

CHARTER SCHOOL UNAUDITED ACTUALS
FINANCIAL REPORT -- ALTERNATIVE FORM
July 1, 2019 to June 30, 2020

CHARTER SCHOOL CERTIFICATION

Charter School Name: Granite Mountain Charter School
CDS #: 36750510139188
Charter Approving Entity: Lucerne Valley Unified
County: San Bernadino
Charter #: 2033

NOTE: An Alternative Form submitted to the California Department of Education will not be considered a valid submission if the following information is missing:

For information regarding this report, please contact:

For County Fiscal Contact:

Annette Baker
Name

Business Advisor
Title

909-386-9676
Telephone

Annette.Baker@sbcss.net
Email address

For Approving Entity:

Douglas Beaton
Name

Chief Business Official
Title

760-248-6108
Telephone

douglas_beaton@lucernevalleyusd.org
Email address

For Charter School:

Spencer Styles
Name

Charter Impact
Title

888-474-0322
Telephone

sstyles@charterimpact.com
Email address

To the entity that approved the charter school:

(X) 2019-20 CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 42100(b).

Signed: Brook MacMilan

Charter School Official
(Original signature required)

Date: 9/15/20

Printed

Name: Brook MacMilan

Title: Principal

To the County Superintendent of Schools:

(X) 2019-20 CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 42100(a).

Signed: _____

Authorized Representative of
Charter Approving Entity
(Original signature required)

Date: _____

Printed

Name: _____

Title: _____

To the Superintendent of Public Instruction:

(X) 2019-20 CHARTER SCHOOL UNAUDITED ACTUALS FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been verified for mathematical accuracy by the County Superintendent of Schools pursuant to *Education Code* Section 42100(a).

Signed: _____

County Superintendent/Designee
(Original signature required)

Date: _____

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This charter school uses the following basis of accounting:

(Please enter an "X" in the applicable box below; check only one box)

☒ **Accrual Basis** (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities/Net Position objects are 6900, 7438, 9400-9489, 9660-9669, 9796, and 9797)

☐ **Modified Accrual Basis** (Applicable Capital Outlay/Debt Service/Fund Balance objects are 6100-6170, 6200-6500, 7438, 7439, and 9711-9789)

Description	Object Code	Unrestricted	Restricted	Total
A. REVENUES				
1. LCFF Sources				
State Aid - Current Year	8011	27,437,557.00		27,437,557.00
Education Protection Account State Aid - Current Year	8012	636,364.00		636,364.00
State Aid - Prior Years	8019			0.00
Transfers to Charter Schools in Lieu of Property Taxes	8096	841,560.00		841,560.00
Other LCFF Transfers	8091, 8097			0.00
Total, LCFF Sources		28,915,481.00	0.00	28,915,481.00
2. Federal Revenues (see NOTE in Section L)				
No Child Left Behind/Every Student Succeeds Act	8290		197,783.36	197,783.36
Special Education - Federal	8181, 8182			0.00
Child Nutrition - Federal	8220			0.00
Donated Food Commodities	8221			0.00
Other Federal Revenues	8110, 8260-8299			0.00
Total, Federal Revenues		0.00	197,783.36	197,783.36
3. Other State Revenues				
Special Education - State	StateRevSE		1,769,831.28	1,769,831.28
All Other State Revenues	StateRevAO	473,391.18	154,031.91	627,423.09
Total, Other State Revenues		473,391.18	1,923,863.19	2,397,254.37
4. Other Local Revenues				
All Other Local Revenues	LocalRevAO			0.00
Total, Local Revenues		0.00	0.00	0.00
5. TOTAL REVENUES		29,388,872.18	2,121,646.55	31,510,518.73
B. EXPENDITURES (see NOTE in Section L)				
1. Certificated Salaries				
Certificated Teachers' Salaries	1100	8,132,154.68	1,004,681.62	9,136,836.30
Certificated Pupil Support Salaries	1200	213,390.11		213,390.11
Certificated Supervisors' and Administrators' Salaries	1300	1,138,691.90	123,770.84	1,262,462.74
Other Certificated Salaries	1900			0.00
Total, Certificated Salaries		9,484,236.69	1,128,452.46	10,612,689.15
2. Noncertificated Salaries				
Noncertificated Instructional Salaries	2100	240,513.64	81,197.28	321,710.92
Noncertificated Support Salaries	2200	6,242.88		6,242.88
Noncertificated Supervisors' and Administrators' Salaries	2300	66,025.26		66,025.26
Clerical, Technical and Office Salaries	2400	24,609.93		24,609.93
Other Noncertificated Salaries	2900	25,888.84		25,888.84
Total, Noncertificated Salaries		363,280.55	81,197.28	444,477.83

