

**Innovations Academy Board Agenda: 9/23/23 Retreat @ 10:00 am**

**Meeting location(s)**

Innovations Academy 5454 Ruffin Rd San Diego, CA 92123	Public call in number 425-436-6381* Access code 1637013
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\*Members of the public need not state their names when entering the conference call. Call-in number is provided as a convenience to the public.

**Board Attendance**

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**Others in Attendance**

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**Agenda**

Topic	Minutes
➤ Call to order / roll call	Time / Date Board in Attendance: 1. Other Present: 1.
➤ Approval of current agenda	<b>Vote to approve current agenda -</b> 1st motion - 2nd motion- <b>Vote:</b> Approved by:
➤ Approval of prior month meeting minutes <ul style="list-style-type: none"> <li>○ Board Minutes 8/16/23</li> <li>○ Board Minutes 9/8/23</li> </ul>	<b>Vote to approve past minutes -</b> 1st motion- 2nd motion- <b>Vote:</b> Approved by: 1.
➤ Public comments (3 mins per person)	
Establish Board Calendar Previously, the board had set the following dates: Saturday, September 23, 2023 (retreat) 10 am Tuesday, December 12, 2023 6 p.m. March 12, 2023 6 p.m. May 28, 2023 6 p.m. June 18, 2023 6 p.m.	<b>Vote to approve meeting dates</b> 1st motion- 2nd motion- <b>Vote:</b> Approved by

<p>There are conflicts with submission to the district that were not previously known. New suggested dates are: see the district's "Important Deadlines" chart in board packet</p>	
<p>Action Item: Bylaws Review The board will review the bylaws, specifically to discuss the number of board positions, the term length, discuss date set for board retreat each year and review the bylaws for today's discussion and decision making. The board will vote on any changes made. see current bylaws in board packet</p>	<p>Vote to approve changes to bylaws</p>
<p>Action Item Board Positions: The board will discuss and vote on board positions for the coming year. see bylaws in board packet</p>	<p>Vote on board positions</p>
<p>Action Item Board Terms and Recruitment The board will review the lengths of the terms of each member to see if the dates are accurate, discuss any expansion of the board, recruitment of board members etc. See two board terms sheets in board packet</p>	<p>Vote on board terms</p>
<p>Discussion Item Board Training: Online Brown Act Training Info Decision on due date for training completion See CSDC training OR email from Procopio Law Firm Complimentary Brown Act Training</p>	<p>Discussion on due date for Brown Act Training and collection of certificates</p>
<p>Discussion Item Board Goals The board will set goals for itself for this school year.</p>	<p><u>Board Goals Discussion</u></p>
<p>Action Item, Review and select auditor proposals for 23-24</p>	<p><u>Auditor Selection</u></p>

and additional years.	
Discussion Item Director Evaluation The board will discuss the director evaluation	Discussion about director evaluation
Director Contract The board will review the sample director's contract and edit or sign	Review director contract
District Site Visit Report Review The board will review last year's site visit report and draft any follow up notes as needed.	Discussion:
Discussion Item (Danielle) Organizational effectiveness with Case	Discussion Notes
➤ Next board meeting	
○ Confirm date of next meeting	
○ Identify agenda items for next meeting	➤
Meeting adjourned	

The foregoing minutes were approved by the Board of Directors of Innovations Academy on \_\_\_\_\_.

\_\_\_\_\_  
Secretary

Please contact Innovations Academy Board @ [Board@InnovationsAcademy.org](mailto:Board@InnovationsAcademy.org) if you require special assistance or a listening device to attend the Board Meeting. Requests must be made 48 hours in advance.

1. TELECONFERENCE MEETINGS. Members of the Board of Directors may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:
  - At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the boundaries of the State of California;
  - All votes taken during a teleconference meeting shall be by roll call;
  - If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
  - All locations where a member of the Board of Directors constituting the quorum participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;
  - Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and
  - The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.
  - The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

## Innovations Academy Board Agenda: August 16, 2023 @ 6:00 pm

### *Meeting location(s)*

Innovations Academy 5454 Ruffin Road San Diego, CA 92123	636 Hillsborough St, Oakland, CA 94606	Public call in number 641- 715-0861* Access code 151642

\*Members of the public need not state their names when entering the conference call. Call-in number is provided as a convenience to the public.

### *Board Attendance*

Stephen Rosen	Faraz Sharafi	Danielle Strachman				
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### *Others in Attendance*

Julia Stoer, teacher	Christine Kuglen, Director					
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### *Agenda*

Topic	Minutes
<ul style="list-style-type: none"> <li>Call to order / roll call</li> </ul>	Time / Date 6:09 p.m. Board in Attendance: Roll Call Stephen Faraz Danielle
<ul style="list-style-type: none"> <li>Approval of current agenda</li> </ul>	<p><b>Changes to the agenda:</b>                      -remove budget segment as it will be covered in September</p> <p><b>-Motion to approve current agenda -with change to budget update</b>                      1st motion - Faraz                      2nd motion- Stephen</p> <p><b>Toll Call Vote:</b>                      In Favor: Stephen, Faraz, Danielle                      No: 0                      Abstain: 0</p>
<ul style="list-style-type: none"> <li>Approval of prior month meeting minutes See Board Minutes for 6/27/23</li> </ul>	<p><b>Motion to approve meeting minutes from June 27, 2023 -</b>                      1st motion- Danielle                      2nd motion- Faraz</p>

	<p><b>Roll Call Vote:</b> S, D, F  Approved  In favor: Stephen, Danielle, Faraz  No 0  Abstain 0</p>
<ul style="list-style-type: none"> <li>Public comments (3 mins per person)</li> </ul>	<p>moved to the end of the agenda due to call in number issues  Stephen notes that we set up a ZOOM access immediately before the meeting due to the issue with the public call in number</p> <p>➤</p>
<p>Financial Items (Josh)</p> <ul style="list-style-type: none"> <li>Budget Update</li> <li>ERC Update (Stephen)  Update on The Employee Retention Credit which was submitted by Stephen Rosen (Board Treasurer) on behalf of Innovations Academy. He will share the process and amount expected</li> </ul>	<p><b>Discussion:</b>  Budget- removed above  ERC stands for Employee Retention Credit. You have to qualify and you get a tax credit which comes in the form of checks from govt. Started by Wendy and Christine and Stephen picked it up and finished it. We went with ERC Pros. Based on docs we should get</p> <p>2020 Q2 \$115,090  2020 Q3 \$76711  2020 q4 \$113,794  2021 Q1 \$314,044</p> <p>credit which come as a check in the next 6-7 mos  \$619,639</p> <p>We will pay 15% fee since they did the work to compile and submit the forms for the refund. which comes to \$92,940</p> <p>Faraz asked, Why does this end? Stephen responded that for 2020 one set of rules and 2021 other set. Public school districts qualified for 2021 The funds were only for 2020 and 2021.</p>
<p>➤ Director Action items:</p> <ul style="list-style-type: none"> <li>Employee Handbook for approval</li> <li>Family Handbook for approval</li> </ul>	<p>Employee handbook  Stephen motions to approve employee handbook for 23-24 school year  In Favor: Stephen, Faraz, Danielle  No: 0 Abstain 0  Motion to approve Family Hnndbook: made by Faraz  2nd Danielle</p>





Public Comments	<p>Naomi, a parent, introduced herself. She liked the ideas of the security cameras. She thinks it could be a good idea for parent road rage and other possible incidents</p> <p>She also wanted to make sure that PC meetings don't conflict with board meetings.</p> <p>Julia will check out how to use ZOOM in the future for board meetings.</p>
➤ Next board meeting	
<ul style="list-style-type: none"> <li>○ Confirm date of 9/23/23</li> </ul>	
<ul style="list-style-type: none"> <li>○ Identify agenda items for next meeting</li> </ul>	<p>Director Review,  Nominees from parents and possible selection  Brown Act Training  CASE  Board Officer Selection  Auditor Selection</p>
Meeting adjourned	7:04 p.m.

The foregoing minutes were approved by the Board of Directors of Innovations Academy on \_\_\_\_\_.

\_\_\_\_\_  
Secretary

Please contact Innovations Academy Board @ [Board@InnovationsAcademy.org](mailto:Board@InnovationsAcademy.org) if you require special assistance or a listening device to attend the Board Meeting. Requests must be made 48 hours in advance.

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- All votes taken during a teleconference meeting shall be by roll call;
- If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- All locations where a member of the Board of Directors constituting the quorum participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;
- Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and
- The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.
- The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

## Innovations Academy Board Minutes: 9/8/23 @ 12:00 pm

### *Meeting location(s)*

Innovations Academy 5454 Ruffin Rd San Diego, CA 92123	636 Hillsborough St, Oakland, CA 94606	Public call in number 425-436-6381* Access code 1637013
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\*Members of the public need not state their names when entering the conference call. Call-in number is provided as a convenience to the public.

### *Board Attendance*

Stephen Rosen	Danielle Strachman	Julia Stoer				
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### *Others in Attendance*

Christine Kuglen (director)	Josh Eng (business manager)					
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### *Agenda*

Topic	Minutes
➤ Call to order / roll call	Time / Date 12:15 9/8/23 Board in Attendance:(roll call) 1. Stephen Rosen 2. Danielle Strachman 3. Julia Stoer Absent: 1. Faraz Sharafi
➤ Approval of current agenda	<b>Vote to approve current agenda - Stephen mentioned that the wrong month is on the agenda as a date. Change 6/8/23 to 9/8/23.</b> 1st motion to approve the current agenda with the correct date edit - Stephen Rosen 2nd motion- Danielle Strachman <b>Roll Call Vote:</b> Aye: Stephen, Danielle, Julia No: 0 Abstain: 0
➤ Public comments (3 mins per person)	No public comments
➤ Finance Action item: ○ Unaudited Actuals Approval	<u>Action Item -</u> <b>Discussion:</b> Josh Eng explains the process in which these unaudited actuals go to district and then county. Highlights P4- Top, Net Increase/Decrease is high level of where school finished

	<p>743559.25 what we ended the year with. We ended as positive balance. This is due to covid funds, one time funds that were unexpected and so we ended with more than budgeted 3348321.41 is the fund balance we came in with. This number is added to fund balance which increases our numbers to \$4,091,880.66</p> <p>In the Assets section reflection of fund balance in cash and then the other at the bottom, Liabilities and Total Liabilities, as of 6/30 there are liabilities a little over 1 million</p> <ul style="list-style-type: none"> <li>➤ <b>Roll Call Vote:</b></li> <li>➤ 1st motion - to approve the 22-23 Innovations Academy unaudited actuals made by Stephen</li> <li>➤ 2nd motion - Danielle</li> </ul> <p><b>Roll Call Vote</b>  <b>Aye: Stephen, Danielle, Julia</b>  <b>No: 0</b>  <b>Abstain: 0</b></p>
➤ Next board meeting	
○ Confirm date of next meeting	9/23/23 Board Retreat
○ Identify agenda items for next meeting	Retreat items previously discussed at meetings
Meeting adjourned	Stephen adjourned the meeting at 12:23

Innovations Academy Board Calendar 2023-24

(subject to change)

Wednesday, August 16, 2023 at 6:00 p.m.

Friday, September 8, 2023 12 noon

Saturday, September 23, 2023 (board retreat) 10 am

Tuesday, December 12, 2023 6 p.m.

March 12, 2023 6 p.m.

May 28, 2023 6 p.m.

June 18, 2023 6 p.m.

**BYLAWS  
OF  
INNOVATIONS ACADEMY**

(A California Nonprofit Public Benefit Corporation)

**ARTICLE I  
NAME**

Section 1. **NAME.** The name of this corporation is Innovations Academy (referred to herein as “Charter School”).

**ARTICLE II  
PRINCIPAL OFFICE OF THE CHARTER SCHOOL**

Section 1. **PRINCIPAL OFFICE OF THE CHARTER SCHOOL.** The principal office for the transaction of the activities and affairs of the Charter School is located in San Diego County, California. The Board of Directors of Innovations Academy (referred to herein as “Board”) may change the location of the principal office. Any such change of location must be noted by the Secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 2. **OTHER OFFICES OF THE CHARTER SCHOOL.** The Board may at any time establish branch or subordinate offices at any place or places where the Charter School is qualified to conduct its activities.

**ARTICLE III  
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS**

Section 1. **GENERAL AND SPECIFIC PURPOSES.** The purpose of the Charter School is to manage, operate, guide, direct and promote the Charter School, a California public charter school in the San Diego Unified School District. Also in the context of these purposes, the Charter School shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Charter School.

The Charter School shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or (b) a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Charter School shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Charter School shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

**ARTICLE IV  
CONSTRUCTION AND DEFINITIONS**

Section 1. CONSTRUCTION AND DEFINITIONS. Unless the context indicates otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**ARTICLE V  
DEDICATION OF ASSETS**

Section 1. DEDICATION OF ASSETS. The Charter School’s assets are irrevocably dedicated to public benefit purposes as set forth in the Charter School’s Charter. No part of the net earnings, properties, or assets of the Charter School, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Board Member or officer of the Charter School. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Charter School shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

**ARTICLE VI  
CORPORATIONS WITHOUT MEMBERS**

Section 1. CORPORATIONS WIHOUT MEMBERS The Charter School shall have no voting members within the meaning of the Nonprofit Corporation Law. The Charter School’s Board may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

**ARTICLE VII  
BOARD OF DIRECTORS**

Section 1. GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the Charter School’s activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the Charter School’s activities to any person(s), management company or Board Committees, however composed, provided that the activities and affairs of the Charter School shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. SPECIFIC POWERS Without prejudice to the general powers set forth in Section 1 of these bylaws, but subject to the same limitations, the Board shall have the power to:

- a. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service; subject to the terms of any employment contracts and authority previously delegated to the Director of the Charter School (referred to herein as “Director”).
- b. Change the principal office or the principal business office in California from one location to another; cause the Charter School to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in California for holding any meeting of members.
- c. Borrow money and incur indebtedness on the Charter School’s behalf and cause to be executed and delivered for the Charter School’s purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

**Section 3. DESIGNATED BOARD MEMBERS AND TERMS** The number of Board Members shall be no less than three (3) and no more than seventeen (17), unless changed by amendments to these bylaws. The number of Board Members shall be established by resolution. All Board Members shall be designated by the existing Board. All Board Members whose terms are expiring are to be designated at the Charter School’s annual meeting of the Board. The Board shall consist of at least three (3) Board Members unless changed by amendment to these bylaws. Terms of the Board Members shall be staggered so that one-third (or as near to one-third as practicable) shall be elected at each annual meeting.

**Section 4. RESTRICTION ON INTERESTED PERSONS AS BOARD MEMBERS; QUALIFICATIONS** No more than 49 percent of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Charter School for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Board Member as Board Member; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Charter School. The Board may adopt other policies circumscribing potential conflicts of interest.

One Board Member shall be a parent of a student who is currently enrolled in the Charter School designated by the Board from among those nominated by a parent organization or by the nominating committee appointed pursuant to Section 6.

One Board Member shall be a teacher currently employed at the Charter School and designated by the Board from among those nominated by the teachers or by the nominating committee appointed pursuant to Section 6.

The remaining Board Members shall be persons who support the mission of the Charter School and who have expertise in business, education, finance, law, public relations or marketing, government, or represent the community; provided that such persons shall not also be parents of children enrolled at the Charter School at the time of their initial election to the Board. These Board Members shall be elected from among those nominated by the nominating committee appointed pursuant to Section 6, and those nominated by the Chief Educational Officer. Notwithstanding the foregoing, if no more than one candidate is nominated for any position on the Board, the Board may also consider nominations from any other source.

**Section 5. BOARD MEMBERS' TERM** Each Board Member shall hold office for three (3) years and until a successor Board Member has been designated and qualified.

**Section 6. NOMINATIONS BY COMMITTEE** The Chairman of the Board or, if none, the Vice-Chairman will appoint a committee to designate qualified candidates for election to the Board at least thirty (30) days before the date of the annual meeting at which the election of Board Members is to occur. The nominating committee shall make its report at least seven (7) days before the date of the election or at such other time as the Board may set and the Secretary shall forward to each Board Member, with the notice of meeting required by these bylaws, a list of all candidates nominated for each Board Member position.

**Section 7. USE OF CORPORATE FUNDS TO SUPPORT NOMINEE** If more people have been nominated for Board Member than can be elected, no corporation funds may be expended to support a nominee without the Board's authorization.

**Section 8. EVENTS CAUSING VACANCIES ON BOARD** A vacancy or vacancies on the Board shall occur in the event of (a) the death, resignation, or removal of any Board Member; (b) the declaration by resolution of the Board of a vacancy in the office of a Board Member who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article, 3; (c) the increase of the authorized number of Board Members; or (d) the failure of the members, at any meeting of members at which any Board Member or Board Members are to be elected, to elect the number of Board Members required to be elected at such meeting; (e) for the parent- Board Member, whenever the Board Member no longer has a child enrolled at the Charter School; and (f) for the teacher- Board Member, upon termination of employment with the Charter School; (g) for any other Board Member, upon taking an office or employment which is inconsistent with, or incompatible with continued service to the Charter School, as determined by the Board.

**Section 9. RESIGNATION OF BOARD MEMBERS** Except as provided below, any Board Member may resign by giving written notice to the Chairman of the Board, if any, or to the Director, or the Secretary, or to the Board. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a

Board Member's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 10. BOARD MEMBER MAY NOT RESIGN IF NO BOARD MEMBER REMAINS. Except on notice to the California Attorney General, no Board Member may resign if the Charter School would be left without a duly elected Board Member or Board Members.

Section 11. REMOVAL OF BOARD MEMBERS Any Board Member may be removed, with or without cause, by the vote of the majority of the members of the entire Board at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Ralph M. Brown Act. (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code). Any vacancy caused by the removal of a Board Member shall be filled as provided in Section 12.

Section 12. VACANCIES FILLED BY BOARD. Vacancies on the Board may be filled by approval of the Board or, if the number of Board Members then in office is less than a quorum, by (a) the unanimous consent of the Board Members then in office, (b) the affirmative vote of a majority of the Board Members then in office at a meeting held according to notice or waivers of notice complying with Corporations Code Section 5211, or (c) a sole remaining Board Member. In the event of a vacancy, the Chairman of the Board shall notify the persons or organizations entitled to make nominations pursuant to Section 4 of their right to propose nominees for that vacancy and the date on which the Board will consider filling the vacancy. Notwithstanding Section 6, the Board may consider filling a vacancy at any meeting of the Board which is called in accordance with the Brown Act which occurs at least 7 days after notice is given by the Chairman to the persons or organizations entitled to make nominations.

Section 13. NO VACANCY ON REDUCTION OF NUMBER OF BOARD MEMBERS. Any reduction of the authorized number of Board Members shall not result in any Board Members being removed before his or her term of office expires.

Section 14. PLACE OF BOARD MEETINGS. Meetings shall be held at the principal office of the Charter School. The Board may designate that a meeting be held at any place within the San Diego Unified School District that has been designated by resolution of the Board or in the notice of the meeting. All meetings of the Board shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, et seq., as said chapter may be modified by subsequent legislation.

Section 15. MEETINGS; ANNUAL MEETINGS All meetings of the Board and its Board Committees created pursuant to Section 23 shall be called, noticed, and held in compliance with the provisions of the Ralph M. Brown Act ("Brown Act"). (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code).

The Board shall meet annually on the first Monday in October, or as soon thereafter as practicable, for the purpose of electing Board Members, organization, appointment of officers, and the transaction of such other business

ss as may properly be brought before the meeting. This meeting shall be held at a time, date, and place as may be specified and noticed by resolution of the Board.

Section 16. **REGULAR MEETINGS** Regular meetings of the Board, including annual meetings, shall be held at such times and places as may from time to time be fixed by the Board. At least 72 hours before a regular meeting, the Board, or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

Section 17. **SPECIAL MEETINGS** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if there is such an officer, or a majority of the Board. The party calling a special meeting shall determine the place, date, and time thereof.

Section 18. **NOTICE OF SPECIAL MEETINGS** In accordance with the Brown Act, special meetings of the Board may be held only after twenty-four (24) hours notice is given to each Board Member and to the public through the posting of an agenda. Pursuant to the Brown Act, the Board shall adhere to the following notice requirements for special meetings:

- a. Any such notice shall be addressed or delivered to each Board Member at the Board Member's address as it is shown on the records of the Charter School, or as may have been given to the Charter School by the Board Member for purposes of notice, or, if an address is not shown on the Charter School's records or is not readily ascertainable, at the place at which the meetings of the Board are regularly held.
- b. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.
- c. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the Charter School, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 19. **QUORUM** A majority of the number of Board Members currently in office shall constitute a quorum. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be a

decision of the Board. Should there be fewer than a majority of the Board Members present at any meeting, the meeting shall be adjourned. Voting Board Members may not vote by proxy.

Section 20. TELECONFERENCE MEETINGS. Board Members may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- a. At a minimum, a quorum of the Board Members shall participate in the teleconference meeting from locations within the boundaries of the State of California;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Board elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- d. All locations where a Board Member constituting the quorum participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;<sup>1</sup>
- e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board directly at each teleconference location; and
- f. The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.<sup>2</sup>

Section 21. ADJOURNMENT A majority of the Board Members present, whether or not a quorum is present, may adjourn any Board meeting to another time or place and shall cause a notice of adjournment to be posted within 24 hours. If a meeting is adjourned for more than five days, notice of such adjournment to another time or place shall be given, prior to the time schedule for the continuation of the meeting, to the Board Members who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

Section 22. COMPENSATION AND REIMBURSEMENT Board Members may receive such compensation, if any, for their services as Board Members or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to the Charter School at the time that the resolution is adopted.

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<sup>1</sup> This means that Board Members who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any members of the public who wish to attend the meeting at that location.

<sup>2</sup> The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

Section 23. CREATION AND POWERS OF BOARD COMMITTEES The Board, by resolution adopted by a majority of the Board Members then in office, may create one or more Board Committees, each consisting of two or more voting Board Members and no one who is not a Board Member, to serve at the pleasure of the Board. Appointments to Board Committees of the Board shall be recommended by the Chairman and approved by majority vote of the Board Members then in office. The Board may appoint one or more Board Members as alternate members of any such Board Committee, who may replace any absent member at any meeting. Any such Board Committee may have all the authority of the Board, if so provided in the Board' resolution, except that no Board Committee may:

- a. Fill vacancies on the Board or any Board Committee of the Board;
- b. Fix compensation of the Board Members for serving on the Board or on any Board Committee;
- c. Amend or repeal bylaws or adopt new bylaws;
- d. Amend or repeal any resolution of the Board that by its express terms is not so amendable or subject to repeal;
- e. Create any other Board Committees of the Board or appoint the members of Board Committees of the Board;
- f. Expend corporate funds to support a nominee for Board Member if more people have been nominated for Board Member than can be elected; or
- g. Approve any contract or transaction to which the Charter School is a party and in which one or more of its Board Members has a material financial interest.

Other committees, not having the authority of the Board and not limited in composition to Board Members, but serving in an advisory capacity either to the Board or to the Director, may be established from time to time by the Board or the Director. Such committees, if created by formal action of the Board, will comply with the Brown Act.

Section 24. MEETINGS AND ACTION OF BOARD COMMITTEES Meetings and actions of Board Committees of the Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board' actions, and the Brown Act, if applicable, except that the time for general meetings of such Board Committees and the calling of special meetings of such Board Committees may be set either by Board' resolution or, if none, by resolution of the Board Committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any Board Committee as long as the rules are consistent with these bylaws. If the Board has not adopted rules, the Board Committee may do so.

Section 25. NON-LIABILITY OF BOARD MEMBERS No Board Member shall be personally liable for the debts, liabilities, or other obligations of the Charter School.

Section 26. **COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS** The Charter School and the Board shall comply with an applicable provisions of the Family Education Rights Privacy Act (“FERPA”) as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

## **ARTICLE VIII OFFICERS OF THE CHARTER SCHOOL**

Section 1. **OFFICES HELD.** The officers of the Charter School shall be a Chairman of the Board, a Director of the Charter School, a Secretary, and a Chief Financial Officer who shall be referred to as “Treasurer.” The Board shall elect a Chairman of the Board, and may appoint a Vice Chairman, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Article VIII, Section 4, of these bylaws. The officers shall have the corporate duties set forth in this Article VIII, and, if employees of the Charter School, shall also have administrative duties as set forth in any applicable contract for employment or job specification.

Section 2. **DUPLICATION OF OFFICE HOLDERS** Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the Director or Chairman or Vice-Chairman of the Board.

Section 3. **ELECTION OF OFFICERS** The officers of the Charter School shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 4. **APPOINTMENT OF OTHER OFFICERS** The Board may appoint, or authorize the Chairman of the Board to appoint any other officers that the Charter School may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the Board.

Section 5. **REMOVAL OF OFFICERS** Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

Section 6. **RESIGNATION OF OFFICERS** Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Charter School under any contract to which the officer is a party.

Section 7. **VACANCIES IN OFFICE** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointment to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 8. **CHAIRMAN OF THE BOARD** The Chairman of the Board shall preside at the Board' meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no Director, and no interim Director has been appointed, the Chairman of the Board shall also be the Director and shall have the powers and duties of the Charter School set forth in these bylaws. There may also be a Vice-Chairman of the Board. In the absence of the Chairman, the Vice-Chairman shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time.

Section 9. **DIRECTOR OF THE CHARTER SCHOOL** Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, and subject to the control of the Board, and subject to the Director's contract of employment, the Director shall be the general manager of the Charter School and shall supervise, direct, and control the Charter School's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. The Director shall have such other powers and duties as the Board or the bylaws may require.

Section 10. **SECRETARY** The Secretary shall keep or cause to be kept, at the Charter School's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of Board Committees. The Secretary may be, but is not required to be a Board Member. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the Board Members present at Board and Board Committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and Board Committees that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may require. The Board may appoint one or more deputy secretaries to assist the Secretary.

Section 11. **TREASURER** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Charter School's properties and transactions. The Treasurer may be, but is not required to be a Board member. The Treasurer shall send or cause to be given to Board Members such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of account shall be open to inspection by any Board Member at all reasonable times.

The Treasurer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Charter School with such depositories as the Board may designate; (b) disburse the Charter School's funds as the Board may order, (c) render to the Director, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Charter School; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the bylaws may require.

If required by the Board, the Treasurer shall give the Charter School a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Charter School of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement, or removal from office. The Board may appoint one or more deputy treasurers to assist the Treasurer.

## **ARTICLE IX CONTRACTS WITH BOARD MEMBERS**

Section 1. **CONTRACTS WITH BOARD MEMBERS** The Charter School shall not enter into a contract or transaction in which a Board Member directly or indirectly has a material financial interest (nor any other corporation, firm, association, or other entity in which one or more of the Charter School's Board Members are Board Members have a material financial interest) unless all of the following apply:

- a. The Board Member with a material financial interest in the proposed contract or transaction fully discloses his/her financial interest in such contract or transaction in good faith and said disclosure is noted in the Board meeting minutes.
- b. The Board Member with a material financial interest in the proposed contract or transaction recuses himself/herself from any participation whatsoever in the proposed contract or transaction (i.e., the interested Board Member who recuses himself/herself shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken).
- c. Such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose.
- d. Before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the Charter School could not obtain a more advantageous arrangement with reasonable effort under the circumstances.
- e. The Charter School for its own benefit enters into the transaction, which is fair and reasonable to the Charter School at the time the transaction was entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of the Charter School if it (a) is approved or authorized by the Charter School in good faith and without unjustified favoritism and (b) results in a benefit to one or more Board Members or their families because they are in the class of persons intended to be benefited by the educational or charitable program of the Charter School.

**ARTICLE X**  
**CONTRACTS WITH NON-BOARD MEMBER DESIGNATED EMPLOYEES**

Section 1. **CONTRACTS WITH NON-BOARD MEMBER DESIGNATED EMPLOYEES.** The Charter School shall not enter into a contract or transaction in which a non-Board Member designated employee (e.g., officers and other key decision-making employees) directly or indirectly has a material financial interest unless all of the requirements in the Innovations Academy Conflict of Interest Code adopted in accordance with the Political Reform Act have been fulfilled.

**ARTICLE XI**  
**LOANS TO BOARD MEMBERS AND OFFICERS**

Section 1. **LOANS TO BOARD MEMBERS AND OFFICERS** The Charter School shall not lend any money or property to or guarantee the obligation of any Board Member or officer without the approval of the California Attorney General; provided, however, that the Charter School may advance money to a Board Member or officer of the Charter School for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Board Member or officer would be entitled to reimbursement for such expenses of the Charter School.

**ARTICLE XII**  
**INDEMNIFICATION**

Section 1. **INDEMNIFICATION** To the fullest extent permitted by law, the Charter School shall indemnify its Board Members, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the Charter School by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c) the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 2. **STANDARD OF CARE**

A Board Member shall perform the duties of a Board Member, including duties as a member of any Board Committee upon which the Board Member may serve, in good faith, in a manner such Board Member believes to be in the best interests of the Charter School and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Board Member, a Board Member

shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

One or more officers or employees of the Charter School whom the Board Member believes to be reliable and competent in the matters presented;

Counsel, independent accountants or other persons as to matters which the Board Member believes to be within such person's professional or expert competence; or

A Board Committee upon which the Board Member does not serve as to matters within its designated authority, provided the Board Member believes the Board Committee merits confidence and the Board Member acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

### Section 3. SELF-DEALING TRANSACTIONS.

Self-dealing transactions means transactions to which the Charter School is a party and in which one or more of the Board Members (“interested Board Member(s)”) has a material financial interest. Notwithstanding this definition of self-dealing transaction, the following transactions do not constitute self-dealing transactions:

- A. An action by the Board fixing the compensation of a Board Member as a Board Member or officer of the Charter School;
- B. A transaction which is part of a public or charitable program of the Charter School if the transaction is (1) approved or authorized by the Charter School in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Board Members or their families because they are in a class of persons intended to be benefited by the public or charitable program;
- C. A transaction of which the interested Board Members have no actual knowledge, and which does not exceed the lesser of one percent (1%) of the Charter School’s gross receipts for the fiscal year immediately preceding the year in which such transaction occurs or One Hundred Thousand Dollars (\$100,000).
- D. A transaction the Attorney General has approved either before or after it was consummated.
- E. A transaction with respect to which the following facts are established:

The Charter School entered into the transaction for its own benefit;

The transaction was fair and reasonable as to the Charter School at the time the Charter School entered into the transaction;

Prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the Board Members then in office excluding the vote of the interested Board Member(s) and with knowledge of the material facts concerning the transaction and the interested Board Member's interest in it. Except as provided in this sub-paragraph of this subsection, action by a Board Committee will not satisfy this requirement; and

Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation under the circumstances that the Charter School could not have obtained a more advantageous arrangement with reasonable effort under the circumstances, or the Charter School in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; *or*

A Board Committee or person authorized by the Board approved the transaction in a manner consistent with the standards prescribed for approval by the Board under this subsection; it was not reasonably practical to obtain approval of the Board prior to entering into the transaction; and the Board, after determining in good faith that the conditions set forth in paragraphs (A) and (B) were satisfied, ratified the transaction at its next meeting by a vote of a majority of the Board Members then in office, excluding the vote of the interested Board Member(s).

#### Section 4. INTERESTED BOARD MEMBER'S VOTE

In determining whether the Board validly met to authorize or approve a self-dealing transaction, interested Board Members may be counted to determine the presence of a quorum, but an interested shall not vote pursuant to Article 9 Section 1(b).

#### Section 5. PERSONS LIABLE AND EXTENT OF LIABILITY

If a self-dealing transaction has not been approved as provided in this Article, the interested Board Member(s) may be required to do such things and pay such damages as a court may provide as an equitable and fair remedy to the Charter School, considering any benefit received by it and whether or not the interested Board Member(s) acted in good faith and with the intent to further the best interests of the Charter School.

#### Section 6. CONTRACTS OR TRANSACTIONS WITH MUTUAL BOARD MEMBERS

No contract or other transaction between the Charter School and any domestic or foreign corporation, firm or association of which one or more of the Charter School's Board Members are Board Members is either void or voidable because such Board Member(s) are present at the meeting of the Board or Board Committee which authorizes, approves or ratifies the contract or transaction if:

The material facts as to the transaction and as to such Board Member's other Board Membership are fully disclosed or known to the Board or Board Committee, and the Board or Board Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Board Member(s); or

As to contracts or transactions not approved as provided in subsection (i) of this Section, the contract or transaction is just and reasonable as to the Charter School at the time it is authorized, approved or ratified.

Notwithstanding the foregoing, this Section shall not apply to self-dealing transactions described in this Article.

**Section 7. GENERAL PUBLIC AGENCY PROHIBITIONS GOVERNING CERTAIN TRANSACTIONS**

Nothing in these bylaws shall be construed to authorize any transaction otherwise prohibited under the Political Reform Act (California Government Code Section 81000 et seq.), or other applicable laws.

**ARTICLE XIII  
INSURANCE**

Section 1. INSURANCE The Charter School shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Board Members, officers, employees, and other agents, to cover any liability asserted against or incurred by any Board Member, officer, employee, or agent in such capacity or arising from the Board Member's, officer's, employee's, or agent's status as such.

**ARTICLE XIV  
MAINTENANCE OF CORPORATE RECORDS**

Section 1. MAINTENANCE OF CORPORATE RECORDS The Charter School shall keep:

- a. Adequate and correct books and records of account;
- b. Written minutes of the proceedings of the Board and Board Committees; and
- c. Such reports and records as required by law.

**ARTICLE XV  
INSPECTION RIGHTS**

Section 1. BOARD MEMBERS' RIGHT TO INSPECT. Every Board Member shall have the right at any reasonable time to inspect the Charter School's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection may be made in person or by the Board Member's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

Section 2. ACCOUNTING RECORDS AND MINUTES. On written demand to the Charter School, any Board Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Board and Board Committees at any reasonable time for a purpose reasonably related to the Board Member's interest as a Board Member. Any such inspection and copying may be made in person or by the Board Member's agent or attorney. This right of inspection extends to the records of any subsidiary of the Charter School.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. The Charter School shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the Board Members at all reasonable times during office hours. If the Charter School has no business office in California, the Secretary shall, on the written request of any Board Member, furnish to that Board Member a copy of the articles of incorporation and bylaws, as amended to the current date.

## **ARTICLE XVI REQUIRED REPORTS**

Section 1. ANNUAL REPORTS. The Board shall cause an annual report to be sent to itself (the members of the Board) within 120 days after the end of the Charter School's fiscal year. That report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, or the Charter School as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds;
- c. The Charter School's revenue or receipts, both unrestricted and restricted to particular purposes;
- d. The Charter School's expenses or disbursement for both general and restricted purposes;
- e. Any information required under these bylaws; and
- f. An independent accountant's report or, if none, the certificate of an authorized officer of the Charter School that such statements were prepared without audit from the Charter School's books and records.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all Board Members, or as a separate document if no annual report is issued, the Charter School shall, within 120 days after the end of the Charter School's fiscal year, annually prepare and mail or deliver to each Board Member and furnish to each Board Member a statement of any transaction or indemnification of the following kind:

- a. Any transaction (i) in which the Charter School, or its parent or subsidiary, was a party, (ii) in which an “interested person” had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an “interested person” is either:
- (1) Any Board Member or officer of the Charter School, its parent, or subsidiary (but mere common Board Membership shall not be considered such an interest); or
  - (2) Any holder of more than 10 percent of the voting power of the Charter School, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Charter School, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

**ARTICLE XVII  
BYLAW AMENDMENTS**

Section 1. **BYLAW AMENDMENTS.** The Board may adopt, amend or repeal any of these bylaws by a majority of the Board Members present at a meeting duly held at which a quorum is present, except that no amendment shall change any material provisions of the Charter that created the Charter School or make any provisions of these bylaws inconsistent with that Charter, the Charter School’s Articles of Incorporation, or any laws.

**ARTICLE XVIII  
FISCAL YEAR**

Section 1. **FISCAL YEAR OF THE CHARTER SCHOOL.** The fiscal year of the Charter School shall begin on July 1<sup>st</sup> and end on June 30<sup>th</sup> of each year.

**CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of the Innovations Academy, Inc, a California nonprofit public benefit corporation; that these bylaws, consisting of 17 pages, are the bylaws of the Charter School as adopted by the Board on November \_\_, 2013 and that these bylaws have not been amended or modified since that date.

Executed on \_\_\_\_\_, 20\_\_, at San Diego, California.

\_\_\_\_\_  
Secretary

## Board Terms 2023-24

### Board Members:

#### Nathan Cooper

- original start date: 9/19/2013
- terms 2013-2016, 2016-2018, 2018-2020, 9/19/2020- June 27, 2023
- current term Nathan resigned the board June 27, 2023

#### Stephen Rosen

- original term 1/9/2013- Jan 2016
- terms Jan 2013-Jan 2016, Jan 2016-Jan 2019, Jan 2019-Jan 2022, Jan 2022-Jan 2025,
- still on the board, currently serving as temp president until October retreat

#### Danielle Strachman

- original term: 12/13/2010- 12/13/2013
- terms Dec 2010-Dec 2013, Dec 2013-Dec 2016, Dec 2016-Dec 2019, Dec 2019-Dec 2022, Dec 2022-2025
- still on board

#### Faraz Sharafi

- original term 1/3/2017- 1/3/2020
- terms Jan 2017-Jan 2020, Jan 2020-Jan 2023, Jan 2023- jan 2025
- still on board, Treasurer

#### Julia Stoer

- role: Teacher Board Member
- original term: Aug 2023- June 2026

Approving new Parent Board Position holder in the next two months.

The Innovations Board is summarized below in the table:

All board terms are three (3) years in length.

Name	Contact Information	Designation	Term
Nathan Cooper	<a href="mailto:ncooperia@gmail.com">ncooperia@gmail.com</a>	President	October 2024
Stephen Rosen	<a href="mailto:Stephen.d.rosen@gmail.com">Stephen.d.rosen@gmail.com</a>	Treasurer	February 2024
Danielle Strachman	<a href="mailto:danielle@heightenedlearning.com">danielle@heightenedlearning.com</a>	Board Member	April 2024
Cassidy Platt	<a href="mailto:Cassidy@innovationsacademy.org">Cassidy@innovationsacademy.org</a>	Secretary/Teacher Rep	No term-TBD
Faraz Sharafi	<a href="mailto:fsharafi@gmail.com">fsharafi@gmail.com</a>	Parent Rep	June 2023



Proposal for  
**Innovations Academy**  
San Diego, California

For the fiscal year ending June 30, 2024,  
plus optional renewals through June 30, 2026

***Submitted on June 5, 2023:***

By: Marcy Kearney, CPA  
619-270-8222  
mkearney@christywhite.com

## TABLE OF CONTENTS

TRANSMITTAL LETTER .....	1
EXECUTIVE SUMMARY .....	2
GENERAL INFORMATION – ABOUT CW.....	3
AUDIT STAFFING AND PERSONNEL.....	5
PAST PERFORMANCE.....	7
CAPACITY AND METHODOLOGY .....	9
STATEMENT OF WORK.....	14
PROPOSED FEES.....	15

**APPENDIX:**

QUALITY CONTROL PEER REVIEW OPINION

June 5, 2023

Board of Directors  
Innovations Academy  
San Diego, California

Dear Members of the Board,

Christy White, Inc. (CW) is pleased to respond to Innovations Academy's request for Annual Financial Statement Audits for the fiscal year ending June 30, 2024 (plus the two optional renewal periods through 2026).

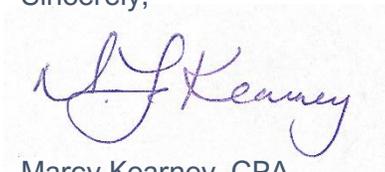
We **specialize in auditing California charter schools**, including High Tech High (16 charter schools), Da Vinci Schools (5 charter schools), and San Diego Global Vision Academy (over 400 pupils). In 2021-22, we were providing services to over 85 nonprofit organizations with charter schools and 160+ school districts. We also perform school facility program (SFP) and general obligation bond audits, plus, should the need arise, we have certified fraud examiners on our team to perform forensic audits.

**CW will serve Innovations Academy with our audit team of charter school nonprofit specialists.** For 20 years, our firm has specialized in charter school audits, so you get the benefits of not only an experienced specialized team but an entire firm of more than 45 professionals. As a leader in the K-12 education industry, we provide educational organization audit focused staff training unmatched by other firms. We assure you that every Christy White team member will be trained to handle your audit efficiently and effectively. Moreover, we provide **free training and accounting advice** to our clients.

I, Marcy Kearney, CPA and founding partner, Christy White, have over 45 combined years of local education agency (LEA) audit and consulting experience. We are joined by Partners Heather Daud Rubio, Michael Ash, John Whitehouse, and Kyle Montgomery, plus several experienced auditors and staff. My partners and I have a great deal of interest and **commitment to providing excellent auditing services to Innovations Academy**. Our team is committed to meeting all requirements and timelines for the successful completion of the engagement.

After reading through our proposal, should you have any questions, please feel free to contact me by phone at (619) 270-8222 or via email at [mkearney@christywhite.com](mailto:mkearney@christywhite.com). I would be happy to meet with you!

Sincerely,



Marcy Kearney, CPA  
Partner

## EXECUTIVE SUMMARY

Christy White, Inc. (CW), a professional accountancy corporation, is the 2nd largest CPA firm in the number of Local Educational Agencies (LEAs) audited annually. Home-based in San Diego with professional staff that resides across the State to best serve our clients. Marcy Kearney, CPA, and Christy White Brook, CPA, CFE, will lead the proposed auditing services that include an audit of the annual financial statements and compliance for Innovations Academy for the fiscal year ending June 30, 2024, plus two optional renewal years.

When considering whether to hire our firm, you will find that CW can be differentiated from our competitors in several areas, such as:

- **EXPERIENCED AND INVOLVED PARTNERS AND MANAGERS:** Christy White Brook, CPA, CFE, President and Partner, has 36 years of audit and consulting experience garnered from 29 years in public accounting and 7 years with School Services of California, Inc. Marcy Kearney, CPA, Audit Partner of the charter school division and tax department, has over 14 years of experience working directly with independent charter schools, other nonprofit organizations, and school districts. You can expect that Ms. White Brook and Ms. Kearney will be accessible to Innovations Academy when the audit is underway and lend their expertise freely on accounting and internal control issues.
- **TIMELY AUDITS:** CW is committed to meeting all audit deadlines. All of our audits have been performed according to agreed-upon audit schedules, with the final reports to the State of California filed on time.
- **SECURE REMOTE AUDIT TECHNOLOGY:** Our firm implemented a "virtual office" setting several years preceding the pandemic. With our technology, we are fully capable of conducting a secure remote audit by providing audit-related items via our client-secured online portal (Suralink). Your CW audit manager will help set up you and your staff. The portal is very user-friendly.
- **COMMITMENT TO QUALITY:** CW has received an "unqualified" audit opinion by our peer reviewers regarding our firm's Quality Control Standards. All audits submitted to the State have been approved. Current client references are available upon request.
- **SMOOTH AUDIT PROCESS:** CW specializes in governmental and not-for-profit entities, so the process for the audit will be smooth. CW guarantees that: (1) trained and supervised staff will be on-site; (2) clients will be given a detailed audit plan; (3) CW will be considerate of your staff and their workload; and (4) all audit findings will be discussed before the report is finalized.
- **FINDING SOLUTIONS:** CW is not content to simply identify problem areas that may exist in your Organization but seeks ways to help provide solutions. Any CPA firm can discover a problem, but with our combined backgrounds and experiences, we can supply our clients with a wide range of possible solutions.

The following proposal provides more specific information on the scope of the audit services, our experience, qualifications, client references, and audit approach. We hope that you select our audit firm.

## GENERAL INFORMATION – ABOUT CW

### LEGAL NAME AND CORPORATE CONTACT INFORMATION

Legal Name: Christy White, A Professional Accountancy Corporation (dba Christy White, Inc.)  
 Corporate Address: 348 Olive Street, San Diego, CA 92103  
 Telephone Number: 619-270-8222  
 Fax Number: 619-260-9085  
 Email Address: [cwhite@christywhite.com](mailto:cwhite@christywhite.com)  
 Website: [www.christywhite.com](http://www.christywhite.com)

### FIRM HISTORY, SERVICES, AND SIZE

Christy White, Inc. was incorporated in 2010, succeeding Nigro Nigro & White (NNW) as the AICPA designated successor firm (Christy White was a founding partner NNW in 1999). Our firm has grown steadily over the past 20 years and now has 30 professionals, including seven CPAs.

We offer services exclusively to local educational agencies (LEAs), including school districts and charter schools. It's our full specialization in LEAs that makes us unique among CPA firms and provides added value to our clients. As your educational audit specialist, CW audits over 160 school districts, 10 county offices of education, 100+ Proposition 39 bonds, 40+ State School Facilities Grant audits, and over 100 charter schools. Our audit clients range in size from large charter schools to mid-size and small entities. We also prepare the annual tax Forms 990/199 for our nonprofit charter school clients. Our consulting capabilities include helping our clients with:

ASB Training	Forensic/Fraud Audits
Attendance Accounting	Business Functions Organization
FASB and Compliance Implementation	Charter School Back Office
Efficiency Studies	Financial Reporting

### FIRM LICENSE, AFFILIATIONS AND ASSOCIATIONS

Christy White, Inc. (CW) is incorporated in the State of California. CW is licensed by the State Board of Accountancy. We are a majority women-owned firm. The California State Controller's Office CPA Directory lists Christy White as an eligible CPA firm that conducts LEA audits.

CW is a member of the Private Companies Practice Section (PCPS) and Government Audit Quality Center (GAQC) of the American Institute of CPAs, which requires an independent peer review every three years. We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs. We are also associate members with the California Charter School Association (CCSA), the California Association of School Business Officials (CASBO), the Government Finance Officers' Association (GFOA), and the Association of Certified Fraud Examiners.

CW is also an active participant with the Education Audit Appeals Panel in developing the annual K-12 audit guide and dialogues regularly with State agencies on audit issues that affect our charter school clients.

## GENERAL INFORMATION – ABOUT CW (CONT.)

### FIRM INDEPENDENCE

One of the benefits of an audit is having an "independent" assessment of your internal controls over financial statements and compliance matters. Our quality control program ensures that we adhere to auditor independence's strictest standards, including those required by the Standards for Audit of Governmental Organization, Programs, Activities and Functions, published by the United States, General Accounting Office. We ensure that all firm partners and any staff working on the engagement do not have any financial or other interests in your Organization other than a strictly professional one. Our continued success as your business partner depends upon our independence.

CW has had no personal or business relationship with Innovations Academy or its board members. CW holds a business relationship with the business services provider, CSMC, and works with several mutual clients. Should a professional relationship occur that presents an independence conflict during the contract period, CW would immediately notify Innovations Academy.

### RESPONSIBLE BUSINESS PRACTICES

Christy White, Inc. is financially stable. We have no long-term debt and have remained fiscally stable throughout our 20-year history. We will not joint venture with another firm on this engagement.

CW has a standing record of performing quality audits. Our clients and the State Controller's Office have accepted all of our audit reports. No client has terminated a contract during the performance of the audit. Additionally, we have not been involved in litigation or any investigation by a state, federal, or professional agency.

There have been no complaints levied by the State Board of Accountancy or other regulatory authority in the history of CW or its predecessor firm of Nigro Nigro & White, PC. None of the CPAs of CW have had any individual complaints or sanctions.

### CW'S QUALITY CONTROL SYSTEM

Our quality control systems include policies and procedures in leadership, ethical requirements, acceptance of new clients, personnel management, engagement performance, monitoring, and communication. We actively monitor compliance with our quality control document by reviewing work papers, training on new standards, consultation on complex areas, and sound human resources practices. CW has received the highest level of assurance from our peer reviewer, which is "Pass." Attached is our most recent quality control report.

### INDEMNITY

CW has errors and omissions insurance and will indemnify and hold harmless the Organization from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part. We are also fully insured for workers' compensation. Our current policies are attached.

## AUDIT STAFFING AND PERSONNEL

### STAFF QUALIFICATIONS

The firm partners and staff of Christy White, Inc. (CW) bring an extensive background of audit and consulting experience to CW clients. We have audited local educational agencies (LEAs) throughout California. We are familiar with the unique issues relative to charter school finance: budgetary constraints, construction accounting, new federal and state program compliance, attendance accounting, state funding models, cash flow management, and more. The audit team will include:

Christy White, Inc. Personnel Assigned	
Name	Classification
Marcy Kearney, CPA	Signing Partner
Christy White Brook, CPA, CFE	Assisting Partner
Amanda Long	In-Charge Auditor

### ABBREVIATED RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM

Biographies of all staff members assigned to your audit are shown below.



**Audit Partner Marcy Kearney, CPA**, is a licensed CPA in California with over fourteen years of experience, individually working with public school districts, independent charter schools, and not-for-profit entities for both audit and tax preparation. She manages the tax department and the charter school division of the audit department. Additionally, Marcy has been a long-time member of the California Society of CPAs (CalCPA) and is a member of the American Institute of CPAs (AICPA). Marcy holds a Bachelor of Science degree in Business Administration with an emphasis in Accountancy from Cal State University, San Marcos. To better serve our CW clients and staff, Marcy moved to L.A. in 2014.



**President Christy White Brook, CPA, CFE**, has served hundreds of school districts and charter schools as an auditor, school finance consultant, professional author, and trainer. Christy provides audit and financial consulting in organizational structure, internal controls, school district reorganization, attendance accounting, forensic and fraud audits, and developing and conducting six workshop series throughout the State. Christy received a Best Volunteer Trainer award from the California Society of CPA's Education Foundation. And she is a Certified Fraud Examiner (CFE) in addition to her CPA license.



**Senior Accountant, Amanda Long** knows charter school business from both sides of the desk. She's an experienced finance manager from a San Diego County charter school and is now an auditor with Christy White. Amanda enjoyed working as a Fiscal Manager, where she performed budget and fiscal services, including oversight of all business areas for the school, ensuring grant compliance, and filing interims and unaudited actuals with the authorizing district. Amanda previously worked for a large back-office provider where she performed fiscal services for multiple clients. Amanda is a graduate of Colorado State University, Global Aurora, CO, where she obtained a Master's in Professional Accounting. Amanda also earned a Bachelor of Science Degree in Management, Computer Information Systems from Park University Parkville, MO. She is CPA eligible and currently completing the CPA examination testing requirements to apply for CPA licensure in California.

## AUDIT STAFFING AND PERSONNEL (CONT.)

### STAFF TRAINING PROGRAMS

CW's program of staff development includes two full weeks of focused in-house training in the audit of charter schools and school districts. We also provide opportunities to staff to attend professional training provided by outside providers, such as School Services of California, the California Society of CPAs, and CCSA. A sampling of training programs our staff has attended within the last year include:

Sampling of Recent Training Courses Taken by Staff	Training Provider Organizations
<ul style="list-style-type: none"> <li>• Annual California Charter School Conference</li> <li>• Annual CASBO Conference, Attendance Accounting</li> <li>• January, May, and Summer Budget Conferences</li> <li>• School District Conference</li> <li>• Annual Fraud Conference</li> <li>• Annual GFOA Conference</li> <li>• Annual Conference, Charter Schools Development Center</li> <li>• Nonprofit Accounting and Auditing Conference, Single Audit Conference</li> </ul>	<ul style="list-style-type: none"> <li>• CCSA</li> <li>• CASBO</li> <li>• School Services of California, Inc.</li> <li>• California Society of CPAs</li> <li>• Association of Certified Fraud Examiners</li> <li>• GFOA</li> <li>• Charter Schools Development Center</li> <li>• AICPA</li> </ul>

### STAFF CAPACITY

CW has a corporate office located in San Diego and numerous remote offices throughout California. We have over 45 professional employees, including seven certified public accountants, and sufficient audit capacity to provide excellent audit services to Innovations Academy.

### EQUAL OPPORTUNITY EMPLOYER

CW is an equal opportunity employer. We do not discriminate based on race, ethnicity, age, or religion. We are in compliance with all applicable federal and state laws and regulations relating to equal opportunity employment, including the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965.

## PAST PERFORMANCE

### SPECIALIZING IN K-12 AUDITS

CW devotes our practice exclusively to K-12 auditing and consulting, including charter schools, schools districts and county offices. A full list of all charter schools served is included on the following page and below is a list of all charter schools in San Diego County as well as charter schools that we work with that also contract with CSMC for business services. References can be provided upon request.

### LIST OF SAN DIEGO COUNTY CHARTER SCHOOL CLIENTS

In addition to the charter schools listed below, we also audit several school districts in the County as well as the San Diego County Office of Education.

Charter School Non-Profit	County	Years Audited
B.E.S.T Academy	San Diego	2019-20 through present
College Preparatory Middle School	San Diego	2021-22 through present
Dual Language Immersion North County	San Diego	2020-21 through present
EJE Academies (2 schools)	San Diego	2006-07 through present
Elevate Elementary School	San Diego	2014-15 through present
Empower Charter School	San Diego	2014-15 through present
Hawkings STEAM Charter School	San Diego	2021-22 through present
High Tech High (16 schools)	San Diego	2008-09 through present
Howard Gardner Community Charter	San Diego	2012-13 through present
Kidinnu Academy	San Diego	2019-20 through present
Literacy First Charter School	San Diego	2021-22 through present
North County Trade Tech High School	San Diego	2021-22 through present
San Diego Global Vision Academy	San Diego	2020-21 through present
School for Entrepreneurship & Technology (SET)	San Diego	2020-21 through present
Sparrow Academy	San Diego	2019-20 through present
Suncoast Preparatory Academy	San Diego	2021-22 through present
Urban Discovery Schools	San Diego	2017-18 through present

### LIST OF CHARTER SCHOOL CLIENTS WITH CSMC

Our firm works with a full range of business offices from internal operations to an array of back-office/business services providers, such as CSMC.

Charter School Non-Profit	County	Years Audited
ABLE Charter Schools	San Joaquin	2012-13 through present
Children's Community Charter School	Butte	New for 2022-23
Compass Charter Schools (3 schools)	Multiple	2012-13 through present
Da Vinci RISE High	Los Angeles	2017-18 through present
Da Vinci Schools (4 schools)	Los Angeles	2008-09 through present
Dual Language Immersion North County	San Diego	2020-21 through present
Granite Mountain Charter School	San Bernardino	2019-20 through present
International School of Monterey	Monterey	2011-12 through present
Kinetic Academy	Orange	New for 2022-23
Lashon Academy (2 schools)	Los Angeles	New for 2022-23
Learning by Design Charter School	Los Angeles	2021-22 through present
Learning for Life Charter School	Monterey	New for 2022-23
Los Angeles Academy of Arts & Enterprise	Los Angeles	2013-14 through present
Orange County Educational Arts Academy	Orange	New for 2022-23
Sparrow Academy	San Diego	2019-20 through present
Three Rivers Charter School	Mendocino	2018-19 through present

## PAST PERFORMANCE (CONT.)

### FULL LIST OF CURRENT CA CHARTER SCHOOL AUDIT CLIENTS OPERATED BY NONPROFIT ORGANIZATIONS

Charter School Non-Profit	Charter School Non-Profit
ABLE Charter Schools	Leadership Public Schools (3 schools)
Academy of Media Arts	Learning by Design Charter School
AeroSTEM Academy	Learning for Life Charter School
Agnes J. Johnson Charter School	Lennox Math, Science & Technology Academy
Alma Fuerte Public Charter School	Literacy First Charter School
Almond Acres Charter Academy	Los Angeles Academy of Arts & Enterprise
Aurum Preparatory Academy	Los Angeles College Prep Academy
B.E.S.T. Academy	Monarch River Academy
Bay Area Technology Charter School	Nevada City School of the Arts
Bitney Prep High Charter School	North County Trade Tech High School
Bullis Charter School	North Oakland Community Charter School
Capitol Collegiate Academy	New Heights Charter School
Clarksville Charter School	New Hope Charter School
Clear Passage Educational Center	NEW Academy Charter Schools (2 schools)
Clovis Global Academy	New Los Angeles Charter Schools (2 schools)
Collegiate Charter High School of Los Angeles	New School of San Francisco
College Preparatory Middle School	Oasis Charter Public School
Compass Charter Schools (3 schools)	Odyssey Charter Schools (2 schools)
CORE Butte Charter School	Orange County Academy of Sciences and Arts (2 schools)
CORE Charter School	Orange County Educational Arts Academy
Crete Academy	Oxford Preparatory Academy (2 schools)
Da Vinci RISE High	Pacific Community Charter School
Da Vinci Schools (4 schools)	Palisades Charter High School
Discovery Charter Schools (2 schools)	PazLo Education Foundation (2 schools)
Dual Language Immersion North County	Plumas Charter School
EJE Academies (2 schools)	Provisional Accelerated Learning Academy
El Camino Real Charter High School	Renaissance Arts Academy
El Concilio CA Academies dba Astronaut Hernandez Academy	Rising Sun Montessori
Elevate Elementary School	Samueli Academy
Empower Charter School	San Carlos Charter Learning Center
Encore Jr./Sr. High School for the Arts	San Diego Global Vision Academy
Excelsior Charter School	Santiago Middle School
Excelsior Charter School Corona-Norco	School for Entrepreneurship & Technology
Feather River Charter School	Sierra Expeditionary Learning School
Fenton Charter Public Schools (5 schools)	Shanél Valley Academy
Forest Charter School	Sparrow Academy
Goethe International Charter School	Suncoast Preparatory Academy
Golden Charter Academy	Sycamore Creek Community Charter School
Golden Eagle Charter School	Taylion High Desert Academy/Adelanto
Granite Mountain Charter School	The Academy of Alameda (2 schools)
Griffin Technology Academies (4 schools)	The Accelerated Schools (3 schools)
Hawkings STEAM Charter School	The Foundation for Hispanic Education (3 schools)
High Tech High (16 schools)	Three Rivers Charter School
High Tech Los Angeles (2 schools)	TIME Community Education
Howard Gardner Community Charter	Tree of Life Charter School
Ingenium Charter Schools (4 schools)	Twin Ridges Home Study Charter School
International School of Monterey	Twin Rivers Charter School
Irvine International Academy	University Preparation School at CSU Channel Islands
John Muir Charter School	Urban Discovery Academy
Kidinnu Academy	Village Charter School
Kinetic Academy	We the People Public Schools
Lake County International Charter School	Wildflower Open Classroom
Lake View Charter School	Yu Ming Charter School
Lashon Academy (2 schools)	Yuba River Charter School
Leadership Military Academy	

## CAPACITY AND METHODOLOGY

### SCOPE OF THE AUDIT

The scope of auditing services provided includes the **Annual Financial Statements** of Innovations Academy (the nonprofit Organization) including its charter school, and Compliance with State Audit and Federal Requirements for the fiscal year ending June 30, 2024, with options to extend through 2026.

The purpose of the financial audits is to render the following opinions and reports:

- Auditor's Opinion on the Financial Statements
- Auditor's Opinion on Internal Controls and Compliance required by *Governmental Auditing Standards*
- Auditor's Opinion on State Compliance Requirements
- Current Year Findings and Recommendations
- Status Report on Prior-Year's Findings and Recommendations

Also, we will conduct the audit to meet procedures required of:

- Federal OMB Uniform Guidance and the Compliance Supplements, when applicable
- Other guides as required by the federal and State agencies, when applicable

### RISK ASSESSMENT

CW has long taken a risk-based audit approach in our audits of LEAs for audit effectiveness and efficiency. We will perform our **Audit Risk Assessment** to include, at a minimum:

- Overall Internal control structure; precisely controls over electronic data processing systems, cash collections, cash disbursements, maintenance and operations and segregation of duties
- Compliance with Education Code and federal and state laws and regulations
- Capitalization and depreciation of assets

### DOCUMENTATION OF INTERNAL CONTROL STRUCTURES

For each engagement performed, we conduct a thorough **Understanding of Internal Control Systems**, assess control risk, and suggest improvements to our clients. CW is well versed in the Risk-based Assessment Standards and will incorporate these requirements into our audit programs. Areas of **Internal Control** typically evaluated for our charter school clients include:

- |   |  |
|---|--|
| ➤ Cash receipting and cash management                       | ➤ Inventory and fixed assets             |
| ➤ Purchasing and accounts payable                           | ➤ Attendance and compliance reporting    |
| ➤ Personnel requisition/terminations and payroll processing | ➤ Financial Reporting                    |
|   | ➤ Student body activities, if applicable |

Our examination of internal controls helps us plan our audit procedures. More importantly, we will communicate both positive control points and points where areas of improvement are needed.

## CAPACITY AND METHODOLOGY (CONT.)

### APPROACH TO FRAUD RISK AND TESTING

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant transaction and group of transactions and design tests to ensure the transactions are free of material errors and irregularities. Our procedures meet the fraud risk and testing requirements of the clarified Statements on Auditing Standards (SAS).

Suppose fraud is suspected or detected in the preparation of financial statements or the misappropriation of assets. In that case, CW will bring the matter to the attention of the appropriate level in the Organization. You can then take prompt action and prevent further instances from occurring as quickly as possible. We are also skilled in fraud investigations should the need arise.

### MANAGEMENT DISCUSSION AND LETTERS

Christy White, Inc. (CW) believes the purpose of a quality audit is to provide management with feedback on the internal control structure's effectiveness, including the data processing systems. We will report all reportable conditions and discuss potential audit findings, observed good fiscal practices, and then recommend ways to enhance the overall effectiveness and efficiency of the Organization as a whole.

After thoroughly discussing each finding with management and incorporating the Organization's response, we will issue our final management letter. The audit findings will meet *Government Auditing Standards* and standards established by the State Controller's Office.

### PLANNING AND EXIT CONFERENCE MEETINGS

CW works closely with management at various stages during the audit cycle. We will organize both group and one-on-one meetings with individuals such as the Business Manager, the Executive Director, and a governing board representative.

- Audit Planning/Entrance Meeting: During our planning phase, we discuss our proposed audit timelines, deliverables and ask for input on areas deemed "new or high risk."
- Exit Conferences: After fieldwork, we will meet with you to discuss the results of our audit work and preliminary findings, if any. We do not want you to experience "audit surprises." Timely communication is the key to a surprise free audit.
- Review of Draft Audit Reports: Upon the audit's conclusion, we provide you with a draft report (which we are happy to review with you), our findings, and the charter management's response.

We are also available to meet with you on an ad hoc basis if an issue or question arises.

## CAPACITY AND METHODOLOGY (CONT.)

### GENERAL AUDITING APPROACH

By following the professional standards prescribed by **Generally Accepted Auditing Standards (GAAS)** and **Government Auditing Standards**, we are confident that we are meeting our professional standards for the industry. We will conduct the audit to meet procedures required of:

- K-12 Audit Guide, as published by the State Controller's Office
- *Government Auditing Standards*, as published by the Federal Office of Management and Budget

Being a leading CPA firm in the LEA industry, we have experience working with State, and Federal agencies in the development of the K-12 audit guide, client resolution of findings, researching laws and regulations and aiding on sensitive client situations further elaborate on our **Audit Project Plan**, below are the three stages of the audit process:

### THREE STAGE AUDIT PLAN

Stage 1 – Planning and Risk Assessment

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

### Stage 1 – Planning and Risk Assessment

We will confer with charter school personnel to discuss our plan to commence the audit. We hold an entrance conference call with representatives from the Board, Executive Director, Business/Finance office, and other department heads to discuss risk, concerns, expectations, and audit protocol. Our planning activities include:

- Reviewing and updating our understanding of the organization
- Identification of critical audit areas, plus changes to compliance areas
- Performing preliminary risk assessments
- Establishing an audit timeline
- Compiling data request lists
- Establishing agreed-upon deadlines

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant account (e.g., cash, capital assets, accounts payable, and debt) and transaction group (e.g., payroll, cash disbursements, and cash receipts).

Upon assessing audit risk, we then design audit tests to meet the overall objective of the financial statements and compliance areas free of material errors and irregularities, under the clarified Statements on Auditing Standards (SAS).

## CAPACITY AND METHODOLOGY (CONT.)

### GENERAL AUDITING APPROACH (CONTINUED)

#### Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

CW will gain an understanding of the internal control structure of the organization for financial accounting and compliance over federal and State programs. We also evaluate electronic data, including general and application controls over financial reporting and compliance with laws and regulations.

We develop our substantive testing by utilizing the results of our internal control testing and risk assessments. As in all stages of the audit, we will communicate with the Organization to permit timely resolution of any issues found. We will hold an exit conference with the Organization to summarize our fieldwork results and review significant findings.

#### Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

CW will draft the financial statements and provide the draft and any adjusting entries to the Organization for review and approval. Reports to management will include written reports, and discussions will be held with management and the Audit and Finance Committee or Governing Board. After the audit, we will prepare the Forms 990/199, should you contract for our tax services.

### YEAR-ROUND FASB STATEMENT IMPLEMENTATION AND ON-GOING ASSISTANCE

The partners at CW are thoroughly knowledgeable about FASB standards. CW has assisted all of our nonprofit audit clients, *without extra charges*, with FASB implementation, and on an on-going basis by, for example:

- **Not-for-Profit Financial Reporting Model:**
  - Providing training on implementation and impact on accounting recordkeeping
  - Providing draft financial reports
- **IASB and FASB Revenue Recognition Standards:**
  - Training on revenue recognition framework
  - Advising on the adoption of the new standards and financial statement impacts
- **Accounting for Leases**
  - Consulting on changes in accounting for leases
  - Support in financial reporting changes

## CAPACITY AND METHODOLOGY (CONT.)

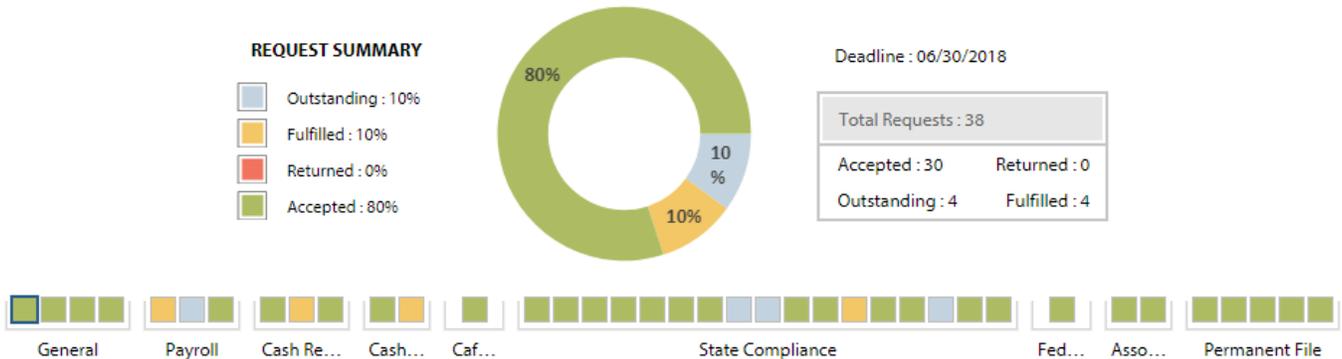
### LEVEL AND NATURE OF SUPPORT REQUIRED

We conduct our audit using a client-driven approach; either fully remote or a combination of off-site and on-site work. We are entirely paperless and have a client portal for ease of document transmission. As such, we can make sample selections in advance of our fieldwork and conduct specific audit tests right from our office. We ask that the accounting staff be generally available to answer questions, upload documentation, and scan sampled document support throughout the audit.

### SECURED PORTAL TO UPLOAD YOUR RECORDS WITH EASE

Christy White, Inc. uses a secure portal for seamless document-request coordination. Using the portal means all our requests are in one place, accessible by everyone assigned, and updated in real-time. Some of the key elements are summarized below:

- **Portal Dashboard:** The dashboard provides a real-time snapshot of the audit progress by indicating the number of outstanding, fulfilled, returned, and accepted items in a color-coded and easy to understand interface
- **Security:** Our portal boasts State of the art security in which all data is stored and transferred with AES 256-bit encryption, and servers are housed in SSAE16 Type II SOC1, SOC2 data centers with daily fail-safe backups
- **Drag and Drop Functionality:** To upload documents to the portal, drag and drop the file(s) from your computer to the requested item in the portal, at which time the status will be automatically changed from outstanding to fulfilled
- **Email Notifications:** Receive summary email notifications based on your timing preference (ex. daily, weekly, morning, afternoon, etc.), which provides activity updates for the engagement (ex. when files are uploaded/downloaded, or the status of an item has been changed)



## STATEMENT OF WORK

### PROPOSED TIMEFRAME

The following is an estimate of the audit and tax work to be conducted each month. The final schedule would be arranged based on the planning meeting that CW holds with you and your stakeholders.

Month	Proposed Work	Percentage of Work Done
Late March – June	Audit planning; the test of internal controls and state compliance with school site personnel	15%
June – August	Tests of internal controls, state compliance testing with CSMC	22%
Late August – November	Year-end fieldwork, depending on when books are closed	35%
October – early December	Reports drafted, reviewed, and finalized	22%
No later than December 15 <sup>th</sup>	Final audit reports distributed	1%
January – May	Preparation/filing of tax forms 990/199	5%
<b>Total</b>		<b>100%</b>

Before each phase of the audit, we will discuss the upcoming work with you, provide weekly progress reports, and conduct an exit conference. The exit conference will provide you with the preliminary results of the recent work, recommendations and list any outstanding audit items.

### ESTIMATED HOURS BY MAJOR WORK SEGMENT

We have reviewed the previous 2021-22 audit report to plan what we believe to be reasonable hours to complete the audit for the 2023-24 fiscal year.

<u>Audit Work Segments</u>	<u>Estimated Hours of Completion</u>	<u>Audit Work Segments</u>	<u>Estimated Hours of Completion</u>
<b>Planning, Supervision/Review</b>		<b>State Compliance Testing</b>	
Planning and Risk Assessment	5	Attendance	5
Supervision and Quality Control Review	3	Unduplicated LCFF Pupil Count	2
Contingencies/Subsequent Events	2	All Other Areas	6
Board Minutes	3	<b>Substantive Testing Areas</b>	
Correspondence (including Confirmations)	1	Assets (Cash, Receivables, etc.)	7
Entrance/Exit Conference	2	Liabilities (Accounts Payable, Loans, etc.)	5
<b>Internal Control Review/Transaction Testing</b>		Net Assets	2
Interviews and Risk Assessment	2	Revenues	7
Cash Disbursements & Payroll	7	Expenses	5
Cash Receipts	4	<b>Report Preparation and Review</b>	
Journal Entries	1	Audit Reports Review and Opinions	16
		Management Letters/Secretarial	5
	<i>Cont'd next col.</i>	<b>Total Audit Hours</b>	<b>90</b>

## PROPOSED FEES

### FEE STRUCTURE FOR INNOVATIONS ACADEMY

The proposed fees are all-inclusive and will not change unless there are significant changes in the scope of the audit or tax services proposed, as imposed by state or federal agencies or directly requested by the Organization. Audit fees increase per year at a rate of six percent for Cost of Living Adjustment (COLA). We do not bill for advisory services related to the audit or an application of accounting standards. We encourage our clients to contact us at any time year-round for free advice on general finance and accounting issues.

We propose to conduct the audit engagement and submit the audit reports in compliance with the instructions provided by the State Controller's Office. The fee schedule below includes a list of personnel by classification assigned to the audits, indicating the estimated number of hours and rate per hour for the audits.

<u>Classification</u>	<u>Billing Rates</u>	<u>Estimated Hours</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Partner	\$ 255	5	\$ 1,275	\$ 1,351	\$ 1,432
Director	225	20	4,500	4,770	5,056
Supervisor/Senior	175	25	4,375	4,637	4,916
Staff	130	35	4,550	4,823	5,112
Clerical Assistant	80	5	400	424	449
		<u>90</u>			
<b>Total Audit Fees*</b>			<b>\$ 15,100</b>	<b>\$ 16,005</b>	<b>\$ 16,965</b>
<b>Tax Preparation Fees**</b>			1,600	1,600	1,600
<b>Total Professional Fees</b>			<b>\$ 16,700</b>	<b>\$ 17,605</b>	<b>\$ 18,565</b>

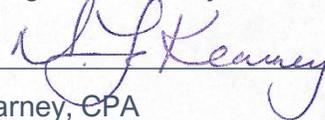
\*If a Federal Single Audit under OMB Uniform Guidance (UG) becomes applicable during any given year, an additional \$4,500 will be added to the annual audit fee. A Federal Single Audit under OMB UG is applicable in any given year that the Organization expends more than \$750,000 in Federal funds.

\*\*Fees noted for preparation of tax returns include Federal IRS Form 990 and related schedules, California Form 199. If these are not the appropriate forms or if any additional Federal or State forms are necessary, this fee may be modified based on the client tax compliance needs (i.e. Form 990-T for reporting of taxable income).

We will enter into an agreement with Innovations Academy in the form of an engagement letter upon acceptance of this proposal document.

We look forward to the opportunity to work with the Innovations Academy. Please do not hesitate to contact us with any questions or to arrange an interview. Thank you!

Name of Accounting Firm: Christy White Inc.

Authorized By: 

Name: Marcy Kearney, CPA

Title: Partner

Date: June 5, 2023



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**APPENDIX: QUALITY CONTROL PEER REVIEW OPINION**

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# Grant Bennett Associates

A PROFESSIONAL CORPORATION

## Report on the Firm's System of Quality Control

February 26, 2021

To Christy White Associates, Inc. and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. (the firm) in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Christy White Associates, Inc. in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Christy White Associates, Inc. has received a peer review rating of *pass*.

*Grant Bennett Associates*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



[www.gbacpa.com](http://www.gbacpa.com)

1375 Exposition Boulevard, Suite 230  
Sacramento, CA 95815  
916/922-5109 FAX 916/641-5200

P.O. Box 223096  
Princeville, HI 96722  
888/769-7323

***Innovations Academy Charter School***

***Proposal to Provide Auditing Services***

***For the Fiscal Years Ending June 30, 2024, through June 30, 2026***

***With an Option to Extend for Two (2) Additional Years***

**Submitted by:**



***11405 W. Bernardo Court, Suite A***

***San Diego, CA 92127***

***Phone: (858) 939-0017 | Fax: (858) 964-3754***

***May 29, 2023***

**Contact Person**

***Managing Partner: Sanwar Harshwal, CPA***

***Cell Phone: (858) 784-1622***

***Federal Employer ID Number: 27-0741376 | License No.: PAR7299***

***Email: [sanwar@harshwal.com](mailto:sanwar@harshwal.com) | Website: [www.harshwal.com](http://www.harshwal.com)***

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## TABLE OF CONTENTS

1. COVER PAGE	
2. TABLE OF CONTENTS.....	01
3. LETTER OF TRANSMITTAL.....	02
4. FIRM'S QUALIFICATIONS AND EXPERIENCE.....	04
5. FIRM'S TECHNICAL EXPERIENCE.....	08
6. REFERENCES.....	14
7. STAFF QUALIFICATIONS AND EXPERIENCE.....	15
8. AUDIT APPROACH.....	20
9. FEES AND COMPENSATION.....	25
10. ATTACHMENTS.....	26
i. Insurance Documents.....	27
ii. Peer Review Report.....	29



*May 29, 2023*

Innovations Academy Charter School.

ATTN: Michelle Anderson

5454 Ruffin Road,

San Diego, California 92123

**Dear Michelle Anderson Evaluation Committee Members,**

The managing partner and staff at Harshwal & Company, LLP are pleased to present our proposal to provide Audit Services. Our firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive and innovative services of the highest quality to our clients.

We understand that the Innovations Academy Charter School (referred to later in this proposal as the "School") requires timely audit service. With our experience and knowledge, we fully understand the requirements and your expectations for the services to be provided.

We believe our firm is the best qualified to perform this engagement because our audit services are best performed by utilizing specialized resources and technical proficiency. Our expertise in state and local government's auditing and accounting combined with our vast access to resources empowers us to solve challenges encountered during the audit. Our highly trained engagement team will maintain a knowledgeable, yet, non-intrusive and approach to the audit to deliver an audit that is of exceptional quality that requires minimal disruptions of the School's on-going operations.

**Understanding of the Work to be Done:**

We understand that you require us to conduct an audit of the financial statements of the School for the fiscal years ending June 30, 2024, through June 30, 2026, with an option to extend for two (2) additional years 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 in compliance with the requirements specified in the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, Section 19810 applicable to the Charter School's statutory requirements.

**Ability to Perform the Work within Provided Time Frame**

Harshwal & Company, LLP is benchmarked for providing the work within the time frame requested. Our team is committed to completing the audit on time, as they are fully equipped with contemporary technology, which will add value to a successful and timely delivery of the audit. We are responsive and solution oriented; providing quick responses on matters that require immediate attention, hence enhancing the quality of our audit. We focus on staff continuity, which enables us to develop and maintain an in-depth understanding of your operations, management style and operating practices, which ultimately allows us to offer you experienced resources, value-added services, specialization and overall better personal service, which again unequivocally results in a timely submission of the audit report.

---

**Why Harshwal & Company, LLP**

- Extensive principal involvement on each engagement
- Presence of an audit manager and/or CPA always on site during fieldwork
- Consistent and experienced staff
- Timeliness of communications
- Proactive approach in addressing complex issues early in the engagement
- Availability to clients as a specialized resource
- Professionalism with understanding

**Client Confidentiality and Security**

- At Harshwal & Company, LLP, we are committed to safeguarding client information. Maintaining trust is one of the core values of our firm. Since your privacy is a priority to us, we will not share nonpublic information about you with third parties without your consent.
- In order to facilitate a highly secure method for exchanging electronic files between our firm and our clients, we have implemented a secure, trackable method for sharing large files via a hosted website called ***Suralink***.
- All laptops of our audit and tax professionals are encrypted to protect our clients' information.

***Our Managing Partner, Mr. Sanwar Harshwal, is authorized to represent the firm and he is the authorized person to contractually obligate the firm, to negotiate the contract on behalf of the firm and to be contacted for clarification questions regarding our services. He can be reached at 11405 W. Bernardo Court, Suite A, San Diego, CA 92127 | Phone: (858) 784-1622 | eFax: (858) 964-3754 or via an email at [sanwar@harshwal.com](mailto:sanwar@harshwal.com).***

***Harshwal & Company, LLP is a small business enterprise that is SBA 8(a) certified, a GSA vendor and a 100% minority owned CPA firm.***

***We thank you for your consideration and hope that you will provide us with the opportunity to serve your esteemed organization with our services.***

Sincerely,

**Harshwal & Company, LLP**  
**Certified Public Accountants**



**Sanwar Harshwal, CPA, CIA, CISA, CFE**  
**Managing Partner**

**FIRM'S QUALIFICATIONS AND EXPERIENCE**

Harshwal & Company, LLP was founded twelve years ago and is a locally established firm of CPAs, offering auditing, and accounting, management consulting, IT services, and other specialized services to Tribal Enterprises, Tribal Schools, State and Local Governments, American Governmental Bodies, Counties, Non-Profit Organizations, Native American Housing Authorities, School Districts, Native American Entities, and small businesses. The firm is the result of a direct effort of professionals, who consolidated their experience and resources in order to provide a broader range of high-quality services to their clients. The firm encourages its members to participate in community activities, as well as trade or industry associations, to round out our involvement in our profession and community.

The managing partner of the firm has accumulated over four (4) decades of experience in public auditing and accounting; primarily with international certified public auditing firms while employed in high-level supervisory positions. Individually, the principals and management staff are recognized in their respective areas for leadership roles by taking part in promoting the highest standards of the auditing profession and for producing the highest quality services. We will provide you the expertise and resources needed to continually guide your organization.

Harshwal & Company, LLP provides services to clients from three (3) locations. San Diego, CA is the location of our head office, and Oakland, CA, and Albuquerque, NM are the location of our branches. Our nearest office to the School, San Diego, CA office will provide audit services to Innovations Academy Charter School. The address and phone numbers for each of our three offices are listed below:

<b>San Diego, CA Office</b>	11405 W. Bernardo Ct., Suite A, San Diego, CA 92127	Phone: (858) 939-0017 Fax: (858) 964-3754
<b>Albuquerque, NM Office</b>	6565 Americas Parkway NE, Suite 800 Albuquerque, NM 87110	Phone: (505) 814-1201 Fax: (505) 395-7581
<b>Oakland, CA Office</b>	333 Hegenberger Road, Suite 328 Oakland, CA 94621	Phone: (510) 452-5051 Fax: (510) 452-3432

**Staff Size & Organizational Structure:**

<b>Audit Team</b>	<b>Manpower</b>
Managing Partner	01
Additional Partner	01
Independent Reviewer	01
Audit Manager	02
Operational Manager	01
CPAs and Senior Staff	08
Additional Staff	08
<b>Total</b>	<b>22</b>



**Services Provided by the Firm**

Harshwal & Company, LLP is a full-service professional firm providing comprehensive services commonly associated with larger firms. The firm is divided into the following departments and provides the following services:

- **Audit Department:** Provides audit services to commercial, governmental and non-profit organizations with a special emphasis on compliance audit in education, health and housing industries.
- **Accounting Department:** Provides consulting services in setting up businesses and establishing accounting systems, books, and records; assistance in maintaining business records; and preparing financial statements.
- **Tax Department:** Provides a wide range of tax preparation, tax planning, and consulting for corporations, partnerships, and individuals.
- **Management Advisory Services:** Our technical knowledge, training and business experience enable us to provide a broad range of management advisory services, which includes the following:
  - Designing and assisting in the installation of accounting systems to fit the requirements of a particular business.
  - Analyze existing accounting systems and recommend ways to improve controls and efficiency.
  - Assessment, installation, and modification of computer hardware and software systems.
  - Consulting in management information systems.
  - Providing consultation about the use of management information systems for planning and control and the application of accounting and other controls.

**Conflict of Interest Statement**

Harshwal & Company, LLP does not have any past or current business or other relationship with the School. We also hereby agree that no member, officer, or employee of the School, during the tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

**Equal Opportunity Employer**

Harshwal & Company, LLP is an equal employment opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality. We prohibit discrimination of qualified persons based on race, religion, color, sex, age, national origin, disability, sexual orientation, military status, or any other characteristic protected by applicable federal, state, or local law.

**Laws and Regulations**

We will review the laws and regulations covering the School. Based upon our inquiries with the School's staff and review the applicable laws and regulations on the School, we will determine the relevant laws and regulations that will be subject to additional test work.



**License to Practice in California**

Harshwal & Company, LLP is a properly licensed, certified public accounting firm. All certified public accountants involved in audit engagements of the firm are licensed to practice and have received at least the minimum number of continuing professional education hours required by their respective State Board of Accountancy and the American Institute of Certified Public Accountants.

**dca**  
DEPARTMENT OF CONSUMER AFFAIRS

**CERTIFIED PUBLIC ACCOUNTANT PARTNERSHIP**

REGISTRATION PAR 7299  
RECEIPT NO. 12492026

**HARSHWAL & COMPANY LLP**  
16870 W BERNARDO DRIVE  
STE 250  
SAN DIEGO CA 92127

CALIFORNIA BOARD OF ACCOUNTANCY  
2450 VENTURE OAKS WAY, SUITE 300  
SACRAMENTO, CA 95833  
TELEPHONE: (916) 263-3680  
FACSIMILE: (916) 263-3672

VALID UNTIL OCTOBER 31, 2023

In accordance with the provisions of Chapter 1, Division 3 of the Business and Professions Code, the firm named hereon is duly registered and entitled to practice as a Partnership.

09/07/21  
09/07/21

----- POST IN PUBLIC VIEW -----

WABPAR 04/12/17

**Disciplinary Action & Pending Litigation**

Harshwal & Company, LLP emphasis on quality has provided the firm with an excellent track record regarding claims related to professional services. Harshwal & Company, LLP has an impressive history, free of litigation, penalties and debt, and we have no sanctions or restrictions imposed by professional organizations, regulatory authorities or other government institutions. Harshwal & Company, LLP has never been debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs or from receiving federal contracts, subcontracts or financial or maniacal assistance or benefits, under Executive Order 12549, "Debarment and Suspension" (24 CRT 85.35) or other federal laws, statutes, codes, ordinances, regulations or rules, at any time during the term of the agreement.

**Terminations**

Harshwal & Company, LLP has never terminated, held in default, or failed to complete any work. We have always been a hallmark for the quality of our audit work. We are committed to providing high-quality service without compromising the timely submission of your audit report. We have never been debarred or suspended, and none of our firm’s contracts have ever been rejected for substandard audits.

**Hold Harmless and Indemnification**

Harshwal & Company, LLP have errors and omissions insurance, property and liability and workers’ compensation insurance and will indemnify and hold harmless the School from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part.



### Independence

We are independent of Innovations Academy Charter School, as defined by GAAS and the US General Accounting Office's Government Auditing Standards. Before accepting any new engagement, we conduct a thorough check to ensure that there are no conflicts of interest or independence issues. This procedure is in compliance with the independence requirements of all regulatory agencies.

If selected as your audit firm, we will maintain and monitor our independence as well as reassess our independence with respect to your organization on an annual basis. We will continue to evaluate our independence as your external auditors and will give the School and its component unit written notice of any professional relationships involving the School and its component unit, if entered into, during the period of the audit contract.

### Insurance Requirements

We will maintain such insurance coverage during the period of the engagement. Harshwal & Company, LLP maintains the following insurance:

1. Professional liability for \$2,000,000 per claim and \$4,000,000 aggregate. The carrier is CAMICO Mutual Insurance Company.
2. Commercial general liability and property damage for \$2,000,000 per occurrence and \$2,000,000 aggregate. The carrier is Hartford Business Service Center.
3. Automobile liability for \$2,000,000. The carrier is Hartford Business Service Center.
4. Workers' compensation (statutory amounts and limits) insurance carrier is Hartford Business Service Center. The per claim/aggregate limit of the liability is \$1,000,000.

➤ **A copy of Insurance Documents is attached in "ATTACHMENTS" section.**

### Firm's Most Recent External Quality Control

Harshwal & Company, LLP is a member of the Governmental Audit Quality Center (GAQC) and Employee Benefit Plan Audit Quality Center (EBPAQC) of the American Institute of Certified Public Accountants (the AICPA) and the Center for Audit Quality, an affiliate of the AICPA. A key requirement for membership in these groups is to have our systems of quality control reviewed by another CPA firm once every three years. Our most recent peer review was completed in 2020, and we received a passing peer review rating.

➤ **A copy of Peer Review Report is attached in "ATTACHMENTS" section.**



## **FIRM'S TECHNICAL EXPERIENCE**

Harshwal & Company, LLP has performed numerous audits of nonprofit organization, state and local governments, special districts, counties, governmental organizations, tribal and tribal government, and including several educational entities etc., that are subject to financial, compliance, ACFR, and single audits. Our firm serves the following related clients, many of which are comparable in size to Innovations Academy Charter School.

### **Non-Profit Organizations**

- Rwanda School Project
- California College of Communications, Inc.
- New Bridge Foundation
- San Francisco Community Clinic Consortium
- Hopi Credit Association
- Ruckus Society
- San Francisco BayKeeper
- Chinese for Affirmative Action
- Community Clinic Consortium
- Manzanita Charter School
- San Diego Civic Youth Ballet
- Greater Farallones Association
- Santa Clara Teacher Housing Foundation
- Mother Lode Job Training
- Eden United Church of Christ
- A & I Express Inc.
- Health and Human Resource Education Center
- California Hispanic Chambers of Commerce
- California Municipal Utilities Association
- San Diego Organizing Project
- Family Paths, Inc.
- Consolidated Tribal Health Project Inc.
- South County Community Health Center, Inc.
- A&I Transport Inc.
- Access Reproductive Justice
- Alameda County Deputy Sheriffs Activities League
- Crowden Music Center
- Digital Democracy
- East Oakland Switchboard
- Family Bridges Inc.
- Gallup Inter-Tribal Indian Ceremonial Association, Inc.
- Pawnee Nation College
- Sustainable Economies Law Center
- Sustainable Sciences Institute
- Santa Cruz County Parents Association
- American Nonsmokers' Rights Foundation
- Allen Temple Baptist Church
- Baker's Palace
- Maisha Meds, Inc.
- Native American Health Center, Inc.
- United Way of Santa Cruz County
- ICON Community Development Corporation
- Oakland Metropolitan Chamber of Commerce
- Gluon Solutions, Inc.
- Youth Together, Inc.
- TerraVerde Energy
- Luxesphere Holdings, Inc. and Subsidiaries
- FOOD FIRST/Institute for Food & Development
- RFHC Bay Pulgas Landowner, Inc.
- Institute for Molecular Medicine
- Key Educational Group
- Oakland Community Organizations, Inc.
- Mnc 1240 Valencia Inc.
- American Federation of State, County & Municipal Employees Local 2428
- Anti Terror Project, Inc.
- Artequity Community
- Bay Area Young Positives
- California Anchor Residence Group Home
- Healthy Black Families
- Jessica Broitman Foundation
- Urgent Action Fund
- Kickapoo Head Start Inc.



- Center For Third World Organizing
- Center for Youth Development through Law
- Consolidated Tribal Health Project, Inc.
- Countywide Alcohol and Drug Services, Inc.
- Hopi Credit Associations
- IIT Kanpur
- IIT Bombay Heritage Foundation
- IIT Madras Foundation
- Mary Magdalene Community Services
- New Mexico Cancer Care Alliance
- Pacific Center for Human Growth
- Solano Coalition for Better Health
- The Estria Foundation
- Tohatchi Area of Opportunity & Services, Inc.
- Women's Daytime Drop-In Center
- St. James Infirmary
- Redwood Region Economic Development Commission
- Veterans Accession House
- San Carlos Apache Relending Enterprise
- Life Long Medical Care
- Family Resource Center of the Redwoods
- Transcendance Youth Arts Project
- North East Medical Services
- Over 60/CEI, Inc.
- Indian Health Center of Santa Clara Valley
- Bay Area Center for Law and The Deaf
- Bay Area Community Services
- Bay Area Lupus Foundation
- San Diego Civic Youth Ballet
- The Center for Empowered Politics
- Tolani Lake Enterprises
- California Hispanic Chambers of Commerce Foundation
- Carbon Offsets to Alleviate Property
- Centro Latino de San Francisco
- Community Health Partnership, Inc.
- Court Appointed Special Adocates Program, Inc.
- DayBreak Adult Care Centers
- Dominican Sisters Vision of Hope
- Eden Area Foundation
- Faith in Action Bay area
- Grand Lodge of California
- Heffernan Foundation
- Hiawatha Harris M.D, Inc.
- Just Cities Institutes
- Lakeshore Avenue Baptist Church
- Mission Language & Vocational School
- North County Lifeline Inc.
- Our Common Ground Inc.
- Redwoods Rural Health Center
- Sikh Gurdwara San Jose
- V- Day
- Vascular Cures and Pacific Vascular Research Institute
- El Centro de Libertad/The Freedom Center
- Preserving Alameda County Housing, Inc.
- Downtown Action Team
- Lincoln Child Center
- PICO National Network
- PICO Action Fund
- Family Service of San Leandro

**Private Entities**

- Tots of Love Child Development Center, LLC
- The Good Earth Organics, Inc.
- The Child Day Schools, LLC
- Optimize Infrastructure, LLC
- Newport Holdings, L.P.
- Eureka Housing Associates, LP
- Nelson Trucking Partners, LLC
- TerraVerde Energy, LLC
- Juana Care Facility, LLC
- Solace Supportive Living, Inc.
- Thomas Jee & Associates, Inc.
- Vvd Partners, LLC
- RADAR Creative



**Tribes and Tribal Entities**

- Omaha Tribe of Nebraska
- Hoopa Valley Tribe
- Big Sandy Rancheria
- Robinson Rancheria Band of Pomo Indians
- KTNN Native Broadcast Enterprise
- K'ima: w Medical Center
- Village of Shungopavi
- Kykotsmovi Village
- California Tribal T.A.N.F Partnership
- La Jolla Band of Luiseño Indians
- Kickapoo Tribe of Oklahoma
- Timbisha Shoshone Tribe
- Sac and Fox Nation
- Pauma Band of Luiseno Mission Indians
- Kickapoo Tribal Health Center of the Kickapoo Tribe of Oklahoma
- Kashia Band of Pomo Indians of the Stewarts Point Rancheria
- Yuwehloo Pahki Community
- San Luis Rey Indian Water Authority
- Sipaulovi Village
- Village of Sichomovi
- Cloverdale pomo band of Indians

**Housing Entities**

- Housing Authority of the County of San Mateo
- Santa Clara Pueblo Housing Authority
- Housing Authority of County of San Mateo
- Santa Clara Pueblo Housing Authority
- Greyhills Academy High School
- Housing Authority of the City of Port Hueneme
- Eastern Regional Housing Authority
- White Mountain Apache Housing Authority
- Housing Authority of the City of Benicia
- Housing Authority of the County of Alameda
- City of Eureka Housing Authority
- County of Humboldt Housing Authority
- Housing Authority of the County of Alameda
- Sisseton Wahpeton Housing Authority
- Pueblo of San Felipe Housing Authority
- Housing Authority of the County of Butte
- Housing Authority of the City of Richmond

**Special Districts**

- Cupertino Sanitary District
- Valley of the Moon Water District
- Plumas County Community Development Commission
- Loma Prieta Resource Conservation District
- Humboldt Bay Harbor, Recreation and Conservation District
- Burbank Sanitary District
- Aromas Tri-County Fire Protection District
- Cypress Fire Protection District
- South Monterey County Fire Protection District
- Rodeo-Hercules Fire District
- Coastside Fire Protection district
- Artesia Cemetery District
- Central Basin Municipal Water District
- Goshen Community Services District
- Paradise Recreation and Park District
- Mission Oak Park and Recreation District
- El Rancho Simi Cemetery District
- Saratoga Fire Protection District
- Lions Gate Community Service District
- Alameda County Law Library
- Fort Dick Fire Protection District
- Border Coast Regional Airport Authority
- Del Norte Solid Waste Management Authority
- Sunrise Recreation & Park District
- Smith River Fire Protection District
- Bardsdale Cemetery District



## Proposal to Provide Audit Services

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- Big Rock community service district
- Buena Park Library District
- Del Norte Library District
- Gasquet Community Services District
- San Dieguito River Park Joint Powers Authority
- Guadalupe Coyote Resource Conservation District
- First 5 Inyo County
- First 5 Santa Cruz County
- San Miguel Community Services District
- Yolo Local Agency Formation Commission
- Alameda County Fire Department
- SCC Center Fire Protection District
- Oakland-Alameda County Coliseum Authority
- Los Altos Hills County Fire District
- Santa Clara County Sanitation District 2-3
- Alameda County Community Development Department
- Border Coast Regional Airport Authority
- Carmel Highlands Fire Protection District
- Crescent Fire Protection District
- Del Norte Local Transportation Commission
- Perris Valley Cemetery District
- Redwood Empire Dispatch Communications Authority
- Santa Clara County Vector Control District
- West Contra Costa Integrated Waste Management Authority
- Ambrose Recreation and Park District
- South Santa Clara Co. Fire District
- Menlo Park Fire Protection District
- Los Medanos Community Health Care District
- Alameda County Housing and Community Development
- East Palo Alto Sanitary District
- Solano County Local Transportation Fund
- Fox Canyon Groundwater Management Agency

### COUNTIES

#### Santa Cruz County

- Single Audit
- Mental Health - Short Doyle Program

#### Del Norte County

- Del Norte County
- Del Norte County Solid Waste Management Authority

#### Santa Clara County

- Single Audit (Sub Contractor)
- County of Santa Clara JTPA Program
- Mental Health Short Doyle Program
- Sheriff's Department – Inmate Welfare Fund

#### County of Alameda

- Alameda County Housing and Community
- Community Based Organization Audits
- Development and Lead Poisoning Prevention
- Alameda County Public Works Department
- Alameda County Housing and Community Development - Bond Audit
- Alameda County Social Services - Food Stamp
- Oakland-Alameda County Coliseum Authority
- Alameda County Health Care Services Agency
- Alameda County Auditor-Controller's Agency
- City of Oakland, Office of Public Works
- Alameda County Fire Department
- Alameda County Transportation Authority



**County of San Mateo**

- JTPA Program
- Menlo Park Fire Protection District
- Department of Community Services

**Solano County**

- City of Vallejo (Sub Contractor)
- Local Transportation Fund
- Mental Health - Short Doyal Program

**Contra Costa County**

- Public Works Department
- Emergency Medical Services

**Pension Plan Clients**

- Baker's (Retirement Plan-403 B)
- The Athenian School (403B) Plan
- Native American Health Center, Inc. (403B)
- Akshaya Inc.(401K)
- Burning Man Project (401k) Plan
- Fulfilment Systems, Inc. (401)
- Hammer Prep (401k) Plan
- Kai Ming, Inc. (403B)
- Kickapoo Tribe of Oklahoma (401K) Plan
- East Bay Agency for Children 403(b)
- Sysintelli, Inc. (401k) Plan
- Fundbox Inc. (401)
- Hog Island Oyster Company (401k) Plan
- Luxesphere Holdings, Inc. (401k) Plan
- Skywalker Properties (401k) Plan
- Storage Pro (401k) Plan
- United Indian Health Services, Inc. (403B) Plan
- Mission Neighborhood Centers (403B) Plan

**State and Local Governments**

- County of Del Norte
- City of San Mateo
- Town of Apple Valley
- City of Sanger
- City of Oakland
- City of East Palo Alto
- City of Crescent City
- City of Vallejo
- County of Santa Clara
- Cibola County
- Sierra County
- First 5 Santa Cruz County
- First 5 Inyo County
- First 5 Alameda County
- First 5 Marin Children & Families Commission
- First 5 Monterey County
- First 5 San Bernardino
- Town of Edgewood
- Town of Springer
- Town of Mesilla
- Town of Cochiti Lake



**Educational Entities**

- Pleasant Valley School District
- Lamont School District
- EL Segundo Unified School District
- Nazlani Community School
- Sacramento Valley Charter School
- First Mesa Day School
- La Honda-Pescadero Unified School District
- Ravenswood City School District
- Napa Valley Unified School District
- Fairfield-Suisun Unified School District
- Benicia Unified School District
- Belmont-Redwood Shores School District
- Richland School District
- Conejo Valley Unified School District
- Azusa Unified School District
- Spark\* SF Public Schools
- Pinon Community School, Inc.
- San Mateo - Foster City School District
- Brisbane School District
- Jefferson School District
- San Bruno Park School District
- Jefferson Union High School District

**Single Audit Experience**

Harshwal & Company, LLP has worked with numerous organizations that receive extensive governmental funding and are subject to auditing under the Uniform Grant Guidance, formerly known as OMB Circular A-133 guidelines. We utilize standardized audit programs from the federal government's Compliance Supplement to ensure that our audit procedures meet federal standards. Our audit programs are continually updated to reflect the revisions of the OMB.

Our Uniform Guidance risk-based approach focuses on areas of higher risk of noncompliance. Such an approach truly reflects the federal government's intent by concentrating on the following three steps:



Our firm has audited hundreds of millions of dollars in federal expenditures, making our engagement team uniquely experienced in single audits. We are familiar with grantors, such as:

- Corporation for National and Community Services
- Department of Agriculture
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of Commerce
- Department of Labor
- Department of Homeland Security
- Department of Justice
- Department of Treasury
- Executive Office of the President
- U.S. Department of the Interior
- Total Department of Energy



**REFERENCES**

We encourage you to contact these references to inquire about the quality of our services, their overall satisfaction, the effectiveness of our auditing and accounting approach, the abilities of our professionals, and the timeliness and overall value of our services. As a small business enterprise CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service. We would be happy to provide additional references upon request.

<b>Client Name</b>	<b>Contact Name</b>	<b>Contact Information</b>
<b>Rwanda School Project</b>	Joy Petty, Treasurer 1300 St. Francis Road Santa Rosa, CA 95409	(707) 292-4384 <a href="mailto:joy@rwandaschoolproject.org">joy@rwandaschoolproject.org</a>
<b>Manzanita Charter School</b>	Martin Coyne, Fiscal Consultant 991 Mountain View Blvd, Vandenberg AFB, CA 93437	(510) 222-3500 <a href="mailto:coyne@manzy.org">coyne@manzy.org</a>
<b>Sacramento Valley Charter School</b>	Vicky Dali, 2399 Sellers Way West Sacramento, CA 95691-3046	(916) 996-3943 <a href="mailto:vdali@sacvalleycharter.org">vdali@sacvalleycharter.org</a>



## STAFF QUALIFICATIONS AND EXPERIENCE

The expertise and experience of Harshwal & Company, LLP's principals and personnel are at the core of the firm's excellence in performing audits of not-for-profit organizations. Harshwal & Company, LLP has experience providing exceptional client service and high-quality audit services through comprehensive knowledge and understanding of governmental accounting standards. We're passionate about our work and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the industry. We know the importance of a strong business relationship, so we keep staffing changes to a minimum year-to-year. Harshwal & Company, LLP has a high retention rate, allowing us to provide stability. Your service team has extensive experience in the governmental industry.

### Staff Continuity over the Term of the Agreement

We focus on our team members as well as our clients. Our turnover is significantly lower than other national and regional service firms. This staff continuity enables us to develop and maintain an in-depth understanding of your operations, management style and operating practices, which ultimately allows us to offer you experienced resources, value-added services, industry specialization, and overall better personal service. This commitment to people also resides at our executive level where you will find a refreshingly greater hands-on approach compared to other service providers. Our culture stresses the importance of executive presence throughout projects and engagements.

### Proposed Audit Team

All assigned key professional staff has complied with governmental qualification standards, including governmental continuing education requirements.

<b>Name of Team Member</b>	<b>Role</b>	<b>Experience</b>
<b>Sanwar Harshwal, CPA, CIA, CISA, CFE License No. 5393</b>	<b>Managing Partner</b>	38+ Years
<b>Phyl Warnock, CPA</b>	<b>Independent Reviewer</b>	24+ Years
<b>Garima Pathak</b>	<b>Audit Manager</b>	6+ Years
<b>Michael Sparling, CPA</b>	<b>Senior Auditor</b>	16+ Years
<b>Samson Reda, CPA</b>	<b>Senior Auditor</b>	8+ Years

*We assure you regarding the quality of staff over the term of the engagement. We will not replace audit personnel except with prior written permission of the School. In case we change, we will provide replacements having better qualifications and experience.*



### **Proposed Management Plan**

<b>Name &amp; Position</b>	<b>Responsibility</b>
<b>Sanwar Harshwal, CPA Managing Partner</b>	<p>Sanwar Harshwal will be the managing partner in charge of administration, reviews, planning of the audit, approval of the audit scope and work, and review of work and liaison with the School. He is responsible for conducting the fieldwork, coordination of the audit plan, and ensuring that the plan formulated has been effectively followed and managed.</p> <p>He will coordinate with the manager and supervisor for proper fieldwork progress. He will also manage and organize the audit team's effort and ensure the various audit components are performed efficiently. He also has the responsibility for meeting with the School's management to keep them informed regarding the progress of the audit. The responsibility also extends to ensure smooth interaction of the firm with the School. He has final authority in the conduct of the engagement, and assumes full responsibility for the work performed.</p>
<b>Phyl Warnock, CPA Independent Reviewer</b>	<p>Phyl R. Warnock is responsible for reviewing staff work papers, prepare findings and recommendations, document internal controls, designing test procedures and ensuring compliance with auditing standards. He has extensive experience and will also be managing the staffing assignment for the engagement to meet deadlines.</p>
<b>Garima Pathak Audit Manager</b>	<p>Garima Pathak will provide the School staff with updates to summarize our progress against the project timeline, and update the status of upcoming deliverables. She will also document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model.</p>
<b>Michael Sparling, CPA Senior Auditor</b>	<p>Michael Sparling is a senior auditor and has extensive knowledge of governmental accounting and auditing standards. He will be assisting the audit team in planning and compliance.</p>
<b>Samson Reda, CPA Senior Auditor</b>	<p>Samson Reda, is a senior auditor in the firm's audit group and is in charge of the fieldwork. He will be responsible for preparation and maintenance of various work-papers required for audit report preparation.</p>

Almost all of our assigned key personnel are licensed to practice in California as a Certified Public Accountant. In addition to the key personnel listed, additional staff will be assigned from our pool of highly qualified professionals.

#### **Overall Supervision to be Exercised**

The audit will be managed by our firm's audit manager, Garima Pathak, who has extensive experience in audits of not-for-profit organizations. Garima Pathak has been in charge of various large audits, governmental funded programs, and community-based organizations receiving federal and state funds.



## **Audit Team Resumes**

**SANWAR HARSHWAL, CPA, CIA, CISA, CFE**

### **Managing Partner**

Sanwar Harshwal is the Managing Partner of Harshwal & Company, LLP. He is a globetrotter and a trained technical speaker on auditing and global accounting standards, IT and internal controls, on fraud prevention, and on examinations and internal audits. With over 38+ years of experience with governmental auditing engagements, Mr. Harshwal is also a leading expert on emerging accounting challenges for state and local governments.

Mr. Harshwal has attended AICPA seminars on GASB's New Financial Reporting Model and Financial Statements of State and Local Governments. During the last 5 years. Mr. Harshwal has provided over 400 hours of training to several professionals on GASB, GAS, Uniform Guidance, FASB, SAAS, GAGAS, pension plan audits, COSO, COBIT, internal audits, fraud prevention and examination and tribal governmental governance issues. In addition to having significant experience in audits, strategic assessments of accounting functions, and internal control structures. Mr. Harshwal has extensive experience in evaluating complex accounting and finance issues. He has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA software and other automated tools.

### **Education:**

- B.S. Business Accounting
- Bachelor of Law

### **Certification:**

- Certified Public Accountant - State of California (CPA)
- Certified Public Accountant - State of New Mexico (CPA)
- Certified Public Accountant - State of Arizona (CPA)
- Certified Public Accountant - State of Washington (CPA)
- Chartered Accountant - The Institute of Chartered Accountants of India
- Certified Information System Auditor (CISA)
- Certified Fraud Examiner (CFE)
- ORACLE Financial Consultant (Oracle Business Suite)
- Chartered Global Management Accountant (CGMA)
- Certified Risk Management Assurance (CRMA)
- Certified Construction Auditor (CCA)

### **Professional Membership:**

- Member of AICPA
- Member of California CPA Society of Certified Public Accountants
- Member of Information Systems Audit and Control Association, USA
- Member of Association of Certified Fraud Examiners, USA
- Member of Institute of Certified Internal Auditors
- Member of National Association of Construction Auditors
- Member of NM CPA Society



**PHYL WARNOCK, CPA**  
**Independent Reviewer**

Phyl Warnock is an independent reviewer and have over 24+ years' experience in performing financial audits, reviewing staff work papers, writing financial statements, preparing findings and recommendations, documenting internal controls and redesigning test procedures. Phyl has performed financial audits of state and local governments, special districts, non-profit organizations, municipalities and has working knowledge of GAAP used during audits & financial statement preparations. He will be responsible for reviewing the work papers and final audit reports.

**Education:**

- Masters of Business Administration
- Bachelors of Science in Accounting

**Certification:**

- Certified Public Accountant - State of Utah (CPA)

**GARIMA PATHAK, CA**  
**Audit Manager**

Garima Pathak is our audit manager and has been employed with Harshwal & Company, LLP for six years. She has been engaged in numerous audits of state and local governments, special districts, tribes, not-for-profit organizations, and housing authorities. Garima has 5 years of experience working with all types of exempt organizations including 501(c) (3), 501(c) (4), 501(c) (6), and 501(c) (7). Garima has provided tax compliance services to clients in the retail, real estate, and not-for-profit industries. She concentrates on real estate clients, focusing on low-income housing, including both for profit and not-for-profit entities. Garima has a passion for her not-for-profit clients and the industry at large, providing them with hands-on tax compliance services including Form 990 filings. She has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA Software and other automated tools.

**Education:**

- Bachelor's in Commerce

**Certification:**

- Chartered Accountancy of Institute of Chartered Accountants of India

**MICHAEL SPARLING, CPA**  
**Senior Auditor**

Michael Sparling is a senior auditor with the firm having over 16+ years of experience. He has in-depth knowledge of US GAAP principles and has worked on financial and compliance engagements under the OMB Circular (Uniform Guidance) for various special districts, county, township and city governments, and tribal government. He is an expert in cash flow analysis and supervises 401K audits. He has proficient knowledge of using ProSystem FX/Knowledge Coach (CCH) and other industry tools.

**Education:**

- Bachelors of Science in Accounting

**Certification:**

- Certified Public Accountant - State of Michigan (CPA)



**Professional Membership:**

- Member of AICPA
- Member of MICPA

**SAMSON REDA, CPA**

**Senior Auditor**

Samson Reda is a senior auditor at Harshwal & Company and has eight years of experience in auditing and providing accounting services to state and local governments, special district, school district, tribes and tribal governments, not-for-profit organizations, and housing authorities. He is an expert in data analysis and reconciliation and his experience includes auditing, the recording and analysis of account transactions; establishing accounting records; reconciliation of cash balances; implementation of accounting controls; and statistical reports. He also conducts sampling, testing and is well experienced in performing audits in accordance with attestation standards established by the AICPA. He has proficient knowledge of using CaseWare, CaseView, CaseWare IDEA and other automated tools. He will assist in directing the staff and specialize in the timely completion of the audit.

**Education:**

- BA in Accounting

**Certification:**

- Certified Public Accountant - State of Virginia (CPA)

**Continuing Professional Education**

Because we are committed to the industries we serve, we provide our professionals with specific, ongoing training. This investment ensures our people stay current on the unique challenges and opportunities within the industry sectors so that they are in the best position to help clients address these issues.

Firm wide, our continuing professional education program (CPE) requires all professional staff obtain education that exceeds the requirements of the American Institute of Certified Public Accountants (AICPA) and where applicable, Government Auditing Standards. Harshwal & Company, LLP places a strong emphasis on lifelong learning and recognizes the importance of developing our professionals to best serve our clients.

**The following table details CPE hours for each key member of the proposed audit team:**

<b>Audit Team Member</b>	<b>Governmental CPE</b>	<b>Non-Governmental CPE</b>
<b>Sanwar Harshwal, CPA, CIA, CISA, CFE License No. 5393</b>	<b>140</b>	<b>124</b>
<b>Phyl Warnock, CPA</b>	<b>25</b>	<b>42</b>
<b>Garima Pathak</b>	<b>84</b>	<b>57</b>
<b>Michael Sparling, CPA</b>	<b>24</b>	<b>17</b>
<b>Samson Reda, CPA</b>	<b>80</b>	<b>56</b>



## **AUDIT APPROACH**

### **Scope of Work**

At Harshwal & Company, LLP, our professionals have extensive experience performing audits of not-for-profit organizations. Our team has a broad understanding of the regulations and requirements necessary to conduct an audit of the financial statements of the School. We understand that you require us to perform an audit of the School for the fiscal year ending June 30, 2024, through June 30, 2026, with an option to extend for two (2) additional years.

- We will perform an audit of Innovations Academy Charter School in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Understanding of the Work to be Performed**

The two most critical components of the audit are (1) to have continuity and consistency among the auditors involved and (2) to have the entire audit team, from partners to staff, understand and be aware of the technical requirements for the engagement. Therefore, careful audit planning is emphasized along with written instructions, and a comprehensive workshop is carried out for the staff engaged. We have ascertained that this effort not only serves to state the line of organization and responsibility from the commencement but also serves to discuss the areas of concern and applicable audit techniques to be adopted in the examinations proposed to be conducted.

Our plan will involve a comprehensive entrance meeting with the School's audit committee and management. During this phase, we hope to establish the timetable for the examination and identify dates for future meetings to report on our progress in the examination. Shortly thereafter, the partners and an audit manager will meet with the concerned at School's manager to be able to obtain a more detailed outline of the School's financial systems and processes. This will help us to determine the extent and concentration of our audit effort, obtain knowledge and an understanding of the legal and reporting requirements by obtaining pertinent statues, regulations, and other requirements. The meeting will serve as a guideline to prepare and outline our audit-planning memorandum and the audit plan. Upon completion of the audit plan, we will meet with the School officials to go over our plan.

### **Specific Audit Approach**

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide the level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and an audit manager. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of the total hours spent on the engagement. Our team's approach is to be efficient, yet non-intrusive. We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.



### **Audit Planning — Interim Phase**

Our audit planning process includes a risk assessment of the School and a review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met in a timely manner. In addition, we will provide a list and samples of schedules specifically tailored to Innovations Academy Charter School to aid the School's staff in preparing schedules and providing audit documentation.

### **Risk Assessment — Interim Phase**

As part of our extensive planning phase, the engagement team will discuss with management issues surrounding the School's internal and external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next step will be to review the control testing.

### **Control Testing — Interim Phase**

Based on our understanding of the School's risks and control environment, we will design our substantive procedures and communicate our audit approach to management. As part of our review and documentation of the control environment, we may have recommendations for enhancing controls and/or efficiencies. These recommendations will be discussed with management prior to any comments included in a formal management letter. We will document and test the following control processes to evaluate their effectiveness in preparing reliable financial statements:

- General Disbursements
- Cash flows
- Payroll
- Journal entry process
- Federal and state programs
- Financial reporting
- IT and general computer controls

### **Substantive Procedures — Year End Phase**

Substantive audit procedures are designed based on our risk assessment process. Complex and high-risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:

- Tests of account details — Detail transaction testing to source documentation
- Analytical procedures — Ratio analysis, variance analysis, trend analysis
- Use of data analysis software — Review of large volumes of data to detect anomalies
- Unpredictability tests — Varying timing and extent of tests
- Review of management's estimates — To determine the reasonableness
- Review of subsequent events and contingencies — For proper adjustment and footnote disclosure



**Drawing Audit Samples (for tests of compliance)**

Auditor judgment will be used in selecting our audit samples for tests of compliance work. We abide by AICPA guidelines in drawing audit samples. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas, which have a higher risk of misstatement due to fraud.

**Preparation of Audit Report and Review — Year-end Phase and Wrap-up Phase**

Audit work papers are reviewed throughout the audit by an audit manager and engagement partner. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. The financial statements are prepared by the audit manager. All reports are reviewed by the engagement partner and independent reviewer. Upon approval, we will issue drafts of all reports based on the School's predetermined schedule as indicated in the Request for Proposal. This will allow adequate time for the review and distribution of reports.

**Audit Sizes and Statistical Sampling Techniques**

Audit sampling provides the auditor with an appropriate basis on which to conclude on an audit area by examining evidence from a sample of a population. We utilize both statistical and non-statistical-sampling techniques as described in the AICPA's Audit Sampling Guide, depending on the type of testing being performed. Internal control, substantive, and compliance testing samples are generally selected using non-statistical techniques. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas, which have a higher risk of misstatement due to fraud.

**Analytical Procedures**

Harshwal & Company, LLP will apply analytical procedures throughout general planning to improve our understanding of your operations and to identify audit areas for increased attention. These will be applied to assist in planning the nature, timing and extent of other procedures. They will be applied to all balance sheet, revenue/receipt and expense/expenditure areas. These procedures include, but are not limited to, the comparison of current year to prior year and budget amounts. Areas that show results different from those anticipated or planned will be further investigated to determine the validity of the variance.

During the year-end audit fieldwork, we use analytical procedures to test whether errors affecting account balances or classes of transactions have occurred by comparing the recorded amount with an independently developed expectation of that amount. We develop the expectation in such a way that a significant difference between the expectation and the recorded amount is indicative of a financial statement misstatement, unless we can obtain and corroborate explanations for the difference. Analytical procedures are a natural extension of our understanding of your operations because the key factors that influence your operations may be expected to affect the financial data.

**Working Paper Retention**

We will retain audit working papers for a minimum of seven (7) years unless we are notified in writing by the School of the need to change the retention period. In addition, we will respond to reasonable inquiries of the School and successor auditors, and allow the School and successor auditors to review working papers relating to matters of continuing accounting significance. We will make working papers available upon request.



### **Technological Advantages**

We utilize the latest technology, including virtual servers, smart devices, and online libraries, to provide us with the most up-to-date information to better serve our clients. Our online client portal, *Suralink* gives us the capability of sending and receiving information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that data can only be viewed by the appropriate client, we are dedicated to protecting the School's confidential information. Furthermore, we streamline our audit process and organize support documents through the use of the paperless audit program; CaseWare Working Papers. By effectively reviewing large volumes of data through these programs, we are able to develop a better understanding and gain a broader view of Innovations Academy Charter School. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed, and interpreted in a shorter time frame.

### **Management Letter**

Communication with management is crucial since it is essential to hear your concerns and comprehend the financial records to have a complete and thorough understanding of business operations. Management confirmation is required on all information contained within the financial statements to ensure that they are true and accurate and that all information has been properly disclosed. The management letter will include a statement of findings and recommendations affecting the financial statements, internal control, and accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material information.

The first draft of the management letter will be reviewed with the concerned at the School. Prior to the submission of the final draft of the management letters, the Audit Firm shall meet with the concerned of the School to discuss and clarify potential findings. Communication with management is crucial since it is essential to hear your concerns and comprehend the financial records to have a complete and thorough understanding of business operations. Management confirmation is required on all information contained within the financial statements to ensure that they are true and accurate and that all information has been properly disclosed. We will review all significant audit findings with the School as the work proceeds and once on complete of our audit procedures.

It is standard practice for our firm to produce a management letter in conjunction with each engagement. The audit process provides an opportunity to assess performance and trends, identify opportunities to improve internal controls and/or accounting efficiency and, spot emerging needs or opportunities. By reporting these conditions and opening them up for discussion, the management letter can play an important role in maintaining the future financial health of the organization. Should we become aware of any irregularities, illegal acts, or indications of illegal acts, we will make an immediate verbal and written report of such findings to the School. The report will be discussed with the members responsible for the financial statements before submitting it to the School.



**Tax Approach**

In addition to our ability to provide audit services to School, the selected engagement team includes not-for-profit tax specialists who have extensive experience in preparing Forms 990, 990-PF, 990-T, and 990-EZ as well as California Forms 199 and 109 and RRF-1. They also provide organizations with strategic tax planning and advice to help minimize unrelated business income tax liabilities, and governance and operating issues which affect public reporting entities.

The compilation and filing of tax returns are critical parts of our engagement process. Noncompliance with the tax laws and regulations can have a significant impact on your financial statements. During the audit, we also collect additional information that is necessary for filing, such as contributions, salary details, lobbying expenses, and many other items that are needed in order to prepare the tax returns. Understanding that your tax filings are public documents, we spend time with management reviewing the returns to ensure that you take every opportunity to have your message and your mission clearly stated to the contributors reviewing this document. We have the capability to file your tax return electronically with federal authorities and the state taxing authorities that allow electronic filing. We will provide you with an electronic copy of your return or hard copy at your request.

**Project Schedule**

Outlined below is an expected timeline and completion of the audit and the expected delivery of the Audit Reports and management letter:

<b>Milestones</b>	<b>Timeframes</b>
Planning, risk assessment, and system evaluation	1st week of August 2023, or Before
Audit fieldwork start	3rd week of August 2023, or Before
Field work to be completed	2nd week of September 2023, or Before
Draft audit report and management letter for review	2nd week of October 2023, or Before
Final audit report and management letter	October 31, 2023, or Before

- **The timeline is reasonable given the totality of work involved and our managers being highly qualified and trained.**
- **This timeline is dependent on the availability of your personnel and is subject to the anticipated closing dates of your accounting records.**



**FEES AND COMPENSATION**

Our fees are generally lower than other competing firms since we keep our overhead low; we follow a scientific audit approach and we make extensive use of emerging technologies that allow us to conduct audits efficiently. Our policy is to provide you with exceptional service that meets and exceeds professional auditing standards at a competitive cost. If you request additional services, we will obtain your agreement on fees before commencing work, so there are no surprises or hidden fees.

*Summarized below are the proposed professional fees for the School's auditing services:*

<b>Audit Area - Description</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Financial Audit.....	\$ 20,000.00	\$ 21,000.00	\$ 22,050.00
Tax.....	2,000.00	2,100.00	2,205.00
<i>Total out-of-pocket expenses</i>	<b>Included</b>	<b>Included</b>	<b>Included</b>
<i>Total Fees</i>	<b>\$ 22,000.00</b>	<b>\$ 23,100.00</b>	<b>\$ 24,255.00</b>

➤ **Additional fees for subsequent years will include an inflationary adjustment of 5%.**

**Rates by Partner, Manager and Staff:**

<b>Our estimated hours of FY 2021:</b>			
<b>Description - Team Composition</b>	<b>Est. Hours</b>	<b>Quoted Rates</b>	<b>Fees</b>
Partner	10	\$400	\$ 4,000.00
Independent Reviewer	9	275	2,475.00
Manager	12	275	3,300.00
Senior Auditors	49	175	8,575.00
Staff Auditors	71	120	8,520.00
Clerical Staff	7	90	630.00
<i>Gross Fees</i>	<b>158</b>		<b>27,500.00</b>
<i>Less:- Discount @ 20%</i>			<b>-5,500.00</b>
<i>Net Fees</i>			<b>\$ 22,000.00</b>

**Rates for Additional Professional Services**

We will perform additional work only if set forth in an addendum to the contract between the School and our firm. Our fees for the additional services, if required, will be based on the actual time spent by professional or administrative personnel at quoted hourly rates, specified above. Our standard hourly rates vary according to the degree of responsibility involved, and the experience level of the personnel assigned.



**Manner of Payment**

Progress billings will be sent on the basis of actual audit work completed during the course of the engagement. Interim billings do not cover a period of less than a calendar month. We do not bill for out-of-pocket expenses as they are included in our stated all-inclusive maximum price. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.

**Benefits of Choosing Harshwal & Company, LLP**

Harshwal & Company, LLP is recognized for its professionalism, integrity, and for providing clients with effective resolutions for their unique circumstances and issues. Our firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. Harshwal & Company, LLP's main objective is always to provide Innovations Academy Charter School with solutions and directions, led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allows us to provide a superior level of service.

We trust that this proposal has given you the information you need about the Firm. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to Innovations Academy Charter School and providing you with the excellent level of service that you expect and deserve. The comprehensive service includes:

- Email updates on all new and pertinent developments.
- A careful review of the effects of these new developments (if any), on your particular circumstances. If necessary, we will advise you on any changes needed in accounting procedures.
- We will meet with the Finance head at the beginning of the audit to advise on matters of particular interest.
- We will provide "best practices" for effective daily operations that will also provide information necessary for the financial statements.
- Throughout the audit, we will advise your accounting personnel on best practices for maximum efficiency in each major operational area.

We have provided you a fee estimate based on the following assumptions:

- The accounting records will be in balance and supported by appropriate documentation;
- The School's staff will provide the supporting schedules for all asset and liability accounts;
- The School staff will provide general assistance, such as locating documents, typing confirmation requests, and coordinating meetings.

**"Keeping in touch with" is the hallmark of our service. You will receive phone calls, emails, and information through the Harshwal & Company, LLP's portal on a consistent and regular basis.**









www.CoughlanNapaCPACo.com  
Company@CoughlanNapaCPACo.com

## **Report on the Firm's System of Quality Control**

November 25, 2020

To Harshwal & Company LLP and the Peer Review  
Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Harshwal & Company LLP (the firm) in effect for the year ended May 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

190 Camino Oruga, Suite 1 • Napa, CA 94558 • telephone: 707.255.0677 • fax: 707.255.0687  
Member: American Institute of CPAs • California, Hawaii, & Oregon Societies of CPAs



### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Harshwal & Company LLP in effect for the year ended May 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Harshwal & Company LLP has received a peer review rating of *pass*.

*Coughlan Napa CPA Company, Inc.*

Coughlan Napa CPA Company, Inc.





1710 Gilbreth Road  
Burlingame, CA 94010  
(650) 522-3094  
Fax: (650) 522-3080  
peerreview@calcpa.org

March 01, 2021

Sanwar Harshwal  
Harshwal & Company LLP  
16870 W. Bernardo Dr, STE 250  
San Diego, CA 92127

Dear Sanwar Harshwal:

It is my pleasure to notify you that on February 25, 2021, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is November 30, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*Peer Review Committee*

Peer Review Program  
The Peer Review Program Team  
peerreview@calcpa.org  
650-522-3094

cc: Constance Coughlan

Firm Number: 900005526362

Review Number: 578635





## AT-WILL EMPLOYMENT AGREEMENT BETWEEN INNOVATIONS

### ACADEMY AND EXECUTIVE DIRECTOR

This At-Will Employment Agreement (“Agreement”) is entered into by and between the above-named employee (“Employee”) and the Governing Board (“Board”) of Innovations Academy, doing business as Innovations Academy, a California public charter school approved by the San Diego Unified School District (“District”). The Board desires to hire employees who will assist Innovations Academy in implementing its purposes, policies, and procedures, and in achieving the goals and meeting the requirements of the Innovations Academy charter. The parties recognize that Innovations Academy is not governed by the provisions of the California Education Code, except as expressly set forth below.

WHEREAS, Innovations Academy and Employee wish to enter into an employment relationship under the conditions set forth herein, the parties mutually agree upon the terms and conditions set below:

#### A. Statutory Provisions Relating to Charter School Employment

1. Innovations Academy has been established and operates pursuant to the Charter Schools Act of 1992, Education Code section 47600, et seq. Innovations Academy has been duly approved by the District, according to the laws of the State of California.
2. Pursuant to Education Code section 47604, Innovations Academy has elected to be formed and to operate as a non-profit public benefit corporation pursuant to the Non-profit Public Benefit Corporation Law of California (Part 2, commencing with section 5110 et seq. of the Corporations Code). As such, Innovations Academy is considered a separate legal entity from the District, which granted the charter. The State Board shall not be liable for any debts and obligations for Innovations Academy, and the employee signing below expressly recognizes that he/she is being employed by Innovations Academy and not the District.
3. Pursuant to Education Code section 47610, Innovations Academy must comply with all the provisions set forth in its charter, but is otherwise exempt from the laws governing school districts except as specified in Education Code section 47610.
4. Innovations Academy shall be deemed the exclusive public-school employer of the employees at Innovations Academy for purposes of Government Code section 3540.1.

#### B. Employment During School Year and Conditions

1. Duties: The Employee shall work in the position of **Executive Director**. The Employee will perform such duties as described in the attached job description, which is incorporated by reference herein. These duties may be amended from time to time at the sole discretion of Innovations Academy. Innovations Academy may reasonably assign, and the Employee will abide by all school policies and procedures as adopted and amended from time to time. The Employee further agrees to abide by the provisions of the school charter.

2. Work Schedule: The minimum on-site obligations for this position shall generally be the following:
  - Monday-Friday (regular school days) – the Employee shall report to work thirty (30) minutes prior to the start of instruction. Tuesday-Thursday the Employee is expected to work a full eight (8) hour day in order to collaborate during after-school hours.

This offer of at-will employment is for an exempt position. While the Employee shall be available on-site during this time period, the duties of this exempt position may require work on weekends, as well as before and after the regular work year or hours of the workday. In fact, it is expected that the Employee will attend night performances, parent-teacher meetings (as needed), and any other school event outside of usual school hours. Workdays on which the Employee is expected to be on-site shall be consistent with the applicable calendar of workdays for this position. The current year schedule is attached hereto and incorporated by reference herein. Innovations Academy may revise the current year schedule as needed. The Employee will not render services in person or by electronic means, paid or otherwise, for any other person or entity during contracted work hours with Innovations Academy.

3. Compensation: The annual compensation for this position shall be **\$150,000 per year**, to be paid bimonthly (on the 15<sup>th</sup> and last day of the month) over the twenty-four (24) pay periods, in twelve (12) months, subject to all regular withholdings and deductions, which the Employee authorizes the School to make. The Employee's compensation may be prorated depending on whether the Employee remains employed, or in active work status, for the entire year. As an exempt employee, the Employee shall not be eligible for rest and meal breaks, or to earn overtime.
4. Employee Benefits: The Employee shall be entitled to participate in designated employee benefit programs and plans established by the school (subject to program and eligibility requirements) for the benefit of its employees, which from time to time may be modified by Innovations Academy in its sole discretion.

Employee is also entitled to the following specific benefits:

Sick Days as accumulated per the Employee Handbook

5. Evaluation: The Employee shall receive periodic performance reviews conducted by the board. The Employee will have ten (10) days from the date of his/her written performance evaluation in which to provide a written response. The Employee's performance may also be evaluated orally from time to time. The frequency of performance evaluations may vary. Failure to evaluate the Employee shall not prevent Innovations Academy from disciplining or dismissing the Employee at-will in accordance with this Agreement.

6. **Employee Rights:** Employment rights and benefits for employment at Innovations Academy shall only be as specified in this Agreement, Innovations Academy charter, the Charter Schools Act, and the school's current Employee Handbook, which may be amended and modified from time to time. Employment rights and benefits may be affected by other applicable agreements or directives or advisories from the California Department of Education or the State Board of Education. During the term of this Agreement, the Employee shall not acquire or accrue tenure, or any employment rights with Innovations Academy.
7. **Child Abuse and Neglect Reporting:** California Penal Code section 11166 requires any child care custodian who has knowledge of, or observes, a child in his or her professional capacity or within the scope of his or her employment whom he or she knows or reasonably suspects has been the victim of child abuse to report the known or suspected instance of child abuse to a child protective agency immediately, or as soon as practically possible, by telephone and to prepare and send a written report thereof within thirty-six (36) hours of receiving the information concerning the incident. By executing this Agreement, the Employee acknowledges he or she is a childcare custodian and is certifying that he or she has knowledge of California Penal Code section 11166 and will comply with its provisions.
8. **Fingerprint/TB Clearance:** Background check and fingerprint clearance for the Employee will be acquired through submitting the Employee's fingerprints to the California Department of Justice. The Employee may be required to assume the cost of all fees related to the background check and fingerprinting process. The Employee will also be required to submit evidence from a licensed physician and/or licensed entity that presents no risk factors for tuberculosis, or if risk factors were identified, the Employee was found to be free from active tuberculosis. The Employee's offer of at-will employment is contingent upon the successful completion of the background check/tuberculosis clearance. Both clearances must be in place prior to the first day of service.
9. **Conflict of Interest:** The Employee understands that, while employed at Innovations Academy, he/she will have access to confidential and proprietary information. The Employee therefore shall not maintain employment or contracts for employment, or engage in any consultant or independent contractor relationship, with any other agency or school that will in any way conflict with his/her employment with Innovations Academy.

## **EMPLOYMENT AT WILL**

Employee's employment is at-will. Innovations Academy may terminate this Agreement and the Employee's employment at any time with or without cause, with or without advance notice, and at the school's sole and unreviewable discretion. Either party may immediately terminate this Agreement and the Employee's employment upon written notice to the other party.

The Employee also may be demoted or disciplined, and the terms of his/her employment may be altered at any time, with or without cause, at the discretion of the school. No one other than the Board has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to the terms of this Agreement, and any such agreement must be in writing and must be signed by the Board and by the affected employee and must specifically state the intention to alter this "at-will" relationship.

In the event of charter revocation or non-renewal, all contractual obligations under this Agreement cease immediately upon the effective date of revocation or non-renewal.

### **C. General Provisions**

1. **Severability:** If any provision of this agreement is ruled illegal or unenforceable by a court of competent jurisdiction, the remainder of the agreement not affected by the ruling shall remain valid and in effect.
2. **Waiver of Breach:** The waiver by either party, or the failure of either party to claim a breach of any provision of this Agreement, will not operate or be construed as a waiver of any subsequent breach.

3. Governing Law: This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of California.
4. The rights and obligations of the respective parties under the Agreement will inure to the benefit of and will be binding upon the heirs, legal representatives, successors and assigns of the parties hereto; provided, however, that this Agreement will not be assignable by either party without prior written consent of the other party.

**D. Acceptance of Employment**

By signing below, the Employee declares as follows:

1. I have read this Agreement and accept employment with Innovations Academy on the terms specified herein.
2. All information I have provided to Innovations Academy related to my employment is true and accurate.
3. A copy of the job description is attached hereto.
4. This is the entire agreement between Innovations Academy and me regarding the terms and conditions of my employment. This is a final and complete agreement and there are no other agreements, oral or written, expressed or implied, concerning the subject matter of this Agreement.

\_\_\_\_\_  
Employee Name (print) \_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

Employee Address:

Employee Telephone: \_\_\_\_\_

**Innovations Academy Board Approval:**

\_\_\_\_\_  
Board Chair \_\_\_\_\_  
Date

*This Employment Agreement is subject to ratification and approval by the Executive Director of Innovations Academy.*



# Job Description

## Executive Director

### The Role of the Executive Director

*The Executive Director is the leader of the Charter School, providing the instructional, operational, financial and administrative direction necessary to ensure the success of the Charter School. This necessitates developing and maintaining close working relationships with all school-wide constituencies including parents, guardians, families, students, faculty, staff, other administrators, advisors, trustees, governmental entities, community members and strategic partners. The Executive Director works with and oversees all teachers and staff to ensure that the educational program is implemented in a manner that maximizes student-learning experiences. In fulfilling these goals, the Executive Director reports directly to and works in conjunction with the Board of Directors. The Board of Directors is responsible for determining and overseeing the Executive Director's precise job description and duties. As appropriate and necessary, certain duties may be delegated to key staff members.*

### Essential Duties and Responsibilities

- Ensure Innovations Academy enacts its mission.
- Communicate and report to the Board of Directors
- Lead and provide direction for the School Leadership Team
- Ensure an effective system is established and followed to provide feedback to and evaluate teachers and staff
- Oversee school finances (with back office, as appropriate) to ensure financial stability and sustainability
- Communicate with parents, recruit new families and students, and assure families of academic growth.
- Ensure an effective system is established and followed to develop high-quality professional development/learning
- Identify the staffing needs of Innovations Academy and other staff development as needed.
- Interview and make employee hiring, promotion, discipline, and/or dismissal decision, and report to the Board
- Ensure compliance with all applicable state and federal laws and help secure local grants
- Empower office staff to take appropriate steps to ensure full and regular student attendance in accordance with school policies
- Complete and submit required documents as requested or required by the charter and/or Board of Directors and/or the District
- Ensure the establishment and maintenance of a system to handle organizational tasks such as student records, teacher records, teacher credentialing information, contemporaneous attendance logs, purchasing, budgets, and timetables.
- Ensure effective safety and security protocols are established and followed.
- Promote Innovations Academy in the community and interact effectively with media
- Attend District Administrative meetings as requested by the District and stay in direct contact with the District regarding changes, progress, etc.
- Maintain up-to-date financial records
- Provide all necessary financial reports as required for proper attendance reporting
- Develop the school annual performance report and the SARC.
- Ensure the timely completion, reporting, and submission of annual independent fiscal audit
- Ensure an effective discipline system is established and followed which incorporates Positive Discipline and Restorative Practices when school staff respond to student behaviors; if necessary, participate in the suspension and expulsion process
- Participate in IEP meetings as necessary.

Charter School Name: Innovations Academy (“Innovations”)  
 Date of Site Visit: March 16, 2023  
 Contact Person(s) for this Report: Deidre Walsh and Richard Farace

San Diego Unified School District (“District”) is the charter granting authority of Innovations Academy, a charter school operated by the nonprofit public benefit corporation of the same name. Christine Kuglen is the Director. Innovations Academy serves grades K-8 and is located at 5454 Ruffin Road 92123, a District-owned facility that is located within the attendance boundaries of Kearny High. The charter term for Innovations began on July 1, 2018, and ends June 30, 2025, based on the two-year extension in Education Code section 47607.4.

The following staff members held the designated roles for Innovations in 2022-23:

Special Education Administrator	Lisa Smith, <a href="mailto:lsmith@innovationsacademy.org">lsmith@innovationsacademy.org</a>
504 Coordinator	Devon Woodruff, <a href="mailto:dwoodruff@innovationsacademy.org">dwoodruff@innovationsacademy.org</a>
Homeless Liaison	
Title IX Coordinator	Christine Kuglen, <a href="mailto:christine@innovationsacademy.org">christine@innovationsacademy.org</a>
Uniform Complaint Policy Contact	
Free/Reduced Price Meals Contact	

Innovations 2022 Local Control Accountability Plan (“LCAP”) can be accessed at: [https://innovationsacademy.org/wp-ia/wp-content/uploads/2022/06/Updated-2022\\_Local\\_Control\\_and\\_Accountability\\_Plan\\_Innovations\\_Academy-1.pdf](https://innovationsacademy.org/wp-ia/wp-content/uploads/2022/06/Updated-2022_Local_Control_and_Accountability_Plan_Innovations_Academy-1.pdf) It includes the supplemental Annual update for 2021-22, Budget Overview for Parents, and goals and actions for the 2022-23 school year.

Below is information included in the “Reflections: Identified Need” section:

A description of any areas that need significant improvement based on a review of Dashboard and local data, including any areas of low performance and significant performance gaps among student groups on Dashboard indicators, and any steps taken to address those areas.

Similar to last year, we need to improve our CAASPP scores. Through teacher observation and student formative and summative assessment, we have come to understand that the CAASPP scores do not reflect the quality of instruction nor the level of academic achievement of our students. They simply reflect the amount of time we have spent prepping students to take the CAASPP test, something we have been challenged to do over the years because we want to focus on student engagement, reflection, interest and real world application of learning. It is our desire for our students to become real world successful, not necessarily test taking experts. Our challenge is now to prep students to take a specifically designed test without altering the mission of our charter and without assigning the majority of our instructional minutes to test preparation and without cutting out enrichment and other learning experiences. We continually seek techniques for incorporating test taking skills needed to raise CAASPP scores into our inquiry-based rich curriculum. We see this as an area of survival for our charter school since we are assessed now mainly on these scores. Our students need more practice and intense exposure to the format and specific types of tricky questions as well as the complex and unusual language that comprise the questions of the CAASPP.

The table below summarizes enrollment by grade level at Innovations. It is noted that Innovations has shown a decline in enrollment for the 2022-23 school year. At the time of the site visit, 63 students, or 13.5 % of total school enrollment, are enrolled in the Independent Study program.

	2018-19	2019-20	2020-21	2021-22	2022-23
K	49	45	40	45	43
1	47	45	57	49	57
2	50	46	46	58	55
3	52	42	46	60	56
4	53	55	49	47	58
5	47	54	50	60	45
6	34	45	55	58	51
7	27	27	43	48	56
8	49	26	26	47	46
Total	408	385	412	472	467

Innovations enrollment information is accessible and available in the “Admissions” tab on the charter school website (<https://innovationsacademy.org/admissions/how-to-apply/>). The “How to Apply” page states “All Parents must attend a “PARENT INFORMATION SESSION” before the lottery.” The District advised that a mandatory meeting requirement appears inhibitive to the enrollment process. A lottery date was held on March 6, 2023, and student application information is processed through the Lotterease web-based management system.

The 47605 Charter School Complaint Notice is available on the Innovations website <https://innovationsacademy.org/wp-ia/wp-content/uploads/2020/03/CDE-Charter-School-Complaint-Form.pdf> through the “Admissions” “How to Apply” tabs (last accessed June 30, 2023.) **The charter school authorizer email listed on the complaint form should be updated to charteroffice@sandi.net.**

On September 13, 2022, the Innovations Board approved the Uniform Complaint Policy (“UCP”), which includes procedures on how to file a complaint, and information on the appeals process with the CDE. With regard to the UCP information provided for review, it is noted that the total number of complaints filed in 2019-20, 2020-21, 2021-22, and 2022-23 were included in the information provided to the District. Innovations submitted documentation showing complaint data including date, assignment number, complaint type, and resolution date.

Information about the California Healthy Youth Act and sexual health education can be found in the Innovations link on the website: <https://innovationsacademy.org/our-programs/academic-curriculum/>. Innovations utilize the California Healthy Youth Act-aligned program Rights, Respect, Responsibility.

Innovations approved its 2022-23 Comprehensive School Safety Plan (“Safety Plan”) at its September 13, 2022 board meeting. Please review the information provided by the CDE on its website regarding when the Safety Plan should be updated and recommended contents at <https://www.cde.ca.gov/lr/ss/vp/documents/schoolsafetyplanchklist.pdf>.

Notification of access to mental health services went out to Innovations families via Parent Square on February 9, 2022, September 18, 2022, and February 26, 2023. Mental Health information is also distributed through weekly newsletters and located within the family handbook. Additionally, resources for mental health support can be accessed on the Innovations website: <https://innovationsacademy.org/our-programs/social-emotional-curriculum/>.

The Innovations Board approved an updated independent study policy on September 13, 2022 including updated language in accordance with AB181. Independent study information is posted on the school website at <https://innovationsacademy.org/parents/forms/>.

During classroom visits on March 16, 2023, Innovations rooms 201, 207, 220, and 107 all had appropriate emergency exit routes clearly posted. All rooms were observed with 1 teacher and 1 teacher assistant. It was observed that students were actively engaged in learning. The facilities appeared clean and well-maintained. The District observed that menstruation products were available in accordance with the Menstruation Equity Act. A sign was clearly posted in the restrooms, including information on where to get additional products if needed.

Innovation students and parents were interviewed on March 16, 2023. Both parents and students shared positive statements about the many opportunities for activities, explorations, and the learning community.

The table below summarizes Innovations Academy enrollment by subgroup. The district notes a decrease in Socioeconomically disadvantaged students in 2022-23. The schoolwide percentage of Students with Disabilities at Innovations increased from 15.0% in 2020-21 to 18.4% in the 2022-23 school year. The Socioeconomically Disadvantaged subgroup percentage has decreased by 10.2% from 2020-21 to 2022-23.

<b>Subgroup</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
English Learners	3.9%	3.4%	3.2%	2.8%	3.9%
Foster Youth	0.2%	0.0%	0.0%	0.4%	0.0%
Homeless Youth	0.0%	5.7%	0.0%	0.0%	0.0%
Migrant Education	0.0%	0.0%	0.0%	0.0%	0.0%
Students with Disabilities	19.6%	16.9%	15.0%	18.2%	18.4%
Socioeconomically Disadvantaged	25.2%	30.1%	30.1%	26.5%	19.9%
All Students	408	385	412	472	467

Innovations’ approximate school-wide enrollment was 467, of whom approximately 95 were eligible for individualized education programs (“IEPs”), comprising approximately 20.3% of the schoolwide enrollment. Eligibility categories included Autism (“AUT”), Other Health Impaired (“OHI”), Speech or Language Impairment (“SLI”), Specific Learning Disability (“SLD”), Traumatic Brain Injury (“TBI”), Intellectual Disability (“ID”), Orthopedic Impairment (“OI”) and Emotional Disturbance (“ED”). Innovations employs and/or contracts with providers who are authorized to provide instruction and support to students with moderate/severe disabilities. Innovations is a local educational agency (“LEA”) member of the El Dorado County Charter Special Education Local Plan Area (“SELPA”).

The table below summarizes the enrollment of students with disabilities in 2022-23.

	Schoolwide	Students with Disabilities
Grade K	45	7
Grade 1	56	12
Grade 2	56	8
Grade 3	55	14
Grade 4	56	12
Grade 5	44	9
Grade 6	50	13
Grade 7	52	10
Grade 8	42	10
Total	456	95

Assembly Bill (“AB”) 1505 amended sections of the Education Code regarding charter renewal which included specific information regarding verified data; see Education Code section 47607(b). Innovations adopted the Northwest Evaluation Association (“NWEA”) Measuring Academic Progress (“MAP”) as its assessment for verified data that may be used as part of the charter renewal criteria for middle and low-performing schools. Innovations provided the district with 2021-2022 NWEA Student Growth Summary reports in Math and Language Arts for grades 3-8 and Science for grades 4-8. The summary reports show testing pre and post results year over year rather than a single calendar school year testing comparison. For verified growth data purposes, the District suggests comparative pre and post-testing within the same school year.

During the 2022-23 school year, the Innovations board generally meets the second or third Tuesday of the month at 6:00 pm. The meeting calendar included the following dates for 2022-23.

September 13, 2022	May 23, 2023
October 27, 2022	June 27, 2023
December 7, 2022	
February 28, 2023	

Board meeting information may be accessed via the Innovation website at: <https://innovationsacademy.org/our-team/board/>. Board agendas are available including the date, time, and location of the meetings. In compliance with AB 2449, Innovations Board meetings are being conducted in person at the school address Innovations Academy 5454 Ruffin Rd San Diego, CA 92123 with one board member attending virtually located at the publicly posted address 636 Hillsborough St, Oakland, CA 94606. Members of the public may attend via conference call.

The Innovations Board is summarized below in the table:

Name, Contact Information	Designation	Term
Nathan Cooper, ncooperia@innovationsacademy.org	President	Term expires October 2024
Stephen Rosen, Stephen.d.rosen@gmail.com	Treasurer	Term expires February 2024
Danielle Strachman, board@innovationsacademy.org	Board Member	Term expires April 2024
Cassidy Platt cassidyplatt@gmail.com	Secretary/Teacher	Term expires April 2024
Faraz Sharafi, IAParentRep@innovationsacademy.org	Parent Representative	Term expires June 2023

Below are the 2020-21 and 2021-22 California Assessment of Student Performance and Progress (CAASPP) results for Innovations.

**School: Innovations Academy**

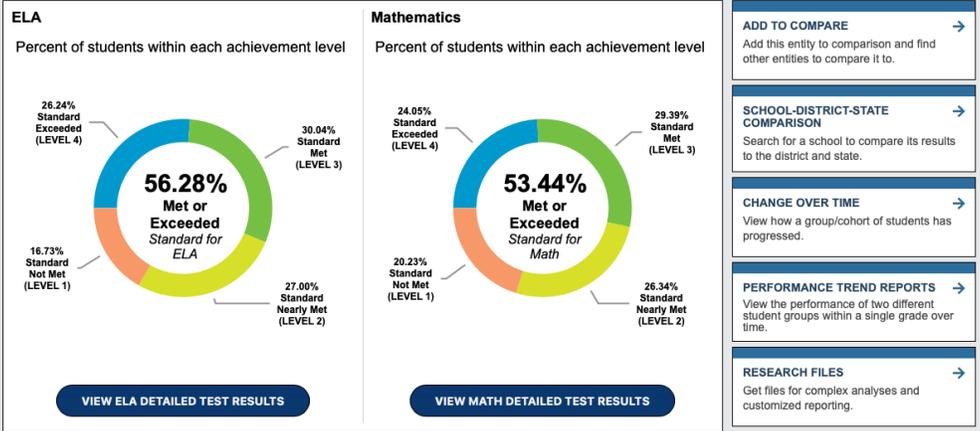
CDS Code: 37-68338-0118083 | County: San Diego | District: Innovations Academy

**Report Options**

Year: 2020-21 | Grade: All Grades | Student Group: All Students (Default) | School Type: All Schools

[Selections Applied](#) [Clear Selections](#)

PLEASE NOTE: Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020-21 varied. Care should be used when interpreting results.

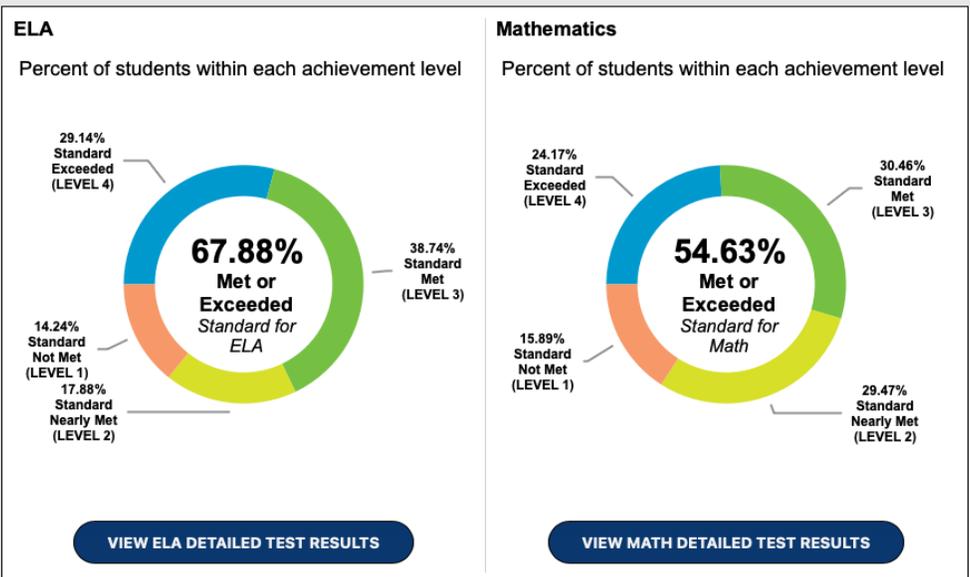


**School: Innovations Academy**

CDS Code: 37-68338-0118083 | County: San Diego | District: Innovations Academy

**Report Options**

Year: 2021-22 | Grade: All Grades | Student Group: All Students (Default) | School Type: All Schools



**Finance Part One.** This section addresses the charter school’s submission of financial reports in a timely and accurate manner.

The preliminary annual budget for fiscal year 2022-23 was submitted on time.	<b>Met</b>
The first interim financial report for fiscal year 2022-23, for the period of July 1 through October 31, was submitted on time.	<b>Met</b>
The annual audit for fiscal year 2021-22 was submitted on time.	<b>Met</b>
The second interim financial report for fiscal year 2022-23, for the period of July 1 through January 31, was submitted on time.	<b>Met</b>
The unaudited actuals financial report for fiscal year 2021-22, for the period of July 1 through June 30, was submitted on time.	<b>Met</b>

All Education Code required financial reports were board approved before the statutory due dates with the exception of the Audit being reviewed after. District staff mentioned it’s a good practice to have financial reports reviewed prior to submission in case there are any questions or corrections.

**Finance Part Two.** This section addresses financial stability and sustainability of the charter school.

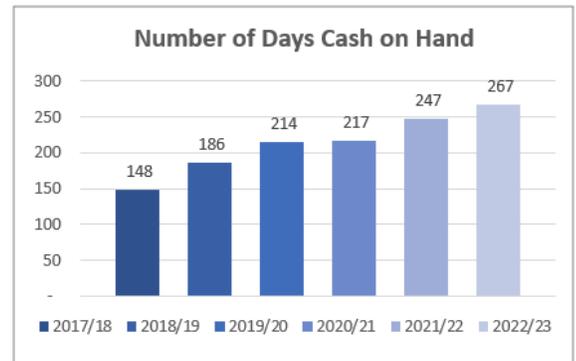
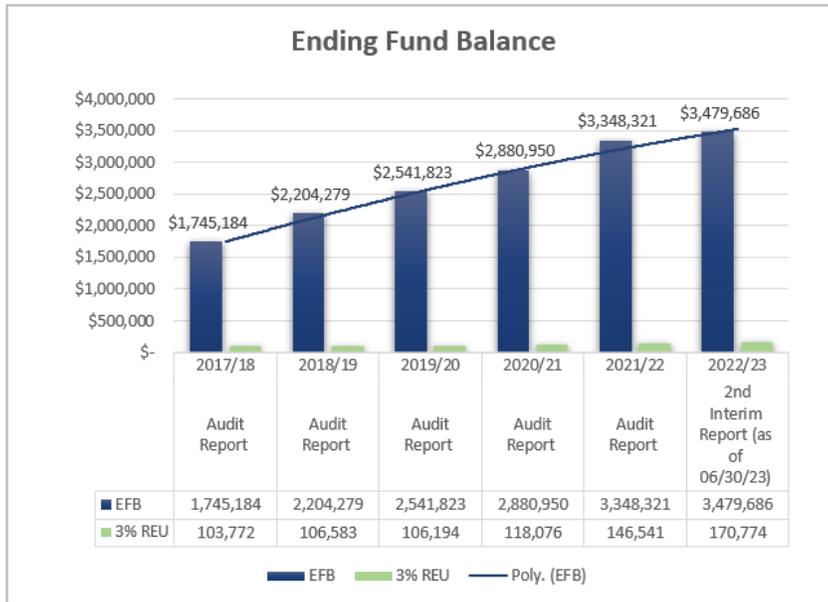
Innovations Academy 09237

Spending Trend | 3% REU

Source	Fiscal Year	A Beg. Balance	B Revenues	C Expense	D Transfers In/Out	E EFB	E-D-A Surplus/deficit	E/C Percent Deficit	C + 3% 3% REU	REU Met?	Enrollment	ADA	ADA Rate
Audit Report	2017/18	1,761,511	3,442,726	3,459,053	-	1,745,184	(16,327)	-0.5%	103,772	Met	363	356.04	98.08%
Audit Report	2018/19	1,745,184	4,011,869	3,552,774	-	2,204,279	459,095	0.0%	106,583	Met	408	393.37	96.41%
Audit Report	2019/20	2,204,279	3,877,339	3,539,795	-	2,541,823	337,544	0.0%	106,194	Met	385	376.56	97.81%
Audit Report	2020/21	2,541,823	4,275,007	3,935,880	-	2,880,950	339,127	0.0%	118,076	Met	412	393.50	95.51%
Audit Report	2021/22	2,880,950	5,352,076	4,884,705	0	3,348,321	467,371	0.0%	146,541	Met	472	455.48	96.50%
2nd Interim Report (as of 06/30/23)	2022/23	3,348,321	5,823,839	5,692,474		3,479,686	131,365	0.0%	170,774	Met	466	442.56	94.97%

Current Ratio | Solvency | Cash on Hand

Source	Fiscal Year	A Assets	B Liability	C = A - B EFB	D Current Assets	E Current Liabilities	F = D/E Ratio ≥ 1	G Total Cash	H = G - E Solvency	I Expenses	J = G/(I/365) No. of Days	K = G/I Cash Reserves
Audit Report	2017/18	1,841,963	96,779	1,745,184	1,800,296	96,779	18.60	1,398,481	1,301,702	3,459,053	148	40%
Audit Report	2018/19	2,280,548	76,269	2,204,279	2,248,881	76,269	29.49	1,811,964	1,735,695	3,552,774	186	51%
Audit Report	2019/20	2,665,455	123,632	2,541,823	2,468,003	123,632	19.96	2,076,903	1,953,271	3,539,795	214	59%
Audit Report	2020/21	3,273,360	392,410	2,880,950	3,110,310	392,410	7.93	2,340,882	1,948,472	3,935,880	217	59%
Audit Report	2021/22	3,952,636	604,314	3,348,321	3,793,568	604,314	6.28	3,308,610	2,704,296	4,884,705	247	68%
2nd Interim Report (as of 01/31/23)	2022/23	4,394,998	789,107	3,605,891	4,232,631	789,107	5.36	4,161,040	3,371,933	5,692,474	267	73%



Per the FY22-23 Second Interim Report, Innovations met all the District’s criteria of financial stability and sustainability.

Per the FY21-22 Audit Report, the school met all the District’s criteria of financial stability and sustainability.

There were no findings and questioned costs related to the basic financial statements, or state awards during FY21-22.

**Finance Part Three. This section addresses financial management topics.**

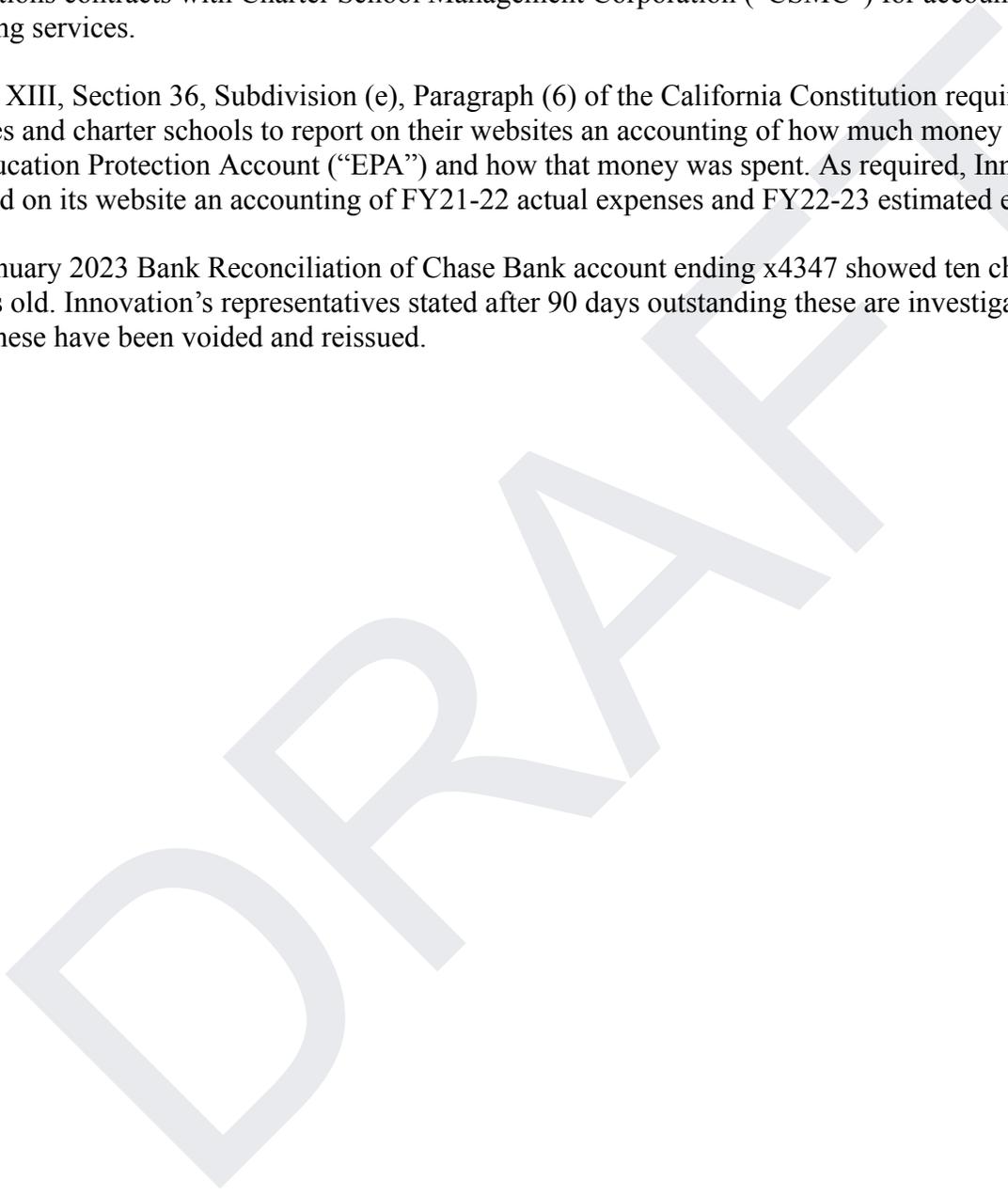
<u>Chart of Accounts and Restricted Funding:</u> Chart of Accounts corresponds to appropriate Standardized Account Code Structure (“SACS”) compliant object and resource codes, as per Procedure 810, Charter Schools of the California School Accounting Manual (“CSAM”). Restricted funds are accounted for separately and expenditures are limited to those allowed by grantors.	<b>Met</b>
<u>Accounting System:</u> Accounting system utilizes a SACS compliant Chart of Accounts. Tracks unrestricted and restricted resources in order to meet various specialized reporting requirements and categorical activities. Provides data necessary for accurate completion of reports such as, but not limited to, those required by Education Code section 47604.33(a) (3-5), including, First Interim Report, Second Interim Report, and Charter School Unaudited Actuals Financial Report – Alternative Form.	<b>Met</b>
<u>Safeguarding of Assets:</u> The Fiscal Control Policy includes internal control procedures to protect their assets and prevent misuse of charter school funds.	<b>Met</b>
<u>Liabilities:</u> Loans, debts and outstanding obligations are properly accounted for and paid in a timely manner, as required by legal agreements.	<b>Met</b>
<u>Budget Development:</u> The staff, management, and governing board are involved in the charter school’s budget development.	<b>Met</b>
<u>Board Oversight:</u> The management and governing board regularly review the budget in comparison to actual revenue and expenditures and make necessary adjustments to the budget as new information is available to the charter school.	<b>Met</b>

<u>Adjusted Budgets:</u> The current fiscal year’s operating budget is updated for new revenue received and new expenses incurred.	<b>Met</b>
<u>Other observations:</u> As applicable.	<b>See Below</b>

Innovations contracts with Charter School Management Corporation (“CSMC”) for accounting and financial reporting services.

Article XIII, Section 36, Subdivision (e), Paragraph (6) of the California Constitution requires all districts, counties and charter schools to report on their websites an accounting of how much money was received from the Education Protection Account (“EPA”) and how that money was spent. As required, Innovations has reported on its website an accounting of FY21-22 actual expenses and FY22-23 estimated expenditure plan.

The January 2023 Bank Reconciliation of Chase Bank account ending x4347 showed ten checks over six months old. Innovation’s representatives stated after 90 days outstanding these are investigated, as of February, all of these have been voided and reissued.



**Charter School's Response (Optional):**

DRAFT