



Financial Statements  
June 30, 2021

**Samueli Academy**  
Charter No. 1419



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## Independent Auditor's Report

Governing Board  
Samueli Academy  
Santa Ana, California

### Report on the Financial Statements

We have audited the accompanying financial statements of Samueli Academy (the Academy) (a California Nonprofit Public Benefit Corporation), which comprise of the statement of financial position as of June 30, 2021 and 2020, and the related statement of activities, functional expenses, and cash flows 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 an 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. 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 the 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 the 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 the Academy, as of June 30, 2021, 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.

## **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 such as the Schedule of Expenditures of Federal Awards as required by title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and other supplementary information 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 schedule of expenditures of federal awards and other supplementary information as listed in the table of contents 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. 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 schedule of expenditures of federal awards and the other 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 28, 2021 on our consideration of the 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 the 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 the Academy's internal control over financial reporting and compliance.

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

Rancho Cucamonga, California  
October 28, 2021

Samueli Academy  
Statements of Financial Position  
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,112,817	\$ 2,461,722
Contribution and note receivable, net	148,085	191,839
Accounts receivable	3,512,115	958,069
Prepaid expenses	<u>90,749</u>	<u>185,983</u>
Total current assets	<u>4,863,766</u>	<u>3,797,613</u>
Non-current assets		
Restricted investments	99,044	100,000
Contribution and note receivable, net of current portion	14,185	159,323
Property and equipment, net	<u>902,978</u>	<u>358,983</u>
Total non-current assets	<u>1,016,207</u>	<u>618,306</u>
Total assets	<u><u>\$ 5,879,973</u></u>	<u><u>\$ 4,415,919</u></u>
Liabilities		
Current liabilities		
Accounts payable	\$ 515,683	\$ 426,201
Deferred revenue	522,345	19,481
Refundable advance - Paycheck Protection Program (PPP)	-	757,781
Intercompany payable	<u>22,442</u>	<u>14,445</u>
Total current liabilities	<u>1,060,470</u>	<u>1,217,908</u>
Total liabilities	<u>1,060,470</u>	<u>1,217,908</u>
Net Assets		
Without donor restrictions	<u>4,819,503</u>	<u>3,198,011</u>
Total liabilities and net assets	<u><u>\$ 5,879,973</u></u>	<u><u>\$ 4,415,919</u></u>

Samueli Academy  
Statements of Activities  
Year Ended June 30, 2021 and 2020

	2021		
	Without donor Restrictions	With donor Restrictions	Total
Support and revenues			
Contributions	\$ 705,771	\$ -	\$ 705,771
Local Control Funding Formula	-	6,553,536	6,553,536
Federal revenue	-	880,860	880,860
PPP loan forgiveness revenue	-	757,781	757,781
Other state revenue	-	2,032,540	2,032,540
Special events	102,419	-	102,419
Investment income	6,306	-	6,306
In-kind contributions	62,152	-	62,152
Other income	21,397	-	21,397
Net assets released from restrictions	10,224,717	(10,224,717)	-
Total support and revenues	11,122,762	-	11,122,762
Expenses			
Program services	8,940,513	-	8,940,513
Management and general	518,736	-	518,736
Fundraising and development	42,021	-	42,021
Total expenses	9,501,270	-	9,501,270
Change in Net Assets	1,621,492	-	1,621,492
Net Assets, Beginning of Year	3,198,011	-	3,198,011
Net Assets, End of Year	\$ 4,819,503	\$ -	\$ 4,819,503

