

REDWOOD CITY SCHOOL DISTRICT

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Mission: RCSD creates a safe and supportive, inspirational and rigorous, joyful and inclusive environment for all learners

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REDWOOD CITY
SCHOOL DISTRICT

Superintendent

John R. Baker, Ed.D.

September 3, 2025

Thomas O'Toole, Board President
Connect Community Charter School
635 Oakside Avenue
Redwood City, CA 94063

Subject: **Local Control Accountability Plans and Adopted Budget – Fiscal Year 2025-26**

Dear Board President O'Toole:

In accordance with Education Code Section 47604.32, Redwood City School District (District) has examined the Local Control Accountability Plans (LCAP) and the Adopted Budget for Connect Community Charter School (Connect) for fiscal year 2025-26 to determine if it complies with the Criteria and Standards adopted by the State Board of Education (SBE) and verify that the Adopted Budget includes expenditures necessary to implement the LCAP.

The District is also required to monitor the fiscal condition of the charter school and verify that the Adopted Budget and multi-year projections allow the charter school to meet its financial obligations for the current and subsequent fiscal years.

The District understands the challenges and difficulties in adopting a budget during these uncertain times. Many of the assumptions made during budget adoption may have changed with the enactment of the State's 2025-26 budget.

Based on the review of the LCAP and 2025-26 Adopted budget report submitted by Connect, the District provides the following comments to assist the charter school in updating its current year budget and preparing its First interim projections:

2025-26 LCAP & LCFF BUDGET OVERVIEW FOR PARENTS

Connect has submitted its LCAP Goals, Actions, and Services for a 1-year period beginning 2025-26 using the template adopted by the State Board of Education which includes the Annual Updates for the 2024-25 LCAP. Connect has also submitted the Local Control Funding Formula (LCFF) Budget Overview for Parents (BOP), which is a state-required tool to help parents and other stakeholders understand the charter school’s budget as it relates to the actions and services provided in their educational plans as reflected in the LCAP.

It is worth noting that other than the \$39 difference in Total General Fund Expenditures, the LCAP and BOP information provided by Connect properly and accurately in alignment with the 2025-26 Adopted Budget as well as the calculated Local Control Funding Formula (LCFF) revenues, as shown below:

	2025-26 Adopted Budget (Alternative Form)	Budget Overview for Parents	LCAP	LCFF Calculator
Total General Fund Revenues	\$2,875,599	\$2,875,600	n/a	n/a
Total LCFF Revenues	\$2,082,025	\$2,082,025	n/a	\$2,082,025
LCFF Supp & Conc Grants Only	n/a	\$371,946	\$371,946	\$371,946
Percentage to Increase or Improve Services for UPP	n/a	n/a	17.830%	21.75%
State Revenues	\$569,262	\$569,262	n/a	n/a
Federal Revenues	\$108,803	\$108,803	n/a	n/a
Total General Fund Expenditures	\$3,131,607	\$3,131,568	n/a	n/a
Total Expenditures Tied to LCAP	n/a	\$2,798,217	\$2,798,217	n/a
Total General Fund Expenditures not included in LCAP	n/a	\$333,351	n/a	n/a

Connect’s own unduplicated pupil count for 2025-26 is projected at 92.87% of total student enrollment but capped at 60.95% for supplemental and concentration grant funding purposes based on the charter school’s district of residence (Redwood City School District). The Supplemental and Concentration (S&C) Grant Funds calculated for the 2025-26 fiscal year is \$371,946. Connect plans to use these funds to support high needs students.

Connect is reminded that the LCAP and BOP are required to be posted directly on the charter school’s homepage. To find this on the Connect website one needs to select “Accountability & Governance” under “About Us” on the menu bar and then choose “LCAP Postings” on this page.

2025-26 ADOPTED BUDGET

General Fund Financial Report Summary

The 2024-25 Estimated Actuals projects an operating deficit of \$473,664 and the 2025-26 Adopted Budget projects an operating deficit of \$256,008, as shown below:

	General Fund – Unrestricted/Restricted	2024-25 Estimated Actuals	2025-256 Adopted Budget
A.	Revenues	\$2,752,734	\$2,875,599
B.	Expenditures	3,226,398	3,131,607
C.	Excess (Deficiency) of Expenditures over Revenues	<473,664>	<256,008>
D.	Other Sources/Uses and Transfers	0	0
E.	Total Increase (Decrease) in Fund Balance	<473,664>	<256,008>
F.	Ending Balance – Unrestricted/Restricted	\$1,082,050	\$826,042
G.	Ending Balance – Unrestricted only	\$1,082,050	\$826,042

