



AGENDA
Board of Directors Meeting
1086 Alcatraz Ave.
Oakland, CA
March 2, 2017
6:00 PM

Remote Attendance:

1620 E Alder, Seattle WA
360 22nd Street, Oakland CA
1442 Lawrence St, Houston TX 77008

Call-in Info:

1-323-920-0091
pin: 4764250#

Vision & Mission

Yu Ming Charter School will provide a challenging and comprehensive education for Kindergarten through 8th grade students, preparing them to be inquisitive and analytic lifelong learners in the 21st Century world. Our mission is:

- *To provide an academically rigorous college preparatory program*
- *To graduate students with bilingual and biliterate skills in Mandarin-Chinese and English*
- *To nurture intellectual curiosity, international perspective and diligence in attaining personal goals*
- *To develop young people with compassion, sound moral character and a sense of responsibility for the community and the environment*

I. Preliminary

A. CALL TO ORDER

B. ROLL CALL

THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE

Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

REASONABLE LIMITATIONS MAY BE PLACED ON PUBLIC TESTIMONY

Members of the public are welcome to speak on any agenda or non-agenda items so long as the matter pertains to the domain and jurisdiction of the school board. Public testimony on non-agenda items will be heard at the opening of the meeting. Public testimony on agenda items will take place as each item is presented. The Board's presiding officer reserves the right to impose reasonable time limits on public testimony.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY

Pursuant to the *Rehabilitation Act of 1973* and the *Americans with Disabilities Act of 1990*, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting Yu Ming Charter School during normal business hours at 1086 Alcatraz Ave, Oakland, CA 94608; telephone (510) 452-2063 as far in advance as possible, but no later than 24 hours before the meeting.

FOR MORE INFORMATION

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C. APPROVAL OF AGENDA

II. INVITATION TO THE PUBLIC TO ADDRESS THE BOARD

III. CONSENT AGENDA (5 mins)

- A.** Approve January 2017 meeting minutes
- B.** Approve January/February 2017 Check Register

IV. ITEMS OF BUSINESS

- A.** Principal's Report (Principal Park, 15 minutes)
 - 1. FSO report
- B.** Finance Committee -- VOTE (Norman, 20 minutes)
 - 1. Financials presentation (Edtec – Kelly Ellis)
 - 2. Approval of Fiscal Year 2017 Audit Contract (VOTE)
 - 3. Approval of 2nd Interim Budget (VOTE)
 - 4. Approval of Line of Credit Renewal (VOTE)
- C.** Enrollment and Diversity Committee -- Discussion (Le, 10 minutes)
 - 1. Preview of lottery process/lottery results/MOU report due in April, review of application numbers
- D.** Education Committee – Discussion (Mikuta, 10 minutes)
- E.** Board Governance -- Discussion (Prudencio, 10 minutes)
 - 1. Yu Ming Governance: Form 700 – conflict of interest declarations
- F.** Facilities Committee -- Discussion (Prudencio, 30 minutes)
 - 1. Update on facilities search

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V. **REVIEW OF ACTION ITEMS AND FUTURE AGENDA ITEMS**

VI. **ADJOURNMENT**

The meeting was adjourned at _____.

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Yu Ming Charter School

Financial Presentation



March 2, 2017

Kelly Hoppe Ellis

Financial Presentation Agenda

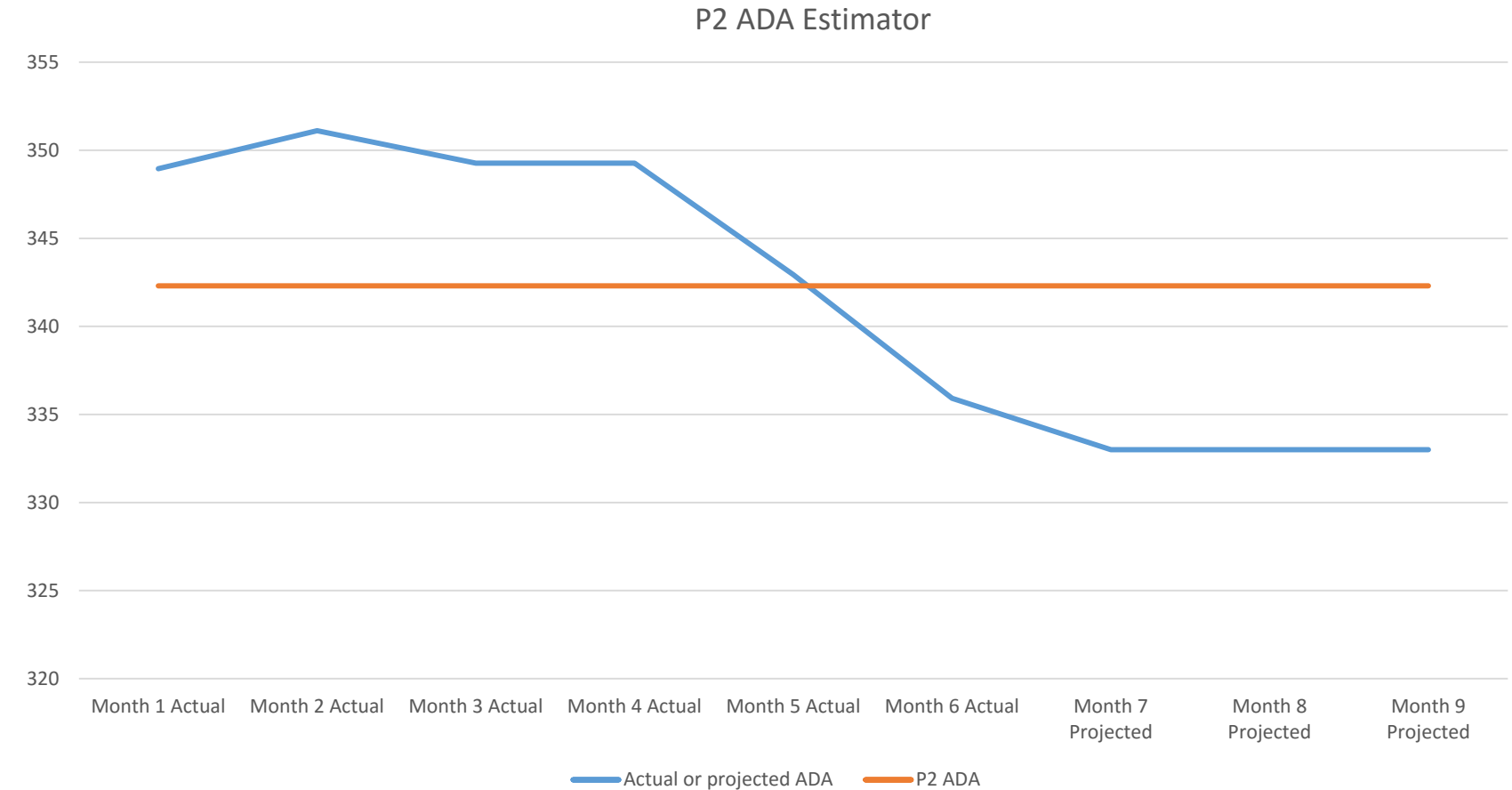


- Financial Update for 2016-17
 - P2 ADA Estimate
 - Summary
 - January Financials
- 2nd Interim Report
- Budget Development

