provides financial data for compliance-related reporting on State facility funding programs such as Prop 1D.</li> <li>▪ <b>Facility acquisition/lease negotiation</b> – <i>On a separate fee basis and subject to staff availability, EdTec can assist clients with business, non-legal advice in negotiating purchase and/or lease terms. The school’s attorney should review these.</i></li> </ul> <p><b>6. COMPLIANCE and ACCOUNTABILITY</b></p> <ul style="list-style-type: none"> <li>▪ Note that compliance and accountability are the responsibility of the school. EdTec will provide advice on some matters, but this information is not comprehensive. In addition, since rules, regulations and interpretations regularly change, schools should seek independent verification from their attorneys or other sources.</li> <li>▪ <b>Mid-year internal review</b> – From time to time, EdTec may perform an internal review with client designed to help the school comply with many school regulations, or in preparation for a potential authorizer site visit. Using an EdTec-developed checklist, we assist the school staff in testing compliance in key areas, such as: Board resolutions and policies; risk management; food service; restricted funding; student and personnel files; and attendance reporting and student data.</li> <li>▪ <b>Employee files</b> – As noted above, EdTec provides schools with templates for employee files, forms, and procedures to help ensure compliance with employment laws. (Note: the school should have an attorney review all legal issues.)</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ <b>ESSA compliance support</b> – EdTec will track the financial reporting and can help provide related backup necessary for the Every Student Succeeds Act (ESSA) compliance. On an hourly billable basis, EdTec can provide assistance on Local Control Accountability Plan (LCAP) development and related school and student performance analysis.</li> <li>▪ <b>SPED compliance</b> – EdTec provides partial checklists and general information to help schools understand their responsibilities related to Special Education. EdTec assistance does not include educational program compliance and we recommend getting specialized assistance in this area to ensure complete compliance. EdTec assists the school in completing the following reports: Maintenance of Effort (MOE), Mental Health expenditure reporting, Excess Cost Report, and year-end reporting.</li> <li>▪ <b>Funding compliance</b> – EdTec makes compliance recommendations regarding funding requirements, such as Federal PCSGP implementation grant funding and other restricted funds. Note that, as more information becomes available, ESSA compliance may be especially complex with many school obligations.</li> <li>▪ <b>District and State regulation compliance</b> – EdTec can help the school identify areas where it may not be in compliance with district or State regulations.</li> </ul> <p><b>7. ATTENDANCE and DATA REPORTING</b></p> <ul style="list-style-type: none"> <li>▪ <b>Local attendance reporting</b> – EdTec will provide support with monthly attendance reports based on school-provided data as outlined in the addendum to this Statement of Work.</li> <li>▪ <b>State attendance reporting</b> – Using school-provided data, and at the school's request, EdTec will provide support on government attendance reports, including the 20-day report, P-1, P-2, and Annual Attendance Report. For specific support level, please refer to the Roles and Responsibilities in Attachment 1.</li> <li>▪ <b>Non-attendance reporting</b> – EdTec will support school on CALPADS and CBEDS reporting. For specific support level, please refer to the Roles and Responsibilities in Attachment 1.</li> <li>▪ <b>Attendance procedures assistance</b> – EdTec will provide assistance reviewing schools' attendance accounting procedures and advising on areas for improvement, although the school is ultimately responsible for keeping accurate attendance and ADA compliance.</li> <li>▪ <b>Quarterly ADA analysis</b> – EdTec reviews ADA data to ensure the school is on track with projections, if EdTec is provided access by the school to their Student Information System.</li> <li>▪ School requests for EdTec assistance on items not listed in this section shall be billed hourly.</li> </ul> <p><b>8. CHARTER DEVELOPMENT and GRANTS ADMINISTRATION</b></p> <ul style="list-style-type: none"> <li>▪ <b>Financial reports</b> – EdTec prepares customized financial reports for grant purposes, within reason.</li> <li>▪ <b>Fund accounting</b> – EdTec sets up fund accounting to track direct and allocated costs to grants.</li> </ul>
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	<ul style="list-style-type: none"> <li>▪ <b>Consolidated Application (ConApp)</b> – EdTec prepares the Consolidated Application parts 1 and 2 for eligible schools and files in the Consolidated Application Reporting System (CARS).</li> <li>▪ <b>After School Education and Safety Program (ASES)</b> – EdTec submits annual budget and quarterly expenditure reports.</li> <li>▪ <b>School-Based Medi-Cal Administrative Activities (SMAA)</b> – EdTec completes quarterly reports.</li> <li>▪ <b>Charter School Facilities Incentive Grant (CSFIG)</b> – EdTec completes semi-annual disbursement requests.</li> <li>▪ <b>Deferral Exemption Application</b> – EdTec completes the application for the school.</li> <li>▪ <b>Charter renewal</b> – <i>On a separate fee basis, EdTec can assist in preparing and advocating a charter petition for school renewal.</i></li> </ul>
<b>Excluded Services:</b>	<p>Other than the services outlined above, EdTec is not responsible for any other activities, unless mutually agreed to in writing. Examples of Excluded Services include, but are not limited to, outside legal costs, computer installation and support, purchasing of small items or of curriculum materials, printing and graphic arts, grant writing or fundraising, hiring and associated legal requirements (e.g., background checks, credential reviews) and recordkeeping, meetings with outside parties (e.g., the Board or District) beyond those meetings required to accomplish the included services, Special Ed administration, testing, assessment, compliance with ESSA, compliance with government grant requirements, audits, attendance accounting, and other outside professional services costs.</p>
<b>Compensation:</b>	<ul style="list-style-type: none"> <li>▪ <b>Back Office Services:</b> EdTec will provide these services at a fixed fee per school fiscal year as follows: <ul style="list-style-type: none"> <li>○ \$90,000 for the 2021-22 school fiscal year</li> <li>○ \$92,250 for the 2022-23 school fiscal year</li> </ul> <p>These fixed fees <u>include</u> all normal postage, telephone, copying, faxing, etc., <u>except</u> for bank and payroll fees that will be passed through. The annual fees are payable monthly commencing on July 1, 2021.</p> <ul style="list-style-type: none"> <li>○ The fees above are for the scope of services contained herein solely for those school(s) for which Client holds a granted charter or that have been in operation prior to the date of this SOW.</li> <li>○ In addition to the fees calculated as provided above, there will be an incremental fee for the following, if applicable: <ul style="list-style-type: none"> <li>• Benefit accrual tracking such as vacation and sick time.</li> <li>• Use by school personnel of debit cards.</li> <li>• For the CALPADS services described in Annex A, there will be an additional fee of \$7,775 for the 2021-22 school fiscal year and \$8,000 for the 2022-23 school fiscal year.</li> </ul> </li> </ul> </li> <li>▪ <b>Consulting:</b> Should you desire additional services not in the above scope, we would be pleased to provide these, subject to staff availability, at the then-current discounted hourly fee schedule for back-office clients (travel time is billed at ½ of the applicable hourly rate). Typical additional services that are not in the above scope are charter petition writing and the implementation of computer systems or computerized Student Information Systems. Again, this rate includes normal phone, copying and incidental costs. Additional costs would include mileage reimbursement for travel, overnight delivery charges, and pre-approved out-of-pocket expenses.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ <b>Fee Increases:</b> EdTec reserves the right to increase the fees payable under this Statement of Work by up to 5% upon the conclusion of the Term and each Renewal Term. EdTec will provide written notice of a fee increase at least thirty (30) days prior to the expiration of the Term or then-current Renewal Term, as applicable.</li> <li>▪ <b>Payment Terms:</b> All fees payable to EdTec must be received by EdTec within thirty (30) days of the date of invoice. EdTec reserves the right to suspend the provision of Services in the event an invoice is thirty days past due.</li> </ul>
<b>School Obligations</b>	<p>EdTec's services will assist with the operations of Client's back-office operations, but do not include auditing Client's provided information and operations for completeness and compliance. It is Client's responsibility to adopt and adhere to reasonable policies and procedures, and to ensure the school remains in compliance with all applicable rules and regulations and maintains sound fiscal operations. In order to fulfill the scope of services described herein, EdTec relies on Client to provide timely, accurate and complete information, and to cooperate reasonably with EdTec. Furthermore, Client must immediately inform EdTec of any material change that could affect EdTec's ability to complete its responsibilities and to assist Client in complying with all applicable laws and regulations.</p> <p>Client will comply with the attached Roles and Responsibilities document (Attachment 1).</p>
<b>Termination</b>	<p>Either party may, upon giving thirty (30) days' written notice identifying specifically the basis for such notice, terminate this Statement of Work for breach of a material term or condition of this Statement of Work, unless the party receiving the notice cures such breach within the thirty (30) day period. In addition, EdTec may terminate this Statement of Work immediately upon written notification and without liability, (a) if Client, in EdTec's reasonable judgment, violates any of the "School Obligations" above, (b) if Client does not open by September 30, 2021, or (c) upon any revocation of Client's charter. Upon any early termination under this section, Client shall pay EdTec for all services rendered by EdTec prior to the effective date of termination. In addition, if EdTec terminates this Statement of Work under this section, Client shall also pay EdTec for any demobilization or other costs resulting from such early termination.</p>

Statement of Work #7 by and between EdTec Inc.  
and Ross Valley Charter School  
Page 10 of 14, effective as of July 1, 2021

<p><b>EDTEC INC.</b></p> <p>DocuSigned by: By: <u>Steve Campo</u> 7A50CD0252334E8...</p> <p>Name: <u>Steve Campo</u></p> <p>Title: <u>President &amp; CEO</u></p> <p>Date: <u>8/20/2020</u></p> <p>1410A 62nd Street Emeryville, CA 94608</p> <p>Fax: 510.663.3503</p>	<p><b>ROSS VALLEY CHARTER SCHOOL</b></p> <p>DocuSigned by: Signature: <u>Luke Duchene</u> 185DA7BA265F46F...</p> <p>Name: <u>Luke Duchene</u></p> <p>Title: <u>Director</u></p> <p>Date: <u>8/18/2020</u></p> <p>Address: <u>102 Marinda Dr.</u> <u>Fairfax, CA 94930</u></p> <p>Email: <u>luke.duchene@rossvalleycharter.org</u></p> <p>Phone: <u>415-534-6970</u></p> <p>Fax: _____</p>
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The undersigned officer of Ross Valley Charter School, a California public charter school (the "School"), hereby certifies that this Agreement has been duly approved by the governing body of the School, at a publicly noticed meeting held on July 13, 2020.

**ROSS VALLEY CHARTER SCHOOL**

DocuSigned by:  
Signature: Sharon Sagar  
D19228509AAC4BB...

Name: Sharon Sagar

Title: Board Chair

## ATTACHMENT 1

### Roles and Responsibilities

Clarity on roles and responsibilities between EdTec and Ross Valley Charter School ("Client") will help ensure high quality, timely business services. Table 1 below outlines the roles and responsibilities of both parties:

Table 1: Roles & Responsibilities

	<b>EdTec</b>	<b>Client</b>
<b>Payroll</b>	<ul style="list-style-type: none"> <li>▪ Accurate, complete payroll on a monthly/semi-monthly basis (additional fees apply for higher frequency payroll)</li> <li>▪ Published calendar of payroll deadlines</li> <li>▪ Reminders for payroll deadlines</li> <li>▪ Final payroll information sent to client for approval prior to client's payroll approval deadline</li> <li>▪ Advice on setting up STRS/PERS</li> <li>▪ Primer on health insurance terminations, COBRA, and employee vs. contractor classifications</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Timecards and changes:</b> Submission to EdTec of the timesheet summary, payroll client change summary, and other payroll changes and backup forms by the payroll calendar deadlines and using EdTec forms/processes</li> <li>▪ <b>Payroll approval:</b> Approval (email or fax) to EdTec by payroll calendar deadlines</li> <li>▪ <b>New hires:</b> Timely submission to EdTec of new hire paperwork on EdTec new hire forms by payroll calendar deadline</li> <li>▪ Enrolling (or working with a broker to enroll) staff in any STRS, PERS, 403b, health plans, and other insurance/retirement/contribution/deduction programs</li> <li>▪ Terminating staff from health plans, other insurance, and other applicable contribution/deduction programs.</li> </ul>
<b>Accounts Payable</b>	<ul style="list-style-type: none"> <li>▪ Timely and accurate check payments</li> <li>▪ Payment of invoices according to client's approval policies</li> <li>▪ Recordkeeping/processes adhering to generally accepted accounting standards for accuracy and security and approved by independent auditors</li> <li>▪ Payment systems linked to financial statements and analyses for informed managerial decision-making</li> <li>▪ Bank account reconciliations</li> <li>▪ Invoice/payment research</li> <li>▪ Advising clients on outstanding checks to ensure adequate cash availability</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Submission of payment and deposit information; provision to EdTec of view-only access to bank account</b> <ul style="list-style-type: none"> <li>○ Weekly submission to EdTec of invoices, reimbursement requests, deposits, and other expenditures using EdTec forms and processes</li> <li>○ Coding all expenses and non-State funding deposits using EdTec forms and processes and codes from the most recent budget.</li> </ul> </li> <li>▪ <b>Banking:</b> Monitoring and maintaining adequate bank account balances to meet expense obligations; securing</li> </ul>

		view-only access to school bank account(s) for use by EdTec.
<b>Attendance and Data Reporting</b>	<ul style="list-style-type: none"> <li>▪ <b>Monthly attendance reports:</b> Generation of complete, accurate attendance reports (based on school provided data) by the deadline (up to 1.5 hours per report). Resolution of data discrepancies and attendance revisions will be charged at the hourly rate.</li> <li>▪ <b>20-Day and P-Reports:</b> Generation of complete, accurate attendance reports (based on school provided data) by the deadline (up to 1.5 hours per report). Resolution of data discrepancies and attendance revisions will be charged at the hourly rate.</li> <li>▪ <b>CALPADS:</b> See Annex A.</li> <li>▪ <b>CBEDS:</b> EdTec will provide up to 2 hours to train Client on CBEDS procedures and report generation. CBEDS support beyond the initial 2 hours is available on an hourly billable or project billable basis.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accurate and complete collection of attendance data in compliance with State rules.</li> <li>▪ <b>Monthly reports:</b> Preparation and submission of data to EdTec at least 3 business days before the deadline</li> <li>▪ <b>20-Day and P-Reports:</b> Submission of data to EdTec at least 5 business days before the deadline</li> <li>▪ Clients without student information system software will submit student and attendance data to EdTec using EdTec forms</li> <li>▪ Clients using a non-EdTec-supported SIS will provide student and attendance data to EdTec in an EdTec-approved format</li> </ul>

The payroll, accounts payable, and attendance deadlines / calendars referenced above shall be provided separately.

## 1. LATE FEES and PROCESSING CHARGES

### Payroll:

- **Timecards and payroll changes:** A late fee of \$100 will be imposed for each business day timecards for hourly staff and payroll changes are submitted late to EdTec based on the published Payroll Calendar. The latest Timecards and Changes can be accepted is one business day prior to Payroll Approval deadlines.
- **Manual checks:** EdTec will generate and distribute manual checks, as needed and without charge, for employee terminations and payroll corrections due to EdTec error. For manual checks for employee terminations, EdTec will bill the overnight delivery charges to the school if overnight delivery is requested. For all other manual check requests processed by EdTec, EdTec will charge a fee of \$35 plus overnight delivery charges (if overnight delivery is requested), and for all manual check requests processed by the payroll processor, school will pay the additional fee charged by the payroll processor plus overnight delivery charges (if overnight delivery is requested). An additional payroll cycle outside of the normal payroll processing schedule is possible with adequate advance notice and subject to EdTec staff availability at the time the request is made; an additional payroll cycle will incur an added EdTec processing fee that will be quoted at that time for Client pre-approval.

**Accounts Payable:**

- **Weekly submittal:** Client must submit a weekly package conforming to EdTec forms and processes. The submittal shall contain invoices with appropriate coding, reimbursement requests, deposits, and/or other payment documents to EdTec using EdTec forms. If Client fails to submit this weekly package or fails to submit all necessary invoices and receipts to process payment, Client will be charged an additional processing fee of \$35.
- As a courtesy, EdTec may waive the first two occurrences (i.e. up to \$70) of the Weekly Submittal processing fee.

**Attendance and Data Reporting:**

- **Monthly, 20-Day and P-Reports:** EdTec fees include 1.5 hours of quality assurance and troubleshooting when processing and generating each report. Any EdTec work beyond this hour (including data correction and reconciliation with other periods) will be charged at the then-current discounted data service rate.
- **Expedite fee:** If Client misses an EdTec deadline for providing data and subsequently requests assistance in generating reports on an expedited basis, a \$100 expedite fee per occurrence may apply.
- **CBEDS reports:** EdTec fees include up to two hours for training and guidance on report generation. CBEDS support beyond the initial 2 hours is available on an hourly billable or project billable basis.
- EdTec can provide additional assistance for reports at the then-current discounted data service rate.
- If Client requires EdTec assistance for work with external deadlines (e.g. P-Reports), EdTec may set a deadline for receiving the request, data, and/or other materials from the Client to ensure timely and accurate processing. EdTec may charge an expedite fee for requests, data, and/or other materials not received from the client by the EdTec deadline.
- If Client does not have a student information software system, Client will use EdTec forms when submitting information to EdTec. Failure to use EdTec forms will result in a processing fee of \$100.
- As a courtesy, EdTec may waive the first occurrence of the forms processing fee.

