



Allegiance STEAM Academy

Special Board Meeting of the Board of Directors

Published on March 7, 2025 at 2:38 PM PST

Date and Time

Monday March 10, 2025 at 9:30 AM PDT

Location

Special Meeting of the Board of Directors

ONSITE MEETING LOCATION:

5862 C St

.

Chino, Ca. 91710

Zoom link: <https://zoom.us/j/93837167110>

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SATELLITE MEETING LOCATIONS:

7420 Locust Ave

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Fontana, Ca. 92336

789 W Harbor Dr

San Diego, CA 92101

670 Dorothy Inghram Learning Center
San Bernardino, CA 92408

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS

Allegiance STEAM Academy- Thrive charter school (“Allegiance STEAM Academy”), also known as ASA Thrive, is a direct-funded, independent, public charter school operated by the Allegiance STEAM Academy nonprofit public benefit corporation and governed by Allegiance STEAM Academy, Incorporated corporate Board of Directors (“Board”). The purpose of a public meeting of the Board, is to conduct the affairs of Allegiance STEAM Academy in public. We are pleased that you are in attendance and hope you will visit these meetings often. Your participation assures us of continuing community interest in our school.

1. Agendas are available to all audience members at the meeting. Note that the order of business on this agenda may be changed without prior notice. For more information on this agenda, please contact Allegiance at: info@asathrive.org

2. “Request to Speak” forms are available to all audience members who wish to speak on any agenda items or under the general category of “Public Comments.”

3. “Public Comments” are set aside for members of the audience to comment. However, due to public meeting laws, the Board can only listen to your issue, not take action. The public is invited to address the Board regarding items listed on the agenda. Comments on an agenda item will be accepted during consideration of that item, or prior to consideration of the item in the case of a closed session item. Please turn in comment cards to the Board Secretary prior to the item you wish to speak on. These presentations are limited to three (3) minutes.

4. In compliance with the Americans with Disabilities Act (ADA) and upon request, Allegiance STEAM Academy may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact Allegiance STEAM Academy

Agenda

Purpose Presenter

I. Opening Items

- A.** Call the Meeting to Order Samantha Odo
- B.** Record Attendance Samantha Odo
- C.** Pledge of Allegiance Samantha Odo
- D.** Approval of Agenda for the Special Board Meeting March 10th, 2025 Vote Samantha Odo

It is recommended that the Board of Directors approve the Agenda for the Special Board Meeting for March 10th, 2025.

- E.** CEO Report Discuss Sebastian Cognetta
CEO Report (Including Principal Reports and any needed PACK updates)

- F.** Public Comments - Items on the Agenda Discuss Samantha Odo
No individual presentations shall be for more than three (3) minutes. Ordinarily, Board members will not respond to presentations and no action can be taken. However, the Board may give direction to staff following a presentation.

II.

II. Items Scheduled for Consent

- A.** Approve Minutes Approve Minutes Samantha Odo

It is recommended that the Board of Directors:
Approve and adopt the Board Meeting Minutes for March 3rd, 2025.

Approve minutes for Special Board Meeting of the Board of Directors on March 3, 2025

- B.** 2nd Interim Financial Report - ASA Chino Vote Sebastian Cognetta
It is recommended that the Board of Directors:
Approve and adopt the ASA Chino 2nd Interim Financial Report

- C.** Statement of Work for Annual Audit Vote Sebastian Cognetta
It is recommended that the Board of Directors:

Purpose Presenter

Review and approve the recommended Annual Financial Audit firm for the fiscal year ending June 30, 2025.

Bids from:
CliftonLarsonAllen (CLA)
Silva & Silva
Christy White Inc.

III. Governance

IV. Finance

V. Other Business

VI. Communications

- | | | |
|---|---------|--------------------|
| A. Communications - Comments from the CEO | Discuss | Sebastian Cognetta |
| B. Communications - Comments from the Board of Directors | Discuss | Samantha Odo |

VII. Closing Items

- | | |
|---------------------------|------|
| A. Adjourn Meeting | Vote |
|---------------------------|------|

• Where All Children Can Thrive •

Coversheet

Approve Minutes

Section: II. Items Scheduled for Consent
Item: A. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material:
Minutes for Special Board Meeting of the Board of Directors on March 3, 2025

APPROVED



Allegiance STEAM Academy

Minutes

Special Board Meeting of the Board of Directors

Date and Time

Monday March 3, 2025 at 5:30 PM

Location

Meeting of the Board of Directors

ONSITE MEETING LOCATION:

5862 C St.
Chino, Ca. 91710

SATELLITE MEETING LOCATIONS:

7420 Locust Ave.
Fontana, Ca. 92336

Zoom Link: <https://zoom.us/j/97435694493>

INSTRUCTIONS FOR PRESENTATIONS TO THE BOARD BY PARENTS AND CITIZENS

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Directors Present

M. Jones, S. Bhojani, S. Odo, S. Thompson, T. Stevens

Directors Absent

None

Guests Present

E. Lee

I. Opening Items

A. Call the Meeting to Order

T. Stevens called a meeting of the board of directors of Allegiance STEAM Academy to order on Monday Mar 3, 2025 at 5:32 PM.

B. Record Attendance

C. Pledge of Allegiance

D. Approval of Agenda for the Special Board Meeting March 3rd, 2025

T. Stevens requests to revise the agenda: Opening Items - D (Approval of Agenda for the Special Board Meeting March 3rd) to move to Closed Session next.

Upon conclusion of Closed Session, return to the agenda with Opening Items - C (Pledge of Allegiance).

Agenda change motion: S. Thompson 2nd: S. Odo

Moved to Closed Session at: 5:34pm

E. CEO Report

CEO Report

Authorizers:

- FUSD: NOV - requested meeting w/ authorizer to discuss our NOV response
- CVUSD: met with CVUSD regarding intra-org borrowing, including tonight's agenda's resolutions

Enrollment:

- Chino: 958 (958 in Feb)
- 2025-26: 444 open enrollment submissions; 15 post lottery
- Lottery held: 429 applications in the lottery
- Fontana: 273; (271 in Feb)
 - 2025-26: 131 open enrollment submissions; 47 applications post lottery
 - Lottery held: 84 applications

Audit Appeal:

- ELOP Finding (Chino) of 9 hour day (ASA program was consistent with the ELOP 9 hour day)

2nd Interim reports:

- The first interim financial report covers the period from July 1 through October 31 of the fiscal year. It provides a snapshot of actual revenues and expenditures to date, as well as projected year-end financials and net assets/reserves. A new charter school, like ASA Fontana, may receive a negative certification if its reserves are still building, even if it is not engaged in deficit spending.
- The second interim financial report extends the financial review through January 31, offering a more complete picture of the school's financial position. If the school demonstrates the ability to meet its financial obligations for the current and following fiscal years, it may receive a positive certification, as was the case for ASA Fontana.

Form 700:

- Form 700, also known as the Statement of Economic Interests, is a government-required form that helps ensure transparency and prevent conflicts of interest in public service. For charter schools in California, board members and key officers must complete this form because they make important decisions about school policies, finances, and contracts. The form requires them to disclose any financial interests, such as investments, business relationships, or property ownership, that could influence their decision-making. By filing a Form 700, board members and officers show they are acting in the best interest of the school and its students, rather than for personal financial gain. This promotes trust, accountability, and ethical governance within the school community.

II. Public Announcement for Reason for Closed Session

A. Public Comments on Closed Session Items

None

B. Closed Session - For Discussion / Possible Action

S. Thompson made a motion to Closed Session.

S. Odo seconded the motion.

Moved to Closed Session at: 5:34pm

With a revised agenda upon conclusion of Closed Session, return to the agenda with Opening Items - C (Pledge of Allegiance).

The board **VOTED** to approve the motion.

Roll Call

S. Thompson Aye

T. Stevens Aye

M. Jones Aye

S. Odo Aye

S. Bhojani Aye

III. Open Session

A. Report from Closed Session

Return from Closed at 7:21pm. Report from Closed Session: Nothing to report from closed session.

B. Public Comments - Items Not On the Agenda

None

IV. Items Scheduled for Consent

A. Approve Minutes

S. Bhojani made a motion to approve the minutes from Regular Meeting of the Board of Directors on 02-11-25.

S. Odo seconded the motion.

Passes 5-0

The board **VOTED** to approve the motion.

Roll Call

T. Stevens Aye

S. Thompson Aye

M. Jones Aye

S. Odo Aye

S. Bhojani Aye

B. Approve Check Registrar

M. Jones made a motion to Approve Check Registrar.

T. Stevens seconded the motion.

Passes 5-0

The board **VOTED** to approve the motion.

Roll Call

S. Odo Aye

T. Stevens Aye

M. Jones Aye

S. Bhojani Aye

S. Thompson Aye

V. Items Scheduled for Discussion or Action

A. 2nd Interim Financial Report - ASA Chino

S. Bhojani made a motion to 2nd Interim Financial Report - ASA Chino.

S. Odo seconded the motion.

T. Stevens recommends not to adopt. Would like the 2nd Interim Financial Report - ASA Chino on the template.

Board requests an additional Special Board meeting for Thursday, March 13th at 5pm.

Vote: 0 - 5

The motion did not carry.

Roll Call

S. Odo No

S. Thompson No

M. Jones No

T. Stevens No

Roll Call

S. Bhojani No

B. 2nd Interim Financial Report - ASA Fontana

S. Odo made a motion to 2nd Interim Financial Report - ASA Fontana.

S. Thompson seconded the motion.

Passes 5 - 0

The board **VOTED** to approve the motion.

Roll Call

M. Jones Aye

T. Stevens Aye

S. Bhojani Aye

S. Odo Aye

S. Thompson Aye

C. Williams Second Quarterly Report for the 2024-25 Fiscal Year

S. Odo made a motion to Williams Second Quarterly Report for the 2024-25 Fiscal Year.

S. Thompson seconded the motion.

Passes 5 - 0

The board **VOTED** to approve the motion.

Roll Call

T. Stevens Aye

S. Odo Aye

S. Thompson Aye

M. Jones Aye

S. Bhojani Aye

D. Statement of Work for Annual Audit

M. Jones made a motion to Statement of Work for Annual Audit.

S. Thompson seconded the motion.

Board would like additional bids for Annual Audit

Vote: 0 - 5

The motion did not carry.

Roll Call

S. Odo No

T. Stevens No

M. Jones No

S. Bhojani No

S. Thompson No

E. Revision to 2025-26 Academic Calendar

S. Odo made a motion to Revision to 2025-26 Academic Calendar.
M. Jones seconded the motion.
Passes 5 - 0
The board **VOTED** to approve the motion.

Roll Call

S. Odo Aye
S. Bhojani Aye
M. Jones Aye
T. Stevens Aye
S. Thompson Aye

F. Think Together Spring Break FY25 Proposal

T. Stevens made a motion to Think Together Spring Break FY25 Proposal.
S. Thompson seconded the motion.
Passes 5 - 0
The board **VOTED** to approve the motion.

Roll Call

M. Jones Aye
S. Odo Aye
T. Stevens Aye
S. Bhojani Aye
S. Thompson Aye

G. Resolution to Authorize Course Assignment - Ed Code Section 44258.3 (Revision)

S. Thompson made a motion to Resolution to Authorize Course Assignment - Ed Code Section 44258.3 (Revision).
M. Jones seconded the motion.
Passes 5 - 0
The board **VOTED** to approve the motion.

Roll Call

S. Bhojani Aye
S. Thompson Aye
M. Jones Aye
S. Odo Aye
T. Stevens Aye

VI. Finance

A. FY24 Budget - ASA Chino

S. Odo made a motion to FY24 Budget - ASA Chino.
S. Bhojani seconded the motion.
Board requests additional "early" loan repayment options to be presented at a later date.

Passes 5 - 0

The board **VOTED** to approve the motion.

Roll Call

S. Odo Aye

T. Stevens Aye

M. Jones Aye

S. Bhojani Aye

S. Thompson Aye

B. FY24 Budget - ASA Fontana

S. Thompson made a motion to FY24 Budget - ASA Fontana.

S. Bhojani seconded the motion.

Passes 5 - 0

The board **VOTED** to approve the motion.

Roll Call

S. Thompson Aye

S. Odo Aye

T. Stevens Aye

S. Bhojani Aye

M. Jones Aye

VII. Other Business

A. Form 700

Mrs. Lopez sends to Board Members and key officers for completion.

VIII. Communications

A. Communications - Comments from the CEO

Thank you to the Board for making this Special Board meeting. We appreciate your time and dedication to Allegiance. We will continue to strive for our families, students, and staff, and to proactively address any challenges we may encounter. Thank you to everyone for your hard work.

B. Communications - Comments from the Board of Directors

Comments from the Board of Directors:

S. Bhojani - Thank you to everyone! We recognize that students can become more energetic during this time of year. Please continue to focus and persevere. SLCs were a great success!

S. Thompson - No comment

S. Odo - A special "shout out" to the 2nd grade team for their exceptional Dr. Seuss-themed decorations in the Den. Their dedication and creativity are truly appreciated. Additionally, commends the MS team for the work being done with "Shakespeare Unshackled." Excellent work is being done across campus. Encourages everyone to keep up the wonderful work.

M. Jones - Looking forward to the upcoming report cards and expressing gratitude for the successful SLCs. As the parent of an 8th grader, she acknowledges the bittersweet nature of this year, as it marks the final ASA activities for her child; she is cherishing these moments. Excited about enrollment gains. Emphasizes the importance of continued mutual support, reminding everyone that we are a unified team. Looking forward to the Color Run and Spring Break, and is particularly excited to see the ELOP Spring Break program. Lastly, encourages teachers and staff to utilize this time for thoughtful reflection. Prompts them to consider areas for improvement and aspects of their practice(s) they wish to retain for the next academic year. She stresses the value of intentional reflection during this period.

T. Stevens - Thank you to everyone for being here. Challenges everyone to continue working diligently and to persevere. It is crucial to be intentional, to function as a cohesive team (be a teammate), and continue to communicate. The foundation for next year's success is being laid by how we conclude this academic year. Teachers, staff, and students, please strive to finish strong. We are navigating a busy period. Let's channel our energy into sharing the positive news about our programs with the community and those around us. Enrollment numbers are declining statewide, and these students will be attending school somewhere. Let's clearly articulate why ASA will meet their needs. Expresses that he misses the student experience and witnessing the SLCs, firsthand. Thank you to everyone for your ongoing hard work. Let's maintain this momentum and keep it going.

IX. Closing Items

A. Adjourn Meeting

S. Odo made a motion to Adjourn meeting.

S. Thompson seconded the motion.

Special Board meeting adjourns at 8:23pm.

The board **VOTED** to approve the motion.

Roll Call

S. Odo Aye

M. Jones Aye

T. Stevens Aye

Roll Call

S. Thompson Aye

S. Bhojani Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:23 PM.

Respectfully Submitted,

E. Lee

Documents used during the meeting

- January 2025-ASA-Board Summary (2).pdf
- January_2025-ASA-Board_Summary__2_.pdf
- FY25-ASA Fontana-BUDGETandINTERIMReportingTEMPLATE_20240404 2nd Interim.pdf
- WILL-Allegiance_SecondQtrlyRpt-2024-25.pdf
- Statement of Work - Audit Services - ASA 24-25.pdf
- Entity Tax Compliance Statement of Work - ASA 24-25.pdf
- 25-26 Academic Calendar _ Rev 2_14_25.pdf
- FY25 Allegiance STEAM Academy-Think Together Non-Instructional Days Proposal (02.26.2025) (1).pdf
- ASA Board Resolution for Dominic Delfosse, Music (EC 44258.3) Rev030325.docx.pdf
- January 2025-ASA-Board Summary (2).pdf
- January 2025-ASA-Board Summary (2).pdf
- Form_700_2024.pdf

• *Where All Children Can Thrive* •

Coversheet

2nd Interim Financial Report - ASA Chino

Section: II. Items Scheduled for Consent
Item: B. 2nd Interim Financial Report - ASA Chino
Purpose: Vote
Submitted by:
Related Material:
Copy of FY25-ASA Chino-BUDGETandINTERIMReportingTEMPLATE_20240404 2nd Int.pdf

To the authorizing/oversight district:

2024-25 CHARTER SCHOOL INTERIM REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to Education Code Section 47604.33.

Signed: _____
Charter School Official
(Original signature required)

Date: _____

Printed Name: Sebastian Cогnetta

Title: CEO

CERTIFICATION OF FINANCIAL CONDITION:

() POSITIVE

As the Charter School Official, I certify that this Charter will be able to meet its financial obligations for the current fiscal year and two subsequent fiscal years.