2016-17 January Financials

P2 ADA Estimate

P2 is currently estimated at 342.3 based on data from months 1-6. This change was adjusted in previous month's forecast.



Current Forecast

Yu Ming is currently forecasting to end the year with \$145K in operating income



- **Overall forecast has increased by \$20K since previous month**
- **Forecast: \$11.5K increase in revenues. Some highlights include:**
 - Added \$4.5K for prior year lottery funding
 - Added \$7K for additional after school program revenue
- **Forecast: \$8.5K decrease in expenses. A few highlights are:**
 - Decreased compensation and benefits by \$30K
 - Primarily due to lowering projections for hourly special ed services based on yearly trend (\$20K)
 - Moved \$7K in substitutes from in-house but offset by \$12K added to substitutes under the services and operating line
 - Other small changes to line items under services and operating expenses

2nd Interim Report

2016-17 Second Interim Report



- **16-17 FY Second Interim Budget**
 - The cutoff for the First Interim reporting period is January 31, 2017
 - Funding rates were estimated using the FCMAT LCFF calculator
 - 16-17 FY - \$7,616 per ADA
- **Multi-year projections (17-18 FY and 18-19 FY)**
 - Funding rates:
 - 17-18 FY - \$7,699 per ADA
 - 18-19 FY - \$7,942 per ADA
 - Enrollment projections:
 - 17-18 FY – 408 (391.7 ADA)
 - 18-19 FY – 461 (442.6 ADA)
 - Fundraising per student remains reduced from \$1200 to \$800 per student in MYP
 - Compensation and benefits – 3% COLA increase assumed
 - Added 2 teachers and 2 aides in 17-18 FY and 2 teachers and 2 aides in 18-19 FY
 - Books and Supplies – cost per student is mostly consistent with 16-17 FY with 3% inflation adjustment
 - Services and Other Operating Expenses – costs are consistent with 16-17 FY with 3% inflation adjustment

2017-18 Budget Development

2017-18 California State Budget

Governor proposes a cautious budget; no additional funding toward LCFF implementation

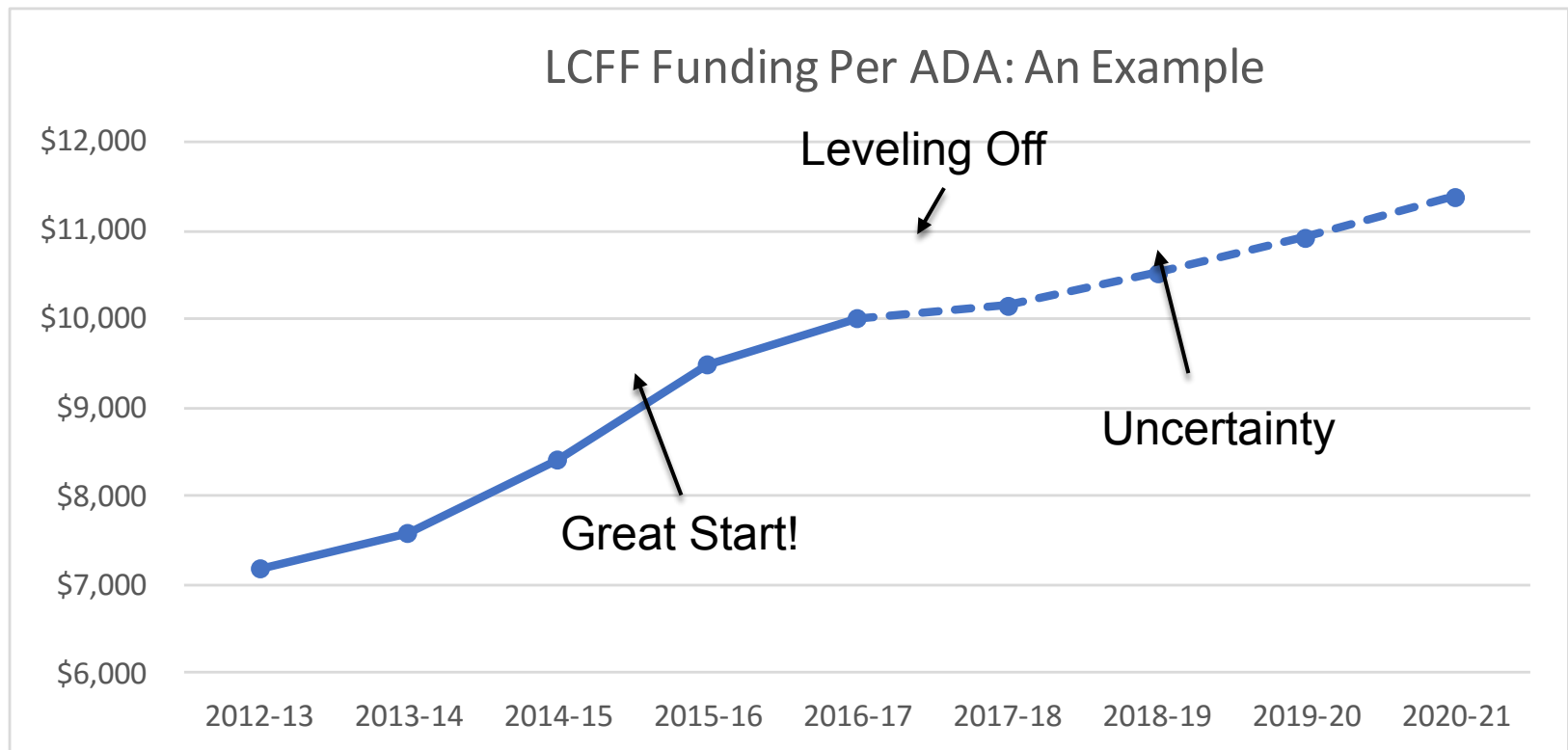


- **LCFF**
 - No funding toward implementation
 - Cost of Living Adjustment of 1.48% over the 2016-17 targets
 - Increase on average of \$120 per ADA (will vary based on school specific targets)
 - Only \$83 increase on average for YMCS
 - June Deferral: One third of June LCFF payment deferred to July
- **One Time Funds**
 - Approx. \$48 per ADA (down from \$214 per ADA in 16-17)
- **School Facilities**
 - Up to \$500M available after accountability provisions on bond funds are enacted
- **Federal Funding**
 - Many unknowns in terms new Government and how will affect CA education funding
- Just the first step in iterative process involving Governor and Legislature that will result in final budget being approved in June

