



# Urban Montessori Charter School

## Special Board Meeting

Published on December 5, 2023 at 1:19 PM PST

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### Date and Time

Monday December 11, 2023 at 2:30 PM PST

### Location

4551 Steele Street, Oakland, CA 94619. Ring the front bell or call/text 510-290-4005 for entry. Signage on campus will direct you to the correct room, generally the Head of School's Office.

The public may comment and participate [via Zoom](#) if they prefer. The public may also email comments to board@urbanmontessori.org to be shared by the Board's Secretary during the meeting. Please make that intention clear in your email.

<https://us02web.zoom.us/j/82592855160?pwd=cG02OTRoUVdrdngwOTI2WFBrOTBzQT09>

Meeting ID: 825 9285 5160; Passcode 510 842 1181

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Additional teleconference locations: 3921 Enos Ave Oakland, CA, 94619

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Members: Kara Fortuna, Greg Klein, Sarah Morrill (Chair), Amy Ng, Ann Rhodes, Donald Williams

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## Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>2:30 PM</b>
<b>A.</b> Call the Meeting to Order		Sarah Morrill	
This meeting is being audio-recorded.			
<b>B.</b> Record Attendance		Greg Klein	1 m
<b>C.</b> Review of Action/Discussion Items	Discuss	Sarah Morrill	1 m
With input from the board, the Chair may decide, based upon a number of factors, to reorder the action/discussion items to best suit the needs of the meeting. No additional action/discussion items will be added at this time.			
<b>D.</b> Board Member Comment		Sarah Morrill	2 m
Any board member wishing to speak to an issue regarding UMCS that does not pertain to an agenda item may do so at this time. No further discussion or action will take place following each board member's comments.			
<b>E.</b> Presentations from the Floor		Sarah Morrill	10 m

	Purpose	Presenter	Time
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PRESENTATIONS ON NON-AGENDA ITEMS – Any person wishing to speak to any item not on the agenda will be granted three minutes to make a presentation. Speakers requiring translation shall have double time. Comments should refer to matters within the jurisdiction of this committee.

*“What if [we] listened to others so deeply that they felt loved, accepted, and safe in [our] presence, no matter what they had to say?” -- Steve Shapiro, Author*

**II. Special Meeting Action Items 2:44 PM**

There are three brief action items that the Board needs to consider prior to the Winter Break.

<b>A.</b> Approve Minutes from November 30, 2023 Regular Meeting	Approve Minutes	Greg Klein	2 m
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<b>B.</b> Vote on First Interim Report	Vote	Krishna Feeney	5 m
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The financial information for this item was last approved by the Board at the November 30th Regular Meeting. This is an opportunity to vote on the same information formatted into the County-required template.

<b>C.</b> Vote to Accept the Audit for School Year 2022-2023	Vote	Krishna Feeney	5 m
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There were no findings in this Audit.

**III. Closing Items 2:56 PM**

<b>A.</b> Adjourn Meeting	FYI	Sarah Morrill	
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# Coversheet

## Approve Minutes from November 30, 2023 Regular Meeting

**Section:** II. Special Meeting Action Items  
**Item:** A. Approve Minutes from November 30, 2023 Regular Meeting  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for Regular Board Meeting on November 30, 2023

APPROVED



## Urban Montessori Charter School

### Minutes

#### Regular Board Meeting

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**Date and Time**

Thursday November 30, 2023 at 5:30 PM

**Location**

4551 Steele Street, Oakland, CA 94619. Ring the front bell or call/text 510-290-4005 for entry. Signage on campus will direct you to the correct room, generally the Head of School's Office.

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#### **Directors Present**

A. Rhodes, G. Klein, K. Fortuna, S. Morrill

#### **Directors Absent**

A. Ng, D. Williams

#### **Guests Present**

D. Bissonnette, K. Feeney

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### **I. Opening Items**

#### **A. Call the Meeting to Order**

S. Morrill called a meeting of the board of directors of Urban Montessori Charter School to order on Thursday Nov 30, 2023 at 5:39 PM.

#### **B. Record Attendance**

#### **C. Review of Action/Discussion Items**

No changes needed.

#### **D. Board and Community Appreciations**

Greg appreciated Ms. Melody and ELOP staff for hosting Friday's Game Night.  
Sarah appreciated teachers for all their work conferencing with families.

Krishna and Greg appreciated Trustee Berrick and President Cole for visiting UMCS, and to staff for hosting them.

Sarah appreciated Daniel's rad shoes.

**E. Board Member Comment**

None.

**F. Presentations from the Floor**

No public comments on items not on the agenda.

**G. Community Agreements Discussion**

The board discussed two community agreements and how they might show up in our public work together, "Mistakes are for learning!" and "Be curious, vulnerable and courageous - without judgment"

No public comments on this item.

