



# Method Schools Corporation

## BOARD PACK

for

## Method Schools Board of Directors Meeting

Tuesday, December 10, 2024

6:00 PM (PST)

Held at:

Method Schools HQ

38750 Sky Canyon Drive, Suite B, Murrieta, CA 92563

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# AGENDA



## METHOD SCHOOLS BOARD OF DIRECTORS MEETING

<b>Name:</b>	Method Schools Corporation
<b>Date:</b>	Tuesday, December 10, 2024
<b>Time:</b>	6:00 PM to 7:30 PM (PST)
<b>Location:</b>	Method Schools HQ, 38750 Sky Canyon Drive, Suite B, Murrieta, CA 92563
<b>Board Members:</b>	Shannon Clark, Carolyn Andrews, Gloria Vargas, Steven Dorsey, Tyler Roberts
<b>Attendees:</b>	Yvette Serratos, Sarah Avanesian, Sarah Delawder, Tanaya Burnham, Jade Fernandez, Jessica Spallino, Mark Holley, Stefanie Bryant, Tracy Robertson, Becca Santos

### 1. Opening Meeting

#### 1.1 Roll Call

### 2. Public Comment

#### 2.1 Instructions for Presentations to the Board by Parents and Citizens

##### Instructions for Presentations to the Board by Parents and Citizens

Method Schools (“School”) welcomes your participation at the School’s Board meetings. The purpose of a public meeting of the Board of Directors (“Board”) is to conduct the affairs of the School in public. Your participation assures us of continuing community interest in our School. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

- Agendas and “Submit a Public Comment” forms are available via the link on our website on the Board Page. If you wish to speak, please fill out the form and specify the agenda item on which you wish to speak. When addressing the Board, speakers are requested to state their name and address and adhere to the time limits set forth.  
Public Communication on Non-Agenda Issues: This is an opportunity for members of the audience to raise issues that are not specifically on the agenda. You will be given an opportunity to speak for a maximum of three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes. Non-English speakers requiring translation are allotted a maximum of six (6) minutes. Due to public meeting laws, the Board can only listen to your issue and not respond or take action. The Board may give direction to staff to respond to your concern or you may be offered the option of returning with a citizen- requested item
- Agenda items: To address the Board on agenda items, please specify the item on which you wish to speak on your “Public Comment”. You will be given an opportunity to speak for up to three (3) minutes when the Board discusses that item.
- Public Records: Any public records relating to an agenda item for an open session of the Board that are distributed to the Board members shall be available for public

inspection at the School office. Minutes of each Board meeting will also be available at the School office.

Americans with Disabilities Act (ADA): Upon request, the School will furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate assistance in order participate in Board meetings are invited to contact Method Board Secretary Shannon Clark at [sclark@methodschools.org](mailto:sclark@methodschools.org) by noon of the business day preceding the board meeting.

Translation services: Translation services are available by notifying the above school office by noon of the business day preceding the board meeting.

### 3. Management Reports

#### 3.1 CEO Report

Jessica Spallino

#### 3.2 CBO Report

Mark Holley

#### 3.3 CAO Report

Jade Fernandez

- Mid-year LCAP update

### 4. Major Decisions

#### 4.1 FY23-24 Audited Financial Statements

Supporting Documents:

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4.1.b	Method Schools Corporation 2024 Signed Final Governance Communication.pdf	8
4.1.c	Method Schools Corporation 2024 Signed Final Report and Financial Statements.pdf	11

#### 4.2 FY24-25 1st Interim Reports, Method Schools and Method Schools, LA

Supporting Documents:

4.2.a	Method San Diego 2024-25 1st Interim Budget Narrative.pdf	45
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### **4.3 BP 3010 Fiscal Policies & Procedures Revision to Include Travel Policy**

Supporting Documents:

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### **4.4 Performance Bonus- additional %**

Supporting Documents:

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### **4.5 Board Policy 4140- Leave Policy, Revised**

Revised to include new requirement to offer 5 days leave for reproductive loss

Supporting Documents:

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## **5. Consent Items**

### **5.1 Confirm Minutes- 10-1-2024**

Consent Items: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board's votes on them.

Supporting Documents:

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5.1.a	Minutes : Method Schools Board of Directors Meeting - 1 Oct 2024	104
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### **5.2 Check Register (September-November)**

Consent Items: All matters listed under the consent agenda are considered by the Board to be routine and will be approved/enacted by the Board in one motion in the form listed below. Unless specifically requested by a Board member for further discussion or removed from the agenda, there will be no discussion of these items prior to the Board's votes on them.

Supporting Documents:

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### **5.3 Quarterly Investment Report**

Supporting Documents:

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## **6. Discussion**

## 7. Close Meeting

### 7.1 Close the meeting

**Next meeting:** No date for the next meeting has been set.

**10/1/2024 Board Meeting Recording Link**

[https://methodschools.zoom.us/rec/share/XFBdMGQisTIQwCn\\_A7hezXdtYiB5kFS\\_O-vHQh38nsdnr9cYQiR76L1awk9-qGIA.oreYFQO2hAnPvr96](https://methodschools.zoom.us/rec/share/XFBdMGQisTIQwCn_A7hezXdtYiB5kFS_O-vHQh38nsdnr9cYQiR76L1awk9-qGIA.oreYFQO2hAnPvr96)

**Next Meeting 12/17/2024**



## FY23-24 Audited Reports

- Net: \$5.8 million
- End FB: \$30.6 million
  
- Cash: \$34.9 million
  
- Due to gov't: \$2.9M
- Unearned rev: \$1.4M

Total Exp: \$12.6M

Salaries:

\$8.0M Total

\$6.1M Certificated

Benefits:

\$1.7M Total





CliftonLarsonAllen LLP  
CLAAconnect.com

Board of Directors  
Method Schools Corporation  
Murrieta, California

We have audited the financial statements of Method Schools Corporation as of and for the year ended June 30, 2024, and have issued our report thereon dated September 26, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards, and the 2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Appeals Panel*, as well as certain information related to the planned scope and timing of our audit in our planning communication dated May 20, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Method Schools Corporation are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Significant unusual transactions***

We identified no significant unusual transactions.



***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The below summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Proposed and passed adjusting journal entry to record the estimated rent expense for Dehesa Elementary School District Facility Use Agreement not invoiced by the district.

DR:	Rent Expense – Method Schools	\$16,000	
	CR: Accounts Payable – Method Schools		\$16,000

***Corrected misstatements***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated September 26, 2024.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

### **Supplementary information in relation to the financial statements as a whole**

With respect to the Method Schools, Method Schools, LA, and eliminations columns in the Statements of financial position, activities, and cash flows, Schedule of Instructional Time, Schedule of Average Daily Attendance (ADA), and Reconciliation of Annual Financial Report with Audited Financial Statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated September 26, 2024. The Local Education Agency Organization Structure accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

### ***Upcoming auditing standards***

Our promise is to get to know you and help you. For your consideration, we provided recent auditing standards applicable to your entity.

### **ASU 2023-01 Leases (Topic 842): Common Control Arrangements–**

- Effective for audits of financial statements for fiscal years beginning after December 31, 2023. Early adoption is permitted. For your School – June 30, 2025's financial statements.
- Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2023-01, Leases (Topic 842): Common Control Arrangements, clarifies applying Topic 842 to related party arrangements between entities under common control, reducing diversity in practice. .
- ASU 2023-01 provides practical expedient to applied when a written agreement exists; to determine existence, accounting, and classification of a lease in common control arrangements. If no written terms exist, the practical expedient cannot be applied.
- ASU 2023-01 requires that leasehold improvements under common control leases be:
  - Amortized by the lease over the useful life of the improvements to the common control group (regardless of the lease term) and;
  - Accounted for as a transfer between entities under comment control through net assets, if and when, the lessee no longer controls the use of the underlying asset.

This communication is intended solely for the information and use of the Board of Directors and management of Method Schools Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Glendora, California  
 September 26, 2024

**METHOD SCHOOLS CORPORATION**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**

**OPERATING:**

**Method Schools - #1617  
Method Schools, LA - #1697**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**METHOD SCHOOLS CORPORATION  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
 Method Schools Corporation  
 Murrieta, California

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Method Schools Corporation **Error! No document variable supplied.** (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2024, 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 the School as of June 30, 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Method Schools Corporation 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; 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 School's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Directors  
Method Schools Corporation

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 School'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.

Board of Directors  
Method Schools Corporation

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the School's financial statements as a whole. The Method Schools, Method Schools, LA, and eliminations columns in the statements of financial position, activities and cash flows as well as the accompanying supplementary schedules as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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. The Local Education Agency Organization Structure, which is marked "unaudited", has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2024 on our consideration of the School'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 on the School'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 School's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Glendora, California  
September 26, 2024

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

	Method Schools	Method Schools, LA	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 20,817,633	\$ 13,091,545	\$ -	\$ 33,909,178
Certificates of Deposit	-	1,017,250	-	1,017,250
Accounts Receivable	187,908	137,321	-	325,229
Accounts Receivable - Intercompany	-	8,657,801	(8,657,801)	-
Prepaid Expenses and Other Assets	68,628	60,127	-	128,755
Total Current Assets	<u>21,074,169</u>	<u>22,964,044</u>	<u>(8,657,801)</u>	<u>35,380,412</u>
<b>NONCURRENT ASSETS</b>				
Operating Right-of-Use Asset	138,795	-	-	138,795
Property, Plant, and Equipment, Net	86,866	-	-	86,866
Total Long-Term Assets	<u>225,661</u>	<u>-</u>	<u>-</u>	<u>225,661</u>
Total Assets	<u>\$ 21,299,830</u>	<u>\$ 22,964,044</u>	<u>\$ (8,657,801)</u>	<u>\$ 35,606,073</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 894,120	\$ 2,532,265	\$ -	\$ 3,426,385
Accounts Payable - Intercompany	8,657,801	-	(8,657,801)	-
Current Lease Liability - Operating	85,363	-	-	85,363
Total Current Liabilities	<u>9,637,284</u>	<u>2,532,265</u>	<u>(8,657,801)</u>	<u>3,511,748</u>
<b>LONG-TERM LIABILITIES</b>				
Long-Term Lease Liability - Operating	56,032	-	-	56,032
Deferred Revenue	211,748	1,233,029	-	1,444,777
Total Long-Term Liabilities	<u>267,780</u>	<u>1,233,029</u>	<u>-</u>	<u>1,500,809</u>
Total Liabilities	9,905,064	3,765,294	(8,657,801)	5,012,557
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>11,394,766</u>	<u>19,198,750</u>	<u>-</u>	<u>30,593,516</u>
Total Liabilities and Net Assets	<u>\$ 21,299,830</u>	<u>\$ 22,964,044</u>	<u>\$ (8,657,801)</u>	<u>\$ 35,606,073</u>

See accompanying Notes to Financial Statements.



**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

	<u>Method Schools</u>	<u>Method Schools, LA</u>	<u>Total</u>
<b>REVENUES, WITHOUT DONOR RESTRICTIONS</b>			
State Revenue:			
State Aid	\$ 6,881,937	\$ 7,465,346	\$ 14,347,283
Other State Revenue	1,513,035	1,117,613	2,630,648
Federal Revenue:			
Grants and Entitlements	239,468	198,034	437,502
Local Revenue:			
In-Lieu Property Tax Revenue	137,056	270,507	407,563
Investment Income	520,525	21,673	542,198
Unrealized Gains from Certificates of Deposit	-	17,250	17,250
Other Revenue	4,377	4,378	8,755
Total Revenues	<u>9,296,398</u>	<u>9,094,801</u>	<u>18,391,199</u>
<b>EXPENSES</b>			
Program Services	5,973,495	5,335,869	11,309,364
Management and General	636,028	617,642	1,253,670
Total Expenses	<u>6,609,523</u>	<u>5,953,511</u>	<u>12,563,034</u>
<b>CHANGE IN NET ASSETS</b>	2,686,875	3,141,290	5,828,165
Net Assets Without Donor Restrictions - Beginning of Year	<u>8,707,891</u>	<u>16,057,460</u>	<u>24,765,351</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 11,394,766</u>	<u>\$ 19,198,750</u>	<u>\$ 30,593,516</u>

See accompanying Notes to Financial Statements.

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services	Management and General	Total Expenses
Salaries and Wages	\$ 7,741,841	\$ 286,310	\$ 8,028,151
Pension Expense	208,974	8,708	217,682
Other Employee Benefits	930,740	(18,334)	912,406
Payroll Taxes	488,968	77,488	566,456
Management Fees	-	107,682	107,682
Legal Expenses	-	17,288	17,288
Accounting Expenses	-	181,728	181,728
Other Fees for Services	392,527	-	392,527
Advertising and Promotion Expenses	2,022	191,596	193,618
Office Expenses	11,620	53,036	64,656
Instructional Materials	1,118,238	-	1,118,238
Information Technology Expenses	246,912	83,020	329,932
Occupancy Expenses	-	147,524	147,524
Travel Expenses	31,928	-	31,928
Depreciation Expense	-	45,652	45,652
Insurance Expense	-	69,574	69,574
Other Expenses	135,594	2,398	137,992
	<u>\$ 11,309,364</u>	<u>\$ 1,253,670</u>	<u>\$ 12,563,034</u>
Total Expenses by Function	<u>\$ 11,309,364</u>	<u>\$ 1,253,670</u>	<u>\$ 12,563,034</u>

See accompanying Notes to Financial Statements.

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

	Method Schools	Method Schools, LA	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in Net Assets	\$ 2,686,875	\$ 3,141,290	\$ -	\$ 5,828,165
Adjustments to Reconcile Change in Net Assets				
Net Cash Provided (Used) by Operating Activities:				
Depreciation	45,652	-	-	45,652
Unrealized Gains from Certificates of Deposit	-	(17,250)	-	(17,250)
Change in Operating Assets and Liabilities:				
Accounts Receivable	(34,308)	101,752	-	67,444
Accounts Receivable- Intercompany		(6,017,752)	6,017,752	-
Prepaid Expenses and Other Assets	(49,898)	(49,045)	-	(98,943)
Operating ROU Asset	(65,565)			(65,565)
Accounts Payable and Accrued Liabilities	525,601	264,749	-	790,350
Accounts Payable- Intercompany	6,017,752	-	(6,017,752)	-
Lease Liability - Operating	66,889			66,889
Deferred Rent Liability	-	-	-	-
Deferred Revenue	(808,484)	(446,896)	-	(1,255,380)
Net Cash Provided (Used) by Operating Activities	8,384,514	(3,023,152)	-	5,361,362
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of Certificates of Deposit	-	(1,000,000)	-	(1,000,000)
Purchases of Property, Plant, and Equipment	(37,297)	-	-	(37,297)
Net Cash Used in Investing Activities	(37,297)	(1,000,000)	-	(1,037,297)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	8,347,217	(4,023,152)	-	4,324,065
Cash and Cash Equivalents - Beginning of Year	12,470,416	17,114,697	-	29,585,113
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 20,817,633</u>	<u>\$ 13,091,545</u>	<u>\$ -</u>	<u>\$ 33,909,178</u>

See accompanying Notes to Financial Statements.

**METHOD SCHOOLS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Method Schools Corporation (the School) was formed as a nonprofit public benefit corporation on July 18, 2013 for the purpose of operating public schools. The School operates two California public schools: Method Schools and Methods Schools, LA. The School is economically dependent on state and federal funding.

Method Schools Corporation is authorized to operate as a charter school through the Dehesa School District in San Diego County. In July 2018, the board of directors of the Dehesa School District approved a charter petition for the Charter for a five-year term beginning July 1, 2019 and expiring on June 30, 2024. Method Schools, LA is authorized by the Acton Agua Dulce Unified School District in Los Angeles County. The charter petitions approved by the Acton Agua Dulce Unified School District are for a five-year term beginning July 1, 2020 and expiring on June 30, 2025. In July 2021, Governor Gavin Newsom signed into law a requirement to extend most charter school petitions terms by two years. The extension apply to all charter that would otherwise expire on or between January 1, 2022 and June 30, 2025. In July 2023, Governor Gavin Newsom signed into law a requirement to extend most charter school petitions terms by an additional year. Therefore, Method Schools' and Method Schools, LA's charter term are extended to June 30, 2027 and 2028, respectively.

The mission of Method Schools Corporation is to provide innovative tools and educational practices to maximize personalization and empower students to become problem solvers, effective communicators, critical thinkers, and creative innovators.

**Basis of Accounting**

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

**Use of Estimates**

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

**Cash and Cash Equivalents**

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Certificates of Deposit**

Certificates of deposit are recorded at fair value. Both unrealized gains and losses from the fluctuation of fair value and realized gains and losses from the sale of certificates of deposits are reflected in the statement of activities.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2024. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased, or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The School capitalizes all expenditures for land, buildings and equipment in excess of \$5,000.

**Compensated Absences**

The School does not allow employees to carryover unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2024.

**Net Asset Classes**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed 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 (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restrictions.

**Contributions**

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2024, the School has conditional grants of \$1,511,669 of which \$1,444,777 is recognized as deferred revenue in the statement of financial position.

**Property Taxes**

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the School required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, other fees for service, advertising and promotion, and office expense, which are allocated on the basis of time and effort. Other expenses that are allocated are information technology, occupancy, and other expenses which are allocated on the basis of expense nature.

**Income Taxes**

The School is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. The School files an exempt school return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**Leases**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The School determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the statement of financial position.

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

As most of leases do not provide an implicit rate, the School uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through September 26, 2024, the date these financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents, certificates of deposit and accounts receivable for the total amount of \$35,251,657.

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

**NOTE 3 CASH AND CASH EQUIVALENTS**

**Cash in County Treasury**

Method Schools Corporation (Charter No. 1617) is a voluntary participant in an external investment pool with the San Diego County Treasurer. The fair value of the School's investment in the pool is reported in the financial statements at amounts based upon the School'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.

Except for investments by trustees of debt proceeds, the authority to invest school 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.

**Cash in Banks**

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.



**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 4 CERTIFICATES OF DEPOSIT AND FAIR VALUE MEASUREMENTS**

Certificates of deposit are stated at fair value and are measured on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in unrestricted revenues support unless the income or loss is restricted by donor or law.

GAAP establishes a fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

GAAP describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in an active market for identical assets. The School had no Level 1 investments at June 30, 2024.

Level 2 – Quoted prices for similar assets and market-corroborated inputs.

Level 3 – The Foundation’s own assumptions about market participation, including unobservable assumptions about risk, developed based on the best information available in the circumstances. The School had no Level 3 investments at June 30, 2024.

Investments held at June 30, 2024 consist of Level 2 in accordance to the fair value measurement. Investments and investment earnings at June 30, 2024 consist of the following:

	Level 2 Total
Certificates of Deposit	\$ 1,017,250
Unrealized Gains from Certificates of Deposit	\$ 17,250

**NOTE 5 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant and equipment in the accompanying financial statements is presented net of accumulated depreciation. Depreciation expense was \$45,652 for the year ended June 30, 2024. The components of property, plant, and equipment as of June 30, 2024 are as follows:

Leasehold Improvements	\$ 29,600
Equipment	265,556
Total	295,156
Less: Accumulated Depreciation	(208,290)
Property, Plant and Equipment, Net	\$ 86,866

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 6 OPERATING LEASES – ASC 842**

The School leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The facility is to be utilized by Method Schools for instructional services in order to meet the educational goals established by the charter school as well as School administrative offices. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the School to pay real estate taxes, insurance, and repairs.

The School has entered into various office lease agreements greater than one year. The latest lease term ends June 2026 and the School recognizes the right-of-use asset and lease liabilities on the Statement of Financial Position.

In April 2022, the School entered into a month-to-month Office Lease for workspace with monthly payments of \$1,266.

The following table provides quantitative information concerning the various office leases for the year ended June 30, 2024:

Lease Cost:	Amount
Operating Lease Cost	\$ 99,073
Month-to-Month Lease Cost	18,094
Total lease cost	<u>\$ 117,167</u>

Other Information:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 97,749
Right-of-use assets obtained in exchange for new operating lease liabilities:	\$ 157,332
Weighted-average remaining lease term - operating leases	1.7 years
Weighted-average discount rate - operating leases	4.00%

The School classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024, is as follows:

<u>Year Ending June 30,</u>	Amount
2025	\$ 89,194
2026	57,258
Total Lease Payments	146,452
Less: Interest	(5,057)
Present Value of Lease Liabilities	<u>\$ 141,395</u>

**METHOD SCHOOLS CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2024**

**NOTE 7 FACILITIES USE AGREEMENT COMMITMENTS**

Method Schools entered into facilities use agreement with Dehesa Elementary School District (DESD), in which the agreement ends on August 31, 2023. Total facilities use fees paid to DESD amounted to \$10,800 for the fiscal year ended June 30, 2024.