Samueli Academy  
Statements of Activities  
Year Ended June 30, 2021 and 2020

	2020		Total
	Without donor Restrictions	With donor Restrictions	
Support and revenues			
Contributions	\$ 1,013,372	\$ -	\$ 1,013,372
Local Control Funding Formula	-	5,652,602	5,652,602
Federal revenue	-	387,716	387,716
Other state revenue	-	1,321,995	1,321,995
Special events	38,837	-	38,837
Investment income	18,036	-	18,036
In-kind contributions	23,070	-	23,070
Other income	69,236	-	69,236
Net assets released from restrictions	7,393,613	(7,393,613)	-
Total support and revenues	<u>8,556,164</u>	<u>(31,300)</u>	<u>8,524,864</u>
Expenses			
Program services	7,570,054	-	7,570,054
Management and general	509,169	-	509,169
Fundraising and development	61,599	-	61,599
Total expenses	<u>8,140,822</u>	<u>-</u>	<u>8,140,822</u>
Change in Net Assets	<u>415,342</u>	<u>(31,300)</u>	<u>384,042</u>
Net Assets, Beginning of Year	<u>2,782,669</u>	<u>31,300</u>	<u>2,813,969</u>
Net Assets, End of Year	<u>\$ 3,198,011</u>	<u>\$ -</u>	<u>\$ 3,198,011</u>

Samueli Academy  
Statements of Functional Expenses  
Year Ended June 30, 2021 and 2020

	2021			
	Program Services	Management and General	Fundraising and Development	Total Expenses <sup>1</sup>
Bad debt expense	\$ -	\$ 4,293	\$ -	\$ 4,293
Banking and merchant fees	-	9,087	-	9,087
Mentor and staff recruitment	5,098	-	-	5,098
Conferences/training	30,251	-	-	30,251
Contracted services	89,718	-	-	89,718
Depreciation	105,002	-	-	105,002
Scholarships	103,000	-	-	103,000
Samueli Academy operating costs	788,058	-	-	788,058
Salaries and benefits	5,918,781	484,237	42,021	6,445,039
Accounting and audit fees	-	21,119	-	21,119
Facility expense	1,333,577	-	-	1,333,577
Insurance expense	79,928	-	-	79,928
In-kind Contributions Used by Program	62,152	-	-	62,152
Marketing/public relations	5,719	-	-	5,719
Office equipment leases	44,984	-	-	44,984
Office expense	32,819	-	-	32,819
Property tax	10,990	-	-	10,990
Telephone expense	40,163	-	-	40,163
Travel and mileage	23,837	-	-	23,837
Technology	266,436	-	-	266,436
	<u>\$ 8,940,513</u>	<u>\$ 518,736</u>	<u>\$ 42,021</u>	<u>\$ 9,501,270</u>
Total functional expenses	<u>\$ 8,940,513</u>	<u>\$ 518,736</u>	<u>\$ 42,021</u>	<u>\$ 9,501,270</u>

<sup>1</sup>Program services expenses represent 94.10 percent of total expenses, while Management and General represent 5.46 percent and Fundraising expenses represent 0.44 percent of total expenses.



Samueli Academy  
Statements of Functional Expenses  
Year Ended June 30, 2021 and 2020

	2020			
	Program Services	Management and General	Fundraising and Development	Total Expenses <sup>1</sup>
Annual audit fee	\$ -	\$ 14,450	\$ -	\$ 14,450
Bad debt expense	-	6,895	-	6,895
Banking and merchant fees	-	5,784	-	5,784
Mentor and staff recruitment	5,793	-	-	5,793
Conferences/training	50,858	-	-	50,858
Contracted services	281,277	-	-	281,277
Depreciation	115,532	-	-	115,532
Scholarships	61,000	-	-	61,000
Samueli Academy operating costs	429,703	-	-	429,703
Salaries and benefits	4,928,123	482,040	61,599	5,471,762
Facility expense	1,210,867	-	-	1,210,867
Insurance expense	51,368	-	-	51,368
In-kind Contributions Used by Program	23,070	-	-	23,070
Marketing/public relations	15,764	-	-	15,764
Office equipment leases	35,606	-	-	35,606
Office expense	26,150	-	-	26,150
Property tax	35,211	-	-	35,211
Telephone expense	12,906	-	-	12,906
Travel and mileage	77,033	-	-	77,033
Technology	209,793	-	-	209,793
<b>Total functional expenses</b>	<b>\$ 7,570,054</b>	<b>\$ 509,169</b>	<b>\$ 61,599</b>	<b>\$ 8,140,822</b>

<sup>1</sup>Program services expenses represent 92.99 percent of total expenses, while Management and General represent 6.25 percent and Fundraising expenses represent 0.76 percent of total expenses.

