

## MEETING NOTES FOR SPECIAL MEETING HELD DECEMBER 8<sup>TH</sup>, 2022

CO.	Call To Order	5:30pm
i.	<b>Members Present:</b> Michele Asay, Bill Brooks, Lisa Kadam	
ii.	<b>Procedural Overview</b> <i>Kinetic Academy is a public entity subject to the Brown Act and meetings are conducted according to Robert's Rules of Order.</i>	
OC.	<b>Oral Communication All Agenda Items</b> No public comments made	
PA.	<b>Preliminary Actions</b>	
i.	<b>Agenda Adoption</b> Approved with revisions to rename agenda title for Action Item 2 to be renamed 2021-22 Annual Audit	Motion: Kadam Second: Brooks F/O/A_3/0/0
AI.	<b>Action Items</b>	
i.	<b>First Interim Reports-</b> Approved	Motion: Kadam Second: Brooks F/O/A_3/0/0
ii.	<b>2021-22 Audit</b> Approved pending revisions to be submitted to auditor. This was necessary to ensure deadline was met.	Motion: Kadam Second: Brooks F/O/A_3/0/0
CS.	<b>Closed Session</b> <i>Conducted in accordance with applicable sections of California law, Closed Sessions are not open to the public. If additional time is required, the Board of Directors will reconvene the Closed Session at the end of the regular meeting.</i> <ul style="list-style-type: none"> <li>i. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.)Unrepresented employee: Teacher</li> <li>ii. PUBLIC EMPLOYEE APPOINTMENT (§54957(b)(1).) Title: Teacher</li> <li>iii. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.)Unrepresented employee: Executive Director</li> <li>iv. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.)Unrepresented employee: Administrative Staff</li> </ul>	
CSR	<b>Reconvene Regular Session and Report of Closed Session</b> No action was taken for any closed session item	
NB.	<b>New Business</b> No new business	
ADJ	<b>Adjournment</b> Meeting adjourned at 7:32pm	Motion: Kadam Second: Brooks F/O/A_3/0/0



Financial Statements  
June 30, 2022

**Kinetic Academy**  
**Charter No. 1812**

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## Independent Auditor's Report

Governing Board  
Kinetic Academy  
Huntington Beach, California

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of Kinetic Academy (the Organization) (a California Nonprofit Public Benefit Corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

#### *Basis for Opinion*

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 15-19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information 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 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 December 13, 2022 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

Rancho Cucamonga, California  
December 13, 2022

Kinetic Academy  
Statement of Financial Position  
June 30, 2022

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Assets	
Current assets	
Cash and cash equivalents	\$ 738,641
Receivables	401,258
Prepaid expenses	<u>33,688</u>
Total current assets	<u>1,173,587</u>
Non-current assets	
Security deposit	<u>21,260</u>
Total assets	<u>\$ 1,194,847</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 37,130
Accrued liabilities	98,652
Refundable advance	<u>151,970</u>
Total current liabilities	<u>287,752</u>
Net Assets	
Without donor restrictions	<u>907,095</u>
Total liabilities and net assets	<u>\$ 1,194,847</u>

Kinetic Academy  
Statement of Activities  
Year Ended June 30, 2022

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Support and Revenues	
Local Control Funding Formula	\$ 2,742,182
Federal revenue	123,308
Other state revenue	616,312
Local revenues	109,366
Interest income	1,098
Fundraising revenue	63,622
	<hr/>
Total revenues	3,655,888
	<hr/>
Expenses	
Program services	2,911,222
Management and general	737,614
Fundraising and development	19,375
	<hr/>
Total expenses	3,668,211
	<hr/>
Change in Net Assets	(12,323)
	<hr/>
Net Assets, Beginning of Year	919,418
	<hr/>
Net Assets, End of Year	\$ 907,095
	<hr/> <hr/>

