



## MEETING AGENDA - iLEAD Online Board

Any public records relating to an agenda item for an open session of the Board which are distributed to all, or a majority of all of the Board members shall be available for public inspection at the main office in Acton between 9:00 am and 3:30 pm.

### Meeting

	<b>Special meeting</b>
<b>Meeting Date</b>	Monday, August 1, 2022
<b>Start Time</b>	5:30 PM
<b>End Time</b>	7:00 PM
<b>Location</b>	This meeting will be held virtually. Join us on ZOOM at: Zoom <a href="https://zoom.us/j/5395735793">https://zoom.us/j/5395735793</a> Meeting ID: 539 573 5793 Dial in Number: 1-669-900-6833
<b>Purpose</b>	Independent Study Policy Revisions Closed Session

### Agenda

#### 1. Opening Items

---

1.1. Call The Meeting To Order	(5:30 PM - 5:30 PM)
1.2. Roll Call	(5:30 PM - 5:30 PM)
1.3. Pledge Of Allegiance	(5:30 PM - 5:30 PM)
1.4. Approve Agenda	(5:30 PM - 5:30 PM)
1.5. Approve Minutes	(5:30 PM - 5:30 PM)

---

#### 2. Closed Session

---

2.1. Conference with Legal Counsel - Anticipated Litigation	(5:30 PM - 5:30 PM)
---	---------------------

---

---

3. Report of Closed Session	(5:30 PM - 5:30 PM)
-----------------------------	---------------------

---

#### 4. Public Comments

---

4.1. Public Comments	(5:30 PM - 5:30 PM)
----------------------	---------------------

---

#### 5. Consent Items

---

5.1. AB 361 Emergency Legislation Regarding Brown Act Meeting Requirements	(5:30 PM - 5:30 PM)
--	---------------------

---



## 6. Discussion And Reports

---

6.1. Brown Act Training - Closed Session

(5:30 PM - 5:30 PM)

---

## 7. Action Items

---

7.1. 2020-2021 Audit Report

(5:30 PM - 5:30 PM)

---

7.2. Public Hearing and Adoption of Updated Independent Study Policy

(5:30 PM - 5:30 PM)

---

7.3. Board Secretary Position

(5:30 PM - 5:30 PM)

---

## 8. Board Comments

---

8.1. Board Comments

(5:30 PM - 5:30 PM)

---

## 9. Closing Items

---

9.1. Next Meeting Date

(5:30 PM - 5:30 PM)

---

9.2. Adjournment

(5:30 PM - 5:30 PM)

---

**Please note:** items on the agenda may not be addressed in the order they appear. The Board of Directors may alter the order at their discretion.

- **Board Room Accessibility:** The Board of Directors encourage those with disabilities to participate fully in the public meeting process. If you need a disability-related modification or accommodation, including auxiliary aids or services to participate in the public meeting, please contact the office at least 48 hours before the scheduled Board of Directors meeting so that we may make every reasonable effort to accommodate you. [Government Code § 54954.2; Americans with Disabilities Act of 1990, § 202 (42 U.S.C. § 12132).]

*The Secretary of the Board of Directors, hereby certifies that this agenda was publicly posted 72 or 24 hours prior to the meeting as required by law.*



## MEETING MINUTES - iLEAD Online Board

### Meeting

<b>Date</b>	Tuesday, June 28, 2022
<b>Started</b>	5:03 PM
<b>Ended</b>	5:45 PM
<b>Location</b>	This meeting will be held virtually. You may join us at: Zoom <a href="https://zoom.us/j/5395735793">https://zoom.us/j/5395735793</a> Meeting ID: 539 573 5793 Dial in Number: 1-669-900-6833
<b>Purpose</b>	Regular Scheduled Meeting
<b>Chaired by</b>	Brent Pellico
<b>Recorder</b>	Rigo Ortega

### Minutes

#### 1. Opening Items

---

##### 1.1. Call The Meeting To Order

Meeting called to order at 5:03 PM

**Status:** Completed

---

##### 1.2. Roll Call

Brent Pellico - Present

Maria Fiore - Present

Christopher Bojorquez - Present

Shawna Brown - Absent

**Status:** Completed

---

##### 1.3. Pledge Of Allegiance

Pledge Of Allegiance was recited

**Status:** Completed

---

##### 1.4. Approve Agenda

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

---

## 1.5. Approve Minutes

Motioned: Maria Fiore

Seconded: Brent Pellico

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

Documents

- Minutes-2022-06-23-v1.pdf
- 

## 2. Public Comments

---

### 2.1. Public Comments

The public may address the iLEAD Online governing board regarding any item within the Board's jurisdiction whether or not that item appears on the agenda during this time. If you wish to address the Board, please complete a public comment card. Comments for the public will be limited to 3 minutes.

No Public Comment

**Status:** Completed

---

## 3. Discussion And Reports

---

### 3.1. 2020-2021 Audit Report & Form 990 Income Tax Return

Kim Lytle presented the 2020-2021 Audit Report & Form 990 Income Tax Return

and answered questions of the board.

**Status:** Completed

Documents

- ILEAD ONLINE - Form 990 2020 Client Copy.pdf
- 

## 4. Action Items

---

### 4.1. 2021-2022 Annual Independent Auditor Agreement

Discuss and take action regarding the annual independent auditor agreement for the 2021-2022 school year.

Kim Lytle presented the 2021-2022 Annual Independent Auditor Agreement and answered questions of the board.

Motioned: Maria Fiore

Seconded: Brent Pellico

Unanimously Approved

Shawna Brown - Absent



**Due date:**

**Status:** Completed

Documents

- iLEAD Online Charter School - 22 CLA Audit Engagement Letter.pdf
- 

#### 4.2. Educational Protection Account Resolution

Discuss and take action regarding annual Educational Protection Account Resolution as required by CDE.

Kim Lytle presented the Educational Protection Account Resolution and answered the questions of the board.

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

Documents

- FY22.23 iLEAD Online EPA Resolution .pdf
- 

#### 4.3. LCAP

Discuss and take action regarding the 2021-2022 Estimated Actuals.

Lara Durell presented LCAP and answered the questions of the board.

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

Documents

- iLEAD Online 2022-23 LCAP.pdf
- 

#### 4.4. 21-22 Estimated Actuals and Multyyear School Budget

Discuss and take action regarding the 2021-2022 Estimated Actuals and school budget.

Kelly O' Brien 21-22 Estimated Actuals and Multyyear School Budget and answered questions of the board

Motioned: Maria Fiore

Seconded: Brent Pellico

Unanimously Approved

Shawna Brown - Absent

**Due date:**



**Status:** Completed

Documents

- 2022-23 iLEAD Online Preliminary Budget Alternative Form and MYP.pdf
- 

#### 4.5. Revised iLEAD CA Service Agreement

Discuss and take action regarding the revised iLEAD CA Service Agreement.

Kim Lytle presented the Revised iLEAD CA Service Agreement and answered the questions of the board.

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

Documents

- iCA Updated Service Agreement 22-23.pdf
  - 2022-2023 iCA Strategic Goals and Accomplishments 21-22.pptx.pdf
- 

#### 4.6. iCA Special Education Shared Service Agreement

Discuss and take action regarding the revised iLEAD Special Education Service Agreement.

Amanda Fischer presented the iCA Special Education Shared Service Agreement

and answered questions from the board.

Motioned: Maria Fiore

Seconded: Brent Pellico

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

---

#### 4.7. Revised Employee Guidebook

Discuss and take action regarding the revised Employee Guidebook with required changes to reflect current practices, procedures, and/or laws.

Natasha Baugh presented the Revised Employee Guidebook and answered questions of the board.

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**



**Status:** Completed

Documents

- iLEAD Online \_ Employee Guidebook 22-23 Red Line.pdf
- 

#### 4.8. iLEAD Online/LEEACTON Lease Agreement

Discuss and take action regarding lease for office space.

Kim Lytle presented the iLEAD Online/LEEACTON Lease Agreement and answered questions of the board.

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

---

#### 4.9. Revised Cell Phone Policy

Discuss and take action regarding the revised Cell Phone policy.

Kim Lytle presented the Revised Cell Phone Policy and answered questions of the board.

Motioned: Maria Fiore

Seconded: Brent Pellico

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

---

Documents

- Revised - OnlineCellPhonePolicy(1).pdf
- 

#### 4.10. 2022 - 2023 Board Meeting Dates

Discuss and take action regarding the 2022 - 2023 Board Meeting Dates.

Kim Lytle presented the 2022 - 2023 Board Meeting Dates and answered questions of the board.

Motioned: Maria Fiore

Seconded: Brent Pellico

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

---

Documents

- Draft - iLEAD Online 2022-2023 Board Meeting Dates.pdf
-



#### 4.11. 2022-2023 Insurance Policies

Discuss and take action regarding the 2022-2023 insurance policies.

Espi Briones presented 2022-2023 Insurance Policies and answered questions of the board.

Motioned: Brent Pellico

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

Documents

- iLEAD Online Board Resolution - Insurance Policy 2022-2023.pdf
- 

#### 4.12. Mission Valley Bank Account Signatories and Accounts

Discuss and take action regarding revision of Mission Valley Bank signatories and accounts.

Keith Gallion Mission Valley Bank Account Signatories and Accounts

and answered questions of the board.

Motioned: Christopher Bojorquez

Seconded: Maria Fiore

Unanimously Approved

Shawna Brown - Absent

**Due date:**

**Status:** Completed

Documents

- Mission Valley Bank Resolution.pdf
- 

### 5. Board Comments

---

#### 5.1. Board Comments

Maria Fiore is very happy to have been part of our board and was happy to be able to see all the development and process that took place during these difficult years of the pandemic. Inspired by the caliber of education and grateful for the opportunity.

**Status:** Completed

---

### 6. Closing Items

---

#### 6.1. Next Meeting Date

Pending Action Above

**Status:** Completed



---

## 6.2. Adjournment

Adjourned at 5:45 PM

**Status:** Completed

---

## CLOSED SESSION ITEM DESCRIPTIONS UNDER THE RALPH M. BROWN ACT

The following chart can be used when drafting the closed session item descriptions on agendas and minutes of governing board meetings. These item descriptions are from the “safe-harbor” descriptions under Government Code section 54954.5.

<b>GOV. CODE SECTION</b>	<b>CLOSED SESSION ITEM DESCRIPTION</b> <b>(The same language should be used for both the agenda and minutes)</b>
<b>54956.8</b> (Use to discuss the purchase, sale, exchange, or lease of real property by or for the school)	CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code section 54956.8.) Property: <i>[address]</i> Agency negotiator: <i>[name of negotiator]</i> Negotiating parties: <i>[name of opposing party]</i> Under negotiation: <i>[e.g. “price and/or terms of payment”]</i>
<b>54956.9</b> (Use when threatened with litigation or an administrative proceeding, e.g. if the charter authorizer may revoke/ non-renew the charter, or SPED settlements, or potential exposure against the school)	CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Gov. Code section 54956.9(d)(2): <i>[number of matters]</i> matter(s)
<b>54956.9</b> (Use when considering suing someone)	CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Gov. Code section 54956.9(d)(4).): <i>[number of matters]</i> matter(s)).

<p><b>54956.9</b> (Use to confer with, or receive advice from, legal counsel regarding pending litigation)</p>	<p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Gov. Code section 54956.9(d)(1).) Name of Case: <i>[insert case name or number]</i></p> <p><i>OR, if disclosing the case name would jeopardize settlement negotiations, use the following:</i></p> <p>CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Gov. Code section 54956.9(d)(1).) Case Name Unspecified: (disclosure would jeopardize settlement negotiations)</p>
<p><b>54957</b> (Use when discussing the hiring of a new employee)</p>	<p>PUBLIC EMPLOYEE APPOINTMENT (Gov. Code section 54957(b)(1).) Title: <i>[title of position to be filled]</i></p> <p>[See the “<b>NOTES</b>” section below.]</p>
<p><b>54957</b> (Use when reviewing the performance of an existing employee)</p>	<p>PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov. Code section 54957(b)(1).) Title: <i>[title of employee being evaluated]</i></p>
<p><b>54957</b> (Use when discussing the discipline or dismissal of an employee; keep in mind there are also notice obligations for this type of closed session)</p>	<p>PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Gov. Code section 54957(b).)</p>

<p><b>54957.6</b> (Use when negotiating [salaries, compensation, etc.] with represented or unrepresented employees)</p>	<p>CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Agency designated representatives: [<i>names of representatives</i>] Employee Organization: [<i>name of organization representing employees</i>]</p> <p><i>OR, if the employee is unrepresented, use the following:</i></p> <p>CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code section 54957.6.) Unrepresented employee: [<i>title of employee</i>]</p>
<p><b>54957</b> (Use when meeting with law enforcement personnel on matters posing a threat to the security of public buildings or services—this is rare)</p>	<p>THREAT TO PUBLIC SERVICES OR FACILITIES (Gov. Code section 54957(a).) Consultation with: [<i>specify name of law enforcement agency and title of officer</i>]</p>
<p><b>48918(c)</b> (use when discussing student expulsion)</p>	<p>STUDENT EXPULSION (Ed. Code section 48918(c)): ([<i>number of matters</i>] matter(s)).</p>

## **NOTES**

When discussing School Director Evaluation, other than “oblique references” to compensation in closed session (e.g., whether the School Director deserves a raise based on the evaluation), the discussion/decision on that person’s compensation must happen in open session. So usually, the above closed session item would be followed by an open session item such as:

### 1. School Director Employment Agreement

That is where the board can discuss the terms of the contract and proposed compensation, and approve. Remember that when the board takes action on any executive compensation, prior to taking final action the board must orally report a summary of the recommendation for compensation per Gov. Code section 54953(c)(3), and action on executive compensation can only happen at a regular meeting (not a special meeting). The Board must also review for reasonableness, e.g. by looking at comparable data. Below is some sample language for an oral summary, which will need to be revised based on the actual proposed compensation:

“We would like to approve the (name of school) Director Contract for the (xxxx-xxxx) school year, beginning on July 1, (xxxx) and concluding June 30, (xxxx).

