

SUBJECT

Blackfoot Charter Community Learning Center Annual Update

APPLICABLE STATUTE, RULE, OR POLICY

I.C. §33-5209(3)

IDAPA 08.02.04.301.04

BACKGROUND

Blackfoot Charter Community Learning Center (BCCLC) is a public charter school authorized by the Public Charter School Commission (PCSC) and located in Blackfoot since 2000. BCCLC serves approximately 260 students in grades K-5.

In March 2011, the PCSC issued a notice of defect to BCCLC on the grounds of failure to meet Measurable Student Educational Standards (MSES) 2 and 3 in the approved charter. BCCLC's Corrective Action Plan (CAP) stated that the defect would be cured by spring 2012. Although BCCLC's standardized test results show improvement in several areas, MSES 2 and 3 remain unmet.

DISCUSSION

BCCLC will provide an annual update on the status of the school.

In 2011-2012, BCCLC produced strong academic results. BCCLC's [Star Rating](#) for the 2011-12 school year is 4 out of 5, and the school met [AYP](#).

Based on self-reporting, BCCLC did not meet all of the Measurable Student Educational Standards (MSES) outlined in the school's charter. BCCLC met or exceeded targets for MSES 1 and 4, but did not reach targets for MSES 2 and 3. BCCLC has frequently expressed an intention to propose charter amendments to update the MSES, but proposed amendments have not yet been submitted.

The school's board continues to function appropriately; however, the school's finances require ongoing monitoring despite some improvement from FY11 to FY12. BCCLC's FY12 fiscal audit notes that "The school continues to face financial difficulties giving rise to the possibility that it may not continue as a going concern".

IMPACT

No action is required of the PCSC in response to corrective action plans or updates thereto.

Pursuant to I.C. §33-5209(3) and IDAPA 08.02.04.301.04, the public charter school must "comply with the terms and conditions of the corrective action plan and...cure the defect at issue within a reasonable time..." If the public charter school fails to comply with the plan and cure the defect, "the authorized

chartering entity may provide notice to the public charter school of its intent to revoke the charter”.

The PCSC may, at its discretion, formally acknowledge the lifting of a notice of defect in the event the PCSC believes the school has cured such defect.

If the PCSC determines that the school has failed to cure an identified defect within a reasonable period of time, the PCSC may issue a notice of intent to revoke the charter.

STAFF COMMENTS AND RECOMMENDATIONS

PCSC staff recommends that BCCLC propose amended MSES to remove outdated information and develop more useful standards by which to evaluate the academic status of the school. Assistance with this process, particularly in the use of Star Rating data for MSES purposes, is available through SDE and PCSC staff.

PCSC staff further recommends that the PCSC direct BCCLC to submit an updated CAP, as progress was made but the timeframe in the original CAP was not met.

COMMISSION ACTION

Information item only. Any action would be at the discretion of the PCSC.

**Idaho Public Charter School Commission
Site Visit Report**

School	Blackfoot Charter Community Learning Center (BCCLC)
Address	2801 Hunters Loop, Blackfoot, ID 83221
Date of Site Visit	October 25, 2012
PCSC Staff Present	Alison Henken, Charter Schools Program Manager
Board Member(s) Interviewed	Stacy Lilya, Vice Chair Kendall Murdoch Mark Cornelison
Administrator(s) Interviewed	Fred Ball, Director
Business Manager / Clerk Interviewed	Randy Ruger, Business Manager
Other Stakeholder(s) Interviewed	6 teachers 3 parents

Board Member(s) Interview

Stacy Lilya, Vice Chair, and Kendall Murdoch and Mark Cornelison, Board Members, participated in the interview. Stacy has been on the BCCLC board for four years, Kendall for one year, and Mark for one month. In describing the school's mission, the board members said that BCCLC teaches students at their own level and pace and to the highest level of achievement as they can. They feel that the BCCLC Director, Fred Ball, implements the mission well. He "thinks outside of the box" and is a conscientious spender. The board has a strong relationship with Dr. Ball, and they described him as open to giving information and taking care of things per the board's request. The board members demonstrated an understanding of the appropriate division of roles between the board and administrator and feel they are close to that. They have had small lapses in communication where the board hasn't been made aware of things (Ex. the board not being invited to a teacher's retirement send-off), but these have been addressed. Dr. Ball provides information to the board about academics regularly, including test scores when they are available.

The BCCLC board is in the process of implementing their first self-evaluation. This will be carried out in November; board members will complete surveys and the results will be discussed. The board has not yet established a policy regarding the frequency for their evaluations and asked the PCSC staff member for a recommendation. The PCSC staff member recommended that they conduct a board evaluation at least annually and described the practices of several other boards to help them in establishing this policy. In the past, board training has included online training and attendance at the ISBA conference. The board is currently considering setting aside time at each meeting for training and policies work. Topics are likely to include: open meeting laws, budgeting practices, and reviewing sections of the BCCLC charter.

When asked about concerns they have for the school, the board did not identify any issues they felt were significant enough to call concerns. The board is discussing how to manage growth; there is high enough demand for BCCLC to expand and admit more students, but inadequate space at this time. The board members expressed a desire to ensure that growth is strategic and intelligent and that the philosophy and practices that make the school strong now remain in place as the school expands. Another area where they feel BCCLC can improve is ensuring that the mentoring available for teachers is consistent and strong. When asked about Dr. Ball's workload (since he is Director at BCCLC and ISTCS and is assisting with the Bingham Academy charter petition), they said they feel Dr. Ball is balancing his work well. They believe this is because of the similarity, size, and staff of the schools.

The board members feel there are policies in place to sustain the school beyond any current board members, but recognize the need to continue to plan to ensure the school would remain strong if

Dr. Ball were to leave. They discussed possible methods with the PCSC staff member, including building leadership from within and ensuring that policies and procedures used by the administrator are well-documented.

Administrator(s) Interview

Fred Ball, Director, participated in the interview. Dr. Ball described the school's mission of providing students with a brain-based education that meets their needs on an individual basis. This includes strong integration of technology and placing students in the grade where they will learn best, regardless of their age.

Dr. Ball feels that he has a good relationship with the board and that they support him in his role. The former chairman of the BCCLC board recently finished his term, so there are two new board members in the group. He described the division of roles and responsibilities between the board (governance, policy, and fiscal oversight) and the administrator (educational leader who oversees day-to-day operations), and feels that BCCLC is close to that ideal.

When asked how he measures success at BCCLC, Dr. Ball focused on seeing growth from students. Specifically, he feels the school is being successful when every student is challenged to progress as far as they can. Dr. Ball has a solid working relationship with the BCCLC teachers that incorporates both trust and high expectations. He feels that the four-day class schedule has helped him in building this relationship and in encouraging teachers to work together.

When asked about concerns he has for the school, Dr. Ball said that while he doesn't see it as a concern, he recognizes that the school needs to grow but has limited space to do so. They purchased land last year which impacted the school's finances, though the school has improved the financial situation since then. The board is still discussing how and when growth should happen. BCCLC is also preparing for the transition to the Common Core standards. Last year, they worked on aligning their language arts curricula; this year, they are working on math. They are also using the AIMS measures to better track students' progress.

Dr. Ball feels that his workload is manageable, primarily because he has competent people to work with at both of the schools he directs. He doesn't feel stressed for time and is confident that things are managed appropriately. Finally, Dr. Ball feels that policies are in place to ensure that the school remains strong and sustainable beyond current board members or administration. He is also working to build leadership from within the staff.

Business Manager / Clerk Interview

Randy Ruger, Business Manager, participated in the interview. Randy is new to his position. He started at BCCLC at the start of the spring 2012 semester and is being trained and mentored by Chantelle Macy, his predecessor and current Business Manager at ISTCS. Randy's background in finance is in business ownership and management, so he is new to school finance. When asked how this transition is going, Randy assented that the shift from QuickBooks to a more complex software (2M) has been challenging, primarily because of the difficulty in understanding the structure of Idaho's school financing. He has had support from Chantelle as he has learned, and is feeling more comfortable.

Randy was involved in developing the 2012-2013 budget. Dr. Ball estimated enrollment and revenue and Randy worked with him to review expenses in previous years and make adjustments to expenditure line items. In the future, Randy would like to make the budget more detailed so he can ensure it matches closely with 2M and IFARMS. His approach to budgeting and monitoring is to always ensure that the school never spends more than they bring in while also balancing the

needs of teachers and students. Randy is fairly comfortable with BCCLC's financial situation, but recognizes the need to monitor it closely and ensure that reserves are growing. To that end, Randy is setting aside \$2,000 per month into the contingency reserve account.

Teacher Meeting

The PCSC staff member had the opportunity to meet with six (6) BCCLC teachers. When asked for open and honest feedback, teachers gave the following responses to the PCSC staff member's questions:

How can BCCLC improve?

- We don't have enough space. Our groups and rotations would work better if we had more rooms (or larger rooms) and additional places to pullout individuals or small groups of students. We could also use a bigger playground
- We would like to have more time with our paraprofessionals. They help us in providing individualized instruction, but sometimes we don't have them around as often as would be ideal.
- Funding is tight; being able to spend a little more would be nice.

How prepared do you feel for Common Core implementation? Why do you feel that way?

- We feel ready
- We are already implementing common core in kindergarten and partially in 1st grade
- We have revised assessments and report cards ready, so we feel prepared to implement in other grades

Describe your professional development. How are Fridays used? Is that time used effectively / is it helpful to you?

- Fridays are effective and helpful, especially since they give us the chance for teachers to interact, learn together, and develop collaborative projects
- We do a variety of professional development sessions (topics have included: technology, Common Core, and Love and Logic)
- We have a faculty meeting on Fridays and time for mentoring and group work

What is working at BCCLC?

- Integration of technology into teaching
- Teachers collaborate really well – we work in teams, learn from each other's strengths, and rotate students
- Students don't get bored; individual instruction and ability grouping ensures their needs are met
- The extra hour of educational "game time" provided to kindergarten students who are at-risk or struggling is helping them catch up before they move on to 1st grade
- Dr. Ball doesn't micromanage; he trusts us to do our jobs
- The BCCLC teaching staff feels like a family – there is no competition, and we go to each other when we need help

Parent Meeting

Three (3) parents came to BCCLC to meet with the PCSC staff member. Below are the questions presented to parents and their summarized responses.

How can BCCLC improve?

- Improve the drop-off and pick-up process; it doesn't feel safe – it would help if there were signs that made the street and lot one-way during those critical times
- They need a bigger building
- Sometimes students don't get their lunch on time; when the kids get taken to lunch late, they don't have enough time to eat because there is another wave of students scheduled to come after them

What do you like about the school?

- I like the routine; kids always know what's next, and this helps them feel comfortable
- The curriculum is tailored to meet the needs of each student, regardless of where they are academically – if they are advanced, they are pushed, and if they are struggling, they get extra help
- It seems like the communication between teachers and the administrators is good and like the teachers enjoy coming to work
- There is a good school culture – students give and receive respect here

Do you feel like there are opportunities for parents to be involved at BCCLC?

- Yes, they ask for volunteers and tell us about activities
- Those that have the time feel comfortable coming to help regularly

How have your interactions with teachers and the administration been?