**II. Head of School Report**

**A. Head of School Report**

Ms. Feeney began the Head of Schools Report.

Successful fall round of family conferences, with 84% of our primary and elementary families signed up for and attended conferences. Tomorrow is the Expanded Learning Opportunity Program (ELOP) family game night 12/1/23 from 5:00 - 6:00. There will be a Family Night on Wednesday, 12/13/23 - Punishments vs Logical Consequences with Parent Mariana Bissonnette. Winter Break 12/25 - 1/8, students return on Jan 9 as there's a PD day on Jan 8.

President Cole and Trustee Berrick have visited this school year from Alameda County Board of Education. Trustee Cooke-Kallio asked for a re-invite in January and Director Hutchinson from the OUSD Board will also soon visit.

The Oakland Montessori Training Center will be in session the weekend before Winter Break for a full weekend of additional training.

The School Leadership Team has been working on a school wide student outcomes goal, that 60% of K, 3, 6th grade students will be proficient or master 60% of Math transition checklist items.

For teachers, by the end of the year, teachers will articulate and calibrate what student proficiency and mastery looks like for specific lessons that support skills mapped to each



level's transition checklist, and how these lessons/skills connect to NWEA results and CA state standards. Also, teachers at each level will be trained or given resources (age-appropriate books, lessons, and discussion topics) to their classrooms connected to and to deliver SEL specific curriculum, the UMCS ABAR commitment, and Land acknowledgement. Sarah asked and Daniel clarified that the topics are school wide, but discussed developmentally appropriately for each Level. Staff connectedness and feeling of inclusiveness will be at 90% or above by May 2024 as measured by staff surveys. Every month staff will have an opportunity to connect at an outside location or on campus event in a way that honors different needs/levels of comfort so we have opportunities to build relationships with each other in new ways throughout the year.

For enrollment updates, we are up to 353 students enrolled and still accepting students in some grades where space is available, with 2 offers out now! Student Attendance has been hovering just over 90%.

For next year's enrollment we are seeing lots of interest in our enrollment tours! The last tour we had about 30 individuals and 48 people registered for our tour next week!

On staffing updates the new OT began a few weeks ago. Currently hiring for: Support Teacher, Student Support Assistant, and Aftercare Program Leaders.

The board discussed scheduling a Special Meeting on December 11th to vote on the audit and the first interim report.

No public comments on this item.

### **III. Executive & Governance Committee**

#### **A. Discussion Item: Committee Report**

Sarah shared the report, including how Daniel and Krishna are working to codify their long term plans. The listening session with staff this week had to be canceled this week due to childcare issues and will be rescheduled in coordination with the staff PD calendar. The committee also discussed recommending a new term of board service for Sarah.

No public comment on this item.

#### **B. Discussion and votes on Board Members**

G. Klein made a motion to approve a new two-year term for Sarah Morrill from January 1, 2024 - December 31, 2025.

K. Fortuna seconded the motion.

Krishna and the rest of the Board appreciated Sarah for her continued service.

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

**Roll Call**

S. Morrill Abstain  
A. Ng Absent  
G. Klein Aye  
K. Fortuna Aye  
D. Williams Absent  
A. Rhodes Aye

**C. Board and Committee Officers & Members**

No changes needed. No public comments on this item.

**IV. Family Advisory Council**

**A. Discussion Item - Committee Report**

Ann shared the FAC report. The FAC continues to work to build membership and recruit additional leaders. December 13 is the next upcoming FAC Zoom meeting. There's an upcoming Parents Night Out at Left Coast Yoga. Ann shared that Spring Auction is being planned. The Fundraising Committee approved that 10% of last school year's parent fundraising will be donated to the nonprofit organizations named in the school's Land Acknowledgement policy. Next step there is to gather additional staff input and then message school wide.

No public comment on this item.

**V. Other Business**

**A. Oakland and California Updates**

Greg shared that the OUSD Board adjourned a meeting early earlier in November and that the state Dashboard should be published soon. No other discussion or public comments on this item.

**B. Approve Minutes from October 26, 2023 Regular Meeting**

K. Fortuna made a motion to approve the minutes from Regular Board Meeting on 10-26-23.

S. Morrill seconded the motion.

No public comments on this item.

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

**Roll Call**

A. Ng Absent  
S. Morrill Aye  
G. Klein Aye  
A. Rhodes Aye

**Roll Call**

K. Fortuna Aye  
D. Williams Absent

**C. Action Item - Vote on General Consent Report**

G. Klein made a motion to approve the General Consent Report.

S. Morrill seconded the motion.

Greg commented that the financial documents on this General Consent Report were updated since the Finance Committee last saw them -- the committee discussed the updates to be made and these are the updated documents.

No public comments on this item.

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

**Roll Call**

D. Williams Absent  
A. Ng Absent  
G. Klein Aye  
S. Morrill Aye  
K. Fortuna Aye  
A. Rhodes Aye

**D. Collect New Business items for Future Meetings**

None at this time.