Kinetic Academy  
Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Services	Management and General	Fundraising and Development	Total Expenses
Salaries	\$ 1,498,529	\$ 378,290	\$ -	\$ 1,876,819
Employee benefits	301,653	99,329	-	400,982
Payroll taxes	222,889	12,085	-	234,974
Fees for services	161,418	118,726	-	280,144
Advertising and promotions	5,188	1,310	-	6,498
Office expenses	44,135	10,371	-	54,506
Information technology	60,020	4,261	-	64,281
Occupancy	297,241	83,682	-	380,923
Conferences and meeting	24,173	5,101	-	29,274
Interest	190	48	-	238
Depreciation	-	2,026	-	2,026
Insurance	22,637	5,715	-	28,352
Other expenses	62,041	-	19,375	81,416
Capital outlay	6,491	-	-	6,491
Instructional materials	169,994	11,158	-	181,152
Nutrition	12,790	-	-	12,790
District oversight fees	21,833	5,512	-	27,345
Total functional expenses	<u>\$ 2,911,222</u>	<u>\$ 737,614</u>	<u>\$ 19,375</u>	<u>\$ 3,668,211</u>

Kinetic Academy  
Statement of Cash Flows  
Year Ended June 30, 2022

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Operating Activities	
Change in net assets	\$ (12,323)
Adjustments to reconcile change in net assets to net to net cash from operating activities	
Depreciation expense	2,026
Changes in operating assets and liabilities	
Receivables	116,367
Prepaid expenses	84,057
Accounts payable	(228,053)
Accrued liabilities	29,694
Refundable advance	30,122
	<hr/>
Net Cash from (used for) Operating Activities	21,890
	<hr/>
Financing Activities	
Principal payments on revolving loan	(50,008)
	<hr/>
Net Change in Cash and Cash Equivalents	(28,118)
	<hr/>
Cash and Cash Equivalents, Beginning of Year	766,759
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 738,641
	<hr/> <hr/>
Supplemental Cash Flow Disclosure	
Cash paid during the year in interest	\$ 238
	<hr/> <hr/>

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

### **Organization**

Kinetic Academy (the Organization) was incorporated in the State of California in 2016 as a nonprofit public benefit corporation that is organized under the Nonprofit Public Benefit Corporation Law exclusively for charitable and educational purposes within the meaning of 501(c)(3) of the Internal Revenue Code of 1954. The Organization was approved by Huntington Beach City School District in 2016. The Organization opened on September 1, 2016 and currently serves approximately 278 students in grades transitional kindergarten through seventh. On December 15, 2020, the Organization was approved by Huntington Beach City School District for five years ending 2026.

Charter school number authorized by the State: 1812

The Organization is located at 721 Utica Avenue, Huntington Beach, California (West – TK through 4<sup>th</sup>) and 19231 Harding Lane Huntington Beach, California (East – 5<sup>th</sup> through 7<sup>th</sup>), and provides a first-rate education to students in grades transitional kindergarten through seventh grade. The Organization mission: “Through an interdisciplinary educational experience, Kinetic Academy seeks to prepare students for 21st century careers as members of a democratic society through an interdisciplinary educational experience that provides them with a foundation for their lifetime.”

### **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 Organization did not have net assets with donor restrictions for the year ended June 30, 2022.

### **Cash and Cash Equivalents**

The Organization 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.

### **Receivables and Credit Policies**

Receivables consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as the Organization deems all amounts to be fully collectible. Substantially all outstanding receivables as of June 30, 2022 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.

### **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 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 Organization 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, 2022.

### **Revenue and Revenue Recognition**

Operating funds for the Organization are derived principally from state and federal sources. The Organization receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. 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 refundable advances in the statement of financial position. Consequently, at June 30, 2022, no conditional contributions for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

### **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. No significant contributions of such goods or services were received during the year ended June 30, 2022.

### **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. The expenses that are allocated include occupancy which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, conferences and meetings, insurance, and instructional materials, which are allocated on the basis of estimates of time and effort.

### **Income Taxes**

The Organization 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 Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization 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 Organization 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 Organization 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 is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization’s mission.

