



Encore JR/SR High School

Regular Encore Board of Directors Meeting - December 2022

Published on December 9, 2022 at 5:41 PM PST

Date and Time

Monday December 12, 2022 at 6:30 PM PST

Location

This meeting is being held virtually pursuant to Government Code Section 54953 (e). The public can access this meeting via Zoom as follows:

Join Zoom Meeting

<https://zoom.us/j/5871494303?pwd=Mit3eIRMOVhzYjM4K1d2SStPeEZiQT09>

Meeting ID: 587 149 4303

Passcode: 936591

One tap mobile

+16699006833,,5871494303#,,,,,0#,,936591# US (San Jose)

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Dial by your location

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+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington D.C.)

Meeting ID: 587 149 4303

Passcode: 936591

Find your local number: <https://zoom.us/u/aFccAHayh>

Members of the public who wish to comment during the Board meeting may use the "raise hand" tool on the Zoom platform. Members of the public calling in will be given the

opportunity to address the Board during the meeting. Individual comments will be limited to three (3) minutes. If an interpreter is needed for comments, they will be translated to English and the time limit shall be six (6) minutes. The Board may limit the total time for public comment to a reasonable time. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:30 PM
A. Call the Meeting to Order		Chandale Sutton	
B. Record Attendance		Chandale Sutton	1 m
C. Approval of Board Findings Relating to Teleconference Meetings During State of Emergency	Vote	Chandale Sutton	1 m

Board findings pursuant to Government Code Section 54953(e)

The Charter School Board of Directors determines, in accordance with Government Code Section 54953(e)(1)(B), that meeting in person would present imminent risks to the health or safety of attendees. Pursuant to Government Code Section 54953(e)(3), the Board has also reconsidered the circumstances of the State of Emergency declared by the Governor on March 4, 2020, and finds the State of Emergency continues to directly impact the ability of the Directors to meet safely in person and/or that State or local officials continue to impose or recommend measures to promote social distancing.

D. Public Comment		Chandale Sutton	1 m
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All public comment, both on agenda items and non-agenda items within the jurisdiction of the Board, should be provided during the agenda item titled, "invitation for public to address the Board." Members of the public who wish to comment during the Board meeting may use the "raise hand" tool on the Zoom platform. Members of the public calling in will be given the opportunity to address the Board during the meeting. Individual comments will be limited to three (3) minutes per agenda item and one three (3) minute period to address an item not on the agenda. If an interpreter is needed for comments, they will be translated to English and the time limit shall be six (6) minutes per person per agenda item. The Board limits the total time for public comment to thirty minutes, and may extend this time at its sole discretion. The Board reserves the right

	Purpose	Presenter	Time
to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board meeting.			

E. Approval of the Agenda	Vote	Chandale Sutton	1 m
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F. Board Member Comments	Discuss	Chandale Sutton	6 m
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This agenda item has been included to give Board Members the opportunity to share updates or provide feedback to school staff.

II. Consent Items 6:40 PM

It is recommended that the board considers approving a number of agenda items as a consent list. These items can be **enacted in one motion** without further discussion. Consent items may be called up by any member at the meeting for clarification, discussion, or change.

A. Board Meeting Minutes	Approve Minutes	Sabrina Bow	1 m
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Minutes corresponding to the following meetings of the Encore Education Corporation Board of Directors:

- November 30, 2022 Regular Board Meeting
-

B. Payment Reports	Vote	Sabrina Bow	1 m
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1. STRS payment report, PERS payment report, 403B payment report
2. Warrant Report Detail
3. Warrant Report Summary

C. ASB Bank Reconciliation	FYI	Sabrina Bow	1 m
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III. Budget and Finance 6:43 PM

A. 2021-2022 Audit Report	Vote	Jeff Nigro, Nigro & Nigro	10 m
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The annual audit report is required to be transmitted to the California Department of Education, San Bernardino County Superintendent of Schools, the State Controller's Office, and the Hesperia Unified School District no later than December 15 annually. Staff recommends that the Encore Board of Directors accept the 2021-22 audit report.

	Purpose	Presenter	Time
B. November 2022 Financial Report	Vote	Paul Khoury	2 m
IV. Staff Reports			6:55 PM
A. Executive Director's Report	FYI	Sabrina Bow	2 m
B. Principal's Report	FYI	St. Claire Adriaan	3 m
C. Staff Liaison Report	FYI	Sandi Del Sole	3 m
V. Curriculum and Instruction			7:03 PM
A. Independent Study Ratio Report	FYI	Sabrina Bow	1 m
B. 2022-2023 Revised Bell Schedule	Vote	St. Claire Adriaan	2 m
VI. Operations			7:06 PM
A. Conflict of Interest Code	Vote	Sabrina Bow	2 m
VII. Human Resources			7:08 PM
A. Provisional Internship Permit	Vote	Sabrina Bow	2 m

Due to the acute shortage of teachers, Encore is seeking to hire an employee under a Provisional Internship Permit to fill a full-time physical education teaching position. This action requires board approval.

VIII. Adjourn to Closed Session **7:10 PM**

Pursuant to Government code section 54957, the Board may adjourn to closed session at any time during the meeting to discuss staff/student personnel matters, negotiations, litigation, and/or acquisition of land or facilities. The board will adjourn to closed session in a private area for discussion and may take action on the following closed session items.

A. Conference with Legal Counsel. Anticipated Litigation

Significant exposure to litigation pursuant to Section 54956.9(d)(2): Two (2) Cases

	Purpose	Presenter	Time
A. Reconvene from closed session	Discuss	Chandale Sutton	2 m

After the closed session is complete, the Board will reconvene and report any action taken on closed session.

IX. Closing Items 7:12 PM

A. Adjourn Meeting	Vote	Chandale Sutton	2 m
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A copy of the agenda will be posted at least 72 hours before such meeting. A copy of the written materials which will be submitted to the Board of Encore Junior and Senior High School for the Arts is available along with this agenda following the posting of the agenda by emailing Sabrina Bow at sbow@encorehighschool.com.

Requests for disability-related modifications or accommodations to participate in this public meeting shall be made 24 hours prior to the meeting by calling (760) 956-2632 or emailing Joseph Thibodeaux at jthibodeaux@encorehighschool.com. All efforts will be made for reasonable accommodations. The agenda and public documents can be modified upon request as required by Section 202 of the Americans with Disabilities Act.

Coversheet

Board Meeting Minutes

Section:	II. Consent Items
Item:	A. Board Meeting Minutes
Purpose:	Approve Minutes
Submitted by:	
Related Material:	2022-11-30-board-meeting-minutes DRAFT.pdf

DRAFT



Encore JR/SR High School

Minutes

Regular Encore Board of Directors Meeting - November 2022

November 30, 2022

Date and Time

Wednesday November 30, 2022 at 6:45 PM

Location

This meeting is being held virtually pursuant to Government Code Section 54953 (e). The public can access this meeting via Zoom as follows:

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participant from the meeting if the participant unreasonably disrupts the Board meeting.

Directors Present

C. Sutton (remote), I. Rapier (remote), R. Hunt (remote)

Directors Absent

None

Guests Present

E. Contreras (remote), J. Simmons (remote), J. Thibodeaux (remote), Jeff Clanton (Delta Managed Solutions "DMS") (remote), P. Khoury (remote), S. Bow (remote)

I. Opening Items

A. Call the Meeting to Order

C. Sutton called a meeting of the board of directors of Encore JR/SR High School to order on Wednesday Nov 30, 2022 at 6:45 PM.

B. Record Attendance

C. Approval of Board Findings Relating to Teleconference Meetings During State of Emergency

I. Rapier made a motion to approve board findings relating to teleconference meetings during state of emergency.

R. Hunt seconded the motion.

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

Roll Call

C. Sutton Aye

R. Hunt Aye

I. Rapier Aye

D. Public Comment

No members of the public provided comment.

E. Approval of the Agenda

F. Board Member Comments

- Mr. Sutton: Expressed appreciation for the staff for the good work over the first semester.
- Ms. Hunt: no comments
- Mr. Rapier: no comments

II. Consent Items

A. Board Meeting Minutes

I. Rapier made a motion to approve the minutes from Regular Encore Board of Directors Meeting - October 2022 on 10-24-22.

R. Hunt seconded the motion.

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

Roll Call

R. Hunt Aye

C. Sutton Aye

I. Rapier Aye

B. Payment Reports

III. Curriculum and Instruction

A. English Learner Master Plan

R. Hunt made a motion to approve the English Learner Master Plan as presented.

I. Rapier seconded the motion.

No discussion.

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

Roll Call

I. Rapier Aye

R. Hunt Aye

C. Sutton Aye

IV. Operations

A. Williams Monitoring Report

I. Rapier made a motion to approve the Williams Monitoring Report.

R. Hunt seconded the motion.

No discussion.

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

Roll Call

R. Hunt Aye

I. Rapier Aye

C. Sutton Aye

V. Budget and Finance

A. First Interim Financial Report

R. Hunt made a motion to approve the first interim financial report.

I. Rapier seconded the motion.

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

Roll Call

R. Hunt Aye

C. Sutton Aye

I. Rapier Aye

B. EideBailly Audit Report

Brandon Waldren, CPA CFE of Eide Bailly, presented the forensic audit of pupil fees. Mr. Waldren provided an overview of the project background and scope limitation.

Time frame of audit were the five fiscal years:

- 2016-17
- 2017-18
- 2018-19
- 2019-20
- 2020 - April 2021

VI. Closing Items

A. Adjourn Meeting

R. Hunt made a motion to adjourn the meeting.

I. Rapier seconded the motion.

No discussion.

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

Roll Call

I. Rapier Aye

C. Sutton Aye

R. Hunt Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:36 PM.

Respectfully Submitted,

S. Bow

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Coversheet

ASB Bank Reconciliation

Section: II. Consent Items
Item: C. ASB Bank Reconciliation
Purpose: FYI
Submitted by:
Related Material: BankRec 7-31-22 ASB.pdf
BankRec 8-31-22 ASB.pdf
BankRec 9-30-22 ASB.pdf
BankRec 10-31-22 ASB.pdf
BankRec 11-30-22 ASB.pdf

Statement Beginning Balance	\$	57,576.89	Statement Ending Balance	\$	57,351.02
Cleared Transactions			Uncleared Transactions		
Checks and Other Debits		(225.87)	Checks and Other Debits		(1,660.51)
Deposits and Other Credits		<u>0.00</u>	Deposits and Other Credits		<u>398.15</u>
Total Cleared Transactions	\$	(225.87)	Total Uncleared Transactions	\$	(1,262.36)
Cleared Balance	\$	<u><u>57,351.02</u></u>	Register Ending Balance	\$	<u><u>56,088.66</u></u>

<u>Date</u>	<u>Type</u>	<u>Number</u>	<u>Description</u>	<u>Amount</u>
Cleared Checks and Other Debits				
06/18/2022	CHECK	6922	Kenneth Cruz	\$ 60.00
06/18/2022	CHECK	6923	Lisa Fox	60.00
07/31/2022	STATEMENT		Service Charge	105.87
			Total	<u><u>\$ 225.87</u></u>
Cleared Deposits and Other Credits				
			Total	<u><u>\$ 0.00</u></u>
Uncleared Checks and Other Debits				
01/21/2022	CHECK	6909	Heaven Gibson	\$ 40.00
06/08/2022	CHECK	6916	BHS Band Boosters	250.00
06/09/2022	CHECK	6918	Barstow High School Band Boosters	250.00
06/18/2022	CHECK	6919	Lilli Ebeling	60.00
06/18/2022	CHECK	6921	April Iorge	120.00
06/29/2022	CHECK	6924	Joshua Barkdull	125.74
06/29/2022	CHECK	6925	John Parker	14.32
06/29/2022	CHECK	6926	Sandra Del Sole	480.57
06/29/2022	CHECK	6927	Becky Brown	20.00
06/30/2022	CHECK	123	Printify	299.88
			Total	<u><u>\$ 1,660.51</u></u>
Uncleared Deposits and Other Credits				
06/30/2022	DEPOSIT		Deposit	\$ 88.25
06/30/2022	DEPOSIT		Deposit	12.00
06/30/2022	DEPOSIT		Deposit	22.00
06/30/2022	DEPOSIT		Deposit	13.25
06/30/2022	DEPOSIT		Deposit	46.50
06/30/2022	DEPOSIT		Deposit	116.15
06/30/2022	DEPOSIT		Deposit	40.00
06/30/2022	DEPOSIT		Deposit	60.00
			Total	<u><u>\$ 398.15</u></u>