School Director’s annual pay has increased (#)% for an annual salary of \$(xxxxxx), with the possibility of annual raises at the board’s discretion, except that she/he will be eligible for cost of living increases given to other staff. She/He will be entitled to participate in the employee benefit program at the same rate as all current employees, which currently is at \$(xxx) per month.”

In practice, the way this usually works is that the board chair, counsel for the school, the school director, and their lawyer if they have one, communicate ahead of the meeting to come up with a compensation number and contract terms to propose to the full board. Or sometimes, the board will appoint an ad hoc committee to do that negotiating work.

Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0910.50 - Online WTB  
Fund Level: Fund  
Index: 50

Account	Description	1st PP-FINAL 6/30/2020	UNADJ 6/30/2021	JE Ref #	AJE 6/30/2021	JE Ref #	RJE 6/30/2021	FINAL 6/30/2021
<b>Group : [1100]</b>	<b>Cash and cash equivalents</b>							
<b>Subgroup : [1100.10]</b>	<b>Cash and cash equivalents</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9145	iLEAD Online - Charter	3,668,507.00	1,098,320.00		0.00		0.00	1,098,320.00
50-9146	iLEAD Online - Vendor	271,124.00	579,052.00		0.00		0.00	579,052.00
50-9147	iLEAD Online - Payroll	401,723.00	83,176.00		0.00		0.00	83,176.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1100.10] Cash and cash equivalents</b>	<b>4,341,354.00</b>	<b>1,760,548.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,760,548.00</b>
<b>Subtotal All Funds Pn Subtotal [1100.10] Cash and cash equivalents</b>		<b>4,341,354.00</b>	<b>1,760,548.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,760,548.00</b>
<b>Subgroup : [1100.20]</b>	<b>Petty Cash</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9101	Petty Cash	250.00	250.00		0.00		0.00	250.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1100.20] Petty Cash</b>	<b>250.00</b>	<b>250.00</b>		<b>0.00</b>		<b>0.00</b>	<b>250.00</b>
<b>Subtotal All Funds Pn Subtotal [1100.20] Petty Cash</b>		<b>250.00</b>	<b>250.00</b>		<b>0.00</b>		<b>0.00</b>	<b>250.00</b>
<b>All Funds Presented</b>	<b>Group Total [1100] Cash and cash equivalents</b>	<b>4,341,604.00</b>	<b>1,760,798.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,760,798.00</b>
<b>Group : [1300]</b>	<b>Receivables</b>							
<b>Subgroup : [1300.10]</b>	<b>Accounts and student receivable</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9202	AR - State Funds	0.00	214,527.00		0.00		0.00	214,527.00
50-9203	AR - Local Funds	0.00	(211,579.00)		211,579.00		0.00	0.00
				AJE - 35	211,579.00			
50-9210	AR - Federal Funding	0.00	43,108.00		0.00		(40,952.00)	2,156.00
						RJE - 29	(40,952.00)	
50-9215	AR - State Funding	60,656.00	9,917.00		0.00		(5,325.00)	4,592.00
						RJE - 29	(5,325.00)	
50-9220	AR - Due from Districts	0.00	(54,954.00)		0.00		0.00	(54,954.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1300.10] Accounts and student receivable</b>	<b>60,656.00</b>	<b>1,019.00</b>		<b>211,579.00</b>		<b>(46,277.00)</b>	<b>166,321.00</b>
<b>Subtotal All Funds Pn Subtotal [1300.10] Accounts and student receivable</b>		<b>60,656.00</b>	<b>1,019.00</b>		<b>211,579.00</b>		<b>(46,277.00)</b>	<b>166,321.00</b>
<b>Subgroup : [1300.90]</b>	<b>Other AR</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9225	AR - Other/Miscellaneous	9,241.00	288,330.00		345,537.00		(633,867.00)	0.00
				AJE - 40	51,924.00		40,952.00	
				AJE - 42	255,671.00		(329,282.00)	
				AJE - 48	37,830.00		(44,433.00)	
				AJE - 51	112.00		(264,692.00)	
						RJE - 34	(264,692.00)	
						RJE - 36	1,530.00	
						RJE - 46	(107,286.00)	
						RJE - 49	(31,292.00)	
						RJE - 53	100,636.00	
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1300.90] Other AR</b>	<b>9,241.00</b>	<b>288,330.00</b>		<b>345,537.00</b>		<b>(633,867.00)</b>	<b>0.00</b>
<b>Subtotal All Funds Pn Subtotal [1300.90] Other AR</b>		<b>9,241.00</b>	<b>288,330.00</b>		<b>345,537.00</b>		<b>(633,867.00)</b>	<b>0.00</b>
<b>Subgroup : [1300.20]</b>	<b>Accounts receivable related party or intercompany</b>							
<b>Fund : 50</b>	<b>Online</b>							
50- 9253	AR - Due to/from iLEAD Hybrid	182,183.00	0.00		0.00		145,964.00	145,964.00
						RJE - 27	145,964.00	
50-9251	AR - Due to/from SCVi	(34,965.00)	(34,965.00)		0.00		0.00	(34,965.00)
50-9253	AR - Due to/from iLEAD CA Charters	(238,045.00)	(40,699.00)		(255,671.00)		(191,492.00)	(487,862.00)
				AJE - 42	(255,671.00)		(145,964.00)	
						RJE - 27	(145,964.00)	
						RJE - 34	264,692.00	
						RJE - 34	(209,584.00)	
						RJE - 53	(100,636.00)	
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1300.20] Accounts receivable related party or</b>	<b>(90,827.00)</b>	<b>(75,664.00)</b>		<b>(255,671.00)</b>		<b>(45,528.00)</b>	<b>(376,863.00)</b>
<b>Subtotal All Funds Pn Subtotal [1300.20] Accounts receivable related party or int</b>		<b>(90,827.00)</b>	<b>(75,664.00)</b>		<b>(255,671.00)</b>		<b>(45,528.00)</b>	<b>(376,863.00)</b>
<b>Subgroup : [1300.30]</b>	<b>MLN Interco Accounts</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9250	AR - Due to/from iLEAD Schools Development	233,071.00	233,287.00		0.00		13,342.00	246,629.00
						RJE - 36	(1,530.00)	
						RJE - 37	(16,420.00)	
						RJE - 49	31,292.00	
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1300.30] MLN Interco Accounts</b>	<b>233,071.00</b>	<b>233,287.00</b>		<b>0.00</b>		<b>13,342.00</b>	<b>246,629.00</b>
<b>Subtotal All Funds Pn Subtotal [1300.30] MLN Interco Accounts</b>		<b>233,071.00</b>	<b>233,287.00</b>		<b>0.00</b>		<b>13,342.00</b>	<b>246,629.00</b>
<b>All Funds Presented</b>	<b>Group Total [1300] Receivables</b>	<b>212,141.00</b>	<b>446,972.00</b>		<b>301,445.00</b>		<b>(712,330.00)</b>	<b>36,087.00</b>
<b>Group : [1500]</b>	<b>Prepaid expenses and other current assets</b>							
<b>Subgroup : [1500.10]</b>	<b>Prepaid expenses and other assets</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9310	Prepaid Expenditures (Expenses)	10,892.00	12,665.00		0.00		0.00	12,665.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [1500.10] Prepaid expenses and other assets</b>	<b>10,892.00</b>	<b>12,665.00</b>		<b>0.00</b>		<b>0.00</b>	<b>12,665.00</b>
<b>Subtotal All Funds Pn Subtotal [1500.10] Prepaid expenses and other assets</b>		<b>10,892.00</b>	<b>12,665.00</b>		<b>0.00</b>		<b>0.00</b>	<b>12,665.00</b>
<b>All Funds Presented</b>	<b>Group Total [1500] Prepaid expenses and other current as</b>	<b>10,892.00</b>	<b>12,665.00</b>		<b>0.00</b>		<b>0.00</b>	<b>12,665.00</b>

Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0910.50 - Online WTB  
Fund Level: Fund  
Index: 50

Account	Description	1st PP-FINAL 6/30/2020	UNADJ 6/30/2021	JE Ref #	AJE 6/30/2021	JE Ref #	RJE 6/30/2021	FINAL 6/30/2021
<b>Group : [2100]</b>	<b>Accounts payable</b>							
<b>Subgroup : [2100.10]</b>	<b>Accounts payable</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9500	Accounts Payable (Main)	(7,023.00)	(241,369.00)		6,564.00		226,004.00	(8,801.00)
				AJE - 22	6,564.00	RJE - 34 RJE - 37	209,584.00 16,420.00	
<b>Subtotal Fund : 50</b>	<b>Subgroup : [2100.10] Accounts payable</b>	<b>(7,023.00)</b>	<b>(241,369.00)</b>		<b>6,564.00</b>		<b>226,004.00</b>	<b>(8,801.00)</b>
<b>Subtotal All Funds Pn Subtotal [2100.10] Accounts payable</b>		<b>(7,023.00)</b>	<b>(241,369.00)</b>		<b>6,564.00</b>		<b>226,004.00</b>	<b>(8,801.00)</b>
<b>Subgroup : [2100.20]</b>	<b>Other AP</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9519	Accounts Payable (Other)	(2,327,798.00)	(362,852.00)		(16,188.00)		379,040.00	0.00
				AJE - 22 AJE - 31	(6,564.00) (9,624.00)	RJE - 29 RJE - 30 RJE - 30	5,325.00 44,433.00 329,282.00	
<b>Subtotal Fund : 50</b>	<b>Subgroup : [2100.20] Other AP</b>	<b>(2,327,798.00)</b>	<b>(362,852.00)</b>		<b>(16,188.00)</b>		<b>379,040.00</b>	<b>0.00</b>
<b>Subtotal All Funds Pn Subtotal [2100.20] Other AP</b>		<b>(2,327,798.00)</b>	<b>(362,852.00)</b>		<b>(16,188.00)</b>		<b>379,040.00</b>	<b>0.00</b>
<b>All Funds Presented</b>	<b>Group Total [2100] Accounts payable</b>	<b>(2,334,821.00)</b>	<b>(604,221.00)</b>		<b>(9,624.00)</b>		<b>605,044.00</b>	<b>(8,801.00)</b>
<b>Group : [2400]</b>	<b>Accrued liabilities</b>							
<b>Subgroup : [2400.20]</b>	<b>Accrued payroll and fringe benefits</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9520	Payroll Liabilities	(3.00)	50,855.00		(45,907.00)		0.00	4,948.00
				AJE - 40 AJE - 50	(50,855.00) 4,948.00			
50-9530	Employee Benefits Payable	(17,927.00)	(17,927.00)		17,927.00		0.00	0.00
				AJE - 40	17,927.00			
50-9535	Retirement Liability	(11,424.00)	(107,286.00)		0.00		107,286.00	0.00
50-9536	403b Payable	(4,600.00)	(5,360.00)		0.00		0.00	(5,360.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [2400.20] Accrued payroll and fringe benefits</b>	<b>(33,954.00)</b>	<b>(79,718.00)</b>		<b>(27,980.00)</b>		<b>107,286.00</b>	<b>(412.00)</b>
<b>Subtotal All Funds Pn Subtotal [2400.20] Accrued payroll and fringe benefits</b>		<b>(33,954.00)</b>	<b>(79,718.00)</b>		<b>(27,980.00)</b>		<b>107,286.00</b>	<b>(412.00)</b>
<b>Subgroup : [2400.30]</b>	<b>Other Accrued Liabilities</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9540	Use Tax Payable	20,798.00	1,991.00		0.00		0.00	1,991.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [2400.30] Other Accrued Liabilities</b>	<b>20,798.00</b>	<b>1,991.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,991.00</b>
<b>Subtotal All Funds Pn Subtotal [2400.30] Other Accrued Liabilities</b>		<b>20,798.00</b>	<b>1,991.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,991.00</b>
<b>All Funds Presented</b>	<b>Group Total [2400] Accrued liabilities</b>	<b>(13,156.00)</b>	<b>(77,727.00)</b>		<b>(27,980.00)</b>		<b>107,286.00</b>	<b>1,579.00</b>
<b>Group : [2200]</b>	<b>Notes payable and long-term debt</b>							
<b>Subgroup : [2200.20]</b>	<b>Current portion of long-term debt</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9640	Current Loans	(406,100.00)	(49,888.00)		0.00		0.00	(49,888.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [2200.20] Current portion of long-term debt</b>	<b>(406,100.00)</b>	<b>(49,888.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(49,888.00)</b>
<b>Subtotal All Funds Pn Subtotal [2200.20] Current portion of long-term debt</b>		<b>(406,100.00)</b>	<b>(49,888.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(49,888.00)</b>
<b>All Funds Presented</b>	<b>Group Total [2200] Notes payable and long-term debt</b>	<b>(406,100.00)</b>	<b>(49,888.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(49,888.00)</b>
<b>Group : [2500]</b>	<b>Deferred Revenue</b>							
<b>Subgroup : [2500.10]</b>	<b>Deferred Revenue</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9650	Deferred Revenue	0.00	(123,930.00)		0.00		0.00	(123,930.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [2500.10] Deferred Revenue</b>	<b>0.00</b>	<b>(123,930.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(123,930.00)</b>
<b>Subtotal All Funds Pn Subtotal [2500.10] Deferred Revenue</b>		<b>0.00</b>	<b>(123,930.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(123,930.00)</b>
<b>All Funds Presented</b>	<b>Group Total [2500] Deferred Revenue</b>	<b>0.00</b>	<b>(123,930.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(123,930.00)</b>
<b>Group : [3000]</b>	<b>Net assets</b>							
<b>Subgroup : [3000.10U]</b>	<b>Net assets - unrestricted</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-9701	Unrestricted Net Assets	(1,970,962.00)	(1,810,560.00)		(269,248.00)		0.00	(2,079,808.00)
				AJE - 35 AJE - 35	(211,579.00) (57,669.00)			
<b>Subtotal Fund : 50</b>	<b>Subgroup : [3000.10U] Net assets - unrestricted</b>	<b>(1,970,962.00)</b>	<b>(1,810,560.00)</b>		<b>(269,248.00)</b>		<b>0.00</b>	<b>(2,079,808.00)</b>
<b>Subtotal All Funds Pn Subtotal [3000.10U] Net assets - unrestricted</b>		<b>(1,970,962.00)</b>	<b>(1,810,560.00)</b>		<b>(269,248.00)</b>		<b>0.00</b>	<b>(2,079,808.00)</b>
<b>All Funds Presented</b>	<b>Group Total [3000] Net assets</b>	<b>(1,970,962.00)</b>	<b>(1,810,560.00)</b>		<b>(269,248.00)</b>		<b>0.00</b>	<b>(2,079,808.00)</b>
<b>Group : [4000]</b>	<b>REVENUES</b>							
<b>Subgroup : [4000.02U]</b>	<b>STATE AID REVENUE - UR</b>							
<b>Fund : 50</b>	<b>Online</b>							
50-8011	State Funding - Current Year LCFF	(1,882,720.00)	(1,888,966.00)		0.00		0.00	(1,888,966.00)
50-8012	State Funding - EPA	(41,378.00)	(41,378.00)		0.00		0.00	(41,378.00)

Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0910.50 - Online WTB  
Fund Level: Fund  
Index: 50

Account	Description	1st PP-FINAL 6/30/2020	UNADJ 6/30/2021	JE Ref #	AJE 6/30/2021	JE Ref #	RJE 6/30/2021	FINAL 6/30/2021
50-8019	State Funding - Prior Years	287,158.00	0.00		0.00		0.00	0.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4000.02U] STATE AID REVENUE - UR</b>	<b>(1,636,940.00)</b>	<b>(1,930,344.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(1,930,344.00)</b>
<b>Subtotal All Funds Pn Subtotal [4000.02U] STATE AID REVENUE - UR</b>		<b>(1,636,940.00)</b>	<b>(1,930,344.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(1,930,344.00)</b>
<b>Subgroup : [4000.04U] OTHER STATE REVENUE - UR</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-8311	Other State Apportionments - Special Education	(70,190.00)	(125,427.00)		0.00		0.00	(125,427.00)
50-8312	Other State Apportionments - Special Education Mental Health	(1,993.00)	(11,285.00)		0.00		0.00	(11,285.00)
50-8319	Other State Apportionments - Prior Year	0.00	(164.00)		0.00		0.00	(164.00)
50-8550	State Mandated Costs	(16,215.00)	(7,685.00)		0.00		0.00	(7,685.00)
50-8560	State Lottery	(274,981.00)	(51,779.00)		0.00		0.00	(51,779.00)
50-8590	All Other State Revenues	0.00	(20,302.00)		0.00		0.00	(20,302.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4000.04U] OTHER STATE REVENUE - UR</b>	<b>(363,379.00)</b>	<b>(216,642.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(216,642.00)</b>
<b>Subtotal All Funds Pn Subtotal [4000.04U] OTHER STATE REVENUE - UR</b>		<b>(363,379.00)</b>	<b>(216,642.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(216,642.00)</b>
<b>Subgroup : [4000.05U] FEDERAL REVENUE - UR</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-8290	Federal Revenue - All Other Federal Revenue	(92,768.00)	(36,558.00)		0.00		0.00	(36,558.00)
50-8291	Federal Revenue - Other Revenue	0.00	(23,809.00)		0.00		0.00	(23,809.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4000.05U] FEDERAL REVENUE - UR</b>	<b>(92,768.00)</b>	<b>(60,367.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(60,367.00)</b>
<b>Subtotal All Funds Pn Subtotal [4000.05U] FEDERAL REVENUE - UR</b>		<b>(92,768.00)</b>	<b>(60,367.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(60,367.00)</b>
<b>Subgroup : [4000.06U] OTHER LOCAL REVENUE - UR</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-8096	State Funding - Property Taxes	(62,915.00)	(96,620.00)		0.00		0.00	(96,620.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4000.06U] OTHER LOCAL REVENUE - UR</b>	<b>(62,915.00)</b>	<b>(96,620.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(96,620.00)</b>
<b>Subtotal All Funds Pn Subtotal [4000.06U] OTHER LOCAL REVENUE - UR</b>		<b>(62,915.00)</b>	<b>(96,620.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(96,620.00)</b>
<b>Subgroup : [4000.07U] CONTRIBUTIONS- UR</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-8820	Private & Corporate Donations	0.00	(19.00)		0.00		0.00	(19.00)
50-8840	Grants	(1,123.00)	(1,500.00)		0.00		0.00	(1,500.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4000.07U] CONTRIBUTIONS- UR</b>	<b>(1,123.00)</b>	<b>(1,519.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(1,519.00)</b>
<b>Subtotal All Funds Pn Subtotal [4000.07U] CONTRIBUTIONS- UR</b>		<b>(1,123.00)</b>	<b>(1,519.00)</b>		<b>0.00</b>		<b>0.00</b>	<b>(1,519.00)</b>
<b>Subgroup : [4010.02U] PPP Loan Forgiveness - UR</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-8999	PPP Loan Forgiveness	0.00	0.00		0.00		(306,100.00)	(306,100.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4010.02U] PPP Loan Forgiveness - UR</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	RJE - 10	<b>(306,100.00)</b>	<b>(306,100.00)</b>
<b>Subtotal All Funds Pn Subtotal [4010.02U] PPP Loan Forgiveness - UR</b>		<b>0.00</b>	<b>0.00</b>		<b>0.00</b>		<b>(306,100.00)</b>	<b>(306,100.00)</b>
<b>Subgroup : [4010.03U] OTHER REVENUE - UR</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-8690	Misc Local Income	0.00	(306,446.00)		0.00		306,100.00	(346.00)
50-8710	Vendor Program & Online Classes	(661,681.00)	(690,762.00)		57,669.00	RJE - 10	306,100.00	(633,093.00)
<b>Subtotal Fund : 50</b>	<b>Subgroup : [4010.03U] OTHER REVENUE - UR</b>	<b>(661,681.00)</b>	<b>(997,208.00)</b>	AJE - 35	<b>57,669.00</b>		<b>306,100.00</b>	<b>(633,439.00)</b>
<b>Subtotal All Funds Pn Subtotal [4010.03U] OTHER REVENUE - UR</b>		<b>(661,681.00)</b>	<b>(997,208.00)</b>		<b>57,669.00</b>		<b>306,100.00</b>	<b>(633,439.00)</b>
<b>All Funds Presented Group Total [4000] REVENUES</b>		<b>(2,818,806.00)</b>	<b>(3,302,700.00)</b>		<b>57,669.00</b>		<b>0.00</b>	<b>(3,245,031.00)</b>
<b>Group : [5000] EXPENSES</b>								
<b>Subgroup : [5000.07] OTHER SALARIES AND WAGES</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-1110	Credentialed Teacher Salaries	0.00	51,895.00		0.00		0.00	51,895.00
50-1120	Credentialed Home Study Teacher Salaries	661,964.00	1,440,222.00		0.00		0.00	1,440,222.00
50-1130	Credentialed Education Specialist Salaries (SpEd)	47,022.00	57,315.00		0.00		0.00	57,315.00
50-1230	Credentialed Academic Counseling Salaries	132,577.00	0.00		0.00		0.00	0.00
50-1310	Credentialed Directors	116,388.00	239,692.00		0.00		0.00	239,692.00
50-1320	Credentialed Student Support Coordinators (SpEd)	2,800.00	0.00		0.00		0.00	0.00
50-1910	Credentialed Coaching & Curriculum Salaries	162,212.00	0.00		0.00		0.00	0.00
50-1930	Credentialed Other Support	246,542.00	5,053.00		0.00		0.00	5,053.00
50-2110	Classified Elective Salaries	149,535.00	55,027.00		0.00		0.00	55,027.00
50-2120	Classified Classroom Aide Salaries	55,217.00	193,115.00		0.00		0.00	193,115.00
50-2130	Classified Substitutes	7,763.00	0.00		0.00		0.00	0.00
50-2150	Classified Online Teacher	0.00	450.00		0.00		0.00	450.00
50-2210	Classified Ed Specialist Assistants & One on One Aides (SpEd)	0.00	729.00		0.00		0.00	729.00
50-2220	Classified Speech Therapy & Other Services (SpEd)	488.00	0.00		0.00		0.00	0.00
50-2230	Classified Academic Counseling Salaries	1,388.00	0.00		0.00		0.00	0.00
50-2310	Classified Directors	775.00	7,900.00		0.00		0.00	7,900.00
50-2410	Classified Clerical, Technical, and Office Staff Salaries	187,848.00	290,053.00		0.00		0.00	290,053.00
50-2990	Classified Health Office Support (Nurse)	63.00	0.00		0.00		0.00	0.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.07] OTHER SALARIES AND WAGES</b>	<b>1,772,582.00</b>	<b>2,341,451.00</b>		<b>0.00</b>		<b>0.00</b>	<b>2,341,451.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.07] OTHER SALARIES AND WAGES</b>		<b>1,772,582.00</b>	<b>2,341,451.00</b>		<b>0.00</b>		<b>0.00</b>	<b>2,341,451.00</b>
<b>Subgroup : [5000.08] PENSION PLAN ACCRUALS AND CONTRIBUTIONS</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-3101	State Teachers' Retirement System - Credentialed positions	176,437.00	280,244.00		0.00		0.00	280,244.00



Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0910.50 - Online WTB  
Fund Level: Fund  
Index: 50