Samueli Academy  
Statements of Cash Flows  
Year Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 1,621,492	\$ 384,042
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	105,002	115,532
Bad debt expense	4,293	-
Donated investment	-	(100,000)
Net unrealized and realized gain/loss on investments	956	-
Loss/(Gain) on sale of property and equipment	3,286	-
PPP loan forgiveness	(757,781)	-
Changes in operating assets and liabilities		
Contribution and note receivable, net	184,599	(264,958)
Accounts receivable	(2,554,046)	(481,365)
Prepaid expenses	95,234	(28,160)
Accounts payable	89,482	151,236
Intercompany payable	7,997	(24,594)
Deferred revenue	502,864	(11,819)
Refundable advance - PPP	-	757,781
Net Cash from (used for) Operating Activities	(696,622)	497,695
Investing Activities		
Purchases of property and equipment	(652,283)	(303,386)
Net Change in Cash and Cash Equivalents	(1,348,905)	194,309
Cash and Cash Equivalents, Beginning of Year	2,461,722	2,267,413
Cash and Cash Equivalents, End of Year	\$ 1,112,817	\$ 2,461,722

### **Note 1 - Principal Activity and Significant Accounting Policies**

The Samueli Academy (the 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 7th and 8th grade for a total of up to 800 students.

Charter school number authorized by the State: 1419

The Academy located at 1901-1919 North Fairview Street, Santa Ana, California, opened on August 29, 2013, and currently serves 674 students in grade 7 and nine through twelve. The mission of The 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.

#### **Related Entities**

The Orangewood Foundation (the founder of the Academy) 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 The Academy. Orangewood Residential LLC is established to provide onsite housing to foster students at a further date.

Joint Powers Agency and Risk Management Pools

The 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 The Academy. Additional information is presented in Note 12 of the financial statements.

#### **Basis of Accounting**

The accompanying financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

#### **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 temporary 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 Academy reports 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 statement of activities as net assets released from restrictions.

### **Cash and Cash Equivalents**

The Academy considers all cash including cash in County Investment Pool 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 and cash equivalents.

### **Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

### **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. No allowance for doubtful accounts has been established, as the Academy deems all amounts to be fully collectible. Substantially all outstanding accounts receivable as of June 30, 2021 and 2020 are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

### **Prepaid Expenses**

Prepaid expenses represent amounts paid in advance of receiving goods or services. The Academy 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 is 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 is 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 Academy reviews the carrying values of property and equipment 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, 2021.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Operating funds for the Academy are derived principally from state and federal sources. The Academy receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization received cost-reimbursable grants with an advance payment of \$522,345 recognized in the statement of financial position as a deferred revenue.

Contributions of goods are recorded at fair value. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when the Academy would otherwise purchase the services.

Contributions with donor restrictions received are recorded as increases in net assets with donor restrictions. Net assets with donor restrictions received are recognized as revenue without donor restrictions when the terms of the restrictions are met, which may be in the same period if the revenue is received and the restriction satisfied during the same period. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

The Academy was granted a \$757,781 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization has elected to account for the funding as a conditional contribution by applying ASC 958-605, *Not-for-Profit – Revenue Recognition*. The Academy initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Academy has recognized \$757,781 as PPP loan forgiveness revenue for the year ended June 30, 2021.

### **Functional Allocation of Expenses**

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities such as management and general activities and fundraising and development activities. The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. All expenses, excluding depreciation and grant disbursements are allocated on the basis of estimates of time and effort

### **Income Taxes**

The Academy is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. The Academy is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Academy is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Academy 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.

Management believes that the Academy has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Academy would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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. Accordingly, actual results could differ from those estimates.

### **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 management 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 Academy's mission. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Academy believes that the investment policies and guidelines are prudent for the long-term welfare of the Academy.

### **Recent Accounting Pronouncements**

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases. ASU 2016-02 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 payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. Although the full impact of this update on the Foundation's consolidated financial statements has not yet been determined, the future adoption of this guidance will require the Foundation to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

The ASU is effective for the Foundation for the year ended June 30, 2023. Management is evaluating the impact of the adoption of this standard.

