

MINUTES

OFL-CAPISTRANO, INC.

A California Nonprofit Public Benefit Corporation

BOARD OF DIRECTORS REGULAR MEETING

January 20, 2026

Zoom Meeting Dial-In: 1-669-900-6833

Zoom Meeting ID: 819 6697 1597

Meeting Location: 31878 Del Obispo, Suite 105, San Juan Capistrano, CA 92675

A regular meeting of the Board of Directors (“Board”) of OFL-Capistrano, Inc., a California nonprofit public benefit corporation (“OFL-C” or the “School”) was held on January 20, 2026 at the meeting location and by teleconference according to the Agenda posted in accordance with the Ralph M. Brown Act and distributed to the Directors in compliance with the corporation’s Bylaws. Members of the public were provided the opportunity to observe the meeting and offer public comment using the dial-in information provided on the Agenda.

OPEN SESSION

1. Call to Order

The meeting was called to order at 1:01 P.M. (PT) by Ms. Beth Smyth, President of OFL-C.

2. Welcome and Roll Call

The following Directors, constituting a quorum of the Board, were present:

Ms. Beth Smyth, President and Board Member

Ms. Kimya Barnes, Secretary, Treasurer, and Board Member

Ms. Kimberly Bailey, Board Member

The following individuals identified themselves as being present:

Heana Kiriakos, Superintendent, OFL-C

Charles Pak, Assistant Superintendent of Instruction, OFL-C

Maricela Frymark, Senior Director of Policy and Compliance, OFL-C

Candice Varner, Director of Schools, OFL-C

Jessica Boucher, Principal, OFL-C

Angelica Lopez, Assistant Principal of Instructional Operations, OFL-C

Tanner Wolf, Teacher, OFL-C

Alex Salazar, Divisional Controller, 9 Dot Education Solutions, LLC (“9 Dot”)

Christina Baez, Assistant Controller, 9 Dot

Melissa Bauer, Senior Manager of Corporate Compliance, 9 Dot

Janel Lee, Corporate Compliance Specialist, 9 Dot

Nalani Santos, Corporate Compliance Coordinator, 9 Dot
Chris Peterson, Legal Counsel for OFL-C, Blank Rome LLP
Marlen Gomez, Principal, CliftonLarsonAllen LLP

3. Public Comment

Ms. Smyth stated members of the public may address the Board at regular meetings on agenda or non-agenda items that are within the subject matter jurisdiction of the Board, and at special meetings on agenda items only, by using the call-in information set forth above. Speakers may be called in the order that requests are received, or grouped by subject area. Members of the public were asked to limit comments to two (2) minutes with no more than 15 minutes per single topic so that as many people as possible may be heard. By law, the Board is allowed to take action only on items on the agenda. The Board may, at its discretion, refer a matter to School staff or calendar the issue for future discussion.

There were no comments made by members of the public.

4. Items for Information and/or Action

A. Consent Agenda

All items listed under Consent Agenda are considered by the Board to be routine and consistent with approved policies and practices of the School. The Board was asked to approve all of the Consent Agenda items by a single vote unless requested by a Board member to be discussed and considered for action separately.

A.1 Minutes of November 17, 2025

The Board was provided in their meeting materials with the minutes of the November 17, 2025 Board meeting for the Board's review and approval.

A.2 OFL-C Consent Log Including Superintendent's Time Off Requests, Credit Card Consent Log, and Additional Duties Timecards

The Board was provided in their meeting materials with the OFL-C Consent Log Including Superintendent's Time Off Requests, Credit Card Consent Log, and Additional Duties Timecards for the Board's review and approval and/or ratification.

A.3 OFL-C Comprehensive School Safety Plan ("CSSP") for Fiscal Year 2026-2027

The Board was provided in their meeting materials with the OFL-C Comprehensive School Safety Plan ("CSSP") for Fiscal Year 2026-2027. The Board was asked to review and consider approval of the OFL-C Comprehensive School Safety Plan ("CSSP") for Fiscal Year 2026-2027. In accordance with Assembly Bill ("AB") 1747 and California Education Code Section 32281, the School Safety Committee has developed and will execute the CSSP as presented. The law requires designated stakeholders to annually engage in a systematic planning process to develop strategies and policies to prevent and respond to incidents involving emergencies, natural disasters, hate crimes, violence, active assailants/intruders, bullying and cyberbullying, discrimination and harassment, child abuse and neglect, discipline, suspension and expulsion, and other safety aspects. The School Safety Team collaborated with its support providers, School Parent Advisory Committee ("PAC") Team, local emergency response departments and various community stakeholders to gather information on current practices, challenges, and resources to assist in developing this plan. The following are included: child abuse reporting procedures, routine and emergency

disaster procedures, suspension/expulsion policies and procedures, procedures to notify teachers of dangerous pupils, schoolwide dress code, Visitor Policy, and policies and procedures to maintain a safe and orderly environment conducive to learning. The following were added to this annual update: Child Supervision and Protection Procedures, Immigration Enforcement Notification Procedures, and Student Smart Phone Use Policy.