Account	Description	1st PP-FINAL 6/30/2020	UNADJ 6/30/2021	JE Ref #	AJE 6/30/2021	JE Ref #	RJE 6/30/2021	FINAL 6/30/2021
Subtotal Fund : 50	Subgroup : [5000.08] PENSION PLAN ACCRUALS AND CC	176,437.00	280,244.00		0.00		0.00	280,244.00
Subtotal All Funds Pn	Subtotal [5000.08] PENSION PLAN ACCRUALS AND CONT	176,437.00	280,244.00		0.00		0.00	280,244.00
<b>Subgroup : [5000.09] OTHER EMPLOYEE BENEFITS</b>								
Fund : 50	Online							
50-3401	Health & Welfare Benefits - Credentialed positions	60,590.00	88,049.00	AJE - 40	(17,927.00)		0.00	70,122.00
					(17,927.00)			
50-3402	Health & Welfare Benefits - Classified positions	38,190.00	34,319.00		0.00		0.00	34,319.00
50-3501	State Unemployment Insurance - Credentialed positions	13,712.00	17,320.00		0.00		0.00	17,320.00
50-3502	State Unemployment Insurance - Classified positions	8,318.00	7,625.00		0.00		0.00	7,625.00
50-3601	Worker Compensation Insurance - Credentialed positions	39,763.00	23,152.00		(6,915.00)		0.00	16,237.00
50-3602	Worker Compensation Insurance - Classified positions	11,762.00	2,986.00		1,967.00		0.00	4,953.00
50-3901	Other Benefits - Credentialed positions	95.00	0.00		0.00		0.00	0.00
50-3902	Other Benefits - Classified positions	44.00	0.00		0.00		0.00	0.00
Subtotal Fund : 50	Subgroup : [5000.09] OTHER EMPLOYEE BENEFITS	172,474.00	173,451.00		(22,875.00)		0.00	150,576.00
Subtotal All Funds Pn	Subtotal [5000.09] OTHER EMPLOYEE BENEFITS	172,474.00	173,451.00		(22,875.00)		0.00	150,576.00
<b>Subgroup : [5000.10] PAYROLL TAXES</b>								
Fund : 50	Online							
50-3301	OASDI (Social Security) - Credentialed positions	1,972.00	6,949.00		0.00		0.00	6,949.00
50-3302	OASDI (Social Security) - Classified positions	24,301.00	30,027.00		0.00		0.00	30,027.00
50-3311	Medicare - Credentialed	19,742.00	25,551.00		0.00		0.00	25,551.00
50-3312	Medicare - Classified	5,656.00	5,531.00		0.00		0.00	5,531.00
Subtotal Fund : 50	Subgroup : [5000.10] PAYROLL TAXES	51,671.00	68,058.00		0.00		0.00	68,058.00
Subtotal All Funds Pn	Subtotal [5000.10] PAYROLL TAXES	51,671.00	68,058.00		0.00		0.00	68,058.00
<b>Subgroup : [5000.12] FEES FOR SVC (NON-EE) - LEGAL</b>								
Fund : 50	Online							
50-5808	Professional Services - Legal Fees	10,318.00	4,557.00		0.00		0.00	4,557.00
Subtotal Fund : 50	Subgroup : [5000.12] FEES FOR SVC (NON-EE) - LEGAL	10,318.00	4,557.00		0.00		0.00	4,557.00
Subtotal All Funds Pn	Subtotal [5000.12] FEES FOR SVC (NON-EE) - LEGAL	10,318.00	4,557.00		0.00		0.00	4,557.00
<b>Subgroup : [5000.13] FEES FOR SVC (NON-EE) - ACCOUNTING</b>								
Fund : 50	Online							
50-5803	Professional Services - Business Services	0.00	3,303.00		0.00		0.00	3,303.00
50-5804	Professional Services - Auditing & Tax Preparation	3,539.00	9,713.00		0.00		0.00	9,713.00
Subtotal Fund : 50	Subgroup : [5000.13] FEES FOR SVC (NON-EE) - ACCOUNTING	3,539.00	13,016.00		0.00		0.00	13,016.00
Subtotal All Funds Pn	Subtotal [5000.13] FEES FOR SVC (NON-EE) - ACCOUNTING	3,539.00	13,016.00		0.00		0.00	13,016.00
<b>Subgroup : [5000.17] FEES FOR SVC (NON-EE) - OTHER</b>								
Fund : 50	Online							
50-5801	Professional Services - Service Fees	265,617.00	303,570.00	AJE - 31	9,624.00		0.00	313,194.00
					9,624.00			
50-5802	Professional Services - District Oversight Fees	42,047.00	58,100.00		(37,830.00)		0.00	20,270.00
50-5805	Professional Services - Payroll Fees	18,369.00	13,976.00		(1,069.00)		0.00	12,907.00
				AJE - 40	(1,069.00)			
50-5806	Professional Services - Consultant Fees	8,555.00	750.00		0.00		0.00	750.00
50-5809	Professional Services - Shared/Leased Employees	137,637.00	62,298.00		0.00		0.00	62,298.00
50-5822	Operating Expenditures - Licenses & Other Fees	3,269.00	5,798.00		0.00		0.00	5,798.00
50-5840	Operating Expenditures - Software Licenses	76,486.00	61,955.00		0.00		0.00	61,955.00
50-5850	Student Services Expenditures - Student Information System	17,077.00	25,472.00		0.00		0.00	25,472.00
50-5851	Student Services Expenditures - Student Assessment Services	23.00	948.00		0.00		0.00	948.00
50-5852	Student Services Expenditures - Special Education Contracted	1,629.00	174,776.00		0.00		0.00	174,776.00
50-5853	Student Services Expenditures - Student & Group Activities	860.00	0.00		0.00		0.00	0.00
Subtotal Fund : 50	Subgroup : [5000.17] FEES FOR SVC (NON-EE) - OTHER	571,569.00	707,643.00		(29,275.00)		0.00	678,368.00
Subtotal All Funds Pn	Subtotal [5000.17] FEES FOR SVC (NON-EE) - OTHER	571,569.00	707,643.00		(29,275.00)		0.00	678,368.00
<b>Subgroup : [5000.18] ADVERTISING AND PROMOTIONS</b>								
Fund : 50	Online							
50-5830	Operating Expenditures - Marketing & Advertising	21,664.00	1,471.00		0.00		0.00	1,471.00
Subtotal Fund : 50	Subgroup : [5000.18] ADVERTISING AND PROMOTIONS	21,664.00	1,471.00		0.00		0.00	1,471.00
Subtotal All Funds Pn	Subtotal [5000.18] ADVERTISING AND PROMOTIONS	21,664.00	1,471.00		0.00		0.00	1,471.00
<b>Subgroup : [5000.19] OFFICE EXPENSES</b>								
Fund : 50	Online							
50-4340	Office Supplies	1,504.00	628.00		0.00		0.00	628.00
Subtotal Fund : 50	Subgroup : [5000.19] OFFICE EXPENSES	1,504.00	628.00		0.00		0.00	628.00
Subtotal All Funds Pn	Subtotal [5000.19] OFFICE EXPENSES	1,504.00	628.00		0.00		0.00	628.00
<b>Subgroup : [5000.20] INFORMATION TECHNOLOGY</b>								
Fund : 50	Online							
50-4430	IT Equipment & Supplies	37,792.00	28,988.00		0.00		0.00	28,988.00
50-5910	Telephone & Fax	1,331.00	619.00		0.00		0.00	619.00
50-5920	Internet Services	336.00	5,612.00		0.00		0.00	5,612.00
50-5925	Website/Communication Fees	12,948.00	958.00		0.00		0.00	958.00
Subtotal Fund : 50	Subgroup : [5000.20] INFORMATION TECHNOLOGY	52,407.00	36,177.00		0.00		0.00	36,177.00
Subtotal All Funds Pn	Subtotal [5000.20] INFORMATION TECHNOLOGY	52,407.00	36,177.00		0.00		0.00	36,177.00
<b>Subgroup : [5000.22] OCCUPANCY</b>								
Fund : 50	Online							

Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0910.50 - Online WTB  
Fund Level: Fund  
Index: 50

Account	Description	1st PP-FINAL 6/30/2020	UNADJ 6/30/2021	JE Ref #	AJE 6/30/2021	JE Ref #	RJE 6/30/2021	FINAL 6/30/2021
50-4355	Facilities Supplies	0.00	4.00		0.00		0.00	4.00
50-5510	Utilities - Electricity	0.00	274.00		0.00		0.00	274.00
50-5520	Utilities - Gas	0.00	193.00		0.00		0.00	193.00
50-5560	Operations - Security	0.00	259.00		0.00		0.00	259.00
50-5570	Utilities - Other	0.00	179.00		0.00		0.00	179.00
50-5610	Rent - Facilities Rent and CAM Charges	0.00	21,279.00		0.00		0.00	21,279.00
50-5630	Repairs & Maintenance - Facilities	0.00	91.00		0.00		0.00	91.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.22] OCCUPANCY</b>	<b>0.00</b>	<b>22,279.00</b>		<b>0.00</b>		<b>0.00</b>	<b>22,279.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.22] OCCUPANCY</b>		<b>0.00</b>	<b>22,279.00</b>		<b>0.00</b>		<b>0.00</b>	<b>22,279.00</b>
<b>Subgroup : [5000.23] TRAVEL</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-5210	Travel for PD, Conferences, & School Development	14,544.00	0.00		0.00		0.00	0.00
50-5220	Travel for Intersite Business - Mileage	5,291.00	0.00		0.00		0.00	0.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.23] TRAVEL</b>	<b>19,835.00</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.23] TRAVEL</b>		<b>19,835.00</b>	<b>0.00</b>		<b>0.00</b>		<b>0.00</b>	<b>0.00</b>
<b>Subgroup : [5000.25] CONFERENCES, CONVENTIONS AND MTGS</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-5230	Conference & Workshop Registration Fees	4,794.00	3,048.00		0.00		0.00	3,048.00
50-5240	Professional Development - Meetings & Collaborations	3,908.00	4,101.00		0.00		0.00	4,101.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.25] CONFERENCES, CONVENTIONS AND</b>	<b>8,702.00</b>	<b>7,149.00</b>		<b>0.00</b>		<b>0.00</b>	<b>7,149.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.25] CONFERENCES, CONVENTIONS AND</b>		<b>8,702.00</b>	<b>7,149.00</b>		<b>0.00</b>		<b>0.00</b>	<b>7,149.00</b>
<b>Subgroup : [5000.26] INTEREST</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-5826	Operating Expenditures - Interest	0.00	1,629.00		0.00		0.00	1,629.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.26] INTEREST</b>	<b>0.00</b>	<b>1,629.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,629.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.26] INTEREST</b>		<b>0.00</b>	<b>1,629.00</b>		<b>0.00</b>		<b>0.00</b>	<b>1,629.00</b>
<b>Subgroup : [5000.29] INSURANCE</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-5410	Liability Insurance	35,213.00	15,986.00		(112.00)		0.00	15,874.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.29] INSURANCE</b>	<b>35,213.00</b>	<b>15,986.00</b>		<b>(112.00)</b>		<b>0.00</b>	<b>15,874.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.29] INSURANCE</b>		<b>35,213.00</b>	<b>15,986.00</b>		<b>(112.00)</b>		<b>0.00</b>	<b>15,874.00</b>
<b>Subgroup : [5000.30] OTHER EXPENSES - ALL OTHER</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-4345	Printing & Reproduction Supplies	1,918.00	209.00		0.00		0.00	209.00
50-4420	NonClassroom Furniture & Equipment	1,894.00	0.00		0.00		0.00	0.00
50-5310	Professional Dues, Memberships, and Subscriptions	6,148.00	6,224.00		0.00		0.00	6,224.00
50-5823	Operating Expenditures - Fingerprinting Fees	124.00	0.00		0.00		0.00	0.00
50-5825	Operating Expenditures - Banking Charges & Fees	9,166.00	14,048.00		0.00		0.00	14,048.00
50-5828	Operating Expenditures - Staff Recruitment	3,000.00	0.00		0.00		0.00	0.00
50-5829	Operating Expenditures - Events	1,162.00	380.00		0.00		0.00	380.00
50-5915	Cell Phones	2,993.00	9,255.00		0.00		0.00	9,255.00
50-5930	Freight Expense	37.00	0.00		0.00		0.00	0.00
50-5940	Postage Expense	800.00	4,700.00		0.00		0.00	4,700.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.30] OTHER EXPENSES - ALL OTHER</b>	<b>27,242.00</b>	<b>34,816.00</b>		<b>0.00</b>		<b>0.00</b>	<b>34,816.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.30] OTHER EXPENSES - ALL OTHER</b>		<b>27,242.00</b>	<b>34,816.00</b>		<b>0.00</b>		<b>0.00</b>	<b>34,816.00</b>
<b>Subgroup : [5000.31] Instructional Materials</b>								
<b>Fund : 50</b>	<b>Online</b>							
50-4110	Core Curriculum - Texts, Workbooks, etc	681.00	1,807.00		0.00		0.00	1,807.00
50-4120	Core Curriculum - Software & Programs	2,460.00	21,106.00		0.00		0.00	21,106.00
50-4130	Other Curriculum	7,375.00	218.00		0.00		0.00	218.00
50-4220	Other Books & References	35.00	0.00		0.00		0.00	0.00
50-4305	Educational Supplies (Classroom, Project, SpEd, Etc)	35,415.00	16,220.00		0.00		0.00	16,220.00
50-4310	Science Supplies	7,545.00	0.00		0.00		0.00	0.00
50-4315	Art Supplies	540.00	0.00		0.00		0.00	0.00
50-4317	Assessment Supplies	0.00	685.00		0.00		0.00	685.00
<b>Subtotal Fund : 50</b>	<b>Subgroup : [5000.31] Instructional Materials</b>	<b>54,051.00</b>	<b>40,036.00</b>		<b>0.00</b>		<b>0.00</b>	<b>40,036.00</b>
<b>Subtotal All Funds Pn Subtotal [5000.31] Instructional Materials</b>		<b>54,051.00</b>	<b>40,036.00</b>		<b>0.00</b>		<b>0.00</b>	<b>40,036.00</b>
<b>All Funds Presented</b>	<b>Group Total [5000] EXPENSES</b>	<b>2,979,208.00</b>	<b>3,748,591.00</b>		<b>(52,262.00)</b>		<b>0.00</b>	<b>3,696,329.00</b>

Board of Directors  
iLEAD Online Charter School  
Acton, California

We have audited the financial statements of iLEAD Online Charter School as of and for the year ended June 30, 2021, and have issued our report thereon dated July 20, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Appeals Panel*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings**

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

##### **Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by iLEAD Online Charter School are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021.