Revenues from LCFF sources increased approximately \$297,000 due to increase in ADA from 2024-25 to 2025-26. Federal and Other State Revenues decreased by \$168,000 and Local Revenues decreased by \$6,000. Connect's 2025-26 projections for Federal and Other State Revenues included \$109,000 in Categorical Title funding, \$71,000 in Special Education funding, \$107,000 in After School Education and Safety (ASES) funding, \$26,000 in Arts, Music and Instructional Materials funding, \$23,000 in Prop 28 Arts and Music funding and \$265,000 in Expanded Learning Opportunities Program (ELO-P) funding. Salary and benefit expenditures increased by approximately \$35,000 due to a 3.00% salary increase, an decrease in Certificated staff by 1.10 FTE and a decrease of Classified staff by 1.50 FTE. Books and Supplies costs decreased by \$31,000. Service costs decreased by \$21,000. The total available reserve for economic uncertainties for 2025-26 is \$826,042 or 26% of General Fund expenditures. Connect is commended for maintaining a reserve level that exceeds the 5% minimum reserve for economic uncertainties required per the Memorandum of Understanding (MOU) with the District.

In preparation of the closing of 2024-25 books, Connect is reminded to review carefully the conditions for receipt of state and federal grants and resources, especially Expanded Learning Opportunities (ELO) Grants to ensure that revenues are not overstated.

Cash Flow Projections

Connect submitted its cash flow projections for the 2025-26 and 2026-27 fiscal years. Receipts and disbursements for both years equal their corresponding revenues and expenditures in the Adopted Budget. All fiscal years show positive monthly cash balances through the end of each fiscal year.

The District Superintendent urges the charter school to continue to implement best practices and monitor its cash position regularly to ensure payroll and other monthly obligations are met on a timely basis.

Multi-Year Projections (MYP)

The multi-year projection is one of the most important tools in determining the financial position of the school. Connect’s MYP shows a balanced General Fund budget.

Approximately 72% to 74% of the total revenues for Connect are from Local Control Funding Formula (LCFF) sources. The LCFF-funded ADA is projected for the completed, current and the subsequent two fiscal years as shown below:

	2024-25	2025-26	2026-27	2027-28
Enrollment	143	160	170	170
LCFF-funded ADA	137.69	152.00	161.50	161.50
Increase (decrease) from prior year	-	14.31	9.50	0.00

Connect had enrollment for 2024-25 of 143 students and has projected enrollments of 160 for 2025-26 and 170 for 2026-27 and 2027-28. The attendance rate is projected at 95%. Connect serves students in Grades TK-8.

The chart below summarizes the projected revenues, expenditures, and fund balances each year in the multi-year projections:

General Fund (Unrestricted/Restricted)	2025-26	2026-27	2027-28
Estimated Beginning Balance	\$1,082,050	\$826,042	\$671,888
Revenues & Other Financing Sources	2,875,599	3,087,790	3,194,391
Expenditures & Other Financing Uses	3,131,607	3,241,944	3,361,339
Net increase (Decrease)	<256,008>	<154,154>	<166,948>
Projected Ending Fund Balance	\$826,042	\$671,888	\$504,940
<i>Fund Balance as a % to Total Expenditures</i>	26%	21%	15%

Connect projects operating deficits in all three fiscal years. Connect included \$265,000 to \$325,000 per year in Expanded Learning Opportunities Program (ELO-P) funding and \$107,000 per year in ASES funding. The Unrestricted General Fund ending balance in 2025-26 is approximately 26% of the total expenditures and decreases to approximately 21% in 2026-27 and 15% in 2027-28.

CONCLUSION

Based on the District's review of the financial documents submitted and in consideration of the changes resulting from the enacted State budget, Connect's 2025-26 Adopted Budget and multi-year projections appear sufficient to meet the charter school's financial obligations for the current and subsequent two fiscal years.

As public schools continue to experience the crisis situation resulting from the coronavirus pandemic, it is critical to stay vigilant of developments in the federal, state and local level that may impact the charter school budget. It is highly important to closely monitor the budget and prudently manage the charter school resources to maintain long-term fiscal solvency and stability.

The District appreciates the support and cooperation of Connect's administration and staff during the process.

If you have any questions regarding the District's fiscal oversight or the contents of this letter, please do not hesitate to contact us.

Sincerely,

Rick Edson

Rick Edson
Chief Business Official
(650) 482-2232

John R. Baker

John R. Baker, Ed.D.
Superintendent
(650) 482-2230

Cc: Hayley Dupuy, Director of Educational Services, Connect Community Charter School
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Board of Trustees, Redwood City School District

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- John R. Baker (jbaker@rcsdk8.net)

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