California Department of Education

Charter Schools Division

Created 03/2025

accs-apr25item02

Attachment 7

# Nonclassroom-Based Funding Determination Request

CALIFORNIA DEPARTMENT OF EDUCATION

This document presents the determination of funding request from Uncharted Shores Academy (Charter #0859). Information from the school has been exported from the web-based Funding Determination Form found on the [Nonclassroom-Based Determination of Funding web page](https://www.cde.ca.gov/sp/ch/nclrbifunddet.asp#form).

Responses from the school have been provided, as is, and have not been edited by the California Department of Education (CDE) for capitalization, punctuation, or spelling.

## Uncharted Shores Academy Determination of Funding Request 2024–25

### Section 1. General Information

Charter School Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Charter School Name | Uncharted Shores Academy |
| Charter School Authorizer | Del Norte County Unified |
| Charter School Number | 0859 |
| County District School (CDS) Code | 08-61820-0137729 |
| Street Address | 330 E St |
| City | Crescent City |
| County | Del Norte |
| ZIP Code | 95531 |
| Grade Levels Served | TK, K, 1, 2, 3, 4, 5, 6, 7, 8, 9 |
| Date Charter Expires | 6/30/2027 |
| Contact First Name | Dan |
| Contact Last Name | Cartwright |
| Contact Title | Executive Director/Principal |
| Contact Phone Number | 707-464-9828 |
| Contact Email Address | dcartwright@shoresacademy.com |

Funding Determination Request Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Is this a reconsideration request? | No, this is not a reconsideration request. |
| Requested Funding Level | 100% |
| Beginning Period Requested | FY 2025–26 |
| Number of Years Requested | 5 |
| Source Data | FY 2023–24 Audit |
| If the source data used was “Other”, provide a description. | [No Response] |

### Section 2. Financial Information

#### A. Total Resources

Revenues and Other Resources

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Federal Revenues[[1]](#footnote-1) | $742,654 |
| Public Charter School Grant Program Funds (separately identified) | $0 |
| State Revenues[[2]](#footnote-2) | $3,689,214 |
| In-Lieu Property Taxes (separately identified) | $807,348 |
| Local Revenues | $3,962 |
| Other Financing Sources | $0 |
| **Total Revenues** | **$4,435,830** |

**If Other Financing Sources were reported, provide a description:**

[No Response]

#### B. Total Expenditures and Other Uses

Instruction and Related Services

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Certificated Salaries and Benefits | $1,636,737 |
| Classified Salaries and Benefits | $757,162 |
| Books, Supplies, and Equipment | $255,855 |
| Services and Other Operating Costs: Contracts for Instructional Services | $0 |
| Services and Other Operating Costs: Contracts for Instructional Support | $0 |
| Services and Other Operating Costs: All Other Instruction-Related Operating Costs | $744,709 |
| **Total Instruction and Related Services** | **$3,394,463** |

Operations and Facilities

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Certificated Salaries and Benefits | $0 |
| Classified Salaries and Benefits | $67,353 |
| Books, Supplies, and Equipment | $0 |
| Services and Other Operating Costs | $224,684 |
| Facilities Acquisition and Construction | $0 |
| **Total Operations and Facilities** | **$292,037** |

Allowable Facilities Costs

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Total facility square footage occupied by the charter school | 17800 |
| Enter total classroom-based P-2 ADA reported in the prior fiscal year. Do not include nonclassroom-based ADA. | 0 |
| Enter total student hours attended by nonclassroom-based pupils at the school site in the prior fiscal year. | 242600 |
| Calculated Facilities Costs | $279,493 |
| **Allowable Facilities Costs** | **$279,493** |

Administration and All Other Activities

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Certificated Salaries and Benefits | $43,200 |
| Classified Salaries and Benefits | $97,500 |
| Books, Supplies, and Equipment | $0 |
| Contracts for Other Administrative Services | $71,762 |
| Supervisorial Oversight Fee | $34,024 |
| All Other Administration and Other Activities, Services, and Operating Costs | $33,747 |
| **Total Administration and Other Activities** | **$280,233** |

**Additional information regarding Supervisorial Oversight Fee:**

[No Response]

Other Outgo and Other Financing Uses

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Debt Services | $0 |
| Transfers to Local Educational Agencies | $0 |
| All Other Transfers and Outgo | $0 |
| **Total Other Outgoing and Other Financing Uses** | **$0** |

**Describe the nature of the transaction(s) for Transfers to Local Educational Agencies and identify the accounts or entities involved in the transfer(s).**