**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 Organization’s financial statements has not yet been determined, the future adoption of this guidance will require the Organization 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 Organization for the year ended June 30, 2023. Management is evaluating the impact of the adoption of this standard.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, 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	\$	738,641
Receivables		401,258
Total		\$ 1,139,899

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of daily requirements in the county investment pool.

**Note 3 - Property and Equipment**

Property and equipment consist of the following at June 30, 2022:

Equipment	\$	25,260
Less accumulated depreciation		(25,260)
Total		\$ -

#### **Note 4 - Operating Lease**

The Organization entered into a lease agreement in which the West Campus will occupy 719-721 Utica Avenue, Huntington Beach, California. The term of this agreement expired on June 30, 2022. Lease expense for the fiscal year ending June 30, 2022 was \$277,557, which is included in occupancy in the statement of functional expenses.

The Organization entered into a lease agreement in which the East Campus will occupy 19231 Harding Lane, Huntington Beach, California. The term of this agreement expired on June 30, 2022. Lease expenses for the fiscal year ending June 30, 2022 was \$81,357, which is included in occupancy in the statement of functional expenses.

The Organization receives no sublease rental revenues nor pays any contingent rentals associated with these leases.

#### **Note 5 - 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 Organization chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from this multi-employer plan.

The details of the plan are as follows:

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

###### **Plan Description**

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

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, 2020, 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% 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 Organization contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.92%	16.92%
Required state contribution rate	10.828%	10.828%

### Contributions

Required member, the Organization, 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% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2022, are presented above and the Organization's total contributions were \$263,066.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the Organization. These payments consist of State General Fund contributions to CalSTRS in the amount of \$137,425 (10.828% of annual payroll). 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.

### **Note 6 - Contingencies, Risks, and Uncertainties**

The Organization 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 7 - Subsequent Events**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through December 13, 2022, which is the date the financial statements were available to be issued.

On November 1st, 2022, the Organization extended their lease agreement with Urman Family Trust. The lease for the premises is extended for sixty (60) months commencing on July 1st, 2022, so that the new expiration date is now June 30, 2027.



Supplementary Information  
June 30, 2022

**Kinetic Academy**

**ORGANIZATION**

Kinetic Academy (the Organization) (Charter Number 1812) was granted on February 10, 2016, by Huntington Beach City School District. The Organization operates one school utilizing two sites (West Campus – TK through 4<sup>th</sup>) and (East Campus – 5<sup>th</sup> through 7<sup>th</sup>).

**GOVERNING BOARD**

MEMBER	OFFICE	TERM EXPIRES
Michele Asay	Board Chair	June 30, 2023
Jeffrey Ball	Vice Chair	June 30, 2023
Bre Lionetti	Member/Executive Director	June 30, 2023
Lisa Kadam	Secretary	June 30, 2023
Bill Brooks	Treasurer	June 30, 2023

**ADMINISTRATION**

Bre Lionetti	Executive Director
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Kinetic Academy  
 Schedule of Average Daily Attendance  
 Year Ended June 30, 2022

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	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	186.25	185.47
Fourth through sixth	98.89	97.49
Seventh and eighth	12.55	11.87
Total regular ADA	297.69	294.83
Classroom Based ADA		
Transitional kindergarten through third	186.25	185.47
Fourth through sixth	98.89	97.49
Seventh and eighth	12.55	11.87
Total regular ADA	297.69	294.83
Total classroom based ADA	297.69	294.83

Kinetic Academy  
Schedule of Instructional Time  
Year Ended June 30, 2022

Grade Level	1986-1987 Minutes Requirement	2021-2022 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Number of Actual Days		Number of Days Credited Form J-13A	Total Days Offered	Status
					Traditional Calendar	Multitrack Calendar			
Kindergarten	36,000	49,730	-	49,730	179	N/A	-	179	Complied
Grades 1 - 3	50,400								
Grade 1		53,310	-	53,310	179	N/A	-	179	Complied
Grade 2		55,275	-	55,275	179	N/A	-	179	Complied
Grade 3		55,275	-	55,275	179	N/A	-	179	Complied
Grades 4 - 6	54,000								
Grade 4		55,275	-	55,275	179	N/A	-	179	Complied
Grade 5		56,585	-	56,585	179	N/A	-	179	Complied
Grade 6		56,585	-	56,585	179	N/A	-	179	Complied
Grades 7 - 8	54,000								
Grade 7		56,585	-	56,585	179	N/A	-	179	Complied

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2022.

