



East Bay Innovation Academy

Board Meeting

Date and Time

Wednesday March 18, 2015 at 8:00 PM PDT

Location

3400 Malcolm Ave, Oakland 94605

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:00 PM
Opening items			
A. Record Attendance and Guests			
B. Call the Meeting to Order			
C. Approve Minutes	Approve Minutes		5 m
Approve minutes for Board Meeting on February 23, 2015			
II. Academic Excellence			8:05 PM
Academic Excellence Agenda Stock Description			
A. First Semester Results -Deeper Dive	Discuss	Devin Krugman	15 m
III. Facility			8:20 PM
Facility Agenda Stock Description			
A. Facility Committee Update	FYI	Rochelle Benning	10 m
IV. Finance			8:30 PM
Finance Agenda Stock Description			

	Purpose	Presenter	Time
A. 2014/15 Financial Update	Discuss	Devin Krugman	10 m
B. Multi Year Plan	Discuss	Devin Krugman	10 m
C. Audit Provider	Vote	Laurie Jacobson Jones	5 m
D. Enrollment Update	FYI	Laurie Jacobson Jones	5 m
V. Development			9:00 PM
Development Agenda Stock Description			
A. EBIA Spin-a-thon Update	FYI	Laurie Jacobson Jones	5 m
VI. Other Business			9:05 PM
A. Resolution: Recognition of the EBIA TA	Vote		5 m
VII. Closing Items			9:10 PM
A. Public Comment (3 minutes each)	FYI		9 m
B. Adjourn Meeting	Vote		

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Board Meeting on February 23, 2015

APPROVED



East Bay Innovation Academy

Minutes

Board Meeting

Date and Time

Monday February 23, 2015 at 7:30 PM

Location

3400 Malcolm Ave, Oakland 94605

Directors Present

Amber Banks, Gary Borden (remote), Ken Berrick, Kim Smith, Laurie Jacobson Jones, Matt Williams, Rochelle Benning, Tali Levy (remote), Tom Pryor (remote)

Directors Absent

None

Guests Present

Dena Koren, Devin Krugman

I. Opening Items**A. Record Attendance and Guests****B. Call the Meeting to Order**

Laurie Jacobson Jones called a meeting of the board of directors of East Bay Innovation Academy to order on Monday Feb 23, 2015 at 7:35 PM.

C. Approve Minutes

Rochelle Benning made a motion to approve minutes from the Board Meeting on 01-14-15 Board Meeting on 01-14-15.

Amber Banks seconded the motion.

The board **VOTED** unanimously to approve the motion.

D. Approve Minutes

Rochelle Benning made a motion to approve minutes from the Board Meeting on 01-30-15 Board Meeting on 01-30-15.

Amber Banks seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Academic Excellence

A. First Semester Results

Devin Krugman presented results from mid-year MAP testing.

B. Department Update: History

EBIA teachers Paul Meyer and Glenn Katzman gave the Board a presentation on the History Department.

III. Facility

A. Prop 39 Update

Rochelle Benning made a motion to move forward with the Prop 39 process.

Laurie Jacobson Jones seconded the motion.

The board **VOTED** unanimously to approve the motion.

Laurie Jacobson Jones made a motion to grant authority to facilities ad hoc committee to negotiate the term sheet for the long term lease and to respond to the Prop 39 proposal.

Amber Banks seconded the motion.

The board **VOTED** unanimously to approve the motion.

IV. Finance

A. 2014/15 Financial Update

Dena Koren presented an update on the budget. She shared the January actuals, 2014-2015 forecast, and the process for developing a multi-year budget.

B. Budgeting Primer

Dena Koren presented the Board with a primer on budgeting.

C. Enrollment Update

Laurie Jacobson Jones updated the Board on 2015/16 enrollment. Numerous applications will require a lottery.

V. Development

A. Support Organization

Laurie Jacobson Jones made a motion to take the action item to explore starting a support organization.

Rochelle Benning seconded the motion.

The board **VOTED** unanimously to approve the motion.

B. EBIA Spin-a-thon 4/25

Spin-a-thon fundraiser will be taking place on 4/25.

VI. Other Business

A. Associate Head of School

D. Krugman presented the Associate Head of School job description for EBIA to hire for next school year.

VII. Closing Items

A. Public Comment (3 minutes each)

There was no public comment.

B. Adjourn Meeting

Laurie Jacobson Jones made a motion to adjourn the meeting.

Amber Banks seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 9:40 PM.

Respectfully Submitted,
Amber Banks

Coversheet

First Semester Results -Deeper Dive

Section: II. Academic Excellence
Item: A. First Semester Results -Deeper Dive
Purpose: Discuss
Submitted by:
Related Material: EBIA Academic Update Mar 2015.pdf

First Half MAP Growth – Deeper Dive

Grade 6 Means	ALL Fall	ALL Winter	FRL Fall	FRL Winter	EL Fall	EL Winter	IEP Fall	IEP Winter
Math	218.9	225.7 (+6.8)	206.7	215.1 (+8.4)	195.4	208 (+12.6)	202.1	213 (+10.9)
Reading	216.8	220.4 (+3.6)	201.5	210.9 (+9.4)	184.4	196.4 (+12)	197.6	205.5 (+7.9)
Language	213.4	217.5 (+4.1)	201.6	208.7 (+7.1)	191.7	195.3 (+3.6)	198.8	202.9 (+4.1)
Science	209.2	212.7 (+3.5)	199.4	202.6 (+3.2)	186.8	193.3 (+6.5)	195.1	200.9 (+5.8)
		AVG = 4.5		AVG = 7		AVG = 8.7		AVG = 7.2
Grade 7 Means	ALL Fall	ALL Winter	FRL Fall	FRL Winter	EL Fall	EL Winter	IEP Fall	IEP Winter
Math	227.5	227.9 (+0.4)	213.7	213.4 (-0.3)	193	196.5 (+3.5)	211.1	209.1 (-2.0)
Reading	223.3	224.9 (+1.6)	209.3	212.1 (+2.8)	197.5	207 (+9.5)	209.8	203.1 (-6.7)
Language	219.9	217.8 (-2.1)	205	203.3 (-0.7)	191	184.5 (-6.5)	203.6	195.4 (-8.2)
Science	211.8	214.2 (+2.4)	203.3	202.4 (-0.9)	188.5	195 (+6.5)	201.6	204 (+2.4)
		AVG = 0.58		AVG = 0.23		AVG = 3.25		AVG = -3.6

Color Codes

- Lo (0-21st Percentile)
- LoAvg (21-40th Percentile)
- Avg (41-60th Percentile)
- AvgHi (61-80th Percentile)
- Hi (81st - 99th Percentile)

Coversheet

Facility Committee Update

Section: III. Facility
Item: A. Facility Committee Update
Purpose: FYI
Submitted by:
Related Material: EBIA-Letter-of-intent.pdf



OFFICE OF THE GENERAL COUNSEL

March 6, 2015

Letter of Intent to Enter Into In Lieu of Proposition 39 Agreement with East Bay Innovation Academy

The Oakland Unified School District (the "District") affirms its intent to enter into In Lieu of Proposition 39 Agreement with East Bay Innovation Academy ("EBIA"), at the former Marshall Campus, 3400 Malcolm Avenue, Oakland, California 94605 to commence July 1, 2015. By entering into this Agreement, EBIA waives any rights under Proposition 39 (Education Code Section 47614, as amended) for the term of this Agreement.