The contract term was based on an annual plan. The fiscal impact will be included in the School's 2026-2027 operating budget. The Superintendent recommended approval of this item. The proposed motion was to approve the OFL-C Comprehensive School Safety Plan ("CSSP") for Fiscal Year 2026-2027 as presented and ratify any future edits based on changes required by education code, public health and/or government emergency response directives, as requested by the Superintendent.

A.4 OFL-C Local Control and Accountability Plan ("LCAP")/School Plan for Student Achievement ("SPSA")/Comprehensive Support and Improvement ("CSI") Progress Update

The Board was provided in their meeting materials with the OFL-C Local Control and Accountability Plan ("LCAP")/School Plan for Student Achievement ("SPSA")/Comprehensive Support and Improvement ("CSI") Progress Update. The Board was asked to review the OFL-C Local Control and Accountability Plan ("LCAP")/School Plan for Student Achievement ("SPSA")/Comprehensive Support and Improvement ("CSI") Progress Update. Federal guidelines require the School to report to the Board of Directors on its progress toward meeting goals, metrics, and spending requirements. The updates for each goal, metric, and action were included within the Board's meeting materials. There was no fiscal impact.

A.5 OFL-C Health Insurance for Fiscal Year 2026-2027

The Board was provided in their meeting materials with the OFL-C Health Insurance for Fiscal Year 2026-2027. The Board was asked to review and consider approval of OFL-C to participate in the 9 Dot Education Solutions Group Insurance Agreement ("GIA") for the plan year 2026-2027. The GIA outlined the medical, dental, and vision benefits available to all employees. According to OFL-C's Fiscal Policies and Procedures, the annual renewal of health insurance shall be brought to the Board for approval, provided that such renewal exceeds an annual increase of 25%. The total renewal increase for benefit premiums for 2026-2027 was 9%. The term shall begin on March 1, 2026 and expire on February 28, 2027. The fiscal impact was estimated to be a \$10,553.10 annual increase for medical benefit premiums and \$0 for Guardian plan benefit premiums in the 2026-2027 plan year. It was noted that the fiscal impact could vary throughout the policy period and did not include any significant changes to staffing or enrollment elections. This always varies year to year depending on employee elections and staffing. 9 Dot and the Superintendent recommended the approval of this item. The proposed motion was to approve the OFL-C Health Insurance for Fiscal Year 2026-2027.

Ms. Barnes moved to approve the Consent Agenda. Ms. Bailey seconded. The motion passed unanimously by roll call vote.

B. Information Item(s)

B.1 OFL-C Charter Update

Mr. Wolf presented the OFL-C Charter Update. For Academics, the School ended Month 5 with 93% utilization, including 100% for the School's Special Education and middle school populations. The Direct Instruction ("DI") classes ended the semester with over 95% of students in DI classes on track to complete them. OFL-C participated in the Engineering Design Challenge and took 1st place in the Regional Elimination and 13th in the Finals. Some students attended the Arts and Creative Engagement

(“ACE”)/Skyrocket Photography Experience Field Trip to work with and learn from professional photographers and learn about various careers in the photography field. For Social-Emotional Learning, the School held an Animal Drive for community service, competed against students from other schools in the Art on the Go contest at the San Juan Capistrano Mission, a gathering of the School’s Craft Group, held a Holiday Movie Night, and the OFL-C Student Council hosted their annual “Friendsgiving” and held gingerbread house contests. For Stakeholders, the School held a PAC meeting with parent and student representatives to review the School’s progress. Students volunteered in Santa’s Village by the Sea for community service. Some staff members participated in Professional Development opportunities such as continuing Multi-Tiered Systems of Support (“MTSS”) Workshops through the Orange County Department of Education (“OCDE”) as well as one in Salt Lake City, Utah, that focused on the Professional Learning Communities (“PLC”) process for teaching the School’s staff. Mr. Wolf asked the Board if there were any questions.