Encore ESG

Checking (1001) - Statement Date: 07/31/2022

Prepared By

Date

Reviewed By

Date

Statement Beginning Balance	\$	57,351.02	Statement Ending Balance	\$	58,346.17
Cleared Transactions			Uncleared Transactions		
Checks and Other Debits		(250.00)	Checks and Other Debits		(760.63)
Deposits and Other Credits		<u>1,245.15</u>	Deposits and Other Credits		<u>148.12</u>
Total Cleared Transactions	\$	995.15	Total Uncleared Transactions	\$	(612.51)
Cleared Balance	\$	<u><u>58,346.17</u></u>	Register Ending Balance	\$	<u><u>57,733.66</u></u>

<u>Date</u>	<u>Type</u>	<u>Number</u>	<u>Description</u>	<u>Amount</u>
Cleared Checks and Other Debits				
06/08/2022	CHECK	6916	BHS Band Boosters	\$ 250.00
			Total	<u><u>\$ 250.00</u></u>
Cleared Deposits and Other Credits				
06/30/2022	DEPOSIT		Deposit	\$ 88.25
06/30/2022	DEPOSIT		Deposit	12.00
06/30/2022	DEPOSIT		Deposit	22.00
06/30/2022	DEPOSIT		Deposit	13.25
06/30/2022	DEPOSIT		Deposit	46.50
06/30/2022	DEPOSIT		Deposit	116.15
06/30/2022	DEPOSIT		Deposit	40.00
06/30/2022	DEPOSIT		Deposit	60.00
08/24/2022	DEPOSIT		CC Batch ID 792994	21.00
08/25/2022	DEPOSIT		CC Batch ID 793806	21.00
08/25/2022	DEPOSIT		Deposit	203.00
08/25/2022	DEPOSIT		Deposit	294.00
08/26/2022	DEPOSIT		CC Batch ID 795902	21.00
08/26/2022	DEPOSIT		Deposit	266.00
08/30/2022	DEPOSIT		CC Batch ID 800080	21.00
			Total	<u><u>\$ 1,245.15</u></u>
Uncleared Checks and Other Debits				
06/18/2022	CHECK	6921	April Iorge	\$ 120.00
06/29/2022	CHECK	6924	Joshua Barkdull	125.74
06/29/2022	CHECK	6925	John Parker	14.32
06/29/2022	CHECK	6926	Sandra Del Sole	480.57
06/29/2022	CHECK	6927	Becky Brown	20.00
			Total	<u><u>\$ 760.63</u></u>
Uncleared Deposits and Other Credits				
08/16/2022	DEPOSIT		Deposit	\$ 92.12
08/31/2022	DEPOSIT		CC Batch ID 801312	56.00
			Total	<u><u>\$ 148.12</u></u>

Encore ESG

Checking (1001) - Statement Date: 08/31/2022

Prepared By

Date

Reviewed By

Date

Encore ESG

Checking (1001) - Statement Date: 09/30/2022

Statement Beginning Balance	\$	58,346.17	Statement Ending Balance	\$	68,668.83
Cleared Transactions			Uncleared Transactions		
Checks and Other Debits		(4,111.05)	Checks and Other Debits		(860.32)
Deposits and Other Credits		<u>14,433.71</u>	Deposits and Other Credits		<u>253.12</u>
Total Cleared Transactions	\$	10,322.66	Total Uncleared Transactions	\$	(607.20)
Cleared Balance	\$	<u><u>68,668.83</u></u>	Register Ending Balance	\$	<u><u>68,061.63</u></u>

Date	Type	Number	Description	Amount
Cleared Checks and Other Debits				
06/18/2022	CHECK	6921	April Iorge	\$ 120.00
06/29/2022	CHECK	6924	Joshua Barkdull	125.74
06/29/2022	CHECK	6925	John Parker	14.32
09/22/2022	CHECK	6928	Santos Adams	40.00
09/22/2022	CHECK	6930	Mario Sandoval	150.00
09/23/2022	CHECK	6932	Louis Austin	360.00
09/30/2022	STATEMENT		Service Charge	3,300.99
			Total	<u><u>\$ 4,111.05</u></u>

Cleared Deposits and Other Credits				
08/31/2022	DEPOSIT		CC Batch ID 801312	\$ 56.00
09/01/2022	DEPOSIT		CC Batch ID 802706	47.00
09/01/2022	DEPOSIT		Deposit	364.00
09/01/2022	DEPOSIT		Deposit	180.14
09/01/2022	DEPOSIT		Deposit	501.00
09/02/2022	DEPOSIT		CC Batch ID 804193	130.00
09/05/2022	DEPOSIT		CC Batch ID 806033	275.00
09/08/2022	DEPOSIT		Deposit	389.75
09/09/2022	DEPOSIT		CC Batch ID 812318	40.00
09/12/2022	DEPOSIT		Deposit	91.75
09/12/2022	DEPOSIT		Deposit	187.07
09/12/2022	DEPOSIT		Deposit	3,704.00
09/12/2022	DEPOSIT		Deposit	200.00
09/13/2022	DEPOSIT		CC Batch ID 816915	80.75
09/14/2022	DEPOSIT		CC Batch ID 818565	242.00
09/15/2022	DEPOSIT		CC Batch ID 819606	126.00
09/16/2022	DEPOSIT		CC Batch ID 821034	260.50
09/19/2022	DEPOSIT		CC Batch ID 822500	171.00
09/20/2022	DEPOSIT		CC Batch ID 825761	40.00
09/20/2022	DEPOSIT		Deposit	450.00
09/20/2022	DEPOSIT		Deposit	571.00
09/20/2022	DEPOSIT		Deposit	458.75
09/20/2022	DEPOSIT		Deposit	368.00
09/20/2022	DEPOSIT		Deposit	599.00
09/20/2022	DEPOSIT		Deposit	1,310.00
09/20/2022	DEPOSIT		Deposit	698.85
09/21/2022	DEPOSIT		CC Batch ID 826659	200.00
09/22/2022	DEPOSIT		CC Batch ID 828484	45.00

Encore ESG

Bank Reconciliation

Checking (1001) - Statement Date: 09/30/2022

<u>Date</u>	<u>Type</u>	<u>Number</u>	<u>Description</u>	<u>Amount</u>
09/26/2022	DEPOSIT		CC Batch ID 831440	281.00
09/26/2022	DEPOSIT		CC Batch ID 831577	88.00
09/26/2022	DEPOSIT		CC Batch ID 832181	30.00
09/27/2022	DEPOSIT		CC Batch ID 833958	2.50
09/28/2022	DEPOSIT		CC Batch ID 835153	303.00
09/29/2022	DEPOSIT		CC Batch ID 836545	95.00
09/29/2022	DEPOSIT		Deposit	211.25
09/29/2022	DEPOSIT		Deposit	121.75
09/29/2022	DEPOSIT		Deposit	504.50
09/29/2022	DEPOSIT		Deposit	254.00
09/29/2022	DEPOSIT		Deposit	129.75
09/29/2022	DEPOSIT		Deposit	491.25
09/29/2022	DEPOSIT		Deposit	65.25
09/29/2022	DEPOSIT		Deposit	69.75
09/30/2022	STATEMENT		Interest Earned	0.15
Total				\$ 14,433.71

Uncleared Checks and Other Debits

06/29/2022	CHECK	6926	Sandra Del Sole	\$ 480.57
06/29/2022	CHECK	6927	Becky Brown	20.00
09/22/2022	CHECK	6929	Wendi Shaffer	250.00
09/22/2022	CHECK	6931	Carlee Enos	75.00
09/23/2022	DEPOSIT		CC Batch ID 829502	34.75
Total				\$ 860.32

Uncleared Deposits and Other Credits

08/16/2022	DEPOSIT		Deposit	\$ 92.12
09/30/2022	DEPOSIT		CC Batch ID 838074	1.00
09/30/2022	DEPOSIT		CC Batch ID 838365	160.00
Total				\$ 253.12

Prepared By

Date

Reviewed By

Date

Encore ESG

Checking (1001) - Statement Date: 10/31/2022

Statement Beginning Balance	\$	68,668.83	Statement Ending Balance	\$	64,251.41
Cleared Transactions			Uncleared Transactions		
Checks and Other Debits		(20,474.54)	Checks and Other Debits		(1,181.71)
Deposits and Other Credits		<u>16,057.12</u>	Deposits and Other Credits		<u>1,960.62</u>
Total Cleared Transactions	\$	(4,417.42)	Total Uncleared Transactions	\$	778.91
Cleared Balance	\$	<u>64,251.41</u>	Register Ending Balance	\$	<u>65,030.32</u>

Date	Type	Number	Description	Amount
Cleared Checks and Other Debits				
06/29/2022	CHECK	6926	Sandra Del Sole	\$ 480.57
06/29/2022	CHECK	6927	Becky Brown	20.00
09/22/2022	CHECK	6929	Wendi Shaffer	250.00
10/17/2022	CHECK	6933	La Harris	40.00
10/17/2022	CHECK	6934	Gabino Martinez	40.00
10/17/2022	CHECK	6935	Tiffany Rey	40.00
10/17/2022	CHECK	6936	Leslie Moreno	40.00
10/17/2022	CHECK	6937	Santos Adams	1,700.00
10/17/2022	CHECK	6939	Fernando Bedolla	61.83
10/31/2022	STATEMENT		Service Charge	17,802.14
			Total	\$ 20,474.54

Cleared Deposits and Other Credits				
09/30/2022	DEPOSIT		CC Batch ID 838074	\$ 1.00
09/30/2022	DEPOSIT		CC Batch ID 838365	160.00
10/03/2022	DEPOSIT		CC Batch ID 839498	255.25
10/03/2022	DEPOSIT		CC Batch ID 840710	95.00
10/03/2022	DEPOSIT		CC Batch ID 841626	319.00
10/04/2022	DEPOSIT		CC Batch ID 842391	1,795.38
10/04/2022	DEPOSIT		CC Batch ID 842492	322.00
10/05/2022	DEPOSIT		CC Batch ID 843904	54.25
10/06/2022	DEPOSIT		CC Batch ID 845339	114.00
10/06/2022	DEPOSIT		CC Batch ID 845859	420.00
10/06/2022	DEPOSIT		Deposit	684.00
10/06/2022	DEPOSIT		Deposit	2,136.13
10/06/2022	DEPOSIT		Deposit	452.00
10/07/2022	DEPOSIT		CC Batch ID 847101	254.00
10/07/2022	DEPOSIT		CC Batch ID 847196	189.50
10/07/2022	DEPOSIT		Deposit	30.50
10/07/2022	DEPOSIT		Deposit	173.27
10/07/2022	DEPOSIT		Deposit	222.25
10/10/2022	DEPOSIT		CC Batch ID 848561	344.50
10/10/2022	DEPOSIT		CC Batch ID 849107	107.00
10/10/2022	DEPOSIT		CC Batch ID 849441	50.00
10/10/2022	DEPOSIT		CC Batch ID 850112	84.00
10/11/2022	DEPOSIT		Deposit	1,644.60
10/11/2022	DEPOSIT		Deposit	85.50
10/11/2022	DEPOSIT		Deposit	70.25

Encore ESG

Bank Reconciliation

Checking (1001) - Statement Date: 10/31/2022

<u>Date</u>	<u>Type</u>	<u>Number</u>	<u>Description</u>	<u>Amount</u>
10/12/2022	DEPOSIT		CC Batch ID 852389	11.50
10/13/2022	DEPOSIT		CC Batch ID 853811	10.00
10/14/2022	DEPOSIT		CC Batch ID 854871	15.50
10/17/2022	DEPOSIT		CC Batch ID 856616	1,244.00
10/17/2022	DEPOSIT		CC Batch ID 858443	15.00
10/18/2022	DEPOSIT		CC Batch ID 859487	38.00
10/18/2022	DEPOSIT		CC Batch ID 859727	37.25
10/18/2022	DEPOSIT		Deposit	30.50
10/18/2022	DEPOSIT		Deposit	51.50
10/18/2022	DEPOSIT		Deposit	614.25
10/18/2022	DEPOSIT		Deposit	27.00
10/18/2022	DEPOSIT		Deposit	2,746.49
10/18/2022	DEPOSIT		Deposit	245.75
10/19/2022	DEPOSIT		CC Batch ID 860598	7.75
10/20/2022	DEPOSIT		CC Batch ID 865528	5.50
10/21/2022	DEPOSIT		CC Batch ID 862192	11.75
10/24/2022	DEPOSIT		CC Batch ID 864627	12.00
10/25/2022	DEPOSIT		CC Batch ID 867451	298.00
10/25/2022	DEPOSIT		CC Batch ID 867893	98.00
10/26/2022	DEPOSIT		CC Batch ID 868793	16.00
10/26/2022	DEPOSIT		CC Batch ID 868882	196.00
10/27/2022	DEPOSIT		CC Batch ID 870334	7.50
10/27/2022	DEPOSIT		CC Batch ID 870712	10.00
10/28/2022	DEPOSIT		CC Batch ID 871495	36.50
10/28/2022	DEPOSIT		CC Batch ID 871898	208.00
Total				\$ 16,057.12

