



## BOARD OF DIRECTORS MEETING MINUTES

**Thursday, December 18, 2025**

**6:00pm**

**In Person Location: 721 Utica Avenue, Huntington Beach, CA 92648**

### 1. Call to Order - 6:00pm

#### 1.1 Members

*Present: Jeffrey K. Ball, Michele Asay, Katie Soricelli, Bre Lionetti,*

*Absent: Clare Anderson*

*1.2 Procedural Overview Delivered by Mr. Ball, Kinetic Academy is a public entity subject to the Brown Act and meetings are conducted according to Robert's Rules of Order.*

### 2. Preliminary Actions

*2.1 Agenda Adoption: An action to approve the agenda for this Regular Meeting*

*Motion:Asay*

*Second: Soriceli*

*Y/N/A 4/0/0*

*2.2 Prior Meeting Minutes: An action to approve the meeting minutes from the prior meeting held November 20th, 2025.*

*Motion:Soriceli*

*Second: Lionetti*

*Y/N/A 4/0/0*

### 3. Organizational Reports

*3.1 Financial Report- CSMC Discussed the clean audit. No financials from prior month were presented due to timing of board meeting in relation to close of month and resources.*

3.2 KPO Report- KPO President *Snowflake shop is expected to net a couple thousand dollars- its a lot of work but it is super fun for the kids. Quiet January to allow team to recharge with some dine outs and skate nights planned. Work on the spring event will kick off.*

3.3 Local Site Council Report- LSC Chair

3.4 Administrative Reports- Lionetti *Dr. Bean visit went really well. Student Ambassadors who have been with Kinetic since early spoke to him and gave overview and tours. Teacher of the year candidate selected. New Spanish teacher started. 3rd grade teacher leaving after winter break.*

4. Oral Communication All Agenda Items *No comments.*

5. Discussion Items *None*

6. Action Items

6.1 Approval of 2024/2025 Financial Audit *Brief discussion of the report and then a motion to approve the 2024-25 financial audit.*

*Motion:Asay*

*Second: Lionetti*

*Y/N/A 4/0/0*

7. Closed Session

7.1 Conference with Labor Negotiators (Gov. Code section 54957.6.)  
Unrepresented Employee: All Staff

8. Return To Open Session *7:20pm*

8.1 Report of Closed Session *No action taken during closed session*

9. New Business *No new business was presented or discussed.*

10. Adjournment *A motion to adjourn at 7:21pm*

*Motion:Asay*

*Second: Lionetti*

*Y/N/A 4/0/0*



**AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2025**

**A NONPROFIT PUBLIC BENEFIT CORPORATION  
OPERATING THE FOLLOWING CALIFORNIA CHARTER SCHOOL**

Kinetic Academy (Charter No. 1812)

**KINETIC ACADEMY  
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JUNE 30, 2025**

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## **FINANCIAL SECTION**

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Certified Public Accountants serving  
K-12 School Districts and Charter  
Schools throughout California

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Kinetic Academy  
Huntington Beach, California

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Kinetic Academy which comprise the statement of financial position as of June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of Kinetic Academy as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Kinetic Academy 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 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.

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 Kinetic Academy's ability to continue as a going concern within 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 generally accepted auditing standards 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.

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

In performing an audit in accordance with generally accepted auditing standards 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 Kinetic Academy'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 Kinetic Academy'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 supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of Kinetic 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 Kinetic 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 Kinetic Academy's internal control over financial reporting and compliance.

*Christy White, Inc.*

San Diego, California  
December 9, 2025

**KINETIC ACADEMY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**

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**ASSETS**

Current assets

Cash and cash equivalents	\$	862,243
Accounts receivable		467,839
Prepaid expenses		59,401
Total current assets		<u>1,389,483</u>

Noncurrent assets

Deposits		21,260
Right-of-use asset		812,499
Capital assets, net		-
Total noncurrent assets		<u>833,759</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>2,223,242</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable	\$	181,183
Deferred revenue		110,579
Operating lease liability		850,171
Total liabilities		<u>1,141,933</u>

Net assets

Without donor restrictions		<u>1,081,309</u>
Total net assets		<u>1,081,309</u>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>2,223,242</u></b>

The notes to the financial statements are an integral part of this statement.