**VI. Closed Session**

**A. Closed Session Items**

At 6:17pm, the board announced going into closed session on Public Employee Performance Evaluation - Head of School. There were no public comments on this item.

**VII. Return to Open Session**

**A. Report out of any closed session action(s)**

At 6:56pm, the board returned to open session. No actions were taken.

**VIII. Closing Items**

**A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:56 PM.

Respectfully Submitted,

G. Klein

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### **Documents used during the meeting**

- UMCS Oct FY24 Board Presentation.pdf
  - UMCS October 2023 Balance Sheet 11.29.23.pdf
  - UMCS FY24 1st Interim Financials.pdf
  - UMCS October 2023 Cash Flow 11.29.23.pdf
  - UMCS October 2023 Forecast 11.29.23.pdf
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# Coversheet

## Vote on First Interim Report

**Section:** II. Special Meeting Action Items  
**Item:** B. Vote on First Interim Report  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** UMCS\_FY24\_1st\_Interim\_Financials.pdf

**Urban Montessori**  
**Multi-year Projection**  
**As of Oct FY2024**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>SUMMARY</b>			
<b>Revenue</b>			
LCFF Entitlement	3,782,296	4,296,037	4,639,235
Federal Revenue	470,356	213,627	276,697
Other State Revenues	1,015,935	947,062	763,154
Local Revenues	278,502	280,000	285,773
Fundraising and Grants	190,000	65,000	65,000
<b>Total Revenue</b>	<b>5,737,089</b>	<b>5,801,725</b>	<b>6,029,859</b>
<b>Expenses</b>			
Compensation and Benefits	4,003,052	4,182,212	4,372,738
Books and Supplies	368,658	364,252	344,591
Services and Other Operating Expenditures	1,296,582	1,199,481	1,267,625
Depreciation	8,964	8,964	3,735
Other Outflows	-	-	-
<b>Total Expenses</b>	<b>5,677,256</b>	<b>5,754,909</b>	<b>5,988,688</b>
<b>Operating Income</b>	<b>59,833</b>	<b>46,816</b>	<b>41,171</b>
<b>Fund Balance</b>			
Beginning Balance (Unaudited)	1,609,822	1,669,213	1,716,029
Audit Adjustment	(442)		
Beginning Balance (Audited)	1,609,380	1,669,213	1,716,029
Operating Income	59,833	46,816	41,171
<b>Ending Fund Balance</b>	<b>1,669,213</b>	<b>1,716,029</b>	<b>1,757,200</b>
<b>Total Revenue Per ADA</b>	17,683	16,417	16,291
<b>Total Expenses Per ADA</b>	17,498	16,284	16,180
<b>Operating Income Per ADA</b>	184	132	111
<b>Fund Balance as a % of Expenses</b>	29%	30%	29%

**Urban Montessori  
Multi-year Projection  
As of Oct FY2024**

	<b>Year 1 2023-24</b>	<b>Year 2 2024-25</b>	<b>Year 3 2025-26</b>
<b>Key Assumptions</b>			
<b>Enrollment Breakdown</b>			
TK	39	45	45
K	47	45	45
1	37	46	44
2	42	40	46
3	26	41	40
4	50	30	40
5	41	48	29
6	29	40	44
7	20	28	39
8	16	17	26
<b>Total Enrolled</b>	<b>347</b>	<b>380</b>	<b>398</b>
<b>ADA %</b>			
K-3	93.5%	93.0%	93.0%
4-6	93.5%	93.0%	93.0%
7-8	93.5%	93.0%	93.0%
<b>Average ADA %</b>	<b>93.5%</b>	<b>93.0%</b>	<b>93.0%</b>
<b>ADA</b>			
K-3	179	202	205
4-6	112	110	105
7-8	34	42	60
<b>Total ADA</b>	<b>324</b>	<b>353</b>	<b>370</b>

