



ALLEGIANCE STEAM ACADEMY

REGULAR MEETING OF THE BOARD OF DIRECTORS

January 11, 2021

7:30 pm

Meeting Location:

Online: <https://zoom.us/j/97037847851?pwd=UlpTbVBUC1RTUTQwY0pWemlxZzA4QT09>

Passcode: 519229

Telephone: (669) 900-6833; Meeting ID: 970 3784 7851

AGENDA

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. *Due to COVID-19 closure, please indicate in the chat box that you wish to speak.*
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.

I. Preliminary

A. Call to Order

The meeting was called to order by the Board Chair at _____.

B. Roll Call

	Present	Absent
Samantha Odo, Chairperson	_____	_____
Jason Liso, Treasurer	_____	_____
Marcilyn Jones, Secretary	_____	_____
Troy Stevens, Member	_____	_____
Claudia Reynolds, Member	_____	_____

C. Public Comments- Items not on the Agenda

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.

D. Approval of Agenda for the Regular Board Meeting for January 11, 2021

It is recommended that the Board of Directors approve the Agenda for Regular Board Meeting for January 11, 2021.

Motion: _____ Second: _____ Roll Call: _____

II. Open Session:

A. PLEDGE OF ALLEGIANCE

B. ITEMS SCHEDULED FOR INFORMATION:

- 1. Update from Parents and Community for Kids**
- 2. Staff Report**
- 3. CEO's Report**
- 4. Update on Reopening**

C. ITEMS SCHEDULED FOR CONSENT:

- 1. Minutes for the Regular Meeting of the Board of Directors December 7, 2020**
- 2. Check Register for November, 2020**

Motion: _____ Second: _____ Roll Call: _____

D. ITEMS SCHEDULED FOR DISCUSSION/ACTION:

1. Financial Update for November, 2020

(see attached)

It is recommended the Board of Directors:

Adopt and approve the Financial Update for November, 2020

Motion: _____ Second: _____ Roll Call: _____

2. Revised FY21 Budget

(see attached)

It is recommended the Board of Directors:

Adopt and approve the Revised FY21 Budget

Motion: _____ Second: _____ Roll Call: _____

3. Annual Audit: FY19-20

California Education Code sections 47605.6(m) and 41020(h)

It is recommended the Board of Directors:

Approve and adopt the ASA Annual Audit for FY19-20

Motion: _____ Second: _____ Roll Call: _____

4. School Accountability Report Card 2019/20

California Education Code section 35256

It is recommended the Board of Directors:

Approve and adopt the School Accountability Report Card 2019/20

Motion: _____ Second: _____ Roll Call: _____

5. In-Person Instruction Health and Safety Policy

(see attached)

It is recommended the Board of Directors:

Approve and adopt the In-Person Instruction Health and Safety Policy

Motion: _____ Second: _____ Roll Call: _____

E. COMMUNICATIONS

1. Comments from Board of Directors

F. ADJOURNMENT

1. It is recommended the Board of Directors:

Adjourn the Regular Meeting of the Board of Directors for January 11, 2021

Motion: _____ Second: _____ Roll Call: _____



ALLEGIANCE STEAM ACADEMY

Special Meeting of the Board of Directors

December 07, 2020

Minutes

I. PRELIMINARY

A. Call to Order

The meeting was called to order by Board Chair at 6:03pm

B. Roll Call

	Present	Absent
Samantha Odo, Board Chair	<u> X </u>	<u> </u>
Jason Liso, Treasurer	<u> X </u>	<u> </u>
Marcilyn Jones, Secretary	<u> X </u>	<u> </u>
Troy Stevens, Member	<u> X </u>	<u> </u>
Claudia Reynolds, Member	<u> X </u>	<u> </u>

C. Public Comments, Items not on the agenda

No public comments.

D. Approval of agenda for Regular Board Meeting on December 07, 2020

Motion (Claudia Reynolds), second (Marcilyn Jones), motion carried by a vote 5-0 to approve the agenda for the Regular Board Meeting on December 07, 2020.

II. Public Announcement for Reason for Closed Session

A. Public Comments on Closed Session Items

No public comments.

B. Closed Session- For Discussion/ Possible Action

Public Employee Performance Evaluation (Gov. Code 54957 (b))

Title: CEO

Closed session began at 6:07pm. There were no items to report from closed session. The meeting resumed at 7:32pm.

III. Open Session

A. Pledge of Allegiance

B. Items Scheduled for Information

1. Update from The PACK (Parents And Community for Kids)

- *Rhonda Phillips shared that \$1,800 was raised from the See's Candy Fundraiser*
- *The PACK will be hosting a car parade on 12/17 from 1:30-2:30pm followed by a screening of the Polar Express movie.*

2. Staff Report

- *Stacey Lazo shared that Outdoor Day was a success. Students seemed to really enjoy their time spent learning outside. She also shared that she attended the ISTE conference she attended with Mr. Lima. Take away from it was this is a time to innovate and she felt inspired after attending.*

3. CEO's Report

- *Dr. Cognetta wants students to know they have energized teachers ready to deliver the best possible education to them. Teachers remain committed to deliver quality instruction.*
- *Waiver was submitted and was not approved. It will be automatically resubmitted. Sebastian will check in with the county periodically to stay on top of it though*
- *The Stay at Home order is not significantly changing our current program. The only change is that people have to make an appointment to visit the office.*

- *Report cards have been pushed back because of inconsistencies in our SIS and they were not confident the grades were calculated correctly. Mrs. Lohoff shared that she appreciates everyone's patience in dealing with report cards.*
- *310 students have applied during open enrollment so far.*
- *Troy requested that we start making notes and taking a look at our projected growth to 900 students next year will be possible.*

4. Update on Small Cohorts

- *Dr. Moreno shared that we will be welcoming more students on campus. Students with disabilities have been prioritized. The plan was based on expert opinions. Best practices are difficult to discern in an unprecedented time. The Think Tank team developed a plan for a 2 day model based on their experiences and the goals of students.*
- *The goal is to eventually have Think Tank students on campus 4 or 5 days a week if they choose and they are closer now than ever before.*
- *Improvements are considered daily and collaboration between parents at home and on campus remains strong*
- *The hybrid model puts additional work on staff. Think Tank staff has recently reported that they have recently begun to focus more on academics than on behavior.*
- *Troy Stevens asked why we only have 5 currently coming on campus on alternate and wants to know why all 5 cannot come everyday.*
- *Dr. Moreno reshared that 3 areas that are taken into consideration when making decisions about the cohorts: Health guidelines, students behavior and academics.*

5. Annual Brown Act and Board Governance Training

Presented by Greta Proctor from Procopio. Meetings can happen anywhere, anytime when there is a majority of board members present. Board members need to be mindful of social media. If someone shares something about the school be careful what you like etc. The Board has a fiduciary duty of care, loyalty and financial oversight to the organization.

C. ITEMS SCHEDULED FOR CONSENT

1. *Minutes for the Special Meeting of the Board of Directors on October 29, 2020*
2. *Minutes for the Regular Meeting of the Board of Directors on November 02, 2020*
3. *Minutes for the Special Meeting of the Board of Directors on November 19, 2020*
4. *Check register for October, 2020*

Motion to approve (Troy Stevens), Second (Jason Liso), Motion passes with a vote of 5-0.

D. ITEMS SCHEDULED FOR DISCUSSION / ACTION

1. 1st Interim Financial Report

- *Marisol Felix from Charter Impact gave a financial update. 1st Interim Financial Report was shared and is attached to the agenda. ASA continues to have a very favorable budget. ADA is at 94%*

Motion to approve Financial Update for July 2020. Motion (Marcilyn Jones), Second (Samantha Odo), Motion passes by a vote of 5-0 to approve the 1st Interim Financial Report.

2. LCFF Budget Overview for Parents

- *Marisol Felix from Charter Impact shared the LCFF Budget Overview for Parents: purpose of this is to provide financial transparency to parents.*

Motion to approve the LCFF Budget Overview for Parents. Motion (Troy Stevens), Second (Marcilyn Jones), Motion carries by a vote of 5-0.

3. School Calendar 2021-2022

Start date: August 9 End date: May 20; 177 days of instruction. No questions from the Board.