Statement of Work #7 by and between EdTec Inc. and  
 Ross Valley Charter School  
 Page 14 of 14, effective as of July 1, 2021

ANNEX A: CALPADS Services		
The services described below will be performed for the fixed annual fee set forth in this Statement of Work, provided that Client uses an EdTec-preferred Student Information System (SIS). In the event that Client uses a non-preferred SIS, EdTec will provide up to 30 hours per school per school fiscal year of the service under the fixed annual fee; additional support hours shall be billed at the then-current discounted data service rate.		
Task Description	EdTec Responsibilities	School Responsibilities
<b>A. Fall 1 Submission (October - January)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review Fall 1 required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS Fall 1 setup in School's SIS (race/ethnicity, exit code mappings)</li> <li>-Train staff how to review Fall 1 certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all Fall 1 required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify Fall 1 snapshot reports and make corrections, as needed</li> </ul>
Student Enrollment Submission	<ul style="list-style-type: none"> <li>-Mass request SSIDs and update student enrollments through an SENR submission</li> <li>-Generate and troubleshoot SENR extracts</li> <li>-Train school how to manually generate single SSIDs in CALPADS for new students enrolling throughout the school year</li> </ul>	<ul style="list-style-type: none"> <li>-Enter required student demographic information into School's SIS</li> <li>-Follow up with other districts/schools to resolve CCE and MID anomalies</li> </ul>
Student Information Submission	<ul style="list-style-type: none"> <li>-Generate, upload and troubleshoot SINP extracts</li> <li>-Generate, upload and troubleshoot SELA extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure English Language Learner Information in School's SIS is up-to-date and accurate</li> </ul>
Student Programs Submission	<ul style="list-style-type: none"> <li>-Review student program records in School's SIS for completeness. Add student program records, if necessary</li> <li>-Generate, upload and troubleshoot SPRG extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Enter lunch eligible (free and reduced), foster youth and special education records into School's SIS</li> </ul>
<b>B. Fall 2 Submission (October - March)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review State required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS Fall 2 setup in School's SIS</li> <li>-Train staff how to review Fall 2 certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all Fall 2 required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify Fall 2 snapshot reports and make corrections, as needed</li> </ul>
Staff Demographics Submission	<ul style="list-style-type: none"> <li>-Generate reports that identify missing or inaccurate staff demographic data</li> <li>-Provide guidance on data requirements for staff demographic records</li> <li>-Provide guidance on obtaining SEID numbers for credentialed staff</li> </ul>	<ul style="list-style-type: none"> <li>-Request Statewide Educator ID (SEID) numbers for certificated staff</li> <li>-Enter staff demographic data and fix any error identified by EdTec</li> </ul>
Staff Assignments Submission	<ul style="list-style-type: none"> <li>-Update school-provided Staff Assignment data into School's SIS, as needed</li> <li>-Provide guidance on data requirements for staff assignment records</li> <li>-Generate, upload and troubleshoot SASS extract(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Enter staff assignments records in the staff assignments into School's SIS</li> </ul>
Course Sections Submission	<ul style="list-style-type: none"> <li>-Update school-provided Course/Section data into School's SIS</li> <li>-Generate, upload and troubleshoot CRSE extract(s)</li> </ul>	<ul style="list-style-type: none"> <li>-Enter required course and section information in School's SIS</li> </ul>
Student Course Sections Submission	<ul style="list-style-type: none"> <li>-Generate, upload and troubleshoot SCSE extracts</li> </ul>	<ul style="list-style-type: none"> <li>-Ensure student schedules are up-to-date and accurate through Census Day</li> </ul>
<b>C. End-of-Year Submission (May - August)</b>		
Data Review and Reconciliation	<ul style="list-style-type: none"> <li>-Provide schools with list of required data and project calendar</li> <li>-Manage submission deadlines for each school site and provide regular reminders</li> <li>-Review State required data in School's SIS and identify missing/inaccurate data</li> <li>-Review of CALPADS EOY setup in School's SIS (discipline codes, program codes)</li> <li>-Train staff how to review EOY certification reports and resolve fatal errors</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with all EOY required data per EdTec's guidance</li> <li>-Adhere to project calendar deadlines as set forth by EdTec</li> <li>-Review and certify End-of-Year certification snapshot reports and make corrections, as needed</li> </ul>
Student Enrollment Update Submission	<ul style="list-style-type: none"> <li>-Generate and submit SENR and SINP extracts for all changes since the Fall 1 Submission</li> </ul>	<ul style="list-style-type: none"> <li>-Populate School's SIS with required student demographic information for students since the last enrollment update</li> <li>-Verify completers and graduates along with all associated data elements</li> </ul>
End-of-Year Program Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year program submission (SPRG)</li> <li>-Provide guidance on data requirements for additional program records</li> </ul>	<ul style="list-style-type: none"> <li>-Enter student End-of-Year student program records into School's SIS</li> </ul>
End-of-Year Discipline and Attendance Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year Discipline submission (SDIS)</li> <li>-Submit and troubleshoot the End-of-Year Attendance submission (STAS)</li> <li>-Provide guidance on data requirements and process for adding discipline records in School's SIS</li> </ul>	<ul style="list-style-type: none"> <li>-Enter student discipline information into School's SIS</li> <li>-Enter all absences for the reporting year into School's SIS</li> </ul>
End-of-Year Course Completion Submission	<ul style="list-style-type: none"> <li>-Submit and troubleshoot the End-of-Year Course Completion submission (CRSC and SCSC)</li> </ul>	<ul style="list-style-type: none"> <li>-Confirm all term grades have been entered into School's SIS for Grades 7-12</li> </ul>
<b>D. Anomaly Resolution (Year-long, as needed)</b>		
Anomaly Resolution Support	<ul style="list-style-type: none"> <li>-Assist school with identifying and fixing CCE, MID and ERD anomalies in CALPADS and School's SIS</li> <li>-Provide schools with CALPADS contact info for other LEAs</li> </ul>	<ul style="list-style-type: none"> <li>-Follow up with other LEAs to resolve anomalies</li> </ul>

\*This proposal does not include data remediation services. If it is determined that the initial data quality and set up requires significant intervention by EdTec, a separate scope of work for data remediation services may be required.

**STATEMENT OF WORK #8**  
 by and between  
**EdTec Inc. and Ross Valley Charter School**

<b>Reference:</b>	Master Services Agreement dated February 15, 2017, by and between EdTec Inc. ("EdTec") and Ross Valley Charter School ("Client").
<b>Term:</b>	August 11, 2020 through January 31, 2021.
<b>Scope of Services:</b>	<p>Services to be performed</p> <ul style="list-style-type: none"> <li>▪ Learning Continuity Plan Support</li> <li>▪ Single Plan for Student Achievement Support</li> </ul>
<b>Excluded Services:</b>	Other than the services outlined above, EdTec is not responsible for any other activities, unless mutually agreed to in writing.
<b>Compensation:</b>	<ul style="list-style-type: none"> <li>▪ Discounted hourly rate of \$150 on a time and materials basis.</li> <li>▪ The estimated work effort is 24-36 hours at an estimated cost of \$3,600 - \$5,400, excluding travel and incidental expenses (if necessary).</li> <li>▪ Actual travel costs and out of pocket expenses will be billed to Client and travel time, if necessary, will be billed at \$75/hour (half the hourly fee).</li> <li>▪ Any work requested by Client beyond the scope of this Statement of Work is billable at \$150/hour.</li> <li>▪ All fee estimates are subject to Client compliance with the School Obligations set forth below.</li> </ul> <p><b>Payment Terms:</b> Payment terms are net 30 days from receipt of EdTec's invoices, which shall be issued monthly and upon completion of the services. EdTec reserves the right to suspend the provision of Services in the event an invoice is thirty days past due.</p>
<b>School Obligations:</b>	In order to fulfill the scope of services described herein, EdTec relies on Client to provide timely, accurate and complete information, to cooperate reasonably with EdTec, and to timely complete all tasks reasonably requested of Client in connection with the project.
<b>Termination:</b>	Either party may, upon giving thirty (30) days' written notice identifying specifically the basis for such notice, terminate this Statement of Work for breach of a material term or condition of this Statement of Work, unless the party receiving the notice cures such breach within the thirty (30) day period. In addition, EdTec may terminate this Statement of Work immediately upon written notification and without liability, (a) if Client, in EdTec's reasonable judgment, violates any of the "School Obligations" above, or (b) upon any revocation of Client's charter. Upon any early termination under this section, Client shall pay EdTec for all services rendered by EdTec prior to the effective date of termination.

<b>EDTEC INC.</b> DocuSigned by: By: <u>Steve Campo</u> <small>7A50CD0252334E8...</small> Name: Steve Campo Title: President & CEO Date: 9/20/2020  1410A 62 <sup>nd</sup> Street Emeryville, CA 94608 Fax: 510.663.3503	<b>ROSS VALLEY CHARTER SCHOOL</b> Signature: <u>Luke Duchene</u> <small>155DA7BA265F46F...</small> Name: Luke Duchene Title: Director Date: 9/19/2020 Address: 102 Marinda Dr. Fairfax, CA 94930 Email: luke.duchene@rossvalleycharter.org Phone: 4155346970 Fax:
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# **EXHIBIT “U”**



**MINUTES OF THE SPECIAL MEETING  
BOARD OF TRUSTEES  
ROSS VALLEY CHARTER SCHOOL**

**Ross Valley Charter School 102 Marinda Drive, Fairfax CA**

<https://sites.google.com/a/rossvalleycharter.org/rvc-board-docs/2020-09-24-special-meeting>

**September 24, 2020 7:33 P.M. via Zoom video conference**

**Board Members:**

- Sharon Sagar, Chair**
- Amy Gramajo**
- Kristi Kimball**
- John Kirk**
- Cheryl Flick**
- Sonya Stanley**

**I. PRELIMINARY**

**A. CALL TO ORDER**

**B. TRUSTEE ROLL CALL**

	Present (Remotely)	Absent
Kristi Kimball	<u>X</u>	_____
Amy Gramajo	<u>X</u>	_____
John Kirk	<u>X</u>	_____
Cheryl Flick	<u>X</u>	_____
Sharon Sagar, Chair	<u>X</u>	_____
Sonya Stanley	<u>X</u>	_____

**C. APPROVAL OF AGENDA OF SPECIAL BOARD MEETING OF SEPTEMBER 24, 2020.**

Approval of the special board meeting agenda of September 24, 2020 was duly Moved: Kirk. Seconded: Flick. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar. Noes: None. Absent: Stanley, Abstain: None. Approved by roll call vote 5-1-0.

**II. COMMUNICATION**

C. No public comment on items not on the agenda.

**D. School Director Update**

- Construction is moving along and should be done second week in October.
- Working on reopening plans in staff meetings.

- High attendance (96%) and participation. Looking closer at engagement and tracking work weekly.

#### E. Board/Staff Information Updates

- Ms. Kimball retiring from the board. Board members shared stories of appreciation. Thank you, Kristi!
- MCOE's response to RVSD's letter to County with allegations based on documents they did not secure from us.
- FCMAT reviewed 120-page document and determined insufficient information for an audit.
- District never reached out.

No public comment.

### III. GENERAL ITEMS

#### A. LEARNING CONTINUITY AND ATTENDANCE PLAN (LECAP)

- Mr. Duchene updating minor changes.
- Clarifying outdoor classroom meetings.
- Parent/teacher voice in learning model selection.

No public comment.

Approval of LECAP with noted clarifications was duly Moved: Flick. Seconded: Kirk. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### B. FINANCIAL BUDGET UPDATE

- Includes updates approved by the Governor in budget trailer bill with increased enrollment funding.
- Can apply for additional revenue based on October 7<sup>th</sup> enrollment.
- Six-year budget narrative.
- Expenses changes: \$4K to teachers for summer work and \$9K for Ms. Chappell's summer student outreach.
- Subsidized health premium increases for staff.
- \$20K for computers, LLM and safety (learning loss mitigation).
- Added fire insurance and bookkeeper.
- Raised contingency now at \$67K. Need \$94K to avoid cash problems during deferrals.
- See multi-year projection narrative.
- Budget only includes half of PPP loan forgiveness.
- Will revisit salary increases when we're in a more confident financial situation.
- Conservative approach in uncertain times.
- Our deferrals, \$581K and Special Ed, start in March.
- All school districts are going through the same thing with deferrals management. Fewer options for charter schools, which is why \$270K PPP loan was critical.
- Previous budgets had built-in raises; will bring back to December budget discussions.
- Mr. Hickey will forward updated budget to the district and state oversight.

No public comment.

Approval of the updated financial budget was duly Moved: Kimball. Seconded: Kirk. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### C. AUTHORIZATION TO EXECUTE PCSD LOAN DOCUMENTS AND PROJECT MANAGEMENT AGREEMENT

- LOI looks good. Interest rate 2%.
- RVC contributing \$10K from school's budget.

No public comment.

Approval of PCSD loan and Project Management Agreement, executed by Mr. Duchene and Ms. Sagar, was duly Moved: Kirk. Seconded: Gramajo. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### D. AUTHORIZE ADDITIONAL INSURANCE AND OTHER AGREEMENTS RELATED TO CONSTRUCTION PROJECT

- Four agreements:
  - Updated property insurance with builder's insurance
  - Kinderblast shared Fire/Life/Safety Monitoring agreement
  - Kinderblast shared 25% cost of Fire/Life/Safety Master Panel agreement
  - St. Rita's Lease
- Fire Marshall required Kinderblast to install expensive fire system; we now need to make upgrades.
- Tying RVC's system into Kinderblast's initial installation.
- \$750/month monitoring fee. Kinderblast will continue paying \$350/month portion.

No public comment.

Approval of the four above agreements related to Kinderblast, insurance, and St. Rita's was duly Moved: Kirk. Seconded: Gramajo. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### E. AUTHORIZATION TO APPLY FOR LOANS FOR STATE APPORTIONMENT DEFERRALS

- State deferred apportionment payments impact public charter schools even more as we're not able to borrow low-interest rate funds directly from the County, as other local schools can.
- Recommend authorization to apply for loans from Westamerica Bank, California School Finance Authority (CSFA), and Stifel & Charter Asset Management (CAM).
- Recommend authorization to apply for any apportionment deferral exemption programs (TRANS, RAND, LOC) offered by the State of California for public schools.

No public comment

Approval to authorize Mr. Duchene and Ms. Sagar to apply for three loans and State exemption program, if deemed appropriate, was duly Moved: Flick. Seconded: Kirk. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### F. MOU AGREEMENT AMENDMENT WITH OUR AUGHORIZER RELATED TO NEW SB 126 COMPLIANCE ITEMS

- Doing many already and improving upon.
- Thank you, Merrell Maschino, for getting items onto RVC's website.

No public comment

Approval of MOU Agreement related to new SB 126 compliance was duly Moved: Kirk. Seconded: Flick. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### G. REOPENING PLAN UPDATES AND DECISIONS

- Marin schools allowed to reopen September 29<sup>th</sup> without a waiver.
- Scheduling inspection with CA Dept. of Ed and RV fire approval following completion of construction, then allowed to have students return to campus.
- Teachers returning for in-person learning.
- Reaching out to families again about intent to return to school or continue distance learning.
- Broadcasting A/B small cohort schedule next week.
- SSPP adjustment: starting with required masks for all students.
- Building outdoor, flexible classrooms. Thank you, parent volunteers: Merrell, Laura and Matt!
- Keeping community updated. Need both flexibility and stability.
- COVID 19 testing is part of plan for staff.

No public comment. No action taken.

#### H. CONSTRUCTION UPDATES AND CHANGE ORDERS

- Gate, concrete repair, drainage, and conduit work with fire system.
- Considering asphalt resurfacing; better to do now.
- Can include gate and front playground resurfacing within budget.
- Overall project covered by loan and our \$10K, totaling \$365K.
- Loan is approved but not yet done.

No public comment.

Authorization for Mr. Duchene and Ms. Sagar to move forward with additional projects in consultation with PCSD was duly Moved: Kirk. Seconded: Gramajo. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### **IV. CONSENT AGENDA ITEMS**

- A. Minutes of September 10, 2020 Regular Meeting
- B. Bay Alarm Contract and Addendum

No public comment

Approval of September 10<sup>th</sup> Board Meeting Minutes was duly Moved: Kirk. Seconded: Gramajo. Ayes: Flick, Gramajo, Kirk, Sagar,. Noes: None. Absent: None, Abstain: Kimball, Stanley (not in attendance). Approved by roll call vote 4-0-2.

Approval of Bay Alarm Contract and Addendum was duly Moved: Kirk. Seconded: Flick. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

#### **V. FUTURE MEETING NEEDS AND TOPICS**

- Reopening update
- Construction wrap up
- Student engagement
- Board meeting format

#### **VI. ADJOURNMENT**

Approval to adjourn September 24<sup>th</sup> board meeting at 9:49PM was duly Moved: Kirk. Seconded: Kimball. Ayes: Flick, Kimball, Gramajo, Kirk, Sagar, Stanley. Noes: None. Absent: None, Abstain: None. Approved by roll call vote 6-0-0.

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# **EXHIBIT “V”**



110 Shaw Drive, San Anselmo, CA 94960 | Phone: 415.454.2162 | Fax: 415.454.6840 | www.rossvalleyschools.org

Superintendent: Marci Trahan | Board of Trustees: Annelise Bauer • Anne Capron • Ryan O'Neil • Wesley Pratt • Mark Reagan

September 3, 2020

**Via Email and Overnight Delivery**

Ross Valley Charter School Board of Directors  
Sharon Sagar, Board Chair  
Luke Duchene, School Director  
Ross Valley Charter School  
102 Marinda Dr.  
Fairfax, CA 94930-1105  
Email: sharon.sagar@rossvalleycharter.org  
Email: luke.duchene@rossvalleycharter.org

**Re: Notice of Alleged Violations and Reasonable Opportunity to Cure**

Dear Ms. Sagar and Mr. Duchene:

This letter shall serve as the Ross Valley School District's ("District") Notice of Violation issued to the Ross Valley Charter School ("RVC" or "Charter School"), pursuant to Education Code section 47607.

**BACKGROUND AND LEGAL BASIS FOR NOTICE**

RVC was authorized by the State Board of Education ("SBE") in 2016 and is currently operating under the authorization of the SBE. Pursuant to Education Code section 47605.9, subdivision (b):

A charter school operating under a charter approved by the state board pursuant to Section 47605, as that section read on January 1, 2019, may continue to operate under the authority of that chartering authority only until the date on which the charter is up for renewal, at which point the charter school shall submit a petition for renewal to the governing board of the school district within the boundaries of which the charter school is located.