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Description	Object Code	Unrestricted	Restricted	Total
3. Employee Benefits				
STRS	3101-3102	1,574,766.36	187,386.16	1,762,152.52
PERS	3201-3202			0.00
OASDI / Medicare / Alternative	3301-3302	161,688.26	21,973.61	183,661.87
Health and Welfare Benefits	3401-3402	967,198.03	114,725.08	1,081,923.11
Unemployment Insurance	3501-3502	75,119.25	9,195.66	84,314.91
Workers' Compensation Insurance	3601-3602	53,186.35	14,892.35	68,078.70
OPEB, Allocated	3701-3702			0.00
OPEB, Active Employees	3751-3752			0.00
Other Employee Benefits	3901-3902	(114.54)		(114.54)
Total, Employee Benefits		2,831,843.71	348,172.86	3,180,016.57
4. Books and Supplies				
Approved Textbooks and Core Curricula Materials	4100			0.00
Books and Other Reference Materials	4200			0.00
Materials and Supplies	4300	3,003,934.84	321,347.42	3,325,282.26
Noncapitalized Equipment	4400	439,819.03	323.90	440,142.93
Food	4700	124,903.72		124,903.72
Total, Books and Supplies		3,568,657.59	321,671.32	3,890,328.91
5. Services and Other Operating Expenditures				
Subagreements for Services	5100	6,991,372.35	1,240,799.39	8,232,171.74
Travel and Conferences	5200	5,249.72	14,222.18	19,471.90
Dues and Memberships	5300			0.00
Insurance	5400	133,742.03		133,742.03
Operations and Housekeeping Services	5500	2,149.99		2,149.99
Rentals, Leases, Repairs, and Noncap. Improvements	5600	35,878.50	20,000.00	55,878.50
Transfers of Direct Costs	5700-5799	1,137,094.23	(1,137,094.23)	0.00
Professional/Consulting Services and Operating Expend.	5800	2,321,657.89	103,937.53	2,425,595.42
Communications	5900	1,812.86	287.76	2,100.62
Total, Services and Other Operating Expenditures		10,628,957.57	242,152.63	10,871,110.20
6. Capital Outlay				
(Objects 6100-6170, 6200-6500 modified accrual basis only)				
Land and Land Improvements	6100-6170			0.00
Buildings and Improvements of Buildings	6200			0.00
Books and Media for New School Libraries or Major Expansion of School Libraries	6300			0.00
Equipment	6400			0.00
Equipment Replacement	6500			0.00
Depreciation Expense (accrual basis only)	6900	350.00		350.00
Total, Capital Outlay		350.00	0.00	350.00
7. Other Outgo				
Tuition to Other Schools	7110-7143			0.00
Transfers of Pass-Through Revenues to Other LEAs	7211-7213			0.00
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE			0.00
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO			0.00
All Other Transfers	7281-7299			0.00
Transfers of Indirect Costs	7300-7399			0.00
Debt Service:				
Interest	7438	813,183.00		813,183.00
Principal (for modified accrual basis only)	7439			0.00
Total Debt Service		813,183.00	0.00	813,183.00
Total, Other Outgo		813,183.00	0.00	813,183.00
8. TOTAL EXPENDITURES		27,690,509.11	2,121,646.55	29,812,155.66

