



Annual Financial Report  
June 30, 2019

# Samueli Academy



**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

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**JUNE 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Samueli Academy  
(A California Nonprofit Public Benefit Corporation)  
Santa Ana, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Samueli Academy (A California Nonprofit Public Benefit Corporation), which are comprised of the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Samueli Academy's preparation and fair presentation of the financial statements 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 Samueli Academy's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Samuéli Academy, as of June 30, 2019, 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.

## **Report on Comparative Information**

The 2018 financial statements of the Samuéli Academy were audited by Varinek, Trine, Day & Co. LLP, who joined Eide Bailly LLP on July 22, 2019, whose report dated October 17, 2018, expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying supplementary information the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 accompanying supplementary 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 October 24, 2019, on our consideration of Samuéli Academy'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 Samuéli Academy'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 Samuéli Academy's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
October 24, 2019



## **FINANCIAL STATEMENTS**

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FINANCIAL POSITION**  
**(With comparative financial information at June 30, 2018)**

**JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,116,664	\$ 1,375,418
Restricted Cash	150,749	150,081
Accounts receivable	506,069	438,260
Pledge receivable	56,839	40,000
Prepaid expenses	<u>157,823</u>	<u>137,223</u>
Total Current Assets	2,988,144	2,140,982
Fixed assets, net of accumulated depreciation	<u>171,129</u>	<u>446,542</u>
Total Assets	<u><u>\$ 3,159,273</u></u>	<u><u>\$ 2,587,524</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 274,965	\$ 259,600
Inter-fund payable	39,039	12,589
Deferred revenue	31,300	10,525
Current portion of note payable	<u>-</u>	<u>224,597</u>
Total Current Liabilities	<u>345,304</u>	<u>507,311</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	2,782,669	2,069,688
With Donor Restrictions	<u>31,300</u>	<u>10,525</u>
Total Net Assets	<u>2,813,969</u>	<u>2,080,213</u>
Total Liabilities and Net Assets	<u><u>\$ 3,159,273</u></u>	<u><u>\$ 2,587,524</u></u>

The accompanying notes are an integral part of these financial statements.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**(With comparative financial information at June 30, 2018)**

**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Support and Revenues		
Local Control Funding Formula	\$ 5,620,694	\$ 5,184,450
Federal revenue	448,657	375,786
State revenue	1,827,683	1,200,252
Local revenue		
Interest	14,369	3,977
Other	95,001	107,489
Special events, net	56,264	42,764
Contributions	562,588	695,476
In-kind contributions	92,202	102,505
Total Revenues	<u>8,717,458</u>	<u>7,712,699</u>
<b>EXPENSES</b>		
Program services	7,557,102	6,888,607
Management and general	315,795	460,300
Fundraising	110,805	-
Total Expenses	<u>7,983,702</u>	<u>7,348,907</u>
<b>CHANGE IN NET ASSETS</b>	733,756	363,792
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,080,213</u>	<u>1,716,421</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 2,813,969</u></u>	<u><u>\$ 2,080,213</u></u>

The accompanying notes are an integral part of these financial statements.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF CASH FLOWS**  
**(With comparative financial information at June 30, 2018)**

**FOR THE YEAR ENDED JUNE 30, 2019**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 733,756	\$ 363,792
Adjustments to reconcile change in net assets to net cash provided by operations		
Depreciation	310,092	330,578
Change in operating assets and liabilities		
Increase in prepaid other assets	(20,600)	(12,583)
Increase in receivable	(84,648)	(42,339)
Increase in accounts payable	41,815	39,552
Increase (decrease) in unearned revenue	20,775	(4,475)
Net Cash Provided by Operating Activities	<u>1,001,190</u>	<u>674,525</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(34,679)	(30,627)
Net Cash Used by Investing Activities	<u>(34,679)</u>	<u>(30,627)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Vehicle loan payments	-	(4,825)
Restricted cash for debt service	(668)	-
(Payments)/Proceeds from related party note	(224,597)	(224,584)
Net Cash Used by Financing Activities	<u>(225,265)</u>	<u>(229,409)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	741,246	414,489
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>1,375,418</u>	<u>960,929</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u>\$ 2,116,664</u>	<u>\$ 1,375,418</u>
<b>Supplemental cash flow disclosure:</b>		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 41</u>

The accompanying notes are an integral part of these financial statements.



