



AGENDA

BOARD OF DIRECTORS MEETING AVESON CORPORATION

Zoom Virtual Meeting [Zoom Link](#)

Meeting ID: 635 876 1750

Password: aveson

March 25, 2021 | 5:00 P.M.

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS

Aveson Corporation (“Aveson”), which operates Aveson School of Leaders and Aveson Global Leadership Academy, welcomes your participation at the Aveson’s Board meetings. The purpose of a public meeting of the Board of Directors (“Board”) is to conduct the affairs of Aveson in public. We are pleased that you are in attendance and hope that you will visit these meetings often. Your participation assures us of continuing community interest in our schools. To assist you in the ease of speaking/participating in our meetings, the following guidelines are provided:

1. During normal operations, agendas are available at the door to the meeting. Note that the order of business on this agenda may be changed without prior notice. For more information on this agenda, please contact: Aveson Charter Schools, 1919 Pinecrest Dr., Altadena, CA 91001. Telephone: 626-797-1440. During the period of remote operations, agendas will be available in the Zoom meeting upon arrival. Agendas and board packets are also posted at aveson.org
2. “Request to Speak” forms are available to all audience members who wish to speak on any agenda items or under the general category of “Oral Communications.” You may specify that you wish to speak on an agenda item by completing the form before the meeting is called to order.
3. “Oral Communications” is set aside for members of the audience to raise issues that are not specifically on the agenda. However, due to public meeting laws, the Board can only listen to your issue, not engage in discussion or take action. The Board may give direction to staff to respond to your communication or you may be offered the option of returning with a citizen-requested item. These presentations are limited to three (3) minutes and total time allotted to non-agenda items will not exceed fifteen (15) minutes.
4. You will be given an opportunity to speak for up to five (5) minutes on agenda items

when the Board discusses that item.

5. During remote operations, please keep your microphone muted, except when you are called upon by the Board. The chat may not be used by the public during online meetings. It shall only be used by the board to post public materials for the public.
6. When addressing the Board, speakers are requested to state their name and adhere to the time limits set forth.
7. You may request that a topic related to school business be placed on a future agenda in accordance with the guidelines in Board Policy. Once such an item is properly agendized and publicly noticed, the Board can respond, interact, and act upon the item.
8. In compliance with the Americans with Disabilities Act (ADA) and upon request, Aveson may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact Aveson's main office.

I. PRELIMINARY

A. CALL TO ORDER

Meeting was called to order by the Board Chair at _____.

B. ROLL CALL

	Present	Absent
Bridgette Brown	_____	_____
Rob Dell Angelo	_____	_____
Javier Guzman	_____	_____
Trinity Jolley	_____	_____
Jeiran Lashai	_____	_____
James Perreault	_____	_____
Elsie Rivas Gómez	_____	_____
Kat Ross	_____	_____

Core Practice

Guiding Principle: Your commitment is to make others around you successful.

II. COMMUNICATIONS

- A. ORAL COMMUNICATIONS: Non-agenda items: no individual presentation shall be for more than three (3) minutes and the total time for this purpose shall not exceed fifteen (15) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation.

III. PUBLIC SESSION AGENDA

A. CONSENT AGENDA ITEMS

1. Approval of Board Minutes: 2/25/2021, 03/11/2021, 03/18/2021
2. Approval of Check Register: February 2021
3. Approval of Credit Card Statements: Capital One & Amex paid in February 2021

B. DISCUSSION ITEMS

1. Dr. Boro of The Education Experience Presentation
2. Financial Report
3. Co-Executive Directors' Report
Topics May Include:
 - * *Curriculum & Instruction*
 - * *Equity, Diversity, & Inclusion*
 - * *Events & Community*
 - * *Human Resources, Professional Development*
 - * *Operations*
 - * *Student Achievement & Support*
4. ACIS Director's Report
5. ACO Report
6. Board composition
7. 2021-2022 fiscal year financial Audit quote/contract

C. ACTION ITEMS

1. Approve PPP loan forgiveness resolution
2. Approve a 2021-2022 fiscal year financial Audit quote/contract
3. Approve changing primary account holder on Amex from Eva Neuer to Kate Bean through June 30, 2020.
4. Approve the revised ASL Covid Safety Plan Part 2

IV. ADJOURNMENT



Aveson Financial Update

Thursday, March 25, 2021

Presentation Agenda

- Year to Date Highlights July-February 2021
- Cash Update
- State One Time Funding
- Federal One Time Funding

Year to Date – Highlights

Combined

Second Interim Adopted Budget FY20-21	YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$) Budget Remaining	(%) Budget Remaining
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INCOME

Total 8011-8096 Local Control Funding Formula Sources	\$ 6,987,105	\$ 3,052,084	\$ 6,987,105	\$ (0)	\$ 3,935,021	56%
Total 8100-8299 Federal Income	\$ 770,136	\$ 427,496	\$ 770,136	\$ -	\$ 342,640	44%
Total 8300-8599 State Income	\$ 1,024,719	\$ 276,634	\$ 1,024,719	\$ -	\$ 748,085	73%
Total 8600-8799 Local Income	\$ 272,964	\$ 154,716	\$ 274,096	\$ 1,132	\$ 118,247	43%
TOTAL INCOME	9,054,924	\$ 3,910,931	\$ 9,056,056	\$ 1,132	\$ 5,143,993	57%

EXPENSE

Total 1000 Certificated Salaries	\$ 4,041,577	\$ 2,141,145	\$ 4,175,948	\$ 134,371	\$ 1,900,432	47%
Total 2000 Classified Salaries	\$ 698,284	\$ 372,498	\$ 715,754	\$ 17,470	\$ 325,786	47%
Total 3000 Employee Benefits	\$ 810,631	\$ 439,887	\$ 807,519	\$ (3,113)	\$ 370,744	46%
Total 4000 Supplies	\$ 479,245	\$ 297,945	\$ 484,835	\$ 5,590	\$ 181,300	38%
Total 5000 Services and Other Operating Expenditures	\$ 1,898,155	\$ 1,080,446	\$ 1,918,255	\$ 20,100	\$ 817,709	43%
Total 6000 Capital Outlay	\$ 78,539	\$ 45,137	\$ 78,539	\$ -	\$ 33,402	43%
TOTAL EXPENSE	8,006,431	4,377,058	\$ 8,180,850	\$ 174,419	\$ 3,629,373	45%

NET INCOME (LOSS)

	1,048,493	(466,127)	875,206	(173,287)	1,514,620	144%
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Year to Date Highlights

AGLA July-February

Second Interim Adopted Budget FY20-21	YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$ Budget Remaining	(%) Budget Remaining	Material Variance Comments
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INCOME

Total 8011-8096 Local Control Funding Formula Sources	\$ 3,415,677	\$1,771,150	\$3,415,677	\$ (0)	\$ 1,644,527	48%	
Total 8100-8299 Federal Income	\$ 465,091	\$ 264,690	\$ 465,091	\$ -	\$ 200,401	43%	
Total 8300-8599 State Income	\$ 635,363	\$ 139,466	\$ 635,363	\$ -	\$ 495,897	80%	
Total 8600-8799 Local Income	\$ 141,379	\$ 95,806	\$ 141,945	\$ 566	\$ 45,573	31%	
TOTAL INCOME	\$ 4,657,509	\$2,271,112	\$4,658,075	\$ 566	\$ 2,386,397	51%	

EXPENSE

Total 1000 Certificated Salaries	\$ 1,903,659	\$1,222,938	\$1,956,288	\$ 52,629	\$ 680,722	35%	Feb Stipends
Total 2000 Classified Salaries	\$ 400,224	\$ 259,964	\$ 411,691	\$ 11,467	\$ 140,260	35%	Feb Stipends
Total 3000 Employee Benefits	\$ 376,484	\$ 236,479	\$ 368,640	\$ (7,844)	\$ 140,006	35%	Feb Stipends
Total 4000 Supplies	\$ 215,934	\$ 132,098	\$ 219,309	\$ 3,375	\$ 83,836	30%	Computers
Total 5000 Services and Other Operating Expenditures	\$ 1,113,704	\$ 734,498	\$1,109,432	\$ (4,273)	\$ 379,207	33%	
Total 6000 Capital Outlay	\$ 47,049	\$ 30,974	\$ 47,049	\$ -	\$ 16,076	34%	
TOTAL EXPENSE	\$ 4,057,056	\$2,616,950	\$4,112,410	\$ 55,354	\$ 1,440,106	34%	

NET INCOME (LOSS)

	\$ 600,454	\$ (345,837)	\$ 545,665	\$ (54,788)	\$ 946,291	208%	
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Year to Date Highlights

ASL July-February

	Second Interim Adopted Budget FY20-21	YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$ Budget Remaining	(%) Budget Remaining	Material Variance Comments
INCOME							
Total 8011-8096 Local Control Funding Formula Source	\$ 3,571,428	\$ 1,847,620	\$ 3,571,428	\$ (0)	\$ 1,723,808	48%	
Total 8100-8299 Federal Income	\$ 305,045	\$ 162,806	\$ 305,045	\$ -	\$ 142,240	45%	
Total 8300-8599 State Income	\$ 389,357	\$ 172,114	\$ 389,357	\$ -	\$ 217,243	56%	
Total 8600-8799 Local Income	\$ 131,585	\$ 86,791	\$ 132,151	\$ 566	\$ 44,793	31%	
TOTAL INCOME	\$ 4,397,415	\$ 2,269,331	\$ 4,397,981	\$ 566	\$ 2,128,083	\$ 0	
EXPENSE							
Total 1000 Certificated Salaries	\$ 2,137,917	\$ 1,389,127	\$ 2,219,660	\$ 81,743	\$ 748,790	35%	Feb Stipends
Total 2000 Classified Salaries	\$ 298,059	\$ 196,647	\$ 304,063	\$ 6,003	\$ 101,413	35%	Feb Stipends
Total 3000 Employee Benefits	\$ 434,147	\$ 277,753	\$ 438,879	\$ 4,732	\$ 156,394	36%	Feb Stipends
Total 4000 Supplies	\$ 263,311	\$ 187,521	\$ 265,526	\$ 2,215	\$ 75,790	25%	
Total 5000 Services and Other Operating Expenditure	\$ 784,450	\$ 519,363	\$ 808,823	\$ 24,373	\$ 265,087	29%	PD & Student Assessments
Total 6000 Capital Outlay	\$ 31,490	\$ 20,601	\$ 31,490	\$ -	\$ 10,889	35%	
TOTAL EXPENSE	\$ 3,949,375	\$ 2,591,012	\$ 4,068,440	\$ 119,065	\$ 1,358,363	\$ -	
NET INCOME (LOSS)	\$ 448,040	\$ (321,681)	\$ 329,540	\$ (118,499)	\$ 769,720	\$ -	

Cash Update – Cash is King

	Gold Standard	Cash Balance as of 2/28/2021	Projected Cash Balance as of 6/30/2021*
3 months of payroll	\$1,392,906	\$ 1,535,663	\$ 1,023,786
Days Cash on Hand	60	70	49

**Includes one time LOC payment in November 2020 of \$250k*

Other Cash Analysis		
Cash Balance	\$ 1,535,663	\$ 1,023,786
PPP Funds	1,287,000	1,287,000
LOC Balance	250,000	250,000
Adjusted for PPP	248,663	(263,214)
Adjusted for LOC	1,285,663	773,786
Adjusted for PPP & LOC	(1,337)	(513,214)

**Includes one time LOC payment in December 2020 of \$250k*

State (SB86) One Time Funds

In-Person Instruction Grant (\$2 B)

- Must begin to offer in-person instruction between April 1 through May 15 (will not be penalized for spring break)
- Must provide continuous instruction through the end of scheduled 2020-21
- Asymptomatic testing required (purple counties)
- COVID-19 Safety plan must be completed and posted 5 days before offering in person instruction
- Funds must be used through August 31, 2022
- AGLA Est Amount: **\$112,376**
- ASL Est Amount: **\$117,488**

Expanded Learning Opportunities Grant (\$4.6 B)

- Distributed proportionately based on LCFF, plus \$1,000 per homeless student
- Expenditure plan by June 1
- Supports accelerated learning, addressing student needs such as extended learning time, PD, social-emotional learning and access to meals
- 85% of funding must be used to support in-person instruction
- 10% must be spent to hire paraprofessionals to support in-person instruction
- AGLA Est Amount: **\$245,032**
- ASL Est Amount: **\$248,813**

Federal One Time Funds

CRRSA 2020: ESSER II **\$6.7 B (CA Portion)**

- Awards based on Title I funding
- Same restrictions as ESSER I with a few additional categories
- Expenditure period from 3/20/2020 to 9/30/2023
- AGLA Amount: **\$139,534**
- ASL Amount: **\$77,945**

ARPA 2021:ESSER III **\$15 B (CA Portion)**

- Estimates likely to change as official apportionments are not yet released
- Restrictions unknown
- AGLA Est Amount: **\$366,073**
- ASL Est Amount: **\$162,757**

AVESON - Combined
CASHFLOW PROJECTIONS
FISCAL YEAR 2020-21



	Second Interim Adopted Budget FY20-21	PRIOR YEAR P-2							P-1				P-2		YTD Actuals	2020-21 Budget	Second Interim Adopted Budget VS Forecast	(\$) Budget Remaining	[%] Budget Remaining
		ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21	Accrual					
INCOME																			
8011-8096 Local Control Funding Formula Sources																			
8011 Local Control Funding Formula State Aid (FKA Charter Schools State Aid)	2,636,523	-	134,637	134,637	242,345	242,345	242,345	242,345	242,345	231,105	231,105	231,105	231,105	231,105	1,238,654	2,636,523	-	1,397,869	53%
State Aid Deferrals	(1)	-	-	-	-	-	-	-	-	(122,486)	(189,506)	(189,506)	(189,506)	691,002	-	(1)	(0)	(1)	100%
8012 Education Protection Act Funds	159,248	-	-	-	55,122	-	-	-	55,121	-	24,503	-	-	24,503	110,243	159,248	-	49,005	31%
8019 Charter Schools General Purpose - Prior Year	398	4	394	-	-	-	-	-	-	-	-	-	-	398	398	-	-	-	100%
8096 In-Lieu Property Tax	4,190,376	-	242,255	496,511	324,341	-	324,341	324,341	324,341	771,269	300,634	300,634	300,634	300,634	1,702,299	4,190,376	-	2,488,147	59%
Total 8011-8096 Local Control Funding Formula Sources	\$ 6,987,105	\$ 4	\$ 378,287	\$ 621,148	\$ 621,808	\$ 242,345	\$ 566,686	\$ 621,807	\$ 566,686	\$ 829,888	\$ 426,736	\$ 402,233	\$ 402,233	\$ 1,307,244	\$ 3,052,084	\$ 6,987,105	(0)	\$ 3,935,021	56%
8100-8299 Federal Income																			
8101 Federal Special Education (IDEA) Part B, Sec 611	129,034	-	-	-	-	-	-	-	-	-	-	-	-	129,034	-	129,034	-	129,034	100%
8182 Special Ed. IDEA Mental Health	13,550	-	-	-	-	-	-	-	-	-	-	-	-	13,550	-	13,550	-	13,550	100%
8220 Child Nutrition Programs - Federal	87,900	-	-	-	7,010	7,760	11,064	-	8,790	8,790	8,790	8,790	8,790	26,906	25,834	26,906	-	62,066	71%
8291 Title I, A Basic Grants Low-Income	68,022	-	-	-	16,250	-	16,170	-	-	13,604	-	13,604	-	8,393	32,420	68,022	-	35,602	52%
CARES Act (ESSER)	57,742	-	14,436	-	-	-	-	-	-	14,435	-	-	-	28,871	14,436	57,742	-	43,306	75%
8292 Title II, A Teacher Quality	15,102	-	-	3,435	-	-	-	3,559	-	3,020	-	3,020	2,067	6,994	6,994	15,102	-	8,108	54%
8294 Title IV	20,000	-	-	-	5,000	-	-	5,000	-	5,000	-	5,000	-	10,000	10,000	20,000	-	10,000	50%
8290.1 One Time Loss Learning Mitigation Funds - SWD	54,741	-	-	-	-	-	-	13,767	-	13,685	-	-	-	27,289	54,741	54,741	-	40,974	75%
8290.2 One Time Loss Learning Mitigation Funds - Supp/Conc	324,040	-	324,040	-	-	-	-	-	-	-	-	-	-	324,040	324,040	324,040	-	-	100%
8297 All Other Federal Revenue	5	-	-	-	-	-	-	5	-	-	-	-	-	5	5	5	-	-	100%
Total 8100-8299 Federal Income	\$ 770,136	\$ -	\$ 338,476	\$ 3,435	\$ 28,260	\$ 7,760	\$ 49,565	\$ -	\$ 8,790	\$ 58,535	\$ 8,790	\$ 30,415	\$ 236,110	\$ 427,496	\$ 770,136	\$ -	\$ 342,640	44%	
8300-8599 State Income																			
8311 Special Education - Entitlement (State)	396,787	-	-	38,830	34,946	34,946	34,946	34,946	34,946	40,342	40,342	40,342	40,342	56,805	143,668	396,787	-	253,119	64%
State Aid Deferrals	-	-	-	-	-	-	-	-	-	(33,080)	(33,080)	(33,080)	(40,342)	139,583	-	-	-	-	0%
8312 Mental Health-SPED	55,271	-	-	-	-	-	-	-	-	-	-	-	-	55,271	-	55,271	-	55,271	100%
8519 Prior Year Adjustment	9,272	-	-	147	9,510	3,971	-	-	-	-	-	-	-	(4,355)	13,628	9,272	-	(4,355)	-47%
8520 State Child Nutrition	5,461	-	-	595	665	795	-	546	546	546	546	546	546	2,054	2,054	5,461	-	3,407	62%
8545 SB 740	325,874	-	-	-	-	-	-	-	-	81,469	-	-	-	244,406	325,874	325,874	-	325,874	100%
8550 Mandated Block Grant	18,226	-	-	-	-	18,226	-	-	-	-	-	-	-	18,226	18,226	-	-	100%	
8560 State Lottery	154,448	-	-	-	-	-	-	39,679	-	-	-	-	-	76,157	39,679	154,448	-	114,769	74%
8591 One Time Loss Learning Mitigation Funds - SWD	59,380	-	59,380	-	-	-	-	-	-	-	-	-	-	59,380	59,380	-	-	100%	
8592 Mental Health-SPED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
8595 All Other State Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total 8300-8599 State Income	\$ 1,024,719	\$ -	\$ 59,527	\$ 48,340	\$ 39,511	\$ 53,837	\$ 75,419	\$ 34,946	\$ 7,808	\$ 127,888	\$ 7,808	\$ 546	\$ 569,090	\$ 276,634	\$ 1,024,719	\$ -	\$ 748,085	73%	
8600-8799 Local Income																			
8634 Food Service Sales	100,000	-	-	-	27,199	-	-	17,714	8,333	8,333	8,333	8,333	21,754	27,199	100,000	-	72,801	73%	
8693 Field Trips	-	-	-	-	-	-	(779)	-	-	-	-	-	779	-	-	-	-	779	0%
8694 Enterprise Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
8801 Donations - Parents	145,643	4,025	2,408	3,651	41,361	22,839	13,463	16,230	9,035	8,333	8,333	8,333	7,632	103,977	145,643	-	41,667	29%	
8802 Donations - Private	6,938	450	2,488	-	3,000	-	1,000	-	-	-	-	-	-	6,938	6,938	-	-	100%	
8803 Fundraising	7,565	60	60	-	120	4,125	200	-	600	600	600	1,200	-	4,565	7,565	-	3,000	40%	
8804 Computer Repair Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
8699 All Other Local Revenue	12,818	4,562	3,376	308	1,962	2,056	554	-	1,132	-	-	-	-	12,818	13,950	-	1,132	0%	
8792 SPED State/County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total 8600-8799 Local Income	\$ 272,964	\$ 9,097	\$ 8,332	\$ 3,959	\$ 49,323	\$ 55,214	\$ 18,141	\$ 16,651	\$ 27,881	\$ 17,267	\$ 17,267	\$ 17,267	\$ 17,165	\$ 22,533	\$ 154,716	\$ 274,096	1,132	\$ 118,247	43%
TOTAL INCOME	\$ 9,054,924	\$ 9,101	\$ 386,619	\$ 1,023,110	\$ 716,906	\$ 365,330	\$ 646,424	\$ 763,442	\$ 629,513	\$ 863,752	\$ 630,426	\$ 436,098	\$ 450,359	\$ 2,134,977	\$ 4,540,444	\$ 9,056,056	1,132	\$ 5,143,993	57%
EXPENSE																			
1000 Certificated Salaries																			
1100 Teachers' Salaries	2,541,333	7,149	254,986	223,755	213,393	206,588	207,544	215,506	301,903	218,493	218,493	218,493	218,493	109,247	1,328,921	2,614,044	72,712	1,212,412	48%
1200 Substitute Expense	83,052	-	199	5,253	15,288	13,340	8,323	20,155	11,598	11,598	11,598	11,598	2,909	42,402	111,859	28,807	40,650	45%	
1300 Certificated Super/Admin	852,133	56,476	63,220	66,532	67,346	71,604	72,063	84,021	75,105	75,105	75,105	70,340	22,107	464,933	866,716	14,583	387,201	45%	
1900 Other Certificated	565,059	-	61,006	49,809	50,216	49,449	48,317	48,092	47,666	47,666	47,666	47,666	23,733	304,889	583,379	18,270	260,169	46%	
Total 1000 Certificated Salaries	\$ 4,041,577	\$ 63,625	\$ 379,411	\$ 339,096	\$ 336,509	\$ 337,716	\$ 340,805	\$ 343,983	\$ 470,920	\$ 352,663	\$ 352,663	\$ 352,663	\$ 347,898	\$ 157,996	\$ 2,141,145	\$ 4,175,948	134,371	\$ 1,900,432	47%
2000 Classified Salaries																			
2100 Instructional Aide Salaries	169,754	1,875	5,093	16,679	14,891	15,730	15,284	12,595	28,128	15,753	15,753	15,753	15,753	8,844	82,146	182,129	12,375	87,608	52%
2200 Classified Support Salaries	267,180	16,301	21,936	22,611	23,119	22,882	20,281	20,019	26,984	22,807	22,807	22,807	25,315	3,023	147,149	270,890	3,740	120,031	45%
2300 Classified Supervisor and Administrator Salaries	208,894	11,936	18,167	18,153	16,591	18,342	12,219	14,528	24,334	17,704	17,704	22,610	-	109,936	209,991	1,098	98,957	47%	
2400 Clerical/Technical/Office Staff Salaries	52,456	9,626	4,037	4,599	4,028	3,792	3,600	3,585	4,667	3,768	3,768	3,506	-	33,267	52,744	288	19,189	37%	
Total 2000 Classified Salaries	\$ 698,284	\$ 39,738	\$ 49,234	\$ 62,042	\$ 58,628	\$ 60,745	\$ 51,384	\$ 50,726	\$ 84,113	\$ 60,091	\$ 60,091	\$ 60,091	\$ 67,184	\$ 11,866	\$ 372,498	\$ 715,774	17,470	\$ 375,786	49%
3000 Employee Benefits																			
3301 OASDI - Social Security/Medicare	291,415	7,120	26,179	24,151	23,991	24,405	23,763	33,703	25,587	25,587	25,587	25,735	10,531	153,390	300,120	8,705	138,206	47%	
3302 MED - Medicare	68,188	1,713	6,123	5,648	5,563	5,662	5,628	5,570	7,882	5,984	5,984	6,019	2,463	35,907	70,223	2,036	32,280	47%	
3401 HBW - Health & Welfare	367,159	38,7																	