The Parties, in entering into this Letter of Intent, agree as follows:

1. **Condition of Premises.**
 - A. The Premises are leased to EBIA on an "AS IS" basis. District shall not be required to make or construct any alterations including structural changes, additions or improvements to the Premises. By entry and taking possession of the Premises pursuant to this Agreement, EBIA accepts the Premises in "AS IS" condition.
 - B. EBIA acknowledges that neither District nor District's agents have made any representation or warranty as to the suitability of the Premises for EBIA's Activities.
2. **Title to School Site(s) /Classroom Buildings.** The Parties acknowledge that title to the Premises is held by District
3. **Premises:** See Attachment A (Attachment B to the February 1, 2015 Preliminary Prop 39 Offer for the 2015-16 school year.)
4. **Use:** Public Charter School
5. **Agreement Term:** The Term shall be one (1) year, for the period from July 1, 2015 to June 30, 2016, with the option at EBIA's discretion to extend the term one additional year upon notification to the District no later than January 5, 2016. The Parties acknowledge that the 2016-17 school year is expected to be the last year EBIA can occupy the Premises due to anticipated growth. The Parties will schedule meet and confers commencing in the summer of 2015 to begin to plan for the anticipated need to relocate the school, including the possible further development at the Site. The District, at this time can make no comments as to the availability of any site beyond 2016-17 for use by EBIA.
6. **Agreement Commencement: July 1, 2015**

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7. **Facility Use Fee:** For 2015-16 shall be \$3.80 per square foot, based upon 27,428 square feet or a total \$104,226. If EBIA exercises the option to extend the term for the 2016-17 school year, the Facility Use Fee for the option year shall be the same as for the 2015-16 school year.
8. **Custodial Services:** EBIA may at its option self-procure custodial services
9. **Payment Schedule:** Each year's rent shall be paid in four installments: 25% by October 1, 25% by December 1, 25% by April 1, and 25% by July 1.
10. **Utilities:** Utility charges are not included in the Facility Use Fee. EBIA shall for all utilities charges. For purposes of this Agreement, utilities include water, irrigation, gas, electricity, telephone, security and fire alarm monitoring, data and communication lines and service, trash pick-up, and sewage fees.
11. **Tenant Improvements:** N/A
12. **Maintenance and Repairs during the Term of the Agreement**

As provided in Section 16 of the February 1, 2015 Preliminary Prop 39 Offer.
13. **Indemnification and Insurance**

As provided in Sections 21 and 22 of the February 1, 2015 Preliminary Prop 39 Offer.
14. **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion:** The District certifies to the best of its knowledge and belief, that it and its principals: Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or CONTRACTOR according to Federal Acquisition Regulation Subpart 9.4, and by signing this contract, verifies that this vendor does not appear on the Excluded Parties List.
<https://www.sam.gov/portal/public/SAM>
15. **Final Agreement**
The Parties agree that the final Agreement shall be submitted for approval by the OUSD Board of Education at its meeting on March 11, 2015.
16. **No Assignment or Subletting.** EBIA shall not have the right, voluntarily or involuntarily, to assign, license, transfer or encumber this Agreement or sublet all or part of the Premises without District's consent. Any purported transfer shall be void and shall, at District's election constitute a default. No consent to transfer shall constitute a waiver of the provisions of this Section.

OAKLAND UNIFIED SCHOOL DISTRICT

James Harris, President, Board of Education

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Antwan Wilson, Superintendent & Secretary, Board of Education

APPROVED AS TO FORM:

Jacqueline Minor, General Counsel

CHARTER SCHOOL

By: Rochelle Benning
Rochelle Benning

Title: Co-Founder, Vice Board Chair

→ Please note the following ~~are~~ related to Item 13 which ~~must~~ must still be negotiated.

Section 21: ECCR Section 11969.9(k) - reciprocal indemnification & no agreement to ~~absolve~~ absolve OUSD of any liability whatsoever.

Section 22: EBIA obtains insurance through JPA's like Charter Safe. JPA's don't receive an A.M. Best Insurance rating.

Coversheet

2014/15 Financial Update

Section: IV. Finance
Item: A. 2014/15 Financial Update
Purpose: Discuss
Submitted by:
Related Material: EBIA-1415 Feb Cash Flow-dk-20150316(1).pdf
EBIA-1415 Feb Financials-dk-20150316.pdf
EBIA-Mar Board Meeting Presentation-dk-20150316.pdf

East Bay Innovation Academy

Monthly Cash Forecast
As of February 28, 2015

	2014/15 Actual & Projected						2015/16 Projected			
	Dec Actual	Jan Actual	Feb Actual	Mar Projected	Apr Projected	May Projected	Jun Projected	Jul Projected	Aug Projected	Sep Projected
Beginning Cash	47,015	43,784	260,580	89,366	41,637	135,812	140,711	120,739	19,746	(67,523)
Revenue										
General Block Grant	-	259,049	-	170,494	145,315	134,869	134,869	-	78,411	100,795
Federal Income	-	219,400	-	2,029	2,029	2,029	4,529	-	-	-
Other State Income	-	-	-	22,960	19,244	12,075	867	4,741	4,741	8,986
Local Revenues	1,109	2	2,398	(2,400)	(0)	(0)	(0)	-	-	185
Fundraising and Grants	23,742	14,189	1,151	-	106,187	-	-	-	-	6,800
Total Revenue	24,851	492,640	3,549	193,083	272,774	148,973	140,265	4,741	83,152	116,766
Expenses										
Compensation & Benefits	105,817	105,571	111,919	131,173	104,703	104,703	97,142	74,569	170,099	174,930
Books & Supplies	5,323	12,208	7,023	16,955	7,409	6,809	7,316	31,948	42,498	30,031
Services & Other Operating Expenses	65,467	27,464	52,551	80,949	69,830	35,904	59,121	25,304	29,332	83,798
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenses	176,606	145,243	171,494	229,078	181,942	147,416	163,580	131,821	241,929	288,759
Operating Cash Inflow (Outflow)	(151,755)	347,397	(167,945)	(35,995)	90,832	1,557	(23,315)	(127,080)	(158,776)	(171,993)
Revenues - Prior Year Accruals	-	-	-	-	-	-	-	120,103	65,993	-
Expenses - Prior Year Accruals	-	-	-	-	-	-	-	(58,782)	-	-
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current Year	58,872	(50,226)	(7,897)	(15,076)	-	-	-	-	-	-
Summerholdback for Teachers	4,652	4,625	4,627	3,342	3,342	3,342	3,342	(35,235)	5,514	5,514
Loans Payable (Current)	85,000	(85,000)	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	-	-	-	-	-	-	-	-	-	(10,417)
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Depreciation	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Changes	-	-	-	-	-	-	-	-	-	-
Ending Cash	43,784	260,580	89,366	41,637	135,812	140,711	120,739	19,746	(67,523)	(244,418)