**Urban Montessori**  
**Multi-year Projection**  
**As of Oct FY2024**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>REVENUE</b>			
<b>LCFF Entitlement</b>			
8011 Charter Schools General Purpose Entitlement - State Aid	1,758,373	2,051,459	2,251,916
8012 Education Protection Account Entitlement	933,554	1,056,917	1,143,400
8096 Charter Schools in Lieu of Property Taxes	1,090,369	1,187,661	1,243,918
<b>SUBTOTAL - LCFF Entitlement</b>	<b>3,782,296</b>	<b>4,296,037</b>	<b>4,639,235</b>
<b>Federal Revenue</b>			
8181 Special Education - Entitlement	42,380	45,110	49,400
8220 Child Nutrition Programs	108,588	122,483	180,181
8291 Title I	29,582	30,469	31,384
8292 Title II	5,403	5,565	5,732
8294 Title IV	10,000	10,000	10,000
8299 All Other Federal Revenue	274,403	-	-
<b>SUBTOTAL - Federal Revenue</b>	<b>470,356</b>	<b>213,627</b>	<b>276,697</b>
<b>Other State Revenue</b>			
8319 Other State Apportionments - Prior Years	1,290	-	-
8381 Special Education - Entitlement (State)	287,917	313,348	328,191
8382 Special Education Reimbursement (State)	23,968	23,968	23,968
8520 Child Nutrition - State	88,845	100,213	12,012
8550 Mandated Cost Reimbursements	5,853	6,693	7,531
8560 State Lottery Revenue	84,380	91,909	96,263
8590 All Other State Revenue	359,504	230,188	102,667
8593 Expanded Learning Opportunities Program	164,178	180,743	192,523
<b>SUBTOTAL - Other State Revenue</b>	<b>1,015,935</b>	<b>947,062</b>	<b>763,154</b>
<b>Local Revenue</b>			
8676 After School Program Revenue	206,696	230,000	235,773
8699 All Other Local Revenue	3,806	-	-
8702 Oakland Measure G1	68,000	50,000	50,000
<b>SUBTOTAL - Local Revenue</b>	<b>278,502</b>	<b>280,000</b>	<b>285,773</b>
<b>Fundraising and Grants</b>			
8801 Family Fundraising	50,000	50,000	50,000
8802 Private Grants	125,000	-	-
8814 Field Trips Donations	15,000	15,000	15,000
<b>SUBTOTAL - Fundraising and Grants</b>	<b>190,000</b>	<b>65,000</b>	<b>65,000</b>
<b>TOTAL REVENUE</b>	<b>5,737,089</b>	<b>5,801,725</b>	<b>6,029,859</b>



**Urban Montessori**  
**Multi-year Projection**  
**As of Oct FY2024**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>EXPENSES</b>			
<b>Compensation &amp; Benefits</b>			
<b>Certificated Salaries</b>			
1100 Lead Teacher Salaries	922,843	950,528	979,044
1148 Special Education Salaries	426,383	439,174	452,349
1150 Support Teacher Salaries	432,507	448,474	506,177
1170 Measure G1 Stipends	50,000	58,000	58,000
1300 Certificated Supervisor & Administrator Salaries	398,100	410,043	422,344
<b>SUBTOTAL - Certificated Salaries</b>	<b>2,229,833</b>	<b>2,306,219</b>	<b>2,417,915</b>
<b>Classified Salaries</b>			
2102 Student Support Staff	245,711	263,493	271,398
2300 Classified Supervisor & Administrator Salaries	112,398	115,770	119,243
2400 Classified Clerical & Office Salaries	241,551	248,798	256,262
2900 Classified Substitutes	34,540	35,576	36,643
2905 Other Classified - After School	258,476	284,821	293,365
<b>SUBTOTAL - Classified Salaries</b>	<b>892,677</b>	<b>948,458</b>	<b>976,911</b>
<b>Employee Benefits</b>			
3100 STRS	436,322	451,971	473,982
3300 OASDI-Medicare-Alternative	97,239	102,270	105,846
3400 Health & Welfare Benefits	294,948	310,577	333,250
3500 Unemployment Insurance	14,510	23,606	24,037
3600 Workers Comp Insurance	37,523	39,111	40,796
<b>SUBTOTAL - Employee Benefits</b>	<b>880,542</b>	<b>927,536</b>	<b>977,911</b>
<b>Books &amp; Supplies</b>			
4100 Approved Textbooks & Core Curricula Materials	20,000	20,600	10,000
4200 Books & Other Reference Materials	3,103	3,196	1,000
4320 Educational Software	9,270	9,548	5,000
4325 Instructional Materials & Supplies	25,000	25,750	10,000
4326 Art & Music Supplies	7,000	7,210	5,000
4330 Office Supplies	6,695	6,896	4,000
4335 PE Supplies	2,060	2,122	2,000
4340 SpEd Materials & Supplies	2,060	2,122	5,000
4400 Training Center Expenses	30,000	-	-
4410 Classroom Furniture, Equipment & Supplies	17,000	17,510	15,000
4420 Computers: individual items less than \$5k	17,620	14,244	14,671
4430 Non Classroom Related Furniture, Equipment & Supplies	2,500	2,575	2,000
4700 Snacks	23,767	24,480	25,215
4710 Student Food Services	197,433	222,696	240,242
4720 Other Food	5,150	5,305	5,464
<b>SUBTOTAL - Books and Supplies</b>	<b>368,658</b>	<b>364,252</b>	<b>344,591</b>
<b>Services &amp; Other Operating Expenses</b>			
5215 Travel - Mileage, Parking, Tolls	1,712	1,763	1,816
5305 Dues & Membership - Professional	20,000	20,000	20,600
5450 Insurance - Other	73,119	75,313	77,572
5515 Janitorial, Gardening Services & Supplies	103,000	106,090	109,273

