



Bella Mente Montessori Academy

Board of Directors

Scott Moote, President
Caroline Veale, Secretary
Daniel Niebaum, Treasurer

Bella Mente Charter School Board Meeting Agenda December 13, 2022

Type of Meeting: Regular Webinar Board Meeting

Location: <https://attendee.gotowebinar.com/register/6651567488143329628>

You can also dial in using your phone.

United States: 1 (914)614-3221

Access Code: 377-934-304

Closed Session: at 6:30 PM

Open Session: when the closed session adjourns

IMPORTANT NOTICE: The Board of Directors Meeting will be conducted entirely online, via virtual/video conferencing, due to the ongoing COVID 19 pandemic in accordance with Government Code section 54953. Members of the public can view the meeting via livestream and can participate in the meeting electronically via GotoWebinar. Members of the public who would like to address the Board must email board@bellamentecharter.org the day of the meeting to request a hold card. The hold cards will be issued beginning at 6:00pm up until the meeting is called to order. Members of the public need not submit their comments in advance.

I. CLOSED SESSION (None)

6:30 PM

Call to order, roll call and establishment of quorum

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

1. In accordance with Government Code Section 54957, the Board will meet in closed session to consider: PERSONNEL MATTERS- (None)
2. In accordance with Government Code Section 54956.8, the Board will meet in closed session to consider: REAL ESTATE MATTERS- (None)
3. In accordance with Government Code Section 54957.6, the Board will meet in closed session to consider: PUBLIC EMPLOYEE EVALUATION - (None)
4. In accordance with Government Code Section 54956.9, the Board will meet in closed session to consider: CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW - (None)
5. In accordance with Government Code Section 54956.9, the Board will meet in closed session to consider: CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Gov. Code §54956.9(d)(2) and/or §54956.9(d)(4) - (None)

II. OPEN SESSION/REGULAR MEETING

Call to order, roll call and establishment of quorum

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

III. ACTION ITEMS CONSIDERED IN CLOSED SESSION

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

IV. PRESENTATIONS BY COMMUNITY MEMBERS/PUBLIC COMMENTS (20 MINUTES TOTAL)

PUBLIC COMMENTS/COMMUNITY MEMBERS: Any member of the public who wishes to speak to an agenda item (or at the appropriate time, speak to an item not on the agenda but regarding school business) must email board@bellamentecharter.org the day of the meeting to request a hold card. The hold cards will be issued beginning at 6:00pm up until the meeting is called to order. Individual speakers will be allowed three (3) minutes to address the Board on each agenda or non-agenda item, and the Board will limit the total time for public comments on each item to twenty (20) minutes.

In an effort to hear as many speakers as possible, comment times may be shortened (depending on the number of speakers on any agenda or non-agenda item). The Board may also extend the time limits for comments, and/or may move additional comments beyond a specific time allotment to later in the meeting, in order to provide sufficient time for the Board to conduct the Board's business during the meeting.

Bella Mente Charter School welcomes your participation at Board meetings. Your participation assures us of continuing community interest in our school.

Items not on the agenda/Items for future discussion

V. APPROVAL OF AGENDA

Recommended motion: Approve the agenda for the December 13, 2022 Board of Directors Meeting.

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

VI. DISCUSSION ITEMS

- Executive Director Announcements** - Erin Feeley will provide COVID-19, legislative, safety & risk management, special education updates and fiscal projection updates.
- Charter Vision Board Report** - n/a

3. **Campus Report-** Patrick Broughton, Director of Compliance, will report on state and local assessment results as well as the schools plan for academic achievement for all students.
4. **Enrollment Report-** Gladys Espino, Director of Support Services, will report on enrollment trends

VII. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS

All items listed under the Consent Calendar are considered by the Board in one action. There will be no discussion of these items prior to the time the Board votes on the motion, unless members of the Board, staff, or public request specific items to be discussed and/or removed from the Consent Calendar.

1. Minutes from the November 8, 2022 Special Board of Directors Meeting
2. Recommended action on the personnel activity list
3. Check Registers November 2022
4. Top Notch Invoice - October 2022 - \$17,410.50
5. Top Notch Invoice - November 2022 - \$12,937.45
6. Independent Contractor Agreement-Christine Suh
7. Summer Camp Agreement with Joe & Mary Mottino Family YMCA

Executive Director's Recommendation: Approve Consent Calendar

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

VIII. DISCUSSION/ACTION ITEMS

1. **Review and Approve the First Interim Budget as presented by Associate School Business Manager from Charter School Management Corporation**

Executive Director's Recommendation: Approve

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

2. **Approve the Revised 2022.2023 budget as presented by Associate School Business Manager from Charter School Management Corporation**

Executive Director's Recommendation: Approve

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

3. Review Draft of the 2021-2022 Audit

Executive Director's Recommendation: N/A

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

4. Approve the removal of the former Principal James Proby as the sole representative of Bella Mente Holdings, LLC.

Executive Director's Recommendation: Approve

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

5. Approve the appointment of the current Director of Compliance, Patrick Broughton, as the sole representative for Bella Mente Holdings, LLC

Executive Director's Recommendation: Approve

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

IX. ADJOURNMENT

Moved By		Seconded By	
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

Instructions for Presentations to the Board by Members of the Community

Bella Mente Charter School welcomes your participation at meetings of the Board of Directors. The purpose of the Board's public meeting is to conduct the affairs of the school in public. We hope that you will visit these meetings often and your participation assures us of continuing community interest in our school. To assist you in speaking/participating in our meetings, the following guidelines are provided.

1. The agenda is available to all community members. Please note that the order of consideration of items on the agenda may be changed without prior notice.
2. Community members who wish to speak on any agenda items or under the general category of “Public Comment” will be given an opportunity to do so.
3. “Public Comment” is set aside for members of the community to raise issues that are not specifically on the agenda. However, due to public meeting laws (Brown Act), the Board can only listen to your issue, not respond or take action. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed twenty (20) minutes. Exceptions to these time limits may be made at the discretion of the Board Chair. The Board may give direction to staff to respond to your concerns or you may be offered the option of returning with a citizen requested agenda item.
4. With regard to items that are on the agenda, you may speak for up to (3) minutes when the Board discusses that item. Exceptions to this time may be made at the discretion of the Board Chair.
5. Community members may request in writing that a topic related to school business be considered for placement on a future agenda. Requests should be addressed to the Board Chair and emailed to board@bellamentecharter.org. If such an item is placed on the agenda and publicly noticed, the Board can respond, interact, and act upon the item.
6. Any person with a disability who requires a modification or a reasonable accommodation, including auxiliary aids or services, to participate in a public meeting of the Board of Directors may request such modification or accommodation by contacting Bella Mente Charter School, 1737 W. Vista Way, Vista, California 92083, or by telephone at 760-621-8931, or by email at board@bellamentecharter.org. Please make any requests at least 12 hours prior to the meeting.
7. For more information concerning this agenda, please contact Bella Mente Charter School, 1737 W. Vista Way, Vista, California 92083, or by telephone at 760-621-8931, or by email at board@bellamentecharter.org.



Bella Mente Montessori Academy

Board of Directors

Scott Moote, President
Caroline Veale, Secretary
Daniel Niebaum, Treasurer

Bella Mente Charter School Special Board Meeting Agenda November 8, 2022

Type of Meeting: Special Webinar Board Meeting

Location: <https://attendee.gotowebinar.com/register/2650369907125870608>

You can also dial in using your phone.

United States: +1 (631) 992-3221

Access Code: 859-200-801

Closed Session: at 6:30 PM

Open Session: when the closed session adjourns

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I. CLOSED SESSION (One) 6:30 pm

6:30 PM

Call to order, roll call and establishment of quorum

Moved By	CV	Seconded By	DN
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
X				Caroline Veale
X				Dan Niebaum

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2. In accordance with Government Code Section 54956.8, the Board will meet in closed session to consider: REAL ESTATE MATTERS- (None)
3. In accordance with Government Code Section 54957.6, the Board will meet in closed session to consider: PUBLIC EMPLOYEE EVALUATION - (None)
4. In accordance with Government Code Section 54956.9, the Board will meet in closed session to consider: CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW - (None)
5. In accordance with Government Code Section 54956.9, the Board will meet in closed session to consider: CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Gov. Code §54956.9(d)(2) and/or §54956.9(d)(4) - One

II. OPEN SESSION/REGULAR MEETING 7:08 pm

Call to order, roll call and establishment of quorum

Moved By	CV	Seconded By	DN
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
X				Caroline Veale
X				Dan Niebaum

III. ACTION ITEMS CONSIDERED IN CLOSED SESSION

Moved By	N/A	Seconded By	N/A
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AYE	NAY	ABSTAIN	ABSENT	Board Member
				Scott Moote
				Caroline Veale
				Dan Niebaum

IV. PRESENTATIONS BY COMMUNITY MEMBERS/PUBLIC COMMENTS (20 MINUTES TOTAL)

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Items not on the agenda/Items for future discussion

V. APPROVAL OF AGENDA

Recommended motion: Approve the agenda for the November 8, 2022 Special Board of Directors Meeting.

Moved By	CV	Seconded By	DN
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
X				Caroline Veale
X				Dan Niebaum

VI. DISCUSSION ITEMS

1. **Executive Director Announcements** - N/A
2. **Charter Vision Board Report** - Janina from CSMC will report on cash flow and review CharterVision dashboard monthly report.

3. **Principal Report- N/A**

VII. CONSENT CALENDAR/ROUTINE ITEMS OF BUSINESS

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1. Minutes from the October 11, 2022 Board of Directors Meeting
2. Recommended action on the personnel activity list
3. Check Registers October 2022
4. Infinity Communications & Consulting ERate 22-23 -\$3,700
5. LunchAssist Invoice - \$8500.00
6. Ontario Refrigeration Pelican System \$21,995.00
7. CIMI Fox Landing Guided Discoveries, Inc - \$11,935.50
8. Ontario Refrigeration - 40 CO2 Sensors - \$16,998.00
9. Ontario Refrigeration - Unit Replacement - Unit #1 Rm #107 - \$12,645.00
10. Ontario Refrigeration - Unit Replacement - Unit #7 Admin #2 - \$12,565.00
11. Ontario Refrigeration - Unit Replacement - Unit #1 Shop - \$11,670.00
12. Bella Mente Threat Assessment
13. Building Cleaning Solutions (BCS) Janitorial Contract 9.23.22
14. Apache Asphalt and Seal- \$26,891
15. CTS Support Proposal for BMMA 2022 (Revised)- \$100,800
16. LifeTouch Service Agreement
17. Job Description- Montessori Instructional Coach

Executive Director's Recommendation: Approve Consent Calendar

Moved By	CV	Seconded By	DN
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
X				Caroline Veale
X				Dan Niebaum

VIII. DISCUSSION/ACTION ITEMS

1. **Classified and Certificated Salary Scale Review** *School Psychology scale to be amended and presented at the next meeting.*

Executive Director's Recommendation: Approve

Moved By	DN	Seconded By	SM
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
		X		Caroline Veale
X				Dan Niebaum

2. **Appoint Hearing Officer for Student Discipline Matters**

Executive Director's Recommendation: Approve

Moved By	CV	Seconded By	DN
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
X				Caroline Veale
X				Dan Niebaum

IX. ADJOURNMENT 7:35 pm

Moved By	CV	Seconded By	DN
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AYE	NAY	ABSTAIN	ABSENT	Board Member
X				Scott Moote
X				Caroline Veale
X				Dan Niebaum

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Employment Changes as of December 13, 2022

New Hires Full Time: Community Liaison
MS Science Teacher
MS Social Studies
UE Multiple Subject Teacher
Garden/Nutrition Teacher

New Hires Part Time: None

Release: Custodian
In-house Substitute Teacher
Office/Campus Assistant

Open Positions for 22-23:

Classified Positions:

Part Time: Instructional Assistant
Campus Assistant

Full Time: Director of Business Services
Day Porter
Front Office Manager

Certificated Positions:

Part Time: None

Full Time: tk-8 Classroom Teacher Pool (1)
School Psychologist
School Principal
Coordinator of Special Education
Bilingual MTSS Counselor/Social Worker
T.O.S.A.- Montessori Instructional Coach (2)

Bella Mente

Check Register 11/1/2022 through 11/30/2022

Payment Number	Payment Date	Payee Name	Rec Status	Check Amount	Account	Account Description	Transaction Description	Invoiced GL Amount
2938	11/3/2022	Cristianna Turvey	Cleared	\$9,152.00	62-6500-5760-1190-5810-020-000	Educational Consultants	Speech Therapy Services - September 2022	\$9,152.00
2936	11/3/2022	Department of Justice	Cleared	\$245.00	62-0000-0000-2700-5815-020-000	Advertising/Recruiting	September 2022 Fingerprinting	\$245.00
2933	11/3/2022	Kimberly R Adams	Cleared	\$1,030.75	62-0000-1110-1000-5810-020-000	Educational Consultants	September 2022 Consultant Services	\$1,030.75
2934	11/3/2022	American Locks & Keys	Cleared	\$693.17	62-0000-1110-2100-4300-020-000	Materials and Supplies	New Handle Set, Re Key & Master Key	\$693.17
2939	11/3/2022	TCi	Cleared	\$5,134.73	62-0000-1110-1000-4100-020-111	Approved Textbooks and Core Curricula Materials	BSA Integrated Grade 6 - 8 & MS Science Teacher License	\$4,845.73
					62-0000-1110-1000-4100-020-111	Approved Textbooks and Core Curricula Materials	Middle School Science Teacher License	\$289.00
2937	11/3/2022	Top Notch Catering	Cleared	\$28,331.60	62-5310-1110-3700-4700-020-000	Food and Food Supplies	August 2022 - School Breakfast, Lunch & Snack	\$8,702.65
					62-5310-1110-3700-4700-020-000	Food and Food Supplies	September 2022 - School Breakfast, Lunch & Snack	\$19,628.95
2935	11/3/2022	Holli Clepper	Cleared	\$390.00	62-0000-0000-7410-5210-020-000	Training and Development Expense	CPR & First Aid Instruction	\$390.00
2948	11/10/2022	National Benefit Services, LLC	Cleared	\$112.00	62-0000-0000-0000-9660-020-000	Voluntary Deductions	August 2022 Contributions - For Bella Mente School	\$112.00
2946	11/10/2022	HopSkipDrive, Inc.	Cleared	\$4,979.28	62-6500-5760-3600-5811-020-000	Student Transportation and Field Trips	Student Transportation - October 2022	\$4,979.28
2943	11/10/2022	California School Finance Authority	Cleared	\$58,881.05	62-6030-0000-0000-8599-020-000	Prior Year State Income	Charter School Facility Grant Program Reimbursement 2021-22	\$58,881.05
2940	11/10/2022	AT&T	Cleared	\$1,667.92	62-0000-1110-2700-5900-020-000	Communications (Tele., Internet, Copies, Postage, Messenger)	Internet Services - 09/19/22 - 10/18/22	\$1,667.92
2941	11/10/2022	Building Cleaning Solutions, Inc.	Cleared	\$2,586.90	62-0000-0000-8100-5601-020-000	Building Maintenance	Floor Cleaning Service - 11/01/22	\$2,586.90
2942	11/10/2022	Charter School Development Center	Cleared	\$1,182.00	62-0000-1110-2100-5300-020-000	Dues and Memberships	CSDC Membership - 11/23/22 - 11/22/23	\$1,182.00