**KINETIC ACADEMY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

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	<u>Without Donor Restrictions</u>
<b>SUPPORT AND REVENUES</b>	
Federal and state support and revenues	
Local control funding formula, state aid	\$ 334,625
Federal revenues	169,215
Other state revenues	<u>1,310,052</u>
Total federal and state support and revenues	<u>1,813,892</u>
Local support and revenues	
Payments in lieu of property taxes	3,659,763
Grants and donations	33,939
Investment income, net	22,292
Other local revenues	<u>192,914</u>
Total local support and revenues	<u>3,908,908</u>
<b>Total Support and Revenues</b>	<u>5,722,800</u>
<b>EXPENSES</b>	
Program services	4,040,402
Supporting services	
Management and general	1,385,212
Fundraising	<u>167,388</u>
<b>Total Expenses</b>	<u>5,593,002</u>
<b>CHANGE IN NET ASSETS</b>	129,798
<b>Net Assets - Beginning</b>	<u>951,511</u>
<b>Net Assets - Ending</b>	<u>\$ 1,081,309</u>

The notes to the financial statements are an integral part of this statement.

**KINETIC ACADEMY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2025**

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	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<b>EXPENSES</b>				
Personnel expenses				
Certificated salaries	\$ 1,735,824	\$ 546,159	\$ -	\$ 2,281,983
Non-certificated salaries	310,512	195,045	-	505,557
Pension plan contributions	483,134	144,299	-	627,433
Payroll taxes	67,603	13,743	-	81,346
Other employee benefits	174,576	36,815	-	211,391
Total personnel expenses	2,771,649	936,061	-	3,707,710
Non-personnel expenses				
Books and supplies	509,079	5,006	19,129	533,214
Insurance	35,459	12,843	-	48,302
Facilities	491,616	162,890	7,383	661,889
Professional services	156,488	240,899	140,081	537,468
Fees to authorizing agency	26,867	9,731	-	36,598
Other operating expenses	49,244	17,782	795	67,821
Total non-personnel expenses	1,268,753	449,151	167,388	1,885,292
<b>Total Expenses</b>	<b>\$ 4,040,402</b>	<b>\$ 1,385,212</b>	<b>\$ 167,388</b>	<b>\$ 5,593,002</b>

The notes to the financial statements are an integral part of this statement.

**KINETIC ACADEMY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 129,798
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Lease expense - amortization of right-of-use asset	35,582
(Increase) decrease in operating assets	
Accounts receivable	(98,056)
Prepaid expenses	(43,013)
Increase (decrease) in operating liabilities	
Accounts payable	32,049
Deferred revenue	(246,078)
<b>Net cash provided by (used in) operating activities</b>	<u>(189,718)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(189,718)
<b>Cash and cash equivalents - Beginning</b>	<u>1,051,961</u>
<b>Cash and cash equivalents - Ending</b>	<u>\$ 862,243</u>
<b>SUPPLEMENTAL DISCLOSURE</b>	
Cash paid for interest	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**KINETIC ACADEMY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Kinetic Academy (the “Charter”) was formed as a nonprofit public benefit corporation on January 19, 2016 for the purpose of operating as a California public school. The Charter is numbered by the State Board of Education as California Charter No. 1812. The mission of Kinetic Academy is to educate and inspire lifetime learners by promoting academic success, community involvement, and providing as many varied experiences as possible. Kinetic Academy provides classroom-based instruction to students in grades TK to 8.

Kinetic Academy is authorized to operate as a charter school through Huntington Beach City School District (the “authorizing agency”). In 2020, the Board of Directors of Huntington Beach City School District approved a charter petition renewal for a five-year term beginning July 1, 2021 and expiring on June 30, 2026. As a result of SB 114, the charter petition end date is extended to June 30, 2027. Funding sources primarily consist of state apportionments, in lieu of property tax revenues, and grants and donations from the public.

