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Agenda Item# VIB

**Board Meeting Date:** January 27, 2023

**Subject: First Interim 2022**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action

**Committee:** School Leadership

Local educational agencies (LEAs) are required to file two reports during a fiscal year on the status of the LEA's financial health. Charter school are required to submit interim reports to the sponsoring district (SCUSD) and County Office of Education.

First interim reports will be compared to adopted budgets (June 2022) and due December 15<sup>th</sup>.

Second interim reports will be compared to first interim projections and is due March 17<sup>th</sup>.

**Recommendation:**

School Leadership requests that the Governing Board review and approve the First Interim.

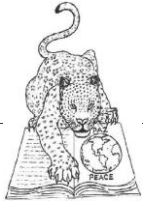
**Documents Attached:**

1. First Interim

First Interim				
Members	Aye	Nay	Abstain	Absent
Nailah Kokayi				
Jose Luis Rodriguez				
Cristian García				
Brenda Luna				
Clark Graham				
Laura Lomelí				
Vacant				
Vacant				
Nina Sylvains				
Totals:				

**Estimated Time of Presentation:** 10 min  
**Submitted By:** EdTec/School Leadership  
**Date:** 1.23.2023

**Pertinent Pages in**  
**( ) Charter, pages** \_\_\_\_\_  
**( ) MOU, pages** \_\_\_\_\_



A California Public School

Agenda Artículo#VIB

**Fecha de la Reunión:** 27 de enero del 2023

**Tema:** Primer Reporte Intermedio 2022

- Artículo de información
- Aprobación en la Agenda de Consentimiento
- Conferencia (solo para discutir)
- Conferencia/Primera lectura (Acción Anticipado: \_\_\_\_\_)
- Conferencia/Acción
- Acción

**Comité:** Liderazgo Escolar

Las agencias educativas locales (LEA) están obligadas a presentar dos informes durante un año fiscal sobre el estado de la salud financiera de la LEA. Las escuelas subvencionadas deben presentar informes provisionales al distrito patrocinador (SCUSD) y a la Oficina de Educación del Condado.

Los primeros informes provisionales se compararán con los presupuestos adoptados (junio de 2022) y deben presentarse el 15 de diciembre.

Los segundos informes provisionales se compararán con las primeras proyecciones provisionales y deben presentarse el 17 de marzo.

**Recomendación:**

El Liderazgo Escolar solicita que la Junta de Gobierno revise y apruebe el Primer Interino.

# LAS

# Board Financial Update

BRIAN HOLMES & NICK MAWAD

JANUARY 27, 2023



- 1. 2021-22 Audit**
  - A. 2021-22 Audit Recap
  
- 2. 2022-23**
  - A. 1<sup>st</sup> Interim Report Overview
  - B. 1<sup>st</sup> Interim Budget
  - C. October vs. August Forecast
  
- 3. Looking Ahead**
  - A. Next Steps

# 2021-22 Audit





## Clean Audit; no weaknesses or findings

Revenue	<ul style="list-style-type: none"><li>• \$8.8M total audited revenue</li><li>• Same as Unaudited Actuals</li></ul>
Expenses	<ul style="list-style-type: none"><li>• \$7.7M total audited expenses</li><li>• Slight adjustment to A/P - \$11,102</li></ul>
Net Income	<ul style="list-style-type: none"><li>• \$1.13M</li><li>• Similar to Unaudited Actuals, with slight adjustment above</li></ul>
Fund Balance	<ul style="list-style-type: none"><li>• \$11.6M</li></ul>
Conclusion	<ul style="list-style-type: none"><li>• No weaknesses identified in internal controls, compliance or other matters</li><li>• No findings</li></ul>

# 2022-23



What?

The district and county's first financial update  
Includes financial data from July – October  
Includes the October Forecast and Cash Flow

When?

Due to the county by December 15<sup>th</sup>

How?

Electronic file sent to district for review  
Signature must be delivered to district

# 1<sup>st</sup> Interim Budget



## 2022-23 Projected Operating Income of \$636K

		2022-23	2022-23	Variance
		Previous Forecast	Current Forecast	
Revenue	LCFF Entitlement	7,178,148	7,178,311	163
	Federal Revenue	955,665	949,818	(5,847)
	Other State Revenues	1,883,187	1,879,973	(3,214)
	Local Revenues	48,300	48,300	-
	Fundraising and Grants	35,000	35,000	-
	<b>Total Revenue</b>	<b>10,100,300</b>	<b>10,091,402</b>	<b>(8,898)</b>
Expenses	Compensation and Benefits	6,313,594	6,109,085	204,510
	Books and Supplies	479,445	479,445	-
	Services and Other Operating	2,184,992	2,245,715	(60,723)
	Depreciation	508,172	508,172	-
	Other Outflows	112,578	112,578	-
	<b>Total Expenses</b>	<b>9,598,781</b>	<b>9,454,995</b>	<b>143,786</b>
<b>Operating Income</b>		<b>501,519</b>	<b>636,407</b>	<b>134,888</b>
	Beginning Balance (Unaudited)	11,602,272	11,602,272	-
	Operating Income	501,519	636,407	134,888
<b>Ending Fund Balance (incl. Depreciation)</b>		<b>12,103,791</b>	<b>12,238,679</b>	<b>134,888</b>
<b>Ending Fund Balance as % of Expenses</b>		<b>126.1%</b>	<b>129.4%</b>	<b>3.3%</b>

# October vs. August Forecast



CATEGORY	BOTTOM LINE IMPACT	NOTES
<b>Previous Forecast</b>	<b>501,519</b>	
Comp & Benefits	204,510	Staff member leaves, savings from vacant positions, benefits
LCFF	163	Increased funding for TK students, reduced ADA to 94%
Other State Revenue	(3,214)	Slight reductions in SPED and Lottery revenue
Federal Revenue	(5,847)	Slight reductions in Title funding
Services & Other Ops	(60,723)	Updated CharterSafe contract; other small updates
<b>Current Forecast</b>	<b>636,407</b>	

# Looking Ahead



## Items to look out for in near future




Forecast  
Updates

Mid-year budget revision  
2<sup>nd</sup> Interim Report due to district on 3/15



State  
Budget

Governor's January Proposal recently released  
Going to track the state budget process



2023-24  
LAS  
Budgeting

Will soon begin 2023-24 budget season  
Draft in April/May; approval in June

# Thank you!

ADDITIONAL QUESTIONS? CONTACT US:

Brian Holmes: [Brian.Holmes@edtec.com](mailto:Brian.Holmes@edtec.com)

Nick Mawad: [NMawad@edtec.com](mailto:NMawad@edtec.com)





**CHARTER SCHOOL  
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM  
First Interim Report - Detail**

Charter School Name: Language Academy of Sacramen  
(continued)  
CDS #: 34-67439-0106898  
Charter Approving Entity: Sacramento City Unified School  
County: Sacramento  
Charter #: 640  
Fiscal Year: 2022-23

This charter school uses the following basis of accounting:

**Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)

**Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	Adopted Budget - July 1			Actuals thru 10/31			1st Interim Budget		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>A. REVENUES</b>										
1. LCFF Sources										
State Aid - Current Year	8011	4,342,606.43	-	4,342,606.43	407,610.00	-	407,610.00	4,186,191.72	-	4,186,191.72
Education Protection Account State Aid - Current Year	8012	1,134,817.00	-	1,134,817.00	-	-	-	1,560,548.64	-	1,560,548.64
State Aid - Prior Years	8019	-	-	-	-	-	-	-	-	-
Transfers to Charter Schools in Lieu of Property Taxes	8096	1,280,643.57	-	1,280,643.57	-	-	-	1,431,570.43	-	1,431,570.43
Other LCFF Transfers	8091, 8097	-	-	-	-	-	-	-	-	-
Total, LCFFSources		6,758,067.00	-	6,758,067.00	407,610.00	-	407,610.00	7,178,310.80	-	7,178,310.80
2. Federal Revenues										
No Child Left Behind/Every Student Succeeds Act	8290	-	214,451.00	214,451.00	-	132,590.00	132,590.00	-	873,068.00	873,068.00
Special Education - Federal	8181, 8182	-	76,625.00	76,625.00	-	-	-	-	76,750.00	76,750.00
Child Nutrition - Federal	8220	-	-	-	-	-	-	-	-	-
Donated Food Commodities	8221	-	-	-	-	-	-	-	-	-
Other Federal Revenues	8110, 8260-8299	-	663,412.00	663,412.00	-	-	-	-	-	-
Total, Federal Revenues		-	954,488.00	954,488.00	-	132,590.00	132,590.00	-	949,818.00	949,818.00
3. Other State Revenues										
Special Education - State	StateRevSE	-	476,209.53	476,209.53	-	133,744.00	133,744.00	-	522,027.07	522,027.07
All Other State Revenues	StateRevAO	150,044.15	1,104,878.00	1,254,922.15	-	271,332.00	271,332.00	154,026.74	1,203,919.00	1,357,945.74
Total, Other State Revenues		150,044.15	1,581,087.53	1,731,131.68	-	405,076.00	405,076.00	154,026.74	1,725,946.07	1,879,972.81
4. Other Local Revenues										
All Other Local Revenues	LocalRevAO	83,300.00	-	83,300.00	15,267.47	-	15,267.47	83,300.00	-	83,300.00
Total, Local Revenues		83,300.00	-	83,300.00	15,267.47	-	15,267.47	83,300.00	-	83,300.00
5. TOTAL REVENUES										
		6,991,411.15	2,535,575.53	9,526,986.68	422,877.47	537,666.00	960,543.47	7,415,637.54	2,675,764.07	10,091,401.61
<b>B. EXPENDITURES</b>										
1. Certificated Salaries										
Certificated Teachers' Salaries	1100	2,470,238.78	149,075.10	2,619,313.88	433,113.40	52,814.44	485,927.84	2,344,662.63	210,448.70	2,555,111.33
Certificated Pupil Support Salaries	1200	-	-	-	-	-	-	-	-	-
Certificated Supervisors' and Administrators' Salaries	1300	130,884.87	392,779.17	523,664.04	46,717.04	79,522.99	126,240.03	130,884.87	388,408.11	519,292.98
Other Certificated Salaries	1900	42,100.00	116,205.89	158,305.89	24,138.42	14,540.00	38,678.42	65,800.00	116,205.89	182,005.89
Total, Certificated Salaries		2,643,223.65	658,060.16	3,301,283.81	503,968.86	146,877.43	650,846.29	2,541,347.50	715,062.70	3,256,410.20
2. Non-certificated Salaries										
Non-certificated Instructional Aides' Salaries	2100	96,431.32	159,700.80	256,132.13	25,938.49	37,539.41	63,477.90	133,156.80	127,668.06	260,824.86
Non-certificated Support Salaries	2200	72,747.77	49,999.54	122,747.30	18,808.07	28,943.45	47,751.52	71,271.29	169,000.00	240,271.29
Non-certificated Supervisors' and Administrators' Sal.	2300	102,207.29	-	102,207.29	38,539.92	-	38,539.92	102,207.29	-	102,207.29
Clerical and Office Salaries	2400	223,266.29	-	223,266.29	55,586.19	-	55,586.19	172,042.96	-	172,042.96
Other Non-certificated Salaries	2900	165,848.09	155,641.24	321,489.33	71,578.63	60,958.78	132,537.41	229,594.70	253,766.53	483,361.22
Total, Non-certificated Salaries		660,500.76	365,341.58	1,025,842.34	210,451.30	127,441.64	337,892.94	708,273.03	550,434.59	1,258,707.62
3. Employee Benefits										

STRS	3101-3102	504,855.72	125,689.49	630,545.21	97,590.75	22,398.34	119,989.09	485,397.37	136,576.98	621,974.35
PERS	3201-3202	-	-	-	-	-	-	-	-	-
OASDI / Medicare / Alternative Health and Welfare Benefits	3301-3302	88,855.05	37,490.50	126,345.55	23,515.75	12,888.94	36,404.69	91,032.43	50,368.16	141,400.59
Unemployment Insurance	3401-3402	547,661.40	180,000.60	727,662.00	305,111.83	-	305,111.83	555,108.23	174,681.43	729,789.67
Workers' Compensation Insurance	3501-3502	15,126.25	5,271.88	20,398.13	474.31	177.44	651.75	15,868.46	5,709.38	21,577.83
OPEB, Allocated	3601-3602	39,644.69	12,280.82	51,925.51	20,963.75	-	20,963.75	38,995.45	15,185.97	54,181.41
OPEB, Active Employees	3701-3702	-	-	-	-	-	-	-	-	-
Other Employee Benefits	3751-3752	-	-	-	-	-	-	-	-	-
Total, Employee Benefits	3901-3902	15,680.40	6,823.07	22,503.46	11,276.00	-	11,276.00	20,198.94	4,844.03	25,042.97
		1,211,823.51	367,556.36	1,579,379.86	458,932.39	35,464.72	494,397.11	1,206,600.87	387,365.94	1,593,966.81
<b>4. Books and Supplies</b>										
Approved Textbooks and Core Curricula Materials	4100	36,120.00	27,700.00	63,820.00	23,337.81	997.35	24,335.16	56,120.00	7,700.00	63,820.00
Books and Other Reference Materials	4200	108,500.00	-	108,500.00	17,199.47	-	17,199.47	61,750.00	46,750.00	108,500.00
Materials and Supplies	4300	205,375.00	16,000.00	221,375.00	78,781.78	5,853.22	84,635.00	215,375.00	6,000.00	221,375.00
Noncapitalized Equipment	4400	85,750.00	-	85,750.00	38,294.31	27,522.50	65,816.81	55,750.00	30,000.00	85,750.00
Food	4700	-	-	-	-	-	-	-	-	-
Total, Books and Supplies		435,745.00	43,700.00	479,445.00	157,613.37	34,373.07	191,986.44	388,995.00	90,450.00	479,445.00
<b>5. Services and Other Operating Expenditures</b>										
Subagreements for Services	5100	-	-	-	-	-	-	-	-	-
Travel and Conferences	5200	55,000.00	-	55,000.00	361.41	-	361.41	55,000.00	-	55,000.00
Dues and Memberships	5300	15,000.00	-	15,000.00	3,702.00	-	3,702.00	15,000.00	-	15,000.00
Insurance	5400	51,000.00	-	51,000.00	59,395.25	-	59,395.25	106,049.00	-	106,049.00
Operations and Housekeeping Services	5500	208,000.00	12,000.00	220,000.00	49,077.00	-	49,077.00	220,000.00	-	220,000.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	223,990.00	10,200.00	234,190.00	67,281.37	-	67,281.37	234,190.00	-	234,190.00
Transfers of Direct Costs	5700-5799	-	-	-	-	-	-	-	-	-
Professional/Consulting Services and Operating Expend.	5800	415,228.89	1,100,415.00	1,515,643.89	154,370.52	74,782.03	229,152.55	504,560.02	1,081,916.00	1,586,476.02
Communications	5900	29,000.00	-	29,000.00	12,096.78	-	12,096.78	29,000.00	-	29,000.00
Total, Services and Other Operating Expenditures		997,218.89	1,122,615.00	2,119,833.89	346,284.33	74,782.03	421,066.36	1,163,799.02	1,081,916.00	2,245,715.02
<b>6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only)</b>										
Land and Land Improvements	6100-6170	-	-	-	-	-	-	-	-	-
Buildings and Improvements of Buildings	6200	-	-	-	-	-	-	-	-	-
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	-	-	-	-	-
Equipment	6400	-	-	-	-	-	-	-	-	-
Equipment Replacement	6500	-	-	-	-	-	-	-	-	-
Depreciation Expense (for accrual basis only)	6900	555,000.00	-	555,000.00	-	-	-	508,172.00	-	508,172.00
Total, Capital Outlay		555,000.00	-	555,000.00	-	-	-	508,172.00	-	508,172.00
<b>7. Other Outgo</b>										
Tuition to Other Schools	7110-7143	-	-	-	-	-	-	-	-	-
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	-	-	-	-	-
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	-	-	-	-	-
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	-	-	-	-	-
All Other Transfers	7281-7299	-	-	-	-	-	-	-	-	-
Transfers of Indirect Costs	7300-7399	-	-	-	-	-	-	-	-	-
Debt Service:										
Interest	7438	112,578.00	-	112,578.00	-	-	-	112,578.00	-	112,578.00
Principal (for modified accrual basis only)	7439	-	-	-	-	-	-	-	-	-
Total, Other Outgo		112,578.00	-	112,578.00	-	-	-	112,578.00	-	112,578.00
<b>8. TOTAL EXPENDITURES</b>		6,616,089.80	2,557,273.10	9,173,362.90	1,677,250.25	418,938.89	2,096,189.14	6,629,765.43	2,825,229.23	9,454,994.66
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		375,321.35	(21,697.57)	353,623.78	(1,254,372.78)	118,727.11	(1,135,645.67)	785,872.11	(149,465.16)	636,406.95
<b>D. OTHER FINANCING SOURCES / USES</b>										
1. Other Sources	8930-8979	-	-	-	-	-	-	-	-	-
2. Less: Other Uses	7630-7699	-	-	-	-	-	-	-	-	-
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	(21,697.57)	21,697.57	-	-	-	-	(149,465.16)	149,465.16	-
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		(21,697.57)	21,697.57	-	-	-	-	(149,465.16)	149,465.16	-