**NOTE 8 DISTRICT OVERSIGHT FEES**

The School makes payments to the authorizing agencies, Dehesa Elementary School District and Acton Agua Dulce Unified School District, for fees related to oversight. Fees associated with oversight consist of 3% of revenue from local control funding formula sources generated by each charter school. Total fees paid to the authorizing agencies for oversight amounted to \$125,622 for the fiscal year ended June 30, 2024.

**NOTE 9 EMPLOYEE RETIREMENT**

The School offers an Internal Revenue Code Section 403(b) retirement plan to each of its qualifying employees. The School matches up to 5% for classified employees. During the year ended June 30, 2024, the School contributed \$217,682 to this plan.

**NOTE 10 CONTINGENCIES, RISKS AND UNCERTAINTIES**

The School 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 required reimbursement would not be material.

**METHOD SCHOOLS CORPORATION  
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
 YEAR ENDED JUNE 30, 2024  
 (SEE INDEPENDENT AUDITORS' REPORT)  
 UNAUDITED**

Method Schools Corporation was established in 2013 when it was granted its charter through Dehesa School District in San Diego County and its charter school status from the California Department of Education. The charter school number is 1617.

Method Schools, LA was established in 2015 when it was granted its charter through Acton-Agua Dulce Unified School District in Los Angeles County and its charter school status from the California Department of Education. The charter school number is 1697.

The board of directors and the administrators as of the year ended June 30, 2024 were as follows:

**BOARD OF DIRECTORS**

<b>Member</b>	<b>Office</b>	<b>Term Expires (Three-Year Term)</b>
Carolyn Andrews	President	June 30, 2025
Tyler Roberts	Vice President	June 30, 2025
Shannon Clark	Secretary	June 30, 2025
Gloria Vargas	Board Member	June 30, 2025
Steven Dorsey	Board Member	June 30, 2025

**ADMINISTRATORS**

Jessica Spallino	Chief Executive Officer
Mark Holley	Chief Business Officer
Stefanie Bryant	Chief Financial Officer
Jade Fernandez	Chief Academic Officer

**METHOD SCHOOLS CORPORATION  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2024**

N/A – This School is nonclassroom based.

*See accompanying Independent Auditors' Report and the Notes to Supplementary Information.*

**METHOD SCHOOLS CORPORATION  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2024**

Method Schools:	Second Period Report		Audit Adjustments		Second Period Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
Grades TK / K-3	-	11.61	-	-	-	11.61
Grades 4-6	-	36.08	-	-	-	36.08
Grades 7-8	-	58.81	-	-	-	58.81
Grades 9-12	-	433.04	-	(0.01)	-	433.03
ADA Totals	-	539.54	-	(0.01)	-	539.53

Method Schools:	Annual Report		Audit Adjustments		Annual Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
Grades TK / K-3	-	12.67	-	-	-	12.67
Grades 4-6	-	40.15	-	-	-	40.15
Grades 7-8	-	67.61	-	-	-	67.61
Grades 9-12	-	393.96	-	(0.01)	-	393.95
ADA Totals	-	514.39	-	(0.01)	-	514.38

See accompanying Independent Auditors' Report and the Notes to Supplementary Information.

**METHOD SCHOOLS CORPORATION  
SCHEDULE OF AVERAGE DAILY ATTENDANCE  
YEAR ENDED JUNE 30, 2024**

	Second Period Report		Audit Adjustments		Second Period Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
Method Schools, LA:						
Grades TK / K-3	-	13.47	-	-	-	13.47
Grades 4-6	-	16.26	-	-	-	16.26
Grades 7-8	-	28.56	-	-	-	28.56
Grades 9-12	-	509.01	-	(0.04)	-	508.97
ADA Totals	-	567.30	-	(0.04)	-	567.26
	Annual Report		Audit Adjustments		Annual Report (Audited)	
	Classroom Based	Total	Classroom Based	Total	Classroom Based	Total
Method Schools, LA:						
Grades TK / K-3	-	15.01	-	-	-	15.01
Grades 4-6	-	17.50	-	-	-	17.50
Grades 7-8	-	32.34	-	-	-	32.34
Grades 9-12	-	431.22	-	(0.03)	-	431.19
ADA Totals	-	496.07	-	(0.03)	-	496.04
Grand Total	Second Period Report (Audited)		Annual Report (Audited)			
	-	1,106.79	-	1,010.42		

See accompanying Independent Auditors' Report and the Notes to Supplementary Information.

**METHOD SCHOOLS CORPORATION**  
**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

	<u>Method Schools</u>	<u>Method Schools, LA</u>
June 30, 2024 Annual Financial Report Fund Balances (Net Assets)	\$ 11,394,766	\$ 19,177,536
Adjustments and Reclassifications:		
Accounts Receivable - Federal and State	592	21,807
Accounts Receivable - Intercompany	-	(593)
Prepaid Expenses and Other Assets	8,501	-
Operating Right-of-Use Asset	(9,093)	-
Net Adjustments and Reclassifications	<u>-</u>	<u>21,214</u>
June 30, 2024 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 11,394,766</u>	<u>\$ 19,198,750</u>

*See accompanying Independent Auditors' Report and the Notes to Supplementary Information.*



**METHOD SCHOOLS CORPORATION**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2024**

**PURPOSE OF SCHEDULES**

**NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME**

This schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of California Education Code.

**NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE**

Average daily attendance is a measurement of the number of pupils attending classes of 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.

**NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

This schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Method Schools Corporation  
Murrieta, 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 Method Schools Corporation (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, the related notes to the financial statements, and have issued our report thereon dated September 26, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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.

Board of Directors  
Method Schools Corporation

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School'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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Glendora, California  
September 26, 2024



CliftonLarsonAllen LLP  
 CLAAconnect.com

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE

Board of Directors  
 Method Schools Corporation  
 Murrieta, California

### **Report on Compliance**

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

We have audited Method Schools Corporation's (the School) compliance with the types of compliance requirements applicable to the School described in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2024. The School's applicable State compliance requirements are identified in the table below.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that are applicable to the School for the year ended June 30, 2024.

#### **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; and *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2023-2024 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 School 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. Our audit does not provide a legal determination of the School'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 School's state programs.

Board of Directors  
Method Schools Corporation

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School'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 *2023-2024 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 School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2023-2024 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 School'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 School'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 *2023-2024 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 School'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.

Board of Directors  
Method Schools Corporation

### Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable <sup>1</sup>
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 <sup>2</sup>
Immunizations	Not Applicable <sup>3</sup>
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Not Applicable <sup>4</sup>
Expanded Learning Opportunities Program	Not Applicable <sup>5</sup>
Transitional Kindergarten	Not Applicable <sup>6</sup>
Charter Schools:	
Attendance	Yes
Mode of Instruction	Not Applicable <sup>7</sup>
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Not Applicable <sup>7</sup>
Charter School Facility Grant Program	Not Applicable <sup>8</sup>

Not Applicable<sup>1</sup>: The School did not operate an after or before school program component of this grant.

Not Applicable<sup>2</sup>: The School did not report ADA pursuant to Education Code section 51749.5.

Not Applicable<sup>3</sup>: The School did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable<sup>4</sup>: The School did not receive a CTEIG allocation for the audit year.

Not Applicable<sup>5</sup>: The School did not receive Expanded Learning Opportunities Program funds for the audit year.

Not Applicable<sup>6</sup>: The School did not report ADA for the audit year for transitional kindergarten.

Not Applicable<sup>7</sup>: The School did not report any ADA as generated through classroom-based instruction.

Not Applicable<sup>8</sup>: The School did not receive Charter School Facility Grant Program funding for the year audited.

Board of Directors  
Method Schools Corporation

### **Other Matters**

The results of our audit procedures disclosed instances of noncompliance, which are required to be reported in accordance with *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each state program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

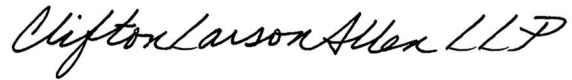
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness 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 a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001, to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Schools' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the Schools' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors  
Method Schools Corporation

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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Glendora, California  
September 26, 2024



**METHOD SCHOOLS CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accounting Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

**FINANCIAL STATEMENTS:**

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**STATE AWARDS AND COMPLIANCE:**

**2024-001 Nonclassroom based instruction / Independent Study 40000**

**Criteria:** Per Education Code section 51747(g), a written independent study agreement must contain all the required elements including student/parent signature affixed prior to the commencement of independent study for a pupil that is scheduled to participate for more than 14 schooldays, or within 10 schooldays of the commencement of independent study for a student scheduled for less than 15 schooldays, on the agreement.

**Condition:** During nonclassroom-based/independent study pupil testing we found that two pupils in eleventh grade did not have all the required signatures on the master agreement before the first day that ADA was recorded, for students considered long-term independent study. For Method Schools, one pupil had instruction of one day prior to all the required signatures on the master agreement. For Method Schools, LA, one pupil had instruction of five days prior to all the required signatures on the master agreement before.

**Effect:** The School is not in compliance with Education Code section 51747(g) and overreported P2 ADA by 0.05 (Method Schools 0.01 ADA and Method Schools, LA 0.04 ADA).

**Cause:** The School failed to obtain all the signatures on master agreement before the first day that ADA was claimed for students enrolled in long-term independent study.

**METHOD SCHOOLS CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

**2024-001 Nonclassroom based instruction / Independent Study (Continued) 40000**

**Questioned costs:** The lack of student signatures resulted in a reduction in ADA of 0.05, estimated at \$683 (Method Schools \$132 and Method Schools, LA \$551).

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** It is recommended the School implement additional review procedures to ensure all signatures and elements are included on master agreements before any ADA is claimed.

**Management's Corrective Action Plan (Unaudited):** While the questioned costs are minimal, Method Schools concurs the final Independent Study Master Agreement (ISMA) signature date for the noted items does not agree with the first day of claimed ADA at P2 resulting in a minor overreported ADA at P2.

In response to the error, Method Schools has investigated the data and scripts used for reporting needs in the SmartFox system. Report scripts have been corrected to ensure the final signature date from the student's ISMA is used as the first ADA claimed date.

Additionally, Method will be conducting internal audits of the compliance data throughout the year, which will include verifying ADA start dates align with final ISMA signatures, as well as checking other Independent Study compliance items. The first internal audit will be conducted during the second week of September.

The attendance taking process for teachers will be strengthened by adding peer reviews of backup and attendance records to ensure independent study compliance is being met, ISMA signature dates are reviewed and that attendance records are updated timely.

Further, an audit trail report will be implemented. This will provide the means to verify who has made any changes to data after a learning period is final and locked, enabling better research into why a change may have occurred.

**METHOD SCHOOLS CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.



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## 2024-25 1<sup>st</sup> Interim Budget Report Narrative – Method Schools San Diego

### 1. Key Statistics

2022-23 P2 ADA: 445.02

2023-24 P2 ADA: 546

2024-25 Adopted Budget Est. ADA: 565

2024-25 1<sup>st</sup> Interim Budget Est. ADA: 668

### 2. Revenue Assumptions

Enrollment and ADA estimates at 1<sup>st</sup> Interim are trending approximately 100 ADA higher than the Adopted Budget estimates – our Adopted Budget projected 565 ADA and the 1<sup>st</sup> Interim Budget is projecting 668 ADA. LCFF revenues have been adjusted to reflect the projected ADA of 668 based on the most recent version of the LCFF Calculator.

LCFF Revenues, including LCFF (8011), EPA (8012) and In-Lieu Taxes (8096) were all based on the calculations provided by the most recently released FCMAT LCFF Calculator. Total Revenues for these sources are estimated at \$8,831,107, which is an increase of \$1,500,093 of LCFF Revenue sources when compared to the Adopted Budget.

The basis for Other State Revenues is a combination of the following revenue sources: Non-Prop Lottery (\$127,588), Prop-20 Lottery (\$54,776), Mandate Block Grant (\$31,574), and State Special Education & Mental Health Funding (\$638,528). All revenue sources are based on the most recent projections from California School Services and El Dorado Charter SELPA. Finally, Method SD is also projecting \$48,458 from the newly implemented Prop 28 Program.

Federal Special Education Funds are expected to be \$57,760. Method SD does not expect any additional Federal Revenue as Method San Diego does not participate in any other Federal Programs.

Method San Diego is also projecting \$600,000 of Interest Income from funds kept in the San Diego County Treasury.

Overall, when comparing Adopted Budget Revenue to 1<sup>st</sup> Interim Report Revenue, Method San Diego is projecting an increase of \$1,847,364 in total revenue - \$8,542,427 at Adopted Budget vs. \$10,389,791 at 1<sup>st</sup> Interim.

### 3. Expenditure Assumptions

Method San Diego will have approximately 40 Certificated FTEs on staff during 2024-25. The total budgeted Certificated Salaries of \$3,899,728 equates to an average of \$97,493 per FTE including teachers and administrators.

Method San Diego offers competitive teacher salaries along with a competitive Health & Dental Medical and 403(b) Plans with a 1:1 company match to our employees. Method San Diego does not participate in CALSTRS or CALPERS.

MYP expense projections assume a 5% COLA increase each year over the previous year.

### Other Notable Financial Narrative Notes

#### *Any New Notices of Assignment and Dates of Repayment*

Response: No new Notices of Assignment, see number 7 below for debt obligations.

#### *Obligations for Debt Repayment*

Response: Method San Diego has \$0.00 of debt. The only significant liability that Method SD has in our financials is a *Due to Grantor Governments* balance. This liability came from a 2023-24 FY overpayment in LCFF Funding. Method repays the LCFF overpayment back to the CDE with each month's monthly LCFF Apportionment on the same 5,5,9,9,9 schedule. Since the beginning of the fiscal year Method has paid back \$216,476 – which is documented in the 1<sup>st</sup> Interim Cash Flow Projection along with the projected payments for the remaining months.

#### *Changes in Ending Fund Balances*

Response: Method San Diego is projected to end the 2024-25 fiscal year with a surplus of \$2,146,977. Method San Diego beginning fund balance as of July 1<sup>st</sup>, 2024 was \$11,311,502, therefore the cumulative projected ending fund balance of \$13,458,479.

#### *Assignment of Ending Fund Balances*

Response: Method San Diego has no commitments of the Ending Fund Balance.

#### *Cash Flow Statement*

Response: Method Schools San Diego has no projected cash flow shortages during the 2024-25 fiscal year. As projected in the cashflow the school has a significant cash surplus each operating month. Generally, all Accounts Payables are paid on receipt as there are no cash restraints and therefore Method San Diego does not carry any significant month to month liabilities.





**CHARTER SCHOOLS FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

Charter School Name: Method Schools  
 CDS #: 37-68049-0129221  
 Charter Approving Entity: Dehesa Elementary  
 County: San Diego  
 Charter #: 1617

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	Original Budget	Board Approved Operating	Actuals to Date	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total (D)	Difference (Col B & D)
<b>A. REVENUES</b>								
1. LCFF Sources								
State Aid - Current Year	8011	7,059,814	7,059,814	1,917,502	8,529,992		8,529,992	1,470,178
Education Protection Account - Current Year	8012	113,000	113,000	27,327	133,600		133,600	20,600
State Aid - Prior Years	8019	0	0	0	0		0	0
Transfer of Charter Schools in Lieu of Property Taxes	8096	158,200	158,200	0	167,515		167,515	9,315
Other LCFF Transfers	8091, 8097	0	0	0	0		0	0
<b>Total, LCFF Sources</b>		<b>7,331,014</b>	<b>7,331,014</b>	<b>1,944,829</b>	<b>8,831,107</b>		<b>8,831,107</b>	<b>1,500,093</b>
2. Federal Revenues (see NOTE on last page)								
No Child Left Behind	8290	0	0	0		0	0	0
Special Education - Federal	8181, 8182	57,760	57,760	0		57,760	57,760	0
Child Nutrition - Federal	8220	0	0	0		0	0	0
Other Federal Revenues	8290	0	0	0	0	0	0	0
<b>Total, Federal Revenues</b>		<b>57,760</b>	<b>57,760</b>	<b>0</b>	<b>0</b>	<b>57,760</b>	<b>57,760</b>	<b>0</b>
3. Other State Revenues								
Special Education - State	StateRevSE	546,240	546,240	61,699		638,528	638,528	92,288
Child Nutrition Programs	8520	0	0	0		0	0	0
Mandated Costs Reimbursements	8550	25,050	25,050	0	31,574		31,574	6,524
Lottery - Unrestricted and Instructional Materials	8560	133,905	133,905	0	127,588	54,776	182,364	48,459
Low Performing Student Block Grant	8590	0	0	0	0	0	0	0
All Other State Revenues	StateRevAO	48,458	48,458	13,592	0	48,458	48,458	0
<b>Total, Other State Revenues</b>		<b>753,653</b>	<b>753,653</b>	<b>75,291</b>	<b>159,162</b>	<b>741,762</b>	<b>900,924</b>	<b>147,271</b>
4. Other Local Revenues								
Transfers from Sponsoring LEAs to Charter Schools	8791	0	0	0	0		0	0
All Other Local Revenues	LocalRevAO	400,000	400,000	276,981	600,000	0	600,000	200,000
<b>Total, Local Revenues</b>		<b>400,000</b>	<b>400,000</b>	<b>276,981</b>	<b>600,000</b>	<b>0</b>	<b>600,000</b>	<b>200,000</b>
<b>5. TOTAL REVENUES</b>		<b>8,542,427</b>	<b>8,542,427</b>	<b>2,297,101</b>	<b>9,590,269</b>	<b>799,522</b>	<b>10,389,791</b>	<b>1,847,364</b>
<b>B. EXPENDITURES</b>								
1. Certificated Salaries								
Teachers' Salaries	1100	3,000,508	3,000,508	1,154,947	3,069,493	291,076	3,360,569	360,061
Certificated Pupil Support Salaries	1200	0	0	0	0	0	0	0
Certificated Supervisors' and Administrators' Salaries	1300	481,392	481,392	142,634	539,159	0	539,159	57,767
Other Certificated Salaries	1900	0	0	0	0	0	0	0
<b>Total, Certificated Salaries</b>		<b>3,481,900</b>	<b>3,481,900</b>	<b>1,297,581</b>	<b>3,608,652</b>	<b>291,076</b>	<b>3,899,728</b>	<b>417,828</b>
2. Non-certificated Salaries								
Instructional Aides' Salaries	2100	146,296	146,296	32,418	163,852	0	163,852	17,556
Non-certificated Support Salaries	2200	70,823	70,823	43,991	158,459	0	158,459	87,636
Non-certificated Supervisors' and Administrators' Sal.	2300	423,355	423,355	113,537	474,157	0	474,157	50,802
Clerical and Office Salaries	2400	440,384	440,384	118,022	414,093	0	414,093	(26,291)
Other Non-certificated Salaries	2900	0	0	0	0	0	0	0
<b>Total, Non-certificated Salaries</b>		<b>1,080,858</b>	<b>1,080,858</b>	<b>307,968</b>	<b>1,210,561</b>	<b>0</b>	<b>1,210,561</b>	<b>129,703</b>

