

Innovations Academy Board Agenda: May 25, 2021 @ 6:00 pm

Meeting location(s)

Innovations Academy 5454 Ruffin Rd San Diego, CA 92123	5519 McMillan Street Oakland, CA 94618	Public call in number 605-313-4802* Access code 151642#
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*Members of the public need not state their names when entering the conference call. Call-in number is provided as a convenience to the public.

Board Attendance

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Others in Attendance

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Agenda

Topic	Minutes
➤ Call to order / roll call	Time / Date Board in Attendance: 1. Other Present: 1.
➤ Approval of current agenda	Vote to approve current agenda - 1st motion - 2nd motion- Vote: Approved by:
➤ Approval of prior month meeting minutes	Vote to approve past minutes - 1st motion- 2nd motion- Vote: Approved by: 1.
➤ Public comments (3 mins per person)	
○ Teacher briefing (Ali)	
○ Financial update (CSMC) ✓ Present initial 21-22 Budget and Estimated Actuals ✓ Discuss ELO funding	Discussion: ➤
➤ Action items: Financial ○ Approve ELO Plan	

<ul style="list-style-type: none"> ○ Approve 19-20 Audit ○ Authorize removal of old signers from Mission Federal Account ○ Close Mission Fed Acct ○ Remove old signers from Chase account ○ Add new signer to Chase acct. ○ Approve opening an account at My Point Credit Union 	
<p>Director update (Christine)</p> <ul style="list-style-type: none"> ○ Review LCAP goals 	<p><u>Item – Director Update</u> Discussion: ➤ ➤</p>
<p>➤ Action item: Policies</p> <ul style="list-style-type: none"> ○ Adoption of SELPA plan and approve the participation agreement ○ Board Terms: Do we extend the board terms in a staggered fashion? 	<p><u>Action Item -SELPA Plan/ Participation</u> Discussion: ➤ Vote: ➤ 1st motion - ➤ 2nd motion - Approval by: <u>Action Item -Board Terms</u> Discussion: ➤ Vote: ➤ 1st motion - ➤ 2nd motion - Approval by:</p>
<p>➤ Next board meeting</p>	
<ul style="list-style-type: none"> ○ Confirm date of next meeting 	
<ul style="list-style-type: none"> ○ Identify agenda items for next meeting 	
<p>Meeting adjourned</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 Regular Board Meeting Minutes: March 2, 2021 @ 6:00 pm

Meeting location(s)

Innovations Academy 5454 Ruffin Rd San Diego, CA 92123	5519 McMillan Street Oakland, CA 94618	Teleconference Number (Note: Teleconferencing is by phone only) Dial-in number (US): (425) 436-6381 Access code: 1637013#
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*Members of the public need not state their names when entering the conference call.

Board Attendance

Nate Cooper	Stephen Rosen	Danielle Strachman	Faraz Sharafi			
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Others in Attendance

Mary Anne Hawke	Christine Kuglen	Joshua Eng	Ali Kolb	Cassidy Platt		
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Agenda

Topic	Minutes
➤ Call to order / roll call	Time / Date Board in Attendance: 1. all present Other Present: 1. MaryAnne Hawke, Christine Kuglen, Josh Eng,
➤ Approval of current agenda	Vote to approve current agenda - 1st motion - Faraz 2nd motion- Stephen Vote: abstain Danielle, wasn't present Approved by:
➤ Approval of prior month meeting minutes <ul style="list-style-type: none"> ○ Dec. 8, 2020 minutes (board packet) 	Vote to approve past minutes - 1st motion- Stephen 2nd motion- Nate Vote: Approved by: unanimous 1.
➤ Public comments (3 mins per person)	MaryAnne Hawke- stated the reason for the LCAP and provided a description of it. Mary Anne recognized Christine for holding 2 meetings and sending out a preliminary survey. MaryAnne shared the different types of input that is required. Mary Anne stated that she sees the LCAP as a great communication tool and looks forward to supporting its development.

	<p>Nancy Ward, parent of 1st&3rd grade students. Thankful her family is at Innovations and she appreciates that the school was opened during these times.</p>
<ul style="list-style-type: none"> ○ Teacher briefing (Ali Kolb) Progress on second semester scheduling changes 	<p>Ali gave an update on what teachers have been up to. She shared that we have moved to a T-F schedule allowing teachers to collaborate and plan.</p> <p>Shared that we are looking forward to hiring new teachers as we have some teachers that are moving out of state and changing careers.</p> <p>Ali introduced Cassidy Platt, a Kindergarten teacher, who expressed interest in the board position. The staff voted unanimously in support of nominating Cassidy to the board. Stephen asked about the amount of time on Mondays. Ali shared the Monday schedule.</p>
<ul style="list-style-type: none"> ○ Financial update (CSMC) <ul style="list-style-type: none"> ✓ Joshua Eng from CSMC will present financial information for approval of 2020-21 2nd Interim Budget (see board packet for narrative, report and budget) 	<p>Discussion:</p> <ul style="list-style-type: none"> ➤ July 2020-Jan 30, 2021 is timeframe for 2nd interim. We send this to the district. The financials show numbers that the district has in their template. First report is board report which is a summary of the district info- same numbers but different format. The numbers are favorable compared to our budget, mostly due to timing. ➤ Josh noted that the school applied for SB820 for growth funds. The school got revenue that is not reflected in this budget. There is also a new batch of money for COVID funds that is not included. ➤ As of Jan 31st, the school has 2.2 million in cash, and we are on the hook ➤ total assets \$2,390,709 ➤ Josh asked for questions. Nate asked about running at a deficit- Why? Josh explained that this is because of the timing of funds. Most funding comes in the back half of the year. Expenses mainly come at the start of the year so we can expect to run a deficit at this time of year

	<ul style="list-style-type: none"> ➤ Stephen asked about the budget projection- “what is the real net income at the end of the year?” Project \$44, 982 positive balance at end of year. But it is our best estimate. Where we thought we would be at this point in time then we are running favorably. Stephen clarifies that we are ahead of what we thought was going to be the case? Josh responded that that is generally accurate. ➤ The growth fund at this point is expected to have an additional \$139,000 which is subject to change but that is the projection at this point. Everything is subject to change. ➤ Josh shared that the New Covid Funds will be about \$112,000. These are restricted funds. We can only spend them on COVID related expenditures.
<p>➤ Action Item:</p> <ul style="list-style-type: none"> ➤ Approval of 2020-21 2nd Interim 	<p><u>Action Item 1 -</u> Discussion: no further discussion</p> <ul style="list-style-type: none"> ➤ Vote: Motion to approve 2020-21 second interim report ➤ 1st motion - Stephen ➤ 2nd motion - Nate <p>Approval by: unanimous</p>
<ul style="list-style-type: none"> ➤ Director update (Christine) <ul style="list-style-type: none"> ➤ Announcements <ul style="list-style-type: none"> ○ Enrollment is at 413 ○ Lottery is happening 3/9 ○ Facility Update: everything is still under warranty. ➤ Annual Conflict of Interest Form 700 due. <p>Board members must complete forms due by 4/1/21, you should have received an email in January from Form700@sdcounty.ca.gov</p> <ul style="list-style-type: none"> ➤ Uniform Complaint update (see appeal decision in board packet) <p>Update on complaint filed in August by a person not affiliated with IA. The appeal regarding the field trip fees was denied with a final determination that IA is aligned with the law.</p> <ul style="list-style-type: none"> ➤ Facility Update 	<p><u>Director Update: Discussion Notes</u> Christine should go to SDGE to ask for bill</p> <p>Christine was asked to resend the Form 700 to a board member. Others had completed.</p> <p>It was found the IA was not out of compliance</p> <p>We have plans to update our filters to the highest</p>

<ul style="list-style-type: none"> ○ Information about how things are going in our facility <ul style="list-style-type: none"> ■ air filtration ■ warranty ■ playground ➤ COVID-19 Update <ul style="list-style-type: none"> ○ Information about cases and precautions ➤ Learning Continuity & Attendance Plan (LCP); Local Control and Accountability Plan (LCAP) updates <p>This was a unique year and instead of the LCAP we had the LCP. We are ramping up for writing the new 3-year LCAP. We have held 2 parent meetings. This will be time for board input for goals and areas of need.</p> ➤ Discuss the Annual District Site Visit held 2/22/21 <p>Share out district observations shared with the board and the administrative team.</p> 	<p>level of filtration when changing of filters is needed.</p> <p>Shipping is backed up so we have held back the placement of our playground order and we are still figuring out the approval process.</p> <p>LCAP needs or priorities: How can we get more parents' input? Main goal will be around improving test scores.</p> <p>Faraz spoke about hoping to explore getting more parents involved in the LCAP</p> <p>The district team shared that in the general ledger 4300 they want details about items purchased.</p> <p>In the safety plan- remove references to district student discipline- last line should be about edcode and not classroom</p> <p>The I.S. master agreement, needs other provider signature line, such as a sped person to sign and to add courses and credits</p> <p>They seemed happy with our responses to things, they like how we follow protocol and Brown act.</p>
<ul style="list-style-type: none"> ➤ Board Items: <ul style="list-style-type: none"> ➤ Bylaws and Board Terms: Review and Determine Possible Updates (see board packet) <p>Review bylaws for possible needed updates/changes. Board Term Review: Board terms discussed and updated as needed.</p> ➤ Introduction of nominee for teacher representative to the Board of Directors. <p>The teacher representative position is open and the teachers have selected a representative.</p> 	<p>The board decided to extend the terms in a staggered and add to the next board meeting the Nate suggested working with Christine and bringing to the next board meeting</p> <p>Board Retreat process- might reinstitute that next fall Faraz asked what is the retreat and Nate explained that we have a strategic planning meeting and high level strategy in the fall. stephen and danielle were involved in the past and it served for bonding and rich discussion. S would advocate as soon as we can meet in person that we reinstitute the retreat It helped to go over things and gave us time.</p> <p>Pencil in that we do this for the fall</p> <p>We can touch back in May or June to see if we should accelerate this. Maybe S or D could work on an agenda.</p> <p>Board accepts nomination of Cassidy to the board.</p>

	<p>Cassidy gave her Instructional coach at last charter school and wanted back in the classroom, she is excited to be at IA, pretty intense year but the families have made it easy and the teachers are supportive. She is happy to be a part of the team. Nate thanked Cassidy for sharing</p>
➤ Action Item: Update Board Terms new	<p><u>Action Item 2 -</u> Discussion:</p> <ul style="list-style-type: none"> ➤ Vote: Nate motions to accept Cassidy as board member ➤ 1st motion - ➤ 2nd motion -Stephen <p>Approval by: unanimous</p>
➤ Action Item: Bylaw changes	<p><u>Action Item 3 -</u> Discussion:</p> <ul style="list-style-type: none"> ➤ Vote: ➤ 1st motion - ➤ 2nd motion - <p>Approval by:</p>
➤ Next board meeting	May 25th, June 15th
○ Confirm date of next meeting	<p>Ask Josh for date of august to make that the retreat Let's also come to the June meeting what our quarterly board dates will be for next year.</p>
○ Identify agenda items for next meeting	Policy updates (Safety policy, Discipline Policy, Independent Study Policy and I.S. Master Agreement)
Meeting adjourned	7:15 p.m.