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

##### **Accounting estimates**

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

##### **Financial statement disclosures**

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

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

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

Our audit deadline is January 31, 2022 and management needed additional time due to the pandemic and closing the financial statements while transitioning to a new accounting system for 2020-21. This required that they submit a large number of closing entries to complete our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

The attached schedule summarizes all client-prepared adjustments and misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management

***Disagreements with management***

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

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated July 20, 2022.

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

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

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

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

***Other audit findings or issues***

The following describes findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

**Internal Controls Relating to Closing Process**

**Type of finding:** Material weakness in internal controls over the closing process.

**Condition:** During the course of our audit, we experienced significant delays in completing and issuing the audit report due to delays in the closing process. A total of 18 adjustments were received after the trial balance was provided which were a both client provided adjustments and audit adjustments.

**Criteria or specific requirement:** The closing process should include review of financial information and supporting schedules to ensure proper recording of all transactions in accordance with GAAP.

**Effect:** The audit report was not submitted by the state deadline.

**Cause:** Staffing shortages and challenges due to the COVID-19 pandemic.

**Repeat finding:** Not a repeat finding.

**Recommendation:** We recommend that the School update its year-end closing procedures to include additional review to ensure all transactions are accounted for in accordance with GAAP.

#### **Other information in documents containing audited financial statements**

With respect to the Local Education Agency Organization Structure, Schedule of Instructional Time, and Reconciliation of Annual Financial Report with Audited Financial Statements, are presented for purposes of additional analysis and are not a required part of the basic financial statement. (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 20, 2022.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

#### ***Upcoming accounting standards***

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

##### **Leases –**

- Effective for fiscal years beginning after December 15, 2018 for public entities and December 15, 2021 for nonpublic entities. For your entity – June 30, 2023's financial statements.
- Requires lessees to recognize the assets and liabilities arising from all leases on the statement of financial position.
- A lessee should recognize the liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term.

- Continued differentiation between finance and operating leases.

\* \* \*

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

**CliftonLarsonAllen LLP**

Glendora, California  
July 20, 2022

Client: 213-115090 - *Maker Learning Network*  
Engagement: AUD 2021 - *Maker Learning Network*  
Period Ending: 6/30/2021  
Trial Balance: 0900 - *NFP Fund Trial Balance*  
Workpaper: 0114.25a - *Combined Journal Entries Report - Online*  
Fund Level: Fund  
Index: 50

Account	Description	W/P Ref	Debit	Credit
---------	-------------	---------	-------	--------

#### Adjusting Journal Entries

##### Adjusting Journal Entries JE # 22

2100.01

1

PBC Entry to true up AP Listings to 9500 account with balance to Other AP account for further reconciliation work.

50-9500	Accounts Payable (Main)		6,564.00	
50-9519	Accounts Payable (Other)			6,564.00
<b>Total</b>			<b>6,564.00</b>	<b>6,564.00</b>

##### Adjusting Journal Entries JE # 31

5300.01

2

To true up service fees with MLN per audit.

50-5801	Professional Services - Service Fees		9,624.00	
50-9519	Accounts Payable (Other)			9,624.00
<b>Total</b>			<b>9,624.00</b>	<b>9,624.00</b>

##### Adjusting Journal Entries JE # 35

0929.08

3

Client AJE for Online Tuition, MLN and SCVi, Bond Transactions from facility reimbursement of expenses for iLEAD Lancaster..

50-8710	Vendor Program & Online Classes		57,669.00	
50-9203	AR - Local Funds		211,579.00	
50-9701	Unrestricted Net Assets			57,669.00
50-9701	Unrestricted Net Assets			211,579.00
<b>Total</b>			<b>269,248.00</b>	<b>269,248.00</b>

##### Adjusting Journal Entries JE # 40

0929.10

4

PBC Entry to clear out debit balances to payroll liabilities and clearout PY payroll benefits for iLEAD Online.

50-9225	AR - Other/Miscellaneous		51,924.00	
50-9530	Employee Benefits Payable		17,927.00	
50-3401	Health & Welfare Benefits - Credentialed positions			17,927.00
50-5805	Professional Services - Payroll Fees			1,069.00
50-9520	Payroll Liabilities			50,855.00
<b>Total</b>			<b>69,851.00</b>	<b>69,851.00</b>

##### Adjusting Journal Entries JE # 42

0910.01

5

To move Other AR to interfund accounts and balancing to fund 31.

50-9225	AR - Other/Miscellaneous		255,671.00	
50-9253	AR - Due to/from iLEAD CA Charters			255,671.00
<b>Total</b>			<b>255,671.00</b>	<b>255,671.00</b>

##### Adjusting Journal Entries JE # 48

5400.01

6

To adjust district oversight fees per invoiced amount.

50-9225	AR - Other/Miscellaneous		37,830.00	
50-5802	Professional Services - District Oversight Fees			37,830.00
<b>Total</b>			<b>37,830.00</b>	<b>37,830.00</b>

##### Adjusting Journal Entries JE # 50

2300.02

7

PBC Entry to record worker's compensation expense.

50-3602	Worker Compensation Insurance - Classified positions		1,967.00	
50-9520	Payroll Liabilities		4,948.00	
50-3601	Worker Compensation Insurance - Credentialed positions			6,915.00
<b>Total</b>			<b>6,915.00</b>	<b>6,915.00</b>

Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0114.25a - Combined Journal Entries Report - Online  
Fund Level: Fund  
Index: 50

Account	Description	W/P Ref	Debit	Credit
---------	-------------	---------	-------	--------

#### Adjusting Journal Entries JE # 51

5500.01

8

PBC Entry to properly record liability insurance expenses.

50-9225	AR - Other/Miscellaneous		112.00	
50-5410	Liability Insurance			112.00
<b>Total</b>			<b>112.00</b>	<b>112.00</b>

#### Total Adjusting Journal Entries

**655,815.00** **655,815.00**

#### Reclassifying Journal Entries

#### Reclassifying Journal Entries JE # 10

2200.03

9

To reclass PPP Loan Forgiveness for FS Presentation.

50-8690	Misc Local Income		306,100.00	
50-8999	PPP Loan Forgiveness			306,100.00
<b>Total</b>			<b>306,100.00</b>	<b>306,100.00</b>

#### Reclassifying Journal Entries JE # 27

None

10

To balance intercompany AR and AP between iLEAD Schools.

50- 9253	AR - Due to/from iLEAD Hybrid		145,964.00	
50-9253	AR - Due to/from iLEAD CA Charters			145,964.00
<b>Total</b>			<b>145,964.00</b>	<b>145,964.00</b>

#### Reclassifying Journal Entries JE # 29

1300.03

11

To reclass AR variances to other AR.

50-9225	AR - Other/Miscellaneous		40,952.00	
50-9519	Accounts Payable (Other)		5,325.00	
50-9210	AR - Federal Funding			40,952.00
50-9215	AR - State Funding			5,325.00
<b>Total</b>			<b>46,277.00</b>	<b>46,277.00</b>

#### Reclassifying Journal Entries JE # 30

1300.01

12

To net other AP and other AR for reconciliation purposes.

50-9519	Accounts Payable (Other)		329,282.00	
50-9519	Accounts Payable (Other)		44,433.00	
50-9225	AR - Other/Miscellaneous			329,282.00
50-9225	AR - Other/Miscellaneous			44,433.00
<b>Total</b>			<b>373,715.00</b>	<b>373,715.00</b>

#### Reclassifying Journal Entries JE # 34

1300.04

13

To reclass interfund iLEAD to iCA Fees to Interco Account.

50-9253	AR - Due to/from iLEAD CA Charters		264,692.00	
50-9500	Accounts Payable (Main)		209,584.00	
50-9225	AR - Other/Miscellaneous			264,692.00
50-9253	AR - Due to/from iLEAD CA Charters			209,584.00
<b>Total</b>			<b>474,276.00</b>	<b>474,276.00</b>

#### Reclassifying Journal Entries JE # 36

2100.01 1300.01

14

To reclass MLN due to/from iLEAD Schools.

50-9225	AR - Other/Miscellaneous		1,530.00	
50-9250	AR - Due to/from iLEAD Schools Development			1,530.00
<b>Total</b>			<b>1,530.00</b>	<b>1,530.00</b>



Client: 213-115090 - Maker Learning Network  
Engagement: AUD 2021 - Maker Learning Network  
Period Ending: 6/30/2021  
Trial Balance: 0900 - NFP Fund Trial Balance  
Workpaper: 0114.25a - Combined Journal Entries Report - Online  
Fund Level: Fund  
Index: 50

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 37</b>				
To reclass MLN payables from 9500 account for iLEAD Schools.				
50-9500	Accounts Payable (Main)	2100.01 15	16,420.00	
50-9250	AR - Due to/from iLEAD Schools Development			16,420.00
<b>Total</b>			<b>16,420.00</b>	<b>16,420.00</b>
<b>Reclassifying Journal Entries JE # 46</b>				
To reclass out 19-20 retirement liabilities to Other AR for reconciliation for interfund payables.				
50-9535	Retirement Liability	2300.01 16	107,286.00	
50-9225	AR - Other/Miscellaneous			107,286.00
<b>Total</b>			<b>107,286.00</b>	<b>107,286.00</b>
<b>Reclassifying Journal Entries JE # 49</b>				
Final Reconciliation Adjustment for MLN interco.				
50-9250	AR - Due to/from iLEAD Schools Development	1300.01 17	31,292.00	
50-9225	AR - Other/Miscellaneous			31,292.00
<b>Total</b>			<b>31,292.00</b>	<b>31,292.00</b>
<b>Reclassifying Journal Entries JE # 53</b>				
Final Other AR Balancing after all adjustments and PBC entries.				
50-9225	AR - Other/Miscellaneous	1300.01 18	100,636.00	
50-9253	AR - Due to/from iLEAD CA Charters			100,636.00
<b>Total</b>			<b>100,636.00</b>	<b>100,636.00</b>
<b>Total Reclassifying Journal Entries</b>			<b>1,603,496.00</b>	<b>1,603,496.00</b>
<b>Total All Journal Entries</b>			<b>2,259,311.00</b>	<b>2,259,311.00</b>

**ILEAD ONLINE CHARTER SCHOOL**

**Charter School Number: #1902**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**

CLA - Draft Not For Distribution

**ILEAD ONLINE CHARTER SCHOOL  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>5</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE</b>	<b>14</b>
<b>SCHEDULE OF INSTRUCTIONAL TIME</b>	<b>15</b>
<b>RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED         FINANCIAL STATEMENTS</b>	<b>16</b>
<b>NOTES TO SUPPLEMENTARY INFORMATION</b>	<b>17</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>18</b>
<b>INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE</b>	<b>20</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	<b>22</b>
<b>SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS</b>	<b>24</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
iLEAD Online Charter School

### **Report on the Financial Statements**

We have audited the accompanying financial statements of iLEAD Online Charter School (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of School as of June 30, 2021, and the changes its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 9 to the financial statements, the School determined that certain tuition revenue billed in the current fiscal year was related to services performed in the previous fiscal year and resulted in an understatement of amounts previously reported for tuition revenue and net assets without donor restriction. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on School's financial statements as a whole. The accompanying supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated July 20, 2022 on our consideration of School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

Glendora, California  
July 20, 2022

**ILEAD ONLINE CHARTER SCHOOL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,760,798
Accounts Receivable	166,321
Prepaid Expenses and Other Assets	<u>12,665</u>
Total Current Assets	1,939,784
 Total Assets	 <u><u>\$ 1,939,784</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable and Accrued Liabilities	\$ 7,222
Intercompany Payables	130,234
Deferred Revenue	123,930
Long-Term Debt Payable, Current Portion	<u>49,888</u>
Total Current Liabilities	311,274
 Total Liabilities	 <u>311,274</u>

**NET ASSETS**

Without Donor Restriction	<u>1,628,510</u>
Total Net Assets	<u>1,628,510</u>
 Total Liabilities and Net Assets	 <u><u>\$ 1,939,784</u></u>

See accompanying Notes to Financial Statements.