**CHARTER SCHOOLS FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

Charter School Name: Method Schools  
CDS #: 37-68049-0129221

Description	Object Code	Original Budget	Board Approved Operating	Actuals to Date	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total (D)	Difference (Col B & D)
<b>3. Employee Benefits</b>								
STRS	3101-3102	0	0	0	0	0	0	0
PERS	3201-3202	0	0	0	0	0	0	0
OASDI / Medicare / Alternative	3301-3302	349,051	349,051	109,453	368,670	22,267	390,937	41,886
Health and Welfare Benefits	3401-3402	433,668	433,668	209,173	460,708	25,000	485,708	52,040
Unemployment Insurance	3501-3502	40,000	40,000	7,201	43,120	1,680	44,800	4,800
Workers' Compensation Insurance	3601-3602	45,628	45,628	35,499	48,992	2,111	51,103	5,475
Retiree Benefits	3701-3702	0	0	0	0	0	0	0
PERS Reduction (for revenue limit funded schools)	3801-3802	0	0	0	0	0	0	0
Other Employee Benefits	3901-3902	226,058	226,058	49,822	224,078	29,108	253,186	27,128
<b>Total, Employee Benefits</b>		<b>1,094,405</b>	<b>1,094,405</b>	<b>411,148</b>	<b>1,145,568</b>	<b>80,166</b>	<b>1,225,734</b>	<b>131,329</b>
<b>4. Books and Supplies</b>								
Approved Textbooks and Core Curricula Materials	4100	205,000	205,000	114,522	229,600	0	229,600	24,600
Books and Other Reference Materials	4200	400,000	400,000	155,035	400,000	0	400,000	0
Materials and Supplies	4300	50,000	50,000	25,566	26,425	54,775	81,200	31,200
Noncapitalized Equipment	4400	90,000	90,000	59,436	114,800	0	114,800	24,800
Food	4700	0	0	0	0	0	0	0
<b>Total, Books and Supplies</b>		<b>745,000</b>	<b>745,000</b>	<b>354,559</b>	<b>770,825</b>	<b>54,775</b>	<b>825,600</b>	<b>80,600</b>
<b>5. Services and Other Operating Expenditures</b>								
Subagreements for Services	5100	0	0	0	0	0	0	0
Travel and Conferences	5200	110,000	110,000	45,442	128,800	0	128,800	18,800
Dues and Memberships	5300	7,500	7,500	7,048	11,200	0	11,200	3,700
Insurance	5400	40,000	40,000	36,561	44,800	0	44,800	4,800
Operations and Housekeeping Services	5500	13,000	13,000	5,772	22,960	0	22,960	9,960
Rentals, Leases, Repairs, and Noncap. Improvements	5600	83,000	83,000	28,037	88,045	4,915	92,960	9,960
Professional/Consulting Services and Operating Expend.	5800	576,309	576,309	177,167	283,081	368,590	651,671	75,362
Communications	5900	115,000	115,000	35,774	128,800	0	128,800	13,800
<b>Total, Services and Other Operating Expenditures</b>		<b>944,809</b>	<b>944,809</b>	<b>335,801</b>	<b>707,686</b>	<b>373,505</b>	<b>1,081,191</b>	<b>136,382</b>
<b>6. Capital Outlay</b>								
(Objects 6100-6170, 6200-6500 for modified accrual basis only)								
Land and Land Improvements	6100-6170	0	0	0	0	0	0	0
Buildings and Improvements of Buildings	6200	0	0	0	0	0	0	0
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0	0	0	0	0	0	0
Equipment	6400	0	0	0	0	0	0	0
Equipment Replacement	6500	0	0	0	0	0	0	0
Depreciation Expense (for accrual basis only)	6900	0	0	0	0	0	0	0
<b>Total, Capital Outlay</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Other Outgo</b>								
Tuition to Other Schools	7110-7143	0	0	0	0	0	0	0
Transfers of Pass-Through Revenues to Other LEAs	7211-7213	0	0	0	0	0	0	0
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0	0	0	0	0	0	0
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0	0	0	0	0	0	0
All Other Transfers	7280-7299	0	0	0	0	0	0	0
Debt Service:								
Interest	7438	0	0	0	0	0	0	0
Principal (for modified accrual basis only)	7439	0	0	0	0	0	0	0
<b>Total, Other Outgo</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. TOTAL EXPENDITURES</b>		<b>7,346,972</b>	<b>7,346,972</b>	<b>2,707,057</b>	<b>7,443,292</b>	<b>799,522</b>	<b>8,242,814</b>	<b>895,842</b>
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		<b>1,195,455</b>	<b>1,195,455</b>	<b>(409,956)</b>	<b>2,146,977</b>	<b>0</b>	<b>2,146,977</b>	<b>951,522</b>

**CHARTER SCHOOLS FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

Charter School Name: Method Schools  
CDS #: 37-68049-0129221

Description	Object Code	Original Budget	Board Approved Operating	Actuals to Date	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total (D)	Difference (Col B & D)
<b>D. OTHER FINANCING SOURCES / USES</b>								
1. Other Sources	8930-8979	0	0	0	0	0	0	0
2. Less: Other Uses	7630-7699	0	0	0	0	0	0	0
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0	0	0	0	0	0	0
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		<b>1,195,455</b>	<b>1,195,455</b>	<b>(409,956)</b>	<b>2,146,977</b>	<b>0</b>	<b>2,146,977</b>	<b>951,522</b>
<b>F. FUND BALANCE, RESERVES</b>								
1. Beginning Fund Balance								
a. As of July 1	9791	10,966,950	10,966,950		11,311,502		11,311,502	344,552
b. Adjustments/Restatements to Beginning Balance	9793, 9795	0	0		0		0	0
c. Adjusted Beginning Balance		10,966,950	10,966,950		11,311,502	0	11,311,502	
<b>2. Ending Fund Balance, Oct 31 (E + F.1.c.)</b>		<b>12,162,405</b>	<b>12,162,405</b>		<b>13,458,479</b>	<b>0</b>	<b>13,458,479</b>	
Components of Ending Fund Balance:								
Reserve for Revolving Cash (equals object 9130)	9711	0	0		0	0	0	
Reserve for Stores (equals object 9320)	9712	0	0		0	0	0	
Reserve for Prepaid Expenditures (equals object 9330)	9713	0	0		0	0	0	
All Others	9719	0	0		0	0	0	
Legally Restricted Balance	9740	0	0		0	0	0	
Designated for Economic Uncertainties	9770	332,832	332,832		332,832		332,832	
Other Designations	9775, 9780	0	0		0	0	0	
Net Investment in Capital Assets (Accrual Basis Only)	9796	0	0		0	0	0	
<b>Undesignated / Unappropriated Amount</b>	<b>9790</b>	<b>11,829,573</b>	<b>11,829,573</b>		<b>13,125,647</b>	<b>0</b>	<b>13,125,647</b>	<b>0</b>

**CHARTER SCHOOL  
MULTI-YEAR PROJECTION - ALTERNATIVE FORM**

Charter School Name: Method Schools  
 CDS #: 37-68049-0129221  
 Charter Approving Entity: Dehesa Elementary  
 County: San Diego  
 Charter #: 1617  
 Fiscal Year: 2024-25

Description	Object Code	2024-25 (populated from Alternative Form Tab)			Totals for 2025-26	Totals for 2026-27
		First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total		
<b>A. REVENUES</b>						
<b>1. LCFF Sources</b>						
State Aid - Current Year	8011	8,529,992		8,529,992	8,794,573	9,098,490
Education Protection Account - Current Year	8012	133,600		133,600	133,600	133,600
State Aid - Prior Years	8019	0		0	0	0
Transfer of Charter Schools in Lieu of Property Taxes	8096	167,515		167,515	167,515	167,515
Other LCFF Transfers	8091, 8097	0		0	0	0
<b>Total, LCFF Sources</b>		<b>8,831,107</b>		<b>8,831,107</b>	<b>9,095,688</b>	<b>9,399,605</b>
<b>2. Federal Revenues</b>						
No Child Left Behind	8290		0	0	0	0
Special Education - Federal	8181, 8182		57,760	57,760	57,760	57,760
Child Nutrition - Federal	8220		0	0	0	0
Other Federal Revenues	8290	0	0	0	0	0
<b>Total, Federal Revenues</b>		<b>0</b>	<b>57,760</b>	<b>57,760</b>	<b>57,760</b>	<b>57,760</b>
<b>3. Other State Revenues</b>						
Special Education - State	StateRevSE		638,528	638,528	638,528	638,528
Child Nutrition Programs	8520		0	0	0	0
Mandated Costs Reimbursements	8550	31,574		31,574	31,574	31,574
Lottery - Unrestricted and Instructional Materials	8560	127,588	54,776	182,364	182,364	182,364
Low Performing Student Block Grant	8590	0	0	0	0	0
All Other State Revenues	StateRevAO	0	48,458	48,458	48,458	48,458
<b>Total, Other State Revenues</b>		<b>159,162</b>	<b>741,762</b>	<b>900,924</b>	<b>900,924</b>	<b>900,924</b>
<b>4. Other Local Revenues</b>						
Transfers from Sponsoring LEAs to Charter Schools	8791	0		0	0	0
All Other Local Revenues	LocalRevAO	600,000	0	600,000	600,000	600,000
<b>Total, Local Revenues</b>		<b>600,000</b>	<b>0</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>
<b>5. TOTAL REVENUES</b>		<b>9,590,269</b>	<b>799,522</b>	<b>10,389,791</b>	<b>10,654,372</b>	<b>10,958,289</b>
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Teachers' Salaries	1100	3,069,493	291,076	3,360,569	3,433,333	3,506,901
Certificated Pupil Support Salaries	1200	0	0	0	0	0
Certificated Supervisors' and Administrators' Salaries	1300	539,159	0	539,159	551,275	563,390
Other Certificated Salaries	1900	0	0	0	0	0
<b>Total, Certificated Salaries</b>		<b>3,608,652</b>	<b>291,076</b>	<b>3,899,728</b>	<b>3,984,608</b>	<b>4,070,291</b>
<b>2. Non-certificated Salaries</b>						
Instructional Aides' Salaries	2100	163,852	0	163,852	168,623	173,397
Non-certificated Support Salaries	2200	158,459	0	158,459	81,632	83,942
Non-certificated Supervisors' and Administrators' Sal.	2300	474,157	0	474,157	487,968	501,778
Clerical and Office Salaries	2400	414,093	0	414,093	507,597	521,963
Other Non-certificated Salaries	2900	0	0	0	0	0
<b>Total, Non-certificated Salaries</b>		<b>1,210,561</b>	<b>0</b>	<b>1,210,561</b>	<b>1,245,820</b>	<b>1,281,080</b>

Description	Object Code	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total	Totals for 2025-26	Totals for 2026-27
<b>3. Employee Benefits</b>						
STRS	3101-3102	0	0	0	0	0
PERS	3201-3202	0	0	0	0	0
OASDI / Medicare / Alternative	3301-3302	368,670	22,267	390,937	400,128	409,318
Health and Welfare Benefits	3401-3402	460,708	25,000	485,708	500,279	515,287
Unemployment Insurance	3501-3502	43,120	1,680	44,800	44,800	44,800
Workers' Compensation Insurance	3601-3602	48,992	2,111	51,103	52,304	53,506
Retiree Benefits	3701-3702	0	0	0	0	0
PERS Reduction (for revenue limit funded schools)	3801-3802	0	0	0	0	0
Other Employee Benefits	3901-3902	224,078	29,108	253,186	260,012	266,838
<b>Total, Employee Benefits</b>		<b>1,145,568</b>	<b>80,166</b>	<b>1,225,734</b>	<b>1,257,523</b>	<b>1,289,749</b>
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	229,600	0	229,600	242,228	255,551
Books and Other Reference Materials	4200	400,000	0	400,000	422,000	445,210
Materials and Supplies	4300	26,425	54,775	81,200	85,666	90,378
Noncapitalized Equipment	4400	114,800	0	114,800	121,114	127,775
Food	4700	0	0	0	0	0
<b>Total, Books and Supplies</b>		<b>770,825</b>	<b>54,775</b>	<b>825,600</b>	<b>871,008</b>	<b>918,913</b>
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	0	0	0	0	0
Travel and Conferences	5200	128,800	0	128,800	135,884	143,358
Dues and Memberships	5300	11,200	0	11,200	11,816	12,466
Insurance	5400	44,800	0	44,800	47,264	49,864
Operations and Housekeeping Services	5500	22,960	0	22,960	24,223	25,555
Rentals, Leases, Repairs, and Noncap. Improvements	5600	88,045	4,915	92,960	98,073	103,467
Professional/Consulting Services and Operating Expend.	5800	283,081	368,590	651,671	685,302	721,030
Communications	5900	128,800	0	128,800	135,884	143,358
<b>Total, Services and Other Operating Expenditures</b>		<b>707,686</b>	<b>373,505</b>	<b>1,081,191</b>	<b>1,138,445</b>	<b>1,199,096</b>
<b>6. Capital Outlay</b>						
(Objects 6100-6170, 6200-6500 for modified accrual basis only)						
Land and Land Improvements	6100-6170	0	0	0	0	0
Buildings and Improvements of Buildings	6200	0	0	0	0	0
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0	0	0	0	0
Equipment	6400	0	0	0	0	0
Equipment Replacement	6500	0	0	0	0	0
Depreciation Expense (for accrual basis only)	6900	0	0	0	0	0
<b>Total, Capital Outlay</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	0	0	0	0	0
Transfers of Pass-Through Revenues to Other LEAs	7211-7213	0	0	0	0	0
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0	0	0	0	0
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0	0	0	0	0
All Other Transfers	7280-7299	0	0	0	0	0
Debt Service:						
Interest	7438	0	0	0	0	0
Principal (for modified accrual basis only)	7439	0	0	0	0	0
<b>Total, Other Outgo</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. TOTAL EXPENDITURES</b>		<b>7,443,292</b>	<b>799,522</b>	<b>8,242,814</b>	<b>8,497,404</b>	<b>8,759,129</b>
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		<b>2,146,977</b>	<b>0</b>	<b>2,146,977</b>	<b>2,156,968</b>	<b>2,199,160</b>

Description	Object Code	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total	Totals for 2025-26	Totals for 2026-27
<b>D. OTHER FINANCING SOURCES / USES</b>						
1. Other Sources	8930-8979	0	0	0	0	0
2. Less: Other Uses	7630-7699	0	0	0	0	0
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0	0	0	0	0
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		<b>2,146,977</b>	<b>0</b>	<b>2,146,977</b>	<b>2,156,968</b>	<b>2,199,160</b>
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance		0	0			
a. As of July 1	9791	11,311,502	0	11,311,502	13,458,479	15,615,447
b. Adjustments/Restatements to Beginning Balance	9793, 9795	0	0	0	0	0
c. Adjusted Beginning Balance		11,311,502	0	11,311,502	13,458,479	15,615,447
<b>2. Ending Fund Balance, Oct 31 (E + F.1.c.)</b>		<b>13,458,479</b>	<b>0</b>	<b>13,458,479</b>	<b>15,615,447</b>	<b>17,814,606</b>
Components of Ending Fund Balance:						
Reserve for Revolving Cash (equals object 9130)	9711	0	0	0	0	0
Reserve for Stores (equals object 9320)	9712	0	0	0	0	0
Reserve for Prepaid Expenditures (equals object 9330)	9713	0	0	0	0	0
All Others	9719	0	0	0	0	0
Legally Restricted Balance	9740		0	0	0	0
Designated for Economic Uncertainties	9770	332,832		332,832	332,832	332,832
Other Designations	9775, 9780	0	0	0	0	0
Net Investment in Capital Assets (Accrual Basis Only)	9796	0	0	0	0	0
Undesignated / Unappropriated Amount	9790	13,125,647	0	13,125,647	15,282,615	17,481,774

Object	2024-25 First Interim Budget	July	August	September	October	November	December	January	February	
		Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projection	
<b>Actuals required through the month of : October</b>										
A. BEGINNING CASH		20,817,633	11,669,503	11,328,919	11,575,433	11,486,648	11,402,128	11,466,719	11,382,198	
B. RECEIPTS										
LCFF/Revenue Limit Sources										
Principal Apportionment	8010-8019	8,663,592	342,411	342,411	643,667	616,340	616,340	747,268	616,340	936,832
In Lieu Property Taxes	8099	167,515		0	0	0	0	0	0	0
Miscellaneous Funds	8080-8098									
Federal Revenue	8100-8299	57,760	0	0	0	0	0	0	0	0
Other State Revenue	8300-8599	900,924	53,686	4,697	8,454	8,454	8,454	8,454	8,454	160,054
Other Local Revenue	8600-8799	600,000	116,792	8,138	111,800	40,248	40,378	40,378	40,378	40,378
Interfund Transfers In	8910-8929									
All Other Financing Sources	8930-8979									
<b>TOTAL RECEIPTS</b>		<b>10,389,791</b>	<b>512,889</b>	<b>355,246</b>	<b>763,921</b>	<b>665,042</b>	<b>665,172</b>	<b>796,100</b>	<b>665,172</b>	<b>1,137,264</b>
C. DISBURSEMENTS										
Certificated Salaries	1000-1999	3,899,728	377,544	407,154	258,847	261,189	324,374	324,374	324,374	324,374
Classified Salaries	2000-2999	1,210,561	64,633	77,965	95,299	78,566	111,762	111,762	111,762	111,762
Employee Benefits	3000-3999	1,225,734	159,607	64,635	77,657	111,264	101,571	101,571	101,571	101,571
Books and Supplies	4000-4999	825,600	66,386	66,704	70,385	92,071	66,257	66,257	66,257	66,257
Services	5000-5999	1,081,191	89,800	57,996	106,606	91,887	91,863	91,863	91,863	91,863
Capital Outlay	6000-6599	0								
Other Outgo	7000-7499									
Interfund Transfers Out	7600-7629									
All Other Financing Uses	7630-7699									
<b>TOTAL DISBURSEMENTS</b>		<b>8,242,814</b>	<b>757,970</b>	<b>674,454</b>	<b>608,794</b>	<b>634,977</b>	<b>695,827</b>	<b>695,827</b>	<b>695,827</b>	<b>695,827</b>
D. BALANCE SHEET ITEMS		<b>Beginning Balances</b>								
<u>Assets and Deferred Outflows</u>										
Cash Not In Treasury	9111-9199									
Accounts Receivable	9200-9299	187,316	8,210	0	122,305	767	56,034			
Due From Other Funds	9310									
Stores	9320									
Prepaid Expenditures	9330	60,127	40,722							
Other Current Assets	9340	147,888				(40,500)				
Deferred Outflows of Resources	9490									
<b>SUBTOTAL</b>		<b>395,331</b>	<b>48,932</b>	<b>0</b>	<b>122,305</b>	<b>(39,733)</b>	<b>0</b>	<b>56,034</b>	<b>0</b>	<b>0</b>
<u>Liabilities and Deferred Inflows</u>										
Accounts Payable	9500-9599	246,967	215,283	(8,531)	(22,917)	25,282	37,850			
Due To Other Funds	9610	647,153	78,897	29,908	53,835	53,835	53,865	53,865	53,865	
Current Loans	9640	8,657,801	8,657,801							
Unearned Revenues	9650	211,748	0							
Deferred Inflows of Resources	9690									
<b>SUBTOTAL</b>		<b>9,763,669</b>	<b>8,951,981</b>	<b>21,377</b>	<b>30,918</b>	<b>79,117</b>	<b>53,865</b>	<b>91,715</b>	<b>53,865</b>	<b>53,865</b>
Nonoperating										
Suspense Clearing	9910									
<b>TOTAL BALANCE SHEET ITEMS</b>		<b>(9,368,338)</b>	<b>(8,903,049)</b>	<b>(21,377)</b>	<b>91,387</b>	<b>(118,850)</b>	<b>(53,865)</b>	<b>(35,681)</b>	<b>(53,865)</b>	<b>(53,865)</b>
<b>E. NET INCREASE/DECREASE (B - C + D)</b>			<b>(9,148,130)</b>	<b>(340,584)</b>	<b>246,514</b>	<b>(88,785)</b>	<b>(84,521)</b>	<b>64,591</b>	<b>(84,521)</b>	<b>387,572</b>
<b>F. ENDING CASH (A + E)</b>			<b>11,669,503</b>	<b>11,328,919</b>	<b>11,575,433</b>	<b>11,486,648</b>	<b>11,402,128</b>	<b>11,466,719</b>	<b>11,382,198</b>	<b>11,769,770</b>
<b>G. ENDING CASH, PLUS ACCRUALS</b>										