[No Response]

**Describe the nature of the transaction(s) for All Other Transfers and Outgo and identify the accounts or entities involved in the transfer(s).**

[No Response]

#### C. Fund Balance

Total Expenditures and Fund Balance

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Total Expenditures | $3,966,733 |
| Revenues Over Expenditures | $469,097 |
| Beginning Fund Balance | $1,876,467 |
| **Ending Fund Balance – June 30** | **$2,345,564** |

#### D. Reserves

Reserves

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Designated for Economic Uncertainties | $188,663 |
| Facilities Acquisition or Capital Projects | $1,195,895 |
| Reserves Required by Charter Authorizer | $0 |
| Other Reserves | $900,000 |
| Unassigned/Unappropriated Fund Balance | $61,006 |
| **Total Reserves** | **$2,345,564** |

Reserves as a Percentage of Total Expenditures

| **Reserves** | **Percentage of Total Expenditures** |
| --- | --- |
| Designated for Economic Uncertainties | 4.76% |
| Facilities Acquisition or Capital Projects | 30.15% |

**Explanation for reserves designated for economic uncertainties if these reserves exceed the greater of $50,000 or 5 percent of total expenditures:**

[No Response]

**Explanation of Other Reserves:**

Working Capital. Due to fluctuation in cash flow from CDE to DNUSD and eventually to the charter, it is imperative to keep this level of working capital on hand to operate the entity.

**Explanation for reserves designated for facilities acquisition or capital projects if these reserves exceed the greater of $50,000 or 5 percent of total expenditures:**

This reserve is the net assets invested in Facilities and Equipment. We spoke with CDE and they said to use this line to report the net amount already invested. This is cumulative assets purchased, less accumulated depreciation.

**Explanation of school’s unassigned/unappropriated fund balance and details regarding the school’s plans for these funds: *(Optional)***

This is the remainder of fund balance that has not been assigned. It is due to a change in recording of revenues to meet FASB requirements per our auditor.

### Section 3. Pupil-Teacher Ratio

Pupil-Teacher Ratio

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| FY 2023–24 Average Daily Attendance for independent study pupils pursuant to 5 *CCR* Section 11963.3(b)(2) | 291.63 |
| FY 2023–24 Full-Time Equivalent certificated employees responsible for independent study pursuant to 5 *CCR* Section 11963.3(b)(2) | 12.75 |
| FY 2023–24 Full-Time Equivalent certificated employees pursuant to 5 CCR Section 11963.3(b)(8) | 13.75 |

### Section 4. Funding Determination Calculations

Calculated Percentages

| **Criteria** | **Funding Determination Calculations** |
| --- | --- |
| Percentage Spent on Instructional Certificated Salaries and Benefits to Total Public Revenues | 36.93% |
| Percentage Spent on Instruction and Related Services and Allowable Facility Costs | 82.82% |
| FY 2023–24 Pupil-Teacher Ratio | 22.87 to 1 |

### Section 5. Supplemental Information

#### A. Virtual Charter Schools

Virtual Charter Schools

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Is this charter school a virtual or on-line charter school as defined in 5 *CCR* Section 11963.5? | No |
| If yes, can the charter school demonstrate compliance with 5 *CCR* sections 11963.5(b)(2) to (8)? | [No Response] |

#### B. Entity and Contract Information

Entity and Contract Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Did any entity receive or will receive $50,000 or more or 10% or more of total expenditures from the school in FY 2023–24 or FY 2024–25? | Yes |
| Number of reportable entities | 2 |

##### List of Reported Entities

Reported Entity 1

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | Del Norte Unified School District |
| Amount | $558,385 |
| Purpose/Explanation | Sped Fee/ Food Service/ Oversite |
| Are contracts based on specific services rendered? | No |
| If no, are payments based on amount per ADA or some other percentage? | Yes |

Reported Entity 2

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Name of Entity | St. Joseph Catholic Church |
| Amount | $97,680 |
| Purpose/Explanation | Rent |
| Are contracts based on specific services rendered? | No |
| If no, are payments based on amount per ADA or some other percentage? | No |

#### C. Current Governing Board Information

Entity and Contract Information

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| Number of board members | 5 |

##### List of Board Members

Board Member 1

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Jennifer |
| Last Name of Board Member | Mobley |
| Title of Board Member | President |
| Board Member Type | Family Representative |
| How was this member selected? | Appointed to the Board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 12/2023 to 06/2027 |