**B. Basis of Accounting**

The Charter’s policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed.

**C. Financial Statement Presentation**

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Kinetic Academy reports information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions* – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

*Net assets with donor restrictions* – These assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires (that is until the stipulated time restriction ends or the purpose of the restriction is accomplished) the net assets are restricted. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

As a public charter school, Kinetic Academy also accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual* presented in Procedure 810 Charter Schools. Fund accounting is not used in the Charter’s financial statement presentation.

**D. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Contributions**

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without restriction upon acquisition of the assets and the assets are placed in service.

Non-cash contributions of goods, materials, and facilities are recorded at fair value at the date of contribution. Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone possessing those skills, and would have to be purchased by the organization if not donated.

**F. In Lieu of Property Tax Revenue**

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County bills and collects the taxes for the authorizing agency. In lieu of distributing funds out of property tax proceeds, the authorizing agency makes monthly payments to Kinetic Academy. Revenues are recognized by the Charter when earned.

**G. Functional Expenses**

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenses have been allocated between program and supporting services based on management’s estimates.

**H. Cash and Investments**

Kinetic Academy considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents. The Charter’s method of accounting for most investments is the fair value method. Fair value is determined by published quotes when they are readily available. Gains and losses resulting from adjustments to fair values are included in the accompanying statement of activities. Investment return is presented net of any investment fees.

**I. Receivables and Allowances**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is established, as necessary, based on past experience and other factors which, in management’s judgment, deserve current recognition in estimating bad debts. Such factors include the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Based on review of these factors, the Charter establishes or adjusts the allowance for specific revenue sources as a whole. At June 30, 2025, an allowance for doubtful accounts was not considered necessary as all accounts receivable were deemed collectible.

**KINETIC ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Capital Assets**

Kinetic Academy has adopted a policy to capitalize asset purchases over \$2,500. Lesser amounts are expensed. Donations of capital assets are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions. Capital assets are depreciated using the straight-line method over the estimated useful lives of the property and equipment or the related lease terms.

**K. Deferred Revenue**

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the organization prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

**L. Lease Arrangements**

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, a new lease standard effective no later than the fiscal year 2022-23. Under FASB ASC 842, a right-of-use asset and a related lease liability must be recorded on the statement of financial position (balance sheet) for proper recognition of any operating lease. A right-of-use asset is an intangible asset that pertains to the lessee's right to occupy, operate, and hold a leased asset during the agreed rental period. A lease liability is the financial obligation for the payments required by the lease, discounted to present value.

**M. Income Taxes**

Kinetic Academy is a 509(a)(1) publicly supported nonprofit organization that is exempt from income taxes under Section 501(a) and 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Charter is exempt from state franchise or income tax under Section 23701(d) of the California Revenue and Taxation Code. As a school, the Charter is not required to register with the California Attorney General as a charity.

The Charter's management believes all of its significant tax positions would be upheld under examination; therefore, no provision for income tax has been recorded. The Charter's information and/or tax returns are subject to examination by the regulatory authorities for up to four years from the date of filing.

**N. Fair Value Measurements**

The Fair Value Measurements Topic of the FASB *Accounting Standards Codification* establishes a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1     Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2     Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3     Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**KINETIC ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

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**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, as of June 30, 2025, consists of the following:

Cash in county treasury	\$ 317,911
County treasury fair value adjustment	(3,061)
Cash in banks, non-interest bearing	547,353
Cash on hand or awaiting deposit	40
<b>Total Cash and Cash Equivalents</b>	<u>\$ 862,243</u>

**Cash in Banks**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, an organization's deposits may not be returned to it. Kinetic Academy does not have a policy for custodial credit risk for deposits. The FDIC insures up to \$250,000 per depositor per insured bank. As of June 30, 2025, \$415,876 of the Kinetic Academy's bank balance was exposed to custodial credit risk as there were deposits over \$250,000 in accounts held at one or more banks.

