



Annual Financial Report
June 30, 2019

**Westside Innovative School House
WISH Community School (No. 1627)
WISH Academy High School (No. 1863)**

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

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JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Westside Innovative School House
(A California Nonprofit Public Benefit Corporation)
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of Westside Innovative School House (the Charter School) (A California Nonprofit Public Benefit Corporation), which are comprised of the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Charter School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Charter School, as of June 30, 2019, and the changes in its net assets, and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of the 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 the 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 the Charter School's internal control over financial reporting and compliance.

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

Rancho Cucamonga, California
December 13, 2019

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	WISH Community	WISH Academy	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 499,182	\$ 70,857	\$ 570,039
Accounts receivable	806,659	216,701	1,023,360
Prepaid expenses and other current assets	1,907	1,234	3,141
Intra-company receivables	81,360	34,040	115,400
Total Current Assets	1,389,108	322,832	1,711,940
Non-Current Assets			
Security deposits	7,533	-	7,533
Property and equipment	239,961	75,279	315,240
Less: accumulated depreciation	(209,780)	(21,433)	(231,213)
Total Non-Current Assets	37,714	53,846	91,560
Total Assets	\$ 1,426,822	\$ 376,678	\$ 1,803,500
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 289,434	\$ 64,415	\$ 353,849
Deferred revenue	27	-	27
Current portion of long-term obligations	-	187,501	187,501
Intra-company payables	34,040	81,360	115,400
Total Current Liabilities	323,501	333,276	656,777
NET ASSETS			
Without Donor Restriction	1,103,321	43,402	1,146,723
Total Net Assets	1,103,321	43,402	1,146,723
Total Liabilities and Net Assets	\$ 1,426,822	\$ 376,678	\$ 1,803,500

The accompanying notes are an integral part of these financial statements.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	WISH Community	WISH Academy	Total
REVENUES			
Local Control Funding Formula	\$ 5,932,058	\$ 1,194,251	\$ 7,126,309
Federal revenue	314,845	148,536	463,381
Other State revenue	1,343,835	197,302	1,541,137
Local revenue	1,004,901	480,027	1,484,928
Total Revenue	<u>8,595,639</u>	<u>2,020,116</u>	<u>10,615,755</u>
EXPENSES			
Program services	6,885,177	1,631,292	8,516,469
Management and general	1,582,370	380,198	1,962,568
Total Expenses	<u>8,467,547</u>	<u>2,011,490</u>	<u>10,479,037</u>
CHANGE IN NET ASSETS	128,092	8,626	136,718
NET ASSETS, BEGINNING OF YEAR	975,229	34,776	1,010,005
NET ASSETS, END OF YEAR	<u>\$ 1,103,321</u>	<u>\$ 43,402</u>	<u>\$ 1,146,723</u>

The accompanying notes are an integral part of these financial statements.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	WISH Community	WISH Academy	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 128,092	\$ 8,626	\$ 136,718
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation expense	26,909	13,573	40,482
Changes in operating assets and liabilities			
Increase in accounts receivable	(305,598)	(130,623)	(436,221)
Decrease in prepaid expenses	8,947	173	9,120
Decrease in deferred revenue	27	-	27
Increase in accounts payable	183,612	114,632	298,244
Net Cash Provided by Operating Activities	<u>41,989</u>	<u>6,381</u>	<u>48,370</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	<u>(3,436)</u>	<u>(23,939)</u>	<u>(27,375)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan principal payments	<u>(101,008)</u>	<u>(62,499)</u>	<u>(163,507)</u>
NET CHANGE IN CASH	(62,455)	(80,057)	(142,512)
CASH, BEGINNING OF YEAR	<u>561,637</u>	<u>150,914</u>	<u>712,551</u>
CASH, END OF YEAR	<u>\$ 499,182</u>	<u>\$ 70,857</u>	<u>\$ 570,039</u>
Supplemental cash flow disclosure:			
Cash paid during the period for interest	<u>\$ 4,268</u>	<u>\$ 4,332</u>	<u>\$ 8,600</u>