Board Member 2

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Linda |
| Last Name of Board Member | Monnin |
| Title of Board Member | Secretary |
| Board Member Type | Staff Representative |
| How was this member selected? | Appointed to the Board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 06/2020 to 06/2026 |

Board Member 3

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Jill |
| Last Name of Board Member | Munger |
| Title of Board Member | Member |
| Board Member Type | Family Representative |
| How was this member selected? | Appointed to the Board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 12/2022 to 06/2025 |

Board Member 4

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Sarah |
| Last Name of Board Member | Anker |
| Title of Board Member | Member |
| Board Member Type | Staff Representative |
| How was this member selected? | Appointed to the Board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 03/2024 to 06/2027 |

Board Member 5

| **Prompt** | **Charter School’s Response** |
| --- | --- |
| First Name of Board Member | Jody |
| Last Name of Board Member | Petersen |
| Title of Board Member | Member |
| Board Member Type | Family Representative |
| How was this member selected? | Appointed to the Board |
| Is this board member affiliated in any way with any of the reportable entities listed in the Entity and Contract Information section? | No |
| If so, explain the nature of the affiliation. | [No Response] |
| Board Member Term (MM/YYYY to MM/YYYY) | 06/2021 to 06/2027 |

### Section 6. Mitigating Circumstances

**Explain why the charter school did not meet the criteria for the funding level requested. Include specific measures or actions taken by the charter school to comply. List and explain the mitigating circumstances to be considered by the CDE and Advisory Commission on Charter Schools (ACCS).**

Why USA Did Not Meet Criteria:

Uncharted Shores Academy did not meet the criteria for the requested funding level (40% total revenues towards certificated salaries/benefits), instead spending 36.93%. This was due to three mitigating circumstances: 1. Changes in 2023/24 fiscal year accounting practices to conform to Financial Accounting Standards Board (FASB) guidelines; 2. The impact of unanticipated one-time federal and state funding, and; 3. Lack of clarity regarding how to categorize expenditures for certificated special education staff assigned to the school.

The FASB changes and unexpected one-time funds significantly affected the school’s financial reporting and resulted in unexpected deferred revenues and expenditures for the 2023/24 school year. And, the school’s state prescribed method of service delivery for special education “as an arm of the district” resulted in general fund expenditures of $153,446.13 that provided 1.175 FTE of Certificated Special Education Staff assigned to Uncharted Shores Academy providing direct services to students.

Actions Taken by USA to Comply With Funding Criteria and Mitigating Circumstances to Consider:

Accounting Transition to FASB Guidelines:

After changing its auditor, USA adopted current FASB accounting standards, transitioning to deferred revenue and expenditure reporting. This shift ensured greater compliance with financial reporting standards but temporarily impacted budget projections and funding calculations. Due to the implemented change in accounting principles, one-time funding sources that were accounted for in prior years as revenue were instead changed to deferred revenue, which then in turn became current revenue on our financial statements during the 2023-24 fiscal year. The dollar amount of these adjustments increased the 2023-24 fiscal year revenues by $496,259.25. If these funds were recognized under the school's previously used accounting principles, USA would have a 41.55% funding level for Certificated Staff during the 23/24 fiscal year.

One-Time Funding Impact:

After addressing the change in FASB guidelines, USA further reviewed current funding sources which revealed additional revenue sources that the school had not allocated in its original budget plan adopted in June 2023. These funds, which were not anticipated during the budgeting process, contributed to the increased revenue from the FASB change, increasing our revenue an additional $179,893.20 in fiscal year 2023-24. These one time funds included AMIM Funding, ESSER 3 Funding, and a Kitchen Renovation Grant Fund. Much of the one-time funding was spent on classified staff or other school priorities rather than certificated teaching staff, which impacted the metrics for Funding Determination. The reason for this spending decision was two-fold. Some sources of the one-time funding received was required to be spent on things other than certificated teachers, like the Kitchen Renovation Grant.

The other reason was that the school hired more support staff instead of credentialed teachers, due to the inability of USA to successfully recruit and hire more certificated teaching staff due to a significant local teacher shortage. During the 2023/24 School Year, USA increased its advertising and recruitment spending and activities to hire more credentialed teachers, but was unable to do so. In fact, USA had open teaching positions advertised on EdJoin and other local platforms for many months that never were filled, even after months of continuous position recruitment and advertising. Likewise, the local school district- Del Norte Unified School District, had many unfilled teaching positions throughout the school year and had significant difficulty in recruitment due to our rural location and the local teacher shortage. Since USA was unable to fill any more certificated staff positions and was already safely under its mandatory 25:1 non-classroom based ratio of students to teachers, the school made the decision to spend the remaining funds on instructional assistants who, under the supervision of our credentialed teachers, could directly support the daily learning of students. It is difficult to estimate the exact difference that being unable to use one-time (or any other) funds to hire certificated staff may have had on this calculation, but it is clear that this played a significant factor in USA’s not meeting the 40% threshold.