- Positive, open, good
- They listen and try to resolve issues quickly
- Teachers and the secretary are good about quickly contacting parents if there is an issue or question

Documents Review

Finances

The finances through the 2011-2012 year and 2012-2013 year-to-date were reviewed. Questions were answered by Randy Ruger. The financial situation appears to be improving. The school ended the 2011-2012 year with a carryover of approximately \$35,000 and appears to be on track to make a small addition to the carryover this year. Appropriate budgeting and monitoring is taking place, and financial documents were in order.

However, the school's FY12 independent fiscal audit states the following:

"The accompanying financial statements have been prepared assuming that the School will continue as a going concern. As discussed in note H to the financial statements, the School is facing financial difficulties. These conditions raise substantial doubt about its ability to continue

as a going concern. Management's plans regarding those matters are also described in note H. The financial statements do not include any adjustments that might result from the outcome of this uncertainty." (Auditor's Report)

"The School continues to face financial difficulties giving rise to the possibility that it may not continue as a going concern. Management continues to monitor this situation closely, minimizing costs and maximizing enrollment and therefore funding; however, current facilities are now at full capacity and, despite a substantial waiting list, the School will need to secure larger facilities on affordable terms in order to fully accommodate these additional students." (Note H)

Special Education Files

Three (3) special education files were selected at random for review by the PCSC staff member. All IEPs were up-to-date, IEP goals seemed appropriate, and accommodations pages were included and clearly written. Initial eligibility documentation was included and demonstrated that a school psychologist tested students using appropriate assessments. The organization of the files could improve. Only one of the three files had an access log, and one of the files had an IEP that was missing a cover sheet. However, other than access logs, all critical documentation was present. The PCSC staff member also had the opportunity to observe students receiving services; students were engaged and participating in appropriate activities.

Classroom Observations

Classroom observations demonstrated the implementation of the BCCLC's mission and vision. The PCSC staff member had the opportunity to observe students thriving in classrooms where they were placed based on ability rather than age. Teams of teachers were clearly working together and managing student rotations. Several classrooms were actively using technology; in one classroom the technology was integrated into instruction in a highly effective manner. In all classrooms that were independently observed, quality teaching was taking place and students were engaged.

Summary

Strengths

- Strong academics as evidenced by the school's 4 Star Rating
- Classroom observations revealed strong teaching and engaged students
- Teachers feel supported by each other and the administrator; they are happy and collaborate well
- Friday professional development seems to be effective and aid teachers in implementing new / improved pedagogy and practices

Challenges or Areas for Improvement

- The Business Manager is new to school finance; while he seems to be working hard to learn, he could still benefit from additional support, training, and mentoring
- Board training could be improved – trainings seem to be infrequent and only hit on very basic topics (open meeting laws) rather than deeper sessions on how to be an effective board, roles and responsibilities, etc.
- Special education files could be more organized and complete

December 4, 2012

- The MSES should be updated to align with the Star Rating system
- Finances continue to require careful monitoring

Concerns

The PCSC staff member who conducted the visit notes a concern about the long-term financial stability of BCCLC.

Possible Charter Violations

There are no apparent charter violations at this time.

Possible Charter Amendments

- Updated MSES that are aligned with the Idaho Star Rating System (identified by PCSC staff, not the BCCLC staff or board).

Recommendations

- PCSC staff recommends that the school conduct an internal review of special education files and improve / standardize file organization to ensure compliance
- PCSC staff recommends close financial monitoring and planning
- PCSC staff recommends that the charter be amended to update MSES to be aligned with the ID Five-Star Rating System.

Materials or Follow-up Requested of the School

No follow-up was requested of the school.

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

ANNUAL PROGRESS REPORT

October 25, 2012

December 4, 2012

2011-2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

SCHOOL PROGRESS REPORT

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CHARTER SCHOOL DASHBOARD

Date: September 27, 2012

School Name: Blackfoot Charter Community Learning Center

School Address: 2801 Hunters Loop, Blackfoot < ID 83221

School Phone: 208-782-0744

Current School Year: 2012-13

School Mission: The mission of the Blackfoot Charter Community Learning Center is to know each student well enough to challenge and meet their individual academic and developmental needs. This is accomplished through a goal-driven environment that includes multi-grade classrooms, small groups, interactive technology, and brain based learning. These are supported by a high level of teacher collaboration and professional development.

CHARTER SCHOOL BOARD

Board Member Name	Office and Term	Skill Set(s)	Email	Phone
Stacey Lilya	Vice Chair, 2 years	Construction Management Engineer, INL	swilia@gmail.com	208-680-1877
Emily Hansen	Secretary, 2 years	Educator	mle_hk@yahoo.com	208-785-9991
Kendall Murdock	Member 2 years	Business owner	kendallmurdock@hotmail.com	208-680-0388
Mark Cornelison	Member, 1 year	Attorney	markcornelison@gmail.com	208-705-2340
Lisa Partick	Member, 2 years	Counselor	patrlisa@isu.edu	208-541-0498

ENROLLMENT

Grade Level	Current Enrollment	Current ADA	Current Waiting List	Previous Year's Enrollment	Previous Year's ADA
K	62	60.7	32	63	62.3
1	63	61.3	22	44	42.0
2	43	42.3	17	39	38.2
3	43	42.3	12	28	27.4
4	26	24.7	10	28	27.8
5	28	27.3	15	17	16.7
6					
7					
8					
9					
10					
11					
12					
TOTAL	265	258.5	108	220	210

Student Attrition Rate: .01

Is your school planning to increase or decrease enrollment opportunities for the upcoming school year? Increase

If yes, briefly describe planned enrollment changes, including numbers and grades affected: BCCLC will add a projected 35 students next year.

STUDENT DEMOGRAPHICS

School Year	Hispanic (# and %)	Asian (# and %)	White (# and %)	Black (# and %)	American Indian (# and %)	LEP (# and %)	FRL (# and %)	Special Education (# and %)
Current	17, 6.4	9, 3.4	187, 85	4, 1.5	9, 3.4	1, .5	120, 45.3	21, 7.9
Previous	14, 6.4	8, 3.4	187, 85	3, 1.4	5, 2.3	1, .5	102, 46.4	22, 10

FACULTY AND STAFF

Administrator Name(s): Fred Ball
Administrator's Hire Date: 7/14/2006
Administrator Email(s): fball@bcclc.com
Current Classified Staff (# FTE): 6.8
Classified Attrition Rate: 0%
Current Faculty (# FTE): 14.3
Faculty Attrition Rate: 6% over a 3 year period

EDUCATIONAL PROGRAM

Did your school make AYP during the last school year? yes

If no, please specify indicator and status:

If no, please describe plan for addressing need: Despite making AYP for th first time, BCCLC still needs to improve. The major components of our plan address individual student needs through the following: 1) individualized focus on identifying academic deficiencies; 2) development of specific learning plans to address identified needs; 3) extended remediation time to address identified needs

Was your school selected to participate in NAEP this year? no

REPORTING

Date of last programmatic operations audit? April 18, 2012

Date submitted to authorizer? September 27, 2012

Who performed your most recent programmatic audit? ICSN

Date of most recent fiscal audit? August 6, 2012

Date submitted to authorizer? September 27, 2012

COMMENTS

Please describe any significant changes experienced by your school in the past year:

Enrollment growth from 220 to 265

Please describe the greatest successes experienced by your school in the past year:

Our greates successes have been: managing growth, achieving AYP (and a 4 star rating), and work toward implementing the CCSS.

Please describe any challenges you anticipate during the upcoming year:

BCCLC's biggest challenge will continue to be enrollment growth. Second to that is full implementation of the CCSS .

Please add any additional information of which you would like to make your authorizer aware :

BCCLC also needs carefully monitor its expenditures to ensure that it remains within budget.

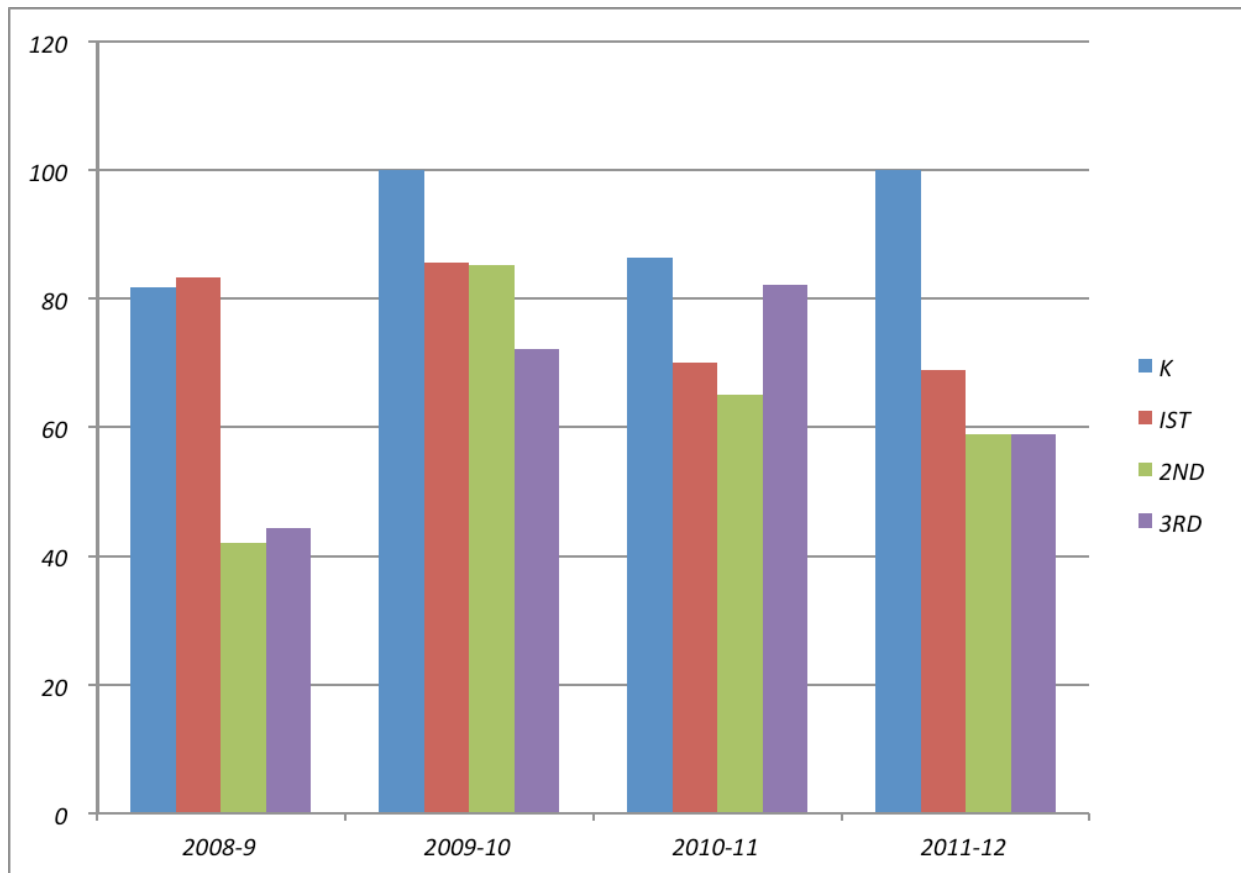
REQUIRED ATTACHMENTS

- Most recent ISAT, IRI, DWA, and DMA results (as applicable)
- Chart comparing ISAT, IRI, DWA, and DMA scores over the past four years of operation (as applicable)
- Goals attainment report comparing the measurable student educational standards in your charter to actual results.
- Written response to recommendations from most recent programmatic operations audit.
- Most recent parent/stakeholder satisfaction survey results
- Budget actuals for most recent month-end
- Budget estimates for remainder of current year, and fiscal outlook for next year