() QUALIFIED

As the Charter School Official, I certify that this Charter may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

() NEGATIVE

As the Charter School Official, I certify that based upon current projections this charter will be unable to meet its financial obligations for remainder of the fiscal year or for the subsequent fiscal year.

To the County Superintendent of Schools:

2024-25 CHARTER SCHOOL INTERIM REPORT -- ALTERNATIVE FORM: This report has been reviewed pursuant to Education Code 47604.32(a) is hereby filed with the County Superintendent pursuant to Education Code Section 47604.33.

Signed: _____
Authorized Representative of
Charter Approving Entity
(Original signature required)

Date: _____

Printed Name: _____

Title: _____

() POSITIVE

As the Charter School Official, I certify that this Charter will be able to meet its financial obligations for the current fiscal year and two subsequent fiscal years.

() QUALIFIED

As the Charter School Official, I certify that this Charter may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

() NEGATIVE

As the Charter School Official, I certify that based upon current projections this charter will be unable to meet its financial obligations for remainder of the fiscal year

2024-25 CHARTER SCHOOL INTERIM REPORT -- ALTERNATIVE FORM: This report has been received by the County Superintendent of Schools pursuant to Education Code Section 47604.33(1).

Signed: _____
County Superintendent/Designee
(Original signature required)

Date: _____

For additional information on the budget report, please contact:

For Charter School:

Marisol Felix
Name

Charter Impact
Title

888-474-0322
Telephone

mfelix@charterimpact.com
E-mail address

Charter School Attendance		CHARTER NAME: Allegiance STEAM Academy-Thrive CHARTER #: 1945													
		Fiscal Year 2024-25 Second Interim Report Projected ADA as of January 31, 2025													
Charter Authorizer: Chino Valley Unified		2023-24		2024-25 Adopted Budget			2024-25 Second Interim			2025-26 Second Interim			2026-27 Second Interim		
Line		Actual ADA P-2	Funded ADA *	Projected ADA P-2	Funded ADA *	% Change over Prior Year	Projected ADA P-2	Funded ADA *	% Change over Prior Period	Projected ADA P-2	Funded ADA *	% Change over Prior Year	Projected ADA P-2	Funded ADA *	% Change over Prior Year
Non Classroom Funding Determination Rate*		100%													
TK/K-3:															
Regular ADA	A-1	427.50		427.50		0.00%	398.98		-6.67%	427.50		7.15%	427.50		0.00%
Classroom-based ADA included in A-1	A-2	427.50		427.50		0.00%	398.98		-6.67%	427.50		7.15%	427.50		0.00%
Extended Year Special Ed	A-3	-		-											
Classroom-based ADA included in A-3	A-4	-		-											
Special Ed - NPS	A-5	-		-											
Classroom-based ADA included in A-5	A-6	-		-											
Extended Year Special Ed - NPS	A-7	-		-											
Classroom-based ADA included in A-7	A-8	-		-											
ADA Totals (A-1, A3, A5, A7)	A-9	427.50	-	427.50	-	0.00%	398.98		-6.67%	427.50		7.15%	427.50		0.00%
Classroom-based ADA Totals (A-2, A-4, A-6, A-8)	A-10	427.50	427.50	427.50	427.50	0.00%	398.98	398.98	-6.67%	427.50	427.50	7.15%	427.50	427.50	0.00%
Non classroom-based ADA Totals (Difference of A-9 and A-10)	A-11	-	-	-	-		-	-		-	-		-	-	
ADA for Students in Transitional Kindergarten (Lines A-1, A-3, A-5, and A-7, TK/K-3 Column, First Year ADA Only)	B-1	-		-											
Grades 4-6															
Regular ADA	A-1	313.50		313.50		0.00%	340.86		8.73%	313.50		-8.03%	313.50		0.00%
Classroom-based ADA included in A-1	A-2	313.50		313.50		0.00%	340.86		8.73%	313.50		-8.03%	313.50		0.00%
Extended Year Special Ed	A-3	-		-											
Classroom-based ADA included in A-3	A-4	-		-											
Special Ed - NPS	A-5	-		-											
Classroom-based ADA included in A-5	A-6	-		-											
Extended Year Special Ed - NPS	A-7	-		-											
Classroom-based ADA included in A-7	A-8	-		-											
ADA Totals (A-1, A3, A5, A7)	A-9	313.50	-	313.50	-	0.00%	340.86		8.73%	313.50		-8.03%	313.50		0.00%
Classroom-based ADA Totals (A-2, A-4, A-6, A-8)	A-10	313.50	313.50	313.50	313.50	0.00%	340.86	340.86	8.73%	313.50	313.50	-8.03%	313.50	313.50	0.00%
Non classroom-based ADA Totals (Difference of A-9 and A-10)	A-11	-	-	-	-		-	-		-	-		-	-	
Grades 7-8															
Regular ADA	A-1	171.00		171.00		0.00%	163.96		-4.12%	171.00		4.29%	171.00		0.00%
Classroom-based ADA included in A-1	A-2	171.00		171.00		0.00%	163.96		-4.12%	171.00		4.29%	171.00		0.00%
Extended Year Special Ed	A-3	-		-											
Classroom-based ADA included in A-3	A-4	-		-											
Special Ed - NPS	A-5	-		-											
Classroom-based ADA included in A-5	A-6	-		-											
Extended Year Special Ed - NPS	A-7	-		-											
Classroom-based ADA included in A-7	A-8	-		-											
ADA Totals (A-1, A3, A5, A7)	A-9	171.00	-	171.00	-	0.00%	163.96		-4.12%	171.00		4.29%	171.00		0.00%
Classroom-based ADA Totals (A-2, A-4, A-6, A-8)	A-10	171.00	171.00	171.00	171.00	0.00%	163.96	163.96	-4.12%	171.00	171.00	4.29%	171.00	171.00	0.00%
Non classroom-based ADA Totals (Difference of A-9 and A-10)	A-11	-	-	-	-		-	-		-	-		-	-	

Charter School Attendance		CHARTER NAME: Allegiance STEAM Academy-Thrive CHARTER #: 1945													
		Fiscal Year 2024-25 Second Interim Report Projected ADA as of January 31, 2025													
Charter Authorizer: Chino Valley Unified		2023-24		2024-25 Adopted Budget			2024-25 Second Interim			2025-26 Second Interim			2026-27 Second Interim		
Line		Actual ADA P-2	Funded ADA *	Projected ADA P-2	Funded ADA *	% Change over Prior Year	Projected ADA P-2	Funded ADA *	% Change over Prior Period	Projected ADA P-2	Funded ADA *	% Change over Prior Year	Projected ADA P-2	Funded ADA *	% Change over Prior Year
Grades 9-12															
	Regular ADA	A-1	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-1	A-2	-	-	-	-	-	-	-	-	-	-	-	-	-
	Extended Year Special Ed	A-3	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-3	A-4	-	-	-	-	-	-	-	-	-	-	-	-	-
	Special Ed - NPS	A-5	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-5	A-6	-	-	-	-	-	-	-	-	-	-	-	-	-
	Extended Year Special Ed - NPS	A-7	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-7	A-8	-	-	-	-	-	-	-	-	-	-	-	-	-
	ADA Totals (A-1, A3, A5, A7)	A-9	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA Totals (A-2, A-4, A-6, A-8)	A-10	-	-	-	-	-	-	-	-	-	-	-	-	-
	Non classroom-based ADA Totals (Difference of A-9 and A-10)	A-11	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals															
	Regular ADA	A-1	912.00	912.00	912.00	0.00%	903.80	903.80	-0.90%	912.00	912.00	0.91%	912.00	912.00	0.00%
	Classroom-based ADA included in A-1	A-2	912.00	912.00	912.00	0.00%	903.80	903.80	-0.90%	912.00	912.00	0.91%	912.00	912.00	0.00%
	Extended Year Special Ed	A-3	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-3	A-4	-	-	-	-	-	-	-	-	-	-	-	-	-
	Special Ed - NPS	A-5	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-5	A-6	-	-	-	-	-	-	-	-	-	-	-	-	-
	Extended Year Special Ed - NPS	A-7	-	-	-	-	-	-	-	-	-	-	-	-	-
	Classroom-based ADA included in A-7	A-8	-	-	-	-	-	-	-	-	-	-	-	-	-
	ADA Totals (A-1, A3, A5, A7)	A-9	912.00	912.00	912.00	0.00%	903.80	903.80	-0.90%	912.00	912.00	0.91%	912.00	912.00	0.00%
	Classroom-based ADA Totals (A-2, A-4, A-6, A-8)	A-10	912.00	912.00	912.00	0.00%	903.80	903.80	-0.90%	912.00	912.00	0.91%	912.00	912.00	0.00%
	Non classroom-based ADA Totals (Difference of A-9 and A-10)	A-11	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Funded ADA		-	912.00	-	912.00		903.80		912.00	912.00		912.00	912.00	

* For non-classroom, P-2 ADA multiplied by Funding Determination %. Use this amount in the LCFF calculator and any other ADA based revenue calculations.

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report

Form Revised (revision date here if revised)

ASSUMPTIONS:	2024-25	2025-26	Change	2026-27	Change
Local Control Funding (LCFF) - BAS/FCMAT Calculator:					
COLA (on Base)	1.07%	2.43%	1.36%	3.52%	1.09%
Total Phase-In Entitlement (FCMAT calculator, Summary Tab)	\$ 10,391,491	\$ 10,792,072	3.85%	\$ 11,171,989	3.52%
Lottery Allocation Amount Per ADA:					
Unrestricted	\$ 174	\$ 169	\$ (4.20)	\$ 169	\$ -
Restricted	\$ 65	\$ 69	\$ 4.21	\$ 69	\$ -
ADA/Enrollment:					
Total Non-Classroom Based (Independent Study) ADA	-	-	0.00	-	0.00
Total Funded Non-Classroom Based (Independent Study) ADA	-	-	0.00	-	0.00
Total Classroom Based ADA	903.80	912.00	8.20	912.00	0.00
Total Funded P-2 Attendance	903.80	912.00	8.20	912.00	0.00
Estimated Enrollment PY CBEDS Certified Enrollment	960	958	960	960	0.00
Enrollment Growth Over Prior Year	-0.21%	0.21%		0.00%	
ADA to Enrollment Ratio 2023-24	95.00%	94.34%		95.00%	
Unduplicated Count PY CBEDS Certified Unduplicated Count	359	364	363	363	0.00
Unduplicated Pupil % (FCMAT LCFF Calc, Summary Tab, Rolling %) 2023-24	37.43%	38.04%	37.81%	37.81%	
Certificated Salaries and Benefits:					
Number of Teachers (FTE)	51.00	51.00	0.00	51.00	0.00
Number of Certificated Management FTEs	7.00	7.00	0.00	7.00	0.00
Number of Other Certificated FTEs	6.00	6.00	0.00	6.00	0.00
Classroom Staffing Ratio - Students per FTE	18.78	18.82	0.04	18.82	0.00
Teachers Increased/(Decreased) for projected Enrollment change over PY	-1.00	0.00	1.00	0.00	0.00
Average Teacher FTE Salary	\$ 76,286	\$ 76,286	0.00%	\$ 77,812	2.00%
Average Certificated Management FTE Salary	\$ 135,283	\$ 135,283	0.00%	\$ 137,989	2.00%
Average Other Certificated FTE Salary	\$ 91,962	\$ 91,962	0.00%	\$ 93,801	2.00%
Cert Step and Column Increase (Total Annual Cost)					
Other Pay, Stipends, Extra Pay	\$ 60,000	\$ 60,000	0.00%	\$ 61,200	2.00%
Health and Welfare Cost per Employee	\$ 7,500	\$ 7,500	0.00%	\$ 7,650	2.00%
Retirement Cost per Cert Employee	\$ 16,605	\$ 16,605	0.00%	\$ 16,937	2.00%
STRS Rate	19.10%	19.10%	0.00%	19.10%	0.00%
Optional - Additional information/explanation of Certificated S&B Assumptions above (calculation methodology, inclusions/exclusions, etc...):					
Explain any year over year changes (+/- positions, budgeted salary increases (ongoing or one-time), health and welfare contribution changes, etc...):					
Classified Salaries and Benefits:					
Number of Classified (Non-Mgmt) FTEs	35.00	35.00	0.00	35.00	0.00
Number of Classified Management FTEs	1.00	1.00	0.00	1.00	0.00
Average Salary per Classified Non-Mgmt FTE	\$ 57,038	\$ 57,038	0.00%	\$ 58,178	2.00%
Average Salary per Classified Mgmt FTE	\$ 84,840	\$ 84,840	0.00%	\$ 86,537	2.00%
Class Step and Column Increase (Total Annual Cost)					
Other Pay, Stipends, Extra Pay					
Health and Welfare Cost per Class Employee	\$ 7,500	\$ 7,500	0.00%	\$ 7,650	2.00%
Retirement Cost per Class Employee	\$ 15,638	\$ 15,638	0.00%	\$ 16,788	7.35%
PERS Rate	27.05%	27.60%	0.55%	28.00%	0.40%
Optional - Additional information/explanation of Certificated S&B Assumptions above (calculation methodology, inclusions/exclusions, etc...):					
Explain any year over year changes (+/- positions, budgeted salary increases (ongoing or one-time), health and welfare contribution changes, etc...):					

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report

Form Revised (revision date here if revised)

ASSUMPTIONS:	2024-25	2025-26	Change	2026-27	Change
Statutory Benefits					
FICA (Social Security)	6.20%	6.20%	0.00%	6.20%	0.00%
Medicare Tax	1.45%	1.45%	0.00%	1.45%	0.00%
Unemployment	7.00%	7.00%	0.00%	7.00%	0.00%
Workers Comp	1.40000%	1.40000%	0.00%	1.40000%	0.00%
Facilities:					
Rent					
Electricity	\$ 102,700	\$ 105,704	2.93%	\$ 107,819	2.00%
Heating (gas)					
Other					
Explain "Other" facility costs:					
Administrative Service Agreements:					
3.00% Oversight Fees to Sponsor	\$ 311,745	\$ 323,762	3.85%	\$ 335,160	3.52%
Administrative Service Contract	\$ 299,475	\$ 308,236	2.93%	\$ 314,401	2.00%
Other Contracted Costs					
List Noteworthy Assumptions for other 1st Interim line items: (Books, Supplies, Services, Capital Outlay, Debt, etc.)					
Curriculum and Software (4100 and 4305)	\$ 573,228	\$ 589,997	2.93%	\$ 601,797	2.00%
School Supplies (4302 and 4310)	\$ 126,284	\$ 129,978	2.93%	\$ 132,578	2.00%
Noncapitalized Equipment (4400)	\$ 71,814	\$ 73,914	2.92%	\$ 75,393	2.00%
Subagreement Services, including Special Education (5101 and 5102)	\$ 417,455	\$ 429,667	2.93%	\$ 438,261	2.00%
Professional Consulting Services (5800's), excluding District Oversight noted above (5812)	\$ 712,722	\$ 732,954	2.84%	\$ 747,613	2.00%

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report
 Unrestricted MYP

Form Revised (revision date here if revised)