Since RVC's current term expires June 30, 2021, the Charter School submitted its petition for renewal to the District on August 10, 2020. Pursuant to Education Code section 47607, subdivision (e):

Notwithstanding subdivision (c) and subdivisions (a) and (b) of Section 47607.2, the chartering authority may deny renewal of a charter school upon a finding that the school is demonstrably unlikely to successfully implement the program set forth in the petition due to substantial fiscal or governance factors, or is not serving all pupils who wish to attend, as documented pursuant to subdivision (d). The chartering authority may deny renewal of a charter school under this subdivision only after it has provided at least 30 days' notice to the charter school of the alleged violation and provided the charter school with a reasonable opportunity to cure the violation, including a corrective action plan proposed by the charter school.

Although the District does not believe it is required to issue a notice of violation and provide RVC with a reasonable opportunity to cure the violations pursuant to Section 47607 before it may take action to deny RVC's renewal petition since it is not the chartering authority, the District is nevertheless issuing this Notice of Violation and hereby affording RVC 30 days' notice and opportunity to correct the alleged violations before any action is taken on the renewal petition.

## **VIOLATIONS UPON WHICH THIS NOTICE IS BASED**

### **A. Fiscal Mismanagement**

The following, but not limited to, facts demonstrate substantial fiscal mismanagement concerns regarding the operation of RVC:

#### **1. Timeline of Paycheck Protection Program Loan Process**

On April 2, 2020, during a special meeting of the RVC Board, the Board appointed Conn Hickey to serve as RVC's Business Official on a "volunteer" basis. The April 2nd agenda included the express limitation that, "[a]ll external checks will continue to require two signatures and *this position will not include check signing authority or authority to sign contracts and other agreements committing the school.* This will be a volunteer position." (Emphasis added.) This is not a position authorized by the RVC charter.

According to its charter and consistent with law, the Board itself is solely responsible to "[a]ct as a fiscal agent. This includes the receipt of funds for the operation of RVCS in accordance with RVCS laws and the receipt of grants and donations consistent with the Mission of RVCS." (Charter, p. 140.) While the April 2nd meeting minutes reflect that the Board ultimately approved Mr. Hickey's authority to sign checks, the Board did not approve authority to enter into contracts and agreements, nor do the minutes include any discussion or notes related to this issue. Notably, the April 2nd agenda did not identify any item related to the PPP, though the Board discussed COVID-19 related financial impacts during the meeting. (Attached hereto as Exhibit A are true and correct copies of the RVC Board Meeting Agenda and Minutes, dated April 2, 2020.) The April 2 minutes were approved and posted on May 7, 2020.

Nonetheless, without Board authorization or any other authority to submit an application for federal PPP funding, or to enter into agreements to bind RVC, on April 9, 2020, Mr. Hickey applied online to Westamerica Bank for a \$292,485 PPP loan as RVC's "Authorized Representative or Applicant." Mr. Hickey is expressly *not* RVC's authorized representative or applicant. On April 9, 2020, in applying for the loan, Mr. Hickey also misrepresented that Board analysis of the requirements to obtain the loan were met – this was untrue as there was no RVC Board discussion or authorization of a PPP loan. Later that same day, at or about 4:24 p.m., Westamerica confirmed receipt of the loan application (Reference #12494090). (Attached hereto as Exhibit B is a true and correct copy of PPP Application, Reference #12494090, dated April 9, 2020; Exhibit C is an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program – Application Received," dated April 9, 2020.) Notably, Westamerica Bank is Mr. Hickey's former employer.

On April 16, 2020, Westamerica notified Mr. Hickey that Small Business Administration ("SBA") funding limits were reached but that it would continue to process applications should additional funds become available. (Attached hereto as Exhibit D is a true and correct copy of an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program," dated April 16, 2020.)

Three (3) days later, on April 19, 2020, Westamerica informed Mr. Hickey that RVC was eligible for less than the \$292,485 requested – specifically, RVC was eligible for \$270,653. Westamerica asked if the lower amount was acceptable. (Attached hereto as Exhibit E is a true and correct copy of an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Application – Information Request #12494090," dated April 19, 2020.)

The following day, on April 20, 2020, RVC uploaded the Board agenda for its upcoming April 23rd meeting. Even though Mr. Hickey had submitted the loan application and received confirmation from Westamerica that RVC was eligible for \$270,000 in PPP funding, the April 23rd agenda did not identify any item for discussion or action regarding the PPP loan. Furthermore, while budget documents submitted for the April 23rd meeting reflected assumptions for the receipt of a \$300,000 facility loan and other smaller CARES Act funding, they do not show PPP loan assumptions or impacts on revenue. (Attached hereto as Exhibit F is a true and correct copy of RVC's 6-Year Budget Draft and April 20, 2020 Budget Draft Key Assumptions.) The April 23 minutes were approved and posted on March 14, 2020.

On April 23, 2020, at 10:27 a.m., Mr. Hickey responded to Westamerica to "accept your counter offer" of \$270,000 in PPP funding. This again occurred without Board approval and well before the Board's meeting later that evening at 7:00 p.m.; though again, this item was not agendaized for the April 23 meeting. (Attached hereto as Exhibit G is a true and correct copy of an email from Mr. Hickey to Westamerica re: Paycheck Protection Program Loan Application – Information Request #12494090," dated April 23, 2020; see also, Exhibit H, true and correct copies of the RVC Board Meeting Agenda and Minutes, dated April 23, 2020.)

During the April 23rd Board meeting at 7:00 p.m., minutes reflect that the Board discussed and/or took action on the PPP loan, which was not noticed in the April 23rd meeting agenda as required by the Brown Act.<sup>1</sup> (Gov. Code, §§ 54950 et seq.) Specifically, the April 23rd meeting minutes<sup>2</sup> indicate that: "\$270 PPP loan/grant with reserve helps balance for three years" and "Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000." This direction did not authorize Mr. Hickey as RVC's Business Official to participate in any loan process and, importantly, was made *after* Mr. Hickey already applied for and accepted Westamerica's PPP loan of \$270,000. (Exhibit H, RVC Board Meeting Agenda and Minutes,

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<sup>1</sup> The fact that no discussion or action regarding the PPP loan is noticed on the April 23rd agenda is also a violation of the Brown Act. (Gov. Code, §§ 54954.2, 54954.3(a) ["no action shall be taken on any item not appearing on the agenda"].)

<sup>2</sup> The April 23rd meeting minutes were not publicly posted until nearly a month later on May 14, 2020, just hours before the May 14th Board meeting and the April 23 minutes were not approved June 12, 2020.

dated April 23, 2020.) The minutes reflect RVC Board action "5-0-1" though no action was agendized, let alone action on a PPP loan. (*Ibid.*)

Mr. Hickey applied for the PPP loan as RVC's "Authorized Representative or Applicant" on April 9th, *without* authorization to engage, apply for, or obtain a PPP loan on RVC's behalf. Not only is the conduct without authorization, it is contrary to the charter and state and federal law governing transparency. Additionally, the misrepresentations to obtain the loan violate the duty to be honest in seeking state or federal loans and therefore constitute fraud.<sup>3</sup>

Four (4) days after the April 23rd meeting, on April 27, 2020, RVC's PPP loan was awarded.<sup>4</sup> On April 29, 2020, Westamerica informed Mr. Hickey that the bank's processing of the loan was complete and would be submitted to the SBA for the loan documents.

On May 8, 2020, at 8:46 a.m., Westamerica emailed the loan documents to Luke Duchene, Director, which must be signed by "principals within the company." At 8:49 a.m., Mr. Duchene forwarded the email to Sharon Sagar, Board Chair, and Mr. Hickey. Then, at 10:45 a.m., Mr. Duchene electronically signed the loan agreement. (Attached hereto as Exhibit I is a true and correct copy of an email from Mr. Duchene to Ms. Sagar and Mr. Hickey, re: "Fwd: Westamerica Bank has sent you the document "12494090" to sign," dated May 8, 2020, including attachments.) This action made RVC and Mr. Duchene complicit in the misrepresentations made to obtain the loan.

On May 13, 2020, Westamerica emailed Mr. Hickey confirming that the bank was "[p]leased to have funded an SBA loan for your business" and outlined loan forgiveness requirements. Still, by this point, the RVC Board had not documented any action related to this loan. Furthermore, the Board had taken no action to even evaluate the need for the loan or make any public representation in seeking the loan. (Attached hereto as Exhibit J is a true and correct copy of an email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Forgiveness Information," dated May 13, 2020.)

The following day, on May 14, 2020, the Board approved Resolution No. 2020-5-14, *after* the loan was actually funded. Again, the May 14th Board meeting agenda does not mention the PPP loan or the Resolution – another violation of the Brown Act.<sup>5</sup> Nowhere in the Resolution does the Board even acknowledge Mr. Hickey's April 9th loan application or his unauthorized acceptance of the Westamerica loan. In fact, the Resolution falsely states that the loan was received on May 8th and that Mr. Duchene "was authorized at the April 23, 2020 board meeting to enter into the [PPP] Agreement." As evidenced above, the loan had already been applied for and accepted by Mr. Hickey. (Attached hereto as Exhibit K is a true and correct copy of Resolution No. 2020-5-14, "Acceptance of Paycheck Protection

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<sup>3</sup> It is a violation of federal law to knowingly present a false or fraudulent claim for payment to the United States government.

<sup>4</sup> <https://projects.propublica.org/coronavirus/bailouts/search?q=Ross+Valley+Charter>

<sup>5</sup> Both the Resolution and the April 23rd meeting minutes were uploaded to Board Docs at 12:30 p.m. on May 14th, the day of the meeting. The May 14th meeting minutes, which document the Board's approval of the Resolution, were not approved until the Board's June 11, 2020 meeting.

Program Loan.”) Any purported action to authorize Mr. Duchene was invalid for failure to agendaize and give the public notice of any action related to the PPP loan.

The May 14th Resolution falsely claims that, on April 23, 2020, the Board authorized Mr. Duchene to:

Borrow Money. To borrow, from Westamerica Bank (Lender) on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars (\$270,653.00).  
Execute Note. To execute and deliver to Lender the Paycheck Protection Program note.

Any discussion of the loan, its terms nor any indication that the Board was informed of Mr. Hickey’s application or subsequent emails with Westamerica were agendaized or reflected in the approved minutes. (Ex. H.) The only notation regarding this issue is the inclusion of a single sentence authorization for the “Chair or School Director to execute a PPP loan up to \$290,000 as soon as available.” This is not the authorization that was stated in the May 7th loan authorization document or the Resolution. And again, it was invalid as it was not an agendaized action item. (Ex. H.)

Contrary to the various statements in the Resolution, the facts show the Resolution was approved by the Board after the loan was already applied for by Mr. Hickey on April 9; accepted by Mr. Hickey on April 23rd prior to the April 23rd Board meeting; was awarded by the SBA on April 27; was signed by Mr. Duchene on May 8th; and was funded on May 13th (“Westamerica is pleased to have funded an SBA Paycheck Protection Program Loan for your business.”). Yet none of these facts are included in the Resolution.

## **2. Approval of Resolution Misrepresenting Facts Related to the Paycheck Protection Program Loan Process**

On May 14, 2020, the RVC Board approved Resolution No. 2020-5-14, “Acceptance of Paycheck Protection Program Loan” (“Resolution”). The Resolution adopted by the RVC Board was RVC’s *post hoc* effort to document purported compliance with the Paycheck Protection Program (“PPP”) loan requirements. As the Resolution states, RVC must certify that “[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”

On or about May 19, 2020, Sharon Sagar, RVC Board President, said RVC “needs the money for operations in case state cash payments to schools are deferred as predicted.”<sup>6</sup> In an email from Mr. Duchene to RVC families, Mr. Duchene also stated, “[t]hree weeks ago, our state financial regulator directed all public schools to create additional, emergency cash reserves, to protect against state deferrals of our revenue, which the Governor just announced will start next month, and which in the last recession grew in length to 5 full months of deferrals.” (Attached hereto as Exhibit L is a true and correct copy of an email

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<sup>6</sup> *Ross Valley Charter Gets \$270K Small Business Relief Loan*, Marin Independent Journal, published May 19, 2020, available at <https://www.marinij.com/2020/05/19/ross-valley-charter-gets-270k-small-business-relief-loan/>.

Ross Valley Charter School Board of Directors  
Sharon Sagar, Board Chair  
September 3, 2020  
Page 6

from Mr. Duchene to RVC families, re: Further Explanation of RVC's Acceptance of the PPP Loan, dated May 20, 2020.)

However, the Resolution makes repeated references to unsubstantiated future and possible financial issues (e.g., potential cash deferrals, possible multi-year recession and difficulty in obtaining bank loans), not current problems as required for the loan. It is clear that RVC acquired the PPP loan to increase its reserves in anticipation of future need, not to mitigate past or current economic hardship – the “current” nature of the “economic need” to which applicants must attest is for short-term cash-flow hardships created by current, and not future anticipated, COVID-19 related impacts.

In seeking the loan, RVC also failed to acknowledge the fact that state education funding was not impacted by COVID-19 expressly to ensure funding to pay teachers and staff in the 2019-20 school year (during the term of the loan). Governor Newsom's *March 13, 2020 Executive Order N26-20* expressly states that county offices of education, school districts and charter schools will continue to receive state funding in order to, among other things, “[c]ontinue to pay its employees.” (See, Governor Newsom's March 13, 2020 Executive Order N26-20.<sup>7</sup>)

RVC was also assured of its ongoing Average Daily Attendance revenue during the timeframe of the loan. (California State Budget 2020-21 Summary, p. 36 [“the Budget includes: A hold-harmless for the purpose of calculating apportionment in the 2020-21 fiscal year; average daily attendance shall be based on the 2019-20 year, except for new charter schools commencing instruction in 2020-21.”].)

RVC's claims of current need for funding for the intended purposes of the PPP loan are false. Nor was *any* need or basis for the loan discussed or referenced at any time prior to applying for and obtaining the PPP loan. As reflected in the calculations for a PPP loan, it is based upon 2.5 times the average monthly *payroll*. The PPP loan is a short term payroll loan, not a loan for speculative future need. From inception, the PPP loan program was primarily for payroll with the following requirement in place at the time RVC applied:

At least 75 percent of the PPP loan proceeds shall be used for payroll costs. For purposes of determining the percentage of use of proceeds for payroll costs (but not for forgiveness purposes), the amount of any refinanced EIDL will be included. The rationale for this 75 percent floor is contained in the First PPP Interim Final Rule.

In addition to payroll, certain rent and utility payments were for over the initial eight-week period following the date of loan disbursement. These are the requirements in place April 2, 2020, at the time of the loan was requested and certified. (See Interim Final Rule.<sup>8</sup>)

Mr. Duchene also stated in an email that RVC had “lost out on about \$30,000 in Family Giving” and justified the loan as having been applied for because of State budget cuts and

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<sup>7</sup> <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.13.20-EO-N-26-20-Schools.pdf>

<sup>8</sup> <https://www.federalregister.gov/documents/2020/04/20/2020-08257/business-loan-program-temporary-changes-paycheck-protection-program-additional-eligibility-criteria>

deferrals. (Attached hereto as Exhibit M is a true and correct copy of an email from Mr. Duchene to RVC families, re: Our Finances – Weathering the Storm, dated May 17, 2020.) However, RVC’s budget documents and Board meeting minutes show that it was given a \$20,000 COVID grant from the Walton Foundation, and that expenses were lower than revenue – which made up for the family giving shortfalls. Furthermore, there is no documented proof that the family giving shortfall was experienced after COVID and not before. The budget did not show a negative fund balance and did not incorporate the PPP loan funds.

The intent of the CARES Act was to mitigate immediate COVID-19 hardship so that businesses would not have imminent closures. In response to the Marin Independent Journal article relating to RVC’s PPP loan, Congressman Jared Huffman, on Facebook, expressed, “I never imagined that public charter schools which had experienced no revenue loss would seek - much less receive - this funding.” Again, payroll was expressly covered by the funds provided to charter schools under Governor Newsom’s March 13, 2020 Executive Order N26-20. (See FN7.)

RVC also claims in the Resolution that it needs the PPP loan because RVC does not have access to revenue sources available to traditional public school districts. Specifically, the Resolution falsely states that “RVC’s only other option for working capital would be receivables sale (“factoring loans”).” However, RVC fails to acknowledge the unique revenue sources that it does have access to that traditional public districts do not.

In fact, all non-profit corporations like RVC are, if qualified, eligible to access a line of credit with a bank. While some banks may have limited their lending activity, there are still banks making loans and extending lines of credit. Merely because RVC does not *currently* have a line of credit does not mean it could not acquire one. Nowhere in the Resolution is it reflected that RVC even tried to acquire a line of credit, increase its current credit limit, or renegotiate the terms.

Unlike traditional public school districts, charter schools, such as RVC, have access to many sources of funding and financing available only to charters schools, many of which RVC has availed itself of in the past and is currently in the process of acquiring, including but not limited to the following:

- *Charter only grants:* RVC has received hundreds of thousands of dollars in charter-specific grants and has access to many more. RVC received a \$300,000 grant from the Walton Foundation in or about the 2018-19 school year. In fact, while RVC was applying for PPP funds, RVC received a COVID-19 Walton Foundation grant for \$20,000.
- *Charter-only loans:* RVC received hundreds of thousands of dollars in a charter-only start-up loan from the CDE during its first year of operation. While claiming in its PPP application that it had no other sources of capital, RVC was already in the process of applying for a \$300,000 capital facility improvement loan from Charter Schools Development Corporation (and at least \$50,000 of that loan application has since been approved). There are many charter lending organizations such as the PNC Financial Services Group, Inc., which represents itself to be “[a] leader in charter school financing,” and Charter School Capital, among many others.

- *Private Personal Loans and Donations:* Unlike traditional public schools, nonprofit corporation operated charter schools can directly accept private loans from individuals, as well as any amount of private donations. RVC has many outstanding loans from private individuals associated with the charter school. Additionally, the National Charter School Resource Center provides information on varying types of charter-specific funding resources.

Besides the unique charter-specific funds noted above, RVC, at the time of its PPP loan application, was also anticipating receipt of its State allocation of funds to cover its state entitlement and fund its employees. Yet, RVC represented the need for a PPP loan to fund those same payroll costs - essentially double dipping. The application for and receipt of the PPP loan was improper and fiscal mismanagement.