Bella Mente

Check Register 11/1/2022 through 11/30/2022

2949	11/10/2022	Ontario Refrigeration	Cleared	\$1,610.00	62-0000-0000-8100-5601-020-000	Building Maintenance	Replace Blower Motor & Wheel - 10/21/22	\$1,610.00
2947	11/10/2022	K12 Health	Cleared	\$1,305.00	62-0000-0000-2700-5800-020-000	Professional/Consulting Services and Operating Expenditures	Health Services - 11/01/22	\$1,305.00
2954	11/10/2022	Soliant	Cleared	\$1,729.00	62-6500-5760-1190-5810-020-000	Educational Consultants	School OT Services - October 2022	\$1,729.00
2950	11/10/2022	Pitney Bowes Global Financial Services LLC	Cleared	\$103.61	62-0000-0000-2700-5605-020-000	Equipment Rental/Lease Expense	Postage Meter Charges - 12/01/22 - 02/2/23	\$103.61
2944	11/10/2022	Department of Justice	Cleared	\$196.00	62-0000-0000-2700-5815-020-000	Advertising/Recruiting	October 2022 Fingerprinting	\$196.00
2945	11/10/2022	EDCO Waste & Recycling Service	Cleared	\$620.46	62-0000-0000-8100-5501-020-000	Utilities	October 2022 Commerical Service	\$620.46
2952	11/10/2022	San Diego Gas & Electric	Cleared	\$4,284.14	62-0000-0000-8100-5501-020-000	Utilities	Electric Charges - 09/27/22 - 10/25/22	\$4,284.14
2955	11/10/2022	Cristianna Turvey	Cleared	\$8,492.00	62-6500-5760-1190-5810-020-000	Educational Consultants	Speech Therapy Services - October 2022	\$8,492.00
2953	11/10/2022	Specialized Therapy Services, Inc.	Cleared	\$156.20	62-6500-5760-1190-5810-020-000	Educational Consultants	Vision Itinerant Services - 09/30/22	\$156.20
2951	11/10/2022	San Diego Gas & Electric	Cleared	\$1,502.88	62-0000-0000-8100-5501-020-000	Utilities	Gas & Electric Charges - 09/27/22 - 10/25/22	\$1,502.88
2957	11/23/2022	ABA & Verbal Behavior Group Inc	Outstanding	\$8,077.50	62-6500-5760-1190-5810-020-000	Educational Consultants	SPED Behavioral Intervention Services - October 2022	\$8,077.50
2960	11/23/2022	EMH Sports USA, Inc.	Outstanding	\$380.00	62-6500-5760-1190-5810-020-000	Educational Consultants	APE Services - October 2022	\$380.00
2961	11/23/2022	High Tech High	Outstanding	\$11,000.00	62-4035-0000-7410-5210-020-000	Training and Development Expense	Induction Enrollment Fees - 2022-23	\$11,000.00
2956	11/23/2022	SYNCB/AMAZON	Cleared	\$11,905.38	62-0000-1110-2100-4400-020-000	Noncapitalized Equipment	Amazon Purchases - October 2022	\$2,058.13
					62-0000-1110-2100-4300-020-000	Materials and Supplies	Amazon Purchases - October 2022	\$8,862.97

Bella Mente

Check Register 11/1/2022 through 11/30/2022

					62-0000-1110-1000-4430-020-000	Noncapitalized Student Equipment	Amazon Purchases - October 2022	\$984.28
2959	11/23/2022	CARDMEMBER SERVICE	Cleared	\$2,316.17	62-0000-0000-2700-5998-020-000	Unallocated Credit Card Expense	CC Purchases - 10/18/22 - 11/17/22	\$2,316.17
2958	11/23/2022	CINTAS CORPORATION	Cleared	\$101.24	62-0000-0000-8100-4381-020-000	Materials for Plant Maintenance	Scraper, Gray Mat, Logo Mat	\$50.62
					62-0000-0000-8100-4381-020-000	Materials for Plant Maintenance	Scraper, Gray Mat, Logo Mat	\$50.62
2967	11/23/2022	Procopio, Cory, Hargreaves & Savitch LLP	Cleared	\$8,820.00	62-6536-5760-7200-5805-020-000	Legal Services	Professional Services Rendered Through 10/31/22	\$8,750.00
					62-0000-0000-7100-5805-020-000	Legal Services	Professional Services Rendered Through 10/31/22	\$70.00
2966	11/23/2022	Purchase Power	Cleared	\$177.67	62-0000-1110-2100-4300-020-000	Materials and Supplies	Postage Meter Supplies	\$177.67
2968	11/23/2022	Soliant	Cleared	\$1,774.50	62-6500-5760-1190-5810-020-000	Educational Consultants	School OT Services - 10/31/22 - 11/4/22	\$1,774.50
2969	11/23/2022	Scoot Education Inc.	Cleared	\$638.00	62-0000-1110-1000-5810-020-000	Educational Consultants	Substitute Services - Reference: REF25362	\$638.00
2965	11/23/2022	National Benefit Services, LLC	Outstanding	\$10,086.67	62-0000-0000-0000-9660-020-000	Voluntary Deductions	August 2022 Contributions - Bella Mente School - Correction	\$0.50
					62-0000-0000-0000-9660-020-000	Voluntary Deductions	November 2022 Contributions - For Bella Mente School	\$10,086.17
2963	11/23/2022	Shutterfly Lifetouch, LLC - Accts Receivable	Cleared	\$2,138.99	62-0000-1110-2100-4300-020-000	Materials and Supplies	Lifetouch Deposit - 2022-23	\$2,138.99
2964	11/23/2022	Literature Comes to Life	Cleared	\$595.00	62-0000-1110-1000-5830-020-000	Field Trips	One Literature Comes to Life Assembly Program	\$595.00
2962	11/23/2022	Kaiser Foundation Health Plan Inc	Cleared	\$14,170.12	62-0000-1110-1000-3403-020-000	Health & Welfare Benefits	December 2022 Health Insurance Premium	\$14,170.12
2974	11/29/2022	Maintex, Inc.	Cleared	\$117.97	62-0000-0000-8100-4381-020-000	Materials for Plant Maintenance	Foam Soap	\$117.97
2971	11/29/2022	Charter Tech Services (CTS)	Outstanding	\$5,825.80	62-0000-0000-7700-5877-020-000	IT Services	Monthly Technology Services	\$1,625.80

Bella Mente

Check Register 11/1/2022 through 11/30/2022

					62-0000-0000-7700-5877-020-000	IT Services	Monthly Technology Services	\$4,200.00
2970	11/29/2022	Charter School Management Corporation	Cleared	\$13,916.67	62-0000-0000-7300-5873-020-000	Financial Services	December 2022 Back Office, Payroll, SIS, Attendance & CALPADS	\$4,175.00
					62-0000-1110-2700-5873-020-000	Financial Services	December 2022 Back Office, Payroll, SIS, Attendance & CALPADS	\$9,741.67
2978	11/29/2022	TCi	Outstanding	\$2,463.00	62-0000-1110-1000-4100-020-000	Approved Textbooks and Core Curricula Materials	Middle School Social Studies Student/Teacher License	\$2,463.00
2972	11/29/2022	Campus Safety Alliance	Cleared	\$7,140.00	62-0000-0000-7410-5210-020-000	Training and Development Expense	Consulting Services	\$7,140.00
2973	11/29/2022	Cross Country Education	Cleared	\$7,470.00	62-6500-5760-1190-5810-020-000	Educational Consultants	SPED Expert Consultation - 05/02/22 - 06/22/22	\$7,470.00
2977	11/29/2022	Christine Suh, Ed.D	Cleared	\$20,662.50	62-6500-5760-1190-5810-020-000	Educational Consultants	Interim Director of SPED - October 2022	\$20,662.50
2976	11/29/2022	Scoot Education Inc.	Cleared	\$11,484.00	62-0000-1110-1000-5810-020-000	Educational Consultants	Substitute Services - Reference: REF26238	\$11,484.00
2975	11/29/2022	Soliant	Cleared	\$1,365.00	62-6500-5760-1190-5810-020-000	Educational Consultants	School OT Services - 11/13/22	\$1,365.00
Total Check Amount				\$277,011.87	Total GL Amount			\$277,011.87



**BELLA MENTE MONTESSORI
OCTOBER 2022 INVOICE
REVISED INVOICE**

Date: December 01, 2022

Top Notch Catering
6190 Fairmount Ave Suite G
San Diego, CA 92120

To: Gladys Espino

Cost per breakfast: \$1.95

Cost per lunch: \$3.30

Cost per lunch: \$1.01

	PRICE	TOTAL MEALS	TOTAL AMOUNT DUE
BELLA MENTE MONTESSORI SCHOOL			
BELLA MENTE MONTESSORI SCHOOL-BREAKFAST	\$1.95	1701	\$3,316.95
BELLA MENTE MONTESSORI SCHOOL-LUNCH	\$3.30	3954	\$13,048.20
BELLA MENTE MONTESSORI SCHOOL- SNACK	\$1.01	1035	\$1,045.35
Total		6690	\$17,410.50

Total Amount Due	\$17,410.50
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PLEASE MAIL PAYMENT TO:

Top Notch Catering
PO Box 1383
National City, CA 91951



**BELLA MENTE MONTESSORI
NOVEMBER 2022 INVOICE
REVISED INVOICE**

Date: December 08, 2022

Top Notch Catering
6190 Fairmount Ave Suite G
San Diego, CA 92120

To: Gladys Espino

Cost per breakfast:\$1.95

Cost per lunch: \$3.30

Cost per lunch: \$1.01

	PRICE	TOTAL MEALS	TOTAL AMOUNT DUE
BELLA MENTE MONTESSORI SCHOOL			
BELLA MENTE MONTESSORI SCHOOL-BREAKFAST	\$1.95	1554	\$3,030.30
BELLA MENTE MONTESSORI SCHOOL-LUNCH	\$3.30	2716	\$8,962.80
BELLA MENTE MONTESSORI SCHOOL- SNACK	\$1.01	935	\$944.35
Total		5205	\$12,937.45

Total Amount Due	\$12,937.45
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PLEASE MAIL PAYMENT TO:

Top Notch Catering
PO Box 1383
National City, CA 91951

INDEPENDENT CONTRACTOR AGREEMENT

(Special Education Services)

This Independent Contractor Agreement ("Agreement") is entered into as of December 14, 2022 ("Effective Date") by and between Bella Mente Charter School ("Bella Mente") and Christine Suh ("Consultant"), collectively referred to as the "Parties", with respect to the following facts:

WHEREAS, Bella Mente is a California nonprofit public benefit corporation that operates the public charter schools known as Bella Mente Academies and located in Vista, California;

WHEREAS, Consultant is experienced, qualified, and engaged in the business of providing Special Education Consulting Services; and

WHEREAS, Bella Mente desires to retain Consultant as an independent contractor for the purpose of providing the Consulting Services described herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and the mutual covenants contained herein, and for other good, valuable and sufficient consideration, the Parties agree as follows:

Section 1. Nature of Services and Relationship.

1.1 Consultant is hereby engaged by Bella Mente to perform the services specified in Attachment A (the "Consulting Services"), which is incorporated by reference. Consultant shall determine the method, details and means of performing all Consulting Services. Consultant shall supply at its own expense all tools, materials and equipment required to perform all Consulting Services under this Agreement, to the extent that any are required. Consultant assumes full responsibility for the performance of all Consulting Services provided under this Agreement. Bella Mente does not guarantee any minimum amount of work by this Agreement. Except as authorized in writing by Bella Mente, Consultant shall not have authority to enter into any contracts or agreements on behalf of Bella Mente.

1.2 Bella Mente's usual course of business is operating tuition-free public charter schools. Consultant's expertise and skill set is in the area of providing office and administrative support services, and Consultant warrants that it is engaged in an independent and bona fide business operation in such area, markets itself as such, is in possession of a valid business license/insurance when required, and is providing similar services to others.

1.3 Consultant assumes full responsibility for the performance of its duties under the terms of this Agreement and warrants that it is fully qualified in Consultant's specialized skill or expertise to perform such duties. Bella Mente will not provide any training or instruction to Consultant concerning

the manner and means of providing the services that are subject to this Agreement because Consultant warrants that it is highly skilled at providing office and administrative support services, and is providing similar services to others.

1.4 Bella Mente acknowledges that it does not and will not control or direct Consultant with regard to the manner or means in which Consultant performs its duties under this Agreement. Bella Mente shall simply have the right to approve or disapprove the final services provided by Consultant and shall have the right to set timing requirements (such as when Consultant may be present on campus) for the completion of services pursuant to this Agreement. Consultant understands and agrees that Consultant lacks the authority to bind Bella Mente contractually, conduct business on Bella Mente's behalf, or incur any obligations on behalf of Bella Mente. Specifically, Consultant agrees not to represent Consultant as an employee of Bella Mente in any capacity, including without limitation when interacting with Bella Mente's students, parents, vendors, or other community members (attire, verbal statements, e-mail, telephone, business cards, etc.).

1.5 If Consultant is a corporation or LLC or otherwise uses employees and/or agents in any capacity to fulfill this Agreement, Consultant warrants that all provisions of this Agreement are binding on each of Consultant's employees and agents.

1.6 Independent Contractor and Not Employee; No Employment Relationship. It is expressly understood between the Parties that Consultant is an independent contractor and not an employee of Bella Mente. No employment relationship exists between the Parties or any of Consultant's employees or agents.

_____ Consultant's Initials Regarding Section 1.6.

Section 2. Term of Services and Termination of Agreement. Consultant agrees to perform services for Bella Mente pursuant to the terms of this Agreement from the Effective Date through June 30, 2022 ("Termination Date"), unless any of the following occur: (1) the Parties agree in writing to renew the term of this Agreement, for a defined project or period of time, pursuant to the same terms of this Agreement ("Extension Date"); or (2) the Parties agree in writing to otherwise modify the terms of this Agreement in accordance with Section 10.2. Notwithstanding this previous sentence, Consultant or Bella Mente may terminate this Agreement at any time, with or without reason, by providing 14 days' written notice to the other party. Notwithstanding any other provision of this Agreement, certain terms of this Agreement shall remain in effect after the Termination Date (including without limitation Sections 5, 6, 7, 9 and 11.1 of this Agreement).

Section 3. Payment and Invoicing. In exchange for Consultant's performance of the Consulting Services set forth in Attachment A, Bella Mente shall pay Consultant at a rate of \$187.50 per hour (not to exceed a total amount of \$75,000.00), subject to early termination as provided in Section 2 of this

Agreement. Travel and mileage may be billed separately if approved in writing by Bella Mente Charter School before services are rendered. To qualify for payment, Consultant shall submit to Bella Mente on a monthly basis itemized invoices for all services rendered pursuant to this Agreement. Bella Mente shall pay Consultant the non-disputed amount invoiced within 30 days of its receipt of each invoice. Any damages or costs incurred by Bella Mente, including without limitation replacement costs, as a result of Consultant's failure to competently perform under this Agreement may be deducted by Bella Mente from any amounts owed to Consultant.

Section 4. Materials/Equipment. Consultant is responsible for any costs associated with providing services under this Agreement, including without limitation any materials or equipment.

Section 5. Consultant's Obligation to Pay Taxes; Tax Indemnification.

5.1 All compensation called for under this Agreement will be paid without deductions or withholdings and will be accompanied by a Form 1099 at year end. As an independent contractor, Consultant agrees that it will be solely responsible for the reporting and payment of any state and/or federal income tax or other withholdings on the compensation provided for its services under this Agreement. In addition, Consultant shall fill out and execute a Form W-9. Bella Mente shall have the right to inspect and audit Consultant's tax records as necessary to ensure compliance with this Agreement.

5.2 Bella Mente shall not have a duty to defend or indemnify Consultant against any tax claim or assessment associated with any payments under this Agreement. Consultant shall cooperate in the defense of any tax claims brought against Bella Mente associated with any such payments. Further, Consultant shall indemnify and hold Bella Mente harmless against any action, claim, charge, investigation, or other proceeding taken against Bella Mente in the event that any taxing authority challenges the allocation or characterization of the payment and/or seeks payment of taxes, interest, penalties, costs, fees, damages, interest, or other assessments from it in connection with any payments under this Agreement. This Section further incorporates by reference Consultant's obligations set forth in Section 7.