Ms. Smyth asked what the project was in the Engineering Design Challenge. Mr. Wolf explained that the challenge was to build the strongest boat using the same materials as other competing schools.

B.2 OFL-C Mid-Year Local Control and Accountability Plan (“LCAP”) Update for Fiscal Year 2025-2026

Ms. Lopez presented the OFL-C Mid-Year Local Control and Accountability Plan (“LCAP”) Update for Fiscal Year 2025-2026. This update included mid-year outcome data which provided insight into the metrics identified in the 2025-2026 LCAP, and mid-year expenditure and implementation data which detailed the expenditures and progress in implementing actions as outlined within the 2025-2026 LCAP. Education Code Section 47606.5(e) specifies that charter schools must present a mid-year update of the LCAP and Local Control Funding Formula (“LCFF”) Budget Overview for parents at a regularly scheduled meeting of the Governing Board by February 28th of each year. This report included all available outcome data related to the metrics and all available data on expenditures and implementation status for actions identified in the LCAP. Ms. Lopez shared highlights for each goal within the School’s LCAP. For Goal One, which focused on improving college and career readiness, the School continued to work with their one-year (1) graduation cohort, and Ms. Lopez noted that data was collected before the conclusion of the first semester which resulted in some metric percentages being lower. The School’s English Learner (“EL”) Reclassification Rate of 33.3% exceeded the LCAP expected outcome of 20%. For Goal Two, which focused on improving English Language Arts (“ELA”) and Math proficiency, the School met the expected outcome for English and was on track to meet the expected outcomes for Math and Science. Ms. Lopez highlighted that the School had an expected outcome of 86% and was currently at 91% for student progression as of this meeting. For Goal Three, which focused on school climate, Ms. Lopez noted that the report lacked new data as they were awaiting the upcoming school climate survey to gather more information. Suspension rates were under 2%, dropout rates were under 3%, and middle school student progression rate (chronic absenteeism) was at 100%. Ms. Lopez asked the Board if there were any questions.

Ms. Bailey asked for the metric data to remain in consistent format to make the report easier to follow going forward. Ms. Lopez explained that the data format was different to give better context for ongoing progress, and agreed to showcasing data in consistent formats moving forward.

B.3 OFL-C Report of Executive Compensation

Ms. Kiriakos presented the OFL-C Report of Executive Compensation. This update was provided to inform the Board of clarifications to the Brown Act’s Executive Compensation Reporting requirements and to ensure continued compliance with open meeting and transparency obligations. Recent clarifications to the Brown Act required that when the Board is asked to approve an employment contract for a local agency

executive, the Board must receive an oral summary of the compensation for that position in open session prior to taking action. This requirement supports transparency while maintaining appropriate confidentiality. After review, the organization determined that only the following two (2) positions met the definition of an executive for the purposes of this requirement: Assistant Superintendent of Instruction, and Assistant Superintendent of Business Operations. The following information applies to both positions: i) The Base Salary Range was \$180,000 to \$210,000; ii) if working full-time, this position has the choice to participate in benefits such as medical, dental, vision, and ancillary plans such as critical illness, accident, and life insurance benefits as well as OFL-C's 401K retirement plan. These benefits were available to all eligible employees and require the employee to pay their portions of benefit premiums; and, iii) the Potential Annual Incentive was up to \$30,000. No other positions were impacted by this reporting requirement. Staff continued to coordinate with the Human Resources team and legal counsel to ensure disclosures remain compliant and appropriately limited in scope. Ms. Kiriakos asked the Board if there were any questions, to which there were none.

B.4 OFL-C Financial Update

Mr. Salazar presented the OFL-C Financial Update. The OFL-C Financial Update was based on the October 2025 close, and included the Senate Bill 740 ("SB740") report, the detailed income statement, the variance analysis, the balance sheet, and the cash forecast. On the SB740 report, the projected Second Principal Apportionment ("P2") Average Daily Attendance ("ADA") rate was 258.27. Based on the projected P2 ADA, the total forecasted revenue was \$4,018,747. Certificated Salaries and Benefits were \$2,509,556 or 62.45% of revenue. Instruction and Related Services, including Certificated Salaries and Benefits, were \$4,123,154 or 102.6% of revenue. For the non-instructional expenses, Operations and Facilities was \$193,423 and Administration and All Other Activities was \$329,176. The projected deficit, before the spending benchmarks were considered, was \$627,006 or -15.60% deficit percentage for the year. The School exceeded its Certificated Salaries and Benefits spending benchmark by \$892,010. The School exceeded its total Instructional Related Services spending benchmark by \$926,674. The projected deficit remained the same, after the spending benchmarks were considered, at \$627,006 or -15.60% deficit percentage rate for the year. Mr. Salazar asked the Board if there were any questions.