### **3. False Statements to the Federal Government in the PPP Loan Process**

Mr. Hickey made numerous false statements in connection with his application for and receipt of PPP loan funding. RVC participated and adopted those false statements in accepting the loan that was obtained based on the misrepresentations.

U.S. Small Business Association ("SBA") PPP FAQ #31 states that, before submitting a PPP application, all borrowers should review carefully the required certification that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant" and that "all borrowers must assess their economic need for a PPP loan." FAQ #31 was always applicable to small businesses and FAQ #37 served to clarify this point. But notably, RVC appeared to understand this requirement as it was included in the May 14, 2020 Resolution.<sup>9</sup> In fact, from inception, the PPP loan has required the assessment of economic need. (See, FN 8.) However, RVC represented it had complied when in fact it had not. And, regardless of requirements for forgiveness, this certification is a standing requirement for all PPP applications.

Certifications supporting the PPP loan application should be documented, reviewed and approved by the Board. Such written record should demonstrate that a bona fide, good faith effort was undertaken to support the certifications truthfully. If a defensible written record cannot be produced, then the loan proceeds should be returned, ideally before elapse of the grace period for doing so. This is a matter of public concern properly sunshined for public input and properly discussed and analyzed by the governing board as a matter of fiscal responsibility.

As discussed above, the Board appointed Conn Hickey to serve as RVC's Business Official on a "volunteer" basis. The April 2, 2020, Board meeting agenda included the express limitation that, "[a]ll external checks will continue to require two signatures and *this position will not include check signing authority or authority to sign contracts and other agreements committing the school.* This will be a volunteer position." (Emphasis added.) This is not a position authorized by the RVC charter. Additionally, the Board itself is solely responsible to "[a]ct as a fiscal agent. This includes the receipt of funds for the operation of RVCS in accordance with RVC Board Bylaws and the receipt of grants and donations

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<sup>9</sup> SBE FAQ #37 was published April 28, 2020, clarifying the application of FAQ #31, before the Resolution was adopted by the RVC Board.

consistent with the Mission of RVC.” (Charter, p. 142.) At no time did the Board grant Mr. Hickey authority to act as an “authorized representative” to enter into contracts and agreements generally or to pursue a PPP loan. (See Exhibit A, RVC Board Meeting Agenda and Minutes, dated April 2, 2020.)

Nonetheless, Mr. Hickey applied for the loan on April 9 and committed to the loan on April 16, 2020 – all without Board authorization. The Board did not undertake any assessment of a COVID-19 related economic need for a PPP loan before or at the time the loan application was submitted as was required by the SBA PPP FAQ #31 or Interim Final Rule (FN 8). Nor did it do so at any time prior to receipt of the loan despite representations to the contrary – representations made both to the federal government and the public. There was no assessment related to the PPP loan at the April 23, 2020 meeting despite Mr. Duchene’s representation to SBE Oversight on June 16, 2020 when RVC first notified its authorizer of more than a quarter million dollar loan. (Attached hereto as Exhibit N is a true and correct copy of an email from Mr. Duchene to SBEOVERIGHT re: Paycheck Protection Program Loans, dated June 16, 2020.) Again, there was no agenda item related to PPP loan on the April 23 board meeting agenda. (See Exhibit H, RVC Board Meeting Agenda and Minutes, dated April 23, 2020.)

Both Mr. Hickey and Mr. Duchene certified by their initials on their respective loan applications that “knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law.”<sup>10</sup> Indeed, SBA PPP FAQ #11 warns borrowers that, as the Borrower Application Form indicates, only an authorized representative of the business seeking a loan may sign on behalf of the business.

An individual’s signature as an “Authorized Representative of Applicant” is a representation to the lender and to the U.S. government that the signer is authorized to make the certifications, including with respect to the applicant and each owner of 20% or more of the applicant’s equity, contained in the Borrower Application Form.

In applying for the PPP loan, Mr. Hickey was required to represent in good faith that current economic uncertainty makes the loan request necessary to support the ongoing operations of the Applicant. However, such evaluation never occurred prior to April 9th when Mr. Hickey actually applied for the loan making such representation by his certification on the application.

Mr. Hickey applied for the PPP loan as RVC’s “Authorized Representative or Applicant” on April 9th, though he had no authority either by his position or from the governing board to do so. Mr. Hickey’s only role at RVC was as “volunteer business official” and he was expressly not given the authority to contract or bind RVC. (See Exhibit A, RVC Board Meeting Agenda and Minutes, dated April 2, 2020.) By the express terms of the charter, only the board is authorized to bind the Charter School. (Charter p. 142.) Not only was his conduct without authorization, it is contrary to state and federal law governing

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<sup>10</sup> Contrary to representations made, Mr. Duchene did not apply for the loan. The application which was submitted and resulted in the loan was submitted by Conn Hickey. The application with Mr. Duchene’s certification was not the actual loan application though it was presented to the public as if it were.

transparency. Additionally, the misrepresentations made to the federal government to obtain the loan violated the duty to be honest in seeking state or federal loans and therefore constitute fraud. It is a violation of federal law to knowingly present a false or fraudulent claim for payment to the United States government. (31 U.S. Code § 3729.)

RVC's actions including, acceptance of the PPP loan and efforts taken to cover up the improper process that was undertaken to obtain the loan, including adoption of the Resolution rife with false statements, demonstrate that RVC administration and Board were complicit with the deceitful actions of Mr. Hickey in applying for and obtaining the PPP loan.

## **B. Governance Mismanagement, Violation of Charter, Violation of Law**

The above-described facts demonstrating RVC's fiscal mismanagement also demonstrate substantial mismanagement in governance of RVC by its Board and administration. The following, but not limited to, facts further demonstrate RVC's governance mismanagement, violation of the RVC Charter, and violation of law:

### **1. Board Misrepresentation to the Public regarding Paycheck Protection Program Loan Application and Funding**

In RVC Board Resolution No. 2020-5-14, RVC misrepresented to the public the series of events and justifications for its application for and receipt of a PPP loan.

On April 9, 2020, Mr. Hickey submitted the application for the PPP loan to Westamerica, his former employer. On April 16, Mr. Hickey was informed that RVC qualified for a lesser amount of approximately \$270,000 and Mr. Hickey "accepted" the "counter offer." (See Exhibit G, email from Mr. Hickey to Westamerica re: Paycheck Protection Program Loan Application – Information Request #12494090," dated April 23, 2020.) On April 29, 2020, Westamerica informed Mr. Hickey that the bank's processing of the loan was complete and would be submitted to the SBA for the loan documents.

On May 8, 2020, at 8:46 a.m., Westamerica emailed the loan documents to RVC Director, Luke Duchene, which was required to be signed by "principals within the company." At 8:49 a.m., Mr. Duchene forwarded the email to Sharon Sagar, Board Chair, and Mr. Hickey. Then, at 10:45 a.m., Mr. Duchene electronically signed the loan agreement. (See Exhibit I, email from Mr. Duchene to Ms. Sagar and Mr. Hickey, re: "Fwd: Westamerica Bank has sent you the document "12494090" to sign," dated May 8, 2020, including attachments.) This action demonstrates that RVC and Mr. Duchene were complicit in the misrepresentations made to obtain the loan.

On May 13, 2020, Westamerica emailed Mr. Hickey confirming that the bank was "[p]leased to have funded an SBA loan for your business" and outlined loan forgiveness requirements. Still, by this point, the RVC Board had not documented any action related to this loan. Furthermore, the Board had taken no action to even evaluate the need for the loan or make any public representation in seeking the loan. (See Exhibit J, email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Forgiveness Information," dated May 13, 2020.) Nor did it notify its oversight agency of any intention to obtain a nearly \$300,000 federal PPP loan.

The following day, on May 14, 2020, the RVC Board approved Resolution No. 2020-5-14, after the loan was actually funded. Again, the May 14, 2020, Board meeting agenda does not mention the PPP loan or the Resolution.<sup>11</sup> Nowhere in the Resolution does the Board even acknowledge Mr. Hickey's April 9th loan application or his unauthorized acceptance of the Westamerica loan. In fact, the Resolution falsely states that the loan was received on May 8th and that Mr. Duchene "was authorized at the April 23, 2020 board meeting to enter into the [PPP] Agreement." As evidenced above, the loan had already been applied for and accepted by Mr. Hickey. (Attached hereto as Exhibit K is a true and correct copy of Resolution No. 2020-5-14, "Acceptance of Paycheck Protection Program Loan.")

The May 14th Resolution falsely claims that, on April 23, 2020, the Board authorized Mr. Duchene to:

Borrow Money. To borrow, from Westamerica Bank (Lender) on such terms of the Paycheck Protection Program Note between the Corporation and Lender, such sum of money borrowed; not to exceed the amount of two hundred seventy thousand six hundred fifty-three 00/100 dollars (\$270,653.00).  
Execute Note. To execute and deliver to Lender the Paycheck Protection Program note.

No such discussion or action on the PPP loan was agendized on April 23, 2020. The only agenda item was "DISCUSSION/BUDGET UPDATE" which is not an action item and makes no mention of a PPP loan, the criteria for a PPP loan, or a needs assessment for a PPP. In fact, the April 23rd minutes do not include any documented discussion of the loan, its terms or indication that the Board was informed of Mr. Hickey's application or subsequent emails with Westamerica. The only notation regarding this issue is the inclusion of a single sentence authorization for the "Chair or School Director to execute a PPP loan up to \$290,000 as soon as available." This is not the authorization that was stated in the May 7th loan authorization document or the Resolution.

Contrary to the various statements in the Resolution, the facts show the Resolution was approved by the Board after the loan was already applied for without authority by Mr. Hickey on April 9; accepted without authority by Mr. Hickey on April 23rd prior to the April 23rd Board meeting; was awarded by the SBA on April 27; was signed by Mr. Duchene on May 8th; and was funded on May 13th ("Westamerica is pleased to have funded an SBA Paycheck Protection Program Loan for your business."). Yet none of these facts are included in the Resolution. And, contrary to the representations in the Resolution, at no time was an evaluation done as required by the PPP loan and as misrepresented in seeking and obtaining the loan.

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<sup>11</sup> This may also constitute a violation of the Brown Act in addition to those identified below.

## **2. Improper Delegation of Authority**

On April 2, 2020, during a special meeting of the RVC Board, the Board appointed Conn Hickey to serve as RVC's Business Official on a "volunteer" basis. The April 2, 2020, Board meeting agenda included the express limitation that, "[a]ll external checks will continue to require two signatures and *this position will not include check signing authority or authority to sign contracts and other agreements committing the school.* This will be a volunteer position." (Emphasis added.) This is not a position authorized by the RVC charter.

Furthermore, the Board itself is solely responsible to "[a]ct as a fiscal agent. This includes the receipt of funds for the operation of RVC in accordance with RVC Board Bylaws and the receipt of grants and donations consistent with the Mission of RVC." (Charter, p. 142.) While the April 2, 2020, Board meeting minutes reflect that the Board ultimately approved Mr. Hickey's authority to sign checks, the Board did *not* approve authority to enter into contracts and agreements generally, nor do the minutes include any discussion or notes related to this issue. Notably, the April 2nd agenda did not identify any item related to the PPP, though the Board discussed COVID-19 related financial impacts during the meeting. (See Exhibit A, RVC Board Meeting Agenda and Minutes, dated April 2, 2020.)

## **3. Repeated Failure to Comply with the Brown Act**

The existing RVC Charter includes an assurance that the Charter School shall comply with the Ralph M. Brown Act ("Brown Act"), and the Board will meet regularly "in full compliance with the Brown Act." (Charter, pp. 12, 141.)<sup>12</sup> This is further a requirement of law as recognized by the Attorney General in its 2018 opinion (OAG Opinion No. 11-201) and SB 126 (Ed. Code, § 47604.1), in effect at the time of the events discussed here. Among other requirements, the Brown Act requires RVC to "post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session"; and "[n]o action or discussion shall be undertaken on any item not appearing on the posted agenda . . ." (Gov. Code, § 54954.2.) Yet, there is a systemic failure to comply with the letter or spirit of the Brown Act.

On April 20, 2020, RVC uploaded the Board agenda for its upcoming April 23, 2020, meeting. Even though Mr. Hickey had submitted the PPP loan application and received confirmation from Westamerica that RVC was eligible for \$270,000 in PPP funding, and accepted that "counter offer," the April 23rd agenda did not identify any item for discussion regarding the PPP loan. Furthermore, while budget documents submitted for the April 23rd meeting reflected assumptions for the receipt of a \$300,000 facility loan and other smaller CARES Act funding, they do not show PPP loan assumptions or impacts on revenue. (Attached hereto as Exhibit O is a true and correct copy of RVC's 6-Year Budget Draft and April 20, 2020 Budget Draft Key Assumptions.)

On April 23, 2020, at 10:27 a.m., Mr. Hickey responded to Westamerica to "accept your counter offer" of \$270,000 in PPP funding. This again occurred without Board approval and well before the Board's meeting later that evening at 7:00 p.m. (See Exhibit G, email from

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<sup>12</sup> Similar assurances regarding compliance with the Brown Act are included in the Renewal Petition.

Mr. Hickey to Westamerica re: Paycheck Protection Program Loan Application – Information Request #12494090,” dated April 23, 2020.)

The minutes from the April 23, 2020, RVC Board meeting reflect that the Board discussed and/or took action on the PPP loan, which was not noticed in the April 23rd meeting agenda as required by the Brown Act. Specifically, the April 23rd meeting minutes indicate that: “\$270 PPP loan/grant with reserve helps balance for three years” and “Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000.” This direction did not authorize Mr. Hickey as RVC’s Business Official to participate in any loan process and, importantly, was made *after* Mr. Hickey already applied for and accepted Westamerica’s PPP loan of \$270,000. (See Exhibit H, RVC Board Meeting Agenda and Minutes, dated April 23, 2020.)

A fundamental purpose of the Brown Act is to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public. (See Gov. Code, § 54954.3(a).) The fact that Board discussion relating to the PPP loan was not noticed/agendized in the April 23rd meeting agenda deprived the public of the opportunity to address the Board regarding that decision constituting multiple violations of the Brown Act. The overall lack of transparency and the false and misleading information presented to the public as well as the government is directly contrary to the purposes of the Brown Act.

#### **4. Failure to Comply with Americans with Disabilities Act**

RVC is required to admit all students who wish to attend the Charter School and shall not discriminate against any pupil on the basis of any of the characteristics listed in Education Code section 220, which includes students with disabilities. (Ed. Code, §§ 47605(e); 220.) Furthermore, in its existing Charter RVC assures: “All facilities of the Charter School shall be accessible for all students with disabilities in accordance with the ADA.” (Charter, p. 97)

However, the Charter School was notified by the California Department of Education (“CDE”) on May 17, 2019, and again on October 18, 2019, that its facility located at 102 Marinda Drive, Fairfax, California, was conditionally authorized by CDE to open and operate for the 2019-20 school year, based on RVC’s completion of several renovation projects by August 19, 2020, including those necessary to satisfy the Americans with Disabilities Act (“ADA”) facility requirements. (Attached hereto as Exhibit P is a true and correct copy of a letter from CDE Charter Schools Division to Ms. Sagar re: RVC renovation projects, dated August 24, 2020.)

By the start of the school year on August 19, 2020, the renovations necessary to come into compliance with the ADA had not been completed. As a result, by correspondence dated August 24, 2020, the CDE informed RVC that it “shall provide weekly updates of the progress of the ADA renovations” to CDE by the last day of each month starting August 28, 2020 – meaning the ADA renovations had still not been completed. According to the August 24, 2020, correspondence from CDE, RVC anticipates completion of the outstanding ADA work by November 30, 2020, over three months *after* its school start date.<sup>13</sup>

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<sup>13</sup> The failure to RVC to make necessary renovations, including for ADA compliance, also demonstrates RVC’s fiscal and governance mismanagement as well as a failure to adhere to SBE’s oversight directives.

RVC is now approaching the start of its second year in the site yet it remains out of compliance with the ADA. Because the site is out-of-compliance with the ADA and therefore inaccessible to students with disabilities, RVC is not serving or able to serve all students who wish to attend the Charter School in violation of its Charter and the law.

RVC is currently not authorized to serve any students at the school site, as RVC is currently operating a distance learning model due to circumstances resulting from the COVID-19 pandemic and California Department of Public Health ("CDPH") and Marin County Department of Public Health guidelines. However, it is fundamental to RVC's operation that it have an accessible site for delivery of its education program regardless of whether distance learning is the current learning model.

Additionally, on August 25, 2020, the CDPH issued Guidance Related to Cohorts ("Cohorting Guidance") regarding permissible use of small-group in-person services.<sup>14</sup> The Cohorting Guidance provides guidance for necessary in-person limited instruction, targeted support services, and facilitation of distance learning in small group environments for a specified subset of children and youth. The Cohorting Guidance applies to schools that cannot reopen for in person instruction pursuant to the CDPH's July 17, 2020, reopening framework, including elementary schools that have not received an elementary school waiver through their local county public health office.

Pursuant to the Cohorting Guidance, a school that is otherwise unable to reopen under the CPDH framework, will be able to provide supervision and care for students, including, specialized services for students with disabilities and English learners, access to the Internet and devices for distance learning, and in-person support for at-risk and high-need students, if specified conditions are met.

Per the Targeted, Specialized Support and Services at School Frequently Asked Questions accompanying the Cohorting Guidance: "Students with disabilities should be prioritized by the LEA and school for receiving targeted supports and services. In addition, English learners, students at higher risk of further learning loss or not participating in distance learning, students at risk of abuse or neglect, foster youth and students experiencing homelessness may also be prioritized."<sup>15</sup> In fact, the Office of Administrative Hearings has recently reinforced that absent in-person instruction and provision of services, disabled students are denied free and appropriate public education.

Since RVC is prohibited from having any students physically on its campus, not only is RVC prohibited from seeking a waiver from the Marin County Department of Health that would allow it to conduct in-person instruction, but the lack of a facility for the provision of in-person education services, inhibits the ability of RVC to serve the needs of special needs students, potentially preventing those students from receiving necessary services. The ability of RVC to meet the needs of English learners and other at-risk and high-need students may also be impacted.