AVESON -Combined
CASHFLOW PROJECTIONS
FISCAL YEAR 2020-21



	PRIOR YEAR P-2								P-1			P-2		YTD Actuals	2020-21 Adopted Budget	Second Interim Budget VS Forecast	(\$) Budget Remaining	[%] Budget Remaining	
	Second Interim Adopted Budget FY20-21	ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21						Accrual
5605 Equip Rental/Lease	27,373	2,415	1,860	-	5,257	2,493	-	4,587	2,293	2,230	2,230	2,004	-	16,612	27,599	226	10,761	39%	
5610 Rent	642,704	91,438	50,551	50,965	50,830	50,828	55,449	55,449	55,449	55,449	55,449	9,468	-	405,510	636,775	(5,929)	237,194	37%	
5615 Repairs and Maintenance - Buildings	18,000	2,548	-	1,775	426	22	480	63	3,863	-	-	8,823	-	5,314	18,000	-	12,686	70%	
5616 Repairs and Maintenance - Computers	5,125	-	-	-	-	-	-	-	-	-	-	5,125	-	5,125	5,125	-	5,125	100%	
5618 Repairs and Maintenance - Vehicles expense	2,500	-	-	-	-	1,665	-	-	-	-	-	835	-	1,665	2,500	-	835	33%	
5800 Prof/Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5803 Auditing Fees	13,176	-	-	-	-	-	5,040	(5,040)	-	-	-	-	-	10,176	-	3,000	13,176	100%	
5807 Legal Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5809 Banking Fees	6,859	569	344	541	604	334	348	544	759	600	600	600	600	3,285	6,859	-	3,574	52%	
5810 Educational Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5811 AEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5812 Business Services	60,000	-	-	10,000	-	10,000	5,000	5,000	5,165	5,000	5,000	9,918	-	30,000	60,083	83	30,000	50%	
5824 District Oversight Fees	69,692	-	4,180	8,361	5,574	-	5,574	5,574	5,574	8,714	8,714	8,714	8,714	29,263	69,692	-	40,429	58%	
5815 Advertising/Recruiting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5830 Field Trips	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5836 Fingerprinting/Livescan	450	-	-	50	-	-	-	-	-	100	100	100	100	50	450	-	400	89%	
5839 Fundraising Expense	10,000	-	-	-	5,000	-	-	-	-	1,250	1,250	1,250	-	5,000	10,000	-	5,000	50%	
5843 Interest Expense/Misc fee	30,000	2,500	-	-	5,083	1,101	1,771	-	1,653	3,827	3,827	3,827	-	13,038	30,000	-	16,962	57%	
5845 Legal Fees	75,000	-	2,252	18,127	3,803	1,191	6,399	9,932	10,917	7,148	7,148	3,441	4,645	41,702	75,000	-	33,298	44%	
5848 Licenses and Other Fees	6,010	-	5,239	152	50	-	92	477	1,000	-	-	-	-	6,010	7,010	1,000	-	0%	
5851 Marketing and Student Recruiting	550	-	-	50	-	-	-	-	-	125	125	125	125	50	550	-	500	91%	
5854 Consultants - Other	96,665	-	3,375	10,665	3,850	10,225	11,470	12,100	9,988	9,025	9,025	7,918	-	51,685	96,665	-	44,980	47%	
5855 Ed Consultants	50,000	-	-	-	-	3,200	2,000	2,000	-	10,700	10,700	10,700	10,700	7,200	50,000	-	42,800	86%	
5856 Enterprise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5857 Payroll Services	21,301	1,347	1,622	1,720	1,603	1,657	2,975	1,643	1,509	1,700	1,700	1,700	329	12,568	21,306	(95)	8,734	41%	
5860 Printing and Reproduction	1,843	-	-	-	-	-	-	-	-	50	50	50	50	1,643	1,843	-	200	11%	
5861 PY Expenses (Unaccrued)	6,262	-	-	-	-	-	-	-	-	-	-	-	-	6,262	-	-	6,262	100%	
5862 Professional Development	78,803	1,045	1,499	772	11,348	30,233	3,069	5,837	17,555	5,000	5,000	5,000	9,120	53,803	95,477	16,675	25,000	32%	
5873 Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5874 SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5875 SPED Consultants	306,174	-	2,551	6,997	51,716	45,071	26,351	21,678	22,186	30,362	30,362	30,362	38,538	154,364	306,174	-	151,810	50%	
5876 Sports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5877 Staff Recruiting/Hiring	826	-	-	750	-	-	-	-	48	7	7	7	7	750	826	-	76	9%	
5878 Student Assessment	9,948	5,040	-	1,327	455	-	-	-	11,256	-	-	-	-	6,822	18,078	8,130	3,126	31%	
5884 Student Information System	40,470	-	7,875	125	3,054	24,400	-	-	-	-	-	-	-	35,454	40,520	50	5,016	12%	
5883 Substitutes (Contracted)	6,500	-	-	-	-	-	-	-	-	1,625	1,625	1,625	1,625	-	6,500	-	6,500	100%	
5887 Technology Services	3,137	-	-	-	-	-	-	-	-	784	784	784	784	-	3,137	-	3,137	100%	
5893 Student Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
5899 Misc Operating Expenses	11,083	-	-	-	2,932	457	-	-	-	1,924	1,924	1,924	1,924	3,389	11,083	-	7,695	69%	
5910 Communications- Internet/Website Fees	14,200	1,073	2,513	741	757	909	584	995	1,562	1,562	819	1,184	-	7,571	14,200	-	6,689	47%	
5915 Communications- Postage and Delivery	2,740	-	16	47	49	52	83	110	91	575	575	575	575	356	2,749	-	2,393	87%	
5920 Communications- Telephone & Fax	60,667	3,825	3,448	5,190	5,405	5,300	5,689	5,697	6,660	5,350	5,350	5,350	3,404	34,553	60,667	-	26,114	43%	
5999 Expense Suspense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Total 5000 Services and Other Operating Expenditures	\$ 1,898,155	\$ 126,730	\$ 114,913	\$ 157,921	\$ 174,905	\$ 195,018	\$ 168,451	\$ 142,510	\$ 173,415	\$ 172,296	\$ 161,554	\$ 157,524	\$ 163,790	\$ 9,229	\$ 1,080,446	\$ 1,918,255	20,100	817,709	43%
6000 Capital Outlay	\$ 1,898,155	\$ 126,730	\$ 114,913	\$ 157,921	\$ 174,905	\$ 195,018	\$ 168,451	\$ 142,510	\$ 173,415	\$ 172,296	\$ 161,554	\$ 157,524	\$ 163,790	\$ 9,229	\$ 1,253,861	\$ 1,918,255	-	33,402	43%
6900 Depreciation Expense	78,539	6,515	6,437	6,437	6,437	6,437	6,437	6,437	6,437	6,589	6,589	6,589	6,589	608	45,137	78,539	-	33,402	43%
6901 Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total 6000 Capital Outlay	\$ 78,539	\$ 6,515	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,589	\$ 6,589	\$ 6,589	\$ 6,589	\$ 608	\$ 45,137	\$ 78,539	-	33,402	43%
Total 6000 Capital Outlay	\$ 78,539	\$ 6,515	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,437	\$ 6,589	\$ 6,589	\$ 6,589	\$ 6,589	\$ 608	\$ 45,137	\$ 78,539	-	33,402	43%
7438 Debt Service - Bond Payments/ & Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total 6000 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
TOTAL EXPENSE	\$ 8,006,431	\$ 295,477	\$ 639,313	\$ 754,000	\$ 677,239	\$ 637,281	\$ 685,446	\$ 688,302	\$ 830,904	\$ 698,555	\$ 683,323	\$ 687,249	\$ 688,421	\$ 215,341	\$ 4,377,058	\$ 8,180,850	\$ 174,419	\$ 3,629,373	45%
NET INCOME (LOSS)	\$ 1,048,493	\$ (286,376)	\$ (252,694)	\$ 269,110	\$ 39,667	\$ (271,951)	\$ (39,022)	\$ 75,140	\$ (201,391)	\$ 165,198	\$ (52,897)	\$ (251,151)	\$ (238,061)	\$ 1,919,636	\$ (466,127)	\$ 875,206	\$ (173,287)	\$ 1,514,620	144%
	\$ 1,048,493	\$ (286,376)	\$ (252,694)	\$ 269,110	\$ 39,667	\$ (271,951)	\$ (39,022)	\$ 75,140	\$ (201,391)	\$ 165,198	\$ (52,897)	\$ (251,151)	\$ (238,061)	\$ 1,919,636	\$ (466,127)	\$ 875,206	\$ (173,287)	\$ 201,391	\$ -

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	PRIOR YEAR P-2								P-1			P-2	
	ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21	Accrual
Beginning Cash Balance	1,893,908	1,748,190	1,651,533	2,057,032	2,231,726	2,034,493	1,661,982	1,766,588	1,535,663	1,565,896	1,512,999	1,261,848	1,023,786
Cash Flow from Operating Activities													
Net Income (Loss)	(286,376)	(252,694)	269,110	39,667	(271,951)	(39,022)	75,140	(201,391)	165,198	(52,897)	(251,151)	(238,061)	1,919,636
1 Change in Accounts Receivable	347,410	144,910	52,638	178,119	1,162	(20,398)	(5,690)	-	-	-	-	-	-
2 Change in Accounts Payable	(33,077)	3,209	61,910	(56,018)	65,012	(50,436)	30,569	(34,255)	-	-	-	-	-
3 Clean Energy Funds - refund	-	-	-	-	-	-	-	-	(134,965)	-	-	-	-
4 Change in Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Change in Payroll Liabilities	(248,008)	(13,751)	173	6,490	2,107	(19,093)	2,789	(6,354)	-	-	-	-	-
6 Change in Prepaid Expenditures	68,218	15,231	15,231	-	-	-	-	-	-	-	-	-	-
7 Change in Deferred Revenue	-	-	-	-	-	-	-	(4,639)	4,639	-	-	-	-
8 Depreciation Expense	6,475	6,437	6,437	6,437	6,437	6,437	6,437	6,437	-	-	-	-	-
Cash Flow from Investing Activities													
Capital Expenditures	40	-	-	-	-	-	-	-	-	-	-	-	-
Change in Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from Financing Activities													
Source- Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Use- Sale of Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Source- Loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Use- Loans	-	-	-	-	-	(250,000)	-	-	-	-	-	-	-
Ending Cash Balance (Cash on Hand)	1,748,190	1,651,533	2,057,032	2,231,726	2,034,493	1,661,982	1,766,588	1,535,663	1,565,896	1,512,999	1,261,848	1,023,786	2,943,422
Metrics Based on Budgeted Numbers -													
Days Cash Hand (higher the number the better)	78	74	92	99	91								