**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services	Management and General	Fundraising	Total Expenses <sup>1</sup>
<b>Functional Expenses</b>				
Annual audit fee	\$ -	\$ 18,875	\$ -	\$ 18,875
Banking and merchant fees	5,139	-	-	5,139
Board and donor recognition	-	-	-	-
Mentor and staff recruitment	4,158	-	-	4,158
Conferences/training	23,660	-	-	23,660
Contracted services	413,408	-	-	413,408
Depreciation	310,092	-	-	310,092
Scholarships	72,000	-	-	72,000
Samueli Academy operating costs	519,129	-	-	519,129
Salaries and benefits	4,628,528	296,920	110,805	5,036,253
Facility expense	1,052,423	-	-	1,052,423
Insurance expense	43,216	-	-	43,216
In-kind Contributions Used by Program	35,902	-	-	35,902
Marketing/public relations	14,658	-	-	14,658
Office equipment leases	23,701	-	-	23,701
Office expense	40,845	-	-	40,845
Property tax	32,163	-	-	32,163
Telephone expense	24,523	-	-	24,523
Travel and mileage	121,633	-	-	121,633
Technology	191,924	-	-	191,924
Total Functional Expenses	<u>\$ 7,557,102</u>	<u>\$ 315,795</u>	<u>\$ 110,805</u>	<u>\$ 7,983,702</u>

<sup>1</sup>Program services expenses represent 94.66% of total expenses, while Management and General represent 3.95% and Fundraising expenses represent 1.39% of total expenses.

The accompanying notes are an integral part of these financial statements.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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***NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES***

Samueli Academy, formerly known as The Academy Charter School, is a non-profit public benefit corporation and was approved for a charter by the Orange County Department of Education on February 15, 2012, for a period of five years ending in June 2018. In May 2018, a five year extension was granted to June 2023. As part of this extension, the Orange County Department of Education also approved adding 7<sup>th</sup> and 8<sup>th</sup> grade for a total of up to 800 students.

Charter school number authorized by the State: 1419

Samueli Academy located at 1901-1919 North Fairview Street, Santa Ana, California, opened on August 29, 2013, and currently serves 529 students in grades nine through twelve. The mission of Samueli Academy is to provide a transformational learning environment to community, underserved and foster teens that offers consistency, stability, support, and a community in which to belong, thrive, and grow into successful, independent adults.

**Other Related Entities**

Orangewood Foundation (the Foundation) is a non-profit organization that was incorporated in the State of California on November 20, 1980, for the purpose of ending the cycle of child abuse by providing innovative programs.

Orangewood Real Property LLC owns land and buildings leased to Samueli Academy. Orangewood Residential LLC is established to provide onsite housing to foster students at a further date.

**Joint Powers Agency and Risk Management Pools** - Samueli Academy is associated with the El Dorado Special Education Local Plan Area a Joint Powers Authority (JPA). The JPA does not meet the criteria for inclusion as a component unit of Samueli Academy. Additional information is presented in Note 17 of the financial statements.

**Comparative Financial Information**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Charter School's audited financial statements for the year ending June 30, 2018.

**Cash**

The Charter School considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2019, the allowance was \$0.

**Prepaid Expenses**

Prepaid expenses represent amounts paid in advance of receiving goods or services. The Charter School has reported prepaid items either when purchased or during the benefiting period.

**Property and Equipment**

Property and equipment additions over \$2,500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Charter School review the carrying values of fixed assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2019.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporarily in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Charter School report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**Revenue and Revenue Recognition**

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

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. At June 30, 2019, Samuelli Academy has received donated legal services of \$56,300 and donation of school equipment and services values at \$35,902, which have been reflected in the financial statements.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses, excluding depreciation and grant disbursements are allocated on the basis of estimates of time and effort.