<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		353,623.78	0.00	353,623.78	(1,254,372.78)	118,727.11	(1,135,645.67)	636,406.95	(0.00)	636,406.95
<b>F. FUND BALANCE, RESERVES</b>										
1. Beginning Fund Balance										
a. As of July 1	9791	10,999,296.79	-	10,999,296.79	11,602,272.27	-	11,602,272.27	11,602,272.27	-	11,602,272.27
b. Adjustments to Beginning Balance	9793, 9795	-	-	-	-	-	-	-	-	-
c. Adjusted Beginning Balance		10,999,296.79	-	10,999,296.79	11,602,272.27	-	11,602,272.27	11,602,272.27	-	11,602,272.27
2. Ending Fund Balance, June 30 (E + F.1.c.)		11,352,920.57	0.00	11,352,920.57	10,347,899.49	118,727.11	10,466,626.60	12,238,679.22	(0.00)	12,238,679.22
Components of Ending Fund Balance :										
a. Nonspendable										
Revolving Cash (equals object 9130)	9711			-			-			-
Stores (equals object 9320)	9712			-			-			-
Prepaid Expenditures (equals object 9330)	9713			-			-			-
All Others	9719			-			-			-
b. Restricted	9740			-		118,727.11	118,727.11			-
c. Committed										
Stabilization Arrangements	9750			-			-			-
Other Commitments	9760			-			-			-
d. Assigned										
Other Assignments	9780			-			-			-
e. Unassigned/Unappropriated										
Reserve for Economic Uncertainties	9789	275,200.89		275,200.89	62,885.67		62,885.67	283,649.84		283,649.84
Unassigned/Unappropriated Amount	9790	11,077,719.68	0.00	11,077,719.69	10,285,013.82	-	10,285,013.82	11,955,029.38		11,955,029.38

**CHARTER SCHOOL  
MULTI-YEAR PROJECTION - ALTERNATIVE FORM  
First Interim Report - MYP**

Charter School Name: Language Academy of Sacramento  
(continued)  
CDS #: 34-67439-0106898  
Charter Approving Entity: Sacramento City Unified School  
County: Sacramento  
Charter #: 640  
Fiscal Year: 2022-23

This charter school uses the following basis of accounting:

**Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)

**Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	FY 2022-23			Totals for 2023-24	Totals for 2024-25
		Unrestricted	Restricted	Total		
<b>A. REVENUES</b>						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	4,186,191.72	0.00	4,186,191.72	4,545,976.28	4,786,261.18
Education Protection Account State Aid - Current Year	8012	1,560,548.64	0.00	1,560,548.64	1,662,001.18	1,728,814.62
State Aid - Prior Years	8019	0.00	0.00	0.00	0.00	0.00
Transfers to Charter Schools in Lieu of Property Taxes	8096	1,431,570.43	0.00	1,431,570.43	1,446,799.91	1,446,799.91
Other LCFF Transfers	8091, 8097	0.00	0.00	0.00	0.00	0.00
Total, LCFF Sources		7,178,310.80	0.00	7,178,310.80	7,654,777.37	7,961,875.70
2. Federal Revenues						
No Child Left Behind/Every Student Succeeds Act	8290	0.00	873,068.00	873,068.00	873,068.00	209,656.00
Special Education - Federal	8181, 8182	0.00	76,750.00	76,750.00	77,125.00	77,125.00
Child Nutrition - Federal	8220	0.00	0.00	0.00	0.00	0.00
Donated Food Commodities	8221	0.00	0.00	0.00		
Other Federal Revenues	8110, 8260-8299	0.00	0.00	0.00	0.00	0.00
Total, Federal Revenues		0.00	949,818.00	949,818.00	950,193.00	286,781.00
3. Other State Revenues						
Special Education - State	StateRevSE	0.00	522,027.07	522,027.07	474,637.87	478,956.53
All Other State Revenues	StateRevAO	154,026.74	1,203,919.00	1,357,945.74	1,360,223.84	1,360,800.30
Total, Other State Revenues		154,026.74	1,725,946.07	1,879,972.81	1,834,861.70	1,839,756.83
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	83,300.00	0.00	83,300.00	83,300.00	83,300.00
Total, Local Revenues		83,300.00	0.00	83,300.00	83,300.00	83,300.00

<b>5. TOTAL REVENUES</b>						
		7,415,637.54	2,675,764.07	10,091,401.61	10,523,132.08	10,171,713.54
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Certificated Teachers' Salaries	1100	2,344,662.63	210,448.70	2,555,111.33	2,728,785.06	2,810,648.61
Certificated Pupil Support Salaries	1200	0.00	0.00	0.00	0.00	0.00
Certificated Supervisors' and Administrators' Salaries	1300	130,884.87	388,408.11	519,292.98	575,839.14	593,114.32
Other Certificated Salaries	1900	65,800.00	116,205.89	182,005.89	187,466.07	193,090.05
Total, Certificated Salaries		2,541,347.50	715,062.70	3,256,410.20	3,492,090.27	3,596,852.98
<b>2. Non-certificated Salaries</b>						
Non-certificated Instructional Aides' Salaries	2100	133,156.80	127,668.06	260,824.86	268,649.61	276,709.09
Non-certificated Support Salaries	2200	71,271.29	169,000.00	240,271.29	247,479.42	75,611.71
Non-certificated Supervisors' and Administrators' Sal.	2300	102,207.29	0.00	102,207.29	105,273.51	108,431.71
Clerical and Office Salaries	2400	172,042.96	0.00	172,042.96	177,204.25	182,520.38
Other Non-certificated Salaries	2900	229,594.70	253,766.53	483,361.22	497,862.06	512,797.92
Total, Non-certificated Salaries		708,273.03	550,434.59	1,258,707.62	1,296,468.85	1,156,070.82

Description	Object Code	FY 2022-23			Totals for 2023-24	Totals for 2024-25
		Unrestricted	Restricted	Total		
<b>3. Employee Benefits</b>						
STRS	3101-3102	485,397.37	136,576.98	621,974.35	666,989.24	686,998.92
PERS	3201-3202	0.00	0.00	0.00	0.00	0.00
OASDI / Medicare / Alternative	3301-3302	91,032.43	50,368.16	141,400.59	147,096.59	139,248.91
Health and Welfare Benefits	3401-3402	555,108.23	174,681.43	729,789.67	770,045.12	800,846.92
Unemployment Insurance	3501-3502	15,868.46	5,709.38	21,577.83	21,639.28	17,311.97
Workers' Compensation Insurance	3601-3602	38,995.45	15,185.97	54,181.41	57,462.71	57,035.09
OPEB, Allocated	3701-3702	0.00	0.00	0.00	0.00	0.00
OPEB, Active Employees	3751-3752	0.00	0.00	0.00	0.00	0.00
Other Employee Benefits	3901-3902	20,198.94	4,844.03	25,042.97	25,794.26	26,568.08
Total, Employee Benefits		1,206,600.87	387,365.94	1,593,966.81	1,689,027.19	1,728,009.89
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	56,120.00	7,700.00	63,820.00	63,974.00	64,131.08
Books and Other Reference Materials	4200	61,750.00	46,750.00	108,500.00	108,800.00	76,606.00
Materials and Supplies	4300	215,375.00	6,000.00	221,375.00	204,153.00	173,698.56
Noncapitalized Equipment	4400	55,750.00	30,000.00	85,750.00	85,750.00	85,750.00
Food	4700	0.00	0.00	0.00	0.00	0.00
Total, Books and Supplies		388,995.00	90,450.00	479,445.00	462,677.00	400,185.64
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	0.00	0.00	0.00	0.00	0.00
Travel and Conferences	5200	55,000.00	0.00	55,000.00	55,000.00	55,000.00
Dues and Memberships	5300	15,000.00	0.00	15,000.00	15,300.00	15,606.00











**Language Academy**  
**Income Statement**  
**As of Oct FY2023**

	Actual			YTD	Budget					
	Aug	Sep	Oct	Actual YTD	Approved Budget v1	Previous Forecast	Current Forecast	Previous Forecast vs. Current Forecast	Current Forecast Remaining	% Current Forecast Spent
<b>REVENUE</b>										
<b>LCFF Entitlement</b>										
8011	-	407,610	-	407,610	4,342,606	4,455,134	4,186,192	(268,942)	3,778,582	10%
8012	-	-	-	-	1,134,817	1,276,214	1,560,549	284,335	1,560,549	0%
8096	-	-	-	-	1,280,644	1,446,800	1,431,570	(15,229)	1,431,570	0%
<b>SUBTOTAL - LCFF Entitlement</b>	<b>-</b>	<b>407,610</b>	<b>-</b>	<b>407,610</b>	<b>6,758,067</b>	<b>7,178,148</b>	<b>7,178,311</b>	<b>163</b>	<b>6,770,701</b>	<b>6%</b>
<b>Federal Revenue</b>										
8181	-	-	-	-	76,625	76,750	76,750	-	76,750	0%
8290	-	-	132,590	132,590	-	-	663,412	663,412	530,822	20%
8291	-	-	-	-	176,501	177,021	171,428	(5,593)	171,428	0%
8292	-	-	-	-	24,917	25,181	24,768	(413)	24,768	0%
8294	-	-	-	-	13,033	13,301	13,460	159	13,460	0%
8299	-	-	-	-	663,412	663,412	-	(663,412)	-	-
<b>SUBTOTAL - Federal Revenue</b>	<b>-</b>	<b>-</b>	<b>132,590</b>	<b>132,590</b>	<b>954,488</b>	<b>955,665</b>	<b>949,818</b>	<b>(5,847)</b>	<b>817,228</b>	<b>14%</b>
<b>Other State Revenue</b>										
8381	22,404	40,328	40,622	125,758	476,210	476,210	474,523	(1,686)	348,765	27%
8382	2,852	2,567	2,567	7,986	-	47,504	47,504	-	39,518	17%
8550	-	-	-	-	10,460	10,460	10,460	-	10,460	0%
8560	-	-	-	-	139,584	145,094	143,567	(1,527)	143,567	0%
8590	-	-	-	-	36,495	36,495	36,495	-	36,495	0%
8593	-	96,394	174,938	271,332	864,901	963,942	963,942	-	692,610	28%
8596	-	-	-	-	203,482	203,482	203,482	-	203,482	0%
<b>SUBTOTAL - Other State Revenue</b>	<b>25,256</b>	<b>139,289</b>	<b>218,127</b>	<b>405,076</b>	<b>1,731,132</b>	<b>1,883,187</b>	<b>1,879,973</b>	<b>(3,214)</b>	<b>1,474,897</b>	<b>22%</b>
<b>Local Revenue</b>										
8636	4,611	579	584	5,935	12,000	12,000	12,000	-	6,065	49%
8638	-	-	-	-	1,300	1,300	1,300	-	1,300	0%
8660	495	591	896	2,498	9,000	9,000	9,000	-	6,502	28%
8670	-	-	-	-	6,000	6,000	6,000	-	6,000	0%
8693	-	-	-	-	15,000	15,000	15,000	-	15,000	0%
8699	-	5,324	-	5,324	5,000	5,000	5,000	-	(324)	106%
<b>SUBTOTAL - Local Revenue</b>	<b>5,106</b>	<b>6,494</b>	<b>1,480</b>	<b>13,757</b>	<b>48,300</b>	<b>48,300</b>	<b>48,300</b>	<b>-</b>	<b>34,543</b>	<b>28%</b>
<b>Fundraising and Grants</b>										
8801	1,447	-	-	1,447	5,000	5,000	5,000	-	3,553	29%
8802	-	-	-	-	5,000	5,000	5,000	-	5,000	0%
8803	-	64	-	64	25,000	25,000	25,000	-	24,936	0%
<b>SUBTOTAL - Fundraising and Grants</b>	<b>1,447</b>	<b>64</b>	<b>-</b>	<b>1,511</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>-</b>	<b>33,489</b>	<b>4%</b>
<b>TOTAL REVENUE</b>	<b>31,809</b>	<b>553,457</b>	<b>352,197</b>	<b>960,543</b>	<b>9,526,987</b>	<b>10,100,300</b>	<b>10,091,402</b>	<b>(8,898)</b>	<b>9,130,858</b>	<b>10%</b>