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<sup>14</sup><https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/small-groups-child-youth.aspx>

<sup>15</sup> <https://files.covid19.ca.gov/pdf/guidance-schools-cohort-FAQ.pdf>

## **5. Failure to Comply with Fire and Life Safety Requirements**

"Every public, private, or parochial school building having an occupancy of 50 or more pupils or students or more than one classroom shall be provided with a dependable and operative fire alarm system." (Ed. Code, § 32001.)

In addition to the need for ADA compliance, RVC was informed by the fire inspector that the Charter School must have an updated fire and life safety system. According to SBE communications, RVC estimated the cost to be \$100,000. "Clearly, they don't have that kind of money, and will not be able to move forward with the ADA conditions." (Attached hereto as Exhibit Q is a true and correct copy of an email from Matthew Huddleston to Carrie Lopes re: Ross Valley Construction to meet ADA condition, dated May 7, 2020.)

Absent compliance with ADA and fire and life safety requirements, students, including those with special needs, may not access the school site.<sup>16</sup> Access to the school site is a fundamental requirement for provision of education and services for all students, including students with special needs.

### **REQUIRED CORRECTIVE ACTIONS AND OPPORTUNITY TO CURE**

As a result of the foregoing, the District issues this Notice of Violation. Accordingly, the District provides the Charter School with an opportunity to cure the alleged violations for a period thirty (30) calendar days from the date of this Notice ending **Monday, October 5, 2020**.

Due to the serious nature of the fiscal and governance mismanagement concerns, and its failure to serve all students who wish to attend, as identified herein, the District requires that RVC's corrective actions in response to this Notice of Violation include the following:

1. Return all Paycheck Protection Program loan monies received to date and close out the loan.
2. Remove Conn Hickey from his position as RVC Business Official.
3. Remove Luke Duchene as Executive Director.
4. Take all steps needed to replace the current Board of Directors and provide new Directors with mandatory Brown Act training.
5. Complete all required renovations to satisfy ADA facility access requirements for the RVC school site located at 102 Marinda Drive, Fairfax, California including ADA compliance and fire and life safety compliance.
6. Complete all other renovations/improvements in compliance with applicable state and local building enforcement agencies with jurisdiction in the area where RVC is

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<sup>16</sup> The failure to RVC to make necessary renovations, including for fire and life safety compliance, also demonstrates RVC's fiscal and governance mismanagement.

Ross Valley Charter School Board of Directors  
Sharon Sagar, Board Chair  
September 3, 2020  
Page 16

located, that are necessary for RVC to be authorized to serve students in person at the RVC school site.

7. Establish a plan for compensatory education for disabled students deprived of in-person instruction.

The District will require documented confirmation of each corrective action.

It is noted that the State Board of Education/California Department of Education has not provided all documents requested regarding RVC which hinders the District's ability to evaluate potential additional grounds. The District issues this Notice without waiver of any rights to identify and include additional grounds that may be reflected in the documents the State has failed to timely provide.

Please take notice that the District reserves the right to pursue non-renewal based upon a finding under Education Code section 47605(c)(2) if (1) the corrective action has been unsuccessful; or (2) the violations are sufficiently severe and pervasive as to render a corrective action plan unviable.

Sincerely,



Marci Trahan  
Superintendent  
Ross Valley School District

cc: Ross Valley School District Board of Trustees  
Stephanie Farland, California Department of Education  
Karen Stampf Walters, Executive Director, State Board of Education

**Exhibits:**

Exhibit A: RVC Board Meeting Agenda and Minutes, dated April 2, 2020

Exhibit B: PPP Application, Reference #12494090, dated April 9, 2020

Exhibit C: Email from Westamerica to Mr. Hickey re: "Paycheck Protection Program – Application Received," dated April 9, 2020

Exhibit D: Email from Westamerica to Mr. Hickey re: "Paycheck Protection Program," dated April 16, 2020

Exhibit E: Email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Application – Information Request #12494090," dated April 19, 2020

Exhibit F: RVC's 6-Year Budget Draft and April 20, 2020 Budget Draft Key Assumptions

Exhibit G: Email from Mr. Hickey to Westamerica re: Paycheck Protection Program Loan Application – Information Request #12494090," dated April 23, 2020

Exhibit H: RVC Board Meeting Agenda and Minutes, dated April 23, 2020

Ross Valley Charter School Board of Directors  
Sharon Sagar, Board Chair  
September 3, 2020  
Page 17

Exhibit I: Email from Mr. Duchene to Ms. Sagar and Mr. Hickey, re: "Fwd: Westamerica Bank has sent you the document "12494090" to sign," dated May 8, 2020, including attachments

Exhibit J: Email from Westamerica to Mr. Hickey re: "Paycheck Protection Program Loan Forgiveness Information," dated May 13, 2020

Exhibit K: Resolution No. 2020-5-14, "Acceptance of Paycheck Protection Program Loan."

Exhibit L: Email from Mr. Duchene to RVC families, re: Further Explanation of RVC's Acceptance of the PPP Loan, dated May 20, 2020

Exhibit M: Email from Mr. Duchene to RVC families, re: Our Finances – Weathering the Storm, dated May 17, 2020

Exhibit N: Email from Mr. Duchene to SBEOVERIGHT re: Paycheck Protection Program Loans, dated June 16, 2020

Exhibit O: RVC's 6-Year Budget Draft and April 20, 2020 Budget Draft Key Assumptions

Exhibit P: Letter from CDE Charter Schools Division to Ms. Sagar re: RVC renovation projects, dated August 24, 2020

Exhibit Q: Email from Matthew Huddleston to Carrie Lopes re: Ross Valley Construction to meet ADA condition, dated May 7, 2020

# **EXHIBIT “W”**



102 Marinda Dr., Fairfax, CA 94930 / 415-534-6970 / RossValleyCharter.org

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October 5, 2020

Via Email  
[mtrahan@rossvalleyschools.org](mailto:mtrahan@rossvalleyschools.org)

Marci Trahan, Superintendent  
Ross Valley School District  
110 Shaw Drive  
San Anselmo, CA 94960

**RE: Response to Purported “Notice of Violation”**

Dear Superintendent Trahan:

Ross Valley Charter School (“RVC” or the “Charter School”) is in receipt of your letter, dated September 3, 2020, sent on behalf of Ross Valley School District (“RVSD” or the “District”), which styles itself as a “notice of violation” as that term is used in Education Code Section 47607(e). This letter serves as RVC’s response; however, as the District does not have any legal authority to issue a “notice of violation,” the Charter School is not obligated to respond, or to revise or conform any of its operations with RVSD’s alleged violations. We respond, instead, in the spirit of transparency and our respect for the local community.

**FCMAT SUMMARILY DISMISSED RVSD’S CLAIMS OF FINANCIAL WRONGDOING**

Not sufficiently sated with the invocation of an extra-legal process to drum up negativity about RVC, the District also sent its concerns about RVC to the Marin County Office of Education (“MCOE” or the “County”), demanding that MCOE exercise its legal authority to investigate, audit, or call for an audit of the Charter School’s Paycheck Protection Program (“PPP”) loan. MCOE determined it was necessary to send RVSD’s concerns to the Fiscal Crisis and Management Assistance Team (“FCMAT”), for FCMAT’s determination as to whether an investigation was called for.

The County’s counsel sent RVSD’s August 28, 2020 letter and exhibits (totaling 101 pages); an initial response from RVC (totaling 4 pages); and a September 4, 2020 letter and exhibits from RVSD (totaling 25 pages) to FCMAT, seeking guidance from FCMAT as to whether MCOE should invoke its legal authority to commence an extraordinary audit.

In under three weeks, FCMAT responded to MCOE with a two-page letter summarily dismissing RVSD’s concerns about the Charter School engaging in any fiscal improprieties around the PPP loan. FCMAT recommended that MCOE not exercise any of its investigative authorities to further review the Charter School’s PPP loan. (Attached as Appendix A.) The County’s counsel

communicated to RVSD and RVC that it would follow FCMAT's guidance. MCOE is not going to investigate RVC as relates to the PPP. (Attached as Appendix D.)

FCMAT's rapid and unhesitating opinion clearly shows the weakness of RVSD's allegations. We urge the RVSD Board to similarly cease this effort.

### **RVSD DOES NOT HAVE LEGAL AUTHORITY TO INVOKE EDUCATION CODE SECTION 47607(e)**

Education Code Section 47607(e) is a new provision of law, which became effective on July 1, 2020. Section 47607(e) permits "the chartering authority" to deny a charter school's charter renewal petition "upon a finding that the school is demonstrably unlikely to successfully implement the program set forth in the petition due to substantial fiscal or governance factors, or is not serving all pupils who wish to attend." (Education Code Section 47607(e).) It is undisputed that the State Board of Education ("SBE") is "the chartering authority" of RVC. RVSD is not "the chartering authority" of RVC. Accordingly, the SBE alone has the legal authority to invoke the rights and obligations set forth in Education Code Section 47607(e).

The District's September 3<sup>rd</sup> letter expressly states: "...the District does not believe it is required to issue a notice of violation and provide RVC with a reasonable opportunity to cure the violations pursuant to Section 47607 before it may take action to deny RVC's renewal petition since it is not the chartering authority..." (Emphasis added.) Quite simply, the Charter School fails to see why RVSD would drag the parties through a process it knows the District does not have the legal authority to pursue.

The Legislature's choice to specify a definite article, "the" in Education Code Section 47607(e) is a significant one. It means that, unlike many of the other instances of the phrase "chartering authority" in Section 47607, the use in subdivision (e) necessarily limits the reach of that subdivision only to the entity currently authorizing a charter school seeking renewal of its charter petition. Such a limit makes sense with the purpose and scope of the subdivision, for two key reasons. First, only the current chartering authority would be able to authentically document whether a charter school committed "substantial fiscal or governance factors, or is not serving all pupils who wish to attend." Indeed, RVSD complained that it was limited in alleging this violation because it did not have access to all California Department of Education oversight documents. And second, with no formal relationship between "a" chartering authority and a charter school, there is no mechanism to hold a charter school accountable to any cures of alleged violations.

Education Code Section 47607 contains multiple mentions of "chartering authority," some with the definite article ("the"), some with the indefinite article ("a"). The weight and significance of the Legislature's choice of a definite article in subdivision (e) is illustrated with a few examples. In subdivision (a)(2), "a" chartering authority may grant one or more charter renewals. This recognizes the fact that charter renewals may be granted by one of several different entities (e.g., on appeal or by the original denying district of an SBE-authorized charter school). Subdivision (a)(3) states that material revisions may only be approved by "the" chartering authority. This recognizes the fact that material revisions may not be appealed like a new or renewal charter. Subdivision (a)(5) allows "the" chartering authority to inspect or observe the charter school. This recognizes the fact that only the current chartering authority may inspect or observe the charter school. Subdivision

(c)(7) sets forth a process for “the” chartering authority to determine accountability metrics for a Dashboard Alternative Status School. This recognizes the fact that such a charter school would seek renewal from its authorizer. And subdivisions (f)-(h) set forth the process for revocation by “the” chartering authority. This recognizes the fact that only the current chartering authority can revoke a charter.

RVC could continue on with this list, including distinguishing counter-examples. The maxim of statutory construction, however, does not change. The Legislature limited the scope and reach of subdivision (e) to “the” chartering authority, which, here, means only the SBE. Therefore, RVSD has no legal authority to invoke this procedure and its letter of September 3, 2020 has no legal import.

## **THE CHARTER SCHOOL’S RESPONSES TO ALLEGED VIOLATIONS**

RVC provides the following responses to violations that the District alleges the Charter School committed. The Charter School provides these responses not from legal obligation, but rather so that the community can assess for itself how RVC has operated within applicable legal requirements. This response excerpts the District’s findings (in italicized text), followed by the Charter School’s response (in plain text).

### ***A. Fiscal Mismanagement***

*The following, but not limited to, facts demonstrate substantial fiscal mismanagement concerns regarding the operation of RVC:*

#### **1. Timeline of Paycheck Protection Program Loan Process**

*Contrary to the various statements in the Resolution, the facts show the Resolution was approved by the Board after the loan was already applied for by Mr. Hickey on April 9; accepted by Mr. Hickey on April 23rd prior to the April 23rd Board meeting; was awarded by the SBA on April 27; was signed by Mr. Duchene on May 8th; and was funded on May 13<sup>th</sup> (“Westamerica is pleased to have funded an SBA Paycheck Protection Program Loan for your business.”). Yet none of these facts are included in the Resolution.*

This alleged violation consists of a re-telling of the facts that led to RVC’s application for, and award of, a PPP loan. RVC does not dispute the dates cited by the District. What RVSD fundamentally misunderstands, though, is the crucial difference between applying for a PPP loan, and actually entering into a PPP loan. A loan application does not in any way commit RVC to agree to receive a loan.

Given the unexpected length of stay-home orders, and the extent to which life has been upended by COVID-19, it may be difficult to recall the particular landscape of unmitigated chaos that we all lived through in March and April. News, guidance, and state and local orders were changing multiple times per day. There was substantial confusion whether people would be safe leaving their homes. And the federal government was trying to stand up a massive financial relief program, the PPP loans, with very little notice and very few plans for implementation. The lack of clarity from the federal government resulted in chaos at the local and national banks across the country that were

thrust into the position of accepting applications for PPP loans. The scene was no different in the Bay Area.

RVC's Board authorized its business official, Conn Hickey, to apply for a PPP loan. The Board made this authorization with the knowledge that applying for a loan, alone, would not commit the Charter School to anything related to the PPP program. There was no contract, no financial commitment, no repayment terms, and no certainty whatsoever that RVC would be awarded a loan. Compounding the confusion was pressure to apply quickly, before PPP funds dried up.

On April 3<sup>rd</sup>, the day after the RVC Board authorized Mr. Hickey to apply for the loan, Mr. Hickey called Westamerica branch personnel. Westamerica took down the Business Official's information and said he would be added to a list to contact when the bank was ready to accept applications. On April 6<sup>th</sup>, Mr. Hickey contacted the bank again by phone and learned how the PPP application process was going to work, which consisted of an online application being "periodically available during the day." (Attached as Appendix C is phone call log.) On April 8<sup>th</sup>, all day, Mr. Hickey refreshed a browser window for the application every 15 minutes and did not get into the application. He again called the bank that day to express his frustration at not being able to get into the application and was told the bank customer service person was similarly frustrated. Finally, on April 9<sup>th</sup>, Mr. Hickey tried every 6 minutes, starting from the early morning and finally was able to access the online application shortly after 10:00 am. He called the bank personnel he had been working with to tell them he had been able to get into the application portal and submit the application.

In practical terms, the School Director or Board Chair could not have successfully navigated this process, or completed the application, because of the vigilance and focused attention needed to refresh a browser every six minutes. During those early days of school closures, the School Director and Board Chair were, instead, intently focused on ensuring that all students and employees had the resources they needed to engage in distance learning.

Contrary to RVSD's September 3<sup>rd</sup> letter, the RVC Board did have a lengthy discussion about the PPP loan, culminating in asking its Business Official to apply for it. The minutes of the April 2<sup>nd</sup> RVC special Board meeting clearly indicate that there was a long discussion of the economic uncertainty caused by COVID-19 that created the need for a PPP loan. The minutes also include a discussion of the loan and its attributes. What the minutes (which document only a brief summary of the meeting) may not clearly show for those not in attendance is that the Board very much wanted to apply for the PPP loan at Westamerica, was worried it might not be able to get the loan before the money ran out, and wanted its Business Official to focus on submitting the application.

As to the April 23<sup>rd</sup> RVC Board meeting, the District is correct that RVC posted the agenda for that meeting on April 20<sup>th</sup>, in compliance with the Brown Act. There were two reasons the agenda was not more specific about authorizing the School Director to execute the PPP loan.

First, national and local news made clear that on April 16<sup>th</sup>, funding had run out for the PPP. Thus, the Charter School lost hope at that time that it would be awarded the loan. As RVC was preparing its meeting agenda between April 16<sup>th</sup> and 20<sup>th</sup>, it was with the expectation that there would not be any funds available for a loan. RVC did not agendize the loan by name because it did not believe it would be awarded any PPP funds. Nevertheless, because there was so much turmoil and

speculation about a possible second round of PPP funding, RVC made the budget item on the agenda an action item. Indeed, April 23<sup>rd</sup> was also the day that the U.S. House of Representatives voted to approve a COVID-19 financial relief bill that infused more funding into the PPP program.

Second, the Westamerica email on April 19<sup>th</sup> was sent from a generic email account at the bank and was not from a bank employee. (Attached as Appendix D.) For this reason, the email was routed to the RVC Business Official's "promotions" email folder. Mr. Hickey had no knowledge of the existence of the email. He called the bank customer service personnel on April 21<sup>st</sup> to ask if the loan had been approved and was told they thought there was or was about to be a counteroffer made. (See attached Appendix C log of phone calls with Westamerica.) On April 23<sup>rd</sup> Mr. Hickey started looking for the email in his junk and promotional email folders and discovered the email from Westamerica that morning. Given the general concern that this loan might not be available, it is not reasonable to believe that Mr. Hickey would have seen this email the day it was sent on April 19<sup>th</sup> and done nothing for four days.

After discovering the counteroffer email on April 23<sup>rd</sup>, Mr. Hickey immediately contacted the School Director and Board Chair to discuss accepting the bank's calculation of the amount of PPP funds RVC qualified for and was authorized to accept the lower amount. The action of accepting the lower loan amount was not accepting receipt of the loan, as alleged by RVSD, but rather agreeing to change the application for the lower amount. The School Director and the Board Chair directed Mr. Hickey to agree to the bank's calculation of the amount of PPP funds RVC qualified for. Moreover, prior to the time of Mr. Hickey's April 23<sup>rd</sup> email to Westamerica on the morning of the RVC Board meeting, the only formal notice RVC had received was an email from Westamerica that PPP funds had run out on April 16<sup>th</sup>. Since there were no funds for the PPP loan, as far as RVC knew, Mr. Hickey could not have accepted or entered into a loan on April 23<sup>rd</sup>.