IRI SCORES: RECENT AND 4 YEAR COMPARISON

Blackfoot Charter 2011-2012 Spring IRI Results					
Grade	3	2	1	percentage 3's	percent of 1 & 2 with 5% + growth
k	62	0	0	100%	100%
1	31	8	6	69%	100%
2	23	6	10	59%	100%
3	16	6	5	59%	100%

Four Year Comparison
Fall Scores



ISAT SCORES: RECENT AND 4 YEAR COMPARISON

Spring, 2012

BCCLC made AYP for the third year

READING				
	Advanced	Proficient	Basic	Below Basic
3rd	7	13	3	0
4th	15	8	3	1
5th	8	4	2	0
Total	30	25	8	1

Percentage Pro. or Adv. (indexed) 90.0%
85.6% required

MATH				
	Advanced	Proficient	Basic	Below Basic
3rd	12	9	2	1
4th	8	14	4	1
5th	2	5	7	1
Total	22	28	13	3

Percentage Pro. or Adv. (indexed) 85.0%
83.0% required

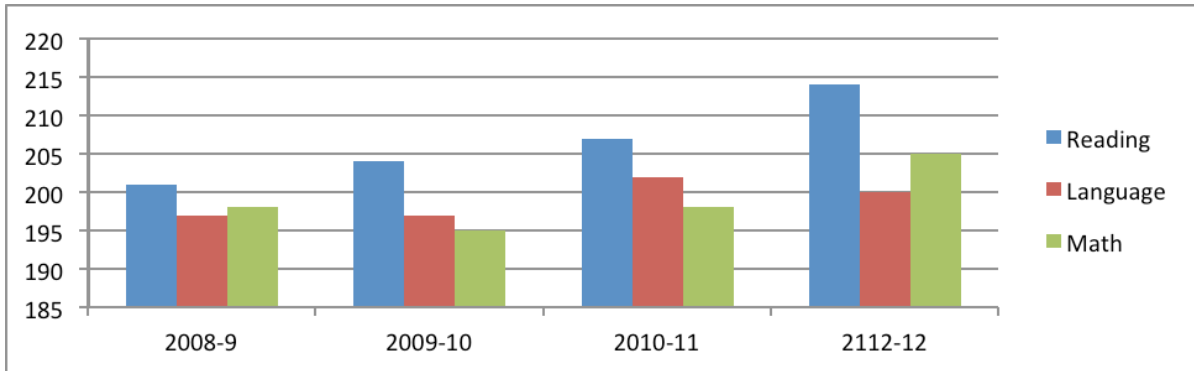
LANGUAGE USAGE				
	Advanced	Proficient	Basic	Below Basic
3rd	6	8	7	4
4th	14	8	4	1
5th	3	9	1	2
Total	23	25	12	7

Percentage Pro. or Adv. (indexed) 81.0%

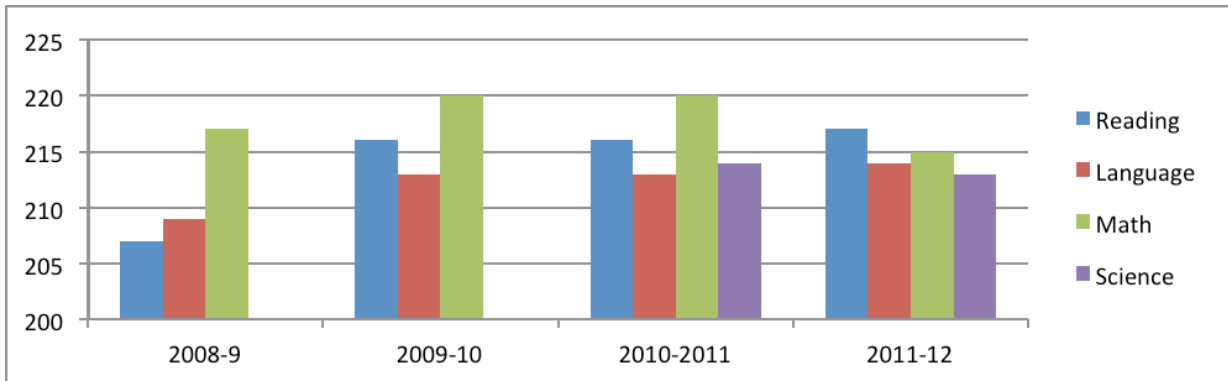
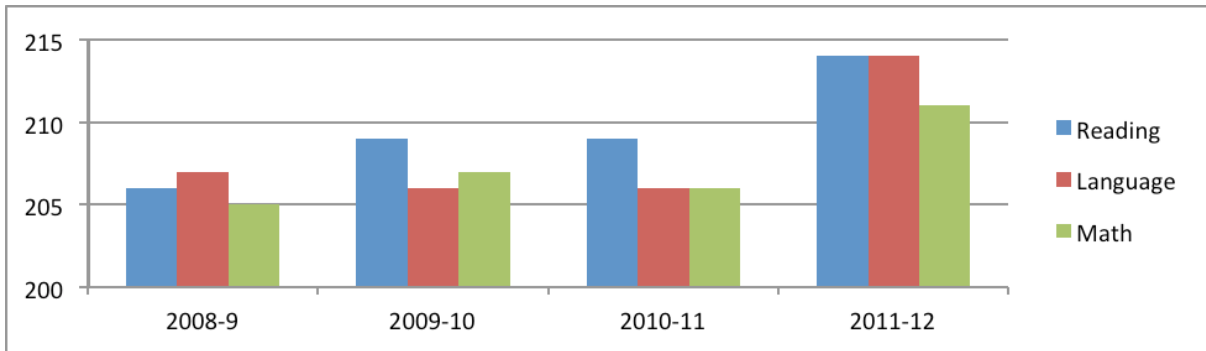
SCIENCE				
	Advanced	Proficient	Basic	Below Basic
5th	5	7	3	0
Percentage Pro. or Adv. (indexed)				90.0%

Four Year Comparison

3rd Grade



4th Grade



December 4, 2012

**Goals Attainment Report
Comparing the Measurable Student Educational Standards
To Actual Results**

Measurable Student Educational Standards (Charter Tab 4)

BCCLC will accomplish the following goals:

1. In the core subject areas of Math, Reading, Language Arts, and Science 80% of students will earn a grade of satisfactory or above as calculated by classroom assessments and recorded on quarterly and semester report cards.
2. 90% of students in grades K-3 will demonstrate reading competency by scoring proficient on the end of year (spring) Idaho Reading Indicator (IRI).
3. 85% of students in grades 3-5 will score proficient or above on the Idaho Standard Achievement Test (ISAT).
4. 80% of students in grades 3-5 will show at least one year's growth on the ISAT.

Progress in Meeting Standards

BCCLC has successfully met Standards 1 and 4. The school did not achieve Standard 2 or Standard 3.

With respect to Standard 2, the following percentages of student scored a 3 on the Spring 2012 IRI: K=100%; first grade= 69%; second grade= 61%; and third grade=59%. While the third grade has the lowest percentage scoring proficient on the IRI, they also achieved the highest Average Point Growth on the ISAT indicating that while speed may be slow, comprehension is high.

When BCCLC established the 90% level, it was viewed as a goal to stretch our efforts. PCSC personnel have since explained that these are basic standards, not goals. The Board of Directors are currently working on a charter amendment dealing with our measurable standards.

Once again, when Goal 3 was established it was viewed as a goal, not a basic standard and is currently under review. Nonetheless, BCCLC achieved AYP again this year and met Standard 3 in Reading and Math, but fell 4 points short in Language Usage.

Percentages of students who scored advance or proficient are as follows: Reading = 90.0%; Mathematics = 85.0%; Language Usage= 81.0%. While the school's academic goals exceed AYP standards, the Language Usage score was below 85% and did not meet the school's goal.

**WRITTEN RESPONSE TO MOST RECENT
IDAHO CHARTER SCHOOL NETWORK PROGRAMMATIC AUDIT
CONDUCTED APRIL 18, 2012
BLACKFOOT CHARTER COMMUNITY LEARNING CENTER**

Summary:

The Idaho Charter School Network (ICSN) conducted this programmatic audit by examined Blackfoot Charter Community Learning Center's (BCCLC) progress in achieving the following four goals:

- Goal #1. The charter school will fulfill all governance and administrative obligations as provided in state and federal law and in the school's charter;
- Goal #2. The charter school will demonstrate a successful academic program;
- Goal # 3. The charter school will show and plan for strong stakeholder support, involvement and satisfaction meets.
- Goal #4. The charter school will plan for short and long term continuous improvement.

To measure and assess these goals, the audit included a well-defined rubric. Three evaluators independently assess each item listed in the rubric. They then compiled and averaged the scores to obtain an overall rating.

In the areas of governance and administration, the rubric contained 32 specific measures; with respect to a successful academic program, there were 14 specific measures. In the area of Stakeholder support, there were 4 measures, and with respect to short and long term continuous improvement, there were 3.

The average scores BCCLC received in each of the areas were as follows:

Goal 1 = 93%

Goal 2 = 99%

Goal 3 = 97%

Goal 4 = 75%

Goal One Recommendations:

1. Create a process for new board member orientation and training.

Response:

BCCLC has developed a new procedure wherein a 10 to 30 minute board training session is included at each board meeting. When a new member is seated, the focus is on specific training dealing with board governance, finances, and the scope of board responsibilities both individually and collectively.

A handbook for board members has been developed so that all new board members are fully aware of relevant charter school law including Title 33, Chapter 52, and Idaho

Code, in addition to IDAPA 08.02.04, Rules Governing Public Charter Schools and IDAPA 08.03.01, Rules of the Public Charter School Commission.

2. Develop a personnel manual for your growing staff. It will help the school avoid challenges that may arise with a larger staff.

Response:

BCCLC has created a team of teachers who are working to develop this manual. The goal is to complete it by the end of the 2012-2013 school year.

3. Board training and self-evaluation continue to be recommended.

Response:

A portion of each board meeting is now set aside and on the agenda for each board meeting. The board has adopted and implemented a self-evaluation instrument and process. The results of this self-evaluation will be assessed at the November meeting.

The board has also established a plan for annual training in conjunction with the ICSN and the ISBA board training sessions.

4. Consider utilizing some of the additional administrative support to get the strategic plan into a comprehensive document for ongoing guidance and progress monitoring.

Response:

The board has not yet addressed this recommendation.