**Language Academy**  
**Income Statement**  
**As of Oct FY2023**

	Actual			YTD	Budget						
	Aug	Sep	Oct	Actual YTD	Approved Budget v1	Previous Forecast	Current Forecast	Previous Forecast vs. Current Forecast	Current Forecast Remaining	% Current Forecast Spent	
<b>EXPENSES</b>											
<b>Compensation &amp; Benefits</b>											
<b>Certificated Salaries</b>											
1100	Teachers Salaries	10,242	240,893	224,965	476,099	2,156,606	2,488,700	2,365,231	123,469	1,889,132	20%
1101	Teacher - Stipends	-	-	3,250	3,250	56,788	87,788	77,788	10,000	74,538	4%
1102	Title I/SES Tutoring	-	-	-	-	22,500	22,500	22,500	-	22,500	0%
1103	Teacher - Substitute Pay	-	880	5,699	6,579	89,593	89,593	89,593	-	83,014	7%
1111	Teacher - Elective	-	-	-	-	293,827	-	-	-	-	-
1300	Certificated Supervisor & Administrator Salaries	12,294	12,294	12,294	49,176	145,428	145,428	145,428	-	96,252	34%
1311	SPED Certificated	2,847	31,574	34,689	77,064	378,236	408,574	373,865	34,709	296,801	21%
1920	Other Cert - Summer	-	-	-	14,540	42,100	65,800	65,800	-	51,260	22%
1940	Other Certificated Supervisor & Admin Salaries	-	11,721	12,418	24,138	116,206	116,206	116,206	-	92,067	21%
	<b>SUBTOTAL - Certificated Salaries</b>	<b>25,383</b>	<b>297,361</b>	<b>293,314</b>	<b>650,846</b>	<b>3,301,284</b>	<b>3,424,588</b>	<b>3,256,410</b>	<b>168,178</b>	<b>2,605,564</b>	<b>20%</b>
<b>Classified Salaries</b>											
2100	Classified Instructional Aide Salaries	2,780	8,951	14,045	25,938	119,671	123,150	123,150	-	97,212	21%
2103	SPED Classified	7,546	11,479	18,514	37,539	136,461	137,675	137,675	-	100,135	27%
2200	Classified Support (Intervention Tutoring)	2,574	6,441	38,736	47,752	72,748	40,127	240,271	(200,144)	192,520	20%
2202	Classified Support Salaries - Custom 2	-	-	-	-	50,000	200,144	-	200,144	-	-
2300	Classified Supervisor & Administrator Salaries	10,221	9,735	9,292	38,540	102,207	102,207	102,207	-	63,667	38%
2400	Classified Clerical & Office Salaries	13,682	13,091	19,976	55,586	223,266	223,403	172,043	51,360	116,457	32%
2601	Classified Stipends	-	-	-	3,175	-	-	10,000	(10,000)	6,825	32%
2900	Classified Other Salaries	4,717	3,967	5,951	18,602	-	-	51,360	(51,360)	32,758	36%
2905	Other Classified - After School	11,319	14,422	22,563	51,724	155,641	180,327	180,327	-	128,603	29%
2908	Enrichment - ELO-P	-	-	-	-	-	73,440	73,440	-	73,440	0%
2925	Other Classified - Childcare	-	-	-	-	2,400	1,280	1,280	-	1,280	0%
2930	Other Classified - Maintenance/Grounds	13,114	14,478	21,908	59,037	163,448	166,955	166,955	-	107,918	35%
	<b>SUBTOTAL - Classified Salaries</b>	<b>65,954</b>	<b>82,563</b>	<b>150,986</b>	<b>337,893</b>	<b>1,025,842</b>	<b>1,248,708</b>	<b>1,258,708</b>	<b>(10,000)</b>	<b>920,815</b>	<b>27%</b>
<b>Employee Benefits</b>											
3100	STRS	4,836	56,321	55,441	119,989	630,545	654,096	621,974	32,122	501,985	19%
3300	OASDI-Medicare-Alternative	5,510	10,973	16,521	36,405	126,346	143,074	141,401	1,674	104,996	26%
3400	Health & Welfare Benefits	65,131	63,907	64,156	305,112	727,662	740,428	729,790	10,638	424,678	42%
3500	Unemployment Insurance	56	254	290	652	20,398	21,578	21,578	-	20,926	3%
3600	Workers Comp Insurance	2,995	-	2,995	20,964	51,926	56,080	54,181	1,898	33,218	39%
3900	Other Employee Benefits	-	-	11,171	11,276	22,503	25,043	25,043	-	13,767	45%
	<b>SUBTOTAL - Employee Benefits</b>	<b>81,120</b>	<b>134,129</b>	<b>143,557</b>	<b>494,397</b>	<b>1,579,380</b>	<b>1,640,299</b>	<b>1,593,967</b>	<b>46,332</b>	<b>1,099,570</b>	<b>31%</b>
<b>Books &amp; Supplies</b>											
4100	Approved Textbooks & Core Curricula Materials	2,359	456	751	23,338	56,120	56,120	56,120	-	32,782	42%
4101	SPED Textbooks	-	997	-	997	7,700	7,700	7,700	-	6,703	13%
4200	Books & Other Reference Materials	1,320	2,039	2,719	12,972	93,500	93,500	93,500	-	80,528	14%
4201	Library Resources	-	-	47	4,227	15,000	15,000	15,000	-	10,773	28%
4315	Custodial Supplies	2,112	2,909	5,832	11,383	30,000	30,000	30,000	-	18,617	38%
4320	Educational Software	9,468	20,919	3,506	35,979	70,000	70,000	70,000	-	34,021	51%
4325	Instructional Materials & Supplies	6,713	7,171	1,743	16,928	49,475	49,475	49,475	-	32,547	34%
4330	Office Supplies	3,488	1,827	2,313	10,949	32,500	32,500	32,500	-	21,551	34%

**Language Academy**  
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	Actual			YTD	Budget					
	Aug	Sep	Oct	Actual YTD	Approved	Previous	Current	Previous	Current	% Current
					Budget v1	Forecast	Forecast	Forecast vs. Current	Forecast Remaining	Forecast Spent
4335 PE Supplies	2,241	1,587	127	3,955	9,000	9,000	9,000	-	5,045	44%
4340 Professional Development Supplies	213	-	-	213	3,000	3,000	3,000	-	2,787	7%
4352 Garden	-	-	-	-	2,000	2,000	2,000	-	2,000	0%
4354 ASES Materials	2,180	462	26	2,668	6,000	6,000	6,000	-	3,333	44%
4355 Summer Preschool	-	-	-	-	9,400	9,400	9,400	-	9,400	0%
4356 SPED Consumables	731	1,388	443	2,562	10,000	10,000	10,000	-	7,438	26%
4410 Classroom Furniture, Equipment & Supplies	15,278	6,295	214	22,700	15,750	15,750	15,750	-	(6,950)	144%
4420 Computers: individual items less than \$5k	27,523	(1,071)	-	26,451	50,000	50,000	50,000	-	23,549	53%
4423 Classroom Noncapitalized items 1	-	-	-	-	10,000	10,000	10,000	-	10,000	0%
4430 Non Classroom Related Furniture, Equipment & Supplies	-	(1,061)	11,639	16,666	10,000	10,000	10,000	-	(6,666)	167%
<b>SUBTOTAL - Books and Supplies</b>	<b>73,625</b>	<b>43,917</b>	<b>29,359</b>	<b>191,986</b>	<b>479,445</b>	<b>479,445</b>	<b>479,445</b>	<b>-</b>	<b>287,459</b>	<b>40%</b>
<b>Services &amp; Other Operating Expenses</b>										
5210 Conference Fees	-	-	-	50	25,000	25,000	25,000	-	24,950	0%
5215 Travel - Mileage, Parking, Tolls	163	73	24	311	5,000	5,000	5,000	-	4,689	6%
5220 Travel and Lodging	-	-	-	-	25,000	25,000	25,000	-	25,000	0%
5305 Dues & Membership - Professional	-	-	3,702	3,702	15,000	15,000	15,000	-	11,298	25%
5450 Insurance - Other	9,330	-	9,330	59,395	51,000	51,000	106,049	(55,049)	46,654	56%
5515 Janitorial, Gardening Services & Supplies	5,000	-	-	9,846	120,000	120,000	120,000	-	110,154	8%
5535 Utilities - All Utilities	-	-	39,231	39,231	100,000	100,000	100,000	-	60,769	39%
5605 Equipment Leases	2,624	3,099	-	8,286	34,640	34,640	34,640	-	26,354	24%
5610 Rent	23,513	15,675	-	39,189	102,000	102,000	102,000	-	62,811	38%
5615 Repairs and Maintenance - Building	16,400	435	485	19,426	75,000	75,000	75,000	-	55,574	26%
5616 Repairs and Maintenance - Computers	-	-	-	-	20,000	20,000	20,000	-	20,000	0%
5617 Repairs and Maintenance - Other Equipment	-	381	-	381	2,550	2,550	2,550	-	2,169	15%
5803 Accounting Fees	-	-	-	-	26,000	26,000	26,000	-	26,000	0%
5804 Parent Trainings	-	-	-	-	1,020	1,020	1,020	-	1,020	0%
5805 Administrative Fees	-	1,500	-	9,163	10,000	10,000	10,000	-	838	92%
5806 Assemblies	-	500	-	500	3,000	3,000	3,000	-	2,500	17%
5809 Banking Fees	-	-	-	-	500	500	500	-	500	0%
5812 Business Services	-	13,400	7,650	21,050	84,420	84,420	89,900	(5,480)	68,850	23%
5813 Board Development	-	-	-	-	5,600	5,600	5,600	-	5,600	0%
5818 SPED Legal Fees	-	-	-	-	5,600	5,600	5,600	-	5,600	0%
5824 District Oversight Fees	-	-	-	-	77,480	82,296	82,551	(255)	82,551	0%
5827 ELO-P Expenses	-	-	18,156	18,156	864,901	890,502	890,502	-	872,346	2%
5830 Field Trips Expenses	-	4,727	3,123	7,850	56,000	56,000	56,000	-	48,150	14%
5833 Fines and Penalties	17	-	-	17	-	-	-	-	(17)	
5836 Fingerprinting	-	505	528	1,033	3,000	3,000	3,000	-	1,967	34%
5839 Fundraising Expenses	1,445	5,265	25,164	39,466	36,700	36,700	36,700	-	(2,766)	108%
5845 Legal Fees	-	-	120	120	10,200	10,200	10,200	-	10,081	1%
5851 Marketing and Student Recruiting	-	-	-	-	1,224	1,224	1,224	-	1,224	0%
5857 Payroll Fees	1,142	1,299	1,624	5,572	15,300	15,300	15,300	-	9,728	36%
5860 Printing and Reproduction	-	3,287	3,934	7,351	25,000	35,000	35,000	-	27,649	21%
5861 Prior Yr Exp (not accrued)	-	252	790	1,137	-	-	-	-	(1,137)	
5863 Professional Development	1,484	250	343	3,162	50,000	55,000	55,000	-	51,839	6%
5869 Special Education Contract Instructors	1,724	33,170	18,256	55,004	163,914	163,914	163,914	-	108,910	34%
5872 Special Education Encroachment	-	-	-	-	-	19,741	19,680	60	19,680	0%
5874 Sports	-	-	-	-	16,000	16,000	16,000	-	16,000	0%
5875 Staff Recruiting	-	-	-	-	1,300	1,300	1,300	-	1,300	0%

**Language Academy**  
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		Actual			YTD	Budget					
		Aug	Sep	Oct	Actual YTD	Approved Budget v1	Previous Forecast	Current Forecast	Previous Forecast vs. Current Forecast	Current Forecast Remaining	% Current Forecast Spent
5878	Student Assessment	-	1,340	-	12,265	12,485	12,485	12,485	-	220	98%
5881	Student Information System	-	-	-	9,715	11,000	11,000	11,000	-	1,286	88%
5887	Technology Services	7,770	8,490	3,536	21,026	35,000	35,000	35,000	-	13,974	60%
5899	Miscellaneous Operating Expenses	320	-	-	320	-	-	-	-	(320)	
5910	Communications - Internet / Website Fees	1,444	40	56	3,588	7,000	7,000	7,000	-	3,412	51%
5915	Postage and Delivery	270	30	227	958	4,000	4,000	4,000	-	3,042	24%
5920	Communications - Telephone & Fax	1,991	-	5,560	7,551	18,000	18,000	18,000	-	10,449	42%
<b>SUBTOTAL - Services &amp; Other Operating Exp.</b>		<b>74,637</b>	<b>93,717</b>	<b>141,838</b>	<b>404,818</b>	<b>2,119,834</b>	<b>2,184,992</b>	<b>2,245,715</b>	<b>(60,723)</b>	<b>1,840,897</b>	<b>18%</b>
<b>Capital Outlay &amp; Depreciation</b>											
6900	Depreciation	-	-	-	-	555,000	508,172	508,172	-	508,172	0%
<b>SUBTOTAL - Capital Outlay &amp; Depreciation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>555,000</b>	<b>508,172</b>	<b>508,172</b>	<b>-</b>	<b>508,172</b>	<b>0%</b>
<b>Other Outflows</b>											
7438	Long term debt - Interest	-	-	-	-	112,578	112,578	112,578	-	112,578	0%
7999	Uncategorized Expense	12,656	-	-	12,656	-	-	-	-	(12,656)	
<b>SUBTOTAL - Other Outflows</b>		<b>8,304</b>	<b>1,652</b>	<b>(3,592)</b>	<b>12,656</b>	<b>112,578</b>	<b>112,578</b>	<b>112,578</b>	<b>-</b>	<b>99,922</b>	<b>11%</b>
<b>TOTAL EXPENSES</b>		<b>329,023</b>	<b>653,339</b>	<b>755,461</b>	<b>2,092,597</b>	<b>9,173,363</b>	<b>9,598,781</b>	<b>9,454,995</b>	<b>143,786</b>	<b>7,362,397</b>	<b>22%</b>

**Language Academy**  
**Monthly Cash Forecast**  
**As of Oct FY2023**

	2022-23													Forecast	Remaining Balance
	Actuals & Forecast														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Forecast		
Actuals	Actuals	Actuals	Actuals	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		
<b>Beginning Cash</b>	<b>6,469,836</b>	<b>6,199,351</b>	<b>5,487,040</b>	<b>7,103,765</b>	<b>6,436,640</b>	<b>6,677,575</b>	<b>6,599,361</b>	<b>6,907,624</b>	<b>7,096,771</b>	<b>7,062,824</b>	<b>7,576,309</b>	<b>7,782,326</b>			
<b>REVENUE</b>															
LCFF Entitlement	-	-	407,610	-	557,005	557,005	940,664	557,005	579,023	1,074,507	568,907	568,907	7,178,311	1,367,679	
Federal Revenue	-	-	-	132,590	85,677	-	-	218,267	-	-	218,267	76,750	949,818	218,267	
Other State Revenue	22,404	25,256	139,289	218,127	275,808	135,759	125,298	164,022	137,177	188,047	175,901	137,177	1,879,973	135,707	
Other Local Revenue	676	5,106	6,494	1,480	4,318	4,318	4,318	4,318	4,318	4,318	4,318	4,318	48,300	-	
Fundraising & Grants	-	1,447	64	-	4,186	4,186	4,186	4,186	4,186	4,186	4,186	4,186	35,000	-	
<b>TOTAL REVENUE</b>	<b>23,080</b>	<b>31,809</b>	<b>553,457</b>	<b>352,197</b>	<b>926,994</b>	<b>701,267</b>	<b>1,074,467</b>	<b>947,798</b>	<b>724,704</b>	<b>1,271,058</b>	<b>971,578</b>	<b>791,338</b>	<b>10,091,402</b>	<b>1,721,654</b>	
<b>EXPENSES</b>															
Certificated Salaries	34,789	25,383	297,361	293,314	306,576	316,191	328,257	328,257	328,257	328,257	334,884	334,884	3,256,410	-	
Classified Salaries	38,391	65,954	82,563	150,986	113,852	113,852	113,852	113,852	113,852	113,852	113,852	123,852	1,258,708	-	
Employee Benefits	135,591	81,120	134,129	143,557	136,954	133,326	144,436	136,884	136,884	135,805	137,167	138,114	1,593,967	-	
Books & Supplies	45,085	73,625	43,917	29,359	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932	479,445	-	
Services & Other Operating Expenses	94,627	74,637	93,717	141,838	219,793	219,793	219,793	219,793	219,793	219,793	219,793	219,793	2,245,715	82,551	
Capital Outlay & Depreciation	-	-	-	-	211,738	42,348	42,348	42,348	42,348	42,348	42,348	42,348	508,172	-	
Other Outflows	6,292	8,304	1,652	(3,592)	(12,656)	-	-	-	-	-	-	-	112,578	112,578	
<b>TOTAL EXPENSES</b>	<b>354,774</b>	<b>329,023</b>	<b>653,339</b>	<b>755,461</b>	<b>1,012,190</b>	<b>861,442</b>	<b>884,618</b>	<b>877,066</b>	<b>877,066</b>	<b>875,987</b>	<b>883,976</b>	<b>894,923</b>	<b>9,454,995</b>	<b>195,129</b>	
<b>Operating Cash Inflow (Outflow)</b>	<b>(331,694)</b>	<b>(297,214)</b>	<b>(99,882)</b>	<b>(403,263)</b>	<b>(85,195)</b>	<b>(160,175)</b>	<b>189,848</b>	<b>70,732</b>	<b>(152,362)</b>	<b>395,071</b>	<b>87,602</b>	<b>(103,586)</b>	<b>636,407</b>	<b>1,526,525</b>	
Revenues - Prior Year Accruals	-	(274,914)	1,734,610	6,552	336,674	33,151	69,604	69,604	69,604	69,604	69,604	164,908			
Other Assets	61,952	-	-	-	-	-	-	-	-	-	-	-			
Fixed Assets	-	-	-	-	211,738	42,348	42,348	42,348	42,348	42,348	42,348	42,348			
Expenses - Prior Year Accruals	(81,100)	192,668	(45,775)	-	(224,348)	6,463	6,463	6,463	6,463	6,463	6,463	(237,643)			
Accounts Payable - Current Year	215,250	(227,138)	(3,345)	8,015	2,066	-	-	-	-	-	-	-			
Summerholdback for Teachers	(134,894)	(127,583)	30,816	29,099	-	-	-	-	-	-	-	-			
Other Liabilities	-	21,870	303	(307,528)	-	-	-	-	-	-	-	-			
<b>Ending Cash</b>	<b>6,199,351</b>	<b>5,487,040</b>	<b>7,103,765</b>	<b>6,436,640</b>	<b>6,677,575</b>	<b>6,599,361</b>	<b>6,907,624</b>	<b>7,096,771</b>	<b>7,062,824</b>	<b>7,576,309</b>	<b>7,782,326</b>	<b>7,648,353</b>			

