

Innovations Academy Board Meeting: March 18, 2014 @ 6:30 PM

Meeting location(s)

| | | |
|---|--|---|
| Innovations Academy 10380 Spring Canyon Road San Diego, 92131 | 5519 McMillan Street Oakland, CA, 94618 | Public call in number 559-726-1300* Access code 151642 |
|---|--|---|

*Members of the public need not state their names when entering the conference call

Board Attendance

| | | | | | | |
|----------------|--------------|---------------|---------------|----------------|--|--|
| Patric Rawlins | Cheryl Peach | Nathan Cooper | Stephen Rosen | Tony Spitzberg | | |
|----------------|--------------|---------------|---------------|----------------|--|--|

Others in Attendance

| | | | | | | |
|------------------|--------------|------------------|-------------|--|--|--|
| Christine Kuglen | Delano Jones | Alicia (teacher) | Steve Smith | | | |
|------------------|--------------|------------------|-------------|--|--|--|

Agenda

| Topic | Minutes |
|---|--|
| ➤ Call to order / roll call | Call to order at 6:31 p.m. |
| ➤ Approval of current agenda | Vote: Patric moves to approve agenda, Stephen seconds. Unanimous approval. |
| ➤ Approval of prior month meeting minutes | Vote: Stephen moves to approve minutes from February 18 and March 11 board meetings, Tony seconds. Unanimous approval. |
| ➤ Public comments (3 mins per person) | None. |
| ➤ Reports | |
| ○ Teacher briefing (Tony) | Discussion: Tony reports that school is having Exhibit Night on Thursday, March 27, 2014 from 5 pm to 8 pm. 4 th and 5 th grade classes will be presenting stop motion video projects. Alicia, a second grade teacher, then presents on class project regarding biographies entitled Superheroes of San Diego. |
| ○ Financial update (Delano) | Discussion: Delano provides summary of IA financial reports as of February 14, 2014, and reports that we are on target for revenue of expenses. Received report that next year IA will have deferral free year. IA currently has total assets of \$783,000, and liabilities of \$61,745., with approximately 4.3 months of operating cash on hand. No red flags to report. |
| ○ Director update (Christine) | Discussion: Christine reports that enrollment is at 340 students. Christine also provides report to Board on progress toward contract milestones. Currently working on student demographics. School district approved lease extension through next year. Meeting scheduled with Ray Rodriguez at school district to discuss future facility |
| ✓ Full time capacity/enrollment | |
| ✓ Part time capacity/enrollment | |
| ✓ Combined ADA (% and #) | |
| ✓ Student demographics | |
| ✓ Ocean Life school | |

| Topic | Minutes |
|---|--|
| <ul style="list-style-type: none"> ✓ Director contract milestones ✓ Facilities / lease extension ✓ Summary of other charter schools in SDUSD ✓ Scripps Ranch community outreach efforts ✓ Solution Center ✓ Sustainability Program ✓ Parent Association | <p>plans. Visited Explorer Knowledge Academy in Las Vegas in February, and planning to visit Northpoint High School in April to observe what other project based high schools are doing.</p> |
| <p>➤ Discussion items</p> | |
| <ul style="list-style-type: none"> ○ Review draft standard e-mail for parent inquiries/community (Stephen) ○ Discuss whether IA should take Consolidated Applications funds in the future (Christine) ○ Discuss special ed risk pool (Christine) ○ Discuss Prop Z funding options (Christine) ○ New Board members (Patric) | <p><u>Draft e-mail</u> Discussion – Stephen presents draft e-mail that can be sent in response to parent inquiries. Board discusses proposed revisions.</p> <p><u>Consolidated Applications Funds</u> Tabled until next month</p> <p><u>Special Ed Risk Pool</u> Discussion: Christine reports that El Dorado SELPA is creating a risk pool for members of the SELPA that will be designate for legal expenses.</p> <p><u>New Board Members</u> Discussion: Patric reports that we have one open slot and requests Board members to identify potential candidates.</p> |
| <ul style="list-style-type: none"> ○ Assign new action items | <p>None.</p> |
| <p>➤ Next board meeting</p> | |
| <ul style="list-style-type: none"> ○ Confirm date of next meeting | <p>April 15, 2014 at 6:30 p.m.</p> |
| <ul style="list-style-type: none"> ○ Identify agenda items for next meeting | <ul style="list-style-type: none"> ○ Ratify approval of second interim financials ○ SELPA risk pool (Christine) ○ LCAP report (Christine) ○ Common core update (Christine) ○ SDUSD update (Stephen) ○ Discuss whether IA should take Consolidated Application funds in the future (Christine) ○ Discuss special ed risk pool (Christine) ○ New Board members |
| | <p>Meeting adjourned at 7:47 p.m.</p> |

The foregoing minutes were approved by the Board
of Directors of Innovations Academy on _____.

Secretary

Please contact Innovations Academy Board @ Board@InnovationsAcademy.org if you require special assistance or a listening device to attend the Board Meeting. Requests must be made 48 hours in advance.