AVESON - ASL
CASHFLOW PROJECTIONS
FISCAL YEAR 2020-21



12 11 10 9 8 7 6 5 4 3 2 1

	Second Interim Adopted Budget FY20-21	PRIOR YEAR P-2							P-1					P-2		YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$) Budget Remaining	(%) Budget Remaining
		ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21	Accrual						
INCOME																				
8011-8096 Local Control Funding Formula Sources																				
8011 Local Control Funding Formula State Aid (FKA Charter Schools State Aid State Aid Deferrals)	1,271,042		66,695	66,695	120,050	120,050	120,050	120,050	120,050	107,480	107,480	107,480	107,480	107,480	733,640	1,271,042	-	537,402	42%	
8012 Education Protection Act Funds	82,662	-	-	20,632	-	-	20,631	-	-	(56,965)	(88,134)	(88,134)	(88,134)	41,263	-	(1)	(0)	(0)	100%	
8019 State Aid-Prior Years	394	-	394	-	-	-	-	-	20,700	-	-	-	-	82,662	82,662	-	41,399	50%		
8096 In Lieu Property Tax	2,217,330	-	128,679	257,357	171,572	-	171,572	171,572	171,572	381,669	190,835	190,835	190,835	1,072,323	2,217,330	-	1,145,007	52%		
Total 8011-8096 Local Control Funding Formula Sources	\$ 3,571,428	\$ -	\$ 195,768	\$ 324,052	\$ 312,254	\$ 120,050	\$ 291,622	\$ 312,253	\$ 291,622	\$ 432,185	\$ 230,881	\$ 210,181	\$ 210,181	\$ 640,380	\$ 1,847,620	\$ 3,571,428	(0)	1,723,808	48%	
8100-8299 Federal Income																				
8181 Federal Special Education (IDEA) Part B, Sec 611	51,385	-	-	-	-	-	-	-	-	-	-	-	-	51,385	-	51,385	-	51,385	100%	
8182 Special Ed: IDEA Mental Health	6,775	-	-	-	-	-	-	-	-	-	-	-	-	6,775	-	6,775	-	6,775	100%	
8220 Child Nutrition Programs - Federal	53,616	-	-	-	3,617	4,120	6,284	5,792	5,362	5,362	5,362	5,362	5,362	18,149	14,021	53,616	-	39,596	74%	
8291 Title I, A Basic Grants Low-Income CARES Act (ESSER)	20,945	-	-	-	5,828	-	-	-	-	4,189	4,189	4,189	4,189	947	11,620	20,945	-	9,325	45%	
8292 Title II, A Teacher Quality	18,511	-	4,628	-	-	-	-	-	-	4,628	-	-	-	9,256	4,628	18,511	-	13,883	75%	
8294 Title IV	6,259	-	-	1,506	-	-	1,560	-	-	1,252	-	1,252	689	3,066	6,259	-	3,193	51%		
8290.1 One Time Loss Learning Mitigation Funds - SWD	10,000	-	-	-	2,500	-	2,500	-	-	2,500	-	2,500	5,000	10,000	10,000	-	5,000	50%		
8290.2 One Time Loss Learning Mitigation Funds - Supp/Conc	17,480	-	-	-	-	-	4,397	-	-	4,370	-	-	8,713	4,397	17,480	-	13,083	75%		
8297 All Other Federal Revenue	120,069	-	120,069	-	-	-	-	-	-	-	-	-	-	120,069	120,069	-	-	0%		
Total 8100-8299 Federal Income	\$ 305,045	\$ -	\$ -	\$ 124,697	\$ 1,506	\$ 11,945	\$ 4,120	\$ 20,538	\$ -	\$ 5,362	\$ 22,300	\$ 5,362	\$ 13,302	\$ 95,914	\$ 162,806	\$ 305,045	-	142,240	45%	
8300-8599 State Income																				
8311 Special Education - Entitlement (State) State Aid Deferrals	226,815	-	-	23,116	20,804	20,804	20,804	20,804	20,804	20,804	20,804	20,804	20,804	37,267	106,332	226,815	-	120,483	53%	
8312 Mental Health-SPED	30,453	-	-	-	-	-	-	-	-	(17,059)	(17,059)	(17,059)	(20,804)	71,982	-	-	-	-	0%	
8519 Prior Year Adjustment	3,295	-	-	2,370	1,985	316	364	475	-	-	-	-	-	(4,355)	4,355	-	(4,355)	0%		
8520 State Child Nutrition	9,787	-	-	-	-	-	-	-	330	330	330	330	330	822	1,155	3,295	-	2,141	65%	
8545 SB 740	6,957	-	-	-	-	-	6,957	-	-	2,447	-	-	-	7,340	9,787	-	9,787	100%		
8550 Mandated Block Grant	81,701	-	-	-	-	-	-	22,966	-	-	-	-	-	-	22,966	81,701	-	58,735	72%	
8591 One Time Loss Learning Mitigation Funds - LCFF	30,349	-	30,349	-	-	-	-	-	-	20,425	-	-	-	38,309	30,349	30,349	-	-	0%	
8592 Mental Health-SPED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
8590 All Other State Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Total 8300-8599 State Income	\$ 389,357	\$ -	\$ -	\$ 30,349	\$ 25,486	\$ 23,105	\$ 28,125	\$ 44,246	\$ 20,804	\$ 4,074	\$ 26,946	\$ 4,074	\$ 330	\$ 181,819	\$ 172,114	\$ 389,357	-	217,243	56%	
8600-8799 Local Income																				
8634 Food Service Sales	50,000	-	-	-	13,599	-	-	8,857	4,167	4,167	4,167	4,167	4,167	10,877	22,456	50,000	-	27,544	55%	
8693 Field Trips	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
8694 Enterprise Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
8801 Donations - Parents	67,726	2,013	2,408	1,825	14,430	11,420	6,731	8,065	4,517	4,167	4,167	4,167	3,816	51,410	67,726	-	16,316	24%		
8802 Donations - Private	2,225	225	-	-	1,500	-	500	-	-	-	-	-	-	2,225	2,225	-	-	-	0%	
8803 Fundraising	3,782	30	30	-	60	2,063	100	-	300	300	300	600	600	2,282	3,782	-	1,500	40%		
8804 Computer Repair Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
8699 All Other Local Revenue	7,852	2,294	3,188	308	1,066	995	-	-	566	-	-	-	-	8,418	8,418	566	(566)	-7%		
8792 SPED State/County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Total 8600-8799 Local Income	\$ 131,585	\$ 4,562	\$ 5,626	\$ 2,133	\$ 15,496	\$ 27,574	\$ 8,794	\$ 8,665	\$ 13,941	\$ 8,633	\$ 8,633	\$ 8,633	\$ 8,583	\$ 10,877	\$ 86,791	\$ 132,151	566	44,793	31%	
TOTAL INCOME	\$ 4,397,415	\$ 4,562	\$ 201,394	\$ 481,232	\$ 354,742	\$ 182,675	\$ 332,660	\$ 385,701	\$ 326,366	\$ 450,254	\$ 288,760	\$ 228,250	\$ 232,396	\$ 928,990	\$ 2,269,331	\$ 4,397,981	\$ 566	\$ 2,128,083	48%	
EXPENSE																				
1000 Certificated Salaries																				
1100 Teachers' Salaries	1,402,994	5,648	138,390	121,171	119,767	114,417	114,533	119,653	167,312	119,767	119,767	119,767	119,767	59,883	900,891	1,439,841	36,847	502,104	36%	
1200 Substitute Expense	17,875	-	-	150	3,968	3,378	1,730	5,780	5,780	5,780	5,780	5,780	5,780	15,005	38,125	20,250	-	2,870	16%	
1300 Certificated Super/Admin	534,151	30,292	40,423	43,408	44,213	44,056	44,042	50,209	58,096	44,213	44,213	44,213	44,213	354,741	553,702	19,550	179,410	34%		
1900 Other Certificated	182,897	-	19,452	15,970	16,195	16,115	15,670	15,445	19,645	15,445	15,445	15,445	15,445	118,949	187,992	5,095	64,406	35%		
Total 1000 Certificated Salaries	\$ 2,137,917	\$ 35,941	\$ 198,265	\$ 180,549	\$ 180,325	\$ 178,555	\$ 177,622	\$ 187,037	\$ 250,833	\$ 185,205	\$ 185,205	\$ 185,205	\$ 185,205	\$ 89,713	\$ 1,389,127	\$ 2,219,660	\$ 81,743	748,790	35%	
2000 Classified Salaries																				
2100 Instructional Aide Salaries	43,972	-	206	2,705	3,758	5,282	5,798	4,405	10,367	4,364	4,364	4,364	4,364	32,520	49,975	6,003	11,451	26%		
2200 Classified Support Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
2300 Classified Supervisor and Administrator Salaries	93,869	6,017	7,281	8,136	8,448	7,704	6,517	6,113	8,603	8,136	8,136	8,136	10,644	58,818	93,869	-	35,051	37%		
2400 Clerical/Technical/Office Staff Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
2700 Classified Staff/ Maintenance	134,416	8,263	12,232	12,041	9,487	12,299	6,914	9,686	16,144	10,611	10,611	10,611	15,518	87,065	134,416	-	47,350	35%		
2900 Other Classified Salaries	25,803	3,530	1,364	2,530	2,215	2,085	1,980	1,972	1,956	1,956	1,956	1,693	1,693	18,243	25,803	-	7,560	29%		
Total 2000 Classified Salaries	\$ 298,059	\$ 17,811	\$ 21,083	\$ 25,410	\$ 23,980	\$ 27,369	\$ 21,209	\$ 22,176	\$ 37,681	\$ 25,066	\$ 25,066	\$ 25,066	\$ 32,219	\$ 196,647	\$ 304,063	\$ 6,003	101,413	35%		
3000 Employee Benefits																				
3301 OASDI - Social Security	150,971	4,463	13,887	12,256	12,180	12,306	12,804	12,474	17,427	13,037	13,037	13,037	13,480	97,798	155,950	4,980	53,173	35%		
3302 MED - Medicare	35,322	1,092	3,248	2,874	2,871	2,930	2,873	2,924	4,076	3,049	3,049	3,049	3,153	22,886	36,486	1,165	12,436	35%		
3401 H&W - Health & Welfare	205,919	20,918	11,786	16,882	17,329	(8,051)	40,056	16,999	16,587	18,000	18,000	18,000	18,000	132,507	204,507	(1,413)	73,413	36%		
3501 SUI - State Unemployment Insurance	15,000	(872)	-	391	-	-	-	353	-	-	-	4,206	-	(127)	15,000	-	15,127	101%		
3601 Worker Compensation	26,935	2,245	4,489	6,734	2,245	4,489	2,245	2,245	2,245	2,245	2,245	2,245	2,245	24,690	26,935	-	2,245	8%		
3901 403B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Total 3000 Employee Benefits	\$ 434,147	\$ 27,845	\$ 33,410	\$ 39,137	\$ 34,625	\$ 7,184	\$ 60,221	\$ 34,995	\$ 40,335	\$ 36,331	\$ 34,086	\$ 38,292	\$ 34,633	\$ 277,753	\$ 438,879	4,732	156,394	36%		
4000 Books and Supplies																				
4100 Approved Textbooks and Core Curriculum Materials	-	-</																		

AVESON - ASL
CASHFLOW PROJECTIONS
FISCAL YEAR 2020-21



	Second Interim Adopted Budget FY20-21	PRIOR YEAR P-2							P-1			P-2		
		ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21	Forecast Jun-21	Accrual
4700 Food/Food Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4710 Student Food Service	36,817	-	1,343	2,573	6,706	2,877	2,617	2,952	3,925	3,550	3,550	3,550	3,550	-
4720 Other Food	500	-	-	-	-	-	-	-	-	125	125	125	125	-
Total 4000 Supplies	\$ 263,311	\$ 4,857	\$ 17,658	\$ 61,795	\$ 21,226	\$ 16,629	\$ 4,352	\$ 47,805	\$ 13,200	\$ 19,501	\$ 19,501	\$ 19,501	\$ 19,501	\$ -
5000 Services and Other Operating Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5200 Conference Fees	1,453	1,254	-	-	-	-	199	-	-	-	-	-	-	-
5300 Dues and Memberships	4,600	50	50	50	-	4,400	50	50	-	-	-	-	-	-
5400 Insurance	64,452	5,371	10,742	16,113	5,371	-	10,673	5,302	5,302	5,371	1,800	1,800	139	-
5510 Utilities - Gas and Electric	20,890	1,322	1,635	1,737	1,796	1,423	1,177	1,171	1,378	1,800	1,800	1,800	1,800	2,052
5515 Janitorial, Gardening Services	4,250	-	87	-	-	-	134	56	253	930	930	930	930	-
5520 Security	500	-	-	-	-	-	-	-	-	125	125	125	125	-
5525 Utilities - Waste	10,317	393	666	399	541	405	405	816	1,673	1,673	1,673	1,673	1,673	-
5530 Utilities - Water	20,039	-	-	2,689	3,543	-	3,254	-	2,819	1,933	1,933	1,933	1,933	-
5605 Equip Rental/Lease	13,686	1,208	930	2,629	1,247	-	2,293	1,147	1,115	1,115	1,115	1,115	1,115	-
5610 Rent	113,341	9,252	9,271	9,605	9,470	9,468	9,468	9,468	9,468	9,468	9,468	9,468	9,468	-
5615 Repairs and Maintenance - Buildings	10,000	170	-	1,775	-	-	-	-	2,516	-	-	-	5,539	-
5616 Repairs and Maintenance - Computers	3,075	-	-	-	-	-	-	-	-	-	-	-	3,075	-
5618 Repairs and Maintenance - Vehicles expense	1,500	-	-	-	-	828	-	-	-	-	-	-	673	-
5800 Prof/Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5803 Auditing Fees	6,903	-	-	630	-	-	2,520	(2,520)	-	-	-	3,273	3,000	-
5807 Legal Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5809 Banking Fees	3,437	302	172	253	310	167	192	254	380	300	300	300	300	207
5810 Educational Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5811 AEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5812 Business Services	30,000	-	-	5,000	-	5,000	2,500	2,500	2,583	2,500	2,500	2,500	5,000	-
5824 District Oversight Fees	35,650	-	2,137	4,273	2,849	-	2,849	2,849	2,849	4,461	4,461	4,461	4,461	-
5815 Advertising/Recruiting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5830 Field Trips	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5836 Fingerprinting/Live scan	200	-	-	-	-	-	-	-	50	50	50	50	50	-
5839 Fundraising Expense	5,000	-	-	-	2,500	-	-	-	625	625	625	625	625	-
5843 Interest Expense/Misc. fee	15,000	1,250	1,292	-	2,542	1,101	885	-	1,653	1,569	1,569	1,569	1,569	-
5845 Legal Fees	60,000	-	2,252	18,127	3,803	1,191	6,163	9,932	9,917	3,707	3,707	1,204	1,204	-
5848 Licenses and Other Fees	1,582	-	1,202	50	50	92	238	1,000	-	-	-	-	-	-
5851 Marketing and Student Recruiting	50	-	-	50	-	-	-	-	-	-	-	-	-	-
5854 Consultants - Other	48,968	-	1,688	5,333	1,925	5,113	5,735	6,050	4,994	4,625	4,625	4,256	4,256	-
5855 Ed Consultants	25,000	-	-	-	-	-	-	-	6,250	6,250	6,250	6,250	6,250	-
5856 Enterprise	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5857 Payroll Services	11,355	674	811	860	802	828	1,488	1,643	755	850	850	850	850	-
5860 Printing and Reproduction	200	-	-	-	-	-	-	-	50	50	50	50	50	-
5861 PY Expenses (Unaccrued)	2,316	-	-	-	-	-	-	-	-	-	-	-	2,316	-
5862 Professional Development	34,480	1,045	1,499	322	11,263	15,008	474	4,869	16,675	-	-	-	-	-
5873 Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5874 SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5875 SPED Consultants	168,093	-	2,482	1,051	23,665	33,589	10,935	13,567	4,938	16,561	16,561	16,561	28,184	-
5876 Sports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5877 Staff Recruiting/Hiring	413	-	-	375	-	-	-	-	24	4	4	4	4	-
5878 Student Assessment	2,670	-	-	1,327	455	-	-	-	7,392	-	-	-	-	-
5881 Student Information System	20,250	-	3,938	125	1,525	12,200	-	-	-	-	-	-	2,462	-
5883 Substitutes (Contracted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5887 Technology Services	1,568	-	-	-	-	-	-	-	392	392	392	392	392	-
5893 Student Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5899 Misc. Operating Expenses	2,719	-	-	-	-	-	-	-	680	680	680	680	680	-
5910 Communications- Internet/Website Fees	8,292	295	1,026	415	381	772	176	871	819	819	819	1,080	1,080	-
5915 Communications- Postage and Delivery	1,342	-	4	26	44	52	83	72	266	266	266	266	266	-
5920 Communications- Telephone & Fax	30,859	1,713	1,690	2,815	2,640	2,643	2,998	2,661	3,162	2,750	2,750	2,750	2,287	-
5999 Expense Suspense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 5000 Services and Other Operating Expenditures	\$ 784,450	\$ 24,299	\$ 43,572	\$ 73,350	\$ 78,102	\$ 91,033	\$ 66,597	\$ 62,268	\$ 80,142	\$ 68,874	\$ 63,503	\$ 59,796	\$ 92,028	\$ 5,259
6000 Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6900 Depreciation Expense	31,490	2,609	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	608
6901 Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total 6000 Capital Outlay	\$ 31,490	\$ 2,609	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 2,570	\$ 608
7438 Debt Service - Bond Payments/ & Interest	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSE	\$ 3,949,375	\$ 113,361	\$ 316,558	\$ 382,811	\$ 340,756	\$ 323,342	\$ 332,571	\$ 356,851	\$ 424,761	\$ 337,547	\$ 329,931	\$ 330,430	\$ 366,156	\$ 113,364
NET INCOME (LOSS)	\$ 448,040	\$ (108,799)	\$ (115,164)	\$ 98,421	\$ 13,986	\$ (140,667)	\$ 89	\$ 28,849	\$ (98,395)	\$ 112,707	\$ (41,171)	\$ (102,180)	\$ (133,760)	\$ 815,626

YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$ Budget Remaining)	(% Budget Remaining)
-	-	-	-	0%
22,992	37,192	375	13,825	38%
-	500	-	500	100%
\$ 187,521	\$ 265,526	\$ 2,215	\$ 75,790	25%
-	-	-	-	-
1,453	1,453	-	-	0%
4,650	4,650	50	(50)	-1%
58,873	64,383	(70)	5,580	9%
11,639	20,890	-	9,252	44%
531	4,250	-	3,719	88%
-	500	-	500	100%
3,625	10,317	-	6,692	65%
12,305	20,039	-	7,734	39%
9,453	13,913	226	4,234	31%
75,470	113,341	-	37,872	33%
4,461	10,000	-	5,539	55%
-	3,075	-	3,075	100%
828	1,500	-	673	45%
-	-	-	-	0%
630	6,903	-	6,273	91%
-	-	-	-	0%
2,030	3,437	-	1,407	41%
-	-	-	-	0%
-	-	-	-	0%
17,583	30,083	83	12,418	41%
17,804	35,650	-	17,846	50%
-	-	-	-	0%
-	-	-	-	0%
200	-	-	200	100%
2,500	5,000	-	2,500	50%
8,722	15,000	-	6,278	42%
51,382	60,000	-	8,618	14%
2,582	2,582	1,000	(1,000)	-63%
50	50	-	-	0%
30,836	48,968	-	18,131	37%
-	25,000	-	25,000	100%
-	-	-	-	0%
7,860	11,260	(95)	3,495	31%
-	200	-	200	100%
-	2,316	-	2,316	100%
51,155	51,155	16,675	(16,675)	-48%
-	-	-	-	0%
-	-	-	-	0%
90,227	168,093	-	77,867	46%
-	-	-	-	0%
399	413	-	14	3%
9,174	9,174	6,504	(6,504)	-244%
17,788	20,250	-	2,462	12%
-	-	-	-	0%
-	1,568	-	1,568	100%
-	-	-	-	0%
-	2,719	-	2,719	100%
4,755	8,292	-	3,537	43%
280	1,342	-	1,062	79%
20,322	30,859	-	10,537	34%
-	-	-	-	0%