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**Innovations Academy
Board Narrative
May 25, 2021**

Review of 2020-21 Estimated Actuals and 2021-22 Preliminary Budget

Purpose of this report and presentation is to provide the board with an update on where the school projects to end the year fiscally and to present the Board with a draft of the school's initial preliminary budget for the 2021-22 year.

For 2020-21, the school currently projects to end with a positive balance of ~\$129K and thus a net fund balance for the year of ~\$2.6M. This is an initial estimate and will be subject to change as the rest of the year's actuals is completed. The current estimate is that the school will end the year with a favorable net income.

The 2021-22 Preliminary Budget is based off enrollment of 443 with an ADA of 425.28. This increase in revenue along with the Governor's increased budget proposal, increases the school's estimated LCFF revenue for next year by ~\$470K.

Federal revenue decreases due to a decrease in COVID related funds; while state revenue is projected to increase due to various COVID, in person learning, and extended learning opportunity, funds.

Total expenses increase to account for salary increases and their respective benefits, and additional expenses to account for use of those additional funds mentioned in the paragraph prior.

Net Income is currently budgeted for 2021-22 of \$51K, thus increasing the estimated fund balance to \$2.7M.

Keep in mind this is a draft and is subject to change and official board approval in the month of June.

Innovations Academy



2020-21 ESTIMATED			
NAME	ACTUALS	2021-22 PRELIMINARY	VARIANCE
TOTAL ENROLLMENT	410	443	33
AVERAGE DAILY ATTENDANCE	393.60	425.28	31.7
REVENUE			
State LCFF Revenue	\$ 3,415,436	\$ 3,886,070	\$ 470,634
Federal Revenue	\$ 396,380	\$ 166,788	\$ (229,592)
Other State Revenue	\$ 142,001	\$ 434,815	\$ 292,814
Local Revenue	\$ 271,697	\$ 260,158	\$ (11,539)
TOTAL REVENUE	\$ 4,225,513	\$ 4,747,830	\$ 522,317
EXPENSES			
Certificated Salaries	\$ 1,746,482	\$ 2,169,238	\$ 422,756
Classified Salaries	\$ 699,250	\$ 684,337	\$ (14,913)
Benefits	\$ 676,145	\$ 756,126	\$ 79,981
TOTAL PERSONNEL EXPENSES	\$ 3,121,877	\$ 3,609,701	\$ 487,824
Books and Supplies	\$ 324,208	\$ 324,208	\$ -
Services and Other Operating Expenses	\$ 620,565	\$ 673,059	\$ 52,493
Capital Outlay	\$ 30,000	\$ 90,000	\$ 60,000
Other Outgoing	\$ -	\$ -	\$ -
TOTAL OTHER EXPENSES	\$ 974,774	\$ 1,087,267	\$ 112,493
TOTAL EXPENSES	\$ 4,096,651	\$ 4,696,968	\$ 600,317
FUND BALANCE			
SURPLUS\ (DEFICIT)	\$ 128,862	\$ 50,863	\$ (78,000)
<i>% of LCFF Revenue</i>	<i>3.8%</i>	<i>1.3%</i>	
BEGINNING FUND BALANCE	\$ 2,541,823	\$ 2,589,279	
ENDING BALANCE	\$ 2,589,279	\$ 2,670,685	\$ 81,406
<i>% of Expenses</i>	<i>66%</i>	<i>65%</i>	<i>0.0%</i>

REVENUE INPUT

ACCT	ACCOUNT NAME	2020-21 ESTIMATED ACTUALS	2021-22 PRELIMINARY	VARIANCE
LCFF				
8011	LCFF; state aid	600,073	843,193	243,120
8012	LCFF; EPA	78,700	85,056	6,356
8096	In-Lieu of Property Taxes	2,736,663	2,957,821	221,158
8019	Prior Year Income/Adjustments	-	-	-
TOTAL LCFF REVENUE		\$ 3,415,436	\$ 3,886,070	\$ 470,634
FEDERAL				
8181	Special Education - Federal	48,125	51,250	3,125
8220	Federal Child Nutrition	2,474	2,474	-
8290	All Other Federal Revenue	36	-	(36)
8290-3210	ESSER I	25,958	-	(25,958)
8290-3212	ESSER II	66,000	62,240	(3,760)
8290-72	LLMF - CARES Act Governor's Emergency Education Relie	173,062	-	(173,062)
8290-71	LLMF - CARES Act Coronavirus Relief	29,901	-	(29,901)
8291	Title I	33,392	33,392	-
8292	Title II	7,432	7,432	-
8293	Title III	-	-	-
8294	Title IV	10,000	10,000	-
TOTAL FEDERAL REVENUE		\$ 396,380	\$ 166,788	\$ (229,592)
OTHER STATE				
8520	State Child Nutrition Program	323	323	-
8550	MANDATE BLOCK GRANT K-8	6,343	6,734	391
8560-12	RESTRICTED LOTTERY	18,066	20,839	2,772
8560-22	LOTTERY	51,188	63,792	12,604
8590-00	OTHER STATE REVENUE	-	-	-
8590-66	MENTAL HEALTH	17,738	17,738	-
8590-61	ASES	-	-	-
8590-74	LLMF - General Fund	27,769	-	(27,769)
8590-7422	IPI	-	112,370	112,370
8590-7425	ELO	-	213,019	213,019
8590-75	LOW PREFORMING BLOCK GRANT	-	-	-
8591	SB740	-	-	-
8599	Prior Year State Income/Adjustments	20,574	-	(20,574)
TOTAL OTHER STATE REVENUE		\$ 142,001	\$ 434,815	\$ 292,814
LOCAL				
8639	Student Lunch Revenue	-	-	-
8650	Rental Income	-	-	-
8660	Interest Income	12,237	-	(12,237)
8682	Foundation Grants/Donations	388	-	(388)
8685	School Site Fundraising	20,637	-	(20,637)
8698	E-rate Revenue	-	-	-
8699	All Other Local Revenue	1,259	-	(1,259)
8792	SPED State/Other Transfers of Apportionments from Cou	237,176	260,158	22,982
8982	Foundation Grants/Donations	-	-	-
8983	All Other Local Revenue	-	-	-
TOTAL LOCAL REVENUE		\$ 271,697	\$ 260,158	\$ (11,539)
TOTAL REVENUE		\$ 4,225,513	\$ 4,747,830	\$ 522,317

EXPENSES INPUT

ACCT	ACCOUNT NAME	2020-21 ESTIMATED		VARIANCE
		ACTUALS	2021-22 PRELIMINARY	
1000 - CERTIFICATED				
1100	Teacher Salaries	1,373,546	1,795,935	422,389
1105	Teach Stipends	6,500	-	(6,500)
1120	Substitute Expense	-	-	-
1200	Certificated Pupil Support Salaries	55,680	99,080	43,400
1300	Certificated Supervisor and Administrator Salaries	256,000	274,223	18,223
1900	Other Certificated Salaries	54,756	-	(54,756)
	Totals	\$ 1,746,482	\$ 2,169,238	\$ 422,756
2000 - CLASSIFIED				
2100	Instructional Aide Salaries	331,637	424,744	93,107
2200	Classified Support Salaries (Maintenance, Food)	191,420	99,550	(91,870)
2300	Classified Supervisor and Administrator Salaries	55,500	42,900	(12,600)
2400	Clerical, Technical and Office Staff Salaries	120,693	117,143	(3,550)
2900	Other Classified Salaries	-	-	-
	Totals	\$ 699,250	\$ 684,337	\$ (14,913)
3000 - BENEFITS				
3101	State Teachers' Retirement System, certificated positions	267,037	343,372	76,335
3202	Public Employees Retirement System	-	-	-
3313	OASDI	46,701	43,196	(3,505)
3323	Medicare	35,463	41,377	5,914
3403	Health & Welfare Benefits	276,940	276,212	(729)
3503	State Unemployment Insurance	23,100	20,580	(2,520)
3603	Worker Compensation Insurance	26,903	31,389	4,486
3703	Other Post Employment Benefits	-	-	-
3903	Other Employee Benefits	-	-	-
	Totals	\$ 676,145	\$ 756,126	\$ 79,981
	TOTAL PERSONEL EXPENSE	\$ 3,121,877	\$ 3,609,701	\$ 487,824
4000 - BOOKS AND SUPPLIES				
4100	Approved Textbooks and Core Curricula Materials	6,706	6,706	-
4200	Books and Other Reference Materials	12,000	12,000	-
4300	Materials and Supplies	27,000	27,000	-
4309	Sales and Use Tax Expenses	500	500	-
4315	Classroom Materials and Supplies	22,000	22,000	-
4342	Materials for School Sponsored Athletics	-	-	-
4381	Plant/Facilities Maintenance	60,000	60,000	-
4400	Noncapitalized Equipment	40,467	40,467	-
4407	Student Educational Software	25,055	25,055	-
4410	Software & Software Licensing	26,779	26,779	-
4430	Noncapitalized Student Equipment	100,000	100,000	-
4700	Food and Food Supplies	3,700	3,700	-
	TOTAL BOOKS AND SUPPLIES	\$ 324,208	\$ 324,208	\$ -
5000 - SERVICES AND OTHER OPEX				
5200	Travel and Conferences	6,000	6,000	-
5210	Training and Development Expense	21,813	21,813	-
5300	Dues and Memberships	3,500	3,500	-
5400	Insurance	33,205	33,205	-
5500	Operation and Housekeeping Services	11,836	11,836	-
5501	Utilities	100,000	130,000	30,000
5600	Space Rental/Leases Expense	120	120	-
5601	Building Maintenance	40,000	40,000	-
5602	Other Space Rental	1,500	1,500	-
5605	Equipment Rental/Lease Expense	17,000	17,000	-
5610	Equipment Repair	4,000	4,000	-
5800	Professional/Consulting Services and Operating Expenditures	19,000	19,000	-
5803	Banking and Payroll Service Fees	14,500	14,500	-
5805	Legal Services and Audit	18,735	18,735	-
5806	Audit Services	10,500	10,500	-
5807	Legal Settlements	12,000	12,000	-
5809	Employee Tuition Reimbursement	389	389	-
5810	Educational Consultants	63,000	63,000	-
5811	Student Transportation and Field Trips	5,000	5,000	-
5812	Other Student Activities	580	580	-
5815	Advertising/Recruiting	2,000	2,000	-
5820	Fundraising Expense	545	545	-
5830	Field Trips	10,000	10,000	-
5836	Transportation Services	-	-	-
5842	Services Student Athletics	-	-	-
5850	Scholarships Awarded	-	-	-
5873	Financial Services	65,000	65,000	-
5874	Personnel Services	1,000	1,000	-
5875	District Oversight Fee	94,089	116,582	22,493
5877	IT Services	30,000	30,000	-
5890	Interest Expenses/Fees	1,058	1,058	-
5900	Communications (Tele., Internet, Copies, Postage, Messenger)	34,000	34,000	-
5998	Unallocated Credit Card Expense	196	196	-
	TOTAL SERVICES AND OTHER OPEX	\$ 620,565	\$ 673,059	\$ 52,493
6000 - CAPITAL OUTLAY				
6900	Depreciation Expense	30,000	90,000	60,000
	TOTAL DEPRECIATION	\$ 30,000	\$ 90,000	\$ 60,000
7000 - OTHER OUTGOING				
7438	Debt Service Interest	-	-	-
	TOTAL OTHER OUTGOING	\$ -	\$ -	\$ -
	TOTAL EXPENSES	\$ 4,096,651	\$ 4,696,968	\$ 600,317



Innovations Academy

Expanded Learning Opportunities Grants

To be eligible for funding, LEAs must implement a learning recovery program, that at a minimum, provides supplemental instruction, support for social and emotional well-being, and, to the maximum extent permissible under the guidelines of the United States Department of Agriculture, meals and snacks to specified student groups, as defined in *Education Code* Section 43522, who have faced adverse learning and social-emotional circumstances.