**Note 1 - Purpose of Supplementary Schedules**

**Local Education Agency Organization Structure**

This schedule provides information about the Organization's operations, 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 the Organization. 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 at the Organization.

**Schedule of Instructional Time**

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

The Organization 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  
June 30, 2022

# Kinetic 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  
Kinetic Academy  
Huntington Beach, 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 Kinetic Academy (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

Rancho Cucamonga, California  
December 13, 2022



## Independent Auditor's Report on State Compliance

Governing Board  
Kinetic Academy  
Huntington Beach, California

### Report on Compliance

#### *Opinion on State Compliance*

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

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

#### *Basis for Opinion*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on state compliance with the compliance requirements subject to audit in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements listed below has occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements listed in the table below.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state 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 compliance requirements as identified in the table below 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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

**Compliance Requirements Tested**

In connection with the audit referred to above, we selected and tested transactions and records to determine the Organization’s compliance with 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

	Procedures Performed
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 and Accountability Plan	Yes
Independent Study-Course Based	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No, see below
In Person Instruction Grant	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	No, see below

Programs listed above for “Local Education Agencies Other Than Charter Schools” are not applicable to charter schools; therefore, we did not perform any related procedures.

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

We did not perform procedures for the After/Before School Education and Safety Program because the Organization did not offer the program.

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

The Organization’s charter school was not listed on the immunization assessment reports; therefore, we did not perform any related procedures.

We did not perform Career Technical Education Incentive Grant procedures because the Organization did not receive funding for this grant.

We did not perform procedures for the Nonclassroom-Based Instruction/Independent Study because the Organization was not classified as nonclassroom-based and does not offer an Independent Study program.

ADA was below the threshold required for testing; therefore, we did not perform any procedures related to Determination of Funding for Nonclassroom-Based Instruction.

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

The purpose of this report on internal control over state compliance is solely to describe the scope of our testing of internal control over state compliance and the results of that testing based on the requirements of the *2021-2022 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
December 13, 2022



Schedule of Findings and Questioned Costs  
June 30, 2022

# Kinetic 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

**State Compliance**

Internal control over state compliance for programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

#### Financial Statement Finding

2021-001      30000 – Payroll Audit Adjustment

##### Criteria

Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatements, whether due to error or fraud. This includes the posting of all material adjustments necessary to close the year and accurately reflect the activity of the Organization.

##### Condition

Communicating internal controls related matters identified in an audit defines a significant deficiency. According to these definitions, an internal control system design must include elements to accurately prepare financial statements without significant adjustments.

##### Questioned Costs

There were no direct questioned costs associated with the condition identified.

##### Context

At year end, it was noted that a bonus payout had been accrued as of June 30, 2021 and subsequently expensed again during the 2020-2021 fiscal year. It was noted that bonuses are paid first half on December 15, 2021 and second half on June 30, 2022.

##### Effect

We proposed a material audit adjustments to the Organization's recorded account balances in the financial statements which, if not recorded, would have resulted in a material misstatement of the Organization's financial statements.

##### Cause

The cause of the condition identified appears to have resulted from recent changes in the Organization's restructuring of the Organization accounting due to the necessary changes as a result of accounting for a second charter school under new regulations. The cause of the condition identified appears to have resulted from new personnel working from home due to COVID-19, resulting in a lapse for stronger management oversight.