5. Work with financial auditor to outline procedures and eliminate segregation of duties concerns.

Response:

The school's auditor has recommended that the segregation of duties concern could be overcome if the two charter schools in Blackfoot were to create a procedure where the business managers cross checked each other's books and accounts. Both boards have discussed this possibility. If a decision is made to move ahead with this, a detailed process that addresses confidentiality and security concerns will be developed.

Goal Two Recommendations:

1. Continue to seek opportunities for data informed decision making and progress monitoring; especially as ISEE is more available and timely data can be accessed.

Response:

BCCLC has implemented a new assessment/data-gathering procedure using AimsWeb assessment to provide grade appropriate assessment data that is easily tracked.

2. Take advantage of some of the Common Core training for teachers.

Response:

This past summer and into this fall, several BCCLC teachers have attended state sponsored CCSS training as well as the annual TIA conference at ISU.

3. Documentation of the critical attributes of the school program will help insure that BCCLC retains its identity and success as growth occurs and new staff are added or student teachers are incorporated. Invest time and resources in closer analysis of state testing performance of students.

Response:

BCCLC will continue to invest a significant amount of time and resources in closely analyzing state test performance of its students. Current efforts in this area have yielded positive results demonstrated by a steady, continuous growth in scores over the past three year.

Goal Three Recommendations:

1. Continue annual surveys for stakeholder feedback and consider exploring some issues more deeply.

Response:

BCCLC will continue to survey both parents and students in its efforts to continuously improve. The board is committed to gathering both quantitative and qualitative data to monitor progress for individual students, teachers, administrators, and the board. The goal is to ensure that school as a whole will remain on a course of continuous improvement. In order to explore issues more deeply, the 2012-2013 survey will ask for more opened-ended questions where parents have an opportunity to express their views in greater detail.

2. Continue to engage parents about facility so that these don't become larger concerns. I.e. parking lot and playground safety, adequacy of common space and restrooms.

Response:

The BCCLC board and administration has continually made extensive efforts to update stakeholders on the school's facilities and concerns regarding our growth. Some of the responses in this year's Parent Satisfaction Survey address these concerns. These are included in the summary of survey responses below.

December 4, 2012

**Blackfoot Charter Community Learning Center
Parent/Guardian School Satisfaction Survey
2011-2012**

Summary:

There are 151 families that send children to BCCLC. Of these, 72 or 48% responded to the survey.

The 5 questions asked:

1. Why did you choose to enroll your child in this school?
2. Are you pleased with the academic progress of your child? Please tell us why you feel this way.
3. Do you feel that communication from the school is effective? Please tell us why you feel this way.
4. Please tell us what you like best about the school.
5. What would you recommend to improve BCCLC?

Question 2 and question 3 asked for a yes or no answer, plus a comments section. For question #2, 71 of the 72 responses (98.6%) were positive, 1 (1.4%) was negative, and 2 (2.7%) were both yes and no.

For question #3, results were similar with 68 of the responses (94.4%) answering yes, 2 (2.7%) answering no, and 2 (2.7%) were both yes and no. The other three questions required narrative answers that yielded valuable qualitative data.

December 4, 2012

COPY OF SEPTEMBER 30, 2012

BUDGET TEMPLATE

INCLUDING

PROPOSED FY13 BUDGET

ACTUAL EXPENDITURES THROUGH
MOST RECENT MONTH END

PROJECTED YEAR-END EXPENDITURES

AND

PROPOSED REVENUE AND EXPENDITURES

FOR FY14

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER SEPTEMBER 30, 2012	Proposed (Board Approved Budget for Fiscal Year)	Actual (Through Most Recent Month End)	Projected (Anticipated Year- End Numbers)	Percentage Used (Actual / Proposed)	Notes
REVENUE					
Salary Apportionment	\$536,038.00	\$260,934.00	\$536,038.00	48.68%	calculated on actual enrollment of 265
Benefit Apportionment	\$96,701.00		\$96,701.00	0.00%	calculated on actual enrollment of 265
Entitlement	\$224,648.00	\$101,156.00	\$224,648.00	45.03%	calculated at ADA of 95% equals 11.41 units
State Transportation	\$61,204.00		\$61,204.00	0.00%	based on FY12 transportation revenue
Lottery	\$8,200.00		\$8,200.00	0.00%	
Other State Funds (Specify)	\$7,564.00		\$7,564.00	0.00%	includes classroom technology and reading initiative revenues
Special Ed - Regular	\$37,248.00		\$37,248.00	0.00%	based on FY13 IDEA Part B Application
Special Ed - ARRA				#DIV/0!	
Title I	\$33,305.00		\$33,305.00	0.00%	Projection based on FY12 allocation
Federal Title I Funds : ARRA				#DIV/0!	
Medicaid Reimbursement				#DIV/0!	
Title IIA	\$4,500.00		\$4,500.00	0.00%	for professional development, base on FY12 allocation
Local Revenue (Specify)	\$4,500.00	\$1,347.61	\$4,500.00	29.95%	contributions from PAC
Federal Startup Grant				#DIV/0!	
Other Grants (Specify)				#DIV/0!	
Fundraising				#DIV/0!	
Interest Earned	\$120.00	\$48.92	\$120.00	40.77%	interest on Money market account
Other (Specify)	\$28,000.00		\$28,000.00	0.00%	REAP Grant
Other (Specify)	\$7,800.00	\$5,000.00	\$7,800.00	64.10%	Project lead Grant and travel reimbursement
TOTAL REVENUE	\$1,049,828.00	\$368,486.53	\$1,049,828.00	35.10%	
EXPENDITURES					
100 Salaries					
Teachers	\$426,168.00	\$107,153.93	\$422,000.00	25.14%	
Special Education	\$15,500.00	\$1,470.91	\$15,500.00	9.49%	
Instructional Aides	\$1,200.00	\$254.20	\$1,200.00	21.18%	
Classified/Office	\$10,500.00	\$2,492.38	\$10,500.00	23.74%	
Administration	\$63,650.00	\$15,525.00	\$63,650.00	24.39%	
Maintenance	\$21,000.00	\$4,626.30	\$21,000.00	22.03%	
Other (Specify)	\$20,000.00	\$4,999.99	\$23,540.00	25.00%	business manager
Other (Specify)	\$14,000.00	\$3,294.68	\$14,000.00	23.53%	grant writer/development officer
Total Salaries	\$572,018.00	\$139,817.39	\$571,390.00	24.44%	
200 Employee Benefits					
PERS/FICA/Benefits	\$84,360.00	\$21,157.20	\$84,360.00	25.08%	
Other (Specify)	\$80,840.00	\$19,209.09	\$80,840.00	23.76%	health insurance
Total Benefits	\$165,200.00	\$40,366.29	\$165,200.00	24.43%	
300 Purchased Services					
Management Services				#DIV/0!	
Staff Dev/Title IIA	\$4,500.00	\$0.00	\$4,500.00	0.00%	
Legal Pub/Advertising	\$4,400.00	\$1,540.00	\$4,400.00	35.00%	
Legal Services	\$500.00	\$0.00	\$500.00	0.00%	
Special Education	\$500.00	\$0.00	\$500.00	0.00%	
Liability & Property Ins	\$3,500.00	\$1,579.50	\$3,500.00	45.13%	
Substitute Teachers	\$2,350.00	\$70.00	\$2,350.00	2.98%	
Board Expenses	\$300.00	\$0.00	\$300.00	0.00%	
Computer Services	\$16,500.00	\$560.36	\$16,500.00	3.40%	
Transportation	\$70,350.00	\$7,335.11	\$70,350.00	10.43%	
Travel	\$3,220.00	\$1,490.84	\$3,220.00	46.30%	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Total Services	\$106,120.00	\$12,575.81	\$106,120.00	11.85%	
Facilities					
Building Lease				#DIV/0!	
Land Lease				#DIV/0!	
Modular Lease				#DIV/0!	
Utilities, Phones, Lndscp	\$15,400.00	\$2,369.99	\$15,400.00	0.45%	
Site Preparation				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Total Facilities	\$15,400.00	\$2,369.99	\$15,400.00	15.39%	
400 Supplies and Maintenance					
Textbooks	\$7,000.00	\$6,843.67	\$7,000.00	97.77%	
School Supplies	\$3,600.00	\$2,656.32	\$3,600.00	73.79%	
Power School	\$0.00	\$0.00	\$0.00	#DIV/0!	Student Information system software license
Custodial Supplies	\$5,800.00	\$3,772.74	\$5,800.00	65.05%	
Other (Specify)	\$6,500.00	\$2,163.24	\$6,500.00	33.28%	office/admin supplies and materials
Other (Specify)	\$3,000.00	\$786.90	\$3,000.00	26.23%	copy machine
Total Supplies	\$25,900.00	\$16,222.87	\$25,900.00	62.64%	
500 Capital Objects					
Furniture				#DIV/0!	
Technical AV Equipment				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Total Capital Objects	\$0.00	\$0.00	\$0.00	#DIV/0!	
Debt Service					
Specify	\$67,204.00	\$16,800.24	\$67,204.00	25.00%	building/loan payments to Bank of Idaho and USDA
Specify				#DIV/0!	
Specify				#DIV/0!	
Total Debt Service	\$67,204.00	\$16,800.24	\$67,204.00	25.00%	
Grant Purchases					
Specify	\$33,305.00	\$5,545.12	\$33,305.00	16.65%	Title I salaries
Specify	\$37,248.00	\$7,798.67	\$31,000.00	20.94%	Sp ed/speech therapy salary
Specify	\$28,000.00	\$0.00	\$28,000.00	0.00%	REAP Grant expenses
Specify				#DIV/0!	
Specify				#DIV/0!	
Total Grant Purchases	\$98,553.00	\$13,343.79	\$92,305.00	13.54%	
Reserve Fund				#DIV/0!	
Building Fund				#DIV/0!	
Total Expenses	\$1,050,395.00	\$241,496.38	\$1,043,519.00	22.99%	
Carryover from Previous FY	\$34,612.00	\$34,612.00	\$34,612.00	100.00%	
Reserve/(Deficit)	\$34,045.00	\$161,602.15	\$40,921.00	474.67%	