The accompanying notes are an integral part of these financial statements.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	WISH Community		
	Program Services	Management and General	Subtotal Expenses
Personnel			
Salaries	\$ 3,948,541	\$ 753,595	\$ 4,702,136
Employee benefits	472,040	92,215	564,255
Payroll taxes	1,071,148	126,597	1,197,745
Total Personnel	<u>5,491,729</u>	<u>972,407</u>	<u>6,464,136</u>
Operating			
Fees for services	325,649	185,714	511,363
Advertising and promotions	-	26,219	26,219
Office expenses	-	27,860	27,860
Information technology	-	18,817	18,817
Occupancy	369,028	70,430	439,458
Travel	14,012	3,503	17,515
Interest	-	4,268	4,268
Depreciation	26,909	-	26,909
Insurance	-	56,355	56,355
Other expenses	167,587	157,504	325,091
Capital outlay	80,116	-	80,116
Special education	117,790	-	117,790
Instructional materials	93,625	-	93,625
Nutrition	198,732	-	198,732
District oversight fee	-	59,293	59,293
Total Operating	<u>1,393,448</u>	<u>609,963</u>	<u>2,003,411</u>
Total Functional Expenses	<u><u>\$ 6,885,177</u></u>	<u><u>\$ 1,582,370</u></u>	<u><u>\$ 8,467,547</u></u>

The accompanying notes are an integral part of these financial statements.

WISH Academy			
Program Services	Management and General	Subtotal Expenses	Total Expenses
\$ 902,435	\$ 173,194	\$1,075,629	\$ 5,777,765
71,473	13,910	85,383	649,638
204,534	26,188	230,722	1,428,467
<u>1,178,442</u>	<u>213,292</u>	<u>1,391,734</u>	<u>7,855,870</u>
149,359	65,910	215,269	726,632
-	4,757	4,757	30,976
-	-	-	27,860
-	6,794	6,794	25,611
122,675	23,544	146,219	585,677
8,877	3,804	12,681	30,196
-	4,332	4,332	8,600
13,573	-	13,573	40,482
-	11,679	11,679	68,034
49,960	34,136	84,096	409,187
17,710	-	17,710	97,826
19,650	-	19,650	137,440
22,321	-	22,321	115,946
48,725	-	48,725	247,457
-	11,950	11,950	71,243
<u>452,850</u>	<u>166,906</u>	<u>619,756</u>	<u>2,623,167</u>
<u>\$1,631,292</u>	<u>\$ 380,198</u>	<u>\$2,011,490</u>	<u>\$10,479,037</u>

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Westside Innovative School House

Westside Innovative School House, Inc. (WISH) is a California non-profit corporation specifically organized to operate public charter schools. The initial charter petition for Westside Innovative School House, a K-6 elementary school, was approved by the Los Angeles Unified School District (the District) for five years commencing July 1, 2010. On November 18, 2014, the District's Governing Board voted to renew WISH for a five-year term effective July 1, 2015 through June 30, 2020. On July 1, 2018, the school merged with Westside Innovative School House Charter Middle which was approved by the District for five years commencing on July 1, 2014. Westside Innovative School House Charter Middle is now renamed as WISH Community School. In October 2018, both charters were renewed through 2024.

WISH receives most of its support from the Federal, State, and local governments directly or through the District. Although WISH is a part of the sponsoring district, it is considered independent from the District because all decisions, including curriculum and those regarding management and the use of funds, are made at the school level.

WISH Community School

WISH Community School (WISH Community) was numbered by the California State Board of Education on January 16, 2014, and began on August 18, 2014, and currently serves 744 students in grades kindergarten through eighth grade.

Charter School number authorized by the State: 1627

WISH Academy High School

WISH Academy High School (WISH Academy) site is located in Los Angeles, California at 7400 W. Manchester Avenue. WISH Academy began on August 16, 2017 and currently serves 124 students in grades nine through tenth grade.

Charter school number authorized by the State: 1863

Other Related Entities

Joint Powers Agency and Risk Management Pools - The Charter School is associated with the California Charter Schools Joint Powers Authority (CCS-JPA) *dba* CharterSAFE. CharterSAFE does not meet the criteria for inclusion as a component unit of the Charter School. Additional information is presented in Note 11 to the financial statements.

Mission and Philosophy

The WISH mission is to maximize every scholar's learning potential within an atmosphere of caring and belonging. The WISH instructional philosophy rests upon the concepts of hands on learning, meaningful instructional activities, systematic instruction, and a collaborative group of professionals working together to make the learning environment exciting for students. Evidence-based teaching strategies are tailored to meet individual development.