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change	
REVENUES										
LCFF Sources										
LCFF	8011	7,665,684	7,675,634	3,489,734	7,552,366	-1.48%	7,927,189	4.96%	8,307,106	4.79%
EPA	8012	182,400	182,400	90,469	180,760	-0.90%	182,400	0.91%	182,400	0.00%
State Aid - Prior Year	8019	-	-	-	-					
In Lieu Property Taxes	8096	2,692,434	2,682,484	187,780	2,658,365	-1.27%	2,682,484	0.91%	2,682,484	0.00%
Federal	8100-8299	-	-	-	-					
State										
Lottery - Unrestricted	8560	161,424	161,424	57,979	163,942	1.56%	161,424	-1.54%	161,424	0.00%
Lottery - Prop 20 - Restricted	8560	-	-	-	-					
Other State Revenue	8300-8599	18,148	18,148	42,387	42,387	133.56%	42,210	-0.42%	42,754	1.29%
Local										
Interest	8660	-	-	-	-					
AB602 Local Special Education Transfer	8792	-	-	-	-					
Other Local Revenues	8600-8799	-	380,988	143,615	426,666		29,056	-93.19%	29,056	0.00%
Total Revenues		\$ 10,720,090	\$ 11,101,077	\$ 4,011,964	\$ 11,024,486	2.84%	\$ 11,024,763	0.00%	\$ 11,405,223	3.45%
EXPENDITURES										
Certificated Salaries	1000-1999	4,524,689	4,770,192	2,822,427	4,796,059	6.00%	4,778,856	-0.36%	4,986,087	4.34%
Classified Salaries	2000-2999	1,930,832	1,640,294	973,726	1,586,152	-17.85%	1,634,877	3.07%	1,669,191	2.10%
Benefits	3000-3999	2,266,517	2,160,995	1,180,793	1,986,373	-12.36%	2,323,279	16.96%	2,405,364	3.53%
Books & Supplies	4000-4999	68,554	381,023	82,160	275,675	302.13%	449,710	63.13%	521,042	15.86%
Contracts & Services	5000-5999	1,527,339	1,634,031	948,481	1,574,521	3.09%	1,883,352	19.61%	1,933,944	2.69%
Capital Outlay (Modified Accrual Basis Only)	6000-6599	28,600	-	-	-					
Depreciation Expense (Accrual Basis Only)	6900	-	30,301	39,519	56,190		57,313	2.00%	58,460	2.00%
Other Outgo	7100-7299	-	-	-	-					
Debt Service (see Debt Form)	7400-7499	-	-	-	-					
Total Expenditures		\$ 10,346,530	\$ 10,616,836	\$ 6,047,107	\$ 10,274,971	-0.69%	\$ 11,127,388	8.30%	\$ 11,574,088	4.01%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		\$ 373,559	\$ 484,241	\$ (2,035,143)	\$ 749,515	100.64%	\$ (102,625)		\$ (168,864)	
OTHER SOURCES & USES										
Other Sources/Contributions to Restricted Programs	8900	(185,052)	(230,309)	-	(85,886)		(222,933)		(203,257)	
Other Uses	7600	-	-	-	-					
Net Sources & Uses		\$ (185,052)	\$ (230,309)	\$ -	\$ (85,886)		\$ (222,933)		\$ (203,257)	
NET INCREASE (DECREASE) IN FUND BALANCE		\$ 188,507	\$ 253,932	\$ (2,035,143)	\$ 663,629	252.04%	\$ (325,558)		\$ (372,121)	

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report
 Unrestricted MYP

Form Revised (revision date here if revised)

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change	
FUND BALANCE, RESERVES										
Beginning Balance at Adopted Budget	9791	7,358,278	7,358,278	7,358,278						
Adjustments for Unaudited Actuals	9792		(517,384)	(517,384)						
Beg Fund Balance at Unaudited Actuals			6,840,894	6,840,894						
Adjustments for Audit	9793		-	(242,031)						
Adjustments for Restatements	9795		(445,344)							
Beginning Fund Balance as per Audit Report +/- Restatements			6,395,550	6,598,863		7,262,492		6,936,934		
Ending Balance	9790	\$ 7,546,786	\$ 6,649,482	\$ 4,563,720	\$ 7,262,492	-3.77%	\$ 6,936,934	-4.48%	\$ 6,564,813	-5.36%
Components of Ending Fund Balance (Budget):										
a. Nonspendable										
Revolving Cash	9711	-	-							
Stores	9712	-	-							
Prepaid Expenditures	9713	-	-							
All Others	9719	-	-							
b. Restricted										
9740										
c. Committed										
Committed - Stabilization Arrangements	9750	-	-							
Committed - Other	9760	-	-							
d. Assignments										
9780		-	-							
e. Unassigned										
Reserve for Economic Uncertainties	9789	-	-							
Undesignated / Unappropriated Amount / Unrestricted Net Position	9790	7,546,786	6,649,482	4,563,720	7,262,492	-3.77%	6,936,934	-4.48%	6,564,813	-5.36%

CHARTER NAME: Allegiance STEAM Academy-Thrive
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Form Revised (revision date here if revised)

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change
ASSUMPTIONS FOR UNRESTRICTED PROGRAMS:									
LIST FEDERAL UNRESTRICTED REVENUES (MOST FEDERAL PROGRAM REVENUES ARE RESTRICTED AND SHOULD BE ON RESTRICTED SHEET)									
1 Ex. Erate	-	-	-	-		-		-	
2	-	-	-	-		-		-	
3	-	-	-	-		-		-	
4	-	-	-	-		-		-	
5	-	-	-	-		-		-	
6	-	-	-	-		-		-	
7	-	-	-	-		-		-	
8	-	-	-	-		-		-	
9	-	-	-	-		-		-	
Total Federal Awards Budgeted:	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
Lottery Unrestricted Allocation per ADA	\$ 169.47	\$ 169.47		\$ 173.67		\$ 169.47		\$ 169.47	
Lottery Unrestricted Estimated Award	\$ 161,424	\$ 161,424		\$ 163,942	1.56%	\$ 161,424	-1.54%	\$ 161,424	0.00%
LIST UNRESTRICTED STATE FUNDS BUDGETED IN OTHER STATE									
1 Mandate	18,148	18,148	18,148	18,148	0.00%	17,751	-2.19%	18,295	3.06%
2 Prior Year ADJ	-	-	24,239	24,239		24,459	0.91%	24,459	0.00%
3	-	-	-	-		-		-	
4	-	-	-	-		-		-	
5	-	-	-	-		-		-	
6	-	-	-	-		-		-	
7	-	-	-	-		-		-	
8	-	-	-	-		-		-	
9	-	-	-	-		-		-	
10	-	-	-	-		-		-	
11	-	-	-	-		-		-	
12	-	-	-	-		-		-	
13	-	-	-	-		-		-	
14	-	-	-	-		-		-	
15	-	-	-	-		-		-	
16	-	-	-	-		-		-	
17	-	-	-	-		-		-	
18	-	-	-	-		-		-	
Total Other State Revenue Funds Budgeted:	\$ 18,148	\$ 18,148	\$ 42,387	\$ 42,387	133.56%	\$ 42,210	-0.42%	\$ 42,754	1.29%
LIST OTHER UNRESTRICTED LOCAL REVENUES BUDGETED in "Other Local Revenues"									
1 Fundraising	-	7,468	23,666	23,666		23,881	0.91%	23,881	0.00%
2 Contributions	-	370,426	114,820	397,871					
3 Interest	-	3,094	5,129	5,129		5,175	0.90%	5,175	0.00%
4	-	-	-	-		-		-	
5	-	-	-	-		-		-	
6	-	-	-	-		-		-	
Total Other Local Revenue Funds Budgeted:	\$ -	\$ 380,988	\$ 143,615	\$ 426,666		\$ 29,056	-93.19%	\$ 29,056	0.00%

CHARTER NAME: Allegiance STEAM Academy-Thrive
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Fiscal Year 2024-25 Second Interim Report
 Restricted MYP

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change	
REVENUES										
LCFF Sources										
LCFF	8011									
EPA	8012									
State Aid - Prior Year	8019									
In Lieu Property Taxes	8096									
Federal	8100-8299	360,152	404,469	214,949	465,848	29.35%	469,983	0.89%	469,983	0.00%
State										
Lottery - Unrestricted	8560									
Lottery - Prop 20 - Restricted	8560	65,664	65,664	-	61,104	-6.94%	65,664	7.46%	65,664	0.00%
Other State Revenue	8300-8599	1,459,999	1,370,425	1,268,297	2,149,094	47.20%	1,382,754	-35.66%	1,233,284	-10.81%
Local										
Interest	8660	-	-							
AB602 Local Special Education Transfer	8792	-	-							
Other Local Revenues	8600-8799	-	-	-	-		-	-	-	
Total Revenues		\$ 1,885,815	\$ 1,840,558	\$ 1,483,246	\$ 2,676,046	41.90%	\$ 1,918,401	-28.31%	\$ 1,768,931	-7.79%
EXPENDITURES										
Certificated Salaries	1000-1999	832,413	832,413	405,882	916,151	10.06%	785,198	-14.29%	689,248	-12.22%
Classified Salaries	2000-2999	80,816	80,816	84,957	143,000	76.95%	80,816	-43.49%	80,816	0.00%
Benefits	3000-3999	346,355	346,355	62,375	354,526	2.36%	315,632	-10.97%	293,582	-6.99%
Books & Supplies	4000-4999	411,183	411,183	679,254	704,936	71.44%	559,588	-20.62%	508,442	-9.14%
Contracts & Services	5000-5999	400,100	400,100	205,056	643,319	60.79%	400,100	-37.81%	400,100	0.00%
Capital Outlay (Modified Accrual Basis Only)	6000-6599	-	-							
Depreciation Expense (Accrual Basis Only)	6900	-	30,301							
Other Outgo	7100-7299	-	-							
Debt Service (see Debt Form)	7400-7499	-	-							
Total Expenditures		\$ 2,070,867	\$ 2,101,168	\$ 1,437,523	\$ 2,761,932	33.37%	\$ 2,141,334	-22.47%	\$ 1,972,188	-7.90%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES										
		\$ (185,052)	\$ (260,610)	\$ 45,722	\$ (85,886)		\$ (222,933)		\$ (203,257)	
OTHER SOURCES & USES										
Other Sources/Contributions to Restricted Programs	8900	185,052	230,309		85,886	-53.59%	222,933	159.57%	203,257	-8.83%
Other Uses	7600	-	-							
Net Sources & Uses		\$ 185,052	\$ 230,309	\$ -	\$ 85,886	-53.59%	\$ 222,933	159.57%	\$ 203,257	-8.83%
NET INCREASE (DECREASE) IN FUND BALANCE										
		\$ 0	\$ (30,301)	\$ 45,722	\$ 0		\$ (0)		\$ 0	

CHARTER NAME: Allegiance STEAM Academy-Thrive
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Fiscal Year 2024-25 Second Interim Report
 Restricted MYP

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change
<small>Form Revised (revision date here if revised)</small>									
FUND BALANCE, RESERVES									
Beginning Balance at Adopted Budget	9791	-	-	-					
Adjustments for Unaudited Actuals	9792		55,712	55,712		55,712			
Beg Fund Balance at Unaudited Actuals			55,712	55,712					
Adjustments for Audit	9793		-	(55,712)		(55,712)			
Adjustments for Restatements	9795		-						
Beginning Fund Balance as per Audit Report +/- Restatements			55,712	-		-		-	
Ending Balance		\$ -	\$ 25,411	\$ 45,722	\$ -	\$ -	\$ -	\$ -	
Components of Ending Fund Balance (Budget):									
a. Nonspendable									
Revolving Cash	9711								
Stores	9712								
Prepaid Expenditures	9713								
All Others	9719								
b. Restricted	9740	-	25,411	45,722	-	-	-	-	
c. Committed									
Committed - Stabilization Arrangements	9750								
Committed - Other	9760								
d. Assignments	9780								
e. Unassigned									
Reserve for Economic Uncertainties	9789								
Undesignated / Unappropriated Amount / Unrestricted Net Position	9790								

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Fiscal Year 2024-25 Second Interim Report
 Restricted MYP

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change
Form Revised (revision date here if revised)									
If Restricted Fund Balances Exist, Identify Balance by Program:									
1 EX, AB602 - Special Education	-	-							
2	-	-							
3	-	-							
4	-	-							
5	-	-							
6	-	-							
7	-	-							
8	-	-							
9	-	-							
10	-	-							
11	-	-							
12	-	-							
13	-	-							
14	-	-							
15	-	-							
Ending Restricted Fund Balance			Total must equal amount in Cell F64 above						

ASSUMPTIONS RESTRICTED PROGRAMS:

LIST FEDERAL RESTRICTED REVENUES

1 Federal SPED	171,401	171,401		171,401		172,956	0.91%	172,956	0.00%
2 Federal Nutrition	72,095	116,412	114,916	162,429		163,902	0.91%	163,902	0.00%
3 Title I	88,023	88,023	73,755	103,116		104,052	0.91%	104,052	0.00%
4 Title II	18,633	18,633	17,298	18,902		19,073	0.90%	19,073	0.00%
5 Title V	-	-							
6 ESSER III 3213	-	-							
7 Title IV	10,000	10,000	8,980	10,000		10,000	0.00%	10,000	0.00%
8 ESSER III 3214	-	-							
9 ELOG 3216	-	-							
10	-	-							
11	-	-							
12	-	-							
13	-	-							
14	-	-							
15	-	-							
16	-	-							
17	-	-							
18	-	-							
19	-	-							
20	-	-							
Total Federal Awards Budgeted:	\$ 360,152	\$ 404,469	\$ 214,949	\$ 465,848		\$ 469,983	0.89%	\$ 469,983	0.00%

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report
 Restricted MYP

DESCRIPTION	Adopted Budget 2024-25	First Interim Projected Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change
Lottery Prop 20 Restricted Allocation per ADA	\$ 68.94	\$ 68.94		\$ 64.73		\$ 68.94		\$ 68.94	
Lottery Estimated Prop 20 Restricted Award	\$ 65,664.00	\$ 65,664		\$ 61,104	-6.94%	\$ 65,664	7.46%	\$ 65,664	0.00%
LIST RESTRICTED STATE FUNDS BUDGETED IN "Other State Revenue"									
1 State SPED	633,155	633,155	193,582	641,893		647,717	0.91%	647,717	0.00%
2 State Nutrition	6,824	17,953	27,457	31,953		32,243	0.91%	32,243	0.00%
3 ELOP	474,082	426,674	528,430	901,211		427,129	-52.60%	427,129	0.00%
4 Educator Effectiveness	-	30,414	5,715	33,683					
5 Pre-K	-	-							
6 Instructional Material BG	150,000	-							
7 Learning Recovery BG	123,658	102,780	268,211	166,741		101,470	-39.15%		
8 Classified Employee Grant	-	-							
9 Other	-	-				48,000			
10 Other	-	-							
11 Dispute Resolution	-	-							
12 Lottery PY	-	-							
13 AMIMBG	-	94,397	88,782	104,905					
14 UPK	-	-							
15 Low Inc	-	-							
16 ERMHS	72,280	65,052	87,234	138,675					
17 AMS Prop 28	-	-	68,886	130,033		126,195	-2.95%	126,195	0.00%
18	-	-							
Total Other State Revenue Funds Budgeted:	\$ 1,459,999	\$ 1,370,425	\$ 1,268,297	\$ 2,149,094		\$ 1,382,754	-35.66%	\$ 1,233,284	-10.81%
LIST OTHER RESTRICTED LOCAL REVENUES BUDGETED in "Other Local Revenues"									
1	-	-							
2	-	-							
3	-	-							
4	-	-							
5	-	-							
6	-	-							
Total Other Local Revenue Funds Budgeted:	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
SPECIAL EDUCATION DETAILS:									
What % of student population is Special Ed	11.35%	11.35%	11.35%	11.35%	0.00%	11.35%	0.00%	11.35%	0.00%
For SELPA services, is the Charter under School District, or a member LEA?	Desert Mountain SELPA								
AB602 Revenue	-	-	-	-		-		-	
Other Special Ed Revenue	804,556	804,556	193,582	813,294	1.09%	820,673	0.91%	820,673	0.00%
Unrestricted Contribution to Special Ed	185,052	185,052	130,457	85,886	-53.59%	168,935	96.70%	168,935	0.00%
Total Special Ed Funding	989,608	989,608	324,039	899,180	-9.14%	989,608	10.06%	989,608	0.00%
Special Ed Expenditures	989,608	989,608	324,039	899,180	-9.14%	989,608	10.06%	989,608	0.00%