Funding of Special Education Certificated Staff at USA:

USA is considered “an arm of the district” for special education services, one of the methods prescribed by the state for charter schools to provide special education in California. As such, the USA’s Charter requires the school to pay its charter authorizer Del Norte Unified School District (DNUSD) a fee from our general fund to pay for special education encroachment and receive special education services. USA has determined that, in the 2023/24 fiscal year, $153,446.13 of this fee funded 1.175 FTE certificated staff as they provided direct, IEP driven services to USA students. The CDE code that provides guidance on which certificated staff expenditures are permissible for Funding Determination, 5 CCR Section 11963(c)(1)(B&C), provides unclear, and even contradictory guidance on whether the school’s special education expenditure can count towards the school’s 40% threshold. It is USA’s belief that this expenditure should be considered an allowable expense toward the 40% threshold, given what we believe the intent of the code to be in the first place. These funds were expended by the school from its general fund and at the direction of USA’s school board, to fund special education services provided by properly certificated staff who provided direct services to our students. When these funds paid by the school are calculated into the total cost of certificated staff who serve Uncharted Shores Academy students, the school’s certificated staff percentage for the 2023/24 fiscal year is 40.36%.

Commitment to Compliance:

USA has implemented measures to refine budget forecasting and ensure that future projections incorporate potential funding fluctuations more accurately. When the original budget for the 2023-24 school year was approved, we were projected to meet our funding determination targets of 40% spent on Certificated Staffing, and 80% to be spent on Instructional Related Staff, Supplies, and Facilities. When the school was alerted by its external auditor and CPA about the re-calculated increased revenue for the 2023/24 school year, it immediately attempted to recruit more certificated staff to maintain the expected 80/40 funding ratios. While creating our 2024-25 budget, we worked with our external CPA to add additional calculations to ensure compliance with the funding determination going forward. We are monitoring throughout the year and are currently meeting these standards, and our multi-year budget projections meet this standard as well.

Conclusion:

As established, two of the three mitigating circumstances detailed by USA herein would, individually, each place the school over the 40% threshold. Combined, those two mitigating factors bring USA’s percentage of certificated staff to 45.44%, well over the 40% threshold. Given these mitigating factors and USA’s efforts to align with financial regulations while prioritizing student and staff support, it is recommended that the California Department of Education (CDE) and the Advisory Commission on Charter Schools (ACCS) consider these unique circumstances when evaluating funding levels for Uncharted Shores Academy. The one-time nature of the financial adjustments, the school’s commitment to improved fiscal planning and the school’s commitment to ensuring equal access to a Free and Appropriate Public Education for all students should be weighed heavily in the final decision.

### Section 7. Additional Information

**Provide any other pertinent information that may assist the CDE and ACCS in conducting a detailed review or develop a reasonable basis for a recommendation.**

Please feel free to contact our school should you require any additional information or documentation to support our request.

Uncharted Shores Academy, 330 E Street, Crescent City CA.

Phone: (707) 464-9828

Principal/Executive Director: Dan Cartwright E-mail: dcartwright@shoresacademy.com

Business Director: BreeAnna Scott

E-mail: bscott@shoresacademy.com

Certified Public Accountant: Cholwell, Benz and Hartwick- Matt Wakefield

E-mail: mwakefield@cbh1.com

### Section 8. Certification

**1) The information provided is true and correct to the best of my ability and knowledge.**

**2) This charter school's nonclassroom-based instruction is conducted for and substantially dedicated to the instructional benefit of the school's students.**

**3) This charter school's governing board has adopted and implemented conflict of interest policies.**

**4) All of the charter school's transactions, contracts, and agreements are in the best interest of the school and reflect a reasonable market rate for all goods, services, and considerations rendered for or supplied to the school.**

**Enter your name below which will serve as a signature and certify agreement with all of the above terms.**

Dan Cartwright

**Indicate whether the certification is from the charter school's director, principal, or governing chairperson:**

Director

1. Includes Public Charter Schools Grant Program funds, if applicable [↑](#footnote-ref-1)
2. Includes In-Lieu of Property Taxes, if applicable [↑](#footnote-ref-2)