Section 6. Insurance; Business Requirements; Related Obligations.

6.1 Consultant expressly acknowledges and understands that Bella Mente shall have no obligation to provide insurance or benefits of any kind for Consultant, Consultant's business, or any of Consultant's employees or agents in any capacity. Consultant agrees to obtain and maintain general business liability insurance in coverage amounts as is customary in Consultant's trade or services. Consultant shall provide a copy of its general business liability insurance policy to Bella Mente within

10 days of Bella Mente's request during the term of this Agreement. Consultant has a duty to maintain valid and current insurance pursuant to this Section during the term of this Agreement.

6.2 Consultant shall be responsible for performing all duties incident to operating a business, including without limitation obtaining all necessary licenses (if applicable) and paying all applicable taxes. Bella Mente shall have the right to inspect and audit Consultant's business records as necessary to ensure compliance with this Agreement.

Section 7. Indemnification.

7.1 To the fullest extent allowed by applicable law, and in addition to any other indemnification and/or defense obligations set forth in other provisions of this Agreement, Consultant agrees to defend, indemnify, and hold Bella Mente (including without limitation its officers, directors, shareholders, agents, and employees) harmless from any and all claims, causes of action, charges, demands, costs, expenses, attorneys' fees, disputes, losses, penalties, liability, investigations, lawsuits, property damage, bodily injury, or proceedings of any kind, in law or equity, or every kind or nature whatsoever, arising out of or relating to Consultant's performance of services or obligations pursuant to this Agreement (including without limitation any conduct or actions by any of Consultant's employees or agents), regardless of any actions by Bella Mente, its officers, directors, shareholders, agents, employees, contractors, clients, or customers ("Claims"). Consultant's duties to defend, indemnify, and hold Bella Mente harmless as set forth in this Section include, but are not limited to, Claims arising out of or relating to any aspect of Consultant's services, Consultant's use of employees or agents of any kind (including without limitation any and all employment-related claims involving Bella Mente and/or with respect to compensation/benefits allegedly being due, such as torts, wage and hour, health/safety, paid sick leave, benefits, unemployment insurance benefits, state disability or paid family leave benefits, workers' compensation, among others), Consultant's breach of this Agreement, customer/client/student disputes of any kind, Consultant's violation of any applicable law, tax issues of any kind, any other applicable laws for which Bella Mente may be liable as an employer relating to Consultant's employees or agents.

7.2 Consultant's duty to defend Bella Mente is entirely separate and independent from Consultant's duty to indemnify and hold Bella Mente harmless. Such defense obligation shall arise immediately upon written notice of any Claims to Bella Mente and shall apply without regard to Bella Mente's liability or whether any liability has been determined. In the event of any Claims for which indemnification is required under this Agreement, Bella Mente reserves the right to select counsel of its own choosing, for which Consultant shall have the responsibility to pay all fees and costs (including without limitation settlement amounts) of such counsel, and control its defense (including without limitation settlement authority). Consultant shall reimburse Bella Mente for all of its fees and costs (including without limitation settlement amounts) as a result of such indemnification within 15 days of each of Bella Mente's written requests for such payment.

Section 8. Compliance with Laws; Warranties. Consultant represents and warrants that Consultant shall comply with all applicable laws for purposes of this Agreement, including without limitation wage and hour (state and federal), paid sick leave, employment-related laws, workers' compensation, and all laws relating to the use of Consultant's employees and/or agents (such as hiring, termination, compensation, leaves of absence, benefits, and health and safety, including without limitation OSHA and Cal/OSHA). Consultant further represents and warrants that Consultant and Consultant's employees and/or agents, if any, shall comply with all applicable laws regarding negligence, safety, theft, and property when performing services under this Agreement. Bella Mente shall incur no liability with regard to any violation of applicable laws by Consultant or Consultant's employees and/or agents.

Section 9. Non-Disclosure of Confidential Information. Consultant shall protect "confidential information" obtained during the course of performing services to Bella Mente pursuant to this Agreement. "Confidential information" includes any information about Bella Mente, its employees, or its students and families, including without limitation any employee and personnel files; student records; student and/or parent lists; any other data, information, or material protected from disclosure by trade secret laws, FERPA, or privacy laws; and any information about Bella Mente's business operations including its records maintenance, file storage and organization, marketing strategies and plans, financial and marketing data, computer records, formulas, and trade secrets. Consultant shall not disclose any confidential information except as expressly authorized by Bella Mente in order for Consultant to perform services under the Agreement or to comply with applicable law. Consultant further agrees and acknowledges that the commitment to protect confidential information is of great value to Bella Mente, and that it significantly affects the successful conduct of Bella Mente's business and its goodwill. Any breach of this Section shall be a material breach of this Agreement. Bella Mente shall be entitled to an emergency injunction to enjoin and restrain the unauthorized disclosure of confidential information by Consultant. Consultant shall immediately return all Bella Mente property, including documents and other confidential information, upon the termination of this Agreement or upon any request by Bella Mente.

Section 10. Mandatory Screening. Consultant affirms Consultant and its employees, contractors, and agents, if any, have not committed a serious or violent felony. Consultant shall ensure its employees, agents, and contractors complete a criminal background check through the Department of Justice in accordance with Education Code Section 45125.1. Consultant shall ensure its employees, agents, and contractors who will be present on campus and may have frequent or prolonged contact with students are pre-screened for tuberculosis. Consultant shall provide School evidence of such screenings immediately upon request.

Section 11. Miscellaneous.

11.1 Governing Law; Disputes. This Agreement shall be governed by and construed exclusively in accordance with the laws of the State of California, without reference to its choice of law rules. The Parties agree to submit any and all disputes or claims arising from or relating to this Agreement (including without limitation enforcement of, breach of, or interpretation of this Agreement) to mandatory and binding arbitration. Each party shall be responsible for its own costs and attorneys' fees in connection with the arbitration; however, the Parties shall equally split the costs of the arbitration (i.e., the arbitrator).

11.2 Entire Agreement. This Agreement (including its attachment) sets forth the entire understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all other oral or written agreements, representations, and understandings. This Agreement may only be modified by a writing signed by Consultant and Bella Mente.

11.3 Successors and Assigns. This Agreement shall be binding upon the successors, assigns, and legal representatives of Consultant and inures to the benefit of any successors or assigns of Bella Mente.

11.4 Construction. The headings used herein are for convenience or reference only and shall not affect the construction of, or be taken into consideration in interpreting, any provision of this Agreement. This Agreement shall not be interpreted against a party by virtue of such party's participation in the drafting of the Agreement or any provisions herein.

11.5 Severability. The Parties agree that this Agreement is severable and that in the event any provision of this Agreement is held to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions will not be affected or impaired. Additionally, the Parties expressly grant to any jurisdictional entity interpreting this Agreement the power and authority to modify the terms of this Agreement to the extent necessary to allow enforcement of this Agreement to the fullest extent allowed by law.

11.6 Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and delivered by overnight mail, facsimile, email and/or by hand to the address of Consultant or to the principal office of Bella Mente as follows:

To Bella Mente: Bella Mente Academies

To Consultant: Christine Suh, EdD

Attn: Erin Feeley, Executive Director

19 Timberline

1737 W. Vista Way

Irvine, CA, 92604

Vista, CA 92083

Email: efeeley@bellamentecharter.org

Email: Christine.suh.1981@gmail.com

11.7 Waivers. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver of any provision of this Agreement shall be binding on the Parties unless it is executed in writing by the party making the waiver.

11.8 Authority. The individuals signing below on behalf of an entity represent and warrant that they are duly authorized to execute and deliver this Agreement on behalf of their respective entity.

11.9 Counterparts. This Agreement may be executed in any number of counterparts. Each such counterpart shall be deemed to be an original and all such counterparts together shall constitute one agreement. To the maximum extent permitted by law or by any applicable governmental authority, any document may be signed and transmitted by facsimile, PDF, e-mail, DocuSign, electronic signature, scanned, or similar electronic means with the same validity as if it were an ink-signed document.

IN WITNESS HEREOF, by signing below the Parties hereto voluntarily enter into this Agreement as of the Effective Date, and they acknowledge that they have read and understand the terms set forth herein and agree to be bound thereby.

Bella Mente Charter School,

a California nonprofit public benefit corporation

Dated: December ____, 2022

Erin Feeley, Executive Director

Consultant

Dated: December ____, 2022

Christine Suh, Consultant

ATTACHMENT A

Consulting Services

Subject to the terms and conditions of the Independent Contractor Agreement (“Agreement”) between Bella Mente Charter School (“Bella Mente”) and Christine Suh (“Consultant”), Consultant hereby agrees to perform the following Consulting Services:

- Conduct Weekly SpEd Team Meeting
- Provide Weekly Admin Team Meeting Written Summary Update
- Provide Weekly Compliance Monitoring of IEPs and services in SEIS
- Lead and Supervise Special Education Team-2 Ed Specialists, 2 SpEd Aides, School Psych
- Manage/Lead contracted service Providers (SLP, APE, VI, OT, Nursing)
- Support with IEP coordination/scheduling
- Draft IEP Reviews and support to Admin Designees in preparation for meetings
- Draft Psych Report/Related Service Provider Report Reviews
- Liaison between BMMA/El Dorado Charter SELPA and attending mandatory PLN meetings
- Monthly on site visits to meet and observe teachers and students
- Administrative Designee for high needs/high profile students/cases
- Support with Professional Development management and facilitation
- Phone Calls and Emails with staff/parents
- Liaison to NPA partners
- SEIS oversight-Requesting grade rollovers of students, removal of disenrolled students, requesting transfers for incoming students, change in case carriers
- Developing and monitoring special education budget as needed
- Creation of Key Caseload Template
- IEP Master Calendar

Consultant shall diligently perform the above described Consulting Services in accordance with the terms and conditions of the Agreement. The Parties may amend or modify the above described Consulting Services by written agreement signed by the Parties.

Camp Agreement
Joe & Mary Mottino Family YMCA
Bella Mente Montessori Academy

This Camp Agreement is made by and between the YMCA of San Diego County, on behalf of the Joe & Mary Mottino Family YMCA (YMCA) and the Bella Mente Montessori Academy (Academy), collectively referred to as the "Parties" for the intended use of operating a day camp program at Academy's school site.

Under the terms of this Camp Agreement, the YMCA shall:

- a) Hold day camp at Academy during the days listed below, in accordance to the terms and standards provided by the American Camping Association. YMCA shall hold day camp at Academy during following days of the summer 2023 year:
 - a. June 19, 20, 21, 22, 23
 - b. June 26, 27, 28, 29, 30
 - c. July 10, 11, 12, 13, 14
 - d. July 17, 18, 19, 20, 21
 - e. July 24, 25, 26, 27, 28
 - f. July 31, August 1, 2, 3, 4
- b) Provide instructional day camp for approximately 50 to 150 children per day between the ages of 5 and 15.
- c) Provide a minimum staff to child ratio of 1: 10, plus at least one site supervisor or Camp Coordinator to oversee YMCA activities.

Academy shall:

- a) Provide a safe environment during the hours of 7:30am until 5:30pm. Ensure that the gates to the campus are opened each morning of camp by 7am. Academy acknowledges that the facility to be used by YMCA is in safe and good working condition, without any known defects.
- b) Provide access to adult and student restroom facilities during the hours governed by this agreement.
- c) Provide access to Academy campus gates, which will be opened each morning of camp by 7:00 am for setup, and closed no earlier than 5:30pm for clean-up.
 - Summer Camp 2023 hours: 7:30am — 5:30pm.
- d) Provide use of two classrooms, outdoor playground area, MPR, outdoor soccer field, outdoor basketball area and outdoor picnic area for on-site camp programs.

- e) Provide access and use of Academy's water spigot and internet access.
- f) Provide at least one custodian staff member from Academy to assist the YMCA staff with daily operations and provide maintenance and janitorial support during the hours of camp - one during the day and one in the evening.
- g) Provide assistance from an Academy staff member who will be responsible for locking and unlocking the camp each day that the camp is in session. Academy staff members shall be assigned to assist the YMCA staff as needed.

The YMCA agrees to pay Academy \$850 per week. The total amount of this agreement shall not exceed six thousand eight hundred (\$5,100) dollars. The YMCA will make a payment in full by the end of the 1st week in September 2023.

YMCA agrees to indemnify, defend and hold harmless Academy, its board of trustees, officers, agents, and employees against any and all claims, cost, demands, expenses (including attorney's fees), losses, damages, injuries, and liabilities arising from any accident, death or injury whatsoever or however caused to any person or property, because of, arising out of, or related to the negligent acts or omissions related to the YMCA. It is understood that such indemnity shall survive the termination of the Camp Agreement.

Academy agrees to indemnify, defend and hold harmless the YMCA, its board of trustees, directions, officers, agents, and employees against any and all claims, cost, demands, expenses (including attorney's fees), losses, damages, injuries, and liabilities arising from any accident, death, or injury whatsoever or however caused to any person or property, because of, arising out of, or related to the negligent acts or omissions related to Academy or its employees. It is understood that such indemnity shall survive the termination of this Camp Agreement.

The parties will provide evidence of Commercial General Liability coverage with limits of at least \$2,000,000 per occurrence/\$4,000,000 aggregate; coverage for sexual abuse and molestation will be included. The Parties shall name one another as an "additional insured" on a primary and noncontributory basis at the start of this agreement

This agreement is the entire agreement between the parties, superseding all prior and contemporaneous agreements, representations and promises, whether oral or in writing. Time is of the essence. This agreement is subject to the laws of the State of California.

YMCA of San Diego County,

By: _____

Date: _____

Roby Trada
Executive Director
Joe and Mary Mottino Family YMCA

By: _____

Date: _____

Erin Feeley
Executive Director
Bella Mente Montessori Academy

BELLA MENTE CHARTER SCHOOL- AGENDA ITEM VIII. 1.

TO: Board of Directors

FROM: Executive Director

DATE: December 13, 2022

SUBJECT: Review and Approve the First Interim Budget as presented by Associate School Business Manager from Charter School Management Corporation

ISSUE: Each fiscal year the charter school is required to submit an approved first interim financial report to its chartering district and the county office of education.

BACKGROUND: Local educational agencies (LEAs) are required to file two reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31. County superintendents are to report to the Superintendent of Public Instruction and the State Controller the certification for all districts in their county within 75 days after the close of the reporting period.

The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative. A positive certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year. In addition, the Superintendent of Public Instruction may reclassify the certification of any county office of education or reclassify a certification based on an appeal of a school district in accordance with the above standards.

FISCAL IMPACT/ FUNDING SOURCE: No fiscal impact.

RECOMMENDATION: Approve the First Interim Financial Report as presented by a representative from CSMC.