WESTSIDE INNOVATIVE SCHOOL HOUSE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Cash and Cash Equivalents

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

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2019, the allowance was \$0.

Property and Equipment

Property and Equipment additions over \$1,000 are recorded 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 remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Charter Schools review the carrying values of fixed assets 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, 2019.

Intracompany Receivables/Payables

Intracompany payables result from a loan provided to the Charter Middle School by the Charter Elementary School.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Net assets without donor restrictions also include the investment in property and equipment, net of accumulated depreciation.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporarily in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Charter Schools report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

Revenue is recognized when earned. Operating funds for the Charter Schools are derived principally from state and federal sources. The Charter Schools receive state funding based on each of the enrolled student's average daily attendance (ADA) in its schools. The Charter Schools receive federal grants, which are paid through the California Department of Education or other federal and state agencies. Revenues related to these federal grants are recognized when qualifying expenses have been incurred and when all other grant requirements have been met. Unrestricted support given by the state is recognized as revenue when received. Any such funds received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

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 are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2019.

Functional Allocation of Expenses

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

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses, excluding depreciation and grant disbursements are allocated on the basis of estimates of time and effort.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Income Taxes

The Charter Schools are a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Charter School is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Charter School is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Charter Schools determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Charter School has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Charter Schools 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

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Charter Schools to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Charter Schools' mission.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Recent Accounting Pronouncements

On June 21, 2018, the FASB completed its project on revenue-recognition of grants and contracts by not-for-profit entities by issuing Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in the Update provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction.

Specifically, the amendments in the Update:

- Clarify how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution
- Help an entity to evaluate whether contributions are conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation
- Modify the simultaneous release option currently in generally accepted accounting principles (GAAP), which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is not in the same period that revenue is recognized.

The ASU is effective for the Charter Schools for the year ended June 30, 2020.

Change in Accounting Principle

As of July 1, 2018, the Charter Schools adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for the Charter Schools donor restricted endowment funds and underwater endowments. The ASU introduces new disclosure requirements to provide information about what is included or excluded from the Charter Schools' intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Charter Schools' liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses.

The amendments should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. The Charter Schools has elected not to present comparative information for these amendments.

The Charter Schools has adopted this standard as management believes the standard improves the usefulness and understandability of the Charter Schools financial reporting.

WESTSIDE INNOVATIVE SCHOOL HOUSE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Adjustments Resulting from Change in Accounting Policy

As disclosed above, the Charter Schools adopted the provisions of ASU 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities* as of June 30, 2019. Following is a summary of the effects of the change in accounting policy in the Charter Schools' June 30, 2018 financial statements.

	As Previously Reported	Adoption of ASU 2016-14	As Adjusted
Unrestricted	\$ 1,010,005	\$ (1,010,005)	\$ -
Net assets without donor restrictions	-	1,010,005	1,010,005
	<u>\$ 1,010,005</u>	<u>\$ -</u>	<u>\$ 1,010,005</u>

NOTE 2 – LIQUIDITY AND AVAILABILITY

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

	WISH Community	WISH Academy	Total
Financial Assets			
Cash and cash equivalents	\$ 499,182	\$ 70,857	\$ 570,039
Accounts receivable and other assets	808,566	217,935	1,026,501
Intra-company receivables	81,360	34,040	115,400
Financial Assets, at year-end	<u>\$ 1,389,108</u>	<u>\$ 322,832</u>	<u>\$ 1,711,940</u>

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2019, consisted of the following:

	WISH Community	WISH Academy	Total	Bank Balance
Deposits				
Cash on hand and in banks	\$ 499,182	\$ 70,857	\$ 570,039	\$ 634,808

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). WISH maintains its cash in bank deposit accounts that at times may exceed federally insured limits. WISH has not experienced any losses in such accounts. At June 30, 2019, WISH has a balance of \$192,430 in excess of FDIC insured limits. Management believes WISH is not exposed to any significant risk related to cash.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019, consisted of the following:

	WISH Community	WISH Academy	Total
Local Control Funding Formula	\$ 341,650	\$ 49,360	\$ 391,010
Federal receivable	83,185	20,327	103,512
Other State receivable	149,832	10,434	160,266
Lottery	95,084	18,446	113,530
Local receivable	136,908	118,134	255,042
Total Accounts Receivable	\$ 806,659	\$ 216,701	\$ 1,023,360

NOTE 5 - PREPAID EXPENSES AND SECURITY DEPOSITS

Prepaid expenses and other current assets at June 30, 2019, consisted of the following:

	WISH Community	WISH Academy	Total
Security deposits	\$ 7,533	\$ -	\$ 7,533
License fees, insurance and other dues	1,907	1,234	3,141
	\$ 9,440	\$ 1,234	\$ 10,674

NOTE 6 - PROPERTY AND EQUIPMENT

Fixed assets at June 30, 2019, consisted of the following:

	WISH Community	WISH Academy	Total
Improvement of sites	\$ 12,900	\$ -	\$ 12,900
Computer and equipment	204,253	73,564	277,817
Furniture	22,808	1,715	24,523
Subtotal	239,961	75,279	315,240
Less: Accumulated depreciation	(209,780)	(21,433)	(231,213)
Total Property and Equipment	\$ 30,181	\$ 53,846	\$ 84,027

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2019, consisted of the following:

	WISH Community	WISH Academy	Total
Vendor payables	\$ 279,355	\$ 61,159	\$ 340,514
Due to grantors	10,079	3,256	13,335
Total Accounts Payable	<u>\$ 289,434</u>	<u>\$ 64,415</u>	<u>\$ 353,849</u>

NOTE 8 - LONG TERM OBLIGATIONS

California School Finance Authority Revolving Loan Fund Program

During the 2017-2018 fiscal year, WISH Academy High applied for, and was accepted into the California Department of Education Charter School Revolving Loan Program. The School received a loan in the amount of \$250,000. The loan bears an interest rate of 1.05 percent and will be repaid during the months of September, October, November, December, January and March of each year. The loan is scheduled to be repaid over a period of five years and the repayments will be withheld from the apportionment payments due to WISH Academy High School.

Future Payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
<u>2020</u>	<u>\$ 187,501</u>	<u>\$ 939</u>	<u>\$ 188,440</u>

NOTE 9 - OPERATING LEASES

For the 2018-19 fiscal year, WISH Community School entered into two lease agreements with LAUSD for the use of two of their school sites. The locations are at Orville Wright Engineering and Design Magnet and Westchester Enriched Science Magnet School. The total pro rata share charges for the use of the sites is \$425,349.

For the 2018-19 fiscal year, WISH Academy High School entered into a one-year lease agreement with LAUSD in which the school would occupy Westchester Enriched Science Magnet School (School Site) for its campus location for the pro rata share amount of \$142,242.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS).

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and State contribution rates are set by the California Legislature, and (c) if the Charter School chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Charter School has no plans to withdraw from this multi-employer plan.

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2017, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:
<http://www.calstrs.com/member-publications>.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The Charter School contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	16.28%	16.28%
Required state contribution rate	9.828%	9.828%

Contributions

Required member, Charter School and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven year period. The contribution rates for each plan for the year ended June 30, 2019, are presented above and the Charter School's total contributions were \$579,476.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the School. These payments consist of State General Fund contributions to CalSTRS in the amount of \$572,013 (9.828 percent of salaries subject to CalSTRS and SB 90 contribution). Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated for an additional 2018-2019 contribution on-behalf of school employers of \$2.2456 billion for CalSTRS and \$904 million for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, both amounts have been recorded in these financial statements.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

403(b) Tax Deferred Annuity Plan

WISH established a classified employee 403(b) retirement plan (the Plan) effectively on January 1, 2014, which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. In accordance with the terms of the Plan, all eligible employees can make pre-tax deferral contributions and/or Roth deferral contributions. Employers may make a discretionary matching contribution equal to a uniform percentage or dollar amount of effective deferrals up to six percent of each participant's compensation.

There are no excluded employees with regard to elective deferrals while certificated employees are excluded from matching contributions. WISH defines employees for discretionary employer matching contributions as employees who are 21 years of age, employed for a period of 90 days and are not participants of California State Teachers Retirement System (CalSTRS).

For eligibility of matching contributions, an employee must complete 1,000 hours of service during the relevant eligibility computation period to receive a credit for one year of service.