Uncleared Checks and Other Debits

09/22/2022	CHECK	6931	Carlee Enos	\$ 75.00
09/23/2022	DEPOSIT		CC Batch ID 829502	34.75
10/17/2022	CHECK	6938	Nikola Chekardzhikov	466.96
10/28/2022	CHECK	6940	JJ Petersons Bakery	605.00
Total				\$ 1,181.71

Uncleared Deposits and Other Credits

08/16/2022	DEPOSIT		Deposit	\$ 92.12
10/31/2022	DEPOSIT		CC Batch ID 873392	8.50
10/31/2022	DEPOSIT		CC Batch ID 873501	160.00
10/31/2022	DEPOSIT		CC Batch ID 874137	1,675.00
10/31/2022	DEPOSIT		CC Batch ID 874166	25.00
Total				\$ 1,960.62

Prepared By

Date

Reviewed By

Date

Encore ESG

Bank Reconciliation

Checking (1001) - Statement Date: 11/30/2022

Statement Beginning Balance	\$	64,251.41	Statement Ending Balance	\$	86,051.31
Cleared Transactions			Uncleared Transactions		
Checks and Other Debits		(4,213.12)	Checks and Other Debits		(200.00)
Deposits and Other Credits		<u>26,013.02</u>	Deposits and Other Credits		<u>0.00</u>
Total Cleared Transactions	\$	21,799.90	Total Uncleared Transactions	\$	(200.00)
Cleared Balance	\$	<u>86,051.31</u>	Register Ending Balance	\$	<u>85,851.31</u>

<u>Date</u>	<u>Type</u>	<u>Number</u>	<u>Description</u>	<u>Amount</u>
Cleared Checks and Other Debits				
09/22/2022	CHECK	6931	Carlee Enos	\$ 75.00
09/23/2022	DEPOSIT		CC Batch ID 829502	34.75
10/17/2022	CHECK	6938	Nikola Chekardzhikov	466.96
10/28/2022	CHECK	6940	JJ Petersons Bakery	605.00
11/18/2022	CHECK	6941	Cheryl Keithley	485.00
11/30/2022	STATEMENT		Service Charge	2,546.41
			Total	\$ 4,213.12

Cleared Deposits and Other Credits				
08/16/2022	DEPOSIT		Deposit	\$ 92.12
10/31/2022	DEPOSIT		CC Batch ID 873392	8.50
10/31/2022	DEPOSIT		CC Batch ID 873501	160.00
10/31/2022	DEPOSIT		CC Batch ID 874137	1,675.00
10/31/2022	DEPOSIT		CC Batch ID 874166	25.00
11/01/2022	DEPOSIT		Deposit	76.00
11/01/2022	DEPOSIT		Deposit	408.00
11/01/2022	DEPOSIT		Deposit	65.00
11/01/2022	DEPOSIT		Deposit	173.25
11/01/2022	DEPOSIT		Deposit	149.75
11/01/2022	DEPOSIT		Deposit	480.83
11/01/2022	DEPOSIT		Deposit	288.00
11/01/2022	DEPOSIT		Deposit	10,616.00
11/01/2022	DEPOSIT		Deposit	2,248.50
11/02/2022	DEPOSIT		CC Batch ID 877316	97.00
11/03/2022	DEPOSIT		CC Batch ID 878864	598.00
11/04/2022	DEPOSIT		CC Batch ID 879863	446.25
11/04/2022	DEPOSIT		CC Batch ID 879905	54.25
11/07/2022	DEPOSIT		CC Batch ID 881774	782.25
11/07/2022	DEPOSIT		CC Batch ID 881837	216.00
11/07/2022	DEPOSIT		CC Batch ID 883398	37.00
11/08/2022	DEPOSIT		CC Batch ID 884409	641.50
11/08/2022	DEPOSIT		CC Batch ID 884900	143.25
11/09/2022	DEPOSIT		CC Batch ID 885933	180.00
11/10/2022	DEPOSIT		CC Batch ID 887402	217.75
11/11/2022	DEPOSIT		CC Batch ID 888663	3.00
11/15/2022	DEPOSIT		CC Batch ID 892454	70.00
11/15/2022	DEPOSIT		CC Batch ID 892723	11.00
11/16/2022	DEPOSIT		CC Batch ID 894033	15.50

Encore ESG

Bank Reconciliation

Checking (1001) - Statement Date: 11/30/2022

<u>Date</u>	<u>Type</u>	<u>Number</u>	<u>Description</u>	<u>Amount</u>
11/16/2022	DEPOSIT		Deposit	233.25
11/16/2022	DEPOSIT		Deposit	1,870.36
11/16/2022	DEPOSIT		Deposit	836.25
11/16/2022	DEPOSIT		Deposit	150.00
11/16/2022	DEPOSIT		Deposit	65.00
11/16/2022	DEPOSIT		Deposit	10.00
11/16/2022	DEPOSIT		Deposit	198.75
11/16/2022	DEPOSIT		Deposit	110.50
11/17/2022	DEPOSIT		CC Batch ID 895375	253.50
11/17/2022	DEPOSIT		CC Batch ID 895445	45.00
11/18/2022	DEPOSIT		CC Batch ID 896375	80.00
11/18/2022	DEPOSIT		CC Batch ID 897159	162.75
11/21/2022	DEPOSIT		CC Batch ID 898456	365.00
11/21/2022	DEPOSIT		CC Batch ID 898511	30.00
11/29/2022	DEPOSIT		CC Batch ID 906827	170.00
11/30/2022	STATEMENT		Interest Earned	1,453.96
Total				\$ 26,013.02

Uncleared Checks and Other Debits

11/18/2022	CHECK	6942	Richard Prenkert	\$ 200.00
Total				\$ 200.00

Uncleared Deposits and Other Credits

Total	\$ 0.00
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Prepared By

Date

Reviewed By

Date

Coversheet

2021-2022 Audit Report

Section: III. Budget and Finance
Item: A. 2021-2022 Audit Report
Purpose: Vote
Submitted by:
Related Material: Encore Ed Corp Audit Report 2022 DRAFT 2022-12-09.pdf

ENCORE EDUCATION CORPORATION
HESPERIA, CALIFORNIA
Charter No. 0971
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2022

DRAFT

ENCORE EDUCATION CORPORATION

For the Fiscal Year Ended June 30, 2022

Table of Contents

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
Notes to Financial Statements	8

SUPPLEMENTARY INFORMATION

Local Education Agency Organizational Structure	20
Schedule of Average Daily Attendance.....	21
Schedule of Instructional Time.....	22
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	23
Schedule of Expenditures of Federal Awards.....	24
Notes to Supplementary Information.....	25

OTHER INDEPENDENT AUDITORS' REPORTS

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 <i>Government Auditing Standards</i>	26
Independent Auditors' Report on Compliance For Each Major Federal Program and Report On Internal Control Over Compliance Required By The Uniform Guidance	28
Independent Auditors' Report on State Compliance	30

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	32
Financial Statement Findings	33
Federal Award Findings and Questioned Costs.....	37
State Award Findings and Questioned Costs.....	38
Summary Schedule of Prior Audit Findings.....	41

Financial Section

DRAFT

INDEPENDENT AUDITORS' REPORT

Board of Directors
Encore Education Corporation
Hesperia, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Encore Education Corporation (a California nonprofit Organization) and its subsidiaries, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the fiscal 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 Encore Education Corporation as of June 30, 2022, and the changes in its net assets and its cash flows for the fiscal 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), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. 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 the Organization 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities 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 Organization'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 Organization'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 during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the LEA Organization Structure, 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 Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, except for the LEA Organization Structure, is fairly stated, in all material respects, in relation to the financial statements as a whole.

The LEA Organization Structure 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 our report dated December 9, 2022 on our consideration of the Organization’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 of the Organization’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 Organization’s internal control over financial reporting and compliance.

Murrieta, California
December 9, 2022

DRAFT

ENCORE EDUCATION CORPORATION*Statement of Financial Position**June 30, 2022***ASSETS**

Current Assets:

Cash	\$	414,330
Accounts receivable (Note 3)		2,971,114
Prepaid expenses		24,663
Total current assets		<u>3,410,107</u>

Non-current Assets:

Deferred rent asset (Note 4)		1,212,102
Property, plant, and equipment, net (Note 5)		724,287
Total non-current assets		<u>1,936,389</u>

Total Assets	\$	<u>5,346,496</u>
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LIABILITIES AND NET ASSETS**Liabilities**

Accounts payable	\$	761,972
Accrued payroll and benefits		461,266
Due to grantor governments		1,025,064
Total liabilities		<u>2,248,302</u>

Net assets

Without donor restrictions		2,514,766
With donor restrictions (Note 6)		583,428
Total net assets		<u>3,098,194</u>

Total Liabilities and Net Assets	\$	<u>5,346,496</u>
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The notes to financial statements are an integral part of this statement.

ENCORE EDUCATION CORPORATION*Statement of Activities**For the Fiscal Year Ended June 30, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
LCFF revenues	\$ 7,509,778	\$ -	\$ 7,509,778
Federal revenues	-	2,406,719	2,406,719
State special education	-	357,968	357,968
Lottery	114,687	53,111	167,798
STRS on-behalf	(192,720)	-	(192,720)
Other state revenues	32,543	1,056,053	1,088,596
Other local revenues	3,976,211	-	3,976,211
Net assets released from restrictions	3,642,601	(3,642,601)	-
Total revenues, gains, and other support	15,083,100	231,250	15,314,350
Expenses			
Program Services:			
Education	7,093,141	-	7,093,141
Supporting Services:			
Management and general	5,716,326	-	5,716,326
Total Expenses	12,809,467	-	12,809,467
Change in net assets	2,273,633	231,250	2,504,883
Net Assets			
Beginning of year	241,133	352,178	593,311
End of year	<u>\$ 2,514,766</u>	<u>\$ 583,428</u>	<u>\$ 3,098,194</u>

The notes to financial statements are an integral part of this statement.

5

ENCORE EDUCATION CORPORATION*Statement of Cash Flows**For the Fiscal Year Ended June 30, 2022***CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets from operations	\$	2,504,883
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation		177,018
(Increase) decrease in operating assets:		
Accounts receivable		1,781,080
Prepaid expenses		12,174
Deferred rent asset		41,761
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities		563,815
Due to grantor governments		(135,577)
Deferred revenue		(140,814)
Net cash provided (used) by operating activities		<u>4,804,340</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment and building improvements		<u>(262,378)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Payments on factored receivables		(3,362,582)
Paycheck Protection Program loan proceeds		(2,000,000)
Capital lease principal payments		(4,209)
Payments on settlement payable		<u>(187,500)</u>
Net cash provided (used) by financing activities		<u>(5,554,291)</u>

Net increase (decrease) in cash		(1,012,329)
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Cash:

Beginning of year		<u>1,426,659</u>
End of year	\$	<u><u>414,330</u></u>

SUPPLEMENTAL DISCLOSURE

Interest paid	\$	<u><u>222,727</u></u>
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ENCORE EDUCATION CORPORATION*Statement of Functional Expenses**For the Fiscal Year Ended June 30, 2022*

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Education</u>	<u>Management And General</u>	<u>Total Expenditures</u>
Certificated salaries	\$ 2,613,777	\$ 396,119	\$ 3,009,896
Classified salaries	662,301	1,524,540	2,186,841
Benefits	911,673	828,902	1,740,575
Total Salaries and Benefits	<u>4,187,751</u>	<u>2,749,561</u>	<u>6,937,312</u>
Books & supplies	522,672	35,943	558,615
Services & other operating expenses	2,018,411	2,391,910	4,410,321
Noncapitalized equipment	223,278	280,196	503,474
Depreciation	141,029	35,989	177,018
Interest	-	222,727	222,727
Totals	<u>\$ 7,093,141</u>	<u>\$ 5,716,326</u>	<u>\$ 12,809,467</u>

The notes to financial statements are an integral part of this statement.