In September 2020, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities Contributed Nonfinancial Assets, which requires a nonprofit entity to present contributed nonfinancial assets in the consolidated statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The ASU is effective for the Academy for the year ended June 30, 2022. Management is evaluating the impact of the adoption of this standard.

### **Change in Accounting Principle**

As of July 1, 2020, the Academy adopted the provisions of FASB Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which provides a comprehensive revenue recognition model for all contracts with customers. The new model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Management has determined that the adoption of this standard did not have a significant impact on the Foundation’s consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Academy has adopted this ASU as of July 1, 2020. Management has determined that the adoption of this standard did not have a significant impact on the Foundation’s consolidated financial statement disclosures.

### **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	\$	1,112,817
Accounts receivable and other assets		<u>3,750,949</u>
Total	\$	<u><u>4,863,766</u></u>

### **Note 3 - Fair Value Measurements and Disclosures**

The Academy has determined the fair value of certain assets in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined as the exchange price that would be received for an asset or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy has been established, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets that can be accessed at the reporting date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset and market corroborated inputs. Level 3 inputs are unobservable inputs related to the asset. In these situations, inputs are developed using the best information in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to an entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of investments are classified within Level 1 because they are comprised of mutual funds with readily determinable fair values based on daily redemption values. Certain certificates of deposit are considered invested and traded in the financial markets. Those certificates of deposit, fixed income securities and other securities are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

Net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used to estimate the fair values of certain hedge funds, private equity funds, fund of funds, and limited partnerships which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy but are included in the table below to permit reconciliation to the accompanying statement of financial position.

The following table presents assets and liabilities measured at fair value on a recurring basis, as identified in the following, at June 30, 2021:

	Quoted Prices in Active Markets (Level 1)
Asset backed securities	\$ 99,044



The following table presents assets and liabilities measured at fair value on a recurring basis, as identified in the following, at June 30, 2020:

	Quoted Prices in Active Markets (Level 1)
Asset backed securities	\$ 100,000

**Note 4 - Accounts Receivable**

Accounts Receivables consisted of the following:

	2021	2020
Local Control Funding Formula	\$ 2,499,121	\$ 441,458
Federal receivable	221,093	90,237
State receivable	471,471	190,414
Lottery	56,024	21,422
Other receivables	264,406	214,538
Total	\$ 3,512,115	\$ 958,069

The state has implemented several Kindergarten through Grade 12 (K-12) apportionment deferrals by deferring a portion of current year state aid payments to the subsequent fiscal year.

**Note 5 - Property and Equipment**

Property and equipment consisted of the following:

	2021	2020
Furniture, fixtures, and equipment	\$ 1,532,682	\$ 952,378
Vehicles	62,747	62,747
Work in progress	195,753	195,753
	1,791,182	1,210,878
Less accumulated depreciation	(888,204)	(851,895)
Total	\$ 902,978	\$ 358,983

During the year ended June 30, 2021 and 2020, depreciation expense was \$105,002 and \$115,532, respectively.

**Note 6 - Accounts Payable and Related Party Payables**

Accounts Payable consisted of the following:

	2021	2020
Payroll and benefits	\$ 149,483	\$ 115,244
Vendor payables	366,200	310,957
Inter-fund payable to the Foundation	22,442	14,445
Total	\$ 538,125	\$ 440,646

**Note 7 - Operating Lease Agreements**

The Academy entered into a Facilities Use Agreement with Orangewood Real Property LLC for the sole purpose of operating The 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 2020-2021 was \$966,550 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, The Academy has a lease for a postage machine and a copier through 2025.

Payments for the remaining fiscal years will be as follows:

Fiscal Year Ending June 30,	Copier Lease Payment	Postage Machine Lease	Total
2022	\$ 45,552	\$ 1,326	\$ 46,878
2023	42,467	1,326	43,793
2024	41,850	1,326	43,176
2025	4,920	994	5,914
Total	\$ 134,789	\$ 4,972	\$ 139,761

**Note 8 - 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).

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 Academy chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Academy has no plans to withdraw from this multi-employer plan.

The details of each plan are as follows:

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

#### **Plan Description**

The 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.