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER PROPOSED BUDGET FOR FY14	Proposed Budget	Notes
REVENUE		
Local Revenue	\$2,500.00	contributions from PAC
State Revenue	\$9,600.00	calculated on enrollment projection of 300
Entitlement	\$262,090.00	calculated at ADA of 95% equals 13.1 units
Wages		
Administration	\$62,840.00	From SBA worksheet
Teachers	\$457,652.00	From SBA worksheet
Classified	\$93,464.00	From SBA worksheet
Medicaid		
Benefit	\$110,758.00	From SBA worksheet
Transportation		
Federal Revenue		
Title I	\$33,305.00	based on FY12 allocation
Special Ed	\$38,000.00	based on FY12 allocation
Title II	\$4,500.00	based on FY12 allocation
Startup Grant		
Other Sources (Specify)	\$28,000.00	REAP Grant
Other Sources (Specify)		
Other Sources (Specify)		
Total Revenue before holdback	\$1,102,709.00	
PROPOSED HOLDBACK		
Teacher Salaries		Holdbacks should be estimated at a minimum of 5% - 5.5% for FY 2011.
Classified Salaries		
Admin Salaries		
Benefits		
Entitlement		
Transportation		
Total Holdback	\$0.00	
Total Revenue after holdback	\$1,102,709.00	
EXPENDITURES		
100 Salaries		
Teachers	\$485,100.00	
Admin	\$63,650.00	
Classified	\$10,500.00	
Special education	\$15,000.00	
Other (Specify)	\$20,000.00	business manager
Other (Specify)	\$21,000.00	custodian/maintenance
Total Salaries	\$615,250.00	
200 Benefits		
Benefit Dollars		
PERSI/Payroll taxes	\$90,400.00	
Other (Specify)	\$85,360.00	
Total Benefits	\$175,760.00	
300 Purchased Services		
Transportation	\$70,350.00	
Special Education	\$500.00	
Proctor costs	\$0.00	
Legal	\$200.00	
Insurance	\$3,500.00	
Copier Lease	\$0.00	
Printer Lease	\$0.00	
Facility Lease	\$0.00	
Utilities	\$16,000.00	
Professional Development	\$4,500.00	
Technology	\$16,500.00	
Management Services	\$0.00	
Legal Publications/Advertising	\$4,500.00	
Substitute Teachers	\$2,350.00	
Board Expenses	\$500.00	
Other (Specify)		
Other (Specify)		
Total Purchased Services	\$118,900.00	
Supplies & Materials		
Teacher/Classroom	\$3,800.00	
Office	\$6,500.00	
Janitorial	\$5,800.00	
Textbooks	\$8,000.00	
Other (Specify)		
Other (Specify)		
Total Supplies & Materials	\$24,100.00	
Grant Expenditures		
Specify	\$33,305.00	Title I
Specify	\$31,000.00	Sp. Ed
Specify	\$28,000.00	REAP Grant
Total Grant Expenditures	\$92,305.00	
Capital Outlay		
Total Capital Outlay	\$0.00	
Debt Retirement		
Total Debt Retirement	\$67,204.00	
Insurance & Judgements		
Total Insurance & Judgements	\$0.00	
Transfers		

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER SEPTEMBER 30, 2012	Proposed (Board Approved Budget for Fiscal Year)	Actual (Through Most Recent Month End)	Projected (Anticipated Year-End Numbers)	Percentage Used (Actual / Proposed)	Notes
REVENUE					
Salary Apportionment	\$536,038.00	\$260,934.00	\$536,038.00	48.68%	calculated on actual enrollment of 265
Benefit Apportionment	\$96,701.00		\$96,701.00	0.00%	calculated on actual enrollment of 265
Entitlement	\$224,648.00	\$101,156.00	\$224,648.00	45.03%	calculated at ADA of 95% equals 11.41 units
State Transportation	\$61,204.00		\$61,204.00	0.00%	based on FY12 transportation revenue
Lottery	\$8,200.00		\$8,200.00	0.00%	
Other State Funds (Specify)	\$7,564.00		\$7,564.00	0.00%	includes classroom technology and reading initiative revenues
Special Ed - Regular	\$37,248.00		\$37,248.00	0.00%	based on FY13 IDEA Part B Application
Special Ed - ARRA				#DIV/0!	
Title I	\$33,305.00		\$33,305.00	0.00%	Projection based on FY12 allocation
Federal Title I Funds : ARRA				#DIV/0!	
Medicaid Reimbursement				#DIV/0!	
Title IIA	\$4,500.00		\$4,500.00	0.00%	for professional development, base on FY12 allocation
Local Revenue (Specify)	\$4,500.00	\$1,347.61	\$4,500.00	29.95%	contributions from PAC
Federal Startup Grant				#DIV/0!	
Other Grants (Specify)				#DIV/0!	
Fundraising				#DIV/0!	
Interest Earned	\$120.00	\$48.92	\$120.00	40.77%	interest on Money market account
Other (Specify)	\$28,000.00		\$28,000.00	0.00%	REAP Grant
Other (Specify)	\$7,800.00	\$5,000.00	\$7,800.00	64.10%	Project lead Grant and travel reimbursement
TOTAL REVENUE	\$1,049,828.00	\$368,486.53	\$1,049,828.00	35.10%	
EXPENDITURES					
100 Salaries					
Teachers	\$426,168.00	\$107,153.93	\$422,000.00	25.14%	
Special Education	\$15,500.00	\$1,470.91	\$15,500.00	9.49%	
Instructional Aides	\$1,200.00	\$254.20	\$1,200.00	21.18%	
Classified/Office	\$10,500.00	\$2,492.38	\$10,500.00	23.74%	
Administration	\$63,650.00	\$15,525.00	\$63,650.00	24.39%	
Maintenance	\$21,000.00	\$4,626.30	\$21,000.00	22.03%	
Other (Specify)	\$20,000.00	\$4,999.99	\$23,540.00	25.00%	business manager
Other (Specify)	\$14,000.00	\$3,294.68	\$14,000.00	23.53%	grant writer/development officer
Total Salaries	\$572,018.00	\$139,817.39	\$571,390.00	24.44%	
200 Employee Benefits					
PERSI/FICA/Benefits	\$84,360.00	\$21,157.20	\$84,360.00	25.08%	
Other (Specify)	\$80,840.00	\$19,209.09	\$80,840.00	23.76%	health insurance
Total Benefits	\$165,200.00	\$40,366.29	\$165,200.00	24.43%	
300 Purchased Services					
Management Services				#DIV/0!	
Staff Dev/Title IIA	\$4,500.00	\$0.00	\$4,500.00	0.00%	
Legal Pub/Advertising	\$4,400.00	\$1,540.00	\$4,400.00	35.00%	
Legal Services	\$500.00	\$0.00	\$500.00	0.00%	
Special Education	\$500.00	\$0.00	\$500.00	0.00%	
Liability & Property Ins	\$3,500.00	\$1,579.50	\$3,500.00	45.13%	
Substitute Teachers	\$2,350.00	\$70.00	\$2,350.00	2.98%	
Board Expenses	\$300.00	\$0.00	\$300.00	0.00%	
Computer Services	\$16,500.00	\$560.36	\$16,500.00	3.40%	
Transportation	\$70,350.00	\$7,335.11	\$70,350.00	10.43%	
Travel	\$3,220.00	\$1,490.84	\$3,220.00	46.30%	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Total Services	\$106,120.00	\$12,575.81	\$106,120.00	11.85%	
Facilities					
Building Lease				#DIV/0!	
Land Lease				#DIV/0!	
Modular Lease				#DIV/0!	
Utilities, Phones, Lndscp	\$15,400.00	\$2,369.99	\$15,400.00	0.45%	

December 4, 2012

CURRENT FISCAL YEAR BUDGET COMPARISON

Site Preparation				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Total Facilities	\$15,400.00	\$2,369.99	\$15,400.00	15.39%	
400 Supplies and Maintenance					
Textbooks	\$7,000.00	\$6,843.67	\$7,000.00	97.77%	
School Supplies	\$3,600.00	\$2,656.32	\$3,600.00	73.79%	
Power School	\$0.00	\$0.00	\$0.00	#DIV/0!	Student Information system software license
Custodial Supplies	\$5,800.00	\$3,772.74	\$5,800.00	65.05%	
Other (Specify)	\$6,500.00	\$2,163.24	\$6,500.00	33.28%	office/admin supplies and materials
Other (Specify)	\$3,000.00	\$786.90	\$3,000.00	26.23%	copy machine
Total Supplies	\$25,900.00	\$16,222.87	\$25,900.00	62.64%	
500 Capital Objects					
Furniture				#DIV/0!	
Technical AV Equipment				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Other (Specify)				#DIV/0!	
Total Capital Objects	\$0.00	\$0.00	\$0.00	#DIV/0!	
Debt Service					
Specify	\$67,204.00	\$16,800.24	\$67,204.00	25.00%	building/loan payments to Bank of Idaho and USDA
Specify				#DIV/0!	
Specify				#DIV/0!	
Total Debt Service	\$67,204.00	\$16,800.24	\$67,204.00	25.00%	
Grant Purchases					
Specify	\$33,305.00	\$5,545.12	\$33,305.00	16.65%	Title I salaries
Specify	\$37,248.00	\$7,798.67	\$31,000.00	20.94%	Sp ed/speech therapy salary
Specify	\$28,000.00	\$0.00	\$28,000.00	0.00%	REAP Grant expenses
Specify				#DIV/0!	
Specify				#DIV/0!	
Total Grant Purchases	\$98,553.00	\$13,343.79	\$92,305.00	13.54%	
Reserve Fund				#DIV/0!	
Building Fund				#DIV/0!	
Total Expenses	\$1,050,395.00	\$241,496.38	\$1,043,519.00	22.99%	
Carryover from Previous FY	\$34,612.00	\$34,612.00	\$34,612.00	100.00%	
Reserve/(Deficit)	\$34,045.00	\$161,602.15	\$40,921.00	474.67%	

December 4, 2012

UPCOMING FISCAL YEAR BUDGET COMPARISON

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER PROPOSED BUDGET FOR FY14	Proposed Budget	Notes
REVENUE		
Local Revenue	\$2,500.00	contributions from PAC
State Revenue	\$9,600.00	calculated on enrollment projection of 300
Entitlement	\$262,090.00	calculated at ADA of 95% equals 13.1 units
Wages		
Administration	\$62,840.00	From SBA worksheet
Teachers	\$457,652.00	From SBA worksheet
Classified	\$93,464.00	From SBA worksheet
Medicaid		
Benefit	\$110,758.00	From SBA worksheet
Transportation		
Federal Revenue		
Title I	\$33,305.00	based on FY12 allocation
Special Ed	\$38,000.00	based on FY12 allocation
Title II	\$4,500.00	based on FY12 allocation
Startup Grant		
Other Sources (Specify)	\$28,000.00	REAP Grant
Other Sources (Specify)		
Other Sources (Specify)		
Total Revenue before holdback	\$1,102,709.00	
PROPOSED HOLDBACK		
		Holdbacks should be estimated at a minimum of 5% - 5.5% for FY 2011.
Teacher Salaries		
Classified Salaries		
Admin Salaries		
Benefits		
Entitlement		
Transportation		
Total Holdback	\$0.00	
Total Revenue after holdback	\$1,102,709.00	
EXPENDITURES		
100 Salaries		
Teachers	\$485,100.00	
Admin	\$63,650.00	
Classified	\$10,500.00	
Special education	\$15,000.00	
Other (Specify)	\$20,000.00	business manager
Other (Specify)	\$21,000.00	custodian/maintenance
Total Salaries	\$615,250.00	
200 Benefits		
Benefit Dollars		
PERSI/Payroll taxes	\$90,400.00	
Other (Specify)	\$85,360.00	
Total Benefits	\$175,760.00	
300 Purchased Services		
Transportation	\$70,350.00	
Special Education	\$500.00	
Proctor costs	\$0.00	
Legal	\$200.00	
Insurance	\$3,500.00	
Copier Lease	\$0.00	
Printer Lease	\$0.00	
Facility Lease	\$0.00	
Utilities	\$16,000.00	
Professional Development	\$4,500.00	
Technology	\$16,500.00	
Management Services	\$0.00	

December 4, 2012

UPCOMING FISCAL YEAR BUDGET COMPARISON

Legal Publications/Advertising	\$4,500.00	
Substitute Teachers	\$2,350.00	
Board Expenses	\$500.00	
Other (Specify)		
Other (Specify)		
Total Purchased Services	\$118,900.00	
Supplies & Materials		
Teacher/Classroom	\$3,800.00	
Office	\$6,500.00	
Janitorial	\$5,800.00	
Textbooks	\$8,000.00	
Other (Specify)		
Other (Specify)		
Total Supplies & Materials	\$24,100.00	
Grant Expenditures		
Specify	\$33,305.00	Title I
Specify	\$31,000.00	Sp. Ed
Specify	\$28,000.00	REAP Grant
Total Grant Expenditures	\$92,305.00	
Capital Outlay		
Total Capital Outlay	\$0.00	
Debt Retirement		
Total Debt Retirement	\$67,204.00	
Insurance & Judgements		
Total Insurance & Judgements	\$0.00	
Transfers		
Total Transfers	\$0.00	
Contingency Reserve	\$0.00	
Building Fund	\$0.00	
Total Expenditures	\$1,093,519.00	
Carryover from Previous FY	\$40,921.00	Reflects projected reserve/(deficit) from "current year" worksheet
Reserve/(Deficit)	\$50,111.00	

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

FINANCIAL STATEMENTS

Year Ended June 30, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

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December 4, 2012

FINANCIAL SECTION

December 4, 2012

Folke CPAs, P.C.