**Cash in County Treasury**

**Policies and Practices**

Kinetic Academy is a voluntary participant in an external investment pool. The fair value of the Charter's investment in the pool is reported in the financial statements at amounts based upon the Charter's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is recorded on the amortized cost basis and is based on the accounting records maintained by the County Treasurer.

**General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest Charter funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the California Government Code:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**KINETIC ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

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**NOTE 2 – CASH AND CASH EQUIVALENTS (continued)**

**Cash in County Treasury (continued)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in the market interest rates. The Charter has managed its exposure to interest rate risk by investing in the county treasury. The Charter's investments in the Orange County Treasury Investment Pool, which combines the Charter's share of the portfolio, has a combined fair value and an amortized book value of \$314,850 as of June 30, 2025. The average weighted maturity for this pool is 383 days.

**Fair Value Measurement**

Cash in county treasury is measured at Level 1 using the fair value input levels noted in Note 1N. The Charter has classified these funds as Level 1 because the amounts invested in the county treasury pooled investment fund primarily consist of investment types having observable inputs that reflect quoted prices. The investment types include those noted under the general authorizations section.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2025, consists of the following:

Local control funding sources, state aid	\$	6,806
Federal sources		80,835
Other state sources		122,211
In lieu property tax payments		257,987
<b>Total Accounts Receivable</b>	<b>\$</b>	<b><u>467,839</u></b>

**NOTE 4 – CAPITAL ASSETS**

A summary of activity related to capital assets during the year ended June 30, 2025 consists of the following:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Furniture and equipment	25,260	-	-	25,260
Less accumulated depreciation	(25,260)	-	-	(25,260)
<b>Capital Assets, net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTE 5 – ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2025, consists of the following:

Salaries and benefits	\$	92,796
Due to authorizing agency		36,598
Vendor payables		35,999
Due to grantor government		15,790
<b>Total Accounts Payable</b>	<b>\$</b>	<b><u>181,183</u></b>

**KINETIC ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

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**NOTE 6 – DEFERRED REVENUE**

Deferred revenue relates to conditional contributions for state funding received in advance. Revenue will be recognized in future periods after conditions of the funding have been met. Deferred revenue as of June 30, 2025, consists of \$110,579 from conditional contributions for state programs.

**NOTE 7 – OPERATING LEASE**

In November 2022, the Charter entered into an amended lease agreement to occupy space located at 719-721 Utica Avenue in Huntington Beach, California. The facility is utilized for instructional services in order to meet the goals established by the Charter. The original lease called for a security deposit of \$20,000, which has been recorded as a noncurrent asset on the statement of financial position. The amended lease agreement covers a term beginning July 1, 2022 through June 30, 2027.

At June 30, 2025, the right-of-use asset was \$812,499 and the operating lease liability was \$850,171. The Charter has accounted for its lease agreements using an implied discount rate of 4%. The associated asset and liability are amortized over the remaining term of the lease as follows:

Fiscal Year Ending June 30,	Operating Lease Liability	Right-of-Use Asset
2026	\$ 435,237	\$ 422,930
2027	448,295	422,930
Total lease payments	883,532	845,860
NPV adjustment	(33,361)	(33,361)
<b>Total</b>	<b>\$ 850,171</b>	<b>\$ 812,499</b>

**NOTE 8 – NET ASSETS**

As of June 30, 2025, the Charter did not hold any net assets with donor restrictions. Certain designations or reserves can be made for the use of net assets without donor restrictions either by the board, management or by nature of the financial assets held by the Charter. At June 30, 2025, the Charter's net assets without donor restrictions consists of an undesignated amount of \$1,081,309.

**NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following table reflects the Charter's financial assets as of June 30, 2025, reduced by amounts not available for general expenditure within one year. Financial assets are considered not available for general use when illiquid or not convertible to cash within one year, consist of assets held for others or are held aside by the governing board for specific contingency reserves. Any board designations could be drawn upon if the board approves that action.