Ms. Smyth asked why the deficit was so large. Mr. Salazar answered that the projected P2 ADA was lower than anticipated in the budget. Ms. Boucher elaborated that there had been a steady decline in enrollment and that the School's projected number of students for credit enrichment were not met. She offered the expensive cost of living in Orange County as one possibility for the loss of students. She also noted that the School is looking into ways to improve enrollment such as focusing on parent engagement and marketing.

Ms. Smyth asked how many students the School had lost. Ms. Boucher answered that the School had around twenty (20) students where they would typically have thirty (30). She highlighted that having to offset the loss of graduating 12th grade students has also contributed to this loss.

Mr. Salazar reviewed the income statement, which is a line-by-line, month-by-month report of details which included the School's actuals from July through October and the budget for November through June, rolled up into the SB740 report. Mr. Salazar noted that total revenue remained at \$4,018,747, total payroll, including certificated and non-certificated, and benefits, was at \$2,613,210 or 65.03% of revenue, and total expenses were \$4,645,753. Mr. Salazar reviewed the Variance Analysis report and indicated that the threshold of 1% of Year-to-Date expenses was \$17,187. He explained that 1% will be taken out of the year-to-date expenses as a threshold, and any variance that is favorable or unfavorable will be highlighted and explained. For Certificated Additional Duties and Certificated Incentives, these line items were under budget due to the actual expenses being lower than anticipated, which resulted in savings for the School. For Non-Certificated Stipends, this line item was over budget due to the credit enrichment related expenses being higher than anticipated. For Certificated Vacation Expense, this line item varies, dependent on the

accrued Paid Time Off (“PTO”) earned by employees and was under budget. For Curriculum, this line item was under budget due to the anticipation of large purchases in July and August, which resulted in savings for the School.

Mr. Salazar reviewed the balance sheet, which is a snapshot of the School’s assets and liabilities from inception to date. As of October 31, 2025, OFL-C had total assets of \$5,147,848; total liabilities were \$1,311,913; and, total net assets were \$3,835,935. Mr. Salazar proceeded to review the cash forecast. As of October 31, 2025, OFL-C had \$964,853 cash in bank. At the end of the current fiscal year, June 30, 2026, the School was projected to have \$1,223,177 cash in bank. Mr. Salazar shared that the cash forecast included a Restricted Funds Summary that included the balances and deadlines for each restricted fund. The School was on track to exhaust these funds within their allowable uses and deadlines. He also noted that the School’s investment account total was \$2,025,543. Mr. Salazar asked the Board if there were any questions.

Ms. Barnes asked how the School would compensate for the \$354,147 deficit between the 3-month cash need and cash reserve. Mr. Salazar explained that the School is continuing to build the cash reserve and that one reason it is showing a deficit is because excess cash from day-to-day operations are moved to an investment account to yield gains in the future. He also noted that cash reserve is expected to exceed the 3-month cash need within the next few months.

Ms. Smyth asked if school trips needed to be added to the budget. Mr. Salazar clarified that school trips are in the budget, and were all budgeted in June to meet the flexibility needed for trip expenses changing throughout the year.

C. Action Item(s)

C.1 OFL-C First Interim Report

Mr. Salazar presented the OFL-C First Interim Report. The Board was asked to review and consider the approval of the OFL-C First Interim Report. According to California’s Department of Education Interim Status page, which outlines the status of certifications of Interim Financial Reports for school districts and county offices of education, Local Educational Agencies (“LEAs”) are required to file two (2) reports during a fiscal year (interim reports) on the status of the LEA's financial health. The first interim report was due December 15 for the period ending October 31. The second interim report was 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 LEA will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the LEA may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification is assigned when the LEA 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. As part of OFL-C’s Fiscal Policies and Procedures, as previously approved by the Board, the First Interim Report is addressed in the Reporting Requirements in Section 2, Accounting Procedures. Accounting procedures conform to Generally Accepted Account Principals (“GAAP”) to ensure accuracy of information and compliance with external standards.