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report
 Summary MYP

DESCRIPTION	Adopted Budget 2024-25	Latest Revised Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change	
REVENUES										
LCFF Sources										
LCFF	8011	7,665,684	7,675,634	3,489,734	7,552,366	-1.48%	7,927,189	4.96%	8,307,106	4.79%
EPA	8012	182,400	182,400	90,469	180,760	-0.90%	182,400	0.91%	182,400	0.00%
State Aid - Prior Year	8019	-	-	-	-		-	-	-	
In Lieu Property Taxes	8096	2,692,434	2,682,484	187,780	2,658,365	-1.27%	2,682,484	0.91%	2,682,484	0.00%
Federal	8100-8299	360,152	404,469	214,949	465,848	29.35%	469,983	0.89%	469,983	0.00%
State										
Lottery - Unrestricted	8560	161,424	161,424	57,979	163,942	1.56%	161,424	-1.54%	161,424	0.00%
Lottery - Prop 20 - Restricted	8560	65,664	65,664	-	61,104	-6.94%	65,664	7.46%	65,664	0.00%
Other State Revenue	8300-8599	1,478,147	1,388,573	1,310,684	2,191,481	48.26%	1,424,964	-34.98%	1,276,038	-10.45%
Local										
Interest	8660	-	-	-	-		-	-	-	
AB602 Local Special Education Transfer	8792	-	-	-	-		-	-	-	
Other Local Revenues	8600-8799	-	380,988	143,615	426,666		29,056	-93.19%	29,056	0.00%
Total Revenues		12,605,905	12,941,635	5,495,210	13,700,532	8.68%	12,943,164	-5.53%	13,174,155	1.78%
EXPENDITURES										
Certificated Salaries	1000-1999	5,357,102	5,602,605	3,228,309	5,712,210	6.63%	5,564,054	-2.59%	5,675,335	2.00%
Classified Salaries	2000-2999	2,011,648	1,721,110	1,058,683	1,729,152	-14.04%	1,715,693	-0.78%	1,750,007	2.00%
Benefits	3000-3999	2,612,872	2,507,350	1,243,168	2,340,899	-10.41%	2,638,911	12.73%	2,698,946	2.27%
Books & Supplies	4000-4999	479,737	792,206	761,414	980,611	104.41%	1,009,298	2.93%	1,029,484	2.00%
Contracts & Services	5000-5999	1,927,439	2,034,131	1,153,537	2,217,840	15.07%	2,283,452	2.96%	2,334,044	2.22%
Capital Outlay (Modified Accrual Basis Only)	6000-6599	28,600	-	-	-		-	-	-	
Depreciation Expense (Accrual Basis Only)	6900	-	30,301	39,519	56,190		57,313	2.00%	58,460	2.00%
Other Outgo	7100-7299	-	-	-	-		-	-	-	
Debt Service (see Debt Form)	7400-7499	-	-	-	-		-	-	-	
Total Expenditures		\$ 12,417,397	\$ 12,687,703	\$ 7,484,630	\$ 13,036,902	4.99%	\$ 13,268,722	1.78%	\$ 13,546,276	2.09%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES										
		\$ 188,508	\$ 253,932	\$ (1,989,420)	\$ 663,629	252.04%	\$ (325,558)		\$ (372,121)	
OTHER SOURCES & USES										
Other Sources/Contributions to Restricted Programs	8900	-	-	-	-		-	-	-	
Other Uses	7600	-	-	-	-		-	-	-	
Net Sources & Uses		\$ -	\$ -	\$ -	\$ -		\$ -		\$ -	
NET INCREASE (DECREASE) IN FUND BALANCE										
		\$ 188,508	\$ 253,932	\$ (1,989,420)	\$ 663,629	252.04%	\$ (325,558)		\$ (372,121)	

CHARTER NAME: Allegiance STEAM Academy-Thrive
 CDS #: 36 67678 0137547
 CHARTER #: 1945

Fiscal Year 2024-25 Second Interim Report
 Summary MYP

DESCRIPTION	Adopted Budget 2024-25	Latest Revised Budget 2024-25	Second Interim Actual thru January 31, 2025	Second Interim Projected Budget 2024-25	Percent Change	Second Interim Projected Budget 2025-26	Percent Change	Second Interim Projected Budget 2026-27	Percent Change	
FUND BALANCE, RESERVES										
Beginning Balance at Adopted Budget	9791	7,358,278	7,358,278	7,358,278	0.00%					
Adjustments for Unaudited Actuals	9792		(461,672)	(461,672)						
Beg Fund Balance at Unaudited Actuals			6,896,606	6,896,606						
Adjustments for Audit	9793		-	(297,743)						
Adjustments for Restatements	9795		(445,344)	-						
Beginning Fund Balance as per Audit Report +/- Restatements		-	6,451,262	6,598,863		7,262,492		6,936,934	-4.48%	
Ending Balance	9790	\$ 7,546,786	\$ 6,674,893	\$ 4,609,442	\$ 7,262,492	-3.77%	\$ 6,936,934	-4.48%	\$ 6,564,813	-5.36%
Components of Ending Fund Balance (Budget):										
a. Nonspendable										
Revolving Cash	9711	-	-	-	-	-	-	-	-	
Stores	9712	-	-	-	-	-	-	-	-	
Prepaid Expenditures	9713	-	-	-	-	-	-	-	-	
All Others	9719	-	-	-	-	-	-	-	-	
b. Restricted										
	9740	-	25,411	45,722	-	-	-	-	-	
c. Committed										
Committed - Stabilization Arrangements	9750	-	-	-	-	-	-	-	-	
Committed - Other	9760	-	-	-	-	-	-	-	-	
d. Assignments										
	9780	-	-	-	-	-	-	-	-	
e. Unassigned										
Reserve for Economic Uncertainties	9789	-	-	-	-	-	-	-	-	
Undesignated / Unappropriated Amount / Unrestricted Net Position	9790	7,546,786	6,649,482	4,563,720	7,262,492	-3.77%	6,936,934	-4.48%	6,564,813	-5.36%
Economic Uncertainty and Unappropriated Reserve Percentage (9789+9790)/(Total Expenditures + Other Uses)		60.78%	52.41%	60.97%	55.71%		52.28%		48.46%	

Reserve Standard (unless different standard identified in MOU)

4% 4% 4% 4% 4% 4%

If MOU contains a Reserve Standard other than above, enter here

Reserve Standard Met/Not Met

Met Met Met Met Met Met

If not meeting standards, discuss fiscal recovery plan:

Unrestricted Deficit Spending Percentage

0.0% 0.0% 33.7% 0.0% 2.9% 3.2%

Unrestricted Deficit Spending Standard

20.3% 0.0% 20.3% 18.6% 17.4% 16.2%

Unrestricted Deficit Spending Standard Met/Not Met

Met Not Met Met Met Met Met

If deficit spending, explain cause and if one-time or on-going. If for on-going, what is the Charter's plan to eliminatethe deficit?

DEBT - Multiyear Commitments

Fiscal Year 2024-25 Second Interim Report

CHARTER NAME: Allegiance STEAM Academy-Thrive

Form Revised (revision date here if revised)

Complete the following table for all significant multiyear commitments for the budget year and the following two years. Clearly identify the number of years remaining and the total remaining principal amount of the commitment, the amount of principal and interest budgeted for the current fiscal year and the following two years.

Under the Comment Section, provide a brief statement identifying the funding source for repayment of each obligation.

NO DEBT (if no debt, X)

Type of Commitment	# of Years Remaining	July 1, 2024 Principal Balance	2024-25 Payment		2025-26 Payment		2026-27 Payment		Object Code(s)
			Principle	Interest	Principle	Interest	Principle	Interest	
State School Building Loans									
Charter School Start-up Loans									
Other Post Employment Benefits									
Compensated Absences									
Bank Line of Credit Loans									
Municipal Lease									
Capital Lease									
Capital Lease									
Capital Lease									
Inter-Agency Borrowing									
Other									
Total		-	-	-	-	-	-	-	

Other Commitments:

Comments:

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CHARTER NAME: Allegiance STEAM Academy-Thrive

2024-25 Second Interim Cash Flow

DATE PREPARED: 3/6/2025

Form Revised (revision date here if revised)

		July	%	August	%	September	%	October	%	November	%	December	%	January	%
		Actual	Bud	Actual	Bud	Actual	Bud	Actual	Bud	Actual	Bud	Actual	Bud	Estimated	Bud
Beginning Cash Balance	July 1 Cash =	1,668,069		4,510,069		2,992,746		2,818,190		1,358,520		2,198,944		964,253	
Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals - Actuals															
REVENUE															
LCFF Sources															
LCFF	8011	-		379,319	5.02%	379,319	5.02%	682,774	9.04%	682,774	9.04%	682,774	9.04%	682,774	9.04%
EPA	8012	-		-		-		-		45,235	25.02%	-		45,234	25.02%
State Aid - Prior Year	8019	-		-		-		-		-		-		-	
In Lieu Property Taxes	8096	187,780	7.06%	-		-		-		-		-		-	
Federal	8100-8299	-		-		24,724	5.31%	57,872	12.42%	32,705	7.02%	18,441	3.96%	81,208	17.43%
State															
Lottery - Unrestricted	8560	-		-		-		-		-		-		46,383	28.29%
Lottery - Prop 20 - Restricted	8560	-		-		-		-		-		-		11,596	18.98%
Other State Revenue	8300-8599	-		-		13,390	0.61%	(1,920)		96,154	4.39%	4,402	0.20%	1,198,658	54.70%
Local															
Interest	8660	773		773		773		773		773		773		488	
AB602 Local Special Education Transfer	8792	-		-		-		-		-		-		-	
Other Local Revenues	8600-8799	22,025	5.16%	-		(14,557)		-		9,996	2.34%	(766)		121,788	28.54%
Total Revenues		\$ 210,579	1.54%	\$ 380,092	2.77%	\$ 403,649	2.95%	\$ 739,499	5.40%	\$ 867,637	6.33%	\$ 705,623	5.15%	\$ 2,188,128	15.97%
EXPENDITURES															
Certificated Salaries	1000-1999	108,217	1.89%	509,372	8.92%	496,642	8.69%	521,406	9.13%	532,485	9.32%	512,955	8.98%	547,233	9.58%
Classified Salaries	2000-2999	60,345	3.49%	176,677	10.22%	158,478	9.17%	188,509	10.90%	158,882	9.19%	146,532	8.47%	169,260	9.79%
Benefits	3000-3999	63,633	2.72%	236,926	10.12%	212,385	9.07%	189,564	8.10%	165,586	7.07%	200,610	8.57%	174,464	7.45%
Books & Supplies	4000-4999	64,630	6.59%	351,008	35.79%	43,758	4.46%	76,178	7.77%	132,373	13.50%	49,975	5.10%	43,493	4.44%
Contracts & Services	5000-5999	69,638	3.14%	173,694	7.83%	144,650	6.52%	208,267	9.39%	86,322	3.89%	156,452	7.05%	314,514	14.18%
Capital Outlay (Modified Accrual Basis Only)	6000-6599	-		-		-		-		-		-		-	
Depreciation Expense (Accrual Basis Only)	6900	2,525		2,525		2,525		2,525		22,749		3,334		3,334	
Other Outgo	7100-7299	-		-		-		-		-		-		-	
Debt Service (see Debt Form)	7400-7499	-		-		-		-		-		-		-	
Total Expenditures		\$ 368,987	2.83%	\$ 1,450,203	11.12%	\$ 1,058,438	8.12%	\$ 1,186,449	9.10%	\$ 1,098,397	8.43%	\$ 1,069,858	8.21%	\$ 1,252,298	9.61%
OTHER SOURCES/USES															
Other Sources/Contributions to Restricted Programs	8900	-		-		-		-		-		-		-	
Other Uses	7600	-		-		-		-		-		-		-	
Net Sources & Uses		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
BALANCE SHEET															
		July 1 -	%		%		%		%		%		%		%
		Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal
		Balances		Balances		Balances		Balances		Balances		Balances		Balances	
Capital Assets - Net of Accum Depr (Accrual Basis Only)	9400-9489	750,361	2.525	0.34%	2,525	0.34%	2,525	0.34%	2,525	0.34%	(25,789)	3,334	0.44%	3,334	0.44%
Accounts Receivable	9210	6,424,580	3,227,127	50.23%	(671,348)	223,251	3.47%	(813,841)	1,122,237	17.47%	(836,860)	696,853	10.85%		
Prepaid Expenditures	9330	35,703	(65,723)	79,606	222.97%	-	-	(21,547)	(6,931)	(23,124)					
Other Non Current Assets															
Accounts Payable	9510	1,366,919	238,711	17.46%	(148,513)	91,588	6.70%	63,919	4.68%	116,841	8.55%	84,000	6.15%	(218,025)	
Line of Credit Payments	9640	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	9650	1,060,532	(75,191)	6,509	0.61%	(346,044)	137,486	12.96%	(113,124)	(54,000)	710,091	66.96%			
Other Non Current Liabilities															
TOTAL BALANCE SHEET		\$ 4,783,193	\$ 3,000,409	\$ (447,213)	\$ 480,233	\$ (1,012,720)	\$ 1,071,184	\$ (870,457)	\$ 184,998						
OTHER ADJUSTMENTS (LIST)															
TOTAL OTHER ADJUSTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET REVENUES LESS EXPENDITURES		\$ 2,842,000	\$ (1,517,323)	\$ (174,556)	\$ (1,459,670)	\$ 840,425	\$ (1,234,692)	\$ 1,120,828							
ENDING CASH BALANCE		\$ 4,510,069	\$ 2,992,746	\$ 2,818,190	\$ 1,358,520	\$ 2,198,944	\$ 964,253	\$ 2,085,080							

CHARTER NAME: Allegiance STEAM Academy-Thrive

2024-25 Second Interim Cash Flow

DATE PREPARED: 3/6/2025

Form Revised (revision date here if revised)

	February Estimated	% Bud	March Estimated	% Bud	April Estimated	% Bud	May Estimated	% Bud	June Estimated	% Bud	Estimated Accrual	Total	Projected Budget	Difference	
Beginning Cash Balance	2,085,080		2,522,965		3,361,481		3,495,081		3,576,114		3,521,172				
REVENUE															
LCFF Sources															
LCFF	8011	682,774	9.04%	675,971	8.95%	675,971	8.95%	675,971	8.95%	675,971	8.95%	675,971	7,552,366	7,552,366	-
EPA	8012	-		45,190	25.00%	-	-	-	-	-	-	45,101	180,760	180,760	-
State Aid - Prior Year	8019	-		-		-	-	-	-	-	-	-	-	-	-
In Lieu Property Taxes	8096	212,879	8.01%	752,569	28.31%	376,284	14.15%	376,284	14.15%	376,284	14.15%	376,284	2,658,365	2,658,365	-
Federal	8100-8299	24,729	5.31%	37,979	8.15%	37,979	8.15%	37,979	8.15%	37,979	8.15%	74,252	465,848	465,848	-
State															
Lottery - Unrestricted	8560	-		-		45,054	27.48%	-	-	-	-	72,505	163,942	163,942	-
Lottery - Prop 20 - Restricted	8560	-		-		11,263	18.43%	-	-	-	-	38,245	61,104	61,104	-
Other State Revenue	8300-8599	58,470	2.67%	292,734	13.36%	78,739	3.59%	78,739	3.59%	292,734	13.36%	79,381	2,191,481	2,191,481	-
Local															
Interest	8660	-		-		-	-	-	-	-	-	(5,127)	-	-	-
AB602 Local Special Education Transfer	8792	-		-		-	-	-	-	-	-	-	-	-	-
Other Local Revenues	8600-8799	-		141,525	33.17%	-	-	-	-	-	-	5,130	426,666	426,666	-
Total Revenues		\$ 978,851	7.14%	\$ 1,945,969	14.20%	\$ 1,225,291	8.94%	\$ 1,168,974	8.53%	\$ 1,524,495	11.13%	\$ 1,361,743	\$ 13,700,532	\$ 13,700,532	\$ -
EXPENDITURES															
Certificated Salaries	1000-1999	496,780	8.70%	496,780	8.70%	496,780	8.70%	496,780	8.70%	496,780	8.70%	-	5,712,210	5,712,210	-
Classified Salaries	2000-2999	155,544	9.00%	155,544	9.00%	155,544	9.00%	155,544	9.00%	48,295	2.79%	(0)	1,729,152	1,729,152	-
Benefits	3000-3999	235,617	10.07%	229,382	9.80%	226,264	9.67%	226,264	9.67%	180,204	7.70%	(0)	2,340,899	2,340,899	-
Books & Supplies	4000-4999	45,340	4.62%	45,340	4.62%	45,340	4.62%	41,589	4.24%	41,589	4.24%	-	980,611	980,611	-
Contracts & Services	5000-5999	174,735	7.88%	180,408	8.13%	167,764	7.56%	167,764	7.56%	167,764	7.56%	205,869	2,217,840	2,217,840	-
Capital Outlay (Modified Accrual Basis Only)	6000-6599	-		-		-		-		-		-	-	-	-
Depreciation Expense (Accrual Basis Only)	6900	3,334		3,334		3,334		3,334		3,334		-	56,190	56,190	-
Other Outgo	7100-7299	-		-		-		-		-		-	-	-	-
Debt Service (see Debt Form)	7400-7499	-		-		-		-		-		-	-	-	-
Total Expenditures		\$ 1,111,350	8.52%	\$ 1,110,787	8.52%	\$ 1,095,026	8.40%	\$ 1,091,275	8.37%	\$ 937,966	7.19%	\$ 205,869	\$ 13,036,902	\$ 13,036,902	\$ -
OTHER SOURCES/USES															
Other Sources/Contributions to Restricted Programs	8900	-		-		-		-		-		-	-	-	-
Other Uses	7600	-		-		-		-		-		-	-	-	-
Net Sources & Uses		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
BALANCE SHEET															
			% Beg Bal		% Beg Bal		% Beg Bal		% Beg Bal		% Beg Bal			Remaining Balance	
Capital Assets - Net of Accum Depr (Accrual Basis Only)	9400-9489	3,334	0.44%	3,334	0.44%	3,334	0.44%	3,334	0.44%	3,334	0.44%	(1,155,874)	7,651	742,710	
Accounts Receivable	9210	567,049	8.83%	-		-		-		150,000	2.33%	-	3,664,468	2,760,112	
Prepaid Expenditures	9330	-		-		-		-		-		-	(37,719)	73,422	
Other Non Current Assets		-		-		-		-		-		-	-	-	
Accounts Payable	9510	-		-		-		-		-		-	228,521	1,138,398	
Line of Credit Payments	9640	-		-		-		-		-		-	-	-	
Deferred Revenue	9650	-		-		-		-		794,805	74.94%	-	1,060,532	-	
Other Non Current Liabilities		-		-		-		-		-		-	-	-	
TOTAL BALANCE SHEET		\$ 570,384		\$ 3,334		\$ 3,334		\$ 3,334		\$ (641,471)		\$ (1,155,874)	2,345,348	2,437,845	
OTHER ADJUSTMENTS (LIST)															
														Remaining Balance	
														-	
														-	
														-	
														-	
														-	
TOTAL OTHER ADJUSTMENTS		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -	
NET REVENUES LESS EXPENDITURES		\$ 437,885		\$ 838,516		\$ 133,600		\$ 81,033		\$ (54,942)		\$ -	\$ 3,008,977		
ENDING CASH BALANCE		\$ 2,522,965		\$ 3,361,481		\$ 3,495,081		\$ 3,576,114		\$ 3,521,172		\$ 5,959,016.81			