Repeat Finding

No

Recommendation

We recommend management and those charged with governance evaluate the internal control structure and consider changes as necessary that will ensure that the financial statements are free from potential material misstatements and allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Current Status

Implemented.

**CHARTER SCHOOL FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2022 to June 30, 2023**

**Charter School Certification**

**Charter School Name:** Kinetic Academy  
**CDS #:** 30-66530-0134221  
**Charter Approving Entity:** Huntington Beach City Elementary  
**County:** Orange  
**Charter #:** 1812

For information regarding this report, please contact:

<u>For Approving Entity:</u>	<u>For Charter School:</u>
<u>Lisa Winston</u>	<u>Scott Warner</u>
<u>Name</u>	<u>Name</u>
<u>Superintendent</u>	<u>Business Manager</u>
<u>Title</u>	<u>Title</u>
<u>714-964-8888</u>	<u>949-514-2839</u>
<u>Telephone</u>	<u>Telephone</u>
<u><a href="mailto:lwinston@hbcasd.us">lwinston@hbcasd.us</a></u>	<u><a href="mailto:swarner@csmci.com">swarner@csmci.com</a></u>
<u>E-mail address</u>	<u>E-mail address</u>

To the entity that approved the charter school:

x ) 2022-23 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 42100(b).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Charter School Official  
(Original signature required)

Printed Name: Michele Asay Title: Board Chair

To the SBE:

    ) 2022-23 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 42100(a).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
Authorized Representative of  
Charter Approving Entity  
(Original signature required)

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

To the Superintendent of Public Instruction:

    ) 2022-23 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report verified for mathematical accuracy by the County Superintendent of Schools pursuant to *Education Code* Section 42100(a).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
County Superintendent/Designee  
(Original signature required)

**CHARTER SCHOOL FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2022 to June 30, 2023**

Charter School Name: Kinetic Academy  
 CDS #: 30-66530-0134221  
 Charter Approving Entity: Huntington Beach City Elementary  
 County: Orange  
 Charter #: 1812

This charter school uses the following basis of accounting:

Please enter an "X" in the applicable box below; check only one box

- Accrual Basis** (Applicable Capital Assets/Interest on Long-Term Debt/Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)  
 **Modified Accrual Basis** (Applicable Capital Outlay/Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