AVESON - AGLA
CASHFLOW PROJECTIONS
FISCAL YEAR 2020-21



	PRIOR YEAR P-2							P-1			P-2		YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$) Budget Remaining	(% Budget Remaining)		
	Second Interim Adopted Budget FY20-21	ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21						Forecast Jun-21	Accrual
INCOME																			
8011-8096 Local Control Funding Formula Sources																			
8011 Local Control Funding Formula State Aid (FKA Charter Schools State Aid)	1,365,481		67,942	67,942	122,295	122,295	122,295	122,295	122,295	123,624	123,624	123,624	123,624	123,624	747,359	1,365,481	(0)	618,122	45%
State Aid Deferrals	(0)									(65,521)	(101,372)	(101,372)	(101,372)	369,637	-	(0)	(0)	100%	
8012 Education Protection Act Funds	76,586				34,490			34,490			3,803			3,803	68,980	76,586	-	7,606	10%
8019 State Aid-Prior Years	4	4													4	4	-	-	0%
8096 In Lieu Property Tax	1,973,606		114,577	229,154	152,769		152,769	152,769	152,769	339,600	169,800	169,800	169,800	169,800	954,807	1,973,606	-	1,018,799	52%
Total 8011-8096 Local Control Funding Formula Sources	\$ 3,415,677	\$ 4	\$ 182,519	\$ 297,096	\$ 309,554	\$ 122,295	\$ 275,064	\$ 309,554	\$ 275,064	\$ 397,703	\$ 195,855	\$ 192,052	\$ 192,052	\$ 666,864	\$ 1,771,150	\$ 3,415,677	(0)	1,644,527	48%
8100-8299 Federal Income																			
8181 Federal Special Education (IDEA) Part B, Sec 611	77,649													77,649	-	77,649	-	77,649	100%
8182 Special Ed: IDEA Mental Health	6,775													6,775	-	6,775	-	6,775	100%
8220 Child Nutrition Programs - Federal	34,284					3,393	3,641	4,780		3,428	3,428	3,428	3,428	8,757	11,813	34,284	-	22,471	66%
8291 Title I, A Basic Grants Low-Income	47,077					10,422		10,378			9,415		9,415	7,446	20,800	47,077	-	26,277	56%
CARES Act (ESSER)	39,231			9,808							9,808			19,615	9,808	39,231	-	29,423	75%
8292 Title II, A Teacher Quality	8,843				1,929			1,999			1,769		1,769	1,378	3,928	8,843	-	4,915	56%
8294 Title IV	10,000					2,500					2,500		2,500	5,000	10,000	10,000	-	5,000	50%
8290.1 One Time Loss Learning Mitigation Funds - SWD	37,261							9,370			9,315			18,576	9,370	37,261	-	27,891	75%
8290.2 One Time Loss Learning Mitigation Funds - Supp/Conc	203,971			203,971											203,971	203,971	-	-	0%
8297 All Other Federal Revenue																			0%
Total 8100-8299 Federal Income	\$ 465,091	\$ -	\$ -	\$ 213,779	\$ 1,929	\$ 16,315	\$ 3,641	\$ 29,027	\$ -	\$ 3,428	\$ 36,235	\$ 3,428	\$ 17,112	\$ 140,196	\$ 264,690	\$ 465,091	-	200,401	43%
8300-8599 State Income																			
8311 Special Education - Entitlement (State)	169,972				15,714	14,142	14,142	14,142	14,142	19,538	19,538	19,538	19,538	19,538	72,282	169,972	-	97,690	57%
State Aid Deferrals										(16,021)	(16,021)	(16,021)	(19,538)	67,601	-	-	-	-	0%
8312 Mental Health-SPED	24,818													24,818	-	24,818	-	24,818	100%
8519 Prior Year Adjustment	9,272			147	7,140	1,985									9,272	9,272	-	-	0%
8520 State Child Nutrition	2,166					279	301	319							899	2,166	-	1,267	58%
8545 SB 740	316,087										79,022			237,065	-	316,087	-	316,087	100%
8550 Mandated Block Grant	11,269						11,269								11,269	11,269	-	-	0%
8560 State Lottery	72,747							16,713			18,187				16,713	72,747	-	56,035	77%
8591 One Time Loss Learning Mitigation Funds - LCFF	29,031			29,031											29,031	29,031	-	-	0%
8592 Mental Health-SPED																			0%
8590 All Other State Revenue																			0%
Total 8300-8599 State Income	\$ 635,363	\$ -	\$ -	\$ 29,178	\$ 22,854	\$ 16,406	\$ 25,712	\$ 31,174	\$ 14,142	\$ 3,733	\$ 100,942	\$ 3,733	\$ 217	\$ 387,271	\$ 139,466	\$ 635,363	-	495,897	80%
8600-8799 Local Income																			
8634 Food Service Sales	50,000				13,599				8,857	4,167	4,167	4,167	4,167	10,877	22,456	50,000	-	27,544	55%
8693 Field Trips								(779)						779	(779)	-	779	-	0%
8694 Enterprise Revenue																			0%
8801 Donations - Parents	77,918	2,013		1,825	26,930	11,420	6,731	8,165	4,517	4,167	4,167	4,167	3,816	61,602	77,918	-	16,316	21%	
8802 Donations - Private	4,713	225	2,488		1,500		500							4,713	4,713	-	-	0%	
8803 Fundraising	3,782	30	30		60	2,063	100			300	300	300	600	2,282	3,782	-	1,500	40%	
8804 Computer Repair Fundraising																			0%
8699 All Other Local Revenue	4,966	2,267	188		896	1,061	554		566					5,532	5,532	566	(566)	-11%	
8792 SPED State/County																			0%
Total 8600-8799 Local Income	\$ 141,379	\$ 4,535	\$ 2,706	\$ 1,825	\$ 27,826	\$ 27,639	\$ 9,347	\$ 7,986	\$ 13,941	\$ 8,633	\$ 8,633	\$ 8,633	\$ 8,583	\$ 11,656	\$ 95,806	\$ 141,945	\$ 566	45,573	31%
TOTAL INCOME	\$ 4,657,509	\$ 4,539	\$ 185,225	\$ 541,878	\$ 362,164	\$ 182,655	\$ 313,764	\$ 377,741	\$ 303,147	\$ 413,498	\$ 341,666	\$ 207,847	\$ 217,964	\$ 1,205,988	\$ 2,271,112	\$ 4,658,075	\$ 566	\$ 2,386,397	51%
EXPENSE																			
1000 Certified Salaries																			
1100 Teachers' Salaries	1,138,339	1,500	116,596	102,584	93,627	92,171	93,012	95,852	134,591	98,727	98,727	98,727	98,727	49,363	729,933	1,174,203	35,864	408,405	36%
1200 Tutor/Substitute Expense	65,177		199		5,103	11,320	9,963	6,593	14,375	5,818	5,818	5,818	5,818	2,909	47,552	73,734	8,557	17,625	27%
1300 Certified Super/Admin	317,982	26,184	22,797	23,123	23,432	23,336	27,562	21,854	25,924	30,892	30,892	30,892	26,127	194,212	313,014	(4,968)	123,770	39%	
1900 Other Certified	382,162		41,554	32,839	34,022	32,335	32,647	32,647	45,197	32,022	32,022	32,022	32,022	16,011	251,240	395,337	13,175	130,922	34%
Total 1000 Certified Salaries	\$ 1,903,659	\$ 27,684	\$ 181,146	\$ 158,547	\$ 156,184	\$ 159,161	\$ 163,183	\$ 156,946	\$ 220,087	\$ 167,458	\$ 167,458	\$ 167,458	\$ 162,693	\$ 68,283	\$ 1,222,938	\$ 1,956,288	\$ 52,629	\$ 680,722	35%
2000 Classified Salaries																			
2100 Instructional Aide Salaries	125,782	1,875	4,887	13,974	11,133	10,448	9,485	8,189	17,761	11,389	11,389	11,389	11,389	8,844	77,753	132,154	6,372	48,029	38%
2200 Classified Support Salaries																			0%
2300 Classified Supervisor and Administrator Salaries	173,311	10,284	14,655	14,475	14,671	15,178	13,765	13,906	18,381	14,671	14,671	14,671	14,671	3,023	115,315	177,021	3,710	57,996	33%
2400 Clerical/Technical/Office Staff Salaries																			0%
2700 Classified Staff/ Maintenance	74,478	3,673	5,936	6,113	7,104	6,043	5,305	4,841	8,190	7,093	7,093	7,093	7,093	47,205	75,576	1,098	27,273	37%	
2900 Other Classified Salaries	26,653	6,096	2,673	2,070	1,812	1,706	1,620	1,613	2,100	1,812	1,812	1,812	1,812	19,691	26,941	288	6,962	26%	
Total 2000 Classified Salaries	\$ 400,224	\$ 21,928	\$ 28,151	\$ 36,632	\$ 34,721	\$ 33,376	\$ 30,175	\$ 28,550	\$ 46,432	\$ 34,965	\$ 34,965	\$ 34,965	\$ 34,965	\$ 11,866	\$ 259,964	\$ 411,691	\$ 11,467	\$ 140,260	35%
3000 Employee Benefits																			
3301 OASDI - Social Security/Medicare	140,445	2,657	12,292	11,895	11,601	11,684	11,601	11,289	16,276	12,550	12,550	12,550	12,255	4,969	89,295	144,170	3,725	51,149	36%
3302 MED - Medicare	32,866	621	2,875	2,775	2,692	2,733	2,755	2,646	3,806	2,935	2,935	2,935	2,866	1,162	20,903	33,737	871	11,962	36%
3401 H&W - Health & Welfare	161,240	17,791	5,367	11,108	15,835	(5,203)	31,315	14,171	11,683	11,683	11,683	11,683	11,683	102,067	148,798	(12,442)	59,173	37%	
3501 FUTA/SUTA/ETT	15,000		(894)	174															

AVESON - AGLA
CASHFLOW PROJECTIONS
FISCAL YEAR 2020-21



	PRIOR YEAR P-2							P-1			P-2		YTD Actuals	2020-21 Forecast	Second Interim Adopted Budget VS Forecast	(\$ Budget Remaining)	(% Budget Remaining)		
	Second Interim Adopted Budget FY20-21	ACTUAL Jul-20	ACTUAL Aug-20	ACTUAL Sep-20	ACTUAL Oct-20	ACTUAL Nov-20	ACTUAL Dec-20	ACTUAL Jan-21	ACTUAL Feb-21	Forecast Mar-21	Forecast Apr-21	Forecast May-21						Forecast Jun-21	Accrual
4420 Computers (individual items < \$5k)	49,592	-	-	22,364	-	-	-	27,228	2,500	-	-	-	-	-	52,092	52,092	2,500	(2,500)	-5%
4430 Office Furniture, Equipment & Supplies	500	-	-	-	-	-	-	208	-	-	-	-	292	-	208	500	-	292	58%
4700 Food/Food Supplies	33,173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
4710 Student Food Service	500	-	1,343	2,573	6,706	2,877	2,616	1,809	3,925	3,050	3,050	3,050	3,050	-	21,848	34,048	875	11,325	34%
4720 Other Food	500	-	-	-	-	-	-	-	-	125	125	125	125	-	500	500	-	500	100%
Total 4000 Supplies	\$ 215,934	\$ 2,853	\$ 14,120	\$ 54,888	\$ 12,537	\$ 4,337	\$ 3,635	\$ 31,253	\$ 8,474	\$ 21,730	\$ 21,730	\$ 21,730	\$ 22,022	\$ -	\$ 132,098	\$ 219,309	\$ 3,375	\$ 83,836	30%
5000 Services and Other Operating Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5200 Conference Fees	306	273	-	33	-	-	-	-	-	-	-	-	-	-	306	306	-	-	0%
5300 Dues and Memberships	7,238	50	50	730	2,020	-	4,064	324	50	-	-	-	-	-	7,288	7,288	50	(50)	-1%
5400 Insurance	64,452	5,371	10,742	16,113	5,371	-	10,673	5,302	5,302	5,371	-	-	139	-	58,873	64,383	(70)	5,580	9%
5510 Utilities- Gas and Electric	15,927	847	617	1,412	1,051	771	631	556	609	1,500	1,500	1,500	1,500	3,433	6,494	15,927	-	9,433	59%
5515 Janitorial, Gardening Services	-	-	-	-	-	-	-	-	-	(1)	(1)	(1)	(1)	-	5	-	-	(5)	0%
5520 Security	1,500	-	120	-	-	240	-	-	120	-	-	420	600	-	480	1,500	-	1,020	68%
5525 Utilities - Waste	105	-	-	-	-	-	105	-	-	-	-	-	-	-	105	105	-	-	0%
5530 Utilities - Water	4,000	-	294	290	348	568	212	343	-	487	487	487	487	-	2,053	4,000	-	1,947	49%
5605 Equip Rental/Lease	13,686	1,208	930	2,629	1,247	-	2,293	1,147	1,115	1,115	1,115	1,115	889	-	9,453	13,686	-	4,234	31%
5610 Rent	529,363	82,186	41,280	41,360	41,360	41,360	45,981	45,981	45,981	45,981	45,981	45,981	-	-	385,490	523,434	(5,929)	143,873	27%
5615 Repairs and Maintenance - Buildings	8,000	2,378	-	-	426	22	480	63	1,348	-	-	-	-	-	4,717	8,000	-	3,283	41%
5616 Repairs and Maintenance - Computers	2,050	-	-	-	-	-	-	-	-	-	-	-	2,050	-	-	2,050	-	2,050	100%
5618 Repairs and Maintenance - Vehicles expense	1,000	-	-	-	-	837	-	-	-	-	-	-	163	-	837	1,000	-	163	16%
5800 Prof/Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5803 Auditing Fees	6,273	-	-	(630)	-	-	2,520	(2,520)	-	-	-	-	-	-	(630)	6,273	-	6,903	110%
5807 Legal Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5809 Banking Fees	3,422	267	172	288	295	167	157	289	380	300	300	300	300	207	2,015	3,422	-	1,407	41%
5810 Educational Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5811 AEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5812 Business Services	30,000	-	-	5,000	-	5,000	2,500	2,500	2,583	2,500	2,500	2,500	4,918	-	17,583	30,000	-	12,418	41%
5824 District Oversight Fees	34,042	-	2,044	4,088	2,725	-	2,725	2,725	2,725	4,252	4,252	4,252	4,252	-	17,032	34,042	-	17,010	50%
5815 Advertising/Recruiting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5830 Field Trips	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5836 Fingerprinting/Livescan	250	-	-	50	-	-	-	-	-	50	50	50	50	-	50	250	-	200	80%
5839 Fundraising Expense	5,000	-	-	-	2,500	-	-	-	-	625	625	625	625	-	2,500	5,000	-	2,500	50%
5843 Interest Expense/Misc fee	15,000	1,250	1,292	-	2,542	-	885	-	-	2,258	2,258	2,258	2,258	-	5,969	15,000	-	9,031	60%
5845 Legal Fees	15,000	-	-	-	-	236	-	-	1,000	3,441	3,441	3,441	3,441	-	1,236	15,000	-	13,764	92%
5848 Licenses and Other Fees	4,428	-	4,037	152	-	-	238	-	-	-	-	-	-	-	4,428	4,428	-	-	0%
5851 Marketing and Student Recruiting	500	-	-	-	-	-	-	-	125	125	125	125	-	-	500	-	-	500	100%
5854 Consultants - Other	47,698	-	1,688	5,333	1,925	5,113	5,735	6,050	4,994	4,400	4,400	4,400	3,661	-	30,836	47,698	-	16,861	35%
5855 Ed Consultants	25,000	-	-	-	3,200	2,000	2,000	-	-	4,450	4,450	4,450	4,450	-	7,200	25,000	-	17,800	71%
5856 Enterprise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5857 Payroll Services	9,946	674	811	860	802	828	1,488	755	850	850	850	850	329	-	6,217	9,946	-	3,729	37%
5860 Printing and Reproduction	1,643	-	-	-	-	-	-	1,643	-	-	-	-	-	-	1,643	1,643	-	-	0%
5861 PY Expenses (Unaccrued)	3,946	-	-	-	-	-	-	-	-	-	-	-	3,946	-	-	3,946	-	3,946	100%
5862 Professional Development	44,323	-	-	450	85	15,225	2,595	968	880	5,000	5,000	5,000	9,120	-	20,203	44,323	-	24,120	54%
5873 Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5874 SPED Encroachment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5875 SPED Consultants	138,080	-	70	5,946	28,051	11,482	15,416	8,111	17,248	13,801	13,801	13,801	10,354	-	86,323	138,080	-	51,757	37%
5876 Sports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5877 Staff Recruiting/Hiring	413	-	-	375	-	-	-	-	-	4	4	4	4	-	399	413	-	14	3%
5878 Student Assessment	7,278	5,040	-	-	-	-	-	-	3,864	-	-	-	-	-	8,904	8,904	1,626	(1,626)	-22%
5881 Student Information System	20,220	-	3,938	-	1,529	12,200	-	-	-	-	-	-	2,604	-	17,666	20,220	50	2,554	13%
5883 Substitutes (Contracted)	6,500	-	-	-	-	-	-	-	-	1,625	1,625	1,625	1,625	-	-	6,500	-	6,500	100%
5887 Technology Services	1,568	-	-	-	-	-	-	-	-	392	392	392	392	-	-	1,568	-	1,568	100%
5893 Student Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
5899 Misc Operating Expenses	8,364	-	-	-	2,932	457	-	-	-	1,244	1,244	1,244	1,244	-	3,389	8,364	-	4,975	59%
5910 Communications- Internet/Website Fees	5,968	778	1,487	326	375	137	408	124	743	743	743	743	104	-	4,378	5,968	-	1,590	27%
5915 Communications- Postage and Delivery	1,407	-	12	21	6	-	-	110	19	310	310	310	310	-	167	1,407	-	1,240	88%
5920 Communications- Telephone & Fax	29,809	2,111	1,758	2,374	2,765	2,657	2,691	3,036	3,498	2,600	2,600	2,600	1,118	-	20,891	29,809	-	8,918	30%
5999 Expense Suspense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total 5000 Services and Other Operating Expenditures	\$ 1,113,704	\$ 102,431	\$ 71,341	\$ 84,570	\$ 96,802	\$ 103,985	\$ 101,854	\$ 80,241	\$ 93,273	\$ 103,422	\$ 98,051	\$ 97,729	\$ 71,762	\$ 3,970	\$ 734,498	\$ 1,109,432	(4,273)	\$ 379,207	33%
6000 Capital Outlay	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6900 Depreciation Expense	47,049	3,906	3,867	3,867	3,867	3,867	3,867	3,867	3,867	4,019	4,019	4,019	4,019	-	30,974	47,049	-	16,076	34%
6901 Amortization Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total 6000 Capital Outlay	\$ 47,049	\$ 3,906	\$ 3,867	\$ 3,867	\$ 3,867	\$ 3,867	\$ 3,867	\$ 3,867	\$ 3,867	\$ 4,019	\$ 4,019	\$ 4,019	\$ 4,019	\$ -	\$ 30,974	\$ 47,049	-	16,076	34%
7438 Debt Service - Bond Payments/ & Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Total Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSE	\$ 4,057,056	\$ 182,116	\$ 322,755	\$ 371,189															



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February 1, 2021

Board of Directors and Management
Aveson Charter Schools
1919 Pinecrest Dr.
Altadena, CA 91001

Re: June 30, 2021 Tax Exempt Returns and State Filings

Dear Board of Directors and Management:

We are pleased that Aveson Charter Schools (“you,” “your,” or “the organization”) has engaged CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) to prepare the organization’s federal Form 990 and applicable state filings. This letter confirms the scope, limitations, and related terms of our engagement for the year ended June 30, 2021.

Our responsibility to you

We will prepare the organization’s federal Form 990 and applicable state filings in accordance with the applicable tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible. We will not audit or independently verify the accuracy or completeness of the information we receive from you for the preparation of the returns and filings, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare complete and accurate returns and filings. We will have no obligation to prepare the returns and filings until you have provided such information to us. We will prepare filings for the same states where the organization filed last year unless organization personnel notify us to the contrary or other information clearly indicates the need for an additional return or state filing. It is your responsibility to comply with all foreign jurisdiction filing requirements. We have no obligation to prepare returns for foreign jurisdictions

The United States Supreme Court ruled in *South Dakota versus Wayfair* (6/21/18) that physical presence is no longer required to establish nexus for sales tax. This ruling may have broad implications, even beyond sales tax, as to where an organization is subject to tax. Please note that if the organization had a taxable presence in more than one jurisdiction, such as an employee or agent within the jurisdiction, any tangible property owned or rented within the jurisdiction, or if the organization exceeds any applicable economic nexus thresholds, the organization or related entities may be subject to state or local income, sales, use, franchise, or gross receipts tax in that jurisdiction depending upon the particular facts. It is the organization’s responsibility, not CLA’s, to determine if assistance is needed in deciding whether the organization or related entities may be liable for income, sales, use, franchise, or gross receipts tax, or have a filing requirement in the various state or local jurisdictions.

It is important for you to identify any ownership OR signature authority over a foreign bank account or other foreign financial assets which includes but is not limited to foreign: stocks, mutual funds, partnerships, bonds, retirement accounts, estates, trusts, annuities, swaps, and derivatives. Failure to disclose penalties can be significant, starting at \$10,000 and can be upwards of 50 percent of the value of the asset. Please provide account statements if you have any foreign account ownership or signature authority. Note that these rules do not apply to foreign investments held by U.S. mutual funds. In addition, ownership in a foreign business entity (association, corporation, disregarded entity, or partnership) could trigger additional U.S. foreign informational reporting requirements. These reporting requirements require the disclosure of ownership, financial information, and related-party transactions. Failure to properly disclose ownership and the required information could trigger a \$10,000 penalty per filing. We cannot be held responsible if you fail to identify or provide such information to us.

For all nonattest services we may provide to you, including the preparation of the federal Form 990 and applicable state filings, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services. You are responsible to carefully review the federal Form 990 and state filings that we prepare on your behalf before signing and submitting them to tax authorities. We will advise you with regard to tax positions taken in the preparation of the federal Form 990 and state filings, but the responsibility for the federal Form 990 and state filings remains with you.

Tax examinations

All returns and filings are subject to potential examination by the IRS and state authorities. In the event of an examination, we will be available, at your request, to assist or represent the organization and its directors or officers. Services in connection with tax examinations are not included in our fee for preparation of the federal Form 990 and state filings. Our fee for such services will be billed to you separately, along with any direct costs.

Record retention

You are responsible for retaining all documents, records, canceled checks, receipts, or other evidence in support of information and amounts reported on the federal Form 990 and state filings. These items may be necessary in the event the taxing or other authority examines or challenges your federal Form 990 and state filings. These records should be kept for at least seven years. Your copy of the federal Form 990 and state filings should be retained indefinitely.

If carryover item(s) exist (e.g., capital loss, net operating loss, tax credits, etc.), you should retain the supporting records related to the carryover item(s) until the item has either been utilized (and the statute of limitations associated with the year of utilization has expired) or the carryforward period has expired.

In preparing the federal Form 990 and state filings, we rely on your representation that organization personnel and its directors or officers understand and have complied with these documentation requirements. The management of the organization is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the organization's financial records.

All of the records that you provide to us to prepare your federal Form 990 and state filings will be returned to you after our use. Our working papers, including any copies of your records that we chose to make, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain our working papers for a period of seven years. After this period expires, our working papers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time our records are available. The working papers and files of our firm are not a substitute for the records of the organization.

Tax consulting services

This engagement letter also covers tax consulting services that may arise for which the organization seeks our consultation and advice, both written and oral, that are not the subject of a separate engagement letter. These additional services are not included in our fees for the preparation of the federal Form 990 and state filings.

We will base our tax analysis and conclusions on the facts you provide to us, and will not independently verify those facts. We will review the applicable tax law, tax regulations, and other tax authorities, all of which are subject to change. At your request, we will provide a memorandum of our conclusions. Written advice provided by us is for the organization's information and use only and is not to be provided to any third party without our express written consent.

Unless we are separately engaged to do so, we will not continuously monitor and update our advice for subsequent changes or modifications to the tax law and regulations, or to the related judicial and administrative interpretations.