Ending Fund Balance \$ 7,262,492
 Ending Cash (AC6) plus Ending Total Balance Sheet (AE52) plus Accruals (AC64) should equal Ending Fund Balance \$ (1,303,475) If not balancing, check to ensure Beg Cash (E6) + 1

CHARTER NAME: Allegiance STEAM Academy-Thrive

2025-26 Second Interim Cash Flow

DATE PREPARED:

3/6/2025

Form Revised (revision date here if revised)

		July	%	August	%	September	%	October	%	November	%	December	%	January	%		
		Estimated	Bud	Estimated	Bud	Estimated	Bud	Estimated	Bud	Estimated	Bud	Estimated	Bud	Estimated	Bud		
Beginning Cash Balance	July 1 Cash =	3,521,172		4,049,687		3,161,554		2,904,849		2,756,296		3,168,735		3,246,623			
REVENUE																	
LCFF Sources																	
LCFF	8011			392,796	4.96%	392,796	4.96%	707,032	8.92%	707,032	8.92%	707,032	8.92%	707,032	8.92%		
EPA	8012			-		-		45,190	24.78%	-		-		45,190	24.78%		
State Aid - Prior Year	8019			-		-		-		-		-		-			
In Lieu Property Taxes	8096			160,949	6.00%	321,898	12.00%	214,599	8.00%	214,599	8.00%	214,599	8.00%	214,599	8.00%		
Federal	8100-8299			8,648	1.84%	47,624	10.13%	35,536	7.56%	31,956	6.80%	62,738	13.35%	46,616	9.92%		
State																	
Lottery - Unrestricted	8560			-		-		-		-		-		45,418	28.14%		
Lottery - Prop 20 - Restricted	8560			-		-		-		-		-		11,354	17.29%		
Other State Revenue	8300-8599			32,386	2.27%	33,998	2.39%	59,907	4.20%	538,195	37.77%	79,270	5.56%	66,118	4.64%		
Local																	
Interest	8660			780		780		780		780		780		493			
AB602 Local Special Education Transfer	8792			-		-		-		-		-		-			
Other Local Revenues	8600-8799			-		7,536	25.94%	-		10,087	34.72%	(773)		7,031	24.20%		
Total Revenues		\$ 780	0.01%	\$ 595,559	4.60%	\$ 804,632	6.22%	\$ 1,063,044	8.21%	\$ 1,502,649	11.61%	\$ 1,063,646	8.22%	\$ 1,143,851	8.84%		
EXPENDITURES																	
Certificated Salaries	1000-1999			111,238	2.00%	495,272	8.90%	481,607	8.66%	502,512	9.03%	510,526	9.18%	497,686	8.94%	525,878	9.45%
Classified Salaries	2000-2999			53,827	3.14%	169,246	9.86%	148,600	8.66%	179,493	10.46%	151,959	8.86%	138,700	8.08%	160,604	9.36%
Benefits	3000-3999			75,352	2.86%	262,533	9.95%	243,417	9.22%	210,364	7.97%	184,988	7.01%	220,830	8.37%	190,706	7.23%
Books & Supplies	4000-4999			66,520	6.59%	361,277	35.79%	45,038	4.46%	78,406	7.77%	136,245	13.50%	51,437	5.10%	44,765	4.44%
Contracts & Services	5000-5999			71,675	3.14%	195,363	8.56%	142,676	6.25%	240,823	10.55%	106,493	4.66%	187,855	8.23%	336,541	14.74%
Capital Outlay (Modified Accrual Basis Only)	6000-6599			-		-		-		-		-		-			
Depreciation Expense (Accrual Basis Only)	6900			2,576	4.49%	2,576	4.49%	2,576	4.49%	2,576	4.49%	23,204	40.49%	3,401	5.93%	3,401	5.93%
Other Outgo	7100-7299			-		-		-		-		-		-			
Debt Service (see Debt Form)	7400-7499			-		-		-		-		-		-			
Total Expenditures		\$ 381,189	2.87%	\$ 1,486,268	11.20%	\$ 1,063,913	8.02%	\$ 1,214,173	9.15%	\$ 1,113,414	8.39%	\$ 1,099,910	8.29%	\$ 1,261,894	9.51%		
OTHER SOURCES/USES																	
Other Sources/Contributions to Restricted Programs	8900			-		-		-		-		-		-			
Other Uses	7600			-		-		-		-		-		-			
Net Sources & Uses		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -			
BALANCE SHEET																	
		July 1 -	%		%		%		%		%		%		%		
		Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal	Beginning	Beg Bal		
Capital Assets - Net of Accum Depr (Accrual Basis Only)	9400-9489	742,710	2.57%	2,576	0.35%	2,576	0.35%	2,576	0.35%	23,204	3.12%	3,401	0.46%	3,401	0.46%		
Accounts Receivable	9210	4,121,855	1,112,217	26.98%	-		-		-		-	110,750	2.69%	138,774	3.37%		
Prepaid Expenditures	9330	73,422	-		-		-		-		-	-		-			
Other Non Current Assets		-	-		-		-		-		-	-		-			
Accounts Payable	9510	1,344,266	205,869	15.31%	-		-		-		-	-		-			
Line of Credit Payments	9640	-	-		-		-		-		-	-		-			
Deferred Revenue	9650	-	-		-		-		-		-	-		-			
Other Non Current Liabilities		-	-		-		-		-		-	-		-			
TOTAL BALANCE SHEET		\$ 3,593,719	\$ 908,924	\$ 2,576	\$ 2,576	\$ 2,576	\$ 2,576	\$ 23,204	\$ 114,151	\$ 142,175							
OTHER ADJUSTMENTS (LIST)																	
TOTAL OTHER ADJUSTMENTS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
NET REVENUES LESS EXPENDITURES		\$ 528,516	\$ (888,134)	\$ (256,705)	\$ (148,553)	\$ 412,439	\$ 77,888	\$ 24,132									
ENDING CASH BALANCE		\$ 4,049,687	\$ 3,161,554	\$ 2,904,849	\$ 2,756,296	\$ 3,168,735	\$ 3,246,623	\$ 3,270,755									

CHARTER NAME: Allegiance STEAM Academy-Thrive

DATE PREPARED: 3/6/2025
Form Revised (revision date here if revised)

2025-26 Second Interim Cash Flow

	February Estimated	% Bud	March Estimated	% Bud	April Estimated	% Bud	May Estimated	% Bud	June Estimated	% Bud	Estimated Accrual	Total	Projected Budget	Difference	
Beginning Cash Balance	3,270,755		3,124,650		3,193,350		3,329,865		3,211,852		3,755,295				
REVENUE															
LCFF Sources															
LCFF	8011	707,032	8.92%	721,287	9.10%	721,287	9.10%	721,287	9.10%	721,287	9.10%	721,287	7,927,189	7,927,189	-
EPA	8012	-		-		46,420	25.45%	-		-		45,600	182,400	182,400	-
State Aid - Prior Year	8019	-		-		-		-		-		-	-	-	-
In Lieu Property Taxes	8096	214,599	8.00%	375,548	14.00%	187,774	7.00%	187,774	7.00%	187,774	7.00%	187,774	2,682,484	2,682,484	-
Federal	8100-8299	34,456	7.33%	62,738	13.35%	31,956	6.80%	31,956	6.80%	31,956	6.80%	43,802	469,983	469,983	-
State															
Lottery - Unrestricted	8560	-		-		45,418	28.14%	-		-		70,589	161,424	161,424	-
Lottery - Prop 20 - Restricted	8560	-		-		11,354	17.29%	-		-		42,955	65,664	65,664	-
Other State Revenue	8300-8599	61,519	4.32%	61,519	4.32%	237,217	16.65%	61,519	4.32%	61,519	4.32%	131,798	1,424,964	1,424,964	-
Local															
Interest	8660	-		-		-		-		-		(5,176)	-	-	-
AB602 Local Special Education Transfer	8792	-		-		-		-		-		-	-	-	-
Other Local Revenues	8600-8799	-		-		-		-		-		5,175	29,056	29,056	-
Total Revenues		\$ 1,017,606	7.86%	\$ 1,221,091	9.43%	\$ 1,281,427	9.90%	\$ 1,002,536	7.75%	\$ 1,002,536	7.75%	\$ 1,243,805	\$ 12,943,164	\$ 12,943,164	\$ -
EXPENDITURES															
Certificated Salaries	1000-1999	487,867	8.77%	487,867	8.77%	487,867	8.77%	487,867	8.77%	487,867	8.77%	-	5,564,054	5,564,054	-
Classified Salaries	2000-2999	164,172	9.57%	164,172	9.57%	164,172	9.57%	164,172	9.57%	56,575	3.30%	-	1,715,693	1,715,693	-
Benefits	3000-3999	268,041	10.16%	261,564	9.91%	258,325	9.79%	258,325	9.79%	204,466	7.75%	-	2,638,911	2,638,911	-
Books & Supplies	4000-4999	46,666	4.62%	46,666	4.62%	46,666	4.62%	42,806	4.24%	42,806	4.24%	(0)	1,009,298	1,009,298	-
Contracts & Services	5000-5999	196,964	8.63%	192,122	8.41%	187,882	8.23%	167,379	7.33%	167,379	7.33%	90,300	2,283,452	2,283,452	-
Capital Outlay (Modified Accrual Basis Only)	6000-6599	-		-		-		-		-		-	-	-	-
Depreciation Expense (Accrual Basis Only)	6900	3,401	5.93%	3,401	5.93%	3,401	5.93%	3,401	5.93%	3,401	5.93%	-	57,313	57,313	-
Other Outgo	7100-7299	-		-		-		-		-		-	-	-	-
Debt Service (see Debt Form)	7400-7499	-		-		-		-		-		-	-	-	-
Total Expenditures		\$ 1,167,112	8.80%	\$ 1,155,792	8.71%	\$ 1,148,313	8.65%	\$ 1,123,950	8.47%	\$ 962,494	7.25%	\$ 90,300	\$ 13,268,722	\$ 13,268,722	\$ -
OTHER SOURCES/USES															
Other Sources/Contributions to Restricted Programs	8900	-		-		-		-		-		-	-	-	-
Other Uses	7600	-		-		-		-		-		-	-	-	-
Net Sources & Uses		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
BALANCE SHEET															
			% Beg Bal		% Beg Bal		% Beg Bal		% Beg Bal		% Beg Bal			Remaining Balance	
Capital Assets - Net of Accum Depr (Accrual Basis Only)	9400-9489	3,401	0.46%	3,401	0.46%	3,401	0.46%	3,401	0.46%	3,401	0.46%	(1,153,505)	57,314	685,395	
Accounts Receivable	9210	-		-		-		-		500,000	12.13%	-	1,861,741	2,260,114	
Prepaid Expenditures	9330	-		-		-		-		-		-	-	73,422	
Other Non Current Assets		-		-		-		-		-		-	-	-	
Accounts Payable	9510	-		-		-		-		-		205,869	1,138,398		
Line of Credit Payments	9640	-		-		-		-		-		-	-		
Deferred Revenue	9650	-		-		-		-		-		-	-		
Other Non Current Liabilities		-		-		-		-		-		-	-		
TOTAL BALANCE SHEET		\$ 3,401		\$ 3,401		\$ 3,401		\$ 3,401		\$ 503,401		\$ (1,153,505)	\$ 1,713,186	\$ 1,880,533	
OTHER ADJUSTMENTS (LIST)															
														Remaining Balance	
														-	
														-	
														-	
														-	
														-	
TOTAL OTHER ADJUSTMENTS		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -	
NET REVENUES LESS EXPENDITURES		\$ (146,105)		\$ 68,700		\$ 136,515		\$ (118,013)		\$ 543,443		\$ (0)	\$ 1,387,628		
ENDING CASH BALANCE		\$ 3,124,650		\$ 3,193,350		\$ 3,329,865		\$ 3,211,852		\$ 3,755,295		\$ 5,635,828.27			

Ending Fund Balance \$ 6,936,934
Ending Cash (AC6) plus Ending Total Balance Sheet (AE52) plus Accruals (AC64) should equal Ending Fund Balance \$ (1,301,105) If not balancing, check to ensure Beg Cash (E6) + T

Coversheet

Statement of Work for Annual Audit

Section: II. Items Scheduled for Consent
Item: C. Statement of Work for Annual Audit
Purpose: Vote
Submitted by:
Related Material: Entity_Tax_Compliance_Statement_of_Work_-_ASA_24-25.pdf
Statement_of_Work_-_Audit_Services_-_ASA_24-25.pdf
202522 Allegiance STEAM Academy 2025 Engagement Letter (1).pdf
Allegiance STEAM - Proposal Document, Christy White, Inc.pdf



Date: February 20, 2025

Statement of Work - Tax Exempt Returns and Filings

This agreement constitutes a statement of work (“SOW”) under the master service agreement (“MSA”) dated April 23, 2023, or any superseding MSA, made by and between CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) and Allegiance STEAM Academy (“you,” “your,” or “the organization”). The purpose of this SOW is to confirm our understanding of the scope of services, responsibilities, limitations, and related terms of our engagement for the year ended June 30, 2025.

Our responsibility to you

We will prepare the entity's federal and state returns and filings as defined herein in accordance with the applicable tax laws. We will use our judgment in resolving questions where the law is unclear, and where there is reasonable authority, we will resolve questions in your favor whenever possible.

We will not audit or otherwise verify the accuracy or completeness of the information we receive from you for the preparation of the returns and filings, and our engagement cannot be relied upon to uncover errors or irregularities in the underlying information.

Your responsibilities

It is your responsibility to provide us with all of the information needed to prepare complete and accurate returns and filings. We will have no obligation to prepare the returns and filings until you have provided such information to us. It is your responsibility to comply with all foreign jurisdiction filing requirements. We have no obligation to prepare returns for foreign jurisdictions.

CLA requires that you provide information 60 days prior to the filing deadline. If you provide information after that date, we may be unable to complete the return(s) by the original filing deadline and may need to file an extension. If an extension is filed and information is not provided by 60 days prior to the extended filing deadline, we may be unable to complete your return(s) by the extended due date. Failure to timely file your return(s) or to file for an extension can result in penalties which can be substantial.

The United States Supreme Court ruled in *South Dakota versus Wayfair* that physical presence is no longer required to establish nexus for sales tax. This ruling may have broad implications, even beyond sales tax, as to where an entity is subject to tax. Please note that if the entity had a taxable presence in more than one jurisdiction, such as an employee or agent within the jurisdiction, any tangible property owned or rented within the jurisdiction, or if the entity exceeds any applicable economic nexus thresholds, the entity, its owners, or related entities may be subject to state or local income, sales, use, franchise, or gross receipts tax in that jurisdiction depending upon the particular facts. It is the entity's responsibility, not CLA's, to

determine if assistance is needed in deciding whether the entity, its owners, or related entities may be liable for income, sales, use, franchise, or gross receipts tax, or have a filing requirement in the various state or local jurisdictions.