1. TELECONFERENCE MEETINGS. Members of the Board of Directors may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the boundaries of the State of California;
- All votes taken during a teleconference meeting shall be by roll call;
- If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- All locations where a member of the Board of Directors constituting the quorum participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;
- Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and
- The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.
- The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

Innovations Academy

July 2013 - March 2014

| Segment Name | Filter Applied |
|--------------|----------------|
| Object | All |
| Restriction | All |

| Account Description | Actual YTD | Budget YTD | Variance \$ | Variance % | Total Budget | Budget Remaining |
|-------------------------------------|--------------------|--------------------|--------------------|---------------|--------------------|------------------|
| Revenue Limit | \$1,467,174 | \$1,586,304 | (\$119,130) | -7.5% | \$2,115,072 | \$647,898 |
| Federal Revenue | \$36,693 | \$44,085 | (\$7,392) | -16.8% | \$58,780 | \$22,087 |
| Other State Revenue | \$142,900 | \$39,982 | \$102,918 | 257.4% | \$53,309 | (\$89,591) |
| Local Revenue | \$43,641 | \$128,853 | (\$85,211) | -66.1% | \$171,804 | \$128,162 |
| Total Revenues | \$1,690,408 | \$1,799,223 | (\$108,816) | -6.0% | \$2,398,965 | \$708,557 |
| Certificated Salaries | \$721,785 | \$750,361 | \$28,575 | 3.8% | \$1,000,481 | \$278,696 |
| Classified Salaries | \$242,222 | \$159,699 | (\$82,523) | -51.7% | \$212,932 | (\$29,290) |
| Employee Benefits | \$243,490 | \$216,986 | (\$26,504) | -12.2% | \$289,314 | \$45,824 |
| Total Personnel Expenses | \$1,207,498 | \$1,127,045 | (\$80,452) | -7.1% | \$1,502,727 | \$295,230 |
| Books and Supplies | \$34,417 | \$43,275 | \$8,858 | 20.5% | \$57,700 | \$23,283 |
| Services & Other Operating Expenses | \$282,563 | \$255,426 | (\$27,137) | -10.6% | \$325,568 | \$43,005 |
| Capital Outlay | - | - | - | 0.0% | - | - |
| Other Outgo | \$9,921 | \$19,238 | \$9,317 | 48.4% | \$25,651 | \$15,730 |
| Total Operational Expenses | \$326,902 | \$317,939 | (\$8,962) | -2.8% | \$408,919 | \$82,017 |
| Total Expenses | \$1,534,399 | \$1,444,984 | (\$89,415) | -6.2% | \$1,911,646 | \$377,247 |
| Net Income | \$156,009 | \$354,239 | (\$198,230) | -56.0% | \$487,319 | \$331,310 |

Innovations Academy

March 2014

| Segment Name | Filter Applied |
|--------------|----------------|
| Object | All |
| Restriction | All |

| Group Description | Account | Account Description | |
|-----------------------------------|---------|---------------------------------|-----------|
| Liquidity Ratio | | | 19.8 |
| | | | |
| Assets | | | |
| | | | |
| Current Assets | | | |
| Cash | 9120-00 | Cash in Bank(s) | \$42,602 |
| Cash | 9121-00 | Petty Cash | \$500 |
| Cash | 9123-00 | Fundraising Cash Account | \$18,010 |
| Cash | 9125-00 | Cash in County Treasury Account | \$593,016 |
| Cash | 9126-00 | Cash in Pacific Western Account | \$275,767 |
| Accounts Receivables | 9200-00 | Accounts Receivables | \$1,390 |
| Prepaid Expenses | 9330-00 | Prepaid Expenses | \$9,857 |
| Other Current Assets | 9335-00 | Employee Advances | \$2,511 |
| <i>Total Current Assets</i> | | | \$943,653 |
| | | | |
| Fixed Assets | | | |
| <i>Total Fixed Assets</i> | | | - |
| | | | |
| Other Assets | | | |
| <i>Total Other Assets</i> | | | - |
| | | | |
| Total Assets | | | \$943,653 |
| | | | |
| Liabilities And Net Assets | | | |
| | | | |
| Current Liabilities | | | |
| Accounts Payable | 9500-00 | Accounts Payable-System | \$32,978 |

Innovations Academy

March 2014

| Group Description | Account | Account Description | |
|---|---------|---------------------------|------------------|
| Accounts Payable | 9505-00 | Accounts Payable-Accrual | \$14,780 |
| <i>Total Current Liabilities</i> | | | <i>\$47,758</i> |
| | | | |
| Long Term Liabilities | | | |
| Loans Payable | 9640-00 | Loans Payable | \$60,000 |
| <i>Total Long Term Liabilities</i> | | | <i>\$60,000</i> |
| | | | |
| Total Liabilities | | | \$107,758 |
| | | | |
| Net Assets | | | |
| Unrestricted Net Assets | 9790-00 | Undesignated Fund Balance | \$679,887 |
| Profit/Loss YTD | | | \$156,009 |
| <i>Total Net Assets</i> | | | <i>\$835,895</i> |
| | | | |
| Total Liabilities And Net Assets | | | \$943,653 |