Motion to approve and adopt the School Calendar for 2021-2022. Motion (Claudia Reynolds), Second (Jason Liso). Motion passes by a vote of 5-0.

4. School Calendar 2022-2023

Start date: August 8 End date: May 23; 177 days of instruction. Motion (Jason Liso), Second (Samantha Odo), Motion passes 5-0.

5. Board Consideration of CEO Compensation

Proposed to set compensation at \$150,000 to be reassessed at the next evaluation over the summer. Troy shared that Dr. Cognetta voluntarily took a salary freeze when the pandemic began. Local CEO salaries were compared and Dr. Cognetta's proposed salary of \$150,000 is very competitive.

Motion to approve the compensation for CEO at the amount of \$150,000.

Motion (Jason Liso), Second (Troy Stevens). Motion passed by a vote of 5-0.

E. COMMUNICATIONS

- *Claudia Reynolds: We have finished another year. This year has been different and encourages our community to enjoy the rest of the year. Commends the teachers and hopes teachers and everyone gets rest and spends time with family over the break. Hoping that things get better over the next year. She is happy to see that the community is working together and wants everyone to enjoy their break.*
- *Troy Stevens: Congratulated Sebastian on his increase in compensation. Last year the goal was to get the five year renewal and Sebastian was instrumental in that relationship. He thanked the staff for their hard work during this difficult time. He believes that sooner than later Covid will be a thing of the past and students will be reading about it in history books.*
- *Marcilyn Jones: Seconds what Troy and Claudia shared. Congratulations to Sebastian and the admin team and teachers for continuing to do a great job. . Congratulations to the children that participated in the Mandarin competition. She wants everyone to enjoy the time off and time with their family. Encourages everyone to look for the positives during this time.*
- *Jason Liso: Seconded what everyone else said. He hopes everyone takes time with families during the holidays. The only certainty is uncertainty. We adjust as we go. Looks forward to the kids being back on campus.*
- *Samantha Odo: She wants to wish everyone a happy holiday. Thanked the staff for the great Outdoor Day activity and appreciated being about to break up the routine. Thanked Sebastian for being a great leader through this time with so many unknowns and wants him to know how much she appreciates his work. Wishes the teachers to enjoy their break. She has seen kids be so resilient and pushing through. She sees some great things coming from students. Some students are struggling, but some are thriving in this environment.*

F. ADJOURNMENT

Motion to adjourn the December 7, 2020 Regular Meeting of the Board of Directors at 9:08pm. Motion (Troy Stevens), Second (Jason Liso), Motion passes by a vote of 5-0.

Samantha Odo, Board Chair

Marcilyn Jones, Board Secretary

Allegiance STEAM Academy - Thrive

Check Register

For the period ended November 30, 2020

Check Number	Vendor Name	Transaction Description	Check Date	Check Amount
20871	San Bernardino County	STRS 10/2020	11/5/2020	\$ 62,166.35
20872	Best Buy Business Advantage Account	Chromebook Laptops HP (226)	11/11/2020	53,539.21
20873	Blue Shield of California	Health Insurance - 11/20	11/11/2020	21,591.02
20874	Joshua C. Brannen	SpEd svcs - 09/20 & 10/20	11/11/2020	1,872.20
20875	Champion Newspapers	Advertising - 10/31/20 & 11/07/20	11/11/2020	260.00
20876	Charter Impact	Business Mgmt. Svcs - 11/20	11/11/2020	16,253.00
20877	Cintas Corporation #150	Janitorial Supplies	11/11/2020	141.50
20878	Gayle Hinazumi	SpEd svcs - 10/20	11/11/2020	2,500.00
20879	Kaiser Foundation Health Plan	Health Insurance - 11/20	11/11/2020	10,417.98
20880	M & M Sports	Face Mask (100)	11/11/2020	592.63
20881	McGraw-Hill School Education Holdings	Textbooks	11/11/2020	1,952.22
20882	MetLife Small Business Center	Health Insurance - 11/20	11/11/2020	2,359.55
20883	Optiva IT	IT svcs - 11/20	11/11/2020	5,984.05
20884	Charter Impact	Payroll Processing Fee - 10/20	11/20/2020	566.75
20885	Charter Impact	Student Data Svcs - 10/20	11/25/2020	2,437.50
20886	CharterSafe	Package Premium and Workers Comp - FY20/21 - 12/20	11/25/2020	11,105.00
20887	Chino Valley USD	Copies - Covid-19 Fliers	11/25/2020	96.95
20888	Cintas Corporation #150	Janitorial Supplies	11/25/2020	212.25
20889	Sylvia Gomez	SpEd svcs - 10/20	11/25/2020	1,890.00
20890	Kathleen Lanathoua	Reimb - 11/02/20-11/10/20	11/25/2020	75.40
20891	PowerSchool Group, LLC	Software - 10/20/20-10/13/21	11/25/2020	2,100.00
20892	Procopio, Cory, Hargreaves & Savitch LLP	Legal svcs - 10/31/20	11/25/2020	337.50
20893	Carlos Eusebio Rodriguez	Consulting Svcs - 08/20 -11/20	11/25/2020	450.00
20894	San Bernardino County Superintendent of Schools	Workshop/Conference - 11/19/20 - Miguel Gonzales	11/25/2020	40.00
20895	Sandbox Sign Company	Desk Guard (51)	11/25/2020	346.48
20896	Sparkletts	Office Supplies	11/25/2020	3.99
20897	Sunny Kids Therapy Inc	SpEd svcs - 10/20	11/25/2020	6,215.00
20898	Taylor Publishing Company	Yearbook - 2021	11/25/2020	1,773.59
20899	Cyndi Valenta	Reimb - 07/09/20-10/30/20	11/25/2020	148.81
20900	Franchise Tax Board	Confidential	11/25/2020	150.00
20901	The Reading & Writing Project Network, LLC	Consulting Svcs - 02/14/20	11/25/2020	3,500.00
20902	Waxie Sanitary Supply	Janitorial Supplies	11/25/2020	3,624.34
ACH	American Express	CC Payment - AMEX	11/5/2020	13,972.26
ACH	CharterSafe	Package Premium & Workers Comp Ins - 11/20	11/12/2020	11,105.00
ACH	Internal Revenue Services	Federal Tax Payment PPE111020	11/12/2020	6,957.60
ACH	Employment Development Department	State Tax Pmt SDI & CA PIT PPE111020	11/12/2020	864.44
ACH	Employment Development Department	State Tax Pmt SUI PPE111020	11/12/2020	129.12
ACH	CalPERS	PERS Pepra Pmt 10/20	11/13/2020	18,365.79
ACH	CalPERS	PERS Classic Pmt 10/20	11/13/2020	5,297.25
ACH	Health Equity	FSA- Health 11/20	11/25/2020	783.10
ACH	Internal Revenue Services	Federal Tax Payment PPE112520	11/27/2020	37,151.72
ACH	Employment Development Department	State Tax Pmt SDI & CA PIT PPE112520	11/27/2020	11,578.82
ACH	Mid Atlantic Trust Company	Employee 403B Contributions 11/20	11/27/2020	3,950.00
ACH	Employment Development Department	State Tax Pmt SUI PPE112520	11/27/2020	76.37

