APPROVED

Scholarship Prep

Minutes

Regular Board Meeting

Date and Time
Friday December 19, 2025 at 2:00 PM

Location
4070 Mission Ave.
Oceanside, CA, 92057

Zoom Meeting Information:
Meeting ID: 847 7579 6164
Passcode: 212359

Scholarship Prep Orange County (17th Street) - 1010 West 17th Street, Santa Ana, CA 92706
Legacy Room

Scholarship Prep Orange County (Grand Ave) - 1821 N Grand Ave, Santa Ana, CA 92705
Admin Office

Scholarship Prep Oceanside - 4070 Mission Avenue, Oceanside, CA 92057
Room 233

Scholarship Prep South Bay- 24910 S. Avalon Blvd., Wilmington, CA 90744
First-floor Kindergarten Classroom

Scholarship Prep Riverside County - 9707 Magnolia Ave. Riverside, CA 92503
Front Office

Scholarship Prep San Bernardino County - 20 W. 7th St. Upland, CA 91786

Admin Office

Additional Teleconference Location: 1902 West Chestnut Avenue, Santa Ana CA 92703

Additional Teleconference Location: 384 Armstrong Ave, Jersey City, NJ 07305

The meeting will be accessible via teleconference using the information listed above and at the locations above.

PUBLIC COMMENT:
The public is invited to address the Board during the meeting using the Zoom meeting information above, or from any of the teleconference locations. Alternatively, public comments can also be submitted via email to comments@scholarshipschools.org with "Public Comment for Board Meeting (on date of the Board Meeting)" in the subject line. The comment should include the name of the commenter, the Agenda Item number, and the topic that is to be discussed. Comments must be received by 12:30pm of the day before the scheduled Board Meeting and will be read during the meeting based upon time limitations. If the statement is not read online due to time limitations, the comments will be provided to the board members.

Members of the public may address the Board at regular meetings on agenda or non-agenda items that are within the subject matter jurisdiction of the Board, and at special meetings on agenda items only. Speakers may be called in the order that requests are received, with speakers attending the meeting called prior to reading written comments submitted by email, or may be grouped by subject area. Comments are limited to three (3) minutes per speaker with no more than 15 minutes per single topic so that as many people as possible may be heard. . The Board may not take any action on matters discussed during the public testimony period that are not listed on the agenda.

Directors Present
C. Friedrichs (remote), J. Ing (remote), M. Toan (remote)

Directors Absent
B. George

Guests Present
C. Nichols

I. Opening Items

A. Quorum Check

B. Call the Meeting to Order

C. Friedrichs called a meeting of the board of directors of Scholarship Prep to order on Friday Dec 19, 2025 at 2:05 PM.

C. Pledge of Allegiance

D. Reading of the Scholarship Prep Mission Statement

E. Approval of the Agenda

C. Friedrichs made a motion to approve.
J. Ing seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call	
C. Friedrichs	Aye
M. Toan	Aye
B. George	Absent
J. Ing	Aye

F. Invitation to Address the Board on Items on the Agenda

G. Invitation to Address the Board on Items Not on the Agenda

II. Information Section

A. 2024-25 Clifton, Larson, Allen Audit Presentation

Robert Arredondo of Clifton Larson Allen (CLA) presented the results of the fiscal year 2024–25 audit. He reported that the audit was successful and thanked Scholarship Prep staff, including Jason, Sarah, and the Charter Impact team, for their support and timely cooperation throughout the audit process.

Key audit results included:

- One immaterial audit adjustment related to an expense accrual; no material adjustments were required.
- No uncorrected misstatements were identified.
- The financial statement audit received an unmodified (clean) opinion.
- The state compliance audit also received an unmodified opinion.
- The federal single audit, including testing of the Child Nutrition Cluster, resulted in an unmodified opinion with no material weaknesses or deficiencies.

Financial highlights presented:

- Current ratio of 2.0 at the consolidated level, meeting standard benchmarks.
- Months of cash on hand within the healthy range of 3–6 months.
- Net increase in cash of approximately $1.5 million.

- Functional expense allocation fell within expected norms, with approximately 70–80% allocated to program services.