		2024-25 First	March	April	May	June	Accruals	Adjustments	TOTAL
Object		Interim Budget	Projection	Projection	Projection	Projection			
<b>Actuals required through the month of : October</b>									
A. BEGINNING CASH			11,769,770	12,184,668	12,572,240	12,959,811			
B. RECEIPTS									
LCFF/Revenue Limit Sources									
Principal Apportionment	8010-8019	8,663,592	964,159	936,832	936,832	964,159			8,663,592
In Lieu Property Taxes	8099	167,515	0	0	0	0	167,515		167,515
Miscellaneous Funds	8080-8098								0
Federal Revenue	8100-8299	57,760	0	0	0	0	57,760		57,760
Other State Revenue	8300-8599	900,924	160,054	160,054	160,054	160,054			900,924
Other Local Revenue	8600-8799	600,000	40,378	40,378	40,378	40,378			600,000
Interfund Transfers In	8910-8929								0
All Other Financing Sources	8930-8979								0
<b>TOTAL RECEIPTS</b>		<b>10,389,791</b>	<b>1,164,591</b>	<b>1,137,264</b>	<b>1,137,264</b>	<b>1,164,591</b>	<b>225,275</b>	<b>0</b>	<b>10,389,791</b>
C. DISBURSEMENTS									
Certificated Salaries	1000-1999	3,899,728	324,374	324,374	324,374	324,374			3,899,728
Classified Salaries	2000-2999	1,210,561	111,762	111,762	111,762	111,762			1,210,561
Employee Benefits	3000-3999	1,225,734	101,571	101,571	101,571	101,571			1,225,734
Books and Supplies	4000-4999	825,600	66,257	66,257	66,257	66,257			825,600
Services	5000-5999	1,081,191	91,863	91,863	91,863	91,863			1,081,191
Capital Outlay	6000-6599	0							0
Other Outgo	7000-7499								0
Interfund Transfers Out	7600-7629								0
All Other Financing Uses	7630-7699								0
<b>TOTAL DISBURSEMENTS</b>		<b>8,242,814</b>	<b>695,827</b>	<b>695,827</b>	<b>695,827</b>	<b>695,827</b>	<b>0</b>	<b>0</b>	<b>8,242,814</b>
D. BALANCE SHEET ITEMS		<b>Beginning</b>							
<u>Assets and Deferred Outflows</u>		<b>Balances</b>							
Cash Not In Treasury	9111-9199								0
Accounts Receivable	9200-9299	187,316							187,316
Due From Other Funds	9310								0
Stores	9320								0
Prepaid Expenditures	9330	60,127							40,722
Other Current Assets	9340	147,888							(40,500)
Deferred Outflows of Resources	9490								0
<b>SUBTOTAL</b>		<b>395,331</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>187,538</b>
<u>Liabilities and Deferred Inflows</u>									
Accounts Payable	9500-9599	246,967							246,967
Due To Other Funds	9610	647,153	53,865	53,865	53,865	53,865			647,395
Current Loans	9640	8,657,801							8,657,801
Unearned Revenues	9650	211,748							0
Deferred Inflows of Resources	9690								0
<b>SUBTOTAL</b>		<b>9,763,669</b>	<b>53,865</b>	<b>53,865</b>	<b>53,865</b>	<b>53,865</b>	<b>0</b>	<b>0</b>	<b>9,552,163</b>
<u>Nonoperating</u>									
Suspense Clearing	9910								0
<b>TOTAL BALANCE SHEET ITEMS</b>		<b>(9,368,338)</b>	<b>(53,865)</b>	<b>(53,865)</b>	<b>(53,865)</b>	<b>(53,865)</b>	<b>0</b>	<b>0</b>	<b>(9,364,625)</b>
<b>E. NET INCREASE/DECREASE (B - C + D)</b>			<b>414,899</b>	<b>387,572</b>	<b>387,572</b>	<b>414,899</b>	<b>225,275</b>	<b>0</b>	<b>(7,217,648)</b>
<b>F. ENDING CASH (A + E)</b>			<b>12,184,668</b>	<b>12,572,240</b>	<b>12,959,811</b>	<b>13,374,710</b>			
<b>G. ENDING CASH, PLUS ACCRUALS</b>									<b>13,599,985</b>





## 2024-25 1<sup>st</sup> Interim Budget Report Narrative – Method Schools, LA

### 1. Key Statistics

2022-23 P2 ADA: 457.24

2023-24 P2 ADA: 571

2024-25 Adopted Budget Est. ADA: 580

2023-24 1<sup>st</sup> Interim Budget Est. ADA: 524

### 2. Revenue Assumptions

Enrollment and ADA estimates at 1<sup>st</sup> Interim are trending slightly lower than the Adopted Budget estimates – our Adopted Budget projected 580 ADA and the 1<sup>st</sup> Interim Budget is projecting 524 ADA. LCFF revenues have only been adjusted to the 524 ADA based on the most recent version of the LCFF Calculator.

LCFF Revenues, including LCFF (8011), EPA (8012) and In-Lieu Taxes (8096) were all based on the calculations provided by the most recently released FCMAT LCFF Calculator. Total Revenues for these sources are estimated at \$7,182,748.

The basis for Other State Revenues is a combination of the following revenue sources: Non-Prop Lottery (\$100,084), Prop-20 Lottery (\$42,968), Mandate Block Grant (\$24,788), and State Special Education & Mental Health Funding (\$501,788). All revenue sources are based on the most recent projections from California School Services and El Dorado Charter SELPA. Finally, Method LA is also projecting \$30,143 from the newly implemented Prop 28 Program.

Federal Special Education Funds are expected to be \$32,800 and the only other Federal Revenue projected is a final allocation of the one-time Federal portion of the Expanded Learning Opportunities Grant (ELOG) for \$35,052. Method LA does not expect any additional Federal Revenue as Method LA does not participate in any other Federal Programs.

Method LA is projected to receive \$100,000 of interest income that is budgeted in Local Revenue.

Overall, when comparing Adopted Budget Revenue to 1<sup>st</sup> Interim Report Revenue, Method LA is projecting a decrease of \$858,702 in total revenue. The biggest drop in revenue is \$847,015 in LCFF Revenue sources based on reduced ADA.

### 3. Expenditure Assumptions

Method Los Angeles will have approximately 35 Certificated FTEs on staff during 2024-25. The total budgeted Certificated Salaries of \$3,064,072 equates to an average of \$87,542 per FTE including teachers and administrators.

Method LA offers competitive teacher salaries along with a competitive Health & Dental Medical and 403(b) Plans with a 1:1 company match to our employees. Method Los Angeles does not participate in CALSTRS or CALPERS.

MYP expense projections assume a 5% COLA increase each year over the previous year.

### Other Notable Financial Narrative Notes

#### *Any New Notices of Assignment and Dates of Repayment*

Response: No new Notices of Assignment, see number 7 below for debt obligations.

#### *Obligations for Debt Repayment*

Response: Method Los Angeles has \$0.00 of debt. The only significant liability that Method LA has in our financials is a *Due to Grantor Governments* balance. This liability came from a 2023-24 FY overpayment in LCFF and Special Education Funding. Method repays the LCFF overpayment back to the CDE with each month's monthly LCFF Apportionment on the same 5,5,9,9,9 schedule. Since the beginning of the fiscal year Method has paid back \$778,662 – which is documented in the 1<sup>st</sup> Interim Cash Flow Projection along with the projected payments for the remaining months.

#### *Changes in Ending Fund Balances*

Response: Method Los Angeles is projected to end the 2024-25 fiscal year with a surplus of \$1617,066. Method Los Angeles beginning fund balance as of July 1<sup>st</sup>, 2024 was \$19,117,018, therefore the cumulative projected ending fund balance of \$20,734,084 as of June 30<sup>th</sup>, 2025.

#### *Assignment of Ending Fund Balances*

Response: Method Los Angeles has no commitments of the Ending Fund Balance.

#### *Cash Flow Statement*

Response: Method Schools LA has no projected cash flow shortages during the 2024-25 fiscal year. As projected in the cashflow the school has a significant cash surplus each operating month. Generally all Accounts Payables are paid on receipt as there are no cash restraints and therefore Method LA does not carry any significant month to month liabilities.

**CHARTER SCHOOL FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

**Charter School Certification**

<b>Charter School Name:</b>	<u>Method Schools Los Angeles</u>
<b>CDS #:</b>	<u>19-175309-0137703</u>
<b>Charter Approving Entity:</b>	<u>Acton-Agua Dulce Unified School Dsitrict</u>
<b>County:</b>	<u>Los Angeles</u>
<b>Charter #:</b>	<u>1697</u>

For information regarding this report, please contact:

<u>For Approving Entity:</u>	<u>For Charter School:</u>
<u>Khai Nguyen</u>	<u>Stefanie Bryant</u>
<u>Name</u>	<u>Name</u>
<u>Assistant Superintendent of Business Services</u>	<u>CFO</u>
<u>Title</u>	<u>Title</u>
<u>661-773-5433</u>	<u>801.360.9819</u>
<u>Telephone</u>	<u>Telephone</u>
<u><a href="mailto:knguyen@aadusd.k12.ca.us">knguyen@aadusd.k12.ca.us</a></u>	<u><a href="mailto:sbryant@methodschools.org">sbryant@methodschools.org</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: Stefanie Bryant Title: CFO

To the Acton-Agua Dulce Unified School District

x ) 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: Agha Mirza Title: Assisstant Superintende

To the Superintendent of Public Instruction:

x ) 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 SCHOOLS FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

Charter School Name: Method Schools LA  
 CDS #: 19-175309-0137703  
 Charter Approving Entity: Acton-Agua Dulce Unified School District  
 County: Los Angeles  
 Charter #: 1697

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	Original Budget	Board Approved Operating	Actuals to Date	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total (D)	Difference (Col B & D)
<b>A. REVENUES</b>								
1. LCFF Sources								
State Aid - Current Year	8011	7,619,123.00	7,619,123	2,082,170	6,830,007		6,830,007	(789,116)
Education Protection Account - Current Year	8012	116,000.00	116,000	28,585	104,800		104,800	(11,200)
State Aid - Prior Years	8019		0	0	0		0	0
Transfer of Charter Schools in Lieu of Property Taxes	8096	294,640.00	294,640	70,332	247,941		247,941	(46,699)
Other LCFF Transfers	8091, 8097	0.00	0	0	0		0	0
<b>Total, LCFF Sources</b>		<b>8,029,763</b>	<b>8,029,763</b>	<b>2,181,087</b>	<b>7,182,748</b>		<b>7,182,748</b>	<b>(847,015)</b>
2. Federal Revenues (see NOTE on last page)								
No Child Left Behind	8290	0.00	0	0		0	0	0
Special Education - Federal	8181, 8182	32,800.00	32,800	0		32,800	32,800	0
Child Nutrition - Federal	8220	0.00	0	0		0	0	0
Other Federal Revenues	8290	0.00	0	35,052	0	35,052	35,052	35,052
<b>Total, Federal Revenues</b>		<b>32,800</b>	<b>32,800</b>	<b>35,052</b>	<b>0</b>	<b>67,852</b>	<b>67,852</b>	<b>35,052</b>
3. Other State Revenues								
Special Education - State	StateRevSE	551,460.00	551,460	176,070		501,788	501,788	(49,672)
Child Nutrition Programs	8520	0.00	0	0		0	0	0
Mandated Costs Reimbursements	8550	27,447.00	27,447	0	24,788		24,788	(2,659)
Lottery - Unrestricted and Instructional Materials	8560	137,460.00	137,460	0	100,084	42,968	143,052	5,592
Low Performing Student Block Grant	8590	0.00	0	0	0	0	0	0
All Other State Revenues	StateRevAO	30,143.00	30,143	8,502	0	30,143	30,143	0
<b>Total, Other State Revenues</b>		<b>746,510</b>	<b>746,510</b>	<b>184,572</b>	<b>124,872</b>	<b>574,899</b>	<b>699,771</b>	<b>(46,739)</b>
4. Other Local Revenues								
Transfers from Sponsoring LEAs to Charter Schools	8791	0	0	0	0		0	0
All Other Local Revenues	LocalRevAO	100,000	100,000	26,628	100,000	0	100,000	0
<b>Total, Local Revenues</b>		<b>100,000</b>	<b>100,000</b>	<b>26,628</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>
<b>5. TOTAL REVENUES</b>		<b>8,909,073</b>	<b>8,909,073</b>	<b>2,427,339</b>	<b>7,407,620</b>	<b>642,751</b>	<b>8,050,371</b>	<b>(858,702)</b>
<b>B. EXPENDITURES</b>								
1. Certificated Salaries								
Teachers' Salaries	1100	3,000,508	3,000,508	920,232	2,381,829	258,618	2,640,447	(360,061)
Certificated Pupil Support Salaries	1200	0	0	0	0	0	0	0
Certificated Supervisors' and Administrators' Salaries	1300	481,392	481,392	112,069	423,625	0	423,625	(57,767)
Other Certificated Salaries	1900	0	0	0	0	0	0	0
<b>Total, Certificated Salaries</b>		<b>3,481,900</b>	<b>3,481,900</b>	<b>1,032,301</b>	<b>2,805,454</b>	<b>258,618</b>	<b>3,064,072</b>	<b>(417,828)</b>
2. Non-certificated Salaries								
Instructional Aides' Salaries	2100	146,296	146,296	40,638	113,573	15,167	128,740	(17,556)
Non-certificated Support Salaries	2200	70,823	70,823	34,564	124,503	0	124,503	53,680
Non-certificated Supervisors' and Administrators' Sal.	2300	423,355	423,355	89,208	372,552	0	372,552	(50,803)
Clerical and Office Salaries	2400	440,384	440,384	92,732	325,359	0	325,359	(115,025)
Other Non-certificated Salaries	2900	0	0	0	0	0	0	0
<b>Total, Non-certificated Salaries</b>		<b>1,080,858</b>	<b>1,080,858</b>	<b>257,143</b>	<b>935,987</b>	<b>15,167</b>	<b>951,154</b>	<b>(129,704)</b>

**CHARTER SCHOOLS FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

Charter School Name: Method Schools LA  
CDS #: 19-175309-013703

Description	Object Code	Original Budget	Board Approved Operating	Actuals to Date	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total (D)	Difference (Col B & D)
<b>3. Employee Benefits</b>								
STRS	3101-3102	0	0	0	0	0	0	0
PERS	3201-3202	0	0	0	0	0	0	0
OASDI / Medicare / Alternative	3301-3302	349,051	349,051	85,998	286,220	20,945	307,165	(41,886)
Health and Welfare Benefits	3401-3402	433,668	433,668	164,350	356,628	25,000	381,628	(52,040)
Unemployment Insurance	3501-3502	40,000	40,000	5,658	32,462	2,738	35,200	(4,800)
Workers' Compensation Insurance	3601-3602	45,628	45,628	27,892	38,494	1,658	40,152	(5,476)
Retiree Benefits	3701-3702	0	0	0	0	0	0	0
PERS Reduction (for revenue limit funded schools)	3801-3802	0	0	0	0	0	0	0
Other Employee Benefits	3901-3902	226,059	226,059	42,744	171,553	27,379	198,932	(27,127)
<b>Total, Employee Benefits</b>		<b>1,094,406</b>	<b>1,094,406</b>	<b>326,642</b>	<b>885,357</b>	<b>77,720</b>	<b>963,077</b>	<b>(131,329)</b>
<b>4. Books and Supplies</b>								
Approved Textbooks and Core Curricula Materials	4100	205,000	205,000	89,982	180,400	0	180,400	(24,600)
Books and Other Reference Materials	4200	125,000	125,000	16,431	125,000	0	125,000	0
Materials and Supplies	4300	50,000	50,000	20,088	44,894	18,906	63,800	13,800
Noncapitalized Equipment	4400	90,000	90,000	46,699	68,200	22,000	90,200	200
Food	4700	0	0	0	0	0	0	0
<b>Total, Books and Supplies</b>		<b>470,000</b>	<b>470,000</b>	<b>173,200</b>	<b>418,494</b>	<b>40,906</b>	<b>459,400</b>	<b>(10,600)</b>
<b>5. Services and Other Operating Expenditures</b>								
Subagreements for Services	5100	0	0	0	0	0	0	0
Travel and Conferences	5200	110,000	110,000	35,705	101,200	0	101,200	(8,800)
Dues and Memberships	5300	7,500	7,500	5,538	8,800	0	8,800	1,300
Insurance	5400	40,000	40,000	28,726	35,200	0	35,200	(4,800)
Operations and Housekeeping Services	5500	13,000	13,000	4,535	18,040	0	18,040	5,040
Rentals, Leases, Repairs, and Noncap. Improvements	5600	83,000	83,000	22,029	69,179	3,861	73,040	(9,960)
Professional/Consulting Services and Operating Expend.	5800	743,893	743,893	157,933	411,643	246,479	658,122	(85,771)
Communications	5900	115,000	115,000	28,108	101,200	0	101,200	(13,800)
<b>Total, Services and Other Operating Expenditures</b>		<b>1,112,393</b>	<b>1,112,393</b>	<b>282,574</b>	<b>745,262</b>	<b>250,340</b>	<b>995,602</b>	<b>(116,791)</b>
<b>6. Capital Outlay</b>								
(Objects 6100-6170, 6200-6500 for modified accrual basis only)								
Land and Land Improvements	6100-6170	0	0	0	0	0	0	0
Buildings and Improvements of Buildings	6200	0	0	0	0	0	0	0
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0	0	0	0	0	0	0
Equipment	6400	0	0	0	0	0	0	0
Equipment Replacement	6500	0	0	0	0	0	0	0
Depreciation Expense (for accrual basis only)	6900	0	0	0	0	0	0	0
<b>Total, Capital Outlay</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Other Outgo</b>								
Tuition to Other Schools	7110-7143	0	0	0	0	0	0	0
Transfers of Pass-Through Revenues to Other LEAs	7211-7213	0	0	0	0	0	0	0
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0	0	0	0	0	0	0
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0	0	0	0	0	0	0
All Other Transfers	7280-7299	0	0	0	0	0	0	0
Debt Service:								
Interest	7438	0	0	0	0	0	0	0
Principal (for modified accrual basis only)	7439	0	0	0	0	0	0	0
<b>Total, Other Outgo</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. TOTAL EXPENDITURES</b>		<b>7,239,557</b>	<b>7,239,557</b>	<b>2,071,860</b>	<b>5,790,554</b>	<b>642,751</b>	<b>6,433,305</b>	<b>(806,252)</b>
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		<b>1,669,516</b>	<b>1,669,516</b>	<b>355,479</b>	<b>1,617,066</b>	<b>0</b>	<b>1,617,066</b>	<b>52,450</b>

**CHARTER SCHOOLS FIRST INTERIM  
FINANCIAL REPORT -- ALTERNATIVE FORM  
July 1, 2024 to June 30, 2025**

Charter School Name: Method Schools LA  
CDS #: 19-175309-0137703

Description	Object Code	Original Budget	Board Approved Operating	Actuals to Date	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total (D)	Difference (Col B & D)
<b>D. OTHER FINANCING SOURCES / USES</b>								
1. Other Sources	8930-8979	0	0	0	0	0	0	0
2. Less: Other Uses	7630-7699	0	0	0	0	0	0	0
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0	0	0	0	0	0	0
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		<b>1,669,516</b>	<b>1,669,516</b>	<b>355,479</b>	<b>1,617,066</b>	<b>0</b>	<b>1,617,066</b>	<b>52,450</b>
<b>F. FUND BALANCE, RESERVES</b>								
1. Beginning Fund Balance								
a. As of July 1	9791	18,592,173	18,592,173		19,117,018		19,117,018	524,845
b. Adjustments/Restatements to Beginning Balance	9793, 9795						0	0
c. Adjusted Beginning Balance		18,592,173	18,592,173		19,117,018	0	19,117,018	
<b>2. Ending Fund Balance, Oct 31 (E + F.1.c.)</b>		<b>20,261,689</b>	<b>20,261,689</b>		<b>20,734,084</b>	<b>0</b>	<b>20,734,084</b>	
Components of Ending Fund Balance:								
Reserve for Revolving Cash (equals object 9130)	9711	0	0		0	0	0	
Reserve for Stores (equals object 9320)	9712	0	0		0	0	0	
Reserve for Prepaid Expenditures (equals object 9330)	9713	0	0		0	0	0	
All Others	9719	0	0		0	0	0	
Legally Restricted Balance	9740	0	0		0	0	0	
Designated for Economic Uncertainties	9770	361,977	361,977		321,665		321,665	
Other Designations	9775, 9780	0	0		0	0	0	
Net Investment in Capital Assets (Accrual Basis Only)	9796	0	0		0	0	0	
<b>Undesignated / Unappropriated Amount</b>	<b>9790</b>	<b>19,899,712</b>	<b>19,899,712</b>		<b>20,412,419</b>	<b>0</b>	<b>20,412,419</b>	<b>0</b>

**CHARTER SCHOOL  
MULTI-YEAR PROJECTION - ALTERNATIVE FORM**

Charter School Name: Method Schools Los Angeles  
 CDS #: 19-175309-0137703  
 Charter Approving Entity: Acton-Agua Dulce Unified School District  
 County: Los Angeles  
 Charter #: 1697  
 Fiscal Year: 2024-25