**ILEAD ONLINE CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

**REVENUES, WITHOUT DONOR RESTRICTION**

State Revenue:	
State Aid	\$ 1,930,344
Other State Revenue	216,642
Federal Revenue:	
Grants and Entitlements	60,367
Local Revenue:	
In-Lieu Property Tax Revenue	96,620
Contributions	1,519
Tuition Revenue	633,093
PPP Loan Forgiveness	306,100
Other Revenue	346
Total Revenues	<u>3,245,031</u>

**EXPENSES**

Program Services	2,970,064
Management and General	<u>726,265</u>
Total Expenses	<u>3,696,329</u>

**CHANGE IN NET ASSETS**

(451,298)

Net Assets Without Donor Restriction, Beginning of Year	1,810,560
Adjustment for Restatement (See Note 9)	<u>269,248</u>
Restated Net Assets Without Donor Restriction, Beginning of Year	<u>2,079,808</u>

**NET ASSETS WITHOUT DONOR RESTRICTION, END OF YEAR**

\$ 1,628,510

*See accompanying Notes to Financial Statements.*

**ILEAD ONLINE CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (451,298)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities:	
Forgiveness of Debt	(306,100)
(Increase) Decrease in Assets:	
Accounts Receivable	(96,424)
Accounts Receivable - Other	269,248
Intercompany Receivable	142,244
Prepaid Expenses and Other Assets	(1,773)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Liabilities	(2,340,755)
Intercompany Payables	130,234
Deferred Revenue	123,930
Net Cash Used by	
Operating Activities	(2,530,694)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayments of Debt	(50,112)
Net Cash Used by	
Financing Activities	(50,112)

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

(2,580,806)

Cash and Cash Equivalents - Beginning of Year

4,341,604

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 1,760,798

**SUPPLEMENTAL DISCLOSURE OF  
CASH FLOW INFORMATION**

Forgiveness of Debt	\$ 306,100
Cash Paid for Interest	<u>\$ 1,629</u>

See accompanying Notes to Financial Statements.



**I LEAD ONLINE CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021**

	Program Services	Management and General	Total
Salaries and Wages	\$ 2,051,398	\$ 290,053	\$ 2,341,451
Pension Expense	280,244	-	280,244
Other Employee Benefits	145,010	5,566	150,576
Payroll Taxes	63,653	4,405	68,058
Legal Expenses	-	4,557	4,557
Accounting Expenses	-	13,016	13,016
Instructional Materials	40,036	-	40,036
Other Fees for Services	302,722	375,646	678,368
Advertising and Promotion Expenses	-	1,471	1,471
Office Expenses	628	-	628
Information Technology Expenses	36,177	-	36,177
Occupancy Expenses	22,279	-	22,279
Conference and Meeting Expenses	7,149	-	7,149
Interest Expense	-	1,629	1,629
Insurance Expense	-	15,874	15,874
Other Expenses	20,768	14,048	34,816
Total Expenses by Function	<u>\$ 2,970,064</u>	<u>\$ 726,265</u>	<u>\$ 3,696,329</u>

See accompanying Notes to Financial Statements.

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

iLEAD Online Charter School (the School) is a California nonprofit public benefit corporation and is organized to operate a public charter school.

The School is funded principally through state of California public education monies received through the California Department of Education and the Acton-Agua Dulce Unified School District (the District).

The District has granted the charter through June 30, 2024. The charter may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

**Basis of Accounting**

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

**Basis of Presentation**

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

**Use of Estimates**

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

**Functional Allocation of Expenses**

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

**Cash and Cash Equivalents**

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

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Net Asset Classes**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

**Accounts Receivable**

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2021. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

**Property, Plant, and Equipment**

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

**Revenue Recognition and Disaggregation of Revenue**

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

*Online and Preschool Tuition* - Tuition revenue is recognized at the as amounts are collected and invoiced over the academic year. Tuition and fees are recorded as revenues in the period during which the academic services are rendered. Tuition and fees received in one academic year which are applicable to the following year are reflected as deferred revenue. As of June 30, 2021, there were no deferred revenue recorded related to tuition revenue.

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Contributions**

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

**Conditional Grants**

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2021, the School has conditional grants of \$582,270 of which \$123,930 is recognized as deferred revenue in the statement of financial position.

**Property Taxes**

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

**Compensated Absences**

The School does not allow employees to carry over unused vacation. Accordingly, there were no accumulated compensated absence benefits at June 30, 2021.

**Income Taxes**

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

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Evaluation of Subsequent Events**

The School has evaluated subsequent events through July 20, 2022, the date these financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and grants receivable for the total amount of \$1,927,119.

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

**NOTE 3 CONCENTRATION OF CREDIT RISK**

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

**NOTE 4 EMPLOYEE RETIREMENT**

**State Teachers' Retirement System (STRS)**

**Plan Description**

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multi-employer public employee retirement system defined benefit pension plan administered by STRS. Plan information for STRS is not publicly available. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2020 total STRS plan net assets are \$283 billion, the total actuarial present value of accumulated plan benefits is \$405 billion, contributions from all employers totaled \$6.1 billion, and the plan is 67.1% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826 and [www.calstrs.com](http://www.calstrs.com).

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**State Teachers' Retirement System (STRS) (Continued)**

**Funding Policy**

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for the year ended June 30, 2021 was 16.5% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The Schools contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2019	\$ 216,229	100%
2020	176,437	100%
2021	280,244	100%

**NOTE 5 NOTES PAYABLE**

**CDE Loan**

The School obtained a one-year notes payable for \$100,000 with the California Department of Education at a 1.13% interest rate. The balance at June 30, 2021 was \$49,888.

Future principal payments are as follows:

<u>Year Ending June 30,</u>	<u>Online</u>
2022	\$ 49,888
Total	<u>\$ 49,888</u>

**NOTE 6 SHARED COSTS AND FEES**

The School pays a service fee to MLN. Total fees for the year ended June 30, 2021 were \$101,348.

The Schools pays a service fee to iLEAD California 1. Total fees for the year ended June 30, 2021 were \$382,276.

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 FUNCTIONALIZED EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function(s). Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, information technology, travel expenses and other expenses, which are allocated on the basis of estimates of time and effort.

**NOTE 8 CONTINGENCIES AND COMMITMENTS**

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

The extent of the impact of COVID-19 on the operational and financial performance of the School will depend on certain developments, including the duration and spread of the outbreak, impact on state and federal funding, donors, employees and vendors; all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations of the School is uncertain.

During the year, the PPP loan principal amount of \$306,100, along with accrued interest, was forgiven by the financial institution. The U.S. Small Business Administration (SBA) may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the School's financial position.

**NOTE 9 ADJUSTMENT FOR RESTATEMENT**

Tuition revenue was billed late in the current fiscal period (2020/21) that related to services performed in the previous fiscal period (19/20). Beginning net assets without donor restriction were increased by \$269,248 related to this revenue.

**SUPPLEMENTARY INFORMATION**

CLA - Draft Not For Distribution



**ILEAD ONLINE CHARTER SCHOOL  
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE  
YEAR ENDED JUNE 30, 2021**

The School began serving students in September 2017, serving students from kindergarten through twelfth grade. The Acton-Agua Dulce School District (the District) has granted the charter through June 30, 2024. The charter may be revoked by the District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Charter school number authorized by the state: 1902

The Board of Directors and the Administrator as of the year ended June 30, 2021 were as follows:

Name	Board Role	Term Expiration	Term (Years)
Shawna Brown	President	12/1/2021	2 Years
Maria Fiore	Secretary	12/1/2023	3 Years
Brent Pelico	Treasurer	12/15/2023	3 Years

Administrator:

Erin Jones

**ILEAD ONLINE CHARTER SCHOOL  
SCHEDULE OF INSTRUCTIONAL TIME  
YEAR ENDED JUNE 30, 2021**

	<u>Instructional Calendar Days</u>	<u>Status</u>
<b>iLEAD Online</b>		
Kindergarten	175	In Compliance
Grade 1	175	In Compliance
Grade 2	175	In Compliance
Grade 3	175	In Compliance
Grade 4	175	In Compliance
Grade 5	175	In Compliance
Grade 6	175	In Compliance
Grade 7	175	In Compliance
Grade 8	175	In Compliance
Grade 9	175	In Compliance
Grade 10	175	In Compliance
Grade 11	175	In Compliance
Grade 12	175	In Compliance

**ILEAD ONLINE CHARTER SCHOOL  
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

June 30, 2021 Annual Financial Report Fund Balances (Net Assets)	\$ 1,591,116
Adjustments and Reclassifications:	
Increase (Decrease) of Fund Balance (Net Assets):	
Cash and Cash Equivalents	(130,483)
Accounts Receivable	21,687
Prepaid Expenses and Other Assets	3,231
Accounts Payable and Accrued Liabilities	194,534
Intercompany Payables	(130,234)
Deferred Revenue	78,545
Notes Payable, Current Portion	114
Net Adjustments and Reclassifications	<u>37,394</u>
June 30, 2021 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 1,628,510</u>

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

**ILEAD ONLINE CHARTER SCHOOL  
NOTES TO SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

**NOTE 1    SCHEDULE OF INSTRUCTIONAL TIME**

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

**NOTE 2    RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS**

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

CLA - Draft Not For Distribution

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

Board of Directors  
iLEAD Online Charter School

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of iLEAD Online Charter School (the School), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated July 20, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Response to Findings**

The School's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

### **CliftonLarsonAllen LLP**

Glendora, California  
July 20, 2022

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors  
iLEAD Online Charter School

We have audited the School's compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2021. The School's state compliance requirements are identified in the table below.

### Management's Responsibility

Management is responsible for the compliance with the state laws and regulations as identified below.

### Auditor's Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the School's compliance.

### Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures Performed</u>
Local Education Agencies:	
Attendance and Distance Learning	Not Applicable
Instructional Time	Yes
School Districts, County Office of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Charter Schools:	
Independent Study-Course Based	Not Applicable
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instructional/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Charter School Facility Grant Program	Not Applicable

### **Opinion on State Compliance**

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2021.

### **Purpose of this Report**

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

### **CliftonLarsonAllen LLP**

Glendora, California  
July 20, 2022



**ILEAD ONLINE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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

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

---

***Financial Reporting Findings***

---

**2021-001 Internal Controls Relating to Closing Process and Restatement 30000**

**Type of finding:** Material weakness in internal controls over the closing process.

**Condition:** During the course of our audit, we experienced significant delays in completing and issuing the audit report due to delays in the closing process. A total of 18 adjustments were received after the trial balance was provided which were a both client provided adjustments and audit adjustments.

In addition, tuition revenue was billed late in the current fiscal period (2020/21) that related to services performed in the previous fiscal period (19/20). Beginning net assets without donor restriction were increased by \$269,248 related to this revenue.

**Criteria or specific requirement:** The closing process should include review of financial information and supporting schedules to ensure proper recording of all transactions in accordance with GAAP.

**Effect:** The audit report was not submitted by the state deadline.

**Cause:** Staffing shortages and challenges due to the COVID-19 pandemic.

**Repeat finding:** Not a repeat finding.

**Recommendation:** We recommend that the School update its year-end closing procedures to include additional review to ensure all transactions are accounted for in accordance with GAAP.

**ILEAD ONLINE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**2021-001 Internal Controls Relating to Closing Process (Continued)**

**30000**

**Views of responsible officials and Corrective Action Plan:** The School will update its monthly and quarterly closing processes to ensure that all transactions have been accounted for in accordance with GAAP. New tools will be developed and implemented before June 30, 2022. The School will assess the current financial staffing, both internal and external, to make sure that the resources to correct this issue are in place.

---

***State Compliance Findings***

---

There were no findings required to be reported under *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel.

**ILEAD ONLINE CHARTER SCHOOL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021**

There were no finding in the year ended June 30, 2020.

CLA - Draft Not For Distribution



## **AB 361 Emergency Legislation Regarding Brown Act Meeting Requirements Board Approved:**

Whereas, the Governor signed an Executive Order Suspending the Brown Act until October 1, 2021,

Whereas, the Governor signed Emergency Legislation AB 361 in September 2021,

Whereas, according to AB 361, the public charter school Board may take advantage of additional flexibility in teleconference meetings so long as the school complies with the following:

- The public has access via internet and/or telephone to the Board meeting and can provide public comment in some electronic form,
- The charter school uses its sound discretion and makes reasonable efforts to adhere, as closely as possible, to the other provisions of the Brown Act in order to maximize transparency and provide public access.

Whereas, AB 361 states that:

- If there is a state of emergency proclaimed by the Governor, the same suspension of teleconferencing rules apply, if either state or local officials have imposed or recommended measures to promote social distancing or, by Board vote a finding imminent risk to health or safety of attendees.

Whereas, SB 361 requires:

- The Board must provide means of how public comment will be available (internet/by phone);
- If a technical disruption occurs, no action can be taken; and
- No early requirement for public comment will be set into place and the Board shall allow for “real time” comments during full public comment period; and
- The Board makes a finding every 30 days to continue teleconferencing.