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

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

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	16.15%	16.15%
Required employer contribution rate	10.328%	10.328%
Required state contribution rate		

### Contributions

Required member, The 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, 2021 are presented above and The Academy's total contributions were \$547,333. The Academy's total contributions for the year ended June 30, 2020 were \$491,467.

### On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the Academy. These payments consist of State General Fund contributions to CalSTRS in the amount of \$299,982 (10.328 percent of annual payroll) for the year ended June 30, 2021. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these 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 \$2,000 in 2020 and a match up to a 100 percent to a maximum of \$2,000 in 2021. 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 \$9,108 and \$8,650 of matching contributions to the Plan during the year ended June 30, 2021 and 2020, respectively.

## **Note 9 - Contingencies**

### **Grants**

The 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.

## **Note 10 - Related Party Transactions**

Various board members make contributions to The Academy through donations, fundraising events, and volunteer time. General contributions recorded from board members during the years ended June 30, 2021 and 2020, totaled approximately \$45,107 and \$29,000, respectively, which are recorded in general contributions in the accompanying Statement of Activities.

The Academy has a service agreement with the Foundation as described in Note 11. During the years ended June 30, 2021 and 2020, \$629,104 and \$530,960, respectively, was paid under this agreement. The Academy leases its facilities from Orangewood Real Property, LLC. Under the terms of this lease, during the years June 30, 2021 and 2020, \$966,550 and \$795,371 in rental expenses was incurred, respectively.

## **Note 11 - Services Agreement**

The services agreement between the Foundation and The 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 The Academy. As these services are provided throughout the year, The Academy will reimburse the Foundation for these services at or below the Foundation's cost. Reimbursements to the Foundation for services were \$629,164 and \$530,960 for the years ended June 30, 2021 and 2020, respectively.

## **Note 12 - Participation in Joint Powers Authority**

The 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 The Academy and the JPA is such that the JPA is not considered a component unit of The Academy for financial reporting purposes.

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 The Academy are included in these statements. Audited financial statements for JPA were not available for fiscal year 2020-2021 at the time this report was issued. However, financial statements should be available from the respective agency.

During the years ended June 30, 2021 and 2020, The Academy made payments of \$13,515 and \$12,788, respectively, to El Dorado SELPA for services received. At June 30, 2021, The Academy had no recorded accounts receivable or accounts payable to the JPA.

**Note 13 - Subsequent Events**

The 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 28, 2021, 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.

Assembly Bill 130 approved on July 9, 2021 extends the terms of all charter schools whose terms expire on or between January 1, 2022 and June 30, 2025, inclusive, by two years. No action is required of charter authorizers or charter schools for this extension.



Supplementary Information  
June 30, 2021

**Samueli Academy**

Samueli Academy  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
Special Education Cluster			
Basic Local Assistance Entitlement	84.027	13379	\$ 69,834
Total Special Education Cluster			<u>69,834</u>
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	162,589
Title I, Part A, Supporting Effective Instruction	84.367	14341	21,696
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396	10,078
COVID-19: Elementary and Secondary School Emergency Relief (ES)	84.425D	15547	134,797
COVID-19: Governor's Emergency Education Relief (GEER)	84.425C	15517	<u>22,081</u>
Subtotal			156,878
Total U.S. Department of Education			<u>421,075</u>
U.S. Department of Treasury			
Passed through California Department of Education			
COVID-19: Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019	25516	<u>353,967</u>
Total U.S. Department of Treasury			<u>353,967</u>
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
Especially Needy Breakfast	10.553	13526	39,586
National School Lunch Program	10.555	13524	<u>66,232</u>
Total Child Nutrition Cluster			<u>105,818</u>
Total U.S. Department of Agriculture			<u>105,818</u>
Total Federal Programs			<u>\$ 880,860</u>



**ORGANIZATION**

The 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. The Academy operates one school for students in grades nine through twelve.