Description	Object Code	2024-25 (populated from Alternative Form Tab)			Totals for 2025-26	Totals for 2026-27
		First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total		
<b>A. REVENUES</b>						
<b>1. LCFF Sources</b>						
State Aid - Current Year	8011	6,830,007		6,830,007	6,980,360	7,187,876
Education Protection Account - Current Year	8012	104,800		104,800	104,800	104,800
State Aid - Prior Years	8019	0		0	0	0
Transfer of Charter Schools in Lieu of Property Taxes	8096	247,941		247,941	247,941	247,941
Other LCFF Transfers	8091, 8097	0		0	0	0
<b>Total, LCFF Sources</b>		<b>7,182,748</b>		<b>7,182,748</b>	<b>7,333,101</b>	<b>7,540,617</b>
<b>2. Federal Revenues</b>						
No Child Left Behind	8290		0	0	0	0
Special Education - Federal	8181, 8182		32,800	32,800	32,800	32,800
Child Nutrition - Federal	8220		0	0	0	0
Other Federal Revenues	8290	0	35,052	35,052	0	0
<b>Total, Federal Revenues</b>		<b>0</b>	<b>67,852</b>	<b>67,852</b>	<b>32,800</b>	<b>32,800</b>
<b>3. Other State Revenues</b>						
Special Education - State	StateRevSE		501,788	501,788	501,788	501,788
Child Nutrition Programs	8520		0	0	0	0
Mandated Costs Reimbursements	8550	24,788		24,788	24,788	24,788
Lottery - Unrestricted and Instructional Materials	8560	100,084	42,968	143,052	143,052	143,052
Low Performing Student Block Grant	8590	0	0	0	0	0
All Other State Revenues	StateRevAO	0	30,143	30,143	30,143	30,143
<b>Total, Other State Revenues</b>		<b>124,872</b>	<b>574,899</b>	<b>699,771</b>	<b>699,771</b>	<b>699,771</b>
<b>4. Other Local Revenues</b>						
Transfers from Sponsoring LEAs to Charter Schools	8791	0		0	0	0
All Other Local Revenues	LocalRevAO	100,000	0	100,000	100,000	100,000
<b>Total, Local Revenues</b>		<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>5. TOTAL REVENUES</b>		<b>7,407,620</b>	<b>642,751</b>	<b>8,050,371</b>	<b>8,165,672</b>	<b>8,373,188</b>
<b>B. EXPENDITURES</b>						
<b>1. Certificated Salaries</b>						
Teachers' Salaries	1100	2,381,829	258,618	2,640,447	2,697,618	2,754,786
Certificated Pupil Support Salaries	1200	0	0	0	0	0
Certificated Supervisors' and Administrators' Salaries	1300	423,625	0	423,625	433,144	442,664
Other Certificated Salaries	1900	0	0	0	0	0
<b>Total, Certificated Salaries</b>		<b>2,805,454</b>	<b>258,618</b>	<b>3,064,072</b>	<b>3,130,762</b>	<b>3,197,450</b>
<b>2. Non-certificated Salaries</b>						
Instructional Aides' Salaries	2100	113,573	15,167	128,740	132,490	136,240
Non-certificated Support Salaries	2200	124,503	0	124,503	64,140	65,955
Non-certificated Supervisors' and Administrators' Sal.	2300	372,552	0	372,552	383,403	394,254
Clerical and Office Salaries	2400	325,359	0	325,359	398,827	410,113
Other Non-certificated Salaries	2900	0	0	0	0	0
<b>Total, Non-certificated Salaries</b>		<b>935,987</b>	<b>15,167</b>	<b>951,154</b>	<b>978,860</b>	<b>1,006,562</b>



Description	Object Code	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total	Totals for 2025-26	Totals for 2026-27
<b>3. Employee Benefits</b>						
STRS	3101-3102	0	0	0	0	0
PERS	3201-3202	0	0	0	0	0
OASDI / Medicare / Alternative	3301-3302	286,220	20,945	307,165	314,386	321,607
Health and Welfare Benefits	3401-3402	356,628	25,000	381,628	393,076	404,869
Unemployment Insurance	3501-3502	32,462	2,738	35,200	35,200	35,200
Workers' Compensation Insurance	3601-3602	38,494	1,658	40,152	41,096	42,040
Retiree Benefits	3701-3702	0	0	0	0	0
PERS Reduction (for revenue limit funded schools)	3801-3802	0	0	0	0	0
Other Employee Benefits	3901-3902	171,553	27,379	198,932	204,295	209,659
<b>Total, Employee Benefits</b>		<b>885,357</b>	<b>77,720</b>	<b>963,077</b>	<b>988,053</b>	<b>1,013,375</b>
<b>4. Books and Supplies</b>						
Approved Textbooks and Core Curricula Materials	4100	180,400	0	180,400	190,322	200,790
Books and Other Reference Materials	4200	125,000	0	125,000	131,875	139,128
Materials and Supplies	4300	44,894	18,906	63,800	67,309	71,011
Noncapitalized Equipment	4400	68,200	22,000	90,200	95,161	100,395
Food	4700	0	0	0	0	0
<b>Total, Books and Supplies</b>		<b>418,494</b>	<b>40,906</b>	<b>459,400</b>	<b>484,667</b>	<b>511,324</b>
<b>5. Services and Other Operating Expenditures</b>						
Subagreements for Services	5100	0	0	0	0	0
Travel and Conferences	5200	101,200	0	101,200	106,766	112,638
Dues and Memberships	5300	8,800	0	8,800	9,284	9,795
Insurance	5400	35,200	0	35,200	37,136	39,178
Operations and Housekeeping Services	5500	18,040	0	18,040	19,032	20,079
Rentals, Leases, Repairs, and Noncap. Improvements	5600	69,179	3,861	73,040	77,057	81,295
Professional/Consulting Services and Operating Expend.	5800	411,643	246,479	658,122	686,978	718,888
Communications	5900	101,200	0	101,200	106,766	112,638
<b>Total, Services and Other Operating Expenditures</b>		<b>745,262</b>	<b>250,340</b>	<b>995,602</b>	<b>1,043,020</b>	<b>1,094,512</b>
<b>6. Capital Outlay</b>						
(Objects 6100-6170, 6200-6500 for modified accrual basis only)						
Land and Land Improvements	6100-6170	0	0	0	0	0
Buildings and Improvements of Buildings	6200	0	0	0	0	0
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	0	0	0	0	0
Equipment	6400	0	0	0	0	0
Equipment Replacement	6500	0	0	0	0	0
Depreciation Expense (for accrual basis only)	6900	0	0	0	0	0
<b>Total, Capital Outlay</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Other Outgo</b>						
Tuition to Other Schools	7110-7143	0	0	0	0	0
Transfers of Pass-Through Revenues to Other LEAs	7211-7213	0	0	0	0	0
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	0	0	0	0	0
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	0	0	0	0	0
All Other Transfers	7280-7299	0	0	0	0	0
Debt Service:						
Interest	7438	0	0	0	0	0
Principal (for modified accrual basis only)	7439	0	0	0	0	0
<b>Total, Other Outgo</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. TOTAL EXPENDITURES</b>		<b>5,790,554</b>	<b>642,751</b>	<b>6,433,305</b>	<b>6,625,362</b>	<b>6,823,222</b>
<b>C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)</b>		<b>1,617,066</b>	<b>0</b>	<b>1,617,066</b>	<b>1,540,310</b>	<b>1,549,966</b>

Description	Object Code	First Interim Budget Unrestricted	First Interim Budget Restricted	First Interim Budget Total	Totals for 2025-26	Totals for 2026-27
<b>D. OTHER FINANCING SOURCES / USES</b>						
1. Other Sources	8930-8979	0	0	0	0	0
2. Less: Other Uses	7630-7699	0	0	0	0	0
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	0	0	0	0	0
<b>4. TOTAL OTHER FINANCING SOURCES / USES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)</b>		<b>1,617,066</b>	<b>0</b>	<b>1,617,066</b>	<b>1,540,310</b>	<b>1,549,966</b>
<b>F. FUND BALANCE, RESERVES</b>						
1. Beginning Fund Balance		0	0			
a. As of July 1	9791	19,117,018	0	19,117,018	20,734,084	22,274,395
b. Adjustments/Restatements to Beginning Balance	9793, 9795	0	0	0	0	0
c. Adjusted Beginning Balance		19,117,018	0	19,117,018	20,734,084	22,274,395
2. <b>Ending Fund Balance, Oct 31 (E + F.1.c.)</b>		<b>20,734,084</b>	<b>0</b>	<b>20,734,084</b>	<b>22,274,395</b>	<b>23,824,360</b>
Components of Ending Fund Balance:						
Reserve for Revolving Cash (equals object 9130)	9711	0	0	0	0	0
Reserve for Stores (equals object 9320)	9712	0	0	0	0	0
Reserve for Prepaid Expenditures (equals object 9330)	9713	0	0	0	0	0
All Others	9719	0	0	0	0	0
Legally Restricted Balance	9740		0	0	0	0
Designated for Economic Uncertainties	9770	321,665		321,665	331,268	341,161
Other Designations	9775, 9780	0	0	0	0	0
Net Investment in Capital Assets (Accrual Basis Only)	9796	0	0	0	0	0
Undesignated / Unappropriated Amount	9790	20,412,419	0	20,412,419	21,943,127	23,483,199

Object	2024-25 First Interim Budget	July	August	September	October	November	December	January	February	
		Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projection	
<b>Actuals required through the month of : October</b>										
<b>A. BEGINNING CASH</b>		14,108,795	22,072,954	21,831,768	21,748,238	21,771,740	21,716,675	21,722,551	22,204,648	
<b>B. RECEIPTS</b>										
LCFF/Revenue Limit Sources										
Principal Apportionment	8010-8019	6,934,807	371,816	371,816	697,854	669,269	669,269	697,854	669,269	546,098
In Lieu Property Taxes	8099	247,941		16,230	32,461	21,641	21,641	21,641	21,641	21,641
Miscellaneous Funds	8080-8098									
Federal Revenue	8100-8299	67,852	0	0	35,052	0	0	0	0	0
Other State Revenue	8300-8599	699,771	166,668	3,892	7,006	7,006	7,006	7,006	7,006	98,836
Other Local Revenue	8600-8799	100,000	4,888	6,395	7,198	8,148	9,171	9,171	9,171	9,171
Interfund Transfers In	8910-8929									
All Other Financing Sources	8930-8979									
<b>TOTAL RECEIPTS</b>		<b>8,050,371</b>	<b>543,372</b>	<b>398,333</b>	<b>779,571</b>	<b>706,064</b>	<b>707,087</b>	<b>735,672</b>	<b>707,087</b>	<b>675,747</b>
<b>C. DISBURSEMENTS</b>										
Certificated Salaries	1000-1999	3,064,072	296,642	319,907	203,380	205,220	254,865	254,865	254,865	254,865
Classified Salaries	2000-2999	951,154	50,783	61,258	74,878	61,730	87,813	87,813	87,813	87,813
Employee Benefits	3000-3999	963,077	125,406	50,784	61,016	87,422	79,806	79,806	79,806	79,806
Books and Supplies	4000-4999	459,400	52,160	52,410	55,302	72,342	28,398	28,398	28,398	28,398
Services	5000-5999	995,602	70,557	45,568	83,762	72,197	90,440	90,440	90,440	90,440
Capital Outlay	6000-6599	0								
Other Outgo	7000-7499									
Interfund Transfers Out	7600-7629									
All Other Financing Uses	7630-7699									
<b>TOTAL DISBURSEMENTS</b>		<b>6,433,305</b>	<b>595,548</b>	<b>529,927</b>	<b>478,338</b>	<b>498,911</b>	<b>541,323</b>	<b>541,323</b>	<b>541,323</b>	<b>541,323</b>
<b>D. BALANCE SHEET ITEMS</b>		<b>Beginning Balances</b>								
<u>Assets and Deferred Outflows</u>										
Cash Not In Treasury	9111-9199	14,108,795								
Accounts Receivable	9200-9299	136,730	(245,553)	(11,587)	(214,295)	54,208	23,960		529,997	
Due From Other Funds	9310		0							
Stores	9320									
Prepaid Expenditures	9330	60,127	40,722							
Other Current Assets	9340	8,658,394	8,657,801							
Deferred Outflows of Resources	9490									
<b>SUBTOTAL</b>		<b>22,964,046</b>	<b>8,452,970</b>	<b>(11,587)</b>	<b>(214,295)</b>	<b>54,208</b>	<b>23,960</b>	<b>0</b>	<b>529,997</b>	<b>0</b>
<u>Liabilities and Deferred Inflows</u>										
Accounts Payable	9500-9599	220,621	169,151	(6,703)	(18,006)	19,864	56,316			
Due To Other Funds	9610	2,311,644	267,484	104,708	188,474	217,996	188,474	188,474	213,664	188,474
Current Loans	9640	0	0	0	0	0	0	0	0	0
Unearned Revenues	9650	1,233,029	0							
Deferred Inflows of Resources	9690									
<b>SUBTOTAL</b>		<b>3,765,294</b>	<b>436,635</b>	<b>98,005</b>	<b>170,468</b>	<b>237,860</b>	<b>244,790</b>	<b>188,474</b>	<b>213,664</b>	<b>188,474</b>
<u>Nonoperating</u>										
Suspense Clearing	9910									
<b>TOTAL BALANCE SHEET ITEMS</b>		<b>19,198,752</b>	<b>8,016,335</b>	<b>(109,592)</b>	<b>(384,763)</b>	<b>(183,651)</b>	<b>(220,830)</b>	<b>(188,474)</b>	<b>316,333</b>	<b>(188,474)</b>
<b>E. NET INCREASE/DECREASE (B - C + D)</b>			<b>7,964,159</b>	<b>(241,186)</b>	<b>(83,530)</b>	<b>23,502</b>	<b>(55,065)</b>	<b>5,876</b>	<b>482,098</b>	<b>(54,050)</b>
<b>F. ENDING CASH (A + E)</b>			<b>22,072,954</b>	<b>21,831,768</b>	<b>21,748,238</b>	<b>21,771,740</b>	<b>21,716,675</b>	<b>21,722,551</b>	<b>22,204,648</b>	<b>22,150,598</b>
<b>G. ENDING CASH, PLUS ACCRUALS</b>										

Object		2024-25 First Interim Budget	March	April	May	June	Accruals	Adjustments	TOTAL
Actuals required through the month of : October			Projection	Projection	Projection	Projection			
<b>A. BEGINNING CASH</b>			22,150,598	22,133,841	22,073,324	22,012,807			
<b>B. RECEIPTS</b>									
LCFF/Revenue Limit Sources									
Principal Apportionment	8010-8019	6,934,807	574,683	546,098	546,098	574,683			6,934,807
In Lieu Property Taxes	8099	247,941	30,348	15,174	15,174	15,174	15,174		247,941
Miscellaneous Funds	8080-8098								0
Federal Revenue	8100-8299	67,852	0	0	0	0	32,800		67,852
Other State Revenue	8300-8599	699,771	98,836	98,836	98,836	98,836	0		699,771
Other Local Revenue	8600-8799	100,000	9,171	9,171	9,171	9,171			100,000
Interfund Transfers In	8910-8929								0
All Other Financing Sources	8930-8979								0
<b>TOTAL RECEIPTS</b>		<b>8,050,371</b>	<b>713,039</b>	<b>669,280</b>	<b>669,280</b>	<b>697,865</b>	<b>47,974</b>	<b>0</b>	<b>8,050,371</b>
<b>C. DISBURSEMENTS</b>									
Certificated Salaries	1000-1999	3,064,072	254,865	254,865	254,865	254,865			3,064,072
Classified Salaries	2000-2999	951,154	87,813	87,813	87,813	87,813			951,154
Employee Benefits	3000-3999	963,077	79,806	79,806	79,806	79,806			963,077
Books and Supplies	4000-4999	459,400	28,398	28,398	28,398	28,398			459,400
Services	5000-5999	995,602	90,440	90,440	90,440	90,440			995,602
Capital Outlay	6000-6599	0							0
Other Outgo	7000-7499								0
Interfund Transfers Out	7600-7629								0
All Other Financing Uses	7630-7699								0
<b>TOTAL DISBURSEMENTS</b>		<b>6,433,305</b>	<b>541,323</b>	<b>541,323</b>	<b>541,323</b>	<b>541,323</b>	<b>0</b>	<b>0</b>	<b>6,433,305</b>
<b>D. BALANCE SHEET ITEMS</b>		<b>Beginning Balances</b>							
<u>Assets and Deferred Outflows</u>									
Cash Not In Treasury	9111-9199	14,108,795							0
Accounts Receivable	9200-9299	136,730							136,730
Due From Other Funds	9310								0
Stores	9320								0
Prepaid Expenditures	9330	60,127							40,722
Other Current Assets	9340	8,658,394							8,657,801
Deferred Outflows of Resources	9490								0
<b>SUBTOTAL</b>		<b>22,964,046</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,835,253</b>
<u>Liabilities and Deferred Inflows</u>									
Accounts Payable	9500-9599	220,621							220,622
Due To Other Funds	9610	2,311,644	188,474	188,474	188,474	188,474			2,311,644
Current Loans	9640	0	0	0	0	0			0
Unearned Revenues	9650	1,233,029							0
Deferred Inflows of Resources	9690								0
<b>SUBTOTAL</b>		<b>3,765,294</b>	<b>188,474</b>	<b>188,474</b>	<b>188,474</b>	<b>188,474</b>	<b>0</b>	<b>0</b>	<b>2,532,265</b>
<u>Nonoperating</u>									
Suspense Clearing	9910								0
<b>TOTAL BALANCE SHEET ITEMS</b>		<b>19,198,752</b>	<b>(188,474)</b>	<b>(188,474)</b>	<b>(188,474)</b>	<b>(188,474)</b>	<b>0</b>	<b>0</b>	<b>6,302,988</b>
<b>E. NET INCREASE/DECREASE (B - C + D)</b>			<b>(16,758)</b>	<b>(60,517)</b>	<b>(60,517)</b>	<b>(31,932)</b>	<b>47,974</b>	<b>0</b>	<b>7,920,054</b>
<b>F. ENDING CASH (A + E)</b>			<b>22,133,841</b>	<b>22,073,324</b>	<b>22,012,807</b>	<b>21,980,875</b>			
<b>G. ENDING CASH, PLUS ACCRUALS</b>									<b>22,028,850</b>

## **Method Schools Board of Directors POLICY**

### **Fiscal Policies & Procedures – BP 2023-1**

#### **Overview**

The Board of Directors of Method Schools has reviewed and adopted the following fiscal policies and procedures to ensure the most effective use of the funds of Method Schools. The purpose of the adopted policies is to support the mission of Method Schools and to ensure funds are budgeted, accounted for, expended, and maintained appropriately.

1. The Board of Directors formulates financial policies and procedures and can delegate administration of the policies and procedures to the Directors and reviews operations and activities on a regular basis.
2. The Directors have responsibility for all operations and activities related to financial management.
3. Financial duties and responsibilities must be separated so that no one employee has sole control over cash receipts, disbursements, payrolls, and reconciliation of bank accounts.
4. The Board of Directors will commission an annual financial audit by an independent third-party auditor who will report to the Directors. The Board of Directors will approve the final audit report and a copy will be provided to the charter-granting agency. Any audit exceptions and/or deficiencies will be resolved to the satisfaction of the Board of Directors and the charter-granting agency.
5. The Governance Board can appoint another individual within the organization to perform the Director's responsibilities in the case of absence.

## **PURCHASING**

### Overview

The Governing Board recognizes the importance of developing a system of internal control procedures to help fulfill its obligation to monitor and safeguard school resources. To facilitate warrant processing, the Director(s) or designee (Business Office) shall ensure that purchasing, receiving, and payment functions are kept separate. He/she shall also ensure that invoices are paid expeditiously so that the school may, to the extent possible, take advantage of available discounts and avoid finance charges.

### Specific Policies & Procedures Related to Purchasing

1. The Director(s) or designee may authorize expenditures and may sign related contracts within the approved budget. The Directors or designee must approve all purchases. Purchase requisitions, authorizing the purchase of all items (format to be provided by Business Office), must be approved by the Directors or designee, and submitted to Business Office with the related invoice.
2. Staff members authorized to make purchase requests or use AMEX cards shall enter each request in the purchasing module in SmartFox.
3. Expenditures should be pre-approved by a director or executive team member PRIOR to purchasing
4. When approving purchases, the authorized approver must:
  - A. Determine if the expenditure is budgeted
  - B. Determine if funds are currently available for expenditures (i.e. cash flow)
  - C. Determine if the expenditure is allowable under the appropriate revenue source
  - D. Include the proper account coding
  - E. Determine if the price is competitive and prudent, and the expenditure is appropriate and consistent with the vision, approved charter, school policies and procedures, and any related laws or applicable regulations. All purchases over \$25,000 must include documentation of 'Good Faith' effort to obtain the possible cost for comparable goods and services.
5. The Board of Directors will review all expenditures via approval of a check register presented at each meeting of the Board. The check register will list all checks written during a set period and includes check #, payee, date, and amount.
6. The Board of Directors must approve contracts over \$50,000.