Innovations Academy

| | Cash Source / (Use) | October | November | December | January | February | March | April |
|---|---|----------------------|------------------|------------------|-------------------|-------------------|------------------|-------------------|
| Operating Activities | Revenue | \$144,360 | \$182,993 | \$284,168 | \$158,882 | \$137,620 | \$356,861 | \$0 |
| | Expenses | (\$182,959) | (\$179,880) | (\$173,997) | (\$168,987) | (\$186,504) | (\$182,306) | (\$25,808) |
| | Total Net (Loss)/Income | (\$38,599) | \$3,113 | \$110,171 | (\$10,105) | (\$48,884) | \$174,555 | (\$25,808) |
| | Receivables | \$11,615 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Intracompany Receivables | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Prepaid Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Current Other Expenses | \$0 | \$0 | \$0 | (\$1,343) | \$1,343 | (\$2,511) | \$0 |
| | Other Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Accounts Payables | (\$9,759) | (\$12,635) | \$3,611 | (\$19,497) | \$10,044 | (\$13,987) | \$5,942 |
| | Accrued Salaries and Taxes | \$0 | \$0 | \$0 | \$0 | (\$0) | \$0 | \$0 |
| | Deferred Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Other Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Net Cash provided/(used) by Operating Activities | (\$36,743) | (\$9,523) | \$113,782 | (\$30,945) | (\$37,497) | \$158,057 | (\$19,865) |
| | Investing Activities | Capital Expenditures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Investing Activities | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Equity Transfers | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Cash provided/(used) by Investing Activities | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Financing Activities | Cash Flow Financing - Secured Debt | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Loan Payables | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Deferred Lease Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Net Cash provided/(used) by Financing Activities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Cash at Beginning of Period | \$772,764 | \$736,021 | \$726,499 | \$840,281 | \$809,336 | \$771,839 | \$929,896 |
| | Net Increase/(Decrease) in Cash | (\$36,743) | (\$9,523) | \$113,782 | (\$30,945) | (\$37,497) | \$158,057 | (\$19,865) |
| | Cash at end of Period | \$736,021 | \$726,499 | \$840,281 | \$809,336 | \$771,839 | \$929,896 | \$910,031 |

Innovations Academy

| Financial Ratio | Formula | Current |
|---------------------------|--|--------------|
| Current Ratio (Liquidity) | $(\text{Current Assets}) / (\text{Current Liabilities})$ | 19.76 |
| Defensive Interval | $(\text{Cash} + \text{Securities} + \text{AR}) / (\text{Average Expenses past 12 months})$ | 5.25 |
| Cash on Hand | (Cash) | \$929,896.14 |
| Days Cash on Hand | $(\text{Cash}) / ((\text{Average Expenses past 12 months}) / (30.4))$ | 159.49 |
| Cash Reserve Ratio | $(\text{Cash}) / (\text{Budgeted Annual Expenses})$ | 48.64% |

| Financial Ratio | Description |
|---------------------------|---|
| Current Ratio (Liquidity) | Ability to pay short-term obligations |
| Defensive Interval | Possible months of continued operations if no additional funds received |
| Cash on Hand | Assets immediately convertible to cash for purchase of goods and services |
| Days Cash on Hand | Possible days of continued operations using current cash |
| Cash Reserve Ratio | Ratio of cash to annual expenses expressed as a percentage |

Input Values as of 3/31/2014

| | |
|----------------------------------|----------------|
| Cash | \$929,896.14 |
| Securities | - |
| AR | \$1,389.65 |
| Current Assets | \$943,653.43 |
| Total Assets | \$943,653.43 |
| Current Liabilities | \$47,757.99 |
| Total Liabilities | \$107,757.99 |
| Last Closed Revenue | \$356,861.00 |
| Last Closed Expenses | \$182,306.49 |
| Budgeted Annual Expenses | \$1,911,645.96 |
| Average Expenses past 12 months | \$177,248.45 |
| Average monthly payroll expenses | \$134,166.39 |

Health Report

Data as of 3/31/2014

| Target |
|--------------|
| >1 |
| > 3 months |
| \$175,000.00 |
| > 45 |
| > 10% |
| |
| |
| |
| |
| |



Innovations Academy Monthly Financial Summary

- (1) Any cash flow red flags as far as meeting payroll, etc.
—None to report
- (2) Any delayed income or other events or anticipated events that might cause significant deviation from the budget that we need to address-
As of 3/31/2014 none to report
- (3) Our progress toward the goal of having 6 months operational cash in the bank-
As of 3/31/2014 Innovations Academy has 5.31 months of operating cash in bank
(Cash + Securities + AR) / (Average Expenses past 12 months)
- (4) Our progress toward the goal of having a “self-insured” fund set aside for potential SELPA mitigation—
No progress at this time, I would recommend tabling this until 2014-15 in order to have a year of actual SPED revenues and expenditures to use as base line.