Respectfully Submitted,

Erin Feeley
Executive Director

**CHARTER SCHOOL
INTERIM FINANCIAL REPORT - ALTERNATIVE FORM
First Interim Report - Summary**

Charter School Name: Bella Mente Montessori
(continued) Academy
CDS #: 37 68452 0128223
Charter Approving Entity: Vista Unified
County: San Diego
Charter #: 1515
Fiscal Year: 2022-23

					1st Interim vs. Adopted Budget Increase, (Decrease)	
Description	Object Code	7/1 Adopted Budget (X)	Actuals thru 10/31 (Y)	1st Interim Budget (Z)	\$ Difference (Z) vs. (X)	% Change (Z) vs. (X)
A. REVENUES						
1. LCFF/Revenue Limit Sources						
State Aid - Current Year	8011	2,525,736.00	817,690.00	2,578,089.00	52,353.00	2.07%
Education Protection Account State Aid - Current Year	8012	76,032.00	20,990.00	73,840.00	(2,192.00)	-2.88%
State Aid - Prior Years	8019	-	-	-	-	
Transfers to Charter Schools Funding in Lieu of Property Taxes	8096	1,367,819.00	576,126.00	1,359,372.00	(8,447.00)	-0.62%
Other LCFF Transfers	8091, 8097	-	-	-	-	
Total, LCFF Sources		3,969,587.00	1,414,806.00	4,011,301.00	41,714.00	1.05%
2. Federal Revenues						
Every Student Succeeds Act (Title I-V)	8290	110,292.00	-	110,292.00	-	0.00%
Special Education - Federal	8181, 8182	52,789.00	-	59,195.00	6,406.00	12.14%
Child Nutrition - Federal	8220	135,586.00	-	135,586.00	-	0.00%
Donated Food Commodities	8221	-	-	-	-	
Other Federal Revenues	8110, 8260-8299	584,306.00	14,691.00	673,544.00	89,238.00	15.27%
Total, Federal Revenues		882,973.00	14,691.00	978,617.00	95,644.00	10.83%
3. Other State Revenues						
Special Education - State	StateRevSE	315,646.00	94,349.00	295,831.00	(19,815.00)	-6.28%
All Other State Revenues	StateRevAO	833,587.00	65,397.00	957,931.00	124,344.00	14.92%
Total, Other State Revenues		1,149,233.00	159,746.00	1,253,762.00	104,529.00	9.10%
4. Other Local Revenues						
All Other Local Revenues	LocalRevAO	61,716.00	29,283.00	66,067.00	4,351.00	7.05%
Total, Local Revenues		61,716.00	29,283.00	66,067.00	4,351.00	7.05%
5. TOTAL REVENUES		6,063,509.00	1,618,526.00	6,309,747.00	246,238.00	4.06%
B. EXPENDITURES						
1. Certificated Salaries						
Certificated Teachers' Salaries	1100	1,662,280.00	381,571.00	1,827,238.00	164,958.00	9.92%
Certificated Pupil Support Salaries	1200	85,680.00	33,190.00	70,795.00	(14,885.00)	-17.37%
Certificated Supervisors' and Administrators' Salaries	1300	413,302.00	144,056.00	404,270.00	(9,032.00)	-2.19%
Other Certificated Salaries	1900	-	-	-	-	
Total, Certificated Salaries		2,161,262.00	558,817.00	2,302,303.00	141,041.00	6.53%
2. Non-certificated Salaries						
Non-certificated Instructional Aides' Salaries	2100	206,761.00	32,944.00	287,060.00	80,299.00	38.84%
Non-certificated Support Salaries	2200	219,893.00	60,247.00	199,479.00	(20,414.00)	-9.28%
Non-certificated Supervisors' and Administrators' Sal.	2300	87,035.00	29,012.00	85,329.00	(1,706.00)	-1.96%
Clerical and Office Salaries	2400	202,052.00	79,222.00	293,795.00	91,743.00	45.41%
Other Non-certificated Salaries	2900	19,209.00	3,943.00	17,577.00	(1,632.00)	-8.50%
Total, Non-certificated Salaries		734,950.00	205,368.00	883,240.00	148,290.00	20.18%
3. Employee Benefits						
STRS	3101-3102	-	-	-	-	
PERS	3201-3202	-	-	-	-	
OASDI / Medicare / Alternative	3301-3302	179,268.00	57,661.00	197,929.00	18,661.00	10.41%
Health and Welfare Benefits	3401-3402	480,000.00	101,462.00	216,822.00	(263,178.00)	-54.83%
Unemployment Insurance	3501-3502	22,208.00	4,464.00	41,270.00	19,062.00	85.83%
Workers' Compensation Insurance	3601-3602	44,470.00	26,347.00	75,446.00	30,976.00	69.66%
OPEB, Allocated	3701-3702	-	-	-	-	
OPEB, Active Employees	3751-3752	-	-	-	-	
Other Employee Benefits	3901-3902	135,006.00	23,504.00	92,540.00	(42,466.00)	-31.45%
Total, Employee Benefits		860,952.00	213,438.00	624,007.00	(236,945.00)	-27.52%
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	80,815.00	16,446.00	80,815.00	-	0.00%
Books and Other Reference Materials	4200	-	4,865.00	4,865.00	4,865.00	New
Materials and Supplies	4300	82,881.00	37,132.00	82,881.00	-	0.00%
Noncapitalized Equipment	4400	49,791.00	54,337.00	63,216.00	13,425.00	26.96%
Food	4700	155,000.00	47,945.00	155,000.00	-	0.00%
Total, Books and Supplies		368,487.00	160,725.00	386,777.00	18,290.00	4.96%

5. Services and Other Operating Expenditures						
Subagreements for Services	5100	-	-	-	-	
Travel and Conferences	5200	33,164.00	18,724.00	33,164.00	-	0.00%
Dues and Memberships	5300	11,885.00	9,945.00	11,885.00	-	0.00%
Insurance	5400	145,610.00	118,760.00	145,610.00	-	0.00%
Operations and Housekeeping Services	5500	255,000.00	38,696.00	255,000.00	-	0.00%
Rentals, Leases, Repairs, and Noncap. Improvements	5600	37,500.00	18,458.00	37,500.00	-	0.00%
Transfers of Direct Costs	5700-5799	-	-	-	-	
Professional/Consulting Services and Operating Expend.	5800	738,830.00	268,707.00	885,693.00	146,863.00	19.88%
Communications	5900	40,715.00	31,674.00	65,136.00	24,421.00	59.98%
Total, Services and Other Operating Expenditures		1,262,704.00	504,964.00	1,433,988.00	171,284.00	13.56%
6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only)						
Land and Land Improvements	6100-6170	-	-	-	-	
Buildings and Improvements of Buildings	6200	-	-	-	-	
Books and Media for New School Libraries or Major Expansion of School Libraries	6300	-	-	-	-	
Equipment	6400	-	-	-	-	
Equipment Replacement	6500	-	-	-	-	
Depreciation Expense (for accrual basis only)	6900	397,633.00	130,338.00	397,633.00	-	0.00%
Total, Capital Outlay		397,633.00	130,338.00	397,633.00	-	0.00%
7. Other Outgo						
Tuition to Other Schools	7110-7143	-	-	-	-	
Transfers of Pass-through Revenues to Other LEAs	7211-7213	-	-	-	-	
Transfers of Apportionments to Other LEAs - Spec. Ed.	7221-7223SE	-	-	-	-	
Transfers of Apportionments to Other LEAs - All Other	7221-7223AO	-	-	-	-	
All Other Transfers	7281-7299	-	-	-	-	
Transfers of Indirect Costs	7300-7399	-	-	-	-	
Debt Service:						
Interest	7438	840,444.00	251,356.00	840,444.00	-	0.00%
Principal (for modified accrual basis only)	7439	-	-	-	-	
Total, Other Outgo		840,444.00	251,356.00	840,444.00	-	0.00%
8. TOTAL EXPENDITURES						
		6,626,432.00	2,025,006.00	6,868,392.00	241,960.00	3.65%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)						
		(562,923.00)	(406,480.00)	(558,645.00)	4,278.00	-0.76%
D. OTHER FINANCING SOURCES / USES						
1. Other Sources	8930-8979	-	-	-	-	
2. Less: Other Uses	7630-7699	-	-	-	-	
3. Contributions Between Unrestricted and Restricted Accounts (must net to zero)	8980-8999	-	-	-	-	
4. TOTAL OTHER FINANCING SOURCES / USES						
		-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)						
		(562,923.00)	(406,480.00)	(558,645.00)	4,278.00	-0.76%
F. FUND BALANCE, RESERVES						
1. Beginning Fund Balance						
a. As of July 1	9791	7,074,459.09	7,074,459.09	7,074,459.09	-	0.00%
b. Adjustments/Restatements	9793, 9795	-	-	-	-	
c. Adjusted Beginning Fund Balance		7,074,459.09	7,074,459.09	7,074,459.09		
2. Ending Fund Balance, June 30 (E + F.1.c.)		6,511,536.09	6,667,979.09	6,515,814.09		
Components of Ending Fund Balance :						
a. Nonspendable						
Revolving Cash (equals object 9130)	9711	-	-	-	-	
Stores (equals object 9320)	9712	-	-	-	-	
Prepaid Expenditures (equals object 9330)	9713	-	-	-	-	
All Others	9719	-	-	-	-	
b. Restricted	9740	-	-	-	-	
c. Committed						
Stabilization Arrangements	9750	-	-	-	-	
Other Commitments	9760	-	-	-	-	
d. Assigned						
Other Assignments	9780	-	-	-	-	
e. Unassigned/Unappropriated						
Reserve for Economic Uncertainties	9789	-	-	-	-	
Unassigned/Unappropriated Amount	9790	6,511,536.09	-	6,515,814.09	4,278.00	0.07%

BELLA MENTE CHARTER SCHOOL- AGENDA ITEM VIII. 2.

TO: Board of Directors

FROM: Executive Director

DATE: December 13, 2022

SUBJECT: Approve the Revised 2022.23 budget as presented by Associate School Business Manager from Charter School Management Corporation

ISSUE: The school must function off a budget revised based on current trends for the school year.

BACKGROUND: This year the school has experienced multiple changes since the school first adopted the 22.23 budget in June. We are forecasting an increase in State Child Nutrition Program funding as well as mandated block grant funding. In addition, we have approximately \$65,000 in an Expanded Learning Grant as well as Educator effectiveness funds.

With the increase in salaries we have experienced an increase in Expenses. We also have an increase in operating expenses as we outsourced cleaning to a night time cleaning company instead of relying on inhouse employees.

FISCAL IMPACT/ FUNDING SOURCE: Deficit of \$241,960 projected.

RECOMMENDATION: Approve the revised 2022.2023 budget as presented by a representative from CSMC.

Respectfully Submitted,

Erin Feeley
Executive Director



Bella Mente Montessori Academy



2022-23 Revised Budget

STUDENT ENROLLMENT INFORMATION

GRADE	2022-23	
	2022-23 Adopted	Reforecasted
ENROLLMENT BY GRADE		
TK	21	26
K	39	30
1	59	51
2	37	39
3	54	51
4	41	46
5	42	47
6	37	42
7	34	37
8	32	31
9	0	0
10	0	0
11	0	0
12	0	0
OTHER (CTC)	0	0
TOTAL	396	400

GRADE	2022-23	
	2022-23 Adopted	Reforecasted
DAILY ATTENDANCE RATE		
TK	96.0%	92.3%
K	96.0%	92.3%
1	96.0%	92.3%
2	96.0%	92.3%
3	96.0%	92.3%
4	96.0%	92.3%
5	96.0%	92.3%
6	96.0%	92.3%
7	96.0%	92.3%
8	96.0%	92.3%
9	0.0%	0.0%
10	0.0%	0.0%
11	0.0%	0.0%
12	0.0%	0.0%
OTHER (CTC)	0.0%	0.0%
TOTAL	96.0%	92.3%

GRADE	2022-23	
	2022-23 Adopted	Reforecasted
AVG DAILY ATTENDANCE BY GRADE		
TK	20.16	24.00
K	37.44	27.69
1	56.64	47.07
2	35.52	36.00
3	51.84	47.07
4	39.36	42.46
5	40.32	43.38
6	35.52	38.77
7	32.64	34.15
8	30.72	28.61
9	-	-
10	-	-
11	-	-
12	-	-
OTHER (CTC)	-	-
TOTAL	380.16	369.20

GRADE	2022-23	
	2022-23 Adopted	Reforecasted
AVG DAILY ATTENDANCE BY GRADE RANGE		
TK-3	201.60	181.83
4-6	115.20	124.61
7-8	63.36	62.76
9-12	-	-
TOTAL	380.16	369.20

REVENUE INPUT

ACCT	ACCOUNT NAME	2022-23 Adopted	2022-23 Reforecasted	VARIANCE
LCFF				
8011	LCFF; state aid	2,525,736	2,578,089	52,353
8012	LCFF; EPA	76,032	73,840	(2,192)
8019	Prior Year Income/Adjustments	-	-	-
8096	In-Lieu of Property Taxes	1,367,819	1,359,372	(8,447)
TOTAL LCFF REVENUE		\$ 3,969,587	\$ 4,011,301	\$ 41,714
FEDERAL				
8181	Special Education - Federal	52,789	59,195	6,406
8220	Federal Child Nutrition	135,586	135,586	-
8291	Title I	77,782	77,782	-
8292	Title II	13,852	13,852	-
8293	Title III	8,658	8,658	-
8294	Title IV	10,000	10,000	-
8290	All Other Federal Revenue	-	-	-
8290-3213	ESSER III 80%	467,445	450,571	(16,874)
8290-3214	ESSER III 20%	116,861	116,861	-
8290-3218	ELOG (ESSER III 3213)	-	38,957	38,957
8290-3219	ELOG (ESSER III 3214)	-	67,155	67,155
TOTAL FEDERAL REVENUE		\$ 882,973	\$ 978,617	\$ (10,468)
OTHER STATE				
8520	State Child Nutrition Program	8,834	38,246	29,412
8550-K8	MANDATE BLOCK GRANT K-8	6,935	7,699	764
8560-12	RESTRICTED LOTTERY	24,710	23,998	(712)
8560-22	LOTTERY	61,966	60,180	(1,786)
8590-7425	Expanded Learning Grant 90%	-	42,413	42,413
8590-7426	Expanded Learning Grant 10%	-	23,065	23,065
8590-2600	ELOP	153,153	153,153	-
8590-6053	Universal TK	63,981	63,981	-
8590-6266	Educator Effectiveness	-	32,361	32,361
8590-6536	Dispute Prevention	10,918	8,032	(2,886)
8590-66	MENTAL HEALTH	5,755	5,755	-
8591	SB740	514,008	519,200	5,192
8599	Prior Year State Income/Adjustments	-	(14,397)	(14,397)
TOTAL OTHER STATE REVENUE		\$ 850,260	\$ 963,686	\$ 113,426
LOCAL				
8639	Student Lunch Revenue	-	-	-
8650	Rental Income	20,000	20,000	-
8660	Interest Income	41,716	41,716	-
8682	Foundation Grants/Donations	-	2,012	2,012
8685	School Site Fundraising	-	1,125	1,125
8699	All Other Local Revenue	-	1,214	1,214
8792	SPED State/Other Transfers of Apportionments	298,973	290,076	(8,897)
TOTAL LOCAL REVENUE		\$ 360,689	\$ 356,143	\$ (4,546)
TOTAL REVENUE		\$ 6,063,509	\$ 6,309,747	\$ 140,126