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Encore Education Corporation (the “Organization”) is a California nonprofit public benefit corporation and is organized to manage and operate a public charter school. For the year ended June 30, 2022, the Organization operated one public charter school: Encore Jr./Sr. High School for the Performing and Visual Arts. The mission of the Organization is to provide a creative, challenging, and nurturing environment that offers students innovative preparation for a university education and pursuit of the arts.

On October 22, 2007, Hesperia Unified School District (HUSD) (Sponsor) approved the petition of a charter for the establishment and operation of Encore Jr./Sr. High School for the Performing and Visual Arts (Hesperia). Hesperia’s current charter is granted for the term of five years beginning July 1, 2016 through June 30, 2022. Hesperia is a site-based, traditional calendar charter school, serving students in seventh through twelfth grades.

The Organization is a charter school organized and existing under the laws of the state of California. The Organization receives most of their funding from both state sources and local taxes through the state of California general-purpose entitlement funding system. Charters may be revoked by the sponsoring district for material violations of the charter, failure to meet student goals, identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

B. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, donor-restricted net assets are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made. As of June 30, 2022, the Organization determined that there were no uncollectible accounts.

C. Basis of Presentation and Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). ASC 958-205 was effective January 1, 2018 and addresses general-purpose external financial statements appropriate for not-for-profit organizations.

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation and Accounting (continued)

Under the provisions of the ASC 958-205, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met either by the actions of the not-for-profit organization to satisfy a particular purpose restriction, or by the passage of time. Some donor restrictions are perpetual (or permanent) in nature, whereby the donor has stipulated the funds be maintained in perpetuity, whereby the corpus of the donation must remain unspent.

D. Revenue and Revenue Recognition

Revenue is recognized when earned. Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. The Organization receives federal grants, which are paid through the California Department of Education or other state agencies. Revenues related to these federal grants are recognized when qualifying expenses have been incurred and when all other grant requirements have been met. Unrestricted support given by the state is recognized as revenue when received. Any such funds received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

E. Donated Materials and Supplies

Donated materials and supplies are recorded as contributions at their estimated fair market value at the date of donation if a value can be reasonably determined. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

F. Contributed Services

During the year ended June 30, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

G. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Significant estimates include the lives used for depreciation of property and equipment and allocation of costs between the various programs and expense categories. Actual results could differ from those estimates.

ENCORE EDUCATION CORPORATION*Notes to Financial Statements**June 30, 2022*

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**H. Income Taxes**

The Organization is a non-profit 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 Organization files information returns in the U.S. federal jurisdiction, and the state of California. The statute of limitations for federal and California state tax purposes is generally three and four years, respectively.

I. Cash and Cash Equivalents

The Organization considers certificates of deposit with a maturity date of 90 days or longer to be investments. At year-end and throughout the year, the Organization's cash balances were deposited in one financial institution. As of June 30, 2022, the Organization did not hold any cash as investments.

J. Custodial Credit Risk

The Organization maintains its cash at one financial institution. Cash balances are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At various times during the year, the amount on deposit with a single financial institution may exceed federal depository insurance limits and be exposed to custodial credit risk. At June 30, 2022, the Organization had cash in the amount of \$316,817 which was exposed to this risk.

K. Accounts Receivable

Accounts receivable consists mainly of grants and contract payments from other public agencies. No allowance for uncollectable amounts has been estimated as creditworthiness of payors and industry experience provide evidence to support amounts as fully collectible.

L. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

M. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Items that, as a whole, create an asset with a combined cost exceeding \$5,000 have also been capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	Estimated Useful Life in Years
Furniture, Equipment and Leasehold Improvements	3-25
Buildings	10-39

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fair Value Measurements

In accordance with fair value measurements, the Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Organization has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Organization's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

O. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function, as shown in the Statement of Functional Expenses. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Grants	Time and effort
Salaries and benefits	Time and effort
Occupancy / rent	Facilities square footage
Insurance	Policy type and nature of coverage
Utilities	Facilities square footage
Supplies	Time and effort
Depreciation	Facilities square footage
Amortization	Time and effort

ENCORE EDUCATION CORPORATION*Notes to Financial Statements**June 30, 2022***NOTE 2 – LIQUIDITY**

The Organization’s financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

Cash and cash equivalents	\$	414,330
Accounts receivable		2,971,114
Prepaid expenses		24,663
Less: donor restrictions		<u>(583,428)</u>
Total current assets	\$	<u>2,826,679</u>

The Organization’s policy for liquidity management requires that it structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2022, consisted of the following:

Federal Government:		
ESSER	\$	556,528
Special education		132,533
Federal nutrition		36,737
Other federal		599
State Government:		
EPA		1,954,852
SB 740 facility grant		152,903
Educator effectiveness		45,055
A-G entitlements		40,121
Lottery		36,829
Special education		12,707
Local:		
Other local		<u>2,250</u>
Total	\$	<u>2,971,114</u>

NOTE 4 – DEFERRED RENT

As described in Note 11, the Organization pays rent to 16955 Lemon Street LLC which owns the building used by the campus for its school facilities. Amounts paid in excess of the straight-line amortized value of lease payments are recognized as a “deferred rent asset” in the amount of \$1,212,102 for the campus.

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 5 – PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment in the accompanying financial statements are presented net of accumulated depreciation. Depreciation expense for the year ended June 30, 2022 was \$177,018.

The components of property, plant, and equipment as of June 30, 2022 are as follows:

Building and Improvements	\$	121,635
Furniture, Fixtures, and Equipment		2,153,961
Work in Progress		5,000
Less: Accumulated Depreciation		<u>(1,556,309)</u>
Total capital assets, net	<u>\$</u>	<u>724,287</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2022:

Educator effectiveness	\$	225,273
Expanded learning opportunity grant		206,618
A- Gentilements		160,484
In person instruction		(10,619)
Low-performing students block grant		<u>1,672</u>
Totals	<u>\$</u>	<u>583,428</u>

These amounts are presented within net assets with donor restrictions on the Statement of Financial Position.

NOTE 7 – EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The Organization is a participant in the plans and its contributions do not exceed 5% of total plan-level contributions.

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The Organization contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

ENCORE EDUCATION CORPORATION*Notes to Financial Statements**June 30, 2022***NOTE 7 – EMPLOYEE RETIREMENT PLANS (continued)****A. California State Teachers' Retirement System (CalSTRS) (continued)****Plan Description (continued)**

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and non-employer contributing entity to the STRP. The Foundation contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2022, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date		
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	16.15%	16.15%
Required State Contribution Rate	10.328%	10.328%

Contributions

Required member District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill requires portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution is allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 7 – EMPLOYEE RETIREMENT PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions (continued)

The Organization’s contributions to CalSTRS and required employer contribution rate for the last three fiscal years were as follows:

	Contribution	Required Contribution Rate
2021-22	\$ 476,624	16.92%
2020-21	\$ 436,634	16.15%
2019-20	\$ 762,477	17.10%

On-Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the School. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954 and 22955.1 of the Education Code and Public Resources Code Section 6217.5. In addition, California Senate Bill No. 90 (SB 90) was signed into law on June 27, 2019, and appropriated supplemental contributions. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the School for its proportionate share of the State’s on-behalf contributions is \$(192,720).

B. California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the Schools Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Accounting Report. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 7 – EMPLOYEE RETIREMENT PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Benefits Provided (continued)

The CalPERS provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date	2% at 55	2% at 62
Benefit Formula	5 years of service	5 years of service
Benefit Vesting Schedule	Monthly for life	Monthly for life
Benefit Payments	55	62
Retirement Age	2.0 – 2.5%	2.0 – 2.5%
Monthly Benefits as a Percentage of Eligible Compensation	7.00%	7.00%
Required Employee Contribution Rate	20.70%	20.70%
Required Employer Contribution Rate		

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll.

The Foundation’s contributions to CalPERS for the last three fiscal years were as follows:

	Contribution	Required Contribution Rate
2021-22	\$ 453,624	20.910%
2020-21	\$ 409,505	20.700%
2019-20	\$ 718,972	19.721%

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The Organization has elected to use the Social Security as its alternative plan.

ENCORE EDUCATION CORPORATION*Notes to Financial Statements**June 30, 2022*

NOTE 8 – OPERATING LEASES

The Organization occupies office and classroom space for its operations and educational programs under separate operating leases. Total expense for rental of space under operating leases was \$924,695 for the year ended June 30, 2022. The property is being financed by the issuance of \$17,440,000 in Charter School Revenue Bonds (the 2016 Revenue Bonds) through the California School Finance Authority, and \$2,180,000 in Charter School Revenue Bonds (the 2022 Revenue Bonds) through the California Enterprise Development Authority.

Future minimum annual lease payments remaining under the lease terms outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 1,350,100
2024	1,352,450
2025	1,347,850
2026	1,351,550
2027	1,346,000
2027-2032	6,016,350
2032-2037	4,913,750
2037-2042	4,903,750
2042-2047	4,907,500
2047-2052	4,908,250
Total	<u>\$ 32,397,550</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES**Litigation**

The Organization is involved in certain legal matters that arose out of the normal course of business. The Organization has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2022.

NOTE 10 – RELATED PARTY TRANSACTION**Bonds Payable – Western Encore Properties**

On November 1, 2016, Western Encore Properties Incorporated, a California nonprofit public benefit corporation (the Borrower), borrowed a total of \$17,440,000 by issuing Charter School Revenue Bonds (the 2016 Revenue Bonds) through the California School Finance Authority. On May 2, 2022 the Borrower issued an additional \$2,180,000 by issuing Charter School Revenue Bonds through the California Enterprise Development Authority (the 2022 Revenue Bonds).

ENCORE EDUCATION CORPORATION*Notes to Financial Statements**June 30, 2022***NOTE 10 – RELATED PARTY TRANSACTION (continued)****Bonds Payable – Western Encore Properties (continued)**

The Borrower established 16955 Lemon Street, LLC (the LLC), a wholly owned subsidiary of the Borrower, to act as the holder of the Organization's main school campus located at 16955 Lemon Street in Hesperia, California (the Encore Facility). The LLC has no other activities. The LLC is expected to have no assets, other than holding title to the Encore Facility, and is expected to have no revenue other than payments received pursuant to the Lease Agreement described below.

At issuance, the entire proceeds of the 2016 and 2022 Revenue Bonds were loaned to the LLC to i) finance certain costs of the acquisition, construction, improvement, equipping, and furnishing of the Encore Facility at 16955 Lemon Street, ii) fund a debt service reserve account, and iii) pay the costs of issuance for the Revenue Bonds.

Under the terms of the 2016 and 2022 Revenue Bonds, the LLC then leased the campus to the Corporation pursuant to a Lease Agreement, dated November 1, 2016 and amended on May 1, 2022. The payments under this Lease Agreement match the principal and interest payments on the 2016 and 2022 Revenue Bonds. The trustee then applies all such payments semiannually to make the principal and interest payments to holders of the 2016 and 2022 Revenue Bonds.

The Corporation has pledged all assets and revenues of its Hesperia campus towards payment of these lease payments.

Future maturities of the bonds are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 430,000
2024	460,000
2025	485,000
2026	520,000
2027	525,000
2027-2032	2,505,000
2032-2037	2,050,000
2037-2042	2,605,000
2042-2047	3,330,000
2047-2052	4,250,000
Total	<u>\$ 17,160,000</u>

ENCORE EDUCATION CORPORATION

Notes to Financial Statements

June 30, 2022

NOTE 11 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2022, have been evaluated through December 9, 2022, the date at which the Organization's audited financial statements were available to be issued.

New Accounting Standard

On February 25, 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. This ASU codifies FASB *Accounting Standards Codification* (ASC) 842, *Leases*. FASB ASC 842 is applicable to any entity that enters into a lease and applies to all leases and subleases of property, plant, and equipment.

Similar to ASC 840, the prior lease accounting standard, ASC 842 uses a two-model approach for lessees; each lease is classified as either a finance lease or an operating lease. This applies to all leased asset categories covered under the standard, including leases of equipment and real estate. "Finance lease" is a new term and replaces the term, "capital lease," used under Topic 840. Additionally, ASC 842 changes the criteria defining a finance/capital lease. Lessees reporting under Topic 842 are required to recognize both the assets and the liabilities arising from their leases. The lease liability is measured as the present value of lease payments, while the lease asset is equal to the lease liability adjusted for certain items like prepaid rent, initial direct costs, and lease incentives.

Lessor accounting remains largely unchanged from ASC 840 to 842. Lessors can classify leases as operating, sales-type, or direct financing leases, but the leveraged lease type under ASC 840 is eliminated under ASC 842. Lessor accounting is covered in full detail in ASC 842-30. No significant changes were made to the requirements for balance sheet recognition.

In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*, which, among other provisions, deferred the effective dates for applying ASC 842 for certain not-for-profit entities that have not yet issued financial statements or made financial statements available for issuance as of June 3, 2020. The ASU also deferred the effective date for applying ASC 842 by one year for entities within the "all other entities" category.

The standard will become effective for the Encore Education Corporation in the current fiscal year ending on June 30, 2023.

Supplementary Information

DRAFT

ENCORE EDUCATION CORPORATION

Organizational Structure

June 30, 2022

Encore Education Corporation (the “Organization”) was established in 2007 and is a nonprofit public benefit corporation organized to manage and operate public charter schools. For the year ended June 30, 2022, the Organization operated one public charter school: Encore Jr./Sr. High School for the Performing and Visual Arts.

Encore Jr./Sr. High School for the Performing & Visual Arts began serving students in August 2008. The charter has been renewed for a term of five years beginning July 1, 2021 through June 30, 2026 and is sponsored by the Hesperia Unified School District. The charter number authorized by the state of California is 971.

BOARD OF DIRECTORS

Member	Office	Term Expires
Chandale Sutton	Chair	June, 2023
Rob Gabler	Member	June, 2022
Kathy Staley	Member	June, 2022

ADMINISTRATORS

Dr. Sabrina Bow,
Executive Director

Liza Contreras,
Director of Operations & Finance

ENCORE EDUCATION CORPORATION

Schedule of Average Daily Attendance

For the Fiscal Year Ended June 30, 2022

	Originally Reported		As Audited	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Total ADA:				
Grades 7-8	226.28	221.93	217.84	213.49
Grades 9-12	421.89	415.57	385.51	379.19
Total	<u>648.17</u>	<u>637.50</u>	<u>603.35</u>	<u>592.68</u>
Classroom-based ADA:				
Grades 7-8	215.29	209.86	215.29	209.86
Grades 9-12	374.71	368.92	374.71	368.92
Total	<u>590.00</u>	<u>578.78</u>	<u>590.00</u>	<u>578.78</u>

ENCORE EDUCATION CORPORATION
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2022

ENCORE JR./SR. HIGH SCHOOL FOR THE PERFORMING & VISUAL ARTS

<u>Grade Level</u>	<u>Instructional Minute Requirement</u>	<u>Instructional Minutes Offered</u>	<u>Instructional Days Offered</u>	<u>Status</u>
Grade 7	54,000	67,114	175	Complied
Grade 8	54,000	67,114	175	Complied
Grade 9	64,800	67,672	175	Complied
Grade 10	64,800	67,672	175	Complied
Grade 11	64,800	67,672	175	Complied
Grade 12	64,800	67,672	175	Complied

See accompanying note to supplementary information.

ENCORE EDUCATION CORPORATION

*Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2022*

	Statement of Financial Position
June 30, 2022, annual financial and budget report net assets	\$ 3,271,429
Adjustments and reclassifications:	
Increase (decrease) in total net assets:	
Accounts payable understated	(208,175)
Accounts receivable understated	34,940
June 30, 2022, audited financial statement net assets	<u>\$ 3,098,194</u>

DRAFT

ENCORE EDUCATION CORPORATION
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
Especially Needy Breakfast	10.553	13526	\$ 25,772	
National School Lunch Program	10.555	13523	163,561	
SNP COVID-19 Emergency Operational Costs Reimbursement	10.555		24,406	
Pandemic EBT Local Administrative Grant	10.649	15644	614	
Total Child Nutrition Cluster				\$ 214,353
Total U.S. Department of Agriculture				214,353
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329		179,994
Title II, Part A, Supporting Effective Instruction Local	84.367	14341		26,913
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396		17,262
Passed through the Desert Mountain SELPA:				
Individuals with Disabilities Education Act (IDEA):				
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	15638	30,129	
ARRA IDEA Part B, Sec 611, Basic Local Assistance	84.027	13379	102,404	
Total Special Education (IDEA) Cluster				132,533
COVID-19: Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	137,237	
Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	15547	499,864	
Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	15517	1,197,078	
Governor's Emergency Education Relief (GEER) Fund	84.425C	15517	1,485	
Total Education Stabilization Fund				1,835,664
Total U.S. Department of Education				2,192,366
Total Expenditures of Federal Awards				\$ 2,406,719

Subrecipients

Of the Federal expenditures presented in the schedule, the Organization provided no Federal awards to subrecipients.

ENCORE EDUCATION CORPORATION

Notes to Supplementary Information

June 30, 2022

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the Charter and whether the Charter complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual financial report to the audited financial statements.

Schedule of Expenditures of Federal Awards

The schedule of expenditures of Federal awards includes the Federal grant activity of the Charter and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The Charter did not elect to use the ten percent de minimis indirect cost rate.

Other Independent Auditors' Reports

DRAFT

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
Encore Education Corporation
Hesperia, 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 Encore Education Corporation as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Encore Education Corporation'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Encore Education Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Encore Education Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2022-001 and 2022-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2022-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Encore Education Corporation's financial statements are free of 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 2022-007.

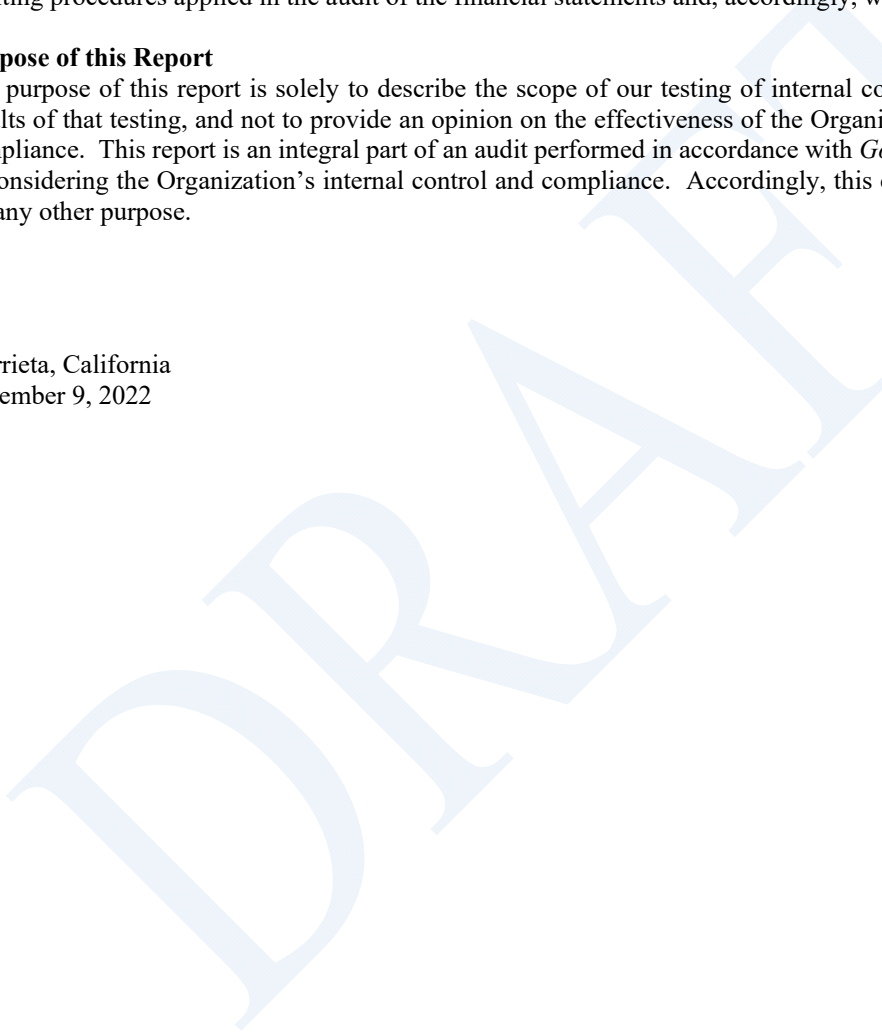
Encore Education Corporation's Responses to Findings

Encore Education Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Encore Education Corporation's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California
December 9, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Encore Education Corporation
Hesperia, California

Report on Compliance for Each Major Federal Program

We have audited Encore Education Corporation's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Encore Education Corporation's major federal programs for the year ended June 30, 2022. Encore Education Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Encore Education Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Encore Education Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Encore Education Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Encore Education Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control Over Compliance

Management of Encore Education Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Encore Education Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Charter's 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 with a type of compliance requirement of a federal program 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 material noncompliance with a type of compliance requirement of a federal program 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 with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Murrieta, California
December 9, 2022

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Encore Education Corporation
Hesperia, California

Report on Compliance

Opinion

We have audited the Encore Education Corporation (Corporation) compliance with the requirements specified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the Corporation's state program requirements identified below for the year ended June 30, 2022.

In our opinion, Encore Education Corporation complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

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 the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards 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 Corporation 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 opinion. Our audit does not provide a legal determination of the Corporation'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 Encore Education Corporation's state programs.

Auditors' Responsibilities 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 Corporation'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 the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a 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 Corporation's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Corporation'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 the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Corporation's compliance with the state laws and regulations applicable to the following items:

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In Person Instruction Grant	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Yes
Charter School Facility Grant Program	Yes

Areas marked as not applicable were not operated by the Corporation.

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 identify in the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings 2022-004 through 2022-009.

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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, 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.

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 *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Murrieta, California
December 9, 2022

Schedule of Findings and Questioned Costs

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ENCORE EDUCATION CORPORATION
Summary of Auditors' Results
For the Fiscal Year Ended June 30, 2022

Financial Statements

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

Federal Awards

Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a)?	<u>No</u>

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Program/ Cluster</u>
84.425D, 84.425C	
84.425, 84.425U	<i>Education Stabilization Fund</i>

Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

State Awards

Type of auditors' report issued on compliance for state programs:	<u>Qualified</u>
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ENCORE EDUCATION CORPORATION

Financial Statement Findings

For the Fiscal Year Ended June 30, 2022

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

Five Digit Code	AB 3627 Finding Types
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
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

FINDING 2022-001: FINANCIAL REPORTING ERRORS (30000)

This is a partial repeat of Finding 2021-001.

Criteria: Generally accepted accounting principles (GAAP) require that the year-end financial statement balances include all financial transactions as of the date of the financial statements. Good internal controls and prudent business practices require the School to establish and implement policies and procedures to ensure that the year-end closing process includes a timely reconciliation of all accounts to ensure accurate ending balances are reported.

Condition: Audit adjustments were necessary to properly report the balances of certain accounts receivable and accounts payable balances.

Cause: The School relied on an outside back-office consulting firm to assist with year-end closing, but did not have an employee with the financial expertise to oversee those services and consistently provide accurate data.

Effect: The School’s financial statements could be materially misstated without adjusting journal entries.

Recommendation: We recommend that the School update its year-end closing procedures to include additional review procedures to ensure account balances are reconciled before the audit.

School Response: While the year-end closing procedures were updated to include additional review procedures following last year’s audit finding, the nature of the adjusting journal entries in this 2021-22 fiscal year audit primarily related to booking of new categorical revenue programs and accounts payable items that we rely on our back-office provider to determine. As a result of our expanded closing procedures, we did reduce the total adjusting journal entry amount from \$593,311 in 2020-21 to \$173,235 this year, a reduction of over 70%.

For the upcoming 2022-23 fiscal year, we have expanded the Controller role to a new Director of Operations and Finance position, and this new Director is responsible for review of all year-end closing procedures for this upcoming 22-23 fiscal year.

ENCORE EDUCATION CORPORATION

Financial Statement Findings (continued)

For the Fiscal Year Ended June 30, 2022

FINDING 2022-002: ASSOCIATED STUDENT BODY (ASB) FUNDS (30000)

This is a partial repeat of Finding 2021-002

Criteria: Business office staff are responsible for general oversight of student body activities. In this capacity, the business office staff should:

- Serve as a resource and answer questions from the ASB staff.
- Develop and update the School's ASB manual based on input from the site staff, student organizations and auditors. The questions that are asked throughout the year and the findings noted by the auditors should also be taken into consideration when updating the manual.
- Provide training at least annually on the School's ASB manual or procedures. This includes providing new staff members and student council members with copies of the manual and training during the year.
- Make periodic internal audits to review the procedures in operation and answer questions.
- Obtain and review financial reports at least quarterly.
- Review the reconciled bank statements for all ASB accounts regularly, preferably monthly.
- Work with the staff to respond to problems noted by the auditors in the annual audit and develop corrective actions to resolve the problems.
- Follow up on all issues regarding the administration of student organizations.
- Develop accounting procedures for recording and controlling the student body organization's financial transactions.
- Periodically review procedures to make sure they conform to prescribed accounting procedures.

The ASB bookkeeper has the responsibility of maintaining and overseeing the entire ASB process which involves independently maintaining a complete set of financial records for the Associated Student Body, student body operations, and all student body accounts and to follow proper internal controls.

Conditions:

During our review of the ASB controls at the Hesperia campus, we noted the following:

- A budget is not prepared or adopted by the Student Council.
- Minutes of Student Council meetings were not available to be reviewed by the auditors.
- Inventory count not done on a timely basis.
- We tested a sample of 24 cash disbursements and found:
 - 14 disbursements were not approved by a school representative, ASB advisor, and student representative until after the expense had been incurred.
 - 6 disbursements were lacking supporting documentation, such as an invoice, bill, or receipt.
- Furthermore, we reviewed bank statements for the entire fiscal year and made the following observations:
 - The School wrote a total of 31 checks during the year for a total of \$19,373, and made 53 electronic debit transactions for a total of \$17,021. The majority of the electronic debit transactions occurred in July and August 2021. Starting in September 2021, we noted the School started using an Emburse account for disbursements.
- We tested a sample of 12 cash receipts and found:
 - Five receipts did not have adequate supporting documentation from the point of collection to the point of deposit. Without supporting documentation, we cannot determine whether all cash collected was deposited in the bank.
 - Three receipts appeared to be revenue for the School and not ASB. Revenue should not be passed through the ASB account.

ENCORE EDUCATION CORPORATION

Financial Statement Findings (continued)

For the Fiscal Year Ended June 30, 2022

FINDING 2022-002: ASSOCIATED STUDENT BODY (ASB) FUNDS (30000) (continued)

This is a partial repeat of Finding 2021-002

Cause: The School lacks oversight over the ASB function and has not implemented controls to ensure that:

- Adequate accounting records and internal controls are maintained to ensure that revenues are collected and deposited appropriately, and;
- ASB funds are being used for the students' benefit.

Effect:

- The lack of internal controls and oversight by the business office could lead to loss or misappropriation of ASB assets.
- Without ASB policies and procedures specifying how the ASB organization will be established and supervised, or how financial activity will be operated and managed, there is a risk that ASB organizations are not in compliance with rules and regulations ensuring that student body funds are being used for students' benefit.

Recommendation: We recommend that the School assign an employee in the Business Office to be responsible for the oversight of the ASB accounts. This position should review bank statements and reconciliations on a monthly basis.

We further recommend that the school site bookkeeper maintain all records associated with the ASB for proper control of the ASB assets and to prevent misappropriation of assets. Furthermore, back-ups should be conducted at a minimum of once per month in order to limit the potential of lost data.

Finally, we recommend the following:

- Education Code Section 48933(b) requires all expenditures from ASB funds be authorized by a student representative, an advisor, and a district representative (usually a principal or vice-principal) prior to disbursing the funds. As a best practice, we recommend that expenditures be approved prior to incurring the cost. We recommend that the site adopt a procedure for compliance with the Education Code in obtaining the required approvals.
- We recommend that the School document a physical receipt of the goods or services on the corresponding invoice, packing slip, or other documentation, such as writing "ok to pay" or "received" and initialing the document prior to issuing the check for payment. This ensures that payment is not being made for items received incorrectly or not received at all.
- It is important for student organizations to have adequate internal controls over their fundraising events, properly evaluate the effectiveness of those events, and account for a fundraiser's financial activity. Revenue potentials are used as a budgeting and planning tool. The form serves as a sales plan that includes expected sales levels, sale prices per unit, expected cost, and net income. We recommend that revenue potentials be prepared for all major fundraising activities.
- We recommend that before any events are held, control procedures should be established that will allow for the reconciliation between money collected and fundraiser sales.
- We recommend an inventory count is taken monthly. It is important to count inventory on a regular basis to lower the risk of misappropriation of assets.

ENCORE EDUCATION CORPORATION

Financial Statement Findings (continued)

For the Fiscal Year Ended June 30, 2022

FINDING 2022-002: ASSOCIATED STUDENT BODY (ASB) FUNDS (30000) (continued)

This is a partial repeat of Finding 2021-002

Recommendation (continued):

- Timely and accurate bank reconciliations are prudent and necessary to ensure that the accounting records match the amounts held on deposit. We recommend the bookkeeper perform monthly bank reconciliations within two weeks after the statement arrives. Furthermore, the Principal or ASB Advisor should review the bank reconciliation and initial and date the bank statement and reconciliation as evidence they were reviewed. Review of the bank reconciliations by someone other than the ASB Bookkeeper is an important internal control to detect errors and possible questionable or suspicious activity.

School Response: Encore operates a Student Services Account, which is not a formal ASB fund, so many of the statutory requirements set forth in Education Code are not directly applicable to our Student Services Account and related programs. However, we understand and agree with the need to ensure accurate financial and operational controls for our Student Services Account.

During the 2021-22 year, the School's Controller established improved controls for the Student Services Account, including implementation of the Emburse platform for expenditure control that resulted in replacement of the debit card system with dedicated Emburse cards with individual authorization, customized spending types, and purchase limits.

For the 2022-23 year, our Director of Operations and Finance will be prioritizing additional compliance and review for our Student Services Account.

FINDING 2022-003: CASH DISBURSEMENT CONTROLS (30000)

This is a repeat of Finding 2021-003

Criteria: The School should obtain approval through a purchase order prior to making any purchases. The School should ensure that expenditures are paid only with supporting documentation.

Condition: During our review of the School's cash disbursements, 13 of 40 expenses sampled did not receive approval prior to purchase and 3 of 40 lacked appropriate support documentation.

Cause: The School did not implement controls to ensure that every purchase was approved prior to being incurred.

Effect: Cash disbursements are at risk of being made for inappropriate purposes.

Recommendation: We recommend that the School implement controls to ensure that all disbursements are approved by purchase order or contract before being incurred and ensure all documentation is kept.

School Response: We understand and agree with the need for preapproval of all purchases to maintain proper accounting controls and will be reviewing our current procedures to ensure this is occurring as planned.

ENCORE EDUCATION CORPORATION

Federal Award Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2022

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs in 2021-22.

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ENCORE EDUCATION CORPORATION
State Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

FINDING 2022-004: IN-PERSON INSTRUCTION (40000)

Criteria: Pursuant to Education Code section 43521(c)(3), subparagraphs (B) (ii), LEAs that do not provide in-person instruction pursuant to paragraph (3) on or before May 15, 2021, shall forfeit all funds apportioned pursuant to paragraph (1).

Condition: During our review we noted the School received in-person instruction grant funds but did not start in-person instruction by May 15, 2021.

Context: N/A

Effect: The amount of the forfeited grant is \$151,433.

Cause: The School did not submit the data to confirm the return of students to in-person instruction.

Recommendation: Not applicable since this was a one time grant.

School Response: Encore transitioned from its original founding management team to a new Executive Director and management team during this 2021-22 fiscal year. The new management team, under the guidance of the Executive Director, has prioritized categorical reporting and compliance for current and ongoing funding opportunities.

FINDING 2022-005: EXPANDED LEARNING OPPORTUNITY GRANT (40000)

Criteria: If the Local Educational Agency (LEA) received the Expanded Learning Opportunities Grant apportionment, the LEA governing board is required to adopt on or before June 1, 2021, in a public meeting, a plan describing how the apportioned funds would be used in accordance with Education Code Section 43522 and submit the plan within five days of adoption pursuant to subdivision (e) of Education Code Section 43522.

Condition: The Board adopted the ELO-G plan on June 2, 2021. The deadline to adopt the plan was June 1, 2021.

Context: Not applicable.

Cause: The School was behind schedule in approving the plan by the Board.

Effect: None

Recommendation: Not applicable because this is a one-time reporting requirement.

School Response: Encore transitioned from its original founding management team to a new Executive Director and management team during this 2021-22 fiscal year. The new management team, under the guidance of the Executive Director, has prioritized categorical reporting and compliance for current and ongoing funding opportunities.

ENCORE EDUCATION CORPORATION

State Award Findings and Questioned Costs (continued)

For the Fiscal Year Ended June 30, 2022

FINDING 2022-006: CALIFORNIA CLEAN ENERGY (40000)

Criteria: Local Educational Agencies (LEAs) are required to submit a final project completion report to the California Clean Energy Commission 12-15 months after the energy expenditure plan is completely installed. An energy expenditure plan is considered complete when the LEA has completed all measures in the approved energy expenditure plan. A final project completion report is required for each approved energy expenditure plan.

Condition: The School completed its project on December 31, 2018 but submitted the final report on June 1, 2020, about 17 months after completion.

Context: Not applicable, because this was the only project.

Cause: The School was behind schedule in preparing and submitting this report.

Effect: None.

Recommendation: Not applicable because this was the final project. No future final reports will be required.

School Response: We understand the requirement for a finding on this item, as the final report was submitted 17 months following completion of the installation of the project, while the California Energy Commission regulations state final reports should be filed in 12-15 months (but do not set a firm deadline). However, the actual deadline for filing final reports was not until June 30, 2022. Encore's final report was accepted with no changes and Encore received full funding under this project.

FINDING 2022-007: INDEPENDENT STUDY AGREEMENTS (10000, 40000)

Criteria: California Education Code (EC) Section 51747 requires that local educational agencies that claim apportionment for independent study must first adopt and implement written specified policies relating to independent study. The required written policies must be developed as specified in the California Code of Regulations, Title 5, Section 11701.

No ADA may be claimed from independent study until the written agreement is completed (EC sections 46300.7, 51747[c][8]).

Condition: During our testing of independent study agreements, we found four (4) instances where pupils were credited with attendance prior to the signing of the agreement by the parent and/or teacher within 30 days of the start of independent study. In addition, we noted four (4) instances where the work sample was not kept with the pupil's file and twenty-two (22) instances where documentation could not be provided to show the pupil was engaged in educational activity for each day of independent study. Furthermore, the independent study master agreement prior to February 7, 2022 was missing required audit elements. Therefore, any nonclassroom-based ADA prior to that date should be disallowed.

Cause: The School lacked procedures to ensure agreements were signed in a timely manner and all documents were turned in prior to claiming any attendance credit.

Effect: The errors result in a disallowance of 8.44 ADA for grades 7-8 and 36.38 for grades 9-12. Using the CDE's derived value of ADA by grade span results in a penalty of \$485,375. However, because of the new ADA-yield calculations, the impact of this finding may be minimized or eliminated.

ENCORE EDUCATION CORPORATION

State Award Findings and Questioned Costs (continued)

For the Fiscal Year Ended June 30, 2022

FINDING 2022-007: INDEPENDENT STUDY AGREEMENTS (10000, 40000) (continued)

Context: The errors were noted in all 22 agreements tested at the School.

Recommendation: We recommend the School appoint an employee to oversee independent study and implement procedures in the program to ensure the program is in compliance.

School Response: We understand and agree with the need for compliance with independent study regulations. Due to the “hold harmless” attendance yield adjustment approved in the 2022-23 State Budget, there is no fiscal impact to funding or average daily attendance as a result of this disallowance and no waiver is required. We will ensure a qualified employee is overseeing independent study and compliance.

FINDING 2022-008: EDUCATION PROTECTION ACT (40000)

Criteria: Funds provided from the Education Protection Account should be properly expended as required by Article XIII, section 36, Subdivision (e), Paragraph (6) of the California Constitution.

Condition: Upon review of an EPA expense listing, one expense was found to be charged to function 2700 and one to function 7200. It was determined through the School's EPA budget that functions 7200 and 2700 are unallowable, as they are administrative expenses.

Cause: The School charged oversight fees but failed to correct the function codes.

Effect: None.

Recommendation: We recommend that the School move the unallowed expenses to another resource. Furthermore, they should create a process to ensure correct coding of expenses before posting to the accounting system.

School Response: We understand and agree with the need for compliance with Education Protection Act funding, and will adjust the SACS resource as indicated and ensure ongoing compliance with EPA coding requirements.

ENCORE EDUCATION CORPORATION

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2022

Original Finding No.	Finding	Code	Recommendation	Current Status
<p><i>Finding 2021-001: Financial Reporting Errors</i></p>	<p><i>This is a partial repeat of Finding 2020-002</i></p> <p>Generally accepted accounting principles (GAAP) require that the year-end financial statement balances include all financial transactions as of the date of the financial statements. Good internal controls and prudent business practices require the School to establish and implement policies and procedures to ensure that the year-end closing process includes a timely reconciliation of all accounts to ensure accurate ending balances are reported.</p>	<p>30000</p>	<p>We recommend that the School update its year-end closing procedures to include additional review procedures to ensure account balances are reconciled before the audit</p>	<p>Not implemented. See Finding 2022-001.</p>
<p><i>Finding 2021-002: Student Services Account</i></p>	<p><i>This is a partial repeat of Finding 2020-003</i></p> <p>The Organization maintains a student services debit account, which is used to pay for transportation, meals, testing, and student activities. The account activity should follow prudent business practices, including management oversight, regular financial reporting, and implementation of internal controls.</p> <p>During our review of the internal controls at the Hesperia campus, we noted the following:</p> <ul style="list-style-type: none"> • A budget is not prepared or adopted by the Student Council. • Minutes of Student Council meetings were not available to be reviewed by the auditors • We tested a sample of 25 cash disbursements and found: <ul style="list-style-type: none"> ○ Seven disbursements were not approved by a school representative, advisor, and student 	<p>30000</p>	<p>We recommend that the School assign an employee in the Business Office to be responsible for the oversight of the account. This position should review bank statements and reconciliations on a monthly basis.</p> <p>We further recommend that the school site bookkeeper maintain all records associated with the account for proper control of the assets and to prevent misappropriation of assets. Furthermore, back-ups should be conducted at a minimum of once per month in order to limit the potential of lost data.</p> <p>Finally, we recommend the following:</p> <ul style="list-style-type: none"> • We recommend that the School discontinue the use of electronic debit cards for the bank account, as all expenses should be paid for with checks. The use of electronic debit cards exposes the account to the risk of fraudulent activity. • Education Code Section 48933(b) requires all expenditures from activity funds be authorized by a student representative, an advisor, and a district representative (usually a principal or vice-principal) prior to disbursing the funds. As a best 	<p>Partially implemented. See Finding 2022-002.</p>

ENCORE EDUCATION CORPORATION

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2022

Original Finding No.	Finding	Code	Recommendation	Current Status
<p><i>Finding 2021-002: Student Services Account (continued)</i></p>	<p>representative until after the expense had been incurred.</p> <ul style="list-style-type: none"> ○ One disbursement was lacking supporting documentation, such as an invoice, bill, or receipt. ● Furthermore, we reviewed bank statements for the entire fiscal year and made the following observations: <ul style="list-style-type: none"> ○ The School wrote a total of 78 checks during the year for a total of \$46,561, but made 516 electronic debit transactions for a total of \$98,004. ○ The School paid a total of \$1,025 in bank card and other bank fees during the year. ○ It appears that multiple employees of the School have access to debit cards, as several separate card numbers were identified. ○ The School incurred numerous charges for items that appear to be personal in nature, such as gas stations, convenience stores, grocery stores, drug stores, and unspecified purchases from Amazon. Without conducting a more detailed forensic audit, we are unable to determine the nature and bona-fide business purpose of these expenses. ● We tested a sample of 10 cash receipts and found: <ul style="list-style-type: none"> ○ Six receipts did not have adequate supporting documentation from the point of collection to the point of deposit. Without supporting documentation, we cannot determine whether all cash collected was deposited in the bank. 		<p>practice, we recommend that expenditures be approved prior to incurring the cost. We recommend that the site adopt a procedure for compliance with the Education Code in obtaining the required approvals.</p> <ul style="list-style-type: none"> ● We recommend that the School document a physical receipt of the goods or services on the corresponding invoice, packing slip, or other documentation, such as writing “ok to pay” or “received” and initialing the document prior to issuing the check for payment. This ensures that payment is not being made for items received incorrectly or not received at all. ● It is important for student organizations to have adequate internal controls over their fundraising events, properly evaluate the effectiveness of those events, and account for a fundraiser’s financial activity. Revenue potentials are used as a budgeting and planning tool. The form serves as a sales plan that includes expected sales levels, sale prices per unit, expected cost, and net income. We recommend that revenue potentials be prepared for all major fundraising activities. ● We recommend that before any events are held, control procedures should be established that will allow for the reconciliation between money collected and fundraiser sales. ● Timely and accurate bank reconciliations are prudent and necessary to ensure that the accounting records match the amounts held on deposit. We recommend the bookkeeper perform monthly bank reconciliations within two weeks after the statement arrives. Furthermore, the Principal or Advisor should review the bank reconciliation and initial and date the bank statement and reconciliation as evidence they were reviewed. Review of the bank reconciliations by someone other than the bookkeeper is an important internal control to detect errors and possible questionable or suspicious activity. 	

ENCORE EDUCATION CORPORATION*Summary Schedule of Prior Audit Findings**For the Fiscal Year Ended June 30, 2022*

Original Finding No.	Finding	Code	Recommendation	Current Status
<i>Finding 2021-003: Cash Disbursement Controls</i>	<p><i>This is a repeat of Finding 2020-004</i></p> <p>The School should obtain approval through a purchase order prior to making any purchases. The School should ensure that expenditures are paid only with supporting documentation.</p> <p>During our review of the School's cash disbursements, all 25 expenses sampled did not receive approval prior to purchase.</p>	30000	We recommend that the School implement controls to ensure that all disbursements are approved by purchase order or contract before being incurred.	Not implemented. See Finding 2022-003.
<i>Finding 2021-004: Distance Learning/ Attendance</i>	<p>Pursuant to Education Code section 46504(e) all local education agencies, classroom based charters, and newly formed charter schools are required to maintain a weekly engagement record for each student documenting synchronous or asynchronous instruction, verifying daily participation, and tracking assignments.</p> <p>We noted in our samples that each one contained at least one class in the week of December 7, 2020-December 11, 2020 that did not have sufficient support for assignment tracking.</p>	10000	Not applicable, since distance learning was only required in the 2020-21 fiscal year.	Not Applicable.
<i>Finding 2021-005: Distance Learning/ Attendance</i>	<p>California Education Code Section 43504(f)(2) requires that the LEA have written procedures for tiered reengagement strategies for all pupils who are absent from distance learning for more than three schooldays or 60 percent of the instructional days in a school week</p> <p>Upon initial inquiry in April 2021, the School was unable to provide tiered reengagement strategies for the 2020-21 school year. We reviewed a sample of 25 students from Encore Jr. High and 25 students from Encore Sr. High. We noted two errors where a student was absent for more than</p>	10000	Not applicable since this was only a requirement during the 2020-21 fiscal year.	Not Applicable.

ENCORE EDUCATION CORPORATION

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2022

Original Finding No.	Finding	Code	Recommendation	Current Status
<i>Finding 2021-005: Distance Learning/ Attendance (continued)</i>	60% of the week. The errors resulted in the School being out of compliance for three days for Grade 8 and three days for Grade 12.			
<i>Finding 2021-006: Instructional Minutes</i>	<p>Pursuant to Education Code section 43501 and 43502(e)(2) all local education agencies, classroom-based charters, and newly formed charter schools are required to offer students the daily minimum instructional minutes for their grade level. For grades 4-12, Ed Code 46141 requires that students be enrolled in a minimum school day of 240 minutes.</p> <p>We noted in our sample of 50 students that some students were not enrolled for the minimum day the week of December 7, 2020-December 11, 2020.</p>	40000	We recommend the School ensure that students are offered the minimum number of daily and instructional minutes during the 2021-22 school year.	Implemented.

Coversheet

November 2022 Financial Report

Section:	III. Budget and Finance
Item:	B. November 2022 Financial Report
Purpose:	Vote
Submitted by:	
Related Material:	Encore - Financial Report November 2022.pdf



Encore High School for the Arts

DMS Monthly Update
Financial Report as of November 30, 2022



Encore High School Statement of Revenues & Expenditures As of November 30, 2022

Encore Budget vs Actuals	2022-23 1st Interim Budget	Actuals 11/30/2022	% of Budget
ADA			
Revenues			
LCFF State Revenue	9,557,422	2,030,916	21%
Federal Revenues	1,227,043	815,439	66%
Other State Revenues	2,822,485	664,857	24%
Local Revenue	64,645	24,645	38%
TTL Revenues	13,671,595	3,535,857	26%
Expenditures			
Certificated Salaries	2,900,183	923,026	32%
Classified Salaries	1,557,244	680,330	44%
Benefits	1,722,622	606,468	35%
Books & Supplies	371,000	125,942	34%
Services & Operations	3,809,116	1,725,184	45%
Capital Outlay	187,240	-	0%
Other Outgo	1,782,000	-	0%
Total Expenditures	12,329,405	4,060,949	33%
Operating Income/(Loss)	1,342,190	(525,092)	

**Encore High School
Balance Sheet
As of November 30, 2022**

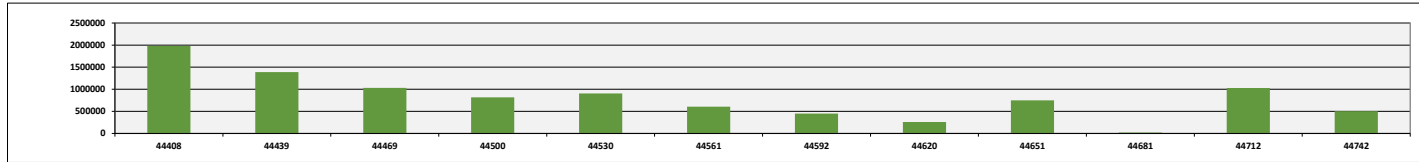
Balance Sheet	Description	As of November 30, 2022
ASSETS		
Cash & Equivalents		
	Cash in Bank	1,045,660
Total Cash & Equivalents		1,045,660
Current Assets		
	A/R	847,435
	Other Current Assets	40,202
Total Current Assets		887,636
Fixed Assets		
	Buildings	131,973
	Accum Depr-Buildings	(13,526)
	Equipment	2,153,961
	Accum Depr-Equipment	(1,542,783)
	WIP	5,000
	Lease Adj	1,212,102
Total Fixed Assets		1,946,727
Total ASSETS		\$3,880,023.82
LIABILITIES		
Current Liabilities		
	AP	625,334
	Due to Grantor Gov't	508,055
	Other Current Liabilities	-
Total Current Liabilities		1,133,389
Long Term Liabilities		
	L/T Debt	-
	LaFear Settle	-
Total Long Term Liabilities		-
TOTAL LIABILITIES		\$1,133,389
Calculated Fund Balance/Net Assets		
	Beginning Fund Balance	3,271,727
	Operating Income/Loss	(525,092)
Net Assets		2,746,634
Liabilities + Net Assets		\$3,880,024

Proof=Zero

0

**Encore Jr./Sr. High School for the Performing & Visual Arts
2022-23 Cash Flow
2022-23 Projected Monthly Cash Flow Statement**

Description	2022-23 Original Budget	July Actuals	August Actuals	September Actuals	October Actuals	November Actuals	December Budget	January Budget	February Budget	March Budget	April Budget	May Budget	June Budget	Accruals	Total For Year	Notes
BEGINNING CASH		414,330	1,651,459	1,010,993	355,621	412,100	1,045,661	1,810,940	1,801,840	1,296,074	1,524,910	1,539,039	1,366,210	1,178,890	414,330	
CASH INFLOWS																
REVENUES																
LCFF State Aid	4,949,590	-	275,168	275,168	495,303	495,303	495,302	495,302	495,302	384,548	384,548	384,548	384,548	384,547	4,949,590	
Education Protection Account	1,771,608	-	-	-	489,974	-	-	465,408	-	-	420,396	-	-	395,830	1,771,608	
Prior Year Adjustments	2,565,550	-	-	-	-	-	-	-	-	2,565,550	-	-	-	-	2,565,550	
In-Lieu-Of Property Taxes	224,236	-	-	-	-	-	19,052	19,052	19,052	19,052	33,912	16,956	16,956	80,205	224,236	
Federal Revenues	1,034,244	-	21,869	204,467	49,593	539,510	31,258	31,258	-	31,258	31,258	31,258	-	62,516	1,034,244	
Other State Revenues	2,791,616	-	12,246	-	187,110	465,501	426,766	54,500	54,500	85,248	172,106	422,499	426,766	484,375	2,791,616	
Other Local Revenues	40,000	300	10,879	6,556	6,910	-	-	-	-	-	-	-	-	15,355	40,000	
TTL CASH INFLOWS	13,376,844	300	320,162	486,191	1,228,890	1,500,314	972,378	1,065,520	568,854	3,085,656	1,042,220	855,261	828,270	1,422,828	13,376,844	
EXPENDITURES																
All Certificated Salaries	2,915,738	14,737	132,901	252,130	272,579	250,680	264,839	264,839	264,839	264,839	264,839	264,839	264,839	138,839	2,915,738	
All Classified Salaries	1,685,491	52,068	144,136	160,255	160,199	163,671	139,898	139,898	139,898	139,898	139,898	139,898	139,898	25,875	1,685,491	
All Benefits	1,732,482	31,943	109,936	159,206	159,861	145,522	159,044	159,044	159,044	159,044	159,044	159,044	159,044	12,706	1,732,482	
All Materials & Supplies	371,000	11,005	5,418	22,401	56,465	30,652	35,361	35,361	35,361	35,361	35,361	35,361	22,861	10,032	371,000	
All Services and Operations	3,809,117	249,619	428,102	282,717	367,856	396,889	332,175	332,175	332,175	332,175	285,645	285,645	285,645	-	3,910,817	
All Capital Outlay/Depreciation	187,240	-	-	-	-	-	-	-	-	-	-	-	-	187,240	187,240	
All Other Outgo	-	-	-	-	-	-	-	-	-	1,782,200	-	-	-	(1,782,200)	-	
TTL CASH OUTFLOWS	10,701,068	359,372	820,493	876,709	1,016,960	987,415	931,317	931,317	931,317	2,713,517	884,787	884,787	872,287	(1,407,508)	10,802,768	
NET REVENUES	2,675,776														2,574,076	
Accounts Receivable (net change)	2,940,722	2,060,110	17,606	(9,286)	4,771	-	867,521	-	-	-	-	-	-	-	-	
Accounts Payable (net change)	-	(463,909)	(78,128)	(175,954)	(16,920)	274,304	-	-	-	-	-	-	-	-	460,606	
Due to Grantor Gov't	-	-	(79,613)	(79,613)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	-	1,448,957	
Fixed Asset Acquisitions	-	-	-	-	-	(10,338)	-	-	-	-	-	-	-	-	10,338	
2022 Bond Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NET INFLOWS/OUTFLOWS	1,596,201	(140,135)	(264,853)	(155,452)	120,663	724,218	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	(143,303)	-	1,919,901	
ENDING CASH BALANCE		1,651,459	1,010,993	355,621	412,100	1,045,661	1,810,940	1,801,840	1,296,074	1,524,910	1,539,039	1,366,210	1,178,890			
Days Cash On Hand		57	35	12	14	36	63	63	45	53	53	47	41			



Coversheet

Principal's Report

Section:	IV. Staff Reports
Item:	B. Principal's Report
Purpose:	FYI
Submitted by:	
Related Material:	Principal's Report 2022-12-12.pdf

Encore High School for the Visual and Performing Arts

Board Of Directors

Principal's Report- December 2022

St. Claire Adriaan



Introduction

December 16, 2022 will mark the end of quarter 2/semester 1 at Encore. The first half of the year can be described as a successful transition in leadership, and while we have a long way to go, visible improvement in adult and student culture is visible, and Encore is creating an environment where both adults and students feel a strong sense of belonging and ownership.

Staffing

Open positions:

1. Spanish
2. Environmental Science

We have re-advertised both positions during the past week and are hoping that we will have strong applicants before the next semester begins.

Academics

Semester 1 ends on December 16, 2022. All students took 'Final Exams' during this week. Our grading period will end on December 16 and students will receive their semester 1 report card during the 2nd week of January 2022.

Principal for a Day

I am excited and very impressed with the quality of the applicants for the principal for a day position. The selected students will lead beside me for a day, enhance their leadership skills and knowledge of school leadership. I have decided to give all 5 the opportunity to lead beside me for a day between now and the end of the school year.

Senior	Date
Melanie Duarte	Tuesday, December 13, 2022
Rini Moon Morris	Tuesday, January 10, 2023
Toby Flowers	Tuesday, February 14, 2023
Victoria Lariz	Tuesday, March 14, 2023
Logan Abrego	Tuesday, April 11, 2023

Every student will complete another essay at the end of their "day" detailing their experience as principal for a day.

Parent Meetings

- ELPAC Meeting - November 15, 2022
- Coffee with the Principal- December 8, 2022
- Evening with the Principal: December 13, 2022

San Bernardino County Poetry Out Loud

Encore High School partnered with the San Bernardino County Superintendent of Schools Office and we will have Ms. Romaine Washington, SBCCS coordinator will visit Encore on Tuesday and meet with myself and Ms. Green.

Program Description

Poetry Out Loud inspires San Bernardino County high school students to have the confidence to make themselves heard, using the most powerful tools at their disposal—their voice and their creative expression!

Poetry in education has experienced a Renaissance in Poetry Out Loud. Through Poetry Out Loud, students have the opportunity to interact with the words of classic poetry masters through recitation, building a relationship with the works and creating a sense of shared ownership. Student poets brand classical poems with their own style, technique of volume, pitch, pace, and personal point of view.

The California state champion receives:

- \$200 cash prize and an all-expense-paid trip to Washington, D.C.
- \$500 for their school to purchase literary materials
- An opportunity to compete at the National Finals for college scholarship funds

Community Events

It is extremely important for Encore to be community relevant and this requires being visible and serving our local community. During the holiday season our students have participated in:

- Hesperia Tree Lighting
- Victorville Tree Lighting
- Barnes and Nobles Book Fair
- Holly Jolly Holiday Craft Fair

Assemblies

We are having monthly assemblies where I meet with grade levels in the theater. I am able to celebrate student achievements, address school wide concerns and students also have the opportunity to perform in front of their peers. Teaching staff and counselors also make use of the opportunity to address the student body and share concerns, information and celebrate student achievement.

Conclusion

We are looking forward to ending the year strong. In January we will be taking our 2nd NWEA - MAP Benchmark. We will also start focusing on academic resilience, stamina and test taking strategies as we start preparing our pirates for the 2023 State Testing. I would also like to take this opportunity to wish the entire Encore ecosystem a delightful Holiday Season and a prosperous 2023.

Coversheet

Staff Liaison Report

Section:	IV. Staff Reports
Item:	C. Staff Liaison Report
Purpose:	FYI
Submitted by:	
Related Material:	Staff Liaison Report.pdf



MEMORANDUM

DATE: 12/12/2022
TO: Board of Directors
FROM: Sandi Del Sole
SUBJECT: Staff Liaison Report

Everyone on campus is busy working towards the end of the first semester and looking forward to the new year and a fresh start with the new year. I do not have much to report with the exception of several of the middle school teachers requesting that we start a conversation about looking into the possibility of moving our curriculum away from Engenuity and into a textbook guided curriculum based on the California State Standards. This information was presented to Dr. Bow and St. Clair Adriaan and they offered the idea of starting a committee to discuss the best way to proceed on this matter for our staff and students. The staff members involved in the request were open and excited at the prospect of this idea.

Thank you,

Sandi Del Sole

Coversheet

2022-2023 Revised Bell Schedule

Section: V. Curriculum and Instruction
Item: B. 2022-2023 Revised Bell Schedule
Purpose: Vote
Submitted by:
Related Material: 2022-23 Second Semester Bell Schedule.pdf

Monday - Thursday				Last Day of School Periods 1-8			
Periods	Time		Minutes	Periods	Time		Minutes
Breakfast	8:00 AM	8:25 AM	25	Breakfast	8:00 AM	8:25 AM	25
Passing	8:25 AM	8:30 AM	5	Passing	8:25 AM	8:30 AM	5
Period 1/5	8:30 AM	9:55 AM	85	Period 1	8:30 AM	9:04 AM	34
Passing	9:55 AM	9:59 AM	4	Passing	9:04 AM	9:08 AM	4
Period 2/6	9:59 AM	11:24 AM	84	Period 2	9:08 AM	9:39 AM	31
Passing	11:24 AM	11:28 AM	4	Passing	9:39 AM	9:43 AM	4
Jr. High Lunch/HS Study Hall	11:28 AM	12:03 PM	35	Period 3	9:43 AM	10:14 AM	31
Passing Period	12:03 PM	12:07 PM	4	Passing	10:14 AM	10:18 AM	4
H.S. Lunch/Jr. High Study Ha	12:07 PM	12:42 PM	35	Period 4	10:18 AM	10:49 AM	31
Passing	12:42 PM	12:46 PM	4	Passing	10:49 AM	10:53 AM	4
Period 3/7	12:46 PM	2:10 PM	84	Period 5	10:53 AM	11:24 AM	31
Passing	2:10 PM	2:14 PM	4	COMBINED LUNCH	11:24 AM	12:04 PM	40
Period 4/8	2:14 PM	3:38 PM	84	Passing	12:04 PM	12:08 PM	4
Total Instructional Minutes			372	Period 6	12:08 PM	12:39 PM	31
				Passing	12:39 PM	12:42 PM	4
30 Min Lunch - Minimum Day Friday				Period 7	12:42 PM	1:13 PM	31
Periods	Time		Minutes	Passing	1:13 PM	1:17 PM	4
Breakfast	8:00 AM	8:25 AM	25	Period 8	1:17 PM	1:50 PM	33
Passing	8:25 AM	8:30 AM	5	Total Instructional Minutes			253
Period 1/5	8:30 AM	9:45 AM	75				
Passing	9:45 AM	9:49 AM	4	August - December			
Period 2/6	9:49 AM	11:03 AM	74	Type of Day	Qty	Mins per day	Total
Passing	11:03 AM	11:07 AM	4	Regular Day	73	373	27,229
Jr. High Lunch/H.S. Study Ha	11:07 AM	11:37 AM	30	Minimum Day	13	305	3,965
Passing	11:37 AM	11:41 AM	4	Total Instructional Minutes			31,194
H.S. Lunch/Jr. High Study Ha	11:41 AM	12:01 PM	30				
Passing	12:01 PM	12:05 PM	4	January - May			
Period 3/7	12:05 PM	1:19 PM	74	Type of Day	Qty	Mins per day	Total
Passing	1:19 PM	1:23 PM	4	Regular Day	79	372	29,388
Period 4/8	1:23 PM	2:37 PM	74	Combine Rally Lunch Min. Day	8	327	2,616
Total Instructional Minutes			327	Jr. high/H.S. Lunch Min. Day	6	305	1,830
				Last Day	1	253	253
50 Min Lunch - Minimum Day Friday				Total Instructional Minutes			34,087
Periods	Time		Minutes				
Breakfast	8:00 AM	8:25 AM	25	Grade Level	Required Mins	School Total	
Passing	8:25 AM	8:30 AM	5	High School	64,800	65,281	
Period 1/5	8:30 AM	9:50 AM	80	Jr. High School	54,000	65,281	
Passing	9:50 AM	9:54 AM	4				
Period 2/6	9:54 AM	11:09 AM	75				
Combined Lunch	11:09 AM	11:59 AM	50				
Passing	11:59 AM	12:04 PM	4				
Period 3/7	12:04 PM	1:19 PM	75				
Passing	1:19 PM	1:22 PM	4				
Period 4/8	1:22 AM	2:37 PM	75				
Total Instructional Minutes			305				

Coversheet

Conflict of Interest Code

Section:	VI. Operations
Item:	A. Conflict of Interest Code
Purpose:	Vote
Submitted by:	
Related Material:	Conflict of Interest Code draft 2022-12-12.docx

ENCORE EDUCATION CORPORATION

CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Exhibits, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the Encore Education Corporation.

Individuals holding designated positions shall file their statements of economic interests with the Encore Education Corporation, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). All statements will be retained by the Encore Education Corporation.

DRAFT

EXHIBIT A

Designated Positions

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Members of the Board of Directors	1, 2, 3
Executive Director/CEO	1, 2, 3
Principal	1, 2, 3
Director of Operations and Finance	1, 2, 3
Consultants/New Positions *	

*Consultants/New Positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The Executive Director/CEO may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director/CEO’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code (Government Code § 81008).

EXHIBIT B

Disclosure Categories

Category 1

Designated positions assigned to this category must report:

- a. Interests in real property located in whole or in part within two (2) miles of any facility utilized by the Encore Education Corporation's charter school, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property.
- b. Investments and business positions in business entities, or sources of income (including receipt of gifts, loans, and travel payments) that engage in the purchase or sale of real property or are engaged in building construction or design.

Category 2

Designated positions assigned to this category must report:

Investments and business positions in business entities or sources of income (including receipt of gifts, loans, and travel payments) from sources that are contractors engaged in the performance of work or services, or sources that manufacture or sell supplies, instructional materials, machinery or equipment of the type to be utilized by the Encore Education Corporation.

Category 3

Designated positions assigned to this category must report:

Investments and business positions in business entities or sources of income (including receipt of gifts, loans, and travel payments) from sources that are contractors engaged in the performance of work or services, or sources that manufacture or sell supplies, instructional materials, machinery or equipment of the type to be utilized by the designated position's department.