**GOVERNING BOARD**

MEMBER	OFFICE	TERM
Sandi Jackson	Chair	June 2023
Chris Scheithauer	Co-Chair	June 2024
Richard Arum	Secretary	June 2023
Liz Dorn Parker	Treasurer	June 2023
Susan Samueli	Member	June 2023
Susan Barua	Member	June 2022
Shannon Zech	Member	June 2024
Robert Santana	Member	June 2024

**ADMINISTRATION**

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

Grade Level	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
	Traditional Calendar	Multitrack Calendar			
Grade 7	192	N/A	-	192	Complied
Grades 9 - 12					
Grade 9	192	N/A	-	192	Complied
Grade 10	192	N/A	-	192	Complied
Grade 11	192	N/A	-	192	Complied
Grade 12	192	N/A	-	192	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2021.

## **Note 1 - Purpose of Supplementary Schedules**

### **Schedule of Expenditures of Federal Awards**

#### Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Academy under programs of the federal government for the year ended June 30, 2021. The information 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). Because the schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Academy.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

The Foundation has not elected to use the ten percent de minimus cost rate.

### **Local Education Agency Organization Structure**

This schedule provides information about the Academy's operations, members of the governing board, and members of the administration.

### **Schedule of Instructional Time**

This schedule presents information on the number of instructional days offered on the traditional calendar and on any multitrack calendars by the Academy and whether the Academy complied with the provisions of *Education Code* section 47612.

### **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  
June 30, 2021

# Samueli Academy



**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  
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 (the Academy), which comprise the statement of financial position as of June 30, 2021, and the related statement of activities, functional expenses, 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 28, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Academy’s internal control over financial reporting (internal control) as a basis for designing 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 the Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 the 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 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 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 the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Rancho Cucamonga, California  
October 28, 2021



## **Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance**

Governing Board  
Samueli Academy  
Santa Ana, California

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

We have audited the Samueli Academy’s (the Academy) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Academy’s major federal program for the year ended June 30, 2021. The Academy’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

### **Management’s Responsibility**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for the Academy’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the 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 opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Academy’s compliance.

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

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.



### **Report on Internal Control over Compliance**

Management of the Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Academy's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over compliance.

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

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

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

The image shows a handwritten signature in cursive script that reads "Esde Sully LLP". The signature is written in black ink and is positioned above the printed name and date.

Rancho Cucamonga, California  
October 28, 2021



## Independent Auditor's Report on State Compliance

Governing Board  
Samueli Academy  
Santa Ana, California

### Report on State Compliance

We have audited Samueli Academy's (the Academy) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

### Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Academy's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. 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 audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the 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 opinion on state compliance. However, our audit does not provide a legal determination of the Academy's compliance.

**Compliance Requirements Tested**

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

	<u>Procedures Performed</u>
<b>LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS (EXCEPT AS STATED IN ATTENDANCE AND DISTANCE LEARNING AND INSTRUCTIONAL TIME)</b>	
Attendance and Distance Learning	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	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
K-3 Grade Span Adjustment	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
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	No, see below
<b>CHARTER SCHOOLS</b>	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

Programs listed above for “Local Education Agencies Other Than Charter Schools except as stated in Attendance and Distance Learning and Instructional Time” are not applicable to charter schools; therefore, we did not perform any related procedures.

We did not performed procedures for Attendance and Distance Learning and Instructional Time because the Academy is entirely nonclassroom-based.

We did not perform California Clean Energy Jobs Act procedures because the Academy did not receive funding for this program.

The Academy does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

We did not perform procedures for the Nonclassroom-Based Instruction/Independent Study nor for Determination of Funding for Nonclassroom-Based Instruction because the Academy was not classified as nonclassroom based.

We did not perform procedures for the Charter School Facility Grant Program because the Academy did not receive funding for this program.

***Unmodified Opinion***

In our opinion, Samueli Academy complied, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Rancho Cucamonga, California  
October 28, 2021



Schedule of Findings and Questioned Costs  
June 30, 2021

# Samueli Academy

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No
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**Identification of major programs:**

Name of Federal Program or Cluster	Assistance Listing Number (ALN)
Coronavirus Relief Fund (CRF): Learning Loss Mitigation	21.019
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**STATE COMPLIANCE**

Type of auditor's report issued on compliance for programs:	Unmodified
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None reported.

None reported.



None reported.

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