Communications and confidentiality

The Internal Revenue Code contains a limited privilege for confidentiality of tax advice between you and our firm. In addition, the laws of some states likewise recognize a confidentiality privilege for some accountant-client communications. You understand that CLA makes no representation, warranty or promise, and offers no opinion with respect to the applicability of any confidentiality privilege to any information supplied or communications you have with us, and, to the extent that we follow instructions from you to withhold such information or communications in the face of a request from a third party (including a subpoena, summons or discovery demand in litigation), you agree to hold CLA harmless should the privilege be determined not to apply to particular information or communications.

CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Consent to send you publications and other materials

For your convenience, CLA produces a variety of publications, hard copy and electronic, to keep you informed about pertinent business and personal financial issues. This includes published articles, invitations to upcoming seminars, webinars and webcasts, newsletters, surveys, and press releases. To determine whether these materials may be of interest to you, CLA will need to use your federal Form 990 and state filings information. Such

information includes the organization name and address as well as the business and financial information you provided to us.

By signing and dating this engagement letter, you authorize CLA to use the information that you provide to CLA during the preparation of your federal Form 990 and state filings to determine whether to offer you relevant materials. Your consent is valid until further notice. If you do not wish to authorize such use, please strike out this paragraph prior to signing the engagement letter.

Consent to use tax information for benchmarking analyses

In an effort to better serve the needs of our clients, we develop a variety of benchmark, performance indicator, and predictive analysis reports, using anonymized client data obtained from our audit, tax, and other engagements. Business and financial information that you provide to us may be combined with information from other clients and included within the aggregated data that we use in these reports. While some of these analytical reports will be published and released publicly, please be assured that the separate information that we obtain from you will remain confidential, as required by the AICPA Code of Professional Conduct.

Unless authorized by law or the client consents, we cannot use a client's tax return information for purposes other than the preparation and filing of the client's tax return. By signing and dating this engagement letter, you authorize CLA to use any and all information furnished to CLA for or in connection with the preparation of the tax returns under this engagement letter, for a period of up to six (6) years from the date of this engagement letter, in connection with CLA's preparation of the types of reports described in the foregoing paragraph. If you do not wish to authorize such use, please strike out this section prior to signing the engagement letter.

Limitations

You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (each a "CLA party") and that this limitation of remedies provision is governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by a CLA party of our duties owed under this engagement agreement, but any recovery on any such claim shall not exceed the portion of the total fees actually paid by you to CLA that corresponds to the particular service(s) that give(s) rise to the claim (i.e., the specific service(s) that a CLA party performed in such a manner as to cause CLA to be liable to you).

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between you and any CLA party. The parties (you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against any CLA party must be commenced as provided below, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery. An action to recover on a dispute shall be commenced within the shorter of these periods ("Limitation Period"):

- For federal Form 990 and state filing preparation, separately within thirty-six (36) months after the date when we deliver the tax returns and filings under this agreement to you on which the dispute is based, regardless of whether any CLA party provides other services for you or relating to said returns and filings.
- For tax consulting engagements, separately within thirty-six (36) months from the date of our last billing for services on each consultation on which the dispute is based.
- For all tax return, state filing, and tax consulting engagements, within twelve (12) months from the date when you terminate this or any other engagement of our services.

The applicable Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a dispute.

Fees

Our professional fees will be billed based on the time involved and skills required. We will also bill for expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. Fees and expenses for this work will be invoiced separately. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued the tax returns and filings. You will be obligated to compensate us for all time expended and related fees and to reimburse us for all out-of-pocket expenditures through the date of termination.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Termination of agreement

Either party may terminate this agreement at any time by giving written notice to the other party. In that event, the provisions of this agreement shall continue to apply to all services rendered prior to termination.

Agreement

Please sign and date this letter to confirm your agreement and return it to us at your earliest convenience.

We are looking forward to working with you.

Sincerely,

CliftonLarsonAllen LLP

Lili Huang, CPA
Principal
626-857-7300
Lili.Huang@claconnect.com

Enclosure

Response:

This letter correctly sets forth the understanding of Aveson Charter Schools.

Authorized management signature: _____

Title: _____

Date: _____

Draft For Client Review -
DO NOT SIGN -
Final version to be sent
with DocuSign



INSPIRED BY A CONFIDENT FUTURE



March 16, 2021

Proposal for Audit and Tax Services

AVESON CHARTER SCHOOLS

Submitted By:

Eide Bailly LLP

Scott Gustafsson, CPA, CFE, CITP
Partner

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What inspires you, inspires us.
eidebailly.com

Cover Letter

WE WANT TO WORK WITH YOU

Thank you for giving Eide Bailly LLP the opportunity to propose on audit and tax services Aveson Charter Schools (ACS). We enjoy working with charter schools and would appreciate the opportunity to work with you. Because we provide services to more than 400 school districts and 100+ charter schools, the engagement will be smoother than with other firms. Our experience will allow your accounting staff more time to focus on their daily tasks during the audits.

We're confident ACS will benefit from the experience we provide and believe we're the best candidate for this engagement for the following reasons:

▶▶▶ **Depth of Resources.** Our size enables us to be responsive to our clients' needs and unique entity challenges while also providing the necessary breadth and depth of services required in today's complex and ever-changing business environment. We're excited about the benefits we offer:

- **Local Office Presences** – You'll be served by professionals in our Rancho Cucamonga office, which is approximately 55 miles from ACS. You'll also have access to national resources, including 2,500 professionals with diverse skill sets and experiences across the firm.
- **Proactive Communication** – You can expect that your Eide Bailly service team will keep you informed of changes that may affect the Charter. We'll build communication protocols into our service delivery to ensure timely communication resulting in prompt wrap up of work.
- **Partner Involvement** – You'll experience partner and senior staff involvement not only during the audit engagement, but also throughout the year as issues, questions and opportunities arise.
- **Timeliness** – We understand and will comply with the timing requirements and scope of services of your request. We'll accomplish this by utilizing an open, collaborative process with you. Your proposed engagement team's experience allows us to address the reporting requirements in a timely fashion.

▶▶▶ **Extensive K-12 School District and Charter School Experience.** We understand schools face a myriad of challenges, especially in these difficult economic times. School districts and charter schools of all sizes face increasing demands for accountability, while coping with decreasing revenue sources. School districts and charter schools in many areas are struggling to maintain quality programs and services while becoming increasingly vulnerable to state spending reductions. Others are continually planning and restructuring as student demographics fluctuate.



EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our firm, and we're always working together to do things differently and better.

COMMUNICATIONS

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.

Whatever challenges ACS faces, our team will listen to your needs in order to gain a better understanding. This, in turn, will help you respond, adapt and operate more efficiently. We provide auditing services to several school districts, charter schools and other government and nonprofit entities throughout the State of California.

We want to be a team member with ACS, and not just be your auditors. We are excited for the opportunity to work with you to achieve your objectives. This includes providing updates on new accounting standards or legal requirements that may affect ACS, whether it be from the California State Board of Education, California State Auditor or other agencies.

Together with support from our national office, we have been able to identify such changes that haven't always been identified by other charter school auditors across the state. We believe that two-way communication between us is key to our working relationship.

We will be personally involved during all phases of the engagement, as well as throughout the year. We will work with you during the year to avoid last-minute year-end issues that can negatively impact your operations. We expect and encourage year-round communication, including telephone consultations, for which we do not bill.

We Want to Work with You

The following pages highlight our firm's strengths and demonstrate why Eide Bailly merits serious consideration. Know that you will be a highly valued client. Our people would be happy to work with ACS and build a trusting relationship with your team. Please contact me if you would like to discuss any aspect of this proposal.

Sincerely,



Scott Gustafsson, CPA, CFE, CITP

Partner

909.755.2831

sgustafsson@eidebailly.com



About Us

WHAT INSPIRES YOU, INSPIRES US

With more than 100 years of service, your experience will be different than working with other CPA firms. Our professionals deliver industry and subject matter expertise resourcefully, ensuring that we're providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 2,500 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 25 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results.

Our work with clients is more than an engagement. It's a relationship, built on values and trust—and results. When working with Eide Bailly, you will:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you are guided by trusted advisors who care about your success.
- Our service style is hands-on, and we're always looking for new ways to solve your problems or help you embrace opportunities.

AT A GLANCE



top 25 CPA firm in the nation



offices in 14 states



330+ partners



2,500+ staff



one Eide Bailly

Independence

Eide Bailly is independent of ACS as defined by the generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards* and as defined by the rules of the American Institute of Certified Public Accountants (AICPA). No member of our firm has a direct or indirect interest in ACS. Within the past five years, the firm has not had any relationships involving ACS.

The other general standard for auditing requires the audit organization and the auditors be free from personal and external impairments to independence. As defined by these standards, Eide Bailly is independent in fact and in appearance, and no relationships, either personal or professional, exist that would cause our firm to not be impartial in dealing with ACS.

Should Eide Bailly enter into any professional relationships deemed relevant during the course of this engagement, we will notify you in writing of such relationship.

Peer Review

A copy of our firm's most recent peer review is included in **Appendix A** of this proposal. The quality review included several nonprofit engagements.

Licensed to Practice

Eide Bailly and each of the professional staff assigned to ACS are properly registered and licensed to practice in California.

Firm Registrations:

California Secretary of State Registration Number – 20 2020 121 001

California State Board of Accountancy Permit Number – 5973



Industry Experience

WE UNDERSTAND CHARTER SCHOOLS

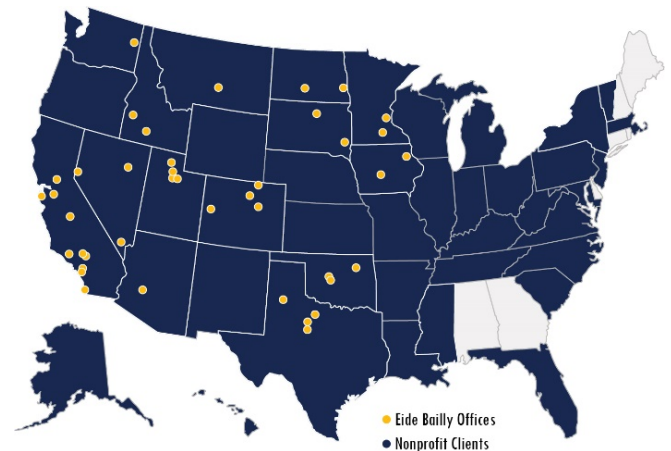
Our professionals have the experience, talent and skill sets to meet ACS's needs.

Nonprofit and Charter School Experience

Eide Bailly's strong financial foundation, continued growth and commitment to the nonprofit and charter school industry ensures our clients that we can maintain a long-term relationship with them. Clients will work with a team of professionals who are highly qualified and experienced and who truly understand the nonprofit and charter school industry.

Our firm has set up industry groups to focus on the needs of each industry we serve—with one group dedicated to nonprofit and charter schools. Our nonprofit and charter school team members have made a career commitment to working with nonprofits and charter schools and, therefore, they focus their training and education around these sectors. These staff members and partners understand the issues faced by nonprofits and charter schools and are in a better position to provide solutions to the issues and needs that may affect your organization. This focus also ensures that our staff members stay abreast of current regulations and changes. Through our nonprofit and charter school industry group, we have established relationships within the community of service providers for similar organizations—including attorneys, financial advisors and industry associations. Such relationships enable us to work together effectively as a team to our clients' benefit.

Eide Bailly's nonprofit and charter school professional staff members are actively involved in industry-specific organizations and associations, so we can continuously deliver value and new ideas to our clients. Our staff members have served on numerous AICPA nonprofit committees, including the nonprofit tax committee. Through this involvement, we stay on top of and have input into new issues involving the nonprofit sector; this translates directly into additional value for our clients.



Nonprofit Industry Involvement

To further their expertise and knowledge within the nonprofit industry, members of Eide Bailly's nonprofit team are regularly involved with the national standard-setting organizations which set the tone for nonprofit regulations.

An example of our national involvement is Eide Bailly partner, Ksenia Popke, who was named to the AICPA Not-for-Profit Advisory Council, which launched the AICPA's Not-for-Profit Section. The mission of the Not-for-Profit section is to deliver information, tools and resources to professionals helping them facilitate timely compliance with standards and regulations, promote the excellence of members as leaders in the sector and serve as a connector for peer-to-peer learning and information sharing. Membership in the section is inexpensive, however many of the aids available on the site are accessible without membership. Eide Bailly's nonprofit team prepared the model financial statements and footnotes template appearing in the tools and resources on the Section's website. Created for a fictional entity, Save Our Charities, this comprehensive template is the only model chosen by the AICPA for distribution on the membership section of the website.

Our involvement in key nonprofit organizations means your engagement team will have access to important regulation changes and issues facing the nonprofit industry. When working with ACS, we'll not only look at today's issues, but we also proactively address issues that may affect you in the future.

Thought Leadership, Communication and Value-Added Service

As we work with clients and better understand their organizations, we've provided recommendations that address specific financial, operational or business concerns. We'll continue to have the knowledge and resources to support your growth and unique business issues. Examples of ways we have worked with clients include the following:

- Development and/or improvement of budgeting processes.
- Board education in areas such as fiduciary responsibility, effective meetings and governance best practices.
- Documentation of financial policies and procedures.
- Recommendations for improved internal controls and financial reporting, including controls specifically related to federal programs.
- Determination of what qualifies/does not qualify as unrelated business income and the implications for the organization.
- Completion of information technology needs assessments.
- Assistance in the screening and hiring of financial personnel.
- Strategic planning.
- Reporting effectively to granters.
- Fraud prevention, detection, and investigation services.
- Implementation assistance when new accounting standards require adoption.

One of our strengths is our ability to answer operational and advisory questions. Our clients feel comfortable calling us for input and advice on their ideas. Consulting with Eide Bailly can help a nonprofit organization "look before they leap" into projects and fundraisers and allows us to be proactive in helping the organization structure the events or projects to their best advantage. In addition, we'll provide recommendations for potential modifications that can be made to strengthen your internal controls to help mitigate risk.

Uniquely, our service model doesn't view the audit and tax processes as annual "events" and therefore, we communicate with management on an ongoing basis. We keep you apprised of accounting pronouncements, pending and approved IRS changes, changes in regulations and other issues that may impact ACS throughout the fiscal year.

In addition, as our client, you'll have access to scores of additional education and firm events, most of which are offered electronically to allow you to conveniently participate from any location.

▶▶▶ BEING AN EFFECTIVE EMPLOYEE AND MANAGER WHILE WORKING REMOTELY

Recorded Webinar

We invite you and your team to join us for a discussion on effectively working and managing in a remote environment. In addition, we'll take some time to look at how COVID-19 has impacted your HR practices.

As part of our upcoming Nonprofit Webinar series, the following topics will be discussed this spring. Registration links are available now. Check out our website for more information and to register to attend. <https://www.eidebailly.com/nonprofit-webinar-series>

- March 30th | 11:30 AM CST – **FINANCIAL CYCLE: BUDGETING**
- April 20th | 12:00 PM CST – **FINANCIAL CYCLE: AN INTERNAL LOOK AT FINANCIALS**
- May 19th | 11:00 AM CST – **FINANCIAL CYCLE: PRESENTING FINANCIALS EXTERNALLY**

New Accounting Standards and Regulations

Eide Bailly will be able to work with ACS on any new accounting standards and regulations, including ASC 842. We encourage our clients to view us as their trusted business advisors, and not just their accountant. For example, we held numerous client trainings, meetings, and conversations with nonprofit entities to assist them with the implementation of FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*.

We've also worked closely with our clients over the past few months regarding the 2020 CARES Act and commit to keep you apprised of new updates as they emerge. We use these opportunities to gain a better understanding of our clients in order to assist clients with all facets of implementation of new standards.



**VISIT OUR WEBSITE TO SIGN UP FOR
OUR NEWSLETTERS, E-BLASTS AND WEBINARS:**

www.eidebailly.com/insights



Services

AUDIT METHODOLOGY

At Eide Bailly, we promise you a better overall experience. We're unique because we appreciate the fact that every situation and every organization is different; therefore, we tailor our approach based on the needs of each client.

Eide Bailly values its business relationships and demonstrates this through our partner and manager involvement. Our senior level professionals are involved with our clients and accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved during fieldwork and stay connected throughout the year. Our client testimonials specifically highlight this approach, believing they benefit from our ability to stay abreast of changes in and updates to their operating environment and partnering with them to achieve optimal results.

Our clients experience a communication approach that stands apart in both style and frequency. Because we recognize that effective communication is critical throughout the entire audit process, our service approach is one where communication begins with planning and continues throughout the year. Additionally, we take a collaborative communication approach with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization and communicating with them as a business partner ultimately produces the best outcome.

Prior to beginning the engagement, we'll discuss with management:

- The engagement timeline.
- The audit approach and process.
- Additional considerations that may affect scope, schedules and work papers to be prepared by your personnel.

Upon appointment as your auditor, we'll discuss the audit schedules and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members' time.

AUDIT APPROACH

At Eide Bailly, we tailor our approach based on the needs of each client. Our audit approach is designed to collaborate with ACS to achieve optimal results. The approach consists of five major components: Planning and Pre-Work, Interim Work, Fieldwork, Reporting and Ongoing Communication. The objectives and timing of each component are described in the following:



PLANNING



- Gain knowledge of ACS and environment.
- Perform analytical procedures to identify audit risk areas.
- Consider fraud through inquiry and brainstorming.
- Develop audit budget by individual areas.
- Determine audit procedures by area, based on results of audit planning.
- Determine confirmation needs.
- Prepare listing of audit information requested from organization.

INTERIM WORK



- Review internal controls.
- Review minutes and resolutions.
- Review any legal matters.

FIELDWORK



- Audit areas based on risk assessment.
- Obtain and prepare schedule and analyses supporting the financial information.
- Review of tax positions.
- Discuss findings with management, if applicable.
- Discuss proposed journal entries with management, if applicable.

REPORTING



- Prepare draft of financial report and management letter.
- Provide report to management for review and comment.
- Present final report to designated governance representatives.

ONGOING COMMUNICATION



- Obtain interim financial statements throughout the year for review.
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up to date with continuing changes.
- Compare the interim results to year-end results for the past few years to identify potential issues in the financial reporting process.
- Participate periodically at your Board meetings, and any other meetings, at the Board's request.

Engagement Timeline

The table below outlines our preliminary schedule.

➤➤➤ Audit Timing

Activity	Timing											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Planning & Pre-Work		█										
Interim Work			█									
Final Fieldwork							█					
Reporting												█
Ongoing Communication	█											



Tax Approach

TAX PROCESS

When preparing and reviewing the Form 990s for our clients, we do so because these records are available to the public – including the media. Our approach to providing value regarding the preparation of the tax return includes several areas. We review the information that is being accumulated, as well as the theory behind how the information is included in the tax return. The tax team works closely with the accounting team to understand your objectives and would use this information in the preparation of the income tax returns. We work closely with the audit team to use the information they have collected in the audit process in our preparation of the tax returns. We also include a member of the tax team as part of our audit planning meeting at the beginning of the engagement to share information related to changes in your organization or environment.

As part of our information-gathering process, we'll conduct an interview with ACS staff, management and appropriate Board members to accumulate the majority of the information needed for the tax return and discuss the questions on the return. We believe this will result in less time needed from you in gathering information and interpreting the questions on the Form.

In addition, we'll provide management and Board members with insight on IRS best practices and help you develop responses to narrative information required on the Form 990 considering the increased scrutiny by the IRS. We'll be available to present the Form 990 to the Board to provide an overview of the areas of significance prior to filing the tax returns.