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Description	Object Code	Unrestricted	Restricted	Total
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		1,698,363.07	0.00	1,698,363.07
D. OTHER FINANCING SOURCES / USES				
1. Other Sources	8930-8979			0.00
2. Less: Other Uses	7630-7699			0.00
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999			0.00
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE /NET POSITION (C+D4)		1,698,363.07	0.00	1,698,363.07
F. FUND BALANCE / NET POSITION				
1. Beginning Fund Balance/Net Position				
a. As of July 1	9791	0.00		0.00
b. Adjustments/Restatements	9793, 9795			0.00
c. Adjusted Beginning Fund Balance /Net Position		0.00	0.00	0.00
2. Ending Fund Balance /Net Position, June 30 (E+F1c)		1,698,363.07	0.00	1,698,363.07
Components of Ending Fund Balance (Modified Accrual Basis only)				
a. Nonspendable				
1. Revolving Cash (equals Object 9130)	9711			0.00
2. Stores (equals Object 9320)	9712			0.00
3. Prepaid Expenditures (equals Object 9330)	9713			0.00
4. All Others	9719			0.00
b. Restricted	9740			0.00
c. Committed				
1. Stabilization Arrangements	9750			0.00
2. Other Commitments	9760			0.00
d. Assigned	9780			0.00
e. Unassigned/Unappropriated				
1. Reserve for Economic Uncertainties	9789			0.00
2. Unassigned/Unappropriated Amount	9790M			0.00
3. Components of Ending Net Position (Accrual Basis only)				
a. Net Investment in Capital Assets	9796	14,650.00		14,650.00
b. Restricted Net Position	9797			0.00
c. Unrestricted Net Position	9790A	1,683,713.07	0.00	1,683,713.07

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Description	Object Code	Unrestricted	Restricted	Total
G. ASSETS				
1. Cash				
In County Treasury	9110			0.00
Fair Value Adjustment to Cash in County Treasury	9111			0.00
In Banks	9120	3,676,607.80	0.00	3,676,607.80
In Revolving Fund	9130			0.00
With Fiscal Agent/Trustee	9135			0.00
Collections Awaiting Deposit	9140			0.00
2. Investments	9150			0.00
3. Accounts Receivable	9200	7,595,455.39		7,595,455.39
4. Due from Grantor Governments	9290			0.00
5. Stores	9320			0.00
6. Prepaid Expenditures (Expenses)	9330	8,392.87		8,392.87
7. Other Current Assets	9340	79,132.16		79,132.16
8. Capital Assets (accrual basis only)	9400-9489	14,650.00		14,650.00
9. TOTAL ASSETS		11,374,238.22	0.00	11,374,238.22
H. DEFERRED OUTFLOWS OF RESOURCES				
1. Deferred Outflows of Resources	9490			0.00
2. TOTAL DEFERRED OUTFLOWS		0.00	0.00	0.00
I. LIABILITIES				
1. Accounts Payable	9500	3,218,150.20		3,218,150.20
2. Due to Grantor Governments	9590			0.00
3. Current Loans	9640	205,272.50		205,272.50
4. Unearned Revenue	9650	4,405,000.00		4,405,000.00
5. Long-Term Liabilities (accrual basis only)	9660-9669	1,847,452.50		1,847,452.50
6. TOTAL LIABILITIES		9,675,875.20	0.00	9,675,875.20
J. DEFERRED INFLOWS OF RESOURCES				
1. Deferred Inflows of Resources	9690			0.00
2. TOTAL DEFERRED INFLOWS		0.00	0.00	0.00
K. FUND BALANCE /NET POSITION				
Ending Fund Balance /Net Position, June 30 (G9 + H2) - (I6 + J2) (must agree with Line F2)		1,698,363.02	0.00	1,698,363.02

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L. FEDERAL EVERY STUDENT SUCCEEDS ACT (ESSA) MAINTENANCE OF EFFORT REQUIREMENT

NOTE: IF YOUR CHARTER SCHOOL RECEIVED FEDERAL FUNDING, AS REPORTED IN SECTION A2, THE FOLLOWING ADDITIONAL INFORMATION MUST BE PROVIDED IN ORDER FOR THE CDE TO CALCULATE COMPLIANCE WITH THE FEDERAL EVERY STUDENT SUCCEEDS ACT (ESSA) MAINTENANCE OF EFFORT REQUIREMENT:

1. Federal Revenue Used for Capital Outlay and Debt Service

Included in the Capital Outlay and Debt Service expenditures reported in sections B6 and B7 are the following amounts paid out of federal funds:

Federal Program Name (If no amounts, indicate "NONE")	Capital Outlay	Debt Service	Total
a. NONE	\$		0.00
b.			0.00
c.			0.00
d.			0.00
e.			0.00
f.			0.00
g.			0.00
h.			0.00
i.			0.00
j.			0.00
TOTAL FEDERAL REVENUES USED FOR CAPITAL OUTLAY AND DEBT SERVICE	0.00	0.00	0.00

2. Community Services Expenditures

Provide the amount of State and Local funds reported in Section B that were expended for Community Services Activities:

Objects of Expenditures		Amount (Enter "0.00" if none)
a. Certificated Salaries	1000-1999	0.00
b. Noncertificated Salaries	2000-2999	0.00
c. Employee Benefits	3000-3999	0.00
d. Books and Supplies	4000-4999	0.00
e. Services and Other Operating Expenditures	5000-5999	0.00
TOTAL COMMUNITY SERVICES EXPENDITURES		0.00

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3. State and Local Expenditures to be Used for ESSA Annual Maintenance of Effort Calculation:

Results of this calculation will be used for comparison with 2018-19 expenditures. Failure to maintain the required 90 percent expenditure level on either an aggregate or per capita expenditure basis may result in reduction to allocations for covered programs in 2021-22.

a. Total Expenditures (B8)	29,812,155.66
b. Less Federal Expenditures (Total A2) [Revenues are used as proxy for expenditures because most federal revenues are normally recognized in the period that qualifying expenditures are incurred]	197,783.36
c. Subtotal of State & Local Expenditures [a minus b]	29,614,372.30
d. Less Community Services [L2 Total]	0.00
e. Less Capital Outlay & Debt Service [Total B6 plus objects 7438 and 7439, less L1 Total]	813,533.00
TOTAL STATE & LOCAL EXPENDITURES SUBJECT TO MOE [c minus d minus e]	\$ 28,800,839.30

ATTACHMENT A

Please accept this attachment as further explanation in regards to the asterisk that is noted next to my signature on the Unaudited Actuals Report. Unfortunately, the Granite Mountain School Board and I are not able to provide approval and support as to the accuracy of this report.

There are several transactions that Granite Mountain Charter School has requested documentation to support from Inspire District Office/Provenance, but we have not received any such documentation. As such, they are unapproved transactions. Unapproved transactions about which we are aware that are reflected on this report include transactions that do not show up on this report, that may be expensed to Granite Mountain Charter School pending receipt of proper backup documentation. These include:

- ICS invoice; Staff Development \$17,850;
- ICS Health Insurance - \$48,000;
- Charter School Development Center - \$9,024
- ICS Invoice for Student Planners – 20,479.08;
- ICS Invoice for Marketing - \$774.64;
- ICS Invoices for Student Technology - \$4,095.22;
- ICS Invoices for online Student Curriculum - 208,518.78;
- Costs associated with a Memorandum of Understanding for Employees: \$281,876.86 for Special Education Employees and \$390,895 for shared general education teachers.

Additionally, the following costs are transactions that have not been approved by Granite Mountain Charter School and are subject to further review:

- ICS Health Insurance - \$285,243.83;
- ICS Billed Charter Safe Insurance Expense - \$200,586.69;
- 85 ICS Tech Invoices Totaling Tech Invoices - \$75,427.31;
- Inspire District Office May 2020 fees - \$246,287 instructional fee; \$37,448 operational fee; and,
- Inspire District Office June 2020 fees - \$246,287 instructional fee, \$37,448 operational fee.

It is likely that some of these expenses are justified and should be included in the cost of operation of Granite Mountain Charter School for the year in question, but without supporting documentation we cannot submit them in earnest as costs incurred. We have requested the supporting documentation from Provenance and Charter Impact, Inc., the back-office agency that prepared this report, but they have so far been unable or unwilling to provide the necessary back-up.

Finally, please note that Granite Mountain Charter School has formally separated from Provenance and the Inspire School network due to the irregularities in their accounting and refusal to justify expenditures. Granite Mountain Charter School filed a civil action in Superior Court against Provenance/Inspire District Office based on concerns regarding missing and improperly allocated funds. Granite Mountain is committed to obtaining an accurate and full accounting on behalf of its students and staff to ensure the proper allocation and use of State Funds.