During the fiscal year ended June 30, 2019, WISH contributed \$5,435, which is two percent matching contributions of eligible participants.

NOTE 11 - PARTICIPATION IN JOINT POWERS AUTHORITY

WISH is a participant in the California Charter Schools Joint Powers Authority (CCS-JPA) *dba* CharterSAFE for risk management services for workers' compensation insurance. The relationship between WISH and CharterSAFE is such that CharterSAFE is not considered a component unit of the Charter School for financial reporting purposes.

CharterSAFE has budgeting and financial reporting requirements independent of member units and CharterSAFE's financial statements are not presented in these financial statements; however, transactions between CharterSAFE and the Charter School are included in these statements. Audited financial statements for CharterSAFE were not available for fiscal year 2018-2019 at the time this report was issued. However, financial statements should be available from the respective agency.

During the year ended June 30, 2019, the Charter School made payments of \$135,212 to CharterSAFE for service related to workers' compensation and liability insurance. At June 30, 2019, the Charter School had no recorded accounts receivable or accounts payable to CharterSAFE.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 - LEGAL SETTLEMENTS

The Charter Schools have no outstanding claims or litigation.

NOTE 13 - CONTINGENCIES

Grants

WISH has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

Litigation

WISH is not currently a party to any litigation.

NOTE 15 - SUBSEQUENT EVENTS

WISH's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 13, 2019, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions, other than those noted below, that would have a material impact on the current year financial statements.

In September 2019, the School was one of approximately 40 charter schools operating within LAUSD that were assessed penalties related to co-location terms. The impacts of these assessments are being evaluated at the time of issuance of this report.



SUPPLEMENTARY INFORMATION

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2019

ORGANIZATION

During the 2018-2019 year, Westside Innovative School House operated two school sites for WISH Community School (Charter № 1627), and WISH Academy High School (Charter № 1863). The schools are authorized by the Los Angeles Unified School District.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Jason Rudolph	President	June 30, 2020
Dr. Danelle Fisher	Vice President/Secretary	June 30, 2020
Miles Remer	Treasurer	June 30, 2020
Mike Abercrombie	Member	June 30, 2020
Suzanne Madison Goldstein	Member	June 30, 2020
Victoria Graf	Member	June 30, 2020
Mary McCullough	Member	June 30, 2020
Matthew Swanlund	Member	June 30, 2019
Benjamin Tysch	Member	June 30, 2020

ADMINISTRATION

Shawna Draxton	Executive Director
Jennie Brook	Financial Manager

See accompanying note to supplementary information.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2019

WISH Community School

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	311.90	312.77
Fourth through sixth	234.36	234.32
Seventh and eighth	168.95	168.67
Total Regular ADA	<u>715.21</u>	<u>715.76</u>
Extended Year Special Education		
Transitional kindergarten through third	1.01	1.01
Fourth through sixth	1.13	1.13
Seventh and eighth	0.05	0.05
Total Extended Year Special Education	<u>2.19</u>	<u>2.19</u>
Total Regular ADA	<u>717.40</u>	<u>717.95</u>
Classroom based ADA		
Transitional kindergarten through third	310.21	310.98
Fourth through sixth	233.95	233.94
Seventh and eighth	168.88	168.62
Total Classroom based ADA	<u>713.04</u>	<u>713.54</u>
Extended Year Special Education		
Transitional kindergarten through third	1.01	1.01
Fourth through sixth	1.13	1.13
Seventh and eighth	0.05	0.05
Total Extended Year Special Education	<u>2.19</u>	<u>2.19</u>
Total Classroom Based ADA	<u>715.23</u>	<u>715.73</u>

WISH Community operated a short-term non-classroom based independent study program.