### Credit Cards

The Directors may authorize an individual to use a school credit card to make an authorized purchase on behalf of the school, consistent with guidelines provided by the Directors and/or Board of Directors.

- A. The Purchasing policy applies to all credit card use
- B. Related documentation of all purchases will be reconciled on a monthly basis.
- C. If receipts are not available or are “missing”, the individual responsible for the charge will be responsible for the payment.
- D. Credit cards will bear the names of Method School and the corresponding Director.

## CONTRACTS

### Overview

The Governing Board recognizes its responsibility to enter into contracts on behalf of the school for the acquisition of equipment, supplies, services, and other resources necessary for the achievement of school goals. In exercising this authority to enter into a contract, the Board shall ensure that the school's interest is protected and that the terms of the contract conform to applicable legal standards.

The Board may, by a majority vote, delegate to the Director(s) or designee (Business Office) the authority to enter into contracts on behalf of the school.

### Specific Policies & Procedures Related to Contracts

1. Consideration will be made of in-house capabilities to accomplish services before contracting for them.
2. Office staff will maintain a contract file evidencing the competitive bids obtained (if any) and the justification of need for any contracts over \$50,000.
  - a. Competitive bids will be obtained where required by law or otherwise deemed appropriate and in the best interests of the school.
3. Written contracts clearly defining work to be performed will be maintained for all contract service providers (i.e. consultants, independent contractors, subcontractors).
4. Contract service providers must show proof of being licensed and bonded, if applicable, and of having adequate liability insurance and worker's compensation insurance currently in effect. The Directors may also require that contract service providers list the school as an additional insured.
5. If the contract service provider is a sole proprietor or a partnership (including LP, and LLP), the School will obtain a W-9 from the contract service provider prior to submitting any requests for payments to Business Office.
6. The Directors will approve proposed contracts and modifications in writing.
7. Contract service providers will be paid in accordance with approved contracts as work is performed.
8. The Director(s) are responsible for ensuring the terms of the contracts are fulfilled.



9. Potential conflicts of interest will be disclosed upfront, and the Directors and/or Member(s) of the Board of Directors with the conflict will excuse themselves from discussions and from voting on the contract in accordance with the Board approved Conflict of Interest Policy on file.

## **EMPLOYEE REIMBURSEMENTS**

### **Expense Reimbursements**

1. Any individual making an authorized purchase on behalf of the school must provide Business Office with appropriate documentation of the purchase.
2. Employees will be reimbursed for expenditures within thirty (30) days of presentation of appropriate documentation.
3. Authorized purchases will be promptly reimbursed thru payroll or by bank check upon receipt of appropriate documentation of the purchase. (method of payment is at the discretion of Method Schools).
4. The employee and the Director(s) must sign the expense report.
5. Expenses greater than two months old may not be reimbursed.
6. Employees will complete expense reports monthly, as necessary, to be submitted to Business Office.
7. Individuals who use personal funds to make unauthorized purchases will not be reimbursed.

### **Travel/Professional Development Reimbursements**

1. Purpose - This policy outlines the reimbursement guidelines for employees traveling on behalf of Method Schools. The policy is designed to ensure compliance with General Services Administration (GSA) rates for per diem expenses while providing flexibility for higher expenses with executive approval when necessary.

2. Scope - This policy applies to all employees who travel for business purposes and seek reimbursement for travel-related expenses.

The Director of the employees' department must pre-approve all out-of-town travel.

The Directors must pre-approve all Professional Development requests – See PD approval procedures.

3. Per Diem Rates - Method Schools follows the GSA-established rates for per diem allowances for lodging, meals, and incidental expenses. Employees can choose to be reimbursed for meal and incidental expenses in one of the following ways:

- Option 1: GSA Per Diem Reimbursement

Employees may claim the GSA per diem rate for the location to which they are traveling. Under this option, no receipts are required for meals and incidental expenses, as the GSA rate covers these costs.

- Option 2: Company P-Card Usage

If a company purchasing card (P-Card) is issued to the employee, it may be used for meal and incidental expenses. However, receipts must be provided as backup documentation for all transactions made with the P-Card. P-card use should be for

allowable expenses under the GSA rate, unless executive approval has been obtained for exceptions (see Section 5).

**4. Lodging Expenses** - Employees will be reimbursed for overnight stays at hotels/motels when pre-approved by the Directors and the event is more than 50 miles from either the employee's residence or the school site.

Employees are required to book lodging at or below the GSA lodging rate for the location where they are staying. If the lodging rate exceeds the GSA rate due to unavailability or other legitimate reasons (e.g., a conference requiring specific accommodations), the employee must obtain executive approval prior to booking the higher-cost lodging.

**5. Expenses Exceeding GSA Rates** - In some circumstances, such as conferences, industry events, or high-demand periods, it may not be possible to book lodging or cover meal costs within the GSA rates. In these cases:

- Employees may submit a request for **Executive Approval** to incur expenses beyond the GSA rates.
- The request must include documentation showing that the higher rates are necessary and unavoidable (e.g., conference hotel requirements, peak travel season).
- **Executive Approval** must be obtained in advance of travel.

**6. Mileage Reimbursement:**

- Employees may be approved to use Method vehicles for work related travel.
- Employees will be reimbursed for mileage in their personal vehicle when pre-approved by the Directors.
- Mileage will be reimbursed at the annual IRS mileage rate for the distance traveled, less the distance from the employee's residence to the school site for each direction traveled.

**7. Receipts and Documentation**

- Per Diem Option: No receipts are required for lodging, meals and incidental expenses if the employee opts for the GSA per diem and stays within the rates. An employee travel reimbursement form must be submitted in SmartFox purchasing.
- P-Card Usage: Receipts must be provided for all P-Card transactions. Any expenses charged to the P-Card that exceed GSA rates without executive approval will not be reimbursed and may become the responsibility of the employee. P-card expenses and related documentation must be submitted in SmartFox purchasing.

**8. Non-Reimbursable Expenses**

The following are examples of non-reimbursable expenses:

- Personal entertainment (movies, tours, etc.)
- Upgrades to hotel rooms or airfare beyond what is necessary for business purposes (unless pre-approved)
- Alcoholic beverages

**9. Procedure for Submitting Reimbursement**

Employees must submit reimbursement requests in SmartFox purchasing within 30 days of completing their travel. The reimbursement package must include:

- A completed employee expense report form
- Receipts (if P-Card was used or expenses exceed GSA rates)
- Documentation for any expenses exceeding GSA rates, with corresponding executive approval if applicable

Employees will be reimbursed via direct deposit with the payroll in which their submission is made (payroll dates are typically 9<sup>th</sup>-24<sup>th</sup> paid on the last day of the month and 25<sup>th</sup>-8<sup>th</sup> paid on the 15<sup>th</sup>)

#### 10. Enforcement

Failure to comply with this policy may result in delayed or denied reimbursement and may lead to disciplinary action, including loss of P-Card privileges. Unauthorized purchases will not be reimbursed.

This policy aims to maintain clarity and fairness in handling travel expenses, ensuring that both employees and Method Schools are protected while adhering to GSA guidelines.

### **Board of Director Expenses**

1. Similar to employees, if a Board member incurs authorized expenses while carrying out the duties of the school, the Board member will be required to complete and sign an expense report providing all corresponding expense receipts.
2. The Director(s) will approve the expense report and submit it to the Business Office for processing.

## ACCOUNTS PAYABLE

### Bank Check Authorization

1. All original invoices will immediately be forwarded to the Directors for approval. The Directors will carefully review each invoice, attach all supporting documentation, and verify that the specified services and/or goods were received. When receiving tangible goods from a vendor, the person designated to receive deliveries should trace the merchandise to the packing list and note any items that were not in the shipment. The packing list should be submitted to the school's Business Office with the invoice.
2. Once invoices are approved by the Directors a check authorization will be provided and an allocation to the specific budget line will be noted when applicable. All approved invoices will be sent to the Business Office on a weekly basis. (It is the responsibility of the Directors to be aware of invoice due dates to avoid late payments and fees.) The Business Office will only process invoices with sufficient supporting documentation and will communicate with the Directors if documentation is missing, before paying all expenditures.
3. The Directors may authorize the Business Office to pay reoccurring expenditures (i.e., Utilities, Rent) without the Director's formal approval on the invoice when dollar amounts fall within a predetermined range. A list of the applicable vendors and invoice dollar range for each vendor must be provided to the Business Office on an annual basis.

### Bank Checks

1. The Board of Directors will approve in advance the list of authorized signers on the school account. The Directors, Board Treasurer and any other employee (designated by the Board) may sign bank checks within the established limitations.
2. The Board of Directors authorized the school's Directors to open and close bank accounts.
3. The Directors in conjunction with the Business Office will be responsible for all blank checks and will keep them under lock and key.
4. When there is a need to generate a bank check, the Directors will send appropriate and approved documentation to the Business Office.

5. Once approved by the Directors, the Business Office will process checks based on authorized approval. The Business Office will be provided a facsimile signature stamp of the school's Director(s) for check processing.
6. Checks may not be written to cash or bearer and under no circumstance will any individual sign a blank check.
7. Business Office will record the check transaction(s) into the school's General Ledger using the appropriate budget account code.
8. Business Office will distribute the checks as followed:
  - a. Original: Mailed or delivered to payee
  - b. Duplicate or Voucher: Attached to the invoice and filed by vendor name by Business Office with a duplicate copy attached in the school's General Ledger
  - c. Cancelled Checks: Will be filed numerically with bank statements
9. Voided Checks: Will have VOID written in ink. Original checks will be attached to the duplicate and forwarded to the Business Office provide who will attach any other related documentation.
10. Stale Dated Checks/Unclaimed Property: Under the Federal Uniform Commercial Code, checks are valid for 6 months. The state of California uses the UCC as model law, thus Method checks are valid for 6 months, beyond that term checks are considered state dated and a bank may/may not accept for deposit.

Per state law, a payee has four years to collect on payments recorded in writing. Method will attempt to contact payee to re-issue stale dated checks. Checks older than 4 years will be considered permanently stale and written off to Method's balance sheet.

Any unclaimed cashier's checks or money orders are subject to CA Escheat. However, the institution (ie bank) the item is drawn on is responsible.

The State Controller's Office describes unclaimed property:

Unclaimed property is generally defined as any financial asset left inactive by its owner for a period, typically three years. California unclaimed property law does not include real estate. The most common types of unclaimed property are:

- Bank accounts and safe deposit box contents
- Stocks, mutual funds, bonds, and dividends
- Uncashed cashier's checks and money orders
- Certificates of deposit
- Matured or terminated insurance policies.
- Estates Mineral interests and royalty payments
- Trust funds and escrow accounts
- Utility account deposits

### Bank Reconciliation

1. Bank Statements will be reviewed jointly by the Director(s) and the Business Office.
2. Business Office will conduct thorough analysis of bank statement examining all paid checks and deposits for date, name, amount and endorsement. Any discrepancies regarding paid checks or deposits will be further researched and brought to the attention of the Director(s).
3. The Business Office will prepare the bank reconciliation thru bank account statement verifications and will facilitate any necessary adjustments.
4. The Business Office will compare the reconciled bank balance to the cash in the bank account and General Ledger. Any material discrepancies will be reported immediately to the Director(s).

## **Accounts Receivable**

1. Documentation will be maintained for accounts receivable and forwarded to Business Office.
2. Accounts receivable will be recorded by Business Office in the school's General Ledger and collected on a timely basis.

## Cash Receipts (Cash and Checks)

The school will use the guidelines as set forth by the school's Auditors and GASB Accounting Guidelines and practices.

## Returned Check Policy

1. A returned-check processing fee will be charged for checks returned as non-sufficient funds (NSF). Unless otherwise pre-approved by Business Office or Directors, payment of the NSF check and processing fee must be made by money order or certified check.
2. In the event that a second NSF check is received for any individual, in addition to the processing fee, the individual will lose check-writing privileges. Payment of the NSF check, the processing fee and any subsequent payment(s) by that individual must be made by money order or certified check.
3. In the case of NSF checks written by parents of students, failure to pay may result in the withholding of report cards/transcripts at the end of the semester and/or school year until payment is received, unless other mutually agreeable arrangements are approved by the Director(s) and/or Governing Board.
4. If unsuccessful in collecting funds owed, the school may initiate appropriate collection and/or legal action at the discretion of the Directors and/or Governing Board.

(\*As of the Policy Adoption Method did not maintain a Petty Cash account)

## Petty Cash

1. The Directors will manage the petty cash fund.
2. The petty cash fund will be capped at \$600.00.
3. All petty cash will be kept in a locked petty cash box in the safe.
4. All disbursements will require a completed and signed petty cash slip. A register receipt for all purchases must be attached to the petty cash slip.
5. At all times the petty cash box will contain receipts and cash totaling \$600.00. A register receipt must support the petty cash slip. The individual



- using the petty cash to make a purchase is responsible for submitting the receipt for the petty cash slip to the Directors within 48 hours of withdrawing the petty cash.
6. When expenditures total \$450.00 (when cash balance is reduced to \$150.00), the Director will total the disbursement and complete a petty cash reimbursement form. This should be done on at least a quarterly basis. The petty cash slips and supporting receipts will be attached to the reimbursement request form and forwarded to the Business Office.
  7. Petty cash fund reimbursement checks will be made payable to the Directors.
  8. Any irregularities in the petty cash fund will be immediately reported in writing to the Directors.
  9. Loans will not be made from the petty cash fund.

## **Financial Reporting**

The Director(s) or designee (Business Office) shall ensure that all financial reports are prepared in accordance with law and in conformity with generally accepted accounting principles and financial reporting standards stipulated by the Governmental Accounting Standards Board and the California Department of Education (CDE). The Director(s) in accordance with the Business Office shall establish a system of ongoing internal controls to ensure the reliability of financial reporting.

When required by law or the Board, the Director(s) or designee (Business Office) shall submit to the Board reports of the school's financial status, including, but not limited to, any report specified in this Board policy or accompanying administrative regulation. When any such report must be approved by the Board prior to its submission to a local, state, and/or federal agency, the Director(s) or designee (Business Office) shall provide the report to the Board in sufficient time to enable the Board to carefully review the report and meet any applicable submission deadline.

The Board shall regularly communicate the school's financial position to the public and shall use financial reports to determine what actions and budget amendments, if any, are needed to ensure the school's financial stability.

### Unaudited Actual Receipts and Expenditures

On or before September 15, the Board shall approve and file with the County Director(s) a statement of the school's unaudited actual receipts and expenditures for the preceding fiscal year. The Director(s) or designee (Business Office) shall prepare this statement using the state's standardized account code structure (SACS) as prescribed by the Superintendent of Public Instruction (SPI). (Education Code 42100).

### Interim Reports

The Director(s) or designee (Business Office) shall submit two interim fiscal reports

to the Board, the first report covering the school's financial and budgetary status for the period ending October 31 and the second report covering the period ending January 31. The reports and supporting data shall be made available by the school for public review. (Education Code 42130)

Within 45 days after the close of the period reported, the Board shall approve the interim report and certify, on the basis of the interim report and any additional financial information known by the Board.

### Annual Audit

The Board of Directors will annually select an audit by March 15th to conduct the annual audit.

The audit shall include, but not be limited to:

- A. An audit of the accuracy of the financial statements
- B. An audit of the attendance accounting and revenue accuracy practices
- C. An audit of the internal control practice

To conduct the audit, the Board shall select a certified public accountant or public accountant licensed by the State Board of Accountancy from among those deemed qualified by the State Controller.

No later than December 15, the report of the audit for the preceding fiscal year shall be filed with the County Superintendent.

### Budget Development and Adoption Process

In order to provide guidance in the development of the budget, the Board shall annually establish budget priorities based on identified school needs and goals and on realistic projections of available funds.

The Director(s) or designee (Business Office) shall oversee the preparation of a proposed school budget for approval by the Board and shall involve appropriate staff in the development of budget projections.

The Board shall adopt the school budget on or before July 1 of each year. (Education Code 42127)

At a public meeting held on a date after the public hearing on the budget, the Board

shall adopt the budget following its adoption of the LCAP or an annual update to the LCAP at the same meeting. The budget shall include the expenditures necessary to implement the LCAP or the annual update to the LCAP. (Education Code 42127)

The budget that is formally adopted by the Board shall adhere to the state's Standardized Account Code Structure as prescribed by the Superintendent of Public Instruction. (Education Code 42126, 42127).

## **Liabilities / Insurance/ Records Retention**

### Loans

1. The Directors and the Board of Directors will approve all loans from third parties. In the case of a long-term loan, approval may also be required from the charter-granting agency in accordance with the terms of the charter petition and/or other lenders in accordance with the loan document.
2. Once approved, a promissory note will be prepared and signed by the Directors before funds are borrowed.
3. Employee loans are not allowed.

### Financial Institutions

1. All funds will be maintained at a high quality financial institution according to California code and Method Investment Policy 3040.
2. All funds will be maintained or invested in high quality, short maturity, and liquid funds.
3. Physical evidence will be maintained on-site for all financial institution transactions.

### Retention of Records

1. Financial records, such as transaction ledgers, canceled/duplicate checks, attendance and entitlement records, payroll records, and any other necessary fiscal documentation will be retained for a minimum of seven (7) years. At the discretion of the Board of Directors or Directors, certain documentation may be maintained for a longer period of time.
2. Business Office will retain records at their site for a minimum of two (2) years; after which, the remaining five years will be the responsibility of the School.
3. Financial records will be shredded at the end of their retention period.

4. Appropriate back-up copies of electronic and paper documentation, including financial and attendance accounting data, will be regularly prepared and stored in a secure off-site location, separate from the school.

### Insurance

1. Business Office will work with the Directors to ensure that appropriate insurance is maintained at all times with a high quality insurance agency.
2. The Directors and Business Office will maintain the files of insurance policies, including an up-to-date copy of all certificates of insurance, insurance policies and procedures, and related claim forms.
3. The Directors and Business Office will carefully review insurance policies on an annual basis, prior to renewal.
4. Insurance will include general liability, worker's compensation, student accident, professional liability, and directors' and officers' coverage. Supplementary coverage will cover the after-hours and weekend activities. Coverage will be in line with the limits listed in the school's approved charter petition.

## **Fund Balance**

### Overview

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The Fund Balance Policy should be established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the school to be in a strong fiscal position that will allow for better position to weather negative economic trends.

### Unassigned Fund Balance

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the School's governing board. In the event of projected revenue shortfalls, it is the responsibility of the Chief Business Official to report the projections to the school's governing board on a quarterly basis and shall be recorded in the minutes.

Any budget revision that will result in the Unassigned Fund Balance dropping below the minimum level will require the approval of 2/3 vote of the school's governing board.

The Fund Balance Policy establishes a minimum Unassigned Fund Balance equal to 3% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the School's governing board will develop a plan to replenish the fund balance to the established minimum level within five years.

### Minimum Fund Balance

The school is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The school's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 10 percent of budgeted expenditures and other financing uses. The minimum fund balance/reserve of 10% is to ensure the school's ability to provide necessary services for 2-3 months of operations.

If the reserves are drawn down below the minimum required level of 10 percent, then a budgetary plan shall be implemented to return the reserve to a minimum 10 percent level in no more than a 5- year period. The progress of replenishment shall be reported in the annual budget.

## **Management of School Assets / Accounts**

### Overview

The Governing Board recognizes its fiduciary responsibility to effectively manage and safeguard the school's assets and resources in order to help achieve the school's goals for student learning. The Director(s) or designee (Business Office) shall establish and maintain an accurate, efficient financial management system that enhances the school's ability to meet its fiscal obligations, produces reliable financial reports, and complies with laws, regulations, policies, and procedures. He/she shall ensure that the school's accounting system provides ongoing internal controls and meets generally accepted accounting standards.

### Internal Controls/Fraud Prevention

The Board expects Board members, employees, consultants, vendors, contractors, and other parties maintaining a business relationship with the school to act with integrity and due diligence in dealings involving the school's assets and fiscal resources.