Timothy S. Folke – Kurt R. Folke

P.O. Box 100, Payette, Idaho 83661

www.folkecpas.com, folkecpas@srvinet.com

P: 208-642-1417, F: 208-642-1582

Independent Auditor's Report

Board of Directors
Blackfoot Charter Community Learning Center

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blackfoot Charter Community Learning Center (the School) as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2012 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the School will continue as a going concern. As discussed in note H to the financial statements, the School is facing financial difficulties. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in note H. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2012 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

December 4, 2012

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary information listed as required supplemental information in the table of contents be presented to supplement the basic financial statements. Such information, although not required to be a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the management's discussion and analysis information that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's financial statements as a whole. The accompanying combining fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Folke CPAs, P.C.

August 6, 2012

December 4, 2012

BASIC FINANCIAL STATEMENTS

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Statement of Net Assets

June 30, 2012

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash	\$58,248
Receivables:	
Local Sources	
State Sources	9,375
Federal Sources	645
Prepaid Expenses	45,790
Total Current Assets	<u>114,058</u>
Noncurrent Assets	
Nondepreciable Capital Assets	95,000
Depreciable Net Capital Assets	719,521
Total Noncurrent Assets	<u>814,521</u>
Total Assets	<u><u>\$928,579</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$8,046
Salaries & Benefits Payable	70,755
Deferred Revenue	645
Long-Term Debt, Current	32,457
Total Current Liabilities	<u>111,903</u>
Noncurrent Liabilities	
Long-Term Debt, Noncurrent	722,802
Total Noncurrent Liabilities	<u>722,802</u>
Total Liabilities	<u>834,705</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	59,262
Restricted:	
Special Programs	0
Debt Service	32,016
Capital Projects	0
Unrestricted	2,596
Total Net Assets	<u>93,874</u>
Total Liabilities and Net Assets	<u><u>\$928,579</u></u>

See Accompanying Notes

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December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Statement of Activities
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Revenue And Changes in Net Assets
					Governmental Activities
Governmental Activities					
Instructional Programs					
Elementary School	\$535,426		\$67,046		(\$468,380)
Exceptional Child	53,350		28,884		(24,466)
Gifted & Talented	0				0
Support Service Programs					
Educational Media	0				0
School Administration	89,290				(89,290)
Business Operation	26,268				(26,268)
Buildings - Care	46,116				(46,116)
Maintenance - Student Occupied	21,709				(21,709)
Maintenance - Grounds	1,312				(1,312)
Pupil-To-School Transportation	34,725				(34,725)
Non-Instructional Programs					
Capital Assets - Student Occupied	32,987				(32,987)
Capital Assets - Non-Student Occupied	0				0
Debt Service - Principal	0				0
Debt Service - Interest	44,711				(44,711)
Total	<u>\$885,894</u>	<u>\$0</u>	<u>\$95,930</u>	<u>\$0</u>	<u>(789,964)</u>
General Revenues					
Local Revenue					84
State Revenue					792,787
Federal Revenue					0
Total					<u>792,871</u>
Change in Net Assets					
					2,907
Net Assets - Beginning					
					<u>90,967</u>
Net Assets - Ending					
					<u>\$93,874</u>

See Accompanying Notes

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December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 1 of 3

Balance Sheet - Governmental Funds

June 30, 2012

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Assets		
Cash	\$50,273	\$7,975
Receivables:		
Local Sources		0
State Sources	9,375	0
Federal Sources		645
Due From Other Funds		0
Prepaid Expenses	45,790	0
Total Assets	<u>\$105,438</u>	<u>\$8,620</u>
Liabilities		
Accounts Payable	\$8,046	\$0
Due To Other Funds		0
Salaries & Benefits Payable	62,780	7,975
Deferred Revenue		645
Total Liabilities	<u>70,826</u>	<u>8,620</u>
Fund Balances		
Restricted:		
Special Programs		0
Debt Service	32,016	0
Capital Projects		0
Nonspendable	45,790	0
Unassigned (Deficit)	(43,194)	0
Total Fund Balances	<u>34,612</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$105,438</u>	<u>\$8,620</u>

See Accompanying Notes

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December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 2 of 3

Balance Sheet - Governmental Funds

June 30, 2012

	Total Governmental Funds
	<u> </u>
Assets	
Cash	\$58,248
Receivables:	
Local Sources	0
State Sources	9,375
Federal Sources	645
Due From Other Funds	0
Prepaid Expenses	45,790
Total Assets	<u><u>\$114,058</u></u>
Liabilities	
Accounts Payable	\$8,046
Due To Other Funds	0
Salaries & Benefits Payable	70,755
Deferred Revenue	645
Total Liabilities	<u><u>79,446</u></u>
Fund Balances	
Restricted:	
Special Programs	0
Debt Service	32,016
Capital Projects	0
Nonspendable	45,790
Unassigned (Deficit)	(43,194)
Total Fund Balances	<u><u>34,612</u></u>
Total Liabilities and Fund Balances	<u><u>\$114,058</u></u>

See Accompanying Notes

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December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 3 of 3

Balance Sheet - Governmental Funds

June 30, 2012

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

Total Governmental Fund Balances \$34,612

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 814,521

Certain liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds. (755,259)

Net Assets of Governmental Activities \$93,874

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 1 of 3
 Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Governmental Funds
 Year Ended June 30, 2012

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Revenues		
Local Revenue	\$84	\$0
State Revenue	\$792,787	7,014
Federal Revenue	333	88,583
Total Revenues	<u>793,204</u>	<u>95,597</u>
Expenditures		
Instructional Programs		
Elementary School	468,713	66,713
Exceptional Child	24,466	28,884
Gifted & Talented		0
Support Service Programs		
Educational Media		0
School Administration	89,290	0
Business Operation	26,268	0
Buildings - Care	46,116	0
Maintenance - Student Occupied	21,709	0
Maintenance - Grounds	1,312	0
Pupil-To-School Transportation	34,725	0
Non-Instructional Programs		
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		0
Debt Service - Principal	25,001	0
Debt Service - Interest	44,711	0
Total Expenditures	<u>782,311</u>	<u>95,597</u>
Excess (Deficiency) of Revenues Over Expenditures	10,893	0
Other Financing Sources (Uses)		
Proceeds from Debt	48,000	0
Transfers In		0
Transfers Out		0
Total Other Financing Sources (Uses)	<u>48,000</u>	<u>0</u>
Net Change in Fund Balances	58,893	0
Fund Balances - Beginning	(24,281)	0
Fund Balances - Ending	<u>\$34,612</u>	<u>\$0</u>

See Accompanying Notes

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December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 2 of 3
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2012

	Total Governmental Funds
Revenues	
Local Revenue	\$84
State Revenue	799,801
Federal Revenue	88,916
Total Revenues	<u>888,801</u>
Expenditures	
Instructional Programs	
Elementary School	535,426
Exceptional Child	53,350
Gifted & Talented	0
Support Service Programs	
Educational Media	0
School Administration	89,290
Business Operation	26,268
Buildings - Care	46,116
Maintenance - Student Occupied	21,709
Maintenance - Grounds	1,312
Pupil-To-School Transportation	34,725
Non-Instructional Programs	
Capital Assets - Student Occupied	0
Capital Assets - Non-Student Occupied	0
Debt Service - Principal	25,001
Debt Service - Interest	44,711
Total Expenditures	<u>877,908</u>
Excess (Deficiency) of Revenues Over Expenditures	10,893
Other Financing Sources (Uses)	
Proceeds from Debt	48,000
Transfers In	0
Transfers Out	0
Total Other Financing Sources (Uses)	<u>48,000</u>
Net Change in Fund Balances	58,893
Fund Balances - Beginning	<u>(24,281)</u>
Fund Balances - Ending	<u><u>\$34,612</u></u>

See Accompanying Notes

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December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 3 of 3
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
Year Ended June 30, 2012

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the
Statement of Activities**

Net Change in Fund Balances - Total Governmental Funds \$58,893

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures.
However, in the statement of activities the cost of those assets is
allocated over their estimated useful lives as depreciation expense.
This is the excess of capital outlays over (under) depreciation (32,987)

Net repayment of debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term debt in
the statement of net assets. (22,999)

Change in Net Assets of Governmental Activities \$2,907

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – Blackfoot Charter Community Learning Center (the School) is organized as a nonprofit corporation providing public charter school educational services as authorized by Section 33 of Idaho Code.

Idaho Code Section 33-5210(3) requires charter schools to comply with the same financial reporting requirements imposed on traditional public school districts, i.e. – on a governmental, rather than nonprofit, basis of accounting. Additionally, enabling legislation creates charter schools as public entities, i.e. – as public schools, subject to provisions common with other governmental entities as set forth in Idaho Code Section 33-5204. Accordingly, the School's basis of presentation follows the governmental, rather than nonprofit, reporting model.

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental nonprofit organizations. The significant accounting policies of the School are described below.

Basic Financial Statements - Government-Wide Statements – The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. Currently, all the School's activities are categorized as governmental activities.

In the government-wide statement of net assets, the activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School's net assets may be reported in three parts - invested in capital assets, net of related debt (when related debt exists), restricted net assets, and unrestricted net assets. The School first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues as reported in the statement of activities. The statement of activities reduces gross expenses (including depreciation when recorded) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Internal activity between funds (when two or more funds are involved) is eliminated in the government-wide statement of activities. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenues.

The School reports expenditures in accordance with the State Department of Education's "Idaho Financial Accounting Reporting Management System" (IFARMS). IFARMS categorizes all expenditures by function, program and object. Accordingly, there is no allocation of indirect costs.