East Bay Innovation Academy

Budget vs. Actuals

As of February 28, 2015

	Actual			Budget vs. Actual			Budget				
	Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
SUMMARY											
Revenue											
General Block Grant	-	259,049	-	826,847	826,847	-	1,512,277	1,557,796	1,535,115	(22,681)	708,268
Federal Revenue	-	219,400	-	264,400	264,400	-	326,445	318,953	318,953	-	54,554
Other State Revenues	-	-	-	-	2,160	(2,160)	126,873	137,278	135,266	(2,012)	135,266
Local Revenues	1,109	2	2,398	3,787	832	2,955	278	1,387	1,387	-	(2,400)
Fundraising and Grants	23,742	14,189	1,151	45,842	30,976	14,866	151,434	152,029	152,029	-	106,187
Total Revenue	24,851	492,640	3,549	1,140,876	1,125,215	15,661	2,117,307	2,167,444	2,142,750	(24,693)	1,001,874
Expenses											
Compensation and Benefits	105,817	105,571	111,919	767,542	789,701	22,159	1,198,310	1,285,564	1,229,569	55,995	462,027
Books and Supplies	5,323	12,208	7,023	163,316	177,721	14,405	194,729	195,816	201,806	(5,990)	38,490
Services and Other Operating Exp.	65,467	27,464	52,551	438,227	466,101	27,874	678,848	720,247	718,507	1,740	280,281
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	176,606	145,243	171,494	1,369,085	1,433,523	64,438	2,071,887	2,201,627	2,149,882	51,745	780,797
Operating Income (excluding Depreciation)	(151,755)	347,397	(167,945)	(228,209)	(308,308)	80,099	45,419	(34,184)	(7,132)	27,052	221,077
<i>Operating Income (including Depreciation)</i>	<i>(151,755)</i>	<i>347,397</i>	<i>(167,945)</i>	<i>(228,209)</i>	<i>(308,308)</i>	<i>80,099</i>	<i>45,419</i>	<i>(34,184)</i>	<i>(7,132)</i>	<i>27,052</i>	<i>221,077</i>
Fund Balance											
Beginning Balance (Unaudited)	(233,492)	(385,247)	(37,850)	22,414	22,414	-	22,414	22,414	22,414	-	-
Audit Adjustment	-	-	-	-	-	-	-	-	-	-	-
Beginning Balance (Audited)	-	-	-	22,414	22,414	-	22,414	22,414	22,414	-	-
Operating Income (including Depreciation)	(151,755)	347,397	(167,945)	(228,209)	(308,308)	80,099	45,419	(34,184)	(7,132)	27,052	221,077
Ending Fund Balance (including Depreciation)	(385,247)	(37,850)	(205,795)	(205,795)	(285,894)	80,099	67,833	(11,770)	15,282	27,052	221,077

East Bay Innovation Academy
Budget vs. Actuals

As of February 28, 2015

	Actual			Budget vs. Actual			Budget				
	Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
Detail											
Enrollment Summary											
4-6							-	-	-		
7-8							140	140	135	(5)	
9-12							75	76	75	(1)	
Total Enrolled							215	216	210	(6)	
ADA %											
4-6							95%	95%	95%		
7-8							95%	95%	95%		
9-12							95%	95%	95%		
Average							95%	98%	99%		
ADA											
4-6							133.0	135.0	132.8	(2.1)	
7-8							71.3	75.8	74.7	(1.1)	
9-12							0.0	0.0	0.0	-	
Total ADA							204.3	210.7	207.5	(3.2)	

East Bay Innovation Academy

Budget vs. Actuals

As of February 28, 2015

		Actual			Budget vs. Actual			Budget				
		Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
REVENUE												
General Purpose Entitlement												
8011	Charter Schools General Purpose Entitlement	-	185,956	-	640,565	640,565	-	1,125,027	1,158,241	1,120,554	(37,688)	479,989
8012	Education Protection Account Entitlement	-	10,382	-	21,165	21,165	-	40,850	42,148	41,502	(646)	20,337
8096	Charter Schools in Lieu of Prop. Taxes (w/)	-	62,711	-	165,117	165,117	-	346,400	357,407	373,059	15,653	207,942
SUBTOTAL - General Block Grant		-	259,049	-	826,847	826,847	-	1,512,277	1,557,796	1,535,115	(22,681)	708,268
8100 Federal Revenue												
8220	Child Nutrition Programs	-	-	-	-	-	-	19,174	12,174	12,174	-	12,174
8291	Title I	-	-	-	-	-	-	7,296	6,840	6,840	-	6,840
8292	Title II	-	-	-	-	-	-	576	540	540	-	540
8298	Implementation Grant	-	219,400	-	264,400	264,400	-	299,400	299,400	299,400	-	35,000
SUBTOTAL - Federal Income		-	219,400	-	264,400	264,400	-	326,445	318,953	318,953	-	54,554
8300 Other State Revenues												
8381	Special Education - Entitlement (State)	-	-	-	-	-	-	93,333	96,299	94,823	(1,476)	94,823
8382	Special Education Reimbursement (State)	-	-	-	-	2,160	(2,160)	-	6,427	6,395	(32)	6,395
8520	Child Nutrition - State	-	-	-	-	-	-	1,676	1,676	1,676	-	1,676
8560	State Lottery Revenue	-	-	-	-	-	-	31,863	32,875	32,372	(504)	32,372
SUBTOTAL - Other State Income		-	-	-	-	2,160	(2,160)	126,873	137,278	135,266	(2,012)	135,266
8600 Other Local Revenue												
8634	Food Service Sales	-	-	-	278	167	111	278	278	278	-	-
8660	Interest	0	0	0	0	0	0	0	0	0	-	(0)
8690	Other Local Revenue	1,109	-	-	1,109	665	444	-	1,109	1,109	-	-
8999	Uncategorized Revenue	-	2	2,398	2,400	-	2,400	-	-	-	-	(2,400)
SUBTOTAL - Local Revenues		1,109	2	2,398	3,787	832	2,955	278	1,387	1,387	-	(2,400)
8800 Donations/Fundraising												
8801	Donations - Parents	12,905	13,755	1,095	34,431	20,659	13,773	3,050	33,336	34,431	1,095	-
8802	Donations - Private	10,243	75	-	10,318	10,318	-	148,300	117,655	116,504	(1,151)	106,187
8803	Fundraising	595	359	56	1,094	-	1,094	84	1,038	1,094	56	-
SUBTOTAL - Fundraising and Grants		23,742	14,189	1,151	45,842	30,976	14,866	151,434	152,029	152,029	0	106,187
TOTAL REVENUE		24,851	492,640	3,549	1,140,876	1,125,215	15,661	2,117,307	2,167,444	2,142,750	(24,693)	1,001,874