Total Disbursements Issued in November \$ 324,934.74

Allegiance STEAM Academy - Thrive

Check Register - greater than \$2,000

For the period ended November 30, 2020

Check Number	Vendor Name	Transaction Description	Check Date	Check Amount
Employee Benefits				
20871	San Bernardino County	3101/9513 - STRS	11/5/2020	62,166.35
20873	Blue Shield of California	3401 - Health insurance	11/11/2020	21,591.02
20882	MetLife Small Business Center	3401 - Health insurance	11/11/2020	2,359.55
20879	Kaiser Foundation Health Plan	3401 - Health insurance	11/11/2020	10,417.98
ACH	Internal Revenue Services	3301/3311/9512 - Payroll taxes	11/12/2020	6,957.60
ACH	CalPERS	3202/9514 - PERS	11/13/2020	18,365.79
ACH	CalPERS	3202/9514 - PERS	11/13/2020	5,297.25
ACH	Internal Revenue Services	3301/3311/9512 - Payroll taxes	11/27/2020	37,151.72
ACH	Employment Development Department	3301/3311/9512 - Payroll taxes	11/27/2020	11,578.82
ACH	Mid Atlantic Trust Company	9515 - 403(b) Plan	11/27/2020	3,950.00
				179,836.08
Subagreement Services				
20878	Gayle Hinazumi	5102 - Special Education	11/11/2020	2,500.00
20897	Sunny Kids Therapy Inc	5102 - Special Education	11/25/2020	6,215.00
				8,715.00
Facility Rent and Housekeeping				
ACH	CharterSafe	5400/3601 - Insurance	11/12/2020	11,105.00
20886	CharterSafe	5400/3601 - Insurance	11/25/2020	11,105.00
				22,210.00
Professional/Consulting Services				
20876	Charter Impact	5811 - Management Fee	11/11/2020	16,253.00
20883	Optiva IT	5801 - IT	11/11/2020	5,984.05
20885	Charter Impact	5811 - Management Fee	11/25/2020	2,437.50
20901	The Reading & Writing Project Network, LLC	5804 - Professional Development	11/25/2020	3,500.00
				28,174.55
Books and Supplies				
ACH	American Express	4302 - Supplies (credit card statement)	11/5/2020	13,972.26
20872	Best Buy Business Advantage Account	4400 - Noncapitalized Equipment	11/11/2020	53,539.21
20891	PowerSchool Group, LLC	4305 - Software	11/25/2020	2,100.00
20898	Taylor Publishing Company	4302- School Supplies	11/25/2020	1,773.59
20902	Waxie Sanitary Supply	4310 - Office Expenses	11/25/2020	3,624.34
				75,009.40
Total Disbursement over \$2,000				\$ 313,945.03



Allegiance STEAM Academy Thrive

Monthly Financial Presentation – November 2020

November Highlights

Highlights

- Forecast surplus **\$2.3M**, change from prior month **\$28k**.
- Revenue increase **\$639k** compare to budget to **\$8.6M**. Due to PPP loan forgiveness and revenue recognition.
- Expenses forecast slightly above budget by **\$14K**. Due to professional services expense increases.
- Cash ended the month **\$2.2 million**, including **\$639K** PPP Loan, 35% of expenses.
- State payment deferrals and ongoing economic uncertainty influence planning for 2020/21 and beyond.

Compliance and Reporting

- CARES act Cycle 3 reporting due in early January
- Mid-Year Expenditure Report due to SELPA in January
- Federal Cash Management due in late January

Enrollment and Revenues

- 2020/21 funding now reporting enrollment growth with current ADA at 94% of enrollment
- 2020/21 CALPADS data will update rolling 3-yr UPP for 2020/21.

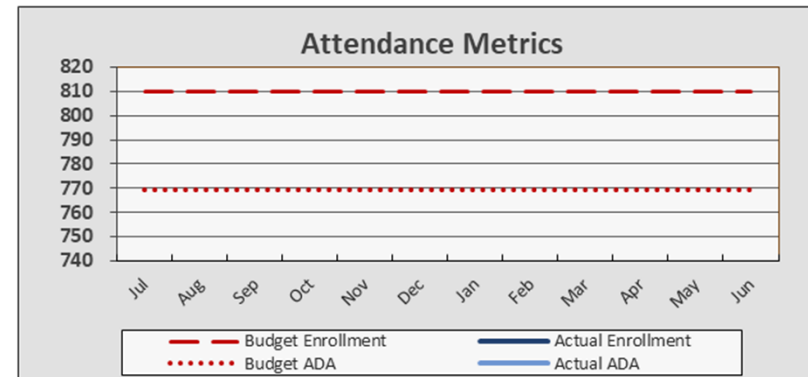


Attendance Data and Metrics

Enrollment and Per Pupil Data

Enrollment & Per Pupil Data			
	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>
Average Enrollment	n/a	810	810
ADA	n/a	761	761
Attendance Rate	n/a	94.0%	94.0%
Unduplicated %	34.8%	34.8%	34.8%
Revenue per ADA		\$11,301	\$10,462
Expenses per ADA		\$8,248	\$8,229

Attendance Metrics



2020/21 funding forecast ADA (761.40)

(forecast final funding 810 students, state ADA rate 94%, \$10.4K/ADA.)

Changes to report current ADA of 94% restore funding of \$1.2M

Revenue

- **November Updates**
 - **Revenues update** – Variance in Year-to-Date due to the timing of receivable funds
 - **Forecast** – Increase due to PPP loan forgiveness and revenue recognition.

	<i>Year-to-Date</i>			<i>Annual/Full Year</i>		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
Revenue						
State Aid-Rev Limit	\$ 1,636,005	\$ 1,636,004	\$ 0	\$ 6,704,214	\$ 6,704,214	\$ -
Federal Revenue	93,365	329,895	(236,531)	1,250,010	613,097	636,912
Other State Revenue	70,339	130,919	(60,580)	642,580	641,639	941
Other Local Revenue	7,706	6,770	935	7,706	6,770	935
Total Revenue	\$ 1,807,414	\$ 2,103,589	\$ (296,175)	\$ 8,604,510	\$ 7,965,721	\$ 638,788



Expenses

- **November Updates**
 - **Expense update** – Positive variance in Year-to-Date due to timing of expenses.
 - **Expenses forecast above budget** –
 - **Professional Services** – Increase \$15k compare to budget.

Expenses	Year-to-Date			Annual/Full Year		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
Certificated Salaries	\$ 994,797	\$ 1,037,820	\$ 43,023	\$ 2,828,149	\$ 2,824,186	\$ (3,963)
Classified Salaries	349,593	347,492	(2,101)	915,009	898,477	(16,532)
Benefits	370,138	414,569	44,431	1,065,117	1,086,817	21,700
Books and Supplies	237,581	157,526	(80,056)	449,755	449,755	0
Subagreement Services	30,054	52,230	22,176	174,100	174,100	-
Operations	87,795	82,655	(5,140)	210,873	210,874	0
Facilities	1,216	7,980	6,764	26,600	26,600	-
Professional Services	143,019	167,623	24,604	609,468	594,465	(15,003)
Interest	2,687	2,694	7	-	-	-
Total Expenses	\$ 2,216,879	\$ 2,270,589	\$ 53,710	\$ 6,279,071	\$ 6,265,274	\$ (13,797)

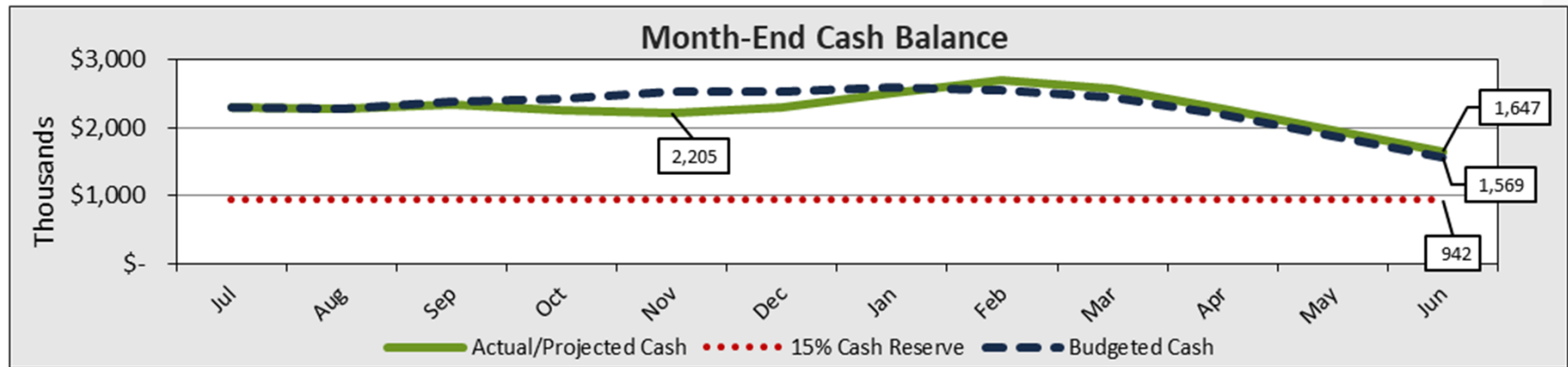
Surplus / (Deficit) & Fund Balance

- Forecast surplus of **\$2.3M.** (37%)
- Fund balance forecast **\$4.3 million**, 68%, 251 days expenses.
- PPP loan forgiveness and revenue recognition increase surplus by \$624k.