It is important for you to identify any ownership OR signature authority over a foreign bank account or other foreign financial assets which includes but is not limited to foreign: stocks, mutual funds, partnerships, bonds, retirement accounts, estates, trusts, annuities, swaps, and derivatives. Failure to disclose penalties can be significant, starting at \$10,000 and can be upwards of 50 percent of the value of the asset. Please provide account statements if you have any foreign account ownership or signature authority. Note that these rules do not apply to foreign investments held by U.S. mutual funds. In addition, ownership in a foreign business entity (association, corporation, disregarded entity, or partnership) could trigger additional U.S. foreign informational reporting requirements. These reporting requirements require the disclosure of ownership, financial information, and related-party transactions. Failure to properly disclose ownership, related-party transactions, and the required information could trigger a penalty of up to \$25,000 penalty per filing. We cannot be held responsible if you fail to identify or provide such information to us.

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

Section 174 capitalization requirement

For tax years beginning after December 31, 2021, research and experimental (“R&E”) expenditures under IRC Section 174 are required to be capitalized and amortized. In the case of domestic R&E expenditures, the amortization period is 5 years, and in the case of foreign R&E expenditures the amortization period is 15 years. In order to comply with the law, your R&E expenditures under Section 174 must be identified and properly categorized. Should an accounting method change requiring a Form 3115 or equivalent statement be required, a separate Statement of Work for these services will be required.

Beneficial ownership information reporting

Beginning in 2024 under the Corporate Transparency Act (CTA), certain entities organized in the U.S. (including entities that are disregarded for federal income tax purposes) and foreign entities doing business in the U.S. are required to report information to the Financial Crimes Enforcement Network (FinCEN) as to their beneficial ownership. The report must provide each beneficial owner, each company applicant and other required information. Entities subject to the beneficial ownership information (BOI) reporting include a corporation, limited liability company, or any other entity created by the filing of a document with the secretary of state or similar office under state, Tribal or foreign country law. Note that some entities are exempt from the BOI reporting requirements (including many nonprofits and certain large operating

companies).

It is your responsibility to prepare and submit any BOI report to FinCEN that is required under the CTA. We have no obligation to identify any filing requirements or provide any services related to BOI reporting.

Tax examinations

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

Record retention

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

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

In preparing the returns and filings, we rely on your representation that you understand and have complied with these documentation requirements. You are responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of your financial records.

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

Tax consulting services

This statement of work also covers tax consulting services that may arise for which you seek our consultation and advice, both written and oral, that are not the subject of a separate statement of work. These additional services are not included in our fees for the preparation of the federal and state returns and filings. Our fee for such services will be billed to you, along with any direct costs.

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

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

Tax Compliance Services or Form Description	Fee Detail
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IRS Form 990 – Return of Organization Exempt from Income Tax	\$4,500
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Our customary billing practice is to invoice up to 50% of the estimated professional services fees upon receipt of your tax return information, or upon the preparation of an application for an extension of time to file your tax return(s) if earlier. We will continue to periodically bill for our time as work progresses.

Our professional fee reflects that, if needed, CLA will provide you with first and second drafts of each return or filing. Additional drafts requested by you may result in additional professional fees.

Additional charges may apply if you request a paper copy of your return(s), your circumstances are complex, changes to the tax law occur, or unexpected circumstances require additional time. We may apply a 20% surcharge (based on prior year invoice) if you do not provide accurate and complete tax information at least 60 days prior to the extended federal filing deadline, and an additional 5% surcharge for each and every two-week period thereafter until accurate and complete tax information is provided.

We will bill for all expenses (including internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees. Our invoices, including applicable state and local taxes, are payable on presentation.

Termination of agreement

Either party (you or CLA) may terminate this SOW at any time by giving written notice to the other party. In that event, the provisions of this SOW and the MSA shall continue to apply to all services rendered prior to termination.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

CliftonLarsonAllen LLP

Marlen Gomez
Principal
marlen.gomez@claconnect.com

Accepted on behalf of:

CLA
CLA

Client
Allegiance STEAM Academy

SIGN:

Marlen Gomez, Principal

SIGN:

Sebastian Cognetta, CEO

DATE:

DATE:



February 20, 2025

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated April 23, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Allegiance STEAM Academy ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2025.

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

Scope of audit services

We will audit the financial statements of Allegiance STEAM Academy, which comprise the financial statements identified below, and the related notes to the financial statements (collectively, the "financial statements") as of and for the year ended June 30, 2025.

The statement of financial position and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of data collection form
- Preparation of your financial statements and the related notes.
- Preparation of the supplementary information.
- Preparation of schedule of federal awards.
- Preparation of adjusting journal entries, as needed.

- Preparation of the informational tax returns.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel (State Audit Guide). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

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

not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs.

We will provide an opinion (or disclaimer of opinion) on compliance with requirements described in the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel. The State Compliance report will include a paragraph that states that the purpose of the report over compliance is to express an opinion on compliance with the types of requirements described in the 2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting; however, that the audit does not provide a legal determination of the entity's compliance.

The state compliance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Audit Guide.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

It is our understanding that our auditors' report will be included in your annual report which is comprised of Local Education Agency Organization Structure and that your annual report will be issued concurrent with the financial statement audit. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, the Uniform Guidance, and the State Audit Guide.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management Override of Controls
- Revenue Recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Audit Guide. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

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

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

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

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

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

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

procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and State Audit Guide.

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

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

Management responsibilities

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

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

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, relevant to the preparation and fair presentation of financial

statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

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

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

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the State Audit Guide; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that

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

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

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

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

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

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

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

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

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

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

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

Engagement administration and other matters

We expect to begin our audit on approximately April 1, 2025.

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

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

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

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

The audit documentation for this engagement will be retained for a minimum of seven years after the report

release date or for any additional period requested by the California Department of Education, California State Controllers Office, and authorizer(s). If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

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

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

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

Fees

Audit of financial statements (includes procedures for one major program under the Uniform Guidance, if additional programs are required to be tested, they will be billed at \$9,000 per additional federal program)	\$31,000.00
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Data Collection Form SF-FAC and single audit reporting package	\$1,200.00
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We will also bill for expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of five percent (5%) of all professional fees billed. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

There is a ten percent withholding clause per Education Code 14505.

Bill to be mailed on	Amount to be billed
April 2025	One-third of our professional fees
August 2025	One-third of our professional fees
November 2025	One-third of our professional fees

Additional state compliance procedures related to changes to the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals

Panel will be billed as out-of-scope.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

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

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Allegiance STEAM Academy.

CLA
CLA

Client
Allegiance STEAM Academy

SIGN:

Marlen Gomez, Principal

SIGN:

Sebastian Cognition, CEO

DATE:

DATE:

SILVA & SILVA

CERTIFIED PUBLIC ACCOUNTANTS

Rudolph F. Silva, CPA
Lisa D. Silva, CPA

March 6, 2025

Sabastian Cogna, Ed.D., Chief Executive Officer
Allegiance STEAM Academy
5862 C Street
Chino, California 91710

Dear Sabastian,

We are pleased to confirm our understanding of the services we are to provide for Allegiance Steam Academy which operates Allegiance Steam Academy Thrive (1945) and Allegiance Steam Academy Thrive, Fontana (2130) for the year ending June 30, 2025.

We will audit the financial statements of the Allegiance Steam Academy which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses and cash flows for the year ended June 30, 2025, and the related notes to the financial statements. Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

The supplementary information will be presented for purposes of additional analysis and is not a required part of the financial statements. Such information will be 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. Our auditor's report will provide an opinion on the supplementary information in relation to the financial statements as a whole.

1. Schedule of Expenditures of Federal Awards
2. Schedules of Average Daily Attendance (ADA)
3. Schedules of Instructional Time
4. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
5. Note to Supplementary Information

Other information will include the Local Education Agency Organization Structure. We will also prepare the Federal and State information returns for the June 30, 2025, year-end.

Audit Objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel as regulations; and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance),

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

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Uniform Guidance; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Allegiance Steam Academy We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinions are other than unmodified, we will discuss the reasons with management in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Charter Schools or to acts by management or employees acting on behalf of the Charter Schools. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Charter Schools' attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; Schedule of Expenditures of Federal Awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Charter Schools and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

Allegiance STEAM Academy
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An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

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

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

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- Prepare federal and state income tax returns.
- Prepare or assist with preparing financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you.
- Complete the auditee's portion of the Data Collection Form.

We will not assume management responsibilities on behalf of Allegiance Steam Academy. Allegiance Steam Academy management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The Organization's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. Our firm will advise the Organization with regard to tax positions taken in the preparation of the tax return, but the Organization must make all decisions with regard to those matters.

Annual Tax Return Preparation

We will prepare the Exempt Organizations Tax Form 990 and the corresponding State Returns – Form 199 from information you furnish to us and we may process them with an outside computer service. We will not audit or otherwise verify the data you submit, although, we may ask you to clarify some of the information.

It is your responsibility, to provide us with all the information required for preparing complete and accurate returns including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance neither of doubtful deductions or inadequately supported documentation nor for resulting taxes, penalties, and interest.

You should retain all the documents, canceled checks, and other data that form the basis of the returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

We must receive all audit and tax information to prepare your return (as detailed above) no later than October 15. If, for some unforeseen reason, your data is not complete at that time, please submit whatever is ready. Be aware that if you submit your data later, it may be necessary to apply for an extension to file these returns. Ultimately, you may be subjected to late penalties on your June 30 year-end returns because of this delay.

We are responsible for preparing only the returns listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate agreement. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examinations, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. Fees and services will be communicated in a separate engagement letter.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated. When possible, we will resolve questions involving application of tax rules in your favor, if there is reasonable justification for doing so. If the Internal Revenue Service (IRS) should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for such additional penalties, interest, or assessments. Additional services will be subject to arrangements made in writing at the time requested.

As your CPA, we collect information provided by you from your tax information, worksheets, documents, and will developed as part of this engagement. We are required to keep all information about our engagement confidential, so we will not disclose any information about you unless we have your approval or are required/permitted by law. This applies even if you are no longer a client. As your CPA, we are committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect your information. Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the IRS or brought by or against the U.S. Government in a Federal court. The communications must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

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In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

It is our firm's policy to retain copies of your tax returns for seven years, after which they will be destroyed. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period Silva & Silva CPA's shall be free to destroy our records related to this engagement.

Management Responsibilities

Management is responsible for: (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, Schedule of Expenditures of Federal Awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documents, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Allegiance STEAM Academy

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You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Charter Schools involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Charter Schools received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Charter Schools comply with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review a week prior to the report date.

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

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the Charter Schools' website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers; but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication; you agree to provide us with written, advance authority to make that disclosure.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, Schedule of Expenditures of Federal Awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

Allegiance STEAM Academy

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The audit shall be completed, and the audit report shall be delivered in accordance with time requirements as specified in the *Standards and Procedures for Audits of California Office*, unless delayed by circumstances beyond the control of the Auditors. A hardcopy (if requested) and electronic version of the audit report to the Charter Schools, in addition to the copies/electronic version required to be filed with the applicable governmental units; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

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

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the California Department of Education.

Matt Miller is the engagement partner and Patty Hayashida (in charge supervisor) are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in approximately March and to complete your information returns and issue our report no later than December 15.

To ensure that Silva & Silva CPA's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering any substantive employment discussions with any of our personnel.

We estimate that our annual fees for the audit of the Charter Schools will be \$28,500 for the year ending June 30, 2025. Tax return preparation will be \$2,150 for the fiscal year ending June 30, 2025. Other services will be billed at an hourly rate. No additional expenses are estimated at this time. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Additional audit fees may be assessed if additional auditing services are provided for: (1) any changes in reporting format and/or audit requirements as stated in the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California State Controller's Office or Governmental Accounting Standards Board, (2) any changes in the number of accounts maintained by the Charter Schools during the period under this contract; and (3) additional audit procedures required due to the lack of preparation for the audit on the part of the Charter Schools. These fees shall be in addition to the above maximum fee for audit services.

Allegiance STEAM Academy
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The Organization shall pay the auditor in monthly installments throughout the year as the work progresses for the not to exceed amount. The monthly installments will represent up to 90% of the total contract. The final installment will represent the 10% withheld amount pursuant to *Education Code* Section 14505 and will be presented for payment upon certification by the Controller that the audit report conforms to the reporting provisions of the Audit Guide. All billings for additional audit fees or services will be billed as these services are provided. In accordance with *Education Code* Section 14505 (b), the Charter Schools shall withhold fifty percent (50%) of the audit fee for any subsequent year of multi-year contract if the prior year's audit report was not certified as conforming to reporting provisions of the Audit Guide. This contract shall be null and void if a firm or individual is declared ineligible pursuant to subdivision (c) of Section 41020.5. The withheld amount shall not be payable unless payment is ordered by the State Board of Accountancy or the audit report for that subsequent year is certified by the controller as conforming to reporting provisions of the Audit Guide.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2020 peer review accompanies this letter.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to litigation. The costs of any mediation proceedings shall be shared equally by all parties. The Organization and Auditors both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

Annual Report - Form and Content, Delivery

The form and content of the annual audit shall be in conformity, to the extent practicable, with such form and content as may be prescribed by the State of California under Section 41020 of the *Education Code*, Audits of State of Local Governments, issued by the U.S. Office of Management and Budget, as issued pursuant to Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

We appreciate the opportunity to be of service to the Charter Schools and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,



Matt Miller, Partner
of Silva & Silva CPAs

MM/cr

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RESPONSE:

This letter correctly sets forth the understanding of Allegiance Steam Academy

Signature

Title

Date



Member:
American Institute of Certified Public Accountants
California Society of Certified Public Accountants

880 Apollo Street, Suite 140, El Segundo, CA. 90245
Tel: 310.563.1010 • Fax: 310.563.1011

Report on the Firm's System of Quality Control

January 22, 2022

The Partners

Silva & Silva Accountancy Corp.

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system quality control for the accounting and auditing practice of Silva & Silva Accountancy Corp. in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Consideration

Engagements selected for review included engagements performed under *Government Auditing Standards*, including an audit under the Single Audit Act.

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

Silva & Silva Accountancy Corp.
and the Peer Review Committee of the California Society of CPAs
January 22, 2022
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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Silva & Silva Accountancy Corp. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies*, or *fail*. Silva & Silva Accountancy Corp. has received a peer review rating of *pass*.

Lawrence R. Mitchell : Company

Certified Public Accountants
A Professional Corporation



Proposal for
Allegiance STEAM Academy
Chino, California

For the fiscal year ending June 30, 2025,
plus optional renewals through June 30, 2027

Submitted on March 7, 2025:

By: Marcy Kearney, CPA
619-270-8222
mkearney@christywhite.com

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

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APPENDIX:
 QUALITY CONTROL PEER REVIEW OPINION



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

March 7, 2025

Board of Directors
Allegiance STEAM Academy
Chino, California

Dear Members of the Board,

Christy White, Inc. (CW) is pleased to respond to Allegiance STEAM Academy's request for Annual Financial Statement Audits for the fiscal year ending June 30, 2025 (plus the two optional renewal periods through 2027).

We **specialize in auditing California charter schools**, including High Tech High (16 charter schools), Da Vinci Schools (5 charter schools), and Excelsior Charter Schools (over 1,800 pupils). In 2023-24, we were providing services to over 150 nonprofit organizations with charter schools and 220+ school districts. We also perform school facility program (SFP) and general obligation bond audits, plus, should the need arise, we have certified fraud examiners on our team to perform forensic audits.

CW will serve Allegiance STEAM Academy with our audit team of charter school nonprofit specialists. For over 20 years, our firm has specialized in charter school audits, so you get the benefits of not only an experienced specialized team but an entire firm of more than 60 professionals. As a leader in the K-12 education industry, we provide educational organization audit focused staff training unmatched by other firms. We assure you that every Christy White team member will be trained to handle your audit efficiently and effectively. Moreover, we provide **free training and accounting advice** to our clients.

I, Marcy Kearney, CPA and founding partner, Christy White, have over 50 combined years of local education agency (LEA) audit and consulting experience. We are joined by Partners Heather Daud Rubio, Michael Ash, John Whitehouse, and Kyle Montgomery, plus several experienced auditors and staff. My partners and I have a great deal of interest and **commitment to providing excellent auditing services to Allegiance STEAM Academy.** Our team is committed to meeting all requirements and timelines for the successful completion of the engagement.

After reading through our proposal, should you have any questions, please feel free to contact me by phone at (619) 270-8222 or via email at mkearney@christywhite.com. I would be happy to meet with you!