See accompanying note to supplementary information.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF AVERAGE DAILY ATTENDANCE, Continued
FOR THE YEAR ENDED JUNE 30, 2019

WISH Academy High School

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Ninth through tenth	116.92	116.74
Total Regular ADA	<u>116.92</u>	<u>116.74</u>
Extended Year Special Education		
Ninth through tenth	2.09	2.09
Total Extended Year Special Education	<u>2.09</u>	<u>2.09</u>
Special Education, Nonpublic, Nonsectarian Schools		
Ninth through tenth	0.81	0.82
Total Special Education, Nonpublic, Nonsectarian Schools	<u>0.81</u>	<u>0.82</u>
Total ADA	<u>119.82</u>	<u>119.65</u>
Classroom Based ADA		
Ninth through tenth	116.45	116.23
Total Classroom Based ADA	<u>116.45</u>	<u>116.23</u>
Extended Year Special Education		
Ninth through tenth	2.09	2.09
Total Extended Year Special Education	<u>2.09</u>	<u>2.09</u>
Special Education, Nonpublic, Nonsectarian Schools		
Ninth through tenth	0.81	0.82
Total Special Education, Nonpublic, Nonsectarian Schools	<u>0.81</u>	<u>0.82</u>
Total ADA	<u>119.35</u>	<u>119.14</u>

WISH Academy High School operated a short-term non-classroom based independent study program.

See accompanying note to supplementary information.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2019

Grade Level	1986-87 Minutes Requirement	2018-19 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	48,390	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		54,135	180	N/A	Complied
Grade 2		54,135	180	N/A	Complied
Grade 3		55,595	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		55,595	180	N/A	Complied
Grade 5		55,595	180	N/A	Complied
Grade 6		61,534	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		61,534	180	N/A	Complied
Grade 8		61,534	180	N/A	Complied
Grades 9 - 10	64,800				
Grade 9		66,105	180	N/A	Complied
Grade 10		66,105	180	N/A	Complied

See accompanying note to supplementary information.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2019.

See accompanying note to supplementary information.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Local Education Agency Organization Structure

This schedule provides information about the schools' boundaries, schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the Charter School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students.

Schedule of Instructional Time

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

WISH must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 47612.5.

Reconciliation of Annual Financial Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the net assets reported on the Unaudited Actual Financial Report to the audited financial statements.



INDEPENDENT AUDITOR'S REPORTS



CPAs & BUSINESS ADVISORS

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

Governing Board
Westside Innovative School House
(A California Nonprofit Public Benefit Corporation)
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Westside Innovative School House (the Charter School) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Charter School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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

Rancho Cucamonga, California
December 13, 2019



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Westside Innovative School House
(A California Nonprofit Public Benefit Corporation)
Los Angeles, California

Report on State Compliance

We have audited Westside Innovative School House's (the Charter School) compliance with the types of compliance requirements as identified in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, that could have a direct and material effect on each of the WISH's State government programs as noted below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Charter School's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about WISH's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of WISH's compliance with those requirements.

Unmodified Opinion

In our opinion, the Charter School complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2019.

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

	<u>Procedures Performed</u>
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	No, see below
Teacher Certification and Misassignments	No, see below
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	No, see below
Instructional Materials	No, see below
Ratio of Administrative Employees to Teachers	No, see below
Classroom Teacher Salaries	No, see below
Early Retirement Incentive	No, see below
Gann Limit Calculation	No, see below
School Accountability Report Card	No, see below
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	No, see below
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	No, see below
District of Choice	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	No, see below
After/Before School Education and Safety Program:	
General Requirements	No, see below
After School	No, see below
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non Classroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Non Classroom-Based Instruction	No, see below
Annual Instruction Minutes Classroom-Based	Yes
Charter School Facility Grant Program	No, see below

Programs listed above for local education agencies are not applicable to charter schools; therefore, we did not perform any related procedures.

The Charter School did not have expenditures related to the California Clean Energy Jobs Act; therefore, we did not perform any related procedures.

The Charter School does not operate a before or after school program within the After School Education and Safety Program; therefore, we did not perform any related procedures.

The Charter School does not operate Independent Study – Course Based instruction; therefore, we did not perform any related procedures.

We did not perform any procedures related to Non Classroom-Based Instruction/Independent Study for Charter Schools or Determination of Funding for Non Classroom-Based Instruction because ADA was below the threshold required for testing.

The Charter School did not receive funding for the Charter School Facility Grant Program; therefore, we did not perform any related procedures.

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

Rancho Cucamonga, California
December 13, 2019



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

STATE AWARDS

Type of auditor's report issued on compliance for State programs:	<u>Unmodified</u>
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WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

WESTSIDE INNOVATIVE SCHOOL HOUSE
(A California Nonprofit Public Benefit Corporation)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

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