Engagement Timeline

The tax timeline would be based on when you want to file the Federal Form 990. Some clients prefer to use all extensions available and others prefer to file within four and a half months of year-end. We're prepared to work on the return at any time that is convenient to ACS and we'll develop a timeline for delivery that includes time for management and the Board/Committee to review the tax return prior to filing.

We Will Meet Your Deadlines

By engaging in thorough planning and communications with management, we begin each engagement with a strong understanding of the various deadlines for each of the financial audits and tax services and the steps involved along the way to meet deadlines. A project plan will be developed between our team and ACS and then followed closely, and we'll work with ACS's management team to customize our audit and tax services and specific timelines to your needs. We believe in clear, up-front and open communication mitigating surprises.

Use of Technology

Eide Bailly staff utilizes progressive and effective software to streamline processes and make them as efficient as possible. These technologies include:

My Eide Bailly (Web-Based Client Site)

My Eide Bailly is an online client site that gives clients the ability to transfer files securely and connect digitally with Eide Bailly. Email is not a secure way to exchange documents, and My Eide Bailly can handle large file uploads in a safe, secure manner.



My Eide Bailly makes it easy to share and stay connected with Eide Bailly, creating efficiencies for both our clients and our staff during engagements. We'll continue to add additional features to My Eide Bailly as we build our digital strategy to empower our clients to work with us digitally, if they choose.

Data Extraction Software

Eide Bailly designs our approach to incorporate the use of TeamMate Analytics--to maximize efficiency while conducting a very effective audit. Through TeamMate, we can extract information from related databases and create databases that check for duplicate payments, summarize payments, extract journal entries from specific accounts, develop expectations for analytical procedures and recalculate system calculations among a host of other procedures that are developed by our audit team.

CCH ProSystem fx Engagement by Wolters Kluwer

This software is used to perform the audit, retains the electronic workpapers and supporting documentation, performs project tracking and facilitates quality engagement review.

COVID-19: Adapting to Change

Many of our clients are wondering about the impact of COVID-19 on their audits. Eide Bailly performs all engagements in a paperless environment. Because we're a technology-driven firm, we've experienced no issues in performing audit procedures off-site from our clients during this unprecedented time. Our customized client engagement platform, My Eide Bailly, enables our clients to exchange documents securely and safely. Additionally, we use Skype and Microsoft Teams, which allows us to communicate with our clients face to face, share screens, and most importantly, make the process as seamless as possible. We're utilizing Zoom to host webinars and town hall meetings to educate and assist our clients on the rapidly changing circumstances and on how to successfully navigate through those changes. As a result, we expect to complete your audit remotely in the future should the need arise.

Innovative Audit Technologies

As part of its innovation initiatives, Eide Bailly has been conducting various pilot projects and is incorporating certain artificial intelligence driven techniques into its audit processes. Eide Bailly is currently working with two artificial intelligence vendors to determine which audit areas and processes can be positively impacted by driving improved efficiency, better risk identification and automated analytics, which in turn we hope will provide a better and more cost-effective audit process for our clients. We are currently using these tools to analyze the general ledger and assist with journal entry testing that is required by audit standards. This area has typically required significant manual process and time for our audit teams. Initial efforts have proven efficient and effective in reducing our hours in this audit area and being able to pass these savings along to clients by keeping our professional fees down.

Eide Bailly has also began incorporating Robotic Process Automation into its audit process. This area has provided improved efficiency and accuracy and increased testing scope in areas such as investment testing, benefit plan auditing and certain other areas. By utilizing paperless and innovative processes, we are able to bring experts from across our firm into every engagement. What this means to you – better service, timely reporting and cost-effective solutions.

Communication Process

Our service philosophy is one of working *for* the Board and *with* management. This approach has proven beneficial in that it assures the proper communication channels exist while also avoiding last minute surprises that can be frustrating to the Board and management. We view all parties as an important part of the overall process of providing audit and tax services. Specifically, we have found the following communication protocols to be effective:

Management: We base our relationship with management on strong, two-way communication. The auditors and management must work together to ensure a timely and effective engagement is performed, as well as to collaboratively address any issues that arise. We'll meet with management during audit and tax planning to gain a thorough understanding of ACS's expectations and any changes to the organization. At the conclusion of the work, we'll jointly evaluate the effectiveness of both engagements and any recommendations for changes in the future.

Board of Directors: We'll meet with appropriate members of the Board in the planning phase of the engagement to explain our approach and to ask for input on their areas of concern. At the conclusion of the audit, we'll meet with the Board and share the results, including the management letter, to ensure that our findings represent the facts and that our recommended solutions are practical. We'll also work with the Board and its appropriate committees to address financial and operational issues that impact ACS. We will also meet after the tax return is filed to plan for the following year and discuss best practices.

While we are proactive in our communication, we encourage ACS's Board, management and staff to call us with any questions they may have, not just during audit and tax time, but throughout the year.



Offeror's Profile

AN EXPERIENCED TEAM

We're passionate about our work—and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the government industry.

Scott Gustafsson will lead the engagement team and serve as the Audit Engagement Partner and **Patty Hayashida** will serve as the Audit Senior Associate. These professionals are licensed to practice public accounting and bring strong credentials and a desire to work with ACS. If awarded these engagements, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.

Because we are committed to the higher education industry, we provide our professionals, as well as our clients, with specific, ongoing training related to nonprofit issues. This investment ensures not only our people, but the public sector in general stays current on the unique challenges and opportunities that are present so that as many people as possible are in the best position to address these issues.

Staff Members

Once we determine the timing that works best for you, we'll assign a senior and staff associates to your engagement.

Many of our seniors have more than two years of experience in public accounting, with several who specialize in the nonprofit industry. All members of our staff are required to comply with necessary continuing professional education (CPE) requirements, and most members of our staff significantly exceed their required amount.

SERVICE TEAM

We know the importance of a strong business relationship, so we keep staffing changes to a minimum year-to-year. Eide Bailly has a higher retention rate, allowing us to provide stability. Your service team has extensive experience in the nonprofit industry and work with several charter schools. You'll find profiles for each team member in **Appendix B**. The following information will provide an overview of your service team:



Scott Gustafsson, CPA, CFE, CITP

Partner

Scott will serve as the engagement partner and will be responsible for reviewing the draft financial statements, collaborating on technical issues that may arise, and reviewing the work performed by the team. He has more than 15 years in public accounting with experience in the government and nonprofit industries, and has gained specific experience working with charter schools throughout his career. He

has worked with LA Promise Fund, Magnolia Educational & Research Foundation, Adelante Charter School, Lucia Mar Unified School District and Guadalupe School District. Scott holds the following designations: Certified Public Accountant (CPA), Certified Fraud Examiner (CFE) and Certified Information Technology Professional (CITP). He is located in our Rancho Cucamonga, CA office.



Patty Hayashida

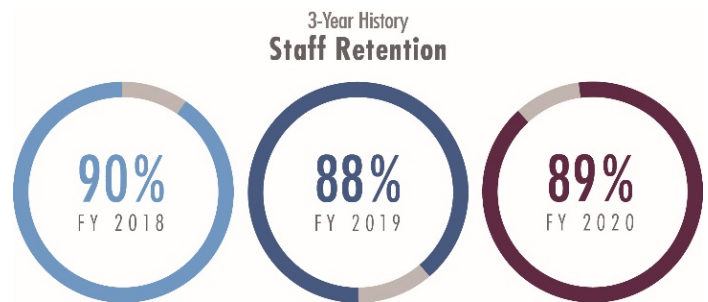
Senior Associate

Patty will serve as the Senior Associate and will be responsible for completing audit work, including supervising staff in the field to ensure the audit is completed timely. She provides audit services to charter schools and nonprofit organizations throughout California. Patty performs compliance audits of federal awards in accordance with Uniform Guidance. Patty is located in our Rancho Cucamonga, CA

office.

Staff Continuity

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a higher retention rate which translates to providing our clients with consistent service teams. We will strive for continuity of staff for your engagement. With this continuity comes quality, as team members' knowledge of your organization grows from year to year.



Should the need arise to change any of the key engagement personnel, we will notify you in writing and provide the qualifications of the proposed replacement. Upon your approval, new engagement personnel will join your service team.

Pricing

QUOTATION PRICING

We propose the following fee schedules based on a 1-year, 2-year, or 3-year agreement, based on our understanding of the scope of work and the anticipated level of involvement of the staff:

Engagement Services and Fees

Professional Services	2020	2021	2022
Financial Statement Audit - 1yr	\$18,000	N/A	N/A
Financial Statement Audit - 2yr	\$17,000	\$18,000	N/A
Financial Statement Audit - 3yr	\$16,000	\$17,000	\$18,000
Preparation of Form 990	\$1,500	\$1,500	\$1,500
Total Fees	\$17,500-19,500*	\$18,500-19,500*	\$19,500*
Single Audit (if required)	\$5,000	\$5,000	\$5,000

Pricing provided for reference in the event a single audit may be required during the audit period. The single audit fees are additional fees the firm would charge if a single audit is deemed necessary.

*Additional audit fees may be assessed if additional auditing services are provided for:

1. Any changes in reporting format and/or audit requirements as stated in the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, issued by the California State Controller's Office, or Financial Accounting Standards Board; and
2. Additional audit procedures required due to the lack of preparation for the audit on the part of ACS.

Out-of-Pocket Fees

In addition to the professional fees listed above, you will be billed for actual out-of-pocket expenses such as travel time, mileage, lodging and meals.

Billing Policy Regarding Telephone Inquiries

We know clients appreciate access to all of their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we'll bring it to your attention and obtain approval before proceeding.



References

CLIENT REFERENCES

As a top 25 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service.

The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

▶▶▶ Similar Clients

Peabody Charter School

Nancy Dow

Fiscal Director

805.563.1172

nancy.dow@peabodycharter.net

Orange County Educational Arts Academy

Janine McFarlin

Interim Controller

714.558.2787

janine@oceaa.org

ISANA Academies

John Vargas

Chief Operations Officer

323.291.1211

jvargas@isanaacademies.org



Additional Resources

LET US HELP YOU WITH MORE

We pride ourselves on being leaders in the nonprofit industry, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're business advisors who want to help guide the strategy and operations of your organization, and we'll make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your business.

When you work with us, you'll have access to the knowledge and talents of 2,500 professionals across our firm. This includes specialized tax knowledge, a full spectrum of audit/assurance services and our many specialized services, such as:

Cybersecurity

Our professionals have deep IT backgrounds, specializing in a broad range of security services allowing us to tailor solutions to your needs. We work with every level of your organization—your boards and executives, technical IT admins and general users—to provide insight and guidance so you can feel confident your data is protected.

Internal Audit

Our internal audit professionals bring strong process, procedure, internal control and risk management experience to your organization. We bridge these skills with specialized insight related to risk and compliance and specific industry knowledge to help your organization reduce risk and improve operational efficiency.

Forensic Accounting

We have seasoned professional with years of relevant investigative experience. We have served several hundred clients, including numerous government entities, with investigative needs.

Our forensic accountants are experienced in assisting with internal, civil, criminal and insurance recovery investigations related to allegations of theft, fraud and accounting irregularities. The forensic methodologies and technology used by our team of specialists help get to the facts of these situations and are court proven. We understand the urgency of resolving these types of matters and take pride in delivering a quality work product in an efficient and timely matter.

Board Education and Training

We have provided educational sessions to many of our clients as they experience changes in their operations or governance structures. Specific ways we have worked with clients include providing background and education on understanding financial statements and the Form 990, understanding the Board's fiduciary responsibility, developing Board committees and other Board governance issues. These educational meetings reflect our commitment to helping clients achieve their mission and objectives.

IT Consulting

Business planning and technology strategy go hand-in-hand, like having a good offense and defense. You can't win the game without planning for both.

Whether you want a better way to power your decision making, a simpler way to run your organization, or you just want to see a return on your technology, a solid strategy always comes first. Our business consultants will help you define your goals and business needs so that your technology game plan keeps you winning.

Technology Consulting

Our technology consultants are committed to helping organizations with their technology and enhancing productivity and profitability. They will help you to prioritize technology project initiatives to maximize your available resources. They offer a variety of services including IT value assessments, technology planning, technology systems selection, project management and IT resource identification.



Why Choose Eide Bailly

WE WANT TO WORK WITH YOU

To us, work isn't just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we feel we're the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. We want to work with you!

If you have questions or would like additional information, don't hesitate to contact us. We want to make sure you have everything you need to make your decision.



Scott Gustafsson, CPA, CFE, CITP

Engagement Partner

909.755.2831

sgustafsson@eidebailly.com

What inspires you, inspires us.

We're driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A – Peer Review



Report on the Firm’s System of Quality Control

January 20, 2021

To the Partners of Eide Bailly LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm’s Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer’s Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP

Appendix B – Team Profiles

SCOTT GUSTAFSSON, CPA, CFE, CITP

Partner

INSPIRATION: I enjoy helping others and solving challenging problems while being able to meet new people all the time.

909.755.2831 | sgustafsson@eidebailly.com

Scott primarily serves K-12 school districts, charter schools, nonprofits and county offices of education. He guides and advises assurance teams and works with government entities, nonprofit organizations and charter schools to identify and test critical points of inherent risk in order to protect the integrity of external and internal financial reporting.

Scott performs additional services ranging from agreed upon procedures engagements for Proposition 39 and Proposition 51 bonds to assisting clients with fraud-related matters. He also assists clients with risk assessments, including reviews related to student body accounts, cash collections, internal controls and misappropriation of assets. As a trainer, he provides staff and clients with the most up-to-date information on changes in the regulatory environment and the procedural knowledge to implement the required standards as well as fraud risk assessment and detection. Additionally, Scott has extensive knowledge related to the constantly changing state compliance requirements associated with educational entities. He obtained the Advanced Single Audit Certificate through the AICPA and provides in-depth knowledge of the federal requirements for audits under the Uniform Guidance as they have continued to change. Since he is always looking ahead towards the future of technology, Scott has become a Certified Information Technology Professional (CITP) and completed the Blockchain for Accounting and Finance Professionals Certificate Program.

Outside of work, Scott enjoys spending time with family, outdoor adventures, woodworking and working out.

Client Work

Provides practical solutions and new ideas for organizations working through their business and technology initiatives, organizational design assessments and implementation projects.



Memberships

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

Association of Certified Fraud Examiners

Designation/Licensures

Certified Public Accountant

Certified Fraud Examiner

Certified Information Technology Professional

Education

Bachelor of Science, Business Administration, Accounting Emphasis – California State University, San Bernardino

PATTY HAYASHIDA

Senior Associate

909.755.2779 | phayashida@eidebailly.com

Patty provides audit services to charter schools and nonprofit organizations throughout California. She performs compliance audits of federal awards in accordance with Uniform Guidance.

When you work with Patty, you can expect her to take the time to sit down with you and listen to understand your needs and expectations.

Outside of work, Patty enjoys spending time with her family, fishing and hiking.

Client Work

Provides audit services to charter schools and nonprofit organizations.



Education

Bachelor of Science, Accounting -
University of Phoenix

CULTURE

THE FOUNDATION OF SUCCESS



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the Firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

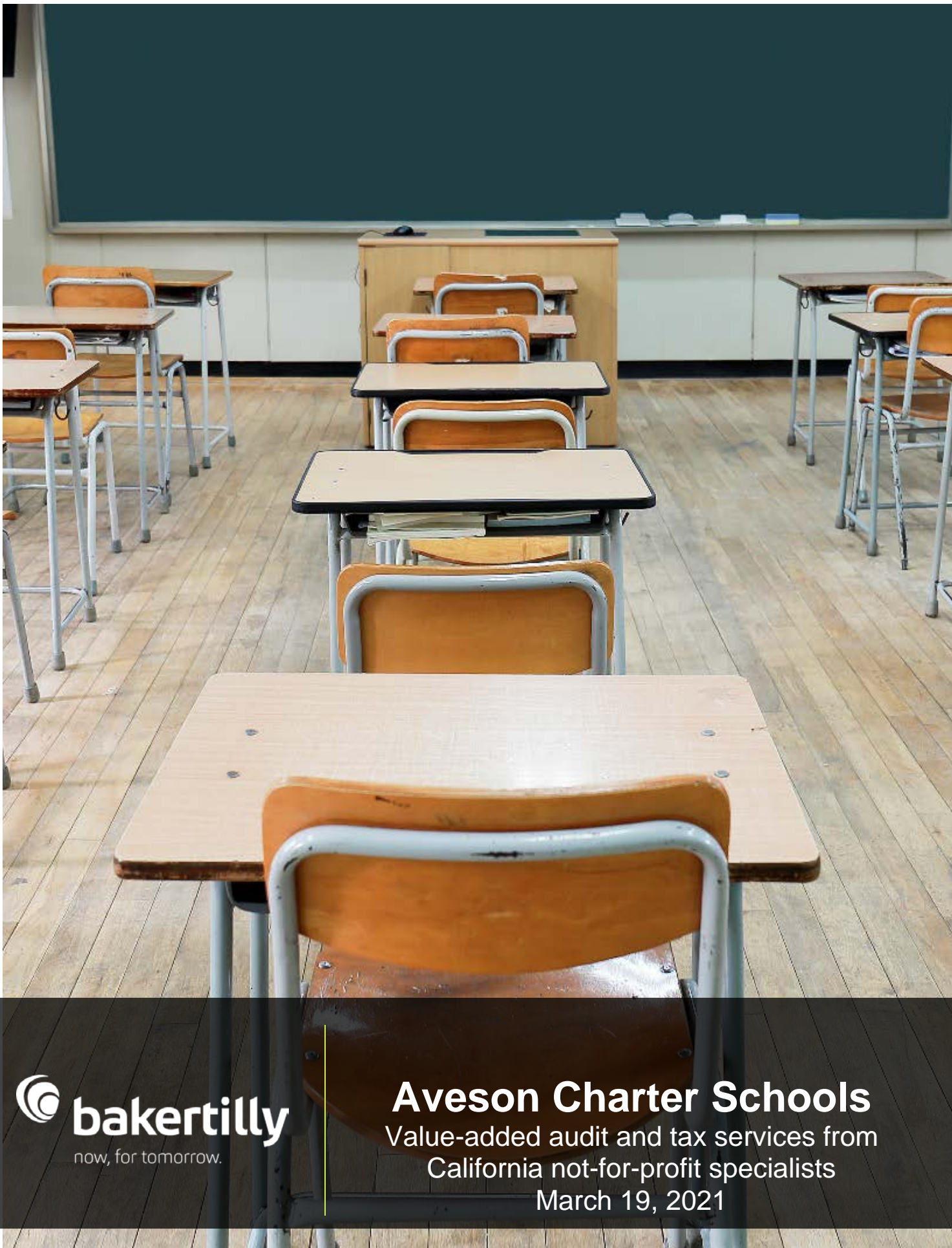
Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.
eidebailly.com



Aveson Charter Schools
Value-added audit and tax services from
California not-for-profit specialists
March 19, 2021



Baker Tilly US, LLP
3655 Nobel Drive, Suite 300
San Diego, CA 92122
tel +1 (858) 597 4100
bakertilly.com

March 19, 2021

Kelly Jung
Co-Executive Director and Director of Inclusion & Special Education
Aveson Global Leadership Academy
575 W. Altadena Drive
Altadena, CA 91001

Dear Kelly:

It has been a pleasure connecting with you to learn more about the organizational and financial objectives of Aveson Charter Schools (Aveson). On behalf of the entire team, thank you for the opportunity to demonstrate why Baker Tilly is the right fit to provide professional audit and tax services and deliver the value you deserve.