**Urban Montessori**  
**Multi-year Projection**  
**As of Oct FY2024**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
5520 Security	10,000	10,300	10,609
5535 Utilities - All Utilities	77,358	79,679	82,069
5605 Equipment Leases	14,004	14,424	14,857
5610 Rent	158,237	221,532	228,178
5615 Repairs and Maintenance - Building	100,000	50,000	51,500
5803 Accounting Fees	24,382	25,113	25,867
5805 Administrative Fees	6,978	7,187	7,403
5809 Banking Fees	2,060	2,122	2,185
5812 Business Services	133,000	137,500	142,000
5815 Consultants - Instructional	20,150	20,755	21,377
5820 Consultants - Non Instructional - Custom 1	38,075	20,600	21,218
5824 District Oversight Fees	37,823	42,960	46,392
5826 Directors Contingency	57,823	-	-
5827 Middle School Program expenses (8816 offset)	1,976	2,035	2,096
5830 Field Trips Expenses	5,000	5,150	1,000
5833 Fines and Penalties	1,030	1,061	1,093
5836 Fingerprinting	1,743	1,795	1,849
5839 Fundraising Expenses	12,024	12,385	12,757
5845 Legal Fees	30,000	30,900	25,000
5851 Marketing and Student Recruiting	18,685	30,000	30,900
5857 Payroll Fees	6,950	7,158	7,373
5860 Printing and Reproduction	1,061	1,093	1,126
5861 Prior Yr Exp (not accrued)	23,738	-	-
5863 Professional Development	71,370	73,511	75,716
5869 Special Education Contract Instructors	140,300	90,000	125,000
5872 Special Education Encroachment	13,965	15,304	16,236
5875 Staff Recruiting	4,120	4,244	4,371
5878 Student Assessment	8,500	8,755	9,018
5880 Student Health Services	6,180	6,365	6,556
5881 Student Information System	25,750	26,523	27,318
5884 Substitutes	-	-	8,000
5887 Technology Services	13,390	13,792	14,205
5910 Communications - Internet / Website Fees	17,564	18,090	18,633
5915 Postage and Delivery	3,497	3,602	3,710
5920 Communications - Telephone & Fax	12,020	12,381	12,752
<b>SUBTOTAL - Services &amp; Other Operating Exp.</b>	<b>1,296,582</b>	<b>1,199,481</b>	<b>1,267,625</b>
<b>Depreciation Expense</b>			
6900 Depreciation	8,964	8,964	3,735
<b>SUBTOTAL - Depreciation Expense</b>	<b>8,964</b>	<b>8,964</b>	<b>3,735</b>
<b>Other Outflows</b>			
<b>SUBTOTAL - Other Outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>5,677,256</b>	<b>5,754,909</b>	<b>5,988,688</b>

# Coversheet

## Vote to Accept the Audit for School Year 2022-2023

**Section:** II. Special Meeting Action Items  
**Item:** C. Vote to Accept the Audit for School Year 2022-2023  
**Purpose:** Vote  
**Submitted by:**  
**Related Material:** UMCS Audit for 2022-2023.pdf

**URBAN MONTESSORI CHARTER SCHOOL  
CHARTER SCHOOL NUMBER: 1383**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023**

**DRAFT**

**URBAN MONTESSORI CHARTER SCHOOL  
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Board of Directors  
Urban Montessori Charter School

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Urban Montessori Charter School  
Oakland, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Urban Montessori Charter School (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2023, and the 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.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Urban Montessori Charter School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023 the School adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with response to this matter.

#### Responsibilities of Management 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; and for 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.

Board of Directors  
Urban Montessori Charter School

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole and the accompanying supplementary schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

Board of Directors  
Urban Montessori Charter School

Such information is the responsibility of management and, except for the portion marked “unaudited”, 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. The Local Education Agency Organization Structure, which is marked “unaudited”, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated REPORT DATE on our consideration of the School’s 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 on 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.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE



**URBAN MONTESSORI CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 2,043,051
Accounts Receivable - Federal and State	594,621
Accounts Receivable - Other	53,524
Prepaid Expenses and Other Assets	91,234
Total Current Assets	<u>2,782,430</u>
<b>LONG-TERM ASSETS</b>	
Right to Use Assets, Net	30,100
Property, Plant, and Equipment, Net	21,659
Total Long-Term Assets	<u>51,759</u>
Total Assets	<u>\$ 2,834,189</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable and Accrued Liabilities	\$ 360,055
Lease Liabilities	9,308
Deferred Revenue	834,212
Total Current Liabilities	<u>1,203,575</u>
<b>LONG-TERM LIABILITIES</b>	
Lease Liabilities	21,234
Total Long-Term Liabilities	<u>21,234</u>
Total Liabilities	<u>1,224,809</u>
<b>NET ASSETS</b>	
Without Donor Restrictions	1,609,380
Total Net Assets	<u>1,609,380</u>
Total Liabilities and Net Assets	<u>\$ 2,834,189</u>

See accompanying Notes to Financial Statements.