RVSD alleges that no "action item" regarding the budget was included in RVC's April 23<sup>rd</sup> meeting agenda. To the contrary, the agenda states "roll call vote" for the budget item, which clearly indicates that action will be taken. As the District may know, the Brown Act mandates that all votes during a teleconference meeting must be taken with a roll call vote.

RVSD also alleges that the School Director was not authorized to accept the PPP loan and execute the loan documents. To the contrary, the RVC Board meeting minutes from the April 23<sup>rd</sup> meeting state, "Authorization of the Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000, as soon as available, was duly moved, seconded and approved by roll call vote, 5-0-1."

We believe that these facts contributed to FCMAT recommending against MCOE using its investigation authority to look into improprieties around RVC's securing of a PPP loan.

## 2. Approval of Resolution Misrepresenting Facts Related to the Paycheck Protection Program Loan Process

*However, the Resolution makes repeated references to unsubstantiated future and possible financial issues (e.g., potential cash deferrals, possible multi-year recession and difficulty in obtaining bank loans), not current problems as required for the loan. It is clear that RVC acquired the PPP loan to*

*increase its reserves in anticipation of future need, not to mitigate past or current economic hardship – the “current” nature of the “economic need” to which applicants must attest is for short-term cash-flow hardships created by current, and not future anticipated, COVID-19 related impacts.*

*RVC’s claims of current need for funding for the intended purposes of the PPP loan are false. Nor was any need or basis for the loan discussed or referenced at any time prior to applying for and obtaining the PPP loan. As reflected in the calculations for a PPP loan, it is based upon 2.5 times the average monthly payroll. The PPP loan is a short term payroll loan, not a loan for speculative future need.*

In its May 14<sup>th</sup> PPP Resolution, the RVC Board did comply with regulations from the Small Business Administration (“SBA”), which came in the form of published Frequently Asked Questions (“FAQ”). RVC’s Board Resolution addressed the requirements of FAQ #31 and #37 in five pages of great detail. The primary need for the loan was the likelihood that the State would provide its cash apportionments from one to five months late. The State budget that was adopted in June, within RVC’s eight-week PPP period, which started on May 8<sup>th</sup>, delayed RVC’s June apportionment payment of \$153,434 to the month of July. RVC’s state payments are always delayed into the next month because it takes MCOE more than two weeks after state distribution to process these funds and transfer them to RVC’s bank account. As result, RVC received the deferred June state aid payment in August and not in July, causing the RVC cash balance to fall to \$211,847 on July 31. Without the \$270,536 loan received on May 8, RVC would not have been able to make its July 31 payroll.

In addition, the state budget that was passed within RVC’s eight-week PPP loan window is going to defer \$696,588 of RVC’s apportionment funds between February and June of 2021. School districts have ready access to low interest, short term cash funding through loans from the County Treasury, which public charter schools do not have access to. The MCOE business office, along with other county education business offices in the Bay Area, supported charter schools applying for PPP loans to obtain financing at similarly affordable rates for these cash deferrals.

Since RVC is only in its third year of operation, with only 12% reserves and since MCOE delivers state revenue to RVC in the month following when it receives it from the state, RVC is perpetually low on cash. Cash flow shortages are one of the primary reasons why the Charter School Finance Authority (“CSFA”) makes a \$250,000 startup loan available to new charter schools. That CSFA loan is now in its fourth year of being paid back and will be completely repaid by May of 2021. Furthermore, because RVC is a new school with a relatively short credit history, commercial banks are not likely to originate a line of credit in these extremely uncertain economic times to RVC, which has only 45 days of expenses in its reserves. During the last recession in 2008-2012, charter schools paid twenty percent or more for factored receivable loans to cover cash flow due to State apportionment deferrals that spanned up to five months. Twenty percent interest for eight months of borrowing the \$696,588 of state revenue deferrals is close to \$100,000. The standard in SBA FAQ#31 for considering other financing is whether the business’s “ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business.” Adding \$100,000 a year for interest expense for the foreseeable future clearly will be detrimental to RVC’s educational mission. At the time these attestations of economic uncertainty were made, interest rates of 20% or higher using factoring of receivables appeared to be the only available option.

The SBA regulations were amended on May 13<sup>th</sup> with FAQ #46, the day before RVC's May 14<sup>th</sup> Board meeting approving the Resolution. The new regulations stated that any borrower that received less than \$2 million in loans will be provided a "safe harbor" and will be "deemed to have made the required certification concerning the necessity of the loan request in good faith." This regulatory change removed the legal uncertainty in not adequately documenting such necessity and completely undermines all the references throughout the complaint about violating federal law. Although FAQ #46 offers legal protection for the Charter School, RVC fully complied with FAQ #31 on May 14 in laying out its evaluation of current economic uncertainty. In this FCMAT concurred.

### 3. False Statements to the Federal Government in the PPP Loan Process

*RVC's actions including, acceptance of the PPP loan and efforts taken to cover up the improper process that was undertaken to obtain the loan, including adoption of the Resolution rife with false statements, demonstrate that RVC administration and Board were complicit with the deceitful actions of Mr. Hickey in applying for and obtaining the PPP loan.*

This finding recycles the previous two findings (that Mr. Hickey was not authorized to apply for a loan, and that RVC did not have current need for the PPP loan), both of which have been demonstrated, in the pages above, to be inaccurate. Mr. Hickey completed the loan application but did not authorize or execute the loan. He agreed only to lowering the amount requested, to match the amount the bank suggested, after consulting with those authorized to execute the loan. The Charter School's Board determined the likely need for a PPP loan on April 2<sup>nd</sup>. RVC faced immediate economic uncertainty, to the point where it would not have made payroll without the loan during the eight-week period covered by the loan. (It was eight weeks at the time; subsequent changes to legislation and regulation have extended this to 24 weeks). Here, though, RVSD adds in a claim of fraud by RVC.

The District's claims of fraud have no grounding in law or fact and are not made true simply because they are asserted and repeated. The crime of fraud requires intentionality to defraud, which never existed, and which RVSD has been unable to provide any evidence for. There was no falsehood, there was no cover up, and there was no unlawful action in the Charter School's PPP loan application process. It bears repeating that FCMAT, which is expert in fraud investigations, advised MCOE not to pursue an investigation into RVC over the PPP.

### ***B. Governance Mismanagement, Violation of Charter, Violation of Law***

*The above-described facts demonstrating RVC's fiscal mismanagement also demonstrate substantial mismanagement in governance of RVC by its Board and administration. The following, but not limited to, facts further demonstrate RVC's governance mismanagement, violation of the RVC Charter, and violation of law:*

#### 1. Board Misrepresentation to the Public regarding Paycheck Protection Program Loan Application and Funding

*In RVC Board Resolution No. 2020-5-14, RVC misrepresented to the public the series of events and justifications for its application for and receipt of a PPP loan.*

RVSD's claim here, recycling the allegations addressed above, is that the Resolution falsely stated that on April 23<sup>rd</sup>, the School Director was authorized to borrow funds through the PPP program. As stated above, RVSD alleges that no "action item" regarding the budget was included in RVC's April 23<sup>rd</sup> meeting agenda. To the contrary, the agenda states "roll call vote" for the budget item, which clearly indicates that action will be taken. There were four agenda items in the "General Information" section of the agenda. Three of the four included the designation "discussion/roll call vote." One the four, the Local Control and Accountability Plan, was only agendized for "discussion." The Brown Act does not require the word "action" to appear on an agenda in order for an entity to communicate to the public that the Board will vote on an item. Given that the April 23<sup>rd</sup> meeting was a teleconference meeting, it is clear that the "roll call vote" designation indicates the Board was going to take action.

RVSD also alleges that the School Director was not authorized to accept the PPP loan and execute the loan documents. To the contrary, the RVC Board meeting minutes from the April 23<sup>rd</sup> meeting state, "Authorization of the Board Chair or School Director to execute a Small Business Administration Payroll Protection Loan Agreement with Westamerica Bank for up to \$290,000, as soon as available, was duly moved, seconded and approved by roll call vote, 5-0-1." The RVC Board properly agendized action on its April 23<sup>rd</sup> agenda, and then it did properly take action during that meeting to authorize the Board Chair or School Director to execute a PPP loan, as documented in the meeting minutes.

The District also attempts to quarrel with the content of the Charter School's PPP loan Resolution. As there is no government-required or even -approved resolution template, RVSD can cite no legal authority for its position. Indeed, even FCMAT acknowledged the efficacy of RVC's PPP Resolution, stating: "[h]owever, the school's five-page, comprehensive Board Resolution 2020-5-14, although it may be imperfect, establishes the intent of the board and its explanations of the charter school's qualifications to receive PPP funds." The District's claims have been undermined and do not rise to the level of substantial mismanagement, as alleged.

## 2. Improper Delegation of Authority

*While the April 2, 2020, Board meeting minutes reflect that the Board ultimately approved Mr. Hickey's authority to sign checks, the Board did not approve authority to enter into contracts and agreements generally, nor do the minutes include any discussion or notes related to this issue.*

As explained repeatedly above, Mr. Hickey simply applied for the PPP loan on behalf of RVC but did not enter into the PPP loan for the Charter School. He served as the contact person, but not the corporation's principal.

## 3. Repeated Failure to Comply with the Brown Act

*Yet, there is a systemic failure to comply with the letter or spirit of the Brown Act.*

This allegation recycles (again) allegations responded to in detail above and summarized here:

- RVC did not learn of the loan eligibility email until the day of the April 23<sup>rd</sup> Board meeting, so could not have amended it in advance.
- Budget documents did not account for PPP funds because the Charter School was operating from information that all funding under the program had run out.
- The Business Official was not entering into the PPP loan, but simply moving forward with the application process.
- The Board properly voted to authorize the Board Chair or School Director to execute a PPP loan with Westamerica, and the meeting agenda permitted such a vote.

#### 4. Failure to Comply with Americans with Disabilities Act

*RVC is now approaching the start of its second year in the site yet it remains out of compliance with the ADA. Because the site is out-of-compliance with the ADA and therefore inaccessible to students with disabilities, RVC is not serving or able to serve all students who wish to attend the Charter School in violation of its Charter and the law.*

It is not correct that RVC is out of compliance with the Americans with Disabilities Act (“ADA”). The site was constructed before the ADA came into existence and has been used continuously as a private school for several decades to serve students. When RVC took possession of the facility, when Cascade Canyon ceased operation in June of 2020, it agreed with its chartering authority that it should undertake a barrier removal project to insure that any handicapped student or parent had fully access to the school’s educational offerings. It has spent the past year working on this project.

Furthermore, RVC has been operating school entirely through distance learning, just as RVSD is. Accordingly, no students are accessing the school site. And yet, like RVSD, the Charter School is open and serving all students who wish to attend.

Although our voluntary ADA barrier removal project was delayed by COVID-19, closing down work and permitting for many weeks, we are in the process of completing our work and plan for the site to be ready to receive students when safety permits. RVC expects that it will have completed all ADA renovations per our agreement with our chartering authority by October 15<sup>th</sup>.

#### 5. Failure to Comply with Fire and Life Safety Requirements

*In addition to the need for ADA compliance, RVC was informed by the fire inspector that the Charter School must have an updated fire and life safety system.*

RVC was approved to occupy the site with the existing Fire/Life/Safety system in place at the time of initial occupancy. It was the voluntary ADA barrier removal construction that generated the request for an upgrade in the system. The existing system remains in place. Infrastructure work has begun to facilitate this installation. The master panel is installed onsite, a contract for work is signed, and we expect the upgraded system to be installed by Winter Break.

***Required Corrective Actions and Opportunity to Cure***

The Charter School declines the District's invitation to take actions #1 through 4 in RVSD's list, and notes that all current Board Members, the School Director and Secretary to the Board all completed annual Brown Act training and Conflict of Interest training on September 16, 2020.

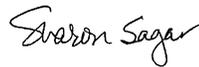
As mentioned above, RVC expects that it will have completed all ADA renovations per our agreement with our chartering authority by October 15<sup>th</sup>.

RVC has worked diligently to implement distance learning instruction for all of our students, including those with individualized education programs and other plans. We have not yet begun on campus in-person instruction for any students as of the date of this letter, so no 'disabled' student has been excluded from in-person instruction any more than all of the thousands of other students across the county who are waiting for their public schools to reopen their campuses to in-person instruction.

\* \* \*

RVC has fully, and in good-faith, responded to all of the District's allegations through this extra-legal procedural vehicle. Given FCMAT and MCOE's lack of interest in this subject matter, we fervently hope that RVSD, too, will move on from the topic and focus instead on the student academic achievement and operational matters described in RVC's charter renewal petition.

Sincerely,



Sharon Sagar, Board Chair



Luke Duchene, School Director

Cc: Ross Valley School Board

Mary Jane Burke

Appendices Attached

# FCMAT

FISCAL CRISIS & MANAGEMENT  
ASSISTANCE TEAM

## APPENDIX A

September 18, 2020

Mary Jane Burke  
County Superintendent of Schools  
Marin County Office of Education  
1111 Las Gallinas Avenue  
San Rafael, California 94903

**VIA:** Robert Henry, Attorney at Law, rhenryedlaw@gmail.com

Dear County Superintendent Burke:

On September 1, 2020, you sought the assistance of the Fiscal Crisis and Management Assistance Team (FCMAT) in reviewing the available information regarding an August 28, 2020 request by Dannis Woliver Kelley, legal counsel for the Ross Valley School District. This request asked you to order an extraordinary audit of the Ross Valley Charter School based on allegations of potential fraud, misappropriation of funds or other illegal fiscal practices under the exclusive authority granted to county superintendents in California Education Code Section 1241.5(c).

## Background

Ross Valley Charter School is authorized by the State Board of Education and is seeking a charter petition renewal before the Ross Valley School District in Marin County. The district's due diligence in reviewing the school's charter petition and other information resulted in concerns expressed in the above-mentioned request. The concerns center on the charter school's governing actions in procuring funds from the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) Paycheck Protection Program (PPP) as administered by the federal Small Business Administration (SBA). The district's legal counsel submitted the original request supported by multiple exhibits detailing the district's concerns, and submitted additional analysis and exhibits on September 4, 2020 at the invitation of your office. On August 31, 2020, the charter school submitted information in rebuttal.

## Process

FCMAT reviewed the following submitted documentation:

- The initial August 28, 2020 request, 101 page report and exhibits,
- The charter school's August 31, 2020, four page response to the initial report, and
- The district's 25 page report and exhibits response dated September 4, 2020.

Furthermore, FCMAT had telephone conversations with personnel from your office, the California Department of Education and district's counsel.

FCMAT's review examined the reports and information submitted to you, PPP requirements and guidelines, and SBA Frequently Asked Questions applicability to obtaining PPP loans.

## Observations

FCMAT's observations are summarized as follows:

- There may be concerns regarding the charter school's application for PPP funding, including PPP regulations and assurances. However, the SBA application process to qualify for the loan continues to evolve, may be considered subjective, and leaves much of the determination to qualify for PPP to the applicant and its evaluation process.
- There may be violations of the California open meeting law (Ralph M. Brown Act, California Government Code Section 54950 et seq.) in properly notifying the public, agendaizing, and taking action regarding the charter school's intent and process in obtaining PPP funds. However, the school's five-page, comprehensive Board Resolution 2020-5-14, although it may be imperfect, establishes the intent of the board and its explanation of the charter school's qualifications to receive PPP funds.

## Conclusion

FCMAT concludes that the concerns and allegations raised by the Ross Valley School District are insufficient to rise to the level of justifying an extraordinary audit under Education Code Section 1241.5(c). Therefore, FCMAT does not recommend that the Marin County Superintendent of Schools pursue an extraordinary audit of this matter.

Based on the documentation provided, there may be legitimate concerns about the governance process used by Ross Valley Charter School, and the initial compliance with the SBA's PPP application and assurances requirements, and those concerns are more appropriately addressed by one or more of the following agencies:

- California open-meeting (Brown Act) concerns: Marin County District Attorney
- Paycheck Protection Program (eligibility, assurances): U.S. Small Business Administration, Office of Inspector General

FCMAT appreciates the opportunity to serve the Marin County Superintendent of Schools and extends thanks to you and your staff for their assistance.

Sincerely,



Michael F. Fine

Chief Executive Officer

## APPENDIX B

----- Forwarded message -----

From: **Robert Henry** <[rhenryedlaw@gmail.com](mailto:rhenryedlaw@gmail.com)>

Date: Sat, Sep 19, 2020 at 4:18 PM

Subject: FCMAT Report

To: Sue Ann Evans <[sevans@dwkesq.com](mailto:sevans@dwkesq.com)>, <[sharon.sagar@rossvalleycharter.org](mailto:sharon.sagar@rossvalleycharter.org)>

Cc: Mary Jane Burke <[mjburke@marinschools.org](mailto:mjburke@marinschools.org)>, Michael Fine <[mfine@fcmat.org](mailto:mfine@fcmat.org)>, Marci Trahan <[mtarahan@rossvalleyschools.org](mailto:mtarahan@rossvalleyschools.org)>, Terena Mares <[tmares@marinschools.org](mailto:tmares@marinschools.org)>, <[sbe@cde.ca.gov](mailto:sbe@cde.ca.gov)>, <[jcias@cde.ca.gov](mailto:jcias@cde.ca.gov)>, <[sfarland@cde.ca.gov](mailto:sfarland@cde.ca.gov)>, Brooks Allen <[ballen@marinschools.org](mailto:ballen@marinschools.org)>

Dear Parties:

By letter dated August 28, 2020 the Ross Valley School District (District) requested the Marin County Office of Education (MCOE) to conduct an Education Code section 1241.5 audit of the Ross Valley Charter School (Charter School). The letter set forth several bases for requesting that MCOE conduct the audit.

After an initial review of the request MCOE referred the District's request to the Fiscal Crisis and Management Assistance Team (FCMAT).

You will find attached a copy of the FCMAT determination with respect to the District's request.

I have reviewed the FCMAT determination and I have discussed the matter with the chief executive officer of FCMAT . Based on my review of the FCMAT determination and my own review of the underlying issues I have concluded that MCOE should accept the FCMAT determination. I have also determined that in light of the FCMAT analysis and conclusion the MCOE should not invoke its discretionary authority under Educations Code sections 1240(a) ( to superintend schools in the county), 47604.3 (COE right to request information from charter schools operating in the county), and 47604.4 (right of COE to "investigate and monitor" charter schools operating in the county).