Financial Assets	
Cash and cash equivalents	\$ 862,243
Accounts receivable	467,839
Prepaid expenses	59,401
Contractual or donor-imposed restrictions	
Cash held for conditional contributions	(110,579)
<b>Financial Assets available to meet cash needs for expenditures within one year</b>	<b>\$ 1,278,904</b>

**KINETIC ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

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**NOTE 10 – EMPLOYEE RETIREMENT PLANS**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. In accordance with *California Education Code 47605*, charter schools have the option of participating in such plans if an election to participate is specified within the charter petition. The Charter has made such election. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS). The Charter also offers social security as an alternative plan to all employees who may not qualify for CalSTRS.

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

**Plan Description**

Kinetic Academy contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, California 95851-0275.

**Funding Policy**

Active plan members are required to contribute 10.25% or 10.205% of their 2024-25 salary depending on the employee's membership date in the plan. The required employer contribution rate for fiscal year 2024-25 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. The Charter's contributions to CalSTRS for the last three fiscal years were as follows:

	<u>Contribution</u>	<u>Percent of Required Contribution</u>
2024-25	\$ 428,631	100%
2023-24	\$ 363,124	100%
2022-23	\$ 332,562	100%

**On-Behalf Payments**

The State of California makes direct on-behalf payments for retirement benefits to CalSTRS on behalf of all school agencies in California. The amount of on-behalf payments made for Kinetic Academy is estimated at \$198,802. The on-behalf payment amount is computed as the proportionate share of total 2023-24 State on-behalf contributions.

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

**Governmental Funds**

Kinetic 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 expenditure disallowances under terms of the grants, it is believed that any required reimbursements would not be material.

**Multiemployer Defined Benefit Plan Participation**

Under current law on multiemployer defined benefit plans, the Charter's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require the Charter to make payments to the plan, which would approximate the Charter's proportionate share of the multiemployer plan's unfunded vested liabilities. The Charter does not currently intend to withdraw from CalSTRS. Refer to Note 9 for additional information on employee retirement plans.

**KINETIC ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS, continued**  
**JUNE 30, 2025**

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**NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)**

**Charter School Authorization**

As mentioned in Note 1A, Kinetic Academy is approved to operate as a public charter school through authorization by the Huntington Beach City School District. As such, the Charter is subject to the risk of possible non-renewal or revocation at the discretion of its authorizing agency if certain criteria for student outcomes, management, and/or fiscal solvency are not met.

On July 10, 2023, the Governor of California approved Senate Bill 114 (SB 114), which amended California Education Code (EC) 47607.4. The EC was amended to add “all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year.” As a result, the charter petition end date is extended to June 30, 2027.

The Charter makes payments to the authorizing agency to provide required services for special education and other purchased services in addition to fees for oversight. Fees associated with oversight consisted of 1% of revenue from local control funding formula sources. Total fees for oversight amounted to \$36,598 for the fiscal year ending June 30, 2025.

**NOTE 12 – DONATED GOODS AND SERVICES**

During the year, many parents, administrators and other individuals donated significant amounts of time and services to Kinetic Academy in an effort to advance the Charter’s programs and objectives. These services have not been recorded in the Charter’s financial statements because they do not meet the criteria required by generally accepted accounting principles. The Charter did not receive any donated items during the year ended June 30, 2025.

**NOTE 13 – RELATED PARTY TRANSACTIONS**

**Interested Parties**

The Charter’s Executive Director, Bre Lionetti, is also a member of the Board of Directors and as such, is classified as an interested party because she is also employed by the Charter.

**Supporting Organization**

The Charter is provided with added support from the Kinetic Parent Organization (KPO). KPO is a key component of the Charter for coordinating student activities and staff appreciation throughout the school year. The KPO is governed by a group of individuals; none of which also share a seat of the governing body for the Charter. The Charter benefits indirectly from KPO-sponsored events; however, there were no financial transactions between Kinetic Academy and the Kinetic Parent Organization during the year ended June 30, 2025.