Therefore, based on the Board’s 30-day reconsideration of the current circumstances of the State of Emergency and situations of the State of Emergency continues to directly impact the ability of members to meet safely in person, and/or the State or local officials continue to impose or recommend measures to promote social distancing;

The Board has determined that it will hold its next meeting in a hybrid mode allowing Board Members and the public to attend the meetings in person using social distancing requirements or virtually given individual needs and choice of the attendee.



**Curriculum and Instruction  
Independent Study Policy**  
**Board Approved:**

**Purpose and Scope**

For iLEAD Online to provide a procedure and a framework for eligible students to enroll in the iLEAD Online Charter ("school") Independent Study programs.

**General**

1. Independent Study students must be enrolled in iLEAD Online Charter.
2. All Independent Study students must sign a new Independent Study Master Agreement ("MA") every year.
3. Independent Study Teacher of Record – A certificated teacher of iLEAD Online schools must supervise, coordinate, and evaluate the work of each student engaged in Independent Study.
4. The Independent Study Teacher of Record may grant no more than one day of apportionment credit (ADA) for each day that the school is in session, and only to the extent of the time value of pupil or student work products as personally judged by Teacher of Record, or the combined time value of pupil work product and pupil participation in synchronous instruction, per learning period.
5. In a charter school, for the purposes of, the ratio of average daily attendance for independent study pupils to full time equivalent FTE certificated employees responsible for independent study shall not exceed a pupil-teacher ratio of 25:1 or the ratio of pupils to full-time equivalent certificated for all other educational programs operated by the largest unified school district, as measured by average daily attendance, as reported at the second principal apportionment in the prior year, in the county or counties in which the charter school operates.
6. An individual with exceptional needs as defined in Education Code Section 56026 may participate in independent study if his or her individualized education program (IEP) specifically provides for that participation.
7. The school shall provide appropriate existing services and resources to enable students to complete their independent study successfully.
8. The School Director shall report to the board the number of students in independent study by typical categories of study and duration; the ADA generated; a description of the students' performance on those indicators of quality which the board may specify; and the number and proportion of students, by typical categories, who graduate or successfully complete their studies.
9. The school will provide content to students aligned to grade level standards that is substantially equivalent to in- person instruction. For high school students, this includes access to all courses offered by the school for graduation and approved by the University of California or the California State University as creditable under the A–G admissions criteria.

Deleted: No

Deleted: unless

Deleted: provided at a level of quality and intellectual challenge substantially equivalent to in-

### Master Agreements

The School Director or designee shall ensure that the school executes a written independent study agreement with each participating student as prescribed by law. Individual independent study agreements and any subordinate contracts and assignments must be consistent with the school's adopted course of study.

The independent study agreement for a student must require and cover a study plan that represents no less than the equivalent of a minimum school day for the student's grade level for every school day covered by the agreement. Written agreements may include subsidiary agreements, such as course contracts.

### Written Learning Agreements shall include

1. A schedule of manner, frequency, date, time, and place for submitting a student's assignments, for reporting the student's academic progress, and for communicating with a student's parent or guardian regarding a pupil's academic progress.
2. The objectives and methods of study for the student's work, and the methods utilized used to evaluate that work.
3. The specific resources, including materials and staff, which will be made available to the student. These resources shall include confirming or providing access to all students to the connectivity and devices adequate to participate in the educational program and complete assigned work.
4. A statement of the school's policies regarding the maximum length of time allowed between the assignment and the completion of a student's assigned work, the level of satisfactory educational progress, and the number of missed assignments allowed before an evaluation of whether or not the student should be allowed to continue in independent study.
5. The duration of the independent study agreement, including the beginning and ending dates for the student's participation in independent study under the agreement. No independent study agreement shall be valid for any period longer than one school year.
6. A statement of the number of course credits or, for the elementary grades, other measures of academic accomplishment appropriate to the agreement, to be earned by the pupil upon completion.
7. A statement detailing the academic and other supports that will be provided to address the needs of students who are not performing at grade level, or need support in other areas, such as English learners, individuals with exceptional needs in order to be consistent with the student's IEP or plan pursuant to Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), students in foster care or experiencing homelessness, and students requiring mental health supports.
8. A statement that independent study is an optional educational alternative in which no student may be required to participate. In the case of a student who is referred or assigned to any school, class, or program pursuant to Education Code Section 48915 or 48917, the agreement also shall include the statement that instruction may be provided to the student through independent study only if the student is offered the alternative of classroom instruction..

**Deleted:** A written independent study agreement shall be executed for each participating student. Each agreement shall be signed and in effect prior to the start of reporting attendance (ADA) pursuant to that agreement. . Notwithstanding the foregoing, for the 2021-22 school year only, each agreement shall be signed no later than 30 days after the first day of instruction. The independent

The learning agreement shall be signed by the pupil and, if the pupil is less than 18 years of age, the pupil's parent or legal guardian, the certificated employee who has been designated as having responsibility for the general supervision of independent study, and the certificated employee designated as having responsibility for the special education programming of the pupil, as applicable. The signed learning agreement constitutes permission from a pupil's parent or legal guardian, if the pupil is less than 18 years of age, for the pupil to receive instruction through independent study.

Deleted:

Deleted: all persons who have direct responsibility for providing assistance to the student. The signed

A physical or electronic copy of the signed learning agreement shall be retained by the charter school for at least three years and as appropriate for auditing purposes.

For purposes of this section, an electronic copy includes a computer or electronic stored image of an original document, including, but not limited to, portable document format, JPEG, or other digital image file type, that may be sent via fax machine, email, or other electronic means.

Before signing a written agreement, the parent or guardian of a student may request that the school conduct a phone, videoconference, or in-person student-parent-educator conference or other school meeting during which the student, parent or guardian, and, if requested by the student or parent, an education advocate, may ask questions about the educational options, including which curriculum offerings and nonacademic supports will be available to the student in independent study, before making the decision about enrollment or disenrollment in the various options for learning.

Deleted: and upon the request of

Deleted: ,

Deleted: shall

#### Participation may be limited

1. An individual with disabilities, as defined in Education Code 56026, may participate in independent study if his/her individualized education program specifically provides for such participation. (Education Code 51745)
2. Students enrolling in independent study must be residents of the local county or an adjacent county. (Education Code 51747.3)

Deleted: No

Deleted: unless

#### Maximum Length of Time to show evidence of work completion

For pupils in all grade levels offered by iLEAD Online charter, the maximum length of time that may elapse to show evidence of work completion shall be twenty (20) school days.

#### Guidelines for Missing Evidence of Work Completion

If any student fails to complete at least 75% of work assigned for one learning period, or is not making satisfactory educational progress as defined below, and/or accumulates 20 absences due to insufficient work completion and/or engagement as evaluated by the facilitator, the school may conduct an evaluation to support the needs of the student, which may result in a determination that this independent study program is not an appropriate fit for the student.

A student is deemed to be making "satisfactory educational progress" if the student is progressing toward meeting the goals and/or metrics pursuant to their Personalized Learning Plan and/or their IEP. The School Director or designee is responsible for making this determination based on all of the following indicators:

1. The student's achievement and engagement in the independent study program, as indicated by the student's performance on student-level measures of student achievement and student engagement set forth in Education Code Section 52060(d)(4)-(5).
2. The completion of assignments, assessments, or other indicators that show the student is working on assignments.
3. Learning required concepts, as determined by the supervising teacher.

4. Progressing toward successful completion of the course of study or individual course, as determined by the supervising teacher.

A written record of the findings of any evaluation conducted pursuant to this policy shall be treated as a mandatory interim pupil record. This record shall be maintained for a period of three (3) years from the date of the evaluation and if the pupil transfers to another California public school, the record shall be forwarded to that school.

Any student wishing to transition to in-person instruction should make a written request to the School Director or designee or to their assigned teacher of record. Upon receipt of the written request, the school will assist the student with enrolling in the in-person program offered by their district of residence and will transfer the student's educational records within five school days.

#### **Tiered Reengagement**

If a student does not generate attendance for more than 10% of required minimum instructional time over four continuous weeks of the school's approved instructional calendar, students found not participatory in synchronous instructional offerings pursuant to Education Code 51747.5 for more than 50% of the scheduled times of synchronous instruction in a school month as applicable by grade span, or for student who are in violation of their written agreement, the school will:

1. Verify current contact information for each enrolled student;
2. Notify parents or guardians of lack of participation within one school day of the student's absence or lack of participation (e.g., via email, message, text, telephone, letter, etc.);
3. Reach out to the student directly and/or parents or guardians, as well as health and social services as necessary, to determine the student's needs for reengagement; and
4. If the student has failed to complete at least 75% of work during one learning period or is failing to make satisfactory educational progress as defined herein, the school will schedule a student-parent-educator conference (a meeting involving all individuals who signed the student's written agreement) to review the student's agreement and reconsider the independent study program's impact on the student's achievement and well-being.
5. Implement any local programs intended to address chronic absenteeism, as applicable.

Deleted: the greater of three schooldays or 60%

Deleted: days

Deleted: three school days or 60% of the instructional days in a school week, or for student who are in

Formatted: Not Expanded by / Condensed by

#### **Live Interaction and Synchronous Instruction**

Based on each student's grade level, their assigned teacher(s) of record will schedule and offer opportunities for synchronous instruction and daily live interaction at least as frequently as set forth below.

"Live interaction" means interaction between the student and school staff, and may include peers, to maintain school connectedness. Examples of live interaction include check-ins, progress monitoring, provision of services, and instruction, and live interaction can be in-person or in the form of internet or telephonic communication.

"Synchronous instruction" means classroom-style instruction, designated small-group instruction, or one-on-one instruction delivered in person or in the form of internet or telephonic communication by the student's assigned teacher(s) of record, and involving live two-way communication.

1. For students in grades TK-3, inclusive, their assigned teacher(s) of record will schedule and offer opportunities for daily synchronous instruction.
2. For students in grades 4-8, their assigned teacher(s) of record will schedule and offer opportunities for weekly synchronous instruction and daily live interaction.

Deleted: <#>A plan to evaluate the pupil's achievement and necessary support through the school's Multi-Tiered Systems of Support process.



3. For students in grades 9-12, their assigned teacher(s) of record will schedule and offer opportunities for weekly synchronous instruction.

The school will document each student's participation in live interaction and synchronous instruction on each school day, as applicable, in whole or in part for which live interaction or synchronous instruction is provided. A student who does not participate in scheduled live interaction or synchronous instruction will be documented as non-participatory on that school day for purposes of pupil participation reporting and tiered reengagement.

Deleted: independent study

Deleted: a

#### **Resources Available to Independent Home Study Students**

This student is entitled to school services including, but not limited to, school personnel, a credentialed teacher, textbooks, computers and software, supplementary materials, educational activities, and community services.

**FIRST AMENDED BYLAWS OF  
ILEAD ONLINE CHARTER SCHOOL**

**a California Nonprofit Public Benefit Corporation**

**ARTICLE I  
OFFICES**

Section 1. PRINCIPAL OFFICE. The board of directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside the State of California, and the corporation has one or more offices in the State of California, the board of directors shall likewise fix and designate a principal office in the State of California.

Section 2. OTHER OFFICES. The corporation may also establish offices at such other places, both within and outside the State of California, as the board of directors may from time to time determine or the activities of the corporation may require.

**ARTICLE II  
OBJECTIVES AND PURPOSES**

The specific objectives and purposes of this corporation are described in its articles of incorporation.

**ARTICLE III  
NONPARTISAN ACTIVITIES**

The corporation has been formed under the California Nonprofit Public Benefit Corporation Law (the "Law") for the public, nonprofit, nonpartisan, and charitable purposes described in its articles of incorporation. Notwithstanding any other provision in these bylaws, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended ("IRC"), or (b) by a corporation contributions to which are deductible under IRC Section 170(c)(2).

**ARTICLE IV  
DEDICATION OF ASSETS**

The properties and assets of this corporation are irrevocably dedicated to the charitable purposes described in Article III above and in the articles of incorporation of this corporation. No part of the net earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of its directors or officers, or to any individual. On

liquidation or dissolution of this corporation, all remaining assets of this corporation shall be distributed as set forth in its articles of incorporation.

## **ARTICLE V MEMBERSHIP**

Section 1. NO MEMBERS. The corporation shall not have any members.

Section 2. ASSOCIATES. Nothing in this Article V shall be construed as limiting the right of the corporation to refer to persons associated with it as “members” even though such persons are not members of the corporation, and no such reference shall make anyone a member within the meaning of Section 5056 of the California Corporations Code (the “Code”), including honorary or donor members. Such individuals may originate and take part in the discussion of any subject that may properly come before any meeting of the board of directors, but may not vote. The corporation may confer by amendment of its articles of incorporation or these bylaws some or all of the rights of a member, as set forth in the Law, upon any person who does not have the right to vote for the election of directors, on a disposition of substantially all of the corporation’s assets, on the merger or dissolution of it, or on changes to its articles of incorporation or bylaws, but no such person shall be a member within the meaning of Section 5056. The board of directors may also, in its discretion, without establishing memberships, establish an advisory council or honorary board or such other auxiliary groups as it deems appropriate to advise and support the corporation.