Current Budget Challenges: LCFF



- Over the past four years, schools have seen funding increases of nearly \$3,000, but will see minimal increase next year



Current Budget Challenges: Salaries and Benefits



- Future Salary Increases
 - Any increase is likely going to be bigger than revenue increase
 - Teacher shortage
- Benefits –STRS and PERS will see big increases

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
STRS	12.58%	14.43%	16.28%	18.13%	19.10%	19.10%
PERS	13.89%	15.80%	18.70%	21.60%	24.90%	26.40%

- Health Insurance continues to be another rising cost with schools seeing increases of 5-15% annually on premiums

Current Budget Challenges: Uncertainty



- Economic

- California appears to be headed towards a recession, but how long and how severe will have a huge impact on school funding

- Federal

- Chance that CA loses Federal Funding

- Deferrals

- State is starting to implement cash deferrals again, schools may need to budget for financing costs

2017-18 Budget Development

Process for budget development begins in late winter / early spring, with budget approval by the board in June



When	What	Key Inputs / Notes
January-February	Early work to develop assumptions	<ul style="list-style-type: none">▪ Enrollment & staffing plan (school leadership)▪ Revenue assumptions (EdTec; Governor's Proposal)▪ Expenditures assumptions based on 15-16 trends, expected growth, strategic program development (EdTec/leadership)
March-April	Revisions	<ul style="list-style-type: none">▪ Updated assumptions and projections with latest information▪ Align budget with LCAP
March board meeting	Review Timeline	<ul style="list-style-type: none">▪ Review timeline for 17-18 budget
April board meeting	Board update & complete draft	<ul style="list-style-type: none">▪ Key assumptions to date▪ Draft with 3-year horizon to assess sustainability
April/May	Final revisions	<ul style="list-style-type: none">▪ Board feedback integration▪ Solidify any areas of uncertainty▪ Implement Governor's May Revise if possible
May board meeting	Board approval	<ul style="list-style-type: none">▪ Final 3-year budget proposal▪ Board approval (after LCAP) – subsequent submission to County
June	State Budget is passed	<ul style="list-style-type: none">▪ Changes incorporated over summer

Yu Ming Charter School

Budget vs. Actuals

As of 1/31/2017

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		Actual			Budget vs. Actual		Budget					
		Nov	Dec	Jan	Actual YTD	Variance (YTD less Budget)	Approved Budget	Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	
SUMMARY												
Revenue												
	LCFF Entitlement	171,312	220,233	265,334	1,228,077	164,440	2,597,159	2,607,305	2,607,305	-	1,379,228	
	Federal Revenue	-	-	-	-	-	37,355	38,500	38,500	-	38,500	
	Other State Revenues	38,361	76,138	63,743	221,516	124,605	428,270	449,100	453,604	4,504	232,088	
	Local Revenues	(27,910)	95,663	7,010	324,507	158,894	331,226	379,090	386,090	7,000	61,582	
	Fundraising and Grants	41,813	57,006	13,857	367,708	154,108	427,200	526,000	526,000	-	158,292	
	Total Revenue	223,576	449,040	349,944	2,141,808	602,047	3,821,210	3,999,995	4,011,499	11,504	1,869,691	
Expenses												
	Compensation and Benefits	259,100	210,888	239,220	1,354,480	59,199	2,502,319	2,611,654	2,581,194	30,460	1,226,714	
	Books and Supplies	20,884	11,448	24,379	202,430	(50,163)	261,029	299,134	299,006	129	96,576	
	Services and Other Operating Expenditures	42,408	92,229	80,904	543,555	(23,845)	984,947	964,624	986,682	(22,058)	443,127	
	Depreciation	-	-	-	-	-	600	-	-	-	-	
	Total Expenses	322,391	314,565	344,503	2,100,465	(14,810)	3,748,895	3,875,413	3,866,881	8,531	1,766,417	
Operating Income		(98,815)	134,475	5,441	41,344	587,238	72,315	124,583	144,618	20,035	103,274	
Fund Balance												
	Beginning Balance (Unaudited)	850,444	751,629	886,104	850,201		850,201	850,201	850,201			
	Audit Adjustment				411		411	-	411			
	Beginning Balance (Audited)				850,612		850,612	850,201	850,612			
	Operating Income	(98,815)	134,475	5,441	41,344		72,315	124,583	144,618			
Ending Fund Balance		751,629	886,104	891,545	891,956		922,927	974,784	995,230			
Capital Outlay		-	-	-	-		-	-	-			

Yu Ming Charter School

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As of 1/31/2017

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					Variance (YTD less Budget)		Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining
Detail		Nov	Dec	Jan	Actual YTD	Approved Budget				
Enrollment Summary						-	-	-	-	
	K-3					208	212	212	-	
	4-6					148	143	143	-	
	Total Enrolled					356	355	355	-	
ADA %										
	K-3					96%	96%	96%		
	4-6					96%	97%	97%		
	Average					96%	96%	96%		
ADA										
	K-3					199.7	204.3	204.3		
	4-6					142.1	138.0	138.0		
	Total ADA					341.8	342.3	342.3		