As a not-for-profit education organization, you have unique organizational needs and financial reporting considerations. We are excited to demonstrate how we can help you address those needs and achieve your goals. We are confident that we can add value to your engagement in many ways. Some examples include:

- We bring a consistent and **dedicated not-for-profit team with specialists who are highly experienced in serving charter and independent schools**. Your engagement team will be led by audit partner Jim Rotherham who leads our charter and independent school practice on the West Coast and deeply understands the compliance and regulatory requirements and operating challenges that charter schools face.
- We provide **hands-on partner and manager involvement** and communicate with our clients throughout the entire year.
- We offer the **responsiveness and year-round accessibility of a local firm**, with the vast resources of a top 15 national firm.
- As Value Architects™, we are committed to helping our clients improve their organizations through strategic advice, educational opportunities and other value-added services.

Aveson will be a valued client and, to ensure your highest level of satisfaction, we will be available when you need us, where you need us, for as long as you need us. When your needs or goals change, we will serve as a central point of contact to introduce you to other Baker Tilly specialists across our firm.

The following pages detail our tailored service approach to working with you to accomplish your objectives. We look forward to continuing to build our relationship as your Value Architects.

Sincerely,

A handwritten signature in black ink that reads "James A. Rotherham".

James A. Rotherham, CPA, Partner
+1 (858) 597 4100 | jim.rotherham@bakertilly.com



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Why Baker Tilly?

We encourage you to consider the following factors that differentiate us in the marketplace and where we believe we can bring value to Aveson.

A firm dedicated to not-for-profit education entities

Baker Tilly goes to market based on industry specialization rather than service line. Our professionals offer clients a deep understanding of their respective industries. Your service team will be comprised of individuals with expertise in working with not-for-profit organizations, including charter and independent schools in California. This means that your partners, managers and staff will possess the specialized knowledge to conduct efficient audit and tax services, provide value-added comments and address your unique challenges.

As a firm, we work with over 1,800 not-for-profit clients, including 400+ educational institutions. This deep expertise provides your engagement team with an understanding of the complex issues that charter and independent schools face each day.

A tight-knit engagement team that is proactively involved

We have learned that the key to success includes a high degree of **collaboration, communication and responsiveness**. Aveson will experience significant partner and manager involvement to ensure prompt resolution of any technical issues and that we are **always meeting your timeline**.

Large firm resources with local client service

Baker Tilly is the **right fit** for Aveson. We have the size to offer all of the professional capabilities you need, yet we have a local firm focus that ensures you receive the responsive, personalized attention you expect. Your service team will maintain close communication with you to address issues before they become problems. At the same time, we can offer extensive firmwide resources to address any of your specialized needs.

We approach your relationship as Value Architects

At Baker Tilly, our mission is to **enhance and protect your value**. That's why our relationship with Aveson will go well beyond the traditional once-a-year services, and why the value we provide you goes well beyond fees. We believe in ongoing, open communication so there are no surprises. We want to be your business advisor, offering insights into strategic planning, new accounting standards, internal controls, policies and procedures, accounting systems and methods, and taxation. We will also send industry newsletters and regularly invite you to attend forums and webinars so Aveson can stay up to date with all new regulations and trends.

Firm qualifications and experience

Meet Baker Tilly

Baker Tilly US, LLP (Baker Tilly) is nationally recognized, full-service accounting and advisory firm founded in 1931 with one central objective: *use our industry specialization to help our clients improve their businesses*. As a leading global advisory, tax and assurance firm whose specialized professionals guide clients through an ever-changing business world, helping them succeed today and better anticipate the challenges of tomorrow. Key firm facts include:



Baker Tilly and Squar Milner join forces

As of November 1, 2020, Baker Tilly and Squar Milner, the 11th and 41st largest accounting firms, respectively combined. By combining we bring greater value to our clients and deepen our relationships. This new organization offers greater scale, coast-to-coast presence and a global advantage to our clients.

Together, Baker Tilly will be a Top 10 firm

With our combined revenue, we anticipate Baker Tilly to be named a top 10 firm in 2021. Further, this combination provides our clients with greater capabilities, capacity, resources and influence to better serve our clients and to provide more opportunities for our people.



Local, collaborative service from San Diego

Our expanded presence in California allows us to serve you locally from our San Diego office – the hub of our charter and independent school practice – and leverage our more than 550 professionals located throughout the Golden State, as needed.

Why clients choose Baker Tilly

Clients choose Baker Tilly because of our extensive national footprint (with offices and clients across the U.S.), depth of experience, comprehensive service offerings and strong state and local support to keep abreast of planning opportunities in various jurisdictions.

Our team members work together as a cohesive, collaborative team and will ensure **our relationship with you is proactive, helpful, responsive, knowledgeable, business and industry focused, and valuable.**

Commitment to serving as your Value Architect™

At Baker Tilly, we're Value Architects. It is a mindset – a set of skills and abilities and behaviors rather than a job description.

Like an architect, we develop the blueprint with our clients on the best way to enhance and protect their value. We plan and are deliberate with our clients, and then we see it all the way through. Our clients trust our judgment and rely on us to marshal the right resources to solve their most pressing problems and help them seize new opportunities.

Not-for-profit industry expertise

More than 85 years of industry experience and one of the largest not-for-profit teams in the country have made Baker Tilly nationally known for our expertise in serving this sector.

We provide audit, tax and advisory services to more than 1,800 not-for-profit clients throughout the U.S., from a core team that has been in place for over 20 years.



Serving
1,800+
not-for-profit organizations
for more than 85 years

Because the financial needs of not-for-profits are unique, we maintain a separate practice group of more than 280 professionals dedicated to serving this industry. As part of a firmwide group of practitioners, Aveson's service team will have access to a powerful knowledge base of information from which they can draw to provide you with fresh ideas and advice. You will find value in working with individuals who understand your organization and the unique factors that impact your industry.

Education industry specialization, including independent schools

Baker Tilly has a long history of serving a variety of organizations, but more than 50 years ago, we developed a specialty in serving education institutions nationwide. Our education team spends their time with independent and charter schools, research institutions and colleges and universities and understands the nuances of working in education.

Baker Tilly provides audit, tax and advisory services to **more than 400 educational institutions** or related organizations, including many independent and charter schools. They choose Baker Tilly because of our depth of experience, industry-specific knowledge and commitment to their success. In addition, we have experience with charter schools that have contracts with public school districts and whose financial statements include a schedule of contract revenues and expenditures.

Our charter and independent school team based in California is led by your engagement partner Jim Rotherham and represents one of the largest audit and tax service providers to charter schools in the state. **We work closely with the State Controller's Office and the California Department of Education to ensure that audit issues are effectively and appropriately addressed.** We also confer with FASB to help charter schools handle emerging accounting issues.

Please see below for a select list of our charter and independent school clients.

- Academy of Alameda
- Acuitus, Inc.
- Amethod Public Schools
- Bay Area Educational Institute
- Berkwood Hedge School
- C5 Children's School
- Charles Armstrong School
- Discovery Charter School
- Epic Charter School
- Escuela Popular
- Global Education Collaborative
- Greenwood School
- KEY Academy
- Khan Lab School
- Leadership High School
- Leflore Legacy Academy
- Mission Vista Academy
- Montclair Community Play Center
- Plumas Charter School
- Plumas Charter School
- Presidio Preschool
- REACH Leadership Academy
- Ronald C. Wornick Jewish Day School
- Seven Hills School
- SLS Preschool
- Town School for Boys
- Vista Oaks Charter School

Deep not-for-profit resources

Industry involvement

At Baker Tilly, we have proven leaders involved in many industry and professional associations. They serve in high-profile leadership positions on various boards and committees and regularly present on industry and technical topics. Our involvement in the organizations below keeps us current with important industry, regulatory and consumer trends confronting independent and charter schools today.

- AICPA Governing Council
- AICPA Governmental Audit Quality Center
- AICPA Not-for-Profit Expert Panel
- FASB Not-for-Profit Resource Group

Tax capabilities

Aveson needs to be certain that its tax-exempt status is protected. As our client, you can rest assured that we have the resources to help you comply with the ever-changing IRS, state and local regulations. Baker Tilly prepares or reviews more than 1,800 Form 990 tax returns each year. We have a dedicated team of not-for-profit tax specialists who serve the distinct needs of these organizations. Our services include:

- Acquisition consulting
- Analyzing new laws and regulations and communicating their impact to our clients
- California Forms 199/109 and RRF-1
- Comprehensive tax planning under the COVID-19 relief bills
- Intermediate sanctions consulting
- International tax compliance
- IRS risk assessment/uncertain tax position analysis
- Real estate and property tax exemption applications and assessments
- Representation before tax authorities
- Review of state and local taxes
- Sales and use tax exemption application and consulting
- Tax compliance: Forms 990, 990-T, 990-PF, 5500, state charitable tax and registration forms
- Unrelated business taxable income consulting

Consulting solutions

A major distinguishing factor of Baker Tilly is our depth. We have advised many not-for-profit organizations, including charter schools and higher education institutions, on various operational and strategic issues.

We are here to help Aveson achieve your organizational goals by offering our full breadth of our professional expertise – resource and knowledge extending far beyond traditional audit and tax services, including:

- Board of Trustees and audit committee advisory services
- Construction project risk consulting
- Cost reduction
- Cybersecurity and IT risks
- Disaster recovery planning
- Enterprise risk assessment
- Fraud investigations, forensic accounting and data mining
- Governance, risk and compliance consulting
- Information privacy and security consulting
- Leadership and board development training
- Management consulting and reporting
- Merger and acquisition services
- Rate settling and reimbursement services
- Regulatory compliance reviews
- Robotic process automation (RPA)

Your engagement team

Aveson will work with a team of professionals that specialize in serving education-focused not-for-profit organizations. Your team members work extensively with charter and independent schools in California and across the country – which helps us improve operational efficiencies, tighten processes, offer industry insight and address your unique needs.

At Baker Tilly, we believe in the power of great relationships, great conversations and great futures. They represent what we stand for and what we are working together to achieve. That all starts with an exceptional engagement team for Aveson.

Your team brings the consistency, skills, experience and capabilities important to make Aveson's engagement services a continuous success and focus on achieving long-term strategic goals. We will be dedicated to ensuring that we build a strong relationship with you founded on communication and listening to your needs.

Biographies of key team members follow. The **Appendix** includes additional information about each team member's experience, qualifications and industry involvement.

Intentionally selected team for Aveson



Jim Rotherham, CPA, Audit Partner

Jim will serve as the single point of contact for assurance service delivery. He will develop expectations and a timeline with you, execute the services as agreed upon, and ensure a high level of satisfaction.



Brenda Bock, CPA, MBA, Audit Director

Brenda will coordinate audit services, oversee the work of staff/seniors and deliver seamless project management. She will also perform research on and implementation for complex accounting issues.



Kathy Schmidt, Tax Senior Manager

Kathy will work with your organization to streamline compliance and implement strategic tax initiatives that minimize tax liabilities with a focus on achieving your goals.

Staff continuity: A team to serve Aveson for years to come

Like Aveson, our people are our most important asset. One significant way our values align is through our commitment to hiring and nurturing dedicated employees – because fulfilled employees mean satisfied clients.

To attract and retain our employees, we promote a culture that encourages creativity, continuous learning, respect, employee appreciation and – above all – a positive attitude.

Evidence of our employee-focused culture includes:

- Dozens of “**Best Place to Work**” awards across our U.S. footprint; multiple awards for all of our major metropolitan offices
- Ranked among **Vault’s “50 Best Accounting Firms to Work For”** – one of the only firms to achieve recognition for 11 consecutive years
- Back-to-back recognition on **Fortune’s “Top Companies in Consulting and Professional Services”**
- Certified as a **Great Place to Work®** for the fourth consecutive year – the gold standard in workplace awards
- Recipient of **Corp! Magazine “Salute to Diversity”** awards
- Named a **Chief Learning Officer “LearningElite Organization”**



Hands-on service from partners and managers

We believe in strong personal relationships and this means a personal interest in Aveson from some of the most experienced professionals we have to offer.

Unlike other large firms of our size, Baker Tilly commits to significant partner and manager involvement on every engagement. Our partners and managers also commit to responsiveness, accessibility and a “teaming” approach. Your Baker Tilly partners and managers will actively lead the planning, execution and delivery of Aveson’s services to support responsiveness and build trust. We commit to this in the following ways:



Service approach

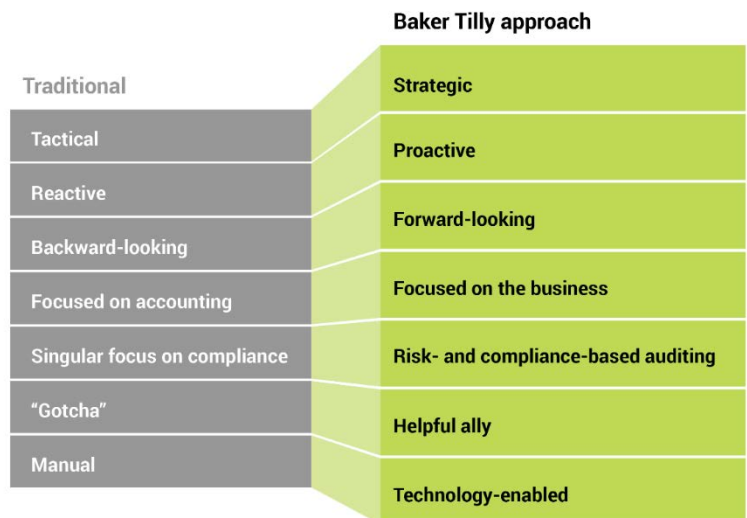
Experienced industry professionals will deliver a high-touch service model with regular access to senior team members, assuring Aveson of responsiveness, reliability and a tailored engagement approach that evolves with your changing needs.

What's different about our audit approach?

What we do in terms of our audit approach is fairly standard. **How** we do it is what distinguishes Baker Tilly from other firms. We continuously review our procedures, the time we spend and where we spend it to identify ways to make our delivery more efficient.

Our audit approach is collaborative, industry-focused, advisory-based and considerate of your internal team every step of the way. Your Baker Tilly team members will employ a proactive, risk-based model that aligns with a specific understanding of Aveson's organization, industry, size, ownership structure and internal controls.

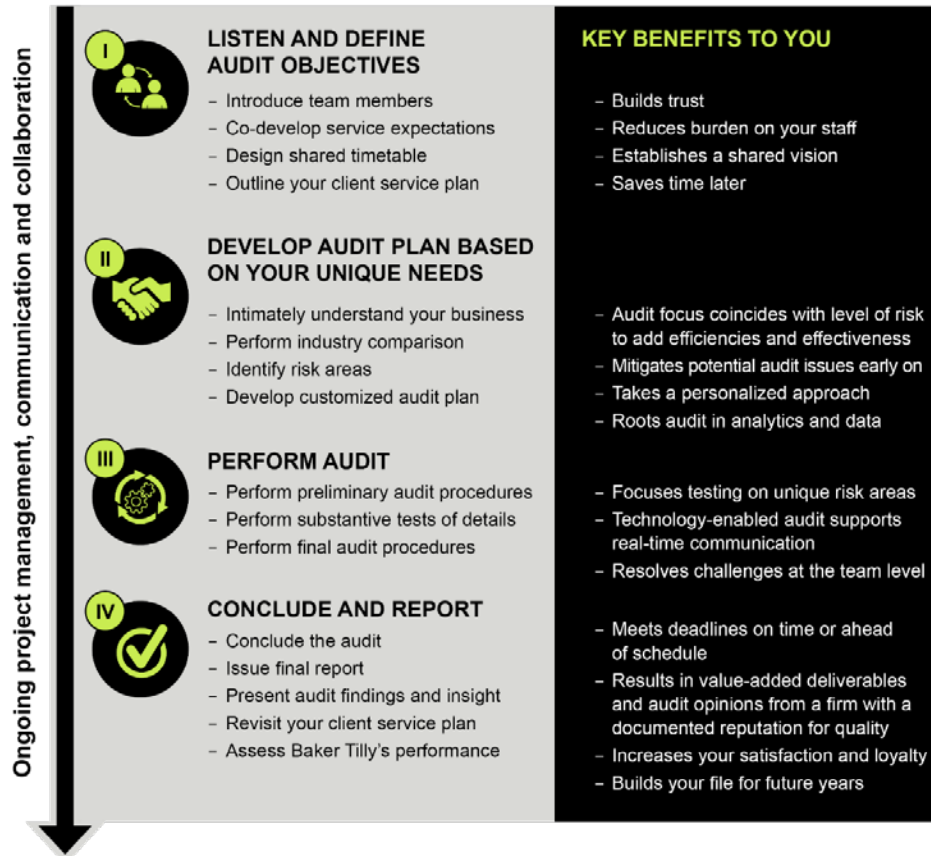
We spend time on the front end learning about Aveson to design value-added analytics and predictive tests that provide sound evidence. This helps us share our observations and insights as part of our management letter and reporting process.



What else can you expect from a Baker Tilly audit?

- Up-front planning to gain an intimate understanding of your organization, allowing us to properly focus our efforts and add value added insights in our management letter
- Big-picture insights and creative and efficient problem-solving through high partner involvement
- Data analysis and insights for decision-making using technology tools
- Frequent communication and status updates with Aveson's management to avoid surprises
- Collaboration with and reliance on Aveson's internal team, leveraging the work of your team wherever possible to save time and cut costs
- Quality and candid professional advice, no matter what

Audit approach and key benefits



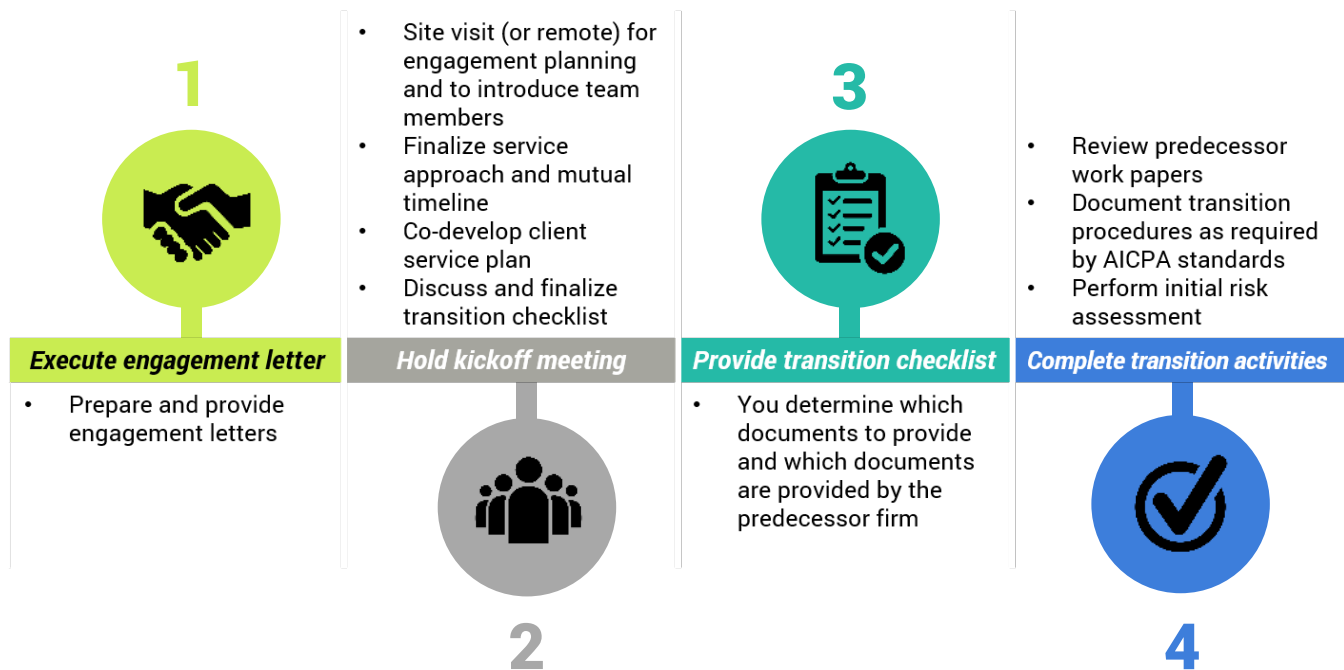
Engagement schedule

We make use of interim fieldwork to accelerate certain audit procedures to earlier periods, including tests of significant or unusual transactions, tests of compliance and evaluation of controls. We will work with you to ensure that all tasks are completed to meet the deadlines set forth in your timeline.