ELO Grants shall be expended only for any of the following purposes: extending instructional learning time, accelerating progress to close learning gaps, integrated pupil supports, community learning hubs, supports for credit deficient pupils, additional academic services, and training for school staff. LEAs are encouraged to engage, plan, and collaborate on program operation with community partners and expanded learning programs, and leverage existing behavioral health partnerships and Medi-Cal billing options, in the design and implementation of services.

Innovations Academy has decided to utilize the funds to:

- Provide a summer learning program from June 21- July 16, 2021 to students enrolling on a priority basis. First priority is low income, low academic, special education students and English language learners. The second priority went to students who responded to the summer learning survey with a yes or maybe for interest. All students would be invited even though spaces are limited.

The rationale for this is that students experienced fewer school-based learning hours during the 20-21 school year and it would be more challenging to provide them additional services than are typically provided during the school year.

- Provide one-to-one tutoring for students who are struggling academically. One-to-one tutoring will begin in the summer of 2021 and extend into the school year.

The rationale for this is that there are some students and staff who are available during the summer, but others would only be available for services during the school year.

- Mental Health support will be provided using these funds during our following school year.
- Professional development for our staff will be provided so that they can have the skills needed to support all of the challenges for expectations of recovery from this year.



Innovations Academy



Expanded Learning Opportunities Grant Plan

Local Educational Agency (LEA) Name	Contact Name and Title	Email and Phone
Innovations Academy	Christine Kuglen Director	christine@innovationsacademy.org 858.271.1414

The following is the local educational agency's (LEA's) plan for providing supplemental instruction and support to students, including those identified as needing academic, social-emotional, and other supports, including the provision of meals and snacks. The plan will explain how the LEA will use the funds it receives through the Expanded Learning Opportunities (ELO) Grant to implement a learning recovery program for at least the students included in one or more of the following groups: low-income students, English learners, foster youth, homeless students, students with disabilities, students at risk of abuse, neglect, or exploitation, disengaged students, and students who are below grade level, including, but not limited to, those who did not enroll in kindergarten in the 2020–21 school year, credit-deficient students, high school students at risk of not graduating, and other students identified by certificated staff.

For specific requirements please refer to the Expanded Learning Opportunities Grant Plan Instructions.

Plan Descriptions

A description of how parents, teachers, and school staff were involved in the development of the plan.

Parents were surveyed about their interest in participation in the summer learning program. Parent input was also taken from parent communications, parent support group and IEP participation. Teachers and office staff discussed summer learning participation in staff meetings and paraprofessionals were addressed directly. It is very important to our community that funds are used to provide additional support to students and parents, different than what we can typically provide. It was also recognized that teachers need a break and should not be teaching all summer. Therefore, funds will be used in multiple ways (see below).

A description of how students will be identified and the needs of students will be assessed.

Our goal is to address the needs of our academically underperforming, special education, ELL and low income students, with a focus on those students in multiple categories (we do not have foster or homeless students that would qualify) as a first priority. Our students' needs were assessed during the current school year using the NWEA MAP test, teacher records from the 20-21 school year regarding work

completion and participation, results of teacher observations, previous years' records of CAASPP achievement, special education records, report cards and meetings held with parents of distance learners. Our low income families were identified through CALPADS. Social emotional support needs were determined by interventions during the school year. We will also incorporate a universal approach by providing professional development to teachers that will help them address the implementation of strategies to increase academic depth.

A description of how parents and guardians of students will be informed of the opportunities for supplemental instruction and support.

Parents have been informed via our weekly parent communication that is sent in Spanish and English to all families. Parents will also be contacted directly via email and phone to schedule their child for the tutoring component and additional social emotional support component.

A description of the LEA's plan to provide supplemental instruction and support.

There are several different ways supplemental instruction will be provided. First, we are offering a summer learning program. Our summer learning will address the issue of learning loss through a universal approach. We are enrolling based on a priority system, with priority given to academically struggling, low income, ELL and special education students as a first priority, followed by all other students who wish to enroll. In this program, learning activities will be provided for 4 weeks, from June 21, 2021 through July 16, 2021. Students will have flexibility in signing up for one or both of two sessions. Priority is given to low income and low performing students per above assessments, including ELL students and special education students. Instruction will be provided in the summer learning program from 8:30 a.m.-1:00 p.m. Monday through Friday. Students will participate in math and reading alongside projects designed around best practices in project based learning and student interest with a focus on application of skills in the real world. Classes will have a maximum of 16 students and provided by teachers and paraprofessionals.

A targeted and intensive approach will be utilized for our one on one and small group tutoring that will be provided both over the summer and during the 2021-22 school year to students who have been identified as underperforming or low income using the assessments above. Social emotional support will be provided and/or supported by our staff Marriage, Family Therapist. Parents of identified students will be contacted via email and/or phone to schedule times that work for them. A daily meal will be offered during our summer learning program. Finally, some of the funds will be reserved for professional development to support teacher training in increasing quality and engagement in learning tasks, trauma informed practice and effectively tackling learning gaps.

Expenditure Plan

The following table provides the LEA's expenditure plan for how it will use ELO Grant funds to support the supplemental instruction and support strategies being implemented by the LEA.

Supplemental Instruction and Support Strategies	Planned Expenditures	Actual Expenditures
Extending instructional learning time	90000	

Supplemental Instruction and Support Strategies	Planned Expenditures	Actual Expenditures
Accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports	65000	
Integrated student supports to address other barriers to learning	25000	
Community learning hubs that provide students with access to technology, high-speed internet, and other academic supports	0	
Supports for credit deficient students to complete graduation or grade promotion requirements and to increase or improve students' college eligibility	0	
Additional academic services for students	15000	
Training for school staff on strategies to engage students and families in addressing students' social-emotional health and academic needs	20000	
Total Funds to implement the Strategies	215,000	

A description of how ELO Grant funds are being coordinated with other federal Elementary and Secondary School Emergency Relief Funds received by the LEA.

ELO grant funds will be coordinated with funds from the Elementary and Secondary School Emergency Relief Funds that are being used to provide targeted support to students who are academically challenged, an ELL student or who are from a low income family. Additionally funds will also be coordinated to provide support to those who have been most impacted by social emotional and mental health issues

caused or exacerbated by the pandemic as well as to help our teachers mitigate the challenges that students are facing both academically and social-emotionally.

Expanded Learning Opportunities Grant Plan Instructions: Introduction

The Expanded Learning Opportunities Grant Plan must be completed by school districts, county offices of education, or charter schools, collectively referred to as Local Educational Agencies (LEAs), that receive Expanded Learning Opportunities (ELO) Grant funds under California *Education Code (EC)* Section 43521(b). The plan must be adopted by the local governing board or body of the LEA at a public meeting on or before June 1, 2021, and must be submitted to the county office of education, the California Department of Education, or the chartering authority within five days of adoption, as applicable. The plan must be updated to include the actual expenditures by December 1, 2022.

For technical assistance related to the completion of the Expanded Learning Opportunities Grant Plan, please contact ELOGrants@cde.ca.gov or lcff@cde.ca.gov

Instructions: Plan Requirements

An LEA receiving ELO Grant funds under *EC* Section 43521(b) is required to implement a learning recovery program that, at a minimum, provides supplemental instruction, support for social and emotional well-being, and, to the maximum extent permissible under the guidelines of the United States Department of Agriculture, meals and snacks to, at a minimum, students who are included in one or more of the following groups:

- low-income,
- English learners,
- foster youth,
- homeless students,
- students with disabilities,
- students at risk of abuse, neglect, or exploitation,
- disengaged students, and
- students who are below grade level, including, but not limited to, those who did not enroll in kindergarten in the 2020–21 school year, credit-deficient students, high school students at risk of not graduating, and other students identified by certificated staff.

For purposes of this requirement

- “Supplemental instruction” means the instructional programs provided in addition to and complementary to the LEAs regular instructional programs, including services provided in accordance with an individualized education program (IEP).
- “Support” means interventions provided as a supplement to those regularly provided by the LEA, including services provided in accordance with an IEP, that are designed to meet students’ needs for behavioral, social, emotional, and other integrated student supports, in order to enable students to engage in, and benefit from, the supplemental instruction being provided.
- “Students at risk of abuse, neglect, or exploitation” means students who are identified as being at risk of abuse, neglect, or exploitation in a written referral from a legal, medical, or social service agency, or emergency shelter.

EC Section 43522(b) identifies the seven supplemental instruction and support strategies listed below as the strategies that may be supported with ELO Grant funds and requires the LEA to use the funding only for any of these purposes. LEAs are not required to implement each supplemental instruction and support strategy; rather LEAs are to work collaboratively with their community partners to identify the

supplemental instruction and support strategies that will be implemented. LEAs are encouraged to engage, plan, and collaborate on program operation with community partners and expanded learning programs, and to leverage existing behavioral health partnerships and Medi-Cal billing options in the design and implementation of the supplemental instruction and support strategies being provided (*EC* Section 43522[h]).

The seven supplemental instruction and support strategies are:

1. Extending instructional learning time in addition to what is required for the school year by increasing the number of instructional days or minutes provided during the school year, providing summer school or intersessional instructional programs, or taking any other action that increases the amount of instructional time or services provided to students based on their learning needs.
2. Accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports including, but not limited to, any of the following:
 - a. Tutoring or other one-on-one or small group learning supports provided by certificated or classified staff.
 - b. Learning recovery programs and materials designed to accelerate student academic proficiency or English language proficiency, or both.
 - c. Educator training, for both certificated and classified staff, in accelerated learning strategies and effectively addressing learning gaps, including training in facilitating quality and engaging learning opportunities for all students.
3. Integrated student supports to address other barriers to learning, such as the provision of health, counseling, or mental health services, access to school meal programs, before and after school programs, or programs to address student trauma and social-emotional learning, or referrals for support for family or student needs.
4. Community learning hubs that provide students with access to technology, high-speed internet, and other academic supports.
5. Supports for credit deficient students to complete graduation or grade promotion requirements and to increase or improve students' college eligibility.
6. Additional academic services for students, such as diagnostic, progress monitoring, and benchmark assessments of student learning.
7. Training for school staff on strategies, including trauma-informed practices, to engage students and families in addressing students' social-emotional health needs and academic needs.