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REVENUE											
LCFF Entitlement										-	-
8011	Charter Schools LCFF - State Aid	171,312	220,233	171,312	1,040,034	164,440	2,160,646	2,170,051	2,170,051	-	1,130,017
8012	Education Protection Account Entitlement	-	-	94,022	188,043	1	436,513	437,254	437,254	-	249,211
SUBTOTAL - LCFF Entitlement		171,312	220,233	265,334	1,228,077	164,440	2,597,159	2,607,305	2,607,305	-	1,379,228
8100 Federal Revenue		-	-	-							
8181	Special Education - Entitlement	-	-	-	-	-	37,355	38,500	38,500	-	38,500
8182	Special Education Reimbursement	-	-	-	-	-	-	-	-	-	-
SUBTOTAL - Federal Income		-	-	-	-	-	37,355	38,500	38,500	-	38,500
8300 Other State Revenues		-	-	-							
8319	Other State Apportionments - Prior Years	25,460	-	4,504	31,722	31,722	-	27,218	31,722	4,504	0
8380	Special Ed	-	-	-	-	-	-	-	-	-	-
8381	Special Education - Entitlement (State)	12,901	12,901	12,901	79,969	79,969	172,589	172,197	172,197	-	92,228
8545	School Facilities Apportionments	-	58,990	-	58,990	(1,015)	120,010	117,981	117,981	-	58,991
8550	Mandated Cost Reimbursements	-	4,247	31,480	35,977	(929)	73,813	67,002	67,002	-	31,025
8560	State Lottery Revenue	-	-	14,858	14,858	14,858	61,859	64,702	64,702	-	49,844
SUBTOTAL - Other State Income		38,361	76,138	63,743	221,516	124,605	428,270	449,100	453,604	4,504	232,088
8600 Other Local Revenue											
8631	Sales	-	-	-	-	-	-	-	-	-	-
8632	Sale of Publications	-	-	-	-	-	-	-	-	-	-
8634	Food Service Sales	15,871	5,107	4,664	66,183	22,498	87,369	87,369	87,369	-	21,186
8636	Uniforms	-	-	-	-	(133)	265	265	265	-	265
8676	After School Program Revenue	11,139	64,147	8,208	163,430	103,430	120,000	158,000	165,000	7,000	1,570
8678	Enrichment Revenue	-	20,276	4,724	55,020	24,120	61,800	61,800	61,800	-	6,780
8693	Field Trips	25	235	-	17,565	(6,636)	48,402	48,266	48,266	-	30,701
8699	All Other Local Revenue	2,693	1,650	-	22,310	15,615	13,390	23,390	23,390	-	1,080
8999	Uncategorized Revenue	(57,638)	4,248	(10,585)	0	0	-	-	-	-	(0)
SUBTOTAL - Local Revenues		(27,910)	95,663	7,010	324,507	158,894	331,226	379,090	386,090	7,000	61,582
8800 Donations/Fundraising											
8801	Donations - Parents	-	-	-	-	-	-	-	-	-	-
8802	Donations - Private	-	-	-	-	-	-	-	-	-	-
8803	Fundraising	41,813	57,006	13,857	267,708	54,108	427,200	426,000	426,000	-	158,292
8811	Grant	-	-	-	100,000	100,000	-	100,000	100,000	-	-
SUBTOTAL - Fundraising and Grants		41,813	57,006	13,857	367,708	154,108	427,200	526,000	526,000	-	158,292
TOTAL REVENUE		223,576	449,040	349,944	2,141,808	602,047	3,821,210	3,999,995	4,011,499	11,504	1,869,691

Yu Ming Charter School

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EXPENSES											
Compensation & Benefits											
1000	Certificated Salaries	-	-	-							
1100	Teachers Salaries	126,581	97,883	109,139	609,120	(18,043)	1,083,640	1,168,987	1,160,067	8,920	550,947
1101	Teacher - Stipends	-	-	-	-	33,545	61,500	-	-	-	-
1103	Teacher - Substitute Pay	-	-	-	1,875	(1,875)	-	10,500	3,500	7,000	1,625
1148	Teacher - Special Ed	10,317	13,976	9,386	71,973	18,331	169,850	170,280	150,280	20,000	78,307
1300	Certificated Supervisor & Administrator Salaries	26,332	25,189	25,189	160,649	(11,330)	255,976	270,146	283,873	(13,727)	123,224
SUBTOTAL - Certificated Employees		163,231	137,047	143,713	843,617	20,628	1,570,966	1,619,913	1,597,720	22,193	754,102
2000 Classified Salaries											
2100	Classified Instructional Aide Salaries	7,047	5,930	5,577	45,658	(822)	82,198	85,438	85,438	-	39,781
2101	Classified - Electives	4,727	4,727	4,727	28,364	(16,909)	21,000	52,000	52,000	-	23,636
2103	Classified - Special Ed	13,526	14,014	12,413	61,907	(13,523)	88,703	113,076	113,076	-	51,169
2300	Classified Supervisor & Administrator Salaries	13,830	7,850	12,380	70,741	17,379	151,063	143,310	138,580	4,730	67,839
2905	Other Classified - After School	6,267	15,331	10,276	48,032	6,143	99,320	104,064	104,064	-	56,032
2928	Other Classified - Food	3,158	(255)	2,517	10,106	4,456	26,698	20,705	20,705	-	10,599
2930	Other Classified - Maintenance/grounds	2,925	2,483	2,944	19,425	147	33,552	33,552	33,552	-	14,127
SUBTOTAL - Classified Employees		51,481	50,080	50,835	284,232	(3,130)	502,533	552,145	547,415	4,730	263,184
3000 Employee Benefits											
3100	STRS	18,407	16,303	16,850	98,512	(17,520)	147,221	161,006	159,182	1,824	60,670
3200	PERS	-	-	-	-	-	-	-	-	-	-
3300	OASDI-Medicare-Alternative	6,619	6,170	6,263	36,060	11,555	86,395	87,168	86,008	1,161	49,948
3400	Health & Welfare Benefits	15,872	946	14,497	66,335	27,564	140,849	132,313	132,313	-	65,978
3500	Unemployment Insurance	892	343	5,763	12,734	7,820	22,838	26,113	25,965	149	13,230
3600	Workers Comp Insurance	2,598	-	1,299	12,990	12,281	31,102	32,581	32,177	404	19,187
3900	Other Employee Benefits	-	-	-	-	-	415	415	415	-	415
SUBTOTAL - Employee Benefits		44,388	23,761	44,672	226,631	41,700	428,820	439,596	436,059	3,537	209,428