After discussing the matters set forth above with the Marin County Superintendent of Schools and with the Deputy County Superintendent of Schools I have been authorized to advise you that the MCOE will not invoke its discretionary authority under any of the Education Code sections noted above.

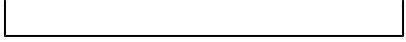
Robert J Henry

--

[Redacted signature area]

**Our school mailing address is** 102 Marinda Drive Fairfax, CA 94930 Phone (415)534-6970

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**Our school mailing address is** 102 Marinda Drive Fairfax, CA 94930 Phone (415)534-6970

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Virus-free. [www.avg.com](http://www.avg.com)

## APPENDIX C

### **Conn Hickey Cell Phone Logs Regards Phone calls with Westamerica Bank Customer Service Personal in April and May 2020**

- 4-3 13 min I called to start the application process by phone and provided my contact info to be informed when applications would be open
- 4-6 21 min Bank personnel explained in detail how the application process was going to work and that the web site would have the application available at any moment
- 4-8 3 min I called to express frustration that could not get in despite trying every 15 minutes
- 4-9 1 min I called to report success in applying
- 4-14 1 min I called inquiring on status of application as money was starting to run out according to national news
- 4-21 4 min I called again to ask if the loan had been approved. Evidence that I had not seen the 4-19 counteroffer email until 4-23
- 4-24 7 min I called to ask whether the bank would participate in what looked like a new possible funding round.
- 4-28 3 min Bank called letting me know RVC had a loan number and that I should look for an email confirming that.
- 5-1 3 min I called the bank to confirm having received the 4-29 email announcing the granting of the loan.

## APPENDIX D

**From:** [Conn Hickey](#)  
**To:** [SBA Lending](#)  
**Subject:** Re: Paycheck Protection Program Loan Application – Information Request #12494090  
**Date:** Thursday, April 23, 2020 10:27:22 AM

---

Dear Westamerica

We accept your counter offer.

Conn Hickey  
Business Official  
Ross Valley Charter

On Sun, Apr 19, 2020 at 9:52 AM SBA Lending <[SBA.Lending@westamerica.com](mailto:SBA.Lending@westamerica.com)> wrote:

We received notification from the Small Business Administration that the SBA CARES Act Paycheck Protection Loan program funding limits were reached on Thursday, April 16, 2020 and they are no longer accepting applications.

**Westamerica will continue processing and preparing submitted applications.**

In the event the program receives additional funding and program rules and guidance allow us to do so, we will resume submission to the SBA for loan guaranty and approval.

We have received your application for processing and data verification. Your business appears to meet the criteria for a PPP loan, however we need additional information from your business to complete our processing:

Documentation submitted with your application supports a maximum loan amount of:  
\$270,653.00.

**You may accept this loan amount or you may complete the attached Payroll Calculation Worksheet and return to us with corresponding documentation of 2019 payroll.**

If this loan amount is acceptable to you, please respond to this message stating the reduced loan amount is acceptable. We will proceed with our processing.

You may complete and submit the attached Payroll Calculation Worksheet which shows your calculations of your original loan request. Respond directly to this message requesting an additional review with the completed worksheet and corresponding documentation of 2019 payroll.

If you would like to submit documents containing non-public information via a secure document portal, please notify us by replying to this email and we will send you a link.

The Paycheck Protection Program is administered by the SBA and is limited to an authorized funding amount as designated by the federal government. The SBA has indicated that loans under the Paycheck Protection Program will be made available on a first come, first served basis. Given the limitations on SBA authorized funding and the significant volume of applications already submitted to Westamerica Bank and other lenders, not every qualified applicant will receive loan proceeds under the program.

Sincerely,

Westamerica Bank

1 (800)848-1088

*The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of age (provided the applicant has the capacity to enter into a binding contract); color, religion, national origin, sex, marital status; because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning Westamerica Bank is: Federal Reserve Consumer Help Center, PO Box 1200, Minneapolis, MN 55840.*

<b>TITLE</b>	Oct 5 Letter for Signing - Revised
<b>FILE NAME</b>	RVC LTR M. Trahan... of Violation.pdf
<b>DOCUMENT ID</b>	3c34e10fadd2cde33c7f1b8251d16a3898bbe006
<b>AUDIT TRAIL DATE FORMAT</b>	MM / DD / YYYY
<b>STATUS</b>	● Completed

---

## Document History



SENT

**10 / 05 / 2020**  
20:18:09 UTC

Sent for signature to Sharon Sagar  
(sharon.sagar@rossvalleycharter.org) from  
luke.duchene@rossvalleycharter.org  
IP: 76.253.15.214



VIEWED

**10 / 05 / 2020**  
20:19:34 UTC

Viewed by Sharon Sagar (sharon.sagar@rossvalleycharter.org)  
IP: 73.92.11.159



SIGNED

**10 / 05 / 2020**  
20:19:56 UTC

Signed by Sharon Sagar (sharon.sagar@rossvalleycharter.org)  
IP: 73.92.11.159



COMPLETED

**10 / 05 / 2020**  
20:19:56 UTC

The document has been completed.

# **EXHIBIT “X”**

October 24, 2020

# ROSS VALLEY CHARTER SCHOOL

## Analysis of Petition Review – Ross Valley Charter School

### Ross Valley Elementary School District

The Ross Valley Elementary School District (District) is nestled in the heart of beautiful Marin County and approximately twenty miles north of the Golden Gate Bridge.

The District serves the communities of San Anselmo and Fairfax serving 2,100 students from transitional kindergarten (TK) through eighth grade at four elementary and one middle school campus.

## BACKGROUND

The District had a specialized program – Multi-Age Program (MAP). A group of community members that included parents and teachers presented the Ross Valley Charter School (RVCS) charter petition to the District for approval to operate the MAP program as a separate charter school.

The District had concerns including the lack of fiscal viability and denied the charter petition which was presented to and subsequently denied by the Marin County Office of Education but ultimately approved by the State Board of Education to begin operation in 2016. The charter school later received a material revision and did not begin instruction until the 2017-18 school year.

The charter board president at the time was previously a District board member and is now the “volunteer business official” and has signed emails as the CFO/Treasurer. It is reported that he currently works for EdTec as a “Client Manager.” EdTec is the charter school’s back office service provider which may create a conflict of interest.

### Current Petition

On August 10, 2020, the charter submitted a renewal petition to the District to commence a new charter term beginning July 1, 2021. Both the District and RVCS have agreed to dates for the petition renewal process.

Upon initial review, it was revealed through documents provided by the California Department of Education (CDE), California Public Records Act, and verified by RVCS that there is a [Paycheck Protection Program](#) (PPP) loan. There are potential issues with the how the loan was obtained and if there was proper governing board approval to enter into a loan.

## ADA Compliance Corrective Action/Loan

The California Department of Education, which currently provides oversight to the charter school, has noticed RVCS of an Americans with Disabilities Act compliance issue and informed the charter school that it may not serve students at the site until it has come into compliance and CDE has visited to confirm compliance.

RVCS is required to correct specific fire, life, safety concerns as directed and has entered into a loan agreement totaling \$360,000 for the necessary renovations. Accordingly, RVCS is prohibited from having students on campus until the work is complete and approved by CDE. Due to the COVID pandemic, all students are participating in distance learning instruction.

According to the RVCS Budget Narrative dated September 23, 2020, the RVCS governing board has approved a new loan in the amount of \$355,000 and construction has started. According to the cash flow projections, the loan proceeds of \$350,000 and expenses of \$337,500 are represented in September 2020, however, the “balloon” payment of \$123,080 that should be included in the June 2024 cash outflows is not represented as described in the RVCS Budget Narrative (narrative) discussion (see Cash Flow page 8.)

## REVIEW DOCUMENTS

- 2018 Independent Audit Report
  - State board authorized in 2016, expires June 3, 2021
  - Non-public benefit corporation 501(c)(3)
  - Started September 2017
  - Revolving Loan \$250,000; Principal payments of \$62,500 annually plus interest; 5 years
  - STRS and PERS
  - Five member board; school district is Luke Duchene, M.ED.
    - Minutes: In compliance
    - ADA P2
    - No material weaknesses
    - No findings
- Attorney Letter: Dated September 5, 2020 – Personal Loans
  - Personal loans total \$145,514 dated July 1, 2017 all except one is due June 30, 2019 the last one for \$16,514 is due December 1, 2019.
- Letter dated September 3, 2020 – Notice of Alleged Violations & Reasonable Opportunity to Cure from Ross Valley School District.
  - Renewal was sent to the District on August 10, 2020 under section 47607(e)
    - Letter cites: Fiscal Mismanagement regarding Paycheck Protection Program loan proceeds.

- Claim that on April 2, 2020, Conn Hickey, a board authorized volunteer business official applied for a PPP loan. Specifically, the board stated that he was unauthorized to sign or entered into agreements.
- On April 19<sup>th</sup>, Westamerica Bank, Hickey's former employer, notified Hickey that the RVCS was eligible for \$270,653 which was \$21,832 lower than the original amount requested.
- On April 23<sup>rd</sup>, following the final loan approval, the governing board took action to approve after the fact.
- EdTec Network – April 2020 Income Statement
  - Shows negative Equity of \$50,863.77.
- EdTec Network – End of June 2020 - Income Statement and Balance Sheet; Unaudited Actuals 2019-20 – Alternative Form June 30, 2020
  - Cash balance of \$334,633 includes the loan proceeds within the savings of \$297,238. Excluding the loan proceeds that may potentially need to be returned leaves \$63,980 cash availability.
  - As noted in the 2018 audit report, the Revolving Loan has a principal payment of \$62,500 annually. While the interest payment of \$1,038 is represented in the financial statements, the principal payment of \$62,500 is not.
  - Net Income is stated to be \$52,659, however, this amount should be reduced by \$62,500 for the principal loan payment.
  - Analyzing the components of major object codes as represented on the EdTec financial statement: Note that *Services and Other Operating* represents 25% of the operating budget. The following categories should be analyzed further, and some categories questioned:
    - Accounting Fees, Administrative Fees, Business Services, \$84,481
    - Service 10, \$12,197
    - Enrichment Program, \$80,226
    - Marketing and Student Recruiting, \$10,906
    - Consultants – Other 1, \$2,835
    - Consultants – Other 2, \$7,178
    - Special Education Contract Instructors, \$47,686
  - The Unaudited Actuals – June 30, 2020 show a fund balance of \$269,519. Any adjustments as mentioned above will reduce the fund balance accordingly.
  - Long-Term Liabilities are stated at \$436,665 which includes the potential liability of the PPP loan repayment should the loan not be forgiven, or if the application was obtained without proper authority and misrepresentation.
  - RVC Budget Narrative and Monthly Cash Forecast dated September 23, 2020.

- RVCS Board Minutes September 10, 2020
- Lease agreement
- Alarm System Monitoring Agreement
- Pacific Charter School Development – Construction Loan terms and conditions
- Complete CDE file – Request for Public Documents
- Letter in response to notice of violation by RVC Board Chair and School Director with attachments Appendix A – D.

# REVENUES, ENROLLMENT & AVERAGE DAILY ATTENDANCE (ADA)

## Analysis of Enrollment/ADA/LCFF Calculation

The Local Control Funding Formula (LCFF) provides the largest revenue source for school districts and charter schools in California. Funding is calculated based on Average Daily Attendance (ADA), and enrolled students that qualify for free/reduced priced meals, foster youth, or English Learners as of Information Day. Rates for grade spans are applied to these factors to calculate total revenue.

RVCS’s LCFF calculation is within reasonable ranges based on student growth of 18 students for the 2021-22 school year. The Fiscal Crisis & Management Assistance (FCMAT) Calculator shows only minor revenue adjustments when compared with RVCS’s calculations. The FCMAT calculator below shows the charter enrollment, ADA, unduplicated percentages, and local property taxes according to RVCS:

LCFF Calculator Universal Assumptions				
Ross Valley Charter (135350)				
Summary of Funding				
	2019-20	2020-21	2021-22	2022-23
<b>Target Components:</b>				
COLA & Augmentation	3.26%	0.00%	0.00%	0.00%
Base Grant Proration Factor	-	0.00%	0.00%	0.00%
Add-on, ERT & MSA Proration Factor	-	0.00%	0.00%	0.00%
Base Grant	1,421,513	1,501,496	1,633,706	1,633,706
Grade Span Adjustment	99,028	104,931	109,737	109,737
Supplemental Grant	94,395	104,996	115,486	115,137
Concentration Grant	-	-	-	-
Add-ons	-	-	-	-
<b>Total Target</b>	<b>1,614,936</b>	<b>1,711,423</b>	<b>1,858,929</b>	<b>1,858,580</b>
<b>Transition Components:</b>				
Target	\$ 1,614,936	\$ 1,711,423	\$ 1,858,929	\$ 1,858,580
Funded Based on Target Formula (PV P-2)	TRUE	TRUE	TRUE	TRUE
Floor	1,585,059	1,674,298	1,821,014	1,821,014
<i>Remaining Need after Gap (informational only)</i>				
Gap %	100%	100%	100%	100%
Current Year Gap Funding	-	-	-	-
Miscellaneous Adjustments	-	-	-	-
Economic Recovery Target	-	-	-	-
Additional State Aid	-	-	-	-
<b>Total LCFF Entitlement</b>	<b>\$ 1,614,936</b>	<b>\$ 1,711,423</b>	<b>\$ 1,858,929</b>	<b>\$ 1,858,580</b>
<b>Components of LCFF By Object Code</b>				
	2019-20	2020-21	2021-22	2022-23
8011 - State Aid	\$ 1,429,636	\$ 1,515,852	\$ 1,646,126	\$ 1,645,777
8011 - Fair Share	-	-	-	-
8311 & 8590 - Categoricals	-	-	-	-
EPA (for LCFF Calculation purposes)	36,732	38,800	42,200	42,200
<i>Local Revenue Sources:</i>				
8021 to 8089 - Property Taxes	-	-	-	-
8096 - In-Lieu of Property Taxes	148,568	156,771	170,603	170,603
Property Taxes net of in-lieu	-	-	-	-
<b>TOTAL FUNDING</b>	<b>\$ 1,614,936</b>	<b>\$ 1,711,423</b>	<b>\$ 1,858,929</b>	<b>\$ 1,858,580</b>

Should enrollment of 18 students not materialize, RVCS should be prepared to make immediate adjustments for the loss in funding. For example, a decrease of 5 students in grades 4-5 will cause revenue to decrease by \$44,152 in 2021-22 (\$1,711,423 - \$1,667,271) as shown below. This demonstrates the volatility in funding from minor changes in enrollment/ADA especially for a small charter school.

LCFF Calculator Universal Assumptions				
Ross Valley Charter (135350)				
Summary of Funding				
	2019-20	2020-21	2021-22	2022-23
<b>Target Components:</b>				
COLA & Augmentation	3.26%	0.00%	0.00%	0.00%
Base Grant Proration Factor	-	0.00%	0.00%	0.00%
Add-on, ERT & MSA Proration Factor	-	0.00%	0.00%	0.00%
Base Grant	1,421,513	1,462,406	1,594,616	1,633,706
Grade Span Adjustment	99,028	104,931	109,737	109,737
Supplemental Grant	94,395	99,934	110,272	112,592
Concentration Grant	-	-	-	-
Add-ons	-	-	-	-
Total Target	1,614,936	1,667,271	1,814,625	1,856,035
<b>Transition Components:</b>				
Target	\$ 1,614,936	\$ 1,667,271	\$ 1,814,625	\$ 1,856,035
Funded Based on Target Formula (PY P-2)	TRUE	TRUE	TRUE	TRUE
Floor	1,585,059	1,631,146	1,777,862	1,821,014
<i>Remaining Need after Gap (informational only)</i>				
Gap %	100%	100%	100%	100%
Current Year Gap Funding	-	-	-	-
Miscellaneous Adjustments	-	-	-	-
Economic Recovery Target	-	-	-	-
Additional State Aid	-	-	-	-
<b>Total LCFF Entitlement</b>	<b>\$ 1,614,936</b>	<b>\$ 1,667,271</b>	<b>\$ 1,814,625</b>	<b>\$ 1,856,035</b>

## Fundraising and Grants

While it is typical for charter schools to aggressively seek donations and local grants, these funds are not guaranteed in the form of a grant or entitlement. Due to the downturn in the economy, donations and local grants are expected to be significantly lower.

RVCS has reduced estimates by 40% in the current budget yet overall, the projection represents 5.7% of total projected revenues, or \$130,670 in 2020-21. In 2021-22, donations increase to \$208,240, or 8.3% of revenues which is not reasonable.

## Proposed Adjustments to Revenue 2021-22:

Revenue Source	Fiscal Year 2021-22
Fundraising and Grants	208,240
Proposed Decrease in Revenue	(\$280,240)

A recommended best practice is to budget for donations and local grants when letters granting the donation, or letter of entitlement is received especially during times of economic uncertainty.

# EXPENDITURES

## Salary & Benefits

Salary and benefits are the single largest expenditures in the budget normally representing 80% -85% of the operating expenditures.

For RVCS in fiscal year 2021-22 salary and benefits total \$1,593,329, or 65.8%; and in fiscal year 2022-23, \$1,619,355, or 67.8% far below normal levels. The primary reason is that RVCS contracts out for professional services and special education specialists such as occupational therapy, testing and mental health services.

## Books & Supplies

This category includes textbooks and other reference materials; educational software; other instructional materials for the classrooms; art and music supplies; student meals and more.

For fiscal year 2021-22, RVCS appropriates a nominal amount of \$76,768, or 0.03%, of the operating budget to student books and supplies; and in fiscal year 2022-23 an amount of \$37,260, or 0.02%.

Classroom supplies and the additional need for Personal Protective Equipment as students and staff return to hybrid learning or in-person learning is not sufficiently represented in the budget forecast model for the 2021-22 school year and beyond.

## Services & Operating

This category includes rent; utilities; repairs and maintenance; accounting and business services; contract services; marketing services; contract instructors; technology and communications; and insurance.