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**Income Taxes**

The Charter School is a California nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). It is also exempt from state franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Charter School is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Charter School is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Charter School determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Charter School has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Charter School to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Charter School to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Charter School's mission.

**Recent Accounting Pronouncements**

On June 21, 2018, the FASB completed its project on revenue-recognition of grants and contracts by not-for-profit entities by issuing Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in the Update provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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Specifically, the amendments in the Update:

- Clarify how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution
- Help an entity to evaluate whether contributions are conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation
- Modify the simultaneous release option currently in generally accepted accounting principles (GAAP), which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is not in the same period that revenue is recognized.

The ASU is effective for the Charter School for the year ended June 30, 2020. Management is evaluating the impact of the adoption of this standard.

**Change in Accounting Principle**

As of July 1, 2018, the Charter School adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for the Charter School donor restricted endowment funds and underwater endowments. The ASU introduces new disclosure requirements to provide information about what is included or excluded from the Charter School's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Charter School's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses.

The amendments should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. The Charter School has elected not to present comparative information for these amendments.

The Charter School has adopted this standard as management believes the standard improves the usefulness and understandability of the Charter School financial reporting.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Adjustments Resulting from Change in Accounting Principle**

As disclosed above, the Charter School adopted the provisions of ASU 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities* as of June 30, 2019. Following is a summary of the effects of the change in accounting policy in the Charter School's June 30, 2018 financial statements.

	As Previously Reported	Adoption of ASU 2016-14	As Adjusted
Unrestricted	\$ 2,069,688	\$ (2,069,688)	\$ -
Temporarily restricted	10,525	(10,525)	-
Net assets without donor restrictions	-	2,069,688	2,069,688
Net assets with donor restrictions	-	10,525	10,525
	<u>\$ 2,080,213</u>	<u>\$ -</u>	<u>\$ 2,080,213</u>

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 2,267,413
Accounts receivable and other assets	720,731
	<u>\$ 2,988,144</u>

**NOTE 3 - CASH**

Cash at June 30, 2019 and 2018, consisted of the following:

	June 30, 2019		June 30, 2018	
	Reported Amount	Bank Balance	Reported Amount	Bank Balance
Deposits				
Cash on hand and in bank	\$ 1,004,475	\$ 1,033,266	\$ 696,804	\$ 738,656
Restricted in bank	150,749	150,749	150,081	150,081
Total	<u>\$ 1,155,224</u>	<u>\$ 1,184,015</u>	<u>\$ 846,885</u>	<u>\$ 888,737</u>

Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Samuéli Academy maintains its cash in bank deposit accounts that at times may exceed insured limits. Samuéli Academy has not experienced any losses in such accounts. At June 30, 2019 and 2018, respectively, Samuéli Academy had a balance of \$783,266 and \$488,656 in excess of insured limits.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 4 - CASH EQUIVALENTS**

**Summary of Cash Equivalents**

Cash equivalents as of June 30, 2019 and 2018, are classified in the accompanying financial statements as follows:

	<u>June 30, 2019</u>		<u>June 30, 2018</u>	
	<u>Reported Amount</u>	<u>Fair Market Value</u>	<u>Reported Amount</u>	<u>Fair Market Value</u>
Orange County Treasury Investment Pool	<u>\$ 1,112,189</u>	<u>\$ 1,116,429</u>	<u>\$ 678,614</u>	<u>\$ 675,692</u>

Deposits with county treasurer are an external investment pool sponsored by the County of Orange. County deposits are not required to be categorized. The pool provided the fair value for these deposits.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Samuelli Academy does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Samuelli Academy manages its exposure to interest rate risk by investing in the County Pool.

**NOTE 5 - FAIR MARKET VALUE MEASUREMENTS**

Samuelli Academy determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820-10-50, which requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.



**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2019. Samueli Academy did not have any liabilities measured at fair value on a recurring basis as of June 30, 2019.

Investment Type	Level	Fair Value	Weighted Average Maturity in Days
Orange County Investment Pool	Not required	\$ 1,116,429	310

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2018. Samueli Academy did not have any liabilities measured at fair value on a recurring basis as of June 30, 2018.