Description	Object Code	Unrestricted	Restricted	Total	Adopted Budget	Projected 2022-23
<b>A. REVENUES</b>						
<b>1. Revenue Limit Sources</b>						
State Aid - Current Year	8011	255,048.00		255,048.00	792,558.00	916,891.00
Education Protection Account	8012	14,997.00		14,997.00	70,228.00	63,360.00
Charter Schools Gen. Purpose Entitlement - State Aid	8015	0.00		0.00	0.00	0.00
State Aid - Prior Years	8019	0.00		0.00	0.00	0.00
Tax Relief Subventions (for rev. limit funded schools)	8020-8039	0.00		0.00	0.00	0.00
County and District Taxes (for rev. limit funded schools)	8040-8079	0.00		0.00	0.00	0.00
Miscellaneous Funds (for rev. limit funded schools)	8080-8089	0.00		0.00	0.00	0.00
Revenue Limit Transfers (for rev. limit funded schools):		0.00			0.00	0.00
PERS Reduction Transfer	8092	0.00		0.00	0.00	0.00
Other Revenue Limit Transfers	8096				0.00	0.00
Total, Revenue Limit Sources		270,045.00	0.00	270,045.00	862,786	980,251
<b>2. Federal Revenues (see NOTE on last page)</b>						
No Child Left Behind	8290		0.00	0.00	0.00	0.00
Special Education - Federal	8181, 8182		0.00	0.00	47,551.98	39,273.70
Child Nutrition - Federal	8220		0.00	0.00	0.00	0.00
Other Federal Revenues	8110, 8260-8299	0.00	0.00	0.00	0.00	0.00
Total, Federal Revenues		0.00	0.00	0.00	47,552	39,274
<b>3. Other State Revenues</b>						
Charter Schools Categorical Block Grant	8480	0.00		0.00	0.00	0.00
Special Education - State	StateRevSE		48,564.00	48,564.00	243,533.15	275,289.70
All Other State Revenues	StateRevAO	0.00	31,809.39	31,809.39	272,465.09	271,934.50
Total, Other State Revenues		0.00	80,373.39	80,373.39	515,998.24	547,224.20
<b>4. Other Local Revenues</b>						
Transfers from Sponsoring LEAs to Charter Schools in Lieu of Property Taxes	8096	645,825.44		645,825.44	2,524,299.81	2,277,519.55
All Other Local Revenues	LocalRevAO	27,753.28		27,753.28	168,000.00	153,500.00
Total, Local Revenues		673,578.72		673,578.72	2,692,299.81	2,431,019.55
<b>5. TOTAL REVENUES</b>		<b>943,623.72</b>	<b>80,373.39</b>	<b>1,023,997.11</b>	<b>4,118,636.03</b>	<b>3,997,768.45</b>
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Teachers' Salaries	1100	234,680.95	40,681.61	275,362.56	1,240,393.00	1,179,940.00
Certificated Pupil Support Salaries	1200	47,476.20	5,250.00	52,726.20	182,550.00	249,988.00
Certificated Supervisors' and Administrators' Salaries	1300	126,715.48	0.00	126,715.48	370,710.00	344,280.00
Other Certificated Salaries	1900	0.00	27,626.81	27,626.81	93,732.67	95,527.00
Total, Certificated Salaries		408,872.63	73,558.42	482,431.05	1,887,385.67	1,869,735.00
<b>2. Non-certificated Salaries</b>						
Instructional Aides' Salaries	2100	13,192.02		13,192.02	118,714.50	93,169.80
Non-certificated Support Salaries	2200	19,785.40		19,785.40	51,564.50	79,852.00
Non-certificated Supervisors' and Administrators' Sal.	2300	0.00		0.00	0.00	0.00
Clerical and Office Salaries	2400	36,592.77		36,592.77	113,830.00	116,903.38
Other Non-certificated Salaries	2900	14,162.65		14,162.65	78,125.50	51,840.00
Total, Non-certificated Salaries		83,732.84		83,732.84	362,234.50	341,765.18