**URBAN MONTESSORI CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

<b>REVENUES</b>	
State Revenue:	
State Aid	\$ 2,187,694
Other State Revenue	1,318,393
Federal Revenue:	
Grants and Entitlements	202,682
Local Revenue:	
In-Lieu Property Tax Revenue	995,464
Contributions	187,055
Other Local Revenue	59,366
After School Revenue	228,055
Total Revenues	<u>5,178,709</u>
<b>EXPENSES</b>	
Program Services	4,444,572
Management and General	638,363
Total Expenses	<u>5,082,935</u>
<b>CHANGE IN NET ASSETS</b>	95,774
Net Assets - Beginning of Year	<u>1,513,606</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,609,380</u>

See accompanying Notes to Financial Statements.

**URBAN MONTESSORI CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

	Program Services	Management and General	Total Expenses
Salaries and Wages	\$ 2,766,389	\$ 78,462	\$ 2,844,851
Pension Expense	400,893	10,386	411,279
Other Employee Benefits	301,880	7,821	309,701
Payroll Taxes	79,533	2,544	82,077
Management Fees	-	33,248	33,248
Legal Expenses	-	12,790	12,790
Accounting Expenses	-	24,393	24,393
Instructional Materials	330,497	-	330,497
Other Fees for Services	159,055	127,916	286,971
Advertising and Promotion Expenses	-	9,575	9,575
Office Expenses	29,347	118,810	148,157
Information Technology Expenses	52,596	-	52,596
Occupancy Expenses	180,019	76,996	257,015
Travel Expenses	9,197	-	9,197
Conference and Meeting Expenses	37,665	-	37,665
Depreciation Expense	15,438	2,242	17,680
Interest Expense	1,020	-	1,020
Insurance Expense	-	73,330	73,330
Other Expenses	81,043	59,850	140,893
<b>Total Expenses by Function</b>	<b>\$ 4,444,572</b>	<b>\$ 638,363</b>	<b>\$ 5,082,935</b>

See accompanying Notes to Financial Statements.

**URBAN MONTESSORI CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 95,774
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	17,680
Amortization Expense for Financing Leases	8,713
Change in Operating Assets:	
Accounts Receivable - Federal and State	319,085
Accounts Receivable - Other	(43,732)
Prepaid Expenses and Other Assets	(73,776)
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	(61,647)
Deferred Revenues	715,647
Net Cash Provided by Operating Activities	<u>977,744</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Equipment	(8,713)
Net Cash Used by Investing Activities	<u>(8,713)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Payments on Leases	(8,271)
Net Cash Used by Financing Activities	<u>(8,271)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	960,760
Cash and Cash Equivalents - Beginning of Year	1,082,291
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,043,051</u>

See accompanying Notes to Financial Statements.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Urban Montessori Charter School (the School) is a California nonprofit public benefit corporation that provides public school education in Oakland, California. The mission of the School is to develop self-directed and engaged learners who are academically, socially, and emotionally prepared to succeed in any high school.

The School served grades K through 8 for the year ended June 30, 2023 and was granted its charter on October 11, 2011, under the sponsorship of the Alameda County Office of Education, pursuant to the terms of the Charter Schools Act (the Act) of 1992, as amended. The Act authorizes the formation of charter schools for the purpose among others, of developing new, innovative, and more flexible ways of educating children within the public schools system. The School is funded principally through state of California public education monies received through the California Department of Education.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, depreciation, and occupancy expenses, which are allocated on the basis of estimates of time and effort. Other fees for services are allocated based on estimates units of service and office expenses are allocated based on estimated usage.

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset Classes**

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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2023. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalized all expenditures for land, buildings, and equipment in excess of \$5,000.

**Leases**

The School determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the School has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The School has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The School's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the School considers factors such as if the School has obtained substantially all of the rights to the underlying asset through exclusivity, if the School can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the School has elected to use a risk-free rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**Adoption of New Accounting Standards**

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The School adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption with certain practical expedients available.

The School has elected to adopt the package of practical expedients available in the year of adoption. The School has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the School's ROU assets.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

The School elected the available practical expedients to account for existing operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, the School elected the hindsight practical expedient to determine the lease term for existing leases.

As a result of the adoption of the new lease accounting guidance, the School recognized on July 1, 2022 a ROU asset at the carrying amount of the financing lease asset of \$38,813. The School also recognized on July 1, 2022 a lease liability of \$38,813, which represents the present value of the remaining finance lease payments discounted using the School's incremental borrowing rate of 3.25%.