EXPENSES INPUT

		2022-23		
ACCT	ACCOUNT NAME	2022-23 Adopted	Reforecasted	VARIANCE
1000 - CERTIFICATED				
1100	Teacher Salaries	1,623,261	1,784,734	(161,473)
1105	Teach Stipends	-	4,250	(4,250)
1120	Substitute Expense	39,019	38,254	765
1200	Certificated Pupil Support Salaries	85,680	70,795	14,885
1300	Certificated Supervisor and Administrator Salaries	413,302	404,270	9,032
1900	Other Certificated Salaries	-	-	-
Totals		\$ 2,161,262	\$ 2,302,302	\$ (141,040)
2000 - CLASSIFIED				
2100	Instructional Aide Salaries	206,761	287,060	(80,299)
2200	Classified Support Salaries (Maintenance, Food)	219,893	199,479	20,414
2300	Classified Supervisor and Administrator Salaries	87,035	85,329	1,706
2400	Clerical, Technical and Office Staff Salaries	202,052	293,795	(91,743)
2900	Other Classified Salaries	19,209	17,577	1,632
Totals		\$ 734,950	\$ 883,240	\$ (148,290)
3000 - BENEFITS				
3101	State Teachers' Retirement System, certificated positions	-	-	-
3202	Public Employees Retirement System	-	-	-
3301	OASDI/Medicare	179,268	181,886	(2,618)
3302	OASDI/Medicare	-	16,043	(16,043)
3401	Health & Welfare Benefits	480,000	186,532	293,468
3402	Health & Welfare Benefits	-	27,538	(27,538)
3501	State Unemployment Insurance	-	2,752	(2,752)
3502	State Unemployment Insurance	-	1,712	(1,712)
3503	State Unemployment Insurance	22,208	39,558	(17,350)
3601	Worker Compensation Insurance	-	18,674	(18,674)
3602	Worker Compensation Insurance	-	7,673	(7,673)
3603	Worker Compensation Insurance	44,470	49,099	(4,629)
3703	Other Employee Benefits	135,006	69,036	65,970
3901	Other Employee Benefits	-	16,434	(16,434)
3902	Other Employee Benefits	-	7,070	(7,070)
Totals		\$ 860,952	\$ 624,007	\$ 236,945
TOTAL PERSONNEL EXPENSE		\$ 3,757,164	\$ 3,809,549	\$ (52,385)
4000 - BOOKS AND SUPPLIES				
4100	Approved Textbooks and Core Curricula Materials	80,815	80,815	-
4200	Books and Other Reference Materials	-	4,865	(4,865)
4300	Materials and Supplies	42,000	42,000	-
4315	Classroom Materials and Supplies	20,881	20,881	-
4381	Plant/Facilities Maintenance	20,000	20,000	-
4400	Noncapitalized Equipment	35,000	35,000	-
4410	Computer Hardware	10,791	22,819	(12,028)
4430	Noncapitalized Student Equipment	4,000	4,000	-
4440	Student Events	-	1,397	(1,397)
4700	Food and Food Supplies	155,000	155,000	-
PLIES		\$ 368,487	\$ 386,777	\$ (18,289)
5000 - OTHER OPEX				
5200	Travel and Conferences	5,000	5,000	-
5210	Training and Development Expense	28,164	28,164	-
5300	Dues and Memberships	11,885	11,885	-
5400	Insurance	145,610	145,610	-
5500	Operation and Housekeeping Services	165,000	165,000	-
5501	Utilities	90,000	90,000	-
5601	Building Maintenance	25,000	25,000	-
5605	Equipment Rental/Lease Expense	6,500	6,500	-
5610	Equipment Repair	6,000	6,000	-
5800	Professional/Consulting Services and Operating Expenditures	50,348	190,000	(139,652)
5803	Banking and Payroll Service Fees	15,000	15,000	-
5805	Legal Services and Audit	15,000	15,000	-
5806	Audit Services	13,776	13,776	-
5810	Educational Consultants	341,153	341,153	-
5811	Student Transportation and Field Trips	1,856	8,650	(6,794)
5815	Advertising/Recruiting	30,449	30,449	-
5820	Fundraising Expense	5,900	5,900	-
5830	Field Trips	23,010	23,010	-
5873	Financial Services	167,000	167,000	-
5874	Personnel Services	1,642	1,642	-
5875	District Oversight Fee	39,696	40,113	(417)
5877	IT Services	32,000	32,000	-
5890	Interest Expense/Fees	2,000	2,000	-
5900	Communications (Tele., Internet, Copies, Postage, Messenger)	39,083	39,083	-
5998	Unallocated Credit Card Expense	1,632	26,053	(24,421)
OPEX		\$ 1,262,704	\$ 1,433,989	\$ (171,285)
6000 - CAPITAL OUTLAY				
6900	Depreciation Expense	397,633	397,633	-
TOTAL		\$ 397,633	\$ 397,633	\$ -
7000 - OTHER OUTGOING				
7438	Debt Service Interest	840,444	840,444	-
TOTAL		\$ 840,444	\$ 840,444	\$ -
TOTALS		\$ 6,626,432	\$ 6,868,392	\$ (241,960)

Bella Mente Montessori Academy



	NAME	2022-23	2022-23	VARIANCE
		Adopted	Reforecasted	
REVENUE	TOTAL ENROLLMENT	396	400	4
	AVERAGE DAILY ATTENDANCE	380	369	(11)
	State LCFF Revenue	\$ 3,969,587.00	\$ 4,011,301.00	\$ 41,714
	Federal Revenue	\$ 882,973.00	\$ 978,616.64	\$ 95,644
	Other State Revenue	\$ 850,260.08	\$ 963,686.06	\$ 113,426
	Local Revenue	\$ 360,688.98	\$ 356,143.10	\$ (4,546)
	TOTAL REVENUE	\$ 6,063,509	\$ 6,309,747	\$ 246,238
	Certificated Salaries	\$ 2,161,262.00	\$ 2,302,302.44	\$ 141,040
	Classified Salaries	\$ 734,950.00	\$ 883,239.53	\$ 148,290
	Benefits	\$ 860,952.00	\$ 624,007.19	\$ (236,945)
EXPENSES	TOTAL PERSONNEL EXPENSES	\$ 3,757,164	\$ 3,809,549	\$ 52,385
	Books and Supplies	\$ 368,487.18	\$ 386,776.64	\$ 18,289
	Services and Other Operating Expen	\$ 1,262,703.87	\$ 1,433,988.84	\$ 171,285
	Capital Outlay	\$ 397,633.00	\$ 397,633.00	\$ -
	Other Outgoing	\$ 840,444.00	\$ 840,444.00	\$ -
	TOTAL OTHER EXPENSES	\$ 2,869,268	\$ 3,058,842	\$ 189,574
	TOTAL EXPENSES	\$ 6,626,432	\$ 6,868,392	\$ 241,960
FUND BALANCE	SURPLUS\ (DEFICIT)	\$ (562,923)	\$ (558,645)	
	% of LCFF Revenue	-14.2%	-13.9%	
	BEGINNING FUND BALANCE	\$ 7,126,108	\$ 7,126,108	
	ENDING BALANCE	\$ 6,563,185	\$ 6,567,463	
	% of Expenses	99%	96%	

BELLA MENTE CHARTER SCHOOL- AGENDA ITEM VIII.3.

TO: Board of Directors

FROM: Executive Director

DATE: December 13, 2022

SUBJECT: Review Draft of the 2021-2022 Audit

ISSUE: By December 15 of each year, per education code 47605(m) and 41020(h), a charter school's prior year audit is due to the chartering authority, COE, State Superintendent of Public Instruction and State Controller. Due to COVID 19, an extension was granted by the State of California.

BACKGROUND:

Charter schools in California are required to follow and adhere to generally accepted accounting principles (GAAP); failure to do so may result in revocation of a charter. Charter schools can process accounting transactions and prepare financial reports for unaudited and auditing purposes using either the nonprofit reporting method, or governmental accounting standards. The charter petition should state which method of reporting the charter school will use. California Code of Regulations (CCR), Title 5, section 15071 requires that charter schools follow the California School Accounting Manual (CSAM), issued by the CDE's School Fiscal Services Division. The CSAM provides guidance for school district and charter school accounting and is available from the CDE's website at www.cde.ca.gov/fg/ac/sa. All charter school accounting personnel should be familiar with and have access to this manual.

Although their financial reports may be prepared using nonprofit reporting methods, charter schools are considered local government entities; therefore, the independent audit must be conducted based on governmental auditing standards and the provisions listed in the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel (EAAP) and available at www.eaap.ca.gov.

On Tuesday, December 6, we received the following information from our auditor via email: "As you may be aware the SCO is very behind in certifying the 202-21 audit reports. We were hoping they would finish their certifications with time to bill the final 10% of the audit fees and have those fees paid. However, it appears they will not. Because of this, it would impair our independence to issue a current year report while fees remain unbilled or unpaid from the prior year audit. I have included a letter you can send to your authorizer to request an extension for the 2021-22 audit report to January 31, 2023. We anticipate the state have finished the certifications in time for us to bill and be paid the final 10% by that time.

We know that extensions are not ideal for anyone involved, but we are trying to make this as painless as possible. We are still working on the report drafts and want the process to remain the same, with reports being ready to issue by the 15th even if we cannot issue them yet. We do apologize for this inconvenience and we hope that the state will expedite their process in the future given how far behind they go this year."

FISCAL IMPACT/ FUNDING SOURCE: N/A

RECOMMENDATION: N/A

Respectfully Submitted,

Erin Feeley
Executive Director

To Whom it May Concern,

I'm sure you are aware that the California State Controller's Office has fallen behind on their reviews of 2020-21 Audit Reports. Since Education Code 14505 requires LEAs to withhold payment of 10% of audit fees until SCO certifies the audit report, therefore these are unbilled and unpaid fees. Under the AICPA Professional Code of Conduct, that we operate under, issuing a current year audit report while there are prior year unbilled or unpaid fees impairs our independence.

With SCO being so far behind, we do not see this as something that can be cleared before the December 15th deadline. We'd like to ask that an extension be granted to January 31, 2023 to provide SCO enough time to certify the 2020-21 audit report so that the final 10% of prior audit fees can be billed and paid, resolving the threat to our independence.

If you have any questions for me please do not hesitate to call me at 619-447-6700.

Thank you so much for your consideration on this matter,



Kevin Sproul, CPA

Partner, Wilkinson Hadley King & Co LLP



Bella Mente
Montessori Academy
Charter School

Charter #1515

Audit Report

June 30, 2022



Bella Mente Montessori Academy Charter School

Financial Statements and Supplemental Information (Continued)

Year Ended June 30, 2022

TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT **2**

FINANCIAL STATEMENTS **4**

Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements.....	8

SUPPLEMENTARY INFORMATION **22**

Consolidating Statement of Financial Position.....	22
Consolidating Statement of Activities	23
Consolidating Statement of Functional Expenses	24
LEA Organization Structure	25
Schedule of Average Daily Attendance.....	26
Schedule of Instructional Time.....	27
Schedule of Financial Trends & Analysis	28
Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements	29
Notes to Supplementary Information.....	30

OTHER INDEPENDENT AUDITOR’S REPORTS **32**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial statements Performed in Accordance with <i>Government Auditing Standards</i>	32
Independent Auditor’s Report on State Compliance and on Internal Control Over State Compliance	34

AUDITOR’S RESULTS, FINDINGS & RECOMMENDATIONS **37**

Summary of Auditor’s Results	37
Schedule of Findings and Questioned Costs.....	38
Schedule of Prior Year Audit Findings	39

Independent Auditor's Report

To the Board of Directors of
Bella Mente Montessori Academy Charter School

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bella Mente Montessori Academy Charter School (a nonprofit organization), which comprise the statement of consolidated financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bella Mente Montessori Academy Charter School as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bella Mente Montessori Academy Charter School 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bella Mente Montessori Academy Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The additional accompanying supplementary information, as identified in the Table of Contents and as required by the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and additional accompanying supplementary information, as identified in the Table of Contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of Bella Mente Montessori Academy Charter 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 of Bella Mente Montessori Academy Charter 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 Bella Mente Montessori Academy Charter School's internal control over financial reporting and compliance.

El Cajon, California
December 15, 2022

Financial Statements

Bella Mente Montessori Academy Charter School

Consolidated Statement of Financial Position

June 30, 2022

Assets

Cash and cash equivalents	\$ 8,555,953
Accounts receivable	1,065,793
Prepaid expenses	200,207
Other assets cost of issuance	741,221
Property and equipment, net	<u>13,531,236</u>
Total Assets	<u>\$ 24,094,410</u>

Liabilities and Net Assets

Liabilities

Accounts payable - vendors	\$ 87,618
Accounts payable - grantor government	56,233
Accrued payroll expenses	148,033
Unearned revenue	451,405
Bonds and notes payable	<u>16,225,014</u>
Total Liabilities	<u>16,968,303</u>

Net Assets

Without donor restrictions

Undesignated	7,936,729
Invested in property and equipment, net of related debt	<u>(902,583)</u>
	<u>7,034,146</u>

With donor restrictions

Restricted for state programs	<u>91,961</u>
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Total Net Assets	<u>7,126,107</u>
Total Liabilities and Net Assets	<u>\$ 24,094,410</u>

The accompanying notes are an integral part of this statement.

Bella Mente Montessori Academy Charter School

Consolidated Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Local Control Funding Formula (LCFF) sources			
State aid	\$ 2,361,409	\$ -	\$ 2,361,409
Education protection account state aid	83,960	-	83,960
Transfers in lieu of property taxes	1,709,772	-	1,709,772
Total LCFF sources	<u>4,155,141</u>	<u>-</u>	<u>4,155,141</u>
Federal contracts and grants	-	747,374	747,374
State contracts and grants	497,646	773,324	1,270,970
Local contracts and grants	61,715	-	61,715
Donations	77,710	-	77,710
Rental income	30,609	-	30,609
Interest income	46,598	-	46,598
Net assets released from restriction -			
Grant restrictions satisfied	<u>1,460,840</u>	<u>(1,460,840)</u>	<u>-</u>
Total revenue, support, and gains	<u>6,330,259</u>	<u>59,858</u>	<u>6,390,117</u>
Expenses and Losses			
Program services expense	4,622,831	-	4,622,831
Supporting services expense	<u>1,116,946</u>	<u>-</u>	<u>1,116,946</u>
Total expenses and losses	<u>5,739,777</u>	<u>-</u>	<u>5,739,777</u>
Change in Net Assets	590,482	59,858	650,340
Net Assets, Beginning of Year	<u>6,443,664</u>	<u>32,103</u>	<u>6,475,767</u>
Net Assets, End of Year	<u>\$ 7,034,146</u>	<u>\$ 91,961</u>	<u>\$ 7,126,107</u>

The accompanying notes are an integral part of this statement.

Bella Mente Montessori Academy Charter School

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services	Supporting Services	
	Educational Programs	Management and General	Total
Salaries and Wages	\$ 2,168,168	\$ 580,032	\$ 2,748,200
Other employee benefits	280,168	74,951	355,119
Payroll taxes	191,692	51,282	242,974
Fees for services:			
Management	-	169,877	169,877
Legal	-	18,323	18,323
Audit	-	9,525	9,525
Professional consulting	164,087	-	164,087
District oversight	-	41,598	41,598
Banking and service charges	-	10,263	10,263
Advertising and promotion	-	35,130	35,130
Office expenses	70,203	-	70,203
Information technology	24,472	-	24,472
Amortization	26,823	-	26,823
Occupancy	92,763	-	92,763
Conferences, conventions, and meetings	31,621	-	31,621
Debt service interest	786,875	1,273	788,148
Depreciation	392,099	-	392,099
Insurance	-	97,715	97,715
Other expenses:			
Books and supplies	358,820	-	358,820
Equipment rental and repair	6,976	-	6,976
Student transportation	28,064	-	28,064
Dues and memberships	-	15,243	15,243
Miscellaneous	-	11,734	11,734
Total expenses by function	<u>4,622,831</u>	<u>1,116,946</u>	<u>5,739,777</u>

The accompanying notes are an integral part of this statement.

Bella Mente Montessori Academy Charter School

Consolidated Statement of Cash Flows

Year Ended June 30, 2022

Cash Flows from Operating Activities	
Receipts from federal, state, and local contracts and grants	\$ 5,466,538
Receipts from property taxes	1,709,772
Receipts from donations and fundraising	77,710
Receipts from rental income	30,609
Receipts from operating interest	46,598
Payments for salaries, benefits and payroll taxes	(3,374,457)
Payments to vendors	(1,208,733)
Net Cash Provided by Operating Activities	<u>2,748,037</u>
Cash Flows from Investing Activities	
Sale of operating investments	988,878
Purchases of property and equipment	(9,306)
Net Cash Provided by Investing Activities	<u>979,572</u>
Cash Flows from Financing Activities	
Payments on bonds	(285,002)
Interest paid	(788,148)
Net Cash Used for Financing Activities	<u>(1,073,150)</u>
Net Change in Cash and Cash Equivalents	2,654,459
Cash and Cash Equivalents, Beginning of Year	5,901,494
Cash and Cash Equivalents, End of Year	<u>\$ 8,555,953</u>
Reconciliation of Change in Net Assets to Net Cash	
Used For Operating Activities	
Change in net assets	\$ 650,340
Depreciation	392,099
Interest paid	788,148
Adjustments to reconcile change in net assets to net cash:	
(Increase) Decrease in assets	
Accounts receivable	823,160
Prepaid expenses	(67,887)
Other assets cost of issuance	26,824
Increase (Decrease) in liabilities	
Accounts payable - vendors	45,567
Accounts payable - grantor government	(24,036)
Accrued expenses and other liabilities	(28,164)
Unearned revenue	141,986
Net Cash Provided by Operating Activities	<u>\$ 2,748,037</u>

The accompanying notes are an integral part of this statement.