For fiscal year 2021-22, RVCS projects total expenditures totaling \$687,877, or 28.4% of the operating budget; and in fiscal year 2022-23 \$672,543, or 28.1% almost ten (10) times the amount spent on student books and supplies.

Services and other operating expenditures represent a significant portion of the overall expenditure budget. This demonstrates the need for RVCS to rely upon outside services for several functions of the business operations through an external back office provider and other consultants.

Included in the narrative document is a statement that “property, liability and workers compensation insurance are budgeted at 2020-21 contracted prices.” During this unprecedented time of COVID-19, it indications are that Workers’ Compensation insurance will increase as well as property insurance especially due to increased vandalism at school site and wildfires throughout California during this past year.

In addition, SB 1159 signed into law on September 17, 2020 effective immediately codifies Workers Compensation and expands covered benefits including “full hospital, surgical, medical treatment, disability, indemnity, and death benefits” related to COVID-19. In addition, AB 685 effective January 1, 2021, establishes statewide occupational safety standards, and provides the California Division of Occupational Safety and Health expanded authority to enforce the new requirements, including civil penalties for non-compliance. The impact of these two legislative enhancements to workers who contract COVID-19 will have an impact on Worker Compensation rates; therefore, budgeting these expenditures for Workers Compensation without increases is an unreasonable assumption.

### Capital Outlay, Depreciation and Other Outflows (Principal and Interest)

State Charter School Revolving Loan: While depreciation expense appears normal, RVCS does not project the repayment of loan obligations for the Charter School Revolving Loan Program in the amount of \$62,500 in each of five years would need to be budgeted in this category. (Assuming the loan started in 2018-19.) While the loan payment may be intercepted from the Principal Apportionment (LCFF), the budget projection does not show this amount recorded in either the LCFF revenue section as a separate line item deduction, or the Other Outflows as would normally be the case. Additionally, the recalculation of the LCFF aligns with RVCS calculations of enrollment, ADA and Unduplicated without a loan intercept.

The following Balance Sheet from April 2020 shows the “CDE Loan Payment” as a liability in account number 9670, however, the Income Statement does not include the principal payment as a line item expense.

Federal Paycheck Protection Program: The projected loan payment for the Paycheck Protection Program (PPP) is not a guaranteed loan. The fact that there are substantial questions about how RVCS obtained the loan and what percentage, if any, may be forgiven is a questionable assumption. If the loan is not forgiven, the amount due would be the entire amount of \$270,563 instead of 50% as is represented in the narrative documents (the narrative says the loan is \$370,563, however, other documents show the lower amount of \$270,563.) Should this happen, it would cause RVCS to establish a repayment to the Federal government plus interest - a burden on the General Fund that would be unsustainable.

It is clear and confirmed by the following Balance Sheet from April 2020 prepared by EdTec, that without the PPP loan RVCS would show negative equity of \$50,863.77.

<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank</b>	
<b>9120-RVCS - Cash in Bank - RVCS</b>	
9121-7682 - Cash in Bank - RVCS : Westamerica Bank Checking (main)	\$57,870.56
9122-9597 - Cash in Bank - RVCS : Westamerica Bank PCSGP	\$2,019.70
9123-7674 - Cash in Bank - RVCS : Westamerica Bank Savings	\$49,509.06
<b>Total - 9120-RVCS - Cash in Bank - RVCS</b>	<b>\$109,399.32</b>
<b>Total Bank</b>	<b>\$109,399.32</b>
<b>Accounts Receivable</b>	
<b>9200 - Accounts Receivable</b>	
9232 - AR - Property Taxes	\$17,720.00
9251 - AR - Gen Purpose prior yr adjustment (Due from District)	\$21.00
9252 - AR - Gen Purpose/Categ/SHI PY Adj (Due from Co)	\$1,669.40
9260 - AR - Misc	\$4,822.15
<b>Total - 9200 - Accounts Receivable</b>	<b>\$24,232.55</b>
<b>Total Accounts Receivable</b>	<b>\$24,232.55</b>
<b>Other Current Asset</b>	
9330 - Prepaid Expenditures (Expenses)	\$625.00
<b>Total Other Current Asset</b>	<b>\$625.00</b>
<b>Total Current Assets</b>	<b>\$134,256.87</b>
<b>Fixed Assets</b>	
9451 - Construction in Progress project 1	\$22,778.05
9452 - Construction in Progress project 2	\$4,551.25
9460 - Fixed Asset - Leasehold Improvements	\$12,094.00
9465 - Accumulated Depreciation - Leaseholds	(\$4,115.02)
<b>Total Fixed Assets</b>	<b>\$35,308.28</b>
<b>Other Assets</b>	
9360 - Other Asset - Deposits	\$15,180.00
<b>Total Other Assets</b>	<b>\$15,180.00</b>
<b>Total ASSETS</b>	<b>\$184,745.15</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
<b>9500 - Accounts Payable</b>	
9500 - Accounts Payable	\$24,946.82
9512 - AP - District Prior Year Prop Tax Adjustment	\$2,469.00
<b>Total - 9500 - Accounts Payable</b>	<b>\$27,415.82</b>
<b>Total Accounts Payable</b>	<b>\$27,415.82</b>
<b>Other Current Liability</b>	
9501 - Accrued Accounts Payable	\$19,000.00
9502 - AP - District Oversight Fee	\$13,006.41
9571 - Wages Payable (July & August)	\$3,507.39
9640 - Current Loans	\$6,666.70
<b>Total Other Current Liability</b>	<b>\$42,180.50</b>
<b>Total Current Liabilities</b>	<b>\$69,596.32</b>
<b>Long Term Liabilities</b>	
<b>9660 - Long Term Liabilities</b>	
9669 - Other General Long Term Debt	\$103,500.00
9670 - CDE Loan	\$62,512.00
<b>Total - 9660 - Long Term Liabilities</b>	<b>\$166,012.00</b>
<b>Total Long Term Liabilities</b>	<b>\$166,012.00</b>
<b>Equity</b>	
Retained Earnings	\$216,859.53
Net Income	(\$267,722.70)
<b>Total Equity</b>	<b>(\$50,863.17)</b>
<b>Total LIABILITIES &amp; EQUITY</b>	<b>\$184,745.15</b>

In addition to the PPP loan, RVCS subsequently entered into an agreement for a new loan to make required Americans with Disabilities Act renovations to the existing school site facility. According to the narrative, \$350,000 “has been budgeted as a loan to pay for this work,” however, the loan repayment is not represented in the expenditure projection.

Cash deferrals scheduled for February through June 2021 are projected by RVCS total \$643,128 (State Aid \$580,945 plus Special Education Entitlement \$62,183.) Loans to charter schools from the California School Finance Authority and in the private marketplace may be available to cover these shortfalls. In addition, there may be an opportunity for Revenue Anticipation Notes to be issued. Both scenarios are not a guarantee as these loan opportunities include repayment documents to be approved by the lenders and agencies. Given existing debt burden, lenders may be reluctant to offer a loan.

## Debt Burden

It is a best practice in many state and local governments for the governing board to adopt a comprehensive debt management policy that creates guidelines for issuing and managing debt. This is particularly true when school districts and charter schools are entering an era of fiscal uncertainty and economic downturn.

It is recommended by the Government Finance Officers Association that all forms of government adopt a comprehensive debt policy. This helps ensure that underwriters and financial advisers provide the district with adequate information to analyze future debt, enabling the entity to make sound business decisions.

Although the issuance of debt is an appropriate method for temporary cash flow borrowing and financing capital projects and improvements, careful evaluation is required to preserve credit strength and fiscal stability of the organization.

While there is no officially established level for nonvoter approved debt, best practice is to provide guidelines that establish debt burden ratios combined with debt affordability criteria in the debt management policy.

A reasonable debt burden factor of 1 - 2% of the unrestricted general fund revenues is reasonable. Applying this methodology to the current debt obligation for RVCS reveals that debt service payment obligations clearly exceed these recommended levels, an amount that cannot be feasibly sustained by the charter's unrestricted general fund in the long-term.

A debt burden ratio indicates the organization's ability to support annual debt payments, including principal and interest, from current unrestricted revenue sources. Anytime debt that is supported by the general fund is issued, the charter school runs a risk of encountering unknown variables that can affect the ability to support the debt obligation(s) and sustain budget flexibility, especially in a climate of fiscal uncertainty.

To determine whether a charter school has too much long-term debt, the amount of the annual long-term debt payments is compared to the charter's total unrestricted general fund revenues. Debt levels above a recommended level of 1 – 2% is unsustainable in the current economic environment.

An analysis of the current total long-term indebtedness is an important indication of the charter's ability to be a going concern. Therefore, it is important to determine how much debt is serviced using the unrestricted general fund, and how much has a dedicated funding source other than the unrestricted general fund.

It is recommended that RVCS disclose all debt amortization schedules for immediate analysis and include these expenses in the financial statements and cash flows for fiscal years 2020-21 through 2022-23.

RVCS has significant existing debt burden:

- State Revolving Loan,
- PPP Loan,
- Construction Loan, and
- Anticipated loan for cash deferrals.

Using RVCS financial report and narrative document dated September 23, 2020, the following shows current long-term debt load *without additional debt to support state imposed cash deferrals (estimated at \$580,945)* in the amount of \$921,947. To put this in perspective, the total revenues for fiscal year 2020-21 are projected to be \$2,306,204

<b>Current and Projected Long-Term Debt as Reported by RVCS</b>		
<b>Source</b>	<b>Description</b>	<b>Amount</b>
Financial Report – Alternative Form dated June 30, 2020	Long-Term Debt	\$436,665
RVC Narrative dated September 23, 2020, page 7	Construction Loan	\$350,000
RVC Narrative dated September 23, 2020, page 7	PPP Loan at 50% forgiveness	\$135,282
<b>Total Long-Term Debt</b>		<b>\$921,947</b>

This is an extraordinarily high level of significant existing and anticipated debt burden without a secure revenue stream.

Revenues from student enrollment of approximately 200 – 222 students are not sufficient to sustain the current projected amount of long-term debt.

### Ending Fund Balance Reserves

Fund balance reserves are calculated as a percentage of total expenditures and other outflows. Included in the components of fund balance is a combination of cash, and non-cash items such as accounts receivable. The fund balance must also retain a percentage for the required percentage of Reserve for Economic Uncertainty. While not stated in the narrative documents or in the Financial Report for June 30, 2020, the required percentage is 5% for a charter school this size.

According to the June 30, 2020 Financial Report – Alternative Form, the total reserve is \$269,518.72 representing 12.7% of expenditures. While this is clearly above the required percentage levels, this amount represents cash and noncash items and does not set aside the required Reserve for Economic Uncertainty.

Of this amount, \$106,012, or 5%, must be set aside for the Reserve for Economic Uncertainty and cannot be spent. This leaves \$163,507 available for any adjustments, additional expenditures, or reductions in revenues.

Month	Apportionment Schedule for EC § 14,041(a)(2)-(4)	Estimated Deferral Impact	Estimated Share of Annual State Aid Cash Net of Deferrals
July 2020	5%		5%
August 2020	5%		5%
September 2020	9%		9%
October 2020	9%		9%
November 2020	9%		9%
December 2020	9%		9%
January 2020	9%		9%
February 2020	9%	(4.77%)	4.23%
March 2020	9%	(7.38%)	1.62%
April 2020	9%	(7.38%)	1.62%
May 2020	9%	(7.38%)	1.62%
June 2020	Balance	(100.00%)	0.00%
<b>New Fiscal Year</b>			
July 2021		100%	100%
August 2021		7.38%	7.38%
September 2021		7.38%	7.38%
October 2021		7.38%	7.38%
November 2021		4.77%	4.77%

Reserves as a percentage can be misleading. A best practice is to have sufficient fund balance to cover two or more months of salary and benefits. A review of RVCS cash flow document for February 2021, shows salary and benefits total \$145,091. Without paying any other obligations for the month, the fund balance of \$106,012 would be insufficient to cover one month of payroll.

This report has documented several key areas that have potential impacts which can reduce the fund balance leaving very little ability for this small charter school to make offsetting adjustments. Any one of combination of these will render this charter school insolvent.

## CASH FLOW AND CASH DEFERRALS

Attached to the narrative document is a “Monthly Cash Forecast” for fiscal year 2020-21.

The Governor’s Budget Act for fiscal year 2020-21 includes five consecutive deferrals beginning in February 2021. These deferrals will cross fiscal years as follows as depicted in the School Services of California chart.

Normally school districts and charter schools received 5% of their total LCFF funding in July and 5% in August. The remaining amount of 9% each month over the remaining 10 months.

For fiscal year 2020-21 starting in February 2021, deferrals will be deducted and repaid in the next fiscal year.

In the RVCS monthly cash flow forecast, LCFF shows the same apportionment as December 2020 (\$128,867). It appears that RVCS has overstated the cash projection by not deducting the deferral. This cannot be verified because the "LCFF" line item is not broken down into the component parts: Principal apportionment, Education Protection Account, and local property taxes.

Deferrals are projected to start in February 2021, but if the RVCS projection starts deferrals in March 2021 the error could substantially alter the cash flow statement and the need for cash to pay obligations. Care should be taken to ensure the deferrals are calculated in the correct month in the forecast model for cash flow planning purposes, and broken down into the various components because only the principal apportionment is subject to the deferral.

It is unusual to use the cash flow model to project loan payments that are not represented in the budget as an expenditure. A cash flow model starts with the latest approved budget; therefore, the cash flow and budget should tie. RVCS should ensure that except for temporary loans, long-term loan payments should be included in object codes 7438 – Principal and 7439 – Interest for full disclosure.

In addition, temporary loan inflows and outflows should be represented on separate lines and totaled in the "Forecast" columns. These totals should agree with prior year accruals for both accounts receivable and accounts payable.

Currently, these amounts are not totaled and may not agree with prior year accruals. For example, total "Revenues – Prior Year Accruals listed in 2022-23 of \$785,798 do not agree with "Remaining Balance" in 2020-21 of \$717,908 – a difference of \$67,890.

## RECOMMENDATION AND CONCLUDING REMARKS

The following represent significant findings that create substantial uncertainty for the approval of RVCS as a going concern.

- 1- Enrollment and Average Daily Attendance: The number of students projected of 204 in the current year projecting to 222 in the subsequent year (2021-22) may be unattainable. Because the number of students is low, a drop in enrollment, even negligible, creates a large variance in projected LCFF revenues and addition pressure for cash management.
- 2- Fundraising and Donations: Fundraising and obtaining local grants and/or donations is not a guaranteed revenue stream. During times of fiscal instability, these types of revenue sources decrease in amount. Best practice is to budget these revenues when award letters are obtained.
- 3- Books and Supplies: Classroom supplies and the additional need for Personal Protective Equipment as students and staff return to hybrid learning or in-person learning is not sufficiently represented in the budget forecast model for at least 2021-22 school year.

- 4- Services and Operations: Services and other operating expenditures represent a significant portion of the overall operating budget demonstrating the need to rely upon outside services for several aspects of the business operations.
- 5- Insurance: Property, liability, and workers' compensation insurance amounts are likely to increase because of the COVID pandemic and wildfires throughout California. Budgeting these expenditures without increases is unreasonable.
- 6- Debt Burden: RVCS has significant existing debt burden: State Revolving Loan, PPE Loan, Construction Loan, and projects additional loan(s) for cash deferrals. This is an extraordinarily high level of debt burden without a secure repayment stream. The narrative document outlines the need for additional cash borrowing that is not included in the projections.
  - a. State Revolving Loan: Is not represented in the expenditure budget or cash flow document. This is a startup loan in the amount of \$250,000 for five years with payments of \$62,500 each year. It is expected to be paid in full during the 2019-20 school year but is not represented in the cash flow.
  - b. Construction Loan: A balloon payment for \$123,080 is due in June 2024 according to the narrative, however, the cash flow does not show this payment as a reduction in cash. Including this payment would cause negative cash flows in that month.
- 7- Ending Fund Balance: While RVCS purports to have a high level of reserves as a percentage of expenditures, percentages can be misleading. A best practice is to have sufficient reserves to ensure that core operational costs such as salary and benefits are not interrupted. RVCS has not set aside the required percentage for Reserve for Economic Uncertainty and remaining balances are subject to cash availability.
- 8- Cash Flow: During times of cash deferrals, the function of cash management becomes imperative. RVCS relies heavily upon fundraising and donations to balance the budget. Pressure from existing and proposed cash borrowing is unsustainable over time. Should the PPP loan require full repayment, RVCS will need to factor (sell) its receivables at high interest rates or negotiate a credit line to ensure payroll and other obligations are met. Given the low enrollment and current economic uncertainties at the State and Federal level coupled with existing debt burden, RVCS may not be a going concern.
- 9- Other Observations:
  - a. According to the narrative statement, the volunteer Business Official has the prerequisite experience to manage RVCS. Even though there is evidence of significant private sector financial management, California school finance is uniquely different and requires extensive experience. Even with a strong background in private sector accounting by the volunteer Business Official, RVCS contracts out all the critical functions of the Business Office.
  - b. All critical functions of the Business Office are contracted out according to the narrative statement. Contracting for business services continues throughout the projection period for bookkeeping, accounts payable, accounting, payroll, and

student accounting reporting services leaving the charter organization vulnerable to timing and processing delays where critical decisions need to be made.

- c. Revenues from student enrollment of approximately 200 - 222 students are not sufficient to sustain the amount of debt burden when minor decreases in student enrollment, average daily attendance and have a major impact on the fiscal stability of the charter school. Given the low enrollment, cash deficits, and loan challenges, this level of debt burden is not a best practice.
- d. The annual audit report for June 30, 2018 was submitted, however, the audit report for June 30, 2019 was not received for review.

In conclusion, assumptions drive the budget which in turn drives the cash flow with other known variables such as deferrals. Reasonable assumptions for enrollment, ADA, unduplicated counts, donations, along with expenditures based on reasonable estimates for future increases should be supported with historical trend analysis coupled with known variables and potential future impacts that potentially can impact fiscal solvency.

It is of great concern that RVCS is heavily indebted going into a period of economic downturn with state imposed cash deferrals.

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