	Year-to-Date			Annual/Full Year		
	Actual	Budget	Fav/(Unf)	Forecast	Budget	Fav/(Unf)
Total Surplus(Deficit)	\$ (409,466)	\$ (167,000)	\$ (242,466)	\$ 2,325,439	\$ 1,700,448	\$ 624,991
Beginning Fund Balance	<u>2,001,295</u>	<u>2,001,295</u>		<u>2,001,295</u>	<u>2,001,295</u>	
Ending Fund Balance	<u>\$ 1,591,830</u>	<u>\$ 1,834,295</u>		<u>\$ 4,326,734</u>	<u>\$ 3,701,743</u>	
<i>As a % of Annual Expenses</i>	25.4%	29.3%		68.9%	59.1%	

Cash Balance

- Current cash **\$2.2 million**, including \$639K PPP Loan.
- State payment deferrals and ongoing economic uncertainty influence 2020/21 planning.
- Management and Charter Impact are monitoring activities to ensure adequate cash availability.



Compliance Deadlines (next 60 days)



Area	Due Date	Description	Completed By	Board Must Approve	Signature Required	Additional Information
DATA	Jan-05	CALPADS - Fall 2 Submission Window opens - Information will be used by the US Department of Education and the California Department of Education to gain insights into student course enrollments, services rendered in support of school's English Learner population, staff assignments and full-time equivalent levels. The reported data represent a snapshot of a school's status in the previously listed areas per Census day, October 7, 2020. Schools have until March 5th, 2021 to certified data. IMPORTANT: Fall 2 Staff assignment data will be referenced by the Commission on Teacher Credentialing (CTC) for accountability purposes. CTC will cross reference teachers' credential information with the courses/sections they are assigned to teach. CTC will report misassignments/discrepancies to your charter authorizer.	Charter Impact submits with data provided by ASA	No	No	https://www.cde.ca.gov/ds/sp/cl/rptcalendar.asp
FINANCE	Jan-05	CARES Act Reporting Cycle 3 - The CARES Act Reporting application was created by the California Department of Education to gather required data for purposes of state and federal report on CARES Act and other COVID-19 related funds (CRF, GF, GEER and ESSER). Schools are required to report status of funds for the period October 1, 2020 - December 31, 2020. The Coronavirus Relief Fund (CRF) must be utilized by December 30, 2020.	Charter Impact with ASA support	No	No	https://www.cde.ca.gov/fg/cr/index.asp
DATA	Jan-29	CALPADS - Fall 1 Amendment deadline - Final opportunity to review and correct your certified CALPADS - Fall 1 student data. Students' program eligibility information associated with lunch, special education, homeless, English language learner, school enrollment and graduation statuses will be submitted to the CDE. This data will be used to in CDE's CA Dashboard calculations and determine access to funding such as student meal reimbursements and unduplicated count factors.	Charter Impact submits with data provided by ASA	No	No	https://www.cde.ca.gov/ds/sp/cl/rptcalendar.asp
FINANCE	Jan-31	Federal Cash Management - Period 3 - The Title I, Part A; Title I, Part D, Subpart 2; Title II, Part A; Title III EL; Title III Immigrant; and Title IV, Part A programs under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the ESSA, will utilize the Federal Cash Management program. Charter schools that are awarded a grant under any of these programs must submit the CMDC report for a particular quarter in order to receive an apportionment for that quarter; CDE will apportion funds to LEAs whose cash balance is below a certain threshold.	Charter Impact	No	No	https://www.cde.ca.gov/fg/aa/cm/
FINANCE	Jan-31	IRS Form 1095-C, Employer-Provided Health Insurance Offer and Coverage - Employers with 50 or more full-time employees (including full-time equivalent employees) in the previous year use Forms 1094-C and 1095-C to report the information required under sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees.	ASA with Charter Impact support	No	No	https://www.irs.gov/forms-pubs/about-form-1095-c
DATA	Feb-01	School Accountability Report Card - All public schools in California are required to prepare an annual SARC (2019/20). SARCs are intended to provide the public with important information about each public school and to communicate a school's progress in achieving its goals. EC Section 35256 requires LEA governing boards to approve SARCs for publications.	ASA	Yes	No	http://www.cde.ca.gov/ta/ac/sa/
FINANCE	Feb-20	Certification of the First Principal Apportionment - The Principal Apportionment includes funding for the Local Control Funding Formula, the primary source of an LEA's general purpose funding; Special Education (AB 602); and funding for several other programs. The First Principal Apportionment (P-1), certified by February 20, is based on the first period data that LEAs report to CDE in November through January. P-1 supersedes the Advance Apportionment calculations and establishes each LEA's monthly state aid payment for February through May.	Charter Impact	No	Yes	https://www.cde.ca.gov/fg/aa/pa/
FINANCE	Feb-24	E-Rate FCC Form 470 Due date (FY2021) - To requests bids for service, applicants certify an FCC Form 470 in the E-rate Productivity Center (EPC). This is a formal process to identify and request the products and services you need so that potential service providers can review your requests and submit bids. The FCC Form 470 must be certified in EPC at least 28 days before the close of the filing window. February 24, 2021 is the deadline to certify an FY2021 FCC Form 470 and still be able to certify an FCC Form 471 within the FY2021 filing window.	ASA	No	No	https://www.usac.org/si/tools/forms/
FINANCE	Feb-28	Consolidated Application (ConApp) reporting - Winter - The ConApp is used by the CDE to distribute categorical funds from various state and federal programs to county offices, school districts, and direct-funded charter schools throughout California. The winter release is submitted in January of each year and contains the LEA's entitlements for each funded program.	Charter Impact	Yes	No	https://www.cde.ca.gov/fg/aa/co/cars.asp

Appendices

As of November 30, 2020

- Cash Flow – Monthly and Annual Forecast
- Statement of Financial Position (Balance Sheet)
- Statement of Cash Flows
- Detailed Month and YTD Budget vs. Actual
- Accounts Payable Aging
- Check Register
- Checks issued over \$2K – additional details

Allegiance STEAM Academy - Thrive

Financial Package
November 30, 2020

Presented by:



Allegiance STEAM Academy - Thrive

Monthly Cash Flow/Forecast FY20-21

Revised 01/05/21

ADA = 761.40



	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Year-End Accruals	Annual Forecast	Revised Budget Total	Favorable / (Unfav.)
Books and Supplies																
4100 Textbooks and Core Materials	2,098	599	8,553	6,179	2,797	7,825	7,825	7,825	7,825	7,825	7,825	7,825	-	75,000	75,000	-
4200 Books and Reference Materials	-	-	7,029	94	1,051	132	132	132	132	132	132	132	-	9,100	9,100	-
4302 School Supplies	3,314	-	374	1,157	3,844	4,502	4,502	4,502	4,502	4,502	4,502	4,502	-	40,200	40,200	-
4305 Software	6,186	9,522	3,898	5,662	4,707	761	761	761	761	761	761	761	-	35,300	35,300	-
4310 Office Expense	5,526	607	4	7,420	11,238	4,644	4,644	4,644	4,644	4,644	4,644	4,644	-	57,300	57,300	-
4311 Business Meals	-	-	-	200	464	762	762	762	762	762	762	762	-	6,000	6,000	-
4400 Noncapitalized Equipment	-	13,125	561	1,648	81,557	6,259	6,259	6,259	6,259	6,259	6,259	6,259	-	140,700	140,700	-
4700 Food Services	-	4,432	7,948	10,045	25,744	5,427	5,427	5,427	5,427	5,427	5,427	5,427	-	86,155	86,155	0
	17,125	28,284	28,366	32,405	131,401	30,311	30,311	30,311	30,311	30,311	30,311	30,311	-	449,755	449,755	0
Subagreement Services																
5101 Nursing	-	-	-	1,959	-	7,377	7,377	7,377	7,377	7,377	7,377	7,377	-	53,600	53,600	-
5102 Special Education	-	-	6,713	8,905	12,477	13,201	13,201	13,201	13,201	13,201	13,201	13,201	-	120,500	120,500	-
	-	-	6,713	10,864	12,477	20,578	20,578	20,578	20,578	20,578	20,578	20,578	-	174,100	174,100	-
Operations and Housekeeping																
5201 Auto and Travel	-	-	-	-	-	229	229	229	229	229	229	229	-	1,600	1,600	-
5300 Dues & Memberships	396	396	396	1,060	598	936	936	936	936	936	936	936	-	9,400	9,400	-
5400 Insurance	8,044	8,044	8,044	8,044	8,044	8,044	8,044	8,044	8,044	8,044	8,044	8,044	-	96,527	96,527	-
5501 Utilities	4,670	4,670	8,545	8,546	12,551	6,431	6,431	6,431	6,431	6,431	6,431	6,431	-	84,000	84,000	-
5502 Janitorial Services	415	415	431	280	431	539	539	539	539	539	539	539	-	5,746	5,747	0
5900 Communications	308	308	456	1,384	719	1,289	1,289	1,289	1,289	1,289	1,289	1,289	-	12,200	12,200	-
5901 Postage and Shipping	-	41	41	426	94	114	114	114	114	114	114	114	-	1,400	1,400	-
	13,832	13,873	17,912	19,741	22,437	17,583	17,583	17,583	17,583	17,583	17,583	17,583	-	210,873	210,874	0
Facilities, Repairs and Other Leases																
5603 Equipment Leases	-	-	-	1,216	-	1,898	1,898	1,898	1,898	1,898	1,898	1,898	-	14,500	14,500	-
5610 Repairs and Maintenance	-	-	-	-	-	1,729	1,729	1,729	1,729	1,729	1,729	1,729	-	12,100	12,100	-
	-	-	-	1,216	-	3,626	3,626	3,626	3,626	3,626	3,626	3,626	-	26,600	26,600	-
Professional/Consulting Services																
5801 IT	6,000	5,000	5,830	5,870	6,024	4,729	4,729	4,729	4,729	4,729	4,729	4,729	-	61,830	61,200	(630)
5802 Audit & Taxes	-	-	-	4,069	-	-	-	-	9,318	-	4,463	-	-	17,850	17,850	-
5803 Legal	-	-	-	2,475	338	3,884	3,884	3,884	3,884	3,884	3,884	3,884	-	30,000	30,000	-
5804 Professional Development	-	-	-	336	4,216	1,078	1,078	1,078	1,078	1,078	1,078	1,078	-	12,100	12,100	-
5805 General Consulting	-	-	300	-	450	2,179	2,179	2,179	2,179	2,179	2,179	2,179	-	16,000	16,000	-
5806 Special Activities/Field Trips	-	-	-	(193)	-	3,599	3,599	3,599	3,599	3,599	3,599	3,599	-	25,000	25,000	-
5807 Bank Charges	-	-	-	-	-	343	343	343	343	343	343	343	-	2,400	2,400	-
5808 Printing	-	-	-	-	-	400	400	400	400	400	400	400	-	2,800	2,800	-
5809 Other taxes and fees	2	(1,612)	354	147	-	673	673	673	673	673	673	673	-	3,600	3,600	-
5810 Payroll Service Fee	-	538	696	713	567	1,070	1,070	1,070	1,070	1,070	1,070	1,070	-	10,000	10,000	-
5811 Management Fee	13,932	15,706	11,757	17,900	18,691	17,747	17,747	19,897	19,897	19,897	19,897	19,897	-	212,961	198,589	(14,373)
5812 District Oversight Fee	-	-	-	20,346	-	36,106	43,101	-	-	40,821	-	-	60,752	201,126	201,126	-
5815 Public Relations/Recruitment	-	-	-	520	2,048	1,605	1,605	1,605	1,605	1,605	1,605	1,605	-	13,800	13,800	-
	19,934	19,631	18,938	52,183	32,333	73,411	80,407	39,455	48,774	80,277	43,918	39,455	60,752	609,468	594,465	(15,003)
Interest																
7438 Interest Expense	543	544	527	545	528	506	-	-	-	-	-	(3,193)	-	-	-	-
	543	544	527	545	528	506	-	-	-	-	-	(3,193)	-	-	-	-
Total Expenses	149,965	478,766	461,870	519,054	607,225	586,341	598,561	556,177	562,630	592,701	556,342	548,687	60,752	6,279,071	6,265,274	(13,797)
Monthly Surplus (Deficit)	(149,955)	(194,960)	(45,426)	52,630	(71,755)	192,621	700	(40,137)	(132,948)	(285,435)	(332,296)	385,874	2,946,526	2,325,439	1,700,448	624,991

Allegiance STEAM Academy - Thrive

Monthly Cash Flow/Forecast FY20-21

Revised 01/05/21

ADA = 761.40



	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Year-End Accruals	Annual Forecast	Revised Budget Total	Favorable / (Unfav.)
Cash Flow Adjustments																
Monthly Surplus (Deficit)	(149,955)	(194,960)	(45,426)	52,630	(71,755)	192,621	700	(40,137)	(132,948)	(285,435)	(332,296)	385,874	2,946,526	2,325,439	1,700,448	
Cash flows from operating activities																
Public Funding Receivables	1,085,164	47,489	(171,167)	3,667	813	111,054	204,847	228,223	-	-	-	-	(3,007,278)	(1,497,190)	(1,458,284)	
Grants and Contributions Rec.	10,128	3,833	-	-	-	-	-	-	-	-	-	-	-	13,961	13,961	
Prepaid Expenses	(28,144)	(1,846)	(783)	(15,665)	(8,875)	4,175	3,779	3,198	3,198	3,198	3,198	3,198	-	(31,368)	6,479	
Accounts Payable	(148,751)	5,192	(5,192)	-	3,418	-	-	-	-	-	-	-	60,752	(84,580)	(46,701)	
Accrued Expenses	(1,449)	125,573	(23,965)	(121,509)	26,195	-	-	-	-	-	-	-	-	4,844	(168,341)	
Deferred Revenue	-	-	309,937	(3,766)	-	(252,213)	-	-	-	-	-	(55,884)	-	(1,926)	-	
Cash flows from financing activities																
Proceeds(Payments) on Debt	543	544	527	545	528	506	-	-	-	-	-	(642,193)	-	(639,000)	-	
Total Change in Cash	767,536	(14,175)	63,932	(84,098)	(49,677)	56,142	209,325	191,284	(129,750)	(282,237)	(329,098)	(309,005)				
Cash, Beginning of Month	1,521,677	2,289,213	2,275,038	2,338,970	2,254,872	2,205,195	2,261,337	2,470,663	2,661,946	2,532,197	2,249,960	1,920,862				
Cash, End of Month	2,289,213	2,275,038	2,338,970	2,254,872	2,205,195	2,261,337	2,470,663	2,661,946	2,532,197	2,249,960	1,920,862	1,611,857				

Allegiance STEAM Academy - Thrive

Statement of Financial Position

November 30, 2020

	Current Balance	Beginning Year Balance	YTD Change	YTD % Change
Assets				
Current Assets				
Cash & Cash Equivalents	\$ 2,205,195	\$ 1,521,677	\$ 683,518	45%
Accounts Receivable	115	14,076	(13,961)	-99%
Public Funding Receivables	544,123	1,510,088	(965,965)	-64%
Prepaid Expenses	119,213	63,901	55,312	87%
Total Current Assets	2,868,646	3,109,743	(241,096)	-8%
Total Assets	\$ 2,868,646	\$ 3,109,743	\$ (241,096)	-8%
Liabilities				
Current Liabilities				
Accounts Payable	\$ 3,418	\$ 148,751	\$ (145,333)	-98%
Accrued Liabilities	324,630	319,786	4,844	2%
Deferred Revenue	306,171	-	306,171	0%
Notes Payable, Current Portion	-	284,246	(284,246)	-100%
Total Current Liabilities	634,219	752,783	(118,564)	-16%
Long-Term Liabilities				
Notes Payable, Net of Current Portion	642,598	355,664	286,933	81%
Total Long-Term Liabilities	642,598	355,664	286,933	81%
Total Liabilities	1,276,817	1,108,448	168,369	15%
Total Net Assets	1,591,830	2,001,295	(409,466)	-20%
Total Liabilities and Net Assets	\$ 2,868,646	\$ 3,109,743	\$ (241,096)	-8%