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements

Year Ended June 30, 2022

A. Principal Activity and Summary of Significant Accounting Policies

Organization Structure

Bella Mente Montessori Academy (the School) was formed on September 9, 2011, as a charter school pursuant to California Education Code §47600 under a charter agreement with Vista Unified School District (the District). The school became a nonprofit public benefit corporation on September 9, 2011. The charter agreement was approved by Vista Unified School District and submitted to the California Board of Education in May 2013. The school began operations on September 3, 2013.

Bella Mente Montessori is a tuition-free, TK-8 Charter school in Vista. Bella Mente is proud to offer a quality Montessori education with classroom limited to a 1:28 teacher/student ratio. An educational atmosphere is provided that encourages socioeconomic diversity by providing all students with the opportunity to obtain a quality public education via Montessori and project-based learning philosophies. The School strives to foster forward thinking students prepared with 21st century skills while enriching and nurturing the whole child.

BM Holdings LLC was created in 2018 in order to finance the purchase of the building the school resides in.

Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The School uses the accrual basis of accounting, under which revenues are recognized when they are earned, and expenditures are recognized in the accounting period in which the liability is incurred.

Basis of Consolidation

The accompanying consolidated financial statements include accounts of Bella Mente Montessori Academy Charter School and its related entity, BM Holdings LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. Management makes estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivables consist primarily of noninterest-bearing amounts due to the School for federal, state, and local grants and contracts receivable. The amounts in accounts receivable are considered fully collectable and as such there has not been an allowance for uncollectable accounts or discount established for the School.

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Property and Equipment

The School records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed in the current period.

The School reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

Investments

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

Net Assets

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 those resources be maintained in perpetuity. 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.

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Revenue and Revenue Recognition

The School recognizes revenue from sales when the products are transferred, and services are provided. The School records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Some federal, state, and local contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expense. In such cases the revenue is recognized once all performance requirements have been met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and developing activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Advertising

Advertising costs are expensed as incurred and approximated \$35,130 during the year ended June 30, 2022.

Functional Allocation of Expenses

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

Income Taxes

The School is a 509(a)(1) publicly supported non-profit organization that is exempt from income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code. The School is also exempt from California franchise or income tax under Section 23701d of the California Revenue and Taxation Code. The School may be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2022, no such unrelated business income was reported and, therefore, no provision for income taxes has been made.

The School follows provisions of uncertain tax positions as addressed in ASC 958. The School recognizes accrued interest and penalties associated with uncertain tax positions as part of the income tax provision, when applicable. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended June 30, 2022.

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Estimates

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

Financial Instruments and Credit Risk

The School manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the School to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the School has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from government agencies.

LCFF Revenues and Payments in Lieu of Property Taxes

The School's primary funding source is a combination of local property taxes and state revenues. The California Department of Education computes the local control funding formula (LCFF) on statewide charter school rates multiplied by the schools' average daily attendance (ADA) as reported at the second principal apportionment period (P2). The result is then reduced by property tax revenues transferred from the District to the school, which is funding in lieu of property taxes, and education protection account funds paid by the state under Proposition 30. The remaining balance is paid from the state general fund, in the form of LCFF State Aid. LCFF funding sources, inclusive of state and local sources, made up 65% of the School's revenue.

The School is not at risk of losing these funding sources, as long as the School maintains a steady level of ADA, as these funding sources are mandated by the California State Constitution to fund schools.

New Accounting Guidance

The Financial Accounting Standards Board (FASB) issues accounting standards updates and additional guidance for not-for-profit and for-profit agencies to establish consistent accounting across all organizations in the United States. The following table represents items that have been issued by FASB that became effective in the 2021-22 fiscal year:

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued
FASB Accounting Standards Update 2017-12 - <i>Derivatives and Hedging (Topic 815)</i>	Aug-17
FASB Accounting Standards Update 2018-10 - <i>Codification Improvements to Topic 842 Leases</i>	Jul-18
FASB Accounting Standards Update 2018-15 - <i>Intangibles, Goodwill and Other, Internal Use Software (Topic 350-40)</i>	Aug-18
FASB Accounting Standards Update 2018-16 - <i>Derivatives and Hedging (Topic 815)</i>	Oct-18
FASB Accounting Standards Update 2018-17 - <i>Consolidation (Topic 810)</i>	Oct-18
FASB Accounting Standards Update 2018-18 - <i>Collaborative Arrangements (Topic 808)</i>	Nov-18
FASB Accounting Standards Update 2019-02 - <i>Entertainment Film Costs (Topic 926-20)</i>	Mar-19
FASB Accounting Standards Update 2019-10 - <i>Derivatives and Hedging (Topic 815)</i>	Nov-19
FASB Accounting Standards Update 2020-07 - <i>Not-For-Profit Entities (Topic 958)</i>	Sep-20

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The School has adopted provisions of effective Accounting Standards Updates. The implementation of these items did not result in a change to financial presentation for the School.

Subsequent Events

In preparing these financial statements, the School has evaluated events and transactions for potential recognition or disclosure through **December 15, 2022**, the date the financial statements were available to be issued.

B. Liquidity and Availability

The School's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 8,555,953
Accounts receivable	1,065,793
	<hr/>
	\$ 9,621,746
	<hr/>

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

C. Fair Value Measurements and Disclosures

The School reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3: Unobservable inputs for the asset or liability. In these situations, the Corporation develops inputs using the best information available in the circumstances.

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

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2022:

Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Treasury and Operating investments:				
Cash in county treasury	\$ 6,242,323	\$ -	\$ 6,242,323	\$ -
Money market and equivalent funds (at cost)	1,171,131	1,171,131	-	-
by community foundation	<u>\$ 7,413,454</u>	<u>\$ 1,171,131</u>	<u>\$ 6,242,323</u>	<u>\$ -</u>

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

D. Cash and Cash Equivalents

The School's cash and cash equivalents on June 30, 2022, consisted of the following:

	Bella Mente Charter School	BM Holdings LLC	Total
Cash in county treasury	\$ 6,242,323	\$ -	\$ 6,242,323
Cash in bank accounts	1,142,137	362	1,142,499
Investments	-	1,171,131	1,171,131
Total cash and investments	<u>\$ 7,384,460</u>	<u>\$ 1,171,493</u>	<u>\$ 8,555,953</u>

Cash in County Treasury

In order to receive apportionment and other government funding, the School has a Cash in County Treasury account with San Diego County. Once funds are deposited into the County Treasury, the School submits a transfer request to withdraw funds from the County Treasury to move funds into the School's operating account. Balances, as noted above, were held in cash accounts at the County Treasury and as such were not invested in the County Treasury's investment pool.

Cash Equivalents and Investments

The School maintains a portion of their funds in short term investments, money market funds and mutual funds (\$1,171,131 as of June 30, 2022). These cash equivalents consist of United States Government Money Market Funds. These funds are not FDIC insured and are therefore exposed to custodial credit risk. The School does not anticipate any losses as a result of this risk. Cash may be added or withdrawn from the money market accounts without limitation.

Cash in Bank

The remainder of the School's cash (\$1,142,499 as of June 30, 2022) is held in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor. As of June 30, 2022, the School held \$929,444 in excess of the FDIC insured amounts. The School reduces its exposure to risk by maintaining such deposits with high quality financial institutions. The School has not experienced any losses in such accounts and believe it is not exposed to any significant credit risk.

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

E. Accounts Receivable

As of June 30, 2022, the School's accounts receivable consisted of the following:

Federal Government		
Child Nutrition	\$	39,114
Special Education		83,370
ESSER II		263,224
Other Federal Programs		49,332
State Government		
Special Education		45,669
SB740		216,033
Other State Programs		8,977
Local Government		
Property tax payments		281,352
Other Local Sources		
Interest		15,004
Other local sources		63,718
Total Accounts Receivable	\$	<u>1,065,793</u>

F. Prepaid Expenses

As of June 30, 2022, the School's prepaid expenses consisted of the following:

Service contracts	\$	187,635
Insurance		12,572
Total Prepaid Expenses	\$	<u>200,207</u>

G. Property and Equipment

Property and equipment for Bella Mente Montessori Academy Charter School consisted of the following at June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Capital Assets				
Land	\$ 3,352,414	\$ -	\$ -	\$ 3,352,414
Total Non-Depreciable Capital Assets	<u>3,352,414</u>	<u>-</u>	<u>-</u>	<u>3,352,414</u>
Depreciable Capital Assets				
Buildings and Improvements	11,730,396	9,306	-	11,739,702
Equipment, Furniture, and Fixtures	60,471	-	-	60,471
Total Depreciable Capital Assets	<u>11,790,867</u>	<u>9,306</u>	<u>-</u>	<u>11,800,173</u>
Total Capital Assets	15,143,281	9,306	-	15,152,587
Less Accumulated Depreciation	<u>(1,229,252)</u>	<u>(392,099)</u>	<u>-</u>	<u>(1,621,351)</u>
Capital Assets, Net	<u>13,914,029</u>	<u>(382,793)</u>	<u>-</u>	<u>13,531,236</u>

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

H. Unearned Revenue

At year end the School had performance obligations remaining to expend funds for multiple federal and state grants. As such, unexpended cash received is reflected in unearned revenue.

The following table provides information about significant changes in unearned revenue for the year ended June 30, 2022:

Unearned Revenue, beginning of period	\$	309,419
Increases in unearned revenue due to cash received during the period		407,126
Decreases in unearned revenue due to performance obligations met during the period		(265,140)
Unearned Revenue, end of period	\$	<u>451,405</u>

As of June 30, 2022, unearned revenue consisted of the following:

Federal		
ESSER III	\$	67,949
State		
Educator Effectiveness		75,844
Kitchen Infrastructure		25,000
Universal Pre-K Planning		63,981
Expanded Learning Opportunities		218,631
Total Unearned Revenue	\$	<u>451,405</u>

I. Bonds Payable

On July 1, 2018, the California Municipal Financing Authority (the Authority) issued \$15,485,000 of Series A 2018 Charter School Lease Revenue Bonds (the Bonds). The Bonds are 30-year serial bonds maturing on July 1, 2048, with Series A rates being 5.00%, provisions for optional and mandatory redemption sinking funds, and a provision for early redemption. Payment of principal and interest on the Bonds is guaranteed by a lease agreement, which provides the Authority with the rights and title to program revenues and is secured by the school building.

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Bonds payable consist of the following at June 30, 2022:

Principal amount	\$ 15,415,000
Plus unamortized premium	805,006
	<u>\$ 16,220,006</u>

Future maturities of bonds payable are as follows:

Series A

Year Ending June 30,	Principal	Interest	Total
2023	305,000	763,125	1,068,125
2024	320,000	747,500	1,067,500
2025	335,000	731,125	1,066,125
2026	350,000	714,000	1,064,000
2027	370,000	696,000	1,066,000
2028-2032	2,095,000	3,183,875	5,278,875
2033-2037	2,715,000	2,584,375	5,299,375
2038-2042	3,470,000	1,814,250	5,284,250
2042-2047	4,430,000	832,000	5,262,000
2048	1,025,000	25,625	1,050,625
	<u>\$ 15,415,000</u>	<u>\$ 12,091,875</u>	<u>\$ 27,506,875</u>

J. Net Assets With Donor Restrictions

The School receives grants from federal and state agencies that are restricted for specific purposes. Once the restricted purpose has been fulfilled, the assets are released from restriction. During the 2021-22 fiscal year the School received Child Nutrition and K-12 Health Education, which are multi-year restricted grants. At June 30, 2022, net assets were restricted for the following purposes:

Subject to expenditure for specified state purposes:	
K-12 Health Education	\$ 46,476
National School Lunch Program	<u>45,485</u>
Total net assets with donor restrictions	<u>\$ 91,961</u>

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2022.

Beginning restricted net assets	\$ 32,103
Restricted grants received	1,520,698
Net assets released from restriction:	
Restricted purpose satisfied	<u>(1,460,840)</u>
Ending restricted net assets	<u>\$ 91,961</u>

K. Leases

Related Party Capital Lease

The School entered into a lease for its building from BM Holdings LLC, a related party, in 2018 after the building was purchased from the previous lessor. At the end of the lease the building will transfer ownership to the School.

Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Capital Leases</u>
2023	1,075,729
2024	1,075,417
2025	1,074,354
2026	1,072,958
2027	1,075,375
2028-2032	5,330,854
2033-2037	5,367,604
2038-2042	5,370,709
2043-2047	5,370,041
2048	<u>986,563</u>
Total minimum lease payments	27,799,604
Less amount representing interest	<u>(13,365,785)</u>
Capital lease obligation	<u>\$ 14,433,819</u>

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

L. Related Party Transactions

Related parties as defined by generally accepted accounting standards include:

1. Affiliates of the entity,
2. Management and members of their immediate families, or
3. Other parties that can significantly influence management or operating policies.

Bella Mente Montessori Academy Charter School and BM Holdings LLC are affiliated through common executive management. The LLC holds part of the building and debt on its books and facilitates the lease for the School.