Mr. Salazar reviewed items included in the First Interim Report, such as the Principal’s certification, where Principal Jessica Boucher certified that the School had a positive cash balance, met its financial obligations, and was fiscally sound. The report also included the original budget, the adopted budget, the actuals to date,

the unrestricted funds, and the restricted funds. The First Interim Report was based on the October 2025 close, with the information presented being very similar to the Financial Update in this meeting. The report also included the summary of total expenditures, the summary of the School's fund balance, and a multi-year projection. The School reported a negative deficit for the year, and there were no issues with the fund balance. Mr. Salazar asked the Board if there were any questions, to which there were none.

Ms. Barnes moved to approve the OFL-C First Interim Report. Ms. Bailey seconded. There was no further discussion from the Board. The motion passed unanimously by roll call vote.

C.2 OFL-C Audited Financials for Fiscal Year 2024-2025

Ms. Gomez of CliftonLarsonAllen LLP ("CLA"), the independent auditor, presented the OFL-C Audited Financials for Fiscal Year 2024-2025. Ms. Gomez reviewed the independent auditor's report, including the opinion which stated that the report was a clean, unmodified audit with no exceptions or findings. The financial statements were presented fairly in all material respects and in accordance with GAAP in the United States. There were no difficulties in communication between CLA and the management team during the audit. Ms. Gomez reviewed the Statement of Financial Position and Statement of Activities from June 30, 2025, which showed a positive accumulated net asset and change in net assets. She noted that those were good financial indicators. Ms. Gomez also reviewed the Notes to Financial Statements which was just an update for the year and did not include any drastic changes, such as the related parties' disclosure and investment activity. She noted that she expected to see an increase in the income generated from investments in fiscal year 2025-2026. Ms. Gomez asked the Board if there were any questions.

Ms. Smyth asked what the duration of the School's treasury notes were. Ms. Gomez answered that they are within one year of maturity from June 30, 2025.

Ms. Gomez briefly reviewed the Schedule of Findings and stated that there were none to report. For the Independent Auditor's Report on State Compliance and Report on Internal Control over State Compliance, Ms. Gomez noted that new testing was conducted in that area, but the School had no students that met the criteria to conduct the test. Ms. Gomez informed the Board to expect new items the following year such as, the CSSP being subject to audit and adding other audit steps to the LCAP. Ms. Gomez asked the Board if there were any questions, to which there were none.

Ms. Barnes moved to approve the OFL-C Audited Financials for Fiscal Year 2024-2025. Ms. Bailey seconded. There was no further discussion from the Board. The motion passed unanimously by roll call vote.

C.3 OFL-C School Accountability Report Card ("SARC") Report for Fiscal Year 2024-2025

Mr. Pak presented the OFL-C School Accountability Report Card ("SARC") Report for Fiscal Year 2024-2025. The Board was asked to review and consider the approval of the OFL-C School Accountability Report Card ("SARC") Report for Fiscal Year 2024-2025, which outlined California's statutory requirement that every public school publish a SARC by February 1 of each year. The SARC was developed and published in accordance with California Education Code Sections 33126 and 35256. The purpose of the SARC is to provide transparent information regarding the condition and performance of each school, including availability and quality of instructional materials, condition of school facilities, student achievement on local and state assessments, graduation rates, student engagement and parental involvement. The document also described the relationship between the SARC and the Local Control Funding Formula ("LCFF"), noting that all local educational agencies are required to prepare an LCAP that identifies annual, school-specific goals and the actions designed to meet state and local priorities. Data included in the LCAP must be consistent with the data reported in the SARC. There was no fiscal impact. The Superintendent

recommended the approval of this item. Mr. Pak asked the Board if there were any questions, to which there were none.

Ms. Barnes moved to approve the OFL-C School Accountability Report Card (“SARC”) Report for Fiscal Year 2024-2025. Ms. Bailey seconded. There was no further discussion from the Board. The motion passed unanimously by roll call vote.

5. Adjournment

Ms. Smyth stated that the next regularly scheduled Board meeting will be on March 23, 2026 at 1:00 P.M. (PT). There were no additional comments or questions prior to adjournment.

Ms. Barnes moved to adjourn. Ms. Bailey seconded. The motion passed unanimously by roll call vote. The meeting was adjourned at 1:43 P.M. (PT).



Ms. Kimya Barnes
Secretary, OFL-Capistrano, Inc.