Sincerely,

Marcy Kearney, CPA
Partner

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

EXECUTIVE SUMMARY

Christy White, Inc. (CW), a professional accountancy corporation, is the largest CPA firm in the number of Local Educational Agencies (LEAs) audited annually. Home-based in San Diego with professional staff that resides across the State to best serve our clients. Marcy Kearney, CPA, and Christy White Brook, CPA, CFE, will lead the proposed auditing services that include an audit of the annual financial statements and compliance for Allegiance STEAM Academy for the fiscal year ending June 30, 2025, plus two optional renewal years.

When considering whether to hire our firm, you will find that CW can be differentiated from our competitors in several areas, such as:

- **EXPERIENCED AND INVOLVED PARTNERS AND MANAGERS:** Christy White Brook, CPA, CFE, President and Partner, has 38 years of audit and consulting experience garnered from 30 years in public accounting and 8 years with School Services of California, Inc. Marcy Kearney, CPA, Audit Partner of the charter school division and tax department, has over 15 years of experience working directly with independent charter schools, other nonprofit organizations, and school districts. You can expect that Ms. White Brook and Ms. Kearney will be accessible to Allegiance STEAM Academy when the audit is underway and lend their expertise freely on accounting and internal control issues.
- **TIMELY AUDITS:** CW is committed to meeting all audit deadlines. All of our audits have been performed according to agreed-upon audit schedules, with the final reports to the State of California filed on time.
- **SECURE REMOTE AUDIT TECHNOLOGY:** Our firm implemented a "virtual office" setting several years preceding the pandemic. With our technology, we are fully capable of conducting a secure remote audit by providing audit-related items via our client-secured online portal (Suralink). Your CW audit manager will help set up you and your staff. The portal is very user-friendly.
- **COMMITMENT TO QUALITY:** CW has received an "unqualified" audit opinion by our peer reviewers regarding our firm's Quality Control Standards. All audits submitted to the State have been approved. Current client references are available upon request.
- **SMOOTH AUDIT PROCESS:** CW specializes in governmental and not-for-profit entities, so the process for the audit will be smooth. CW guarantees that: (1) trained and supervised staff will be on-site; (2) clients will be given a detailed audit plan; (3) CW will be considerate of your staff and their workload; and (4) all audit findings will be discussed before the report is finalized.
- **FINDING SOLUTIONS:** CW is not content to simply identify problem areas that may exist in your Organization but seeks ways to help provide solutions. Any CPA firm can discover a problem, but with our combined backgrounds and experiences, we can supply our clients with a wide range of possible solutions.

The following proposal provides more specific information on the scope of the audit services, our experience, qualifications, client references, and audit approach. We hope that you select our audit firm.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

GENERAL INFORMATION – ABOUT CW

LEGAL NAME AND CORPORATE CONTACT INFORMATION

Legal Name: Christy White, A Professional Accountancy Corporation (dba Christy White, Inc.)
 Corporate Address: 348 Olive Street, San Diego, CA 92103
 Telephone Number: 619-270-8222
 Fax Number: 619-260-9085
 Email Address: cwhite@christywhite.com
 Website: www.christywhite.com

FIRM HISTORY, SERVICES, AND SIZE

Christy White, Inc. was incorporated in 2010, succeeding Nigro Nigro & White (NNW) as the AICPA designated successor firm (Christy White was a founding partner NNW in 1999). Our firm has grown steadily over the past 24 years and now has 60 professionals, including eleven CPAs.

We offer services exclusively to local educational agencies (LEAs), including school districts and charter schools. It's our full specialization in LEAs that makes us unique among CPA firms and provides added value to our clients. As your educational audit specialist, CW audits over 220 school districts, 15 county offices of education, 120+ Proposition 39 bonds, well over 100 State School Facilities Program (SFP) grant audits, and over 175 charter schools. Our audit clients range in size from large charter schools to mid-size and small entities. We also prepare the annual tax Forms 990/199 for our nonprofit charter school clients. Our consulting capabilities include helping our clients with:

ASB Training	Forensic/Fraud Audits
Attendance Accounting	Business Functions Organization
FASB and Compliance Implementation	Charter School Back Office
Efficiency Studies	Financial Reporting

FIRM LICENSE, AFFILIATIONS AND ASSOCIATIONS

Christy White, Inc. (CW) is incorporated in the State of California. CW is licensed by the State Board of Accountancy. We are a majority women-owned firm. The California State Controller's Office CPA Directory lists Christy White as an eligible CPA firm that conducts LEA audits.

CW is a member of the Private Companies Practice Section (PCPS) and Government Audit Quality Center (GAQC) of the American Institute of CPAs, which requires an independent peer review every three years. We are members of the American Institute of CPAs (AICPA) and the California Society of CPAs. We are also associate members with the California Charter School Association (CCSA), the California Association of School Business Officials (CASBO), the Government Finance Officers' Association (GFOA), and the Association of Certified Fraud Examiners.

CW is also an active participant with the Education Audit Appeals Panel in developing the annual K-12 audit guide and dialogues regularly with State agencies on audit issues that affect our charter school clients.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

GENERAL INFORMATION – ABOUT CW (CONT.)**FIRM INDEPENDENCE**

One of the benefits of an audit is having an "independent" assessment of your internal controls over financial statements and compliance matters. Our quality control program ensures that we adhere to auditor independence's strictest standards, including those required by the Standards for Audit of Governmental Organization, Programs, Activities and Functions, published by the United States, General Accounting Office. We ensure that all firm partners and any staff working on the engagement do not have any financial or other interests in your Organization other than a strictly professional one. Our continued success as your business partner depends upon our independence.

CW has had no personal or business relationship with Allegiance STEAM Academy or its board members. Should a professional relationship occur that presents an independence conflict during the contract period, CW would immediately notify Allegiance STEAM Academy.

RESPONSIBLE BUSINESS PRACTICES

Christy White, Inc. is financially stable. We have no long-term debt and have remained fiscally stable throughout our 24-year history. We will not joint venture with another firm on this engagement.

CW has a standing record of performing quality audits. Our clients and the State Controller's Office have accepted all of our audit reports. No client has terminated a contract during the performance of the audit. Additionally, we have not been involved in litigation or any investigation by a state, federal, or professional agency.

There have been no complaints levied by the State Board of Accountancy or other regulatory authority in the history of CW or its predecessor firm of Nigro Nigro & White, PC. None of the CPAs of CW have had any individual complaints or sanctions.

CW'S QUALITY CONTROL SYSTEM

Our quality control systems include policies and procedures in leadership, ethical requirements, acceptance of new clients, personnel management, engagement performance, monitoring, and communication. We actively monitor compliance with our quality control document by reviewing work papers, training on new standards, consultation on complex areas, and sound human resources practices. CW has received the highest level of assurance from our peer reviewer, which is "Pass." Attached is our most recent quality control report.

INDEMNITY

CW has errors and omissions insurance and will indemnify and hold harmless the Organization from and against all losses and claims in the execution of our work or the consequences of any negligence or carelessness on our part. We are also fully insured for workers' compensation. Our current policies are attached.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

AUDIT STAFFING AND PERSONNEL

STAFF QUALIFICATIONS

The firm partners and staff of Christy White, Inc. (CW) bring an extensive background of audit and consulting experience to CW clients. We have audited local educational agencies (LEAs) throughout California. We are familiar with the unique issues relative to charter school finance: budgetary constraints, construction accounting, new federal and state program compliance, attendance accounting, state funding models, cash flow management, and more. The audit team will include:

Christy White, Inc. Personnel Assigned	
Name	Classification
Marcy Kearney, CPA	Signing Partner
Christy White Brook, CPA, CFE	Assisting Partner
Vanessa Pineda	In-Charge Auditor

ABBREVIATED RESUMES OF CHRISTY WHITE, INC.'S ASSIGNED AUDIT TEAM

Biographies of all staff members assigned to your audit are shown below.



Audit Partner Marcy Kearney, CPA, is a licensed CPA in California with over fifteen years of experience, individually working with public school districts, independent charter schools, and not-for-profit entities for both audit and tax preparation. She manages the tax department and the charter school division of the audit department. Additionally, Marcy has been a long-time member of the California Society of CPAs (CalCPA) and is a member of the American Institute of CPAs (AICPA). Marcy holds a Bachelor of Science degree in Business Administration with an emphasis in Accountancy from Cal State University, San Marcos. To better serve our CW clients and staff, Marcy moved to L.A. in 2014.



President Christy White Brook, CPA, CFE, has served hundreds of school districts and charter schools as an auditor, school finance consultant, professional author, and trainer. Christy provides audit and financial consulting in organizational structure, internal controls, school district reorganization, attendance accounting, forensic and fraud audits, and developing and conducting six workshop series throughout the State. Christy received a Best Volunteer Trainer award from the California Society of CPA's Education Foundation. And she is a Certified Fraud Examiner (CFE) in addition to her CPA license.



Senior Director Vanessa Pineda, a Los Angeles native, helps head up the Los Angeles office of Christy White. She has over ten years of experience in K-12 audits, including school districts, charter schools, county offices of education, Proposition 39 bonds and school facility program audits. Vanessa is a popular workshop leader in our firm, known for her approachable style and practical knowledge. She conducts workshops and in-service training on Attendance and Student Body Fund Accounting. Vanessa holds a degree in Business Administration, with an option in Accounting, from California State University, Los Angeles.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

AUDIT STAFFING AND PERSONNEL (CONT.)

STAFF TRAINING PROGRAMS

CW's program of staff development includes two full weeks of focused in-house training in the audit of charter schools and school districts. We also provide opportunities to staff to attend professional training provided by outside providers, such as School Services of California, the California Society of CPAs, and CCSA. A sampling of training programs our staff has attended within the last year include:

Continuing Education Event	Training Provider Organization
Annual California Charter School Conference	California Charter School Association (CCSA)
Annual California Charter School Conference	Charter Schools Development Center (CSDC)
Annual CASBO Conference, Attendance Accounting	California Association of School Business Officials (CASBO)
January, May, and Summer State Budget Workshops	School Services of California, Inc.
School Districts Conference, Not-for-Profit Organizations Conference	California Society of CPAs (CalCPA)
Annual Global Fraud Conference	Association of Certified Fraud Examiners (ACFE)
Single Audit Updates	American Institute of CPAs (AICPA)

STAFF CAPACITY

CW has a corporate office located in San Diego and numerous remote offices throughout California. We have over 60 professional employees, including eleven certified public accountants, and sufficient audit capacity to provide excellent audit services to Allegiance STEAM Academy.

EQUAL OPPORTUNITY EMPLOYER

CW is an equal opportunity employer. We do not discriminate based on race, ethnicity, age, or religion. We are in compliance with all applicable federal and state laws and regulations relating to equal opportunity employment, including the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

PAST PERFORMANCE

SPECIALIZING IN K-12 AUDITS

CW devotes our practice exclusively to K-12 auditing and consulting, including charter schools, schools districts and county offices. A full list of all charter schools served is included on the following page and below is a list of all charter schools in San Bernardino and Los Angeles Counties. **References can be provided upon request.**

LIST OF SAN BERNARDINO COUNTY AND LOS ANGELES COUNTY CHARTER SCHOOL CLIENTS

In addition to the charter schools listed below, we also audit several school districts in the counties.

Charter School Non-Profit	County	Years Audited
Academia Avance Charter School	Los Angeles	2023-24 through present
Alma Fuerte Public Charter School	Los Angeles	2021-22 through present
Century Community Charter School	Los Angeles	2023-24 through present
Clear Passage Educational Center	Los Angeles	2015-16 through present
Collegiate Charter High School of Los Angeles	Los Angeles	2022-23 through present
Crete Academy	Los Angeles	2017-18 through present
Da Vinci RISE High	Los Angeles	2017-18 through present
Da Vinci Schools (4 schools)	Los Angeles	2008-09 through present
El Camino Real Charter High School	Los Angeles	2019-20 through present
Encore Jr./Sr. High School for the Arts	San Bernardino	2022-23 through present
Environmental Charter Schools (4 schools)	Los Angeles	2023-24 through present
Excelsior Charter School	San Bernardino	2011-12 through present
Fenton Charter Public Schools (5 schools)	Los Angeles	2019-20 through present
Goethe International Charter School	Los Angeles	2021-22 through present
Granite Mountain Charter School	San Bernardino	2019-20 through present
High Tech Los Angeles (2 schools)	Los Angeles	2019-20 through present
Ingenium Charter Schools (4 schools)	Los Angeles	2022-23 through present
Lashon Academy (2 schools)	Los Angeles	2022-23 through present
Larchmont Charter School	Los Angeles	2023-24 through present
Learning by Design Charter School	Los Angeles	2021-22 through present
Lennox Math, Science & Technology Academy	Los Angeles	2017-18 through present
Los Angeles Academy of Arts & Enterprise	Los Angeles	2013-14 through present
Los Angeles College Prep Academy	Los Angeles	2018-19 through present
NEW Academy Charter Schools (2 schools)	Los Angeles	2022-23 through present
New Heights Charter School	Los Angeles	2014-15 through present
New Los Angeles Charter Schools (2 schools)	Los Angeles	2022-23 through present
Odyssey Charter Schools (2 schools)	Los Angeles	2022-23 through present
Pacoima Charter Elementary School	Los Angeles	2023-24 through present
Palisades Charter High School	Los Angeles	2018-19 through present
PazLo Education Foundation	Los Angeles	2020-21 through present
Provisional Accelerated Learning Academy	San Bernardino	2019-20 through present
Renaissance Arts Academy	Los Angeles	2022-23 through present
The Accelerated Schools (3 schools)	Los Angeles	2022-23 through present
The Palmdale Aerospace Academy	Los Angeles	2023-24 through present
Today's Fresh Start Charter School	Los Angeles	2023-24 through present
Village Charter Academy	Los Angeles	2023-24 through present

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

PAST PERFORMANCE (CONT.)

FULL LIST OF CURRENT CA CHARTER SCHOOL AUDIT CLIENTS OPERATED BY NONPROFIT ORGANIZATIONS

Charter School Non-Profit	Charter School Non-Profit	Charter School Non-Profit
Academia Avance Charter School	Forest Charter School	Orange County Academy of Sciences and Arts (2 schools)
Achieve Charter Schools (2 schools)	Francophone Charter School of Oakland	Orange County Educational Arts Academy
AeroSTEM Academy	Goethe International Charter School	Oxford Preparatory Academy (3 schools)
Agnes J. Johnson Charter School	Golden Charter Academy	Pacific Community Charter School
Alma Fuerte Public Charter School	Golden Eagle Charter School	Pacific View Charter School 2.0
Almond Acres Charter Academy	Granite Mountain Charter School	Pacoima Charter Elementary School
Amethod Public Schools (6 schools)	Griffin Technology Academies (4 schools)	Palisades Charter High School
Antioch Charter Academies	Hawkings STEAM Charter School	PazLo Education Foundation
Astronaut José M. Hernandez Academy	High Tech High (16 schools)	Plumas Charter School
Aurum Preparatory Academy	High Tech Los Angeles (2 schools)	Provisional Accelerated Learning Academy
B.E.S.T Academy	Howard Gardner Community Charter	REACH Leadership Academy
Bay Area Technology Charter School	Ingenium Charter Schools (4 schools)	Renaissance Arts Academy
Bitney Prep High Charter School	International School of Monterey	Rising Sun Montessori
Bullis Charter School	Irvine International Academy	River Island Academies
Capital College & Career Academy	John Muir Charter School	Samueli Academy
Capitol Collegiate Academy	Julian Charter Schools (6 schools)	San Carlos Charter Learning Center
Century Community Charter School	Kepler Neighborhood School	San Diego Global Vision Academy
Chico Country Day School	Kidinnu Academy	Santiago Middle School
Children's Community Charter School	Kinetic Academy	School for Entrepreneurship & Technology (SET)
Clarksville Charter School	Lake County International Charter School	Shade Canyon School
Clear Passage Educational Center	Lake View Charter School	Shanél Valley Academy
Clovis Global Academy	Lashon Academy (2 schools)	Sierra Expeditionary Learning School
College Preparatory Middle School	Larchmont Charter School	Sparrow Academy
Collegiate Charter High School of Los Angeles	Leadership Military Academy	Suncoast Preparatory Academy
CORE Butte Charter School	Leadership Public Schools (3 schools)	Sycamore Creek Community Charter School
CORE Charter School	Learning by Design Charter School	The Academy of Alameda (2 schools)
Cottonwood Creek Charter School	Learning for Life Charter School	The Accelerated Schools (3 schools)
Crete Academy	Lennox Math, Science & Technology Academy	The Foundation for Hispanic Education (3 schools)
Da Vinci RISE High	Literacy First Charter School	The Palmdale Aerospace Academy
Da Vinci Schools (4 schools)	Los Angeles Academy of Arts & Enterprise	Three Rivers Charter School
Discovery Charter Schools (2 schools)	Los Angeles College Prep Academy	Today's Fresh Start Charter School
Dr. Lewis Dolphin Stallworth Sr. Charter School	Mission Preparatory School	Tree of Life Charter School
Dual Language Immersion North County	Monarch River Academy	Tree of Life International Charter School
East Bay Innovation Academy	Nevada City School of the Arts	Twin Ridges Home Study Charter School
EJE Academies (2 schools)	NEW Academy Charter Schools (2 schools)	Twin Rivers Charter School
El Camino Real Charter High School	New Heights Charter School	Unity Schools (2 schools)
Elevate Elementary School	New Hope Charter School	University Preparation School at CSU Channel Islands
Encore Jr./Sr. High School for the Arts	New Los Angeles Charter Schools (2 schools)	Urban Discovery Schools
Environmental Charter Schools (4 schools)	New School of San Francisco	Village Charter Academy
Escuela Popular del Pueblo (2 schools)	North County Trade Tech High School	Village Charter School
Excelsior Charter School	North Oakland Community Charter School	We the People Public Schools
Excelsior Charter School Corona-Norco	Oakland School for the Arts	Wildflower Open Classroom
Feather River Charter School	Oasis Charter Public School	Yu Ming Charter School
Fenton Charter Public Schools (5 schools)	Odyssey Charter Schools (2 schools)	Yuba River Charter School

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

CAPACITY AND METHODOLOGY

SCOPE OF THE AUDIT

The scope of auditing services provided includes the **Annual Financial Statements** of Allegiance STEAM Academy (the nonprofit organization), including its two public charter schools, and Compliance with State Audit and Federal Requirements for the fiscal year ending June 30, 2025, with options to extend through 2027.