The following represents material transactions between the affiliated organizations that occurred during the 2021-22 fiscal year:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Bella Mente Montessori Charter School	BM Holdings LLC	\$ 798,925	Rent and Interest

M. Upcoming Changes in Accounting Pronouncements

The Financial Accounting Standards Board (FASB) has issued the following Accounting Standards Updates (ASU) that become effective over the next few fiscal years:

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2016-02 - <i>Leases (Topic 842)</i>	Feb-16	2022-23
FASB Accounting Standards Update 2016-13 - <i>Credit Losses (Topic 326)</i>	Jun-16	2023-24
FASB Accounting Standards Update 2017-04 - <i>Intangibles, Goodwill & Other (Topic 350)</i>	Jan-17	2023-24
FASB Accounting Standards Update 2018-01 - <i>Leases (Topic 842)</i>	Jan-18	2022-23
FASB Accounting Standards Update 2018-11 - <i>Leases Targeted Improvements (Topic 842)</i>	Jul-18	2022-23
FASB Accounting Standards Update 2018-12 - <i>Financial Services Insurance (Topic 944)</i>	Aug-18	2024-25
FASB Accounting Standards Update 2018-14 - <i>Compensation, Retirement Benefits - Defined Benefit Plans (Topic 715-20)</i>	Aug-18	2022-23
FASB Accounting Standards Update 2018-19 - <i>Codification Improvements for Credit Losses (Topic 326)</i>	Nov-18	2023-24
FASB Accounting Standards Update 2018-20 - <i>Leases (Topic 842)</i>	Dec-18	2022-23

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2019-01 - <i>Leases (Topic 842)</i>	Mar-19	2022-23
FASB Accounting Standards Update 2019-09 - <i>Financial Services, Insurance (Topic 944)</i>	Nov-19	2024-25
FASB Accounting Standards Update 2019-10 - <i>Financial Instruments, Credit Losses</i>	Nov-19	2023-24
FASB Accounting Standards Update 2019-12 - <i>Income Taxes (Topic 740)</i>	Dec-19	2022-23
FASB Accounting Standards Update 2020-01 - <i>Investments (Topics 321, 323, and 815)</i>	Jan-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Revenue from Contracts with Customers (Topic 606)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-05 - <i>Leases (Topic 842)</i>	Jun-20	2022-23
FASB Accounting Standards Update 2020-06 - <i>Debt (Topic 470-20)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-06 - <i>Derivatives and Hedging (Topic 815-40)</i>	Aug-20	2024-25
FASB Accounting Standards Update 2020-08 - <i>Codification Improvements for Receivables (Topic 310-20)</i>	Oct-20	2022-23
FASB Accounting Standards Update 2020-10 - <i>Codification Improvements</i>	Nov-20	2025-26
FASB Accounting Standards Update 2021-02 - <i>Franchisors Revenue (Topic 952-606)</i>	Jan-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Earnings Per Share (Topic 260)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Debt Modifications and Extinguishments (Topic 470-50)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Stock Compensation (Topic 718)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-04 - <i>Derivatives and Hedging (Topic 815-40)</i>	May-21	2022-23
FASB Accounting Standards Update 2021-05 - <i>Leases (Topic 842)</i>	Jul-21	2022-23
FASB Accounting Standards Update 2021-07 - <i>Stock Compensation (Topic 718)</i>	Oct-21	2022-23
FASB Accounting Standards Update 2021-08 - <i>Business Combinations (Topic 805)</i>	Oct-21	2024-25

Bella Mente Montessori Academy Charter School

Notes to the Consolidated Financial Statements (Continued)

Year Ended June 30, 2022

Description	Date Issued	Fiscal Year Effective
FASB Accounting Standards Update 2021-09 - <i>Leases (Topic 842)</i>	Nov-21	2022-23
FASB Accounting Standards Update 2021-10 - <i>Government Assistance (Topic 832)</i>	Nov-21	2022-23
FASB Accounting Standards Update 2022-01 - <i>Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method</i>	Mar-22	2024-25
FASB Accounting Standards Update 2022-02 - <i>Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures</i>	Mar-22	2023-24
FASB Accounting Standards Update 2022-03 - <i>Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i>	Jun-22	2025-26
FASB Accounting Standards Update 2022-04 - <i>Liabilities-Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations</i>	Sep-22	2023-24

These updates were issued to provide clarification and simplification in accounting for certain transactions. In addition, they provide for additional note disclosures to create transparency involving these transactions. The updates effective during the future fiscal years are not expected to impact the financial accounting or presentation for the School.

Supplementary Information

Bella Mente Montessori Academy Charter School

Consolidating Statement of Financial Position

June 30, 2022

	Bella Mente Charter School	BM Holdings LLC	Elimination	Total
Assets				
Cash and cash equivalents	\$ 7,384,460	\$ 1,171,493	\$ -	\$ 8,555,953
Accounts receivable	1,065,793	-	-	1,065,793
Accounts receivable - related entity	69,871	14,433,819	(14,503,690)	-
Prepaid expenses	200,207	-	-	200,207
Other assets cost of issuance	-	741,221	-	741,221
Property and equipment, net	13,531,236	-	-	13,531,236
Total Assets	<u>\$ 22,251,567</u>	<u>\$ 16,346,533</u>	<u>\$ (14,503,690)</u>	<u>\$ 24,094,410</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable - vendors	\$ 87,618	\$ -	\$ -	\$ 87,618
Accounts payable - related entity	-	69,871	(69,871)	-
Accounts payable - grantor government	56,233	-	-	56,233
Accrued payroll expenses	148,033	-	-	148,033
Unearned revenue	451,405	-	-	451,405
Capital lease obligations	14,433,819	-	(14,433,819)	-
Bonds and notes payable	-	16,225,014	-	16,225,014
Total Liabilities	<u>15,177,108</u>	<u>16,294,885</u>	<u>(14,503,690)</u>	<u>16,968,303</u>
Net Assets				
Without donor restrictions				
Undesignated	7,885,081	51,648	-	7,936,729
Invested in property and equipment, net of related debt	(902,583)	-	-	(902,583)
	<u>6,982,498</u>	<u>51,648</u>	<u>-</u>	<u>7,034,146</u>
With donor restrictions				
Restricted for state programs	91,961	-	-	91,961
	<u>91,961</u>	<u>-</u>	<u>-</u>	<u>91,961</u>
Total Net Assets	<u>7,074,459</u>	<u>51,648</u>	<u>-</u>	<u>7,126,107</u>
Total Liabilities and Net Assets	<u>\$ 22,251,567</u>	<u>\$ 16,346,533</u>	<u>\$ (14,503,690)</u>	<u>\$ 24,094,410</u>

Bella Mente Montessori Academy Charter School

Consolidating Statement of Activities

June 30, 2022

	Bella Mente Charter School		BM Holdings LLC	Elimination	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Total
Revenue, Support, and Gains					
Local Control Funding Formula (LCFF) sources					
State aid	\$ 2,361,409	\$ -	\$ -	\$ -	\$ 2,361,409
Education protection account state aid	83,960	-	-	-	83,960
Transfers in lieu of property taxes	1,709,772	-	-	-	1,709,772
Total LCFF sources	4,155,141	-	-	-	4,155,141
Federal contracts and grants	-	747,374	-	-	747,374
State contracts and grants	497,646	773,324	-	-	1,270,970
Local contracts and grants	61,715	-	-	-	61,715
Donations	77,710	-	-	-	77,710
Rental income	30,609	-	-	-	30,609
Interest income	46,598	-	798,925	(798,925)	46,598
Net assets released from restriction -					
Grant restrictions satisfied	1,460,840	(1,460,840)	-	-	-
Total revenue, support, and gains	6,330,259	59,858	798,925	(798,925)	6,390,117
Expenses and Losses					
Program services expense	4,608,058	-	813,698	(798,925)	4,622,831
Supporting services expense	1,116,926	-	20	-	1,116,946
Total expenses and losses	5,724,984	-	813,718	(798,925)	5,739,777
Change in Net Assets	605,275	59,858	(14,793)	-	650,340
Net Assets, Beginning of Year	6,377,223	32,103	66,441	-	6,475,767
Net Assets, End of Year	\$ 6,982,498	\$ 91,961	\$ 51,648	\$ -	\$ 7,126,107

Bella Mente Montessori Academy Charter School

Consolidating Statement of Functional Expenses

June 30, 2022

	Bella Mente Montessori Charter School		BM Holdings LLC			
	Program Services	Supporting Services	Program Services	Supporting Services		
	Educational Programs	Management and General	Educational Programs	Management and General	Elimination	Total
Salaries and Wages	\$ 2,168,168	\$ 580,032	\$ -	\$ -	\$ -	\$ 2,748,200
Other employee benefits	280,168	74,951	-	-	-	355,119
Payroll taxes	191,692	51,282	-	-	-	242,974
Fees for services:						
Management	-	169,877	-	-	-	169,877
Legal	-	18,323	-	-	-	18,323
Audit	-	9,525	-	-	-	9,525
Professional consulting	164,087	-	-	-	-	164,087
District oversight	-	41,598	-	-	-	41,598
Banking and service charges	-	10,263	-	-	-	10,263
Advertising and promotion	-	35,130	-	-	-	35,130
Office expenses	70,203	-	-	-	-	70,203
Information technology	24,472	-	-	-	-	24,472
Amortization	-	-	26,823	-	-	26,823
Occupancy	891,688	-	-	-	(798,925)	92,763
Conferences, conventions, and meetings	31,621	-	-	-	-	31,621
Debt service interest	-	1,273	786,875	-	-	788,148
Depreciation	392,099	-	-	-	-	392,099
Insurance	-	97,715	-	-	-	97,715
Other expenses:						
Books and supplies	358,820	-	-	-	-	358,820
Equipment rental and repair	6,976	-	-	-	-	6,976
Student transportation	28,064	-	-	-	-	28,064
Dues and memberships	-	15,243	-	-	-	15,243
Miscellaneous	-	11,714	-	20	-	11,734
Total expenses by function	\$ 4,608,058	\$ 1,116,926	\$ 813,698	\$ 20	\$ (798,925)	\$ 5,739,777

Bella Mente Montessori Academy Charter School

LEA Organization Structure

Year Ended June 30, 2022

Bella Mente Montessori Academy (Charter #1515) was established in 2013 as serves students TK through eighth grade. The authorizing entity is Vista Unified School District.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Scott Moote	President	Three Year Term Expires June 30, 2022
Caroline Veale	Secretary	Three Year Term Expires June 30, 2022
Dan Niebaum	Treasurer	Three Year Term Expires June 30, 2024
Janet Figueroa	Member	Three Year Term Expires June 30, 2022

ADMINISTRATION

Erin Feeley, M. ED
Executive Director & Principal

Bella Mente Montessori Academy Charter School

Schedule of Average Daily Attendance

Year Ended June 30, 2022

	Second Period Report		Annual Report	
	Original B694CE36	Revised N/A	Original CC8EB55C	Revised N/A
Classroom Based Attendance				
Grades TK/K-3	203.33	N/A	181.89	N/A
Grades 4-6	115.58	N/A	104.19	N/A
Grades 7-8	60.02	N/A	55.64	N/A
Total Classroom Based Attendance	378.93	N/A	341.72	N/A
Non-Classroom Based Attendance				
Grades TK/K-3	23.99	N/A	17.99	N/A
Grades 4-6	11.07	N/A	8.46	N/A
Grades 7-8	6.59	N/A	4.94	N/A
Total Non-Classroom Based Attendance	41.65	N/A	31.39	N/A
Total ADA	420.58	N/A	373.11	N/A

N/A – There were no audit findings which resulted in revisions to the second period or annual reports of attendance.

Bella Mente Montessori Academy Charter School

Schedule of Instructional Time

Year Ended June 30, 2022

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	44,955	0	44,955	180	0	180	Complied
Kindergarten	36,000	44,955	0	44,955	180	0	180	Complied
1st Grade	50,400	54,045	0	54,045	180	0	180	Complied
2nd Grade	50,400	54,045	0	54,045	180	0	180	Complied
3rd Grade	50,400	58,545	0	58,545	180	0	180	Complied
4th Grade	54,000	58,545	0	58,545	180	0	180	Complied
5th Grade	54,000	58,545	0	58,545	180	0	180	Complied
6th Grade	54,000	65,415	0	65,415	180	0	180	Complied
7th Grade	54,000	65,415	0	65,415	180	0	180	Complied
8th Grade	54,000	65,415	0	65,415	180	0	180	Complied

See Accompanying Notes to Supplementary Information

Bella Mente Montessori Academy Charter School

Schedule of Financial Trends & Analysis

Year Ended June 30, 2022

	Budget 2023	2022	2021	2020
Revenues	\$ 6,063,510	\$ 6,390,117	\$ 7,444,333	\$ 774,948
Expenses	6,626,432	5,724,984	5,696,342	387,380
Change in Net Assets	<u>(562,922)</u>	<u>665,133</u>	<u>1,747,991</u>	<u>387,568</u>
Ending Net Assets	<u>\$ 6,511,537</u>	<u>\$ 7,074,459</u>	<u>\$ 6,409,326</u>	<u>\$ 4,661,335</u>
Unrestricted Net Assets	<u>\$ 6,511,537</u>	<u>\$ 6,982,498</u>	<u>\$ 6,377,223</u>	<u>\$ 4,555,576</u>
Unrestricted net assets as a percentage of total expenses	<u>98.27%</u>	<u>121.97%</u>	<u>111.95%</u>	<u>1176.00%</u>
Total Long Term Debt	<u>\$ 14,930,591</u>	<u>\$ 14,433,819</u>	<u>\$ 14,707,076</u>	<u>\$ 14,930,591</u>
ADA at P2	<u>380</u>	<u>420</u>	<u>N/A</u>	<u>589</u>

The School's ending net assets has increased by \$2,413,124 (51.77%) over the past two fiscal years. The significant increase is in large due to additional funding received as a result of the COVID-19 pandemic during those fiscal years.

Average daily attendance (ADA) has decreased by 169 over the past two years. As a result of the COVID-19 pandemic there was no reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 average daily attendance (ADA) reported.

The 2022-23 budget is presented for purposes of analysis only and has not been audited. Net assets are projected to decrease by \$562,922 and ADA is projected to be 380 for the 2022-23 fiscal year.

Bella Mente Montessori Academy Charter School

Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements Year Ended June 30, 2022

June 30, 2022 annual financial alternative form net assets:	\$ 7,074,459
Adjustments and reclassifications:	<u>-</u>
June 30, 2022 audited financial statements net assets:	<u>\$ 7,074,459</u>

Bella Mente Montessori Academy Charter School

Notes to Supplementary Information
Year Ended June 30, 2022

A. Purpose of Schedules

Consolidating Statement of Financial Position

This schedule provides the information which consolidates the School's overall statement of net position, with eliminations for activities between the School and the LLC.

Combining Statement of Activities

This schedule provides the information by subdivision which combines into the School's overall statement of activities.

Combining Statement of Functional Expenses

This schedule provides the information by subdivision which combines into the School's overall statement of functional expenses.

LEA Organization Structure

This schedule provides information about the School's charter number, district of authorization, members of the governing board, and members of administration.

Schedule of Average Daily Attendance

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

Schedule of Instructional Time

This schedule provides the information necessary to determine if the Charter Schools have complied with Education Code §47612 & §47612.5 which require the following:

- 1) EC §47612: As a condition of apportionment 175 school days must be offered for traditional calendar. If a multi-track calendar is utilized, each track must offer 175 school days.
- 2) EC §47612.5: As a condition of apportionment the following annual instructional minutes must be offered:

• To pupils in Kindergarten	36,000 minutes
• To pupils in grades 1 to 3	50,400 minutes
• To pupils in grades 4 to 8	54,000 minutes
• To pupils in grades 9 to 12	64,800 minutes

Bella Mente Montessori Academy Charter School

Notes to Supplementary Information (Continued)

Year Ended June 30, 2022

Compliance with Education Code §47612 involves offering a minimum number of annual instructional minutes as defined by grade level.

An LEA that closed due to a qualifying emergency in the 2021-22 fiscal year may submit a Form J-13A to avoid a penalty for not meeting the annual instructional day requirements. The School did not have an emergency closure and as such there are no credited days to account for on the Schedule of Instructional Time.

Schedule of Financial Trends & Analysis

This schedule displays summarized information from the current year and two previous years, along with budget information for the upcoming year. The information from this schedule is used to evaluate whether there are any financial indicators the School will not be able to continue operations in the next fiscal year. Based upon the information presented, the School appears to have sufficient reserves to continue operations for the 2022-23 fiscal year.

Reconciliation of Unaudited Actual Financial Report to Audited Financial Statements

This schedule provides information necessary to reconcile between the audited financial statements and the financial data submitted to the sponsoring school district via the unaudited actual financial report.

Other Independent Auditor's Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Bella Mente Montessori Academy Charter School

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 Bella Mente Montessori Academy Charter School (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bella Mente Montessori Academy Charter 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.

El Cajon, California
December 15, 2022

Independent Auditor's Report on State Compliance and on Internal Control Over
State Compliance

To the Board of Directors
Bella Mente Montessori Academy Charter School

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited Bella Mente Montessori Academy Charter School's compliance with the requirements specified in the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 applicable to the Charter School's statutory requirements identified below for the year ended June 30, 2022.

In our opinion, Bella Mente Montessori Academy Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its applicable state programs for the year ended June 30, 2022.

Basis for Opinion on Each Applicable State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bella Mente Montessori Academy Charter 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 on compliance for each applicable state program. Our audit does not provide a legal determination of Bella Mente Montessori Academy Charter 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 Bella Mente Montessori Academy Charter School's state programs.