East Bay Innovation Academy

Budget vs. Actuals

As of February 28, 2015

		Actual			Budget vs. Actual			Budget				
		Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
EXPENSES												
Compensation & Benefits												
1000	Certificated Salaries	-	-	-								
1100	Teachers Salaries	55,411	54,762	53,604	361,513	357,987	(3,526)	578,130	578,130	566,254	11,876	204,741
1103	Teacher - Substitute Pay	-	480	-	480	535	55	-	840	840	-	360
1111	Cert - Bonuses	-	-	-	-	-	-	18,900	18,900	16,350	2,550	16,350
1148	Teacher - Special Ed	6,095	6,095	6,095	39,619	39,619	(0)	64,000	64,000	64,000	-	24,381
1300	Certificated Supervisor & Administrator S	10,000	10,000	10,000	112,238	112,238	0	117,346	154,572	154,572	-	42,333
1311	Cert Admin - Bonuses	-	-	-	-	-	-	7,041	6,941	6,941	-	6,941
	SUBTOTAL - Certificated Employees	71,506	71,337	69,699	513,851	510,379	(3,472)	785,417	823,383	808,956	14,426	295,106
2000	Classified Salaries											
2103	Classified - Tutors	6,422	4,544	8,897	41,991	50,713	8,721	63,670	92,250	82,250	10,000	40,259
2300	Classified Supervisor & Administrator Sa	10,535	11,633	11,633	65,959	67,057	1,098	133,090	113,590	103,924	9,667	37,965
2311	Classified Admin - Bonuses	-	-	-	-	-	-	8,472	4,687	1,015	3,672	1,015
2400	Classified Clerical & Office Salaries	7,443	4,315	6,200	33,979	40,535	6,556	41,091	71,260	61,140	10,120	27,161
2401	Classified Clerical & Office Salaries - Bo	-	-	-	-	-	-	-	-	-	-	-
	SUBTOTAL - Classified Employees	24,399	20,492	26,731	141,929	158,305	16,376	246,323	281,788	248,329	33,459	106,400
3000	Employee Benefits											
3100	STRS	6,299	6,216	5,750	43,832	45,579	1,747	70,377	74,314	72,242	2,072	28,410
3300	OASDI-Medicare-Alternative	2,834	2,659	3,271	22,194	19,395	(2,799)	30,042	33,007	30,695	2,312	8,501
3400	Health & Welfare Benefits	(13)	1,531	4,801	32,099	31,194	(905)	41,763	45,746	43,041	2,704	10,942
3500	Unemployment Insurance	411	2,957	1,287	9,456	20,973	11,517	20,260	22,907	22,077	830	12,621
3600	Workers Comp Insurance	380	380	380	4,182	3,877	(305)	4,127	4,421	4,229	192	48
	SUBTOTAL - Employee Benefits	9,911	13,742	15,490	111,763	121,017	9,255	166,570	180,394	172,284	8,110	60,521

East Bay Innovation Academy

Budget vs. Actuals

As of February 28, 2015

		Actual			Budget vs. Actual			Budget				
		Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
4000	Books & Supplies	-	-	-								
4100	Approved Textbooks & Core Curricula M	-	400	-	23,070	30,065	6,995	31,665	31,665	31,665	-	8,595
4200	Books & Other Reference Materials	-	-	-	123	650	527	1,300	1,300	1,300	-	1,177
4300	Materials & Supplies	42	-	88	2,562	7,535	4,972	8,600	5,640	11,840	(6,200)	9,278
4320	Educational Software	-	-	3,917	6,168	6,168	-	7,525	7,560	7,350	210	1,182
4330	Office Supplies	329	1,372	262	8,894	8,208	(686)	8,000	10,800	10,800	-	1,906
4400	Noncapitalized Equipment	-	7,933	-	25,403	25,507	104	28,507	28,507	28,507	-	3,104
4410	Classroom Furniture, Equipment & Supp	2,069	2,002	-	10,766	11,764	998	7,594	11,764	11,764	-	998
4420	Computers (individual items less than \$5	1,377	(730)	709	76,030	76,143	114	77,251	79,751	79,751	-	3,722
4430	Non Classroom Related Furniture, Equip	-	-	-	763	959	196	959	959	959	-	196
4710	Student Food Services	1,505	1,232	2,049	9,538	10,722	1,184	23,328	17,870	17,870	-	8,332
	SUBTOTAL - Books and Supplies	5,323	12,208	7,023	163,316	177,721	14,405	194,729	195,816	201,806	(5,990)	38,490

East Bay Innovation Academy

Budget vs. Actuals

As of February 28, 2015

	Actual			Budget vs. Actual			Budget				
	Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
5000	Services & Other Operating Expenses										
5210	-	2,810	-	9,135	7,500	(1,635)	7,500	9,135	9,135	-	-
5220	-	-	-	-	-	-	2,250	2,250	-	2,250	-
5300	438	965	1,090	3,579	4,138	559	6,896	6,896	6,896	-	3,317
5450	920	920	920	10,855	10,123	(732)	11,043	11,043	11,043	-	188
5515	4,845	3,561	4,945	29,512	30,000	488	50,000	50,000	50,000	-	20,488
5535	2,223	5,895	3,486	27,676	25,892	(1,784)	40,688	40,688	40,688	-	13,011
5611	28,876	-	-	57,753	57,753	0	115,505	115,505	115,505	-	57,753
5615	-	117	-	1,952	2,880	928	4,800	4,800	4,800	-	2,848
5800	-	-	-	125	1,300	1,175	125	125	125	-	-
5803	-	-	-	-	-	-	8,200	8,200	4,200	4,000	4,200
5809	3	-	3	57	180	123	300	300	300	-	243
5810	-	4,086	8,050	50,159	73,023	22,864	86,000	85,023	85,023	-	34,864
5812	9,138	-	16,804	71,631	66,322	(5,309)	103,875	105,239	104,220	1,018	32,589
5815	5,325	3,568	2,783	91,473	70,294	(21,179)	74,524	92,117	94,117	(2,000)	2,644
5820	-	-	-	-	1,800	1,800	3,000	3,000	3,000	-	3,000
5824	-	-	-	-	9,211	9,211	15,123	15,578	15,351	227	15,351
5830	-	-	-	-	-	-	6,450	6,450	-	6,450	-
5833	-	-	-	10	6	(4)	10	10	10	-	-
5836	48	1,080	641	3,064	3,064	-	1,599	2,423	3,064	(641)	-
5839	-	298	70	370	222	(148)	2	301	370	(70)	-
5845	686	515	1,054	4,386	5,332	946	10,500	27,500	27,500	-	23,114
5851	-	64	-	64	126	62	-	216	210	6	146
5857	(90)	349	473	2,187	1,667	(520)	1,500	2,500	2,500	-	313
5860	175	-	-	175	105	(70)	-	175	175	-	-
5863	-	-	5,537	27,270	28,223	953	36,223	36,223	39,723	(3,500)	12,453
5869	2,337	1,875	5,590	21,517	24,653	3,136	41,375	41,375	41,375	-	19,858
5875	421	258	800	1,674	1,000	(674)	195	3,000	3,000	-	1,326
5878	-	-	-	2,863	3,000	138	3,000	3,000	3,000	-	138
5881	-	-	-	6,167	14,000	7,833	14,000	14,000	14,000	-	7,833
5884	373	184	342	1,427	9,300	7,874	15,490	14,501	15,501	(1,000)	14,074
5887	-	-	-	-	2,085	2,085	3,475	3,475	3,475	-	3,475
5899	(14)	36	(36)	0	-	(0)	-	-	-	-	(0)
5900	9,763	883	-	13,060	11,882	(1,178)	13,500	13,500	18,500	(5,000)	5,440
5915	-	-	-	84	1,020	936	1,700	1,700	1,700	-	1,616
SUBTOTAL - Services & Other Operati	65,467	27,464	52,551	438,227	466,101	27,874	678,848	720,247	718,507	1,740	280,281