Investment Type	Level	Fair Value	Weighted Average Maturity in Days
Orange County Investment Pool	Not required	\$ 675,692	302

**NOTE 6 - ACCOUNTS RECEIVABLE**

Receivables at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Local Control Funding Formula	\$ 104,030	\$ 69,474
Federal receivable	86,216	67,639
State receivable	165,609	262,935
Lottery	21,517	19,472
Other local and contribution's	185,536	58,740
Total Receivables	\$ 562,908	\$ 478,260

**NOTE 7 - PREPAID EXPENSES**

Prepaid expenses at June 30, 2019 and 2018, consisted of the following:

	2019	2018
Prepaid rent, insurance, and miscellaneous vendors	\$ 157,823	\$ 137,223

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 - FIXED ASSETS**

Fixed assets at June 30, 2019 and 2018, consisted of the following:

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Improvement of sites	\$ 3,450	\$ -	\$ -	\$ 3,450
Furniture & equipment	818,493	34,679	-	853,172
Vehicles	61,747	-	-	61,747
Subtotal	883,690	34,679	-	918,369
Less: accumulated depreciation	(437,148)	(310,092)	-	(747,240)
Total Fixed Assets	<u>\$ 446,542</u>	<u>\$ (275,413)</u>	<u>\$ -</u>	<u>\$ 171,129</u>

During the year ended June 30, 2019 and 2018, depreciation expense was \$310,092 and \$330,578, respectively.

**NOTE 9 - ACCOUNTS AND RELATED PARTY PAYABLES**

Accounts payable at June 30, 2019 and 2018, consisted of the following:

	2019	2018
Payroll and benefits	\$ 99,431	\$ 78,041
Vendor payables	175,534	181,559
Inter-fund payable to the Foundation	39,039	12,589
Total Accounts Payable	<u>\$ 314,004</u>	<u>\$ 272,189</u>

**NOTE 10 - DEFERRED REVENUE**

Deferred revenue at June 30, 2019 and 2018, consisted of the following:

	2019	2018
Other local	<u>\$ 31,300</u>	<u>\$ 10,525</u>

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 11 - OPERATING LEASE AGREEMENTS**

Samueli Academy entered into a Facilities Use Agreement with Orangewood Real Property LLC for the sole purpose of operating Samueli Academy's educational programs and related activities. The term of this agreement is through June 30, 2030. The Pro-Rata Share of Facilities Cost for 2018-2019 was \$744,156 and shall be paid on the first of every month. For the remaining fiscal years, the Pro-Rata Share increases based upon the increased use of space and number of students. In addition to this facility lease agreement, Samueli Academy has a lease for a postage machine and a copier through 2021.

Payments for the remaining fiscal years will be as follows:

Fiscal Year Ending June 30,	Copier Lease Payment	Postage Machine Lease	Total
2020	\$ 7,242	\$ 1,224	\$ 8,466
2021	1,020	1,226	2,246
Total	<u>\$ 8,262</u>	<u>\$ 2,450</u>	<u>\$ 10,712</u>

**NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and State contribution rates are set by the California Legislature, and (c) if the Charter School chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Charter School has no plans to withdraw from this multi-employer plan.

**SAMUELI ACADEMY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The details of each plan are as follows:

**California State Teachers' Retirement System (CalSTRS)**

**Plan Description**

Samueli Academy contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2018, total actuarial value of assets are \$190.4 billion, the actuarial obligation is \$297.6 billion, contributions from all employers totaled \$4.7 billion, and the plan is 64.0 percent funded.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:  
<http://www.calstrs.com/member-publications>.

**Benefits Provided**

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

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

Samueli Academy contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

**SAMUELI ACADEMY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required state contribution rate	9.828%	9.828%

**Contributions**

Required member, Samueli Academy and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and Samueli Academy's total contributions were \$302,602. Samueli Academy's total contributions for the year ended June 30, 2018 were \$261,677.