Auditor's Responsibilities 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 Bella Mente Montessori Academy Charter 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 generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists. In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with state laws and regulations applicable to the following items:

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 Bella Mente Montessori Academy Charter School's compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bella Mente Montessori Academy Charter 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 Bella Mente Montessori Academy Charter School's internal control over state compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Bella Mente Montessori Academy Charter School's internal control over compliance. Accordingly, no such opinion is expressed.
- Select and test transactions and records to determine the Charter School's compliance with the state laws and regulations applicable to the following items:

	Procedures Performed
<u>School Districts, County Offices of Education, and Charter Schools</u>	
T. California Clean Energy Jobs Act.....	N/A
U. After/Before School Education and Safety Program.....	N/A
V. Proper Expenditure of Education Protection Account Funds.....	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X. Local Control and Accountability Plan.....	Yes
Y. Independent Study - Course Based.....	N/A
Z. Immunizations.....	Yes
AZ. Educator Effectiveness.....	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G).....	Yes
CZ. Career Technical Education Incentive Grant.....	N/A
DZ. In Person Instruction Grant.....	Yes
<u>Charter Schools</u>	
AA. Attendance.....	Yes
BB. Mode of Instruction.....	Yes
CC. Nonclassroom-Based Instruction/Independent Study.....	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction.....	N/A
EE. Annual Instructional Minutes - Classroom Based.....	Yes
FF. Charter School Facility Grant Program.....	Yes

N/A – The Charter School did not offer the program during the current fiscal year or the program applies to a different type of Local Education Agency.

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

Report on Internal Control over State Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 Audit Guide. Accordingly, this report is not suitable for any other purpose.

El Cajon, California

December 15, 2022

Auditor's Results, Findings & Recommendations

Bella Mente Montessori Academy Charter School

Summary of Auditor's Results

Year Ended June 30, 2022

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
One or more material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
One or more significant deficiencies identified that are not considered material weakness(es)?	<u> </u> Yes	<u> X </u> No	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

STATE PROGRAMS

Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>		
Internal control over applicable state programs:			
One or more material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
One or more significant deficiencies identified that are not considered material weakness(es)?	<u> </u> Yes	<u> X </u> No	
Any audit findings disclosed that are required to be reported in accordance with <i>2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting</i> ?	<u> </u> Yes	<u> X </u> No	

Bella Mente Montessori Academy Charter School

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, or the *2021-22 Guide for Annual Audits of California K-12 Local Education Agencies and State Compliance Reporting* (the Audit Guide). Finding codes as identified in the Audit Guide are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

A. Financial Statement Findings

None

B. Federal Award Findings

None

C. State Award Findings

None

Bella Mente Montessori Academy Charter School

Schedule of Prior Year Audit Findings

Year Ended June 30, 2022

<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
There were no findings in the prior year audit.	N/A	N/A

BELLA MENTE CHARTER SCHOOL- AGENDA ITEM VIII. 4.

TO: Board of Directors

FROM: Executive Director

DATE: December 13, 2022

SUBJECT: Approve the removal of the former Principal James Proby as the sole representative of Bella Mente Holdings, LLC

ISSUE: Bella Mente formed a single-member limited liability company known as Bella Mente Holdings whose manager is the Principal of the school. The Manager must be updated to reflect a current administrator at the school.

BACKGROUND: The Company was formed exclusively for the purpose of the acquisition, development, lease and operation of real property, charter school facilities situated on such property and related charter school operations, all for and on behalf of the Member for the use and benefit of the public charter schools operated by the Member, and such financial, contractual and other incidental activities that are reasonably related thereto. Notwithstanding the foregoing statement of purposes, the Company has the power and may engage in any lawful business permitted by the Act, and no person shall claim that any act of the Company within its powers when performed, but allegedly outside the scope of its purposes, is *ultra vires* or otherwise invalid as to the Company.

Formation of an LLC for this purpose is common for charter schools and an approved method by the California School Finance Authority.

Until changed by amendment of this Agreement, Bella Mente Charter School is and shall remain the sole Member of the Company.

FISCAL IMPACT/ FUNDING SOURCE: n/a

RECOMMENDATION: Approve the removal of the former Principal James Proby as the sole representative of Bella Mente Holdings, LLC.

Respectfully Submitted,

Erin Feeley
Executive Director

BELLA MENTE CHARTER SCHOOL- AGENDA ITEM VIII. 5.

TO: Board of Directors

FROM: Executive Director

DATE: December 13, 2022

SUBJECT: Approve the appointment of the current Director of Compliance, Patrick Broughton, as the sole representative for Bella Mente Holdings, LLC

ISSUE: Bella Mente formed a single-member limited liability company known as Bella Mente Holdings whose manager is an administrator of the school. The Manager must be updated to reflect a current administrator of the school.

BACKGROUND: The Company was formed exclusively for the purpose of the acquisition, development, lease and operation of real property, charter school facilities situated on such property and related charter school operations, all for and on behalf of the Member for the use and benefit of the public charter schools operated by the Member, and such financial, contractual and other incidental activities that are reasonably related thereto. Notwithstanding the foregoing statement of purposes, the Company has the power and may engage in any lawful business permitted by the Act, and no person shall claim that any act of the Company within its powers when performed, but allegedly outside the scope of its purposes, is *ultra vires* or otherwise invalid as to the Company.

Formation of an LLC for this purpose is common for charter schools and an approved method by the California School Finance Authority.

Until changed by amendment of this Agreement, Bella Mente Charter School is and shall remain the sole Member of the Company.

Pursuant to the LLC's Operating Agreement, Bella Mente, as the sole member of the LLC, desires to appoint James Proby to serve as the "Manager" of the LLC to oversee, direct and supervise the business and affairs of the LLC.

The Board is delegating permission for any changes to the document to be made by the Executive Director upon advice of legal counsel.

FISCAL IMPACT/ FUNDING SOURCE: n/a

RECOMMENDATION: Approve the appointment of Director of Compliance, Patrick Broughton, as the sole representative for Bella Mente Holdings, LLC.

Respectfully Submitted,

Erin Feeley
Executive Director

**BELLA MENTE HOLDINGS, LLC
OPERATING AGREEMENT**

THIS OPERATING AGREEMENT (this “Agreement”) is entered into and executed as of May 8, 2018, by Bella Mente Charter School, a California nonprofit public benefit corporation, as the sole member (the “Member”) of Bella Mente Holdings, LLC, a California limited liability company (the “Company”), with respect to the following facts:

A. The Company was formed by filing Articles of Organization (Form LLC-1) in the office of the California Secretary of State on November 14, 2017, pursuant to the California Revised Uniform Limited Liability Company Act (the “Act”).

B. The Member is entering into and executing this Agreement to set forth the organization and operating terms under which the Company will be operated.

NOW, THEREFORE, for the purpose of perfecting the organization of the Company, the Member hereby enters into this Agreement with the intent and purpose that it shall be the Operating Agreement of the Company, as that term is used in the Act.

**ARTICLE I.
ORGANIZATIONAL MATTERS**

I.1 Name.

The name of the Company is “Bella Mente Holdings, LLC”.

I.2 Purposes and Powers.

The Company was formed exclusively for the purpose of, and its activities shall be limited to, providing support to the Member with respect to the acquisition, development, lease and operation of real property, charter school facilities situated on such property and related charter school operations, all for and on behalf of the Member for the use and benefit of the public charter schools operated by the Member, and such financial, contractual and other incidental activities that are reasonably related thereto. Notwithstanding the foregoing statement of purposes, the Company has the power and may engage in any lawful business permitted by the Act, and no person shall claim that any act of the Company within its powers when performed, but allegedly outside the scope of its purposes, is *ultra vires* or otherwise invalid as to the Company.

I.3 Registered and Principal Offices.

The registered office of the Company shall initially be located at 1737 W. Vista Way, Vista, CA 92083. The agent for service of process of the Company shall be Patrick Broughton, whose address is the same as that of the registered office. The Manager may establish such other offices as it deems advisable.

I.4 Perpetual Existence.

The Company shall exist perpetually until its existence is terminated by operation of law or pursuant to this Agreement.

I.5 Foreign Qualification.

The Manager shall cause the Company to comply with all requirements necessary to qualify the Company as a foreign limited liability company in any jurisdiction in which such qualification is or becomes necessary.

I.6 No State Law Partnership.

The Company shall be operated in a manner consistent with its treatment as a disregarded entity for federal and state income tax purposes. The Company shall not be operated or treated as a “partnership” (including, without limitation, a limited partnership or joint venture) for any purpose, including, but not limited to, Section 303 of the United States Bankruptcy Code, and this Agreement shall not be construed to suggest otherwise.

ARTICLE II.
MEMBER

II.1 Member.

Until changed by amendment of this Agreement, Bella Mente Charter School is and shall remain the sole Member of the Company.

II.2 Certificates Representing Membership Interests.

The Company shall not issue any certificates evidencing the membership interest of the Member in the Company.

II.3 Written Consent.

The Member shall appoint a Manager to exercise its rights, powers and privileges as a member of the Company under the Act either by (i) its delivery of certified copies of resolutions adopted at duly called and held meetings of the Member to the Manager, or (ii) its execution and delivery of written consents to the Manager. Any Manager appointed by Member shall consent to serve as the Manager of the Company by signing **Exhibit A** attached hereto. All such certified copies of resolutions, such written consents, and such executed consents by Manager, shall be filed in a minute book or other permanent form of record of the Company.

ARTICLE III.
APPOINTMENT OF MANAGER;
RIGHTS, DUTIES AND POWERS OF THE MANAGER

III.1 Appointment of Manager.

The operations of the Company shall be conducted by one or more managers (“Managers”) who shall be appointed by the Member and may be removed by the Member at any time for any reason. The Company shall initially have one (1) Manager selected by the Member. In the event no Manager is appointed and serving at any particular time (e.g., upon the death or resignation of the sole remaining Manager) and the Member is a corporation, then each director of the Member shall be appointed (automatically and without further action) as a Manager of the Company (unless the Member otherwise directs). If the Company subsequently has more than one Manager, then the Company’s Articles of Organization shall be amended to so provide, and all actions requiring the consent or approval of the

“Manager” under this Agreement shall require the consent or approval of all Managers (and all references in this Agreement to the “Manager” shall mean and refer to all Managers).

III.2 Authority.

The Manager shall have the responsibility and authority to manage the business, property and affairs of the Company in all respects, to execute and deliver on behalf of the Company such documents and instruments as it deems reasonably required in connection therewith and to enter into such contracts and to take such actions as it deems from time to time to be in the best interests of the Company. All third parties are entitled to rely upon the execution and delivery by any one (1) Manager of all documents on behalf of the Company as conclusive evidence that such documents have been duly and validly executed by and on behalf of the Company and are binding upon the Company (without necessity of further evidence of authority on the part of any other Manager or the Member).

III.3 Resignation and Removal.

The Manager may resign at any time by giving notice to such effect to the Member. The Manager’s resignation shall take effect as of any future date specified in the notice or, if no future date is specified, immediately upon delivery of the notice. The Member may remove a Manager by notice to such Manager at any time.

III.4 Appointment of Officers.

The Manager may, from time to time as it deems advisable, appoint officers of the Company (the “Officers”) and assign in writing titles (including, without limitation, President, Vice President, Secretary and Treasurer) to any such person. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the California General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Manager in writing.

III.5 Time Devoted to Business.

Neither the Manager, the Member nor the Officers, if any, shall be required to devote their full time or efforts in furtherance of the business and affairs of the Company, but only so much of their time and efforts as are reasonably necessary to perform their duties and responsibilities to the Company.

III.6 Indemnification.

The Company shall, to the maximum extent permitted by law, indemnify, defend, and hold harmless the Manager, the Member and each of its and the Company’s officers, employees and other agents (each, an “Agent”) from, and against any liability, damage, cost, expense, loss, claim, or judgment incurred by the Agent arising out of any claim based upon acts performed or omitted to be performed in furtherance of the business and affairs of the Company, or as a consequence of such person’s status as an Agent, including without limitation, attorneys’ fees and costs incurred by the Agent in settlement or defense of such claims.

ARTICLE IV.
INCOME AND FINANCIAL MATTERS

IV.1 Company Tax Status: Allocation of Income to Member.

For so long as the Company has only one Member, the Company is and shall remain a “disregarded entity” for federal and California income tax purposes, with the result that all income, expense and credit of the Company, as well as all of its assets and liabilities, shall, for income tax reporting purposes, be the income, expense and credit, and the assets and liabilities of the Member.

IV.2 Capital Contributions.

The Member is not required to make any capital contributions to the Company, but may make such contributions that, in its sole and absolute discretion, are necessary and appropriate for the Company’s business.

IV.3 Distributions to Member.

To the extent that the Company holds cash or cash equivalents in excess of the reasonable needs of its business, the Member may cause the Company to distribute such excess amounts to it.

IV.4 Commingling.

So long as the Member maintains accurate and complete books of account that permit the ready identification of such assets that belong to the Company, the Member may commingle the cash and cash equivalents of the Company with those of its own for purposes of efficient cash management, including the achievement of higher rates of return on temporary investments.

ARTICLE V.
DISSOLUTION; WINDING UP

V.1 Dissolution.

The Company shall be dissolved and its affairs wound up and terminated upon the first to occur of the following:

- (a) The determination of the Manager, as applicable, and of the Member to dissolve the Company;
- (b) The sale or other disposition of all or substantially all of the assets of the Company in one transaction or a series of related transactions; or
- (c) The occurrence of any event causing dissolution of the Company under the Act, unless the Company is continued as permitted under the Act.

V.2 Winding-Up.

If the Company is dissolved pursuant to Section 5.1, the Manager together with the Member shall proceed to wind up the business and affairs of the Company in an orderly and expeditious fashion and otherwise in accordance with the requirements of the Act. A reasonable amount of time shall be allowed for the period of winding-up in light of prevailing market conditions and so as to avoid undue loss in connection with any sale of Company assets. This Agreement shall remain in full force and effect and

continue to govern the rights and obligations of the Member and the Manager, as applicable, and the conduct of the Company during the period of winding-up the Company's affairs. The Manager and the Member shall have and may exercise all powers reasonably necessary or desirable to carry out the liquidation and winding-up of the Company in accordance with the Act. Assets remaining after satisfaction of all of the debts and obligations of the Company shall be distributed in accordance with the Company's Articles of Organization.

ARTICLE VI. MISCELLANEOUS

VI.1 Limitation of Liability.

The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither any manager or officer of the Company nor the Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a manager, officer or member.

VI.2 Rules of Construction.

The captions in this Agreement are inserted only as a matter of convenience and in no way affect the terms or intent of any provision of this Agreement. All defined phrases, pronouns, and other variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the context may require. No provision of this Agreement shall be construed against a party hereto by reason of the extent to which such party or its counsel participated in the drafting hereof.

VI.3 Choice of Law and Severability.

This Agreement shall be construed in accordance with the internal laws of California. If any provision of this Agreement shall be contrary to the internal laws of California or any other applicable law, at the present time or in the future, such provision shall be deemed null and void, but shall not affect the legality of the remaining provisions of this Agreement. This Agreement shall be deemed to be modified and amended so as to be in compliance with applicable law and this Agreement shall then be construed in such a way as will best serve the intention of the parties at the time of the execution of this Agreement.

VI.4 Entire Agreement.

This Agreement, together with Company's Articles of Organization, contains the entire agreement with respect to the subject matter hereof and supersedes all prior agreements.

IN WITNESS WHEREOF, the Member has executed this Agreement as of the date first set forth above.

Bella Mente Charter School,
a California nonprofit public benefit corporation

By: _____
Name: _____
Its: _____

Exhibit A
Consent to Serve as Manager of the Company

The undersigned consents and agrees to serve as the Manager of Bella Mente Holdings, LLC, pursuant to the foregoing Operating Agreement dated as of May 8, 2018, which may be amended from time to time.

Dated: _____, 2022

By: _____
Name: Patrick Broughton