The Director(s) or designee (Business Office) shall develop internal controls which aid in the prevention and detection of fraud, financial impropriety, or irregularity within the school. These internal controls may include, but are not limited to, segregating employee duties relating to authorization, custody of assets, and recording or reporting of transactions; providing detailed, written job descriptions explaining the segregation of functions; adopting an integrated financial system; conducting background checks on business office employees; and requiring continuous in-service training for business office staff on the importance of fraud prevention.

All employees shall be alert for any indication of fraud, financial impropriety, or irregularity within their area of responsibility. Any employee who suspects fraud, impropriety, or irregularity shall immediately report those suspicions to his/her immediate supervisor and/or the Director(s) or designee (Business Office). In addition, the Director(s) or designee (Business Office) shall establish a method for employees and outside persons to anonymously report any suspected instances of fraud, impropriety, or irregularity.

The Director(s) or designee (Business Office) shall have primary responsibility for



any necessary investigations of suspected fraud, impropriety, or irregularity, in coordination with legal counsel, the school's auditors, law enforcement agencies, or other governmental entities, as appropriate.

The Director(s) or designee (Business Office) shall provide regular reports to the Board on the status of the school's internal control procedures and recommend any necessary revisions to related Board policies or administrative regulations.

### Asset & Equipment Inventory

#### Assets

1. An asset is defined as any individual item, purchased or donated, with a value of \$5000 or more and with a useful life of more than one year.
2. All receipts for purchased assets shall be attached to the purchase request in SmartFox and saved with the transaction in the accounting system.
3. Business Office will maintain an inventory or log of all assets. The log will include the original purchase price and date, a brief description, serial numbers, and other information appropriate for documenting assets.
4. Business Office will take a physical inventory of all assets at least 90 days before the end of each fiscal year, indicating the condition and location of the asset.
5. The Directors will immediately be notified of all cases of theft, loss, damage or destruction of assets.
6. The Directors will submit to Business Office written notification of plans for disposing of assets with a clear and complete description of the asset and the date of disposal.

#### Equipment

1. Equipment includes items such as computers, tech devices and accessories that do not exceed the \$5000 asset threshold.
2. All receipts for purchased equipment shall be attached to the purchase request in SmartFox and saved with the transaction in the accounting system.
3. Devices loaned to students for academic purposes shall be tracked/logged during the enrollment process. (See Policy BP 2022-1)
4. Devices provided to employees shall be tracked/logged during the onboarding process. (See Policy BP 2022-1).
5. The Directors will immediately be notified of all cases of theft, loss, damage or destruction of equipment.

Revised 12/10/2024



## **2024-25 December Performance Bonus for Staff**

Leadership proposes a one-time salary enhancement to be paid in December 2024 for the following amounts:

- Full time staff members: 1.5%
- Part-time staff members: \$500

Full time and part time as classified in Zenefits.

Leadership originally proposed a 2.5% performance bonus based on the organization meeting 24-25 OKRs for the first semester. As not all OKRs were met, leadership proposes a 0.5% bonus for OKRs.

An additional 1% for Academic Growth is proposed. Method increased the CA dashboard indicators for each school to perform at a minimum of middle category.

This proposal is a board action item and requires board approval.



## Method Schools Leave Policy BP 4140

**Board Approval: 12/13/2022**

**Revised 12/10/2024:**

### Medical and Caregivers' Leave

Method Schools may provide up to 3 weeks of leave, paid at 100% of the employee's regular rate of pay, in order to care for a family member or in the case of the employee's own serious medical condition, per the stipulations listed below:

- To care for a family member with a serious health condition who is the employee's: Spouse, parent or child under age 18, or age 18 or older who is incapable of self-care. A domestic partner, child or registered domestic partner's child of any age, sibling, grandparent, or grandchild.
- The employee's own serious health condition that makes the employee unable to perform his or her job, excluding leave for the medical disability related to pregnancy and birth. This leave does not apply to family bonding/birth of a child
- Doctor's note may be required

### Bereavement

Employees may be allowed up to 2 consecutive weeks off, paid at 100% of the employee's regular rate of pay, to arrange and attend the funeral of an immediate family member. For purposes of this policy, an employee's immediate family member includes a current spouse, parent, legal guardian, sibling, child, current parent-, sister-, or brother-in-law, grandparent, grand child, or domestic partner.

### Reproductive Leave Loss

In the event of a reproductive loss, Method will provide the employee with up to 5 days of paid leave

**DEFINITIONS** A reproductive loss event is any of the following:

- Miscarriage
- Stillbirth
- Failed adoption – for example, if a birth mother or legal guardian breaches or dissolves an adoption agreement, or if an adoption is not finalized for another

**reason**

- Failed surrogacy – for example, if a surrogate breaches or dissolves a surrogacy agreement, or if an embryo transfer fails
- Unsuccessful assisted reproduction – for example, a failed intrauterine insemination or embryo transfer

**ELIGIBILITY**

- Employees who work for public employers of any size – or private employers with five or more employees – and have worked for the employer for at least 30 days before taking leave are eligible.
- An employee can take leave following their own reproductive loss event or that of another person – such as a spouse or partner – if the employee would have been the parent of the child born or adopted.
- It is against the law for an employer to interfere with or deny an employee's right to take leave after a reproductive loss if they meet the above criteria.

**TIMING AND DURATION OF LEAVE**

The law requires employers to provide eligible employees with a minimum of five days of leave for a reproductive loss event. Employees can, but do not have to, take their leave days consecutively. This means they can choose to take all five days at once or break up the days over a longer period, as long as their leave is completed within three months of the reproductive loss event. If an employer has an existing leave policy that applies to reproductive loss events, the employee must take reproductive loss leave according to that policy. An employer's policy may provide for more leave than the legally required minimum. When a single reproductive loss event occurs over several days, the law treats it as one event. If an employee experiences more than one reproductive loss event in a year, they are entitled to no more than 20 days of reproductive loss leave in that one-year period unless an individual employer's leave policy provides for more time. Reproductive loss leave is separate from, and in addition to, other types of leave to which employees are entitled. Examples include, leave to care for one's own serious health condition or that of certain family members available under the California Family Rights Act (CFRA) and Family and Medical Leave Act (FMLA), or leave for disabilities related to pregnancy or childbirth available under FEHA. If an employee is on

**Family Bonding Leave**

Method Schools understands and respects the family care and bonding needs of its employees. In concurrence with the 12 weeks unpaid Family and Medical Leave Act and the California Family Rights Act, Method offers the following paid bonding leave to eligible employees after the birth of a child:

- Birth mother: 8 weeks paid leave
- Non-birth parent: 4 weeks paid leave

- 12-week job protection

Staff members employed with Method for a minimum of six months but less than one year qualify for the following:

- Birth mother: 4 weeks paid leave
- Non-birth parent: 2 weeks paid leave
- Job protection for the duration of leave

### **Purpose/Objective**

The federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA) provide eligible employees the opportunity to take unpaid, job-protected leave for certain medical and nonmedical needs for themselves and family members. Each of these leaves is explained below. The maximum amount of leave available under this policy is twelve (12) weeks of CFRA leave in a 12-month period and twenty-six (26) weeks of FMLA leave (where military caregiver leave applies) in a 12-month period, some or all of which may run concurrently. For more information regarding leave under this policy, employees should contact Human Resources.

### **Eligibility**

To be eligible for leave under this policy, employees must meet all of the following requirements:

1. Have worked at least twelve (12) months for Method Schools in the preceding seven (7) years (exceptions apply to the seven-year requirement).
2. Have worked at least 1,250 hours for Method Schools over the twelve (12) months preceding the date the leave would commence.
3. FMLA only: Currently work at a location where there are at least fifty (50) employees within seventy-five (75) miles.

All periods of absence from work due to or necessitated by service in the uniformed services are counted as hours worked in determining eligibility.

### **Conditions Triggering Leave**

The FMLA and CFRA have differing definitions of "family member," and only the FMLA allows employees to take up to twenty-six (26) weeks of leave to provide care for an injured military family member. Because of this, FMLA and CFRA leaves may not always run concurrently. In general, CFRA/FMLA leave may be taken for any of the following reasons:

Reasons for Leave (See related definitions at the end of the policy.)		CFRA	FMI A	Both
To care for or bond with:	An employee's newborn child or newly placed foster or adopted child.			X
	A domestic partner's newborn child or newly placed foster or adopted child.	X		
To care for a family member with a serious health condition who is the employee's:	Spouse, parent or child under age 18, or age 18 or older who is incapable of self-care.			X
	A domestic partner, child or registered domestic partner's child of any age, sibling, grandparent, or grandchild.	X		
The employee's own serious health condition that makes the employee unable to perform his or her job, excluding leave for the medical disability related to pregnancy and birth.				X
The employee's own medical disability related to pregnancy and birth.			X	

A qualifying military exigency related to the covered active duty or call to covered active duty of an employee's spouse, parent or child in the United States armed forces.			X
Military caregiver leave for a service member with a serious health condition (defined under "Definitions") who is the employee's spouse, domestic partner, child, parent or next of kin.*		X	

\*CFRA leave will run concurrently when the family member, regardless of military status and with the exception of next of kin, meets the standard criteria for a serious health condition.

### The 12-Month Measurement Period

Method Schools measures the period of twelve (12) months in which leave is taken by [*enter defined 12-month period*].

For military caregiver leave, an eligible employee may take up to twenty-six (26) workweeks of leave in a single 12-month period. The single 12-month period begins on the first day leave is taken to care for a covered service member and ends twelve (12) months thereafter, regardless of the method used to determine leave availability for other CFRA/FMLA-qualifying reasons.

### Intermittent and Reduced-Schedule Leave

Eligible employees may take leave in a single block of time, intermittently (in separate blocks of time) or by reducing the normal work schedule. [*Optional: Intermittent leave to bond with a new child must be taken in two-week increments, with a shorter duration allowed on two occasions.*]

Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt Method Schools' operations. Intermittent leave is permitted in the same increments as provided in Method School's [vacation, sick or paid-time-off leave] policy.

### **Interaction with Paid Leave**

Depending on the purpose of the leave request, employees may choose (or Method Schools may require employees) to use accrued paid leave (such as sick leave, vacation or paid time off) concurrently with some or all of the leave taken under this policy. To use paid leave for FMLA/CFRA leave, eligible employees must comply with Method Schools normal procedures (e.g., call-in procedures, advance notice) for the applicable paid-leave policy. Employee paid-leave accruals (paid time off, vacation, sick leave) will continue while paid leave is being used during periods of FMLA/CFRA absence and in accordance with those individual policies.

Employee paid-leave accruals will not continue during unpaid periods of FMLA/CFRA absence or when only disability payments are being received.

### **Maintenance of Health Benefits**

If employees and/or their families participate in Method School's group health plan, Method Schools will maintain coverage during FMLA/CFRA leave on the same terms as if employees had continued to work. If applicable, employees must make arrangements to pay their share of health plan premiums while on leave. In some instances, Method Schools may recover the premiums it paid to maintain health coverage or other benefits for employees and/or their families while employees were absent. Use of FMLA/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of leave under this policy. Employees should consult the applicable benefit plan document for information regarding eligibility, coverage and benefits.

### **Procedures**

When seeking leave under this policy, employees must provide the following to Human Resources:

1. Thirty (30) days' notice of the need to take FMLA/CFRA leave if the need for leave is foreseeable. In the case of unforeseeable leave, notice must be provided as soon as practicable and in compliance with Method Schools' normal call-in

procedures, absent unusual circumstances.

2. Medical certification supporting the need for leave due to a serious health condition affecting the requesting employee or a covered family member or service member within fifteen (15) calendar days of Method Schools' request for the certification (additional time may be permitted in some circumstances). Second or third medical opinions may also be required when allowed.
3. For qualifying exigency leave: Within fifteen (15) days of the request, an employee requesting qualifying exigency leave may be required to provide appropriate supporting documentation in the form of a copy of the covered military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member.
4. An employee must provide periodic reports as deemed appropriate during the leave regarding the employee's status and intent to return to work.
5. [*Optional: A return-to-work release before returning to work if the leave was due to the employee's serious health condition.*]

Failure to comply with these requirements may result in delay or denial of leave or disciplinary action, up to and including termination. Leave under this policy will be governed by and handled in accordance with CFRA- and FMLA-applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### **Employer Responsibilities**

To the extent required by law, Method Schools will inform employees whether they are eligible for leave under the FMLA/CFRA. Should employees be eligible for FMLA/CFRA leave, Method Schools will provide eligible employees with a notice that specifies any additional information required, as well as their rights and responsibilities. Method Schools will also inform employees if leave will be designated as FMLA/CFRA-protected and, to the extent possible, note the amount of leave counted against employees' leave entitlement. If employees are not eligible for FMLA/CFRA leave, Method Schools will provide a reason for the ineligibility.



### **Job Restoration**

Upon returning from FMLA/CFRA leave, employees will typically be restored to their original position or to an equivalent position with equivalent pay, benefits and other employment terms and conditions.

### **Failure to Return After Leave**

If an employee fails to return to work as scheduled after FMLA/CFRA leave or if an employee exceeds the authorized FMLA/CFRA entitlement, the employee will be subject to Method Schools's other applicable leave of absence, accommodation and attendance policies. This may result in termination if the employee has no other Method Schools -provided leave available to her or him that applies to the continued absence. Likewise, following the conclusion of the FMLA/CFRA leave, Method Schools' obligation to maintain the employee's group health plan benefits ends (subject to any applicable COBRA rights).

### **Military Caregiver Leave**

Military caregiver leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illness while on active duty. Within the single 12-month period described above, an eligible employee may take a total of twenty-six (26) weeks of CFRA/FMLA leave, including up to twelve (12) weeks of leave for any other CFRA/FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the single 12- month period, an eligible employee may take up to sixteen (16) weeks of CFRA/FMLA leave to care for a covered service member when combined with up to ten (10) weeks of CFRA/FMLA leave to care for a newborn child.

Military caregiver leave applies on a per-injury basis for each service member. Consequently, an eligible employee may take separate periods of caregiver leave for each covered service member and/or for each serious injury or illness of the same covered service member. A total of no more than twenty-six (26) workweeks of military caregiver leave, however, may be taken within any single 12-month period.

### **Qualifying Exigency Leave**

Employees who meet the eligibility standards set forth above are eligible to request qualifying exigency leave. Although qualifying exigency leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the total leave exceed

twelve (12)

weeks in any 12-month period (with the exception of military caregiver leave as set forth above).

Eligible employees may take unpaid qualifying exigency leave to tend to certain exigencies arising out of the duty under a call or order to active duty of a covered military member (i.e., the employee's spouse, child or parent). Up to twelve (12) weeks of qualifying exigency leave is available in any twelve (12) month period, as measured by the same method that governs measurement of other forms of leave within this policy, with the exception of military caregiver leave, which is subject to a maximum of twenty-six (26) weeks of leave in a single 12-month period. The maximum amount of qualifying exigency leave an employee may use to bond with a military member on short-term, temporary rest and recuperation during deployment is fifteen (15) days.

Persons who can be ordered to active duty include active and retired members of the armed forces, certain members of the retired Reserve and various other Reserve members, including in the Ready Reserve, Selected Reserve, Individual Ready Reserve, National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve and Coast Guard Reserve.

A call to active duty refers to a federal call to active duty, and state calls to active duty are not covered unless under order of the president of the United States pursuant to certain laws.

Qualifying exigency leave is available under the following circumstances:

1. **Short-notice deployment:** To address any issue that arises out of short notice (within seven (7) days or less) of an impending call or order to active duty.
2. **Military events and related activities:** To attend any official military ceremony, program or event related to active duty or a call to active duty status, or to attend certain family-support or assistance programs and informational briefings.
3. **Child care and school activities:** To arrange for alternative child care; to provide child care on an urgent, immediate-need basis; to enroll a child in or transfer a child to a new school or day care facility; or to attend meetings with staff at a school or day care facility.
4. **Financial and legal arrangements:** To make or update various financial or legal arrangements or to act as the covered military member's representative before a

federal, state or local agency in connection with service benefits.

5. **Counseling:** To attend counseling (provided by someone other than a health care provider) for the employee, the covered military member, or a child or dependent when necessary as a result of duty under a call or order to active duty.
6. **Temporary rest and recuperation:** To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to fifteen (15) days of leave for each instance of rest and recuperation.
7. **Post-deployment activities:** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to ninety (90) days following termination of the covered military member's active duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active duty status.
8. **Mutually agreed leave:** Other events that arise from the close family member's call or order to active duty, provided that Method Schools and the employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

## Definitions

A *serious health condition* is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility or continuing treatment by a health care provider, and either prevents the employee from performing the functions of his or her job or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing-treatment requirement includes an incapacity of more than three (3) full calendar days and two (2) visits to a health care provider, or one (1) visit to a health care provider and a continuing regimen of care; an incapacity caused by a chronic condition or permanent or long-term conditions; or absences due to multiple treatments. Other situations may also meet the definition of "continuing treatment."

*Qualifying exigencies* include activities such as short-notice deployment, military events, arranging alternative child care, making financial and legal arrangements related to deployment, rest and recuperation, counseling, parental care, and post-deployment debriefings.

A *covered service member* is either 1) a current service member of the armed forces, including a member of the National Guard or Reserves, with a serious injury or illness incurred in the line of duty for which the service member is undergoing medical treatment, recuperation or therapy; otherwise in outpatient status; or otherwise on the temporary disability retired list; or 2) a covered veteran who is undergoing medical treatment, recuperation or therapy for a serious injury or illness.

A *covered veteran* is an individual who was discharged under conditions other than dishonorable during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The period between October 28, 2009, and March 8, 2013, is excluded in determining this five-year period.

*Next of kin* means the nearest blood relative of the service member, other than the service member's spouse, domestic partner, parent, son or daughter, in the following order of priority: blood relatives who have been granted legal custody of the service member by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the service member has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave.

The definition of "serious injury or illness" for current service members and veterans is distinct from the definition of "serious health condition" for CFRA/FMLA leave. For purposes of this policy, "serious injury or illness" means an injury or illness incurred by the service member in the line of duty while on active duty in the armed forces that may render the service member medically unfit to perform the duties of the service member's office, grade, rank or rating or that existed before the beginning of active duty and was aggravated by service while on active duty.

With regard to covered veterans, the serious injury or illness may manifest itself before or after the individual assumed veteran status and is 1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the armed forces and rendered the service member unable to perform the duties of the service member's office, grade, rank or rating; 2) a physical or mental condition for which the covered veteran has received a VA service-related disability rating of 50 percent or greater, and such rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; 3) a physical or mental condition that substantially impairs the veteran's

ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service, or would absent treatment; or 4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

### **Purpose/Objective**

Method Schools provides female employees with job-protected unpaid leave, up to four months, for disabilities relating to pregnancy, childbirth or related medical conditions (meaning a physical or mental condition intrinsic to pregnancy or childbirth). For the purposes of leave under this policy, “four months” mean the number of days the employee would normally work within four calendar months (one-third of a year equaling 17 1/3 weeks), if the leave is taken continuously, following the date the pregnancy leave commences.

The company also provides reasonable accommodations, to the extent required by law, for conditions related to pregnancy, childbirth or related medical conditions. In addition, a transfer to a less strenuous or hazardous position or duties may be available pursuant to an employee’s request, if such a transfer is medically advisable. Employees requesting a leave or reasonable accommodation should promptly notify Human Resources.

For more information regarding leave under this policy employees should contact Human Resources

### **Eligibility**

All employees who experience disabilities relating to pregnancy, childbirth or related medical conditions (meaning a physical or mental condition intrinsic to pregnancy or childbirth) may request leave or a reasonable accommodation under this policy.

### ***Use of accrued paid leave***

Accrued paid sick leave must be used concurrently with leave taken under this policy. If SDI benefits have begun, the employee may choose to supplement those benefits with accrued paid sick leave. Paid sick leave and SDI benefits combined may not exceed 100% of regular pay.

Additionally, employees may choose to use accrued paid leave (such as vacation or paid time off), concurrently with some or all of the leave under this policy. To receive paid leave, eligible employees must comply with the company's normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice). If SDI benefits are being paid, accrued paid leave and SDI payments combined may not exceed 100% of pay.

### ***Maintenance of health benefits***

If employees and their families participate in the company's group health plan, the company will maintain coverage during leave under this policy on the same terms as if employees had continued to work. If applicable, employees must make arrangements to pay their shares of health plan premiums while on leave. In some instances, the company may recover premiums it paid to maintain health coverage or other benefits for employees and their families. Use of leave under this policy will not result in the loss of any employment benefit that accrued prior to the start of leave under this policy.

Employees should consult the applicable plan document for information regarding eligibility, coverage and benefits.