East Bay Innovation Academy

Budget vs. Actuals

As of February 28, 2015

		Actual			Budget vs. Actual			Budget				
		Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)	November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)	Forecast Remaining
6000	Capital Outlay											
	SUBTOTAL - Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
	TOTAL EXPENSES	176,606	145,243	171,494	1,369,085	1,433,523	64,438	2,071,887	2,201,627	2,149,882	51,745	780,797
6900	Total Depreciation (includes Prior Year)	-	-	-	-	-	-	-	-	-	-	-
	TOTAL EXPENSES including Depreciation	176,606	145,243	171,494	1,369,085	1,433,523	64,438	2,071,887	2,201,627	2,149,882	51,745	780,797

East Bay Innovation Academy

February Actuals, Forecast Update,
First Draft of 3-Yr Budget



March 18, 2015

Prepared by Dena Koren

Agenda



- Review of February actuals
- Updated 2014-15 forecast
- First draft of 3-year budget
 - Summary of revenue, expenses, operating income
 - Assumptions around revenue
 - Assumptions around expenses
- Cash flow status update
 - Outlook on first few months of 2015-16

February Actuals

February Actuals: Summary

Revenue and expenses were as expected in February



As of February 28, 2015		Actual			Budget vs. Actual		
		Dec	Jan	Feb	Actual YTD	Forecast YTD	Variance (YTD less Forecast)
SUMMARY							
Revenue							
	General Block Grant	-	259,049	-	826,847	826,847	-
	Federal Revenue	-	219,400	-	264,400	264,400	-
	Other State Revenues	-	-	-	-	2,160	(2,160)
	Local Revenues	1,109	2	2,398	3,787	832	2,955
	Fundraising and Grants	23,742	14,189	1,151	45,842	30,319	15,523
	Total Revenue	24,851	492,640	3,549	1,140,876	1,124,558	16,318
Expenses							
	Compensation and Benefits	105,817	105,571	112,419	768,042	789,701	21,659
	Books and Supplies	5,323	12,208	7,023	163,316	175,271	11,955
	Services and Other Operating Exp.	65,467	27,464	52,051	437,727	466,101	28,374
	Capital Outlay	-	-	-	-	-	-
	Total Expenses	176,606	145,243	171,494	1,369,085	1,431,073	61,988
	Operating Income (excluding Depreciation)	(151,755)	347,397	(167,945)	(228,209)	(306,515)	78,306

February Actuals: Detail

**No public revenue received in February – large disbursement to be seen in March;
Largest expenses include EdTec fees and intersession**

- **3.5K revenue in Feb (1.1M YTD, 53% of forecast)**
 - Revenue came exclusively from parent donations and fundraising

- **171K expenses in Jan (1.4M YTD, 64% of forecast)**
 - 112K in Comp & Benefits – no surprises
 - 7K in Books & Supplies – Renaissance Learning, food service expenses
 - 53K in Services & Other Operating Expenses
 - 17K EdTec fee (2 months)
 - 8K intersession costs (several invoices outstanding for Jan intersession)
 - 6K Special Ed contractors – Franklin, Teach Speech
 - 6K professional development (HTH consultants)
 - 5K janitorial
 - 3K utilities
 - 3K enrollment consultant

2014-15 Forecast Update

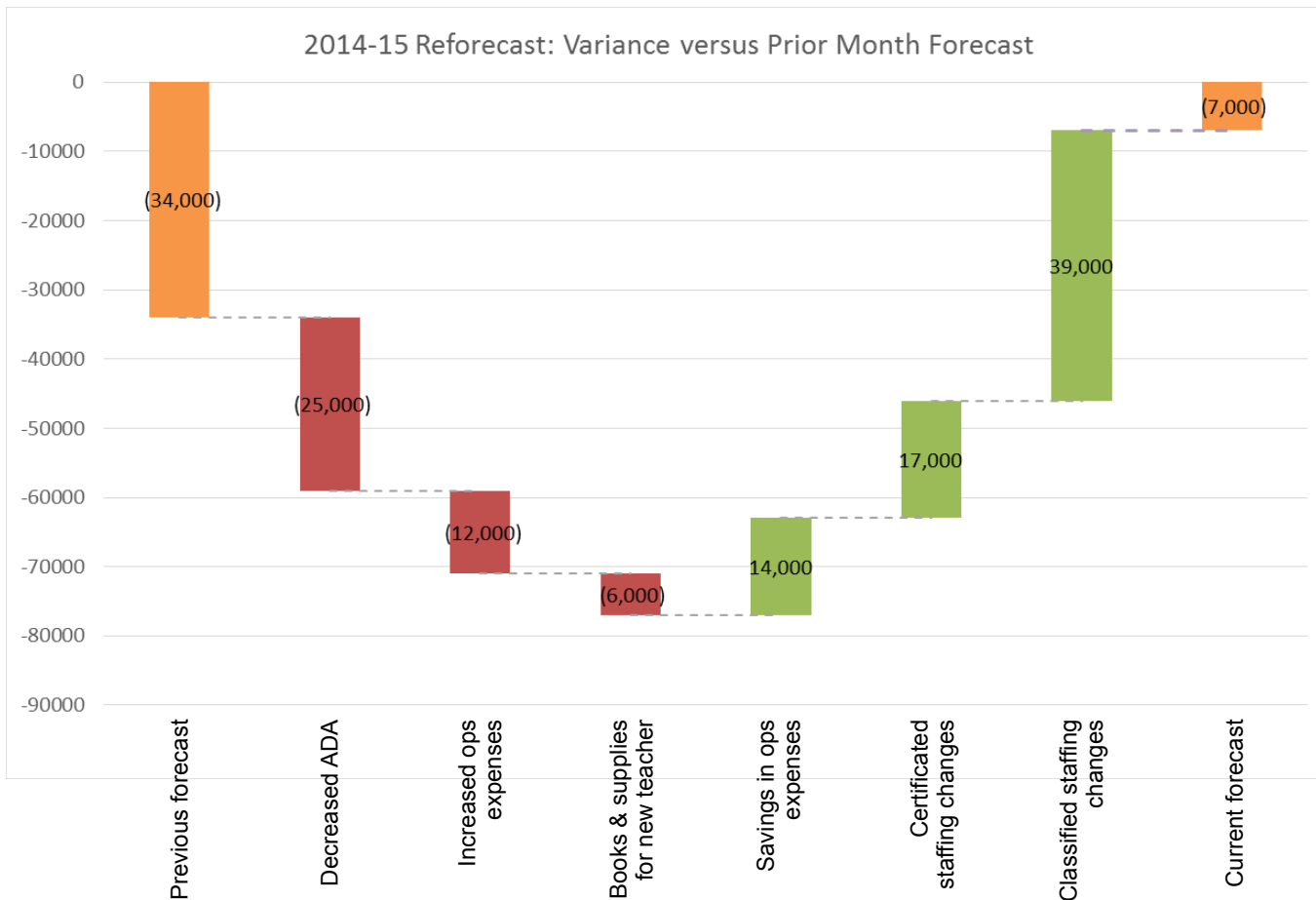
2014-15 Forecast Update

Decreased ADA projections have negative impact on revenue, but significant effort to reduce costs returned fund balance to positive – more work remaining to improve year-end