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		Nov	Dec	Jan	Actual YTD					
4000	Books & Supplies	-	-	-						
4100	Approved Textbooks & Core Curricula Materials	533	-	5,264	94,508	(53,208)	70,800	102,800	102,800	- 8,292
4315	Custodial Supplies	10	-	-	10	1,793	3,090	3,090	3,090	- 3,080
4320	Educational Software	770	-	-	9,324	(3,490)	10,000	10,000	10,000	- 676
4325	Instructional Materials & Supplies	3,879	1,140	421	10,310	(6,567)	6,417	12,425	12,425	- 2,115
4326	Art & Music Supplies	1,480	-	324	10,957	(3,234)	13,240	13,240	13,240	- 2,283
4330	Office Supplies	1,479	974	1,631	6,210	(472)	9,837	9,862	9,734	129 3,523
4335	PE Supplies	627	-	-	627	920	2,652	2,652	2,652	- 2,025
4346	Teacher Supplies	713	266	100	2,177	4,239	11,000	7,100	7,100	- 4,923
4350	Uniforms	-	-	-	-	1,135	1,945	1,940	1,940	- 1,940
4410	Classroom Furniture, Equipment & Supplies	6,489	1,021	260	16,763	(11,687)	8,701	17,625	17,625	- 862
4420	Computers (individual items less than \$5k)	-	-	10,233	12,452	(3,702)	15,000	30,000	30,000	- 17,548
4430	Non Classroom Related Furniture, Equipment & Supplies	4,447	332	639	6,379	(4,522)	3,183	7,000	7,000	- 621
4435	Non Classroom Noncapitalized items 2	131	-	-	696	121	1,400	1,400	1,400	- 704
4710	Student Food Services	-	7,074	4,855	29,737	23,910	91,967	75,000	75,000	- 45,263
4720	Other Food	327	641	653	2,279	4,602	11,796	5,000	5,000	- 2,721
SUBTOTAL - Books and Supplies		20,884	11,448	24,379	202,430	(50,163)	261,029	299,134	299,006	129 96,576

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		Nov	Dec	Jan	Actual YTD	Approved Budget				
5000	Services & Other Operating Expenses									
5200	Travel & Conferences	-	66	-	66	4,058	8,248	8,248	-	8,182
5300	Dues & Memberships	-	-	-	-	1,888	3,777	3,766	-	3,766
5450	Insurance - Other	(1,877)	-	1,600	16,039	(1,569)	28,941	28,860	-	12,820
5510	Utilities - Gas and Electric	-	-	4,847	9,945	(2,220)	15,450	15,450	-	5,505
5515	Janitorial, Gardening Services & Supplies	151	3,068	4,986	22,381	(7,381)	30,000	30,000	-	7,619
5520	Security	-	215	1,011	2,237	495	5,464	5,464	-	3,227
5525	Utilities - Waste	3,430	-	3,811	9,289	(2,079)	12,360	12,360	-	3,071
5530	Utilities - Water	-	1,012	-	2,119	1,546	6,283	6,283	-	4,164
5605	Equipment Leases	4,195	2,097	2,092	14,850	(10,450)	8,800	25,000	-	10,150
5610	Rent	13,109	13,109	23,160	124,975	(9,759)	197,513	197,513	-	72,539
5615	Repairs and Maintenance - Building	2,984	-	75	4,385	(265)	8,240	8,600	-	4,215
5617	Repairs and Maintenance - Other Equipment	-	-	-	-	1,326	2,652	2,652	-	2,652
5631	Golden Gate Rental Facility	-	-	2,250	2,250	(2,250)	-	6,000	-	3,750
5803	Accounting Fees	-	-	1,620	5,820	(1,320)	9,000	9,000	-	3,180
5809	Banking Fees	3	3	3	8	266	546	546	-	539
5812	Business Services	-	8,818	17,436	61,080	(5,792)	94,779	94,779	-	33,699
5815	Consultants - Instructional	10,320	5,820	1,080	25,134	(2,984)	44,300	29,000	-	3,867
5820	Consultants - Non Instructional - Data	1,080	600	-	7,222	(1,042)	12,360	12,360	-	5,138
5821	Consultants - Non Instructional - Translation	-	-	-	-	2,500	5,000	5,000	-	5,000
5822	Consultants - Non Instructional - Playworks	-	-	-	19,000	(9,500)	19,000	19,000	-	-
5824	District Oversight Fees	-	-	-	4,557	34,401	77,915	78,219	-	73,662
5826	Directors Contingency	-	-	-	-	2,575	5,150	-	-	-
5830	Field Trips Expenses	3,086	4,599	6,339	14,023	21,577	71,200	51,475	-	37,452
5834	Gala Expenses	5,722	-	5,911	11,633	(5,883)	11,500	11,500	(1,000)	867
5836	Fingerprinting	161	-	208	1,726	(479)	2,494	2,487	-	761
5839	Fundraising Expenses	210	-	828	1,108	4,042	10,300	10,300	1,000	8,192

Yu Ming Charter School

Budget vs. Actuals

As of 1/31/2017

111

		Actual			Budget vs. Actual		Budget				
					Variance (YTD less Budget)		Previous Month's Forecast	Current Forecast	Variance (Previous vs. Current Forecast)	Forecast Remaining	
		Nov	Dec	Jan	Actual YTD	Approved Budget					
5845	Legal Fees	-	3,975	-	11,766	5,734	35,000	35,000	-	23,234	
5848	Licenses and Other Fees	-	-	5,424	5,424	3,867	18,582	18,582	-	13,158	
5851	Marketing and Student Recruiting	-	-	-	-	2,122	4,244	4,244	-	4,244	
5853	Community Outreach	-	-	-	-	1,061	2,122	2,122	-	2,122	
5854	Consultants - Enrichment	702	3,246	-	21,374	(548)	41,652	41,535	-	20,162	
5855	Consultants - After School Program	-	-	-	-	10,000	20,000	-	-	-	
5857	Payroll Fees	410	205	786	2,694	(17)	4,589	4,589	-	1,895	
5860	Printing and Reproduction	-	4,028	-	6,257	6,025	24,564	12,425	-	6,168	
5861	Prior Yr Exp (not accrued)	-	316	632	4,473	(4,473)	-	3,900	4,600	(700)	127
5863	Professional Development	8,233	6,702	2,048	27,162	(21,752)	10,820	30,640	30,240	400	3,078
5864	Professional Development - Other	-	-	-	-	5,000	10,000	6,000	6,000	-	6,000
5869	Special Education Contract Instructors	11,203	1,893	1,900	17,246	4,754	44,000	44,000	44,000	-	26,754
5875	Staff Recruiting	1,245	-	465	1,710	2,890	9,200	4,000	4,000	-	2,290
5878	Student Assessment	-	6,480	3,835	19,971	(13,163)	13,615	26,615	26,615	-	6,644
5881	Student Information System	-	391	2,380	10,756	(6,636)	8,240	8,400	11,500	(3,100)	744
5883	SELPA admin and other fees	-	-	-	-	7,348	14,696	8,428	8,428	-	8,428
5884	Substitutes	1,200	1,425	7,860	13,610	(8,937)	9,345	7,277	18,900	(11,623)	5,290
5887	Technology Services	210	210	-	6,409	(6,409)	-	10,000	10,000	-	3,591
5899	Miscellaneous Operating Expenses	(27,623)	21,819	(25,718)	19,525	(13,860)	11,330	11,330	11,330	-	(8,195)
5910	Communications - Internet / Website Fees	1,686	-	1,808	4,994	(2,110)	4,944	4,944	9,600	(4,656)	4,606
5915	Postage and Delivery	225	22	67	434	(251)	367	366	710	(344)	276
5920	Communications - Telephone & Fax	974	955	1,984	7,201	(3,488)	6,365	6,365	8,400	(2,035)	1,199
SUBTOTAL - Services & Other Operating Exp.		42,408	92,229	80,904	543,555	(23,845)	984,947	964,624	986,682	(22,058)	443,127
TOTAL EXPENSES including Depreciation		322,391	314,565	344,503	2,100,465	(14,810)	3,748,895	3,875,413	3,866,881	8,531	1,766,417