**On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the School. These payments consist of State General Fund contributions to CalSTRS in the amount of \$383,340 (9.828 percent of salaries subject to CalSTRS). Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018-2019 contribution on-behalf of school employers of \$2.2456 billion for CasSTRS and \$904 million for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, both amounts have been recorded in these financial statements.

**403(b) Tax Deferred Annuity Plan**

For staff, Samueli Academy participates in the 403(b) plan (the Plan) established by the Orangewood Foundation. The Plan provides a discretionary employer match of up to 75 percent of non-certificated employee contributions to a maximum of \$1,500 each calendar year. Vesting in the employer match is over five years at 20 percent per year. Employees become eligible as of the first of the month following the date of hire. Samueli Academy made \$5,467 and \$12,563 of matching contributions to the Plan during the year ended June 30, 2019 and 2018, respectively.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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***NOTE 13 - CONTINGENCIES***

**Grants**

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

**Litigation**

Samueli Academy is not currently a party to any legal proceedings.

***NOTE 14 - RELATED PARTY TRANSACTIONS***

Various board members make contributions to Samueli Academy through donations, fundraising events, and volunteer time. General contributions recorded from board members during the years ended June 30, 2019 and 2018, totaled approximately \$245,800 and \$190,790, respectively, which are recorded in general contributions in the accompanying Statement of Activities.

Samueli Academy has a service agreement with the Foundation as described in Note 15. As of June 30, 2019 and 2018, \$377,585 and \$419,863, respectively, was paid under this agreement. Samueli Academy leases its facilities from Orangewood Real Property, LLC. Under the terms of this lease, \$744,156 in rental expenses was incurred.

***NOTE 15 - SERVICES AGREEMENT***

The services agreement between the Foundation and Samueli Academy sets out the terms for employees of the Foundation to provide various administrative, human resources, finance, information technology, facilities, marketing and fundraising services to Samueli Academy. As these services are provided throughout the year, Samueli Academy will reimburse the Foundation for these services at the Foundation's cost. Reimbursements to the Foundation for services were \$377,585 and \$419,863 for the years ended June 30, 2019 and 2018, respectively.

***NOTE 16 - PARTICIPATION IN JOINT POWERS AUTHORITY***

Samueli Academy is a participant in the El Dorado Special Education Local Plan Area a joint powers authority (JPA) for special education funding. The relationship between Samueli Academy and the JPA is such that the JPA is not considered a component unit of Samueli Academy for financial reporting purposes.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The JPA has budgeting and financial reporting requirements independent of member units and the JPA's financial statements are not presented in these financial statements; however, transactions between JPA and Samuelli Academy are included in these statements. Audited financial statements for JPA were not available for fiscal year 2018-2019 at the time this report was issued. However, financial statements should be available from the respective agency.

During the years ended June 30, 2019 and 2018, Samuelli Academy made payments of \$13,654 and \$12,947, respectively, to El Dorado SELPA for services received. At June 30, 2019, Samuelli Academy had no recorded accounts receivable or accounts payable to the JPA.

***NOTE 17 - SUBSEQUENT EVENTS***

Samuelli Academy'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 October 24, 2019, which is the date the financial statements were available to be issued. Management has determined there were no subsequent events or transactions that would have a material impact on the current year financial.



**SUPPLEMENTARY INFORMATION**



**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE**  
**JUNE 30, 2019**

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**ORGANIZATION**

Samueli Academy (Charter School No. 1419) was granted on February 15, 2012, by the Orange County Department of Education and opened on August 29, 2013. In May 2018, a five year extension was granted through June 2023. Samueli Academy operates one school for students in grades nine through twelve.

**GOVERNING BOARD**

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM</u>
Sandi Jackson	Chair	June 2020
Susan Samueli	Co Chair	June 2020
Chris Scheithauer	Secretary	June 2021
Liz Dorn Parker	Treasurer	June 2020
Richard Arum	Member	June 2020
Nicole Washington	Member	June 2022

**ADMINISTRATION**

Anthony Saba	Executive Director
John R. Luker	Chief Financial Officer
Lee Fleming	Head of School

See accompanying note to supplementary information.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**SCHEDULE OF AVERAGE DAILY ATTENDANCE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	Final Report	
	Second Period Report	Annual Report
Regular ADA Grades nine through twelve	506.39	503.83
Classroom based ADA Grades nine through twelve	506.39	503.83

Samueli Academy does not operate a non-classroom based instruction program.