		Budget			
		November Reapproved Budget	Previous Month's Forecast	Current Forecast	Variance (Prev vs. Curr Forecast)
SUMMARY					
Revenue					
	General Block Grant	1,512,277	1,557,796	1,535,115	(22,681)
	Federal Revenue	326,445	318,953	318,953	-
	Other State Revenues	126,873	137,278	135,266	(2,012)
	Local Revenues	278	1,387	1,387	-
	Fundraising and Grants	151,434	152,029	152,029	-
	Total Revenue	2,117,307	2,167,444	2,142,750	(24,693)
Expenses					
	Compensation and Benefits	1,198,310	1,285,564	1,229,569	55,995
	Books and Supplies	194,729	195,816	201,806	(5,990)
	Services and Other Operating Exp.	678,848	720,247	718,507	1,740
	Capital Outlay	-	-	-	-
	Total Expenses	2,071,887	2,201,627	2,149,882	51,745
Operating Income (excluding Depreciation)		45,419	(34,184)	(7,132)	27,052
<i>Operating Income (including Depreciation)</i>		45,419	(34,184)	(7,132)	27,052
Fund Balance					
	Beginning Balance (Unaudited)	22,414	22,414	22,414	
	Audit Adjustment	-	-	-	
	Beginning Balance (Audited)	22,414	22,414	22,414	
	Operating Income (including Depreciation)	45,419	(34,184)	(7,132)	
	Ending Fund Balance (including Depreciation)	67,833	(11,770)	15,282	

2014-15 Forecast Update: Variance

27K total change based on several key factors;
 Leadership team continuing to work to improve year-end



Note: Numbers are rounded

Multi-Year Budgeting

2015-16 Budget Development

Process for budget development heading toward May or June budget approval and submission to OUSD



When	What	Key Inputs / Notes
January	Initial draft	<ul style="list-style-type: none"> Enrollment plan (school leadership) Revenue assumptions (EdTec; Governor's Proposal) Expenditures assumptions based on 14-15 trends, expected growth, and strategic program development
February	Draft revisions	<ul style="list-style-type: none"> Scenario analysis (EdTec and school leadership) Updated assumptions and projections with latest information
March / April board meeting	Board update & first complete draft	<ul style="list-style-type: none"> Key assumptions and decision points to date First draft with 3-year horizon to assess sustainability
April & May	Final draft for approval	<ul style="list-style-type: none"> Revenue assumptions with <i>May Revision</i> of state budget Board feedback integration
May / June board meeting	Board approval	<ul style="list-style-type: none"> Final 3-year budget proposal Board approval – subsequent submission to OUSD
June	State Budget is passed	<ul style="list-style-type: none"> Changes incorporated over summer; board may approve new budget in fall with these and other changes (e.g., actual enrollment)

3-Year Budget: First Draft

First draft of 3-year budget projects surpluses all three years,
with healthiest surplus in 2017-18



As of February 28, 2015		Year 1	Year 2	Year 3	
		2014/15	2015/16	2016/17	2017/18
		Current Forecast	Preliminary Budget	Preliminary Budget	Preliminary Budget
SUMMARY					
Revenue					
	General Block Grant	1,535,115	2,496,479	3,503,837	4,521,715
	Federal Revenue	318,953	223,098	115,369	168,316
	Other State Revenues	135,266	213,431	281,980	356,001
	Local Revenues	1,387	1,849	97,493	212,174
	Fundraising and Grants	152,029	170,000	222,500	275,000
	Total Revenue	2,142,750	3,104,857	4,221,179	5,533,205
Expenses					
	Compensation and Benefits	1,229,569	2,014,939	2,832,786	3,610,483
	Books and Supplies	201,806	223,496	327,003	442,593
	Services and Other Op Exp	718,507	807,605	1,046,485	1,281,848
	Capital Outlay	-	-	-	-
	Total Expenses	2,149,882	3,046,041	4,206,274	5,334,924
Operating Income (excl Depreciation)		(7,132)	58,817	14,906	198,281
Fund Balance					
	Beginning Balance (Unaudited)	22,414	15,282	74,098	89,004
	Operating Income	(7,132)	58,817	14,906	198,281
Ending Fund Balance		15,282	74,098	89,004	287,285
Required Reserve Level (3%)		64,496	91,381	126,188	160,048
Ending Fund Balance as a % of Exp		0.7%	2.4%	2.1%	5%

Revenue: Enrollment & LCFF

LCFF rate impacted by Unduplicated Count assumption;
Enrollment biggest driver of revenue



Variable	2014-15	2015-16	2016-17	2017-18
LCFF per ADA	\$7,398	\$7,729	\$8,288	\$8,654
Enrollment	<u>210</u> 6 th : 135 7 th : 75	<u>340</u> 6 th : 110 7 th : 130 8 th : 100	<u>445</u> 6 th : 110 7 th : 110 8 th : 125 9 th : 100	<u>550</u> 6 th : 110 7 th : 110 8 th : 110 9 th : 120 10 th : 100
ADA @ 95%	207.5	323.0	422.8	522.5
Unduplicated Count	30 (13.9%)	85 (25% ¹)	117 (26.3%)	183 (33.3%)

¹ Very preliminary assumption – may be modified based on early assessment of 15-16 student body

Revenue: Other

PCSGP to sunset in 2015-16; Donation target set at \$500 per student



Variable	2014-15 ¹	2015-16	2016-17	2017-18
Implementation Grant (PCSGP)	\$425,000	\$150,000	\$0	\$0
Special Education per ADA	\$120 Federal \$500 State	\$120 Federal \$500 State	\$120 Federal \$500 State	\$120 Federal \$500 State
Lottery per ADA <i>(Conservative)</i>	\$162	\$162	\$162	\$162
Donations per Student	\$1010 ²	\$500	\$500	\$500

¹ Includes 2013-14 planning year funds

² Current forecast (unconfirmed)

Expenses: Academic Staff

**Core teachers include English, Math, Science, History;
Administrators include Head of School and Associate Head of School**



Staff	2014-15	2015-16	2016-17	2017-18
Core Teachers	8	12	16	20
Specialty Teacher	2 (Fitness, Computer Skills)	3.5 (+ Spanish, 0.5 Art)	6 (+ Fitness, Spanish, 0.5 Art)	8 (+ Art, Computer Science)
Special Education ¹	1 RSP 1.5 Aides	1.5 RSP 1.5 Aides	2 RSP 2 Aides	2.5 RSP 2.5 Aides
Certificated Administrators	2	2	2	2

¹ Preliminary assumptions; actual staffing will depend on needs of student population

Expenses: Support Staff

Several new support roles in 2015-16, tutors slowly scaling up with growth, and contractors remaining same with staff recruiter addition



Staff	2014-15	2015-16	2016-17	2017-18
Tutors	1.5 – 2.0	1.5	2	2.5
Front Office	2 Business/Office Leads 0.5 Office Asst	2 Business/Office Leads 0.5 Office Asst	2 Business/Office Leads 0.5 Office Asst	2 Business/Office Leads 0.5 Office Asst
Other Supports	Lunch Support	0.5 Enroll't Mgr 0.5 Tech Mgr Lunch Support	0.5 Enroll't Mgr 1 Tech Mgr Lunch Support	0.5 Enroll't Mgr 1 Tech Mgr Lunch Support
Contractors	Janitorial Recruitment Back office Special ed	Janitorial Recruitment Back office Special ed	Janitorial Recruitment Back office Special ed	Janitorial Recruitment Back office Special ed

Expenses: Books & Supplies

Some supplies from 14-15 reusable, but many of same costs remain



□ Books & Supplies

- Base assumption of 3% increase for inflation, unless otherwise specified

- Curriculum and materials
 - Holding steady at 2014-15 per student rate
 - \$155 per student for curriculum
 - \$28 per student for materials and supplies
 - \$53 per student in office supplies