Monthly Cash Forecast
As of 1/31/2017

Temporarily Restricted Prop 39	50,269
Unrestricted Ending Cash	497,649
Cash Reserves (%)	13%

ESP-CA
EdTec Network : Yu Ming Charter School (YMCS)
Balance Sheet
As of January 31, 2017

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
9120-YMCS - Cash in Bank - YMCS	
9121-4009 - Cash in Bank - YMCS: First Republic (Main)	\$876,380.77
Total - 9120-YMCS - Cash in Bank - YMCS	\$876,380.77
Total Bank	\$876,380.77
Accounts Receivable	
9200 - Accounts Receivable	
9251 - AR - Gen Purpose prior yr adjustment (Due from District)	\$2,591.00
9260 - AR - Misc	\$205.20
Total - 9200 - Accounts Receivable	\$2,796.20
Total Accounts Receivable	\$2,796.20
Total Current Assets	\$879,176.97
Fixed Assets	
9440 - Equipment	\$10,800.00
9445 - Accumulated Depreciation-Equipment	(\$10,800.00)
9460 - Fixed Asset - Leasehold Improvements	\$14,420.00
9465 - Accumulated Depreciation - Leaseholds	(\$14,420.00)
Total Fixed Assets	\$0.00
Other Assets	
9360 - Other Asset - Deposits	\$30,000.00
Total Other Assets	\$30,000.00
Total ASSETS	\$909,176.97
LIABILITIES & EQUITY	
Current Liabilities	
Credit Card	
9515-YMCS - Credit Card Summary - YMCS	
9515-9238 - Credit Card - YMCS : Chase #9238 (formerly 7627)	\$8,045.38
Total - 9515-YMCS - Credit Card Summary - YMCS	\$8,045.38
Total Credit Card	\$8,045.38
Other Current Liability	
9501 - Accrued Accounts Payable	\$10,200.69
9555 - Retirement Liability - STRS	(\$1,077.57)
9570 - Wages Payable	\$54.32
Total Other Current Liability	\$9,177.44
Total Current Liabilities	\$17,222.82
Equity	
9781 - Temporarily Restricted	\$50,269.00
Retained Earnings	\$800,341.37
Net Income	\$41,343.78
Total Equity	\$891,954.15
Total LIABILITIES & EQUITY	\$909,176.97

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

Charter School Name: Yu Ming Charter School
(continued) _____
CDS #: 01 10017 0124172
Charter Approving Entity: ACOE
County: Alameda
Charter #: 1296
Fiscal Year: 2016/17

This charter school uses the following basis of accounting:

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

Description	Object Code	FY 2016/17			Totals for 2016/17	Totals for 2017/18
		Unrestricted	Restricted	Total		
A. REVENUES						
1. Revenue Limit Sources						
State Aid - Current Year	8011	2,170,051.27	0.00	2,170,051.27	2,555,478.42	3,040,129.81
Education Protection Account State Aid - Current Year	8012	437,254.00	0.00	437,254.00	460,251.62	474,818.40
Charter Schools Gen. Purpose Entitlement - State Aid	8015	0.00	0.00	0.00		
State Aid - Prior Years	8019	0.00	0.00	0.00	0.00	0.00
Tax Relief Subventions (for rev. limit funded schools)	8020-8039	0.00	0.00	0.00		
County and District Taxes (for rev. limit funded schools)	8040-8079	0.00	0.00	0.00		
Miscellaneous Funds (for rev. limit funded schools)	8080-8089	0.00	0.00	0.00		
LCFF/Revenue Limit Transfers:						
PERS Reduction Transfer	8092	0.00	0.00	0.00		
Charter Schools Funding in lieu of Property Taxes	8096	0.00	0.00	0.00	0.00	0.00
Other LCFF/Revenue Limit Transfers	8091, 8097	0.00	0.00	0.00		
Total, LCFF/Revenue Limit Sources		2,607,305.26	0.00	2,607,305.26	3,015,730.04	3,514,948.21
2. Federal Revenues						
No Child Left Behind	8290	0.00	0.00	0.00	0.00	0.00
Special Education - Federal	8181, 8182	0.00	38,500.00	38,500.00	45,031.75	52,996.92
Child Nutrition - Federal	8220	0.00	0.00	0.00	0.00	0.00
Donated Food Commodities	8221	0.00	0.00	0.00		
Other Federal Revenues	8110, 8260-8299	0.00	0.00	0.00	0.00	0.00
Total, Federal Revenues		0.00	38,500.00	38,500.00	45,031.75	52,996.92
3. Other State Revenues						
Charter Schools Categorical Block Grant	N/A thru 14/15					
Special Education - State	StateRevSE	0.00	172,197.02	172,197.02	197,015.04	222,607.68
All Other State Revenues	StateRevAO	281,407.42	0.00	281,407.42	201,508.21	217,650.75
Total, Other State Revenues		281,407.42	172,197.02	453,604.44	398,523.25	440,258.43
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	912,089.80	0.00	912,089.80	731,494.55	793,692.11
Total, Local Revenues		912,089.80	0.00	912,089.80	731,494.55	793,692.11
5. TOTAL REVENUES		3,800,802.48	210,697.02	4,011,499.50	4,190,779.59	4,801,895.66
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	1,226,850.61	86,995.93	1,313,846.54	1,376,498.04	1,522,532.98
Certificated Pupil Support Salaries	1200	0.00	0.00	0.00	0.00	0.00
Certificated Supervisors' and Administrators' Salaries	1300	283,873.00	0.00	283,873.00	307,622.89	316,851.58
Other Certificated Salaries	1900	0.00	0.00	0.00	0.00	0.00
Total, Certificated Salaries		1,510,723.61	86,995.93	1,597,719.54	1,684,120.93	1,839,384.55
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	180,514.20	70,000.00	250,514.20	304,304.63	366,403.76
Non-certificated Support Salaries	2200	0.00	0.00	0.00	0.00	0.00
Non-certificated Supervisors' and Administrators' Sal.	2300	138,580.00	0.00	138,580.00	142,737.40	147,019.52
Clerical and Office Salaries	2400	0.00	0.00	0.00	0.00	0.00
Other Non-certificated Salaries	2900	156,321.06	2,000.00	158,321.06	163,070.69	167,962.81
Total, Non-certificated Salaries		475,415.26	72,000.00	547,415.26	610,112.72	681,386.10