Additional notes:

- Riverside and Upland school sites were included in the audit due to startup-year activity.
- Investments are now presented as a separate line item due to securities held in school accounts.
- No governance issues or audit findings were noted in the required governance communication letter.

Mr. Arredondo also provided a brief overview of upcoming compliance considerations, including:

- Transitional Kindergarten (TK) staffing ratio changes.
- Attendance recovery options, including Saturday school and short-term independent study.
- Immunization testing requirements (Tdap).
- Comprehensive School Safety Plan audit requirements.
- Proposed audit guide changes, including LCAP adoption timing requirements.
- SB 414 was vetoed by the Governor and will not impact the current audit cycle.

Board chair, Charles Friedrichs, asked Robert before his presentation if there were any red flags, and Robert answered that there were no material audit adjustments, no uncorrected misstatements, and all audits resulted in unmodified (clean) opinions.

Charles also asked if the recommendations related to solar energy, cybersecurity, and similar services critical to the audit. Robert stated that they are optional, informational services offered by CLA and are not required components of the audit. While IT controls are reviewed during the audit, services such as penetration testing are not part of standard audit procedures.

B. 2025-26 First Interim Presentation from Charter Impact

David Olson from Charter Impact presented the financials through October 2025, reflecting the First Interim reports submitted to all authorizers. Overall, four of five campuses are trending positively with increased surpluses; Upland, a first-year campus, is projecting a deficit primarily due to enrollment, grant timing, and higher first-year operational costs. Oceanside, Orange County, and South Bay have strong cash positions. Riverside and Upland may require short-term borrowing during the year due to state payment timing; this is expected and manageable.

Charles asked if Riverside and Upland borrowing will need to meet a minimum standard or threshold. David and Jason Sitomer from Charter Impact stated that both schools maintain positive cash balances and any borrowing reflects state payment delays, not

true cash shortfalls. Loans will be formally recorded once borrowing needs and repayment schedules are finalized.

It was also asked why are staffing costs at Upland not decreasing despite lower enrollment? David explained that Upland has a higher-than-anticipated special education population (18%), with significant student needs requiring additional support services, including six Registered Behavioral Technicians (RBTs), most of whom are contracted.

Charles asked if students with higher special education needs bring additional state funding, and Jason Sitomer answered that additional reimbursement is only available for “low-incidence” disabilities, which represent less than 1% of students statewide and are reimbursed through SELPA. Most students do not qualify.

Charles also asked if the former students from the prior school at the site enrolling at Upland. Jason Watts explained that the previous school served different grade levels and offered a different program. The enrollment growth is attributed to community outreach, word-of-mouth, and referrals from special education advocates.

Lastly, it was asked if additional support will be needed for special education services going forward. Jason Watts answered that leadership anticipates continued need for increased support and is actively exploring ways to provide additional resources across all campuses.

C. Organization Update

Executive Director Jason Watts provided the organization update.

Funding and Enrollment Update

- The organization has historically secured grant funding to support operations, with the majority of this work led by Andrew, in coordination with Sarah.
- As student performance improves, leadership anticipates increased interest in Scholarship Prep schools, particularly in Inland Empire (IE) regions.
- Increased enrollment is expected to generate additional funding and expand support for students and families.
- Leadership continues to pursue supplemental funding opportunities alongside grant management efforts.

School and Community Engagement Highlights

- Leadership attended winter performances at multiple school sites. Oceanside site presented a Nutcracker-themed performance, noted for its professionalism and strong staff collaboration. Orange County (17th Street) performance was highlighted as the strongest to date, showcasing advanced choreography and execution.

- A Winter Wellness Event at the 17th Street campus drew over 700 attendees. The event was organized with extensive staff support and led by Kristen Crowe, along with Victor and Marissa. Numerous community partners participated, providing services, resources, food, and family activities. Attendance reached capacity, reflecting sustained growth and strong community engagement. A recap video will be shared at a future board meeting and is currently available on the organization's LinkedIn page.

Foundation Support and Family Assistance

- The Scholarship Community Foundation continues to support students, families, and staff across the organization.
- Through coordinated outreach and needs identification, nearly 70 families received $100 gift cards to assist with essential needs during the break.
- Appreciation was expressed to foundation partners and staff for timely responses and effective coordination.