As a reminder, *EC* Section 43522(g) requires that all services delivered to students with disabilities be delivered in accordance with an applicable IEP.

Fiscal Requirements

The following fiscal requirements are requirements of the ELO grant, but they are not addressed in this plan. Adherence to these requirements will be monitored through the annual audit process.

- The LEA must use at least 85 percent (85%) of its apportionment for expenditures related to providing in-person services in any of the seven purposes described above.
- The LEA must use at least 10 percent (10%) of the funding that is received based on LCFF entitlement to hire paraprofessionals to provide supplemental instruction and support through the duration of this program, with a priority for full-time paraprofessionals. The supplemental instruction and support provided by the paraprofessionals must be prioritized for English learners and students with disabilities. Funds expended to hire paraprofessionals count towards the LEAs requirement to spend at least 85% of its apportionment to provide in-person services.

- An LEA may use up to 15 percent (15%) of its apportionment to increase or improve services for students participating in distance learning or to support activities intended to prepare the LEA for in-person instruction, before in-person instructional services are offered.

Instructions: Plan Descriptions

Descriptions provided should include sufficient detail yet be sufficiently succinct to promote a broad understanding among the LEA's local community.

A description of how parents, teachers, and school staff were involved in the development of the plan

Describe the process used by the LEA to involve, at a minimum, parents, teachers, and school staff in the development of the Expanded Learning Opportunities Grant Plan, including how the LEA and its community identified the seven supplemental instruction and support strategies that will be implemented. LEAs are encouraged to engage with community partners, expanded learning programs, and existing behavioral health partnerships in the design of the plan.

A description of how parents and guardians of students will be informed of the opportunities for supplemental instruction and support.

Describe the LEA's plan for informing the parents and guardians of students identified as needing supplemental instruction and support of the availability of these opportunities, including an explanation of how the LEA will provide this information in the parents' and guardians' primary languages, as applicable.

A description of how students will be identified and the needs of students will be assessed

Describe the LEA's plan for identifying students in need of academic, social-emotional, and other integrated student supports, including the LEA's plan for assessing the needs of those students on a regular basis. The LEA's plan for assessing the academic needs of its students may include the use of diagnostic and formative assessments.

As noted above in the Plan Requirements, "other integrated student supports" are any supports intended to address barriers to learning, such as the provision of health, counseling, or mental health services, access to school meal programs, before and after school programs, or programs to address student trauma and social-emotional learning, or referrals for support for family or student needs.

A description of the LEA's plan to provide supplemental instruction and support

Describe the LEA's plan for how it will provide supplemental instruction and support to identified students in the seven strategy areas defined in the Plan Requirements section. As a reminder, the LEA is not required to implement each of the seven strategies; rather the LEA will work collaboratively with its community to identify the strategies that will be implemented. The plan must include a description of how supplemental instruction and support will be provided in a tiered framework that bases universal, targeted, and intensive supports on students' needs for academic, social-emotional, and other integrated student supports. The plan must also include a description of how the services will be provided through a program of engaging learning experiences in a positive school climate.

As a reminder, *EC* Section 43522(g) requires that all services delivered to students with disabilities be delivered in accordance with an applicable individualized education program. Additionally, LEAs are encouraged to collaborate with community partners and expanded learning programs, and to leverage existing behavioral health partnerships and Medi-Cal billing options in the implementation of, this plan (*EC* Section 43522[h]).

Instructions: Expenditure Plan

The 'Supplemental Instruction and Support Strategies' column of the Expenditure Plan data entry table lists the seven supplemental instruction and support strategies that may be supported with ELO Grant funds.

Complete the Expenditure Plan data entry table as follows:

In the 'Planned Expenditures' column of the data entry table, specify the amount of ELO Grant funds being budgeted to support each supplemental instruction and support strategies being implemented by the LEA and the total of all ELO Grant funds being budgeted.

The plan must be updated to include the actual expenditures by December 1, 2022. In the 'Actual Expenditures' column of the data entry table the LEA will report the amount of ELO Grant funds that the LEA actually expended in support of the strategies that it implemented, as well as the total ELO Grant funds expended.

A description of how these funds are being coordinated with other federal Elementary and Secondary School Emergency Relief Funds received by the LEA

Describe how the LEA is coordinating its ELO Grant funds with funds received from the federal Elementary and Secondary School Emergency Relief (ESSER) Fund provided through the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (Public Law 116-260), also known as ESSER II, to maximize support for students and staff.

California Department of Education
March 2021



Innovations
Academy Charter
School

Charter #1024

County of San Diego

Audit Report

June 30, 2020



WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS



INNOVATIONS ACADEMY CHARTER SCHOOL
Financial Statements and Supplemental Information
Year Ended June 30, 2020

TABLE OF CONTENTS

<u>INDEPENDENT AUDITOR’S REPORT</u>	<u>1</u>
<u>FINANCIAL STATEMENTS</u>	<u>3</u>
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
<u>SUPPLEMENTARY INFORMATION</u>	<u>18</u>
Organization Structure	18
Schedule of Average Daily Attendance	19
Schedule of Instructional Time	20
Schedule of Financial Trends and Analysis.....	21
Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements.....	22
Notes to Supplementary Information.....	23
<u>OTHER INDEPENDENT AUDITORS’ REPORTS</u>	<u>24</u>
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24
Independent Auditor’s Report on State Compliance	26
<u>AUDITOR’S RESULTS, FINDINGS & RECOMMENDATIONS</u>	<u>29</u>
Schedule of Auditor’s Results.....	29
Schedule of Findings and Questioned Costs.....	30
Schedule of Prior Year Audit Findings.....	31

Independent Auditor's Report

To the Board of Trustees of
Innovations Academy Charter School
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of Innovations Academy Charter School (the School), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Innovations Academy Charter School as of June 30, 2020, and the respective changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information identified in the table of contents, as required by the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 is presented for purposes of additional analysis and is 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 to 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2021, on our consideration of Innovations Academy Charter School' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

El Cajon, California
March 29, 2021

Financial Statements

INNOVATIONS ACADEMY CHARTER SCHOOL

Statement of Financial Position

June 30, 2020

Assets

Cash and cash equivalents	\$ 2,076,903
Accounts receivable	364,689
Prepaid expenses	26,411
Property and equipment, net	197,452
Total Assets	<u><u>\$ 2,665,455</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable - vendors	\$ 15,825
Accounts payable - grantor government	76,251
Accrued expenses and other liabilities	31,556
Total Liabilities	<u>123,632</u>

Net Assets

Without donor restrictions	
Undesignated	2,329,525
Invested in property and equipment, net of related debt	197,452
	<u>2,526,977</u>
With donor restrictions	
Restricted for state programs	14,846
	<u>14,846</u>
Total Net Assets	<u>2,541,823</u>
Total Liabilities and Net Assets	<u><u>\$ 2,665,455</u></u>

The accompanying notes are an integral part of this statement.

INNOVATIONS ACADEMY CHARTER SCHOOL

Statement of Activities
Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 662,545	\$ -	\$ 662,545
Education protection account state aid	75,240	-	75,240
Transfers in lieu of property taxes	2,519,054	-	2,519,054
Total LCFF sources	<u>3,256,839</u>	<u>-</u>	<u>3,256,839</u>
Federal contracts and grants	-	104,185	104,185
State contracts and grants	154,287	218,003	372,290
Local contracts and grants	44,044	-	44,044
Donations and fundraising	76,031	-	76,031
Interest income	23,950	-	23,950
Net assets released from restriction -			
Grant restrictions satisfied	318,700	(318,700)	-
Total revenue, support, and gains	<u>3,873,851</u>	<u>3,488</u>	<u>3,877,339</u>
Expenses and Losses			
Program services expense	2,723,761	-	2,723,761
Supporting services expense	816,034	-	816,034
Total expenses and losses	<u>3,539,795</u>	<u>-</u>	<u>3,539,795</u>
Change in Net Assets	334,056	3,488	337,544
Net Assets, Beginning of Year	2,192,921	11,358	2,204,279
Net Assets, End of Year	<u>\$ 2,526,977</u>	<u>\$ 14,846</u>	<u>\$ 2,541,823</u>

The accompanying notes are an integral part of this statement.

INNOVATIONS ACADEMY CHARTER SCHOOL

Statement of Functional Expenses

Year Ended June 30, 2020

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	Educational Programs	Management and General	Fundraising and Development	
Salaries and Wages	\$ 1,850,263	\$ 445,511	\$ -	\$ 2,295,774
Pension expense	198,567	47,811	-	246,378
Other employee benefits	219,512	52,855	-	272,367
Payroll taxes	69,621	16,764	-	86,385
Fees for services:				
Business Services	-	54,000	-	54,000
Legal and audit	-	28,347	-	28,347
Professional consulting	82,658	34,891	-	117,549
District oversight	-	41,011	-	41,011
Banking and payroll services	-	13,914	-	13,914
Advertising	-	1,005	-	1,005
Information technology	7,335	-	-	7,335
Occupancy	105,690	-	-	105,690
Travel and conferences	4,044	22,704	-	26,748
Operations and housekeeping	9,418	-	-	9,418
Depreciation	16,124	-	-	16,124
Insurance	-	28,547	-	28,547
Other expenses:				
Books and supplies	98,133	-	-	98,133
Equipment rental and repair	15,173	-	-	15,173
Student transportation & field trips	47,223	-	-	47,223
Miscellaneous	-	15,501	13,173	28,674
 Total expenses included in the expense section on the statement of activities	 <u>\$ 2,723,761</u>	 <u>\$ 802,861</u>	 <u>\$ 13,173</u>	 <u>\$ 3,539,795</u>

The accompanying notes are an integral part of this statement.