**CHARTER SCHOOL FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2022 to June 30, 2023**

Charter School Name: Kinetic Academy  
CDS #: 30-66530-0134221

Description	Object Code	Unrestricted	Restricted	Total		
<b>3. Employee Benefits</b>						
STRS	3101-3102	74,149.80	13,003.58	74,149.80	360,490.67	357,119.39
PERS	3201-3202	0.00		0.00	0.00	0.00
OASDI / Medicare / Alternative	3301-3302	11,940.57	1,056.93	11,940.57	56,835.73	53,256.20
Health and Welfare Benefits	3401-3402	49,622.05	4,354.67	49,622.05	140,799.55	182,512.00
Unemployment Insurance	3501-3502	1,610.72	128.52	1,610.72	21,792.00	20,430.00
Workers' Compensation Insurance	3601-3602	2,520.00	169.94	2,520.00	8,998.48	8,846.00
Retiree Benefits	3701-3702	0.00		0.00	0.00	0.00
PERS Reduction (for revenue limit funded schools)	3801-3802	0.00		0.00	0.00	0.00
Other Employee Benefits	3901-3902	0.00		0.00	0.00	0.00
Total, Employee Benefits		139,843.14	18,713.64	139,843.14	588,916.43	622,163.59
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	16,573.03		16,573.03	32,000.00	25,000.00
Books and Other Reference Materials	4200	10,086.01		10,086.01	5,000.00	5,000.00
Materials and Supplies	4300	22,617.40	70.12	22,617.40	56,000.00	56,000.00
Noncapitalized Equipment	4400	26,720.80	5,418.71	26,720.80	71,350.00	63,350.00
Food	4700	0.00		0.00	50,000.00	50,000.00
Total, Books and Supplies		75,997.24	5,488.83	75,997.24	214,350.00	199,350.00
<b>5. Services and Other Operating Expenditures</b>						
Travel and Conferences	5200	9,719.95		9,719.95	28,765.00	22,500.00
Dues and Memberships	5300	9,867.99	200.00	9,867.99	12,322.84	12,500.00
Insurance	5400	16,655.34		16,655.34	30,000.00	30,000.00
Operations and Housekeeping Services	5500	19,070.27	288.00	19,070.27	33,990.00	33,990.00
Rentals, Leases, Repairs, and Noncap. Improvements	5600	153,809.33	1,000.00	153,809.33	402,866.00	519,910.99
Professional/Consulting Services and Operating Expend.	5800	93,992.34	11,014.00	93,992.34	432,965.21	483,117.71
Communications	5900	3,399.96		3,399.96	12,875.00	12,875.00
Total, Services and Other Operating Expenditures		306,515.18	12,502.00	306,515.18	953,784.05	1,114,893.70
<b>6. Capital Outlay</b>						
(Objects 6100-6170, 6200-6500 for modified accrual basis only)						
Land and Land Improvements	6100-6170	0.00	0.00		0.00	0.00
Buildings and Improvements of Buildings	6200	0.00	0.00		0.00	0.00
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0.00	0.00		0.00	0.00
Equipment	6400	0.00	0.00		0.00	0.00
Equipment Replacement	6500	0.00	0.00		0.00	0.00
Depreciation Expense (for accrual basis only)	6900	0.00	0.00		0.00	0.00
Total, Capital Outlay		0.00	0.00	0.00	0.00	0.00
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	0.00	0.00		0.00	0.00
Transfers of Pass-Through Revenues to Other LEAs	7211-7213	0.00	0.00		0.00	0.00
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0.00	0.00	0.00	0.00	0.00
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0.00	0.00		0.00	0.00
All Other Transfers	7280-7299	0.00	0.00	0.00	0.00	0.00
Debt Service:		0.00	0.00		0.00	0.00
Interest	7438	0.00	0.00	0.00	0.00	0.00
Principal (for modified accrual basis only)	7439	0.00	0.00	0.00	0.00	0.00
Total, Other Outgo		0.00	0.00	0.00	0.00	0.00
<b>8. TOTAL EXPENDITURES</b>		1,014,961.03	110,262.89	1,125,223.92	4,006,670.65	4,147,907.47
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		(71,337.31)	(29,889.50)	(101,226.81)	111,965.38	(150,139.02)