Charles asked Jason if parents becoming more aware of the Scholarship Community Foundation, how is the organization ensuring that support leads to long-term impact rather than short-term aid, and what process is in place to evaluate requests for assistance.

Jason answered that awareness is increasing, and the organization is also becoming more strategic in how assistance is provided. Leadership emphasized a "teach them how to fish" approach, focusing on sustainable support such as career training, resume building, and other skill-based opportunities to extend long-term impact. A formal application and vetting process was implemented over six months ago. Kristen and Victor review requests, with leadership consultation as needed. Support decisions may include approval, denial, or adjusted assistance based on individual circumstances.

III. Consent Calendar

A. Approve the November 20th Meeting Minutes

C. Friedrichs made a motion to approve the minutes from Regular Board Meeting on 11-20-25.
M. Toan seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call	
M. Toan	Aye
J. Ing	Aye
B. George	Absent
C. Friedrichs	Aye

B. Approve the HR Generalist Job Description

C. Approve the Grants Manager Job Description

D. Approve the Updated 2025-26 Classified Compensation Plan

E. Approval of Consent Calendar

C. Friedrichs made a motion to approve.
M. Toan seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

B. George	Absent
C. Friedrichs	Aye
J. Ing	Aye
M. Toan	Aye

IV. Action Items

A. Approve the Scholarship Prep - Orange County 2025-26 First Interim Report

C. Friedrichs made a motion to approve.
J. Ing seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

M. Toan	Aye
B. George	Absent
C. Friedrichs	Aye
J. Ing	Aye

B. Approve the Scholarship Prep - Oceanside 2025-26 First Interim Report

C. Friedrichs made a motion to approve.
M. Toan seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

J. Ing	Aye
B. George	Absent
M. Toan	Aye
C. Friedrichs	Aye

C. Approve the Scholarship Prep - South Bay 2025-26 First Interim Report

C. Friedrichs made a motion to approve.
J. Ing seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

B. George	Absent
M. Toan	Aye
C. Friedrichs	Aye
J. Ing	Aye

D. Approve the Scholarship Prep - Riverside County 2025-26 First Interim Report

C. Friedrichs made a motion to approve.
M. Toan seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

C. Friedrichs	Aye
M. Toan	Aye
B. George	Absent
J. Ing	Aye

E. Approve the Scholarship Prep - San Bernardino County 2025-26 First Interim Report

C. Friedrichs made a motion to approve.
J. Ing seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

C. Friedrichs	Aye
B. George	Absent
M. Toan	Aye
J. Ing	Aye

F. Approve the 2024-25 Fiscal Audit

C. Friedrichs made a motion to approve.
M. Toan seconded the motion.
The board **VOTED** unanimously to approve the motion.

Roll Call

B. George	Absent
C. Friedrichs	Aye
J. Ing	Aye
M. Toan	Aye

V. Closed Session

A. Public Employee Performance Evaluation (Gov. Code § 54957) Title: Executive Director

The Board entered the closed session at 2:55 pm.

Board President, Charles Friedrichs, reported out of close session at 3:37 pm. There was nothing to report out of closed session.

VI. Closing Items

A. Board Comments and Future Agenda Items

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 3:38 PM.

Respectfully Submitted,
C. Friedrichs

THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE
Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

SPECIAL PRESENTATION MAY BE MADE
Notice is hereby given that, consistent with the requirements of the Brown Act, special presentations not mentioned in the agenda may be made at this meeting.
However, any such presentation will be for information only.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH DISABILITY
Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting Jason Watts.
Email: jwatts@scholarshipschools.org

BOARD DOCUMENTS
Agenda documents that have been distributed to members of the Board are available for inspection online by requesting from Jason Watts at jwatts@scholarshipschools.org "during normal school business hours Mon- Friday" or at any of the Scholarship Prep School Offices during regular business hours.

Scholarship Prep Orange County (17th Street) - 1010 West 17th Street, Santa Ana, CA 92706
7:30 a.m. to 4:00 p.m. Monday through Friday

Scholarship Prep Orange County (Grand Ave) - 1821 N Grand Ave, Santa Ana, CA 92705
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7:30 a.m. to 4:00 p.m. Monday through Friday

FOR MORE INFORMATION

For more information concerning this agenda, please contact Jason Watts at:
jwatts@scholarshipschools.org