### **Procedures**

When seeking leave or a reasonable accommodation under this policy, an employee must provide Human Resources with the following:

1. As soon as practicable and if possible prior to commencing leave, a statement from his or her health care provider supporting the request for leave or reasonable accommodation. The statement should confirm that the requested leave or reasonable accommodation is based on a pregnancy-related disability, and if the statement is provided in support of a leave request, the statement should include an anticipated start and end date. An employee must also supply periodic reports as deemed appropriate during the leave regarding the employee's status and intent to return to work.
2. [If the company requires a fitness-for-duty certification for other disability leaves:] Upon return from leave, medical certification of fitness for duty before returning to work. The company will require this certification to address whether employees can perform the essential functions of their positions.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

**Employer responsibilities**

To the extent required by law, the company will inform employees whether they are eligible for leave under this policy. Should employees be eligible for leave, the company will provide eligible employees with a notice that specifies any additional information required, as well as their rights and responsibilities.

As detailed in the California Family Rights Act (CFRA)-Family and Medical Leave Act (FMLA) Policy, the company will also inform employees if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against employees' leave entitlements. If employees are not eligible for FMLA leave, the company will provide a reason for the ineligibility.

Additionally, the company will engage in an interactive process with employees who request a reasonable accommodation under this policy.

***Job restoration***

Upon returning from leave, employees will typically be restored to their original positions or to equivalent positions with equivalent pay, benefits, and other employment terms and conditions.

***Failure to return after leave***

If an employee fails to return to work as scheduled after leave under this policy, or if an employee exceeds the leave entitlement, the employee will be subject to the company's other applicable leave of absence, accommodation and attendance policies. This may result in termination if the employee has no other company-provided leave available to her that applies to the continued absence.

# MINUTES (in Review)



## METHOD SCHOOLS BOARD OF DIRECTORS MEETING

<b>Name:</b>	Method Schools Corporation
<b>Date:</b>	Tuesday, October 1, 2024
<b>Time:</b>	6:00 PM to 7:03 PM (PDT)
<b>Location:</b>	Method Schools HQ, 38750 Sky Canyon Drive, Suite B, Murrieta, CA 92563
<b>Board Members:</b>	Carolyn Andrews, Gloria Vargas, Steven Dorsey, Tyler Roberts
<b>Attendees:</b>	Jade Fernandez, Jessica Spallino, Mark Holley, Stefanie Bryant, Tracy Robertson, Becca Santos
<b>Apologies:</b>	Shannon Clark, Yvette Serratos, Sarah Avanesian, Sarah Delawder, Tanaya Burnham
<b>Guests/Notes:</b>	Bradley Johnson - Dehesa Superintendent; Amy Pinter - Method Schools Representative; Dr. Pete Getz - Method Schools Representative

### 1. Opening Meeting

#### 1.1 Roll Call

**Board Members:**

**Present:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas

**Absent:** Shannon Clark

**Staff:**

Jessica Spallino

Mark Holley

Jade Fernandez

Stefanie Bryant

Pete Getz

Tracy Kimmel

Amy Pinter

Rebecca Santos

### 2. Public Comment

#### 2.1 Instructions for Presentations to the Board by Parents and Citizens



### 3. Management Reports

#### 3.1 CEO Report

We have some new roles that we have hired for.

Director of Program Development & Expansion. This role is to expand our reach and duplicate it, a college program, and refining growth and external opportunities.

Director of IT - Hired today. We needed this role specifically with the latest cybersecurity attacks. We needed someone with this experience to tighten security since we are an online school.

Director of SPED - We are in the process of a temporary Lead taking on this position or hiring externally.

We have hired new teachers due to growth and previous staff not being renewed.

Staff Recognition: Kyle Quintero. He is a Middle School teacher and SF Testing. We decided this year at every quarter we will nominate a single staff member for recognition and then next quarter they will nominate.

Values: Customers, Solutions, Relationships, Service, Information, and Integrity.

**Q: Board Member Steven Dorsey:** Have we reached out to Dehesa to be collaborative in DMSA Values?

**A: Jessica:** Yes, we have it in the partnership agreement and handbook.

**Q: Board Vice President Tyler Roberts:** Who are customers?

**A. Jessica:** It's by design. In District settings, traditional schools parent's don't have a choice. Parents must have their children attend school in the area they are assigned to. Charter schools are a choice, so we share that concept that we earned them.

OKRs: Q1 not much to report. Q2 we will be at the halfway mark for OKRs.

PARSEC (Third Party) - helping us analyze raw data as part of reauthorization. We see math growth that we haven't see before. We have plenty of room for growth.

#### 3.2 CBO Report

DMSA - Bradley is a huge part of DMSA. We are approaching 200 students and are currently at capacity. Less than half of these students are Method students. We are planning on expanding facilities with Dehesa through Sycuan Tribal Council. We would need approval through them, building permits, etc. Our biggest constraint right now is space.

Enrollment: We have a small team that handles around 1800 chats a month which is a lot for 5 people. They do a lopt of the filtering. In August we had 3000 tickets. They do a lot of reviewing and closing tickets. They close them within 1 hour for the simple tickets.

We are trying to get more visibility through: Online reviews, blogs (100k unique visits mostly for public interest in Independent Study), student pictures, and NPS.

Enrollment trend: we are flat right now with ADA. This came about due to smaller course list, misfit's for our program such as student's thinking our program is easy. Its pretty rigorous compared to most programs. We are trying to address the gap in enrollment. We've added DMSA,

Method Academy, and hoping to have new ones. Demand for online is pretty flat and now we are competing against Districts that have online programs.

**Question Board Member Steven Dorsey:** Are you handcuffed a little bit because you can't go against another district for student enrollments?

**Answer: Mark:** The districts too small to go against because of competition so we have to be careful with how many school's are authorized by the districts. California is one of the only states that don't have any additional options for authorization outside of a school district.

### 3.3 CAO Report

### 3.4 CFO Finance Update

We just wrapped up the audit. We are still in a strong position. Student ADA is flat, but we are still good. This was only the second time in all of Method's history that Method has had an audit finding. It was an ISMA date not matching with ADA claimed date. We are trying to get dates cleaned up and matching. We are also looking at reporting on department and the costs of each department.

## 4. Major Decisions

### 4.1 Workplace Violence Prevention Policy

Provided by OSHA and we tailored it toward Method.



#### 4.1 Workplace Violence Prevention Policy

**4 Supported:** Tyler Roberts, Steven Dorsey, Carolyn Andrews, Gloria Vargas

**0 Opposed**

**0 Abstained**

**Decision Date:** Oct 1, 2024  
**Mover:** Tyler Roberts  
**Seconder:** Gloria Vargas  
**Outcome:** Approved



#### Workplace Violence Prevention Policy

**4 Supported:** Carolyn Andrews , Gloria Vargas , Steven Dorsey , Tyler Roberts

**0 Opposed:**

**0 Abstained:**

**Decision Date:** Oct 1, 2024  
**Mover:** Jade Fernandez  
**Outcome:** Approved

### 4.2 Employee Handbook Updates

Stefanie:

- Updates to Method values
- Jury Duty updates changed to we will pay up to 5 days and proof of jury duty is needed and check signed to Method Schools. If more than 5 days it is contingent upon approval.

**4.2 Employee Handbook Updates****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas**0 Opposed****0 Abstained****Decision Date:** Oct 1, 2024**Mover:** Gloria Vargas**Seconder:** Tyler Roberts**Outcome:** Approved**Employee Handbook Updates**

Updated to include:

- Method Values
- Workplace Violence Prevention Policy
- Revised Jury Duty

**5 Supported:** Carolyn Andrews , Gloria Vargas , Shannon Clark , Steven Dorsey , Tyler Roberts**0 Opposed:****0 Abstained:****Decision Date:** Oct 1, 2024**Outcome:** Approved**4.3 Prop 28 Expenditure Reports- Method Schools and Method Schools, LA****4.3 Prop 28 Expenditure Report for Method Schools and Method Schools, LA****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas**0 Opposed****0 Abstained****Decision Date:** Oct 1, 2024**Mover:** Tyler Roberts**Seconder:** Steven Dorsey**Outcome:** Approved

Stefanie - requirement by state to show you where we are at and what is set by the state.

**Prop 28 Expenditure Reports- Method Schools and Method Schools, LA****5 Supported:** Carolyn Andrews , Gloria Vargas , Shannon Clark , Steven Dorsey , Tyler Roberts**0 Opposed:****0 Abstained:****Decision Date:** Oct 1, 2024**Outcome:** Approved**4.4 Board Resolution Authorizing Capital for the Purchase of a HQ Building****4.4 Board Resolution Authorizing Captial for the Purchase of a HQ Buidling****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas**0 Opposed****0 Abstained****Decision Date:** Oct 1, 2024

**Mover:** Tyler Roberts  
**Seconder:** Gloria Vargas  
**Outcome:** Approved

Mark

- Headquarters is where most staff is.
- Purchase a HQ building for the purpose of space, parking vans, and investment.
- Looking at size we don't want to be wasteful, but something that can fulfill our needs.



#### **Board Resolution Authorizing Capital for the Purchase of a HQ Building**

**5 Supported:** Carolyn Andrews , Gloria Vargas , Shannon Clark , Steven Dorsey , Tyler Roberts

**0 Opposed:**

**0 Abstained:**

**Decision Date:** Oct 1, 2024

**Outcome:** Approved

### **4.5 Unaudited Actuals Reports- Method Schools, and Method Schools LA**

Stefanie:

- Wrapped up our audit. The unaudited is currently attached. We will have the final in December.



#### **4.5 Unaudited Actuals Report - Method Schools and Method Schools, LA**

**4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas

**0 Opposed**

**0 Abstained**

**Decision Date:** Oct 1, 2024

**Mover:** Steven Dorsey

**Seconder:** Gloria Vargas

**Outcome:** Approved



#### **Unaudited Actuals Reports- Method Schools, and Method Schools LA**

**5 Supported:** Carolyn Andrews , Gloria Vargas , Shannon Clark , Steven Dorsey , Tyler Roberts

**0 Opposed:**

**0 Abstained:**

**Decision Date:** Oct 1, 2024

**Outcome:** Approved

### **4.6 23-24 Audit Response**

Stefanie

- This is the proposed writing and response to the audit finding. Due to the ISMA date issue, we very slightly overclaimed ADA. We were overpaid (less than \$1000) so we have taken measures to make sure it doesn't happen again. We will do monthly general audits. Backing away from automation as it was becoming more complex and now focusing on more manual.

**4.6 23-24 Audit Response****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas**0 Opposed****0 Abstained****Decision Date:** Oct 1, 2024**Mover:** Gloria Vargas**Seconder:** Tyler Roberts**Outcome:** Approved**23-24 Audit Response****5 Supported:** Carolyn Andrews , Gloria Vargas , Shannon Clark , Steven Dorsey , Tyler Roberts**0 Opposed:****0 Abstained:****Decision Date:** Oct 1, 2024**Outcome:** Approved**5. Consent Items****5.1 Confirm Minutes- 6-13-2024**

**Method Schools Board of Directors Meeting Jun 13, 2024**, the minutes were confirmed as presented.

**5.1 Confirm Minutes 6-13-2024****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas**0 Opposed****0 Abstained****Decision Date:** Oct 1, 2024**Mover:** Steven Dorsey**Seconder:** Gloria Vargas**Outcome:** Approved**5.2 Check Register- (June-August)****5.2 Check Register (June - August)****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas**0 Opposed****0 Abstained****Decision Date:** Oct 1, 2024**Mover:** Steven Dorsey**Seconder:** Gloria Vargas**Outcome:** Approved**5.3 Quarterly Investment Report****5.3 Quarterly Investment Report****4 Supported:** Carolyn Andrews, Tyler Roberts, Steven Dorsey, Gloria Vargas

**0 Opposed**

**0 Abstained**

**Decision Date:** Oct 1, 2024  
**Mover:** Steven Dorsey  
**Seconder:** Gloria Vargas  
**Outcome:** Approved

6. Discussion

**6.1 Teaching Assignment Monitoring Outcomes (TAMO) by FTE Data Report**

No Discussion

7. Close Meeting

**7.1 Close the meeting**

**Next meeting:** Method Schools Board of Directors Meeting - Dec 10, 2024, 6:00 PM

**10/1/2024 Board Meeting Recording Link**

[https://methodschools.zoom.us/rec/share/XFBdMGQisTIQwCn\\_A7hezXdtYiB5kFS\\_O-vHQh38nsdnr9cYQiR76L1awk9-gGIA.oreYFQO2hAnPvr96](https://methodschools.zoom.us/rec/share/XFBdMGQisTIQwCn_A7hezXdtYiB5kFS_O-vHQh38nsdnr9cYQiR76L1awk9-gGIA.oreYFQO2hAnPvr96)

**Next Meeting 12/17/2024**

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Method Schools Corporation

## Check Detail

September - November, 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
9120-4 Checking #2						
09/06/2024	Bill Payment (Check)	7252	Analytic Baseball Academy		R	-1,600.00 -1,600.00
09/06/2024	Bill Payment (Check)	7253	Melissa Marshall		R	-4,470.91 -4,470.91
09/09/2024	Bill Payment (Check)	7254	Carolyn Andrews		R	-78.00 -78.00
09/09/2024	Bill Payment (Check)	7255	Law Offices of Young, Minney & Corr LLP		R	-4,480.89 -4,480.89
09/13/2024	Bill Payment (Check)	7257	CodeWizardsHQ		R	-894.00 -894.00
09/13/2024	Bill Payment (Check)	7258	Drivers Ed Direct		C	-39.00 -39.00
09/13/2024	Bill Payment (Check)	7259	FotoFrame89		R	-200.00 -200.00
09/13/2024	Bill Payment (Check)	7260	Honest History Co.		R	-59.69 -59.69
09/13/2024	Bill Payment (Check)	7261	Sportsplex USA		R	-4,148.00 -4,148.00
09/13/2024	Bill Payment (Check)	7256	ABA Enhancement LLC		R	-1,125.00 -1,125.00
09/24/2024	Bill Payment (Check)	7262	Carolyn Andrews		R	-500.00 -500.00
09/24/2024	Bill Payment (Check)	7263	Gloria Vargas		R	-500.00 -500.00
09/24/2024	Bill Payment (Check)	7264	Shannon Clark		R	-500.00 -500.00
09/24/2024	Bill Payment (Check)	7265	Steve Dorsey		R	-500.00 -500.00
09/24/2024	Bill Payment (Check)	7266	Tyler Roberts		R	-500.00

## Method Schools Corporation

## Check Detail

September - November, 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
						-500.00
09/26/2024	Bill Payment (Check)	7267	Creative Bar Acquisitions, LLC		R	-3,501.00
						-3,501.00
09/27/2024	Bill Payment (Check)	7268	CodeWizardsHQ		R	-447.00
						-447.00
09/30/2024	Bill Payment (Check)	7269	Little Passports		R	-151.11
						-151.11
09/30/2024	Bill Payment (Check)	7270	Raddish Kids		R	-1,188.79
						-1,188.79
10/08/2024	Bill Payment (Check)	7271	Compsych Corporation		R	-1,533.60
						-1,533.60
10/08/2024	Bill Payment (Check)	7273	Rock Fitness		R	-340.00
						-340.00
10/08/2024	Bill Payment (Check)	7272	Creative Back Office		R	-
						18,750.00
						-
						18,750.00
10/09/2024	Bill Payment (Check)	7274	Melissa Marshall		R	-4,289.60
						-4,289.60
10/11/2024	Bill Payment (Check)	7275	Analytic Baseball Academy		R	-3,040.00
						-3,040.00
10/11/2024	Bill Payment (Check)	7276	CodeWizardsHQ		R	-894.00
						-894.00
10/11/2024	Bill Payment (Check)	7277	Honest History Co.		R	-59.31
						-59.31
10/15/2024	Bill Payment (Check)	7278	Sportsplex USA		R	-
						10,248.00
						-
						10,248.00
10/16/2024	Bill Payment (Check)	7279	CodeWizardsHQ		R	-447.00
						-447.00



## Method Schools Corporation

## Check Detail

September - November, 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
10/16/2024	Bill Payment (Check)	7280	Drivers Ed Direct		C	-39.00 -39.00
10/16/2024	Bill Payment (Check)	7281	Honest History Co.		R	-59.31 -59.31
10/16/2024	Bill Payment (Check)	7282	Temecula Valley Driving School (Cavco Enterprises)		C	-2,815.00 -2,815.00
10/21/2024	Bill Payment (Check)	7283	West Coast Krav Mag Temecula		R	-398.00 -398.00
10/23/2024	Bill Payment (Check)	7284	CodeWizardsHQ		C	-447.00 -447.00
10/24/2024	Bill Payment (Check)	7285	Carolyn Andrews		R	-500.00 -500.00
10/24/2024	Bill Payment (Check)	7286	Gloria Vargas		R	-500.00 -500.00
10/24/2024	Bill Payment (Check)	7287	Shannon Clark		R	-500.00 -500.00
10/24/2024	Bill Payment (Check)	7288	Steve Dorsey		R	-500.00 -500.00
10/24/2024	Bill Payment (Check)	7289	Tyler Roberts		R	-500.00 -500.00
10/28/2024	Bill Payment (Check)	7290	Creative Bar Acquisitions, LLC		C	-3,501.00 -3,501.00
10/28/2024	Bill Payment (Check)	7291	Law Offices of Young, Minney & Corr LLP		C	- 14,397.50 - 14,397.50
11/01/2024	Bill Payment (Check)	7292	Robert Gutierrez		C	-975.00 -975.00
11/01/2024	Bill Payment (Check)	7293	Santee Community Services Dept.		C	-711.00

## Method Schools Corporation

## Check Detail

September - November, 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
						-711.00
11/04/2024	Bill Payment (Check)	7294	DHop Shots Media		C	-250.00
						-250.00
11/07/2024	Bill Payment (Check)	7295	Analytic Baseball Academy		C	-3,500.00
						-3,500.00
11/07/2024	Bill Payment (Check)	7296	Elisha Page		C	-1,000.00
						-1,000.00
11/07/2024	Bill Payment (Check)	7297	Riffs Music		C	-1,080.00
						-1,080.00
11/07/2024	Bill Payment (Check)	7298	Rock Fitness		C	-510.00
						-510.00
11/12/2024	Bill Payment (Check)	7299	Law Offices of Young, Minney & Corr LLP		C	-617.50
						-617.50
11/15/2024	Bill Payment (Check)	7300	Drivers Ed Direct			-39.00
						-39.00
11/21/2024	Bill Payment (Check)	7301	Temecula Valley Driving School (Cavco Enterprises)		C	-2,566.00
						-2,566.00
11/25/2024	Bill Payment (Check)	7302	Sportplex USA			-
						11,175.00
						-
						11,175.00
11/25/2024	Bill Payment (Check)	7303	Carolyn Andrews			-500.00
						-500.00
11/25/2024	Bill Payment (Check)	7304	Gloria Vargas		C	-500.00
						-500.00
11/25/2024	Bill Payment (Check)	7305	Shannon Clark			-500.00
						-500.00
11/25/2024	Bill Payment (Check)	7306	Steve Dorsey		C	-500.00
						-500.00

## Method Schools Corporation

## Check Detail

September - November, 2024

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	CLR	AMOUNT
11/25/2024	Bill Payment (Check)	7307	Tyler Roberts		C	-500.00 -500.00
11/25/2024	Bill Payment (Check)	7308	Creative Bar Acquisitions, LLC			-3,501.00 -3,501.00
11/25/2024	Bill Payment (Check)	7309	Marsh & McLennan Agency LLC		C	-4,185.00 -4,185.00
11/27/2024	Bill Payment (Check)	7310	Sportsplex USA			-4,687.50 -4,687.50

# 90 Day Investment Results

Investment Account	Account Balance at 11/30	90 day Earnings	YTD Earnings	Current Annual Yield
Fidelity Money Market	\$6,121,410.80	\$55,960.28	\$121,141.08	4.90%
San Diego Treasury	\$15,528,078.35	\$59,754.00	\$833,377.65	3.80%
Bank of America Flex CD	\$1,029,124.71	\$5,892.03	\$29,124.71	2.90%

# Cash Accounts

Account	Account Balance at 11/30	90 day Earnings	YTD Earnings	Current Annual Yield
Bank of America Savings	\$8,909,159.38	\$226.83	\$790.78	0.004%
Bank of America Checking	\$343,359.19	N/A	N/A	N/A
AMEX cash	\$171,889.38	\$550.87	\$2019.11	1.10%