**NOTE 14 – SUBSEQUENT EVENTS**

Kinetic Academy has evaluated subsequent events for the period from June 30, 2025 through December 9, 2025, the date the financial statements were available to be issued. Management did not identify any transactions or events that require disclosure or that would have an impact on the financial statements.

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## **SUPPLEMENTARY INFORMATION**

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**KINETIC ACADEMY  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
FOR THE YEAR ENDED JUNE 30, 2025**

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Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

	Second Period Report	Annual Report
	<u>Classroom-Based</u>	
<b>Grade Span</b>		
Regular		
Kindergarten* through third	189.59	189.24
Fourth through sixth	101.44	100.99
Seventh through eighth	46.20	45.96
<b>Total Average Daily Attendance - Classroom-Based</b>	<u>337.23</u>	<u>336.19</u>
	<u>Nonclassroom-Based</u>	
<b>Grade Span</b>		
Regular		
Kindergarten* through third	2.38	2.49
Fourth through sixth	1.23	1.24
Seventh through eighth	0.54	0.45
<b>Total Average Daily Attendance - Nonclassroom-Based</b>	<u>4.15</u>	<u>4.18</u>
<b>Total Average Daily Attendance</b>	<u>341.38</u>	<u>340.37</u>

\*Includes Transitional Kindergarten (TK)

**KINETIC ACADEMY  
 SCHEDULE OF INSTRUCTIONAL TIME  
 FOR THE YEAR ENDED JUNE 30, 2025**

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This schedule presents information on the amount of instructional time offered per grade level by the charter school and whether the charter school complied with the provisions of *Education Code Section 47612.5*.

Grade Level	Minutes Requirement	2024-25 Instructional Minutes	2024-25 Number of Days	Status
Kindergarten*	36,000	52,830	177	Complied
Grade 1	50,400	54,450	177	Complied
Grade 2	50,400	54,450	177	Complied
Grade 3	50,400	54,450	177	Complied
Grade 4	54,000	54,450	177	Complied
Grade 5	54,000	54,450	177	Complied
Grade 6	54,000	55,482	177	Complied
Grade 7	54,000	55,482	177	Complied
Grade 8	54,000	55,482	177	Complied

\*Includes Transitional Kindergarten (TK)

**KINETIC ACADEMY  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL  
STATEMENTS  
JUNE 30, 2025**

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This schedule provides the information necessary to reconcile fund balance/net position reported on the Financial Report – Alternative Form (Charter School Unaudited Actuals) to net assets on the audited financial statements.

There were no adjustments to reconcile net position reported on the Unaudited Actuals to net assets per the audited financial statements for the year end ended June 30, 2025.

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## **OTHER INFORMATION**

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**KINETIC ACADEMY  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 JUNE 30, 2025**

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This schedule provides information about the local education agency (LEA or charter school), including the Charter's authorizing agency, grades served, members of the governing body, and members of the administration.

Kinetic Academy, located in Orange County, was formed as a nonprofit public benefit corporation on January 19, 2016. The charter school operated by the nonprofit, Kinetic Academy, is numbered by the State Board of Education as Charter No. 1812. The Charter is authorized to operate as a charter school by the Huntington Beach City School District. Classes initially began in Fall 2016. During 2024-25, the Charter served approximately 361 students in grades TK to 8.

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**BOARD OF DIRECTORS**

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Name	Office	Term Expiration
Jeffrey K. Ball	Chair	June 2025
Clare McKinnon Anderson	Vice Chair	June 2025
Michele Asay	Secretary / Treasurer	June 2025
Katie Soricelli	Member	June 2025
Bre Lionetti*	Member	June 2025

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**ADMINISTRATION**

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Bre Lionetti  
*Executive Director*

Amy Vento  
*Director of Student & Instructional Services*

*\*Also listed under administration.*

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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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Certified Public Accountants serving  
K-12 School Districts and Charter  
Schools throughout California

**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**

Independent Auditors' Report

To the Board of Directors of  
Kinetic Academy  
Huntington Beach, California

We have audited, 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, the financial statements of Kinetic Academy (the "Charter") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter's financial statements and have issued our report thereon dated December 9, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter'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 Charter's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter'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*.