- Furniture and equipment
 - Noncapitalized equipment: Assume ~50% of 14-15 costs (eg, supporting tech equipment)
 - Classroom furniture: 15-16 - \$8K, 16-17 - \$23K (for HS outfitting), 17-18 - \$24K
 - Computers - \$300 ea for 140 new Chromebooks; replacing all machines after 2 years, so 16-17+ includes replacement of original computers

Expenses: Services & Op Expenses

Highlight of select services & operating costs



□ Services & Other Operating Expenses

- Base assumption of 3% increase for inflation, unless otherwise specified
- Rent
 - 2015-16: \$104,226 (\$307/student)
 - 2016-17 and beyond: Estimated by using same per student rate, increased by inflation
- Janitorial
 - 2015-16: Same staffing expected; increased rate due to additional students
 - 2016-17 and beyond: Increased by 25% each year for student growth
- Intersession
 - 2015-16: \$400 per student (comparable to current year) – out-years increase by inflation
- Back office
 - 2015-16: 5.74% of subset of public revenue, 2016-17: 5.41%; 2017-18: 5.06%
- Legal fees
 - ~\$18,000 each year

Review Cash Flow Status

Recall: Cash Flow Projection

Last month, viewed very tentative 8 month cash flow



	2014/15 Actual & Projected							2015/16 Projected		
	Dec Actual	Jan Actual	Feb Projected	Mar Projected	Apr Projected	May Projected	Jun Projected	Jul Projected	Aug Projected	Sep Projected
Beginning Cash	47,015	43,784	260,580	18,720	42,564	118,909	105,717	60,461	20,520	(105,204)
Revenue										
General Block Grant	-	205,010	-	164,294	139,000	128,554	128,554	-	79,356	100,801
Federal Income	-	219,400	-	2,029	2,029	2,029	4,529	-	-	-
Other State Income	-	-	2,160	21,120	19,539	12,259	876	4,815	4,815	9,091
Local Revenues	1,109	2	(2)	(0)	(0)	(0)	(0)	-	-	165
Fundraising and Grants	23,742	14,189	-	-	107,337	-	-	-	-	4,992
Total Revenue	24,851	492,640	2,158	187,443	267,905	142,842	133,959	4,815	84,171	115,048
Expenses										
Compensation & Benefits	105,817	105,571	136,952	117,063	115,883	115,883	113,632	82,009	206,813	192,374
Books & Supplies	5,323	12,208	14,369	8,244	5,629	5,029	6,244	23,719	57,711	43,915
Services & Other Operating E	65,467	27,464	85,173	41,697	73,453	38,527	62,745	13,936	29,967	91,896
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenses	176,606	145,243	236,494	167,004	194,965	159,439	182,621	119,664	294,491	328,185
Operating Cash Inflow (Outflow)	(151,755)	347,397	(234,336)	20,439	72,940	(16,597)	(48,662)	(114,849)	(210,320)	(213,137)
Revenues - Prior Year Accrued	-	-	-	-	-	-	-	174,316	78,559	-
Expenses - Prior Year Accrued	-	-	-	-	-	-	-	(63,513)	-	-
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current Year	58,872	(50,226)	(10,929)	-	-	-	-	\$0.00	-	-
Summerholdback for Teachers	4,652	4,625	3,405	3,405	3,405	3,405	3,405	(35,896)	6,038	6,038
Loans Payable (Current)	85,000	(85,000)	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	-	-	-	-	-	-	-	-	-	(10,417)
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Depreciation	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Changes	-	-	-	-	-	-	-	-	-	-
Ending Cash	43,784	260,580	18,720	42,564	118,909	105,717	60,461	20,520	(105,204)	(322,720)

Cash Flow Projection

Revised cash flow with draft 3-year budget: July positive cash status dependent on year-end financials and August begins 15-16 cash gap

	2014/15							2015/16		
	Actual & Projected							Projected		
	Dec Actual	Jan Actual	Feb Actual	Mar Projected	Apr Projected	May Projected	Jun Projected	Jul Projected	Aug Projected	Sep Projected
Beginning Cash	47,015	43,784	260,580	89,366	41,637	135,812	140,711	120,739	18,796	(69,421)
Revenue										
General Block Grant	-	239,043	-	170,494	145,315	134,869	134,869	-	78,411	100,795
Federal Income	-	219,400	-	2,029	2,029	2,029	4,529	-	-	-
Other State Income	-	-	-	22,960	19,244	12,075	867	4,741	4,741	8,986
Local Revenues	1,109	2	2,398	(2,400)	(0)	(0)	(0)	-	-	185
Fundraising and Grants	23,742	14,189	1,151	-	106,187	-	-	-	-	6,800
Total Revenue	24,851	492,640	3,549	193,083	272,774	148,973	140,265	4,741	83,152	116,766
Expenses										
Compensation & Benefits	105,817	105,571	111,919	131,173	104,703	104,703	97,142	74,569	170,099	174,930
Books & Supplies	5,323	12,208	7,023	16,955	7,409	6,809	7,316	31,948	42,498	30,031
Services & Other Operating Expenses	65,467	27,464	52,551	80,949	69,830	35,904	59,121	26,253	30,281	84,747
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenses	176,606	145,243	171,494	229,078	181,942	147,416	163,580	132,770	242,878	289,709
Operating Cash Inflow (Outflow)	(151,755)	347,397	(167,945)	(35,995)	90,832	1,557	(23,315)	(128,029)	(159,726)	(172,943)
Revenues - Prior Year Accruals	-	-	-	-	-	-	-	120,103	65,993	-
Expenses - Prior Year Accruals	-	-	-	-	-	-	-	(58,782)	-	-
Accounts Receivable - Current Year	-	-	-	-	-	-	-	-	-	-
Accounts Payable - Current Year	58,872	(50,226)	(7,897)	(15,076)	-	-	-	-	-	-
Summerholdback for Teachers	4,652	4,625	4,627	3,342	3,342	3,342	3,342	(35,235)	5,514	5,514
Loans Payable (Current)	85,000	(85,000)	-	-	-	-	-	-	-	-
Loans Payable (Long Term)	-	-	-	-	-	-	-	-	-	(10,417)
Capital Leases Payable	-	-	-	-	-	-	-	-	-	-
Other Long Term Debt	-	-	-	-	-	-	-	-	-	-
Capital Expenditure & Depreciation	-	-	-	-	-	-	-	-	-	-
Other Balance Sheet Changes	-	-	-	-	-	-	-	-	-	-
Ending Cash	43,784	260,580	89,366	41,637	135,812	140,711	120,739	18,796	(69,421)	(247,266)

Coversheet

Audit Provider

Section: IV. Finance
Item: C. Audit Provider
Purpose: Vote
Submitted by:
Related Material: East Bay Innovation Academy Engagement Letter 2015-2017-1.pdf



March 4, 2015

East Bay Innovation Academy
3400 Malcolm Avenue
Oakland, CA 94605

Christy White, CPA

Michael Ash, CPA

Tanya M. Rogers, CPA, CFE

Heather Rubio

We are pleased to confirm our understanding of the services we are providing for East Bay Innovation Academy for the year ending June 30, 2015 with the option to renew for the years ending June 30, 2016, and 2017. We will audit the statement of financial position of East Bay Innovation Academy as of June 30, 2015, 2016, and 2017, and the related statements of activities, and cash flows for the years then ended. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole.