The standard had a material impact on the statement of financial position but did not have an impact on the statement of activities, nor the statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for financing leases.

**Revenue Recognition**

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as temporarily restricted. Restricted contributions that are received and released in the same period are reported as unrestricted revenue. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.



**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2023, the School has conditional grants of \$947,716 of which \$834,212 is recognized as deferred revenue in the statement of financial position.

**Compensated Absences**

The School does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2023.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files an exempt organization return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**Subsequent Events**

The School has evaluated subsequent events through REPORT DATE, the date these financial statements were available to be issued.

**NOTE 2 CONCENTRATION OF CREDIT RISK**

The School maintains bank accounts with one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures are comprised of the following as of June 30, 2023:

Cash and Cash Equivalents	\$ 2,043,051	
Accounts Receivable - Federal and State	594,621	
Accounts Receivable - Other	53,524	
Financial Assets Available for General Expenditure	\$ 2,691,196	

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

**NOTE 4 EMPLOYEE RETIREMENT**

**State Teachers' Retirement System (STRS)**

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS.

The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2022 total STRS plan net assets are \$300 billion, the total actuarial present value of accumulated plan benefits is \$434 billion, contributions from all employers totaled \$6.513 billion, and the plan is 74.4% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial report may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826, and [www.calstrs.com](http://www.calstrs.com).

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.21% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2023 was 19.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)****State Teachers' Retirement System (STRS) (Continued)**

The School's contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	Required Contribution	Percent Contributed
2021	\$ 292,522	100 %
2022	310,728	100
2023	411,279	100

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was \$17,680 for the year ended June 30, 2023. The components of property, plant, and equipment as of June 30, 2023 are as follows:

Equipment	\$ 44,833
Less: Accumulated Depreciation	(23,174)
Property, Plant, and Equipment, Net	<u>\$ 21,659</u>

**NOTE 6 LEASES**

The School leases equipment under a lease that expires August 2027.

The following tables provide quantitative information concerning the School's leases for the year ended June 30, 2023:

Finance lease cost:	
Amortization of right-of-use assets	\$ 8,888
Interest on lease liabilities	1,020
Total lease cost	<u>\$ 9,908</u>
Cash Paid for Amounts Included in the	
Measurement of Lease Liabilities:	
Operating Cash Flows from Financing Leases	\$ 1,020
Financing Cash Flows from Financing Leases	\$ 8,271
Right-of-Use Assets Obtained in Exchange for New	
Financing Lease Liabilities:	
Equipment	\$ 38,813
Weighted-Average Remaining Lease Term - Financing Leases	3.1 years
Weighted-Average Discount Rate - Financing Leases	3.25%

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6 LEASES (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>		
2024		\$ 10,135
2025		10,135
2026		10,135
2027		1,690
Undiscounted cash flows		32,095
(Less) imputed interest		(1,553)
Total present value		<u>\$ 30,542</u>

**NOTE 7 CONTINGENCIES, RISKS AND UNCERTAINTIES**

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

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**SUPPLEMENTARY INFORMATION**

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**URBAN MONTESSORI CHARTER SCHOOL  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 YEAR ENDED JUNE 30, 2023  
 (SEE INDEPENDENT AUDITORS' REPORT)  
 UNAUDITED**

Urban Montessori Charter School (the School) is a California nonprofit public benefit corporation and is organized to manage and operate a public charter school. The School began serving students in September 2011 and is funded principally through state of California public education monies received through the California Department of Education. The School is sponsored by the Alameda County Office of Education (the Sponsor).

Charter School number authorized by the state: 1383

The board of directors and the administrators as of the year ended June 30, 2023 were as follows:

<b><u>BOARD OF DIRECTORS</u></b>		
Member	Office	Term End (Two-Year Term)
Sarah Morill	Chair	December 2023
Donald Williams	Vice Chair	February 2024
Greg Klein	Treasurer	June 2025
Ann Rhodes	Member	October 2024
Kara Fortuna	Member	October 2023
<b><u>Administrators</u></b>		
Krishna Feeney	Head of School	

**URBAN MONTESSORI CHARTER SCHOOL  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2023**

	Instructional Minutes		Traditional Calendar Days	Status
	Requirement	Actual		
Kindergarten	36,000	60,150	180	In Compliance
Grade 1	50,400	54,750	180	In Compliance
Grade 2	50,400	54,750	180	In Compliance
Grade 3	50,400	54,750	180	In Compliance
Grade 4	54,000	54,750	180	In Compliance
Grade 5	54,000	54,750	180	In Compliance
Grade 6	54,000	54,750	180	In Compliance
Grade 7	54,000	54,750	180	In Compliance
Grade 8	54,000	54,750	180	In Compliance

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*See accompanying Notes to Supplementary Information.*

**URBAN MONTESSORI CHARTER SCHOOL  
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)  
YEAR ENDED JUNE 30, 2023**

	Second Period Report	
	Classroom	
	Based	Total
Grades TK/K-3	165.05	165.55
Grades 4-6	96.36	96.73
Grades 7-8	33.88	33.93
ADA Totals	295.29	296.21
	Annual Report	
	Classroom	
	Based	Total
Grades TK/K-3	165.33	165.71
Grades 4-6	96.05	96.33
Grades 7-8	34.02	34.12
ADA Totals	295.40	296.16

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See accompanying Notes to Supplementary Information.