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92103

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### **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 Charter'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 Charter's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christy White, Inc.*

San Diego, California  
December 9, 2025



Certified Public Accountants serving  
K-12 School Districts and Charter  
Schools throughout California

## REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

### Independent Auditors' Report

To the Board of Directors of  
Kinetic Academy  
Huntington Beach, California

#### **Report on State Compliance**

##### **Opinion on State Compliance**

We have audited Kinetic Academy's compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to Kinetic Academy's state program requirements for the fiscal year ended June 30, 2025.

In our opinion, Kinetic Academy complied, in all material respects, with the laws and regulations of the applicable state programs for the year ended June 30, 2025, as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

##### **Basis for Opinion on State Compliance**

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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810 as regulations (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

We are required to be independent of Kinetic Academy and to meet certain 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 opinion on state compliance. Our audit does not provide a legal determination of Kinetic Academy'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 internal control over compliance with the requirements of the laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Kinetic Academy's state programs.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Kinetic Academy'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 generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists.

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**Auditor’s Responsibilities for the Audit for State Compliance (continued)**

The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Kinetic Academy's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, 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 Kinetic Academy's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Kinetic Academy'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 K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Kinetic Academy's internal control over compliance. Accordingly, no such opinion is expressed; and
- Select and test transactions and records to determine Kinetic Academy’s compliance with the state laws and regulations to the following items:

Description	Procedures Performed
<b>School Districts, County Offices of Education and Charter Schools</b>	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not applicable
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
<b>Charter Schools</b>	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	No*
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Not applicable

*\*We did not perform procedures for Nonclassroom-Based Instruction/Independent Study because reported ADA was not material.*

“Not applicable” is used in the table above to indicate that the charter school either did not receive program funding or did not otherwise operate the program during the fiscal year.

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 or 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 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 a type of compliance requirement of a state 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 Auditor's Responsibilities for the Audit of State Compliance section 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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Christy White, Inc.*

San Diego, California  
December 9, 2025

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## **FINDINGS AND QUESTIONED COSTS SECTION**

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**KINETIC ACADEMY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**PART I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**Federal Awards**

*The Charter did not expend more than \$750,000 in federal awards; therefore, a Federal Single Audit under OMB Uniform Grant Guidance is not applicable.*

**State Awards**

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with <i>2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?</i>	<u>No</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

All audit year findings, if any, are assigned an appropriate finding code as follows:

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

**PART II – FINANCIAL STATEMENT FINDINGS**

There were no audit findings related to the financial statements for the year ended June 30, 2025.

**PART III – STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no audit findings and questioned costs related to state awards for the year ended June 30, 2025.

**KINETIC ACADEMY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

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This section presents the status of actions taken by the Charter on each of the findings and recommendations reported in the prior year audit. There were a total of one (1) audit finding for state awards reported in the year ended June 30, 2024. A summary of the prior audit finding and its current status are noted below:

**FINDING 2024-001: EXPANDED LEARNING OPPORTUNITIES PROGRAM (40000)**

**Summary:** In accordance with Education Code 46120(g)(6), the definition of “provide access” with respect to expanded learning opportunity program (ELOP), means to enroll in ELOP. If a parent or guardian has a signed ELOP registration form and that form is on file, the pupil shall be considered enrolled in ELOP. The charter school was unable to provide signed registration forms for pupils participating in ELOP during the 2023-24 school year. Per inquiry, the registration process for those who opted to participate in the program during 2023-24 provided a hard-copy paper with contact information; however, the paper was not retained for audit. Documentation of student rosters and program participation were not in the form of a signed registration form.

**Current Status:** Implemented.