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

Charter School Name: Yu Ming Charter School
(continued) _____
CDS #: 01 10017 0124172
Charter Approving Entity: ACOE
County: Alameda
Charter #: 1296
Fiscal Year: 2016/17

Description	Object Code	FY 2016/17			Totals for 2016/17	Totals for 2017/18
		Unrestricted	Restricted	Total		
3. Employee Benefits						
STRS	3101-3102	147,383.13	11,798.43	159,181.56	196,601.44	245,524.84
PERS	3201-3202	0.00	0.00	0.00	0.00	0.00
OASDI / Medicare / Alternative	3301-3302	79,633.01	6,374.84	86,007.85	94,542.48	102,947.91
Health and Welfare Benefits	3401-3402	122,506.01	9,806.95	132,312.96	170,299.58	216,329.13
Unemployment Insurance	3501-3502	24,040.05	1,924.47	25,964.53	27,190.24	28,415.15
Workers' Compensation Insurance	3601-3602	29,792.08	2,384.94	32,177.02	34,413.50	37,811.56
OPEB, Allocated	3701-3702	0.00	0.00	0.00	0.00	0.00
OPEB, Active Employees	3751-3752	0.00	0.00	0.00		
PERS Reduction (for revenue limit funded schools)	3801-3802	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3901-3902	384.24	30.76	415.00	0.00	0.00
Total, Employee Benefits		403,738.53	32,320.39	436,058.92	523,047.25	631,028.58
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	102,800.00	0.00	102,800.00	70,000.00	72,100.00
Books and Other Reference Materials	4200	0.00	0.00	0.00	0.00	0.00
Materials and Supplies	4300	60,180.34	0.00	60,180.34	66,639.11	73,130.74
Noncapitalized Equipment	4400	56,025.39	0.00	56,025.39	60,023.65	61,824.36
Food	4700	80,000.00	0.00	80,000.00	104,294.00	117,327.50
Total, Books and Supplies		299,005.73	0.00	299,005.73	300,956.76	324,382.60
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	0.00	0.00	0.00	0.00	0.00
Travel and Conferences	5200	8,248.00	0.00	8,248.00	8,495.44	8,750.30
Dues and Memberships	5300	3,766.20	0.00	3,766.20	4,458.33	5,188.60
Insurance	5400	28,859.73	0.00	28,859.73	34,163.42	39,759.35
Operations and Housekeeping Services	5500	69,556.64	0.00	69,556.64	71,643.34	73,792.64
Rentals, Leases, Repairs, and Noncap. Improvements	5600	239,765.25	0.00	239,765.25	245,752.06	251,918.47
Professional/Consulting Services and Operating Expend.	5800	598,395.38	19,380.70	617,776.08	666,826.12	736,279.21
Communications	5900	18,710.00	0.00	18,710.00	19,380.48	20,074.35
Total, Services and Other Operating Expenditures		967,301.20	19,380.70	986,681.90	1,050,719.18	1,135,762.92
6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only)						
Land and Land Improvements	6100-6170	0.00	0.00	0.00		
Buildings and Improvements of Buildings	6200	0.00	0.00	0.00		
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00	0.00		
Equipment	6400	0.00	0.00	0.00		
Equipment Replacement	6500	0.00	0.00	0.00		
Depreciation Expense (for accrual basis only)	6900	0.00	0.00	0.00	0.00	0.00
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
7. Other Outgo						
Tuition to Other Schools	7110-7143	0.00	0.00	0.00		
Transfers of Pass-through Revenues to Other LEAs	7211-7213	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00		
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00	0.00		
All Other Transfers	7280-7299	0.00	0.00	0.00		
Debt Service:						
Interest	7438	0.00	0.00	0.00		
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00		
Total, Other Outgo		0.00	0.00	0.00	0.00	0.00
8. TOTAL EXPENDITURES		3,656,184.33	210,697.02	3,866,881.35	4,168,956.84	4,611,944.76
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		144,618.15	0.00	144,618.15	21,822.75	189,950.90

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

Charter School Name: Yu Ming Charter School
(continued) _____
CDS #: 01 10017 0124172
Charter Approving Entity: ACOE
County: Alameda
Charter #: 1296
Fiscal Year: 2016/17

Description	Object Code	FY 2016/17			Totals for 2016/17	Totals for 2017/18
		Unrestricted	Restricted	Total		
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	0.00	0.00	0.00	0.00	0.00
2. Less: Other Uses	7630-7699	0.00	0.00	0.00	0.00	0.00
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0.00	0.00	0.00		
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00	0.00	0.00
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)		144,618.15	0.00	144,618.15	21,822.75	189,950.90
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	799,931.70	50,269.00	850,200.70	995,229.85	1,017,052.60
b. Adjustments to Beginning Balance	9793, 9795	411.00	0.00	411.00		
c. Adjusted Beginning Balance		800,342.70	50,269.00	850,611.70	995,229.85	1,017,052.60
2. Ending Fund Balance, June 30 (E + F.1.c.)		944,960.85	50,269.00	995,229.85	1,017,052.60	1,207,003.50
Components of Ending Fund Balance:						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	0.00	0.00	0.00	0.00	0.00
Stores (equals object 9320)	9712	0.00	0.00	0.00	0.00	0.00
Prepaid Expenditures (equals object 9330)	9713	0.00	0.00	0.00	0.00	0.00
All Others	9719	0.00	0.00	0.00	0.00	0.00
b. Restricted	9740	0.00	50,269.00	50,269.00	0.00	0.00
c. Committed						
Stabilization Arrangements	9750	0.00	0.00	0.00	0.00	0.00
Other Commitments	9760	0.00	0.00	0.00	0.00	0.00
d. Assigned						
Other Assignments	9780	0.00	0.00	0.00	0.00	0.00
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	193,344.07	0.00	193,344.07	208,447.84	230,597.24
Unassigned/Unappropriated Amount	9790	751,616.78	0.00	751,616.78	808,604.76	976,406.27

January 31, 2017

Board of Directors
Yu Ming Charter School
1086 Alcatraz Avenue
Oakland, CA 94608

Dear Members of the Board:

We are pleased to confirm our understanding of the services we are to provide for Yu Ming Charter School (the Organization) for the year ended June 30, 2017.