INNOVATIONS ACADEMY CHARTER SCHOOL

Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows from Operating Activities	
Receipts from federal, state, and local contracts and grants	\$ 1,253,164
Receipts from property taxes	2,519,054
Receipts from donations and fundraising	76,031
Receipts from operating interest	23,950
Payments to employees for services provided	(2,869,348)
Payments to vendors	(556,003)
Net Cash From Operating Activities	<u>446,848</u>
Cash Flows from Investing Activities	
Purchases of property and equipment	(181,909)
Net Cash Used for Investing Activities	<u>(181,909)</u>
Net Change in Cash and Cash Equivalents	264,939
Cash and Cash Equivalents, Beginning of Year	<u>1,811,964</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,076,903</u>
Reconciliation of Change in Net Assets to Net Cash Used For Operating Activities	
Change in net assets	\$ 337,544
Adjustments to reconcile change in net assets to net cash:	
Depreciation and amortization	16,124
Changes in operating assets and liabilities	
(Increase) Decrease in assets	
Accounts receivable	(5,140)
Accounts receivable - related entities	
Prepaid expenses	50,957
Increase (Decrease) in liabilities	
Accounts payable	(2,698)
Accounts payable grantor governments	18,505
Accrued expenses and other liabilities	31,556
Net Cash From Operating Activities	<u>\$ 446,848</u>

The accompanying notes are an integral part of this statement.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements
Year Ended June 30, 2020

A. Principal Activity and Summary of Significant Accounting Policies

Organization

Innovations Academy Charter School (the School), is a nonprofit organization, organized in the State of California. The School's mission is to provide quality education to students in kindergarten through sixth grade. Innovations Academy Charter School was formed in July 2009 as a charter school pursuant to California Education Code Section 47600 under a charter agreement with the Chula Vista Elementary School District.

Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The School uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenses are recognized in the accounting period in which the liability is incurred.

Cash and Cash Equivalents

The School considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts Receivable

Accounts receivables consist primarily of noninterest-bearing amounts due to the School for federal, state, and local grants and contracts receivable. The amounts in accounts receivable are considered fully collectable and as such there has not been an allowance for uncollectable accounts or discount established for the School.

Property and Equipment

The School records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed in the current period.

The School reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2020.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements

Year Ended June 30, 2020

Investments

The School records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The School recognizes revenue from sales when the products are transferred, and services are provided. The school records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The School's federal, state, and local contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the School's program services, administration, and fundraising and developing activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Advertising

Advertising costs are expensed as incurred and approximated \$1,005 during the year ended June 30, 2020.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes

The School is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The School is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The School may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2020, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The School follows provisions of uncertain tax positions as addressed in ASC 958. The School recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2020.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the School to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

The School manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by the School to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the School has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members and individuals supportive of the Schools mission.

LCFF Revenues and Payments in Lieu of Property Taxes

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the school, which is funding in lieu of property taxes, and education protection account funds paid by the state under proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 84% of the School's revenue.

The School is not at risk of losing these funding sources, as long as the schools maintain a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

New Accounting Guidance

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that became effective during the 2019-20 fiscal year:

1. FASB ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*
2. FASB ASU 2015-14 *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*
3. FASB ASU 2016-01 *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.*
4. FASB ASU 2016-04 *Liabilities – Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products* (a consensus of the Emerging Issues Task Force).
5. FASB ASU 2016-08 *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net).*
6. FASB ASU 2016-10 *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.*
7. FASB ASU 2016-12 *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients.*
8. FASB ASU 2016-15 *Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments* (a consensus of the Emerging Issues Task Force).
9. FASB ASU 2016-16 *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other than Inventory*
10. FASB ASU 2016-20 *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers.*
11. FASB ASU 2017-01 *Business Combinations (Topic 805): Clarifying the Definition of a Business*
12. FASB ASU 2017-05 *Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets.*
13. FASB ASU 2017-07 *Compensation – Retirement Benefits (Topic 715): Improving Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.*
14. FASB ASU 2018-03 *Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.*
15. FASB ASU 2018-09 *Codification Improvements*
16. FASB ASU 2020-04 *Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting.*
17. FASB ASU 2020-05 *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities.*

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the 2019-20 fiscal year did not impact the financial accounting or presentation for the School.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through March 9, 2021, the date the financial statements were available to be issued.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

B. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$	2,076,903
Accounts receivable		364,689
		<hr/>
	\$	2,441,592
		<hr/> <hr/>

C. Fair Value Measurements and Disclosure

The School reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3: Unobservable inputs for the asset or liability. In these situations, the School develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the School's assessment of the quality, risk, or liquidity profile of the asset or liability.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

The School has funds at the San Diego County Treasury which invests funds in various markets such as CDs, money market, and U.S. government obligations. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market rate assumptions and are classified within Level 2.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2020:

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Cash in county treasury	\$ 1,365,805	\$ -	\$ 1,365,805	\$ -

D. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2020 consisted of the following:

Cash in county treasury	\$ 1,365,805
Cash in bank accounts	711,098
Total cash and cash equivalents	<u>\$ 2,076,903</u>

Cash in County Treasury

The School is a voluntary participant and therefore maintains a portion of its cash in the San Diego County Treasury as part of the common investment pool (\$1,365,805 as of June 30, 2020). The County Treasury is restricted by Government Code §53635 pursuant to §53601 to invest in time deposits, U.S. Government Securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, banker’s acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse agreements.

The fair value of the School’s investment in this pool is reported in the accompanying financial statements at amounts based upon the School’s pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasury, which are recorded on an amortized cost basis. Cash may be added or withdrawn from the investment pool without limitation.

Cash in Bank

The School’s cash (\$711,098 as of June 30, 2020) is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor or certain non-interest-bearing accounts that are fully insured by the FDIC. As of June 30, 2020, the School held \$343,376 in excess of the FDIC insured amounts. The School reduces its exposure to risk by maintaining such deposits with high quality financial institutions. The School has not experienced any losses in such accounts and believe it is not exposed to any significant credit risk.

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

E. Accounts Receivable

As of June 30, 2020, accounts receivable consisted of the following:

Federal Government		
Special Education	\$	54,299
State Government		
State Aid		22,413
Lottery Funding		30,158
Special Education		16,023
Mental Health		17,738
Local Government		
Property Tax Payments		223,471
Other Local Sources		
Other Local Sources		587
Total Accounts Receivable	\$	<u><u>364,689</u></u>

F. Prepaid Expenses

As of June 30, 2020, prepaid expenses consisted of the following:

Health and welfare benefits	\$	19,020
Prepaid vendors		<u>7,391</u>
Total Prepaid Expenses	\$	<u><u>26,411</u></u>

G. Property and Equipment

Property and equipment consisted of the following at June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-Depreciable Capital Assets				
Work in Progress	\$ -	\$ 106,921	\$ -	\$ 106,921
Total Non-Depreciable Capital Assets	<u>-</u>	<u>106,921</u>	<u>-</u>	<u>106,921</u>
Depreciable Capital Assets				
Equipment, Furniture, and Fixtures	50,000	102,488	50,000	102,488
Total Depreciable Capital Assets	<u>50,000</u>	<u>102,488</u>	<u>50,000</u>	<u>102,488</u>
Total Capital Assets	50,000	209,409	50,000	209,409
Less Accumulated Depreciation	(18,333)	(16,124)	(22,500)	(11,957)
Capital Assets, Net	<u>\$ 31,667</u>	<u>\$ 193,285</u>	<u>\$ 27,500</u>	<u>\$ 197,452</u>

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

H. Employee Retirement System

Qualified employees are covered under a defined benefit pension plan by agencies of the State of California. Certificated employees are members of the California State Teachers’ Retirement System (CalSTRS) and classified employees are members of the California Public Employees’ Retirement System (CalPERS). The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of the other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Schools choose to stop participating in some of its multi-employer plans, the Schools may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The School’s participation in this plan for the fiscal year ended June 30, 2020, is outlined in the table below. The “EIN/Pension Plan Number” column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2020, 2019 and 2018 is for the plan’s year-end at June 30, 2020, 2019 and 2018, respectively. The zone status is based on information that the School received from the plan and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Period to Period Comparability:

Innovations Academy Charter School increased in CalSTRS contributions from 2018 to 2019 by 14.12% followed by an additional increase in 2020 of 5.88%. The increase in 2018 & 2019 was in large due to rising contribution rates along with an increase in revenues that cause salaries to also rise, increasing contributions further.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status Year Ended June 30,			FIP/RP Status Pending/ Implemented
		2020	2019	2018	
CalSTRS	26-0418421	Yellow	Yellow	Yellow	No
Pension Fund		Contributions			Surcharge Imposed
		2020	2019	2018	Number of Employees
CalSTRS		\$ 246,378	\$ 232,689	\$ 203,893	78
Total		\$ 246,378	\$ 232,689	\$ 203,893	78

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

CalSTRS:

The School contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. Required contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level of percentage of payroll using the entry age normal actuarial cost method. CalSTRS also uses the level of percentage of payroll method to calculate the amortization of any unfunded liability. Copies of the STRS annual report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

For the fiscal year ended June 30, 2020, active plan members were required to contribute between 10.205% and 10.25% of their salary, depending on their hire date. The employer contribution rate was 17.10% of annual payroll. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. The School made contributions as noted above. For the year ended June 30, 2020 the State contributed \$137,088 (10.238% of certificated salaries) on behalf of the School.

I. Upcoming Changes in Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that become effective over the next few fiscal years:

1. FASB ASU 2016-02 *Leases (Topic 842)* – Effective Fiscal Year Ending June 30, 2022
2. FASB ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* – Effective Fiscal Year Ending June 30, 2024
3. FASB ASU 2017-04 *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* – Effective Fiscal Year Ending June 30, 2024
4. FASB ASU 2017-08 *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities* – Effective Fiscal Year Ending June 30, 2021
5. FASB ASU 2017-11 *Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope exception.* – Effective Fiscal Year Ending June 30, 2021
6. FASB ASU 2017-12 *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* – Effective Fiscal Year Ending June 30, 2022
7. FASB ASU 2018-01 *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842* – Effective Fiscal Year Ending June 30, 2022
8. FASB ASU 2018-07 *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share Based Payment Accounting.* – Effective Fiscal Year Ending June 30, 2021.
9. FASB ASU 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* – Effective Fiscal Year Ending June 30, 2021
10. FASB ASU 2018-10 *Codification Improvements to Topic 842, Leases* – Effective Fiscal Year Ending June 30, 2022
11. FASB ASU 2018-11 *Leases (Topic 842): Targeted Improvements* – Effective Fiscal Year Ending June 30, 2022

