REDWOOD CITY SCHOOL DISTRICT
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REDWOOD CITY
SCHOOL DISTRICT

August 13, 2026

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

Subject: **Local Control Accountability Plan and Adopted Budget – Fiscal Year 2026-27**

Dear Board President O'Toole:

In accordance with Education Code Section 47604.32, Redwood City School District (District) has examined the Local Control Accountability Plan (LCAP) and the Adopted Budget for Connect Community Charter School (Connect) for fiscal year 2026-27 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 charter school's fiscal condition and verify that the Adopted Budget and multi-year projections enable the charter school to meet its financial obligations for the current and subsequent fiscal years.

The District understands the challenges of 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 2026-27 budget.

Based on the review of the LCAP and the 2026-27 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 Report projections.

2026-27 LCAP & LCFF BUDGET OVERVIEW FOR PARENTS

Connect has submitted its LCAP Goals, Actions, and Services for a 1-year period beginning 2026-27 using the template adopted by the State Board of Education, which includes the Annual Updates for the 2025-26 LCAP. Connect has also submitted the Local Control Funding Formula (LCFF) Budget Overview for Parents (BOP), 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.

Total General Fund Revenue and Expenditures between the BOP and the Alternative form for the 2026-27 Adopted Budget do not match. The difference between the total general fund revenue among the Alt form and the BOP is $39,100.
The LCFF Calculator revenue matches the Alt Form, but not the BOP. The table below shows the expected revenue and expenditures by each category.

Description	2026-27 Adopted Budget (Alternative Form)	Budget Overview for Parents	LCFF Calculator
Total General Fund Revenues	$3,030,277	$2,991,177	n/a
Total LCFF Revenues	$2,026,362	$2,027,122	$2,026,362
LCFF Supp & Conc Grants Only	n/a	$350,427	$350,427
Percentage to Increase or Improve Services for UPP	n/a	20.90%	20.91%
State Revenues	$780,893	$741,034	n/a
Federal Revenues	$107,511	$107,511	n/a
Total General Fund Expenditures	$3,123,526	$3,087,841	n/a
Total Expenditures Tied to LCAP	n/a	$2,766,626	n/a
Total General Fund Expenditures not included in LCAP	n/a	$321,215	n/a

Considering the significant inconsistencies in the report, the District Superintendent recommends that Connect make the necessary corrections to the BOP report to ensure accurate information in its 2026-27 Adopted Budget and LCAP.

Connect's unduplicated pupil percentage for 2026-27 is projected to be 90.62% and is capped at 60.36% for purposes of calculating supplemental and concentration grant funding.These percentages are based on the charter school's district of residence (Redwood CitySchool District) for its supplemental and concentration grant funding purposes. The Supplemental and Concentration (S&C) calculated funds for the 2026-27 fiscal year are $350,427. Connect plans to use these funds to support high-needs students, such as foster youth, English learners, and low-income students, by providing a high-quality part-time ELD Teacher and Site Administrator to support newcomers and implement the professional development.

As of August 12, 2026, the 2026-27 LCAP and BOP are not posted on the Charter's website. As a reminder, this plan must be posted on the charter school's homepage to be publicly available and easy to find.

2026-27 ADOPTED BUDGET

General Fund Financial Report Summary

The 2025-26 Estimated Actuals project an operating deficit of $313,131, and the 2026-27 Adopted Budget projects an operating deficit of $93,249, as shown below:

	General Fund-Unrestricted/Restricted	2025-26 Estimated Actuals	2026-27 Adopted Budget
A.	Revenues	$2,913,672	$3,030,277
B.	Expenditures	3,226,803	3,123,526
C.	Excess (Deficiency) of Expenditures over Revenues	<313,131>	<93,249>
D.	Other Sources/Uses and Transfers	0	0
E.	Total Increase (Decrease) in Fund Balance	<313,131>	<93,249>
F.	Ending Balance – Unrestricted/Restricted	$630,013	$536,764
G.	Ending Balance – Unrestricted only	$533,208	$443,058

The General Fund revenues from limited sources increased by approximately $181,384. Federal and Other State Revenues decreased by $64,779. Local Revenue did not change. On the other hand, the certificated salary decreased by $99,191. Classified Salaries increased by $9,983, and the employee benefits decreased by $21,632. Books and Supplies increased by $2,069. Service costs decreased by $5,494. The total available reserve for economic uncertainties for 2026-27 is $536,764 or 17% of General Fund expenditures. Connect is commended for maintaining a reserve level that exceeds the 5% minimum reserve required for economic uncertainties under the Memorandum of Understanding (MOU) with the District.

In preparation for the closing of the 2025-26 books, Connect is reminded to carefully review 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 2026-27 and 2027-28 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 implementing best practices and to 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 for determining the school's financial position. Connect's MYP reflects projected operating deficits in each of the three fiscal years.

Approximately 68% of Connect's total revenues come from Local Control Funding Formula (LCFF) sources. The projected LCFF-funded ADA for the current and the subsequent two fiscal years is shown below:

	2025-26	**2026-27**	**2027-28**	**2028-29**
Enrollment	144	150	155	157
LCFF-funded ADA	135.32	142.50	147.25	149.15
Increase (decrease) from prior year	<2.36>	7.18	4.75	1.90

Connect had 2025-26 enrollment of 144 students and has projected enrollments of 150 for 2026-27, 155 for 2027-28, and 157 for 2028-29. 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)	**2026-27**	**2027-28**	**2028-29**
Estimated Beginning Balance	$630,013	$536,764	$671,888
Revenues & Other Financing Sources	3,030,277	3,056,966	3,109,919
Expenditures & Other Financing Uses	3,123,526	3,230,541	3,349,465
Net increase (Decrease)	<93,249>	<173,576>	<239,546>
Projected Ending Fund Balance	$536,764	$363,188	$123,642
Fund Balance as a % to Total Expenditures	*17%*	*11%*	*3.69%*

Connect projects to be operating in deficits for the three fiscal years. The Unrestricted General Fund ending balance in 2026-27 is approximately 17% of the total expenditures. The fund balance continues to decrease, reaching approximately 11% in 2027-28 and 3.69% in 2028-29.

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 2026-27 Adopted Budget and multi-year projections appear sufficient to meet the charter school's financial obligations for the current and subsequent two fiscal years, but the District recommends closely monitoring the budget and expenditures and prudently manage charter school resources to maintain long-term fiscal solvency and stability, as by the 2028-29 fiscal year, the fund balance relative to total expenditures will be at 3.69%, which falls below the 5% minimum requirement.

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

Dr. Christian J. Rubalcaba

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Audit trail

Details

FILE NAME	Connect FY 2026-27 Adopted Budget Review Letter - 8/18/26, 9:55 AM.pdf
STATUS	Signed
STATUS TIMESTAMP	2026/08/18 16:59:06 UTC

Activity

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SIGNED	**Signed** by Rick Edson (redson@rcsdk8.net)	2026/08/18 16:59:06 UTC
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