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

The government-wide focus is more on the sustainability of the School as an entity and the change in the School's net assets resulting from the current year's activities. Fiduciary funds, when present, are not included in the government-wide statements.

Basic Financial Statements - Fund Financial Statements – The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures/expenses of the funds) for the determination of major funds. Major governmental funds of the School include:

General Fund – The general fund is the School's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Activities in the government-wide financial statements are presented on the accrual basis of accounting and are required to follow both governmental accounting standards board pronouncements and financial accounting standards board pronouncements issued through November 30, 1989. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within thirty days after year end. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which, if any, are recognized when due and payable.

The School may report deferred revenue on its financial statements. For the fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the revenue is recognized. For both the government-wide and fund financial statements, certain grant revenues are only recognized to the extent they have been used for qualifying expenditures; any excess revenues are reported as deferred revenue.

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

Cash – Nearly all the cash balances of the School’s funds are pooled for investment purposes. The individual funds’ portions of the pooled cash are reported in each fund as cash. Interest earned on pooled cash is allocated to the various funds in proportion to each fund’s respective investment balance.

Receivables – Receivables are reported net of any estimated uncollectible amounts.

Inventories – Material supplies on hand at year end are stated at cost using the first-in, first-out method.

Capital Assets and Depreciation – Significant capital asset acquisitions with an original cost of \$5,000 or more are recorded at cost if purchased or fair value if contributed. Minor repairs and maintenance are expensed as incurred. Depreciation over the estimated useful lives of depreciable assets is recorded using the straight line method.

Compensated Absences and Post-Retirement Benefits – The School provides certain compensated absences to its employees. The estimated amount of compensation for future amounts is deemed to be immaterial and, accordingly, no liability is recorded. Government accounting standards board statement 45 requires employers to accrue future estimated post-retirement benefits on the employer’s government-wide financial statements when such benefits are deemed material to the employer. The future estimated post-retirement benefits are deemed immaterial to the School, and accordingly, are not reflected on the government-wide financial statements.

Net Assets – Net assets is the difference between assets and liabilities. Net assets invested in capital assets - net of related debt, are capital assets net of accumulated depreciation and reduced by any outstanding debt related to the financing of those assets. Restricted net assets are net assets less related debt that are subject to constraints on their use by creditors, grantors, contributors, legislation, and other parties. All other net assets are reported as unrestricted.

Fund Balance Classifications – Restrictions of the fund balance indicate portions that are legally or contractually segregated for a specific future use. Nonspendable portions of the fund balance are those amounts that are not expected to be converted into cash. Committed portions represent amounts that can only be used for specific purposes pursuant to formal action (i.e. board approval) of the reporting entity’s governing body. Assigned portions represent amounts that are constrained by the government’s intent to be used for a specific purpose. Assigned fund balance classifications are not actively used by the entity. Remaining fund balances are reported as unassigned. When expenditures are incurred that qualify for either restricted or unrestricted resources, the School first utilizes restricted resources. When expenditures are incurred that qualify for either committed or assigned or unassigned resources, the School first utilizes committed resources.

Income Taxes – The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except for income, if any, derived from unrelated business activities.

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

Contingent Liabilities – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Interfund Activity – Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk – The School maintains its cash at insured financial institutions. Periodically, balances may exceed federally insured limits. The School does not have a formal policy concerning concentrations of credit risk.

Risk Management – The School is exposed to various risks related to its operations. Insurance is utilized to the extent practical to minimize these risks.

Subsequent Events – Subsequent events were evaluated through the date of the auditor’s report, which is the date the financial statements were available to be issued.

B. CASH

Cash consists of the following at year end:

Cash - Deposits	\$58,248
Total	\$58,248

Deposits – At year end, the carrying amounts of the School's deposits were \$58,248 and the bank balances were \$63,189. Of the bank balances, \$63,189 was insured.

Investments – State statutes authorize government entities to invest in certain bonds, notes, accounts, investment pools, and other obligations of the state, U.S. Treasury, and U.S. corporations pursuant to Idaho Code 67-1210 and 67-1210A. These statutes are designed to help minimize the custodial risk that deposits may not be returned in the event of the failure of the issuer or other counterparty, interest rate risk resulting from fair value losses arising from rising

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

interest rates, or credit risks that an issuer or other counterparty will not fulfill its obligations. The School's investment policy complies with state statutes.

C. RECEIVABLES

Receivables consist of the following at year end:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
State Sources		
Foundation Program	\$9,375	
Total	<u>\$9,375</u>	
Federal Sources		
Special Programs		\$645
Total		<u>\$645</u>

D. DEFERRED REVENUE

Deferred revenue consists of the following at year end:

<u>Description</u>	<u>Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
Grant Advances	\$645	\$645
Total	<u>\$645</u>	<u>\$645</u>

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

E. CAPITAL ASSETS

A summary of capital assets for the year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$95,000			\$95,000
Total	<u>95,000</u>	<u>\$0</u>	<u>\$0</u>	<u>95,000</u>
Depreciable Capital Assets				
Buildings	843,090			843,090
Equipment	103,490			103,490
Subtotal	<u>946,580</u>	<u>0</u>	<u>0</u>	<u>946,580</u>
Accumulated Depreciation				
Buildings	119,162	21,077		140,239
Equipment	74,910	11,910		86,820
Subtotal	<u>194,072</u>	<u>32,987</u>	<u>0</u>	<u>227,059</u>
Total	<u>752,508</u>	<u>(32,987)</u>	<u>0</u>	<u>719,521</u>
Net Capital Assets	<u>\$847,508</u>	<u>(\$32,987)</u>	<u>\$0</u>	<u>\$814,521</u>

Depreciation expense of \$32,987 was charged to the capital assets – student occupied program.

F. LONG-TERM DEBT

At year end, the School's notes payable were as follows:

Note payable - USDA, due in monthly payments of \$2,626 with interest at 4.25% through 2035/36, secured by real estate, paid through the general fund	\$465,654
Note payable - BOI-1, due in monthly payments of \$2,033 with interest at 5.20% through 2025/26, secured by real estate and guaranteed by U.S. government, paid through the general fund	242,282
Note payable - BOI-2, due in monthly payments of \$941 with interest at 6.60% through 2016/17, secured by equipment, paid through the general fund	<u>47,323</u>
Total	<u>\$755,259</u>

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER
Notes to Financial Statements

Maturities on the notes are estimated as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
6/30/13	\$32,457	\$38,962
6/30/14	34,192	37,904
6/30/15	36,021	36,075
6/30/16	37,954	34,142
6/30/17	39,050	33,046
6/30/18-22	167,922	136,073
6/30/23-27	187,370	87,338
6/30/28-32	123,152	34,408
6/30/33-36	97,141	7,167
Total	<u><u>\$755,259</u></u>	<u><u>\$445,115</u></u>

Changes in long-term debt are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Note Payable - USDA	\$477,111		\$11,457	\$465,654	\$11,952
Note Payable - BOI-1	255,149		12,867	242,282	12,079
Note Payable - BOI-2	0	\$48,000	677	47,323	8,426
Total	<u><u>\$732,260</u></u>	<u><u>\$48,000</u></u>	<u><u>\$25,001</u></u>	<u><u>\$755,259</u></u>	<u><u>\$32,457</u></u>

Interest and related costs during the year amounted to \$44,711 and were charged to the debt service – interest program.

G. RETIREMENT PLAN

Public Employee Retirement System of Idaho (PERSI) - The PERSI Base Plan, a cost sharing multiple-employer public retirement system, was created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. The Plan provides benefits based on members' years of service, age, and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The authority to establish and amend benefit provisions is established in Idaho Code. Designed as a mandatory system for eligible state and school district employees, the legislation provided for other political subdivisions to participate by contractual agreement with PERSI. After 5 years of credited service, members become fully vested in retirement benefits earned to date.

Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each month of credited service, the annual service retirement allowance is 2.0% (2.3% police/firefighter) of the average monthly salary for the highest consecutive 42 months.

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Notes to Financial Statements

PERSI issues publicly available standalone financial reports that include audited financial statements and required supplementary information. These reports may be obtained from PERSI's website www.persi.idaho.gov.

The actuarially determined contribution requirements of the School and its employees are established and may be amended by the PERSI Board of Trustees. For the year ended June 30, 2012, the required contribution rate as a percentage of covered payrolls for members was 6.23% for general members and 7.69% for police/firefighters. The employer rate as a percentage of covered payroll was 10.39% for general members and 10.73% for police/firefighter members. Additionally, PERSI administers the Sick Leave Insurance Reserve Fund which collects salary-based contributions for state and school employees while employed and pays insurance premiums at retirement based on a portion of the accumulated balance of their unused sick leave. State and school employers pre-fund this termination payment with contributions during active employment. The School's employer contributions required and paid were \$25,614, \$45,950, and \$37,456, for the three years ended June 30, 2012, 2011, and 2010 respectively.

H. GOING CONCERN

The School continues to face financial difficulties giving rise to the possibility that it may not continue as a going concern. Management continues to monitor this situation closely, minimizing costs and maximizing enrollment and therefore funding; however, current facilities are now at full capacity and, despite a substantial waiting list, the School will need to secure larger facilities on affordable terms in order to fully accommodate these additional students.

December 4, 2012

REQUIRED SUPPLEMENTAL INFORMATION

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Budgetary Comparison Schedule -
General and Major Special Revenue Funds
Year Ended June 30, 2012

General Fund	Budgeted Amounts (GAAP Basis)		Actual Amounts	Final Budget Variance Positive (Negative)
	Original	Final		
Revenues				
Local Revenue	\$2,120	\$2,120	\$84	(\$2,036)
State Revenue	798,605	798,605	792,787	(5,818)
Federal Revenue	0	0	333	333
Total Revenues	800,725	800,725	793,204	(7,521)
Expenditures				
Instructional Programs				
Elementary School	525,970	525,970	468,713	57,257
Exceptional Child	0	0	24,466	(24,466)
Gifted & Talented	0	0	0	0
Support Service Programs				
Educational Media	0	0	0	0
School Administration	101,150	101,150	89,290	11,860
Business Operation	34,200	34,200	26,268	7,932
Buildings - Care	44,000	44,000	46,116	(2,116)
Maintenance - Student Occupied	24,400	24,400	21,709	2,691
Maintenance - Grounds	2,700	2,700	1,312	1,388
Pupil-To-School Transportation	35,400	35,400	34,725	675
Non-Instructional Programs				
Capital Assets - Student Occupied	38,630	38,630	0	38,630
Capital Assets - Non-Student Occupied	0	0	0	0
Debt Service - Principal	48,000	48,000	25,001	22,999
Debt Service - Interest	0	0	44,711	(44,711)
Total Expenditures	854,450	854,450	782,311	72,139 *
Excess (Deficiency) of Revenues Over Expenditures	(53,725)	(53,725)	10,893	64,618
Other Financing Sources (Uses)				
Proceeds from Debt	45,750	45,750	48,000	2,250
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	45,750	45,750	48,000	2,250
Net Change in Fund Balances	(7,975)	(7,975)	58,893	66,868
Fund Balances - Beginning	7,975	7,975	(24,281)	(32,256)
Fund Balances - Ending	\$0	\$0	\$34,612	\$34,612

*Total expenditures (over) under appropriations.