**URBAN MONTESSORI CHARTER SCHOOL  
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2023**

June 30, 2023 Annual Financial Report	
Fund Balances (Net Assets)	\$ 1,609,822
Adjustments and Reclassifications:	
Increase (Decrease) of Fund Balance (Net Assets):	
Right to Use Assets, Net	30,100
Accounts Payable and Accrued Liabilities	(40,615)
Lease Liabilities	(30,542)
Deferred Revenue	40,615
Net Adjustments and Reclassifications	<u>(442)</u>
June 30, 2023 Audited Financial Statement	
Fund Balances (Net Assets)	<u>\$ 1,609,380</u>

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See accompanying Notes to Supplementary Information.

**URBAN MONTESSORI CHARTER SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

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

**NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE**

Average daily attendance is a measurement 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.

**NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

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**INDEPENDENT AUDITORS' 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***

Board of Directors  
Urban Montessori Charter School  
Oakland, 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 Urban Montessori Charter School (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that have not been identified.

Board of Directors  
Urban Montessori Charter School

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

### **CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

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## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors  
Urban Montessori Charter School  
Oakland, California

### **Report on Compliance**

#### **Opinion on State Compliance**

We have audited Urban Montessori Charter School's (the School) compliance with the types of compliance requirements applicable to the School described in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2023. The School's applicable State compliance requirements are identified in the table below.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School for the year ended June 30, 2023.

#### **Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's government programs.

Board of Directors  
 Urban Montessori Charter School

**Auditors’ Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Compliance Requirements Tested**

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable <sup>1</sup>
After/Before School Education and Safety Program	Not Applicable <sup>2</sup>
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes

Board of Directors  
Urban Montessori Charter School

Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable <sup>3</sup>
Immunizations	Not Applicable <sup>4</sup>
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Not Applicable <sup>5</sup>
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable <sup>6</sup>
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not Applicable <sup>7</sup>

Not Applicable<sup>1</sup>: The School did not have any expenditures for California Clean Energy Jobs Act in the year under audit or a completed project between 12 and 15 months prior to any month in the audit year.

Not Applicable<sup>2</sup>: The School did not operate an after or before school program component of this grant.

Not Applicable<sup>3</sup>: The School did not report ADA pursuant to Education Code section 51749.5.

Not Applicable<sup>4</sup>: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable<sup>5</sup>: The School did not receive a CTEIG allocation for the audit year.

Not Applicable<sup>6</sup>: The School did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

Not Applicable<sup>7</sup>: The School did not receive Charter School Facility Grant Program funding for the year audited.

**Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Board of Directors  
Urban Montessori Charter School

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

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**URBAN MONTESSORI CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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***Section I – Summary of Auditors’ Results***

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All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
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

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III Findings and Questioned Costs – State Compliance***

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Our audit did not disclose any matters required to be reported in accordance with the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**URBAN MONTESSORI CHARTER SCHOOL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023**

**2022-001 Non-classroom-Based Instruction/ Independent Study 40000**

**Condition:** During Nonclassroom-based/independent study testing we found that the majority of the students classified as nonclassroom based were mostly quarantine based which should have been classified as classroom based on the P-2 and P-Annual. Additionally, the documentation required to complete the required audit procedures could not be obtained.

**Effect:** Urban Montessori is not in compliance with the Education Code Section 51747 and over reported ADA on its P2 of 1.59.

**Cause:** This incorrect filing was the result of a configuration error in the Student Information System which has since been corrected.

**Questioned Costs:** Decrease in apportionment of \$15,090.

**Status:** Implemented.

**2022-002 In Person Instruction 40000**

**Condition:** The school reported a return to in person instruction date of April 12, 2021; however as of this date, in-person instruction was not offered to all required groups as identified in the Education Code. The School provided in-person instruction to all required groups on April 19, 2021, which resulted in a total of five days of instruction as identified in the school calendar adopted for the 2020–21 school year that is in effect on March 1, 2021 that the School did not provide in-person instruction.

**Effect:** The School is not in compliance with Education Code 43521(c)(2)(B) and over-reported five days of having offered in-person instruction.

**Cause:** Complications due to COVID-19 and resource constraints resulted in the delay of providing in-person instruction to all required groups until April 19, 2021.

**Questioned Costs:** Decrease In Person Instruction \$6,297

**Status:** Implemented