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

12. FASB ASU 2018-12 *Financial Service – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts* – Effective Fiscal Year Ending June 30, 2025
13. FASB ASU 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* – Effective Fiscal Year Ending June 30, 2021
14. FASB ASU 2018-14 *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans* – Effective Fiscal Year Ending June 30, 2023
15. FASB ASU 2018-15 *Intangibles – Goodwill and Other – Internal Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract (a consensus of the FASB Emerging Issues Task Force)* – Effective Fiscal Year Ending June 30, 2022
16. FASB ASU 2018-16 *Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes* – Effective Fiscal Year Ending June 30, 2022
17. FASB ASU 2018-17 *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities* – Effective Fiscal Year Ending June 30, 2021
18. FASB ASU 2018-18 *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606* – Effective Fiscal Year Ending June 30, 2022
19. FASB ASU 2018-19 *Codification Improvements to Topic 326, Financial Instruments – Credit Losses* – Effective Fiscal Year Ending June 30, 2024
20. FASB ASU 2018-20 *Leases (Topic 842): Narrow Scope Improvements for Lessors* – Effective Fiscal Year Ending June 30, 2022
21. FASB ASU 2019-01 *Leases (Topic 842): Codification Improvements* – Effective Fiscal Year Ending June 30, 2022.
22. FASB ASU 2019-02 *Entertainment – Films – Other Assets – Film Costs (Subtopic 926-20) and Entertainment – Broadcasters – Intangibles – Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials (a consensus of the Emerging Issues Task Force* – Effective Fiscal Year Ending June 30, 2022
23. FASB ASU 2019-03 *Not-For-Profit Entities (Topic 958): Updating the Definition of Collections* – Effective Fiscal Year Ending June 30, 2021
24. FASB ASU 2019-04 *Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments* – Effective Fiscal Year Ending June 30, 2021
25. FASB ASU 2019-05 *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief* – Effective Fiscal Year Ending June 30, 2021
26. FASB ASU 2019-08 *Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Codification Improvements – Share Based Consideration Payable to a Customer* – Effective Fiscal Year Ending June 30, 2021
27. FASB ASU 2019-09 *Financial Services – Insurance (Topic 944): Effective Date* – Effective Fiscal Year Ending June 30, 2025
28. FASB ASU 2019-10 *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates* - Effective Fiscal Years Ending June 30, 2022 and June 30, 2024

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to the Financial Statements (Continued)

Year Ended June 30, 2020

29. FASB ASU 2019-11 *Codification Improvements to Topic 326, Financial Instruments – Credit Losses* – Effective Fiscal Year Ending June 30, 2024
30. FASB ASU 2019-12 *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* – Effective Fiscal Year Ending June 30, 2024
31. FASB ASU 2020-01 *Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force)*. – Effective Fiscal Year Ending June 30, 2022
32. FASB ASU 2020-03 *Codification Improvements to Financial Instruments* – Effective Fiscal Years Ending June 30, 2021 and June 30, 2024

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the future fiscal years are not expected to impact the financial accounting or presentation for the School.

J. COVID-19 Impact and Considerations

In March 2020 the World Health Organization declared the outbreak of the novel coronavirus COVID-19 a global pandemic. The nature of the pandemic resulted in a mandatory school property closure affecting Innovations Academy Charter School from March 16, 2020 and continuing into the Fall of 2020-21 school year. California Governor Gavin Newsom issued a state-wide executive order mandating that schools remain closed until the county in which the school is located is off the COVID-19 watch list for fourteen consecutive days. The 2020-21 fiscal year opened in a fully distance learning model, until such time as campuses can be re-opened. At this point in time the Innovations Academy Charter School campuses remain closed until San Diego County meets the benchmark requirements.

In addition to school closures, new regulations and safety measures were required to be put in place by all schools in California as part of a re-opening plan. The Innovations Academy Charter School has established a re-opening plan that they believe will provide a safe environment for the students and teachers.

The federal and state government have established temporary funding to assist in the additional costs that resulted from the COVID-19 pandemic. All California schools are eligible for these funds. Due to timing of the grant disbursements, the Innovations Academy Charter School did not expend any of the funds in the 2019-20 fiscal year. The funds remain available for the 2020-21 fiscal year. Additionally, for the 2019-20 fiscal year, the state placed all charter schools in a hold harmless state shifting attendance reporting periods to a point prior to the pandemic to prevent sudden losses of attendance from impacting funding for the 2019-20 fiscal year. Finally, funding for the 2020-21 fiscal year is frozen at amounts provided in 2019-20 for all California charter schools, with adjustments based on the Governor's budget. The School has established their 2020-21 budget with this in consideration.

Supplementary Information

INNOVATIONS ACADEMY CHARTER SCHOOL

Organization Structure
Year Ended June 30, 2020

Innovations Academy Charter School (Charter #1082) was formed in July 2010 pursuant to Education Code Section 47600 under an agreement with the Chula Vista Elementary School District. Innovations Academy Charter School provides services for Kindergarten through eighth grade.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Nathan Cooper	President	Three Year Term Expires October 2020
Stephen Rosen	Treasurer	Three Year Term Expires February 2022
Keely Moore	Secretary	Three Year Term Expires December 2020
Danielle Strachman	Member	Three Year Term Expires June 30, 2020
Faraz Sharafi	Member	Two Year Term Expires June 30, 2020

ADMINISTRATION

Christine Kuglen
Director

Joshua Eng
Financial/Business Manager

INNOVATIONS ACADEMY CHARTER SCHOOL

Schedule of Average Daily Attendance

Year Ended June 30, 2020

	Second Period Report		Annual Report	
	Original F78EFD05	Revised N/A	Original E3282C73	Revised N/A
Classroom Based Attendance				
Grades K-3	140.04	N/A	140.04	N/A
Grades 4-5	133.81	N/A	133.81	N/A
Grades 7-8	48.84	N/A	48.84	N/A
Total Classroom Based Attendance	322.69	N/A	322.69	N/A
Non-Classroom Based Attendance				
Grades K-3	35.20	N/A	35.20	N/A
Grades 4-5	14.97	N/A	14.97	N/A
Grades 7-8	3.70	N/A	3.70	N/A
Total Non-Classroom Based Attendance	53.87	N/A	53.87	N/A
Total ADA	376.56	N/A	376.56	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

On March 17, 2020 Governor Newsom signed Senate Bill (SB) 117 which mitigated the effect of lost attendance due to COVID19 that occurred after February 29, 2020. For the purpose of preventing losses of attendance-based funding as a result of reductions in average daily attendance (ADA) due to COVID19, this legislation provided that the ADA used for both the second period (P2) and the Annual period apportionment include all full school months from July 1, 2019 to February 29, 2020 for all local education agencies (LEAs).

INNOVATIONS ACADEMY CHARTER SCHOOL

Schedule of Instructional Time

Year Ended June 30, 2020

Grade Level	Minutes Requirement	2019-20 Actual Minutes	2019-20 COVID-19 Closure Minutes	2019-20 Total Instructional Minutes	2019-20 Actual School Days	2019-20 COVID-19 Closure Days	2019-20 Total School Days	Status
Kindergarten	36,000	35,475	14,775	50,250	125	52	177	Complied
1st Grade	50,400	40,375	16,825	57,200	125	52	177	Complied
2nd Grade	50,400	40,375	16,825	57,200	125	52	177	Complied
3rd Grade	50,400	40,375	16,825	57,200	125	52	177	Complied
4th Grade	54,000	40,375	16,825	57,200	125	52	177	Complied
5th Grade	54,000	40,375	16,825	57,200	125	52	177	Complied
6th Grade	54,000	40,375	16,825	57,200	125	52	177	Complied
7th Grade	54,000	40,375	16,825	57,200	125	52	177	Complied
8th Grade	54,000	40,375	16,825	57,200	125	52	177	Complied

Due to COVID-19 the School closed campus on March 16, 2020 through the end of the school year. Distance learning was provided to students for school days during the closure. This schedule has been reflected based on the original approved calendar and instructional time planned by the School for the 2019-20 fiscal year.

INNOVATIONS ACADEMY CHARTER SCHOOL

Schedule of Financial Trends and Analysis

Year Ended June 30, 2020

	Budget 2021	2020	2019	2018
Revenues	\$ 3,970,060	\$ 3,877,339	\$ 4,011,869	\$ 3,442,726
Expenses	<u>4,080,505</u>	<u>3,539,795</u>	<u>3,552,774</u>	<u>3,459,053</u>
Change in Net Assets	<u>(110,445)</u>	<u>337,544</u>	<u>459,095</u>	<u>(16,327)</u>
Ending Net Assets	<u>\$ 2,431,378</u>	<u>\$ 2,541,823</u>	<u>\$ 2,204,279</u>	<u>\$ 1,745,184</u>
Unrestricted Net Assets	<u>\$ 2,431,378</u>	<u>\$ 2,526,977</u>	<u>\$ 2,192,921</u>	<u>\$ 1,745,184</u>
Unrestricted net assets as a percentage of total expenses	<u>60%</u>	<u>71%</u>	<u>62%</u>	<u>50%</u>
Total Long Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ADA at P2	<u>394</u>	<u>377</u>	<u>393</u>	<u>356</u>

The School's ending net assets has increased by \$796,639 (45.65%) over the past two fiscal years. The increase is in large due to an increase in ADA resulting in increased revenue with no significant increase to expenses. The average daily attendance (ADA) reported by the School has increased by 21 (5.90%) over the past two years. The 2020-21 fiscal year budget projects a decrease in net assets of \$110,445 (4.35%) and an increase in ADA of 17 (4.51%).

INNOVATIONS ACADEMY CHARTER SCHOOL

Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements
Year Ended June 30, 2020

June 30, 2020 annual financial alternative form net assets:	\$ 1,145,816
Adjustments and reclassifications:	<u>-</u>
June 30, 2020 audited financial statements net assets:	<u>\$ 1,145,816</u>

INNOVATIONS ACADEMY CHARTER SCHOOL

Notes to Supplementary Information
Year Ended June 30, 2020

A. Purpose of Schedules

Organization Structure

This schedule provides information about the School's charter number, district of authorization, members of the governing board, and members of administration.

Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measure of the number of pupils attending classes of the School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the School and whether they complied with the provisions of Education Code Sections 47612.5.

Schedule of Financial Trends and Analysis

Budget information for 2021 is presented for analysis purposes only and is based on estimates of the 2020-21 fiscal year. The information has not been subject to audit.

This schedule discloses the School's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the School's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Unaudited Financial Report Alternative Form with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance as reported on the Unaudited Financial Report Alternative Forms prepared by the School to the net assets reported in the audited financial statements.

Other Independent Auditors' Reports

Independent Auditor's 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*

To the Board of Education
Innovations Academy Charter School
San Diego, California

We have audited, in accordance with the 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, the financial statements of Innovations Academy Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2021

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Innovations Academy Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Innovations Academy Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Innovations Academy Charter School's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Innovations Academy Charter School's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

El Cajon, California
March 29, 2021

Independent Auditor's Report on State Compliance

To the Board of Education
Innovations Academy Charter School
San Diego, California

Report on State Compliance

We have audited the Innovations Academy Charter School's compliance with the types of compliance requirements described in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810, that could have a direct and material effect on each of the School's state programs identified below for the fiscal year ended June 30, 2020.