Allegiance STEAM Academy - Thrive

Statement of Cash Flows

For the period ended November 30, 2020

	Month Ended 11/30/20	YTD Ended 11/30/20
Cash Flows from Operating Activities		
Change in Net Assets	\$ (71,755)	\$ (409,466)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Decrease/(Increase) in Operating Assets:		
Public Funding Receivables	813	965,965
Grants, Contributions & Pledges Receivable	-	13,961
Prepaid Expenses	(8,875)	(55,312)
(Decrease)/Increase in Operating Liabilities:		
Accounts Payable	3,418	(145,333)
Accrued Expenses	26,195	4,844
Deferred Revenue	-	306,171
Total Cash Flows from Operating Activities	(50,204)	680,831
Cash Flows from Financing Activities		
Proceeds from (payments on) Long-Term Debt	528	2,687
Total Cash Flows from Financing Activities	528	2,687
Change in Cash & Cash Equivalents	(49,677)	683,518
Cash & Cash Equivalents, Beginning of Period	2,254,872	1,521,677
Cash and Cash Equivalents, End of Period	\$ 2,205,195	\$ 2,205,195

Allegiance STEAM Academy - Thrive

Budget vs Actual

For the period ended November 30, 2020

	Current Period Actual	Current Period Budget	Current Period Variance	Current Year Actual	YTD Budget	YTD Budget Variance	Total Budget
Revenues							
State Aid - Revenue Limit							
LCFF State Aid	\$ 364,791	\$ 364,791	\$ -	\$ 1,134,906	\$ 1,134,906	\$ -	\$ 4,831,124
Education Protection Account	-	-	-	31,757	31,757	-	152,280
State Aid - Prior Year	-	-	-	(15,631)	(15,631)	-	-
In Lieu of Property Taxes	114,111	114,111	-	484,973	484,972	0	1,720,810
Total State Aid - Revenue Limit	478,902	478,902	-	1,636,005	1,636,004	0	6,704,214
Federal Revenue							
Special Education - Entitlement	-	-	-	-	-	-	98,203
Federal Child Nutrition	23,739	7,780	15,959	44,308	11,845	32,463	81,892
Title I, Part A - Basic Low Income	-	-	-	14,220	14,220	0	56,879
Title II, Part A - Teacher Quality	-	-	-	3,138	3,145	(7)	12,581
Title V, Part B - PCSGP	-	-	-	22,522	24,609	(2,088)	24,609
Other Federal Revenue	-	-	-	9,177	276,076	(266,899)	338,933
Total Federal Revenue	23,739	7,780	15,959	93,365	329,895	(236,531)	613,098
Other State Revenue							
State Special Education	30,173	32,085	(1,912)	63,697	81,995	(18,298)	427,367
State Child Nutrition	2,005	388	1,617	3,861	1,142	2,719	4,263
Mandated Cost	-	-	-	-	-	-	10,708
State Lottery	-	-	-	-	-	-	151,519
Prior Year Revenue	-	-	-	941	-	941	-
Other State Revenue	-	-	-	1,840	47,782	(45,942)	47,782
Total Other State Revenue	32,178	32,472	(295)	70,339	130,919	(60,580)	641,639
Other Local Revenue							
Other Fees and Contracts	607	-	607	1,408	515	892	515
School Fundraising	43	-	43	6,298	6,255	43	6,255
Total Other Local Revenue	650	-	650	7,706	6,770	935	6,770
Total Revenues	535,469	519,154	16,315	1,807,414	2,103,589	(296,175)	7,965,721
Expenses							
Certificated Salaries							
Teachers' Salaries	197,027	197,383	356	762,412	779,840	17,428	2,161,522
Teachers' Substitute Hours	2,250	5,922	3,672	15,890	23,755	7,865	65,205
Teachers' Extra Duty/Stipends	-	2,727	2,727	3,600	9,682	6,082	28,773
Pupil Support Salaries	12,853	16,909	4,056	50,798	63,273	12,475	181,636
Administrators' Salaries	29,921	29,588	(333)	148,604	147,938	(667)	355,050
Other Certificated Salaries	2,747	2,667	(80)	13,493	13,333	(160)	32,000
Total Certificated Salaries	244,798	255,195	10,397	994,797	1,037,820	43,023	2,824,186
Classified Salaries							
Instructional Salaries	28,685	37,525	8,840	138,371	149,562	11,191	412,236
Support Salaries	22,588	18,018	(4,570)	103,032	89,300	(13,732)	215,426
Supervisors' and Administrators' Salaries	6,208	6,083	(125)	30,667	30,417	(250)	73,000
Clerical and Office Staff Salaries	14,339	14,306	(33)	68,718	67,609	(1,109)	167,754
Other Classified Salaries	1,830	2,780	950	8,805	10,604	1,799	30,061
Total Classified Salaries	73,650	78,712	5,062	349,593	347,492	(2,101)	898,477
Benefits							
State Teachers' Retirement System, certificated positions	35,776	41,436	5,660	154,042	166,077	12,035	456,130
Public Employees' Retirement System, classified positions	15,552	16,112	559	72,893	71,701	(1,191)	184,484
OASDI/Medicare/Alternative, certificated positions	4,517	4,826	308	22,253	21,527	(726)	55,307
Medicare/Alternative, certificated positions	4,488	4,848	360	18,996	20,000	1,004	53,939
Health and Welfare Benefits, certificated positions	26,049	22,400	(3,649)	73,736	103,611	29,875	260,411
State Unemployment Insurance, certificated positions	156	1,433	1,277	5,311	7,898	2,587	29,386
Workers' Compensation Insurance, certificated positions	3,061	3,344	283	22,907	23,755	848	47,161
Total Benefits	89,600	94,398	4,798	370,138	414,569	44,431	1,086,817
Books & Supplies							
Textbooks and Core Materials	2,797	7,230	4,433	20,226	24,388	4,162	75,000
Books and Reference Materials	1,051	910	(141)	8,174	2,730	(5,444)	9,100
School Supplies	3,844	3,689	(155)	8,689	14,380	5,691	40,200
Software	4,707	1,959	(2,748)	29,975	21,586	(8,389)	35,300
Office Expense	11,238	5,117	(6,121)	24,795	21,483	(3,312)	57,300
Business Meals	464	600	136	664	1,800	1,136	6,000
Noncapitalized Equipment	81,557	14,070	(67,487)	96,890	42,210	(54,680)	140,700
Food Services	25,744	8,172	(17,572)	48,169	28,949	(19,220)	86,155
Total Books & Supplies	131,401	41,747	(89,654)	237,581	157,526	(80,056)	449,755