1. Charter Organizational Structure
2. Schedule of Average Daily Attendance
3. Schedule of Instructional Time
4. Reconciliation of Financial Reports – Alternative Form with Audited Financial Statements
5. Schedule of Expenditures of Federal Awards (if OMB Circular A-133 applies*)

In addition, we will prepare the Federal and State tax returns for fiscal year ending June 30, 2015 with the option to renew for the years ending June 30, 2016, and 2017.

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*Licensed by the California
State Board of Accountancy*

**A Federal Single Audit under OMB Circular A-133 is applicable in any year that East Bay Innovation Academy expends more than \$500,000 in Federal funds.*

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements taken as a whole. The objective also includes reporting on–

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, if applicable.
- The types of compliance requirements described in the *Standards and Procedures for Audits of California K-12 Local Agencies*, issued by the California Education Audit Appeals Panel as regulations.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133, if applicable, in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133; if applicable and *Standards and Procedures for Audits of California K-12 Local Educational Agencies*, published by the Education Audit Appeals Panel, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, if applicable, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements, the Single Audit compliance opinions, or the State compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133, if applicable. As part of the audit, we will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions.

You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them. The scope of the non-audit services does not constitute an audit conducted under *Government Auditing Standards*.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Bay Innovation Academy and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making all financial records and related information available to us and for ensuring the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the Charter involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Charter received in communications from employees, former employees, grantors, regulators, or others.

In addition, you are responsible for identifying and ensuring that the Charter complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, if applicable, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133, if applicable. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; if applicable (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; if applicable (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. East Bay Innovation Academy is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective action for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on East Bay Innovation Academy's website, you understand that electronic sites are a means to distribute information, and therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to East Bay Innovation Academy or to acts by management or employees acting on behalf of East Bay Innovation Academy. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from East Bay Innovation Academy's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures-Internal Controls

Our audit will include obtaining an understanding of the East Bay Innovation Academy and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133 (if applicable), we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of the controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133, if applicable.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of East Bay Innovation Academy's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of East Bay Innovation Academy's major programs. The purpose of those procedures will be to express an opinion on East Bay Innovation Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133, if applicable. A Federal Single Audit under OMB Circular A-133 becomes applicable when East Bay Innovation Academy expends more than \$500,000 in Federal funds in any given year.

Tax Preparation Services

We will prepare your annual informational returns for the IRS (Form 990 or 990-EZ, as appropriate) and Franchise Tax Board (Form 199) with supporting schedules, and perform related research as considered necessary. This engagement pertains to the year ending June 30, 2015 and subsequent years per above. Our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority. Each annual engagement will be complete upon the delivery of completed returns to you.

It is your responsibility to provide us with all the information required for preparing complete and accurate returns. You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not verify the information you give us; however, we may ask for additional clarification of some information.

You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the bookkeeping and tax services we provide; and for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

If, during our work, we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us for the best resolution of the issue.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

In accordance with federal law and under no circumstances will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the due date of the return. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone or by turning over information about those communications to the government, you, your employees, or agents, may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication; you agree to provide us with written advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege. The return(s) may be selected for review by the taxing authorities.

In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

If a Federal Single Audit under OMB Circular A-133 is performed, we will complete the appropriate section of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The documentation for this engagement is the property of Christy White Associates and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Christy White Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

It is our policy to keep documentation related to this engagement for a minimum of seven years after the report release or for any additional period requested by the State Controller's Office. However, we do not keep any of your original records and will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven year period, we are free to destroy our records related to this engagement.

Christy White is the engagement partner and is responsible for supervising the engagement and signing the report. We will issue our report no later than December 15. We estimate that our fees for these services to East Bay Innovation Academy will be as shown in the table below:

	<u>2014-15</u>	(optional) <u>2015-16</u>	(optional) <u>2016-17</u>
Audit Services	\$ 6,615	\$ 6,885	\$ 7,160
Tax Preparation	1,100	1,150	1,200
Total Professional Services	<u>\$ 7,715</u>	<u>\$ 8,035</u>	<u>\$ 8,360</u>

**If an OMB A-133 Federal Single Audit becomes applicable during any given year, an additional \$2,000 will be added to the annual audit services fee.*

The maximum annual fee for auditing services shall not exceed the above amounts, with the exception that any auditing services provided for (1) significant changes in applicable audit and accounting standards, or (2) significant changes in the number of funds or accounts maintained by the East Bay Innovation Academy during the period under this agreement, shall be in addition to the above maximum fee.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. In accordance with Education Code Section 14505 as amended, ten percent (10%) of the audit fee shall be withheld pending certification of the audit report by the State Controller’s Office and fifty percent (50%) of the audit fee shall be withheld for any subsequent year of a multi-year contract if the prior year’s audit report was not certified as conforming to the reporting provisions of the Audit Guide. This audit contract is null and void if the firm is declared ineligible to audit K-12 school districts pursuant to subdivision (c) of Education Code Section 41020.5.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation under Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and auditor both agree that any dispute over fees charged by the auditor to the client will be submitted for resolution by arbitration. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

The first period to be audited shall be for the fiscal year ending June 30, 2015, if agreeable to the auditors and the East Bay Innovation Academy. The agreement may be cancelled annually if notified by the client or auditor by February 15 of each year. Additional extensions beyond 2017 may be secured on a year by year basis, subject to the agreement of the East Bay Innovation Academy and the auditor.

In accordance with *Government Auditing Standards*, upon request, we will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract.

Christy White Associates has a non-licensee owner who may provide client services in your contract under the supervision of a licensed owner.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Christy White, CPA
President
Christy White Associates

RESPONSE:

This letter correctly sets forth the understanding of East Bay Innovation Academy.

Please check your selection:

_____ Audit Only

_____ Audit and Tax Preparation

Signature

Title

Date

Coversheet

Resolution: Recognition of the EBIA TA

Section: VI. Other Business
Item: A. Resolution: Recognition of the EBIA TA
Purpose: Vote
Submitted by:
Related Material: Board Resolution re Recognition 031815.doc

RESOLUTION NO. 10
RECOGNITION OF EBIA TEACHERS ASSOCIATION

WHEREAS, EBIA Teachers Association filed a request for recognition as the exclusive representative for “all certificated employees and all classroom teachers within the meaning of Education Code Section 47605(l) who are employed by the East Bay Innovation Academy” but excluding “any and all managers, supervisors, classified employees and confidential employees within the meaning of the Act;” and

WHEREAS, the Public Employment Relations Board has determined, after reviewing the proof of support submitted, that EBIA Teachers Association has sufficient support to meet the requirements of PERB Regulation 33050(b);

NOW, THEREFORE, BE IT RESOLVED that, pursuant to PERB Regulation 33190, that East Bay Innovation Academy Board of Directors recognizes EBIA Teachers Association as the exclusive representative of all certificated employees and all classroom teachers within the meaning of Education Code Section 47605(l) who are employed by the East Bay Innovation Academy.

PASSED AND ADOPTED by the Board of Directors of East Bay Innovation Academy at a meeting held on **March 18, 2015** by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tali Levy, Secretary, Board of Directors