Engagement timeline	
May 2021	- State compliance audit fieldwork
September 2021	- Pre-audit communications with management - Perform preliminary fieldwork
October 2021	- Perform year-end fieldwork
Mid November 2021	- Draft copies of the financial statements delivered to management
Early December 2021	- Delivery and filing of final audit report
Communication	- Throughout the engagement

Supporting your smooth transition

Baker Tilly is prepared to deliver value from day one. We have experience transitioning organizations of a similar size and complexity, which enables us to build a process that makes the most efficient use of your time. **You will not need to spend time explaining your business to us because team members are already knowledgeable about the circumstances that impact your operations.** Below is an overview of our process to successfully onboard Aveson as a client. If engaged, we will collaborate with management to set an agreed-upon timeline at a pace that fits all of your needs.



Value-added resources

The value of our service is based upon your assessments and expectations. Therefore, going beyond the review — beyond the necessary reports and opinions — to educate your staff and support your operations is the foundation of the relationship we would like to build with you. This value includes preparing your organization for changes in accounting standards through formal communications, webinars and hands-on training. Complimentary educational opportunities include:

- **Annual Board of Trustees and/or management education session** designed to meet the needs and expectations of your board. Topics of interest may include new accounting and financial requirements for not-for-profit organizations, COVID-19 advisory, clarified grants and contributions guidance, internal controls or other pertinent areas.
- **Regular webinars** on topics such as fraud, understanding financial reports, grant-related topics and cost reduction/revenue maximization; the webinars are free to our clients and qualify for continuing professional education (CPE). Prior webinars can be viewed from our website at any time.
- **Not-for-profit advisor quarterly newsletter** with guidance on industry, regulatory and resource optimization issues; our professionals also contribute articles to industry publications.
- Periodic **alerts** on laws, regulations or decisions with an immediate or near-future impact on not-for-profit organizations.



Visit bakertilly.com/industries/not-for-profit for articles webinars to prepare for changes in not-for-profit industry regulations and accounting standards.

References

We always are happy to provide references because we think it is important for you to speak with organizations we serve. Each may have a different perspective that Aveson may find valuable as you think about your needs.

While we welcome you discussing the experiences of our references and their views on our services, we ask that you please contact us beforehand so that we can notify the parties and to ensure a prompt response to your inquiries.

Plumas Charter School	
Name	Taletha Washburn
Title	Executive Director
Contact information	+1 (530) 283 3851, taletha@plumascharterschool.org

Epic Charter School	
Name	Paul MacGregor
Title	Executive Director
Contact information	+1 (657) 220 1000, paul.macgregor@epiccharterschools.org

Amethod Public Schools	
Name	Andrew Wang
Title	Senior Director of Finance
Contact information	+1 (510) 434 7005, awang@amethodschools.org

Value for fees

We move far beyond simply checking boxes and meeting compliance requirements. To us, value means forward-thinking services to help you compete and adapt in a growing industry. Value means using compliance work as an engine for organizational transformation to make Aveson more lean, more nimble and more impactful. Value means choosing to work with Baker Tilly.

We prepared fee estimates based on the needs you shared with us, as well as on our experience leading similar engagements with not-for-profit schools in the area. Our estimate allows for insightful advice and thorough services from experienced professionals without unnecessary add-on charges. We do not bill for overhead administrative charges and work hard to keep any out-of-pocket expenses to a minimum.

Services	2021	2022	2023
Audit of the financial statements for the year ended June 30*	\$21,995	\$22,995	\$23,995
Preparation of Form 990	\$2,000	\$2,250	\$2,500

*This fee includes the single audit

Assumptions

We based our fees on the assumptions below. If a unique issue arises, we will work with you to determine the level of assistance required and arrange an appropriate fee at that time. No surprise billing. Ever.

- Adequate support, preparedness and cooperation from management
- Organized books and timely response to inquiries or requests
- No major business or scope changes, including changes to accounting and tax standards or laws

An all-inclusive, transparent fee structure

Routine phone calls, emails and quick consultations are included in your fee estimate because we do not believe in billing for every question, comment or concern. We communicate with clients year-round and encourage clients to share any new and unusual transactions with us so we can determine how they will impact the engagement. We will always tell you if the assistance required is out of scope and never perform additional work without explicit approval.

Continued conversations and an open discussion around fees

We believe our fees are competitive based on our estimate of the professional time necessary to complete the requested services. However, should our fees (or anything else) not be in line with your expectations, we would appreciate the opportunity to have an open discussion with you.

Appendix: Resumes

James A. Rotherham, CPA

Jim is an audit partner based in our San Diego, California office and has over 30 years of public accounting experience.

**Baker Tilly US, LLP****Partner**

3655 Nobel Drive
Suite 300
San Diego, CA 92122
United States

T +1 (858) 597 4100

jim.rotheram@bakertilly.com

bakertilly.com

Education

Bachelor of Science in finance and accounting
University of Pennsylvania (Philadelphia, Pennsylvania)

Jim offers our clients over 30 years of experience in public accounting and private industry. He leads numerous audit engagements for clients in the education industry. His specialties include audits of charter schools, school districts, local governments, Native American tribal governments and not-for-profit organizations.

Specific experience

- Serves clients in the education, not-for-profit, technology and life sciences industries
- Leads and manages financial statement audits
- Offers strong entrepreneurial professional skills in mergers and acquisitions, financing, revenue recognition, auditing and financial analysis
- Formerly co-founded and served as CFO of several privately owned and venture-backed technology companies, including one that he took public in 2003
- Licensed CPA in California, Florida and New York

Industry involvement

- Member, Financial Accounting Standards Board (FASB) Small Business Advisory Committee (SBAC)
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)

Brenda Bock, CPA, MBA

Brenda Bock is an audit director in Baker Tilly's San Diego, California office.



Baker Tilly US, LLP

Director

3655 Nobel Drive
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Education

Master of Business Administration in accounting
Montclair State University (Montclair, New Jersey)

Bachelor of Arts in economics and Spanish
Rutgers University (New Brunswick, New Jersey)

Brenda has more than a decade of experience in public accounting and private industry specialization. She has significant experience performing audits of charter schools, school districts, local governments, Native American tribal governments and casinos, and not-for-profit organizations.

Specific experience

- Manages several aspects of audit engagements including planning, assessment of internal controls, analytical reviews, budget preparations and audit execution
- Reviews and analyzes financial statements and related footnote disclosures to be in compliance with US GAAP
- Evaluates internal controls and develops recommendations to improve client processes, control structure and efficiency
- Communicates findings directly with senior management
- Licensed CPA in California and New Jersey

Industry involvement

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- New Jersey Society of Certified Public Accountants (NJCPA)

Kathy Schmidt

Kathy is a tax senior manager with nearly 40 years of public accounting experience.



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Senior Manager
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United States

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kathy.schmidt@bakertilly.com
bakertilly.com

Education

Bachelor of Science in accounting
San Diego State University (California)

Kathy is an established tax professional in our San Diego, California office. She focuses on delivering high quality tax and accounting solutions to clients. Kathy joined Baker Tilly in 2016.

Specific experience

- Specializes in tax and accounting services
- Provides compliance and consulting services to high-net-worth individuals, small businesses and not-for-profit organizations
- Highly diverse clientele throughout her career, but has spent the last 10 years focusing primarily on not-for-profit organizations, including charter and independent schools
- Prior to joining Baker Tilly, Kathy was responsible for growing the not-for-profit practice at a regional accounting firm



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February 1, 2021

Board of Directors and Management
Aveson Charter Schools
1919 Pinecrest Dr.
Altadena, CA 91001

Dear Board of Directors and Management:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") will provide for Aveson Charter Schools ("you," "your," or "the Organization") for the year ended June 30, 2021.

Lili Huang is responsible for the performance of the audit engagement. Per Education Code Section 41020(f)(2), there is a limit of six consecutive year for any firm where the principal/director-in-charge of the audit and the reviewing principal/director have been the same in each of those years. This is the second consecutive year Lili Huang will be the engagement principal.

Audit services

We will audit the financial statements of the Organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

We will also evaluate and report on the presentation of the supplementary information accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements, schedule of expenditures of federal awards, and related notes.
- Preparation of adjusting journal entries.
- Preparation of informational tax returns

Audit objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.
- Reporting on compliance related to state programs and expressing an opinion (or disclaimer of opinion) on compliance with the laws and regulations of the state programs in accordance with the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an

emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinion on the financial statements or the single audit compliance opinion is other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

We will also issue a written report on state compliance upon completion of our audit.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste or abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and compliance 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 entity's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our

audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal

statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes in conformity with U.S. GAAP and the Uniform Guidance based on information provided by you. Since the preparation and fair presentation of the financial statements and schedule of expenditures of federal awards is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and schedule of expenditures of federal awards.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

- We will prepare the organization's federal Form 990 and applicable state filings in accordance with the applicable tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible. We will not audit or independently verify the accuracy or completeness of the information we receive from you for the preparation of the returns and filings, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We expect to begin our audit approximately in May 2021.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Cognizant or Grantor Agency, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Cognizant or Grantor Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months (“Limitation Period”) after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Price Estimate

The price for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Based on our preliminary estimates, the price for the engagement is as follows:

Professional Services		Amount
Audit services (includes procedures for one major program under Uniform Guidance, if additional programs are required to be tested they will be billed at \$4,500 per additional federal program)	\$	17,100
Data Collection Form SF-FAC and single audit reporting package	\$	950
Informational tax return services	\$	2,200
Technology and client support fee	\$	1,020
Total	\$	21,270

Additional attendance and instructional minutes procedures related to distance learning will be billed as out-of-scope.

The price estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated price for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for our services will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work

may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. There is a ten percent withholding clause per Education Code 14505.

Technology Support Fee

Given the rising technology costs all organizations are expending to serve and protect client information, we are adding a 5% technology and client support fee to all of our invoices. The fee combines technology expenses with client support costs and includes technology support, printing, communications, data security and storage, indirect engagement support costs and technical resource subscriptions. This is estimated and included in the fee table above.

Changes in engagement timing and assistance by your personnel

The fee estimate is based on anticipated cooperation from your personnel and their assistance with timely preparation of confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, we will advise management. Additional time and costs may be necessary because of such unanticipated delays. Examples of situations that may cause our estimated fee to increase include:

- Significant delays in responding to our requests for information such as reconciling variances or providing requested supporting documentation (e.g., invoices, contracts, and other documents)
- Rescheduling our fieldwork
- Schedule disruption caused by litigation, financial challenges (going concern), loan covenants (waivers), etc.
- Identifying a significant number of proposed audit adjustments
- Schedules prepared by your personnel that do not reconcile to the general ledger
- Numerous revisions to information and schedules provided by your personnel
- Restating financial statements for accounting errors in the prior year
- Lack of availability of entity personnel during audit fieldwork

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Changes related to COVID-19

COVID-19 continues to have significant direct and indirect impacts on financial reporting, disclosure requirements, and the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in this letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Consent to use financial information

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of the Organizations' information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign and date this letter to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Lili Huang, CPA
Principal
626-857-7300
Lili.Huang@claconnect.com

Enclosure

Response:

This letter correctly sets forth the understanding of Aveson Charter Schools.

Authorized management signature: _____

Title: _____

Date: _____

Draft For Client Review -
DO NOT SIGN -
Final version to be sent
with DocuSign

Date: February 25, 2021

GOVERNING BOARD FOR AVESON CHARTER SCHOOLS

Topic: APPROVAL TO SUBMIT APPLICATION FOR PAYROLL PROTECTION PROGRAM LOAN FORGIVENESS

RECOMMENDATION: The Governing Board approves staff to submit the application for the Payroll Protection Program Loan Forgiveness

Anticipated Effect on Student Outcomes: PPP Loan forgiveness will support Aveson in retaining the highly qualified staff and safe facilities in order to provide students with necessary academic and social emotional support.

I. BACKGROUND On May 14, 2020, Aveson received a \$1,278,000 loan from the Small Business Administration's Payroll Protection Program (PPP Loan). Aveson was awarded the loan by meeting the following SBA criteria:

1. "*Current economic uncertainty* makes this loan request necessary to support the ongoing operations of the Applicant. Borrowers must make this certification in good faith, taking into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business.
2. "The funds will be *used to retain workers and maintain payroll* or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.

The latest guidance from the SBA provides a timeline and process for organizations like Aveson to apply for loan forgiveness. If Aveson is granted PPP Loan Forgiveness, the organization will not be required to pay off the loan but rather will be able to use the funds to retain highly qualified staff and pay mortgage and utility payments.

II. STAFF ANALYSIS The intended purpose of the PPP Loan Forgiveness program is to ensure organizations like Aveson can continue to deliver a quality educational program to students during uncertain economic times. Aveson will be facing budget constraints due to the Covid-19 pandemic for academic years 2021-22 and 2022-2023. The factors constraining the budget could include:

1. A decline in enrollment
2. Cuts in State and Federal funding
3. Insufficient cash flow (3 months of payroll is recommended)
4. State apportionment payment deferrals

In consultation with Citizens' Business Bank officials, where the PPP Loan was secured, it has been determined that Aveson meets all the criteria and has a clear financial need for PPP Loan Forgiveness.

COVID-19 School Guidance Checklist

February 22, 2021

CALIFORNIA
ALL

Your Actions
Save Lives



Date: 03/19/2021

2021 COVID-19 School Guidance Checklist

Name of Local Educational Agency or Equivalent: Aveson School of Leaders

Number of schools: 1

Enrollment 325

Superintendent (or equivalent) Name: Eva Neuer

Address: 1919 E. Pinecrest Dr Altadena CA

Phone Number: 626-797-1440

Email: evaneuer@aveson.org

Date of proposed reopening: 03/26/2021

County: Los Angeles

Current Tier: Red
(please indicate Purple, Red, Orange or Yellow)

Type of LEA: charter

Grade Level (check all that apply)

TK 2nd 5th 8th 11th

K 3rd 6th 9th 12th

1st 4th 7th 10th

This form and any applicable attachments should be posted publicly on the website of the local educational agency (or equivalent) prior to reopening or if an LEA or equivalent has already opened for in-person instruction. For those in the Purple Tier and not yet open, materials must additionally be submitted to your local health officer (LHO) and the State School Safety Team prior to reopening, per the [Guidance on Schools](#).

The email address for submission to the State School Safety for All Team for LEAs in Purple Tier is:

K12csp@cdph.ca.gov

LEAs or equivalent in Counties with a case rate $\geq 25/100,000$ individuals can submit materials but cannot re-open a school until the county is below 25 cases per 100,000 (adjusted rate).

For Local Educational Agencies (LEAs or equivalent) in ALL TIERS:

I, Eva M. Neuer, post to the website of the local educational agency (or equivalent) the COVID Safety Plan, which consists of two elements: the **COVID-19 Prevention Program (CPP)**, pursuant to CalOSHA requirements, and this **CDPH COVID-19 Guidance Checklist** and accompanying documents,

which satisfies requirements for the safe reopening of schools per CDPH [Guidance on Schools](#). For those seeking to open while in the Purple Tier, these plans have also been submitted to the local health officer (LHO) and the State School Safety Team.

I confirm that reopening plan(s) address the following, consistent with guidance from the California Department of Public Health and the local health department:

■ **Stable group structures (where applicable):** How students and staff will be kept in stable groups with fixed membership that stay together for all activities (e.g., instruction, lunch, recess) and minimize/avoid contact with other groups or individuals who are not part of the stable group.

Please provide specific information regarding:

How many students and staff will be in each planned stable, group structure? (If planning more than one type of group, what is the minimum and maximum number of students and staff in the groups?)
maximum of 14 students with two adults

If you have departmentalized classes, how will you organize staff and students in stable groups?
n/a

If you have electives, how will you prevent or minimize in-person contact for members of different stable groups?
n/a

■ **Entrance, Egress, and Movement Within the School:** How movement of students, staff, and parents will be managed to avoid close contact and/or mixing of cohorts.

■ **Face Coverings and Other Essential Protective Gear:** How CDPH's face covering requirements will be satisfied and enforced for staff and students.

■ **Health Screenings for Students and Staff:** How students and staff will be screened for symptoms of COVID-19 and how ill students or staff will be separated from others and sent home immediately.

■ **Healthy Hygiene Practices:** The availability of handwashing stations and hand sanitizer, and how their safe and appropriate use will be promoted and incorporated into routines for staff and students.

■ **Identification and Tracing of Contacts:** Actions that staff will take when there is a confirmed case. Confirm that the school(s) have designated staff persons to support contact tracing, such as creation and submission of lists of exposed students and staff to the local health department and notification of exposed persons. Each school must designate a person for the local health department to contact about COVID-19.

■ **Physical Distancing:** How space and routines will be arranged to allow for physical distancing of students and staff.

Please provide the planned maximum and minimum distance between students in classrooms.

Maximum 12 feet

Minimum 6 feet. If this is less than 6 feet, please explain why it is not possible to maintain a minimum of at least 6 feet.

■ **Staff Training and Family Education:** How staff will be trained and families will be educated on the application and enforcement of the plan.

■ **Testing of Staff:** How school officials will ensure that students and staff who have symptoms of COVID-19 or have been exposed to someone with COVID-19 will be rapidly tested and what instructions they will be given while waiting for test results. Below, please describe any planned periodic asymptomatic staff testing cadence.

Staff asymptomatic testing cadence. Please note if testing cadence will differ by tier:

no asymptomatic staff testing cadence is planned

■ **Testing of Students:** How school officials will ensure that students who have symptoms of COVID-19 or have been exposed to someone with COVID-19 will be rapidly tested and what instructions they will be given while waiting for test results. Below, please describe any planned periodic asymptomatic student testing cadence.

Planned student testing cadence. Please note if testing cadence will differ by tier:

no asymptomatic student testing cadence is planned

■ Identification and Reporting of Cases: At all times, reporting of confirmed positive and suspected cases in students, staff and employees will be consistent with [Reporting Requirements](#).

■ Communication Plans: How the superintendent will communicate with students, staff, and parents about cases and exposures at the school, consistent with privacy requirements such as FERPA and HIPAA.

■ Consultation: (For schools not previously open) Please confirm consultation with the following groups

Labor Organization

Name of Organization(s) and Date(s) Consulted:

Name: _____

Date: _____

Parent and Community Organizations

Name of Organization(s) and Date(s) Consulted:

Name: Aveson Community Organization

Date: 02/04/2021 and 03/20/2021

If no labor organization represents staff at the school, please describe the process for consultation with school staff:

All Staff Meeting 02/08/2021; Leadership Team and Grade Level Cadre Meetings in Feb & March

For Local Educational Agencies (LEAs or equivalent) in PURPLE:

Date of Submission to Local Health Department: n/a.

Note: LEAs intending to re-open K-6 schools while in the Purple Tier are to submit the CSP to the LHD and the State Safe Schools for All Team concurrently.

Additional Resources:

[Guidance on Schools](#)

[Safe Schools for All Hub](#)

Note: This checklist was amended on January 29th to delete language regarding the need to submit this checklist to a County Office of Education. The CSP does not need to be submitted to the County Office of Education as part of the public health guidance, though the County Office of Education may request the CSP as part of other processes.