The purpose of the financial audits is to render the following opinions and reports:

- Auditor's Opinion on the Financial Statements
- Auditor's Opinion on Internal Controls and Compliance required by *Governmental Auditing Standards*
- Auditor's Opinion on State Compliance Requirements
- Current Year Findings and Recommendations
- Status Report on Prior-Year's Findings and Recommendations

Also, we will conduct the audit to meet procedures required of:

- Federal OMB Uniform Guidance and the Compliance Supplements, when applicable
- Other guides as required by the federal and State agencies, when applicable

RISK ASSESSMENT

CW has long taken a risk-based audit approach in our audits of LEAs for audit effectiveness and efficiency. We will perform our **Audit Risk Assessment** to include, at a minimum:

- Overall Internal control structure; precisely controls over electronic data processing systems, cash collections, cash disbursements, maintenance and operations and segregation of duties
- Compliance with Education Code and federal and state laws and regulations
- Capitalization and depreciation of assets

DOCUMENTATION OF INTERNAL CONTROL STRUCTURES

For each engagement performed, we conduct a thorough **Understanding of Internal Control Systems**, assess control risk, and suggest improvements to our clients. CW is well versed in the Risk-based Assessment Standards and will incorporate these requirements into our audit programs. Areas of **Internal Control** typically evaluated for our charter school clients include:

- | | |
|---|--|
| ➤ Cash receipting and cash management | ➤ Inventory and fixed assets |
| ➤ Purchasing and accounts payable | ➤ Attendance and compliance reporting |
| ➤ Personnel requisition/terminations and payroll processing | ➤ Financial Reporting |
| | ➤ Student body activities, if applicable |

Our examination of internal controls helps us plan our audit procedures. More importantly, we will communicate both positive control points and points where areas of improvement are needed.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

CAPACITY AND METHODOLOGY (CONT.)

APPROACH TO FRAUD RISK AND TESTING

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant transaction and group of transactions and design tests to ensure the transactions are free of material errors and irregularities. Our procedures meet the fraud risk and testing requirements of the clarified Statements on Auditing Standards (SAS). Suppose fraud is suspected or detected in the preparation of financial statements or the misappropriation of assets. In that case, CW will bring the matter to the attention of the appropriate level in the Organization. You can then take prompt action and prevent further instances from occurring as quickly as possible. We are also skilled in fraud investigations should the need arise.

MANAGEMENT DISCUSSION AND LETTERS

Christy White, Inc. (CW) believes the purpose of a quality audit is to provide management with feedback on the internal control structure's effectiveness, including the data processing systems. We will report all reportable conditions and discuss potential audit findings, observed good fiscal practices, and then recommend ways to enhance the overall effectiveness and efficiency of the Organization as a whole. After thoroughly discussing each finding with management and incorporating the Organization's response, we will issue our final management letter. The audit findings will meet *Government Auditing Standards* and standards established by the State Controller's Office.

PLANNING AND EXIT CONFERENCE MEETINGS

CW works closely with management at various stages during the audit cycle. We will organize both group and one-on-one meetings with school personnel and management, and a governing board representative.

- Audit Planning/Entrance Meeting: During our planning phase, we discuss our proposed audit timelines, deliverables and ask for input on areas deemed "new or high risk."
- Exit Conferences: After fieldwork, we will meet with you to discuss the results of our audit work and preliminary findings, if any. We do not want you to experience "audit surprises." Timely communication is the key to a surprise free audit.
- Review of Draft Audit Reports: Upon the audit's conclusion, we provide you with a draft report (which we are happy to review with you), our findings, and the charter management's response.

We are also available to meet with you on an ad hoc basis if an issue or question arises.

GENERAL AUDITING APPROACH

By following the professional standards prescribed by ***Generally Accepted Auditing Standards (GAAS)*** and ***Government Auditing Standards***, we are confident that we are meeting our professional standards for the industry. We will conduct the audit to meet procedures required of:

- K-12 Audit Guide, as published by the State Controller's Office
- *Government Auditing Standards*, as published by the Federal Office of Management and Budget

Being a leading CPA firm in the LEA industry, we have experience working with State, and Federal agencies in the development of the K-12 audit guide, client resolution of findings, researching laws and regulations and aiding on sensitive client situations further elaborate on our **Audit Project Plan**, which includes the three stages of the audit process described on the following page.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

CAPACITY AND METHODOLOGY (CONT.)

THREE STAGE AUDIT PLAN

Stage 1 – Planning and Risk Assessment

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement

Substantive Testing

Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

Stage 1 – Planning and Risk Assessment

We will confer with charter school personnel to discuss our plan to commence the audit. We hold an entrance conference call with representatives from the Board, Executive Director, Business/Finance office, and other department heads to discuss risk, concerns, expectations, and audit protocol. Our planning activities include:

- Reviewing and updating our understanding of the organization
- Identification of critical audit areas, plus changes to compliance areas
- Performing preliminary risk assessments
- Establishing an audit timeline
- Compiling data request lists
- Establishing agreed-upon deadlines

CW plans audit procedures to ensure that the financial statements and compliance areas are materially free of errors and irregularities (i.e., fraud). In doing this, we consider the audit risk of each significant account (e.g., cash, capital assets, accounts payable, and debt) and transaction group (e.g., payroll, cash disbursements, and cash receipts).

Upon assessing audit risk, we then design audit tests to meet the overall objective of the financial statements and compliance areas free of material errors and irregularities, under the clarified Statements on Auditing Standards (SAS).

Stage 2 – Fieldwork: Internal Controls Evaluation, Compliance Testing, and Financial Statement Substantive Testing

CW will gain an understanding of the internal control structure of the organization for financial accounting and compliance over federal and State programs. We also evaluate electronic data, including general and application controls over financial reporting and compliance with laws and regulations.

We develop our substantive testing by utilizing the results of our internal control testing and risk assessments. As in all stages of the audit, we will communicate with the Organization to permit timely resolution of any issues found. We will hold an exit conference with the Organization to summarize our fieldwork results and review significant findings.

Stage 3 – Drafting and Finalization of Financial Statements, Preparation of Forms 990/199

CW will draft the financial statements and provide the draft and any adjusting entries to the Organization for review and approval. Reports to management will include written reports, and discussions will be held with management and the Audit and Finance Committee or Governing Board. After the audit, we will prepare the Forms 990/199, should you contract for our tax services.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

CAPACITY AND METHODOLOGY (CONT.)

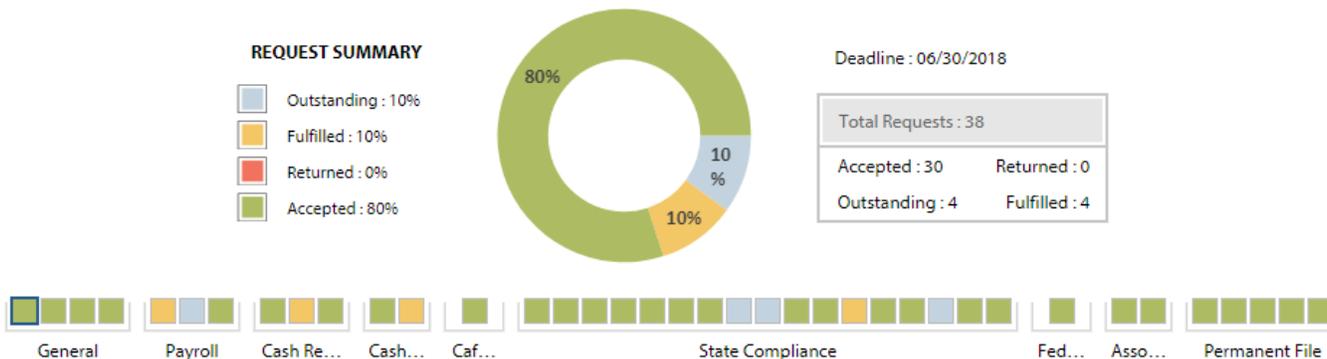
LEVEL AND NATURE OF SUPPORT REQUIRED

We conduct our audit using a client-driven approach; either fully remote or a combination of off-site and on-site work. We are entirely paperless and have a client portal for ease of document transmission. As such, we can make sample selections in advance of our fieldwork and conduct specific audit tests right from our office. We ask that the accounting staff be generally available to answer questions, upload documentation, and scan sampled document support throughout the audit.

SECURED PORTAL TO UPLOAD YOUR RECORDS WITH EASE

Christy White, Inc. uses a secure portal for seamless document-request coordination. Using the portal means all our requests are in one place, accessible by everyone assigned, and updated in real-time. Some of the key elements are summarized below:

- **Portal Dashboard:** The dashboard provides a real-time snapshot of the audit progress by indicating the number of outstanding, fulfilled, returned, and accepted items in a color-coded and easy to understand interface
- **Security:** Our portal boasts State of the art security in which all data is stored and transferred with AES 256-bit encryption, and servers are housed in SSAE16 Type II SOC1, SOC2 data centers with daily fail-safe backups
- **Drag and Drop Functionality:** To upload documents to the portal, drag and drop the file(s) from your computer to the requested item in the portal, at which time the status will be automatically changed from outstanding to fulfilled
- **Email Notifications:** Receive summary email notifications based on your timing preference (ex. daily, weekly, morning, afternoon, etc.), which provides activity updates for the engagement (ex. when files are uploaded/downloaded, or the status of an item has been changed)



PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

STATEMENT OF WORK

PROPOSED AUDIT TIMEFRAME

The following is an estimate of the audit and tax work to be conducted each month. The final schedule would be arranged based on the planning meeting that CW holds with you and your stakeholders.

Month	Proposed Work	Percentage of Work Done
Late March – June	Audit planning; the test of internal controls and state compliance with school site personnel	25%
June – August	Tests of internal controls, state compliance testing with business staff	25%
Late August – November	Year-end fieldwork, depending on when books are closed	25%
October – early December	Reports drafted, reviewed, and finalized	20%
No later than December 15 th	Final audit reports distributed	5%
Total		100%

Before each phase of the audit, we will discuss the upcoming work with you, provide weekly progress reports, and conduct an exit conference. The exit conference will provide you with the preliminary results of the recent work, recommendations and list any outstanding audit items. Once the audit is completed, we will work on preparation of the tax returns (IRS Form 990/FTB Form 199), which will normally occur between January to May.

ESTIMATED HOURS BY MAJOR WORK SEGMENT

We have reviewed the previous 2023-24 audit report to plan what we believe to be reasonable hours to complete the audit for the 2023-24 fiscal year.

<u>Audit Work Segments</u>	<u>Estimated Hours of Completion</u>	<u>Audit Work Segments</u>	<u>Estimated Hours of Completion</u>
Planning, Supervision/Review		State Compliance Testing	
Planning and Risk Assessment	8	Attendance	10
Supervision and Quality Control Review	6	Unduplicated LCFF Pupil Count	5
Contingencies/Subsequent Events	2	All Other Areas	12
Board Minutes	2	Substantive Testing Areas	
Correspondence (including Confirmations)	1	Assets (Cash, Receivables, etc.)	10
Entrance/Exit Conference	2	Liabilities (Accounts Payable, Loans, etc.)	8
Internal Control Review/Transaction Testing		Net Assets	3
Interviews and Risk Assessment	2	Revenues	9
Cash Disbursements & Payroll	6	Expenses	6
Cash Receipts	3	Report Preparation and Review	
Journal Entries	1	Audit Reports Review and Opinions	20
		Management Letters/Secretarial	4
		Total Audit Hours	120

Cont'd next col.

PROPOSAL FOR ALLEGIANCE STEAM ACADEMY

PROPOSED FEES

FEE STRUCTURE FOR ALLEGIANCE STEAM ACADEMY

The proposed fees are all-inclusive and will not change unless there are significant changes in the scope of the audit or tax services proposed, as imposed by state or federal agencies or directly requested by the Organization. Audit fees increase per year at a rate of eight percent for Cost of Living Adjustment (COLA) as well as for planned increase in K-12 audit guide procedures applicable to charter schools. We do not bill for advisory services related to the audit or an application of accounting standards. We encourage our clients to contact us at any time year-round for free advice on general finance and accounting issues.

We propose to conduct the audit engagement and submit the audit reports in compliance with the instructions provided by the State Controller's Office. The fee schedule below includes a list of personnel by classification assigned to the audits, indicating the estimated number of hours and rate per hour for the audits.

<u>Classification</u>	<u>Billing Rates</u>	<u>Estimated Hours</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Partner	\$ 325	10	\$ 3,250	\$ 3,510	\$ 3,791
Director/Supervisor	220	25	5,500	5,940	6,415
Senior	185	35	6,475	6,993	7,552
Staff	145	45	6,525	7,047	7,611
Paraprofessional	100	5	500	540	581
		<u>120</u>			
Total Audit Fees*			\$ 22,250	\$ 24,030	\$ 25,950
Tax Preparation Fees**			2,000	2,000	2,000
Total Professional Fees			\$ 24,250	\$ 26,030	\$ 27,950

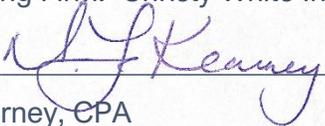
*If a Federal Single Audit under OMB Uniform Guidance (UG) becomes applicable during any given year, an additional \$5,000 will be added to the annual audit fee. A Federal Single Audit under OMB UG is applicable in any given year that the Organization expends more than \$750,000 in Federal funds.

**Fees noted for preparation of tax returns include Federal IRS Form 990 and related schedules, California Form 199. If these are not the appropriate forms or if any additional Federal or State forms are necessary, this fee may be modified based on the client tax compliance needs (i.e. Form 990-T for reporting of taxable income).

We will enter into an agreement with Allegiance STEAM Academy in the form of an engagement letter upon acceptance of this proposal document.

We look forward to the opportunity to work with the Allegiance STEAM Academy. Please do not hesitate to contact us with any questions or to arrange an interview. Thank you!

Name of Accounting Firm: Christy White Inc.

Authorized By:  _____
 Name: Marcy Kearney, CPA Title: Partner

Date: March 5, 2025



APPENDIX: QUALITY CONTROL PEER REVIEW OPINION

Grant Bennett Associates

A PROFESSIONAL CORPORATION



Report on the Firm's System of Quality Control

December 22, 2023

To Christy White Associates, Inc. and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of Christy White Associates, Inc (the firm) in effect for the year ended December 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, Including compliance audits under the Single Audit Act.

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



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Together as One. Grant Bennett Associates is a Member of the Alliott Global Alliance of independent professional firms.

Grant Bennett Associates

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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Christy White Associates, Inc in effect for the year ended December 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Christy White Associates, Inc has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Grant Bennett Associates".

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



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