Management's Responsibility for State Compliance

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each applicable program as identified in the State's Audit Guide *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance*, prescribed in Title 5, *California Code of Regulations*, Section 19810. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the comptroller General of the United States; and the State's audit guide *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Those standards and audit guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the state programs noted below. An audit includes examining, on a test basis, evidence about each school's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with state laws and regulations applicable to the following items:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools	
A. Attendance.....	N/A
B. Teacher Certification and Misassignments.....	N/A
C. Kindergarten Continuance.....	N/A
D. Independent Study.....	N/A
E. Continuation Education.....	N/A
F. Instructional Time.....	N/A
G. Instructional Materials.....	N/A
H. Ratio of Administrative Employees to Teachers.....	N/A
I. Classroom Teacher Salaries.....	N/A
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	N/A
L. School Accountability Report Card.....	N/A
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	N/A
P. Transportation Maintenance of Effort.....	N/A
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	N/A
S. District of Choice.....	N/A
School Districts, County Offices of Education, and Charter Schools	
T. California Clean Energy Jobs Act.....	Yes
U. After/Before School Education and Safety Program.....	N/A
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X. Local Control and Accountability Plan.....	Yes
Y. Independent Study - Course Based.....	N/A
Charter Schools	
AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom Based Instruction/Independent Study.....	Yes
DD. Determination of Funding for Nonclassroom Based Instruction.....	N/A
EE. Annual Instructional Minutes - Classroom Based.....	Yes
FF. Charter School Facility Grant Program.....	N/A

The term N/A is used above to mean either the School did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

Opinion on State Compliance

In our opinion, Innovations Academy Charter School complied, in all material respects, with the compliance requirements referred to above that are applicable to the statutory requirements listed in the schedule above for the year ended June 30, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing. This report is an integral part of an audit performed in accordance with *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

El Cajon, California
March 29, 2021

Auditor's Results, Findings & Recommendations

INNOVATIONS ACADEMY CHARTER SCHOOL

Schedule of Auditor's Results

Year Ended June 30, 2020

FINANCIAL STATEMENTS

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?

 Yes X No

One or more significant deficiencies identified that are not considered material weakness(es)?

 Yes X No

Noncompliance material to financial statements noted?

 Yes X No

STATE AWARDS

Any audit findings disclosed that are required to be reported in accordance with *2019-20 Guide for Annual Audits of California K-12 Local Education Agencies?*

 Yes X No

Type of auditor's report issued on compliance for state programs:

Unmodified

INNOVATIONS ACADEMY CHARTER SCHOOL

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, or the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

There are no findings to report.

B. State Award Findings

There are no findings to report.

INNOVATIONS ACADEMY CHARTER SCHOOL

Schedule of Prior Year Audit Findings

Year Ended June 30, 2020

<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
There were no findings in the prior year audit.	N/A	N/A



Innovations Academy

Bank Changes for Innovations Academy

Innovations Academy has two bank accounts. We have an account with Chase, which is our main account and we have held this account since 2008. Our second account is with Mission Federal Account and holds our fundraising money. We have been advised to keep these accounts separately. It helps us to see how much we have fundraised, and to keep their purposes separately.

We have always had a Mission Federal near our location, facilitating ease of access to our bank. With the move to Kearny Mesa, there is no Mission Federal in Kearny Mesa. We do have a My Point Credit Union across the street and a Chase bank on the corner.

Additionally, since Donna has left Innovations Academy, we would like to update our accounts with current signers.

The actions items tonight are to:

- Mission Federal:
 - Close the Innovations Academy account
- Chase:
 - Remove Michelle Anderson and Donna Napier as a signers on the account.
 - Add Tony Spitzberg as a signer to the account.
- My Point Credit Union
 - Authorize the establishment of an account at My Point Credit Union with Christine Kuglen and Tony Spitzberg for the Innovations Academy Fundraising account to replace Mission Federal account closure.



Innovations Academy

LCAP Board Report May 25, 2021

Our new LCAP will be on the June agenda for approval. We have hosted multiple parent opportunities for input. It is important that the board have a background on how goals are developed. The state priorities are mandated areas that goals must address. Innovations Academy has crafted 5 goals that meet all the priorities and address areas we feel to be appropriate for our school needs.

The 8 State Priorities that must be addressed in the LCAP

Priority 1: Basic (Conditions of Learning)

Access to materials, teachers credentialed correctly, condition of facility

Priority 2: State Standards (Conditions of Learning)

Implementation of academic content, equity, and performance

Priority 3: Parental Involvement (Engagement)

Efforts to seek parent input

Priority 4: Pupil Achievement (Pupil Outcomes)

Performance on standardized tests, share of English learners that become English proficient, English learner reclassification rate

Priority 5: Pupil Engagement (Engagement)

Attendance rates, chronic absenteeism rates, middle school dropout rates

Priority 6: School Climate (Engagement)

Suspension and expulsion rates, sense of safety and school connectedness

Priority 7: Course Access (Conditions of Learning)

Enrollment in broad course of study including core subjects and enrichment

Priority 8: Other Pupil Outcomes (Pupil Outcomes)

Pupil outcomes in core subjects and enrichment classes

LCAP Goals and Actions for Innovations Academy

Goal 1

Use social-emotional and academic assessment data to improve instruction for all students and provide targeted intervention for struggling students.

Actions you will see in our LCAP: expanding the use of MAP test to all grade levels K-8, creation of timeline for completing assessments early in the year and utilizing it to make specific plans especially for academically challenged students, increased social emotional data collection

Goal 2

All students will be engaged in academically challenging, inquiry-based learning within classrooms effectively managed by highly qualified teachers using intentionally designed behavioral interventions and supports.



Innovations Academy

Actions you will see in the LCAP include: increasing the level of observations and coaching for teachers with specific written feedback to improve instruction, salary increases for teachers, a focus on inquiry in our professional development

Goal 3

Provide high-quality, standards-aligned materials, resources and a facility to students and teachers to support their intellectual, physical, emotional and social well-being

Actions you will see in the LCAP include: adoption of a new math program, alignment of our current software, play structures for the playground

Goal 4

Provide ongoing analysis, accountability and intervention supports for chronically absent and tardy students and their families.

Actions you will see in the LCAP include: a more structured intervention plan for absent and tardy families, increased follow up and solution driven planning meetings.

Goal 5

Provide multiple engagement opportunities for parents through effective communication tools, parent participation opportunities and parent education.

Actions you will see in the LCAP include: monthly parent input meetings, increased parent education



AGREEMENT FOR PARTICIPATION

EL DORADO CHARTER SELPA

This Agreement for Participation ("Agreement") is entered into by and between the El Dorado Charter SELPA ("SELPA"), the El Dorado County Office of Education ("EDCOE"), and _____ ("LEA"), a California public charter school, collectively referred to as the "Parties."

RECITALS

WHEREAS, each special educational local plan area is required to administer local plans submitted pursuant to Education Code section 56205 et seq., administer the allocation of funds pursuant to Education Code section 56836 et seq., and ensure that it has in effect policies, procedures, and programs that are consistent with state laws, regulations, and policies governing certain aspects of special education;

WHEREAS, a charter school that is deemed a local educational agency for purposes of special education is required to participate in an approved local plan pursuant to Education Code section 56195.1(f);

WHEREAS, LEA is a charter school that is deemed a local educational agency for purposes of special education pursuant to Education Code section 47641 and is responsible for complying with all provisions of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) and implementing regulations as they relate to local educational agencies;

WHEREAS, the SELPA as authorized by the California State Board of Education serves as the special educational local plan area for California charter schools deemed local educational agencies pursuant to Education Code section 47641 that have successfully completed the SELPA membership process and have signed this Agreement for Participation ("Agreement");

WHEREAS, EDCOE is designated in the local plan as the "responsible local agency" for the SELPA, which means the administrative entity, the duties of which shall include, but are not limited to, receiving and distributing state and federal special education funds pursuant to the allocation plan, providing administrative support, and coordinating implementation of the plan;

WHEREAS, the actions and decisions of the parties are guided by the values of:

1. Commitment – maintaining high standards for performance in student achievement, operations, governance and finance;
2. Integrity – adherence to moral and ethical principles in all aspects of the work;
3. Fairness – impartial and just treatment of all stakeholders;
4. Partnership – collaborative decision making and accountability;
5. Knowledge – understanding of charter school law and practice; and
6. Transparency- access to the information, decisions, and actions of the organization;

WHEREAS, the purpose of this agreement is to set forth the various responsibilities of LEA, EDCOE, and SELPA to ensure that all charter pupils with exceptional needs within the SELPA receive appropriate special education programs.



NOW, THEREFORE, IT IS HEREBY AGREED between the parties hereto as follows:

1. SHARED COMMITMENTS

- 1.1. Resource Allocation. Parties shall demonstrate commitment to the promises set forth in this Agreement by allocating appropriate resources.
- 1.2. Standard of Conduct. Parties, at all times, shall conduct themselves in such a manner as to act in the best interests of all other SELPA members. The LEA shall not engage in any activity or enterprise which would tend to injure or expose the SELPA or any of its members to any significant risk of harm or injury of any kind.
- 1.3. Compliance. All parties to this agreement shall identify and comply with applicable laws, regulations, policies, procedures and generally accepted standards. Each party will address any identified compliance gaps in a responsible and timely fashion.
- 1.4. Continual Improvement. Parties are expected to continually improve by setting performance objectives, executing plans and taking necessary corrective actions for deficiencies identified by any and all internal and/or external assessments.
- 1.5. Accuracy of Business Records. Parties shall ensure that any and all financial books and records conform to generally accepted accounting principles and state reporting requirements. Records must be accurate in all material respects. Records must be legible, transparent, and reflect actual transactions and payments and be open to inspection by the other party upon a reasonable request.
- 1.6. Accuracy of Student Records. Parties shall ensure that any and all student records conform to prescribed formats. Records must be legible, transparent, reflect actual transactions and payments, and be accurate in all material respects. Records must be open to inspection and review by other parties with legitimate educational interest upon a request.
- 1.7. Documentation. Parties shall maintain documentation necessary to demonstrate compliance with this Agreement and compliance with applicable state and federal statutes and regulations.
- 1.8. Local and Allocation Plans. Parties agree to the provisions of the Local and Allocation Plans as updated and approved by the CEO Council.
- 1.9. Provision of Free and Appropriate Public Education. The LEA is solely responsible for the provision of special education programs and services to eligible students enrolled in the LEA. The Parties understand and agree that the SELPA or EDCOE shall have no responsibility for the operation of any direct educational program or service of any kind, that the SELPA has no duty or authority to provide FAPE to individual students, and that the SELPA has no duty or authority to make decisions regarding the educational programming of students enrolled in the LEA.