Section 3. AUTHORITY VESTED IN THE BOARD. Any action that would otherwise require approval by a majority of all members or approval by the members requires only approval of the board of directors. All rights that would otherwise vest under the Law in the members will vest in the board of directors

## **ARTICLE VI DIRECTORS**

Section 1. POWERS. Subject to the provisions of the Law and any limitations in the articles of incorporation and these bylaws, the activities and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the board of directors shall have the following powers in addition to the other powers enumerated in these bylaws:

(a) To approve personnel policies and monitor their implementation; to select and remove certain officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation.

(b) To conduct, manage, and control the affairs and activities of the corporation and to make such rules and regulations that are consistent with law, the articles of

incorporation, and these bylaws, as they deem to be appropriate and in the best interests of the corporation.

(c) To adopt, make, and use a corporate seal; and to alter the form of such seal.

(d) To borrow money and to incur indebtedness on behalf of the corporation, and to cause to be executed and delivered for the purposes of the corporation, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt and securities.

(e) To change the principal executive office or the principal office in the State of California from one location to another; to cause the corporation to be qualified to conduct its activities in any other state, territory, dependency, or country and conduct its activities within or outside the State of California; and to designate a place within the State of California for the holding of any board of directors meeting or meetings.

(f) To act as a trustee under any trust incidental to the principal objects of the corporation, and to receive, to hold, to administer, to exchange, and to expend funds and property subject to such trust.

(g) To receive endowments, devises, bequests, gifts, and donations of all kinds of property for its own use, or in trust, in order to carry out or to assist in carrying out, the objects and purposes of the corporation and to do all things and acts necessary or proper to carry out each and all of the purposes and provisions of such endowments, devises, bequests, gifts, and donations with full power to mortgage, sell, lease, or otherwise to deal with or dispose of the same in accordance with the terms thereof.

(h) To acquire by purchase, exchange, lease, gift, devise, bequest, or otherwise, and to hold, improve, lease, sublease, mortgage, transfer in trust, encumber, convey, or otherwise dispose of real and personal property.

## Section 2. NUMBER AND ELECTION OF DIRECTORS.

(a) The board of directors shall be comprised of between three (3) and five (5) members, with the exact number to be determined from time to time by the board, unless and until changed by amendment of these Bylaws. Directors shall be elected by the vote of a majority of directors then in office. All directors shall have full voting rights, including any representative appointed by the Acton-Agua Dulce Unified School District under Education Code Section 47604(c).

(b) The qualifications for directors are generally the ability to attend board meetings, a willingness to actively support and promote the corporation, and a dedication to its charitable endeavors. The board shall strive for members to represent the general community,

to have legal, financial and pedagogical experience, or other skills and expertise, to effectively govern the charter school.

(c) The Board of Trustees of the Acton-Agua Dulce Unified School District may appoint one representative to serve on the board pursuant to Education Code Section 47604(c).

Section 3. RESTRICTION ON INTERESTED PERSONS AS DIRECTORS. No more than 49 percent of the persons serving on the board of directors may be interested persons (as defined in this Section 3). An “interested person” is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation, if any, paid to a director as director; or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

Section 4. TERM OF OFFICE; EVENTS CAUSING VACANCIES ON BOARD. Each director shall hold office for three (3) years and until a successor is elected. A director may serve multiple terms. A vacancy or vacancies on the board of directors shall occur in the event of (a) the death, resignation, or removal of any director; (b) the declaration by resolution of the board of directors of a vacancy in the office of a director who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under the Law, Chapter 2, Article 3; and (c) the increase of the authorized number of directors.

Section 5. RESIGNATION OF DIRECTORS. Except as provided below, any director may resign by giving written notice to the chairman of the board, if any, or to the president, or the secretary, or to the board of directors. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a director’s resignation is effective at a later time, the board of directors may elect a successor to take office as of the date when the resignation becomes effective. Except upon notice to the Attorney General of California, no director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs.

Section 6. REMOVAL OF DIRECTORS. A director may be removed at any time with or without cause by a majority of the directors then in office.

Section 7. VACANCIES. Vacancies on the board of directors shall be filled by the existing board of directors. Each director elected to fill a vacancy shall hold office until the expiration of the term of the replaced director and until a successor is elected.

Section 8. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE. Any meeting of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board or in the notice of the meeting. In the absence of such designation, meetings shall be held at the principal executive office of the corporation. Any meeting, including annual, regular or special, may be held by conference

telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such telephonic meeting. Notwithstanding anything in these bylaws to the contrary, for so long as the corporation is authorized to and operates a California charter school, all meetings of the Board of Directors shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act and Education Code section 47604.1, as amended from time to time.

Section 9. ANNUAL AND REGULAR MEETINGS. The annual meeting of the board of directors shall be held each year on the date and time as may be fixed by the board of directors. At such annual meeting, officers shall be elected and any other proper business may be transacted. Other regular meetings of the board of directors shall be held at such time as shall from time to time be fixed by the board of directors. Notice of regular meetings shall be given in accordance with the Ralph M. Brown Act.

Section 10. SPECIAL MEETINGS. Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman of the board, the president, any vice president, the secretary, or any two directors.

Notice of the time and place of special meetings shall be given in accordance with the Ralph M. Brown Act.

Section 11. QUORUM. A majority of the authorized number of directors then in office shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 below. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the more stringent provisions of the Law or other applicable laws.

Section 12. WAIVER OF NOTICE; CONSENT. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of meeting shall also be deemed given to any director who attends the meeting without protesting, before or at the commencement of the meeting, the lack of notice to that director.

Section 13. ADJOURNMENT. A majority of the directors present, whether or not constituting a quorum, or if all Directors are absent then the clerk or Secretary, may adjourn any meeting to another time and place in compliance with Section 54955 of the Ralph M. Brown Act.

Section 14. FEES AND COMPENSATION. Directors and members of committees shall receive no compensation for their services; provided however, that directors and members of committees may receive reimbursement of actual and necessary out-of-pocket expenses incurred when conducting the corporation's business.

## **ARTICLE VII COMMITTEES**

Section 1. COMMITTEES OF DIRECTORS. The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Appointments to such committees shall be by a majority vote of the directors then in office. The board may designate alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committee exercising the authority of the board must be comprised only of directors then in office. No committee may do any of the following::

- (a) undertaking any final action on any matter that, under the Law, also requires approval of the board of directors;
- (b) the filling of vacancies on the board of directors or in any committee;
- (c) the amendment or repeal of bylaws or the adoption of new bylaws;
- (d) the amendment or repeal of any resolution of the board of directors that by its express terms is not so amendable or repealable; or
- (e) the appointment of any other committees of the board of directors or the members thereof.

Section 2. MEETINGS AND ACTION. Meetings and action of standing committees of the board shall be governed by, and held and taken in accordance with, the provisions of Article VI of these bylaws, Sections 8 (place of meetings and meetings by telephone), 9 (annual and regular meetings), 10 (special meetings), 11 (quorum), 12 (waiver of notice), and 13 (adjournment), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except for the following: (a) the time of regular and annual meetings of committees may be determined by resolution of the board of directors as well as the committee; (b) special meetings of committees may also be called by resolution of the board of directors; and (c) notice of special meetings of committees shall also be given to any alternate members, who shall have the right to attend all meetings of the committee. Minutes of each meeting of any committee shall be kept and filed with the corporate records. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

## **ARTICLE VIII OFFICERS**

Section 1. OFFICERS. The officers of the corporation shall be a president, a secretary, and a treasurer. The corporation may also have, at the discretion of the board of directors, a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in

accordance with the provisions of Section 3 of this Article VIII. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the president or the chairman of the board.

Section 2. ELECTION. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article VIII, shall be chosen by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. OTHER OFFICERS. The board of directors may appoint, and may empower the president to appoint, such other officers as the activities of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the bylaws or as the board of directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Subject to the rights, if any, of any officer under any contract of employment, any officer may be removed, either with or without cause, by the board of directors or, except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any such resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for regular appointments to such office.

Section 6. CHAIRMAN OF THE BOARD. The chairman of the board, if such an officer be elected, shall, if present, preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the board of directors or prescribed by the bylaws. If there is no president, the chairman of the board will in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article VIII.

Section 7. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the president shall have general supervision, direction, and control of the activities and the officers of the corporation. He or she shall preside, in the absence of the chairman of the board, or if there be none, at all meetings of the board of directors. He or she shall have the general powers and duties of management usually vested in the office of president of the corporation and shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.



Section 8. VICE PRESIDENTS. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or the bylaws and the president or the chairman of the board.

Section 9. SECRETARY. The secretary shall keep, or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, and committees of directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors and committee meetings, and the proceedings thereof.

The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by the bylaws or by law to be given, and he or she shall keep, or cause to be kept, the seal of the corporation, if one be adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by the bylaws.

Section 10. TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall at all reasonable times be open to inspection by any director.

The treasurer shall deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the board of directors. He or she shall distribute, or cause to be disbursed, the funds of the corporation as may be ordered by the board of directors, shall render to the president and directors, whenever they request it, an account of all financial transactions and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

## **ARTICLE IX**

### **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES**

Section 1. DEFINITIONS. For the purposes of this Article IX, the definition of the terms “agent”, “proceeding”, and “expenses” shall be governed by Section 5238 of the Code.

Section 2. INDEMNIFICATION IN ACTIONS BY THIRD PARTIES. To the fullest extent permitted by law, the corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor, an action brought under Section

5233 of the Code, or an action brought by the Attorney General of California or a person granted relator status by the Attorney General of California for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

Section 3. OTHER INDEMNIFICATION. No provision made by the corporation to indemnify its directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of directors, an agreement, or otherwise, shall be valid unless consistent with this Article IX and the Law. Nothing contained in this Article IX shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise.

Section 4. INSURANCE. The corporation shall have the power to purchase and maintain insurance to the full extent permitted by law on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such.

## **ARTICLE X RECORDS AND REPORTS**

Section 1. MAINTENANCE OF CORPORATE RECORDS. The corporation shall keep (a) adequate and correct books and records of account kept either in written form or in any other form capable of being converted into written form and (b) minutes, in written form, of the proceedings of the board of directors and committees of the board. All such records shall be kept at the corporation's principal executive office, or if its principal executive office is outside the State of California, at its principal office in this state.

Section 2. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal office in this state, the original or a copy of its articles of incorporation and bylaws, as amended to date, that shall be open to inspection by the directors at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal office in this state, the Secretary shall, upon the written request of any director, furnish to such director a copy of the articles of incorporation or bylaws, as amended to date.

Section 3. INSPECTION. Every director shall have the absolute right at any reasonable time, and from time to time, to inspect all books, records, and documents of every kind and the physical properties of the corporation. Such inspection by a director may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

Section 4. ANNUAL REPORTS. The board of directors shall cause an annual report to be sent to the directors within 120 days of the corporation's fiscal year end. That report shall contain the following information, in appropriate detail, for the fiscal year:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds;
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes;
- (d) The expenses or disbursements of the corporation for both general and restricted purposes; and
- (e) Any information required by Section 5 of this Article X.

The annual report shall be accompanied by any report thereon of independent accountants or, if there is no such report, by the certificate of an authorized officer of the corporation that such statements were prepared without audit from the books and records of the corporation.

Section 5. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all directors, the corporation shall annually prepare and mail or deliver to each director within 120 days after the corporation's fiscal year end, a statement containing any information required by Section 6322 of the Code with respect to the preceding year.

## **ARTICLE XI GENERAL MATTERS**

Section 1. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be authorized by the board of directors.

Section 2. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED. Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers,

agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and, unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 3. CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Law shall govern the construction of these bylaws. Without limiting the generality of the foregoing, the singular number includes the plural, the plural number includes the singular, the masculine gender includes the feminine and neuter, and the term “person” includes both a corporation and a natural person. All references in these bylaws to the Law or to the Code shall be deemed to be those in effect from time to time.

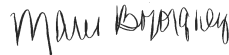
## **ARTICLE XII AMENDMENTS**

New bylaws may be adopted or these bylaws may be amended or repealed by the board of directors.

### **CERTIFICATE OF SECRETARY**

The undersigned, being the duly elected and acting Secretary of iLEAD Online Charter School, a California nonprofit public benefit corporation, does hereby certify that the foregoing First Amended Bylaws constitute the Bylaws of this corporation as duly adopted at a meeting of the Board of Directors on May 27, 2020.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 27th of May, 2020.



---

Secretary