**CHARTER SCHOOL FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2022 to June 30, 2023**

Charter School Name: Kinetic Academy  
CDS #: 30-66530-0134221

Description	Object Code	Unrestricted	Restricted	Total		
<b>D. OTHER FINANCING SOURCES / USES</b>						
1. Other Sources	8930-8979	0.00	0.00	0.00	0.00	0.00
2. Less: Other Uses	7630-7699	0.00	0.00	0.00	0.00	0.00
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0.00	0.00	0.00	0.00	0.00
4. TOTAL OTHER FINANCING SOURCES / USES		0.00	0.00	0.00		
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>						
		(71,337.31)	(29,889.50)	(101,226.81)	111,965.38	(150,139.02)
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance						
a. As of July 1	9791	907,094.92	0.00	907,094.92	907,094.92	907,094.92
b. Adjustments/Restatements to Beginning Balance	9793, 9795	0.00	0.00	0.00		0.00
c. Adjusted Beginning Balance		907,094.92	0.00	907,094.92	907,094.92	907,094.92
2. Ending Fund Balance, Oct 31 (E + F.1.c.)		835,757.61	(29,889.50)	805,868.11	1,019,060.30	756,955.90
Components of Ending Fund Balance (Optional):						
Reserve for Revolving Cash (equals object 9130)	9711			0.00		
Reserve for Stores (equals object 9320)	9712			0.00		
Reserve for Prepaid Expenditures (equals object 9330)	9713			0.00		
Reserve for All Others	9719	0.00	0.00	0.00		
General Reserve	9730	0.00	0.00	0.00		
Legally Restricted Balance	9740			0.00		
Designated for Economic Uncertainties	9770	0.00	0.00	0.00		
Other Designations	9775, 9780	0.00	0.00	0.00		
Undesignated / Unappropriated Amount	9790	835,757.61	(29,889.50)	805,868.11	1,019,060.30	756,955.90
<b>G. ASSETS</b>						
1. Cash						
In County Treasury	9110	276,061.48	0.00	276,061.48		
Fair Value Adjustment to Cash in County Treasury	9111	513,433.61	(29,889.50)	483,544.11		
In Banks	9120	0.00	0.00	0.00		
In Revolving Fund	9130	0.00	0.00	0.00		
With Fiscal Agent	9135	0.00	0.00	0.00		
Collections Awaiting Deposit	9140	0.00	0.00	0.00		
2. Investments	9150	0.00	0.00	0.00		
3. Accounts Receivable	9200	0.00	0.00	0.00		
4. Due from Grantor Government	9290	247,624.04	0.00	247,624.04		
5. Stores	9320	0.00	0.00	0.00		
6. Prepaid Expenditures (Expenses)	9330	52,392.00	0.00	52,392.00		
7. Other Current Assets	9340	0.00	0.00	0.00		
8. Capital Assets (for accrual basis only)	9400-9499	0.00	0.00	0.00		
9. TOTAL ASSETS		1,089,511.13	(29,889.50)	1,059,621.63		
<b>H. LIABILITIES</b>						
1. Accounts Payable	9500	253,753.52	0.00	253,753.52		
2. Due to Grantor Government	9590	0.00	0.00	0.00		
3. Current Loans	9640	0.00	0.00	0.00		
4. Deferred Revenue	9650	0.00	0.00	0.00		
5. Long-Term Liabilities (for accrual basis only)	9660-9669	0.00	0.00	0.00		
6. TOTAL LIABILITIES		253,753.52	0.00	253,753.52		
<b>I. FUND BALANCE</b>						
Ending Fund Balance, June 30 (G9-H6) (must agree with Line F2)		835,757.61	(29,889.50)	805,868.11		

**CHARTER SCHOOL FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2022 to June 30, 2023**

Charter School Name: Kinetic Academy  
CDS #: 30-66530-0134221  
0.00                      0.00                      0.00

**NOTE: IF YOUR CHARTER SCHOOL RECEIVED FEDERAL FUNDING, AS REPORTED IN SECTION A.2, THE FOLLOWING ADDITIONAL INFORMATION MUST BE PROVIDED:**

**1. Federal Revenues Used for Capital Outlay and Debt Service:**

Included in the Capital Outlay and Debt Service expenditures reported in sections B.6 and B.7 are the following amounts paid out of federal funds:

Federal Program Name (Indicate if NONE)	Capital Outlay	Debt Service	Total
a. None	\$ 0.00	0.00	0.00
b. None	0.00	0.00	0.00
c. None	0.00	0.00	0.00
d. None	0.00	0.00	0.00
e. None	0.00	0.00	0.00
f. None	0.00	0.00	0.00
g. None	0.00	0.00	0.00
h. None	0.00	0.00	0.00
i. None	0.00	0.00	0.00
j. None	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**2. Community Services Expenditures:**

Included in the expenditures reported in Section B are the following amounts expended for Community Services paid out of state and local funds:

Objects of Expenditures	Amount Enter "0.00" if none
a. Certificated Personnel Salaries	\$ 0.00
b. Non-certificated Personnel Salaries	0.00
c. Employee Benefits	0.00
d. Books and Supplies	0.00
e. Services and Other Operating Expenditures	0.00
<b>TOTAL COMMUNITY SERVICES EXPENDITURES</b>	<b>0.00</b>