Allegiance STEAM Academy - Thrive

Budget vs Actual

For the period ended November 30, 2020

	Current Period Actual	Current Period Budget	Current Period Variance	Current Year Actual	YTD Budget	YTD Budget Variance	Total Budget
Subagreement Services							
Nursing	-	5,360	5,360	1,959	16,080	14,121	53,600
Special Education	12,477	12,050	(427)	28,095	36,150	8,055	120,500
Total Subagreement Services	12,477	17,410	4,933	30,054	52,230	22,176	174,100
Operations & Housekeeping							
Auto and Travel	-	160	160	-	480	480	1,600
Dues & Memberships	598	861	263	2,846	3,374	528	9,400
Insurance	8,044	8,044	(0)	40,220	40,220	(0)	96,527
Utilities	12,551	7,466	(5,085)	38,981	31,737	(7,244)	84,000
Janitorial Services	431	492	61	1,972	2,305	333	5,747
Communications	719	1,158	439	3,174	4,091	917	12,200
Postage and Shipping	94	136	42	602	449	(153)	1,400
Total Operations & Housekeeping	22,437	18,317	(4,120)	87,795	82,655	(5,140)	210,874
Facilities, Repairs & Other Leases							
Equipment Leases	-	1,450	1,450	1,216	4,350	3,134	14,500
Repairs and Maintenance	-	1,210	1,210	-	3,630	3,630	12,100
Total Facilities, Repairs & Other Leases	-	2,660	2,660	1,216	7,980	6,764	26,600
Professional/Consulting Services							
IT	6,024	5,020	(1,004)	28,724	26,060	(2,664)	61,200
Audit & Taxes	-	-	-	4,069	8,925	4,856	17,850
Legal	338	3,000	2,663	2,813	9,000	6,188	30,000
Professional Development	4,216	1,210	(3,006)	4,552	3,630	(922)	12,100
General Consulting	450	1,600	1,150	750	4,800	4,050	16,000
Special Activities/Field Trips	-	2,500	2,500	(193)	7,500	7,693	25,000
Bank Charges	-	240	240	-	720	720	2,400
Printing	-	280	280	-	840	840	2,800
Other Taxes and Fees	-	521	521	(1,108)	(47)	1,061	3,600
Payroll Service Fee	567	946	379	2,514	3,376	863	10,000
Management Fee	18,691	16,549	(2,141)	77,985	79,285	1,300	198,589
District Oversight Fee	-	-	-	20,346	19,393	(953)	201,126
Public Relations/Recruitment	2,048	1,380	(668)	2,568	4,140	1,572	13,800
Total Professional/Consulting Services	32,333	33,246	913	143,019	167,623	24,604	594,465
Interest							
Interest Expense	528	535	7	2,687	2,694	7	-
Total Interest	528	535	7	2,687	2,694	7	-
Total Expenses	607,225	542,221	(65,004)	2,216,879	2,270,589	53,710	6,265,274
Change in Net Assets	(71,755)	(23,067)	(48,689)	(409,466)	(167,000)	(242,466)	1,700,448
Net Assets, Beginning of Period	1,663,585			2,001,295			
Net Assets, End of Period	\$1,591,830			\$1,591,830			

Allegiance STEAM Academy - Thrive

Accounts Payable Aging

November 30, 2020

Vendor Name	Invoice/Credit Number	Invoice Date	Date Due	Current	1 - 30 Days Past Due	31 - 60 Days Past Due	61 - 90 Days Past Due	Over 90 Days Past Due	Total
Intelli-Tech	58938	11/3/2020	12/3/2020	\$ 3,418	\$ -	\$ -	\$ -	\$ -	\$ 3,418
Total Outstanding Invoices				<u>\$ 3,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,418</u>



CliftonLarsonAllen LLP
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Board of Directors
Allegiance STEAM Academy
Chino, California

We have audited the financial statements of Allegiance STEAM Academy (the Organization) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 7, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, and the *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Appeals Panel, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Allegiance STEAM Academy are described in Note 1 to the financial statements.

As described in Note 1, the Organization changed accounting policies related to the change in accounting principle by adopting Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, for the year ended June 30, 2020.

No new accounting policies were adopted and the application of existing policies was not changed during 2020, other than that noted above.

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

Accounting estimates

There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

There were no particularly sensitive financial statement disclosures.

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

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

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

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated December 7, 2020.

Management consultations with other independent accountants

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

Significant issues discussed with management prior to engagement

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

Other information in documents containing audited financial statements

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 7, 2020.

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

* * *

Recent accounting standards

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

Leases –

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

* * *

This communication is intended solely for the information and use of the board of directors and management of Allegiance STEAM Academy and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Glendora, California
December 7, 2020

ALLEGIANCE STEAM ACADEMY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2020

**OPERATING:
ALLEGIANCE STEAM ACADEMY – THRIVE
CHARTER SCHOOL NUMBER: 1945**



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**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**ALLEGIANCE STEAM ACADEMY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Allegiance STEAM Academy
Chino, California

Report on the Financial Statements

We have audited the accompanying financial statements of Allegiance STEAM Academy (the Academy), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of the Academy as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2020 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 7, 2020

**ALLEGIANCE STEAM ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,521,677
Accounts Receivable - Federal and State	1,500,942
Accounts Receivable - Other	14,076
Prepaid Expenses and Other Assets	63,901
Total Current Assets	<u>3,100,596</u>

Total Assets	<u><u>\$ 3,100,596</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 466,843
Total Current Liabilities	<u>466,843</u>

LONG-TERM LIABILITIES

Notes Payable	639,910
Total Long-Term Liabilities	<u>639,910</u>

Total Liabilities	1,106,753
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NET ASSETS

Without Donor Restriction	1,993,843
Total Net Assets	<u>1,993,843</u>

Total Liabilities and Net Assets	<u><u>\$ 3,100,596</u></u>
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See accompanying Notes to Financial Statements.

**ALLEGIANCE STEAM ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restriction	With Donor Restriction	Total
REVENUES			
State Revenue:			
State Aid	\$ 4,180,262	\$ -	\$ 4,180,262
Other State Revenue	508,429	-	508,429
Federal Revenue:			
Grants and Entitlements	369,597	-	369,597
Local Revenue:			
In-Lieu Property Tax Revenue	1,426,391	-	1,426,391
Other Revenue	13,872	-	13,872
Contributions	30,810	-	30,810
Total Revenues	6,529,361	-	6,529,361
EXPENSES			
Program Services	4,560,272	-	4,560,272
Management and General	659,804	-	659,804
Total Expenses	5,220,076	-	5,220,076
CHANGE IN NET ASSETS	1,309,285	-	1,309,285
Net Assets - Beginning of Year	684,558	-	684,558
NET ASSETS - END OF YEAR	\$ 1,993,843	\$ -	\$ 1,993,843

See accompanying Notes to Financial Statements.

**ALLEGIANCE STEAM ACADEMY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 1,309,285
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Change in Operating Assets:	
Accounts Receivable - Federal and State	(718,031)
Accounts Receivable - Other	(14,076)
Prepaid Expenses and Other Assets	(2,102)
Change in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	29,444
Net Cash Provided by Operating Activities	604,520

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Debt	854,595
Repayments of Debt	(464,685)
Net Cash Provided by Financing Activities	389,910

NET CHANGE IN CASH AND CASH EQUIVALENTS

994,430

Cash and Cash Equivalents - Beginning of Year

527,247

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,521,677

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest	\$ 20,379
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See accompanying Notes to Financial Statements.

**ALLEGIANCE STEAM ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services	Management and General	Total Expenses
Salaries and Wages	\$ 2,642,353	\$ 316,495	\$ 2,958,848
Pension Expense	460,100	54,258	514,358
Other Employee Benefits	215,854	25,855	241,709
Payroll Taxes	83,586	10,012	93,598
Management Fees	226,674	164,446	391,120
Legal Expenses	-	20,555	20,555
Accounting Expenses	-	19,195	19,195
Instructional Materials	243,436	-	243,436
Other Fees for Services	91,481	234	91,715
Office Expenses	66,083	12,122	78,205
Information Technology Expenses	52,903	6,337	59,240
Occupancy Expenses	79,588	9,500	89,088
Travel Expenses	1,473	-	1,473
Interest Expense	18,199	2,180	20,379
Insurance Expense	47,965	5,745	53,710
Other Expenses	330,577	12,870	343,447
	<u>\$ 4,560,272</u>	<u>\$ 659,804</u>	<u>\$ 5,220,076</u>
Total			

See accompanying Notes to Financial Statements.

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Allegiance STEAM Academy (the Academy) is a nonprofit public benefit corporation under the laws of the state of California for the purpose of managing and operating public charter school located in Chino. The Academy is economically dependent on state and federal funding.

The charter may be revoked by the Chino Valley Unified School District for material violations of the charter, failure to meet pupil outcomes identified in the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Basis of Presentation

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

Basis of Accounting

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

Use of Estimates

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

Functional Allocation of Expenses

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

Cash and Cash Equivalents

The Academy defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

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

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

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

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2020. Management believes that all receivables are fully collectible; therefore, no provisions for uncollectible accounts were recorded.

Revenue Recognition

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

Contributions

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

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the Academy has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. The Academy did not have any conditional grants as of June 30, 2020.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the Academy. Full-time employees accrue one day of paid vacation per month of work. A maximum of 12 days of vacation may be accrued.

Income Taxes

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

Property Taxes

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

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenues from Contracts with Customers* (Topic 606). The update establishes the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those good or services. The Academy has early adopted the implementation of ASU 2014-09 under the full retrospective approach. There was no material impact on the Academy's financial position and results of operations upon adoption of the new standard.