**Language Academy**  
**Balance Sheet**  
**As of Oct FY2023**

	<b>Jun FY2022</b>	<b>Oct FY2023</b>
<b>ASSETS</b>		
Cash Balance	6,469,836	6,436,640
Accounts Receivable	2,683,000	1,216,752
Prepays	61,422	(530)
Fixed Assets, Net	7,091,078	7,091,078
<b>TOTAL ASSETS</b>	<b>16,305,336</b>	<b>14,743,940</b>
<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	357,649	418,682
Deferred Revenue	442,357	157,002
Current Loans and Other Payables	259,004	53,984
Long-Term Loans and Other Liabilities	3,632,951	3,632,951
Beginning Net Assets	10,479,413	11,613,375
Net Income (Loss) to Date	1,133,962	(1,132,054)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>16,305,336</b>	<b>14,743,940</b>



A California Public School

Agenda Item# IVC

**Board Meeting Date:** January 27, 2023

**Subject:** Fiscal Audit 2021-2022

- Information Item Only
- Approval on Consent Agenda
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference
- Conference/Action
- Action

**Committee:** EdTec/School Leadership

**Information:**

Charter School's are required to submit an annual fiscal audit by December 15<sup>th</sup> to Sacramento City Unified School District, Sacramento County Office of Education, California Department of Education, and State Treasures office.

The audit includes examining whether financial statements are free of misstatement; review of supporting documents; assessing accounting principles, testing of internal controls, accuracy of state compliance reports and payroll.

In addition, due to the high number of federal funds received by the Language Academy of Sacramento, an additional single audit was necessary to review federal funds. Audit report is submitted to the Federal Audit Clearinghouse (FAC) on behalf of the US Office of Management and Budget (OMB).

BakerTilley, US, LLP, have completed their preliminary financial audit of the Language Academy of Sacramento. Per the final audit report **no findings** were noted for 2021-22 fiscal year.

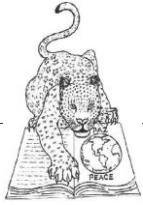
**Documents available for review:**

1. Fiscal Audit Report

**Estimated Time of Presentation:** 10 min.  
**Submitted By:** School Leadership  
**Date:** 1.23.2023

**Pertinent Pages in**  
( ) Charter, pages \_\_\_\_\_  
( ) MOU, pages \_\_\_\_\_





A California Public School

Agenda Artículo # IVC

**Fecha de la Reunión:** 27 de enero del 2023

**Tema:** Auditoria Fiscal 2021-2022

- Artículo de información
- Aprobación en la Agenda de Consentimiento
- Conferencia (solo para discutir)
- Conferencia/Primera lectura (Acción Anticipada: \_\_\_\_\_)
- Conferencia/Acción
- Acción

**Comité:** EdTec/Liderazgo escolar

**Información:**

Las escuelas subvencionadas deben presentar una auditoría fiscal anual antes del 15 de diciembre al Distrito Escolar Unificado de la Ciudad de Sacramento, a la Oficina de Educación del Condado de Sacramento, al Departamento de Educación de California y a la oficina del Tesoro del Estado.

La auditoría incluye el examen de que los estados financieros están libres de errores; la revisión de los documentos justificativos; la evaluación de los principios contables, la comprobación de los controles internos, la exactitud de los informes de cumplimiento del estado y las nóminas.

Además, debido al elevado número de fondos federales recibidos por la Academia de Idiomas de Sacramento, fue necesaria una auditoría única adicional para revisar los fondos federales. El informe de auditoría se presenta a la Cámara de Compensación de Auditorías Federales (FAC) en nombre de la Oficina de Gestión y Presupuesto de EE.UU. (OMB).

BakerTilley, US, LLP, ha completado su auditoría financiera preliminar de la Academia de Idiomas de Sacramento. Según el informe final de auditoría, no se observaron hallazgos para el ejercicio fiscal 2021-22.

**Documentos disponibles para revisión:**

1. Auditoría Fiscal

**Tiempo estimado para la presentación:** 10 min.  
**Entregado por:** School Leadership  
**Fecha:** 1.23.2023

**Pertinent Pages in**  
 ( ) Charter, pages \_\_\_\_\_  
 ( ) MOU, pages \_\_\_\_\_

**The Language Academy of Sacramento**  
Charter School #0640

**Financial Statements**

**June 30, 2022**

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## Independent Auditors' Report

Board of Directors  
The Language Academy of Sacramento  
Sacramento, California

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of Language Academy of Sacramento (the Organization), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Organization, Schedule of Average Daily Attendance, Schedule of Instructional Time, and Reconciliation of Charter School Unaudited Actuals Financial Report Alternative Form with Audited Financial Statements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

San Diego, California  
December 15, 2022

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2022**

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**ASSETS**

Current assets:	
Cash	\$ 6,469,836
Accounts receivable	2,683,000
Prepaid expenses	61,422
Total current assets	<u>9,214,258</u>
Fixed assets, net	<u>7,091,077</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 16,305,335</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 15,342
Accrued expenses	601,311
Deferred revenue	442,357
Loan payable, current portion	132,933
Total current liabilities	<u>1,191,943</u>
Long-term liabilities:	
Loan payable, net of current portion	<u>3,500,018</u>
Total long-term liabilities	<u>3,500,018</u>
Total liabilities	<u>4,691,961</u>
Net assets:	
Net assets without donor restrictions - Undesignated	<u>11,613,374</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 16,305,335</u></u>

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2022

		<b>Net Assets without donor restrictions</b>
<b>REVENUES</b>		
Revenue limit sources:		
State aid	\$	2,759,036
Education protection account		2,012,092
In-lieu of property taxes		1,407,801
Federal revenues		1,074,577
State revenues		1,539,955
Local revenues:		
Donations		19,434
Miscellaneous		32,767
<b>TOTAL REVENUES</b>		<b>8,845,662</b>
 <b>EXPENSES</b>		
Program services:		
Education		5,958,434
Support services:		
Management and general		1,753,269
Total expenses		<b>7,711,703</b>
 <b>CHANGE IN NET ASSETS</b>		<b>1,133,959</b>
 <b>NET ASSETS, BEGINNING</b>		<b>10,479,415</b>
 <b>NET ASSETS, ENDING</b>	<b>\$</b>	<b>11,613,374</b>



**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Fiscal Year Ended June 30, 2022**

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
	<u>Education</u>	<u>Management and General</u>	
Certificated salaries	\$ 3,034,276	\$ 28,553	\$ 3,062,829
Classified salaries	638,737	404,352	1,043,089
Employee benefits	1,166,002	105,613	1,271,615
Books and supplies	573,056	47,021	620,077
Travel and conferences	17,441	-	17,441
Dues and memberships	8,173	-	8,173
Insurance	-	91,074	91,074
Operation and housekeeping services	-	180,187	180,187
Rental, leases, repairs, and non-capitalized improvements	118,649	19,157	137,806
Professional/consulting services and operating expenditures	383,199	227,758	610,957
Communications	18,901	4,725	23,626
Depreciation	-	508,869	508,869
Interest	-	74,616	74,616
Direct support/indirect cost charges	-	61,344	61,344
Total expenses	<u>\$ 5,958,434</u>	<u>\$ 1,753,269</u>	<u>\$ 7,711,703</u>

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended June 30, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$	1,133,959
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		508,869
(Increase) decrease in operating assets:		
Accounts receivable		(331,015)
Prepaid expenses		(33,228)
Increase (decrease) in operating liabilities:		
Accounts payable		10,101
Accrued expenses		(153,311)
Deferred revenue		79,831
Net cash flows provided by operating activities		1,215,206

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchase of fixed assets		(2,450)
Net cash flows used in investing activities		(2,450)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payments on loan payable		(130,314)
Net cash flows used in financing activities		(130,314)

**NET INCREASE IN CASH** 1,082,442

**CASH, BEGINNING** 5,387,394

**CASH, ENDING** \$ 6,469,836

**SUPPLEMENTAL DISCLOSURES:**

Cash paid for interest	\$	74,616
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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**1. ORGANIZATION AND MISSION**

The Language Academy of Sacramento (“Organization”) is a non-profit public benefit corporation. The Organization was petitioned and approved through the Sacramento City Unified School District for a five-year period ending on June 30, 2024. The Organization was incorporated in the State of California on December 17, 2003.

The Organization commenced operations during the 2004-2005 fiscal year and currently serves approximately 634 students in Transitional kindergarten through Grade 8. The Organization is a two-way Spanish immersion charter school offering educational programs which develop high academic achievement, bilingualism and bi-literacy, multi-cultural competence, social responsibility, background knowledge, experiential learning, and home and school partnership.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Financial Statement Presentation***

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-14, Not for Profit Entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net assets without donor restrictions*

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As of June 30, 2022, the Organization has no assets that have been designated by the Board of Directors for operating reserves and future program development.

*Net assets with donor restrictions*

Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2022, the Organization had no net assets with donor restrictions.

***Accounting Method – Basis of Accounting***

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to not-for-profit organizations. The Organization uses the accrual basis of accounting, under which revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Use of Estimates***

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

***Income Taxes***

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). It is, however, subject to income taxes from activities unrelated to its tax-exempt purpose. The Organization uses the same accounting methods for tax and financial reporting.

GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

***Cash and Cash Equivalents***

Cash and cash equivalents are from time to time variously composed of cash on hand and liquid investments with original maturities of three months or less. At June 30, 2022, the Organization had no cash equivalents.

***Fixed Assets***

Fixed assets are recorded at cost and depreciated under the straight-line method over their estimated useful lives of 3 years. Repair and maintenance costs, which do not extend the useful lives of the asset, are charged to expense. The cost of assets sold or retired, and related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and any resulting gain or loss is included in the earnings. Management has elected to capitalize and depreciate all assets costing \$5,000 or more; all other assets are charged to expense in the year incurred.

***Revenue Sources and Recognition***

The Organization primarily receives funds from the California Department of Education ("CDE"). Revenue limit sources and state revenues received from the CDE are determined based on the Organization's average daily attendance ("ADA") of students and recognized in the period the ADA occurs.

***Contributions and Grants***

The Organization receives federal, state and local revenues for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies.

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Revenue Sources and Recognition*** (continued)

The Organization recognizes federal revenue to the extent that eligible expenditures have been incurred.

Revenue from contributions and grant income is evaluated under ASU 2018-08 and is accounted for as nonreciprocal transactions. Unconditional contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restrictions ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

***Deferred Revenue***

Deferred revenue represents grant funds received, but not expended. These funds must be expended in accordance with the provisions of the contract to which they apply or refunded if not expended under the terms of the contract. As of June 30, 2022, the Organization had \$442,357 in deferred revenue which was comprised of In-Person Instruction and Emergency School Closures grant in the amount of \$289,289 and Elementary and Secondary School Emergency Relief grant in the amount of \$153,068 respectively.

***Accounts Receivable***

Accounts receivable are recorded based on the amount expected to be collected from the federal and state government agencies. The amount recorded is based on apportionment schedules issued by the California Department of Education throughout the fiscal year. Management believes that collections of accounts receivable is reasonably assured based on the nature of the receivable coming from government agencies. As such, no allowance for doubtful accounts has been provided.

***Functional Allocation of Expenses***

The costs of providing the program services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services based on employees' time incurred and management's estimates of the usage of resources.

***New Accounting Pronouncements***

In February 2016, the FASB issued ASU 2016-02, *Leases* ("Topic 842"). Topic 842 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the present value of payments to be made to lessor, on its statement of financial position for all leases greater than 12 months. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* — Effective Dates for Certain Entities, which deferred the effective date of this new guidance for the Company by one year to annual reporting periods beginning

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***New Accounting Pronouncements*** (continued)

after December 15, 2022. Although the full impact of this new guidance on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization's to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases (See Note 8).

**3. CASH**

Cash at June 30, 2022, consisted of the following:

Cash in banks	\$ 6,469,836
Total cash	<u>\$ 6,469,836</u>

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At June 30, 2022, the Organization had \$6,669,943 in excess of FDIC insured limits.

**4. ACCOUNTS RECEIVABLE**

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

Revenue limit sources:	
In-lieu of property taxes	\$ 617,378
Federal revenues	706,552
State revenues	1,359,070
Total accounts receivable	<u>\$ 2,683,000</u>

**5. FIXED ASSETS, NET**

Fixed assets, net at June 30, 2022, consisted of the following:

Construction in progress	\$ 449,347
Site improvements	8,973,097
Land improvements	1,253,141
Equipment	464,162
Less: accumulated depreciation	<u>(4,048,670)</u>
Total fixed assets, net	<u>\$ 7,091,077</u>

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**5. FIXED ASSETS, NET** (continued)

During the fiscal year ended June 30, 2022, a total of \$508,869 was charged to depreciation expense.

**6. ACCRUED EXPENSES**

At June 30, 2022, accrued expenses consisted of the following:

Payroll and payroll taxes	\$	261,390
District oversight		34,864
Pension expense and other		305,057
Total accrued expenses	<u>\$</u>	<u>601,311</u>

**7. LOAN PAYABLE**

***Prop 1D Loan***

In 2011, the Organization applied to the Prop 1D Bond Program through the State Allocation Board and California School Finance Authority for both rehabilitation work and new construction at its current site of operations. The application was subsequently approved and between 2012 and 2015, the Organization was apportioned and received a total of \$11,533,532 in funding. The structure of the Prop 1D Program is to provide 50% of the final approved project costs in the form of a grant and 50% in the form of a lease or long-term loan. The final project was certified in the amount of \$9,159,899. The Organization has paid back a total amount of \$1,458,502 of the original long-term liability that was recorded.

The long-term loan is to be repaid over 30 years at an interest rate no less than 2%. The interest rate was set using the lower of the rate paid on funds in the Pooled Money Investment Account as of the date of disbursement of the funding or at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, and the interest rate was computed according to the true interest cost method, as stated in the California Education Code, Section 17078.57. The loan is secured by the Organization's future state apportionments. The long-term loan has maturity date of May 2044.

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**7. LOAN PAYABLE (continued)**

**Prop 1D Loan (continued)**

Future principal payments on the loan are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 132,933	\$ 71,998	\$ 204,931
2024	135,605	69,326	204,931
2025	138,330	66,600	204,930
2026	139,951	64,980	204,931
2027	141,350	63,580	204,930
Thereafter	2,944,782	539,036	3,483,818
	<u>\$ 3,632,951</u>	<u>\$ 875,520</u>	<u>\$ 4,508,471</u>

Changes in loan payable obligations for the fiscal year ended June 30, 2022, are as follows:

	<b>Balance June 30, 2021</b>	<b>Payments</b>	<b>Balance June 30, 2022</b>	<b>Due in one year</b>
Prop 1D Loan	\$ 3,763,265	\$ (130,314)	\$ 3,632,951	\$ 132,933
Total	<u>\$ 3,763,265</u>	<u>\$ (130,314)</u>	<u>\$ 3,632,951</u>	<u>\$ 132,933</u>

**8. OPERATING LEASES**

The Organization has two leases for copiers under operating lease agreements. Both lease agreements will expire in September 2027. The future minimum payments under the copier and facilities leases are as follows:

<b>Year Ending June 30,</b>	<b>Lease Payments</b>
2023	\$ 89,951
2024	63,936
2025	63,936
2026	63,936
2027	63,936
Therafter	895,105
Total future lease payments	<u>\$ 1,240,800</u>

The Organization has entered a facility use agreement with Sacramento City Unified School District to utilize the Marian Anderson School site through Resolution 2589 since June 23, 2011. The Organization receives no sublease rental revenues nor pays any contingent rentals associated with this lease. For the fiscal year ended June 30, 2022, operating lease expense was \$141,836.



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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**9. EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS).

***Plan Description and Funding Policy***

**STRS**

***Plan Description***

The Organization contributes to STRS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

***Plan Description***

According to the most recently available actuarial valuation report as of June 30, 2021, total plan net assets are \$293 billion, the total actuarial present value of projected plan benefits is \$414.4 billion, contributions from all employers totaled \$5.6 billion and the plan is 73.0% funded. The Organization did not contribute more than 5% of the total contributions to the plan.

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

***Funding Policy***

Active plan members are required to contribute 10.20% (10.205% for plan members classified under California Public Employees' Pension Reform Act of 2013) of their salary and the Organization is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2021-2022 was 16.92% of annual payroll. The contribution requirements of the plan members are established by state statute. The contribution requirements of the plan members are established by state statute. The Organization's contributions to STRS for the fiscal year ending June 30, 2022, were \$449,794 and equal 100% of the required contributions for the year.

**10. JOINT POWERS AGREEMENT**

The Organization entered into a Joint Powers Agreement ("JPA") known as the "California Charter Schools Association Joint Powers Authority ("CCSA-JPA")," a self-insurance plan for workers' compensation, property/casualty, and school board liability insurance. The CCSA-JPA is governed by a board consisting of a representative from each member organization. The board controls the operation of the CCSA-JPA including selection of management and approval of operating budgets, independent of any influence by the member organizations beyond their representation on the board. Each member organization pays a premium commensurate with the level of coverage requested and share surpluses and deficits proportionate to their participation in the CCSA-JPA. The CCSA-JPA is a separate entity which is audited by an independent accounting firm. The Organization paid the CCSA-JPA \$91,074 in insurance premiums during the year ended June 30, 2022.

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**11. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment with continue to be met, ensuring the sustainability of the Organization.

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

Cash	\$ 6,469,836
Accounts receivable	<u>2,683,000</u>
Total financial assets available within one year	<u><u>\$ 9,152,836</u></u>

**12. COMMITMENTS AND CONTINGENCIES**

***State Allowances, Awards, and Grants***

The Organization has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

**13. SUBSEQUENT EVENTS**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 15 2022, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

## **SUPPLEMENTARY INFORMATION**

**THE LANGUAGE ACADEMY OF SACRAMENTO  
ORGANIZATION  
June 30, 2022**

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The Language Academy of Sacramento [#0640] is a Transitional kindergarten through Grade 8 Charter School and was granted its charter renewal by the Sacramento City Unified School District on March 2014, pursuant to the terms of the Charter Schools Act of 1992, as amended.

The Board of Directors for the fiscal year ended June 30, 2022, was comprised of the following members:

Name	Office	Term	Term Expiration
Nailah Kokayi	Member	1 year	June 30, 2022
Fernando Aceves	Vice- President	3 years	June 30, 2022
Cristian Garcia	Secretary	3 years	June 30, 2023
Clark Graham	President	3 years	June 30, 2022
Gemma Jauregui	Member	3 years	June 30, 2022
Nadeen Ruiz	Member	3 years	June 30, 2022
Julissa De Gonzalez	Treasurer	3 years	June 30, 2022
Nina Sylvains	Member	3 years	June 30, 2023

**Administration**

Name	Position
Eduardo de León	Executive Director
Judy Morales	Director of Business and Operations

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**June 30, 2022**

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	<u>Second Period Report</u>	<u>Annual Report</u>
Transitional Kindergarten/ Kindergarten - Grade 3	261.81	262.69
Grades 4 - 6	185.63	186.52
Grades 7 - 8	122.91	123.65
Total	<u>570.35</u>	<u>572.86</u>

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**SCHEDULE OF INSTRUCTIONAL TIME**  
**For the Fiscal Year Ended June 30, 2022**

<b>Grade Level</b>	<b>2021-22 Minutes Requirements</b>	<b>2021-22 Actual Minutes</b>	<b>Number of Days Traditional Calendar</b>	<b>Status</b>
Transitional Kindergarten	36,000	38,500	175	In compliance
Kindergarten	36,000	47,400	175	In compliance
Grade 1	50,400	55,275	175	In compliance
Grade 2	50,400	55,275	175	In compliance
Grade 3	50,400	55,275	175	In compliance
Grade 4	50,400	55,275	175	In compliance
Grade 5	50,400	55,275	175	In compliance
Grade 6	54,000	57,190	175	In compliance
Grade 7	54,000	57,190	175	In compliance
Grade 8	54,000	57,190	175	In compliance

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2022**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education</b>			
Passed through California Department of Education			
NCLB: Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 177,021
NCLB: Title II, Part A, Teacher Quality NCLB: Title IV	84.367	14341	25,181
Student Support and Academic Enrichment Grant	84.424	15396	13,301
Elementary and Secondary School Emergency Relief Fund	84.425D	15536	773,912
Special Education IDEA Cluster Special Education: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	85,162
Total Special Education IDEA Cluster			<u>85,162</u>
COVID-19- Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425 C	15536	-
<b>Total U.S. Department of Education</b>			<u>1,074,577</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,074,577</u>

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Language Academy of Sacramento under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

Language Academy of Sacramento elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**RECONCILIATION OF CHARTER SCHOOL UNAUDITED ACTUALS**  
**FINANCIAL REPORT - - ALTERNATIVE FORM WITH**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

	Charter School
June 30, 2022, Charter School Unaudited Actuals Financial Report -- Alternative Form, Ending Fund Balance	\$ 11,602,272
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Accounts payable understatement	11,102
Net adjustments and reclassifications	11,102
June 30, 2022, audited financial statement net assets	\$ 11,613,374



**OTHER INDEPENDENT AUDITORS' REPORTS**

**Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
With *Government Auditing Standards***

Board of Directors  
The Language Academy of Sacramento  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Language Academy of Sacramento (the Organization), which comprise the Organization's statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly US, LLP*

San Diego, California  
December 15, 2022

**Report on Compliance  
for the Major Federal Program and  
Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

Independent Auditors' Report

Board of Directors  
The Language Academy of Sacramento  
Sacramento, California

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Language Academy of Sacramento's (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2022. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material

noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly US, LLP*

San Diego, California  
December 15, 2022

## REPORT ON STATE COMPLIANCE

Board of Directors  
The Language Academy of Sacramento  
Sacramento, California

### **Report on Compliance for Each State Program**

We have audited The Language Academy of Sacramento's compliance with the types of compliance requirements described in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, that could have a direct and material effect on each of The Language Academy of Sacramento's state programs for the fiscal year ended June 30, 2022. The Language Academy of Sacramento's state programs are identified below.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of The Language Academy of Sacramento's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State's Audit Guide, *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a state program occurred. An audit includes examining, on a test basis, evidence about The Language Academy of Sacramento's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state program. However, our audit does not provide a legal determination of The Language Academy of Sacramento's compliance. In connection with the audit referred to above, we selected transactions and records to determine the Organization's compliance with the state laws and regulations applicable to the following items:

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

The term “Not Applicable” is used above to mean either that the Organization did not offer the program during the current fiscal year, or that the program applies only to a different type of local education agency.

### Opinion on State Programs

In our opinion, The Language Academy of Sacramento complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its state programs for the fiscal year ended June 30, 2022.

The purpose of this report on state compliance is solely to describe the scope of our testing of state compliance and the results of that testing based on the requirements of the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

*Baker Tilly US, LLP*

San Diego, California  
December 15, 2022



## **FINDINGS AND RECOMMENDATIONS**

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2022**

---

**A. Summary of Auditor's Results**

1 Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

2 Federal Awards

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported under section 200.516 Audit Findings paragraph (a) of OMB Uniform Guidance?      Yes   X   No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425 D	Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?      Yes   X   No

---

**THE LANGUAGE ACADEMY OF SACRAMENTO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2022**

---

**A. Summary of Auditor's Results** (continued)

3 State Awards

Internal control over state programs:

One or more material weaknesses identified?            Yes       X   No

One or more significant deficiencies identified that  
are not considered to be material weaknesses?            Yes       X   None Reported

Type of auditor's report issued on compliance  
for state programs:           Unmodified      

**B. Financial Statement Findings**

None

**C. Federal Award Findings and Questioned Costs**

None

**D. State Award Findings and Questioned Costs**

None

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**THE LANGUAGE ACADEMY OF SACRAMENTO**  
**SUMMARY SCHEDULE OF PRIOR FINDINGS**  
**For the Fiscal Year Ended June 30, 2022**

---

<u>Findings/Recommendations</u>	<u>Current Status</u>	<u>Explanation If Not Implemented</u>
N/A	N/A	N/A



A California Public School

Agenda Item# VID

**Boar Meeting Date:** January 27, 2023

**Subject:** November and December Check Register

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action

**Committee:** School Leadership

**Recommendation:**

School Leadership requests that the Governing Board review and approve the November – December 2022 check register.

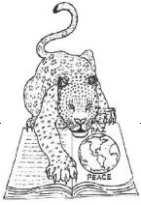
**Documents Attached:**

1. November 2022 Check Register
2. December 2022 Check Register

Members	November 2022				December 2022			
	Aye	Nay	Abstain	Absent	Aye	Nay	Abstain	Absent
Vacant								
Sylvains, Nina								
Vacant								
Rodríguez, José Luis								
García, Crisitian								
Kokayi, Nailah								
Graham, Clark								
Lomelí, Laura								
Luna, Brenda								
Totals:								

**Estimated Time of Presentation:** 5 min  
**Submitted By:** School Leadership  
**Date:** 1.23.23

**Pertinent Pages in**  
 ( ) Charter, pages \_\_\_\_\_  
 ( ) MOU, pages \_\_\_\_\_



A California Public School

Agenda Artículo# VID

**Fecha de la Reunión:** 27 de enero del 2023

**Tema:** Registro de la cuenta bancaria noviembre and diciembre

- Artículo de información
- Aprobación en la Agenda de Consentimiento
- Conferencia (solo para discutir)
- Conferencia/Primera lectura (Acción Anticipado: \_\_\_\_\_)
- Conferencia/Acción
- Acción

**Comité:** Liderazgo Escolar

**Recomendación:** El Liderazgo Escolar solicita que la Mesa Directiva revise y apruebe el registro de la cuenta bancaria de noviembre y diciembre de 2022.

**Documento adjunto:**

1. Registro de la cuenta bancaria del mes de noviembre 2022
2. Registro de la cuenta bancaria del mes de diciembre 2022

**Tiempo estimado para la presentación:** 5 min.  
**Entregado por:** Liderazgo Escolar  
**Fecha:** 1.23.23

**Páginas pertinentes en:**  
( ) La constitución, páginas \_\_\_\_\_  
( ) MOU, páginas \_\_\_\_

**Language Academy of Sacramento  
Check Register  
November 2022**

Check Date	Check Number	Vendor	Inv Description (Bill)	Amount
11/4/2022	10037	Veronica Kovats	Enrichment classes	643.75
11/10/2022	10038	AP fbo Edlogical Group Corp	SPED Services	118.50
11/10/2022	10039	Araceli Saucedo	Reimb: ASES instructional materials	47.62
11/10/2022	10040	Ascensus	Administrative fees	395.00
11/10/2022	10041	Graciela Castaneda	Student council, Student incentives, instructional materials	101.50
11/10/2022	10042	Charter Safe	December: Package Premium/ Workers Comp	12,325.00
11/10/2022	10043	Department of Justice	Fingerprinting fees	96.00
11/10/2022	10044	Effie Yeaw Nature Center	Fieldtrip fees: 3rd grade	1,230.00
11/10/2022	10045	Elevator Industries	Elevator maintenance: November 2022	105.00
11/10/2022	10046	Ana Luna Franco	Reimb: Instructional materials	143.37
11/10/2022	10047	Erica Frederickson	Reimb: Instructional materials/ Fieldtrip fees	222.73
11/10/2022	10048	Gopher	Physical Education instructional materials: Gellie	175.51
11/10/2022	10049	Infinite Campus	Student Information System Tech Services	2,383.34
11/10/2022	10050	JCL Electronics, LLC	Technological support	2,516.44
11/10/2022	10051	K12 Health	SPED Services	1,264.00
11/10/2022	10052	Law Office of Jennifer McQuarrie	Legal Services	231.00
11/10/2022	10053	Lizette Acosta-Caro	Reimb: Instructional materials	166.33
11/10/2022	10054	Michael's Transportation Service	Transportation fees: 1st grade field trip - Bishop's	3,058.50
11/10/2022	10055	NCS Pearson Inc	SPED Curriculum	419.60
11/10/2022	10056	Ana Novoa	Reimb: Instructional materials/classroom libraries	437.48
11/10/2022	10057	Office Depot	Instructional materials, office materials	3,780.75
11/10/2022	10058	Pacific Learning	Classroom libraries	1,489.26
11/10/2022	10059	Pacific Office Automation	Printer supplies: Ink	160.98
11/10/2022	10060	Rosio Perez	Reimb: Instructional materials	430.90
11/10/2022	10061	Priscilla Chapa	Reimb: Instructional materials	129.25
11/10/2022	10062	Read Naturally	SPED Curriculum	232.00
11/10/2022	10063	Irene Rodriguez	Reimb: Instructional materials	90.99
11/10/2022	10064	Sacramento City Unified School District	Facilities Lease: December 2022/January 2023	15,675.46
11/10/2022	10065	Samuel Fulk	Reimb: Fingerprinting fees	45.00
11/10/2022	10066	Scholastic Inc	Classroom libraries: Lomeli, R.	282.01
11/10/2022	10067	School Health Corporation	Instructional materials: P.E.	387.08
11/10/2022	10068	SchoolMint, Inc.	Student Lottery/Enrollment Software	5,760.00
11/10/2022	10069	The Home Depot Pro	Custodial supplies	3,087.68
11/15/2022	10070	AP fbo Edlogical Group Corp	SPED Services	118.50
11/15/2022	10071	CPM Educational Program	Conference fees	3,125.00
11/15/2022	10072	EdTec Inc.	Back Office Services (November 2022)	7,650.00
11/15/2022	10073	Sacramento Ballet	Enrichment: Ballet	500.00
11/15/2022	10074	U Pay We Travel L.L.C.	Enrichment: Basketball	352.50
11/17/2022	10075	Global Industrial	Classroom furniture-SPED Acoustic Dividers	3,893.24
11/17/2022	10076	Adriana Gutierrez	Reimb: Kinder fieldtrip admission fees	280.00
11/17/2022	10077	Learning Solutions Kids, Inc	SPED Services	453.61
11/17/2022	10078	Moises Franco	Reimb: P.E. Instructional Materials	30.99
11/17/2022	10079	Office Depot	ASES Instructional materials	384.71
11/17/2022	10080	Pedro Miranda	Landscaping services	400.00
11/17/2022	10081	Rosio Perez	Reimb: Literacy books	115.76
11/17/2022	10083	The Home Depot Pro	Custodial supplies	31.80
11/17/2022	10084	Total Education Solutions	SPED Services	18,641.25
11/29/2022	10085	Veronica Kovats	Enrichment: Art	643.75
11/7/2022	ACH	California Credit Union	Various	11,200.85
11/8/2022	ACH	California Credit Union	Various	324.00
11/30/2022	ACH	Kaiser Foundation Health Plan, Inc.	Health Benefits-December 2022	31,461.98
11/30/2022	ACH	Western Health Advantage	Health Benefits-December 2022	8,110.10
11/30/2022	ACH	Sutter Health Plus	Health Benefits-December 2022	11,773.84
11/30/2022	ACH	Mutual of Omaha	Dental/Life Benefits - December 2022	4,951.78
11/30/2022	ACH	Vision Service Plan - CA	Vision Benefits - December 2022	1,022.49
<b>Total</b>				<b>163,098.18</b>

**Language Academy of Sacramento**  
**Check Register**  
**December 2022**

Check Date	Check Number	Vendor	Inv Description (Bill)	Amount
12/6/2022	10086	Baker Tilly, US, LLP	Audit services	8,398.00
12/6/2022	10087	Graciela Castaneda	Reimb: Classroom libraries	87.78
12/6/2022	10088	El Dorado County of Education	BTSA Professional Development	10,000.00
12/6/2022	10089	Elevator Industries	Elevator maintenance (December 2022)	105.00
12/6/2022	10090	Rebecca Heredia	Reimb: Classroom libraries, instructional materials	369.65
12/6/2022	10091	Ann C Hubbell	Reimb: Instructional materials	1,103.39
12/6/2022	10092	JCL Electronics, LLC	Tech support/ tech services	6,272.25
12/6/2022	10093	K12 Health	Health services	1,264.00
12/6/2022	10094	Laura Lomeli	Reimb: PAP Incentives	31.97
12/6/2022	10095	Marlin Leasing Corp	Copier Contract lease	4,664.58
12/6/2022	10096	Susana Mercado	Reimb: Basketball uniforms and supplies	1,343.24
12/6/2022	10097	Michael's Transportation Service	Fieldtrip transportation fees: 2nd grade-Sofia Theatre	800.00
12/6/2022	10098	Nancy Castignetti	Reimb: Professional development	397.00
12/6/2022	10099	Office Depot	Office supplies	788.60
12/6/2022	10100	Pacific Office Automation	Printer supplies	762.21
12/6/2022	10101	Perma-Bound	Library books	154.34
12/6/2022	10102	Irene Rodriguez	Reimb: Instructional materials	117.45
12/6/2022	10103	SCUSD/Accounting Services	Facility lease: February 2023	7,837.73
12/6/2022	10104	The Home Depot Pro	Custodial supplies	1,157.81
12/6/2022	10105	U Pay We Travel L.L.C.	Enrichment: Basketball	510.00
12/6/2022	10106	Veronica Kovats Art	Enrichment: Art classes	368.75
12/15/2022	10107	916 Ink	Enrichment: Literacy	5,000.00
12/15/2022	10108	Maria Anguiano	Reimb: MAP Incentives / Instructional materials	286.66
12/15/2022	10109	AP fbo Edlogical Group Corp	SPED Services	237.00
12/15/2022	10110	Benchmark Education	Curriculum books (Kinder)	3,150.47
12/15/2022	10111	Graciela Castaneda	Reimb: Winter Festival supplies	167.08
12/15/2022	10112	Charter Safe	January: Library Premium/ Workers Comp	12,325.00
12/15/2022	10113	Luis Cruz-Llamas	Reimb: Instructional materials/ Fieldtrip fees	60.34
12/15/2022	10114	Department of Justice	Fingerprinting fees	128.00
12/15/2022	10115	Didax	Instructional materials: Vargas	16.30
12/15/2022	10116	EdTec Inc.	Back office services: December 2022	7,650.00
12/15/2022	10117	Adriana Gutierrez	Reimb: Instructional materials	106.14
12/15/2022	10118	Rebecca Heredia	Reimb: Classroom libraries/ instructional materials	1,018.04
12/15/2022	10119	JCL Electronics, LLC	Technology supplies	19,184.43
12/15/2022	10120	Xochith Laredo	Reimb: PC Winter Festival supplies	347.78
12/15/2022	10121	Law Office of Jennifer McQuarrie	Legal services	286.00
12/15/2022	10122	Learning Solutions	SPED Services	238.76
12/15/2022	10123	Learning Without Tears	(4200) Instructional books: 3rd grade 21/22	1,031.78
12/15/2022	10124	MindWing Concepts, Inc.	SPED Instructional Materials	219.95
12/15/2022	10125	NCS Pearson, Inc.	SPED Curriculum	451.33
12/15/2022	10126	Salvador Alvarez	Staff appreciation luncheon	420.00
12/15/2022	10127	SCUSD/Accounting Services	Utility fees (September/October)	36,032.95
12/15/2022	10128	Total Education Solutions	SPED Services	14,170.00
12/16/2022	10129	Learningtech.org	E-Rate Management Services	4,950.00
12/16/2022	10130	Scholastic Book Fairs	Book fairs: December 2022	2,390.60
12/16/2022	10131	The Home Depot Pro	Custodial Supplies	50.56
12/16/2022	10132	Nancy Tinajero	Reimb: SPED Services: READ Learning Center	625.00
12/16/2022	10133	Ana Luna Franco	Reimb: Instructional materials	135.99
12/16/2022	10134	Jessica Santana	Reimb: Instructional materials	7.93
12/16/2022	10135	Miguel Perez	Reimb: Classroom libraries	1,860.72
12/16/2022	10136	Study Smart Tutors Inc	Student Assessment Services	1,195.00
12/16/2022	10137	SYNCB/AMAZON	Basketball materials	4,338.16
12/31/2022	ACH	California Credit Union	Various	5,949.16
12/5/2022	ACH	California Credit Union	Various	970.56
12/5/2022	ACH	California Credit Union	Various	8,966.00
12/30/2022	ACH	Kaiser Foundation Health Plan Inc	Health Benefits - December 2022	33,363.46
12/30/2022	ACH	Western Health Advantage	Health Benefits - December 2022	8,110.10
12/30/2022	ACH	Sutter Health Plus	Health Benefits - December 2022	15,539.17
12/30/2022	ACH	Vision Service Plan - CA	Vision Benefits - December 2022	1,111.83
<b>Total</b>				<b>238,626.00</b>





A California Public School

Agenda Item# VIE

**Board Meeting Date:** January 27, 2023

**Subject:** CALSTRS Pension2

- Information Item Only
- Approval on Consent Agenda
- Conference/First Reading (Action Anticipated: January 2023)
- Conference
- Conference/Action
- Action

**Committee:** School Leadership

**Background:** Currently, the Language Academy of Sacramento has six (6) investment funds to which employees can contribute to a supplemental pension plan. A 403(b) plan is a retirement account that public school employees, employees of tax-exempt organizations and certain ministers can enroll in.

LAS seeks to add a seventh pension plan with CALSTRS (Pension2) 403(b) plan to provide a broader range of plans accessible to employees.

**Fiscal Implication:** None. Plan is based on employee contributions. However, LAS would be responsible for the administration of the plan as well as any required federal reporting.

**Recommendation:** School Leadership recommends adding the additional CALSTRS vendor to the approved list of 403(b) providers.

**Attachments:** CALSTRS Pension2 403(b) Plan

<b>CALSTRS Pension 2</b>				
<b>Members</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Nailah Kokayi				
Jose Luis Rodriguez				
Cristian García				
Brenda Luna				
Clark Graham				
Laura Lomelí				
Vacant				
Vacant				
Nina Sylvains				
<b>Totals:</b>				

**Estimated Time of Presentation:** 10 min.  
**Submitted By:** School Leadership  
**Date:** 1/23/23

**Pertinent Pages in**  
 ( ) Charter, pages \_\_\_\_\_  
 ( ) MOU, pages \_\_\_\_\_



A California Public School

Artículo# VIE

**Fecha de la Reunión:** 27 de enero del 2023

**Tema:** CALSTRS Pension2

- Artículo de información
- Aprobación en la Agenda de Consentimiento
- Conferencia (solo para discutir)
- Conferencia/Primera lectura (Acción Anticipado: enero 2023)
- Conferencia/Acción
- Acción

**Comité:** Dirección de la escuela

**Antecedentes:** Actualmente, la Academia de Idiomas de Sacramento tiene seis (6) fondos de inversión a los que los empleados pueden contribuir a un plan de pensiones complementario. Un plan 403(b) es una cuenta de jubilación en la que pueden inscribirse los empleados de escuelas públicas, los empleados de organizaciones exentas de impuestos y ciertos ministros.

LAS pretende añadir un séptimo plan de pensiones con el plan 403(b) de CALSTRS (Pension2) para ofrecer una gama más amplia de planes accesibles a los empleados.

**Implicación fiscal:** Ninguna. El plan se basa en las contribuciones de los empleados. Sin embargo, la LAS sería responsable de la administración del plan, así como de cualquier informe federal requerido.

**Recomendación:** School Leadership recomienda añadir el proveedor adicional CALSTRS a la lista aprobada de proveedores 403(b).

**Anexos:** Plan CALSTRS Pension2 403(b)

CALSTRS

pension

personal wealth plan

2

®



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# 403(b) Plan for a Public School

## Plan Provisions Section

### 1. Employer Information

Employer name: \_\_\_\_\_

Employer address: \_\_\_\_\_

Person at Employer to contact: \_\_\_\_\_

Contact's telephone number: \_\_\_\_\_

Contact's email address: \_\_\_\_\_

2. Plan Name: \_\_\_\_\_

3. Plan Effective/Restatement date: \_\_\_\_\_

Note: is this the first document for your plan? If yes, insert date established. If no, enter date plan was restated to this document.

4. State where Employer is located: \_\_\_\_\_

5. The Administrator (see Section 1.3) shall mean the following person(s) or organization and shall perform the following administrative service functions for the Plan:

Name	Administrative Services Performed
_____	_____
_____	_____
_____	_____
_____	_____

NOTE: If the Employer chooses not to delegate any administrative services, this section should be left blank.

6. Valuation Date (see Section 1.22) shall mean:

- Each business day
- The last business day of each month

7. List of Funding Vehicles that are authorized to receive Elective Deferrals :

- CalSTRS Pension2

## 8. List of Vendors that can receive Contract Exchanges :

- CalSTRS Pension2

## 9. Roth 403(b) Contributions (see Section 11)

- shall be permitted under the Plan
- shall not be permitted under the Plan

## 10. (a) Employer Discretionary Contributions (see Section 10):

- shall be permitted under the Plan
- shall not be permitted under the Plan

If permitted, for each Plan Year, the Employer Discretionary Contribution shall be:

- \_\_\_\_\_ % of each Participant's Compensation contributed to the Employer Contributions Account of each Participant.
- \$\_\_\_\_\_ contributed to the Employer Contributions Account of each Participant.
- An amount, determined uniformly with respect to each Employee classification within the applicable collective bargaining agreement, to the Employer Contributions Account of each Participant as specified in the applicable collective bargaining agreement.

(b) If permitted, Employer Discretionary Contributions shall be made to the following Participants:

- All Employees
- Collectively bargained employees who participate in the following unions:

- 
- Employees whose employment is NOT governed by a collective bargaining agreement between the Employer and employee representatives
  - Management employees
  - Superintendent
  - Principals
  - Treasurer
  - Administrator
  - Other (specify): \_\_\_\_\_

## 11. (a) Employer Matching Contributions (see Section 10):

- shall be permitted under the Plan
- shall not be permitted under the Plan

If permitted, Employer Matching Contributions shall match a Participant's (select all that apply):

- Elective Deferrals
- Roth 403(b) Contributions

If permitted, the amount of Employer Matching Contributions for each Plan Year shall be:

- A matching contribution equal to \_\_\_\_ % of each Participant's contribution to the Plan.
- A matching contribution equal to \_\_\_\_ % of the first \_\_\_\_ % of each Participant's Compensation that is contributed to the Plan for the Plan Year.
- A matching contribution equal to \$ \_\_\_\_ of each Participant's contribution to the Plan.
- A matching contribution equal to a percentage of each Participant's contribution to the Plan in an amount to be determined each Plan Year by the Employer or the applicable collective bargaining agreement.

(b) If permitted, Employer Matching Contributions shall be made to the following Participants:

- All Employees
- Collectively bargained employees who participate in the following unions:  
\_\_\_\_\_
- Employees whose employment is NOT governed by a collective bargaining agreement between the Employer and employee representatives
- Management employees
- Superintendent
- Principals
- Treasurers
- Administrator
- Other (specify): \_\_\_\_\_

## 12. Signature and acknowledgement

- a 403(b) plan document for public schools intended to meet the requirements of the final 403(b) regulations issued on July 24, 2007 (Federal Register (72 FR 41128));
- a plan document substantially similar to the IRS model plan language under Rev. Proc. 2007-71. Additional features in this 403(b) plan document are the ability to offer Roth 403(b) and/or Employer Contributions under your 403(b) plan, which are not addressed by the IRS model plan language. The document has not been reviewed or approved by the Internal Revenue Service.

A plan sponsor should review this plan document, together with legal counsel to the extent appropriate, to determine whether additional modifications to the plan document may be necessary to address specific facts, circumstances, and applicable law.

If a plan sponsor elects to adopt this plan document, it must complete the Plan Provisions Section and return the Section to CalSTRS Pension2 to the following address:

CalSTRS Pension2  
P.O. Box 15275, MS-44  
Sacramento, CA 95851-0275

If CalSTRS Pension2 does not receive a copy of the completed Plan Provisions Section from the plan sponsor, we cannot provide future updates to this plan document as they become available.

IN WITNESS WHEREOF, the undersigned individual, as authorized by the Employer, has caused this Plan to be executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Employer: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



## SECTION 1: Definition of Terms Used

The following words and terms, when used in the Plan, have the meaning set forth below.

- 1.1 **"Account"**: The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.
- 1.2 **"Account Balance"**: The bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Elective Deferrals, any Employer Contributions, and Roth 403(b) Contributions, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Section 414(p)(8) of the Code).
- 1.3 **"Administrator"**: means the person(s) or organization, such as the Vendor, third party administrator or other designee, approved by the Employer to administer the Plan and perform administrative functions for the Plan as identified in the Plan Provisions Section.
- 1.4 **"Annuity Contract"**: A nontransferable contract as defined in Section 403(b)(1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the State in which the Employer is located as indicated in the Plan Provisions Section and that includes payment in the form of an annuity.
- 1.5 **"Beneficiary"**: The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.
- 1.6 **"Custodial Account"**: The group or individual custodial account or accounts, as defined in Section 403(b)(7) of the Code, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.
- 1.7 **"Code"**: The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to Sections of the Code are to such Sections as they may from time to time be amended or renumbered.
- 1.8 **"Compensation"**: All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan).
- 1.9 **"Disabled"**: The definition of disability provided in the applicable Individual Agreement.
- 1.10 **"Elective Deferral"**: The Employer contributions made to the Plan at the election of the Participant in accordance with Section 2 in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.
- 1.11 **"Employee"**: Each individual, whether appointed or elected, who is a common law employee of the Employer performing services for a public school as an employee of the Employer. This definition is not applicable unless the employee's compensation for performing services for a public school is paid by the Employer. Further, a person occupying an elective or appointive public office is not an employee performing services for a public school unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State or local government.
- 1.12 **"Employer"**: The public school adopting this Plan indicated in the Plan Provisions Section.
- 1.13 **"Funding Vehicles"**: The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by the Employer for use under the Plan and are identified in the Plan Provisions Section.
- 1.14 **"Includible Compensation"**: An Employee's actual wages in box 1 of Form W2 for the most recent one year period of service for the Employer, but increased (up to the dollar maximum) by any compensation reduction election under Section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). The amount of Includible Compensation is determined without regard to any community property laws. Pursuant to Reg. Section 1.415(c).2(e)(3) of the Income Tax Regulations, Includible Compensation will include any payments made to a Participant who has had a Severance from Employment, provided that the Includible Compensation is paid by the later of 2 months after the Participant's

Severance from Employment or the end of the Plan Year that contains the date of such Participant's Severance from Employment. In addition, pursuant to Reg. Section 1.415(c).2(e)(4) of the Income Tax Regulations, Includible Compensation will include payments made to an individual who does not currently perform services for the Employer by reason of qualified military service (as defined in Section 414(u)(5) of the Code) to the extent those payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than enter qualified military service. If the Plan permits Employer Contributions pursuant to Section 10, then such Employer Contributions shall be subject to a maximum of \$200,000 (or such higher maximum as may apply under Section 401(a)(17) of the Code).

- 1.15 **"Individual Agreement"**: The agreements between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract with respect to that Participant's Account.
- 1.16 **"Participant"**: An individual for whom Elective Deferrals (or Roth 403(b) Contributions) are currently being made, or for whom Elective Deferrals (or Roth 403(b) Contributions) have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan.
- 1.17 **"Plan"**: The name of the plan as indicated in the Plan Provisions Section.
- 1.18 **"Plan Year"**: The calendar year.
- 1.19 **"Related Employer"**: The Employer and any other entity which is under common control with the Employer under Section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89.23, 1989.1 C.B. 654.
- 1.20 **"Severance from Employment"**: For purpose of the Plan, Severance from Employment means Severance from Employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same State or local government employer).
- 1.21 **"Vendor"**: The provider of an Annuity Contract or Custodial Account.
- 1.22 **"Valuation Date"**: The date(s) selected in the Plan Provisions Section.

## SECTION 2: Participation and Contributions

- 2.1 **Eligibility**. Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals or Roth 403(b) Contributions in accordance with Section 11 made on his or her behalf hereunder immediately upon becoming employed by the Employer.
- 2.2 **Compensation Reduction Election General Rule**.

An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral and/or Roth 403(b) Contributions in accordance with Section 11 on his or her behalf) and filing it with the Administrator. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals (and/or Roth 403(b) Contributions) are to be made and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. All Elective Deferrals shall be made on a pre-tax basis. All Roth 403(b) Contributions shall be made in accordance with the terms of Section 11. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the Employee's election.
- 2.3 **Information Provided by the Employee**. Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.
- 2.4 **Change in Elective Deferrals Election**. Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals (and/or Roth 403(b) Contributions), his or her investment direction, and/or his or her designated Beneficiary. A change in the amount of Elective Deferrals (and/or Roth 403(b) Contributions) investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.

2.5 **Contributions Made Promptly.** All contributions under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

2.6 **Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals (and/or Roth 403(b) Contributions) under the Plan shall continue to the extent that Compensation continues.

## SECTION 3: Limitations on Amounts Deferred

3.1 **Basic Annual Limitation.** Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferrals (and/or Roth 403(b) Contributions to the extent permitted under Section 11) under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is the amount established under Section 402(g)(1)(B) of the Code, which is \$15,500 for 2008, and is adjusted for cost-of-living thereafter to the extent provided under Section 415(d) of the Code.

3.2 **Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service.** Because the Employer is a qualified organization (within the meaning of Section 1.403(b)-4(c)(3)(ii) of the Income Tax Regulations), the applicable dollar amount under Section 3.1(a) for any "qualified employee" is increased (to the extent provided in the Individual Agreements) by the least of:

(a) \$3,000;

(b) The excess of:

(1) \$15,000, over

(2) The total special 403(b) catch-up elective deferrals made for the qualified Employee by the qualified organization for prior years; or

(c) The excess of:

(1) \$5,000 multiplied by the number of years of service of the Employee with the qualified organization, over

(2) The total Elective Deferrals and, if applicable, Roth 403(b) Contributions made for the Employee by the qualified organization for prior years made pursuant to this subsection.

For purposes of this Section 3.2, a "qualified employee" means an Employee who has completed at least 15 years of service taking into account only employment with the Employer.

3.3 **Age 50 Catch-up Elective Deferral Contributions.** An Employee who is a Participant who will attain age 50

or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals (and/or Roth 403(b) Contributions), up to the maximum age 50 catch-up Elective Deferrals (or Roth 403(b) Contributions) for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals (or Roth 403(b) Contributions) for a year is \$5,000 for 2008, and is adjusted for cost-of-living thereafter to the extent provided under the Code.

3.4 **Coordination.** Amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3.

3.5 **Special Rule for a Participant Covered by Another Section 403(b) Plan.** For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under Section 403(b) of the Code (and any other plan that permits elective deferrals under Section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a Code Section 403(b) plan.

3.6 **Correction of Excess Elective Deferrals.** If the Elective Deferrals (or Roth 403(b) Contributions) on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferrals (and/or Roth 403(b) Contributions) on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under Section 403(b) of the Code (and any other plan that permits elective deferrals under Section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral (and to the extent applicable, Roth 403(b) Contributions), to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant. Excess Deferrals (and, if applicable, Roth 403(b) Contributions) will be distributed to the Participant, with allocable net income, no later than April 15 of the following taxable year or otherwise in accordance with Section 402(g) of the Code.

3.7 **Protection of Persons Who Serve in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under Section 414(u) of the Code or who is on a leave of absence for qualified military service under Section 414(u) of the Code

may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under Section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

## SECTION 4: Loans

- 4.1 **Loans.** Loans shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured.
- 4.2 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator shall also take such steps as may be appropriate to collect information from Vendors, and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.
- 4.3 **Maximum Loan Amount.** No loan to a Participant under the Plan may exceed the lesser of:
- (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or
  - (b) one half of the value of the Participant's vested Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator). For purposes of this Section 4.3, any loan from any other plan maintained by the Employer

and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

## SECTION 5: Benefit Distributions

- 5.1 **Benefit Distributions At Severance from Employment or Other Distribution Event.** Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), Section 5.4 (relating to hardship), or Section 8.3 (relating to termination of the Plan), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59.. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements. Notwithstanding the foregoing, Elective Deferrals made to an Annuity Contract and corresponding earnings as of December 31, 1988 are "grandfathered" and withdrawal restrictions do not apply to the extent that such amounts can be appropriately identified by the Vendor.
- 5.2 **Minimum Distributions.** Each Individual Agreement shall comply with the minimum distribution requirements of Section 401(a)(9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of Section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Section 1.408-8 of the Income Tax Regulations, except as provided in Section 1.403(b)-6(e) of the Income Tax Regulations.
- 5.3 **In-Service Distributions From Rollover Account.** If a Participant has a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.
- 5.4 **Hardship Withdrawals.**
- (a) Hardship withdrawals shall be permitted under the Plan in accordance with the financial need safe harbor rules described in Section 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. If applicable under an Individual Agreement, no Elective Deferrals (or Roth 403(b) Contributions) shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

(b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be necessary to satisfy the Participant's financial need (pursuant to Section 1.401(k)-1(d)(3)(iv)(E) of the Income Tax Regulations), the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals (or Roth 403(b) Contributions) under the Plan.

(c) An Individual Agreement may make distributions to a Participant for expenses described in Section 1.401(k)-1(d)(3)(iii)(B)(1), (3), or (5) of the Income Tax Regulations for a primary Beneficiary. For this purpose, a "primary Beneficiary" is an individual who is named as a Beneficiary and has an unconditional right to all or a portion of the Account balance upon the death of the Participant.

### 5.5 Rollover Distributions.

(a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order, as defined in Section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in Section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in Section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

(c) A Participant or a spouse who is the designated Beneficiary of the Participant may elect to roll over amounts in accordance with Section 408A(e) of the Code directly to a Roth IRA.

## SECTION 6: Rollovers to the Plan and Transfers

### 6.1 Eligible Rollover Contributions to the Plan.

(a) Eligible Rollover Contributions. To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of Section 402(c)(8)(B) of the Code. However, in no event does the Plan accept a rollover contribution from a Roth elective deferral account under an applicable retirement plan described in Section 402A(e)(1) of the Code or a Roth IRA described in Section 408A of the Code.

(b) Eligible Rollover Distribution. For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for (i) the life of the Participant (or the joint lives of the Participant and the Participant's Beneficiary), (ii) the life expectancy of the Participant (or the joint life and last survivor expectancy of the Participant and the Participant's Beneficiary), or (iii) any installment payment for a period of 10 years or more; (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the Participant; (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Section 401(a)(9) of the Code; (4) corrective distributions of excess contributions under a qualified cash or deferred arrangement described in Section 1.401(k).2(b)(2) of the Income Tax Regulations and excess aggregate contributions described in Section 1.401(m).2(b)(2) of the Income Tax Regulations, together with the income allocable to these distributions; (5) loans that are treated as deemed distributions pursuant to Section 72(p) of the Code and (6) similar items designated by the Commissioner in revenue rulings, notices, and other guidance published in the Internal Revenue Bulletin. In addition, an eligible retirement plan means an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, a qualified trust described in Section 401(a) of

the Code, an annuity plan described in Section 403(a) or 403(b) of the Code, or an eligible governmental plan described in Section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) **Separate Accounts.** The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan.

## 6.2 Plan-to-Plan Transfers to the Plan.

(a) At the direction of the Employer, for a class of Employees who are participants or beneficiaries in another plan under Section 403(b) of the Code, the Administrator may permit a transfer of assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Plan and the participant is an employee or former employee of the Employer. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Section 1.403(b).10(b)(3) of the Income Tax Regulations and to confirm that the other plan is a plan that satisfies Section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer in accordance with Section 1.414(l)(1) of the Code.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that

(1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

## 6.3 Plan-to-Plan Transfers from the Plan.

(a) At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance

transferred to another plan that satisfies Section 403(b) of the Code in accordance with Section 403(b).10(b)(3) of the Income Tax Regulations. A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred in accordance with Section 1.414(l)(1) of the Code.

(b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Section 403(b) of the Code, the other plan shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after tax employee contributions).

(c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies Section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Section 1.403(b)-10(b)(3) of the Income Tax Regulations.

## 6.4 Contract and Custodial Account Exchanges.

(a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors identified in the Plan Provisions Section. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under Section 2 (referred to below as an exchange) is not permitted unless the conditions in paragraphs (b) through (d) of this Section 6.4 are satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both Section 403(b) contracts or

custodial accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy Section 403(b) of the Code, including the following: (i) the Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions Section 5.1); (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.4 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals (and, if applicable, Roth 403(b) Contributions) under the Plan; and (iii) the Vendor providing information to the Employer or other Vendors concerning the Participant's or Beneficiary's Section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 5.4); and

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following:

(i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under Section 72(p)(1); and (ii) information concerning the Participant's or Beneficiary's after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals (or Roth 403(b) Contributions) under the Plan as indicated in the Plan Provisions Section, the Employer will enter into an information sharing agreement as described in Section 6.4(d) to the extent the Employer's contract with the Vendor does not provide for the exchange of

information described in Section 6.4(d)(1) and (2) in order for such Vendor to be listed in the Plan Provisions Section.

## 6.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which Section 415 of the Code does not apply by reason of Section 415(k)(3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

## SECTION 7: Investment of Contributions

7.1 **Manner of Investment.** All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 **Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in Section 6.4 of the Plan, the Individual Agreements and permitted under applicable Income Tax Regulations.

**7.3 Current and Former Vendors.** The Administrator shall maintain a list of all Vendors under the Plan, including those eligible to receive Elective Deferrals, Roth 403(b) Contributions, and Employer Contributions, as applicable, and, those only eligible to receive contract exchanges made under Section 6.4, if applicable, which shall be listed in the Plan Provisions Section. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy Section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals (or Roth 403(b) Contributions) under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals (or Roth 403(b) Contributions) under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy Section 403(b) of the Code or other requirements of applicable law.

## SECTION 8: Amendment and Plan Termination

- 8.1 Termination of Contributions.** The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.
- 8.2 Amendment and Termination.** The Employer reserves the authority to amend or terminate this Plan at any time.
- 8.3 Distribution upon Termination of the Plan.** The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed as soon as administratively practicable under the Plan, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative Section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

## SECTION 9: Miscellaneous

- 9.1 Non-Assignability.** Except as provided in Section 9.2 and 9.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.
- 9.2 Domestic Relation Orders.** Notwithstanding Section 9.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order") and Section 414(p) of the Code, then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.
- 9.3 IRS Levy.** Notwithstanding Section 9.1, if a Participant or Beneficiary is entitled to a distribution in accordance with Section 5, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.
- 9.4 Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals (and, if applicable, Roth 403(b) Contributions), which constitute wages under Section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including Section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.



9.5 **Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

9.6 **Mistaken Contributions.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

9.7 **Procedure When Distributee Cannot Be Located.** The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the funding vehicle shall continue to hold the benefits due such person.

9.8 **Incorporation of Individual Agreements.** The Plan, together with the Individual Agreements, is intended to satisfy the requirements of Section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or Section 403(b) of the Code.

9.9 **Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the State in which the Employer has its principal place of business.

9.10 **Headings.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

9.11 **Gender.** Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

## SECTION 10: Employer Contributions

### 10.1 Definitions.

(a) "Employer Contributions Account" means the account established and maintained by the Administrator for each Participant with respect to his total vested interest (including any earnings and losses attributable thereon) under the Plan resulting from Employer Discretionary Contributions and/or Employer Matching Contributions.

(b) "Employer Discretionary Contributions" means the Employer's discretionary contributions to the Plan in accordance with the formula selected by the Employer in the Plan Provisions Section.