2. **LEA/ORGANIZATIONAL PARTNER RESPONSIBILITIES**

- 2.1 **Programs and Services.** The LEA is solely and exclusively responsible for the following mandated activities in order to operate its special education programs and services for students enrolled in the LEA. As such, the LEA shall:
- 2.1.1. Select, employ, compensate, and determine the duties of, or establish appropriate contracts for the provision of, special education teachers, instructional aides, and other personnel as required to conduct the program specified in the Local Plan, and in compliance with state and federal mandates.
 - 2.1.2. Conduct and/or contract those programs operated by the LEA in conformance with the Local Plan and the state and federal mandates.
 - 2.1.3. Organize and administer the activities of the IEP teams, including the selection of the LEA staff and who will serve as members of the IEP team in conformance with Education Code Section 56341 and in compliance with the Local Plan.
 - 2.1.4. Develop and implement program objectives and the evaluation of the program's effectiveness.
 - 2.1.5. Communicate with the parents and/or legal guardians of students in conformance with laws, regulations, and the provisions of the Local Plan.
 - 2.1.6. Provide for the documentation and reporting of assessment procedures used for the placement of individuals and the security thereof.
 - 2.1.7. Provide for the continuous review of placements and the assessment procedures employed to ensure their effectiveness and applicability, and ensure the continued implementation and compliance with eligibility criteria.
 - 2.1.8. Provide for the integration of students with disabilities into the general education school programs and provide for evaluating the results of such integration according to specifications of the Local Plan.
 - 2.1.9. Conduct the review of individual placements requested by the parents and/or legal guardians of the student in accordance with the Local Plan.
 - 2.1.10. Prepare and submit all required reports, including reports on student enrollment, program expenditures, and program evaluation.
- 2.2. **Fiscal Responsibilities.** Receive and expend special education funding in accordance with the Charter SELPA Allocation Plan. Organizational Partners affirm that any financial claim made by the SELPA against an LEA that is part of the Organizational Partner's network of LEAs will be honored by the Organization Partner.
- 2.3. **Restricted Funds.** As a condition of membership and participation in the SELPA, LEA warrants and represents that at no time during the term of this Agreement



and LEA's membership and participation in the SELPA shall the LEA, directly or indirectly, provide special education funding for the benefit of a for-profit entity. Unless altered by law, all funding provided through the Charter SELPA shall be treated as a restricted funding source to be expended only for special education or special education services. Nothing contained herein shall be interpreted as prohibiting any LEA from expending funds to contract with a state-certified nonpublic agency/school for the benefit of children served, in accordance with the approved master contract and individual services agreements as provided for in federal and state law.

- 2.4. Audit Report. Annually provide the SELPA with the LEA's annual, independent financial audit report, on or before December 20th each year, unless an extension has been granted by the State Controller's Office, in which case an extension will be granted to the charter as well. LEA further agrees to provide SELPA copies of any and all State Controller's Office communications regarding audit report corrective actions and a corrected audit report, if applicable. Should an LEA be the subject of an investigation by any federal, state, or local agency, including but not limited to the Fiscal Crisis Management and Assistance Team ("FCMAT") arising out of or related to allegations of fiscal mismanagement, failure to meet generally accepted accounting principles, or any violation of a provision of law, the LEA shall immediately notify SELPA and provide the SELPA with a copy of any written correspondence related thereto.
- 2.5. Membership Responsibilities. Adhere to governance structure within SELPA Local Plan and Policies, including designating appropriate representatives to serve on required councils and committees; ensure appropriate LEA representatives attend and participate in SELPA governance meetings as set forth in the Local Plan, Policies and Procedures.
- 2.6. Management Decisions. Consistent with this Agreement, LEA shall have full and exclusive authority and responsibility for classifying employment positions within their LEA. The managerial prerogatives of any participating LEA member shall not be infringed upon by any other participating LEA member except upon mutual consent of an affected LEA member(s), or unless as otherwise set forth. LEA shall not undertake to independently act on behalf of the SELPA or any of its members without express written authorization of the SELPA.
- 2.7. Participation. Ensure appropriate LEA representatives attend and participate in SELPA governance meetings and committees as set forth in the Local Plan, Policies and Procedures.
- 2.8. Reporting Requirements. Submit all required federal, state and SELPA reports and data requests in the prescribed format and at the specified due date. Upon written request by the SELPA, LEA shall provide any requested information, documents, writings, or information of any sort without delay, except as otherwise prohibited by law.
- 2.9. Indemnification and Hold Harmless. To the fullest extent allowed by law, LEA agrees to defend, indemnify, and hold harmless the SELPA and its individual other



members, EDCOE, the El Dorado County Superintendent of Schools, and each of their respective directors, officers, agents, employees, and volunteers (the Indemnified Parties), from any claim or demand, damages, losses or expenses (including, without limitation, reasonable attorney fees) that arise in any manner from an actual or alleged failure by LEA to fulfill one or more of the LEA member's obligations except to the extent that such suit arises from the SELPA, EDCOE, or the El Dorado County Superintendent of Schools' negligence.

3. SELPA DUTIES AND RESPONSIBILITIES

- 3.1 Services. In order to accomplish the goals set forth in the Local Plan, SELPA shall provide the following services and activities for the LEA:
- 3.1.1. Receive, compile, and submit required enrollment reports and compute all special education apportionments; receive data from LEA to compile and submit budgets for the programs and monitor the fiscal aspects of the program conducted, and receive the special education apportionments as authorized by applicable law.
 - 3.1.2. Maintain SELPA policies and procedures for referring and placing individuals with exceptional needs who are enrolled in the LEA, including the methods and procedures for communication with the parents and/or guardians of the students according to SELPA Local Plan, Policies and Procedures.
 - 3.1.3. Coordinate the organization and maintenance of the Special Education Community Advisory Committee ("CAC") to coordinate the implementation of the Local Plan and provide for the attendance of designated members of the SELPA's staff at all regularly scheduled CAC meetings as required by law.
 - 3.1.4. Coordinate community resources with those provided by LEA and SELPA, including providing such contractual agreements as may be required.
 - 3.1.5. Coordinate state Special Education Accountability Processes.
 - 3.1.6. Provide alternative dispute resolution supports and services.
 - 3.1.7. Develop interagency referral and placement procedures.
 - 3.1.8. Provide regular personnel development training sessions for LEA staff responsible for administering or delivering special education programs and services.
 - 3.1.9. Provide the method and forms to enable the LEA to report to the SELPA on student enrollment and program expenditures. Establish and maintain a pupil information system.
 - 3.1.10. Provide reasonable and appropriate technical assistance and information to the LEA upon request from LEA administration, including but not limited to:
 1. Evidenced Based Practices;
 2. Program Development and Improvement;



3. Individual cases;
4. State complaints;
5. Requests for due process mediation and hearing; and
6. Appropriate programs and services for specific pupils.

3.1.11. Perform other services reasonable and necessary to the administration and coordination of the Local Plan.

- 3.2. Governance. Organize and maintain the governance structure of the Local Plan, including various committees and councils to monitor the operations of the SELPA and make recommendations for necessary revisions, including, but not limited to, the Local Plan, Allocation Plan and Policies.
- 3.3. Data Reporting. Establish and maintain methods, timelines and forms to submit required federal, state and SELPA reports.
- 3.4. Public Meetings. Schedule public meetings for purposes of governance activities and adopting the Annual Service Plan and Budget Plan.
- 3.5. Fiscal Responsibilities. Receive, distribute, and oversee the expenditure of special education funds in accordance with federal and state regulations and the SELPA Allocation Plan.
- 3.6. Indemnification and Hold Harmless. The SELPA shall be held harmless and indemnify EDCOE and the El Dorado County Superintendent of Schools for any costs of any kind or nature arising out of or related to this agreement other than as specifically contemplated herein, except to the extent that such cost arises from EDCOE and the El Dorado County Superintendent of Schools' negligence.

4. EDCOE DUTIES AND RESPONSIBILITIES

- 4.1. The Parties understand that EDCOE is designated in the Local Plan as the "responsible local agency" for the SELPA. EDCOE shall receive and distribute state and federal special education funds pursuant to the Allocation Plan, provide administrative support, and coordinate implementation of the Local Plan in accordance with state and federal law.
- 4.2. EDCOE shall not be responsible for any LEA or SELPA obligations or duties of any kind or nature except as explicitly set forth in this agreement.

5. TERMINATION OF THIS AGREEMENT AND PARTICIPATION IN SELPA

- 5.1. LEA may terminate this Agreement and participation in the SELPA in its sole discretion at the end of the fiscal year next occurring after having provided prior written notice to the SELPA, as follows:
 - 5.1.1. Prior initial written notice of intended termination to the SELPA at least twelve (12) months and one (1) day in advance of date of termination; and
 - 5.1.2. Final written notice of termination to the SELPA no more than six (6) months after the LEA's initial notice of intended termination.
- 5.2. The SELPA may initiate and complete termination of this Agreement and LEA's participation in the SELPA in its sole discretion in accordance with the process and



standards in SELPA Policies. The SELPA will provide prior written notice to the LEA at least twelve (12) months as follows:

- 5.2.1. Prior initial written notice of intended termination to the LEA at least twelve (12) months and one (1) day in advance of date of termination, and
 - 5.2.2. Final written notice of termination to the LEA no more than six (6) months after the SELPA's initial notice of intended termination.
- 5.3. Specifically the timeline and process above does not preclude the SELPA from initiating and completing the termination process in less than 12 months or by June 30 of the year immediately preceding the summary termination, if the member demonstrates:
- 5.3.1. Egregious disregard of state and federal requirements to provide services to students; and/or
 - 5.3.2. Demonstrated systemic and material issues that would cause the SELPA to make a finding of "going concern" based on leadership, programmatic and/or fiscal solvency that would cause SELPA to reasonably believe the SELPA may be harmed by the continued membership of the LEA.

The standards and timeline as determined by the SELPA shall, at a minimum, provide the LEA a reasonable opportunity for prior written notice and an opportunity to be heard by the Membership Appeals Committee.

6. DISPUTE RESOLUTION

Should a dispute arise relating to the responsibility for service provision, governance activities, the distribution of funding, if a party believes that an action taken by the CEO Council will create an undue hardship, or that the action taken exceeds the authority granted to the CEO Council within the Local Plan and/or state or federal statute, the aggrieved party may request a review of the action with the appropriate governing body or CDE as appropriate.

7. MUTUAL REPRESENTATIONS

- 7.1. Authority and Capacity. The Parties have the authority and capacity to enter into this agreement.
- 7.2. Full Disclosure. All information heretofore furnished by the Parties for purposes of or in connection with this Agreement or any transaction contemplated hereby or thereby is true and accurate in all material respects on the date as of which such information is stated.
- 7.3. No Conflicts. Neither party is under any restriction or obligation that may affect the performance of its obligations under this agreement.
- 7.4. Enforceability. This Agreement constitutes a legal, valid, and binding obligation, enforceable against the Parties according to its terms.



8. RESERVATION OF RIGHTS

The Parties hereto agree that nothing contained in this Agreement or otherwise shall be deemed to have waived or modified any of their rights or remedies under the law.

This agreement is entered into for the 2021-22 year and, absent a new agreement or termination, continues each year thereafter.

Executed on this ____ day of _____, 20_____.

In accordance with SELPA policy, _____,

[INSERT Charter LEA Name]

certifies that this agreement has been approved by the appropriate local board(s).

LEA

Date

Signature of CEO of Charter LEA

[PRINT CEO Name, Title]

EL DORADO COUNTY OFFICE OF EDUCATION

Date

Ed Manansala, Ed.D., Superintendent
El Dorado County Office of Education

Date

Ginlese Quann, Interim Executive Director
SELPA Programs
El Dorado County Office of Education