December 4, 2012

SUPPLEMENTARY INFORMATION

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 1 of 2
 Combining Balance Sheet - Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue Funds			
		Title I-A	Special Educ.	Title VI-B
	Technology	ESEA IBP	IDEA Part B	ESEA REAP
Assets				
Cash		\$1,901	\$6,074	
Receivables:				
Local Sources				
State Sources				
Federal Sources		576		
Due From Other Funds				
Total Assets	<u>\$0</u>	<u>\$2,477</u>	<u>\$6,074</u>	<u>\$0</u>
Liabilities				
Accounts Payable				
Due To Other Funds				
Salaries & Benefits Payable		\$1,901	\$6,074	
Deferred Revenue		576		
Total Liabilities	<u>\$0</u>	<u>2,477</u>	<u>6,074</u>	<u>\$0</u>
Fund Balances				
Restricted:				
Special Programs	0	0	0	0
Debt Service				
Capital Projects				
Unassigned				
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$0</u>	<u>\$2,477</u>	<u>\$6,074</u>	<u>\$0</u>

December 4, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 2 of 2
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2012

	<u>Special Revenue Funds</u>	
	<u>Title II-A</u>	
	<u>Improving</u>	
	<u>Teacher Quality</u>	<u>Total</u>
Assets		
Cash		\$7,975
Receivables:		
Local Sources		0
State Sources		0
Federal Sources	\$69	645
Due From Other Funds		0
Total Assets	<u>\$69</u>	<u>\$8,620</u>
Liabilities		
Accounts Payable		\$0
Due To Other Funds		0
Salaries & Benefits Payable		7,975
Deferred Revenue	\$69	645
Total Liabilities	<u>69</u>	<u>8,620</u>
Fund Balances		
Restricted:		
Special Programs		0
Debt Service		0
Capital Projects		0
Unassigned		0
Total Fund Balances	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$69</u>	<u>\$8,620</u>

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 1 of 2
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2012

	Special Revenue Funds			Title VI-B ESEA REAP
	Technology	Title I-A ESEA IBP	Special Educ. IDEA Part B	
Revenues				
Local Revenue				
State Revenue	\$7,014			
Federal Revenue		\$33,305	\$28,884	\$21,951
Total Revenues	<u>7,014</u>	<u>33,305</u>	<u>28,884</u>	<u>21,951</u>
Expenditures				
Instructional Programs				
Elementary School	7,014	33,305		21,951
Exceptional Child			28,884	
Gifted & Talented				
Support Service Programs				
Educational Media				
School Administration				
Business Operation				
Buildings - Care				
Maintenance - Student Occupied				
Maintenance - Grounds				
Pupil-To-School Transportation				
Non-Instructional Programs				
Capital Assets - Student Occupied				
Capital Assets - Non-Student Occupied				
Debt Service - Principal				
Debt Service - Interest				
Total Expenditures	<u>7,014</u>	<u>33,305</u>	<u>28,884</u>	<u>21,951</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER Page 2 of 2
 Combining Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Nonmajor Governmental Funds
 Year Ended June 30, 2012

	<u>Special Revenue Funds</u>	
	Title II-A	
	Improving	
	<u>Teacher Quality</u>	<u>Total</u>
Revenues		
Local Revenue		\$0
State Revenue		7,014
Federal Revenue	\$4,443	88,583
Total Revenues	<u>4,443</u>	<u>95,597</u>
Expenditures		
Instructional Programs		
Elementary School	4,443	66,713
Exceptional Child		28,884
Gifted & Talented		0
Support Service Programs		
Educational Media		0
School Administration		0
Business Operation		0
Buildings - Care		0
Maintenance - Student Occupied		0
Maintenance - Grounds		0
Pupil-To-School Transportation		0
Non-Instructional Programs		
Capital Assets - Student Occupied		0
Capital Assets - Non-Student Occupied		0
Debt Service - Principal		0
Debt Service - Interest		0
Total Expenditures	<u>4,443</u>	<u>95,597</u>
Excess (Deficiency) of Revenues		
Over Expenditures	0	0
Other Financing Sources (Uses)		
Transfers In		0
Transfers Out		0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>0</u>	<u>0</u>
Fund Balances - Beginning	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$0</u>	<u>\$0</u>

December 4, 2012

OTHER REPORTS AND SCHEDULES

December 4, 2012

Folke CPAs, P.C.

Timothy S. Folke – Kurt R. Folke

P.O. Box 100, Payette, Idaho 83661

www.folkecpas.com, folkecpas@srvinet.com

P: 208-642-1417, F: 208-642-1582

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Directors
Blackfoot Charter Community Learning Center

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blackfoot Charter Community Learning Center (the School) as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as B-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less

December 4, 2012

severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

The School's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, those charged with governance, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Folke CPAs, P.C.

August 6, 2012

BLACKFOOT CHARTER COMMUNITY LEARNING CENTER

Schedule of Findings and Responses

Year Ended June 30, 2012

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the School.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*. The deficiency is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the School were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Significant Deficiency

1. *Segregation of Duties*

Condition – Although the School has implemented various checks and balances in internal control to the degree possible given available staff, it does not have a complete segregation of duties over assets.

Criteria – Inherent in an ideal internal control structure is a complete segregation of duties over assets.

Cause – This situation is due to staffing limitations common to an entity this size.

Effect – The lack of a complete segregation of duties may increase the risk that a loss of assets would not be detected and prevented in a timely manner and in the normal course of operations.

Recommendation and Response – It is requested that the School take note that this situation exists. Management has taken steps to improve in this area insofar as is possible with an entity this size. However, substantial changes cannot be expected until the benefits are deemed to outweigh the costs of hiring additional staff.

December 4, 2012



IDAHO PUBLIC CHARTER SCHOOL COMMISSION

650 W. State Street • P.O. Box 83720 • Boise, ID 83720-0037
208/334-2270 • FAX: 208/334-2632
e-mail: charter@csbe.idaho.gov

March 11, 2011

Blackfoot Community Charter Learning Center
Board of Directors
2801 Hunter's Loop
Blackfoot, ID 83221

Dear BCCLC Board of Directors:

As you are aware, Idaho Code § 33-5209 requires an authorized chartering entity to provide written notice of defect to any school which it has reason to believe has committed a defect. This letter is to serve as written notice of defect to BCCLC on the grounds that BCCLC has failed to substantially meet any of the student educational standards in the approved charter, specifically, measurable student educational standards 2 and 3 in the approved charter.

Pursuant to IDAPA 08.02.04.301.03, please submit to the Public Charter School Commission office by April 11, 2011, a corrective action plan detailing the means by which BCCLC will cure this defect.

As always, you are welcome to contact me any time I may be of assistance.

Sincerely,

A handwritten signature in cursive script that reads "Tamara L. Baysinger".

Tamara L. Baysinger
Charter Schools Program Manager

Cc: Michelle Clement Taylor, School Choice Coordinator, SDE
Fred Ball, Director, BCCLC

Printed on Recycled Paper

December 4, 2012



BLACKFOOT CHARTER SCHOOL

2801 Hunters Loop

Blackfoot, Idaho 83221

Phone: 782-0744

Corrective Action Plan

Blackfoot Charter Community Learning Center was issued a notice of defect in two core areas: reading fluency as measured by the Idaho Reading Indicator (IRI) and language arts as measured by the Idaho Standard Achievement Test (ISAT). While these are separate defects, they target similar curriculum and instructional issues as they are manifesting in different grades. Thus, many of the corrective actions are applicable to both defects.

Defect 1

BCCLC charter mandates that 90% of K-3 students demonstrate proficiency in reading fluency as measured by the IRI. The school reached a proficiency level of 86.5%, below the specified measurable education standard.

Discussion

BCCLC's proficiency in reading fluency as measured by the IRI is showing positive trends in two specific areas: the overall total percentage of K-3 students reaching proficiency has risen steadily over the last four years and percentage of students in each individual grade reaching proficiency has made positive gains. However, the upper grades, especially grade 3, continue to be BCCLC's weakest area, as measured by the IRI. Faculty members have observed a strong correlation between high proficiency levels and high numbers of students who begin their education at BCCLC.

Actions

BCCLC has implemented the following corrective actions:

1. BCCLC has increased its kindergarten capacity. During the 2010-2011 academic year, the school increased its kindergarten program from 23 students to 46 students.
2. BCCLC has implemented a teacher mentoring program, assigning teachers with demonstrated success in reading programs to new or struggling teachers. Mentors actually team teach with their teaching partners. Students from both classes have sustained core curriculum contact with both teachers every day.
3. BCCLC has implemented tiered core reading instruction in addition to regular reading instruction. During tiered instruction, students are assigned to small group settings, taught by certified teachers, with curriculum materials specifically designed to increase student proficiency.
4. BCCLC will complete vertical alignment of its language arts curriculum with common core standards.

Time Frame

BCCLC has already implemented corrective actions 1-3. The school anticipates seeing gains as a result of those actions during the current academic year.

Corrective action 4 is currently in process; however, the school is transitioning from Idaho State Standards to Core Standards. As a result of this transition, the process will not be completed until January, 2012.

IRI test results in Spring, 2011 will show an increased percentage in student proficiency; however, full compliance with BCCLC's charter mandate to demonstrate 90% proficiency will be fully realized in Spring, 2012.

Defect 2

BCCLC's charter mandates that 85% of 3-5 students demonstrate proficiency in core academic areas as measured by the ISAT. The school reached the following proficiency levels: mathematics, 89.6%; reading, 91.7%; and language arts, 80.2%. The language arts score is lower than the school's mandated proficiency level.

Discussion

BCCLC's proficiency in all core areas, including language arts, as measured by the ISAT, is showing positive trends. Over the last four years, the school has averaged approximately 10% growth each year, rising from an average of 60% proficiency to near 90% proficiency. The trend extends to language arts. However, while language arts scores are trending up, they are still below the school's mandated goal.

Actions

BCCLC has implemented the following corrective actions:

1. BCCLC has introduced additional language arts curriculum by Michael Thomson. This curriculum specifically targets the language arts areas of sentence structure, parts of speech, and vocabulary.
2. BCCLC has implemented a teacher mentoring program, assigning teachers with demonstrated success in reading and language arts programs to new or struggling teachers. Mentors actually team teach with their teaching partners. Students from both classes have sustained core curriculum contact with both teachers every day.
3. BCCLC has implemented tiered core reading and language arts instruction in addition to regular reading instruction. During tiered instruction, students are assigned to small group settings, taught by certified teachers, with curriculum materials specifically designed to increase student proficiency.
4. BCCLC will complete vertical alignment of its language arts curriculum with common core standards.

December 4, 2012

Time Frame

BCCLC has already implemented corrective actions 1-3. The school anticipates seeing gains as a result of those actions during the current academic year.

Corrective action 4 is currently in process; however, the school is transitioning from Idaho State Standards to Core Standards. As a result of this transition, the process will not be completed until January, 2012.

BCCLC test results in Spring, 2011 will show an increased percentage in student proficiency; however, full compliance with BCCLC's charter mandate to demonstrate 85% proficiency will be fully realized in Spring, 2012.