(c) "Employer Matching Contribution" means the Employer's contributions to the Plan that match a Participant's Elective Deferrals or Roth 403(b) Contributions in accordance with the formula selected in the Plan Provisions Section.

(d) "Vested" means the nonforfeitable portion of any Account maintained on behalf of a Participant.

10.2 **Employer Contributions.** For each Plan Year, the Employer will contribute to the Plan the amount and form of contributions as specified in the Plan Provisions Section, subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions will be allocated to the Participant's Employer Contributions Account.

### 10.3 Maximum Annual Additions.

(a) The maximum permissible Annual Additions that may be contributed or allocated to each Participant's Account under the Plan for any Plan Year will not exceed the lesser of:

- (i) \$40,000, as adjusted for increases in the cost of living under Section 415(d) of the Code, or
- (ii) 100 percent of the Participant's Includible Compensation for the Plan Year.

(b) For purposes of this Section, "Annual Additions" means, for any Plan Year, the sum of Elective Deferrals, Roth 403(b) Contributions, and Employer Contributions to the Plan made to the Participant's Account and the sum of any employee and employer contributions made on behalf of such individual under any other 403(b) plan, whether or not sponsored by the Employer.

(c) If a Participant has a "controlling interest" in another employer and participates in that employer's qualified 401(a) defined contribution plan, a welfare benefit fund (as defined in Section 419(e) of the Code), an individual medical account (as defined in Section 415(l)(2) of the Code) or a simplified employee pension (as

defined in Section 408(k) of the Code) which provides Annual Additions, the amount of Annual Additions which may be credited to a Participant's Account for any Plan Year will not exceed the maximum permissible amount described in subsection (a), taking into account employer contributions that have been allocated to such other plans as described in this subsection. a complete discharge of any liability for such payments under the Plan.

(d) If the Annual Additions are greater than the maximum permissible amount described in subsection (a) in a Plan Year, no amount will be contributed to the Participant's Account under the Plan for that Plan Year. If there is any such excess amount under the Plan, the Employer or its delegate will direct the Vendor as to the appropriate method of correction of such excess amounts in accordance with the Income Tax Regulations. If timely correction of such excess is not made, such excess will remain in the Plan and will be separately accounted for in accordance with Section 403(c) of the Code.

10.4 **Vesting.** A Participant will be 100% Vested in any Employer Discretionary Contributions and Employer Matching Contributions.

## SECTION 11: Roth 403(b) Contributions

### 11.1 Definitions.

- (a) "Roth 403(b) Contributions" means, if so elected by the Employer in the Plan Provisions Section, contributions that are:
- (i) made by the Employer to the Plan pursuant to a Compensation reduction agreement entered into by a Participant, which qualifies as a "designated Roth contribution" within the meaning of Code Section 402A;
  - (ii) irrevocably designated by the Participant at the time of the cash or deferred election as a Roth elective deferral that is being made in lieu of all or a portion of the Elective Deferrals the Participant is otherwise eligible to make under the Plan; and
  - (iii) treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election.
- (b) "Roth 403(b) Contributions Account" means the account established and maintained by the Administrator for each Participant with respect to his total interest (including and earnings and losses attributable thereon) under the Plan resulting from Roth 403(b) Contributions.

11.2 **Roth 403(b) Contributions.** For each Plan Year, each Participant may elect to make Roth 403(b) Contributions to the Plan up to the applicable limit under Code Section 402(g) and as aggregated with Elective Deferrals as described in Section 3.1, 3.2, and 3.3, and subject to any limitations imposed under applicable law or under any applicable collective bargaining agreement. Such contributions will be allocated to the Participant's Roth 403(b) Contributions Account.

### 11.3 Distribution of Roth 403(b) Contributions.

- (a) Qualified Distributions: Distributions from a Roth 403(b) Contributions Account will be tax free for federal income tax purposes if:
- (i) The amounts are held for a 5 year holding period, measured from the first year that the initial Roth 403(b) Contribution was made on behalf of the Participant to a Roth 403(b) Contributions Account, and
  - (ii) The distribution is due to a Participant's attainment of age 59 ½, death, or in the event of the Participant's becoming Disabled.
- (b) Nonqualified Distributions: Amounts distributed from a Roth 403(b) Contributions Account that are not considered "Qualified Distributions" as defined in Section 11.3(a), may be distributed from a Roth 403(b) Contributions Account subject to the distribution rules applicable to Elective Deferrals as described in Section 5.1. Such nonqualified distributions shall be subject to federal income tax to the extent that the amount distributed exceeds the value of the Roth 403(b) Contributions.
- (c) In no event shall amounts held in a Roth 403(b) Contributions Account shall be used for a loan in accordance with Section 4, distributed due to a hardship withdrawal under Section 5.4, transferred in accordance with Sections 6.3 or 6.5, or exchanged in accordance with Section 6.4.
- (d) Participant may elect to have certain portions of the Participant's Vested Account Balance under the Plan treated as being distributed to the Participant as an eligible rollover distribution that is credited via an in-Plan direct rollover to a Roth After-Tax Employee Contribution Account under this Plan.



**For more information, contact:**

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A California Public School

Agenda Item VIF

**Board Meeting Date:** January 27, 2023

**Subject:** Board Development: Nomination & Elections Update; Executive Member Interim Elections

- Information Item Only
- Approval on Consent Agenda
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference (for discussion only)
- Conference/Action
- Action

**Nomination & Elections Update**

The following are the vacancies that need be filled in the current year and the number of applications that have been received to date:

- **Community Vacancy (2022-2025): 0 applications, 2 vacancies**
- Certificated Staff (2022-2025): 2 applications
  - i. Elections and results expected prior to February Governing Board Meeting

**Executive Member Interim Elections**

It is recommended that the board hold elections for executive member positions (President, Vice President, Treasurer, and Secretary). Given that there are two additional community members that will join the board in the future, it is recommended that the current position be considered interim until there is a full board.

**Estimated Time of Presentation:** 10 min  
**Submitted By:** Bylaws/Policy Committee  
**Date:** 01242023

**Pertinent Pages in**  
( ) Charter, pgs \_\_\_\_\_ ( ) Bylaws, pgs \_\_\_\_\_  
( ) MOU, pgs \_\_\_\_\_ ( ) Policy \_\_\_\_\_



A California Public School

Agenda Articulo# VIF

**Fecha de la Reunión:** 27 de enero de 2023

**Tema:** Desarrollo de la mesa directiva: Actualización de nominaciones y elecciones; Elecciones provisionales de miembros ejecutivos

- Artículo de información
- Aprobación en la Agenda de Consentimiento
- Conferencia (solo para discutir)
- Conferencia/Primera lectura (Acción Anticipado: \_\_\_\_\_)
- Conferencia/Acción
- Acción

**Actualización de nominaciones y elecciones**

Las siguientes son las vacantes que deben cubrirse en el año siguiente y el número de solicitudes que se han recibido hasta la fecha:

- Vacante de comunidad (2022-2025): **0 aplicaciones, 2 vacantes**
- Vacante de personal certificado (2022-2025): 0 aplicaciones
  - i. Elecciones y resultados esperados antes de la reunión de la mesa directiva de febrero

**Elecciones provisionales de miembros ejecutivos**

Se recomienda que la junta celebre elecciones para los puestos de miembros ejecutivos (presidente, vicepresidente, tesorero y secretario). Dado que hay dos miembros adicionales de la comunidad que se unirán a la junta en el futuro, se recomienda que el puesto actual se considere interino hasta que haya una junta completa.

**Tiempo estimado para la presentación:** 10 min.  
**Entregado por:** Comité de Estatutos/Pólizas  
**Fecha:** 01242023

**Pertinent Pages in**  
( ) Charter, pgs \_\_\_\_\_ ( ) Bylaws, pgs \_\_\_\_\_  
( ) MOU, pgs \_\_\_\_\_ ( ) Policy \_\_\_\_\_



A California Public School

Agenda Item #VIG

**Board Meeting Date:** January 27, 2023

**Subject:** Resolution Authorizing Use of Remote Teleconferencing Provisions Pursuant to AB 361

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading
- Conference/Action
- Action

**Committee:** School Leadership

Resolution Authorizing Use of Remote Teleconferencing Provisions Pursuant to Assembly Bill 361

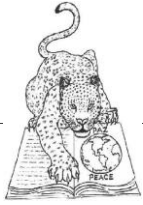
Attachments:

- Resolution Authorizing Use of Remote Teleconferencing Provisions Pursuant to Assembly Bill 361

Resolution				
Members	Aye	Nay	Abstain	Absent
<i>Vacant</i>				
<i>Vacant</i>				
Sylvains, Nina				
Kokayi, Nailah				
Rodríguez, José Luis				
García, Cristian				
Luna, Brenda				
Graham, Clark				
Lomelí, Laura				
Totals:				

**Estimated Time of Presentation:** 5 min  
**Submitted By:** de León  
**Date:** 01242023

**Pertinent Pages in**  
 ( ) Charter, pages \_\_\_\_\_  
 ( ) MOU, pages \_\_\_\_\_



A California Public School

Agenda Artículo #VIG

**Fecha de la Reunión:** 27 de enero de 2023

**Tema:** Resolución que autoriza el uso de teleconferencias remotas de conformidad con AB 361

- Artículo de información
- Aprobación en la Agenda de Consentimiento
- Conferencia (solo para discutir)
- Conferencia/Primera lectura
- Conferencia/Acción
- Acción

**Comité:** Liderazgo escolar

Resolución que autoriza el uso de teleconferencias remotas de conformidad con el proyecto de ley 361 de la Asamblea.

Documentos adjunto:

- Resolución que autoriza el uso de teleconferencias remotas de conformidad con el proyecto de ley 361 de la Asamblea

**Estimated Time of Presentation:** 5 min  
**Submitted By:** de León  
**Date:** 01242023

**Pertinent Pages in**  
( ) Charter, pages \_\_\_\_\_  
( ) MOU, pages \_\_\_\_\_

**The Language Academy of Sacramento  
Resolution Regarding Teleconferenced Board Meetings**

**WHEREAS**, The Language Academy of Sacramento (LAS) Governing Board held teleconferenced board meetings from March 2020 through September 2021 in compliance with the Governor’s Executive Order N-29-20 which relaxed certain legal requirements for board meetings during the COVID-19 pandemic. These legal requirements for public meetings are found in California Government Code sections 54950, *et seq.* and called the “Brown Act.”

**WHEREAS**, Executive Order N-29-20 was recently rescinded, but Assembly Bill 361 was signed into law and it amended elements of the Brown Act effective October 1, 2021.

**WHEREAS**, the Brown Act as amended by AB 361 permits the LAS Governing Board to continue holding board meetings under abbreviated teleconference procedures in three circumstances:

1. When the meeting is held during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing;
2. When the meeting is held during a proclaimed state of emergency and the meeting is held for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; OR
3. When the meeting is held during a proclaimed state of emergency and the board has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(Gov’t. Code sec. 54953(e)(1).)

**WHEREAS**, the LAS Governing Board may continue holding board meetings under AB 361’s abbreviated teleconference procedures if it adopts certain findings by majority vote of the Board and readopts findings every thirty days thereafter. Those findings are:

1. The board has reconsidered the circumstances of the state of emergency, AND
2. The state of emergency continues to directly impact the ability of members to meet safely in person, OR
3. State or local officials continue to impose or recommend measures to promote social distancing.

**NOW, THEREFORE, BE IT RESOLVED**, that the LAS Governing Board adopts the following findings:

- The LAS Governing Board has determined that as a result of the proclaimed state of emergency, meeting in person would present imminent risks to the health or safety of attendees.
- The state of emergency continues to directly impact the ability of board members and other meeting attendees to meet safely in person.



- State and local public health officials continue to recommend measures to promote social distancing.
- That the actions taken by the LAS Governing Board through this Resolution may be applied to all board committees governed by the Brown Act unless otherwise desired by the committee.

**PASSED AND ADOPTED** by the LAS Governing Board on this 27<sup>th</sup> day of January 2023, by the following vote:

AYES	_____
NOES	_____
ABSENT	_____
ABSTAIN	_____

**Academia de Idiomas de Sacramento**  
**Resolución sobre las juntas de la Mesa Directiva por teleconferencia**

**CONSIDERANDO** que, la Mesa Directiva de la Academia de Idiomas de Sacramento (LAS) tuvo juntas de la Mesa por teleconferencia desde marzo de 2020 hasta septiembre de 2021 en cumplimiento de la Orden Ejecutiva N-29-20 del Gobernador, que relajó ciertos requisitos legales para las juntas de la Mesa durante la pandemia de COVID-19. Estos requisitos legales para las reuniones públicas se encuentran en las secciones 54950 y siguientes del Código de Gobierno de California y se denominan "Ley Brown".

**CONSIDERANDO** que la Orden Ejecutiva N-29-20 fue recientemente rescindida, pero el Proyecto de Ley de la Asamblea 361 fue convertido en ley y modificó elementos de la Ley Brown a partir del 1 de octubre de 2021.

**CONSIDERANDO** que, la Ley Brown, modificada por el Proyecto de Ley de la Asamblea 361, permite a la Mesa Directiva de LAS a seguir teniendo juntas de la Mesa mediante procedimientos de teleconferencia abreviados en tres circunstancias:

1. Cuando la junta se tiene durante un estado de emergencia proclamado, y los funcionarios estatales o locales hayan impuesto o recomendado medidas para promover el distanciamiento social;
2. Cuando la junta se tiene durante un estado de emergencia proclamado y la junta se tenga con el fin de determinar, por mayoría, si como resultado de la emergencia, la junta en persona presentaría riesgos inminentes para la salud o la seguridad de los asistentes; O
3. Cuando la junta se tenga durante un estado de emergencia proclamado y la mesa haya determinado, por mayoría de votos, que, como resultado de la emergencia, la junta en persona presentaría riesgos inminentes para la salud o la seguridad de los asistentes.

(Sección del código de gobierno 54953(e)(1).)

**CONSIDERANDO** que, la Mesa Directiva de LAS puede seguir teniendo juntas de la Mesa con arreglo a los procedimientos de teleconferencia abreviados del Proyecto de Ley de la Asamblea 361 si adopta ciertas conclusiones por mayoría de votos de la Mesa y vuelve adoptar las conclusiones cada treinta días a partir de entonces. Dichas conclusiones son:

1. La mesa directiva ha reconsiderado las circunstancias del estado de emergencia, Y
2. El estado de emergencia sigue afectando directamente a la capacidad de los miembros para reunirse en persona de forma segura, O
3. Los funcionarios estatales o locales siguen imponiendo o recomendando medidas para promover el distanciamiento social.

**POR TANTO, SE RESUELVE** que, la Mesa Directiva de LAS adopte las siguientes conclusiones:

- La Mesa Directiva de LAS ha determinado que, como resultado del estado de emergencia proclamado, reunirse en persona presentaría riesgos inminentes para la salud o la seguridad de los asistentes.
- El estado de emergencia sigue afectando directamente a la capacidad de los miembros de la Mesa y de otras plataformas de reuniones para reunirse en persona de forma segura.
- Los funcionarios de salud pública estatales y locales siguen recomendando medidas para promover el distanciamiento social.
- Que las medidas adoptadas por la Mesa Directiva de LAS mediante esta Resolución pueden aplicarse a todos los comités de la Mesa regidos por la Ley Brown, a menos que el comité desee lo contrario.

**PASADO Y APROBADO** por la Mesa Directiva de LAS en este día 27 de enero de 2023, por la siguiente votación:

SÍ	_____
NO	_____
AUSENTE	_____
ABSTENCIÓN	_____