We will audit the financial statements of the Organization, which comprise the statement of financial position as of the year ended June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the then ended, and the related notes to the financial statements. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Local Education Agency Organization Structure
- 2) Schedule of Instructional Time
- 3) Schedule of Average Daily Attendance
- 4) Reconciliation of Annual Financial Report with Audited Financial Statements
- 5) Notes to Supplementary Information

We will also prepare the Organization's federal and state information returns for the year ended June 30, 2017.

Audit Objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, procedures applicable to charter schools contained in *Standards and Procedures for Audits of California K-12 Local Education Agencies 2016-2017* and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Organization is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will provide tax services and assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for helping to ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Informational Tax Returns

We will prepare the Federal Form 990 and California Form 199 informational tax returns for the year ended June 30, 2017. These returns will be prepared using information you provide. The initial due dates for the returns is November 15, 2017. Depending on the progress of the audit and the preparation of the returns, we may extend the returns to February 15, 2018 or May 15, 2018 as necessary. In order to meet the November 15, 2017 due date, the audit must be complete and we must have all of the requested information no later than October 15, 2017. In order to meet extended due dates in February and May, we need to have the audit complete and all information received no later than one month prior to the due date.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. We will resolve such question in your favor, whenever possible, after discussion of possible alternatives with you. Management has the final responsibility for the information returns, and, therefore, you should review them carefully before you sign and file them.

Your returns may be selected for review by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Unless requested or unavailable, the returns will be electronically filed. This requires an authorization form to be completed by you once the return is complete.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your third-party service provider will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. We are scheduled to perform audit field work during September 2017 and commit to submitting a draft of the audit report to management by November 15, 2017.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Vicenti, Lloyd & Stutzman LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vicenti, Lloyd & Stutzman LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Wade McMullen, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Per Education Code Section 41020(f) (2), there is a limit of six consecutive years for any firm where the partner-in-charge of the audit and the

reviewing partner have been the same in each of those years. This is the sixth consecutive year Wade McMullen will be the engagement partner.

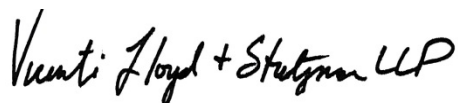
During the term of this Agreement and for twelve months following its termination, the Organization shall not knowingly employ any Vicenti, Lloyd & Stutzman LLP employees or partners used by Vicenti, Lloyd & Stutzman LLP in the performance under this agreement, without the prior written consent of Vicenti, Lloyd & Stutzman LLP. Vicenti, Lloyd & Stutzman LLP shall be entitled, in addition to any other remedies it may have at law or in equity, to a payment from the Organization in an amount equal to one year's salary of any partner or employee the Organization employs in violation of this paragraph.

We estimate that our fees for these services will range from \$7,350 to \$7,850 for the audit and will not exceed \$1,300 for the information returns. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Additional expenses are estimated to be \$120. The fee estimated is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, standard billing rates may apply. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. A service charge of 1% per month will be charged on all bills not paid within 30 days. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. There is a ten percent withholding clause per Education Code 14505.

Government Auditing Standards requires that we provide you with a copy of our most recent quality control review report. Our 2015 peer review report is on the last page of this letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Vicenti, Lloyd & Stutzman LLP

RESPONSE: This letter correctly sets forth the understanding of Yu Ming Charter School.

Officer signature: _____

Title: _____

Date: _____



System Review Report

To the Owners of Vicenti, Lloyd & Stutzman, LLP
and the Peer Review Committee of the
California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Vicenti, Lloyd & Stutzman, LLP (the firm) in effect for the year ended December 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Vicenti, Lloyd & Stutzman, LLP in effect for the year ended December 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vicenti, Lloyd & Stutzman, LLP has received a rating of *pass*.

Campbell Taylor & Company

May 25, 2016



Board of Directors
March 2, 2017
AGENDA ITEM INFORMATION

Agenda Item	Facilities: Update for the Board
Time Allotted	30 minutes
Background	<p>The Facilities Committee is charged with searching for, evaluating and securing a site for Yu Ming Charter School to address its short and long term needs.</p> <p>Summaries below are purposefully generic. Details about locations will not be shared in open board meeting sessions; the market is too competitive. Once discussions about particular sites have advanced to a point of negotiation, a recommendation will be made to move into closed session in order to consider specific property negotiation terms.</p>
Summary	<p>Recent activities of the Facilities Committee</p> <p>* JoAnn Koplin and John Loh visited two private sites inside the search boundaries established in the search criteria. The sites require considerable build out and some assembly of adjoining properties. Work continues to assess the potential of the locations.</p> <p>* JoAnn Koplin and John Loh drove by each of the sites announced by the Diocese of Oakland as being prepared for closure. We are in touch with leaders at the Diocese to discuss possible options on locations.</p>



	<p>* Prop 51 activities: Prop51 creates a \$500MM pool for charter schools to finance the rehabilitation of public school facilities at least 15 years old. We are speaking to nearby districts about sites that would allow Yu Ming to tap these funds and other capital to finance a retrofit and long term lease.</p> <p>* In response to a suggestion from Julie Mikuta, I have started an FAQ document on facilities to help orient board members and the public on the basic parameters of the facilities search activity. Please review and we'll discuss what questions should be added or emphasized.</p>
Type	Informational
Key Questions	See below



FAQs: Facilities @ YuMing

What is YM's current facility situation?

What is YM's facility situation for next year?

What does YM currently pay for facilities?

What are YM's growth scenarios and how do they affect YM's facilities search?

What are the search criteria for YM's facilities work?

Why can't the YM board share more details about facilities it is considering?

What is Prop 39?

What is SB740?

What is Prop 51?



Why has the facilities search process taken so long and been so difficult?