See accompanying note to supplementary information.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**SCHEDULE OF INSTRUCTIONAL TIME**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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Grade Level	1986-87	2018-19	Number of Days		Status
	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Grade 9	64,800	68,140	185	N/A	Complied
Grade 10	64,800	68,140	185	N/A	Complied
Grade 11	64,800	68,140	185	N/A	Complied
Grade 12	64,800	68,140	185	N/A	Complied

See accompanying note to supplementary information.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2019.

See accompanying note to supplementary information.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTE TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2019**

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***NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES***

**Local Education Agency Organization Structure**

This schedule provides information about the school operated, members of the governing board, and members of the administration.

**Schedule of Average Daily Attendance**

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of Samueli Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students.

**Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by Samueli Academy and whether Samueli Academy complied with the provisions of *Education Code* Sections 47612 and 47612.5, if applicable.

Charter schools must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 47612.5.

**Reconciliation of Annual Financial Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the net assets reported on the Unaudited Actual Financial Report to the audited financial statements.



## **INDEPENDENT AUDITOR'S REPORTS**



CPAs & BUSINESS ADVISORS

**INDEPENDENT AUDITOR'S 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***

Governing Board  
Samueli Academy  
(A California Nonprofit Public Benefit Corporation)  
Santa Ana, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Samueli Academy which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Samueli Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Samueli Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Samueli Academy'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 Samueli Academy'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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Samueli Academy'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 determination of financial statement amounts. 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 Samueli Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Samueli Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
October 24, 2019





## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board  
Samueli Academy  
(A California Nonprofit Public Benefit Corporation)  
Santa Ana, California

### **Report on State Compliance**

We have audited Samueli Academy's compliance with the types of compliance requirements as identified in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of Samueli Academy's State government programs as noted below for the year ended June 30, 2019.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance of each of Samueli Academy's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit 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 *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Samueli Academy'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 opinions. Our audit does not provide a legal determination of Samueli Academy's compliance with those requirements.

### ***Unmodified Opinion***

In our opinion, Samueli Academy complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2019.

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

	<u>Procedures Performed</u>
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS</b>	
Attendance	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	No, see below
Instructional Materials	No, see below
Ratio of Administrative Employees to Teachers	No, see below
Classroom Teacher Salaries	No, see below
Early Retirement Incentive	No, see below
Gann Limit Calculation	No, see below
School Accountability Report Card	No, see below
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	No, see below
District of Choice	No, see below
<b>SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS</b>	
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program:	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
<b>CHARTER SCHOOLS</b>	
Attendance	Yes
Mode of Instruction	Yes
Non Classroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Non Classroom-Based Instruction	No, see below
Annual Instruction Minutes Classroom-Based	Yes
Charter School Facility Grant Program	Yes

Programs listed above for local education agencies are not applicable to charter schools; therefore, we did not perform any related procedures.

Samueli Academy did not receive funding related to the California Clean Energy Jobs Act; therefore, we did not perform any related procedures.

Samueli Academy does not operate a before or after school program within the After School Education and Safety Program; therefore, we did not perform any related procedures.

Samueli Academy does not operate Independent Study – Course Based instruction; therefore, we did not perform any related procedures.

Samueli Academy does not offer Non Classroom-Based Instruction; therefore, we did not perform any procedures related to Non Classroom-Based Instruction/Independent Study for Charter Schools or Determination of Funding for Non Classroom-Based Instruction.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
October 24, 2019



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**SUMMARY OF AUDITOR'S RESULTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**FINANCIAL STATEMENTS**

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**STATE AWARDS**

Type of auditor's report issued on compliance for programs:	<u>Unmodified</u>
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**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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None reported.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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None reported.

**SAMUELI ACADEMY**  
**(A California Nonprofit Public Benefit Corporation)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.