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities* (Topic 958) – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional. The Academy has implemented ASU 2018-08 under the modified prospective approach. There was no material impact on the Academy's financial position and results of operations upon adoption of the new standard.

Evaluation of Subsequent Events

The Academy has evaluated subsequent events through December 7, 2020, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures as of June 30, 2020 consisted of the following:

Cash and Cash Equivalents	\$ 1,521,677
Accounts Receivable - Federal and State	1,500,942
Accounts Receivable - Other	14,076
Financial Assets Available for General Expenditure	<u>\$ 3,036,695</u>

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

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 CONCENTRATION OF CREDIT RISK

The Academy maintains an interest bearing cash account with a financial institution. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC). At times, cash in this account exceeds the maximum insured amount. The Academy has not experienced any losses regarding this account and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

NOTE 4 EMPLOYEE RETIREMENT

State Teachers' Retirement System (STRS)

Plan Description

The Academy contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2019 total STRS plan net assets are \$273 billion, the total actuarial present value of accumulated plan benefits is \$392 billion, contributions from all employers totaled \$5.6 billion, and the plan is 66% funded. The Academy did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826 and www.calstrs.com.

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 9.205% of their salary. The Academy is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. Under the 2014 funding plan, employer contributions on compensation creditable to the program will increase every year for the next seven years, up to 19.10% in 2020-21. The required employer contribution rate for year ended June 30, 2020 was 17.10% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The Academy's contributions to STRS are as follows:

<u>Year Ending June 30,</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
2019	\$ 243,536	100%
2020	\$ 345,379	100%

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 EMPLOYEE RETIREMENT (CONTINUED)

Public Employees' Retirement System (PERS)

Plan Description

The Academy contributes to the Academy Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by CalPERS. Plan information for PERS is not publicly available the plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. According to the most recently available Actuarial Valuation Report for the year ended June 30, 2019, the Academy Employer Pool total plan assets are \$68 billion, the present value of accumulated plan benefits is \$97 billion, contributions from all employers totaled \$2.5 billion, and the plan is 70% funded. The Academy did not contribute more than 5% of the total contributions to the plan.

Copies of the CalPERS' annual financial reports may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814 and www.calpers.ca.gov.

Funding Policy

Active plan members brought into PERS membership prior to January 1, 2013 are required to contribute 7.0% of their salary while new members after January 1, 2013 are required to contribute 6.5%. The Academy is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for year ended June 30, 2020 was 19.721%. The contribution requirements of the plan members are established and may be amended by state statute.

The Academy's contributions to PERS are as follows:

<u>Year Ending June 30,</u>	<u>Contribution</u>	<u>Contributed</u>
2019	\$ 117,455	100%
2020	\$ 168,979	100%

NOTE 5 FUNCTIONALIZED EXPENSES

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

**ALLEGIANCE STEAM ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 LONG-TERM DEBT

On May 9, 2020 the Academy received a loan from Citizens Business Bank in the amount of \$639,000 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within ten months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Academy will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in August 2021 principal and interest payments will be required through the maturity date in May 2022. At June 30, 2020, the entire loan amount was outstanding.

NOTE 7 CONTINGENCIES, RISKS, AND UNCERTAINTIES

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

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year-end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Academy, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the Academy is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

SUPPLEMENTARY INFORMATION

**ALLEGIANCE STEAM ACADEMY
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2020**

The Academy was established in May 2018, and granted its charter through Chino Valley Unified District (the District) and its charter school status from the California Department of Education in June 2018. The charter may be revoked by the District for material violations of the charter, failure to meet or make progress toward student outcomes, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Charter School number authorized by the State: 1945

The board of directors and the administrator as of June 30, 2020 were as follows:

BOARD OF DIRECTORS

<u>Member</u>	<u>Office</u>	<u>Term Expires (term)</u>
Samantha Odo	Chair	June 2021 – 3 years
Marcilyn Jones	Secretary	June 2020 – 3 years
Jason Liso	Treasurer	June 2020 – 3 years
Troy Stevens	Member	June 2021 – 3 years
Claudia Reynolds	Member	June 2020 – 3 years

ADMINISTRATOR

Sebastian Cognetta	Chief Executive Officer
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**ALLEGIANCE STEAM ACADEMY
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2020**

	Instructional Minutes		Credited Minutes COVID-19 School Closure Certification	Total Actual Plus Credited Minutes	Traditional Calendar Days	Credited Days COVID-19 School Closure Certification	Total Actual Plus Credited Days	Status
	Requirement	Actual						
Kindergarten	36,000	26,855	9,430	36,285	131	46	177	In compliance
Grade 1	50,400	44,215	15,470	59,685	131	46	177	In compliance
Grade 2	50,400	44,215	15,470	59,685	131	46	177	In compliance
Grade 3	50,400	43,205	15,120	58,325	131	46	177	In compliance
Grade 4	54,000	43,205	15,120	58,325	131	46	177	In compliance
Grade 5	54,000	43,205	15,120	58,325	131	46	177	In compliance
Grade 6	54,000	45,225	15,820	61,045	131	46	177	In compliance
Grade 7	54,000	47,957	16,777	64,734	131	46	177	In compliance
Grade 8	54,000	47,957	16,777	64,734	131	46	177	In compliance

See the Auditors' Report and Notes to the Supplementary Information

**ALLEGIANCE STEAM ACADEMY
SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2020**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grades TK/K-3	369.55	375.73	369.55	375.73
Grades 4-6	172.48	174.45	172.48	174.45
Grades 7-8	85.93	86.52	85.93	86.52
ADA Totals	627.96	636.70	627.96	636.70

See the Auditors' Report and Notes to the Supplementary Information

**ALLEGIANCE STEAM ACADEMY
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

June 30, 2020 Annual Financial Report Fund Balances (Net Assets)	\$ 2,001,296
Adjustments and Reclassifications:	
Increase (Decrease) of Fund Balance (Net Assets):	
Accounts Receivable - Federal and State	(9,146)
Accounts Payable and Accrued Liabilities	1,693
Net Adjustments and Reclassifications	<u>(7,453)</u>
June 30, 2020 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 1,993,843</u>

See the Auditors' Report and Notes to the Supplementary Information

**ALLEGIANCE STEAM ACADEMY
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

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

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the Academy. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

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



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

Board of Directors
Allegiance STEAM Academy
Chino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Allegiance STEAM Academy (the Academy), a nonprofit California public benefit corporation, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Glendora, California
December 7, 2020



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Allegiance STEAM Academy
Chino, California

We have audited Allegiance STEAM Academy (the Academy) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2020. The Academy's state compliance requirements are identified in the table below.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Academy's compliance based on our audit of the types of compliance requirements referred to below. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on state compliance. Our audit does not provide a legal determination of the Academy's compliance.

Compliance Requirements Tested

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

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not applicable
Before and After School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes

<u>Description</u>	<u>Procedures Performed</u>
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-based instructional/independent study	No ¹
Determination of funding for nonclassroom-based instruction	Not applicable
Annual instructional minutes – classroom based	Yes
Charter School Facility Grant Program	Not applicable

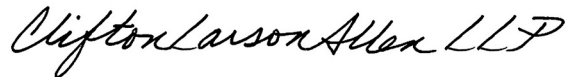
¹ Nonclassroom-based ADA was under the threshold that required testing.

Opinion on State Compliance

In our opinion, the Academy complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2020.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 7, 2020

**ALLEGIANCE STEAM ACADEMY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

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

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

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* or the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**ALLEGIANCE STEAM ACADEMY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020**

There were no findings and questioned costs related to the basic financial statements or state awards for the prior year.



In-Person Instruction Health and Safety Policy

The Board of Directors recognizes that providing in-person instruction is a priority of the school and supported by guidance provided by the California Department of Public Health (CDPH), the San Bernardino County Department of Public Health (SBCDPH), and the Chino Valley Unified School District (CVUSD). The CEO or designee shall ensure that all plans, protocols, and procedures pertaining to in-person instruction during the COVID-19 pandemic adhere to current guidelines.

Health Guidelines

As appropriate and pertinent to the goals of the school, Allegiance STEAM Academy enforces current health guidelines as requirements for staff and students when participating in in-person instruction.

The CEO or designee shall communicate relevant updates to all stakeholders, including students, families, and staff.

Adopted: